

VERNON APPRAISAL, INC

APPRAISAL REPORT

Commercial Land
350 Doe Creek Rd
Little Elm, TX 75068

Client File #: N/A

Effective Date: January 17, 2025

Date of Report: January 21, 2025

Prepared for: Ajaykumar Guggilla
g.ajakumar@gmail.com

Prepared by: Nathan Vernon
Vernon Appraisal, Inc.
19127 Timberwood Run Dr.
Cypress, TX 77433
832-272-5056



VERNON APPRAISAL, INC

January 21, 2025

RE: Appraisal Report
Commercial Land
350 Doe Creek Rd, Little Elm, TX 75068
Vernon Appraisal File No: 14-25
Client File No: N/A

To whom it may concern,

An appraisal of the property referenced above is submitted for your review. Per your request, the purpose of this appraisal is to develop and opinion of the “as is” market value of the subject property, with an effective date of January 17, 2025 reported on January 21, 2025, which is subject to Assumptions and Limiting Conditions described in this report.

The results of the market research, analyses, and details of methods used are presented in the accompanying report. This report was prepared with the intent to conform to the current Uniform Standards of Professional Appraisal Practice (USPAP 2024), the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) standards, and the appraisal guidelines of the client.

Based on the analysis presented in this report, it is our opinion that the requested market value estimate is as follows:

Value Conclusion			
Premise	Interest Appraised	Effective Date	Value Conclusion
<i>Current Market Value</i>	Fee Simple	January 17, 2025	\$950,000

Sincerely,
VERNON APPRAISAL, INC



Nathan Vernon
Certified General Real Estate Appraiser
State of Texas License No. TX 1381214 - G
Expiration Date 08/31/2026

SUMMARY OF SALIENT FACTS

Property Identification	
Property:	Commercial Land
Location:	350 Doe Creek Rd
Assessor's Parcel No.:	62133
Owner of Record (County):	Nanunani Investments, LLC
Borrower:	N/A
Site Characteristics	
Land SF:	106,853
Acres:	2.453
Topography:	Level to Sloping
Area in Flood Zone:	0%
Zoning:	LC; Light Commercial
Report Dates & Times	
Report Date:	January 21, 2025
Inspection Date:	January 17, 2025
"As Is" Date of Value:	January 17, 2025
Estimated Marketing Time:	12 months
Estimated Exposure Time:	12 months
Highest & Best Use	
Highest & Best Use as Vacant:	Commercial Use
Highest & Best Use as Vacant:	Commercial Use
Intended Use & User(s)	
Intended Use	
The intended use of this appraisal is for internal valuation purposes.	
Intended User	
The intended user of this report is the client, Ajaykumar Guggilla.	
"As Is" Value Indications	
"As Is" Market Value	Current 01/17/2025
Interest Appraised	Fee Simple
Cost Approach	N/A
Sales Comparison Approach	\$950,000
Income Approach	N/A

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ASSUMPTIONS AND LIMITING CONDITIONS

The certification of the Appraisers appearing in the appraisal report is subject to the following conditions and to such other specific and limiting conditions as are set forth by the Appraisers in the report.

1. The Appraisers assume no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor do the Appraisers render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership, competent management, and is appraised as if free and clear of any or all liens or encumbrances.
2. Any sketch in the report may show approximate dimensions and is included to assist the reader in visualizing the property. The Appraisers have made no survey of the property.
3. The Appraisers are not required to give testimony or appear in court because of having made the appraisal reference to the property in question, unless arrangements have been previously made.
4. Any distribution of the valuation in the report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
5. The Appraisers assume that there are no hidden or unapparent conditions of the property, subsoil, or structure, which would render it more or less valuable. The Appraisers assume no responsibility for such conditions, or for engineering, which might be required to discover such factors.
6. Information, estimates, and opinions furnished to the Appraisers, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the Appraisers can be assumed by the Appraisers.
7. Disclosure of the contents of this appraisal is governed by the By-laws and Regulations of the Appraisal Institute.
8. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers or the firm with which they are connected) shall be disseminated to the public through advertising media, public relations media, news media, or any other public means of communication without the prior written consent and approval of the appraisers.
9. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless non-compliance is stated, defined and considered in the appraisal report.
10. It is assumed that all applicable use regulations and restrictions have been complied with unless a non-conformity has been stated, defined, and considered in the appraisal report.
11. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the Appraiser. This report assumes that the property is not affected by hazardous substances. We urge the client to consult an expert in this field. The Appraisers are not qualified to detect such substances. The presence of substances such as radon gas, asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials

may also affect the value of the property. Our value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

12. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

13. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraisers, and in any event, only with proper written qualifications and only in its entirety.

14. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraisers have not made a specific compliance survey or analysis of the property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Except where otherwise noted, the appraisers did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

15. It is assumed that the entire bundle of rights to the property is available. This information is assumed to be correct and is the basis of the valuation methodology utilized in this report. Should any of this information be deemed incorrect, this appraisal may need to be amended accordingly.

There are no Hypothetical Conditions utilized in this appraisal.

There are no Extraordinary Assumptions utilized in this appraisal.

Hypothetical Condition – That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.¹

Extraordinary Assumption – An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis.²

¹ *The Dictionary of Real Estate Appraisal, 7th edition, Page 92.*

² *The Dictionary of Real Estate Appraisal, 7th edition, Page 68.*

INTRODUCTION & DEFINITIONS

Purpose of the Appraisal

The purpose of this appraisal is to develop and opinion of the “as is” market value of the subject property, as of the date of value.

Intended Users/Use of the Appraisal

The intended use of this appraisal is for internal valuation purposes. The intended user of this report is the client, Ajaykumar Guggilla.

Date of Value Estimate & Property Inspection

The date of the “as is” market value rendered herein is January 17, 2025. The date of inspection was January 17, 2025.

Date of Report

The date of this report is January 21, 2025.

Definitions of Market Value

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

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

Property Rights Appraised

The property rights appraised include the Fee Simple Estate of the subject property.

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.⁴

³ (12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994).

⁴ *The Dictionary of Real Estate Appraisal*, 7th edition, Page 73.

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.⁵

Scope of Work

The scope of the assignment relates to the extent and manner in which research is conducted, data is gathered and analysis is applied, all based upon the purpose of the appraisal and its intended use, as previously outlined.

Vernon Appraisal, Inc completed the following steps for this assignment:

1. physically identified and inspected both the interior and exterior of the subject property, as well as its surrounding environs; identified and considered those characteristics that may have a legal, economic or physical impact on the subject;
2. physically inspected the micro and/or macro market environments with respect to physical and economic factors relevant to the valuation process; expanded this knowledge through interviews with regional and/or local market participants, available published data and other various resources;
3. conducted regional and/or local research with respect to applicable tax data, zoning requirement, flood zone status, demographics, income and expense data, and comparable listing, sale and rental information;
4. analyzed the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value;
5. correlated and reconciled the results into a reasonable and defensible value conclusion as defined herein; and
6. estimated a reasonable exposure time and marketing time associated with the value estimate.

To develop the opinion of value, Vernon Appraisal, Inc performed an Appraisal Report as defined by the Uniform Standards of Professional Appraisal Practice (USPAP – 2024). In this appraisal, Vernon Appraisal, Inc reported the Sales Comparison Approach. The appraiser(s) involved in this report are aware of the Competency Rule of USPAP and meet the standards.

The value indications developed via consideration of the Sales Comparison Approach follow in subsequent sections of this report. The Income Approach and Cost Approach were excluded as the subject is land with a structure that is considered to have no contributory value. The conclusions obtained by analyzing the property by each of the applicable approaches utilized are then correlated into a final estimate of value.

⁵ *The Dictionary of Real Estate Appraisal, 7th edition, Page 105.*

Competency of the Appraiser(s)

Vernon Appraisal, Inc has performed numerous appraisals of commercial land. Files are maintained with historical and current data relative to the subject's changing real estate market. In the course of the preparation of this appraisal report, comparable sales transactions have been gathered from reliable sources. Additionally, we have interviewed real estate brokers and others considered knowledgeable of the market in order to obtain attitudes and trends within the local market. Further, we contrast our local observations to trends in the national market. We possess the knowledge and experience to conduct the inspection and necessary analysis to accurately estimate the value of the subject property. Qualifications of the appraiser(s) are included in the Addenda.

IDENTIFICATION OF THE PROPERTY

As of the effective valuation date of this report, the subject property consists of 2.45 acres. The subject property is identified by the Denton County Central Appraisal District as Parcel No. 62133. The legal description is included below, followed by an aerial view.

