

# Property Analytix, LLC Appraisal Report



**Subject Property:**  
Apartment Site & Industrial Park Land

**Subject Property Location:**  
1221 Hillcrest Avenue  
Durant, OK 74701

**Prepared For:**  
David Rulien  
SG Blocks

**Effective Date of Appraisal:**  
August 24, 2022 "As Is"

August 24, 2022

David Rulien  
SG Blocks  
5011 Gate Parkway, Building 100, Suite 100  
Jacksonville, Florida 32256

Reference: Appraisal of an Apartment Site and Industrial Business Park Land, located at 1221 Hillcrest Avenue Durant, OK 74701. Client File #1221 Hillcrest Apartment and Industrial Land.

Dear David Rulien,

At your request, we have completed an appraisal for the purpose of determining the of the “As Is” Market Value of the Fee Simple Estate in the above-referenced property. The effective date for the “As Is” Market Value is October 5, 2021, which is the date the appraiser viewed the subject property.

The subject property includes an Apartment Site on 871,200 square feet or 20.000 acres of land and Industrial Business Park Land with a total of 4,059,705 square feet or 93.198 acres of land of land. A detailed description of the subject property is included in the Site and Improvements Analysis sections of this report.

The client for this report is SG Blocks. The client represents that they intend to use the appraisal report for asset valuation purposes.

Multifamily Research prepared a May 24, 2022 Market Study to evaluate the subject site for apartment development and came to the following conclusions:

We feel that there is excellent potential for the development of a new, garden apartment project on the site. The household incomes in the area are good and will allow for a rent structure of up to \$1,550 with an average rent of \$1,337. We recommend the development of up to 155 units in a 3-story walk-up product.

Based on the performance of Phase I, additional units could be constructed with a different mix that could include 3-bedroom units. We recommend developing a product that does not target the luxury renter, but the amenities and finishes need to be strong enough to draw renters from other more developed communities. The primary target market will be focused on price (rent) and value. Due to the somewhat isolated area surrounding the site and the fact that many workers could be working night shifts, security is a big concern. To overcome any objections, we recommend that there be gated access, keyless entry, security cameras and close-in parking. In addition to these amenities, we recommend the following:

- Covered Parking Options
- Fully-Equipped Wellness Center
- On-line Payment
- Outdoor kitchens with Gas Grills
- Pool
- Full size Washer and Dryers Provided
- USB Charging Outlets
- Spacious Closets
- Stainless Appliances

- Luxury Vinyl Plank Flooring
- Balconies or Patios
- Dog Park
- Gated Access
- Keyless Entry
- Parcel Lockers
- Outdoor Recreational Area
- On-site Storage Area

SG Blocks will develop a 3-Phase 350 Unit Multifamily housing complex on the site. There is only one existing apartment complex in Durant that could even remotely compare to a new apartment complex on the site. Rather than using apartment land sales from Dallas-Fort Worth and Oklahoma City, the appraiser conducted the sales comparison, income and cost approaches on the proposed apartment complex to provide a land residential value that is appropriate for this market and new construction.

Hudson Peters Commercial on December 17, 2021 started a market study report of an approximate 113-acre site in Durant, Oklahoma to evaluate the prospects for industrial development on a portion of the site and concluded:

The site is under contract from Durant Industrial Authority and is described by DIA as a State Certified Site Ready with Heavy Industrial zoning (I-1). There is a clean Phase 1 Environmental Site Assessment. This site is in the “East” Durant Industrial Park. This site is currently virgin agricultural land that is located within the city limits of Durant. This industrial site is located within one mile of the Highway 70 Bypass and Highway 67/ 75.

Currently, 100% owned by SG Blocks, who will develop, operate and own a 120,000 square foot pre-fab construction factory. The other 560,000 SF of manufacturing will be built to suit. As there are no local sales of 93.198 acres of land proposed for a 120,000 square foot build-to-suit and multiple industrial buildings, sales extending throughout multiple states were undertaken.

These reports are deemed reliable and incorporated via reference and the appraiser urges the reader to review these reports. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice. The value conclusion is subject to the assumptions and contingent and limiting conditions contained within both the body of this Appraisal Report and the addenda section.

### **Extraordinary Assumptions:**

- Considering the retrospective nature of this appraisal report, the appraisers were unable to view the subject and comparable properties on the effective date. Thus, certain assumptions, such as condition, etc., on that date are unavoidable. The conclusions formed within this report are based on the extraordinary assumption that the characteristics of the subject and comparable properties were as described on the appraisal district's records, as of the effective date of this report (a retrospective date).

### **Hypothetical Conditions:**

- There are no Hypothetical Conditions for this appraisal.

*The use of any extraordinary assumptions or hypothetical conditions might have affected the assignment results herein.*

Based on our investigation of the available market data, including sales of similar properties and conversations with brokers and individuals active in the local area, the time that would be required to effectively expose the subject property to the market is within 12 months.

The values concluded herein are specifically contingent upon the basic assumptions and limiting conditions listed within the body of this report.

Market Value Conclusion			
<u>Appraisal Premise</u>	<u>Interest Appraised</u>	<u>Date of Value</u>	<u>Value Conclusion</u>
"As Is" Market Value – Apartment Site	Fee Simple Estate	August 24, 2022	\$3,700,000
"As Is" Market Value – Industrial Business Park	Fee Simple Estate	August 24, 2022	\$16,240,000

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

Respectfully submitted,  
**Property Analytix, LLC**



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Michael L. Miller, MAI  
13006CGA  
Certified General Real Estate Appraiser



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### Executive Summary

Property Type	Automotive
Property Sub Type	Apartment Site and Industrial Business Park Land
Location	1221 Hillcrest Avenue
County, City, State	Bryan County, Durant, OK
Tax Parcel Number	0000-33-06S-09E-4-020-00, 0000-33-06S-09E-4-028-00
Interest Appraised	Fee Simple
Date of Valuation	August 24, 2022
Date of Report	August 24, 2022
Land Size (SF)	The subject property includes an Apartment Site on 871,200 square feet or 20.000 acres of land and Industrial Business Park Land with a total of 4,059,705 square feet of land.
Utilities	All Available
Zoning	Residential, Apartment, Industrial


### Value Conclusions

	<u><b>Apartment Site</b></u>	<u><b>Industrial Park Land</b></u>
	Residual Land Value	Sales Comparison Analysis
Cost Approach	N/A N/A	
Sales Comparison Approach	\$ 3,715,000	\$16,240,000
Income Approach	\$ 3,600,000	N/A
<b>"As Is" Market Value</b>	<b>\$ 3,700,000</b>	<b>\$16,240,000</b>
Estimated Marketing Time (Months)	12	
Estimated Exposure Time (Months)	12	

## CERTIFICATION OF APPRAISAL

I certify that, to the best of our knowledge and belief...

- (1) The statements of fact contained in the report are true and correct.
- (2) The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and is our personal, impartial and unbiased professional analyses, opinions and conclusions.
- (3) I have no present or prospective interest in the property that is the subject of this analysis, and we have no personal interest with respect to the parties involved.
- (4) I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- (5) Compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or use of, this report, or upon developing or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. Our engagement in this assignment is not contingent upon developing or reporting predetermined results.
- (6) The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- (7) Michael L. Miller, MAI has viewed the subject property.
- (8) No one provided significant real property appraisal assistance to the persons signing this report.
- (9) This assignment was not based on a requested minimum value, a specific valuation, or the approval of a loan.
- (10) Michael L. Miller, MAI are designated Members of the Appraisal Institute, and have completed the continuing education requirements of the Appraisal Institute.
- (11) The use of this report is subject to the requirements of the Appraisal Institute relating to review by their duly authorized representatives.
- (12) The appraiser signing this report has not previously performed services as an appraiser or in any other capacity, regarding the subject within the three-year period immediately preceding the acceptance of this assignment.



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Michael L. Miller, MAI  
13006CGA  
Certified General

## SCOPE OF WORK

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

- identify the problem to be solved;
- determine and perform the scope of work necessary to develop credible assignment results; and
- disclose the scope of work in the report.

The problem to be solved is to determine the “As Is” Market Value of the Fee Simple Estate for the subject property.

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

This Appraisal Report has been prepared under Standards Rule 2-2(a) of an appraisal performed under Standards Rule 1 of USPAP. The value set forth herein was determined after application and analysis by the following approaches to value: residual land value and sales comparison approach. The scope of work defined herein is adequate to derive a credible value opinion of the subject property.

This appraisal report presents all pertinent data, descriptions, and discussions germane to the appraisal of the subject of this report. This appraisal included a viewing of the interior and exterior of the subject of this report and an analysis of the surrounding neighborhood with recognition of existing and future trends. Empirical information in the Area Data and Neighborhood Data was gathered from reliable sources, including governmental agencies, various internet websites, and the Enriched Data market research department.

Data was gathered based on a review of county deed records, conversations with brokers in the market area, and various online research databases. All sales and rental information were verified with reliable sources.

The client and/or designated property contact granted the appraisers access to the subject property and provided information regarding the property.

A copy of this report and the provided subject information has been retained in our files.

### **Competency of the Appraisers**

All signatories of this report are State Certified General Real Estate Appraisers. Each appraiser has appraised properties similar to the subject. Attention is invited to the qualifications, presented in the addenda of this report.

### **Intended Use and Users**

The client represents that they intend to use the appraisal report for asset valuation purposes, and for no other purpose. The client represents that they intend to use the appraisal report for asset valuation purposes, and for no other purpose.



### **Date of the Appraisal Report**

The preparation of this appraisal report was completed on August 24, 2022

### **Effective Date of the Appraisal**

The descriptions, analyses, and conclusions of this report for the “As Is” Market Value of subject property are applicable as of August 24, 2022. The appraiser visited the site October 5, 2021.

### **Assignment Conditions**

Assignment conditions include assumptions that affect the scope of work, other than those previously discussed in the “Assumptions and Limiting Conditions.” *For the intended use of this assignment, there are no additional assignment conditions.*

### **Property Rights Appraised**

The property rights appraised in this assignment are the Fee Simple Estate in the subject property. No title policy was submitted to the appraiser and reservations, if any, are unknown. If property rights differ from the above definitions, the value may be affected.

### **Purpose of Appraisal**

The purpose of the appraisal is to determine the "As Is" Market Value of the Fee Simple Interest of the subject property.

### **Assets Appraised**

The assets appraised in this appraisal assignment include land and building/site improvements only. No inventory or FF&E were included in the valuation process. No personal property was included in the valuation process.

### **Ownership History of Subject Property**

Based on Information obtained from the client, various recognized published data sources and / or the county assessor's records, the subject property ownership history included a purchase of the subject property for \$893,785. Subsequently, SG Blocks entitle the property for development and SG will develop, operate and own a 120,000 square foot factory. The other 560,000 SF of manufacturing will be built to suit. SG will also develop a 3-Phase 350-Unit Multifamily housing complex.

### **Legal Description**

A metes and bounds legal description of the subject property was not provided to the appraisers. A legal description was obtained from the County Appraisal District's online system and is included in the addenda of this report.

## AREA DATA

Durant is a city in Bryan County, Oklahoma, United States and serves as the headquarters of the Choctaw Nation of Oklahoma. The population was 15,856 at the 2010 census. Durant is the principal city of the Durant Micropolitan Statistical Area, which had a population of 42,416 in 2010. Durant ranks as the second largest city within the Choctaw Nation, following McAlester, and ahead of Poteau. Durant is also part of the Dallas–Fort Worth Combined Statistical Area, anchoring the northern edge.

The city was founded by Dixon Durant, a Choctaw who lived in the area, after the MK&T railroad came through the Indian Territory in the early 1870s. It became the county seat of Bryan County in 1907 after Oklahoma statehood.

Durant is home to Southeastern Oklahoma State University and the headquarters of the Choctaw Nation. The city is officially known as the Magnolia Capital of Oklahoma. The city and its micropolitan are a major part of the Texoma region.

The Durant Downtown Historic District is listed on the National Register of Historic Places. Another important part of Durant's economy is the city's historic central business district and the retail district. In the past few years, downtown Durant has seen growth, renewal projects such as streetscaping, and new businesses arriving. Durant has a Main Street program. The retail district is west of downtown, at the intersection of U.S. 69/75 and U.S. 70, and is Durant's fastest growing area.

### Economy

Durant was ranked as the fastest growing rural city in Oklahoma in 2004, having the fastest growth rate outside of the Oklahoma City and Tulsa metropolitan areas.

Durant's daytime population increases to approximately 20,000 people. The city has a pull factor of 1.8–2.1 times its population and was named an All-American City finalist for 2006.

Since 1999, the Durant Economic Development Department, the Durant Industrial Authority and the City of Durant have developed over \$600,000,000 in new investments to the city.

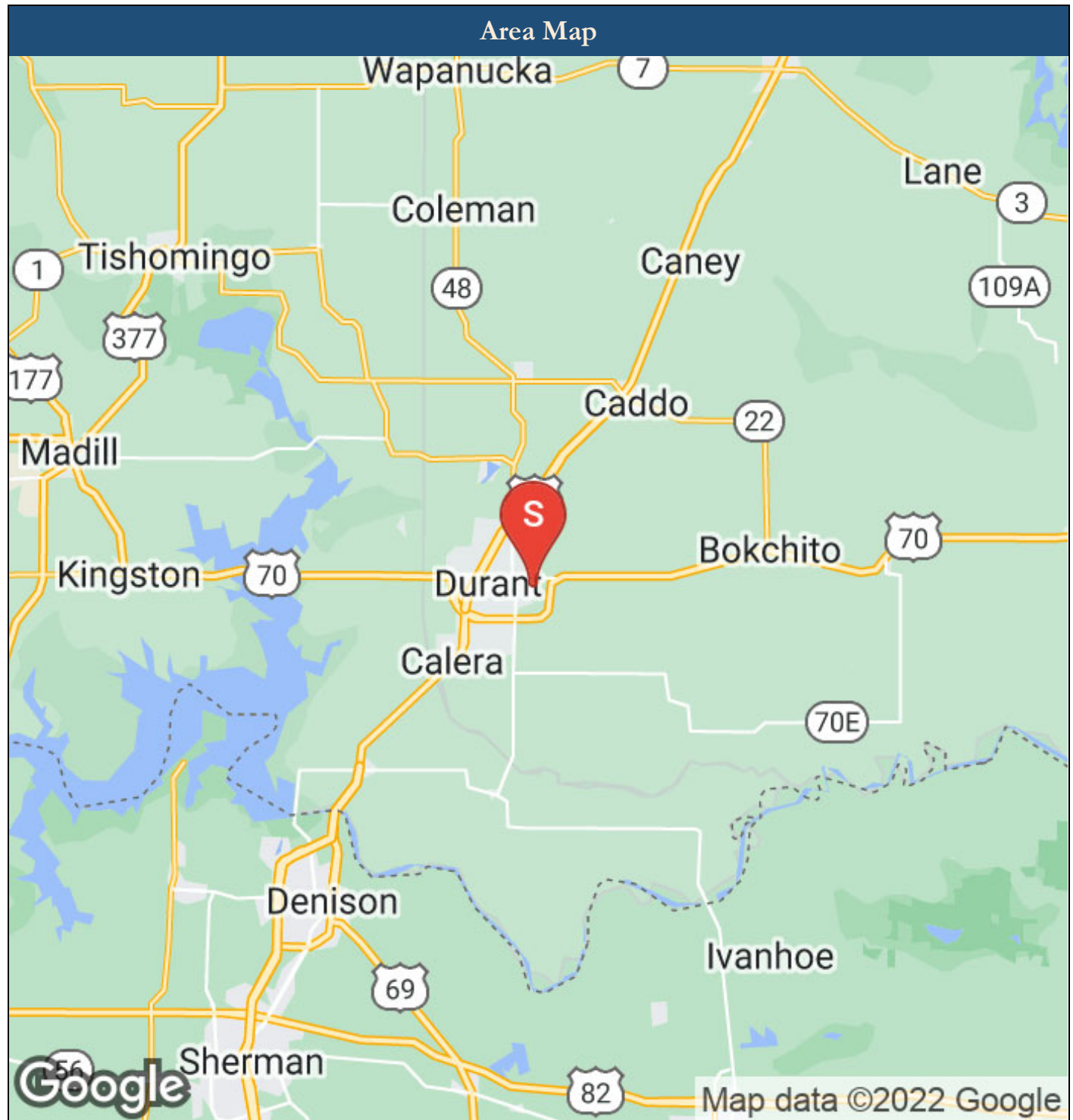
Durant currently leads the state in economic development. One of the city's strongest industries is tourism; attractions include Lake Texoma, the Choctaw Casino Resort, and Fort Washita. Manufacturing and distribution are growing industries in Durant with several factories being constructed and planned.

