A MARKET VALUATION OF:

The Reserves at Maplewood Phase II Development Site
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THE RESERVES AT MAPLEWOOD PHASE II DEVELOPMENT SITE

Located at the Eastern Terminus of Maplewood Avenue
Wichita Falls, Wichita, Texas 76308

Effective Date: December 21, 2017
Report Date: January 8, 2018

Prepared For:

OPG Maplewood Partners II, LLC
5345 W. 151st Terrace
Leawood, KS 66224

And

Texas Department of Housing & Community Development (TDHCA)
221 East 11th Street
Austin, TX 78701

Prepared By:

Novogradac & Company LLP
6700 Antioch Road, Suite 450
Merriam, Kansas 66204
913.677.4600
January 8, 2018

Sally Roth
OPG Maplewood Partners II, LLC
5345 W. 151st Terrace
Leawood, KS 66224

And

Texas Department of Housing & Community Development (TDHCA)
221 East 11th Street
Austin, TX 78701

Re: As Is Value of the The Reserves at Maplewood Phase II development site
Located at the Eastern Terminus of Maplewood Avenue
Wichita Falls, Texas 76308

Dear Ms. Roth:

We are pleased to present our findings with respect to the value of the above-referenced property, The Reserves at Maplewood Phase II ("Subject") development site. As requested, we provided our opinion of the fee simple as is market value of the site.

OPG Maplewood Partners II, LLC is the client in this engagement. We understand that they will use this document for submission to TDHCA to obtain Low Income Housing Tax Credit (LIHTCs). Intended users are those transaction participants who are interested parties and have knowledge of the Section 42 LIHTC program. These could include local housing authorities and agencies, state allocating agencies, state lending authorities, LIHTC construction and permanent lenders, and LIHTC syndicators. As our client, OPG Maplewood Partners II, LLC own this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential users under a separate agreement.

This valuation engagement was conducted in accordance with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which standards incorporate the Uniform Standards of Professional Appraisal Practice (USPAP). Novogradac & Company has performed no valuation or market study services with regard to the Subject property within the three-year period immediately preceding acceptance of this assignment.

This report is intended to comply with the reporting requirements set forth under Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it presents limited discussions of the data, reasoning, and analyses that were used. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser’s work file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use as noted herein.
The authors of this report certify that we are not part of the development team, owner of the Subject property, general contractor, nor are we affiliated with any member of the development team engaged in the development of the Subject property or the development’s partners or intended partners.

We have read and understand the requirements of section 10.304 of the TDHCA 2018 Real Estate Rules and Guidelines.

As a result of our investigation and analysis, it our opinion that, subject to the limiting conditions and assumptions contained herein, the estimated as is value of the site, of the fee simple interest, as of December 21, 2017, is:

**TWO HUNDRED TWENTY THOUSAND DOLLARS**

($220,000)

Please refer to the complete Assumptions and Limiting Conditions in the Addenda of this report.

Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac & Company LLP can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully Submitted,
Novogradac & Company LLP

Rebecca S. Arthur, MAI
Partner
Rebecca.arthur@novoco.com
Texas Certified General Real Estate Appraiser TX 1338818
# Table of Contents

I. Introduction ........................................................................................................................................................................ 1  
II. Area Description and Analysis ........................................................................................................................................ 4  
   Primary Market Area .......................................................................................................................................................... 6  
   Economic Analysis .............................................................................................................................................................. 7  
   Neighborhood Description and Analysis .................................................................................................................................. 11  
III. Demographic Trends .......................................................................................................................................................... 17  
IV. Property Description ............................................................................................................................................................ 24  
V. Highest and Best Use ............................................................................................................................................................ 28  
   Highest and Best Use As Is .................................................................................................................................................. 30  
VI. Appraisal Methodology ........................................................................................................................................................ 31  
VII. Sales Comparison Approach ............................................................................................................................................... 33  

Addendum A Assumptions and Limiting Conditions, Certification  
Addendum B Qualifications of Consultants  
Addendum C Subject Photos  
Addendum D Purchase Agreement  
Addendum E Site Plans
I. INTRODUCTION
INTRODUCTION

Property Identification
The Subject is a proposed affordable development to be located at the eastern terminus of Maplewood Avenue, located adjacent to the east of The Reserves at Maplewood Apartments Phase I, the first phase of the Subject development, in Wichita Falls, Wichita County, Texas 76308. It should be noted that Maplewood Avenue currently stops at the western boundary of the Subject site and continues just east of the Subject site, but will be extended during the construction of the Subject and will traverse along the northern boundary of the Subject site. According to the developer, the site is approximately 2.67 acres and is identified as a portion of Assessor Parcel Number: 07200171300.

Legal Description
The Subject site consists of a parcel that totals 2.67 acres and is identified as a portion of parcel number 07200171300. The site plan and boundaries has been included in Addendum D.

Ownership History
The current owner of the Subject site is Overland Property Group Land Development LLC. The property has not been transferred in the last three years.

Intended Use and User of the Appraisal
OPG Maplewood Partners II, LLC is the client in this engagement. We understand that they will use this document for submission to TDHCA to obtain LIHTC’S. Intended users are those transaction participants who are interested parties and have knowledge of the Section 42 LIHTC program. These could include local housing authorities and agencies, state allocating agencies, state lending authorities, LIHTC construction and permanent lenders, and LIHTC syndicators. As our client, OPG Maplewood Partners II, LLC own this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential users under a separate agreement.

Scope of Appraisal
As part of this appraisal, we have completed the following steps to gather, confirm, and analyze the data:

- Analyze and detail comparable land sales as appropriate.
- Consider and develop the sales comparison approach.
- Analyze collected data and synthesize information into appropriate value estimates.
- Prepare and complete narrative appraisal in summary report format of the fee simple interest. The report will conform to the generally accepted appraisal standards as evidenced by the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board (ASB) and the Appraisal Foundation, as well as the Appraisal Institute.

This report involves a complete appraisal of the subject and conforms to the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP) and the Appraisal Institute. The sales comparison approach to value has been considered in this appraisal.
Definition of Market Value
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 are the consummation of sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

Compliance and Competency Provision
The appraiser is aware of the compliance and competency provisions of USPAP, and within our understanding of those provisions, this report complies with all mandatory requirements, and the authors of this report possess the education, knowledge, technical skills, and practical experience to complete this assignment competently, in conformance with the stated regulations.

Unavailability of Information
In general, all information necessary to develop an estimate of value of the Subject property was available to the appraisers.

1 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990
II. AREA DESCRIPTION AND ANALYSIS
AREA DESCRIPTION AND ANALYSIS

The Subject is located in Wichita Falls, Wichita County, Texas, in the Wichita Falls, TX (MSA), consisting of Archer, Clay, and Wichita Counties in Texas. A map of the region is detailed below.
Primary Market Area

The primary market area (PMA) for the Subject generally consists of the cities of Wichita Falls, Pleasant Valley, Lakeside City, the eastern portion of Iowa Park, and the eastern portion of Holliday.

Novogradac & Company LLP obtained economic information from the Bureau of Labor Statistics and ESRI Demographics, a national data proprietor. These data sources are considered to be the most reliable and current.
ECONOMIC ANALYSIS

Employment by Industry

The following table illustrates employment by industry for the PMA and the nation as of 2017.

### 2017 EMPLOYMENT BY INDUSTRY

<table>
<thead>
<tr>
<th>Industry</th>
<th>PMA</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number Employed</td>
<td>Number Employed</td>
</tr>
<tr>
<td></td>
<td>Percent Employed</td>
<td>Percent Employed</td>
</tr>
<tr>
<td>Healthcare/Social Assistance</td>
<td>7,751</td>
<td>21,941,435</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>5,136</td>
<td>17,038,977</td>
</tr>
<tr>
<td>Accommodation/Food Services</td>
<td>3,900</td>
<td>12,036,513</td>
</tr>
<tr>
<td>Educational Services</td>
<td>3,588</td>
<td>14,390,707</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>3,039</td>
<td>15,589,157</td>
</tr>
<tr>
<td>Public Administration</td>
<td>2,556</td>
<td>6,982,075</td>
</tr>
<tr>
<td>Other Services (excl Publ Adm)</td>
<td>2,234</td>
<td>7,493,272</td>
</tr>
<tr>
<td>Construction</td>
<td>2,194</td>
<td>9,872,629</td>
</tr>
<tr>
<td>Prof/Scientific/Tech Services</td>
<td>1,865</td>
<td>11,068,132</td>
</tr>
<tr>
<td>Admin/Support/Waste Mgmt Srvcs</td>
<td>1,805</td>
<td>6,968,170</td>
</tr>
<tr>
<td>Transportation/Warehousing</td>
<td>1,423</td>
<td>6,498,777</td>
</tr>
<tr>
<td>Finance/Insurance</td>
<td>1,273</td>
<td>7,200,593</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>1,182</td>
<td>4,064,621</td>
</tr>
<tr>
<td>Real Estate/Rental/Leasing</td>
<td>977</td>
<td>3,130,712</td>
</tr>
<tr>
<td>Information</td>
<td>875</td>
<td>2,741,630</td>
</tr>
<tr>
<td>Arts/Entertainment/Recreation</td>
<td>666</td>
<td>3,448,696</td>
</tr>
<tr>
<td>Mining</td>
<td>524</td>
<td>609,828</td>
</tr>
<tr>
<td>Agric/Forestry/Fishing/Hunting</td>
<td>239</td>
<td>2,288,795</td>
</tr>
<tr>
<td>Utilities</td>
<td>136</td>
<td>1,401,281</td>
</tr>
<tr>
<td>Mgmt of Companies/Enterprises</td>
<td>2</td>
<td>86,740</td>
</tr>
<tr>
<td><strong>Total Employment</strong></td>
<td><strong>41,365</strong></td>
<td><strong>154,852,740</strong></td>
</tr>
</tbody>
</table>

Source: Esri Demographics 2017, Novogradac & Company LLP, December 2017

The previous table reflects the workforce for the PMA and the nation. Employment in the PMA is greatest in the healthcare/social assistance, retail trade, and accommodation/food services sectors, which together represent 40.5 percent of total employment in the PMA. Compared to the nation, the percent employed in the healthcare/social assistance and public administration sectors is higher in the PMA. Conversely, the percentage employed in the manufacturing and professional/scientific/technical services sectors is lower in the PMA than in the nation as a whole.
The following table details the largest employers in Wichita Falls, Texas.