Legal Description

“A0590A T. Hicks Survey, Tract 1, 2.453 Acres, Denton, TX”



Property And Sales History

In accordance with standard rule 1-5 (b), of the "Uniform Standards of Professional Practice" of the Appraisal Institute, amended August 27, 1996, a three-year sales history for the subject property shall be included for all non-residential properties. Per tax records/deed, ownership is as follows:

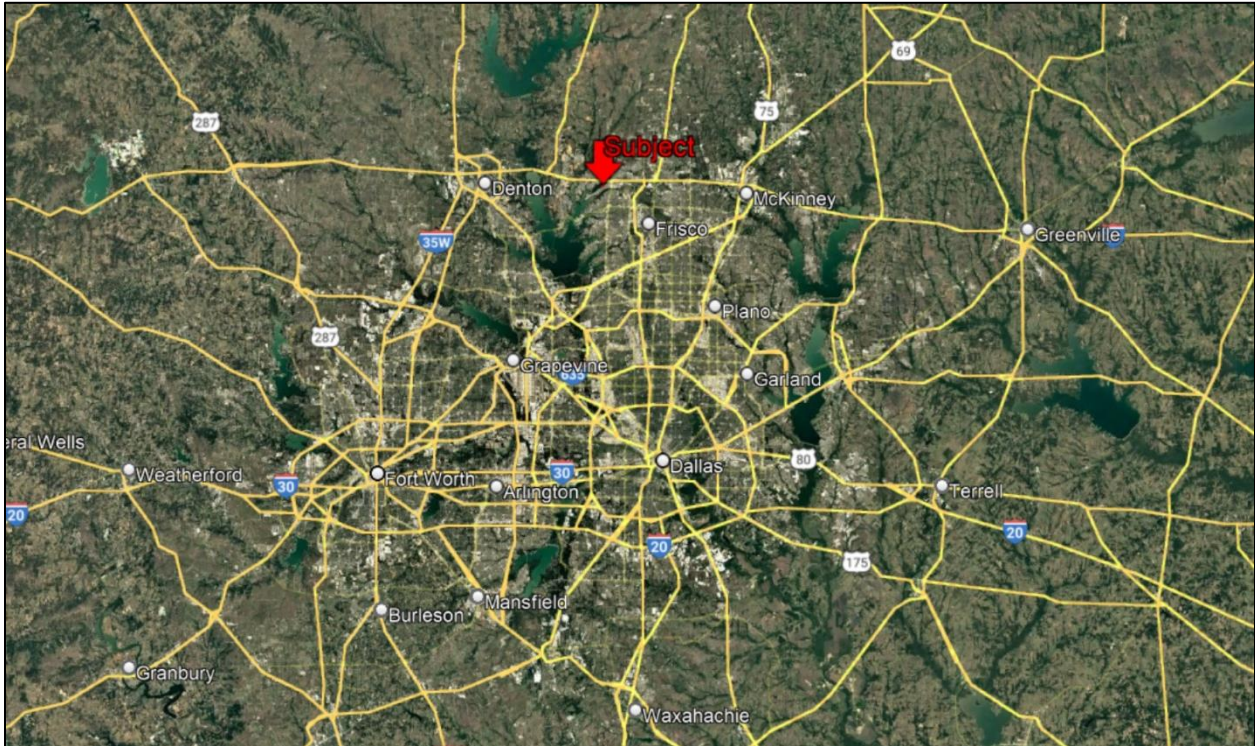
Subject History			
Description	Grantor	Grantee	Date
Deed	Knowles B. Cornwell	Nanunani Investments, LLC	September 6, 2022

Details of the above transaction were not disclosed. No other recorded sales have occurred in the last three years, per deed records. The subject is offered for sale by owner with an asking price of \$1,500,000 and is not known to be under contract.

REGIONAL AREA ANALYSIS

Introduction

The value of the subject property is affected by various influences of the surrounding region. Infrastructure, base employment, and overall social, economic, and political conditions in the area form the background against which the property is considered. The subject is located in **Little Elm, Denton County, Texas.**



Little Elm, Texas

Little Elm is a city in Denton County, Texas, United States, and a part of the Dallas–Fort Worth metroplex. It is an extended suburb of Denton.

ENVIRONMENTAL FORCES

Location/Topography

Little Elm is generally located along the northern and eastern shores of Lewisville Lake at the crossroads of Eldorado Parkway, FM 720, and FM 423, and includes stretches of U.S. Highway 380. Its neighbors include Frisco to the east, The Colony and Hackberry to the south, Prosper, Aubrey, Savannah, and Providence to the north, and Oak Point, Cross Roads, Hickory Creek, Lake Dallas, and Lakewood Village to the west.

Climate

The area is considered to be a part of the humid subtropical region. The temperature is typically 5 degrees lower on average due to its location on the north Texas prairies and the climate is typically windy.

Transportation

Automobile - Freeway System

Interstate highways, freeways and loop freeway systems provide east-west and north-south transportation corridors through the Dallas/Fort Worth area. The major north-south highway is Interstate Highway 35, which divides about 30 miles north of the Metroplex; 35E extends through Dallas and 35W extends through Fort Worth; the highway reconnects approximately 60 miles south of the Metroplex. Interstate Highway-45, another north-south highway, links Dallas to Houston. The major east-west highways are Interstate Highway-20 and Interstate Highway-30, which link Dallas and Fort Worth with major commercial markets. U.S. Highway 75 extends northward into Oklahoma and southward through Dallas and Houston. Interstate Highway 635 provides access to the northeast portion of Dallas and has intersections with IH 20, US 75, IH 30, and the Dallas Tollway.

Air Transportation

The Dallas/Fort Worth International Airport (DFW) is situated between Dallas and Fort Worth and is generally the central point of the current development pattern. It is presently one of the largest airports in the world, containing some 18,000 acres. DFW features direct service to Europe, South America, the Pacific Basin and most North American cities via almost every major commercial carrier.

Other major airports in the area include Love Field, near the center of Dallas and the home of Southwest Airlines, and Meacham Airport, which served as Fort Worth's main airport before the completion of D/FW in 1974. After nearly five years of construction that cost \$15 million, the major taxiway at Meacham Airport has reopened. The 7,500-foot strip, known as Taxiway Alpha, has been straightened and refurbished and will serve as a backup runway at the 77-year-old, city-owned airport.

SOCIAL FORCES

Population

The population was 46,453 as of the 2020 census. In 2000, the census population was 3,646. By the 2010 census, the city total had jumped to 25,898, making Little Elm one of the fastest-growing municipalities by percentage in Texas since 2000. Little Elm's Census population, as of April 1, 2020, was 46,453. Little Elm's build-out population is anticipated to be about 90,000.

Education

Three school districts primarily serve Little Elm: Little Elm ISD, Frisco ISD, and Denton ISD. Generally, the U.S. 380 corridor is served by Denton ISD, the FM 423 corridor and east Little Elm by Frisco ISD, and the rest of Little Elm by Little Elm ISD. A small portion of land in city boundaries is also served by Aubrey ISD.

The Little Elm Independent School District serves most of the original parts of Little Elm. Little Elm ISD is one of the fastest-growing in Denton County. The school district finished building its athletic stadium in 2006 located at the intersection of Hart Road and Eldorado Parkway. The stadium has a seating capacity of 7,500 with great wheelchair accessibility, a newly renovated video board at the north endzone, and a three level state-of-the-art press box. Although the intent is to keep the community a one-high-school town, two new middle schools opened for the 2020-2021 school year. Most of the city in LEISD goes to Walker Middle School, while small portions go to Strike Middle School.

A portion of the city is within the Frisco Independent School District. Robertson Elementary, which is in Little Elm, along with Stafford Middle School serve part of Sunset Pointe and Frisco Ranch; with other schools outside the city also serving small portions of the area. Lone Star High School also serves most of the city that is under Frisco ISD.

During the summer of 2016, Denton ISD completed construction on its fourth comprehensive high school, Braswell High School, located at the southeast corner of Navo Road and U.S. 380, to serve the fast-growing University Drive corridor, which is part of Little Elm. Along with Braswell, other Denton schools serve the northern area of the city. Navo Middle School and Union Park Elementary are located in the city; while Bell Elementary, Paloma Creek Elementary, Providence Elementary, and Rodriguez Middle School serve portions of Little Elm despite being out of the city's boundaries.

A small chunk of US 380, although uninhabited, is zoned to Prosper ISD.

The University of North Texas (UNT) is a public research university in Denton, Texas. It consists of eleven colleges, two schools, an early admissions math and science academy for exceptional high-school-age students from across the state, and a library system that comprises the university core. North Texas was founded as a nonsectarian, coeducational, private teachers' college in 1890 and was formally adopted by the state 11 years later. UNT is the flagship institution of the University of North Texas System, which includes additional universities in Dallas and Fort Worth. UNT also has a satellite campus in Frisco.

The Dallas/Fort Worth area has numerous universities and colleges. Some of the universities in the area include Southern Methodist University, Texas Christian University, the University of North Texas, the University of Texas at Arlington, the University of Texas at Dallas, Dallas Baptist University, and the University of Texas Health Science Center at Dallas. The Tarrant County College Northwest Campus is located one-mile northeast of Lake Worth on IH Loop 820.

Medical

Hospitals in the area include Medical City Lewisville, Medical City Denton, and various family practices.

Recreation

Dallas/Fort Worth is the home of several professional major league sports teams: the Dallas Cowboys (football); Texas Rangers (baseball); Dallas Mavericks (basketball); the Dallas Sidekicks (soccer); and the Dallas Stars (ice hockey). The American Airlines Arena houses the Dallas Mavericks and Dallas Stars.

Local performing arts include theater, ballet, symphony, opera, chamber orchestra and jazz. The 60-acre Dallas Arts District, anchored by the Dallas Museum of Art and the Morton H. Meyerson Symphony Center, and newly completed Nasher Sculpture Garden, is the largest urban arts district in the country.

Fort Worth is the Southwest's foremost museum center; the Amon G. Carter and Kimball Art Museums and the Fort Worth Water Gardens are located two miles west of downtown. Bass Performance Hall, one of the area's major cultural attractions, was recently named "one of the top ten opera houses in the world" by Travel and Leisure Magazine.

Fort Worth's Modern Art Museum has 153,000 square feet of total area, including a 53,000-square-foot gallery, a 7,600-square-foot restaurant with an outdoor terrace, and a 4,100-square-foot auditorium.