### North Building of Choctaw Casino Resort

The largest employer in Durant is the Choctaw Nation of Oklahoma, including the Choctaw Nation Headquarters and the Choctaw Casino Resort, which has two Choctaw Travel Plazas, two Choctaw casinos, the Choctaw Inn, and more facilities that are located in the resort. Over 5,400 people work for the Choctaw Nation in Durant. Though the capital of the Choctaw Nation is recognized as being Tuskahoma, the administrative offices are located in Durant.

Big Lots has a 1,200,000 sq ft (110,000 m<sup>2</sup>). distribution center in Durant that began operating in January 2004.

Durant is home to the headquarters of First United Bank, one of the largest privately owned banks in the United States, and First Texoma National Bank. Indian Nation Wholesale, also headquartered in Durant.



## NEIGHBORHOOD DATA

A neighborhood can be a portion of a larger community, or an entire community in which there is a homogeneous group of inhabitants, buildings, and business enterprises in which inhabitants have a more than casual community interest and a similarity of economic levels or cultural backgrounds. Neighborhood boundaries may consist of well-defined natural or manmade barriers or they may be more or less well defined such as by distinct change in land uses.

Neighborhoods may be devoted to such uses as residential, commercial, industrial, agricultural, cultural and civic activities, or a mixture of uses. Analysis of the neighborhood in which a particular property is located is important due to the fact that the various economic, social, political, and physical forces which affect that neighborhood also directly include the individual properties within it. An analysis of the various factors as they affect the value of the subject property is presented in the following discussion.

### Subject's Neighborhood Defined

The neighborhood is roughly the city limits of Durrant. These boundaries have been defined as the subject's neighborhood because the properties within them tend to exhibit similar characteristics, physical features, price desirability, and they are affected by similar physical, economic, governmental and social force

Population	
Population Estimates, July 1 2021, (V2021)	△ 19,088
Population estimates base, April 1, 2020, (V2021)	△ 18,580
Population, percent change - April 1, 2020 (estimates base) to July 1, 2021, (V2021)	△ 2.7%
Population, Census, April 1, 2020	18,589
Population, Census, April 1, 2010	15,856

### Accessibility

The subject neighborhood has good accessibility to the metropolitan area's transportation infrastructure.

### Development and Land Use Patterns

The neighborhood is a viable, heterogeneous area within Bryan County. The neighborhood includes a mixture of retail/commercial, industrial and residential development. The neighborhood also includes tracts of vacant land. Retail/commercial development in the neighborhood includes hotels, retail centers, restaurants and freestanding retail buildings. Retail/commercial development is concentrated along the primary thoroughfares in the neighborhood. Residential development is scattered throughout the neighborhood, predominantly along secondary thoroughfares. Industrial development is located along primary and secondary roadways in the subject neighborhood, on freestanding sites and within industrial parks. Overall, the subject neighborhood is established, with new development and redevelopment occurring.

### Utilities

Public utilities available to the market are include water, electricity, gas, and telephone All Available Police and fire protection is provided via the City. The local market is served by the Independent School District, with schools of all levels located throughout the area.



### Trends

The neighborhood is mature in nature and is experiencing stable property values similar to most other urban areas in Bryan County. Given the characteristics of the subject's neighborhood (including its development composition, adequate recreational, educational, and cultural facilities, and access to major transportation routes), the outlook for the area is positive.

### Summary

In conclusion, the local market is adequately-located with average accessibility to major thoroughfares, surrounding communities, as well as area employment centers. Well-maintained and well-managed properties are expected to maintain healthy occupancy and rental rates. The subject's local market has a stable influence on the subject property being appraised.



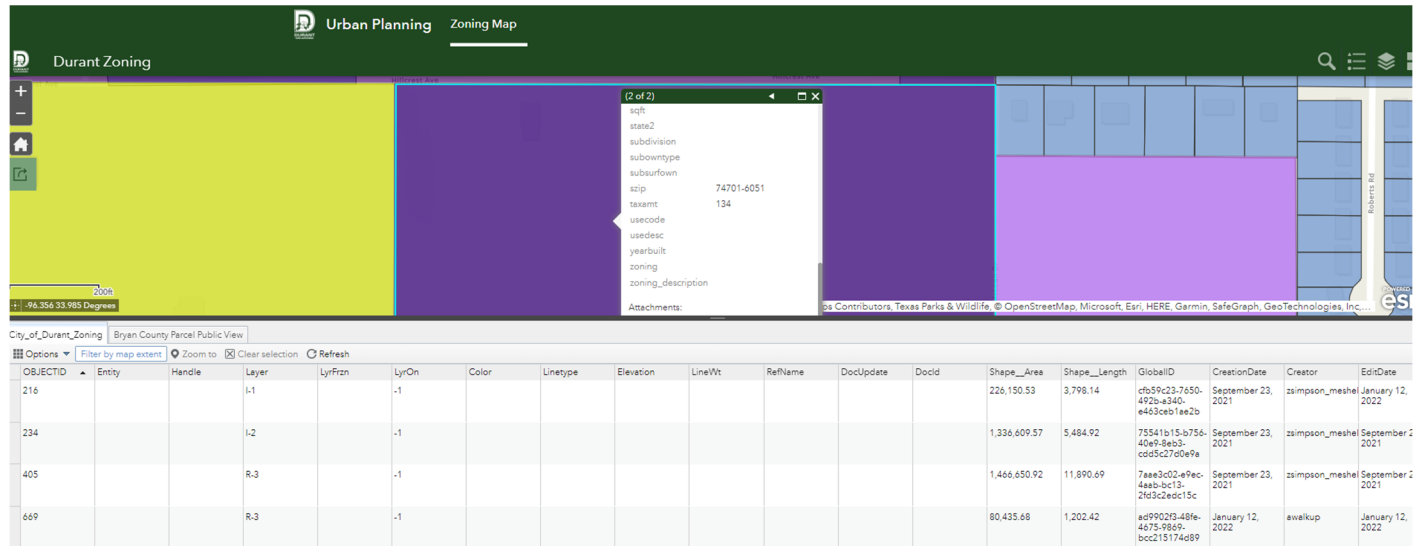
**SITE DATA**

The following is a description of the physical characteristics of the subject site. A plat map, an aerial map and a flood plain map of the subject site follow this site analysis section.

Site Data	
Tax Account Numbers	0000-33-06S-09E-4-020-00, 0000-33-06S-09E-4-028-00
Physical Address	1221 Hillcrest Avenue
City, State, Zip Code	Durant, OK, 74701
County	Bryan County
Legal Description	SEC:33 SEC/TWN/RNG/MER:SEC 33 TWN 06S RNG 09E SEC 33-6-9 BEG 185'S & 290'E OF CENTER LINE OF SEC 33, E260',N TO S LINE OF HWY, W TO A PT 315' FROM CENTER SEC,SW TO POB and SEC 33-6-9 S@SESE & ALL THAT PT OF SWSE LYING N & E OF A&C RR ROW LESS & A ROADWAY & UTILITY EASEMENT DES S FOLLOWS N80' W60' SWSE 55.25 Acres
Land Size	The subject property includes an Apartment Site on 871,200 square feet or 20.000 acres of land and Industrial Business Park Land with a total of 4,059,705 square feet or 93.198 acres of land.
Shape	Rectangular
Topography	Level
Zoning	Residential, Apartment, Industrial
Flood Zone	X
Utilities	All Available

**Zoning and Restrictions**

The subject property is within an area which does employ Residential, Apartment, Industrial zoning. While individual subdivisions often use deed restrictions to regulate development, the appraiser was not provided a copy of any applicable deed restrictions, and the value conclusions are subject to revision should any unknown adverse deed restrictions be present that are detrimental to the subject site.



## Utilities

The table below summarizes the availability of utilities at the subject site and the utility providers (if available).

Utilities	
Water	Yes
Sewer	Yes
Electricity	Yes
Telephone	Yes

## Flood Zone

For additional details regarding the subject's flood zone designation, please refer to the flood map and FEMA Flood Zone Designations overview that follow this Site Analysis section.

## Surrounding Development

The surrounding development immediately around the subject property consists of typical mixed-use suburban development.

## Easements/Encroachments

Based on the observation and reviews of available maps no easements, or encroachments were noted which would be detrimental to continued use of the site.

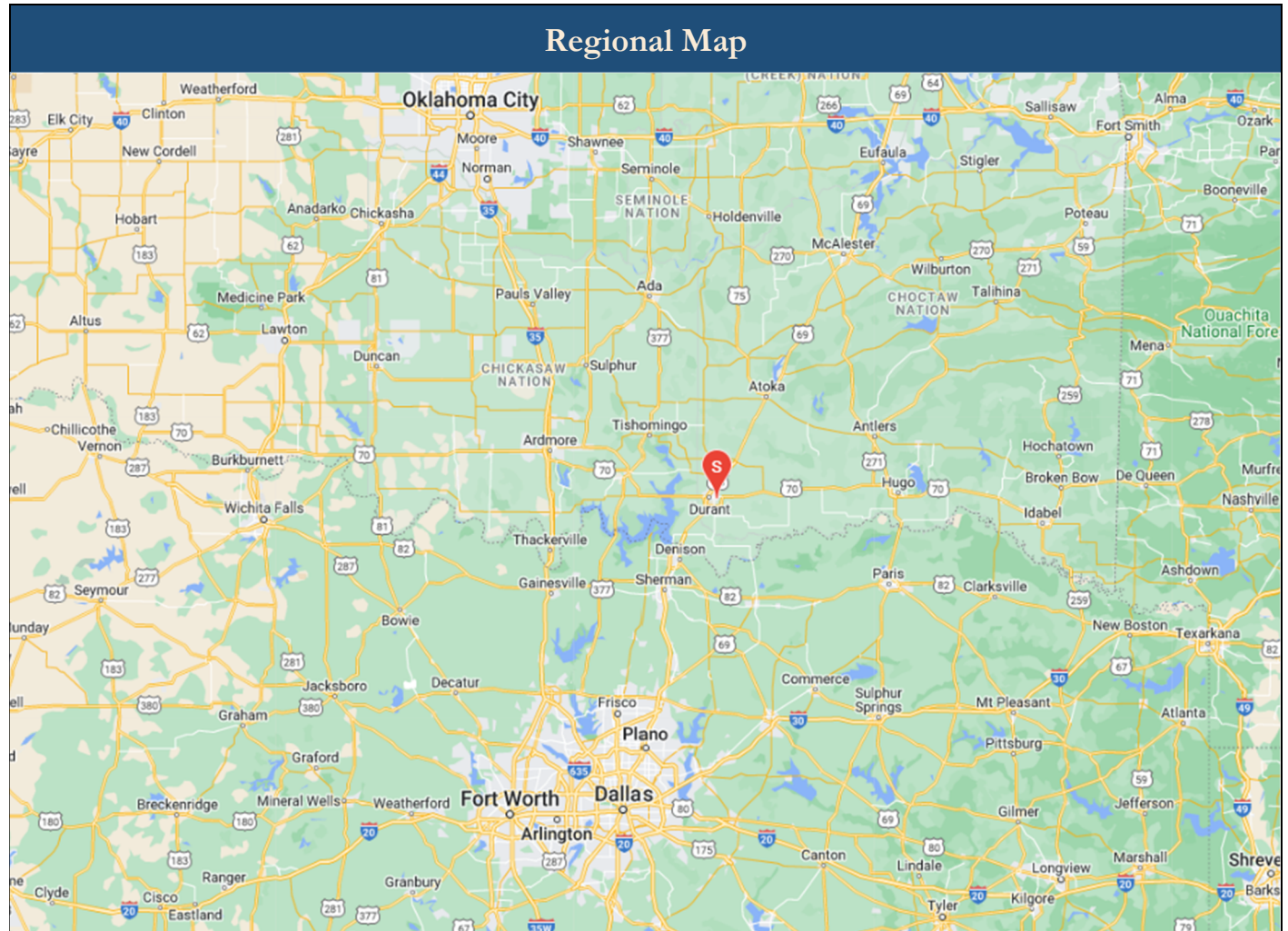
## Environmental Conditions

No environment report was available to us and no recent environmental tests are known have been performed. Because we have no evidence to the contrary, we have assumed that the property is free of any material which would adversely affect the value, including, but not limited to, asbestos and toxic waste

## Soil and Sub-soil Conditions

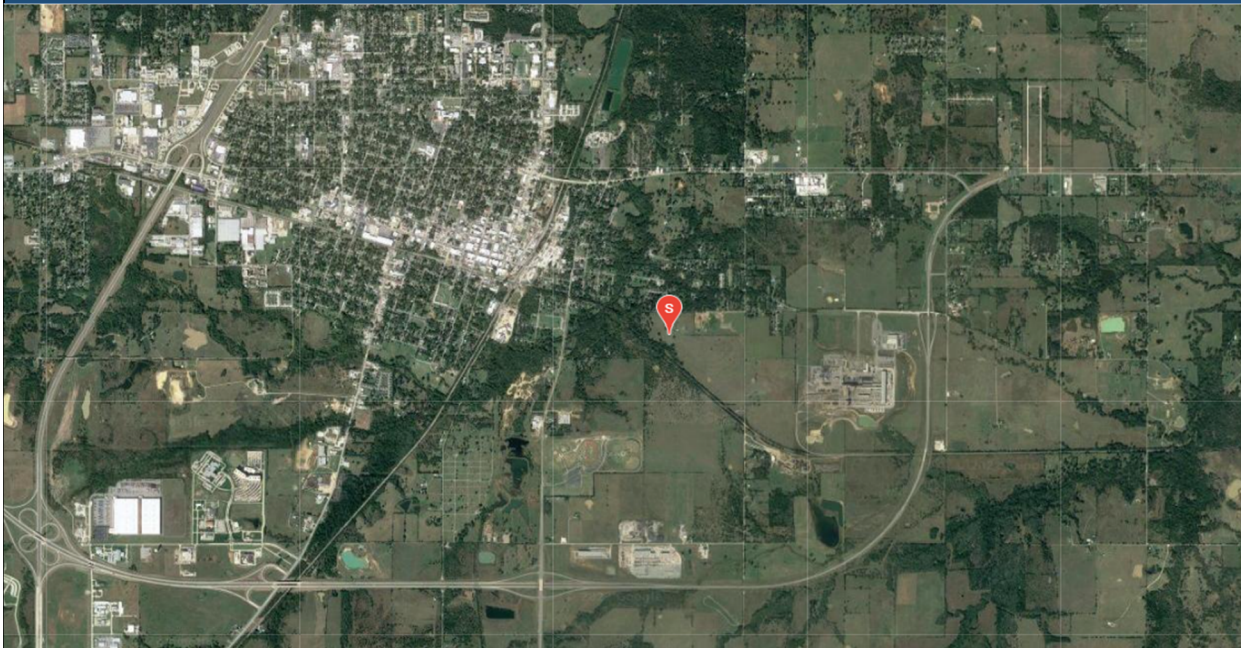
No soil engineer's report was available to us and no recent soil tests are known to have been performed. We have assumed a stable soil condition that would ensure the structural integrity of any improvement which may be constructed. Our value conclusions are subject to revision should these assumptions prove incorrect. We caution

and advise the user of this report to obtain engineering studies which may be required to ascertain any structural integrity.

