



MARKET VALUE APPRAISAL REPORT



**Proposed 581 Single-family Lots
And 8 Tracts of Mixed Use Vacant Land
Whisper Public Improvement District
ES of IH-35 between at Yarrington Road
San Marcos, Hays County, Texas**

FRA Job No.: 20-FRA-1003

PERTINENT DATES:

Valuation Date: As Is – February 4, 2020

As Complete – February 4, 2021

Report Date: May 8, 2020

PREPARED FOR:

Mr. Bert Lumbreras
City Manager

City of San Marcos

630 E. Hopkins Street
San Marcos, Texas 78666

PREPARED BY:

Flato Realty Advisors, LLC

8919 Tesoro, Suite 405
San Antonio, Texas 78217

May 8, 2020

Mr. Bert Lumbreras
City Manager
City of San Marcos
630 E. Hopkins Street
San Marcos, Texas 78666

RE: An Appraisal of Real Property
**Proposed 581 Single-family Lots
And 8 Tracts of Vacant Land
Whisper Public Improvement District**
ES of IH-35 at Yarrington Road
San Marcos, Hays County, Texas

Flato Realty Adv. Job No.: 20-FRA-1003

Dear Mr. Lumbreras:

At the request and authorization of City of San Marcos, Flato Realty Advisors, LLC ("Flato") has prepared an appraisal to determine the market value of the referenced property and presented our analysis in the following Market Value Appraisal Report. In the course of completing the valuation of the appraised property, numerous sources have been contacted. These include government sources, active real estate brokers, and homebuilders and developers in the Hays County Area, including the proposed development of Whisper Public Improvement District (PID). The appraised property consists of 581 proposed single-family lots to be known as Whisper Mixed Use Subdivision and eight (8) tracts of mixed use land all situated within the Whisper PID. The property is located along the east side of IH-35 to the south of Yarrington Road in the City of San Marcos in Hays County, Texas.

The vacant land tracts are proposed for mixed use development according to the approved PID, which include commercial, industrial, multi-family and single-family residential uses. The proposed residential lots will include lots which average 46-foot, 50-foot and 52-foot lots. Terrain is generally level; and each proposed lot will have a usable building site. Subdivision and site improvements will include asphalt paved streets, concrete curbing, storm drainage, street lighting, fire hydrants, underground water, sewer and electricity. The property will be located in a Public Improvement District (PID), funded by the City of San Marcos in order to provide all onsite and offsite improvements including roads and utilities to the proposed subdivision.

The proposed Whisper PID includes a master planned, mixed use development that will include mixed-use commercial development, light industrial/business park development, multi-family development and single-family residential lots. The single-family portion will feature walking paths, gathering places and some recreational facilities and open spaces with a focus on preserving the natural features of the land.

The proposed subdivision portion of the appraised property is appraised utilizing income capitalization approach (lot sell-out) incorporating the Sales Comparison approach in the valuation of the proposed lots, and the Cost Approach in the valuation of the proposed lot development. The Income and Cost Approaches most closely reflect the actions of buyers and sellers. The sales Comparison Approach is utilized in valuing the vacant land tracts.

Data, information, and calculations leading to the value conclusion(s) are incorporated in the report following this letter. The report, in its entirety, including all assumptions and limiting conditions (if any), is an integral part of, and inseparable from, this letter. *The size and number of lots is per the subdivision plan provided by the client. Should the land size or number/size of lots change, the value conclusion is subject to revision.*

We have appraised the land on an "As Is" basis and the proposed lots on a prospective, "As Complete" basis, assuming platting and subdivision improvements are completed as proposed. Based on the analysis contained in the following report, and after considering the extraordinary assumptions and hypothetical conditions of this report, the opinion of value of the subject property is as follows:

MARKET VALUE CONCLUSION - WHISPER PID						
Property Description		Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion	\$/Unit
Tract 1	69.393 Acres Vacant Commercial Land	"As Is"	Fee Simple Estate	February 4, 2020	\$14,800,000	\$4.90/SF
Tract 2	46.293 Acres Vacant Commercial Land	"As Is"	Fee Simple Estate	February 4, 2020	\$10,475,000	\$5.19/SF
Tract 3A	121.280 Acres Vacant Mixed Use Land	"As Is"	Fee Simple Estate	February 4, 2020	\$17,700,000	\$3.35/SF
Tract 3B	16.560 Acres Vacant Mixed Use Land	"As Is"	Fee Simple Estate	February 4, 2020	\$3,575,000	\$4.96/SF
Tract 4	164.183 Acres Vacant Mixed Use Land	"As Is"	Fee Simple Estate	February 4, 2020	\$28,250,000	\$3.95/SF
Tract 5	33.370 Acres Vacant Mixed Use Land	"As Is"	Fee Simple Estate	February 4, 2020	\$6,900,000	\$4.75/SF
Tract 6	130.641 Acres/581 Single Family Lots	"As Complete"	Fee Simple Estate	February 4, 2021	\$19,500,000	\$33,563/Lot
Tract 7A	72.660 Acres Vacant Mixed Use Land	"As Is"	Fee Simple Estate	February 4, 2020	\$12,025,000	\$3.80/SF
Tract 7B	51.969 Acres Vacant Mixed Use Land	"As Is"	Fee Simple Estate	February 4, 2020	\$9,850,000	\$4.35/SF

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, our interpretation of the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), Title XI Regulations, and the appraisal guidelines of the City of San Marcos.

The appraisers have not performed previous appraisal services with regard to this property within the three-year period immediately preceding the date of acceptance of this assignment. The intended use of this appraisal is for possible PID bond collateralization purposes. The intended users are the City of San Marcos and FMSbonds. It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if Flato Realty Advisors, LLC can be of further service, please contact us.

Respectfully submitted,

FLATO REALTY ADVISORS, LLC



Franklin L. Flato, MAI
President
Certified General Real Estate Appraiser
Texas – TX-1321148-G; Exp. June 30, 2021
E-Mail: franklin@flatorealtyadvisors.com



Ted A. Moore, MAI
Certified General Real Estate Appraiser
Texas – TX-1320476-G;
Exp. January 31, 2021
E-Mail: ted@flatorealtyadvisors.com





IH-35 Access Road adjacent to Tracts 1 and 2



IH-35 access road adjacent to Tract 2



Entry road to Subdivision Tract 6



View along road adjacent to Tract 7



View of Tracts 5 and 6



Interior View of Tract 2



View of intersection Harris Hill and Opportunity Blvd



Interior view of Residential Tract 6



View of roadway adjacent to Tract 5



View along road adjacent to Tract 7



View of Tract 5



Interior View of Tract 4



AERIAL VIEW



SUBJECT LOCATION

EXECUTIVE SUMMARY

Property Name	WHISPER PID VACANT LAND TRACTS AND PROPOSED LOTS
Property Identification	Nine tracts of vacant mixed use land; Whisper Subdivision, San Marcos, Hays County, Texas
Legal Description- As Is, Vacant Land	Various surveys, Hays County, Texas; see page 17
Tax Parcel Numbers	Various; See Tax Section
Property Owner	Yarrington Partners Ltd., Whisper Master Community Limited Partnership, Whisper Industrial
Interest Appraised	2019 QOZB and 135 Residential Development, LLC
	Land - "As Is" Market Value
	Proposed Lots - "As Complete" Prospective Market Value assuming completion of PID
	improvements and residential lot development
	Commercial/Mixed Use Tracts - "As Is" Market Value assuming completion of PID
	Improvements
Property Rights Appraised	Fee Simple Estate
Date of "As Is" Valuation	February 4, 2020
Date of "As Complete" Valuation - Proposed Lots	February 4, 2021
Report Date	May 8, 2020
Market	Austin-Round Rock MSA
Flood Plain	Zone X; Area of Minimal Flood Hazard
Utilities	Water, sewer, telephone and electric
Zoning	PUD
Tax Assessment	Various,- see Tax Section of the report
Lot Sell-out Period	4.75 Years

Property Description	Concluded Values	\$/Unit
Tract 1 69.393 Acres Vacant Commercial Land	\$14,800,000	\$4.90/SF
Tract 2 46.293 Acres Vacant Commercial Land	\$10,475,000	\$5.19/SF
Tract 3A 121.280 Acres Vacant Mixed Use Land	\$17,700,000	\$3.35/SF
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Tract 7A 72.660 Acres Vacant Mixed Use Land	\$12,025,000	\$3.80/SF
Tract 7B 51.969 Acres Vacant Mixed Use Land	\$9,850,000	\$4.35/SF
Estimated Marketing Time (months)	< 12 months	

TABLE OF CONTENTS

INTRODUCTION.....	1
REGIONAL ANALYSIS	7
NEIGHBORHOOD ANALYSIS.....	9
RESIDENTIAL MARKET ANALYSIS	14
COMMERCIAL/INDUSTRIAL/MULTI-FAMILY LAND MARKET ANALYSIS.....	20
LAND AND DEVELOPMENT ANALYSIS	24
ZONING	33
ASSESSMENT AND TAXES	34
HIGHEST AND BEST USE	35
APPRAISAL METHODOLOGY	37
LAND VALUE “AS IS”	39
COST APPROACH – PROPOSED SUBDIVISION.....	59
INCOME APPROACH – SUBDIVISION ANALYSIS	61
DISCOUNTED CASH FLOW ANALYSIS – INCOME APPROACH	66
RECONCILIATION.....	71
CERTIFICATION.....	72
ASSUMPTIONS AND LIMITING CONDITIONS.....	73

ADDENDA

ADDENDUM A:	DEFINITIONS
ADDENDUM B:	APPRAISER QUALIFICATIONS
ADDENDUM C:	CLIENT CORRESPONDENCE
ADDENDUM D:	DEVELOPER'S COST ESTIMATE
ADDENDUM E:	COMPARABLE LAND SALES

INTRODUCTION

IDENTIFICATION OF THE PROPERTY

The appraised property consists of a 706.349-acre tract of land proposed for mixed use development. The property includes 9 tracts of vacant land. Tract No. 6 is proposed for development with 581 single-family lots to be known as Whisper Mixed Use Subdivision. The 8 remaining tracts of vacant land are proposed for mixed use commercial and multi-family development. The property is located along the east side of IH-35 at the southeast corner of Yarrington Road in the far northern quadrant of the city of San Marcos in Hays County, Texas. The development includes mixed use commercial and industrial use areas as well as single-family residential development with asphalt paved interior streets with concrete curbing, street lighting, and underground utilities. The property will be situated in the Whisper Public Improvement District which has been created by the city of San Marcos for purposes of funding the infrastructure necessary to support the proposed subdivision. The sizes of the development tracts are per Steven Elder.

The proposed residential lots (Phases 1 and 2) will have frontages of 46-feet and 50-feet and will be legally described as:

Lots 1-25, Block A; Lots 1-37, Block B; Lots 1-31, Block C; Lots 1-22, Block D; Lots 1-38, Block E; Lots 1-40, Block F; Lots 1-19, Block G; Lots 1-22, Block H; Lots 1-20, Block I; Lots 1-29, Block J; Lots 1-15, Block K; Lots 1-28, Block L; Lots 1-99, Block M; Lots 1-17, Block N; Lots 1-14, Block O; Lots 1-21 Block P, Lots 1-27, Block Q; Lots 1-48, Block R; Lots 1-38, Block S; Whisper Mixed Use Subdivision, San Marcos, Hays County, Texas.

The vacant land parcels are legally described as follows:

VACANT LAND INVENTORY			
Unit #	Location	Size (Ac)	Legal Description
Tract 1	SEC Yarrington Rd & IH-35	69.393	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 2	SEC Suspro Pkwy & IH-35	46.293	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 3A	SS Suspro, WS Fortuna Rd & NS Opportunity Blvd.	121.280	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 3B	SS Suspro, WS Fortuna Rd & NS Opportunity Blvd.	16.560	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 4	SEC Opportunity Blvd. & IH-35	164.183	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 5	SES Opportunity Blvd.	33.370	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 6	SS Opportunity Blvd.	130.641	J. Miner Survey, Abstract 321
Tract 7A	SEC Yarrington Rd & Fortuna Blvd.	72.660	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 7B	NEC Opportunity Blvd. & Fortuna Blvd.	51.969	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467

CURRENT OWNERSHIP HISTORY

The appraised property is owned by Yarrington Partners Ltd., Whisper Master Community Limited Partnership, Whisper Industrial 2019 QOZB and 135 Residential Development, LLC (an entity of the subject property developer).

The portions of the subject property owned by Whisper Master Community Limited Partnership were acquired in two separate transactions. A portion containing approximately 506 acres was acquired from the Texas General Land Office in 2015 for an undisclosed amount. The remaining 86 acres was purchased from Yarrington Partners Ltd. in 2016 for an undisclosed amount. Yarrington Partners Ltd. owns approximately 112 acres designated at tax parcel R16595 which was acquired prior to 2003. Tract No. 6 (130.6 Acres of Single-family Residential Land) was transferred from Whisper Master Community Ltd. to Harris Hill Investments which conveyed the land to 135 Residential Development, LLC in a non-market sale as it was an intercompany transfer in April of 2019 for an assigned price of \$2,760,000.

A 14.25 acre parcel out of the rear of Tract 4, is currently under contract to Whisper apartments LLC for a sales price of \$2,638,104 (or \$5.95 per square foot). Another 8.0 acre parcel just south of the 14.25 acre parcel out of the rear of Tract 4, is under contract to Mission DG, Ltd. for a price of \$1,672,704 (or \$6.50 per square foot). Additionally, a third parcel containing 52 acres (out of Tract 7B) is under contract to U.S. Real Estate Ltd. Partnership for a sales price of \$4,354,248 (or \$4.80 per square foot) as of the date of appraisal. Although this contract was rescinded in mid-2020, it was valid as of the date of analysis. Additionally, a 17.0 acre parcel (out of Parcel 3B) was sold to Whisper Industrial 2019 QOZB, LLC in 2019 for a price equivalent to approximately \$2.00 per square foot. This sale was not an arm's length sale as members of the subject entity are also members of the buyer entity. All of these contracts are subject to the PID improvements and subsequent taxes.

No other portion of the property as a whole nor the proposed lots are currently listed for sale. As discussed later in this report, all of the proposed single-family lots are under contract to area homebuilders.

The property is proposed to benefit from the Whisper Public Improvement District (PID) which is intended to stimulate further growth and benefit the City of San Marcos, Texas and its residents. The PID is intended to improve wastewater and drainage facilities, improve, widen and add additional streets, etc. The total cost of the PID improvements is projected to be \$11,797,419. The improvements resulting from the PID, including those improvements funded by the City, are intended to benefit the subject sections as well as future and adjacent development.

To the best of our knowledge, no other sale or transfer of ownership of the appraised property has occurred within the past five years.

INTENDED USE AND USERS OF THE APPRAISAL

The intended use of this appraisal is for possible PID bond collateralization purposes related to funding for the proposed PID by the City of San Marcos. The intended client is the City of San Marcos. The intended users are the City of San Marcos and FMSbonds.

PROPERTY RIGHTS APPRAISED

We have appraised the fee simple estate of the prospective “As Complete” Market Value of the proposed single-family lots and the “As-Is” Market Value of the commercial tracts under the Hypothetical Condition that infrastructure (including offsite roads and utilities) is complete as of the date of valuation.

The following definition is from the Dictionary of Real Estate Appraisal, Sixth Edition (2015), published by the Appraisal Institute.

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

Additional appraisal definitions applicable to the analysis presented herein are presented in the Addenda.

RELEVANT DATES

The date of inspection and “As Is” Market Value of the subject property is February 4, 2020. The date of Prospective “As Complete” Market Value is February 4, 2021. The date of report is May 8, 2020.

DEFINITION OF MARKET VALUE

As defined by the Office of the Comptroller of the Currency under 12 CFR, Part 34, Sub-part C – Appraisals, 34.42 Definitions (g), market value is defined as:

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

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

This definition of market value is generally accepted by agencies regulating financial institutions in the United States.

SCOPE OF WORK

The scope of work refers to the type and extent of research and analyses employed in the appraisal assignment and presented in the appraisal report. This appraisal is presented in the form of a Market Value Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of USPAP. This report is intended to incorporate, to the fullest extent possible, practical explanation of the data, reasoning and analysis that were used to develop the opinion of value.

The Extent to Which the Property was Identified

The subject is identified via legal description, aerial photograph, and physical description.

The Extent to Which the Property was Inspected

The subject property and surrounding neighborhood were inspected by Franklin L. Flato, MAI, and by Ted A. Moore, MAI on February 4, 2020.

The Type and Extent of Data Researched

We physically observed the pertinent market with respect to the appraised property regarding physical and economic factors relevant to the valuation process through interviews with regional and/or local market participants, and available published data and other various resources. Our research included: exposure and marketing time; area land use trends; demographic trends; lot absorption surveys provided by market experts, market trends relative to the subject property type; flood zone status; real estate tax data; cost data via market participants; and comparable listing and available sales data. All data utilized has been analyzed and confirmed with sources assumed to be reliable.

The Type and Extent of Analyses Applied

We analyzed the property and market data gathered through the use of accepted market-derived methods and procedures, employed the appropriate approaches to value, and correlated and reconciled the results into an estimate of market value, as defined within the appraisal report.

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS**Extraordinary Assumptions**

Extraordinary assumptions are defined in the Uniform Standards of Professional Appraisal Practice as

“...an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinions or conclusions.”

Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. The use of extraordinary assumptions can have an effect on the concluded value(s) presented herein.

It has been reported, and is assumed, that the proposed subdivision will meet county development requirements for single-family subdivision development. It is also assumed that the proposed development will be in a PID which will provide adequate roads, utilities and infra-structure as well as entry enhancement to support the proposed development. It is assumed that the PID improvements will be completed by the estimated completion date.

It is additionally assumed, per information provided by the client that the appraised property, “As Complete” will include 581 proposed single-family lots and 8 tracts of vacant land totaling 706.349 acres according to final tract sizes provided by Steven Elder. The Whisper Planned Unit Development plan has been approved by the City of San Marcos for mixed use commercial development. Should the proposed development plans

change, the value conclusion "As Complete" is subject to revision. It is also assumed that the proposed 581 lots will be all completed as of February 4, 2021, (a one-year time frame); and that all will be completed in a workman like manner. The use of extraordinary assumptions may affect the value conclusions.

Hypothetical Conditions

Hypothetical conditions are defined in the Uniform Standards of Professional Appraisal Practice as

"...that which is contrary to what exists but is supposed for the purpose of analysis."

Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in the analysis.

The public infrastructure improvements (PID) including utility extensions and roadways associated with the commercial and mixed use lots (Tract Nos. 1, 2, 3A, 3B, 4, 5, 7A and 7B) are underway and are nearing completion. The current market value of the commercial/mixed-use lots is completed under the hypothetical condition that the PID improvements are complete as of the date of valuation.

No further hypothetical conditions have been made.

SIGNIFICANT APPRAISAL ASSISTANCE OR CONTRIBUTION

No other person has provided real property appraisal assistance to the persons signing this report in the form of property inspection, research, or general report preparation.

EXPOSURE AND MARKETING TIME

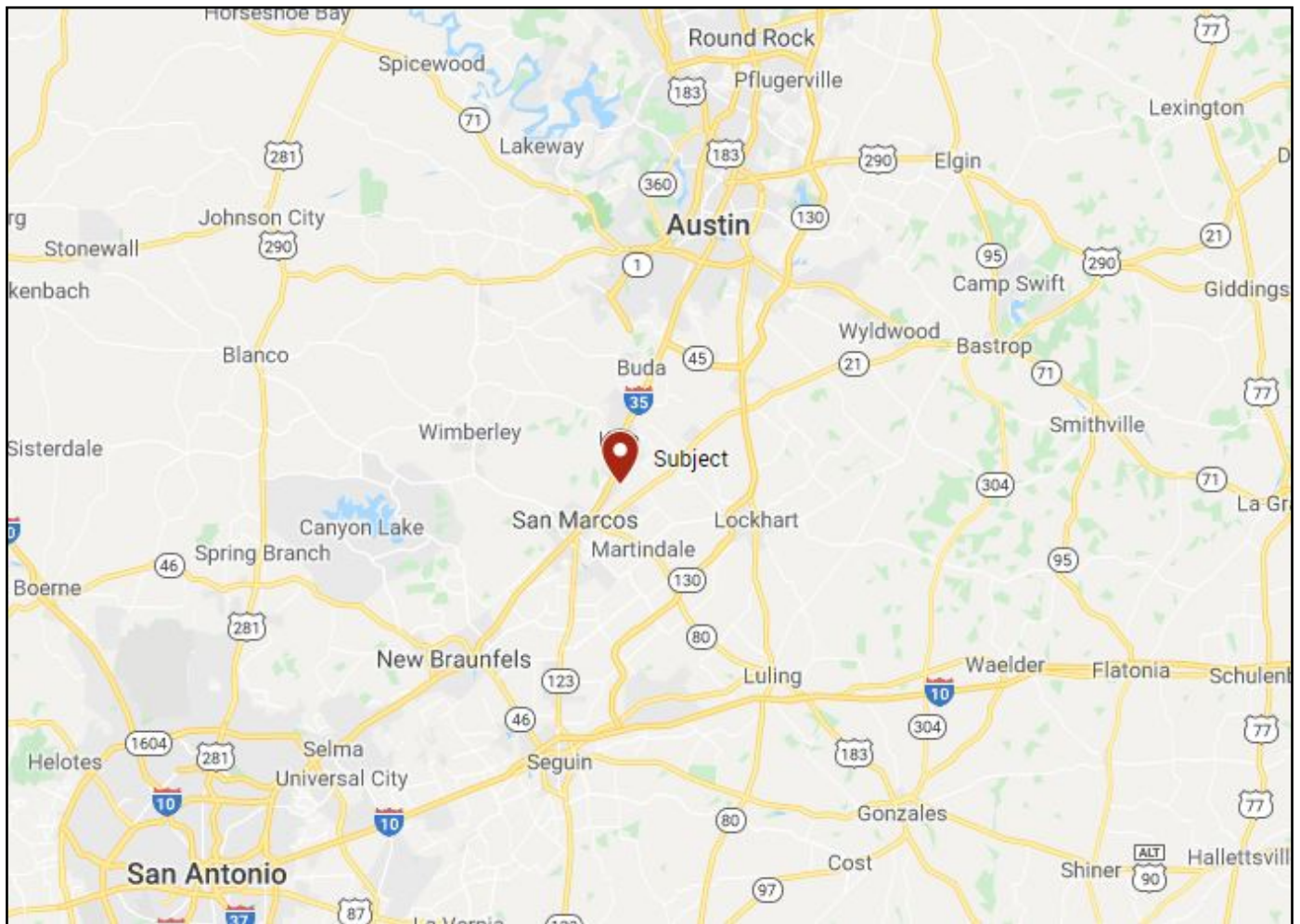
Current appraisal guidelines require an estimate of a reasonable time period in which the subject property could be brought to market and sold. Exposure time precedes the date of value with the underlying premise being the time a property would have been on the market prior to the date of value, such that it would sell at its appraised value as of the date of value. On a prospective basis, the term used is marketing time. The exposure/marketing time is a function of price, time, and use. In estimating an appropriate exposure/marketing time for the subject property, we considered general market conditions, available sales data and interviews with market participants (exposure and marketing times).

As the single-family home building economy continues to improve, it is anticipated that marketing times for residential lots will decrease. Beginning in 2008, marketing time for residential lots for single-family homes was somewhat extended. However due to the lack of new subdivision development and increasing demand over the last several years absorption has improved beginning in 2011 continuing to grow stronger through 2020. Interest rates remain at an historic low and new home development has continued to improve. The subject is a planned unit development located on the north edge of the City of San Marcos in a proposed Improvement District. Based on this analysis, we have concluded that an exposure/marketing time of twelve months would be considered reasonable for the subject property. This exposure/marketing time reflects typical current economic conditions, current real estate investment market conditions, the terms and availability of financing for real estate acquisitions, and property and market-specific factors. It assumes that

the subject property is (or has been) actively and professionally marketed. The exposure/marketing time would apply to all valuation premises included in this report.

REGIONAL ANALYSIS

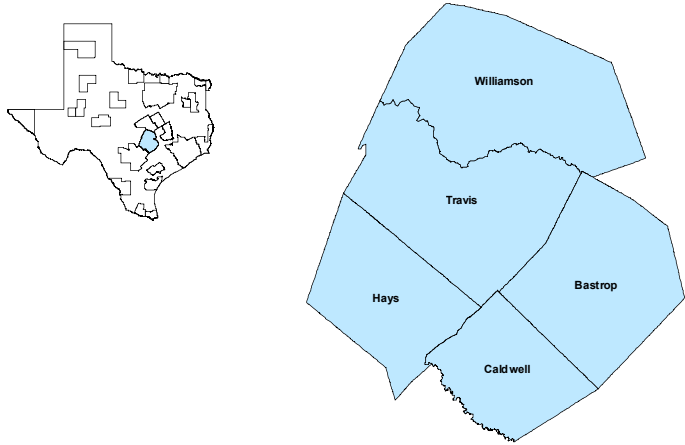
The appraised property is located in the south east sector of Hays County which is also in the far south sector of the Austin Metropolitan Area.



A detailed analysis of the Austin-Round Rock MSA provided by the Texas Labor Market is included on the following page.

Austin-Round Rock MSA

December 2019



MSA Labor Force Statistics

	Dec-19	Nov-19	Dec-18	Yearly Change
Civilian Labor Force	1,235,899	1,235,828	1,205,457	30,442
Employed	1,205,871	1,204,465	1,172,355	33,516
Unemployed	30,028	31,363	33,102	-3,074
Unemployment Rate	2.4%	2.5%	2.7%	-0.3%

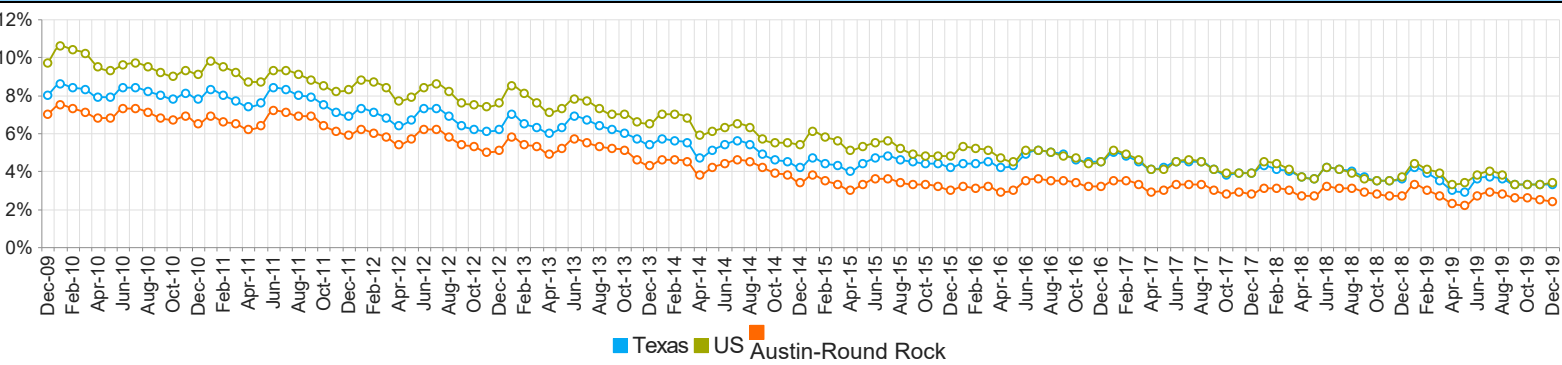
Texas Labor Force Statistics

	Dec-19	Nov-19	Dec-18	Yearly Change
Civilian Labor Force	14,228,471	14,264,714	13,975,415	253,056
Employed	13,758,042	13,787,798	13,473,628	284,414
Unemployed	470,429	476,916	501,787	-31,358
Unemployment Rate	3.3%	3.3%	3.6%	-0.3%

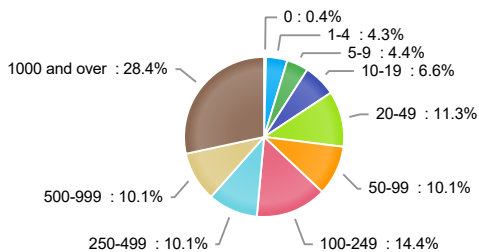
US Labor Force Statistics

	Dec-19	Nov-19	Dec-18	Yearly Change
Civilian Labor Force	164,007,000	164,386,000	162,510,000	1,497,000
Employed	158,504,000	158,945,000	156,481,000	2,023,000
Unemployed	5,503,000	5,441,000	6,029,000	-526,000
Unemployment Rate	3.4%	3.3%	3.7%	-0.3%

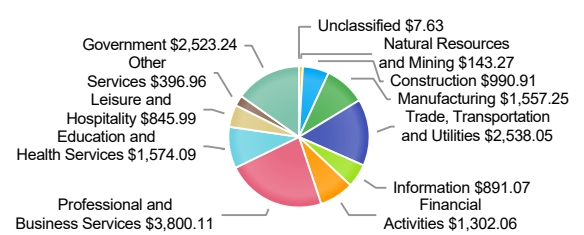
Historical Unemployment Rates



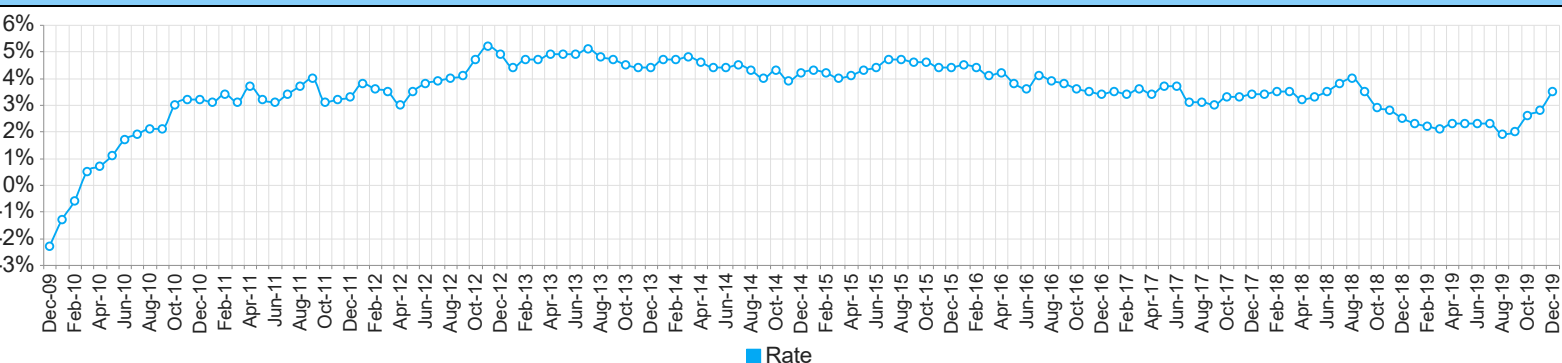
Employment by Size Class (2nd Quarter 2019)



Wages by Industry (in millions) (2nd Quarter 2019)



