

**TX-24144
RESTRICTED APPRAISAL**

**OFFICE/WAREHOUSE FACILITY
12101 GENEVA AVENUE
LUBBOCK, TEXAS**



**OWNER OF RECORD:
BOBBY JOE DALTON, JR.**

**PREPARED FOR:
BOBBY JOE DALTON, JR.
12101 GENEVA AVENUE
LUBBOCK, TEXAS 79423**

EFFECTIVE DATE OF VALUE: OCTOBER 9, 2024

**PREPARED BY
POOL APPRAISING, INC.
6909 82ND STREET, SUITE 400
LUBBOCK, TEXAS 79424**

**POOL APPRAISING, INC.
REAL ESTATE APPRAISING**

BRODY POOL

October 21, 2024

Bobby Joe Dalton, Jr.
12101 Geneva Avenue
Lubbock, Texas 79423

**Re: Restricted Appraisal – Office/Warehouse
Facility @ 12101 Geneva Avenue,
Lubbock, Texas.**

I have appraised the property as described herein. Conditions pertinent to or indicative of the value of the property were investigated. The ensuing value and letter supplied will serve as a Restricted appraisal report. “Restricted Use” limits the reliance on the report to the client and considers anyone else using the report an unintended user.

A complete metes and bounds legal description of the subject was not made available to the appraiser in this instance. A brief legal description of the subject is “Lot 15, Huntington Business Park addition, City of Lubbock, Lubbock County, Texas”. The subject is located on the east side of Geneva Avenue, north of 122nd Street in Lubbock, Texas. Geneva Avenue is a limited interior roadway, providing interior access to the subject neighborhood. 122nd Street is a secondary roadway, providing passage to Indiana Avenue to the west. The land area of the subject site is 67,190 SF or 1.54 Acres (according to Lubbock County Appraisal District). The site is generally level to sloping and is at street grade. The subject is not located in a flood hazard area according to the latest FEMA maps (Map #48303C0410F; 2/3/2017), being located in Zone X, described as an area with minimal flood potential. This statement cannot be warranted and an elevation certificate is recommended for proper and final determination.

The subject is located within the city limits of Lubbock and does not maintain access to city water or sanitary sewer. The subject is served by electricity, gas, and telephone. The subject maintains access to a water well and a septic system.

The subject site is currently zoned as Heavy Commercial (HC). Adjacent property uses include light industrial uses to the south and west, vacant land to the north, and commercial to the east. The subject is a homogenous use compared to this surrounding development.

Improvement Description: The subject of this report is an existing 10,000 SF multi-tenant office/warehouse facility, which includes 1,040 SF (10%) of finished office space and 8,960 SF of warehouse space. The construction quality is believed to be average, while the date of construction is 2006 (5,000 SF), with an addition in 2017 (5,000). The construction of the warehouse is a pre-engineered metal building with "R" panel sheet metal exteriors and a pitched metal roof, all being situated on a concrete slab on grade foundation, while the west elevation maintains a brick veneer exterior.

The subject is divided into six distinct, leasable areas. The first (Suite 100) is an office/warehouse space. The office is partitioned into an open area, four private offices, a kitchen/break room, and two bathrooms. Finish out includes stained concrete and carpet floors, sheetrock walls and ceilings, plus box fluorescent lights, while the kitchen maintains a refrigerator and microwave. The office area is served by a package HVAC system, maintaining 2,860 SF, including 900 SF in office space and 1960 SF in warehouse space. Finishout for the warehouse includes epoxy floors, exposed structure walls and ceilings (vinyl backed insulated), plus strip fluorescent lights. The warehouse maintains a 16' wall height and is served by one (1) 10'X10' metal overhead doors. It is heated by a suspended gas fire heater, but it is not cooled.

The second (Suite 200) is an office/warehouse space, maintaining 2,140 SF, including 140 SF in office space and 2,000 SF in warehouse space. Finishout for the warehouse includes concrete floors, exposed structure walls and ceilings (vinyl backed insulation), plus incandescent lights. The warehouse maintains a 16' wall height and is served by one (1) 12'X12' metal overhead door and one (1) 10'X10' metal overhead door. It is heated by a suspended gas fire heater, but it is not cooled.