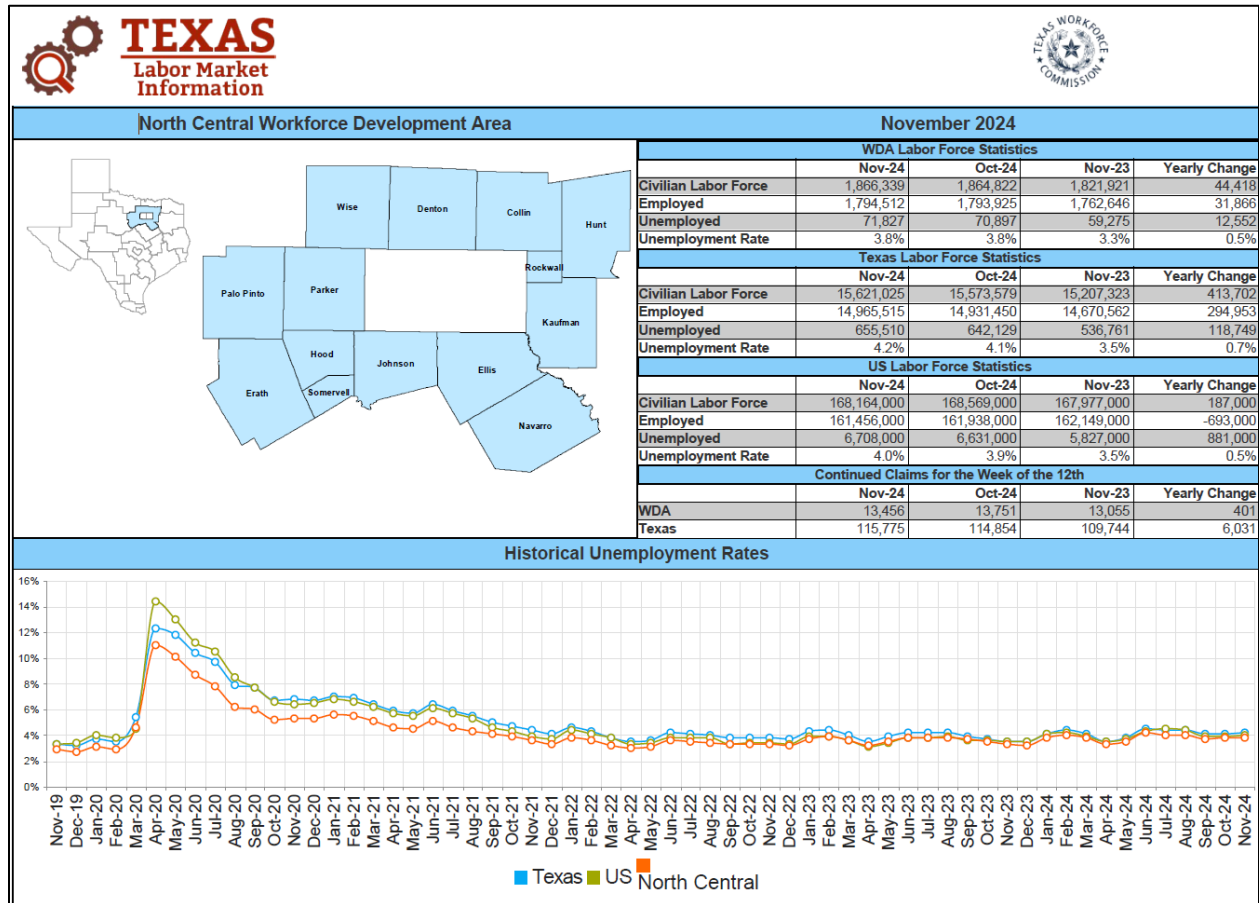
Recreational facilities in the area include Six Flags Over Texas in Arlington, the Fort Worth Stockyards, and the Texas Motor Speedway. Six Flags is a 205-acre theme park which also hosts special events and concerts for the whole family. The Fort Worth Stockyards are home to weekly rodeos, the historic livestock Exchange Building, Stockyards Station and the Stockyards Museum. The Texas Motor Speedway, America's second-largest sporting facility, offers both professional NASCAR Winston Cup and Indy-style racing on a 1.5-mile oval track.

ECONOMIC FORCES

While Little Elm is often referred to as a "bedroom community", five companies/entities in the city employ over 100 people, per the Little Elm EDC – Little Elm ISD (853), The Town of Little Elm (311), Kroger (191), Lowe's Home Center (178), and Retractable Technologies (146). The 2019 Retail Trade population was 203,560. The unemployment rate in Little Elm, pre-Covid-19, was 3.7%. Little Elm residents work in a variety of sectors,[25] including retail trade (13.9%), finance/insurance (11.6%), professional/scientific/technical services (10.8%), construction (8.6%), and educational services (8.5%).

The original downtown area of Little Elm, commonly known as "The Lakefront", has seen much investment in recent years. Multiple restaurants and entertainment options have established themselves in the area near Eldorado and Main Street, and multiple middle to upper income apartment developments have been completed or are in planning/construction phases. This has created a localized densification effect in a desirable area of the city, a city which is otherwise known for its sprawl and single-family zoning patterns.

The following exhibit presents economic data pertaining to the North Central WDA, which includes Denton County (TWC LMCI Data – November 2024):



GOVERNMENTAL FORCES

Dallas and Fort Worth serve as the respective county seats of government for Dallas and Tarrant Counties. Both cities have a council-manager form of government. Little Elm became a home rule municipality in 2001. It has a council-manager form of government. The town council consists of a mayor and five city council members, one of whom is elected at-large. The city has a number of extraterritorial jurisdictions that also vote in municipal elections.

Conclusion

In summary, the neighborhood is well located due to its proximity to important interurban and inter-regional traffic routes serving the area. There are no current economic trends that are considered detrimental to the neighborhood. The location, accessibility, quality of development, and diversity of uses should continue to make the neighborhood a desirable business location over the long-term.

NEIGHBORHOOD ANALYSIS

Neighborhood is defined by The Appraisal of Real Estate, 15th Edition, Appraisal Institute, as:

"A group of complementary land uses."

A neighborhood is generally considered to be a separately identifiable, cohesive area within a community with some interests typically shared by the improvements. Most neighborhoods have recognizable natural or man-made boundaries. While physical boundaries are stipulated in order to define the neighborhood, they are often less significant than other boundaries of influence. A neighborhood may be further defined as a grouping of complimentary uses affected in a similar manner by social, economic, governmental, and/or environmental factors. In addition to physical boundaries, a neighborhood may be delineated by perceptible changes in land use and the architectural style and condition of the area improvements. Finally, every neighborhood is subject to influence by the surrounding community.

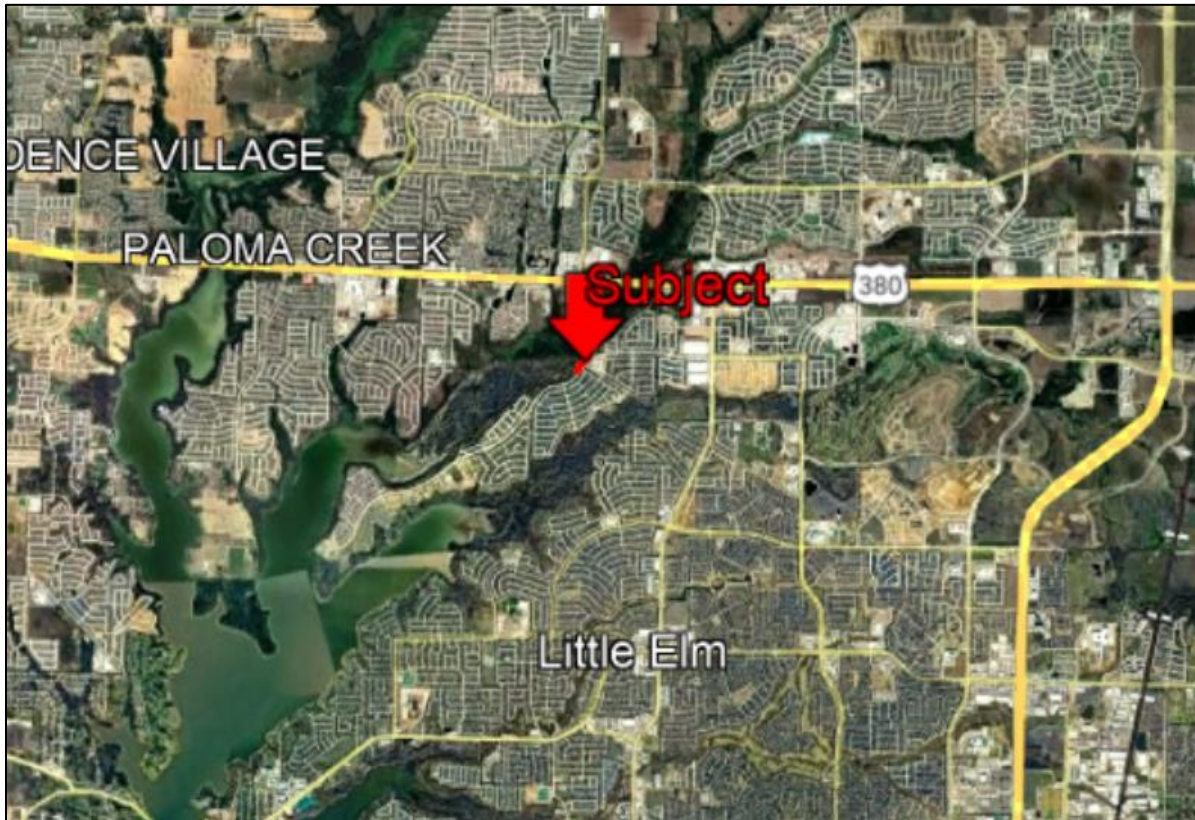
The following information is presented in summary chart form to give the reader an overview of the subject neighborhood and how it compares to other neighborhoods in the area.

