APPRAISAL REPORT

Religious Facility
824 West Pipeline Road
Hurst, Tarrant County, Texas 76053

As Of

February 1, 2024

Tina P. Williams Ministries, Inc.
824 West Pipeline Road
Hurst, Texas 76053

Prepared By

BRG, Incorporated
Real Estate Appraisers/Consultants
Tax ID # 752447754

12111 Bella Italia Drive, Suite 200
Fort Worth, Texas 76126
(817)572-3007

February 7, 2024

Tina P. Williams Ministries, Inc.
Mr. Xavier Williams
824 West Pipeline Road
Hurst, Texas 76053

RE: Appraisal Report of a Religious Facility located at 824 West Pipeline Road, Hurst, Tarrant County, Texas 76053.

BRG File #: 2024-01-38

Dear Mr. Williams:

As you requested, we have performed an appraisal of the above-referenced property for the purpose of estimating the market value **"As Is"**, as defined in this report, of the fee simple estate, as of February 1, 2024. We personally inspected the subject property on February 1, 2024 and investigated all available market data considered pertinent to deriving a value estimate for the subject. It is our intent to comply with 12 CFR 34.42(g), Department of the Treasury, Office of the Comptroller of the Currency, as well as the Uniform Standards of Professional Appraisal Practice (USPAP). It is noted that **Tina P. Williams Ministries, Inc.** is our client and is the intended user of this report. The intended use of this appraisal is for internal evaluation purposes. Use of this report by any other company or individual is not intended by BRG, Incorporated.

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

The attached appraisal report sets forth the identification of the subject property, the assumptions and limiting conditions, pertinent data about the subject and factors affecting the property and describes the approaches to value and the conclusions derived by the application of these approaches.

The basis for the above value conclusion is explained in more detail in the contents of the attached report plus addenda. The opinion of value stated above, as well as every other element of this appraisal report, is qualified in its entirety by the general assumptions and limiting conditions set forth in another part of this report and which are an integral part of this report.

Extraordinary Assumption(s): Per USPAP, this is an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. The following extraordinary assumption applies to this analysis:

The site does not appear to be encumbered by any adverse easements, encroachments, or restrictions. A current survey or title policy was not provided to the appraiser; therefore, the value estimate contained in this report is subject to change if any adverse easements, encroachments, or restrictions exist. "Subsurface rights (mineral rights) were not considered in this appraisal unless specifically noted otherwise. In general, consideration of any mineral ownership is beyond the scope of this assignment. The value of minerals varies considerably and in Texas the mineral owners is the dominant estate. In recent years, drilling activity for natural gas in the Barnett-Shale formation of North-Central Texas has increased significantly; therefore, mineral interests or lack thereof can have a significant impact on the value of a property. The appraiser has not been made aware of any designated drill sites or areas that would encumber the surface owner and no consideration was given to possible use of the surface for mineral production. Given this, this appraisal is made under the assumption all of the surface is useable and mineral owners will not restrict the use of the surface in any capacity."

Hypothetical Condition(s): Per USPAP, this refers to that which is contrary to what exists but is supposed for the purpose of analysis. These type conditions assume conditions contrary to known facts about physical, such as market conditions or trends; or about the integrity of data used in an analysis. There are no hypothetical conditions that apply to this analysis.

For the purpose of this analysis, the Income Approach has been excluded. The subject property would most likely be purchased for owner occupancy. Given that religious facilities are generally owner-occupied, there would be very limited rental data to analyze, thus, the reliability of the income approach is diluted. The methods of valuation which were utilized include the Cost Approach and the Sales Comparison Approach. The Cost Approach and The Sales Comparison Approach were considered a reliable valuation method since a sufficient number of improved sales were available for analysis.

During inspection of the subject, no conditions were observed that would indicate the presence of hazardous substances, such as petroleum leakage, asbestos, agricultural chemicals, and other adverse environmental conditions. No environmental study was provided for review. The value stated in this report is subject to change if an expert in the field detects any hazardous substances or environmental conditions. We are not qualified to detect or measure hazardous materials and this appraisal is predicated upon the assumption that environmental hazards do not exist on the subject.

Based on the analyses and conclusions in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in this report, it is our opinion that the market value **"As Is"** of the fee simple estate of the subject, as of February 1, 2024, should be:

-- THREE MILLION THREE HUNDRED THIRTY FIVE THOUSAND DOLLARS--
-- $3,335,000 --

The above value is for real estate only and *does not include* any contributory value to the furnishings, fixtures, and equipment (FF&E).

Support and explanation for our value conclusion is explained in detail in the contents of the attached report. It has been a pleasure to assist you, and if we can be of service to you in the future, please let me know.

Respectfully Submitted,

BRG, Incorporated

Chuck Sponsler, MAI, ASA, BCA, MRICS
State Certified General Real Estate Appraiser
Certificate No. TX-1323205-G
Expiration June, 2024

Robert A. Bristol, MAI
State Certified General Real Estate Appraiser
Certificate No. TX-1322038-G
Expiration July, 2025

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EXECUTIVE SUMMARY

BRG File #:	2024-01-38
Identification of Property:	The subject property is located along the north side of W. Pipeline Road in Hurst, Tarrant County, Texas. The subject site has a physical address of 824 W. Pipeline Road, Hurst, Texas 76053. According to information provided by the Tarrant County Appraisal District, the subject site contains approximately 3.7329 acres (162,208 s.f.). The property is currently improved with a 35,221 s.f. religious facility.
Legal Description:	Lot 1R, Block 1, Pipeline Road Church of Christ Addition, an addition to the City of Hurst, Tarrant County, Texas. A survey was not provided.
Purpose of Appraisal:	Estimate the market value **"As Is"** of the fee simple estate, as defined in this report, as of February 1, 2024.
Assessor's Parcel No:	41583345 (TCAD)
Effective Date of Appraisal:	February 1, 2024.
Date of Inspection:	February 1, 2024.
Date of Report:	February 7, 2024.
Zoning:	"U" – Institutional District, by the City of Hurst Zoning Authorities.
Improvement Description:	The property is currently improved with one (1), one/two-story, masonry, church/religious building.
Gross Usable Building Area:	35,221 SF.
Year of Construction:	1972-2012.
Quality of Construction:	Average.
Condition of Improvements:	Average/Fair.
Land to Building Ratio:	4.61:1 (based on total building coverage of 35,221 s.f.).
Highest and Best Use:	"As Vacant" – Commercial use. "As Improved" – Religious facility.

Exposure Time:	The following value indication is based on a 24-month exposure time which is considered reasonable given the subject's location, the current market activity in the subject's neighborhood, and the relatively healthy local economy.

Value Conclusions

	"As Is"
Sales Comparison Approach:	$3,330,000
Income Approach:	N/A
Cost Approach:	$3,340,000
Reconciled Value:	$3,335,000

PHOTOGRAPHS OF SUBJECT

Northwesterly view of subject property, February 1, 2024.

Northwesterly view of subject property, February 1, 2024.

PHOTOGRAPHS OF SUBJECT

Westerly view of subject property, February 1, 2024.

Southwesterly view of subject property, February 1, 2024.

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Southwesterly view of subject property, February 1, 2024.

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Southwesterly view of subject property, February 1, 2024.

Southerly view of subject property, February 1, 2024.

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Southeasterly view of subject property, February 1, 2024.

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Southeasterly view of subject property, February 1, 2024.

Northeasterly view of subject property, February 1, 2024.

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Interior view of subject property, February 1, 2024.

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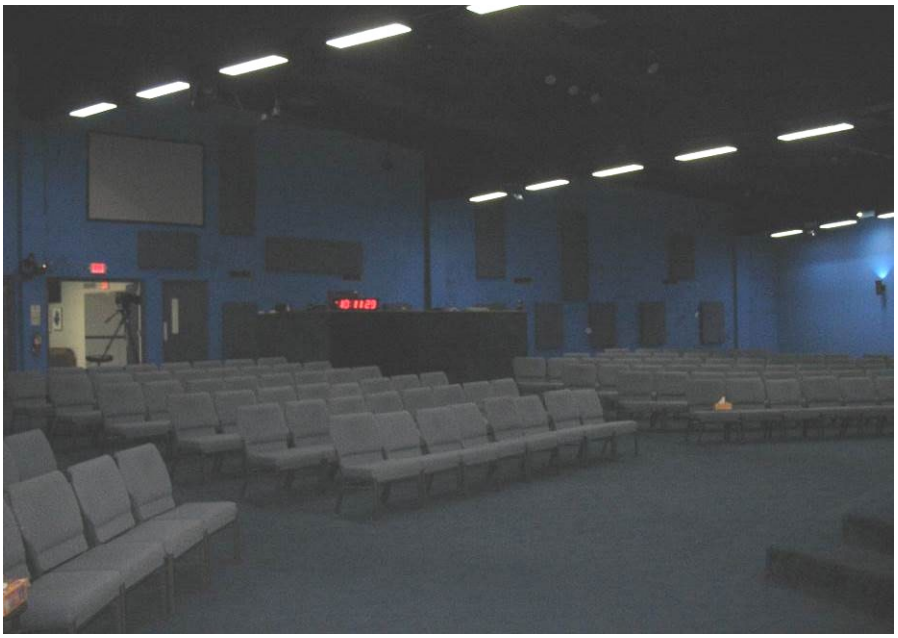
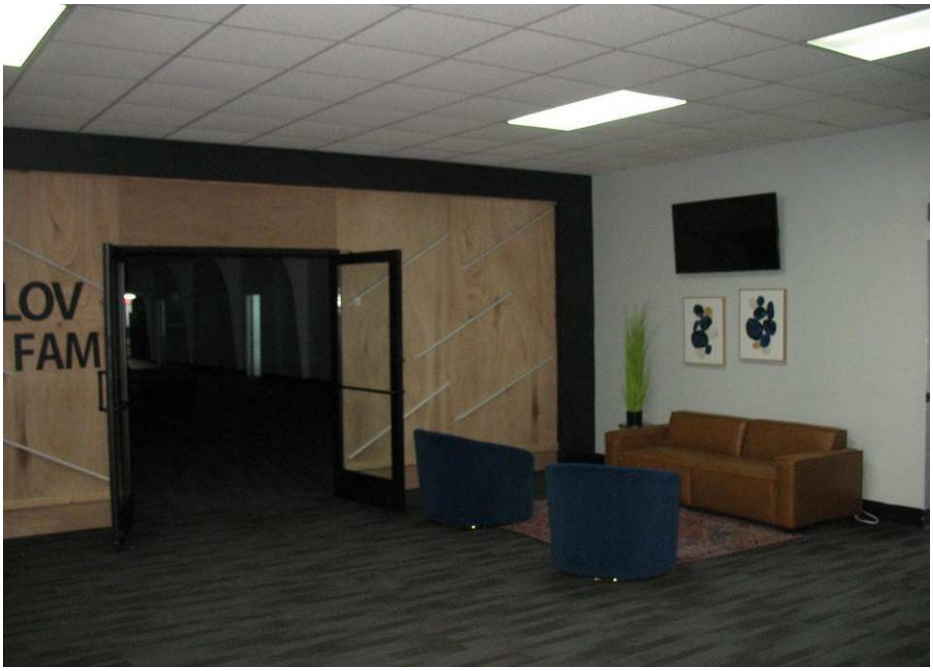


Interior view of subject property, February 1, 2024.



