

COOK & ASSOCIATES, INC.
Real Estate Appraisers

2640 McFaddin · Beaumont, Texas 77702 · (409)835-1430 · Fax (409)835-7314 · Tax ID #76 0325476

W. Burnell Cook, MAI, SRA, CPA
Stephen F. Peyton
Lucas G. Cook

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June 26, 2024

Mr. Thomas O. Moses
Attorney at Law
2499 Calder Avenue
Beaumont, Texas 77702

Appraisal of 4345 – 4347 Crow Road, Beaumont,
Jefferson County, Texas..... **\$2,800.00**

INVOICE #28380-24 SP

THANK YOU

Appraisal of:
4345 – 4347 Crow Road
Beaumont, Jefferson County, Texas



Prepared For:

MR. THOMAS O. MOSES
Attorney at Law
2499 Calder Avenue
Beaumont, Texas 77702

As Of:

June 18, 2024

By:

COOK & ASSOCIATES, INC.
W. Burnell Cook, MAI, SRA
Steve Peyton
2640 McFaddin
Beaumont, Texas 77702

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June 26, 2024

Mr. Thomas O. Moses
Attorney at Law
2499 Calder Avenue
Beaumont, Texas 77702

RE: Appraisal of 4345 – 4347 Crow Road, Beaumont, Texas

Dear Mr. Moses:

In compliance with your request, I have personally inspected and analyzed the above captioned property for the purpose of developing an opinion of Market Value in Fee Simple Interest.

As a result of my investigation and analysis, my opinion of the Market Value of the subject property, as of June 18, 2024, is:

FOUR HUNDRED FIFTY THOUSAND (\$450,000) DOLLARS

This transmittal letter is followed by the certification of the appraisal and the **APPRAISAL REPORT** containing pages further describing the subject property and containing the reasoning and pertinent data leading to the estimated value. Your attention is directed to the “General Underlying Assumptions” and “Limiting Conditions” which are considered usual for this type of assignment and have been included in the Addenda of the report.

Respectfully submitted,

COOK & ASSOCIATES



W. Burnell Cook, MAI, SRA
Texas State Certified
TX 1320838 – G



Steve Peyton
Texas State Certified
TX 1325521 – R

CERTIFICATION

I certify that, to the best of my 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 my personal, impartial and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three year period immediately preceding the agreement to perform this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement on this assignment was not contingent upon developing or reporting predetermined results.
- my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- W. Burnell Cook and Steve Peyton have made a personal inspection of the property that is the subject of this report.
- no one provided significant real property appraisal assistance to the person or persons signing this certification.
- the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, 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.
- as of the date of this report, I have completed the requirements under the continuing education program of the Appraisal Institute.
- the appraisal assignment was not based on a requested minimum valuation, a specific valuation or the approval of a loan.

W. Burn Cook

June 26, 2024

W. Burnell Cook, MAI, SRA
Texas State Certified General
TX 1320838-G

Date

Steve Peyton

June 26, 2024

Stephen F. Peyton
Texas State Certified Residential
TX-1325521-R

Date

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Beaumont, Texas

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**SUMMARY OF SALIENT FACTS
AND CONCLUSIONS**

- | | | |
|-----|--------------------------------|--|
| 1. | Appraisal Type/Scope: | Sales Comparison and Income Approaches |
| 2. | Report Format: | Narrative |
| 3. | Property Type: | Office Building – Single Tenant |
| 4. | Location: | 4345 – 4347 Crow Road, Beaumont, TX |
| 5. | Owner: | Robin L. Detwiler |
| 6. | Site: | .3710 acres or 16,161 SF |
| 7. | Improvements: | 2,960 SF freestanding office building, concrete parking and drives, effectively 15 years old and in good condition |
| 8. | Zoning: | GC-MD, General Commercial-Multi-Family Development |
| 9. | Highest and Best Use | |
| | As Vacant: | Office |
| | As Improved: | Office |
| 10. | Value Indication: | |
| | Income Approach | \$444,000 |
| | Sales Comparison Approach | \$464,000 |
| 11. | Date of Inspection: | June 18, 2024 |
| 12. | Date of Report: | June 26, 2024 |
| 13. | Date of Value Estimate: | June 18, 2024 |
| 14. | Property Rights Appraised: | Fee Simple |
| 15. | Final Opinion of Market Value: | \$450,000 |

APPRAISAL REPORT

CLIENT: Mr. Thomas O. Moses
Attorney at Law
2499 Calder Avenue
Beaumont, Texas 77702

APPRAISER: W. Burnell Cook, MAI, SRA
Steve Peyton
Cook & Associates, Inc.
2640 McFaddin
Beaumont, Texas 77702

SUBJECT: 4345 – 4347 Crow Road, Beaumont, Jefferson County, Texas

INTENDED USE OF REPORT: For the sole purpose of assisting the client in evaluating the subject property for property settlement. This report is intended for use by Mr. Thomas O. Moses and Ms. Amy Detwiler. Other uses or users are not intended by the appraiser.

SCOPE OF WORK AND REPORTING PROCESS: This is an Appraisal Report which is intended to comply with the reporting requirements set forth under Rule 2 of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. As such, it presents relevant discussions of the data reasoning and analysis that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning and analysis is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated above. The appraiser is not responsible for unauthorized use of this report.

The subject office is effectively 15 years old with inherent physical depreciation. Thus, the Cost Approach is not considered applicable or necessary to develop a credible opinion of value. Therefore, this report is the result of an appraisal process utilizing the Sales Comparison and Income Approaches only, being the primary approaches to value.

Subject property identification: Identification of the subject property was provided by the client in the form of a physical address.

Subject property observation and physical data collection: The appraiser visited the subject property on June 18, 2024. All photographs of the subject site and facility were taken on this date. Physical features and construction data were obtained at the property visit. The improvements were measured and the interior and exterior were observed. A floor plan will be presented later in the report and physical features will be summarized.

Data collection and research: The subject property data such as size, physical features, location, quality and zoning are considered and presented in this report. Market data, including improved sales, comparable rents, operating expenses and supply and demand are among the items researched and analyzed. The data is used to estimate the highest and best use of the subject property and its market value.

Extent of analysis: The documentation necessary to arrive at the opinion of value is considered in this appraisal report. The market data has been collected, confirmed and analyzed. Comparable improved sales and rents were chosen for their similar highest and best uses as outlined within the report. All sales and rents were analyzed and compared to the subject property based on their similarities and dissimilarities. The applicable approaches were considered and reconciled in developing a final opinion of market value.

Disclosures: Texas is a non-disclosure state in regards to details of sales transactions. Thus, our knowledge of sales data is not all-inclusive. Our data sources include Beaumont, Mid-County and Orange County Multiple Listing Service, LoopNet, local real estate brokers, as well as grantees, grantors, lessees and lessors. Terminology and definitions utilized are in accordance with banking regulations and the Dictionary of Real Estate Appraisal, Fifth Edition, (copyright 2010) by the Appraisal Institute, or most recent revision. This appraisal is intended to comply with the requirements of the Appraisal Institute as well as the current Uniform Standards of Professional Appraisal Practice.

COMPETENCY STATEMENT: Both USPAP and FIRREA minimum appraisal standards require that an appraiser have the knowledge and experience to complete an assignment competently. Additionally, FIRREA requires a competency statement. W. Burnell Cook, MAI, SRA has 40 years of commercial property appraisal experience. The appraiser has appraised properties similar to the subject in the Southeast Texas marketing area. This practical experience coupled with classroom training through the Appraisal Institute and other organizations complies with the Competency requirements of USPAP. The appraiser is a state certified general real estate appraiser. Steve Peyton has 35+ years of residential and commercial appraisal experience and has, under the supervision of Mr. Cook and other general certified appraisers appraised various properties similar to the Subject. This experience, along with knowledge gained through numerous courses and seminars, complies with the Competency Rule. A complete qualifications statement and a copy of the certification for the appraisers are included in the Addenda.

ENVIRONMENTAL DISCLAIMER: The appraiser is not an expert in determining the presence or absence of hazardous substances, defined as all hazardous or toxic materials, waste, pollutants or contaminants, including but not limited to asbestos, PCB, UFFI, or other raw materials or chemicals used in construction or otherwise present on the property. The appraiser assumes no responsibility for studies or analyses which would be required to conclude the presence or absences of such substances or loss as a result of the presence of such substances. The client is urged to retain an expert in this field, if desired. However, the personal surface site inspection by the appraiser did not indicate the presence of hazardous materials or contaminants.

Therefore, the value opinion herein is based on the assumption that the subject conforms to applicable environmental regulations and is subject to that condition.

PURPOSE OF THE APPRAISAL: To estimate market value as referenced in Section 12, C.F.R. Part 34.

Market Value as reported herein, is defined as: 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 is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

INTEREST VALUED: Fee Simple Interest, as defined in The Dictionary of Real Estate Appraisal (5th Ed.), is: 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. *Note: although the property is tenant occupied, the underlying primary lease has a brief remaining term of 9 months and has a provision that allows termination upon 60 days written notice. Also, approximately 600 SF of the building has been sublet by lessee on a month to month basis. Additionally, the primary tenant and property owner appear to be related parties, suggesting that the lease may not be arm's length. Thus, we are of the opinion, that no Leased Fee Estate is present due to the brevity of the primary, sublet lease arrangements, and relationship of the parties.*

SALES HISTORY: The subject property has not sold in a market related transaction in the past three years. It is not currently listed for sale and there are no offers or pending sales that are known.

ESTIMATED EXPOSURE TIME: The exposure time estimate provided precedes the effective date of this report. In estimating an exposure time for the subject property the appraiser has considered some or all of the following:

- Current supply and demand factors
- Current cost information
- Analysis of historical sales information
- Analysis of future income expectancy

In the case of the subject property, an exposure time of 12 months is thought reasonable.

EFFECTIVE DATE OF VALUE: June 18, 2024

DATE OF INSPECTION: June 18, 2024

PROPERTY TAXES: 2024 assessed value is \$418,366 with estimated taxes of \$10,054.35. The 2023 taxes of \$6,752.23, based on an assessed value of \$348,638, are currently due. (See appraisal district and tax account information in the Addenda.)

DESCRIPTION OF REAL ESTATE APPRAISED:

LEGAL DESCRIPTION: The subject is legally described as Lot 1 of Crow Road Business Plaza, Beaumont, Jefferson County, Texas. It is physically located at 4345 – 4347 Crow Road.

AREA ANALYSIS: The subject area is known as the "Sabine-Neches Industrial area" or the "Golden Triangle" and is comprised of Hardin, Jefferson, Orange and Newton Counties in Southeast Texas. The three major cities are Beaumont, Port Arthur and Orange. The cities are virtually contiguous as result of continuous development along their connecting highways. Beaumont, the largest city and the county seat of Jefferson County, has a population of 115,282 per the 2020 census, down 2.6% from 118,296 in 2010. The population of the four county area is 412,870 per the 2020 census, up 9,676 or 2.4% since 2010.

Area city services, public utilities, schools and health facilities are considered to be good. The area climate is favorable with warm summers and mild winters.

Area transportation resources include railroads, some deep water ports located in Port Arthur, Beaumont and Orange, four airports as well as good highway access. Jefferson County Airport, located adjacent to and west of Nederland, provides daily connector flights to Dallas. Medical facilities, located in Beaumont, Port Arthur, Groves, Nederland and Orange include eight major hospitals as well as a variety of facilities providing specialized and emergency care services.

Major industries include shipping, petroleum and agriculture. In the early 1990's major federal, state and local prison complexes between Beaumont and Port Arthur in Mid-County were established. The area economy is primarily based on petrochemical refining and production related industries and has been since the Spindletop Oil discovery in 1901. A number of major petrochemical plants are located in this portion of the upper Texas Gulf Coast, typically along the Neches River and Sabine River in south Jefferson County and south Orange County. Many individuals from the three county area find employment in these area petrochemical complexes. Major plants located in the area include Motiva, Valero, DuPont, Total, Huntsman, Chevron, Mobil-Exxon and Goodyear.

Economic conditions have been favorable in recent years, as area industrial plants have continued to expand. However, unemployment for the Beaumont/Port Arthur MSA is at 5.3% (April, 2024), down from 5.4% one year ago. Unemployment for the State of Texas is 4.0% for April, 2024, unchanged from April, 2023, and up .1% from a month ago. Local MSA employment is 162,600, up 1.9% since April, 2023, and up 0.6% since last month.

The economic forecast for the Golden Triangle area, including Beaumont, Port Arthur and Orange, remains relatively positive as renovations, additions and upgrades to existing oil, gas and petroleum facilities, primarily in mid and south Jefferson County continue. The national economic downturn in late 2008 and 2009 and decline in oil prices caused some

concern, with some projects being delayed, cancelled or put on hold. However, the Total, Motiva and the Valero expansions remained on track and are now complete. The five year, 10 billion dollar Motiva expansion was the largest single expansion in the United States in four decades.

Cheniere Energy is building a 10 billion dollar LNG export facility adjacent to their new Sabine Pass gas import terminal in Cameron Parish, LA (just east of Sabine Pass, TX), now in operation. The expansion is projected to be substantially complete in 2022. Golden Pass Products has also announced authorization from the U.S. Department of Energy to export LNG, and began construction (March, 2019) of a 10 billion expansion for such purpose, projected to be complete in 2024. Final approval for investment in a \$13 billion LNG facility in Sabine Pass was announced by Sempra on March 20, 2023.

The Jefferson Energy Terminal, owned by JCP Energy Partners in Orange County on the Neches River across from the Port of Beaumont, was recently completed at a cost of ± \$50 million. The state of the art facility is now operating and shipping its first shipments of ethanol internationally.

The Gulf Coast Project section of the controversial Keystone Pipeline project has recently been completed extending 487 miles from Cushing, OK to Nederland Texas. The pipeline project is planned to ultimately extend from Canada transporting crude oil to Texas Gulf Coast refineries. However, the project has recently encountered political/environmental obstacles. The ultimate outcome is unknown.

In November, 2013, Natgasoline LLC, a subsidiary of Orascom Construction Industries (OCI) announced a 1.9 billion dollar methanol plant project to be located on 514 acres on SH 347 just south of Beaumont, which broke ground in March, 2014. The plant, completed in 2018, is one of the nation's largest methanol plants. Ground breaking for a \$1 billion expansion to build a "blue" ammonia plant was December 7, 2022. Completion is anticipated for 2025 with 1000 construction jobs and 100 permanent jobs anticipated. Additional expansion for a renewable fuels facility and a fertilizer plant is planned.

Exxon-Mobil is nearing completion of a \$1.2 billion expansion of their plant on US 90, just west of Beaumont. Construction of a 1.7 billion dollar ethylene production unit at the Total plant site in Port Arthur is also nearly complete.