Subject Neighborhood Compared to Other Neighborhoods					
	Good	AVG.	Fair	Poor	Comment(s)
Access to:					
Neighborhood	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Employment:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Retail Centers	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Street Patterns and Upkeep	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Property Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Schools	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Income Levels	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Rent Levels	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Value Levels	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Vacancy Levels	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Tax Burden	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Flood Hazard	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Area & Property Use Characteristics								
						Up	Stbl	Dn
Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Population Trend	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Built Up	<input type="checkbox"/> Fully Developed	<input type="checkbox"/> Over 75%	<input checked="" type="checkbox"/> 25% to 75%	<input type="checkbox"/> Under 25%	Employment Trend	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Development Pace	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	Personal Income Level	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	Retail Sales	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	New Construction	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Vacancy Trend	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	Vacany Trend	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Change in Economic Base	<input type="checkbox"/> Likely	<input checked="" type="checkbox"/> Unlikely	<input type="checkbox"/> Taking Place	Rental Demand	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Is subject in an Opportunity Zone?	is not							
Stage of Life Cycle	<input checked="" type="checkbox"/> Growth	<input type="checkbox"/> Stability	<input type="checkbox"/> Decline	<input type="checkbox"/> Revitalization				

Location/Boundaries

The subject property is located along Doe Creek Road and Rockhill Parkway, across from Blue Bell Drive in Little Elm, TX. The subject neighborhood is considered to be Little Elm, TX. A neighborhood map is presented below.



Access

The neighborhood is served by Route 380, Farm-to-Market Rd 423, Farm-to-Market Rd 720, Dallas North Tollway and adjoining thoroughfares.

Utilities & Services

Public utilities are available in sufficient quantities to adequately serve the subject neighborhood and include: public water (select areas), electricity, fire and police protection, and refuse collection.

Trends

The subject neighborhood has been in a stable pattern of growth over the past several years, a trend expected to continue for the foreseeable future. There are no land uses, which have a negative impact on the marketability of real estate. The surrounding uses are commercial and residential in nature.

Conclusions

In summary, the neighborhood is well located due to its proximity to Route 380, Farm-to-Market Rd 423, Farm-to-Market Rd 720, Dallas North Tollway along with important interurban and inter-regional traffic routes serving the area. The desirability of the immediate neighborhood is enhanced by the favorable and convenient location relative to employment centers and neighborhood shopping. The location, accessibility, quality of development, and diversity of uses should continue to make the neighborhood a desirable location over the long-term, which should have a positive influence on real estate values.

SITE ANALYSIS

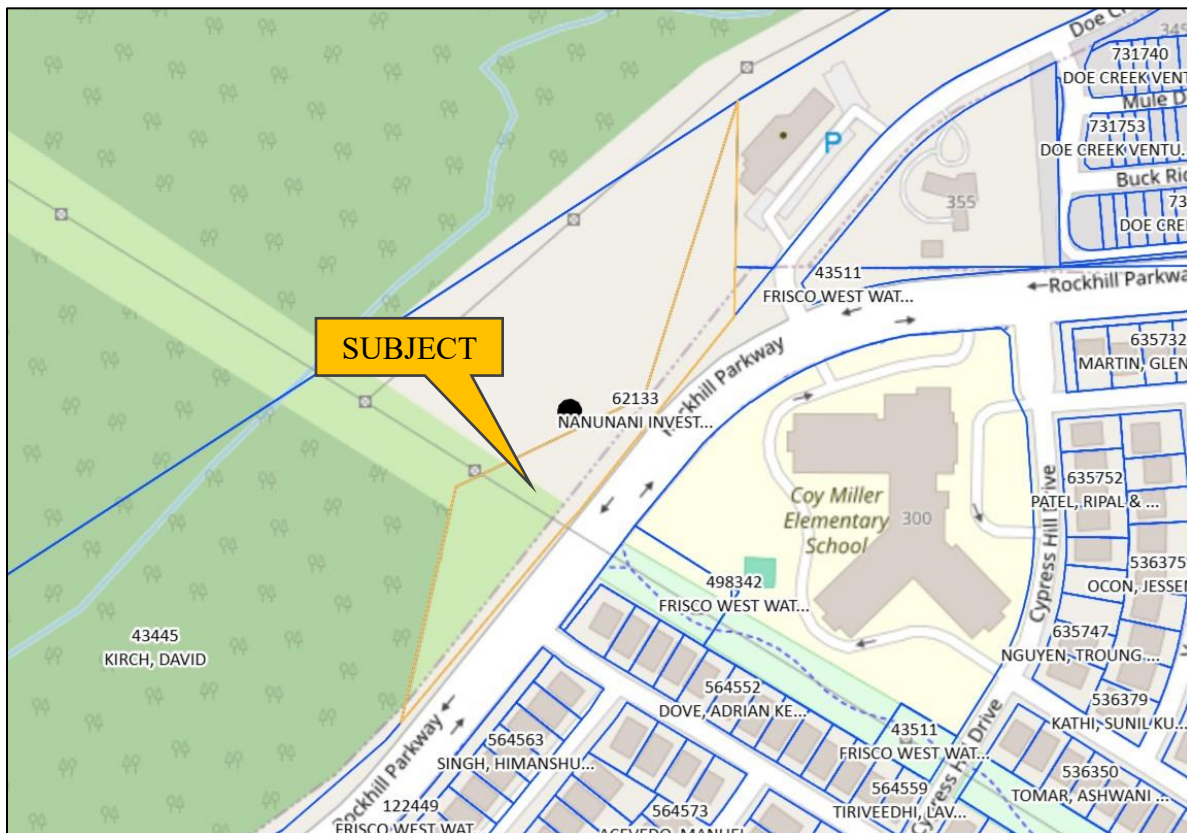
The subject property is located along Doe Creek Road and Rockhill Parkway, across from Blue Bell Drive in Little Elm, TX. The following text summarizes salient information regarding the subject site based upon public records, data provided by the owner, and a physical inspection of the property on January 17, 2025.

Site Summary	
<i>Parcel ID</i>	62133
<i>Location</i>	The subject property is located along Doe Creek Road and Rockhill Parkway, across from Blue Bell Drive in Little Elm,
<i>Current Use</i>	Agricultural Use
<i>HBU Site as Vacant</i>	Commercial Use
<i>Traffic Count</i>	12,818
<i>Legal Description</i>	A0590A T. Hicks Survey, Tract 1, 2.453 Acres
Site Size Attributes	
<i>Land Area (Sq. Ft.)</i>	106,853
<i>Land Area (Acres)</i>	2.453
Site Characteristics	
<i>Primary Frontage Street Name</i>	Rockhill Pkwy
<i>Frontage - Primary Street (Ft.)</i>	664
<i>View</i>	Average
<i>Accessibility</i>	(3) Access Points/Curb Cuts
<i>Abutting Uses</i>	Residential/Commercial
<i>Site Visibility</i>	Average
<i>Topography</i>	Level to Sloping
<i>Shape</i>	Irregular
<i>Soil Conditions</i>	Based on a visual inspection, the subject's sub-soil conditions appear adequate for the load bearing capacity of most buildings. However, further investigation by an expert in this field would be necessary to make any definitive conclusions as to the soil's suitability for development.

Site Hazards	
<i>FEMA Map #</i>	48121C0410G
<i>FEMA Map Date</i>	April 18, 2011
<i>Flood Zone</i>	X
<i>In Flood Plain</i>	is not
<i>Area in Flood Zone</i>	0.0%
<i>Encumbrance/Easement Desc.</i>	We were not given a title report to review, nor do we know of any easements, encroachments, or other deed restrictions that would adversely affect the site's use other than utility easements. We recommend a title search to determine whether any adverse conditions exist.
<i>Environmental Issues</i>	There are no known environmental issues. This report assumes that the property is not affected by hazardous substances.
Site Utilities / Amenities	
<i>Electric</i>	Yes
<i>Water Supply Type</i>	City Water
<i>Sewer Type</i>	City Sewer
<i>Utilities</i>	All Utilities Available
<i>Site Analysis & Comments</i>	The subject site is positively impacted by its easy accessibility to US Route 380 and it is not considered to have any negative factors that would hinder marketability other than the utility easements.
Zoning Summary	
<i>Zoning District</i>	City of Little Elm
<i>Zoning Code</i>	LC; Light Commercial
<i>Zoning Type/Description</i>	Light Commercial
<i>Current Use Legally Conforming</i>	The subject is a legal and conforming use.



