APPRAISAL OF REAL PROPERTY

Gas Station and Convenience Store

680 West Broad Street

Mineola, Wood County, TX 75773

Latitude: 32.6650736574619

Longitude: -95.4990094891774

IN AN APPRAISAL REPORT

As of August 6, 2022

Prepared For:

Bank of George

9115 West Russell Road

Las Vegas, NV 89148

Prepared By:

Cushman & Wakefield of Illinois, Inc

Valuation & Advisory

225 West Wacker Drive, Suite 3000

Chicago, IL 60606

Cushman & Wakefield File ID: 21-21001-901096-001

CUSHMAN & WAKEFIELD OF ILLINOIS, INC
225 WEST WACKER DRIVE, SUITE 3000
CHICAGO, IL 60606

Gas Station and Convenience Store

680 West Broad Street

Mineola, Wood County, TX 75773

CUSHMAN & WAKEFIELD OF ILLINOIS, INC
225 WEST WACKER DRIVE, SUITE 3000
CHICAGO, IL 60606

August 8, 2022

Mr. Andres M. Claros
Credit Administration Officer
Bank of George
9115 West Russell Road
Las Vegas, NV 89148

Re: Appraisal of Real Property
In an Appraisal Report

Gas Station and Convenience Store
680 West Broad Street
Mineola, Wood County, TX 75773

C&W File ID: 21-21001-901096-001

Dear Mr. Claros:

In fulfillment of our agreement as outlined in the Letter of Engagement, we are pleased to transmit our appraisal of the above property in an appraisal report dated August 8, 2022. The effective date of value is August 6, 2022.

This appraisal report has been prepared in compliance with the *Uniform Standards of Professional Appraisal Practice* (USPAP) and Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA). The Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) specifies that a Federally regulated financial institution must be the Client in the appraiser-client relationship under the terms of an assignment agreement. To the extent the Client is governed by FIRREA, this appraisal meets all applicable requirements.

SBA SOP 50-10 5 (K) pages 204 and 205 requires The Certified General Real Property Appraiser must have completed no less than four going concern appraisals of equivalent special use property as the property being appraised, within the last 36 months, as identified in the qualifications portion of the Appraisal Report. The appraisers have completed no less than four going concern appraisals of equivalent special use property as the property being appraised within the last 36 months.

The subject is a Gas Station and Convenience Store. The property was originally constructed in 1970, was in average condition at the time of inspection and has an effective age of approximately 20 years. The subject's convenience store is 1,960 square feet of gross building area. The fueling area includes 4 islands, each with twin dispensers, which are covered by a 2,050 square foot canopy. It is noted, however, as of the date of inspection, the fuel dispensers were not in operation; based on our review of historical income and expense statements, the subject property has not sold fuel since, at least, 2019 and is currently operating as a convenience store only. The subject property is currently under contract and the prospective buyer intends on investing in new tanks/dispensers and selling fuel upon taking ownership of the property. Therefore, in our analysis, we have assumed ownership will invest in new tanks/dispensers, and will sell fuel. We have deducted ownership's estimated capital expenditures to renovate and replace the fuel tanks and dispensers from our As-Is value conclusion.

The subject improvements are situated on a 15,799 square foot corner site. The subject is located at the southeast corner of West Broad Street and Cheek Street in Mineola, Texas.

The Commercial Real Estate (CRE) market is driven by investor demand and strong liquidity. Since its onset in March 2020, the COVID-19 pandemic has had a dramatic effect on both factors as the market navigated COVID's actual and perceived impacts. Either through empirical data or COVID fatigue, society and the market are perceiving that we are near the end of the pandemic. Still, varying degrees of uncertainty exist in most property types with regards to forecasted demand. As we have throughout the pandemic, Cushman & Wakefield is closely monitoring the latest developments resulting from the COVID-19 pandemic and recovery, as well as its effects on the subject and its market. Furthermore, we are monitoring the impacts of the Russian invasion of Ukraine, the Federal Reserve's interest rate hikes, inflation, and supply chain constraints. Please refer to the Investment Considerations section of this report for added details.

It is noted due to the relative strength of gas stations & convenience stores, we have not made any adverse adjustments as it relates to COVID-19.

The retail fuel industry is facing the challenges of rising fuel prices due to domestic energy policies and the Russia-Ukraine war. Most experts agree that elevated fuel pricing will remain through 2022. These higher prices are expected to slow demand and overall fuel volume as consumers reduce discretionary driving. In our view these trends will have a short-term negative income on operator's earnings. Most gas station operators anticipate fuel price volatility as a part of doing business. It is too early to tell if these events will have a long-term impact of the retail fuel industry.

VALUE CONCLUSIONS

Appraisal Premise	Real Property Interest	Date Of Value	Value Conclusion
As-Is Market Value of the Going Concern	Fee Simple	8/6/2022	$750,000

Compiled by Cushman & Wakefield of Illinois, Inc

The components of the market value of the going concern are as follows:

ALLOCATION OF MARKET VALUE OF THE GOING CONCERN

VALUE COMPONENT	VALUE	PERCENT
Land Value	$40,000	5.3%
Structures	$369,776	49.3%
Fueling and Site Improvements	$264,057	35.2%
Total Real Property	$673,833	89.8%
Real Property (Rounded)	$670,000	89.3%
Personal Property[1]	$80,000	10.7%
Intangible Property	$0	0.0%
Total Going Concern Market Value	**$750,000**	100.0%

[1]This value represents the depreciated value of the c-store equipment, such as display shelving, which is detailed in the cost approach. We have included it in our going concern value due to this being the typical process in the subject's market.

Compiled by Cushman & Wakefield of Illinois, Inc

The value opinion in this report is qualified by the following extraordinary assumptions and hypothetical conditions.

EXTRAORDINARY ASSUMPTIONS

For a definition of Extraordinary Assumptions please see the Glossary of Terms & Definitions. The use of these extraordinary assumptions may have affected the assignment results

The property is currently under contract and is expected to sell fuel upon installation/renovation of the current fuel tanks and pumps. We have not made a soil test or test of underground water. Identifying site and soil contaminants or environmental issues is beyond the scope of this appraisal and the appraiser's qualifications. Unless otherwise stated, this appraisal is based on the assumption that the site and property are uncontaminated and unaffected by environmentally hazardous materials or substances. No responsibility is assumed by the appraiser for contamination issues and no warranties are implied by this opinion of value. No consideration of existing or proposed regulations of the Environmental Protection Agency, nor any other government agency, has been made. No statement of the subject property's compliance or noncompliance with the regulations or requirements of any government agency has been made by, or implied. If the subject's site has environmental issues the value conclusions presented in this appraisal would change. The client is advised to obtain the services of qualified environmental services contractors.

We have been provided with a capital expenditure plan by the prospective buyer. As we were not provided with a detailed capital expense budget, we have assumed the bulk of the budget will be allocated towards new underground storage tanks. We have also assumed, per discussions with ownership, the fuel dispensers will be leased from the fuel provider and not owned. Therefore, in our Cost Approach, we have assumed the fuel tanks to be new (same size as current unused tanks) with no depreciation and have not included fuel dispensers as they will not be owned. Furthermore, we have assumed a below average fuel margin due to the ongoing leasing costs associated with the new dispensers. Should either of our assumptions prove to be false, our value conclusion will be impacted and we reserve the right to amend this report.

HYPOTHETICAL CONDITIONS

For a definition of Hypothetical Conditions please see the Glossary of Terms & Definitions.

This appraisal does not employ any hypothetical conditions.

This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and Addenda.

Respectfully submitted,

CUSHMAN & WAKEFIELD OF ILLINOIS, INC

John M. Ozog, MAI
Director
TX Certified General Appraiser
License No. 131125
john.ozog@cushwake.com
312-470-2360 Office Direct

Client Satisfaction Survey

WE WANT TO HEAR FROM YOU!

VALUATION & ADVISORY

V&A National Quality Control Group values your feedback!

- What are we doing right?
- Are there areas where we could improve?
- Did our report meet your requirements?

As part of our quality monitoring campaign, your comments are critical to our efforts to continuously improve our service.

We'd appreciate your help in completing a short survey pertaining to this report and the level of service you received. Rest assured, any feedback will be treated with proper discretion and confidentiality.

Simply click https://www.surveymonkey.com/r/LQKCGLF?c=21-21001-901096-001 to respond.

Contact our National Lead for Quality Control with any questions or comments:

Steve Henry, MAI
Executive Managing Director
National Quality Control Board
Valuation & Advisory
T +1 949 930 9211
steve.henry@cushwake.com

Executive Summary

BASIC INFORMATION	
Common Property Name:	Gas Station and Convenience Store
Address:	680 West Broad Street Mineola, TX - 75773
County:	Wood
Date of Value:	August 6, 2022
Property Ownership Entity:	S F K R LLC
Property Rights Appraised:	Fee Simple
SITE INFORMATION	
Land Area	**Square Feet / Acres**
Main Parcel Land Area:	15,799 / 0.36
Excess Land Area:	None
Total Land Area:	15,799 / 0.36
Site Shape:	Rectangular
Site Topography:	Level at street grade
Frontage:	Good/Excellent
Site Utility:	Good/Excellent
Access:	Good/Excellent
Visibility:	Good/Excellent
Location Rating:	Good/Excellent
Flood Zone Status:	
Flood Zone:	X, Areas determined to be outside the 500 year flood plain.
Flood Map Number:	48499C0340C
Flood Map Date:	9/3/2010
Comments	The flood zone determination and other related data are provided by a third party vendor deemed to be reliable. If further details are required, additional research is required that is beyond the scope of this analysis.
BUILDING INFORMATION	
Type of Property:	Gas Station and Convenience Store
Building Area:	
Convenience Store Area:	1,960 SF
Total Building Area:	1,960 SF
Canopy Area:	2,050 SF
Land to Building Ratio:	8.06:1
Age/Life:	
Quality:	Good/Excellent
Condition:	Average
Year Built:	1970
Actual Age:	52 Years
Effective Age:	20 Years
Economic Life:	45 Years
Remaining Economic Life:	25 Years

TANK INVENTORY	
Tanks:	Based on the info provided by the prospective buyer, and our review of underground fuel databases, we have estimated that the subject has/will have the following underground tanks (See
Tank Inventory	
12,000 gallons	2
4,000 gallons	1

MUNICIPAL INFORMATION	
Assessment Information:	
Assessing Authority	Wood County
Assessor's Parcel Identification	36104
Current Tax Year	2021
Taxable Assessment	$182,550
Current Tax Liability	$1,007
Subject's assessment is	Below market levels
Zoning Information:	
Municipality Governing Zoning	City of Mineola
Current Zoning	C2: General Business District

DEMAND CATALYSTS	
Corner or Interior Site:	Corner
Access Rating:	Good/Excellent
Frontage Rating:	Good/Excellent
Site Visibility Rating:	Good/Excellent

HIGHEST & BEST USE

As Though Vacant:
A commercial use built to its maximum feasible building area
Excess Land - As Though Vacant:
None; the subject does not include excess land
As Improved:
A Gas Station and Convenience Store as it is currently improved

The below Valuation Indices table portrays our value conclusions. Note our deduction of ownership's projected Capital Expenditures from our value conclusion.

VALUATION INDICES	
LAND VALUE	**$40,000**
COST APPROACH	**$750,000**
SALES COMPARISON APPROACH	**$990,000**
INCOME CAPITALIZATION APPROACH	
EBITDAR Direct Capitalization Method	$1,000,000
EBITDAR Yield Capitalization Method	$1,010,000
Income Capitalization Approach Conclusion	**$1,000,000**
Less: Capital Expenditures	**-$250,000**
FINAL VALUE CONCLUSION	**$750,000**
INSURABLE VALUE	**$700,000**

Compiled by Cushman & Wakefield of Illinois, Inc

The intangible asset value components are shown in the following table, followed by a table displaying the different components of our market value of the going concern conclusion.

TOTAL INTANGIBLE VALUE	
Market Value of the Going Concern:	$750,000
LESS: Total Real Property[1]:	$670,000
LESS: Furniture, Fixtures & Equipment[2]:	$80,000
EQUALS: Total Intangible Value (Rounded):	**$0**

[1]See Cost Approach Value Summary table for Real Property calculation.

[2]This value represents the depreciated value of the c-store equipment, such as display shelving, which is detailed in the cost approach. We have included it in our going concern value due to this being the typical process in the subject's market.

Compiled by Cushman & Wakefield of Illinois, Inc

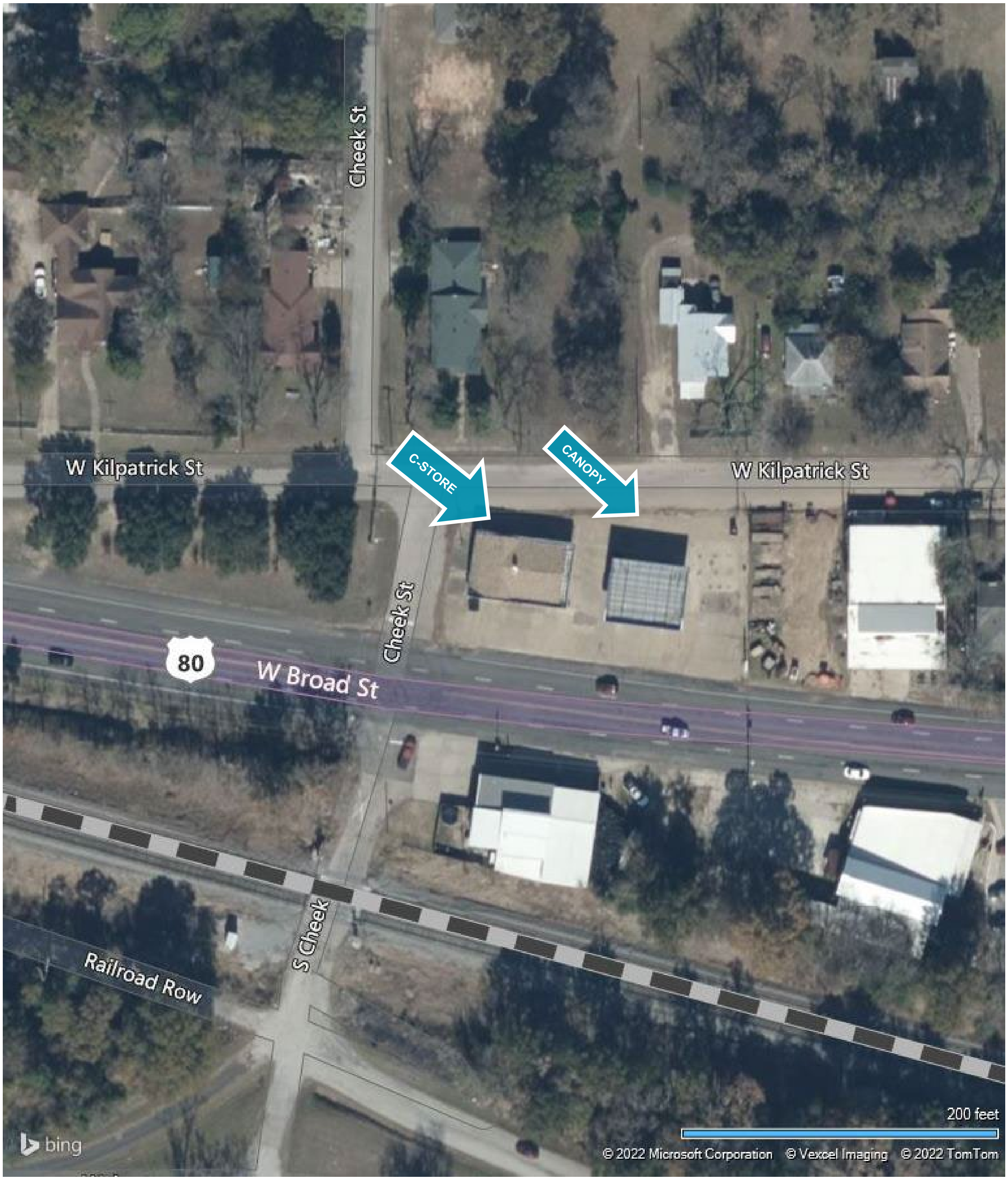
ALLOCATION OF MARKET VALUE OF THE GOING CONCERN		
VALUE COMPONENT	**VALUE**	**PERCENT**
Land Value	$40,000	5.3%
Structures	$369,776	49.3%
Fueling and Site Improvements	$264,057	35.2%
Total Real Property	$673,833	89.8%
Real Property (Rounded)	$670,000	89.3%
Personal Property[1]	$80,000	10.7%
Intangible Property	$0	0.0%
Total Going Concern Market Value	**$750,000**	100.0%

[1]This value represents the depreciated value of the c-store equipment, such as display shelving, which is detailed in the cost approach. We have included it in our going concern value due to this being the typical process in the subject's market.

Compiled by Cushman & Wakefield of Illinois, Inc

Property Photographs

AERIAL PHOTOGRAPH

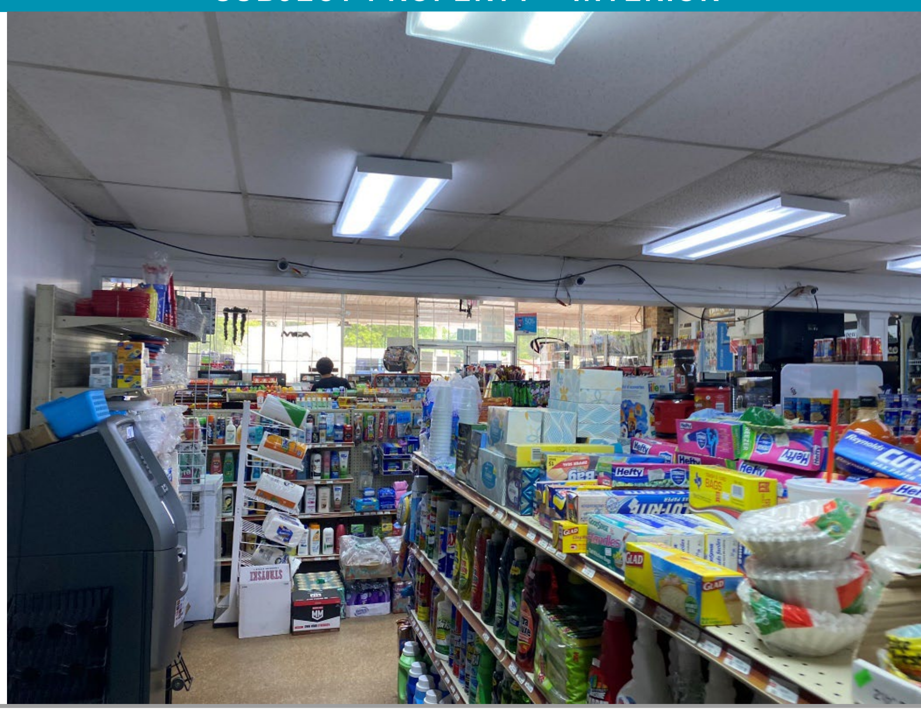


SUBJECT PROPERTY

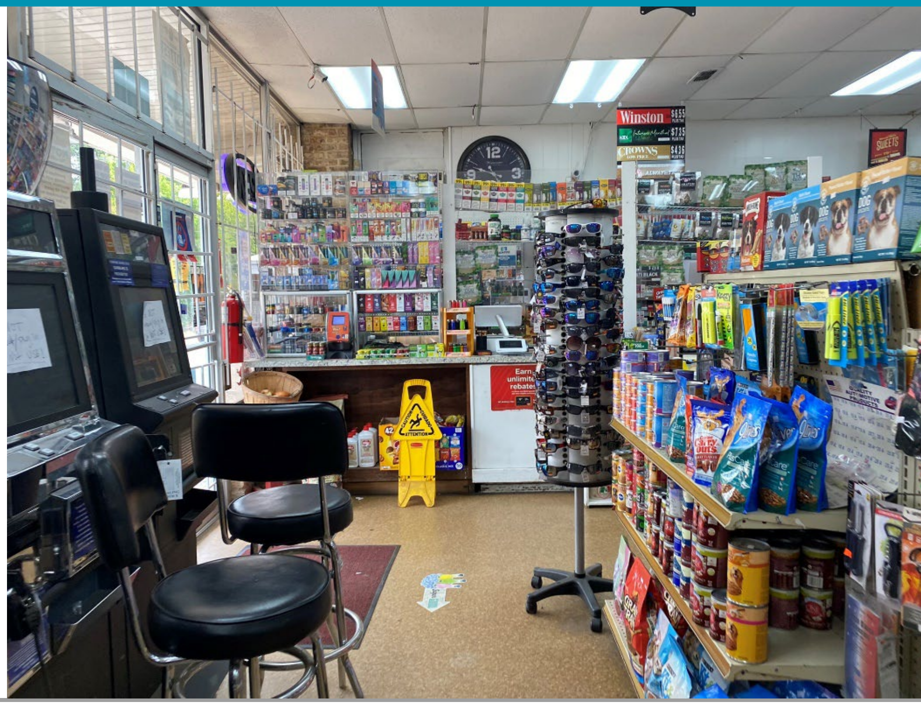
SUBJECT PROPERTY – CONVENIENCE STORE

SUBJECT PROPERTY – FUEL DISPENSER

SUBJECT PROPERTY – INTERIOR



SUBJECT PROPERTY - INTERIOR



STREET SCENE – VIEWING EAST ON WEST BROAD STREET

STREET SCENE – VIEWING WEST ON WEST BROAD STREET

Table of Contents

Scope of Work

This appraisal, presented in an appraisal report, is intended to comply with the reporting requirements outlined under Uniform Standards of Professional Appraisal Practice (USPAP) for an appraisal report.

The scope of this appraisal is to value the fee simple interest, and to allocate the going concern value components of the fee simple interest. This required collecting primary and secondary data relevant to the subject property. Vacant land and improved sales were researched in the subject's market, rental data was analyzed, and the input of buyers, sellers, brokers, property developers and public officials was considered. A physical inspection of the property was made. In addition, the general regional economy as well as the specifics of the subject's local area was investigated.

This appraisal was prepared without limitation of scope and involved thorough collection, checking and analysis of economic data, sales data, competitive market data and other information required in the appraisal process. The appraisal will consider the three standard approaches to value: income capitalization, sales comparison, and cost. Because gas station and convenience store facilities are income-producing properties that are normally bought and sold on the basis of capitalization of their anticipated stabilized earning power, the greatest weight is given to the value indicated by the income capitalization approach. We find that most gas station and convenience store investors employ a similar procedure in formulating their purchase decisions, and thus the income capitalization approach most closely reflects the rationale of typical buyers. When appropriate the sales comparison and cost approaches are used to test the reasonableness of the results indicated by the Income Capitalization Approach. In this analysis, we relied on the Income Capitalization Approach to value and utilized the Sales Comparison Approach and Cost Approach as tests of reasonableness. Additionally, the Cost Approach is utilized as an allocation of the market value components.

REPORT OPTION DESCRIPTION

USPAP identifies two written report options: Appraisal Report and Restricted Appraisal Report. This document is prepared as an Appraisal Report in accordance with USPAP guidelines. The terms "describe," summarize," and "state" connote different levels of detail, with "describe" as the most comprehensive approach and "state" as the least detailed. As such, the following provides specific descriptions about the level of detail and explanation included within the report:

- Describes the real estate and/or personal property that is the subject of the appraisal, including physical, economic, and other characteristics that are relevant
- Summarizes the type and definition of value and its source
- Describes the Scope of Work used to develop the appraisal
- Describes the information analyzed, the appraisal methods used, and the reasoning supporting the analyses and opinions; explains the exclusion of any valuation approaches
- Describes the use of the property as of the valuation date
- Describes the rationale for the Highest and Best Use opinion

Introduction

IDENTIFICATION OF PROPERTY

Common Property Name:	Gas Station and Convenience Store
Location:	The subject property is located at 680 West Broad Street, Mineola, Wood County, Texas 75773.
Assessor's Parcel Number:	36104
Legal Description:	We requested but were not provided with a legal description.

PROPERTY OWNERSHIP AND RECENT HISTORY

Current Ownership:	S F K R LLC
Sale History:	To the best of our knowledge, the property has not sold within the past three years from our effective date of value.
Current Disposition:	Based on a contract provided to the appraiser, the subject property is currently under contract for $345,000; the seller is SFKR, LLC and the buyer is BD Business, LLC and/or assigns. Per information provided by the buyer, and as noted during the inspection, the fuel pumps are not currently in operation and the property is currently operating as a convenience store only; therefore, an additional $250,000 will be invested by the buyer for capital improvements including replacing of underground fuel tanks, pumps, etc. resulting in an effective purchase price of $595,000. Our As-Is valuation conclusion is above the pending purchase price suggesting the property is being acquired at a below market price.
Previous Appraisal:	We have not performed prior services involving the subject property within the three-year period immediately preceding the acceptance of the assignment.

DATES OF INSPECTION AND VALUATION

Date of Valuation:	
As Is:	August 6, 2022
Date of Inspection:	August 6, 2022
Property Inspected by:	John M. Ozog, MAI made a personal inspection of the property that is the subject of this report.

CLIENT, INTENDED USE AND USERS OF THE APPRAISAL

Client:	Bank of George
Intended User:	The appraisal was prepared for Bank of George and the Small Business Administration (SBA) as an Intended User(s). The appraisal is intended only for the use specified below. The Client agrees that there are no other Intended Users. SBA SOP 50-10 5 (K) pages 204 and 205 requires The Certified General Real Property Appraiser must have completed no less than four going concern appraisals of equivalent special use property as the property being appraised, within the last 36 months, as identified in the qualifications portion of the Appraisal Report. The appraisers have completed no less than four going concern appraisals of equivalent special use property as the property being appraised within the last 36 months.
Intended Use:	This appraisal is intended to provide an opinion of the market value of the going concern interest in the property for the use of the client in evaluating potential financing. This report is not intended for any other use.

QUALITY CONTROL

Cushman & Wakefield of Illinois, Inc has an internal Quality Control Oversight Program. This Program mandates a "second read" of all appraisals. Assignments prepared and signed solely by designated members (MAIs) are read by another MAI who is not participating in the assignment. Assignments prepared, in whole or in part, by non-designated appraisers require MAI participation, Quality Control Oversight, and signature.

OPERATIONAL ASSUMPTIONS

For the purposes of this report, we assumed that the subject will be operated as a Gas Station and Convenience Store. We further assumed that the subject will be operated by competent and experienced management familiar with the operation of gas stations and convenience stores in the United States, and more specifically, Mineola, Texas. For the purpose of this appraisal, we assumed that the subject could be sold free and clear and that with the existing brand affiliation would remain throughout the holding period.

MOST PROBABLE PURCHASER

The subject property is currently an owner-operated Gas Station and Convenience Store. If the subject property were to sell, the most likely purchaser would also be an owner-operator due to this being the most common ownership structure for the subject's property type.

PROPERTY RIGHTS APPRAISED

The interest appraised is the fee simple estate, including the fee simple interest in the land and the contributory value of the furniture, fixtures and equipment. The appraisers assume that the subject will be, and shall remain, open and operational.

GOING CONCERN DEFINITION

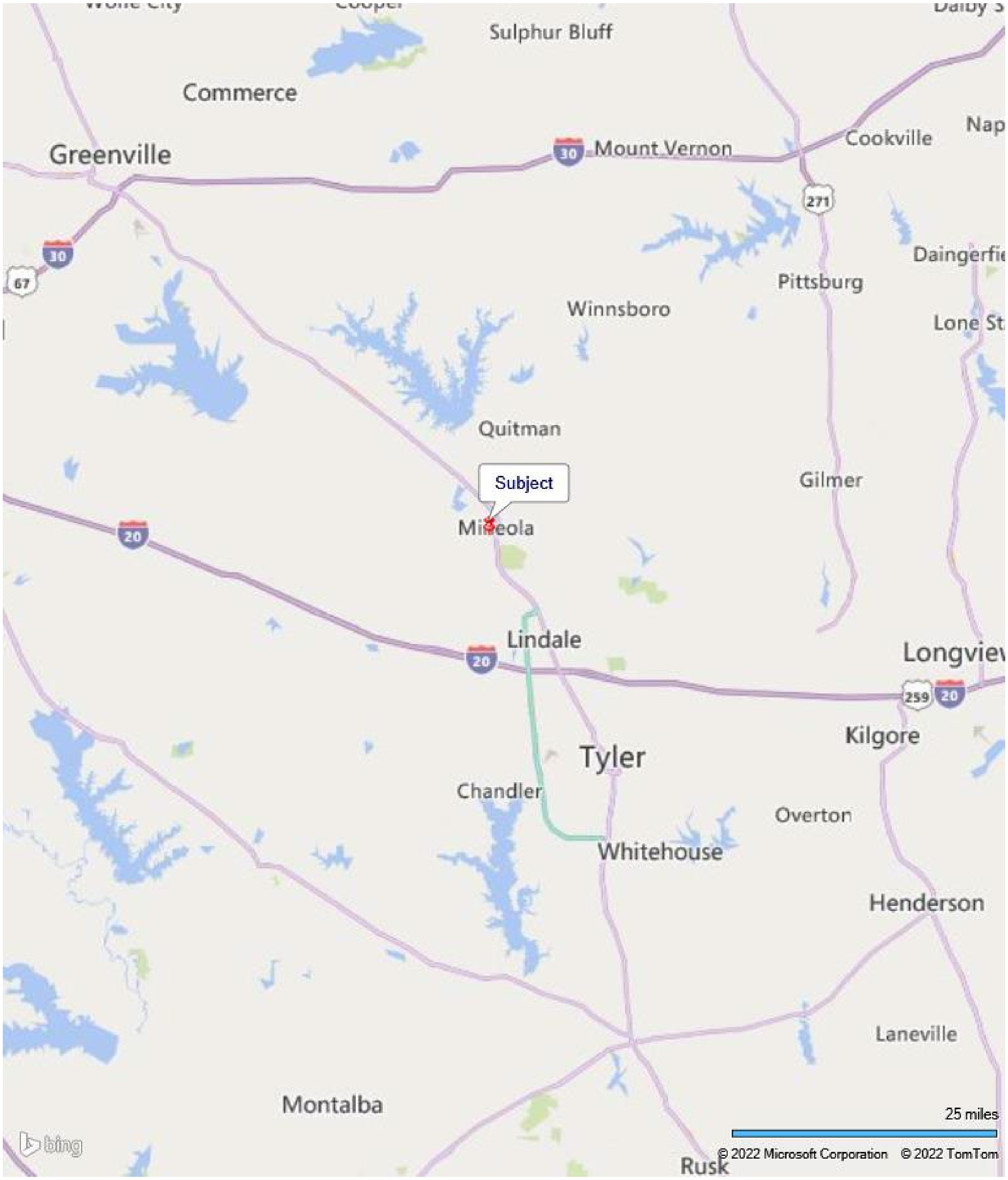
1. An established and operating business having an indefinite future life.

2. An organization with an indefinite life that is sufficiently long that, over time, all currently incomplete transformations (transforming resources from one form to a different, more valuable form) will be completed.

The Dictionary of Real Estate Appraisal, Seventh Edition (2022), published by the Appraisal Institute, Chicago, IL.

Tyler, TX Regional Analysis

REGIONAL MAP



INTRODUCTION

The short- and long-term value of real estate is influenced by a variety of interacting factors. Regional analysis identifies those factors that affect property value, and the role they play within the region. The four primary forces that determine the supply and demand for real property, and consequently affect market value, are: environmental characteristics, governmental forces, social factors, and economic trends. The subject is located in Mineola, Texas, within the Tyler, TX MSA. The central business district of Tyler, TX is located 25 miles south of the subject property.

ECONOMIC & DEMOGRAPHIC PROFILE

The following profile of the Tyler, TX MSA was provided by Moody’s Economy.com. Economy.com's core assets of proprietary editorial and research content as well as economic and financial databases are a source of information on national and regional economies, industries, financial markets, and demographics.

Economy.com's approach to the analysis of the U.S. economy consists of building a large-scale, simultaneous-equation econometric model, which they simulate and adjust with local market information, creating a model of the U.S. macro economy that is both top-down and bottom-up. In this model, those variables that are national in nature are modeled nationally while those that are regional in nature are modeled regionally. Interest rates, prices, and business investment are modeled as national variables; key sectors such as labor markets (employment, labor force), demographics (population, households, and migration), and construction activity (housing starts and sales) are modeled regionally and then aggregated to national totals. This approach allows local information to influence the macroeconomic outlook. Therefore, changes in fiscal policy at the national level (changes in tax rates, for example) are translated into their corresponding effects on state economies. At the same time, the growth patterns of large states, such as California, New York, and Texas, play a major role in shaping the national outlook.

In addition, on a regional basis, the modeling system is explicitly linked to other states through migration flows and unemployment rates. Economy.com's model structure also takes into account migration between states.

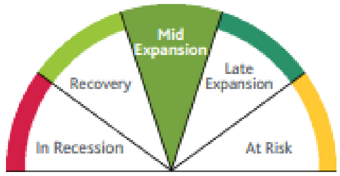
MOODY'S ANALYTICS

TYLER TX

Data Buffet® MSA code: IUSA_MTYL

ECONOMIC DRIVERS	EMPLOYMENT GROWTH RANK		RELATIVE COSTS		VITALITY	QUALITY
MEDICAL CENTER; ENERGY & RESOURCES; COLLEGE TOWN	2021-2023	2021-2026	LIVING	BUSINESS	RELATIVE	OF LIFE
	112 2nd quintile	85 2nd quintile	110%	93%	0.03 Rank: 171	208
	Best=1, Worst=410		U.S.=100%		Best=1, Worst=403	Best=1, Worst=378

BUSINESS CYCLE STATUS



STRENGTHS & WEAKNESSES

STRENGTHS

- Well-developed healthcare industry that serves northeast Texas.
- Proximity to Dallas and Houston.
- Relationship between UT-Tyler and healthcare industry.
- Favorable migration trends.

WEAKNESSES

- Dearth of high-wage jobs outside of healthcare.
- Low worker productivity, high poverty rate.

FORECAST RISKS

SHORT TERM ↑ LONG TERM ↑

RISK EXPOSURE 2022-2027 **165** 3rd quintile Most=1 Least=403

UPSIDE

- Strong population growth and opening of medical school lead to expansion of UT-Tyler campus.
- Low costs increase business investment, raising incomes and employment.

DOWNSIDE

- Aging population proves a bigger hurdle for housing, consumer industries.
- Higher poultry prices negate demand, resulting in food production layoffs.

MOODY'S RATING

Aa1 COUNTY AS OF JUN 19, 2019

ANALYSIS

Recent Performance. Tyler's economy is expanding. Payrolls are well beyond the precrisis peak compared with the national average, which has not fully recovered lost jobs yet. Consumer-driven industries carried the most weight in terms of growth, though fell mostly in line with the national trend. Growth in healthcare and manufacturing payrolls has been rather sluggish, underperforming the state and the nation. A strengthening labor force is driving some job growth, but the unemployment rate has failed to dip below its precrisis low, despite continuing its downward creep. It currently sits below the state rate but just north of the national average.

Education. Growth in state government payrolls—primarily tied to the University of Texas at Tyler—has lagged that in the nation but will creep up at an average pace near term. University enrollment is heading in the wrong direction, down more than 7% from its 2017 peak. The result is reduced hiring as fewer students require less faculty and staff. Yet enrollment gains could be in the cards for UT-Tyler. Matriculation is tied closely to local population trends since 85% of students commute. More than half of the population is between age 25 and 64, and this cohort is rapidly expanding. Net migration of parent-age adults has grown faster than in the rest of the state since 2019, according to data from Equifax. As a result, the youth population has grown at an above-average rate and will help fuel greater enrollment at UT-Tyler. The UT system has also awarded the university an endowment to supplement tuition costs for lower-income students, which may attract more applicants, particularly those originating from TYL. Consequently, there is upside for hiring longer term.

Manufacturing. Despite recent weakness, factory payrolls will start to rebound, pushing ahead of the national pace by next year. Food processing is the juggernaut of the local manufacturing base, accounting for 40% of factory jobs, twice the national average. Strong demand will keep the industry afloat as producers such as Sanderson Farms have been able to pass on historically high prices to consumers, upping margins. Sanderson's revenue grew by 36% and net profit by more than 200% in the first quarter of this year because of higher prices. Recently approved tax abatements for local producers will also give an extra boost to margins as well as longer-term returns on investments incentivized by the program. The program is expected to create more than 2,000 jobs as more than $350 million in investments get injected into the metro area.

Housing. House price appreciation has been outpacing that of the state and nation but will start to slow throughout the year and moderate quicker than nationally. Rising borrowing costs will weigh on demand and slow house price appreciation. However, local housing demand will be bolstered by above-average personal income growth and strong demographics. As one of the more affordable metro areas in Texas, TYL is a top performer in the state in terms of net migration. Working-age adults are pouring into TYL at a rate quadruple the state average. Demographic-driven demand, however, will be met with heightened supply. Permitting is at a 15-year high and will grow faster than the state and the nation near term.

Tyler's economy will grow at a rate convergent with the region near term. Favorable demographics will drive growth in education and housing while downstream consumer industries also benefit. Longer term, investments in factories will add to payrolls, but a dearth of high-wage jobs will leave TYL an average performer.