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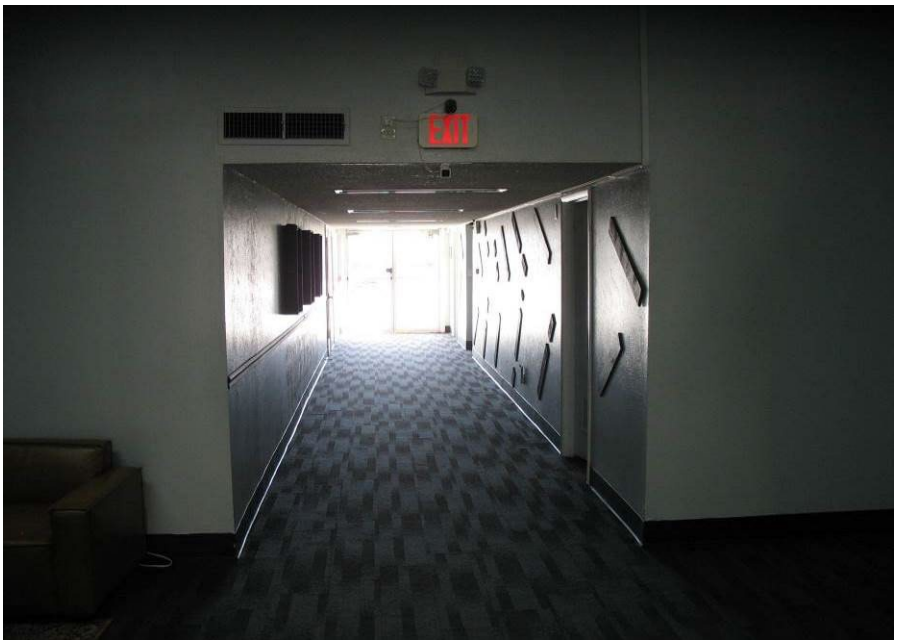

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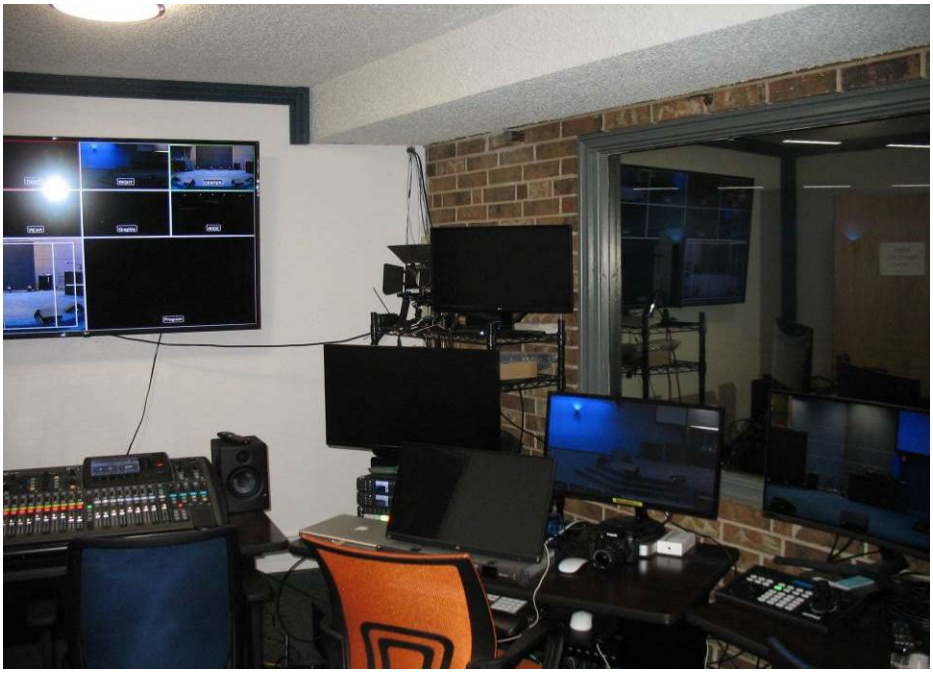

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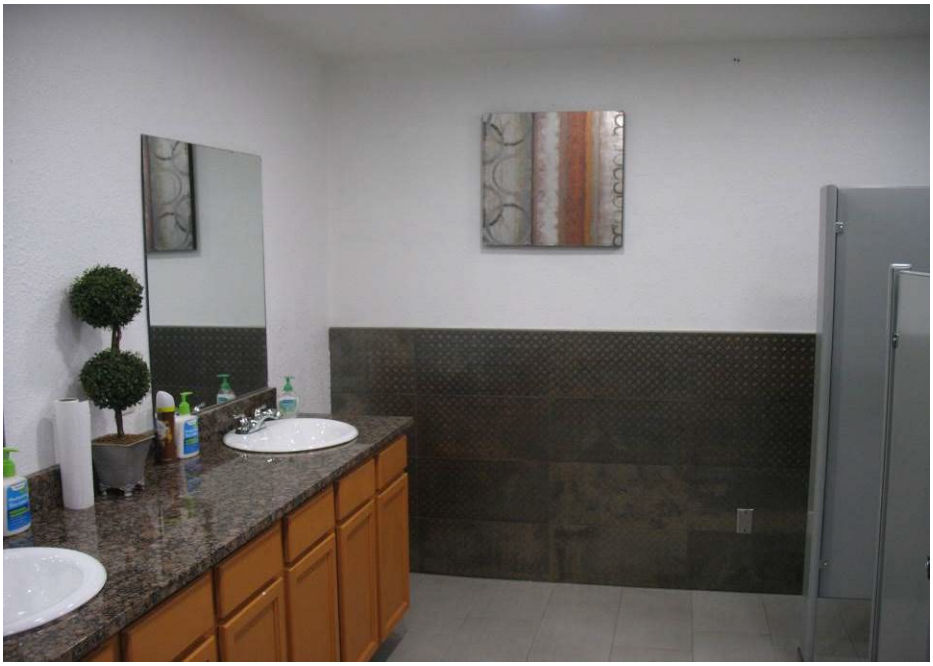

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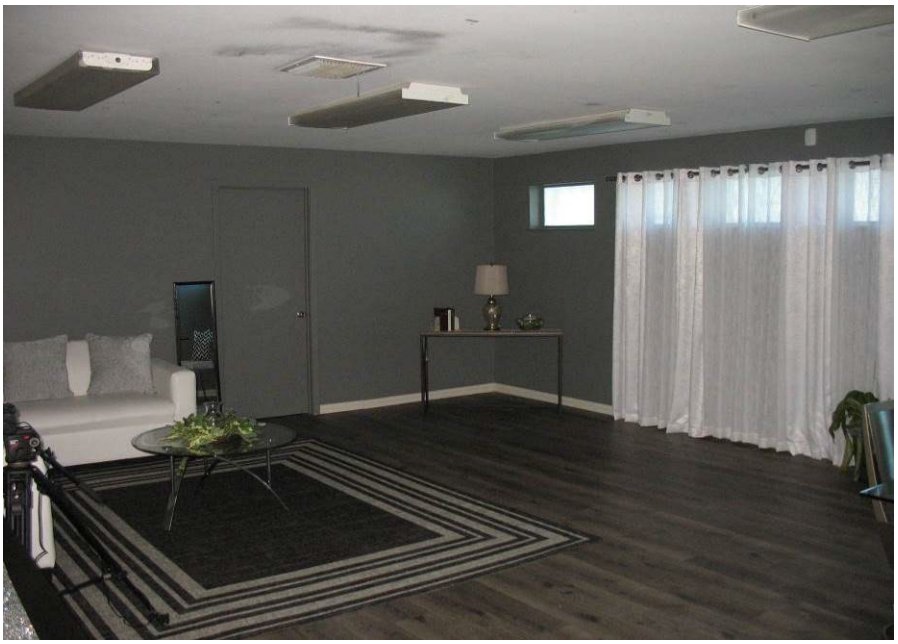

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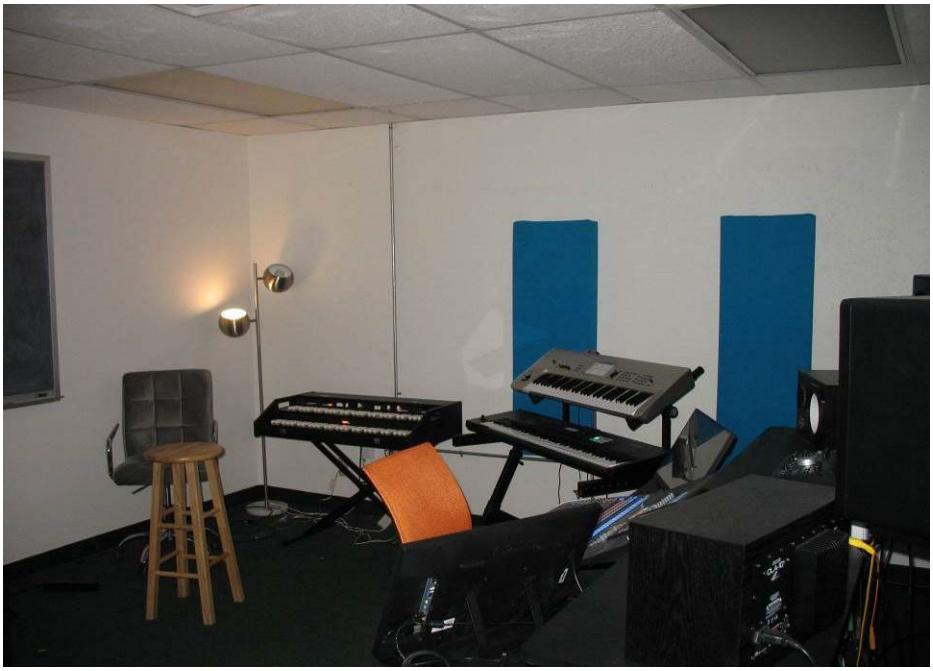

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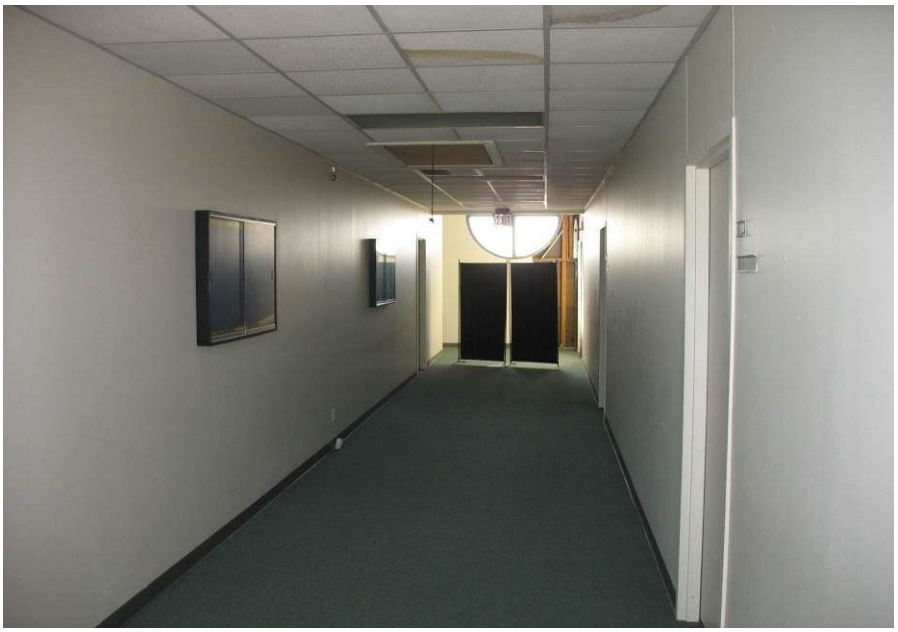


Interior view of subject property, February 1, 2024.

Interior view of subject property, February 1, 2024.

PHOTOGRAPHS OF SUBJECT

Easterly view of W. Pipeline Road, February 1, 2024.

Westerly view of W. Pipeline Road, February 1, 2024.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value **"As Is"**, of the fee simple estate, as of February 1, 2024, briefly described as:

Lot 1R, Block 1, Pipeline Road Church of Christ Addition, an addition to the City of Hurst, Tarrant County, Texas. A survey was not provided.

The purpose of this appraisal is to estimate only the Market Value of the subject property. If we were asked to estimate Fair Market Value as used in the Deficiency Statutes (Chapter 51 of the Texas Property Code, amended April 1, 1991), Fair Market Value would be equal to or less than Market Value.

SCOPE OF THE APPRAISAL

As part of this appraisal, we have completed the following steps to gather, confirm, and analyze the data.

- Physically inspected the subject and the surrounding neighborhood.
- Collected factual information about the subject and the surrounding market and confirmed that information with various sources.
- Prepared a highest and best use analysis of the subject site as though vacant and of the subject as improved.
- Collected and confirmed market information needed to consider the three traditional approaches to value: cost approach, sales comparison approach and income capitalization approach.
- Prepared an appraisal report setting forth the conclusion derived in this analysis as well as the information upon which the conclusions are based.

This appraisal report is intended to comply with the reporting requirements set forth under *Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice*. The appraiser is not responsible for unauthorized use of this report. All of the three traditional approaches to value have been considered in this appraisal. Additional information regarding the appraisal methods used can be found in the individual sections of this report.

For the purpose of this analysis, the Income Approach has been excluded. The subject property would most likely be purchased for owner occupancy. Given that religious facilities are generally owner-occupied, there would be very limited rental data to analyze, thus, the reliability of the income approach is diluted. The methods of valuation which were utilized include the Cost Approach and the Sales Comparison Approach. The Cost Approach and The Sales Comparison Approach were considered a reliable valuation method since a sufficient number of improved sales were available for analysis.

