

APPRAISAL REPORT

OF

*TRANSITIONAL LIVING FACILITY
411 KAUFMAN
CITY OF NEWTON, NEWTON COUNTY, TEXAS 75966*

PREPARED FOR

*RUSHMYFILE
380 BEACH RD, SUITE B
BURLINGAME, CA 94010*

BY

SYREN
*8526 PARKHILL FOREST DRIVE
HOUSTON, TEXAS 77088*

AS OF

DECEMBER 30, 2022

SYREN

8526 Parkhill Forest Drive

Houston, Texas 77088

Phone: 832-433-6651

Email: syren560@yahoo.com

January 31, 2023

RushMyFile

380 Beach Rd, Suite B

Burlingame, CA 94010

**Re: Transitional Living Facility @
411 Kaufman
Houston, Texas 75966**

Attention:

As requested, an appraisal of the above referenced property was prepared to arrive at an opinion of market value for mortgage loan consideration.

“Market Value” is defined as being:

“The most probable price in terms of money 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 the price is not affected by undue stimulus.”

The subject property is an existing transitional healthcare facility which features nine small residential bedrooms with common areas. The facility is located within the near southeast quadrant of the City of Newton. The complex is located within one mile from the downtown central business district. It is located within a small township and has a physical address of 411 S Kaufman St. The immediate market area of subject is an older unrestricted neighborhood and features a homogeneous mixture of traditional residential dwellings, multi-family residential units, light industrial, special purpose, and commercial retail related uses.

After analyzing all the available market data employed to determine a value estimate for the subject, a final estimate of Market Value/Value in Use “As Repaired” is determined. In addition to the data presented above, consideration was given to the economic climate as of the effective date within the immediate and outlying market areas surrounding the subject.

Based on a correlation of the applicable approaches and market trends, it is our contention that the Market Value/Value in Use as “Renovated” as of January 13, 2023, is as follows:

***“MARKET VALUE/VALUE IN USE AS RENOVATED”
FOUR HUNDRED AND SEVENTY-ONE DOLLARS
\$471,000.00***

The attached definitions, discussion, analysis, certificate, and limiting conditions are provided and are an integral part of this report. Sales data, subject photographs, maps, etc., are also provided in the body of this report.

There was no indication that mineral deposits had more than a nominal commercial value in either the subject or sales. In addition, there were no hazardous materials or environmental conditions noted that would have a negative impact on value.

Sincerely,

A handwritten signature in dark ink, appearing to read "Ronald C. Lewis", is written over a light gray rectangular background.

Ronald C. Lewis
State Certified General Appraiser
TX-1329836-G

INTRODUCTION

SUBJECT PHOTOGRAPH



***TRANSITIONAL HEALTHCARE LIVING FACILITY
411 NEWTON ST
CITY OF NEWTON, TEXAS 75966***

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SUMMARY OF SALIENT FACTS

<i>Address:</i>	411 Kaufman, Newton, Texas 75966
<i>Improvements:</i>	Small Transitional Healthcare Living Facility Total Gross Building Area of 6,400 Square Feet.
<i>Land Area:</i>	0.3287 Acres or 14,319 SF
<i>Purpose of Appraisal:</i>	Estimate Market Value
<i>Property Rights Appraised:</i>	Fee Simple Interest
<i>Highest and Best Use:</i>	
<i>As Vacant:</i>	Commercial Development
<i>As Improved:</i>	Continuation of Existing Use – Transitional Living Facility
<i>Effective Date of Appraisal:</i>	January 13, 2023
<i>Date of Report:</i>	January 31, 2023
<i>Zoning:</i>	None/Unrestricted
<i>Flood Plain/Status:</i>	FIRM #4871C0655L dated 06/18/07; Subject property is located within a hazardous designated flood area.
<i>Direct Sales Comparison Approach:</i>	
<i>Land Only:</i>	\$8,400
<i>Whole Property:</i>	N/A
<i>Income Approach:</i>	N/A
<i>Cost Approach:</i>	N/A
<i>Final Valuation:</i>	\$471,000

DESCRIPTIONS, ANALYSES AND CONCLUSIONS

APPRAISAL PROCESS

The appraisal process is a systematic approach, whereby the appraiser research, collects, and analyzes data pertaining to the subject property in order to arrive at an estimate of market value for the real property interest being appraised. The first step in this process is an inspection and investigation of the subject site, and the neighborhood in which it is located. The appraiser then researches and collects data pertaining to sales of comparable properties that have sold in the subject's market. If the subject is an income-producing property, data is collected pertaining to income and operating expenses for the subject and similar properties. Typically, three approaches are used in estimating the value of the subject property. These are the Sales Comparison Approach, the Cost Approach, and the Income Capitalization Approach. Generally, the Cost Approach and the Income Approach are only used when the property is improved, or the appraisal concerns an income producing property. In this case, the subject is a small transitional health care facility is situated within the near southwest urban community of the City of Newton. The structure facility has a total gross building area of the subject facility is 6,400 square feet. It is situated on approximately 0.3287 acres or a total of 14,319 square feet of total land area. building which features nine (9) transitional bedrooms with common areas such as living, kitchen, dining, utility, and mud room/laundry areas.

Notably, the subject facility has a projected rental income structure based on the number of transitional beds per unit. Thus, the current projected income structure is treated as a going concern. In this analysis, the appraisal is based on only the site and existing improvements as *"As Improved"*.

In valuing subject property, the appraiser has inspected the subject property, investigated the history, market trends and activity of the neighborhood in which it is located. In addition, the real estate market has been researched for sales of similar transitional living health care facilities with features considered relatively similar to the subject. Sources of the sale data include in-house sales files, CoStar, LoopNet, the Multiple Listing Service (HMLS) and Newton County Appraisal District.

Following is the analysis of the data collected, of which a value for subject property is presented utilizing only the Sales Comparison Approach. The Cost Approach is not employed due to age and heavy depreciation. In this case, the Income Approach is not employed in this assignment due to the lack of quantitative or qualitative financial data in order to produce credible results.

DEFINITION OF MARKET VALUE

Market Value is defined by the Financial Institutions Reform, Recovery and Enforcement Act of 1989, (FIRREA) as being:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus."

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: 1. buyer and seller are typically motivated;

2. both parties are well informed or well advised, and acting in what they consider their 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

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.

Value in Use: According to The Dictionary of Real Estate Appraisal, 6th Edition). “The value of a property assuming a specific use, which may or may not be the property’s Highest and Best Use, on the effective date of the appraisal. Value in Use may or may not be equal to Market Value but is different conceptually”. (Notably, Value in Use and Use Value are synonymous.

MARKETING/EXPOSURE TIME

Inherent in the definition of market value is the assumption that the property being appraised is exposed to the open market for a reasonable and customary period of time. Based upon current market conditions and recent sales history of similar properties in the subject’s market area, the estimated marketing and exposure time for the subject property is twelve to eighteen months.

SCOPE OF APPRAISAL

Scope of work is defined by the Uniform Standards of Professional Appraisal Practice as “the type and extent of research and analysis in an assignment.” Under the Scope of Work Rule, the appraiser must:

- a. Identity the problem to be solved;
- b. Determine and perform the scope of work necessary to develop credible assignment results;
- c. Disclose the scope of work in the report.

The report analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Practice of the Appraisal Institute, which includes the Uniform Standards of Professional Appraisal Practice, in a manner necessary to produce a credible result.

In this case, the subject property is a small transitional residential multi-family facility which features ten (10) cabins. The units are rented based on per bed (typically two per cabin) while the main facility features a number of beds. According to the client, the property is to be appraised based on the site and existing improvements. As a result, the going concern is not included in this analysis.

In determining an appropriate valuation for subject, all approaches to value were considered. Market research of land recent sales, small multi-family transitional properties to no avail, and alternatively, small multi-family residential sales within the immediate and general market area, listings, rentals, cost parameters, market trends and conditions were done. Market data taken from Co-Star, Houston Multiple Listing Service, Loop Net and Newton County Appraisal District was researched and verified. This information and projected data were correlated and reconciled in order to present a defensible and credible estimate of market value.

DATE OF REPORT

The date of the report is January 31, 2023.

EFFECTIVE DATE OF VALUE ESTIMATE

The date of valuation is as of January 13, 2023.

DATE OF INSPECTION

An inspection of the subject property was originally performed on December 31, 2022. A subsequent exterior inspection was performed on January 13, 2023, which now serves as the effective date of this analysis.