Justin Begley *1-866-275-3266*
May 2022 *help@economy.com*

2016	2017	2018	2019	2020	2021	INDICATORS	2022	2023	2024	2025	2026	2027
12.3	12.4	12.7	13.1	12.8	13.7	Gross metro product (C12$ bil)	14.6	15.1	15.6	16.0	16.6	17.1
-0.4	*1.2*	*2.1*	*3.2*	*-2.2*	*7.6*	*% change*	*6.0*	*3.5*	*3.4*	*3.0*	*3.2*	*3.0*
103.3	104.9	106.6	107.9	104.6	107.8	Total employment (ths)	112.0	114.5	116.1	117.1	118.1	119.1
1.2	*1.5*	*1.7*	*1.2*	*-3.1*	*3.1*	*% change*	*3.9*	*2.2*	*1.4*	*0.9*	*0.8*	*0.9*
4.6	4.1	3.7	3.3	6.8	5.2	Unemployment rate (%)	3.7	3.2	3.2	3.3	3.4	3.5
-1.2	13.8	6.9	1.2	3.2	8.5	Personal income growth (%)	5.4	7.0	6.0	5.3	5.4	5.2
52.2	54.7	56.9	59.6	62.2	64.6	Median household income ($ ths)	65.7	68.5	71.0	73.4	75.9	78.4
225.2	227.2	229.7	232.8	234.9	236.9	Population (ths)	239.4	242.1	244.4	246.6	248.8	250.9
1.2	*0.9*	*1.1*	*1.3*	*0.9*	*0.8*	*% change*	*1.1*	*1.1*	*1.0*	*0.9*	*0.9*	*0.9*
1.7	1.0	1.8	2.2	1.6	1.6	Net migration (ths)	1.9	2.0	1.8	1.7	1.7	1.7
454	472	478	592	635	773	Single-family permits (#)	819	825	788	761	719	677
127	206	182	65	193	330	Multifamily permits (#)	148	161	162	152	134	125
189.1	197.4	207.3	217.0	229.1	260.3	FHFA house price (1995Q1=100)	295.5	299.3	301.8	301.2	299.1	295.8

ECONOMIC HEALTH CHECK

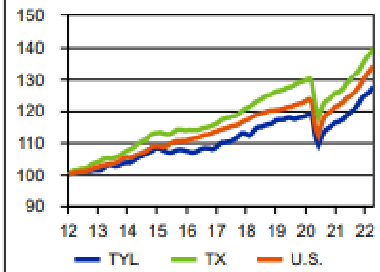
3-MO MA	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22
Employment, change, ths	0.6	0.6	0.2	0.3	0.3	0.2
Unemployment rate, %	4.4	4.3	4.3	4.3	4.2	4.1
Labor force participation rate, %	59.5	59.5	59.4	59.6	59.8	59.7
Average weekly hours, #	36.3	36.0	36.1	36.0	35.9	35.3
Industrial production, 2012=100	102.7	103.5	103.8	104.2	105.0	106.1
Residential permits, single-family, #	873	903	818	868	835	808
Residential permits, multifamily, #	102	195	200	132	158	162
Dec/Dec	**Dec 16**	**Dec 17**	**Dec 18**	**Dec 19**	**Dec 20**	**Dec 21**
Employment, change, ths	0.8	2.8	1.0	1.1	-2.5	4.4

Better than prior 3-mo MA | Unchanged from prior 3-mo MA | Worse than prior 3-mo MA

Sources: BLS, Census Bureau, Moody's Analytics

BUSINESS CYCLE INDEX

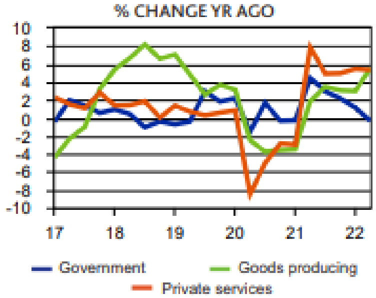
JAN 2012=100



Source: Moody's Analytics

CURRENT EMPLOYMENT TRENDS

% CHANGE YR AGO



Sources: BLS, Moody's Analytics

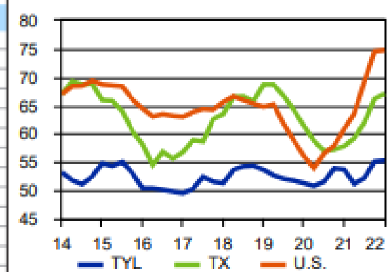
% CHANGE YR AGO, 3-MO MA

	Apr 21	Oct 21	Apr 22
Total	1.0	4.2	4.3
Mining	-26.4	15.8	15.1
Construction	5.7	5.4	5.4
Manufacturing	0.4	0.1	-1.7
Trade	3.3	4.6	9.2
Trans/Utilities	8.1	8.4	7.2
Information	-8.7	0.1	-0.2
Financial Activities	0.7	0.9	2.1
Prof & Business Svcs.	0.6	9.4	6.2
Edu & Health Svcs.	-0.3	0.7	0.1
Leisure & Hospitality	3.8	10.1	11.5
Other Services	-0.4	4.4	4.7
Government	0.4	2.4	1.3

Sources: BLS, Moody's Analytics

DIFFUSION INDEX

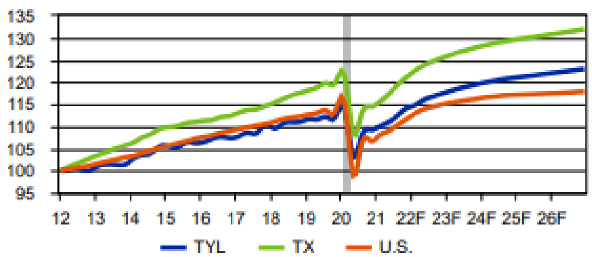
3-DIGIT NAICS LEVEL, 6-MO MA



Sources: BLS, Moody's Analytics

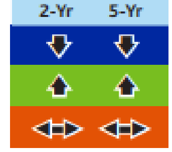
RELATIVE EMPLOYMENT PERFORMANCE

JAN 2012=100



FORECAST VS. 6 MO PRIOR

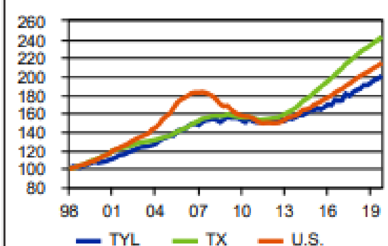
2-Yr 5-Yr



Sources: BLS, Moody's Analytics

HOUSE PRICE

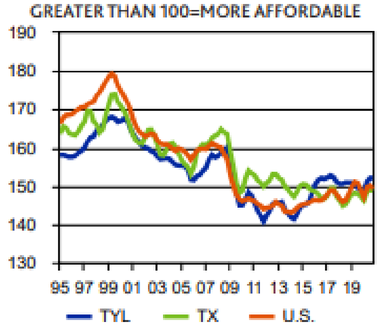
1998Q1=100, NSA



Sources: FHFA, Moody's Analytics

RENTAL AFFORDABILITY

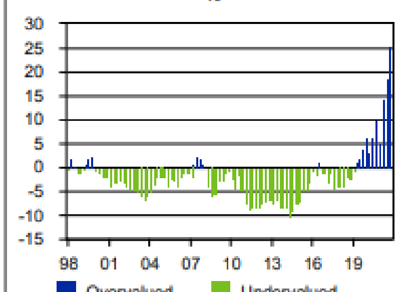
GREATER THAN 100=MORE AFFORDABLE



Sources: Census Bureau, BLS, Moody's Analytics

HOUSE PRICE TRENDS

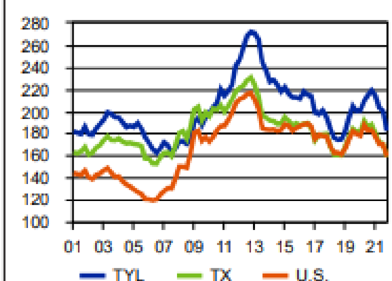
%



Sources: FHFA, Moody's Analytics

HOUSING AFFORDABILITY

GREATER THAN 100=MORE AFFORDABLE



Sources: NAR, Moody's Analytics

EMPLOYMENT AND INDUSTRY

TOP EMPLOYERS

East Texas Medical Center	4,439
Trinity Mother Frances Health System	4,095
Sanderson Farms	1,692
Brookshire Grocery Co.	1,620
University of Texas at Tyler	1,440
Trane Co.	1,331
Walmart Inc.	1,241
Altice USA	1,150
UT Health Center at Tyler	1,108
Tyler Junior College	967
John Soules Foods Inc.	742
Target Brands Inc.	690
Southside Bank	412
Tyler Pipe	369
Centene	349
Delek Refining	310
Fresenius Medical Care	283

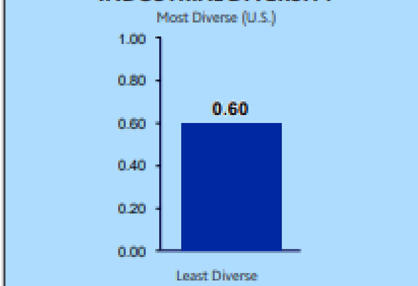
Source: Tyler Economic Development Council, 2019

PUBLIC

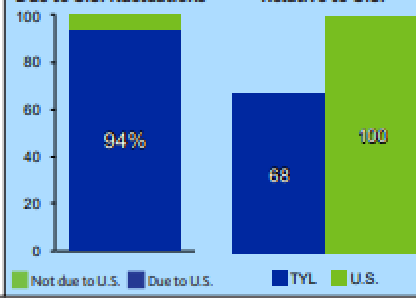
Federal	700
State	4,602
Local	9,666

2021

INDUSTRIAL DIVERSITY

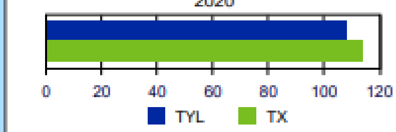


EMPLOYMENT VOLATILITY



ENTREPRENEURSHIP

BROAD-BASED START-UP RATE U.S.=100 2020



Sources: Census Bureau, Moody's Analytics

EXPORTS

Product	$ mil
Food and kindred products	ND
Chemicals	20.8
Primary metal manufacturing	ND
Fabricated metal products	12.6
Machinery, except electrical	17.7
Computer and electronic products	ND
Transportation equipment	ND
Miscellaneous manufacturing	ND
Other products	33.5
Total	97.1

Destination	$ mil
Africa	2.9
Asia	33.7
European Union	10.5
Canada & Mexico	35.9
South America	4.1
Rest of world	10.0
Total	97.1
% of GDP	*0.7*
Rank among all metro areas	*357*

Sources: BEA, International Trade Administration, Moody's Analytics, 2019

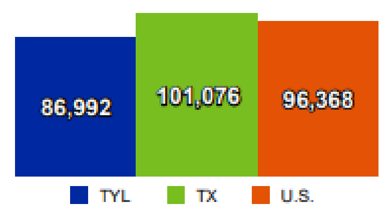
COMPARATIVE EMPLOYMENT AND INCOME

Sector	% OF TOTAL EMPLOYMENT TYL	TX	U.S.	AVERAGE ANNUAL EARNINGS TYL	TX	U.S.
Mining	1.2	1.4	0.4	nd	$235,835	$151,071
Construction	4.5	5.8	5.1	$62,910	$73,000	$76,012
Manufacturing	6.4	6.9	8.5	$64,547	$99,612	$91,702
Durable	*43.5*	*63.1*	*62.2*	*nd*	*$98,350*	*$94,522*
Nondurable	*56.5*	*36.9*	*37.8*	*nd*	*$101,760*	*$87,083*
Transportation/Utilities	5.1	5.0	4.5	$66,937	$74,663	$65,944
Wholesale Trade	4.9	4.7	3.9	$76,331	$98,612	$98,506
Retail Trade	12.8	10.6	10.5	$52,033	$39,757	$41,889
Information	1.3	1.6	1.9	$65,746	$100,937	$153,450
Financial Activities	4.0	6.6	6.0	$44,328	$58,316	$67,570
Prof. and Bus. Services	9.9	14.9	14.5	$53,148	$74,515	$82,393
Educ. and Health Services	21.8	13.6	16.2	$66,776	$59,157	$63,178
Leisure and Hosp. Services	10.3	10.2	9.6	$21,250	$26,679	$30,932
Other Services	3.7	3.3	3.7	$31,937	$38,340	$42,842
Government	13.9	15.5	15.1	$70,495	$77,665	$86,611

Sources: Percent of total employment — BLS, Moody's Analytics, 2021, Average annual earnings — BEA, Moody's Analytics, 2020

PRODUCTIVITY

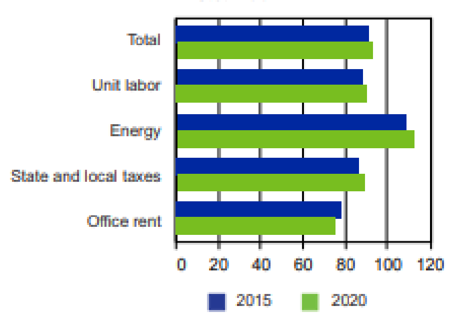
REAL OUTPUT PER WORKER, $



Sources: BEA, Moody's Analytics, 2020

BUSINESS COSTS

U.S.=100



Source: Moody's Analytics

HIGH-TECH EMPLOYMENT

	Ths	% of total
TYL	2.0	1.9
U.S.	7,880.5	5.4

HOUSING-RELATED EMPLOYMENT

	Ths	% of total
TYL	10.9	10.1
U.S.	14,779.4	10.1

Source: Moody's Analytics, 2021

LEADING INDUSTRIES BY WAGE TIER

	NAICS	Industry	Location Quotient	Employees (ths)
HIGH	6211	Offices of physicians	1.6	3.3
HIGH	5411	Legal services	1.0	0.9
HIGH	5242	Agencies, brokerages & other insur. rel. acts.	0.9	0.9
HIGH	2131	Support activities for mining	4.8	0.9
MID	6221	General medical & surgical hospitals	1.9	6.5
MID	GVS	State Government	1.2	4.6
MID	6216	Home health care services	3.5	4.0
MID	4931	Warehousing and storage	2.0	2.5
LOW	7225	Restaurants & other eating places	1.2	9.6
LOW	GVL	Local Government	0.9	9.5
LOW	FR	Farms	1.8	3.6
LOW	4237	Hardware, & plumb. & heat. equip. & sup. merch. whls.	11.6	2.5

Source: Moody's Analytics, 2021

MOODY'S ANALYTICS / Précis® U.S. Metro / May 2022

Tyler's economy is expanding. Payrolls are well beyond the precrisis peak compared with the national average, which has not fully recovered lost jobs yet. Consumer-driven industries carried the most weight in terms of growth, though fell mostly in line with the national trend. Growth in healthcare and manufacturing payrolls has been rather sluggish, underperforming the state and the nation. A strengthening labor force is driving some job growth, but the unemployment rate has failed to dip below its precrisis low, despite continuing its downward creep. It currently sits below the state rate but just north of the national average.

Growth in state government payrolls—primarily tied to the University of Texas at Tyler—has lagged that in the nation but will creep up at an average pace near term. University enrollment is heading in the wrong direction, down more than 7% from its 2017 peak. The result is reduced hiring as fewer students require less faculty and staff. Yet enrollment gains could be in the cards for UT-Tyler. Matriculation is tied closely to local population trends since 85% of students commute. More than half of the population is between age 25 and 64, and this cohort is rapidly expanding. Net migration of parent-age adults has grown faster than in the rest of the state since 2019, according to data from Equifax. As a result, the youth population has grown at an above-average rate and will help fuel greater enrollment at UT-Tyler. The UT system has also awarded the university an endowment to supplement tuition costs for lower-income students, which may attract more applicants, particularly those originating from TYL. Consequently, there is upside for hiring longer term.

Despite recent weakness, factory payrolls will start to rebound, pushing ahead of the national pace by next year. Food processing is the juggernaut of the local manufacturing base, accounting for 40% of factory jobs, twice the national average. Strong demand will keep the industry afloat as producers such as Sanderson Farms have been able to pass on historically high prices to consumers, upping margins. Sanderson's revenue grew by 36% and net profit by more than 200% in the first quarter of this year because of higher prices. Recently approved tax abatements for local producers will also give an extra boost to margins as well as longer-term returns on investments incentivized by the program. The program is expected to create more than 2,000 jobs as more than $350 million in investments get injected into the metro area.

House price appreciation has been outpacing that of the state and nation but will start to slow throughout the year and moderate quicker than nationally. Rising borrowing costs will weigh on demand and slow house price appreciation. However, local housing demand will be bolstered by above-average personal income growth and strong demographics. As one of the more affordable metro areas in Texas, TYL is a top performer in the state in terms of net migration. Working-age adults are pouring into TYL at a rate quadruple the state average. Demographic-driven demand, however, will be met with heightened supply. Permitting is at a 15-year high and will grow faster than the state and the nation near term.

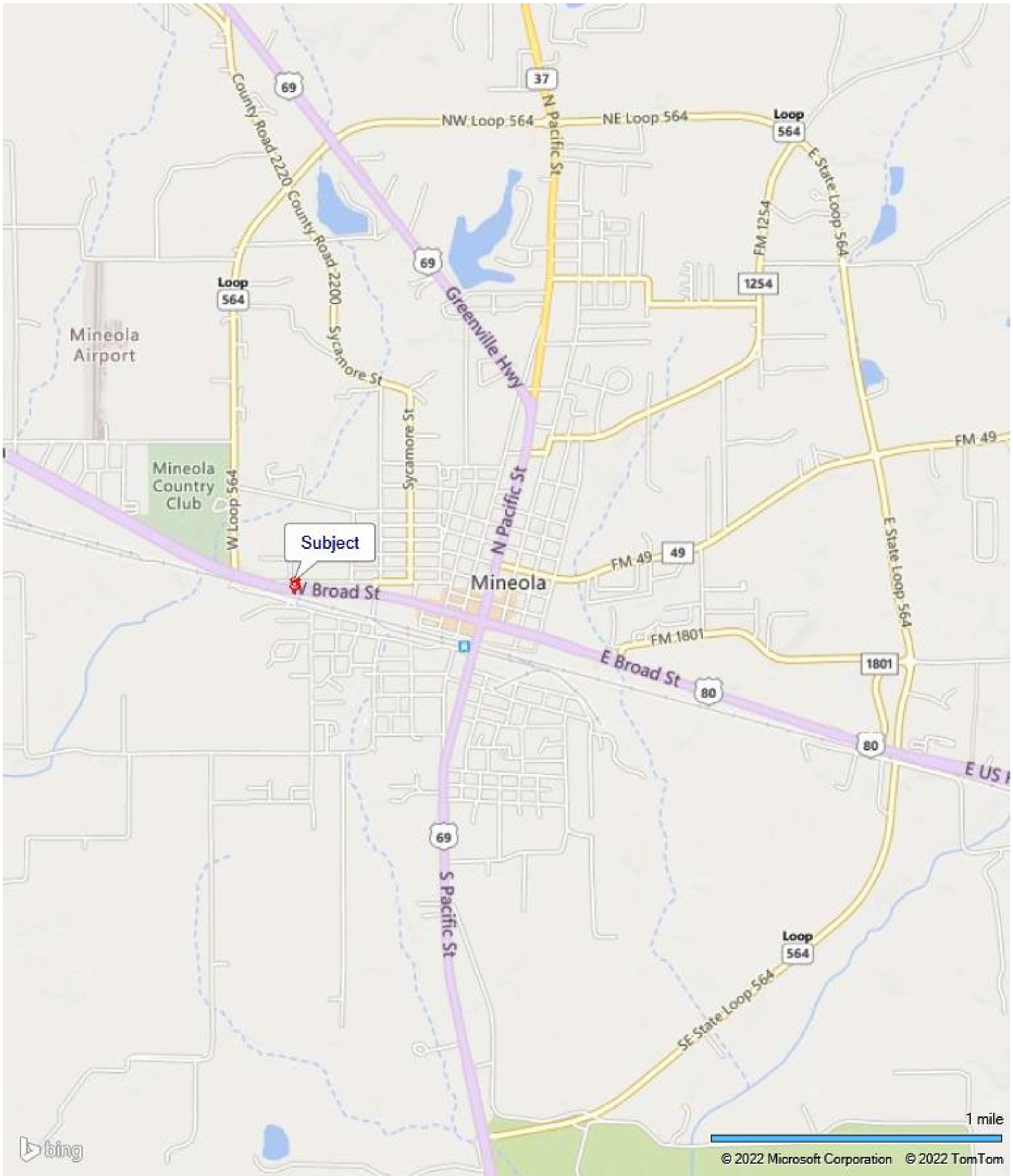
Tyler's economy will grow at a rate convergent with the region near term. Favorable demographics will drive growth in education and housing while downstream consumer industries also benefit. Longer term, investments in factories will add to payrolls, but a dearth of high-wage jobs will leave TYL an average performer.

CONCLUSION

In light of the social and economic attributes of the greater Tyler, TX area, we are cautiously optimistic about the short-term outlook. Long-term, the region should see stability and moderate growth, with increasing real estate values.

Local Area Analysis

LOCAL AREA MAP



LOCATION

The subject is located in Mineola, Texas, within the Tyler, TX MSA. The central business district of Tyler, TX is located 25 miles south of the subject property. As of 2021, Mineola had a population of 4,801. The street that the subject is located on, West Broad Street, is considered a primary commercial corridor for the subject's local area. The subject's site has a daily traffic volume that supports its current use as a Gas Station and Convenience Store, and it benefits from good neighborhood access and average regional access. The subject's primary trade area, a 5 minute drive-time with the origination point being the subject property, has a 2021 population of 3,226, which is expected to increase 0.59 percent per annum through 2026.

LOCAL AREA ACCESS

We have analyzed the subject's neighborhood access from both a local and regional standpoint. West Broad Street is a primary thoroughfare, resulting in good local access for the subject's neighborhood. Interstate 20 is located 13.0 miles south of the subject property. The subject has average regional access. Overall, the local area's accessibility is average.

COMPETITIVE TRADE AREA

We have considered several factors in defining boundaries for the subject's competitive trade area. First, the property's location with respect to transportation provides the basis for regional access to the area. Second, competition and geographic boundaries help to define the potential size of the trade area as a measure of distance from the property. Third, the demand segment mix provides the basic snapshot of local customers (versus transient) that are likely to patronize the property. This analysis is also of particular importance to understand the growth potential of the neighborhood, and its propensity to attract new businesses and a variety of commercial and/or leisure demand generators.

While we recognize competition is a key aspect of the gas station and convenience store business, we believe the economics associated with competition are engrained within the historical operating performance of the properties and appraisers forecasts. Retail fuel pricing varies on a daily basis and does not directly drive profitability, rather it is the margin that drives profit and value. For example, a gas station with retail pricing at $3.00 per gallon doesn't indicate much in terms of profit, but profit margins provide meaningful appraisal data. It is within the ICA where margins are effectively analyzed and drive value. C&W elected to develop appraisal reports that focus on three comprehensive approaches to value. In instances where C&W is aware of changes to a local competitive landscape, with perhaps the elimination or addition of a competitor, we have given consideration to that transition. We are not aware of any major shifts in competition within the local market.

We analyzed the subject's trade area based on the following:

- Highway accessibility, including area traffic patterns, geographical constraints, and nodes of residential development;
- The position and nature of the area's retail structure, including the location of gas stations which compete with the subject and the strength and composition of the retail infill

The subject is located at the southeast corner of West Broad Street and Cheek Street in Mineola, Texas. The subject's immediate location has good local accessibility and average regional accessibility, as well as the proliferation of peripheral draws. Major roadway proximity to the neighborhood provides the necessary access to more regional destinations throughout the area, while the surrounding uses provide the necessary drawing power to generate a relatively high traffic flow for the subject property.

The subject property is a Gas Station and Convenience Store, which relies heavily on vehicular traffic. Therefore, due to the nature of the subject property, we have delineated the subject's trade area by drive-time. Given all of the above, we believe the subject property's primary trade area would likely span an area encompassing a 5 minute drive-time around the subject. The subject's secondary trade area might span up to a 10 minute drive-time from the site given its regional accessibility. Using these observations, we analyzed a primary demographic profile for the subject based on a drive-time of approximately 5 minutes from the property.

The following map outlines the subject's primary trade area; a 5 minute drive-time with the origination point being the subject property.

TRADE AREA MAP - 5 MINUTE DRIVE-TIME

To add perspective to this analysis, we segregated our survey into 3, 5, and 10 minute drive-times with a comparison to the City of Mineola, Wood County, and the State of Texas. This data and analysis is presented below.

DEMOGRAPHIC SUMMARY							
POPULATION STATISTICS		3.0 Minute Drive-Time	5.0 Minute Drive-Time	10.0 Minute Drive-Time	Mineola Municipality	Wood County	Texas State
2000		980	2,751	6,418	4,472	36,744	20,851,693
2021		1,274	3,226	7,337	4,801	45,859	29,457,203
2026		1,370	3,323	7,425	4,850	46,977	31,750,626
Compound Annual Change							
2000 - 2021		1.26%	0.76%	0.64%	0.34%	1.06%	1.66%
2021 - 2026		1.46%	0.59%	0.24%	0.20%	0.48%	1.51%
HOUSEHOLD STATISTICS							
2000		370	1,040	2,506	1,754	14,579	7,393,348
2021		443	1,148	2,811	1,840	18,396	10,568,122
2026		477	1,177	2,836	1,849	18,896	11,451,717
Compound Annual Change							
2000 - 2021		0.86%	0.47%	0.55%	0.23%	1.11%	1.72%
2021 - 2026		1.49%	0.50%	0.18%	0.10%	0.54%	1.62%
AVERAGE HOUSEHOLD INCOME							
2000		$38,054	$41,328	$40,996	$40,326	$43,473	$54,441
2021		$64,628	$65,789	$65,806	$62,476	$73,977	$93,080
2026		$67,268	$68,983	$69,392	$66,074	$77,602	$98,453
Compound Annual Change							
2000 - 2021		2.55%	2.24%	2.28%	2.11%	2.56%	2.59%
2021 - 2026		0.80%	0.95%	1.07%	1.13%	0.96%	1.13%
OCCUPANCY							
Owner Occupied		62.85%	67.42%	71.71%	66.37%	80.62%	62.49%
Renter Occupied		37.15%	32.58%	28.29%	33.63%	19.38%	37.51%

POPULATION

Having established the subject's trade area, our analysis focuses on the trade area's population. Experian Marketing Solutions, Inc. provides historical, current and forecasted population estimates for the total trade area. Patterns of development density and migration are reflected in the current levels of population estimates.

Experian Marketing Solutions, Inc., projects population growth through 2026 to be 0.59 percent per annum within the primary trade area (5 minute drive-time). Expanding to the total trade area (10 minute drive-time), population is expected to increase 0.24 percent per annum by 2026.

HOUSEHOLDS

A household consists of a person or group of people occupying a single housing unit, and is not necessarily a family unit. When an individual purchases goods and services, these purchases are a reflection of the entire household's needs and decisions, making the household a critical unit to be considered when reviewing market data and forming conclusions about the trade area as it impacts the subject.

According to Experian Marketing Solutions, Inc., the Primary Trade Area (5 minute drive-time) grew at a compound annual rate of 0.47 percent between 2000 and 2021. Household growth through 2026 is estimated at 0.5 percent per annum. In 2000, there were 2.65 persons per household in the primary trade area and by 2026 this number is estimated to have increased to 2.81 persons. Through 2026, the average number of persons per household is forecasted to increase to 2.82 persons.

TRADE AREA INCOME

Income levels, either on a per capita, per family or household basis, indicate the economic level of the residents of the trade area and form an important component of this total analysis. Average household income, when combined with the number of households, is a major determinant of an area's retail sales potential.

According to Experian Marketing Solutions, Inc. average household income in the primary trade area in 2021 was approximately $65,789, 105.30 percent of the Mineola average ($62,476) and 88.93 percent of the County average ($73,977).

Further analysis shows a relatively broad-based distribution of income, although skewed toward the lower income brackets. This information is summarized as follows:

DISTRIBUTION OF HOUSEHOLD INCOME

Category	3.0 Minute Drive-Time	5.0 Minute Drive-Time	10.0 Minute Drive-Time	Mineola Municipality	Wood County	Texas State
$150,000 or more	4.75%	5.41%	5.87%	4.57%	8.41%	14.07%
$125,000 to $149,999	5.66%	4.88%	4.84%	5.27%	4.35%	6.09%
$100,000 to $124,999	10.63%	10.64%	8.21%	9.08%	7.05%	9.64%
$75,000 to $99,999	15.84%	14.39%	14.44%	13.04%	14.62%	12.81%
$50,000 to $74,999	13.57%	15.78%	17.43%	16.36%	18.24%	17.73%
$35,000 to $49,999	13.80%	13.95%	13.41%	13.48%	13.75%	12.16%
$25,000 to $34,999	11.31%	10.99%	11.20%	12.28%	11.21%	8.72%
$15,000 to $24,999	12.44%	11.33%	11.77%	11.36%	11.23%	8.74%
Under $15,000	11.99%	12.64%	12.84%	14.57%	11.14%	10.04%
Median Income	$64,628	$65,789	$65,806	$62,476	$73,977	$93,080

RETAIL SALES

Perhaps an even more important measure of area income is the amount spent on retail purchases. At the end of last year, Mineola had an aggregate retail sales level of $98,055,177, with average retail sales per household of $53,291. By comparison, the County had average sales per household of $57,718, while the State was $60,268.

RETAIL SALES (in $000)

Area	2021	2026	CAGR 2021-26
Municipality	$98,055	$109,114	2.2%
County	$1,061,777	$1,203,211	2.5%
State	$636,914,421	$771,221,560	3.9%

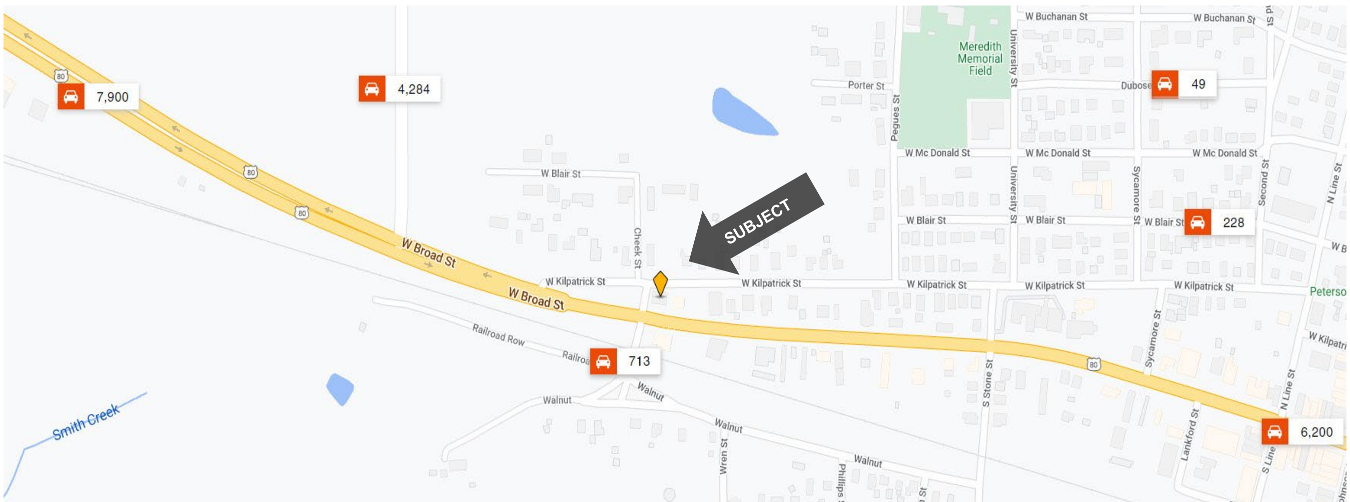
Experian Marketing Solutions, Inc. projects retail sales in Mineola will grow at a pace below the County and below the State. It is important to note that these forecasts are in constant, current dollars and represent growth over inflation.

DEMOGRAPHICS SUMMARY

The subject's primary trade area's population growth is expected to be faster than Mineola, faster than the County, and slower than the State. Overall, the subject's primary trade area has a relatively strong population growth rate. The average household income level in the subject's primary trade area is $65,789, which is similar to Mineola, below the County, and below the State levels. Overall, the subject's primary trade area has a relatively low average income level. Overall, we rate the subject's primary trade area's demographics as average.

TRAFFIC COUNTS

TRAFFIC COUNT MAP



As shown in the map above, the subject benefits from a daily vehicle count of approximately 7,000, which adequately supports its use as a gas station and convenience store.

SPECIAL HAZARDS OR ADVERSE INFLUENCES

Generally, properties in the subject neighborhood appear to be functional for their intended use and they exhibit minimal deferred maintenance and sufficient occupancy. No special hazards or detrimental influences were identified that are expected to affect local value levels.

LOCAL AREA OUTLOOK

As will be further discussed, the subject's location proximate to central Mineola and a variety of demand generators, as well as good local accessibility and average regional accessibility to major roadways and highways should enable the subject to continue to be competitive in the market. In terms of real estate values, we believe the immediate area should experience stable growth over the near and longer term.

National Retail Petroleum & Convenience Store Industry

INTRODUCTION

EXECUTIVE SUMMARY

The Gas Stations with Convenience Stores industry has experienced volatility over the five years to 2021. Industry revenue is heavily dependent on trends in gasoline sales and prices, considering gas is the industry's primary input. Drastic declines in the world price of crude oil just prior to the current period, including an estimated 47.2% in 2015 alone, created a low base as industry revenue declined through 2016. Although the world price of crude oil returned to growth in 2017 and 2018, oil prices collapsed again in 2019 and 2020. The global economic slowdown stemming from the COVID-19 (coronavirus) pandemic has been accompanied by an oil price war between major producers Saudi Arabia and Russia, resulting in crude oil prices declining 32.7% in 2020. While the projected rise in prices throughout 2021 is expected to lift industry revenue 6.8% during the current year, overall revenue will remain well below highs of the previous five-year period. Overall, industry revenue has risen an annualized 0.3% to $368.7 billion over the five years to 2021.

Because most of the industry's business is generated from consumers rather than commercial businesses, consumer spending plays a major role in determining industry performance. Consumer spending has increased over the five years to 2021, boosting spending at industry establishments. Coupled with low oil prices, this trend has also encouraged consumers to trade up to premium grades of vehicle fuel, facilitating industry profit growth. Moreover, the decline in the world price of crude oil has enabled operators to lower purchase costs without passing on all of the savings to consumers, boosting profit. With store owners already relying more on convenience store sales, considering in-store products are more profitable than gasoline, the average industry profit margin has reached historically high levels over the past five years.

As the economy rebounds from the coronavirus pandemic over the five years to 2026, demand for retail fuel is projected to rebound as well. However, prices at gasoline pumps are expected to remain low, resulting only in moderate growth in the retail price of fuel. Volume sales are expected to increase as a result, with low prices enabling consumers to purchase more gasoline. In addition, some consumers will likely trade up to higher grades of gasoline as disposable income levels rise, aiding revenue growth during the outlook period. Nonetheless, growth in fuel-efficient vehicle purchases in the United States is anticipated to continue to somewhat offset higher sales volumes. Overall, industry revenue is forecast to increase an annualized 3.0% to $426.4 billion over the five years to 2026.

CHARACTERISTICS

The convenience store and gas station industry is defined as the service station that sells gasoline or diesel fuel, inside sales of tobacco, snacks, and soft drinks. Fast food has become a staple in recent years. The industry is tracked by several trade organizations including the National Association of Convenience & Petroleum Retailing (NACS), Convenience Store News, National Petroleum News, and Convenience Store/Petroleum Daily News (CSP). We have focused on information from National Association of Convenience & Petroleum Retailing (NACS) for the following information.

The following information, sourced from the most current NACS research report that is available, Convenience Store Industry Marketing Strategies and Store Formats, describes the characteristics of the different types of convenience stores represented by the data in this report.

In the not too distant past, every convenience store looked about the same, 2,400 square feet of packaged consumer items. Today, companies in the industry are approaching their markets with different store formats and different product offerings. There are mini-convenience stores under canopies, conventional sized stores with expanded foodservice and even hyper-convenience stores with an extensive variety of product offerings and in-store seating for foodservice.

The fastest growing segments of the convenience store market, “nontraditional” stores, are store formats other than 2,400 square feet, either larger or smaller.

The changes in store formats have implications for all elements of the industry. Retailing executives are concerned with the competitive impact and their marketing strategies and niches. Product suppliers need to be aware of format variations as they dictate requirements for appropriate product packaging, promotion and distribution for the stores. Equipment and systems vendors have to design their equipment and systems to fit the various types of store formats. Investors and financial analysts must understand the economics of the changes taking place and the likely impact on the convenience store industry. Local, state and federal government agencies also want to understand the various store formats.

Based on this research, six formats identified as representing trends in the convenience store industry, consist of Kiosk, Mini, Limited Selection, Traditional, Expanded, and Hyper.

STORE TYPES

KIOSK

This format is less than 800 square feet and provides some additional revenue beyond gasoline sales. Gasoline is always the focus of this operation with the owner usually being an oil company or petroleum marketer, supermarkets, and some of the mass merchandisers. These stores sell only the fast-moving items found in traditional convenience stores (tobacco, beverages, snacks, and confectioneries). Grocery items are conspicuously absent, as is foodservice. Store sales may be only about ten percent of revenues in such locations. Parking is usually only at the pumps. Hours vary widely depending on the location and the inclinations of the owner. Typical customers are travelers and locals in need of gasoline.

MINI CONVENIENCE STORE

This store format, usually 800 to 1,200 square feet in size, was extremely popular with oil companies, with the emphasis on gasoline sales. Now, the situation has changed. Oil companies are more interested in building larger formats. Supermarkets today are also building most stores in this format. However, with adding a larger selection of products, the owners view store sales as an important part of the revenue and margin picture. Grocery selection is usually very thin and foodservice beyond prepared sandwiches, coffee and fountain is rare. There usually is not any parking other than that at the pumps, although some locations do have modest striped parking. These stores are open from 18 to 24 hours a day. Customers are usually people buying gasoline. However, there are stores of this size in urban areas that may or may not sell gasoline.

LIMITED SELECTION CONVENIENCE STORE

These stores, which range from 1,500 to 2,200 square feet, are becoming more numerous. Often affiliated with oil companies and in the size range of a converted two-bay service station, both gasoline and store sales are generally important parts of profitability. They differ from the “mini convenience store” in a broader product mix and grocery offering (although still somewhat limited by traditional convenience store standards). In addition, simple foodservice (hot dogs, nachos, popcorn, etc.) are options. Although gasoline buyers are normally still the main part of the customer base, traditional convenience store patrons are important. Striped parking and extended hours are common.

TRADITIONAL CONVENIENCE STORE

Most of the original convenience stores now fall into this category. They are about 2,400 to 2,500 square feet in size and offer an expanded product mix. Dairy, bakery, snack foods, beverages, tobacco, grocery, health and beauty aids, confectionery and, perhaps, prepared foods to go, fresh or frozen meats, gasoline, various services, and limited produce items are typical. Most stores of this size have 6 to 12 striped parking spaces or some form of convenient pedestrian access. Extended hours are typical, compared to average retailers, with a large percentage open 24 hours per day. Convenience store chains normally own such operations, but oil companies have also built or acquired stores of this size.

EXPANDED CONVENIENCE STORE

Growth is occurring in the number of stores in the 2,800 to 3,600 square foot range. Such stores can accommodate more shelving for additional grocery products or room for significant foodservice operations and seating. Stores using the space for more grocery items are taking advantage of the niche that has developed as supermarkets increasingly move above the 40,000 square foot range. A few large chains are using this “superette” approach. Even more are using the space to take advantage of the high profit margins in foodservice. As the number of smaller operations proliferates (largely because of the oil companies), many convenience store chains apparently view the move towards increased foodservice as essential. In terms of other products and services, such stores usually carry the traditional convenience store items. Parking is important with most having about 10 to 20 marked spaces. Extended hours are typical. Such operations not only attract the typical convenience store customer but also more families, women and senior citizens.

HYPER CONVENIENCE STORE

These very large stores (4,000 to 5,000 square feet) usually offer an array of products and services arranged in departments. For example, such stores may offer variations such as a bakery, a sit-down restaurant area or a pharmacy. Many of these locations sell gasoline. The number of employees per shift can be large, particularly if a small restaurant is present.

The number of parking spaces is substantial, especially since the amount of time the average customer spends in such an establishment can be significant. Extended hours are typical. Here again, as in the case of the Expanded Convenience Store, families and senior citizens as well as traditional convenience store customers are patrons. In some locations, such stores are mini-truck stops that obviously affect product mix and the customer base.

INDUSTRY STATISTICS

STORE NUMBERS

As of 2020, there were approximately 150,2744 C-Stores/Gasoline stations in the U.S. The following chart tracks the store numbers from 2010-2020.

Number of Stores		
Year	Total	Change
2020	150,274	-2,446
2019	152,720	-517
2018	153,237	-1,721
2017	154,958	423
2016	154,535	340
2015	154,195	1,401
2014	152,794	1,512
2013	151,282	2,062
2012	149,220	1,094
2011	148,126	1,785
2010	146,341	1,800

Source: NACS

There were a record number of new stores added from 2010 through 2015. In 2016 and 2017 there was a slowdown with a total of 340 and 423 stores added respectively. In 2018 there was a significant decrease in new stores which remained flat in 2019. We are also experiencing a change in the retailing of fuel as the national suppliers are divesting themselves of the retail locations. This has been the case of Exxon-Mobil, Shell, Union 76 and Chevron. While they are divesting the ownership, they are retaining supply contracts for the next 10-20 years in most cases.