The remaining 5,000 SF is made up of four identical 1,250 SF warehouse units (Units 1-4). Finishout for these units includes concrete floors, exposed structure walls and ceilings (spray foam insulation), and strip fluorescent lights. Each unit maintains a 12' wall height and is served by one (1) 12'X10' metal overhead door. None of the units are heated or cooled.

Site improvements include concrete aprons in front of each overhead door of the east structure, plus a concrete apron across the entire west elevation of the east structure. There is also a 2,350 SF partially fenced ("R" panel) yard, a crushed asphalt yard, a concrete culvert on the south edge of the property (approximately 350'), plus a well and septic system.

Based on the land area associated with the subject (67,190 SF), and building area (10,000 SF), the subject maintains a land-to-building ratio of 6.72:1. This is a typical ratio for this type of use and no excess land exists that could be severed and sold as a separate economic unit.

The subject was built in 2006 (5,000) and 2017 (5,000 SF). Thus, it has an estimated effective

age of 10 years. A 45-year total economic life is reasonable based on the construction type, with a remaining economic life of 35 years. Therefore, physical incurable depreciation is equal to 22% (10/45). Lastly, no external or functional obsolescence impacts the subject.

The appraiser is not aware that a Phase 1 Environmental Site Assessment was performed in conjunction with this appraisal. Overall, this appraisal is performed with the assumption that no environmental hazards exist; while a Phase 1 ESA or Environmental Transaction Screen is suggested for final and proper determination.

An additional concern, relative to any improved property, is its compliance with the Americans with Disabilities Act (ADA). The final regulations and accessibility guidelines published by the U.S. Department of Justice in 1991 will greatly increase the access for all disabled people to public accommodations and commercial facilities. The subject property should be in compliance with ADA regulations; however, no study or formal audit has been made available to the appraiser to indicate whether or not the subject conforms to the ADA or what the cost, if any, would be to bring the subject into conformance.

Tax Analysis - The tax identification number associated with the subject is R301579. The subject has a 2024 assessed value of \$573,589 (land @ \$335,950; improvements @ \$237,639). For property tax purposes, the subject is located within the City of Lubbock, Lubbock County, Lubbock Cooper I.S.D., High Plains Water District, and Lubbock County Hospital District. The combined tax rate for 2024 is \$2.074501/\$100. Therefore, taxes associated with the subject are equal to \$11,899 (rounded). Based on my check of available tax records, no past due taxes are associated with this account.

Lease Analysis – The subject is fully occupied, by six (6) tenants at a total of \$5,900/month or \$70,800 /year (\$7.08/SF). Each space has its own lease, with the term for Suite 100 being two years (2/14/24-1/31/26), Suite 200 and Units 1, 3, & 4 being 6 months (10/1/24-3/31/25), and Unit 2 being six months (6/1/24-11/31/24), while the expenses are modified gross. Thus, the tenant is responsible for utilities, while the landlord is responsible for taxes, insurance, and common area maintenance. It is the appraiser's opinion that these leases are below market levels at which the subject competes.

Highest and Best use as improved - Over the near term, the subject property, as an office/warehouse facility should offer a higher return on the investment and there is no legal, alternative use as of the date of appraisal. The highest and best use of the subject, as of October 9, 2024, is for the continued use as an office/warehouse facility.

Income Approach – Due to the nature of the current leases being below market rents, the Income Approach was not considered for the subject.

Sales Comparison Approach - My estimate of market value is based on a comparison of available comparable office/warehouse sales located in competing areas. The sales employed in this analysis are considered to provide a good indication of value. These sales are summarized as follows:

IMPROVED SALES SUMMARY							
#	LOCATION	DATE OF SALE	YEAR BUILT	L/B RATIO	SIZE/SF	% OFF. % A.C.	PRICE PER SF
1	12516 Chicago Avenue	12/23	2011	6.64:1	9,900 SF	18% 18%	\$68.18
2	8802 Urbana Avenue	1/24	1999	4.30:1	5,000 SF	46% 46%	\$118.00
3	9108 U.S. Highway 87	2/24	1978	27.73:1	9,000 SF	11% 11%	\$97.22
4	7105 Santa Fe Drive	6/24	2000	8.03:1	5,045 SF	23% 23%	\$105.05
5	1512 98 th Street	9/24	1977	3.49:1	2,695 SF	7% 7%	\$68.65
6	203 County Road 7300	10/24	2001	9.49:1	4,768 SF	23% 23%	\$84.94
S	12101 Geneva Avenue			6.72:1	10,000 SF	10% 10%	