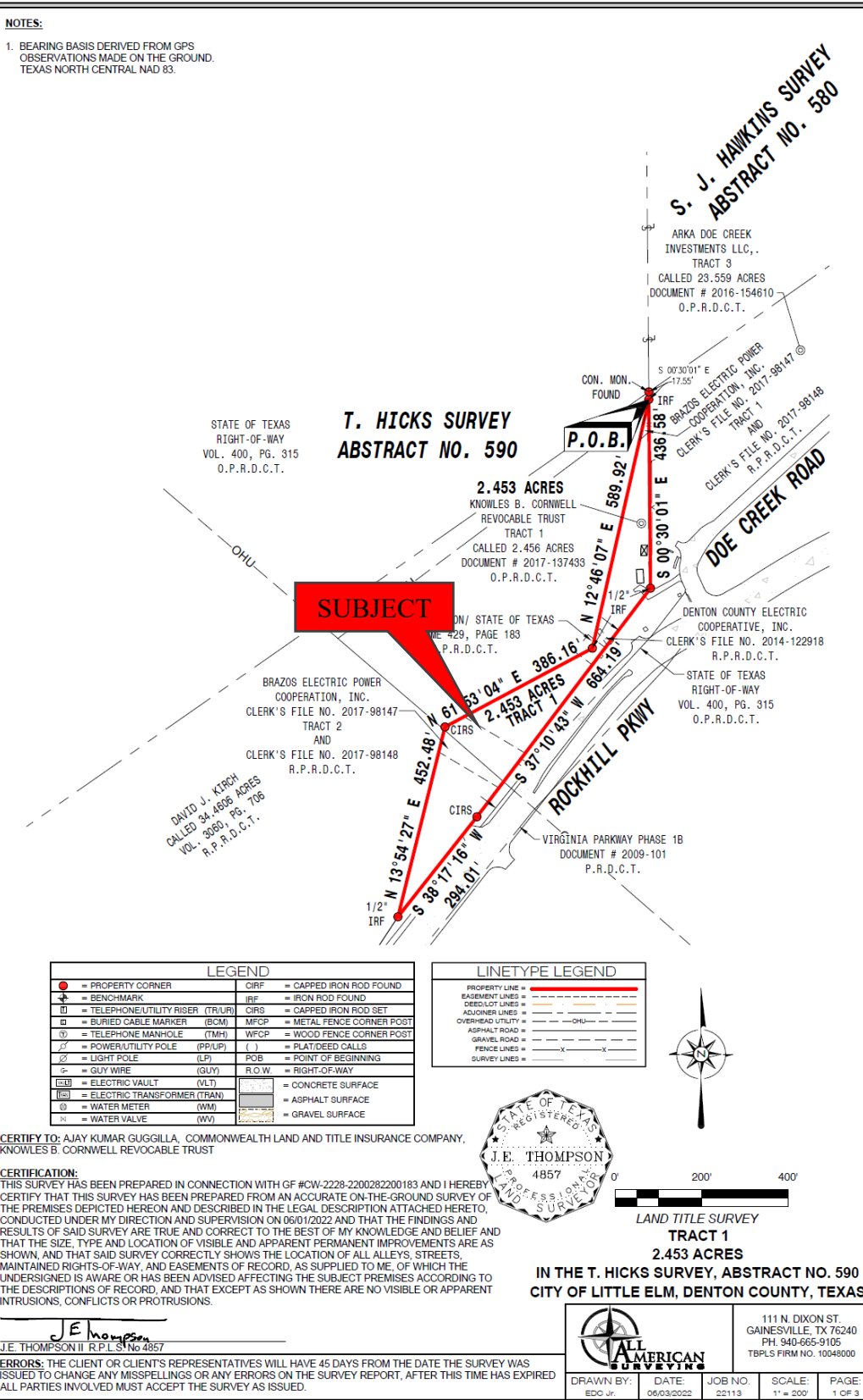
ZONING MAP



TAX MAP

NOTES:

1. BEARING BASIS DERIVED FROM GPS OBSERVATIONS MADE ON THE GROUND. TEXAS NORTH CENTRAL NAD 83.



LEGEND	
●	= PROPERTY CORNER
+	= BENCHMARK
⊠	= TELEPHONE/UTILITY RISER (TR/UR)
⊞	= BURIED CABLE MARKER (BCM)
⊙	= TELEPHONE MANHOLE (TMH)
⊚	= POWER/UTILITY POLE (PP/UP)
⊛	= LIGHT POLE (LP)
⊜	= GUY WIRE (GUW)
⊝	= ELECTRIC VAULT (VLT)
⊞	= ELECTRIC TRANSFORMER (TRAN)
⊚	= WATER METER (WM)
⊛	= WATER VALVE (WV)
⊠	= IRON ROD FOUND
⊞	= METAL FENCE CORNER POST
⊙	= WOOD FENCE CORNER POST
()	= PLAT/DEED CALLS
⊚	= POINT OF BEGINNING
⊛	= RIGHT-OF-WAY
▒	= CONCRETE SURFACE
▓	= ASPHALT SURFACE
░	= GRAVEL SURFACE
⊠	= CAPPED IRON ROD FOUND
⊞	= IRON ROD FOUND
⊙	= CAPPED IRON ROD SET
()	= MFCP = METAL FENCE CORNER POST
()	= WFCP = WOOD FENCE CORNER POST
()	= R.O.W. = RIGHT-OF-WAY

LINETYPE LEGEND	
---	PROPERTY LINE
---	EASEMENT LINES
---	DEED/LOT LINES
---	ADJOINER LINES
---	OVERHEAD UTILITY
---	ASPHALT ROAD
---	GRAVEL ROAD
---	FENCE LINES
---	SURVEY LINES

CERTIFY TO: AJAY KUMAR GUGGILLA, COMMONWEALTH LAND AND TITLE INSURANCE COMPANY, KNOWLES B. CORNWELL REVOCABLE TRUST

CERTIFICATION:
 THIS SURVEY HAS BEEN PREPARED IN CONNECTION WITH OF #CW-2228-2200282200183 AND I HEREBY CERTIFY THAT THIS SURVEY HAS BEEN PREPARED FROM AN ACCURATE ON-THE-GROUND SURVEY OF THE PREMISES DEPICTED HEREON AND DESCRIBED IN THE LEGAL DESCRIPTION ATTACHED HERETO, CONDUCTED UNDER MY DIRECTION AND SUPERVISION ON 06/01/2022 AND THAT THE FINDINGS AND RESULTS OF SAID SURVEY ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND THAT THE SIZE, TYPE AND LOCATION OF VISIBLE AND APPARENT IMPROVEMENTS ARE AS SHOWN, AND THAT SAID SURVEY CORRECTLY SHOWS THE LOCATION OF ALL ALLEYS, STREETS, MAINTAINED RIGHTS-OF-WAY, AND EASEMENTS OF RECORD, AS SUPPLIED TO ME, OF WHICH THE UNDERSIGNED IS AWARE OR HAS BEEN ADVISED AFFECTING THE SUBJECT PREMISES ACCORDING TO THE DESCRIPTIONS OF RECORD, AND THAT EXCEPT AS SHOWN THERE ARE NO VISIBLE OR APPARENT INTRUSIONS, CONFLICTS OR PROTRUSIONS.

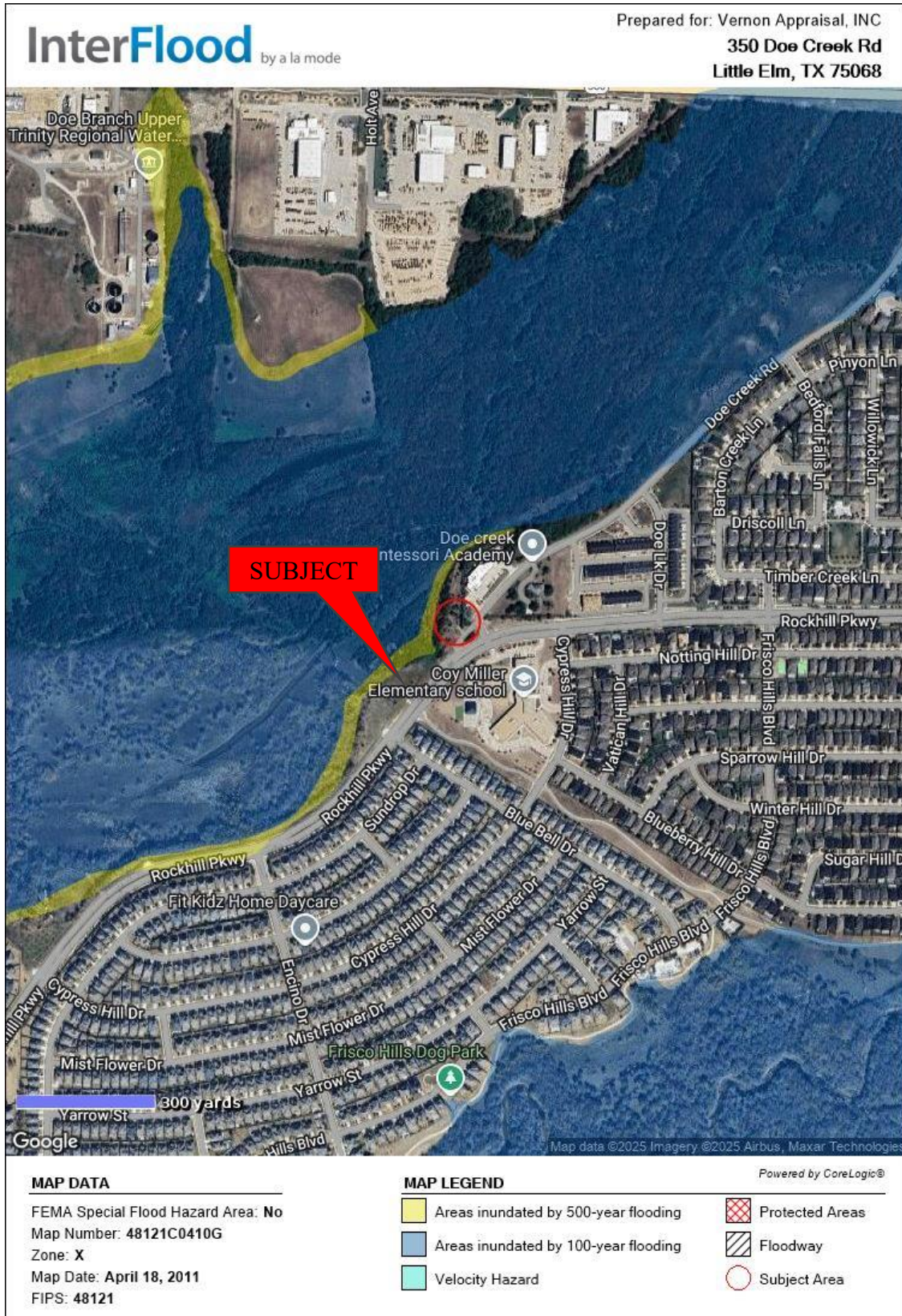
J.E. Thompson
 J.E. THOMPSON II R.P.L.S. No 4857

ERRORS: THE CLIENT OR CLIENT'S REPRESENTATIVES WILL HAVE 45 DAYS FROM THE DATE THE SURVEY WAS ISSUED TO CHANGE ANY MISSPELLINGS OR ANY ERRORS ON THE SURVEY REPORT, AFTER THIS TIME HAS EXPIRED ALL PARTIES INVOLVED MUST ACCEPT THE SURVEY AS ISSUED.