A 748 million dollar project to deepen and widen the Neches River portion of the Sabine Neches Ship Channel, as part of the Water Resources Reform and Development Act of 2013, was signed into law by President Obama. Initial funding of \$18 million for fiscal year 2019 was reported in the Beaumont Enterprise on November 26, 2018. Initial phases of construction began in late 2019. \$169.2 million in capital improvement is planned by the Port of Beaumont, to be funded in part by \$85 million in bonds, with voter approval obtained November 7, 2017. The U. S. Army Corps of Engineers, in their recently announced 2021 Work Plan, allocated \$68.5 million for the Sabine-Neches project underway. This project, in conjunction with completion of the Panama Canal expansion, completed in 2016, is expected to have a significant positive economic impact on Texas Gulf Coast ports and the Beaumont-Port Arthur MSA in general.

In March, 2023, the 1,215 megawatt Orange County Advanced Power Station near Bridge City was approved by the Public Utility Commission. Entergy Texas, Inc. estimates the plant construction, now underway to be completed in 2026, potentially powering 230,000 homes. The Power Station is projected to cost \$1.2 billion and create 7,000 construction jobs along with 27 permanent jobs.

Currently, land has been acquired and construction begun for a new Chevron-Phillips/Qatar Energy facility near Texas 87 and FM 1006 in Orange; announced on November 16, 2022, to be an \$8.58 billion dollar project with 4,500 construction jobs and 500 full time jobs. A plant expansion currently underway at the Exxon-Mobil Beaumont refinery will employ 1,850 in construction jobs, with 40 to 60 permanent jobs, and increase crude refining capacity by two thirds, making it one of the nation's largest refineries.

The Golden Triangle area, as does the Gulf Coast in general, experiences occasional hurricanes and tropical storms. Tropical Storm Harvey struck the area on August 30, 2017, with record rainfall and widespread flooding. Tropical Storm Imelda struck the area on September 19, 2019, also with widespread flooding and road closures, but to a lesser degree than experienced during Tropical Storm Harvey. Most flooding occurred in the westerly portion of Jefferson County and easterly portion of Chambers County. A fairly rapid recovery was completed with minimal long term adverse effect. Most recently, the area in general suffered relatively minor damage from Hurricane Laura which struck the Cameron/Lake Charles, Louisiana area, just to the east, on August 27, 2020. Damage in the Orange area was more extensive, being closer in proximity to landfall. Damage in the Lake Charles area was severe. Tropical Storm Beta, which struck the area on September 22, 2020, caused minimal damage. Hurricane Delta, which struck Lake Charles on October 9, 2020, caused moderate damage in the Beaumont, Port Arthur and Orange area.

In response to the threat of hurricane damage, the US Corps of Engineers is constructing a coastal storm barrier system known as the Sabine to Galveston or Texas Coastal Spine Project. The project will extend 27 miles through Orange County coastal area, as well as coastal area of Jefferson County and the Bolivar Peninsula to Galveston. The project initially began in Orange County in 2020 and is expected to be complete in 2031. The entire project is projected to take 20 years or more to complete with design and environmental studies for some areas not yet complete.

Prices paid for existing real estate in general are increasing. Brokers are optimistic with increases in market activity related to continued petrochemical expansion anticipated over the next twelve months. Currently smaller office/shop/warehouse space is in short supply with new construction anticipated.

An area map is included in the Addenda.

NEIGHBORHOOD ANALYSIS: The objective of a Neighborhood Analysis is to describe and analyze observable and/or quantifiable data that indicates discernible patterns of urban growth, structure and changes that detract from or enhance property values.

A neighborhood is a portion of a larger community in which there is a homogeneous grouping of inhabitants, buildings or business enterprises. Neighborhood boundaries may consist of well-defined natural or man-made barriers, or they may be, more or less, well-defined by a distinct change in land values or in the character of the inhabitants.

The subject tract is located on the west side of Crow Road, north of Folsom Road and just south of Dowlen Road.

The subject neighborhood is, in general, considered to be that developing area in the westernmost portion of Beaumont bounded on the north by the State Highway 105, on the south by Gladys Avenue, on the east by properties along or near Dowlen Road and Eastex Freeway (U. S. 69/96/287), and on the west by Major Drive. Parkdale Mall, being a significant influence on area development, is located at the northwest corner of Dowlen Road and the Eastex Freeway. The area in proximity to Parkdale Mall and along Dowlen Road south to Delaware Street has become the premier commercial district in the city.

The subject neighborhood falls in the northwesterly pattern of growth of the City of Beaumont. The area enjoys excellent access from all directions via State Highway 105, Major Drive (FM 364) and U.S. Highway 69/96/287. State Highway 105 is a four-lane concrete paved curb and guttered traffic artery with a center turning lane from U.S. 69/96/287 west to the county line. Major Drive south of Highway 105 is a four-lane concrete paved curb and guttered thoroughfare. Eastex Freeway is a major divided four-lane traffic artery traversing the city in a north/south direction. Folsom Drive Extension, a four lane concrete curb and guttered street was completed in ± 2000 from Dowlen Road to Major Drive providing the area with a new direct access route to Parkdale Mall. Delaware Drive Extension, a four-lane concrete paved curb and guttered street, was completed in ± 2001 from Dowlen Road to Major Drive. Recently completed Northwest Parkway extends west from Parkdale Mall connecting with Folsom and Major Drive.

Commercial development has been very active within the last 10 to 15 years. New commercial construction along or near Dowlen Road, the primary commercial artery through the area, is exemplified by the construction of a Kroger Signature store, retail strip centers on each side of Dowlen at Folsom, Tuscan Office Park, Howell's Furniture, HEB Grocery Store and attached shopping center, as well as smaller free standing offices, retail stores and fast food restaurants. More recent development includes a Community Bank at Dowlen Road and Delaware, a nursing home on Pointe Parkway, a church facility on Pointe Parkway, as well as a First Financial Bankshares branch on Dowlen north of Delaware.

Additional commercial development has occurred along State Highway 105 and N. Major Drive including Ritter Home Center and Lumberyard, a convenience store and a branch bank. Also recently developments include fast food restaurants, apartments and small retail stores.

Several apartment facilities have been constructed on Major Drive north of Folsom Drive. A new apartment complex has been completed on Major Drive, just south of Gladys Avenue. Residential development of adjacent areas has generally paralleled the commercial growth occurring around Parkdale Mall. Residential development includes both single and multi-family units. This growth has progressed steadily in a northwesterly direction. Neighborhood commercial and residential support facilities including religious facilities have been developed as demand requires.

A substantial portion of undeveloped land remains available to the west of the Parkdale area along Northwest Parkway, and is available for residential and commercial development. New residential construction is typically within the \$200,000 to \$500,000 price range and at present continues at a slow pace.

Zoning within the neighborhood is mostly residential, including R-S (single family residential), RM-H (multi-family/high density) and RM-M (multi-family/medium density) classifications. Zoning along Dowlen Road, FM 364 (Major Drive), Gladys Avenue, Folsom Extension and Delaware Extension allows for commercial development.

Terrain within the area is fairly level, generally sloping downward toward Pine Island Bayou to the north. Land elevations are approximately 25 to 35 feet above mean sea level. The neighborhood falls mostly within Flood Zone C, as determined by the Federal Emergency Management Association. This is an area of minimal flood hazard. Portions of the neighborhood, especially along tributaries of Pine Island Bayou, fall within Flood Zone A which is within the 100-year flood plain. The LNVA canal crosses the northern portion of the neighborhood, running generally northeast and southwest.

City utilities are available to properties in the neighborhood. The capacity of these utilities is not known to the appraiser and anyone considering a major development should verify this information with the city authorities.

In conclusion, the neighborhood is located within the city's growth path and is considered a very viable area for continued development. The presence of available vacant land assures future growth as economic factors warrant; however, the premier commercial district along Dowlen Road south to Delaware is approaching full development.

Various maps pertaining to the subject neighborhood are presented in the Addenda

SITE DESCRIPTION:

Location/

Access: The subject site is located on the west side of Crow Road, just south of Dowlen Road, in close proximity to Parkdale Mall and surrounding commercial development along Dowlen Road. Crow Road is a two lane secondary street connecting Folsom Drive with Dowlen Road. The subject is readily accessible, but visibility is secondary.

Tract Size: .3710 acres or 16,161 SF

- Configuration:** Generally rectangular with 109.88 feet frontage
- Topography/
Elevation:** The subject tract is cleared and level, approximately at road grade. Elevation is approximately 20 to 25 feet above mean sea level.
- Flood Zone:** The tract is located in FEMA designated Flood Zone A, within the 100 year flood plan.
- Zoning:** GC-MD, General Commercial/Multi-Family Dwelling
- Utilities:** All public utilities are available.
- Existing
Improvements:** The subject is improved with a 2,960 SF office facility and related concrete parking and drives, effectively 15 years old and in good condition.
- Surrounding
Uses:** Adjacent to the north is a retail store fronting Dowlen Road. Adjacent to the west and south are office facilities similar to the subject, developed as an office park, originally including the subject. Across Crow Road to the east is a church facility.
- Easements/
Encumbrances:** Standard utility easements were noted. Also, the access drive through the southerly portion of the subject site is subject to an easement for ingress/egress for adjacent office park facilities to the south and west.

The characteristics of the subject site generally conform to those of surrounding properties and those discussed in the Neighborhood Analysis are considered applicable. The tract is of sufficient size and utility for a variety of small commercial uses, such as are typical of the immediate area.

The subject is presently improved as an office.

Presented in the Addenda are a Flood Map, Topography Map, Aerial Photo, Plat Map and a Zoning Map.

IMPROVEMENT DESCRIPTION:

- Gross Building Area:** 2,960 SF
- Current Occupancy:** Owner related tenant, 100%; partial sublet

Construction:

Foundation -	Concrete
Floors -	Wood laminate and ceramic tile
Exterior Walls -	Brick, vinyl soffit and gables
Interior Walls -	Finished Sheetrock
Ceilings -	Finished Sheetrock
Roof -	Composition Shingle
Eave Height -	± 10 feet
Heat/AC -	CH/CA
Electrical -	Standard
Equipment -	Built in counters, cabinets with Formica tops
Lighting -	Canned lighting
Doors -	Metal exterior doors and wood/hollow core interior doors
Plumbing -	Three restrooms with standard fixtures that include lavatories and toilets

Site Improvements:

Concrete parking and drives, covered porches, chain link fence enclosure at rear, floored attic storage with stairway access

The building is in good condition. Deferred maintenance is minimal.

The subject building was constructed in 2003 (per JCAD records). It has an effective age of 15 years with a remaining useful life of 30 years.

The layout and design of the subject facility is considered to be functionally adequate for its intended use, that being for office use.

Presented in the Addenda are floor plans of the subject building. The location of the improvements on the site is shown on the Aerial Photo discussed previously. Also included in the Addenda are various interior and exterior photographs of the facility.

HIGHEST AND BEST USE:

Highest and Best Use “as though vacant”: The subject is located in immediate proximity to concentrated commercial development along Dowlen Road in the premier commercial district of the city. However access/exposure in an office park development on Crow Road is secondary, which tends to preclude typical retail uses. The site is of adequate size for small office uses. The subject’s zoning designation is GC-MD (General Commercial/Multi-Family Dwelling). Office development is legally permissible and consistent with surrounding development. Financial feasibility is suggested by existing and new commercial office uses in the area. Thus, the Highest and Best Use, “as though vacant”, is *Office Use*.

Highest and Best Use “as improved”: The value opinion as developed herein of \$460,000 applied to the site only, is calculated as \$28.46 per square foot, well above the typical range of values for similar sites of \$6.00 to \$11.00 per square foot. As the subject improvements contribute significantly to the overall value of the property, the Highest and Best Use “as improved” is considered to be for continued use as an *Office Facility*.

SUMMARY OF SALES COMPARISON ANALYSIS: This is an appraisal technique in which the Market Value estimate is based on prices paid in actual market transactions. The approach involves gathering data of sales of comparable properties and analyzing the nature and condition of each sale, comparing with the subject property, making logical adjustments for characteristics dissimilar to the subject property. The direct sales comparison approach is based upon the principle of substitution and is a good indicator of value when sales of highly similar properties are available. The principle of substitution is defined in The Dictionary of Real Estate Appraisal, p. 296 as "The appraisal principle that states that when several similar or commensurate commodities, goods or services are available, the one with the lowest price will attract the greatest demand and widest distribution." The reliability of this approach is dependent upon the following factors:

- The degree of similarity of the comparable property to the property being appraised as to location, size, and utility.
- The time of the sale.
- The verification of the market data.
- The absence of unusual conditions affecting the sales price.

The appraiser has made a diligent search of available sources in an attempt to obtain data on the sales of similar improved properties in the subject market area. Also contacted were several area real estate brokers. The market for similarly improved properties has seen some activity in recent years. Therefore, there have been several transactions providing sufficient data whereby a meaningful indication of value could be extracted from their analysis.

Presented on the following pages is the data on the improved sales which were deemed most comparable and provided the most reliable indicators of value, as well as a map showing the location of each sale in relation to the subject. A Sales Summary is presented subsequently.

The square foot unit of gross building area has been used in the analysis as the market tends to quote building prices in this unit. The sales price per square foot is adjusted to the subject building with the results being a unit price for which the sale building would have sold on the current market had it contained characteristics identical to the subject.

The Market Adjustment Chart, showing the pertinent data on each sale and the adjustments follows the Sales Summary. After the adjustment chart is a brief explanation of the adjustments and the concluded value estimate for the subject property.

Improved Sale No. 1**Property Identification**

Record ID	793
Property Type	Office
Address	7750 Gladys Avenue, Beaumont, Jefferson County, Texas 77706
Location	North side, west of Shakespeare Drive
Tax ID	PIDN: 12317
Legal Desc.	Lots 1-4 Block 1 & Tract B Lot 5 Briarwood Village

Sale Data

Grantor	Richard Guseman
Grantee	Robert Nicks ET UX
Sale Date	April 12, 2023
Deed Book/Page	2023009574
Property Rights	Fee
Verification	CBCAAA-Agent: T. Self

Sale Price	\$465,000
Cash Equivalent	\$465,000

Improved Sale No. 1 (Cont.)**Land Data**

Land Size	0.305 Acres or 13,290 SF
Front Footage	160 ft
Zoning	RM-H
Topography	Level and cleared
Utilities	All available
Shape	"L" shaped
Flood Info	Zone X

General Physical Data

Building Type	Single Tenant
SF	2,700
Construction Type	Masonry
Roof Type	Composite shingle
Foundation	Concrete
Year Built	2001 Eff. age:15-20 Years
Condition	Good

Indicators

Sale Price/ SF	\$172.22
Floor Area Ratio	0.20
Land to Building Ratio	4.92:1

Remarks

Property is a duplex building.