<table>
<thead>
<tr>
<th>Employer</th>
<th>Industry</th>
<th>Number of Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheppard Air Force Base</td>
<td>Military</td>
<td>9,067</td>
</tr>
<tr>
<td>Wichita Falls ISD</td>
<td>Education</td>
<td>2,150</td>
</tr>
<tr>
<td>United Regional Healthcare System</td>
<td>Healthcare</td>
<td>1,728</td>
</tr>
<tr>
<td>Midwestern State University</td>
<td>Higher Education</td>
<td>1,182</td>
</tr>
<tr>
<td>City of Wichita Falls</td>
<td>Government</td>
<td>1,166</td>
</tr>
<tr>
<td>Howmet Corp WF Casting Division</td>
<td>Manufacturing</td>
<td>980</td>
</tr>
<tr>
<td>North Texas State Hospital</td>
<td>Healthcare</td>
<td>976</td>
</tr>
<tr>
<td>James V Allred Unit</td>
<td>Security Prison</td>
<td>844</td>
</tr>
<tr>
<td>Cryovac Division</td>
<td>Manufacturing</td>
<td>825</td>
</tr>
<tr>
<td>Work Services Corp</td>
<td>Manufacturing</td>
<td>650</td>
</tr>
<tr>
<td>DynCorp. Int.</td>
<td>Aircraft Maintenance</td>
<td>501</td>
</tr>
<tr>
<td>Burk Burnett ISD</td>
<td>Education</td>
<td>500</td>
</tr>
<tr>
<td>Wichita County</td>
<td>Government</td>
<td>500</td>
</tr>
<tr>
<td>Walmart</td>
<td>Grocery</td>
<td>500</td>
</tr>
<tr>
<td>United Market Street</td>
<td>Grocery</td>
<td>400</td>
</tr>
<tr>
<td>AT&amp;T</td>
<td>Communication</td>
<td>386</td>
</tr>
<tr>
<td>Blue Cross/Blue Shield</td>
<td>Insurance</td>
<td>349</td>
</tr>
<tr>
<td>PPG Industries</td>
<td>Manufacturing</td>
<td>335</td>
</tr>
<tr>
<td>Iowa Park ISD</td>
<td>Education</td>
<td>297</td>
</tr>
<tr>
<td>Kell West Regional Hospital</td>
<td>Healthcare</td>
<td>288</td>
</tr>
</tbody>
</table>

Source: Wichita Falls Chamber of Commerce, December 2017

Wichita Falls' largest employer is the Sheppard Air Force Base. The Jared V Allred Unit, a medium and maximum security prison is also a major employer. Healthcare, educational services and agriculture are significant economic components in Wichita Falls. The city also has an aerospace and defense industry.
Employment and Unemployment Trends

The following table details employment and unemployment trends for the nation and the Wichita Falls, TX MSA from 2002 to 2017, with year-to-date data for 2017.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Employment</th>
<th>% Change</th>
<th>Unemployment Rate</th>
<th>Change</th>
<th>Total Employment</th>
<th>% Change</th>
<th>Unemployment Rate</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>69,981</td>
<td></td>
<td>5.8%</td>
<td>-</td>
<td>136,485,000</td>
<td></td>
<td>5.8%</td>
<td>-</td>
</tr>
<tr>
<td>2003</td>
<td>70,517</td>
<td>0.8%</td>
<td>5.7%</td>
<td>-0.1%</td>
<td>137,736,000</td>
<td>0.9%</td>
<td>6.0%</td>
<td>0.2%</td>
</tr>
<tr>
<td>2004</td>
<td>70,706</td>
<td>0.3%</td>
<td>4.9%</td>
<td>-0.8%</td>
<td>139,252,000</td>
<td>1.1%</td>
<td>5.5%</td>
<td>-0.5%</td>
</tr>
<tr>
<td>2005</td>
<td>70,877</td>
<td>0.2%</td>
<td>4.5%</td>
<td>-0.4%</td>
<td>141,730,000</td>
<td>1.8%</td>
<td>5.1%</td>
<td>-0.5%</td>
</tr>
<tr>
<td>2006</td>
<td>71,411</td>
<td>0.8%</td>
<td>4.2%</td>
<td>-0.3%</td>
<td>144,427,000</td>
<td>1.9%</td>
<td>4.6%</td>
<td>-0.5%</td>
</tr>
<tr>
<td>2007</td>
<td>70,107</td>
<td>-1.8%</td>
<td>4.0%</td>
<td>-0.2%</td>
<td>146,047,000</td>
<td>1.1%</td>
<td>4.6%</td>
<td>0.0%</td>
</tr>
<tr>
<td>2008</td>
<td>68,895</td>
<td>-1.7%</td>
<td>4.7%</td>
<td>0.6%</td>
<td>145,363,000</td>
<td>-0.5%</td>
<td>5.8%</td>
<td>1.2%</td>
</tr>
<tr>
<td>2009</td>
<td>67,141</td>
<td>-2.5%</td>
<td>7.4%</td>
<td>2.7%</td>
<td>139,878,000</td>
<td>-3.8%</td>
<td>9.3%</td>
<td>3.5%</td>
</tr>
<tr>
<td>2010</td>
<td>64,100</td>
<td>-4.5%</td>
<td>7.7%</td>
<td>0.3%</td>
<td>139,064,000</td>
<td>-0.6%</td>
<td>9.6%</td>
<td>0.3%</td>
</tr>
<tr>
<td>2011</td>
<td>64,331</td>
<td>0.4%</td>
<td>6.8%</td>
<td>-0.9%</td>
<td>139,869,000</td>
<td>0.6%</td>
<td>9.0%</td>
<td>-0.7%</td>
</tr>
<tr>
<td>2012</td>
<td>64,066</td>
<td>-0.4%</td>
<td>6.0%</td>
<td>-0.8%</td>
<td>142,469,000</td>
<td>1.9%</td>
<td>8.1%</td>
<td>-0.9%</td>
</tr>
<tr>
<td>2013</td>
<td>62,946</td>
<td>-1.7%</td>
<td>5.7%</td>
<td>-0.3%</td>
<td>143,929,000</td>
<td>1.0%</td>
<td>7.4%</td>
<td>-0.7%</td>
</tr>
<tr>
<td>2014</td>
<td>62,501</td>
<td>-0.7%</td>
<td>4.8%</td>
<td>-0.9%</td>
<td>146,305,000</td>
<td>1.7%</td>
<td>6.2%</td>
<td>1.2%</td>
</tr>
<tr>
<td>2015</td>
<td>61,396</td>
<td>-1.8%</td>
<td>4.3%</td>
<td>-0.5%</td>
<td>148,833,000</td>
<td>1.7%</td>
<td>5.3%</td>
<td>-0.9%</td>
</tr>
<tr>
<td>2016</td>
<td>61,151</td>
<td>-0.4%</td>
<td>4.4%</td>
<td>0.1%</td>
<td>151,436,000</td>
<td>1.7%</td>
<td>4.9%</td>
<td>-0.4%</td>
</tr>
<tr>
<td>2017 YTD Average*</td>
<td>60,854</td>
<td>-0.5%</td>
<td>4.0%</td>
<td>-0.4%</td>
<td>153,175,600</td>
<td>1.1%</td>
<td>4.5%</td>
<td>-0.4%</td>
</tr>
</tbody>
</table>

Total employment in the MSA has decreased every year since 2010 with the exception of 2011. The greatest employment declines from 2007 through 2010 are due to the national recession. The MSA has yet to surpass its pre-recessionary employment levels, and total employment has continued to steadily decrease; however, from October 2016 to October 2017, total employment increased 0.6 percent in the MSA compared to an increase of 1.0 percent in the nation over the same time period.

Unemployment in the MSA peaked at 7.7 percent during 2010 due to the national recession, which was lower than that of the nation. Unemployment within both the MSA and the nation has decreased each year since 2011. However, it should be noted that a decreasing unemployment rate coupled with decreasing total employment typically indicates that individuals are leaving the workforce and are no longer looking for jobs. Additionally, the unemployment rate in the MSA decreased 1.3 percent from October 2016 to October 2017, while the nation over the same time period decreased 0.6 percent. As of October 2017, the unemployment rate in the MSA is 3.0 percent compared to 4.1 percent for the nation. Overall, the local economy is still recovering from the national recession.

Source: U.S. Bureau of Labor Statistics December 2017
*2017 data is through Jan
The tables below provide more illustration of the changes in employment and unemployment rate trends in the MSA.

**Conclusion**

The local economy is driven by the healthcare/social assistance, retail trade, and accommodation/food services sectors. The MSA has yet to surpass its pre-recessionary employment levels, but has steadily continued to decreased unemployment rates. However, it should be noted that a decreasing unemployment rate coupled with decreasing total employment typically indicates that individuals are leaving the workforce and are no longer looking for jobs. From October 2016 to October 2017, total employment increased 0.6 percent in the MSA compared to an increase of 1.0 percent in the nation over the same time period. The unemployment rate in the MSA decreased 1.3 percent from October 2016 to October 2017, while the nation decreased 0.6 percent over the same time period. As of October 2017, the unemployment rate in the MSA is 3.0 percent compared to 4.1 percent for the nation Overall, the local economy is still recovering from the national recession.
NEIGHBORHOOD DESCRIPTION AND ANALYSIS

Introduction
The neighborhood surrounding an apartment property often impacts the property's status, image, class, and style of operation, and sometimes its ability to attract and properly serve a particular market segment. This section investigates the property's neighborhood and evaluates any pertinent location factors that could affect its rent, its occupancy, and overall profitability.

Neighborhood Identification and Boundaries
According to neighborhoodscout.com, the Subject’s neighborhood is defined by Seymour Road and York Street to the north, Fairway Boulevard to the west, Call Field Road to the south, and Kemp Boulevard to the east, as indicated on the below map.
Public Transportation

Bus: The Wichita Falls Transit System, Falls Ride provides public transportation in Wichita Falls. There is a bus stop 0.2 miles to the south of the Subject site. Fares for the bus start at $1.50 for a regular one-way trip, and $0.75 for seniors and students with one free transfer. The Wichita Falls Transit System offers a pass that provides unlimited rides for 30-days that costs $45. The following map illustrates the bus routes that travel near the Subject.
Healthcare
Kell West Regional Hospital, a 41-bed general medical and surgical hospital, is located approximately 2.0 miles west of the Subject site. The hospital provides in-patient and outpatient services and several specialty clinics for the city of Wichita Falls and its surrounding areas.

Primary Education
The Subject is located within the Wichita Falls Independent School District. Tenants at the Subject would send their children to Cunningham Elementary School, Barwise Middle School, and S.H. Rider High School.

Higher Education
Midwestern State University is located approximately 1.4 miles east of the Subject site, it is a public four-year liberal arts college that has a total enrollment of approximately 6,080 students and offers 60 majors.

Locational Amenities and Distances from the Site
As illustrated, the Subject will be located within a reasonable proximity to many locational amenities and services. The map and table on the following page illustrate the surrounding locational amenities and their proximity to the Subject.
Locational Amenities Map

<table>
<thead>
<tr>
<th>Service or Amenity</th>
<th>Distance from Subject</th>
<th>Map #</th>
<th>Service or Amenity</th>
<th>Distance from Subject</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Walmart Grocery &amp; Pharmacy</td>
<td>0.1 miles</td>
<td>9</td>
<td>Midwestern State University</td>
<td>1.4 miles</td>
</tr>
<tr>
<td>2  First Convenience Bank</td>
<td>0.1 miles</td>
<td>9</td>
<td>Fire Station</td>
<td>1.6 miles</td>
</tr>
<tr>
<td>3  Bus Stop</td>
<td>0.2 miles</td>
<td>10</td>
<td>S.H. Rider High School</td>
<td>1.6 miles</td>
</tr>
<tr>
<td>4  Exxon Gas Station</td>
<td>0.4 miles</td>
<td>11</td>
<td>Kell West Regional Hospital</td>
<td>2.0 miles</td>
</tr>
<tr>
<td>5  Tesco Park</td>
<td>0.6 miles</td>
<td>12</td>
<td>Police Department</td>
<td>3.3 miles</td>
</tr>
<tr>
<td>6  Cunningham Elementary School</td>
<td>0.7 miles</td>
<td>13</td>
<td>Wichita Falls Public Library</td>
<td>4.1 miles</td>
</tr>
<tr>
<td>7  Barwise Middle School</td>
<td>0.8 miles</td>
<td>14</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Adequacy/Availability of Utilities
All utilities are available in the surrounding neighborhood. Upon completion all utilities will be available at the Subject.