LAND TITLE SURVEY
TRACT 1
2.453 ACRES
IN THE T. HICKS SURVEY, ABSTRACT NO. 590
CITY OF LITTLE ELM, DENTON COUNTY, TEXAS

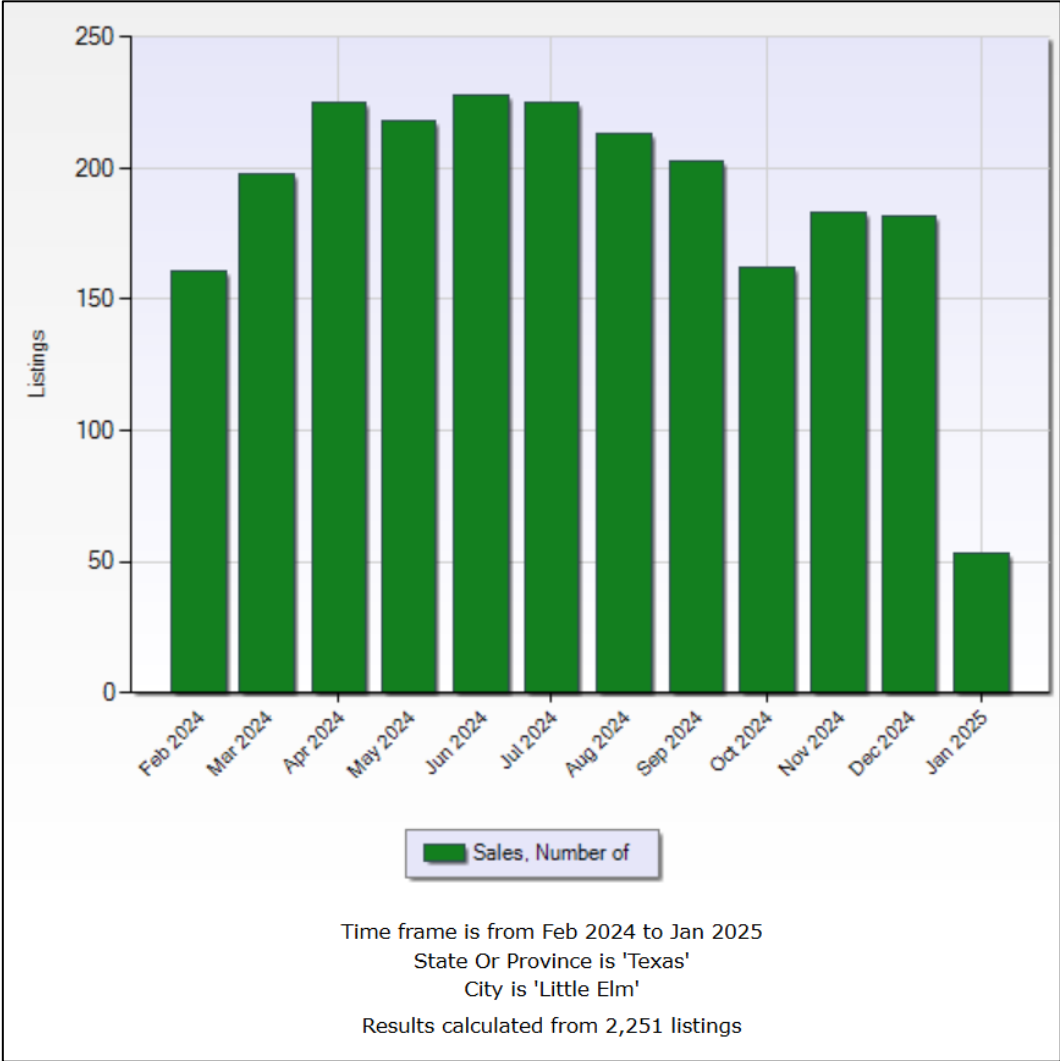
	111 N. DIXON ST. GAINESVILLE, TX 76240 PH. 940-665-9105 TBPLS FIRM NO. 10048000			
	DRAWN BY: EDC jr.	DATE: 06/03/2022	JOB NO.: 22113	SCALE: 1" = 200'



INTERFLOOD

MARKET ANALYSIS

The below table presents real estate sales per month in Little Elm, TX, per NTREIS MLS (February 2024 to January 16, 2025)



STRENGTHS & WEAKNESSES

The following positive and negative factors were noted:

Positive Factors

- Located near US Route 380
- Located along Rockhill Pkwy

Negative Factors

- High Wire Utility Easement
- Elevated Interest Rates, per Federal Reserve

PROPERTY TAXES

The Denton County Central Appraisal District identifies the subject property as Parcel No. 62133. The subject's real estate assessed value is \$496. Based on the tax rate of \$1.6038869 per \$100 of assessed value, the subject's real estate property taxes are \$7.96. The calculations are presented below:

Tax Summary	
Taxing Authority	Denton County Tax Assessor
Tax Year(s)	2024
City Rate	0.5599000
County Rate	0.0187869
Other Rate	1.0252000
Total Tax Rate	1.6038869

The real estate taxes are calculated as follows:

Real Estate Assessment and Taxes						
Tax ID	Land	Improvements	Other	Total Assessment	Tax Rate	Taxes
62133	\$370,000	\$0	-\$369,504	\$496	1.6038869	\$7.96
Totals	\$370,000	\$0	-\$369,504	\$496		\$7.96

The subject property has no known delinquent taxes and is under an agricultural exclusion.

HIGHEST AND BEST USE ANALYSIS

Highest and best use is defined by The Appraisal of Real Estate, 15th Edition, Appraisal Institute, as follows:

"the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."

The highest and best use analysis is a critical determinant of value. Market value is based on the assumption that a potential purchaser will pay no more for a property than the price which reflects their analysis of the most probable use of the land or property as improved. Additionally, the highest and best use conclusions contained in this section provide the foundation for the market value analysis. The Regional Analysis, Neighborhood Analysis, and Site Analysis are of critical importance in arriving to the highest and best use conclusion, as the highest and best use conclusions must be based on motivations evident in the marketplace.

The previously stated definition indicates that there are two types of highest and best use analyses. First, the highest and best use of the land as vacant must be considered. In this section, the site is analyzed as if there were no improvements located on the property. This analysis helps the reader to understand how the current economic forces affect the subject site, as if vacant.

The second method analyzes the subject property "as improved." The existing use may differ from the site's highest and best use. This section will resolve any differences between the highest and best use "as vacant" and the highest and best use "as improved." As the subject site is vacant land, only the "as vacant" aspect of highest and best use is considered appropriate.

The highest and best use of the subject property must meet the four criteria outlined below:

1. Physically Possible
2. Legally Permissible
3. Financially Feasible
4. Maximally Productive

Highest and Best Use (As Vacant)

In estimating the highest and best use of the subject site as vacant, and with respect to the four criteria that must be met (physically possible, legally permissible, financially feasible, and maximally productive), a study of the existing properties and surrounding influences within the neighborhood was necessary. The following factors were considered in determining the subject site's highest and best use as vacant:

1. The location of the subject site in relation to existing land use patterns in the immediate area;
2. The accessibility and visibility of the subject site in relation to competing sites;
3. The economic feasibility of the proposed use of the subject site;
4. Alternative uses of the site; and,
5. Existing market performance of such uses in the immediate area of the subject.

Physically Possible: The subject site contains a total of 2.45 acres and is irregular in shape. Based upon the site's physical characteristics, a wide range of uses are physically possible. The physically possible uses include many types of commercial uses.

Legally Permissible: There are a number of legally permissible uses allowed by right on the subject site that include a variety of commercial uses. The subject is zoned LC; Light Commercial.

Financially Feasible: In regard to financial feasibility, the possible uses which could produce an income in excess of what is needed to satisfy capital amortization and operating expenses, as well as provide a return to the land, were considered. Due to current market conditions, commercial development would be financially feasible at the present time. Also, due to the proximity to major thoroughfares and the average access to population centers in Denton County, a commercial use would be appropriate and in conformity with the neighborhood.

Maximally Productive: We are of the opinion that the maximally productive and highest and best use of the subject site "as vacant" would be for future commercial use.

DISCUSSION OF THE APPRAISAL PROCESS

Basically, the appraisal process is an economic analysis. This process is a program in which the problem is defined, preliminary analysis is performed, data is collected and analyzed, and a final value estimate is determined. These approaches include the cost, sales comparison, and income approaches to value. This section of the report explains the rationale and the applicability of these three recognized approaches to value, reviews the work done in the valuation process, and sets forth the reasoning that supports each opinion or conclusion.

THE COST APPROACH

In this approach, the cost to replace the improvements is estimated. A deduction is made for any depreciation, and the result is combined with the estimated value of the underlying land. The approach is applicable when each component is independently measurable and when the sum of all components is believed to reflect market value. The approach is not applicable to unimproved land or obsolete improvements.

THE INCOME APPROACH

This approach analyzes the property's capacity to generate income (or other monetary benefits) and converts this capacity into an indication of market value. The approach is suitable for properties that have obvious earning power and investment appeal but inappropriate for properties that have no readily discernible income potential.

THE SALES COMPARISON APPROACH

This approach compared the subject property to other properties that have changed hands fairly recently at known price levels. The approach is most meaningful when there is adequate market data involving comparable properties. Reliability of the approach varies directly with the quantity and quality of available market data.

APPLICABILITY

All three approaches to value will be considered for the valuation of the subject property.

