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APPRAISAL OF
A RANCH RETREAT PROPERTY
LOCATED AT
4636 HALSELL RANCH ROAD
JACKSBORO, JACK COUNTY, TEXAS 76458

DATE OF VALUE
JANUARY 3, 2023

DATE OF REPORT
JANUARY 18, 2023

DATE OF INSPECTION
JANUARY 3, 2023

PREPARED FOR
MARLUC, LLC
50 REMINGTON TERRACE
HIGHLAND VILLAGE, TEXAS 75077

PREPARED BY
NATIONAL APPRAISAL PARTNERS, LLP

NAP LLP FILE #: 23-312



NATIONAL APPRAISAL PARTNERS, LLP

January 18, 2023

Mr. Jim Attrell
Marluc, LLC
50 Remington Terrace
Highland Village, Texas 75077

Re: Appraisal of a ranch retreat property located at 4636 Halsell Ranch Road, Jacksboro, Jack County, Texas 76458

Dear Mr. Attrell,

At your request we have appraised the above referenced property. The purpose of this appraisal is to provide an estimate of the market value of the fee simple interest of the above referenced property "As Is" as of the date of inspection, or January 3, 2023. **During the First Quarter of 2020, a global pandemic, COVID-19, spread to the United States of America and the State of Texas. The pandemic and the response to the pandemic by federal, state and local governments have affected the real estate market. After various closures, the Governor began reopening the Texas economy in phases during the Third Quarter of 2020. During the Fourth Quarter of 2020, the first two COVID-19 vaccines were granted emergency use authorization in the United States and all adults in Texas are currently eligible to receive a vaccine. We have attempted to reflect current market conditions in light of these recent events.**

The subject of this appraisal is a ranch retreat property with a total of 11,092 square feet of gross building area in nine buildings on 8,178,826 square feet or 187.760 acres of land. A detailed description of the property is included in the Site and Improvements Analysis sections of this report.

The intended use of this appraisal is for internal planning purposes by Marluc, LLC. We 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.

Our valuation was prepared in conformance with the Uniform Standards of Professional Appraisal Practice ("USPAP") of The Appraisal Foundation, and with regulations adopted by the Department of the Treasury, Office of the Comptroller of the Currency, required under Title XI of the Financial Institution Reform, Recovery, and Enforcement Act of 1989. This Appraisal Report is the written result of our findings and analysis. These opinions are to be used solely for the purposes stated above and are subject to the accompanying definition of market value and Statement of General Assumptions and Limiting Conditions.

Extraordinary Assumptions (the use of which might have affected the assignment results herein):

1. There are no Extraordinary Assumptions for this appraisal.

Hypothetical Conditions (the use of which might have affected the assignment results herein):

1. There are no Hypothetical Conditions for this appraisal.

Based on the investigation described in this report, the market value of the fee simple interest of the subject property "As Is" as of the date of inspection, or January 3, 2023, is as follows:

FIVE MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS
\$5,750,000

Mr. Jim Attrell
January 18, 2023
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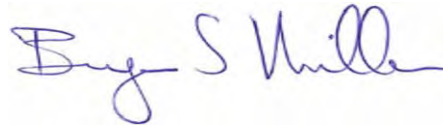
We appreciate the opportunity to perform this service for Marluc, LLC.

Sincerely,

NATIONAL APPRAISAL PARTNERS, LLP



Thomas A. Stark, MAI, Partner
State Certified General Real Estate Appraiser
TX-1325319-G



Bryan S. Miller, MAI, CCIM, Partner
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State Certified General Real Estate Appraiser
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Ali M. Moses
State Certified General Real Estate Appraiser
TX-1380926-G

Attachments

EXECUTIVE SUMMARY

Property Identification

Property Appraised:	Ranch Retreat Property
Address:	4636 Halsell Ranch Road Jacksboro, Jack County, Texas 76458
Location:	N/S Halsell Ranch Road, 5,400 feet southeast of Barton Chapel Road
Date of Inspection:	January 3, 2023
Date of Value:	January 3, 2023
Interest Appraised:	Fee Simple

Property Data

Year Completed:	Building 1:	2017
	Building 2:	2011
	Building 3:	2017
	Building 4:	1978
	Building 5:	2017
	Building 6:	2017
	Building 7:	2022
	Building 8:	2022
	Building 9:	2021
	Wtd. Avg.:	2015
Year Renovated:	N/A	
Remaining Economic Life:	44 Years	
Number of Buildings:	Nine	
Gross Building Area:	Building 1:	3,975 SF
	Building 2:	2,241 SF
	Building 3:	536 SF
	Building 4:	540 SF
	Building 5:	1,500 SF
	Building 6:	900 SF
	Building 7:	450 SF
	Building 8:	500 SF
	Building 9:	450 SF
	Total:	11,092 SF

EXECUTIVE SUMMARY (CONTINUED)

Construction Type:	Metal, Stone And Wood
Land Area:	8,178,826 Square Feet 187.760 Acres
Land-to-Building Ratio:	852.67 to 1 (based on building footprints)
Highest and Best Use	
Site As If Vacant:	Recreation/ranch use
Property As Improved:	Continued use as a ranch retreat property
Marketing/Exposure Time:	12 months or less

Value Indications

	<u>Aggregate</u>	<u>Per Square Foot</u>
"As Is":		
Cost Approach:	\$5,640,000	\$508.47
Sales Comparison Approach:	\$5,770,000	\$520.19
Income Capitalization Approach:	N/A	N/A
Final Value Estimate		
"As Is":	\$5,750,000	\$518.39



Aerial view of the subject property



Looking east along Haskell Ranch Road with the subject property on the left



View of the subject property looking north across Halsell Ranch Road



Exterior view of Building 1



Interior view of Building 1



Interior view of Building 1



Exterior view of Building 2



Interior view of Building 2



Interior view of Building 2



Exterior view of Building 3



Interior view of Building 3



Exterior view of Building 4



Interior view of Building 4



Exterior view of Building 5



Exterior view of Building 6



Exterior view of Building 7



Interior view of Building 7



Exterior view of Building 8



Interior view of Building 8



Exterior view of Building 9



Interior view of Building 9



View of the lake

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SCOPE OF THE APPRAISAL

Scope of Work

The scope of this appraisal involved the systematic research and analysis necessary to reach a value conclusion for the subject. The initial step was to inspect the subject property and the surrounding area. The extent of our inspection of the subject property included a complete inspection of the interior and exterior of the buildings. After analyzing the macro environment, research was conducted relevant to the valuation process, including gathering comparable sales and listings, real estate tax data and other pertinent information. We have completed the Cost and Sales Comparison Approaches to value for this appraisal. The Income Capitalization Approach is not an appropriate approach to value the subject property given its owner-user nature and overall physical characteristics. Therefore, we have not completed the Income Capitalization Approach for this appraisal. The scope of work defined herein is adequate to derive a credible value opinion of the subject property. This Appraisal Report is the written result of our findings and analysis.

Date of the Appraisal

The date of the market value of the fee simple interest of the subject property “As Is” is the date of inspection, or January 3, 2023. The date of this report is January 18, 2023.

Purpose and Intended Use of the Appraisal

The purpose of this appraisal is to estimate the market value of the fee simple interest of the subject property “As Is”. The intended use of this appraisal is for internal planning purposes by Marluc, LLC. This report is for the exclusive use of Marluc, LLC, its affiliates, designates and assignees and no other party shall have any right to rely on any service provided by National Appraisal Partners, LLP without prior written consent. The client for this appraisal is Marluc, LLC.

Property Rights Appraised

Fee simple interest, as used herein, is defined by *The Dictionary of Real Estate Appraisal*, Sixth Edition, as:

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.

Definition of Market Value

The current definition of market value, as defined by the Financial Institution Reform, Recovery and Enforcement Act (FIRREA), effective August 24, 1990, is as follows:

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.*

GENERAL DATA

Property Identification

A brief legal description of the subject property is as follows:

187.760 acres, being a portion Abstract 425, MEP&PRR Survey, Abstract 426, McKinney & Williams Survey, Abstract 1294, MB Lloyd Survey, Abstract 891, James G White Survey and Abstract 337, MP Kelly Survey, Jack County, Texas.

The subject property is located along the north side of Halsell Ranch Road, 5,400 feet southeast of Barton Chapel Road in Jack County, Texas. The subject property address is 4636 Halsell Ranch Road, Jacksboro, Jack County, Texas 76458.

Ownership History of the Property

According to the Jack County Appraisal District (JCAD), the current owner of record for the subject property is Marluc, LLC. Marluc, LLC acquired the subject property from Mr. Richard & Mrs. Teresa Albus in April 2016. The subject property is not currently being offered for sale nor are any sales currently pending. Based on our research, there have been no transactions involving the subject property over the past three years.

Exposure/Marketing Period

The comparable sales used in this appraisal and our interviews with local market participants indicate that the exposure/marketing period for properties similar to the subject is typically less than one year. Therefore, we estimate an exposure/marketing period of 12 months or less for the subject property.

Area Analysis

The subject property is located in Jack County, Texas. Wood County is bounded on the north by Clay and Montague Counties, on the south by Palo Pinto and Parker Counties, on the east by Wise and Montague Counties and on the west by Archer and Young Counties.

The City of Jacksboro is the county seat of Jack County. The subject property is heavily influenced by factors affecting the City of Quitman and the immediate outlying areas.

Population

Jack County, State of Texas and United States population trends are presented on the table below.

Population Growth and Forecasts					
	2010	2022	Annual % Change	2027 Projections	Annual % Change
Jack County	9,044	8,323	-0.66%	8,273	-0.12%
Texas	25,145,561	30,157,100	1.66%	31,502,395	0.89%
United States	308,745,538	335,707,897	0.73%	339,902,796	0.25%

Source: STDB Online

Jack County experienced moderate population decline from 2010 to 2022. The Jack County population growth rate trailed the state and the nation during the period. Population growth for Jack County is projected to trail the state and the national growth rates between 2022 and 2027.

Income

The following table summarizes median household income for Jack County, the State of Texas and the United States.

Median Household Income			
	2022	2027 Projection	Annual % Change
Jack County	\$57,627	\$63,767	2.13%
Texas	\$70,834	\$81,850	3.11%
United States	\$72,414	\$84,445	3.32%

Source: STDB Online

The median household income for Jack County is less than the State of Texas and the United States. Median household income growth for Jack County is projected to trail the State of Texas and the United States through 2027.

Employment

The following table summarizes historic employment levels for Jack County and the State of Texas.

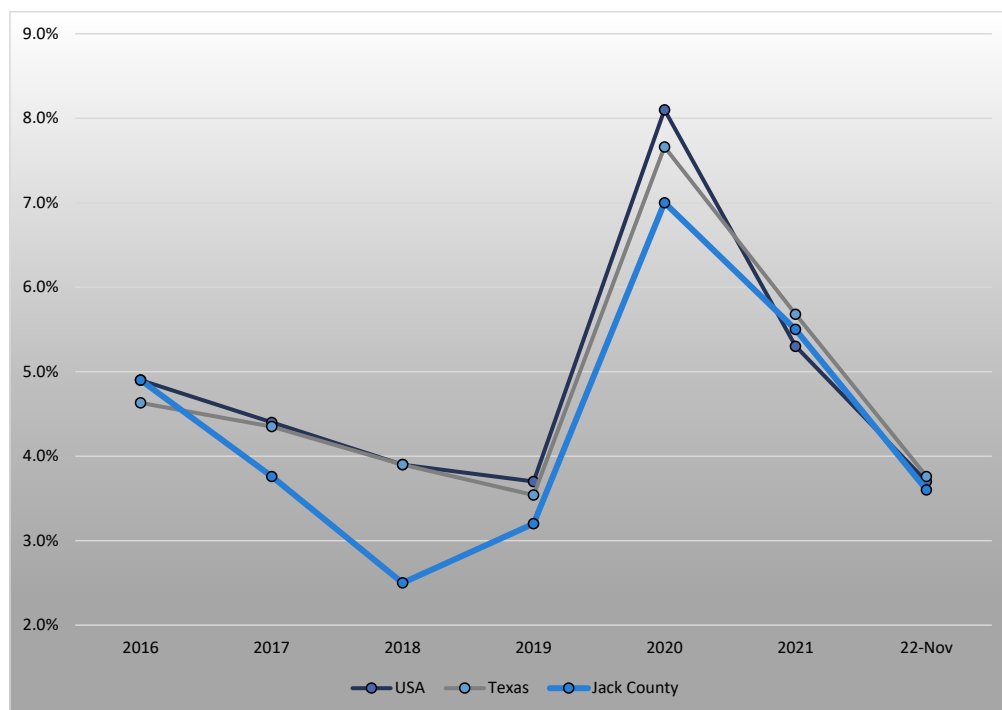
Employment				
	Jack County		Texas	
Year	Total	% Change	Total	% Change
2017	3,776	--	12,888,025	--
2018	4,226	11.9%	13,149,672	2.0%
2019	3,320	-21.4%	13,381,020	1.8%
2020	3,134	-5.6%	12,808,616	-4.3%
2021	3,212	2.5%	13,413,036	4.7%
Nov-22	3,308	3.0%	14,081,390	5.0%

Source: U.S. Bureau of Labor Statistics

Over the past four full years, employment growth in Jack County has averaged -3.2% per year. The average employment growth for the State of Texas was 1.1% over the same period.

Unemployment

The following chart tracks unemployment rates for Jack County, the State of Texas and the United States over the past six years.



Source: U.S. Bureau of Labor Statistics

The Jack County unemployment rate declined between 2016 and 2018, increased between 2018 and 2020 and decreased between 2020 and November 2022. The Jack County unemployment rate was equal to the United States and above the State of Texas in 2016, lower than the State of Texas and

the United States between 2017 and 2020, above the United States and below the State of Texas in 2021 and below the State of Texas and the United States in November 2022. This trend is projected to continue in the near term.

