



Real Estate Appraisers & Consultants

June 29, 2022

Keystone Bank

Attn: Alma Ellazar
11500 Bee Caves Rd
Austin, Texas 78738

RE: Appraisal of an existing 6,450 square foot commercial building known as The Merc Building, located at 117 East Street in Hutto, Williamson County, Texas. A&G File No. O-12-22

Dear Ms. Ellazar:

At your request, we have inspected and appraised the property being legally described as the North One-Half of Lot 12, Block 3, of Railroad Addition to the City of Hutto, a subdivision in Williamson County, Texas. The purpose of this inspection and appraisal is to estimate the "As Is" Market Value of the Leased Fee Interest as of June 17, 2022, the date of our visit to the property. It is our understanding that the use and intended users of this appraisal will be to assist our client, Keystone Bank, along with their employees and loan committee in the collateral valuation process for possible commercial loan purposes. The date of this appraisal report is June 29, 2022.

"Market Value" as used herein is defined as:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably, and assuming that 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 United States 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.¹

This appraisal report has been prepared with the intent to conform with the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation and the Standards of Professional Appraisal Practice of the Appraisal Institute.

¹ Office of Comptroller of the Currency (OCC), Title 12 of the Code of Federal Regulation, Part 34, Subpart C -Appraisals, 34.42 (g); Office of Thrift Supervision (OTS), 12 CFR 564.2 (g); This is also compatible with the FDIC, FRS and NCUA definitions of market value.

The appraisers certify that this appraisal assignment was not based on a requested minimum valuation, a specific valuation or the approval of a loan.

The value of the subject property as stated within this report is based upon an estimated marketing period of six months to a single buyer. This is based on adequate exposure to the open market, as well as competitive pricing and aggressive marketing.

After a thorough analysis of the subject property, the surrounding area, and the best available market data, it is our opinion that the estimated market values of the subject, as of their respective effective dates, are as follows:

117 EAST ST, HUTTO, TX	Market Value Estimate
"As Is" Market Value as of June 17, 2022 (Leased Fee):	\$1,800,000

Your attention is directed to the following report which details the market data leading to our final value conclusion. Should you have any questions about the market data or our rationale, please feel free to call.

Respectfully submitted,

A & G Appraisal Group



Ashley K. Applegate
State Certified General Real Estate Appraiser
Certificate # TX 1380728-G



Anna Pearson
State Authorized Appraiser Trainee
License # TX 1342924 Trainee

APPRAISAL OF AN EXISTING 6,450 SQUARE FOOT OFFICE RETAIL BUILDING LOCATED AT 117
EAST STREET IN HUTTO, WILLIAMSON COUNTY, TEXAS. A&G FILE NO. O-12-22

FOR

KEYSTONE BANK
ATTN: ALMA ELLAZAR
11500 BEE CAVES RD
AUSTIN, TEXAS 78738

BY

A & G APPRAISAL GROUP
279 COUNTY ROAD 433
YOAKUM, TEXAS 77995

AS

OF

JUNE 17, 2022 - "AS IS"

APPRAISAL REPORT

DATE OF REPORT: June 29, 2022

TO: **KEYSTONE BANK**
Attn: Ms. Alma Ellazar
Loan Administration
11500 Bee Cave Rd
Austin, Texas 78738

FROM: **A & G APPRAISAL GROUP**
279 County Road 433
Yoakum, Texas 77995

Ashley K. Applegate
State Certified General Real Estate Appraiser
Certificate # TX 1380728-G

Anna Pearson
State Authorized Appraiser Trainee
Authorization # TX 1342924 Trainee

RE: Appraisal report of The Merc Building, a downtown two-story retail building located at 117 East Street, Hutto, Williamson County, Texas; A&G File No. O-12-22

OWNER OF RECORD: CDMJ, LLC

BORROWER: CDMJ, LLC

INTENDED USE: The intended use of this appraisal will be to assist the client, along with their personnel, in the collateral valuation process for loan underwriting purposes.

CLIENT: Keystone Bank

SITE: The subject property is an improved commercial lot located along the west line East Street and south line of Farley Street in downtown Hutto, Texas. The site totals 0.085 acres, has access to all public utilities and is zoned Old Town Historic District with a Historic Overlay.

IMPROVEMENTS: The subject site is improved with a two-story commercial structure, located on a corner in the Historic Downtown Area. The improvements are designed for multi-tenant occupancy for a retail or office user. The improvements have been recently renovated and are in good condition.

HIGHEST AND BEST USE: "As If" Vacant: Future commercial development
As Improved: Continued use as an office retail building

RIGHTS APPRAISED: Leased Fee

APPRAISAL PREMISE:	"As Is"
DATE OF VALUE:	June 17, 2022, "as is" the date of inspection.
EXPOSURE TIME ESTIMATE:	6 months
MARKET VALUE ESTIMATE:	\$1,800,000

DATE OF VALUE ESTIMATE

The effective date of this appraisal is June 17, 2022, "as is" the date of the appraiser's inspection. Ashley Applegate and Anna Pearson have made a personal inspection of the property.

DATE OF APPRAISAL REPORT

The date of this appraisal report is June 29, 2022.

PURPOSE OF THE APPRAISAL REPORT

The purpose of this appraisal is to estimate the "As Is" Market Value of the Leased Fee ownership interest of the herein described real property as of the effective date of this appraisal.

INTENDED USE AND INTENDED USERS OF THE APPRAISAL REPORT

The intended user is the client, Keystone Bank, along with their lending personnel. The intended use is to assist Keystone Bank and their lending personnel in the collateral valuation process for commercial lending purposes.

PROPERTY RIGHTS APPRAISED

Fee Simple Interest

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.²

Leased Fee Interest

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship.³

The existing office retail building is currently leased to multiple tenants. The property rights appraised constitute the leased fee interest.

PERSONAL PROPERTY & BUSINESS INTANGIBLE

Personal property (F, F & E) has not been included in this valuation; all F, F & E if any is property of the tenants.

SCOPE OF THE APPRAISAL

The subject property has an existing two-story multi-tenant office retail building on a 0.085-acre site. The scope of this appraisal includes analysis of the subject in the "as is" state. Ashley Applegate and Anna Pearson have performed an interior and exterior inspection of the subject property.

The appraisers have employed the Sales Comparison Approach and the Income Approach in order to arrive at an "as is" market value estimate for the subject property. The client requested a prospective value upon completion and stabilization estimate. The subject is currently fully leased, with one suite currently being finished out by the tenant, appearing to be approximately 70% completed. All spaces are occupied and generating rent at this time. The subject is operating at

² *The Dictionary of Real Estate Appraisal, 6th Ed.* (Chicago: Appraisal Institute 2015)

³ *The Dictionary of Real Estate Appraisal, 6th Ed.* (Chicago: Appraisal Institute 2015)

stabilized occupancy, with the tenant responsible for the remainder of the finish. The “prospective value upon completion and stabilization” is not applicable at this time.

In the Sales Comparison Approach, sales of office retail buildings were gathered to estimate the “as is” value. In the Income Approach, comparable rents were analyzed to arrive at a market rent. The income was estimated with typical expenses for this type of property to arrive at a net operating income for a multi-tenant commercial project. The estimated net operating income was then capitalized to arrive at an “As Is” value. The Cost Approach was not applied due to the age of the structure.

Finally, the values are presented in the reconciliation, and reflect the “As Is” market value opinion. The subject is currently operating at a 100% occupancy rate.

COMPETENCY

We have appraised numerous tracts similar to the subject and are competent to evaluate this property.

PRIOR APPRAISAL

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 acceptance of this assignment.

MARKET VALUE DEFINED

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably, and assuming that 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 United States 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.⁴

This appraisal report has been prepared with the intent to conform with the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation and the Standards of Professional Appraisal Practice of the Appraisal Institute.

LEGAL DESCRIPTION

North One-Half of Lot 12, Block 3, of Railroad Addition to the City of Hutto, a subdivision in

⁴ Office of Comptroller of the Currency (OCC), Title 12 of the Code of Federal Regulation, Part 34, Subpart C - Appraisals, 34.42 (g); Office of Thrift Supervision (OTS), 12 CFR 564.2 (g); This is also compatible with the FDIC, FRS and NCUA definitions of market value.

Williamson County, Texas.

OWNERSHIP HISTORY

The subject is currently owned by CDMJ, LLC, and has been since March 13, 2017, per Williamson County Deed Instrument No. 2017025681. CDMJ, LLC purchased the property for \$475,000. Prior to the most recent transfer, the subject was owned by Paid Parking, LLC since September 30, 2016, per Williamson County Deed Instrument No. 2016092897. The subject is not currently listed for sale or under contract at the time of this report.

This is all the activity that has occurred for at least the last three years regarding the subject property. The previous information is not intended as a guarantee of the chain of title. The information has been included to satisfy the requirements of Uniform Standards of Professional Appraisal Practice. Should a decisive abstract be desired, a title search should be performed by a title company.

TAXES

Per the Williamson County Appraisal District, the 2022 assessed value and 2021 tax rates are as follows:

2022		
Parcel Number:	329846	\$/SF
Land	\$48,948	\$3.36
Improvements	<u>\$828,090</u>	\$36.32
Market Assessment	\$877,038	\$38.47
2021		
Taxing Authority	Tax Rate	Total
City of Hutto	0.536448	\$4,704.85
Williamson ESD	0.100000	\$877.04
Williamson Co	0.400846	\$3,515.57
EWC Higher Ed Center	0.044560	\$390.81
Williamson Co FM/RD	0.040000	\$350.82
Hutto ISD	1.420300	\$12,456.57
Upper Brushy Creek	0.017500	\$153.48
Total:	2.559654	\$22,449.14

EXPOSURE PERIOD

To estimate the exposure period to achieve a sale for the subject property, we considered several factors such as supply and demand of similar properties as well as exposure periods of recent sales. The appraisers searched within the subject neighborhood and found numerous sales of similar properties. In determining an appropriate marketing period, we consulted with buyers, sellers and brokers active in the commercial market. All the participants we spoke with indicated that a sale can be procured within 6 months for properties of this type.

APPRAISAL PROCESS

A Description and Analysis Section describing and relating data concerning the Area/City, the Neighborhood, the Site, and the Improvements is undertaken to develop the pertinent market characteristics and factual data for further processing in the valuation process. The analysis of all these characteristics is developed in an effort to establish the Highest and Best Use of the site as if vacant and the whole property as improved.

The Valuation Section is then undertaken considering all pertinent market factors that relate to the subject property as recognized in the Description and Analysis Section of the report. The valuation process is typically approached through the use of three recognized valuation techniques, each based upon an underlying basic concept or premise. These three approaches are the Cost Approach, the Sales Comparison Approach and the Income Approach. Each of these valuation techniques develops a value indication for the subject property, falling into a pattern of reasonable limits. Then, through the process of reconciliation, a final market value estimate is correlated.

The first valuation technique is referred to as the "Cost Approach", which is a physical analysis of the real property where the property is analyzed with respect to land and improvements. The Cost Approach is based upon the premise that value is inherent to the object itself and that "cost" and "value" tend to coincide. The value indication is developed by estimating the site value through direct sales comparison and estimating the improvement's value, by reproduction cost new less all accrued depreciation, if any. The respective estimates of value of the land and the improvements are then summed to indicate an estimate of value from the Cost Approach.

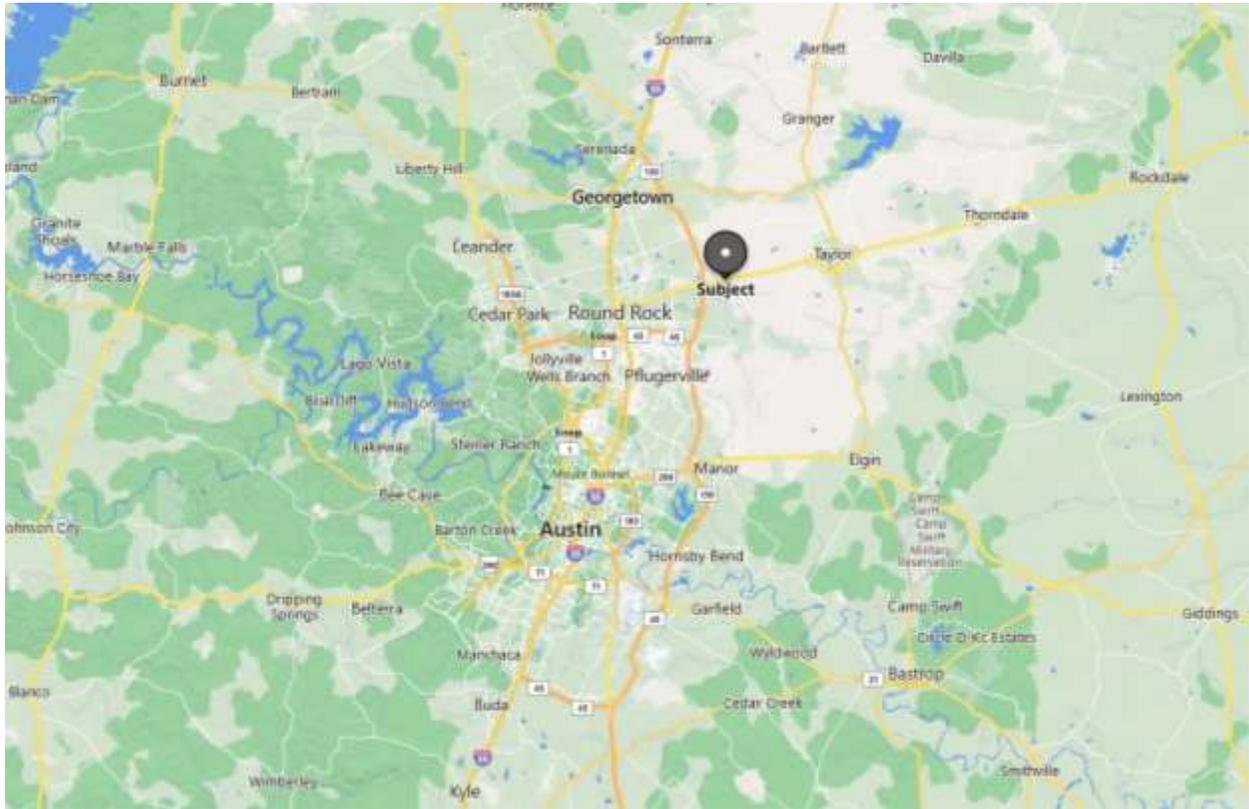
The second valuation technique is referred to as the "Sales Comparison Approach." It is based on the premise that persons in the marketplace can buy by comparison. Hence, the "principle of substitution" is represented, which basically states that a prudent purchaser/investor will pay no more for a property than the cost of procuring an equally desirable substitute property in the market; given that the substitute property possesses the same utility as the property being appraised. This approach is derived by analyzing comparable property sales by some unit or units of comparison and by adjusting appropriately for the dissimilarities between them and the subject; thus, yielding an indication of value from the Sales Comparison Approach.

The third valuation technique is referred to as the "Income Approach," which is based on the premise that the typical purchaser/investor in the market buys real property in anticipation of its capability to produce an acceptable return on the invested capital; thus, this approach reflects the "principle of anticipation." Taking a potential gross income stream and reducing it by the expenses attributable to the production of that income stream, thus yielding a net operating income, develop this approach. This net income estimate is then capitalized at an appropriate market derived capitalization rate into an indication of value from the Income Approach.

The Sales Comparison and Income Approaches have been applied. The Cost Approach has not been applied due to the difficulty in accurately estimating incurable depreciation as well as the pro-rata share of the common wall.

The correlation of a "Final Market Value Estimate" is then developed through reconciliation of pertinent value affecting factors reflected in each approach. During this process of review and reconciliation, the appraiser considers the strengths and weaknesses of each approach with respect to the property being appraised. Consideration must be given to pertinent physical, legal and economic conditions which exist and influence the value of the subject property. The final market value estimate is concluded through this reconciliation process.

AREA MAP



AUSTIN AREA ANALYSIS – 2022

The Austin Metropolitan Area contains five counties: Travis, Hays, Williamson, Caldwell and Bastrop. The land area consists of 4,280 square miles. Area cities and towns include: Austin, Cedar Park, Georgetown, Leander, Pflugerville, Round Rock, Hutto, Taylor, Lockhart, San Marcos, Buda, Kyle, and Bastrop.



According to the U.S. Census Bureau, the Austin MSA experienced the largest population increase in Texas and was one of the country's fastest-growing cities during the 2000s and 2010's, growing by nearly 35 percent. Austin is the state capitol and one of the most vibrant communities in the state. It is the center for state government, education, and in recent years, Austin has diversified its economic base further through the attraction of high-technology industries. The state's largest institution of higher learning, the University of Texas, resides in Austin. The area has been experiencing substantial growth over the years, with new construction occurring in the residential, apartment, industrial, retail and office markets. According to data from the U.S. Bureau of Labor Statistics, Austin is now ranked 2nd among the fastest growing economies in the U.S. with at 3.9% annually.

Fastest Growing Among Top 50 Metro Areas

	Nonfarm payroll jobs October 2018	Oct. 2017-Oct. 2018		Rank
		Difference	Percent Ch.	
Orlando MSA	1,312,100	55,400	4.4%	1
Austin MSA	1,082,500	40,400	3.9	2
Houston MSA	3,158,800	117,800	3.9	3
Phoenix MSA	2,143,800	76,700	3.7	4
Seattle MDiv	1,770,000	62,000	3.6	5
Las Vegas MSA	1,024,900	33,900	3.4	6
Dallas MDiv	2,686,600	85,000	3.3	7
San Jose MSA	1,147,200	35,300	3.2	8
Salt Lake City MSA	743,700	19,100	2.6	9
Portland MSA	1,216,600	30,400	2.6	10

Data is not seasonally adjusted.

Source: U.S. Bureau of Labor Statistics, Current Employment Statistics (CES).

DEMOGRAPHIC INFORMATION

The 2020 Austin MSA population was reported at 2,295,303, a 33.7% increase over 2010-2020, per the 2020 US Census. Austin is among the fastest growing cities in the nation.

Date	Population	% Change	Total Population Change	Births	Deaths	International Immigration	Net Domestic Migration
2011	1,780,535	3.743%	64,246	25,239	8,330	5,070	30,808
2012	1,834,586	3.036%	54,051	24,837	8,437	5,980	30,449
2013	1,883,315	2.656%	48,729	25,344	9,037	5,950	25,818
2014	1,942,467	3.141%	59,152	26,079	9,131	7,908	33,245
2015	2,002,134	3.072%	59,667	26,834	9,703	9,166	32,833
2016	2,062,016	2.991%	59,882	26,774	10,061	8,651	34,283
2017	2,115,475	2.593%	53,459	26,265	10,500	7,909	29,589
2018	2,165,497	2.365%	50,022	26,031	11,250	5,727	29,361
2019	2,227,083	2.844%	61,586	26,115	11,445	5,280	41,334

Source: U.S. Bureau of Census and Real Estate Center at Texas A&M University

Note: Decade years represent April 1, Census data, not the mid-year estimates.

Market Information/Economic Climate

The Austin economy continues to bounce back from the Covid-19 economic shutdown with low unemployment as businesses continue to move to Austin including a Tesla Plant, the announcement of a new Samsung Semi-conductor plant in Taylor, Oracle, Facebook, Apple's new campus in Northwest Austin, just to name a few.

Austin continues to lead the nation in job growth since January 2021. The continued trend of relocations and expansion in the region spurred strong population over the past two years. Austin's unemployment rate sits at 3.8%, while population grew by 9,000 over the past year. In addition, low interest rates have helped continue to fuel a housing boom in the Austin MSA.

Residential Market

As of November 2021, closed listings outpaced 2020 by 3.1%, with 53% of the homes sold ranging in price from \$250,000 - \$500,000; today's typical price range for the first time and first-time move up homebuyers. In November, median sales price rose 29.7% to \$470,000 — a record for the month of November — and sales dollar volume rose 20.5% to \$1,882,296,166. New listings increased 6.7% to 2,950 as active listings ticked down 2.2% to 2,768. Concurrently, pending listings rose 7.6% to 3,407 as inventory dropped 0.1 months to 0.8 months of inventory. Homes spent an average of 22 days on the market, down 13 days from November 2020.



Central Texas' housing market keeps defying the pandemic as home sales are increasing at a blistering pace. Lack of resale inventory is a concern, with listings at record lows. Homebuilders are actively trying to alleviate the inventory crunch as new home construction remains strong. Record new home sales have prompted regular price increases. Worries loom about future lot inventory.