The following chart details average store sizes:

Average Store Size			
Year	Urban	Rural	Existing
2020	3,773	3,992	3,081
2019	3,356	3,665	3,041
2018	3,357	3,442	3,224
2017	3,559	3,662	3,077
2016	4,672	4,149	2,951
2015	4,594	4,938	2,963
2014	4,711	4,135	2,960
2013	4,199	4,383	2,657
2012	4,233	5,722	2,811
2011	4,083	4,024	2,813
2010	3,590	3,788	2,739

Source: NACS

SALES VOLUME

The following reflects the total sales volume nationally for the industry. With the total sales volume of fuel decreasing by 15.4% in 2020.

Sales Volume		
Year	Total Sales (Billions)	Percent Change
2020	$548.2	-15.4%
2019	$647.8	-1.0%
2018	$654.3	8.9%
2017	$601.1	9.3%
2016	$549.9	0.4%
2015	$547.8	-21.3%
2014	$696.1	0.1%
2013	$695.5	-0.7%
2012	$700.3	2.7%
2011	$681.9	18.5%
2010	$575.6	12.6%

Source: NACS

The following chart reflects In-Store sales for the industry over the last eleven years:

In-Store Sales Totals			
Year	In-Store Sales (Billions)	Percent Change	Percent of Total Sales
2020	$255.6	1.5%	46.6%
2019	$251.9	4.0%	38.9%
2018	$242.2	2.2%	37.0%
2017	$237.0	1.7%	39.4%
2016	$233.0	3.2%	40.0%
2015	$225.8	5.8%	39.3%
2014	$213.5	4.7%	30.7%
2013	$204.0	2.4%	29.3%
2012	$199.3	2.2%	28.5%
2011	$195.0	2.4%	28.6%
2010	$190.4	4.4%	33.1%

Source: NACS

The following chart reflects the national fuel sales and the percentage of the total sales volume.

Motor Fuel Sales Totals			
Year	Motor Fuel Sales (Billions)	Percent Change	Percent of Total Sales
2020	$292.6	-26.1%	53.4%
2019	$395.9	-3.9%	61.1%
2018	$412.1	13.2%	63.0%
2017	$364.1	14.9%	60.5%
2016	$316.8	-9.2%	57.6%
2015	$349.0	-27.7%	60.7%
2014	$482.6	-1.8%	69.3%
2013	$491.5	-1.9%	70.1%
2012	$501.0	2.9%	71.5%
2011	$486.9	26.4%	71.4%
2010	$385.3	17.2%	66.9%

Source: NACS

PROFIT

The following represents the percentage of gross and pretax profit for the industry over the previous eleven years.

Gross Profit			
Year	In-Store	Motor Fuel	Average
2020	34.8%	15.9%	24.4%
2019	33.9%	9.5%	16.5%
2018	33.9%	8.7%	18.1%
2017	34.5%	9.2%	20.3%
2016	33.5%	10.0%	19.1%
2015	33.0%	9.0%	17.6%
2014	34.8%	6.6%	13.6%
2013	32.8%	5.4%	13.7%
2012	30.8%	5.0%	11.6%
2011	32.5%	5.3%	13.9%
2010	31.6%	5.9%	13.9%

Source: NACS

OUTLOOK

Over the five years to 2026, the performance of the Gas Stations with Convenience Stores industry will likely depend heavily on trends in gasoline sales and prices. Consequently, as gasoline prices begin to rebound from a low base, industry revenue is anticipated to follow suit. Meanwhile, sales of convenience store merchandise are projected to rise as operators continue to refine their product selections and consumer spending on discretionary items increases. Merchandise sales are expected to help sustain some revenue stability, while oil prices will likely remain subject to external factors. Meanwhile, purchases of fuel-efficient cars are anticipated to continue to pose a threat to industry growth, because these vehicles require a smaller volume of fuel per mile. As a result of these contrasting factors, industry revenue is forecast to increase at a moderate annualized rate of 3.0% to $426.4 billion over the five years to 2026.

Comparison of Subject to National Averages

SUBJECT'S STORE TYPE

The subject's convenience store is 1,960 square feet, placing it in the limited-selection convenience store category, which is described as follows: Limited-selection convenience stores, which range from 1,500 to 2,200 square feet, are becoming more numerous. Often affiliated with oil companies and in the size range of a converted two-bay service station, both gasoline and store sales are generally important parts of profitability. They differ from the "mini convenience store" in a broader product mix and grocery offering (although still somewhat limited by traditional convenience store standards). In addition, simple foodservice (hot dogs, nachos, popcorn, etc.) are options. Although gasoline buyers are normally still the main part of the customer base, traditional convenience store patrons are important. Striped parking and extended hours are common.

SUBJECT'S FINANCIAL PERFORMANCE

The below table outlines national average fuel gross profit and in-store gross profit for fuel properties.

NACS SURVEY - 2020				
	4th Quartile	**3rd Quartile**	**2nd Quartile**	**Top Quartile**
Fuel Gross Profit	$275,908	$376,664	$433,197	$738,183
In-Store Gross Profit	$263,917	$393,344	$560,072	$822,671

Source: NACS

The following table displays the historical in-store gross profit at the subject property as the subject property has not recently sold fuel.

IN-STORE GROSS PROFIT - SUBJECT PROPERTY		
Year	**In-Store Gross Profit**	**% Change**
2020	$110,687	-
2021	$210,009	89.73%
2022	$260,352	23.97%

Compiled by Cushman & Wakefield of Illinois, Inc

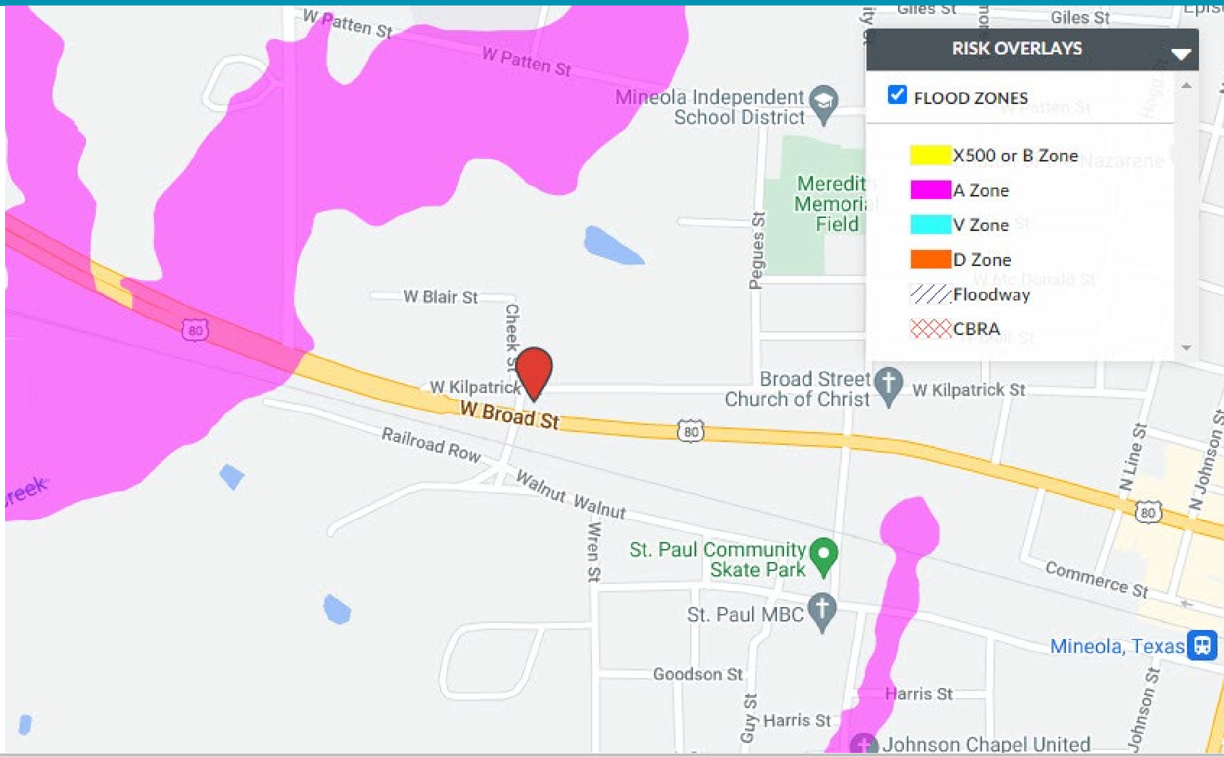
The subject's in-store gross profit places the subject's convenience store in the 4th Quartile of the NACS survey, which is, by definition, below average.

Property Analysis

SITE DESCRIPTION

Location:	The subject property is located at 680 West Broad Street, Mineola, Wood County, Texas 75773.
Shape:	Rectangular shaped
Topography:	Level at street grade
Land Area Primary Site:	0.36 acres / 15,799 square feet
Land Area Excess Land:	No
Land Area Total:	0.36 acres / 15,799 square feet
Frontage:	The subject site has good/excellent frontage.
Access and Visibility:	The subject site is a corner site that is located on a primary arterial thoroughfare and is directly exposed to a traffic volume of approximately 7,000 vehicles per day. Overall, the subject's access and visibility is rated good/excellent when compared to industry standards for fuel related properties and its primary competition.
Soil Conditions:	We were not given a soil report to review. However, we assume that the soil's load-bearing capacity is sufficient to support existing structures. We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate. The property is currently under contract and is expected to sell fuel upon installation/renovation of the current fuel tanks and pumps. We have not made a soil test or test of underground water. Identifying site and soil contaminants or environmental issues is beyond the scope of this appraisal and the appraiser’s qualifications. Unless otherwise stated, this appraisal is based on the assumption that the site and property are uncontaminated and unaffected by environmentally hazardous materials or substances. No responsibility is assumed by the appraiser for contamination issues and no warranties are implied by this opinion of value. No consideration of existing or proposed regulations of the Environmental Protection Agency, nor any other government agency, has been made. No statement of the subject property’s compliance or noncompliance with the regulations or requirements of any government agency has been made by, or implied. If the subject's site has environmental issues the value conclusions presented in this appraisal would change. The client is advised to obtain the services of qualified environmental services contractors.
Utilities:	All utilities are available to the subject site.
Site Improvements:	See “Site Improvements” in the following “Improvements Description” section.
Land Use Restrictions:	We were not given a title report to review. We do not know of any easements, encroachments, or restrictions that would adversely affect the site's use. However, we recommend a title search to determine whether any adverse conditions exist.

FLOOD MAP



Flood Zone:	The subject property is located in flood zone X.
Flood Zone Description:	Areas determined to be outside the 500 year flood plain. The flood zone determination and other related data are provided by a third party vendor deemed to be reliable. If further details are required, additional research is required that is beyond the scope of this analysis.
Wetlands:	We were not given a Wetlands survey to review. If subsequent engineering data reveal the presence of regulated wetlands, it could materially affect property value. We recommend a wetlands survey by a professional engineer with expertise in this field.
Hazardous Substances:	We observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the hiring of a professional engineer with expertise in this field. The property is currently under contract and is expected to sell fuel upon installation/renovation of the current fuel tanks and pumps. We have not made a soil test or test of underground water. Identifying site and soil contaminants or environmental issues is beyond the scope of this appraisal and the appraiser’s qualifications. Unless otherwise stated, this appraisal is based on the assumption that the site and property are uncontaminated and unaffected by environmentally hazardous materials or substances. No responsibility is assumed by the appraiser for contamination issues and no warranties are implied by this opinion of value. No consideration of existing or proposed regulations of the Environmental Protection Agency, nor any other government agency, has been made. No statement of the subject property’s compliance or noncompliance with the regulations or requirements of any government agency has been made by, or implied. If the subject's site has

environmental issues the value conclusions presented in this appraisal would change. The client is advised to obtain the services of qualified environmental services contractors.

Overall Site Utility: The subject site is functional for its current use.

Location Rating: The subject's overall site location is identified as good/excellent.

IMPROVEMENTS DESCRIPTION

The subject is a Gas Station and Convenience Store. The property was originally constructed in 1970, was in average condition at the time of inspection and has an effective age of approximately 20 years. The subject's convenience store is 1,960 square feet of gross building area. The fueling area includes 4 islands, each with twin dispensers, which are covered by a 2,050 square foot canopy. It is noted, however, as of the date of inspection, the fuel dispensers were not in operation; based on our review of historical income and expense statements, the subject property has not sold fuel since, at least, 2019 and is currently operating as a convenience store only. The subject property is currently under contract and the prospective buyer intends on investing in new tanks/dispensers and selling fuel upon taking ownership of the property. Therefore, in our analysis, we have assumed ownership will invest in new tanks/dispensers, and will sell fuel. We have deducted ownership's estimated capital expenditures to renovate and replace the fuel tanks and dispensers from our As-Is value conclusion.

The subject improvements are situated on a 15,799 square foot corner site. The subject is located at the southeast corner of West Broad Street and Cheek Street in Mineola, Texas.

CONVENIENCE STORE

Overview:	The subject's convenience store is a 1,960 square foot, poured concrete slab, concrete block, masonry constructed building with a flat sealed membrane roof. The subject's windows are thermal windows in aluminum frames and the pedestrian doors are glass and metal. The interior is improved with drywall, primarily tile flooring, and acoustic tile ceilings. Lighting is a combination of fluorescent and incandescent. The subject's convenience store was constructed in 1970 and at the time of inspection was in average condition with an effective age of approximately 20 years.
Store Type:	The physical attributes of the subject's convenience store place it in the limited-selection convenience store category, which is described as follows: Limited-selection convenience stores, which range from 1,500 to 2,200 square feet, are becoming more numerous. Often affiliated with oil companies and in the size range of a converted two-bay service station, both gasoline and store sales are generally important parts of profitability. They differ from the "mini convenience store" in a broader product mix and grocery offering (although still somewhat limited by traditional convenience store standards). In addition, simple foodservice (hot dogs, nachos, popcorn, etc.) are options. Although gasoline buyers are normally still the main part of the customer base, traditional convenience store patrons are important. Striped parking and extended hours are common.

CONSTRUCTION DETAIL

Year Built:	1970
Effective Age:	20 years
Remaining Economic Life:	25 years
Gross Building Area:	±1,960 square feet
Number of Stories:	1
Structural Frame:	Concrete block
Foundation:	Poured concrete slab

Floors:	Concrete slab
Exterior Walls:	Masonry
Roof:	Flat with a sealed membrane surface
Windows:	Thermal windows in aluminum frames
Doors:	Glass and metal
MECHANICAL DETAIL	
Heating and Cooling:	HVAC units (Ground Mounted)
Plumbing:	The plumbing system is assumed to be adequate for existing use and in compliance with local law and building codes. The plumbing system is typical of other properties in the area with a combination of PVC, steel, copper and cast iron piping throughout the building.
Electrical Service:	Electrical service is provided by public utility and is assumed to be adequate.
Emergency Power:	None
Fire Protection:	Not sprinklered, but canopy offers fire suppression over fuel stations.
Security:	Security cameras and monitors
INTERIOR DETAIL	
Layout:	The subject property has a functional layout giving its size with a majority of the space being retail display area and a smaller portion functioning as an employee and storage area.
Floor Covering:	Primarily tile
Walls:	Drywall
Ceilings:	Acoustic tile
Lighting:	Fluorescent and Incandescent

SITE IMPROVEMENTS

Overview:	As portrayed in the Cost Approach, we have identified the subject's canopy, underground storage tanks, pumps and dispensers as site improvements, as opposed to FF&E, which is the suggested methodology by the Appraisal Institute's textbook titled Convenience Stores and Retail Fuel Properties: Essential Appraisal Issues. The subject's site improvements include underground storage tanks, islands and dispensers, asphalt and concrete, yard lighting, signage, etc. However, we have assumed ownership will not own, but will lease the fuel dispensers (see EA and Cost Approach).
Canopy:	The subject includes a free-standing, prefabricated, structural steel canopy that covers a total area of 2,050 square feet. There is adequate lighting underneath the canopy to illuminate the fueling area and the canopy parapet includes a decorative steel panel fascia.

Underground Storage Tanks:	We have assumed the subject property will have (2) 12,000 and (1) 4,000 gallon double wall fiberglass underground storage tanks as it currently has those sizes that were installed in 1984 and will need to be replaced to sell fuel (See EA).
Air Stations:	One air dispensing station
Vehicle Vacuum Stations:	The subject property has no vehicle vacuum stations.
Islands and Dispensers:	The subject property has 4 multiple product twin dispensers on 4 concrete islands.
Asphalt and Concrete:	Approximately 11,000 square feet of asphalt and concrete
Other Site Improvements:	Other site improvements include yard lighting, signage, and landscaping.

HISTORICAL & PLANNED CAPITAL EXPENDITURES

Curable physical deterioration refers to those items that are economically feasible to cure as of the effective date of the appraisal. This element of depreciation is commonly referred to as deferred maintenance and is measured as the cost of repairing or restoring the item to new or reasonably new condition. The property's overall condition is considered to be average with no atypical levels of deferred maintenance. Ownership did not provide any significant renovations that have occurred recently. In order to ensure that the subject property is maintained in a competitive position throughout the holding period, we applied an annual facility expense, which includes maintenance of the subject property. The annual facility expense maintenance/reserve should be adequate to fund all typical future capital expenditures and correction of any deferred maintenance throughout the holding period.

REAL PROPERTY TAXES AND ASSESSMENTS

CURRENT PROPERTY TAXES

The subject property is located in the taxing jurisdiction of Wood County, and the assessor's parcel identification number is 36104. We have been provided with a capital expenditure plan by the prospective buyer. As we were not provided with a detailed capital expense budget, we have assumed the bulk of the budget will be allocated towards new underground storage tanks. We have also assumed, per discussions with ownership, the fuel dispensers will be leased from the fuel provider and not owned. Therefore, in our Cost Approach, we have assumed the fuel tanks to be new (same size as current unused tanks) with no depreciation and have not included fuel dispensers as they will not be owned. Furthermore, we have assumed a below average fuel margin due to the ongoing leasing costs associated with the new dispensers. Should either of our assumptions prove to be false, our value conclusion will be impacted and we reserve the right to amend this report. The below map displays the subject's tax parcel, which includes the supermarket's allocated site area.

TAX MAP

According to the local tax collector's office, taxes are current. The assessment and taxes for the subject property are detailed below:

PROPERTY ASSESSMENT AND TAX INFORMATION	
Assessor's Parcel Number:	36104
Assessing Authority:	Wood County
Current Tax Year:	2021
Assessment Ratio (% of market Value):	100.00%
Are taxes current?	Taxes are current
Is there a grievance underway?	Not to our knowledge
The subject's assessment and taxes are:	Below market levels
ASSESSMENT INFORMATION - FUEL CENTER ALLOCATION	
Assessed Value	**Totals**
Land:	$30,000
Improvements:	$152,550
Total Assessed Value:	$182,550
Assessor's Implied Market Value	$182,550
TAX LIABILITY - FUEL CENTER ALLOCATION	
Total Tax Rate, 2021	0.5516%
Total Property Taxes	$1,007
Estimated Year 1 Property Taxes[1]	**$3,000**

[1]Based on a review of assessor's implied market value and our cost approach conclusion

Compiled by Cushman & Wakefield of Illinois, Inc

REAL ESTATE TAX ANALYSIS

Total 2021 taxes are $1,007. We have performed a real estate tax analysis for the subject property. The Wood County assessor does not include personal property in its assessment calculations, and therefore, we have compared the assessor's implied market value with our cost approach, excluding personal property. The current assessor's implied market value for the subject property is $182,550. Our cost approach value conclusion, excluding personal property, is approximately $670,000. Based on real estate tax trends in the subject's market and our cost approach value conclusion, we have determined that the current assessed value is below market levels, and an appropriate projection of Year 1 taxes is estimated at $3,000.

REAL PROPERTY TAX CONCLUSION

Based upon a review of tax comparables and the assessor's implied market value, the subject is generally taxed below market levels. In order to calculate the subject's market tax level we have compared the subject's real estate value to the assessor's implied market value. We have concluded to a projection of year one taxes of $3,000.

ZONING

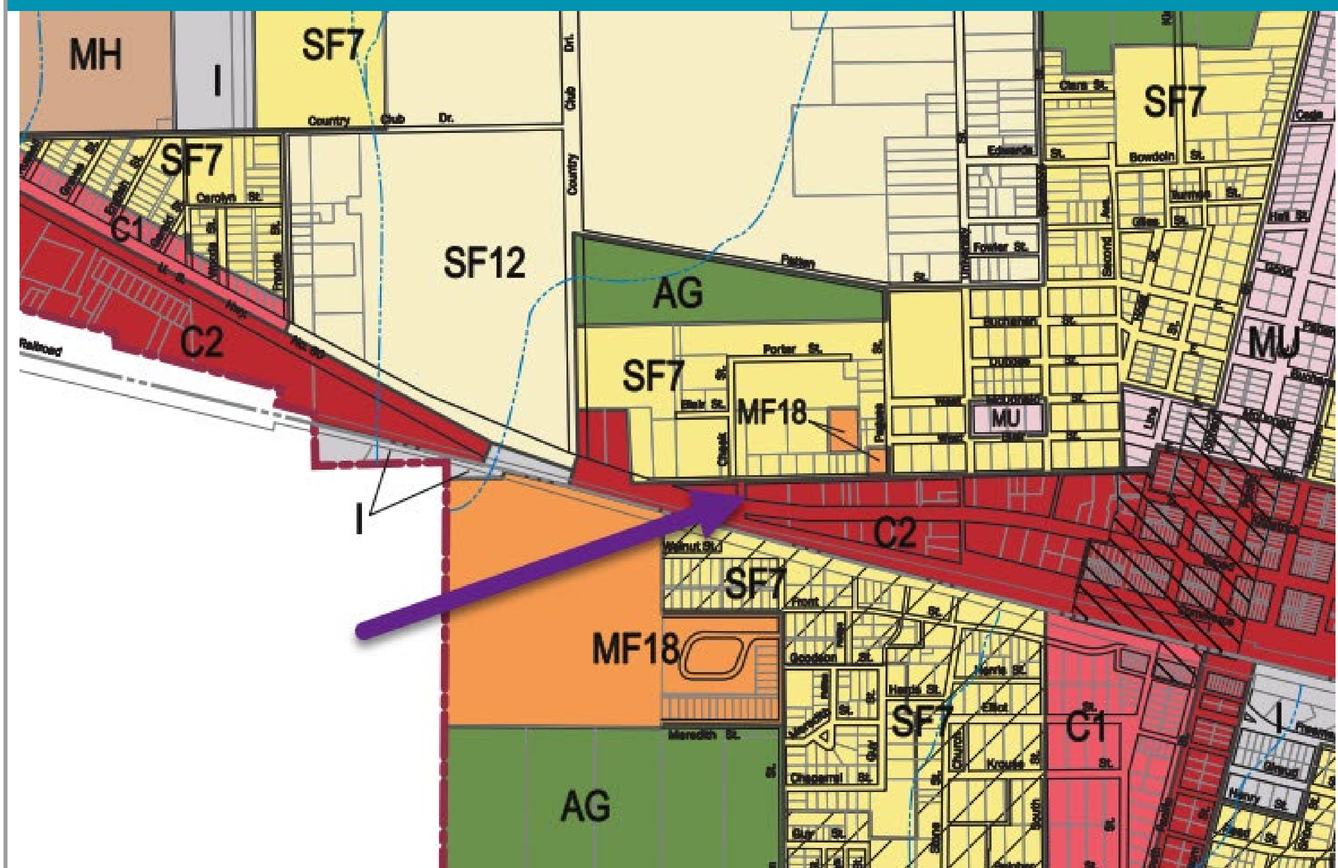
GENERAL INFORMATION

The subject property is zoned C2: General Business District by the municipality of City of Mineola, Texas. A summary of the subject's zoning is provided in the following table.

ZONING	
Municipality Governing Zoning:	City of Mineola
Current Zoning:	C2: General Business District
Current Use:	Gas Station and Convenience Store
Is current use permitted:	Yes; complying use
Change In Zone Likely:	No
Zoning Change Applied For:	No

Compiled by Cushman & Wakefield of Illinois, Inc

ZONING MAP



ZONING CONFORMANCE

Property value is affected by whether or not an existing or proposed improvement complies to zoning regulations.

CONFORMING USES

An existing or proposed use that complies to zoning regulations implies that there is no legal risk and that the existing improvements could be replaced "as-of-right."

PRE-EXISTING, NON-CONFORMING USES

In many areas, existing buildings pre-date the current zoning regulations. When this is the case, it is possible for an existing building that represents a non-complying use to still be considered a legal use of the property. Whether or not the rights of continued use of the building exist depends on local laws. Local laws will also determine if the existing building may be replicated in the event of loss or damage.

NON-CONFORMING USES

A proposed non-complying use to an existing building might remain legal via variance or special use permit. When appraising a property that has such a non-complying use, it is important to understand the local laws governing this use.

OTHER RESTRICTIONS

We know of no deed restrictions, private or public, that further limit the subject property's use. The research required to determine whether or not such restrictions exist is beyond the scope of this appraisal assignment. Deed restrictions are a legal matter and only a title examination by those qualified such as an attorney or title company can uncover such restrictive covenants. We recommend a title examination to determine if any such restrictions exist.

ZONING CONCLUSIONS

We have analyzed the zoning requirements in relation to the subject property, and considered the conformance of the existing use. We are not experts in the interpretation of complex zoning ordinances but based on our review of public information, the subject property is a complying use.

Detailed zoning studies are typically performed by a zoning or land use expert, including attorneys, land use planners, or architects. The depth of our study correlates directly with the scope of this assignment, and it considers all pertinent issues that have been discovered through our due diligence.

We note that this appraisal is not intended to be a detailed determination of compliance, as that determination is beyond the scope of this real estate appraisal assignment.

Highest and Best Use

HIGHEST AND BEST USE DEFINITION

The Dictionary of Real Estate Appraisal, Sixth Edition (2015), a publication of the Appraisal Institute, defines the highest and best use as:

> 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.

To determine the highest and best use we typically evaluate the subject site under two scenarios: as though vacant land and as presently improved. In both cases, the property's highest and best use must meet the four criteria described above.

HIGHEST AND BEST USE OF SITE AS THOUGH VACANT

Legally Permissible

The zoning regulations in effect at the time of the appraisal determine the legal permissibility of a potential use of the subject site. Detailed zoning studies are typically performed by a zoning or land use expert, including attorneys, land use planners, or architects. The depth of our study correlates directly with the scope of this assignment, which indicates that permitted uses within this district include retail and other commercial uses. We are not aware of any further legal restrictions that limit the potential uses of the subject. In addition, rezoning of the site is not likely due to the character of the area.

Physically Possible

The physical possibility of a use is primarily dictated by the size, shape, topography, availability of utilities, and any other physical aspects of the site. The subject site contains 0.36 acres, or 15,799 square feet. The site is rectangular and level at street grade. It has good/excellent frontage, good/excellent access, and good/excellent visibility. The overall utility of the site is considered to be good/excellent. All public utilities are available to the site including public water and sewer, gas, electric and telephone. Overall, the site is considered adequate to accommodate most permitted development possibilities.

Financially Feasible and Maximally Productive

In order to be seriously considered, a use must have the potential to provide a sufficient return to attract investment capital over alternative forms of investment. A positive net income or acceptable rate of return would indicate that a use is financially feasible. Financially feasible uses are those uses that can generate a profit over and above the cost of acquiring the site, and constructing the improvements. Of the uses that are permitted, possible, and financially feasible, the one that will result in the maximum value for the property is considered the highest and best use.

Conclusion

We considered the legal issues related to zoning and legal restrictions. We also analyzed the physical characteristics of the site to determine what legal uses would be possible, and considered the financial feasibility of these uses to determine the use that is maximally productive. Considering the subject site's physical characteristics and location, as well as the state of the local market, it is our opinion that the Highest and Best Use of the subject site as though vacant is a commercial use built to its maximum feasible building area.

HIGHEST AND BEST USE OF PROPERTY AS IMPROVED

The Dictionary of Real Estate Appraisal defines highest and best use of the property as improved as:

> The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

In analyzing the Highest and Best Use of a property as improved, it is recognized that the improvements should continue to be used until it is financially advantageous to alter physical elements of the structure or to demolish it and build a new one.

Legally Permissible

The site is improved with a Gas Station and Convenience Store containing 1,960 square feet of gross building area. The subject appears to be an approved use.

Physically Possible

The improvements are in average condition. We know of no current or pending municipal actions or covenants that would require a change to the current improvements.

Financially Feasible and Maximally Productive

In the Reconciliation section, we concluded to a going concern market value for the subject property of $750,000 and a land value of $40,000. Therefore, in our opinion, the improvements contribute significantly to the value of the site.

Conclusion

It is our opinion that the existing improvements add value to the site as though vacant, dictating a continuation of its current use. It is our opinion that the Highest and Best Use of the subject property as improved is A Gas Station and Convenience Store as it is currently improved.

Most Likely Buyer

The subject property is currently an owner-operated Gas Station and Convenience Store. If the subject property were to sell, the most likely purchaser would also be an owner-operator due to this being the most common ownership structure for the subject’s property type.

Valuation Process

METHODOLOGY

There are three generally accepted approaches to developing an opinion of value: Cost, Sales Comparison and Income Capitalization. We considered each in this appraisal to develop an opinion of the market value of the subject property. In appraisal practice, an approach to value is included or eliminated based on its applicability to the property type being valued and the quality of information available. The reliability of each approach depends on the availability and comparability of market data as well as the motivation and thinking of purchasers.

The valuation process is concluded by analyzing each approach to value used in the appraisal. When more than one approach is used, each approach is judged based on its applicability, reliability, and the quantity and quality of its data. A final value opinion is chosen that either corresponds to one of the approaches to value, or is a correlation of all the approaches used in the appraisal.

We considered each approach in developing our opinion of the market value of the subject property. We discuss each approach below and conclude with a summary of their applicability to the subject property.

SUMMARY

In this analysis, we relied on the Income Capitalization Approach to value and utilized the Sales Comparison Approach and Cost Approach as tests of reasonableness. Additionally, the Cost Approach is utilized as an allocation of the market value components.

Land Valuation

We used the Sales Comparison Approach to develop an opinion of land value. We examined current offerings and analyzed prices buyers have recently paid for comparable sites. If the comparable was superior to the subject, a downward adjustment was made to the comparable sale. If inferior, an upward adjustment was made.

The most widely used and market-oriented unit of comparison for properties with characteristics similar to those of the subject is price per square foot of land area. All transactions used in this analysis are based on the most appropriate method used in the local market.

The major elements of comparison used to value the subject site include the property rights conveyed, the financial terms incorporated into the transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its utility and the physical characteristics of the property.

The comparables and our analysis are presented as follows.

SUMMARY OF LAND SALES

PROPERTY INFORMATION							TRANSACTION INFORMATION					
No.	Location	Size (sf)	Size (Acres)	Traffic Volume	Corner or Interior	Public Utilities	Grantor	Grantee	Property Rights Conveyed	Sale Date	Sale Price	$/SF Land
S	Subject Property	15,799	0.36	7,000 VPD	Corner	All available						
1	800 Approx E Broad State Highway 80 Mineola, TX	27,443	0.63	5,000 VPD	Interior	All Available	RITHIKRIVONG	Not available	Fee Simple	7/22	$45,000	$1.64
2	11002 FM 2661 Tyler, TX	123,710	2.84	21,000 VPD	Corner	All Available	Forster & Giles Investments	Not available	Fee Simple	9/21	$375,000	$3.03
3	2615 University Tyler, TX	29,185	0.67	13,000 VPD	Interior	All Available	Not available	Not available	Fee Simple	9/21	$115,000	$3.94
4	405 N Center Avenue Tyler, TX	43,996	1.01	2,000 VPD	Corner	All Available	Not available	Not available	Fee Simple	9/19	$90,000	$2.05
	STATISTICS											
Low		27,443	0.63	2,000 VPD						9/19	$45,000	$1.64
High		123,710	2.84	21,000 VPD						7/22	$375,000	$3.94
Average		56,084	1.29	10,250 VPD						5/21	$156,250	$2.66

Compiled by Cushman & Wakefield of Illinois, Inc

LAND SALE ADJUSTMENT GRID

			Economic Adjustments (Cumulative)																
No.	Price PSF Land	Sale Date	Property Rights Conveyed		Conditions of Sale		Financing	Market Conditions[1]	Price PSF Land Subtotal		Location	Traffic Volume	Size	Public Utilities	Utility[2]	Other	Adj. Price PSF Land	Net Adj.	Overall
1	**$1.64**	**7/22**	Fee Simple	0.0%	Arm's-Length	0.0%	0.0%	0.2%	**$1.64**	0.2%	-10.0%	5.0%	15.0%	0.0%	10.0%	0.0%	**$1.97**	20.0%	+
2	**$3.03**	**9/21**	Fee Simple	0.0%	Arm's-Length	0.0%	0.0%	2.7%	**$3.11**	2.7%	-35.0%	-25.0%	25.0%	0.0%	0.0%	0.0%	**$2.02**	-35.0%	-
3	**$3.94**	**9/21**	Fee Simple	0.0%	Arm's-Length	0.0%	0.0%	2.7%	**$4.05**	2.7%	-35.0%	-20.0%	15.0%	0.0%	10.0%	0.0%	**$2.83**	-30.0%	-
4	**$2.05**	**9/19**	Fee Simple	0.0%	Arm's-Length	0.0%	0.0%	8.9%	**$2.23**	8.9%	-35.0%	20.0%	25.0%	0.0%	0.0%	0.0%	**$2.45**	10.0%	+
STATISTICS																			
	$1.64	**9/19**	**- Low**													**Low -**	**$1.97**	**-35.0%**	
	$3.94	**7/22**	**- High**													**High -**	**$2.83**	**20.0%**	
	$2.66	**5/21**	**- Average**													**Average -**	**$2.32**	**-8.8%**	

Compiled by Cushman & Wakefield of Illinois, Inc

[1] Market Conditions Adjustment Footnote

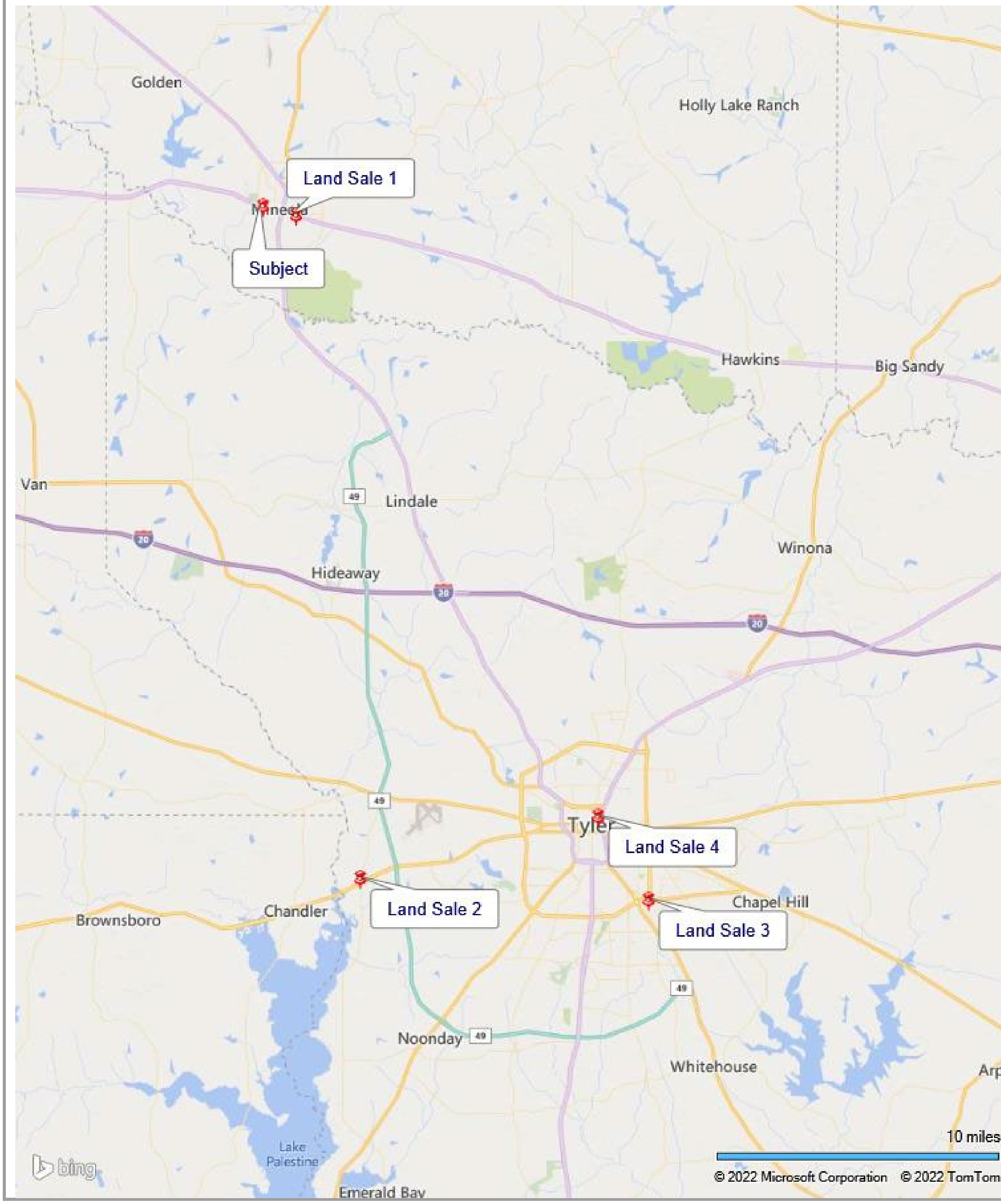
Compound annual change in market conditions: 3.00%

Date of Value (for adjustment calculations): 8/6/22

(2) Utility Footnote

Utility includes corner vs interior lot, access, frontage and visibility.

LAND SALE LOCATION MAP



DISCUSSION OF ADJUSTMENTS

Property Rights Conveyed

The property rights conveyed in a transaction typically have an impact on the sale price of a property. Acquiring the fee simple interest implies that the buyer is acquiring the full bundle of rights. Acquiring a leased fee interest typically means that the property being acquired is encumbered by at least one lease, which is a binding agreement transferring rights of use and occupancy to the tenant. A leasehold interest involves the acquisition of a lease, which conveys the rights to use and occupy the property to the buyer for a finite period of time. At the end of the lease term, there is typically no reversionary value to the leasehold interest. Since we are valuing the fee simple interest of the land, as reflected by each of the comparables, an adjustment for property rights is not required.

Financial Terms

The financial terms of a transaction can have an impact on the sale price of a property. A buyer who purchases an asset with favorable financing might pay a higher price, as the reduced cost of debt creates a favorable debt coverage ratio. A transaction involving above-market debt will typically involve a lower purchase price tied to the lower equity returns after debt service. We analyzed all of the transactions to account for atypical financing terms. To the best of our knowledge, all of the sales used in this analysis were accomplished with cash or market-oriented financing. Therefore, no adjustments were required.

Conditions of Sale

Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. In many situations the conditions of sale may significantly affect transaction prices. However, all sales used in this analysis are considered to be "arms-length" market transactions between both knowledgeable buyers and sellers on the open market. Therefore, no adjustments were required.

Market Conditions

The sales that are included in this analysis occurred between September 2019 and July 2022. As the market has improved over this time period, we applied an upward annual adjustment of 3.00 percent.

Location

An adjustment for location is required when the locational characteristics of a comparable property differ from those of the subject property. The subject property is rated good/excellent in location. We made a downward adjustment to those comparables considered superior in location compared to the subject. Conversely, an upward adjustment was made to those comparables considered inferior.

