



REAL ESTATE APPRAISAL REPORT

PRIEST DRIVE, KILLEEN, TEXAS

PREPARED FOR: BELL COUNTY COMMISSIONERS COURT

ATTN: LOUIE MINOR, PRECINCT 4

P.O. BOX 768

BELTON, TEXAS 76513



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Date: May 29, 2024

To: Bell County Commissioners Court
Attn: Louie Minor, Precinct 4
P.O. Box 768
Killeen, TX 76513

RE: Priest Drive
Commercial Buildings & Land
Killeen, Texas

Dear Commissioner Minor:

As requested, I have performed a real estate appraisal on the property described above. I considered all conditions/characteristics pertinent to or indicative of the value of the property. As requested, the type of value that we will outline the derivation of in this report is "market value".

In the development and reporting of this appraisal report, every intention is made to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and applicable state appraisal regulations.

The property rights that are the subject of this appraisal are "fee simple". Per client request, the property was not inspected on the effective date of this report. This appraisal is contingent upon the extraordinary assumption that the property was in a similar condition on the inspection date as on the effective date of this appraisal.

If you have any questions or comments, please contact the undersigned. Collin Cresson can be reached by phone at (254) 751-1202 or by e-mail at Collin@BridgewoodProperties.com.

After careful consideration, it is my opinion that the market value of the subject property is:

(see next page)

Value Type	Effective Date	Market Value
As-Is: 16% of BCAD #95663 Building 307	May 25, 2024	\$243,000
As-Is: 84% of BCAD #95663 Building 309	May 25, 2024	\$935,000
As-Is: BCAD #8026 Annex	May 25, 2024	\$1,120,000
As-Is: BCAD #95665 Building 304	May 25, 2024	\$535,000
As-Is: BCAD #170391 Building 204	May 25, 2024	\$232,000
As-Is: BCAD #95630	May 25, 2024	\$191,000
As-Is: BCAD #95694	May 25, 2024	\$106,000
As-Is: BCAD #95695	May 25, 2024	\$165,000
As-Is: BCAD #7351	May 25, 2024	\$84,000

Respectfully submitted,



Collin Cresson

15130 Badger Ranch Blvd, Unit 401, Woodway, TX 76712
 Phone (254) 751-1202
www.bridgewoodproperties.com

EXECUTIVE SUMMARY

Effective Date:	May 25, 2024
Inspection Date:	April 14, 2023
Report Date:	May 29, 2024
Address:	Priest Drive, Killeen, Texas
Legal Description:	Lot 3, 4; Lot 5; Lot PT 12, 13, (PT 12 & N PT of 13); Lot PT 14 (N 200' of W 100' of 4); Lot PT 14 (14, Less N 200' of W 100'); Lot 12, 13, (SE PT of 12 & S PT of 13; 265.79' X 195.25' X 265.54' X 205.42'); Lot PT 12, (SW PT of 12); Lot 2, Block 1, Purser Robinson Commercial Tract, Killeen, Bell County, Texas
Owner:	Bell County
Borrower:	N/A
APN:	95663, 8026, 95665, 170391, 95630, 95694, 95695, and 7351
Type of Property	Commercial Buildings and Commercial Land
Zoning	B-5, Business District
Lot Size	16% of BCAD #95663: 6,621 SF 84% of BCAD#95663: 34,761 SF BCAD #8026: 107,158 SF BCAD #95665: 92,957 SF BCAD #170391: 19,994 SF BCAD #95630:106,374 SF BCAD #95694: 53,187 SF BCAD #95695: 73,442 SF BCAD #7351: 41,818 SF Per BCAD
Building Size	16% of BCAD #95663: 2,560 SF 84% of BCAD#95663: 13,146 SF BCAD #8026: 15,384 SF BCAD #95665: 5,616 SF BCAD #170391: 2,632 SF

	per measurements taken at the time of inspection and BCAD
Land to Building Ratio:	16% of BCAD #95663: 2.59 84% of BCAD#95663: 2.64 BCAD #8026: 6.97 BCAD #95665: 16.55 BCAD #170391: 7.60
Highest and Best Use	
- As Vacant	Office or Retail Type Use
- As Improved	Office or Retail Use
Value Conclusion: "As-Is"	16% of BCAD #95663: \$243,000 84% of BCAD#95663: \$935,000 BCAD #8026: \$1,120,000 BCAD #95665: \$535,000 BCAD #170391: \$232,000 BCAD #95630: \$191,000 BCAD #95694: \$106,000 BCAD #95695: \$165,000 BCAD #7351: \$84,000

CONTINGENT AND LIMITING CONDITIONS

HYPOTHETICAL CONDITIONS AND/OR EXTRAORDINARY ASSUMPTIONS:

USPAP defines a hypothetical condition as: “*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.*”

USPAP defines an extraordinary assumption as: “*An assumption, directly related to a specific assignment, as of the effective date of the appraisal results, which, if found to be false, could alter the appraiser’s opinions or conclusions.*”

Hypothetical Condition: Per client request, individual values is given to each of the structures. BCAD #95663 contains two structures. For the purpose of this appraisal we have proportionally divided the property. This appraisal is contingent upon the hypothetical condition that one parcel consists of 16% of the total lot size and the remaining parcel consist of 84% of the lot size. Any information contrary to this condition could alter assignment results.

Extraordinary Assumption: Per client request, the property was not inspected on the effective date of this report. This appraisal is contingent upon the extraordinary assumption that the property was in a similar condition on the inspection date as on the effective date of this appraisal.

No other hypothetical conditions and/or extraordinary assumptions are employed for the purpose of this appraisal.

OTHER ASSUMPTIONS AND LIMITING CONDITIONS:

1. This is an appraisal report that is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report.
2. It is assumed that title to the subject property is good and transferable. The value is reported without regard to questions of title, boundaries, encroachments, environmental regulations, licenses, or other matters of a legal nature unless non-compliance has been stated, defined, and considered in the appraisal report.
3. Factual data appearing in the report has been obtained from sources deemed reliable and was verified by recording information and by other sources when possible. While this information is believed to be reliable, no warranty is given for its accuracy. If new information of significance comes to light, the value given in this report is subject to change without notice.

4. Real Estate Values are influenced by a large number of external factors. The data contained herein is all of the data we consider necessary to support the value estimate. The appraiser has not knowingly withheld any pertinent facts, but cannot guarantee knowledge of all factors which might influence the value of the subject property. Due to unanticipated changes in external influences upon value, the value estimate is considered reliable only as of the date of the appraisal.

5. Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the future sales price of the subject property will equal the value estimate stated in this report. The value estimate assumes that the property is under responsible ownership and has competent management.

6. The appraiser will not be required to give testimony or attendance in either a court of law, or before any other legal authority by reason of this appraisal without prior agreement.

7. Possession of this report, or any copy thereof, does not carry with it the right of publication, nor may it be used for any purpose by any but the client without the previous consent of the appraiser or the client.

8. Neither all, nor any part, of the contents of this report shall be disseminated to the public through advertising media, public relations media, news media, prospectus for securities, or any other public means of communications without prior written consent and approval of the undersigned.

9. 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.

10. No environmental impact studies were either requested or made in conjunction with this appraisal, and the appraiser hereby reserves the right to alter, amend, revise or rescind any of the value opinions based upon any subsequent environmental impact studies, research or investigation.

11. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.

12. It is assumed that all required licenses, permits, consents, 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 estimate contained in this report is based.

13. No survey or topographical study of the property has been made by the appraiser(s) and the appraiser(s) assumes no responsibility in connection with such matters. Size of the subject property is taken from sources believed to be accurate; however, the reader/client is cautioned to rely only upon a qualified land surveyor or engineer for exact figures.

14. The appraiser(s) has not made a specific compliance survey and analysis of the subject property to determine whether or not it is in conformity with ADA requirements. Analysis by an expert in such matters is recommended. Discovery of noncompliance could have a negative effect on the value conclusion.

15. The acceptance of this appraisal is the acceptance of all assumptions, limiting conditions, and/ or any contingencies that are stated within this or any other section(s) of the appraisal.

STANDARD FORM CERTIFICATION

PERTAINING TO: Priest Drive
Commercial Buildings & Land
Killeen, Texas

AS OF: May 25, 2024

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 (or the specified) present or prospective interest in the property that is the subject of this report and no (or the specified) personal interest with respect to the parties involved.
4. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or 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 the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
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. Collin Cresson made a personal inspection of the property that is the subject of this report.
10. No one provided significant real property appraisal assistance to the person signing this certification.
11. The appraisal is based on the conditions specified in the definition of market value, as defined by the Financial Institution Reform, Recovery and Enforcement Act of 1989 (FIRREA).



Collin Cresson

PURPOSE OF APPRAISAL

The purpose of this appraisal is to estimate the market value of the subject property for use by the client/intended user of this report. This appraisal is not intended for use by anyone other than the client/intended user of this report. The appraiser does not intend, know of, or authorize any other use of this appraisal or content in this report. The results or content in this report should not be used for any other purposes.

FUNCTION OF APPRAISAL

This appraisal is intended to serve as a basis for ownership decisions regarding the subject property for the client/intended user. This appraisal is not intended for use by anyone other than the client/intended user of this report. The appraiser does not intend, know of, or authorize any other use of this appraisal or content in this report. The results or content in this report should not be used for any other purposes.

PROPERTY RIGHTS APPRAISED

Property rights appraised in this report are in bold. Definitions are found in the *Dictionary of Real Estate Appraisal, American Institute of Real Estate Appraisers:*

Fee Simple Estate - “Absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation.”

Leased Fee Estate – “An ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others; the rights of lessor (the leased fee owner) and leased fee are specified by contract terms contained within the lease.”

DEFINITION OF MARKET VALUE

MARKET VALUE, for the purpose of this appraisal, is defined as being the most probable price which 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, 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 he considers his own best interest.
3. A reasonable time is allowed for exposure in the open market.
4. Payment is made in cash in U.S. Dollars or in terms of financial arrangements comparable thereto.
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.

Source: 12 CFR § 323.2

SCOPE OF THE APPRAISAL

USPAP Definition: The type and extent of research and analysis in any assignment. Includes the extent to which the property is identified, the extent to which tangible property is inspected, the type and extent of data researched, and the type and extent of analysis applied to arrive at opinions or conclusions.

1. Upon engagement by the client to provide a real estate appraisal of the subject property, a detailed inspection was conducted of the subject property. On such properties that include improvements, interior inspections were also made.
2. The appraiser(s) researched the physical, legal, and economic records of the subject property and included any information deemed significant in the appraisal report.
3. The appraisal process consisted of the analysis of market data, such as sales, lease rates, and construction figures of similar properties. The process of collecting such information consisted of contacting real estate brokers, grantors and grantees, and other parties that have an interest in the subject area. Additional data was collected from appropriate secondary sources, such as the multiple listing service, public sources, CoStar, Loopnet, cost estimating services, and other relevant sources.
4. The appraisal report can include three approaches to value. The sales approach considers sales of properties similar to the subject. Adjustments are made to account for significant differences between the subject and the comparable properties. The cost approach consists of the determination of the land value of the subject added to the estimated construction costs of any improvements (minus depreciation). The income approach uses the income generating potential of the subject property to establish its market value. The exclusion of any of these approaches to value does not diminish the reliability of the value conclusion.
5. The results of these approaches were reconciled to produce an opinion of value that is based upon facts and figures derived from market transactions in the subject area.

OWNERSHIP HISTORY: 3 YEARS	To the best of my knowledge, ownership of the subject tracts has not transferred in the last three years. The current owner of the subject property, according to the Bell County Appraisal District, is Bell County.
INTENDED USER:	Bell County Commissioners Court
CLIENT:	Bell County Commissioners Court
EFFECTIVE DATE:	May 25, 2024
MARKETING TIME:	“The time it takes an interest in real property to sell on the market subsequent to the effective date of the appraisal.” The marketing time for the subject property is approximately six to twelve months.
EXPOSURE TIME:	“The estimated 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.” The exposure time of the subject property is approximately six to twelve months.