The Residential Construction Cycle (Coincident) Index, which measures current construction levels, decreased nationally but increased slightly for Texas as improvements in industry wages and employment outweighed depressed construction values. Construction activity is expected to slow in coming months as indicated by the Texas Residential Construction Leading Index (RCLI), which fell amid lower weighted building permits and housing starts, while the ten-year real Treasury bill yield decreased. Austin and Houston's leading index reflected statewide fluctuations, while the trend decreased in the former and increased slightly in the latter. (Figure 2)

Multi-Family

Despite some of the highest vacancies in the country, Austin's apartment market has seen one of, if not the fastest rebounds in the country since the start of the year. Asking rents are now up more than 15% since the start of the pandemic, well ahead of the national average. The Austin metro saw some of the strongest demand for apartments since the start of the year than at any point in Austin's history. Rent gains have trailed price gains in Austin's single-family market by a wide margin, as well, giving landlords more room to push rates when median single-family prices are up more than 30% year over year. Rents have grown at roughly double the national pace over the past year, about 20%, though because rents fell in 2020, today's average rent of roughly \$1,600/month is up about 17% from pre-pandemic levels. The metro's strong vacancy compression, abundant economic wins, along with Austin's robust single-family market, where median pricing was up by more than 40% earlier this year (it's since fallen to about 30%), help explain the market's impressive rent growth average, after languishing in 2020.

Overview

			Austin Multi-Family
12 Mo. Delivered Units	12 Mo. Absorption Units	Vacancy Rate	12 Mo. Asking Rent Growth
10,598	20,268	5.9%	19.9%

Interviews with market participants, which includes brokers, leasing agents, lenders and colleagues within the real estate appraisal industry believe the multi-family market in Austin will continue to remain strong, due to the attraction of Austin as a whole, continued rising home prices and lack of available homes below \$300,000, a highly educated workforce, and a growing student population at the University Texas.

Office

After a fairly dismal year and a half, Austin's office market is showing signs of a rebound. Leasing activity, demand, and sublease space are all headed in the right direction. Office leasing activity has resembled pre-pandemic levels. Sublease space has declined at one of the fastest rates of any major market in the country since the start of the year. There are risks to consider, however. First, the prospect of increasing remote work could slow the market's growth moving forward. Austin has many smaller tech companies, which could decide to remain remote for the longer haul, altering how much space the company would need in the future. Austin was already one of the highest remote-work markets before the pandemic, according to the U.S. Census, which may mean that the market will see more remote workers than the average U.S. metro. The other risk factor for the market's health moving forward is construction. At the year end, Austin had the most construction of any major market in the country as a percent of inventory. Supply chain issues could continue to place pressure on developer's regarding costs and timeline of deliveries.

For the first time since the start of the pandemic, Austin's leasing activity has reached pre-pandemic levels. Nearly 2.5 million SF of leases were signed in the third quarter, higher than any quarter since mid-2019 and another 1.5 million feet have been signed for in the fourth quarter.

3Q UPDATE



Retail

Austin's retail market has been largely insulated from the uncertainty that many expected at the onset of the pandemic. Occupancies remain north of 95% and net absorption has remained positive for all but one quarter (Q3 2020). Leasing activity is already showing some positive momentum, with Austin recording 610,000 sq. ft. of activity, just below the five-year quarterly average of 637,000 sq. ft. With 283,000 sq. ft. delivered since the beginning of the year, 703,000 sq. ft. under construction, and another 640,000 sq. ft. planned through 2022, the demand for retail real estate may continue to overtake supply.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	6,768,289	1.3%	\$32.78	3.8%	(5,702)	0	0
Power Center	16,049,622	4.0%	\$29	6.2%	4,340	0	72,244
Neighborhood Center	27,110,545	5.5%	\$26.51	6.2%	(38,572)	0	4,000
Strip Center	7,838,928	7.5%	\$25.18	9.2%	(10,948)	0	95,214
General Retail	55,877,088	2.2%	\$25.89	3.4%	(454)	0	789,057
Other	1,943,824	0.5%	\$34.71	6.0%	0	0	0
Market	115,588,296	3.5%	\$26.96	4.9%	(51,336)	0	960,515

In spite of the pandemic, Austin's retail market has remained resilient. The various coronavirus variants make it difficult to project near term performance, but over the long term, it's likely that Austin will outperform the broader U.S. growth given Austin good demographic and economic outlook.

Industrial

The Austin Industrial market has arguably had one of the best years ever in its history. Vacancies have compressed to 4% in spite of the 7 million square feet that were brought to market over the past year. That said, with more than 11 million SF in the pipeline, Austin has one of the largest construction pipelines in the nation, relative to the market's size. Monthly rental rates for the entire Austin industrial market on average were \$0.8854 per sq. ft. as of the end of Q3 2021, unchanged quarter-over-quarter, although an increase year-over-year from \$0.8852. The monthly average rate for Flex space is currently at \$1.30 per sq. ft.; Manufacturing rates are at \$0.62; and Warehouse/ Distribution space sits at \$0.83. The Northwest (\$1.33 PSF) and Southeast (\$1.21 PSF) submarkets currently have the highest monthly overall average rates, followed by the North Central (\$1.17 PSF). The shift towards ecommerce, as well as the recent institutional quality of the property type has steered the market to increased rent growth, leading landlords nationwide to feel encouragement.

▼ 4.9%
Vacancy Rate

▼ 543,558
SF Net Absorption

▲ 6,389,260
SF Construction

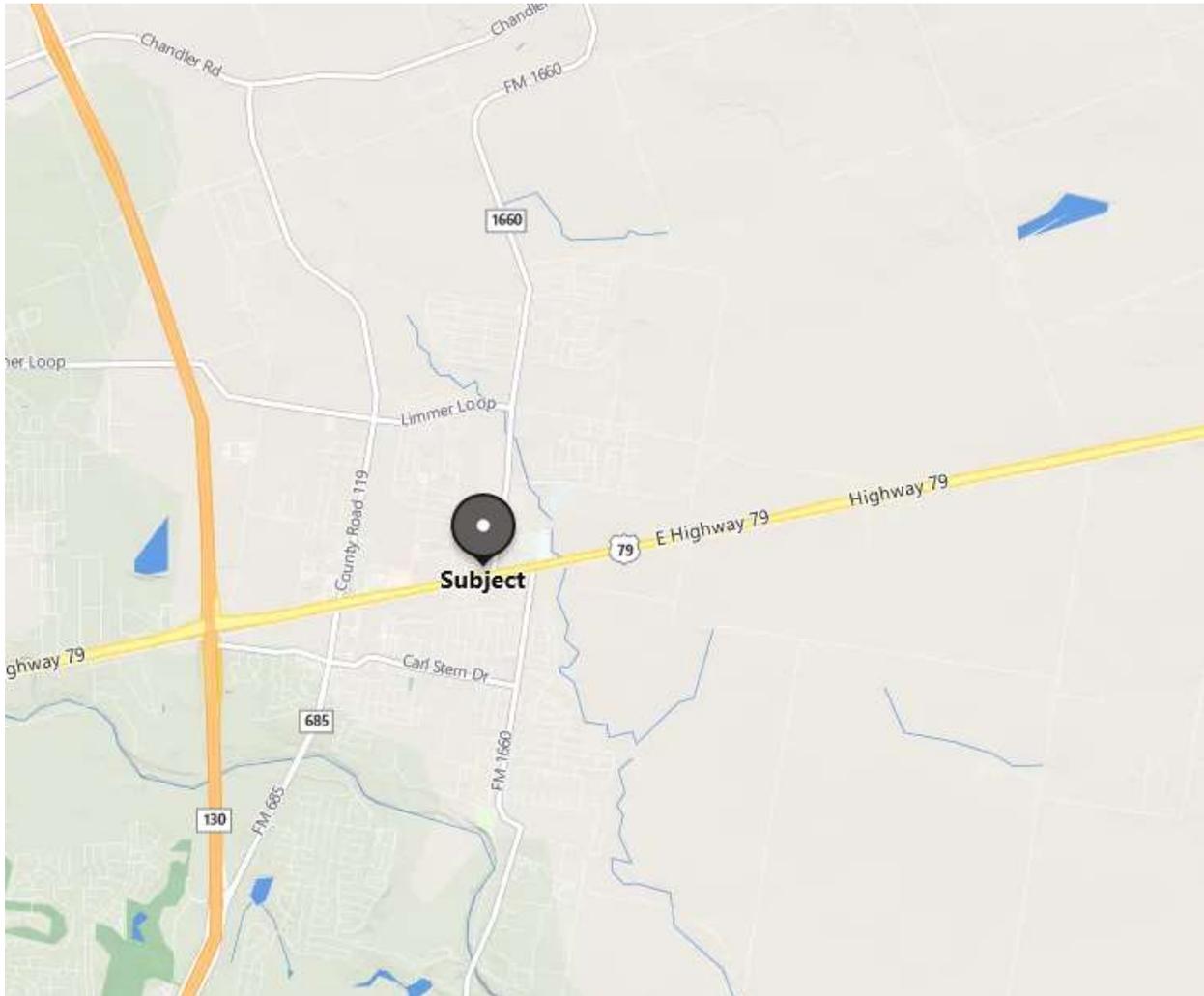
▲ \$11.07
NNN / Lease Rate

SUMMARY

The main focus in the Austin area and the Texas economy is that Austin is viewed as a desirable location. Austin has historically been one of the major job creating cities in Texas, along with San Antonio, Dallas, and Houston (the oil capital of the United States). The economy is expected to continue to outperform the broader U.S. in the coming year, and Austin continues to lead the nation in terms of population growth over the last decade plus. The market's combination of relative affordability to other tech heavy markets, strong in-migration, robust talent pool and strong creative environment should keep companies expanding to an in Austin long term.

Given the current Global health crisis, and the numerous unknown factors surrounding the control and solution to the Covid-19 Pandemic, we feel a cautious approach to valuing real estate is warranted during this period. While we are hopeful that recovery will be quick with most day-to-day activities returning to normal as the economy continues to open up and the Covid-19 vaccine becomes available to everyone.

NEIGHBORHOOD MAP



NEIGHBORHOOD ANALYSIS

The purpose of the Neighborhood Analysis is to provide a bridge between the study of general influences on all property values, as was done in the preceding Austin Area Analysis and the analysis of a particular subject which follows in the Site Analysis. The Appraisal of Real Estate, Fifteenth Edition defines a neighborhood as "a group of complementary land uses." This section of the appraisal emphasizes the four forces as they influence value: social, economic, government and environment. However, these forces are analyzed in terms of the defined neighborhood in which the subject exists.

The analysis will commence with an overview of the area delineating the geographical boundaries. The four forces will be presented in terms of how they affect the subject. The conclusion will identify probable trends which are perceived to have an influence on the subject's market and value.

Neighborhood boundaries are identified by determining the area in which the four forces which affect value (social, economic, governmental and environmental) operate in the same way they affect the subject property.

The subject neighborhood is located in southeastern Williamson County. The specific competitive area can be described by the following boundaries:

North:	Chandler Road
South:	SH-45
East:	CR 101/FM3349
West:	IH-35

When analyzing a neighborhood comprised of such diverse property types, it is necessary to first divide the analysis into segments of the forces to be analyzed. The forces include Land Use and Economic Factors, Infrastructure and Linkage Attributes, Demographic Profile and Neighborhood Trends. Described below are these forces and their effect on the subject site.

Land Use and Economic Factors

The subject neighborhood is made up of various types of development from single-family homes to commercial and retail developments. Commercial uses are located primarily on major thoroughfares including SH 130 to the west, SH-45 to the south and on Highway 79, an east-west thoroughfare in the approximate center of the tract. The remainder of the area is primarily single family development or undeveloped tracts of land utilized for agricultural/ranch purposes, with a substantial number of rural residences built on large acreage tracts. The land uses at this time are estimated in the following table.

Land Use	% of Total Area
Undeveloped/Farm:	40%
Residential:	40%
Non-Residential:	10%
Public:	5%
Total:	100%

The growth of the Austin area has pushed out to smaller communities such as Round Rock, Hutto as the overall size of the Austin MSA continues to grow. Several major subdivisions have grown consistently over the last 8 to 10 years. The availability of vacant land has fueled the development in these areas. In addition, retail growth has increased along State Highway 79 to accommodate the residential growth of the area.

Public Services

Utility providers in the area include water and wastewater from the City of Round Rock to the west, and from the City of Hutto to the east. Water providers outside the area include Jonahs Water Supply. Electricity is available from Texas Utilities, and telephone service is provided by Verizon Telephone Company. A large portion of the area is serviced via water well. Wastewater service outside the city limits is provided by individual septic system. Fire protection, EMS and police protection are provided by Williamson County. The neighborhood is located in the Round Rock and Hutto Independent School Districts.

Accessibility

Access is relatively easy throughout the neighborhood. Highway 79 provides access into the area, and connects the neighborhood to the City of Round Rock to the west and the City of Taylor to the east. North-south thoroughfares include SH-130, FM 685 from Highway 79 south toward Pflugerville and FM 1660 which bisects the neighborhood in a north-south direction. Smaller county roads make up the remaining thoroughfares through the area.

Highway 130 has been completed from IH-10 outside of Seguin, to past Georgetown to IH-35. This toll road bypasses around the east side of Austin on up to Georgetown. The new highway passes over State Highway 79, just west of the City of Hutto. This allows Hutto quick access to all parts of the Austin area and has played a significant role in the rapid growth of the area.

Nuisances and Hazards

Nuisances and hazards such as vibration, smoke, smog, and odors are limited throughout the defined neighborhood. As in any growth area, any increased traffic density poses problems ranging from congestion to noise. These problems are not severe as the subject neighborhood is largely undeveloped. There are no heavy industries in the immediate area that adversely contribute to the overall commercial make-up of the neighborhood. Small portions of the neighborhood lie within the floodplain.

Neighborhood Trends and Land Use Patterns

The subject neighborhood is generally comprised of vacant land tracts utilized for agricultural purposes, with rural residences dispersed throughout the neighborhood. Some commercial development has occurred along major roadways such as Highway 79, SH 130 and SH 79. The majority of the subject neighborhood is converting from agricultural land to single-family residential subdivision development. Commercial development in the area is increasing, with new retail centers under construction within the community. Additionally, Samsung has chosen Taylor as the new location for a \$17 billion-dollar semi-conductor plant, which will increase growth of the area. The new plant is expected to have an impact beyond Taylor, on into the Hutto area. Occupancies of improved properties appear to be at or near stabilized occupancy of 90% or better. We did not observe any vacant properties upon the inspection of the subject neighborhood. It appears that the most prevalent trend in the subject neighborhood is the purchase of agriculture land for development of entry-level single-family residences.

The neighborhood and surrounding area from the subject present the following demographics:

Radius	1 Mile	3 Mile	5 Mile
Population			
2027 Projection	12,972	47,847	102,962
2022 Estimate	10,109	36,961	81,189
2010 Census	6,117	17,839	44,541
Growth 2022 - 2027	28.32%	29.45%	26.82%
Growth 2010 - 2022	65.26%	107.19%	82.28%

Households			
2027 Projection	3,927	15,263	33,385
2022 Estimate	3,092	11,887	26,521
2010 Census	1,897	5,666	14,379
Growth 2022 - 2027	27.01%	28.40%	25.88%
Growth 2010 - 2022	62.99%	109.80%	84.44%
Owner Occupied	2,435 78.75%	9,630 81.01%	21,717 81.89%
Renter Occupied	657 21.25%	2,257 18.99%	4,805 18.12%
2022 Households by HH Income			
Income: <\$25,000	184 5.95%	822 6.91%	1,547 5.83%
Income: \$25,000 - \$50,000	646 20.89%	1,584 13.32%	2,504 9.44%
Income: \$50,000 - \$75,000	760 24.57%	2,593 21.81%	4,720 17.80%
Income: \$75,000 - \$100,000	614 19.85%	2,188 18.41%	3,800 14.33%
Income: \$100,000 - \$125,000	387 12.51%	1,804 15.17%	3,878 14.62%
Income: \$125,000 - \$150,000	331 10.70%	1,177 9.90%	3,199 12.06%
Income: \$150,000 - \$200,000	110 3.56%	1,031 8.67%	3,655 13.78%
Income: \$200,000+	61 1.97%	689 5.80%	3,220 12.14%
2022 Avg Household Income	\$82,766	\$99,981	\$123,245
2022 Med Household Income	\$73,526	\$85,797	\$104,451

Based on physical inspection and area demographics, it appears the defined neighborhood is in the growth stage. There have been numerous land sales in the general area, and new development is occurring in the form of residential subdivision activity and new retail developments. The neighborhood will likely continue to remain in the growth stage as the Austin and Round Rock areas continue to sprawl into areas of Williamson County.

Summary and Conclusions

In conclusion, the subject neighborhood encompasses the southeastern portion of Williamson County. The neighborhood, as well as the community in general, is experiencing the positive effects of the current economy. This is illustrated by the increased number of sales in the area, and the residential subdivision activity occurring northeast of the Austin City limits. Predominant land uses in the area are residential subdivision developments, with a steady continued use of land for agricultural purposes. Future growth within the area is anticipated to be steady, and we believe the majority of the area will continued to be converted from the historical agricultural type state to a more urban area for the foreseeable future. The outlook for the area is good.

PARCEL MAP



SITE ANALYSIS

"Site analysis is a careful study of the factual data in relation to the neighborhood characteristics that create, enhance, or detract from the utility and marketability of the land or site as compared with competing comparable land or sites" (From The Appraisal of Real Estate, Fifteenth Edition, published by The Appraisal Institute, 2020).

The subject property is an improved commercial lot located along the west line East Street and south line of Farley Street in downtown Hutto, TX. The property is being legally described as North One-Half of Lot 12, Block 3, of Railroad Addition to the City of Hutto, a subdivision in Williamson County, Texas. This is a brief synopsis of the general characteristics pertaining to the subject property.

Size:	0.085 Acres or 3,703 Square Feet
Parcel ID:	R329846
Shape:	Rectangular
Frontage:	The subject has approximately 140 linear feet of frontage along the south line of Farley Street and 60 linear feet of frontage along the west line of East Street. Farley Street and East Street are local throughfares with linkage to State Highway 79.
Topography:	The tract is at grade with a generally level topography and has tree coverage along the north line of the tract.
Soil Conditions:	Federal Flood Hazards Map Number 48491C0520F dated December 20, 2019, has been included in the Addenda of this report. FEMA flood maps indicate no presence of a defined floodplain area.
Utilities:	Electricity, water and sewer are available from the City of Hutto, telephone service from AT&T Telephone and cable TV/Internet from Time Warner Cable.
School District:	The entire subject property is located within the Hutto Independent School District.
Zoning:	The subject is located downtown Hutto and is zoned Old Town Historic District with a Historic Overlay. The subject's office retail project appears to be a legal, conforming use.
Easements:	Typical utility easements along property lines are assumed and do not appear to inhibit development.
Environmental Concerns:	An environmental site assessment was not furnished to the appraisers. We did not observe any environmental hazards upon our inspection; however, we are not qualified engineers. This appraisal is contingent upon no detrimental materials being located on the subject.

Endangered Species: We are unaware of any endangered species situated on the subject tract.

Surrounding Land Uses: The property is surrounded by storefront office retail uses in downtown Hutto.

Conclusion: The tract is at street grade with a level building area, and 0.085 site area, electricity, water, and sewer are available to the subject. The subject site has good access and office retail exposure on the corner of Farley Street and East Street in downtown Hutto.

IMPROVEMENT ANALYSIS

The subject property is improved with a 6,450 square foot (NRA), two-story, multi-tenant office retail structure.

Date of Construction:	1890 – Extensively Remodeled in 2018, with interior finishes remodeled over 2021 and 2022
Building Area:	6,450 SF of Net Rentable Area (NRA) and Gross Building Area
Parking:	The office retail project has public parking along Farley Street and East Street.
Construction:	A two-story masonry brick and wood structure, set on a slab with a flat membrane roof.
Foundation:	The foundation is a fully engineered, monolithic concrete slab with steel reinforcement.
Exterior Walls:	Masonry brick and wood.
Roofs:	Flat membrane roof.
Interior Finish-out:	<p>The office retail structure is a two-story historic building with public parking on the corner of Farley Street and East Street.</p> <p>The first floor of the structure is a mix of exposed masonry brick and textured sheet rock walls. Unit 100 is finished out for a local florist facing East Street and includes one restroom. Unit 150 is currently under renovation, by the tenant, proposed to be a daiquiri bar with night entertainment. The leased area is proposed to have serving station, office/storage, outdoor seating and ADA bathrooms. Unit 150 is currently being finished out by the tenant and appears to be approximately 70% complete.</p> <p>The second floor of the structure is a mix of masonry brick and textured sheet rock walls. Unit 200 is accessed by a ground-level interior staircase along East Street, and is open retail space for a tattoo parlor. There is a seating area, workstations and one bathroom. Unit 250 is being utilized as a yoga business and has one bathroom, accessed via an exterior staircase on the rear of the structure.</p>
Electrical:	All electrical work is assumed to be up to City code.
Plumbing:	All plumbing is assumed to be up to City code.
HVAC:	The subject has multiple HVAC units.

