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DOCKET NO. 52101

**PETITION OF CCD-NORTH SKY, LLC TO § PUBLIC UTILITY COMMISSION
AMEND MARILEE SPECIAL UTILITY §
DISTRICT'S CERTIFICATE OF § OF
CONVENIENCE AND NECESSITY IN §
COLLIN COUNT BY EXPEDITED RELEASE § TEXAS**

PETITIONER'S SUBMISSION OF APPRAISAL REPORT

TO THE PUBLIC UTILITY COMMISSION OF TEXAS:

In accordance with the Final Order and Order No. 10, CCD-North Sky, LLC (the "Petitioner") submits its appraisal report in support of its contention the Marilee Special Utility District is not entitled to compensation in this docket.

Respectfully submitted,

COATS ROSE, P.C

By: 

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ATTORNEYS FOR PETITIONER

CERTIFICATE OF SERVICE

I certify that a true and correct copy of this document was served on the following attorney of record on or before May 25, 2022 in accordance with 16 TEX. ADMIN. CODE §22.74(c).

Attorneys for Marilee Special Utility District:

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Attorneys for PUC:

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Austin, Texas 78711-3326
Email: Mildred.Anaele@puc.texas.gov



Joshua A. Bethke/Natalie. Scott

May 20, 2022

Mr. Brian Cramer
Corson & Cramer Development
4925 Greenville Ave, Ste 604
Dallas, TX 75206

SUBJECT: PETITION OF CCD-NORTH SKY LLC TO AMEND MARILEE SPECIAL UTILITY DISTRICT'S CERTIFICATE OF CONVENIENCE AND NECESSITY IN COLLIN COUNTY BY EXPEDITED RELEASE

NewDay Appraisal Group is pleased to present this narrative appraisal as considered by the Public Utility Commission of Texas to determine just compensation for the expedited release of approximately 219.67 acres of land from Marilee Special Utility District's service area under Certificate of Convenience and Necessity (CCN) No. 10150 in Collin County, Texas. The petition was filed by CCD-North Sky LLC and is part of the Public Utility Commission of Texas Docket No. 52101. This appraiser is operating under the assumption that all correspondence, petitions, evaluations, and judgments made by the PUC and all independent 3rd parties are transferred in their entirety to the current owners of the subject property

This appraiser is also operating under the assumption that the application for expedited release of the referenced 219.67 acres of land from Marilee Special Utility District's Certificate of Convenience and Necessity (CCN) No. 10150 in Collin County, Texas was filed pursuant to Tex. Water Code 13.2541 – Streamlined Expedited Release Initiated by Landowner.

INTENDED USERS: of this report include Corson & Cramer and its representatives, CCD-North Sky LLC and its representatives, and the Public Utility Commission of Texas.

INTENDED USE: This report is to be used to determine an opinion of value on the amount of compensation due to Marilee Special Utility District as a result of the expedited release of 219.67 acres of land from Marilee Special Utility District under CCN No. 10150.

SCOPE OF WORK: As part of this appraisal, appraiser has completed the following steps to gather, confirm, and analyze the data:

- ❖ Utilized the appraisal process to estimate the amount of compensation due to Marilee Special Utility District caused by the expedited release of 219.67 acres of land from Marilee Special Utility District Certificate of Convenience and Necessity (CCN) No. 10150 in Collin County, Texas, pursuant to Tex. Water Code 13.2541 - Streamlined Expedited Release Initiated by Landowner.
- ❖ Collected and reviewed information about the history of the subject property and market area. A list of documents reviewed is detailed in this report.
- ❖ Gathered market information on the surrounding market area. Sources of data include, but are not limited to, Collin County deed records, Collin County Appraisal District data, owner's representatives, brokers, investors, developers, third party consultants, client provided data, and other knowledgeable individuals active in the area.