PROPERTY RIGHTS APPRAISED

The property rights appraised are the fee simple estate of the subject property. As defined by The Appraisal of Real Estate, A.I., 14th Edition, the fee simple ownership interest is defined as, "...absolute ownership unencumbered by any other interest or estate. A fee simple estate is subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

DEFINITION OF MARKET VALUE

Issued by the Comptroller of the Currency in Subpart C, Section 34.42 (f) under 12 U.S.C. 93a and title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

Market value means the most probable price which a property should bring in a competitive and open market under all condition's requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

Item #3 of the above definition, referring to reasonable time for exposure, is estimated to be consistent with a period of approximately two years. Exposure time refers to time that occurred prior to the appraisal date, and the estimated one-year exposure time for the subject is based on the analysis of market conditions, trends, and statistical information presented in this report.

INTENDED USE AND USER AND OTHER USERS OF REPORT

Tina P. Williams Ministries, Inc. is our client and is the intended user of this report. The intended use of this appraisal is for internal evaluation purposes. Use of this report by any other company or individual is not intended by BRG, Incorporated.

SUBJECT HISTORY AND STATEMENT OF OWNERSHIP

As required by the Code of Professional Ethics and Standards of Professional Practice established by the Appraisal Institute, a non-residential appraisal report must consider and analyze any current agreement of sale, options, listings, or prior sales of the subject occurring within the last three years.

As per county records, the subject is under the ownership of Tina P. Williams Ministries. The property has been under the same ownership in excess of three years and no further investigation was made into the ownership history. The property is not currently under contract for sale or listed for sale.

AD VALOREM TAXES

The Tarrant County Appraisal District assesses real estate in Tarrant County at 100% of market value. The individual taxing entities then set their rates based on those values. The subject property is located in the taxing jurisdictions of the Hurst-Euless-Bedford Independent School District, the City of Hurst, and Tarrant County. The property is identified as Account No. 41583345 (TCAD).

JURISDICTION	TAX RATE:
Tarrant County	$0.501170
Hurst-Euless-Bedford ISD	$0.921100
City of Hurst	$0.581150
Total:	**$2.013950**
Total Assessed Value	$4,040,327
Total Tax Liability	(See comments)

Comments: The above tax rates are for tax year 2023 and are expressed per $100 of property value. On some occasions and in some municipalities, religious facilities are taxed on their vacant land. This trend appears to be growing for local municipalities to levy ad valorem taxes on non-profit groups. In the case of the subject property, the property is currently being used as a religious facility and is exempt for local taxes.

THE VALUATION PROCESS

"The valuation process begins when an appraiser fully identifies the appraisal problem and ends when he or she reports the solution to the client.

The valuation process is accomplished by following specific steps; the number of steps used depends on the nature of the appraisal assignment and the data available. However, the model indicates a pattern that can be used in any appraisal assignment to perform market research and data analysis, to apply appraisal techniques and to integrate the results of these activities into an estimate of defined value. To complete the valuation process, the appraiser integrates the information drawn from market research and data analysis and from the application of appraisal techniques in the three approaches to form a conclusion. This conclusion may be presented as a single estimate of value or as a range in which the value may fall. An effective integration of all these elements depends on the appraiser's skill, experience, and judgment. The valuation process is presented graphically below (The Appraisal of Real Estate, A.I., 14th Edition). The valuation process is summarized as follows:

Definition of the Problem	
Identification of real estate	
Identification of property rights to be valued	
Date of value estimate	
Use of appraisal	
Definition of value	
Other limiting conditions	
Preliminary Analysis and Data Selection and Collection	
General	Specific (Subject and Comps)
Social	Site and improvements
Economic	Sales and listings
Government	Cost and depreciation
Environmental	Income/expense & capitalization rate
Highest and Best Use Analysis	
Land as though vacant	
Property as improved	
Land Value Estimate	
Application of the Three Approaches	
Sales Comparison Cost Income Capitalization	
Reconciliation of Value Indications and Final Value Estimate	
Report of Defined Value	

As indicated by the previous summary, there are three recognized approaches or techniques to value which the appraiser can use in deriving a value estimate for the subject property. These approaches are used to process all relevant data into an overall value estimate. All three approaches to value should be used if possible; however, in some instances and property types the use of all three approaches may be prohibited.

The three approaches are commonly known as the **Sales Comparison Approach**, the **Income Approach,** and the **Cost Approach**. When one or more of these approaches is not applicable in the appraisal process; full justification must be presented. A brief explanation of each approach follows:

The **Sales Comparison Approach** is a technique where the appraiser researches the market for recent sales transactions considered comparable and significant to the property being appraised. From this data, units of comparison are developed with the differences and similarities of the properties being compared to the subject property to reach an estimated value. Inferior factors are adjusted upward to simulate the subject while superior factors are adjusted downward to simulate the subject. One of the underlying fundamentals of the sales comparison approach is the principle of substitution. This principle holds that the value of a property tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability.

The **Income Approach** is a process in which the anticipated flow of future benefits (actual dollar income or amenities) is discounted to a present worth figure through the capitalization process. The appraiser is primarily concerned with the future benefits resulting from net income. Net income is the remainder after deduction of expenses of operation from effective gross income. The steps in this approach include estimating potential gross income by comparison with competing properties in the area. From this figure, vacancy and collection losses are deducted along with estimated operating expenses (derived from historical and/or market experience) to determine a projected net income stream. The income stream is then capitalized into an indication of value by using capitalization rates extracted from competitive properties in the market or by using other techniques when applicable. The principle of anticipation and change are fundamental to the income approach since value is created by the expectation of benefits to be derived in the future. Other principles which apply, include supply/demand, substitution, balance, and externalities.

For the purpose of this analysis, the Income Approach has been excluded. The subject property would most likely be purchased for owner occupancy. Given that religious facilities are generally owner-occupied, there would be very limited rental data to analyze, thus, the reliability of the income approach is diluted. The methods of valuation which were utilized include the Cost Approach and the Sales Comparison Approach. The Cost Approach and The Sales Comparison Approach was considered a reliable valuation method since a sufficient number of improved sales were available for analysis.

In the **Cost Approach**, the first step is to estimate the value of the subject site by comparing it to similar sites that have recently sold or are currently offered for sale. The next step involves estimating the reproduction cost new of the improvements by a contractor's estimate, surveying similar properties recently constructed, or by using a reputable cost manual. From the reproduction cost new, depreciation from all sources is estimated and subtracted to arrive at a depreciated

reproduction cost new of the improvements. The depreciated cost of the improvements is then added to the estimated site value with the result being the indicated value by the Cost Approach. The principle of substitution is basic to the cost approach since it is reasonable to assume that no prudent investor would pay more for a property than the cost to acquire the site and construct improvements of equal desirability and utility without undue delay. The cost approach was utilized in this report due to the special use nature of the property (i.e., Church Facility).

The **Reconciliation** takes the value estimates, as indicated by the three approaches, and correlates them into a final estimate of value for the property. In the final reconciliation, the relative significance, defensibility, and applicability of each approach as it pertains to the type of property being appraised are weighed. In this instance, Sales Comparison and Cost Approaches to value, briefly outlined above, will be utilized in the valuation of the subject property.

An introductory discussion outlining the basis of each approach utilized in the appraisal is included for your reference, as well as a copy of all related comparable sales. Your attention is now directed to the following analyses.

FORT WORTH REGIONAL ANALYSIS

Moody's Analytics

FORT WORTH-ARLINGTON TX

Data Buffet® MSA code: IUSA_DMFTW

ECONOMIC DRIVERS

MANUFACTURING | LOGISTICS

EMPLOYMENT GROWTH RANK

2021-2023	2021-2026
15	20
1st quintile	1st quintile

Best=1, Worst=410

RELATIVE COSTS

LIVING	BUSINESS
104%	97%

U.S.=100%

VITALITY

RELATIVE: 0.54, Rank: 52

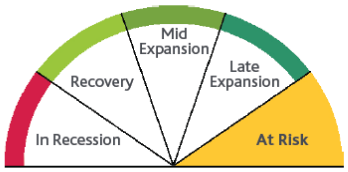
Best=1, Worst=403

QUALITY

OF LIFE: 171

Best=1, Worst=378

BUSINESS CYCLE STATUS



STRENGTHS & WEAKNESSES

STRENGTHS

- Central Southwest location near Latin America supports distribution industry.
- Relatively high housing affordability attracts homebuyers employed in Dallas.

WEAKNESSES

- Large military procurement industry is sensitive to political winds.
- Exposure to motor vehicle and energy industries adds to cyclical volatility.

FORECAST RISKS

SHORT TERM ↑ | LONG TERM ↑

RISK EXPOSURE 2022-2027: 53, 1st quintile (Most=1, Least=403)

UPSIDE

- Air travel and hospitality grow faster as concerns about contagion ebb.
- Military aircraft production rebounds more strongly as supply-chain issues resolve.

DOWNSIDE

- Homebuilding weakens more than expected because of rising interest rates.
- Energy-related manufacturing is slow to rebound because of the decline in oil prices.

MOODY'S RATING

Aaa COUNTY AS OF DEC 15, 2022

ANALYSIS

Recent Performance. Fort Worth-Arlington expanded steadily throughout 2022, with overall job growth a percentage point faster than the national average during that time. The private sector led the way. In particular, core manufacturing has accelerated and healthcare has risen strongly since June. However, professional services have declined, as has government. The latter has underperformed partly because workers chose better-paying options outside the public sector. The unemployment rate is down to 3.3%, comparable to its low in early 2020, and the labor force has grown robustly. Average hourly earnings have risen at twice the national average pace over the past three years; in early 2022, the level surpassed the national average for the first time since 2014. As elsewhere in the country, the housing market has contracted.

Military manufacturing. Although production of the F-35 should ultimately ramp up to full capacity of 156 planes per year, headwinds will continue to impede that transition. The Pentagon, which purchases the F-35, needs to complete a full set of tests of the plane's capability in the Joint Simulation Environment, but the completion of the development of the JSE itself is at risk of being delayed again. Previously, the main bottleneck in 2021 had been supply-chain issues that limited deliveries to 142 planes, and a mishap on a Texas runway limited deliveries in 2022 to 141. Military demand will be another uncertainty amid concerns about costs. For example, the Air Force, the aircraft's largest buyer, lowered its procurement from 48 in fiscal 2022 to 33 in fiscal 2023. Still, Lockheed projects that more than 2,000 planes will ultimately be built, supporting manufacturing in the metro division for years.

Healthcare. Medical and allied services will maintain the overall economy in 2023. Payrolls rose by 8.4% during 2022 compared with 3.9% nationally. A major driver was the opening of the Justin Tower at Texas Health Harris Methodist Hospital in April, which led to significant hiring in the rest of the year. The hospital system engaged in the development of the facility because of the need to serve FTW's growing population. The metro division's population rose by more than 1% in 2021 compared with just 0.2% nationally. Because the share of healthcare employment in FTW is about 20% lower than the national average, the growth in demand for health services has the potential to increase hiring even further.

Homebuilding. Residential construction of single-family homes will remained subdued in 2023. Quickly rising mortgage rates throughout 2022 caused house prices to start declining midyear after a sharp 20% increase during the preceding year. The combination of elevated prices and higher interest rates reduced affordability by more than 40%, even more than the national average decline. Since reaching a peak in early 2022, new permits for single-family homes have collapsed and are down nearly 50% from that point. Since no easing by the Federal Reserve is expected until 2024, single-family housing will stay down. On the other hand, new construction of apartment units is at a record pace as developers react to demand from households that have been priced out of the single-family market.

Fort Worth-Arlington will outperform the national average throughout 2023, led by manufacturing, hospitality and healthcare, though housing will remain weak. Longer term, healthy population growth, a diversified manufacturing base, and lower business and living costs relative to Dallas will support above-average gains.

