



Valbridge
PROPERTY ADVISORS

Appraisal Report

Aubrey Vacant Land
4354 US Hwy 377
Denton County, Texas 76227

Report Date: October 28, 2024



FOR:

Blake Richards

4354 Hwy 377
Denton County, Texas 76227

**Valbridge Property Advisors |
Dallas-Fort Worth**

10210 North Central Expressway,
Suite 115
Dallas, Texas 75231
(214) 446-1611 phone

valbridge.com

Valbridge File Number:
TX03-24-1272-000



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October 28, 2024

Blake Richards
4354 Hwy 377
Denton County, Texas 76227

RE: Appraisal Report
Aubrey Vacant Land
4354 US Hwy 377
Denton County, Texas 76227

Dear Mr. Richards:

In accordance with your request, an appraisal of the above referenced property was performed. This appraisal report sets forth the pertinent data gathered, the techniques employed, and the reasoning leading to the value opinions. This letter of transmittal does not constitute an appraisal report and the rationale behind the value opinion(s) reported cannot be adequately understood without the accompanying appraisal report.

The subject property, as referenced above, is located on the east side of Highway 377 just south of Stewart Road with access to both Stewart road and Highway 377 and is further identified as tax parcels 302203 and 1034748. The subject property is a 17.495-acre tract containing two parcels of land. Approximately 1.5-acres of the eastern side of the site is located within the floodplain.

The analyses, opinions, and conclusions were developed, and this report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute; and the requirements of our client.

The client in this assignment is Blake Richards and the intended user of this report is Blake Richards and no others. The intended use is for internal decision-making. The value opinions reported herein are subject to the definitions, assumptions, limiting conditions, and certifications contained in this report.

The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results:

Extraordinary Assumptions:

- None pertaining to this assignment.

Hypothetical Conditions:

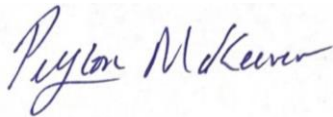
- None pertaining to this assignment.

The value conclusion is based on the analysis in the following report and presented in the following table:

Value Conclusion

Component	As Is
Value Type	Market Value
Real Property Interest	Fee Simple
Effective Date of Value	October 17, 2024
Value Conclusion	\$5,600,000
	\$320,092 per Acre

Respectfully submitted,
Valbridge Property Advisors | Dallas-Fort Worth



Peyton McKeever
Appraiser
Texas License #TX 1381422 G
License Expires 03/31/2026



Mike Divin, MAI
Senior Managing Director
Texas License #TX-1320831-G
mdivin@valbridge.com

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Summary of Salient Facts

Property Identification

Property Name	Aubrey Vacant Land
Property Address	4354 US Hwy 377 Denton County, Texas 76227
Latitude & Longitude	33.258725, -96.987117
Census Tract	6931.02
Tax Parcel Number	302203, 1034748
Property Owner	Blake Richards

Site

Zoning	Not Zoned
FEMA Flood Map No.	48121C0265G
Flood Zone	Zone A and Zone X (unshaded)
Gross Land Area	762,082 square feet
Usable Land Area	762,082 square feet

Valuation Opinions

Highest & Best Use - As Vacant	A variety of residential and agricultural uses
Reasonable Exposure Time	6 to 12 months
Reasonable Marketing Time	6 to 12 months

Value Indications

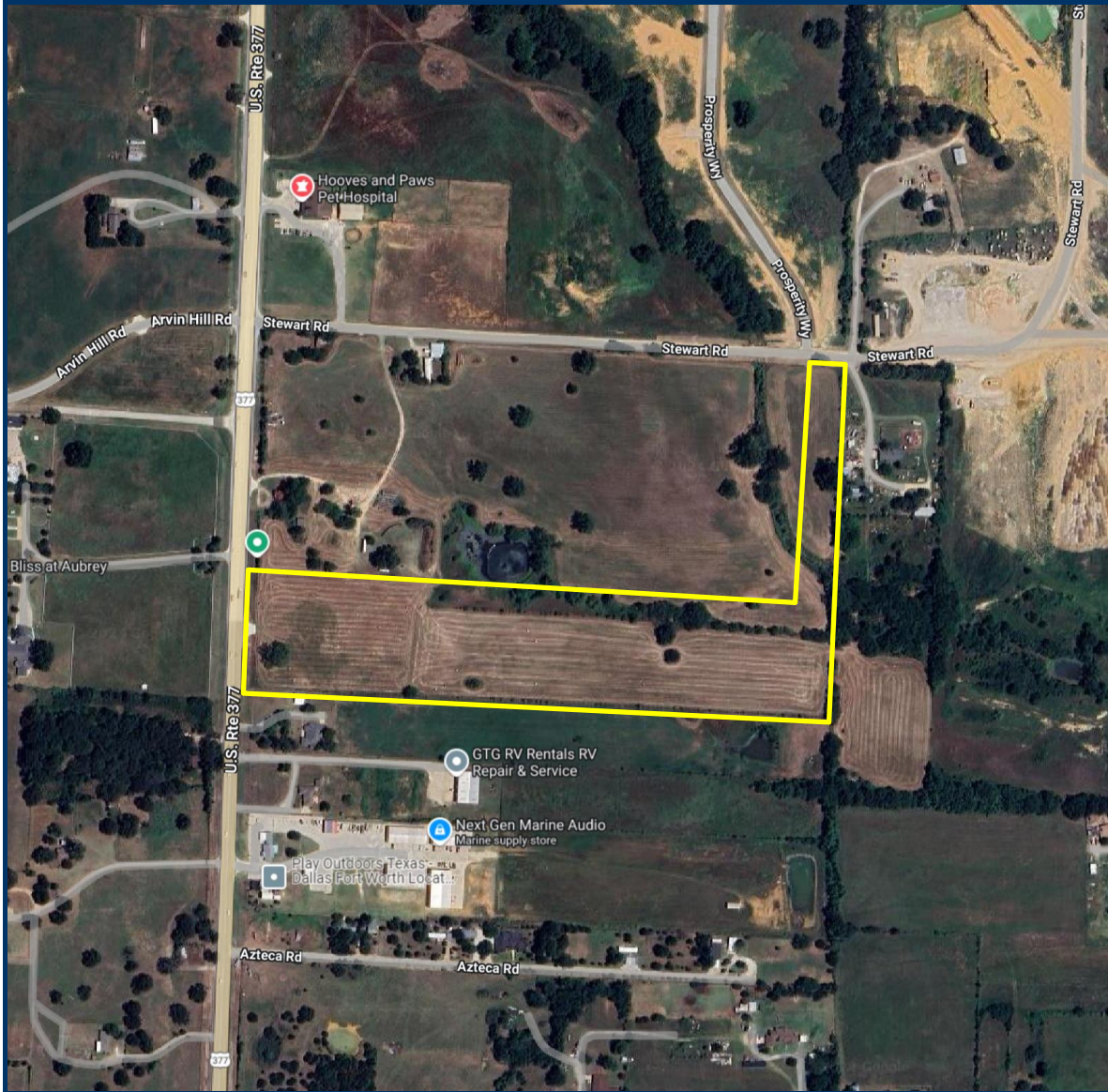
Approach to Value	As Is
Sales Comparison	\$5,600,000
Cost	Not Developed
Income Capitalization	Not Developed

Value Conclusion

Component	As Is
Value Type	Market Value
Real Property Interest	Fee Simple
Effective Date of Value	October 17, 2024
Value Conclusion	\$5,600,000
	\$320,092 per Acre

Aerial and Front Views

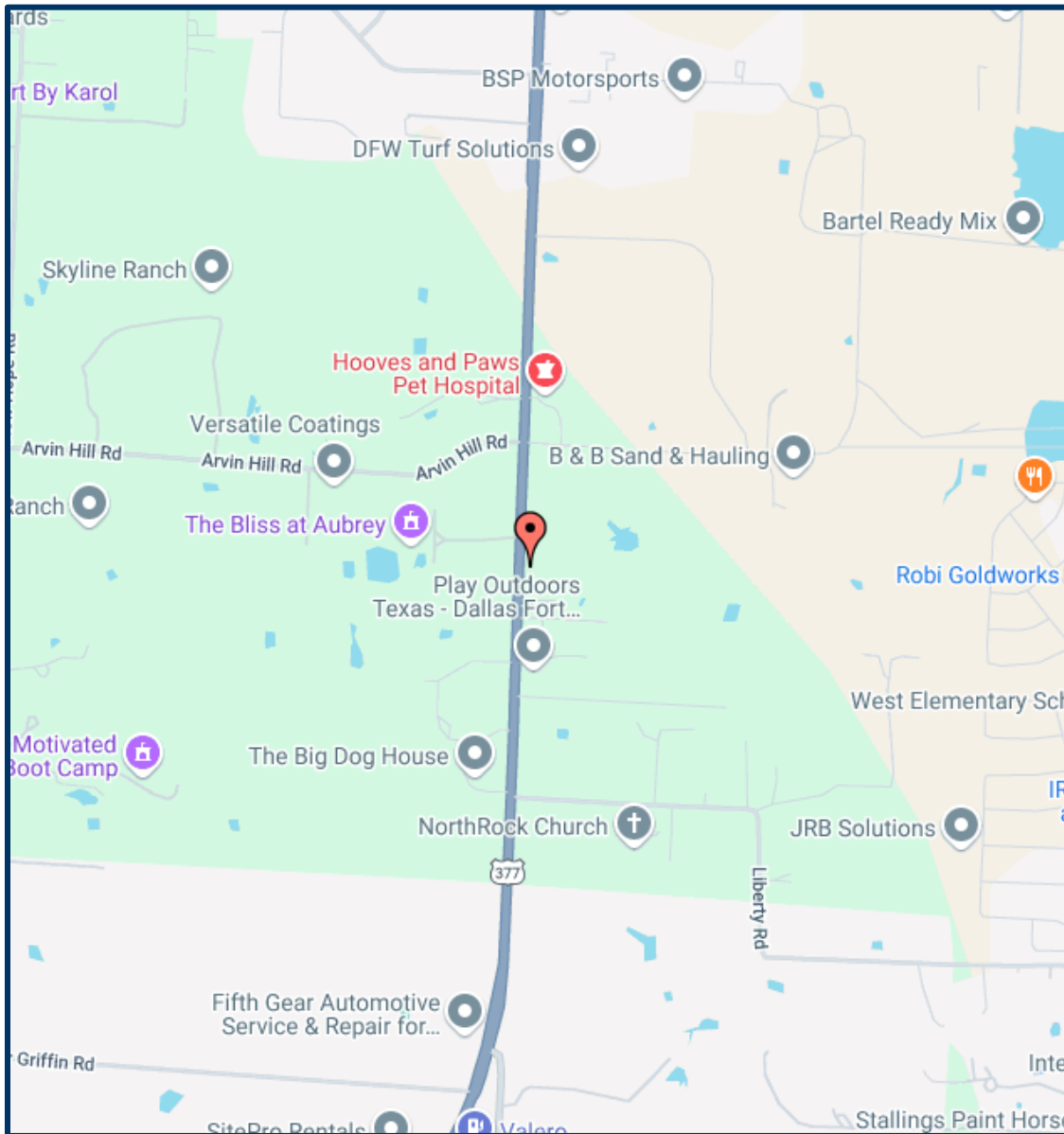
AERIAL VIEW



FRONT VIEW



Location Map



Introduction

Client and Intended Users of the Appraisal

The client in this assignment is Blake Richards and the intended user of this report is Blake Richards. Under no circumstances shall any of the following parties be entitled to use or rely on the appraisal or this appraisal report:

- i. The borrower(s) on any loans or financing relating to or secured by the subject property,
- ii. Any guarantor(s) of such loans or financing; or
- iii. Principals, shareholders, investors, members or partners in such borrower(s) or guarantors.

Intended Use of the Appraisal

The intended use of this report is for internal decision-making.

Real Estate Identification

The subject property is located at 4354 US Hwy 377, Denton County, Texas 76227. The subject property is further identified by the tax parcels 302203 and 1034748.

Legal Description

17.495-Acres, Tracts 118A(2), 118C(1), 118B, A0036A J. Bridges Survey, Denton County, Texas

Use of Real Estate as of the Effective Date of Value

As of the effective date of value, the subject was vacant land.

Use of Real Estate as Reflected in this Appraisal

The as is opinion of value for the subject property reflects use as vacant land.

Ownership of the Property

According to Denton CAD, title to the subject property is vested in Blake Richards.

History of the Property

Ownership of the subject property has changed within the past three years and the known terms are presented in the following table:

Recent Transaction

Sale Date:	December 22, 2023, December 15, 2021
Grantor/Seller:	SALMONS COMMERCIAL PROPERTIES LLC - SERIES STEWART ROAD and 377 Landmark Ent Llc
Grantee/Buyer:	Blake Richards
Recording Number:	2023-135770 and 2021-227388
Arm's Length?:	Yes
Sales Price:	\$1,600,000

Remarks: The sale appears to have been an arm's length transaction at market.

Current Listing

The subject property is currently listed for sale for \$4,900,000 (\$6.43/SF, \$280,080/Acre) which is considered to be at market given the analysis herein. The property is listed with Heather Kingston (817-771-1360) according to MLS #20497794. The subject is also listed as part of a larger tract with adjoining property owners totaling 39.49-acres for \$11,650,000 (\$6.77/SF, \$295,011/Acre) also with Heather Kingston which is considered to be at market given the analysis herein. The listings for the subject property are contained in the addendum.

Type and Definition of Value

Market value is defined as the "most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress."¹

Please refer to the Glossary in the Addenda section for additional definitions of terms used in this report.

Valuation Scenarios, Property Rights Appraised, and Effective Dates of Value

Opinion of value for the subject property was developed under the following valuation scenario:

Valuation Scenario	Effective Date of Value
As Is Market Value of the Fee Simple Interest	October 17, 2024

Date of Report

The date of this report is October 28, 2024.

List of Items Requested but Not Provided

- All required information provided

Assumptions and Conditions of the Appraisal

This appraisal assignment and the opinions reported herein are subject to the General Assumptions and Limiting Conditions contained in the report and the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results.

Extraordinary Assumptions

- None pertaining to this assignment.

Hypothetical Conditions

- None pertaining to this assignment.

¹Appraisal Institute, *The Dictionary of Real Estate Appraisal*, (7TH ed.). Chicago, Illinois: Appraisal Institute.

Scope of Work

The elements addressed in the Scope of Work are (1) the extent to which the subject property is identified, (2) the extent to which the subject property is inspected, (3) the type and extent of data researched, (4) the type and extent of analysis applied, (5) the type of appraisal report prepared, and (6) the inclusion or exclusion of items of non-realty in the development of the value opinion. These items are discussed as below.

Extent to Which the Property Was Identified

The three components of the property identification are summarized as follows:

- Legal Characteristics - The subject was legally identified via Denton CAD.
- Economic Characteristics - The subject property economic characteristics were identified via information provided by the borrower, market surveys, discussions with market participants, and our database.
- Physical Characteristics - The subject property physical characteristics were identified via information provided by the borrower, appraisal district records, third-party data services, and direct observation.

Extent to Which the Property Was Inspected

An appraisal inspection of the subject property that consisted of exterior observations was completed on October 17, 2024.

Type and Extent of Data Researched

The following data was researched and analyzed: (1) market area data, (2) property-specific market data, (3) zoning and land-use data, and (4) current data on comparable listings and transactions. Professionals familiar with the subject market/property type were also interviewed.

Type and Extent of Analysis Applied (Valuation Methodology)

Surrounding land use trends, the condition of any improvements, demand for the subject property, and relevant legal limitations were observed in the process of concluding a highest and best use for the subject property. The subject property was then valued based on the highest and best use conclusion.

There are four primary methods available to develop a land value estimate: (1) sales comparison, (2) land residual method, (3) ground rent capitalization, and (4) subdivision development method (discounted cash flow). While other methods, such as extraction and allocation, are applicable under limited conditions, one or more of these approaches are used in most circumstances to derive an indication of land value.

- Sales Comparison Approach - In the sales comparison approach, value is indicated by recent sales and/or listings of comparable properties in the market, with the appraiser analyzing the impact of material differences in both economic and physical elements between the subject and the comparables.

- Direct Capitalization: Land Residual Method - The land residual methodology involves estimating the residual net income to the land by deducting from total potential income the portion attributable to the improvements, assuming development of the site at its highest and best use. The residual income is capitalized at an appropriate rate, resulting in an indication of land value.
- Direct Capitalization: Ground Rent Capitalization – A market derived capitalization rate is applied to the net income resulting from a ground lease. This can represent the leased fee or fee simple interest, depending on whether the income potential is reflective of a lease in place or market rental rates.
- Yield Capitalization: Subdivision Development Method – Also known as discounted cash flow analysis (DCF), the methodology is most appropriate for land having multiple lot development in the near term as the highest and best use. The current site value is represented by discounting the anticipated cash flow to a present value, taking into consideration all necessary costs of development, maintenance, administration, and sales throughout the absorption period.

All of these approaches to value were considered. The availability of data and applicability of each approach to value within the context of the characteristics of the subject property, along with the needs and requirements of the client, were assessed. Based on this assessment, the sales comparison approach was developed.

Appraisal Conformity and Report Type

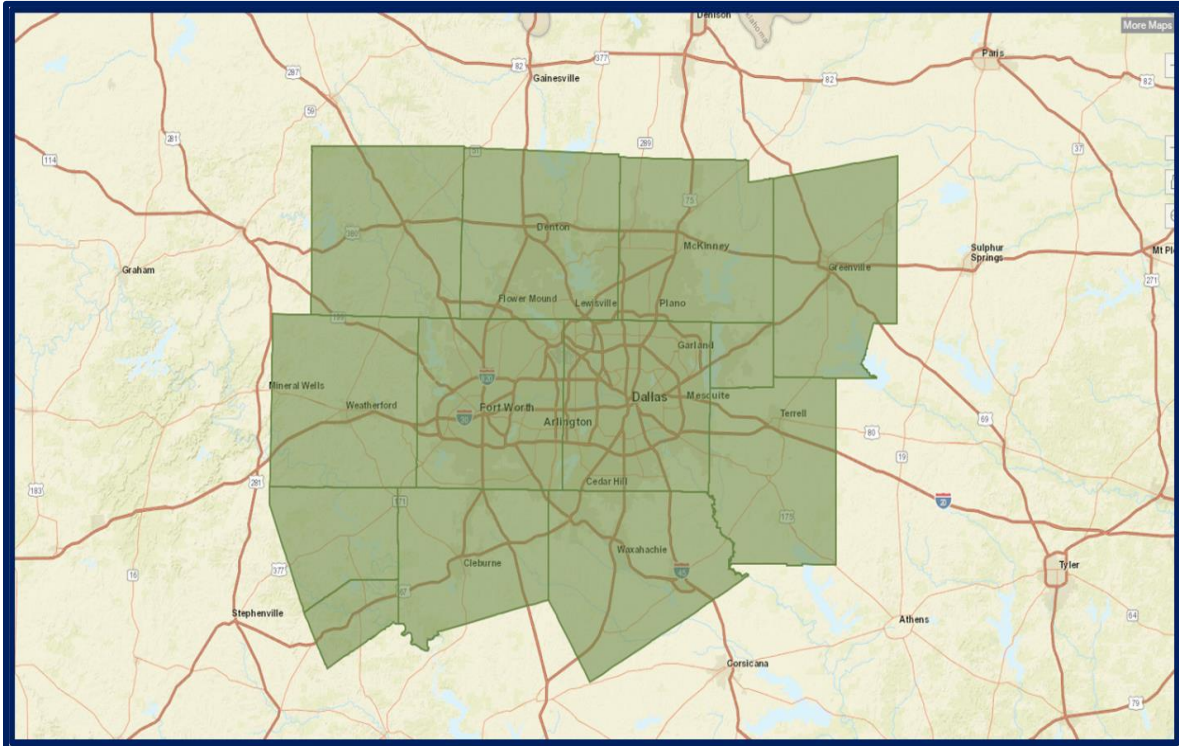
The analyses, opinions, and conclusions were developed and this report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute; and the requirements of our client. This is an Appraisal Report as defined by the Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2a.