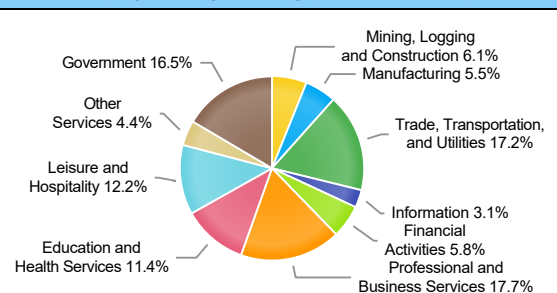
Annual Growth Rate Total Non-agricultural employment



Employment by Industry (December 2019)

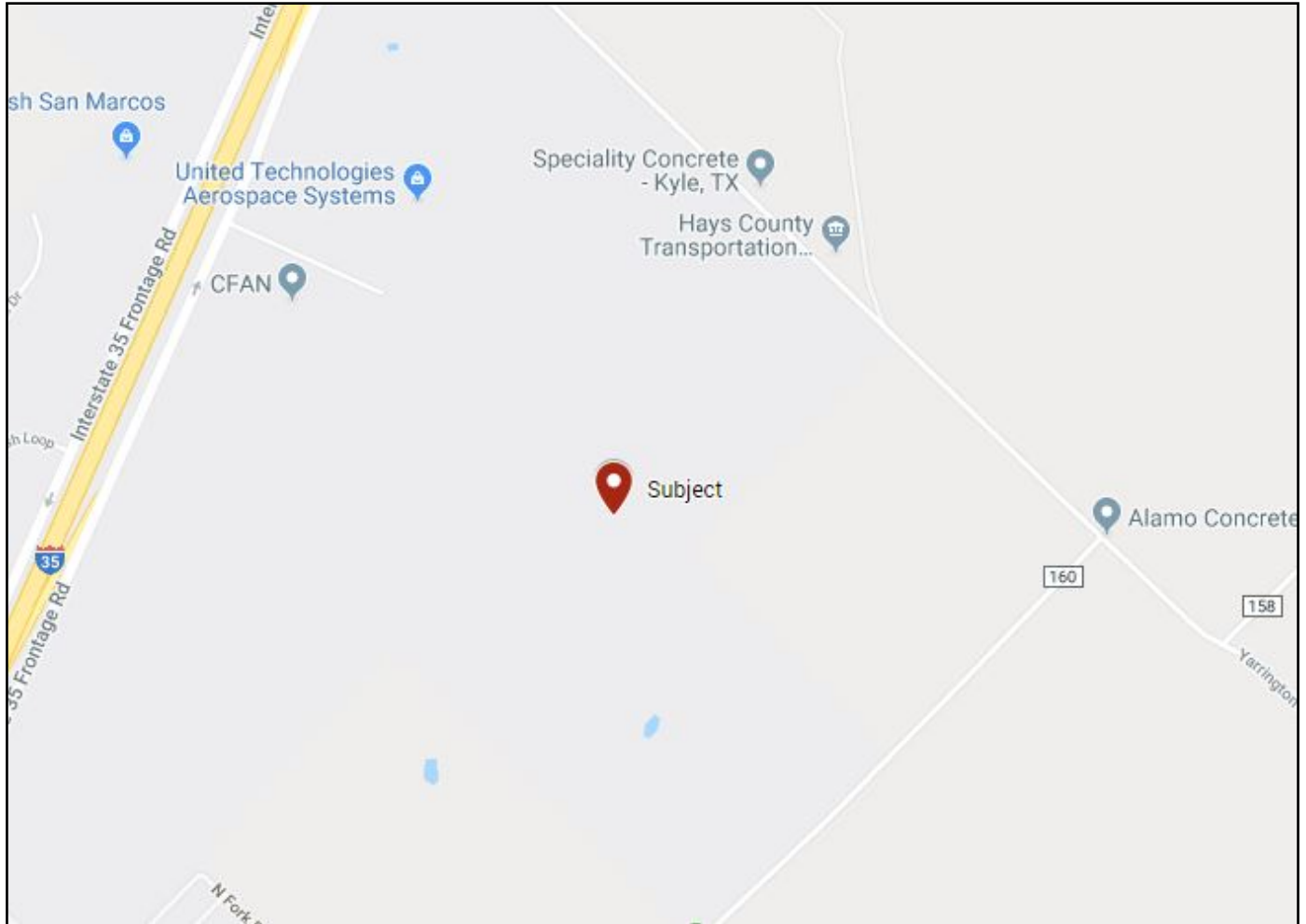
Industry	Current Month Employment	% Monthly Change	% Yearly Change
Total Nonfarm	1,119,800	0.5%	3.5%
Mining, Logging and Construction	68,600	-0.6%	8.2%
Manufacturing	61,800	0.3%	0.3%
Trade, Transportation, and Utilities	192,800	1.5%	2.7%
Information	34,500	-0.9%	0.6%
Financial Activities	65,500	0.8%	3.0%
Professional and Business Services	198,600	0.5%	5.6%
Education and Health Services	127,300	0.5%	0.3%
Leisure and Hospitality	136,500	1.5%	6.1%
Other Services	48,900	0.6%	8.4%
Government	185,300	-0.4%	1.4%

Employment by Industry (December 2019)



NEIGHBORHOOD ANALYSIS

The appraised property is located in the southeast sector of Hays County, Texas on the northern edge of the City of San Marcos. The area is also considered part of the far southerly sector of the Austin Metropolitan area.



Location

The appraised property is located in the southeastern sector of Hays County on the northern edge of the City of San Marcos and approximately 25 miles south of downtown Austin. The property is situated along the east side of IH-35 approximately 1 1/2 miles north of the City of San Marcos and approximately seven miles south of the City of Kyle, Texas.

Access

The primary access to the area is via IH-35 which extends in a north-south direction through the neighborhood connecting the area with the city of Austin to the north and the city of San Antonio to the south, with the city of New Braunfels to the east. The property will have frontage along IH-35, C.R. 159 (Yarrington Road) both sides of Opportunity Blvd. and several other proposed interior streets. Additional interior streets include both Roland Lane to the south and Opal Lane to the north. The subject will have

access via proposed streets within the subdivision and the development. Additionally, the PID will complete road widening and traffic flow improvements and will add additional roadways within the subject property PID.

Land Use

The subject property is part of a planned unit development including mixed use retail, commercial industrial, multi-family and single-family development and will be a major land use in the neighborhood. The surrounding land is primarily rural in nature with scattered mixed use commercial development and residential subdivisions being situated throughout the neighborhood as well as larger acreage farms and ranches. Some mixed use commercial and/or residential development is scattered throughout the area immediately surrounding the subject for several miles. Most of the existing commercial development is located along IH-35.

Existing development along IH-35 in the vicinity of the subject includes Southwestern Pneumatic office and warehouse, City Electric Supply, C.F. Stoneworks, AR and W Truck and Trailer Repair, and Roger Beasley Hyundai. Additionally, Kyle RV and Boat Storage and Aztec Village Oak Hill Manufactured Home park are both located in the subject neighborhood.

Additionally, fairly dense mixed-use commercial development is located along both sides of IH-35 just north of the subject property in the vicinity of Kyle. Development in this locale includes service stations, restaurants, fast-food restaurants, business service locations, an H-E-B. grocery store and other miscellaneous mixed-use commercial development.

Whisper Subdivision

The proposed Whisper PID 706.349-acre development is being developed by Whisper Master Community Limited Partnership, 135 Residential Development, LLC and Yarrington Partners Ltd. Including development of the 581 lot single-family residential development and partnering in other mixed use commercial and multi-family projects. They are also selling off some land to other developers and/or end users for commercial and multi-family development.. The PID will include construction of and expansion, addition and improvement of existing roadways, offsite sewerage system, drainage system and associated improvements. These improvements will be owned and operated by the city once completed. The estimated cost of improvements is \$11,797,419.

Some development and improvements of the subdivision has already begun with additional work set to begin in the short-term future. For purposes of this report, it is assumed that the PID improvements and proposed subdivision lots and improvements will be complete within a one-year time frame. Currently all of the 581 of the proposed lots are under contract to area homebuilders.

The subject subdivision lots will have access to public streets within the development. The topography of the subject land is generally level with a suitable building area on each proposed lot. Per a topical investigation the appraised property shape, utility service, land use restrictions, nuisances and hazards do not appear to be restrictive to development of the property. Overall the proposed lots are judged to be functionally adequate for mixed use commercial and single-family development. The proposed residential lots are judged to comprise a good quality, middle end subdivision. The proposed lots will be 46-foot and

50-foot residential lots. A summary of the PID costs, reported as of the date of valuation, are outlined as follows. It is noted that as of later dates, these costs may be adjusted.

**Whisper
Exhibit C**

Description	IA 1	IA 2 (Business Park)	Total [a]
A. Allocation Determination:			
Estimated Buildout Value	\$ 606,830,000	\$ 51,094,800	\$ 657,924,800
Eligible Cost Allocation	92.23%	7.77%	100.00%
B. PID Eligible Costs:			
Road A	\$ 5,704,948	\$ 480,354	\$ 6,185,301
Road B	2,384,734	200,793	2,585,528
Lift Station and Waste Water Line D	263,555	22,191	285,746
Road C	2,499,880	210,489	2,710,369
Offsite Waste Water Line B Subtotal	291,229	24,521	315,750
- Hard Costs	\$ 11,144,346	\$ 938,349	\$ 12,082,694
Construction Management Fee @ 4% [b] Total	445,774	37,534	483,308
- Hard Costs	\$ 11,590,119	\$ 975,883	\$ 12,566,002
Soft Costs	760,099	64,000	824,099
Subtotal	\$ 12,350,218	\$ 1,039,883	\$ 13,390,101
Less: Roadway Infrastructure Reimbursement from City [c]	\$ (1,468,993)	\$ (123,689)	\$ (1,592,682)
Total Eligible Costs	\$ 10,881,225	\$ 916,194	\$ 11,797,419
C. District Formation and Bond Issuance Costs: [d]			
Debt Service Reserve Fund			
	\$ 940,875	\$ -	\$ 940,875
Capitalized Interest	618,688	-	618,688
Underwriter Discount	400,950	-	400,950
Cost of Issuance	935,550	-	935,550
PID Creation Costs	92,234	7,766	100,000
First Year Annual Collection Costs	32,282	2,718	35,000
Total Formation and Bond Issuance Costs	\$ 3,020,579	\$ 10,484	\$ 3,031,063
Total	\$ 13,901,804	\$ 926,678	\$ 14,828,482

Demographics

The immediate subject area is significantly faster growing than the metro area as well as the 3- and 5-mile radius. Average household income in the 1-, 3- and 5-mile radius is significantly higher than the metro area as a whole and median owner-occupied housing values are significantly higher in the immediate area than the metro area. Additionally, the percentage of owner-occupied units is higher in the immediate area than the metro area. We have relied on economists' projections from Nielsen in order to isolate potential housing demand at the subject property. The projected household growth in the 1-mile radius is projected to increase at a rate of 9.79% from 2020 through 2025. The chart on the following page is a summary of the demographics of the population within a 1-, 3- and 5-mile radius of the subject as well as the Austin-Round Rock Metropolitan area.

DEMOGRAPHIC ANALYSIS				
	1-Mile Radius	3-Mile Radius	5-Mile Radius	Austin-Round Rock CBSA
Population				
2025 Projection	1,525	17,072	68,676	2,425,567
2020 Estimate	1,389	15,680	63,488	2,235,584
2010 Census	998	10,734	46,668	1,716,289
2000 Census	597	6,358	30,994	1,249,777
Percent Change: 2020 to 2025	9.79%	8.88%	8.17%	8.50%
Percent Change: 2010 to 2020	39.18%	46.08%	36.04%	30.26%
Percent Change: 2000 to 2010	67.17%	68.83%	50.57%	37.33%
Households				
2025 Projection	521	5,758	23,015	928,368
2020 Estimate	471	5,242	21,155	852,710
2010 Census	327	3,464	15,331	650,459
2000 Census	181	1,931	9,757	471,863
Percent Change: 2020 to 2025	10.62%	9.84%	8.79%	8.87%
Percent Change: 2010 to 2020	44.04%	51.33%	37.99%	31.09%
Percent Change: 2000 to 2010	80.66%	79.39%	57.13%	37.85%
2020 Est. Average Household Income	\$38,957	\$66,855	\$65,583	\$113,467
2020 Est. Median Household Income	\$32,055	\$46,087	\$47,561	\$82,114
2020 Est. Average Household Size	2.73	2.78	2.66	2.57
Renter-Occupied	67.94%	47.02%	51.73%	40.25%
Owner-Occupied	32.06%	52.98%	48.27%	59.75%
2020 Est. HHs by HH Income	471	5,243	21,156	
CY HHs, Inc < \$15,000	127	883	3,236	
CY HHs, Inc \$15,000 - \$24,999	53	448	1,826	
CY HHs, Inc \$25,000 - \$34,999	79	599	2,528	
CY HHs, Inc \$35,000 - \$49,999	98	911	3,502	
CY HHs, Inc \$50,000 - \$74,999	66	895	3,644	
CY HHs, Inc \$75,000 - \$99,999	21	526	2,604	
CY HHs, Inc \$100,000 - \$124,999	10	358	1,587	
CY HHs, Inc \$125,000 - \$149,999	7	194	798	
CY HHs, Inc \$150,000 - \$199,999	7	197	701	
CY HHs, Inc \$200,000 - \$249,999	3	103	320	
CY HHs, Inc \$250,000 - \$499,999	0	90	297	
CY HHs, Inc \$500,000+	0	39	113	

Source: Environics Analytics

Subject Land Use

Subject property will include nine (9) tracts of mixed use vacant land including 581 proposed single-family residential lots to be developed on Tract 6. The residential lots will have one product type projected to be “Single-family Lots” with sizes of 46-front feet and 50-front feet. In our product analysis, the appraisers will analyze the market data and develop revenue estimates (base price) for the product type included. The appraisers have reviewed the competitive home pricing by submarket, lot size, and on a project-by-project basis. The appraisers formulated hypothetical product and pricing assumptions for the subject’s detached product. The chart at the end of this section summarizes our findings and will be referenced in the following discussion.

Special Hazards or Adverse Influences

The appraisers observed no major detrimental influences in the local market area.

Land Use Changes

Development is expected to continue to convert vacant land into single-family subdivisions and mixed use commercial development in the vicinity over the foreseeable future.

Outlook and Conclusions

The subject areas of south-central Hays County and the Austin-San Marcos metropolitan area remain in a growth stage, with a strong demographic profile. In comparison to other areas in the region, the area is rated as follows:

SURROUNDING AREA ATTRIBUTE RATINGS

Highway Access	Good
Demand Generators	Good
Convenience to Supporting Land Uses	Good
Employment Stability	Good
Demographic Trends	Good
Property Compatibility	Good
General Appearance of Properties	Average
Appeal to Market	Good
Price/Value Trend	Average

The immediate subject area is in the growth stage of its life cycle. Population growth is above average and average household earnings are significantly higher than other surrounding market areas. The area benefits from good transportation linkages, and positive population and employment growth trends. The subject’s trade area is suburban and comprised of generally newer single-family residential subdivisions with commercial uses along highway frontage parcels. The outlook for the subject’s local market area is positive with strong growth trends forecast to continue into the foreseeable future.

RESIDENTIAL MARKET ANALYSIS

The strength of any market depends on supply and demand. Supply and demand in this submarket directly affect the subject's value, as well as its potential exposure time and marketing period. As the subject is situated within the Austin-San Marcos MSA, we have included an overview of the Austin-San Marcos Single-family market followed by an overview of the subject immediate market area in South-Central Hays County focusing on competing properties for the subject, Paramount Park Subdivision, proposed lots.

Over the past few decades, Austin grew substantially in all directions, bounded primarily by the limitations imposed by geography. San Marcos and Kyle have become satellite, suburban communities with many commuters living in the locale who work in Austin. Because of the tight housing market in Austin and the dramatically high cost of home ownership in that city, many Austin workers live in the surrounding suburban areas including Kyle/San Marcos and commute to Austin daily for work. This has led to a tremendous growth of average to good quality single-family residential development in the San Marcos and Kyle market area in recent years which is continuing now.

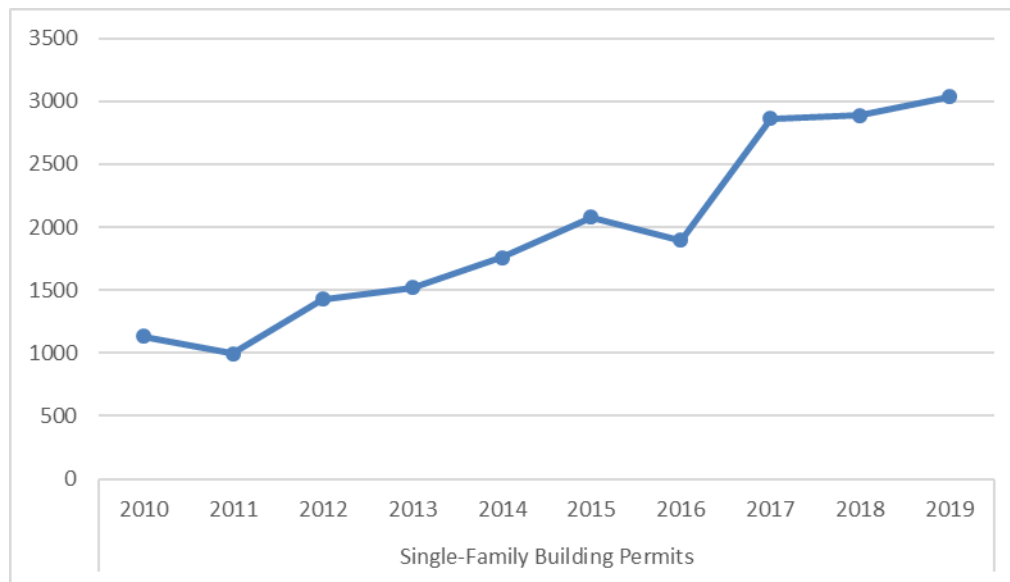
Single-family Market Overview – State

In 2019, Texas issued a total of 122,099 single-family building permits and increase of 2.4% over 2018. In 2018, Texas issued a total of 119,226 single-family building permits, an increase of 2.1% over 2017. In 2017, Texas issued a total of 116,766 single-family building permits, an increase of 9.6% over 2016. In 2016, Texas issued a total of 106,1051 single-family building permits and increase of approximately 1% over 2015. In 2015, Texas issued a total of 105,448 single-family building permits which was an increase of 2.3% over 2014. In 2014, Texas issued a total of 103,045 single-family building permits which was a 10.2% increase over the previous year. In 2013, Texas issued a total of 93,478 single-family building permits which was a 14.1% increase over 2012. In 2012, Texas issued a total of 81,926 single-family building permits which was a 21.8% increase over the previous year. In 2011, Texas issued a total of 67,254 single-family building permits; with no significant change from the 68,170 issued in 2010, or the 68,230 issued in 2009, but a decline of 16% from the 2008 total of 81,107 permits. The 2008 total represented a 33% decline from the 2007 total of 120,366 as reported by the TAMU Real Estate Center. The 2007 level was a 26% decline from the 163,032 permits issued in 2006, which was only 2% below the 166,203 issued in 2005. Between 1998 and 2005, permit activity increased every year, with 10% to 12% increases in 2002 through 2005 during the heated period leading up to the subprime crisis.

Single-family Market Overview – City of San Marcos and Hays County

Single-family permit activity in the MSA, which includes condominium units, from 2010 through 2019 is as follows. The source of all data in the charts in this section is the Real Estate Center at Texas A&M University.

	Single-Family Building Permits									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Hays County	1130	996	1426	1517	1757	2077	1895	2862	2890	3036



The number of single-family building permits in the county and city have increased at a fairly strong pace over the past seven years. There were 1130 new home permits in the County in 2010 which more than doubled to 3036 in 2019.

The Average Value per Dwelling Unit has also shown a strong growth rate over the past ten years for the County. The county average grew from \$148,400 in 2009 to \$206,400 in 2019. The chart and graph below show the rise in average value per dwelling.

	Average Value per Dwelling Unit										
	2009	2010	2011	2012	2013						
Hays County	\$148,400	\$145,700	\$153,900	\$177,400	\$174,700	\$182,700	\$183,200	\$196,400	\$200,700	\$206,400	\$206,400
Source: U.S. Census Bureau and Real Estate Center at Texas A&M University											

Competitive Market Overview – Whisper Mixed Use Subdivision

We have analyzed the subject proposed lots in comparison with five others of the most comparable subdivisions in the subject target market area. These five are judged to be the most comparable to the subject featuring comparable sized lots for similar priced homes in the \$200,000 to \$400,000 price range. These five subdivisions include Paramount, Crosswinds, Blanco Vista, Cypress Forest and Cool Springs. The total number of available lots in these subdivisions' ranges from 37 vacant developed lots in Cool Springs to approximately 108 in Blanco Vista. The subject lots will all be 46' to 50' front foot lots and are proposed at the current time. Annual lot closings among the comparables range from 28 to 108. All of the 581 proposed subject lots are currently under contract to two area homebuilders.

In these five subdivisions there is currently a supply of 1,421 lots (including the 581 proposed lots in the subject property).

The proposed lots for the subject property, will include 581 single-family lots ranging in size from 46-front feet to 52-front feet with average of approximately 50-front feet, and an average depth of approximately 120' per lot. The concluded average lot pricing (outlined in Income Approach) is \$48,250 based on the chart included below. The concluded retail market price per lot is analyzed in a later section of the report.

RETAIL LOT VALUE			
Bulk Lot Value	Comparable Lots		
Adjusted Price	Per FF		
High	\$	1,063	
Low	\$	895	
Average	\$	966	
Lot Type	Finished Lot Price	Conclude	
50'	\$	48,250	\$ 965

It is judged that the marketing of these lots is likely to be successful based on the number of homes successfully developed in other comparable subdivisions in the area over the past several years through current date, and in the surrounding market area discussed above as well as the number of lot sales which occurred in the past 12 months. The success of these comparable subdivisions coupled with the proposed development, location and the favorable single-family residential market indicates that marketing of the subject proposed lots should occur at a relatively strong rate until sold out. All of the subject proposed lots are currently under contract to two local area homebuilders. The current contracts reflect a total absorption of approximately 10 lots per month or 30 lots per quarter as shown below. The developer and homebuilders have successfully developed other lots and homes in other subdivisions in the Austin and general Texas market area.

Qualifying Potential

Qualifying potential was also considered in ascertaining effective demand for the subject single-family development. Using the five most comparable subdivisions and the proposed lot contracts in the subject, as a basis to estimate the price range of homes in the proposed subject subdivision, it is estimated that the average home price will range from \$200,000 to \$300,000 with an average home price of \$230,000. The required annual household income needed to qualify for a conventional 30-year 4.25% fixed mortgage was determined using a 90% loan-to-value ratio, a 1.873% factor for property taxes, 0.3% for insurance and a mortgage-debt ratio of 27.5% of annual income (assuming some level of consumer debt, on average). Per these assumptions, the annual household income required to qualify for the subject home is as follows:

Qualifying Purchasers			
Home Price	Mort. Amount	Int & Fees	Required Income
\$200,000	\$180,000	\$11,535	\$41,947
to			27.5%
\$300,000	\$270,000	\$17,303	\$62,920

The range of household income requirements is indicative of middle to upper middle-income level housing. For this analysis, the qualifying household income levels in the range of \$35,000 to 150,000 per annum for the 5-mile radius were utilized as they are more similar to the income levels of the target market for the subject project and as most of the directly competing subdivisions are located in this area. As evidenced by

absorption of similar product in the submarket and the qualifying analysis, there are a reasonable number of prospective buyers having sufficient purchasing power for housing in this price range.

Target Market

Based on the anticipated home product and the appraisers' survey of competitive projects, the expected target market is for quality made, well designed middle to upper-middle end house home buyers. The following reflects the projected household demand within the 5-mile radius micro market (Hays County) using a base of 21,155 homes in 2020, growing to 23,082 homes in 2025 taken from the Environics Analytics Demographic report presented earlier. This household growth is then qualified to the income requirements for the specified housing type (approximately 57.36% of households within the subject area fall within the qualifying income category).

Projected Household Growth for Subject Area (5.0 mile radius) - Per Environics Analytics								
	2020	2021	2022	2023	2024	2025	2026	2027
Subject Area Percentage of Growth	1.758%	1.758%	1.758%	1.758%	1.758%	1.758%	1.758%	1.758%
Subject Area Households	21,155	21,527	21,906	22,291	22,683	23,082	23,487	23,900
Subject Area Annual Household Growth	372	379	385	392	399	406	413	420

Total Market by Income Strata - 5 mile radius								
	2020	2021	2022	2023	2024	2025	2026	2027
Household Growth *	372	379	385	392	399	406	413	420
% of Households in Income Strata **	57.36	57.36	57.36	57.36	57.36	57.36	57.36	57.36
Total Annual Market by Income Strata	213	217	221	225	229	233	237	241

Based on demographics for the 5-mile radius, it is shown that 90% of homeowners have a single-family ownership preference; the total submarket demand can be estimated at 192 homes per year for 2019 or 48 per quarter. There is a total of approximately 1,421 developed lots in the competing subdivisions analyzed above. The subject Whisper proposed lot inventory of 581 lots comprises approximately 40% of the total lots in this category. Additionally, the five primary competing subdivisions in this category outlined above experienced annual closings of 211 homes per year for the past 12 months which only reflects a small portion of the subject market area. According to the statistics for the county, there were a total of 3,036 new home starts in Hays County in 2019.

Based on the subject lot contracts and the successful historic sales history of comparable subdivisions in the subject market area, for the Whisper Subdivision proposed lots, a projected capture ratio for the subject proposed lot inventory, is estimated at approximately 60% to 65%, say 62.5% or 120 lots per annum and 30 lots sales per quarter. This reflects sellout of the subject proposed 581 lots within 4.75 years based on the existing lot contracts, which is equivalent to approximately 30 lot sales per quarter or 120 per annum for Year 1, increasing to 122 lots per year for Year 2, 124 lots per year for Year 3, 126 lots for Year 4 with the remaining 89 lots selling out in Year 5. The proposed lots in the subject subdivision have an estimated development period of approximately 12 months. The absorption projection is in-line with demographic indications and past home sales/starts in Hays County. When applied to the subject property, sell-out is projected to occur within 19 quarters or 4.75 years for the proposed subject lots.

Projected Annual Absorption						
Fiscal Start Period - 2020	Year	1	2	3	4	5
Total Market by Income Strata		213	217	221	225	229
Single Family Preference	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Total Market for Development		192	195	199	202	206
Estimated Capture Rate		62.5%	62.5%	62.5%	62.5%	43.2%
Annual Potential Sales for Subject		120	122	124	126	89
Phase 1 lot sales	581	120	242	366	492	581
Sub-total	581	120	242	366	492	581

Subject Land Use

The proposed lots in Whisper Subdivision based on the area, lot size and development characteristics have one primary product type, quality middle to upper middle-end lots with average sizes of 46-front feet to 52-feet, with an average of 50-front feet. In our product analysis, the appraisers will analyze the market data and develop revenue estimates (base price) for this product type. The appraisers have reviewed the competitive home pricing by submarket, lot size, and on a project-by-project basis. The appraisers formulated hypothetical product and pricing assumptions for the subject's detached product. The chart at the end of this section summarizes our findings and will be referenced in the following discussion.

Product Type –Single-family Lots

The subdivision lots, which are the subject of this appraisal builder lots ranging in sizes from 46-front feet to 52-front feet single-family residential home lots. We used similar sized lot comparables in our analysis. The estimated median home price in Whisper Subdivision is anticipated to be in the range of \$200,000 to \$300,000 with an average home price of approximately \$230,000.

The lot values are discussed in the Valuation Section of this report. The concluded retail lot pricing for the subject lots based on the forthcoming analysis for the subject, is \$48,250 per lot. This conclusion is aligned with the current builder contracts and an analysis of the comparable lot sales.

Product and Pricing Conclusion

The chart on the following page summarizes the current subdivision average home pricing and the appraisers' base home pricing for future built inventory as derived from the comparisons. As noted, the subdivision's average proposed home size and pricing is in-line with the market.

DETACHED HOME PRODUCT					LOT PRICING		
Project	Total	Lots	Lots	Annual Sales Start/	Lot Size (FF)	Ave. Home	Ave. Base Price
Subdivision / Comp No.	Lots	Sold	Available	Annual Closings	Lot Pricing	Price	Lot % of Price
Subject-Whisper Subd.	581	0			46' to 52'	\$200,000	\$230,000
		Proposed		0		to	
All Proposed; none existing			581	0	\$45,990-62,990	\$300,000	21.0%
1. Paramount	330	0			40' to 65'	\$220,000	\$280,000
		Proposed		0		to	
All Proposed; none existing			330	0	\$45,990-62,990	\$335,000	19.4%
2. Crosswinds Subdivision	88	28			40' to 60'	229,000	\$275,000
		2,019		25		to	
			60	28	\$55,000	285,000	20.0%
3. Blanco Vista	403	108			45'	255,000	\$275,000
		2,019		82	50'	to	
			295	108	\$56,250-62,500	320,000	21.0%
4. Cypress Forest	159	41			65'	410,000	\$525,000
		2,019		35		to	
			118	41	\$72,500	575,000	13.8%
5. Cool Springs	71	34			60'	244,990	\$265,000
		2,019		25		to	
			37	34	\$55,000	325,000	20.8%
Minimum	71	0	37	3	125	400,000	
Average	223	43	181	17	175	361,667	
Maximum	403	108	330	108	250	1,000,000	

COMMERCIAL/INDUSTRIAL/MULTI-FAMILY LAND MARKET ANALYSIS

The subject includes eight tracts of commercial/mixed use/industrial land. It is judged that demand for development of these sites will increase as new homes are constructed in the neighborhood. Typically, the demand for multi-family housing and commercial development follows development of single-family housing as demand increases when the population grows.

Retail Market

It is judged that the most likely use of the IH-35 frontage tracts as well as select interior tracts is for retail-commercial development which typically follows residential development in order to provide support services for the new households in the market area. The subject market area has seen a limited amount of new commercial development to date although the number of households has increased dramatically in recent years.

According to a custom CoStar Retail Market Analysis, for San Marcos to Kyle (encompassing the subject area) indicates a retail inventory of 5.1 million square feet, at an average market rental of \$23.48 per square foot per year, net, and a vacancy rate of 3.5%. The projected next 12 months absorption is projected at 162,000 square feet, compared to projects under construction of 19,900 square feet. The market appears strong and improving.