PROPERTY RIGHTS APPRAISED

Property rights appraised are in Fee Simple Interest unless otherwise stated.

Fee Simple Interest as used in this report, is defined by *The Appraisal of Real Estate Dictionary*, Fourth Edition (Chicago: Appraisal Institute, 702), The Appraisal Institute as: **“Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”**

PURPOSE OF APPRAISAL

The purpose of this appraisal is to estimate market value of the subject facility.

INTENDED USE/USER

This intended use for the appraisal is for mortgage loan consideration. The intended user is McNeil Investment.

PROPERTY HISTORY

The subject property was originally constructed in 1952. It was acquired by the current listed owner (Newton County Appraisal District and Deed Document Recording #766-511) – Coleman’s Family Mortuary LLC on June 3, 2022 (terms and condition of the transaction was not available for analysis). The subject was acquired for utilization as a transitional healthcare living facility. Since the acquisition of subject property by the current owner, there has been no other noted transactions regarding transfer or ownership.

MARKET AREA ANALYSIS:

Market Area is defined by The Dictionary of Real Estate Appraisal, Sixth Edition, 2015 (Chicago: Appraisal, 2015), by the Appraisal Institute as:

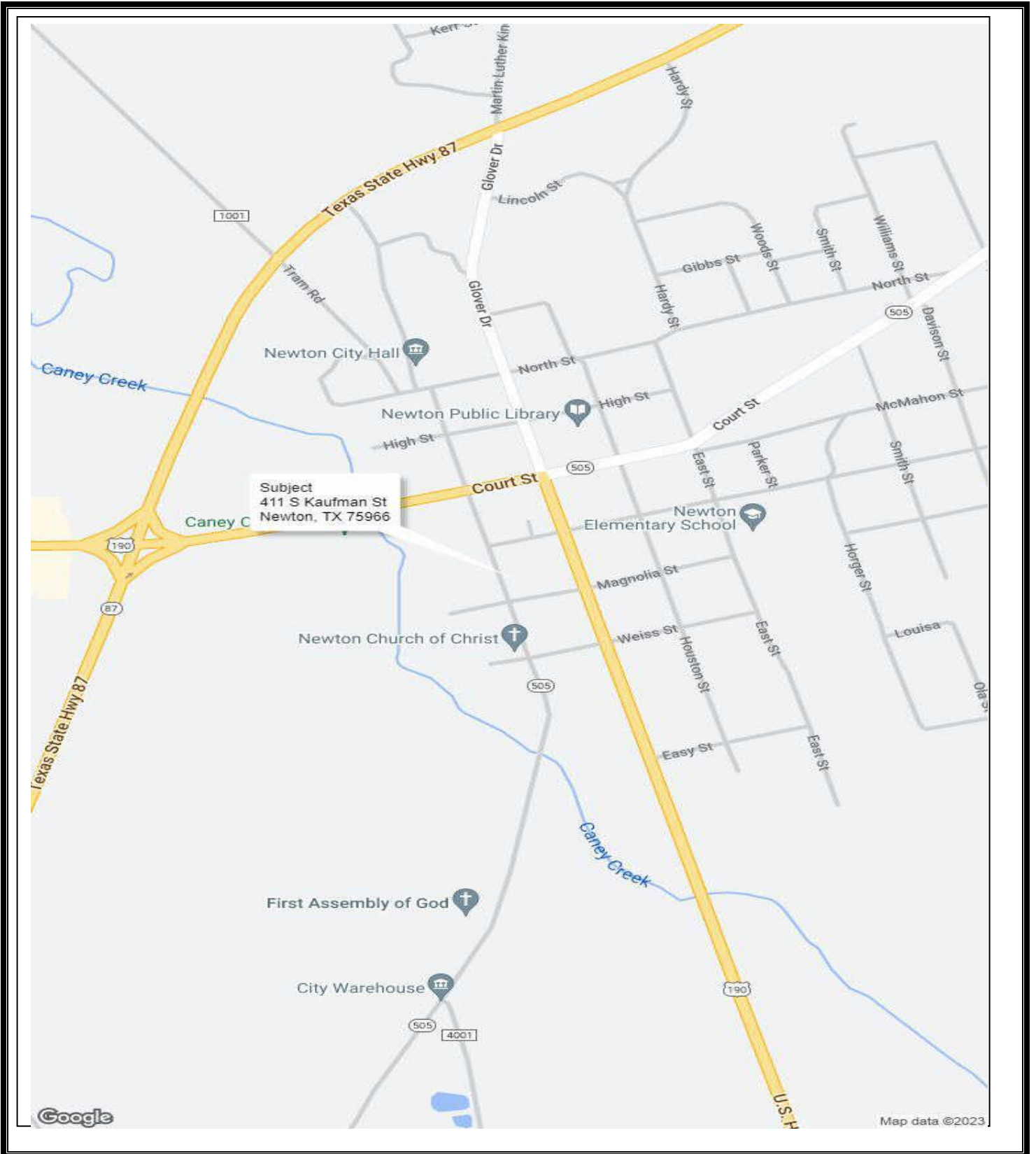
The area associated with a subject property that contains its direct competition.

My market area analysis focuses upon the four forces that influence value: social, economic, governmental, and environmental factors. These forces not only affect the market area they directly influence the individual properties within it.

The subject property is located within a market area which is relatively stable but experiencing mild growth patterns. The market area is bordered to the north, west and south by Caney Creek; and to the east line of the County Road 1014. Development within this market area consist of high density of residential, multi-family, retail, special purpose, and various types of franchise related commercial uses. The subject neighborhood is an urban market area generally known as the urban market area of the City of Newton and located less than several blocks southwest of the Court House for the City of Newton downtown central business district.

The immediate neighborhood surrounding the subject consists of scattered new residential amid existing established urban residential pocket with high density of development. The community is characterized by a homogenous co-existing, mixture of single-family residences, multi-family residential, commercial retail, small professional and light industrial related properties. It is currently experiencing mild gentrification efforts and based on demand, property values are stable with continued favorable land use patterns. As a result of the Feds increment of stable but slowly rising demand has kept optimism high for continued growth and with need of modern supporting infrastructure development.

MARKET AREA MAP



SITE ANALYSIS

An analysis of the subject site is particularly important in estimating its highest and best use, and for separate valuation from the improvements. Following is a discussion of those site characteristics considered most important.

Property Location:

The site is located within the near southwest urban quadrant of the City of Newton, less than several blocks from downtown central business district. It is situated on a major neighborhood street known as S Kaufman St (State Highway 87). The subject facility has a physical address of 411 S Kaufman, Newton, Newton County, Texas 75966.

Legal Description:

According to the NCAD, the subject is legally described as S4200 Town of Newton, Block 14, Lot 7, 8 (N/2 of), Consolidated Health Care.

Property Tax Information:

The subject property falls under the taxing jurisdiction of Newton Independent School District, City of Newton, Co Lateral Rd, and Newton County. The subject property tax account number is #23102.

The Newton County Appraisal District (NCAD) assessment is based upon the condition of the subject improvements at this time. NCAD's assessed value is \$257,080. Of the assessed value indicated, the land value is indicated by NCAD is \$16,640 or \$1.16 PSF while the improvements are estimated at \$240,440. Based upon the 2022 assessed value and the tax rate for the subject tract, the tax liability is estimated as follows:

$$\$257,080 \times 2.0064 / \$100 \text{ Assessed Value} = \$2,952.82 \text{ Tax Liability}$$

Analysis of competing properties of neighboring properties indicates the subject's tax rates, assessed value, and tax liability appear to be typical of the subject market area and do not appear to have an impact on the subject's marketability or value.

Site Access:

Access to subject is convenient from the Downtown Central Business District and may be obtained by traveling west on Court Road, then south on S. Kaufman St to the subject site – situated within the 400 block of S. Kaufman on the east side of the major roadway.

Physical Characteristics:

Subject site has frontage along the east line of S. Kaufman St (SH 87) and a rectangular like shape. It has a total of 0.3287 acres or 14,319 square feet of total land area. The tract has good exposure and visibility to moderate neighborhood traffic patterns. The topography of the subject site is level with street grade and has adequate drainage and run-off.

Flood Plain:

The Federal Emergency Management Agency (FEMA) publishes flood insurance rate maps for the Houston/Harris County area. According to FEMA Map No. 48201C0705M, dated 01/06/2017, the subject property is located in an area designated as Zone X. Areas so designated is not within an area with moderate and minimum risk areas.