Neighborhood Description
The Subject site is located in a mixed-use neighborhood which consists of retail/commercial uses, and single-family and multifamily dwellings. According to Zillow.com, homes in the Subject’s neighborhood have recently sold for $36,000 to $90,000.

Access and Traffic Flow
The Subject site is accessed via Maplewood Avenue, which has an eastern terminus at the Subject site. It should be noted that Maplewood also continues just east of the Subject site and will be extended during construction of the Subject to connect the two roads and post-renovation Maplewood Avenue will extend along the northern boundary of the Subject’s site. Maplewood Avenue provides direct access to McNiel Avenue to the west and to Kemp Boulevard to the east. McNiel Avenue and Kemp Boulevard both provide direct access to Highway 277 to the north and to Southwest Parkway to the south. Highway 277 provides access to downtown Wichita Falls to the northeast and to Abilene to the southwest. Southwest Parkway provides access to Highway 277 to the west and to Highway 281 to the east. Highway 281 provides access to Jacksboro to the southeast and to Highway 287 to the north. Highway 287 provides access to Forth Worth to the southeast. Overall, access is considered good, while traffic flow is moderate.

Visibility/Views
The Subject has average visibility from Maplewood Avenue. Views to the west consist of The Reserve at Maplewood Phase I (the first phase of the Subject’s development). Views to the north consist of undeveloped vacant land. Views to the northeast consist of Walmart in good condition. Views to the south consist of undeveloped vacant land. Views to the east consist of Wichita Falls Transfer Station. Overall, views and visibility are considered average.

Crime Statistics
The following tables show data of crime statistics for the Primary Market Area (PMA) and the Wichita Falls, TX MSA, as compared to the nation.

2017 CRIME INDICES

<table>
<thead>
<tr>
<th></th>
<th>PMA</th>
<th>Wichita Falls, TX MSA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Crime</strong>*</td>
<td>137</td>
<td>133</td>
</tr>
<tr>
<td><strong>Personal Crime</strong>*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Murder</td>
<td>119</td>
<td>96</td>
</tr>
<tr>
<td>Rape</td>
<td>116</td>
<td>123</td>
</tr>
<tr>
<td>Robbery</td>
<td>107</td>
<td>98</td>
</tr>
<tr>
<td>Assault</td>
<td>119</td>
<td>113</td>
</tr>
<tr>
<td><strong>Property Crime</strong>*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Burglary</td>
<td>154</td>
<td>148</td>
</tr>
<tr>
<td>Larceny</td>
<td>142</td>
<td>138</td>
</tr>
<tr>
<td>Motor Vehicle Theft</td>
<td>83</td>
<td>85</td>
</tr>
</tbody>
</table>

Source: Esri Demographics 2017, Novogradac & Company LLP, December 2017
*Unweighted aggregations

For comparison purposes, a crime index below 100 is below the national average, and a crime index above 100 is above the nation’s crime index average. As indicated in the table above, all crime indices in the PMA, except motor vehicle theft, are above that of the nation and the MSA. The Subject will not offer any security...
features, but after speaking with several property managers in the area, we do not believe crime will be a significant concern.

Summary
The Subject’s neighborhood consists of the southwestern portion of Wichita Falls. The site is located in close proximity to local services and retail. Surrounding land uses primarily consist of retail/commercial uses, and single and multifamily dwellings, including Phase I of the Subject. Highway 277 is located in close proximity to the Subject site and provides access to downtown Wichita Falls les to the northeast. All major shopping, employment, educational, and recreational amenities are located within two miles of the Subject. Surrounding improvements are in average to good condition overall. The Subject will be a complementary use to the surrounding housing stock. In addition, the Subject will create a positive impact upon the neighborhood.
III. DEMOGRAPHIC TRENDS
DEMOGRAPHIC TRENDS

In this section we compare population, household, and income trends in the primary market area (PMA) with the Metropolitan Statistical Area (MSA). The primary market area (PMA) for the Subject generally consists of the cities of Wichita Falls, Pleasant Valley, Lakeside City, the eastern portion of Iowa Park, and the eastern portion of Holliday.

The PMA boundaries and overall market health assessment are based upon analyses of physical boundaries, which include traffic and commute patterns within the area, surveys of existing market rate and age-restricted apartment projects undertaken by Novogradac & Company LLP, and insights gained from resident managers, area planning staff, and others familiar with the multifamily market. We recognize several sub-markets exist within this PMA; however, market data demonstrates that a significant amount of the renter base considers housing opportunities within these boundaries, and given the opportunity to locate good quality housing will move within these areas. We anticipate the majority of demand will be generated from this geographic area. However, additional support is expected from outside the PMA from other surrounding areas. There are no natural boundaries in the market that would inhibit anyone from relocating to the Subject's neighborhood. The market area boundaries identified are a reasonable approximation regarding the potential renter market for the Subject. As such, it is estimated that up to 10 percent of the Subject's tenancy will come from “leakage” outside the PMA, including surrounding areas.

The secondary market area (SMA) for the Subject consists of the Wichita Falls, TX (MSA), which consists of Archer, Clay, and Wichita Counties.
Population and Households

The tables below illustrate the population and household trends in the PMA, MSA, and nation from 2000 through 2022.

### POPULATION

<table>
<thead>
<tr>
<th>Year</th>
<th>PMA</th>
<th>Annual Change</th>
<th>USA</th>
<th>Annual Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>85,674</td>
<td>-</td>
<td>281,038,168</td>
<td>-</td>
</tr>
<tr>
<td>2010</td>
<td>88,339</td>
<td>0.3%</td>
<td>308,745,538</td>
<td>1.0%</td>
</tr>
<tr>
<td>2017</td>
<td>90,405</td>
<td>0.3%</td>
<td>327,514,334</td>
<td>0.8%</td>
</tr>
<tr>
<td>2022</td>
<td>90,431</td>
<td>0.0%</td>
<td>341,323,594</td>
<td>0.8%</td>
</tr>
</tbody>
</table>

Source: Esri Demographics 2017, Novogradac & Company LLP, December 2017

### HOUSEHOLDS

<table>
<thead>
<tr>
<th>Year</th>
<th>PMA</th>
<th>Annual Change</th>
<th>USA</th>
<th>Annual Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>34,316</td>
<td>-</td>
<td>105,402,528</td>
<td>-</td>
</tr>
<tr>
<td>2010</td>
<td>35,756</td>
<td>0.4%</td>
<td>116,716,292</td>
<td>1.1%</td>
</tr>
<tr>
<td>2017</td>
<td>36,486</td>
<td>0.3%</td>
<td>123,158,887</td>
<td>0.8%</td>
</tr>
<tr>
<td>2022</td>
<td>36,470</td>
<td>0.0%</td>
<td>128,069,416</td>
<td>0.8%</td>
</tr>
</tbody>
</table>

Source: Esri Demographics 2017, Novogradac & Company LLP, December 2017

Between 2000 and 2010, the total population within the PMA increased 0.3 percent annually, while the total population remained stable in the MSA, and increased 1.0 percent for the nation as a whole. From 2010 to 2017, the total population within the PMA and MSA increased approximately 0.3 percent annually, which is a slightly slower rate than that of the nation as a whole (0.8 percent). Between 2017 and 2022, the total population within the PMA and MSA is expected to remain stable, while the nation is expected to increase 0.8 percent annually through 2022.

Similar to overall population trends, households within the PMA are projected to remain stable through 2022, similar to the MSA.

### Average Household Size

The following table is a summary of the average household size in the PMA, MSA, and the nation as a whole from 2000 through 2022.

<table>
<thead>
<tr>
<th>Year</th>
<th>PMA</th>
<th>Annual Change</th>
<th>USA</th>
<th>Annual Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>2.41</td>
<td>-</td>
<td>2.59</td>
<td>-</td>
</tr>
<tr>
<td>2010</td>
<td>2.39</td>
<td>-0.1%</td>
<td>2.58</td>
<td>-0.1%</td>
</tr>
<tr>
<td>2017</td>
<td>2.40</td>
<td>0.0%</td>
<td>2.59</td>
<td>0.1%</td>
</tr>
<tr>
<td>2022</td>
<td>2.40</td>
<td>0.0%</td>
<td>2.60</td>
<td>0.1%</td>
</tr>
</tbody>
</table>

Source: Esri Demographics 2017, Novogradac & Company LLP, December 2017

As illustrated in the preceding table, the average household size within the PMA decreased slightly between 2000 and 2010, but is projected to remain stable through 2022. Comparatively, the MSA is also projected
to remain stable thorough 2022. When compared to the MSA and the nation as a whole, the PMA has a smaller average household size.

**Household Tenure**

The following table illustrates the breakdown by household tenure within the PMA and MSA for the years 2000, 2017, and 2022.

<table>
<thead>
<tr>
<th>TENURE PATTERNS PMA</th>
<th>Year</th>
<th>Owner-Occupied Units</th>
<th>Percentage Owner-Occupied</th>
<th>Renter-Occupied Units</th>
<th>Percentage Renter-Occupied</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2000</td>
<td>21,059</td>
<td>61.4%</td>
<td>13,257</td>
<td>38.6%</td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td>20,923</td>
<td>57.3%</td>
<td>15,563</td>
<td>42.7%</td>
</tr>
<tr>
<td></td>
<td>2022</td>
<td>20,882</td>
<td>57.3%</td>
<td>15,588</td>
<td>42.7%</td>
</tr>
</tbody>
</table>

*Source: Esri Demographics 2017, Novogradac & Company LLP, December 2017*

<table>
<thead>
<tr>
<th>TENURE PATTERNS MSA</th>
<th>Year</th>
<th>Owner-Occupied Units</th>
<th>Percentage Owner-Occupied</th>
<th>Renter-Occupied Units</th>
<th>Percentage Renter-Occupied</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2000</td>
<td>36,488</td>
<td>65.0%</td>
<td>19,616</td>
<td>35.0%</td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td>35,801</td>
<td>62.1%</td>
<td>21,831</td>
<td>37.9%</td>
</tr>
<tr>
<td></td>
<td>2022</td>
<td>35,621</td>
<td>62.0%</td>
<td>21,876</td>
<td>38.0%</td>
</tr>
</tbody>
</table>

*Source: Esri Demographics 2017, Novogradac & Company LLP, December 2017*

As indicated, the total number of renter-occupied housing units within the PMA during 2017 was 42.7 percent of the total population, while the number of renter-occupied housing units was 37.9 percent in the MSA during the same time period. The number of renter-occupied housing units is projected to increase slightly in the PMA and MSA through 2022.

**Median Household Income**

The table below illustrates the median household income in the Subject’s PMA, MSA, and nation.

<table>
<thead>
<tr>
<th>MEDIAN HOUSEHOLD INCOME</th>
<th>Year</th>
<th>PMA</th>
<th>Annual Change</th>
<th>Wichita Falls, TX MSA</th>
<th>Annual Change</th>
<th>USA</th>
<th>Annual Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2000</td>
<td>$28,460</td>
<td>-</td>
<td>$32,664</td>
<td>-</td>
<td>$44,872</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td>$46,176</td>
<td>3.6%</td>
<td>$48,607</td>
<td>2.8%</td>
<td>$56,124</td>
<td>1.5%</td>
</tr>
<tr>
<td></td>
<td>2022</td>
<td>$50,676</td>
<td>1.9%</td>
<td>$52,890</td>
<td>1.8%</td>
<td>$62,316</td>
<td>2.2%</td>
</tr>
</tbody>
</table>

*Source: Esri Demographics 2017, Novogradac & Company LLP, December 2017*

Incomes within both the PMA and the MSA are steadily increasing. This indicates that multifamily properties should prosper in the future as incomes increase and achievable rents rise. It should be noted that the median income in the PMA is below that of the MSA and the nation. The median household income in the PMA is expected to increase at a rate of 1.9 percent annually through 2022. Current and projected income trends bode well for a multifamily development, such as the Subject.
Household Income Distribution
The following tables illustrate household income distribution for the PMA and the MSA.