Personal Property/FF&E

All items of non-realty and subsurface rights are excluded from this analysis. The opinion of market value developed herein is reflective of real estate only.

Regional and Market Area Analysis

REGIONAL MAP



Overview

The subject is located in , in Denton County. It is part of the Dallas MSA. This MSA is comprised of Collin, Dallas, Denton, Ellis, Hunt, Johnson, Kaufman, Parker, Rockwall, Tarrant, Hood, Somervell, and Wise counties. Also referred to as the North Texas region, it benefits from its central location within the US and the confluence of several interstate highways (IH-20, IH-30, IH-45, IH-35). The Dallas-Fort Worth International Airport provides direct national and international flights, and all major rail lines serve the area.

Economy

Although located in Texas, the North Texas economy is diversified and less dependent on the oil and gas industry than other regions of the state. The Dallas/Fort Worth/Arlington MSA boasts the 6th highest GDP in the United States and highest in the state, one spot ahead of the Houston/Woodlands/Sugar Land MSA. Texas has the second largest state economy in the country, with its GDP rivaling that of Italy.

Population

The greater Dallas/Fort Worth/Arlington MSA is the fourth largest metropolitan area in US with nearly eight million people, behind only the New York/Newark/Jersey City, Los Angeles/Long Beach/Anaheim, and Chicago/Naperville/Elgin MSAs. Population characteristics relative to the subject property are presented in the following table.

Population

Area	Census Population (2020)	Current Population (2024)	Compound Annual Δ 2020 - 2024	Projected Population (2029)	Compound Annual Δ 2024 - 2029
United States	331,449,520	335,707,897	0.32%	343,238,675	0.44%
Texas	29,145,505	30,857,478	1.44%	32,581,174	1.09%
Dallas-Fort Worth-Arlington, TX (MSA)	7,637,387	8,195,415	1.78%	8,811,074	1.46%
Denton County	906,422	1,029,075	3.22%	1,151,046	2.27%
Pilot Point-Aubrey CCD	154,492	209,744	7.94%	268,414	5.06%

Source: ESRI (ArcGIS)

DFW Transportation and Linkages

Interstates and Highways

East-West Interstates 20 and 30, along with North-South Interstates 35 and 45, link the region with industrial, commercial, and agricultural centers in the nation. Other auxiliary interstates/highways have improved linkage within the MSA and helped drive growth, such as US-75 (Central Expressway), The Dallas North Tollway north of US-380, Loop 190 (President George Bush Turnpike), and State Highways 114/121/183. Interstate 635 provides a half inter-loop for access from the east side of Dallas to the north side of the City of Dallas and west to DFW international Airport. PGBT provides an outer-loop from I-30 on the east side of Dallas, to the north up into the City of Garland, then west through Cities of Richardson and Plano to City of Carrollton before turning south and bisecting Dallas area and the Fort Worth side of the metro.

There is one primary office node in between Dallas and Fort Worth, and that is Las Colinas/Irving. The other nodes are CBD Dallas, uptown, and in North Dallas as well as the Fort Worth CBD. Most offices are positioned near or with good access to highways to reach more employee rooftops. Hotels fill in near office properties and other entertainment and restaurant properties. Typically, traditional industrial is developed on the outskirts of town (and near highways) where there is an abundance of large flat parcels available for development. The primary exception to this is when industrial properties are near airports, like Dallas-Fort Worth International. Due to growth of Dallas-Fort Worth, there are existing industrial properties in infill locations. Retail and shopping centers are typically between employers and most types of residential.

Public Transit

No second-generation transit system has had more impact on a city's growth than the Dallas Area Rapid Transit (DART) system. DART is the longest light rail system in the US, with over 93 miles of track. DART is a multimodal system of buses, HOV lanes, and two types of trains; it covers 700 square miles; and cities join DART by dedicating 1% of sales tax to transit. One of the added benefits to the light rail stations is the transit-oriented developments (TOD) that accompany them, such as Cityplace and Mockingbird Stations. The current DART system consists of four light rail lines (red, blue, green, and orange). DART started with 11 miles of light rail in the summer of 1996 with the red and blue lines and now serves 13 cities and has expanded to 65 stations across Dallas. DART has not seen an expansion of the light rail system since 2016 when the blue line added two stops to the UNT Dallas campus. There is planned expansion of the blue, green, and orange lines in 2028 which would provide more stops and connections within the existing infrastructure. DART's red Line is the only line which has plans to expand outside its current infrastructure. The red line caters to the mobility needs of the City of Dallas' development and follows the alignment of the North Central Expressway from downtown Dallas to

Plano. The red line can expand to the City of Allen if the city can commit the required 1% city sales tax to the system.

Air Transportation

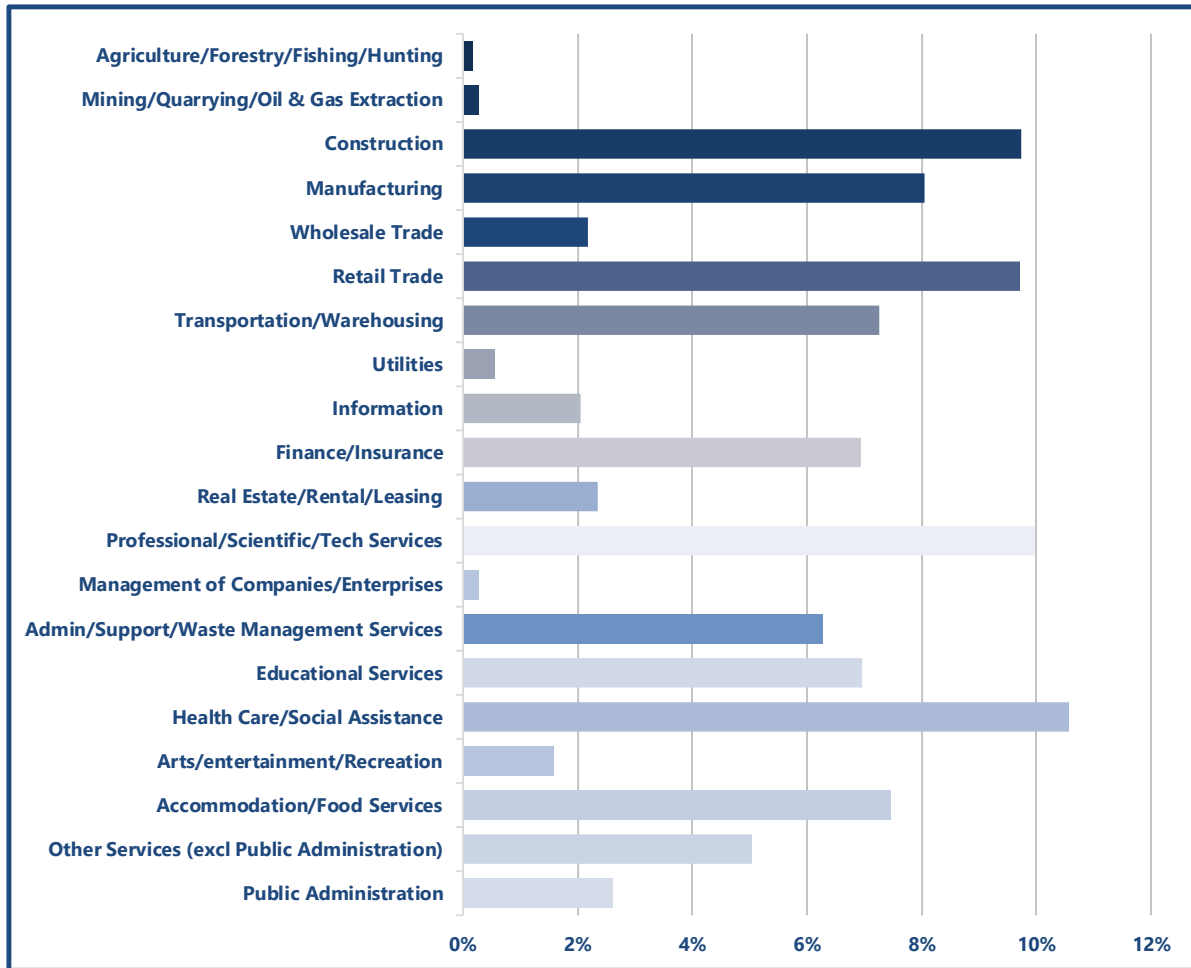
Dallas/Fort Worth International Airport is halfway between the central business districts of both Dallas and Fort Worth. In 2020 it was the fourth busiest airport by passenger traffic in the world. The airport includes five terminals and 184 gates and is the largest hub for American Airlines. The airport includes an automated people mover and a high-speed train system that links the airport to the DART rail and multiple on-site hotel accommodations. American Airlines and DFW airport announced in May 2019 that they will construct a new terminal F with a projected cost of ~\$3.5B with an expected completion date of 2025.

In addition to DFW Airport, there are two ancillary airports in the area: Alliance Airport and Dallas Love Field. Alliance Airport, north of Fort Worth, is the nation's first major airport devoted strictly to commercial use. Alliance is approximately 15 miles north of the Fort Worth CBD and 15 miles northwest of DFW airport. The area surrounding the Alliance Airport continues to grow as an industrial node for manufacturing and distribution industry. In January 2023, the City of McKinney announced that they are considering allowing commercial air service from the McKinney airport, which currently only handles private aircraft.

Dallas Love Field, the other major passenger airport in the area, is eight miles north of downtown Dallas. Love Field was at one time Dallas' primary airport, but Southwest Airlines, Delta Airlines, and Alaska Airlines are the only airlines currently operating out of the facility. Flights out of Love Field had been limited to adjoining states by the Wright Amendment until October 2014. When the Wright Amendment was fully retired, long-haul flights were allowed which provided Love field an influx of flights/growth; direct international flights are still not allowed. Dallas Love Field is the top rated 'large' airport in North America (DFW International is included in the 'mega' airport category; the mega category includes the US' 20 busiest airports by passenger volume while the next 27 airports are categorized as large airports) and today is the 33rd-busiest airport in the US.

Employment

Traditionally, the area's dominant industries include professional and business services, government, education, health services, retail trade, and wholesale trade. The greater Dallas area historically has been a service and trade-based economy, while the greater Fort Worth area has included a higher percentage of manufacturing and transportation jobs driving the economy. The North Texas economy has been strong over the past several years due to growth in corporate relations and new campuses opening in the area. Employment by industry for the MSA is presented in the following chart:



Employment by Industry for Dallas County - Source: ESRI (ArcGIS)

Unemployment

The following table exhibits current and past unemployment rates as obtained from the Bureau of Labor Statistics. Overall, the region compares favorably to the state and the country.

Unemployment Rates

Area	YE 2019	YE 2020	YE 2021	YE 2022	YE 2023	2024 ¹
United States	3.7%	8.1%	5.3%	3.6%	3.6%	3.9%
Texas	3.5%	7.7%	5.6%	3.9%	3.9%	4.1%
Dallas-Fort Worth-Arlington, TX (MSA)	3.3%	7.1%	5.1%	3.6%	3.7%	4.1%
Denton County, TX	3.0%	6.4%	4.4%	3.3%	3.5%	4.0%
0	n/a	n/a	n/a	n/a	n/a	n/a

Source: www.bls.gov

data not seasonally adjusted; ¹September - most recent for US, others lag by 1-2 mos.)

Median Household Income

Total median household income for the region is presented in the following table. Overall, the subject's MSA and county compare favorably to the state and the country.

Income

Area	2024 Median HH Income	2024 Average HH Income	2024 Per Capita Income
United States	\$72,233	\$104,831	\$41,000
Texas	\$77,169	\$109,810	\$39,971
Dallas-Fort Worth-Arlington, TX (MSA)	\$88,391	\$123,641	\$44,980
Denton County	\$108,671	\$144,023	\$52,705
Pilot Point-Aubrey CCD	\$123,855	\$155,251	\$50,582

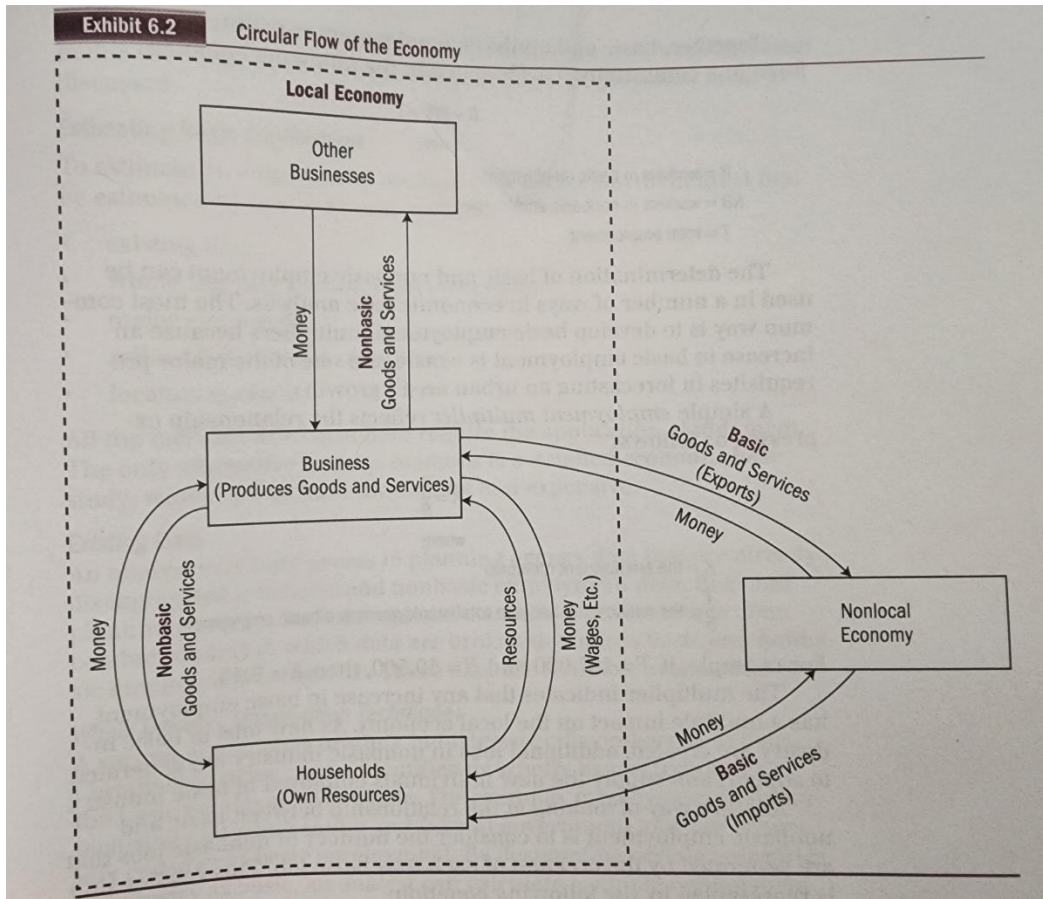
Source: ESRI (ArcGIS)

DFW Economic Base

Overall, the MSA is tightly connected despite its sprawling nature. Dallas' reputation is centered around finance, high tech, telecommunications, and trade, while Fort Worth is traditionally known more for manufacturing and distribution. Dallas is a major financial center, home to both the 11th district of the Federal Reserve Bank and the 9th district of the Federal Home Loan Bank. While the Fort Worth economic base is a diversified blend of aerospace industry, high-technology research, and development, corporate management, manufacturing, and commercial activities. Fort Worth has more than 120 industrial parks and 15,800 acres zoned for industrial use within a 10-mile radius of downtown. Fortune 500 companies headquartered in the MSA include: ExxonMobil (who will be moving their HQ to Houston in 2023), McKesson, AT&T, American Airlines, CBRE, TD Ameritrade/Charles Swab, and Southwest Airlines.

Industry	Employed	Percent	US Percent	2023 Location Quotient	2021 Location Quotient	% Change	Industry
Total	4,184,108	100.0%	100.0%	-	-	-	
Agriculture/Forestry/Fishing	12,273	0.3%	1.1%	0.27	0.23	17%	Agriculture/Forestry/Fishing
Mining/Quarrying/Oil & Gas	18,398	0.4%	0.4%	1.00	1.40	-29%	Mining/Quarrying/Oil & Gas
Construction	331,402	7.9%	7.0%	1.13	1.15	-2%	Construction
Manufacturing	378,969	9.1%	10.0%	0.91	0.86	6%	Manufacturing
Wholesale Trade	91,485	2.2%	1.9%	1.16	1.20	-3%	Wholesale Trade
Retail Trade	433,338	10.4%	10.4%	1.00	1.14	-12%	Retail Trade
Transportation/Warehousing	303,979	7.3%	5.5%	1.33	1.38	-4%	Transportation/Warehousing
Utilities	26,656	0.6%	0.8%	0.75	0.78	-4%	Utilities
Information	89,560	2.1%	1.9%	1.11	1.11	0%	Information
Finance/Insurance	307,127	7.3%	5.0%	1.46	1.49	-2%	Finance/Insurance
Real Estate/Rental/Leasing	87,364	2.1%	1.8%	1.17	1.14	3%	Real Estate/Rental/Leasing
Professional/Scientific/Tech	399,458	9.5%	8.6%	1.10	1.13	-3%	Professional/Scientific/Tech
Management of Companies	12,479	0.3%	0.1%	3.00	1.00	200%	Management of Companies
Admin/Support/Waste Management	216,314	5.2%	4.4%	1.18	1.08	9%	Admin/Support/Waste Management
Educational Services	337,731	8.1%	9.2%	0.88	0.87	1%	Educational Services
Health Care/Social Assistance	447,525	10.7%	13.6%	0.79	0.76	4%	Health Care/Social Assistance
Arts/Entertainment/Recreation	69,369	1.7%	2.2%	0.77	0.69	12%	Arts/Entertainment/Recreation
Accommodation/Food Services	288,290	6.9%	6.7%	1.03	1.04	-1%	Accommodation/Food Services
Other Services (Excluding Public)	204,470	4.9%	4.7%	1.04	1.04	0%	Other Services (Excluding Public)
Public Administration	127,921	3.1%	4.8%	0.66	0.67	-1%	Public Administration

We use the Location Quotient (LQ) method above to support the economic base conclusions. The LQ method is a measurement of employment as compared to the nation on a percentage basis. Any LQ of over 1.0, that industry is exporting those (basic) goods/services outside the MSA. Under 1.0 indicates that the population within the community is consuming those (non-basic) goods/services. See circular flow of economy below.