These sales are located in comparable areas and are believed to be the best available in this instance. Sale Nos. 1, 3, & 4 are most comparable to the subject. After comparison of the improved sales to the subject property, the adjusted sales produced a range between \$81.82 and \$87.50 per square foot. Adjustments were made for size (No. 4); location & age/condition & % finishout/AC (Nos. 1, 3, & 4); and utility (No. 1). Therefore, Sale No. 4 required the most (five) number of adjustments, followed by No. 3 (four), and No. 1 (three). However, Sale Nos. 1 & 4 required the largest total net adjustments (20%); while No. 2 required the smallest adjustment (10%).

After comparison of the sales to the subject, and after analysis and necessary adjustments, it is the appraisers' opinion that a value of \$85.00 per square foot is well supported. Calculated as follows:

SQUARE FEET		PRICE PER SQUARE FOOT		INDICATED VALUE
10,000	X	\$85.00/SF	=	\$850,000
ROUNDED TO: \$850,000				

Sales History - The subject has not sold within the last three years (10/9/2021 – 10/9/2024). Additionally, the appraiser is not aware of any listings, options, or contracts.

This is a Restricted appraisal and should not be construed as an Appraisal Report, as defined by USPAP. However, all data to support the estimated value is contained in my files. An Appraisal Report will be made available if requested. This restricted appraisal follows the guidelines of the Uniform Standards of Professional Appraisal Practice in this regard.

RECONCILIATION AND VALUE CONCLUSION

Sales Comparison Approach: **\$850,000**

In this instance, the sales comparison approach is considered to be reliable and well supported.

The estimate of "As Is" Market Value of the subject property, in Fee Simple, subject to the assumptions and limiting conditions maintained herein, as of October 9, 2024, was:

\$850,000

EIGHT HUNDRED AND FIFTY THOUSAND DOLLARS

Marketing/Exposure Period - Market value is based on the premise that a reasonable time is allowed for exposure in the open market, considering the property type and local market conditions. Reasonable exposure time is one of a series of conditions (i.e., typically motivated buyer and seller, both parties well-informed) under which the current sale is presumed to occur. Exposure time precedes the effective date of appraisal. This fact is substantiated by

related facts in the appraisal process: the use of current cost information and supply/demand conditions as of the effective date of appraisal, the analysis of historical sales information (sold after exposure and after completion of negotiations between the seller and buyer), and the analysis of future income expectancy estimated from the effective date of appraisal.

The subject is in good condition with good utility and convenient access to Indiana Avenue. Because of these factors, it is believed that the subject would attract investor interest if offered for sale. The estimate of market value is based on a marketing and/or exposure period of 12 months.

CERTIFICATE

- 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.
- As of the date of the appraisal, I have no present or prospective interest or bias in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My engagement in 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.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- Brody M. Pool personally inspected the property that is the subject of this report.
- Brody M. Pool prepared the analyses, conclusions and opinions concerning the real estate that are set forth in this appraisal report.
- No one provided significant real property appraisal assistance to the person's signing this certification.
- This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or approval of a loan.

- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- It is noted that while it is possible that the subject property could sell within a shorter or longer time period, it is my opinion that a more probable marketing and/or exposure time for this property is one year.
- Based on the foregoing and after consideration of all pertinent factors affecting the property, it is my opinion that the “As Is” Market Value in Fee Simple of the subject, as of October 9, 2024, was:

\$850,000

EIGHT HUNDRED AND FIFTY THOUSAND DOLLARS

Brody Pool

Brody M. Pool, Appraiser
#TX-1380718-G (Expires 6/30/2025)

QUALIFICATIONS OF BRODY M. POOL

PROFESSIONAL ASSOCIATIONS

State Authorized – Certified General Real Estate Appraiser (Texas) #TX-1380718-G

EDUCATION

Bachelors of Science – Exercise Science
– Lubbock Christian University, Lubbock, Texas – 2012

Professional Courses: Basic Appraisal Principles; Basic Appraisal Procedures; Uniform Standards of Professional Appraisal Practice; General Appraiser Income Approach Parts I & II; General Appraiser Sales Comparison Approach; General Appraiser Site Valuation & Cost Approach; General Appraiser Market Analysis and Highest and Best Use; Statistics, Modeling, and Finance; General Appraiser Report Writing & Case Studies; Commercial Appraisal Review; & Expert Witness For Commercial Appraisers.