Environmental Statement:

The appraiser is not qualified to detect the presence of environmental hazards, and the services of an expert in this field should be retained if there is any question as to the existence of hazardous materials or environmental problems. The value estimated in this appraisal is based on the assumption that the subject property is unaffected by environmental issues or hazardous materials. There was no visible evidence of hazardous materials.

Off-Site Improvements:

S. Kaufman St is a major neighborhood two-lane asphalt paved artery which provides linkage from the subject's locale to SH 87 as well as the nearby downtown district. The major neighborhood roadway is asphalt paved with open ditch drainage.

Adjacent Land Use:

Property uses north, south, east, and west is a mixture of residential/commercial related uses.

Easements:

A physical inspection of the subject property did not reveal any adverse easements or encroachments which would affect future development or the existing improvements.

Utilities:

The subject has access to all public utilities. Newton County provides water and sewer services. AT&T provides telephone service. Reliant Energy provides electric service and Center Point provides gas service.

Zoning/Restrictions:

Subject property is located in the far suburban northeast quadrant of the City of Newton and Newton County, which does not subscribe to zoning as a form of land-use control. Development of the subject property within the City of Newton and is generally controlled via deed restrictions. However, this sector of the market area is unrestricted. Notably, land use within the area consists of a homogeneous mixture of residential, multi-family residential, industrial, mom and pop retail service, and special purpose related uses. In this case, the current use of subject as a transitional health care facility is legally permissible, consistent, and homogeneous with current land use patterns.

Summary

Subject site is currently improved as a transitional health-care facility. Notably, the improvements are structurally sound and highly functional for its intended use. The subject site contains approximately 0.3287 acres or 14,319 square feet of total land area and has adequate size, shape, and utility to support most types of development consistent with area trends.

AERIAL MAP



FLOOD MAP



FLOOD INFORMATION

Community: City of Newton

Property is NOT in a FEMA Special Flood Hazard Area

Map Number: 48351C0310D

Panel: 48351C0310

Zone: X

Map Date: 11-16-2018

FIPS: 48351

Source: FEMA DFIRM

LEGEND

 = FEMA Special Flood Hazard Area – High Risk

 = Moderate and Minimal Risk Areas

Road View:

 = Forest

 = Water

Sky Flood™

No representations or warranties to any party concerning the content, accuracy or completeness of this flood report, including any warranty of merchantability or fitness for a particular purpose is implied or provided. Visual scaling factors differ between map layers and are separate from flood zone information at marker location. No liability is accepted to any third party for any use or misuse of this flood map or its data.

DESCRIPTION OF IMPROVEMENTS

Complex Address:

Transitional Health Care Facility
411 Kaufman St
City of Newton, Texas 75966

General Description:

The subject facility is a two-story general purpose commercial building which can adapt to a variety of uses. In this analysis, the subject facility has been retrofitted to function in special purpose use that is consistent with the health care industry.

According to Newton County Appraisal District (NCAD), the structure has a gross building area of 6,400 square feet. In addition, the facility has age range from 1952.

The main facility is a two story, large brick/stone veneer structure. The structure features a total of nine bedrooms and 9 baths. It has a large family room with fireplace which serves as the lobby area for the residents. It has a kitchen, lounge area, dining, and laundry room.

Basic construction features of the facility are as follows:

Foundation: Concrete Slab Foundation

Framing: 2" x 4" Wood Studding

Exterior: Brick/Stone/Wood Façade Siding

Interior Construction: The interior walls are structurally sound with framed with 2" x 4" wood studding covered with sheetrock that is taped, floated, and painted. Typical floor covering in the living and sleeping areas is carpeted. Floor covering in the bath and kitchen areas is tile/vinyl.

Utilities: The subject facility is metered for electrical service.

HVAC System: The main dwelling features central air and heating unit

Parking: Dirt/gravel parking spaces are available for residents of the transitional facility.

Amenities: Upper-Level Wood Deck Patio

Unit Features: Covered Walkway/Porch

Conclusion

In summary, the design and layout of subject is highly functional and homogeneous with neighboring properties within this market.