The value indications developed via consideration of the Sales Comparison Approach follow in subsequent sections of this report. The Income Approach and Cost Approach were excluded as the subject is land with a structure that is considered to have no contributory value. The conclusions obtained by analyzing the property by each of the applicable approaches utilized are then correlated into a final estimate of value. Our valuation analysis follows:

SALES COMPARISON APPROACH

The Sales Comparison Approach is based on the theory of substitution wherein it is assumed that a prudent purchaser would not be justified in paying more for a property than the price at which he could acquire a reasonable substitute property in the open market. Thus, the Sales Comparison Approach involves an investigation and analysis of open market sales of substitute properties. To be valid as an indication of market value, the comparison properties must be reasonably similar in terms of physical and locational characteristics, offer the same basic utility, and the sale transaction must be of a reasonably recent date if the property is located in an area of rapidly changing economic conditions. Furthermore, the available comparable data must be sufficient in number to create value patterns in the market.

There are various methods and techniques which can be used in estimating the market value of a tract of land. The most reliable and appropriate, when adequate market data is available, is a direct comparison of comparable land sales with the subject property. Since the value of a particular property is related to various locational, physical, and economic factors which may not affect two properties equally, adjustments are required for these influences. Although it is recognized that the market is not perfect, a cross analysis of the sales data, when sufficient in quantity and quality, can lead to an indication of the appropriate adjustments. In some instances, however, the appraiser must exercise his or her best judgment in arriving at an indication of value by comparison.

The selected comparable sales data, together with brief comments, are tabulated on the following pages. A summary discussion of the comparable land sales and an analysis of the data are included. A Comparable Land Sale Map, which relates the location of each comparable sale to that of the subject property, is also included.

COMPARABLE LAND SALE 1

Tax ID:	44041
Location:	2135 Oak Grove Parkway
Date of Sale:	October 31, 2022
Grantor:	Beverly G. Maroski
Grantee:	Ridge Realty Partners, LLC
Size:	166,094 SF, or 3.813 Acres
Legal Description:	A0226A D.M. Cule, TR 41(PT), 3.813 Acres, Old DCAD TR #3(1)
Recording Data:	2022-147982
Sales Price:	\$1,338,000
Financing:	Cash to seller

Unit Price: \$8.06/SF

Utilities:	
Public Water:	Available
Public Sewer:	Available
Current Use:	Vacant Land
Frontage:	445' along Oak Grove Pkwy
Traffic Count:	27,707
Flood Plain:	None Apparent
Zoning:	LC; Light Commercial
Shape/Topography:	Generally rectangular/moderately level
Comments:	There are partial utilities are in place.
Verified:	Deemed a reliable source
Days on Market:	285

COMPARABLE LAND SALE 2

Tax ID:	R1002900A00101
Location:	9446 Virginia Parkway
Date of Sale:	February 10, 2023
Grantor:	Virginia 100, LP
Grantee:	Underdog Kennels, LLC
Size:	108,029 SF, or 2.480 Acres
Legal Description:	Aero Country East Addition (CMC), BLK A, Lot 1
Recording Data:	2023-000145255
Sales Price:	\$935,000
Financing:	Cash to seller
Unit Price:	\$8.66/SF
Utilities:	
Public Water:	Yes
Public Sewer:	Yes
Current Use:	Vacant Land
Frontage:	425' along Virginia Pkwy & 240' along Lloyd Stearman Dr
Traffic Count:	16,300
Flood Plain:	None
Zoning:	PD; Planned Development
Shape/Topography:	Roughly Rectangular
Comments:	All utilities to site
Verified:	MLS
Days on Market:	1,305

COMPARABLE LAND SALE 3

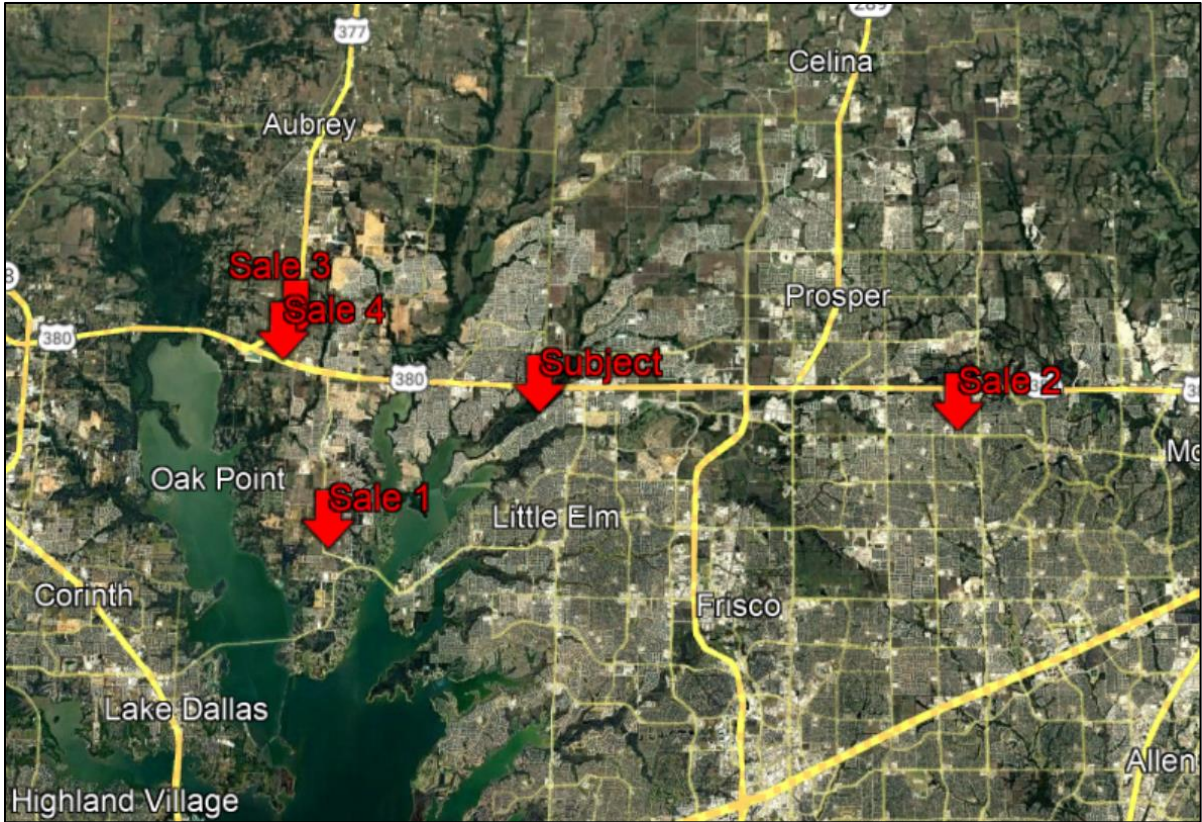
Tax ID:	R38323
Location:	7801 Fishtrap Road
Date of Sale:	May 15, 2023
Grantor:	Dawn Burrows
Grantee:	Amigos Syndicate, LLC
Size:	45,259 SF, or 1.039 Acres
Legal Description:	A0803A R.J. Moseley, TR 1, 1.039 Acres, Old DCAD TR 5A
Recording Data:	2023-49465
Sales Price:	\$430,000
Financing:	Cash to seller
Unit Price:	\$9.50/SF
Utilities:	
Public Water:	Available
Public Sewer:	Available
Current Use:	Vacant Land
Frontage:	210' along Fishtrap Rd & 185' along FM 424
Traffic Count:	14,740 (FM 424)
Flood Plain:	None
Zoning:	A; Agricultural
Shape/Topography:	Generally Rectangular
Comments:	Property is located on a hard corner with no improvements.
Verified:	MLS
Days on Market:	173

COMPARABLE LAND SALE 4

Tax ID:	R178717
Location:	8801 US Hwy 380
Date of Sale:	July 22, 2024
Grantor:	Margarito Espinoza & MF Northridge, LLC
Grantee:	STGP Capital, LLC
Size:	196,020 SF, or 4.50 Acres
Legal Description:	A0803A R.J. Moseley, 4.5 Acres
Recording Data:	2024-77922
Sales Price:	\$2,304,600
Financing:	Cash to seller

Unit Price: \$11.76/SF

Utilities:	
Public Water:	Yes
Public Sewer:	None
Current Use:	Commercial Use
Frontage:	582' along US Hwy 380
Traffic Count:	40,096
Flood Plain:	None
Zoning:	C2; Commercial
Shape/Topography:	Roughly Rectangular
Comments:	The property sold for \$2,400,000 and is improved with a 2,400 SF building (Class S construction) that was constructed in 1995. The appraiser has estimated the value of the improvement at \$95,400 (Calculations: 2,400 SF x \$79.5/SF x .50 depreciation = \$95,400) and deducted this from the sale price for a land only sale price of \$2,304,600.
Verified:	MLS
Days on Market:	200



COMPARABLE LAND SALE MAP

ANALYSIS OF COMPARABLE LAND SALES

Four land sales were cited in this analysis, which ranged in size from 45,259 square feet to 196,020 square feet and in date of sale from October 2022 to July 2024. In our analysis, the Subject contains 106,853 square feet, per the provided survey. In estimating the market value of the Subject, an adjustment grid analysis will be performed.

The following adjustment grids analyze the most comparable sales to the Subject Tract (“+” adjustments indicate that the comparable sale is inferior to the Subject and must be adjusted upward; “-“ adjustments indicate that the comparable sale is superior to the Subject and must be adjusted downward; and “0” indicates that the comparable sale and Subject are similar overall in this factor of comparison and no adjustment is warranted).

Real Property Rights Conveyed

This adjustment is considered for any differences in the real property rights being conveyed in the sale. Properties in which less than the full Fee Simple Estate is transferred frequently sell for a lower price. Since all of the adjusted sales were sold in Fee Simple, no adjustments will be made.

Financing Terms

All of the adjusted sales were sold for cash or at market terms. Adjustments for financing terms are not appropriate.