- ❖ Prepared a narrative appraisal report to determine just compensation as considered by the Public Utility Commission of Texas. While some of this assignment does fall outside of Standards Rules 1-10 of the Uniform Standards of Professional Appraisal Practice, 2022-2023 Edition, appraiser has complied with the portions of the Uniform Standards of Professional Appraisal Practice, 2022-2023 Edition that do apply to this assignment.
- ❖ Determined that the subject property is unimproved land for which the highest and best use is for single family residential purposes; This is supported by the client's single family residential development plans.
- ❖ Appraiser was contracted by Corson & Cramer to Address Section 13.2541 Section (i) of the Streamlined Expedited Release Initiated By Landowner Which States:
 - Section 13.2541 (i) "If the petitioner and the certificate holder cannot agree on an independent appraiser within 10 calendar days after the date on which the utility commission approves the petition, the petitioner and the certificate holder shall each engage its own appraiser at its own expense, and each appraisal shall be submitted to the utility commission within 70 calendar days after the date on which the utility commission approves the petition. After receiving the appraisals, the utility commission shall appoint a third appraiser who shall make a determination of the compensation within 100 days after the date on which the utility commission approves the petition. The determination may not be less than the lower appraisal or more than the higher appraisal. The petitioner and the certificate holder shall each pay half the cost of the third appraisal.
- ❖ This appraiser has chosen to develop this report in a narrative format. This format decision was made to help facilitate the next step in the process defined in Section 13.2541 (i) ... "After receiving the appraisals, the utility commission shall appoint a third appraiser who shall make a determination of the compensation."
- ❖ This report is not intended to be a review of the PUC Final Order Titled, "PETITION OF CCD-NORTH SKY LLC TO AMEND MARILEE SPECIAL UTILITY DISTRICT'S CERTIFICATE OF CONVENIENCE AND NECESSITY IN COLLIN COUNTY BY EXPEDITED RELEASE". The following guidance was followed:
 - This appraiser has assumed that the information reported in the "Documents Reviewed" is accurate unless there is evidence to the contrary.
 - This appraiser has been tasked by the client to determine, in his professional opinion, what the compensation should be for the EXPEDITED RELEASE FROM WATER CCN NO. 10150 and provide support for this opinion through the analysis, conclusions and reconciliation presented in the "Documents Reviewed" and/or any other reference material.
 - This appraiser has not formed an opinion about the overall accuracy and quality of the data in any of the referenced documents. The objective is not to determine whether material errors exist and/or what effect they might have on the opinions and conclusions. This appraiser has been asked to provide a professional opinion on the amount of compensation due to Marilee Special Utility District caused by the expedited release of 219.67 acres of land from Marilee Special Utility District's Certificate of Convenience and Necessity (CCN) No. 10150 in Collin County, Texas pursuant to Tex. Water Code 13.2541.

- This appraiser has invoked an extraordinary assumption as necessary to form a professional opinion on the determination of compensation due. The extraordinary assumption includes the use of information from the "Documents Reviewed" that this appraiser has concluded is reliable (such as the conclusion of the Public Utilities Commission of Texas Final Order dated March 14, 2022.) If the information provided in the "Documents Reviewed" does not accurately represent the assessment of the subject property the use of this extraordinary assumption might have affected the opinion of compensation due.

COMPETENCY RULE:

This appraiser has the ability to properly identify the problem to be addressed; the knowledge and experience to complete the assignment competently; and recognize and comply with the laws and regulations.

JURISDICTIONAL EXCEPTION RULE:

If any applicable law or regulation precludes compliance with any part of the Uniform Standards of Professional Appraisal Practice (USPAP), only that part of the Uniform Standards of Professional Appraisal Practice becomes void for the assignment.

DOCUMENTS REVIEWED:

The documents collected and reviewed in preparation of this narrative appraisal include, but are not limited to, the below. Additionally, this appraiser has reviewed other filed documents on the Public Utility Commission of Texas website.

- ❖ Tex. Water Code 13.254
- ❖ Tex. Water Code 13.2541
- ❖ Petition by CCD-North Sky LLC for Expedited Release from Water CCN No. 10150 Held by Marilee Special Utility District in Collin County – PUC Docket No. 52101.
- ❖ Public Utilities Commission of Texas Final Order dated March 14, 2022 addressing the petition by CCD-North Sky LLC for streamlined expedited release of a portion of a tract of land in Collin County from the service area under water certificate of convenience and necessity (CCN) number 10150.
- ❖ Kimley Horn's (Independent Third Party Planning & Design Consultants) Opinion of Probable Cost for Providing Water Services to Subject Property named NORTH SKY CELINA WATER DISTRIBUTION SYSTEM and defined as Homesites to be Developed on the 219.67 Acres of Land in Collin County, Texas.
- ❖ Kimley Horn's (Independent Third Party Planning & Design Consultants) backbone layout of 8 inch main water lines to be installed within the development named NORTH SKY CELINA WATER LAYOUT-WATER DISTRIBUTION SYSTEM and defined as Homesites to be Developed on the 219.67 Acres of Land in Collin County, Texas.