Traffic Volume

We have collected the average vehicles per day for the subject site and the comparable land sales. Generally speaking, retail land sales with higher traffic volumes sell for a higher price per square foot than retail land sales with lower traffic volumes. Therefore, we have adjusted comparable sales with higher traffic volumes down and vice versa.

Size

The adjustment for size generally reflects the inverse relationship between unit price and lot size. Smaller lots tend to sell for higher unit prices than larger lots, and vice versa. Therefore, upward adjustments were made to larger land parcels, and downward adjustments were made to smaller land parcels.

Public Utilities

The availability of public utilities has a significant impact on the value of a property. Municipal utility providers often, but not always, provide utilities such as gas, water, electric, sewer, and telephone. It is therefore important to understand any differences that may exist in the availability of public utilities to the subject property and its comparables. All of the sales, like the subject, had full access to public utilities at the time of sale. Therefore, no adjustments were required.

Utility

The subject parcel is adequately shaped to accommodate a typical building. It has good/excellent access, good/excellent frontage and good/excellent visibility. Overall, it has been determined that the site has good/excellent utility. A corner site has superior retail exposure compared to an interior site. The subject's site is a corner site. Adjustments were made to any comparables that are not corner sites.

Other

In some cases, other variables will have an impact on the price of a land transaction. Examples include soil or slope conditions, restrictive zoning, easements, wetlands or external influences. In our analysis of the comparables we found that no unusual conditions existed at the time of sale. As a result, no adjustments were required.

CONCLUSION OF SITE VALUE

After a thorough analysis, the comparable land sales reflect adjusted unit values ranging from $1.97 per square foot to $2.83 per square foot, with an average of $2.32 per square foot. We placed equal reliance on each of the comparable sales. The indicated market value of the fee simple interest in the land at the subject property by the Sales Comparison Approach is:

AS IS LAND VALUE CONCLUSION	
Indicated Value	$2.30
SQFT Measure	x 15,799
Indicated Value	$36,338
Rounded to the nearest $10,000	$40,000

Compiled by Cushman & Wakefield of Illinois, Inc

Cost Approach

METHODOLOGY

The Cost Approach is based on the proposition that an informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. The steps in this approach have been outlined in the Valuation Process section of this report. We have previously presented the land value analysis and developed an opinion of land value for the subject's site of $40,000.

REPLACEMENT COST NEW

We have used the calculator section in the Marshall Valuation Service and actual construction cost information to estimate the replacement cost of the building and the majority of the station's above grade improvements. The Marshall Valuation Service is a nationally recognized publication containing construction costs for all types of improvements. The base costs in the manual are revised monthly and adjustment factors are provided to reflect regional and local cost variations. Where possible, these development costs were cross-checked with new construction data from comparable gas station properties.

The Marshall Valuation Service base costs include direct and indirect costs for the base structure, applicable tenant improvements and indirect costs such as plans, building permits, engineering, architect's fees, normal fees and interest on construction funds, sales taxes on materials and contractor's overhead and profit. The estimated costs for this report are inclusive of the above referenced direct and indirect costs.

The exhibit at the conclusion of this analysis contains a summary of the replacement cost for the subject. Details of the cost analysis for each component are retained in our files. The per square foot cost for smaller buildings is higher than larger ones. We relied on the “Good/Excellent” quality Convenience Stores cost, identified on Page 22 of Section 13.

INDIRECT COSTS

Indirect costs (soft costs) not included in our Base Costs are developer overhead, property taxes, permanent loan fees, legal costs, developer fees, contingencies, and lease-up and marketing costs.

An average property in the subject market requires an allowance for indirect costs of between 5.0 and 15.0 percent of Base Costs. A rate of 10.0 percent was chosen for the Building Improvements (Structures) and 10.0 percent for the Site Improvements in the analysis, considerate of the fairly moderate efforts/costs expected for a property at this location and the size of the structure.

DEVELOPER'S PROFIT/FEE

In the case of the subject property, a gas/service station, the addition of a reasonable amount for a developer's (not contractor's) fee (not profit) is generally considered appropriate. This type of property is a single-purpose asset, which is typically never developed on a purely speculative basis. In light of political constraints and environment requirements for gas stations, the development process of this type of use is considered somewhat difficult. A developer would need to be paid for their coordination effort of acquiring the site, obtaining permits, etc. Typically, a development fee of 10.0 to 20.0 percent would be anticipated. We have chosen to use 15.0 percent in our analysis.

DEPRECIATION

There are several methods for capturing the loss in value attributable to depreciation: The market extraction method, the age-life method, and the breakdown method. Our Cost Approach utilizes the fundamental components of the age-life method. In some situations, the impact of certain items of depreciation on value is known or is easily estimated. In the most common variation of the age-life method the cost to cure certain curable items (physical and functional) is known and can be deducted before the age-life ratio is applied; a process that mirrors what typical purchasers consider as part of the investment decision. Once processed, incurable items (physical and functional) can be estimated via the age-life ratio. In situations where External Obsolescence is present it, too, can be analyzed either as a residual to the market value conclusion or via an estimate of capitalized rent loss attributable to the external condition.

Physical Deterioration

The Marshall & Swift CCE defines physical deterioration as:

> The wearing out of the improvement through the combination of wear and tear of use, the effects of the aging process and physical decay, action of the elements, structural defects, etc. It is typically divided into two types, curable and incurable, which may be individually estimated by the component breakdown method using some type of age/life approach. Physical deterioration may be further categorized as deferred maintenance, generally requiring immediate attention and treated separately based on the items' cost to repair.

Curable physical deterioration is generally associated with individual short-lived items such as paint, floor and roof covers, hot-water heaters, etc., requiring periodic replacement or renewal, or modification continuously over the normal life span of the improvement. Our calculation of Physical Curable Deterioration is based upon observable components, owner's proposed capital expenditures, and our own estimates of replacement costs where appropriate.

Incurable physical deterioration is generally associated with the residual group of long-lived items such as floor and roof structures, mechanical supply systems and foundations. Such basic structural items are not normally replaced in a typical maintenance program and are usually incurable except through major reconstruction. Physical Incurable Obsolescence will be calculated using a modified age-life method.

Functional Obsolescence

According to the Appraisal Institute, functional obsolescence can be caused by changes in market conditions that have made some aspect of a structure, material or design obsolete by current market standards. Functional obsolescence may also be curable or incurable.

Based on our review of the subject property we did not observe functional obsolescence.

External Obsolescence

External obsolescence is the adverse effect on value resulting from influences outside the property. External obsolescence may be the result of lagging rental rates, high inflation, excessive construction costs, access to highways, the lack of an adequate labor force, changing land use patterns and market conditions, or proximity to an objectionable use or condition.

In the case of the subject's property type the presence of external obsolescence is closely related to the income producing capability of a property. In other words, if the fee simple cost approach value conclusion is higher than the fee simple income capitalization approach value conclusion, it is an indication of poor management or external obsolescence. The subject has typical management, which indicates that external obsolescence is likely prevalent in the market. We have applied an appropriate level of external obsolescence in the cost approach in order to bring the fee simple cost approach value conclusion in line with the fee simple income capitalization approach value conclusion. Based on a review of the location of the subject as well as local market conditions, we applied external obsolescence of 12 percent to the subject's improvements. Support for our level of external obsolescence is portrayed in the subject's historical financial performance.

REPLACEMENT COST NEW (STRUCTURES)

A breakdown of each building component is presented below. A separate analysis of each component allows for a consideration of the unique cost differences of each component. The following table summarizes the replacement cost new of the building improvements (structures).

COST APPROACH SUMMARY			
IMPROVEMENTS (STRUCTURES)			
DESCRIPTION			
Marshall & Swift - Improvement Type		Canopy	Mini-Mart Convenience Store
Construction Class		S	C
Quality of Construction		Good/Excellent	Good/Excellent
Marshall & Swift - Section		Section 64	Section 13
Marshall & Swift - Page		Page 2	Page 22
Date		Mar-22	May-22
Number of Stories		1	1
Base SF Cost		$52.63	$252.50
SQUARE FOOT REFINEMENTS			
HVAC Refinements		$0.00	$4.81
Sprinklers		$0.00	$0.00
Other		$0.00	$0.00
Adjusted Base Cost		$52.63	$257.31
HEIGHT AND SIZE REFINEMENTS			
Number of Stories Adjustment		1.000	1.000
Height Per Story Adjustment		1.000	1.000
Perimeter Adjustment		1.000	1.000
Adjusted Base Cost		$52.63	$257.31
FINAL CALCULATIONS			
Current Cost Multiplier		1.060	1.060
Local Area Multiplier		0.890	0.890
Prospective Multiplier		1.000	1.000
Adjusted SF Cost		$49.65	$242.75
TIMES: SF for Replacement Cost Purposes		2,050	1,960
Adjusted Cost		**$101,775**	**$475,783**
PLUS: Indirect Costs	10.0%	$10,178	$47,578
Adjusted Cost		$111,953	$523,361
PLUS: Entrepreneurial Profit (Structures)	15.0%	$16,793	$78,504
Replacement Cost New (RCN)		**$128,746**	**$601,865**
REPLACEMENT COST SUMMARY (STRUCTURES)			
Total Adjusted Costs			**$577,558**
PLUS: Total Indirect Costs			$57,756
PLUS: Total Entrepreneurial Profit (Structures)			$95,297
Total RCN			**$730,611**
Total includes all component / building costs as detailed above			

DEPRECIATION (STRUCTURES)

As previously discussed, our analysis of depreciation reflects physical and functional curable prior to consideration of physical and functional incurable items, which are treated as components of the modified age-life method. If applicable, economic obsolescence is independently estimated and deducted. To allow for any variances in the age/condition of individual building components, a separate depreciation analysis was applied to each. The following table summarizes the depreciated value of improvements (structures).

COST APPROACH SUMMARY

DEPRECIATION ANALYSIS (STRUCTURES)			
DESCRIPTION		Canopy	Mini-Mart Convenience Store
RCN		$128,746	$601,865
LESS: Physical Curable		$0	$0
LESS: Functional Curable		$0	$0
Adjusted RCN		$128,746	$601,865
Age/Life Analysis			
Year Built		1970	1970
Economic Life (Years)		30	45
Effective Age (Years)		10	20
Remaining Economic Life (Years)		20	25
Percent Depreciated		33.33%	44.44%
Age/Life Depreciation (% of Adjusted RCN)		$42,915	$267,496
Adjusted RCN		$128,746	$601,865
LESS: Age/Life Depreciation		($42,915)	($267,496)
Adjusted RCN		$85,830	$334,369
LESS: Functional Incurable		$0	$0
Adjusted RCN		$85,830	$334,369
LESS: Economic Obsolescence (External)	12.0%	($10,300)	($40,124)
Depreciated RCN		**$75,531**	**$294,245**
Depreciation Subtotal		($53,215)	($307,620)

DEPRECIATION SUMMARY (STRUCTURES)	
Total RCN	**$730,611**
LESS: Total Depreciation - Physical Curable	$0
LESS: Total Depreciation - Functional Curable	$0
LESS: Total Depreciation - Age/Life	($310,411)
LESS: Total Depreciation - Functional Incurable	$0
LESS: Total Depreciation - Economic Obsolescence (External)	($50,424)
Total Depreciated Value of Improvements	**$369,776**

Total includes all component / building costs as detailed above

UNDERGROUND TANKS

REPLACEMENT COST NEW (UNDERGROUND TANKS)

The following table calculates the Cost per Tank, which will then be adjusted for time and location. Please see Extraordinary Assumption as it relates to our new tank assumptions within the report.

TANK COST SUMMARY

Nominal Capacity	Tank Quantity	Description	Base Cost	Concrete Pad	Leak Detection	Underground Piping	Cost per Tank
12,000 gallons	2	Double Wall/Fiberglass	$58,500	$16,042	$4,413	$6,000	$84,955
4,000 gallons	1	Double Wall/Fiberglass	$34,600	$5,347	$4,079	$6,000	$50,027

The following tables apply multipliers for time, location, indirect costs, and entrepreneurial profit to the previously calculated tank costs.

UNDERGROUND TANKS - REPLACEMENT COST NEW

Item	Description	Area (Units)	Number of Tanks	Cost Per Tank	Current Cost Multiplier	Local Area Multiplier	Cost New	Indirect 10.0%	Adjusted Cost	Profit 15.0%	Replacement Cost New
Double Wall/Fiberglass	Size (Gallons)	12,000	2	$84,955	1.06	0.89	$160,293	$16,029	$176,323	$26,448	$202,771
Double Wall/Fiberglass	Size (Gallons)	4,000	1	$50,027	1.06	0.89	$47,195	$4,720	$51,915	$7,787	$59,702
Totals							$207,489	$20,749	$228,238	$34,236	**$262,473**

DEPRECIATION (UNDERGROUND TANKS)

It is noted we have not assumed any depreciation as the prospective buyer will be replacing the tanks.

UNDERGROUND TANKS - DEPRECIATION

Item	Physical Curable	Functional Curable	Adjusted Total	Economic Life	Effective Age	Dep %	Age/Life Depreciation	Total Depreciation	Adjusted Total	Economic Obsolescence 12.0%	Depreciated Cost
Double Wall/Fiberglass	$0	$0	$202,771	33	0	0.00%	$0	$0	$202,771	($24,333)	$178,439
Double Wall/Fiberglass	$0	$0	$59,702	33	0	0.00%	$0	$0	$59,702	($7,164)	$52,538
Totals	$0	$0	262,473				$0		$262,473	($31,497)	**$230,976**

SITE IMPROVEMENTS

REPLACEMENT COST NEW (SITE IMPROVEMENTS)

As portrayed in the below table, we have identified the subject's pumps and dispensers as site improvements, as opposed to FF&E, which is the suggested methodology by the Appraisal Institute's textbook titled Convenience Stores and Retail Fuel Properties: Essential Appraisal Issues.

Pumps are not included as they will be leased (not owned).

SITE IMPROVEMENTS - REPLACEMENT COST NEW

Item	Description	Area (Units)	Cost Per Unit	Current Cost Multiplier	Local Area Multiplier	Cost New	Indirect 10.0%	Adjusted Cost	Profit 15.0%	Replacement Cost New
Asphalt & Concrete	SF	11,000	$7.00	1.06	0.89	$72,642	$7,264	$79,906	$11,986	$91,892
Yard Lighting		1	$4,000	1.06	0.89	$3,774	$377	$4,151	$623	$4,774
Sign		1	$20,000	1.06	0.89	$18,868	$1,887	$20,755	$3,113	$23,868
Pumps and Dispensers - Double Sided *not owned	1 Hose Dbl Side	0	$24,000	1.06	0.89	$0	$0	$0	$0	$0
Air Dispensers	Air Station	1	$1,500	1.06	0.89	$1,415	$142	$1,557	$233	$1,790
Vehicle Vacuums	Vacuum	0	$2,000	1.06	0.89	$0	$0	$0	$0	$0
Totals						$96,699	$9,670	$106,368	$15,955	**$122,324**

DEPRECIATION (SITE IMPROVEMENTS)

SITE IMPROVEMENTS - DEPRECIATION

Item	Physical Curable	Functional Curable	Adjusted Total	Economic Life	Effective Age	Dep %	Age/Life Depreciation	Total Depreciation	Adjusted Total	Economic Obsolescence 12.0%	Depreciated Cost
Asphalt & Concrete	$0	$0	$91,892	15	10	66.67%	($61,261)	($61,261)	$30,631	($3,676)	$26,955
Yard Lighting	$0	$0	$4,774	20	10	50.00%	($2,387)	($2,387)	$2,387	($286)	$2,100
Sign	$0	$0	$23,868	12	10	83.33%	($19,890)	($19,890)	$3,978	($477)	$3,501
Pumps and Dispensers - Double Sided *not owned	$0	$0	$0	15	0	0.00%	$0	$0	$0	$0	$0
Air Dispensers	$0	$0	$1,790	15	10	66.67%	($1,193)	($1,193)	$597	($72)	$525
Vehicle Vacuums	$0	$0	$0	15	5	33.33%	$0	$0	$0	$0	$0
Totals	$0	$0	122,324				($84,731)		$37,592	($4,511)	**$33,081**

FURNITURE FIXTURES & EQUIPMENT

The following table summarizes the cost new of subject's furniture, fixtures and equipment (FF&E). It is noted that we have grouped c-store equipment into a simplified package category rather than itemizing the many small items associated with a c-store operation.

REPLACEMENT COST NEW (FF&E)

FURNITURE FIXTURES & EQUIPMENT - REPLACEMENT COST NEW

Item	Description	Units	Cost Per Unit	Current Cost Multiplier	Local Area Multiplier	Cost New	Indirect 10.0%	Adjusted Cost	Profit 15.0%	Replacement Cost New
Convenience Store Equipment Package	Station FF&E	1	$100,000	1.06	0.89	$94,340	$9,434	$103,774	$15,566	$119,340
Totals						$94,340	$9,434	$103,774	$15,566	**$119,340**

DEPRECIATION (FF&E)

FURNITURE FIXTURES & EQUIPMENT - DEPRECIATION

Item	Physical Curable	Functional Curable	Adjusted Total	Economic Life	Effective Age	Dep %	Age/Life Depreciation	Total Depreciation	Adjusted Total	Economic Obsolescence 12.0%	Depreciated Cost (Rounded)
Convenience Store Equipment Package	$0	$0	$119,340	20	5	25.00%	($29,835)	($29,835)	$89,505	($10,741)	$78,764
Totals	$0	$0	$119,340				($29,835)	($29,835)	$89,505	($10,741)	**$80,000 (rnd)**

The depreciated replacement cost of the subject's furniture, fixtures and equipment is $80,000 (rounded).

CONCLUSION

As a culmination to the Cost Approach, we reiterate the conclusions from each portion of this analysis. Please refer to the following table for our Cost Approach summary.

COST APPROACH VALUE SUMMARY		
COST SOURCE		Marshall & Swift (Commercial Cost Explorer)
SUMMARY (STRUCTURES)		
Adjusted Costs/Cost New		$577,558
PLUS: Indirect Costs		$57,756
PLUS: Entrepreneurial Profit		$95,297
TOTAL REPLACEMENT COST NEW		**$730,611**
LESS: Total Depreciation		($360,835)
TOTAL DEPRECIATED VALUE OF IMPROVEMENTS (STRUCTURES)		**$369,776**
SUMMARY (UNDERGROUND TANKS)		
Adjusted Costs/Cost New		$207,489
PLUS: Total Indirect Costs		$20,749
PLUS: Total Entrepreneurial Profit		$34,236
TOTAL REPLACEMENT COST NEW		**$262,473**
LESS: Total Depreciation		($31,497)
TOTAL DEPRECIATED VALUE OF IMPROVEMENTS (UNDERGROUND TANKS)		**$230,976**
SUMMARY (SITE IMPROVEMENTS)		
Adjusted Costs/Cost New		$96,699
PLUS: Total Indirect Costs		$9,670
PLUS: Total Entrepreneurial Profit		$15,955
TOTAL REPLACEMENT COST NEW		**$122,324**
LESS: Total Depreciation		($89,243)
TOTAL DEPRECIATED VALUE OF IMPROVEMENTS (SITE IMPROVEMENTS)		**$33,081**
SUMMARY (FURNITURE FIXTURES & EQUIPMENT)		
Adjusted Costs/Cost New		$94,340
PLUS: Total Indirect Costs		$9,434
PLUS: Total Entrepreneurial Profit		$15,566
TOTAL REPLACEMENT COST NEW		**$119,340**
LESS: Total Depreciation		($40,576)
TOTAL DEPRECIATED VALUE OF IMPROVEMENTS (FF&E, Rounded)		**$80,000**
TOTAL REPLACEMENT COST NEW OF IMPROVEMENTS		**$1,234,748**
TOTAL DEPRECIATED VALUE OF IMPROVEMENTS		**$713,833**
PLUS: Land Value (Primary Site)		$40,000
INDICATED VALUE BY THE COST APPROACH		**$753,833**
Rounded to the Nearest	**$10,000**	**$750,000**
COST APPROACH COMPONENTS		
Total Cost Approach Value		$750,000
LESS: Furniture Fixtures & Equipment		$80,000
Total Real Property		$670,000

Sales Comparison Approach

ANALYSIS OF SALES

Purchasers' motivations in gas station and convenience store transactions vary a great deal. Due to the fact that comparable local sales are difficult to find, the appraisers have included a selection of regional gas station and convenience store comparables. Buyers typically do not place primary emphasis on this approach in dealing with this property sector. Comparable sales are often difficult to interpret due to unknown tank and environmental conditions, varied building improvements and revenue sources, existing lease agreements, franchise agreements, fuel purchase agreements and business enterprise issues that may have affected the sale price. As such, the Sales Comparison Approach is considered a less reliable valuation process for gas station and convenience store properties. However, we believe this approach is useful in supporting our value conclusions in the Cost Approach and Income Approach by providing value parameters. In additional to providing value parameters, we have also created a value point estimate from the sales comparison approach, which we have given no weight to in our final value conclusion.

The comparable sales include gas station and convenience store concepts within the subject's region. We attempted to focus on like-kind gas station comparables that would fall within the class of the subject property. The sales reviewed may have included business enterprise value and items of personal property as with the subject property. Charted on the following page are the comparable sales utilized in our analysis and an adjustment grid.

IMPROVED SALES

No.	Property Name Address, City, State	Land (SF)	Land to Building Ratio	Building GLA	Year Built	Grantor	Grantee	Value Interest	Sale Date	Sale Price	$/SF Land	$/SF Bldg
	PROPERTY INFORMATION					**TRANSACTION INFORMATION**						
S	Subject Property	15,799	8.06:1	1,960	1970							
1	Gas Station & Convenience Store 618 Fm 685 Pflugerville, TX	30,927	14.06:1	2,200	1996	Sreenivas Neerukonda	Karim Karedia	Fee Simple	3/21	$1,593,648	$51.53	$724.39
2	Gas Station & Convenience Store 3006 Garden City Hwy Midland, TX	62,155	8.59:1	7,232	1981	Paul Evans	Kent Distributors Inc.	Fee Simple	8/20	$1,250,000	$20.11	$172.84
3	Gas Station & Convenience Store 236 E Spring Valley Rd Richardson, TX	20,908	6.94:1	3,012	1998	Jarodiya & Sons LLC	Victron Energy Inc.orporated	Fee Simple	6/19	$1,000,000	$47.83	$332.01
4	Gas Station & Convenience Store 4001 Buffalo Gap Rd Abilene, TX	15,245	5.77:1	2,640	1961	Harris Acoustics Ltd	West Texas Donuts LLC	Fee Simple	10/18	$748,000	$49.07	$283.33
	STATISTICS											
Low		15,245	5.77:1	2,200	1961				10/18	$748,000	$20.11	$172.84
High		62,155	14.06:1	7,232	1998				3/21	$1,593,648	$51.53	$724.39
Average		32,309	8.84:1	3,771	1984				1/20	$1,147,912	$42.13	$378.14

Compiled by Cushman & Wakefield of Illinois, Inc

IMPROVED SALE ADJUSTMENT GRID

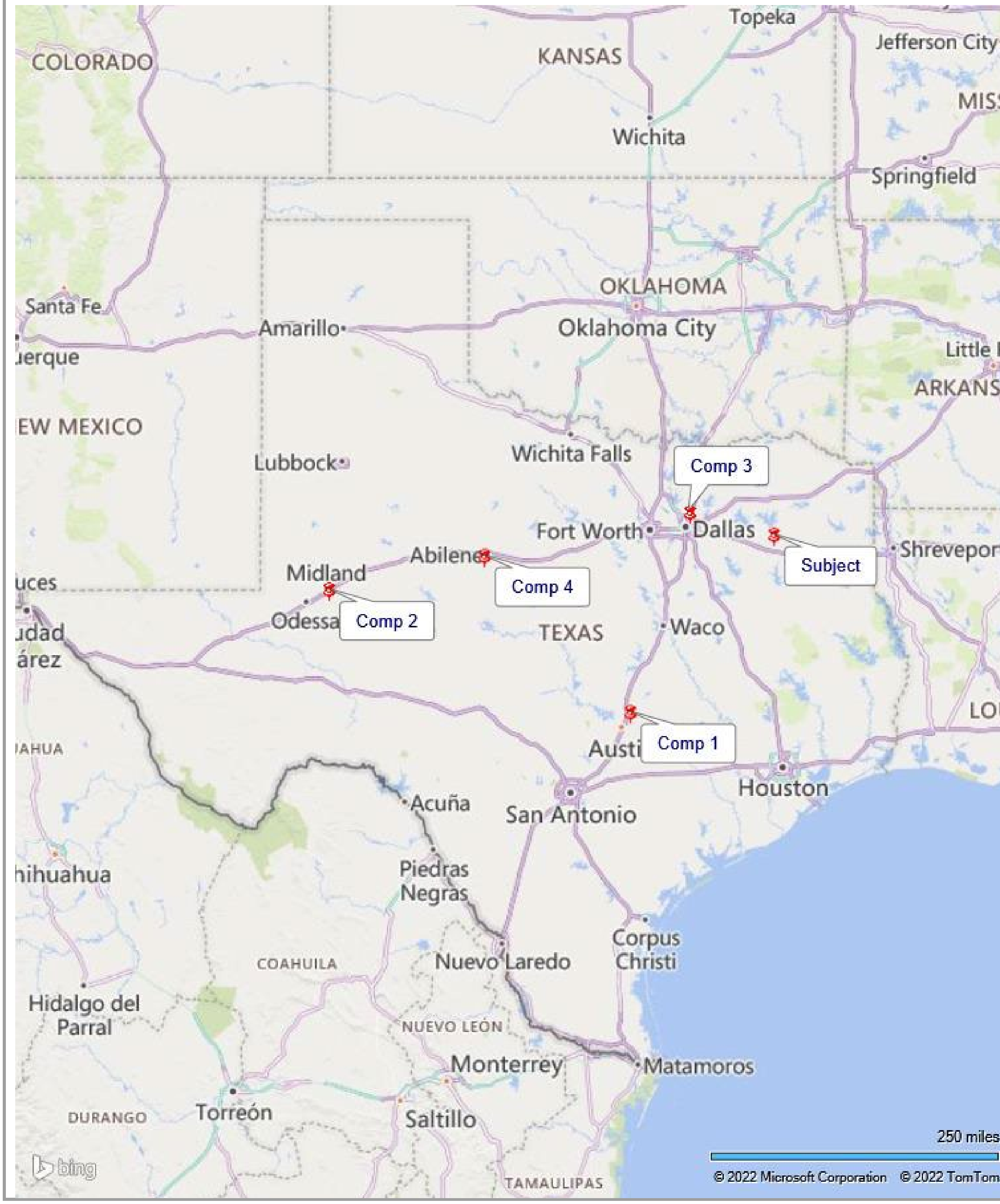
											ECONOMIC ADJUSTMENTS (CUMULATIVE)								
No.	Sale Price	Sale Date	Property Rights Conveyed		Conditions of Sale		Financing	Market[1] Conditions	Subtotal		Location	Size (GLA)	Age, Quality & Condition	Land-Building Ratio	Utility[2]	Other	Adj. Price	Net Adj.	Overall
1	**$1,593,648**	**3/21**	Fee Simple	0.0%	Arm's-Length	0.0%	0.0%	4.2%	**$1,660,581**	4.2%	-10.0%	-5.0%	-10.0%	-10.0%	-5.0%	0.0%	**$996,349**	-40.0%	-
2	**$1,250,000**	**8/20**	Fee Simple	0.0%	Arm's-Length	0.0%	0.0%	6.0%	**$1,325,000**	6.0%	0.0%	-20.0%	-5.0%	0.0%	0.0%	0.0%	**$993,750**	-25.0%	-
3	**$1,000,000**	**6/19**	Fee Simple	0.0%	Arm's-Length	0.0%	0.0%	9.7%	**$1,097,000**	9.7%	10.0%	-10.0%	-10.0%	0.0%	0.0%	0.0%	**$987,300**	-10.0%	-
4	**$748,000**	**10/18**	Fee Simple	0.0%	Arm's-Length	0.0%	0.0%	11.8%	**$836,264**	11.8%	10.0%	-5.0%	5.0%	5.0%	5.0%	0.0%	**$1,003,517**	20.0%	+
		STATISTICS																	
	$748,000	10/18	**- Low**													**Low -**	$987,300	-40.0%	
	$1,593,648	3/21	**- High**													**High -**	$1,003,517	20.0%	
	$1,147,912	1/20	**- Average**													**Average -**	$995,229	-13.8%	

Compiled by Cushman & Wakefield of Illinois, Inc

[1] **Market Conditions Adjustment**
Compound annual change in market conditions: 3.00%
Date of Value (for adjustment calculations): 8/6/22

[2] **Utility Footnote**
Utility includes site layout, signage, visibility, etc.

IMPROVED SALE LOCATION MAP



PERCENTAGE ADJUSTMENT METHOD

Adjustment Process

The sales we used were the best available comparables to the subject property. The major points of comparison for this type of analysis include the property rights conveyed, the financial terms incorporated into the transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its physical traits and the economic characteristics of the property.

The first adjustment made to the market data takes into account differences between the subject property and the comparable property sales with regard to the legal interest transferred. Advantageous financing terms or atypical conditions of sale are then adjusted to reflect a normal market transaction. Next, changes in market conditions are accounted for, creating a time adjusted price. Lastly, adjustments for location, physical traits and the economic characteristics of the market data are made in order to generate the final adjusted value for the subject property.

We made a downward adjustment to those comparables considered superior to the subject and an upward adjustment to those comparables considered inferior. Where expenditures upon sale exist, we included them in the sales price.

Property Rights Conveyed

The property rights conveyed in a transaction typically have an impact on the price that is paid. Acquiring the fee simple interest implies that the buyer is acquiring the full bundle of rights. Acquiring a leased fee interest typically means that the property being acquired is encumbered by at least one lease, which is a binding agreement transferring rights of use and occupancy to the tenant. A leasehold interest involves the acquisition of a lease, which conveys the rights to use and occupy the property to the buyer for a finite period of time. At the end of the lease term, there is typically no reversionary value to the leasehold interest. A going concern is an operating business enterprise that is expected to continue operating into the foreseeable future. We are valuing a going concern of the Fee Simple interest of the subject property. The comparables are fee simple sales or are leased at what appears to be a market rental rate. Therefore, an adjustment for property rights is not required.

Conditions of Sale

Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. In many situations the conditions of sale may significantly affect transaction prices. However, all sales used in this analysis are considered to be "arm’s-length" market transactions between both knowledgeable buyers and sellers on the open market. Therefore, no adjustments were required.

Financial Terms

The financial terms of a transaction can have an impact on the sale price of a property. A buyer who purchases an asset with favorable financing might pay a higher price, as the reduced cost of debt creates a favorable debt coverage ratio. A transaction involving above-market debt will typically involve a lower purchase price tied to the lower equity returns after debt service. We analyzed all of the transactions to account for atypical financing terms. To the best of our knowledge, all of the sales used in this analysis were accomplished with cash or market-oriented financing. Therefore, no adjustments were required.

Market Conditions

In this analysis, we determined the subject’s value using the value date of August 06, 2022. All of the comparables were adjusted to this date. The sales that are included in this analysis occurred between October 2018 and March 2021. Given the strength of the local market, we have made a positive adjustment for market conditions. We have made a positive adjustment for market conditions at a rate of 3.0 percent per annum.

Location

An adjustment for location is required when the locational characteristics of a comparable property differ from those of the subject property. The location of the subject property is rated good/excellent, and it has good/excellent access and good/excellent visibility. Each comparable was adjusted accordingly.

Physical Traits

Each property has various physical traits that determine its appeal. These traits include size, age, condition, quality, land-to-building ratio and utility. Each comparable was adjusted accordingly.

Other

This category accounts for any other adjustments not previously discussed. Based on our analysis of these sales, none required any additional adjustment.

Summary of Percentage Adjustment Method

The unadjusted sales prices range from $748,000 to $1,593,648, with an average of $1,147,912. In an attempt to draw a point value estimate from the sales comparison approach we have taken into consideration the range of the adjusted sale prices, the average sale price, the median sale price, and the comparable that required the least gross adjustment. The adjusted sale prices range from $987,300 to $1,003,517, the average adjusted sale price is $995,229, and the median adjusted sale price is $995,049. The comparable that requires the least gross adjustment is Comparable 2, with an adjusted price of $993,750, which we have applied more weight to in our value conclusion than the other comparables. The resulting pertinent value indicators and our sales comparison approach value conclusion are as follows:

PERCENT ADJUSTMENT METHOD SUMMARY	
Indicated Value Range - Low	$987,300
Indicated Value Range - High	$1,003,517
Indicated Value - Average	$995,229
Indicated Value - Median	$995,049
Sale with Lowest Gross Adjustment - Sale Comp. 2	$993,750
Indicated Value, Rounded	**$990,000**

Compiled by Cushman & Wakefield of Illinois, Inc

Given the subject's good/excellent location, functional site utility, and fuel center asset class, we believe the comparable data set is supportive of the Going Concern value estimated in the Income Capitalization Approach. As described in the Income Capitalization Approach, our going concern value conclusion via the Income Capitalization Approach is $750,000, which is within the range of adjusted comparable sale prices and in line with our Income Capitalization Approach value conclusion. Additionally, there are substantial capital expenses that will be incurred which we have deducted from our final value conclusion. Considering this, as well as the aforementioned facts, the sales comparable data supports the conclusions cited herein, but it is non-conclusive as a stand-alone valuation methodology for the subject property.

Income Capitalization Approach

METHODOLOGY

The Income Capitalization Approach determines the value of a property based on the anticipated economic benefits. The principle of "anticipation" is essential to this approach, which recognizes the relationship between an asset's potential future income and its value. To value the anticipated economic benefits of a property, potential income and expenses must be projected, the estimated income is then converted to a value indication by use of a combination of the following methods:

1. Gross Profit Multiplier Method: This method uses gross profit prior to a deduction for operating expenses. Once an accurate projection of gross profit is determined an appropriate gross profit multiplier (GPM) is selected. The property's value is the result of multiplying the gross profit by the GPM. The GPM method is somewhat elementary compared to other income capitalization methods due to it not taking into consideration operating expenses. The typical purchaser for a petroleum real estate asset has shifted from single-store operators to institutional investors, and the methods for valuing petroleum real estate assets have shifted to more sophisticated methods. Although the GPM method can be used to support a value via the income capitalization approach, it is not the primary valuation method due to it not taking into consideration operating expenses.

2. EBITDAR Direct Capitalization Method: This method is similar to the GPM Valuation Method, with the primary differences being that it takes into consideration operating expenses; instead of gross profit, the EBITDAR capitalization method focuses on earnings before interest, taxes, depreciation, amortization and rent (EBITDAR). The subject's projected EBITDAR is then capitalized using an appropriate capitalization rate. There is a strong correlation between a gas station and convenience store's EBITDAR and its market value, and therefore, the EBITDAR Direct Capitalization Valuation Method is considered to be an accurate indication of value.

3. EBITDAR Yield Capitalization Method: The EBITDAR Yield Capitalization Method is related to the EBITDAR Direct Capitalization Method; in the yield capitalization method annual EBITDAR figures and a reversionary value are developed and discounted to a present value using an internal rate of return that is determined by analyzing current investor yield requirements for similar investments. The EBITDAR Yield Capitalization Method is an effective method of determining the value of a gas station and convenience store property, but due to it being more complex than the GPM Method and the EBITDAR Capitalization Method it is typically used by corporations who own many stores.

SUMMARY

Based on our conversations with industry professionals the typical purchaser of a gasoline station/convenience store going concern similar to the subject relies on a combination of the EBITDAR Direct Capitalization Method and EBITDAR Yield Capitalization Method. Therefore, we will conduct these methods and reconcile the differences in values. The first step for both methods is to analyze the historical financial performance and make a projection of the subject's income and expenses.

REVENUE & EXPENSE ANALYSIS

We were provided with historical revenue and expense data for the subject property. There are two sources of revenue being generated at the subject that an owner/investor would be entitled to; fuel sales and in-store sales. As previously noted, the store has no historical fuel sale data.

The following table includes the historical income and expenses associated with the subject property as well as the appraisers' forecast. The appraisers' forecast is based on (1) the subject's historical performance with a majority of emphasis placed on the most prior year of historical income and expenses, (2) NACS National Industry Standard Data, and (3) primary data collected by the appraisers including market participant interviews and expense comparables. The following page shows NACS provided industry average data. The data is used to support the Cushman & Wakefield's estimated pro forma that will be utilized for direct capitalization.

REVENUE AND EXPENSE ANALYSIS	12 Months		12 Months		7 Months		C&W Year 1	
	2020 Actual		2021 Actual		2022 Annualized		Forecast (1)	
FUEL GROSS PROFIT		$/GALLON		$/GALLON		$/GALLON		$/GALLON
Fuel Volume (gallons)	0		0		0		175,000	
Fuel Revenue	$0	-	$0	-	$0	-	$656,250	$3.75
Fuel Cost of Goods Sold	$0	-	$0	-	$0	-	$638,531	$3.65
Fuel Gross Profit	$0	-	$0	-	$0	-	$17,719	$0.10
IN-STORE GROSS PROFIT		% IN-STORE REV		% IN-STORE REV		% IN-STORE REV		% IN-STORE REV
In-Store Revenue	$487,478		$785,434		$785,831		$770,000	
In-Store Cost of Goods Sold	$376,791	77.3%	$575,425	73.3%	$525,479	66.9%	$523,600	68.0%
In-Store Gross Profit	$110,687	22.7%	$210,009	26.7%	$260,352	33.1%	$246,400	32.0%
TOTAL GROSS PROFIT		% TOTAL REV		% TOTAL REV		% TOTAL REV		% TOTAL REV
Total Revenue	$487,478		$785,434		$785,831		$1,426,250	
Total Cost of Goods Sold	$376,791	77.3%	$575,425	73.3%	$525,479	66.9%	$1,162,131	81.5%
TOTAL GROSS PROFIT	$110,687	22.7%	$210,009	26.7%	$260,352	33.1%	$264,119	18.5%
LESS: OPERATING EXPENSES		% GROSS PROFIT		% GROSS PROFIT		% GROSS PROFIT		% GROSS PROFIT
Labor Costs	$36,000	32.5%	$47,740	22.7%	$65,997	25.3%	$80,000	30.3%
Credit Card Expenses	$0	0.0%	$11,250	5.4%	$0	0.0%	$10,214	3.9%
Repairs & Maintenance	$250	0.2%	$5,420	2.6%	$0	0.0%	$5,500	2.1%
Insurance	$0	0.0%	$2,777	1.3%	$3,240	1.2%	$6,000	2.3%
Other Operating Expenses	$27,006	24.4%	$18,990	9.0%	$24,069	9.2%	$25,447	9.6%
Total Operating Expenses	$63,256	57.1%	$86,177	41.0%	$93,306	35.8%	$127,161	48.1%
EBITDAR	$47,431	42.9%	$123,832	59.0%	$167,046	64.2%	$136,957	51.9%

(1) Fiscal Year Beginning: 9/1/2022
Fiscal Year Ending: 8/31/2023

Compiled by Cushman & Wakefield of Illinois, Inc

NACS SURVEY 2020	4th Quartile		3rd Quartile		2nd Quartile		Top Quartile	
FUEL GROSS PROFIT		$/GALLON		$/GALLON		$/GALLON		$/GALLON
Fuel Volume (gallons)	932,880		1,121,703		1,190,198		1,951,641	
Fuel Revenue	$1,924,167	$2.06	$2,465,440	$2.20	$2,545,737	$2.14	$4,373,790	$2.24
Fuel Cost of Goods Sold	$1,648,259	$1.77	$2,088,777	$1.86	$2,112,540	$1.77	$3,635,608	$1.86
Fuel Gross Profit	$275,908	$0.30	$376,664	$0.34	$433,197	$0.36	$738,183	$0.38
IN-STORE GROSS PROFIT		% IN-STORE REV		% IN-STORE REV		% IN-STORE REV		% IN-STORE REV
In-Store Revenue	$1,149,645		$1,770,889		$1,718,664		$2,531,225	
In-Store Cost of Goods Sold	$885,729	77.0%	$1,377,545	77.8%	$1,158,593	67.4%	$1,708,554	67.5%
In-Store Gross Profit	$263,917	23.0%	$393,344	22.2%	$560,072	32.6%	$822,671	32.5%
TOTAL GROSS PROFIT		% TOTAL REV		% TOTAL REV		% TOTAL REV		% TOTAL REV
Total Revenue	$3,139,598		$4,292,332		$4,350,667		$6,986,940	
Total Cost of Goods Sold	$2,533,987	80.7%	$3,466,322	80.8%	$3,271,133	75.2%	$5,344,162	76.5%
TOTAL GROSS PROFIT	$605,610	19.3%	$826,010	19.2%	$1,079,534	24.8%	$1,642,779	23.5%
LESS: OPERATING EXPENSES		% GROSS PROFIT		% GROSS PROFIT		% GROSS PROFIT		% GROSS PROFIT
Labor Costs	$262,414	43.3%	$296,112	35.8%	$356,472	33.0%	$493,085	30.0%
Credit Card Expenses	$75,036	12.4%	$74,952	9.1%	$67,784	6.3%	$103,478	6.3%
Repairs & Maintenance	$50,220	8.3%	$48,000	5.8%	$36,516	3.4%	$60,481	3.7%
Insurance	$8,635	1.4%	$4,636	0.6%	$7,311	0.7%	$8,241	0.5%
Other Operating Expenses	$242,368	40.0%	$105,153	12.7%	$239,012	22.1%	$323,977	19.7%
Total Operating Expenses	$638,673	105.5%	$528,852	64.0%	$707,094	65.5%	$989,262	60.2%
EBITDAR	-$33,063	-5.5%	$297,158	36.0%	$372,440	34.5%	$653,517	39.8%

Data provided by NACS

It is noted that the above NACS data was provided in monthly format and we have annualized it in order to compare it to the subject property's annual historical revenue and expenses.

