

# THE ÆGIS GROUP, INC.

## REAL ESTATE APPRAISAL & CONSULTING

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April 23, 2024

City of Manor

Attn: Mr. Scott Moore, City Manager

105 East Eggleston Street

Manor, Texas 78653

RE: Engagement Letter – Mustang Valley PID, City of Manor, Travis County, Texas.

Dear Mr. Moore:

The Aegis Group, Inc. proposes to prepare an appraisal of the Mustang Valley Public Improvement District (PID). It is our understanding that the appraisal will focus on the 372 single family lots to be developed in the proposed Mustang Valley community. The proposed community will be developed on a 136.9-acre tract of land located along the west line of FM 973, directly west of its intersection with Arnhamn Lane in the City of Manor, Travis County, Texas.

The appraisal fee will be \$18,000 payable 50% (\$9,000) upon return of this engagement letter with the balance upon delivery of the draft report. The funds for the payment of the appraisal are from funds deposited to the City of Manor Development Fee Account for the Mustang Valley PID, and not payable from general funds of the City of Manor.

Provided information including a near final SAP; site plans; topography maps; all hard and soft development costs; lot sale contracts (if available) or if not LOIs along with all details anticipated to be included in the contracts; and the proposed PID tax rates is provided within seven days of being awarded this assignment, we can meet the following schedule:

Delivery of Draft Appraisal: Approximately 45-60 days from engagement.

Meeting to Review Draft: Any date proposed by the City of Manor if possible.

Completion of Appraisal: Approximately two weeks from receiving final review comments.

I understand that the City of Manor, a political subdivision of the State of Texas, is contemplating financing public infrastructure through the issuance of Special Assessment Revenue Bonds for the Mustang Valley PID to be located in the City of Manor, Travis County, Texas. I understand this bond money will be used to fund the master common infrastructure to be built in the Mustang Valley PID. This will include but is not limited to the major trunk road with water and sewer lines extending along it (including reclaimed water systems), offsite utility extensions, drainage, and detention improvements on the site. The PID proceeds will also fund soft costs including engineering and fees.

I understand the Mustang Valley PID will include 372 single-family lots (with a typical lot size of 60' x 125'). It is my understanding that all 372 single-family lots to be developed in the Mustang Valley community will be platted and approved as of the effective date of the appraisal. I further understand that all local infrastructure for the residential lots including streets and utilities will be part of a future PID funding in combination with developer funding. We also understand the developer will fund mass grading, landscaping, and amenities, as well as perimeter and retaining walls.

I understand that the appraisal will be used in conjunction with the above-described PID Bond offerings ("Intended Use"). All improvements will be funded with Bond Proceeds and Developer contributions that will serve the proposed Mustang Valley community. The appraisal report will comply with the development and reporting requirements outlined in Standard Rules 1-2 and 2-2(a) in the 2024-2025 Uniform Standards of Professional Appraisal Practice (USPAP). This will include a valuation of any individual parcels based on the current land use plan and parcelization proposed by the developer. The proposed development will be valued using commonly accepted appraisal methods, including all three approaches to value that are applicable.

Any additional work required after the acceptance of our appraisal, or any due to changes in the proposed development or our scope of work will be billed at an hourly rate of \$450.00 per hour.

The client for our appraisal will be The City of Manor. Both the City of Manor and FMSbonds, Inc. are the intended users of the appraisal report. It is understood that the Appraisal or a summary of the Appraisal will be included in the bond offering documents including the SAP and PLOM.

Reproduction of the appraisal in the Preliminary and Final Official Statement for the PID bond offerings is hereby approved and a statement of the right to produce copies for such purposes will be included in the appraisal.

It is anticipated that at least two appraisers, including myself, may be working on the project.

Specifications for the proposed Infrastructure Improvements need to be provided by the Client within seven days of engagement of the appraisal. If this information is not provided in a timely manner, our appraisal report could be delayed.

**The PID Area will be appraised assuming the following Hypothetical Conditions, Extraordinary Assumptions, and Ordinary Assumptions:**

**HYPOTHETICAL CONDITION**

Hypothetical conditions deal with factors that are known to be false but are presumed to be true for the purposes of the appraisal.

**Our appraisal will be based on the Hypothetical Condition that all 372 single-family lots to be included in the Mustang Valley PID will be fully developed with paved streets, adequate storm sewer capacity, as well as municipal utilities including water and sewer lines stubbed**

**to each lot. Our appraisal of the proposed lots will also be based on the assumption the lots will be graded and ready for the immediate construction of new homes.**

### **EXTRAORDINARY ASSUMPTIONS**

An extraordinary assumption is an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraisers' opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. For the purpose of this appraisal, the following extraordinary assumptions are assumed:

1. All the infrastructure costs supplied by the developers are true and correct; however, we will use our judgment to identify any that appear unreasonable.
2. This appraisal assumes that the Development Plan for the Mustang Valley project, as provided to the appraisers, is constructed in a workmanlike manner. It further assumes that the lots in this development will be aggressively marketed and competently managed.
3. To complete the appraisal the combined tax rate of all entities taxing the property, including the proposed PID, and the assessment rate on the property, must be provided to the appraiser.

### **ORDINARY ASSUMPTIONS**

The legal description furnished is assumed to be correct. The Aegis Group, Inc., assumes no responsibility for matters legal in character, nor renders any opinion as to the title, which is assumed to be good. The property is appraised having knowledgeable ownership and competent management.

The Aegis Group, Inc. has made no survey and assumes no responsibility in connection with such matters. The information identified in the report as being furnished by others is believed to be reliable, but no responsibility for its accuracy is assumed. The construction and condition of any improvements mentioned in the body of the report are an observation and/or plans provided by the developer and no engineering study has been made which would discover any latent defects. No certification as to any of the physical aspects could be given unless a proper engineering study was made.

The distribution of the total evaluation between land and improvements in the report, where applicable, applies only under the existing program of utilization. The separate estimates for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.

I am not required to give testimony or attendance in court by reason of the appraisal with reference to the property in question unless arrangements have been made previously thereof.

Possession of the report or a copy thereof does not carry with it the right of publication except as previously stated above; provided, however, that the Clients may publish this report for purposes

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of Intended Use. It may not be used for any purpose by anyone other than the Intended Users without the previous written consent of the appraiser.

Except when used in conjunction with the Intended Use, neither all nor any part of the contents of the report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written approval and consent of the author, particularly as to valuation conclusions, the identity of the appraiser or firm with which he is connected or any reference to the Appraisal Institute, or the MAI designation.

To the best of the appraiser's knowledge, the subject property does not contain any toxic substances such as hazardous waste, asbestos or radon gas which would adversely impact the market value of the subject. Additionally, to the best of the appraiser's knowledge, there are no properties within the immediate area which contain these substances. This is not a guarantee that these substances do not occur in the subject property or within the immediate area. This is only a statement as to the knowledge of the appraiser.

It is assumed that all applicable zoning and use regulations and restrictions are complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.

It is assumed that there are no easements or encroachments unless noted within the report.

It is assumed that all improvements are completed in a workmanlike manner and are built in compliance with the construction standards of the City of Manor.

If this proposal is acceptable, please acknowledge below and return to my office. Respectfully submitted.

**THE ÆGIS GROUP, INC.**



Eldon Y. Rude, MAI

**Agreed and accepted by:**

Signature: x \_\_\_\_\_

Printed Name: Scott Moore

Title: City Manager

Date: May 1, 2024