STATED FACTORS FOR COMPENSATION OF CCN:

The required factors that must be considered in determining compensation of a certificate holder subject to a decertification from a utility's CCN are set forth in Texas Water Code 13.254(g) and Chapter 21 of the Property Code (for real property). Those factors apply to streamlined expedited release petitions filed under Texas Water Code 13.2541. Per Texas Water Code 13.254(g), the factors ensuring that the compensation to a retail public utility is just and adequate shall include:

- Factor 1 – the value of real property must be determined according to the standards set forth in chapter 21 of the Texas Property Code governing actions in eminent domain.
- Factor 2A – the amount of the former CCN holder's debt allocable to service to the removed area.
- Factor 2B – the value of the service facilities belonging to the former CCN holder that are within the removed area.
- Factor 2C – the amount of any expenditures for planning, design, or construction of the service facilities of the former CCN holder that are allocable to service to the removed area.
- Factor 2D – the amount of the former CCN holder's contractual obligations allocable to the removed area.
- Factor 2E – any demonstrated impairment of service or any increase of cost to consumers of the former CCN holder remaining after a CCN revocation or amendment under this section.
- Factor 2F – the impact on future revenues lost from existing customers.
- Factor 2G – necessary and reasonable legal expenses and professional fees, including costs incurred to comply with TWC 13.257(r).
- Factor 2H – any other relevant factors as determined by the commission.

PUC DOCKET NO. 52101 SECTION I: "Finding of Facts" ; PARAGRAPH: "Water Service" ; FINDINGS # 27 - 36:

In PUC Docket No. 52101 Dated March 14, 2022, the Public Commission of Texas has ruled that:

- ✓ 27. The tract of land is not receiving actual water service from the CCN holder.
- ✓ 28. The petitioner has not requested that the CCN holder provide water service to the tract of land.
- ✓ 29. The petitioner has not paid to the CCN holder any fees or charges to initiate or maintain water service for the tract of land.

- ✓ 30. There are no billing records or other documents indicating an existing account with the CCN holder for the provision of water service to the tract of land.
- ✓ 31. The CCN holder owns and operates a two-inch waterline running through the extreme eastern edge of the tract of land.
- ✓ 32. The two-inch waterline is connected to a water meter on the petitioner's property, but the meter is not located within the tract of land and does not provide water service to the tract of land.
- ✓ 33. The CCN holder provides water service to a small lot within the petitioner's property, but this lot does not lie within the tract of land.
- ✓ 34. The CCN holder has not committed or dedicated any facilities or lines to the tract of land for water service.
- ✓ 35. The CCN holder has no facilities or lines that provide water service to the tract of land.
- ✓ 36. The CCN holder has not performed any acts for or supplied anything to the tract of land.

This appraiser has taken the approach of including in this report the stated conclusion for each of the "Factors For Compensation Of CCN" as represented in the "Documents Reviewed". This appraiser has also included a statement of "professional opinion" for each of the "Factors For Compensation Of CCN".

Factor 1: – the value of real property must be determined according to the standards set forth in chapter 21 of the Texas Property Code governing actions in eminent domain.

NewDay Appraisal Group Opinion: There is no real property being acquired by the petitioner from the CCN, thus no compensation is considered under this factor.

Factor 2A: – the amount of the former CCN holder's debt allocable to service to the removed area.

NewDay Appraisal Group Opinion: There is no reported debt associated with the released area, thus no compensation is considered under this factor.

Factor 2B: – the value of the service facilities belonging to the former CCN holder that are within the removed area.