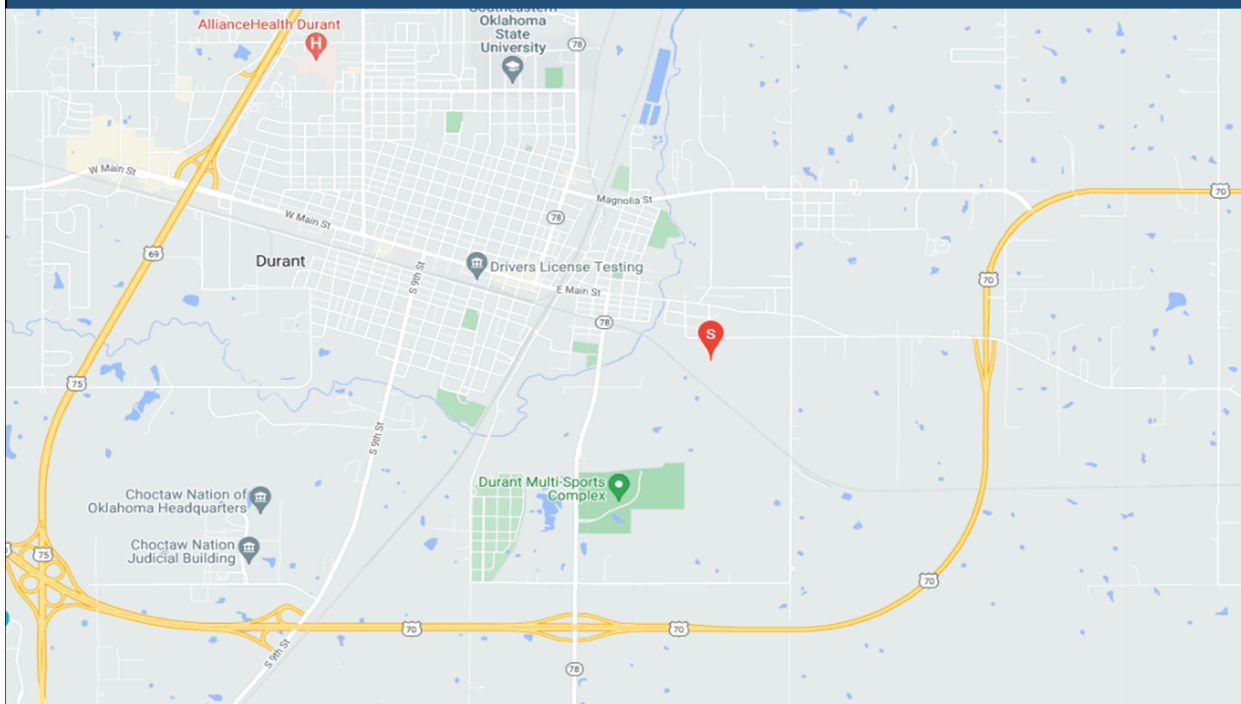




## Aerial Map



## Street Map



**FEMA Flood Zone Designations**

<u>Zone</u>	<u>Description</u>
C and X (unshaded)	Area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level. Zone C may have ponding and local drainage problems that don't warrant a detailed study or designation as base floodplain. Zone X is the area determined to be outside the 500-year flood and protected by levee from 100-year flood.

## REAL ESTATE TAXES

The subject property is located in Harris County. The County Appraisal District maintains the following account number(s) for the subject property: 0000-33-06S-09E-4-020-00 and 0000-33-06S-09E-4-028-00. The assessor is only assessing the 020 parcel now, but upon completion of the apartments will provide a separate assessment.

Historical Assessments				
<u>Assessment Year</u>	<u>Land Assessment</u>	<u>Improvement Assessment</u>	<u>Total Assessed Value</u>	<u>Market Value</u>
2020	\$ 646	\$ 7,089	\$ 7,735	\$ 70,313
2019	\$ 646	\$ 7,089	\$ 7,735	\$ 70,313
2018	\$ 646	\$ 7,089	\$ 7,735	\$ 70,313

The proposed apartment complex, based on it's approximate market value, will have the following taxes:

### Bryan County Property Tax Calculator

Property Tax Estimator

State  
Oklahoma

County  
Bryan County

Appraised Property Value  
\$60,000,000.00

Estimate My Tax

Your estimated yearly property tax in Bryan County is **\$384,000.00**.  
[More on the oklahoma Property Tax](#)

While the exact property tax rate you will pay is set by the tax assessor on a property-by-property basis, you can use our Bryan County property tax estimator tool to estimate your yearly property tax. Our property tax estimates are based on the median property tax levied on similar houses in the Bryan County area.

Property taxes are managed on a county level by the local tax assessor's office. If you need to find out the exact amount of your property tax bill or find other specific information, you can contact the [Bryan County Tax Assessor](#).

**Disclaimer:** Please note that we can only **estimate** your Bryan County property tax based on average property taxes in your area. Every locality uses a unique property tax assessment method. Your actual property tax burden will depend on the details and features of each individual property.

This amount will be analyzed within the income approach to support economic feasibility of the apartments and contributory value of the land.

## HIGHEST AND BEST USE

The highest and best use may be defined as the most profitable or likely profitable legal use for which a property may be utilized. The opinion of such use may be based on the highest and most profitable continuous use to which the property is adapted and needed, or likely to be in demand in the reasonably near future. Alternatively, that use, from among reasonably probable and legal alternative uses, is found to be:

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

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

### **Highest and Best Use Analysis – “As Vacant”**

#### **Physically Possible**

The subject site is located at 1221 Hillcrest Avenue and an Apartment Site on 871,200 square feet or 20.000 acres of land and Industrial Business Park Land with a total of 4,059,705 square feet or 93.198 acres of land. Considering the subject's physical characteristics including location, size, shape and availability of utilities, numerous uses are physically possible.

#### **Legally Permissible**

The subject site is located 1221 Hillcrest Avenue, in an area that does utilize zoning to regulate development. Property usage may be governed by deed restrictions specific to a property. We were not provided with a copy of any applicable deed restrictions for the subject property. The value conclusion is subject to revision should any deed restrictions be present that are deemed detrimental to the subject property. As such, Legally Permissible uses would encompass residential, apartment and industrial uses.

#### **Financial Feasibility and Maximal Productivity**

In order to be economically feasible, the improvements should conform to the surrounding land uses. To meet the test of being financially feasible, the project must provide a market-accepted net return over a reasonable period of time. An analysis of existing rent and occupancy levels, as well as current economic conditions, and the findings from the Multifamily Research prepared May 24, 2022 Market Study reveals development of the apartment is economically feasible. Currently, the industrial portion is 100% owned by SG Blocks, who will develop, operate and own a 120,000 square foot pre-fab construction factory. Build-to-suit construction for an owner occupant who cannot meet building requirements from existing inventory in the community, the portion of the development is deemed feasible and maximally productive. The other 560,000 SF of manufacturing will be built to suit.

### **Highest and Best Use Conclusion – “As Vacant”**

Apartment and industrial development is appropriate and meets the test of highest and best use.

**Highest and Best Use Analysis – “As Proposed”**

The subject site located at 1221 Hillcrest Avenue is proposed with an apartment complex, a 120,000 square foot industrial facility and excess land proposed for 560,000 square feet of future industrial improvements. We have indicated that the improvements are Physically Possible and an allowable use, or Legally Permissible.

**Financially Feasible and Maximally Productive**

Our analysis of market rent (Income Approach) supporting a feasible net operating income at \$3,433,634 indicate that the proposed apartments and a build-to-suit 120,000 square foot owner occupied industrial building for SG Blocks is financially feasible to build new at this time.

**Highest and Best Use Conclusion**

In consideration of all of the above, and no other apparent higher use for the site in the near future, the Highest and Best Use for the subject property is its proposed Apartment Site and Industrial Business Park Land use.

**There is only one existing apartment complex in Durant that could even remotely compare to a new apartment complex on the site. Rather than using apartment land sales from Dallas-Fort Worth and Oklahoma City, the appraiser conducted the sales comparison, income and cost approaches on the proposed apartment complex to provide a land residential value that is appropriate for this market and new construction.**



## THE COST APPROACH

The Cost Approach is the process of calculating the current cost (new) of reproducing or replacing a property's improvements, subtracting depreciation from all sources and adding the value of the land to arrive at an opinion of value for the property as a whole.

There are not applicable apartment land sales, so the cost approach of the finished apartment was considered and the costs associated with construction was deducted from the apartment value concluded within the income and sales comparison approaches. The costs associated with the apartment were derived from SG Blocks construction estimate of \$54,633,300 shows as follows:

ESTIMATE OF COST REPLACEMENT			
DIRECT COST			
	Area (SF, LF etc.)	Cost Estimate \$ / SF	Cost
Base Building	278,000	\$ 170	\$ 47,260,000
Total Direct Cost TDC +			\$ 47,260,000
MULTIPLIERS			
			Total
Current Cost			
Local Area			
Perimeter			
Building Height			
Product of Multipliers +			0
Product of Current Cost and Local Area (Applicable for site improvements only)			0
INDIRECT COST			
	Area (SF, LF etc.)	Cost Estimate \$ / SF	Cost
Entrepreneurial Incentive	12.00 %		\$ 5,671,200
Real Estate Taxes during Construction	0		\$ 46,000
Financing Fees	2.00 %		\$ 708,900
Average Balance	50.00 %		\$ 23,630,000
Origination Fee	1.00 %		\$ 236,300
Construction Interest	4.29 %		\$ 472,600
Professional Fees	1.00 %		\$ 472,600
Title and Miscellaneous Cost	1.00 %		\$ 472,600
Total Indirect Cost +			\$ 7,373,300
Total Cost			\$ 54,633,300

## Sales Comparison Approach – Industrial Site

### Comparable Sales

We have conducted a survey and have identified relevant and recent sales of similarly zoned development sites in the competitive market area. The comparable properties selected are deemed to provide an adequate sampling through which a value for the subject's land can be estimated. The comparative process involves judgment as to the similarity between the subject and the comparable sales.

**COMPARABLE LAND SALE 1****Physical Characteristics**

<b>Location</b>	6165 W Murphy St
<b>City, State, Zip</b>	Odessa, TX 79763
<b>Proximity</b>	380.7 miles
<b>Land Area</b>	3,395,066 SF 77.9400 AC
<b>Property Use</b>	Commercial Vacant Land
<b>Utilities</b>	All Available
<b>Topography</b>	Level
<b>Flood Plain</b>	C and X (Unshaded)

**Transaction Data**

<b>Sale Date</b>	12/16/2021	<b>Transaction Type</b>	Arm's Length
<b>Sale Price</b>	\$13,555,000	<b>Recording Data</b>	
<b>Sale Price PSF</b>	\$3.99	<b>Grantor</b>	CXA CORPORATION
<b>Financing Terms</b>	Cash to Seller	<b>Grantee</b>	KNOB RIVER RE LLC

**COMPARABLE LAND SALE 2****Physical Characteristics**

<b>Location</b>	5000 Northfield Ln
<b>City, State, Zip</b>	Spring Hill, TN 37174
<b>Proximity</b>	549.5 miles
<b>Land Area</b>	1,657,022 SF 38.0400 AC
<b>Property Use</b>	Commercial Vacant Land
<b>Utilities</b>	All Available
<b>Topography</b>	Level
<b>Flood Plain</b>	C and X (Unshaded)

**Transaction Data**

<b>Sale Date</b>	05/27/2021	<b>Transaction Type</b>	Arm's Length
<b>Sale Price</b>	\$9,200,000	<b>Recording Data</b>	
<b>Sale Price PSF</b>	\$5.55	<b>Grantor</b>	CITY OF SPRING HILL
<b>Financing Terms</b>	Cash to Seller	<b>Grantee</b>	WORLDWIDE STAGES SPRING HILL REALTY LLC

**COMPARABLE LAND SALE 3****Physical Characteristics**

<b>Location</b>	27615 Redbud Rd
<b>City, State, Zip</b>	Stella, MO
<b>Proximity</b>	232.2 miles
<b>Land Area</b>	3,436,884 SF 78.9000 AC
<b>Property Use</b>	Commercial Vacant Land
<b>Utilities</b>	All Available
<b>Topography</b>	Level
<b>Flood Plain</b>	C and X (Unshaded)

**Transaction Data**

<b>Sale Date</b>	03/23/2021	<b>Transaction Type</b>	Arm's Length
<b>Sale Price</b>	\$15,428,000	<b>Recording Data</b>	
<b>Sale Price PSF</b>	\$4.49	<b>Grantor</b>	JAMES R LATTA REVOCABLE TRUST
<b>Financing Terms</b>	Cash to Seller	<b>Grantee</b>	COY VENTURES LLC

**COMPARABLE LAND SALE 4****Physical Characteristics**

<b>Location</b>	Mason Rd
<b>City, State, Zip</b>	Dundee, IL 60118
<b>Proximity</b>	599.9 miles
<b>Land Area</b>	1,783,782 SF 40.9500 AC
<b>Property Use</b>	Commercial Vacant Land
<b>Utilities</b>	All Available
<b>Topography</b>	Level
<b>Flood Plain</b>	C and X (Unshaded)

**Transaction Data**

<b>Sale Date</b>	06/07/2019	<b>Transaction Type</b>	Arm's Length
<b>Sale Price</b>	\$6,868,000	<b>Recording Data</b>	
<b>Sale Price PSF</b>	\$3.85	<b>Grantor</b>	BARTELS CORPORATION FARMING
<b>Financing Terms</b>	Cash to Seller	<b>Grantee</b>	ELGIN CC LLC

**COMPARABLE LAND SALE 5****Physical Characteristics**

<b>Location</b>	Oak Hill Rd
<b>City, State, Zip</b>	, GA 30730
<b>Proximity</b>	626.8 miles
<b>Land Area</b>	1,350,360 SF 31.0000 AC
<b>Property Use</b>	Commercial Vacant Land
<b>Utilities</b>	All Available
<b>Topography</b>	Level
<b>Flood Plain</b>	C and X (Unshaded)

**Transaction Data**

<b>Sale Date</b>	04/03/2019	<b>Transaction Type</b>	Arm's Length
<b>Sale Price</b>	\$7,549,129	<b>Recording Data</b>	
<b>Sale Price PSF</b>	\$5.59	<b>Grantor</b>	WEYERHAEUSER CO
<b>Financing Terms</b>	Cash to Seller	<b>Grantee</b>	SPP LAND LLC