FUEL GROSS PROFIT

As noted previously, we do not have historical fuel sale data as the property has not sold fuel for some time. However, the prospective buyer intends on installing new tanks and fuel dispensers. Therefore, for our projections, we have reviewed similar gas stations and convenience stores in Texas with similar age and locational characteristics, with a specific focus on traffic count.

Location	Traffic Count (VPD)	Gallons Sold (2021)	Fuel Margin ($/Gallon)
Spring, TX	6,000	215,469	$0.13
Weatherford, TX	14,500	277,025	$0.27
Weatherford, TX	10,500	165,336	$0.29
Longview, TX	16,500	480,000	$0.20
Justin, TX	11,000	297,258	$0.05
Low	6,000	165,336	$0.05
High	16,500	480,000	$0.29
Average	11,700	287,018	$0.19

Compiled by Cushman & Wakefield

As noted previously, the subject property has an estimated VPD of 7,000 which is on the low end of the range. Therefore, we have projected that the subject property will sell 175,000 gallons of fuel, which is also below the average, but within the range.

Fuel sales are a factor of the location of the facility, its amenities, and surrounding competition. Additionally, consideration was given to the volatility of the market with regards to pricing. As a point of reference, the most recent average published by NACS in their 2020 annual report stated an average margin of $0.38 per gallon for gas stations with Top Quartile financial performance. For the subject property we have applied a fuel margin of $0.10 per gallon, which is in line with operators that lease their fuel dispensers as they typically have a higher fuel cost and lower margin; this equates to lower than NACS industry average data. Our projection of fuel volume of 175,000 gallons at a margin of $0.10 per gallon results in total projected fuel gross profit for year one of $17,719.

We have assumed a below average fuel margin, of $0.10 per gallon, as the buyer intends on leasing the fuel dispensers and will therefore (likely) have a below average fuel margin. Our conclusion is within the range of comparables, but is again below average which is reasonable due to leasing of the fuel dispensers.

IN-STORE GROSS PROFIT

We have been provided the historic in-store sales being produced from the store. Gross profit for convenience store sales is developed by subtracting the cost of goods sold from gross revenue. Thus, the profit margin is the gross profit divided by the gross revenue. Within the convenience store industry there is strong support for estimating this margin figure and the range is fairly narrow. The subject's historical in-store revenue has ranged from $487,478 to $785,831 with an average of $686,248. The subject's in-store performance most closely correlates with the c-stores identified by NACS to be in the 4th Quartile. Stores operating in the 4th Quartile have average in-store revenue of $1,149,645. According to the most recent NACS data, stores operating in the 4th Quartile (like the subject) produced an average in-store margin of 23.0 percent. The merchandise gross margin of the subject property for years 2020 through 2022 ranged from 22.7 to 33.1 percent, with an average of 27.5 percent.

Based on the subject's historical performance and the NACS industry average data, we have projected the subject's in store revenue to be $770,000 and in-store margin to be 32.0 percent in fiscal year 1, which results in projected in-store gross profit of $246,400.

TOTAL GROSS PROFIT

Total gross profit is simply a summation of all gross profit sources. Historical gross profit for the subject has ranged from $110,687 to $260,352, with an average of $193,683 from 2020 to 2022. Our projected total gross profit for the subject is $264,119, which is in line with the recent financial performance for the subject property.

OPERATING EXPENSES

We have divided the subject's historical operating expenses into the categories of labor costs, credit card expenses, repairs and maintenance, and other operating expenses. It is noted that the historical financial statements include corporate general and administrative expenses in the Other Operating Expenses category, and we have projected it as such. We have taken into consideration the subject's historical operating expenses, expense comparables, and NACS data in order to determine an appropriate level of operating expenses. The following portrays operating expense comparables that we have taken into consideration.

EXPENSE COMPARABLES							
Comp No.	City/County	State	Brand	Total Gross Profit	Total Operating Expenses	Operating Expense Ratio	Operating Expense Year
1	Cedar Hill	TX	Major Oil Brand	$546,733	$431,338	78.9%	2021
2	Converse	TX	Major Oil Brand	$539,498	$471,114	87.3%	2021
3	Dallas	TX	Major Oil Brand	$516,716	$402,665	77.9%	2021
4	Driscoll	TX	Major Oil Brand	$651,342	$396,754	60.9%	2021
5	Garden City	KS	Major Oil Brand	$798,413	$576,664	72.2%	2021
6	Garland	TX	Major Oil Brand	$444,729	$401,146	90.2%	2021
7	Holland	OH	Major Oil Brand	$584,028	$348,710	59.7%	2021
8	Maumee	OH	Major Oil Brand	$600,072	$348,100	58.0%	2021
9	Maumee	OH	Major Oil Brand	$733,348	$490,346	66.9%	2021
10	McKinney	TX	Major Oil Brand	$549,000	$467,400	85.1%	2021
11	Oakley	KS	Major Oil Brand	$1,419,321	$946,902	66.7%	2021
12	Oregon	OH	Major Oil Brand	$196,301	$171,886	87.6%	2021
13	Perrysburg	OH	Major Oil Brand	$319,223	$220,690	69.1%	2021
14	Rossford	OH	Major Oil Brand	$966,720	$660,791	68.4%	2021
15	San Antonio	TX	Major Oil Brand	$500,106	$471,424	94.3%	2021
16	Stockton	KS	Major Oil Brand	$521,709	$398,767	76.4%	2021
17	Sylvania	OH	Major Oil Brand	$332,468	$265,842	80.0%	2021
18	Toledo	OH	Major Oil Brand	$636,975	$410,034	64.4%	2021
19	Toledo	OH	Major Oil Brand	$554,358	$417,783	75.4%	2021
20	Ulysses	KS	Major Oil Brand	$317,961	$218,144	68.6%	2021
21	Bellevue	OH	Major Oil Brand	$352,758	$248,104	70.3%	2020
22	Bellville	OH	Major Oil Brand	$998,954	$795,099	79.6%	2020
23	Norwalk	OH	Major Oil Brand	$976,527	$462,914	47.4%	2020
24	Oak Harbor	OH	Major Oil Brand	$372,925	$274,841	73.7%	2020
25	Sandusky	OH	Major Oil Brand	$1,385,024	$929,015	67.1%	2020
26	Tiffin	OH	Major Oil Brand	$1,618,783	$1,112,998	68.8%	2020
27	Vermilion	OH	Major Oil Brand	$588,273	$287,715	48.9%	2020
28	Vermilion	OH	Major Oil Brand	$2,594,939	$1,680,912	64.8%	2020
29	Wakeman	OH	Major Oil Brand	$328,526	$249,299	75.9%	2020
30	Wellington	OH	Major Oil Brand	$529,243	$286,238	54.1%	2020
Minimum			Minimum	$196,301	$171,886	47.4%	2020
Maximum			Maximum	$2,594,939	$1,680,912	94.3%	2021
Median			Median	$551,679	$406,349	69.7%	2021
Average			Average	$715,832	$494,788	71.3%	2021

Compiled by Cushman & Wakefield of Illinois, Inc

A summary of data that we have incorporated into our analysis is portrayed on the following Operating Expense Conclusion table.

OPERATING EXPENSE CONCLUSION	
Subject's 2020 OPEX Ratio	57.1%
Subject's 2021 OPEX Ratio	41.0%
Subject's 2022 OPEX Ratio	35.8%
OPEX Comparable Minimum	47.4%
OPEX Comparable Maximum	94.3%
OPEX Comparable Median	69.7%
NACS Top Quartile	60.2%
NACS 2nd Quartile	65.5%
NACS 3rd Quartile	64.0%
NACS 4th Quartile	105.5%
C&W Projected OPEX Ratio	**48.1%**

Compiled by Cushman & Wakefield of Illinois, Inc

Our operating expense conclusion of 48.1 percent is within the range of operating expense comparable data and is considered reasonable.

INCOME AND EXPENSE PRO FORMA

The following chart summarizes our opinion of income and expenses for Year One.

SUMMARY OF REVENUE AND EXPENSES		
C&W FORECAST - YEAR 1		
FUEL GROSS PROFIT		$/GALLON
Fuel Volume (gallons)	175,000	
Fuel Revenue	$656,250	$3.75
Fuel Cost of Goods Sold	$638,531	$3.65
Fuel Gross Profit	$17,719	$0.10
IN-STORE GROSS PROFIT		% IN-STORE REV
In-Store Revenue	$770,000	
In-Store Cost of Goods Sold	$523,600	
In-Store Gross Profit	$246,400	32.0%
TOTAL GROSS PROFIT		% TOTAL REV
Total Revenue	$1,426,250	
Total Cost of Goods Sold	$1,162,131	81.5%
TOTAL GROSS PROFIT	$264,119	18.5%
LESS: OPERATING EXPENSES		% GROSS PROFIT
Labor Costs	$80,000	30.3%
Credit Card Expenses	$10,214	3.9%
Repairs & Maintenance	$5,500	2.1%
Insurance	$6,000	2.3%
Other Operating Expenses	$25,447	9.6%
Total Operating Expenses	$127,161	48.1%
EBITDAR	$136,957	51.9%

(1) Fiscal Year Beginning: 9/01/2022
Fiscal Year Ending: 8/31/2023

Compiled by Cushman & Wakefield of Illinois, Inc

INVESTMENT CONSIDERATIONS

Before determining the appropriate risk rate(s) to apply to the subject, a review of recent market conditions, particularly in the financial markets, is warranted. The following subsection provides review of these trends, ending with a summary of the investment considerations impacting the subject property. The trends are based upon the appraiser’s market research, discussions with participants in the market, and the relative position of the subject property within its market.

The Commercial Real Estate (CRE) market is driven by investor demand and strong liquidity. Since its onset in March 2020, the COVID-19 pandemic has had a dramatic effect on both of these factors as the market navigated actual and perceived impact. We observed asset classes experiencing various impacts, both positive and negative. We observed that asset values can fall significantly in short periods of time if either demand or liquidity, often in conjunction with many other factors, change significantly. We also observed asset values rise based on new-found demand for sector or property characteristics. Either through empirical data or COVID fatigue, society and the market are perceiving that we are near the end of the pandemic. Restrictions continue to be lifted and activities, such as travel and dining, are returning to pre-pandemic levels. We are observing stabilizing trend lines in most asset classes as we see the effects of vaccinations and approach herd immunity. In spite of the threat of new variants, the uncertainty of the early months of the pandemic has been replaced with clearer expectations and forecasts of asset class and individual property performance. Of course, some uncertainty exists in most property types in terms of forecast demand, to varying degrees. As we have throughout the pandemic, Cushman & Wakefield is closely monitoring the latest developments resulting from the COVID-19 pandemic and recovery and its effect on the subject and its market.

OVERVIEW

The recession that began in March 2020, triggered by the COVID-19 pandemic, was short and steep. In 2021 the economy continued to recover, however, midway through the year, fears of inflation and the Delta variant resulted in continued economic uncertainty. At 5.7%, economic expansion saw its largest annual increase since 1984. While this figure is impressive, it is also indicative of the damage caused by the coronavirus the prior year. At the end of April 2022, the Centers for Disease Control (CDC) announced that we have transitioned out of the "acute component of the pandemic phase," and moved on to a more controlled phase. They did, however, warn that the BA.2 Omicron variant would continue to be disruptive, that eradicating the virus was unlikely, and that efforts were now concentrated around keeping infections as low as possible.

For the first three months of 2022, lingering effects from the pandemic continued to affect global supply chains and labor markets, causing the economy to contract by 0.4%, or by 1.4% on an annualized basis. This is a sharp decline from the 1.7% growth (6.9% annualized) for the last three months of 2021 and marks the weakest quarter since the beginning of the pandemic. The largest drag on the economy (more than 3 percentage points) was the trade deficit as consumers bought more foreign goods than American exports overseas. While these figures indicate that the economy is facing challenges, many fundamentals remain solid. In fact, consumer spending grew by 0.7% in the first quarter, and stripping out the effects of inventory and trade, growth was 0.6%, a modest acceleration from the end of 2021.

The war in Ukraine, rising interest rates, high inflation, and lockdowns in China, are not affecting commercial property sales, or at least not yet. For first quarter 2022, commercial property sales volume climbed 56% over the same time last year. Retail led the pack with a year-over-year increase of 102%, followed by hotel at 71% and office at 59%. It is important to keep in mind, however, that the commercial property transaction process takes a couple of months, so the activity through the end of March likely reflects sentiment from the beginning of the year. Any fallout around more recent uncertainties would become more apparent by the end of second quarter 2022.

Further considerations include:

- U.S. Consumer Confidence eased in April 2022 as the views on current conditions slightly worsened. For April 2022 the index fell to 107.3 from an upwardly revised reading of 107.6 in March 2022.
- Retail sales rose 0.5% in March 2022, below the upwardly revised 0.8% rise in February as well as the forecasted 0.6% estimate, as inflation hindered consumer spending. The two categories that had the largest impact on the index were food and energy at 8.8% and 6.9%, respectively.
- The Consumer Price Index rose 8.3 % through April 2022, easing slightly from 8.5% in March, but still ahead of the 8.1% estimate. Core CPI, which excludes food and energy, also rose higher than expected at 6.2%.
- In 2021, U.S. stocks rose 25.8%, however stocks lost ground in the first quarter of 2022, dropping by 5.3% overall, and showing a 4.6% decline for the S&P 500 and about a 9% drop for the Nasdaq Composite. In April 2022, the S&P dropped 13%, experiencing its worst month since March 2020.

- On June 16. 2022, the Federal Reserve raised the interest rate by 0.75%, the third time this year and the largest hike since 1994. The Federal Reserve now expects the benchmark rate to end the year at 3.5%, and upward revision of 1.5 percentage points from the March 2022 estimate.

That being said, it is important to take in mind that data lags, and industry participants are still trying to accurately determine the pandemic's current effects on the commercial real estate market. In other sections of the report, we will discuss these effects and impacts on the immediate market and subject property in as much detail as possible. Therefore, we ask that you consider the following points:

- Early in the COVID-19 pandemic, most non-essential businesses shut down, causing significant disruption in the economy. As businesses continue to adjust to the realities and complexities of the pandemic, some are not returning, or are returning in a different capacity.
- Certain property types have been more heavily impacted than others, with some asset classes benefiting from the COVID environment. Broadly speaking, cap rates compressed, and price growth improved significantly in 2021, however, this is not true for every property or asset class.
- Investment activity picked up significantly throughout 2021 and has now reached pre-pandemic levels. We anticipate this growth to continue throughout 2022.
- Inflation is expected to continue to rise through the end of the year and will begin tapering back in 2023, however, it has not yet manifested into actual deal metrics. Market experts agree that we are in a sellers' market and expect to remain in one for the foreseeable future, as there remains ample money sitting on the sidelines waiting to be deployed.

As mentioned earlier, COVID is now endemic; the once-novel coronavirus, COVID-19, will remain circulating and mutating, primarily remaining a threat to vulnerable population groups. In the meantime, businesses here in the US are now operating much as they did pre-pandemic. The economy, however, will continue to be impacted by the virus, mostly through supply chain issues like the current lockdowns in China that are now occurring. Other significant challenges facing the economy will come from interest rate hikes, inflation, and global uncertainty surrounding the war in Ukraine.

Economic Conditions & Current Trends

For the past two years, economic growth in the U.S. has been volatile. GDP approached 7% in second quarter 2021, fell to less than 2.5% in the third quarter, then went back up to nearly 7% for the last three months of the year. For first quarter of 2022 GDP fell by 1.4%, the first decline since the early days of the pandemic. Some of the volatility can be directly linked to the numerous COVID-19 waves, however, other factors such as inventory accumulation, also played a role. Further compounding recent events was the Russian invasion of Ukraine in February 2022 which caused oil, natural gas, agricultural, and metal prices to surge. These events also coincided with the highest inflation in 40 years, caused by pandemic disruptions to supply chains and labor markets. Further exacerbating this are the current lockdowns in China which are also heavily contributing to a new wave of supply chain disruptions.

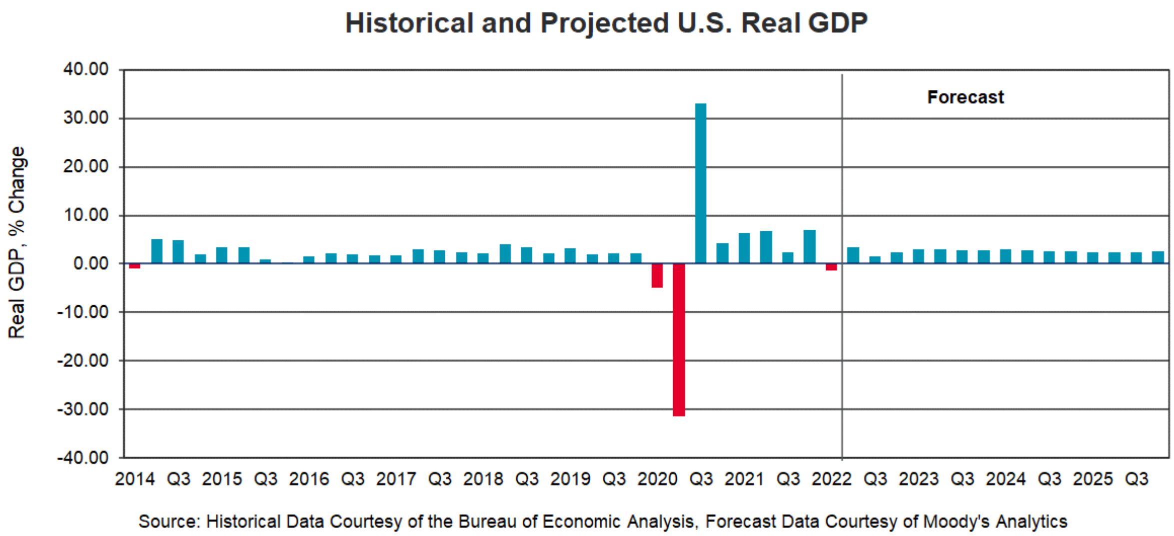
Although growth will slow this year, the economy should remain near full employment throughout the year and inflation should ease as well. In April 2022, the economy added 428,000 jobs, surpassing expectations and slightly higher than consensus. By comparison, prior to the pandemic, job gains were averaging about 200,000 per month. The positive job gains so far this year also mean that the labor market needs to add a bit more than 1 million more jobs to reach its pre-pandemic peak, something that experts believe can easily happen by summer. Moody's expects the employment rate to fall to 3.3% by the end of 2022, however, earnings growth of 5.5% is insufficient to keep up with inflation.

Higher interest rates will help slow the economy's growth and ultimately ease inflation through multiple channels, most notably via the highly rate sensitive housing and mortgage markets. In fact, fixed mortgage rates have risen surprisingly quickly in response to the Fed's aggressive moves. Still, the outlook for the year remains risky. The Russia-Ukrainian war has now surpassed potential virus waves as the main threat, and both can upset supply chains and keep interest rates at historically high levels. On top of that, the housing market appears overvalued, high consumer prices are putting a strain on consumers and hurting confidence. However, there are upside risks as well, most notably the huge amount of cash consumers have saved since the onset of the pandemic. Additionally, wages could rise more rapidly than expected, lifting household income, and spending along with it.

Further considerations are as follows:

- In March 2020, the Coronavirus Aid Relief and Economic Security, or CARES Act, was passed by Congress and signed by President Trump. The bill was intended to provide emergency assistance and health care for individuals, families and businesses affected by the COVID-19 pandemic. Totaling $2 trillion, the bill was unprecedented in size and scope, dwarfing the $831 billion stimulus act passed in 2009, and amounting to 10% of total 2019 U.S. GDP.
- On December 27, 2020, President Trump signed The Consolidated Appropriations Act of 2021 into law. One of the largest spending bills ever enacted, the $2.3 trillion spending bill combined $900 billion in stimulus relief with a $1.4 trillion omnibus spending bill for the 2021 federal fiscal year.
- On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (ARP) into law. The bill was a $1.9 trillion economic stimulus designed to speed up the recovery from the health effects of the pandemic and the ongoing recession.
- The three major vaccines (Pfizer, Moderna and Johnson & Johnson) were all granted emergency use authorization in late 2020 and early 2021. In August 2021, the FDA approved the first COVID-19 vaccine which was known as the Pfizer-BioNTech COVID-19 Vaccine but is now being marketed as Comirnaty. A third vaccine shot, a booster shot, was approved in fall 2021, and a fourth one may be forthcoming this year.
- As of early 2022, President Biden's two other proposed parts to his Build Back Better Plan, the American Jobs Plan and the American Families Plan, appear to have come to a halt due to a Congressional stalemate. President Biden's administration has instead turned its focus on passing the climate change portion of the Plan. This piece would provide about $320 billion in tax credits for producers and investors in wind, solar and nuclear power, and would extend tax credits for those who purchased electric vehicles. Further, it intends to lower energy costs for homeowners, at up to 30%, for those who installed solar panels, geothermal pumps, and small wind turbines.
- On March 16, 2022, the Federal Open Market Committee (FOMC) voted to raise the federal funds rate by 25 basis points. Updated projections from the FOMC suggest that six additional rate hikes, each at about 25 basis points are expected by year end, with three more expected to occur in 2023.
- On February 24, 2022, Russia launched a full-scale invasion of Ukraine. Since then, the global oil market has been thrown into turmoil and has experienced unprecedented volatility. The Russian-Ukrainian War will have further impacts on the global supply chain in the coming year, particularly with wheat exports as both Russia and Ukraine export about 30% of the global wheat supply.

The following graph displays historical and projected U.S. real GDP percentage change (annualized on a quarterly basis) from first quarter 2014 through fourth quarter 2025:



Further points regarding current economic conditions are as follows:

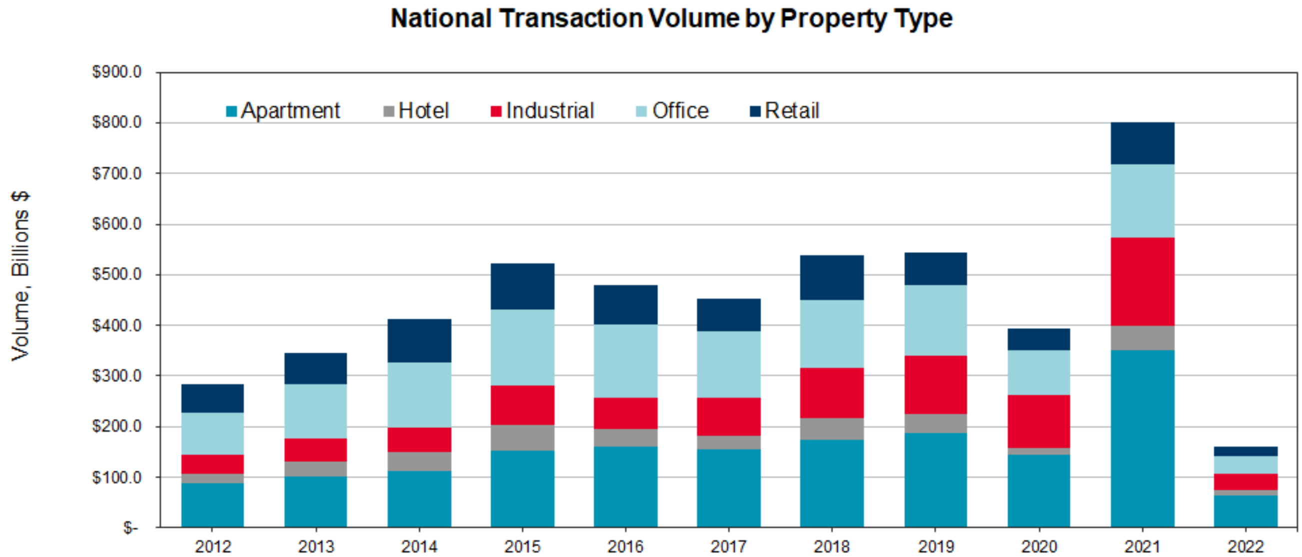
- Through first quarter 2022, GDP decreased 1.4% according to the Bureau of Economic Analysis' advanced estimate. First quarter 2022 ended the U.S. economy run of growth over the last six quarters behind increased vaccinations and eased restrictions in public settings across the nation. Furthermore, GDP is expected to face pressure throughout the rest of the year as supply chain disruptions and rising inflation continues.
- Commercial and multifamily mortgage loan originations increased 79% in fourth quarter 2021 (latest data available) when compared to the fourth quarter of 2020, according to the Mortgage Bankers Association's Quarterly Survey of Commercial/Multifamily Mortgage Bankers. In line with seasonality trends, loan originations between October and December 2021 were 44% higher than third quarter 2021.
- Commercial mortgage-backed securities (CMBS) have been spurred by measured investment sales activity and stable credit spreads. Commercial Mortgage Alert data indicates that U.S. CMBS issuance through April 2022 was 45.4% higher when compared to CMBS issuance during the same period in 2021. At the end of April 2022, Commercial Mortgage Alert data indicates that U.S. CMBS issuance sat at approximately $37.7 billion.

U.S. Real Estate Market Implications

Through first quarter 2022, overall deal volume totaled almost $161.6 billion. According to Real Capital Analytics (RCA), first quarter 2022 deal volume increased 56% from the previous year. Looking at individual property types, year-over-year transaction volume was up 59% for the office sector, 102% for retail, 50% for industrial, 71% for hotel and 56% for the apartment market.

Digging a bit deeper, portfolio and single asset deals were up 50% and 58%, respectively, from first quarter 2021. Individual assets are where the market is rebounding. In the first quarter of 2022, there were $126.1 billion in individual asset sales, while portfolio deals totaled $44.7 billion. Over the next few months, the U.S. real estate market will monitor the uncertainty surrounding rising interest rates, inflation and the war in Ukraine and its potential impacts on deal volume and pricing.

The following graph compares national transaction volume by property type from 2012 through 2022:



Source: Real Capital Analytics

According to the PricewaterhouseCoopers (PwC) Real Estate Investor Survey, average cap rates for all property types increased in 11 survey markets, decreased in 15, and held steady in nine through second quarter 2022 (in a quarterly comparison). When compared to the previous year, 91% of the market averages are lower today than they were a year ago, with 26 markets posting double-digit decreases. Additionally, for all markets, the average cap rate change is a four basis-point decline over last quarter.

The following chart displays an overall cap rate analysis of six distinct property classes during fourth quarter 2021, and compares them to the same time last year:

Overall Cap Rate Analysis			
Second Quarter 2022			
Asset Class	**Q2 2022**	**Q2 2021**	**Basis Point Change**
CBD Office	5.70%	5.78%	-8
Suburban Office	6.03%	6.22%	-19
National Warehouse	4.37%	4.77%	-40
National Apartment	4.45%	4.96%	-51
National Regional Mall	7.23%	7.40%	-17
National Net Lease	5.95%	6.28%	-33

Source: PwC Real Estate Investor Survey and Cushman & Wakefield Valuation & Advisory

Notable points for the U.S. real estate market include:

- Annual price growth in the six major metro areas as defined by RCA (Boston, Chicago, Los Angeles, New York, San Francisco, and Washington DC), rose 12.7% in a year-over-year comparison through the end of first quarter 2022, according to RCA, while annual price growth in the non-major metros rose by 10.6% over the same time frame.

- Approximately 25% of participants in the PwC Real Estate Investor Survey believe that current market conditions favor buyers in the national net lease market, and investor demand has increased in the industrial net lease sector especially. Investors believe the net lease market is overpriced and they will look to sell off excess net lease office assets given current market conditions. Additionally, inflation, combined with a lack of for-sale net lease assets, is expected to keep deal activity low through the near term.
- The national warehouse and national apartment markets recorded the largest yearly cap rate shift, falling 40 basis points and 51 basis points, respectively.
- At 7.5%, the Chicago office market average cap rate fell by 11 basis points from the previous year and is still the highest in the country, while the Manhattan office market, at 5.1%, holds the lowest cap rate, falling 15 basis points from first quarter 2021.
- Over the next six months, surveyed investors foresee overall cap rates holding steady in 27 of 33 markets, however, Austin and Seattle have varied expectations for cap rates over the same term.

CONCLUSION

Despite the many obstacles that arose, it took about 20 months for the economy to fully recover from the pandemic's first blow. Now, once again, the economy is facing headwinds due to the Russian-Ukrainian war in Europe, high inflation, subsequent COVID waves, and supply chain issues caused by a combination of these factors. The Federal Reserve is tackling the inflation issue head-on, employment data is good, investment is robust, but the stock market's recent performance, consumer confidence and a possibly overvalued housing market are casting a shadow and will likely continue to damper growth, at least somewhat, this year.

Below are notes regarding the outlook for the U.S. national real estate market for early 2022 and beyond:

- Since last year, investment activity is up, and cap rates are down, overall. That said, some property types are still faring better, with industrial and multifamily leading the pack.
- Oil and gas prices remain volatile, causing concerns across the globe as tensions mount due to the crisis in Ukraine. The U.S. and Canada have banned Russian oil imports, although other countries in Western Europe are still hesitant to do so given their Russian oil dependency.
- While GDP fell by 1.4% for first quarter 2022, final sales of domestic product, which strips out trade and inventory components, increased at an annualized 2.6%, an improvement from 1.7% in first quarter, a positive sign for the remainder of the year.

In addition to the above, factors listed in the following table have been considered in the valuation of the subject property and have an impact on the selection of all investor rates.

INVESTMENT CONSIDERATIONS

The factors listed below have been key to our valuation of this property and will have an impact on our selection of all investor rates.

EBITDAR Growth:	We project the subject's EBITDAR will increase at a rate of 3.00 percent per year. Given this investment consideration, the investment rates selected will be similar to the market indicators.
Real Estate Market Trends:	Real estate market trends have a significant bearing on the value of real property. The real estate market in which the subject property is located is currently improving at a rate similar to that of the general real estate market, and therefore, given this investment consideration, the investment rates selected will be similar to market indicators.
Population Growth Rate Trend:	The subject's primary trade area's projected annual population growth rate of 0.59 is considered a relatively strong population growth rate when compared to the municipality, county and state. Therefore, given this investment consideration, the investment rates selected will be more aggressive than to market indicators.
Household Income:	The subject's primary trade area's household income of $65,789 is considered a relatively low average income level when compared to the municipality, county and state. Therefore, given this investment consideration, the investment rates selected will be more conservative than to market indicators.
Location Rating:	After considering all of the locational aspects of the subject, including regional and local accessibility as well as overall visibility, we have concluded that the location of this property is good/excellent.
Overall Investment Appeal:	There are many factors that are considered prior to investing in this type of property. After considering all of these factors, we conclude that this property has below average overall investment appeal.

Compiled by Cushman & Wakefield of Illinois, Inc

The following sections include the analyses that we will utilize in order to derive value conclusions from the subject's historical and projected income and expense data.

EBITDAR DIRECT CAPITALIZATION METHOD

OVERVIEW

This method is similar to the GPM Valuation Method, with the primary differences being that instead of it focusing on gross profit it focuses on earnings before interest, taxes, depreciation, amortization and rent (EBITDAR), and instead of being a multiple (income is multiplied by it) it is a capitalization rate (income is divided by it). Similar to the GPM Valuation Method, there is a strong correlation between a gas station and convenience store's EBITDAR and its market value, and therefore, the EBITDAR Valuation Method is considered to be an accurate indication of value.

EBITDAR CAPITALIZATION RATE FROM COMPARABLE SALES

The following table contains a sample of EBITDAR capitalization rates from recent sales throughout the nation.

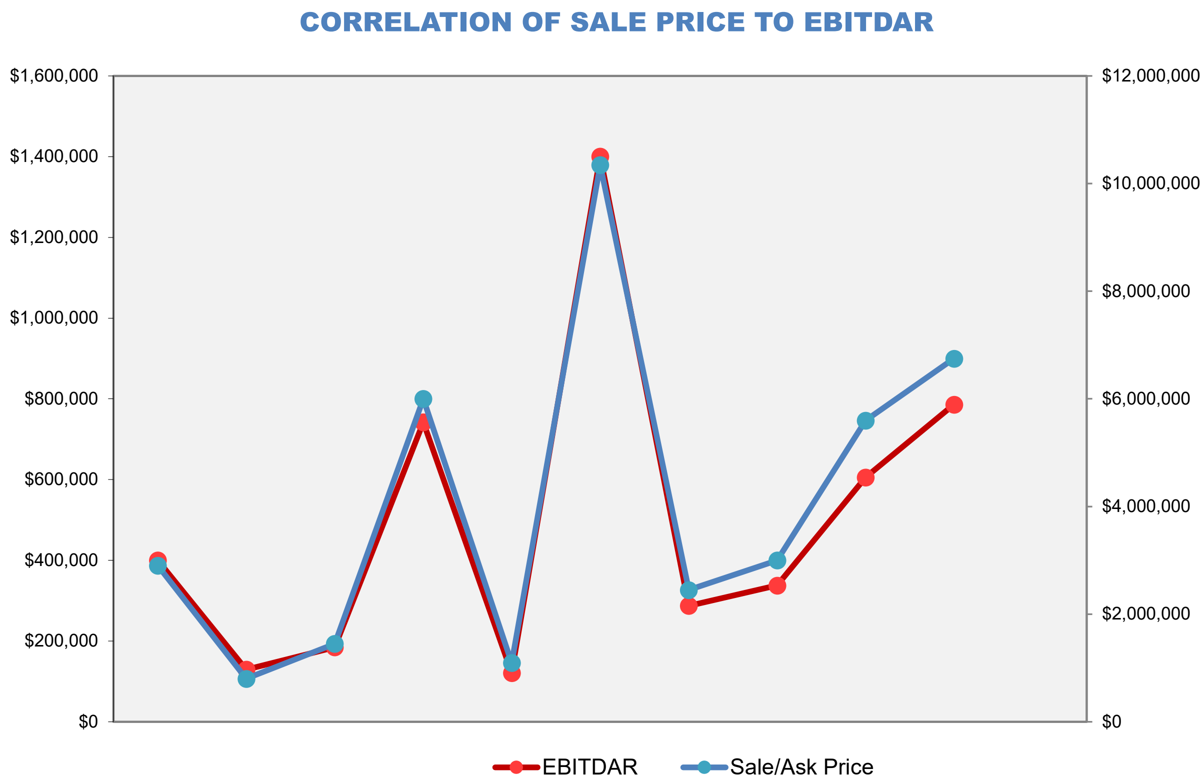
CONVENIENCE STORES WITH GAS EBITDAR CAP RATE SALES SUMMARY

No.	Location	Brand	Sale Status	Property Rights	Sale Date	Sale/Ask Price	EBITDAR	EBITDAR Cap Rate
1	Diboll, TX	Major Oil Brand	Recorded Sale	Going Concern	Feb-22	$2,900,000	$400,051	13.79%
2	Leadville, CO	Major Oil Brand	Recorded Sale	Going Concern	Aug-21	$800,000	$129,527	16.19%
3	Olathe, KS	Major Oil Brand	Recorded Sale	Going Concern	Jul-21	$1,450,000	$184,617	12.73%
4	Lamar, CO	Major Oil Brand	Recorded Sale	Going Concern	Jan-21	$6,000,000	$742,217	12.37%
5	Beaumont, TX	Major Oil Brand	Recorded Sale	Going Concern	Apr-20	$1,095,000	$121,076	11.06%
6	6 Properties in, AR & AL	Major Oil Brand	Recorded Sale	Going Concern	Jan-20	$10,345,191	$1,400,790	13.54%
7	Brush, CO	Major Oil Brand	Recorded Sale	Going Concern	Oct-19	$2,450,000	$287,426	11.73%
8	Dallas, TX	Major Oil Brand	Recorded Sale	Going Concern	Aug-19	$3,000,000	$337,847	11.26%
9	Cusseta, AL	Major Oil Brand	Recorded Sale	Going Concern	Jan-19	$5,600,000	$605,768	10.82%
10	Scottsdale, AZ	Major Oil Brand	Recorded Sale	Going Concern	Dec-18	$6,750,000	$786,162	11.65%
	STATISTICS							
Low					Dec-18	$800,000	$121,076	10.82%
Average					May-20	$4,039,019	$499,548	12.51%
High					Feb-22	$10,345,191	$1,400,790	16.19%

Cushman & Wakefield of Illinois, Inc

As indicated in the table above, the sales contain a range of EBITDAR capitalization rates ranging from 10.82 to 16.19 percent, with an average of 12.51 percent.

The following graph illustrates the correlation between Sale/Asking Price and EBITDAR for the EBITDAR Capitalization Rate Comparables that were presented on the prior page. EBITDAR is graphed based on the left axis and Sale/Asking Price is graphed based on the right axis.



As shown in the above graph, the correlation between each of the comparable sale's Sale/Asking Price and EBITDAR capitalization rate is strong. We have performed a statistical analysis on the comparable sale dataset and the resulting correlation coefficient, also known as R^2 value, is 0.9770, which is a statistically high correlation. A correlation coefficient indicates the percentage of the movements in the dependent variable that can be explained by the independent variable. Therefore, according to our dataset, 97.70 percent of a property's sale price is directly accountable to the property's EBITDAR.