Doors:	The entry doors to the building are to aluminum with glass panels, while the interior doors are hollow core wood doors.
Environmental Concerns:	An environmental study was not furnished to the appraisers. <u>This appraisal assumes and is contingent upon asbestos not being present in the building which would negatively affect the value of the property.</u>
Site Improvements:	Concrete paved parking and sidewalk areas, site lighting, landscaping, and signage.
Floor Plan:	We feel the design is of modern retail space, while the interior finish-out of the subject is reflective of other very good quality retail buildings in the area. The second-floor units could also support an office user. The building layout appears to be functionally designed for retail use and supports the use as a multi-tenant retail project.

Summary

The construction quality of the building is good and the interior finish-out is of good quality finish. The unit configuration is appropriate for multi-tenant office retail use. The structure was originally built in 1890 but was extensively renovated in 2018, with interior finishes completed in 2021-2002 by the tenants. The current owner has reportedly invested \$1,200,000 in remodeling the building. The improvements have been extensively updated in 2018 and have an estimated remaining economic life of 40 years, with a good maintenance protocol. The subject has an actual age of 132 years, with an estimated effective age of 10 years due to the recent extensive renovation. In conclusion, the improvements have a sound architectural design, utilized good quality materials, and are assumed to conform to all local regulatory building codes upon completion.

HIGHEST AND BEST USE ANALYSIS

The term highest and best use as used in this appraisal report is defined as,

"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible and that results in the highest value."

(From The Appraisal of Real Estate, Fifteenth Edition, published by The Appraisal Institute, 2020)

The highest and best use of the land as though vacant and as improved must meet four criteria:

Legally Permissible – The uses that are legally permitted by private restrictions, zoning, building codes, historic district controls and environmental regulations on the site.

Physically Possible – The use to which it is physically possible to put the site in question.

Financially Feasible – The possible and permissible uses that will produce a net income or return, equal to or greater than the amount needed to satisfy operating expenses, financial obligations and capital amortization.

Maximally Productive – Of the financially feasible uses, the use that produces the highest residual land value consistent with the rate of return warranted by the market for that use is the highest and best use.

The highest and best use criteria shown above must be addressed with regard to the subject property on an as if vacant basis and in the preferred sequential order of analysis to derive our opinion of highest and best use.

1. Legally Permissible

The subject property is located within the City Limits of Hutto and zoned Old Town Historic District with a Historic Overlay. The subject is not known to be deed restricted, and typical easements are located along property lines. Considering the legally permissible uses of the subject property it appears commercial use is legally permitted.

2. Physically Possible

In arriving at a conclusion of highest and best use for the subject property, it was also necessary to consider the physical aspects of the site. As discussed in the Site Analysis, the subject does not appear to be encumbered or adversely affected by soil conditions or damaging easements.

The subject parcel is similar in size and shape to other tracts in the downtown Hutto area. For a typical office or retail use to succeed, the property must be located along a major artery or must be in proximity to other traffic generators. The subject's location is felt to be well suited for a variety of retail uses given the location on the corner of Farley Street and East Street in downtown Hutto.

According to our information, utilities are provided to the site and are adequate to support a commercial development. It appears that an appropriate use for the subject would entail an office or retail development.

3. Financially Feasible

The third criterion of investigation of highest and best use is in the area of market attributes. The subject's tracts are surrounded by a mix of commercial and residential uses. It is logical, based on

conforming use (via the legally permissible and physically possible uses), to conclude that a commercial use would be most appropriate for the subject.

Property uses that are expected to produce a positive return and are regarded as financially feasible. In terms of the demand for specific property uses, we have analyzed the commercial structure and retail/office market in the area to address the feasibility for such uses. As discussed in the neighborhood analysis, the current economic conditions of the neighborhood appear to be stable, with a very rapid rate of growth at this time. New construction is occurring at this time. All rented buildings are experiencing stable returns. Both rental rates and occupancy rates were reported as being stable by both representatives at WCAD and by local brokers.

The average rental rate in the area as reported by CoStar is \$32.22/SF/YR, with the high end of this range most reported within new retail centers or well anchored retail spaces. Vacancy in the area hovers near 6-7%.

From all indications, which include occupancy rates, rental rates and building permits for commercial property uses, there appears to be demand for commercial space appears to be stable, with economic growth in the area reported at this time and anticipated as new residents relocate to the area from other Metroplexes like Dallas/Fort Worth, San Antonio and Houston. In consideration of the supply and demand characteristics, we believe the highest and best use of the property as if vacant, is for commercial development.

4. Maximally Productive

The final step in estimating the highest and best use is to determine which of the physically possible, legally permissible and financially feasible alternatives is the maximally productive use. It has been determined that an office retail use would represent the most productive utilization of the subject property.

Highest and Best Use - As Improved

The subject property is improved with a 6,450 square foot (NRA) two-story, multi-tenant, office retail project in downtown Hutto. The improvements are situated on the property to take advantage of the physical attributes of the site. The subject improvements are considered to be a legally conforming property use.

The value of the subject as improved exceeds the value of the site as if vacant. The office retail building has good linkage, accessibility and moderate exposure. The downtown area is currently being revitalized, and has good synergy. Considering the above analysis, the improvements generate the greatest residual income to the land by comparison with the available alternatives.

Most Likely Buyer

The most likely buyer for this subject property as improved would be a local investor.

SALES COMPARISON APPROACH - INTRODUCTION

In the Sales Comparison Approach, the value of a property is estimated by comparing it with similar, recently sold properties in the surrounding or competing areas. Inherent in this approach is the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set by the cost of buying an equally desirable property, assuming that no costly delay occurs in making the substitution.

COMPARABLE SELECTION

Through the analysis of sales of verified arm's-length transactions, market value and price trends are identified. The sales utilized are comparable to the subject in physical, functional, and economic characteristics.

Comparable sales are presented, which were selected due to their similarity in physical, locational, and qualitative attributes. They represent the most recent and relevant comparable sale available for this analysis. Emphasis was given to the subject's location and similarly positioned properties.

UNIT OF COMPARISON

The most relevant unit of comparison is the price per SF NRA. This best reflects the unit of comparison used by buyers and sellers in this market for the subject property type.

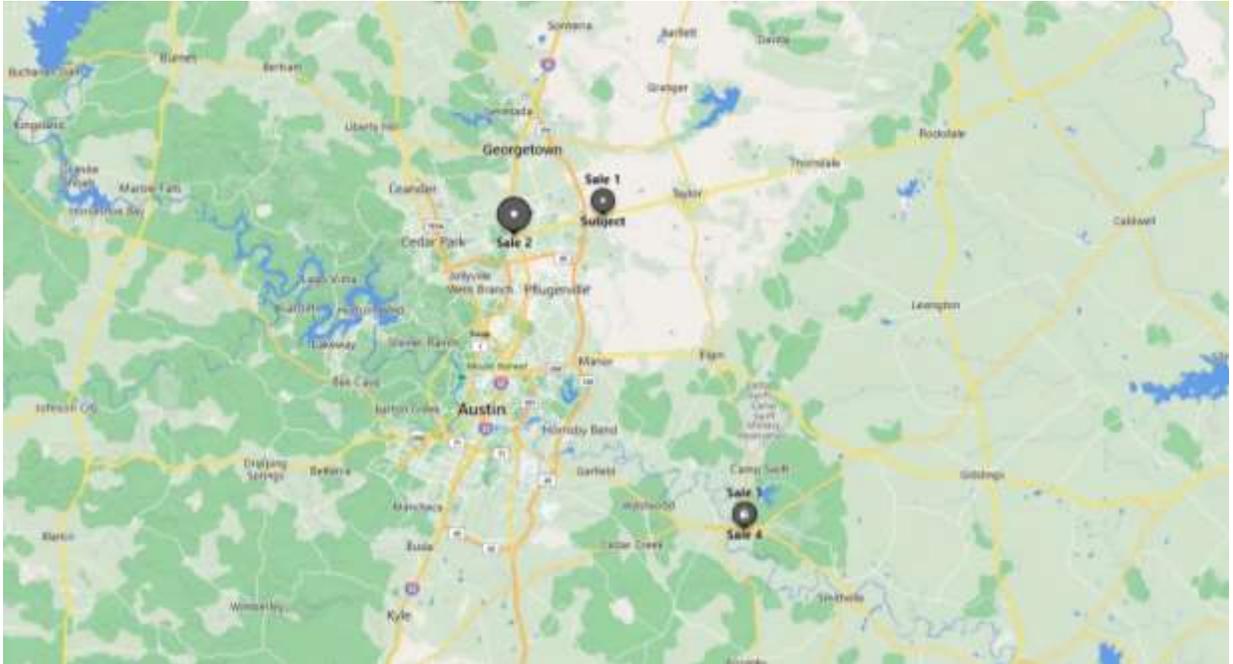
QUANTITATIVE ADJUSTMENT PROCESS

Quantitative percentage adjustments are also made for location and physical characteristics such as size, age, site and parking ratios, access, exposure, quality and condition, as well as other applicable elements of comparison. Where possible the adjustments applied are based on paired data or other statistical analysis. It should be stressed that the adjustments are subjective in nature and are meant to illustrate the logic in deriving a value opinion for the subject property by the Sales Comparison Approach.

PRESENTATION

The subject and comparable property attributes are presented on the following Improved Sales Comparison Table and location map. The comparable sales summaries are located in the Addenda of this report. The map and summary table are followed by analysis of the subject and comparable sales and the value conclusion indicated using the Sales Comparison Approach.

COMPARABLE SALES MAP



COMPARABLE SALE NUMBER ONE



Location: 105 & 107 East St, Hutto, Texas

Date of Sale: July 16, 2021

Legal Description: Lot 6-10, Block 3, The International and Great Northern Railroad Addition to the City of Hutto, a subdivision in Williamson County, Texas

Recording Data: Williamson County Deed Records Doc. No. 2021119323

Grantor: Octave Holdings, LLC

Grantee: Legendary Endeavors, LLC

Consideration: 105 East St - \$300,000 (confirmed)
107 East St - \$475,000 (confirmed)

Price Per Unit: \$181.07/SF Average

Terms of Sale: Conventional Financing

Site Data:

Size: 0.1733 AC

Zoning: OT-5H - Old Town Historic District
H – Historic Overlay District

Parcel Number: R0214101 & R021402

Project Data:

Construction: The subject is two adjoining buildings totaling to 4,280 SF multi-tenant office retail buildings. Construction is of masonry brick and wooden exterior and typical interior office retail finishes.

Size: 105 East St – 1,280 SF
107 East St – 3,000 SF

Year Built: 1900s, 107 East St was recently renovated in 2020

Economic Data:

The economic data was estimated by the appraisers at \$18.00 per square foot, with 10% vacancy and \$7.00 per square foot for triple net expenses.

Consideration:	\$775,000
Building Size: (SF)	4,280
Price/SF:	\$181.07
Est. PGI (\$/SF)	\$18.00
Est. Expenses (\$/SF)	\$7.00

Income Pro Forma

Potential Gross Income		\$77,040
Less: Vacancy	10%	<u>\$7,704</u>
Effective Gross Income		\$69,336
Less: Operating Expenses		\$29,960
Plus: Reimbursements		<u>\$26,964</u>
Net Operating Income		\$66,340

Gross Income Multiplier: 10.06

Overall Rate: 8.56%

Comments:

The two buildings were purchased at the same time by the same buyer. The property was 100% leased at the time of sale. 107 East St tenant completed an estimated \$120,000 of tenant improvements. Property was listed for sale for 79 days.

Confirmation/Date:

Agent Shon Lorg @ 512.201.4038; 6/22; AP

COMPARABLE SALE NUMBER TWO



Location:	8 Chisholm Trail Rd, Round Rock, Texas
Date of Sale:	May 13, 2020
Legal Description:	0.384 acres of land out of the J.M. Harrell Survey, Abst. No. 284 in Williamson County, Texas
Recording Data:	Williamson County Deed Records Doc. No. 2020049467
Grantor:	Williamson County Historical Museum, Inc
Grantee:	Kids Focus, LLC
Consideration:	\$720,000 (confirmed)
Price Per Unit:	\$232.41/SF (calculated)
Terms of Sale:	Cash to Seller
Site Data:	
Size:	0.384 AC
Zoning:	C-1 General Commercial HT – Historical Exemption
Parcel Number:	R055735
Project Data:	
Construction:	The subject has two buildings one being the Original Round Rock Post Office and second building being a two-story historic home. Construction is of masonry brick and wooden exterior and typical interior office retail finishes.
Size:	3,098 SF
Year Built:	1870s

Economic Data:

The economic data was estimated by the appraisers at \$20.00 per square foot, with 10% vacancy and \$5.00 per square foot for triple net expenses.

Consideration:	\$720,000
Building Size: (SF)	3,098
Price/SF:	\$232.41
Est. PGI (\$/SF)	\$20.00
Est. Expenses (\$/SF)	\$5.00

Income Pro Forma

Potential Gross Income		\$61,960
Less: Vacancy	10%	<u>\$6,196</u>
Effective Gross Income		\$55,764
Less: Operating Expenses		\$15,490
Plus: Reimbursements		<u>\$13,941</u>
Net Operating Income		\$54,215

Gross Income Multiplier: 11.62

Overall Rate: 7.53%

Comments:

At the time of sale the two buildings were utilized as the Williamson County Chisholm Trail Museum. Property has road frontage along Galloping Road, Emmanuel Street and Chisholm Trail Road. The subject property was listed for sale for 14 days and sold for asking price. Since acquisition, the property has been converted to a multi-tenant office project.

Confirmation/Date:

Agent Nathan Pinson @ 512.670.6220; 6/22; AP

COMPARABLE SALE NUMBER THREE



Location: 909 Main St, Bastrop, Texas

Date of Sale: December 16, 2021

Legal Description: A portion of Building Block 4, East of Main Street in Bastrop County, Texas

Recording Data: Bastrop County Deed Records Doc. No. 202200185

Grantor: Frederic H Taylor

Grantee: 909 Main Street, LLC

Consideration: \$420,000 (confirmed)

Price Per Unit: \$260.87/SF (calculated)

Terms of Sale: Cash to Seller

Site Data:

 Size: 0.049 AC

 Zoning: Bastrop Commercial Downtown District

 Parcel Number: R33191

Project Data:

 Construction: The subject is located in downtown Bastrop. Construction is of masonry brick and wooden exterior and typical interior office retail finishes.

 Size: 1,610 SF

Year Built: 1970s

Economic Data: The economic data was estimated by the appraisers at \$20.00 per square foot, with 10% vacancy and \$7.00 per square foot for triple net expenses.

Consideration:	\$420,000
Building Size: (SF)	1,610
Price/SF:	\$260.87
Est. PGI (\$/SF)	\$20.00
Est. Expenses (\$/SF)	\$7.00

Income Pro Forma

Potential Gross Income		\$32,200
Less: Vacancy	10%	<u>\$3,220</u>
Effective Gross Income		\$28,980
Less: Operating Expenses		\$11,270
Plus: Reimbursements		<u>\$10,143</u>
Net Operating Income		\$27,853

Gross Income Multiplier: 13.04

Overall Rate: 6.63%

Comments: At the time of sale the building was owner occupied by a local chiropractor. The building includes six offices, lobby area, reception desk, storage room and small rear courtyard area. The subject property was listed for sale for 14 days and sold for slightly below asking price. The seller continues to lease the structure. The buyer purchased the property as an investment with anticipation of future retail conversion.

Confirmation/Date: Agent Dawn Kana @ 512.413.3988; 6/22; AP

COMPARABLE SALE NUMBER FOUR



Location:	920 Main St, Bastrop, Texas
Date of Sale:	August 27, 2021
Legal Description:	A portion of Building Block 9, East of Main Street in Bastrop County, Texas
Recording Data:	Bastrop County Deed Records Doc. No. 202118325
Grantor:	Ronald H Bridges Revocable Trust
Grantee:	Jenny Katherine French & Michael Branden French
Consideration:	\$599,900 (confirmed)
Price Per Unit:	\$228.79/SF (calculated)
Terms of Sale:	Conventional Financing
Site Data:	
Size:	0.090 AC
Zoning:	Bastrop Commercial Downtown District
Parcel Number:	R33841
Project Data:	
Construction:	The subject is located in downtown Bastrop. Construction is of masonry brick and wooden exterior and typical interior office retail finishes.
Size:	2,622 SF
Year Built:	1970s

Economic Data:

The economic data was estimated by the appraisers at \$18.30 per square foot, with 10% vacancy and \$5.00 per square foot for triple net expenses.

Consideration:	\$599,900
Building Size: (SF)	2,622
Price/SF:	\$228.79
Est. PGI (\$/SF)	\$18.30
Est. Expenses (\$/SF)	\$5.00

Income Pro Forma

Potential Gross Income		\$47,983
Less: Vacancy	10%	<u>\$4,798</u>
Effective Gross Income		\$43,184
Less: Operating Expenses		\$13,110
Plus: Reimbursements		<u>\$11,799</u>
Net Operating Income		\$41,873

Gross Income Multiplier: 12.50

Overall Rate: 6.98%

Comments:

The building includes seven suites, common kitchen, half bath, and a finished studio in the back. The building was 100% leased at a rate of \$4,000/month or \$18.30psf/yr. The subject property was originally listed for \$649,900, DOM 314.

Confirmation/Date:

Agent Frank Rainosek @ 512.924.1901; 6/22; AP

PRICE PER SQUARE FOOT ANALYSIS

The Comparable Improved Sales presented on the previous pages have been compared to the subject property with respect to such factors as date of sale, location, quality/age/condition, size of project and occupancy. The sales included in this analysis were the most recent sales that were felt to be comparable to the subject property. When estimating the value of the subject property, it is necessary to make adjustments to the sale prices of the comparables when they differ from the subject property. These adjustments were derived from actual market extractions, opinions of brokers, cost and income analysis and from the appraiser's past experience. Shown below is a summary of the Comparable Sales along with a discussion of the adjustments that were made to the sales.

SUMMARY OF COMPARABLE SALES						
Sale	Date	Location	Size (SF)	Price/SF	Cap Rate	Occ.
1	7/21	105 & 107 East St, Hutto	4,280	\$181.07	8.56%	100%
2	5/20	8 Chisholm Trail Rd, Round Rock	3,098	\$232.41	7.53%	100%
3	12/21	909 Main St, Bastrop	1,610	\$260.87	6.63%	100%
4	8/21	920 Main St, Bastrop	2,622	\$228.79	6.98%	100%
Sub.		117 East St, Hutto	6,450	-	-	-

ADJUSTMENTS

Adjustments to the comparable sales were considered and made when warranted for property rights, financing terms, conditions of sale, expenditures after sale and market conditions.

- 1. Property Rights** - All of the sales comparables were leased fee and fee simple sales reflecting the property rights appraised herein per the agreed upon scope of work.
- 2. Financing** - The sales all reflected typical cash equivalent, lender-financed transactions and no adjustments were required for financing terms.
- 3. Sale Conditions** - None of the comparables required a condition of sale adjustment, as all were confirmed to be arm's length transactions.
- 4. Expenditures After Sale** - Expenses that the buyer incurs after purchase (deferred maintenance, HVAC repairs, etc.). No adjustments are warranted based on review of the sales.
- 5. Market Conditions (Time)** - Based on research and interpretation of value trends, the analysis applies a market conditions adjustment of 10% annually reflecting the relatively consistent appreciation that occurred between the oldest comparable sale date up through the present. Appreciation has remained evident through the Covid-19 Pandemic.

Additional adjustments to the comparable sales are further discussed below.

Location

The subject is located on the corner of East Street and Farley Street in downtown Hutto, Texas. The subject has approximately 140 linear feet of storefront exposure with street parking along the north and east of the building. The subject is approximately 30 miles northeast of Austin with linkage along highly traveled throughfares to Round Rock, Taylor and Georgetown.

Comparable Sale One is also located in the downtown area, but is inferior to the subject with regards to retail exposure not being on a corner location like the subject. Sale One warrants an upward adjustment of 5%.

Comparable Sale Two is located in Round Rock, just northeast of Austin. Round Rock has seen exponential growth in development over the past decade with its proximity to Austin. The historic building has frontage along three streets near downtown Round Rock and has ample onsite and public street parking. Sale Two warrants a downward adjustment for superior market area, street frontage and proximity to Austin. Comparable Sales Three and Four are located along Main Street in downtown Bastrop. The Bastrop development trend and economy has been expanding at a slightly superior rate as the City of Hutto, and is similar in proximity to Austin. Furthermore, the downtown area has been revitalizing and has good synergy. While the sales lack the corner exposure of the subject, the slightly superior neighborhood location is also considered. A net zero adjustment for location is derived.

Age/Quality/Condition

The subject property is a historic type row structure, is two-story and has been recently remodeled. The 6,450 square foot structure is primarily retail finish and is of good quality construction and in good condition. Sale One is two adjoining retail buildings south of the subject along East St in Hutto. The 105 East St building is inferior in quality and condition with little to no improvements over the past 30 years. 107 East St Building is in good condition with a recent remodel. Overall, Sale One is inferior in condition to the subject, warranting an upward adjustment. Comparable Sale Two, Three and Four also warranted upward adjustments for inferior condition and minor renovations since initial construction as compared to the subject.