<table>
<thead>
<tr>
<th>Income Cohort</th>
<th>2017</th>
<th></th>
<th>2022</th>
<th></th>
<th>Annual Change 2017 to 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
<td>Number</td>
<td>Percentage</td>
<td>Number</td>
</tr>
<tr>
<td>$0-9,999</td>
<td>3,007</td>
<td>8.2%</td>
<td>2,834</td>
<td>7.8%</td>
<td>-35</td>
</tr>
<tr>
<td>$10,000-19,999</td>
<td>5,040</td>
<td>13.8%</td>
<td>4,669</td>
<td>12.8%</td>
<td>-74</td>
</tr>
<tr>
<td>$20,000-29,999</td>
<td>4,308</td>
<td>11.8%</td>
<td>4,156</td>
<td>11.4%</td>
<td>-30</td>
</tr>
<tr>
<td>$30,000-39,999</td>
<td>4,031</td>
<td>11.0%</td>
<td>3,721</td>
<td>10.2%</td>
<td>-62</td>
</tr>
<tr>
<td>$40,000-49,999</td>
<td>3,785</td>
<td>10.4%</td>
<td>3,737</td>
<td>10.2%</td>
<td>-10</td>
</tr>
<tr>
<td>$50,000-59,999</td>
<td>2,869</td>
<td>7.9%</td>
<td>2,851</td>
<td>7.8%</td>
<td>-4</td>
</tr>
<tr>
<td>$60,000-74,999</td>
<td>3,231</td>
<td>8.9%</td>
<td>3,273</td>
<td>9.0%</td>
<td>9</td>
</tr>
<tr>
<td>$75,000-99,999</td>
<td>4,005</td>
<td>11.0%</td>
<td>4,032</td>
<td>11.1%</td>
<td>5</td>
</tr>
<tr>
<td>$100,000-124,999</td>
<td>2,489</td>
<td>6.8%</td>
<td>2,693</td>
<td>7.4%</td>
<td>41</td>
</tr>
<tr>
<td>$125,000-149,999</td>
<td>1,416</td>
<td>3.9%</td>
<td>1,657</td>
<td>4.5%</td>
<td>48</td>
</tr>
<tr>
<td>$150,000-199,999</td>
<td>1,078</td>
<td>3.0%</td>
<td>1,350</td>
<td>3.7%</td>
<td>54</td>
</tr>
<tr>
<td>$200,000+</td>
<td>1,228</td>
<td>3.4%</td>
<td>1,497</td>
<td>4.1%</td>
<td>54</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>36,486</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>36,470</strong></td>
<td><strong>100.0%</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: HISTA Data / Ribbon Demographics 2017, Novogradac & Company LLP, December 2017

The largest income group as of 2017 in the PMA is the $10,000 to $19,999 cohort, which makes up 13.8 percent of total households. The next largest income cohorts in the PMA are the $20,000 to $29,999 and $30,000 to $39,999 cohorts. The largest income cohorts in the MSA are the $10,000 to $19,999 and $20,000 to $29,999 cohorts.
Renter Household Income Distribution

The following tables illustrate the renter household income distribution for the PMA and MSA for 2017 and 2022.

### RENTER HOUSEHOLD INCOME

<table>
<thead>
<tr>
<th>Income Cohort</th>
<th>2017</th>
<th></th>
<th>2022</th>
<th></th>
<th>Annual Change 2017 to 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
<td>Number</td>
<td>Percentage</td>
<td>Number</td>
</tr>
<tr>
<td>$0-9,999</td>
<td>2,282</td>
<td>14.7%</td>
<td>2,180</td>
<td>14.0%</td>
<td>-20</td>
</tr>
<tr>
<td>$10,000-19,999</td>
<td>3,251</td>
<td>20.9%</td>
<td>3,020</td>
<td>19.4%</td>
<td>-46</td>
</tr>
<tr>
<td>$20,000-29,999</td>
<td>2,389</td>
<td>15.4%</td>
<td>2,336</td>
<td>15.0%</td>
<td>-11</td>
</tr>
<tr>
<td>$30,000-39,999</td>
<td>2,122</td>
<td>13.6%</td>
<td>2,041</td>
<td>13.1%</td>
<td>-16</td>
</tr>
<tr>
<td>$40,000-49,999</td>
<td>1,520</td>
<td>9.8%</td>
<td>1,560</td>
<td>10.0%</td>
<td>8</td>
</tr>
<tr>
<td>$50,000-59,999</td>
<td>1,113</td>
<td>7.2%</td>
<td>1,179</td>
<td>7.6%</td>
<td>13</td>
</tr>
<tr>
<td>$60,000-74,999</td>
<td>995</td>
<td>6.4%</td>
<td>1,050</td>
<td>6.7%</td>
<td>11</td>
</tr>
<tr>
<td>$75,000-99,999</td>
<td>803</td>
<td>5.2%</td>
<td>878</td>
<td>5.6%</td>
<td>15</td>
</tr>
<tr>
<td>$100,000-124,999</td>
<td>437</td>
<td>2.8%</td>
<td>507</td>
<td>3.3%</td>
<td>14</td>
</tr>
<tr>
<td>$125,000-149,999</td>
<td>240</td>
<td>1.5%</td>
<td>298</td>
<td>1.9%</td>
<td>12</td>
</tr>
<tr>
<td>$150,000-199,999</td>
<td>214</td>
<td>1.4%</td>
<td>303</td>
<td>1.9%</td>
<td>18</td>
</tr>
<tr>
<td>$200,000+</td>
<td>196</td>
<td>1.3%</td>
<td>236</td>
<td>1.5%</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>15,563</td>
<td>100.0%</td>
<td>15,588</td>
<td>100.0%</td>
<td></td>
</tr>
</tbody>
</table>

Source: HISTA Data / Ribbon Demographics 2017, Novogradac & Company LLP, December 2017

As illustrated, the income cohorts with the highest percentage of renter households in the PMA are the $10,000 to $19,999, followed by $20,000 to $29,999, $0 to $9,999, and $30,000 to $39,999 income cohorts. This data indicates a large number of renters earn between $0 and $39,999.
Conclusion

In 2017, renters comprised 42.7 percent of total households in the PMA, and owners comprised 57.3 percent. The percentage and number of renter-occupied units is estimated to remain stable through 2022 in the PMA. The income cohorts with the highest percentage of renter households in the PMA are the $10,000 to $19,999, followed by $20,000 to $29,999, $0 to $9,999, and $30,000 to $39,999 income cohorts. This data indicates a large number of renters earn between $0 and $39,999. This bodes well for a multifamily development, such as the Subject.
IV. PROPERTY DESCRIPTION
PROPERTY DESCRIPTION

Description of the Site
The location of a multifamily property can have a substantial negative or positive impact upon the performance, safety and appeal of the project. The site description will discuss the physical features of the site, as well as layout, access issues, and traffic flow. An aerial map of the Subject is provided below.

Source: GoogleEarth, December 2017
General: The Subject site is located along the south side of Maplewood Avenue, Wichita, Texas 76308. It should be noted that Maplewood Avenue does not currently extend to the far eastern boundary and western boundary of the Subject site and will be connected during construction of the Subject. The site is currently vacant.

APN (Parcel Number): The Subject site is identified as a portion of parcel number 07200171300.

Size: The Subject site consists of approximately 2.67 acres or 116,305 square feet.

Shape: The site is irregular in shape.

Zoning: The Subject site is currently zoned General Commercial District (GC). This district is intended to accommodate commercial activities of a retail and service nature. GC allows for single-family and multifamily dwellings, as well as retail/commercial uses. This zoning district allows for multifamily development with a maximum allowable density of 25 multifamily dwelling units per acre.

Frontage: The Subject site does not currently have street frontage; however, during construction of the Subject, Maplewood Avenue will be extended and have frontage along the south side of Maplewood Avenue.

Topography: The site is generally level.

Utilities: All utilities are available in the surrounding neighborhood. Upon completion, all utilities will be available at the Subject.

Contiguous Land Use: The Subject site is located in a mixed-use neighborhood consisting of commercial/retail uses, and single and multifamily dwellings. Land use east of the Subject site consists of Wichita Falls Transfer Station in average condition. Land use south of the Subject site consists of undeveloped vacant land. Further south of the Subject site, land use consists of Wichita Pet Supply in average condition. Land use north of the Subject site consists of undeveloped vacant land. Land use northeast of the Subject site consists of a Walmart in good condition. Land use west of the Subject site consists of The Reserves at Maplewood Phase I in good condition and commercial uses in average condition.

Existing Improvements: The site is currently vacant.

Visibility/Views: Views to the west consist of The Reserve at Maplewood Phase I (the first phase of the Subject’s development). Views to the north consist of undeveloped vacant land. Views to the northeast consist of Walmart in good condition. Views to the south consist of undeveloped vacant land. Views to the east consist of Wichita Falls Transfer Station. Overall, views and visibility are considered...
<table>
<thead>
<tr>
<th>Environmental, Soil and Subsoil Conditions and Drainage:</th>
<th>Novogradac was not provided with an environmental assessment report. Therefore, Novogradac assumes there are no recognized environmental conditions that would adversely impact the marketability or value of the Subject property. Additionally, Novogradac is not an expert in this field and cannot opine on this issue.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flood Plain:</td>
<td>According to Flood Insights, map number 480662 0435G, effective February 3, 2010, the Subject is located in Zone X, an area outside the 100 and 500-year floodplains. Further analysis by Novogradac and Company LLP is beyond the scope of the report.</td>
</tr>
<tr>
<td>LURA:</td>
<td>The Subject is not currently encumbered by a LURA.</td>
</tr>
<tr>
<td>Detrimental Influences:</td>
<td>At the time of the site inspection, there were no detrimental influences observed by the appraiser that would adversely impact the marketability of the Subject.</td>
</tr>
<tr>
<td>Conclusion:</td>
<td>The Subject site is considered to be in a good location for multifamily use and is physically capable of supporting a variety of legally permissible uses.</td>
</tr>
</tbody>
</table>
V. HIGHEST AND BEST USE
HIGHEST AND BEST USE

Highest and Best Use is defined as: “The reasonably probable and legal use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.”

Investors continually attempt to maximize profits on invested capital. The observations of investor activities in the area are an indication of that use which can be expected to produce the highest value. The principle of conformity holds, in part, that conformity in use is usually a highly desirable adjunct of real property, since it generally helps create and/or maintains maximum value.

It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use. Implied in this definition is that the determination of highest and best use takes into account the contribution of a specific use to the community and community development goals as well as the benefits of that use to individual property owners. The principle of Highest and Best Use may be applied to the site if vacant and to the site as it is improved.

The Highest and Best Use determination is a function of neighborhood land use trends, property size, shape, zoning, and other physical factors, as well as the market environment in which the property must compete. Four tests are typically used to determine the highest and best use of a particular property. Thus, the following areas are addressed.

1. Physically Possible: The uses to which it is physically possible to put on the site in question.
2. Legally Permissible: The uses that are permitted by zoning and deed restrictions on the site in question.
3. Feasible Use: The possible and permissible uses that will produce any net return to the owner of the site.
4. Maximally Productive: Among the feasible uses, the use that will produce the highest net return or the highest present worth.