NewDay Appraisal Group Opinion: The Final Order of the PUC for (CCN) number 10150 dated March 14, 2022 states, "34. The CCN holder has not committed or dedicated any facilities or lines to the tract of land for water service. 35. The CCN holder has no facilities or lines that provide water service to the tract of land. 36. The CCN holder has not performed any acts for or supplied anything to the tract of land." Based on an analysis of the "Documents Reviewed" it is this appraiser's professional opinion that the conclusion drawn in the PUC Final Order of the PUC for (CCN) number 10150 dated March 14, 2022 is correct and there is no compensation due to Merilee Special Utility District based on Factor 2B.

Factor 2C: – the amount of any expenditures for planning, design, or construction of the service facilities of the former CCN holder that are allocable to service to the removed area.

NewDay Appraisal Group Opinion: The Final Order of the PUC for (CCN) number 10150 dated March 14, 2022 states, "28. The petitioner has not requested that the CCN holder provide water service to the tract of land. 29. The petitioner has not paid to the CCN holder any fees or charges to initiate or maintain water service for the tract of land. 30. There are no billing records or other documents indicating an existing account with the CCN holder for the provision of water service to the tract of land. 34. The CCN holder has not committed or dedicated any facilities or lines to the tract of land for water service. 35. The CCN holder has no facilities or lines that provide water service to the tract of land 36. The CCN holder has not performed any acts or supplied anything to the tract of land. Based on an analysis of the "Documents Reviewed" it is this appraiser's professional opinion that the conclusion drawn in the PUC Final Order of the PUC for (CCN) number 10150 dated March 14, 2022 is correct and there is no compensation due to Merilee Special Utility District based on Factor 2C.

Factor 2D: – the amount of the former CCN holder's contractual obligations allocable to the removed area.

NewDay Appraisal Group Opinion: The Final Order of the PUC for (CCN) number 10150 dated March 14, 2022 states, " 27. The tract of land is not receiving actual water service from the CCN holder. 28. The petitioner has not requested that the CCN holder provide water service to the tract of land. 29. The petitioner has not paid to the CCN holder any fees or charges to initiate or maintain water service for the tract of land. 30. There are no billing records or other documents indicating an existing account with the CCN holder for the provision of water service to the tract of land. Appraiser has not been made aware of any contractual obligations allocable to the removed area. Based on an analysis of the "Documents Reviewed" it is this appraiser's professional opinion that there is no compensation due to Merilee Special Utility District based on Factor 2D.

2E: – any demonstrated impairment of service or any increase of cost to consumers of the former CCN holder remaining after a CCN revocation or amendment under this section.

2F: – the impact on future revenues lost from existing customers.

2H: – any other relevant factors as determined by the commission.

NewDay Appraisal Group Opinion: The Final Order of the PUC for (CCN) number 10150 dated March 14, 2022 states, "27. The tract of land is not receiving actual water service from the CCN holder. 28. The petitioner has not requested that the CCN holder provide water service to the tract of land. 29. The petitioner has not paid to the CCN holder any fees or charges to initiate or maintain water service for the tract of land. 30. There are no billing records or other documents indicating an existing account with the CCN holder for the provision of water service to the tract of land. 31. The CCN holder owns and operates a two-inch waterline running through the extreme eastern edge of the tract of land. 32. The two-inch waterline is connected to a water meter on the petitioner's property, but the meter is not located within the tract of land and does not provide water service to the tract of land. 33. The CCN holder provides water service to a small lot within the petitioner's property, but this lot does not lie within the tract of land. 34. The CCN holder has not committed or dedicated any facilities or lines to the tract of land for water service. 35. The CCN holder has no facilities or lines that provide water service to the tract of land. 36. The CCN holder has not performed any acts for or supplied anything to the tract of land."

It is this appraiser's professional opinion that if there is any potential future cash flow loss reported it should be understood that any potential future cash flow could not be generated without incremental cost. There would be a required investment in planning, development, infrastructure, trenching, piping, materials, labor, etc. As stated above per the Final Order of the PUC for (CCN) number 10150 dated March 14, 2022 there is no existing infrastructure to be leveraged and, as a result, all infrastructure must be installed new.