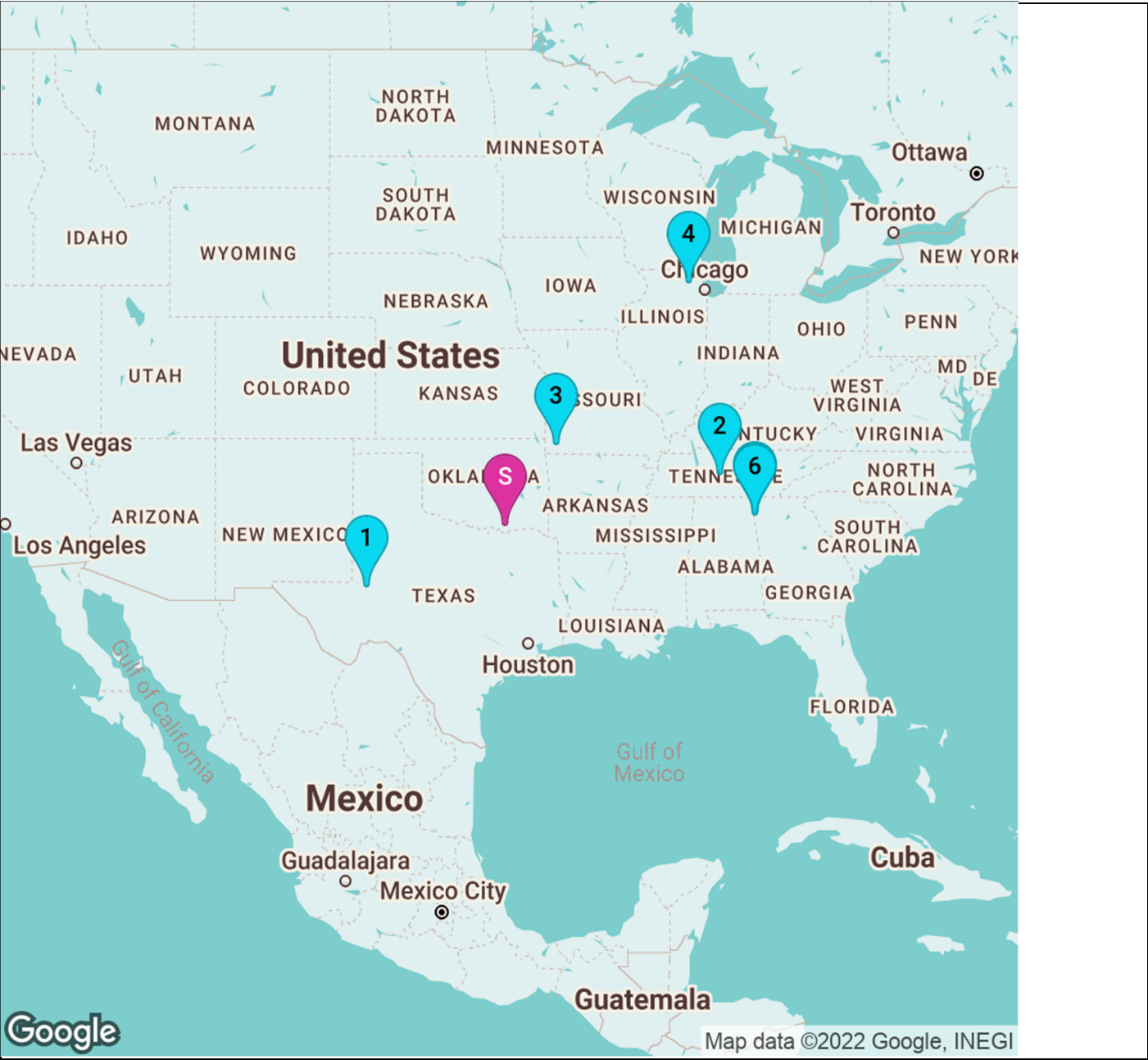
**COMPARABLE LAND SALE 6****Physical Characteristics**

<b>Location</b>	Ga
<b>City, State, Zip</b>	, GA
<b>Proximity</b>	628.9 miles
<b>Land Area</b>	1,916,640 SF 44.0000 AC
<b>Property Use</b>	Commercial Vacant Land
<b>Utilities</b>	All Available
<b>Topography</b>	Level
<b>Flood Plain</b>	C and X (Unshaded)

**Transaction Data**

<b>Sale Date</b>	04/03/2019	<b>Transaction Type</b>	Arm's Length
<b>Sale Price</b>	\$7,549,129	<b>Recording Data</b>	
<b>Sale Price PSF</b>	\$3.94	<b>Grantor</b>	WEYERHAEUSER CO
<b>Financing Terms</b>	Cash to Seller	<b>Grantee</b>	SPP LAND LLC





Adjustment Grid

The comparable sales adjustment grid for our selected sales is presented in the table and is followed by an explanation of the qualitative and quantitative adjustments that were applied to each sale. The price per square foot of land area is used as the most appropriate unit of comparison.





COMPARABLE LAND SALES ADJUSTMENT GRID					
Comparable	Subject	Sale 1	Sale 2	Sale 3	Sale 4
Address	Big Lots Dr	6165 W Murphy St	5000 Northfield Ln	27615 Redbud Rd	Mason Rd
City, State	Durant, OK	Odessa, TX	Spring Hill, TN	Stella, MO	Dundee, IL
Tax ID	0000-07-07S-09E-1-002-02	014200010000000	060029 01400	23-7.0-26-000-000-002.000	03-30-300-009
Land Area(SF)	4,059,705	3,395,066	1,657,022	3,436,884	1,783,782
Land Area(Acre)	93.1980	77.9400	38.0400	78.9000	40.9500
Intended Use	Manufacturing / Processing	Commercial Vacant Land	Govt Owned Vacant Land	Agricultural/Horticultural/Forest Vacant Land	Agricultural/Horticultural/Forest Vacant Land
Valuation / Sale Date	02/26/2020	12/16/2021	05/27/2021	03/23/2021	06/07/2019
Sale Price	\$1,425,000	\$13,555,000	\$9,200,000	\$15,428,000	\$6,868,000
Price per SF of Land	\$0.35	\$3.99	\$5.55	\$4.49	\$3.85
Property Rights Conveyed	0.00%	0.00%	0.00%	0.00%	0.00%
Financing	0.00%	0.00%	0.00%	0.00%	0.00%
Conditions of Sale	0.00%	0.00%	0.00%	0.00%	0.00%
Market Conditions / Time (0%/Year)	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Adjusted Sale Price Per SF of Land	\$0.35	\$3.99	\$5.55	\$4.49	\$3.85
Physical Adjustments					
Location	0.00%	0.00%	0.00%	0.00%	0.00%
Size	0.00%	0.00%	0.00%	0.00%	0.00%
Frontage/Configuration	0.00%	0.00%	0.00%	0.00%	0.00%
Zoning	0.00%	0.00%	0.00%	0.00%	0.00%
Utility	0.00%	0.00%	0.00%	0.00%	0.00%
Total Adjustments	0.00%	0.00%	0.00%	0.00%	0.00%
INDICATED SALES PRICE PER SQUARE FOOT	\$0.35	\$3.99	\$5.55	\$4.49	\$3.85



COMPARABLE LAND SALES ADJUSTMENT GRID			
Comparable	Subject	Sale 5	Sale 6
<b>Address</b>	<b>Big Lots Dr</b>	<b>Oak Hill Rd</b>	<b>Ga</b>
City, State	Durant, OK	, GA	, GA
Tax ID	0000-07-07S-09E-1-002-02	00018-00000-032-000	00032-00000-029-000
Land Area(SF)	4,059,705	1,350,360	1,916,640
Land Area(Acre)	93.1980	31.0000	44.0000
Intended Use	Manufacturing / Processing	Agricultural/Horticultural/Forest Vacant Land	Agricultural/Horticultural/Forest Vacant Land
Valuation / Sale Date	02/26/2020	04/03/2019	04/03/2019
Months Between Sale & Valuation Date	0.00	0.00	0.00
Sale Price	\$1,425,000	\$7,549,129	\$7,549,129
<b>Price per SF of Land</b>	<b>\$0.35</b>	<b>\$5.59</b>	<b>\$3.94</b>
Property Rights Conveyed	0.00%	0.00%	0.00%
Financing	0.00%	0.00%	0.00%
Conditions of Sale	0.00%	0.00%	0.00%
Market Conditions / Time (0%/Year)	0.00 %	0.00 %	0.00 %
<b>Adjusted Sale Price Per SF of Land</b>	<b>\$0.35</b>	<b>\$5.59</b>	<b>\$3.94</b>
<b>Physical Adjustments</b>			
Location	0.00%	0.00%	0.00%
Size	0.00%	0.00%	0.00%
Frontage/Configuration	0.00%	0.00%	0.00%
Zoning	0.00%	0.00%	0.00%
Utility	0.00%	0.00%	0.00%
<b>Total Adjustments</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>INDICATED SALES PRICE PER SQUARE FOOT</b>	<b>\$0.35</b>	<b>\$5.59</b>	<b>\$3.94</b>

## **Explanation of Adjustments**

### *Ownership Interest/Property Rights Conveyed*

The interest appraised is the fee simple estate, which is the same interest that transferred in all of the sales; therefore, an adjustment for property rights is not required.

### *Financing*

The comparable sales were either all cash, financed at market rates or involved the assumption of market-oriented financing. As such, no adjustments have been made for financing.

### *Conditions of Sale*

The comparable sales were all arms-length transactions; therefore, no adjustments have been made for conditions of sale.

### *Market Conditions*

Based on our research of transactions of similar property types, no appreciation in the market for market conditions has been applied.

### *Location*

An adjustment for location is appropriate when the location characteristics of a comparable property are different from that of the subject. Adjustments have been made on an individual basis taking into account the desirability, appeal, demographics, and neighborhood character of each sale.

### *Size*

The sales are compared to the subject property on the basis of land area. Overall, in the local market, smaller sites typically sell for more on a unit basis.

### *Frontage/Configuration*

A frontage adjustment consider the advantage of corner, avenue or through-block-sites, which provide beneficial exposure, light and air, and frontage to a new development. Effectively, this adjustment acknowledges the significantly greater end value that can be gleaned from a development on a site that can offer more physical desirability. Sites that are regular shape are efficient for development and have optimal utility. Irregular-shape sites lead to development inefficiencies and are considered inferior. Adjustments have been made on an individual basis.



## Apartment Site and Industrial Business Park Land

### *Zoning*

No zoning adjustments were necessary as the zoning characteristics of each property did not meaningfully differ from the subject property's zoning.

### *Utility*

No further adjustments were necessary.

## Land Sales Approach Conclusion

After adjustments, the sales reflect ranges from \$3.85 and \$5.59 with an average of \$4.57, on a price per square foot basis. We have concluded to a land value indication within the adjusted sale price range indicated by the comparable sales. We have placed most weight on the lower range due to the subject's location.

LAND SALES APPROACH CONCLUSION	
Indicated Value per SF - High	\$ 5.59
Indicated Value per SF - Average	\$ 4.57
Indicated Value per SF - Low	\$ 3.85
<b>Reconciled Value per SF</b>	<b>\$ 4.00</b>
Subject's Land Area (SF)	\$ 4,059,705
<b>Land Value (Rounded)</b>	<b>\$ 16,240,000</b>

**Apartment Site and Industrial Business Park Land****SALES COMPARISON APPROACH - APARTMENT COMPLEX**

SG Blocks will develop a 3-Phase 350 Unit Multifamily housing complex on the site. There is only one existing apartment complex in Durant that could even remotely compare to a new apartment complex on the site. Rather than using apartment land sales from Dallas-Fort Worth and Oklahoma City, the appraiser conducted the sales comparison approach on the proposed apartment complex to provide a land residential value that is appropriate for the subject's market and new construction.

The methodology involved is a process of analyzing similarly improved properties and comparing them to the subject. In some instances, a comparison analysis is utilized, with adjustments being applied for differences in financing, location and physical characteristics.

Investors indicate that they rely on the sale price per square foot method to analyze similar properties. For the sale price per square foot method, we compared the sales to the subject property and adjusted their sale price per square foot for differences in market conditions (time), conditions of sale, location and various physical characteristics. The adjusted prices for the sales were then reconciled into a final value indication via this approach.

County deed records were searched for recent sales of similarly improved facilities. Owners, property managers and other professionals active in the area were consulted as to their knowledge of current trends and conditions that prevail within this market. The sales transactions considered most comparable to the subject are detailed in the following pages.



**Apartment Site and Industrial Business Park Land****Comparable Sale 1****Physical Characteristics**

Address	1961 Arapaho Rd
City, State Zip	Garland, TX 75040
Proximity	73.3 miles
Property Type	Apartment Garden (1 - 4 stories)
Year Built	2019
GBA (SF)	244,025
NRA (SF)	244,025
Land Size (SF)	775,281
L:B Ratio	3.18

**Sale Transaction Data**

Sale Date	12/27/2021	Transaction Type	Arm's Length
Sale Price	\$58,125,000	Financing Terms	Cash to Seller
Sale Price PSF	\$238.19		
Comments	Newer stabilized apartment complex sold to institutional investor.		

**Comparable Sale 2****Physical Characteristics**

Address	Lake Forest Blvd
City, State Zip	Flower Mound, TX 76226
Proximity	77.6 miles
Property Type	Apartment (4 - 20 units)
Year Built	2019
GBA (SF)	371,268
NRA (SF)	371,268
Land Size (SF)	324,522
L:B Ratio	0.87

**Sale Transaction Data**

Sale Date	12/15/2021	Transaction Type	Arm's Length
Sale Price	\$79,750,000	Financing Terms	Cash to Seller
Sale Price PSF	\$214.80		
Comments	Newer stabilized apartment complex sold to institutional investor.		


**Apartment Site and Industrial Business Park Land**
**Comparable Sale 3**

**Physical Characteristics**

<b>Address</b>	4825 Lbj Fwy
<b>City, State Zip</b>	Farmers Branch, TX 75244
<b>Proximity</b>	78.1 miles
<b>Property Type</b>	Apartment Garden (1 - 4 stories)
<b>Year Built</b>	2012
<b>GBA (SF)</b>	280,572
<b>NRA (SF)</b>	280,572
<b>Land Size (SF)</b>	341,989
<b>L:B Ratio</b>	1.22

**Sale Transaction Data**

<b>Sale Date</b>	11/19/2021	<b>Transaction Type</b>	Arm's Length
<b>Sale Price</b>	\$65,756,300	<b>Financing Terms</b>	Cash to Seller
<b>Sale Price PSF</b>	\$234.37		
<b>Comments</b>	Newer stabilized apartment complex sold to institutional investor.		

**Comparable Sale 4**

**Physical Characteristics**

<b>Address</b>	Patton Blvd
<b>City, State Zip</b>	Plano, TX 75075
<b>Proximity</b>	71.2 miles
<b>Property Type</b>	Apartment Garden (1 - 4 stories)
<b>Year Built</b>	2019
<b>GBA (SF)</b>	284,831
<b>NRA (SF)</b>	284,831
<b>Land Size (SF)</b>	129,852
<b>L:B Ratio</b>	0.46

**Sale Transaction Data**

<b>Sale Date</b>	11/17/2021	<b>Transaction Type</b>	Arm's Length
<b>Sale Price</b>	\$81,678,800	<b>Financing Terms</b>	Cash to Seller
<b>Sale Price PSF</b>	\$286.76		
<b>Comments</b>	Newer stabilized apartment complex sold to institutional investor.		

**Apartment Site and Industrial Business Park Land****Comparable Sale 5****Physical Characteristics**

<b>Address</b>	Excellence Way
<b>City, State Zip</b>	Plano, TX 75023
<b>Proximity</b>	67.0 miles
<b>Property Type</b>	Apartment Garden (1 - 4 stories)
<b>Year Built</b>	2019
<b>GBA (SF)</b>	297,331
<b>NRA (SF)</b>	297,331
<b>Land Size (SF)</b>	164,348
<b>L:B Ratio</b>	0.55

**Sale Transaction Data**

<b>Sale Date</b>	10/12/2021	<b>Transaction Type</b>	Arm's Length
<b>Sale Price</b>	\$63,572,500	<b>Financing Terms</b>	Cash to Seller
<b>Sale Price PSF</b>	\$213.81		
<b>Comments</b>	Newer stabilized apartment complex sold to institutional investor.		

**Comparable Sale 6****Physical Characteristics**

<b>Address</b>	300 Trailhouse Ln
<b>City, State Zip</b>	Forney, TX 75126
<b>Proximity</b>	85.6 miles
<b>Property Type</b>	Apartment (4 - 20 units)
<b>Year Built</b>	2019
<b>GBA (SF)</b>	158,048
<b>NRA (SF)</b>	158,048
<b>Land Size (SF)</b>	868,761
<b>L:B Ratio</b>	5.50

**Sale Transaction Data**

<b>Sale Date</b>	08/02/2021	<b>Transaction Type</b>	Arm's Length
<b>Sale Price</b>	\$49,875,000	<b>Financing Terms</b>	Cash to Seller
<b>Sale Price PSF</b>	\$315.57		
<b>Comments</b>	Newer stabilized apartment complex sold to institutional investor.		