Size

The subject consists of 6,450 square feet of net rentable building area. The comparable sales range from 1,610 square feet to 4,280 square feet. Typically, a smaller building will sell for a premium when compared to a larger building, due to larger investment involved and the fact that end-users typically desire a smaller building. Previous pairings indicate adjustments from 5% to 20% per doubling or halving in size. We have therefore estimated an approximate 5% per doubling and halving in size and have applied adjustments to all of the comparable sales for superior size.

Occupancy

The subject property is stabilized at the time of inspection. All of the comparable sales were at stabilized occupancy at the time of sale (leased or owner occupied) and no adjustment was necessary on this basis.

The following adjustment grid illustrates the previous adjustments.

COMPARABLE SALES ADJUSTMENT GRID

Comparable Number	One	Two	Three	Four
Sale Price/SF	\$181.07	\$232.41	\$260.87	\$228.79
Property Rights	Similar	Similar	Similar	Similar
Conveyed	0%	0%	0%	0%
Financing	Similar	Similar	Similar	Similar
	0%	0%	0%	0%
Conditions of Sale	Similar	Similar	Similar	Similar
	0%	0%	0%	0%
Market Conditions	Inferior	Inferior	Inferior	Inferior
	9%	20%	5%	8%
1st Adjusted Value	\$197.37	\$278.89	\$273.91	\$247.09
Location	Inferior	Superior	Similar	Similar
	5%	-7%	0%	0%
Quality/Age/Condition	Inferior	Inferior	Inferior	Inferior
	15%	5%	10%	10%
Size	Superior	Superior	Superior	Superior
	-2.0%	-5.0%	-7.0%	-5.0%
Occupancy	Similar	Similar	Similar	Similar
	0%	0%	0%	0%
Net Percentage Adjustments	18%	-7%	3%	5%
Final Adjusted Value	\$232.89	\$259.37	\$282.13	\$259.45

Mean: \$258.46

Median: \$259.41

Sales Price Per SF Conclusion

The adjustment grid shown above summarizes the previously extracted adjustments, which appear reasonable based on the available market data. The Comparable Sales indicated adjusted values between \$232.89 per square foot and \$282.13 per square foot. The mean of the adjusted data is \$258.46 per square foot and the median is \$259.41 per square foot.

Comparable Sale Two has good linkage, and superior synergy as compared to the subject, and is located within a superior neighborhood. Comparable Sales One, Three and Four are most similar in location to the subject. All of the comparable sales are older historic type structures, but contained varied levels of condition and renovation. Moderate weight is placed on Sales One, Three and Four with least weight placed on Sales Two.

After analyzing all of the sales, it is our conclusion that the estimated market value of the property via this technique is approximately \$260.00/SF (rounded). We have correlated within the range of Sales Two, Three and Four. While Sale One is most similar to the subject, the project overall differs significantly in condition. Therefore, the estimated "As Is" Market Value of the Leased Fee Interest of the subject property as of the date of inspection via this analysis can be estimated as follows:

$$6,450 \text{ SF @ } \$260.00/\text{SF} = \$1,677,000$$

ROUNDED: \$1,680,000

INCOME APPROACH

The Income Approach is based on the premise that properties are purchased for their income producing potential. It considers both the annual return on the invested principal and the return of the invested principal. The two fundamental methods of this valuation technique include Discounted Cash Flow and Direct Capitalization. Both methods are applied in this analysis.

DIRECT CAPITALIZATION METHOD

The first step in direct capitalization is to estimate the durable rental income through analysis of the in-place leases and market rent terms. Next, reimbursements and other revenue are analyzed. Then, vacancy and operating expenses are estimated. Finally, the net operating income is capitalized at a supported rate. The implied value may be adjusted to account for non-stabilized conditions or required capital expenditures to reflect a prospective market value.

The following table provides a breakdown of the subject's various tenant categories and contract rent over the next 12 months.

#	Tenant	Size (SF)	\$/Month	\$/SF	Rent
100	Hutto Flower Market	1,500	\$2,250	\$18.00	\$27,000
150	MRG3, LLC (2 mos)	1,650	\$2,884	\$20.97	\$5,767
-	8/1/22 Rate Increase	-	\$2,908	\$21.15	\$29,079
200	East Street Tattoo	1,650	\$2,475	\$18.00	\$17,325
-	1/1/23 Rate Increase	-	\$2,549	\$18.54	\$12,745
250	Finding Balance	1,650	\$2,475	\$18.00	\$17,325
-	1/1/23 Rate Increase	-	\$2,549	\$18.54	\$12,745
Total		6,450			\$121,986
Average			\$10,165	\$18.91	

MARKET RENT ANALYSIS

This section examines comparable properties within the marketplace to estimate market rent for the subject. This allows for a comparison of the subject property's contract to what is attainable in the current market.

UNIT OF COMPARISON

The analysis is conducted on a dollar per square foot annually, reflecting market behavior. The market rent analysis is based on a **triple net** expense structure where the landlord pays for structural maintenance and vacant space expenses and the tenants reimburse a pro rata share of all other operating expenses including taxes, insurance, utilities, common area maintenance (CAM), and management.

SELECTION OF COMPARABLES

A complete search of the area was conducted in order to find the most comparable properties in terms of location, tenancy, age, exposure, quality, and condition. The comparables in this analysis are the most reliable indicators of market rent for the subject available at the time of this appraisal.

ADJUSTMENTS

The comparables have been evaluated for concessions such as free rent, tenant improvements in excess of the typical market, atypical rent escalations, and atypical lease terms. Adjustment was made for these concessions based on their impact over the original term period. Quantitative percentage adjustments were made for location and physical features such as size, age, condition,

exposure and parking ratio. It is stressed that the adjustments are subjective in nature and are meant to illustrate the logic in deriving market rent for the subject.

MARKET CONDITIONS (TIME)

Based on research and interpretation of rental value trends, the analysis applies an upward market conditions adjustment of 3% annually reflecting the relatively consistent rent growth that occurred between the oldest lease date up through the effective valuation date.

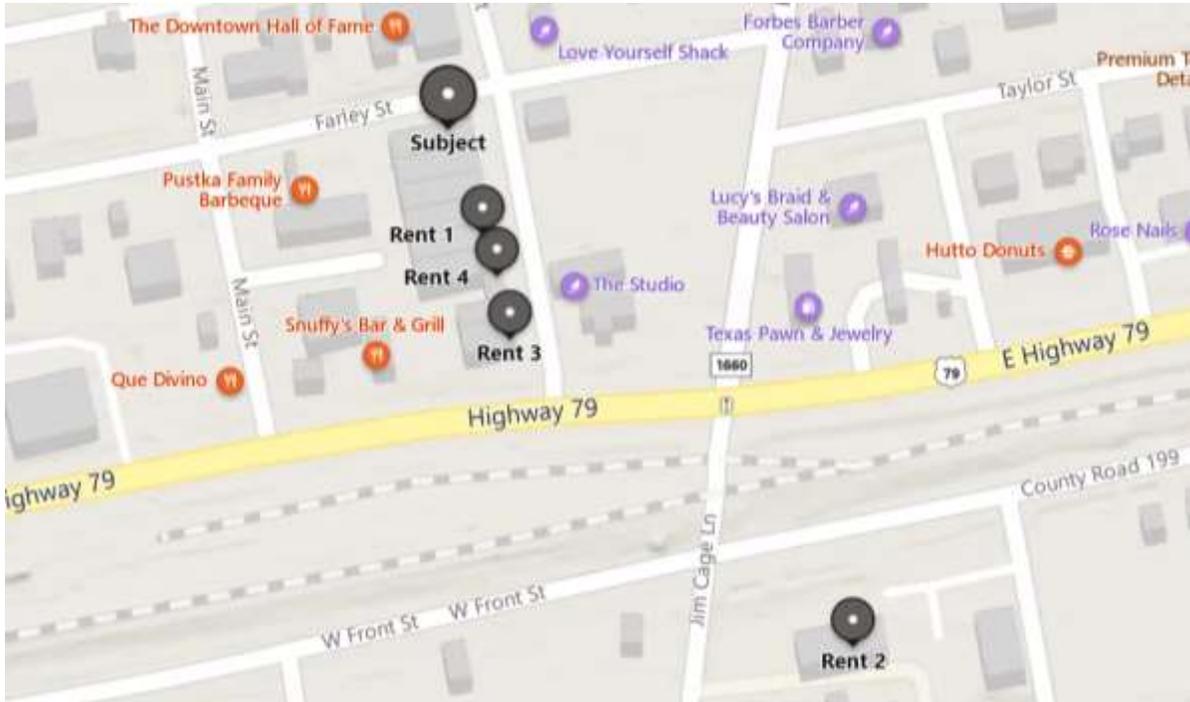
TENANT IMPROVEMENTS & CONCESSIONS

Market based concessions range from \$5.00/SF to \$40.00/SF for tenant improvements and 0 to 3 months of free rent. Comparables with concessions that are outside these defined market boundaries are adjusted to the closest boundary with this difference divided over the term of the lease.

PRESENTATION

The following presentation summarizes the comparables most similar to the subject property. The following Comparable Rents Summary, location map, and an analysis of the rent comparables are presented on the following pages.

COMPARABLE RENTS MAP



COMPARABLE RENT NUMBER ONE



Location:	107 East St, Unit A, Hutto, Texas
Description:	The subject property is improved with a single-story retail project located in the downtown Historical District of Hutto. Construction is of masonry brick exterior and good retail interior finishes.
Year Built:	1900, Recently Renovated in 2020
Lease Terms:	Annual
Net Leasable Area:	3,000 SF
Area Leased:	1,400 SF
Occupancy Ratio:	100%
Annual Rentals/SF:	\$16.29/SF/YR; 2020-2021
Expenses Paid:	Triple-Net (\$6.51/SF/YR)
Comments:	The property is 3,000 SF of leasable area with Unit A being 1,400 SF and Unit B being 1,600 SF. Unit A has an effective lease price of \$1,900 base rent, plus \$760 NNN PSF monthly, at the time of sale July 16, 2021. The tenant completed an estimated \$120,000 value-added tenant improvements with no landlord contribution to the leased area. The building is zoned C1 and located in the Hutto Historical District.
Confirmation/Date:	Agent - Shon Lorg @ 512.201.4038; 6/22 AP

COMPARABLE RENT NUMBER TWO



Location:	101 E Front St, Unit 102, Hutto, Texas
Description:	A single story multi-tenant retail office building with partial masonry brick and hardiplank exterior and good quality interior finish located on a corner lot.
Year Built:	2016
Lease Terms:	1-3 years
Net Leasable Area:	4,120
Area Leased:	1,000
Occupancy Ratio:	100%
Annual Rentals/SF:	\$26.40/SF/YR
Expenses Paid:	Triple-Net (\$3.60/SF/YR)
Comments:	The property is 4,120 SF of leasable area with Unit 102 being 1,000 SF of good office interior finish. Unit 102 has an effective lease price of \$2,200 base rent, plus \$300 NNN PSF monthly. The subject interior consists of three formal offices, conference room, large bathroom, and break-area. There are five out of twenty assigned parking spaces. Subject is located on the corner of Jim Cage Lane and E Front Street in Hutto, Texas.
Confirmation/Date:	Agent – Morris Joseph @ 512.779.9029; 6/22 AP

COMPARABLE RENT NUMBER THREE



Location: 101 East St, Hutto, Texas

Description: Two-story historical building located on a corner lot in downtown Hutto. Exterior construction is of brick veneer with partial wood siding including refurbished interior finishes.

Year Built: 1900

Lease Terms: 1-3 years

Net Leasable Area: 3,276 SF

Area Leased: 1,487 SF

Occupancy Ratio: 0%, Vacant

Annual Rentals/SF: \$23.00/SF/YR (asking)

Expenses Paid: Triple-Net

Comments: The property is 3,275 SF of leasable area with 1,487 SF street level office retail lease availability in downtown Historical District of Hutto. The subject has been offered for lease with an asking price of \$23.00/SF/YR with \$6.00/PSF NNN monthly for 219 days.

Confirmation/Date: Agent – Kristofer Kasper @ 512.966.9781; 6/22 AP

COMPARABLE RENT NUMBER FOUR



Location:	105 East St, Unit A, Hutto, Texas
Description:	A mixed use two-story historical building located in downtown Hutto. Exterior construction is of brick veneer with partial wood siding
Year Built:	1930
Lease Terms:	1-3 years
Net Leasable Area:	1,280 SF
Area Leased:	640 SF
Occupancy Ratio:	100%
Annual Rentals/SF:	\$22.13/SF/YR
Expenses Paid:	Triple-Net
Comments:	Unit A is a downstairs unit currently leased to a barber shop for \$1,180 base rent plus \$312/PSF NNN monthly. The building is zoned C1 and located in the Hutto Historical District.
Confirmation/Date:	Agent - Shon Lorg @ 512.201.4038; 6/22 AP

RENT COMPARABLE ANALYSIS

The comparable office rents shown on the previous pages have been included to determine if the actual leases for the property are consistent with market rents. Economic rent is defined as, "that reasonable rent expectancy if the property were available for lease on the open market, the amount of money a property should produce based on the actual rent being received from similar buildings as of the effective date of the appraisal. The economic rental income for the subject must be at current market rates in order to correctly analyze the subject with respect to current market values. Rents differed from building to building and also within the same project. Rent differences between projects are a function of location, quality, age and finish out. Differences within projects are a function of lease space size, length and terms of the lease and location within the project. Shown below is a summary of the Rent Comparables.

COMPARABLE RETAIL RENTS						
Comp	Location	Term	Size (SF)	Rate/SF/YR	Expenses	
1	107 East St, Unit A	1 yr	1,400	\$16.29	Triple Net	
2	101 E Front St, Unit 102	1-3 yr	1,000	\$26.40	Triple Net	
3	101 East St	1-3 yr	1,487	\$23.00	Triple Net	
4	105 East St, Unit A	1-3 yr	640	\$22.13	Triple Net	
Sub.	117 East St, Hutto, TX	-	6,450	-	Triple Net	

The comparable rents of tenants within office retail projects in the Hutto area range from \$16.29 -\$26.40 per square foot on a triple net basis. Of the rents surveyed, all comparable sales have retail exposure.

Rents One and Two are similar to the subject in construction quality and finish. Rent One reflects a steep discount in rent, as the tenant extensively renovated the unit. Rent Three is located on a corner location similar to the subject in downtown Hutto. Rent Four is a much smaller unit, with a very inferior condition and finish to the subject.

The subject has been recently remodeled and is of good quality construction and finish and will have high exposure and good linkage located on a corner location in downtown Hutto. The owner reported little to no TI's were offered, with interior finish out expenses incurred by the tenants.

The market has seen tremendous growth and demand for office retail buildings in the Georgetown, Hutto and Taylor areas in the past year with the announcement of Samsung Semiconductor facility announcing Taylor as its location, which will ultimately drive demand in nearby Hutto as well. Based on the comparable data, the subject's contract rent appears to be at market, with an appropriate discount given for the lack of TI's and for located on a second story versus ground level retail.

SUBJECT LEASES

The table below summarizes the subject leases.

#	Tenant	Size (SF)	\$/SF	Start	End
100	Hutto Flower Market	1,500	\$18.00	6/1/2022	5/31/2027
150	MRG3, LLC	1,650	\$20.97	1/1/2022	12/31/2025
200	East Street Tattoo	1,650	\$18.00	1/1/2022	12/31/2025
250	Finding Balance	1,650	\$18.00	1/1/2022	12/31/2025
Total		6,450			

Potential Gross Income Estimate

The appraisers have applied market rent. Based upon the current leases and market data surveyed, it is our opinion that the property has the following first year potential gross income (including scheduled rate increases, if any).

#	Tenant	Size (SF)	\$/Month	\$/SF	Rent
100	Hutto Flower Market	1,500	\$2,250	\$18.00	\$27,000
150	MRG3, LLC (2 mos)	1,650	\$2,884	\$20.97	\$5,767
-	8/1/22 Rate Increase	-	\$2,908	\$21.15	\$29,079
200	East Street Tattoo	1,650	\$2,475	\$18.00	\$17,325
-	1/1/23 Rate Increase	-	\$2,549	\$18.54	\$12,745
250	Finding Balance	1,650	\$2,475	\$18.00	\$17,325
-	1/1/23 Rate Increase	-	\$2,549	\$18.54	\$12,745
Total		6,450			\$121,986
Average			\$10,165	\$18.91	

Vacancy and Collection

The next step in the Income Approach is to estimate the amount of potential gross income that will be lost due to Vacancy and Collection losses. The typical market lease ranges from 3-5 yrs. The market vacancy per CoStar Analytics is 3.0% for office retail space. The subject was 100% occupied at the time of inspection. We believe stabilized occupancy in general over the holding period will be 95%. The vacancy and collection loss can be calculated as follows:

$$\$121,986 @ 5\% = \$6,099$$

Effective Gross Income

The Effective Gross Income is the potential gross income less the vacancy and collection losses. The Effective Gross Income for the subject property can be calculated as follows:

Potential Gross Income:	\$121,986
Less: Vacancy and Collection Losses	<u>-\$6,099</u>
Effective Gross Income	\$115,887

Operating Expenses

In order to estimate the net operating income for the subject property, deductions must be made for operating expenses. Office Retail units similar to the subject property typically pass most expenses through to the tenants. The economic rent estimate for the subject was based upon a similar expense base, where most operating expenses are incurred by the lessee. Some expenses are traditionally not passed through to the tenants. These expenses are related to the leasing expenses, vacancy expenses and miscellaneous expenses (i.e. capital improvements, appraisal fees, legal fees, accounting and other miscellaneous costs). Shown below is a general discussion of the type of expenses that would most likely be borne by the lessor. These estimates have been based upon what other similar projects have experienced, the subject's leases and from conversations with real estate developers, brokers and leasing agents.

Management Expenses: Management fees for this type of project typically range from 3% to 6% of the effective gross income. This fee does not include any salaried personnel for the subject nor does it include any administrative expenses. A 5% management expense has been calculated.

Insurance: This item includes a multi-peril insurance policy for fire, extended coverage and liability. This item varies widely depending on the extent of the coverage. A review of other offices and conversations with local insurance agents indicate that insurance costs are approximately \$0.35 - \$1.50 per square foot. An estimate of \$0.60/SF of NRA has been utilized.

Maintenance: This expense includes landscaping, site lighting, insurance, HVAC, interior maintenance, and other typical building maintenance. A survey of area operating statements reflected a maintenance expense of \$0.50 - \$3.00/SF, depending on the age of the structure. The structure has been extensively remodeled; an estimate of \$1.00/SF/YR is considerable a reasonable expense.

Utilities: The suites will be individually metered, but common area utilities will be incurred. This includes exterior lighting, site lighting, etc. This expense has been estimated at \$1.00/SF, and will be passed on to the tenants.

Real Estate Taxes: The subject is currently assessed at \$877,038, with a 2021 tax rate of \$2.559654 per \$100/valuation. The total tax liability is estimated to be \$22,449.14 or \$3.48/SF.

Miscellaneous: Miscellaneous expenses such as capital improvements, appraisal fees, legal fees, accounting and other miscellaneous costs are estimated to average approximately \$0.20 per square foot. The lessor is responsible for these expenses.

Reserves for Replacement: This operating expense is estimated at that amount necessary to replace short-lived items at the end of their economic life. Interviews with building purchasers indicated that this is not a recurring expense and the practice of setting aside funds to replace short-lived items is rarely practiced. An expense for reserves was not applied when calculating the overall rates from the comparable sales, so this expense is not applicable to the subject. Further, this expense was most likely considered in the miscellaneous category.