SUBJECT PHOTOGRAPHS



FRONT VIEW OF SUBJECT FACILITY



REAR VIEW OF SUBJECT FACILITY

SUBJECT PHOTOGRAPHS



STREET SCENE LOOKING NORTH ALONG S KAUFMAN ST



STREET SCENE LOOKING SOUTH ALONG S KAUFMAN ST

SUBJECT PHOTOGRAPHS



VIEW OF FRONT LEFT SIDE OF STRUCTURE

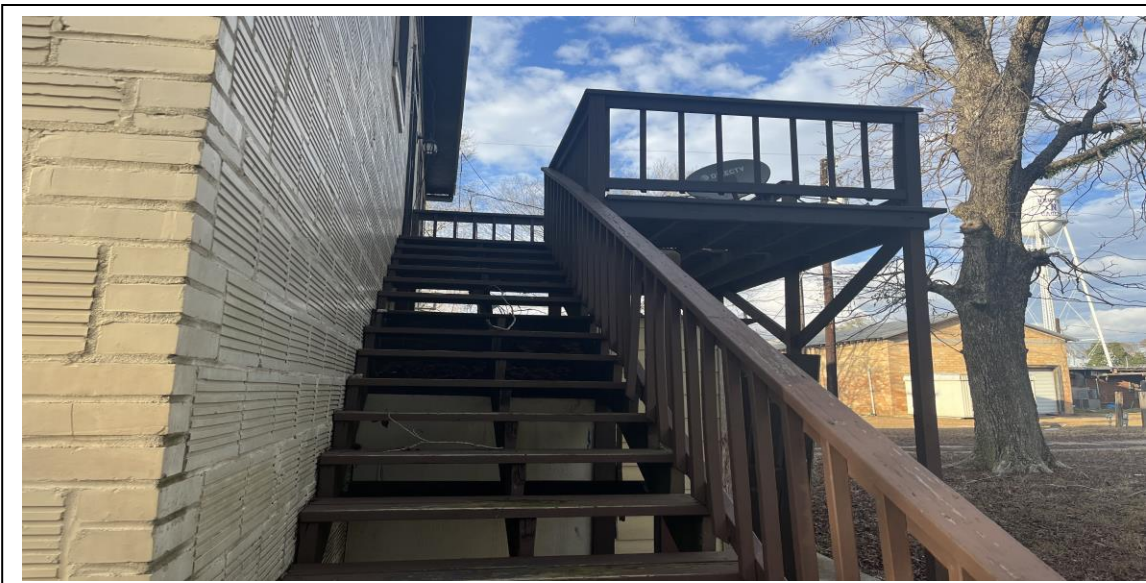


VIEW OF FRONT RIGHT SIDE OF STRUCTURE

SUBJECT PHOTOGRAPHS



VIEW OF FRONT COVERED ENTRANCE AND WALKWAY AREA



VIEW OF REAR UPPER-LEVEL ENTRY/EXIT AND UPPER LANDING DECK

SUBJECT PHOTOGRAPHS



RIGHT SIDE VIEW OF SUBJECT FACILITY FROM THE REAR



LEFT SIDE VIEW OF SUBJECT FACILITY FROM THE REAR

SUBJECT PHOTOGRAPHS



VIEW OF SUBJECT SITE ALONG LEFT SIDE OF BUILDING



VIEW OF REAR SITE AREA FROM UPPER LEVEL DECKING

SUBJECT PHOTOGRAPHS



INTERIOR FRONT VIEW OF ENTRY/VESTIBULE OF SUBJECT FACILITY



VIEW OF INTERIOR LOBBY/FAMILY ROOM

SUBJECT PHOTOGRAPHS



CONTINUED VIEW OF INTERIOR LOBBY/FAMILY ROOM AREA



VIEW OF KITCHEN AREA

SUBJECT PHOTOGRAPHS



VIEW OF KITCHEN AREA



VIEW OF FULL BATH AREA OF THE LOBBY/FAMILY ROOM AREA

SUBJECT PHOTOGRAPHS



VIEW OF LOWER-LEVEL LAUNDRY/MUD ROOM



VIEW OF UPPER-LEVEL HALLWAY FROM LANDING AREA OF STAIRWAY

SUBJECT PHOTOGRAPHS



VIEW OF TYPICAL HEALTHCARE BEDROOM UNIT

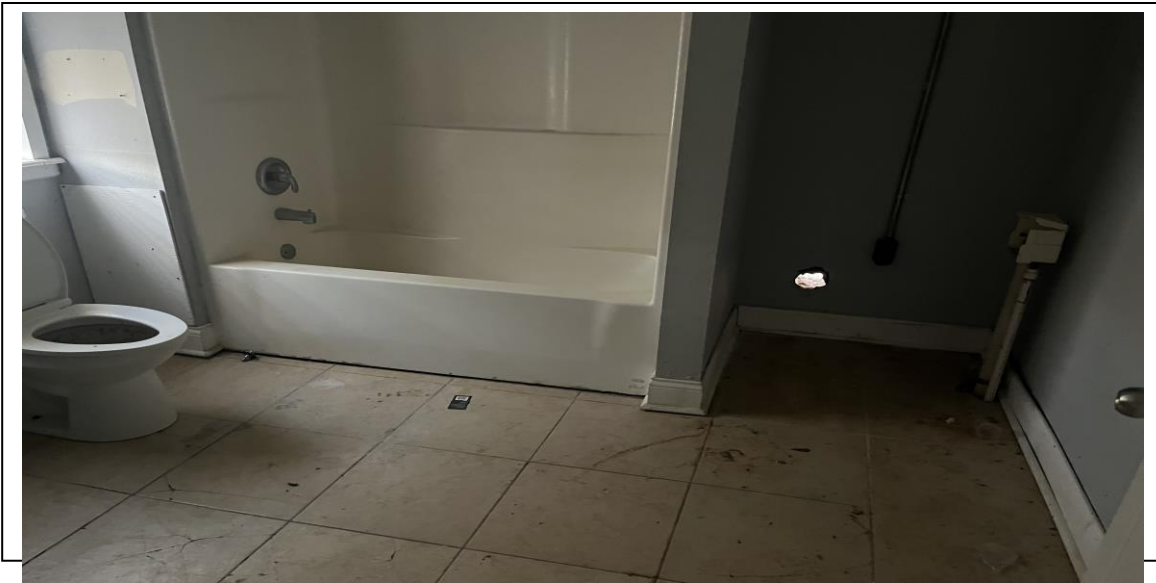


VIEW OF TYPICAL BATH AREA

SUBJECT PHOTOGRAPHS



ANOTHER VIEW OF BEDROOM UNIT



VIEW OF UPPER LEVEL BATH AREA

SUBJECT PHOTOGRAPHS



VIEW OF UPPER-LEVEL GAME ROOM

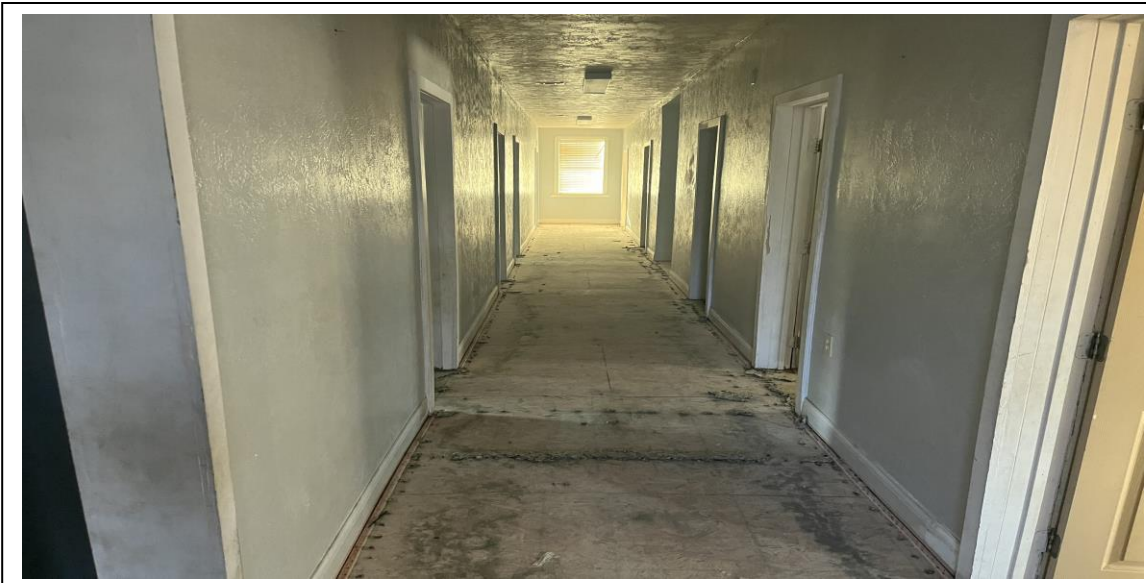


VIEW OF TYPICAL BEDROOM UNIT

SUBJECT PHOTOGRAPHS



VIEW OF TYPICAL BEDROOM UNIT



VIEW OF UPPER LEVEL HALLWAY CORRIDOR

HIGHEST AND BEST USE

The Highest and Best Use, as used in this report, is defined by The Appraisal of Real Estate Dictionary, Fourth Edition (Chicago: Appraisal Institute, 702), Page 45; as being:

reasonably probable and legal use of vacant land or improved property, which is physically possible; appropriately supported, financially feasible, and that result in the highest value.”

In estimating Highest and Best Use of the subject, four uses must be considered. They are: legally permissible use, physically possible use, financially feasible use, and the most profitable use.

Physically Possible

The size, shape, location, utility availability, and terrain impose physical restraints upon the type of uses possible for the subject property. The size, shape, and terrain are amendable to most types of development. Most developments common with this market are considered as physically possible. The subject tract has adequate shape and size of 0.3287 acres or 14,391 SF to support the existing improvements as well as most types of improvements consistent with area uses/trends. There are no physical deterrents to the site.

Legally Permissible

Public legal restrictions consist of zoning regulations, building codes, environmental regulations, and other applicable ordinances. The City of Newton nor does Newton County subscribe to zoning ordinances as a form of land use control. Private deed restrictions provide the only limitation of use. The subject is within a market area that is unrestricted and features a mixture of uses such as light industrial, non-franchise retail related uses, small multi-family residential, mix-use residential, and special purpose related uses. All uses compatible with building codes and environmental regulations are considered legally permissible including the current use.

Financially Feasible

Any use of the subject site, which provides a financial return to the land in excess of that required to satisfy operating expenses, financial expenses and capital requirements is considered financially feasible. The cost of the land limits those uses that are financially feasible for the site. Due to demand, the market for transitional housing within this market is feasible. The subject improvements are capable of producing reasonable returns with the expectation of additional increases on a unit-by-unit basis. It is not feasible to re-develop the site at this time as demand for more units within the immediate area is prevalent.

Maximally Productive

As previously stated, the subject facility has historically been utilized as a health care facility which has nine bedrooms with nine baths. The facility is transitional but according to market parameters, is capable of stable occupancy levels. Notably, demand within the immediate and general market area indicate the need for additional transitional health care units such as those offered by the subject facility. In this case, the outlying mix-use locale as well as current trends in the area, suggest and support a continuation of the existing use as the Highest and Best Use of Subject.

Conclusion

After considering those factors mentioned in this analysis and the current real estate and market trends in the area, the Highest and Best Use for the site “As Vacant” and “As Improved” as follows:

“As Vacant”, demand for transitional healthcare living facility as well as industrial related use within the subject area is good due to locale. Based on current trends within the market, the Highest and Best Use as vacant is a commercial development consistent with area demand.

“As Improved”, the subject is a general-purpose commercial structure which has been configured to function and operate as a transitional health living facility. The main structure and supporting residential dwelling and cabins have stable occupancy at this time. Market demand for available transitional housing units within this sector is good. In this case, the Highest and Best Use of the total property is a continuation of its existing use as a “Transitional Healthcare Living Facility”.

Sales Comparison Approach - Land Only: The primary principle upon which the Sales Comparison Approach is based is the principle of substitution. This principle recognizes that the value of the subject property is set by the price that would be paid for a substitute property of equal desirability. It assumes rational and prudent behavior by participants in the market, with no extraordinary costs due to the amount of time the property is listed for sale on the market. The activity in the market directly affects the principle of substitution. The quality and quantity of the comparable sales used in the Sales Comparison Approach must be analyzed for credible results.

Sales Comparison Approach is defined by The Dictionary of Real Estate Appraisal, Sixth Edition, 2015 (Chicago: Appraisal, 2015), by the Appraisal Institute as:

The process of deriving a value indication for the subject property by comparing market information for similar properties with the property being appraised, identifying the appropriate units of comparison and making qualitative comparisons with or quantitative adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison.

The Sales Comparison Approach may be used to value improved properties, vacant land, or land being considered as though vacant. It is the most common and preferred method of land valuation when an adequate supply of comparable sales is available.