PROFESSIONAL EXPERIENCE

06/17 – Present	Certified General Appraiser
10/13 – 05/17	Appraiser Trainee
09/12 – 10/13	Appraisal Assistant

BRODY MARSHALL POOL
6006 COUNTY ROAD 1440
LUBBOCK, TX 79407



TEXAS APPRAISER LICENSING &
CERTIFICATION BOARD

Certified General Real Estate Appraiser

Appraiser: **BRODY MARSHALL POOL**

License #: **TX 1380718 G**

License Expires: **06/30/2025**

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 General Real Estate Appraiser

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



Chelsea Buchholtz
Commissioner

ADDENDUM

EXHIBIT A

DEFINITION OF MARKET VALUE:

"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:

- a. buyer and seller are typically motivated;
- b. both parties are well informed or well advised, and each acting in what they consider their own best interest;
- c. a reasonable time is allowed for exposure in the open market;
- d. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- e. 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.

SCOPE - APPRAISAL DEVELOPMENT AND REPORTING PROCESS:

In preparing this appraisal, the appraiser...

- inspected (10/9/2024) the subject site and improvements, being a 10,000 SF office/warehouse facility at 12101 Geneva Avenue, Lubbock, Texas.
- Gathered information on comparable improved sales, which are necessary in the appraisal process.
- Confirmed and analyzed the data and applied the Sales Comparison Approach.

The appraiser believes the primary approach to value in this instance is the Sales Comparison approaches. Elimination of the Cost & Income Approaches would not materially impact my valuation estimate.

This Restricted Appraisal Report is a brief recapitulation of the appraiser's data, analyses, and conclusions. Supporting documentation is retained in the appraiser's files.

It should be noted that the undersigned have experience in appraising properties considered similar to the subject, in the subject market area, and therefore comply with the competency rule as outlined by USPAP (2024/2025 Edition).

INTENDED USE AND USER (CLIENT) OF REPORT:

The purpose of this report is to provide an opinion of market value along with relevant analysis and data for Bobby Joe Dalton (Client) for decision making purposes.

EXHIBIT B

ASSUMPTIONS & LIMITING CONDITIONS

ASSUMPTIONS AND LIMITING CONDITIONS

General Assumptions and Limiting Conditions

It is assumed that title to the property herein appraised is good and merchantable, and in Fee Simple. The value is reported without regard to questions of title, boundaries, encroachments, environmental regulations, licenses, or other matters of a legal nature unless noncompliance has been stated, defined, and considered in the appraisal report.

Also, the value is estimated under the assumption that there will be no international nor domestic political, economic, nor military actions that will seriously affect real estate values throughout the country.

Certain information concerning market and operating data was obtained from others. This information is verified and checked, where possible, and is used in this appraisal only if it is believed to be accurate and correct. However, such information is not guaranteed. Dimensions and areas of the subject property and of the comparables were obtained by various means and are not guaranteed to be exact.

Real estate values are influenced by a large number of external factors. The data contained herein is all of the data I consider necessary to support the value estimate. I have not knowingly withheld any pertinent facts, but I do not guarantee that I have knowledge of all factors which might influence the value of the subject property. Due to rapid changes in external factors, the value estimate is considered reliable only as of the date of appraisal.

Opinions of value contained herein are estimates. This is the definition of an appraisal. There is no guarantee, written or implied, the subject property will sell for such amounts. The value estimated assumes that the property is under responsible ownership and has competent and prudent management.

The appraiser will not be required to give testimony or attendance in court or before other legal authority by reason of this appraisal without prior agreement and arrangement between the employer and the appraiser.