An analysis was conducted of the "OPINION OF PROBABLE COSTS" spreadsheet (Shown on the next page in this report) and the backbone layout of 8 inch main water lines to be installed named NORTH SKY CELINA WATER LAYOUT-WATER DISTRIBUTION SYSTEM as prepared by Kimley Horn (an Independent Third Party Planning & Design Consulting Company).

This appraiser has made an assumption that the opinion of probable costs for providing water services to the subject property and the backbone layout of 8 inch main water lines as prepared by Kimley Horn is similar to the incremental costs that would need to be incurred by Merilee Special Utility District to provide a similar infrastructure & similar water service to the subject property. Assuming the probable costs for providing water services as provided by Kimley Horn are correct it is this appraiser's professional opinion that these incremental infrastructure & development costs would surpass any potential lost cash flow estimates and there would be a net loss shown for Merilee Special Utility District in providing water service to the subject property.

OPINION OF PROBABLE COST

| | | |
|----------------------|---|------------------------|
| PROJECT NAME: | NORTH SKY CELINA WATER DISTRIBUTION SYSTEM | DATE: 5/3/2022 |
| CITY: | CELINA ETJ, TEXAS | CREATED BY: KJK |
| JOB NUMBER: | 063249700 | CHECKED BY: |
| | | REVISED BY: |

| ITEM DESCRIPTION | UNIT | QUANTITY | UNIT PRICE | ITEM COST |
|---|------|----------|--------------|----------------|
| BENDS, TEES, PLUGS & CONNECTIONS TO EXISTING LINES) | LF | 28,756 | \$48.50 | \$1,394,666.00 |
| BENDS, TEES, PLUGS & CONNECTIONS TO EXISTING LINES) | LF | 9,304 | \$85.00 | \$790,840.00 |
| 8" GATE VALVE & BOX | EA | 133 | \$1,685.00 | \$224,105.00 |
| 12" GATE VALVE & BOX | EA | 41 | \$3,050.00 | \$125,050.00 |
| FIRE HYDRANT ASSEMBLY | EA | 84 | \$5,300.00 | \$445,200.00 |
| POST HYDRANT | EA | 5 | \$3,750.00 | \$18,750.00 |
| 1" WATER SERVICE | EA | 783 | \$1,060.00 | \$829,980.00 |
| 2" WATER SERVICE (AMENITY CENTER) | EA | 1 | \$1,900.00 | \$1,900.00 |
| 2" IRRIGATION SERVICE | EA | 9 | \$1,900.00 | \$17,100.00 |
| 4" IRRIGATION SLEEVES | LF | 500 | \$16.00 | \$8,000.00 |
| PRESSURE REDUCING STATION INCLUDING PRV SCADA | EA | 2 | \$187,200.00 | \$374,400.00 |
| WATER LINE DISINFECTION AND TESTING | LF | 38,060 | \$1.00 | \$38,060.00 |
| TRENCH SAFETY | LF | 38,060 | \$1.00 | \$38,060.00 |
| TESTING (GEOTECH) | LF | 33,360 | \$1.50 | \$50,040.00 |

| | | |
|---|-----|-----------------------|
| SUB-TOTAL: | | \$4,356,151.00 |
| CITY INSPECTION FEE: | 3% | \$130,684.53 |
| MAINTENANCE BONDS: | 2% | \$87,123.02 |
| PERMITTING, ENGINEERING AND STAKING: | 10% | \$435,615.10 |
| CONTINGENCIES: | 10% | \$435,615.10 |

TOTAL WATER DISTRIBUTION SYSTEM COSTS: \$5,445,188.75

The Final Order of the PUC for (CCN) number 10150 dated March 14, 2022 states, "27. The tract of land is not receiving actual water service from the CCN holder. 35. The CCN holder has no facilities or lines that provide water service to the tract of land. 36. The CCN holder has not performed any acts for or supplied anything to the tract of land.

Given the probable costs for the infrastructure (\$5,445,189) as provided by Kimley Horn consultants it is this appraiser's professional opinion that the conclusion drawn in the PUC Final Order of the PUC for (CCN) number 10150 dated March 14, 2022 coupled with this data analysis shows there is no compensation due to Merilee Special Utilities District based on Factors 2E, 2F or 2H.