The Sales Comparison Approach utilizes sales of properties comparable to the subject as the basis for an indication of market value. Direct comparison is made between each sale and the subject on an item-by-item basis. Adjustments are made to the sale price of the comparable property to arrive at an indication of what it would have sold for had it been essentially the same as the subject property. These adjusted prices are then reconciled into an indication of value for the subject parcel.

In this analysis, the Sales Comparison Approach was instrumental in providing a credible estimate of value for the subject site. However, this approach was not considered applicable in valuing the subject improvements due to the unique design, features, and function of the subject improvements as special purpose health care related use. There was no verifiable qualitative and/or quantitative data from which a comparable analysis could be made. As a result, the Sales Comparison Approach for the subject improvements was not employed.

SALE 1



Date of Sale:	April 13, 2018
Recording data:	HARMLS #49714488
Grantor:	Robertson and Evangeline Jones
Grantee:	David Tran & Le Tran
Location:	0 FM 252, Jasper, Jasper County, Texas 75951
Legal Description:	1.197 Acres, William H Turner Survey, Jasper County, Texas
Frontage:	FF on FM 252/Springhill Road
Size:	1.197 Acres or 52,141 Square Feet
Consideration:	\$8,000 or \$0.16 PSF
Days on Market:	92 Days
Terms:	Cash to the Seller
Cash Equivalent:	Same

Features:	
Shape of tract:	Rectangular Shape
Frontage:	FF on FM 252
Zoning/Restrictions:	Unrestricted
Utilities:	All Utilities on Site
Topography:	Level, Above Street Grade.
Flood Plain:	Within the 100–500-year flood plain
Easements:	Typical Utility Easements
Use at time of Sale:	Vacant Tract of Land
Current Use:	Vacant Tract of Land
Prior Sale History:	No Prior One-Year Sale History
Highest and Best Use:	Mix-Use Development

Comments:

This sale is located along the corridor of FM 252 and has exposure as well as visibility to traffic. The site can adapt to a mixture of uses. Notably, primary uses within the market area is rural residential.

Confirmed by:	Representative of Owner, Bridgette M. White of Green Star Realty, LLC (409-489-3016)
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LAND SALE 2



Date of Sale:	August 18, 2020
Recording data:	HARMLS #33033026
Grantor:	Dan Investments LLC
Grantee:	WASC Property LLC
Location:	0 Bevil Loop, Jasper, Texas 75951
Legal Description:	Lot 8, Pine Ridge S/D 707/311 Cause #8323. 0.947 Acres, Jasper County, Texas
Size:	0.9470 Acres or 41,251 Square Feet
Consideration:	\$8,500 or \$0.49 PSF
Days on Market:	175 Days
Terms:	Cash to the Seller
Cash Equivalent:	Same
Features:	
Shape of tract:	Rectangular Shape
Zoning/Restrictions:	Unrestricted
Utilities:	All Utilities on Site
Topography:	Level, Above Street Grade.
Flood Plain:	Within the 100–500-year flood plain
Easements:	Typical Utility Easements
Use at time of Sale:	Vacant Tract
Current Use:	Vacant Tract
Prior Sale History:	No Prior One-Year Sale History
Highest and Best Use:	Mix-Use Development

Comments:

This sale is located along the corridor of Bevil Loop. The site has moderate exposure and visibility along Bevil Loop. It is unrestricted and can accommodate a variety of uses which include a special purpose use similar to the subject.

Confirmed by: Representative of Owner, Bridgette M. White of Green Star Realty,
(409-489-3016)

LAND SALE 3



Date of Sale:	August 18, 2020
Recording data:	HARMLS #33033026
Grantor:	Dan Investments LLC
Grantee:	WASC Property LLC
Location:	0 Holmwood, Jasper County, Texas 75951
Legal Description:	Lot 30, Block 18, Holmwood, Jasper County, Texas
Size:	0.4000 Acres or 17,424 Square Feet
Consideration:	\$8,500 or \$0.49 PSF
Days on Market:	141 Days
Terms:	Cash to the Seller
Cash Equivalent:	Same
Features:	
Shape of tract:	Rectangular Shape
Zoning/Restrictions:	Unrestricted
Utilities:	All Utilities on Site
Topography:	Level, Above Street Grade.
Flood Plain:	Within the 100–500-year flood plain
Easements:	Typical Utility Easements
Use at time of Sale:	Vacant Tract
Current Use:	Vacant Tract
Prior Sale History:	No Prior One-Year Sale History
Highest and Best Use:	Mix-Use Development
Comments:	
This sale is located along the corridor of Holmwood but also fronts FM 777. The site has good exposure and visibility along FM 777.	
Confirmed by:	Representative of Owner, Bridgette M. White of Green Star Realty, (409-489-3016)

LAND SALE 4



Key Map:	494T
Date of Sale:	September 20, 2020
Recording data:	MLS #20770353
Grantor:	CMC Enterprise Inc
Grantee:	Enterra Homes LLC
Address:	1305 N Main, Jasper County, Texas 75951
Legal Description:	Ab 147, WM Ferguson, Tract 152/55, Jasper County, Texas
Size:	1.25 Acres or 62,500 Square Feet
Consideration:	\$20,000 or \$0.20 PSF
Terms:	Cash to the Seller
Cash Equivalent:	Same
Days on Market:	52 Days
Features:	
Shape of tract:	Rectangular Shaped Configuration
Frontage:	FF on N Main
Zoning/Restrictions:	None; Unrestricted
Utilities:	Public Water and Sewer
Topography:	Level, above Street Grade.
Flood Plain:	Not within the 100-500 Year Flood Plain
Easements:	Typical Utility Easements.
Improvements:	None
Use at Time of Sale:	Vacant Tract of Land
Current Use:	Vacant Land
Highest and Best Use:	Mix-Use Development
Comments:	
This sale is located at the N Main Street. The tract was assembled after the acquisition of the whole city block. It was acquired for the type of development consistent with area trends and land use patterns.	
Confirmed by:	Representative of Grantor, Bridgette M. White of Green Street Realty (409-489-3016) Estate (832-716-4294)

LAND SALE 5



Date of Sale:	June 20, 2021
Recording data:	HARMLS #27105453
Grantee:	Bobby K. & Shauna T. Sweeney
Grantor:	All Star I & E Inc.
Location:	9424 E Martin King Blvd, Jasper, Texas 75951
Legal Description:	Ab 147, Wm Ferguson, Tract 188, 1 Acres, Jasper County, Texas
Frontage:	FF on E Martin Luther King Blvd
Size:	1.00 Acres or 43,560 Square Feet
Consideration:	\$9,500 or \$0.22 PSF
Terms:	Cash to the Seller
Cash Equivalent:	Same
Days on the Market:	321 Days