Edward Friedman *1-866-275-3266*
February 2023 *helpeconomy@moodys.com*

2016	2017	2018	2019	2020	2021	INDICATORS	2022	2023	2024	2025	2026	2027
121.8	126.4	132.1	133.7	128.1	139.4	Gross metro product (C12$ bil)	148.0	153.6	158.9	165.7	172.6	179.0
1.8	*3.7*	*4.5*	*1.2*	*-4.2*	*8.8*	*% change*	*6.2*	*3.7*	*3.5*	*4.2*	*4.2*	*3.8*
1,008.4	1,033.8	1,063.6	1,092.2	1,051.5	1,090.5	Total employment (ths)	1,151.5	1,186.5	1,200.8	1,216.8	1,229.5	1,242.0
1.4	*2.5*	*2.9*	*2.7*	*-3.7*	*3.7*	*% change*	*5.6*	*3.0*	*1.2*	*1.3*	*1.0*	*1.0*
4.1	3.8	3.5	3.3	7.3	5.2	Unemployment rate (%)	3.8	3.3	3.3	3.4	3.5	3.5
0.5	7.4	5.9	3.0	4.9	9.2	Personal income growth (%)	5.3	8.4	5.8	5.2	5.1	4.7
62.4	64.2	65.9	68.4	70.5	71.4	Median household income ($ ths)	73.1	77.0	79.6	82.4	85.1	87.9
2,445.0	2,489.6	2,528.1	2,562.0	2,592.9	2,626.6	Population (ths)	2,663.2	2,704.0	2,741.4	2,777.0	2,812.0	2,847.4
2.0	*1.8*	*1.5*	*1.3*	*1.2*	*1.3*	*% change*	*1.4*	*1.5*	*1.4*	*1.3*	*1.3*	*1.3*
30.8	28.3	23.6	19.0	17.9	23.1	Net migration (ths)	24.9	26.8	23.4	21.7	21.5	22.1
6,968	8,976	10,125	9,849	12,646	13,649	Single-family permits (#)	13,113	10,602	11,684	13,016	13,519	13,315
7,008	5,647	6,086	9,500	5,778	7,927	Multifamily permits (#)	9,517	7,623	7,459	7,018	7,131	7,150
200.7	220.6	238.5	250.2	261.4	301.3	FHFA house price (1995Q1=100)	368.5	364.6	342.6	330.2	330.0	334.4

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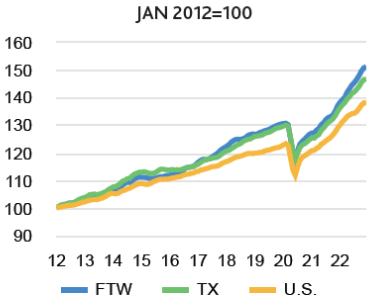
ECONOMIC HEALTH CHECK

3-MO MA	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22
Employment, change, ths	6.4	6.2	3.6	4.2	3.3	5.0
Unemployment rate, %	3.6	3.7	3.6	3.7	3.7	3.6
Labor force participation rate, %	67.0	67.0	66.9	66.9	66.9	67.0
Average weekly hours, #	37.1	36.9	36.9	36.9	37.2	37.2
Industrial production, 2012=100	105.4	106.1	106.9	107.5	107.7	107.6
Residential permits, single-family, #	12,498	12,230	12,579	11,764	11,025	9,031
Residential permits, multifamily, #	17,930	13,064	9,560	5,073	8,065	9,179
Dec/Dec	**Dec 17**	**Dec 18**	**Dec 19**	**Dec 20**	**Dec 21**	**Dec 22**
Employment, change, ths	27.4	28.5	31.9	-42.3	60.4	50.9

Better than prior 3-mo MA | Unchanged from prior 3-mo MA | Worse than prior 3-mo MA

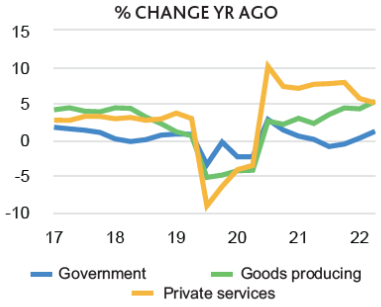
Sources: BLS, Census Bureau, Moody's Analytics

BUSINESS CYCLE INDEX



Source: Moody's Analytics

CURRENT EMPLOYMENT TRENDS



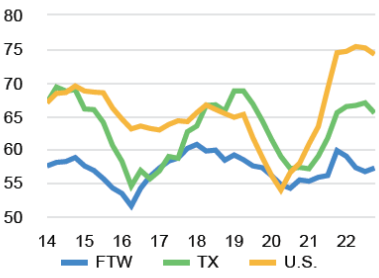
Sources: BLS, Moody's Analytics

% CHANGE YR AGO, 3-MO MA

	Dec 21	Jun 22	Dec 22
Total	5.5	5.8	4.8
Mining	18.4	8.5	19.1
Construction	2.9	5.9	3.1
Manufacturing	1.9	1.5	3.8
Trade	4.4	5.9	2.7
Trans/Utilities	8.8	8.6	2.3
Information	4.9	2.5	3.3
Financial Activities	5.6	2.5	-0.2
Prof & Business Svcs.	7.7	9.8	6.2
Edu & Health Svcs.	3.5	5.2	9.4
Leisure & Hospitality	13.9	14.7	13.3
Other Services	9.3	6.6	1.0
Government	0.5	-0.9	0.2

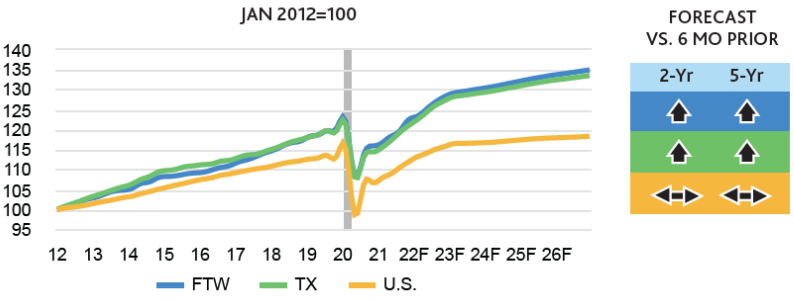
Sources: BLS, Moody's Analytics

DIFFUSION INDEX



Sources: BLS, Moody's Analytics

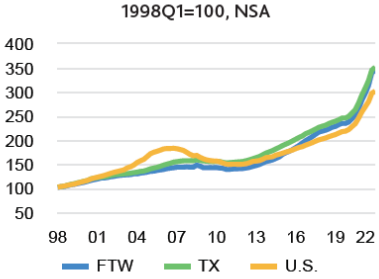
RELATIVE EMPLOYMENT PERFORMANCE



FORECAST VS. 6 MO PRIOR

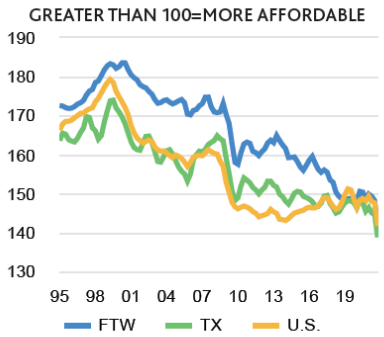
Sources: BLS, Moody's Analytics

HOUSE PRICE



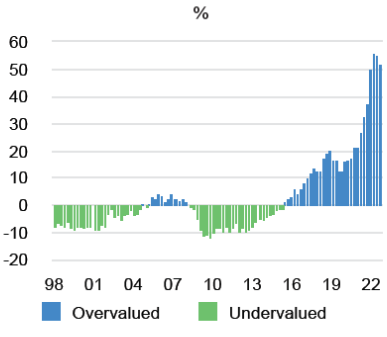
Sources: FHFA, Moody's Analytics

RENTAL AFFORDABILITY



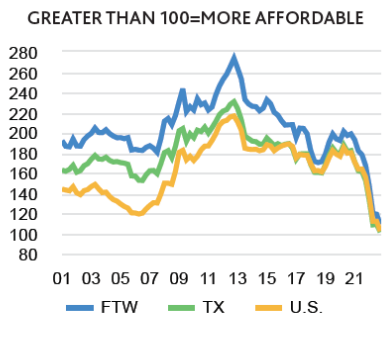
Sources: Census Bureau, BLS, Moody's Analytics

HOUSE PRICE TRENDS



Source: Moody's Analytics

HOUSING AFFORDABILITY



Sources: NAR, Moody's Analytics

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EMPLOYMENT AND INDUSTRY

TOP EMPLOYERS

AMR/American Airlines	25,000
Lockheed Martin	13,690
Texas Health Resources	12,000
NAS - Fort Worth - JRB	10,000
Arlington ISD	10,000
University of Texas at Arlington	7,311
JPS Health Network	6,500
Cook Children's Health Care System	6,042
Tarrant County College	5,999
Alcon Laboratories Inc.	5,393
Bell Helicopter Textron	4,953
BNSF Railway	4,500
General Motors	4,125
GM Financial	3,820
Fidelity	3,700
JPMorgan Chase	3,678

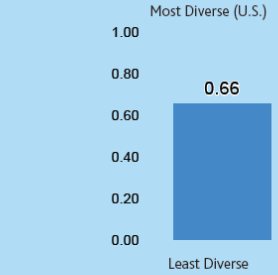
Source: Fort Worth Chamber of Commerce, 2017

PUBLIC

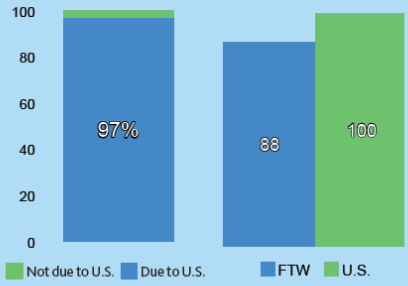
Federal	16,996
State	13,304
Local	106,987

2021

INDUSTRIAL DIVERSITY

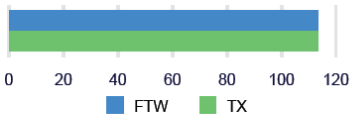


EMPLOYMENT VOLATILITY



ENTREPRENEURSHIP

BROAD-BASED START-UP RATE
U.S.=100
2020



Sources: Census Bureau, Moody's Analytics

EXPORTS

NOT AVAILABLE

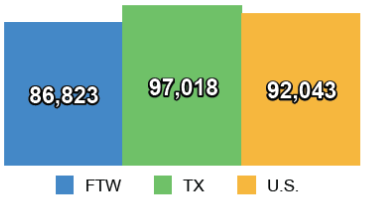
COMPARATIVE EMPLOYMENT AND INCOME

	% OF TOTAL EMPLOYMENT			AVERAGE ANNUAL EARNINGS		
Sector	FTW	TX	U.S.	FTW	TX	U.S.
Mining	0.7	1.4	0.4	$51,069	$202,521	$140,972
Construction	5.8	5.8	5.1	$81,596	$70,189	$74,543
Manufacturing	9.2	6.9	8.4	$96,589	$104,973	$95,006
Durable	*73.9*	*63.1*	*62.2*	*nd*	*$102,268*	*$98,900*
Nondurable	*26.1*	*36.9*	*37.8*	*nd*	*$109,432*	*$88,725*
Transportation/Utilities	8.8	5.0	4.6	nd	$69,502	$62,962
Wholesale Trade	5.1	4.7	3.9	nd	$105,177	$104,126
Retail Trade	11.4	10.6	10.4	$41,648	$42,393	$43,812
Information	0.9	1.6	2.0	$71,236	$109,036	$167,037
Financial Activities	6.4	6.6	6.0	$41,365	$54,316	$65,977
Prof. and Bus. Services	11.8	14.9	14.6	nd	$77,456	$86,343
Educ. and Health Services	12.9	13.6	16.2	$66,020	$62,824	$66,256
Leisure and Hosp. Services	10.7	10.2	9.7	$28,620	$30,678	$36,373
Other Services	3.6	3.3	3.7	$38,133	$37,962	$42,808
Government	12.6	15.5	15.0	$81,652	$79,985	$90,556

Sources: Percent of total employment — BLS, Moody's Analytics, 2021, Average annual earnings — BEA, Moody's Analytics, 2021

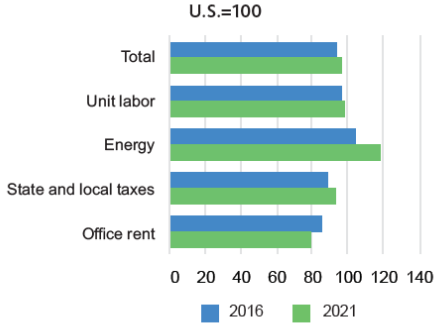
PRODUCTIVITY

REAL OUTPUT PER WORKER, $



Sources: BEA, Moody's Analytics, 2021

BUSINESS COSTS



Source: Moody's Analytics

HIGH-TECH EMPLOYMENT

	Ths	% of total
FTW	33.4	2.9
U.S.	8,388.4	5.5

HOUSING-RELATED EMPLOYMENT

	Ths	% of total
FTW	126.8	11.0
U.S.	15,202.7	10.0

Source: Moody's Analytics, 2022

LEADING INDUSTRIES BY WAGE TIER

	NAICS	Industry	Location Quotient	Employees (ths)
HIGH	4811	Scheduled air transportation	9.0	28.6
	3364	Aerospace product & parts manuf.	6.9	24.5
	6211	Offices of physicians	1.0	19.9
	GVF	Federal Government	0.8	16.9
MID	GVL	Local Government	1.0	106.2
	6221	General medical and surgical hospitals	0.9	30.1
	2382	Building equipment contractors	1.1	19.0
	5222	Nondepository credit intermediation	3.0	13.8
LOW	7225	Restaurants and other eating places	1.2	94.7
	5613	Employment services	1.0	29.0
	4931	Warehousing and storage	1.6	22.5
	4451	Grocery stores	0.8	17.0

