



November 1, 2022

To Whom It May Concern:

The purpose of this letter is to endorse and recommend, with no reservations and no hesitation, HercuTech's HercuWall structural wall system. This recommendation is based on Paragon Development Group's ("Paragon") comprehensive assessment of HercuWall's efficacy over the course of over five years and four build-to-rent developments totaling nearly 400 constructed units and an additional 151 units currently under construction.

HercuWall plays an integral role in Paragon's ability to mitigate risk by achieving fiscal and schedule predictability by:

1. Its use of four readily available and predictably sourced components of (a) concrete; (b) steel; (c) polyester film; and (d) insulating foam.
2. The elimination of commodity risk and the sequential effects of volatile and erratic pricing.
3. Its ease of installation which enables reduced labor, faster delivery and an overall expedited construction schedule.
4. A consistency in construction quality due to offsite manufacturing in a clean and controlled facility with numerous established quality control measures.
5. Its delivery to Paragon's numerous sites on time and manufactured to our exact design specifications.

In addition to the multitier and complete analysis of HercuWall prior to committing to use it in the development of all Paragon communities, Paragon also has the benefit of hundreds of tenant reviews. The quality of HercuWall was a common theme in the positive tenant experiences of our residences. Those include:

1. The nearly complete elimination of sound transference between demising units.
2. A higher quality of interior air due to the airtightness of the structural walls.
3. The creation of goodwill between Paragon and its residences as a result of Paragon's commitment to build with HercuWall's sustainable materials.
4. A stronger (wind rating and fire rating) and safer (no mold and no termites) living environment.
5. The reduction of tenants' utility bills and operating expenses due to the energy efficiency directly attributable to HercuWall.

In addition to the reputational premium that Paragon has achieved by using HercuWall to develop better living experiences for our residents, Paragon has benefited from direct advantages to include but not limited to (a) builder risk insurance savings; (b) tax incentives; (c) environmental, social and governance incentives; and (d) increased levels of interests from equity investors, lenders and acquirers of Paragon's communities.

Lastly, among manufacturers, suppliers, contractors and subcontractors, HercuTech is the most responsive, pro-active and client-centric firm that Paragon uses. Objectively, with the qualification of a longstanding relationship from the inception of a Paragon development to its completion, HercuTech's executive team, field operations team and warehouse personnel are focused on and committed to its clients. This is truly unique.

Please feel free to contact me at [scott.turkington@paragonarizona.com](mailto:scott.turkington@paragonarizona.com) or (480) 293-4589 to further discuss the aforementioned support.

Very truly yours,

*Scott Turkington*

Scott Turkington

Executive Vice President