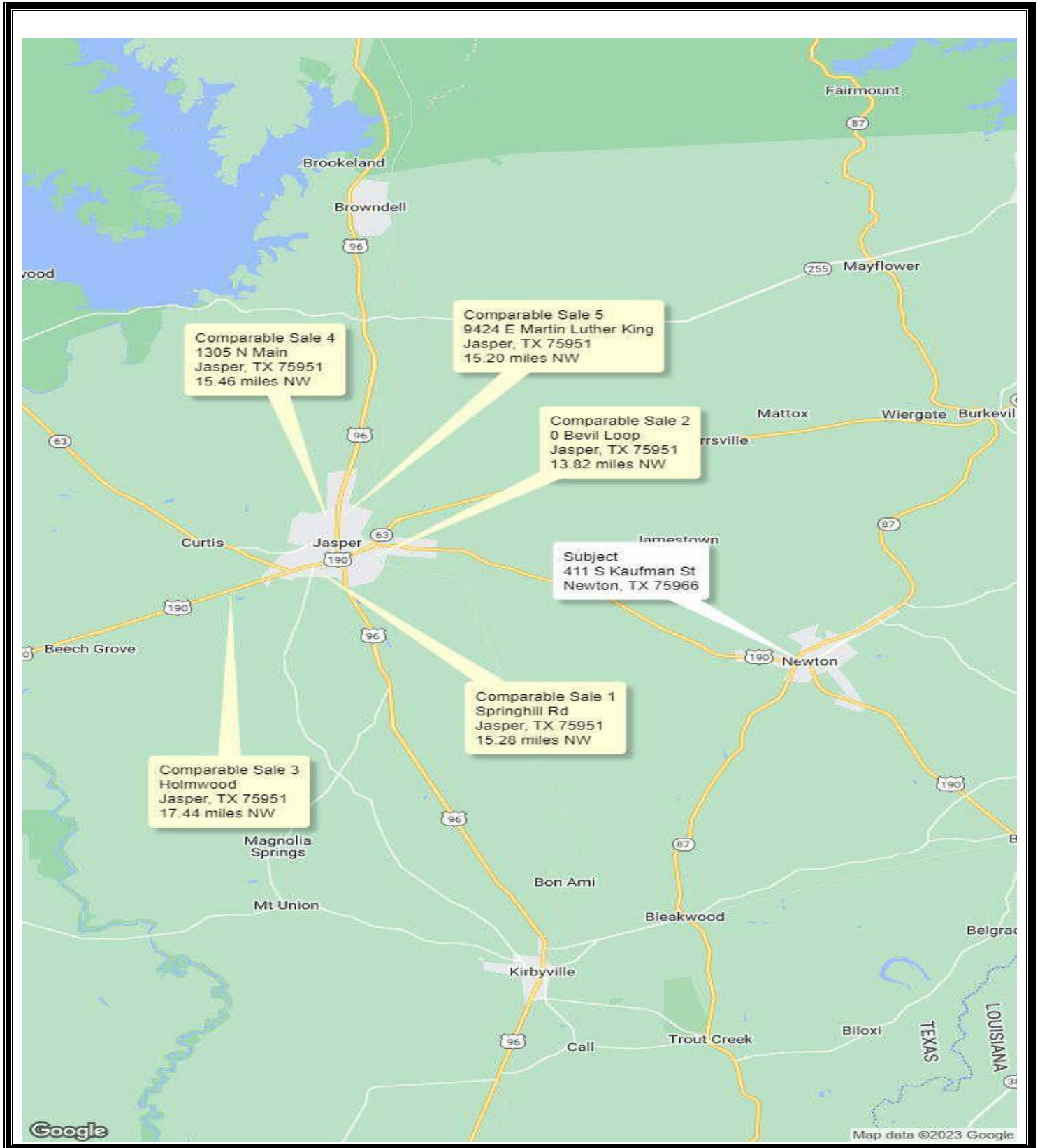
Features:	
Shape of tract:	Rectangular Shape
Zoning/Restrictions:	None: Unrestricted
Utilities:	None on Site
Topography:	Level, Above Street Grade.
Flood Plain:	Not within the 100-500-year Flood Plain
Easements:	Typical Utility Easements.
Use at Time of Sale:	Vacant Tract of Land
Current Use:	Vacant Tract
Prior Sale History:	No prior one-year Sale History
Highest and Best Use:	Mix-Use Development

Comments:

This sale is located along the corridor of E Martin Luther King Blvd, a major traffic corridor within the City of Jasper. The property has moderate to good exposure as well as visibility along the corridor of E Martin Luther King Blvd. It can adjust to

Confirmed by:	Representative of Grantor, Peggy Renee Ferrell-Sharp of Keller Williams Professionals, (713-550-4670)
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MAP OF LAND SALES



SALES SUMMARY					
Sale No.	Property Location	Sale Date	Size (SF)	Acre (Ac)	Price (PSF)
1	0 FM 252, Jasper, Tx	04/13/2018	52,141	1.1970	\$0.19
2	Bevil Loop, Jasper, Tx	08/27/2018	41,251	0.9470	\$0.12
3	Holmwood, Jasper, Tx	02/10/2020	17,424	0.1951	\$0.48
4	1305 N Main St, Jasper, Tx	09/20/2020	54,450	1.2500	\$0.33
5	9424 Martin Luther King, Jasper, Tx	06/30/2021	43,560	1.0000	\$0.22

Sales Analysis: There was limited data of sales which have recently sold and impacted by the same characteristics and features as the subject. Due to limited data of market transactions, the sales presented and summarized above were taken from a slightly broader geographical area than normally preferred. However, the sales within this analysis are considered the best available sales to compare to the subject property as of the effective date of this appraisal. The comparable sales used are considered to have similar highest and best uses, transactional elements, and property elements relative to the subject property. The Comparable Sale Summary Data Sheets in the attached addenda provide more specific details of each comparable sale used.

Elements of comparison are the characteristics of properties and transactions that help explain the variances in the prices paid for real property. The elements of comparison considered most pertinent to the valuation of the subject property are presented in the Sales Adjustment Grid below and discussed in the following analysis. The Sales Adjustment Grid illustrates the adjustments applied and indicates the final adjusted sale price for each sale based upon these elements.

SALES ADJUSTMENT GRID					
	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Sale Price (PSF)	\$0.19	\$0.12	\$48.00	\$32.33	\$41.03
TRANSACTIONAL ELEMENTS					
Financing Terms	0%	0%	0%	0%	0%
Adjusted Price	\$0.19	\$0.12	\$0.48	\$0.33	\$0.22
Conditions of Sale	0%	0%	0%	0%	0%
Adjusted Price	\$0.19	\$0.12	\$0.48	\$0.33	\$0.22
Market Conditions	0%	0%	0%	0%	0%
Adjusted Price	\$0.19	\$0.12	\$0.48	\$0.33	\$0.22
PROPERTY ELEMENTS					
Location	0%	0%	0%	0%	0%
Property Size	+50%	+50%	0%	+50%	+50%
Shape/Configuration	0%	0%	0%	0%	0%
Corner/Multi-street Influence	0%	0%	0%	0%	0%
Flood Zone	0%	0%	0%	0%	0%
Utilities	0%	0%	0%	0%	0%
Adverse Easements	0%	0%	0%	0%	0%
Zoning/Restrictions	0%	0%	0%	0%	0%
Other Property Elements	10%	10%	0%	0%	0%
Net Property Elements Adj.	+60%	+60%	0%	+50%	+50%
Final Adjusted Sale Price	\$0.30	\$0.25	\$0.48	\$0.49	\$0.33

Sequence of Adjustments: The sequence in which adjustments are applied to the comparable sales is determined by the market data and the appraiser's analysis of that data. Transactional adjustments are typically applied in the following sequence: 1) Real property rights conveyed; 2) Financing terms; 3) Conditions of sale; 4) Expenditures made immediately after purchase; 5) Market conditions. Transactional adjustments are considered to be cumulative adjustments whereby each consecutive adjustment made results in a new adjusted sale price for the comparable sale.

Unlike transactional adjustments, property adjustments do not have to be applied in a specific sequence and each one does not result in a new adjusted sale price for the comparable sale. Each property element is considered on its own merit; however, the final adjusted sale price for a comparable sale is determined by netting out the positive and negative percentage adjustments for the property elements in order to render a single additional percentage adjustment (i.e., Net Property Elements Adjustment) to be applied to the Market Conditions adjusted sale price. Per *The Appraisal of Real Estate, 14th Edition, 2013, by the Appraisal Institute*, typical property adjustments include the following: Location, Physical characteristics, Economic characteristics, Use/zoning, and Non-Realty components of value.

Explanation of Adjustments: Each comparable sale was directly compared to the subject property on an item-by-item basis. When a dissimilar transactional or property element was noted for the comparable sale relative to the subject, an adjustment was made to the sale price of the comparable, if warranted. Descriptions of each element of comparison and explanations for the adjustments applied are discussed below.

Financing Terms: The transaction price of each property may differ from that of an identical property based on the different types of financing arrangements. The definition of market value herein recognizes cash equivalent terms, provided that the calculation of these terms reflects the market. When atypical financing terms exist for a comparable sale, an appropriate adjustment (supported by market evidence) should be made to the comparable sale to reflect the cash equivalent price in terms of U.S. dollars that the seller actually or effectively received. A comparison of market data did not suggest or indicate the variances in unit values between the sales is related to financing. As a result, an adjustment for this line item is not made.

Conditions of Sale: The definition of market value herein requires typical motivations of buyers and sellers where there is no duress on either party to consummate the sale. An adjustment for conditions of sale usually reflects the motivation of either a buyer or a seller who is under duress to complete the transaction. When non-market sale conditions exist for a comparable sale due to atypical motivations of buyers and/or sellers, the sale is not considered to be an arm's-length transaction and an appropriate adjustment (supported by market evidence) should be made to the comparable sale. In this case, each of the sales employed in this analysis is considered true at-length arms sales and as a result, no adjustments were made.

Market Conditions: This analysis considers the effects of changing market conditions that may have resulted in appreciation or depreciation in market value since the date the comparable sale closed. The most comparable sales analyzed in this report occurred between the months of April 13, 2018, to June 30, 2021. The effective date of the opinion of value in this appraisal report is January 13, 2023.