To the right of the LQ table above, we present the 2021 LQ for DFW to measure in what industries we are growing. As we can see the largest is Management of Companies. We have witnessed many HQ's moving to DFW over the last few years and this is supporting evidence of that. Over 21 headquarters have moved to DFW in 2021, including two Fortune 500 companies: Charles Schwab and AECOM. In the last 11 years, 176 headquarters have moved to the DFW region, creating more than a million new jobs.

DFW Manufacturing and Industrial Space

Prominent manufacturers in the metroplex include Raytheon, Texas Instruments (TI), Triumph Aerostructures - Vought Aircraft, General Motors, Lockheed Martin, and Bell Helicopter. All these companies contribute a significant number of jobs and economic development to the manufacturing industry in the greater MSA. Most recently, Raytheon Company opened a 178k square foot plant, a \$100M investment, in McKinney and announced plans to build a second 400k square foot plant/lab by 2025. Lockheed Martin also recently secured Department of Defense contracts valued at over \$2B to continue making and maintaining the country's fighter jet fleet. The majority (~57%) of the Lockheed work related to the US' fighter jet fleet program will be performed in Fort Worth.

[Texas Enterprise Fund](#)

A major economic growth assistance program for Texas is the Texas Enterprise Fund (TEF). The TEF awards 'deal-closing' grants to companies considering a new project when a site in Texas is competing with other out-of-state sites. The fund serves as a performance-based financial incentive for those

companies whose projects would contribute significant capital investment and new employment opportunities to the state's economy.

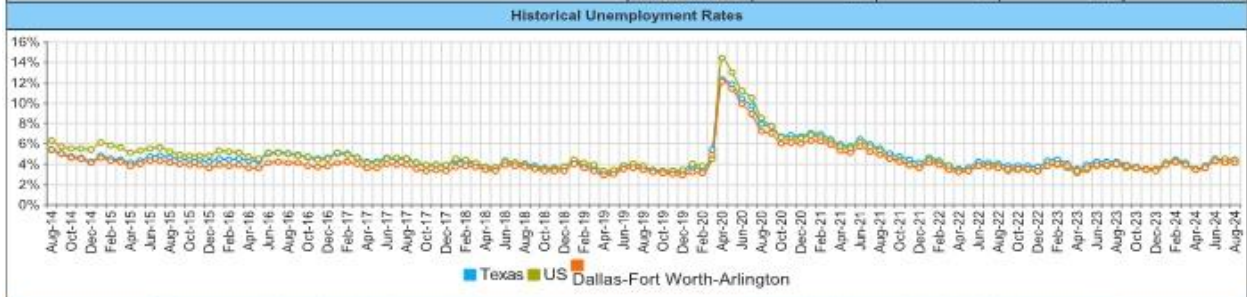
Conclusions

In conclusion, the Dallas/Fort Worth/Arlington MSA has grown steadily because of a strong diversified economic base, corporate relocations, and the growth of the high-tech and telecommunications industries. The MSA is a microcosm of the state, both urban and rural, with a vibrant and diverse economy. The MSA and its counties have many unique economic conditions and challenges due to its size but that also provides it with many benefits when it comes to future growth. Infrastructure projects are supporting growth throughout the MSA but specifically with large infrastructure projects to the north.

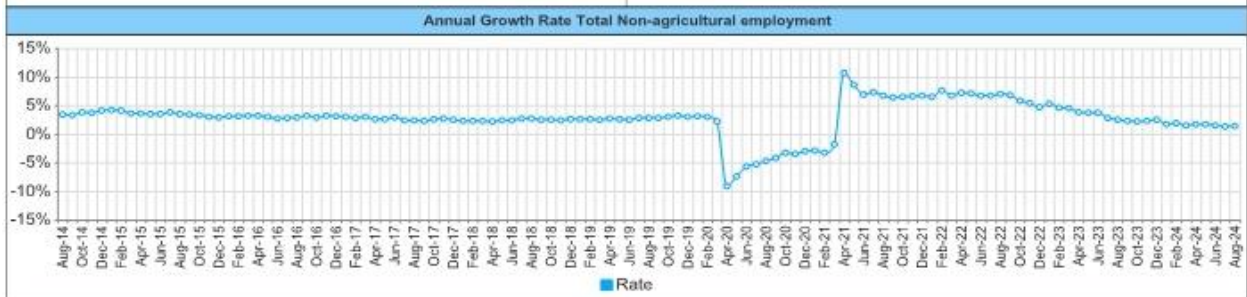
However, rising interest rate in 2022 and early 2023 are the Federal Reserve Bank's attempt to reduce inflation and may lead the nation into a recession, the long-term effects on the greater North Texas area are expected to be minimal compared to other areas throughout the US.



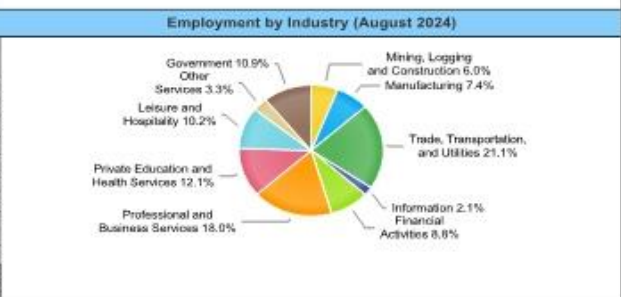
Dallas-Fort Worth-Arlington MSA		August 2024				
		MSA Labor Force Statistics				
		Aug-24	Jul-24	Aug-23	Yearly Change	
		Civilian Labor Force	4,494,332	4,480,746	4,406,316	87,816
		Employed	4,309,438	4,298,006	4,231,607	77,831
Unemployed	184,894	182,741	174,709	9,985		
Unemployment Rate	4.1%	4.1%	4.0%	0.1%		
Texas Labor Force Statistics						
	Aug-24	Jul-24	Aug-23	Yearly Change		
Civilian Labor Force	15,487,812	15,453,836	15,125,794	362,018		
Employed	14,810,755	14,776,091	14,485,031	325,724		
Unemployed	677,057	677,745	640,763	36,294		
Unemployment Rate	4.4%	4.4%	4.2%	0.2%		
US Labor Force Statistics						
	Aug-24	Jul-24	Aug-23	Yearly Change		
Civilian Labor Force	168,763,000	169,723,000	168,048,000	714,000		
Employed	161,348,000	162,038,000	161,427,000	-79,000		
Unemployed	7,415,000	7,685,000	6,623,000	792,000		
Unemployment Rate	4.4%	4.5%	3.9%	0.5%		



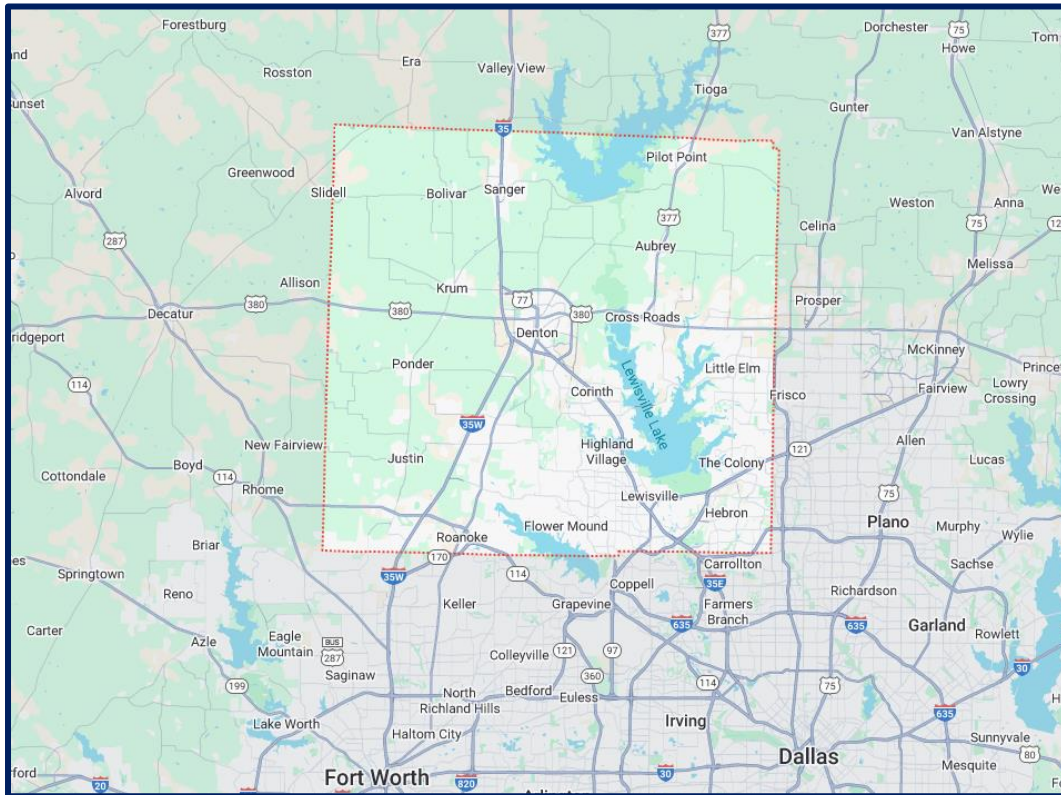
Employment by Size Class (1st Quarter 2024)	Wages by Industry (in millions) (1st Quarter 2024)
<p>QCEW Employment by Size Class data for MSA profiles will be available here in the first quarter of 2025. Current data and chart can be found in the QCEW tab of Popular Downloads at https://texaslmi.com/Home/PopularDownloads.</p>	<p>QCEW Wages by Industry data for MSA profiles will be available here in the first quarter of 2025. Current data and chart can be found in the QCEW tab of Popular Downloads at https://texaslmi.com/Home/PopularDownloads or the QCEW section of LMI by Category at https://texaslmi.com/LMIbyCategory/QCEW.</p>



Industry	Current Month Employment	% Monthly Change	% Yearly Change
Total Nonfarm	4,296,200	0.6%	1.4%
Mining, Logging and Construction	259,200	0.8%	4.1%
Manufacturing	317,700	0.8%	2.8%
Trade, Transportation, and Utilities	904,500	0.4%	1.0%
Information	91,800	0.1%	0.0%
Financial Activities	379,700	0.6%	2.9%
Professional and Business Services	774,200	0.5%	-1.3%
Private Education and Health Services	519,400	1.0%	2.9%
Leisure and Hospitality	436,300	0.1%	1.2%
Other Services	143,900	-0.3%	4.1%
Government	469,500	1.1%	1.1%



REGIONAL MAP



OVERVIEW

The subject is located in Denton County just south of Aubrey. It is part of the Dallas MSA.

Population

Population characteristics relative to the subject property are presented in the following table.

Population

Area	Census Population (2020)	Current Population (2024)	Compound Annual Δ 2020 - 2024	Projected Population (2029)	Compound Annual Δ 2024 - 2029
United States	331,449,520	335,707,897	0.32%	343,238,675	0.44%
Texas	29,145,505	30,857,478	1.44%	32,581,174	1.09%
Dallas-Fort Worth-Arlington, TX (MSA)	7,637,387	8,195,415	1.78%	8,811,074	1.46%
Denton County	906,422	1,029,075	3.22%	1,151,046	2.27%
Pilot Point-Aubrey CCD	154,492	209,744	7.94%	268,414	5.06%

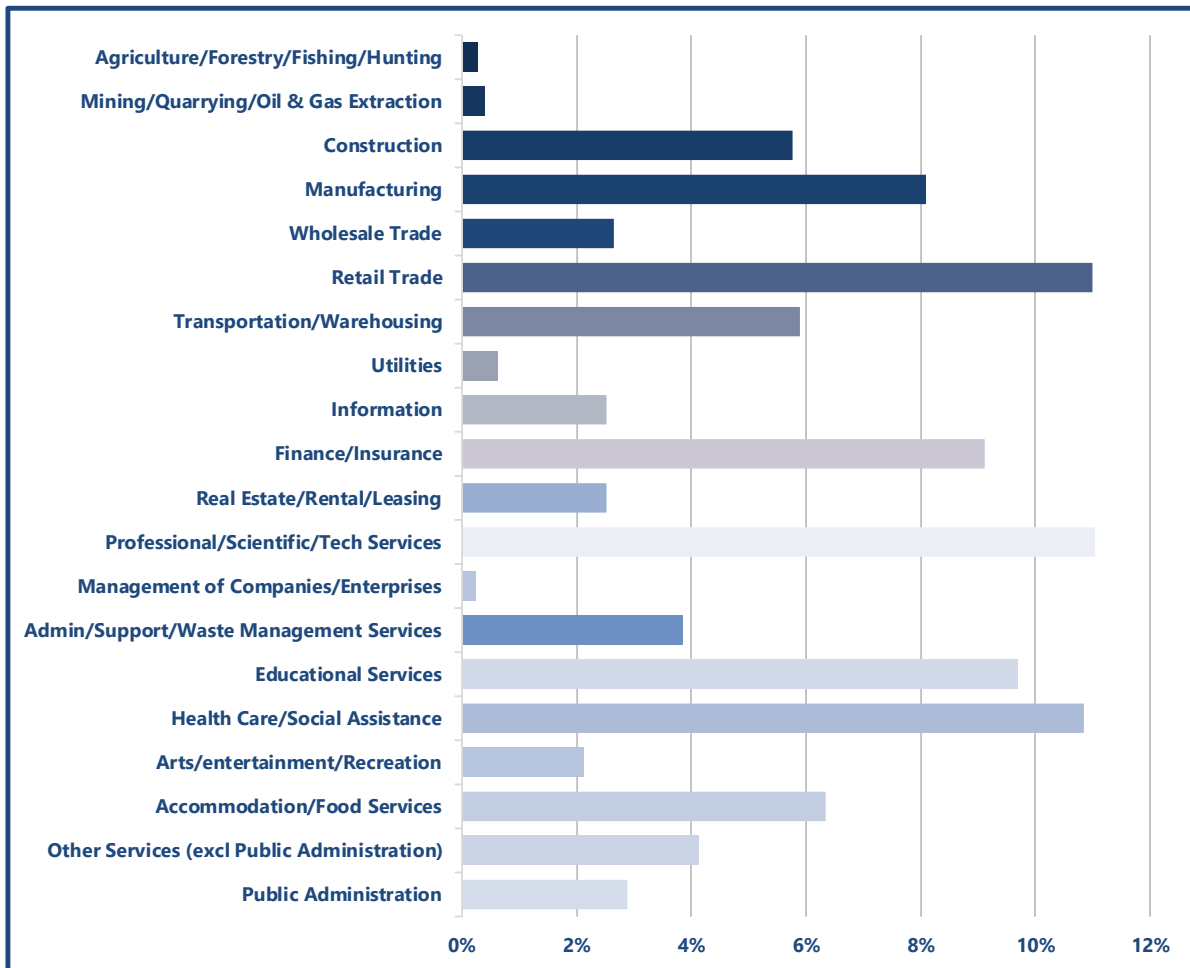
Source: ESRI (ArcGIS)

Transportation

Major transportation routes in the larger area include Interstates 35W and 35E, State Highways 377 and 380, and Sam Rayburn Tollway.

Employment

Employment by industry for the MSA is presented in the following chart:



Employment by Industry for Denton County - Source: ESRI (ArcGIS)

Unemployment

The following table exhibits current and past unemployment rates as obtained from the Bureau of Labor Statistics. Overall, the region compares favorably to the state and the country.

Unemployment Rates

Area	YE 2019	YE 2020	YE 2021	YE 2022	YE 2023	2024 ¹
United States	3.7%	8.1%	5.3%	3.6%	3.6%	3.9%
Texas	3.5%	7.7%	5.6%	3.9%	3.9%	4.1%
Dallas-Fort Worth-Arlington, TX (MSA)	3.3%	7.1%	5.1%	3.6%	3.7%	4.1%
Denton County, TX	3.0%	6.4%	4.4%	3.3%	3.5%	4.0%
0	n/a	n/a	n/a	n/a	n/a	n/a

Source: www.bls.gov

data not seasonally adjusted; ¹September - most recent for US, others lag by 1-2 mos.)

Median Household Income

Total median household income for the region is presented in the following table. Overall, the subject's MSA and county compare favorably to the state and the country.

Income

Area	2024 Median HH Income	2024 Average HH Income	2024 Per Capita Income
United States	\$72,233	\$104,831	\$41,000
Texas	\$77,169	\$109,810	\$39,971
Dallas-Fort Worth-Arlington, TX (MSA)	\$88,391	\$123,641	\$44,980
Denton County	\$108,671	\$144,023	\$52,705
Pilot Point-Aubrey CCD	\$123,855	\$155,251	\$50,582

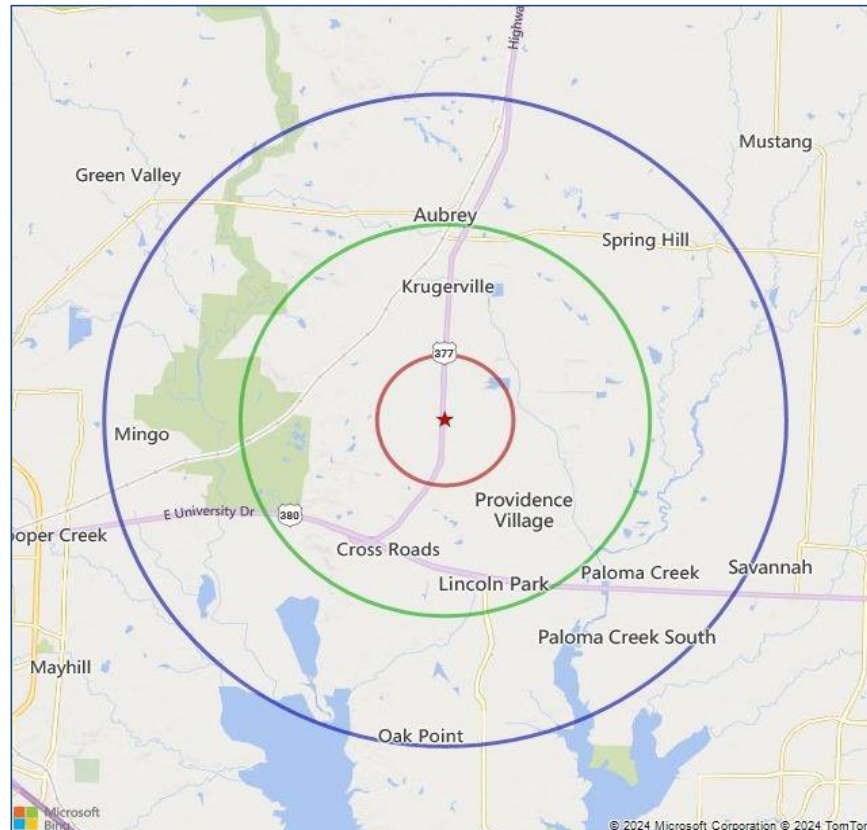
Source: ESRI (ArcGIS)

Conclusions

Overall, the Denton County area is a growing community with strong economic base with an upper-class income bracket. Multiple roadway expansion projects are currently underway including expansion of Highway 377, and the Dallas Tollway.