TAXING INFORMATION

Bell County Appraisal District Valuation:

2023 Assessed Values and Taxes:

Parcel	Land Assessment	Improvement Assessment	2022 Taxes
16% of 95663	\$3,311	\$65,751	\$1,307.32
84% of 95663	\$17,380	\$415,556	\$8,195.36
8026	\$107,158	\$838,717	\$17,905.15
95665	\$46,479	\$166,797	\$4,037.25
107391	\$19,994	\$122,214	\$2,691.96
95630	\$53,187	N/A	\$1,006.82
95694	\$26,593	N/A	\$503.40
95695	\$36,721	N/A	\$695.12
7351	\$41,818	\$8,303	\$948.78

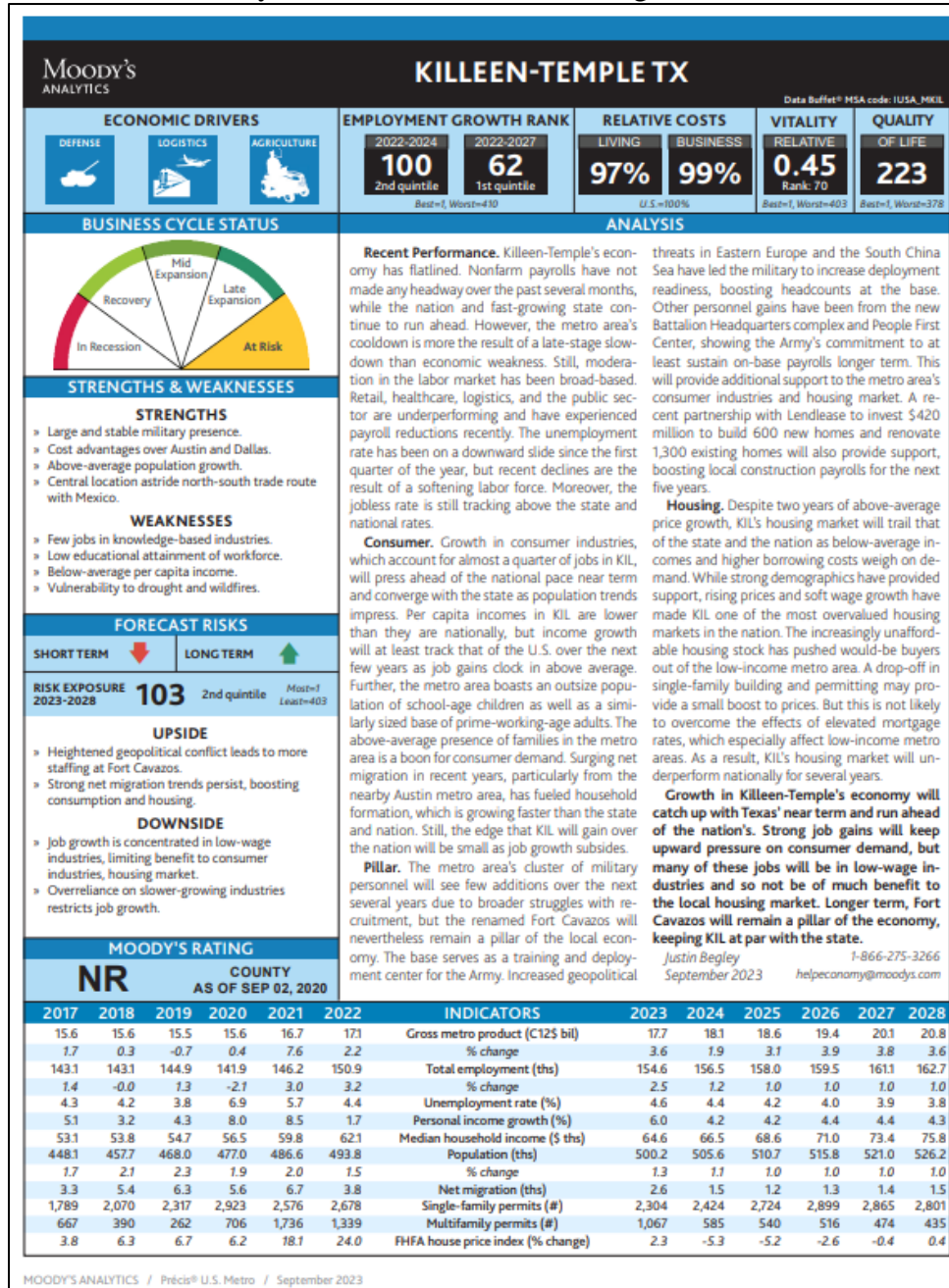
*It is noted that each parcel is currently tax exempt under exemption EX-XV – Other Exemptions (including public property, religious organizations, charitable organizations, and other property not reported elsewhere).

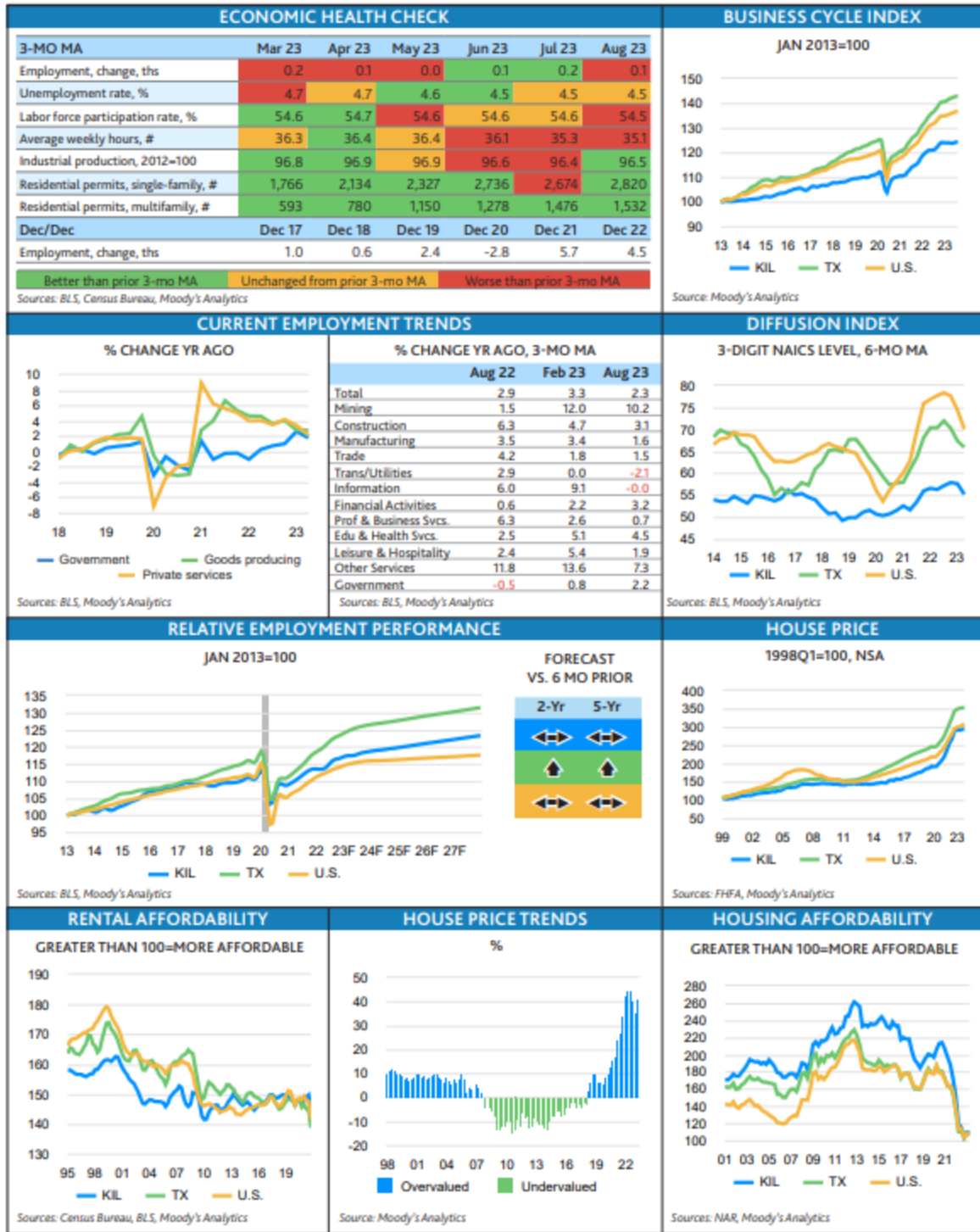
2023 Tax Rates

Tax Districts	Tax Rate/100
Bell County	0.2914
Central Texas College	0.0825
Bell County Road	0.0211
Killeen ISD	0.8501
City of Killeen	0.6208
Clearwater U.W.C.D.	0.002372
Bell County WCID #6	0.0247
TOTAL	1.892972

CITY DATA & ECONOMIC TRENDS

The subject is located near the City of Temple, which is in the Killeen-Temple MSA and is located in the central sector of the State of Texas approximately one hundred twenty miles south of the Dallas/Fort Worth Metroplex. Austin, which is the capitol of Texas, is located approximately fifty miles to the south of the City of Killeen. The following analyses, prepared by Moody's Analytics, summarize the economic outlook and population trends for the City of Killeen and surrounding areas.





RENTAL AFFORDABILITY

GREATER THAN 100=MORE AFFORDABLE

— KIL — TX — U.S.

Sources: Census Bureau, BLS, Moody's Analytics

HOUSE PRICE TRENDS

%

■ Overvalued ■ Undervalued

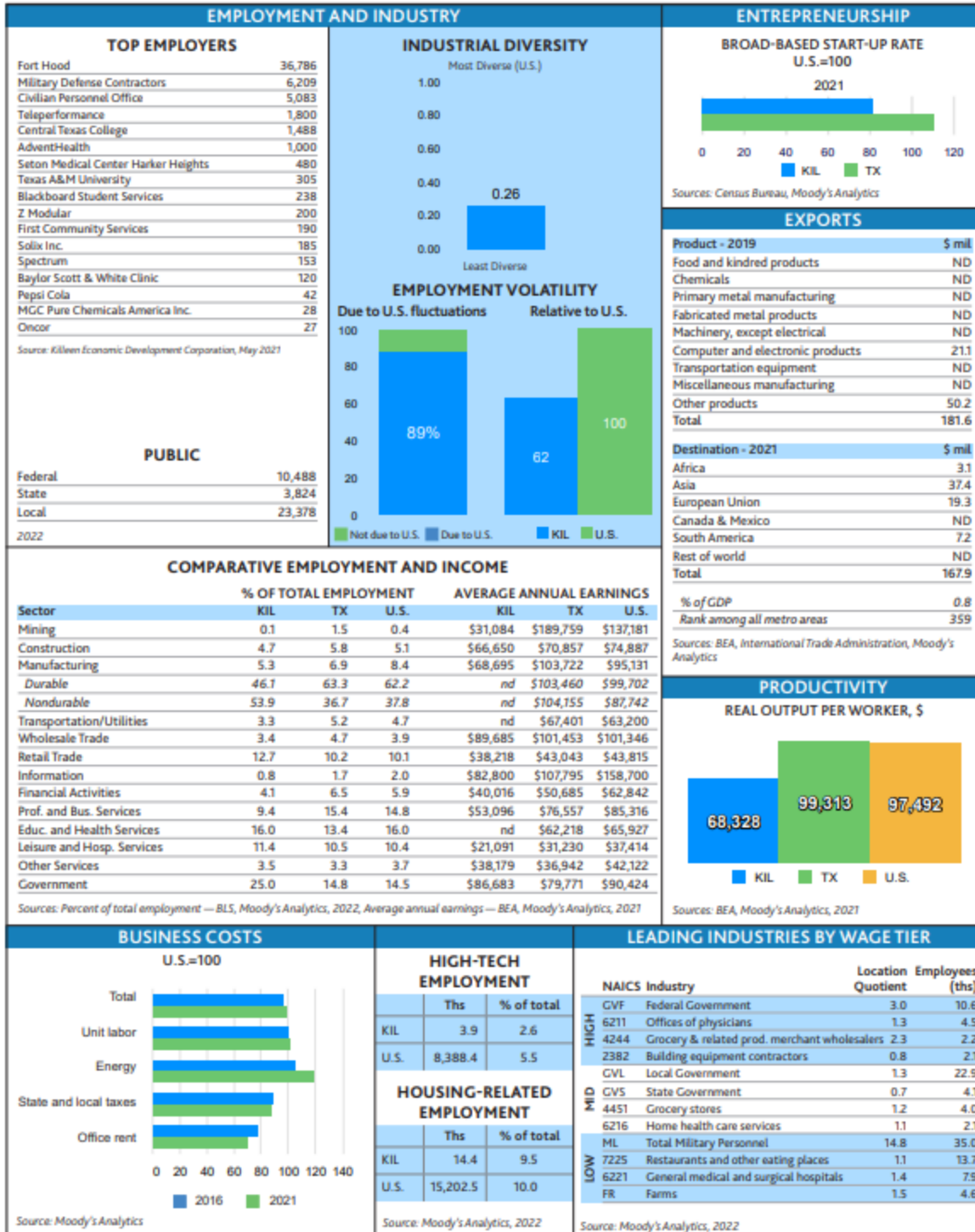
Source: Moody's Analytics

HOUSING AFFORDABILITY

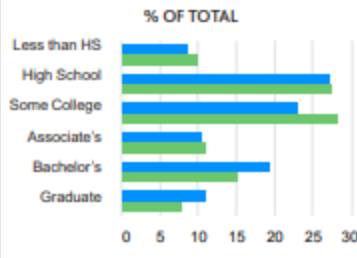
GREATER THAN 100=MORE AFFORDABLE

— KIL — TX — U.S.