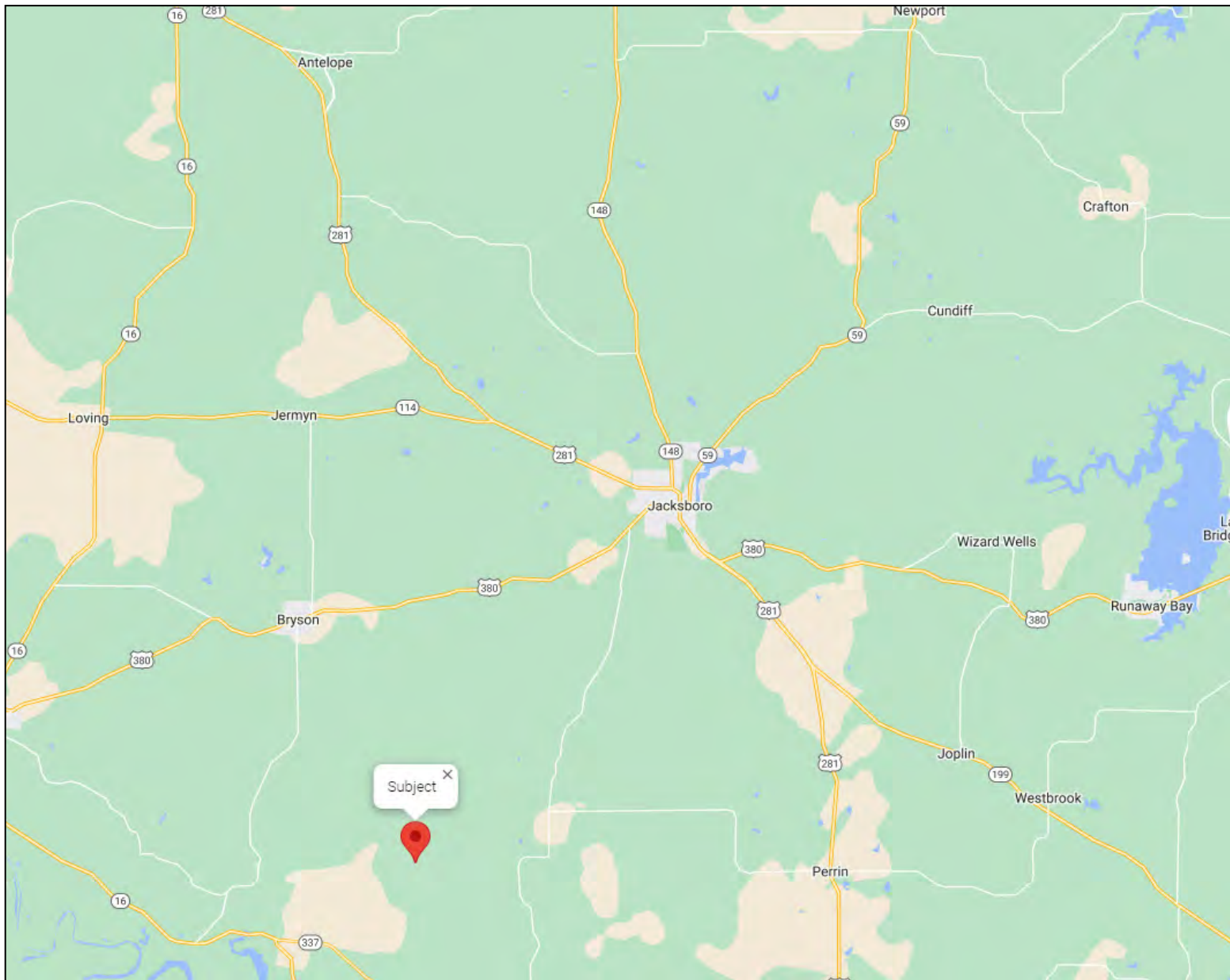
The unemployment rate significantly increased during March and April 2020 due to the halt in the economy as a result of the coronavirus, COVID-19, and the sharp decrease in petroleum production. However, unemployment rates have started to decrease as of mid-2020 and are expected to continue decreasing as the economy stabilizes and businesses reopen.

In late January 2020 the World Health Organization declared a public health emergency in response to the spread of a novel coronavirus (COVID-19), leading to travel restrictions and business disruptions around the globe. Locally and throughout Texas and the United States, state and local governments enacted “stay at home” orders requiring citizens to “social distance” themselves and prohibiting “non-essential” businesses from normal operations, which has had a significant impact on the overall economy for Jack County, the State of Texas and the United States. In late 2020, the first two vaccines were granted emergency use authorization in the United States by the Food and Drug Administration. As of March 2021, all adults in Texas are eligible to receive a COVID-19 vaccine. As more Texas residents are vaccinated, the economy is expected to continue to reopen and stabilize.

Conclusion

Overall, the outlook for Jack County is cautiously optimistic. Jack County’s economy should remain relatively stable in the near term. Longer term, moderate population growth and household income growth levels are projected to continue.

Area Map



Neighborhood Analysis

Neighborhood Defined/Location

The subject property is located in southwestern Jack County. The neighborhood is roughly bound by US Highway 380 to the north, State Highway 337 to the south, FM 4 to the east and FM 1191 to the west. The neighborhood includes portions of unincorporated Jack and Palo Pinto Counties and portions of the Cities of Bryson and Graford. The neighborhood is located approximately 60 miles northwest of the Fort Worth Central Business District.

Predominant Development/Stage of Development

The neighborhood includes a mixture of retail/commercial, industrial and residential development. The neighborhood also includes tracts of vacant land. Retail/commercial development in the neighborhood includes hotels, retail centers, restaurants and freestanding retail buildings. Retail/commercial development is concentrated along the primary roadways in the neighborhood such as US Highway 380, State Highway 337, FM 4 and FM 1191. Residential development is scattered throughout the neighborhood, predominantly along secondary thoroughfares. Industrial development is located along primary and secondary roadways in the subject neighborhood. Overall, the subject neighborhood is established, with new development and redevelopment occurring.

Accessibility

Primary north/south roadways in the subject neighborhood include FM 4 and FM 1191. Primary east/west roadways in the subject neighborhood include US Highway 380 and State Highway 337. Overall, the accessibility of the neighborhood is good.

Immediate Vicinity

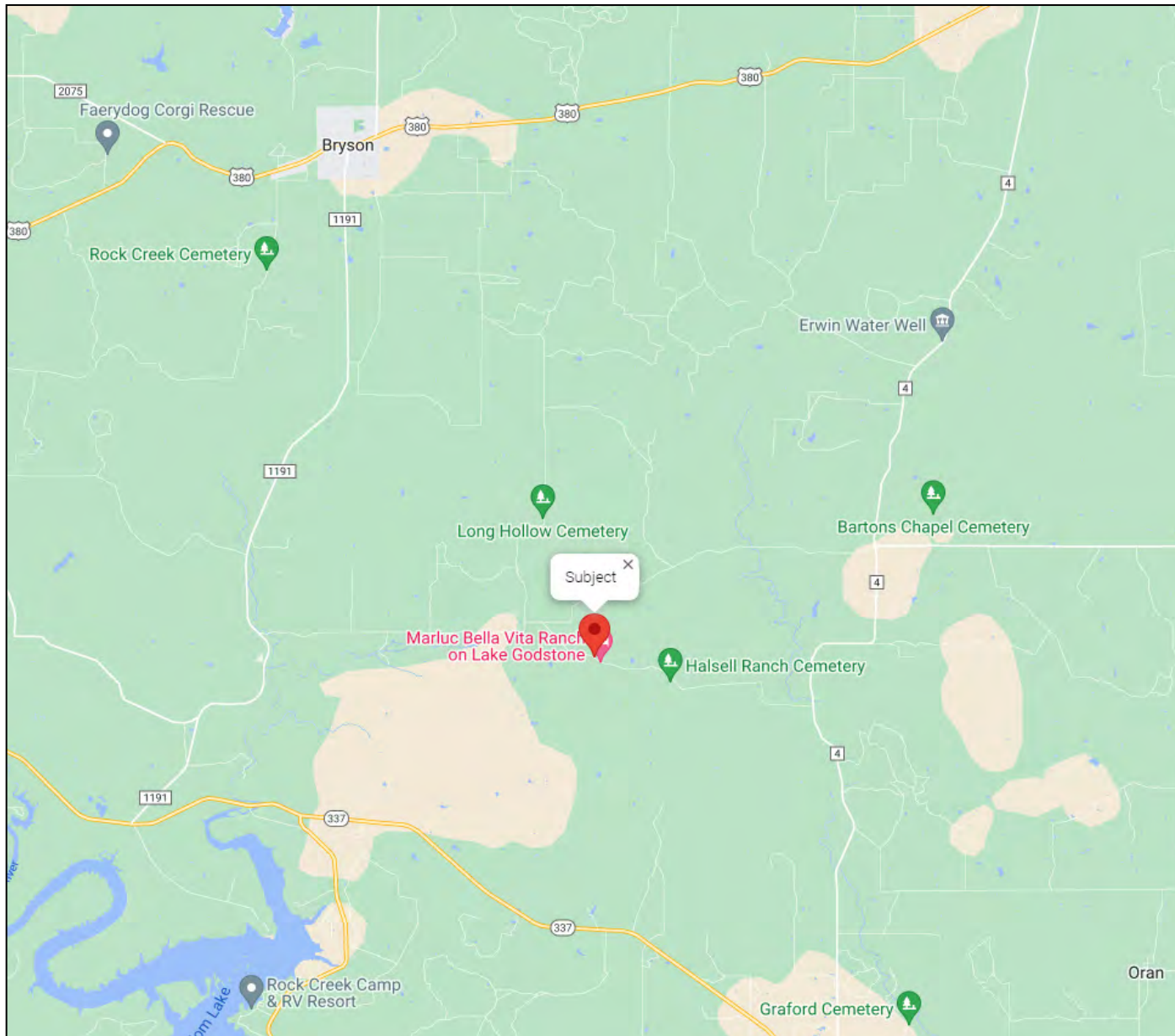
The immediate vicinity of the subject property includes residential and agricultural development and tracts of vacant land. The following chart outlines land uses adjacent to the subject site.

North:	Single-Family Residences, Windmill Farm, Vacant Land, Barton Chapel Road
South:	Halsell Ranch Road, Vacant Land, State Highway 337
East:	Single-Family Residence, Vacant Land, Single-Family Residences, Halsell Ranch Cemetery
West:	Vacant Land, Halsell Ranch Road, Vacant Land, Rock Creek Road

Conclusion

The subject neighborhood includes primarily a mixture of retail/commercial, industrial and residential development and tracts of vacant land. Overall, the subject neighborhood is established with new development and redevelopment occurring. The neighborhood has good access to other portions of the Jack County Area. The outlook for the neighborhood is optimistic. A neighborhood map follows.

Neighborhood Map



Site Analysis

The following is a description of the physical characteristics of the subject site. A survey, a plat map and a flood plain map of the subject site follow this site analysis section.

Location

The subject site is located along the north side of Halsell Ranch Road, 5,400 feet southeast of Barton Chapel Road in Jack County, Texas. The subject property address is 4636 Halsell Ranch Road, Jacksboro, Jack County, Texas 76458.

Size/Shape

The subject site contains 187.760 acres or 8,178,826 square feet of land area and is irregular in shape, but functional for development.

Accessibility/Frontage

The site has 3,011.17 feet of frontage along the north side of Halsell Ranch Road. Halsell Ranch Road is a two-lane, two way gravel secondary roadway with open ditch drainage in the vicinity of the subject. Overall, the access/frontage of the site is average.

Topography

The subject site is basically level and at the grade of the adjacent roadway.

Flood Plain

According to FEMA Map Community Panel Number 48237C0425A dated February 12, 2021, approximately 5% of the subject is located in zone AE, inside of the flood plain. The remainder of the subject is located in flood zone X, outside of the flood plain. Considering the development occurring on similarly flood plain affected sites nearby, the flood plain location of the subject site does not appear to be a major impediment to development.

Zoning

The subject site is located in unincorporated Jack County and is not subject to zoning.

Utilities and Services

The subject property operates on a well and septic system. Public water and sewer services are not available to the site. Natural gas service is provided to the site by Atmos Energy. Electricity is provided to the site by various providers.

Easements and Encroachments

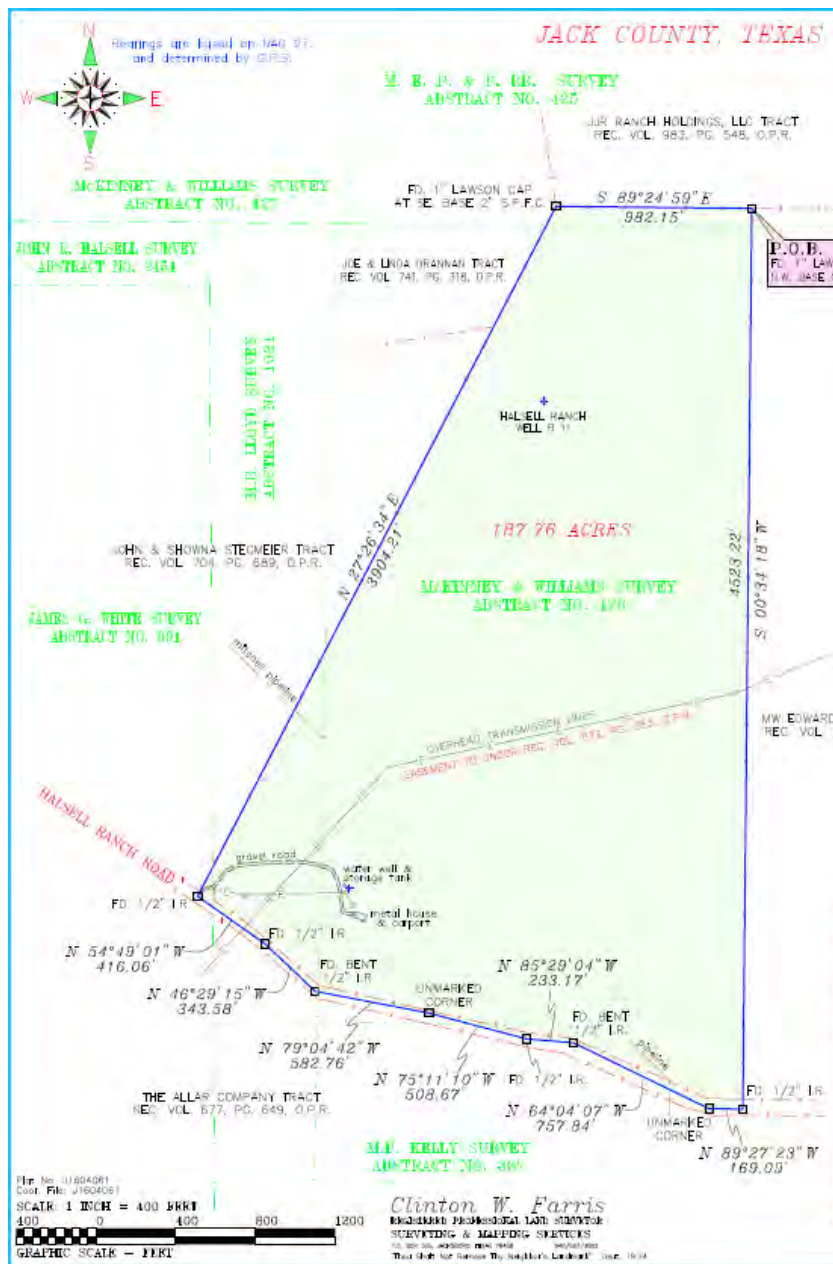
The site has typical utility easements which do not appear to impact the development potential of the site.