City and Neighborhood Analysis

NEIGHBORHOOD MAP



Overview

The subject is located in Aubrey/Krugerville area in Denton County. This area is located east of the city of Denton and north of US Hwy 380 and north of Pilot Point and west of Prosper.

The general area of Aubrey is characterized by suburban development as it is changing from rural ranch land.

Neighborhood Location and Boundaries

The subject neighborhood is located south of the city of Aubrey and Krugerville. The area is semi-rural in nature at this time, but changing rapidly.

The neighborhood is bounded by the city of Pilot Point to the north, the city of Denton to the west, US-Highway 380 to the south, and the cities of Celina and Prosper to the east.

Specific boundaries for the neighborhood are difficult to conclude. A reasonable definition of the area is a considered to be a three-mile radius around the subject property.

Transportation Access

Within the immediate area of the subject property, transportation access helps define the character of its development. Major travel and commuter routes within the area of the subject property include US Hwy 380 in an east/west direction along the south side of the neighborhood and US Hwy 377 in a north/south direction extending north from US Hwy 380 and north to Pilot Point. This highway is scheduled for widening to a 4-lane roadway with right-of-way already purchased and some clearing occurring upon our inspection date. It appears that the majority will be taken from the west side of the highway. Access to the area is considered good.

Traffic counts for US Hwy 377 in 2022 were 9,876 (both directions) to south of the subject at FM 424; however, FM 424 brings in additional northbound traffic evidenced by a 2022 traffic count to the north of the subject at Running Branch of 16,312 (both directions).

Land Use Trends

The neighborhood is experiencing a change in land use from rural, agricultural and residential land to commercial, industrial, and residential developments.

Demographics

The following table depicts the area demographics within a one, three, and five-mile radius from the subject.

Neighborhood Demographics

Radius (Miles)	1 Mile	3 Mile	5 Mile
Trade Area (Sq. Mi.)	3.14	28.27	78.54
Trade Density (Pop/Sq. Mi.)	492	998	989
Population			
Census Population (2010)	403	10,289	22,600
Census Population (2020)	572	17,815	48,811
Current Population (2024)	1,543	28,211	77,650
Projected Population (2029)	1,894	31,987	93,485
<u>Compound Annual Growth</u>			
2010 - 2020	3.6%	5.6%	8.0%
2020 - 2024	28.2%	12.2%	12.3%
2024 - 2029	4.2%	2.5%	3.8%
Households			
Census Households (2010)	141	3,526	7,760
Census Households (2020)	207	6,176	16,382
Current Households (2024)	664	10,174	26,789
Projected Households (2029)	846	11,827	33,052
<u>Compound Annual Growth</u>			
2010 - 2020	3.9%	5.8%	7.8%
2020 - 2024	33.8%	13.3%	13.1%
2024 - 2029	5.0%	3.1%	4.3%
Average Household Size (2024)	2.32	2.77	2.90

Source: ESRI (ArcGIS)

(Lat: 33.258725, Lon: -96.987117)

Neighborhood Demographics (cont.)

Radius (Miles)	1 Mile	3 Mile	5 Mile
Trade Area (Sq. Mi.)	3.14	28.27	78.54
Trade Density (Pop/Sq. Mi.)	492	998	989
2024 Housing Units			
Median Home Value	\$601,244	\$516,757	\$441,303
Median Year Built	2005	2009	2011
Total Housing Units	677	10,652	28,494
Owner-Occupied Housing %	90.4%	76.1%	78.8%
Renter-Occupied Housing %	7.7%	19.4%	15.2%
Vacant Housing %	1.9%	4.5%	6.0%
2024 Employment			
Total Establishments	54	546	1,082
Total Employees	485	4,388	8,370
Average Commute Time	n/a	n/a	n/a
% College Graduates	45.3%	43.7%	48.6%
2024 Income Summary			
Median Household Income	\$102,653	\$101,692	\$113,345
Average Household Income	\$144,266	\$129,105	\$136,892
Avg Spending/Household	\$41,227	\$36,868	\$39,028
Per Capita Income	\$55,871	\$46,558	\$47,207

Source: ESRI (ArcGIS)

(Lat: 33.258725, Lon: -96.987117)

The population is 28,211 within a three-mile radius of the subject property with a projected annual growth rate of 2.5%. There were 10,652 housing units within the three-mile radius. Most housing is owner-occupied. Property values in the area were increasing.

The median household income was \$101,692 within a three-mile radius of the subject property. The median household income figures suggest residents were within the middle to upper income brackets.

Nuisances & External Obsolescence

Neighborhood properties have adequate levels of maintenance. No adverse or unfavorable factors were observed.

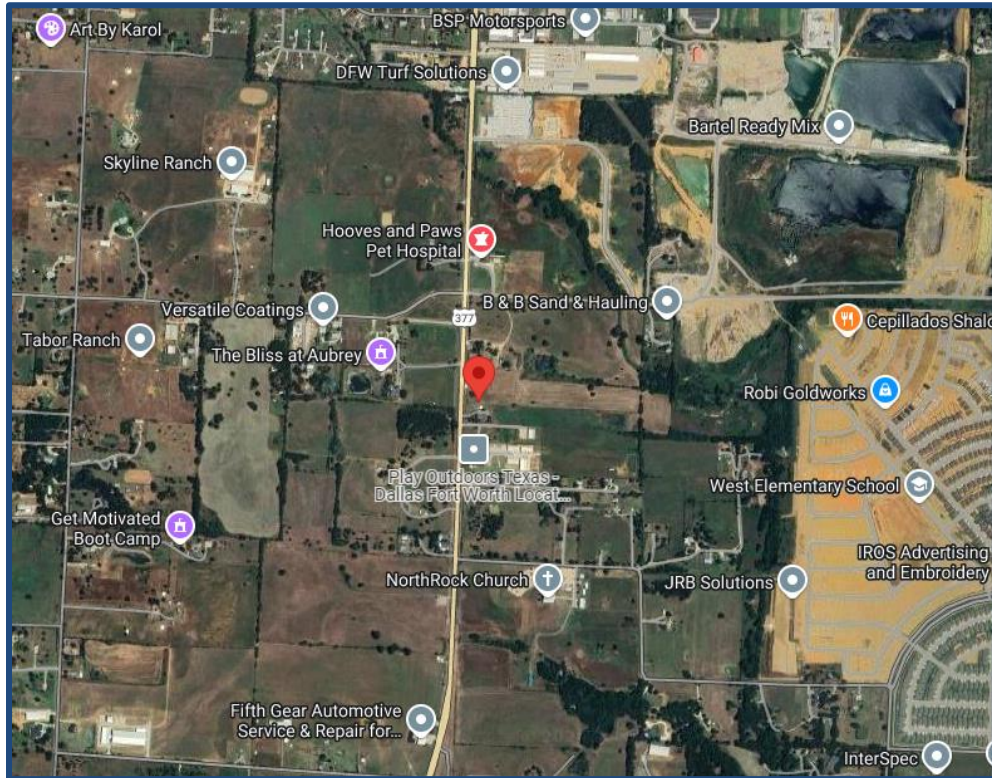
Neighborhood Life Cycle

Neighborhood life cycles generally occur in order of the following four stages: (1) growth, (2) stability, (3) decline, or (4) revitalization. The subject neighborhood is best classified as being in the growth stage of its life cycle.

Immediate Area Uses

The below aerial photo exhibits the uses located in the subject's immediate vicinity.

IMMEDIATE AREA USES



Source: Google Maps

Uses along Highway 377 in the vicinity of the subject are widely mixed. Recognized uses in the immediate area of the subject include industrial, scattered office and retail, and residential. As shown above, the density of uses in the area is sporadic with some vacant land remaining available in the area.

A drive of the neighborhood revealed that occupancies in the area are quite high. The area has remained popular with no signs of this changing into the future.

Analysis and Conclusions

The neighborhood is characterized by growing population, high income, and vacant land being developed with a variety of uses.

Site Description

The subject site is located on the east side of Highway 377 just south of Stewart Road with access to both Stewart road and Highway 377. The characteristics of the site are summarized as follows:

Site Characteristics

Gross Land Area:	17.495 Acres or 762,082 SF
Usable Land Area:	17.495 Acres or 762,082 SF
Usable Land %:	100.0%
Shape:	Flag
Topography:	At about street grade
Drainage:	Adequate
Grade:	At and above street grade
Utilities:	Electricity, water
Off-Site Improvements:	street improvements, utilities
Interior or Corner:	Mid-Block
Signalized Intersection:	No:

Street Frontage / Access

Frontage Road	Primary	Secondary
Street Name:	Highway 377	Stewart Road
Street Type:	two-way, four-lane highway with a turning lane	two-way gravel road
Frontage (Linear Ft.):	370	116
Number of Curb Cuts:	1	1

Flood Zone Data

Flood Map Panel/Number:	48121C0265G
Flood Map Date:	04-18-2011
Portion in Flood Hazard Area:	8.57%
Flood Zone:	Zone A and Zone X (unshaded) Designation for areas with a 1% annual chance of flooding and a 26% chance of flooding over the life of a 30-year mortgage. Because detailed analyses are not performed for such areas; no depths or base flood elevations are shown within these zones. And Zone X outside the 1% annual chance of flooding.

Other Site Conditions

Soil Type:	A detailed soil analysis was not available for review. It is assumed that the soils are stable and suitable for commercial use.
Environmental Issues:	No detrimental environmental conditions that would adversely affect value are known to exist. Please see the general assumptions and limiting conditions. Approximately 65,340 SF is located within the floodplain. This is typical of tracts similar to the subject and does not appear to have an effect on the marketability or developability of the property.
Easements/Encroachments:	No known adverse easements or encroachments

Adjacent Land Uses

North:	Residential property and Stewart Road
South:	Residential property
East:	Agricultural and industrial property
West:	Highway 377 and residential property

Site Ratings

Access:	Average
Visibility:	Average

Zoning Designation

Zoning Jurisdiction:	Not in zoning jurisdiction
Zoning Classification:	Not Zoned,

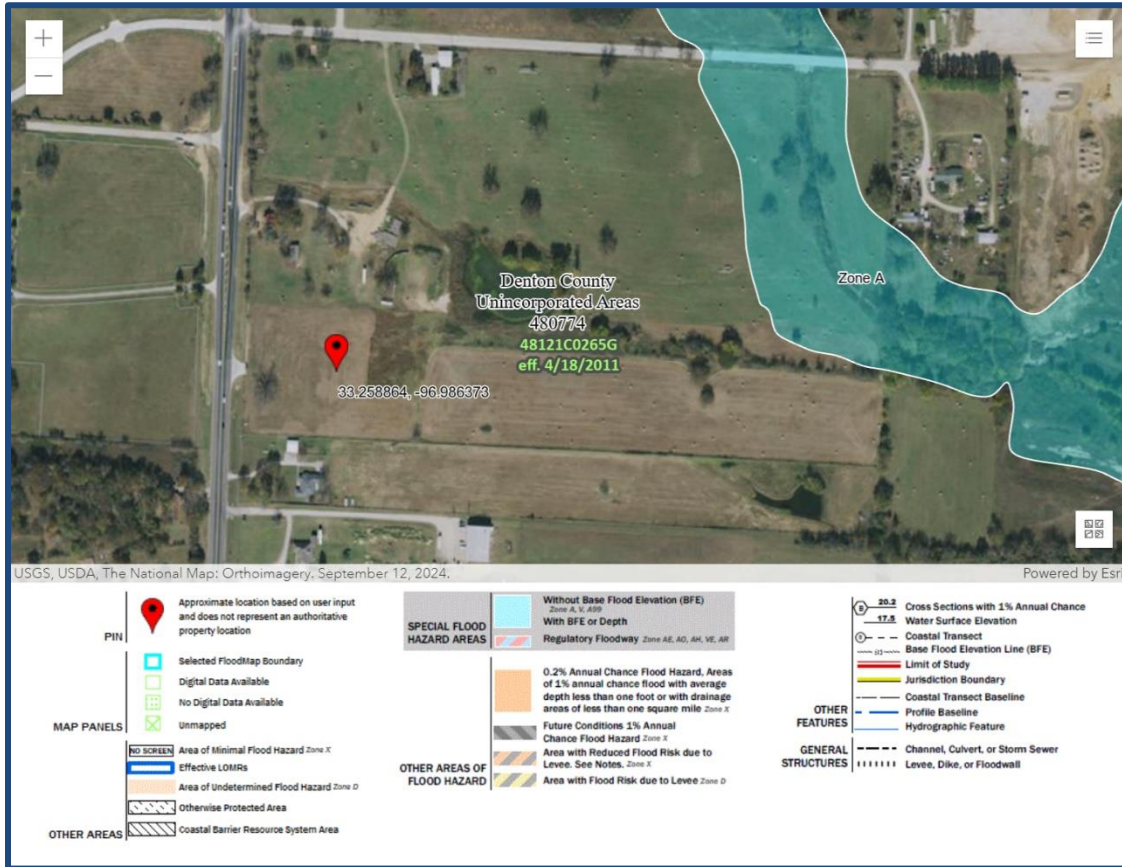
Analysis/Comments on Site

Based on the characteristics above, the subject site is suitable for a variety of uses. The site contains two parcels and is in a good location with good access to Highway 377. The site would be suitable for uses similar to the uses surrounding the subject including residential, agricultural, and industrial uses.

TAX PLAT



FLOOD MAP



Subject Photographs



Subject property exterior



View of public thoroughfare from subject property



View of public thoroughfare from subject property



Subject property exterior
Additional photos are included in the Addenda.

Assessment and Tax Data

Assessment Methodology

The appraised value for the subject property is determined by the Denton County appraisal district. The basis for the property assessment, or taxable value, in the jurisdiction is 100.0% of appraised or market value. The subject property is currently under the ownership of Blake Richards and is tax exempt. The subject has a partial agriculture exemption and we have reflected it in the table below.

Ad Valorem Tax Schedule

Tax Parcel Number: 302203, 1034748

Denton County Year	Actual 2024
Appraised Value	
Land:	\$1,887,406
Improvements:	\$0
Total:	\$1,887,406
Per Square Foot:	\$2.48
% Change:	N/A
Assessment Ratio	100.00%
Assessed Value	
Land:	\$1,887,406
Improvements:	\$0
Total:	\$1,887,406
% Change:	N/A
Tax Rate per \$100	\$1.446980
% Change:	N/A
Tax Expense	Actual 2024
Total:	\$16
Per Square Foot:	\$0.00

Highest and Best Use Analysis

The Highest and Best Use of a property is the use that is legally permissible, physically possible, and financially feasible which results in the highest value. An opinion of the highest and best use results from consideration of the criteria noted above under the market conditions or likely conditions as of the effective date of value. Determination of highest and best use results from the judgment and analytical skills of the appraiser. It represents an opinion, not a fact. In appraisal practice, the concept of highest and best use represents the premise upon which value is based.

Highest and Best Use As Vacant

The primary determinants of the highest and best use as vacant are (1) Legal permissibility, (2) Physical possibility, (3) Financial feasibility, and (4) Maximum productivity.

Legally Permissible

The subject site is not zoned and there are no known easements, encroachments, covenants, or other use restrictions that would materially limit or impede development of a probable use.

Physically Possible

The physical characteristics of the subject site are presented in the Site Description and allow for a number of potential uses. Elements such as size, shape, availability of utilities, known hazards (flood, environmental, etc.), and other potential influences were considered. No physical attributes materially limit legally permissible and appropriate development. The most probable use of the site is for residential subdivision development, which conforms to the pattern of land use in the immediate area.

Financially Feasible

A review of published yield, rental and occupancy rates suggests that there is an undersupply of residential subdivision and demand is sufficient to support construction costs and timely absorption of additional inventory in this market. Therefore, near-term speculative development of the subject site is financially feasible.

Maximally Productive

Among the financially feasible uses, the use that results in the highest value (the maximally productive use) is the highest and best use. Considering these factors, the maximally productive use as vacant is for a variety of residential and agricultural uses.

Highest and Best Use As Vacant Conclusion

The conclusion of the highest and best use as vacant is for a variety of residential and agricultural uses.

Most Probable Buyer

As of the date of value, the most probable buyer of the subject property is a developer.

Land Valuation

Methodology

Site Value is most often estimated using the sales comparison approach. This approach develops an indication of market value by analyzing closed sales, listings, or pending sales of properties similar to the subject, focusing on the difference between the subject and the comparables using all appropriate elements of comparison. This approach is based on the principles of supply and demand, balance, externalities, and substitution, or the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership.

Unit of Comparison

The unit of comparison selected depends on the appraisal problem and nature of the property and is intended to explain or mirror market behavior. The primary unit of comparison in the market and applied in this analysis is price per usable acre.

Elements of Comparison

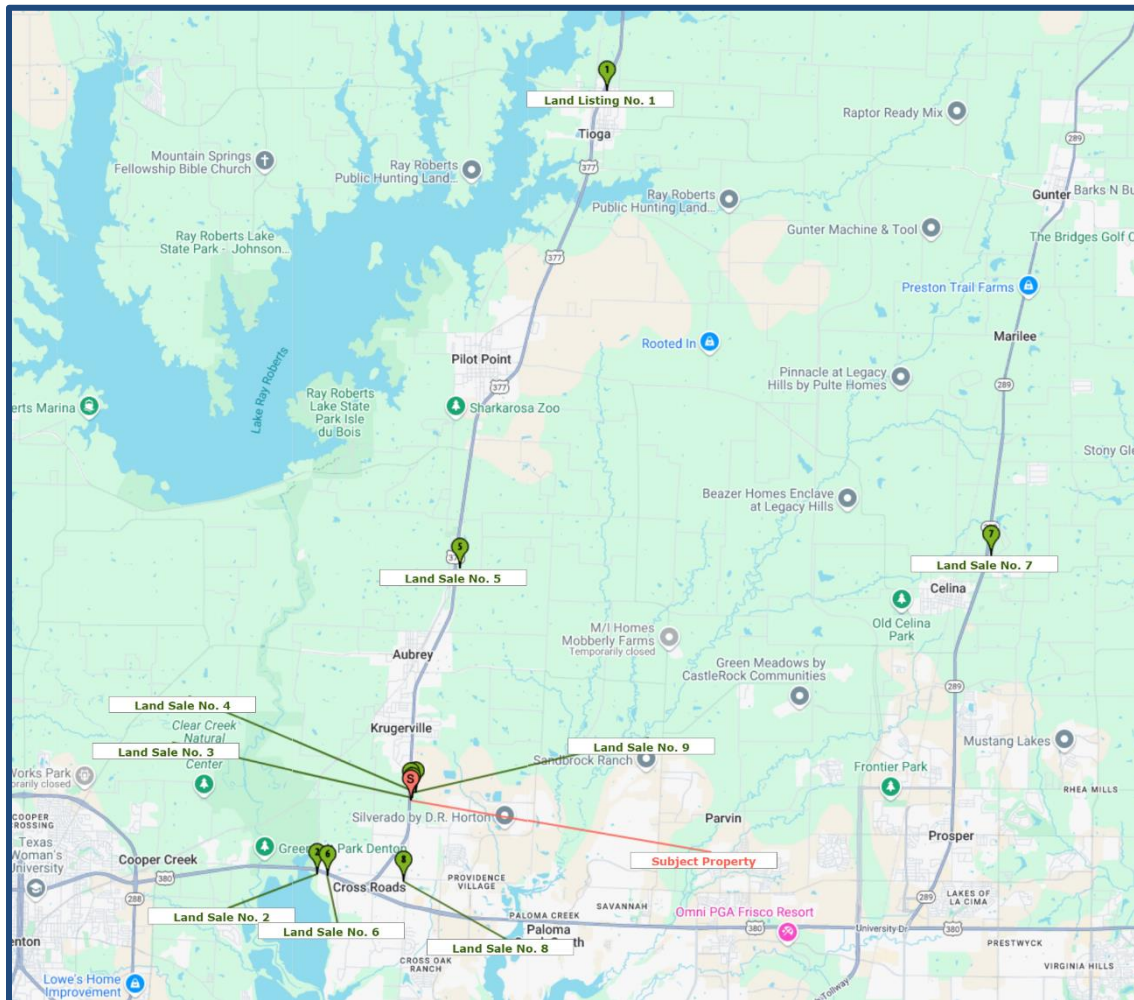
Elements of comparison are the characteristics or attributes of properties and transactions that cause the prices of real estate to vary. The primary elements of comparison considered in sales comparison analysis are as follows: (1) property rights conveyed, (2) financing terms, (3) conditions of sale, (4) expenditures made immediately after purchase, (5) market conditions, (6) location and (7) physical characteristics.