---

**Highest and Best Use As Is**

**Physically Possible**
The Subject site consists of a 2.67-acre portion of a 4.58-acre parcel. The Subject site is irregular in shape and is generally level. The site is currently accessible from the eastern terminus of Maplewood Avenue, which will be extended to connect to the western terminus of Maplewood Avenue, just east of the Subject site. The site is considered adequate for a variety of legally permissible uses.

**Legally Permissible**
The Subject site is currently zoned General Commercial District (GC). This district is intended to accommodate commercial activities of a retail and service nature. GC allows for single-family and multifamily dwellings, as well as retail/commercial uses. This zoning district allows for multifamily development with a maximum allowable density of 25 multifamily dwelling units per acre.

The land sales have proposed densities ranging from nine to 20 units per acre. The sale in Wichita Falls is proposed to be developed to a density of 12 units per acre. It should also be noted that Phase I of the Subject, which was completed in 2015, was developed to a density of approximately nine units per acre. Taking all of this into account, we believe the Subject site could support a 32-unit affordable housing development, which equates to a density of approximately 12 units per acre, in line with the density of the land sale located in Wichita Falls.

**Financially Feasible**
The cost of the land limits those uses that are financially feasible for the site. Any uses of the Subject site that provides a financial return to the land in excess of the cost of the land are those uses that are financially feasible. The Subject’s feasible uses are restricted to those that are allowed by zoning and are physically possible. Based upon our analysis of the market, development of multifamily properties in the Subject’s immediate market area is feasible both with the benefit of tax credits, tax-exempt bond financing, government grants, or other subsidies. We are not aware of any recently completed market rate multifamily developments in Wichita Falls.

**Maximally Productive**
Based upon our analysis, new construction of multifamily housing is financially feasible as market rate or with the tax subsidy. The maximally productive use of this site as is would be to construct a multifamily residential complex using tax credit equity, favorable financing, or other gap subsidies.

**Conclusion**
**Highest and Best Use “As Is”**
The highest and best use for the property as is would be to construct a 32-unit affordable multifamily development utilizing tax credit equity, favorable financing, or other gap subsidies.
VI. APPRAISAL METHODOLOGY
APPRAISAL METHODOLOGY

Contemporary appraisers usually gather and process data according to the discipline of the three approaches to value.

The cost approach consists of a summation of land value and the cost to reproduce or replace the improvements, less appropriate deductions for depreciation. Reproduction cost is the cost to construct a replica of the Subject improvements. Replacement cost is the cost to construct improvements having equal utility.

The sales comparison approach involves a comparison of the appraised property with similar properties that have sold recently. When properties are not directly comparable, sale prices may be broken down into units of comparison, which are then applied to the Subject for an indication of its likely selling price.

The income capitalization approach involves an analysis of the investment characteristics of the property under valuation. The earnings' potential of the property is carefully estimated and converted into an estimate of the property's market value.

Applicability to the Subject Property

The scope of work for this appraisal is limited to providing an opinion of the hypothetical market value of the Subject as is; therefore, the only applicable approach is the sales comparison approach.
VII. SALES COMPARISON APPROACH
SALES COMPARISON APPROACH

The sales comparison approach to value is a process of comparing market data; that is, the price paid for similar properties, prices asked by owners, and offers made by prospective purchasers willing to buy or lease. Market data is good evidence of value because it represents the actions of users and investors. The sales comparison approach is based on the principle of substitution, which states that a prudent investor would not pay more to buy or rent a property than it will cost him to buy or rent a comparable substitute. The sales comparison approach recognizes that the typical buyer will compare asking prices and work through the most advantageous deal available. In the sales comparison approach, the appraisers are observers of the buyer’s actions. The buyer is comparing those properties that constitute the market for a given type and class.

We performed extensive research to identify comparable multifamily land sales in the Subject’s area. To arrive at an opinion of land value, we have analyzed actual sales of comparable sites in the Subject’s region. We were able to identify a total of three land sales intended for multifamily use, one of which is located in Wichita Falls, one of which is located in Decatur, and one of which is located in Abilene. All of the sales have occurred since 2016. These sales are the most recent sales of multifamily land tracts that we were able to identify in the area.

Throughout our conversations with market participants and buyers and sellers of the comparable sales, the respondents indicated that the purchase price is typically based upon a price per unit basis. This is typical of the multifamily market and will be used as a basis for analysis.

The comparables listed below are considered the most comparable multifamily land sales and provide the best indication of value for the Subject.

<table>
<thead>
<tr>
<th>#</th>
<th>Location</th>
<th>City</th>
<th>Sale Date</th>
<th>Price</th>
<th>SF</th>
<th># Units</th>
<th>Price per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>SE Side of FM-51 east of Buchanan Road</td>
<td>Decatur</td>
<td>December-17</td>
<td>$550,000</td>
<td>326,700</td>
<td>70</td>
<td>$7,857</td>
</tr>
<tr>
<td>2</td>
<td>4818 &amp; 4822 Fairway Boulevard</td>
<td>Wichita Falls</td>
<td>November-17</td>
<td>$443,000</td>
<td>221,808</td>
<td>60</td>
<td>$7,383</td>
</tr>
<tr>
<td>3</td>
<td>S. Side of Autumn Sage Drive W. of Rebecca Road</td>
<td>Abilene</td>
<td>December-16</td>
<td>$218,780</td>
<td>76,230</td>
<td>35</td>
<td>$6,251</td>
</tr>
<tr>
<td></td>
<td>Average</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$7,164</td>
</tr>
</tbody>
</table>

A location map is presented on the following page.
Comparable Land Sales Map
# Land Sale 1

<table>
<thead>
<tr>
<th>Location:</th>
<th>SE Side of FM-51 east of Buchanan Road Decatur, TX 76234</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buyer:</td>
<td>Salem Clark Development</td>
</tr>
<tr>
<td>Seller:</td>
<td>JRJ Wood, LP</td>
</tr>
<tr>
<td>Sale Date:</td>
<td>December-17</td>
</tr>
<tr>
<td>Sale Price:</td>
<td>$550,000</td>
</tr>
<tr>
<td>Financing:</td>
<td>Cash</td>
</tr>
<tr>
<td>Number of Units:</td>
<td>70</td>
</tr>
<tr>
<td>Site:</td>
<td>Acre(s) 7.500</td>
</tr>
<tr>
<td></td>
<td>Square Footage 326,700</td>
</tr>
<tr>
<td>Zoning:</td>
<td>MF</td>
</tr>
<tr>
<td>Corner:</td>
<td>No</td>
</tr>
<tr>
<td>Topography:</td>
<td>Level</td>
</tr>
<tr>
<td>Shape:</td>
<td>Irregular</td>
</tr>
<tr>
<td>Sale Price:</td>
<td></td>
</tr>
<tr>
<td>Per Unit:</td>
<td>$7,857</td>
</tr>
<tr>
<td>Per Acre:</td>
<td>$73,333</td>
</tr>
<tr>
<td>Per SF:</td>
<td>$1.68</td>
</tr>
<tr>
<td>Comments:</td>
<td>This site is proposed to be developed with Legacy Trails of Decatur, a LIHTC development that was granted funding in 2017. Construction has yet to begin.</td>
</tr>
<tr>
<td>Verification:</td>
<td>TDHCA, Purchase agreement</td>
</tr>
</tbody>
</table>
### Land Sale 2

**Location:**
4818 & 4822 Fairway Boulevard  
Wichita Falls, TX 76310

**Buyer:**
Zimmerman Properties Development, LLC

**Seller:**
John Hirschi

**Sale Date:**
November-17

**Sale Price:**
$443,000

**Financing:**
Cash

<table>
<thead>
<tr>
<th>Number of Units:</th>
<th>60</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site: Acre(s)</td>
<td>5.092</td>
</tr>
<tr>
<td></td>
<td>Square Footage</td>
</tr>
<tr>
<td>Zoning</td>
<td>MFR</td>
</tr>
<tr>
<td>Corner</td>
<td>No</td>
</tr>
<tr>
<td>Topography</td>
<td>Level</td>
</tr>
<tr>
<td>Shape</td>
<td>Irregular</td>
</tr>
</tbody>
</table>

**Sale Price:**

- Per Unit: $7,383
- Per Acre: $86,999
- Per SF: $2.00

**Comments:**
This site is proposed to be developed with Cascade Villas, a LIHTC development that was granted funding in 2017. Construction has yet to begin.

**Verification:**
TDHCA, Purchase agreement
Land Sale 3

Location: S. Side of Autmn Sage Drive W. of Rebecca Road
Abilene, TX 79606

Buyer: OPG Land Development, LLC
Seller: Weathertree Ranch, LLC
Sale Date: December-16
Sale Price: $218,780
Financing: Cash

Number of Units: 35
Site: Acre(s) 1,750
Square Footage 76,230
Zoning AO
Corner No
Topography Level
Shape Rectangular

Sale Price: Per Unit $6,251
Per Acre $125,017
Per SF $2.87

Comments:
This site is proposed to be developed with The Residence at Autumn Sage, a LIHTC development that was granted funding in 2016. Construction has yet to begin. It should be noted that the site that was purchase was actually 1.84 acres; however, the buyer gave 0.9 acres of the land to the city to widen Autumn Sage Road. A zoning change has already been approved and the site is currently zoned MF, which allows for multifamily.

Verification: TDHCA, Purchase agreement
Explanation of Adjustments
The adjustment grid follows at the end of this section. As illustrated, adjustments have been made based on price differences created by the following factors:

- Property Rights
- Financing
- Conditions of Sale
- Market Conditions
- Location
- Zoning
- Topography
- Shape
- Density

Property Rights
We are valuing the fee simple interest in the land. No adjustments are warranted.

Financing
The sales were cash transactions; therefore, no adjustment is necessary.

Conditions of Sale
No unusual conditions existed or are known; therefore, no adjustment is necessary.

Market Conditions
Real estate values change over time. The rate of this change fluctuates due to investors’ perceptions and responses to prevailing market conditions. This adjustment category reflects market differences occurring between the effective date of the appraisal and the sale date of comparables, when values have appreciated or depreciated. The comparable sales occurred between December 2016 and December 2017. Overall, capitalization rate trends in the region appear to have generally followed the national capitalization rate trends over the past several years, and are a good indication of changes in market conditions and resulting land value over time.

<table>
<thead>
<tr>
<th></th>
<th>Cap Rate</th>
<th>Change (bps)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quarter</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4Q16</td>
<td>5.26</td>
<td>0.01</td>
</tr>
<tr>
<td>1Q17</td>
<td>5.33</td>
<td>0.07</td>
</tr>
<tr>
<td>2Q17</td>
<td>5.40</td>
<td>0.07</td>
</tr>
<tr>
<td>3Q17</td>
<td>5.35</td>
<td>-0.05</td>
</tr>
<tr>
<td>4Q17</td>
<td>5.32</td>
<td>-0.03</td>
</tr>
</tbody>
</table>

Source: PwC Real Estate Investor Survey, Q4 2017

All of the sales took place since the fourth quarter of 2016 and capitalization rates have remained fairly stable since that time. As such, no adjustments are warranted.
Location
Location encompasses a number of issues, including location within different market areas with different supply/demand pressures, the character/condition of surrounding development, access, and visibility. It is important to assess which factors truly impact value for different types of real estate. We have addressed this issue (as well as the remaining elements of comparison) on a comparable-by-comparable basis. The following tables illustrate the median rents, median household incomes, and median home values arranged by zip code for each of the land sales. This information is compared to the Subject’s location, and will be used to determine an appropriate adjustment for the Subject as compared to the comparables.