Conditions of Sale

All of the sales are considered to be arm’s length transactions. No adjustments are necessary for this factor.

Market Conditions (Time)

Market conditions may change between the time of sale of a comparable property and the date of the appraisal of the Subject. Under such circumstances, the price of the comparable property would be different at the later time (the date of the appraisal), and an adjustment would have to be made to the actual transaction price. Changed market conditions often result from various causes such as inflation, deflation, changing demand, and changing supply.



U.S. Inflation 2021-2025		
2022	2023	2024
8.00%	4.10%	3.00%

Adjustments for changes in market conditions appear necessary for the market since 2022. The sales were adjusted upward 3.5% annually based on the MLS table (average sales price – Denton County +/-3.5%), 2022-2024 U.S. inflation rates (8.0-3.0%), subject location, property type, and current market trends.

Location/Access/Frontage

In this analysis, primary consideration is given to the type and quality of the developments and land uses in the area of the given property, to the growth prospects in the immediate area, to the age of the improvements which characterize the surrounding area, and to the condition and maintenance levels of the improvements, both public and private. General access to the property is also considered in this category.

The subject property is located along Doe Creek Road and Rockhill Parkway, across from Blue Bell Drive in Little Elm, TX. The surrounding area is in close proximity to US Route 380, which is considered to be in a stage of growth.

- Sales 1-3 are located in areas that are considered sufficiently similar to the subject and no adjustments were applied.
- Sale 4 is located along US Route 380 and is considered a superior location and a downward adjustment was applied.

Size

Typically, larger tracts will sell for less on a per square foot basis than smaller tracts, all other factors being equal. The subject contains 106,853 SF. The sales range in size from 45,259 SF to 196,020 SF. The sales were adjusted accordingly.

Flood Plain

Typically, properties located in flood hazard areas sell for less than those not located in flood hazard areas. The subject has no known flood plain influence. All of the sales are not located in 100-year flood plain areas and/or do not have flood issues and adjustments are not necessary.

Shape

The subject is irregular in shape. All of the Comparable Sales are considered superior to the subject and downward adjustments were applied.

Utilities

The subject has all utilities. Comparable Sale 2 was considered similar to the subject and no adjustment was applied. Comparable Sales 1, 3 and 4 were adjusted upwards for being inferior.

Zoning

The subject is LC; Light Commercial. Comparable Sales 1, 2 and 4 are considered sufficiently similar to the subject and no adjustments were applied. Comparable Sale 3 is zoned A; Agricultural and an upward adjustment was applied.

Encumbrances or Easements (Adverse)

The subject site has a high wire easement (see survey). All of the Comparable Sales were considered superior and downward adjustments were applied.

The following chart summarizes adjustments applied to the comparable sales on per square foot basis for the Subject:

Land Sales Adjustment Chart									
Subject		Comp 1		Comp 2		Comp 3		Comp 4	
Price		\$1,338,000		\$935,000		\$430,000		\$2,304,600	
Unadjusted Price/SF		\$8.06		\$8.66		\$9.50		\$11.76	
Transaction Adjustments									
Property Rights Conveyed	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%
Financing		Typical	0.0%	Typical	0.0%	Typical	0.0%	Typical	0.0%
Conditions of Sale		Market	0.0%	Market	0.0%	Market	0.0%	Market	0.0%
Market Conditions	1/17/2025	10/31/2022		2/10/2023		5/15/2023		7/22/2024	
Difference (Years)		2.2		1.9		1.7		0.5	
Adjustment	3.5%	7.8%		6.8%		5.9%		1.7%	
Adjusted Price/Acre		\$8.68		\$9.24		\$10.06		\$11.96	
Location/Access/Frontage		Similar		Similar		Similar		Superior	
% Adjustment		0.0%		0.0%		0.0%		-32.5%	
Size (SF)	106,853	166,094		108,029		45,259		196,020	
% Adjustment		5.0%		0.0%		-12.5%		7.5%	
Flood Plain	is not	Similar		Similar		Similar		Similar	
% Adjustment		0.0%		0.0%		0.0%		0.0%	
Shape	Irregular	Superior		Superior		Superior		Superior	
% Adjustment		-2.5%		-2.5%		-2.5%		-2.5%	
Utilities	Electricity, Water, Sewer	Inferior		Similar		Inferior		Inferior	
% Adjustment		2.5%		0.0%		5.0%		2.5%	
Zoning	LC; Light Commercial	Similar		Similar		Inferior		Similar	
% Adjustment		0.0%		0.0%		2.5%		0.0%	
Encumbrances or Easements	High Wire Utility Easements	Superior		Superior		Superior		Superior	
% Adjustment		-2.5%		-2.5%		-2.5%		-2.5%	
Total Adjustments %		10.3%		1.8%		-4.1%		-25.8%	
Adjusted Price/Acre		\$8.90		\$8.78		\$9.05		\$8.67	

Conclusion: Each of the sales were analyzed and adjusted for dissimilar attributes when compared with the subject site. The estimated market value of the subject property is considered to be well supported at **\$8.85/SF**.

Land Value Ranges		
	Unadjusted	Adjusted
Low:	\$8.06	\$8.67
High:	\$11.76	\$9.05
Mean:	\$9.49	\$8.85
Median:	\$9.08	\$8.84
Land Value Conclusion		
Reconciled Price/SF:		\$8.85
Subject Size (SF):		106,853
Indicated Value:		\$945,646
Reconciled Final "As Is" Value:		\$950,000
		Nine Hundred Fifty Thousand Dollars

MARKETING/EXPOSURE PERIOD ANALYSIS

A distinction between marketing time and exposure time must be made. As defined by the Appraisal Standards Board of the Appraisal Foundation, the following definitions are used.

Marketing Time: *An estimate of the amount of time it might take to sell a property interest in real estate at the estimated market value level during the period immediately after the effective date of an appraisal.*

Exposure Time: *The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.*

In estimating the subject's anticipated average marketing and exposure time, the known marketing times of the comparable sales were used in our analysis, see below.

Comparable Sales						
Sale	Location	Date	Acres	\$/Acre	Days on Market	Months on Market
1	Little Elm	Oct-22	166,094.28	\$8.06	285	9.37
2	McKinney	Feb-23	108,029.00	\$8.66	1,305	42.90
3	Cross Roads	May-23	45,258.84	\$9.50	173	5.69
4	Cross Roads	Jul-24	196,020.00	\$11.76	200	6.58
Averages			128,850.53	\$9.49	491	16.13

Based on this data, we believe that an exposure period of 12 months or less to be reasonable for the subject property. The marketing period, based on the same analysis, is also estimated at 12 months or less.

ADDENDA

CERTIFICATE AND FINAL VALUE ESTIMATE

CERTIFICATE AND FINAL VALUE ESTIMATE

We certify that, to the best of our knowledge and belief:

- 1) The statements of fact contained in this report are true and correct.
- 2) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
- 3) We have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
- 4) We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- 5) My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 6) My compensation for completing this assignment is not contingent upon the developing or reporting of a pre-determined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- 7) The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice.
- 8) The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- 9) Nathan Vernon has not made a personal inspection of the property that is the subject of this report. Brian Galbraith, MAI has made a personal inspection of the property that is the subject of this report.
- 10) As of the date of this report, Nathan Vernon has completed the Standards and Ethics Education Requirements for Candidates of the Appraisal Institute.
- 11) No one provided significant real property appraisal assistance to the persons signing this report.
- 12) The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- 13) 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.
- 14) My analysis, opinions and conclusions were developed, and this report has been prepared, in conformity with the applicable Internal Revenue Service Valuation Guidelines.

Value Conclusion			
Premise	Interest Appraised	Effective Date	Value Conclusion
<i>Current Market Value</i>	Fee Simple	January 17, 2025	\$950,000



Nathan Vernon

State Certification TX-1381214-G

SUBJECT PHOTOGRAPHS



SUBJECT – LOOKING SOUTHWEST



LISTING SIGNAGE



SUBJECT – LOOKING NORTHEAST



SUBJECT – LOOKING SOUTHWEST



SUBJECT – LOOKING NORTHEAST



SUBJECT – LOOKING NORTH



SUBJECT – LOOKING NORTHWEST



STREET SCENE – LOOKING NORTHEAST ALONG ROCKHILL PARKWAY



STREET SCENE – LOOKING SOUTHWEST ALONG ROCKHILL PARKWAY

STATE CERTIFICATION



Certified General Real Estate Appraiser

Appraiser: **Nathan Vernon**

License #: **TX 1381214 G**

License Expires: **08/31/2026**

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

Chelsea Buchholtz
Executive Director

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

QUALIFICATIONS OF THE APPRAISER

VERNON APPRAISAL, INC

NATHAN VERNON

SUMMARY I have appraised a variety of commercial real estate properties, which include vacant land, agricultural, retail, self-storage, office, hotel, and multi-family development.

EXPERIENCE Appraisal firms I have worked for include Paramount Analysts, LLC. and Brian W. Galbraith Appraisals, LLC. My responsibilities involved all aspects of the appraisal process including market research and demographic analysis, comparable verification and data collection, subject property inspection, financial analysis, and report writing.

EDUCATION/SERVICE HISTORY

BSBA – Business Management: Western Governors University (2021)

PROFESSIONAL DESIGNATIONS AND AFFILIATIONS

Certified General Real Estate Appraiser # TX-1381214-G - State of Texas - 2022

Candidate for Designation, Appraisal Institute, 2022

COURSEWORK

Basic Appraisal Procedures	General Appraiser Report Writing & Case Studies
Basic Appraisal Principles	General Appraiser Site Valuation & Cost Approach
USPAP Coursework	General Appraiser Sales Comparison Approach
Expert Witness for Commercial Appraisers	General Appraiser Market Analysis Highest & Best Use
Statistics, Modeling and Finance	General Appraiser Income Approach