Comparable Sales Data

The market was studied to identify sales and listings of comparable properties with a focus on those that appeal to the most probable buyer of the subject site. These properties typically have similar locations and physical characteristics. Of these transactions, sufficient sales data was available for the following sale comparables, which were analyzed to estimate a unit value for the subject property. The following table summarizes the sale comparables utilized and a map illustrating the location of each in relation to the subject property follows. Details of each comparable follow the location map.

Land Sales Summary

Comp. No.	Date of Sale	Usable Acres	Location	Zoning	Proposed Use	Proposed Sales Price		Per Acre
						Actual		
1	Listing	10.320	TBD Highway 377	Tioga, Texas	Multifamily development	\$3,992,000		\$386,822
2	Pending Contract	11.640	TBD Highway 380	Crossroads, Texas	Not Zoned	Commercial / Retail	\$2,619,000	\$225,000
3	May-24	3.039	4390 US-377	Aubrey, Texas	Not Zoned	N/A	\$1,100,000	\$361,961
4	May-24	3.827	TBD Stewart Road	Aubrey, Texas	Not Zoned	N/A	\$1,166,929	\$304,920
5	November-23	24.653	TBD HWY 377	Pilot Point, Texas	Not Zoned	N/A	\$3,300,000	\$133,858
6	June-23	10.290	TBD E US 380 & Mosely Swc Road	Crossroads, Texas	C-2	Commercial/Retail	\$1,850,000	\$179,786
7	May-23	20.120	TBD Preston Road	Celina, Texas	PD	N/A	\$6,675,000	\$331,759
8	May-23	9.250	2551 Fm 424	Crossroads, Texas	Not Zoned	N/A	\$2,550,000	\$275,676
9	January-23	3.325	4398 S Hwy 377	Aubrey, Texas	Not Zoned	N/A	\$975,000	\$293,233

COMPARABLE SALES MAP


LAND COMPARABLE 1

Property Identification

Property Name	10.32 Hwy 377
Address	TBD Highway 377
City County State Zip	Tioga, Grayson County, Texas 76271
MSA	Sherman-Denison
Tax ID	221623
VPA Property/Sale ID	11480167/1779977

Transaction Data

Sale Status	Listing
Grantor/Seller	Tarsan Corp
Property Rights	Fee Simple
Financing	Cash to Seller
Conditions of Sale	Typical
Days on Market	656
Sales Price	\$3,992,000
Adjusted Sales Price	\$3,992,000

Adjusted Sales Price Indicators

Price per Gross Acre	\$386,822
Price per Gross SF	\$8.88
Price per Usable Acre	\$386,822
Price per Usable SF	\$8.88



Property Description

Proposed Use	Multifamily development
Gross Land Area	10.320 Acres/449,539 SF
Usable Land Area	10.320 Acres/449,539 SF
Rail Access	No
Water/Port Access	No
Visibility	Average
Corner/Interior	Mid-Block
Shape	Irregular
Topography	At about street grade
Utilities	All available
Drainage	Adequate
Flood Hazard Zone	Zone X (unshaded)
Zoning Code	Multifamily Multifamily

Remarks

Property is being advertised for multifamily development and has access to Tioga city utilities. The property features frontage on Highway 377.

LAND COMPARABLE 2

Property Identification

Property Name	TBD Highway 380 11.64-acres
Address	TBD Highway 380
City County State Zip	Crossroads, Denton County, Texas 76227
MSA	Dallas
Tax ID	R191225
VPA Property/Sale ID	11480169/1779978

Transaction Data

Sale Status	Offer Pending
Grantor/Seller	Dvi Realty Ltd Ingram Don V
Property Rights	Fee Simple
Financing	Cash to Seller
Conditions of Sale	Typical
Days on Market	69
Sales Price	\$2,619,000
Adjusted Sales Price	\$2,619,000

Adjusted Sales Price Indicators

Price per Gross Acre	\$225,000
Price per Gross SF	\$5.17
Price per Usable Acre	\$225,000
Price per Usable SF	\$5.17



Property Description

Proposed Use	Commercial / Retail
Gross Land Area	11.640 Acres/507,038 SF
Usable Land Area	11.640 Acres/507,038 SF
Visibility	Average
Corner/Interior	Mid-Block
Shape	Irregular
Topography	At about street grade
Utilities	Water, electric
Drainage	Adequate
Flood Hazard Zone	Zone X (unshaded) and AE
Zoning Code	Not Zoned

Remarks

MLS #20666259. The property is a pending sale being advertised for commercial development. The property is not zoned and is located in Cross Roads ETJ and has limited views of Lewisville lake. The property also has approximately 2-acres within the floodplain and does not currently have curb cuts to Highway 380.

LAND COMPARABLE 3

Property Identification

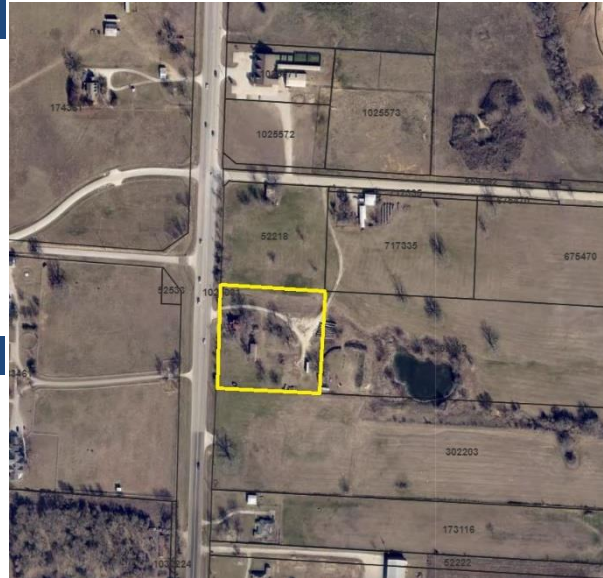
Property Name	Aubrey Vacant Land
Address	4390 US-377
City County State Zip	Aubrey, Denton County, Texas 76227
MSA	Dallas
Neighborhood	Dallas - Aubrey
Tax ID	1039931
VPA Property/Sale ID	11453907/1762764

Transaction Data

Sale Status	Closed
Sale Date	5/22/2024
Grantor/Seller	Salmons Commercial Properties LLC - Series Stewart Road
Grantee/Buyer	AUBREYUS377 LLC
Recording Number	2024-68971
Property Rights	Fee Simple
Financing	Cash to Seller
Conditions of Sale	Typical
Sales Price	\$1,100,000
Adjusted Sales Price	\$1,100,000

Adjusted Sales Price Indicators

Price per Gross Acre	\$335,468
Price per Gross SF	\$7.70
Price per Usable Acre	\$361,961
Price per Usable SF	\$8.31
Price per Front Foot	\$3,481.01



Property Description

Gross Land Area	3.279 Acres/142,833 SF
Usable Land Area	3.039 Acres/132,379 SF
Frontage Feet	316
Depth	383.00
Rail Access	No
Water/Port Access	No
Visibility	Average
Corner/Interior	Mid-Block
Shape	Rectangular
Topography	Level
Utilities	Co-op Water
Drainage	Appeared adequate
Flood Hazard Zone	Zone X (unshaded)
% in Flood Hazard	0.00%
Zoning Code	Not Zoned

Remarks

This property is the west lot out of 4-lot subdivision that was formed in 2024 for acreage lot sales. It has all the US Hwy 377 road frontage while the other three lots front the south line of Stewart Road, which extends east from US Hwy 377 just north of this lot.

LAND COMPARABLE 4

Property Identification

Property Name	Stewart Road Land - Aubrey
Address	TBD Stewart Road
City County State Zip	Aubrey, Denton County, Texas 76227
MSA	Dallas
Neighborhood	Dallas - Aubrey
Tax ID	1025573
VPA Property/Sale ID	11454365/1762773

Transaction Data

Sale Status	Closed
Sale Date	5/21/2024
Grantor/Seller	Brett Spencer Holdings LLC
Grantee/Buyer	FUSION BUSINESS PARK LLC
Recording Number	2024-90301
Property Rights	Fee Simple
Financing	Cash to Seller
Conditions of Sale	Typical
Days on Market	189
Sales Price	\$1,166,929
Post-Sale Exp. Adj.	\$0
Adjusted Sales Price	\$1,166,929

Adjusted Sales Price Indicators

Price per Gross Acre	\$304,920
Price per Gross SF	\$7.00
Price per Usable Acre	\$304,920
Price per Usable SF	\$7.00
Price per Front Foot	\$2,758.70



Property Description

Proposed Use	N/A
Gross Land Area	3.827 Acres/166,704 SF
Usable Land Area	3.827 Acres/166,704 SF
Frontage Feet	423
Rail Access	No
Water/Port Access	No
Visibility	Average
Corner/Interior	Mid-Block
Shape	Rectangular
Topography	Basically level
Utilities	Aerobic Septic
Drainage	Appeared adequate
Flood Hazard Zone	Zone X (unshaded)
Zoning Code	Not Zoned

Remarks

This property appeared to be farmed and possibly under ground lease since the purchase was an option purchase. This site sits one site east of US Hwy 377 along the north line of Stewart Road. A new municipal road was recently completed to the east extending north from Stewart Road (Prosperity Way) and City of Aubrey public water is nearby to the north.

LAND COMPARABLE 5

Property Identification

Property Name	TBD HWY 377 24-acres
Address	TBD HWY 377
City County State Zip	Pilot Point, Denton County, Texas 76258
MSA	Dallas
VPA Property/Sale ID	11480330/1780081

Transaction Data

Sale Status	Closed
Sale Date	11/21/2023
Grantor/Seller	PLATAS CONCRETE INC
Grantee/Buyer	DELTA REAL ESTATE PROPERTIES LLC
Recording Number	2023-125179
Property Rights	Fee Simple
Financing	Cash to Seller
Conditions of Sale	Typical
Days on Market	360
Sales Price	\$3,300,000
Adjusted Sales Price	\$3,300,000

Adjusted Sales Price Indicators

Price per Gross Acre	\$133,858
Price per Gross SF	\$3.07
Price per Usable Acre	\$133,858
Price per Usable SF	\$3.07



Property Description

Gross Land Area	24.653 Acres/1,073,885 SF
Usable Land Area	24.653 Acres/1,073,885 SF
Water/Port Access	No
Visibility	Average
Corner/Interior	Mid-Block
Shape	Rectangular
Topography	At about street grade
Utilities	Electricity, water
Drainage	Adequate
Flood Hazard Zone	Zone X (unshaded)
Zoning Code	Not Zoned

Remarks

MLS #20157072. The property sold as vacant land with no improvements. The property was not zoned, outside city limits, and features frontage on Highway 377. It appears that shortly after the sale TxDot acquired a small 0.50-acre right of way near Highway 377. Electricity and water are available.

LAND COMPARABLE 6

Property Identification

Property Name	TBD E US 380 & Mosely Swc Road 10.223-acres
Address	TBD E US 380 & Mosely Swc Road
City County State Zip	Crossroads, Denton County, Texas 76227
MSA	Dallas
Tax ID	R200733
VPA Property/Sale ID	11480171/1779979

Transaction Data

Sale Status	Closed
Sale Date	6/20/2023
Grantor/Seller	MILES, BRYAN B TR MILES TRUST
Grantee/Buyer	HWY 380 KSH LLC
Recording Number	2023-66156
Property Rights	Fee Simple
Financing	Cash to Seller
Conditions of Sale	Typical
Days on Market	194
Sales Price	\$1,850,000
Adjusted Sales Price	\$1,850,000

Adjusted Sales Price Indicators

Price per Gross Acre	\$179,786
Price per Gross SF	\$4.13
Price per Usable Acre	\$179,786
Price per Usable SF	\$4.13



Property Description

Proposed Use	Commercial/Retail
Gross Land Area	10.290 Acres/448,232 SF
Usable Land Area	10.290 Acres/448,232 SF
Rail Access	No
Water/Port Access	No
Visibility	Average
Corner/Interior	Mid-Block
Shape	Irregular
Topography	At about street grade
Utilities	Electricity, water
Drainage	Adequate
Flood Hazard Zone	Zone X (unshaded)
Zoning Code	C-2 Commercial / Retail

Remarks

MLS #20155514. The property is located on the south side of Highway 380 next door to a 7-eleven gas station. The property is zoned commercial and was advertised for commercial/retail development.

LAND COMPARABLE 7

Property Identification

Property Name	TBD Preston Road 20-acres
Address	TBD Preston Road
City County State Zip	Celina, Collin County, Texas 75009
MSA	Dallas
Tax ID	992162
VPA Property/Sale ID	11480336/1780088



Transaction Data

Sale Status	Closed
Sale Date	5/31/2023
Grantor/Seller	PRESTON SETTLER 20 PARTNERS LLC
Grantee/Buyer	HFI PRESTON CROSSING LP
Recording Number	2023000060187
Property Rights	Fee Simple
Financing	Cash to Seller
Conditions of Sale	Typical
Days on Market	52
Sales Price	\$6,675,000
Adjusted Sales Price	\$6,675,000

Property Description

Gross Land Area	20.120 Acres/876,427 SF
Usable Land Area	20.120 Acres/876,427 SF
Visibility	Average
Corner/Interior	Corner
Shape	Rectangular
Topography	At about street grade
Utilities	All available
Drainage	Adequate
Zoning Code	PD Planned Development

Adjusted Sales Price Indicators

Price per Gross Acre	\$331,759
Price per Gross SF	\$7.62
Price per Usable Acre	\$331,759
Price per Usable SF	\$7.62

Remarks

MLS #20213987. The property features frontage on both Preston Road and Settler's Ridge, public utilities, and is zoned PD. The property was marketed for commercial development.

LAND COMPARABLE 8

Property Identification

Property Name	2551 Fm 424 9.25-acres
Address	2551 Fm 424
City County State Zip	Crossroads, Denton County, Texas 76227
MSA	Dallas
Tax ID	38325, 38323
VPA Property/Sale ID	11480375/1780117

Transaction Data

Sale Status	Closed
Sale Date	5/17/2023
Grantor/Seller	CREEKBEND PROPERTIES LP
Grantee/Buyer	AMIGOS SYNDICATE LLC
Recording Number	2023-51356
Property Rights	Fee Simple
Financing	Cash to Seller
Conditions of Sale	Typical
Days on Market	242
Sales Price	\$2,550,000
Adjusted Sales Price	\$2,550,000

Adjusted Sales Price Indicators

Price per Gross Acre	\$275,676
Price per Gross SF	\$6.33
Price per Usable Acre	\$275,676
Price per Usable SF	\$6.33



Property Description

Gross Land Area	9.250 Acres/402,930 SF
Usable Land Area	9.250 Acres/402,930 SF
Visibility	Average
Corner/Interior	Corner
Shape	Irregular
Topography	At about street grade
Utilities	Electricity, water
Drainage	Adequate
Flood Hazard Zone	Zone X (unshaded)
Zoning Code	Not Zoned

Remarks

MLS #20132405. The property sold as two parcels totaling 9.25-acres on the southwest corner of Fishtrap Road and FM 424. The improvements onsite were in poor condition and did not contribute to the sale price.

LAND COMPARABLE 9

Property Identification

Property Name	Agricultural Undeveloped Land
Address	4398 S Hwy 377
City County State Zip	Aubrey, Denton County, Texas 76227
MSA	Dallas
Tax ID	52218
VPA Property/Sale ID	11291681/1629481

Transaction Data

Sale Status	Closed
Sale Date	1/26/2023
Grantor/Seller	Arlington, Bobbie Elizabeth
Grantee/Buyer	AubreyUS377 LLC
Recording Number	2023-8349
Property Rights	Fee Simple
Financing	Cash to Seller
Conditions of Sale	Typical
Sales Price	\$975,000
Post-Sale Exp. Adj.	\$0
Non-Realty Items Adj.	\$0
Adjusted Sales Price	\$975,000

Adjusted Sales Price Indicators

Price per Gross Acre	\$293,233
Price per Gross SF	\$6.73
Price per Usable Acre	\$293,233
Price per Usable SF	\$6.73
Price per Front Foot	\$2,500.06



Property Description

Proposed Use	Unknown
Gross Land Area	3.325 Acres/144,837 SF
Usable Land Area	3.325 Acres/144,837 SF
Frontage Feet	390
Rail Access	No
Water/Port Access	No
Visibility	Average
Corner/Interior	Corner
Shape	Rectangular
Topography	Level
Utilities	Public water, septic, electric
Drainage	Appears adequate
Flood Hazard Zone	Zone X (unshaded)
Zoning Code	Not Zoned

Remarks

This is a corner location with improvements estimated to be at the end of their economic life with no remaining contributory value left. The three-mile population is 25,270 and the median household income is \$96,159. The traffic count is 14,055 VPD on Hwy 377 from the north.

Land Sales Comparison Analysis

When necessary, adjustments were made for differences in various elements of comparison, including property rights conveyed, financing terms, conditions of sale, expenditures made immediately after purchase, market conditions, location, and other physical characteristics. If the element in comparison is considered superior to that of the subject, a negative adjustment was applied. Conversely, a positive adjustment was applied if inferior. A summary of the elements of comparison follows.

Transaction Adjustments

Transaction adjustments include: (1) real property rights conveyed, (2) financing terms, (3) conditions of sale, and (4) expenditures made immediately after purchase. These items, which are applied prior to the market conditions and property adjustments, are discussed as follows:

Real Property Rights Conveyed

Real property rights conveyed influence sales prices and must be considered when analyzing a sale comparable. The property rights appraised reflect the fee simple interest and did not indicate any adjustments.