**MEDIAN RENT**

<table>
<thead>
<tr>
<th>Property</th>
<th>Zip Code</th>
<th>Median Rent</th>
<th>Differential With Subject Site</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subject</td>
<td>76308</td>
<td>$822</td>
<td></td>
</tr>
<tr>
<td>Comp 1</td>
<td>76234</td>
<td>$971</td>
<td>-18%</td>
</tr>
<tr>
<td>Comp 2</td>
<td>76310</td>
<td>$802</td>
<td>2%</td>
</tr>
<tr>
<td>Comp 3</td>
<td>79606</td>
<td>$911</td>
<td>-11%</td>
</tr>
</tbody>
</table>

Source: City-Data.com, 1/2018

**MEDIAN HOUSEHOLD INCOME**

<table>
<thead>
<tr>
<th>Property</th>
<th>Zip Code</th>
<th>Median HH Income</th>
<th>Differential With Subject Site</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subject</td>
<td>76308</td>
<td>$51,149</td>
<td></td>
</tr>
<tr>
<td>Comp 1</td>
<td>76234</td>
<td>$62,233</td>
<td>-22%</td>
</tr>
<tr>
<td>Comp 2</td>
<td>76310</td>
<td>$69,205</td>
<td>-35%</td>
</tr>
<tr>
<td>Comp 3</td>
<td>79606</td>
<td>$45,713</td>
<td>11%</td>
</tr>
</tbody>
</table>

Source: City-Data.com, 1/2018

**MEDIAN HOME VALUE**

<table>
<thead>
<tr>
<th>Property</th>
<th>Zip Code</th>
<th>Average Home Price</th>
<th>Differential With Subject Site</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subject</td>
<td>76308</td>
<td>$144,621</td>
<td></td>
</tr>
<tr>
<td>Comp 1</td>
<td>76234</td>
<td>$171,037</td>
<td>-18%</td>
</tr>
<tr>
<td>Comp 2</td>
<td>76310</td>
<td>$147,396</td>
<td>-2%</td>
</tr>
<tr>
<td>Comp 3</td>
<td>79606</td>
<td>$107,200</td>
<td>26%</td>
</tr>
</tbody>
</table>

Source: City-Data.com, 1/2018

Sale 1 is located in Decatur in a neighborhood with a higher median rent, median household income, and median home value relative to the Subject’s neighborhood. Further, this comparable offers superior access to the Dallas/Fort Worth metropolitan area. Overall, we believe this sale is superior to the Subject in terms of location and a downward adjustment of 10 percent is applied.

Sale 2 is located in Wichita Falls in a neighborhood with a similar median rent, a higher median household income, and a similar median home value. Overall, we believe this sale is slightly superior to the Subject in terms of location and a downward adjustment of five percent is applied.

Sale 3 is located in Abilene in a neighborhood with a slightly higher median rent, a slightly lower median household income, and a higher median home value. Overall, we believe this sale is slightly inferior to the Subject in terms of location and an upward adjustment of 10 percent is applied.

Zoning/Use
The Subject is currently zoned GC, which allows for a variety of uses including multifamily. Sales 1 and 2 were also zoned to allow for multifamily uses at the time of their sales. However, Sale 3 was not zoned for multifamily at the time of the sale and the buyer had to obtain a zoning change. However, the site is
currently zoned for multifamily and we do not believe the purchase price was significantly impacted by the need for a zoning change. As such, no adjustments are warranted.

**Topography**

The land sales vary in topography, but are generally level and appear to be functional. No adjustments are applied.

**Size**

With respect to size, the general convention is that larger properties tend to sell for less on a per unit basis than smaller properties. Conversely, smaller properties typically sell for more per unit than larger properties. The pool of potential purchasers decreases as property size (and purchase price) increases, effectively reducing competition. The pricing relationship is not linear and certain property sizes, while different, may not receive differing prices based on the grouping within levels. The previous highest and best use analysis indicated that the Subject site could support approximately 32 multifamily units. All of the sales are generally of the same size class as the Subject and no adjustments are applied.
THE RESERVES AT MAPLEWOOD PHASE II DEVELOPMENT SITE – WICHITA FALLS, TEXAS – APPRAISAL

Land Value Estimate
The land sales grid is presented following:

<table>
<thead>
<tr>
<th>Subject</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Eastern Terminus of Maplewood Avenue</td>
<td>SE Side of FM-51 east of Buchanan Road</td>
<td>4818 &amp; 4822 Fairway Boulevard</td>
</tr>
<tr>
<td>City, State</td>
<td>Wichita Falls, TX 76308</td>
<td>Decatur, TX 76234</td>
<td>Wichita Falls, TX 76310</td>
</tr>
<tr>
<td>Parcel Data</td>
<td>Zoning</td>
<td>GC</td>
<td>MF</td>
</tr>
<tr>
<td></td>
<td>Topography</td>
<td>Level</td>
<td>Similar</td>
</tr>
<tr>
<td></td>
<td>Shape</td>
<td>Irregular</td>
<td>Similar</td>
</tr>
<tr>
<td></td>
<td>Corner</td>
<td>No</td>
<td>Similar</td>
</tr>
<tr>
<td></td>
<td>Size (SF)</td>
<td>199,505</td>
<td>326,700</td>
</tr>
<tr>
<td></td>
<td>Size (Acres)</td>
<td>2.67</td>
<td>7.50</td>
</tr>
<tr>
<td></td>
<td>Units</td>
<td>32</td>
<td>70</td>
</tr>
<tr>
<td></td>
<td>Units Per Acre</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>Sales Data</td>
<td>Adjustments</td>
<td>Property Rights</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Financing</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Conditions of Sale</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Market Conditions</td>
<td>1.00</td>
</tr>
<tr>
<td></td>
<td>Adjusted Sale Price</td>
<td>$550,000</td>
<td>$443,000</td>
</tr>
<tr>
<td></td>
<td>Adjusted Price Per Unit</td>
<td>$7,857</td>
<td>$7,383</td>
</tr>
<tr>
<td>Adjustments</td>
<td>Location</td>
<td>-10.0%</td>
<td>-5.0%</td>
</tr>
<tr>
<td></td>
<td>Zoning</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td>Topography</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td>Size/ Number of Units</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Overall Adjustment</td>
<td>-10.0%</td>
<td>-5.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Adjusted Price Per Unit</td>
<td>$7,071</td>
<td>$7,014</td>
<td>$6,876</td>
</tr>
<tr>
<td>Low</td>
<td>$6,876</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>$7,071</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>$6,987</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Median</td>
<td>$7,014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conclusion</td>
<td>$7,000 x 32 = $224,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rounded</td>
<td>$220,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The sales indicate a range of adjusted price per unit from $6,876 to $7,071 per unit. Sales 1 and 2 are the most recent, while Sale 2 is the only sale located in Wichita Falls. However, given the tight adjusted range, we have placed emphasis on all sales. As such, we believe an indication of $7,000 per unit is reasonable. This correlates with an indication of land value as follows: 26 units at $7,000 per unit, equates to $320,000 (rounded).

**Conclusion of As Is Value**

As a result of our investigation and analysis, it our opinion that, subject to the limiting conditions and assumptions contained herein, the estimated as is value, of the fee simple interest, as of December 21, 2017, is:

**TWO HUNDRED TWENTY THOUSAND DOLLARS**  
($220,000)

*Please refer to the complete Assumptions and Limiting Conditions in the Addenda of this report.*
ADDENDUM A

Assumptions and Limiting Conditions, Certification
ASSUMPTIONS AND LIMITING CONDITIONS

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the appraiser has relied extensively upon such data in the formulation of all analyses.

2. The legal description as supplied by the client is assumed to be correct and the author assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.

3. All encumbrances, including mortgages, liens, leases, and servitudes, were disregarded in this valuation unless specified in the report. It was recognized, however, that the typical purchaser would likely take advantage of the best available financing, and the effects of such financing on property value were considered.

4. All information contained in the report which others furnished was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.

5. The report was made assuming responsible ownership and capable management of the property.

6. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.

7. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.

8. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors.

9. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the appraiser did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.

10. Any distribution of total property value between land and improvements applies only under the existing or specified program of property utilization. Separate valuations for land and buildings must not be used in conjunction with any other study or appraisal and are invalid if so used.

11. A valuation estimate for a property is made as of a certain day. Due to the principles of change and anticipation the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.
12. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.

13. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the appraiser is affiliated: specifically, the Appraisal Institute.

14. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.

15. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.

16. Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the Subject property will sell or lease for the indicated amounts.

17. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.

18. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

19. On all appraisals, subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusions are contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time. A final inspection and value estimate upon the completion of said improvements should be required.

20. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not subject to flood plain or utility restrictions or moratoriums, except as reported to the appraiser and contained in this report.

21. The party for whom this report is prepared has reported to the appraiser there are no original existing condition or development plans that would subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.

22. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.

23. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The appraiser does not warrant the condition or adequacy of such systems.
24. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the appraised property. The appraiser reserves the right to review and/or modify this appraisal if said insulation exists on the Subject property.

Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions. Estimates presented in this report are not valid for syndication purposes.
CERTIFICATION

The undersigned hereby certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations;
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved;
- We have performed no other prior appraisal services regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment;
- We have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment;
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results;
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice;
- Ryan Browder inspected the Subject site and is competent to perform such services. Lawson Short researched and incorporated all of the analyses in this report and is competent to perform such analyses, the scope of which included the following: researching comparable and market data, verifying comparable data, and assisting in developing the approaches to value. Rebecca Arthur oversaw all data collection and reporting in this appraisal. Ms. Arthur has not inspected the Subject site. No one other than those listed on this page provided any significant real property appraisal assistance.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this report, Rebecca Arthur has completed the requirements of the continuing education program of the Appraisal Institute.

Rebecca S. Arthur, MAI
Texas Certified General Real Estate
Appraiser TX 1338818
ADDENDUM B

Qualifications of Consultants
STATEMENT OF PROFESSIONAL QUALIFICATIONS
REBECCA S. ARTHUR, MAI

I. Education

University of Nebraska, Lincoln, Nebraska
Bachelor of Science in Business Administration – Finance

Appraisal Institute
Designated Member (MAI)

II. Licensing and Professional Affiliation

Member of Kansas Housing Association
Board of Directors 2017 - Present
Designated Member of the Appraisal Institute (MAI)
Kansas City Chapter of the Appraisal Institute Board of Directors – 2013 & 2014
Member of National Council of Housing Market Analysts (NCHMA)
Member of Commercial Real Estate Women (CREW) Network

State of Arkansas Certified General Real Estate Appraiser No. CG2682
State of Arizona Certified General Real Estate Appraiser No. 31992
State of California Certified General Real Estate Appraiser No. AG041010
State of Hawaii Certified General Real Estate Appraiser No. CGA-1047
State of Iowa Certified General Real Estate Appraiser No. CG03200
State of Indiana Certified General Real Estate Appraiser No. CG41300037
State of Kansas Certified General Real Estate Appraiser No. G-2153
State of Minnesota Certified General Real Estate Appraiser No. 40219655
State of Missouri Certified General Real Estate Appraiser No. 2004035401
State of Louisiana Certified General Real Estate Appraiser No. 4018
State of Texas Certified General Real Estate Appraiser No. TX-1338818-G

III. Professional Experience

Partner, Novogradac & Company LLP
Principal, Novogradac & Company LLP
Manager, Novogradac & Company LLP
Real Estate Analyst, Novogradac & Company LLP
Corporate Financial Analyst, Deloitte & Touche LLP

IV. Professional Training

Various Continuing Education Classes as required by licensing, 2016 & 2017
USPAP Update, January 2016
Forecasting Revenue, June 2015
Discounted Cash Flow Model, June 2015
Business Practices and Ethics, April 2015
HUD MAP Training – June 2013
The Appraiser as an Expert Witness: Preparation & Testimony, April 2013
How to Analyze and Value Income Properties, May 2011
Appraising Apartments – The Basics, May 2011
HUD MAP Third Party Tune-Up Workshop, September 2010
V. **Real Estate Assignments**

A representative sample of Valuation or Consulting Engagements includes:

- In general, have managed and conducted numerous market analyses and appraisals for various types of commercial real estate since 2001, with an emphasis on multifamily housing and land.