EBITDAR CAPITALIZATION RATE CALCULATION

We have considered aspects of the subject property that would influence the capitalization rate, including its EBITDAR and gross profit levels, trend of income, locational attributes and remaining economic life. The following is a summary of each of the variables that we have taken into consideration in selecting an appropriate EBITDAR capitalization rate for the subject.

EBITDAR CAPITALIZATION SELECTION	PARAMETERS & RATINGS	PARAMETER WEIGHT	SUBJECT'S WEIGHTED RATING
TOTAL EBITDAR			
Excellent EBITDAR	$655,000		
Poor EBITDAR	$0		
Subject	$136,957		
Subject's Rating	20.91%	35.00%	**7.32%**
EBITDAR GROWTH			
Excellent EBITDAR Growth	4.00%		
Poor EBITDAR Growth	-2.00%		
Subject's 2021 to 2022 Growth	34.90%		
Subject's Rating	100.00%	5.00%	**5.00%**
TOTAL GROSS PROFIT			
Excellent Gross Profit	$1,645,000		
Poor Gross Profit	$605,000		
Subject	$264,119		
Subject's Rating	0.00%	5.00%	**0.00%**
EBITDAR TO REAL PROPERTY RATIO			
Excellent EBITDAR to Real Property Ratio	0.12		
Poor EBITDAR to Real Property Ratio	0.20		
Subject's EBITDAR	$136,957		
Subject's Real Property	$670,000		
Subject's Ratio	0.20		
Subject's Rating	0.00%	15.00%	**0.00%**
POPULATION DENSITY			
Very Dense (persons in 5 minute drive time)	20,000		
Very Sparse (persons in 5 minute drive time)	2,000		
Subject	3,226		
Subject's Rating	6.81%	25.00%	**1.70%**
POPULATION TREND			
Excellent Population Growth	1.50%		
Poor Population Growth	-1.50%		
Subject's Primary Trade Area Growth	0.59%		
Subject's Rating	69.81%	5.00%	**3.49%**
DEPRECIATION, EXCLUDING EXTERNAL OBSOLESCENCE			
Subject's Total RCN of Improvements	$1,234,748		
Subject's Total Depreciated Value of Improvements	$811,006		
Minimum Depreciation (Excellent)	0.00%		
Maximum Depreciation (Poor)	100.00%		
Subject's Depreciation	34.32%		
Subject's Rating	65.68%	10.00%	**6.57%**
TOTAL EBITDAR CAPITALIZATION RATING		100.00%	**24.08%**

The maximum score that a property can achieve in the above EBITDAR Capitalization selection process is a perfect score of 100.00 percent. As shown above table, the subject's score is 24.08 percent.

The next step is to convert the subject's capitalization rate score into a capitalization rate. A score of 24.08 percent correlates to a capitalization rate that is 24.08 percent between the bottom and top of the range of reasonable capitalization rates, as shown in the below table.

CONVERSION OF SUBJECT'S EBITDAR RATING TO CAPITALIZATION RATE		
EBITDAR Capitalization Rate, Bottom of Range	11.00% Capitalization Rate	= Rating of 100.00%
EBITDAR Capitalization Rate, Top of Range	14.00% Capitalization Rate	= Rating of 0.00%
Subject's Cumulative Rating	24.08%	= Subject's rating
Subject's EBITDAR Capitalization Rate	**13.75% Capitalization Rate**	**= Rating of 24.08%**

Compiled by Cushman & Wakefield of Illinois, Inc

EBITDAR CAPITALIZATION RATE RANGE

As portrayed in the previously presented Convenience Stores with Gas EBITDAR Cap Rate Sales Summary table, the range of EBITDAR capitalization rate comparables is 10.82 percent to 16.19 percent with a mean of 12.51

percent. In order to create an appropriate capitalization rate range for the subject's property type, we have outlined additional statistical points from the data set.

CAP RATE STATISTICS	
Minimum	10.82%
First Quartile	11.22%
Second Quartile	12.37%
Third Quartile	13.84%
Maximum	17.01%

Cushman & Wakefield, Inc.

The data between the first and third quartile represent the mid-range of the data set. Therefore, our EBITDAR Capitalization Rate Range, as portrayed in the below table, is generally based off of these parameters. The below table portrays the Capitalization Rate, the subject's Capitalization Rate Rating, which was determined on the previous page, and the resulting EBITDAR Capitalization Rate for the subject property.

EBITDAR SELECTION	
EBITDAR Capitalization Rate, Bottom of Range	11.00%
EBITDAR Capitalization Rate, Top of Range	14.00%
Subject's Cumulative Rating	24.08%
Subject's EBITDAR Capitalization Rate	13.75%

Compiled by Cushman & Wakefield of Illinois, Inc

EBITDAR CAPITALIZATION RATE CONCLUSION

Our EBITDAR capitalization rate of 13.75 percent is supported by EBITDAR comparables, investor surveys, market participant interviews, and the subject's specific financial, physical and locational attributes. In the EBITDAR Capitalization Rate Method, we developed an opinion of market value by capitalization year one EBITDAR by our selected capitalization rate. Our conclusion using the EBITDAR Capitalization Rate Method is as follows:

EBITDAR CAPITALIZATION METHOD	
Going Concern Value	
EBITDAR	**$136,957**
Sensitivity Analysis (0.25% Spread)	
Based on Low-Range of 13.50%	$1,014,500
Based on Most Probable Range of 13.75%	$996,054
Based on High-Range of 14.00%	$978,268
Reconciled Value	**$996,054**
Rounded to nearest $10,000	**$1,000,000**

Compiled by Cushman & Wakefield of Illinois, Inc

EBITDAR YIELD CAPITALIZATION METHOD

OVERVIEW

EBITDAR Yield Capitalization Method: The EBITDAR Yield Capitalization Method is related to the EBITDAR Direct Capitalization Method; in the yield capitalization method annual EBITDAR figures and a reversionary value are developed and discounted to a present value using an internal rate of return that is determined by analyzing current investor yield requirements for similar investments. The EBITDAR Yield Capitalization Method is an effective method of determining the value of a gas station and convenience store property, but due to it being more complex than the GPM Method and the EBITDAR Capitalization Method it is typically used by corporations who own many stores.

In the Yield Capitalization Method we model the income characteristics of the property and make a variety of cash flow assumptions. We attempted to reflect the most likely investment assumptions of typical buyers and sellers in this market segment.

GENERAL CASH FLOW ASSUMPTIONS

The start date of the Yield Capitalization analysis is September 1, 2022. We performed this analysis on a fiscal year basis. The analysis incorporates a forecast period of 10 years, and a holding period of 10 years.

The following table outlines the assumptions used in the Yield Capitalization analysis.

DISCOUNTED CASH FLOW MODELING ASSUMPTIONS			
VALUATION SCENARIO: Going Concern Market Value As Is			
GENERAL CASH FLOW ASSUMPTIONS		**GROWTH RATES**	
Cash Flow Start Date:	9/1/2022	Fuel Volume (gallons)	0.00%
Calendar or Fiscal Analysis:	Fiscal	Fuel Revenue	3.00%
Investment Holding Period:	10	Fuel Gross Profit Per Gallon	3.00%
Analysis Projection Period	11	In-Store Revenue	3.00%
		In-Store Gross Profit Margin	0.00%
		Rental Revenue	3.00%
RATES OF RETURN		Car Wash Revenue	3.00%
Discount Rate (IRR) for EBITDAR	15.75%	Car Wash Gross Profit Margin	0.00%
Discount Rate (IRR) for Reversion	15.75%	Other Revenue	3.00%
Terminal EBITDAR Capitalization Rate	14.75%	Consumer Price Index/Operating Expenses	3.00%
Reversionary Sales Cost	6.00%		
Basis Point Spread (cap rate out versus in)	100		
		VALUATION	
		Going Concern Market Value As Is	$1,011,494
		Rounded to the nearest $10,000	$1,010,000
		Value Percent of EBITDAR Cash Flows	73.14%
		Value Percent of Reversion	26.86%

Compiled by Cushman & Wakefield of Illinois, Inc

FINANCIAL ASSUMPTIONS

The financial assumptions used in the Yield Capitalization process are discussed in the following commentary.

Terminal Capitalization Rate Selection

A terminal capitalization rate was used to develop an opinion of the market value of the property at the end of the assumed investment holding period. The rate is applied to the earnings before interest, tax, depreciation, amortization and rent (EBITDAR) following year 10. We developed an opinion of an appropriate terminal capitalization rate based on market participants and based on the fact that the subject's structural components will be 10 years older. Primarily due to the subject's components being older, we have applied a terminal EBITDAR capitalization rate that is 100 basis points above the 13.75 percent EBITDAR capitalization rate that we applied going into the investment, which is considered reasonable. The resulting EBITDAR capitalization rate that we have applied in our analysis is 14.75 percent.

Reversionary Sales Costs

We estimated the cost of sale at the time of reversion to be 6.00 percent, which is in keeping with local market practice.

Discount Rate Selection

We developed an opinion of future cash flows, including property value at reversion, and discounted that income stream at an internal rate of return (IRR) currently required by investors for similar-quality real property. The IRR (also known as yield) is the single rate that discounts all future equity benefits (cash flows and equity reversion) to an opinion of net present value. Transactional rates are usually difficult to obtain in the verification process and are actually only target rates of the buyer at the time of sale. The property’s performance will ultimately determine the actual yield at the time of sale after a specific holding period.

We previously discussed all factors that would influence our selection of a discount rate for the subject property. Given all of these factors, we discounted our cash flow projections at an internal rate of return of 15.75 percent and our reversionary value projection at an internal rate of return of 15.75 percent.

Yield Capitalization Method Conclusion

The cash flow is presented on the following page followed by our discounted cash flow valuation matrix. The cash flow commencement date is September 1, 2022.

ANNUAL CASH FLOW REPORT
GAS STATION AND CONVENIENCE STORE

	1	2	3	4	5	6	7	8	9	10	11
For the Years Beginning	**Sep-2022**	**Sep-2023**	**Sep-2024**	**Sep-2025**	**Sep-2026**	**Sep-2027**	**Sep-2028**	**Sep-2029**	**Sep-2030**	**Sep-2031**	**Sep-2032**
For the Years Ending	**Aug-2023**	**Aug-2024**	**Aug-2025**	**Aug-2026**	**Aug-2027**	**Aug-2028**	**Aug-2029**	**Aug-2030**	**Aug-2031**	**Aug-2032**	**Aug-2033**
FUEL GROSS PROFIT											
Fuel Volume (gallons)	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
Fuel Revenue	$656,250	$675,938	$696,216	$717,102	$738,615	$760,774	$783,597	$807,105	$831,318	$856,257	$881,945
Fuel Cost of Goods Sold	$638,531	$657,687	$677,418	$697,740	$718,673	$740,233	$762,440	$785,313	$808,872	$833,138	$858,133
Fuel Gross Profit	$17,719	$18,250	$18,798	$19,362	$19,943	$20,541	$21,157	$21,792	$22,446	$23,119	$23,813
IN-STORE GROSS PROFIT											
In-Store Revenue	$770,000	$793,100	$816,893	$841,400	$866,642	$892,641	$919,420	$947,003	$975,413	$1,004,675	$1,034,816
In-Store Cost of Goods Sold	$523,600	$539,308	$555,487	$572,152	$589,316	$606,996	$625,206	$643,962	$663,281	$683,179	$703,675
In-Store Gross Profit	$246,400	$253,792	$261,406	$269,248	$277,325	$285,645	$294,214	$303,041	$312,132	$321,496	$331,141
TOTAL GROSS PROFIT											
Total Revenue	$1,426,250	$1,469,038	$1,513,109	$1,558,502	$1,605,257	$1,653,415	$1,703,017	$1,754,108	$1,806,731	$1,860,933	$1,916,761
Total Cost of Goods Sold	$1,162,131	$1,196,995	$1,232,905	$1,269,892	$1,307,989	$1,347,229	$1,387,645	$1,429,275	$1,472,153	$1,516,318	$1,561,807
TOTAL GROSS PROFIT	$264,119	$272,042	$280,204	$288,610	$297,268	$306,186	$315,372	$324,833	$334,578	$344,615	$354,954
LESS: OPERATING EXPENSES											
Labor Costs	$80,000	$82,400	$84,872	$87,418	$90,041	$92,742	$95,524	$98,390	$101,342	$104,382	$107,513
Credit Card Expenses	$10,214	$10,521	$10,836	$11,161	$11,496	$11,841	$12,196	$12,562	$12,939	$13,327	$13,727
Repairs & Maintenance	$5,500	$5,665	$5,835	$6,010	$6,190	$6,376	$6,567	$6,764	$6,967	$7,176	$7,392
Insurance	$6,000	$6,180	$6,365	$6,556	$6,753	$6,956	$7,164	$7,379	$7,601	$7,829	$8,063
Other Operating Expenses	$25,447	$26,211	$26,997	$27,807	$28,641	$29,500	$30,385	$31,297	$32,236	$33,203	$34,199
Total Operating Expenses	$127,161	$130,976	$134,905	$138,953	$143,121	$147,415	$151,837	$156,392	$161,084	$165,917	$170,894
EBITDAR	$136,957	$141,066	$145,298	$149,657	$154,147	$158,771	$163,534	$168,440	$173,494	$178,698	$184,059

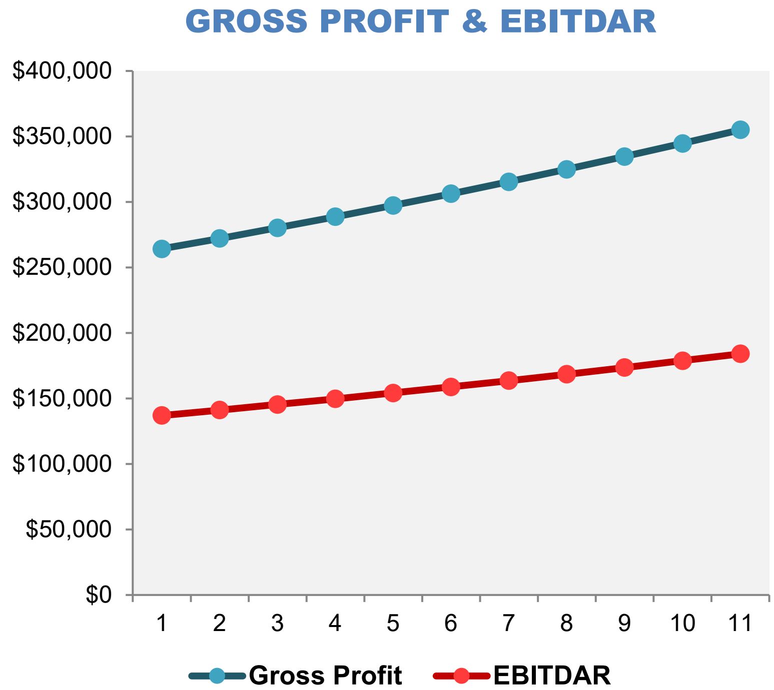
Compiled by Cushman & Wakefield of Illinois, Inc

The following table outlines the subject's projected annual growth for each line item.

ANNUAL GROWTH	**Year 1 through Year 11**
FUEL GROSS PROFIT	
Fuel Volume (gallons)	0.00%
Fuel Revenue	3.00%
Fuel Cost of Goods Sold	3.00%
Fuel Gross Profit	3.00%
IN-STORE GROSS PROFIT	
In-Store Revenue	3.00%
In-Store Cost of Goods Sold	3.00%
In-Store Gross Profit	3.00%
TOTAL GROSS PROFIT	
Total Revenue	3.00%
Total Cost of Goods Sold	3.00%
TOTAL GROSS PROFIT	3.00%
LESS: OPERATING EXPENSES	
Labor Costs	3.00%
Credit Card Expenses	3.00%
Repairs & Maintenance	3.00%
Insurance	3.00%
Other Operating Expenses	3.00%
Total Operating Expenses	3.00%
EBITDAR	3.00%

Compiled by Cushman & Wakefield of Illinois, Inc

The following graph depicts the forecasted change in both EBITDAR and gross profit over the analysis period.



The results of the EBITDAR Yield Capitalization analysis are presented below:

PRICING MATRIX - MARKET VALUE AS-IS					
Terminal	Discount Rate (IRR) for Cash Flow				
Cap Rates	15.25%	15.50%	15.75%	16.00%	16.25%
14.25%	$1,048,268	$1,034,516	$1,021,028	$1,007,798	$994,821
14.50%	$1,043,205	$1,029,561	$1,016,179	$1,003,053	$990,176
14.75%	$1,038,313	$1,024,774	**$1,011,494**	$998,468	$985,690
15.00%	$1,033,585	$1,020,147	$1,006,966	$994,037	$981,352
15.25%	$1,029,011	$1,015,671	$1,002,586	$989,750	$977,157
IRR Reversion	15.25%	15.50%	15.75%	16.00%	16.25%
Cost of Sale at Reversion:			6.00%		
Percent Residual:			26.86%		
Rounded to nearest $10,000			**$1,010,000**		

Compiled by Cushman & Wakefield of Illinois, Inc

Based on the rates selected, the value via the Yield Capitalization analysis is estimated at $1,010,000, rounded. The reversion contributes 26.86 percent to this value estimate.

IMPLIED GROSS PROFIT MULTIPLIER

The gross profit multiplier (GPM) method uses gross profit prior to a deduction for operating expenses. Once an accurate projection of gross profit is determined an appropriate GPM is selected. The property's value is the result of multiplying the gross profit by the GPM. The GPM method is somewhat elementary compared to other income capitalization methods due to it not taking into consideration operating expenses. The typical purchaser for a petroleum real estate asset has shifted from single-store operators to institutional investors, and the methods for valuing petroleum real estate assets have shifted to more sophisticated methods. Although the GPM method can be used to support a value via the income capitalization approach, it is not the primary valuation method due to it not taking into consideration operating expenses. As a check-figure we will take into account an implied gross profit multiplier for the subject property by dividing our reconciled value via the income capitalization approach by the subject's gross profit and comparing the subject's implied gross profit multiplier to market data. The following table contains a sample of gross profit multipliers from recent sales throughout the nation.

CONVENIENCE STORES WITH GAS GPM SALES SUMMARY

No.	Location	Brand	Sale Status	Property Rights	Sale Date	Sale/Ask Price	Gross Profit	GPM
1	Leadville, CO	Major Oil Brand	Recorded Sale	Going Concern	Aug-21	$800,000	$352,924	2.27
2	Olathe, KS	Major Oil Brand	Recorded Sale	Going Concern	Jul-21	$1,450,000	$350,250	4.14
3	Chandler, AZ	Major Oil Brand	Recorded Sale	Going Concern	Jun-21	$4,100,000	$708,108	5.79
4	Lamar, CO	Major Oil Brand	Recorded Sale	Going Concern	Jan-21	$6,000,000	$2,099,687	2.86
5	Beaumont, TX	Major Oil Brand	Recorded Sale	Going Concern	Apr-20	$1,095,000	$396,055	2.76
6	6 Properties in, AR & AL	Major Oil Brand	Recorded Sale	Going Concern	Jan-20	$10,345,191	$2,842,343	3.64
7	Brush, CO	Major Oil Brand	Recorded Sale	Going Concern	Oct-19	$2,450,000	$519,280	4.72
8	Dallas, TX	Major Oil Brand	Recorded Sale	Going Concern	Aug-19	$3,000,000	$611,250	4.91
9	Cusseta, AL	Major Oil Brand	Recorded Sale	Going Concern	Jan-19	$5,600,000	$1,547,500	3.62
10	Scottsdale, AZ	Major Oil Brand	Recorded Sale	Going Concern	Dec-18	$6,750,000	$1,281,848	5.27
	STATISTICS							
Low					Dec-18	$800,000	$350,250	2.27
Average					Apr-20	$4,159,019	$1,070,924	4.00
High					Aug-21	$10,345,191	$2,842,343	5.79

Cushman & Wakefield of Illinois, Inc

As indicated in the table above, the sales contain a range of business gross profit multipliers ranging from 2.27 to 5.79, with an average of 4.00.

According to many convenience store/gas station operators, buyers analyze properties based on multipliers that reflect the business risk inherent in the operations and take into consideration the operator's gross revenue and operating expenses. Like many asset classes, overall multipliers vary widely, ranging from less than 1.00 to greater than 5.00. The implied gross profit multiplier is found by dividing the subject's value via the income capitalization approach ($750,000) by the subject's total gross profit ($264,119), which results in an implied gross profit multiplier of 3.79, which is within the range of comparable data.

IMPLIED GROSS PROFIT MULTIPLIER	
Subject's Gross Profit	$264,119
Income Capitalization Value	$1,000,000
Implied Gross Profit Multiplier	3.79

Compiled by Cushman & Wakefield of Illinois, Inc

RECONCILIATION WITHIN THE INCOME CAPITALIZATION APPROACH

The following is a summary of our concluded values in the Income Capitalization Approach:

INCOME CAPITALIZATION APPROACH CONCLUSION, AS-IS		
VALUATION METHOD	**VALUE**	**WEIGHT**
EBITDAR Direct Capitalization	$1,000,000	60%
EBITDAR Yield Capitalization	$1,010,000	40%
Reconciled Value	$1,004,000	
Rounded to the nearest $10,000	**$1,000,000**	
As-Is Market Value of the Going Concern	**$1,000,000**	

Compiled by Cushman & Wakefield of Illinois, Inc

As portrayed in the above table, we have applied more weight to the EBITDAR Direct Capitalization Approach due to it being the more common method among market participants.

Intangible Assets Value

The value estimated via the Income Capitalization Approach is recognized as the value of the going-concern. It theoretically contains all of the value components that we have allocated within this appraisal report. In some cases the combination of the store sales, fuel sales, rental income, and other income (car wash, etc.) does not produce an adequate revenue stream, thereby negating any business value attributed to the gas station. More commonly, the value derived within the Income Capitalization Approach contains a contributory value of intangible asset value. The intangible asset value is estimated by subtracting the value of the real property plus the value of the equipment from the value of the Income Capitalization Approach. When the economics of a certain property does not produce enough of a return on investment there are often instances of no intangible asset value. The calculation for this value is displayed in the chart below:

TOTAL INTANGIBLE VALUE	
Market Value of the Going Concern:	$750,000
LESS: Total Real Property[1]:	$670,000
LESS: Furniture, Fixtures & Equipment[2]:	$80,000
EQUALS: Total Intangible Value (Rounded):	**$0**

[1]See Cost Approach Value Summary table for Real Property calculation.

[2]This value represents the depreciated value of the c-store equipment, such as display shelving, which is detailed in the cost approach. We have included it in our going concern value due to this being the typical process in the subject's market.

Compiled by Cushman & Wakefield of Illinois, Inc

Reconciliation and Final Value Opinions

VALUATION METHODOLOGY AND RECONCILIATION

In this analysis, we relied on the Income Capitalization Approach to value and utilized the Sales Comparison Approach and Cost Approach as tests of reasonableness. Additionally, the Cost Approach is utilized as an allocation of the market value components. The approaches indicated the following:

VALUATION INDICES	
LAND VALUE	**$40,000**
COST APPROACH	**$750,000**
SALES COMPARISON APPROACH	**$990,000**
INCOME CAPITALIZATION APPROACH	
EBITDAR Direct Capitalization Method	$1,000,000
EBITDAR Yield Capitalization Method	$1,010,000
Income Capitalization Approach Conclusion	**$1,000,000**
Less: Capital Expenditures	**-$250,000**
FINAL VALUE CONCLUSION	**$750,000**
INSURABLE VALUE	**$700,000**

Compiled by Cushman & Wakefield of Illinois, Inc

In order to develop a value conclusion for the going concern of the fee simple interest, we have given all weight to the Income Capitalization Approach as this mirrors the methodology of market participants for gas station and convenience store properties.

VALUE CONCLUSIONS			
Appraisal Premise	**Real Property Interest**	**Date Of Value**	**Value Conclusion**
As-Is Market Value of the Going Concern	Fee Simple	8/6/2022	$750,000

Compiled by Cushman & Wakefield of Illinois, Inc

The components of the Market Value of the going concern are as follows:

ALLOCATION OF MARKET VALUE OF THE GOING CONCERN		
VALUE COMPONENT	**VALUE**	**PERCENT**
Land Value	$40,000	5.3%
Structures	$369,776	49.3%
Fueling and Site Improvements	$264,057	35.2%
Total Real Property	$673,833	89.8%
Real Property (Rounded)	$670,000	89.3%
Personal Property[1]	$80,000	10.7%
Intangible Property	$0	0.0%
Total Going Concern Market Value	**$750,000**	100.0%

[1]This value represents the depreciated value of the c-store equipment, such as display shelving, which is detailed in the cost approach. We have included it in our going concern value due to this being the typical process in the subject's market.

Compiled by Cushman & Wakefield of Illinois, Inc

EXPOSURE TIME AND MARKETING TIME

Exposure Time

Based on our review of national investor surveys, discussions with market participants and information gathered during the sales verification process, a reasonable exposure time for the subject property at the value concluded within this report would have been approximately six (6) months. This assumes an active and professional marketing plan would have been employed by the current owner.

Marketing Time

We believe, based on the assumptions employed in our analysis, as well as our selection of investment parameters for the subject, that our value conclusion represents a price achievable within six (6) months.

Insurable Value

At the Client's request, we provided an insurable value estimate. The estimate is based on figures derived from the Marshall and Swift (M&S) Commercial Cost Explorer and is 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 for replacing any structure. This analysis should not be relied upon to determine insurance coverage. Furthermore, we make no warranties regarding the accuracy of this estimate.

Insurable Value is directly related to the portion of the real estate that is covered under the asset's insurance policy. We based this opinion on the building's replacement cost new (RCN) which has no direct correlation with its actual market value.

We developed an opinion of RCN using the Calculator Method developed by Marshall & Swift.

The RCN is the total construction cost of a new building with the same specifications and utility as the building being appraised, but built using modern technology, materials, standards and design. For insurance purposes, RCN includes all direct costs necessary to construct the building improvements. Items that are not considered include land value, site improvements, indirect costs, depreciation and entrepreneurial profit. We have also not included any underground fuel tanks or related piping in the Insurable Value. To develop an opinion of insurable value, exclusions for below-grade foundations and architectural fees must be deducted from RCN.

The Insurable Valuation summary is presented on the following page:

INSURABLE VALUE SUMMARY

IMPROVEMENTS (STRUCTURES)			
DESCRIPTION			
Marshall & Swift - Improvement Type		Canopy	Mini-Mart Convenience Store
Construction Class		S	C
Quality of Construction		Good/Excellent	Good/Excellent
Marshall & Swift - Section		Section 64	Section 13
Marshall & Swift - Page		Page 2	Page 22
Date		Mar-22	May-22
Base SF Cost		$52.63	$252.50
SQUARE FOOT REFINEMENTS (STRUCTURES)			
HVAC Refinements		$0.00	$4.81
Sprinklers		$0.00	$0.00
Elevators		$0.00	$0.00
Adjusted Base Cost		$52.63	$257.31
HEIGHT AND SIZE REFINEMENTS (STRUCTURES)			
Number of Stories		1.000	1.000
Height Per Story		1.000	1.000
Perimeter		1.000	1.000
Adjusted Base Cost		$52.63	$257.31
FINAL CALCULATIONS (STRUCTURES)			
Current Cost Multiplier		1.060	1.060
Local Area Multiplier		0.890	0.890
Prospective Multiplier		1.000	1.000
Adjusted SF Cost		$49.65	$242.75
TIMES: SF for Replacement Cost Purposes		2,050	1,960
Adjusted Cost		$101,775	$475,783
REPLACEMENT COST SUMMARY (STRUCTURES)			
Adjusted Base Costs			**$577,558**
PLUS: Indirect Costs	10.0%		$57,756
Total Replacement Cost New (Structures)			**$635,314**
Total includes all component / building costs as detailed above			
REPLACEMENT COST SUMMARY (SITE IMPROVEMENTS & FF&E)			
Yard Lighting (RCN)			$3,774
Sign (RCN)			$18,868
Pumps and Dispensers - Double Sided *not owned (RCN)			$0
Air Dispensers (RCN)			$1,415
Vehicle Vacuums (RCN)			$0
Convenience Store Equipment Package (RCN)			$94,340
Site Improvements & FF&E (RCN)			$118,397
PLUS: Indirect Costs	10.0%		$11,840
Total Replacement Cost New (Site Improvements)			**$130,236**
INSURABLE VALUE SUMMARY			
Insurable Value Type			**Insurable Value As-Is**
Cost Source:			Marshall Valuation Service
Insurance Exclusions			
Foundations Below Grade			(3.4%)
Piping Below Grade (Negligible)			(1.0%)
Architect Fees			(6.0%)
Total Insurance Exclusion Adjustment			-10.4%
Total Replacement Cost New (Structures)			$635,314
Total Insurance Exclusion Amount			**($66,073)**
Total Replacement Cost New (Structures)			$635,314
Total Replacement Cost New (Site Improvements)			$130,236
Total Replacement Cost New (Structures & Site Improvements)			$765,550
LESS: Total Insurance Exclusion Amount			($66,073)
Adjusted Costs (Structures)			$699,477
Rounded to the Nearest	**$10,000**		**$700,000**

Assumptions and Limiting Conditions

"Report" means the appraisal or consulting report and conclusions stated therein, to which these Assumptions and Limiting Conditions are annexed.

"Property" means the subject of the Report.

"C&W" means Cushman & Wakefield, Inc. or its subsidiary that issued the Report.

"Appraiser(s)" means the employee(s) of C&W who prepared and signed the Report.

The Report has been made subject to the following assumptions and limiting conditions:

- No opinion is intended to be expressed and no responsibility is assumed for the legal description or for any matters that are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate appraiser. Title to the Property is assumed to be good and marketable and the Property is assumed to be free and clear of all liens unless otherwise stated. No survey of the Property was undertaken.
- The information contained in the Report or upon which the Report is based has been gathered from sources the Appraiser assumes to be reliable and accurate. The owner of the Property may have provided some of such information. Neither the Appraiser nor C&W shall be responsible for the accuracy or completeness of such information, including the correctness of estimates, opinions, dimensions, sketches, exhibits and factual matters. Any authorized user of the Report is obligated to bring to the attention of C&W any inaccuracies or errors that it believes are contained in the Report.
- The opinions are only as of the date stated in the Report. Changes since that date in external and market factors or in the Property itself can significantly affect the conclusions in the Report.
- The Report is to be used in whole and not in part. No part of the Report shall be used in conjunction with any other analyses. Publication of the Report or any portion thereof without the prior written consent of C&W is prohibited. Reference to the Appraisal Institute or to the MAI designation is prohibited. Except as may be otherwise stated in the letter of engagement, the Report may not be used by any person(s) other than the party(ies) to whom it is addressed or for purposes other than that for which it was prepared. No part of the Report shall be conveyed to the public through advertising, or used in any sales, promotion, offering or SEC material without C&W's prior written consent. Any authorized user(s) of this Report who provides a copy to, or permits reliance thereon by, any person or entity not authorized by C&W in writing to use or rely thereon, hereby agrees to indemnify and hold C&W, its affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the Report by any such unauthorized person(s) or entity(ies).
- Except as may be otherwise stated in the letter of engagement, the Appraiser shall not be required to give testimony in any court or administrative proceeding relating to the Property or the Appraisal.
- The Report assumes (a) responsible ownership and competent management of the Property; (b) there are no hidden or unapparent conditions of the Property, subsoil or structures that render the Property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them); (c) full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and considered in the Report; and (d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the value opinion contained in the Report is based.
- The physical condition of the improvements considered by the Report is based on visual inspection by the Appraiser or other person identified in the Report. C&W assumes no responsibility for the soundness of structural components or for the condition of mechanical equipment, plumbing or electrical components.
- The forecasted potential gross income referred to in the Report may be based on lease summaries provided by the owner or third parties. The Report assumes no responsibility for the authenticity or completeness of lease information provided by others. C&W recommends that legal advice be obtained regarding the interpretation of lease provisions and the contractual rights of parties.
- The forecasts of income and expenses are not predictions of the future. Rather, they are the Appraiser's best opinions of current market thinking on future income and expenses. The Appraiser and C&W make no warranty or representation that these forecasts will materialize. The real estate market is constantly fluctuating and changing. It is not the Appraiser's task to predict or in any way warrant the conditions of a future real estate market; the Appraiser can only reflect what the investment community, as of the date of the Report, envisages for the future in terms of rental rates, expenses, and supply and demand.

- Unless otherwise stated in the Report, the existence of potentially hazardous or toxic materials that may have been used in the construction or maintenance of the improvements or may be located at or about the Property was not considered in arriving at the opinion of value. These materials (such as formaldehyde foam insulation, asbestos insulation and other potentially hazardous materials) may adversely affect the value of the Property. The Appraisers are not qualified to detect such substances. C&W recommends that an environmental expert be employed to determine the impact of these matters on the opinion of value.
- Unless otherwise stated in the Report, compliance with the requirements of the Americans with Disabilities Act of 1990 (ADA) has not been considered in arriving at the opinion of value. Failure to comply with the requirements of the ADA may adversely affect the value of the Property. C&W recommends that an expert in this field be employed to determine the compliance of the Property with the requirements of the ADA and the impact of these matters on the opinion of value.
- If the Report is submitted to a lender or investor with the prior approval of C&W, such party should consider this Report as only one factor, together with its independent investment considerations and underwriting criteria, in its overall investment decision. Such lender or investor is specifically cautioned to understand all Extraordinary Assumptions and Hypothetical Conditions and the Assumptions and Limiting Conditions incorporated in this Report.
- If the Report is referred to or included in any offering material or prospectus, the Report shall be deemed referred to or included for informational purposes only and C&W, its employees and the Appraiser have no liability to such recipients. C&W disclaims any and all liability to any party other than the party that retained C&W to prepare the Report.
- Any estimate of insurable value, if included within the agreed upon scope of work and presented within this Report, is based upon figures derived from a national cost estimating service and is 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, C&W strongly recommends that the Intended Users obtain estimates from professionals experienced in establishing insurance coverage for replacing any structure. This analysis should not be relied upon to determine insurance coverage. Furthermore, C&W makes no warranties regarding the accuracy of this estimate.
- Unless otherwise noted, we were not given a soil report to review. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate.
- Unless otherwise noted, we were not given a title report to review. We do not know of any easements, encroachments, or restrictions that would adversely affect the site's use. However, we recommend a title search to determine whether any adverse conditions exist.
- Unless otherwise noted, we were not given a wetlands survey to review. If subsequent engineering data reveal the presence of regulated wetlands, it could materially affect property value. We recommend a wetlands survey by a professional engineer with expertise in this field.
- Unless otherwise noted, we observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the hiring of a professional engineer with expertise in this field.
- Unless otherwise noted, we did not inspect the roof nor did we make a detailed inspection of the mechanical systems. The appraisers are not qualified to render an opinion regarding the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed.
- By use of this Report each party that uses this Report agrees to be bound by all of the Assumptions and Limiting Conditions, Hypothetical Conditions and Extraordinary Assumptions stated herein.

Certification

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We 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.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our 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.
- 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 & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- C&W has undertaken to complete this report without regard to race, color, religion, national origin, sex, marital status, or any other prohibited basis, and it is not intended to contain references that could be regarded as discriminatory.
- John M. Ozog, MAI made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the persons signing this report.
- We have not performed prior services involving the subject property within the three-year period immediately preceding the acceptance of the assignment.
- As of the date of this report John M. Ozog, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.

John M. Ozog, MAI
Director
TX Certified General Appraiser
License No. 131125
john.ozog@cushwake.com
312-470-2360 Office Direct

Addenda Contents

Addendum A:
Glossary of Terms & Definitions

The following definitions of pertinent terms are taken from *The Dictionary of Real Estate Appraisal*, Sixth Edition (2015), published by the Appraisal Institute, Chicago, IL, as well as other sources.

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. (Proposed Interagency Appraisal and Evaluation Guidelines, OCC-4810-33-P 20%)

Band of Investment

A technique in which the capitalization rates attributable to components of a capital investment are weighted and combined to derive a weighted-average rate attributable to the total investment.

Cash Equivalency

An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash.

Depreciation

1. In appraising, 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 market value of the improvement on the same date. 2. In accounting, an allowance made against the loss in value of an asset for a defined purpose and computed using a specified method.

Ellwood Formula

A yield capitalization method that provides a formulaic solution for developing a capitalization rate for various combinations of equity yields and mortgage terms. The formula is applicable only to properties with stable or stabilized income streams and properties with income streams expected to change according to the J- or K-factor pattern. The formula is

RO = [YE – M (YE + P 1/Sn¬ – RM) – ΔO 1/S n¬] / [1 + ΔI J]

where

RO = Overall Capitalization Rate
YE = Equity Yield Rate
M = Loan-to-Value Ratio
P = Percentage of Loan Paid Off
1/S n¬ = Sinking Fund Factor at the Equity Yield Rate
RM =Mortgage Capitalization Rate
ΔO = Change in Total Property Value
ΔI = Total Ratio Change in Income
J = J Factor
Also called mortgage-equity formula.

Exposure Time

1. The time a property remains on the market. 2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. See also marketing time.

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.

Going Concern

1. An established and operating business having an indefinite future life.

2. An organization with an indefinite life that is sufficiently long that, over time, all currently incomplete transformations (transforming resources from one form to a different, more valuable form) will be completed.

Hypothetical Conditions

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

INSURABLE VALUE

A type of value for insurance purposes.

LEASED FEE INTEREST

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).

LEASEHOLD INTEREST

The tenant's possessory interest created by a lease. See also negative leasehold; positive leasehold.

LIQUIDATION VALUE

The most probable price that a specified interest in real estate property is likely to bring under all of the following conditions:

- Consummation of a sale within a short time period.
- The property is subjected to market conditions prevailing as of the date of valuation.
- Both the buyer and the seller are acting prudently and knowledgeably.
- The seller is under extreme compulsion to sell.
- The buyer is typically motivated.
- Both parties are acting in what they consider their best interests.
- A normal marketing effort is not possible due to the brief exposure time.
- Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
- The price represents the normal consideration for the property sold, unaffected by special or creative financing concessions granted by anyone associated with the sale.

MARKET RENT

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).

MARKET VALUE

As defined in the Agencies' appraisal regulations, 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 and knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.[1]

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 and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.) See also exposure time.

MORTGAGE-EQUITY ANALYSIS

Capitalization and investment analysis procedures that recognize how mortgage terms and equity requirements affect the value of income-producing property.

OPERATING EXPENSES

Other Taxes, Fees & Permits - Personal property taxes, sales taxes, utility taxes, fees and permit expenses.

[1] "Interagency Appraisal and Evaluation Guidelines." Federal Register 75:237 (December 10, 2010) p. 77472.

Property Insurance – Coverage for loss or damage to the property caused by the perils of fire, lightning, extended coverage perils, vandalism and malicious mischief, and additional perils.

Management Fees - The sum paid for management services. Management services may be contracted for or provided by the property owner. Management expenses may include supervision, on-site offices or apartments for resident managers, telephone service, clerical help, legal or accounting services, printing and postage, and advertising. Management fees may occasionally be included among recoverable operating expenses

Total Administrative Fees – Depending on the nature of the real estate, these usually include professional fees and other general administrative expenses, such as rent of offices and the services needed to operate the property. Administrative expenses can be provided either in the following expense subcategories or in a bulk total. 1) Professional Fees – Fees paid for any professional services contracted for or incurred in property operation; or 2) Other Administrative – Any other general administrative expenses incurred in property operation.