Search Analytics

Retail Analytics Summary

INVENTORY SF 5.1 M +1.0% Prior Period 5.1 M	UNDER CONSTRUCTION SF 19.9 K -26.1% Prior Period 26.9 K	12 MO NET ABSORPTION SF 162 K +196.5% Prior Period 54.5 K	VACANCY RATE 3.5% -0.6% Prior Period 4.1%	MARKET RENT/SF \$23.48 +3.0% Prior Period \$22.79	MARKET SALE PRICE/SF \$253 +4.0% Prior Period \$243	MARKET CAP RATE 6.5% -0.1% Prior Period 6.6%
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Key Metrics

Availability		Inventory	
Vacant SF	180 K ↓	Existing Buildings	529 ↑
Sublet SF	25.1 K ↑	Under Construction Avg SF	9.9 K ↓
Availability Rate	4.4% ↑	12 Mo Demolished SF	26.2 K ↑
Available SF	230 K ↑	12 Mo Occupancy % at Delivery	89.5% ↑
Available Asking Rent/SF	\$23.37 ↑	12 Mo Construction Starts SF	67.5 K ↑
Occupancy Rate	96.5% ↑	12 Mo Delivered SF	74.6 K ↑
Percent Leased Rate	97.1% ↑	12 Mo Avg Delivered SF	12.4 K ↓
Sales Past Year		Demand	
Asking Price Per SF	\$230 ↑	12 Mo Net Absorp % of Inventory	1.5% ↑
Sale to Asking Price Differential	-2.3% ↓	12 Mo Leased SF	163 K ↓
Sales Volume	\$8.5 M ↓	Months on Market	8.1 ↑
Properties Sold	22 ↓	Months to Lease	9.9 ↑
Months to Sale	10.7 ↑	Months Vacant	11.2 ↑
For Sale Listings	16 ↓	24 Mo Lease Renewal Rate	75.6%
Total For Sale SF	148 K ↑	Population Growth 5 Yrs	21.0%

Office

An office market analysis prepared by CoStar custom analytics regarding the Kyle-San Marcos market indicates an inventory of 1.4 million square feet and an average vacancy of 11.6%. The 12 month absorption rate is -3,500 square feet, and 82,600 square feet is currently under construction. Average rental rates are \$25.83 per square foot per year, on a full service basis. Overall, the office market is indicated to be generally strong with growth opportunities.

Search Analytics

Office Analytics Summary

INVENTORY SF 1.4 M +3.1% Prior Period: 1.3 M	UNDER CONSTRUCTION SF 82.6 K +74.3% Prior Period: 47.4 K	12 MO NET ABSORPTION SF (3.5 K) -109.4% Prior Period: 37.1 K	VACANCY RATE 11.6% +3.2% Prior Period: 8.4%	MARKET RENT/SF \$25.83 +4.2% Prior Period: \$24.80	MARKET SALE PRICE/SF \$204 +3.7% Prior Period: \$196	MARKET CAP RATE 6.7% 0% Prior Period: 6.7%
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Key Metrics

Availability		Inventory	
Vacant SF	160 K ↑	Existing Buildings	136 ↑
Sublet SF	7.4 K ↑	Under Construction Avg SF	6.9 K ↓
Availability Rate	17.5% ↑	12 Mo Demolished SF	0 ↓
Available SF	256 K ↑	12 Mo Occupancy % at Delivery	45.8% ↓
Available Asking Rent/SF	\$27.28 ↑	12 Mo Construction Starts SF	76.9 K ↑
Occupancy Rate	88.4% ↓	12 Mo Delivered SF	41.4 K ↓
Percent Leased Rate	88.8% ↓	12 Mo Avg Delivered SF	17.1 K ↓

Sales Past Year		Demand	
Asking Price Per SF	-	12 Mo Net Absorp % of Inventory	-0.4% ↓
Sale to Asking Price Differential	-	12 Mo Leased SF	50.8 K ↓
Sales Volume	\$0 ↓	Months on Market	10.8 ↑
Properties Sold	14 ↑	Months to Lease	4.5 ↑
Months to Sale	1.0 ↓	Months Vacant	4.5 ↑
For Sale Listings	17 ↑	24 Mo Lease Renewal Rate	50.4%
Total For Sale SF	75.6 K ↑	Population Growth 5 Yrs	21.1%

Industrial

An industrial market analysis prepared by CoStar custom analytics regarding the Kyle-San Marcos market indicates an inventory of 1.8 million square feet and an average vacancy of 9.5%. The 12 month absorption rate is -12,300 square feet, and 113,000 square feet is currently under construction. Average rental rates are \$9.12 per square foot per year, net. Overall, the industrial market is indicated to be generally at equilibrium and stable with growth opportunities.

Search Analytics

Industrial Analytics Summary

INVENTORY SF 1.8 M +0.2% Prior Period 1.8 M	UNDER CONSTRUCTION SF 113 K +2,397.0% Prior Period 4.5 K	12 MO NET ABSORPTION SF (12.3 K) -141.7% Prior Period 29.5 K	VACANCY RATE 9.5% -2.3% Prior Period 11.8%	MARKET RENT/SF \$9.12 +2.7% Prior Period \$8.88	MARKET SALE PRICE/SF \$89 +5.9% Prior Period \$84	MARKET CAP RATE 6.9% 0% Prior Period 6.9%
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Key Metrics

Availability		Inventory	
Vacant SF	175 K ↓	Existing Buildings	104 ↓
Sublet SF	0 ↓	Under Construction Avg SF	56.3 K
Availability Rate	13.6% ↑	12 Mo Demolished SF	0 ↓
Available SF	268 K ↑	12 Mo Occupancy % at Delivery	96.6% ↑
Available Asking Rent/SF	\$10.70 ↑	12 Mo Construction Starts SF	113 K ↑
Occupancy Rate	90.5% ↑	12 Mo Delivered SF	4.3 K ↓
Percent Leased Rate	91.9% ↑	12 Mo Avg Delivered SF	10.3 K ↑
Sales Past Year		Demand	
Asking Price Per SF	-	12 Mo Net Absorp % of Inventory	2.5% ↑
Sale to Asking Price Differential	-	12 Mo Leased SF	92.8 K ↓
Sales Volume	\$0 ↓	Months on Market	9.3 ↑
Properties Sold	5 ↓	Months to Lease	5.7 ↑
Months to Sale	42.3 ↑	Months Vacant	5.5 ↑
For Sale Listings	4 ↓	24 Mo Lease Renewal Rate	52.1%
Total For Sale SF	113 K ↑	Population Growth 5 Yrs	21.4%

Multi-Family

A multi-family analysis prepared by CoStar custom analytics regarding the Kyle-San Marcos market indicates an inventory of 9,774 units and an average occupancy of 6.5%. The 12 month absorption rate is 205 units and 266 units are under construction. Average rental rates are \$1,043 per unit. Overall, the multi-family market is indicated to be healthy.

Search Analytics

Multi-Family Analytics Summary

INVENTORY UNITS 9,774 0% Prior Period 9,774	UNDER CONSTRUCTION UNITS 266 - Prior Period 0	12 MO ABSORPTION UNITS 205 -50.6% Prior Period 415	VACANCY RATE 6.5% -2.1% Prior Period 8.6%	MARKET RENT/UNIT \$1,043 +0.6% Prior Period \$1,036	MARKET SALE PRICE/UNIT \$106 K +3.3% Prior Period \$103 K	MARKET CAP RATE 5.7% 0% Prior Period 5.7%
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Key Metrics

Availability		Inventory	
Vacant Units	635 ↓	Existing Buildings	97 ↓
Asking Rent/SF	\$1.15 ↑	Average Units Per Bldg	-
Concession Rate	0.8% ↓	12 Mo Demolished Units	0 ↓
Studio Asking Rent	\$772 ↑	12 Mo Occupancy % at Delivery	-
1 Bedroom Asking Rent/Unit	\$941 ↑	12 Mo Construction Starts Units	14 ↑
2 Bedroom Asking Rent/Unit	\$1,068 ↓	12 Mo Delivered Units	0 ↓
3 Bedroom Asking Rent/Unit	\$1,138 ↓	12 Mo Avg Delivered Units	-
Sales Past Year		Demand	
Asking Price Per Unit	-	12 Mo Absorp % of Inventory	2.1% ↓
Sale to Asking Price Differential	-	Median Household Income	54.6 K
Sales Volume	\$36.2 M ↑	Population Growth 5 Yrs 20-29	-16.3%
Properties Sold	6 ↓	Population Growth 5 Yrs 30-39	32.8%
Months to Sale	-	Population Growth 5 Yrs 40-54	61.6%
For Sale Listings	3 ↓	Population Growth 5 Yrs 55+	26.0%
Total For Sale Units	26 ↓	Population Growth 5 Yrs	20.7%

LAND AND DEVELOPMENT ANALYSIS

The following description of the subject's characteristics is based on the proposed development plan and our physical property tour/visit. Please refer to the photographs for a visual perspective of the subject's physical characteristics. The subject subdivision located within the city limits of San Marcos includes approximately 706.349 acres of land area. This appraisal specifically addresses 581 proposed single-family lots. Additionally, there are eight (8) tracts of vacant land proposed for mixed use commercial, industrial and multi-family development. The property is valued "as complete" for the proposed single-family lots and "as is" for the to be developed vacant land (both commercial and single-family). The property is identified as follows:

VACANT LAND INVENTORY			
Unit #	Location	Size (Ac)	Legal Description
Tract 1	SEC Yarrington Rd & IH-35	69.393	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 2	SEC Suspro Pkwy & IH-35	46.293	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 3A	SS Suspro, WS Fortuna Rd & NS Opportunity Blvd.	121.280	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 3B	SS Suspro, WS Fortuna Rd & NS Opportunity Blvd.	16.560	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 4	SEC Opportunity Blvd. & IH-35	164.183	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 5	SES Opportunity Blvd.	33.370	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 6	SS Opportunity Blvd.	130.641	J. Miner Survey, Abstract 321
Tract 7A	SEC Yarrington Rd & Fortuna Blvd.	72.660	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 7B	NEC Opportunity Blvd. & Fortuna Blvd.	51.969	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467

Lot Analysis

The subject Tract No. 6 is proposed to be improved with 581 single-family residential lots. The buildable lots are divided as follows:

Proposed SFR Lots - Whisper Subdivision							
Type	Total Lots	FF	Avg Ac Size	Gross SF/Lots	Acreage	Condition	Proposed Use
Single Family							
46' & 50' SFR Lots	581	46-50'	6,887	0.158	91.86	Developed	Custom Homes
Street R.O.W.					29.090	Developed	Streets
R.O.W. Harris Hill					1.186	Developed	Streets
Parks and Open space					8.509	Developed	Parkland
Total SF Development	581		6,887	0.158	130.641		

The proposed lots are all generally rectangular in shape with generally level topography and a buildable site area on each lot. The lots will have all utilities including water, sewer and electricity service extended to each site. All utilities are underground with asphalt paved streets and concrete curbs.

The developer has provided the proposed site plan and the lot count utilized in this analysis.

The physical characteristics of the undeveloped residential land is included as follows. A general description of the property follows a brief summary of the vacant land tract included below. Plats of the proposed development is included following this description.

The residential land (Tract 6) includes 130.641 acres of land area which will be developed with 581 46-foot to 50-foot single-family lots. The total land area for the actual lots is 91.86 acres with an average lot size of

6,887 square feet or 0.158 acre per lot. There is 29.09 acres of land utilized for roadways and an additional 1.186 for Harris Hill Road. The amount of acreage in parks and open space totals 8.468 acres.

8 tracts Mixed Use Commercial and Multi Family Land

Commercial/Mixed Use Tracts - Whisper PID			
Commercial/Mixed Use			
Tract No. 1	69.393	Developed	Commercial/MU
Tract No. 2	46.293	Developed	Commercial/MU
Tract No. 3A	121.280	Developed	Commercial/MU
Tract No. 3B	16.560	Developed	Commercial/MU
Tract No. 4	164.183	Developed	Commercial/MU
Tract No. 5	33.370	Developed	Commercial/MU
Tract No. 7A	51.969	Developed	Commercial/MU
Tract No. 7B	72.660	Developed	Commercial/MU
Total Commercial/mixed Use Land Area	575.708		

The mixed use parcels include a 69.393 acre tract of commercial land located at the southeast corner of Yarrington Road (C.R. 159 and IH-35); a 46.293 acre tract of commercial land located at the southeast corner of Suspro Parkway and IH-35; a 121.280 acre tract of mixed use land located along the southside of Suspro, the west side of Fortuna Road and the northside of Opportunity Blvd.; a 16.560 acre tract of mixed use land located also located along the southside of Suspro, the west side of Fortuna Road and the northside of Opportunity Blvd.; a 164.183 acre parcel located at the southeast corner of Opportunity Blvd. and IH-35; a 33.370 acre parcel (included four parcels) of mixed use land located along the southeast side of Opportunity Blvd.; a 51.969 acre parcel of mixed use land located at the northeast corner of Opportunity Blvd. & Fortuna Blvd.; and a 72.660 acre parcel of mixed use land located at the southeast corner of Yarrington Road and Fortuna Blvd.

Topography

The topography of the land is generally level to rolling and located at street grade with the existing and proposed streets. The residential tracts are generally irregular in configuration about the Tract 5 multi-use parcels. The commercial and multi-family tracts are all irregular in configuration designed to maximize development of each tract. The land is well suited for future residential, commercial and multi-family development. All public utilities and roadways will be provided to each lot and each tract of land. New streets and utility capacity will be expanded by funding from the proposed Whisper PID.

Location

The Whisper PID is situated along the east side of IH-35 along the southside of Yarrington Road. The property is located just north of downtown San Marcos. The subject property includes proposed single-family lots, and vacant land within the Whisper PID with access via roadways which have been developed or are proposed to be developed within the parent project.

Physical Attributes

The subject site includes proposed single-family lots and mixed use commercial and multi-family land all located within Whisper PID. It is surrounded by existing development to the north and west with mostly vacant undeveloped land to the east and south. Each site has street frontage on existing or proposed street with

good visibility, frontage and access. Proposed utilities include water, sewer, telephone and electricity which are or will be underground following the roadways bisecting the site.

Streets

The subject/parent Whisper PID includes numerous existing and proposed streets and cul-de-sacs providing frontage and access to each lot. The main entry street which extends in an easterly direction through the developed portion of Lagos is designated as Yarrington Road (C.R. 159) and a second primary entry street is Opportunity Blvd. Additional streets will be developed as part of the PID improvements.

The streets are 60-foot right-of ways with two-lanes of two-way traffic. All streets will be asphalt-paved roadways with concrete curbs. Traffic at the subject's street frontage is limited to local neighborhood traffic. Streets have been or will be (when complete) dedicated to the city of San Marcos and maintenance will be by the city once all roadways are complete according to guidelines outlined in the PID documents.

Accessibility

The development has excellent access via existing streets and the existing Lexington Street frontage and IH-35 frontage. IH-35 is an interstate highway with divided main lanes and one way access roads on each side. The east side access road fronts the subject property. Other streets in and surrounding the subject property are two-way, two-lane, 60' rights-of-way which are asphalt paved to be maintained by the city of San Marcos.

Topography/Vegetation

The land features generally level topography which is considered favorable to development. The majority of the vacant land site is basically open and cleared land.

Zoning and Restrictions

The appraised property lots are located within the City of San Marcos and are subject to the Planned Unit Development (PUD) for the Whisper PID which has been approved by the city of San Marcos. The zonings are for single-family residential, commercial, light industrial (business park) and multi-family use. The property is also subject to subdivision development restrictions of the City of San Marcos. It is reported that the existing and proposed development is in accordance with guidelines outlined in the PUD.

Utilities

The property is served by public utilities including water, sewer, electricity, and telephone. Additional utility capacity, drainage, roadway development and other related infrastructure will be provided via funding from the Whisper PID.

Surrounding Development

The Whisper PID is surrounded by larger tracts of vacant land to the south and east. There is some existing commercial development to the north and west of the subject and along IH-35.

Development Schedule

The subject property Proposed 581 lots are projected to be completed within the next 12 months. Lot sales projected to begin within 12 months shown as Year 1 in the DCF.

Easements/Encroachments

Based on our visit and available maps, no easements or encroachments were noted which would be detrimental to development of the subject site. There are several green spaces/parks and a drainage area located within the property with some parks and green space in the residential land plan which increases the ambience and outdoor amenity package of the subdivision. Our value conclusions are subject to revision should a current title policy reveal that any adverse easements or encroachments are present.

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.

Environmental Conditions

No environmental report was available to us and no recent environmental tests are known to 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. Our value conclusions are subject to revision should these assumptions prove incorrect. We caution and advise the user of this report to obtain environmental studies which may be required to ascertain status of the property with regard to asbestos and other hazardous materials.

Flood Zone

According to National Flood Insurance Rate Map Community Panel Number 48209C0385F, 48209C0392F and 48209C0415F, effective 9/02/2005, portions of the subject land is situated within the floodplain; however, each single-family lot and the vacant tracts of land are outside the 100 and 500-year flood plain.

Site Improvements

The subject residential lots are proposed in nature. Site improvements include asphalt paved streets with concrete curbs and drainage. Underground utilities (water, sewer and electric) are available to each lot and tract of vacant land. There are several greenbelts and a drainage lake for use by all of the residents in Whisper; additional amenities such as hiking trails will be developed in the future.

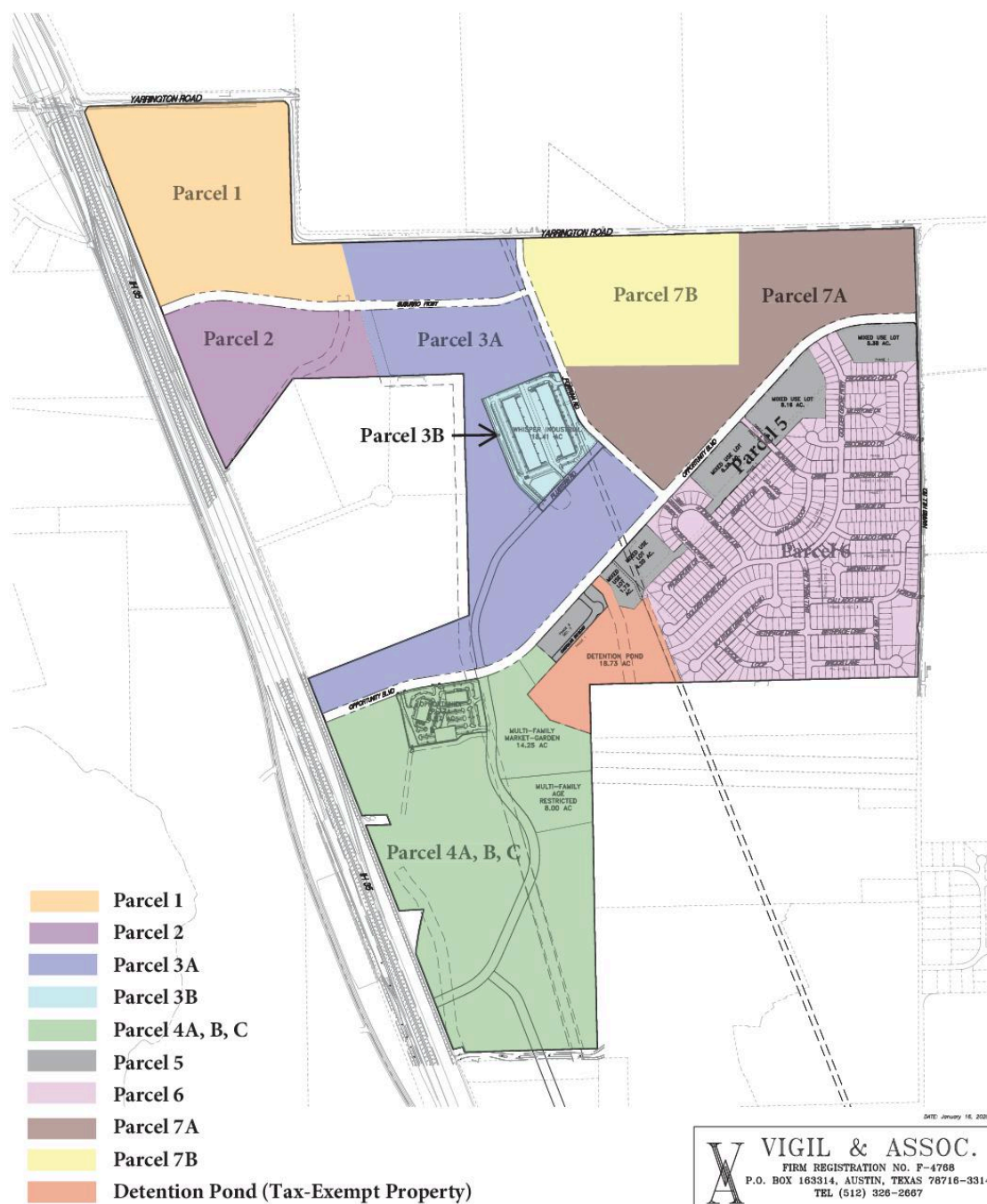
Site Summary

The subject subdivision lots and vacant land tracts have access to public streets which extend to surrounding major traffic arteries. The topography is generally level with a buildable area on each lot which is considered appropriate to accommodate the proposed single-family residential development or commercial/multi-family development. Per a topical investigation the appraised property shape, utility service, land use restrictions, nuisances and hazards do not appear to be restrictive to development of the property. Overall the subject lots are judged to be functionally adequate for residential single-family development.

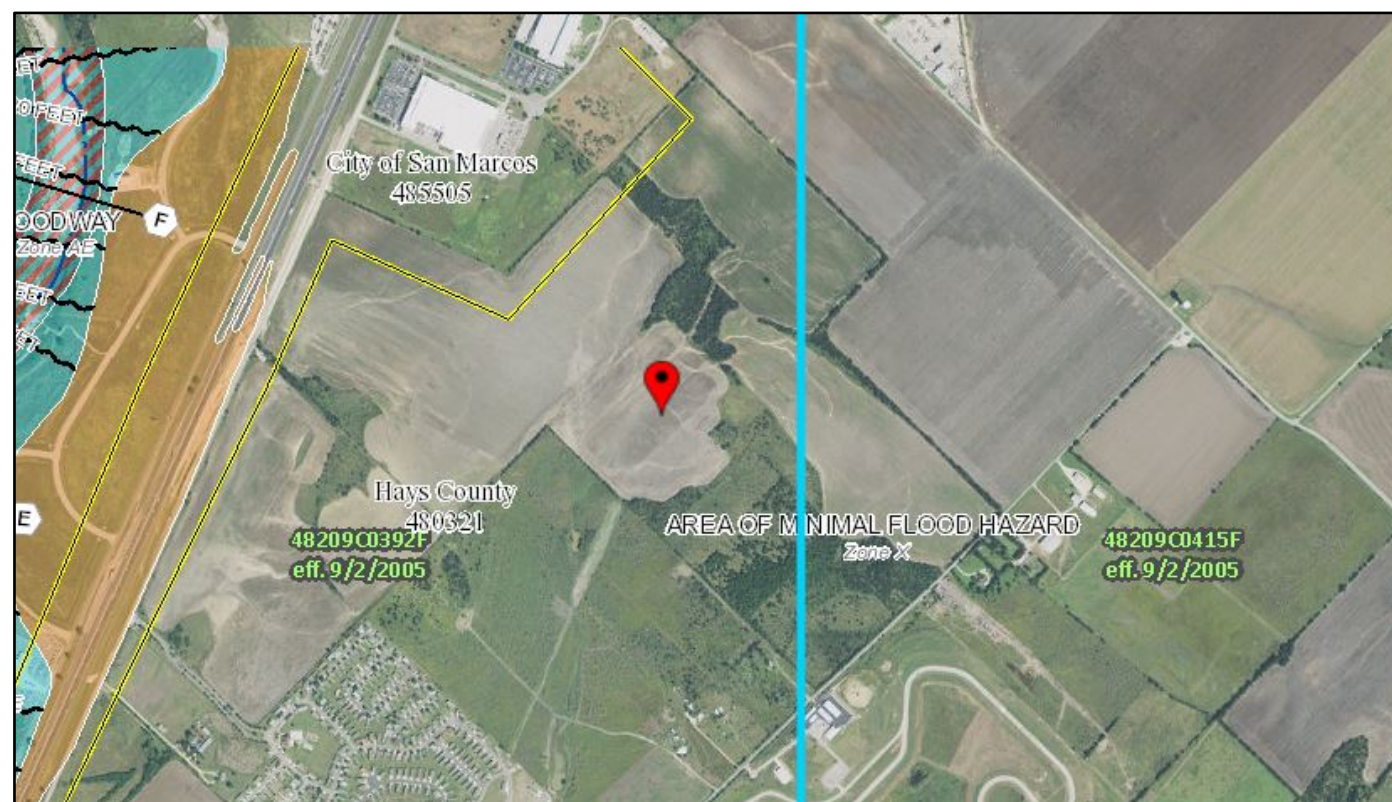
The Whisper PID will be a good quality subdivision, with a high-end designer built residential development, multi-family and mixed use commercial development.

Land Use Plan

An overview map of the development is included on the following page, identifying the subject units and vacant land tracts, followed by a flood hazard map.

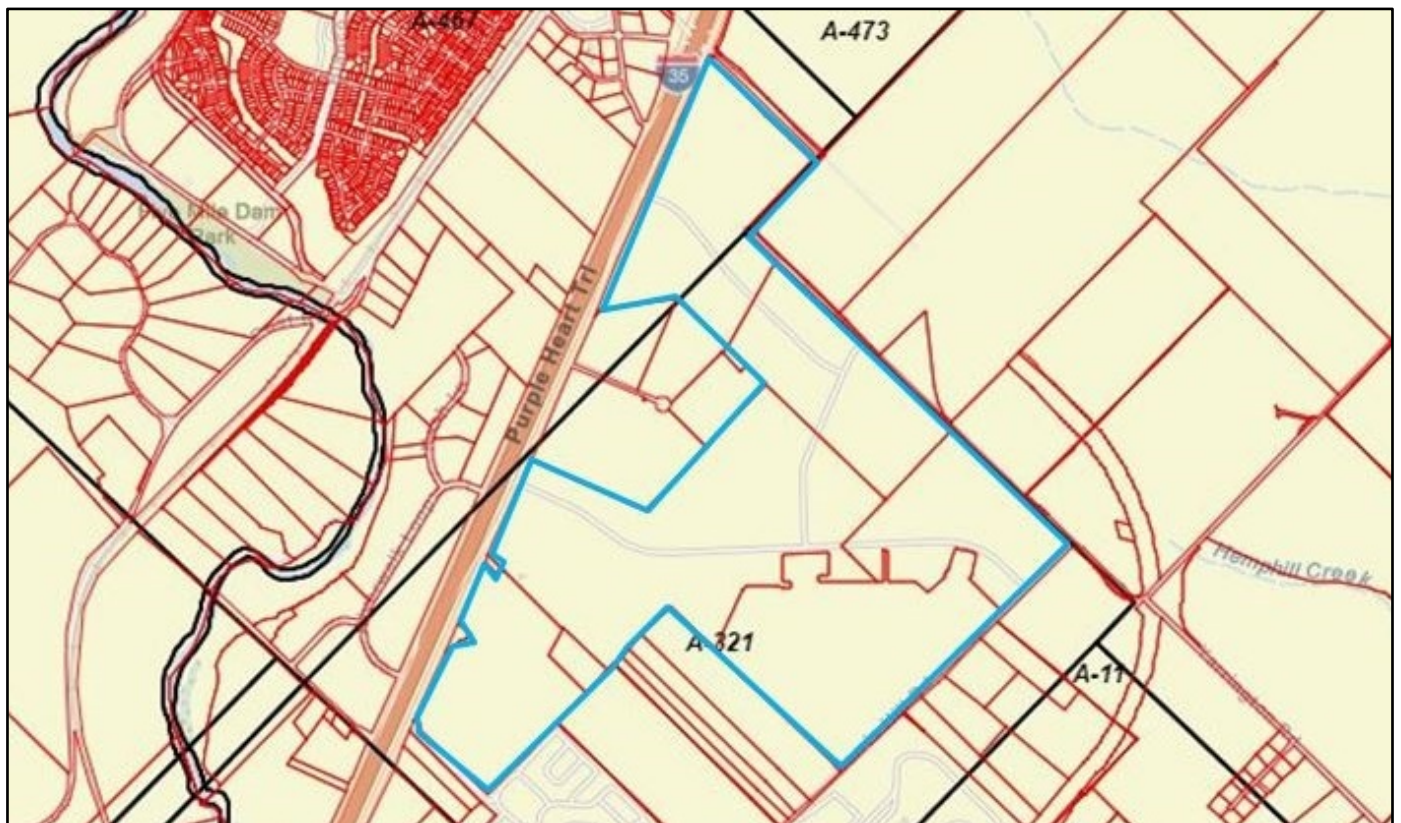








TAX PLAT (PARENT TRACT)



ZONING

The appraised property is zoned Planned Unit Development. According to the PDD Ordinance for the subject property the property will include mixed use commercial, light industrial (business park), multi-family, and single-family.

The Whisper land plan includes commercial primarily along the IH-35 frontage and partially along Opportunity Blvd. and Yarrington Road. Multi-family and mixed light industrial and office uses are located east of IH-35 along Fortuna Road, Opportunity Blvd. and Yarrington Road.

The appraisers are not experts in the interpretation of complex zoning ordinances. The subject property appears to be a conforming use based on a review of public information. Please note that the determination of compliance is beyond the scope of a real estate appraisal. It is recommended that local planning and zoning personnel be contacted regarding more specific information that might be applicable to the subject.

In addition, we know of no deed restrictions, private or public, that further limit the subject property's use. The research required to determine whether or not such restrictions exist, however, is beyond the scope of this appraisal assignment. Deed restrictions are a legal matter and only a title examination by an attorney or a title company can usually uncover such restrictive covenants. Thus, we recommend a title search to determine if any such restrictions do exist.

ASSESSMENT AND TAXES

The property is subject to the taxing jurisdiction of Hays County, Texas. The applicable tax rates for the taxing jurisdictions and the estimated tax liability for the subject parent tract, and as allocated for the subject vacant land, follows based on the 2019 tax rates are outlined in the chart below. The 2020 rates and assessments are not available as of the effective date of this report. There are no assessed values for the proposed lots. For purposes of the DCF analysis, projected tax assessments for the proposed lots are outlined below based on other comparable lots in the subject vicinity.

Subject Parent Account Assessed Values and Taxes				
Parcel #	Size (Ac)	Land Assessed Value	Tax Amount	Legal Description
R16592	99.800	\$ 2,220,800	\$447	Joel Miner Survey, Abstract 321
R16595	111.930	\$ 2,010,580	\$501	Joel Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
R16597	318.105	\$ 7,078,650	\$1,357	Joel Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
R16599	6.660	\$ 290,110	\$30	Joel Miner Survey, Abstract 321
R167775	130.600	N/A	N/A	Joel Miner Survey, Abstract 321
R116610	80.288	\$ 2,408,970	\$352	Joel Miner Survey, Abstract 321
R149611	85.810	\$ 1,909,490	\$384	Joel Miner Survey, Abstract 321 & William Ward Surveys Abstract 467

A review of the County Assessor's records indicated there are no past due taxes; however, the client should conduct their own research to determine the existence of past due taxes. The existence of delinquent taxes could affect the proceeds from any sale of the property. A summary of the tax rates is shown as follows:

Real Estate Taxes Hays County	
2019	
Taxing Entity	Tax Rate
Hays County	\$0.389900
Hays CISD	\$1.467700
City of San Marcos	\$0.613900
Special Road	\$0.033800
Austin Comm. College	\$0.104900
Total Tax Rate	\$2.610200

For the proposed subdivision, several tax comparables of similar sized single-family residential lots in other comparable subdivisions have been utilized. The comparable lots have assessed values of \$23,630 for an average size lot. These assessed lots are very similar to the subject proposed lots. Based on the comparable lot assessed values, we have utilized an average value in projecting the assessed value for the subject during the holding period of \$23,630 per lot for the proposed subject lots.