- Have managed and conducted numerous market and feasibility studies for multifamily housing. Properties types include Section 42 Low Income Housing Tax Credit (LIHTC) Properties, Section 8, USDA and/or conventional. Local housing authorities, developers, syndicators, HUD and lenders have used these studies to assist in the financial underwriting and design of multifamily properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying, and overall market analysis. The Subjects include both new construction and rehabilitation properties in both rural and metro regions throughout the United States and its territories.

- Have managed and conducted numerous appraisals of multifamily housing. Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered LIHTC and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and PILOT agreements.

- Performed market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs, as well as the LIHTC PILOT Program.

- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA, and the developer in the underwriting process. Market studies are compliant to State, FannieMae, and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.

- Completed numerous FannieMae and FreddieMac appraisals of affordable and market rate multi-family properties for DUS Lenders.

- Managed and Completed numerous Section 8 Rent Comparability Studies in accordance with
HUD’s Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities.

- Managed and conducted various City and County-wide Housing Needs Assessments in order to determine the characteristics of existing housing, as well as determine the need for additional housing within designated areas.

- Performed numerous valuations of the General and/or Limited Partnership Interest in a real estate transaction, as well as LIHTC Year 15 valuation analysis.

VI. Speaking Engagements

A representative sample of industry speaking engagements follows:

- Institute for Professional Education and Development (IPED): Tax Credit Seminars
- Institute for Responsible Housing Preservation (IRHP): Annual Meetings
- Midwest FHA Lenders Conference: Annual Meetings
- Southwest FHA Mortgage Association Lenders Conference: Annual Meetings
- National Council of Housing Market Analysts (NCHMA): Seminars and Workshops
- National Council of State Housing Agencies: Housing Credit Connect Conferences
- National Leased Housing Association: Annual Meeting
- Nebraska’s County Assessors: Annual Meeting
- Novogradac & Company LLP: LIHTC, Developer and Bond Conferences
- AHF Live! Affordable Housing Finance Magazine Annual Conference
- Kansas Housing Conference
- California Council for Affordable Housing (CCAH) Meetings
STATEMENT OF PROFESSIONAL QUALIFICATIONS

LAWSON SHORT

I. EDUCATION

St. Edward's University, Austin, Texas
Bachelor of Arts, English Writing and Rhetoric, 2010

II. PROFESSIONAL EXPERIENCE

Real Estate Analyst – Novogradac & Company LLP, March 2012 to Present
Researcher – Novogradac & Company LLP, March 2011 to March 2012

III. PROFESSIONAL TRAINING

Basic Appraisal Principles June 2013 to January 2014
Basic Appraisal Procedures June 2013 to January 2014
2014 National USPAP Course June 2013 to January
2014 Texas Appraiser Trainee License February 2014

IV. REAL ESTATE ASSIGNMENTS

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, assisted living, large family, and acquisition with rehabilitation.

- Assisted in the preparation of Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements included interviewing potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.

- Assisted in various types of appraisals of proposed new construction, rehabilitation, and existing properties. Analysis includes property screenings, valuation analysis, capitalization rate analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis. Appraisals assisted on have
included Freddie Mac, Fannie Mae, HUD Multifamily Accelerated Processing (MAP), among others.

- Conducted over 150 site inspections for market studies and appraisals throughout the United States for various reports including proposed new construction and rehabilitation projects.

- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.

- Examined local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects through the United States.
STATEMENT OF PROFESSIONAL QUALIFICATIONS
RYAN BROWDER

I. EDUCATION

Baylor University, Waco, Texas
Bachelor of Business Administration, Finance, 2014

II. PROFESSIONAL EXPERIENCE

Junior Analyst – Novogradac & Company LLP, December 2016 to Present
Real Estate Consultant – Jackson & Cooksey, August 2014 to December 2016

III. REAL ESTATE ASSIGNMENTS
A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, and supply analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation.

- Assisted in the preparation of Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements included interviewing potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.

- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.

- Examined local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects through the United States.
ADDENDUM C

Subject Photos
View of Reserves at Maplewood Phase I west of Subject site

View of vacant land south of Subject site

View of commercial uses west of Subject site

View of single-family home in Subject’s neighborhood

View of Reserves at Maplewood Phase I west of Subject site

View of Reserves at Maplewood Phase I west of Subject site
ADDENDUM D

Purchase Agreement
A. Settlement Statement

B. Type of Loan

|-------|--------|--------------|------|------------|-----------------|

<table>
<thead>
<tr>
<th>6. File Number</th>
<th>7. Loan Number</th>
<th>8. Mortgage Ins Case Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>S9083</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

C. Notes: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "out" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. Name & Address of Borrower

<table>
<thead>
<tr>
<th>OPC Land Development, LLC</th>
</tr>
</thead>
<tbody>
<tr>
<td>353 S. Kansas Ave., Suite 900</td>
</tr>
<tr>
<td>Topeka, KS 66603</td>
</tr>
</tbody>
</table>

E. Name & Address of Seller

<table>
<thead>
<tr>
<th>Karen S. Evans and Estate of M. Brenson</th>
</tr>
</thead>
<tbody>
<tr>
<td>P. O. Box 388</td>
</tr>
<tr>
<td>Hunt, TX 78024</td>
</tr>
</tbody>
</table>

F. Name & Address of Lender

See Addendum

G. Property Location

<table>
<thead>
<tr>
<th>Denton County School Lands, League 1, Block 11, 4.58 Acres, more or less,</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wichita County</td>
</tr>
<tr>
<td>3601 McIntire Avenue</td>
</tr>
<tr>
<td>Wichita Falls, TX 76308</td>
</tr>
</tbody>
</table>

H. Settlement Agent Name

<table>
<thead>
<tr>
<th>Landmark Title Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Eureka Circle</td>
</tr>
<tr>
<td>Wichita Falls, TX 76308</td>
</tr>
</tbody>
</table>

I. Settlement Date

<table>
<thead>
<tr>
<th>3/14/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund:</td>
</tr>
</tbody>
</table>

J. Summary of Borrower's Transaction

<table>
<thead>
<tr>
<th>100. Gross Amount Due From Borrower</th>
<th>400. Gross Amount Due To Seller</th>
</tr>
</thead>
<tbody>
<tr>
<td>101. Contract Sales Price: $152,644.73</td>
<td></td>
</tr>
<tr>
<td>102. Personal Property:</td>
<td></td>
</tr>
<tr>
<td>103. Settlement Charges to borrower: $1,285.44</td>
<td></td>
</tr>
<tr>
<td>104. Additions for items paid by seller in advance:</td>
<td></td>
</tr>
<tr>
<td>105. City property taxes: 400. City property taxes:</td>
<td></td>
</tr>
<tr>
<td>106. County property taxes: 407. County property taxes:</td>
<td></td>
</tr>
<tr>
<td>107. Annual assessments: 408. Annual assessments:</td>
<td></td>
</tr>
<tr>
<td>108. School property taxes: 409. School property taxes:</td>
<td></td>
</tr>
<tr>
<td>109. MUD Taxes: 410. MUD Taxes:</td>
<td></td>
</tr>
<tr>
<td>110. Total Taxes: 411. Total Taxes:</td>
<td></td>
</tr>
<tr>
<td>111. Total Taxes: 412.</td>
<td></td>
</tr>
<tr>
<td>112. 413.</td>
<td></td>
</tr>
<tr>
<td>113. 414.</td>
<td></td>
</tr>
<tr>
<td>114. 415.</td>
<td></td>
</tr>
<tr>
<td>115. 416.</td>
<td></td>
</tr>
<tr>
<td>116.</td>
<td></td>
</tr>
<tr>
<td>120. Gross Amount Due From Borrower: $153,000.17</td>
<td></td>
</tr>
<tr>
<td>200. Amounts Paid By or In behalf Of Borrower:</td>
<td></td>
</tr>
<tr>
<td>201. Deposit or earnest money: 501. Excess Deposit:</td>
<td></td>
</tr>
<tr>
<td>202. Principal amount of new loan(s): 502. Settlement Charges to borrower (line 1400): $9,097.04</td>
<td></td>
</tr>
<tr>
<td>203. Existing loan(s) taken subject to: 503. Existing Loan(s) Taken Subject to:</td>
<td></td>
</tr>
<tr>
<td>204. Commitment fee: 504. Payoff of first mortgage loan:</td>
<td></td>
</tr>
<tr>
<td>205. 505. Payoff of second mortgage loan:</td>
<td></td>
</tr>
<tr>
<td>206. 506.</td>
<td></td>
</tr>
<tr>
<td>207. 507.</td>
<td></td>
</tr>
<tr>
<td>208. 508.</td>
<td></td>
</tr>
<tr>
<td>209. 509.</td>
<td></td>
</tr>
<tr>
<td>210. Adjustments for items unpaid by seller:</td>
<td></td>
</tr>
<tr>
<td>211. City property taxes: 510. City property taxes:</td>
<td></td>
</tr>
<tr>
<td>212. County property taxes: 511. County property taxes:</td>
<td></td>
</tr>
<tr>
<td>213. Annual assessments: 512. Annual assessments:</td>
<td></td>
</tr>
<tr>
<td>214. School property taxes: 513. School property taxes:</td>
<td></td>
</tr>
<tr>
<td>215. MUD Taxes: 514. MUD Taxes:</td>
<td></td>
</tr>
<tr>
<td>216. Total Taxes: 01/03/14 thru 03/14/14: $704.40</td>
<td></td>
</tr>
<tr>
<td>217. 515. Total Taxes: 01/03/14 thru 03/14/14: $704.40</td>
<td></td>
</tr>
<tr>
<td>218. 516.</td>
<td></td>
</tr>
<tr>
<td>219. 517.</td>
<td></td>
</tr>
<tr>
<td>220. Total Paid By/borrower: $704.40</td>
<td></td>
</tr>
<tr>
<td>300. Cash At Settlement From/To Borrower:</td>
<td></td>
</tr>
<tr>
<td>301. Gross Amount due from borrower (line 120): $153,000.17</td>
<td></td>
</tr>
<tr>
<td>302. Less amounts paid by/borrower (line 220): $704.40</td>
<td></td>
</tr>
<tr>
<td>303. Cash From Borrower: $153,000.17</td>
<td></td>
</tr>
<tr>
<td>304. Cash At Settlement To/From Seller:</td>
<td></td>
</tr>
<tr>
<td>305. Gross Amount due to seller (line 420): $152,644.73</td>
<td></td>
</tr>
<tr>
<td>306. Less reductions in amt. due seller (line 520): $9,097.04</td>
<td></td>
</tr>
<tr>
<td>307. Cash To Seller: $152,644.73</td>
<td></td>
</tr>
</tbody>
</table>