Heating Fuel - The cost of heating fuel purchased from outside producers. The cost of heat is generally a tenant expense in single-tenant, industrial or retail properties, and apartment projects with individual heating units. It is a major expense item shown in operating statements for office buildings and many apartment properties. The fuel consumed may be coal, oil, or public steam. Heating supplies, maintenance, and workers' wages are included in this expense category under certain accounting methods.

Electricity - The cost of electricity purchased from outside producers. Although the cost of electricity for leased space is frequently a tenant expense, and therefore not included in the operating expense statement, the owner may be responsible for lighting public areas and for the power needed to run elevators and other building equipment.

Gas - The cost of gas purchased from outside producers. When used for heating and air conditioning, gas can be a major expense item that is either paid by the tenant or reflected in the rent.

Water & Sewer - The cost of water consumed, including water specially treated for the circulating ice water system, or purchased for drinking purposes. The cost of water is a major consideration for industrial plants that use processes depending on water and for multifamily projects, in which the cost of sewer service usually ties to the amount of water used. It is also an important consideration for laundries, restaurants, taverns, hotels, and similar operations.

Other Utilities - The cost of other utilities purchased from outside producers.

Total Utilities - The cost of utilities net of energy sales to stores and others. Utilities are services rendered by public and private utility companies (e.g., electricity, gas, heating fuel, water/sewer and other utilities providers). Utility expenses can be provided either in expense subcategories or in a bulk total.

Repairs & Maintenance - All expenses incurred for the general repairs and maintenance of the building, including common areas and general upkeep. Repairs and maintenance expenses include elevator, HVAC, electrical and plumbing, structural/roof, and other repairs and maintenance expense items. Repairs and Maintenance expenses can be provided either in the following expense subcategories or in a bulk total. 1) Elevator - The expense of the contract and any additional expenses for elevator repairs and maintenance. This expense item may also include escalator repairs and maintenance. 2) HVAC – The expense of the contract and any additional expenses for heating, ventilation and air-conditioning systems. 3) Electrical & Plumbing - The expense of all repairs and maintenance associated with the property's electrical and plumbing systems. 4) Structural/Roof - The expense of all repairs and maintenance associated with the property's building structure and roof. 5) Pest Control – The expense of insect and rodent control. 6). Other Repairs & Maintenance - The cost of any other repairs and maintenance items not specifically included in other expense categories.

Common Area Maintenance - The common area is the total area within a property that is not designed for sale or rental, but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities. Common Area Maintenance (CAM) expenses can be entered in bulk or through the sub-categories. 1) Utilities – Cost of utilities that are included in CAM charges and passed through to tenants. 2) Repair & Maintenance – Cost of repair and maintenance items that are included in CAM charges and passed through to tenants. 3) Parking Lot Maintenance – Cost of parking lot maintenance items that are included in CAM charges and passed through to tenants. 4) Snow Removal – Cost of snow removal that are included in CAM charges and passed through to tenants. 5) Grounds Maintenance – Cost of ground maintenance items that are included in CAM charges and passed through to tenants. 6) Other CAM expenses are items that are included in CAM charges and passed through to tenants.

Painting & Decorating - This expense category is relevant to residential properties where the landlord is required to prepare a dwelling unit for occupancy in between tenancies.

Cleaning & Janitorial - The expenses for building cleaning and janitorial services, for both daytime and night-time cleaning and janitorial service for tenant spaces, public areas, atriums, elevators, restrooms, windows, etc. Cleaning and Janitorial expenses can be provided either in the following subcategories or entered in a bulk total. 1) Contract Services - The expense of cleaning and janitorial services contracted for with outside service providers. 2) Supplies, Materials & Misc. - The cost any cleaning materials and any other janitorial supplies required for property cleaning and janitorial services and not covered elsewhere. 3) Trash Removal - The expense of property trash and rubbish removal and related services. Sometimes this expense item includes the cost of pest control and/or snow removal .4) Other Cleaning/Janitorial - Any other cleaning and janitorial related expenses not included in other specific expense categories.

Advertising & Promotion - Expenses related to advertising, promotion, sales, and publicity and all related printing, stationary, artwork, magazine space, broadcasting, and postage related to marketing.

Professional Fees - All professional fees associated with property leasing activities including legal, accounting, data processing, and auditing costs to the extent necessary to satisfy tenant lease requirements and permanent lender requirements.

Total Payroll - The payroll expenses for all employees involved in the ongoing operation of the property, but whose salaries and wages are not included in other expense categories. Payroll expenses can be provided either in the following subcategories or entered in a bulk total. 1) Administrative Payroll - The payroll expenses for all employees involved in on-going property administration. 2) Repair & Maintenance Payroll - The expense of all employees involved in on-going repairs and maintenance of the property. 3) Cleaning Payroll - The expense of all employees involved in providing on-going cleaning and janitorial services to the property 4) Other Payroll - The expense of any other employees involved in providing services to the property not covered in other specific categories.

Security - Expenses related to the security of the Lessees and the Property. This expense item includes payroll, contract services and other security expenses not covered in other expense categories. This item also includes the expense of maintenance of security systems such as alarms and closed circuit television (CCTV), and ordinary supplies necessary to operate a security program, including batteries, control forms, access cards, and security uniforms.

Roads & Grounds - The cost of maintaining the grounds and parking areas of the property. This expense can vary widely depending on the type of property and its total area. Landscaping improvements can range from none to extensive beds, gardens and trees. In addition, hard-surfaced public parking areas with drains, lights, and marked car spaces are subject to intensive wear and can be costly to maintain.

Other Operating Expenses - Any other expenses incurred in the operation of the property not specifically covered elsewhere.

Real Estate Taxes - The tax levied on real estate (i.e., on the land, appurtenances, improvements, structures and buildings); typically by the state, county and/or municipality in which the property is located.

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.

Prospective Value upon Reaching Stabilized Occupancy

The value of a property as of a point in time when all improvements have been physically constructed and the property has been leased to its optimum level of long-term occupancy. At such point, all capital outlays for tenant improvements, leasing commissions, marketing costs and other carrying charges are assumed to have been incurred.

Special, Unusual, or Extraordinary Assumptions

Before completing the acquisition of a property, a prudent purchaser in the market typically exercises due diligence by making customary enquiries about the property. It is normal for a Valuer to make assumptions as to the most likely outcome of this due diligence process and to rely on actual information regarding such matters as provided by the client. Special, unusual, or extraordinary assumptions may be any additional assumptions relating to matters covered in the due diligence process, or may relate to other issues, such as the identity of the purchaser, the physical state of the property, the presence of environmental pollutants (e.g., ground water contamination), or the ability to redevelop the property.

Addendum B:
Engagement Letter

BANK OF GEORGE
Founded 2007

July 25, 2022 VIA E-MAIL

Petra Latch, MAI, CCIM
Cushman & Wakefield

RE: Gas station w/C-Store. Purchase.
680 West Broad Street, Mineola, TX

Dear Petra:

This is to confirm your assignment to appraise the above referenced real property. Please prepare a comprehensive / complete self-contained Appraisal Report, addressed to Bank of George (and SBA/USDA if indicated). The anticipated usage is to establish a value of the real estate for use as collateral in proper loan underwriting or loan classification.

This report will be used in a proposed SBA 7A* loan ☑ USDA loan ☐ or non-SBA/USDA loan ☐ .

Loan Officer:	Jay Jung
Borrower:	BD Business LLC dba Z Grocery/1st Stop
Property Address:	680 West Broad Street, Mineola, TX
Property Type:	Gas station w/C-Store. Purchase.

Contact / Access Arrangements:

Contact: Jay Jung

Phone: (214) 984-9690 or (775) 375-8892

Email: jjung@bankofgeorge.com

Other:

Appraisal Fee: **$5,500.00**

***All SBA 7A and USDA loans must include a statement to the following in the appraisal:**
SOP 50-10 6 (K) pg 263 requires The Certified General Real Property Appraiser must have completed no less than four going concern appraisals of equivalent special use property as the property being appraised, within the last 36 months, as identified in the qualifications portion of the Appraisal Report.

All appraisal reports should contain a section discussing the adverse effects of COVID-19 for the industry. Appraisers will develop an indication for the subject's value loss from the COVID-19 national emergency by starting with lost income. Projections should consider a value loss at reversion. A study and comparison of prior economic shocks is appropriate. The appraisers will apply the indicated value loss to the income and sales comparison approaches in lump sum. The income and sales comparison approaches will employ valuation parameters from historical data that necessarily predate the volatility of the present crisis. In effect, the value loss is a market condition adjustment.

The report is to be in accordance with the minimum standards set forth in this letter and "**BANK OF GEORGE** Appraisal Standards". These standards are to be incorporated as part of the scope of the appraisal. The Bank is subject to the rules and regulations of: (1) Title XI of Federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) which requires that appraisals be prepared in accordance with the current version of the Uniform Standards of Professional Appraisal Practice (USPAP) and the Federal Deposit Insurance Corporation (FDIC).

You shall sign the engagement letter as our primary contact for your company. We understand that you may not be the primary appraiser and may not personally inspect the subject and each of the comparable properties used in the report. However, it is requested that once assigned within your company (if applicable), the person assigned the work also sign this engagement letter prior to returning to the Bank. In addition, all other persons assisting in the collection of data and/or analysis of the appraisal shall be identified. Any other person signing the report shall be state licensed or certified as appropriate for the property being appraised.

BANK OF GEORGE reserves the right to convey a copy of the appraisal to a third party. You may be requested to discuss the analysis in the appraisal report with us.

The following are included to assist you in making this report:

- ☐ Legal Description
- ☐ Preliminary Title Report
- ☑ **Purchase Agreement**
- ☐ Plans and Specifications for Improvements (not optional for proposed)
- ☐ Operating statements/Projections
- ☐ Option to Purchase
- ☐ Cost Estimates
- ☐ PIP Improvement Plan
- ☐ Title Report
- ☐ Ground Lease
- ☐ Other _____

Information supplied to the appraiser, which is to be considered confidential, includes the following: **All items listed above.** This data may be identified for valuation purposes in this report only.

The real property interest(s) to be appraised are marked as follows:

- ☐ Fee Simple "As Is Land" value
- ☐ Insurable Value/Replacement Cost for Property Improvements
- ☑ **Insurable Value/Replacement Cost for Property Improvements and related FF&E**
- ☐ Market Value of land as though vacant
- ☑ **"As Is" Market Value**
- ☐ Prospective Market Value upon Completion and Stabilization (ref: PIP)
- ☐ Prospective Fee Simple "At Completion"
- ☐ Prospective Leased Fee "At Completion"
- ☐ Prospective Fee Simple "At Stabilized Occupancy"
- ☐ Prospective Leased Fee "At Stabilized Occupancy"
- ☐ If all or partially owner-occupied, value as if that portion were vacant.
- ☐ Other: Going Concern Value
- ☐ Other: Analysis of ADR and Occupancy / Star Report Analysis

If, in your opinion, a value estimate which is not requested above is applicable, it is your responsibility to contact the undersigned before proceeding.

BANK OF GEORGE
Founded 2007

Please put copies of the signed Engagement Letter, BANK OF GEORGE Appraisal Standards and the Hazardous Waste and Americans With Disabilities Act Supplements in the addenda of your report.

Send one electronic copy to the attention of the undersigned. If additional original copies are needed, we will request separately. Please contact the undersigned if you have questions regarding this engagement.

The report is to be delivered to the undersigned by **August 8, 2022**.

In the event of unusual circumstances that might affect the timely completion and delivery of the report, you must notify the **Bank** in writing or via email. Due date extensions may be granted at the **Bank's** sole discretion and shall be acknowledged in writing or email correspondence.

Confidential Information. "You" acknowledge that all information and documents disclosed by **BANK** ("Bank of George") to You, or which comes to your attention during the course of the performance of Services under this Assignment, constitute valuable assets of and are proprietary to the Bank, and also acknowledge that the Bank has a responsibility to its customers and employees to keep the Bank's records and information confidential and proprietary.

Therefore, You agree not to disclose, either directly or indirectly, to any person, firm or corporation, information of any kind, nature or description concerning matters affecting or relating to the business of the Bank unless the information is already in the public domain. This provision shall survive termination of this Assignment.

Your acceptance of this assignment is evidenced by your signature below. Thank you for your consideration in performing this assignment.

	Bank of George		**I have read this engagement letter and agree to complete the appraisal assignment in accordance with these terms and instructions.**
Signature:	Aul M. Cl	Signature:	John Ozog
Name:	Andres M. Claros	Name:	John M. Ozog, MAI
Title:	Credit Administration Officer	Date of Signature:	07/26/2022
Address:	9115 W. Russell Road, Suite #120 Las Vegas, NV 89148	State Certification Number:	TX 1381125 G
Telephone #:	(702) 851-4283	Expiration Date:	09/30/2023
Fax #:	(702) 851-4280	Email Address:	John.Ozog@cushwake.com

BANK OF GEORGE
Founded 2007

BANK OF GEORGE APPRAISAL STANDARDS

Commercial Properties

The following requirements are minimum standards for all appraisals completed for **BANK OF GEORGE**, with exceptions as noted.

I. FORMAT REQUIREMENTS

All appraisals shall be presented in a self-contained narrative format, with the following exceptions:

A. Appraisals on existing income properties which qualify for use of the most recent revision of the Uniform Commercial and Industrial Appraisal Report (UCIAR) form or the Small Residential Income Property Appraisal Report form.
B. Appraisals on existing multi-family properties prepared on forms approved by the Federal National Mortgage Corporation (Fannie Mae) or the Federal Home Loan Mortgage Corporation (Freddie Mac).
C. Appraisals on existing proposed one-to-four family residential properties which qualify for use of the most recent revision of the Uniform Residential Appraisal Report (URAR) form or the Small Residential Income Property Appraisal Report form. This exception does not apply to proposed tract developments.

II. MARKET VALUE

All appraisal reports requiring a fair value estimate must contain the specific definition of fair value as follows.

III. MINIMUM REPORTING REQUIREMENTS

In addition to the above, each appraisal report must, at a minimum:

A. Conform to the Uniform Standards of Professional Appraisal Practice (USPAP) as revised and adopted by the Appraisal Standards Board of the Appraisal Foundation, current version only, except that for purposes of federally related transactions, <u>the Departure Provision does not apply</u>. The appraiser is expected to know these requirements as they apply to the property being appraised.
B. Include, in addition to the certification required by the USPAP, statements that (1) the appraisal assignment was not based on a requested minimum valuation, a specific valuation or the approval of a loan, and (2) the appraiser's state registration/certification has not been revoked, suspended, cancelled, or restricted.

C. Include a legal description of the real estate being appraised, in addition to the description required by USPAP.

D. Indicate assessed value(s), tax rate and tax amount for the subject <u>as appraised</u>. If not available (i.e., incomplete, or proposed construction, etc.), an <u>estimated</u> tax amount should be indicated and supported. Comment on any taxes which, in your opinion, are unusually high or low for the subject. Explain any effect on the subject valuation.

E. Indicate, under the Highest and Best Use, <u>separate</u> analysis for the property (1) as vacant and (2) (if applicable) as improved or proposed for improvement. This includes indicating the best alternate uses of the property and listing the possible government violations, i.e., fire, zoning, building permit and codes. Indicate whether the property is a legal non-conforming use and, if any, the effect the legal non-conforming use may have on the value estimate.

   This also includes indicating whether the planning and zoning department has been contacted and that you have reviewed planned developments in the immediate area which would impact the value of the subject property. Please evaluate the impact of any "like" construction or planned construction in the market area. These, and nearby competing properties, should be inspected.

F. Include, for each land and building <u>sale</u> comparable, the listing price and associated marketing time for that listing price when available. This is the information to be utilized in helping to determine an appropriate marketing time for the subject.
G. Indicate confirmation and/or source of land sales, improved property sales and rental information. It is not sufficient to state that additional data was considered without including it in the report.

H. Indicate calculations of cash equivalencies.

I. Include adjustment grids which summarize the analysis for land sales, building sales and rent comparables. Grids should show both the direction and magnitude of each adjustment as compared to the subject.

J. Contain a copy of the flood map if located in a flood hazard area. Indicate the community panel number and the effective date of the flood zone data.

K. Contain sufficient maps and plats to show the location of the subject and the comparables for land, improved building sales and rental properties, as applicable. Label all maps and plats with north arrows. Site plans should include, at a minimum, placement of building(s), parking areas, curb cuts and relationship to frontage road(s). Plats are required for all commercial/industrial land sale comparable <u>if</u> the valuation is for land only.

L. Contain photographs of the subject property, street scenes and any items of major deferred maintenance or unusual characteristics. Include photos of all improved comparable sales and comparable rents.

M. Include applicable state certification and/or license numbers and expiration dates in the Letter of Transmittal.

N. Indicate any special or specific assumptions or limiting conditions applicable only to the subject property. These must (1) be set out separately from general assumptions and limiting conditions and (2) be stated in the Letter of Transmittal.

O. Summarize <u>all</u> value indications in the Letter of Transmittal, Executive Summary and Final Reconciliation. Ensure that all values requested in the Letter of Engagement are itemized.

P. Discuss any applicable water and/or mineral rights. If applicable, account for such in the value estimate.

Q. Indicate any existing or potential wetland or other protected area. Please contact **BANK OF GEORGE** prior to notifying any governmental agency.

R. *Complete and sign the "Hazardous Waste Supplement".* If contamination exists, please contact **BANK OF GEORGE** prior to notifying any governmental agency.

V. REQUIREMENTS BY PROPERTY TYPE

Different property types call for, as a rule, different specific appraisal requirements. The following descriptions represent the minimum requirements for appraisals pertaining to the specific property type.

A. <u>Existing Income Properties</u>: All appraisals on existing income properties must contain a summary of actual operating statements, together with a supported forecast of the most likely future financial performance of the property. Current and historical revenue, expenses and vacancies are to be indicated and analyzed.

On all appraisal assignments that involve leases, the appraiser must review all actual leases and lease addenda and comment on their quality and value. A summary of all leases must be included in the report. The summary must identify all salient features of the lease, including at a minimum: lessor/lessee, lease date, terms/renewals, current rent per square foot, concessions, escalations, services paid by the lessor and vacant space.

Include the following data for all income-producing improved sales, when available: potential gross income (PGI), vacancy and collection loss, effective gross income (EGI), expenses and net operating income (NOI). All numbers are to be expressed as dollar ($) figures, with vacancy and expense numbers <u>also</u> expressed as percentages (%). State the potential gross income multiplier (PGIM), effective gross income multiplier (EGIM) and over-all capitalization rate (OAR) when available. Clearly indicate whether each number is <u>actual</u> or <u>estimated</u> as it applied <u>at the time of sale</u>. Please indicate if the estimate is by the appraiser.

Existing income producing properties which have not reached stabilized occupancy require an absorption period estimate and analysis of associated expenses necessary to reach stabilized occupancy. The value is applicable for income producing properties which have high vacancy and generate cash flows which are currently less than the potential cash flows under a stabilized leasing scenario or are new with a lease-up period. A detailed discounted cash flow analysis which is reflective of the anticipated expenses and costs involved in attaining stabilized occupancy should be included. The effective date(s) of all valuation estimates must be clearly stated.

B. Proposed Income Properties: Projects are to be analyzed as instructed for existing income properties, as applicable.

Proposed projects shall contain a prospective value upon completion of construction and a prospective value upon reaching stabilized occupancy. The prospective values upon completion and upon reaching stabilized occupancy must be supported by a detailed discounted cash flow analysis, which takes into account all of the costs involved in achieving these value estimates. Any prospective values are to have effective valuation dates which correspond to the estimated date of completion and/or date when stabilized occupancy is attained. The effective date(s) must be clearly stated whenever the final valuation estimate is discussed.

C. Discounted Cash Flow Analysis: The discounted cash flow analysis should, at a minimum, account for stabilization expenses such as marketing expenses and leasing commissions; tenant improvement costs typically provided by the lessor; operating expenses not covered by the occupied space; and any rental concessions required to achieve initial occupancy. Each tenant space must be itemized separately. There must be sufficient data and analysis provided so that the spread sheet could readily be reconstructed by a third party.

D. Construction Plans and Cost Estimate: The appraisal shall contain a reduced copy of pertinent building plans for the proposed project and will include an understandable, detailed and well-supported estimate of the costs involved to construct the proposed improvements within a supported time frame.

E. Feasibility Study and Highest and Best Use: A proposed project's economic feasibility must be comprehensively analyzed and be well documented, with identification of all source materials used in the analysis. The appropriateness of the proposed development must be discussed in light of the highest and best use of the property (see Section IV, Item E).

F. Subdivisions and Condominiums: On projects developed for sale to individual buyers the appraisal report must reflect all appropriate adjustments, deductions and discounts, and the anticipated cash flows to be derived from the disposition of the asset over time. Appropriate deductions and discounts are those that reflect all expenses associated with the disposition of the real property, and the cost of capital and entrepreneurial profit.

G. Ground leases: When the subject property involves a ground lease, the appraisal report must include a summary of all conditions of that lease.

VI. ADDITIONAL STANDARDS

Nothing contained above shall prevent **BANK OF GEORGE** from requiring additional appraisal standards if deemed appropriate.

BANK OF GEORGE
Founded 2007

Hazardous Waste Supplement

A. IDENTIFICATION

Owner's Name(s): SKLR, LLC

Property Address or Brief Description: 680 W. Broad, Mineola, TX

Date of Inspection: 8/6/2023

B. STORAGE TANKS

Are there any storage tanks on the property? [x] Yes [ ] No

If yes, please provide the following information for each tank. (Use additional pages if necessary.)

Tank #1		Tank #2	
Is tank in use?	[ ] Yes [x] No	Is tank in use?	[ ] Yes [x] No
	[ ] Unable to determine		[ ] Unable to determine
Tank is:	[ ] Above ground	Tank is:	[ ] Above ground
	[x] Below ground		[x] Below ground
Location:	Below fuel dispensers	Location:	Below fuel dispensers
What is/was tank used for?	Fuel	What is/was tank used for?	Fuel
What is the tank size?	12,000 gallons (x2)	What is the tank size?	4,000 gallons

C. COLLECTION SITES

1. Are there any open pits or sumps? [ ] Yes [✓] No
2. Are there any drain water evaporation ponds? [ ] Yes [✓] No
3. Are there any holding ponds with chemical waste effluents? [ ] Yes [✓] No

If yes, please provide the following information for each pit/pond.

Number of pits/ponds ____________________

Size of each ____________

4. Is there any evidence of pollutants in the water or around the edges of the ponds? [ ] Yes [✓] No

D. DRUMS/CONTAINERS

Are there any drums/containers (e.g., pesticides, oils, fuels, lubricants, paints, etc.)? [ ] Yes [✓] No

If yes, please provide the following on a separate attachment:

A. A rough count by size (number of gallons) and type:

B. Number of unlabeled drums:

C. Evidence of spills or leaks:

D. Location of drums:

E. PESTICIDE APPLICATION OPERATION

1. Is there any evidence or knowledge that any part of the property is or has been used for a pesticide application or chemical manufacturing business? [ ] Yes [✓] No

If yes, please explain on a separate sheet.

BANK OF GEORGE
Founded 2007

2. Is there any evidence of any hazardous waste problem which has not been described above? [✓] Yes [ ] No

   If yes, please explain on a separate sheet. (Unused fuel tanks to be removed)

F. MISCELLANEOUS

1. Is there evidence of soil contamination or other noteworthy conditions which has not been previously discussed? [ ] Yes [✓] No

   If yes, please explain on a separate sheet. Examples of conditions are as follows:

   A. Gullies partially filled in or edges of mounds with containers exposed.
   B. Topsoil removed and/or soil does not support the same vegetation as the surrounding area.
   C. Unexplained one inch (1") or bigger pipeline or any kind of opening with metal rim (a possible indicator of an underground storage tank).

2. Is there any evidence or knowledge of contamination from adjacent or nearby properties (e.g., property is located next to a crop duster operation or a dump site)? [ ] Yes [ ] No

   If yes, please explain on a separate sheet.

G. APPRAISAL REPORT

1. Have storage and/or disposal site(s) been shown on the plat or site plan? [ ] Yes [✓] No

2. Does the existence, storage and/or disposal of any hazardous materials affect appraised value? [ ] Yes [✓] No

   If yes, please indicate how the appraised value is affected.

   ____

   ____

   ____

3. This report is true and correct to the best of my/our knowledge and belief.

Date 8/16/2022 Appraiser [signature]
(Primary Appraiser)

Date ______________ Appraiser ______________________________

By signing the above, the appraiser does not imply or represent that he/she has expertise in the field of environmental contamination.

BANK OF GEORGE
Founded 2007

AMERICANS WITH DISABILITIES ACT (ADA) SUPPLEMENT

The following questionnaire will help **BANK OF GEORGE** determine the subject property's compliance or non-compliance with ADA. Please answer each question, "Yes", "No" or "Not Applicable" based on your inspection of the subject property. If explanation is needed, please attach additional sheets of paper.

EXTERIOR BARRIERS	**YES**	**NO**	**N/A**
1. Are there cuts to allow access through the curb from the street and/or parking area?	✓		
2. Are parking spaces for the disabled identified and located in the most convenient access point to the facility entrance?		✓	
3. Is there an unobstructed wheelchair route from the parking area to the facility entrance?	✓		
4. Are ramps provided across a portion of stairs that otherwise would be impassable?			✓
5. Are landings at the top and bottom of ramps level and large enough to accommodate passage of a wheelchair or walker (5' x 5')?			✓
6. Is there at least one entrance door accessible to disabled persons?	✓		
INTERIOR BARRIERS			
1. Is the space between two doors in a series a minimum of 48" plus the width of any door swinging into the space?			✓
2. If the facility has double doors, is at least one side of the double door a minimum width of 32" and does it open at least 90 degrees?	✓		
3. Are door handles easy to grasp and can doors be easily opened with one hand?	✓		
4. Are there overhanging objects which would obstruct a blind person?		✓	
5. Are drinking fountains and restrooms accessible to persons in wheelchairs?		✓	
6. If elevators are present, are controls identified by Braille?			✓

Signature: ____________________ Date: 8/6/2022

Addendum C:
Sale Sheets - Land & Improved

LAND SALE COMPARABLE 1

Address:	800 Approx E Broad State Highway 80 Mineola, TX
MSA:	N/A
County:	Wood
Submarket:	N/A
Property Type:	Land
Property Subtype:	Commercial
Classification:	N/A
ID:	6080058
Tax Number (s):	R84439

PROPERTY INFORMATION

Site Area (Acres):	0.63	Public Utilities:	All Available
Site Area (Sq.Ft.):	27,443	Electricity:	N/A
Zoning:	C1	Water:	N/A
Utility:	Average/Good	Sewer:	N/A
Access:	Average/Good	Gas:	N/A
Frontage:	Average/Good	Proposed Use:	Retail Development
Visibility:	Average/Good	Maximum FAR:	N/A
Corner or Interior:	Interior	Zoning Floor Area:	N/A
Topography:	Level	Potential Units:	N/A

SALE INFORMATION

Status:	Recorded Sale	Price per Sq.Ft.:	$1.64
Sale Date:	7/2022	Price per Acre:	$71,428
Sale Price:	$45,000	Sale Price per ZFA:	N/A
Value Interest:	Fee Simple	Price per Potential Un	N/A
Grantor:	RITHIKRIVONG		
Grantee:	Not available		
Financing:	N/A		
Condition of Sale:	None		

VERIFICATION COMMENTS

Trusted third party and public records. Recorder of Deeds Document # 0.

COMMENTS

Commercial land located in Mineola, TX, exposed to a daily traffic volume of approximately 5,000 vehicles per day.

Address:	11002 FM 2661 Tyler, TX
MSA:	Tyler, Texas
County:	Smith
Submarket:	N/A
Property Type:	Land
Property Subtype:	Commercial
Classification:	N/A
ID:	5683075
Tax Number (s):	10000-0014-20-0002020

PROPERTY INFORMATION

Site Area (Acres):	2.84	Public Utilities:	All Available
Site Area (Sq.Ft.):	123,710	Electricity:	N/A
Zoning:	Assumed commercial based on surrounding uses	Water:	N/A
Utility:	Average/Good	Sewer:	N/A
Access:	Average/Good	Gas:	N/A
Frontage:	Average/Good	Proposed Use:	Retail Development
Visibility:	Average/Good	Maximum FAR:	N/A
Corner or Interior:	Corner	Zoning Floor Area:	N/A
Topography:	Level	Potential Units:	N/A

SALE INFORMATION

Status:	Recorded Sale	Price per Sq.Ft.:	$3.03
Sale Date:	9/2021	Price per Acre:	$132,043
Sale Price:	$375,000	Sale Price per ZFA:	N/A
Value Interest:	Fee Simple	Price per Potential Un	N/A
Grantor:	Forster & Giles Investments		
Grantee:	Not available		
Financing:	N/A		
Condition of Sale:	None		

VERIFICATION COMMENTS

Trusted third party and public records. Recorder of Deeds Document # 0.

COMMENTS

Commercial land located in Tyler, TX, exposed to a daily traffic volume of approximately 21,000 vehicles per day.

Address:	2615 University Tyler, TX
MSA:	Tyler, Texas
County:	Smith
Submarket:	N/A
Property Type:	Land
Property Subtype:	Commercial
Classification:	N/A
ID:	5675015
Tax Number (s):	15000-0108-20-0012020

PROPERTY INFORMATION			
Site Area (Acres):	0.67	Public Utilities:	All Available
Site Area (Sq.Ft.):	29,185	Electricity:	N/A
Zoning:	cial based on surrounding uses	Water:	N/A
Utility:	Average/Good	Sewer:	N/A
Access:	Average/Good	Gas:	N/A
Frontage:	Average/Good	Proposed Use:	Retail Development
Visibility:	Average/Good	Maximum FAR:	N/A
Corner or Interior:	Interior	Zoning Floor Area:	N/A
Topography:	Level	Potential Units:	N/A

SALE INFORMATION			
Status:	Recorded Sale	Price per Sq.Ft.:	$3.94
Sale Date:	9/2021	Price per Acre:	$171,643
Sale Price:	$115,000	Sale Price per ZFA:	N/A
Value Interest:	Fee Simple	Price per Potential Un	N/A
Grantor:	Not available		
Grantee:	Not available		
Financing:	N/A		
Condition of Sale:	None		

VERIFICATION COMMENTS

Trusted third party and public records. Recorder of Deeds Document # 0.

COMMENTS

Commercial land located in Tyler, TX, exposed to a daily traffic volume of approximately 13,000 vehicles per day.

Address:	405 N Center Avenue Tyler, TX
MSA:	Tyler, Texas
County:	Smith
Submarket:	N/A
Property Type:	Land
Property Subtype:	Commercial
Classification:	N/A
ID:	4888342
Tax Number (s):	R148716, R148720

PROPERTY INFORMATION

Site Area (Acres):	1.01	Public Utilities:	All Available
Site Area (Sq.Ft.):	43,996	Electricity:	N/A
Zoning:	Commercial	Water:	N/A
Utility:	Average/Good	Sewer:	N/A
Access:	Average/Good	Gas:	N/A
Frontage:	Average/Good	Proposed Use:	Retail Development
Visibility:	Average/Good	Maximum FAR:	N/A
Corner or Interior:	Corner	Zoning Floor Area:	N/A
Topography:	Level	Potential Units:	N/A

SALE INFORMATION

Status:	Recorded Sale	Price per Sq.Ft.:	$2.05
Sale Date:	9/2019	Price per Acre:	$89,108
Sale Price:	$90,000	Sale Price per ZFA:	N/A
Value Interest:	Fee Simple	Price per Potential Un	N/A
Grantor:	Not available		
Grantee:	Not available		
Financing:	N/A		
Condition of Sale:	None		

VERIFICATION COMMENTS

Trusted third party and public records. Recorder of Deeds Document # 0.

COMMENTS

Commercial land located in Tyler, TX, exposed to a daily traffic volume of approximately 2,000 vehicles per day.

Address:	Gas Station & Convenience Store 618 Fm 685 Pflugerville, TX
MSA:	Austin, Texas
County:	Travis
Submarket:	N/A
Property Type:	Retail-Commercial
Property Subtype:	Gas Station
Classification:	Service-Station
ID:	5486107

PROPERTY INFORMATION

Site Area (Acres):	0.71	Convenience Store:	Yes
Site Area (Sq.Ft.):	30,927	Service Bays:	N/A
Gross Bldg Area:	2,200	Pumps:	N/A
Gross Leasable Area:	2,200	Pump Islands:	N/A
Year Built:	1996	Canopy:	N/A
Last Renovation:	N/A	Car Wash:	N/A
Quality:	Average	Parking Ratio:	N/A
Condition:	Average	L:B Ratio:	14.06:1
Number of Buildings:	1	Tenancy Type:	N/A
Number of Stories:	1	Sub Tenants:	N/A
Number of Parking Spaces:	N/A		

SALE INFORMATION

Status:	Recorded Sale	OAR:	N/A
Sale Date:	3/2021	NOI:	N/A
Sale Price:	$1,593,648	NOI per SqFt:	N/A
Price per Sq.Ft.:	$724.39	Occupancy:	100%
Value Interest:	Fee Simple	Expense Ratio:	N/A
Grantor:	Sreenivas Neerukonda	GIM	N/A
Grantee:	Karim Karedia	Buying Entity:	Owner-user
Financing:	N/A		
Condition of Sale:	None		

VERIFICATION COMMENTS

Trusted third party and public records. Recorder of Deeds Document # 2021058674.

COMMENTS

The comparable sale is a 2,200 square foot gas station & convenience store located in Pflugerville, TX.

Address:	Gas Station & Convenience Store 3006 Garden City Hwy Midland, TX
MSA:	Midland, Texas
County:	Midland
Submarket:	N/A
Property Type:	Retail-Commercial
Property Subtype:	Gas Station
Classification:	Service-Station
ID:	5219351

PROPERTY INFORMATION

Site Area (Acres):	1.43	Convenience Store:	Yes
Site Area (Sq.Ft.):	62,155	Service Bays:	N/A
Gross Bldg Area:	7,232	Pumps:	N/A
Gross Leasable Area:	7,232	Pump Islands:	N/A
Year Built:	1981	Canopy:	N/A
Last Renovation:	N/A	Car Wash:	N/A
Quality:	Below Average	Parking Ratio:	N/A
Condition:	Below Average	L:B Ratio:	8.59:1
Number of Buildings:	1	Tenancy Type:	N/A
Number of Stories:	1	Sub Tenants:	N/A
Number of Parking Spaces:	N/A		

SALE INFORMATION

Status:	Recorded Sale	OAR:	N/A
Sale Date:	8/2020	NOI:	N/A
Sale Price:	$1,250,000	NOI per SqFt:	N/A
Price per Sq.Ft.:	$172.84	Occupancy:	100%
Value Interest:	Fee Simple	Expense Ratio:	N/A
Grantor:	Paul Evans	GIM	N/A
Grantee:	Kent Distributors Inc.	Buying Entity:	Owner-user
Financing:	N/A		
Condition of Sale:	None		

VERIFICATION COMMENTS

Trusted third party and public records. Recorder of Deeds Document # 000000024992.

COMMENTS

The comparable sale is a 7,232 square foot gas station & convenience store located in Midland, TX.

IMPROVED SALE COMPARABLE 3

Address:	Gas Station & Convenience Store 236 E Spring Valley Rd Richardson, TX
MSA:	Dallas, Texas
County:	Dallas
Submarket:	N/A
Property Type:	Retail-Commercial
Property Subtype:	Gas Station
Classification:	Service-Station
ID:	4869781

PROPERTY INFORMATION

Site Area (Acres):	0.48	Convenience Store:	Yes
Site Area (Sq.Ft.):	20,908	Service Bays:	N/A
Gross Bldg Area:	3,012	Pumps:	N/A
Gross Leasable Area:	3,012	Pump Islands:	N/A
Year Built:	1998	Canopy:	N/A
Last Renovation:	N/A	Car Wash:	N/A
Quality:	Average	Parking Ratio:	N/A
Condition:	Average	L:B Ratio:	6.94:1
Number of Buildings:	1	Tenancy Type:	N/A
Number of Stories:	1	Sub Tenants:	N/A
Number of Parking Spaces:	N/A		

SALE INFORMATION

Status:	Recorded Sale	OAR:	N/A
Sale Date:	6/2019	NOI:	N/A
Sale Price:	$1,000,000	NOI per SqFt:	N/A
Price per Sq.Ft.:	$332.01	Occupancy:	100%
Value Interest:	Fee Simple	Expense Ratio:	N/A
Grantor:	Jarodiya & Sons LLC	GIM	N/A
Grantee:	Victron Energy Inc.orporated	Buying Entity:	Owner-user
Financing:	N/A		
Condition of Sale:	None		

VERIFICATION COMMENTS

Trusted third party and public records. Recorder of Deeds Document # 20190194723.

COMMENTS

The comparable sale is a 3,012 square foot gas station & convenience store located in Richardson, TX.

IMPROVED SALE COMPARABLE 4

Address:	Gas Station & Convenience Store 4001 Buffalo Gap Rd Abilene, TX
MSA:	Abilene, Texas
County:	Taylor
Submarket:	N/A
Property Type:	Retail-Commercial
Property Subtype:	Gas Station
Classification:	Service-Station
ID:	4627437

PROPERTY INFORMATION

Site Area (Acres):	0.35	Convenience Store:	Yes
Site Area (Sq.Ft.):	15,245	Service Bays:	N/A
Gross Bldg Area:	2,640	Pumps:	N/A
Gross Leasable Area:	2,640	Pump Islands:	N/A
Year Built:	1961	Canopy:	N/A
Last Renovation:	N/A	Car Wash:	N/A
Quality:	Below Average	Parking Ratio:	N/A
Condition:	Below Average	L:B Ratio:	5.77:1
Number of Buildings:	1	Tenancy Type:	N/A
Number of Stories:	1	Sub Tenants:	N/A
Number of Parking Spaces:	N/A		

SALE INFORMATION

Status:	Recorded Sale	OAR:	N/A
Sale Date:	10/2018	NOI:	N/A
Sale Price:	$748,000	NOI per SqFt:	N/A
Price per Sq.Ft.:	$283.33	Occupancy:	100%
Value Interest:	Fee Simple	Expense Ratio:	N/A
Grantor:	Harris Acoustics Ltd	GIM	N/A
Grantee:	West Texas Donuts LLC	Buying Entity:	Owner-user
Financing:	N/A		
Condition of Sale:	None		

VERIFICATION COMMENTS

Trusted third party and public records. Recorder of Deeds Document # 000000018425.

COMMENTS

The comparable sale is a 2,640 square foot gas station & convenience store located in Abilene, TX.

Addendum D:
Purchase and Sale Agreement

TEXAS ASSOCIATION OF REALTORS®

COMMERCIAL CONTRACT - IMPROVED PROPERTY

1. **PARTIES:** Seller agrees to sell and convey to Buyer the Property described in Paragraph 2. Buyer agrees to buy the Property from Seller for the sales price stated in Paragraph 3. The parties to this contract are:

Seller: S F K R LLC
Address: 15834 FM 2493, TYLER, TX 75703
Phone: 903-530-2660 Fax:
E-mail: sasghar786@gmail.com

Buyer: B D Business LLC and/or assigns
Address:
Phone: 213-292-8527 Fax:
E-mail: myviewgoto@yahoo.com

2. **PROPERTY:**

A. "Property" means that real property situated in Wood County, Texas at 680 W Broad St, Mineola, TX 75773 *(address)* and that is legally described on the attached Exhibit ______ or as follows:

Legal Description:	LOT 15H,15F,15M BLK 90 .3627 MINEOLA TOWNSITES
Geographic ID:	4030-0090-1156-30
Neighborhood CD:	CMI-F1

B. Seller will sell and convey the Property together with:
(1) all buildings, improvements, and fixtures;
(2) all rights, privileges, and appurtenances pertaining to the Property, including Seller's right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights-of-way;
(3) Seller's interest in all leases, rents, and security deposits for all or part of the Property;
(4) Seller's interest in all licenses and permits related to the Property;
(5) Seller's interest in all third party warranties or guaranties, if transferable, relating to the Property or any fixtures;
(6) Seller's interest in any trade names, if transferable, used in connection with the Property; and
(7) all Seller's tangible personal property located on the Property that is used in connection with the Property's operations except: ______.
Any personal property not included in the sale must be removed by Seller prior to closing.