Environmental Considerations

During our inspection we did not notice any obvious environmental hazards associated with the subject site. However, we are not qualified to detect such hazards and the valuation herein assumes that the site is free and clear of any environmental problems.

Conclusion

The subject site is located along the north side of Halsell Ranch Road, 5,400 feet southeast of Barton Chapel Road in Jack County, Texas. The size and shape of the site are well suited for development. The access/frontage of the site is average. Public water and sewer services are not provided to the subject site. All other public utilities are available to the subject site. Overall, the development potential of the subject site is good. A survey, a plat map and a flood plain map of the subject site follow.



SURVEYOR'S DESCRIPTION

Tract of land containing 187.76 acres in the M. E. P. & P. RR. Survey, Abstract No. 425, the McKinney & Williams Survey, Abstract No. 420, the M.R. Lloyd Survey, Abstract No. 1024, the James G. White Survey, Abstract No. 891 and the M.P. Kelly Survey, Abstract No. 307, Jack County, Texas, being the same tract conveyed to Richard and Teresa Albus recorded in Volume 826, Page 708, Official Public Records of Jack County and being more particularly described as follows:

BEGINNING at a 1 inch "Lawson" cap found at the northwest base of a 2 inch steel pipe fence corner being the northeast corner of the said Albus Tract, the northwest corner of the MW Edwards Ranch, LP Tract recorded in Volume 536, Page 168, Official Public Records of Jack County and on the south line of the JR Ranch Holdings, LLC Tract recorded in Volume 983, Page 548, Official Public Records of Jack County.

THENCE South 00 degrees 34 minutes 18 seconds West a distance of 4523.22 feet to a 1/2 inch iron rod found in Halsell Ranch Road (Gravel County Road) being the southeast corner of the said Albus Tract, the southwest corner of the said MW Edwards Ranch, LP Tract and on the north line of The Allar Company Tract recorded in Volume 677, Page 649, Official Public Records of Jack County.

THENCE North 89 degrees 27 minutes 23 seconds West a distance of 169.09 feet to an unmarked corner in the said road being a corner of the said Albus Tract and the said Allar Company Tract.

THENCE North 84 degrees 04 minutes 07 seconds West a distance of 757.84 feet to a bent 1/2 inch iron rod found in the said road being a corner of the said Albus Tract and the said Allar Company Tract.

THENCE North 85 degrees 29 minutes 04 seconds West a distance of 233.17 feet to a 1/2 inch iron rod found in the said road being a corner of the said Albus Tract and the said Allar Company Tract.

THENCE North 75 degrees 11 minutes 10 seconds West a distance of 508.67 feet to an unmarked corner in the said road being a corner of the said Albus Tract and the said Allar Company Tract.

THENCE North 78 degrees 04 minutes 42 seconds West a distance of 582.76 feet to a bent 1/2 inch iron rod found in the said road being a corner of the said Albus Tract and the said Allar Company Tract.

THENCE North 48 degrees 20 minutes 15 seconds West a distance of 343.58 feet to a 1/2 inch iron rod found in the said road being a corner of the said Albus Tract and the said Allar Company Tract.

THENCE North 54 degrees 49 minutes 01 seconds West a distance of 416.06 feet to a 1/2 inch iron rod found in the said road being the southwest corner of the said Albus Tract, the southeast corner of the John and Shonna Stegmeier Tract recorded in Volume 704, Page 689, Official Public Records of Jack County and on the north line of the said Allar Company Tract.

THENCE North 27 degrees 26 minutes 34 seconds East a distance of 3904.21 feet to a 1 inch "Lawson" cap found at the southeast base of a 2 inch steel pipe fence corner being the northwest corner of the said Albus Tract, the southwest corner of the said JR Ranch Holdings, LLC Tract and a northeast corner of the Joe and Linda Brannan Tract recorded in Volume 741, Page 348, Official Public Records of Jack County.

THENCE South 89 degrees 24 minutes 59 seconds East a distance of 982.15 feet to the place of beginning.

NOTE

TRACT AS SHOWN IS SUBJECT TO THE FOLLOWING EASEMENTS

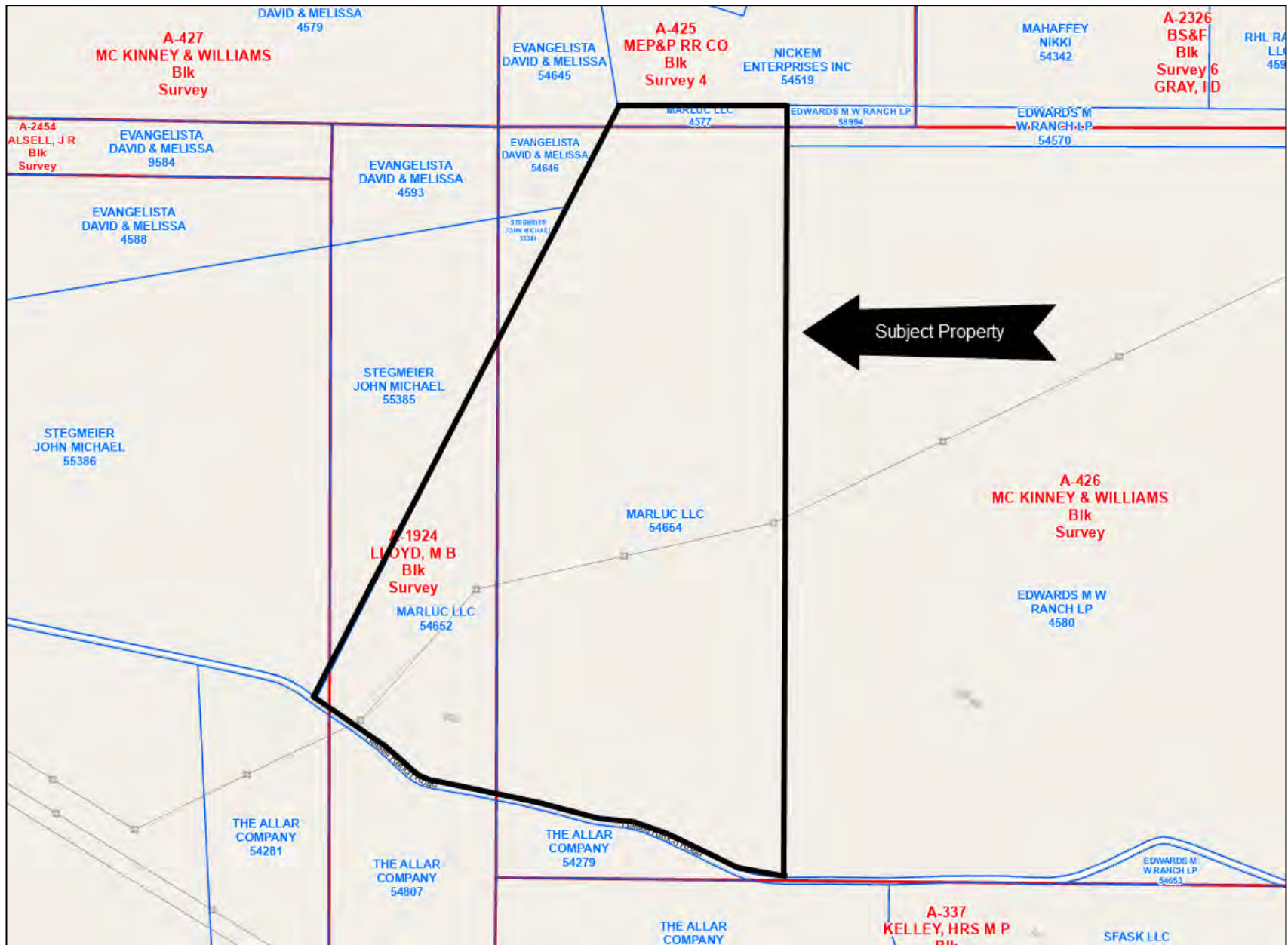
- RIGHT-OF-WAY EASEMENT TO TEXAS ELECTRIC SERVICE COMPANY REC. VOL. 103, PG. 116, O.P.R. (BLANKET)
- RIGHT-OF-WAY EASEMENT TO TEXAS ELECTRIC SERVICE COMPANY REC. VOL. 252, PG. 344, O.P.R. (BLANKET)
- EASEMENT TO SOUTHWEST GAS (PIPELINE COMPANY REC. VOL. 270, PG. 368, O.P.R. (BLANKET)
- RIGHT-OF-WAY EASEMENT TO SOUTHWESTERN GAS PIPELINE INC. REC. VOL. 395, PG. 45, O.P.R. (BLANKET)
- RIGHT-OF-WAY AGREEMENT TO SOUTHERN GAS PIPELINE INC. REC. VOL. 389, PG. 137, O.P.R. (BLANKET)
- RIGHT-OF-WAY AGREEMENT TO SOUTHERN GAS PIPELINE INC. REC. VOL. 427, PG. 621, O.P.R. (BLANKET)
- RIGHT-OF-WAY & PIPELINE EASEMENT TO CARTER ENERGY CORPORATION REC. VOL. 481, PG. 186, O.P.R. (BLANKET)
- RIGHT-OF-WAY AGREEMENT TO SOUTHWESTERN GAS PIPELINE INC. REC. VOL. 510, PG. 610, O.P.R. (BLANKET)
- EASEMENT & RIGHT-OF-WAY TO INCOIL ELECTRIC DELIVERY COMPANY LLC REC. VOL. 872, PG. 383, O.P.R. (BLANKET)



This plan represents a survey conducted on the ground under my supervision on April 6, 2015.

Clinton W. Farris
Clinton W. Farris, S.L.C.

This plan or description is not intended to express or imply a warranty or guarantee of ownership of the land, and no encumbrances on the tract described in it, not intended to imply that any adjoining tracts referred to in this document have been actually surveyed on the ground. Any encumbrances of record together with details of encumbrances that may be shown on other public maps and are not based on an independent field survey. Encumbrances shown are based on title records from FarrisNet, Inc. or FarrisNet.com.











Google

Map data ©2022 Imagery ©2022 CNES / Airbus, Maxar Technologies, USDA/FPAC/GEO

MAP DATA

FEMA Special Flood Hazard Area: **No**
 Map Number: **48237C0425A**
 Zone: **X**
 Map Date: **February 12, 2021**
 FIPS: **48237**

MAP LEGEND

- | | |
|--|---|
|  Areas inundated by 500-year flooding |  Protected Areas |
|  Areas inundated by 100-year flooding |  Floodway |
|  Velocity Hazard |  Subject Area |

Powered by CoreLogic®

Improvements Analysis

The subject of this appraisal is a ranch retreat property with a total of 11,092 square feet of gross building area. Building 1 is a lodge that was constructed in 2017. Building 2 is a residence that was constructed in 2009 and was expanded in 2017 (weighted average year built of 2011). Building 3 is a residence that was constructed in 2017. Building 4 is a guest house that was constructed in 1950 and was expanded in 2017 (weighted average year built of 1978). Building 5 is a warehouse that was constructed in 2017. Building 6 is a warehouse that was constructed in 2017. Building 7 is an office that was constructed in 2022. Building 8 is a cabin which was built in 2022. Building 9 is a cabin which was built in 2021. The weighted average year built of the buildings is 2015. Building plans were not provided to the appraisers. A building sketch and an Ad Valorem Tax Schedule exhibit are included after this improvements analysis section.

The following outline provides a description of the physical characteristics of the subject improvements based on our inspection of the property.

<u>Type:</u>	Ranch Retreat Property
<u>Number of Buildings:</u>	Nine
<u>Year Built:</u>	2015 (weighted average)
<u>Year Renovated:</u>	N/A
<u>Size:</u>	11,092 square feet of gross building area
<u>Finished Space Percentage:</u>	65.6% or 7,187 square feet
<u>HVAC:</u>	There are central HVAC systems for Buildings 1, 3, 4, 7, 8, 9 and 1,179 square feet of Building 2. Therefore, 68.4%, or 7,502 square feet of the total property is heated and cooled. Buildings 5 and 6 include ridge vents and exhaust fans only.
<u>Land-to-Building Ratio:</u>	852.67 to 1 (based on building footprints)
<u>Foundation:</u>	Concrete slab
<u>Floors:</u>	Building 1 includes a mixture of stained concrete, ceramic tiled and carpeted floors. Building 2 includes a mixture of stained concrete and ceramic tiled floors. Building 3 includes ceramic tiled floors. Building 4 includes a mixture of stained concrete and exposed concrete floors. Buildings 5 and 6 include exposed concrete floors. Buildings 7, 8 and 9 include stained concrete floors.
<u>Walls:</u>	The exterior walls of Buildings 1 and 4 are a mixture of metal and stone. The exterior walls of Buildings 2, 3, 5, 6, 7, 8 and 9 are metal. The interior walls in Buildings 1 and 2 are painted sheetrock and wood paneling. The interior walls in Building 3 are painted sheetrock. The interior walls in

Building 4 are insulated metal, exposed stone and wood paneling. The interior walls in Building 5 are insulated and exposed metal. The interior walls in Building 6 are insulated metal. The interior walls in Buildings 7, 8 and 9 are painted sheetrock.

Doors:

There are two grade level manual overhead doors on the front of Building 2 and one grade level manual overhead door on the front of Building 5. The external pedestrian doors of Buildings 1, 3, 4, 5, 6, 7, 8 and 9 are metal. The external pedestrian doors of Building 2 are wood and metal. The interior doors are solid core wood.

Roof:

The roofs are pitched insulated metal.

Plumbing and Restrooms:

There are three bathrooms Building 1, one bathroom in Building 2, one bathroom in Building 3, one bathroom in Building 4, one restroom in Building 7, one bathroom in Building 8 and one bathroom in Building 9. There are adequate restrooms to serve the property.