Comparable Lots Assessed Values		
Block	Lot Number	Assessed Value
Blanco Vista Tr. P	3	\$23,630
Blanco Vista Tr. P	9	\$23,630
Blanco Vista Tr. P	22	\$23,630
Comparable Lots Avg.		\$23,630
Projected Ass. Value-Subject Lots		\$23,630

HIGHEST AND BEST USE

According to The Dictionary of Real Estate Appraisal, Sixth Edition (2015), a publication of the Appraisal Institute, the highest and best use is defined as:

“The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.”

Highest and Best Use Criteria

The appraisers have evaluated the site's highest and best use as vacant and as proposed. The property's highest and best use must meet four criteria. That use must be (1) legally permissible (2) physically possible, (3) financially feasible, and (4) maximally productive.

Legally Permissible

The first test concerns permitted uses. The appraised property is located within the corporate boundaries of the city of San Marcos. The subject is situated within the Whisper P.I.D. The P.I.D. includes proposed mixed-use commercial, light industrial (business park) multi-family and single-family residential zoning for the subject land tracts. The Whisper PID has been approved by the City of San Marcos. The subject property residential land will be deed-restricted to one single-family home per lot. Additional building restrictions concerning size of homes and exterior configuration must also be adhered to.

Physically Possible

The second test is as to physically possible uses. The appraised property includes nine (9) tracts of vacant land. The land tracts are irregular in configuration and is generally level with native brush, trees and grasses with good frontage on existing roadways. Tract Nos. 1 – 5 are designated for mixed use commercial and multi-family development. Tracts 7A and 7B are designated for commercial/industrial development. Tract No. 6 is a 130.6-acre tract of vacant land which is proposed for development with 581 proposed single-family lots in Phase 1, 2 and 3. The proposed lots will be generally rectangular in shape and range in size from 46-FF to 50-FF with generally level terrain. All public utilities including water, sewer, electricity, cable and telephone will be available to each lot.

Financial Feasibility and Maximal Productivity

The third and fourth tests are considered to be financial feasibility and maximally productive use. After analyzing the physically possible and legally permissible uses of the property, the highest and best use must be considered in light of financial feasibility and maximum productivity.

Based on projected demographic trends in proximity to the subject demand for new housing should increase through 2025. Based on our site visit and observations of competitive subdivisions, it appears as though there is continued demand for mixed use commercial land and residential land with homes in the \$200,000 to \$300,000 range. Home Builders in the area indicate that home sales have been strong, and that demand remains steady. It is projected based on market trends and developer reported activity in the immediate area coupled with demographic projections that the appraised lots will be absorbed at a rate of 30 per quarter or 120 per annum for the first Year increasing to 122 per annum in Year 2, 124 per annum in Year 3, 126

per annum in Year 4 and the remaining 89 lots in Year 5 with all of the proposed lots being absorbed within 19 quarters or 4.75 years.

Conclusion of Highest and Best Use of Land as Vacant

Considering the success of other similar competing subdivisions in the immediate market area and considering the demand shown in the market analysis, coupled with the PUD restrictions for mixed use commercial, light industrial, multi-family and single-family development, the highest and best use of the appraised property tracts of land as vacant land are concluded to be for mixed use and single-family home lot development in accordance with the PUD.

Conclusion of Highest and Best Use of Development as Proposed

The proposed mixed use and single-family residential development are in accordance with the highest and best use as vacant. The property is gently rolling in terrain and features adequate road frontage from adjoining developed units. The proposed land sizes, utility availability and surrounding development are commensurate with the planned unit development. An analysis of the proposed development indicates that the project as planned is judged to be the highest and best use as proposed.

APPRAISAL METHODOLOGY

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available.

COST APPROACH

The cost approach is based upon the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when relatively unique or specialized improvements are located on the site and for which there exist few sales or leases of comparable properties.

SALES COMPARISON APPROACH

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value. Economic units of comparison are not adjusted, but rather analyzed as to relevant differences, with the final estimate derived based on the general comparisons.

INCOME CAPITALIZATION APPROACH

The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

METHODOLOGY APPLICABLE TO THE SUBJECT

In valuing the subject land, the Sales Comparison Approach to market value is considered to be applicable in deriving the market value of the subject vacant land tracts and has been utilized. For the proposed single-family lots, the Cost Approach has been utilized to indicate the value of the vacant land plus development costs. The income approach has been utilized to indicate the value of the proposed lots to an investor based on sell-out of the developed lots at the projected achievable lot sales price deducting holding costs, sales expenses and other related expenses. The net cash flows have been discounted to present value using a market derived discount rate to reflect the value of the property to an investor based on the sellout of the proposed subject subdivision at completion of the development. The Sales Comparison Approach related to the proposed development as if complete has not been utilized due to the lack of sales of completed residential subdivisions in the area. In the process of this valuation analysis, Flato has contacted a number of real estate brokers and market participants in the local market.

The market has been researched using county deed records, interviewing active real estate brokers, available statistics and other contact sources. These sources have been contacted and interviewed extensively with reference to confirmation of market information, sales, rental data, absorption, and general perceptions and have been utilized in each of the valuation approaches to follow.

LAND VALUE “AS IS”

The appraised property “As Is” includes nine tracts of vacant land as shown in the chart below:

VACANT LAND INVENTORY			
Unit #	Location	Size (Ac)	Legal Description
Tract 1	SEC Yarrington Rd & IH-35	69.393	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 2	SEC Suspro Pkwy & IH-35	46.293	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 3A	SS Suspro, WS Fortuna Rd & NS Opportunity Blvd.	121.280	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 3B	SS Suspro, WS Fortuna Rd & NS Opportunity Blvd.	16.560	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 4	SEC Opportunity Blvd. & IH-35	164.183	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 5	SES Opportunity Blvd.	33.370	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 6	SS Opportunity Blvd.	130.641	J. Miner Survey, Abstract 321
Tract 7A	SEC Yarrington Rd & Fortuna Blvd.	72.660	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467
Tract 7B	NEC Opportunity Blvd. & Fortuna Blvd.	51.969	J. Miner Survey, Abstract 321 & William Ward Surveys Abstract 467

The sales comparison approach is one of three traditional approaches to value whereby an opinion of value is derived by analyzing closed sales, listings, or pending sales of properties that are similar to the subject. This approach is based primarily upon the principle of substitution, whereby a prudent purchaser will not pay more for any particular property than it would cost to acquire an equally desirable alternate property. Inherent to the applicability of this approach is that a market exists for the subject property type. It also presumes that there is sufficient data on recent market transactions for comparison purposes. In this sales comparison analysis, the price per unit is used as it mirrors that of most market participants when making residential investment decisions.

For purposes of this analysis, the land sales analysis is broken into two groups. The first group is the eight (8) tracts of vacant land proposed for mixed use commercial, light industrial, and multi-family use. One group of sales and individual sales grids for each of these tracts is included first. This analysis is followed by the analysis of Tract No. 6 which is designated for single-family residential development. A group of similar single-family land sales and an adjustment grid for this tract is also completed following the commercial land analysis which is included first.

MIXED USE LAND ANALYSIS

Flato Realty Advisors has researched sales of similar tracts of vacant land sales and listings located in the general subject market area. Although there have been limited recent sales of similar tracts, six acreage sales of tracts of vacant land purchased for mixed-use development have been confirmed in the general market area.

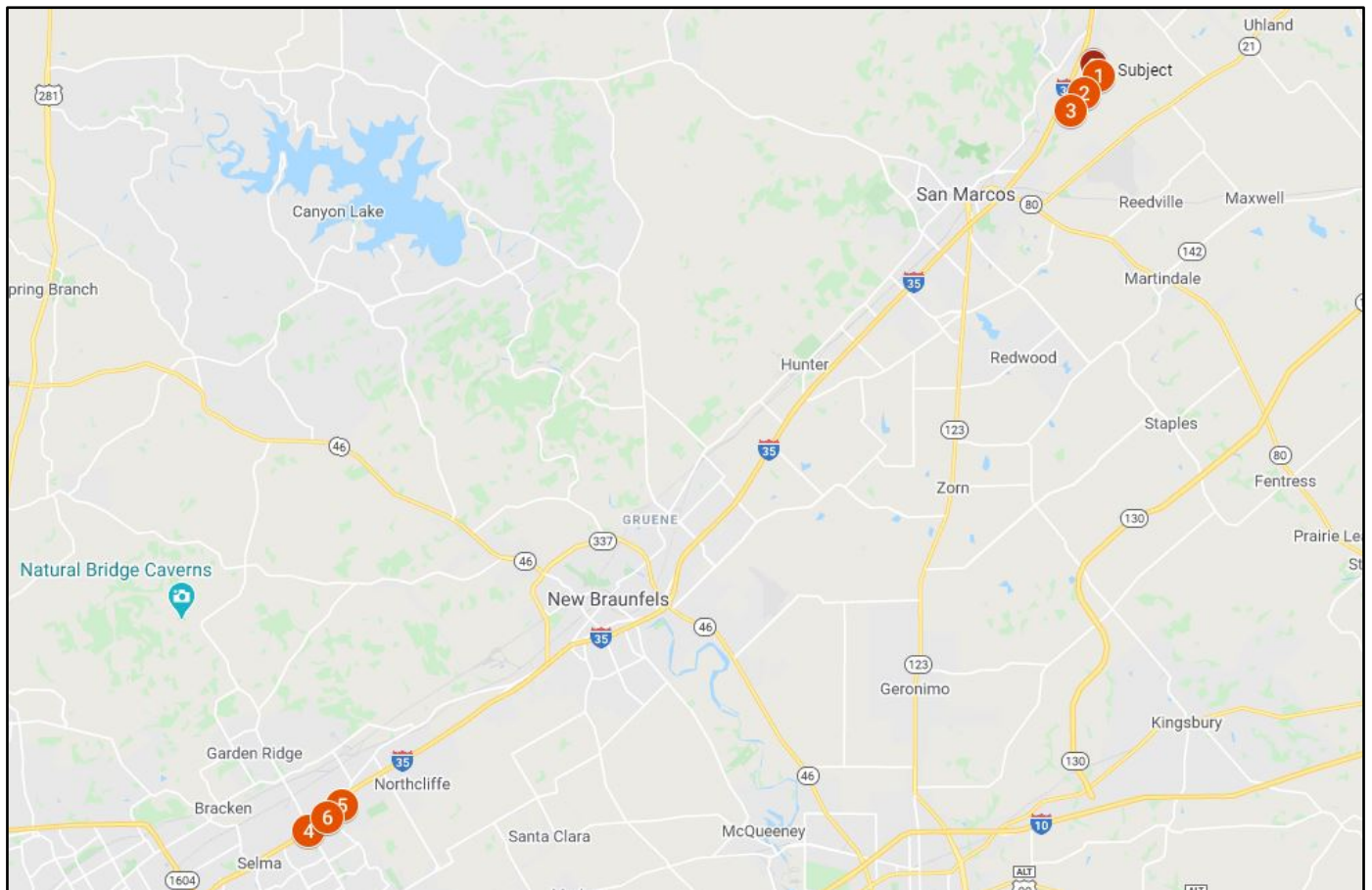
The sales utilized in the valuation of the subject land range in pricing from \$2.38 to \$6.61 per square foot and in total land area from 8.00 to 51.97 acres which took place from 2018 through current contracts. Although the sales differ widely in terms of size and pricing per acre, these sales are judged to be the most meaningful recent sales that we were able to confirm. The price variance is judged to be primarily due to differences in location, size and presence of available utilities and other existing surrounding development. These are judged to be the most comparable acreage land sales available for use in the valuation of the subject vacant land tracts.

LAND SALES SUMMARY

The land sales are summarized on the following page. Sale details are included in the Addenda. The locations of the land sales are outlined in the map following the land sales summary.

LAND SALES SUMMARY MIXED-USE LAND

	Comp. No. 1	Comp. No. 2	Comp. No. 3	Comp. No. 4	Comp. No. 5	Comp. No. 6
Address	SEC Fortuna Rd @ C.R. 159	SEC Opportunity Blvd. at Prop. Flustern Rd.	Prop. Flustern Road just south of Opportunity Blvd.	17730 IH-35	IH-35 North of Weiderstein	18124 IH-35 North
City	San Marcos	San Marcos	San Marcos	Cibolo	Schertz	Cibolo
County	Hays	Hays	Hays	Guadalupe	Guadalupe	Guadalupe
Use at Sale	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Proposed Use	Commercial	Multi-family	Multi-family	Commercial	Multi-Family	Commercial
Transaction Type	Contract	Contract	Contract	Sale	Pending	Sale
Financing	Cash to Seller	Cash to Seller	Cash to Seller	Cash to seller	Cash to Seller	Cash to Seller
Topography	Generally Level	Generally Level	Generally Level	Gently rolling	Generally Level	Generally
Shape	Rectangular, Corner	Rectangular, Corner	Rectangular, Interior	Irregular	Irregular	Rectangular, Corner
Utilities	All available	All available	All available	Electric, Water, Tel.	Electric, Water, Tel.	Electric, Tel.
Zoning	PUD	PUD	PUD	Commercial	Commercial	Commercial
Grantor	Whisper Master Comm	Whisper Master Comm	Whisper Master Comm	RLDL Properties,	Five Star Properties	Babcock Road 165
Grantee	US Real Estate Ltd.	Whisper Apts. 1 LLC	Mission DG Ltd.	Babcock Road 165, Ltd.	1290 Entertainment	Santikos Cibolo Theatre
Sale Date	U/C	U/C	U/C	Mar-18	May-18	May-18
Adj. Sale Price*	\$5,395,350	\$3,693,345	\$2,265,120	\$7,500,000	\$5,024,410	\$2,584,162
Net Land Area	51.97 Ac.	14.25 Ac.	8.00 Ac.	35.84 Ac.	17.44 Ac.	9.37 Ac.
Sale Price Per SF	\$2.38	\$5.95	\$6.50	\$4.80	\$6.61	\$6.33
Verification	Owner	Owner	Owner	Broker	Broker	Broker



LAND SALES DISCUSSION

The land sales are adjusted to indicate the value of the subject tracts of appraised property as follows.

Property Rights: The subject property includes the fee simple title to the land excluding mineral rights. All of the sales transferred on a similar basis with no or very little mineral rights conveyed and thus no adjustment was made for this factor.

Market Conditions: This category consists of financing, property rights conveyed, condition of sale and date of sale. The sales occurred from current contract through 2018. Upward adjustments are applied for market conditions to Sale Nos. 4, 5 and 6 due to the increase of pricing in the market over the time period covered. All the sales are indicated to be cash to seller or fee simple arm's length transactions. No further adjustments are applied for this category.

Location: The appraised property sites are generally located to the east side of IH-35 at the north edge of the City of San Marcos in Hays County. The sales are located in the general area or along IH-35 in nearby communities in areas of similar development. Sale No.1, 2 and 3 are the current contracts for portions of the subject property. Adjustments are applied for location within the subdivision and for IH-35 street frontage. Sale Nos. 4, 5 and 6 are judged generally similar due to locations just off IH-35 in an area of new development very similar in nature to the subject property in Guadalupe County just north of the City of San Antonio and south of New Braunfels. Upward adjustments are applied for the subject tracts which have superior IH-35 frontage and downward adjustments are made for the subject interior tracts which do not feature high profile IH-35 frontage.

Size: In the valuation of the subject property tracts which range in size from 16.56 to 146.37 acres, each sale is adjusted upward or downward in comparison to each of the subject tracts and individual adjustments are made to each. The comparable sales range in size from 8.0 to 51.97 acres. Smaller properties are observed to typically sell for a higher price per acre and are adjusted downward and larger tracts are adjusted upward. Each sale has been adjusted accordingly as shown in the adjustment grids included following this discussion.

Shape: The appraised property tracts are generally irregular in configuration; however, they are each well suited for proposed development. The shape of the site can affect the sales price based on the configuration and how it lends itself to use. All of the sales are judged similar in configuration to the subject tract and no adjustments are made.

Topography: The topography of a site can greatly affect the value. The subject property is generally level in terrain. It is judged to be a good candidate for mixed use commercial and single-family residential lot development. All of the sales are judged to be basically similar in topography gently rolling to level hill country tracts. No adjustments are applied to the sales.

Utilities/Infrastructure: The presence or lack of available utilities can be a key factor affecting sites. The subject properties are appraised under the hypothetical condition that all tracts have streets and utilities available and extended to each site due to the location within the proposed PID by the City of San Marcos; the adjustments are completed as if the PID improvements regarding utility service are complete. All of the

utilities will be extended to each site for the proposed development. As this will result in superior availability of utilities based on the terms of the PID upward adjustments are applied to Sale Nos. 1, 4, 5 and 6. Sale Nos. 2 and 3 are under contract subject to completion of the proposed PID and are judged to reflect the presence of those utility improvements. Sale No. 1 was placed under contract prior to the finalization of the PID and includes a clause that the purchaser will reimburse the City for the cost of the PID thus it was not placed under contract subject to completion of utilities since they are paying for them. Sale Nos. 4, 5 and 6 do not benefit from the presence of those utility improvements.

Site Improvements: The quality of site improvements/fencing, can affect the value of a tract in area. The subject does not have notable vertical improvements as of the date of this appraisal. All of the sales are judged similar and no adjustments are applied.

Zoning/Use: The zoning of a site can affect value when it restricts development of the site to particular uses. The subject is located within the City of San Marcos and according to the PUD which has been approved by the city, will be zoned for mixed use commercial, light industrial, multi-family and single-family residential development. The sales are considered comparable to the subject in this regard not requiring any adjustments.

Floodplain: Most sites of this size have some loss of usable land due to drainage and/or flood plain. The subject property is generally level with no significant flood hazard areas, similar to the sales. No adjustments are applied for this factor.

Summary of Adjustments: The sales utilized in the valuation of the subject range in price per acre from \$2.38 to \$6.61 with an average of \$5.43 per square foot. It is noted that the subject is generally superior to the several of the sales in terms of utility availability and location; however the subject properties are generally larger than the sale properties. The concluded values are outlined as follows:

Tract No. 1: After adjustments, the sales indicate values ranging from \$3.75 to \$5.36 per square foot with a mean of \$4.92 for the subject 69.393-acre tract. The concluded value for the 69.393-acre tract is \$4.90 per square foot indicating a total "As Is" market value of the subject Tract No. 1 to be **\$14,800,000**.

Tract No. 2: After adjustments, the sales indicate values ranging from \$3.81 to \$5.80 per square foot with a mean of \$5.19 for the subject 46.293 acre tract. The concluded value for the 46.293-acre tract is \$5.20 per square foot indicating a total "As Is" market value of the subject Tract No. 2 to be **\$10,475,00**.

Tract No. 3A: After adjustments, the sales indicate values ranging from \$3.04 to \$3.80 per square foot with a mean of \$3.32 for the subject 121.280 acre tract. The concluded value for the 121.280-acre tract is \$3.35 per square foot indicating a total "As Is" market value of the subject Tract No. 3A to be **\$17,700,000**.

Tract No. 3B: After adjustments, the sales indicate values ranging from \$2.98 to \$5.85 per square foot with a mean of \$4.95 for the subject 16.560 acre tract. The concluded value for the 16.560-acre tract is \$4.95 per square foot indicating a total "As Is" market value of the subject Tract No. 3B to be **\$3,575,000**.

Tract No. 4: After adjustments, the sales indicate values ranging from \$3.28 to \$4.39 per square foot with a mean of \$3.94 for the subject 164.183 acre tract. The concluded value for the 164.183-acre tract is \$3.95 per square foot indicating a total "As Is" market value of the subject Tract No. 4 to be **\$28,250,000**.

Tract No. 5: After adjustments, the sales indicate values ranging from \$3.63 to \$5.36 per square foot with a mean of \$4.76 for the subject 33.370 acre tract. The concluded value for the 33.370 acre tract is \$4.75 per square foot indicating a total "As Is" market value of the subject Tract No. 5 to be **\$6,900,000**.

Tract No. 7A: After adjustments, the sales indicate values ranging from \$3.22 to \$4.31 per square foot with a mean of \$3.77 for the subject 72.660 acre tract. The concluded value for the 72.660-acre tract is \$3.80 per square foot indicating a total "As Is" market value of the subject Tract No. 7A to be **\$12,025,000**.

Tract No. 7B: After adjustments, the sales indicate values ranging from \$3.46 to \$4.91 per square foot with a mean of \$4.34 for the subject 51.969 acre tract. The concluded value for the 51.969 acre tract is \$4.35 per square foot indicating a total "As Is" market value of the subject Tract No. 7A to be **\$9,850,000**.

The adjustments made are summarized in the charts on the following page and the concluded land value is shown below.

LAND VALUE CONCLUSION - TRACT NO. 1 - 69.393 ACRES	
	Indicators
Subject No. of Acres	69.393
Reconciled Value / Square Foot	\$4.90
Reconciled Market Value (Rd) As Is	\$14,800,000

LAND VALUE CONCLUSION - TRACT NO. 2 - 46.293 ACRES	
	Indicators
Subject No. of Acres	46.293
Reconciled Value / Square Foot	\$5.20
Reconciled Market Value (Rd) As Is	\$10,475,000

LAND VALUE CONCLUSION - TRACT NO. 3A - 121.280 ACRES	
	Indicators
Subject No. of Acres	121.280
Reconciled Value / Square Foot	\$3.35
Reconciled Market Value (Rd) As Is	\$17,700,000

LAND VALUE CONCLUSION - TRACT NO. 3B - 16.560 ACRES	
	Indicators
Subject No. of Acres	16.560
Reconciled Value / Square Foot	\$4.95
Reconciled Market Value (Rd) As Is	\$3,575,000

LAND VALUE CONCLUSION - TRACT NO. 4 - 164.183 ACRES

Indicators	
Subject No. of Acres	164.183
Reconciled Value / Square Foot	\$3.95
Reconciled Market Value (Rd) As Is	\$28,250,000

LAND VALUE CONCLUSION - TRACT NO. 5 - 33.370 ACRES

Indicators	
Subject No. of Acres	33.370
Reconciled Value / Square Foot	\$4.75
Reconciled Market Value (Rd) As Is	\$6,900,000

LAND VALUE CONCLUSION - TRACT NO. 7B - 72.660 ACRES

Indicators	
Subject No. of Acres	72.660
Reconciled Value / Square Foot	\$3.80
Reconciled Market Value (Rd) As Is	\$12,025,000

LAND VALUE CONCLUSION - TRACT NO. 7A - 51.969 ACRES

Indicators	
Subject No. of Acres	51.969
Reconciled Value / Square Foot	\$4.35
Reconciled Market Value (Rd) As Is	\$9,850,000

LAND COMPARABLE ADJUSTMENT ANALYSIS - TRACT NO. 1							
Comparable	Subject	Comparable No. 1	Comparable No. 2	Comparable No. 3	Comparable No. 4	Comparable No. 5	Comparable No. 6
Property Name	Whisper Community	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Address/Location	SEC Yarrington Road & IH-35	SEC Fortuna Rd @ C.R. 159	SEC Opportunity Blvd. at Proposed Flustern Road	Proposed Flustern Rd. just south of Opportunity Blvd.	17330 IH-35	IH-35 North of Weiderstein Road	181124 IH-35 North
City	San Marcos	San Marcos	San Marcos	San Marcos	Cibolo	Schertz	Cibolo
County	Hays	Hays	Hays	Hays	Guadalupe	Guadalupe	Guadalupe
Use at Sale	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Proposed Use	Commercial	Commercial	Multi-Family	Multi-Family	Commercial	Commercial	Commercial
Transaction Type		Pending	Pending	Pending	Sale	Sale	Sale
Financing		Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Marketing Time		N/A	N/A	N/A	N/A	N/A	N/A
Sale Date		U/C	U/C	U/C	3/1/2018	05/02/18	05/08/18
Adj. Sale Price*		\$5,395,350	\$3,693,345	\$2,265,120	\$7,500,000	\$5,024,410	\$2,584,162
Gross Land Area (Acres)	69.393 Ac.	51.97 Ac.	14.25 Ac.	8.00 Ac.	35.84 Ac.	17.44 Ac.	9.37 Ac.
Sale Price per Sq. Ft.		\$2.38	\$5.95	\$6.50	\$4.80	\$6.61	\$6.33
Transaction Adjustments							
Property Rights		Similar	Similar	Similar	Similar	Similar	Similar
		0%	0%	0%	0%	0%	0%
Financing		Similar	Similar	Similar	Similar	Similar	Similar
		0%	0%	0%	0%	0%	0%
Condition of Sale		Similar	Similar	Similar	Similar	Similar	Similar
		0%	0%	0%	0%	0%	0%
Market Conditions (Time)		Similar	Similar	Similar	Inferior	Inferior	Inferior
		0%	0%	0%	9%	8%	8%
Subtotal		\$2.38	\$5.95	\$6.50	\$5.24	\$7.14	\$6.84
Physical Adjustments							
Location/Access/Exposure		Inferior	Inferior	Inferior	Similar	Superior	Superior
		50%	15%	15%	0%	-15%	-15%
Size		Superior	Superior	Superior	Superior	Similar	Similar
		-2.5%	-25%	-35%	-10%	-20%	-27.5%
Shape		Similar	Similar	Similar	Similar	Similar	Similar
		0%	0%	0%	0%	0%	0%
Topography		Similar	Similar	Similar	Similar	Similar	Similar
		0%	0%	0%	0%	0%	0%
Utilities/Infrastructure		Inferior	Similar	Similar	Inferior	Superior	Superior
		10%	0%	0%	10%	10%	10%
Site Improvements		Similar	Similar	Similar	Similar	Similar	Similar
		0%	0%	0%	0%	0%	0%
Floodhazard/Drainage		Similar	Similar	Similar	Similar	Similar	Similar
		0%	0%	0%	0%	0%	0%
Other		Similar	Similar	Similar	Similar	Similar	Similar
		0%	0%	0%	0%	0%	0%
Total Physical Adjustments		58%	-10%	-20%	0%	-25%	-33%
Overall Qualitative Adjustment		Inferior	Superior	Superior	Similar	Superior	Superior
Indicated Value per Sq. Ft.		\$3.75	\$5.36	\$5.20	\$5.24	\$5.36	\$4.62

LAND COMPARABLE ADJUSTMENT ANALYSIS - TRACT NO. 2							
Comparable	Subject	Comparable No. 1	Comparable No. 2	Comparable No. 3	Comparable No. 4	Comparable No. 5	Comparable No. 6
Property Name	Whisper Community	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Address/Location	SEC Suspro Pkwy & IH-35	SEC Fortuna Rd @ C.R. 159	SEC Opportunity Blvd. at Proposed Flustern Road	Proposed Flustern Rd. just south of Opportunity Blvd.	17330 IH-35	IH-35 North of Weiderstein Road	181124 IH-35 North
City	San Marcos	San Marcos	San Marcos	San Marcos	Cibolo	Schertz	Cibolo
County	Hays	Hays	Hays	Hays	Guadalupe	Guadalupe	Guadalupe
Use at Sale	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Proposed Use	Commercial	Commercial	Multi-Family	Multi-Family	Commercial	Commercial	Commercial
Transaction Type		Pending	Pending	Pending	Sale	Sale	Sale
Financing		Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Marketing Time		N/A	N/A	N/A	N/A	N/A	N/A
Sale Date		U/C	U/C	U/C	3/1/2018	05/02/18	05/08/18
Adj. Sale Price*		\$5,395,350	\$3,693,345	\$2,265,120	\$7,500,000	\$5,024,410	\$2,584,162
Gross Land Area (Acres)	46.293 Ac.	51.97 Ac.	14.25 Ac.	8.00 Ac.	35.84 Ac.	17.44 Ac.	9.37 Ac.
Sale Price per Sq. Ft.		\$2.38	\$5.95	\$6.50	\$4.80	\$6.61	\$6.33
Transaction Adjustments							
Property Rights		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Financing		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Condition of Sale		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Market Conditions (Time)		Similar 0%	Similar 0%	Similar 0%	Inferior 9%	Inferior 8%	Inferior 8%
Subtotal		\$2.38	\$5.95	\$6.50	\$5.24	\$7.14	\$6.84
Physical Adjustments							
Location/Access/Exposure		Inferior 50%	Inferior 15%	Inferior 15%	Similar 0%	Superior -15%	Superior -15%
Size		Similar 0%	Superior -17.5%	Superior -27.5%	Superior -7.5%	Similar -17.5%	Similar -22.5%
Shape		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Topography		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Utilities/Infrastructure		Inferior 10%	Similar 0%	Similar 0%	Inferior 10%	Superior 10%	Superior 10%
Site Improvements		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Floodhazard/Drainage		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Other		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Total Physical Adjustments		60.0%	-2.5%	-12.5%	2.5%	-22.5%	-27.5%
Overall Qualitative Adjustment		Inferior	Superior	Superior	Inferior	Superior	Superior
Indicated Value per Sq. Ft.		\$3.81	\$5.80	\$5.69	\$5.37	\$5.54	\$4.96

LAND COMPARABLE ADJUSTMENT ANALYSIS - TRACT NO. 3A							
Comparable	Subject	Comparable No. 1	Comparable No. 2	Comparable No. 3	Comparable No. 4	Comparable No. 5	Comparable No. 6
Property Name	Whisper Community	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Address/Location		SEC Fortuna Rd @ C.R. 159	SEC Opportunity Blvd. at Proposed Flustern Road	Proposed Flustern Rd. just south of Opportunity Blvd.	17330 IH-35	IH-35 North of Weiderstein Road	181124 IH-35 North
City	San Marcos	San Marcos	San Marcos	San Marcos	Cibolo	Schertz	Cibolo
County	Hays	Hays	Hays	Hays	Guadalupe	Guadalupe	Guadalupe
Use at Sale	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Proposed Use	Mixed Use	Commercial	Multi-Family	Multi-Family	Commercial	Commercial	Commercial
Transaction Type		Pending	Pending	Pending	Sale	Sale	Sale
Financing		Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Marketing Time		N/A	N/A	N/A	N/A	N/A	N/A
Sale Date		U/C	U/C	U/C	3/1/2018	05/02/18	05/08/18
Adj. Sale Price*		\$5,395,350	\$3,693,345	\$2,265,120	\$7,500,000	\$5,024,410	\$2,584,162
Gross Land Area (Acres)	121.280 Ac.	51.97 Ac.	14.25 Ac.	8.00 Ac.	35.84 Ac.	17.44 Ac.	9.37 Ac.
Sale Price per Sq. Ft.		\$2.38	\$5.95	\$6.50	\$4.80	\$6.61	\$6.33
Transaction Adjustments							
Property Rights		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Financing		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Condition of Sale		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Market Conditions (Time)		Similar 0%	Similar 0%	Similar 0%	Inferior 9%	Inferior 8%	Inferior 8%
Subtotal		\$2.38	\$5.95	\$6.50	\$5.24	\$7.14	\$6.84
Physical Adjustments							
Location/Access/Exposure		Inferior 50%	Inferior 15%	Inferior 15%	Similar 0%	Superior -15%	Superior -15%
Size		Superior -10%	Superior -30%	Superior -37.5%	Superior -15%	Similar -28%	Similar -35%
Shape		Superior -15%	Superior -15%	Superior -15%	Superior -15%	Superior -15%	Superior -15%
Topography		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Utilities/Infrastructure		Inferior 10%	Similar 0%	Similar 0%	Inferior 10%	Superior 10%	Superior 10%
Site Improvements		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Floodhazard/Drainage		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Other		Superior -7.5%	Superior -7.5%	Superior -7.5%	Superior -7.5%	Superior -7.5%	Superior -7.5%
Total Physical Adjustments		28%	-38%	-45%	-28%	-55%	-63%
Overall Qualitative Adjustment		Inferior	Superior	Superior	Superior	Superior	Superior
Indicated Value per Sq. Ft.		\$3.04	\$3.72	\$3.58	\$3.80	\$3.21	\$2.56