Improved Sale No. 2**Property Identification**

Record ID	692
Property Type	Office
Address	1090 Longfellow Drive, Beaumont, Jefferson County, Texas
Location	East side of Longfellow, south of Gladys, also fronts west side of IH-10 Service Road
Tax ID	PIDN 122625
Legal Desc.	Tract out of the A. Williams Survey

Sale Data

Grantor	DuPuis, Inc., LLC
Grantee	Retirement Financial Group, LLC
Sale Date	March 07, 2023
Deed Book/Page	2023005945
Marketing Time	35 DOM
Financing	Cash to seller
Verification	Agent, R. Harrington/Remax Commercial; Other sources: MLS 235652
Sale Price	\$368,000
Cash Equivalent	\$368,000

Improved Sale No. 2 (Cont.)**Land Data**

Land Size	0.180 Acres or 7,841 SF
Zoning	GC-MD
Dimensions	Rectangular
Flood Info	Zone X

General Physical Data

Building Type	Single Tenant
SF	2,253
Construction Type	Masonry
Roof Type	Metal
Foundation	Concrete
HVAC	CH/CA
Year Built	1970 Eff age is 10 years
Condition	Good (see remarks)

Indicators

Sale Price/ SF	\$163.34
-----------------------	----------

Remarks

The property was purchased by the seller on October 12, 2021, and completely renovated with all new interior finishes.

Improved Sale No. 3**Property Identification**

Record ID	743
Property Type	Office
Address	7620 Eastex Freeway, Beaumont, Jefferson County, Texas
Location	East side at Caswell Road (NWC)
Tax ID	PIDN 128251
Legal Desc.	W. B. Dyches League, A-17

Sale Data

Grantor	7620 Eastex, LLC
Grantee	Sovereign Property Group, LLC
Sale Date	February 02, 2023
Deed Book/Page	2023002911
Financing	Cash to seller
Verification	Broker, Milt Prewitt/J M Prewitt Co.
Sale Price	\$275,000
Cash Equivalent	\$275,000

Improved Sale No. 3 (Cont.)**Land Data**

Land Size	0.350 Acres or 15,255 SF
Front Footage	164 ft on Caswell; 170 ft on Eastex;
Zoning	GC-MD
Dimensions	Irregular
Flood Info	Zone X

General Physical Data

Building Type	Single Tenant
SF	1,645
Construction Type	Slab/brick veneer
Roof Type	Composition
HVAC	CH/CA
Year Built	1985 eff age 20-25 years
Condition	Good

Indicators

Sale Price/ SF	\$167.17
-----------------------	----------

Remarks

The property includes an attached carport and concrete parking.

Improved Sale No. 4



Property Identification

Record ID	706
Property Type	Office
Address	2905 Toccoa, Beaumont, Jefferson County, Texas
Location	South side at 13th Street, SWC
Tax ID	PIDN 117635
Legal Desc.	Lot 2, Block 2, Woodgate Square

Sale Data

Grantor	LDK Real Estate Partnership, LP
Grantee	Toccoa Road, LLC
Sale Date	February 12, 2022
Deed Book/Page	2022006937
Financing	Cash to seller
Verification	Broker, Arnold and Associates, CBC
Sale Price	\$546,440
Cash Equivalent	\$546,440

Improved Sale No. 4 (Cont.)**Land Data**

Land Size	1.172 Acres or 51,052 SF
Front Footage	192 ft + Toccoa Road; 265 ft on 13th Street;
Zoning	GC-MD
Dimensions	Rectangular
Flood Info	Zone X

General Physical Data

Building Type	Single Tenant
SF	4,879
Construction Type	Masonry
Roof Type	Composition Shingle
Foundation	Concrete
HVAC	CH/CA
Year Built	2005 Eff age is 10 to 15 years
Condition	Average

Indicators

Sale Price/ SF	\$112.00
-----------------------	----------

Remarks

Building has custom interior finishes.

Improved Sale No. 5



Property Identification

Record ID	715
Property Type	Office
Property Name	Office
Address	2 Acadiana Court, Beaumont, Jefferson County, Texas
Location	Acadiana Court @ Delaware (NEC)
Tax ID	PID #239870
Legal Desc.	LOT 2 Acadiana Court
MSA	Beaumont-Port Arthur

Sale Data

Grantor	SIDAZO LLC
Grantee	Joshua Cavett
Sale Date	September 09, 2022
Deed Book/Page	2022031309
Financing	Cash to Seller
Verification	Broker / CBC -Arnold & Assoc. /appraisal file

Sale Price	\$720,000
Cash Equivalent	\$720,000

Improved Sale No. 5 (Cont.)

Land Data

Land Size	0.302 Acres or 13,142 SF
Front Footage	150 ft Acadiana Court;
Zoning	RM-H
Utilities	All available
Shape	Rectangular
Flood Info	Zone X

General Physical Data

Building Type	Single Tenant
SF	4,179
Construction Type	S/BV
Roof Type	Composite Shingle
Foundation	Concrete
HVAC	CH/CA
Year Built	2008 Eff. Age:5-10 Yrs
Condition	Good

Indicators

Sale Price/ SF	\$172.29
Floor Area Ratio	0.32
Land to Building Ratio	3.14:1

Remarks

Building was originally designed for use as a mortgage company with layout suitable for several tenants. Buyer intends to owner occupy and possibly sublet. Design / quality of interior furnishings is custom, including 12' ceilings, crown molding, granite counters, solid wood doors, internet throughout. Property is not accessible from Delaware, Acadiana Court only.

Improved Sale No. 6**Property Identification**

Record ID	645
Property Type	Office
Property Name	Office Building
Address	3120 Central Mall Drive, Port Arthur, Jefferson County, Texas 77642
Location	South side east of U.S. Highway 69/96
Tax ID	PID #73897
Legal Desc.	Replat of Tr. 1-A, Lots 1 & 3 and W. 16.66' Lot 5, Block 13
Con't.	Range J, PALCO, Jefferson County, Texas

Sale Data

Grantor	LawProp 1, LLC
Grantee	Sabine-Neches Partners
Sale Date	September 09, 2020
Deed Book/Page	2020-030882
Property Rights	Fee
Marketing Time	405
Financing	Cash to Seller
Verification	MLS #206109; Other sources: Jefferson CAD records
Sale Price	\$1,350,000
Cash Equivalent	\$1,350,000

Improved Sale No. 6 (Cont.)**Land Data**

Land Size	1.690 Acres or 73,616 SF
Zoning	Commercial
Topography	Level, Cleared
Utilities	All public utilities available
Shape	Irregular
Flood Info	Zone - B

General Physical Data

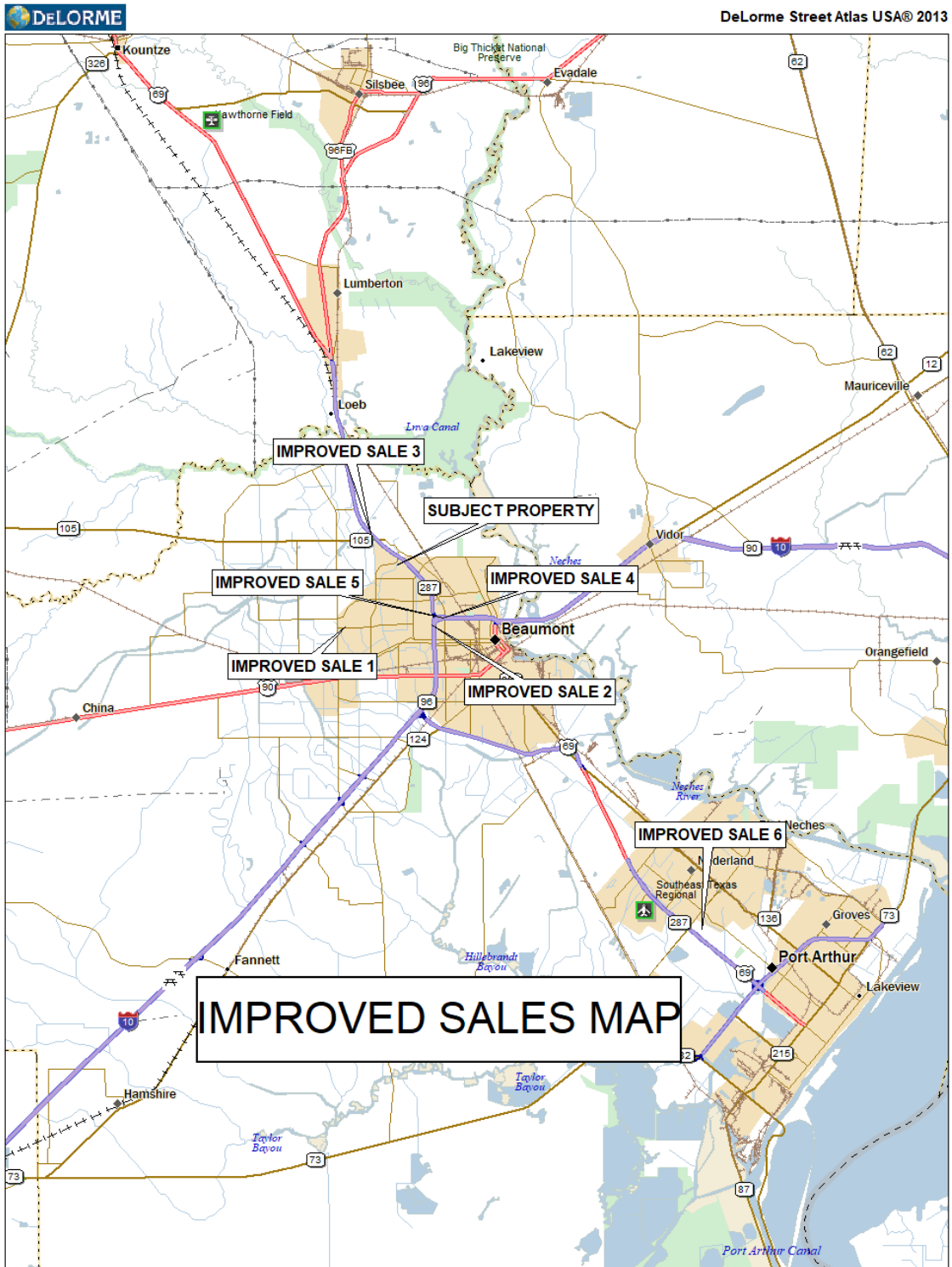
Building Type	Single Tenant
Gross SF	10,726
Construction Type	Brick veneer
Roof Type	Composition shingle
Foundation	Concrete slab
Electrical	Adequate
HVAC	Central HVAC systems
Stories	1
Floor Height	12'
Year Built	1996 Eff Age - 15 years
Condition	Good

Indicators

Sale Price/Gross SF	\$125.86
Floor Area Ratio	0.15
Land to Building Ratio	6.86:1

Remarks

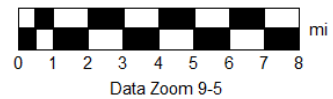
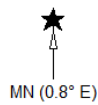
Professional office building across from Central Mall. Site improvements include garage and carport, paved concrete parking and landscaping.



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SUMMARY OF SALES COMPARISON APPROACH:**Summary of Subject**

Subject	Eff. Age	Condition	Building Size	Design	Land/Bldg Ratio
	15 Years	Good	2,960 SF	Office	5.46:1

Summary of Comparable Sales

Sale #	Date of Sale	Sales Price	Age/Cond.	Bldg Area/SF	Design	Land/Bldg. Ratio	SP/SF
1	4/2023	\$465,000	15-20/Avg	2,700	Office	4.92:1	\$172.22
2	3/2023	\$368,000	10/Good	2,253	Office	3.48:1	\$163.34
3	2/2023	\$275,000	20-25/Good	1,645	Office	9.27:1	\$167.17
4	2/2022	\$546,440	10-15/Avg	4,879	Office	10.46:1	\$112.00
5	9/2022	\$720,000	5-10/Good	4,179	Office	3.14:1	\$172.29
6	9/2020	\$1,350,000	15/Good	10,726	Office	6.68:1	\$125.86

Adjustments

Sale #	SP/SF	Location	Land/Bldg Ratio	Size	Age/Cond	Util./Design	Net Adj.	Adj. Unit Value/SF
1	\$172.22	0	0	0	0	0	0	\$172.22
2	\$163.34	0	0	0	-10%	0	-10%	\$147.01
3	\$167.17	-5%	-5%	-5%	+10%	-5%	-10%	\$150.45
4	\$112.00	+10%	-5%	+5%	0	0	+10%	\$123.20
5	\$172.29	-10%	0	+5%	-10%	0	-15%	\$146.45
6	\$125.86	-10%	0	+20%	0	-5%	+5%	\$132.15

LIMITED EXPLANATION OF ADJUSTMENTS: The sales selected are considered to be the most comparable of those recent sales discovered. As sales prices have remained fairly stable over the time frame considered, adjustments for time or market condition are not thought warranted.

Location: Sales #3, #5 and #6 are thought somewhat superior to the subject with regard to access/exposure and/or proximity to development and are negatively adjusted 5% to 10%. Sale #4 is thought inferior and positively adjusted 10%.

Land/Bldg. Ratio: Sales #3 and #4 are thought superior to the subject with regard to relative site area included and are negatively adjusted 5%.

Size: Typically smaller facilities generate relatively higher unit sales prices. Sales #3 thru 6% varied in size as compared to the subject and adjustments ranged from +20% to -5%. Applied adjustments were generally based on 10% for each doubling in size.

Age/Condition: Sales #2, #3 and #5 varied in effective age/condition as compared to the subject and adjustments ranged from +10% to -10%. Adjustments applied are based, in part, on relative age/life ratios.

Utility/Design: Sales #3 and #6, with garage/carport amenities, are thought superior and negatively adjusted 5%.

After adjustments, the value indications range from \$123.20/SF to \$172.22/SF. The mean value indication for the subject is \$145.25/SF. The median value indication is \$146.73/SF. Sales #1, #2 and #3, the most recent transactions, indicated a unit value of \$156.56/SF.

VALUE INDICATED BY SALES COMPARISON APPROACH: Considering the above data and analyses, a unit value of \$150.00/SF of building area is thought appropriate for the subject resulting in a value estimate for the subject building of **\$444,000** (2,960 SF @ \$150.00/SF) or

SUMMARY OF INCOME APPROACH ANALYSIS: The Income Approach is an appraisal technique in which the anticipated annual net income (income before debt service) of the subject property is divided by an appropriate capitalization rate in order to arrive at an indication of value. Arriving at an indication of value using this technique requires the following steps:

- Estimation of potential gross annual income from current rents.
- Estimation of effective gross income to the landlord by deducting vacancy and credit losses.
- Estimation of net income by deducting operating expenses.
Rate selection and capitalization of the net income into an indication of Market Value.