Lighting:

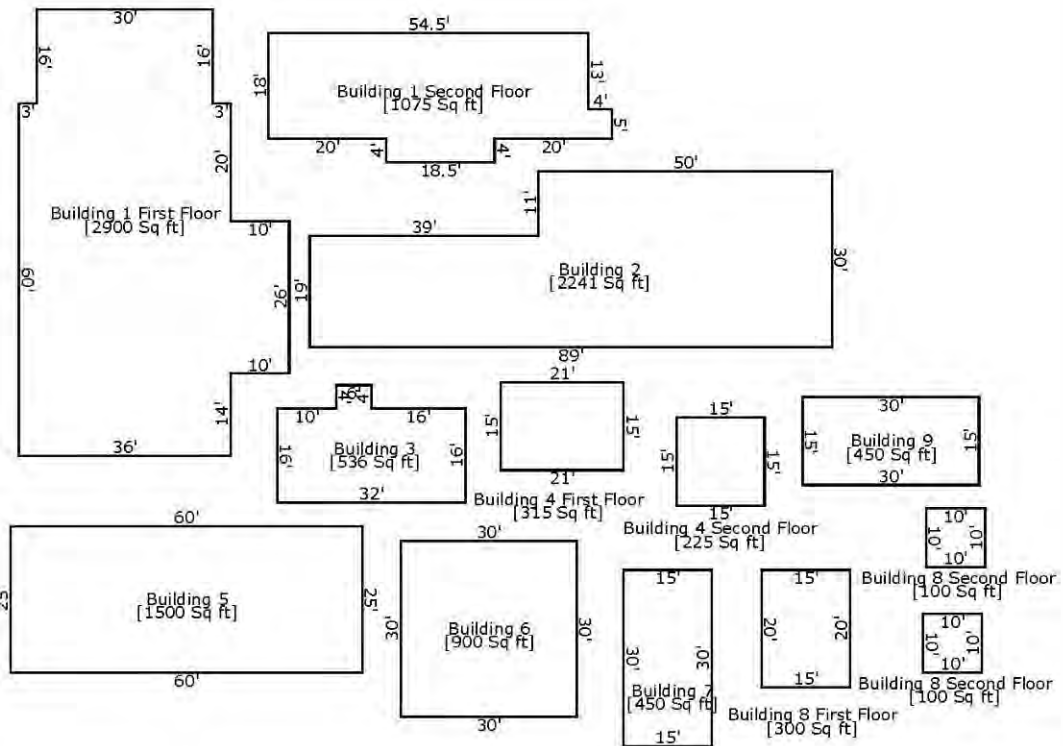
Building 1 includes LED fixtures hung from a painted sheetrock ceiling. Buildings 2 and 3 include incandescent fixtures hung from a painted sheetrock ceiling. Building 4 includes fluorescent fixtures hung from wood and insulated metal ceilings. Buildings 5 and 6 include fluorescent fixtures hung from an insulated metal ceiling. Buildings 7, 8 and 9 include incandescent fixtures hung from a painted sheetrock ceiling.

Site Improvements:

The subject site improvements include concrete paving, gravel roads, a lake, exterior stairs, landscaping, barbed wire fencing, well and septic systems, canopies, well houses, a metal shed, docks, wrought iron fencing, wood fencing, perimeter hog fencing, a cabin, a comfort station, primitive cabins, a bathroom building, a horse stall, a garden, ponds, an observatory, rock walls and seating, shelters, a basketball court, a sand volleyball court, a baseball/soccer field, irrigation and aeration systems, underground utilities infrastructure, a concrete RV pad, an internet tower, water pump systems, water storage tanks, gravel bases and stones, watering holes, solar lighting, a flag pole, a bird watching building, gates and railings and signage. There is adequate paved and stabilized area for parking and yard storage on the site.

Conclusion

The subject improvements are typical of a good quality ranch retreat property which is in good condition. Overall, the property appears to conform to other uses in the subject neighborhood. Building sketches and an Ad Valorem Tax Schedule exhibit follow.



TOTAL Sketch by a la mode, Inc.

Area Calculations Summary

Living Area	
Building 7	450 Sq ft
Building 4 First Floor	315 Sq ft
Building 6	900 Sq ft
Building 5	1500 Sq ft
Building 2	2241 Sq ft
Building 1 First Floor	2900 Sq ft
Building 3	536 Sq ft
Building 8 First Floor	300 Sq ft
Building 9	450 Sq ft
Building 8 Second Floor	100 Sq ft
Building 8 Second Floor	100 Sq ft
Building 1 Second Floor	1075 Sq ft
Building 4 Second Floor	225 Sq ft
Total Living Area (Rounded):	11092 Sq ft

TOTAL Sketch software by a la mode, inc. 1-800-alamode

AD VALOREM TAX SCHEDULE

Property Address: 4636 Halsell Ranch Road
 Jacksboro, Jack County, Texas 76458

Owner: Marluc, LLC

Account Number: 54654, 4577, 54652

Land size⁽¹⁾: 183.500 Acs.

Bldg. size⁽¹⁾: 11,205 Sq.Ft.

	2021	2022
Tax Assessment		
Land	\$5,730	\$2,730
Improvements	<u>\$12,180</u>	<u>\$12,180</u>
Total	\$17,910	\$14,910
Total PSF	\$1.60	\$1.33
Agricultural Assessment	\$592,810	\$595,110
Total PSF	\$52.91	\$53.11

Tax Rates (\$ per \$100 of assessed value)

Jurisdiction:		
Graford ISD	\$1.032290	\$0.904362
Jack County	\$0.415830	\$0.404635
Jack County Hospital	\$0.315000	\$0.309000
Jack County Special	\$0.108560	\$0.107520
Jack County WCID #1	<u>\$0.011973</u>	<u>\$0.012057</u>
Combined tax rate:	\$1.883653	\$1.737574

Total Tax Payments⁽²⁾

Jurisdiction:		
Graford ISD	\$6,120	\$5,382
Jack County	\$2,465	\$2,408
Jack County Hospital	\$1,867	\$1,839
Jack County Special	\$644	\$640
Jack County WCID #1	<u>\$71</u>	<u>\$72</u>
Total	\$11,167	\$10,341
Total PSF	<u>\$1.00</u>	<u>\$0.92</u>

Notes:

⁽¹⁾ Jack County Appraisal District recorded size.

⁽²⁾ There are no delinquent taxes reported for the subject property.

HIGHEST AND BEST USE

The uses to which a property can be put affect its value. This is recognized by the concept of highest and best use, generally understood to mean:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and which results in the highest value. These four factors influence the developability and the marketability/value of property:

- ⇒ Legal permissibility (zoning, deed restrictions, building codes, etc.)
- ⇒ Physical possibility (size, shape, frontage, utilities, etc.)
- ⇒ Financial feasibility (demand to support development)
- ⇒ Maximum productivity

Two separate analyses are performed to develop an opinion of highest and best use: first, an examination of the site as vacant and available for development and second, an examination of the existing improvements and an investigation of their contribution to the value of the property. For an existing improved property, as long as the value of the property as improved is greater than the value of the vacant site less demolition costs, the highest and best use is the use as improved. Once the value of the vacant land exceeds the value of the improved property, the highest and best use becomes the use of the land as vacant.

Site as if Vacant

Physically Possible

The subject site contains 187.760 acres or 8,178,826 square feet of land area. The site is irregular in shape (but functional for development), with frontage along a secondary neighborhood roadway. Public water and sewer services are not available to the site. All other utilities are available to the site. Based on our interviews with local brokers and investors, physically possible (and likely) uses include most types of residential development.

Legally Permissible

The subject property is located in unincorporated Jack County and is not subject to zoning. Therefore, development of any kind would be permitted on the site. There do not appear to be any adverse restrictions which would limit the development of the subject site.

Financially Feasible/Maximally Productive

During our inspection, we noted limited new residential development occurring in the subject neighborhood. The properties surrounding the subject are used for ranch or recreation purposes. The lack of new development in the neighborhood indicates that residential development is likely not financially feasible on the subject site at this time. Based on this analysis, the highest and best use of the subject site as vacant is for recreation or ranch use.

Property as Improved

The subject site is improved with a 11,092 square foot ranch retreat property and related site improvements. Based on the use, physical characteristics, location and condition of the improvements, they appear to add value to the site. Therefore, the highest and best use of the property as improved is for continued use as a ranch retreat property.

COST APPROACH

This approach is based on the principle of substitution which assumes that a prudent purchaser will not ordinarily pay more for a property than the cost of producing a substitute of similar utility. A value indication is derived by estimating the cost of acquiring a comparable site and constructing comparable improvements and then by making allowances for the age and the inadequacies of the existing improvements. This approach requires the appraiser to estimate the following items:

- Site value, as if the site were vacant and available for development
- Replacement cost new of the improvements
- Accrued depreciation of the improvements, measured by the following:
 - Physical deterioration
 - Functional obsolescence
 - External obsolescence

The replacement cost new of the improvements, less any accrued depreciation, is added to the site value to arrive at a value indication.

Land Valuation

The Sales Comparison Approach is used to estimate the market value of the subject site as if vacant. In order to apply the Sales Comparison Approach to the subject site, we have researched and analyzed recent land sales and listings in and around the subject neighborhood. We contacted individuals having knowledge of the transaction details and discussed each sale to the fullest extent possible. We also interviewed local brokers, investors and developers regarding current trends in land prices and development in and around the subject neighborhood.

The most pertinent sales to analyze the subject are summarized on the following Land Sales Summary and Adjustment Grid, which is followed by a location map of the sales. A detailed write-up of each sale can be found in the Addenda.

LAND SALES SUMMARY AND ADJUSTMENT GRID

<u>MARKET DATA</u>	<u>SUBJECT</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
Location	N/S Haisell Ranch Road, 5,400 feet southeast of Barton Chapel Road	W/S South US Highway 281, 2,555 feet north of Kelsay Lane	E/S Mountain Drive, 1.21 miles south of State Highway 337	N/S Finis Road, 1,265 feet west of FM 1191	S/S Tucker Road, 1,695 feet east of Cook Road
City	Jacksboro	Perrin	Graford	Graham	Graford
Date of Sale	--	Aug/22	Apr/22	Dec/21	Oct/21
Size (Ac.)	187.760 Ac.	103.863 Ac.	76.008 Ac.	152.000 Ac.	64.260 Ac.
Size (SF)	8,178,826 SF	4,524,272	3,310,908	6,621,120	2,799,166
Sale Price	--	\$633,000	\$685,000	\$1,100,000	\$360,000
Sale Price Per Acre	--	\$6,095	\$9,012	\$7,237	\$5,602
Proposed Development	Ranch Retreat Property	Recreation	Recreation	Recreation	Recreation
Sale Price Per Acre	--	\$6,095	\$9,012	\$7,237	\$5,602

COMPARATIVE ANALYSIS

<u>MULTIPLIED ADJUSTMENTS</u>	<u>0.4 years</u>	<u>0.7 years</u>	<u>1.0 years</u>	<u>1.2 years</u>
Elapsed Time (Years)	0.4 years	0.7 years	1.0 years	1.2 years
Market Conditions/Time Adjustment	1.2%	2.1%	3.0%	3.6%
Conditions of Sale Adjustment	0.0%	0.0%	0.0%	0.0%
Req. Cond/Time Adj. Price Per Acre	\$6,168	\$9,201	\$7,454	\$5,804
ADDED ADJUSTMENTS				
Location Adjustment	0%	-10%	0%	0%
Physical Characteristics:				
Size Adjustment/Acre Basis	0%	-5%	0%	-5%
Shape/Depth	0%	0%	0%	0%
Access/Frontage	-5%	0%	0%	0%
Topography	0%	0%	0%	0%
Flood Plain	0%	0%	0%	0%
Utilities	0%	0%	-5%	0%
Zoning	0%	0%	0%	0%
Total Adjustment	-5%	-15%	-5%	-5%
Adjusted Price/Acre	\$5,860	\$7,821	\$7,081	\$5,514

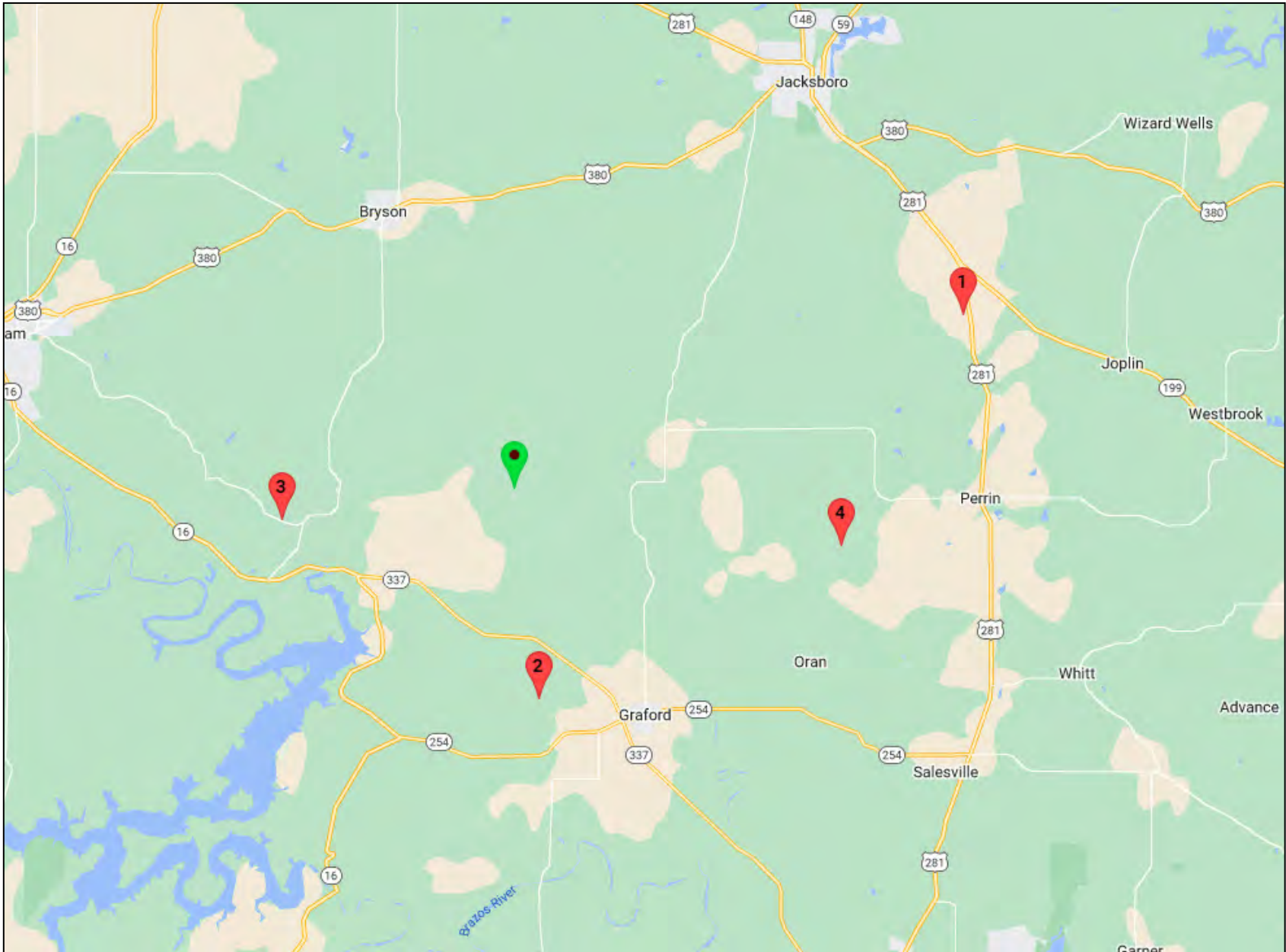
PER ACRE METHOD	Low:	\$5,514
	High:	\$7,821
	Mean:	\$6,569
	Median:	\$6,471

INDICATED VALUE ESTIMATE			
\$6,500	X	187.760	= \$1,220,440

Indicated Market Value of Subject Site (Rounded): \$1,220,000

Notes:

Land Sales Map



Comparative Analysis

For this analysis, we compared the sales to the subject and adjusted them for differences in market conditions (time), conditions of sale, location and various physical characteristics. The adjusted prices for the sales were then reconciled into a final value indication for this approach.