Sources: NAR, Moody's Analytics



SKILLS MISMATCH

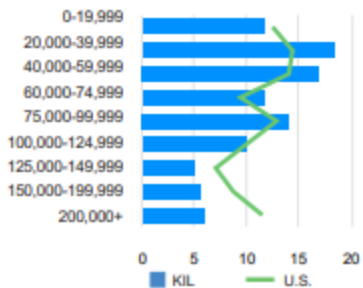


ECONOMIC DISENFRANCHISEMENT

Index	2019	Rank*
Gini coefficient	0.46	190
Palma ratio	2.8	297
Poverty rate	13.7%	161

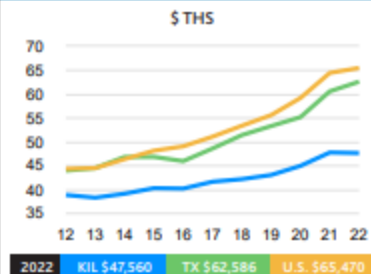
*Most unequal=1; Most equal=403

HOUSEHOLDS BY INCOME, %



Sources: Census Bureau, ACS, Moody's Analytics, 2018

PER CAPITA INCOME



Sources: BEA, Moody's Analytics

Sources: Census Bureau, ACS, Moody's Analytics, 2022

MIGRATION FLOWS

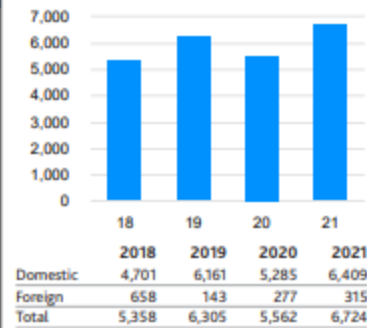
INTO KILLEEN TX

City	Number of Migrants
Austin TX	5,381
Houston TX	1,340
San Antonio TX	1,227
Waco TX	1,108
Dallas TX	1,013
Urban Honolulu HI	902
El Paso TX	698
Fort Worth TX	680
Colorado Springs CO	614
Tacoma WA	519
Total in-migration	41,174

FROM KILLEEN TX

City	Number of Migrants
Austin TX	3,630
Houston TX	1,513
San Antonio TX	1,423
Dallas TX	1,233
Waco TX	1,133
Fort Worth TX	846
Urban Honolulu HI	840
Colorado Springs CO	667
El Paso TX	579
Clarksville TN	533
Total out-migration	36,214
Net migration	4,960

NET MIGRATION, #



Sources: IRS (top), 2021, Census Bureau, Moody's Analytics

COMMUTER FLOWS

RESIDENTS WHO WORK IN KIL



WORKERS WHO LIVE IN KIL



Top Outside Sources of Jobs

City	Share
Killeen TX	2.7
Austin TX	2.1
Waco TX	0.3
Dallas TX	0.2
Houston TX	0.2
San Antonio TX	0.2

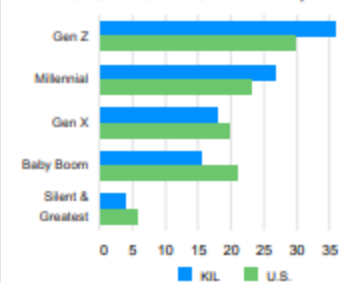
Top Outside Sources of Workers

City	Share
Killeen TX	2.9
Austin TX	1.9
Waco TX	0.3
Houston TX	0.2
Fort Worth TX	0.2
Dallas TX	0.2

Sources: Census Bureau, Moody's Analytics, avg 2011-2015

GENERATIONAL BREAKDOWN

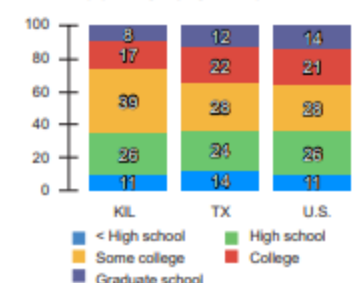
POPULATION BY GENERATION, %



Sources: Census Bureau, Moody's Analytics, 2021

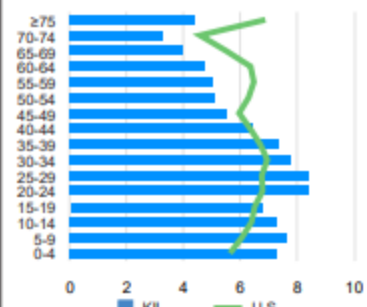
EDUCATIONAL ATTAINMENT

% OF ADULTS 25 AND OLDER

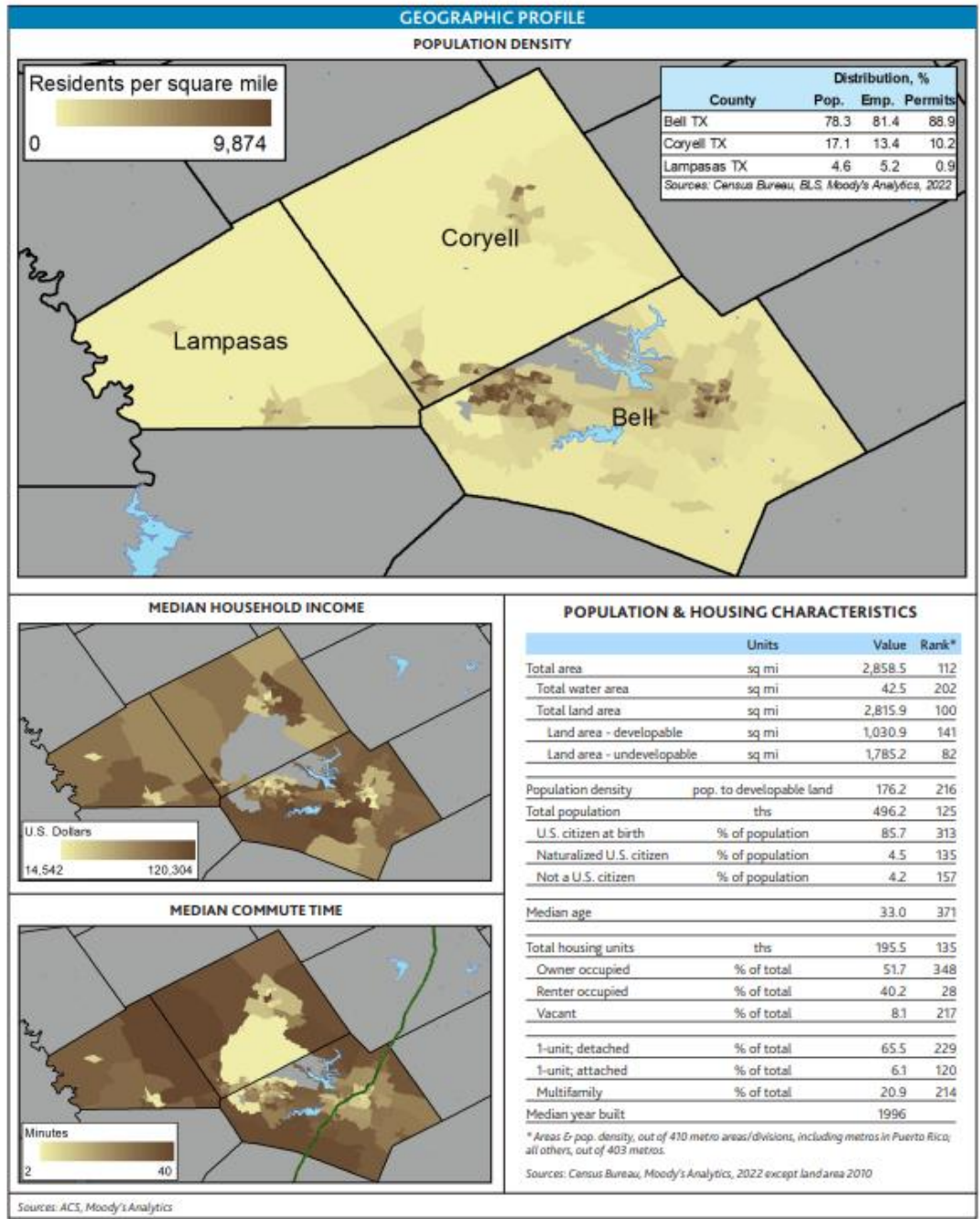


Sources: Census Bureau, ACS, Moody's Analytics, 2022

POPULATION BY AGE, %



Sources: Census Bureau, Moody's Analytics, 2021



MOODY'S ANALYTICS / Précis® U.S. Metro / September 2023

Bridgewood Summary

Moody's forecasts that the Temple market has recovered from the uncertainty caused by the COVID-19 pandemic. Unemployment numbers are very similar to before the pandemic. Overall, Bridgewood concludes that the Waco area is capable of supporting the viability of long-term real estate investment.

GENERAL LOCATION INFORMATION:

The subject property is located in the City of Killeen fronting Priest Drive, which is a secondary thoroughfare of the subject area. BCAD #95630 also fronts W. Hallmark Avenue, another secondary thoroughfare of the subject area. E. Rancier Avenue, a primary thoroughfare of the subject area, is located less than one mile to the north of the subject. Business Highway 190, another primary thoroughfare of the subject area, is located less than one-half mile to the north of the subject property. U.S. Highway 190, also known as Interstate Highway 14, is a primary thoroughfare of the City of Killeen and Bell County. U.S. Highway 190 is located less than two miles to the south of the subject property.

Fort Hood is located less than one mile to the northwest of the subject property. The subject is located near the downtown business district of the City of Killeen, which consists primarily of office and municipal buildings, retail buildings, restaurants, places of worship, and other commercial properties. Various residential neighborhoods with single- and multi-family residences are located within a short distance of the subject property. The area is serviced by the Killeen Independent School District. Overall, this area has shown average to good marketability in the recent past.

NEIGHBORHOOD ANALYSIS:

<u>Neighborhood Boundaries</u>	The subject neighborhood consists of the northern sector of the City of Killeen.										
<u>Land Use</u>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Commercial/Retail</td> <td style="text-align: right;">25%</td> </tr> <tr> <td>Office Buildings</td> <td style="text-align: right;">10%</td> </tr> <tr> <td>Industrial Use</td> <td style="text-align: right;">5%</td> </tr> <tr> <td>Residential Use</td> <td style="text-align: right;">55%</td> </tr> <tr> <td>Vacant Land</td> <td style="text-align: right;">5%</td> </tr> </table>	Commercial/Retail	25%	Office Buildings	10%	Industrial Use	5%	Residential Use	55%	Vacant Land	5%
Commercial/Retail	25%										
Office Buildings	10%										
Industrial Use	5%										
Residential Use	55%										
Vacant Land	5%										
<u>Property Compatibility</u>	Average.										
<u>Growth Rate</u>	Appears average at the present time with limited construction in the subject area.										
<u>Property Values</u>	Property values in the commercial sector have increased sharply over the past several years. Elevated interest rates have increased residential marketing times and have slowed residential property value growth. Given the fewer number of datapoints in the commercial real estate sector, no indication has been observed by Bridgewood that suggests commercial property values have declined; however, rising interest rates will inevitably decrease the pool of potential buyers, which could lead to increased marketing times and may impact property values in the short term.										
<u>Employment Stability</u>	The Killeen sector's unemployment rate is in line with its long term average and appears to have fully recovered from the COVID-19 pandemic. We caution readers to monitor employment trends, as interest rates used to combat inflation may lead to unemployment rate increases.										
<u>Market Conditions</u>	High rates of inflation and elevated interest rates employed to combat inflation should be monitored by the reader. As previously mentioned, the residential market in the Killeen area has seen a marked slowdown from record levels of activity. The commercial sector is more difficult to analyze on a macro level; however, Bridgewood has observed signs of a generally cooling real estate market.										
<u>General Description</u>	The subject is located near the downtown center of the City of Killeen, which consists primarily of office and municipal buildings, retail buildings, restaurants, places of worship, and other commercial properties. Various residential neighborhoods with single- and multi-family residences are located within a short distance of the subject property.										

LOCATION MAP



SITE DESCRIPTION

SIZE & SHAPE:	<p>16% of BCAD #95663: 6,621 SF, rectangular shape. See hypothetical condition.</p> <p>84% of BCAD#95663: 34,761 SF, mostly rectangular shape. See hypothetical condition.</p> <p>BCAD #8026: 107,158 SF, mostly rectangular shape.</p> <p>BCAD #95665: 92,957 SF, rectangular shape.</p> <p>BCAD #170391: 19,994 SF, rectangular shape.</p> <p>BCAD #95630:106,374 SF, irregular shape. The rear of the tract slopes from south to north. A small portion of the front of the tract is paved.</p> <p>BCAD #95694: 53,187 SF, mostly rectangular shape. The property slopes heavily from south to north.</p> <p>BCAD #95695: 73,442 SF, rectangular shape. A portion of the property slopes heavily from south to north.</p> <p>BCAD #7351: 41,818 SF, mostly rectangular shape. The rear of the property is paved.</p> <p>Size and shapes provided by BCAD. A survey is recommended.</p>
TOPOGRAPHY AND SOIL:	<p>Terrain is level to gently sloping. All surface drainage appears adequate at the present time. The soil condition appears suitable for all types of construction.</p>
UTILITIES & SERVICES:	<p>Public water and sewer. Gas, electric and telephone services available.</p>
STREET IMPROVEMENTS:	<p>The subject fronts Priest Drive, which is asphalt paved and publicly maintained. BCAD #95630 also fronts W. Hallmark Avenue, which is asphalt paved and publicly maintained.</p>
ACCESS:	<p>The subject has average access to Priest Drive. BCAD #95630 also has average access to W. Hallmark Avenue</p>
IMPROVEMENTS:	<p>16% of BCAD #95663: Improved with an office building.</p> <p>84% of BCAD#95663: Improved with an office building.</p> <p>BCAD #8026: Improved with an office building.</p> <p>BCAD #95665: Improved with an office building.</p> <p>BCAD #170391: Improved with a modular office building.</p> <p>BCAD #95630: Improved with partial asphalt paving.</p>

	<p>BCAD #95694: Vacant. BCAD #95695: Vacant. BCAD #7351: Improved with partial asphalt paving. See description of improvements.</p>
FLOOD ZONE INFORMATION:	<p>BCAD #95695 and 95694 appear to be entirely located in Zone X, which consists of areas outside of the flood zone. BCAD #95663, 8026, and 7351 appear to be located entirely in Zone AE, which consists of areas without base flood elevation. BCAD 95665, 170391, and 95630 appear to be located in both Zone AE and Zone X. See FEMA Panel #48027C0280E</p>
EASEMENTS & ENCROACHMENTS	<p>No adverse easements or encroachments were observed on the subject tract at the time of inspection.</p>

PLAT



ZONING DESCRIPTION



FLOOD ZONE MAP



ENVIRONMENTAL DISCLAIMER:

The appraiser(s) is not licensed for the examination of any environmental hazards that may be found on the subject tract. No environmental impact studies were made in conjunction with this appraisal. Inspection by a licensed environmental expert is recommended. The appraiser(s) reserves the right to alter, amend, revise, or rescind the opinion(s) of value based on the results of such an inspection.