K. Summary of Seller's Transaction

| 103. Settlement Charges to borrower: |
| 104. Additions for items paid by seller in advance: |
| 105. City property taxes: |
| 106. County property taxes: |
| 107. Annual assessments: |
| 108. School property taxes: |
| 109. MUD Taxes: |
| 110. Total Taxes: |
| 111. Total Taxes: |
| 112. |
| 113. |
| 114. |
| 115. |
| 116. |
| 120. Gross Amount Due From Seller: $152,644.73 |
| 200. Amounts Paid By or In behalf Of Borrower: |
| 201. Deposit or earnest money: |
| 202. Principal amount of new loan(s): |
| 203. Existing loan(s) taken subject to: |
| 204. Commitment fee: |
| 205. |
| 206. |
| 207. |
| 208. |
| 209. |
| 210. Adjustments for items unpaid by seller: |
| 211. City property taxes: |
| 212. County property taxes: |
| 213. Annual assessments: |
| 214. School property taxes: |
| 215. MUD Taxes: |
| 216. Total Taxes: 01/03/14 thru 03/14/14: |
| 217. |
| 218. |
| 219. |
| 220. Total Paid By/sellor: |
| 300. Cash At Settlement From/To Borrower: |
| 301. Gross Amount due from borrower (line 120): |
| 302. Less amounts paid by/borrower (line 220): |
| 303. Cash From Borrower: |
| 304. Cash At Settlement To/From Seller: |
| 305. Gross Amount due to seller (line 420): |
| 306. Less reductions in amt. due seller (line 520): |

Section 5 of the Real Estate Settlement Procedures Act (RESPA) requires the following: HUD must develop a Special Information Booklet to help persons borrowing money to finance the purchase of residential real estate to better understand the names and costs of real estate settlement services. Each lender must provide the booklet to all applicants from whom it receives or for whom it prepares a written application to borrow money to finance the purchase of residential real estate. Lenders must prepare and distribute with the Booklet a Good Faith Estimate of the settlement costs that the borrower is likely to incur in connection with the settlement. These disclosures are mandatory.
### Settlement Charges

#### 706. Total Sales/Broker's Commission based on price

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Paid From</th>
<th>Paid From</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Price</td>
<td>$152,644.73</td>
<td>$7,632.24</td>
<td>$6.00</td>
</tr>
<tr>
<td>(5% of 152,644.73)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Division of Commission (line 706) as follows</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>701. $6,532.24 to Andy Lee Company</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>702. $1,100.00 to Domain Real Estate Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>703. Commission Paid at Settlement</td>
<td>$6.00</td>
<td></td>
<td>$7,632.24</td>
</tr>
</tbody>
</table>

#### 806. Items Payable in Connection with Loan

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Paid From</th>
<th>Paid From</th>
</tr>
</thead>
<tbody>
<tr>
<td>801. Loan Origination Fee</td>
<td>%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>802. Loan Discount</td>
<td>%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>803. Appraisal Fee</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>804. Credit Report</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>805. Lender's Inspection Fee</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>806. Mortgage Insurance Application</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 900. Items Required by Lender To Be Paid in Advance

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Paid From</th>
<th>Paid From</th>
</tr>
</thead>
<tbody>
<tr>
<td>901. Interest from 3/14/2014 to 4/1/2014 @ $8/day</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>902. Mortgage Insurance Premium for months</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>903. Hazard Insurance Premium for years</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 1000. Reserves Deposited With Lender

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Paid From</th>
<th>Paid From</th>
</tr>
</thead>
<tbody>
<tr>
<td>1001. Hazard insurance months @ per month</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1002. Mortgage insurance months @ per month</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1003. City property taxes months @ per month</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1004. County property taxes months @ per month</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1005. Annual assessments months @ per month</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1006. School property taxes months @ per month</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1007. MUD Taxes months @ per month</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1008. Total Taxes months @ $293.50 per month</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 1011. Aggregate Adjustment

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Paid From</th>
<th>Paid From</th>
</tr>
</thead>
<tbody>
<tr>
<td>1011. Settlement or closing fee</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1012. Abstract or title search</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1013. Title examination</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1014. Title insurance binder</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1015. Document preparation</td>
<td>$100.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1016. Notary fees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1017. Attorney's fees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(includes above items numbers: )</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 1100. Title Charges

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Paid From</th>
<th>Paid From</th>
</tr>
</thead>
<tbody>
<tr>
<td>1108. Title insurance  to Landmark Title Company</td>
<td>$1,167.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 1110. Title Charges

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Paid From</th>
<th>Paid From</th>
</tr>
</thead>
<tbody>
<tr>
<td>1110. Owner's coverage</td>
<td>$152,644.73</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1111. Escrow fee to Landmark Title Company</td>
<td>$150.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 1112. State of Texas Policy Guaranty Fee to Guaranty Escrow

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Paid From</th>
<th>Paid From</th>
</tr>
</thead>
<tbody>
<tr>
<td>1113. Guaranty Assessment Recoupment Charge to Landmark Title Company</td>
<td>$1,80</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1114. Courier Fee to Landmark Title Company</td>
<td>$36.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 1120. Government Recording and Transfer Charges

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Paid From</th>
<th>Paid From</th>
</tr>
</thead>
<tbody>
<tr>
<td>1201. Recording fees D dc $50.00, Mortgage : Rel to Landmark Title Company</td>
<td>$50.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1202. City/county tax/stamps D dc Mortgage to</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1203. State tax/stamps D dc Mortgage to</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1204. Tax certificates to Landmark Title Company</td>
<td>$10.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 1300. Additional Settlement Charges

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Paid From</th>
<th>Paid From</th>
</tr>
</thead>
<tbody>
<tr>
<td>1301. Survey to Corety, Probst &amp; Boyd, Inc.</td>
<td>$1,055.44</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1302. Pest inspection</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 1400. Total Settlement Charges (enter on lines 103, Section J and 582, Section K)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Paid From</th>
<th>Paid From</th>
</tr>
</thead>
<tbody>
<tr>
<td>1400. Total Settlement Charges</td>
<td>$1,255.44</td>
<td></td>
<td>$9,997.04</td>
</tr>
</tbody>
</table>

---

**Settlement Agent Certification**

By [signature]

**Settlement Agent**

Karen S. Evans and Estate of M. Bronson Evans

By Karen S. Evans, Individually and as Independent Executor of the Estate of M. Bronson Evans, Deced.

**Settlement Agent Certification**

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused the funds to be disbursed in accordance with this statement.
<table>
<thead>
<tr>
<th>Section D – Additional Buyers/Borrowers</th>
<th>Section E – Additional Sellers</th>
</tr>
</thead>
<tbody>
<tr>
<td>John M. Hinchcliff</td>
<td>John M. Hinchcliff</td>
</tr>
<tr>
<td>3305 Buchanan</td>
<td>Thomas P. Stephens</td>
</tr>
<tr>
<td>Wichita Falls, TX 76308</td>
<td>811 6th Street</td>
</tr>
<tr>
<td></td>
<td>Wichita Falls, TX 76301</td>
</tr>
</tbody>
</table>

Thomas P. Stephens
BSP Properties, L.C.
1005 9th Street, Suite 200
Wichita Falls, TX 76301

BSP Properties, L.C.

By Richard H. Bundy, President
RECEIPT OF TITLE COMMITMENT AND RIGHTS OF PARTIES IN POSSESSION ACKNOWLEDGMENT

Date: March 14, 2014

Re: GF# 59083

Property Description:

FIELD NOTES OF A 4.580 ACRE TRACT OF LAND OUT OF BLOCK 11, DENTON COUNTY SCHOOL LANDS, LEAGUE NO. 1, ABSTRACT 58, WICHITA FALLS, WICHITA COUNTY, TEXAS, SAID TRACT BEING PART OF THAT SAME TRACT CONVEYED TO THOMAS P. STEPHENS, BSP PROPERTIES, JOHN M. HIRSCHI AND BRONSON AND KAREN EVANS BY DEEDRecorded in Volume 2236, PAGE 839, OFFICIAL PUBLIC RECORDS OF WICHITA COUNTY, AND MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

Beginning at an iron rod found in the North right-of-way line of Regent Drive, at the Southeast corner of Lot 8, Block 63, Fountain Park Section 8D, as recorded in Volume 26, Page 183, Wichita County Plat Records, said rod also being the Southwest corner of a tract of land conveyed to RWH Enterprises, Inc, by deed recorded in Volume 1573, Page 615, Wichita County Deed Records, for an ell corner of this tract;

THENCE N 89° 38' 10" E, with the South line of said RWH Enterprises, Inc tract, a distance of 33.48 feet to an iron rod found at the Southeast corner of said RWH Enterprises, Inc tract, for an ell corner of this tract;

THENCE N 00° 25' 05" W, with the East line of said RWH Enterprises, Inc tract, a distance of 179.95 feet to an iron rod found in the South line of Lot 9, Block 63, Fountain Park, Section 8D, as recorded in Volume 28, Pages 874-875, Wichita County Plat Records, at the Northeast corner of said RWH Enterprises, Inc tract, for the most westerly Northwest corner of this tract;

THENCE N 89° 44' 38" E, with the South line of said Lot 9, a distance of 49.50 feet to an iron rod set at the Southeast corner of said Lot 9, for an ell corner of this tract;

THENCE N 02° 20' 31" W, with the East line of said Lot 9, a distance of 424.36 feet to an iron rod set in the South line of Maplewood Avenue at the Northeast corner of said Lot 9, said rod also being in a curve to the right having a radius of 965.00 feet;

THENCE Southeasterly with the South line of Maplewood Avenue and said curve to the right (Chord = S 82° 48' 31" E - 319.64') an arc distance of 321.12 feet to an iron rod set for the Northeast corner of this tract;

THENCE S 00° 31' 34" W a distance of 591.89 feet to an iron rod found in the North line of a tract of land conveyed to Hiawatha Partnership, Lp fka Texas 4 Partnership by deed recorded in Volume 1597, Page 298, Wichita County Deed Records, for the Southeast corner of this tract;

THENCE S 89° 37' 12" W, with the North line of Hiawatha Partnership tract, a distance of 375.82 feet to a mag nail found in the center of Regent Drive, for the Southwest corner of this tract;

THENCE N 00° 24' 36" W a distance of 30.00 feet the Place of Beginning and containing 4.580 acres of land.

NOTE: THE COMPANY IS PROHIBITED FROM INSURING THE AREA OR QUANTITY OF THE LAND DESCRIBED HEREIN. ANY STATEMENT IN THE ABOVE LEGAL DESCRIPTION OF THE AREA OR
QUANTITY OF LAND IS NOT A REPRESENTATION THAT SUCH AREA OR QUANTITY IS CORRECT, BUT IS MADE ONLY FOR INFORMATIONAL PURPOSES AND DOES NOT OVERRIDE ITEM 2 OF SCHEDULE B HEREOF.

Property Address:

3601 McNiel Avenue
Wichita Falls, TX 76308

The undersigned Purchasers acknowledge receipt of the title commitment and by this letter acknowledge that LANDMARK TITLE COMPANY has made no on-site inspection of the subject property, that such inspection is hereby waived, and that we agree to accept the Owner's Title Policy to be issued to the undersigned containing the following exception: "Rights of Parties in Possession", together with other matters shown under Schedule B of the title commitment and as created, suffered or assumed at closing.

OPG Land Development, LLC
By: ____________________________
[Signature]
Purchaser-Insured

[Signature]
Purchaser-Insured
ADDENDUM E

Site Plans