Shown below is the Net Operating Income Schedule. **It should be noted that it is common with this type of project for the tenants to reimburse the majority of operating expenses. Therefore, in the operating costs schedule at 95% (stabilized occupancy) of the taxes, insurance, utilities, and maintenance expenses will be reimbursed by the tenants and recaptured in the operating income statement.**

Reconstructed Operating Statement						
		Ste. 100	Ste. 150	Ste. 200	Ste. 250	Overall
Size NRA		1,500	1,650	1,650	1,650	6,450
Est. Rental Rate/SF (Avg.)		\$ 18.00	\$ 21.12	\$ 18.22	\$ 18.22	\$ 18.91
Total Potential Gross Income		\$ 27,000	\$ 34,846	\$ 30,070	\$ 30,070	\$ 121,986
Less: Vacancy & Collection Loss	5%	\$ (1,350)	\$ (1,742)	\$ (1,504)	\$ (1,504)	\$ (6,099)
Effective Gross Income		\$ 25,650	\$ 33,104	\$ 28,567	\$ 28,567	\$ 115,887
Less: Operating Expenses						
Management	5%	\$ (1,283)	\$ (1,655)	\$ (1,428)	\$ (1,428)	\$ (5,794)
Insurance	\$0.60/SF	\$ (900)	\$ (990)	\$ (990)	\$ (990)	\$ (3,870)
Maintenance	\$1.00/SF	\$ (1,500)	\$ (1,650)	\$ (1,650)	\$ (1,650)	\$ (6,450)
Utilities	\$1.00/SF	\$ (1,500)	\$ (1,650)	\$ (1,650)	\$ (1,650)	\$ (6,450)
Real Estate Taxes	\$3.48/SF	\$ (5,221)	\$ (5,743)	\$ (5,743)	\$ (5,743)	\$ (22,449)
Miscellaneous	\$0.20/SF	\$ (300)	\$ (330)	\$ (330)	\$ (330)	\$ (1,290)
Less: Total Operating Expenses		\$ (10,703.20)	\$ (12,017.95)	\$ (11,791.09)	\$ (11,791.09)	\$ (46,303)
Plus: Reimbursements		\$8,665	\$9,531	\$9,531	\$9,531	\$37,258
Net Operating Income		\$23,611	\$30,617	\$26,307	\$26,307	\$106,841
NOI/SF		\$ 15.74	\$ 18.56	\$ 15.94	\$ 15.94	\$ 16.56
Total Expenses/SF		\$ (7.14)	\$ (7.28)	\$ (7.15)	\$ (7.15)	\$ (7.18)
Reimbursements/SF		\$ 5.78	\$ 5.78	\$ 5.78	\$ 5.78	\$ 5.78

The subject's estimated reimbursable expenses by the tenants have been estimated at \$37,258 or \$5.78 per square foot.

CAPITALIZATION TECHNIQUE

Capitalization is the process of converting a net income stream into an indication of value. There are, of course, difficulties in either developing this overall capitalization rate and/or extracting from the marketplace.

Both yield and direct capitalization methods will be used to convert the stabilized net income projections into an indication of value. These are the most easily understood of all the capitalization techniques, and tend to be the least complicated methods of interpreting such influences as high interest rates, higher debt coverage ratios, property appreciation or depreciation, etc. Due to the recent dates of sale of the improved comparables very reliable capitalization rates could be extracted. When the net operating income is divided by the overall capitalization rate, an indication of value results. Shown below are these techniques.

Direct Market Extraction Technique

Several overall rates were taken from the Comparable Improved Sales in the Sales Comparison Approach. Shown below is the date of sale, project and indicated capitalization rate for each.

SUMMARY OF COMPARABLE SALES						
Sale	Date	Location	Size (SF)	Price/SF	Cap Rate	Occ.
1	7/21	105 & 107 East St, Hutto	4,280	\$181.07	8.56%	100%
2	5/20	8 Chisholm Trail Rd, Round Rock	3,098	\$232.41	7.53%	100%
3	12/21	909 Main St, Bastrop	1,610	\$260.87	6.63%	100%
4	8/21	920 Main St, Bastrop	2,622	\$228.79	6.98%	100%
Sub.		117 East St, Hutto	6,450	-	-	-

The sales presented above were chosen primarily due to their tenant mix and high occupancy rates. While there have been other recent sales in the Williamson County area, these sales are most comparable because of their location, tenant profile, amount of finish-out and occupancy rates.

The comparable sales shown above have capitalization rates ranging from 6.63% to 7.53%. The mean of the data is 7.43% and the median of the data is 7.26%. These rates reflect the circumstances as of the date of sale, without adjustment for occupancy or rate increases. As the economy improves, investors expect their respective returns to increase, so these rates reflect the immediate short term, and are directly comparable to the subject.

In consideration of the stability of cash flows from the subject leases, the age and construction quality, we believe that a capitalization rate would fall within the range of Sales Two, Three Four, and is felt to be the best reflection of the overall stabilized capitalization rate demanded by the purchasers over a seven to ten year holding period. From this data, an overall capitalization rate is estimated to be **6.75%**.

Further evaluation of rates required by investors included a review of a surveys of desired return rates for the Austin Office Market of 4.78% to 8.00%, with an average of 5.86% and for National Strip Shopping Center Market of 5.00% to 10.00%, with an average of 7.00%, on overall rates, as published in *PwC & Associates, Real Estate Investor Survey, Second Quarter 2022*.

The following section summarizes the above stated findings.

Comparable Sales	6.75%
CoStar Analytics	5.80%
Austin Office Market Investor Survey	5.86%
National Strip Shopping Center Market Investor Survey	7.00%

Based on the data presented above, we have estimated a **6.00%** going in, present day capitalization rate. The basis of our selection relies heavily on secondary sources, due to the lack of direct compatibility of the comparable sales. The comparable sales reflect an overall higher capitalization rate due to the inferior condition or retrofit required to maximize utility or rents within the project. The estimated "As Is" Market Value of the Leased Fee Interest upon the date of inspection by this technique may be calculated as follows:

$$\frac{\$106,841}{0.0600} = \$1,780,690$$

ROUNDED: \$1,780,000

DISCOUNTED CASH FLOW METHOD

This approach is predicated upon the principle of anticipation, which states that the value is equal to the present worth of the future benefits. In the subject's case, the future benefit is the income to be derived from the lease space. A value from this method is derived by adding the present value of the income stream to the present value of the reversion. Shown below is a discussion of the necessary inputs required for this analysis.

Using the actual leases in place in order to arrive at the "As Is" Market Value of the Leased Fee interest, a Discounted Cash Flow Analysis was performed.

Holding Period

A ten-year holding period will be used to analyze the property. Most building owners and potential investors are utilizing this holding period to analyze income-producing property.

Growth Rate of Rent

The appraisers have had discussions with market participants and consulted industry surveys regarding future expectations of rental rates. The appraisers have concluded that the subject property can anticipate rent increases yearly during the holding period as the vacant space in the market is absorbed and landlords have the negotiating advantage. Over the past two years, rental rates have been increasing in the subject submarket.

Upon our conversations with buyers, sellers and brokers active in the retail market, it appears that rental rates have been increasing, and are expected to rise at a pace consistent with inflation in the future. Based on this information and discussions with market participants, market rental rates for the subject are estimated to increase 2.5% per year for the holding period.

Growth Rate of Expenses

Discussions with leasing agents of comparable properties in the subject market indicate that expenses have been relatively stable over the past few years. Therefore, operating expenses have been inflated at 2.5% per year, which is approximately equal to the average inflation rate over the past decade of two to three percent.

Capital Expenditures

In addition to typical operating expenses estimated earlier, capital expenditures and infrequent operating expenses are incurred over the life of a property. Given the current condition of the subject, no capital expenditures were felt to be applicable. Any unforeseen expenses have been accounted for within the miscellaneous expense line item.

Leasing Commissions and Tenant Finish-Out

The subject building is 100% leased. We have assumed the space will be leased with an average of \$25.00/SF finish out allowance on new leases and \$10.00/SF on renewals. Leasing commissions are calculated based on a typical five percent commission for new leases and a two percent commission on renewals.

Tenant Turnover

The subject leases have terms ranging from 5 years to 10 years. The renewal rate is estimated to be 75% for retail space within the building.

Discount Rate

The discount rate, as used herein, is the equity yield rate. This rate is used to discount the net income stream in order to yield an indication of the present value of the subject. Three approaches to estimating the appropriate rate at which to discount the revenues for the subject have been considered. These approaches are 1) Market Investment Comparison Approach; 2) Components of Discount Rate Approach; and 3) Secondary Sources Approach.

The Market Investment Comparison Approach states that investors will compare rates of return available on other investments versus real estate, assuming each has identical risk. Typically, these other investments consist of marketable securities. The yield on medium-quality corporate bonds (Baa) is approximately 5.12 percent at the current time. Most investors would agree that real estate investments are riskier than corporate bonds. Therefore, this would indicate a premium over this 5.12 percent yield would be required to induce investment in real estate.

The Components of Discount Rate Approach states that discount rates can be broken into three components: the real return to the investor, the adjustment for inflation and the risk premium for a particular project. The sum of the real return and the adjustment for inflation is known as the risk-free rate. The risk-free rate commonly referred to by investors is the 90-day U.S. Treasury Bill rate. This rate is currently approximately 1.75% percent.

The missing factor from each of the previous approaches to an appropriate discount rate is the premium for the risks of the real estate market. As this risk is very difficult to determine, little weight has been placed on the previous two approaches. Since there is an active investor market for quality retail properties in large cities, the Secondary Sources Approach is felt to be the most appropriate method of evaluating the appropriate discount rate for the subject property.

In determining the appropriate rate to be used within this analysis by the Secondary Sources Approach, the appraisers consulted the *PwC Real Estate Investor Survey, Second Quarter 2022*, conducted by PwC, which surveys major institutional equity real estate participants. The appraisers have focused on the portion of the survey, which concerns strip center properties. The indicated average free and clear equity yield rate ranged from 6.50% to 11.00% with a reported mean of 8.35%. The Austin Office Market reported an average free and clear equity yield rate range of 5.50% to 9.50% with a reported mean of 7.20%

Based upon this information as well as the appraiser's assumptions regarding market rents and expenses increases, the appraisers are of the opinion that a discount rate of 7.50% is appropriate for the subject property.

Reversion Value - Residual Capitalization Rate

The reversion value is the estimated price of the property in the final year of the forecast period. This value is typically estimated by applying a capitalization rate to the property's forecasted net income for the year following the date of sale. Since this analysis projects a ten-year holding period, the capitalization rate will be applied to the eleventh-year net income.

The *PwC Real Estate Investor Survey* indicated an average residual capitalization rate of 7.13% with a range of 5.00% to 10.00%, with the Austin Office Market report a range of 5.00% to 8.00%, with an average of 6.18%.

Upon observing the extracted overall rates from the Comparable Retail Sales as well as the national survey, we felt a 6.00% rate to be appropriate. However, this is a "going-in" capitalization rate and does not consider the risk over the ten-year holding period. We felt an additional 0.5% should be added to the "going-in" rate due to increased risk of the property. The appraisers have estimated a residual capitalization rate of 6.50% for the subject property, which is supported by the range of office and retail properties reported by secondary sources.

ARGUS Discount Cash Flow Program

The Discounted Cash Flow analysis was performed using the ARGUS Discounted Cash Flow Program. This program is an industry standard for cash flow programs and lets the user enter income, expenses and vacancies with a variety of variables. All of the inputs are located in the addenda of this report.

Presented on the following pages is a Discounted Cash Flow analysis of the subject property.

Property Summary

The Merc Building (Amounts in USD, Measures in SF)
 Jun, 2022 through May, 2033

Property Information	
Property Name	The Merc Building
Property ID #	117 East Street
Address	Hutto, TX
City, State	Mixed Use (Office/Retail)
Property Type	6,450 SF
Building Area	Jun, 2022
Analysis Begin Date	10 Years 0 Months
Length of Analysis	3.00%
General Inflation	3.00%
Market Inflation	3.00%
Expense Inflation	3.00%
CPI Inflation	5.00%
General Vacancy Rate	0.00%
Credit Loss Rate	100.00%
Occupancy (Year End)	100.00%
W A L E (Area)	3 Years 4 Months 17 Days
W A L E (Rent)	3 Years 4 Months 9 Days

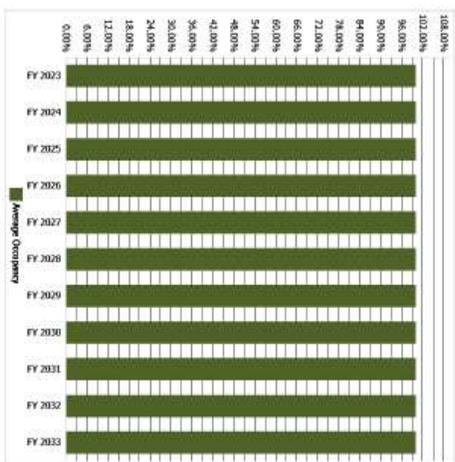
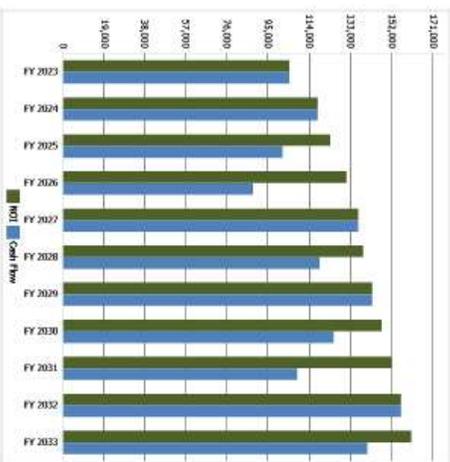
Summary Cash Flow (Year 1)	
Potential Gross Revenue	160,899
Vacancy & Adjustments	-8,045
Effective Gross Revenue	152,854
Operating Expenses	-48,152
Ground Lease Expenses	0
Net Operating Income	104,703
Leasing & Capital Costs	0
Cash Flow Before Debt Service	104,703
Debt Service	0
Cash Flow After Debt Service	104,703
	\$16.23

* Results displayed are based on Forecast data only

Purchase & Investment	
Purchase Price	\$0
Closing Costs (N/A)	\$0
Total Purchase Price	\$0
Less Debt Amount (N/A)	\$0
Loan Costs	\$0
Equity	\$0

Valuation & Yield	
Discount Rate	7.50%
Unleveraged PV	\$1,936,843 [\$300.29/SF]
Cap Rate	6.50%
Gross Income Multiplier	N/A
Property Resale(May, 2032)	\$2,326,725 [\$360.73/SF]
Direct Cap Rate	6.00%
Direct Cap Value	\$1,745,045 [\$270.55/SF]
Unleveraged IRR	N/A
Recommended Hold End IRR for Recommended Hold	N/A
Breakeven Date	Jun, 2022
NOI Yield	0.00%
Cash On Cash Yield	N/A

Debt Financing	
Loan Begins	Amount
Interest Rate	Term
Payment	Loan Costs
Additional Loans	Loan to Present Value
Debt Coverage	Debt Coverage



Present Value As Of Report

The Merc Building (Amounts in USD)

6/29/2022 3:52:38 PM

Secondary Valuation (PV/IRR) Date: Jun, 2022

Discount Method: Annual

Analysis Period	Period Ending	Cash Flow Before Debt Service	P.V. of Cash Flow @ 6.50%	P.V. of Cash Flow @ 7.00%	P.V. of Cash Flow @ 7.50%	P.V. of Cash Flow @ 8.00%	P.V. of Cash Flow @ 8.50%	NOI to Book Value
Year 1	May-2023	104,703	98,312	97,853	97,398	96,947	96,500	N/A
Year 2	May-2024	117,828	103,884	102,915	101,960	101,018	100,089	N/A
Year 3	May-2025	101,698	84,191	83,016	81,863	80,731	79,620	564.87%
Year 4	May-2026	88,068	68,457	67,186	65,945	64,732	63,547	201.97%
Year 5	May-2027	136,606	99,706	97,388	95,154	92,972	90,849	210.45%
Year 6	May-2028	118,792	81,412	79,156	76,973	74,859	72,813	163.46%
Year 7	May-2029	142,949	91,989	89,022	86,163	83,409	80,756	168.36%
Year 8	May-2030	125,162	75,627	72,845	70,178	67,621	65,168	137.63%
Year 9	May-2031	108,335	61,464	58,927	56,506	54,195	51,988	100.90%
Year 10	May-2032	156,204	83,214	79,406	75,789	72,353	69,087	103.93%
Totals		1,200,345	848,256	827,726	807,930	788,838	770,418	
Property Resale @ 6.50% Cap Rate		2,326,725	1,239,507	1,182,789	1,128,913	1,077,724	1,029,077	
Total Unleveraged Present Value			2,087,763	2,010,515	1,936,843	1,866,562	1,799,495	

Percentage Value Distribution

Income	Percentage
Net Sale Price	100.00%
Income	40.63%
	59.37%
	41.17%
	58.83%
	41.71%
	58.29%
	42.26%
	57.74%
	42.81%
	57.19%

* Results displayed are based on Forecast data only

DCF CONCLUSIONS

A ten-year cash flow was used to analyze the subject property. The present value of the Leased Fee cash flow in the tenth year was calculated to be \$1,936,843 which has been rounded to **\$1,940,000**. This value estimate was derived by adding the present value of the annual cash flows to the reversion. The overall results from the Discounted Cash Flow appear to be accurate.

INCOME APPROACH CONCLUSION

Two different methodologies were employed to estimate the value of the subject property based upon the projected net operating income. The methods are direct capitalization approaches where the rate developed is to be applied to the subject's net operating income. Shown below is a summary of these approaches that were used to arrive at a value of the property by the Income Approach.

	<u>"As Is"</u>
Direct Capitalization	\$1,780,000
Discounted Cash Flow	\$1,940,000

The rates developed by the capitalization methods are well supported and provide fairly similar indications of value. The DCF accounts for future rental increases, whereas the direct capitalization approach only considers the first year of operating income and expenses. We have placed equal weight on both approaches, and have correlated within the range of indications. Based upon this analysis, it is our opinion the subject property has an "as is" market value via the Income Approach as follows:

	"As Is"
Market Value via Income Approach	\$1,850,000

CORRELATION AND FINAL VALUE ESTIMATE

The appraisers utilized two traditional value approaches to estimate the current market value of the subject property. Shown below are the indicated values based upon these valuation techniques.

	"As Is"
Cost Approach	NA
Sales Comparison	\$1,680,000
Income Approach	\$1,850,000

Based on the agreed upon scope with the client, the subject's specific characteristics and the interest appraised, this appraisal developed the Cost Approach, Sales Comparison, and Income (Direct Capitalization) approaches. The values presented represent the As-Is Market Value and the Prospective Value Upon Completion (Leased Fee).

The Reconciliation of Value Conclusions is the final step in the appraisal process and involves the weighing of the individual valuation techniques in relationship to their substantiation by market data, and the reliability and applicability of each valuation technique to the subject property. Below, the individual strengths and weaknesses of each approach are analyzed.

As previously discussed, the **Cost Approach** was not presented in this analysis due to the age of the structure.

The price per square foot method has been presented in the **Sales Comparison Approach**. There have been limited sales of properties similar to the subject in the market area in the current market conditions, which decreases the validity of this approach. The most likely buyer for the subject would be an investor and this approach is given moderate weight.

The **Income Approach** to value is generally considered to be the best and most accurate measure of the value of income-producing properties. The value estimate by this approach best reflects the analysis that knowledgeable buyers and sellers carry out in their decision-making processes regarding this type of property. Sufficient market data was available to reliably estimate gross income, vacancy, expenses and capitalization rates for the subject property. The subject is leased to multiple tenants and the most likely buyer is an investor, suggesting this approach deserves heavy emphasis.

Upon review of the results of the indication from each approach, it is our opinion that a prudent investor would place primary emphasis on the Income Approach. After considering the approaches to value and the subject's improvements, it is our opinion that the "As Is" Market Value of the Leased Fee interest in the subject property as of the effective date is **\$1,800,000**, reconciled from the range of the Income and Sales Comparison Approaches.

There are no extraordinary assumptions or hypothetical conditions affecting this assignment other than those expressly disclosed. This report also conforms to the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation.

The use of this report is limited to the use by the client and intended users and may not be understood by other users without additional information or supporting documentation that has been retained in the appraiser's work file. We are not responsible for unauthorized use or dissemination of this report by the client.

CERTIFICATE

The undersigned do hereby certify that to the best of our knowledge and belief, except as otherwise noted in this appraisal report:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions and conclusions.
- We have no (or the specified) present or prospective interest in the property that is the subject of this report and no (or the specified) personal interest with respect to the parties involved.
- We have not previously performed services as an appraiser, or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- We 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.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated results, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Ashley Applegate and Anna Pearson have made a personal inspection of the property that is the subject of this report.
- No one has provided significant professional assistance to the person signing this report.

To the best of the appraisers' knowledge the subject property does not contain any toxic substances such as hazardous waste, asbestos or radon gas which would adversely impact the market value of the subject. Additionally, to the best of the appraisers' knowledge, there are no properties within the immediate area which contain these substances. This is not a guarantee that these substances do not occur in the subject property or within the immediate area.

Your attention is directed to the report which details the market data leading to our final value conclusion. If you have any questions regarding the data or analysis included in this appraisal, please do not hesitate to contact our office.

Respectfully submitted,

A & G APPRAISAL GROUP



Ashley K. Applegate
State Certified General Real Estate Appraiser
Certificate # TX 1380728-G



Anna Pearson
State Authorized Appraiser Trainee
License # TX 1342924 Trainee

ASSUMPTIONS & LIMITING CONDITIONS

(CONTINUED)

Information presented in this report has been obtained from reliable sources, and it is assumed that the information is accurate.