Our analysis includes four sales. The sales range in date of sale from October 2021 to August 2022. The sales range in size from 64.260 to 152.000 acres. The unadjusted prices of the sales range from \$5,602 to \$9,012 per acre.

Market Conditions

For this adjustment, we considered changes in the demand for land, recent and proposed development, the availability of financing, and economic conditions at the local level. Based on our discussions with market participants and a comparison of the sales, land prices in the subject neighborhood have increased over the past few years. While increasing interest rates and inflation are factors that have influenced the market, local supply, demand and demographic conditions in the subject market appear to be more significant. Therefore, we have applied an upward adjustment of 3.0% per year for improved market conditions.

Conditions of Sale

An adjustment is warranted for conditions of sale when a transaction involves atypical motivations that affect the price of a property. All of the sales were reported to be typical arm's length transactions and were not adjusted for this characteristic.

Location

Location adjustments are necessary when the locations of the comparable properties are different than the subject. Sale 2 is superior to the subject with respect to location and was adjusted downward for this characteristic. The remaining comparables are similar to the subject with respect to location and were not adjusted for this characteristic.

Size

The size of a property will usually affect its per unit sale price. An inverse relationship typically exists between the size of a property and its sale price per square foot. The larger the size of a property, the smaller the per unit price, and vice versa, assuming all other variables are constant. The subject site contains 187.760 acres, while the comparables range in size from 64.260 to 152.000 acres. Sales 2 and 4 were adjusted downward due to their smaller sizes as compared to the subject. The adjustment applied is 5% per doubling/halving in size and is based on a comparison of the sales and our conversations with local brokers and investors. Sales 1 and 3 are similar to the subject with respect to size and were not adjusted for this characteristic.

Shape/Depth

The shape/depth characteristics of a property can affect its sale price. All of the comparables have shape/depth characteristics that would not influence the developability of the site, similar to the subject. Therefore, adjustments were not applied to the comparables for this characteristic.

Access/Frontage

The access/frontage characteristics of a property will usually affect its sale price. The subject site has frontage along the north side of Halsell Ranch Road, a secondary neighborhood roadway. Sale 1 is superior to the subject with respect to access/frontage and was adjusted downward for this characteristic. The remaining comparables are similar to the subject with respect to access/frontage and were not adjusted for this characteristic.

Topography

The overall price of a property will generally be negatively impacted if additional investment is required to level the site. All of the comparables are similar to the subject with respect to topography. Therefore, topography adjustments were not applied to the comparables.

Flood Plain

The overall price of a site can be impacted if a portion of the site is located within the flood plain. The majority of the subject site (approximately 95%) and all of the comparables are located outside of the flood plain. Therefore, flood plain adjustments were not applied to the comparables.

Utilities

Access to utilities can have an impact on the sale price of a site. Public water and sewer services are not available to the subject site. The subject site has access to all other utilities. Sale 3 had access to public water at the time of sale and was adjusted downward for this characteristic. The remaining comparables are similar to the subject with respect to utilities and were not adjusted for this characteristic.

Zoning

The subject site and all of the comparables are similar with respect to zoning and/or highest and best use. Therefore, zoning adjustments were not applied to the comparables.

Land Value Conclusion

The adjusted sale prices of the comparable land sales range from \$5,514 to \$7,821 per acre. The mean of the sales is \$6,569 per square foot and the median is \$6,471 per acre. We have placed equal emphasis on all of the comparables in our reconciliation. Based on this analysis, the market value of the fee simple interest of the subject site as of the date of inspection, or January 3, 2023, is estimated as follows:

187.760 Acres	X	\$6,500 per acre	=	\$1,220,440
		Rounded	=	\$1,220,000

Replacement Cost New

The replacement cost new is the estimated cost to construct, at prices as of the effective appraisal date, a building with utility equivalent to the building being appraised using modern materials, current standards, design and layout. We researched *Marshall Valuation Service*, published by Marshall & Swift, to estimate the replacement cost new of the subject property. The discussion which follows summarizes our analysis.

We quantified components of construction and building services and then applied a unit cost to develop the construction cost of the building(s) as of the date of valuation. After applying height, perimeter, current cost and local area multipliers, a base price per square foot was obtained. We also utilized *Marshall Valuation Service* to estimate the replacement cost new of the site and other improvements.

Indirect (soft) Costs

Indirect costs have been estimated at 5% based on our interviews with market participants and soft costs reported for similar facilities.

Entrepreneurial Profit

Entrepreneurial profit accounts for a developer's expectation to receive a return above actual development costs. Based on our interviews with developers of similar properties, a 10% entrepreneurial profit is applied.

Accrued Depreciation

Physical Depreciation

Physical depreciation as a result of age and wear can be divided into curable and incurable categories. Curable physical depreciation refers to items in need of repair (deferred maintenance) as of the date of the inspection. Incurable physical depreciation refers to items of depreciation that cannot be practically or economically corrected. No significant deferred maintenance (curable physical depreciation) was noted during our inspection of the property.

Incurable physical depreciation has been estimated using the age-life method as follows:

<u>Building/Component</u>	<u>Effective Age</u>	<u>Total Useful Life</u>	<u>Depreciation Rate</u>
Building 1	5 Years	50 Years	11.7%
Building 2	8 Years	55 Years	14.5%
Building 3	5 Years	55 Years	9.1%
Building 4	20 Years	40 Years	50.0%
Building 5	5 Years	45 Years	11.1%
Building 6	5 Years	45 Years	11.1%
Building 7	1 Year	45 Years	2.2%
Building 8	1 Year	55 Years	1.8%
Building 9	1 Year	45 Years	2.2%
Site Improvements	3 Years	15 Years	20.0%

The total physical depreciation for the property is estimated at \$811,464.

Functional Obsolescence

Functional obsolescence is any loss in value resulting from inappropriate architectural design, construction, or layout. Based on our inspection of the subject improvements no functional obsolescence was noted.

External Obsolescence

External obsolescence, usually not curable, is a loss resulting from causes outside property boundaries that are not accounted for in land value. No external obsolescence was identified for the subject property.

A Cost Approach Summary follows.

COST APPROACH SUMMARY
4636 Halsell Ranch Road
Jacksboro, Jack County, Texas 76458

COST APPROACH PARAMETERS

<u>Effective Age of Improvements⁽¹⁾</u>		<u>Adjustment Factors/Multipliers⁽²⁾</u>					
Building 1	5 Years		<u>Building 1</u>	<u>Building 2</u>	<u>Building 3</u>	<u>Building 4</u>	<u>Building 5</u>
Building 2	8 Years						
Building 3	5 Years	Story Height Multiplier	1.000	1.000	1.000	1.000	1.000
Building 4	20 Years	Number of Stories	1.000	1.000	1.000	1.000	1.000
Building 5	5 Years	Perimeter Multiplier	1.000	1.000	1.000	1.000	1.000
Building 6	5 Years	Local Multiplier	0.890	0.890	0.890	0.890	0.890
Building 7	1 Years	Current Cost Multiplier	<u>1.070</u>	<u>1.070</u>	<u>1.010</u>	<u>1.100</u>	<u>1.070</u>
Building 8	1 Years						
Building 9	1 Years						
Site Improvements	3 Years						
<u>Estimated Life of Improvements⁽⁴⁾</u>		Total Adjustment Factor	0.952	0.952	0.899	0.979	0.952
			<u>Building 6</u>	<u>Building 7</u>	<u>Building 8</u>	<u>Building 9</u>	
Building 1	50 Years	Story Height Multiplier	1.000	1.000	1.000	1.000	
Building 2	55 Years	Number of Stories	1.000	1.000	1.000	1.000	
Building 3	55 Years	Perimeter Multiplier	1.000	1.000	1.000	1.000	
Building 4	40 Years	Local Multiplier	0.890	0.890	0.890	0.890	
Building 5	45 Years	Current Cost Multiplier	<u>1.070</u>	<u>1.070</u>	<u>1.010</u>	<u>1.010</u>	
Building 6	45 Years						
Building 7	45 Years						
Building 8	55 Years						
Building 9	45 Years	Total Adjustment Factor	0.952	0.952	0.899	0.899	
Site Improvements	15 Years						
Marshall Valuation Classification	Cost Estimate PSF ⁽²⁾	Total Adj. Factor	Adjusted Cost (PSF)	Subject Area (SF) ⁽³⁾	Undepreciated Replacement Cost		
Building 1 Lodges Class C, Type Excellent (Section 12, Page 14)	\$285.00	0.952	\$271.32	3,975	\$1,078,497		
Building 2 Single-Family Residences Class S, Type Average (Section 12, Page 25)	\$124.00	0.952	\$118.05	2,241	\$264,550		
Building 3 Single-Family Residences Class S, Type Average (Section 12, Page 25)	\$124.00	0.899	\$111.48	536	\$59,753		
Building 4 Guest Cottages Class C, Type Average (Section 12, Page 15)	\$150.00	0.979	\$146.85	540	\$79,299		
Building 5 Light Industrial/Warehouse Shell Buildings Class S, Type Average (Section 14, Page 35)	\$42.00	0.952	\$39.98	1,500	\$59,970		
Building 6 Light Industrial/Warehouse Shell Buildings Class S, Type Average (Section 14, Page 35)	\$42.00	0.952	\$39.98	900	\$35,982		
Building 7 Office Buildings Class S, Type Average (Section 15, Page 17)	\$126.00	0.952	\$119.95	450	\$53,978		
Building 8 Single-Family Residences Class S, Type Average (Section 12, Page 25)	\$124.00	0.899	\$111.48	500	\$55,740		
Building 9 Guest Cottages Class C, Type Good (Section 12, Page 15)	\$198.00	0.899	\$178.00	450	\$80,100		

RCNLD SCHEDULE AND CONCLUSION

Direct Building Costs		\$1,767,869
Site Improvements Cost ^(2, 3)		
Concrete Paving - 3,985 sf @ \$4.95 psf	\$19,726	
Gravel Stabilization - 423,000 sf @ \$0.87 psf	\$368,010	
Lake	\$750,000	
Exterior Stairs	\$15,000	
Landscaping	\$60,000	
Barbed Wire Fencing - 20,000 lf @ \$5.00 plf	\$100,000	
Well and Septic Systems	\$180,000	
Canopies	\$105,000	
Well Houses	\$11,800	
Metal Shed	\$35,000	
Docks	\$85,000	
Wrought Iron Fencing - 4,000 sf @ \$20.00 psf	\$80,000	
Eight-foot Wood Fencing - 720 lf @ \$32.00 plf	\$23,040	
Four-foot Wood Fencing - 300 lf @ \$20.70 plf	\$6,210	
Perimeter Hog Fencing	\$80,000	
Reflection Cabin	\$60,000	
Comfort Station	\$75,000	
Primitive Cabins - 3 @ \$25,000 each	\$75,000	
Bathroom Building	\$22,000	
Horse Stall	\$12,000	
Garden	\$22,000	
Ponds	\$83,000	
Observatory	\$18,000	
Rock Walls and Seating	\$32,000	
Refuge Campground Shelter	\$15,000	
Shelters	\$4,000	
Basketball Court	\$60,000	
Sand Volleyball Court	\$25,000	
Baseball/Soccer Field	\$80,000	
Irrigation and Aeration Systems	\$40,000	
Underground Utilities Infrastructure	\$160,000	
Concrete RV Pad	\$15,000	
Internet Tower	\$30,000	
Water Pump Systems	\$8,000	
Water Storage Tanks	\$25,000	
Gravel Base and Stones	\$4,000	
Watering Holes	\$4,000	
Solar Lighting	\$2,000	
Flag Pole	\$1,000	
Bird Watch Building	\$5,000	
Gates and Railings	\$18,000	
Signage	\$20,000	
Total Site Improvements Costs	\$2,833,786	\$2,833,786
Total Direct Costs		\$4,601,655
Plus Indirect Costs @ 5%		\$230,083
Total Replacement Cost New Before Land, Profit		\$4,831,738
Less Depreciation		
Physical Curable	\$0	
Physical Incurable - Primary Structures	(\$216,369)	
Physical Incurable - Site Improvements	(\$595,095)	
Functional Obsolescence	\$0	
External Obsolescence	\$0	
Total Depreciation	(\$811,464)	(\$811,464)
Depreciated Replacement Cost		\$4,020,274
Plus Entrepreneurial Profit @ 10%		\$402,027
		\$4,422,301
Plus Land Value		\$1,220,000
		\$5,642,301
Indicated Market Value "As Is" Via Cost Approach:	ROUNDED:	\$5,640,000
		\$508.47 per square foot

Notes:

⁽¹⁾ Based on the actual age of the improvements and their current condition.

⁽²⁾ Source - *Marshall Valuation Service*.

⁽³⁾ Based on information provided by the current owner.