DESCRIPTION OF IMPROVEMENTS:

OFFICE BUILDING: (16% OF BCAD #95663) BUILDING 307	
YEAR OF CONSTRUCTION:	1978, per BCAD.
EFFECTIVE AGE:	Approximately 15 years.
SIZE:	Approximately 2,560 Square Feet, per BCAD.
CONSTRUCTION TYPE:	Concrete block and steel frame.
FOUNDATION:	Concrete slab foundation.
EXTERIOR FINISH:	Brick veneer.
ROOF TYPE:	Flat roof covering.
WINDOWS/DOORS:	Metal frame glass windows and entrance doors. Wood interior doors.
HEATING/COOLING:	Central heat and air conditioning located throughout the building.
ELECTRICAL:	Electrical systems are assumed to code.
PLUMBING:	Adequate restrooms. All plumbing assumed to code.
OVERALL FLOOR PLAN:	The building consists of a waiting room, large teller area, break room, a storage closet, and two restrooms.
CONDITION:	The building is in average condition.

OFFICE BUILDING: (84% OF BCAD #95663) BUILDING 309	
YEAR OF CONSTRUCTION:	1981, per BCAD.
EFFECTIVE AGE:	Approximately 15 years.
SIZE:	Approximately 13,146 Square Feet, per BCAD.

CONSTRUCTION TYPE:	Concrete block and steel frame.
FOUNDATION:	Concrete slab foundation.
EXTERIOR FINISH:	Brick veneer.
ROOF TYPE:	Flat roof covering.
WINDOWS/DOORS:	Metal frame glass windows and entrance doors. Wood interior doors. Metal exit doors.
HEATING/COOLING:	Central heat and air conditioning located throughout the building.
ELECTRICAL:	Electrical systems are assumed to code.
PLUMBING:	Adequate restrooms. All plumbing assumed to code.
OVERALL FLOOR PLAN:	The building consists of an open reception area, an open office, various offices, a storage closet, a break room, a bullpen, and two restrooms.
CONDITION:	The building is in average condition.

OFFICE BUILDING: (BCAD #8026) ANNEX	
YEAR OF CONSTRUCTION:	1976, per BCAD.
EFFECTIVE AGE:	Approximately 15 years.
SIZE:	Approximately 15,384 Square Feet, per appraiser's measurements and BCAD.
CONSTRUCTION TYPE:	Concrete block and steel frame.
FOUNDATION:	Concrete slab foundation.
EXTERIOR FINISH:	Brick veneer.
ROOF TYPE:	Flat roof covering.

WINDOWS/DOORS:	Metal frame glass windows and entrance doors. Wood interior doors. Metal exit doors.
HEATING/COOLING:	Central heat and air conditioning located throughout the building.
ELECTRICAL:	Electrical systems are assumed to code.
PLUMBING:	Adequate restrooms. All plumbing assumed to code.
OVERALL FLOOR PLAN:	The building consists of a reception area, various offices, a courtroom, a conference room, two restrooms, offices, a break room, and an open bullpen.
CONDITION:	The building is in average condition.

**OFFICE BUILDING: (BCAD #95665)
BUILDING 304**

YEAR OF CONSTRUCTION:	1989, per BCAD.
EFFECTIVE AGE:	Approximately 15 years.
SIZE:	Approximately 5,616 Square Feet, per appraiser's measurements and BCAD.
CONSTRUCTION TYPE:	Steel and wood frame construction.
FOUNDATION:	Concrete slab foundation.
EXTERIOR FINISH:	Brick veneer.
ROOF TYPE:	Flat roof covering.
WINDOWS/DOORS:	Metal frame glass windows and entrance doors. Wood interior doors. Metal exit doors.
HEATING/COOLING:	Central heat and air conditioning located throughout the building.
ELECTRICAL:	Electrical systems are assumed to code.
PLUMBING:	Adequate restrooms. All plumbing assumed to code.

OVERALL FLOOR PLAN:	The building consists of two units. The first unit contains a lobby/reception area, an office, a data room, a storage closet. The second unit consists of various offices, three restrooms, and a break room.
CONDITION:	The building is in fair to average condition.

OFFICE BUILDING: (BCAD #170391) BUILDING 204	
YEAR OF CONSTRUCTION:	2017, per BCAD.
EFFECTIVE AGE:	Approximately 15 years.
SIZE:	Approximately 2,632 Square Feet, per appraiser's measurements and BCAD.
CONSTRUCTION TYPE:	Wood frame construction. Modular building.
FOUNDATION:	Pier and beam foundation.
EXTERIOR FINISH:	Wood siding.
ROOF TYPE:	Built-up roof covering.
WINDOWS/DOORS:	Metal frame glass windows and entrance doors. Wood interior doors. Metal exit doors.
HEATING/COOLING:	Central heat and air conditioning located throughout the building.
ELECTRICAL:	Electrical systems are assumed to code.
PLUMBING:	Adequate restrooms. All plumbing assumed to code.
OVERALL FLOOR PLAN:	The building consists of various offices, work rooms, restrooms, and a break room.
CONDITION:	The building is in average condition for buildings of similar construction type.

DESCRIPTION – EXTERIOR IMPROVEMENTS

PARKING/PAVED:	Asphalt paving on BCAD 95663, 8026, 7351, 95630, 170391, and 95665.
CONDITION:	The overall condition of the site improvements is average.

OBSOLESCENCE/UTILITY OF IMPROVEMENTS:

PHYSICAL:

Overall, the subject improvements are in average condition. Physical depreciation is based upon age and physical condition.

FUNCTIONAL OBSOLESCENCE:

The subject experiences no functional obsolescence.

EXTERNAL (ECONOMIC) OBSOLESCENCE:

The overall subject improvements appear to suffer from no external or economic obsolescence.

It is noted that these pictures were taken on April 14, 2023

95663
Bld. 307



95663
Bld. 307



95663
Bld. 307



95663
Bld. 307



95663
Bld. 307



95663
Bld. 309



95663
Bld. 309



95663
Bld. 309



95663
Bld. 309



95663
Bld. 309



8026
Annex
Building



8026
Annex
Building



8026
Annex
Building



8026
Annex
Building



8026
Annex
Building



8026
Annex
Building



8026
Annex
Building



95665
Building 304



95665
Building 304



95665
Building 304



95665
Building 304



170391
Building 204
Exterior photo
from Google
Street View



170391
Building 204



170391
Building 204



HIGHEST AND BEST USE ANALYSIS:

A fundamental principle in the valuation of real property is highest and best use. Highest and Best use is defined as, “The reasonable, probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.” (*The Appraisal of Real Estate*, 14th Edition, P. 333)

Four tests are used to determine the highest and best use of a property. A use must be physically possible, legally permissible, financially feasible, and maximally productive. Determination of this use, as vacant and as improved, is critical, as the subject will be valued according to its highest and best use.

AS VACANT	
Physically Possible	The subject property consists of nine separate tracts with level to gently sloping terrain. BCAD #95695 and 95694 appear to be entirely located outside the flood zone. BCAD #95663, 8026, and 7351 appear to be located entirely in the flood zone. BCAD 95665, 170391, and 95630 appear to be located both in and outside of the flood zone. The soil type appears adequate for all types of construction. Public utilities are available to the subject tracts, and the subject is provided with adequate street access. Based upon analysis of the physical features of the site, no physical limitations are present that would limit development of the subject site, with the exception of the flood zone.
Legally Permissible	The tracts are located within the city limits of Killeen and are zoned Business District. The subject tracts are subject to typical local service utility easements, which have no adverse effects on the subject. Based upon analysis of the zoning regulations and utility easement requirements, no legal limitations are present that would limit development of the subject sites.
Financially Feasible	Based upon the current zoning of the subject sites, allowable uses would include an office type use, which would be financially feasible for the subject tract.
Maximally Productive	Use of the subject sites for an office type use would be consistent with surrounding developments and would represent the maximally productive use of the tracts.

Conclusion	The appraiser(s) has presented a discussion of the physically possible, legally permissible, financially feasible, and maximally productive use of the subject property, as vacant. Based on the information presented, it is my opinion that the highest and best use of each subject tract, as vacant, is an office or retail type use.
AS IMPROVED	
Physically Possible	16% of BCAD #35663, 84% of BCAD #95663, BCAD #8026, BCAD #95665, and BCAD #170391 are each improved with an office building that is in average condition at the present time. There are no physical limitations preventing the property from its highest and best use, with the exception of the flood zone.
Legally Permissible	The tracts are located within the city limits of Killeen and are zoned Business District. There are no legal limitations that would prevent the property from being utilized to its highest and best use.
Financially Feasible	An office use is a financially feasible use of each tract.
Maximally Productive	An office use is the maximally productive use of the tracts.
Conclusion	The appraiser(s) has presented a discussion of the physically possible, legally permissible, financially feasible, and maximally productive use of the subject property, as improved. Based on the information presented, it is my opinion that the highest and best use of the subject tracts, as improved, is an office use.

APPRAISAL PROCEDURE

The methodology employed in the determination of the market value(s) provided in this appraisal involved the analysis of various factors relevant to the desirability and marketability of the subject property. Included in this analysis is an investigation into such matters as physical attributes of the property, area and neighborhood trends, and general economic, social, and political influences that have potential impacts on the subject.

The valuation process, which serves as a basis for estimating market value, can vary depending on the type of property being appraised and/or the intended use of the appraisal. The following approaches can be used to estimate market value.

SALES COMPARISON APPROACH – This approach is based upon the examination of verifiable sales of similar properties located in the subject area or in similar market areas.

COST APPROACH – An estimate of the present reproduction cost of the improvements, less accrued depreciation, plus the land value. Depreciation is the loss of value due to physical, functional, and economic causes.

INCOME APPROACH – Capitalization of the net income that the property is capable of generating. This approach, of course, is applicable only in income-producing properties.

SALES COMPARISON APPROACH ANALYSIS

The value of the subject property can be estimated by using the Sales Comparison Approach Method to value. This approach is based upon the examination of verifiable sales of similar properties located in the subject area or in similar market areas.

The Sales Comparison Approach to Value involves the comparison of recently purchased properties similar to the subject in terms of various quantitative and qualitative characteristics. Positive and/or negative adjustments are made to account for differences between the subject and the comparables in any number of categories that have an impact on marketability or desirability.

The following sales will be analyzed to determine the market value of the subject property.

Parcels 95663, 8026, 95665, and 170391 will be compared to tracts improved with office buildings. Parcels 7351, 35695, 95694, and 96630 will be compared to vacant tracts.