**Apartment Site and Industrial Business Park Land****Comparable Sale 7****Physical Characteristics**

<b>Address</b>	Adelaide St St
<b>City, State Zip</b>	Frisco, TX 75034
<b>Proximity</b>	76.1 miles
<b>Property Type</b>	Apartment (4 - 20 units)
<b>Year Built</b>	2017
<b>GBA (SF)</b>	326,348
<b>NRA (SF)</b>	326,348
<b>Land Size (SF)</b>	245,243
<b>L:B Ratio</b>	0.75

**Sale Transaction Data**

<b>Sale Date</b>	01/08/2021	<b>Transaction Type</b>	Arm's Length
<b>Sale Price</b>	\$85,000,000	<b>Financing Terms</b>	Cash to Seller
<b>Sale Price PSF</b>	\$260.46		
<b>Comments</b>	Newer stabilized apartment complex sold to institutional investor.		

**Comparable Sale 8****Physical Characteristics**

<b>Address</b>	6100 Ashbury St
<b>City, State Zip</b>	North Richland Hills, TX 76180
<b>Proximity</b>	92.2 miles
<b>Property Type</b>	Apartment Garden (1 - 4 stories)
<b>Year Built</b>	2014
<b>GBA (SF)</b>	151,023
<b>NRA (SF)</b>	151,023
<b>Land Size (SF)</b>	225,556
<b>L:B Ratio</b>	1.49

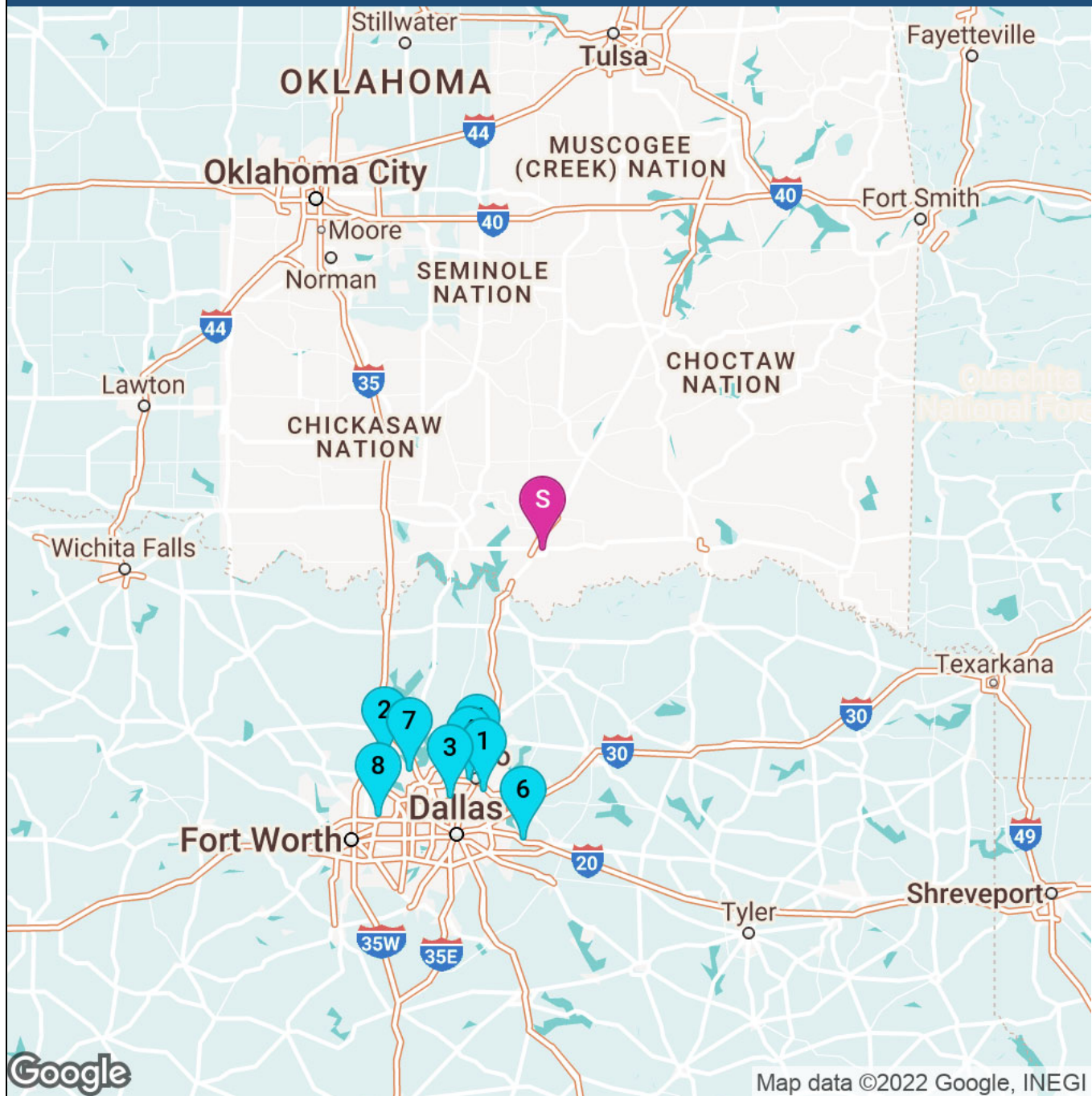
**Sale Transaction Data**

<b>Sale Date</b>	02/05/2020	<b>Transaction Type</b>	Arm's Length
<b>Sale Price</b>	\$52,500,000	<b>Financing Terms</b>	Cash to Seller
<b>Sale Price PSF</b>	\$347.63		
<b>Comments</b>	Newer stabilized apartment complex sold to institutional investor.		



## Apartment Site and Industrial Business Park Land

### Comparable Sales Map





## Apartment Site and Industrial Business Park Land

### Summary of Comparable Sales

Summary of Comparable Sales							
#	Address	Sale Date	Sales Price (\$)	Land (SF)	GBA (SF)	Year Built	Price \$/SF
S	1221 Hillcrest Avenue Durant, OK 74701		---	871,200	278,000	2022	---
1	1961 Arapaho Rd Garland, TX 75040	12/27/2021	58,125,000	775,281	244,025	2019	238.19
2	Lake Forest Blvd Flower Mound, TX 76226	12/15/2021	79,750,000	324,522	371,268	2019	214.80
3	4825 LBJ Fwy Farmers Branch, TX 75244	11/19/2021	65,756,300	341,989	280,572	2012	234.37
4	Patton Blvd Plano, TX 75075	11/17/2021	81,678,800	129,852	284,831	2019	286.76
5	Excellence Way Plano, TX 75023	10/12/2021	63,572,500	164,348	297,331	2019	213.81
6	300 Trailhouse Ln Forney, TX 75126	08/02/2021	49,875,000	868,761	158,048	2019	315.57
7	Adelaide St St Frisco, TX 75034	01/08/2021	85,000,000	245,243	326,348	2017	260.46
8	6100 Ashbury St North Richland Hills, TX 76180	02/05/2020	52,500,000	225,556	151,023	2014	347.63
Average		N/A	\$ 67,032,200	384,444	264,181	N/A	263.95
Median		N/A	\$ 64,664,400	284,883	282,702	N/A	249.33

### Analysis of Improved Sales

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

The improved sales incorporated are fairly recent sales and are good value indicators for the subject. Data on each of the sales was confirmed with sources considered to be reliable. Based on analysis of this data and other pertinent information obtained in our research, the following pages are a discussion of the factors which were found to exhibit significant influence on property values in this market.

### Property Rights Conveyed

This adjustment considers the difference in the price of properties sold in fee simple estate or leasehold and any effect of existing leases on the price of property. None of the sales were encumbered by land leases and no adjustments were applicable.

### Financial

Typical land investment terms are considered to be up to 50% down with a 10-15 years note, with varying interest. All sales involved cash to seller or market financing conditions; thus, an adjustment for this item was not necessary.

## **Apartment Site and Industrial Business Park Land**

### **Conditions of Sale**

This adjustment reflects the motivations of the buyer and seller, i.e., assemblage, distress, discounts for the family purchase, or purchase by adjacent landowners. All sales were considered arm's length transactions; as such, no adjustments are required for this item.

### **Market Conditions**

Market conditions generally change over time, but the date of the appraisal is a specific time, changes in market conditions may be caused by inflation, deflation, fluctuations in supply and demand, or other factors. Market conditions have shifted over time and an adjustment was made.

### **Location**

Location adjustments are necessary when the locations of the comparable land sales are different than the subject. Tracts that are located in densely developed areas, tend to sell for a higher price per unit than tracts that are located in less developed locations. In addition to density, the quality of the surrounding development affects the desirability of an area. Tracts that are located in areas with a superior quality of development, tend to sell for a higher price per unit than tracts that are located in areas with an inferior quality of development. The subject site is located at 1221 Hillcrest Avenue, in Durant, OK. This rural location, albeit new construction, will be considered at the end of this analysis.

### **Construction Age**

The subject is proposed and adjustments were made to the sales, which have older dates of construction.

No other adjustments were made.

Comparable Adjustments						
Address	1221 Hillcrest Avenue	1961 Arapaho Rd	Lake Forest Blvd	4825 Lbj Fwy	Patton Blvd	Excellence Way
Sale Price		\$ 58,125,000	\$ 79,750,000	\$ 65,756,300	\$ 81,678,800	\$ 63,572,500
Sale Date		12/27/2021	12/15/2021	11/19/2021	11/17/2021	10/12/2021
Sale Price PSF - GBA		\$ 238.19	\$ 214.80	\$ 234.37	\$ 286.76	\$ 213.81
GBA(SF)	278,000	244,025	371,268	280,572	284,831	297,331
NRA(SF)	278,000	244,025	371,268	280,572	284,831	297,331
Property Image						
Property Type	Automotive	Apartments	Apartments	Apartments	Apartments	Apartments
Property Sub Type	Apartment Site and Industrial Business Park Land	Apartment Garden (1 - 4 stories)	Apartment (4 - 20 units)	Apartment Garden (1 - 4 stories)	Apartment Garden (1 - 4 stories)	Apartment Garden (1 - 4 stories)
Property Name	SG Blocks McLean Factory, Manufacturing and Multifamily	Northside at The Woodlands Apartments		Heritage Two	Latitude Luxury Living	
Assessed Land Value	\$ 646	\$ 2,519,660	\$ 1,460,349	\$ 6,839,780	\$ 2,077,638	\$ 5,259,121
Total Assessed Value	\$ 7,735	\$ 30,877,170	\$ 28,900,000	\$ 47,675,000	\$ 38,954,413	\$ 44,000,000
Assessed Land Value PSF - Land	\$ 0	\$ 3	\$ 5	\$ 20	\$ 16	\$ 32



## Apartment Site and Industrial Business Park Land

SALES ADJUSTMENT GRID											
Sale	Subject	Sale 1		Sale 2		Sale 3		Sale 4		Sale 5	
Sale Price PSF - GBA	\$ 0.00	\$ 238.19		\$ 214.80		\$ 234.37		\$ 286.76		\$ 213.81	
Multiplied Adjustments	Description	Description	Adjustment	Description	Adjustment	Description	Adjustment	Description	Adjustment	Description	Adjustment
Rights Conveyed		Fee Simple	0.00 %	Fee Simple	0.00 %	Fee Simple	0.00 %	Fee Simple	0.00 %	Fee Simple	0.00 %
Financial		Cash to Seller	0.00 %	Cash to Seller	0.00 %	Cash to Seller	0.00 %	Cash to Seller	0.00 %	Cash to Seller	0.00 %
Conditions of Sale			0.00 %		0.00 %		0.00 %		0.00 %		0.00 %
Market Conditions		8 Months	2.00 %	8 Months	2.00 %	9 Months	2.25 %	9 Months	2.25 %	10 Months	2.50 %
Custom Adjustment			0.00 %		0.00 %		0.00 %		0.00 %		0.00 %
Adjusted Sale Price PSF		\$ 242.95	\$ 242.95	\$ 219.10	\$ 219.10	\$ 239.64	\$ 239.64	\$ 293.21	\$ 293.21	\$ 219.16	\$ 219.16
Added Adjustments	Description	Description	Adjustment	Description	Adjustment	Description	Adjustment	Description	Adjustment	Description	Adjustment
Location		Garland	0.00 %	Flower Mound	0.00 %	Farmers Branch	0.00 %	Plano	0.00 %	Plano	0.00 %
Quality/Appeal			0.00 %		0.00 %		0.00 %		0.00 %		0.00 %
Age/Condition	2022	2019	0.00 %	2019	0.00 %	2012	10.00 %	2019	0.00 %	2019	0.00 %
Size	278,000	244,025	0.00 %	371,268	0.00 %	280,572	0.00 %	284,831	0.00 %	297,331	0.00 %
Economic/Tenancy			0.00 %		0.00 %		0.00 %		0.00 %		0.00 %
Land to Building Ratio	3.13	3.18	0.00 %	0.87	0.00 %	1.22	0.00 %	0.46	0.00 %	0.55	0.00 %
Optional Adjustment			0.00 %		0.00 %		0.00 %		0.00 %		0.00 %
Gross Adjustment			0.00 %		0.00 %		10.00 %		0.00 %		0.00 %
Net Adjustment			0.00 %		0.00 %		10.00 %		0.00 %		0.00 %
Final Adjusted Value \$/SF			\$ 242.95		\$ 219.10		\$ 263.60		\$ 293.21		\$ 219.16

## Apartment Site and Industrial Business Park Land

Comparable Adjustments				
Address	1221 Hillcrest Avenue	300 Trailhouse Ln	Adelaide St St	6100 Ashbury St
Sale Price		\$ 49,875,000	\$ 85,000,000	\$ 52,500,000
Sale Date		08/02/2021	01/08/2021	02/05/2020
Sale Price PSF - GBA		\$ 315.57	\$ 260.46	\$ 347.63
GBA(SF)	278,000	158,048	326,348	151,023
NRA(SF)	278,000	158,048	326,348	151,023
Property Image				
Property Type	Automotive	Apartments	Apartments	Apartments
Property Sub Type	Apartment Site and Industrial Business Park Land	Apartment (4 - 20 units)	Apartment (4 - 20 units)	Apartment Garden (1 - 4 stories)
Property Name	SG Blocks McLean Factory, Manufacturing and Multifamily		The Maxwell at The Canals at Grand Park	
Assessed Land Value	\$ 646	\$ 3,475,043	\$ 1,961,942	\$ 789,446
Total Assessed Value	\$ 7,735	\$ 32,600,000	\$ 58,891,220	\$ 30,865,726
Assessed Land Value PSF - Land	\$ 0	\$ 4	\$ 8	\$ 4



## Apartment Site and Industrial Business Park Land

Sale	Subject	Sale 6		Sale 7		Sale 8	
SALES ADJUSTMENT GRID							
Sale Price PSF - GBA	\$ 0.00	\$ 315.57		\$ 260.46		\$ 347.63	
Multiplied Adjustments	Description	Description	Adjustment	Description	Adjustment	Description	Adjustment
Rights Conveyed		Fee Simple	0.00 %	Fee Simple	0.00 %	Fee Simple	0.00 %
Financial		Cash to Seller	0.00 %	Cash to Seller	0.00 %	Cash to Seller	0.00 %
Conditions of Sale		Arm's Length	0.00 %		0.00 %	Arm's Length	0.00 %
Market Conditions		12 Months	3.00 %	19 Months	4.75 %	30 Months	7.50 %
Custom Adjustment			0.00 %		0.00 %		0.00 %
Adjusted Sale Price PSF		\$ 325.04	\$ 325.04	\$ 272.83	\$ 272.83	\$ 373.70	\$ 373.70
Added Adjustments	Description	Description	Adjustment	Description	Adjustment	Description	Adjustment
Location		Forney	0.00 %	Frisco	0.00 %	North Richland Hills	0.00 %
Quality/Appeal			0.00 %		0.00 %		0.00 %
Age/Condition	2022	2019	0.00 %	2017	5.00 %	2014	10.00 %
Size	278,000	158,048	0.00 %	326,348	0.00 %	151,023	0.00 %
Economic/Tenancy			0.00 %		0.00 %		0.00 %
Land to Building Ratio	3.13	5.50	0.00 %	0.75	0.00 %	1.49	0.00 %
Optional Adjustment			0.00 %		0.00 %		0.00 %
Gross Adjustment			0.00 %		5.00 %		10.00 %
Net Adjustment			0.00 %		5.00 %		10.00 %
Final Adjusted Value \$/SF			\$ 325.04		\$ 286.47		\$ 411.07

Summary of Adjustments				
Minimum	Maximum	Average	Median	Indicated Value/SF
\$219.10	\$411.07	\$282.58	\$275.04	\$225.00

Because of the small community location, a value at the extreme lower range was concluded:

Final Value Conclusion		
The value for the subject property is calculated as follows:		
<b>GBA (SF)</b>	<b>Indicated Value (SF)</b>	<b>Indicated Value</b>
278,000	\$ 225.00	\$ 62,550,000
<b>Upon Reaching Stabilized Occupancy Conclusion (Rounded)</b>		<b>\$ 62,550,000</b>

The deduction of an 18-month lease-up calculations analyzed in the income approach and the cost of construction provides for and land value calculation:



## Apartment Site and Industrial Business Park Land

### Final Value Conclusion

The value for the subject property is calculated as follows:

<u>GBA (SF)</u>	<u>Indicated Value (SF)</u>		<u>Indicated Value</u>
278,000	\$ 225.00	Stabilized	\$ 62,550,000
Adjustment for Below Market Occupancy- Lease-Up			-\$ 4,202,206
Construction Costs			-\$ 54,633,300
<b>Land Value Conclusion (Rounded)</b>			<b>\$ 3,715,000</b>

## **Apartment Site and Industrial Business Park Land**

### **INCOME CAPITALIZATION APPROACH TO VALUE - APARTMENT**

The Income Capitalization Approach to value (often called the “Income Approach”) is predicated on the assumption that there is a definite relationship between the amount of income a property will earn and its value. The theory of the Income Approach is that the value of a property is the present worth of the net income it will produce during its remaining economic or productive life. An investor generally would not be justified in paying more for an investment property (versus speculation) than the value that the net earning power will support based on an appropriate capitalization of the net income. In conformity with the principle of substitution, a prudent investor will not pay more for the right to receive income from a specified property than he would have to pay for another available investment which would produce income stream of similar quantity and quality.