LAND COMPARABLE ADJUSTMENT ANALYSIS - TRACT NO. 3B							
Comparable	Subject	Comparable No. 1	Comparable No. 2	Comparable No. 3	Comparable No. 4	Comparable No. 5	Comparable No. 6
Property Name	Whisper Community	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Address/Location		SEC Fortuna Rd @ C.R. 159	SEC Opportunity Blvd. at Proposed Flustern Road	Proposed Flustern Rd. just south of Opportunity Blvd.	17330 IH-35	IH-35 North of Weiderstein Road	181124 IH-35 North
City	San Marcos	San Marcos	San Marcos	San Marcos	Cibolo	Schertz	Cibolo
County	Hays	Hays	Hays	Hays	Guadalupe	Guadalupe	Guadalupe
Use at Sale	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Proposed Use	Mixed Use	Commercial	Multi-Family	Multi-Family	Commercial	Commercial	Commercial
Transaction Type		Pending	Pending	Pending	Sale	Sale	Sale
Financing		Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Marketing Time		N/A	N/A	N/A	N/A	N/A	N/A
Sale Date		U/C	U/C	U/C	3/1/2018	05/02/18	05/08/18
Adj. Sale Price*		\$5,395,350	\$3,693,345	\$2,265,120	\$7,500,000	\$5,024,410	\$2,584,162
Gross Land Area (Acres)	16.560 Ac.	51.97 Ac.	14.25 Ac.	8.00 Ac.	35.84 Ac.	17.44 Ac.	9.37 Ac.
Sale Price per Sq. Ft.		\$2.38	\$5.95	\$6.50	\$4.80	\$6.61	\$6.33
Transaction Adjustments							
Property Rights		Similar	Similar	Similar	Similar	Similar	Similar
		0%	0%	0%	0%	0%	0%
Financing		Similar	Similar	Similar	Similar	Similar	Similar
		0%	0%	0%	0%	0%	0%
Condition of Sale		Similar	Similar	Similar	Similar	Similar	Similar
		0%	0%	0%	0%	0%	0%
Market Conditions (Time)		Similar	Similar	Similar	Inferior	Inferior	Inferior
		0%	0%	0%	9%	8%	8%
Subtotal		\$2.38	\$5.95	\$6.50	\$5.24	\$7.14	\$6.84
Physical Adjustments							
Location/Access/Exposure		Similar	Superior	Superior	Superior	Superior	Superior
		0%	-5%	-5%	-20%	-35%	-35%
Size		Inferior	Similar	Superior	Inferior	Similar	Similar
		15%	0%	-5%	10%	0%	-7.5%
Shape		Similar	Similar	Similar	Similar	Similar	Similar
		0%	0%	0%	0%	0%	0%
Topography		Similar	Similar	Similar	Similar	Similar	Similar
		0%	0%	0%	0%	0%	0%
Utilities/Infrastructure		Inferior	Similar	Similar	Inferior	Superior	Superior
		10%	0%	0%	10%	10%	10%
Site Improvements		Similar	Similar	Similar	Similar	Similar	Similar
		0%	0%	0%	0%	0%	0%
Floodhazard/Drainage		Similar	Similar	Similar	Similar	Similar	Similar
		0%	0%	0%	0%	0%	0%
Other		Similar	Similar	Similar	Similar	Similar	Similar
		0%	0%	0%	0%	0%	0%
Total Physical Adjustments		25%	-5%	-10%	0%	-25%	-33%
Overall Qualitative Adjustment		Inferior	Superior	Superior	Similar	Superior	Superior
Indicated Value per Sq. Ft.		\$2.98	\$5.65	\$5.85	\$5.24	\$5.36	\$4.62

LAND COMPARABLE ADJUSTMENT ANALYSIS - TRACT NO. 4							
Comparable	Subject	Comparable No. 1	Comparable No. 2	Comparable No. 3	Comparable No. 4	Comparable No. 5	Comparable No. 6
Property Name	Whisper Community	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Address/Location		SEC Fortuna Rd @ C.R. 159	SEC Opportunity Blvd. at Proposed Flustern Road	Proposed Flustern Rd. just south of Opportunity Blvd.	17330 IH-35	IH-35 North of Weiderstein Road	181124 IH-35 North
City	San Marcos	San Marcos	San Marcos	San Marcos	Cibolo	Schertz	Cibolo
County	Hays	Hays	Hays	Hays	Guadalupe	Guadalupe	Guadalupe
Use at Sale	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Proposed Use	Commercial	Commercial	Multi-Family	Multi-Family	Commercial	Commercial	Commercial
Transaction Type		Pending	Pending	Pending	Sale	Sale	Sale
Financing		Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Marketing Time		N/A	N/A	N/A	N/A	N/A	N/A
Sale Date		U/C	U/C	U/C	3/1/2018	05/02/18	05/08/18
Adj. Sale Price*		\$5,395,350	\$3,693,345	\$2,265,120	\$7,500,000	\$5,024,410	\$2,584,162
Gross Land Area (Acres)	164.183 Ac.	51.97 Ac.	14.25 Ac.	8.00 Ac.	35.84 Ac.	17.44 Ac.	9.37 Ac.
Sale Price per Sq. Ft.		\$2.38	\$5.95	\$6.50	\$4.80	\$6.61	\$6.33
Transaction Adjustments							
Property Rights		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Financing		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Condition of Sale		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Market Conditions (Time)		Similar 0%	Similar 0%	Similar 0%	Inferior 9%	Inferior 8%	Inferior 8%
Subtotal		\$2.38	\$5.95	\$6.50	\$5.24	\$7.14	\$6.84
Physical Adjustments							
Location/Access/Exposure		Inferior 50%	Inferior 15%	Inferior 15%	Similar 0%	Superior -15%	Superior -15%
Size		Superior -15%	Superior -35%	Superior -40%	Superior -20%	Similar -30%	Similar -40%
Shape		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Topography		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Utilities/Infrastructure		Inferior 10%	Similar 0%	Similar 0%	Inferior 10%	Superior 10%	Superior 10%
Site Improvements		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Floodhazard/Drainage		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Other		Superior -7.5%	Superior -7.5%	Superior -7.5%	Superior -7.5%	Superior -7.5%	Superior -7.5%
Total Physical Adjustments		38%	-28%	-33%	-18%	-43%	-53%
Overall Qualitative Adjustment		Inferior	Superior	Superior	Superior	Superior	Superior
Indicated Value per Sq. Ft.		\$3.28	\$4.31	\$4.39	\$4.32	\$4.11	\$3.25

LAND COMPARABLE ADJUSTMENT ANALYSIS - TRACT NO. 5							
Comparable	Subject	Comparable No. 1	Comparable No. 2	Comparable No. 3	Comparable No. 4	Comparable No. 5	Comparable No. 6
Property Name	Whisper Community	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Address/Location		SEC Fortuna Rd @ C.R. 159	SEC Opportunity Blvd. at Proposed Flustern Road	Proposed Flustern Rd. just south of Opportunity Blvd.	17330 IH-35	IH-35 North of Weiderstein Road	181124 IH-35 North
City	San Marcos	San Marcos	San Marcos	San Marcos	Cibolo	Schertz	Cibolo
County	Hays	Hays	Hays	Hays	Guadalupe	Guadalupe	Guadalupe
Use at Sale	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Proposed Use	Mixed Use	Commercial	Multi-Family	Multi-Family	Commercial	Commercial	Commercial
Transaction Type		Pending	Pending	Pending	Sale	Sale	Sale
Financing		Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Marketing Time		N/A	N/A	N/A	N/A	N/A	N/A
Sale Date		U/C	U/C	U/C	3/1/2018	05/02/18	05/08/18
Adj. Sale Price*		\$5,395,350	\$3,693,345	\$2,265,120	\$7,500,000	\$5,024,410	\$2,584,162
Gross Land Area (Acres)	33.370 Ac.	51.97 Ac.	14.25 Ac.	8.00 Ac.	35.84 Ac.	17.44 Ac.	9.37 Ac.
Sale Price per Sq. Ft.		\$2.38	\$5.95	\$6.50	\$4.80	\$6.61	\$6.33
Transaction Adjustments							
Property Rights		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Financing		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Condition of Sale		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Market Conditions (Time)		Similar 0%	Similar 0%	Similar 0%	Inferior 9%	Inferior 8%	Inferior 8%
Subtotal		\$2.38	\$5.95	\$6.50	\$5.24	\$7.14	\$6.84
Physical Adjustments							
Location/Access/Exposure		Inferior 40%	Inferior 5%	Inferior 5%	Superior -10%	Superior -25%	Superior -25%
Size		Inferior 7.5%	Superior -10%	Superior -20%	Inferior 3%	Similar -8%	Similar -20%
Shape		Inferior 5%	Inferior 5%	Inferior 5%	Inferior 5%	Inferior 5%	Inferior 5%
Topography		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Utilities/Infrastructure		Inferior 10%	Similar 0%	Similar 0%	Inferior 10%	Superior 10%	Superior 10%
Site Improvements		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Floodhazard/Drainage		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Other		Superior -10%	Superior -10%	Superior -10%	Superior -10%	Superior -10%	Superior -10%
Total Physical Adjustments		53%	-10%	-20.0%	-2.5%	-27.5%	-40%
Overall Qualitative Adjustment		Inferior	Superior	Superior	Superior	Superior	Superior
Indicated Value per Sq. Ft.		\$3.63	\$5.36	\$5.20	\$5.11	\$5.18	\$4.10

LAND COMPARABLE ADJUSTMENT ANALYSIS - TRACT NO. 7A							
Comparable	Subject	Comparable No. 1	Comparable No. 2	Comparable No. 3	Comparable No. 4	Comparable No. 5	Comparable No. 6
Property Name	Whisper Community	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Address/Location	SEC Fortuna Road and CR 159	SEC Fortuna Rd @ C.R. 159	SEC Opportunity Blvd. at Proposed Flustern Road	Proposed Flustern Rd. just south of Opportunity Blvd.	17330 IH-35	IH-35 North of Weiderstein Road	181124 IH-35 North
City	San Marcos	San Marcos	San Marcos	San Marcos	Cibolo	Schertz	Cibolo
County	Hays	Hays	Hays	Hays	Guadalupe	Guadalupe	Guadalupe
Use at Sale	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Proposed Use	Mixed Use	Commercial	Multi-Family	Multi-Family	Commercial	Commercial	Commercial
Transaction Type		Pending	Pending	Pending	Sale	Sale	Sale
Financing		Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Marketing Time		N/A	N/A	N/A	N/A	N/A	N/A
Sale Date		U/C	U/C	U/C	3/1/2018	05/02/18	05/08/18
Adj. Sale Price*		\$5,395,350	\$3,693,345	\$2,265,120	\$7,500,000	\$5,024,410	\$2,584,162
Gross Land Area (Acres)	72.660 Ac.	51.97 Ac.	14.25 Ac.	8.00 Ac.	35.84 Ac.	17.44 Ac.	9.37 Ac.
Sale Price per Sq. Ft.		\$2.38	\$5.95	\$6.50	\$4.80	\$6.61	\$6.33
Transaction Adjustments							
Property Rights		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Financing		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Condition of Sale		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Market Conditions (Time)		Similar 0%	Similar 0%	Similar 0%	Inferior 9%	Inferior 8%	Inferior 8%
Subtotal		\$2.38	\$5.95	\$6.50	\$5.24	\$7.14	\$6.84
Physical Adjustments							
Location/Access/Exposure		Inferior 40%	Inferior 5%	Inferior 5%	Superior -10%	Superior -25%	Superior -25%
Size		Superior -5%	Superior -22.5%	Superior -33%	Superior -12.5%	Similar -23%	Similar -28%
Shape		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Topography		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Utilities/Infrastructure		Inferior 10%	Similar 0%	Similar 0%	Inferior 10%	Superior 10%	Superior 10%
Site Improvements		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Floodhazard/Drainage		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Other		Superior -10%	Superior -10%	Superior -10%	Superior -10%	Superior -10%	Superior -10%
Total Physical Adjustments		35%	-28%	-38%	-23%	-48%	-53%
Overall Qualitative Adjustment		Inferior	Superior	Superior	Superior	Superior	Superior
Indicated Value per Sq. Ft.		\$3.22	\$4.31	\$4.06	\$4.06	\$3.75	\$3.25

LAND COMPARABLE ADJUSTMENT ANALYSIS - TRACT NO. 7B							
Comparable	Subject	Comparable No. 1	Comparable No. 2	Comparable No. 3	Comparable No. 4	Comparable No. 5	Comparable No. 6
Property Name	Whisper Community	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Address/Location		SEC Fortuna Rd @ C.R. 159	SEC Opportunity Blvd. at Proposed Flustern Road	Proposed Flustern Rd. just south of Opportunity Blvd.	17330 IH-35	IH-35 North of Weiderstein Road	181124 IH-35 North
City	San Marcos	San Marcos	San Marcos	San Marcos	Cibolo	Schertz	Cibolo
County	Hays	Hays	Hays	Hays	Guadalupe	Guadalupe	Guadalupe
Use at Sale	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Proposed Use	Mixed Use	Commercial	Multi-Family	Multi-Family	Commercial	Commercial	Commercial
Transaction Type		Pending	Pending	Pending	Sale	Sale	Sale
Financing		Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Marketing Time		N/A	N/A	N/A	N/A	N/A	N/A
Sale Date		U/C	U/C	U/C	3/1/2018	05/02/18	05/08/18
Adj. Sale Price*		\$5,395,350	\$3,693,345	\$2,265,120	\$7,500,000	\$5,024,410	\$2,584,162
Gross Land Area (Acres)	51.969 Ac.	51.97 Ac.	14.25 Ac.	8.00 Ac.	35.84 Ac.	17.44 Ac.	9.37 Ac.
Sale Price per Sq. Ft.		\$2.38	\$5.95	\$6.50	\$4.80	\$6.61	\$6.33
Transaction Adjustments							
Property Rights		Similar	Similar	Similar	Similar	Similar	Similar
		0%	0%	0%	0%	0%	0%
Financing		Similar	Similar	Similar	Similar	Similar	Similar
		0%	0%	0%	0%	0%	0%
Condition of Sale		Similar	Similar	Similar	Similar	Similar	Similar
		0%	0%	0%	0%	0%	0%
Market Conditions (Time)		Similar	Similar	Similar	Inferior	Inferior	Inferior
		0%	0%	0%	9%	8%	8%
Subtotal		\$2.38	\$5.95	\$6.50	\$5.24	\$7.14	\$6.84
Physical Adjustments							
Location/Access/Exposure		Inferior	Inferior	Inferior	Superior	Superior	Superior
		40%	5%	5%	-10%	-25%	-25%
Size		Similar	Superior	Superior	Superior	Similar	Similar
		0%	-17.5%	-28%	-7.5%	-18%	-23%
Shape		Superior	Superior	Superior	Superior	Superior	Superior
		-5%	-5%	-5%	-5%	-5%	-5%
Topography		Similar	Similar	Similar	Similar	Similar	Similar
		0%	0%	0%	0%	0%	0%
Utilities/Infrastructure		Inferior	Similar	Similar	Inferior	Superior	Superior
		10%	0%	0%	10%	10%	10%
Site Improvements		Similar	Similar	Similar	Similar	Similar	Similar
		0%	0%	0%	0%	0%	0%
Floodhazard/Drainage		Similar	Similar	Similar	Similar	Similar	Similar
		0%	0%	0%	0%	0%	0%
Other		Similar	Similar	Similar	Similar	Similar	Similar
		0%	0%	0%	0%	0%	0%
Total Physical Adjustments		45%	-17.5%	-28%	-12.5%	-38%	-43%
Overall Qualitative Adjustment		Inferior	Superior	Superior	Superior	Superior	Superior
Indicated Value per Sq. Ft.		\$3.46	\$4.91	\$4.71	\$4.58	\$4.46	\$3.93

SINGLE-FAMILY LAND ANALYSIS

Flato Realty Advisors has researched sales of similar tracts of vacant residential land sales and listings located in the general subject market area. Although there have been limited recent sales of similar tracts, four acreage sales of tracts of vacant land purchased for single-family development have been confirmed in the general market area.

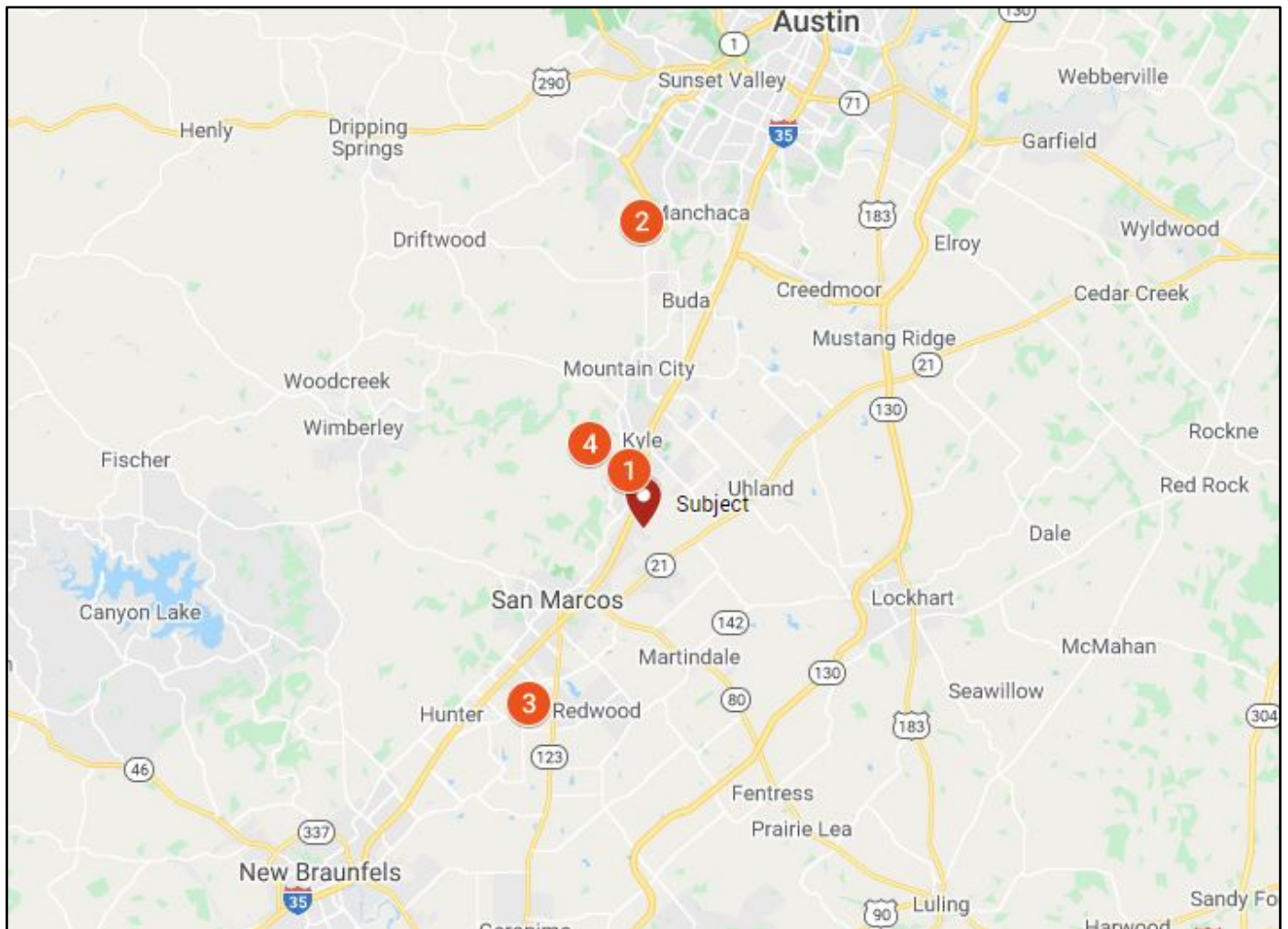
The sales utilized in the valuation of the subject land range in pricing from \$16,000 to \$28,513 per acre and in total land area from 72.85 to 275.00 acres which took place from 2017 to 2018. Although the sales differ widely in terms of size and pricing per acre, these sales are judged to be the most meaningful recent sales that we were able to confirm. The price variance is judged to be primarily due to differences in location, size and presence of available utilities and other existing surrounding development. These are judged to be the most comparable acreage land sales available for use in the valuation of the subject vacant land tracts.

LAND SALES SUMMARY

The land sales are summarized on the following page. Sale details are included in the Addenda. The locations of the land sales are outlined in the map following the land sales summary.

LAND SALES SUMMARY TRACT 6 - 130.641 ACRES RESIDENTIAL LAND

	Comp. No. 1	Comp. No. 2	Comp. No. 3	Comp. No. 4	Subject
Address	Roland Lane	Carpenter Road	Old Bastrop Highway	Old Stagecoach Rd	Whisper Subd.
City	OCL-Kyle	OCL-Manchaca	OCL-Kyle	Kyle	Kyle
County	Hays	Hays	Hays	Hays	Hays
Use at Sale	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Proposed Use	Future Residential	Future Residential	Future Residential	Future Residential	Residential
Transaction Type	Sale	Sale	Sale	Sale	--
Financing	Cash to Seller	Cash to Seller	Cash to Seller	Cash to seller	--
Topography	Generally Level	Generally Level	Gently sloping	Generally level	Generally Level
Shape	Irregular	Irregular	Irregular	Irregular	Irregular
Utilities	Water, electric	Electric & Water	Water, Elec	Water, Elec.	All available
Zoning	None	None	None	None	Residential
Grantor	Wyatt Driskell Est.	John H. Rodgers	Sun Belt Lands	Karla & Elaine Pfennig	--
Grantee	Paramount Park Ltd.	Driftwood Land Co.	River Hills Custom Homes	1200 S Old Stagecoach Rd LLC	--
Sale Date	Apr-18	Aug-17	Jul-18	Sep-17	--
Adj. Sale Price*	\$4,000,000	\$4,400,000	\$1,720,000	\$2,200,000	--
Net Land Area	170.88 Ac.	275.00 Ac.	72.85 Ac.	77.16 Acres	130.641 Ac.
Sale Price Per SF	\$23,408	\$16,000	\$23,610	\$28,513	--
Verification	Broker	Broker	Broker	Broker	Inspection/Survey



LAND SALES DISCUSSION

The land sales are adjusted to indicate the value of the subject tracts of appraised property as follows.

Property Rights: The subject property includes the fee simple title to the land excluding mineral rights. All of the sales transferred on a similar basis with no or very little mineral rights conveyed and thus no adjustment was made for this factor.

Market Conditions: This category consists of financing, property rights conveyed, condition of sale and date of sale. The sales occurred from 2017 through 2018. Upward adjustments are applied for market conditions to all of the sales due to the increase of pricing in the market over the time period covered. All the sales are indicated to be cash to seller or fee simple arm's length transactions. No further adjustments are applied for this category.

Location: The appraised property site is generally located to the east side of IH-35 at the north edge of the City of San Marcos in Hays County. The sales are located in the general market area. Adjustments are applied for location primarily due to ease of access, amount of surrounding development and proximity to the city. Sale Nos. 1 and 4 are judged general similar due to locations just off IH-35 in areas of new development similar in nature to that of the subject property. Sale Nos. 2 and 3 are judged inferior due to more remote locations and are adjusted upward accordingly.

Size: In the valuation of the subject property site, each sale is adjusted upward or downward in comparison. The subject tract is 130.6 acres in size. The comparable sales range in size from 72.85 to 275 acres. Smaller properties are observed to typically sell for a higher price per acre and are adjusted downward and larger tracts are adjusted upward. Upward adjustments are applied to Sale Nos. 1 and 2 which are larger in size than the subject. Sale Nos. 3 and 4 are adjusted downward as they are smaller in size in comparison to the subject.

Shape: The appraised property tracts are generally irregular in configuration; however, they are each well suited for proposed development. The shape of the site can affect the sales price based on the configuration and how it lends itself to use. All of the sales are judged similar in configuration to the subject tract and no adjustments are made.

Topography: The topography of a site can greatly affect the value. The subject property is generally level in terrain and is judged to be a good candidate for single-family residential lot development. All of the sales are judged to be basically similar in topography gently rolling to level hill country tracts. No adjustments are applied to the sales.

Utilities: The presence or lack of available utilities can be a key factor affecting sites. The subject will have all utilities available and extended to each site due to the location within a proposed PID by the City of San Marcos which will include roadway and utility access improvements; the adjustments are completed as if the PID improvements regarding utility service are complete. All of the utilities will be extended to the subject site for the proposed development. As this will result in superior availability of utilities based on the terms of the PID upward adjustments are applied to each sale.

Improvements: The quality of site improvements/fencing, can affect the value of a tract in area. The subject does not have any significant improvements as of the date of this appraisal. All of the sales are judged similar and no adjustments are applied.

Zoning/Use: The zoning of a site can affect value when it restricts development of the site to particular uses. The subject is located within the City of San Marcos and according to the PUD which has been approved by the city, will be zoned for mixed use commercial, light industrial, multi-family and single-family residential development. The sales are considered comparable to the subject in this regard not requiring any adjustments.

Floodplain: Most sites of this size have some loss of usable land due to drainage and/or flood plain. The subject property is generally level with no significant flood hazard areas, similar to the sales. No adjustments are applied for this factor.

Summary of Adjustments: The sales utilized in the valuation of the subject range in price per acre from \$16,000 to \$28,513 with an average of \$22,883 per acre. It is noted that the subject is generally superior to the several of the sales in terms of utility availability and location. After adjustments, the sales indicate values ranging from \$26,680 to \$33,054 per acre with a mean of \$30,669 per acre for the subject 130.641 acre tract. The concluded value for the subject 130.641-acre tract is \$30,500 per acre indicating a total "As Is" market value of the subject Tract No. 6 to be **\$3,975,000**.

LAND VALUE CONCLUSION - TRACT 6 - 130.641 ACRES RESIDENTIAL LAND	
	Indicators
Subject No. of Acres	130.641
Reconciled Value / Square Foot	\$30,500
Reconciled Market Value (Rd) As Is	\$3,975,000

LAND COMPARABLE ADJUSTMENT ANALYSIS - TRACT 6 - 130.641 ACRES RESIDENTIAL LAND					
Comparable	Subject	Comparable No. 1	Comparable No. 2	Comparable No. 3	Comparable No. 4
Property Name	Whisper Subd.	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Address/Location	SS Opportunity Blvd.	Roland Lane	Carpenter Road	Old Bastrop Highway	Old Stagecoach Road
City	Kyle	OCL-Kyle	OCL-Manchaca	OCL-Kyle	Kyle
County	Hays	Hays	Hays	Hays	Hays
Use at Sale	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Proposed Use	Proposed Residential	Future Residential	Future Residential	Future Residential	Future Residential
Transaction Type		Sale	Sale	Sale	Sale
Financing		Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Marketing Time		N/A	N/A	N/A	N/A
Sale Date		4/1/2018	8/16/2017	7/10/2018	9/18/2017
Adj. Sale Price*		\$4,000,000	\$4,400,000	\$1,720,000	\$2,200,000
Gross Land Area (Acres)	130.641 Ac.	170.88 Ac.	275.00 Ac.	72.85 Ac.	77.16 Ac.
Sale Price per Acre		\$23,408	\$16,000	\$23,610	\$28,513
Transaction Adjustments					
Property Rights		Similar	Similar	Similar	Similar
		0%	0%	0%	0%
Financing		Similar	Similar	Similar	Similar
		0%	0%	0%	0%
Condition of Sale		Similar	Similar	Similar	Similar
		0%	0%	0%	0%
Market Conditions (Time)		Inferior	Inferior	Inferior	Inferior
		12.0%	15.0%	12.0%	15.0%
Subtotal		\$26,217	\$18,400	\$26,443	\$32,790
Physical Adjustments					
Location/Access/Exposure		Similar	Inferior	Inferior	Similar
		0%	25%	15%	0%
Size		Inferior	Inferior	Superior	Superior
		5%	10.0%	-10%	-10.0%
Shape		Similar	Similar	Similar	Similar
		0%	0%	0%	0%
Topography		Similar	Similar	Similar	Similar
		0%	0%	0%	0%
Utilities		Inferior	Inferior	Inferior	Inferior
		10%	10%	20%	10%
Site Improvements		Similar	Similar	Similar	Similar
		0%	0%	0%	0%
Zoning		Similar	Similar	Similar	Similar
		0%	0%	0%	0%
Floodplain		Similar	Similar	Similar	Similar
		0%	0%	0%	0%
Total Physical Adjustments		15%	45%	25%	0%
Overall Qualitative Adjustment		Inferior	Inferior	Inferior	Similar
Indicated Value per Acre		\$30,150	\$26,680	\$33,054	\$32,790

COST APPROACH – PROPOSED SUBDIVISION

Introduction

The Cost Approach is utilized to estimate value for the subject property development of 581 proposed single-family lots to be known as Whisper Subdivision. The Cost Approach reflects an analysis of the proposed development including the projected cost to develop the subdivision and the estimated market value of the site (as if undeveloped). This analysis also provides insight as to the feasibility of the development. In performing the Cost Approach, historical development costs of several subdivisions in the general region developed in recent years have been confirmed.

Direct Costs

Direct costs are estimated from the Marshall and Swift Cost Estimation Handbook and justified per the developer based on development costs the developer received from an engineering firm planning the development. For the 581 proposed single-family lots, the estimated costs are estimated to total \$13,035,446 (or \$22,436 per lot). Estimated costs are provided by the engineer/developer and substantiated by Marshall Valuation Service. These costs include labor and materials. Indirect costs consist of developer's profit, engineering, and contingency costs.

The overall estimated cost is judged to be in-line with competing developments in the area, as mitigated by surrounding complementing development. The comparable subdivisions are generally of similar quality to the subject.

Indirect Costs

Indirect costs, including taxes on land during development, engineering fees, tap fees, etc. at 10.0% of direct development costs. Also, developer's profit is considered. Developer's profit is typically required in the 7.5% to 20% of direct cost range. The projected developer's profit of 12.5% is judged reasonable due to the ongoing success of similar developments in the area. The total indirect costs for the initial 581 lots are estimated at \$3,095,918.

Total Development Cost

After an analysis of each component of the project, the estimated total development cost (direct and indirect costs) of the proposed Whisper Subdivision (581 single-family lots) is \$16,131,364. Copies of the developer's cost estimates are included in the Addenda to this report. The developers cost estimate including direct costs and land is \$15,922,474.