Cost Approach Conclusion

Based on the previous analysis, we estimate the market value of the fee simple interest of the subject property as of January 3, 2023 via the Cost Approach as follows:

\$5,640,000

SALES COMPARISON APPROACH

Introduction

In order to apply the Sales Comparison Approach to the subject property we have researched and analyzed recent comparable sales and listings in the greater North Texas Area. We contacted individuals having knowledge of the transaction details and discussed the sales to the fullest extent possible. The most pertinent sales to analyze the subject are summarized on the exhibit following this introduction. The units of comparison were adjusted for cash equivalency, rent loss, deferred maintenance and rehabilitation costs where applicable. A detailed write-up of each sale can be found in the Addenda.

Investors indicate that they rely on the sale price per square foot method to analyze similar properties. For the sale price per square foot method, we compared the sales to the subject property and adjusted their sale price per square foot for differences in market conditions (time), conditions of sale, location and various physical characteristics. The adjusted prices for the sales were then reconciled into a final value indication via this approach.

An Improved Sales Summary and Adjustment Grid follows which outlines the terms and characteristics of the sales as well as the adjustments we applied to each sale. An Improved Sales Map also follows.

IMPROVED SALES SUMMARY AND ADJUSTMENT GRID

<u>MARKET DATA</u>	<u>SUBJECT</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
Property Name	Ranch Retreat Property	Old Brock Road Rural Residential Property	Dps Tower Road Rural Residential Property	Northwest Parkway Rural Residential Property/Event Center	Old Dennis Road Rural Residential Property	East FM 922 Rural Residential Property
Address	4636 Halsell Ranch Road	6001 Old Brock Road	1150 Dps Tower Road	1421 Northwest Parkway	5409 Old Dennis Road	12033 East FM 922
City	Jacksboro	Weatherford	Perrin	Azle	Weatherford	Tioga
Year Built	2015	2015	2003	2011	2006	2015
Year Renovated	N/A	N/A	N/A	N/A	N/A	N/A
Net Rentable Area	11,092	13,222	6,400	13,200	13,966	8,449
Land-to-Building Ratio	852.67 to 1	352.44 to 1	3062.81 to 1	338.45 to 1	702.18 to 1	613.45 to 1
Type of Construction	Metal, Stone And Wood	Brick, Stone, Wood and Metal	Brick and Metal	Brick, Stone and Wood	Brick and Metal	Brick and Metal
Sale Date	--	09/09/22	08/15/22	06/15/22	10/28/21	05/26/21
Sale Price	--	\$6,500,000	\$2,499,375	\$7,000,100	\$7,000,000	\$3,900,000
Price Per Sq. Ft.	--	\$491.60	\$390.53	\$530.31	\$501.22	\$461.59

COMPARATIVE ANALYSIS

<u>MULTIPLIED ADJUSTMENTS</u>						
Elapsed Time (Years)		0.3 years	0.4 years	0.6 years	1.2 years	1.6 years
Market Conditions/Time Adjustment		0.9%	1.2%	1.8%	3.6%	4.8%
Conditions of Sale Adjustment		0.0%	0.0%	0.0%	0.0%	0.0%
Ceq. Cond/Time Adj. Price PSF		\$496.02	\$395.22	\$539.86	\$519.26	\$483.75

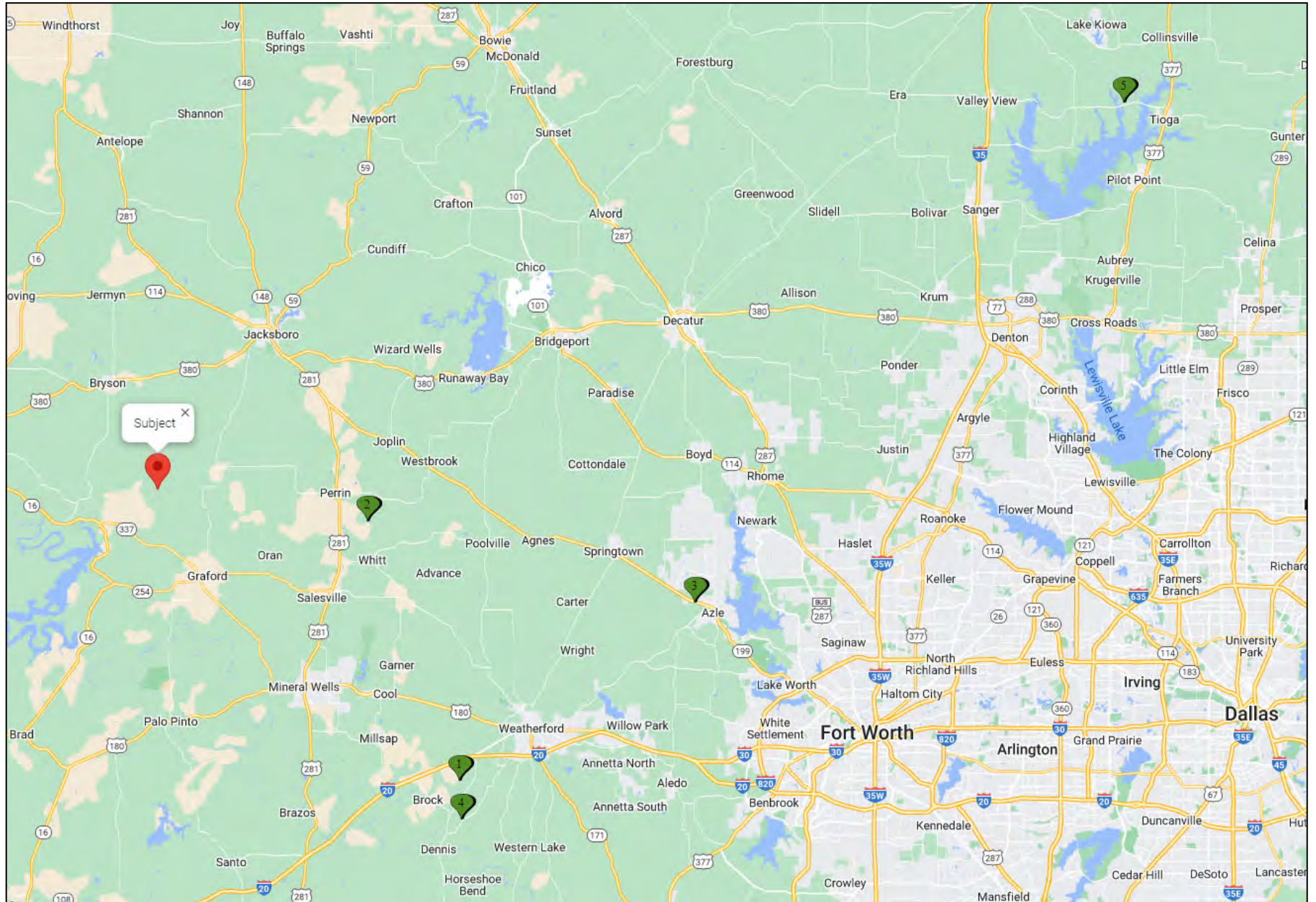
<u>ADDED ADJUSTMENTS</u>						
Location		-5%	0%	-5%	-5%	0%
Size		0%	0%	0%	0%	0%
Access/Frontage		0%	0%	-5%	0%	0%
Age/Condition		0%	10%	0%	10%	0%
Quality of Construction		0%	0%	0%	0%	0%
Site Improvements		10%	10%	0%	10%	5%
Land-to-Building Ratio		5%	-5%	5%	0%	0%
Physical Characteristics		0%	0%	0%	0%	0%
Total Adjustment		10%	15%	-5%	15%	5%
Adjusted Price/Sq. Ft.		\$545.62	\$454.50	\$512.87	\$597.15	\$507.94

PSF METHOD	Low:	\$454.50
	High:	\$597.15
	Mean:	\$523.62
	Median:	\$512.87

INDICATED VALUE ESTIMATE			
\$520.00	X	11,092	= \$5,767,840
Indicated Market Value "As Is" Via Sales Comparison Approach (Rounded):			
\$5,770,000			

Notes:

Improved Sales Map



Comparative Analysis

For this analysis, we compared the sales to the subject and adjusted them for differences in market conditions (time), conditions of sale, location and various physical characteristics. The adjusted prices for the sales were then reconciled into a final value indication for this approach.

Our analysis includes five sales. The sales range in date of sale from May 2021 to September 2022 and in size from 6,400 to 13,966 square feet. The sales range in unadjusted sale price from \$390.53 to \$530.31 per square foot.

Market Conditions

The comparable sales occurred between May 2021 and September 2022. We interviewed brokers involved in the sale of similar facilities regarding the health of the market as well as current influences. They indicated that interest rate increases have affected some buyers but overall demand for facilities such as the subject has held up amid relatively short supply since the beginning of 2022. They also indicated that inflationary influences like high construction/replacement cost trends have caused record pricing amongst existing properties. While factors such as interest rates and inflation are currently influencing the market, local supply, demand and demographic shifts appear to be more significant. Therefore, we have applied an upward adjustment of 3.0% per year for market conditions.

Conditions of Sale

An adjustment is warranted for conditions of sale when a transaction involves atypical motivations that affect the price of a property. All of the sales were reported to be typical arm's length transactions and were not adjusted for this characteristic.

Location

Location adjustments are necessary when the locations of the comparable properties are different than the subject. Sales 1, 3 and 4 are superior to the subject with respect to location and were adjusted downward for this characteristic. Sales 2 and 5 are similar to the subject with respect to location and were not adjusted for this characteristic.

Size

The size of a property will usually affect its per unit sale price. An inverse relationship typically exists between the size of a property and its sale price per square foot. The larger the size of a property, the smaller the per unit price, and vice versa, assuming all other variables are constant. The subject property contains 11,092 square feet of gross building area. The sales range in size from 6,400 to 13,966 square feet of gross building area. All of the comparables are similar to the subject with respect to size and were not adjusted for this characteristic.

Access/Frontage

The access/frontage characteristics of a property will usually affect its sale price. The subject property is located along Halsell Ranch Road, a secondary neighborhood roadway. Sale 3 is superior to the subject with respect to access/frontage and was adjusted downward for this characteristic. The remaining comparables are similar to the subject with respect to access/frontage and were not adjusted for this characteristic.

Age/Condition

The subject property was constructed in 2015 (weighted average) and is in good condition. Sales 2 and 4 are inferior to the subject with respect to age/condition and were adjusted upward for this characteristic. The remaining comparables are similar to the subject with respect to age/condition and were not adjusted for this characteristic.

Quality of Construction

Different qualities of construction may affect the sale price of a property. All of the comparables are similar to the subject with respect to quality of construction and were not adjusted for this characteristic.

Site Improvements

The amount of site improvements at a property will usually affect its per unit sale price. The subject property has extensive site improvements. Sales 1, 2, 4 and 5 are inferior to the subject with respect to site improvements. Therefore, these comparables were adjusted upward for this characteristic. Sale 3 is similar to the subject with respect to site improvements and was not adjusted for this characteristic.

Land-to-Building Ratio

The land-to-building ratio typically has a direct relationship to the price of properties as additional land typically allows for more parking and expansion potential. The subject property has a land-to-building ratio of 852.67 to 1.0 (based on building footprints). The land-to-building ratios for the comparables range from 338.45 to 1.0 to 3062.81 to 1.0. Sales 1 and 3 have smaller land-to-building ratios as compared to the subject and were adjusted upward for this characteristic. Sale 2 has a larger land-to-building ratio as compared to the subject and was adjusted downward for this characteristic. This adjustment is based on a review of land sales and our interviews with market participants regarding this characteristic. Sales 4 and 5 are similar to the subject with respect to land-to-building ratio and were not adjusted for this characteristic.

Physical Characteristics

This adjustment compares the overall physical amenities of the sales to the subject property. All of the comparables are similar to the subject property with respect to physical characteristics. Therefore, the sales were not adjusted for physical characteristics.

Sales Comparison Approach Conclusion

The adjusted sale prices of the comparable improved sales ranges from \$454.50 to \$597.15 per square foot. The mean of the data is \$523.62 per square foot, and the median is \$512.87 per square foot. We have placed equal emphasis on all of the comparables in our reconciliation. Considering the above data, we estimate the market value of the fee simple interest of the subject property via the Sales Comparison Approach as follows:

11,092 square feet	X \$520.00 per square foot =	\$5,767,840
	Rounded:	\$5,770,000

RECONCILIATION AND FINAL VALUE ESTIMATE

We have completed the Cost and Sales Comparison Approaches to value for this appraisal. The Income Capitalization Approach is not an appropriate approach to value the subject property given its owner-user nature and overall physical characteristics. Therefore, we have not completed the Income Capitalization Approach for this appraisal. We considered and evaluated the alternative value indications, weighing the relative significance, applicability and defensibility of each approach. Our value conclusion for each approach to value is as follows.

Cost Approach: \$5,640,000
Sales Comparison Approach: \$5,770,000
Income Capitalization Approach: N/A

Based on our discussions with brokers and investors active in this market, owner users typically give primary consideration to the Sales Comparison Approach, with secondary reliance placed on the Cost Approach in making an investment decision for similar properties. Therefore, we have given primary emphasis to the Sales Comparison Approach and secondary emphasis to the Cost Approach in our reconciliation.

Based on the investigation described in this report, the market value of the fee simple interest of the subject property "As Is" as of the date of inspection, or January 3, 2023, is as follows:

FIVE MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS
\$5,750,000

CERTIFICATION

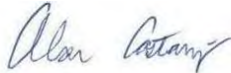
I certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and assumptions 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 in this assignment was not contingent upon developing or reporting predetermined results.
- This Appraisal Assignment was not based on a requested minimal valuation, a specific valuation or the approval of a loan.
- 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 *Uniform Standards of Professional Appraisal Practice*.
- Luke B. Schoppe made a personal inspection of the property that is the subject of this report. Thomas A. Stark, Bryan S. Miller, Ali M. Moses and Alan R. Costanzi did not make a personal inspection of the property that is the subject of this report.
- Luke B. Schoppe provided significant real property appraisal assistance to the people signing this certification, including research, analysis and writing the report.
- 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.
- 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, Thomas A. Stark and Bryan S. Miller have completed the continuing education program for Designated Members of the Appraisal Institute.
- As of the date of this report, Ali M. Moses has completed the Standards and Ethics Education Requirements for Candidates of the Appraisal Institute.
- Thomas A. Stark, Bryan S. Miller, Ali M. Moses and Alan R. Costanzi currently hold an appropriate state certification allowing the performance of real estate appraisals in connection with federally related transactions in the state in which the subject property is located.