Potential Gross Income:

The subject is currently tenant occupied by Southeast Texas Professional Health Care at a rent of \$4,300/MO. There are approximately 9 months remaining on its latest renewal period that ends March 31, 2025. The attached lease provides for automatic renewals on a year to year basis unless the Lessee gives at least 60 days written notice of termination or intent to move out. The terms of the lease, specifically who pays taxes, insurance and maintenance, are not clearly stated. It appears the property is rented on a modified gross rental basis wherein the Lessee pays the property insurance and maintenance and the landlord the property taxes. However, as previously discussed, the subject lease term is relatively short and readily terminable, with parties appearing to be related. Thus, the subject is evaluated herein at market lease rate, as unencumbered by the existing leases. (However, the current lease rate at \$4,300/MO appears consistent with market as estimated subsequently.) Typically, properties like the subject are leased on a NN rental basis wherein the Lessee pays taxes, insurance and maintenance and that will be the lease type utilized in this approach to value. Note: There is some 600 SF area of the primary tenant space that the Lessee has sublet to a salon on a month to month basis. This rental income was not considered in this analysis.

In order to estimate the Potential Gross Income (PGI) for the subject property, the appraiser has considered rents being paid for comparable office facilities throughout the area. Comparable Rental Data is included subsequently, followed by a Summary of Comparable Rental Data in tabular form.

Improved Lease No. 1



Property Identification

Record ID	498
Property Type	Office
Address	4180 Delaware Street Suite 301, Beaumont, Jefferson County, Texas 77706
Location	Beaumont Courtyard Office Park

Physical Data

SF	2,098
SF	2,098
Construction Type	Brick veneer
Roof Type	Composition shingle
Foundation	Concrete
Electrical	Standard
HVAC	CH/CA
Year Built	1988 Eff age, 20-25 years
Condition	Average

Improved Lease No. 1 (Cont.)**General Lease Data**

Tenant	Dunham Hallmark, PLLC
Typical Lease Term	2 years ending 6/30/2024
Lease Type	NNN

General Tenant Summary

Owner	Ruddy Therese Roane LLC
Verification	Owner

Rent Analysis

Rent	\$1.38/SF Average
-------------	-------------------

Remarks

Office rent is \$2,895.24 for 2,098 SF with CAM of \$0.26/SF/Mo for a gross rate of \$1.64/SF/Mo.

Improved Lease No. 2



Property Identification

Record ID	487
Property Type	Office/Retail Center
Address	5475 Highway 105, Beaumont, Jefferson County, Texas
Location	South side, east of Eastex Fwy

Physical Data

SF	1,500
SF	1,500
Construction Type	Metal
Roof Type	Metal
Foundation	Concrete
Electrical	Standard
Year Built	2007
Condition	Average; Eff. Age 15 Years

Improved Lease No. 2 (Cont.)**General Lease Data**

Tenant	Audible Hearing Aid
Typical Lease Term	Ending 6/2026
Lease Type	Gross

General Tenant Summary

Owner	Babarose, Inc
Verification	Appraiser's File

Rent Analysis

Rent	\$1.65/SF Average
-------------	-------------------

Remarks

1,500 SF in a 12,441 SF multi-tenant retail center. Owner expenses are \$.36/SF/MO, thus a NNN rate is calculated to be \$1.29/SF/MO.

Improved Lease No. 3**Property Identification**

Record ID 7
Property Type Office, Two tenant
Address 6280 Delaware, Beaumont, Jefferson County, Texas

Physical Data

Gross SF 3,395
Construction Type Brick veneer
Roof Type Composition shingle
Foundation Concrete
HVAC CH/CA
Stories 2

General Lease Data

Tenant Argent Financial Group
Typical Lease Term 2 years, beginning 7/1/23
Lease Type Triple Net

Improved Lease No. 3 (Cont.)**General Tenant Summary****Verification**

Lessee,(Richard Funchess) ; September 15, 2023;
Other sources: Appraisal File

Rent Analysis**Rent**

\$1.88/SF Average

Remarks

Building has custom quality interior finishes built to suit in 2011, common area concrete parking. Lease rate increases 2% each year. Effective age is 5 to 10 years.

Improved Lease No. 4



Property Identification

Record ID	11
Property Type	Office, Single tenant
Property Name	St. Louis Court
Address	6860 Phelan Blvd., Beaumont, Jefferson County, Texas

Physical Data

Gross SF	2,111
Construction Type	Brick veneer
Roof Type	Composition shingle
Foundation	Concrete
HVAC	CH/CA
Stories	1
Year Built	1992 Eff age is 20 years
Condition	Good

Improved Lease No. 4 (Cont.)**General Lease Data**

Tenant	Doyle Land Services, Inc.
Typical Lease Term	1 Year, beginning 10/1/2023
Lease Type	Gross basis

General Tenant Summary

Owner	Beaumont Wildcat Ventures
Management Co.	Remax R. E.
Verification	Charlie Foxworth, Owner

Rent Analysis

Rent	\$1.40/SF Average
-------------	-------------------

Remarks

Owner expenses (taxes, insurance) are approximately \$7,050/yr or \$.28/SF/MO based on previous tenant (ended 4/2023). Site area is 3,430 SF with common area drives and parking.

Rent is \$2,950/Month. Landlord pays taxes, insurance and assoc. dues. Tenant pays utilities.

Improved Lease No. 5



Property Identification

Record ID	496
Property Type	Retail/Office
Property Name	Moreau Physical Therapy
Address	6438 Phelan Boulevard, Beaumont, Jefferson County, Texas 77706
Location	Westpark NEC Phelan & Dowlen

Physical Data

SF	3,500
Roof Type	Elastomeric
Foundation	Concrete
Year Built	1976; Eff age is 5 Years
Condition	Average

General Lease Data

Tenant	Moreau Physical Therapy
Typical Lease Term	5 years beginning 3/2023

Improved Lease No. 5 (Cont.)

Lease Type NNN

General Tenant Summary

Verification Coldwell Banker Commercial Arnold & Assoc.;
9/18/2023

Rent Analysis

Rent \$1.67/SF Average

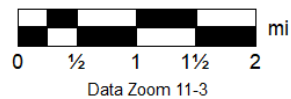
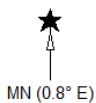
Remarks

Located in Westpark Shopping Center. Rent is \$20.00/SF/YR or \$1.67/SF/MO + nets. Tenant was provided ~\$40,000 to remodel. Calculated net expenses are \$4.00/yr or \$0.33/MO, resulting in a calculated gross rate of \$2.00/SF/MO.



IMPROVED LEASE MAP

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Summary of Comparable Rental Data

Rental #	Location	Age/ Cond	Size/SF	Monthly Rate/SF	Exp. Adj.	Adj. Mo. Rate/SF
1	4180 Delaware Street, Ste 301	20-25/Avg	2,098	\$1.38	---	\$1.38
2	5475 Highway 105	15/Avg	1,500	\$1.65	<.36>	\$1.29
3	6280 Delaware Street	5-10/Good	3,395	\$1.88	---	\$1.88
4	6860 Phelan Blvd	20/Good	2,111	\$1.40	<.28>	\$1.12
5	6438 Phelan Blvd	5/Avg	3,500	\$1.67	---	\$1.67

Monthly rents were found to range from \$1.12/SF to \$1.88/SF on a triple net basis; meaning taxes, insurance and maintenance are provided by the tenant.

Summary of Subject

Subject	Eff. Age	Condition	Building Size	Design	Land/Bldg Ratio
	15 Yrs	Good	2,960	Office	5.46:1

Adjustment Grid Comparable Rentals

Rental Rate	Rate SF/MO	Loca- tion	Age/ Cond	Size	Utility Design	Net Adj.	Ind. Rate/SF/ MO
1	\$1.38	0	+10%	0	0	+10%	\$1.52
2	\$1.29	+20%	0	-10%	0	+10%	\$1.42
3	\$1.88	-10%	-15%	0	0	-25%	\$1.41
4	\$1.12	0	+10%	0	0	+10%	\$1.23
5	\$1.67	0	-15%	0	0	-15%	\$1.42

LIMITED EXPLANATION OF ADJUSTMENTS:

Rental #2 is inferior to the subject with regard to access/exposure and/or proximity to development and was positively adjusted 20%. Rental #3, superior in this regard, was negatively adjusted 10%.

Rentals #1, #3, #4 and #5 varied in effective age/condition as compared to the subject and adjustments range from +10% to -15%, based in part on relative age/life ratios.

Typically smaller facilities generate relatively higher unit rental rates. Thus, Rental #2 somewhat smaller than the subject, was negatively adjusted for this factor. Adjustment applied was generally based on 10% per double in size.

All rentals were considered to have similar utility and general office design as the subject and no measurable adjustments were warranted.

After adjustments, the indicated unit prices from the above rents ranged from \$1.23/SF to \$1.52/SF. The mean indicated unit value is \$1.40/SF. The median indicated unit value is \$1.42/SF. Similar credence is given to all rentals. Thus, based on comparative analysis, economic rent for the subject is projected to be \$1.45/SF/MO or \$4,300/MO consistent with the subject's current lease rate, on a triple net basis meaning the tenant pays taxes, insurance and maintenance.

Potential Gross Income projected for the subject is calculated as follows:

$$\$4,300/\text{MO} \times 12 \text{ Mos} = \$51,600$$

Effective Gross Income:

The Effective Gross Income (EGI) is the PGI less an allowance for vacancy and collection losses over the investor's holding period typically expressed as a percentage of the PGI.

The subject is currently 100% occupied. However, a potential investor would project some loss due to vacancy and credit over a typical holding period.

Based on analysis of similar facilities, as well as, conversations with area owners, agents and managers of such properties, a vacancy and credit loss projection of 5% is thought reasonable for the subject. Utilizing this rate results in a Effective Gross Income (EGI) calculation as follows:

Potential Gross Income	\$51,600
Vacancy & Credit Loss (5%)	<u>\$ 2,580</u>
Effective Gross Income	\$49,020

Net Operating Income:

Estimation of Net Operating Income (NOI) attributable to the subject property requires the consideration of operating expenses necessary to maintain the income stream. The following summarizes allowable expenses:

Expense Summary:

- Management/Leasing Commissions: A survey of area professional management firms indicate this expense ranges from 3% to 10% of Effective Gross Income. For the subject, a management fee of 6% is considered reasonable. Consequently management expense for the subject is projected to be \$2,941.
- Reserves for Replacement: An annual deduction of \$2,000 is considered appropriate for the subject property which allows for the replacement of long-lived items that typically wear out during the projected term of ownership.

Stabilized Net Operating Income:

Effective Gross Income --- -----	\$49,020
Less Expenses:	
Mgmt/Leasing Commission -----	\$ 2,941
Reserves for Replacement -----	\$ 2,000
Total Expenses -----	<u>\$ 4,941</u>
Net Operating Income -----	\$44,079

Rate Selection:

The final step in the Income Approach is to capitalize the Net Operating Income into an indication of value. In addition to the market data discussed subsequently, from which a direct capitalization rate can be derived, the appraiser has used the *Band of Investment Technique* in estimating a capitalization rate and it is explained below.

The modern-day investor relies heavily on leverage, regardless of the type of investment in which he participates. In the real estate investment field, the use of leverage by prudent investors is widespread. *The Band of Investment Technique* presumes that institutional financing is a significant factor in determining an appropriate overall rate (OAR). In this technique, the overall rate is comprised of two components, being the mortgage or loan contribution and the equity contribution. Typical financing for properties such as the subject requires a 25% down payment and 75% loan ratio amortized over a 20 year term. The following factors come from the market place and are thought pertinent to the subject analysis.

1. Equity yield = 8%
2. Mortgage interest rate = 8.5% (Constant = .1041)
3. Mortgage loan = 75%
4. Amortization is level over 20 year term.

With these market data, the appraiser is now prepared to process the data in the following manner:

$$\begin{array}{rcl}
 .75 \text{ (Mortgage)} \times .1041 & = & .0781 \\
 .25 \text{ (Equity)} \times .080 & = & \underline{.0200} \\
 \text{Overall Rate (OAR)} & = & .0981 \text{ or } 9.81\%
 \end{array}$$

The mortgage information and yields were estimated from conversations with several mortgage brokers, bankers and investors. This estimate considers owner and investor expectations toward those factors that have an impact on real estate value such as interest rates, local economic levels, market trends, unemployment, inflation and government actions.

RealtyRates.com national investor survey for the 1st quarter of 2024 indicates average overall capitalization rates for office properties to be 9.31%. However, the Beaumont, Port Arthur market area often experiences higher capitalization rates than larger metropolitan areas.

Considering all of the above data, a rate of 9.5% is thought appropriate. Application of this rate results in the following value indication for the subject property via Direct Capitalization.

INDICATED VALUE VIA THE INCOME APPROACH:

$$\$44,079 \text{ (NOI)} \div .0950 \text{ (OAR)} = \$463,989$$

Rounded to: \$464,000

CONCLUDED PROPERTY VALUE: Data has been collected, analyzed and processed by the most relevant approaches recognized by the appraisal profession for estimating the Market Value of real estate with the results being as follows:

Sales Comparison Approach	\$444,000
Income Approach	\$464,000

As previously discussed, only the Sales Comparison and Income Approaches were applied to arrive at a value estimate for the subject property. Greater credence is given the Sales Comparison Approach. Therefore, as of June 18, 2024, the Market Value of the subject property is estimated to be:

FOUR HUNDRED FIFTY THOUSAND (\$450,000) DOLLARS

ADDENDA

SUBJECT PROPERTY PHOTOGRAPHS



LOOKING NORTH ALONG CROW ROAD



SOUTH VIEW ALONG CROW ROAD



LOOKING WEST ALONG COMMON DRIVEWAY EASEMENT



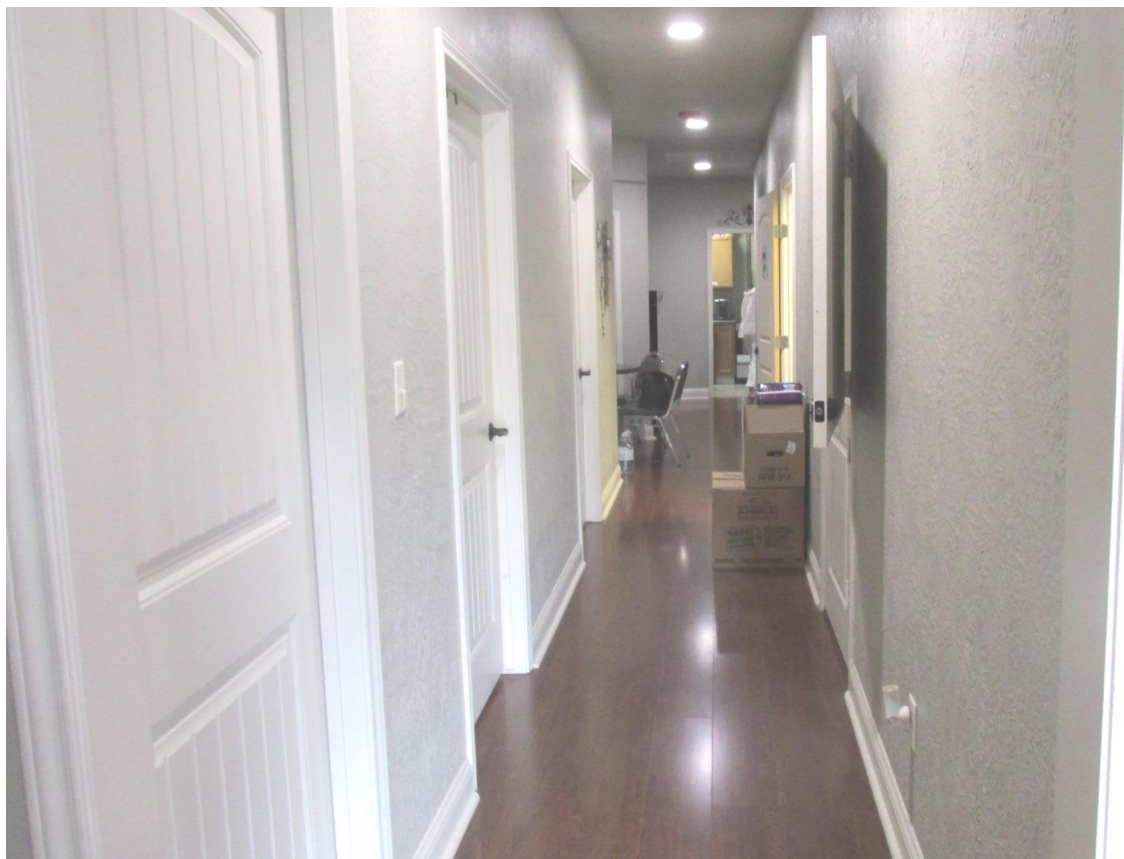
FRONT ELEVATION



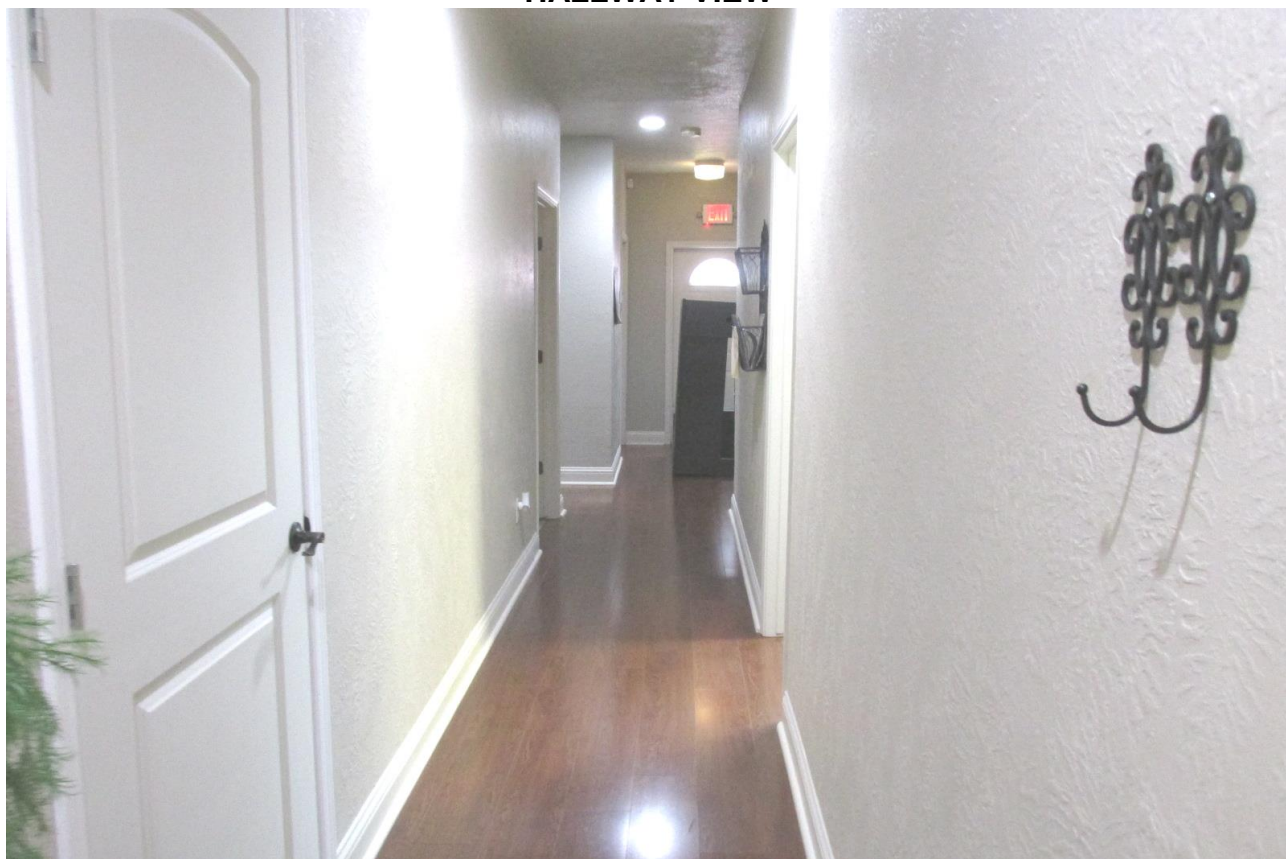
REAR VIEW



INTERIOR VIEW – RECEPTION AREA



HALLWAY VIEW



HALLWAY VIEW



TYPICAL PRIVATE OFFICE



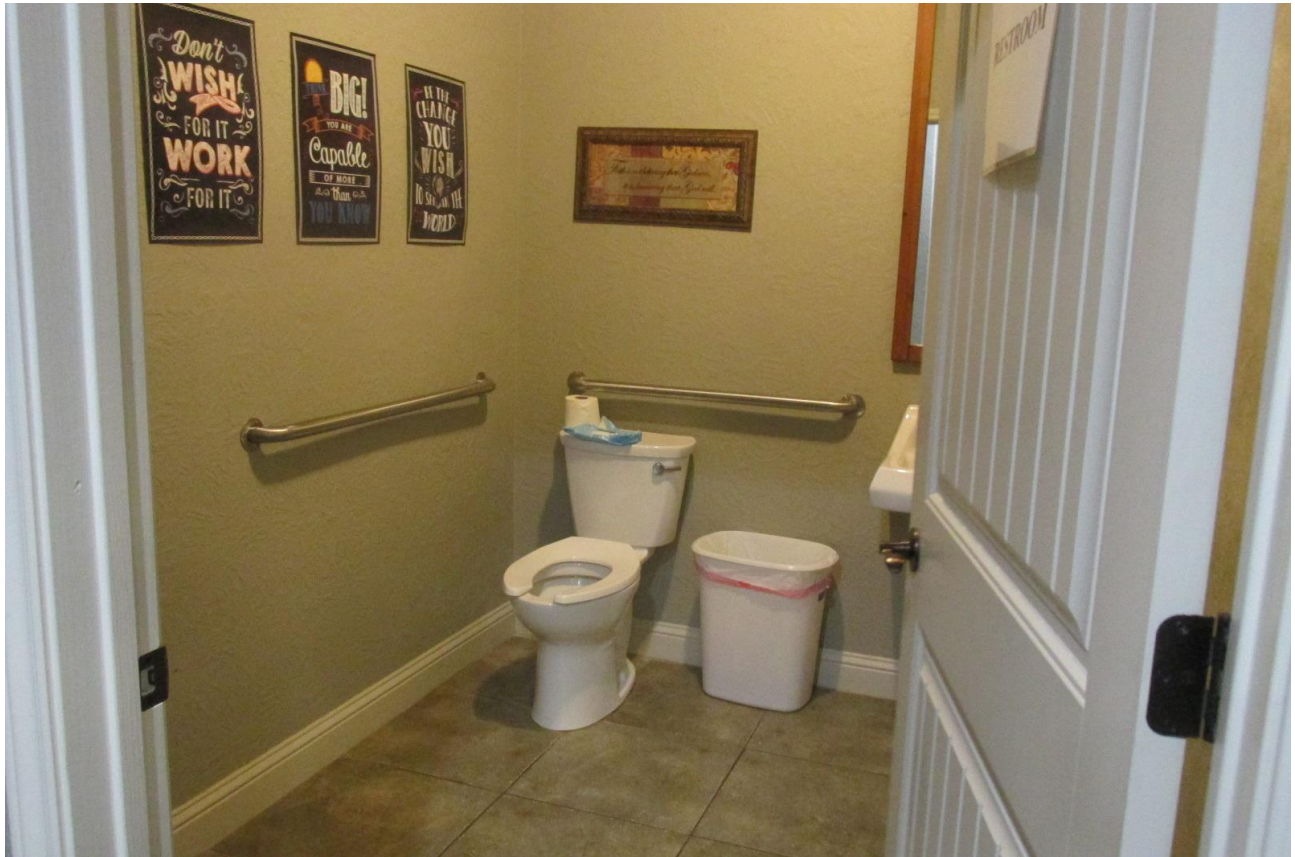
TYPICAL PRIVATE OFFICE



TYPICAL PRIVATE OFFICE



CONFERENCE ROOM



TYPICAL RESTROOM



VIEW OF KITCHEN AREA



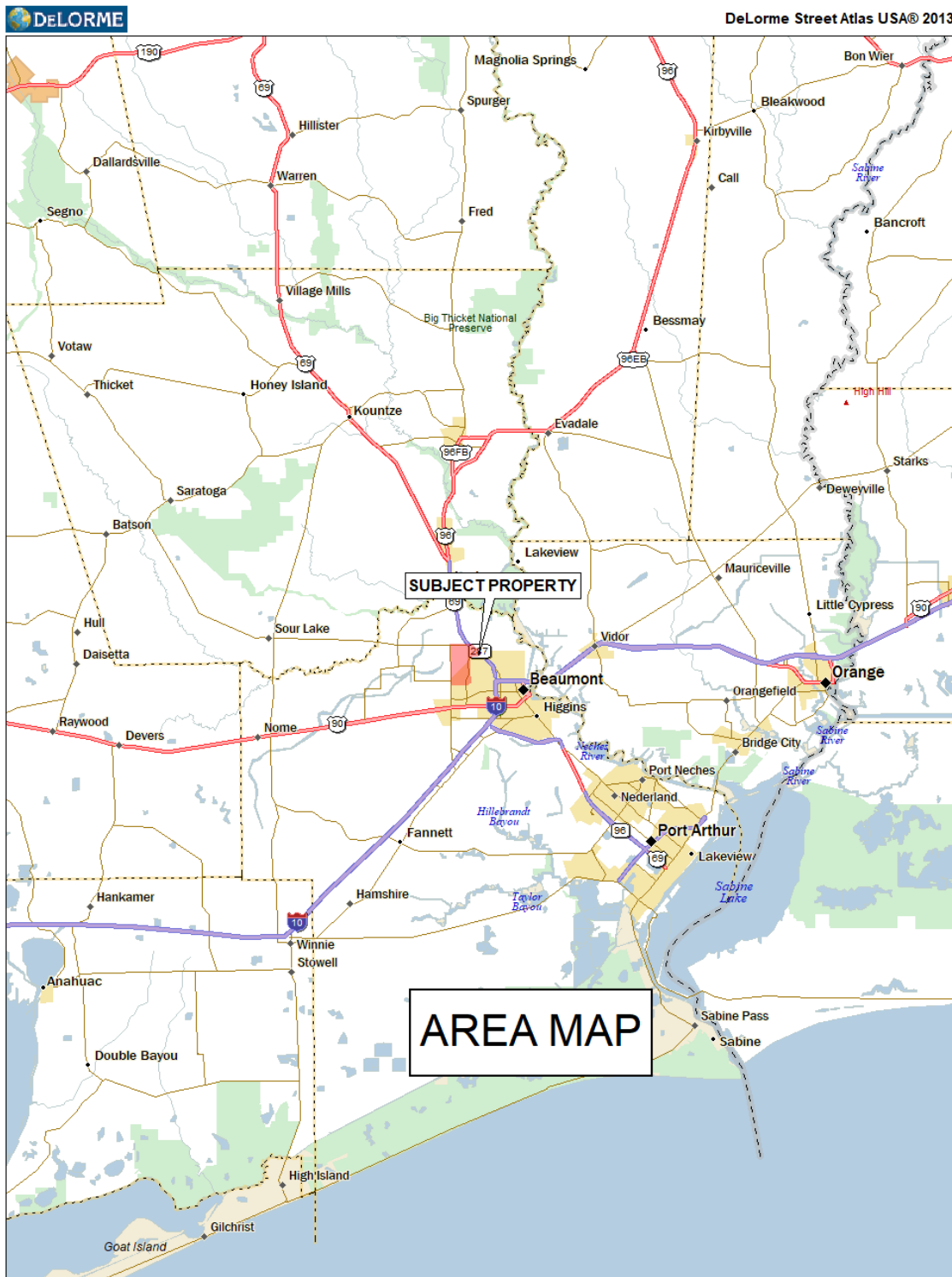
STAIRWAY ACCESS TO FLOORED ATTIC



SALON AREA AT REAR



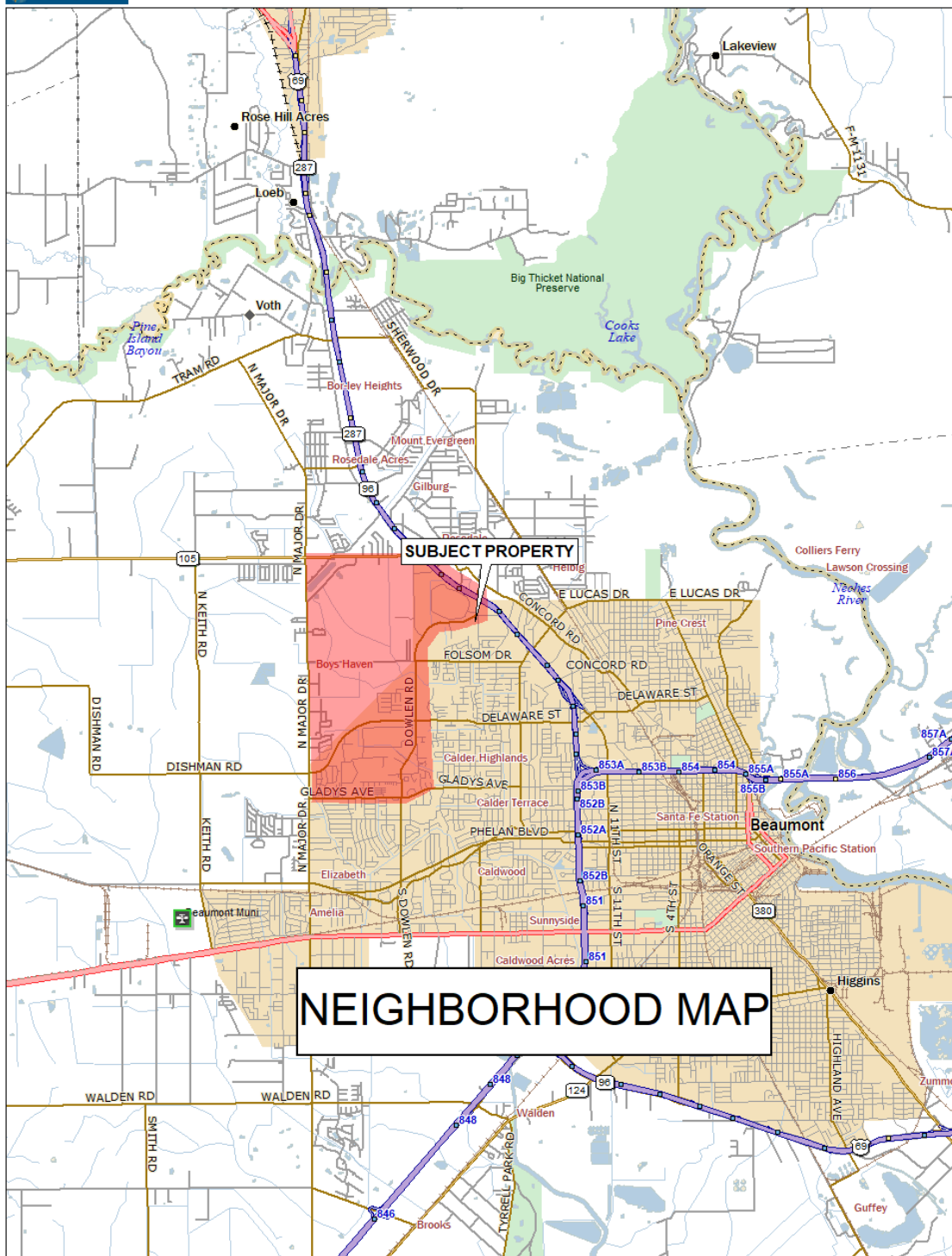
FILE ROOM/STORAGE AREA



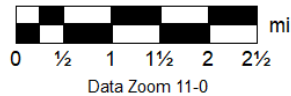
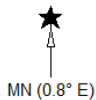
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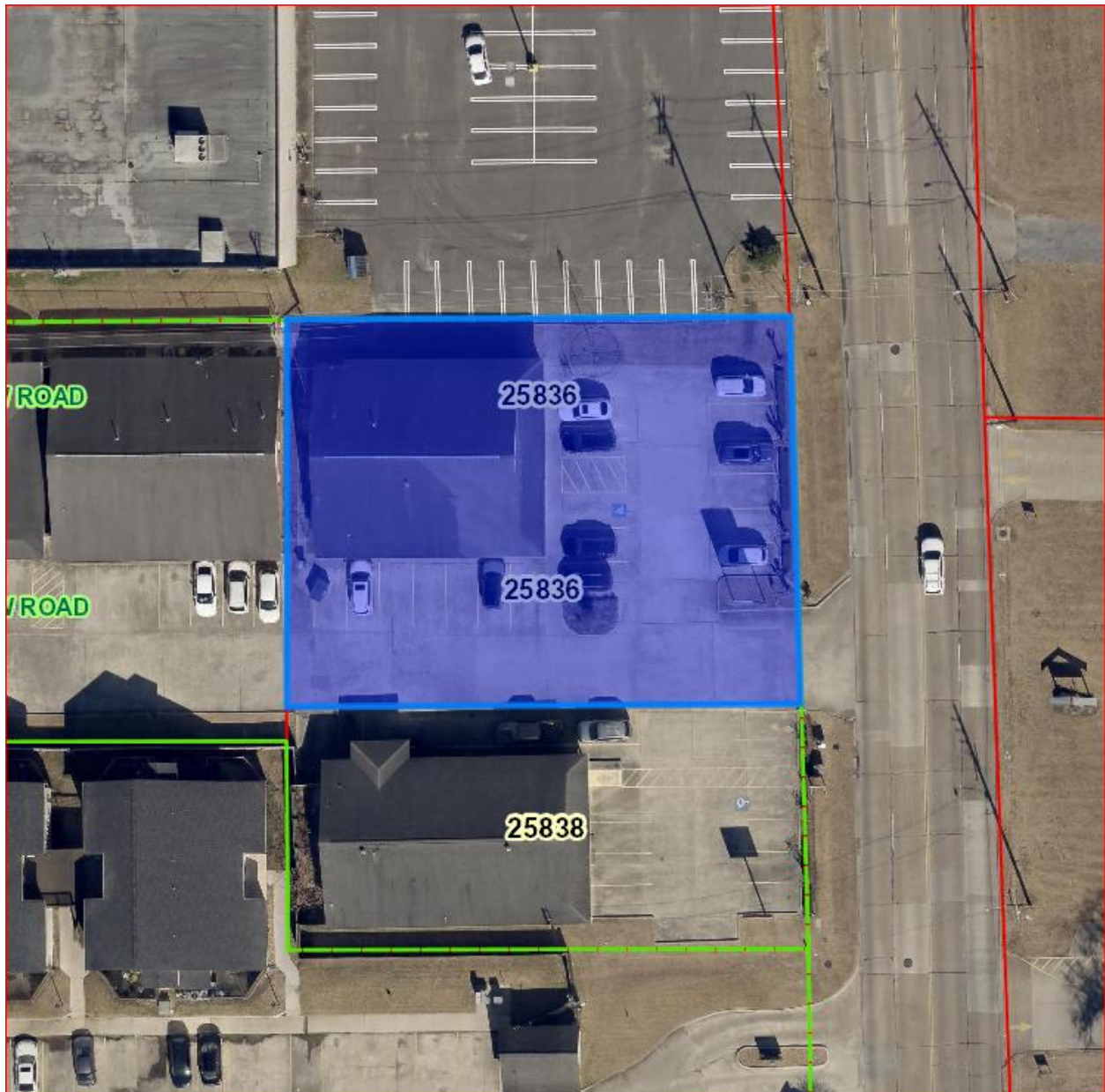
AERIAL MAP



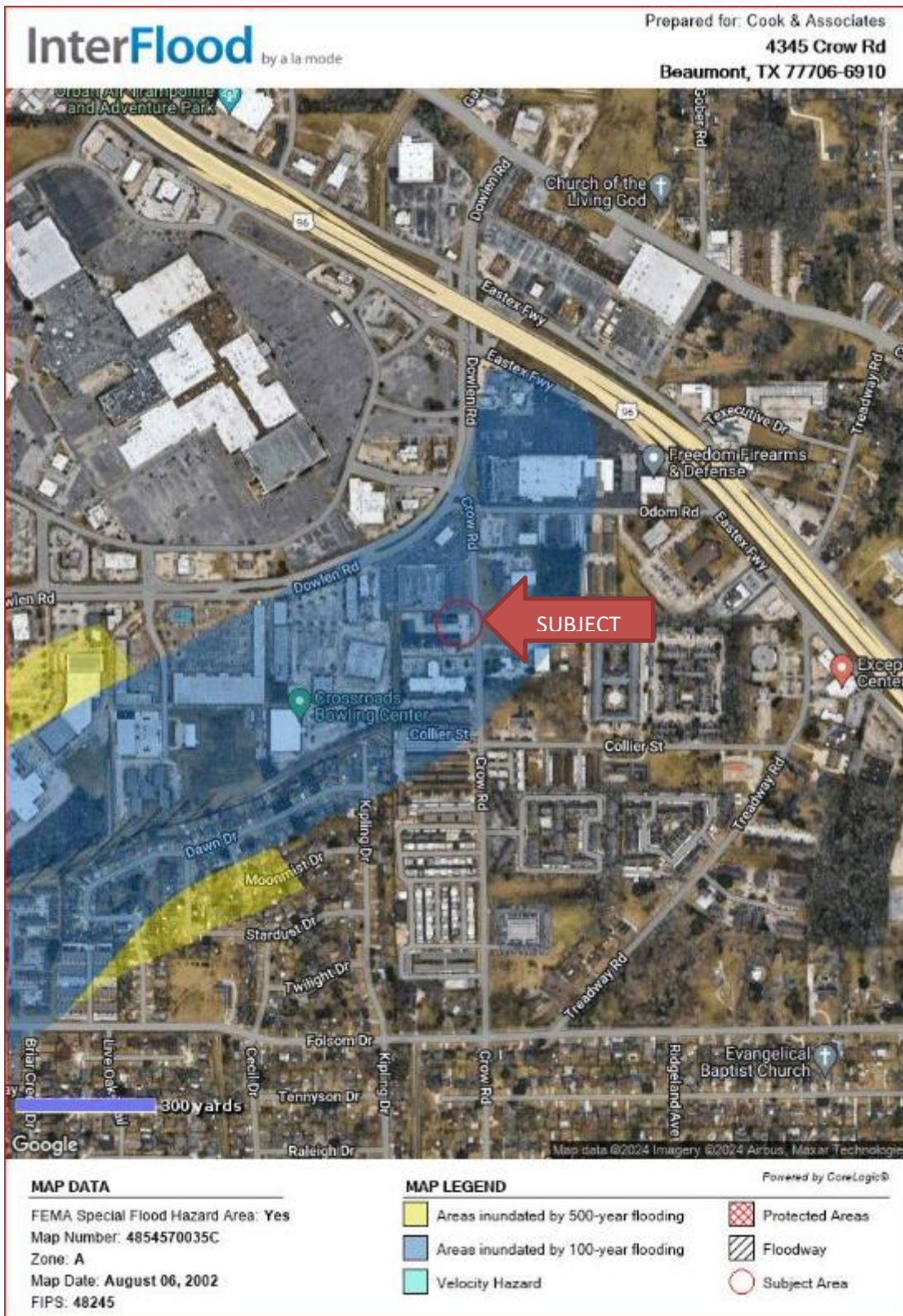
TOPOGRAPHY MAP



ZONING MAP



JEFFERSON CAD PLAT



FLOOD MAP

Property Details

Account

Property ID: 25836 **Geographic ID:** 015530-000-000100-00000
Type: Real **Zoning:** GCMD
Property Use: F1 "REAL, COMM (HOTEL/STORE/OFFC)" **Condo:**

Location

Situs Address: 4345 CROW RD BEAUMONT, TX 77706
Map ID: 0 **Mapsco:** 101-105
Legal Description: LOT 1 .3710 AC CROW ROAD BUSINESS PLAZA 4345-4347 CROW RD
Abstract/Subdivision: 015530-000 - CROW ROAD BUSINESS PLAZA
Neighborhood: 101-SA
Owner
Owner ID: 673087
Name: DETWILER ROBIN L
Agent:
Mailing Address: 435 PINEY POINT DR
SOUR LAKE, TX 77659-9246
% Ownership: 100.0%
Exemptions: For privacy reasons not all exemptions are shown online.

Property Values

Improvement Homesite Value: \$0 (+)
Improvement Non-Homesite Value: \$485,735 (+)
Land Homesite Value: \$0 (+)
Land Non-Homesite Value: \$24,240 (+)
Agricultural Market Valuation: \$0 (+)

Market Value:	\$509,975 (=)
Agricultural Value Loss: ?	\$0 (-)
Appraised Value:	\$509,975 (=)
Homestead Cap Loss: ?	\$0 (-)
Assessed Value:	\$418,366
Ag Use Value:	\$0

DISCLAIMER Information provided for research purposes only. Legal descriptions and acreage amounts are for appraisal district use only and should be verified prior to using for legal purpose and or documents. Please contact the Appraisal District to verify all information for accuracy.

Property Taxing Jurisdiction

Owner: DETWILER ROBIN L **%Ownership:** 100.0%

Entity	Description	Tax Rate	Market Value	Taxable Value	Estimated Tax	Freeze Ceiling
101	BEAUMONT ISD	0.986410	\$509,975	\$418,366	\$4,126.80	
221	CITY OF BEAUMONT	0.681485	\$509,975	\$418,366	\$2,851.10	
341	PORT OF BEAUMONT	0.095921	\$509,975	\$418,366	\$401.30	