Disclosure of the contents of this appraisal 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 opinions, analysis, or conclusions concerning value, the identity of the appraiser or the firm with which he is connected) shall be disseminated to the public through advertising media, public relations media, news media, sales media, prospectus for securities, or any other public means of

communication without prior written consent and approval of the undersigned.

It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structure which would render it more or less valuable, except as stated in this report. No responsibility is assumed for such conditions or engineering which may be required to discover them. It is assumed that a prudent owner/buyer would allow the inspection of the property by a qualified soils or structure engineer if conditions required.

The distribution of the total valuation in this report between land and improvements applies only under the reported Highest and Best Use of the land. The allocations of value for land and improvements, if presented, must not be used in conjunction with any other appraisal and are invalid if so used.

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

This appraisal was prepared by Pool Appraising, Inc. and consists of trade secrets and commercial or financial information which are privileged and confidential and exempted from disclosure under 5 U.S.C. 552 (b) (4). Please notify Brody Pool of any request of reproduction of this appraisal.

Under no circumstances shall the company's or appraiser's liabilities exceed the fee actually collected for this report, and then only in case of a gross error which would have materially affected the appraiser's value opinion as of the date of valuation. Thus, by accepting this report, acknowledgment is made that a value opinion is an opinion only, and not a provable fact. As a personal opinion, valuation may vary between appraisers based on the same facts. Therefore, the company and the appraiser warrants only that the value conclusion is the best opinion as of the exact day of valuation.

No investigation was made by the appraiser to determine if asbestos, fiberglass, or synthetic mineral fiber products are present in improved properties. The existence of such fibers, if any, would have to be determined by a qualified inspector. It is assumed that there are no asbestos, fiberglass, synthetic material fiber products, nor other contaminants present that would materially affect value.

The ADA extends to individuals with disabilities civil rights protection similar to those provided to persons previously on the basis of race, sex, national origin and religion under the Civil Rights Act of 1964. One objective of the ADA is to make accessible to persons with disabilities all buildings and other facilities open to the general public on the same basis that those buildings and facilities are available to persons without disabilities. Existing buildings were required to be brought into compliance by July 1992. The appraiser is not an expert in

this matter and unless it is specified otherwise in the report, the value conclusion assumes the subject will not be adversely affected by this act.

Specific Assumptions and Limiting Conditions

The size, area and age of the land, building and components of the property are assumed as identified and described herein. This data was secured from Lubbock County Appraisal District as well as on-site measurements.

EXHIBIT C

ENGAGEMENT LETTER



Pool Appraising, Inc.

6909 82nd Street, Suite 400
Lubbock, TX 79424

Phone: 806-445-3871
E-mail: brodympool@gmail.com

Bobby Joe Dalton

12101 Geneva Avenue
Lubbock, Texas 79423

Restricted Appraisal Report

Office/Warehouse Facility
12101 Geneva Avenue
Lubbock, Texas

Bobby Joe Dalton,

Thank you for the opportunity to offer our services. The fee associated with the above referenced property is \$1,400, while payment is due upon inspection. In exchange, we will provide a Restricted Appraisal Report (Per USPAP) by October 3, 2024. The purpose of this assignment is to estimate the Market Value of a multi-tenant office/warehouse facility located at 12101 Geneva Avenue in Lubbock, Texas (Lubbock County Appraisal District Property ID:R301579). We typically provide an email PDF version of the appraisal report, while a hard copy can be provided if needed. If you agree to this engagement, please sign and return to me via email. Thanks again for the opportunity, and I look forward to working with you.

Respectfully submitted,

Pool Appraising, Inc.