IMPROVED PARCELS

COMPARABLE #1



Descriptive Data	Sales Data
<p>Address: 4402 E. Central Texas Expressway</p> <p>City: Killeen</p> <p>County/State: Bell, TX</p> <p>Property Type: Office Building</p> <p>Year Built: 1984</p> <p>Building Size (SF): 6,048</p> <p>Lot Size (SF): 24,829</p> <p>Land-to-Building: 4.11</p>	<p>Grantor: YH-SH LLC</p> <p>Grantee: Emancipet Inc.</p> <p>Date of Sale: December 22, 2023</p> <p>Consideration: \$620,000</p> <p>Price Per SF (B & L): \$102.51</p> <p>Instrument Number: 2024000346</p> <p>Source: MLS/Deed Record</p>

COMPARABLE #2



Descriptive Data	Sales Data
<p>Address: 518 N. Hewitt Drive</p> <p>City: Hewitt</p> <p>County/State: McLennan, TX</p> <p>Property Type: Office Building</p> <p>Year Built: 1989</p> <p>Building Size (SF): 3,705</p> <p>Lot Size (SF): 45,398</p> <p>Land-to-Building: 12.25</p>	<p>Grantor: John L. Holder Jr.</p> <p>Grantee: Anthony Health Management LLC</p> <p>Date of Sale: May 8, 2024</p> <p>Consideration: \$550,000</p> <p>Price Per SF (B & L): \$148.45</p> <p>Instrument Number: 2024013833</p> <p>Source: Realtor/Deed Record</p>

COMPARABLE #3



Descriptive Data	Sales Data
Address: 1111 N. General Bruce Drive City: Temple County/State: Bell, TX Property Type: Office Building Year Built: 1965 Building Size (SF): 12,321 Lot Size (SF): 76,796 Land-to-Building: 6.23	Grantor: G8Drive LLC Grantee: Backor Holdings LLC Date of Sale: November 3, 2022 Consideration: \$800,000 Price Per SF (B & L): \$64.93 Instrument Number: 2022067988 Source: Realtor/Deed Record

COMPARABLE #4



Descriptive Data	Sales Data
Address: 3010 Illinois Avenue	Grantor: Whitis Action Rentals LTD
City: Killeen	Grantee: Guiding Lights Concepts LLC
County/State: Bell, TX	Date of Sale: October 23, 2023
Property Type: Office Building	Property Rights: Fee Simple
Year Built: 2003	Consideration: \$995,000
Building Size (SF): 6,510	Price Per SF (B & L): \$185.84
Lot Size (SF): 68,651	Instrument Number: 2023048068
Land-to-Building: 10.55	Source: Realtor/Deed Record

SUMMARY OF SALES DATA

Sale	Address	Date of Sale	Size (SF)	Price	\$/SF
1	4402 E. Central Texas Expy.	12/22/2023	6,048	\$620,000	\$102.51
2	518 N. Hewitt Drive	5/8/2024	3,705	\$550,000	\$148.45
3	1111 N. General Bruce Drive	11/3/2022	12,321	\$800,000	\$64.93
4	3010 Illinois Avenue	10/23/2023	6,510	\$995,000	\$152.84
Average			7,146	\$741,250	\$117.18
Maximum			12,321	\$995,000	\$152.84
Minimum			3,705	\$550,000	\$64.93

SALES COMPARABLE MAP



SALES COMPARISON APPROACH: ANALYSIS – BUILDING 307

Attempts are always made to find sales of similar properties in the immediate subject neighborhood. When necessary, comparables are used from adjacent or similar markets. The comparables used are always believed to be the most appropriate.

In arriving at an estimated value of the subject, consideration is given to the following categories that influence value. These categories include property rights, financing terms, conditions of sale, market conditions, location, land to building ratio, size, building quality, condition, and amenities. When necessary, adjustments were made for the following categories. Adjustments have been rounded. A discussion of each of these adjustment categories will be presented in the following pages:

Property Rights	No adjustments are necessary.
Financing Terms	No adjustments are necessary.
Conditions of Sale	No adjustments are necessary.
Market Conditions	No adjustments are necessary.
Location	Comparables #1 through #3 are superior and require negative adjustments of ten percent.
Land to Building Ratio	Comparables #2, #3 and #4 are superior and require negative adjustments of five or ten percent.
Size	Comparables #1, #3 and #4 are larger than the subject and require positive adjustments of ten or fifteen percent.
Quality	No adjustments are necessary.
Condition	Comparable #4 is superior and requires a negative adjustment of twenty percent. Comparable #3 is inferior and requires a positive adjustment of twenty percent.
Flood Zone	All four comparables are superior and require negative adjustments of ten percent.
Amenities	No adjustments are necessary.

The following is a summary of the comparables used and the adjustments made:

ADJUSTMENT GRID – BUILDING 307

	Comp. #1	Comp. #2	Comp. #3	Comp. #4		
Price per SF	\$102.51	\$148.45	\$64.93	\$152.84		
Property Rights						
Financing Terms						
Conditions of Sale						
Market Conditions						
Transactional Adj.	\$102.51	\$148.45	\$64.93	\$152.84		
Location	-10%	-10%	-10%			
Land to Building		-10%	-5%	-10%		
Size	10%		15%	10%		
Quality						
Condition			20%	-20%		
Flood Zone	-10%	-10%	-10%	-10%		
Amenities						
Total Adj.	-10.0%	-30.0%	10.0%	-30.0%		
Total \$ Adj.	-\$10.25	-\$44.54	\$6.49	-\$45.85		
Adjusted Value	\$92.26	\$103.92	\$71.42	\$106.99		
Unadjusted Data	High	\$153	Low:	\$65	Range	\$88
Adjusted Data	High	\$107	Low:	\$71	Range	\$36

After all adjustments were made, the comparables ranged in value from \$71.42 per SF to \$106.99 per square foot, with an average of \$93.65 per square foot. Overall, it is believed that a value of \$95.00 per square foot is appropriate.

$$2,560 \text{ SF} \times \$ 95.00 \text{ per SF} = \$ 243,200$$

SAY \$ 243,000 – BUILDING 307

SALES COMPARISON APPROACH: ANALYSIS – BUILDING 309

Attempts are always made to find sales of similar properties in the immediate subject neighborhood. When necessary, comparables are used from adjacent or similar markets. The comparables used are always believed to be the most appropriate.

In arriving at an estimated value of the subject, consideration is given to the following categories that influence value. These categories include property rights, financing terms, conditions of sale, market conditions, location, land to building ratio, size, building quality, condition, and amenities. When necessary, adjustments were made for the following categories. Adjustments have been rounded. A discussion of each of these adjustment categories will be presented in the following pages:

Property Rights	No adjustments are necessary.
Financing Terms	No adjustments are necessary.
Conditions of Sale	No adjustments are necessary.
Market Conditions	No adjustments are necessary.
Location	Comparables #1 through #3 are superior and require negative adjustments of ten percent.
Land to Building Ratio	Comparables #2 through #4 are superior and require negative adjustments of five or ten percent.
Size	Comparables #1, #2, and #4 are smaller and require negative adjustments of five or fifteen percent.
Quality	No adjustments are necessary.
Condition	Comparable #4 is superior and requires a negative adjustment of twenty percent. Comparable #3 is inferior and requires a positive adjustment of twenty percent.
Flood Zone	All four comparables are superior and require negative adjustments of ten percent.
Amenities	No adjustments are necessary.

The following is a summary of the comparables used and the adjustments made:

ADJUSTMENT GRID – BUILDING 309

	Comp. #1	Comp. #2	Comp. #3	Comp. #4		
Price per SF	\$102.51	\$148.45	\$64.93	\$152.84		
Property Rights						
Financing Terms						
Conditions of Sale						
Market Conditions						
Transactional Adj.	\$102.51	\$148.45	\$64.93	\$152.84		
Location	-10%	-10%	-10%			
Land to Building		-10%	-5%	-10%		
Size	-5%	-15%		-5%		
Quality						
Condition			20%	-20%		
Flood Zone	-10%	-10%	-10%	-10%		
Amenities						
Total Adj.	-25.0%	-45.0%	-5.0%	-45.0%		
Total \$ Adj.	-\$25.63	-\$66.80	-\$3.25	-\$68.78		
Adjusted Value	\$76.88	\$81.65	\$61.68	\$84.06		
Unadjusted Data	High	\$153	Low:	\$65	Range	\$88
Adjusted Data	High	\$84	Low:	\$62	Range	\$22

After all adjustments were made, the comparables ranged in value from \$61.68 per SF to \$84.06 per square foot, with an average of \$76.07 per square foot. Overall, it is believed that a value of \$76.00 per square foot is appropriate.

$$13,146 \text{ SF} \times \$ 76.00 \text{ per SF} = \$ 999,096$$

SAY \$ 999,000 – BUILDING 309

SALES COMPARISON APPROACH: ANALYSIS – ANNEX

Attempts are always made to find sales of similar properties in the immediate subject neighborhood. When necessary, comparables are used from adjacent or similar markets. The comparables used are always believed to be the most appropriate.

In arriving at an estimated value of the subject, consideration is given to the following categories that influence value. These categories include property rights, financing terms, conditions of sale, market conditions, location, land to building ratio, size, building quality, condition, and amenities. When necessary, adjustments were made for the following categories. Adjustments have been rounded. A discussion of each of these adjustment categories will be presented in the following pages:

Property Rights	No adjustments are necessary.
Financing Terms	No adjustments are necessary.
Conditions of Sale	No adjustments are necessary.
Market Conditions	No adjustments are necessary.
Location	Comparables #1 through #3 are superior and require negative adjustments of ten percent.
Land to Building Ratio	Comparables #2 and #4 are superior and require negative adjustments of five percent. Comparable #1 is inferior and requires a positive adjustment of five percent.
Size	Comparables #1, #2, and #4 are smaller and require negative adjustments of five or fifteen percent.
Quality	No adjustments are necessary.
Condition	Comparable #4 is superior and requires a negative adjustment of twenty percent. Comparable #3 is inferior and requires a positive adjustment of twenty percent.
Flood Zone	All four comparables are superior and require negative adjustments of ten percent.
Amenities	No adjustments are necessary.

The following is a summary of the comparables used and the adjustments made:

ADJUSTMENT GRID – ANNEX

	Comp. #1	Comp. #2	Comp. #3	Comp. #4		
Price per SF	\$102.51	\$148.45	\$64.93	\$152.84		
Property Rights						
Financing Terms						
Conditions of Sale						
Market Conditions						
Transactional Adj.	\$102.51	\$148.45	\$64.93	\$152.84		
Location	-10%	-10%	-10%			
Land to Building	5%	-5%				
Size	-5%	-15%				
Quality						
Condition			20%			
Flood Zone	-10%	-10%	-10%			
Amenities						
Total Adj.	-20.0%	-40.0%	0.0%			
Total \$ Adj.	-\$20.50	-\$59.38	\$0.00			
Adjusted Value	\$82.01	\$89.07	\$64.93	\$91.70		
Unadjusted Data	High	\$153	Low:	\$65	Range	\$88
Adjusted Data	High	\$92	Low:	\$65	Range	\$27

After all adjustments were made, the comparables ranged in value from \$64.93 per SF to \$91.70 per square foot, with an average of \$81.93 per square foot. Overall, it is believed that a value of \$82.00 per square foot is appropriate.

$$15,384 \text{ SF} \times \$ 82.00 \text{ per SF} = \$ 1,261,488$$

SAY \$ 1,261,000 – ANNEX

SALES COMPARISON APPROACH: ANALYSIS – BUILDING 304

Attempts are always made to find sales of similar properties in the immediate subject neighborhood. When necessary, comparables are used from adjacent or similar markets. The comparables used are always believed to be the most appropriate.

In arriving at an estimated value of the subject, consideration is given to the following categories that influence value. These categories include property rights, financing terms, conditions of sale, market conditions, location, land to building ratio, size, building quality, condition, and amenities. When necessary, adjustments were made for the following categories. Adjustments have been rounded. A discussion of each of these adjustment categories will be presented in the following pages:

Property Rights	No adjustments are necessary.
Financing Terms	No adjustments are necessary.
Conditions of Sale	No adjustments are necessary.
Market Conditions	No adjustments are necessary.
Location	Comparables #1 through #3 are superior and require negative adjustments of ten percent.
Land to Building Ratio	All four comparables are larger and require positive adjustments of five, ten or fifteen percent.
Size	Comparable #2 is smaller and requires a negative adjustment of ten percent. Comparable #3 is larger and requires a positive adjustment of ten percent.
Quality	No adjustments are necessary.
Condition	Comparable #4 is superior and requires a negative adjustment of twenty percent. Comparable #3 is inferior and requires a positive adjustment of twenty percent.
Flood Zone	All four comparables are superior and require negative adjustments of ten percent.
Amenities	No adjustments are necessary.

The following is a summary of the comparables used and the adjustments made:

ADJUSTMENT GRID – BUILDING 304

	Comp. #1	Comp. #2	Comp. #3	Comp. #4		
Price per SF	\$102.51	\$148.45	\$64.93	\$152.84		
Property Rights						
Financing Terms						
Conditions of Sale						
Market Conditions						
Transactional Adj.	\$102.51	\$148.45	\$64.93	\$152.84		
Location	-10%	-10%	-10%			
Land to Building	15%	5%	10%	5%		
Size		-10%	10%			
Quality						
Condition			20%	-20%		
Flood Zone	-10%	-10%	-10%	-10%		
Amenities						
Total Adj.	-5.0%	-25.0%	20.0%	-25.0%		
Total \$ Adj.	-\$5.13	-\$37.11	\$12.99	-\$38.21		
Adjusted Value	\$97.38	\$111.34	\$77.92	\$114.63		
Unadjusted Data	High	\$153	Low:	\$65	Range	\$88
Adjusted Data	High	\$115	Low:	\$78	Range	\$37

After all adjustments were made, the comparables ranged in value from \$77.92 per SF to \$114.63 per square foot, with an average of \$100.32 per square foot. Overall, it is believed that a value of \$100.00 per square foot is appropriate.

$$5,616 \text{ SF} \times \$ 100.00 \text{ per SF} = \$ 561,600$$

SAY \$ 562,000 – BUILDING 304

SALES COMPARISON APPROACH: ANALYSIS – BUILDING 204

Attempts are always made to find sales of similar properties in the immediate subject neighborhood. When necessary, comparables are used from adjacent or similar markets. The comparables used are always believed to be the most appropriate.