Financing Terms

The transaction price of one property may differ from that of an identical property due to different financial arrangements. Sales involving financing terms that are not at or near market terms require adjustments for cash equivalency to reflect typical market terms. A cash equivalency procedure discounts the atypical mortgage terms to provide an indication of value at cash equivalent terms. All of the sale comparables involved typical market terms by which the sellers received cash or its equivalent and the buyers paid cash or tendered typical down payments and obtained conventional financing at market terms for the balance. Therefore, no adjustments for this category were required.

Conditions of Sale

When the conditions of sale are atypical, the result may be a price that is higher or lower than that of a normal transaction. Adjustments for conditions of sale usually reflect the motivations of either a buyer or a seller who is under duress to complete the transaction. Another more typical condition of sale involves the downward adjustment required to a comparable property's for-sale listing price, which usually reflects the upper limit of value.

Sale 1 is an active listing with a downward adjustment of 5% applied to reflect a probable sales price. No further adjustments were required.

Expenditures Made Immediately After Purchase

A knowledgeable buyer considers expenditures required upon purchase of a property, as these costs affect the price the buyer agrees to pay. Such expenditures may include: costs to demolish and remove any portion of the improvements, costs to petition for a zoning change, and/or costs to remediate environmental contamination.

The relevant figure is not the actual cost incurred, but the cost anticipated by both the buyer and seller. Unless the sales involved expenditures anticipated upon the purchase date, no adjustments to the comparable sales are required for this element of comparison. The parties to these transactions did not anticipate expenditures were required immediately after purchase; therefore, no adjustments were warranted.

Market Conditions Adjustment

Market conditions change over time because of inflation, deflation, fluctuations in supply and demand, or other factors. Changing market conditions may create a need for adjustment to comparable sale transactions completed during periods of dissimilar market conditions.

Although the sale comparables represent recent sale transactions, there is paired sale data available (to follow) that supports a 25% annual escalation to be applied to the sales used as they have all occurred within the last two years.

We know of another sale of 2.0 acres located at 2931 FM 2931, Aubrey, Texas that occurred in February 2022 and was purchased for \$2.64 psf. This location is just northeast of Aubrey along the east line of FM 2931 near Blackjack Road. It is an inferior location as compared to the subject. It has been listed as of February 2024 (two years later) for a listing price of \$7.81 psf. That works out to an annual increase of 100%.

In addition, the demographics in the Neighborhood Analysis indicate the following escalations rates of population and households on a 3 and 5-mile radius from the subject.

Compound Annual Growth

From 2021 through 2024	3-Mile Radius	5-Mile Radius
Population:	12.2%	12.3%
Households:	13.3%	13.1%

Discussions with market participants and a review of market data indicated overall market conditions for vacant land properties have been improving with recent transactions confirming this trend. An annual adjustment factor of 25.00% was applied to each comparable to account for changes in market conditions.

Property Adjustments

Property adjustments are usually expressed quantitatively as percentages or dollar amounts that reflect the differences in value attributable to the various characteristics of the property. In some instances, however, qualitative adjustments are used. These adjustments are based on locational and physical characteristics and are applied after transaction and market conditions adjustments. The reasoning for the property adjustments made to each sale comparable follows. The discussion analyzes each adjustment category deemed applicable to the subject property.

Location

Location adjustments may be required when the locational characteristics of a comparable are different from those of the subject. These characteristics can include general neighborhood characteristics, proximity to major thoroughfares, proximity to employments centers and amenities, neighboring properties, and accessibility.

The subject site is located on the east side of Highway 377 just south of Stewart Road with access to both Stewart road and Highway 377 with good access and good visibility. Comparables 4, 5, and 8 indicate upward adjustments for locations near less development on less travelled thoroughfares. Comparable 7 indicates a downward adjustment for location near more development in a superior

submarket. The other comparables feature similar location on similar thoroughfares and do not indicate any adjustments.

Size

The size adjustment addresses variance in the physical size of the comparables and that of the subject, as a larger parcel typically commands a lower price per unit than a smaller parcel. This inverse relationship is due, in part, to the principle of "economies of scale."

The subject site consists of 17.495 acres of useable land and the comparables range from 3-acres to 24-acres. An approximate adjustment factor of 5.0% per doubling was applied to the comparables.

Shape/Depth

Sites with an irregular shape may limit development options, including building placement and density. The subject site consists of a flag-shaped tract considered similar enough to the land sales to not warrant an adjustment for this category.

Utilities

The subject site did not have public utilities available on the date of value, but Sales 1 and 7 did have all utilities available at the time of sale. Therefore, downward adjustments were applied to these comparables.

Floodplain

A property's location within flood zone areas is typically a negative factor due to the increased costs of raising improvements up out of the floodplain, as well as additional insurance costs associated with improvements. The subject site is located within Zone A and Zone X, which is within the 100-year floodplain, but not the floodway. The portion of land located in the floodplain is primarily utilized for access to Stewart Road and does not negatively affect the site. The comparables are located in a variety of flood areas with no adjustments warranted. It is noted that small amounts of floodway is typical with tracts of similar size and this factor does not appear to affect the overall marketability or developability of the sites.

Zoning

The highest and best use of sale comparables should be very similar to that of the subject property. When comparables with the same zoning as the subject are lacking or scarce, parcels with slightly different zoning, but a highest and use similar to that of the subject may be used as comparables. These comparables may require an adjustment for differences in utility if the market supports such adjustment.

Comparables 1 and 6 indicate upward adjustments for zoning that limits development. The other comparables features similar zoning or lack of zoning and do not indicate adjustments.

Summary of Adjustments

A summary of the adjustments made to the sale comparables is presented in the following table:

LAND SALES ADJUSTMENT GRID

Subject	Sale # 1	Sale # 2	Sale # 3	Sale # 4	Sale # 5	Sale # 6	Sale # 7	Sale # 8	Sale # 9	
Sale ID	1779977	1779978	1762764	1762773	1780081	1779979	1780088	1780117	1629481	
Date of Value & Sale	October-24	Listing	Pending Contract	May-24	May-24	November-23	June-23	May-23	May-23	January-23
Unadjusted Sales Price	\$3,992,000	\$2,619,000	\$1,100,000	\$1,166,929	\$3,300,000	\$1,850,000	\$6,675,000	\$2,550,000	\$975,000	
Usable Acres	17.495	11.640	3.039	3.827	24.653	10.290	20.120	9.250	3.325	
Unadjusted Sales Price per Usable Acre	\$386,822	\$225,000	\$361,961	\$304,920	\$133,858	\$179,786	\$331,759	\$275,676	\$293,233	
Transactional Adjustments										
Property Rights Conveyed	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	
Adjusted Sales Price	\$386,822	\$225,000	\$361,961	\$304,920	\$133,858	\$179,786	\$331,759	\$275,676	\$293,233	
Financing Terms	<i>Cash to Seller</i>	<i>Cash to Seller</i>	<i>Cash to Seller</i>	<i>Cash to Seller</i>	<i>Cash to Seller</i>	<i>Cash to Seller</i>	<i>Cash to Seller</i>	<i>Cash to Seller</i>	<i>Cash to Seller</i>	
Adjusted Sales Price	\$386,822	\$225,000	\$361,961	\$304,920	\$133,858	\$179,786	\$331,759	\$275,676	\$293,233	
Conditions of Sale	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>	
Adjustment	-5.0%	-	-	-	-	-	-	-	-	
Adjusted Sales Price	\$367,481	\$225,000	\$361,961	\$304,920	\$133,858	\$179,786	\$331,759	\$275,676	\$293,233	
Expenditures after Sale				\$0					\$0	
Adjusted Sales Price	\$367,481	\$225,000	\$361,961	\$304,920	\$133,858	\$179,786	\$331,759	\$275,676	\$293,233	
Market Conditions Adjustments										
Elapsed Time from Date of Value	<i>0.00 years</i>	<i>0.00 years</i>	<i>0.41 years</i>	<i>0.41 years</i>	<i>0.91 years</i>	<i>1.33 years</i>	<i>1.38 years</i>	<i>1.42 years</i>	<i>1.73 years</i>	
Market Trend Through	October-24	-	10.1%	10.2%	22.7%	33.2%	34.6%	35.5%	43.2%	
Analyzed Sales Price	\$367,481	\$225,000	\$398,653	\$336,039	\$164,205	\$239,510	\$446,512	\$373,673	\$419,765	
Physical Adjustments										
Location	4354 US Hwy 377 , Texas	TBD Highway 377 Tioga, Texas	TBD Highway 380 Crossroads, Texas	4390 US-377 Aubrey, Texas	TBD Stewart Road Aubrey, Texas	TBD HWY 377 Pilot Point, Texas	TBD E US 380 & Mosely Swc Road Crossroads, Texas	TBD Preston Road Celina, Texas	2551 Fm 424 Crossroads, Texas	4398 S Hwy 377 Aubrey, Texas
Adjustment	-	-	-	15.0%	30.0%	-	-15.0%	10.0%	-	
Size	17.495 acres	10.320 acres	11.640 acres	3.039 acres	3.827 acres	24.653 acres	10.290 acres	20.120 acres	9.250 acres	3.325 acres
Adjustment	-4.0%	-3.0%	-13.0%	-11.0%	2.0%	-4.0%	1.0%	-5.0%	-12.0%	
Shape/Depth	<i>Flag</i>	<i>Irregular</i>	<i>Irregular</i>	<i>Rectangular</i>	<i>Rectangular</i>	<i>Rectangular</i>	<i>Irregular</i>	<i>Rectangular</i>	<i>Irregular</i>	<i>Rectangular</i>
Adjustment	-	-	-	-	-	-	-	-	-	
Utilities	<i>Electricity, water</i>	<i>All available</i>	<i>Water, electric</i>	<i>Coop Water</i>	<i>Aerobic Septic</i>	<i>Electricity, water</i>	<i>Electricity, water</i>	<i>All available</i>	<i>Electricity, water</i>	<i>Public water, septic, electric</i>
Adjustment	-5.0%	-	-	-	-	-	-	-5.0%	-	
Floodplain	<i>Zone A and Zone X (unshaded)</i>	<i>Zone X (unshaded)</i>	<i>Zone X (unshaded) and AE</i>	<i>Zone X (unshaded)</i>	<i>Zone X (unshaded)</i>	<i>Zone X (unshaded)</i>	<i>Zone X (unshaded)</i>	<i>Zone X (unshaded)</i>	<i>Zone X (unshaded)</i>	<i>Zone X (unshaded)</i>
Adjustment	-	-	-	-	-	-	-	-	-	
Zoning	<i>Not Zoned</i>	<i>Multifamily</i>	<i>Not Zoned</i>	<i>Not Zoned</i>	<i>Not Zoned</i>	<i>Not Zoned</i>	<i>C-2</i>	<i>PD</i>	<i>Not Zoned</i>	<i>Not Zoned</i>
Adjustment	5.0%	-	-	-	-	-	5.0%	-	-	
Net Physical Adjustment	-4.0%	-3.0%	-13.0%	4.0%	32.0%	1.0%	-19.0%	5.0%	-12.0%	
Adjusted Sales Price per Usable Acre	\$352,781	\$218,250	\$346,828	\$349,480	\$216,751	\$241,905	\$361,675	\$392,356	\$369,393	

Conclusion

The land comparables were adjusted based on pertinent elements of comparison with the unadjusted and adjusted unit sales prices presented in the following table:

Land Sale Statistics

Metric	Unadjusted	Analyzed	Adjusted
Min. Sales Price per Usable Acre	\$133,858	\$164,205	\$216,751
Max. Sales Price per Usable Acre	\$386,822	\$446,512	\$392,356
Median Sales Price per Usable Acre	\$293,233	\$367,481	\$349,480
Mean Sales Price per Usable Acre	\$277,002	\$330,093	\$316,602

The comparables present a relatively narrow range of adjusted sales prices with a unit value near the middle of the adjusted range, or \$320,000 per usable acre, was estimated for the subject site. Applying this to the subject land area resulted in a preliminary market value of \$5,600,000.

Based on this analysis, the land value indication is summarized as follows:

Land Value Conclusion				
Reasonable Adjusted Comparable Range				
17.495 acres	x	\$215,000 per acre	=	\$3,761,424
17.495 acres	x	\$390,000 per acre	=	\$6,823,048
Market Value Opinion				(Rounded)
17.495 acres	x	\$320,000 per acre	=	\$5,600,000

In addition, 8858 Stewart Road (9.98-acres), just east of the subject property, is listed for sale at \$3,250,000 (\$325,651/acre).

Lot 2 and 3: Listing Price of \$875,000 each for 3.0 acres or \$291,667 per acre.

Lot 4: Listing Price of \$1,750,000 for 6.0 acres or \$291,667 per acre.



These 3 listings warrant an upward 25% location adjustment or the same as applied to Sale Comp 2. This would indicate a price of \$8.40 psf and Lot 3 listing would also warrant an additional upward adjustment for size difference in theory.

The listing agent indicated that there have been multiple (5) full price LOI's from multi-family developers; however, their timeline is between 360-600 days in contract with 4 different feasibility extensions and the sellers decided they were too high risk and long-term contracts and did not accept.

Reconciliation

Summary of Value Indications

The indicated value from the Sales Comparison Approach used and our concluded market value for the subject property is summarized in the following table.

Value Indications	
Approach to Value	As Is
Sales Comparison	\$5,600,000
Cost	Not Developed
Income Capitalization	Not Developed
Value Conclusion	
Component	As Is
Value Type	Market Value
Real Property Interest	Fee Simple
Effective Date of Value	October 17, 2024
Value Conclusion	\$5,600,000
	\$320,092 per Acre

To reach a final opinion of value, the reliability and relevance of each value indication was considered based upon the quality of the data and applicability of the assumptions underlying each approach. Given the availability and reliability of data within the Sales Comparison Approach, this approach was given primary weight in reconciling to the final value conclusions. Furthermore, land properties such as the subject property are typically purchased by developers, who primarily rely upon the methods employed by the Sales Comparison Approach.

The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results:

Extraordinary Assumptions:

- None pertaining to this assignment.

Hypothetical Conditions:

- None pertaining to this assignment.

Exposure Time and Marketing Period

Based on statistical information about days on market, escrow length, and marketing times gathered through national investor surveys, sales verification, and interviews of market participants, marketing and exposure time estimates of 6 to 12 months and 6 to 12 months, respectively, are considered reasonable and appropriate for the subject property.

National Quality Control

Valbridge's top priority is delivering quality appraisal reports to our clients. Each Valbridge office is managed by one or more directors with the MAI designation, the most prestigious designation in the appraisal profession. These directors have the responsibility to uphold the highest ethics and standards for the profession. Quality control assessment is an ongoing priority at Valbridge and consists of reading the report, checking calculations, and providing feedback on quality and consistency.

Valbridge encourages and respects all client opinions, and all feedback is critical for our ongoing efforts to improve client servicing. Please contact the National Quality Control Director below with any feedback, questions, or comments.

Tye Neilson, MAI, SRA, MRICS, Esq.
Senior Managing Director
832.916.4608
tneilson@valbridge.com

General Assumptions and Limiting Conditions

This appraisal is subject to the following general assumptions and limiting conditions:

1. The legal description – if furnished to us – is assumed to be correct.
2. No responsibility is assumed for legal matters, questions of survey or title, soil or subsoil conditions, engineering, availability or capacity of utilities, or other similar technical matters. The appraisal does not constitute a survey of the property appraised. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management unless otherwise noted.
3. Unless otherwise noted, the appraisal will value the property as though free of contamination. Valbridge Property Advisors | Dallas will conduct no hazardous materials or contamination inspection of any kind. It is recommended that the client hire an expert if the presence of hazardous materials or contamination poses any concern.
4. The stamps and/or consideration placed on deeds used to indicate sales are in correct relationship to the actual dollar amount of the transaction.
5. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.
6. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, unless previous arrangements have been made.
7. Unless expressly specified in the engagement letter, the fee for this appraisal does not include the attendance or giving of testimony by Appraiser at any court, regulatory or other proceedings, or any conferences or other work in preparation for such proceeding. If any partner or employee of Valbridge Property Advisors | Dallas is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment, client shall compensate Appraiser for the time spent by the partner or employee in appearing and/or testifying and in preparing to testify according to the Appraiser's then current hourly rate plus reimbursement of expenses.
8. The values for land and/or improvements, as contained in this report, are constituent parts of the total value reported and neither is (or are) to be used in making a summation appraisal of a combination of values created by another appraiser. Either is invalidated if so used.
9. The dates of value to which the opinions expressed in this report apply are set forth in this report. We assume no responsibility for economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and anticipated short-term supply and demand factors and are subject to change with future conditions. Appraiser is not responsible for determining whether the date of value requested by Client is appropriate for Client's intended use.
10. The sketches, maps, plats and exhibits in this report are included to assist the reader in visualizing the property. The appraiser has made no survey of the property and assumed no responsibility in connection with such matters.
11. The information, estimates and opinions, which were obtained from sources outside of this office, are considered reliable. However, no liability for them can be assumed by the appraiser.

12. Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organization or the firm with which the appraisers are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval.
13. No claim is intended to be expressed for matters of expertise that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers. We claim no expertise in areas such as, but not limited to, legal, survey, structural, environmental, pest control, mechanical, etc.
14. This appraisal was prepared for the sole and exclusive use of the client for the function outlined herein. Any party who is not the client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of Valbridge Property Advisors | Dallas and Client. The Client shall not include partners, affiliates, or relatives of the party addressed herein. The appraiser assumes no obligation, liability or accountability to any third party.
15. Distribution of this report is at the sole discretion of the client, but third-parties not listed as an intended user on the face of the appraisal or the engagement letter may not rely upon the contents of the appraisal. In no event shall client give a third-party a partial copy of the appraisal report. We will make no distribution of the report without the specific direction of the client.
16. This appraisal shall be used only for the function outlined herein, unless expressly authorized by Valbridge Property Advisors | Dallas.
17. This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.
18. Unless otherwise noted in the body of this report, this appraisal assumes that the subject property does not fall within the areas where mandatory flood insurance is effective. Unless otherwise noted, we have not completed nor have we contracted to have completed an investigation to identify and/or quantify the presence of non-tidal wetland conditions on the subject property. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
19. The flood maps are not site specific. We are not qualified to confirm the location of the subject property in relation to flood hazard areas based on the FEMA Flood Insurance Rate Maps or other surveying techniques. It is recommended that the client obtain a confirmation of the subject property's flood zone classification from a licensed surveyor.
20. If the appraisal is for mortgage loan purposes 1) we assume satisfactory completion of improvements if construction is not complete, 2) no consideration has been given for rent loss during rent-up unless noted in the body of this report, and 3) occupancy at levels consistent with our "Income and Expense Projection" are anticipated.
21. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.