Source: Moody's Analytics, 2021

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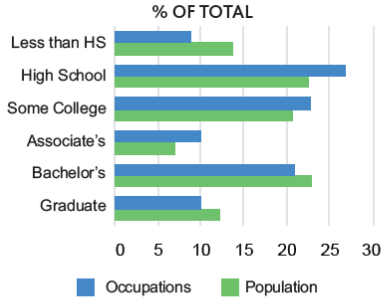
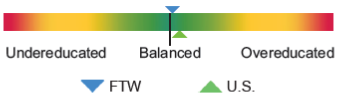
SKILLS MISMATCH





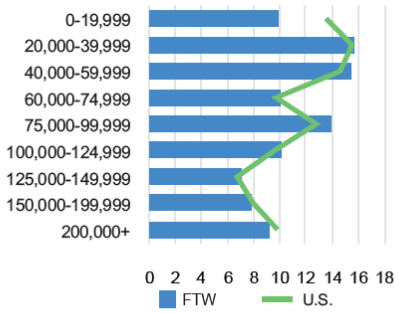
Sources: Census Bureau, ACS, Moody's Analytics, 2018

ECONOMIC DISENFRANCHISEMENT

Index	2018	Rank*
Gini coefficient	0.46	201
Palma ratio	2.9	286
Poverty rate	11.6%	280

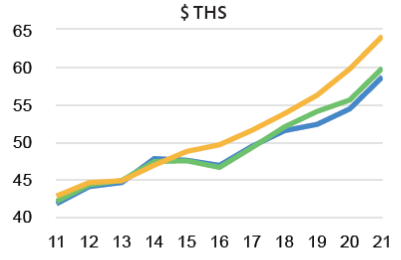
*Most unequal=1; Most equal=403

HOUSEHOLDS BY INCOME, %



Sources: Census Bureau, ACS, Moody's Analytics, 2020

PER CAPITA INCOME



2021	FTW $58,695	TX $59,865	U.S. $64,143

Sources: BEA, Moody's Analytics

MIGRATION FLOWS

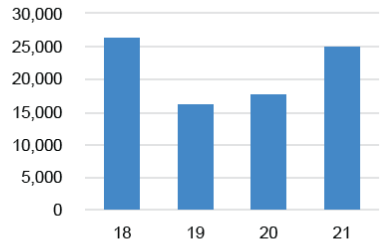
INTO FORT WORTH TX

	Number of Migrants
Dallas TX	44,785
Houston TX	3,822
Austin TX	2,230
Los Angeles CA	1,787
San Antonio TX	1,738
San Diego CA	1,268
Riverside CA	1,164
Chicago IL	1,138
Phoenix AZ	1,052
New York NY	982
Total in-migration	*122,852*

FROM FORT WORTH TX

Dallas TX	42,523
Houston TX	3,848
Austin TX	2,331
San Antonio TX	1,443
Phoenix AZ	899
Denver CO	799
Oklahoma City OK	789
Los Angeles CA	691
Killeen TX	667
Atlanta GA	613
Total out-migration	*107,092*
Net migration	**15,760**

NET MIGRATION, #

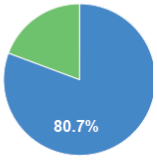


	2018	2019	2020	2021
Domestic	20,001	12,009	13,632	21,727
Foreign	6,382	4,400	4,092	3,254
Total	26,383	16,408	17,724	24,981

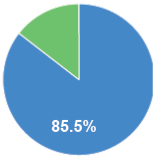
Sources: IRS (top), 2020, Census Bureau, Moody's Analytics

COMMUTER FLOWS

RESIDENTS WHO WORK IN FTW



WORKERS WHO LIVE IN FTW



Top Outside Sources of Jobs

Fort Worth TX	Share
Dallas TX	17.2
Houston TX	0.1
Austin TX	0.1
San Antonio TX	0.1
Odessa TX	0.1

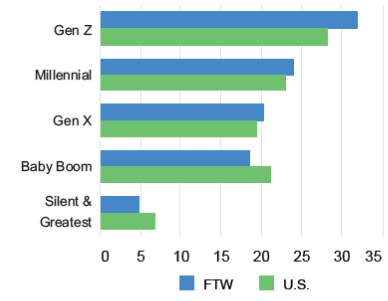
Top Outside Sources of Workers

Fort Worth TX	Share
Dallas TX	12.3
Houston TX	0.1
Austin TX	0.1

Sources: Census Bureau, Moody's Analytics, avg 2011-2015

GENERATIONAL BREAKDOWN

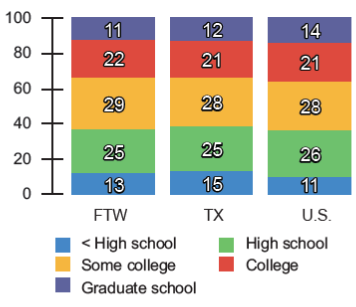
POPULATION BY GENERATION, %



Sources: Census Bureau, Moody's Analytics, 2020

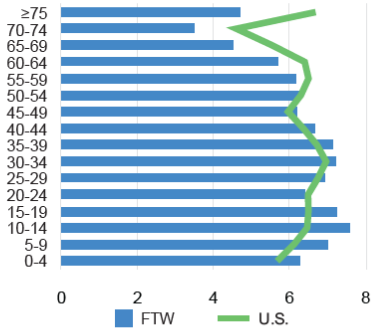
EDUCATIONAL ATTAINMENT

% OF ADULTS 25 AND OLDER



Sources: Census Bureau, ACS, Moody's Analytics, 2021

POPULATION BY AGE, %



Sources: Census Bureau, Moody's Analytics, 2021

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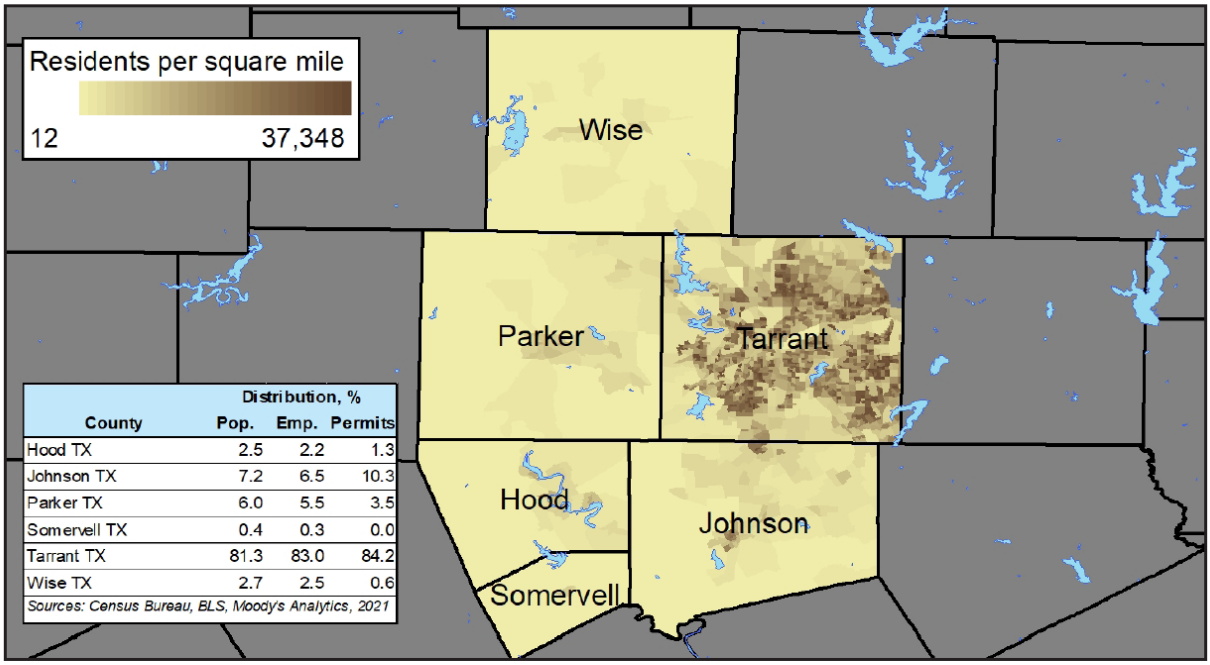
GEOGRAPHIC PROFILE

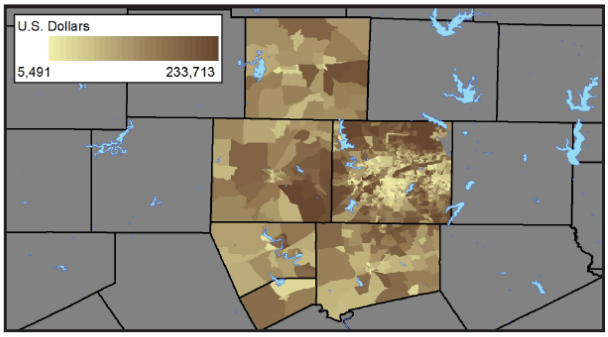
POPULATION DENSITY



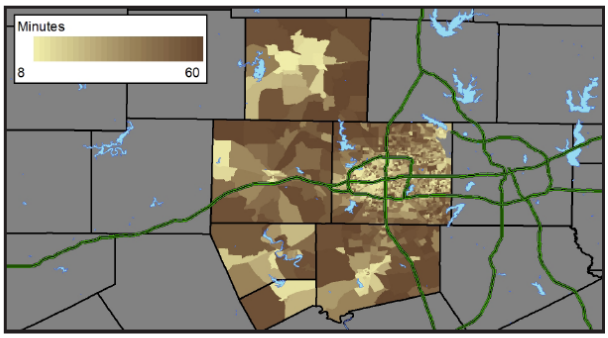
County	Distribution, % Pop.	Emp.	Permits
Hood TX	2.5	2.2	1.3
Johnson TX	7.2	6.5	10.3
Parker TX	6.0	5.5	3.5
Somervell TX	0.4	0.3	0.0
Tarrant TX	81.3	83.0	84.2
Wise TX	2.7	2.5	0.6

Sources: Census Bureau, BLS, Moody's Analytics, 2021

MEDIAN HOUSEHOLD INCOME



MEDIAN COMMUTE TIME



POPULATION & HOUSING CHARACTERISTICS

	Units	Value	Rank*
Total area	sq mi	4,098.2	71
Total water area	sq mi	94.8	137
Total land area	sq mi	4,003.3	66
Land area - developable	sq mi	3,099.0	26
Land area - undevelopable	sq mi	904.4	149
Population density	pop. to developable land	653.4	47
Total population	ths	2,615.9	24
U.S. citizen at birth	% of population	83.1	332
Naturalized U.S. citizen	% of population	6.4	78
Not a U.S. citizen	% of population	9.0	51
Median age		37.7	257
Total housing units	ths	980.8	30
Owner occupied	% of total	51.0	349
Renter occupied	% of total	34.2	94
Vacant	% of total	6.6	293
1-unit; detached	% of total	64.6	247
1-unit; attached	% of total	4.2	213
Multifamily	% of total	24.2	137
Median year built		1995	