Factor 2G: – necessary and reasonable legal expenses and professional fees, including costs incurred to comply with TWC 13.257(r).

NewDay Appraisal Group Opinion: It is this appraiser's professional opinion that any legal expenses, professional fees and any costs incurred to comply with TWC 13.257(r) are optional and have been incurred by the CCN at their own discretion. It was the CCN's decision to challenge the decertification of the area in question. It is this appraiser's professional opinion that the "Documents Reviewed" support this view. In regards to any Appraisal Fee incurred by the CCN, Section 13.2541 (i) states, "If the petitioner and the certificate holder cannot agree on an independent appraiser within 10 calendar days after the date on which the utility commission approves the petition, the petitioner and the certificate holder shall each engage its own appraiser at its own expense..." Based on an analysis of the "Documents Reviewed" and the above stated analysis it is this appraiser's professional opinion that there is no compensation due to Merilee Special Utilities District based on Factor 2G.

NEWDAY APPRAISAL GROUP SUMMARY STATEMENT:

In PUC Docket No. 52101, the Public Commission of Texas has ruled:

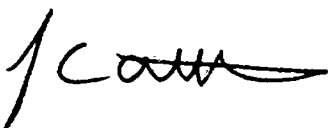
- ✓ 27. The tract of land is not receiving actual water service from the CCN holder.
- ✓ 28. The petitioner has not requested that the CCN holder provide water service to the tract of land.
- ✓ 29. The petitioner has not paid to the CCN holder any fees or charges to initiate or maintain water service for the tract of land.
- ✓ 30. There are no billing records or other documents indicating an existing account with the CCN holder for the provision of water service to the tract of land.
- ✓ 31. The CCN holder owns and operates a two-inch waterline running through the extreme eastern edge of the tract of land.
- ✓ 32. The two-inch waterline is connected to a water meter on the petitioner's property, but the meter is not located within the tract of land and does not provide water service to the tract of land.
- ✓ 33. The CCN holder provides water service to a small lot within the petitioner's property, but this lot does not lie within the tract of land.
- ✓ 34. The CCN holder has not committed or dedicated any facilities or lines to the tract of land for water service.
- ✓ 35. The CCN holder has no facilities or lines that provide water service to the tract of land.
- ✓ 36. The CCN holder has not performed any acts for or supplied anything to the tract of land.

This appraiser agrees with the PUC conclusions and has formed an opinion that with no current infrastructure in place to provide water service to the subject property, no facilities currently in place to provide water service to the subject property, no current water service in place within the subject property, and with no prior actions or anything currently being supplied to the subject property there is no compensation due to Merilee Special Utility District based on what is currently in place or currently being provided.

It is this appraiser's professional opinion that any potential future "cash flow" would not be generated unless the infrastructure, facilities, etc. were built out to provide the required water service to the subject property.

It is this appraiser's professional opinion that the \$5,445,189 in infrastructure "expenses" documented in the "Opinion Of Probable Cost" chart prepared by the independent third party consulting company Kimley Horn would exceed any potential "cash flow" loss. Based on this it is this appraiser's professional opinion that there is no compensation due to Merilee Special Utility District based on projected cash flow loss.

In addition, it is this appraiser's professional opinion that the Client's 3 Phase development timeline would outpace the Marilee Special Utility District's water provisioning capabilities. Based on this it is this appraiser's professional opinion that Merilee Special Utility District with its current and planned resources is not capable of serving the subject property within the required development timeline and it is this appraiser's professional opinion that no compensation is due to Merilee Special Utility District caused by the EXPEDITED RELEASE FROM WATER CCN No. 10150 held by Merilee Special Utility District in Collin County, TX.