Brody Pool

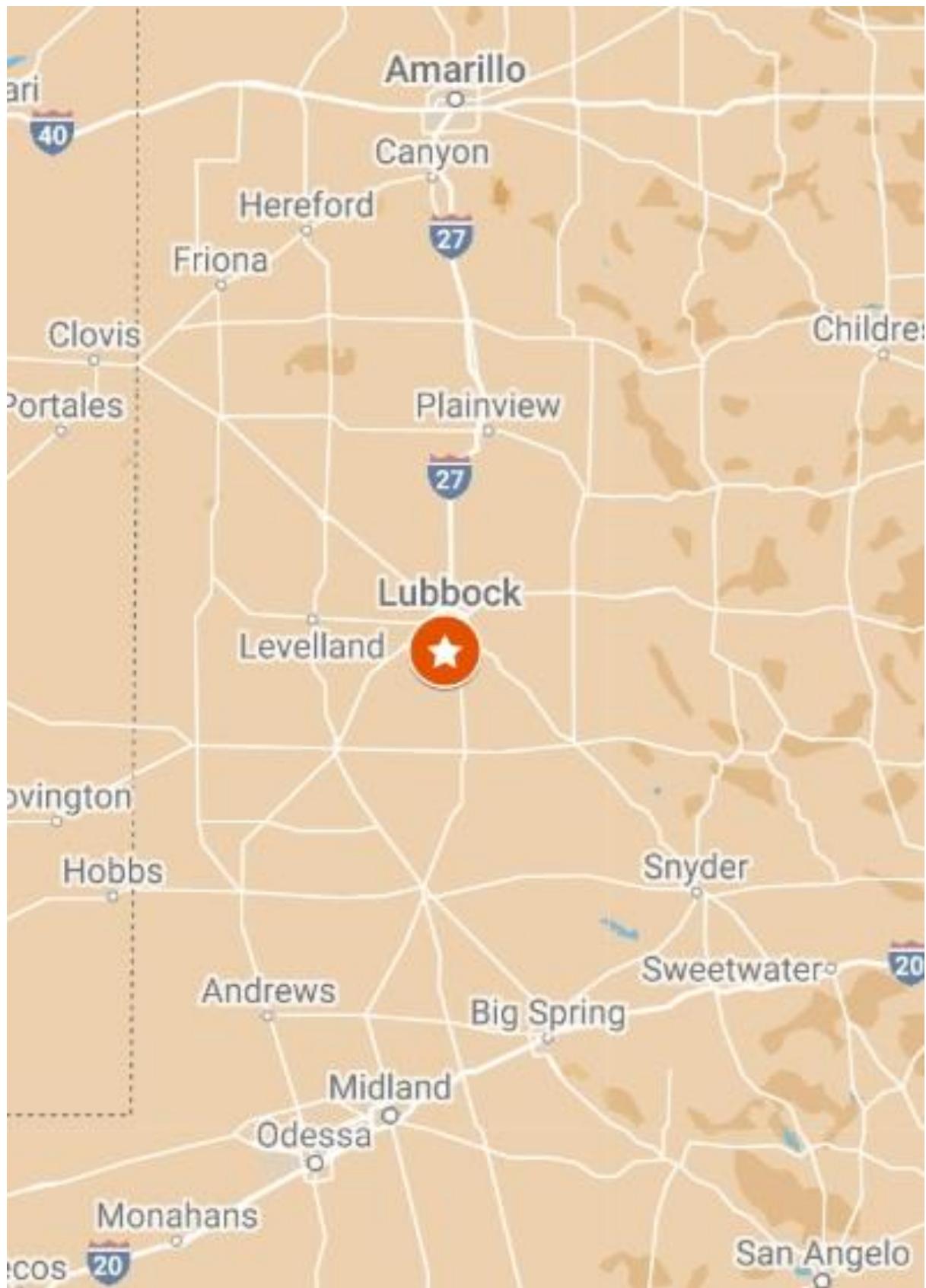
Brody M. Pool,
#TX-1380718-G (Expires 6/30/2025)

Please Sign Below and return if you are in agreement.