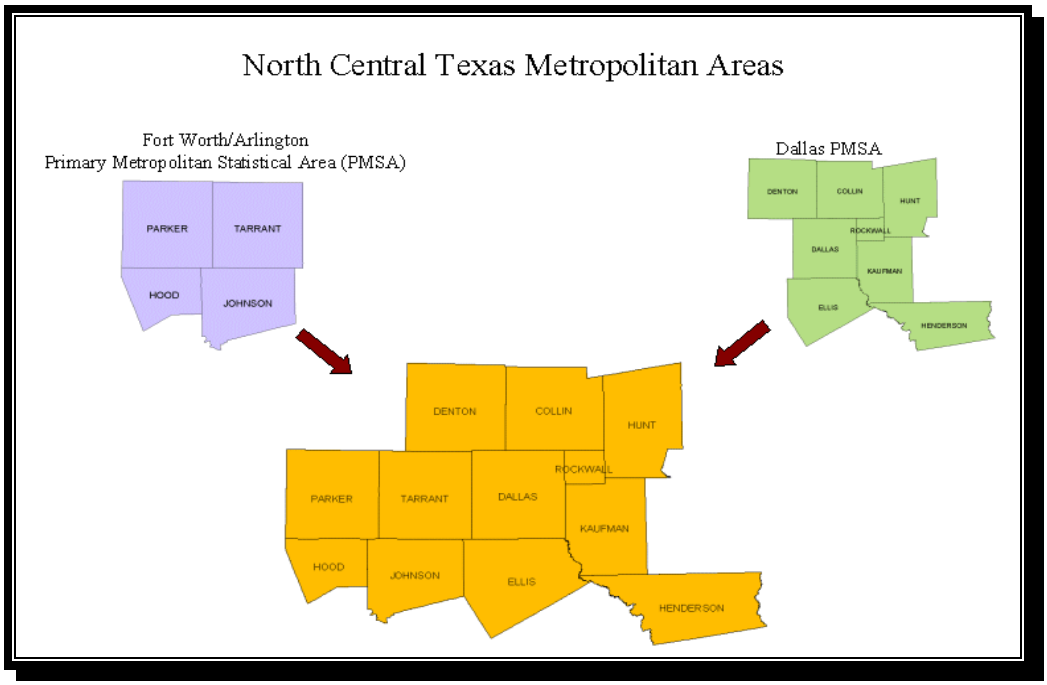
** Areas & pop. density, out of 410 metro areas/divisions, including metros in Puerto Rico; all others, out of 403 metros.*

Sources: Census Bureau, Moody's Analytics, 2021 except land area 2010

Sources: ACS, Moody's Analytics

When compared to the state of the national economy, the Dallas/Godley area is expected to experience expansion stemming from growth in a number of sectors including natural resources, finance, insurance, and real estate; and from wholesale and retail trade. In addition, the services sector, particularly natural resources, health care and business services will continue to be an important source of activity. The expansion will also be propelled in part by the region's strategic location along the Interstate Highway 35 corridor. Predicted levels of economic activity in the area will likely exceed state and national averages across most indicators. The area is primed for long-term development due in part to its transportation infrastructure, low cost of doing business, young population, and massive work force.

Primary Metropolitan Statistical Area (PMSA) - consists of urban areas within the CMSA. In the Dallas/Fort Worth CMSA, there are the Dallas PMSA (6,490 square miles), which comprises Dallas, Denton, Collin, Henderson, Hunt, Coppell, Kaufman, and Ellis Counties, and the Godley/Arlington PMSA (2,979 square miles), which comprises Tarrant, Hood, Johnson, and Parker Counties. Figure 1 displays the counties affiliated with the three regions.



North Central Texas Council of Governments

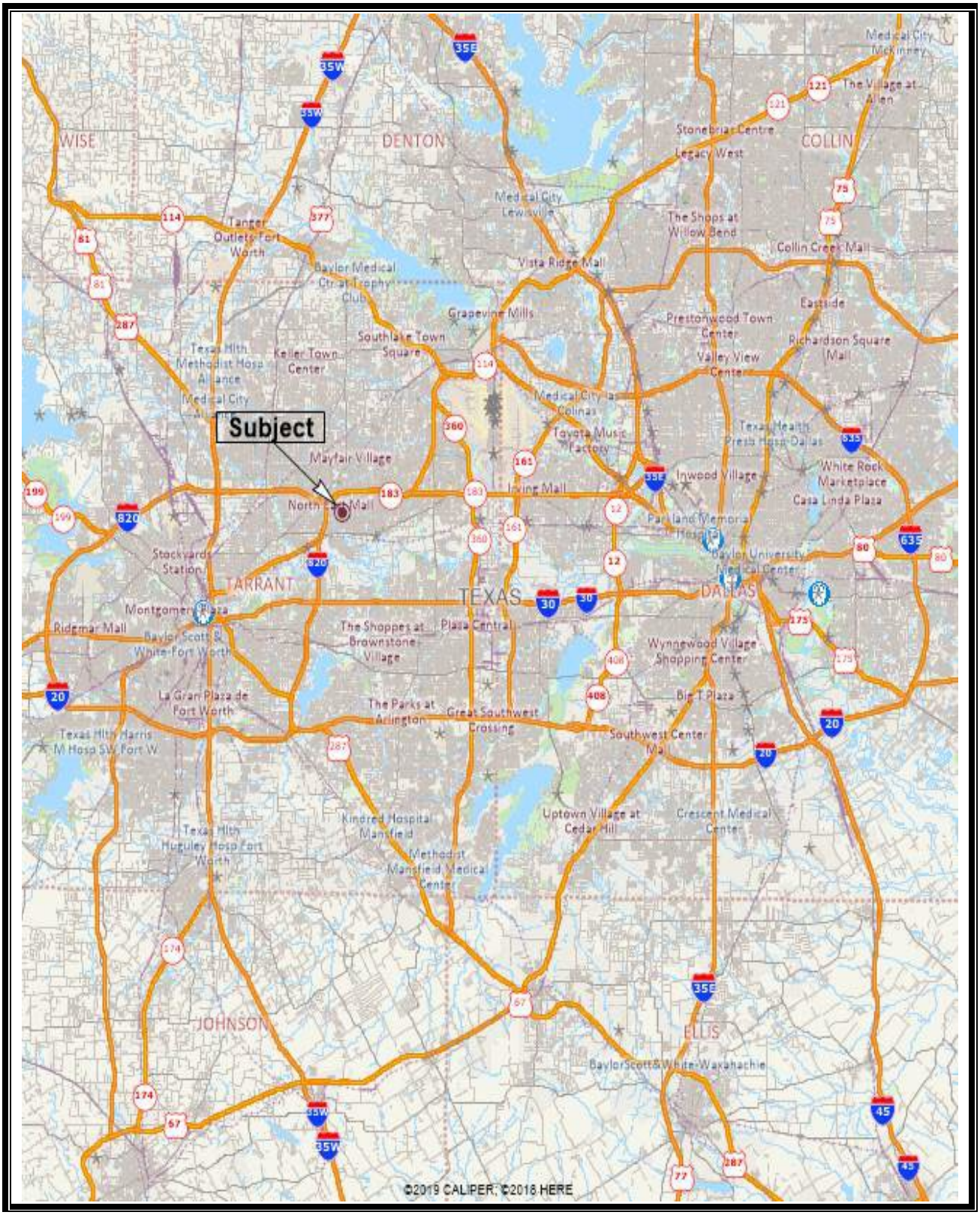
Recent Performance: Fort Worth-Arlington expanded steadily throughout 2022, with overall job growth a percentage point faster than the national average during that time. The private sector led the way. In particular, core manufacturing has accelerated, and healthcare has risen strongly since June. However, professional services have declined, as has government. The latter has underperformed partly because workers chose better-paying options outside the public sector. The unemployment rate is down to 3.3%, comparable to its low in early 2020, and the labor force has grown robustly. Average hourly earnings have risen at twice the national average pace over the past three years; in early 2022, the level surpassed the national average for the first time since 2014. As elsewhere in the country, the housing market has contracted.

Military Aircraft: Although production of the F-35 should ultimately ramp up to full capacity of 156 planes per year, headwinds will continue to impede that transition. The Pentagon, which purchases the F-35, needs to complete a full set of tests of the plane's capability in the Joint Simulation Environment, but the completion of the development of the JSE itself is at risk of being delayed again. Previously, the main bottleneck in 2021 had been supply-chain issues that limited deliveries to 142 planes, and a mishap on a Texas runway limited deliveries in 2022 to 141. Military demand will be another uncertainty amid concerns about costs. For example, the Air Force, the aircraft's largest buyer, lowered its procurement from 48 in fiscal 2022 to 33 in fiscal 2023. Still, Lockheed projects that more than 2,000 planes will ultimately be built, supporting manufacturing in the metro division for years.

Residential Construction: Residential construction of single-family homes will remain subdued in 2023. Quickly rising mortgage rates throughout 2022 caused house prices to start declining midyear after a sharp 20% increase during the preceding year. The combination of elevated prices and higher interest rates reduced affordability by more than 40%, even more than the national average decline. Since reaching a peak in early 2022, new permits for single-family homes have collapsed and are down nearly 50% from that point. Since no easing by the Federal Reserve is expected until 2024, single-family housing will stay down. On the other hand, new construction of apartment units is at a record pace as developers react to demand from households that have been priced out of the single-family market.

Healthcare: Medical and allied services will maintain the overall economy in 2023. Payrolls rose by 8.4% during 2022 compared with 3.9% nationally. A major driver was the opening of the Justin Tower at Texas Health Harris Methodist Hospital in April, which led to significant hiring in the rest of the year. The hospital system engaged in the development of the facility because of the need to serve FTW's growing population. The metro division's population rose by more than 1% in 2021 compared with just 0.2% nationally. Because the share of healthcare employment in FTW is about 20% lower than the national average, the growth in demand for health services has the potential to increase hiring even further.

Conclusion: Fort Worth-Arlington will return to full employment this year, led by elevated homebuilding, recovering air travel and hospitality, and a rebound in manufacturing. Longer term, above-average population growth, a diversified manufacturing base, and lower business costs and costs of living relative to Dallas will help support higher-than-average gains.


Subject
WISE
DENTON
COLLIN
TARRANT
TEXAS
DALLAS
JOHNSON
ELLIS
Mayfair Village
North Mall
Irving Mall
Inwood Village
Vista Ridge Mall
Grapevine Mills
Southlake Town Square
Keller Town Center
Tanger Outlets Fort Worth
Stockyards Station
Montgomery Plaza
Ridgmar Mall
Plaza Central
Wynnewood Village Shopping Center
Big T Plaza
Southwest Center Mall
Uptown Village at Cedar Hill
Crescent Medical Center
Kindred Hospital Mansfield
Methodist Mansfield Medical Center
Baylor Scott & White-Waxahachie
Stonebriar Centre
Legacy West
The Shops at Willow Bend
Collin Creek Mall
Prestonwood Town Center
Valley View Center
Richardson Square Mall
Eastside
White Rock Marketplace
Casa Linda Plaza
Toyota Music Factory
Medical City Lewisville
Medical City Plano
Medical City McKinney
The Village at Allen
Baylor Medical Ctr at Trophy Club
Texas Hlth Methodist Hosp Alliance
Texas Hlth Harris M Hosp SW Fort W
Texas Hlth Huguley Hosp Fort Worth
Baylor Scott & White-Fort Worth
The Shoppes at Brownstone Village
La Gran Plaza de Fort Worth
The Parks at Arlington
Great Southwest Crossing
©2019 CALIPER; ©2018 HERE

AREA MAP

NEIGHBORHOOD ANALYSIS

A neighborhood is typically a segment of a community, city, or town, which is a homogeneous grouping of individuals, buildings, or business enterprises within the larger community. A neighborhood has three stages of life and possibly a fourth. They are: (1) integration (the development stage), (2) equilibrium (the static stage), (3) disintegration (the declining or decaying stage), and possibly, (4) a redevelopment or rejuvenation state or period and continuance of the neighborhood life cycle. Principal factors which improve neighborhood values are good schools, churches, recreational facilities, homogeneity and civic responsibility, prestige and visual appeal, satisfactory transportation affording good ingress and egress, good planning, adequate utilities, conformity in and use, sensible zoning, and topographical and geographical advantages. Some factors which reduce neighborhood values are the tendency of inhabitants to think the neighborhood is losing its desirability, movement of undesirable uses into the area, lack of zoning protection, increasing taxes, reduced rental rates and values of surrounding properties, lack of adequate planning, community pride, and nuisances. The revised edition of this book entitled *Real Estate Appraisal Terminology* defines a neighborhood as:

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

Location and Boundaries

The subject neighborhood is located in the City of Hurst in Tarrant County, Texas. The neighborhood is best defined by use patterns, as well as the location of major thoroughfares and natural boundaries.

The neighborhood boundaries are defined as follows:

North:	Highway 183
South:	Interstate Highway 30
East:	State Highway 360
West:	Highway Loop 820

The subject neighborhood displays various land uses within its boundaries, industrial, commercial, retail, residential and office, etc. Accessibility to the area is considered good due to its relatively convenient access from the surrounding highways.