- ▶ This analysis assumes that the information provided for this appraisal accurately reflect the current condition of the subject property.
- ▶ This report shall be used for its intended purpose only, and by the party to whom it is addressed. Possession of this report does not include the right of publication.
- ▶ The appraisers may not be required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless prior arrangements have been made.
- ▶ The statements of value and all conclusions shall apply as of the dates shown herein.
- ▶ There is no present or contemplated future interest in the property by the appraisers which is not specifically disclosed in this report.
- ▶ Without the written consent or approval of the authors neither all, nor any part of, the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media. This applies particularly to value conclusions and to the identity of the appraisers and the company with which the appraisers are connected.
- ▶ This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the authors no portion of the report stands alone.
- ▶ We assume no responsibility for matters legal in character, nor do we render any opinion as to title, which is assumed to be marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, under responsible ownership, and competent management.
- ▶ The appraisal has provided exhibits to assist the client(s)/intended user(s) to understand from a graphical standpoint some of the salient issues which impact the subject property. We have made no survey of the property and if further verification is required, a survey by a registered surveyor is advised.
- ▶ The appraisers assume no responsibility for determining if the property requires environmental approval by the appropriate governing agencies, nor if it is in violation thereof, unless otherwise noted herein. This analysis assumes that no asbestos or other hazardous materials are stored or found in or on the subject property. If evidence of hazardous materials of any kind occurs, the reader should seek qualified professional assistance. If hazardous materials are discovered and if future market conditions indicate an impact on value and increased perceived risk, a revision of the concluded values may be necessary.
- ▶ The valuation stated herein assumes professional management and operation of the buildings throughout the lifetime of the improvements, with an adequate maintenance and repair program.
- ▶ The liability of A & G Appraisal Group, LLC., its principals, agents, and employees is limited to the client. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraisers are in no way responsible for any costs incurred to discover or correct any deficiency in the property.
- ▶ The appraisers are not qualified to detect the presence of toxic or hazardous substances or materials which may influence or be associated with the property or any adjacent properties, has made no investigation or analysis as to the presence of such materials, and expressly disclaims any duty to note the degree of fault. A & G Appraisal Group, LLC and its principals, agents, employees, shall not be liable for any costs, expenses, assessments, or penalties, or diminution in value, property damage, or personal injury (including death) resulting from or otherwise attributable to toxic or hazardous substances or materials, including without limitation hazardous waste, asbestos material, formaldehyde, or any smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, solids or gasses, waste materials or other irritants, contaminants or pollutants.
- ▶ The appraisers assume no responsibility for determining if the subject property complies with the Americans with Disabilities Act (ADA). A & G Appraisal Group, LLC, its principals, agents, and employees, shall not be liable for any costs, expenses, assessments, penalties or diminution in value resulting from non-compliance.
- ▶ This appraisal assumes that the subject meets an acceptable level of compliance with ADA standards; if the subject is not in compliance, the eventual renovation costs and/or penalties would negatively impact the present value of the subject. If the magnitude and time of the cost were known today, they would be reduced from the reported value conclusion.
- ▶ Unless otherwise noted herein, a detailed soils study was not provided for this analysis. The subject's soils and sub-soil conditions are assumed to be suitable based upon a visual inspection of the subject property and surrounding properties, which did not indicate evidence of excessive settling or unstable soils. No certification is made regarding the stability or suitability of the soil or sub-soil conditions.

To the best of the appraisers' knowledge the subject property does not contain any toxic substances such as hazardous waste, asbestos or radon gas which would adversely impact the market value of the subject. Additionally, to the best of the appraisers' knowledge, there are no properties within the immediate area which contain these substances. This is not a guarantee that these substances do not occur in the subject property or within the immediate area.

QUALIFICATIONS OF ASHLEY K. APPLGATE

Ashley Applegate is a graduate of Texas A & M University in College Station, Texas. While attending Texas A & M University she received a Bachelor of Arts degree in International Studies with an emphasis in Global Economics and Spanish. She is currently a state certified general real estate appraiser and President of A & G Appraisal Group, located in Yoakum and Austin, Texas. Presently she is involved in the valuation of commercial, residential, land, apartments, subdivisions, light industrial and special purpose properties. A partial resume of specific qualifications are outlined as follows:

Professional Memberships and Licenses

State of Texas Certified General Real Estate Appraiser, Certificate No. 1380728-G

Education

Texas A & M University
Bachelor of Arts Degree, International Studies, 2005

Appraisal Institute, Appraisal of Medical Office Buildings, 2021
McKissock, 7-Hour Equivalent USPAP Update Course, 2021
International Right of Way Association, Eminent Domain Seminar, 2020
Appraisal Institute, Subdivision Valuation, 2019
Appraisal Institute, Small Hotel/Motel Valuation, 2019
Appraisal Institute, Eminent Domain and Condemnation, 2019
McKissock, Expert Witness for Commercial Appraisers, 2016
McKissock, Commercial Appraisal Review, 2014
Appraisal Institute, Real Estate Finance Statistics and Valuation Modeling, 2014
Appraisal Institute, General Appraiser Income Approach Part II, 2014
McKissock, General Appraiser Highest and Best Use Analysis, 2012
Appraisal Institute, General Appraiser Site Value & Cost Approach, 2011
Appraisal Institute, General Appraiser Sales Comparison Approach, 2010
Appraisal Institute, General Appraiser Report Writing & Case Studies, 2009
Appraisal Institute, General Appraiser Income Approach Part I, 2008
Career Web School, U.S.P.A.P., 2007
Career Web School, Appraisal Principles, 2007
Career Web School, Appraisal Procedures, 2007

Experience

Mrs. Applegate has been actively engaged in the real estate profession since August 2007 as an appraiser. During this time, she has been actively engaged in commercial and residential appraisals, ad valorem tax valuations, along with appraisals for condemnation proceedings. Upon graduation from Texas A&M University, she joined Capital Farm Credit as a loan officer before joining The W.F. Smith Company as an appraiser. The scope of her position in lending included varied aspects of lending, credit analysis and title examination of rural commercial properties, rural improved properties and vacant land tracts. Mrs. Applegate's experience as a loan officer prior to joining the appraisal profession provided valuable knowledge regarding lending requirements and practices, and an insight to the relationship between the valuation of a real estate and lending.

CERTIFICATE



**Certified General
Real Estate Appraiser**

Appraiser: **Ashley Kay Applegate**
License #: **TX 1380728 G** License Expires: **08/31/2023**

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



QUALIFICATIONS OF ANNA C. PEARSON

Anna Pearson is a graduate of Texas A&M University in College Station, TX. While attending Texas A&M University she received a Bachelor of Science degree in Animal Science. She is currently an appraiser trainee with A & G Appraisal Group, located in Yoakum and Austin, Texas. Presently she is involved in the valuation of commercial, residential, land, apartments, subdivisions, light industrial and special purpose properties. A partial resume of specific qualifications are outlined as follows:

Professional Memberships and Licenses

State of Texas Appraiser Trainee – Authorization TX1342924 Trainee Exp 10/31/2023

Education

Texas A&M University, College Station, TX
Bachelor of Science Degree, Animal Science, 2014

Champions School of Real Estate – Basic Residential Appraisal Principles, 2021
Champions School of Real Estate – Basic Residential Appraisal Procedures, 2021
Champions School of Real Estate – National USPAP, 2021
Champions School of Real Estate – Texas Appraising for the Supervisor/Trainee, 2021

Experience

Mrs. Pearson is a former operations lead for a petroleum convenience store chain in South Central Texas. During her five years, she led the company in merging of enterprise management software and coordinating training and software roll outs throughout the chain. Anna specialized in fuel management and retail software solutions during her time at the company. Her previous experience as a leader has equipped her with excellent communication skills, problem solving techniques, software troubleshooting and implementing processes and procedures to meet stringent deadlines and exceed expectations. Mrs. Pearson is actively engaged in commercial and residential appraisals with A & G Appraisal Group currently and has the skill set to develop high quality appraisal reports.

CERTIFICATE



Appraiser Trainee

Trainee: Anna Cook Pearson

Authorization #: TX 1342924 Trainee

Expires: 10/31/2023

Review the list of the above Trainee's Supervisors on the License Holder Search at www.talcb.texas.gov.

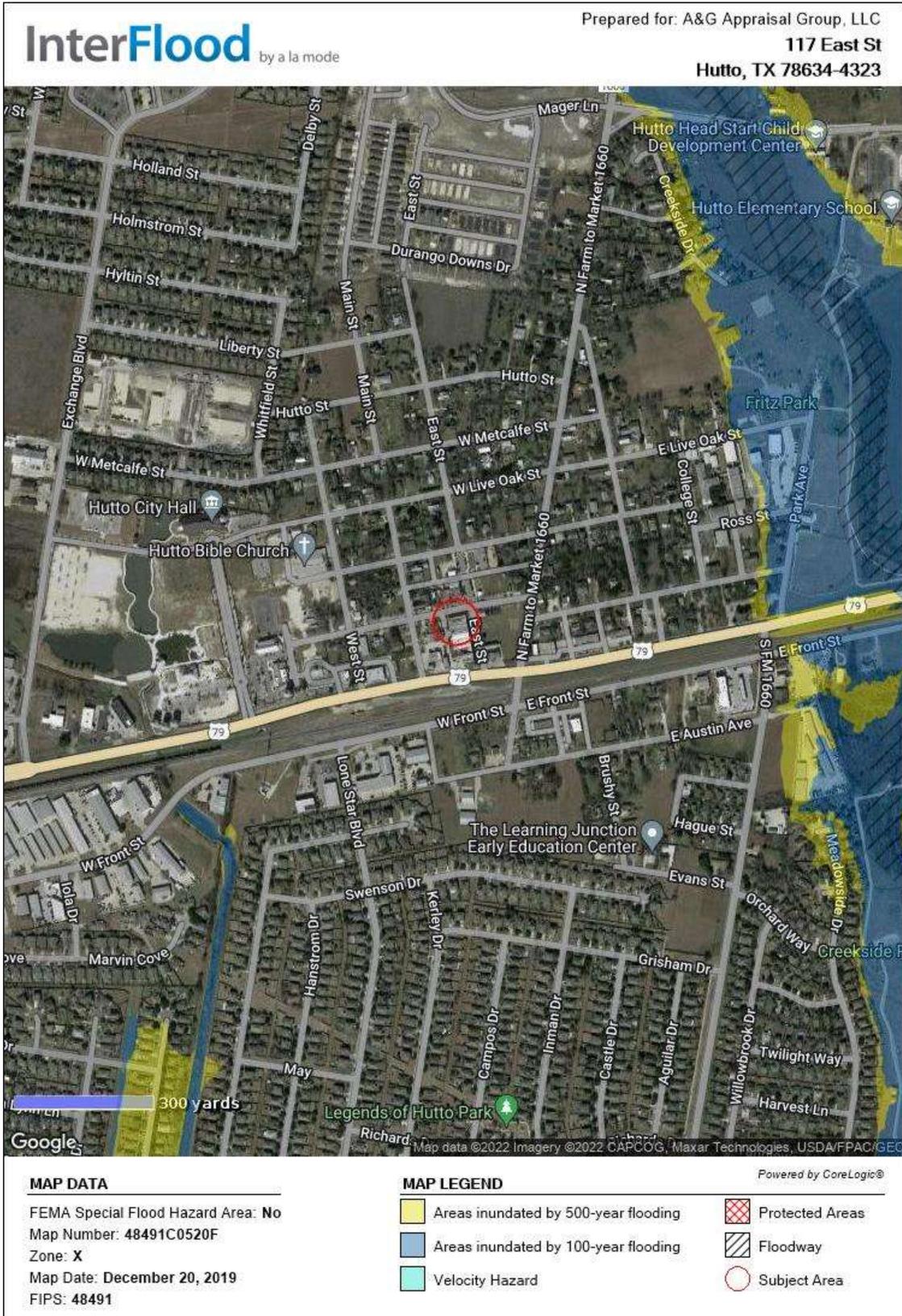
Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title: Appraiser Trainee

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

**Chelsea Buchholtz
Commissioner**

ADDENDA

FLOOD MAP



SUBJECT PHOTOGRAPHS



EAST STREET VIEW OF SUBJECT



SOUTH VIEW OF DOWNTOWN STORE FRONTS



FARLEY STREET VIEW OF SUBJECT



CORNER VIEW OF EAST STREET AND FARLEY STREET



SOUTH VIEW OF EAST STREET



WEST VIEW OF FARLEY STREET



EAST VIEW OF SUBJECT EXTERIOR AND SIDEWALK



EAST VIEW OF SUBJECT EXTERIOR AND SIDEWALK



REAR VIEW OF SUBJECT EXTERIOR



SOUTH VIEW OF ALLEY



NORTH VIEW OF ALLEY



VIEW OF COURTYARD ACCESSED BY UNIT 150



UNIT 100 STOREFRONT



VIEW OF UNIT 100 EAST STREET ACCESS



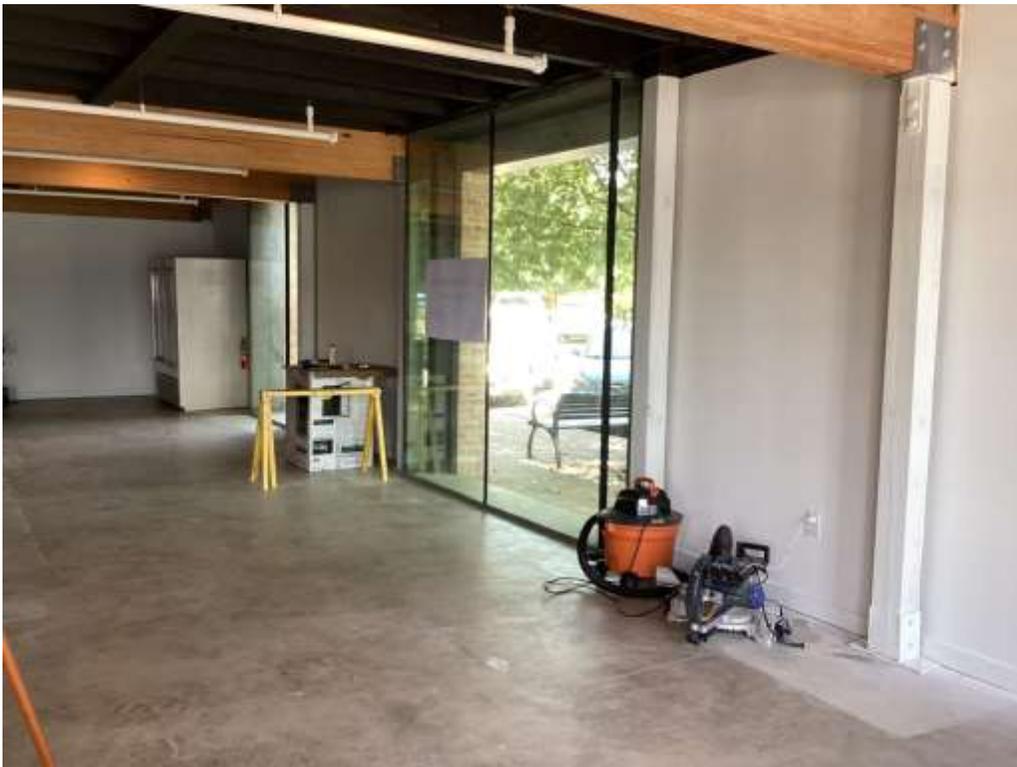
VIEW OF UNIT 100 INTERIOR



VIEW OF UNIT 100 INTERIOR



VIEW OF UNIT 100 INTERIOR



VIEW OF UNIT 100 INTERIOR



VIEW OF UNIT 100 INTERIOR



VIEW OF UNIT 100 INTERIOR



VIEW OF UNIT 100 RESTROOM



VIEW OF UNIT 100 EAST STREET ACCESS



VIEW OF UNIT 150 FARLEY STREET VIEW



VIEW OF UNIT 150 INTERIOR



VIEW OF UNIT 150 INTERIOR



VIEW OF UNIT 150 INTERIOR



VIEW OF UNIT 150 INTERIOR



VIEW OF UNIT 150 RESTROOM



VIEW OF UNIT 150 INTERIOR



VIEW OF UNIT 150 COURTYARD ACCESS



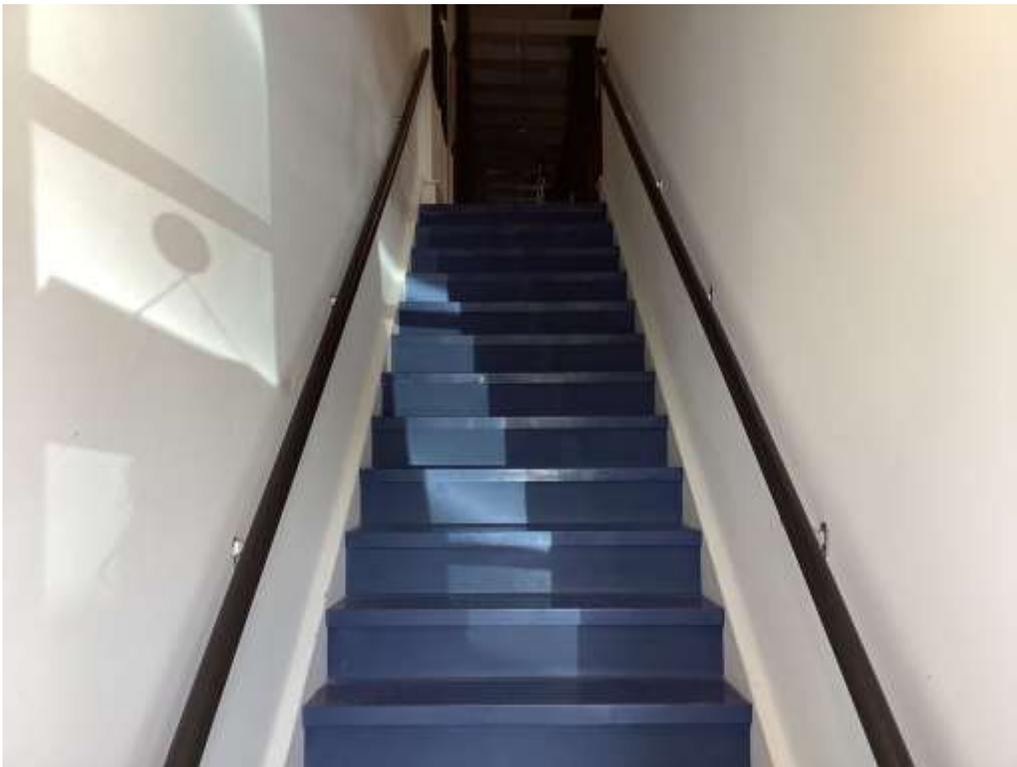
VIEW OF UNIT 150 COURTYARD ACCESS



VIEW OF UNIT 150 COURTYARD ACCESS



VIEW OF UNIT 200 EAST STREET ACCESS



VIEW OF UNIT 200 INTERIOR STAIRCASE



VIEW OF UNIT 200 INTERIOR



VIEW OF UNIT 200 INTERIOR



VIEW OF UNIT 200 INTERIOR



VIEW OF UNIT 200 INTERIOR



VIEW OF UNIT 200 INTERIOR



VIEW OF UNIT 200 RESTROOM



VIEW OF UNIT 200 INTERIOR STAIRCASE



VIEW OF UNIT 200 EAST STREET ENTRANCE



VIEW OF UNIT 250 EXTERIOR STAIRCASE



VIEW OF UNIT 250 RECEPTION AREA



VIEW OF UNIT 250 INTERIOR



VIEW OF UNIT 250 INTERIOR



VIEW OF UNIT 250 INTERIOR



VIEW OF UNIT 250 INTERIOR



VIEW OF UNIT 250 RESTROOM



VIEW OF UNIT 250 RECEPTION AREA



VIEW OF UNIT 250 EXTERIOR STAIRCASE

Rent Roll
for

Hutto CDMJ, LLC

Date: 4/27/2022

Owner Name: Hutto CDMJ, LLC
 Property Mgr: 117
 Address: 117
 Street: East Street
 City: Hutto
 State: TX
 Zip: 78634

Unit Type:	Business Name:	Suite/Unit #:	Sq. Ft.:	Lease Starts:	Lease Ends:	Current Rent:	Increases:	Tenant Expenses:	Comments:
Commercial	Hutto Flower Market	100	1500	6/1/2022	4/30/2027	\$ 2,250	3%	NNN	New Tenant, previous tenant paid \$2,060 through May.
Commercial	Roshon Alfred MRG3, LLC	150	1600	10/1/2020	9/30/2023	\$ 2,883	3%	NNN	
Commercial	East Street Totaloo	200	1650	1/1/2021	12/31/2025	\$ 2,475	3%	NNN	
Commercial	Sandra Moreland dba Finding Balance	250	1650	1/1/2022	12/31/2025	\$ 2,475	3%	NNN	

CDMJ, LLC - P&L

Based on Currently Contracted revenue Only

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2022 Total	2023 Total	2024 Total
Suite 100	\$ 2,060.00	\$ 2,060.00	\$ 2,060.00	\$ 2,060.00	\$ 2,060.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00	\$ 26,050.00	\$ 33,314.00	\$ 38,510.00
Suite 150	\$ 2,883.00	\$ 2,883.00	\$ 2,883.00	\$ 2,883.00	\$ 2,883.00	\$ 2,883.00	\$ 2,883.00	\$ 2,907.00	\$ 2,907.00	\$ 2,907.00	\$ 2,907.00	\$ 2,907.00	\$ 31,833.00	\$ 35,938.80	\$ 37,016.88
Suite 200	\$ 2,475.00	\$ 2,475.00	\$ 2,475.00	\$ 2,475.00	\$ 2,475.00	\$ 2,475.00	\$ 2,475.00	\$ 2,475.00	\$ 2,475.00	\$ 2,475.00	\$ 2,475.00	\$ 2,475.00	\$ 27,225.00	\$ 30,591.00	\$ 31,508.76
Suite 250	\$ 2,475.00	\$ 2,475.00	\$ 2,475.00	\$ 2,475.00	\$ 2,475.00	\$ 2,475.00	\$ 2,475.00	\$ 2,475.00	\$ 2,475.00	\$ 2,475.00	\$ 2,475.00	\$ 2,475.00	\$ 27,225.00	\$ 30,591.00	\$ 31,508.76
NNN Gross Revenue (+)	\$ 2,060.00	\$ 9,893.00	\$ 9,893.00	\$ 9,893.00	\$ 9,893.00	\$ 10,083.00	\$ 10,083.00	\$ 10,107.00	\$ 10,107.00	\$ 10,107.00	\$ 10,107.00	\$ 10,107.00	\$ 112,333.00	\$ 130,434.80	\$ 138,544.40
NNN Cost (-)													28,171.00	32,960.00	33,946.80
Maintenance Exp (-)													32,000.00	32,960.00	33,946.80
Financing Cost Assumption (-)													10,000.00	10,000.00	10,000.00
Net Income													25,000.00	30,000.00	30,000.00
Total Beginning Mort	1,000,000.00												73,504.00	90,434.80	98,544.40
Total Equity	900,000.00														
Return of Equity (After Int)													8%	10%	11%
Total Cost	1,900,000.00														
Cap Rate													4%	5%	5%



ASSIGNMENT ACCEPTANCE CONFIRMATION

The undersigned (the **Appraiser**) accepts this assignment. The Appraiser has read and understands the Appraisal Order Request and all attached files and specifically agrees to the terms and conditions set forth therein, including without limitation in the Engagement Letter.