755	SABINE NECHES NAV DIST	0.088000	\$509,975	\$418,366	\$368.16	
849	DRAINAGE DISTRICT #6	0.192429	\$509,975	\$418,366	\$805.06	
901	JEFFERSON COUNTY	0.359000	\$509,975	\$418,366	\$1,501.93	
A59	FARM AND LATERAL ROAD	0.000000	\$509,975	\$418,366	\$0.00	
CAD	JEFFERSON CO APPRAISAL DISTRICT	0.000000	\$509,975	\$418,366	\$0.00	
T341B 2	PORT OF BEAUMONT TRZ	0.000000	\$509,975	\$418,366	\$0.00	

Total Tax Rate: 2.403245

Estimated Taxes With Exemptions: \$10,054.35

Estimated Taxes Without Exemptions: \$12,255.94

Property Improvement - Building

Type: Commercial State Code: F1 Value: \$0

Type	Description	Class CD	Year Built	SQFT	Assessed Value
COM	COMMERCIAL BUILDING	SA5	2003	2,959.00	\$449,633
C15	CARPORT/CANOPY	SA5	2003	380.00	\$3,040
CPK	CONCRETE PARKING LOT	SA5	2003	9,587.00	\$24,447

Property Land

Type	Description	Acreage	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
S1	Square Foot Syle Type	0.3710	16,160.00	0.00	0.00	\$0	\$0

Property Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap Loss	Assessed
2024	\$485,735	\$24,240	\$0	\$509,975	\$0	\$418,366
2023	\$324,398	\$24,240	\$0	\$348,638	\$0	\$348,638
2022	\$301,538	\$24,240	\$0	\$325,778	\$0	\$325,778
2021	\$319,097	\$24,240	\$0	\$343,337	\$0	\$343,337
2020	\$224,325	\$24,240	\$0	\$248,565	\$0	\$248,565
2019	\$224,320	\$24,240	\$0	\$248,560	\$0	\$248,560
2018	\$238,620	\$24,240	\$0	\$262,860	\$0	\$262,860
2017	\$183,000	\$24,240	\$0	\$207,240	\$0	\$207,240
2016	\$183,000	\$24,240	\$0	\$207,240	\$0	\$207,240
2015	\$194,250	\$24,240	\$0	\$218,490	\$0	\$218,490
2014	\$194,250	\$24,240	\$0	\$218,490	\$0	\$218,490
2013	\$190,720	\$24,240	\$0	\$214,960	\$0	\$214,960

Property Deed History

Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Number
8/24/2017	WD	WARRANTY DEED	EDWARDS JAMES R & PAMALA J	DETWILER ROBIN L			2017028413
2/24/2006	WD	WARRANTY DEED	CHAPMAN ROBERT R & DIXIE	EDWARDS JAMES R & PAMELA J			2006007548
11/29/2005	WD	WARRANTY DEED		CHAPMAN ROBERT R & DIXIE &			2005042052



JEFFERSON COUNTY

[Shopping Cart](#)

Property Tax Balance

[Begin a New Search](#)

Make your check or money order payable to:
Jefferson County Tax Office
PO BOX 2112
BEAUMONT, TX 77704-2112

Shopping Cart: For your convenience you may pay several accounts at once. Click the 'Click Here to Pay Now' button to add this account to the shopping cart. Additional accounts can be added by doing a search again, then clicking the 'Click Here to Pay Now' button for each account. Up to 50 accounts may be paid at one time. Accounts are not saved in the shopping cart after you go to the Certified Payment web site.