The analysis of the apartment was conducted in order to calculate lease-up and deduct construction costs to arrive at a land value. Therefore, in the valuation of the subject property by the Income Approach, the following procedures were followed in order to determine the value of the property being appraised:

#### **Estimate Market Rent:**

Based on an analysis of similar projects with similar location, amenity and environmental characteristics.

#### **Estimate Total Gross Revenue Potential:**

Based on estimated economic rents supported in the market.

#### **Estimate Vacancy and Rent Loss:**

Based on present occupancy trends for competing properties with similar location, amenity and environmental influences.

#### **Estimate Annual Operating Expenses:**

These costs were based on an analysis of expenses typical of the industry for similar projects.

#### **Capitalization of Net Income:**

Based on capitalization rates typical of the current market (i.e., based on the overall capitalization rates of recent sales of comparable properties).

The income approach to value provides a reliable methodology when income and expenses can be reasonably determined in addition to interest and recapture rates. It applies most reliably when the property is an investment type, when the investor is purchasing for the income rather than for speculation, where the highest and best use is stable rather than speculative, and where the highest and best use does not involve an area or property that is in a state of transition.


The subject improvements are considered to represent an acceptable highest and best use (as improved) of the property. A gross potential income and net operating income was estimated for the subject property considering market rents, and a survey of expenses from similar properties.

A gross potential income and net operating income was estimated for the subject property considering market rents, and a survey of expenses from similar properties.

## Apartment Site and Industrial Business Park Land

### Comparable Rentals

Following are detail sheets of rent comparable in the vicinity of the subject which compete for the same tenants. These comparable were used to estimate the subject property's market rent.

Rent Comp 1			
		Physical Characteristics	
		Address	3802 W University Blvd
		City, State Zip	Durant, OK 74701
		Proximity	3.7 miles
		Property Type	Apartments
		Year Built	2007
		GBA (SF)	250
		NRA (SF)	169,600
		Land Size (SF)	785,387
		L:B Ratio	3,141.55
Rental Data			
Date Surveyed	08/24/2022	Terms	Modified Gross
Tenancy	Multi-Tenant	Rent \$/SF/Mo.	\$1.60
Occupancy	95%	Rent \$/SF/Yr.	\$19.25
Available Space (SF)	8,480		

## Apartment Site and Industrial Business Park Land

### Rent Comp 2



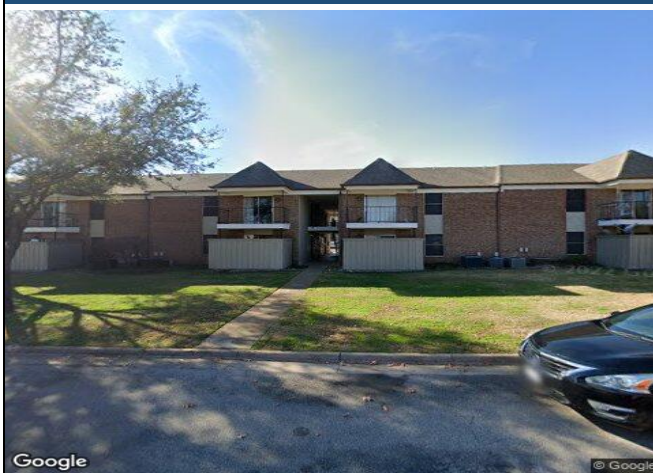
#### Physical Characteristics

Address	3415 Southbend Dr
City, State Zip	Denison, TX 75020
Proximity	23.5 miles
Property Type	Apartments
Year Built	2016
GBA (SF)	158,412
NRA (SF)	158,412
Land Size (SF)	378,580
L:B Ratio	2.39

#### Rental Data

Date Surveyed	08/24/2022	Terms	Modified Gross
Tenancy	Select One	Rent \$/SF/Mo.	\$1.99
Occupancy	90%	Rent \$/SF/Yr.	\$23.87
Available Space (SF)	15,841		

### Rent Comp 3



#### Physical Characteristics

Address	1925 W Taylor
City, State Zip	Sherman, TX 75092
Proximity	28.4 miles
Property Type	Apartments
Year Built	2017
GBA (SF)	91,360
NRA (SF)	91,360
Land Size (SF)	166,399
L:B Ratio	1.82

#### Rental Data

Date Surveyed	08/24/2022	Terms	Modified Gross
Tenancy	Select One	Rent \$/SF/Mo.	\$1.88
Occupancy	97%	Rent \$/SF/Yr.	\$22.58
Available Space (SF)	2,741		



## Apartment Site and Industrial Business Park Land

### Rent Comp 4



#### Physical Characteristics

Address	211 E Canyon Grove
City, State Zip	Sherman, TX 75092
Proximity	28.1 miles
Property Type	Apartments
Year Built	2014
GBA (SF)	151,714
NRA (SF)	151,714
Land Size (SF)	397,703
L:B Ratio	2.62

#### Rental Data

Date Surveyed	08/24/2022	Terms	Modified Gross
Tenancy	Select One	Rent \$/SF/Mo.	\$2.01
Occupancy	96%	Rent \$/SF/Yr.	\$24.16
Available Space (SF)	6,069		

### Rent Comp 5



#### Physical Characteristics

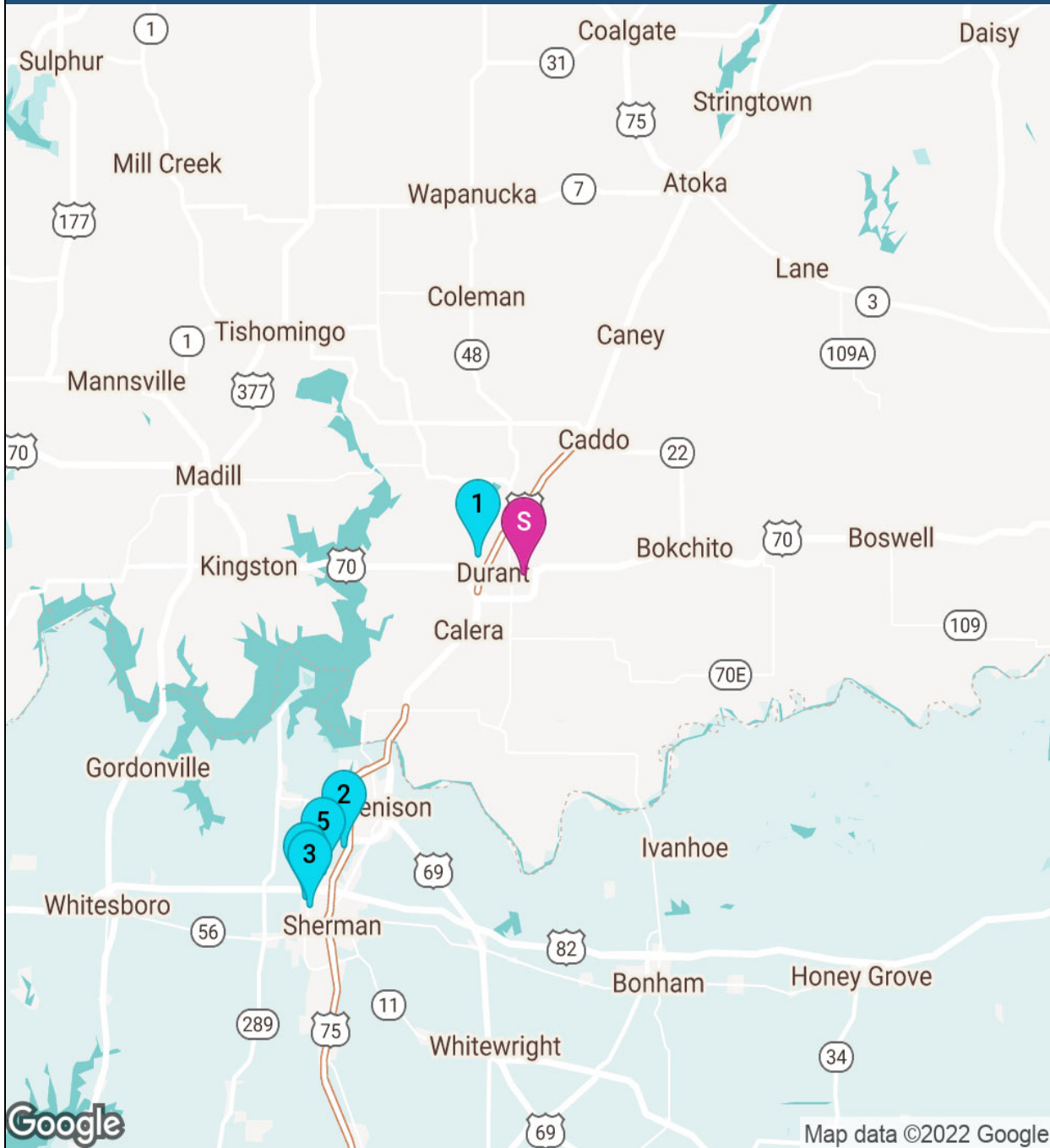
Address	5111 N Travis St
City, State Zip	Sherman, TX 75092
Proximity	25.9 miles
Property Type	Apartments
Year Built	2008
GBA (SF)	175,388
NRA (SF)	175,388
Land Size (SF)	499,154
L:B Ratio	2.85

#### Rental Data

Date Surveyed	08/24/2022	Terms	Modified Gross
Tenancy	Select One	Rent \$/SF/Mo.	\$1.61
Occupancy	100%	Rent \$/SF/Yr.	\$19.27
Available Space (SF)	0		

## Apartment Site and Industrial Business Park Land

### Rent Comparable Map



## Apartment Site and Industrial Business Park Land

### Estimate Market Rent

The following table summarizes comparable rentals in the area, which were used to determine the market rent for the subject property. Their size, lease rates, and amenities support the viability of the cash flow we have projected for the subject.

Summary of Comparable Rentals							
#	Address	Proximity	NRA	Year Built	Occupancy	Lease Type	Avg Annual Rent(\$/SF)
1	1221 Hillcrest Avenue, Durant, OK 74701	N/A	4,552	2022	---	Modified Gross	\$21.00
2	3802 W University Blvd, Durant, OK 74701	3.7 miles	169,600	2007	95%	Modified Gross	\$19.25
3	3415 Southbend Dr, Denison, TX 75020	23.5 miles	158,412	2016	90%	Modified Gross	\$23.87
4	1925 W Taylor, Sherman, TX 75092	28.4 miles	91,360	2017	97%	Modified Gross	\$22.58
5	211 E Canyon Grove, Sherman, TX 75092	28.1 miles	151,714	2014	96%	Modified Gross	\$24.16
6	5111 N Travis St, Sherman, TX 75092	25.9 miles	175,388	2008	100%	Modified Gross	\$19.27

The above rentals are apartments. Considering the subject location, quality/appeal, size, and age/condition, the developer is proposing \$21.00, which is within the range exhibited by the rent comparable is considered reasonable.

### Vacancy and Collection Loss

The condition of the property and skill of the management team can dramatically impact the occupancy rate within the subject submarket. While trends in this area are not expected to change significantly in the near future, it is reasonable to assume that over a typical investor holding period of eight to ten years, there will be losses of income due to vacancy, tenant turnover and/or collection problems.

To arrive at net operating income (NOI), an allowance for vacancy and collection loss must be deducted from potential gross income to arrive at effective gross income. The rent comparables range in occupancy from 90.00% to 100.00%. However, all of the comparables are single tenant properties. Investors indicate that they apply vacancy and collection loss allowances in the 0% to 10% range for similar properties. Based on the above data, we project a vacancy and collection loss allowance of 6.00% (5.00% vacancy and 1.00% collection loss) for the subject property.

The subject's potential gross revenue and effective gross revenue are calculated in the following table.

## Apartment Site and Industrial Business Park Land

Analysis of Revenues			
	<u>\$/SF</u>	<u>% PGI</u>	
Revenues			
Contract Rental Revenue	\$ 0.00	0.00 %	\$ 0
Market Rent - Primary Space	\$ 21.00	100.00 %	\$ 5,838,000
<b>Potential Gross Income (PGI)</b>	<b>\$ 21.00</b>	<b>100.00 %</b>	<b>\$ 5,838,000</b>
Vacancy Loss	\$ 1.05	5.00 %	\$ 291,900
Credit/Collection Loss	\$ 0.21	1.00 %	\$ 58,380
Miscellaneous Income	\$ 1.98	9.11 %	\$ 550,000
<b>Effective Gross Revenue (EGR)</b>	<b>\$ 21.72</b>		<b>\$ 6,037,720</b>

A comparison of the subject's projected stabilized occupancy and proforma effective gross revenue is detailed in the following table.

### Expenses

Historical operating expenses for the subject property were provided the appraiser, and were analyzed on the preceding pages. These historical expenses, in conjunction with expense information on similarly improved properties obtained from conversations with owners, brokers and agents active in the area, and from information in our files, were useful in arriving at estimates of expenses that would be incurred in the operation of the subject property. The subject expenses are analyzed in terms of stabilized occupancy.

The operating expenses for the subject property have been estimated as follows.

### Insurance

Property insurance is the cost of risk management for fire and liability insurance for the subject property. Based on other property owners and conversations with local insurance agents, this expense item generally ranges from \$0.20 per square foot to \$0.80 per square foot for properties of this caliber.

Insurance		Expense Comp	Expense Comp
\$ PSF	\$ Value	\$ PSF	\$ PSF
\$1.00	\$278,000	\$0.57	\$0.28

### Property Taxes

Based upon our proforma assessment and current tax rates, which was analyzed in the tax data section of this report, the projected stabilized tax liability for the subject property is as follows

Property Taxes		Expense Comp	Expense Comp
\$ PSF	\$ Value	\$ PSF	\$ PSF
\$1.38	\$384,000	\$0.80	\$0.55

### Maintenance

This expense is an allowance for the repair and maintenance of the building structure, upkeep of the common areas, parking lot and walks.