PAYMENT POLICY

As a reminder, MountainSeed does not charge financial institution clients an all-inclusive flat fee (your appraiser fee and the AMC fee combined). Instead, MountainSeed's arrangement with our mutual financial institution clients requires you to invoice the financial institution directly for your agreed-upon fee. MountainSeed's fee is invoiced separately from yours. We believe this model provides transparency for you. We believe that asking you to bill the financial institution directly for your appraisal fee eliminates delay.

While it is our belief that this is the best payment model, we also understand that it is possible that from time to time your financial institution clients may be delinquent in timely payment. We do not want to be a deterrent in your receiving timely payment. If you have outstanding invoices that are excessively delinquent and would like to inquire directly to the financial institution on the status of your payment, please feel free to email Accounting at accounting@mountainseed.com and request the billing contact person at your client.

PLEASE NOTE THAT MOUNTAINSEED DOES NOT ASSUME LIABILITY FOR YOUR FEE IN THE EVENT THE FINANCIAL INSTITUTION FAILS TO PAY OR IS DELINQUENT IN PAYING YOUR INVOICE.

If you believe that the Financial Institution has failed to pay your fee for an appraisal within 25 days of the date you transmitted to us your completed appraisal, except where you have been notified of any non-compliance with the conditions of the engagement, in addition to placing a message in the Web Portal please contact MountainSeed immediately at accounting@mountainseed.com so that we can work with you and the Financial Institution to ensure that you receive timely payment. Please note that while we believe that our payment policy is mutually beneficial, it does require that we rely on you to notify us when you have not been timely paid. To assist us in prioritizing your request for payment, please include the phrase PAYMENT REQUEST in all caps in the subject line of your email.

REPRESENTATIONS AND WARRANTIES

By executing this Assignment Acceptance Confirmation, you acknowledge, declare, represent and warrant that you hold in good standing the appraisal license or certification necessary to perform the appraisal assignment AND that you:

- (i) Understand the competency requirements of the pertinent version of USPAP and can satisfy each provision of the competency rule;
- (ii) Meet the competency requirements for this appraisal assignment;
- (iii) Are competent in the property type of the assignment;
- (iv) Are competent in the geographical area of the assignment;
- (v) Have access to appropriate data sources for the assignment;
- (vi) Are aware that misrepresentation of competency may be subject to the mandatory reporting requirement in the most current version of USPAP;

- (vii) Are familiar with the USPAP and the laws, rules, regulations, guidelines and other materials described in the Additional Requirements;
- (viii) Are not aware of any reason why you or the Appraisal you prepare in connection with this assignment would fail to comply with USPAP and the Additional Requirements, including without limitation the independence provisions and prohibitions on conflicts of interest;
- (ix) Have specific experience with the subject property type;
- (x) Hold all licenses, registrations, permits, certifications and governmental or other authorizations required to perform the appraisal in accordance with USPAP and the Additional Requirements, and in compliance with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines;
- (xi) Have not performed any prior services regarding the Subject Property, as an appraiser or in any other capacity, within the three-year period ending with the date of this Engagement Letter, or, if you have you have performed such services, have disclosed those services in writing in compliance with USPAP prior to accepting this assignment;
- (xii) To your actual knowledge, are not listed on an exclusionary list or any similar list maintained by any governmental or quasi-governmental entity;
- (xiii) To your actual knowledge, have not had any registration, certificate or license to act as an appraiser refused, denied, canceled, surrendered in lieu of a pending revocation, suspended or revoked by any state or appraisal board prior to or as of the date of this Engagement Letter; and
- (xiv) Have no interest, direct or indirect, financial or otherwise in the Subject Property or the underlying transaction. ***(Although USPAP may allow an appraiser to appraise a property in which the appraiser has an interest with appropriate disclosures, the Additional Requirements do not permit such activity. If you have an interest in the Subject Property, you must decline this assignment.)***

You represent and warrant that you hold in good standing the appraisal license or certification necessary to perform the appraisal assignment. Furthermore, you represent and warrant that all professional qualifications, licenses, and other information provided to MountainSeed or Financial Institution were and remain valid, true, correct, and complete in every respect, except to the extent you have notified MountainSeed and Financial Institution in writing of any change.

BY CHECKING THE BOX, APPRAISER ACKNOWLEDGES THAT THEY HAVE READ AND UNDERSTAND THE FOREGOING PROVISIONS AND THOSE SUCH PROVISIONS ARE REASONABLE AND ENFORCEABLE. VENDOR ACCEPTS THE APPRAISER AGREEMENT & TERMS.

Date: 6/7/2022

Time: 12:00 PM

Name: Ashley Applegate
ashleykapplegate@gmail.com



MountainSeed Appraisal Management, LLC
 2100 Powers Ferry Road SE, Suite 410
 Atlanta, GA 30339
404-973-2568

APPRAISAL REQUEST FORM
COMPANY: Keystone Bank – Austin, TX

State Registration Number: TX2000106

File Information

File ID: 220603023
Loan Number: TBD

Due Date: 6/29/2022

Appraiser Information

Loan Type: Conventional
Form: Appraisal Report (Narrative format)

Appraiser: Applegate, Ashley

Service Fee: \$3000.00

Interest Valued: Leased Fee

Real Estate Valued: Land and Improvements

Effective Date of Valuation: Value As Is

Prospective Value Upon
Occupancy Stabilization

Other Intended Users:

USDA: No
SBA: No

Client Information

Client: Keystone Bank – Austin, TX
Address: 11500 Bee Caves Rd.
 Austin, TX 78738

Borrower: CDMJ LLC
Co-Borrower:
Company Name:

Subject Property

Address: 117 East St
 Hutto, TX 78634

Intended Use: Refinance
Appraisal Category: Origination

County: Williamson

Map: [Map Link](#)

Property Type: NOO Office

Property Tax ID: Parcel ID R329846 Williamson CAD

Description: APPRAISERS: PLEASE PROVIDE FEES FOR BOTH STANDARD AND RUSH
 TURNAROUND TIMES. YOUR FEE AND TURNAROUND TIME FOR A RUSH BID CAN
 BE PLACED IN THE APPRAISERS BID NOTES. THANK YOU.

Recently renovated office building

Are there issues that the financial institution knows about that could impact value? No

Property Contact Information

Contact Person: Josh Claman

Work Phone: TBD

Cell Phone:

Home Phone:

Contact Email Address: joshdman123@gmail.com

Note: This appraisal order is not transferrable to another appraiser. If the appraiser named on this appraisal request is unable to complete this assignment please contact MountainSeed AMC at 404-973-2568. All appraisers are approved on an individual basis, if this assignment is completed by another appraiser MountainSeed AMC will not be liable for any appraisal related service fee.



Date: 6/7/2022

Appraisal Company: A &G Appraisal Group
Appraisal Co Address: 279 County Road 433
Yoakum, TX 77995

Regarding: 117 East St Hutto, TX 78634

Dear: Ashley Applegate

This letter (this "**Engagement Letter**") confirms your engagement to prepare an appraisal of the property described below in compliance with the terms and conditions set forth below.

Basic Information

Property to Be Appraised: 117 East St Hutto, TX 78634

Property Description: APPRAISERS: PLEASE PROVIDE FEES FOR BOTH STANDARD AND RUSH TURNAROUND TIMES. YOUR FEE AND TURNAROUND TIME FOR A RUSH BID CAN BE PLACED IN THE APPRAISERS BID NOTES. THANK YOU.

Recently renovated office building

Interest in the Property to be Appraised: Leased Fee

Client: Keystone Bank – Austin, TX

Intended User: Financial Institution

Borrower (if Applicable): CDMJ LLC

Property Owner Contact Name: Josh Claman

Property Owner Phone: TBD

Appraisal Management Company: MountainSeed Appraisal Management, LLC

Valuation Methodology to Be **Value As Is**
Prospective Value Upon Occupancy Stabilization

Used:

Appraisal Form to Be Used: Appraisal Report (Narrative format)

Fee: \$3000.00

Due Date: 6/29/2022

Addressee: Your Appraisal Report should be addressed to the Financial Institution.

I. INSTRUCTIONS

a. Purpose of the Assignment

The purpose of the assignment is to develop and report an informed and independent opinion of the Market Value of the Subject Property.

b. Intended Use

The report you prepare is intended to be used by the Financial Institution as an aid in underwriting a loan, loan modification or loan extension; classification or monitoring of a loan; and/or the disposition or monitoring of REO or loan collateral, which may constitute a federally-related real estate transaction for purposes of applicable federal appraisal regulations. The Financial Institution may, without your prior authorization or a notice to you, provide your report to other parties for their use, including without limitation in lending-related activities.

c. Acceptance of the Assignment

You must accept or decline this assignment ***within one (1) business day.***

d. Web Portal

The Financial Institution has engaged MountainSeed to provide certain appraisal management company services to the Financial Institution. The Financial Institution has appointed MountainSeed as the Financial Institutions agent for purposes of engaging you on behalf of the Financial Institution in accordance with this Engagement Letter. Accordingly, you must direct communications about this appraisal assignment to MountainSeed through the web-based software system with which you registered prior to receiving this assignment (the ***Web Portal***). If you have an issue with the Web Portal, please contact MountainSeed by phone (404) 973-2568 or email (info@mountainseed.com).

You agree to consistently monitor the Web Portal for updates and correspondence from MountainSeed. ***You agree to respond to all communications from MountainSeed within one (1) business day,*** and you agree to comply with the other timing and delivery requirements set forth below. Failure to respond to communications from MountainSeed regarding this appraisal assignment, or failure to meet any of the other timing and delivery requirements, may result in the work being reassigned to another appraiser. You understand that the Financial Institution reserves the right to withhold payment in the event the assignment is reassigned due to your failure to meet timing and delivery requirements.

e. Requirement to Decline the Assignment or Stop Work

You must decline this assignment if you are not geographically competent, the assignment falls outside of your scope of practice restrictions, or you know of any reason you would not be able to provide an unbiased and independent professional judgment as to the Market Value of the Subject Property. Furthermore, you must stop work and immediately notify MountainSeed if you later determine that you are not qualified to complete the assignment. You acknowledge that you have received a copy of MountainSeeds Appraiser

Independence Policy (AP0001) (the **Appraiser Independence Policy**), which is incorporated into this Engagement Letter by this reference. **If you believe that a violation of the Appraiser Independence Policy has occurred, or any applicable conflict of interest or independence requirements (such as attempts by others to influence or coerce) have been compromised in any way, you will immediately stop work and contact MountainSeeds compliance hotline at 1-877-848-4914.**

f. Requirements for Completion of the Assignment

i. Inspection

Immediately, but in no event less than **two (2) business days**, following your acceptance of this assignment, you should contact the property contact to schedule an inspection. If you are unable to reach the property contact, please notify MountainSeed immediately. As soon as the inspection date has been set, you should change the order status in the Web Portal to "**Appt. Set**" and add the date and time of the appointment in the appropriate section of the order.

ii. Property Information

The description of the Subject Property and any other information provided to you by MountainSeed or Financial Institution is provided on an **As-Is, Where-Is** basis with no representation or warranty whatsoever.

If at any time you discover a material discrepancy or insufficiency in the description of the Subject Property or other information provided to you that necessitates a change in the scope of the work, your fee or the Due Date, you must notify MountainSeed within **one (1) business day** of such discovery (and in any event prior to the Due Date and your delivery of the Appraisal) and the parties will work together to agree upon a mutually satisfactory amendment to this Engagement Letter to memorialize any such necessary changes.

iii. Uniform Standard

In performing the assignment, you and your work product must conform to generally accepted appraisal standards as evidenced by the Uniform Standards of Professional Appraisal Practice (**USPAP**) promulgated by the Appraisal Standards Board of the Appraisal Foundation.

iv. Additional Requirements

You and your work product must comply with the regulations, guidelines, and standards specified in the MountainSeed General Guidelines for Financial Institutions, Commercial Appraisal Services (herein referred to as the **Additional Requirements**). You can access these guidelines via the following link: <https://mountainseed.com/valuationguidelines-commercial/>

By signing this engagement letter, you acknowledge that you have received a copy of these Guidelines.

While you must comply, and must ensure that your work product complies, with those provisions in the respective federal laws and regulations that are applicable to you and your performance of this assignment, this Engagement Letter does not require you to guaranty compliance with portions of those federal laws and regulations that do not apply to your performance of this assignment or over which you have no control whatsoever. However, you must be knowledgeable about and comply with any provisions of the laws, regulations, and guidelines discussed above that apply to your work. For example, you must comply with the requirement to provide an As Is Market Value for assignments involving federally related transactions. This requirement applies to all assignments, including those involving new construction or for properties undergoing renovation. Please remember that under USPAPs Scope of Work Rule, assignment conditions include laws and regulations. You may also wish to refer to USPAP Advisory Opinion 30, *Appraisals for Use by a Federally Regulated Financial Institution*.

v. Special Requirements

Your Appraisal must comply with USPAP, the Additional Requirements stated above, and all the terms and conditions and any Special Requirements set forth in this Engagement Letter.

vi. *State-Specific Requirements*

1. *AMC Registration/License Number & Fee Disclosure*

Appraisals are expected to comply with any state-specific requirements regarding the disclosure of: (a) MountainSeed's AMC registration or license number, as applicable; and/or (b) the fee paid for your services.

Pursuant to state law, MountainSeed cannot prohibit the appraiser from disclosing the appraisal fee within the appraisal report. Furthermore, MountainSeed does not require the appraiser to disclose the AMC registration/license number or appraisal fee within the appraisal report, however in the following states, you should disclose the AMC registration and/or your fee within the body of the appraisal report. (Note: This list is provided for informational purposes only. It is your responsibility to verify disclosure requirements with the licensing board in the state where the subject property is located.)

State	Appraiser to Disclose in Report (AMC #, Fee, or Both)	Special Instructions
Alabama	AMC #	Appraiser shall state fee paid to appraiser in certification of report.
Arizona	Fee	Appraiser shall state their fee in scope of work section of report.
Colorado	Fee	None
Georgia	Both	None
Illinois	Both	<p>1) An independent appraiser by employment or contract for a specific assignment, the appraiser shall prominently display the appraisal fee received from the appraisal management company in the certification as follows: "The compensation for this appraisal assignment is \$_____."</p> <p>2) An employee appraiser for a specific assignment, the appraiser shall prominently display the appraisal fee received from the appraisal management company in the certification as follows: "The compensation for this</p>

appraisal assignment is \$_____.

3) An employee appraiser who receives a salary and does not receive a fee for the assignment, the employee appraiser shall prominently display the following language: "The appraiser is a salaried employee and received no appraisal fee for the assignment."

4) An appraiser for a specific assignment, the appraiser shall prominently display the appraisal management company's Illinois registration number and expiration date as follows: "The appraisal management company's Illinois registration number is _____ and it expires on (month/day/year)."

Kentucky	Both	Appraiser to place AMC name, registration number and fee paid to appraiser in report.
Louisiana	Fee	None
Montana	AMC #	None
Nevada	Fee	Appraiser to state total paid to appraiser and total fee retained by AMC.
New Jersey	Both	None
New Mexico	Fee	Appraiser to state total paid to appraiser and total fee retained by AMC.
Ohio	Both	Appraiser to state actual fees paid to the

		appraiser within the body of the appraisal report.
Utah	Fee	Appraiser to state total paid to appraiser and total fee retained by AMC.
Vermont	Fee	Appraiser to state fee paid to appraiser in report.

2. *Assignments Involving Illinois Property*

For appraisal assignments involving property located in the state of Illinois, you must comply with the requirements of Illinois law and the Illinois Administrative Code. Illinois has established state law governing appraisal assignments in which an AMC is involved. You must comply with Illinois law, including the provisions of Illinois Administrative Code Section 1455.250.

a. Client(s) & Intended User(s)

MountainSeed is an appraisal management company (AMC) and is engaging you on the Financial Institutions behalf, acting as the Financial Institutions agent. As the Financial Institution is engaging you through MountainSeed (an agent), the Financial Institution is also a client. Accordingly, notwithstanding any provision to the contrary contained in this Engagement Letter, **you must identify MountainSeed as the client and the Financial Institution as the intended user in the appraisal report.**

b. AMC Illinois Registration Number

The appraiser shall prominently display the appraisal management company's Illinois registration number and expiration date as follows: "The appraisal management company's Illinois registration number is 558.000010 and it expires on (month/day/year)."

Verify current expiration date at: <https://ilesonline.idfpr.illinois.gov/DFPR/Lookup/LicenseLookup.aspx>

vii. *Form-Specific Requirements*

1. FHLMC Form 71A

If Form 71A is used, the appraiser must conspicuously state in an addendum that the pre-printed definition of market value, contingent & limiting conditions, certification, and FHLMC Form 461 (lease analysis) referenced on Form 71A are outdated and are not incorporated in the report. (See 71A Addendum Example below).

At a minimum, the report must contain a current definition of market value, assumptions and limiting conditions, and certifications that comply with the current USPAP.

71A Addendum Example:

FORM 71A CONTAINS THE FOLLOWING PRE-PRINTED ELEMENTS THAT ARE OUTDATED AND COMPROMISE COMPLIANCE WITH CURRENT STANDARDS AND GUIDELINES. THESE PRE-PRINTED ELEMENTS ARE NOT INCORPORATED IN THE REPORT.

1. *Definition of Market Value Not current (c.1975) as printed on Form 71A and not consistent with the current FIRREA definition. (See FIRREA Title XI § 323.2 Definitions. (h) Market value)*

2. *Contingent & Limiting Conditions* Not current with USPAP as they contain assumptions that appear to require explicit identification as Extraordinary Assumptions (e.g. assumptions regarding condition). [See USPAP Standard 2-2 (a)(xiii)]
3. *Certification* Not current or consistent with the current minimum certification required by USPAP. (See USPAP Standard 2-3)
4. *FHMLC Form 461 (Lease Analysis)* Inadequate to meet current standards and requirements for development and reporting.

THE APPRAISER HAS REPLACED THESE WITH ADDENDA AND ATTACHMENTS THAT COMPLY WITH CURRENT STANDARDS AND GUIDELINES.

2. FHLMC Form 71B

If a 71B is ordered, the appraiser must conspicuously state in an addendum that FHLMC 239 (certification and statement of limiting conditions, including definition of market value) and FHLMC Form 461 (lease analysis) referenced on form 71B are outdated and are not incorporated in the report. (See 71B Addendum Example below)

At a minimum, the report must contain a current definition of market value, assumptions and limiting conditions, and certifications that comply with the current USPAP.