Unless otherwise noted, all data refers to **tax information for 2023**. All amounts due include penalty, interest, and attorney fees when applicable.

Account Number: 01553000000010000000
PID # 25836

Address:
DETWILER ROBIN L
435 PINEY POINT DR
SOUR LAKE, TX 77659-9246

Property Site Address:
4345 CROW RD
77706

Legal Description:
LOT 1 .3710 AC CROW ROAD BUSINESS PLAZA
4345-4347 CROW RD

Current Tax Levy: \$8,378.63

Current Amount Due: \$6,752.23

Prior Year Amount Due: \$0.00

Total Amount Due: \$6,752.23

Last Payment Amount for Current Year Taxes:
\$2,833.03

Pending Credit Card or eCheck Payments:
No Payment Pending

[Click Here to Pay Now](#)

Market Value: \$348,638

Land Value: \$24,240

Improvement Value: \$324,398

Capped Value: \$0

Agricultural Value: \$0

Exemptions: None

[Taxes Due Detail by Year and Jurisdiction](#)

[Payment Information](#)

[Print Payment Record](#)

[Current Tax Statement](#)

Last Payer for Current Year Taxes:
SETX PROFESSIONAL HEALTH CARE

[Register to Receive Electronic Tax Statements](#)

Last Payment Date for Current Year Taxes:
05/28/2024

Active Lawsuits: None

Active Judgments: None

[Click Here](#) to see your estimated amount due for a different date. You can see this information by year and by both year and jurisdiction.

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JEFFERSON COUNTY TAX OFFICE
P.O. BOX 2112
BEAUMONT, TX 77704
EMAIL: PROPERTY@JEFFCOTX.US
(409)835-8516

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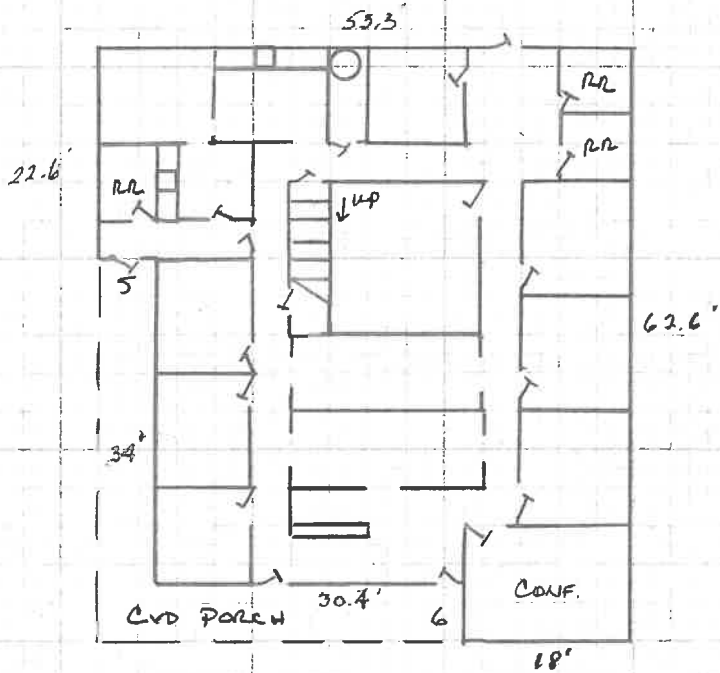
BUILDING AREA

$18 \times 62.6 = 1126.8$

$30.4 \times 56.6 = 1720.6$

$5 \times 22.6 = 113$

TOTAL 2960 SF



APPROXIMATE FLOOR PLAN
4345 - 4347 CROW RD
BEAUMONT, TEXAS

**COMMERCIAL BUILDING
LEASE-4347 Crow Rd, Beaumont, TX 77706**

THIS LEASE is made between Robin Detwiler, hereafter called "Lessor", whose address for purposes of notice under this lease is 435 Piney Point Dr., Sour Lake, TX, 77659 and Southeast Texas Professional Health Care (DBA Professional Health Care) hereafter called "LESSEE", whose address for purposes of notice under this lease is 4347 Crow Road, Beaumont, Texas 77706.

The parties agree as follows:

1. **AGREEMENT TO LEASE: DESCRIPTION OF THE PROPERTY.** The Lessor leases to the Lessee, and the Lessee rents from the Lessor, the following described commercial building: Lease entire building located at 4347 Crow Road, Beaumont, TX 77706.
2. **TERMS OF LEASE.** The term of the lease is as follows: The term of this lease shall be a period of twelve (12) months commencing on April 1, 2021 and ending at midnight on March 31, 2022. Lease will automatically renew year to year unless Lessee gives at least 60 days written notice of termination or intent to move out is required. Lessee forfeited deposit if notice is not received.
3. **RENTAL.**
 - a. Lessee shall pay to Lessor as rent at the address set forth above, or at any other address that Lessor may designate.
 - b. The minimum total rent shall be payable in monthly installments of \$4300 paid on the third day of each calendar month during the term of this lease and any renewal of it.
 - c. All payments due from Lessee to Lessor under the terms of this lease, including but not limited to monthly rental payments, shall be paid promptly when due to Lessor at the place Lessor designates in writing. If any payment is not received by Lessor by midnight on the 18th day following the day on which the payment is due, a late fee equal to five (5) percent of the delinquent payment shall be due from Lessee to Lessor as additional rent.
4. **TAXES.** Lessee agrees to pay any taxes levied against the personal property and trade fixtures of the Lessee in and about the premises, provided, however, that if any such taxes of Lessee are levied against Lessor or Lessor's property or if the assessed value of Lessor's property is increased by the inclusion of the value placed on Lessee's property and Lessor pays those taxes, Lessee, on demand, shall reimburse Lessor for all taxes actually paid on Lessee's behalf.
5. **SECURITY DEPOSIT.** Concurrent with the execution of this lease, Lessee has deposited with Lessor the sum of \$ 0, the receipt of which is acknowledged by Lessor. This sum shall be retained by Lessor as security for performance under the lease. If at any time Lessee defaults in any provision of this lease, Lessor will have the right to use the deposit or as much of it as may be necessary to pay any rent in default, any expense incurred by Lessor in curing any default by Lessee, or any damages incurred by Lessor by reason of Lessee's default. Lessor, however, may retain the deposit at its option in liquidation of the damages it suffers by reason of Lessee's default. If the deposit is not used for any such purpose, it shall be refunded to Lessee on the expiration of this lease. Lessee will not be entitled to interest on the security deposit.
6. **SUBORDINATION.** This lease and all rights of Lessee under it are and shall be subject to and subordinate to the rights of any mortgage holder now or hereafter having a security interest in the leased premises or any other encumbrances Lessor desires to place on the property.
7. **LESSEE'S COVENANTS.** Lessee further covenants and agrees as follows:
 - a. To pay the rent and every installment of it when it comes to due; to use the premises in a careful and proper manner for the express purpose of a home health and hospice business, to commit or permit no waste or damages to the premises; to conduct or permit no business or

act that is a nuisance or maybe in violation of any federal, state, or local law or ordinance; to surrender the premises on expiration or termination of this lease in clean condition in good repair, normal wear and tear excepted, provided, however, that all alterations, additions, and improvements permanently attached and made by let's see, it's successors, sublessees, and the signs (excepting movable furniture, equipment, supplies, and inventory) shall become and remain in the property of lessor on the termination of Leslie's occupancy of the premises.

- b. To maintain at all times during the lease term, at Lessee's cost, a comprehensive public liability insurance policy protecting Lessor against all claims or demands that may arise or be claimed on account of Lessee's use of the premises, in an amount of at least \$1,000,000.00 for injuries to persons in one accident, \$500,000.00 for injuries to any one person, and \$300,000.00 for damages to property. This policy must name the Lessor as an additional insured. The insurance shall be written by a company or companies acceptable to Lessor, authorized to engage in the business of general liability insurance in the state of Texas. Lessee shall deliver to Lessor annual certificates demonstrating that insurance is paid up and copies of the insurance policies issued by the insurance company or companies. Lessee further agrees to maintain at all times during the lease term, at Lessee's cost, broad – coverage fire and casualty insurance on its property (including inventory) and to provide Lessor with a copy of the policy and a certificate issued by the insurance company demonstrating that insurance is paid up. At its option, Lessor may request Lessee to obtain a certified statement by each insurance carrier containing a clause providing that the insurance carrier will give Lessor 30 days' written notice before any cancellation shall be effective. The insurance policies shall be provided by Lessee and shall be for a period of at least one year. If Lessee fails to furnish policies or certificates showing policies to be paid in full as provided in this lease, Lessor may obtain the insurance, and the premiums on that insurance will be deemed additional rental to be paid by Lessee to Lessor demand.
- c. To indemnify and hold harmless Lessor and leased premises from all costs, losses, damages, liabilities, expenses, penalties, and fines whatsoever that may arise from or be claimed against Lessor or the leased premises by any person or persons for any injury to person or property or damage of whatever kind or character arising from the use or occupancy of the leased premises by Lessee; from any neglect or fault of Lessee or the agents and the employees of Lessee in using and occupying the premises; or from any failure by Lessee to comply and conform with all laws, statutes, ordinances, and regulations of any governmental body or subdivision now or hereafter in force. If any lawsuit or proceeding shall be brought against Lessor or the leased premises on account of any alleged violations or failure to comply and conform or on account of any damage, omission, neglect, or use of the premises by Lessee, the agents and employees of Lessee, or any other person on the premises, Lessee agrees that Lessee or any other person on the premises will defend it, pay whatever judgments may be recovered against Lessor or against the premises on account of it, and pay for all attorneys' fees in connection with it, including attorneys' fees on appeal.
- d. In case of damage to glass in the leased premises, to replace it with glass of the same kind, size, and quality as quickly as possible at Lessee's expense.
- e. To make alterations in or additions or improvements to install any equipment in or maintain signs advertising its business on the premises without, in each case, obtaining the written consent of Lessor. If any alterations, additions, or improvements in or to the premises are made necessary by reason of the special use and occupancy of the premises by Lessee, Lessee agrees that it will make all such alterations, additions, and improvements in or to the premises at its own expense and in compliance with all building codes, ordinances, and governmental regulations pertaining to such work, use, or occupancy. Lessee agrees that it will hold Lessor

LESSOR'S Initials: RD

LESSEE'S Initials: [Signature]

harmless against all expenses, liens, claims, and damages to either property or person that may or might arise because any repairs, alterations, additions, or improvements are made.

- f. To permit Lessor to enter, inspect, and make such repairs to the leased property as Lessor may reasonably desire, at all reasonable times, and to permit Lessor to put on the leased premises a notice that Lessee may not remove stating that the premises are for rent one month preceding the expiration of this lease.
- g. Lessee will remove all food from the building nightly. Lessee will remove all trash from their leased spaces.
- h. Lessee will place a plastic, protective, floor mat at desk under chairs which are on rollers to protect the flooring.
- i. Lessee may not use the lease property for lodging or sleeping quarters in any manner.
- j. Tenant may not post or paint any signs or place any decoration outside the leased premises or on the Property without Landlord's written consent. Landlord may remove any unauthorized sign or decorations, and Tenant will promptly reimburse Landlord for its cost to remove any unauthorized sign or decorations.
- k. All Tenants and their employees that smoke must be in compliance with the city ordinances. No smoking inside the building or within 25 feet of an entrance to the building.

8. LESSOR'S COVENANTS. Lessor covenants and agrees as follows:

- a. To warrant and defend Lessee in the enjoyment and peaceful possession of the premises during the aforesaid term.
- b. If the premises are destroyed or so damaged by fire, casualty, or other disaster that they become untenable, Lessor will have the right to render the premises tenantable by repairs within 90 days from the date of damage with reasonable additional time, if necessary, for Lessor to adjust the loss with insurance companies ensuring the premises, or for any other delay occasioned by conditions beyond the control of Lessor. If the premises are not rendered tenantable within that time, either party will have the right to terminate this lease by written notice to the other. In the event of such termination, the rent shall be paid only to the date of the damage. If the lease is not terminated, rent nevertheless shall be abated during the period of time from the date of damage to the date of physical occupancy by Lessee or date of complete restoration, whichever occurs first.

9. DEFAULT IN PAYMENT OF RENT. If any rent required by this lease is not paid when due, Lessor will have the option to:

- a. Terminate this lease, resume possession of the property, and recover immediately from Lessee the difference between the rent specified in the lease and the fair rental value of the property for the remainder of the term, reduced to present worth; or
- b. Resume possession and re-lease or rent the property for the remainder of the term for the account of Lessee and recover from Lessee at the end of the term or at the time each payment of rent comes due under this lease, whichever. Lessor may choose the difference between the rent specified in the lease and the rent received on the re-leasing or renting.

10. DEFAULTS OTHER THAN RENT. If either Lessor or Lessee fails to perform or breaches any agreement on this lease other than the agreement of Lessee to pay rent, and this failure or breach continues for 10 days after a written notice specifying the required performance has been given to the party failing to perform, (a) the party giving notice may institute action in a court of competent jurisdiction to terminate this lease or to complete performance of the agreement, and the losing party in that litigation shall pay the prevailing party all expenses of the litigation, including reasonable attorney's fees; or (b) Lessor or Lessee may, after 30 days' written notice to the other, comply with the agreement or correct any such breach, and the cost of that compliance shall be payable on demand.

11. **INSOLVENCY, BANKRUPTCY, ETC., OF LESSEE.** If Lessee is declared insolvent or adjudicated a bankrupt; if Lessee makes an assignment for the benefit of creditors; if Lessee's leasehold interest is sold under execution or by a trustee in bankruptcy; or if a receiver is appointed for Lessee, Lessor, without prejudiced to its right hereunder and at its option, they terminate this lease and retake possession of the premises immediately and without notice to Lessee or any assignee, transferee, trustee, or any other person or persons, using force if necessary.
12. **LESSOR TO HAVE LIEN.** Lessor will have a lien against all goods, equipment, furniture, and other personal property of Lessee brought, stored, or kept on the leased premises during the lease term, in the aggregate amount of all rent, damages, and other sums that may at any time be owed by Lessee to Lessor under the lease. In the event of any default by Lessee, Lessor may foreclose the lien in the same manner that a mortgage would be foreclosed, and, in the event, Lessee shall be obligated for all court costs and reasonable attorneys' fees.
13. **ELECTION BY LESSOR NOT EXCLUSIVE.** The exercise by lessor of any rot or remedy to collect rent or enforce its rights under this lease will not be a waiver or preclude the exercise of any other right or remedy afforded Lessor by this lease agreement or by statute or law. The failure of Lessor in one or more instances to insist on strict performance or observations of one or more of the covenants or conditions of this lease or to exercise any remedy, privilege, or option conferred by this lease or reserved to Lessor shall not operate or be construed as a relinquishment or future waiver of the covenant or condition or the right to enforce it or to exercise that remedy, privilege, or option; that right shall continue in full force and effect. The receipt by Lessor of rent or any other payment or part of payment required to be made by the Lessee shall not act to wave any other additional rent or payment then due. Even with the knowledge of the breach of any covenant or condition of this lease, receipt will not operate as or be deemed to be a waiver of this breach, and no waiver by lessor of any of the provisions of this lease, or any of Lessor's rights, remedies, privileges, or options under this lease, will be deemed to have been made unless made by Lessor in writing.