Access

Accessibility to the area is considered good due to its relatively convenient access from Highway 183, Highway 10, Highway 121, Interstate Highway 30, Highway Loop 820, and State Highway 360. These freeways provide access to all major parts of Dallas/Fort Worth Metroplex. D/FW International Airport is located east of the subject neighborhood. Other secondary traffic arteries within this area include Bedford Road, Central Drive, and Brown Trail.

Land Uses

Residential and commercial properties tend to make up the majority of the land usage in the neighborhood with commercial uses concentrated at either the major intersections and along the major roadways. Commercial uses consist of various retail/commercial businesses, offices, mini warehouses, and light industrial uses. Most of the industrial type uses are located in industrial park settings. Residential uses make up the majority of the neighborhood. The subject is located along a major roadway with surrounding uses being predominately residential.

Utilities

The subject neighborhood is adequately served by all the typical utilities, including water, sewer, electric service, natural gas, and public telephone. No shortages of utility service in the developed portions of the neighborhood were reported and lack of utilities has not been detrimental in the development of the area. Major utility companies servicing the neighborhood include the City of Hurst, Euless and Bedford, TXU Gas Company, TXU Electric Company, and AT&T Telephone.

Topography and Soils

The neighborhood topography is level to gently rolling and some parts are located in flood hazard areas. The subject property, according to FEMA flood plain maps, is not located in a flood hazard area, and flooding does not appear to be a detriment to potential development.

For an overview of the soils affiliated with the subject tracts, the appraisers consulted the Tarrant County General Soils Map, published by the United States Department of Agriculture Soil Conservation Service. The General Soil Maps show the soil associations in Tarrant County. A *soil association*, as defined by the Soil Conservation Service, is a landscape that has distinct proportional patterns of soils. It normally consists of one or more major soils for which it is named, although several minor soils may also be included. The aforementioned maps indicated that the subject neighborhood is predominantly of the Crosstell-Gasil-Rader Association. This Association is generally characterized as nearly level to sloping, deep, loamy soils, on uplands.

The subject property's specific soil is comprised of the Navo-Urban land complex, 1-3% slopes. According to information provided by the Soil Conservation Service, these soils are characterized as deep, and gently sloping. It is on broad ridges and slopes above drainage ways. The complex is 50 to 70% Navo soil and 15 to 40% Urban land. The soil is moderately well drained. Permeability is very slow, and available water capacity is high. Surface runoff is medium, and the hazard of erosion is severe. These limitations can be partially overcome by good design and careful installation.

Public Transportation

Major truck carriers serve the neighborhood. Commercial air service is not available to the immediate area. However, the DFW International Airport is located approximately 5 miles east of the subject neighborhood, and Love Field is located approximately 10 miles southeast of the neighborhood.

Nuisances and Hazards

Nuisances and hazards are limited in the subject neighborhood. Vibration, smoke, smog, odors, and intense noise are basically related to vehicular traffic along the major thoroughfares. As in any area, traffic density poses problems ranging from congestion to noise. These problems are not severe and are a natural part of most communities.

Neighborhood Demographics

Population

	2 mile	5 mile	10 mile
2010 Population	52,209	221,903	838,166
2022 Population	56,408	249,803	969,429
2027 Population Projection	59,606	265,499	1,032,372
Annual Growth 2010-2022	0.7%	1.0%	1.3%
Annual Growth 2022-2027	1.1%	1.3%	1.3%
Median Age	38.8	39.4	36.4
Bachelor's Degree or Higher	28%	34%	32%
U.S. Armed Forces	0	67	406

Income

	2 mile	5 mile	10 mile
Avg Household Income	$84,176	$101,247	$95,871
Median Household Income	$63,828	$76,159	$69,619
< $25,000	2,886	9,982	49,376
$25,000 - 50,000	6,078	19,843	79,126
$50,000 - 75,000	4,264	18,178	67,921
$75,000 - 100,000	3,061	13,260	47,708
$100,000 - 125,000	2,185	9,794	32,356
$125,000 - 150,000	1,692	7,884	24,578
$150,000 - 200,000	1,458	8,878	28,354

Housing	2 mile	5 mile	10 mile
Median Home Value	$235,166	$259,003	$248,386
Median Year Built	1975	1983	1985

Neighborhood Life Cycle

Each neighborhood has a unique and dynamic quality all its own, given man's unique imagination, design, and development of an area. This quality is described as a "life cycle," which is identified in *The Appraisal of Real Estate*, 14th Edition, as evolving through the following four stages.

Growth - A period during which the neighborhood gains public favor and acceptance.

Stability - A period of equilibrium without marked gains or losses.

Decline - A period of diminishing demand.

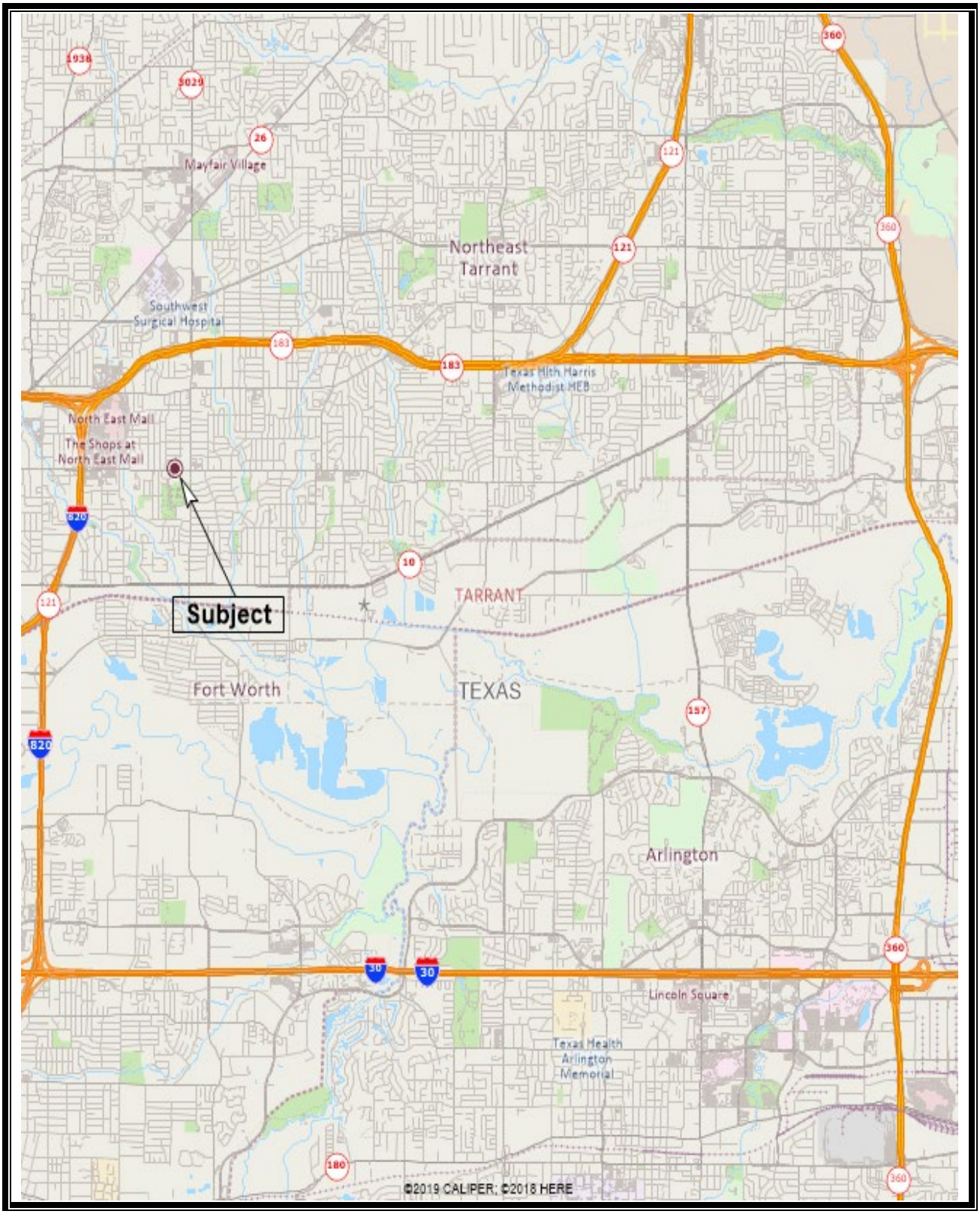
Revitalization - A period of renewal, modernization and increasing demand.

The subject neighborhood appears to be in a stable period of its life cycle. The immediate area is a well-established area considered to be approximately 100% developed. Properties appear to range in age from new to 40 years. The subject property displays average secondary location within the defined area.

Property assessments are determined by the Tarrant County Appraisal District. Furthermore, the City of Hurst controls land usage within the defined neighborhood area through their comprehensive zoning ordinances.

Conclusion

The subject neighborhood is located in the City of Hurst. The demand for properties within the subject neighborhood should increase as the economy recovers. It is emphasized that the key factors influencing value within the neighborhood are basically related to location/access, size, zoning, and topography as it relates to potential development. The subject property is adequately located within the defined neighborhood and should benefit from any growth experienced by this area.



NEIGHBORHOOD MAP

SITE DESCRIPTION

Size:	According to information provided by the Tarrant County Appraisal District, 3.7329 acres (162,208 s.f.) located along the north side of W. Pipeline Road, just east of Highway Loop 820 in Hurst, Tarrant County, Texas.
Access/Frontage:	Access to the site is provided by an entrance along the north side of W. Pipeline Road. Overall, access is considered to be good. W. Pipeline Road is a four-lane, concrete paved roadway with curb and gutter drainage.
Configuration:	The subject property is irregular in shape.
Zoning:	The site is zoned "U" – Institutional District by the City of Hurst. According to city officials, this zoning allows for a religious facility and related uses. It appears the subject is in compliance with all zoning requirements. Based upon our inspection of the subject property and conversation with the City of Hurst, it appears that the subject property is in compliance with all of the zoning restrictions. Again, the City of Hurst confirmed this conclusion.
Easements:	The subject does not appear to have any adverse easements or encroachments. However, a current survey or title policy was not provided.
Deed Restrictions:	The subject does not appear to have any adverse deed restrictions. However, a current title policy was not provided.
Utilities:	Public water service is provided by the City of Hurst. According to city officials, these utilities are sufficient for the development in the area. In addition, the city provides fire and police protection along with garbage pick-up. TXU Electric provides electric service via an overhead line. TXU Gas provides natural gas to the area. Local telephone service is provided by AT&T. At the present time, all utilities appear to be sufficient for area development patterns.
Flood Plain:	According to FEMA flood maps, the site is not located in the flood plain (Zone X). A copy of the flood plain map (Community Panel No. 48439C0205L - Map Date: 03/21/2019) has been included for your reference. The property appears well drained.
Topography:	Based on our inspection, the subject is basically level to gently sloping. Drainage appears to be adequate.