Depreciation and Obsolescence

The proposed development will be new at completion. The proposed cost-plus land value is relatively close to the indicated net present value as indicated by the discounted cash flow analysis, which indicates that the project is financially feasible. No measurable depreciation or obsolescence is judged present.

COST APPROACH CONCLUSION

The subject property contains 130.641 acres of land area. The concluded market value of the subject residential land as shown in the previous section is \$3,975,000. When the development cost of the 581 lots of \$16,131,364 is added, the indicated value of the proposed 581 lots at lot completion is as follows:

COST APPROACH	
	"As Complete"
Depreciated Replacement Cost New	\$16,131,364
Land Value	\$3,975,000
"As Complete" Cost Approach Value (RD)	\$20,110,000

A summary of the Cost Approach is included below.

COST APPROACH SUMMARY					
Replacement Cost New	No. Lots	Total Cost	Price/Lot	Sub-Total	Total Cost
Phase 1	581				
Street Improvements		\$4,773,586	\$8,216		
Water Improvements		\$1,560,633	\$2,686		
W W & E Improvements		\$2,859,647	\$4,922		
Drainage and Electrical		\$3,841,580	\$6,612		
Total			\$22,436	\$13,035,446	
Total Direct Costs			\$22,436		\$13,035,446
Plus: Other Indirect Costs (% of Direct Costs)	10.0%			\$1,303,545	
Subtotal Replacement Cost New					\$14,338,991
Plus: Entrepreneurial Profit (% of RCN)	12.5%			\$1,792,374	
Total Replacement Cost New (RCN)			\$27,765	\$3,095,918	\$16,131,364
Less Accrued Depreciation	as %				
Total Physical Deterioration	0.0%		\$0		
Functional Obsolescence	0.0%		\$0		
External Obsolescence	0.0%		\$0		
Total Depreciation	0.0%		\$0		
Depreciated Replacement Cost New					\$16,131,364
Plus Land Value					\$3,975,000
Value Indication					
Indicated Value by Cost Approach					\$20,106,364
Rounded					\$20,110,000

INCOME APPROACH – SUBDIVISION ANALYSIS

581 PROPOSED SINGLE-FAMILY LOTS

For purposes of the Income Approach, the individual market value of the proposed lots must be estimated. In this initial analysis, the appraisers are estimating the market value of the individual lots using the Sales Comparison Approach.

In the Income Approach, the appraisers estimate the value of the proposed lots by comparing them to similar, recently sold lots in the competing area. Inherent in this approach is the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property assuming that no costly delay is encountered in making the substitution.

By analyzing sales that qualify as arms-length transactions between willing and knowledgeable buyers and sellers, the appraisers can identify value and price trends. The properties must be comparable to the subject in physical, locational, and economic characteristics. The basic steps of this approach are:

1. Research recent, relevant property sales and current offerings throughout the competitive area;
2. Select and analyze properties that are similar to the subject;
3. Identify sales that include favorable financing and calculate the cash equivalent price;
4. Reduce the sale prices to a common unit of comparison;
5. Make appropriate adjustments to the prices of the comparable properties;
6. Interpret the adjusted sales data and provide an opinion of value.

The first objective of this approach is to value the subject residential lots in a finished condition. Finished lots are defined as having interior streets and utilities complete to the lot.

Subject Lot Sales

The subject lots are proposed to be sold on bulk takedown basis as builder lots to area homebuilders. There are two builder contracts for the entire subject subdivision of 581 lots. The contract to Lennar Homes is for 51 46-foot lots at \$42,550 each and 193 50-foot lots at \$46,250 each. The contract to D.R. Horton is for 337 lots with an average width of 52-feet at \$48,187 per lot. The average price for all contracted lots is \$44,747.

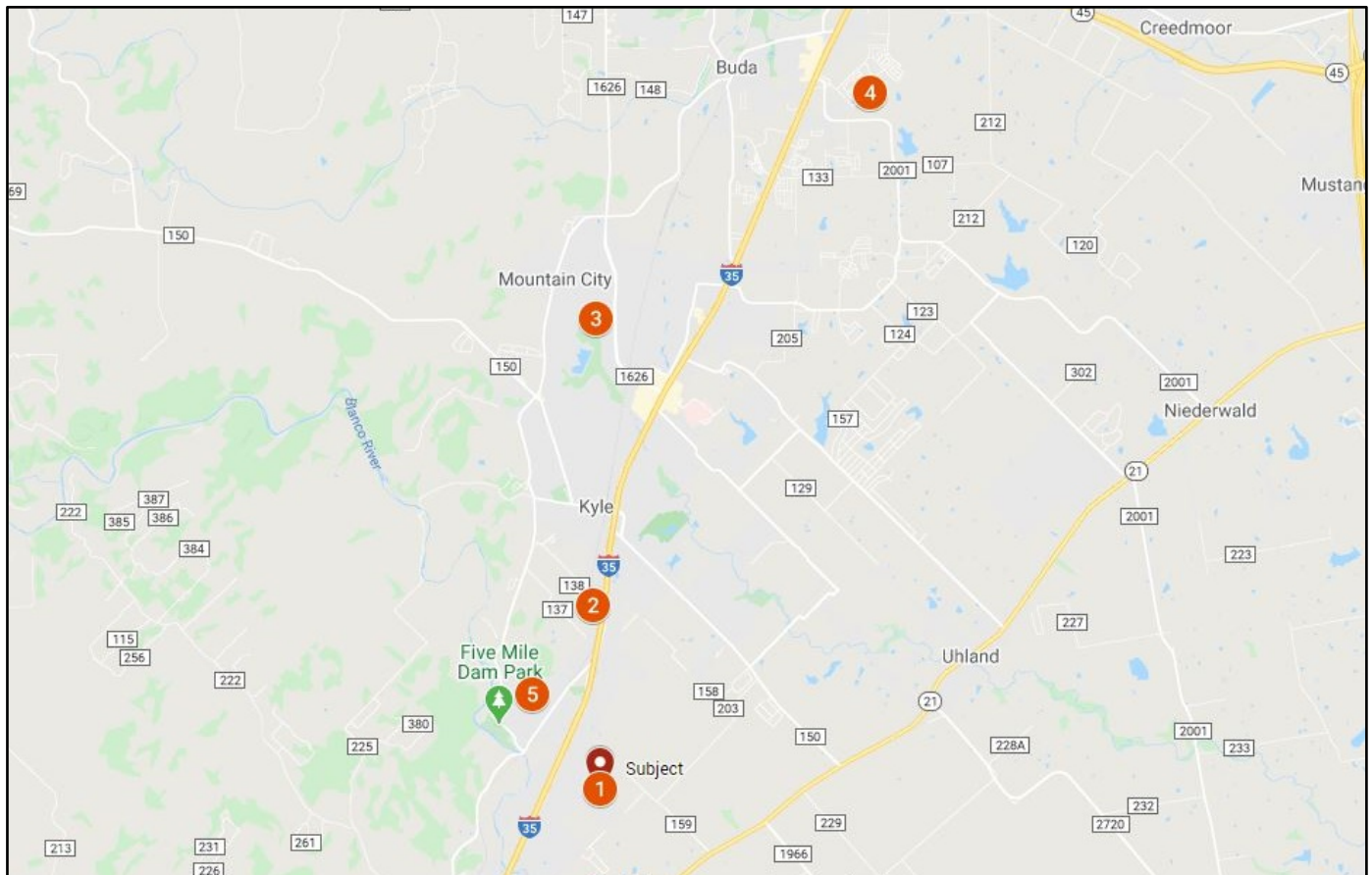
Discussion of Lot Sales

The data search focused on comparable bulk sales of lots to builder for similar sized lots in the subject market area. Several builders were contacted, and bulk lots sales were confirmed. The most comparable data were specifically analyzed and reported herein. The comparable sales utilized were the best available to the appraisers. It is noted that the comparable lot sales utilized in the estimation of the subject lot values are somewhat different than the comparable lot sales utilized in the market analysis due to specific available information regarding lot prices per different lot size, etc. The tables on the following pages summarize the sales data and the accompanying map shows the location of the comparable subdivisions in relation to the subject.

Overall, our investigation revealed that there have been several bulk lot sales to builders for use in the analysis of the subject proposed lots. The subject lots are being sold on a bulk basis; therefore, bulk lot sales to area builders have been utilized. We have utilized and reflected what information was found and/or reported to be the most recent purchase prices for similar bulk lot sales in competing subdivisions.

Proposed Lot Analysis

LOT SALE COMPARABLES - PROPOSED LOTS					
Sale No.	Project Address/Location	Lot Type Size	Sales Date	Lot Sale Price Purchase Type	\$ per FF
1	Subject Whisper Subdivision	46 FF	Current	\$42,550	\$925
		50 FF		\$46,250	\$925
	Builder Lot Contracts	52 FF		\$48,187	\$927
2	Paramount Subdivision	40 FF	2019/2020	\$45,000	\$1,125
		50 FF		\$55,000	\$1,100
	Builder Lot Contracts	65 FF		\$62,990	\$969
3	Plum Creek	40 FF	2018/2019	\$44,570	\$1,114
		45 FF		\$50,142	\$1,114
	Builder Lot Takedown	50 FF		\$55,713	\$1,114
4	Sunfield	50 FF	2018/2019	\$55,000	\$1,100
	Builder Lot Contracts				
5	Blanco Vista	45 FF	2018/2019	\$56,250	\$1,250
	Builder Lots	50 FF		\$62,500	\$1,250



In addition to the subject lot sales, we have chosen four additional bulk lot comparables for the adjustment process. All are located in nearby competing areas and are recent. These sales are analyzed on a price per finished lot.

Adjustments to the Comparables – Lot Sales

An adjustment grid has been utilized to estimate market value for the subject proposed lots. In order to value the subject lots, the comparable transactions were adjusted to reflect differences with the subject in regard to various categories that affect market value. If a comparable has an attribute that is considered superior to that of the subject, it is adjusted downward to negate the effect the item has on the price of the comparable. The opposite is true of categories that are considered inferior to the subject and are adjusted upward. The adjustment process considered variations in property rights conveyed, financing terms, conditions of sale, change in market conditions, location, physical and economic characteristics.

Property Rights Conveyed

The subject and the comparables reflected fee simple transactions. No adjustments were warranted.

Financing

All of the transactions were “arms-length” bulk lot sales on a per lot basis and per lot pricing in the comparable analysis. No adjustments were warranted.

Conditions of Sale

Only comparables with typical conditions of sale were considered in the analysis and no adjustments for condition of sale were considered.

Market Conditions

Because current economic conditions reflect real estate market volatility, the appraisers have considered the difference in market conditions between the time of the comparable sale and the date of value. All of the comparable sales are fairly recent being 2018 through 2019 sale transactions and did not warrant adjustments for time.

Location

This category considers locational factors such as an area's reputation, the quality and desirability of surrounding improvements, proximity to employment centers or housing, and distance from local and regional transportation arteries. The following adjustments are made: Sale No. 1 includes existing lot contracts from the subject property which is not adjusted. Sale Nos. 2, 3, 4 and 5 are in existing, ongoing subdivisions, being located closer into the center of San Marcos and Kyle in well-established areas with higher overall land values. These four sales are judged somewhat superior in location and are adjusted downward.

Site Characteristics

The subject lots will be generally level with good street frontage and typical views and site characteristics. The subject lots are judged to be generally similar to those that are typical for the area. All of the sales are judged similar and not adjusted.

Utilities

Reportedly the impact fees have been paid for the subject and all of the comparables. The subject and several of the comparables are situated in PID's and all utilities/road/ etc. will be available. All of the sales

are in existing single-family residential subdivisions and are judged similar in this regard and no adjustments are made for this factor.

Lot Size

The subject lots are proposed to average 50 FF in size. The comparables range from 40 FF to 65 FF in size being the closest comparable lots in the surrounding market area in in size. The sales are judged similar to the subject in size. Since the lot values are based on price per front foot, no size adjustments are made.

COMPARABLE LOT SALES ADJUSTMENT SUMMARY

Based on the preceding discussion, adjustments to the lot sales are outlined in the chart below.

LOT ADJUSTMENT GRID										
Comparable No.	COMPARABLE SALE 1 (Subject)		COMPARABLE SALE 2		COMPARABLE SALE 3		COMPARABLE SALE 4		COMPARABLE SALE 5	
Project	Subject Lots		Paramount Subdivision		Plum Creek		Sunfield		Blanco Vista	
AVG FF	50 FF		50 FF		50 FF		50 FF		50 FF	
AVG Sale Price/Lot	\$44,747		\$55,000		\$55,713		\$55,000		\$62,500	
Avg. Price/FF	\$895		\$1,100		\$1,114		\$1,100		\$1,250	
Type of Sale	Take Down		Take Down		Take Down		Take Down		Take Down	
Verification Source	Developer		Developer		Developer		Developer		Developer	
VALUE ADJUSTMENTS	DESCRIPTION	+(-) \$ Adjust	DESCRIPTION	+(-) \$ Adjust	DESCRIPTION	+(-) \$ Adjust	DESCRIPTION	+(-) \$ Adjust	DESCRIPTION	+(-) \$ Adjust
Sale or Financing	Cash to seller	\$ -	Cash to seller	\$ -	Cash to seller	\$ -	Cash to seller	\$ -	Cash to seller	\$ -
Concessions	None	\$ -	None	\$ -	None	\$ -	None	\$ -	None	\$ -
Date of Sale/Time	Current	\$ -	2019/2020	\$ -	2018/2019	\$ -	2018/2019	\$ -	2018/2019	\$ -
Adjusted to Market Price										
Location	Subject Lots	\$ -	Superior	\$ (165)	Superior	\$ (167)	Superior	\$ (110)	Superior	\$ (188)
Property Rights	Fee simple	\$ -	Fee simple	\$ -	Fee simple	\$ -	Fee Simple	\$ -	Fee Simple	\$ -
Builder Contracts	Bulk Purchase	\$ -	Bulk Purchase	\$ -	Bulk Purchase	\$ -	Bulk Purchase	\$ -	Bulk Purchase	\$ -
Site Characteristics		\$ -	Similar	\$ -	Similar	\$ -	Similar	\$ -	Similar	\$ -
Impact Fees/Private Sewer	Paid/Private	\$ -	Similar	\$ -	Similar	\$ -	Similar	\$ -	Similar	\$ -
Size/FF	50'	\$ -	50'	\$ -	50'	\$ -	50'	\$ -	50'	\$ -
Net Adjustment (Total)		\$ -		\$ (165)		\$ (167)		\$ (110)		\$ (188)
Indicated Subject Value/FF		\$ 895		\$ 935		\$ 947		\$ 990		\$ 1,063

RECONCILIATION OF LOT PRICING – WHISPER PID

The adjusted price per lot ranges from \$895 to \$1,063 per front foot with an average of \$966 per front foot per lot. Overall, the lot sales are judged to be comparable to the subject. The bulk lot prices for the subject lots based on the existing contract and letters of intent reflect an average price of \$965 per front foot per lot. This pricing is within the range indicated by the adjusted sales and closely aligned. It is judged that the subject lot pricing based on the existing contracts is aligned with market value.

RETAIL LOT VALUE		
Bulk Lot Value	Comparable Lots	
Adjusted Price	Per FF	
High	\$	1,063
Low	\$	895
Average	\$	966
Lot Type	Finished Lot Price	Conclude
50'	\$ 48,250	\$ 965

Finished Lot Ratio Analysis

As a “check” on the indicated value by the comparable lot sales, a finished lot ratio analysis is also considered.

The finished lot ratio analysis provides a relationship between the finished lot prices and the average retail home price. The finished lot ratio analysis provides a check on “reasonableness” comparing the finished lot value with the retail home price. Based on our discussions with developers and local residential land brokers, the typical finished lot ratios within the subject market range from approximately 13.8% to 21.0% of the average retail home price (single-family residential subdivision). The low end is for more expensive homes. These general guidelines are useful in checking the overall reasonableness of the finished lot value within a particular market area.

The subject lot sale comparables supported the following finished lot to home ratios.

LOT TO HOME PRICE RATIO	
Sale No.	Lot to Home \$ Ratio
Subject	21.0%
1	19.4%
2	20.0%
3	21.0%
4	13.8%
5	20.8%

CONCLUSION

Overall, the indicated subject ratio is within the range reflected by comparables and judged to be reasonable.

DISCOUNTED CASH FLOW ANALYSIS – INCOME APPROACH

In the appraisal of the subject property proposed 581 proposed single-family lots, the DCF analysis has been completed assuming completion of the proposed 581 lots, as of, February 4, 2021 (a one-year time frame). The Income Approach is used by developers to determine the price they can afford to pay for the property and assuming support of a development, utilizing discounted cash flow analysis considering the likely absorption, pricing and selling expenses associated with the development. The residual value conclusion results from taking into account anticipated sales revenues of the proposed lots, costs of infrastructure construction, administration and sales/closing, absorption timing and return expectations. The appraisers developed “market based” build-out models to conclude the following:

In order to derive sales revenue, the retail values of the finished lots have been estimated via the sales comparison approach. The resulting cash flows will be discounted into an as is market value estimate.

TIMING AND ABSORPTION

The absorption rates experienced by competing custom home residential subdivisions were discussed in the Residential Market Overview section of the report and a projection was made as to the subject lot sellout. Supported with the market study and previous lot sales history in Hays County as well as several competing subdivisions, the subject lots are projected to be absorbed within an 19-quarter time period at a rate 30 lots per quarter or 120 lots per annum in Year 1 increasing to 122 lots per annum in Year 2, 124 lots per annum in Year 3, 126 lots per annum in Year 4 with the remaining 89 lots selling in Year 5.

COSTS, REIMBURSEMENTS AND EXPENSES (SOFT COSTS)

These costs are attributable to the sellout of the proposed subject lots “as complete”.

MUNICIPAL/DISTRICT REIMBURSEMENTS

The appraisers have not included any potential for reimbursement associated with previously spent infrastructure.

INFRASTRUCTURE COSTS

The 581 proposed lots “as complete” will be in a finished condition with no remaining infrastructure costs. No additional costs associated with the proposed development have been included.

HOA DUES

The builder will not pay any HOA dues during the holding period before the lots are sold.

SALES COMMISSIONS, TITLE AND CLOSING COSTS

It is necessary to include sales commissions in the pro forma plus additional title and closing costs. These costs are typical for a land broker to sell the property over the absorption period. However, finished lots are typically sold to merchant builders under rolling option agreements reducing the amount of sales commissions required. Because of the significant number of lots and the likelihood that multiple builders would be required over the sellout period, an above average cost is warranted. Stewart Title indicated that 2.5% of sales proceeds is appropriate for title and closing costs. Typically, a total 5.0% cost for sales

commissions, title and closing costs would be appropriate. However, since all sales are made “in-house”, there are reduced or no sales commissions in the lot sales, we have utilized a 1.5% closing cost/miscellaneous cost in our projection.

MARKETING/ADVERTISING COSTS

An average sales and marketing allowance is warranted, and brokers suggest 1.5% to 2.5% of sale revenues is adequate. The appraisers have deducted 1.5% marketing/advertising costs to the developer on an annual basis over the projected holding period.

GENERAL ADMINISTRATIVE/OVERHEAD COSTS AND TAXES

Over the duration of the project, the developer's staff and/or hired consultants will have to oversee all aspects of acquisition and periodic site inspections, financial reporting, etc. Per a review of similar cost budgets from comparable developments, general and administrative expenses typically range from 2.0% to 4.0%, trending to lower expense ratios. The appraisers have estimated an allowance of 2.5% of gross sales for general and administration/overhead costs and/or equivalent management fee, due to the finished nature of the development and its “close-in” location.

We have calculated the tax burden based on a projected assessed value of \$23,630 for the proposed subject lots. The assessed value per lot was calculated in the Tax Section of this report based on assessed values of similar inventory held lots in completed portions of other competing subdivisions. We have included a line item cost to reflect declining inventory as units are sold. Taxes are deducted on a quarterly basis per the lot sales projection. The tax payment for each quarter is based on an average of the number of lots held in inventory at the beginning of the quarter and the number of lots held at the end of the quarter. Taxes are based on quarterly projected sales and reduction in inventory. Tax calculations for the proposed lots are shown in the following charts.

REVENUE APPRECIATION

Based on trends in the market we believe prices to be stabilized and should follow normal inflationary trends in the near future; ad valorem tax increases of 6.0% per annum or 1.5% per quarter are projected for the subject lots.

Annual Tax Projections Proposed Lots						
Total Income Projections						
Annual Revenue Source	No. of Lots	1	2	3	4	5
Subtotal Finished Lots	581	581	461	339	215	89
Lot Sales		120	122	124	126	89
Lots Remaining		461	339	215	89	0
Lot Assessed Value	\$23,630	\$ 25,838	\$ 26,226	\$ 26,619	\$ 27,018	\$ 27,424
Total Assessed Value		\$13,461,632	\$10,490,254	\$7,373,468	\$4,106,782	\$1,220,349
Tax Rate		0.026102	0.026102	0.026102	0.026102	0.026102
Taxes - per Annum		\$351,376	\$273,817	\$192,462	\$107,195	\$31,854
Annual Inflation		1.5%	1.5%	1.5%	1.5%	1.5%

REVENUE APPRECIATION

Based on trends in the market we believe prices to be stabilized and should follow normal inflationary trends in the near future; price increases of 6.5% per annum or approximately 1.625% per quarter are projected. The lot purchase contracts also include an inflationary annual adjustment of 6.5%.

ABSORPTION PROJECTIONS AND GROSS REVENUE - PROPOSED LOTS							
QUARTERS		1	2	3	4	5	Total
Lot Size	Lots	Absorp.	Absorp.	Absorp.	Absorp.	Absorp.	
Absorption Ph 1	581	120	122	124	126	89	581
Total Absorption	---	120	122	124	126	89	581
Avg. Retail Price/Lot - Phase 1	\$48,250	\$48,250	\$51,386	\$54,726	\$58,284	\$62,072	
Aggregate Revenue - Phase 1		\$5,790,000	\$6,269,123	\$6,786,068	\$7,343,730	\$5,524,408	31,713,329
Aggregate Revenue		\$5,790,000	\$6,269,123	\$6,786,068	\$7,343,730	\$5,524,408	31,713,329

PROFIT

Developer profit is accounted for in the overall discount rate selection, which is typical market practice and similar to the Korpacz market rate reporting. However, for the client's information, we have also included a second scenario showing developer's profit as a line item expense and run a second scenario (for information purposes only) of the project value including developer's profit as a line item expense and discounting at a market derived discount rate. This is performed as a check on the first scenario in which developer profit is included in the discount rate. The discount rates referred to later as per most studies, includes developers profit as well as risk of capital.

DISCOUNT RATE

Based upon the projected sell-out period, the current status of the subject's entitlements and estimated risk in the remaining land development process, an appropriate discount rate must be selected in arriving at an "as complete" discounted value. We have projected a sell-out period for the bulk lots at an appropriate market supported absorption rate. A market supported discount rate would be applied to the net cash flows in arriving at an "as complete" value. Typically, an "all in" discount rate, which includes developer profit, would be utilized in discounting the net cash flows in arriving at an "as complete" value. In addition, the appraisers have reviewed Korpacz and Realty Rate surveys regarding discounts rates (free and clear) for subdivision and development properties. It should be noted the Korpacz is primarily focused on discount rates for residential land development, prior to development.

DISCOUNT RATES (IRRS)

Subdivision Discount Rates SFR FREE and CLEAR

	Korpacz 2 nd Quarter 2019	Realty Rates 4 th Quarter 2019
Range	10.0% - 20.0%	13.73%-28.10%
Average	15.5%	20.45%

Note: Rate on unleveraged, all-cash transactions; including developer's profit

The most recent PWC Korpacz survey with subdivision rates (2ndQ 2019) listed free and clear discount rates for proposed subdivision developments (development land) warranting on site infrastructure, ranging from a low of 10% to a high of 20% with an average of 15.5%. The 4thQ 2019 RealtyRates Developer Survey indicates discount rates for proposed Site built residential subdivisions from 100 to 500 lots to be in the 13.73% to 28.10% range and average 20.45%. The Korpacz and the RealtyRates Surveys are for development land and include development risk (timing, financing, etc.). Discount rates for projects that have entitlements and lot contracts with proven builders, like the subject, are typically at the lower end of the range of the above noted rates. Discount rates for longer projections are typically slightly higher than those with very short sellout projections.

The greatest risk for development is when a property is in the raw land stage. As the development progresses through the different stages, the risk is reduced. New home growth in the Cities of San Marcos/Kyle/Hays County Metropolitan Area is currently projected to continue to grow over previous years according to home builders and developers, indicate continued and stable demand, for the good quality builder custom home product, and limited “on ground” available inventory, increasing demand for developed lots over the past several years. Therefore, we have considered a range of discount rates at the lower end to below the range of rates reflected by the above rates related to similar proposed developments (i.e. undeveloped land proposed for subdivision development) would be employed by potential investors.

The subject property represents 581 proposed single-family lots with a 19-quarter sell out projection. Whisper Subdivision will be a good-quality, custom builder home residential subdivision with 581 lots which is projected to have rather strong absorption rate for the initial years of development based on other development in the county and city and competing subdivisions. Due to the strong growth in the area plus the proposed PID and Development Agreement for the subject with the City of San Marcos, as well as the two contracts in place for the subject lots, the investment risk is judged to be somewhat below average. A discount rate of 14.0% to 16.0% say 15.0% (including both developers profit and cost of capital) has been selected).

DISCOUNT RATE AND RISK COMPARISONS		
Factor	Characteristic	Risk Rating
<u>Property Location</u>		
Regionally	San Marcos/Austin MSA	Low
Locally	City of San Marcos	Low
<u>Property Type Supply/Demand</u>		
Nationally	Stable at historical low levels	Medium
State	Year over year growth at historically low levels, but most areas exceed the national trend.	Medium
Local	New home construction	Low to Medium
Property Status	New phase of development	Medium
Build Out Timeline (Years)	1 year	Low
Pending Sales	Yes	Low
Household Income	Middle	Medium to High
Proposed Home Pricing	At the mid range of the competitive market	Medium
Overall Risk Rating		Low
Applicable Discount Rate Range (including developers profit and discount)		14.00% to 16.00%

INCOME APPROACH AS COMPLETE VALUE CONCLUSION

The appraisers have employed the Excel spreadsheet program. It should be noted that the cash flow is discounted annually. A spreadsheet showing our assumptions and calculations are located below. Based on our discounted cash flow, utilizing an appropriate discount rate, the indicated "As Complete" value of the Whisper PID **proposed 581 lots**, as of the proposed completion date, February 4, 2021, is as follows:

"As Is" Market Value - Proposed SFR Lots by DCF			
Low to High Survey Rate Increments	Net Present Value	NPVRounded	NPV Per Lot
14.00%	\$19,840,439	\$19,850,000	\$20,961
14.50%	\$19,599,102	\$19,600,000	\$20,697
15.00%	\$19,362,409	\$19,350,000	\$20,433
15.50%	\$19,130,246	\$19,125,000	\$20,195
16.00%	\$18,902,500	\$18,900,000	\$19,958

Sellout of Proposed Single Family Lots Discounted Cash Flow Analysis						
Revenue (Annum)	1	2	3	4	5	Totals
Revenue						
Existing SFR Lots Phase 1	\$5,790,000	\$6,269,123	\$6,786,068	\$7,343,730	\$5,524,408	\$31,713,329
Gross Revenue (Inflated)	\$5,790,000	\$6,269,123	\$6,786,068	\$7,343,730	\$5,524,408	\$31,713,329
Expenses, Cost of Sales						
Closing Costs	1.5%	\$86,850	\$94,037	\$101,791	\$110,156	\$475,700
Marketing	1.5%	\$86,850	\$94,037	\$101,791	\$110,156	\$475,700
Administrative	2.5%	\$144,750	\$156,728	\$169,652	\$183,593	\$792,833
Property Tax		\$321,348	\$250,417	\$176,015	\$98,035	\$874,945
Total Expenses		\$639,798	\$595,219	\$549,249	\$501,940	\$2,619,178
Net Cash Flow		\$5,150,202	\$5,673,904	\$6,236,820	\$6,841,790	\$29,094,150
Present Value Factor	15.0%	0.86957	0.75614	0.65752	0.57175	0.49718
Present Value		\$4,478,437	\$4,290,287	\$4,100,810	\$3,911,816	\$2,581,060
						\$19,362,409

CONCLUDED VALUE OF SUBJECT PROPOSED LOTS

The appraisers have employed both the Cost and Income Approaches in valuing the proposed lots. The value indication for Tract No. 6 subdivision including 581 proposed lots as if complete ranges from \$20,110,000 by the Cost Approach to \$19,350,000 by the Income Approach. The cost approach reflects the fact that the subdivision is new and will encompass large initial costs than later phases of an existing subdivision. The Income Approach incorporating the DCF projects sellout of the proposed lot based on estimated market value/contract lot pricing and absorption of those lots. Greatest emphasis is assigned the Income Approach, however, both approaches are well supported and meaningful. The concluded values of the subject Tract No. 6 proposed subdivision development "As Complete" is as follows.

CONCLUDED VALUE - SUBJECT LOTS	
	"As Complete"
Cost Approach	\$20,110,000
Income Approach	\$19,350,000
Prospective "As Complete" Market Value (Rd)	\$19,500,000

RECONCILIATION

The valuation of the subject property includes 8 commercial/mixed use tracts and 581 proposed lots (Tract No. 6). The Sales Comparison Approach is utilized in regard to the 8 vacant tracts on an “as is” basis. The Cost Approach (reflecting the cost of development plus land value) and the Income Capitalization Approach are used to reflect the value of the proposed 581 lots.

The vacant land tract values as concluded earlier in the report are also summarized in the chart below:

MARKET VALUE CONCLUSION - WHISPER PID						
Property Description	Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion	\$/Unit	
Tract 1 69.393 Acres Vacant Commercial Land	"As Is"	Fee Simple Estate	February 4, 2020	\$14,800,000	\$4.90/SF	
Tract 2 46.293 Acres Vacant Commercial Land	"As Is"	Fee Simple Estate	February 4, 2020	\$10,475,000	\$5.19/SF	
Tract 3A 121.280 Acres Vacant Mixed Use Land	"As Is"	Fee Simple Estate	February 4, 2020	\$17,700,000	\$3.35/SF	
Tract 3B 16.560 Acres Vacant Mixed Use Land	"As Is"	Fee Simple Estate	February 4, 2020	\$3,575,000	\$4.96/SF	
Tract 4 164.183 Acres Vacant Mixed Use Land	"As Is"	Fee Simple Estate	February 4, 2020	\$28,250,000	\$3.95/SF	
Tract 5 33.370 Acres Vacant Mixed Use Land	"As Is"	Fee Simple Estate	February 4, 2020	\$6,900,000	\$4.75/SF	
Tract 6 130.641 Acres/581 Single Family Lots	"As Complete"	Fee Simple Estate	February 4, 2021	\$19,500,000	\$33,563/Lot	
Tract 7A 72.660 Acres Vacant Mixed Use Land	"As Is"	Fee Simple Estate	February 4, 2020	\$12,025,000	\$3.80/SF	
Tract 7B 51.969 Acres Vacant Mixed Use Land	"As Is"	Fee Simple Estate	February 4, 2020	\$9,850,000	\$4.35/SF	

CERTIFICATION

We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and have no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the Client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
8. Franklin L. Flato, MAI and Ted A. Moore, MAI, have both made personal inspection of the property that is the subject of this report on February 4, 2020.
9. The appraisers have not performed previous valuation services with regard to this specific site within the three-year period immediately preceding the date of acceptance of this assignment.
10. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. As of the date of this report, Franklin L. Flato, MAI and Ted A. Moore, MAI, have both completed the continuing education program of the Appraisal Institute.
13. Franklin L. Flato, MAI and Ted A. Moore MAI, both have extensive experience in the appraisal of similar properties and is licensed by the State of Texas.