No surrender of the premises for the remainder of the term of this lease will be valid unless accepted by Lessor in writing. Lessee will not assign or sublet this lease without Lessor's prior written consent. No assignment or sublease will relieve the assignor or sublessor of any obligation under this lease. Each assignee or Sublessee, by assuming such status, will become obligated to perform every agreement of this lease to be performed by Lessee, except that a Sublessee shall be obligated to perform such agreements only insofar as they relate to the subleased part of the property and the rent required by the sublease. Sublessee will be obligated to pay rent directly to Lessor only after Sublessor's default in payment and written demand from Lessor to Sublessee to pay rent directly to Lessor.

14. **ADDRESSES FOR PAYMENTS AND NOTICES.** Rent payments and notices to Lessor shall be mailed or delivered to the address set forth on the first page of this lease unless Lessor advises Lessee differently in writing.

Notices to Lessee may be mailed or delivered to the leased premises and proof of mailing or posting of those notices to the leased premises will be deemed the equivalent of personal service on Lessee. All notices to either party shall be sent by certified or registered mail, return receipt requested.

15. **CAPTIONS.** The captions and paragraphs or letters appearing in this lease are inserted only as a matter of convenience and in no way define, limit, construe, or describe the scope or intent of the sections or articles of this lease or affect this lease in anyway.
16. **TEXAS LAW.** This lease will be governed by the of the state of Texas, as to both interpretations and performance.
17. **DISPUTE RESOLUTION.** Any disputes relating to interpretation, enforcement or alleged breach of this agreement shall be submitted to binding arbitration in Beaumont, Texas, under the auspices of the Judicial Arbitration & Mediation Services, Inc., 1010 Lamar, Suite 1350, Houston, Texas. Judgment on

LESSOR'S Initials: 

LESSEE'S Initials: 

any arbitration award may be entered by any court of competent jurisdiction. This includes any derivative claims, fraud, duress, misappropriation of funds, or any other claims against Robin Detwiler, associates, or other representatives, arising out of his contract.

- 18. ENTIRE AGREEMENT. This lease sets forth all the promises, agreements, conditions, and understandings between Lessor and Lessee relative to the leased premises. There are no other promises, agreements, conditions, or understandings, either oral or written, between them. No subsequent alteration, amendment, change, or addition to this lease will be binding on Lessor or Lessee unless in writing and signed by them and made a part of this lease by direct reference.
- 19. TERMS INCLUSIVE. As used herein, the terms "Lessor" and "Lessee" include the plural whenever the context requires or admits.
- 20. REPRESENTATIVES BOUND HEREBY. The terms of this lease will be binding on the respective successors, representatives, and assigns of the parties.
- 21. PERSONAL GUARANTEE. I, LeAnn Rivers, acknowledge and guarantee the debt resulting from the foregoing lease obligation and agree that if Professional Health Care defaults on the foregoing obligation, I agree to assume that liability in full.
- 22. FULL COVERAGE AIR CONDITIONING PLAN. This plan covers maintenance and repair but does not cover theft. Coverage is outlined as follows:
 - a. Lessee must maintain its own filters. They must be changed at least monthly in normal conditions. The filter must be dated when changed. In the operation of a beauty shop, barbershop, Washateria, or similar hard use, the filter may need to be changed as frequent as 15 days, dependent on use.
 - b. Unit must be functional at the time this plan goes into effect. If unit is non-functional, it must be repaired before this plan goes into effect.
 - c. This coverage is only good for central heat and air condition units and not refrigeration service.
 - d. The charge per month is \$50.00 per unit per month. There are two air-conditioning units at this property.
 - e. Lease and air-conditioning plan must be current and paid.
 - f. The maintenance contract will run the term of your current lease and any renewal leases.
 - g. If you wish to have this service, it will begin as soon as you have dated and paid the first payment.
 - h. Lessee must contact Lessor by phone to arrange service prior to any work being done.

IN WITNESS WHEREOF, Lessor and Lessee have duly executed this Lease Agreement on April 1, 2021.



Kelley Leger 10-12-22
Notary Signature Date

[Notary Seal]

Signed, Sealed, and delivered in our presence as:

LESSOR:

Robin Detwiler 10-12-22
ROBIN DETWILER OR Date
OWNER REPRESENTATIVE

LESSEE:

LeAnn Rivers 10-12-22
LEANN RIVERS Date
PROFESSIONAL HEALTH CARE, LESSEE

GENERAL UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report and the letter of transmittal are made expressly subject to the following assumptions and limiting conditions:

General Underlying Assumptions

Legal Matters:

The legal description used in this report is assumed to be correct, but it may not necessarily have been confirmed by survey. No responsibility is assumed in connection with a survey or for encroachments or overlapping or other discrepancies that might be revealed thereby. Any sketches included in the report are only for the purpose of aiding the reader in visualizing the property and are not necessarily a result of a survey.

No responsibility is assumed for an opinion of legal nature, such as to ownership of the property or condition of title. Unless otherwise stated, the subject property appraised is the surface estate only, with no consideration of mineral interests.

The appraiser assumes the title to the property to be marketable and unrestricted; that, unless stated to the contrary, the property is appraised as an unencumbered fee which is not used in violation of acceptable ordinances, statutes or other governmental regulations.

Unapparent Conditions:

The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil or structures which would render it more or less valuable than otherwise comparable property. The appraiser is not an expert in determining the presence or absence of hazardous substance, defined as all hazardous or toxic materials, waste, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, or other raw materials or chemicals) used in construction or otherwise present on the property.

The appraiser assumes no responsibility for the studies or analysis which would be required to conclude the presence or absence of such substances or for loss as a result of the presence of such substances. The client is urged to retain an expert in this field, if desired. The value estimate is based on the assumption that the subject property is not so affected.

The site being appraised appears firm unless otherwise noted, however, soils common to the area have a high shrink-swell potential and may exert unusual pressure on foundations. The appraiser does not warrant against this condition or the occurrence of problems arising therefrom.

Information and Data:

Information, estimates and opinions furnished to the appraiser and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the appraiser can be assumed by the appraiser.

All mortgages, liens, encumbrances and servitudes have been disregarded unless so specified within the appraisal report. The subject property is appraised as though under responsible owner-ship and competent management.

Zoning and Licenses:

It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconforming use has been stated, defined and considered in the valuation.

It is assumed that the subject property complies with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in the valuation.

It is assumed that the information relating to the location of or existence of public utilities that has been obtained through a verbal inquiry from the appropriate utility authority, or has been ascertained from visual evidence is correct. No warranty has been made regarding the exact location or capacities of public utility systems.

It is assumed that all licenses, consents or other legislative or administrative authority from local, state or national governmental or private entity or organization have been, or can be, obtained or renewed for any use on which the value estimate contained in the valuation report is based.

The appraiser will not be required to give testimony or appear in court due to preparing the appraisal with reference to the subject property in question, unless prior arrangements have been made.

Possession of the report does not carry with it the right of publication. Out-of-context quoting from or partial reprinting of this appraisal report is not authorized. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of media for public communication, nor used for any purpose by any but the intended user, without the prior written consent of the appraiser signing this appraisal report.

This appraisal is to be used only in its entirety and no part is to be used without the whole report. All conclusions and opinions concerning the analysis are set forth in the report were prepared by the appraiser(s) whose signature(s) appear on the appraisal report. No change of any item in the report shall be made by anyone other than the appraiser and/or owner of the firm. The appraiser and firm shall have no responsibility if any such unauthorized change is made.

Disclosure of the contents of this report is governed by the By-Laws and Regulations of the Appraisal Institute. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers or the firm with which they are connected, or any reference to the Appraisal Institute or to the appraisal designations) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without the prior written consent and approval of the author.

The distribution of the total valuation in this report, between land and improvements, is applicable only as a part of the whole property. The land value, or the separate value of the improvements, must not be used in conjunction with any other appraisal or estimate and is invalid if so used.

An appraisal related to an estate in land that is less than the whole fee simple estate applies only to the fractional interest involved. The value of this fractional interest plus the value of all other fractional interests may or may not equal the value of the entire fee simple estate considered as a whole.

The appraisal is subject to any proposed improvements or additions being completed as set forth in the plans, specifications, and representations referred to in the report, and all work being performed in a good and workmanlike manner. The appraisal is further subject to the proposed improvements or additions being constructed in accordance with the regulations of the local, county and state authorities. The plans, specifications and representations referred to are an integral part of the appraisal report when new construction or new additions, renovations, refurbishing or remodeling applies.

If this appraisal is used for mortgage loan purposes, the appraiser invites attention to the fact that (1) the equity cash requirements of the sponsor have not been analyzed, (2) the loan ratio has not been suggested, and (3) the amortization method and term have not been suggested.

The function of this report is not for use in conjunction with a syndication of real property. This report cannot be used for said purposes and, therefore, any use of this report relating to syndication activities is strictly prohibited and unauthorized. If such an unauthorized use of this report takes place, it is understood and agreed that the appraiser has no liability to the client and/or third parties.

The appraiser reserves the right to alter the opinion of value on the basis of any information withheld or not discovered in the normal course of a diligent investigation.

There is no accountability, obligation or liability to any third party. The appraiser assumes no responsibility for any costs incurred to discover or correct any deficiencies present in the property.

The Americans with Disabilities Act ("ADA") became effective January 26, 1992. The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act.

If so, this fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, the appraiser did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

Acceptance of and/or use of this appraisal report constitutes acceptance of the foregoing General Underlying Assumptions and General Limiting Conditions. The appraiser's duties, pursuant to the employment to make the appraisal, are complete upon delivery and acceptance of the appraisal report. However, any corrections or errors should be called to the attention of the appraisers within 60 days of the delivery of the report.

QUALIFICATIONS OF W. BURNELL COOK, MAI, SRA
President, Cook & Associates

Professional Affiliations and Activities

MAI and SRA Member of Appraisal Institute, Houston Chapter
Southeast Texas Chapter of CPA's
Texas Society of CPA's
National Association of Realtors
Texas Association of Realtors
Beaumont Board of Realtors

Educational Background

Graduated from Forest Park High School, Beaumont, in 1972
Graduated from Lamar State University, Beaumont, in 1976
(BBA in Accounting)

Recent Continuing Education

Financial Analysis	9/2014
Analyzing Operating Expenses	1/2015
Forecasting Revenue	2/2015
Comparative Analysis	3/2017
Sales Comparison Approach Workshop	3/2017
Appraisal of Owner Occupied Commercial Prop.	1/2019
Appraisal of Self-Storage Facilities	1/2019
Land and Site Valuation	1/2019
National USPAP Update	9/2020
Appraisal of Industrial and Flex Buildings	11/2020
Introduction to Commercial Appraisal Review	1/2021
The Basics of Expert Witness for Commercial App.	1/2021
Business Practices and Ethics	11/2021
Realtor Code of Ethics Training	12/2021
Supervisor – Trainee Course for Texas	4/2022
National USPAP Update	2/2023
Commercial Land Valuation	3/2023
Appraisal of Fast Food Facilities	3/2023

Experience

Work experience includes various accounting and financial management positions from 1976-1984 with emphasis on real estate investments, and business acquisitions and divestitures as chief financial officer.

In February 1984, I joined Cook & Associates and have been active in consultation, expert witness testimony and appraisal of various real estate interests in the East Texas and Southwest Louisiana areas. Such interests include single family residential, agricultural and timberland, industrial properties, offices, retail centers, apartments, motels, restaurants, R.O.W. acquisitions and various other commercial and special purpose properties.

Licenses/Certification

Licensed Certified Public Accountant (#22347)
Texas State Certified General Appraiser - TX 1320838-G

WILLIAM BURNELL COOK
2640 MCFADDEN
BEAUMONT, TX 77702



Certified General Real Estate Appraiser

Appraiser: **William Burnell Cook**

License #: **TX 1320838 G**

License Expires: **05/31/2025**

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

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


Chelsea Buchholtz
Commissioner

QUALIFICATIONS OF Steve Peyton
State Certified – TX-1325521 R

Professional Affiliations and Activities

National Association of Realtors
Texas Association of Realtors
Beaumont Board of Realtors
Former Chairman of Board of Realtors Financing Committee

Educational Background

Educated in the public schools in Beaumont, Texas
Attended Lamar University from 1969 to 1973 as a Business Administration Major

Continuing Educational Courses: Southern Methodist University and Lamar University Courses completed were: Real Estate Appraising, Investment, Property Management and Finance. Seminars include various U.S. League and Texas Savings and Loan League Seminars, Secondary Marketing, Asset/Liability Management and Mortgage Credit and Property Underwriting programs. Additional Continuing Education: FNMA, FHA, Appraisal Institute Seminars & Workshops and USPAP, FHA Update, REO and Foreclosures Seminar, Foreclosure Basics and Appraising and Analyzing Retail Shopping Centers, New FHA Handbook and Understanding Residential Construction, Desktop Valuations, Cost Approach to Value, Performing USPAP Compliant Appraisal Reviews, Constructing a Professional Report from A-Z, Red Flags Property Inspection Guide, ANSI Home Measurement & Power of Price per Square Foot, 2020-2021 National USPAP Update, Appraisal of Fast Food Facilities-7/2021, Residential Construction and the Appraiser-8/2021, Land and Site Valuation-8/2021, Realtor Code of Ethics Training-12/2021, 2022-2023 National USPAP, Appraisals of Industrial/Flex Buildings-6/2023, Appraisal of Self-Storage Facilities-7/2023, Land and Site Valuation-8/2023

Employment Experience

January, 2018 – Current: Cook & Associates, Inc. as a Contract Fee Appraiser

3/1991 – 12/2017: Bishop Real Estate Appraiser, Inc., Beaumont Texas
Contract Fee Appraiser, State Certified Residential Real Estate Appraiser, Texas Real Estate Broker No. 0192620.

1981 – 3/1991: The Savings Bank, Beaumont, Texas, Vice President
Coordinated the activities of mortgage and consumer loan departments and secondary market activities with FNMA, FHLMC and private investors. FHA Direct Endorsement Underwriter and Underwriter for VA automatic loans

1975 – 1980: Hall & Hall Real Estate Company, Beaumont, Texas
Fee Appraiser

STEPHEN FORREST PEYTON
4325 THOMAS LN
BEAUMONT, TX 77706



Certified Residential Real Estate Appraiser

Appraiser: **Stephen Forrest Peyton**

License #: **TX 1325521 R**

License Expires: **09/30/2025**

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

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

Chelsea Buchholtz
Commissioner