22. Our inspection included an observation of the land and improvements thereon only. It was not possible to observe conditions beneath the soil or hidden structural components within the improvements. We inspected the buildings involved, and reported damage (if any) by termites, dry rot, wet rot, or other infestations as a matter of information, and no guarantee of the amount or degree of damage (if any) is implied. Condition of heating, cooling, ventilation, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. Should the client have concerns in these areas, it is the client's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise to make such inspections and assumes no responsibility for these items.
23. This appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. It is assumed that all required licenses, consents, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value conclusion contained in this report is based unless specifically stated to the contrary.
24. When possible, we have relied upon building measurements provided by the client, owner, or associated agents of these parties. In the absence of a detailed rent roll, reliable public records, or "as-built" plans provided to us, we have relied upon our own measurements of the subject improvements. We follow typical appraisal industry methods; however, we recognize that some factors may limit our ability to obtain accurate measurements including, but not limited to, property access on the day of inspection, basements, fenced/gated areas, grade elevations, greenery/shrubbery, uneven surfaces, multiple story structures, obtuse or acute wall angles, immobile obstructions, etc. Professional building area measurements of the quality, level of detail, or accuracy of professional measurement services are beyond the scope of this appraisal assignment.
25. We have attempted to reconcile sources of data discovered or provided during the appraisal process, including assessment department data. Ultimately, the measurements that are deemed by us to be the most accurate and/or reliable are used within this report. While the measurements and any accompanying sketches are considered to be reasonably accurate and reliable, we cannot guarantee their accuracy. Should the client desire more precise measurement, they are urged to retain the measurement services of a qualified professional (space planner, architect or building engineer) as an alternative source. If this alternative measurement source reflects or reveals substantial differences with the measurements used within the report, upon request of the client, the appraiser will submit a revised report for an additional fee.
26. In the absence of being provided with a detailed land survey, we have used assessment department data to ascertain the physical dimensions and acreage of the property. Should a survey prove this information to be inaccurate, upon request of the client, the appraiser will submit a revised report for an additional fee.
27. If only preliminary plans and specifications were available for use in the preparation of this appraisal, and a review of the final plans and specifications reveals substantial differences upon request of the client the appraiser will submit a revised report for an additional fee.


28. Unless otherwise stated in this report, the value conclusion is predicated on the assumption that the property is free of contamination, environmental impairment or hazardous materials. Unless otherwise stated, the existence of hazardous material was not observed by the appraiser and the appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required for discovery. The client is urged to retain an expert in this field, if desired.
29. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey of the property to determine if it is in conformity with the various requirements of the ADA. It is possible that a compliance survey of the property, together with an 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 could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in developing an opinion of value.
30. This appraisal applies to the land and building improvements only. The value of trade fixtures, furnishings, and other equipment, or subsurface rights (minerals, gas, and oil) were not considered in this appraisal unless specifically stated to the contrary.
31. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated, unless specifically stated to the contrary.
32. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute prediction of future operating results. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance.
33. Any estimate of insurable value, if included within the scope of work and presented herein, is based upon figures developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage. This analysis should not be relied upon to determine insurance coverage and we make no warranties regarding the accuracy of this estimate.
34. The data gathered in the course of this assignment (except data furnished by the Client) shall remain the property of the Appraiser. The appraiser will not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished to the appraiser. Notwithstanding the foregoing, the Appraiser is authorized by the client to disclose all or any portion of the appraisal and related appraisal data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable the appraiser to comply with the Bylaws and Regulations of such Institute now or hereafter in effect.

35. You and Valbridge Property Advisors | Dallas both agree that any dispute over matters in excess of \$5,000 will be submitted for resolution by arbitration. This includes fee disputes and any claim of malpractice. The arbitrator shall be mutually selected. If Valbridge Property Advisors | Dallas and the client cannot agree on the arbitrator, the presiding head of the Local County Mediation & Arbitration panel shall select the arbitrator. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, by agreeing to binding arbitration, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury. In the event that the client, or any other party, makes a claim against Valbridge Property Advisors | Dallas or any of its employees in connections with or in any way relating to this assignment, the maximum damages recoverable by such claimant shall be the amount actually received by Valbridge Property Advisors | Dallas for this assignment, and under no circumstances shall any claim for consequential damages be made.
36. Valbridge Property Advisors | Dallas shall have no obligation, liability, or accountability to any third party. Any party who is not the "client" or intended user identified on the face of the appraisal or in the engagement letter is not entitled to rely upon the contents of the appraisal without the express written consent of Valbridge Property Advisors | Dallas. "Client" shall not include partners, affiliates, or relatives of the party named in the engagement letter. Client shall hold Valbridge Property Advisors | Dallas and its employees harmless in the event of any lawsuit brought by any third party, lender, partner, or part-owner in any form of ownership or any other party as a result of this assignment. The client also agrees that in case of lawsuit arising from or in any way involving these appraisal services, client will hold Valbridge Property Advisors | Dallas harmless from and against any liability, loss, cost, or expense incurred or suffered by Valbridge Property Advisors | Dallas in such action, regardless of its outcome.
37. The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by VPA Houston and Dallas, Inc.. Neither Valbridge Property Advisors, Inc., nor any of its affiliates has been engaged to provide this report. Valbridge Property Advisors, Inc. does not provide valuation services, and has taken no part in the preparation of this report.
38. If any claim is filed against any of Valbridge Property Advisors, Inc., a Florida Corporation, its affiliates, officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, except only for direct compensatory damages, and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide this report.
39. This report and any associated work files may be subject to evaluation by Valbridge Property Advisors, Inc., or its affiliates, for quality control purposes.
40. Acceptance and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and limiting conditions.

Certification – Peyton McKeever

I certify that, to the best of my 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. 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. The undersigned has not performed 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 to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of value 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.
9. Peyton McKeever has personally inspected the subject property.
10. No one provided significant real property appraisal assistance to the person signing this certification, unless otherwise noted.
11. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.



Peyton McKeever
Appraiser
Texas License #TX 1381422 G
License Expires 03/31/2026

Certification – Michael Divin, MAI

I certify that, to the best of my 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. 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. The undersigned has not performed 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 to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of value 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.
9. Michael Divin did not personally inspect the subject property.
10. No one provided significant real property appraisal assistance to the person signing this certification, unless otherwise noted.
11. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, the undersigned has completed the continuing education program for Designated Members of the Appraisal Institute.



Mike Divin, MAI
Senior Managing Director
Texas License #TX-1320831-G
mdivin@valbridge.com

Addenda

Additional Subject Photographs

Subject Listings

Glossary

Qualifications

- Peyton McKeever
- Michael Divin, MAI - Senior Managing Director

Information on Valbridge Property Advisors

Office Locations

Additional Subject Photographs



Subject property exterior



Subject property exterior



Subject property exterior



Subject property exterior



View of public thoroughfare from subject property



View of public thoroughfare from subject property

Additional Subject Listings

4390 US-377

 Land - Outlying Denton County Submarket
 Aubrey, TX 76227

\$875K - 1.75M
 Sale Price

\$291,667
 Price/AC

\$6.70
 Price/SF

12
 AC

522,720
 SF

335 days
 On Market

NONE
 Zoning

Summary Property Sale Comps Tenant Analytics Loan Financials Public Record Contacts Images Map

For Sale

 Price **\$875,000 - 1,750,000**
 Price/AC **\$291,667**
 Price/SF **\$6.70**
 Sale Type **Investment**
 Status **Active**

 On Market **335 Days**
 Last Updated **Oct 16, 2024**
[Update](#)

Sale Highlights >>

- No Restrictions
- Light or Heavy Industrial Use
- Located right on Hwy 377

Land

 Type **Industrial Land**
 Location **Suburban**
 Zoning **NONE**

 Land AC - Gross **12.00 AC**
 Land AC - Net **12.00 AC**
 Topography **Level**

 Land SF - Gross **522,720 SF**
 Land SF - Net **522,720 SF**

 On Sites **Raw land**
 Off Sites **No Cable, Curb/Gutter/Sidewalk, Electricity, No Gas, No Irrigation, No Sewer, Streets, No Telephone, Water**

 Current Use **Vacant**
 Improvements **Vacant**
 Proposed Use **Commercial, Industrial, Retail, Storefront Retail/Residntl**
 Approvals **Approved Plan**

 Walk Score® **Car-Dependent (1)**

Sale Notes

Fantastic opportunity on a major thoroughfare on very rare land in Denton County that has NO RESTRICTIONS!! Land is outside city limits, but is currently in Krugerville ETJ. Land currently has 3 tenants - tenants are not to be disturbed. All tenants have a temporary 60 day lease that can be extended or terminated with a 60 day notice. Located right on Hwy 377 for optimum visibility for your business, and also fronts Stewart Rd, a heavy duty concrete and curbed road. Land is ideal for light or heavy industrial location, or for your retail store front off Hwy 377.

Documents

- 4354 us 377 2 acre survey
- 4390 US 377 - Final Plat
- Aubrey Environmental Study
- Aubrey Highway 377 Survey New
- More Information
- Denton County Thoroughfare Plan Map
- Property Condition Statement
- Survey

Public Record >>

2023 Assessment

 Improvements **\$44,283**
 Land **\$242,123** **\$0.20/SF**
 Total Value **\$286,406**

Demographics

	1 mile	3 miles
Population	540	20,418
Households	192	7,123
Median Age	43.90	35.80
Median HH Income	\$106,250	\$95,692
Daytime Employees	906	4,768
Population Growth '24 - '29	↑ 17.78%	↑ 20.72%
Household Growth '24 - '29	↑ 18.23%	↑ 21.21%

Traffic

Collection Street	Cross Street	Traffic Vol	Last Measur...	Distance
Arvin Hill Rd	Hwy 377 E	707	2022	0.23 mi
Liberty Rd	Hwy 377 W	529	2022	0.38 mi
US Hwy 377	Industrial Park S	13,460	2022	0.53 mi
Dr Griffin Rd	Hwy 377 E	35	2022	0.85 mi
US Hwy 377	Dr Griffin Rd NE	7,338	2022	1.06 mi
TX 45:RM 520	Dr Griffin Rd NE	8,070	2020	1.07 mi
Arvin Hill Rd	New Hope Rd E	1,361	2018	1.08 mi
Ike Byrom Rd	Running Branch Rd E	178	2022	1.19 mi
Liberty Rd	Dr Sanders Rd W	773	2018	1.29 mi
Dr Sanders Rd	Moczygomba Ln NE	137	2018	1.32 mi

Made with TrafficMetrix® Products

Sale Contacts >>


Heather Kingston
 Realtor
 (817) 771-1360 (p)
 heather@paifospades.com

Cates & Company
 1110 FM 1189, Suite 103
 Millsap, TX 76066
 United States
 (817) 458-2711 (p)
 www.guidingyoutosold.com


4354 US-377

 Land - Outlying Denton County Submarket
 Aubrey, TX 76227

\$4.9M Sale Price	\$280,160 Price/AC	\$6.43 Price/SF	17.49 AC	761,864 SF	284 days On Market	NONE Zoning
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Summary | Property | Sale Comps | Tenant | Analytics | Loan | Financials | Public Record | Contacts | Images | Map

For Sale

Price **\$4,900,000**
 Price/AC **\$280,160**
 Price/SF **\$6.43**
 Sale Type **Investment**
 Status **Active**

On Market **284 Days**
 Last Updated **Oct 16, 2024**
[Update](#)

Sale Highlights >>

- Property has 371' frontage on the east side of US Hwy 377, which will be expanded to a six-lane divided thoroughfare.
- Phase 1 environmental already complete
- More than 2,100 new residential lots under development in the immediate area

Land

Type **Commercial Land**
 Location **Suburban**
 Zoning **NONE**

Land AC - Gross **17.49 AC** Land SF - Gross **761,864 SF**
 Topography **Level**

On Sites **Raw land**
 Off Sites **No Cable, No Curb/Gutter/Sidewalk, Electricity, No Gas, No Irrigation, No Sewer, Streets, No Telephone, Water**
 TxDot Entrance

Improvements **Auto Repair, Car Wash, Contractor Storage Yard, Convenience Store, Fast Food, Hold for Development, Hold for Investment, Mixed Use, MultiFamily, Office, Office Park, Restaurant, Retail, Retail Warehouse, Self-Storage, Service Station, Storefront Retail/Residntl, Storefront, Storefront Retail/Office**

Frontage **371' on 4353 US-377 (with 1 curb cuts)**

Walk Score® **Car-Dependent (1)**

Sale Notes

Prime investment opportunity in a rare unrestricted, unzoned, HIGH GROWTH area of Denton County. (2) surveys - one shows the 2 acre piece recently purchased to give ingress/egress on Stewart Rd for any multifamily/industrial park development, and the 15.5 acre survey of the main portion of the land. Water is located at the street, Sewer is approx 1.5 miles away at the corner of Liberty Rd and Dr. Sanders Rd. Seller has priced property 500K under market value to allow and assist in buyer bringing sewer line to property for multi family development.

Documents

- | | |
|-----------------------------|-------------------------------------|
| Marketing Package | Survey |
| Phase 1 Environmental Study | TBD Stewart Road10-13-23 |
| Survey | Thoroughfare at Arvin Road w Legend |

Sale Contacts >>


Heather Kingston
 Realtor
 (817) 771-1360 (p)
 heather@paifospades.com



Cates & Company
 1110 FM 1189, Suite 103
 Millsap, TX 76066
 United States
 (817) 458-2711 (p)
 www.guidingyoutosold.com

Public Record >>

2023 Assessment
 Land **\$960** \$0.00/SF

Parcels **R302203**

Demographics

	1 mile	3 miles
Population	312	21,413
Households	112	7,388
Median Age	41.30	35.50
Median HH Income	\$102,841	\$95,750
Daytime Employees	450	4,458
Population Growth '24 - '29	↑ 18.91%	↑ 20.76%
Household Growth '24 - '29	↑ 18.75%	↑ 21.28%

Traffic

Collection Street	Cross Street	Traffic Vol	Last Measur...	Distance
Arvin Hill Rd	Hwy 377 E	707	2022	0.17 mi
Liberty Rd	Hwy 377 W	529	2022	0.36 mi
US Hwy 377	Industrial Park S	13,460	2022	0.57 mi
Dr Griffin Rd	Hwy 377 E	35	2022	0.78 mi
Arvin Hill Rd	New Hope Rd E	1,361	2018	0.98 mi
US Hwy 377	Dr Griffin Rd NE	7,338	2022	0.99 mi
TX 45/FM 620	Dr Griffin Rd NE	8,070	2020	1.00 mi
Ike Byrom Rd	Running Branch Rd E	178	2022	1.30 mi
Dr Sanders Rd	Moczygemba Ln NE	137	2018	1.33 mi
Liberty Rd	Dr Sanders Rd W	773	2018	1.35 mi

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Glossary

Definitions are taken from The Dictionary of Real Estate Appraisal, 7th Edition (Dictionary), the Uniform Standards of Professional Appraisal Practice (USPAP), and Building Owners and Managers Association International (BOMA).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. (Dictionary)

Amortization

The process of retiring a debt or recovering a capital investment, typically through scheduled, systematic repayment of the principal; a program of periodic contributions to a sinking fund or debt retirement fund. (Dictionary)

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Interagency Appraisal and Evaluation Guidelines) Note that the use of the "as is" phrase is specific to appraisal regulations pursuant to FIRREA applying to appraisals prepared for regulated lenders in the United States. The concept of an "as is" value is not included in the Standards of Valuation Practice of the Appraisal Institute, Uniform Standards of Professional Appraisal Practice, or International Valuation Standards. (Dictionary)

Base Rent

The minimum rent stipulated in a lease. (Dictionary)

Base Year

The year on which escalation clauses in a lease are based. (Dictionary)

Building Common Area

In office buildings, the areas of the building that provide services to building tenants but that are not included in the office area or store area of any specific tenant. These areas may include, but shall not be limited to, main and auxiliary lobbies, atrium spaces at the level of the finished floor, concierge areas or security desks, conference rooms, lounges or vending areas, food service facilities, health or fitness centers, daycare facilities, locker or shower facilities, mail rooms, fire control rooms, fully enclosed courtyards outside the exterior walls, and building core and service areas such as fully enclosed mechanical or equipment rooms. Specifically excluded from building common area are floor common areas, parking space, portions of loading docks outside the building line, and major vertical penetrations. (BOMA)

Building Rentable Area

The sum of all floor rentable areas. Floor rentable area is the result of subtracting from the gross measured area of a floor the major vertical penetrations on that same floor. It is generally fixed for the life of the building and is rarely affected by changes in corridor size or configuration. (BOMA)

Bulk Value

The value of multiple units, subdivided plots, or properties in a portfolio as though sold together in a single transaction. (Dictionary)

Certificate of Occupancy (COO)

A formal written acknowledgment by an appropriate unit of local government that a new construction or renovation project is at the stage where it meets applicable health and safety codes and is ready for commercial or residential occupancy. (Dictionary)

Common Area Maintenance (CAM)

The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property. (Dictionary)

The amount of money charged to tenants for their shares of maintaining a [shopping] center's common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenance, snow removal, security, [amenities,] and upkeep. (ICSC – International Council of Shopping Centers, 4th Ed.)

Condominium

An attached, detached, or stacked unit within or attached to a structure with common areas that are held as tenants in common (an undivided interest) with other owners in the project. The units can be residential, commercial, industrial, or parking spaces or boat docks. These units are commonly defined by state laws in their locations. Because units can be stacked on top of other units, these units can be defined both vertically and horizontally. (Dictionary)

Conservation Easement

An interest in real estate restricting future land use to preservation, conservation, wildlife habitat, or some

combination of those uses. A conservation easement may permit farming, timber harvesting, or other uses of a rural nature as well as some types of conservation-oriented development to continue, subject to the easement. (Dictionary)

Contributory Value

A type of value that reflects the amount a property or component of a property contributes to the value of another asset or to the property as a whole.

The change in the value of a property as a whole, whether positive or negative, resulting from the addition or deletion of a property component. Also called deprival value in some countries. (Dictionary)

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service ($DCR = NOI \div I_m$), which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR)*. A larger *DCR* typically indicates a greater ability for a property to withstand a reduction of income, providing an improved safety margin for a lender. (Dictionary)

Deed Restriction

A provision written into a deed that limits the use of land. Deed restrictions usually remain in effect when title passes to subsequent owners. (Dictionary)

Depreciation

In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the value of the improvement on the same date.

In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques. (Dictionary)

Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation;
3. Both the buyer and seller are acting prudently and knowledgeably;
4. The seller is under compulsion to sell;
5. The buyer is typically motivated;
6. Both parties are acting in what they consider to be their best interests;

7. An adequate marketing effort will be made during the exposure time;
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto; and
9. 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.

This definition can also be modified to provide for valuation with specified financing terms. (Dictionary)

Double Net (Net Net) Lease

An alternative term for a type of net lease. In some markets, a net net lease is defined as a lease in which the tenant is responsible to pay both property taxes and premiums for insuring the building(s). (Valbridge)

(The market definition of a double net lease varies depending on the market)

Easement

The right to use another's land for a stated purpose. (Dictionary)

EIFS

Exterior Insulation Finishing System. This is a type of exterior wall cladding system. Sometimes referred to as dry-vit.

Effective Date

1. The date on which the appraisal opinion applies. (SVP)
2. The date to which an appraiser's analyses, opinions, and conclusions apply; also referred to as date of value. (USPAP, 2020-2021 ed.)
3. The date that a lease goes into effect. (Dictionary)

Effective Gross Income (EGI)

The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. (Dictionary)

Effective Rent

Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord. (TIs). (Dictionary)

EPDM

Ethylene Propylene Diene Monomer Rubber. A type of synthetic rubber typically used for roof coverings.