Franklin L. Flato, MAI
President
Certified General Real Estate Appraiser
Texas – TX-1321148-G; Exp. June 30, 2021
E-Mail: franklin@flatorealtyadvisors.com



Ted A. Moore, MAI
Senior Appraiser
Certified General Real Estate Appraiser
Texas – TX-1320476-G; Exp. January 31, 2021
E-Mail: ted@flatorealtyadvisors.com

ASSUMPTIONS AND LIMITING CONDITIONS

1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. Flato Realty Advisors, LLC is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. However, Flato Realty Advisors, LLC has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject's title should be sought from a qualified title company that issues or insures title to real property.
2. Unless otherwise specifically noted in the body of this report, it is assumed: that the existing improvements on the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. Flato Realty Advisors, LLC professionals are not engineers and are not competent to judge matters of an engineering nature. Flato Realty Advisors, LLC has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of Flato Realty Advisors, LLC by ownership or management; Flato Realty Advisors, LLC inspected less than 100% of the entire interior and exterior portions of the improvements; and Flato Realty Advisors, LLC was not furnished any engineering studies by the owners or by the party requesting this appraisal. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported by engineering consultants, Flato Realty Advisors, LLC reserves the right to amend the appraisal conclusions reported herein.
3. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property was not observed by the appraisers. Flato Realty Advisors, LLC has no knowledge of the existence of such materials on or in the property. Flato Realty Advisors, LLC, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The Client is urged to retain an expert in this field, if desired.

Flato Realty Advisors, LLC has inspected, as thoroughly as possible by observation, the land; however, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the appraisal.
4. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the report unless otherwise stated. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon the information submitted to Flato Realty Advisors, LLC. This report may be subject to amendment upon re-inspection of the subject subsequent to repairs, modifications, alterations and completed new construction. Any estimate of Market Value is as of the date indicated; based upon the information, conditions and projected levels of operation.
5. It is assumed that all factual data furnished by the Client, property owner, owner's representative, or persons designated by the Client or owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report. Unless otherwise specifically noted in the appraisal report, Flato Realty Advisors, LLC has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, Flato Realty Advisors, LLC reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the Client should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify Flato Realty Advisors, LLC of any questions or errors.
6. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This appraisal is based on market conditions existing as of the date of this appraisal. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions that occur subsequent to the date of the appraisal. However, Flato Realty Advisors, LLC will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.
7. Flato Realty Advisors, LLC assumes no private deed restrictions, limiting the use of the subject in any way.
8. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposits or subsurface rights of value involved in this appraisal, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
9. Flato Realty Advisors, LLC is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.
10. The estimate of Market Value, which may be defined within the body of this report, is subject to change with market fluctuations over time. Market value is highly related to exposure time, promotional effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.
11. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. Flato Realty Advisors, LLC does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of Flato Realty Advisors, LLC.
12. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of Flato Realty Advisors, LLC to buy, sell, or hold the properties at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
13. Unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or

administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.

14. This study may not be duplicated in whole or in part without the specific written consent of Flato Realty Advisors, LLC nor may this report or copies hereof be transmitted to third parties without said consent, which consent Flato Realty Advisors, LLC reserves the right to deny. Exempt from this restriction is duplication for the internal use of the Client-addressee and/or transmission to attorneys, accountants, or advisors of the Client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom this appraisal was prepared, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without the express written consent of Flato Realty Advisors, LLC which consent Flato Realty Advisors, LLC reserves the right to deny. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to purchase the property or to make a "sale" or "offer for sale" of any "security", as such terms are defined and used in the Securities Act of 1933, as amended. Any third party, not covered by the exemptions herein, who may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this property. Flato Realty Advisors, LLC shall have no accountability or responsibility to any such third party.
15. Any value estimate provided in the report applies to the entire property, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.
16. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or appraisal and are invalid if so used.
17. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.
18. No opinion is intended to be expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Values and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis has been made known to Flato Realty Advisors, LLC unless otherwise stated within the body of this report. If the consultant has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. Flato Realty Advisors, LLC assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
19. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or Client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Appraiser nor Flato Realty Advisors, LLC assumes responsibility for any situation arising out of the Client's failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.
20. Flato Realty Advisors, LLC assumes that the subject analyzed herein will be under prudent and competent management and ownership; neither inefficient nor super-efficient.
21. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.
22. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.
23. The Americans with Disabilities Act (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, Flato Realty Advisors, LLC has not made a specific compliance survey and analysis of this property to determine whether it is in conformance 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 of the requirements of the ADA. If so, this fact could have a negative effect on the value estimated herein. Since Flato Realty Advisors, LLC has no specific information relating to this issue, nor is Flato Realty Advisors, LLC qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject.
24. Client shall not indemnify Appraiser or hold Appraiser harmless unless and only to the extent that the Client misrepresents, distorts, or provides incomplete or inaccurate appraisal results to others, which acts of the Client proximately result in damage to Appraiser. The Client shall indemnify and hold Appraiser harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the appraisal report to any third party. In the event of any litigation between the parties, the prevailing party to such litigation shall be entitled to recover from the other reasonable attorney fees and costs.
25. The report is for the sole use of the Client; however, Client may provide only complete, final copies of the appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. Appraiser is not required to explain or testify as to appraisal results other than to respond to the Client for routine and customary questions. Please note that our consent to allow an appraisal report prepared by Flato Realty Advisors, LLC or portions of such report, to become part of or be referenced in any public offering, the granting of such consent will be at our sole discretion and, if given, will be on condition that we will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to us, by a party satisfactory to us. We do consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.
26. Provision of an Insurable Value by the appraiser does not change the intended use or user of the appraisal. The appraiser assumes no liability for the Insurable Value estimate provided and does not guarantee that any estimate or opinion will result in the subject being fully insured for any possible loss that may be sustained. The appraiser recommends that an insurance professional be consulted. The Insurable Value estimate may not be a reliable indication of the replacement or reproduction cost for any date other than the effective date of this appraisal due to changing costs of labor and materials and due to the changing building codes and governmental regulations and requirements.

DEFINITIONS

The following definitions are derived from The Dictionary of Real Estate Appraisal, Sixth Edition, published by the Appraisal Institute.

- **Absorption Period:** The actual or expected period required from the time a property, group of properties, or commodity is initially offered for lease, purchase, or use by its eventual users until all portions have been sold or stabilized occupancy has been achieved.
- **Absorption Rate:** Broadly, the rate at which vacant space in a property or group of properties for sale or lease has been or is expected to be successfully sold or leased over a specified period of time.
- **Ad Valorem Tax:** A tax levied in proportion to the value of the thing(s) being taxed. Exclusive of exemptions, use-value assessment provisions, and the like, the property tax is an ad valorem tax. (IAAO)
- **Assessed Value:** The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value or based on an assessment ratio that is a percentage of market value.
- **Cash Equivalency:** An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash or its equivalent.
- **Confidential Information:** Information that is either: identified by the client as confidential when providing it to an appraiser and that is not available from any other source; or classified as confidential or private by applicable law or regulation.
- **Contract Rent:** The actual rental income specified in a lease.
- **Disposition Value:** The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market; 2) The property is subjected to market conditions prevailing as of the date of valuation; 3) Both the buyer and seller are acting prudently and knowledgeably; 4) The seller is under compulsion to sell; 5) The buyer is typically motivated; 6) Both parties are acting in what they consider their best interests; 7) An adequate marketing effort will be made during the exposure time; 8) Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto; and 9) The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
- **Effective Rent:** Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord.
- **Excess Land:** Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately.
- **Excess Rent:** The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties.
- **Exposure Time:** 1) The time a property remains on the market; 2) The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market. (USPAP, 2020-2021 ed)
- **Extraordinary Assumption:** An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP 2020-2021 ed.)
- **Fee Simple Estate:** Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.
- **Floor Area Ratio (FAR):** The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.
- **Frictional Vacancy:** The amount of vacant space need in a market for its orderly operation. Frictional vacancy allows for move-ins and move-outs.
- **Full Service Lease:** See gross lease.

- **General Vacancy:** A method of calculating any remaining vacancy and collection loss considerations when using discounted cash flow (DCF) analysis, where turnover vacancy has been used as part of the income estimate. The combined effects of turnover vacancy and general vacancy relate to total vacancy and collection loss.
- **Going Concern Value:** An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed *the market value of the going concern* or *market value of the total assets of the business*.
- **Gross Building Area (GBA):** 1) The total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved; 2) Gross leasable area plus all common areas.
- **Gross Lease:** A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called full-service lease.
- **Hypothetical Condition:** A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2020-2021 ed.)
- **Investment Value:** The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market.
- **Land-to-Building Ratio:** The proportion of land area to gross building area; one of the factors determining comparability of properties.
- **Lease:** A contract in which the rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.
- **Leased Fee Interest:** The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.
- **Leasehold Interest:** The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.
- **Lessee:** One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement.
- **Lessor:** One who conveys the rights of occupancy and use to others under a lease agreement.
- **Liquidation Value:** The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a short time period; 2) The property is subjected to market conditions prevailing as of the date of valuation; 3) Both the buyer and seller are acting prudently and knowledgeably; 4) The seller is under extreme compulsion to sell; 5) The buyer is typically motivated; 6) Both parties are acting in what they consider to be their best interests; 7) A normal marketing effort is not possible due to the brief exposure time; 8) Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto; and 9) The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
- **Market Rent:** The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).
- **Market Value:** See body of report for market value definition used in this appraisal.
- **Marketing Time:** An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation addresses the application and determination of reasonable exposure and marketing time.)
- **Net Lease:** A lease in which the landlord passes on all expenses to the tenant.
- **Net Net Net Lease:** An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called NNN lease, triple net lease, or fully net lease.
- **Occupancy Rate:** 1) The relationship or ratio between the potential income from the currently rented units in a property and the income that would be received if all the units were occupied; 2) The ratio of occupied space to total rentable space in the building.

- **Overage Rent:** The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakpoint sales volume.
- **Prospective Opinion of Value:** A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or stabilized level of long-term occupancy.
- **Rentable Area:** For office or retail buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which rent is based; calculated according to local practice.
- **Retrospective Value Opinion:** A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."
- **Shell Rent:** The typical rent paid for retail, office, or industrial tenant space based on minimal "shell" interior finishes (called vanilla finish or white wall finish in some areas). Usually the landlord delivers the main building shell space or some minimum level of interior build-out, and the tenant completes the interior finish, which can include wall, ceiling, and floor finishes; mechanical systems, interior electric, and plumbing. Typically, these are long-term leases with tenants paying all or most property expenses.
- **Surplus Land:** Land that is not currently needed to support the existing improvements but cannot be separated from the property and sold off. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel.
- **Turnover Vacancy:** A method of calculating vacancy allowance that is estimated or considered as part of the potential income estimate when using discounted cash flow (DCF) analysis. As units or suites turn over and are available for re-leasing, the periodic vacancy time frame (vacancy window) to re-lease the space is considered.
- **Usable Area:** 1) For office buildings, the actual occupied area of a floor or an office space; computed by measuring from the finished surface or the office side of corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Sometimes called net building area or net floor area. 2) The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas.
- **Value Indication:** A valuer's conclusion of value resulting from the application of an approach to value, e.g., the value indication by the sales comparison approach.
- **Value In Use:** The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of appraisal. Value in use may or may not be equal to market value but is different conceptually.



QUALIFICATIONS OF FRANKLIN L. FLATO, MAI

CAREER SUMMARY

Franklin L. Flato, MAI, founder and president of Flato Realty Advisors, LLC, a commercial real estate appraisal firm active in South Texas and Mexico, since 2012. Prior to founding Flato Realty Advisors, LLC, Mr. Flato served as Vice President – Senior Appraiser, directing the San Antonio office of Grubb & Ellis Landauer, from 2010 through 2012, Senior commercial appraiser at Dugger, Canaday, Grafe, Inc., a San Antonio based appraisal firm, from 1988 through 2010, and Leasing Director for Flato Realty Investments, Inc. from 1986 through 1988. Experience includes legal/court testimony, right-of-way valuation, investment counseling, traditional commercial real estate appraisal, etc.

Mr. Flato has analyzed properties including retail (single tenant, pad site, ground lease, retail centers to regional malls), office buildings (single tenant garden to high rise multi-tenant, call centers, corporate headquarters), industrial properties (warehouse, manufacturing plants, special purpose, maquiladora plants), vacant development tracts, mixed use developments, commercial sites, rural land, ranches, farms, apartment complexes, residential and commercial subdivisions, aircraft related buildings, automobile dealerships, hotels, recreational theme parks, golf courses and country clubs, marinas, etc. on an “as-is” and prospective “as-proposed” basis.

Assignments completed in Texas, Louisiana, Florida, Oklahoma, New Mexico, Colorado, New Jersey, Pennsylvania, Puerto Rico, Honduras and the Republic of Mexico (states of Tamaulipas, Jalisco, Nayarit, Sinaloa, Sonora, Baja California, Baja California Sur, Puebla, Guanajuato, Veracruz, Nuevo Leon, Guerrero, Morelia, Queretaro, Coahuila, San Luis Potosi, Chihuahua, Colima, Quintana Roo, Distrito Federal, and the State of Mexico). He has also qualified as an expert witness in Bexar, San Patricio, Webb, Live Oak, Travis, Goliad, Nueces, Reeves, Harris, Hidalgo and Cameron Counties of Texas and has lectured and been on speaker panels at national and local Appraisal Institute meetings and Right-of-Way functions in San Antonio, Texas, Chicago, Illinois, Cancun, Mexico and Madrid, Spain.

Mr. Flato is fluent in Spanish and has extensive contacts in Mexico and Latin America. Assignments in Mexico include complex retail and mixed use developments, industrial portfolios in most major cities, manufacturing plants including major automobile parts suppliers, resort properties, subdivisions, ranches and rural properties, etc., for international and local clients including major banks, investment firms, developers, etc. Over 100 properties appraised in 2013/2014 and typically 12 to 20 properties per year in Mexico.

PROFESSIONAL DESIGNATIONS/STATE & REGULATORY LICENSURE

- MAI Designation – Appraisal Institute, Certificate No. 11792
- Texas – State Certified General Real Estate Appraiser, License No. 1321148-G

PROFESSIONAL AFFILIATIONS

- Treasurer, Union of Pan American Valuation Associations (UPAV; 2010-2012)
- Chief Delegate to Mexico, Appraisal Institute (2009)
- Member, Free Trade Alliance (2009)
- President, South Texas Chapter of the Appraisal Institute (2008)
- Ambassador to Mexico, Appraisal Institute (2004-2008)
- Director to Past President, South Texas Chapter of the Appraisal Institute (2001-2009)

EDUCATION

Courses and seminars – Appraisal Institute, International Council of Shopping Centers (ICSC); BBA in Real Estate and Urban Land Development at the University of Texas at Austin; certified under the Appraisal Institute's voluntary program of continuing education for designated members of the Appraisal Institute.



QUALIFICATIONS OF TED A. MOORE, MAI

APPRAISAL EXPERIENCE

Worked on routine and complex assignments throughout the State of Texas with several firms. Extensive experience in land, subdivisions, multi-family, hotel, office, industrial warehouses/manufacturing, office, retail, special purpose, etc. Experience includes appraising under various categories including assistant, primary appraiser, supervisor and review appraiser. Clients have included financial institutions, city, county and state government, law firms, investors, etc.

STATE & REGULATORY LICENSURE

MAI Designation – Appraisal Institute, Certificate No. 7739

Texas – State Certified General Real Estate Appraiser, License No. 1320476-G

EDUCATION

1978 - 1979 **Baylor University: M.B.A.**

Focus on finance, business management and economics. Completed term project for degree on the projected startup and operation of a nursing home/retirement center.

1976 - 1978 **Baylor University: B.B.A.**

Completed double major in marketing and real estate.

EMPLOYMENT HISTORY

Since 07/12 **Flato Realty Advisors**
Commercial Real Estate Appraiser/Analyst

Since 04/07 **Heart To Heart Homecare**
Owner/CEO

06/97 - 04/07 **Long Term Care**
Administrator, served as Administrator in several communities

1995 - 1997 **Aegis Group**
Commercial Real Estate Appraiser

1987 - 1995 **Ted A. Moore & Associates**
Owner/Appraiser

1985 - 1987 **Cushman & Wakefield**
Commercial Real Estate Appraiser

1984 - 1985 **Love & Dugger**
Commercial Real Estate Appraiser



Certified General Real Estate Appraiser

Appraiser: **Franklin Lockard Flato**

License #: **TX 1321148 G**

License Expires: **06/30/2021**

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

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



Douglas E. Oldmixon
Commissioner



Certified General Real Estate Appraiser

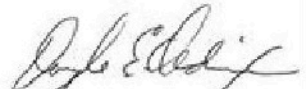
Appraiser: **Ted Alan Moore**

License #: **TX 1320476 G**

License Expires: **01/31/2021**

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

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



Douglas E. Oldmixon
Commissioner



8918 Tesoro Drive, Suite 405 | San Antonio, Texas 78217
Phone: 210-446-3825 | Web: www.flatorealtyadvisors.com

December 11, 2019

Mr. Bert Lumbreras
City Manager, City of San Marcos
630 E. Hopkins Street
San Marcos, Texas 78666

RE: Whisper Public Improvement District "As Is" Market Value Appraisal, San Marcos, Hays
County, Texas

Dear Mr. Lumbreras,

Thank you for the opportunity to provide a market value appraisal of the above noted property. Flato Realty Advisors, LLC., will complete a market value appraisal to include the market value of the existing Whisper PID mixed use development, in 7 tracts (Commercial, Industrial, Mixed-Use and Single Family) as individual (several tracts may include more than one component) and as a whole, incorporating the contributory value of entitlements including completed and proposed offsite improvements. The tracts include two (2) phases of residential lots (279 and 303 lots) including both platted, finished and partially engineered lots. Our firm has completed a significant number of appraisals of both "as-is" and "prospective" lots and developments in the region over the past number of years.

The analysis and report provided will meet the requirements of the Uniform Standards of Professional Practice of the Appraisal Foundation and Code of Ethics of the Appraisal Institute. The scope of work will consist of a physical property inspection, perusal of documents provided, confirmation of comparable improved and land sales and listings, research and confirmation, market analysis, valuation analysis, and preparation of the (1) value conclusions and (2) valuation report.

It is understood that the purpose of the appraisal is to be for inclusion in an offering document which will be distributed for the purpose of issuing municipal bonds. Flato Realty Advisors, LLC consents to execute necessary certificates in connection therewith (i.e. letter of representation). It is understood that the developer will provide evidence of sufficient funds to complete the improvements contemplated in the appraisal, on hand at the time of bond closing.

Our fee for the market value appraisal, presented as a real estate appraisal report, will be \$14,000 payable as 50% upon engagement and the balance upon completion of the assignment and delivery of the report. Additional work after completion of the report for, but not limited to, research, preparation for court testimony, or court testimony, will be billed at the rate of \$250 per hour. The report can be completed within four weeks of receipt of the executed engagement letter, retainer and subject property information to include (1) survey of each tract and (2) listing of planned and existing public improvements.

If this proposal is acceptable, please sign and date a copy of this letter and return it. Thank you for the opportunity to be considered for this assignment. We will begin work upon receipt of this executed engagement and retainer. Thank you for consideration of our firm in this important assignment.

Signed,

A handwritten signature in blue ink, appearing to read 'Franklin L. Flato'.

Franklin L. Flato, MAI
President
Flato Realty Advisors, LLC

Signed

A handwritten signature in blue ink, appearing to read 'Bert Lumbreras'.

Mr. Bert Lumbreras
City Manager
City of San Marcos



8918 Tesoro Drive, Suite 405 | San Antonio, Texas 78217
Phone: 210-446-3825 | Web: www.flatorealtyadvisors.com

Mutual Limitation of Liability: Appraiser and Client agree that the following mutual limitation of liability is agreed to in consideration of the fees to be charged and the nature of Appraiser's services under this Agreement. Appraiser and Client agree that to the fullest extent permitted by applicable law, each party's and its Personnel's maximum aggregate or joint liability to the other party for claims and causes of action relating to this Agreement or to appraisals or other services under this Agreement shall be limited to the total fees and costs charged by the Appraiser for the services that are subject of the claim(s) or cause(s) of action. This limitation of liability extends to all types of claims or causes of action, whether in breach of contract or tort, including without limitation claims/causes of action for negligence, professional negligence, or negligent misrepresentation on the part of either party or its Personnel, but excluding claims/causes of action for intentionally fraudulent conduct, criminal conduct or intentionally caused injury. The Personnel of each party are intended third-party beneficiaries of this limitation of liability. "Personnel," as used in this paragraph, means the respective party's staff, employees, contractors, members, partners and shareholders. Appraiser and Client agree that they each have been free to negotiate different terms than stated above or contract with other parties.

FLATO REALTY ADVISORS, LLC ADDENDUM

**Whisper
Exhibit A
Table of Contents
2/27/2020**

DRAFT

Exhibit	Description	Page
A	PID Equivalent Tax Rate and Bond Sizing Summary	2
B-1	Detailed Bond Sizing Analysis - IA 1	3
B-2	Detailed Bond Sizing Analysis - IA 2 (Business Park)	4
C	SAP Exhibit C - Authorized Improvements	5
D	SAP Exhibit D - Five Year Service Plan	6
E	SAP Exhibit E - Sources and Uses	7
F	SAP Exhibit F and Exhibit H Assessment Roll	8

**Whisper
Exhibit A
PID Equivalent Tax Rate and Bond Sizing Summary - Katerra Prepay
2/27/2020**

Key Assumptions	
Bond Issue Date	5/1/2020
Capitalized Interest (Months) [b]	10
Weighted Avg. Bond Yield [c]	5.50%
Bond Term (Years)	30
First Year Admin [c]	\$ 35,000
Underwriter Discount [c]	3.00%
Cost of Issuance [c]	7.00%
Revenues Available for PID Infrastructure	
Katerra Prepayment [i]	\$ 915,516
Bond Improvement Fund	\$ 10,468,937
Total	\$ 11,384,453

Bond Sources & Uses of Funds	
Sources:	
Par Bond Amount	\$ 13,365,000
Uses:	
Capitalized Interest	\$ 618,688
Reserve Fund	\$ 940,875
Underwriter Discount	\$ 400,950
Cost of Issuance	\$ 935,550
Improvement Fund	\$ 10,468,937
Total Uses	\$ 13,365,000
Estimated Value to Lien	
Estimated Appraised Value	\$ 57,032,462
Estimated Value to Lien	4.3 to 1

PID Bond Metrics	
Existing Tax Rate [h]	\$ 2.61
Equivalent PID Rate	0.17
Total Equivalent Tax Rate	\$ 2.78
Avg. Annual PID Installment	\$ 1,024,372
Min DSC Ratio	1.0001
Estimated Appraised Value	
Estimated Existing Value	\$ 56,730,701
PID Funded Improvements [g]	\$ 5,974,831
Appraisal Discount @ 10%	\$ (5,673,070)
Estimated Appraised Value	\$ 57,032,462

Land Use and Estimated Values							PID Assessments, Installments, and Equivalent Tax Rates					
Parcel	Description [a]	Acres [i]	Units / Sq.Ft. [a]	Estimated	Estimated		PID Assessment		Annual Installment		Avg.	
				Existing Value	Buildout Value [a]		Total	per Metric	Total	per Metric	PID Equiv. Tax Rate	
							Total	per Metric	Total	per Metric		
A. IA 1 - PID Bond												
Yarrington Property												
1	Retail / Commercial	69.4	500,000	\$ 3,626,370	\$ 125	\$ 62,500,000	\$ 1,376,518	\$ 2.75	\$ 105,504	\$ 0.21	\$ 0.17	
2	Retail / Commercial	46.3	375,000	2,417,580	100	37,500,000	825,911	2.20	63,303	0.17	0.17	
	Subtotal/Wtd. Avg.	115.7	875,000	\$ 6,043,950	\$ 114	\$ 100,000,000	\$ 2,202,429		\$ 168,807	\$ 0.19	\$ 0.17	
Whisper Industrial Property												
3B	Business Park	16.6	180,000	2,246,034	90	16,200,000	356,794	1.98	27,347	0.15	\$ 0.17	
135 Residential Property												
6	Single Family	130.6	581	17,820,000 [d]	230,000	133,630,000	2,943,106	5,066	225,577	388	\$ 0.17	
Whisper Master Property												
3A	Business Park	121.2	950,000	11,854,066	90	85,500,000	1,883,077	1.98	144,330	0.15	\$ 0.17	
4A	Commercial	82.0	300,000	7,142,969 [e]	110	33,000,000	726,802	2.42	55,706	0.19	\$ 0.17	
4B	Office	49.2	375,000	4,285,433 [e]	120	45,000,000	991,093	2.64	75,963	0.20	\$ 0.17	
4C	Multifamily	32.8	1,300	2,857,536 [e]	85,000	110,500,000	2,433,684	1,872	186,532	143	\$ 0.17	
5	Mixed Use	33.3	110,000	1,320,000	100	11,000,000	242,267	2.20	18,569	0.17	\$ 0.17	
7A	Business Park	72.6	800,000	3,160,714 [f]	90	72,000,000	1,585,749	1.98	121,541	0.15	\$ 0.17	
	Subtotal/Wtd. Avg.	391.0		\$ 30,620,718		\$ 357,000,000	\$ 7,862,672		\$ 602,641		\$ 0.17	
Total / Weighted Average		653.9		\$ 56,730,701		\$ 606,830,000	\$ 13,365,000		\$ 1,024,372		\$ 0.17	
B. IA 2 - Business Park Prepayment												
7B	Business Park	52.0	638,685	2,263,770 [f]	80	51,094,800	926,000	1.45	63,658	0.10	\$ 0.12	
Total / Weighted Average		705.9		\$ 58,994,471		\$ 657,924,800	\$ 14,291,000		\$ 1,088,029		\$ 0.17	

Footnotes:

[a] Per information received from developer.

[b] Assumes capitalized interest through the March 2021 interest payment.

[c] For illustration purposes. Actual amounts subject to change.

[d] Assumes 303 finished lots at \$45k per lot, and 279 paper lots at \$15k per lot per discussion with client.

[e] Estimated at \$2 per gross sq.ft. per discussion with client.

[f] Estimated at \$1 per gross sq.ft. per discussion with client.

[g] Represents the estimated allocation of PID improvements for parcels 1-3, and 5.

[h] Per the 2019 property tax bill. Excludes parcel R16592, within Hays County Fire ESD #3.

[i] Per the legal descriptions of the respective property owners. Parcel acreages are estimates only.

[j] Assumes a portion of the first years admin, and PID creation costs are allocated to IA 2.

Whisper
Exhibit B-1
Detailed Bond Sizing Analysis - IA 1
2/27/2020

Bond Issue Date 5/1/2020

	Year Ending 9/1	Principal	Interest Rate [a]	Annual Interest	Principal & Interest	Admin Expense [b]	0.50% Additional Interest	Subtotal	Capitalized Interest [c]	Reserve Fund	Annual PID Installment
0	2020	\$ -	5.50%	\$ 251,151	\$ 251,151	\$ -	\$ -	\$ 251,151	\$ (251,151)		\$ -
1	2021	\$ -	5.50%	\$ 735,075	\$ 735,075	\$ 35,700	\$ 66,825	\$ 837,600	\$ (367,538)		\$ 470,063
2	2022	\$ 195,000	5.50%	\$ 735,075	\$ 930,075	\$ 36,414	\$ 66,825	\$ 1,033,314	\$ -		\$ 1,033,314
3	2023	\$ 210,000	5.50%	\$ 724,350	\$ 934,350	\$ 37,142	\$ 65,850	\$ 1,037,342	\$ -		\$ 1,037,342
4	2024	\$ 225,000	5.50%	\$ 712,800	\$ 937,800	\$ 37,885	\$ 64,800	\$ 1,040,485	\$ -		\$ 1,040,485
5	2025	\$ 240,000	5.50%	\$ 700,425	\$ 940,425	\$ 38,643	\$ 63,675	\$ 1,042,743	\$ -		\$ 1,042,743
6	2026	\$ 240,000	5.50%	\$ 687,225	\$ 927,225	\$ 39,416	\$ 62,475	\$ 1,029,116	\$ -		\$ 1,029,116
7	2027	\$ 255,000	5.50%	\$ 674,025	\$ 929,025	\$ 40,204	\$ 61,275	\$ 1,030,504	\$ -		\$ 1,030,504
8	2028	\$ 270,000	5.50%	\$ 660,000	\$ 930,000	\$ 41,008	\$ 60,000	\$ 1,031,008	\$ -		\$ 1,031,008
9	2029	\$ 285,000	5.50%	\$ 645,150	\$ 930,150	\$ 41,828	\$ 58,650	\$ 1,030,628	\$ -		\$ 1,030,628
10	2030	\$ 300,000	5.50%	\$ 629,475	\$ 929,475	\$ 42,665	\$ 57,225	\$ 1,029,365	\$ -		\$ 1,029,365
11	2031	\$ 315,000	5.50%	\$ 612,975	\$ 927,975	\$ 43,518	\$ 55,725	\$ 1,027,218	\$ -		\$ 1,027,218
12	2032	\$ 330,000	5.50%	\$ 595,650	\$ 925,650	\$ 44,388	\$ 54,150	\$ 1,024,188	\$ -		\$ 1,024,188
13	2033	\$ 360,000	5.50%	\$ 577,500	\$ 937,500	\$ 45,276	\$ 52,500	\$ 1,035,276	\$ -		\$ 1,035,276
14	2034	\$ 375,000	5.50%	\$ 557,700	\$ 932,700	\$ 46,182	\$ 50,700	\$ 1,029,582	\$ -		\$ 1,029,582
15	2035	\$ 390,000	5.50%	\$ 537,075	\$ 927,075	\$ 47,105	\$ 48,825	\$ 1,023,005	\$ -		\$ 1,023,005
16	2036	\$ 420,000	5.50%	\$ 515,625	\$ 935,625	\$ 48,047	\$ 46,875	\$ 1,030,547	\$ -		\$ 1,030,547
17	2037	\$ 435,000	5.50%	\$ 492,525	\$ 927,525	\$ 49,008	\$ 44,775	\$ 1,021,308	\$ -		\$ 1,021,308
18	2038	\$ 465,000	5.50%	\$ 468,600	\$ 933,600	\$ 49,989	\$ 42,600	\$ 1,026,189	\$ -		\$ 1,026,189
19	2039	\$ 495,000	5.50%	\$ 443,025	\$ 938,025	\$ 50,988	\$ 40,275	\$ 1,029,288	\$ -		\$ 1,029,288
20	2040	\$ 525,000	5.50%	\$ 415,800	\$ 940,800	\$ 52,008	\$ 37,800	\$ 1,030,608	\$ -		\$ 1,030,608
21	2041	\$ 540,000	5.50%	\$ 386,925	\$ 926,925	\$ 53,048	\$ 35,175	\$ 1,015,148	\$ -		\$ 1,015,148
22	2042	\$ 570,000	5.50%	\$ 357,225	\$ 927,225	\$ 54,109	\$ 32,475	\$ 1,013,809	\$ -		\$ 1,013,809
23	2043	\$ 615,000	5.50%	\$ 325,875	\$ 940,875	\$ 55,191	\$ 29,625	\$ 1,025,691	\$ -		\$ 1,025,691
24	2044	\$ 645,000	5.50%	\$ 292,050	\$ 937,050	\$ 56,295	\$ 26,550	\$ 1,019,895	\$ -		\$ 1,019,895
25	2045	\$ 675,000	5.50%	\$ 256,575	\$ 931,575	\$ 57,421	\$ 23,325	\$ 1,012,321	\$ -		\$ 1,012,321
26	2046	\$ 720,000	5.50%	\$ 219,450	\$ 939,450	\$ 58,570	\$ 19,950	\$ 1,017,970	\$ -		\$ 1,017,970
27	2047	\$ 750,000	5.50%	\$ 179,850	\$ 929,850	\$ 59,741	\$ 16,350	\$ 1,005,941	\$ -		\$ 1,005,941
28	2048	\$ 795,000	5.50%	\$ 138,600	\$ 933,600	\$ 60,936	\$ 12,600	\$ 1,007,136	\$ -		\$ 1,007,136
29	2049	\$ 840,000	5.50%	\$ 94,875	\$ 934,875	\$ 62,155	\$ 8,625	\$ 1,005,655	\$ -		\$ 1,005,655
30	2050	\$ 885,000	5.50%	\$ 48,675	\$ 933,675	\$ 63,398	\$ 4,425	\$ 1,001,498	\$ -		\$ 1,001,498
Total		\$ 13,365,000	5.50%	\$ 14,671,326	\$ 28,036,326	\$ 1,448,280	\$ 1,310,925	\$ 30,795,531	\$ (618,688)	\$ -	\$ 30,176,843

Footnotes:

- [a] For illustration purposes only. Actual amount to be determined at time bonds are issued.
 [b] Assumes year 0 administrative expenses are included in the cost of issuance.
 [c] Assumes capitalized interest through the March 2021 interest payment.