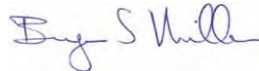
Respectfully submitted,



Thomas A. Stark, MAI, Partner
State Certified General Real Estate Appraiser
TX-1325319-G



Alan R. Costanzi
State Certified General Real Estate Appraiser
TX-1380624-G



Bryan S. Miller, MAI, CCIM, Partner
State Certified General Real Estate Appraiser
TX-1328184-G



Ali M. Moses
State Certified General Real Estate Appraiser
TX-1380926-G

STATEMENT OF GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions and limiting conditions.

General

1. No investigation has been made of, and no responsibility is assumed for, the legal description of the property being valued or for legal matters, including title or encumbrances. Title to the property is assumed to be good and marketable unless otherwise stated. The property is further assumed to be free and clear of any or all liens, easements or encumbrances unless otherwise stated.
2. Information furnished by others, upon which all or portions of this report are based, is believed to be reliable, but has not been verified in all cases. No warranty is given as to the accuracy of such information.
3. It is assumed that all required licenses, certificates of occupancy, consents or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
4. Full compliance with the applicable federal, state and local zoning, use, environmental and similar laws and regulations is assumed, unless otherwise stated.
5. No responsibility is taken for changes in market conditions, and no obligation is assumed to revise this report to reflect events or conditions which occur subsequent to the date hereof.
6. The value estimates herein are predicated on the financial structure prevailing as of the date of this report.
7. Responsible ownership and competent property management are assumed.
8. The allocation, if any, in this report of the total value between components of the property applies only to the program of utilization stated in this report. The separate values for any components may not be applicable for any other purpose and must not be used in conjunction with any other appraisal.
9. Areas and dimensions of the property were obtained from sources believed to be reliable. Maps or sketches, if included in this report, are only to assist the reader in visualizing the property; and no responsibility is assumed for their accuracy. No independent surveys were conducted.
10. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
11. No soil analysis or geological studies were ordered or made in conjunction with this report, nor was an investigation made of any water, oil, gas, coal or other subsurface mineral and use rights or conditions.

12. Neither National Appraisal Partners LLP nor any individual signing or associated with this report shall be required by reason of this report to give further consultation, provide testimony or appear in court or at other legal proceedings unless specified arrangements therefore have been made.
13. Neither this report nor any portions thereof (including without limitation any conclusions as to value, the identity of National Appraisal Partners LLP or any individuals signing or associated with this report, or the professional associations or organizations with which they are affiliated) shall be disseminated to third parties, without the prior written consent and approval of National Appraisal Partners LLP.
14. The date of analysis on which the conclusion and opinion expressed in this report apply is set forth in the letter of transmittal. Our value opinion is based on the purchasing power of the United States' dollar as of this date.
15. We are not qualified to investigate or test for the presence of toxic materials or substances. Unless otherwise stated in this report, no hazardous material, which may or may not be present on or near the property, was observed. We have no knowledge of the existence of such materials on or in the property; however, we are not qualified to detect such substances. The presence of potentially hazardous substances, such as asbestos, urea-formaldehyde foam insulation, or industrial wastes, may affect the value of the property. The value conclusions herein are predicated on the assumption that there is no such material on, in, or near the property that would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client should retain an expert in this field if further information is desired.
16. We have not attempted to measure the potential impact on value of recent enforcement of wetlands legislation. Certain areas of the subject site may be dry and developable, while others may contain reclaimable and/or non-reclaimable wetland areas. We are not qualified to make such judgments and recommend retaining an expert in this field, if desired. Our value conclusions are predicated on there being no wetlands impact.
17. We did not make any observations or interpretations on compliance with the Americans With Disabilities Act. We are not experts in this field and are not qualified to make such determinations. Our value estimate is predicated upon the property owner(s) bearing no costs for compliance.

Extraordinary Assumptions (the use of which might have affected the assignment results herein):

1. There are no Extraordinary Assumptions for this appraisal.

Hypothetical Conditions (the use of which might have affected the assignment results herein):

1. There are no Hypothetical Conditions for this appraisal.

ADDENDA

LAND SALE WRITE-UPS

Comparable 1

NATIONAL APPRAISAL PARTNERS, LLP

Sale Contract Offer Listing NAP # 40120

IDENTIFICATION

Location W/S South US Highway 281, 2,555 feet
north of Kelsay Lane

Address 7060 US Highway 281

City Perrin

County Jack

State Texas (TX)

Source Seller's broker

Name/Company/Phone Beth Correll/Weichert Realtors/817-929
-3185

TRANSACTION DATA

Sale Date 8/5/2022

Sale Price \$633,000 \$0.14/SF \$6,095/Acre

Adjusted Sale Price \$633,000 \$0.14/SF \$6,095/Acre

Grantor Aaron Jacob and Amber Lee Allen

Grantee Lance and Donna Rankin

Financing Terms Cash to seller

Recording Data 20220002784

Marketing Time Less than 12 months

Type of Buyer Owner-occupant

Property Rights Fee Simple

Conditions of Sale Arms Length

PHYSICAL DATA

Property Type Land

Land Area 4,524,272 SF 103.863 Acre

Shape Basically Rectangular

Access Frontage 2,225 FF - South US Highway 281
1,640 FF -

Zoning/
Deed Restrictions None

Intended Use Recreation

Floodplain Yes No

Improvements Yes No

Signalization Yes No

Easements/Encroachments Yes No

Corner Parcel Yes No

LEGAL DESCRIPTION

103.863 acres, being Abstract 431, MEP & PRR, Jack County,
Texas

Utilities All Available Septic Water
 None Gas Sewer
 Water Well Electric Phone

REMARKS

The property was listed for sale for ten months prior to the sale.

Comparable 2

NATIONAL APPRAISAL PARTNERS, LLP

Sale Contract Offer Listing NAP # 40122

IDENTIFICATION

Location E/S Mountain Drive, 1.21 miles south of State Highway 337

Address 1000 Block of Mountain Drive

City Graford

County Palo Pinto

State Texas (TX)

Source Seller's broker

Name/Company/Phone Allen Crumley/Williams Trew Real Estate/817-480-9502

PHYSICAL DATA

Property Type Land

Land Area 3,310,908 SF 76.008 Acre

Shape Rectangular

Access Frontage 1,670 FF - Mountain Drive

Zoning/Deed Restrictions None

Intended Use Recreation

Floodplain Yes No

Improvements Yes No

Signalization Yes No

Easements/Encroachments Yes No

Corner Parcel Yes No

Utilities All Available Septic Water
 None Gas Sewer
 Water Well Electric Phone

REMARKS

The property was listed for sale for less than one month prior to the sale.

TRANSACTION DATA

Sale Date 4/12/2022

Sale Price \$685,000 \$0.21/SF \$9,012/Acre

Adjusted Sale Price \$685,000 \$0.21/SF \$9,012/Acre

Grantor Silo Holdings LLC

Grantee Tod P. and Ashley R. Martin

Financing Terms Cash to seller

Recording Data 2622

Marketing Time Less than 12 months

Type of Buyer Owner-occupant

Property Rights Fee Simple

Conditions of Sale Arms Length

LEGAL DESCRIPTION

76.008 acres, being Tract 9, McClure Mountain Ranches PH 1, Palo Pinto, Texas

Comparable 3

NATIONAL APPRAISAL PARTNERS, LLP

Sale Contract Offer Listing NAP # 40128

IDENTIFICATION

Location N/S Finis Road, 1,265 feet west of FM 1191

Address 5589 Finis Road

City Graham

County Young

State Texas (TX)

Source Seller's broker

Name/Company/Phone Scott Andrews/Coldwell Banker Realty/817-301-7459

TRANSACTION DATA

Sale Date 12/17/2021

Sale Price \$1,100,000 \$0.17/SF \$7,237/Acre

Adjusted Sale Price \$1,100,000 \$0.17/SF \$7,237/Acre

Grantor Lola J. Andrews

Grantee Vista Homes LLC

Financing Terms Cash to seller

Recording Data 21004245

Marketing Time Less than 12 months

Type of Buyer Owner-occupant

Property Rights Fee Simple

Conditions of Sale Arms Length

PHYSICAL DATA

Property Type Land

Land Area 6,621,120 SF 152.000 Acre

Shape Basically Rectangular

Access Frontage 2,765 FF - Finis Road

LEGAL DESCRIPTION

152.000 acres, being Abstract 75, Geo Dedrick, Young County, Texas

Zoning/Deed Restrictions None

Intended Use Recreation

Floodplain Yes No

Improvements Yes No

Signalization Yes No

Easements/Encroachments Yes No

Corner Parcel Yes No

Utilities All Available Septic Water
 None Gas Sewer
 Water Well Electric Phone

REMARKS

The property was listed for sale for two months prior to the sale.

Comparable 4

NATIONAL APPRAISAL PARTNERS, LLP

Sale Contract Offer Listing NAP # 40129

IDENTIFICATION

Location S/S Tucker Road, 1,695 feet east of
Cook Road

Address 3550 Tucker Road

City Graford

County Jack

State Texas (TX)

Source Seller's broker

Name/Company/Phone Richard Singleton/Premier
Properties/940-682-8438

TRANSACTION DATA

Sale Date 10/8/2021

Sale Price \$360,000 \$0.13/SF \$5,602/Acre

Adjusted Sale Price \$360,000 \$0.13/SF \$5,602/Acre

Grantor Jennifer Tucker

Grantee Roy Murle McClendon Jr and Annett McClendon

Financing Terms Cash to seller

Recording Data 20220000089

Marketing Time Less than 12 months

Type of Buyer Owner-occupant

Property Rights Fee Simple

Conditions of Sale Arms Length

PHYSICAL DATA

Property Type Land

Land Area 2,799,166 SF 64.260 Acre

Shape L-Shaped

Access Frontage 760 FF - Tucker Road

LEGAL DESCRIPTION

64.260 acres, being Abstract 684, TE&L Co., Jack County,
Texas

Zoning/
Deed Restrictions None

Intended Use Recreation

Floodplain Yes No

Improvements Yes No

Signalization Yes No

Easements/Encroachments Yes No

Corner Parcel Yes No

Utilities All Available Septic Water
 None Gas Sewer
 Water Well Electric Phone

REMARKS

The property was listed for sale for nine months prior to the sale.

IMPROVED SALE WRITE-UPS AND PHOTOGRAPHS

Comparable 1

IDENTIFICATION

Sale Contract Offer Listing NAP # 40160

Property Name Old Brock Road Rural Residential Property
Location S/S Old Brock Road, 1,165 feet east of Brock Springs Trail
Address 6001 Old Brock Road
City Weatherford
County Parker
State Texas (TX)
Source Seller's broker
Name/Company/Phone Jase Bowling/Fathom Realty/432-349-4872



PHYSICAL DATA

Property Type Office
Building Type Single-Tenant
Year Completed/Renovated 2015 / N/A
Construction Type Brick, Stone, Wood and Metal
Condition at Sale Good
Land Area 86.12 Acres
Land-to-Building Ratio 352.44 to 1
Number of Stories 2
Number of Buildings 4
Gross Building Area 13,222 SF
Net Rentable Area 13,222 SF
Average Floor Plate 10,644 SF
Parking Type Surface only
Number of Parking Spaces
Ratio of Parking Spaces 0 spaces/1,000 sf NRA

INCOME AND EXPENSE DATA

Occupancy at Sale	0.0%		
Stabilized Occupancy	0.0%		
Source:	<u>Past Year's Actual</u>	<u>PSF</u>	
Potential Gross Income ⁽¹⁾	\$0	\$0.00	
Vacancy & Collection Loss	0.0%	<u>\$0</u>	<u>\$0.00</u>
Effective Gross Income	\$0	\$0.00	
Operating Expenses ⁽²⁾	<u>\$0</u>	<u>\$0.00</u>	
Net Operating Income	\$0	\$0.00	

⁽¹⁾ Income estimate includes base rent, escalations and misc. sources of revenue

⁽²⁾ Reserves are not included in expense estimate

Tenants None

TRANSACTION DATA

Sale Date 9/9/2022
Sale Price \$6,500,000
Adjusted Sale Price \$6,500,000
Grantor Tim and Mary Beth Ruckman
Grantee GY Ranch LLC
Financing Terms Cash to seller
Recording Data 202233557
Marketing Time Less than 12 months
Type of Buyer Owner-occupant
Property Rights Fee Simple
Conditions of Sale Arms Length

UNITS OF COMPARISON

Sale Price PSF	\$491.60
EGIM	0.0
Overall Capitalization Rate	0.00%
Operating Expense Ratio/NIR	0.0% /

REMARKS

The property includes three single-family residences, a finished garage, a wine cellar, an outdoor kitchen, a large shop, porches and multiple storage sheds.

Comparable 2

NATIONAL APPRAISAL PARTNERS, LLP

IDENTIFICATION

Property Name Dps Tower Road Rural Residential Property
Location S/S Dps Tower Road, 3,820 feet east of Whitt Road
Address 1150 Dps Tower Road
City Perrin
County Parker
State Texas (TX)
Source Seller's broker
Name/Company/Phone Tim Clark/Clark Real Estate Group/817-578-0609

Sale Contract Offer Listing NAP # 40158



PHYSICAL DATA

Property Type Office
Building Type Single-Tenant
Year Completed/Renovated 2003 / N/A
Construction Type Brick and Metal
Condition at Sale Good
Land Area 225 Acres
Land-to-Building Ratio ? to 1
Number of Stories 1
Number of Buildings 4
Gross Building Area 6,400 SF
Net Rentable Area 6,400 SF
Average Floor Plate 3,200 SF
Parking Type Surface only
Number of Parking Spaces
Ratio of Parking Spaces 0 spaces/1,000 sf NRA

INCOME AND EXPENSE DATA

Occupancy at Sale	0.0%		
Stabilized Occupancy	0.0%		
Source:		<u>Past Year's Actual</u>	<u>PSF</u>
Potential Gross Income ⁽¹⁾		\$0	\$0.00
Vacancy & Collection Loss	0.0%	<u>\$0</u>	<u>\$0.00</u>
Effective Gross Income		\$0	\$0.00
Operating Expenses ⁽²⁾		<u>\$0</u>	<u>\$0.00</u>
Net Operating Income		\$0	\$0.00

⁽¹⁾ Income estimate includes base rent, escalations and misc. sources of revenue

⁽²⁾ Reserves are not included in expense estimate

Tenants None

TRANSACTION DATA

Sale Date 8/15/2022
Sale Price \$2,499,375
Adjusted Sale Price \$2,499,375
Grantor Noel and Donna Barfield
Grantee Apex Senior Management Group LLC
Financing Terms Cash to seller
Recording Data 202229803
Marketing Time Less than 12 months
Type of Buyer Owner-occupant
Property Rights Fee Simple
Conditions of Sale Arms Length

UNITS OF COMPARISON

Sale Price PSF	\$390.53
EGIM	0.0
Overall Capitalization Rate	0.00%
Operating Expense Ratio/NIR	0.0% /

REMARKS

The property includes a main house, a garage apartment, a bunkhouse, a workshop, multiple sheds, stocked ponds and horse stalls.