## Apartment Site and Industrial Business Park Land

Maintenance		Expense Comp	Expense Comp
\$ PSF	\$ Value	\$ PSF	\$ PSF
\$0.80	\$222,400	\$0.86	\$0.17

## Salaries

Overall payroll expense can include other costs in addition to base salary expenses: manager salaries, other employee's salaries, payroll taxes, group insurance, workman's compensation, and/or additional employee benefits.

Salaries		Expense Comp	Expense Comp
\$ PSF	\$ Value	\$ PSF	\$ PSF
\$1.40	\$389,200	\$1.45	\$0.92

## Utilities

This expense includes the cost of all utilities for the subject including water and electricity.

Utilities		Expense Comp	Expense Comp
\$ PSF	\$ Value	\$ PSF	\$ PSF
\$2.00	\$556,000	\$0.19	\$0.61

## Janitorial / Services

This item is an allowance for the janitorial and upkeep of the building's interior.

Janitorial / Services		Expense Comp
\$ PSF	\$ Value	\$ PSF
\$0.70	\$194,600	\$0.73

## Management Fee

This charge is an allowance to compensate the owner and/or professional management firm for time involved in the management of the project, above and beyond the day-to-day operations (administrative). Professional management companies generally charge 3% to 6% of effective gross income at stabilized occupancy to manage projects similar to the subject.

Management Fee		Expense Comp	Expense Comp
% of EGR	\$ Value	\$ PSF	\$ PSF
5.00%	\$301,886	\$0.41	\$0.20

## Reserves For Replacement

This expense item allows for a sinking fund to be set aside to cover repairs or replacement of building component items whose physical useful life expectancy is less than the building, but longer than the typical investor holding period (replacement of shorter life items would be considered maintenance). The theory is that prudent management would allocate an annual charge sufficient for the periodic replacement of these items. The short life building component items with life expectancies greater than the typical holding period were identified in the cost approach.



### Apartment Site and Industrial Business Park Land

Reserves For Replacement		Expense Comp
\$ PSF	\$ Value	\$ PSF
\$0.40	\$111,200	\$0.58

### Advertising

This allows ownership to advertise the property for lease.

Expense Comp	Expense Comp
\$ PSF	\$ PSF
\$0.17	\$0.01

### Contract Services

This expense is for contractors, like plumbers and others to periodic repair or maintain the property.

Expense Comp	Expense Comp
\$ PSF	\$ PSF
\$1.21	\$0.04

### Total Expense

Total Expense		Expense Comp	Expense Comp
\$ PSF	\$ Value	\$ PSF	\$ PSF
\$384,006.90	\$2,604,086	\$7.34	\$2.85

## Apartment Site and Industrial Business Park Land

### DEVELOPMENT OF THE CAPITALIZATION RATE

Capitalization is a process whereby net operating income is converted into value utilizing an overall capitalization rate. There are several methods of deriving capitalization rates in order to adequately account for risk associated with the quantity, quality and durability of the income stream, i.e.;

1. **Market Extraction Method:** from an analysis of the market sales considered in the Sales Comparison Approach section of this report.
2. **Band of Investment Method:** from analysis of required rates of returns for mortgage and equity portions of an investment utilizing current market conditions.
3. **Investor Surveys:** from an analysis of surveys of industry professionals.

We will begin with a discussion of the Market Extraction Method.

#### Market Extraction Method

In this case, we have developed an overall rate from an analysis of the market sales considered in the Sales Comparison Approach section of this report. An overall rate was derived by dividing the estimated net operating income of the sale property by its sale price. This technique involves constant dollars and stabilized operating expenses.

Market Extraction Method Summary			
Sale	Address	Sale Price	Indicated Ro
1	1961 Arapaho Rd, Garland, TX, Dallas, 75040	\$58,125,000	5.0%
4	Patton Blvd, Plano, TX, Collin, 75075	\$81,678,800	4.5%
7	Adelaide St St, Frisco, TX, Denton, 75034	\$85,000,000	4.7%
<b>Market Extraction Method Conclusion</b>			<b>5.50%</b>

Considering the subject's location, size, effective age, construction quality and tenancy a going-in capitalization rate of 5.50% is considered appropriate via the Market Extraction Method.

#### Band of Investment Method

This technique of developing a capitalization rate basically involves a synthesis between a mortgage constant and an equity dividend rate, each weighted by its percentage of contribution. The mortgage portion of this rate includes an allowance for both interest on and amortization of the mortgage component.

Our research, including reviews of information published in "Valuation" and conversations with local lenders, revealed that mortgage terms for this type of property are being quoted to a credit-worthy customer in the range of 4.50% to 7.00%. A typical amortization period is 25 years. Additionally, the typical loan to value ratio is 75.00%. Assuming an interest rate of 4.16% and a 25-year amortization, the annual mortgage constant is calculated to be 0.0644. The remainder of the total value (i.e. 25.00%) is attributable to the equity contribution. Equity dividend rates for this type of investment have typically ranged from 8% to 12%. The calculations used to develop a capitalization rate via the Band of Investment technique is illustrated as follows.



## Apartment Site and Industrial Business Park Land

Band Of Investment Method					
Mortgage Term (Yrs.)	25				
Interest Rate	4.16 %				
Equity Rate	12.00 %				
Mortgage Portion	75.00 %	x	0.0644	4.83 %	
Equity Portion	25.00 %	x	0.1200	3.00 %	
Less: Mortgage Paydown				-1.21 %	
Less: Appreciation				-1.14 %	
<b>Indicated Overall Rate (Rounded)</b>				<b>5.48 %</b>	

Surveyed rates can also provide support:

1Q 2022 National Rates Comparison Multifamily	Going-In Cap Rate	Discount Rate	Reversion Rate (bps over Going In Cap)	Market Rent Growth Rate	Expense Growth Rate
<b>WEST</b>					
Multifamily - CBD Class A	4.38%	6.02%	44	3.17%	2.92%
Multifamily - CBD Class B	4.75%	6.40%	44	3.17%	2.92%
Multifamily - Suburban Class A	4.48%	6.09%	43	3.17%	2.91%
Multifamily - Suburban Class B	4.89%	6.50%	43	3.17%	2.91%
<b>CENTRAL</b>					
Multifamily - CBD Class A	5.00%	6.58%	55	2.80%	2.75%
Multifamily - CBD Class B	5.68%	7.30%	55	2.80%	2.75%
Multifamily - Suburban Class A	5.10%	6.70%	55	2.95%	2.75%
Multifamily - Suburban Class B	5.70%	7.23%	55	2.95%	2.75%
<b>SOUTH</b>					
Multifamily - CBD Class A	4.62%	6.29%	46	2.58%	2.77%
Multifamily - CBD Class B	5.23%	6.83%	46	2.58%	2.77%
Multifamily - Suburban Class A	4.79%	6.46%	46	2.58%	2.77%
Multifamily - Suburban Class B	5.40%	7.00%	46	2.58%	2.77%
<b>EAST</b>					
Multifamily - CBD Class A	4.63%	6.05%	43	2.63%	2.70%
Multifamily - CBD Class B	5.28%	6.78%	43	2.63%	2.70%
Multifamily - Suburban Class A	4.85%	6.27%	46	2.70%	2.75%
Multifamily - Suburban Class B	5.40%	6.92%	46	2.70%	2.75%

## Reconciliation of Overall Capitalization Rates

Emphasis is placed on the Market Extraction Method when differences exist, as it is considered that investors in the current market more often rely upon this method. Based on the foregoing, it is our opinion that the appropriate “going-in” capitalization rate for the subject is as follows:

## Apartment Site and Industrial Business Park Land

Capitalization Rate Conclusion	
Market Extraction Method	5.50 %
Band of Investment Method	5.48 %
Market Surveys	5.50 %
<b>Concluded Capitalization Rate</b>	<b>5.50 %</b>

The concluded capitalization rate is the rate generated by the Market Extraction Method, and generally supported by the Band of Investment and Market Survey Method.

## Apartment Site and Industrial Business Park Land

### Value via Direct Capitalization

The following table details the calculation via the Direct Capitalization technique.

Income Approach Conclusion	
Potential Gross Revenue	\$5,838,000
Effective Gross Revenue	\$6,037,720
Total Expenses	\$2,604,086
<b>Net Operating Income</b>	<b>\$3,433,634</b>
Capitalization Rate	6%
<b>Value via Direct Capitalization</b>	<b>\$62,429,709</b>

A summary of the income schedule follows:





**Apartment Site and Industrial Business Park Land**

<b>Income Approach - Direct Capitalization Analysis Exhibit</b>			
	<u>\$/SF</u>	<u>% PGI</u>	
<b><u>Revenues</u></b>			
Contract Rental Revenue	\$ 0.00	0.00 %	\$ 0
Market Rent - Primary Space	\$ 21.00	100.00 %	\$ 5,838,000
<b>Potential Gross Income (PGI)</b>	<b>\$ 21.00</b>		<b>\$ 5,838,000</b>
Vacancy Loss	\$ 1.05	5.00 %	\$ 291,900
Credit/Collection Loss	\$ 0.21	1.00 %	\$ 58,380
Miscellaneous Income	\$ 1.98	9.11 %	\$ 550,000
<b>Effective Gross Revenue (EGR)</b>	<b>\$ 21.72</b>	<b>100.00 %</b>	<b>\$ 6,037,720</b>
			<u>\$/Year</u>
<b><u>Expenses</u></b>			
Property Taxes			\$ 384,000
Insurance			\$ 278,000
Maintenance			\$ 222,400
Utilities			\$ 556,000
Management			\$ 301,886
Salaries			\$ 389,200
Janitorial / Services			\$ 194,600
Reserves For Replacement			\$ 111,200
General & Administrative			\$ 166,800
Contract Services			\$ 336,380
Advertising			\$ 47,260
<b>Total Operating Expenses</b>			<b>\$ 2,604,086</b>
<b>Net Operating Income (NOI)</b>	<b>\$ 12.35</b>	<b>56.87 %</b>	<b>\$ 3,433,634</b>
Total Capitalization Rate		÷	5.50 %
			\$ 62,429,709
<b>Indicated As Stabilized Value</b>	<b>\$ 224.57 PSF</b>	<b>Rounded To:</b>	<b>\$ 62,430,000</b>
Adjustment for Below Market Occupancy			\$ -4,202,206
			\$ 58,227,794
<b>Indicated As Completed Value</b>	<b>\$ 209.46 PSF</b>	<b>Rounded To:</b>	<b>\$ 58,230,000</b>
Adjustment for Cost to Complete			-\$ 54,633,300
Land Value			\$ 3,596,700
<b>Indicated As Is Land Value</b>	<b>\$ 12.95 PSF</b>	<b>Rounded To:</b>	<b>\$ 3,600,000</b>

## Apartment Site and Industrial Business Park Land

### RECONCILIATION AND FINAL VALUE CONCLUSION

#### The Cost Approach

The Cost Approach is a reliable method of determining market value for the proposed apartments. This approach was utilized in our appraisal report to determine cost of improvements to deducted from the sales comparison and income approaches for the finished apartments..

#### Sales Comparison Approach

There is sufficient market activity to adequately employ this approach reliably. For the industrial site, sales utilized in the comparison analysis were recent transactions of similar type properties. Overall, the conclusions derived within this approach provide a reliable market value conclusion. Overall, most consideration was given the value conclusion derived within this approach. For the apartment, stabilized apartment sales were analyzed and the lease-up cost and cost to complete were deducted to arrive at land value.

#### The Income Approach

The subject is not an income producing asset. An investor purchasing the subject property would likely focus on the sales comparison approach. For the apartment, stabilized apartment income and expenses were analyzed and the lease-up cost and cost to complete were deducted to arrive at land value.

#### Final Conclusion Summary

As a result of our investigations, studies and analysis of the comparable sales, the value indicated for the subject from the Sales Comparison Approach was given most consideration. Therefore, the value conclusions for the subject follow:

Market Value Conclusion			
<u>Appraisal Premise</u>	<u>Interest Appraised</u>	<u>Date of Value</u>	<u>Value Conclusion</u>
"As Is" Market Value – Apartment Site	Fee Simple Estate	August 24, 2022	\$3,480,000
"As Is" Market Value – Industrial Business Park	Fee Simple Estate	August 24, 2022	\$16,240,000

#### Exposure to the Market/Marketing Time

Assuming adequate exposure and normal marketing efforts, the estimated exposure time (i.e. the length of time the subject property would have been exposed for sale in the market had it sold at the market value concluded to in this analysis as of the date of this valuation) would have been within 9 months; the estimated marketing time (i.e. the amount of time it would probably take to sell the subject property if exposed in the market beginning on the date of this valuation) is estimated to be within 9 months. Brokers support a period of a few months to advertise the market, with best and final offer period, then up to three months to close at the title company.

**Apartment Site and Industrial Business Park Land****ADA Requirements**

The appraisers noted no specific items in which the subject property did not meet the ADA requirements. The Americans with Disabilities Act (ADA) became effective 01/26/1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more requirements of the act. If so, this fact could have a negative impact upon the value of the property. However, since we have no direct evidence relating to the issue of compliance, we did not consider possible noncompliance with requirements of ADA in forming an opinion of the value of the property.

## **Apartment Site and Industrial Business Park Land**

### **ADDENDA**



## **Apartment Site and Industrial Business Park Land**

### **ASSUMPTIONS AND LIMITING CONDITIONS**

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

- 1) No survey of the subject property was undertaken and the appraiser(s) assume no responsibility associated with such matters.
- 2) The value is based on the assumption of responsible ownership and competent management. The subject property is assumed to be free and clear of all liens, except as may be otherwise herein described. No responsibility is assumed by the appraiser(s) for matters legal in character, nor is any opinion on the title rendered, which is assumed to be good and marketable.
- 3) The information contained herein has been gathered from sources deemed to be reliable, but the appraiser(s) assume no responsibility for its accuracy. Correctness of estimates, opinions, dimensions, sketches and other exhibits that have been furnished and have been used in this report are not guaranteed.
- 4) The value rendered herein is based on preliminary analyses of the subject and market area. The market value is expressed in terms of the current purchasing power of the dollar.
- 5) Any leases, agreements or other written or verbal representations and/or communications and information received by the appraiser(s) have been reasonably relied upon in good faith but have not been analyzed for their legal implications. We urge and caution the user of this report to obtain legal counsel of his/her own choice to review the legal and factual matters, and to verify and analyze the underlying facts and merits of any investment decision in a reasonably prudent manner.
- 6) Appraiser(s) assume no responsibility for any hidden agreements known as "side reports", which may or may not exist relative to this property, which have not been made known to us, unless specifically acknowledged within this report.
- 7) This report is to be used in whole, and not in part. Any separate valuation for land and improvements shall not be used in conjunction with any other valuation and is invalid if so used. Possession of this report or any copy thereof does not carry with it the right of publication nor may the same be used for any purpose by anyone but the client without the previous written consent of the appraiser(s), and in any event, only in its entirety.
- 8) The appraiser(s), by reason of this report, are not required to give testimony in court with reference to the property unless notice and proper arrangements have been previously made therefore.
- 9) Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media without prior written consent and approval of the author.
- 10) No subsoil data or analysis based on engineering core borings or other tests were furnished to us. We have assumed that there are no subsoil defects present that would impair development of the land to its maximum permitted use, or would render it more or less valuable. No responsibility is assumed for engineering, which might be required to discover such factors.
- 11) The construction and physical condition of the improvements described herein are based on a site visit. No liability is assumed by the appraiser(s) for the soundness of structural members since no engineering tests were conducted. No liability is assumed for the condition or adequacy of mechanical equipment, plumbing or electrical components. No responsibility is assumed for engineering, which might be required to discover such factors. We urge the user of this report to retain an expert in this field.
- 12) Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present in or on the property, or other environmental conditions were not called to the attention of the appraiser(s) nor



**Apartment Site and Industrial Business Park Land**

did the appraiser(s) become aware of such during the appraiser(s) site visit. The appraiser(s) have no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser(s), however, are not qualified to test such substances or conditions. If the presence of such substances as asbestos, urea formaldehyde, foam insulation or other hazardous substance or environmental conditions may affect the value of the property, the value is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto as to cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to detect or discover them. We urge the user of this report to retain an expert in the field of environmental impacts on real estate if so desired.