In arriving at an estimated value of the subject, consideration is given to the following categories that influence value. These categories include property rights, financing terms, conditions of sale, market conditions, location, land to building ratio, size, building quality, condition, and amenities. When necessary, adjustments were made for the following categories. Adjustments have been rounded. A discussion of each of these adjustment categories will be presented in the following pages:

Property Rights	No adjustments are necessary.
Financing Terms	No adjustments are necessary.
Conditions of Sale	No adjustments are necessary.
Market Conditions	No adjustments are necessary.
Location	Comparables #1 through #3 are superior and require negative adjustments of ten percent.
Land to Building Ratio	Comparables #2 and #4 are superior and require negative adjustments of five percent. Comparable #1 is inferior and requires a positive adjustment of five percent.
Size	Comparables #1, #3, and #4 are larger and require positive adjustments of ten or fifteen percent.
Quality	All four comparables are superior and require negative adjustments of ten percent.
Condition	Comparable #4 is superior and requires a negative adjustment of twenty percent. Comparable #3 is inferior and requires a positive adjustment of twenty percent.
Flood Zone	All four comparables are superior and require negative adjustments of ten percent.
Amenities	No adjustments are necessary.

The following is a summary of the comparables used and the adjustments made:

ADJUSTMENT GRID – BUILDING 204

	Comp. #1	Comp. #2	Comp. #3	Comp. #4		
Price per SF	\$102.51	\$148.45	\$64.93	\$152.84		
Property Rights						
Financing Terms						
Conditions of Sale						
Market Conditions						
Transactional Adj.	\$102.51	\$148.45	\$64.93	\$152.84		
Location	-10%	-10%	-10%			
Land to Building	5%	-5%				
Size	10%		15%	10%		
Quality	-10%	-10%	-10%	-10%		
Condition			20%	-20%		
Flood Zone	-10%	-10%	-10%	-10%		
Amenities						
Total Adj.	-15.0%	-35.0%	5.0%	-35.0%		
Total \$ Adj.	-\$15.38	-\$51.96	\$3.25	-\$53.49		
Adjusted Value	\$87.13	\$96.49	\$68.18	\$99.35		
Unadjusted Data	High	\$153	Low:	\$65	Range	\$88
Adjusted Data	High	\$99	Low:	\$68	Range	\$31

After all adjustments were made, the comparables ranged in value from \$68.18 per SF to \$99.35 per square foot, with an average of \$87.79 per square foot. Overall, it is believed that a value of \$88.00 per square foot is appropriate.

$$2,632 \text{ SF} \times \$ 88.00 \text{ per SF} = \$ 231,616$$

SAY \$ 232,000 – BUILDING 204

VACANT PARCELS

LAND COMPARABLE #1



Descriptive Data	Sales Data
<p>Address: 5300 Bunny Trail</p> <p>City: Killeen</p> <p>County/State: Bell, TX</p> <p>Property Type: Vacant Land</p> <p>Lot Size (SF): 75,359</p> <p>Zoning: B-3</p>	<p>Grantor: Journey Church Killeen</p> <p>Grantee: Gold Tier Investments LLC</p> <p>Date of Sale: May 8, 2024</p> <p>Consideration: \$200,000</p> <p>Price Per SF: \$2.65</p> <p>Instrument Number: 2024019732</p> <p>Source: MLS/Deed Records</p> <p>Comments: Outside of the flood zone.</p>

LAND COMPARABLE #2



Descriptive Data	Sales Data
<p>Address: 3050 Old FM 440</p> <p>City: Killeen</p> <p>County/State: Bell, TX</p> <p>Property Type: Vacant Land</p> <p>Lot Size (SF): 86,684</p> <p>Comments: B-4</p>	<p>Grantor: Juan and Monica Guillen</p> <p>Grantee: Maury Soumahord</p> <p>Date of Sale: September 12, 2023</p> <p>Consideration: \$175,000</p> <p>Price Per SF: \$2.02</p> <p>Instrument Number: 2023041326</p> <p>Source: MLS/Deed Record</p> <p>Comments: Outside of the flood zone.</p>

LAND COMPARABLE #3

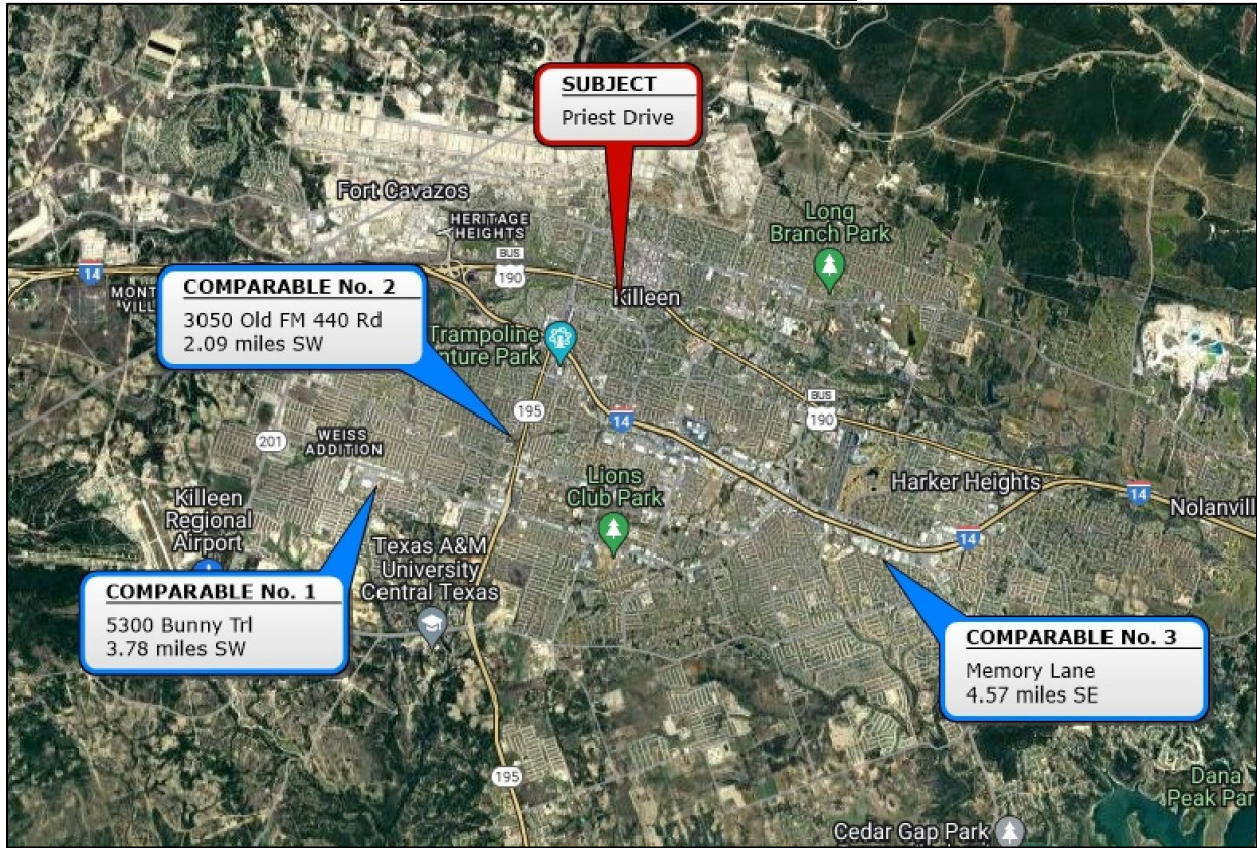


Descriptive Data	Sales Data
<p>Address: Memory Lane</p> <p>City: Killeen</p> <p>County/State: Bell, TX</p> <p>Property Type: Vacant Land</p> <p>Lot Size (SF): 71,961</p> <p>Zoning: B-4</p>	<p>Grantor: Anew Assets LLC</p> <p>Grantee: 2100 ML LLC</p> <p>Date of Sale: June 14, 2023</p> <p>Consideration: \$431,676</p> <p>Price Per SF: \$6.00</p> <p>Instrument Number: 2023026196</p> <p>Source: MLS/Deed Records</p>

SUMMARY OF SALES DATA

Sale	Address	Date of Sale	Size (SF)	Price	\$/SF
1	5300 Bunny Trail	5/8/2024	75,359	\$200,000	\$2.65
2	3050 Old FM 440	9/12/2023	86,684	\$175,000	\$2.02
3	550 Kevin Reilly Lane	6/14/2023	71,961	\$431,676	\$6.00
Average			78,001	\$268,892	\$3.56
Maximum			86,684	\$431,676	\$6.00
Minimum			71,961	\$175,000	\$2.02

SALES COMPARABLE MAP



LAND VALUATION: PARCEL 95630

Attempts are always made to find sales of similar properties in the immediate subject neighborhood. When necessary, comparables are used from adjacent or similar markets. The comparables used are always believed to be the most appropriate.

In arriving at an estimated value of the subject, consideration is given to the following categories that influence value. These categories include property rights conveyed, financing terms, conditions of sale, market conditions, location, size, shape/topography, utilities, flood zone, and improvements. Adjustments for each of these categories, when necessary, will be made using data from the market. A discussion of each of these adjustment categories will be presented in the following pages:

Property Rights	No adjustments are necessary.
Financing Terms	No adjustments are necessary.
Conditions of Sale	No adjustments are necessary.
Market Conditions	No adjustments are necessary.
Location	Comparable #3 is superior and requires a negative adjustment of thirty percent.
Size	All three comparables are smaller and require negative adjustments of five or ten percent.
Shape/ Topography	All three comparables are superior and require negative adjustments of ten percent.
Utilities	No adjustments are necessary.
Flood Zone	All three comparables are superior and require negative adjustments of ten percent.
Improvements	No adjustments are necessary.

The following is a summary of the comparables used and the adjustments made:

ADJUSTMENT GRID – PARCEL 95630

	Comp. #1	Comp. #2	Comp. #3			
Price per SF	\$2.65	\$2.02	\$6.00			
Property Rights						
Financing Terms						
Conditions of Sale						
Market Conditions						
Transactional Adj.	\$2.65	\$2.02	\$6.00			
Location						-30%
Size	-10%	-5%	-10%			
Shape/Topography	-10%	-10%	-10%			
Utilities						
Flood Zone	-10%	-10%	-10%			
Improvements						
Total Adj.	-30.0%	-25.0%	-60.0%			
Total \$ Adj.	-\$0.80	-\$0.51	-\$3.60			
Adjusted Value	\$1.86	\$1.52	\$2.40			
Unadjusted Data	High	\$6.00	Low:	\$2.02	Range	\$3.98
Adjusted Data	High	\$2.40	Low:	\$1.52	Range	\$0.88

In determining a final value estimate of the subject tract of land, primary emphasis was placed on Comparable #1, with less emphasis on the comparables with the highest and lowest adjusted values. After all adjustments were made, it is believed the subject tract of land has a market value of \$1.50 per square foot.

$$106,374 \text{ SF} \times \$1.80 \text{ per SF} = \$191,473$$

SAY \$ 191,000 – PARCEL 95630

LAND VALUATION: PARCEL 95494

Attempts are always made to find sales of similar properties in the immediate subject neighborhood. When necessary, comparables are used from adjacent or similar markets. The comparables used are always believed to be the most appropriate.

In arriving at an estimated value of the subject, consideration is given to the following categories that influence value. These categories include property rights conveyed, financing terms, conditions of sale, market conditions, location, size, shape/topography, utilities, flood zone, and improvements. Adjustments for each of these categories, when necessary, will be made using data from the market. A discussion of each of these adjustment categories will be presented in the following pages:

It is noted that this tract does not have direct road frontage. This appraisal assumes that legal access is obtained.

Property Rights	No adjustments are necessary.
Financing Terms	No adjustments are necessary.
Conditions of Sale	No adjustments are necessary.
Market Conditions	No adjustments are necessary.
Location	All three comparables are superior and require negative adjustments of ten or forty percent.
Size	All three comparables are larger and require positive adjustments of five or ten percent.
Shape/ Topography	All three comparables are superior and require negative adjustments of twenty percent.
Utilities	No adjustments are necessary.
Flood Zone	No adjustments are necessary.
Improvements	No adjustments are necessary.