Whisper
Exhibit B-2
Detailed Bond Sizing Analysis - IA 2 (Business Park)
2/27/2020

DRAFT

	Year Ending 9/1	Principal	Interest Rate [a]	Annual Interest	Principal & Interest	Admin Expense [b]	0.00% Additional Interest	Subtotal	Capitalized Interest [c]	Reserve Fund	Annual PID Installment
1	2021	\$ 13,000	5.50%	\$ 50,930	\$ 63,930	\$ -	\$ -	\$ 63,930	\$ -		\$ 63,930
2	2022	\$ 13,000	5.50%	\$ 50,215	\$ 63,215	\$ -	\$ -	\$ 63,215	\$ -		\$ 63,215
3	2023	\$ 14,000	5.50%	\$ 49,500	\$ 63,500	\$ -	\$ -	\$ 63,500	\$ -		\$ 63,500
4	2024	\$ 15,000	5.50%	\$ 48,730	\$ 63,730	\$ -	\$ -	\$ 63,730	\$ -		\$ 63,730
5	2025	\$ 16,000	5.50%	\$ 47,905	\$ 63,905	\$ -	\$ -	\$ 63,905	\$ -		\$ 63,905
6	2026	\$ 17,000	5.50%	\$ 47,025	\$ 64,025	\$ -	\$ -	\$ 64,025	\$ -		\$ 64,025
7	2027	\$ 18,000	5.50%	\$ 46,090	\$ 64,090	\$ -	\$ -	\$ 64,090	\$ -		\$ 64,090
8	2028	\$ 19,000	5.50%	\$ 45,100	\$ 64,100	\$ -	\$ -	\$ 64,100	\$ -		\$ 64,100
9	2029	\$ 20,000	5.50%	\$ 44,055	\$ 64,055	\$ -	\$ -	\$ 64,055	\$ -		\$ 64,055
10	2030	\$ 21,000	5.50%	\$ 42,955	\$ 63,955	\$ -	\$ -	\$ 63,955	\$ -		\$ 63,955
11	2031	\$ 22,000	5.50%	\$ 41,800	\$ 63,800	\$ -	\$ -	\$ 63,800	\$ -		\$ 63,800
12	2032	\$ 23,000	5.50%	\$ 40,590	\$ 63,590	\$ -	\$ -	\$ 63,590	\$ -		\$ 63,590
13	2033	\$ 24,000	5.50%	\$ 39,325	\$ 63,325	\$ -	\$ -	\$ 63,325	\$ -		\$ 63,325
14	2034	\$ 26,000	5.50%	\$ 38,005	\$ 64,005	\$ -	\$ -	\$ 64,005	\$ -		\$ 64,005
15	2035	\$ 27,000	5.50%	\$ 36,575	\$ 63,575	\$ -	\$ -	\$ 63,575	\$ -		\$ 63,575
16	2036	\$ 29,000	5.50%	\$ 35,090	\$ 64,090	\$ -	\$ -	\$ 64,090	\$ -		\$ 64,090
17	2037	\$ 30,000	5.50%	\$ 33,495	\$ 63,495	\$ -	\$ -	\$ 63,495	\$ -		\$ 63,495
18	2038	\$ 32,000	5.50%	\$ 31,845	\$ 63,845	\$ -	\$ -	\$ 63,845	\$ -		\$ 63,845
19	2039	\$ 34,000	5.50%	\$ 30,085	\$ 64,085	\$ -	\$ -	\$ 64,085	\$ -		\$ 64,085
20	2040	\$ 35,000	5.50%	\$ 28,215	\$ 63,215	\$ -	\$ -	\$ 63,215	\$ -		\$ 63,215
21	2041	\$ 37,000	5.50%	\$ 26,290	\$ 63,290	\$ -	\$ -	\$ 63,290	\$ -		\$ 63,290
22	2042	\$ 39,000	5.50%	\$ 24,255	\$ 63,255	\$ -	\$ -	\$ 63,255	\$ -		\$ 63,255
23	2043	\$ 41,000	5.50%	\$ 22,110	\$ 63,110	\$ -	\$ -	\$ 63,110	\$ -		\$ 63,110
24	2044	\$ 44,000	5.50%	\$ 19,855	\$ 63,855	\$ -	\$ -	\$ 63,855	\$ -		\$ 63,855
25	2045	\$ 46,000	5.50%	\$ 17,435	\$ 63,435	\$ -	\$ -	\$ 63,435	\$ -		\$ 63,435
26	2046	\$ 49,000	5.50%	\$ 14,905	\$ 63,905	\$ -	\$ -	\$ 63,905	\$ -		\$ 63,905
27	2047	\$ 51,000	5.50%	\$ 12,210	\$ 63,210	\$ -	\$ -	\$ 63,210	\$ -		\$ 63,210
28	2048	\$ 54,000	5.50%	\$ 9,405	\$ 63,405	\$ -	\$ -	\$ 63,405	\$ -		\$ 63,405
29	2049	\$ 57,000	5.50%	\$ 6,435	\$ 63,435	\$ -	\$ -	\$ 63,435	\$ -		\$ 63,435
30	2050	\$ 60,000	5.50%	\$ 3,300	\$ 63,300	\$ -	\$ -	\$ 63,300	\$ -		\$ 63,300
Total		\$ 926,000	5.50%	\$ 983,730	\$ 1,909,730	\$ -	\$ -	\$ 1,909,730	\$ -	\$ -	\$ 1,909,730

Footnotes:

- [a] For illustration purposes only. Actual amount to be determined at time bonds are issued.
 [b] Assumes year 0 administrative expenses are included in the cost of issuance.
 [c] Assumes capitalized interest through the March 2021 interest payment.

**Whisper
Exhibit C
SAP Exhibit C - Authorized Improvements
2/27/2020**

Description	IA 1	IA 2 (Business Park)	Total [a]
A. Allocation Determination:			
Estimated Buildout Value	\$ 606,830,000	\$ 51,094,800	\$ 657,924,800
Eligible Cost Allocation	92.23%	7.77%	100.00%
B. PID Eligible Costs:			
Road A	\$ 5,704,948	\$ 480,354	\$ 6,185,301
Road B	2,384,734	200,793	2,585,528
Lift Station and Waste Water Line D	263,555	22,191	285,746
Road C	2,499,880	210,489	2,710,369
Offsite Waste Water Line B	291,229	24,521	315,750
Subtotal - Hard Costs	\$ 11,144,346	\$ 938,349	\$ 12,082,694
Construction Management Fee @ 4% [b]	445,774	37,534	483,308
Total - Hard Costs	\$ 11,590,119	\$ 975,883	\$ 12,566,002
Soft Costs	760,099	64,000	824,099
Subtotal	\$ 12,350,218	\$ 1,039,883	\$ 13,390,101
Less: Roadway Infrastructure Reimbursement from City [c]	\$ (1,468,993)	\$ (123,689)	\$ (1,592,682)
Total Eligible Costs	\$ 10,881,225	\$ 916,194	\$ 11,797,419
C. District Formation and Bond Issuance Costs: [d]			
Debt Service Reserve Fund	\$ 940,875	\$ -	\$ 940,875
Capitalized Interest	618,688	-	618,688
Underwriter Discount	400,950	-	400,950
Cost of Issuance	935,550	-	935,550
PID Creation Costs	92,234	7,766	100,000
First Year Annual Collection Costs	32,282	2,718	35,000
Total Formation and Bond Issuance Costs	\$ 3,020,579	\$ 10,484	\$ 3,031,063
Total	\$ 13,901,804	\$ 926,678	\$ 14,828,482

Footnotes:

[a] Per cost information provided by developer.

[b] Per Exhibit A of the Financing Agreement.

[c] Per discussion with developer, represents roadway cost reimbursements from the City.

[d] For illustration purposes only. Actual amount to be determined. Assumes IA 2 prepays the assessments.

Whisper
Exhibit D
SAP Exhibit D - Five Year Service Plan
2/27/2020

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Improvement Area #1					
Description	Installments Due [a]				
	1/31/2021	1/31/2022	1/31/2023	1/31/2024	1/31/2025
Principal	\$ -	\$ 195,000	\$ 210,000	\$ 225,000	\$ 240,000
Interest	735,075	735,075	724,350	712,800	700,425
Capitalized Interest	(367,538)	-	-	-	-
Subtotal	\$ 367,538	\$ 930,075	\$ 934,350	\$ 937,800	\$ 940,425
Annual Collection Costs	35,700	36,414	37,142	37,885	38,643
Additional Interest Reserve	66,825	66,825	65,850	64,800	63,675
Total Annual Installment	\$ 470,063	\$ 1,033,314	\$ 1,037,342	\$ 1,040,485	\$ 1,042,743

Improvement Area #2 (Business Park)					
Description	Installments Due [b]				
	1/31/2021	1/31/2022	1/31/2023	1/31/2024	1/31/2025
Principal	\$ 13,000	\$ 13,000	\$ 14,000	\$ 15,000	\$ 16,000
Interest	50,930	50,215	49,500	48,730	47,905
Capitalized Interest	-	-	-	-	-
Subtotal	\$ 63,930	\$ 63,215	\$ 63,500	\$ 63,730	\$ 63,905
Annual Collection Costs	-	-	-	-	-
Additional Interest Reserve	-	-	-	-	-
Total Annual Installment	\$ 63,930	\$ 63,215	\$ 63,500	\$ 63,730	\$ 63,905

Footnotes:

[a] Assumes the September 2020 interest payment will be funded at bond issuance through capitalized interest.

[b] It is anticipated the Improvement Area #2 assessments will be prepaid.

**Whisper
Exhibit E
SAP Exhibit E - Sources and Uses
2/27/2020**

DRAFT

Description	IA 1	IA 2 (Business Park)
A. Sources of Funds:		
Improvement Area #1 Bond Par	\$ 13,365,000	
Improvement Area #2 Reimbursement Obligation		\$ 926,000
Owner Contribution	536,804	678
Total Sources	\$ 13,901,804	\$ 926,678
B. Uses of Funds:		
Major Improvements	\$ 10,881,225	\$ 916,194
District Formation and Bond Issuance Costs:		
Debt Service Reserve Fund	\$ 940,875	\$ -
Capitalized Interest	618,688	-
Underwriter Discount	400,950	-
Cost of Issuance	935,550	-
PID Creation Costs	92,234	7,766
First Year Annual Collection Costs	32,282	2,718
Subtotal	\$ 3,020,579	\$ 10,484
Total Uses	\$ 13,901,804	\$ 926,678

**Whisper
Exhibit F
SAP Exhibit F and Exhibit H Assessment Roll
2/27/2020**

DRAFT

SAP Exhibit F: Improvement Area #1 Assessment Roll					
Owner	Map Parcel No.	Existing Property ID	Acreage	Outstanding Assessment [d]	Annual Installment Due 1/31/21 [d]
Yarrington Partners, Ltd.	1 2	R16595	115.686 [e]	\$ 2,144,752	\$ 75,260
Whisper Industrial 2019 QOZB, LLC	3B	R16597 [a]	16.560 [f]	\$ 347,450	\$ 12,192
135 Residential Development, LLC	6	R16597 [a]	130.641 [g]	\$ 2,866,032	\$ 100,570
Whisper Master Community Limited Partnership (Improvement Area # 1 Initial Parcel)	3A	R149611 [b]	390.997 [h]	\$ 7,656,765	\$ 268,677
	4A, 4B, 4C	R16592 [b]			
	5	R16597 [b]			
	7A	R16599 [b]			
		R11610 [b]			
Total			653.884	\$ 13,015,000	\$ 456,699

SAP Exhibit H: Improvement Area #2 Assessment Roll					
Owner	Map Parcel No.	Existing Property ID	Acreage	Outstanding Assessment	Annual Installment Due 1/31/21
Whisper Master Community Limited Partnership (Improvement Area # 2 Initial Parcel)	7B	R149611 [c] R16592 [c]	51.969 [i]	\$ 1,260,000	\$ 84,300
Total			51.969	\$ 1,260,000	\$ 84,300

Total			705.853 [j]	\$ 14,275,000	\$ 540,999
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Footnotes:

- [a] Property sold to owner in 2019. Client to obtain a separate Property ID.
 [b] Property to be defined as the Improvement Area #1 Initial Parcel in the SAP.
 [c] Metes and Bounds has been prepared. Client to obtain a separate Property ID.
 [d] Amounts subject to change based on actual bond pricing.
 [e] Per the Warranty Deed recorded 4/12/2016. 85.81 acres of the 201.496 property was sold to Whisper Master Community. (201.496-85.81=115.686)
 [f] Per the Special Warranty Deed recorded 12/31/2019.
 [g] Per the Warranty Deed dated 4/29/2019.
 [h] Calculated as the difference between the total PID acreage and the remaining acreage in IA 1 and IA 2.
 [i] Per the Metes and Bounds prepared by Pape Dawson dated 11/27/2019.
 [j] Per the PID creation resolution.

Record ID	1749
Property Type	Raw Land, Residential
Property Name	Vacant Land - Opal Lane
Address	North of RR between Opal, Kyle, Hays County, Texas 78640
Tax ID	R18895
MSA	Austin-Round Rock

Grantor	Wyatt Driskell Estate
Grantee	Paramount Park Ltd.
Sale Date	April 17, 2018
Deed Book/Page	18013402
Property Rights	Fee Simple
Marketing Time	N/A
Conditions of Sale	Arm's Length
Financing	Cash to Seller
Deed Name	18013402
Verification	Broker

Sale Price	\$4,000,000
Cash Equivalent	\$4,000,000

Topography	Generally Level
Utilities	Water, electric
Shape	Irregular
Landscaping	None

Res. Land Sale No. 1 (Cont.)

Parking	None
Rail Service	None
Fencing	None
Flood Info	FEMA 48209C0385F; Zone X

Land Size Information

Gross Land Size	170.876 Acres or 7,443,359 SF
Front Footage	Roland Lane ; Opal Lane;

Indicators

Sale Price/Gross Acre	\$23,409
Sale Price/Gross SF	\$0.54

Legal Description

Abstract 473, Kyle, Hays County, Texas

Remarks

Res. Land Sale No. 2

**Property Identification**

Record ID	1750
Property Type	Raw Land, Residential
Property Name	Vacant Land - Carpenter Road
Address	Carpenter Road, Manchaca, Hays County, Texas 78652
Tax ID	R10169
MSA	Austin-Round Rock

Sale Data

Grantor	John H. Rodgers
Grantee	Driftwood Land Co.
Sale Date	August 16, 2017
Deed Book/Page	17029156
Property Rights	Fee Simple
Marketing Time	180 days
Conditions of Sale	Arm's Length
Financing	Cash to Seller
Deed Name	17029156
Verification	Broker

Sale Price	\$4,400,000
Cash Equivalent	\$4,400,000

Land Data

Topography	Gently rolling
Utilities	Water, electric
Shape	Irregular
Landscaping	None

Res. Land Sale No. 2 (Cont.)

Parking	None
Rail Service	None
Fencing	None
Flood Info	FEMA 48209C0145F; Zone X

Land Size Information

Gross Land Size	275.000 Acres or 11,979,000 SF
Front Footage	Carpenter Road;

Indicators

Sale Price/Gross Acre	\$16,000
Sale Price/Gross SF	\$0.37

Legal Description

Out of Abs 1, 12 & 524, Manchaca, Hays County, Texas

Remarks

Res. Land Sale No. 3

**Property Identification**

Record ID	1751
Property Type	Vacant Land, Residential
Property Name	Vacant Land - Old Bastrop Highway
Address	Old Bastrop Highway, San Marcos, Hays County, Texas 78666
Tax ID	R16884
MSA	Austin-Round Rock

Sale Data

Grantor	Sun Belt Lands
Grantee	River Hills Custom Homes
Sale Date	July 10, 2018
Deed Book/Page	18024664
Property Rights	Fee Simple
Marketing Time	319 days
Conditions of Sale	Arm's Length
Financing	Cash to Seller
Deed Name	18024664
Verification	Broker

Sale Price	\$1,720,000
Cash Equivalent	\$1,720,000

Land Data

Topography	Generally level
Utilities	Electric & water
Shape	Rectangular
Landscaping	None

Res. Land Sale No. 3 (Cont.)

Parking	None
Rail Service	None
Fencing	None
Flood Info	FEMA 48055C0200E; Zone X

Land Size Information

Gross Land Size	72.850 Acres or 3,173,346 SF
Front Footage	2,185 ft Old Bastrop Highway;

Indicators

Sale Price/Gross Acre	\$23,610
Sale Price/Gross SF	\$0.54

Legal Description

Out of Abs. 356, Tr. 1, J. Owens Survey, San Marcos, Hays County, Texas

Remarks

Res. Land Sale No. 4

**Property Identification**

Record ID	1752
Property Type	Vacant Land, Residential
Property Name	Vacant Land - Old Stagecoach Road
Address	Old Stagecoach Road, Kyle, Hays County, Texas 78640
Tax ID	R16927
MSA	Austin-Round Rock

Sale Data

Grantor	Karla & Elaine Pfennig
Grantee	1200 S Old Stagecoach Rd LLC
Sale Date	September 18, 2017
Deed Book/Page	17032459
Property Rights	Fee Simple
Marketing Time	90 days
Conditions of Sale	Arm's Length
Financing	Cash to Seller
Deed Name	17032459
Verification	Broker

Sale Price	\$2,200,000
Cash Equivalent	\$2,200,000

Land Data

Topography	Generally level
Utilities	Electric, water
Shape	Irregular
Landscaping	None

Res. Land Sale No. 4 (Cont.)

Parking	None
Rail Service	None
Fencing	None
Flood Info	FEMA 48209C0385F; Zone X

Land Size Information

Gross Land Size	77.16 Acres or 3,361,090 SF
Front Footage	Old Stagecoach Road

Indicators

Sale Price/Gross Acre	\$28,512
Sale Price/Gross SF	\$0.65

Legal Description

Out of Abs. 361, J. Pharass Survey, Kyle, Hays County, Texas

Remarks

Comm. Pending Land Sale No. 1

**Property Identification**

Record ID	1818
Property Type	Commercial Land, Mix-Use Land
Property Name	Vacant Land
Address	SEC Fortuna Blvd. & C.R. 159, San Marcos, Hays County, Texas 78666
Tax ID	R149611, R16592
MSA	Austin-San Marcos
Market Type	Commercial

Sale Data

Grantor	Whisper Master Community, Ltd.
Grantee	US Real Estate Ltd. Partnership
Property Rights	Fee Simple
Marketing Time	N/A
Conditions of Sale	Arm's Length
Financing	Cash to Seller
Verification	Broker

Contract Price	\$4,354,258
Cash Equivalent	\$4,354,258
Upward Adjustment	\$1,041,090 PID Assessment
Adjusted Price	\$5,395,350

Land Data

Zoning	FD,ETJ, Planned Development District
Topography	Generally level

Comm. Pending Land Sale No. 1 (Cont.)

Utilities	All available
Shape	Rectangular
Landscaping	Row crops
Parking	None
Rail Service	None
Fencing	None
Flood Info	FEMA 48209C0415F, 48209C0392F; Zone X

Land Size Information

Gross Land Size	51.969 Acres or 2,263,770 SF
Front Footage	1,300 ft Fortuna; 1,938 ft C.R. 159

Indicators

Sale Price/Gross Acre	\$83,786 Actual or \$103,819 Adjusted
Sale Price/Gross SF	\$1.92 Actual or \$2.38 Adjusted

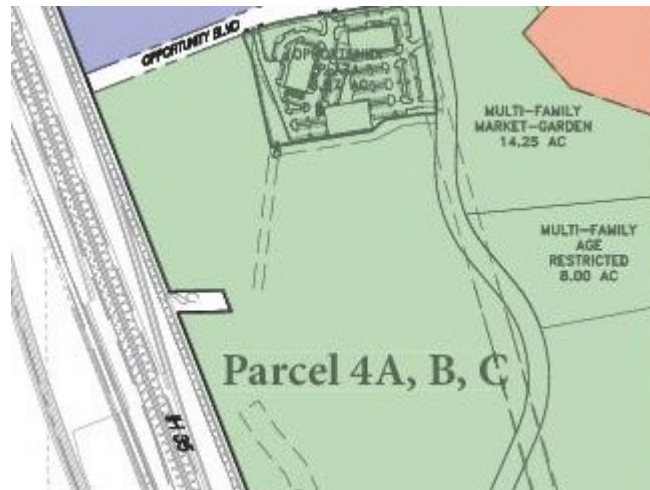
Legal Description

51.969 Acres out of portion 85.81 and portion 99.80, City of San Marcos, Hays County, Texas

Remarks

Is situated in a Public Improvement District known as the Whisper PID, which will include street improvements as well as utility extensions and infrastructure. The tract has a PID assessment equal to \$20,021 per acre.

Comm. Pending Land Sale No. 2

**Property Identification**

Record ID	1819
Property Type	Raw Land, Mix-Use Land
Property Name	Vacant Land
Address	SEC Opportunity Blvd. at Prop. Flustern Rd., San Marcos, Hays County, Texas 78666
Tax ID	R16597
MSA	Austin-San Marcos
Market Type	Commercial

Sale Data

Grantor	Whisper Master Community Ltd.
Grantee	Whisper Apartments 1 LLC
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to seller
Verification	Broker

Contract Price	\$2,638,104
Cash Equivalent	\$2,638,104
Upward Adjustment	\$1,055,240 PID Assessment
Adjusted Price	\$3,693,345

Land Data

Zoning	FD, Planned Unit Development
Topography	Generally Level
Utilities	All available
Shape	Irregular
Landscaping	Mature trees, grass, dirt
Parking	None
Rail Service	None

Comm. Pending Land Sale No. 2 (Cont.)

Fencing None
Flood Info FEMA 48209C0392F; Zone X

Land Size Information

Gross Land Size 14.250 Acres or 620,730 SF
Front Footage SS Opportunity Blvd; ES Proposed Roadway

Indicators

Sale Price/Gross Acre \$185,130 Actual or \$259,182 Adjusted
Sale Price/Gross SF \$4.25 Actual or \$5.95 Adjusted

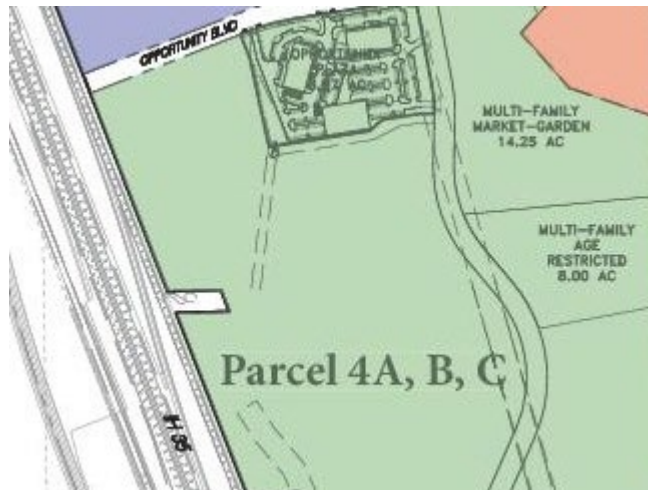
Legal Description

14.25 Acres out of portion 318.105, City of San Marcos, Hays County, Texas

Remarks

This site is part of the Whisper PID and will benefit from the Whisper P.I.D. The site includes a PID assessment equal to \$1.70 per square foot of land area or a total amount of \$1,055,241.

Comm. Pending Land Sale No. 3

**Property Identification**

Record ID	1820
Property Type	Raw Land, Mix-Use Land
Property Name	Vacant Land
Address	Prop. Flustern Road just south of Opportunity Blvd., San Marcos, Hays County, Texas 78666
Tax ID	R16597
MSA	Austin-San Marcos

Sale Data

Grantor	Whisper Master Community Ltd.
Grantee	Mission DG Ltd.
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to seller
Verification	Broker

Contract Price	\$1,672,704
Cash Equivalent	\$1,672,704
Upward Adjustment	\$592,416 PID Assessment

Land Data

Zoning	FD, Professional Office
Topography	Generally level
Utilities	All available
Shape	Rectangular
Landscaping	Grass, dirt
Parking	None
Rail Service	None
Fencing	None
Flood Info	FEMA 48209C0392F; Zone X

Comm. Pending Land Sale No. 3 (Cont.)**Land Size Information**

Gross Land Size	8.000 Acres or 348,480 SF
Front Footage	ES Proposed Flustern Road

Indicators

Sale Price/Gross Acre	\$209,088
Sale Price/Gross SF	\$4.80

Legal Description

See remarks

Remarks

This sale is located in the Whisper Public Improvement District. It is proposed for development with an age restricted multi-family apartment complex. All streets, infra-structure, utilities, etc. will be provided by the PID. This site has a PID assessment of \$1.70 per square foot or \$592,416.

Purchaser acknowledges, that in no event will the plat be recorded prior to closing, and that the legal description contained in the Deed shall be the metes and bounds description contained in the updated survey approved by seller.

Comm. Land Sale No. 4

**Property Identification**

Record ID	1821
Property Type	Vacant Land
Property Name	Vacant Land SE/S IH-35 south of Wiederstein Rd
Address	17730 IH 35, Cibolo, Guadalupe County, Texas 78108
Tax ID	70491
MSA	San Antonio-New Braunfels

Sale Data

Grantor	RLDL Properties, Ltd.
Grantee	Babcock Road 165, Ltd.
Sale Date	March 01, 2018
Deed Book/Page	2018-99004043
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to Seller
Verification	Broker

Sale Price	\$7,500,000
Cash Equivalent	\$7,500

Land Data

Zoning	PUD
Topography	Gently rolling
Utilities	Electric, water, tel.
Shape	Irregular
Landscaping	Mature trees, grass

Comm. Land Sale No. 4 (Cont.)

Parking	None
Rail Service	None
Fencing	Partial
Flood Info	FEMA 48187C0210F; Zone X

Land Size Information

Gross Land Size	35.841 Acres or 1,561,234 SF
Front Footage	IH 35

Indicators

Sale Price/Gross Acre	\$209,258
Sale Price/Gross SF	\$4.80

Legal Description

John Saladin Survey, Abstract 299, Cibolo, Guadalupe County, Texas

Remarks

None

Comm. Land Sale No. 5

**Property Identification**

Record ID	1822
Property Type	Vacant Land, Mix-Use Land
Property Name	Vacant Land IH-35 north of Wiederstein
Address	IH-35 N, Schertz, Guadalupe County, Texas 78154
Tax ID	171720
MSA	San Antonio-New Braunfels

Sale Data

Grantor	Five Star Properties, LLC
Grantee	1290 Entertainment, LLC
Sale Date	May 02, 2018
Deed Book/Page	2018-99009535
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to Seller
Verification	Broker

Sale Price	\$5,024,410
Cash Equivalent	\$5,024,410

Land Data

Zoning	GB, General Business
Topography	Generally level
Utilities	Electric, water, tel.
Shape	Irregular
Landscaping	General brush

Comm. Land Sale No. 5 (Cont.)

Parking	None
Rail Service	None
Fencing	Barbed wire
Flood Info	FEMA 48187C0210F; Zone X

Land Size Information

Gross Land Size	17.437 Acres or 759,556 SF
Front Footage	IH 35 North

Indicators

Sale Price/Gross Acre	\$288,146
Sale Price/Gross SF	\$6.61

Legal Description

Lot 1, Wiederstein Ranch, Schertz, Guadalupe County, Texas

Remarks

This site was developed with EVO Entertainment Complex.

Comm. Land Sale No. 6

**Property Identification**

Record ID	1823
Property Type	Vacant Land, Commercial
Property Name	Vacant Land - I-35 at Cibolo Crossing
Address	18124 IH-35 N, Cibolo, Guadalupe County, Texas 78108
Tax ID	171721
MSA	San Antonio-New Braunfels

Sale Data

Grantor	Babcock Road 165, Ltd.
Grantee	Santikos Cibolo Theater Realty, Ltd.
Sale Date	May 08, 2018
Deed Book/Page	2018-99009859
Property Rights	Fee Simple
Conditions of Sale	Arm's Length
Financing	Cash to Seller
Verification	Broker

Sale Price	\$2,584,162
Cash Equivalent	\$2,584,162

Land Data

Zoning	C1, Commercial
Topography	Gently sloping
Utilities	Electric, tel.
Shape	Irregular
Landscaping	Grass, dirt

Comm. Land Sale No. 6 (Cont.)

Parking	None
Rail Service	None
Fencing	Barbed wire
Flood Info	FEMA 48187C0210F; Zone X

Land Size Information

Gross Land Size	9.368 Acres or 408,070 SF
Front Footage	IH-35 N; Cibolo Crossing

Indicators

Sale Price/Gross Acre	\$275,850
Sale Price/Gross SF	\$6.33

Legal Description

Lot 1, Block 1, Cibolo Crossing Commercial Phase 1, Cibolo, Guadalupe County, Texas

Remarks

None