Comparable 3

IDENTIFICATION

Sale Contract Offer Listing NAP # 40159

Property Name Northwest Parkway Rural Residential Property/Event Center
 Location SW/C Northwest Parkway and Orchard Lane
 Address 1421 Northwest Parkway
 City Azle
 County Parker
 State Texas (TX)
 Source Seller's broker
 Name/Company/Phone Tina Hearne/Hearne Realtors/817-205-5044



PHYSICAL DATA

Property Type Office
 Building Type Single-Tenant
 Year Completed/Renovated 2011 / N/A
 Construction Type Brick, Stone and Wood
 Condition at Sale Good
 Land Area 102.561 Acres
 Land-to-Building Ratio 338.45 to 1
 Number of Stories 1
 Number of Buildings 10
 Gross Building Area 13,200 SF
 Net Rentable Area 13,200 SF
 Average Floor Plate 13,200 SF
 Parking Type Surface only
 Number of Parking Spaces
 Ratio of Parking Spaces 0 spaces/1,000 sf NRA

INCOME AND EXPENSE DATA

Occupancy at Sale		0.0%	
Stabilized Occupancy		0.0%	
	Source:	<u>Past Year's Actual</u>	<u>PSF</u>
Potential Gross Income ⁽¹⁾		\$0	\$0.00
Vacancy & Collection Loss	0.0%	<u>\$0</u>	<u>\$0.00</u>
Effective Gross Income		\$0	\$0.00
Operating Expenses ⁽²⁾		<u>\$0</u>	<u>\$0.00</u>
Net Operating Income		\$0	\$0.00

⁽¹⁾ Income estimate includes base rent, escalations and misc. sources of revenue

⁽²⁾ Reserves are not included in expense estimate

Tenants None

TRANSACTION DATA

Sale Date 6/15/2022
 Sale Price \$7,000,100
 Adjusted Sale Price \$7,000,100
 Grantor The Orchard at Ash Creek LLC
 Grantee Unity Ventures Azle Fund LLC
 Financing Terms Cash to seller
 Recording Data 202222918
 Marketing Time Less than 12 months
 Type of Buyer Owner-occupant
 Property Rights Fee Simple
 Conditions of Sale Arms Length

UNITS OF COMPARISON

Sale Price PSF	\$530.31
EGIM	0.0
Overall Capitalization Rate	0.00%
Operating Expense Ratio/NIR	0.0% /

REMARKS

The property includes an event center/clubhouse, nine cabins, a large covered patio, a pavilion, outdoor searing and fireplaces, a pond and several storage sheds.

Comparable 4

IDENTIFICATION

Sale Contract Offer Listing NAP # 40161

Property Name Old Dennis Road Rural Residential Property
 Location NE/C Old Dennis Road and Ox Mill Creek Road
 Address 5409 Old Dennis Road
 City Weatherford
 County Parker
 State Texas (TX)
 Source Seller's broker
 Name/Company/Phone Stephen Reich/Williams Trew Real Estate/817-597-8884



PHYSICAL DATA

Property Type Office
 Building Type Single-Tenant
 Year Completed/Renovated 2006 / N/A
 Construction Type Brick and Metal
 Condition at Sale Good
 Land Area 141 Acres
 Land-to-Building Ratio 702.18 to 1
 Number of Stories 2
 Number of Buildings 3
 Gross Building Area 13,966 SF
 Net Rentable Area 13,966 SF
 Average Floor Plate 8,747 SF
 Parking Type Surface only
 Number of Parking Spaces
 Ratio of Parking Spaces 0 spaces/1,000 sf NRA

INCOME AND EXPENSE DATA

Occupancy at Sale		0.0%	
Stabilized Occupancy		0.0%	
	Source:	<u>Past Year's Actual</u>	<u>PSF</u>
Potential Gross Income ⁽¹⁾		\$0	\$0.00
Vacancy & Collection Loss	0.0%	<u>\$0</u>	<u>\$0.00</u>
Effective Gross Income		\$0	\$0.00
Operating Expenses ⁽²⁾		<u>\$0</u>	<u>\$0.00</u>
Net Operating Income		\$0	\$0.00

⁽¹⁾ Income estimate includes base rent, escalations and misc. sources of revenue

⁽²⁾ Reserves are not included in expense estimate

Tenants None

TRANSACTION DATA

Sale Date 10/28/2021
 Sale Price \$7,000,000
 Adjusted Sale Price \$7,000,000
 Grantor Robert and Nan Kingsley
 Grantee ACR Holdings II LLC
 Financing Terms Cash to seller
 Recording Data 202142623
 Marketing Time Less than 12 months
 Type of Buyer Owner-occupant
 Property Rights Fee Simple
 Conditions of Sale Arms Length

UNITS OF COMPARISON

Sale Price PSF	\$501.22
EGIM	0.0
Overall Capitalization Rate	0.00%
Operating Expense Ratio/NIR	0.0% /

REMARKS

The property includes a main house, a guest house, a gym, a horse barn, a covered arena and multiple storage sheds.

Comparable 5

IDENTIFICATION

Sale Contract Offer Listing NAP # 40157

Property Name East FM 922 Rural Residential Property

Location NW/C East FM 922 and FM 289

Address 12033 East FM 922

City Tioga

County Cooke

State Texas (TX)

Source Seller's broker

Name/Company/Phone Curtis Petersen/Fathom Realty/940-367-2911



PHYSICAL DATA

Property Type Office

Building Type Single-Tenant

Year Completed/Renovated 2015 / N/A

Construction Type Brick and Metal

Condition at Sale Good

Land Area 59.5 Acres

Land-to-Building Ratio 613.45 to 1

Number of Stories 2

Number of Buildings 3

Gross Building Area 8,449 SF

Net Rentable Area 8,449 SF

Average Floor Plate 4,225 SF

Parking Type Surface only

Number of Parking Spaces

Ratio of Parking Spaces 0 spaces/1,000 sf NRA

INCOME AND EXPENSE DATA

Occupancy at Sale		0.0%	
Stabilized Occupancy		0.0%	
	Source:	<u>Past Year's Actual</u>	<u>PSF</u>
Potential Gross Income ⁽¹⁾		\$0	\$0.00
Vacancy & Collection Loss	0.0%	<u>\$0</u>	<u>\$0.00</u>
Effective Gross Income		\$0	\$0.00
Operating Expenses ⁽²⁾		<u>\$0</u>	<u>\$0.00</u>
Net Operating Income		\$0	\$0.00

⁽¹⁾ Income estimate includes base rent, escalations and misc. sources of revenue

⁽²⁾ Reserves are not included in expense estimate

Tenants None

TRANSACTION DATA

Sale Date 5/26/2021

Sale Price \$3,900,000

Adjusted Sale Price \$3,900,000

Grantor Hugh E. & Judt A. McElroy

Grantee Dryden Ranch LLC

Financing Terms Cash to seller

Recording Data 4441

Marketing Time Less than 12 months

Type of Buyer Owner-occupant

Property Rights Fee Simple

Conditions of Sale Arms Length

UNITS OF COMPARISON

Sale Price PSF	\$461.59
EGIM	0.0
Overall Capitalization Rate	0.00%
Operating Expense Ratio/NIR	0.0% /

REMARKS

The property includes a main house, a guest house, two finished barns, an outdoor arena, an indoor arena, an outdoor kitchen, four stocked ponds and multiple storage sheds.

QUALIFICATIONS

Thomas A. Stark, MAI
Partner



Mr. Stark is a Partner in National Appraisal Partners, LLP. He focuses primarily on commercial real estate appraisals. Key clients include financial institutions, accounting firms, attorneys, corporations, developers, government entities and private investors.

Experience

Mr. Stark has been actively engaged in the real estate appraisal industry since 1988. In 1994, Mr. Stark joined the Houston Real Estate Valuation and Consulting Group of Arthur Andersen. After being promoted to Senior Manager, he transferred to Dallas to lead the Real Estate Valuation and Consulting Group for the Firm's Southwest Market Circle. In 2002, Mr. Stark co-founded National Appraisal Partners, LLP, a real estate appraisal and consulting firm. His experience includes appraisal, appraisal review, due diligence, and consulting engagements for various property types including office buildings, retail properties, industrial facilities, apartment complexes, gasoline stations/convenience stores, hotels, day care centers, car washes and many special-use properties. Mr. Stark began his real estate career in Palm Beach County, Florida.

Affiliations/Advisory Boards

Mr. Stark holds the MAI designation from the Appraisal Institute. He is the Past President of the Houston Chapter of the Appraisal Institute and has served on the Houston Chapter Board of Directors. He has served as a Regional Representative for the Houston Chapter, and has served on numerous national committees and boards including Public Relations, Communications, Public Affairs, Long-Range Planning, AI Holdings, the National Nominating Committee, the Appraisal Institute Relief Foundation and the Appraisal Institute Education Trust, among others. He served two years on the National Board of Directors for the Appraisal Institute as the Chair and Vice Chair of Region VIII, which includes Texas and New Mexico.

Mr. Stark is the past editor of the Regional Real Estate News, a publication of the Appraisal Institute. He has served on the Real Estate Valuation Services Advisory Board for one of the five largest banks in America. Mr. Stark is a State of Texas Certified General Real Estate Appraiser.

Education

Mr. Stark holds a Bachelor of Science Degree in Real Estate from Florida State University.

Bryan S. Miller, MAI, CCIM
Partner



Mr. Miller is a partner in National Appraisal Partners, LLP. He focuses on commercial real estate valuation and consulting projects. His clients include financial institutions, law firms, accounting firms, pension funds, asset managers, corporations, individuals and developers.

Experience

Mr. Miller has been active in the valuation of commercial real estate since 1995. Mr. Miller joined Arthur Andersen's Houston Real Estate Valuation and Consulting Group in 1997 and was promoted to manager in 1999. Mr. Miller co-founded National Appraisal Partners, LLP, an appraisal and consulting firm in 2002. His experience includes valuation and consulting for: retail, office, apartments, industrial buildings, subdivisions, auto dealerships, healthcare facilities, hotels/motels, tax credit properties, vacant land, ranches, mixed use developments, conservation easements and special purpose properties. In addition to valuation services, Bryan has performed a wide range of consulting services from feasibility analyses to portfolio disposition. His engagements have been a result of annual reporting, lending, estates and purchase price allocation.

Affiliations/Advisory Boards

Mr. Miller holds the MAI designation from the Appraisal Institute. Mr. Miller was a board member and regional representative of the Houston Chapter of the Appraisal Institute for several years. He was the 2008 Treasurer/Secretary and the 2009 Vice President of the Houston Chapter. He served as the 2010 President of the Houston Chapter. He also served as a committee member on the National University Relations Subcommittee for the Appraisal Institute. Mr. Miller is a CCIM. He was a committee member in 2012 and 2013 for the CCIM Houston Real Estate Forecast Competition. He was the 2013 CCIM Houston Chapter Vice President. He was the Partner's Committee Chair in 2013, 2014 and 2015. Mr. Miller is a State of Texas Certified General Real Estate Appraiser.

Education

Mr. Miller holds a master's degree and a bachelor's degree from the University of Texas.

Ali M. Moses

Manager



Ms. Moses is a manager at National Appraisal Partners, LLP. She focuses primarily on commercial real estate appraisals. Key clients include financial institutions, law firms, accounting firms, asset managers, corporations, developers and private investors.

Experience

Ms. Moses has been active in the valuation of commercial real estate since 2014. Ms. Moses joined National Appraisal Partners, LLP in 2014 and was promoted to manager in 2018. Her experience includes valuation and consulting for: retail properties, office buildings, apartment complexes, industrial buildings, auto dealerships, healthcare facilities, hotels/motels, ranches, gasoline stations/convenience stores, day care centers, vacant land, mixed use developments and special purpose properties. Her engagements have been a result of lending, annual reporting, estates and purchase price allocation.

Affiliations/Advisory Boards

Ms. Moses is a State Certified General Real Estate Appraiser in Texas. She is also an active member of Commercial Real Estate Women (CREW).

Education

Ms. Moses holds a Bachelor of Business Administration Degree in Accounting from the University of Texas.

Alan R. Costanzi

Manager



Mr. Costanzi is a manager at National Appraisal Partners, LLP. He focuses on commercial real estate valuation and consulting projects. His clients include financial institutions, law firms, accounting firms, pension funds, asset managers, corporations, individuals and developers.

Experience

Mr. Costanzi has been active in the valuation of commercial real estate since 2013. Mr. Costanzi joined National Appraisal Partners, LLP in 2013 and was promoted to manager in 2015. His experience includes valuation and consulting for: retail, office, apartments, industrial buildings, subdivisions, auto dealerships, healthcare facilities, hotels/motels, tax credit properties, vacant land, ranches, mixed use developments, conservation easements and special purpose properties. In addition to valuation services, Alan has performed a wide range of consulting services from feasibility analyses to portfolio disposition. His engagements have been a result of annual reporting, lending, estates and purchase price allocation.

Affiliations/Advisory Boards

Mr. Costanzi is a State Certified General Real Estate Appraiser in Texas.

Education

Mr. Costanzi holds a Bachelor of Science Degree in Mathematics from the University of Texas.

STATE CERTIFICATIONS



Certified General Real Estate Appraiser

Appraiser: **Thomas Andrew Stark**

License #: **TX 1325319 G**

License Expires: **01/31/2024**

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.

A handwritten signature in blue ink, appearing to read 'Chelsea Buchholtz', is located in the bottom right area of the certificate.

Chelsea Buchholtz
Commissioner



Certified General Real Estate Appraiser

Appraiser: **Bryan Scott Miller**

License #: **TX 1328184 G**

License Expires: **10/31/2024**

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.

A handwritten signature in blue ink, appearing to read 'Chelsea Buchholtz', is located in the bottom right area of the document.

**Chelsea Buchholtz
Commissioner**



Certified General Real Estate Appraiser

Appraiser: **Ali Marie Moses**

License #: **TX 1380926 G**

License Expires: **09/30/2023**

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

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

Chelsea Buchholtz
Commissioner



Certified General Real Estate Appraiser

Appraiser: **ALAN RHEA COSTANZI**

License #: **TX 1380624 G**

License Expires: **07/31/2024**

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.

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Chelsea Buchholtz
Commissioner