Appraiser Signature: 

Signed Date: 05/20/2022

Certification #: 1360933 Expires: 05/31/2022

Certification State: Texas

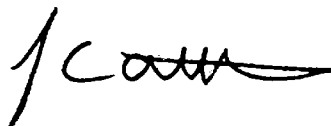
Effective Date of Appraisal: 05/20/2022

STATEMENT OF LIMITING CONDITIONS AND CERTIFICATION

CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. This appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is valued on the basis of it being under responsible ownership.
2. This appraiser will not give testimony or appear in court because he made an appraisal of the property in question, unless specific arrangement to do so have been made beforehand, or as otherwise required by law.
3. This appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous waste, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. This appraisal report must not be considered an environmental assessment of the subject property.
4. This appraiser obtained the information, estimates, and opinions that were expressed in this appraisal report from sources that he considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
5. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice and any applicable federal, state or local laws.
6. The appraiser is not an employee of the company or individual(s) ordering this report and compensation is not contingent upon the reporting of predetermined value or direction of value or upon an action or event resulting from the analysis, opinions, conclusions, or the use of this report. This assignment is not based on a required minimum or spe

Appraiser Signature:



Signed Date: 05/20/2022

Certification #: 1360933 Expires: 05/31/2022

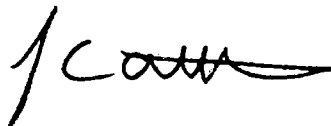
Certification State: Texas

Effective Date of Appraisal: 05/20/2022

CERTIFICATION: The Appraiser Certifies and Agrees That:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. Unless otherwise indicated, I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. Unless otherwise indicated, I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting a pre-determined result.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a pre-determined value or direction in value that favors the cause of the client, the amount of the compensation opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice Prepared where applicable. This appraisal report is being utilized to determine just compensation as considered by the Public Utility Commission of Texas. Some of this falls outside of Standards Rules 1-10 of the Uniform Standards of Professional Appraisal Practice, 2022-2023 Edition. However, I have complied with the portions of the Uniform Standards of Professional Appraisal Practice, 2022-2023 Edition that apply to the assignment that were in effect at the time this report was prepared.

Appraiser Signature:



Signed Date: 05/20/2022

Certification #: 1360933 Expires: 05/31/2022

Certification State: Texas

Effective Date of Appraisal: 05/20/2022

Appraiser Independence Certification:

I do hereby certify, I have followed the appraiser independence safeguards in compliance with Appraisal Independence and any applicable state laws I may be required to comply with. This includes but is not limited to the following:

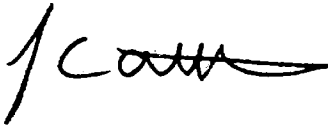
I am currently licensed and/or certified by the state in which the property to be appraised is located and my license is the appropriate license for the appraisal assignment(s) and is reflected on the appraisal report.

I certify that there have been no sanctions against me for any reason that would impair my ability to perform appraisals pursuant to the required guidelines.

I assert that no employee, director, officer, or agent of Corson & Cramer Development or any other third party acting as joint venture partner, independent contractor, appraisal management company, or partner on behalf of Corson & Cramer Development influenced, or attempted to influence the development, reporting, result, or review of my appraisal through coercion, extortion, collusion, compensation, inducement, intimidation, bribery, or in any other manner.

I further assert that Corson & Cramer Development has never participated in any of the following prohibited behavior in our business relationship:

1. Withholding or threatening to withhold timely payment or partial payment for an appraisal report;
2. Withholding or threatening to withhold future business with me, or demoting or terminating or threatening to demote or terminate me;
3. Expressly or impliedly promising future business, promotions, or increased compensation for myself;
4. Conditioning the ordering of my appraisal report or the payment of my appraisal fee or salary or bonus on the opinion, conclusion, or valuation to be reached, or on a preliminary value estimate requested from me;
5. Requesting that I provide an estimated, predetermined, or desired valuation in an appraisal report prior to the completion of the appraisal report, or requesting that I provide estimated values or comparable sales at any time prior to my completion of an appraisal report;
6. Provided me an anticipated, estimated, encouraged, or desired value for a subject property or a proposed or target amount;
7. Provided to me, or my appraisal company, or any entity or person related to me as appraiser, appraisal company, stock or other financial or non-financial benefits;
8. Any other act or practice that impairs or attempts to impair my independence, objectivity, or impartiality or viola Truth in Lending Act (TILA) and Regulat

Appraiser Signature: 

Signed Date: 05/20/2022

Certification #: 1360933 Expires: 05/31/2022

Certification State: Texas

Effective Date of Appraisal: 05/20/2022