EXHIBIT D

MAPS, PLAT, & PHOTOGRAPHS

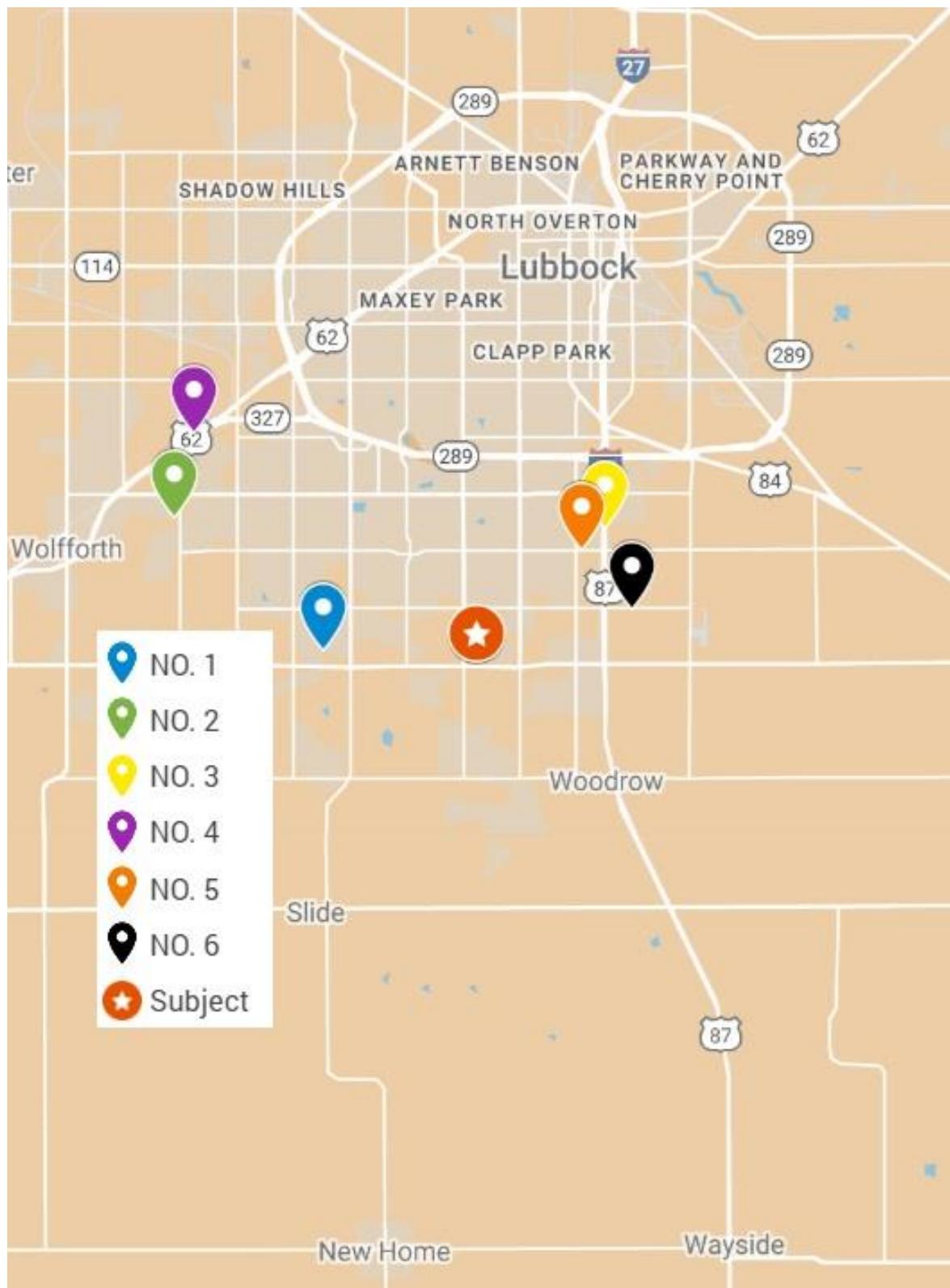
REGINOAL MAP



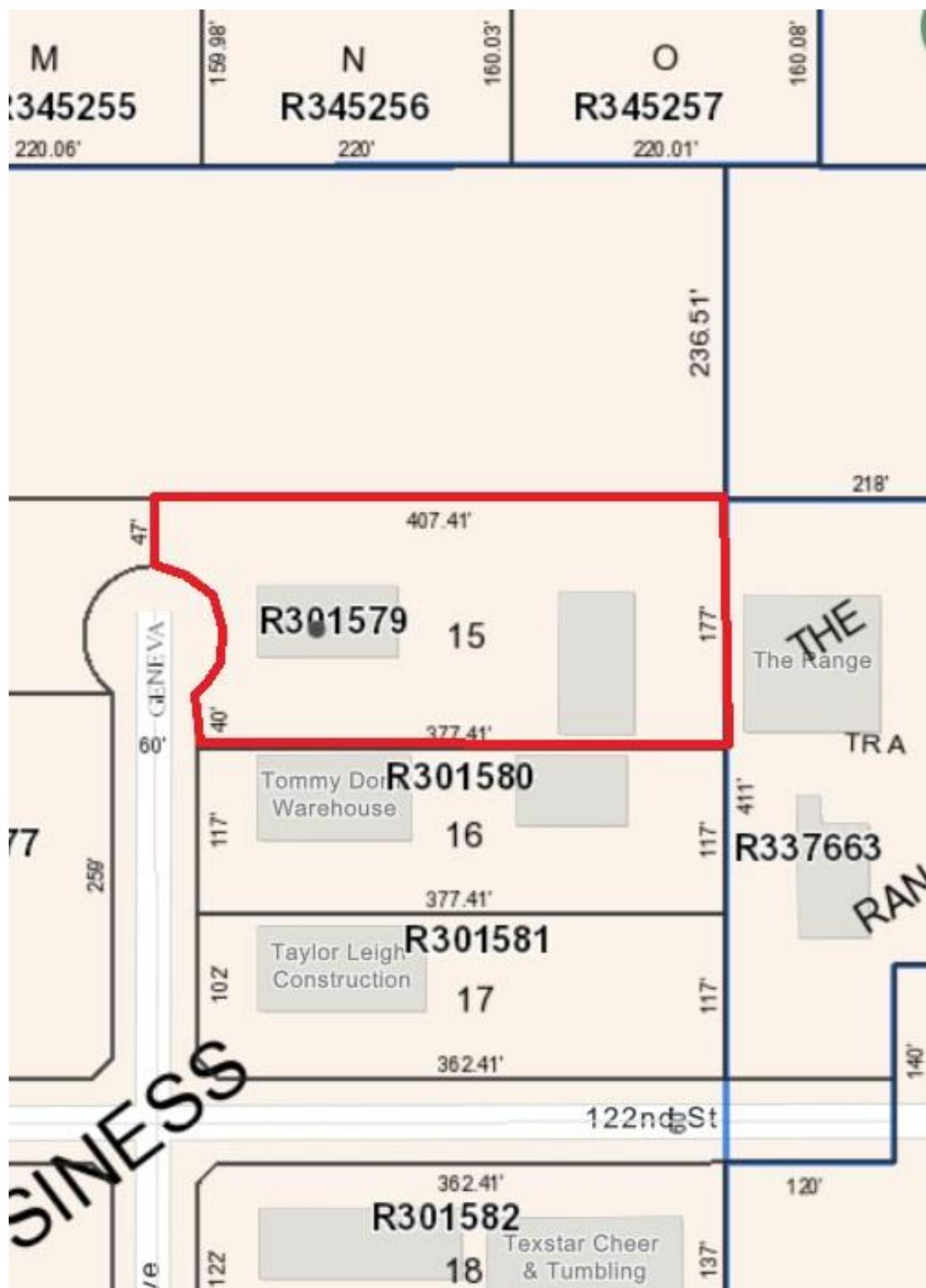
NEIGHBORHOOD MAP



IMPROVED SALES MAP



PLAT MAP



FLOOD MAP

InterFlood

by a la mode

Prepared for: Pool Appraising, Inc.

12101 Geneva Ave

Lubbock, TX 79423-7939



MAP DATA

FEMA Special Flood Hazard Area: No
Map Number: 48303C0410F
Zone: X
Map Date: February 03, 2017
FIPS: 48303

MAP LEGEND

- Powered by CoreLogic®
- Areas inundated by 500-year flooding
 - Areas inundated by 100-year flooding
 - Velocity Hazard
 - Protected Areas
 - Floodway
 - Subject Area

AERIAL PHOTOGRAPH



Typical view of the subject



Typical view of the subject



Typical view of the subject



Typical view of the subject



Typical view of the subject



Typical view of the subject



Typical interior view of the subject



Typical interior view of the subject



Typical interior view of the subject



Typical interior view of the subject



Typical interior view of the subject



Typical interior view of the subject



Typical interior view of the subject



Typical interior view of the subject