The following is a summary of the comparables used and the adjustments made:

ADJUSTMENT GRID – PARCEL 95694

	Comp. #1	Comp. #2	Comp. #3			
Price per SF	\$2.65	\$2.02	\$6.00			
Property Rights						
Financing Terms						
Conditions of Sale						
Market Conditions						
Transactional Adj.	\$2.65	\$2.02	\$6.00			
Location	-10%	-10%	-40%			
Size	5%	10%	5%			
Shape/Topography	-20%	-20%	-20%			
Utilities						
Flood Zone						
Improvements						
Total Adj.	-25.0%	-20.0%	-55.0%			
Total \$ Adj.	-\$0.66	-\$0.40	-\$3.30			
Adjusted Value	\$1.99	\$1.62	\$2.70			
Unadjusted Data	High	\$6.00	Low:	\$2.02	Range	\$3.98
Adjusted Data	High	\$2.70	Low:	\$1.62	Range	\$1.08

In determining a final value estimate of the subject tract of land, primary emphasis was placed on Comparable #1, with less emphasis on the comparables with the highest and lowest adjusted values. After all adjustments were made, it is believed the subject tract of land has a market value of \$2.00 per square foot.

$$53,187 \text{ SF} \times \$2.00 \text{ per SF} = \$106,374$$

SAY \$ 106,000 – PARCEL 95694

LAND VALUATION: PARCEL 95695

Attempts are always made to find sales of similar properties in the immediate subject neighborhood. When necessary, comparables are used from adjacent or similar markets. The comparables used are always believed to be the most appropriate.

In arriving at an estimated value of the subject, consideration is given to the following categories that influence value. These categories include property rights conveyed, financing terms, conditions of sale, market conditions, location, size, shape/topography, utilities, flood zone, and improvements. Adjustments for each of these categories, when necessary, will be made using data from the market. A discussion of each of these adjustment categories will be presented in the following pages:

Property Rights	No adjustments are necessary.
Financing Terms	No adjustments are necessary.
Conditions of Sale	No adjustments are necessary.
Market Conditions	No adjustments are necessary.
Location	Comparable #3 is superior and requires a negative adjustment of thirty percent.
Size	Comparable #2 is larger and requires a positive adjustment of five percent.
Shape/ Topography	All three comparables are superior and require negative adjustments of ten percent.
Utilities	No adjustments are necessary.
Flood Zone	No adjustments are necessary.
Improvements	No adjustments are necessary.

The following is a summary of the comparables used and the adjustments made:

ADJUSTMENT GRID – PARCEL 95695

	Comp. #1	Comp. #2	Comp. #3			
Price per SF	\$2.65	\$2.02	\$6.00			
Property Rights						
Financing Terms						
Conditions of Sale						
Market Conditions						
Transactional Adj.	\$2.65	\$2.02	\$6.00			
Location						-30%
Size		5%				
Shape/Topography	-10%	-10%	-10%			
Utilities						
Flood Zone						
Improvements						
Total Adj.	-10.0%	-5.0%	-40.0%			
Total \$ Adj.	-\$0.27	-\$0.10	-\$2.40			
Adjusted Value	\$2.39	\$1.92	\$3.60			
Unadjusted Data	High	\$6.00	Low:	\$2.02	Range	\$3.98
Adjusted Data	High	\$3.60	Low:	\$1.92	Range	\$1.68

In determining a final value estimate of the subject tract of land, primary emphasis was placed on Comparable #1, with less emphasis on the comparables with the highest and lowest adjusted values. After all adjustments were made, it is believed the subject tract of land has a market value of \$2.25 per square foot.

$$73,442 \text{ SF} \times \$2.25 \text{ per SF} = \$165,245$$

SAY \$ 165,000 – PARCEL 95695

LAND VALUATION: PARCEL 7351

Attempts are always made to find sales of similar properties in the immediate subject neighborhood. When necessary, comparables are used from adjacent or similar markets. The comparables used are always believed to be the most appropriate.

In arriving at an estimated value of the subject, consideration is given to the following categories that influence value. These categories include property rights conveyed, financing terms, conditions of sale, market conditions, location, size, shape/topography, utilities, flood zone, and improvements. Adjustments for each of these categories, when necessary, will be made using data from the market. A discussion of each of these adjustment categories will be presented in the following pages:

Property Rights	No adjustments are necessary.
Financing Terms	No adjustments are necessary.
Conditions of Sale	No adjustments are necessary.
Market Conditions	No adjustments are necessary.
Location	Comparable #3 is superior and requires a negative adjustment of thirty percent.
Size	All three comparables are larger and require positive adjustments of ten or fifteen percent.
Shape/ Topography	No adjustments are necessary.
Utilities	No adjustments are necessary.
Flood Zone	All three comparables are superior and require negative adjustments of thirty percent.
Improvements	No adjustments are necessary.

The following is a summary of the comparables used and the adjustments made:

ADJUSTMENT GRID – PARCEL 7351

	Comp. #1	Comp. #2	Comp. #3			
Price per SF	\$2.65	\$2.02	\$6.00			
Property Rights						
Financing Terms						
Conditions of Sale						
Market Conditions						
Transactional Adj.	\$2.65	\$2.02	\$6.00			
Location						
Size	10%	15%	10%			
Shape/Topography						
Utilities						
Flood Zone	-30%	-30%	-30%			
Improvements						
Total Adj.	-20.0%	-15.0%	-50.0%			
Total \$ Adj.	-\$0.53	-\$0.30	-\$3.00			
Adjusted Value	\$2.12	\$1.72	\$3.00			
Unadjusted Data	High	\$6.00	Low:	\$2.02	Range	\$3.98
Adjusted Data	High	\$3.00	Low:	\$1.72	Range	\$1.28

In determining a final value estimate of the subject tract of land, primary emphasis was placed on Comparable #1, with less emphasis on the comparables with the highest and lowest adjusted values. After all adjustments were made, it is believed the subject tract of land has a market value of \$1.65 per square foot.

$$41,818 \text{ SF} \times \$2.00 \text{ per SF} = \$83,636$$

SAY \$ 84,000 – PARCEL 7351

COST APPROACH ANALYSIS

A measure of the value of a property is indicated by estimating the cost of constructing the improvements and adding the market value of the land.

Due to the age and condition of the improvements, the Cost Approach will not be developed. The exclusion of this approach does not diminish the credibility of the value conclusion.

INCOME APPROACH ANALYSIS

An indication of value can be reached by capitalizing the net operating income that the property is capable of producing. This method involves the estimation of the property's net operating income. Using a capitalization rate (a ratio describing the relationship between net income and sales price), the net income produces an estimate of market value.

The Income Approach will only be developed for the tracts containing office buildings.

GROSS INCOME ESTIMATE

The following subject buildings are currently owner-occupied, but are capable of being leased on the open market.

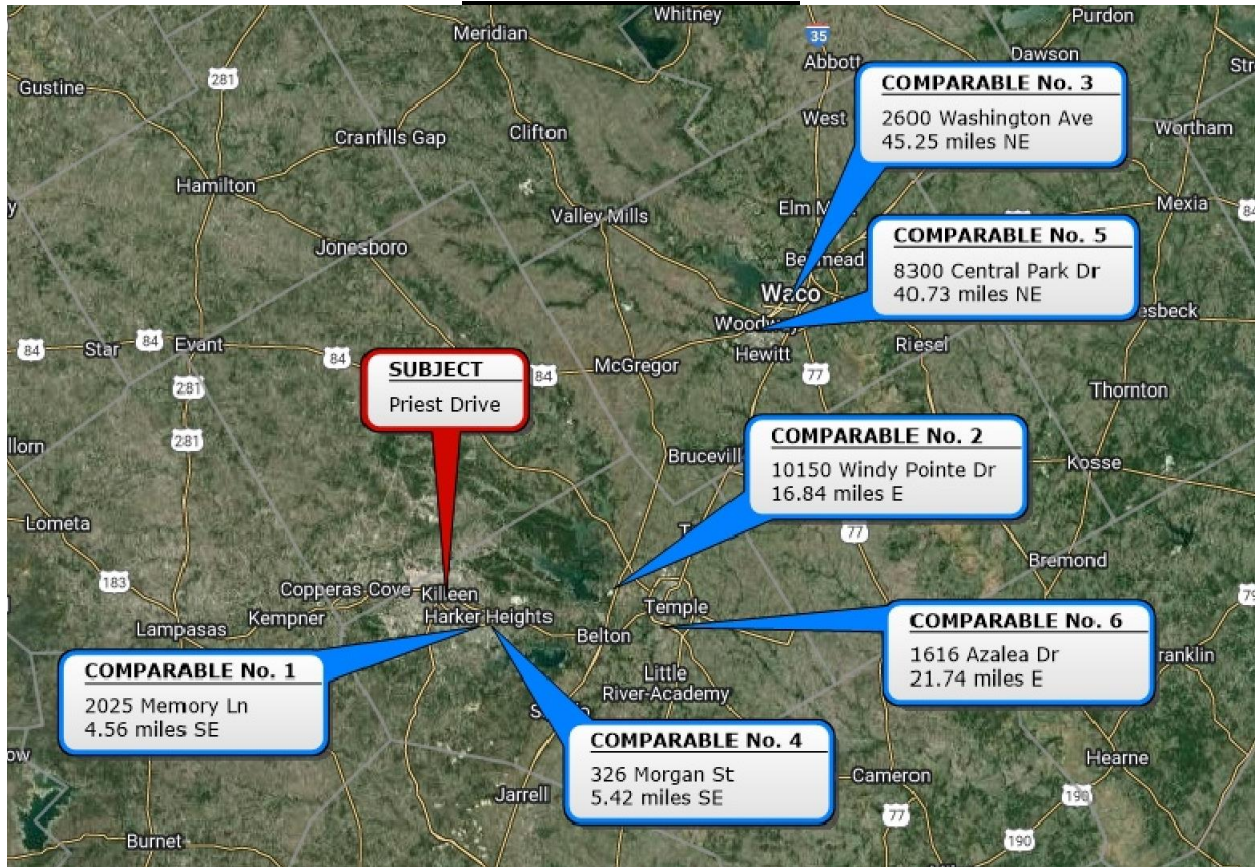
Building	Leasable Square Footage
Building 307	2,560 SF
Building 309	13,145 SF
Annex	15,384 SF
Building 304	5,616 SF
Building 204	2,632 SF

The following lease comparables will be utilized to estimate a market rate for each building.

LEASE COMPARABLES

Comparables	Size	Occupancy	Rent/SF	Terms
2025 Memory Lane, Killeen	2,985 SF	100%	\$1.65	NNN
10150 Windy Pointe Drive, Temple	4,913 SF	100%	\$1.50	NNN
2600 Washington Avenue, Waco	10,159 SF	100%	\$0.75	Gross
326 Morgan Street, Harker Heights	8,023 SF	100%	\$2.01	Gross
8300 Central Park Drive, Waco	20,000 SF	100%	\$1.35	NNN
1616 Azalea Drive, Temple	2,619 SF	100%	\$1.42	NNN

COMPARABLE MAP



Adjustments were made to the comparables to account for a variety of qualitative and quantitative differences including location, size, quality, condition, amenities, and lease type. It seems most likely that the buildings would lease on gross leases. After all adjustments are made, it is believed that the market rental rates for each of the buildings are as follows:

Building	Leasable Square Footage	Rent/SF	Potential Monthly Rent
Building 307	2,560 SF	\$1.20	\$3,072
Building 309	13,145 SF	\$0.80	\$10,516
Annex	15,384 SF	\$0.80	\$12,307
Building 304	5,616 SF	\$1.10	\$6,178
Building 204	2,632 SF	\$1.20	\$3,158

OPERATING EXPENSE ANALYSIS

The following is a summary of the income and expense information that will be used for the determination of the Net Operating Income. Information was taken from market averages:

Vacancy and Rent Loss	Market data suggests that vacancy rates of similar properties range from two- and one-half percent to fifteen percent. For the purpose of this appraisal, a vacancy rate of 10% is believed to be appropriate.
Taxes	See the tax information section. 307: \$1,307 309: \$8,195 Annex: \$17,905 304: \$4,037 204: \$2,692
Insurance	Property insurance would include coverage for owner's liability, fire and hazard coverage, vandalism and malicious mischief. The market range for insurance is typically from \$0.20 to \$0.70 per square foot. The subject buildings are each located within the flood zone. It is believed that the subject buildings would incur insurance expenses ranging from \$1.00 per SF to \$2.00 per SF, depending on size.
Maintenance	Typical maintenance expenses range from approximately \$0.20 to \$0.75 per square foot. It is believed that the subject buildings would incur insurance expenses ranging from \$0.30 per SF to \$0.60 per SF, depending on size.
Management	Management expenses in the subject area typically average around 3% of the subject's income.
Reserves	Reserves allowances provide for periodic replacement of building components whose economic and physical lives are less than the building structure. These items include such things as roof coverings, HVAC equipment, site improvements and others items. According to RealtyRates.com, reserve expenses for retail buildings range from \$0.38 per SF to \$0.95 per SF, with an average rate of \$0.69 per SF. The low to average rate is believed to be appropriate.

RealtyRates.com INVESTOR SURVEY - 2nd Quarter 2024*									
SURVEYED RESERVE REQUIREMENTS									
Property Type	Per SF			Per Unit			% of EGI		
	Min.	Max.	Typical	Min.	Max.	Typical	Min.	Max.	Typical
Apartments				\$165	\$450	\$418			
Golf				\$1,295	\$7,950	\$3,666	2.0%	4.5%	3.2%
Health Care/Senior Housing				\$275	\$760	\$424			
Industrial	\$0.28	\$0.90	\$0.59						
Lodging							4.0%	8.5%	4.6%
Mobile Home/RV Park				\$38	\$318	\$176	2.0%	5.5%	4.2%
Office	\$0.38	\$0.95	\$0.69						
Restaurants							2.0%	5.5%	3.2%
Retail	\$0.38	\$1.15	\$0.76						
Self-Storage	\$0.32	\$0.85	\$0.71	\$38	\$218	\$137			
Special Purpose	\$0.30	\$1.20	\$0.80						

*1st Quarter 2024 Data Copyright 2024 RealtyRates.com™

Miscellaneous Miscellaneous expenses are contingencies for unforeseen expenses, including marketing. We estimate that the subject’s miscellaneous expense will average approximately \$0.15 per square foot.