(Describe any exceptions, reservations, or restrictions in Paragraph 12 or an addendum.)
(If mineral rights are to be reserved an appropriate addendum should be attached.)
(If the Property is a condominium, attach condominium addendum.)

3. **SALES PRICE:** At or before closing, Buyer will pay the following sales price for the Property:

A. Cash portion payable by Buyer at closing . . . . $ ______
B. Sum of all financing described in Paragraph 4 . . . . $ ______
C. Sales price (sum of 3A and 3B) . . . . $ 345,000

4. FINANCING: Buyer will finance the portion of the sales price under Paragraph 3B as follows:

☐ A. Third Party Financing: One or more third party loans in the total amount of $ ______________. This contract:
☐ (1) is not contingent upon Buyer obtaining third party financing.
☐ (2) is contingent upon Buyer obtaining third party financing in accordance with the attached Commercial Contract Financing Addendum.

☐ B. Assumption: In accordance with the attached Commercial Contract Financing Addendum, Buyer will assume the existing promissory note secured by the Property, which balance at closing will be $ ______________ .

☐ C. Seller Financing: The delivery of a promissory note and deed of trust from Buyer to Seller under the terms of the attached Commercial Contract Financing Addendum in the amount of $ ______________ .

5. EARNEST MONEY:

A. Not later than 3 days after the effective date, Buyer must deposit $ 5,000 as earnest money with CENTRAL TITLE COMPANY (escrow agent) at 6783 Old Jacksonville Hwy #0508, Tyler, TX 75703 (address) Carolyn Owen (closer). If Buyer fails to timely deposit the earnest money, Seller may terminate this contract or exercise any of Seller's other remedies under Paragraph 15 by providing written notice to Buyer before Buyer deposits the earnest money.

B. Buyer will deposit an additional amount of $ N/A with the escrow agent to be made part of the earnest money on or before:
☐ (i) ____________ days after Buyer's right to terminate under Paragraph 7B expires; or
☐ (ii) ______________________________ .
Buyer will be in default if Buyer fails to deposit the additional amount required by this Paragraph 5B within 3 days after Seller notifies Buyer that Buyer has not timely deposited the additional amount.

C. Buyer may instruct the escrow agent to deposit the earnest money in an interest-bearing account at a federally insured financial institution and to credit any interest to Buyer.

6. TITLE POLICY, SURVEY, AND UCC SEARCH:

A. Title Policy:

(1) Seller, at Seller's expense, will furnish Buyer an Owner's Policy of Title Insurance (the title policy) issued by CENTRAL TITLE COMPANY (title company), in the amount of the sales price, dated at or after closing, insuring Buyer against loss under the title policy, subject only to:
(a) those title exceptions permitted by this contract or as may be approved by Buyer in writing; and
(b) the standard printed exceptions contained in the promulgated form of title policy unless this contract provides otherwise.

(2) The standard printed exception as to discrepancies, conflicts, or shortages in area and boundary lines, or any encroachments or protrusions, or any overlapping improvements:
☒ (a) will not be amended or deleted from the title policy.
☐ (b) will be amended to read "shortages in areas" at the expense of ☐ Buyer ☐ Seller.

(3) Within 14 days after the effective date, Seller will furnish Buyer a commitment for title insurance (the commitment) including legible copies of recorded documents evidencing title exceptions. Seller authorizes the title company to deliver the commitment and related documents to Buyer at Buyer's address.

B. Survey: Within 14 days after the effective date:

☐ (1) Buyer will obtain a survey of the Property at Buyer's expense and deliver a copy of the survey to Seller. The survey must be made in accordance with the: (i) ALTA/ACSM Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition.

☐ (2) Seller, at Seller's expense, will furnish Buyer a survey of the Property dated after the effective date. The survey must be made in accordance with the: (i) ALTA/ACSM Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition.

☒ (3) Seller will deliver to Buyer and the title company a true and correct copy of Seller's most recent survey of the Property along with an affidavit required by the title company for approval of the existing survey. If the existing survey is not acceptable to the title company, Seller, at Seller's expense, will obtain a new or updated survey acceptable to the title company and deliver the acceptable survey to Buyer and the title company within 20 days after Seller receives notice that the existing survey is not acceptable to the title company. The closing date will be extended daily up to 20 days if necessary for Seller to deliver an acceptable survey within the time required. Buyer will reimburse Seller $1,500 *(insert amount)* of the cost of the new or updated survey at closing, if closing occurs.

C. UCC Search:

☐ (1) Within ______ days after the effective date, Seller, at Seller's expense, will furnish Buyer a Uniform Commercial Code (UCC) search prepared by a reporting service and dated after the effective date. The search must identify documents that are on file with the Texas Secretary of State and the county where the Property is located that relate to all personal property on the Property and show, as debtor, Seller and all other owners of the personal property in the last 5 years.

☒ (2) Buyer does not require Seller to furnish a UCC search.

D. Buyer's Objections to the Commitment, Survey, and UCC Search:

(1) Within 10 days after Buyer receives the commitment, copies of the documents evidencing the title exceptions, any required survey, and any required UCC search, Buyer may object to matters disclosed in the items if: (a) the matters disclosed are a restriction upon the Property or constitute a defect or encumbrance to title to the real or personal property described in Paragraph 2 other than those permitted by this contract or liens that Seller will satisfy at closing or Buyer will assume at closing; or (b) the items show that any part of the Property lies in a special flood hazard area (an "A" or "V" zone as defined by FEMA). If Paragraph 6B(1) applies, Buyer is deemed to receive the survey on the earlier of: (i) the date Buyer actually receives the survey; or (ii) the deadline specified in Paragraph 6B.

(2) Seller may, but is not obligated to, cure Buyer's timely objections within 15 days after Seller receives the objections. The closing date will be extended as necessary to provide such time to cure the objections. If Seller fails to cure the objections by the time required, Buyer may terminate this contract by providing written notice to Seller within 5 days after the time by which Seller must cure the objections. If Buyer terminates, the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer.

(3) Buyer's failure to timely object or terminate under this Paragraph 6D is a waiver of Buyer's right to object except that Buyer will not waive the requirements in Schedule C of the commitment.

7. PROPERTY CONDITION:

A. Present Condition: Buyer accepts the Property in its present condition except that Seller, at Seller's expense, will complete the following before closing: ______

Property sold As-Is

B. Feasibility Period: Buyer may terminate this contract for any reason within 60 days after the effective date (feasibility period) by providing Seller written notice of termination. *(Check only one box.)*

☒ (1) If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer less $ 0.00 that Seller will retain as independent consideration for Buyer's unrestricted right to terminate. Buyer has tendered the independent consideration to Seller upon payment of the amount specified in Paragraph 5A to the escrow agent. The independent consideration is to be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(1) or if Buyer fails to timely deposit the earnest money, Buyer will not have the right to terminate under this Paragraph 7B.

☐ (2) Not later than 3 days after the effective date, Buyer must pay Seller $ ________ as independent consideration for Buyer's right to terminate by tendering such amount to Seller or Seller's agent. If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer and Seller will retain the independent consideration. The independent consideration will be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(2) or if Buyer fails to timely pay the independent consideration, Buyer will not have the right to terminate under this Paragraph 7B.

C. Inspections, Studies, or Assessments:

(1) During the feasibility period, Buyer, at Buyer's expense, may complete or cause to be completed any and all inspections, studies, or assessments of the Property (including all improvements and fixtures) desired by Buyer.

(2) Seller, at Seller's expense, will turn on all utilities necessary for Buyer to make inspections, studies, or assessments.

(3) Buyer must:
(a) employ only trained and qualified inspectors and assessors;
(b) notify Seller, in advance, of when the inspectors or assessors will be on the Property;
(c) abide by any reasonable entry rules or requirements of Seller;
(d) not interfere with existing operations or occupants of the Property; and
(e) restore the Property to its original condition if altered due to inspections, studies, or assessments that Buyer completes or causes to be completed.

(4) Except for those matters that arise from the negligence of Seller or Seller's agents, Buyer is responsible for any claim, liability, encumbrance, cause of action, and expense resulting from Buyer's inspections, studies, or assessments, including any property damage or personal injury. Buyer will indemnify, hold harmless, and defend Seller and Seller's agents against any claim involving a matter for which Buyer is responsible under this paragraph. This paragraph survives termination of this contract.

D. Property Information:

(1) Delivery of Property Information: Within 30 days after the effective date, Seller will deliver to Buyer:
☒ (a) a current rent roll of all leases affecting the Property certified by Seller as true and correct;
☒ (b) copies of all current leases pertaining to the Property, including any modifications, supplements, or amendments to the leases;
☒ (c) a current inventory of all personal property to be conveyed under this contract and copies of any leases for such personal property;

- ☐ (d) copies of all notes and deeds of trust against the Property that Buyer will assume or that Seller will not pay in full on or before closing;
- ☒ (e) copies of all current service, maintenance, and management agreements relating to the ownership and operation of the Property;
- ☒ (f) copies of current utility capacity letters from the Property's water and sewer service provider;
- ☒ (g) copies of all current warranties and guaranties relating to all or part of the Property;
- ☒ (h) copies of fire, hazard, liability, and other insurance policies that currently relate to the Property;
- ☐ (i) copies of all leasing or commission agreements that currently relate to all or part of the Property;
- ☐ (j) a copy of the "as-built" plans and specifications and plat of the Property;
- ☒ (k) copies of all invoices for utilities and repairs incurred by Seller for the Property in the 24 months immediately preceding the effective date;
- ☐ (l) a copy of Seller's income and expense statement for the Property from ____________ to ____________;
- ☒ (m) copies of all previous environmental assessments, geotechnical reports, studies, or analyses made on or relating to the Property;
- ☒ (n) real & personal property tax statements for the Property for the previous 2 calendar years; and
- ☐ (o) ____.

(2) Return of Property Information: If this contract terminates for any reason, Buyer will, not later than 10 days after the termination date: (a) return to Seller all those items described in Paragraph 7D(1) that Seller delivered to Buyer and all copies that Buyer made of those items; and (b) deliver copies of all inspection and assessment reports related to the Property that Buyer completed or caused to be completed. This Paragraph 7D(2) survives termination of this contract.

E. Contracts Affecting Operations: Until closing, Seller: (1) will operate the Property in the same manner as on the effective date under reasonably prudent business standards; and (2) will not transfer or dispose of any part of the Property, any interest or right in the Property, or any of the personal property or other items described in Paragraph 2B or sold under this contract. After the feasibility period ends, Seller may not enter into, amend, or terminate any other contract that affects the operations of the Property without Buyer's written approval.

8. LEASES:

A. Each written lease Seller is to assign to Buyer under this contract must be in full force and effect according to its terms. Seller may not enter into any new lease, fail to comply with any existing lease, or make any amendment or modification to any existing lease without Buyer's written consent. Seller must disclose, in writing, if any of the following exist at the time Seller provides the leases to the Buyer or subsequently occur before closing:
(1) any failure by Seller to comply with Seller's obligations under the leases;
(2) any circumstances under any lease that entitle the tenant to terminate the lease or seek any offsets or damages;
(3) any non-occupancy of the leased premises by a tenant;
(4) any advance sums paid by a tenant under any lease;
(5) any concessions, bonuses, free rents, rebates, brokerage commissions, or other matters that affect any lease; and
(6) any amounts payable under the leases that have been assigned or encumbered, except as security for loan(s) assumed or taken subject to under this contract.

B. Estoppel Certificates: Within N/A days after the effective date, Seller will deliver to Buyer estoppel certificates signed not earlier than ____________ by each tenant that leases space in the Property. The estoppel certificates must include the certifications contained in the current version of TAR Form 1938 – Commercial Tenant Estoppel Certificate and any additional information requested by a third party lender providing financing under Paragraph 4 if the third party lender requests such additional information at least 10 days prior to the earliest date that Seller may deliver the signed estoppel certificates.

9. BROKERS:

A. The brokers to this sale are:

Principal Broker License No.	Cooperating Broker License No.
Agent	Agent
Address	Address
Phone Fax	Phone Fax
E-Mail	E-Mail

Principal Broker: *(Check only one box.)*
- ☐ represents Seller only.
- ☐ represents Buyer only.
- ☐ is an intermediary between Seller and Buyer.

Cooperating Broker represents Buyer.

B. Fees: *(Check only (1) or (2) below.)*

☐ (1) Seller will pay Principal Broker the fee specified by separate written commission agreement between Principal Broker and Seller. Principal Broker will pay Cooperating Broker the fee specified in the Agreement Between Brokers found below the parties' signatures to this contract.

☐ (2) At the closing of this sale, Seller will pay:

Principal Broker a total cash fee of:
- ☐ ________ % of the sales price.
- ☐ ______________________ .

Cooperating Broker a total cash fee of:
- ☐ ________ % of the sales price.
- ☐ ______________________ .

The cash fees will be paid in ______________ County, Texas. Seller authorizes escrow agent to pay the brokers from the Seller's proceeds at closing.

NOTICE: Chapter 62, Texas Property Code, authorizes a broker to secure an earned commission with a lien against the Property.

C. The parties may not amend this Paragraph 9 without the written consent of the brokers affected by the amendment.

10. CLOSING:

A. The date of the closing of the sale (closing date) will be on or before the later of:

(1) ☒ 60 days after the expiration of the feasibility period.
☐ ______________ *(specific date)*.
☐ ______________ .

(2) 7 days after objections made under Paragraph 6D have been cured or waived.

B. If either party fails to close by the closing date, the non-defaulting party may exercise the remedies in Paragraph 15.

C. At closing, Seller will execute and deliver to Buyer, at Seller's expense, a ☒ general ☐ special warranty deed. The deed must include a vendor's lien if any part of the sales price is financed. The deed must convey good and indefeasible title to the Property and show no exceptions other than those permitted under Paragraph 6 or other provisions of this contract. Seller must convey the Property:
(1) with no liens, assessments, or Uniform Commercial Code or other security interests against the Property which will not be satisfied out of the sales price, unless securing loans Buyer assumes;
(2) without any assumed loans in default; and
(3) with no persons in possession of any part of the Property as lessees, tenants at sufferance, or trespassers except tenants under the written leases assigned to Buyer under this contract.

D. At closing, Seller, at Seller's expense, will also deliver to Buyer:
(1) tax statements showing no delinquent taxes on the Property;
(2) a bill of sale with warranties to title conveying title, free and clear of all liens, to any personal property defined as part of the Property in Paragraph 2 or sold under this contract;
(3) an assignment of all leases to or on the Property;
(4) to the extent that the following items are assignable, an assignment to Buyer of the following items as they relate to the Property or its operations:
(a) licenses and permits;
(b) maintenance, management, and other contracts; and
(c) warranties and guaranties;
(5) a rent roll current on the day of the closing certified by Seller as true and correct;
(6) evidence that the person executing this contract is legally capable and authorized to bind Seller;
(7) an affidavit acceptable to the escrow agent stating that Seller is not a foreign person or, if Seller is a foreign person, a written authorization for the escrow agent to: (i) withhold from Seller's proceeds an amount sufficient to comply applicable tax law; and (ii) deliver the amount to the Internal Revenue Service together with appropriate tax forms; and
(8) any notices, statements, certificates, affidavits, releases, and other documents required by this contract, the commitment, or law necessary for the closing of the sale and the issuance of the title policy, all of which must be completed and executed by Seller as necessary.

E. At closing, Buyer will:
(1) pay the sales price in good funds acceptable to the escrow agent;
(2) deliver evidence that the person executing this contract is legally capable and authorized to bind Buyer;
(3) sign and send to each tenant in the Property a written statement that:
(a) acknowledges Buyer has received and is responsible for the tenant's security deposit; and
(b) specifies the exact dollar amount of the security deposit;
(4) sign an assumption of all leases then in effect; and
(5) execute and deliver any notices, statements, certificates, or other documents required by this contract or law necessary to close the sale.

F. Unless the parties agree otherwise, the closing documents will be as found in the basic forms in the current edition of the State Bar of Texas Real Estate Forms Manual without any additional clauses.

11. **POSSESSION:** Seller will deliver possession of the Property to Buyer upon closing and funding of this sale in its present condition with any repairs Seller is obligated to complete under this contract, ordinary wear and tear excepted. Any possession by Buyer before closing or by Seller after closing that is not authorized by a separate written lease agreement is a landlord-tenant at sufferance relationship between the parties.

12. SPECIAL PROVISIONS: *(If special provisions are contained in an Addendum, identify the Addendum here and reference the Addendum in Paragraph 22D.)*

Property Sold AS-IS

13. SALES EXPENSES:

A. Seller's Expenses: Seller will pay for the following at or before closing:
(1) releases of existing liens, other than those liens assumed by Buyer, including prepayment penalties and recording fees;
(2) release of Seller's loan liability, if applicable;
(3) tax statements or certificates;
(4) preparation of the deed and any bill of sale;
(5) one-half of any escrow fee;
(6) costs to record any documents to cure title objections that Seller must cure; and
(7) other expenses that Seller will pay under other provisions of this contract.

B. Buyer's Expenses: Buyer will pay for the following at or before closing:
(1) all loan expenses and fees;
(2) preparation fees of any deed of trust;
(3) recording fees for the deed and any deed of trust;
(4) premiums for flood and hazard insurance as may be required by Buyer's lender;
(5) one-half of any escrow fee; and
(6) other expenses that Buyer will pay under other provisions of this contract.

14. PRORATIONS:

A. Prorations:

(1) Interest on any assumed loan, taxes, rents, and any expense reimbursements from tenants will be prorated through the closing date.

(2) If the amount of ad valorem taxes for the year in which the sale closes is not available on the closing date, taxes will be prorated on the basis of taxes assessed in the previous year. If the taxes for the year in which the sale closes vary from the amount prorated at closing, the parties will adjust the prorations when the tax statements for the year in which the sale closes become available. This Paragraph 14A(2) survives closing.

(3) If Buyer assumes a loan or is taking the Property subject to an existing lien, Seller will transfer all reserve deposits held by the lender for the payment of taxes, insurance premiums, and other

charges to Buyer at closing and Buyer will reimburse such amounts to Seller by an appropriate adjustment at closing.

B. Rollback Taxes: If Seller changes the use of the Property before closing or if a denial of a special valuation on the Property claimed by Seller results in the assessment of additional taxes, penalties, or interest (assessments) for periods before closing, the assessments will be the obligation of Seller. If this sale or Buyer's use of the Property after closing results in additional assessments for periods before closing, the assessments will be the obligation of Buyer. This Paragraph 14B survives closing.

C. Rent and Security Deposits: At closing, Seller will tender to Buyer all security deposits and the following advance payments received by Seller for periods after closing: prepaid expenses, advance rental payments, and other advance payments paid by tenants. Rents prorated to one party but received by the other party will be remitted by the recipient to the party to whom it was prorated within 5 days after the rent is received. This Paragraph 14C survives closing.

15. DEFAULT:

A. If Buyer fails to comply with this contract, Buyer is in default and Seller may:
(1) terminate this contract and receive the earnest money, as liquidated damages and as Seller's sole remedy; or
(2) seek any other relief provided by law. Seller ☐ may ☒ may not enforce specific performance.

B. If, without fault, Seller is unable within the time allowed to deliver the estoppel certificates, survey or the commitment, Buyer may:
(1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
(2) extend the time for performance up to 15 days and the closing will be extended as necessary.

C. Except as provided in Paragraph 15B, if Seller fails to comply with this contract, Seller is in default and Buyer may:
(1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
(2) enforce specific performance, or seek such other relief as may be provided by law, or both.

16. CASUALTY LOSS AND CONDEMNATION:

A. If any part of the Property is damaged or destroyed by fire or other casualty after the effective date, Seller must restore the Property to its previous condition as soon as reasonably possible and not later than the closing date. If, without fault, Seller is unable to do so, Buyer may:
(1) terminate this contract and the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer;
(2) extend the time for performance up to 15 days and closing will be extended as necessary; or
(3) accept at closing: (i) the Property in its damaged condition; (ii) an assignment of any insurance proceeds Seller is entitled to receive along with the insurer's consent to the assignment; and (iii) a credit to the sales price in the amount of any unpaid deductible under the policy for the loss.

B. If before closing, condemnation proceedings are commenced against any part of the Property, Buyer may:
(1) terminate this contract by providing written notice to Seller within 15 days after Buyer is advised of the condemnation proceedings and the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer; or
(2) appear and defend the condemnation proceedings and any award will, at Buyer's election, belong to: (a) Seller and the sales price will be reduced by the same amount; or (b) Buyer and the sales price will not be reduced.

17. ATTORNEY'S FEES: If Buyer, Seller, any broker, or any escrow agent is a prevailing party in any legal proceeding brought under or with relation to this contract or this transaction, such party is entitled to recover from the non-prevailing parties all costs of such proceeding and reasonable attorney's fees. This Paragraph 17 survives termination of this contract.

18. ESCROW:

A. At closing, the earnest money will be applied first to any cash down payment, then to Buyer's closing costs, and any excess will be refunded to Buyer. If no closing occurs, escrow agent may require payment of unpaid expenses incurred on behalf of the parties and a written release of liability of escrow agent from all parties.

B. If one party makes written demand for the earnest money, escrow agent will give notice of the demand by providing to the other party a copy of the demand. If escrow agent does not receive written objection to the demand from the other party within 15 days after the date escrow agent sent the demand to the other party, escrow agent may disburse the earnest money to the party making demand, reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and escrow agent may pay the same to the creditors.

C. Escrow agent will deduct any independent consideration under Paragraph 7B(1) before disbursing any earnest money to Buyer and will pay the independent consideration to Seller.

D. If escrow agent complies with this Paragraph 18, each party hereby releases escrow agent from all claims related to the disbursal of the earnest money.

E. Notices under this Paragraph 18 must be sent by certified mail, return receipt requested. Notices to escrow agent are effective upon receipt by escrow agent.

F. Any party who wrongfully fails or refuses to sign a release acceptable to escrow agent within 7 days after receipt of the request will be liable to the other party for liquidated damages in an amount equal to the sum of: (i) three times the amount of the earnest money; (ii) the earnest money; (iii) reasonable attorney's fees; and (iv) all costs of suit.

G. ☐ Seller ☐ Buyer intend(s) to complete this transaction as a part of an exchange of like-kind properties in accordance with Section 1031 of the Internal Revenue Code, as amended. All expenses in connection with the contemplated exchange will be paid by the exchanging party. The other party will not incur any expense or liability with respect to the exchange. The parties agree to cooperate fully and in good faith to arrange and consummate the exchange so as to comply to the maximum extent feasible with the provisions of Section 1031 of the Internal Revenue Code. The other provisions of this contract will not be affected in the event the contemplated exchange fails to occur.

19. MATERIAL FACTS: To the best of Seller's knowledge and belief: *(Check only one box.)*

☐ A. Seller is not aware of any material defects to the Property except as stated in the attached Property Condition Statement.

☒ B. Except as otherwise provided in this contract, Seller is not aware of:
(1) any subsurface: structures, pits, waste, springs, or improvements;
(2) any pending or threatened litigation, condemnation, or assessment affecting the Property;
(3) any environmental hazards or conditions that materially affect the Property;
(4) whether the Property is or has been used for the storage or disposal of hazardous materials or toxic waste, a dump site or landfill, or any underground tanks or containers;
(5) whether radon, asbestos containing materials, urea-formaldehyde foam insulation, lead-based paint, toxic mold (to the extent that it adversely affects the health of ordinary occupants), or other pollutants or contaminants of any nature now exist or ever existed on the Property;
(6) any wetlands, as defined by federal or state law or regulation, on the Property;
(7) any threatened or endangered species or their habitat on the Property;
(8) any present or past infestation of wood-destroying insects in the Property's improvements;
(9) any contemplated material changes to the Property or surrounding area that would materially and detrimentally affect the ordinary use of the Property;
(10) any material physical defects in the improvements on the Property; or
(11) any condition on the Property that violates any law or ordinance.

(Describe any exceptions to (1)-(11) in Paragraph 12 or an addendum.)

20. NOTICES: All notices between the parties under this contract must be in writing and are effective when hand-delivered, mailed by certified mail return receipt requested, or sent by facsimile transmission to the parties addresses or facsimile numbers stated in Paragraph 1. The parties will send copies of any notices to the broker representing the party to whom the notices are sent.

☒ A. Seller also consents to receive any notices by e-mail at Seller's e-mail address stated in Paragraph 1.
☒ B. Buyer also consents to receive any notices by e-mail at Buyer's e-mail address stated in Paragraph 1.

21. DISPUTE RESOLUTION: The parties agree to negotiate in good faith in an effort to resolve any dispute related to this contract that may arise. If the dispute cannot be resolved by negotiation, the parties will submit the dispute to mediation before resorting to arbitration or litigation and will equally share the costs of a mutually acceptable mediator. This paragraph survives termination of this contract. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

22. AGREEMENT OF THE PARTIES:

A. This contract is binding on the parties, their heirs, executors, representatives, successors, and permitted assigns. This contract is to be construed in accordance with the laws of the State of Texas. If any term or condition of this contract shall be held to be invalid or unenforceable, the remainder of this contract shall not be affected thereby.

B. This contract contains the entire agreement of the parties and may not be changed except in writing.

C. If this contract is executed in a number of identical counterparts, each counterpart is an original and all counterparts, collectively, constitute one agreement.

D. Addenda which are part of this contract are: *(Check all that apply.)*

☐ (1) Property Description Exhibit identified in Paragraph 2;
☐ (2) Commercial Contract Condominium Addendum (TAR-1930);
☐ (3) Commercial Contract Financing Addendum (TAR-1931);
☐ (4) Commercial Property Condition Statement (TAR-1408);
☐ (5) Commercial Contract Addendum for Special Provisions (TAR-1940);
☐ (6) Addendum for Seller's Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (TAR-1906);
☐ (7) Notice to Purchaser of Real Property in a Water District (MUD);
☐ (8) Addendum for Coastal Area Property (TAR-1915);
☐ (9) Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TAR-1916);
☐ (10) Information About Brokerage Services; and
☐ (11) ____
____.

(Note: Counsel for the Texas Association of REALTORS® (TAR) has determined that any of the foregoing addenda which are promulgated by the Texas Real Estate Commission (TREC) or published by TAR are appropriate for use with this form.)

E. Buyer ☒ may ☐ may not assign this contract. If Buyer assigns this contract, Buyer will be relieved of any future liability under this contract only if the assignee assumes, in writing, all of Buyer's obligations under this contract.

23. TIME: Time is of the essence in this contract. The parties require strict compliance with the times for performance. If the last day to perform under a provision of this contract falls on a Saturday, Sunday, or legal holiday, the time for performance is extended until the end of the next day which is not a Saturday, Sunday, or legal holiday.

24. EFFECTIVE DATE: The effective date of this contract for the purpose of performance of all obligations is the date the escrow agent receipts this contract after all parties execute this contract.

25. ADDITIONAL NOTICES:

A. Buyer should have an abstract covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a title policy.

B. If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fees of the district before final execution of this contract.

C. Notice Required by §13.257, Water Code: "The real property, described below, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in the notice or at closing of purchase of the real property." The real property is described in Paragraph 2 of this contract.

D. If the Property adjoins or shares a common boundary with the tidally influenced submerged lands of the state, §33.135, Texas Natural Resources Code, requires a notice regarding coastal area property to be included as part of this contract.

E. If the Property is located seaward of the Gulf Intracoastal Waterway, §61.025, Texas Natural Resources Code, requires a notice regarding the seaward location of the Property to be included as part of this contract.

F. If the Property is located outside the limits of a municipality, the Property may now or later be included in the extra-territorial jurisdiction (ETJ) of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and ETJ. To determine if the Property is located within a municipality's ETJ, Buyer should contact all municipalities located in the general proximity of the Property for further information.

G. If apartments or other residential units are on the Property and the units were built before 1978, federal law requires a lead-based paint and hazard disclosure statement to be made part of this contract.

H. Section 1958.154, Occupations Code requires Seller to provide Buyer a copy of any mold remediation certificate issued for the Property during the 5 years preceding the date the Seller sells the Property.

I. Brokers are not qualified to perform property inspections, surveys, engineering studies, environmental assessments, or inspections to determine compliance with zoning, governmental regulations, or laws. Buyer should seek experts to perform such services. Buyer should review local building codes, ordinances and other applicable laws to determine their effect on the Property. Selection of experts, inspectors, and repairmen is the responsibility of Buyer and not the brokers.

26. CONTRACT AS OFFER: The execution of this contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts the offer by 5:00 p.m., in the time zone in which the Property is located, on 08/15/2021 the offer will lapse and become null and void.

Commercial Contract - Improved Property concerning 680 W Broad St, Mineola, TX 75773

READ THIS CONTRACT CAREFULLY. The brokers and agents make no representation or recommendation as to the legal sufficiency, legal effect, or tax consequences of this document or transaction. CONSULT your attorney BEFORE signing.

Seller: S F K R LLC

By: Shahzad Asghar

By (signature): DocuSigned by: Shahzad Asghar F1231E393FE34D7...

Printed Name: Shahzad Asghar

Title: Owner

By: ______

By (signature): ______

Printed Name: ______

Title: ______

Buyer: B D Business LLC and/or assigns

By: Khaled Hassan

By (signature): DocuSigned by: Khaled Hassan BACFE83ADAB1434...

Printed Name: Khaled Hassan

Title: Managing Member

By: ______

By (signature): ______

Printed Name: ______

Title: ______

AGREEMENT BETWEEN BROKERS

(use only if Paragraph 9B(1) is effective)

Principal Broker agrees to pay ______ (Cooperating Broker) a fee when the Principal Broker's fee is received. The fee to be paid to Cooperating Broker will be:

- ☐ $ ______, or
- ☐ ______ % of the sales price, or
- ☐ ______ % of the Principal Broker's fee.

Escrow agent is authorized and directed to pay Cooperating Broker from Principal Broker's fee at closing. This Agreement Between Brokers supersedes any prior offers and agreements for compensation between brokers.

Principal Broker
By: ______

Cooperating Broker
By: ______

ATTORNEYS

Seller's attorney: ______

Address: ______

Phone & Fax: ______

E-mail: ______

Seller's attorney requests copies of documents, notices, and other information:
- ☐ the title company sends to Buyer.
- ☐ Seller sends to Buyer.

Buyer's attorney: ______

Address: ______

Phone & Fax: ______

E-mail: ______

Buyer's attorney requests copies of documents, notices, and other information:
- ☐ the title company sends to Seller.
- ☐ Buyer sends to Seller.

ESCROW RECEIPT

Escrow agent acknowledges receipt of:
- ☐ A. the contract on this day ______ (effective date);
- ☐ B. earnest money in the amount of $______ in the form of ______ on ______.

Escrow Agent: ______

By: ______

Assigned file number (GF#): ______

Address: ______

Phone & Fax: ______

E-mail: ______

Produced with ZipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.zipLogix.com

Untitled

Addendum E:
Qualifications of the Appraisers

John M. Ozog, MAI Director

Valuation & Advisory
Cushman & Wakefield of Illinois, Inc.

Professional Expertise

Mr. Ozog is a Director within the Valuation & Advisory group of Cushman & Wakefield of Illinois, Inc. He has been active in real estate since 2004.

Currently, Mr. Ozog's valuation expertise includes office buildings, industrial warehouse-distribution, manufacturing, flex buildings, lifestyle centers, neighborhood/community power retail centers, restaurants, gas stations, convenience stores, multifamily apartment complexes, subsidized housing units, vacant land and proposed income-producing properties.

Memberships, Licenses, Professional Affiliations and Education

- Designated Member, Appraisal Institute. As of the current date, John Ozog, MAI has completed the requirements of the continuing education program of the Appraisal Institute.
- Licensed Real Estate Broker, State of Illinois, 2006-Present
- Certified Real Estate Appraiser in the following states:
  - Arizona – CGA-1033735
  - Illinois – 553.002340
  - Indiana – CG41400041
  - Iowa – CG03368
  - Kentucky – 5763
  - Michigan - 1205076993
  - Minnesota – 40398793
  - Oklahoma – 13641CGA
  - Texas – TX 1381125 G
  - Wisconsin – 2050-10
- BA - University of Michigan, Ann Arbor

ARIZONA

Department of Insurance and Financial Institutions

State of Arizona

CGA - 1033735

This document is evidence that: **JOHN M OZOG** has complied with the provisions of Arizona Revised Statutes, relating to the establishment and operation of a:

Certified General Real Estate Appraiser

and that the Deputy Director of Financial Institutions of the State of Arizona has granted this license to transact the business of a:

Certified General Real Estate Appraiser

JOHN M OZOG

This license is subject to the laws of Arizona and will remain in full force and effect until expired, surrendered, revoked or suspended as provided by law.

Expiration Date : **December 31, 2023**

ILLINOIS

State of Illinois

Department of Financial and Professional Regulation

Division of Real Estate

LICENSE NO.
553.002340

The person, firm, or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below:

EXPIRES:
09/30/2023

CERTIFIED GENERAL REAL ESTATE APPRAISER

JOHN M OZOG
3656 N KEELER
CHICAGO, IL 60641

MARIO TRETO, JR.
ACTING SECRETARY

LAURIE MURPHY
ACTING DIRECTOR

The official status of this license can be verified at www.idfpr.com

15792881

INDIANA

Indiana Professional Licensing Agency
Real Estate Appraiser Licensure Board
402 W. Washington Street, W072
Indianapolis, IN 46204

Certified General Appraiser

License Number	Expire Date
CG41400041	06/30/2024

John M. Ozog

Eric J. Holcomb
Governor
State of Indiana

Deborah J. Frye
Executive Director
Indiana Professional Licensing Agency

IOWA

STATE OF IOWA

IOWA DEPARTMENT OF COMMERCE
PROFESSIONAL LICENSING AND REGULATION

This is to certify that the below named has been granted a certification as: Certified General Appraiser.

Certification Number: CG03368 Expires: June 30, 2023

Status: Active

John M Ozog
Cushman & Wakefield
225 West Wacker Drive
Chicago, Illinois 60606

Kentucky

Commonwealth of Kentucky

Kentucky Real Estate Appraisers Board

2022 - 23

Hereby grants a *Certified General Real Property Appraiser*

To John M. Ozog
Cushman & Wakefield
225 West Wacker Drive
Chicago, IL 60606

License № 5763

who has complied with the provisions of Chapter 324A of the Kentucky Revised Statutes IN WITNESS WHEREOF, we have caused the official seal to be fixed and attested for the year shown above.

John G. Kenkel, Jr., Chair
John Brewer, Vice Chair
Justin W. Noble
William Jeffrey Fultz
John Dexter Outlaw

This certificate expires 6/30/2023

MICHIGAN

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
BUREAU OF PROFESSIONAL LICENSING
P.O. BOX 30670
LANSING, MI 48909

STATE OF MICHIGAN - DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

BUREAU OF PROFESSIONAL LICENSING
CERTIFIED GENERAL REAL ESTATE APPRAISER
LICENSE

JOHN MICHAEL OZOG

LICENSE NO.	EXPIRATION DATE	
1205076993	07/31/2024	22180070612

JOHN MICHAEL OZOG
3656 NORTH KEELER
CHICAGO, IL 60641

COMPLAINT INFORMATION:
THE ISSUANCE OF THIS LICENSE SHOULD NOT BE CONSTRUED AS A WAIVER, DISMISSAL OR ACQUIESCENCE TO ANY COMPLAINTS OR VIOLATIONS PENDING AGAINST THE LICENSEE, ITS AGENTS OR EMPLOYEES.

FUTURE CONTACTS:
YOU SHOULD DIRECT INQUIRIES REGARDING THIS LICENSE OR ADDRESS CHANGES TO THE DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS BY EMAILING BPLHELP@MICHIGAN.GOV OR CALL (517) 241-0199

GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
BUREAU OF PROFESSIONAL LICENSING
CERTIFIED GENERAL REAL ESTATE APPRAISER LICENSE

MINNESOTA

STATE OF MINNESOTA

Department of Commerce

JOHN MICHAEL OZOG
225 WEST WACKER
3000
CHICAGO, IL 60606

The Undersigned COMMISSIONER OF COMMERCE for the State of Minnesota hereby certifies that

John Michael Ozog

225 WEST WACKER
3000
CHICAGO, IL 60606

has complied with the laws of the State of Minnesota and is hereby licensed to transact the business of

Non-Resident Appraiser : Certified General

License Number: 40398793

unless this authority is suspended, revoked, or otherwise legally terminated. This license shall be in effect until August 31, 2022.

IN TESTIMONY WHEREOF, I have hereunto set my hand this December 02, 2020.

Grace Arnold

COMMISSIONER OF COMMERCE

Minnesota Department of Commerce

Licensing Division
85 7th Place East, Suite 500
St. Paul, MN 55101-3165
Telephone: (651) 539-1599
Email: licensing.commerce@state.mn.us
Website: commerce.state.mn.us

Notes:

- **Individual Licensees Only - Continuing Education:** 15 hours is required in the first renewal period, which includes a 7 hour USPAP course. 30 hours is required for each subsequent renewal period, which includes a 7 hour USPAP course.
- **Appraisers:** You must hold a licensed Residential, Certified Residential, or Certified General qualification in order to perform appraisals for federally-related transactions. **Trainees do not qualify.** For further details, please visit our website at commerce.state.mn.us.

State of Oklahoma

Glen Mulready, Insurance Commissioner

Oklahoma Real Estate Appraiser Board

This is to certify that:

John Ozog

has complied with the provisions of the Oklahoma Real Estate Appraisers Act to transact business as a ***State Certified General*** *Real Estate Appraiser in the State of Oklahoma.*

In Witness Whereof, I have hereunto set my hand and caused the seal of my office to be affixed at the City of Oklahoma City, State of Oklahoma, this 7th day of January , 2022 .

Glen Mulready, Insurance Commissioner
Chairperson, Oklahoma Real Estate Appraiser Board

Members, Oklahoma Real Estate Appraiser Board

Expires:
01/31/2025

Oklahoma Appraiser Number:
13641CGA

TEXAS

TALCB
TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Certified General Real Estate Appraiser

Appraiser: **John Michael Ozog**
License #: **TX 1381125 G**   License Expires: **09/30/2023**

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

WISCONSIN

EXPIRES: 12/14/2023

NO. 2050 - 10

The State of Wisconsin
Department of Safety and Professional Services

Hereby certifies that

JOHN M OZOG

was granted a certificate to practice as a

CERTIFIED GENERAL APPRAISER ELIGIBLE TO APPRAISE FEDERALLY RELATED TRANSACTIONS IS AQB COMPLIANT

in the State of Wisconsin in accordance with Wisconsin Law
on the 7th day of August in the year 2014.
The authority granted herein must be renewed each biennium by the granting authority.
In witness thereof, the State of Wisconsin
Department of Safety and Professional Services
has caused this certificate to be issued under
its official seal.

STATE OF WISCONSIN DEPT. OF SAFETY AND PROFESSIONAL SERVICES

DSPS Secretary

This certificate was printed on the 27th day of October in the year 2021