Escalation Clause

A clause in an agreement that provides for the adjustment of a price or rent based on some event or

index. e.g., a provision to increase rent if operating expenses increase; also called *escalator clause*, *expense recovery clause* or *stop clause*. (Dictionary)

Estoppel Certificate

A signed statement by a party (such as a tenant or a mortgagee) certifying, for another's benefit, that certain facts are correct, such as that a lease exists, that there are no defaults, and that rent is paid to a certain date. (Black's) In real estate, a buyer of rental property typically requests estoppel certificates from existing tenants. Sometimes referred to as an *estoppel letter*. (Dictionary)

Excess Land

Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. (Dictionary)

Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties. (Dictionary)

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying operating expenses above a stated level or amount. (Dictionary)

Exposure Time

1. The time a property remains on the market.
2. An opinion, based on supporting market data, of the length of time that 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. (USPAP, 2020-2021 ed.)

Extraordinary Assumption

An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. (USPAP)

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. (Dictionary)

Floor Common Area

In an office building, the areas on a floor such as washrooms, janitorial closets, electrical rooms, telephone rooms, mechanical rooms, elevator lobbies, and public corridors which are available primarily for the use of tenants on that floor. In essence, floor common area represents all of the area on the floor that is common to that respective floor with the exception of those areas that penetrate through the floor, such as the elevator shaft and stairwell. The significant point to be made is that floor common area is not part of the tenant's usable area. (BOMA)

Full Service (Gross) Lease

A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called a *full service lease*. (Dictionary)

Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory. (Dictionary)

Going-Concern Value

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern* or *market value of the total assets of the business*. (Dictionary)

Gross Building Area (GBA)

1. Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.
2. Gross leasable area plus all common areas.
3. For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space. (Dictionary)

Gross Measured Area

The total area of a building enclosed by the dominant portion (the portion of the inside finished surface of the permanent outer building wall which is 50 percent or more of the vertical floor-to-ceiling dimension, at the given point being measured as one moves horizontally along the wall), excluding parking areas and loading docks (or portions of same) outside the building line. It is generally not used for leasing purposes and is calculated on a floor by floor basis. (BOMA)

Gross Up Method

A method of calculating variable operating expenses in income-producing properties when less than 100% occupancy is assumed. Expenses reimbursed based on the amount of occupied space, rather than on the total building area, are described as “grossed up.” (Dictionary)

Gross Sellout Value (Sum of the Retail Values)

The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions. An appraisal has an effective date, but summing the sale prices of multiple units over an extended period of time will not be the value on that one day unless the prices are discounted to make the value equivalent to what another developer or investor would pay for the bulk purchase of the units. Also called the *aggregate of the retail values, aggregate retail selling price or sum of the retail values*. (Dictionary)

Ground Lease

A lease that grants the right to use and occupy land. Improvements made by the ground lessee typically revert to the ground lessor at the end of the lease term. (Dictionary)

Ground Rent

The rent paid for the right to use and occupy land according to the terms of a ground lease; the portion of the total rent allocated to the underlying land. (Dictionary)

HVAC

Heating, ventilation, air conditioning (HVAC) system. A unit that regulates the temperature and distribution of heat and fresh air throughout a building. (Dictionary)

Highest and Best Use

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset’s existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS)
3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform

Appraisal Standards for Federal Land Acquisitions) (Dictionary)

Hypothetical Condition

1. A condition that is presumed to be true when it is known to be false. (SVP)
2. A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Comment: Hypothetical conditions are 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. (USPAP)

Insurable Value (Replacement Cost for Insurance Purposes)

The estimated cost, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design, and layout for insurance coverage purposes guaranteeing that damaged property is replaced with new property (i.e., depreciation is not deducted). (Dictionary)

Investment Value

1. The value of a property to a particular investor or class of investors based on the investor’s specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. (Dictionary)
2. The value of an asset to the owner or a prospective owner given individual investment or operational objectives (may also be known as worth). (IVS)

Just Compensation

In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken. Just compensation should put the owner in as good a position pecuniarily as he or she would have been if the property had not been taken. (Dictionary)

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. (Dictionary)

Leasehold Interest (Leasehold Estate)

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. (Dictionary)

See also Positive Leasehold and Negative Leasehold.

Lessee (Tenant)

One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement. (Dictionary)

Lessor (Landlord)

One who conveys the rights of occupancy and use to others under a lease agreement. (Dictionary)

Liquidation Value

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. 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. (Dictionary)

Loan to Value Ratio (LTV)

The ratio between a mortgage loan and the value of the property pledged as security, usually expressed as a percentage. (Dictionary)

Major Vertical Penetrations

Stairs, elevator shafts, flues, pipe shafts, vertical ducts, and the like, and their enclosing walls. Atria, lightwells and similar penetrations above the finished floor are included in this definition. Not included, however, are vertical penetrations built for the private use of a tenant occupying office areas on more than one floor. Structural columns, openings for vertical electric cable or telephone distribution, and openings for plumbing lines are not considered to be major vertical penetrations. (BOMA)

Market Rent

The most probable rent that a property should bring in a competitive and open market under all the conditions requisite to a fair lease transaction, the lessee and the lessor each acting prudently and knowledgeably, and

assuming the rent is not affected by undue stimulus. Implicit in this definition is the execution of a lease as of a specified date under conditions whereby:

1. Lessee and lessor are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their best interests;
3. Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and
4. The rent reflects specified terms and conditions, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, and tenant improvements (TIs). (Appraisal Institute)

Market Value

The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States: The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. 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. (Dictionary; 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)

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of the Appraisal Foundation)

Master Lease

1. A lease in which a part or the entire property is leased to a single entity (the master lessee) in return for a stipulated rent. The master lessee then subleases the property to multiple tenants.
2. The first lease in a sandwich lease. (Dictionary)

Modified Gross Lease

A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a *double net lease*, *net net lease*, *partial net lease*, or *semi-gross lease*. (Dictionary)

Negative Leasehold

A lease situation in which the market rent is less than the contract rent. (Dictionary)

Operating Expense Ratio

The ratio of total operating expenses to effective gross income (*TOE/EGI*); the complement of the net income ratio, i.e., $OER = 1 - NIR$ (Dictionary)

Option

A legal contract, typically purchased for a stated consideration, that permits but does not require the holder of the option (known as the *optionee*) to buy, sell, or lease real estate for a stipulated period of time in accordance with specified terms; a unilateral right to exercise a privilege. (Dictionary)

Partial Interest

Divided or undivided rights in real estate that represent less than the whole, i.e., a fractional interest such as a tenancy in common or easement. (Dictionary)

Pass Through

A tenant's portion of operating expenses that may be composed of common area maintenance (CAM), real property taxes, property insurance, and any other expenses determined in the lease agreement to be paid by the tenant. (Dictionary)

Percentage Lease

A lease in which the rent or some portion of the rent represents a specified percentage of the volume of business, productivity, or use achieved by the tenant. (Dictionary)

Positive Leasehold

A lease situation in which the market rent is greater than the contract rent. (Dictionary)

Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. (Dictionary)

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy. (Dictionary)

Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. (Dictionary)

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all of the deficiencies, superadequacies, and obsolescence of the subject building. (Dictionary)

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." (Dictionary)

Sandwich Leasehold Estate

The interest held by the sandwich leaseholder when the property is subleased to another party; a type of leasehold estate. (Dictionary)

Sublease

An agreement in which the lessee in a prior lease conveys the right of use and occupancy of a property to another, the sublessee, for a specific period of time, which may or may not be coterminous with the underlying lease term. (Dictionary)

Subordination

A contractual arrangement in which a party with a claim to certain assets agrees to make that claim junior, or subordinate, to the claims of another party. (Dictionary)

Surplus Land

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. (Dictionary)

TPO

Thermoplastic polyolefin, a resilient synthetic roof covering.

Triple Net (Net Net Net) Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called *NNN lease*, *net net net lease*, or *fully net lease*. (Dictionary)

(The market definition of a triple net lease varies; in some cases tenants pay for items such as roof repairs, parking lot repairs, and other similar items.)

Usable Area

The measured area of an office area, store area, or building common area on a floor. The total of all the usable areas for a floor shall equal floor usable area of that same floor. (BOMA)

Value-in-Use

1. The amount determined by discounting the future cash flows (including the ultimate proceeds of disposal) expected to be derived from the use of an asset at an appropriate rate that allows for the risk of the activities concerned. (FASB Accounting Standards Codification, Master Glossary)
2. Formerly used in valuation practice as a synonym for *contributory value* or *use value*. (Dictionary)

VTAB (Value of the Total Assets of a Business)

The total amount that the real property, tangible personal property, and intangible property assets of a business would sell for in an asset-based transaction. (Dictionary)

Qualifications

Qualifications of Peyton McKeever

Analyst

Valbridge Property Advisors

Independent Valuations for a Variable World

State Certifications

Texas

Education

Baylor University
BBA – Real Estate

Contact Details

936-661-4858 (p)

Valbridge Property Advisors
10210 North Central Expy
Dallas, Texas 75231

www.valbridge.com

pmckeever@valbridge.com

Memberships/Affiliations:

TALCB – State Certified General Appraiser #1381422

Appraisal Institute & Related Courses:

The Valuation of Partial Acquisitions

Income Approach 1 & 2

Real Estate Statistics and Valuation Modeling

General Appraiser Site Valuation and Cost Approach

General Appraiser Sales Comparison Approach

Site Valuation and Cost Approach

General Report Writing and Case Studies

General Appraiser Market Analysis Highest and Best Use

Basic Appraisal Principles

2020-2021 National USPAP

BBA Courses:

Real Estate Finance, Real Estate Investment, Real Estate Appraisal

Report Writing, Business Law, Statistics, Economics

Experience:

Valbridge Property Advisors - 2024-Present

Lowery Property Advisors – 2023-2024

Accurity Consolidated - 2020-2023

JLL Valuation Advisory – 2019-2020

Appraiser

Appraised over \$300,000,000 of real estate assets including ground leases, short-term rental, motel, golf course, multi-family, office, medical office, industrial, mobile home/RV park, farm and ranch, land, restaurant, and retail properties throughout the states of Texas and Oklahoma for both lender and right-of-way purposes.



Certified General Real Estate Appraiser

Appraiser: **Peyton McKeever**

License #: **TX 1381422 G**

License Expires: **03/31/2026**

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 Michael G. Divin, MAI

Senior Managing Director

Valbridge Property Advisors

Independent Valuations for a Variable World

State Certifications

State of Texas

Education

Sam Houston State University
BBA - 1983

Contact Details

Houston

713-467-5858 (p)

713-467-0704 (f)

Lubbock

806-744-1188 (p)

806-744-1189 (f)

Dallas

214-446-1611 (p)

Valbridge Property Advisors

974 Campbell Road

Suite 204

Houston, Texas 77024

2731 81st Street

Suite 100

Lubbock, Texas 79423

10210 North Central Expressway,

Suite 115

Dallas, Texas 75231

Mobile: 281-381-9225

www.valbridge.com

mdivin@valbridge.com

Membership/Affiliations:

Member: Appraisal Institute – MAI Designation

Appraisal Institute & Related Courses:

Course 1A1 – Real Estate Appraisal Principles

Course 1A2 – Basic Valuation Procedures

Course 400 – General Market Analysis & Highest and Best Use

Course 420 – Business Practices & Ethics

Course 1BA/B – Capitalization Theory & Techniques Parts A & B

Course 530 – Advanced Sales Comparison & Cost Approaches

Course 540 – Report Writing and Valuation Analysis

Course 550 – Advanced Applications

Course 700 – The Appraiser as an Expert Witness: Preparation and Testimony

Course 733 - Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets

USPAP Uniform Standards of Professional Appraisal Practice

Experience:

Senior Managing Director

ValbridgePropertyAdvisors(2013-Present)

Partner

The Gerald A. Teel Company, Inc. (8/1997- 3/2013)

Managing Director

Blosser Appraisal, A Division of The Gerald A. Teel Company, Inc. - Lubbock, Texas (2/2008-3/2013)

Appraisal/valuation and consulting assignments include: apartment buildings; retail buildings and shopping centers; general and medical office buildings; industrial buildings; religious and special purpose properties including schools, churches; hotels and motels; residential subdivisions; and vacant industrial, commercial, and residential land. Assignments have been concentrated in southwest region of the US, including Texas and New Mexico but national appraisal experience in 35 U.S. states.



**Certified General
Real Estate Appraiser**

Appraiser: **Michael Glen Divin**
License #: **TX 1320831 G** License Expires: **05/31/2025**

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

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


Chelsea Buchholtz
Commissioner



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FAST FACTS

COMPANY INFORMATION

- Valbridge is North America's largest independent commercial appraisal firm.
- Valbridge provides custom appraisal reports in the U.S., Canada, and Puerto Rico.
- Valbridge specializes in appraising all types of real property.
- Valbridge provides independent valuation services. We are NOT owned by a brokerage firm or investment company.
- Every Valbridge office is overseen by a Senior Managing Director who holds the MAI designation of the Appraisal Institute.
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- Valbridge welcomes single-property assignments as well as portfolio, multi-market, and other bulk-property engagements.

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Phone: 888.981.2029

[valbridge.com](https://www.valbridge.com)





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VALBRIDGE PROPERTY ADVISORS OFFICE LOCATIONS

ALABAMA

26241 Equity Dr., Ste. 101
Daphne, AL 36526
(251) 929-9090

4245 Balmoral Dr. SW, Unit #201
Huntsville, AL 35801
(256) 210-1555

4732 Woodmere Blvd.
Montgomery, AL 36106
(334) 277-5077

CALIFORNIA

3160 Crow Canyon Pl.
San Ramon, CA 94583
(925) 327-1660

825 Colorado Blvd., Ste. 201
Los Angeles, CA 90041
(626) 486-9327

17822 17th St., Ste. 211
Tustin, CA 92780
(714) 449-0852

775 Sunrise Ave., Ste. 260
Roseville, CA 95661
(916) 361-2509

1530 The Alameda, Ste. 100
San Jose, CA 95126
(408) 279-1520

COLORADO

5345 Arapahoe Ave., Ste. 6
Boulder, CO 80303
(303) 867-1935

FLORIDA

301 Almeria Ave., Ste. 350
Coral Gables, FL 33134
(305) 639-8029

3780 Burns Rd., Ste. 4
Palm Beach Gardens, FL 33410
(561) 833-5331

3033 Riviera Dr., Ste. 106
Naples, FL 34103
(239) 514-4646

IDAHO

3910 S. Yellowstone Hwy., Ste. B5
Idaho Falls, ID 83402
(208) 534-5505

1875 N. Lakewood Dr., Ste. 100
Coeur d'Alene, ID 83814
(208) 292-2965

ILLINOIS

566 W. Lake St., Ste. 240
Chicago, IL 60661
(312) 429-0132

INDIANA

6801 Lake Plaza Dr., Ste. C-301
Indianapolis, IN 46220
(317) 687-2747

KANSAS

10990 Quivira Rd., Ste. 100
Overland Park, KS 66210
(913) 451-1451

KENTUCKY

1890 Star Shoot Pkwy.
Lexington, KY 40509
(502) 585-3651

KENTUCKY (CONT'D)

9401 Williamsburg Plaza, Ste. 204
Louisville, KY 40222
(502) 585-3651

MARYLAND

11100 Dovedale Ct.
Marriottsville, MD 21104
(443) 333-5525

MASSACHUSETTS

260 Bear Hill Rd., Ste. 106
Waltham, MA 02451
(781) 790-5645

MICHIGAN

1420 Washington Blvd.
Detroit, MI 48226
(313) 986-3313

2127 University Park Dr.
Okemos, MI 48864
(517) 336-0001

MINNESOTA

1515 Central Pkwy., Ste. 120
Eagan, MN 55121
(651) 370-1475

MISSISSIPPI

1010 Ford St.
Gulfport, MS 39507
(228) 604-1900

224 Avalon Cir.
Brandon, MS 39047
(601) 853-0736

501 Highway 12 W., Ste. 150-M
Starkville, MS 39759
(662) 617-2350

VALBRIDGE PROPERTY ADVISORS

Phone: (239) 325-8234 | Fax: (239) 325-8356

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MISSOURI

1118 Hampton Ave., Ste. 208
St. Louis, MO 63139
(314) 255-1323

NEVADA

3034 S. Durango Dr., Ste. 100
Las Vegas, NV 89117
(702) 242-9369

1575 Delucchi Ln., Ste. 209
Reno, NV 89502
(775) 204-4100

NEW MEXICO

7301 Indian School Rd. NE, Ste. A
Albuquerque, NM 87110
(505) 884-4721

NORTH CAROLINA

5950 Fairview Rd., Ste. 405
Charlotte, NC 28210
(704) 376-5400

NORTH DAKOTA

118 Broadway N., Ste. 509
Fargo, ND 58091
(701) 289-1676

OHIO

8298 Clough Pike, Ste. 1
Cincinnati, OH 45244
(513) 785-0820

OKLAHOMA

6666 S. Sheridan Rd., Ste. 104
Tulsa, OK 74133
(918) 712-9992

3121 Quail Springs Pkwy., Ste. 150
Oklahoma City, OK 73134
(405) 603-1553

PENNSYLVANIA

900 West Valley Rd., Ste. 503
Wayne, PA 19087
(215) 545-1900

4701 Baptist Rd., Ste. 304
Pittsburgh, PA 15227
(412) 881-6080

SOUTH CAROLINA

1250 Fairmont Ave.
Mt. Pleasant, SC 29464
(843) 884-1266

11 Cleveland Ct.
Greenville, SC 29607
(864) 233-6277

920 Bay St., Ste. 26
Beaufort, SC 29902
(843) 884-1266

TENNESSEE

3500 Ringgold Rd., Ste. 3
Chattanooga, TN 37412
(423) 206-2677

213 Fox Rd.
Knoxville, TN 37922
(865) 522-2424

756 Ridge Lake Blvd., Ste. 225
Memphis, TN 38120
(901) 753-6977

5205 Maryland Way, Ste. 202
Brentwood, TN 37027
(615) 369-0670

TEXAS

901 Mopac Expy. S., Bldg. 1, Ste. 300
Austin, TX 78746
(737) 242-8585

10210 North Central Expy., Ste. 115
Dallas, TX 75231
(214) 446-1611

974 Campbell Rd., Ste. 204
Houston, TX 77024
(713) 467-5858

2731 81st St.
Lubbock, TX 79423
(806) 744-1188

9901 IH-10 West, Ste. 1035
San Antonio, TX 78230
(210) 227-6229

UTAH

527 E. Pioneer Rd., Ste. 240
Draper, UT 84020
(801) 262-3388

20 North Main St.
St. George, UT 84770
(435) 773-6300

321 N. County Blvd., Ste. D
American Fork, UT 84003
(801) 492-0000

VIRGINIA

656 Independence Pkwy., Ste. 220
Chesapeake, VA 23320
(757) 410-1222

1231 Alverser Dr.
Midlothian, VA 23113
(757) 345-0010

5107 Center St., Ste. 2B
Williamsburg, VA 23188
(757) 345-0010

WASHINGTON

8378 W. Grandridge Blvd., Ste. 110-D
Kennewick, WA 99336
(509) 221-1540

324 N. Mullan Rd.
Spokane Valley, WA 99206
(509) 747-0999

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