DETERMINATION OF NET OPERATING INCOME – BUILDING 307

Total Potential Income - Building 307	\$3,072 per Mo. X 12 Mo.	\$36,864
Less: Vacancy and Rent Loss	10.0%	\$3,686
Effective Gross Income		\$33,178
Operating Income		
Taxes	1,307	
Insurance	5,610	
Maintenance	1,500	
Management	995	
Reserves	1,800	
Miscellaneous	380	
Total Operating Expenses	11,592	
Less: Operating Expenses		\$11,592
Net Operating Income		\$21,585

DETERMINATION OF NET OPERATING INCOME – BUILDING 309

Total Potential Income - Building 309	\$10,516 per Mo. X 12 Mo.	\$126,912
Less: Vacancy and Rent Loss	10.0%	<u>\$12,691</u>
Effective Gross Income		\$114,221
Operating Income		
Taxes	8,195	
Insurance	15,950	
Maintenance	3,900	
Management	3,427	
Reserves	5,300	
Miscellaneous	<u>2,000</u>	
Total Operating Expenses	38,772	
Less: Operating Expenses		<u>\$38,772</u>
Net Operating Income		\$75,449

DETERMINATION OF NET OPERATING INCOME – ANNEX

Total Potential Income - Annex	\$12,307 per Mo. X 12 Mo.	\$147,684
Less: Vacancy and Rent Loss	10.0%	<u>\$14,768</u>
Effective Gross Income		\$132,916
Operating Income		
Taxes	17,905	
Insurance	16,940	
Maintenance	4,600	
Management	3,987	
Reserves	5,800	
Miscellaneous	<u>2,300</u>	
Total Operating Expenses	51,532	
Less: Operating Expenses		<u>\$51,532</u>
Net Operating Income		\$81,383

DETERMINATION OF NET OPERATING INCOME – BUILDING 304

Total Potential Income - Building 304	\$6,178 per Mo. X 12 Mo.	\$74,136
Less: Vacancy and Rent Loss	10.0%	<u>\$7,414</u>
Effective Gross Income		\$66,722
Operating Income		
Taxes	4,037	
Insurance	10,780	
Maintenance	2,800	
Management	2,002	
Reserves	1,700	
Miscellaneous	<u>840</u>	
Total Operating Expenses	22,159	
Less: Operating Expenses		<u>\$22,159</u>
Net Operating Income		\$44,564

DETERMINATION OF NET OPERATING INCOME – BUILDING 204

Total Potential Income - Building 204	\$3,158 per Mo. X 12 Mo.	\$37,896
Less: Vacancy and Rent Loss	10.0%	<u>\$3,790</u>
Effective Gross Income		\$34,106
Operating Income		
Taxes	2,692	
Insurance	5,830	
Maintenance	1,600	
Management	1,023	
Reserves	1,800	
Miscellaneous	<u>400</u>	
Total Operating Expenses	13,345	
Less: Operating Expenses		<u>\$13,345</u>
Net Operating Income		\$20,761

CAPITALIZATION METHOD AND TECHNIQUE

Now that the subject's net operating income has been estimated, a capitalization rate is needed. A capitalization rate is generally defined as a quantitative measure of the relationship between a property's market value and its income-generating capacity. We will determine the probable capitalization rate via the following methods.

Direct Capitalization

This method involves abstracting or developing the relationship between the sales price and the annual net operating income of a property. Transactions used must be confirmed and must be arm's length in nature. This is one of the most recognized methods in determining a probable capitalization rate and is generally accurate when transactions involve properties similar to the subject. The following comparables will be utilized for the purpose of the Direct Capitalization Method.

Comparable	Estimated Capitalization Rate
813 Lake Air Drive, Waco	8.28%
1224 Austin Avenue, Waco	5.73%
8416 Old McGregor Road, Waco	7.25%
Average	7.09%

Capitalization rates can also be found using the Bands of Investment Analysis and the Debt Coverage Ratio Analysis. These analyses use lender and real estate investor investment criteria to develop a capitalization rate. The figures involved in the calculations were determined by an investor survey published by RealtyRates.com.

Capitalization Surveys	
Realty Rates – Investor Survey – Office – Q2 2024	
Minimum DCR Technique	All Types 5.35%
Band of Investment Technique	6.33%
Surveyed Rates	5.95%
Average DCR Technique	All Types 8.91%
Band of Investment Technique	9.31%
Surveyed Rates	9.31%
Maximum DCR Technique	All Types 13.85%
Band of Investment Technique	14.16%
Surveyed Rates	13.31%

For the purpose of this appraisal, the Direct Capitalization method points to a rate in the “average” range of the Capitalization Survey.

BUILDING 307		
Net Operating Income	Capitalization Rate	Indicated Value
\$21,585	9.00%	\$239,833
Rounded		\$240,000

BUILDING 309		
Net Operating Income	Capitalization Rate	Indicated Value
\$75,449	9.00%	\$838,322
Rounded		\$838,000

ANNEX		
Net Operating Income	Capitalization Rate	Indicated Value
\$81,383	9.00%	\$904,256
Rounded		\$904,000

BUILDING 304		
Net Operating Income	Capitalization Rate	Indicated Value
\$44,564	9.00%	\$495,156
Rounded		\$495,000

BUILDING 204		
Net Operating Income	Capitalization Rate	Indicated Value
\$20,761	9.00%	\$230,678
Rounded		\$231,000

RealtyRates.com INVESTOR SURVEY - 2nd Quarter 2024						
OFFICE - ALL TYPES						
Item	Input					OAR
Minimum						
Spread Over 10-Year Treasury	1.06%	DCR Technique	1.10	0.060753	0.80	5.35
Debt Coverage Ratio	1.10	Band of Investment Technique				
Interest Rate	5.36%	Mortgage	80%	0.060753	0.048603	
Amortization	40	Equity	20%	0.073315	0.014663	
Mortgage Constant	0.060753	OAR				6.33
Loan-to-Value Ratio	80%	Surveyed Rates				5.95
Equity Dividend Rate	7.33%					
Maximum						
Spread Over 10-Year Treasury	5.68%	DCR Technique	2.15	0.128806	0.50	13.85
Debt Coverage Ratio	2.15	Band of Investment Technique				
Interest Rate	9.98%	Mortgage	50%	0.128806	0.064403	
Amortization	15	Equity	50%	0.154331	0.077166	
Mortgage Constant	0.128806	OAR				14.16
Loan-to-Value Ratio	50%	Surveyed Rates				13.31
Equity Dividend Rate	15.43%					
Average						
Spread Over 10-Year Treasury	2.87%	DCR Technique	1.63	0.081211	0.68	8.91
Debt Coverage Ratio	1.63	Band of Investment Technique				
Interest Rate	7.17%	Mortgage	68%	0.081211	0.054817	
Amortization	30	Equity	33%	0.117874	0.038309	
Mortgage Constant	0.081211	OAR				9.31
Loan-to-Value Ratio	67.5%	Surveyed Rates				9.31
Equity Dividend Rate	11.79%					

*1st Quarter 2024 Data

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CORRELATIONS AND CONCLUSIONS

The analyses described throughout this appraisal produced the following values. The values of the property were derived using two of the three traditional approaches to value.

See the following value estimates:

BCAD #95663	
Building 307	
SALES COMPARISON APPROACH	\$243,000
COST APPROACH	N/A
INCOME APPROACH	\$240,000

BCAD #95663	
Building 309	
SALES COMPARISON APPROACH	\$999,000
COST APPROACH	N/A
INCOME APPROACH	\$838,000

BCAD #8026	
Annex	
SALES COMPARISON APPROACH	\$1,261,000
COST APPROACH	N/A
INCOME APPROACH	\$904,000

BCAD #95665	
Building 304	
SALES COMPARISON APPROACH	\$562,000
COST APPROACH	N/A
INCOME APPROACH	\$495,000

BCAD #170391	
Building 204	
SALES COMPARISON APPROACH	\$232,000
COST APPROACH	N/A
INCOME APPROACH	\$231,000

BCAD #95630	
SALES COMPARISON APPROACH	\$191,000
COST APPROACH	N/A
INCOME APPROACH	N/A

BCAD #95694	
SALES COMPARISON APPROACH	\$106,000
COST APPROACH	N/A
INCOME APPROACH	N/A

BCAD #95695	
SALES COMPARISON APPROACH	\$165,000
COST APPROACH	N/A
INCOME APPROACH	N/A

BCAD #7351	
SALES COMPARISON APPROACH	\$84,000
COST APPROACH	N/A
INCOME APPROACH	N/A

Primary emphasis was placed on the Sales Comparison Approach. When developed, the Income Approach was given less emphasis than the Sales Comparison Approach. The exclusion of this approach does not diminish the credibility of the value conclusion.

Based upon the available data, the appraiser has concluded the current market value of the subject property is:

Value Type	Effective Date	Market Value
As-Is: 16% of BCAD #95663 Building 307	May 25, 2024	\$243,000
As-Is: 84% of BCAD #95663 Building 309	May 25, 2024	\$935,000
As-Is: BCAD #8026 Annex	May 25, 2024	\$1,120,000
As-Is: BCAD #95665 Building 304	May 25, 2024	\$535,000
As-Is: BCAD #170391 Building 204	May 25, 2024	\$232,000
As-Is: BCAD #95630	May 25, 2024	\$191,000
As-Is: BCAD #95694	May 25, 2024	\$106,000
As-Is: BCAD #95695	May 25, 2024	\$165,000
As-Is: BCAD #7351	May 25, 2024	\$84,000

QUALIFICATIONS OF COLLIN CRESSON

STATE OF TEXAS CERTIFICATION

- State Certified General Real Estate Appraiser
License Number: TX 1380930-G
Date of Expiration: 10/31/2025

BUSINESS & PROFESSIONAL EXPERIENCE

- Certified General Real Estate Appraiser, Bridgewood Properties, October 2019 - Present
- Appraiser Trainee, Bridgewood Properties – April 2016 – September 2019

PROFESSIONAL EXPERTISE

- Commercial Appraisals (Office, Retail, Retail Strip Centers, Restaurants, Etc.)
- Residential Appraisals (Single Family and Multi-Family)
- Industrial Appraisals
- Farm and Ranch Appraisals

ASSOCIATION MEMBERSHIPS

- Practicing Affiliate, Appraisal Institute
- American Society of Farm Managers and Rural Appraisers
- Association of Texas Appraisers
- National Association of Appraisers
- Waco Association of Realtors

EDUCATION & TRAINING

- Graduate of Baylor University, Waco, Texas – 2015
Bachelor of Arts
Major: Political Science

REAL ESTATE COURSES COMPLETED

- Introduction to Commercial Appraisal Review – 2023
- Basics of Expert Witness for Commercial Appraisals – 2023
- The Income Approach – 2023
- 2022-2023 7-Hour National USPAP Update Course - 2023
- Appraisal of Owner-Occupied Commercial Properties – 2021
- Supporting Your Adjustments: Methods for Residential Appraisers - 2021
- Income Approach Case Studies for Commercial Appraisal – 2021
- Introduction to Commercial Appraisal Review – 2021
- 2020-2021 7-Hour National USPAP Update Course - 2021
- MAI – Standards - 2020
- MAI – AI Business Practices and Ethics -2020
- General Appraiser Income Approach – December 2018
- General Report Writing and Case Studies – December 2018

- General Appraiser Sales Comparison Approach – February 2019
- Basic Appraisal Principles – May 2016
- Basic Appraisal Procedures – July 2016
- National Uniform Standards of Professional Appraisal Practices Course – July 2016
- General Appraiser Site Valuation and Cost Approach – August 2018
- Expert Witness for Commercial Appraisers – Subject Matter Electives – July 2018
- Commercial Appraisal Review – Subject Matter Elective – May 2018
- General Appraiser Market Analysis Highest and Best Use – October 2016
- Statistics, Modeling, and Finance – October 2016
- Constructing the Professional Report...From A-Z - September 2016
- 2016 Appraisal Summit and Expo No. 216, Day 1 – September 2016
- 2016 Appraisal Summit and Expo No. 216, Day 2 – September 2016
- Managing Appraiser Liability – August 2018
- 2018-2019 USPAP Update Course – August 2018
- Support Your Adjustments: Methods for Residential Appraisers – September 2018
- That's a Violation – August 2018
- Appraisal of Assisted Living Facilities – August 2018
- 2019 Appraisal Summit & Expo., No. 219 – Day 1 – September 2019



Certified General Real Estate Appraiser

Appraiser: Collin Cresson

License #: TX 1380930 G

License Expires: 10/31/2025

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



Chelsea Buchholtz
Commissioner

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