71B Addendum Example:

FORM 71B CONTAINS PRE-PRINTED REFERENCES TO THE FOLLOWING FORMS THAT ARE OUTDATED AND COMPROMISE COMPLIANCE WITH CURRENT STANDARDS AND GUIDELINES. THESE ELEMENTS ARE NOT INCORPORATED IN THE REPORT.

1. FHLMC 239 Outdated due to:

a. *Definition of Market Value* Not current (c. 1975) and not consistent with the current FIRREA definition. (See FIRREA Title XI § 323.2 Definitions. (h) Market value)

b. *Contingent & Limiting Conditions* Not current with USPAP as they contain assumptions that appear to require explicit identification as Extraordinary Assumptions (e.g. assumptions regarding condition). [See USPAP Standard 2-2 (a)(xiii)]

c. *Certification* Not current or consistent with the current minimum certification required by USPAP. (See USPAP Standard 2-3)

2. *FHMLC Form 461 (Lease Analysis)* Inadequate to meet current standards and requirements for development and reporting.

THE APPRAISER HAS REPLACED THESE WITH ADDENDA AND ATTACHMENTS THAT COMPLY WITH CURRENT STANDARDS AND GUIDELINES.

g. Requirements for Delivery of the Appraisal

i. Delivery to MountainSeed

You must upload the Appraisal, including all exhibits and addendums, in a color PDF format to the Web Portal. You must upload a separate PDF of your invoice for the report in accordance with the Invoicing and Payment section below. The invoice should comply with the requirements of Section II(b) of this Engagement Letter.

ii. Due Date

You must deliver all work product required under the terms of this Engagement Letter by 5pm (local time of the subject property) on the Due Date. You must promptly notify MountainSeed in writing, and in no event less than two (2) business days prior to the Due Date, in the event that you anticipate any delay in meeting the Due Date. MountainSeed shall be under no obligation to extend the Due Date.

iii. Effective Date of the Appraisal

The effective date of your valuation opinion must be within thirty (30) days of the date of your delivery of the Appraisal, unless instructed otherwise.

II. POST-DELIVERY

a. Review of the Appraisal and Response to Related Inquiries

You acknowledge that MountainSeed may, for the benefit of MountainSeed and the Financial Institution, conduct or cause to be conducted a review of your completed appraisal. In connection with that review, MountainSeed may contact you to discuss your appraisal, to ask questions, or to request revisions in connection with MountainSeeds Appraisal Independence Policy. You agree to respond: (i) **within one (1) business day** to acknowledge your receipt of any such communication, and (ii) **within two (2) business days** to address any requests for revisions or additional information. You acknowledge that the resolution of such requests may in some cases require further analysis or written response from you and you agree that such analysis or response is part of the scope of work agreed to in connection with this assignment and will be provided at no additional charge.

Furthermore, you acknowledge that MountainSeed may use the results of any reviews or other quality control processes to establish an appraiser scorecard or other methodology or process for determining the quality of your work product (a **Scorecard**), and you agree that MountainSeed may share the results of any such Scorecard with the Financial Institution and other Financial Institution clients and third parties. You have the right to request a copy of your Scorecard and to dispute any information contained in it.

MountainSeed agrees to use good faith efforts to cooperate with you in resolving any such disputes regarding information contained on your Scorecard.

b. Invoicing and Payment

i. Generally

You must address your invoice to the Financial Institution at its address and submit it with your completed Appraisal. **The fee for this engagement set forth above includes all expenses, including travel and any technical assistance that you feel is necessary or appropriate.** Your invoice at a minimum should include your contact information, the property address and MountainSeed File ID Number, the fee, an invoice date and payment terms, and shall be accompanied by a completed IRS W-9 Form (unless you have already provided a copy of your W-9 to MountainSeed).

Provided you have delivered the appraisal and otherwise fully satisfied your obligations hereunder, the Financial Institution will pay your fee as set forth above within thirty (30) days following the later to occur of (1) the Financial Institutions receipt of your invoice and all required supplemental information (e.g., W-9) or (2) the Financial Institutions receipt of completed report or work product meeting all requirements of this Engagement Letter. You acknowledge and agree that the Financial Institution may withhold payment of your fee in the event your work product, in the Financial Institutions reasonable discretion, does not comply with any requirement of this Engagement Letter.

Please note that MountainSeed does not charge the Financial Institution an all-inclusive flat fee

(your appraiser fee and the AMC fee combined). Instead, MountainSeed's arrangement with the Financial Institution requires you to invoice the Financial Institution directly for your agreed-upon fee. MountainSeed's fee is invoiced separately from yours. We believe this model provides transparency for you. We believe that asking you to bill the Financial Institution directly for your appraisal fee eliminates delay.

While it is our belief that this is the best payment model, we also understand that it is possible that from time to time a Financial Institution may be delinquent in timely payment. We do not want to be a deterrent in your receiving timely payment. If you have outstanding invoices that are excessively delinquent and would like to inquire directly to the Financial Institution on the status of your payment, please feel free to place a message in the Web Portal and request the contact information for the accounts payable department at the Financial Institution.

PLEASE NOTE THAT, EXCEPT AS SPECIFICALLY PROVIDED ELSEWHERE IN THIS AGREEMENT, MOUNTAINSEED DOES NOT ASSUME LIABILITY FOR YOUR FEE IN THE EVENT THE FINANCIAL INSTITUTION FAILS TO PAY OR IS DELINQUENT IN PAYING YOUR INVOICE.

ii. Payment Requests

If you believe that the Financial Institution has failed to pay your fee for an appraisal within 25 days of the date you transmitted to us your completed appraisal, except where you have been notified of any non-compliance with the conditions of the engagement, in addition to placing a message in the Web Portal please contact MountainSeed immediately at accounting@mountainseed.com so that we can work with you and the Financial Institution to ensure that you receive timely payment. Please note that while we believe that our payment policy is mutually beneficial, it does require that we rely on you to notify us when you have not been timely paid. To assist us in prioritizing your request for payment, please include the phrase PAYMENT REQUEST in all caps in the subject line of your email.

c. Disputes

MountainSeed has established a policy and a process for handling dispute requests from the Financial Institution following the Financial Institutions receipt of the completed appraisal, in accordance with the Appraisal Independence Policy. If you receive a completed dispute request form through the Web Portal, you agree to respond: (i) **within one (1) business day** to acknowledge your receipt of any such communication, and (ii) **within three (3) business days** to address any requests for revisions or additional information utilizing the Web Portal. You acknowledge that the resolution of such Financial Institution dispute requests may in some cases require further analysis or written response from you and you agree that such analysis or response is part of the scope of work agreed to in connection with this assignment and will be provided at no additional charge.

III. REPRESENTATIONS AND WARRANTIES

a. Licensure/Certification

You represent and warrant that you hold the appraisal license or certification necessary to perform the appraisal assignment. Furthermore, you represent and warrant that all professional qualifications, licenses, and other information provided to MountainSeed or Financial Institution were and remain valid, true, correct, and complete in every respect, except to the extent you have notified MountainSeed and Financial Institution in writing of any change.

b. Appraisal Standards and Competency

By executing this Engagement Letter you acknowledge, declare, represent and warrant that you:

- (i) Understand the competency requirements of the pertinent version of USPAP and can satisfy each provision of the competency rule;
- (ii) Meet the competency requirements for this appraisal assignment;
- (iii) Are competent in the property type of the assignment;
- (iv) Are competent in the geographical area of the assignment;
- (v) Have access to appropriate data sources for the assignment;
- (vi) Are aware that misrepresentation of competency may be subject to the mandatory reporting

requirement in the most current version of USPAP;

(vii) Are familiar with the laws, rules, regulations, guidelines and other materials described in USPAP and the Additional Requirements;

(viii) Are not aware of any reason why you or the Appraisal you prepare in connection with this assignment would fail to comply with USPAP and Additional Requirements, including without limitation the independence provisions and prohibitions on conflicts of interest;

(ix) Have specific experience with the Subject Property type;

(x) Hold all licenses, registrations, permits, certifications and governmental or other authorizations required to perform the appraisal in accordance with USPAP and the Additional Requirements, and in compliance with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines;

(xi) Have not performed any prior services regarding the Subject Property, as an appraiser, or in any other capacity, within the three-year period ending with the date of this Engagement Letter, or if you have you have performed such services, have disclosed those services in writing in compliance with USPAP prior to accepting this assignment;

(xii) To your actual knowledge, are not listed on an exclusionary list or any similar list maintained by any governmental or quasi-governmental entity;

(xiii) To your actual knowledge, have not had any registration, certificate or license to act as an appraiser refused, denied, canceled, surrendered in lieu of a pending revocation, suspended or revoked by any state or appraisal board prior to or as of the date of this Engagement Letter; and

(xiv) Have no interest, direct or indirect, financial or otherwise in the Subject Property or the underlying transaction. ***(Although USPAP may allow an appraiser to appraise a property in which the appraiser has an interest with appropriate disclosures, the Additional Requirements do not permit such activity. If you have an interest in the Subject Property, you must decline this assignment.)***

c. Compliance with Applicable Law

You represent and warrant that you perform services as covered by this Engagement Letter in compliance with all applicable federal and state laws, regulations, and guidance, including, but not limited to, the laws, regulations, and guidance identified in the Additional Requirements section of this Engagement Letter.

d. Errors & Omissions Insurance

You represent and warrant that you maintain, and covenant that you shall continue to maintain (either by continuation of similar coverage with the same or a different insurance carrier or by the purchase of extended reporting period coverage or tail coverage) for a period of three years after the date of completion of this assignment, professional liability insurance (***EOInsurance***) covering damages arising from the professional appraisal services delivered by you under this Engagement Letter. Your EOInsurance shall: (i) have a minimum liability limit of \$500,000 per claim and \$1,000,000 in aggregate for all claims, (ii) be issued by an insurance carrier having a Bests Financial Strength rating of A- or better and Financial Size Category of at least Class IX, and (iii) be issued on an insurance policy form and by an insurance program acceptable to MountainSeed and Financial Institution. The policy shall not contain an exclusion for defense or damages relating to claims arising out of failed financial institutions or claims made by the FDIC or any other state or federal regulator or insurer of Financial Institutions, mortgage lenders, or other financial institutions.

You represent and warrant that you have provided MountainSeed (or other persons or entities as directed by MountainSeed) with true, correct and complete insurance declarations page or certificate of coverage evidencing your current EOInsurance together with any other insurance documentation relating to such coverage requested by MountainSeed.

You agree to supply evidence of EOInsurance whenever your EOInsurance is renewed or replaced and shall immediately inform MountainSeed (or other persons or entities as directed by MountainSeed) of any nonrenewal, cancellation, termination or change of prior acts date/retroactive date of Appraisers EOInsurance. During the period that you are required to carry EOInsurance under this Engagement Letter, you shall not make any change or alteration to your EOInsurance which results in the loss of prior acts or retroactive date coverage covering the date on which the assignment was performed under this Agreement. You consent to MountainSeed confirming EOInsurance coverage directly with the insurance carriers or insurance program administrators.

IV. INTELLECTUAL PROPERTY

As between you and the Financial Institution, the Financial Institution will be deemed to own your appraisal and any reports or other information provided by you to Financial Institution in connection with this Engagement Letter, and neither Financial Institution nor MountainSeed will be restricted in any way with respect to redistribution of such information. You shall not claim any copyrights or other ownership interests in that work product. You, however, shall have the right to retain copies of reports, documents or other information produced or utilized by you for the purpose of your work file under USPAP or as may be required under any law or regulation.

Notwithstanding the foregoing, you acknowledge and agree that, in connection with its review of your Appraisal or otherwise, MountainSeed may extract and compile market data, including without limitation, information relating to comparable sales, rents, operating expenses, income, leases, and leasing activity; neighborhood descriptions; economic trends; and similar information, including, without limitation, for purposes of populating databases to be used by MountainSeed and its affiliates in future performance of services for, and product offerings to Financial Institution and other clients. Any such databases or other compilation of data extracted and compiled by MountainSeed shall be owned solely by MountainSeed, and you specifically disclaim, transfer, and assign to MountainSeed any right, title or interest in and to such databases and compilations and the information contained in them; provided, however, that this sentence shall not limit the Financial Institutions rights to use the appraisal in accordance with the terms of this Engagement Letter. For the absence of doubt, any such information extracted from your Appraisal and compiled by MountainSeed solely in accordance with the rights granted to MountainSeed under this paragraph shall not include your opinion of the value of the Subject Property as stated in the Appraisal, or any other confidential information relating to the Subject Property or the loan or transaction underlying the appraisal (including the identity of the lender and the identity of the borrower), or any confidential information with respect to the Financial Institution, the borrower, or the Financial Institutions or borrowers business operations, to the extent not already publicly available.

V. OTHER PROVISIONS

a. Relationship between the Parties

In the performance of services under the terms of this Engagement Letter, you shall act solely as an independent contractor, and nothing herein contained or implied shall at any time be construed so as to create the relationship of employer and employee, master and servant, partner, principal and agent or joint venture partner between you and Financial Institution or MountainSeed. Specifically, you acknowledge and agree that (i) neither Financial Institution nor MountainSeed will withhold any taxes, income or otherwise, from payments to you and that you will be required to file corporate, partnership, and/or individual tax returns and to pay taxes in accordance with applicable federal, state and local laws, (ii) this Engagement Letter is not an employment agreement, (iii) you are not an employee of MountainSeed or Financial Institution for any purpose, including, but not limited to, application of the Federal Insurance Contribution Act, Social Security Act, Federal Unemployment Tax Act, Internal Revenue Code, state and federal income tax withholding requirements, workers compensation insurance, and third-party liability claims, (iv) neither MountainSeed nor Financial Institution shall be liable for any obligations incurred by you unless specifically authorized in writing, (v) you shall not act as an agent of MountainSeed or Financial Institution, nor bind MountainSeed or Financial Institution in any manner, (vi) you shall not represent or communicate to any party that you are an employee or an agent of MountainSeed or Financial Institution, and (vii) you are free to perform services for any and all other clients or management companies and you are free to set your own hours with respect to the performance of the assignment under this Engagement Letter.

b. Subcontracting Performance of Services

i. Generally

No subcontracting or outsourcing is permitted under this Engagement Letter. You, as the person signing this Engagement Letter, shall be the person who performs and signs the Appraisal requested herein. In general, the Financial Institution expects that you shall be the person that personally

inspects the Property in connection with your Appraisal. Requests to have another employee in your firm inspect the Property must be approved and accepted by MountainSeed prior to engagement. Unless specifically instructed otherwise by MountainSeed or the Financial Institution, you may receive assistance in completing the Appraisal, so long as: (1) you at all times comply with USPAP, the Additional Requirements and the other provisions of this Engagement Letter, including without limitation in documenting the assistance you received, (2) the person providing the assistance is employed directly by you or by your appraisal firm and is characterized as an employee (and not an independent contractor) for federal income tax purposes; (3) the person providing the assistance is competent and qualified to provide the assistance and holds all necessary state, federal or local licenses, certificates or other authorizations required by any applicable authority; (4) you continuously supervise the person providing the assistance at all times in any work related to this Appraisal assignment, and (5) you sign the Appraisal and certification and accept full responsibility for the work. Specifically, and without limitation, you acknowledge and agree that you are familiar with applicable state laws, rules and appraisal board regulations, if any, regarding receiving professional assistance in connection with an appraisal assignment and that you shall at all times comply with those laws, rules and regulations in receiving any assistance in performing the Appraisal. You shall not assign this Engagement Letter to any other party, and any attempt by you to assign shall be void.

ii. State-Specific Requirements

For appraisal assignments involving property located in the state of Montana, subject to being permissible under the policies of the Financial Institution, Subsection V(b)(i), above, does not preclude you from: (i) utilizing the assistance of a licensed real estate trainee (under your supervision) or (ii) transferring the assignment to your employee who is Montana-licensed or -certified real estate appraiser who is a member of the Financial Institutions panel, provided that such individual can complete the work in accordance with USPAP and pursuant to the requirements of the Montana Board of Real Estate Appraisers.

c. No Disclaimers

The Financial Institution reserves the right not to accept the report and neither Financial Institution nor MountainSeed will be responsible for any fees or expenses incurred hereunder if your report includes disclaimers limiting your professional liability for services typically performed by an appraiser. This section shall not prohibit you from including standard disclaimers that may limit your liability for services typically performed by a third-party and that an appraiser is not qualified to perform, such as environmental site assessments.

d. No Third-Party Beneficiaries

All requirements and standards for you and your work product are imposed solely and exclusively for the benefit of MountainSeed and Financial Institution and their respective successors and assigns, and no other person shall be deemed a third-party beneficiary of this Engagement Letter. You are solely responsible for ensuring that you and your work product comply with all such requirements and standards. Specifically, you are not entitled to rely on any review that MountainSeed may perform to evaluate your work products compliance with any such requirements and standards. You should not assume that MountainSeed will refuse to accept your work product in absence of strict compliance with any or all such requirements and standards.

e. No Promise of Future Assignments

You acknowledge that neither MountainSeed nor Financial Institution has made any guarantee of future assignments. Neither Financial Institution nor MountainSeed makes any promise or guarantee as to any minimum number of assignments or minimum level of revenue.

f. Indemnity

You agree to indemnify MountainSeed for any and all loss, damage, liability, claim or expense incurred by an Indemnified Party arising out of or related to (i) any death, bodily injury or damage to property resulting from your acts or omissions, (ii) your negligence, gross negligence or willful misconduct in performing this assignment; or (iii) any breach of your representations, warranties and covenants contained in this Engagement Letter. Notwithstanding the foregoing, nothing in subpart (iii) above will be deemed to require you to defend, indemnify or hold harmless MountainSeed or any MountainSeed-related Indemnified Party

with respect to any liability, damage, loss, claim or expense that arises out of the services performed by MountainSeed, its agents, employees, or independent contractors, and not the services you performed. Furthermore, this indemnification provision in this paragraph shall not apply to appraisals performed in Vermont; for other states, in the event that the indemnification provision in this paragraph is broader than permitted by any applicable law or regulation, this section shall be limited to the extent of the indemnification permitted by such law or regulation in that state.

g. Termination

Notwithstanding anything contained herein to the contrary, either Financial Institution or MountainSeed may, at its option and for any reason, terminate this agreement without responsibility for payment of the appraiser's fees or costs, except for any actual staff time and out-of-pocket costs only, not to exceed the fee amount stated above, incurred by the appraiser in connection with the appraiser's performance of this agreement as of the date of termination.

h. Amendment

This Engagement Letter may only be amended in writing, signed by the parties hereto.

i. Confidentiality

You will take all reasonable steps to ensure that neither you nor any organization with which you are affiliated (including any employees, agents, appraisers, or officers of any such organization) will divulge any Confidential Information concerning your Appraisal to any person other than Financial Institution or MountainSeed. For purposes of this engagement letter, the term **Confidential Information** shall mean all non-public data or information that is submitted directly or indirectly to you by MountainSeed or Financial Institution or obtained or learned by you as a result of the engagement described in this Letter, including without limitation, information related to Financial Institutions or MountainSeeds customers, technology, operations facilities, consumer markets, products, capabilities, systems procedures, security practices, research, development, business affairs, ideas, concepts, innovations, inventions, designs, business methodologies, improvements, trade secrets, copyrightable subject matter and other proprietary information. All Confidential Information shall remain the property of Financial Institution or MountainSeed, as applicable, and shall be protected as described below.

Except may be required by applicable law or lawful order or requirement of a court or other governmental authority having jurisdiction over you, you shall take reasonable means to hold all Confidential Information in confidence, and you shall not use (except for purposes set forth herein and authorized by Financial Institution or MountainSeed), disclose, duplicate, publish, release, transfer or otherwise make available Confidential Information in any form to, or for the use and benefit of, any person or entity without the express written consent of MountainSeed. You represent and warrant to Financial Institution and MountainSeed that you have established commercially reasonable controls to ensure the confidentiality of Confidential Information and to insure that Confidential Information is not disclosed in violation of the provisions of this Engagement Letter or the Gramm-Leach-Bliley Act of 1999 (15 U.S.C. § 6801, et seq.), as it may be amended, supplemented or replaced from time to time (the **GLB Act**) and the regulations promulgated thereunder. If the GLB Act, the regulations promulgated thereunder or other applicable law now or hereafter in effect imposes a higher standard of confidentiality, such standard shall prevail over the standard set forth in this Engagement Letter.

You also agree that you will at any time during your engagement, at MountainSeeds or Financial Institutions request, and in any event, at the termination of this engagement, regardless of the reason, surrender to MountainSeed and/or Financial Institution (as is appropriate) all Confidential Information and any copies or abstracts thereof, to the extent surrendering the information is not prohibited under USPAP or other applicable federal, state and local laws, ordinances, rules, regulations and guidelines that may require you to maintain certain records.

You have caused this Engagement Letter to be executed as of the date set forth below.

President of A&G Appraisal Group LLC. _____ (COMPANY)

By: Ashley Applegate

Name: Ashley Applegate

Title: President, Certified General Appraiser