Analysis of the sales as well as local listings and market trends suggest the market parameters have continued to remain stable with favorable trends over the past two to three years. Any noted variances in unit price of the sales are attributed to other factors that may be influencing value. Based on this premise, an adjustment for time/market conditions is not warranted.

Location: Location is a key element considered by purchasers of real estate. In the subject market area, commercial tracts located on major thoroughfares typically command higher prices than properties located on secondary commercial thoroughfares. The subject tract is located along the corridor of S Kaufman St, a major commercial traffic artery which serves as the southwest side entry way to the urban downtown district. As a result, the subject tract is exposed to moderate to high traffic patterns for the township.

Each of the sales in this analysis are located along major urban corridors with exposure to moderate and high traffic patterns. As a result, the subject and sales are treated as having reasonably similar locales and no adjustments for this line item is considered warranted.

Corner Influence: Corner lots generally sell at higher unit values than interior lots. This is usually attributed to increased traffic exposure and improved ingress/egress characteristics typically available to such properties. The subject has an interior locale. In this market, low impact secondary corner locale and interior locales within this market is treated as having a relatively similar market appeal. Therefore, no adjustment is made.

Property Size: In the subject market area, larger tracts of land typically sell at lower per unit prices than otherwise similar smaller tracts. This is attributed to the economic principle of supply and demand. Larger tracts require a larger capital investment, which restricts the number of market participants with the financial ability to invest in such tracts and the market demand.

In this case, the subject has approximately 0.3287 acres or 14,319 square feet of total land area. Comparatively, the sales ranged from a low of 0.1951 acres or 17,424 square feet to a high of 1.1970 acres or 52,141 square feet in total land area. Thus, the subject is slightly outside the bracketed range of the sales.

A comparison of market data, collectively indicate that there is an inverse relationship of size to unit values. As a result, smaller tracts have a higher unit value than those of larger tracts. In this instance, Sale 3 has the most physically similar relationship to subject than the remaining sales. Based on comparative analysis, the subject is treated as being superior in size relationship. Thus, an upward adjustment of 50% is made to Sales 1, 2, 4 and 5.

Shape/Configuration: The subject tract has a rectangular. Despite its shape, the size and configuration of the tract is amendable to development consistent with the market area. Similarly, each of the sales presented herein have shapes and configuration which allow for development consistent with surrounding uses. Based on this analysis, an adjustment is not made for shape/configuration.

Flood Zone: In the subject market area, tracts located in the flood plain and/or floodway typically sell for lower per unit prices than otherwise similar tracts not so affected. This is attributed to the increased development costs and restrictions often associated with such properties. Another factor affecting the market price of tracts located in the flood plain is the stigma associated with these properties. The subject site is not located within a hazardous flood area. Each of the sales employed in this analysis are not prone to hazardous flooding. As a result, the subject and sales are treated as having a similar relationship and an adjustment for this line item is not made.

Utilities: In the subject market area, tracts with access to public utilities and/or those with utilities connected to the site typically sell at higher prices than tracts without such utilities. The subject has utilities readily available to the site area. In comparison, all utilities and/or access to utilities of the competing sales are similar to the access to utilities as the subject tract. As a result, an adjustment for this feature is not warranted.

Adverse Easements: There are no adverse easements that affect the subject property or each of the comparable sales presented herein. Based on this premise, no adjustment is made for this item.

Zoning/Restrictions: Land use restrictions can impact a property's use, marketability, and value by limiting its potential uses. In this case, each of the sales presented in this analysis are unrestricted tracts which are not governed by deed or zoning ordinances. Thus, the subject and all sales can adapt to a variety of uses consistent with market trends within their respective market areas. Considering this premise, an adjustment for this line item is not warranted.

Other Property Elements: Other factors that might have an impact on the market value of real estate include drainage, adverse easements, i.e., topography. In this case, the subject and sales are treated as having a similar relationship in terms of topography and drainage.

Notably, the subject is cleared and not heavily wooded similar to Sales 1 and 4. Based on comparative analysis, an upward adjustment of 10% is made to Sales 1, 2 and 4.

Value Conclusion via the Sales Comparison Approach: Following the application of adjustments to the comparable sales on an item-by-item basis, the preceding Sales Adjustment Grid indicates an adjusted sale price range of a low of \$0.25 to a high of \$0.49 per square foot. In this case, Sale 2 is the most physically similar tract of land as compared to the subject and represents the upper limits of the sales adjusted value range. Notably, the adjusted unit value of Sale 4 is nearly identical to that of Sale 2. Based on a correlation of the data presented herein, Market Value for the subject site is indicated at \$8,400 or \$0.48 PSF.

COST APPROACH

Depreciated Value of Improvements: Improvements on the subject property are described in the Description of Improvements section of this report. In order to estimate the value of subject via the Cost Approach, it is necessary to estimate the reproduction cost new, less the depreciated value of the subject improvements plus land value. According to plans and specification (SOW), the subject property has received an infusion of **\$150,000** cash for major renovation and updating efforts. In this case, the subject is an existing structure which has been completely rehabilitated and contains approximately 6,400 square feet of gross building area.

According to Marshall & Swift Valuation Service, a national publication of construction cost for all types of improvement, the subject's facility is classified as a Good Class "C" structure. Notably, the building has been adequately maintained. The cost data utilized for subject facility was obtained from a correlation of data taken from Marshall and Swift Valuation Service, Section 11, Page 28, and local construction costs parameters thereby resulting in an estimated cost new of \$94.50 PSF. Notably, this unit cost does not include entrepreneurial profit which averages 10% to 15%. In this case, 15% is utilized and the cost new of subject is adjusted from \$110.00 PSF to \$126.50 PSF.

After applying the current multiplier of 1.05 and local multiplier of 0.90, the reproduction cost new for subject is adjusted to \$119.54 PSF.

This cost is then applied to the gross building area of 6,400 SF. See calculations below:

$$\begin{array}{rcccl} \frac{\text{Reproduction Cost New}}{\$126.50} & \times & \frac{\text{Local Multiplier}}{0.90} & \times & \frac{\text{Current Multiplier}}{1.05} & = & \frac{\text{Adjusted RCN}}{\$119.54 \text{ PSF}} \\ \\ \frac{\text{GBA}}{6,400 \text{ SF}} & \times & \frac{\text{Adj. RCN}}{\$119.54 \text{ PSF}} & = & \frac{\text{Total Cost New}}{\$765,056} \end{array}$$

The subject facility has covered front porch area which has approximately 800 square feet of concrete walkway pavement. According to Marshall & Swift Valuation Service, Yard and Improvements, Section 66, Page, 2, the reproduction cost new of the concrete pavement is \$8.25 PSF. Based on this premise, the proposed drive, pavement area is indicated as follows:

Concrete Walkway

800 SF @ \$8.25 PSF = \$6,600

Additional ancillary items include a upper level porch/balcony decking area of 500 square feet. According to Marshall & Swift Valuation Service, Yard and Improvements, Section 66, the reproduction cost new of the decking is \$15.00 PSF. Based on this premise, the proposed drive, pavement area is indicated as follows:

Upper-Level Decking

500 SF @ \$15.00 PSF = \$7,500

ACCRUED DEPRECIATION

In estimating depreciation for subject, all forms of depreciation, which include physical curable and incurable, functional curable and incurable, location/economic obsolescence were considered. Physical curable is defined as that loss in value from the cost new, which can be recovered or offset by corrections, repairs or replacement of the defective items causing the loss. This type of depreciation is present with subject property.

Physical incurable is that loss from cost that would involve expenditure in excess of value. This form of depreciation is applicable to those items that are expected to be shorter lived than the remaining economic life of the structure that has no depreciation. The subject is proposed construction and this form of depreciation is not present at this time.

Functional curable is identified as a loss in value from cost resulting from causes within the property's bounds. The causes do not consider deterioration, which can be offset by repair or replacement, but is measured by a functional deficiency in the subject. This form of depreciation was not observed in the subject.

Functional Incurable is a loss in value from the cost new, due to causes within the property, excluding physical deterioration. This form of depreciation is not observed in subject property.

Location or Economic Obsolescence is identified as a loss in value from the cost new due to external forces on the property. It is measured by a loss in income to the subject. This form of depreciation was not observed in subject property.