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

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

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

16) This assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.

17) The Americans with Disabilities Act (ADA) became effective 01/26/1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more requirements of the act. If so, this fact could have a negative impact upon the value of the property. However, since we have no direct evidence relating to the issue of compliance, we did not consider possible noncompliance with requirements of ADA in forming an opinion of the value of the property.

18) If this appraisal includes a prospective value as of a prospective date, the value conclusion is contingent upon the assumption that market conditions do not unexpectedly change from the date of the report to the prospective date of value.

**Apartment Site and Industrial Business Park Land****ENVIRONMENTAL ASSUMPTIONS**

This report is subject to the following environmental assumptions:

- 1) There is a safe, lead-free, adequate supply of drinking water.
- 2) The subject property is free of soil contamination.
- 3) There is no uncontained friable asbestos or other hazardous asbestos material on the property. The appraiser is not qualified to detect such substances.
- 4) There are no uncontained PCB's on or near the property.
- 5) The radon level is at or below EPA recommended levels.
- 6) Any functioning underground storage tanks (UST's) are not leaking and are properly registered; any abandoned UST's are free from contamination and were properly drained, filled and sealed.
- 7) There are no hazardous waste sites on or near the subject property that negatively affect the value and/or safety of the property.
- 8) There is no significant urea formaldehyde (UFFI) insulation or other urea formaldehyde material on the property.
- 9) There is no flaking or peeling of lead-based paint on the property.
- 10) The property is free of air pollution.
- 11) There are no wetlands/flood plains on the property (unless otherwise stated in the report).
- 12) There are no other miscellaneous hazardous substances and/or detrimental environmental conditions on or in the area of the site (excess noise, radiation, light pollution, magnetic radiation, acid mine drainage, agricultural pollution, waste heat, miscellaneous chemical, infectious medical wastes, pesticides, herbicides, and the like).

## **Apartment Site and Industrial Business Park Land**

### **QUALIFICATIONS OF MICHAEL L. MILLER, MAI**

#### **PROFESSIONAL EXPERIENCE AND REAL ESTATE VALUATION EXPERT**

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Executive Managing Director – Property Analytix, LLC, an appraisal group accessing Enriched Data’s resources and technology to provide attorneys thousands of appraisals for litigation support.

Chief Operating Officer – Enriched Data, LLC, the largest data aggregator of enriched real estate data in America. Mr. Miller has been involved in the database, appraisal and consultation of real estate and going concerns for over 30 years. Previously he was a Senior Managing Director which started Grubb & Ellis Landauer Valuation Advisory Services appraisal platform; Senior Director, with Cushman & Wakefield of Arizona and Texas for 17 years and with CB Commercial Real Estate Group, Inc. (CBRE) as an Assistant Vice President for 8 years.

Clients include financial institutions, insurance companies, law firms, governmental entities, developers, private property owners, and many Fortune 500 companies active in the U.S. and institutional international clients active outside the U.S., specifically in the Caribbean, Central America, Bahamas and Mexico. Mr. Miller is considered a leading master planned consultant, providing land use profiles, density studies, marketing comparisons and structures, feasibility analysis, appraisal reports and joint venture proposals to some of the highest profile resort/destination master planned communities (MPC) ever developed. U.S. valuation assignments performed in Hawaii, Florida, Georgia, Mississippi, Washington, Montana, California, Nebraska, Tennessee, Utah, New York, Arkansas, North Dakota, Virginia, Nevada, Louisiana, Oklahoma, New Mexico, Arizona, Wisconsin and Texas. The practice features appraisal, litigation, consultation and expert witness covering all aspects of the real estate market.

#### **PROFESSIONAL ACTIVITIES & AFFILIATIONS**

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MAI-Member of Appraisal Institute; Certificate No. 9664 (certified to 12/31/23)

#### **STATE & REGULATORY LICENSURE**

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Texas Certified General Real Estate Appraiser No. TX-1329234-G (certified to 02/28/24)

#### **EDUCATION**

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Mr. Miller attended University of Texas, Arlington, Texas where he majored in real estate and minored in economics. Mr. Miller has successfully completed numerous real estate related courses and seminars sponsored by the Appraisal Institute, IRWA, accredited universities, and others.

Published articles on real estate valuation in C&W National Investor Survey (real estate in Mexico), the Houston Business Journal (real estate oriented to Telecom occupancy), published a monthly real estate newsletter to over 33,000 subscribers, interviewed on National Public Radio relative to real estate economics, speaker at real estate forecast events in Houston on local market economics and advisor to private and government agencies.

## **Apartment Site and Industrial Business Park Land**

### **QUALIFIED BEFORE COURTS & ADMINISTRATIVE BODIES**

Mr. Miller has extensive experience testifying in Courts and Arbitrations relating to real estate partnership conflicts, property values and market occurrences. Expert qualifications include all types of real estate in the U.S. and internationally, including: regional malls, office buildings, subdivisions, master planned communities, business parks, single and multi-tenant retail centers, industrial facilities, independent and assisted living facilities, self-storage facilities, marinas, golf courses and right-of-way acquisitions.

Mr. Miller has briefed major banks, investment advisors, private developers, Presidents of foreign countries, governors and local development offices on real estate development within their respective countries and/or targeted investment regions.

#### **Federal Court Expert Witness:**

- U.S. Marshall's Service representation against suspects who owned multiple properties used in illegal drug manufacturing and distribution. Properties affected were seized by the U.S. Marshall's Service and sold.
- Material witness in the Credit Suisse (Gibson v. Credit Suisse) that included at least 5 master planned communities claiming damages, including RICO Act; claims totaling \$24,000,000,000; one of the largest federal filings related to real estate ever issued. Testified in over 20 depositions and in front of 30+ attorneys.

#### **Condemnation / Right-of-Way Court Cases Expert Witness:**

- Highway 183 in North Dallas right-of-way taking, appraisals on hundreds of properties ranging from churches, retail, low and mid-rise office, industrial, etc.
- City of White Settlement takings for road expansion.

#### **District Courts Expert Witness:**

- Designated expert witness in over 800 litigation cases by commercial building owners against Texas Assessors, including Harris, Montgomery, Fort Bend, Dallas, Tarrant, Bexar and Travis counties; for over-assessment with 99% successful pre-settlement and 100% litigation wins.

#### **U.S. Government Representation Expert:**

- Consultant for the Dept. of Interior of the U.S. on S. Las Vegas Land Exchange, a Del Webb community in Las Vegas, Nevada, the largest federal land exchange conducted in the U.S. conducted for the year.
- Advised the Department of the Interior in Washington, D.C. on one of the largest federal land exchanges ever conducted in the U.S.

#### **Private Ownership Representation Expert Aligned With U.S. Government:**

- Provided appraisal on over \$100,000,000 conservancy contribution on beachfront development on the Big Island, Hawaii, one of the largest contributions ever made for IRS charitable tax deduction;
- Provided appraisal on over \$90,000,000 conservancy contribution on beachfront development near Monterey, CA, one of the largest contributions ever made in California for IRS charitable tax deduction.
- Designated as the primary real estate expert and diminution in value in Hurricane Harvey related flood matters by four law firms representing thousands of homeowners and commercial property owners. Solicited to be the expert of record for both the U.S. Government and the plaintiffs flooded by Core of Engineer floodwater release. Over 7,000 residential and 700 commercial properties affected with a diminution of over \$1,500,000,000.
- Over 350 commercial appraisals for casualty loss claimed on income for IRS reimbursement related to Hurricane Harvey, with total diminution in value in excess of \$500,000,000.

## Apartment Site and Industrial Business Park Land

### AUTHOR AND SPEAKER

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#### Author

Big Data in Real Estate - Be a Millionaire, “Big Data in Real Estate” shows you how to harness data to allow you and your company to be proficient and become a millionaire through the efficiencies of Big Data.

**Telecom Economics** - Houston Business Journal - The advancement of the internet industry requires strategically situated real estate locations bin unique buildings to house technology components.

#### Speaker and Instructor

Whitmer Education Services – **Appraisals and Impact of Disaster Relief**, Austin, Texas – How properties affected by disasters, like Hurricane Harvey, impacts on diminution in value and how property values impacted; Texas Appraisal Licensing Board and **State Bar of Texas MCLE credit**.

Crittenden – Real Estate Finance Conference, Miami, Florida – **Impact of Big Data on Real Estate Markets**. How Big Data is changing the way we do business and how it is revolutionizing marketing of real estate finance products.

Appraisal Institute - **Big Data and Real Estate, Houston**, Texas – How Big Data is making lending a commodity and advancements in valuation tools that make appraisers more accurate and efficient; continuing education credit, Texas Appraisal Licensing Board.

Appraisal Institute - **Big Data and Real Estate**, Baltimore, Maryland – How Big Data is making lending a commodity and advancements in valuation tools that make appraisers more accurate and efficient; continuing education Texas Appraisal Licensing Board.

### ENVIRONMENTAL & DEVELOPMENT EXPERT

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#### The Woodlands, Montgomery County, Texas

This 68,000 acre MPC, 4<sup>th</sup> largest master planned development in American, with hotel, retail, office, industrial, residential and golf courses. Appraised multiple times for various owners and lenders. Use of natural vegetation and renewable resources was a central focus of this development.

#### Monterey Bay Shores, Sand City, California

Appraiser and consultant on the proposed greenest condo-hotel ever developed along the California Coast. Over 20 years and a dozen lawsuits, the owner obtained building permit and Coastal Commission approval in February 2017. This \$800,000,000 construction project has a sellout value in excess of \$1,100,000,000.

#### Crab Cay, Exuma, Bahamas

Currently under development, this is a 188 acre resort island branded by #1 destination spa in the world, Sedona Resorts; it includes the 3<sup>rd</sup> largest marina in the Caribbean. This is an island property with environmental sensitive resort development, including a marina with Blue Star requirements. We provided the build out model and land planning from a demand standpoint that included representation of a 5-star destination spa and the implementation of the development.

#### Desert Mountain, Scottsdale, Arizona

Recognized as the leading private golfing community in the world, this is an 8,064 acre master planned community on a mountainside property adjacent to the Tonto National Forest; active mining claims, environmentally protected plants and dry washes had to be preserved in the development process. The development contains six golf courses, 2,650 residential lots ranging from \$300,000 to \$3 million in price, a private club and various commercial buildings. We provided appraisals and build-out alternatives under build-out model, and considered residual value of vertical homebuilding operations, as well. The total build-out was almost \$2 billion. (Seven engagements)

#### Hokulia, Big Island, Hawaii



**Apartment Site and Industrial Business Park Land**

This is a 1,100 acre master planned community on the Big Island of Hawaii. It contains the historical site of King Komay'may's kingdom. Particular care had to be taken, since historical trails, retaining walls and underground burial chambers had to be preserved in the development process. The resort includes a golf course, residential lots ranging from \$900,000 to \$6 million, private club, and beach club. We provided the appraisal under build-out model and the market study. (3 times)

**Rocking K Ranch, Tucson, Arizona**

Engaged by owner on a proposed 800+ acre MPC, Tucson, Arizona that had a number of environmental concerns, including water and the Mexican Spotted Owl.

**100,000 acres, S. of Lake Meade, Arizona**

Appraiser on property for entitlement and development purposes.

**Laguna Del Mar, Puerto Peñasco (Rocky Pointe), Sonora, México**

This is a 2,000 acre master planned community under construction on the Sea of Cortez. With the ocean frontage came significant environmental/green development requirements. The resort plans 2,400 residential units, 1 proposed GC's, 2 hotels and specialty retail. We provided equity participation alternatives and appraisal under build-out model. (3 times)

**Little Exuma, Bahamas**

This peninsula property is an environmentally sensitive golf course and resort development, with a proposed 1,700 acre hotel, residential, commercial and marina development. The marina development meets Blue Star requirements. We provided the build out model and land planning from a demand standpoint that included representation of a 5-star hotel, financing – infrastructure, construction and permanent, world class spa operator, golf operator, world class golf architects and the implementation of the development.

**Temenos, Anguilla**

Currently under development this is a 75 acre resort with a St Regis Hotel, Norman golf course and residential real estate. This ocean front development parcel has significant environmental/green development requirements. We provided appraisal and consulting services for the entire property.

**Dominican Republic**

Advised the President of Dominican Republic on resort development occurring on the northern coast of the Dominican Republic and the environmental, social and economic impacts of those developments.

**Punta Alma, Puerto Plata, Dominican Republic**

Situated on an ocean peninsula, this development parcel has stringent environmental/green development requirements. Under development this is a 1,300 acre resort with a Blue Star mega yacht marina, four 5-star hotels, polo, golf, residential and fractional real estate. We provided build out model and land planning from a demand standpoint that included representation of 5-star hotels and the implementation of the development.

**Estates of South Abaco, Abaco, Bahamas**

Site of one of the only places in the world with a ground dwelling parrot whose habitat has to be preserved, extreme care is being taken in the development process. Currently under development, this is a 1,300 acre resort with three 5-star hotels, polo, two golf courses, residential and fractional real estate. We provided build out model and land planning from a demand standpoint that included representation of 5-star hotels and the implementation of the development.

**San Juanillo, Costa Rica**

Currently under development, this is a 360 acre master planned community, with a marina, golf course, hotel and resort residential development. This parcel comes with environmental/green development requirements, including protected animals and plants. We provided build out model and land planning from a demand standpoint that included representation of 5-star hotels and the implementation of the development. We also provided budgets for project and priced sellout of units.

## **Apartment Site and Industrial Business Park Land**

### **Other environmentally sensitive assignments include:**

- Consultant on Darien Conservation Park, Panama;
- Consultant on Diamond Beach, a 500+ acre MPC beachfront development, Mazatlan, Mexico;
- Consultant on Beaver Dam Farms, former Kenny Rogers golf and equestrian development, Athens, Georgia;
- Appraiser for bond holders on Cap Cana, a 5,000+ acre MPC and marina development, Dominican Republic;
- Appraiser for lender on Punta Cana, a 2,000+ acre MPC, Dominican Republic;
- Consultant & Advisor on hotel development in Roco Ki, Dominican Republic;
- Appraiser for investment fund on Monte Christi, an 8,000\_ acre MPC, Dominican Republic;
- Appraiser for golf course and residential development, St Thomas, USVI;
- Consultant on condo development, Tamarindo, Costa Rica;
- Consultant on acquisition of Los Suenos, a golf course and marina MPC, Costa Rica;
- Appraiser on Chileno Bay, golf course, hotel and marina MPC, Cabo San Lucas, Mexico;
- Appraiser on Hacienda Condos, Cabo San Lucas, Mexico;
- Appraiser on Punta Brava, a Tiger Woods golf course and MPC, Ensenada, Mexico;
- Appraiser on Chateau Elan, a hotel, golf course, winery and residential MPC, Atlanta, Georgia;
- Appraiser for lender on 55,000 acres MPC, Westland, Albuquerque, New Mexico;
- Appraiser on Las Campanas, 2 Jack Nicklaus Signature golf courses and 2,000+ residential unit MPC, Santa Fe, New Mexico;
- Appraiser on Superstition Mountain, 2 Jack Nicklaus Signature golf courses and 1,000+ residential unit MPC Apache Junction, Arizona;
- Appraiser for lender on 10,000 acre proposed MPC, 10 West (Fiesta Ranch), Goodyear, Arizona;
- Appraiser for lender on Gold Canyon Resort, 2 golf courses, hotel and residential MPC, Apache Junction, Arizona;
- Consultant for developer, Saddleback Heights, 800+ acre, MPC Peoria, Arizona;
- Appraiser for lender on Lake Las Vegas, a golf course, hotel, resort, residential and commercial MPC, Las Vegas, Nevada;
- Appraiser for lender on Arnold Palmer golf course and residential beachfront MPD, Port Aransas, Texas.