In the implementation of the Age/Life Methodology, all forms of depreciation discussed above were considered. However, the applicable types of depreciation are reflected in the Age-Life method of estimating depreciation. This method includes the Effective Age divided by the Total Life Estimate of each property. Effective Age can be more or less than actual age depending on the condition of subject property at time of inspection. The condition can shorten or extend the useful life of a property. These estimates are based on age, wear-tear and observed condition at the time of inspection. Additionally, the depreciation schedules offered by Marshall & Swift Valuation Manuals were considered. These parameters are used via the Age-Life Method.

As earlier noted in the Improvement Analysis Section and throughout this analysis is based on the renovated condition of the subject. As a result, the life expectancy of the subject has been extended and the effective indicated at 20 years. According to Marshall & Swift Valuation Service and correlation of local market data, the typical life expectancy of subject is estimated at 60 years. Thus, the Age/Life Methodology (20/60) for the subject is indicated at 33%.

COST APPROACH SUMMATION

OFFICE/WAREHOUSE BUILDINGS

Reproduction Cost New	\$756,078	
Less Depreciation	<u>\$302,431</u>	
Depreciated Value of Improvements		\$453,647

COST NEW OF ANCILLARY ITEMS

Concrete Walkway/Drive/Parking	\$ 4,500	
Upper Wood Decking/Balcony	<u>\$ 3,960</u>	
Depreciated Value		\$ <u>8,460</u>

COST NEW OF ALL IMPROVEMENTS **\$462,107**

LAND VALUE/DIRECT SALES COMPARISON APPROACH **\$ 8,400**

ESTIMATED VALUE BY COST APPROACH **\$470,507**

® **\$471,000**

RECONCILIATION AND FINAL VALUE ESTIMATE

The final step in the Valuation Process is Reconciliation and Final Value Estimate. Reconciliation may be defined as: **“the bringing together of parts of a proper relationship.”** The following approaches to value are:

<i>Direct Sales Comparison Approach</i>	
<i>Land Value Only</i>	\$8,400
<i>Whole Property</i>	<i>N/A</i>
<i>Income Approach</i>	<i>N/A</i>
<i>Cost Approach</i>	\$471,000

These approaches are representative of the value of the subject property. Each step in each approach utilized was carefully examined and analyzed. Usually, one approach tends to be more logical because of the availability or reliability of data and in this instance because of the renovated condition of the subject facility. More appropriately, value is finally determined in the marketplace when sufficient data is available.

In the Direct Sales Comparison Approach, the subject property is compared to similar properties that have recently sold. The sales utilized in this analysis are considered the most comparatively similar in overall features with adjustments based on reasonable and well supported rationale. The weakness of this approach is that no two properties are ever alike; amenities and purchase considerations are intangible qualities that are sometimes difficult to compare; and in many instances, exact conditions of sales are unknown. The strength of this approach is that it measures actions of buyers and sellers for competitive type properties. Market participants routinely analyze purchase price(s) of investment properties such as subject with available substitutes within the market. In this case, this approach was instrumental in valuing only the subject site. Due to a lack of verifiable qualitative and quantitative data, the Sales Comparison Approach was not employed in valuing the subject improvements.

As previously noted, the subject is a unique property and generate transitional income which is part of the going concern. In this case, the subject is a transitional property and there are no verifiable quantitative nor qualitative financial data that would allow this approach to serve as a reliable indicator of value in this assignment. Based on this premise, the Income Approach is not employed in this analysis.

The Cost Approach considers reproduction cost (new) less depreciation plus land value. This approach was an excellent measure of value in this instance because of renovation, cosmetic updating, and reconfiguration of subject property. The strength of this approach is predicated on reasonable cost data, which was obtained from cost data of local contractors as well as national publication sources. The weakness in this approach is the estimation of depreciation. In this case, the subject property is more than 50 years of age and has experienced significant depreciation over the years. The subject facility has been renovated and updated to rival the condition and features of newer/modern construction. In this case, this approach was highly instrumental in providing a credible estimate of market value.

Considering the scope of services, type of property, renovated condition along with current market conditions, Market Value/Value in Use as “Renovated” as of January 13, 2023, is estimated at:

FOUR HUNDRED SEVENTY-ONE THOUSAND DOLLARS
\$471,000.00

ADDENDUM

CERTIFICATE OF VALUE

I certify that, to the best of my knowledge and belief

- The statements of the facts 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 our personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest or bias with respect to the parties involved.
- The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of subsequent event.
- The analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and the reporting requirements of various regulatory agencies.
- The appraiser signing this report has personally inspected the subject property and the comparable sales presented in the report.

- The reported analyses, opinions, and conclusions have been developed, and this report has been
- prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Texas Appraiser Licensing and Certification Board (TALCB).
 - TALCB requires state licensed appraisers to provide proof of continuing education at the time of license renewal. Appraisers who comply with the Mandatory Continuing Education requirements have their licenses renewed for a two-year period. As of the date of this report, Ronald C. Lewis has satisfied the mandatory continuing education required.
 - Ronald C. Lewis is a State Certified General Real Estate Appraiser – Cert. No. TX-1329836-G.

The estimate of Market Value/Value in Use (As Renovated) for the Subject as of January 13, 2023, is:

FOUR HUNDRED AND SEVENTY-ONE THOUSAND DOLLARS
\$471,000.00

A handwritten signature in black ink, appearing to read "Ronald C. Lewis". The signature is written in a cursive style with a horizontal line at the end.

Ronald C. Lewis
State Certified General Appraiser
TX-1329836-G

ASSUMPTIONS AND LIMITING CONDITIONS

That the date of value to which the opinions expressed in this report applies is set forth in the Letter of Transmittal. The appraiser assumes no responsibility for economic or physical factors occurring at some later date that may affect the opinions and conclusions stated herein.

That no opinions are intended to be expressed for legal matters or that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraiser, although such matters may be discussed in this report.

That no opinion as to title is rendered. The name of owner and legal description was obtained from sources generally considered reliable. Title is assumed to be marketable and free and clear of all liens, encumbrances, easements, and restriction except those specifically discussed in this report. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.

The appraiser has made that no engineering survey. Except as specifically stated, data relative to size, location and dimensions were taken from sources considered reliable and no encroachment or real property improvement is assumed to exist.

That maps, plats, and exhibits included herein are for illustration only, as an aid to the reader in visualizing matters discussed in the report. These items should not be considered as surveys or relied upon for any other purpose.

That no detailed soil studies covering the subject property were available to the appraiser. Therefore, premises as to soil qualities employed in this report are not conclusive but have been considered consistent with information available to the appraiser.

The property is appraised as though free and clear, under responsible ownership, and competent management. All existing liens and encumbrances have been disregarded, unless specifically stated so in the report.

Unless otherwise stated herein, all the improvements described in the report are considered operational and in good condition.

Unless stated otherwise in the report, the appraiser observed no presence of hazardous materials on or in the property. The appraiser has no information on the existence of such materials and is not qualified to detect it. The presence of such materials on or in the property could affect the appraiser's opinion of market value. However, the value estimated herein is based on the assumption that no hazardous materials are present on or in the subject property, and the appraiser accepts no responsibility for determining the existence of such condition. Should there be any question as to the existence of such hazardous materials, an expert in this field should be consulted to determine the extent of contamination and remediation cost, if any.

QUALIFICATION OF APPRAISER

Ronald C. Lewis

Ronald C. Lewis is an active State Certified General Appraiser and has been engaged in real estate since 1982.

Mr. Lewis is a native Houstonian and graduate of Forest Brook Senior High School. He attended Bishop College and Houston Community College with heavy concentration in Real Estate. Mr. Lewis has pursued a Bachelor's Degree in Leadership Ministry at the College of Biblical Studies and awaiting completion for conferment. In addition, he has taken extensive courses from Marylhurst University within their Bachelor's Degree in Real Estate Studies. Upon completion, Mr. Lewis has imminent plans for doctoral studies in Real Estate Valuation. During his tenure as an appraiser, Mr. Lewis has been involved in the appraisal of residential, commercial, special purpose and right-of-way acquisitions within the State of Texas and Florida, respectively.

Mr. Lewis is pursuing the Senior Residential Appraiser (SRA) and MAI designations. In addition to real estate studies, He has taken extensive course offered by the Appraisal Institute and International Right of Way Association.

COPY OF LICENSE

RONALD C LEWIS
8526 PARKHILL FOREST DR
HOUSTON, TX 77088



Certified General Real Estate Appraiser

Appraiser: Ronald C Lewis
License #: TX 1329836 G

License Expires: 12/31/2024

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

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


Chelsea Buchholtz
Commissioner