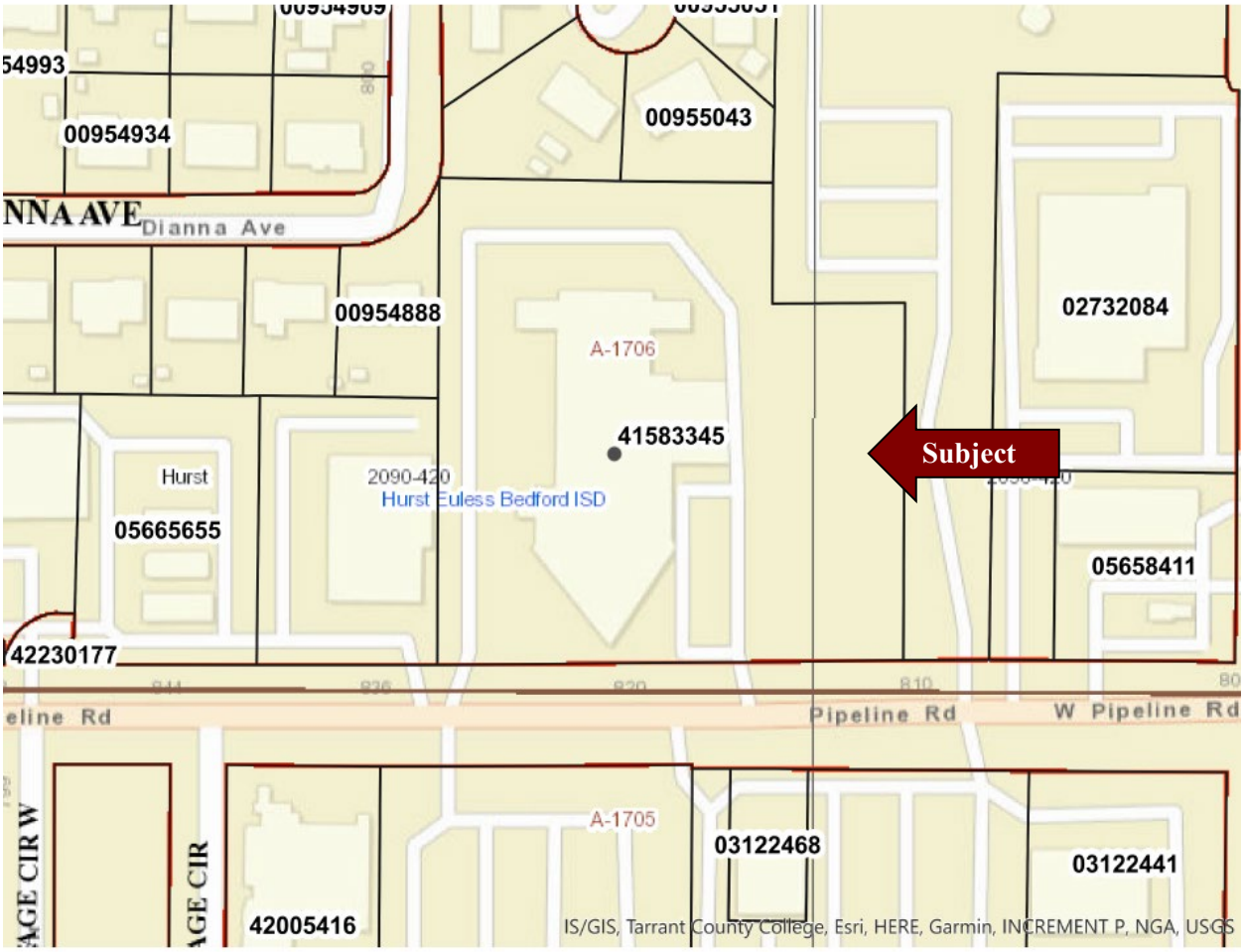
Soils: No soils study was provided for the subject property. Based on Soil Conservation Service soil studies, the subject has a variety of soils suitable to agricultural uses.

Environmental Hazards: During inspection of the subject, no conditions were observed that would indicate the presence of hazardous substances, such as petroleum leakage, asbestos, agricultural chemicals, and other adverse environmental conditions. No environmental study was provided for review. **The value stated in this report is subject to change if an expert in the field detects any hazardous substances or environmental conditions. We are not qualified to detect or measure hazardous materials and this appraisal is predicated upon the assumption that environmental hazards do not exist on the subject.**

Surrounding Uses: All of the adjoining properties appeared to be utilized for commercial or residential use. This use pattern is consistent with predominant area trends and prevalent patterns.

Comments: The subject site is situated in the City of Hurst. The site is basically irregular in shape and has level to gently sloping topography. The site is considered to have good visibility; average access and is compatible with surrounding land uses. The site is currently improved with a religious facility.

AERIAL PHOTOGRAPH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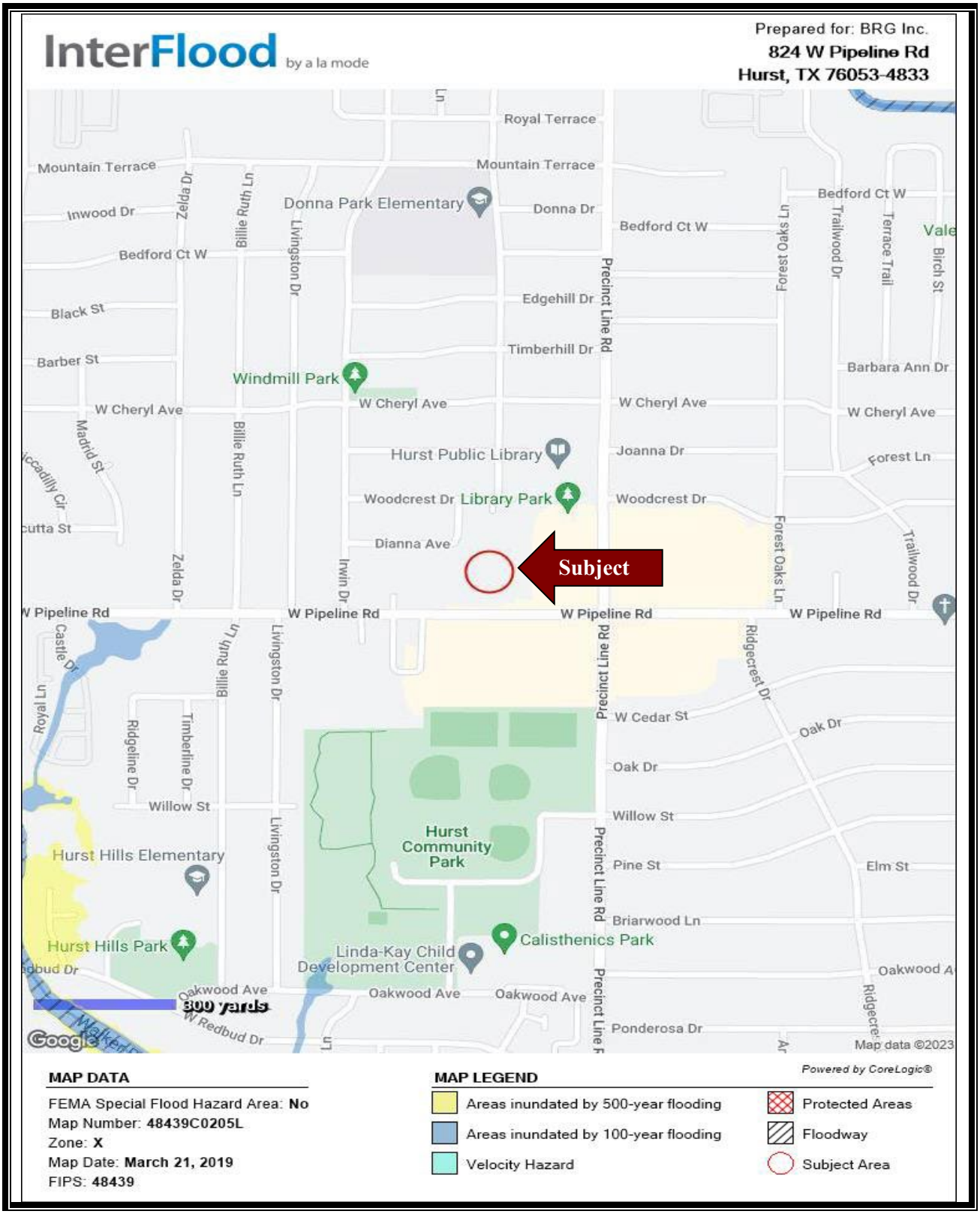
PLAT MAP



FLOOD PLAIN MAP

IMPROVEMENT DESCRIPTION

The property is currently improved with a 35,221 s.f. religious facility. The facility is owner-occupied, and the structure was constructed in 1972-2012.

Please refer to the following building sketch for the drawing of the building. The square footage of the improvements is based on the physical measurements taken at the time of inspection. The following is a general summary of the subject's construction features:

General Summary

The property is currently improved with a 35,221 s.f. religious facility.

Gross Usable Building Area:	35,221 SF.
Year of Construction:	1972-2012.
Parking:	Adequate.
Land Area:	3.7329 acres (162,208 s.f.)
Land/Bldg. Ratio:	4.61:1.
Foundation:	Reinforced concrete slab.
Exterior Walls:	Masonry.
Roof Structure:	Pitched composition roof.
Heating and Cooling:	The building has Central HVAC.
Fire Sprinklers:	Yes.
Plumbing and Electrical:	Assumed to be per code.

Interior Detail

Floor Covering:	Carpet, ceramic tile, carpet, and wainscot in restrooms.
Walls:	Textured and painted sheetrock.
Ceilings:	Suspended acoustical tile/painted sheetrock, etc.
Windows/Doors:	Typical commercial grade windows and doors.

Comments

The existing structure basically consists of one (1) distinct one/two-story, religious facility/building. The assembly area has carpeted floors. The assembly hall seats approximately 700 people. The building includes a foyer, classrooms, kitchen/fellowship hall, lobby, and offices. The building has storage areas located adjacent to the assembly hall. The parking area has adequate parking for vehicles. The facility is well designed and functional for its intended use.

Note: The roof and HVAC are in need of repair due to storm damage. The cost to repair is $450,685. The cost estimates have been provided in the addenda for review. The ownership stated that the insurance company will not cover repairs.

Site Improvements

The subject is improved with concrete, parking/drives, and concrete sidewalks. The site is landscaped with exterior lighting, trees, and shrubs.

Summary of Improvements Description

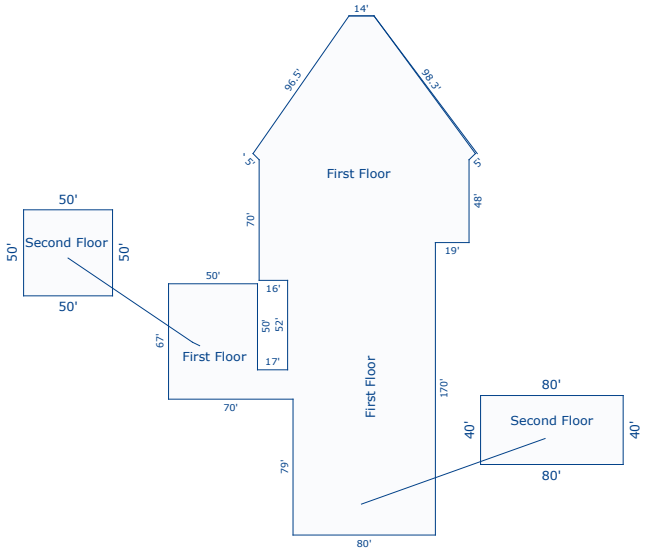
For review, the building sketch and an illustration/floor plans can be found on the following pages. Overall, the subject improvements are considered to be functional in design and well suited for a religious facility.

Effective Age – Effective age is defined as the age indicated by the condition and utility of a structure. The building is existing 1972-2012 construction and has an overall effective age of 20 years. Given the condition of the structures, the property is considered to be in average to fair overall condition. The existing improvements are considered well maintained with only minor items of deferred maintenance noted at time of inspection.

A structures effective age may be less than, equal to, or greater than its actual age depending upon its level of maintenance, quality of design, and the current anticipated supply/demand relationships in the market. Upon analysis of the existing structure, competitive buildings, and market conditions existing in the area, it is our opinion that the subject property has an overall effective age of 20 years.

Economic Life – Economic life is defined as the period over time, which improvements to real estate contribute to property value. It is not necessarily synonymous with physical life and is generally lower due to changes in architectural design and construction standards, which can cause older improvements to become out dated before their physical life span has been exhausted. A properties economic life cannot exceed it physical life. Ideally, the economic life of a structure can be estimated by comparing it to the actual mortality of comparable buildings. It is our opinion that the existing improvements have an economic life expectancy of 30 years.

Remaining Economic Life and Remaining Physical Life – Remaining economic life is defined as the estimated period during which improvements continue to contribute property value. The structure on the subject property conforms to surrounding properties in the neighborhood. Thus, given a 50-year life expectancy, the remaining economic life of the improvements is estimated to be 30 years.



Sketch by Apex Sketch v5 Standard™ Scale: 1" = 60'

AREA CALCULATIONS SUMMARY

Code	Description	Net Size	Net Totals
GBA1	First Floor	29520.53	
	Second Floor	2500.00	
	Second Floor	3200.00	35220.53
	Net BUILDING Area	(rounded)	35221

BUILDING AREA BREAKDOWN

Breakdown				Subtotals
First Floor				
0.5 x	80.0	x	57.1	2282.84
0.5 x	3.5	x	3.5	6.25
0.5 x	54.0	x	80.0	2160.00
	14.0	x	80.0	1120.00
	51.5	x	118.0	6081.19
	22.0	x	99.0	2178.00
0.5 x	3.5	x	3.5	6.25
	79.0	x	80.0	6320.00
	50.0	x	50.0	2500.00
	17.0	x	150.0	2550.00
	52.0	x	83.0	4316.00
Second Floor				
	50.0	x	50.0	2500.00
	80.0	x	40.0	3200.00
13 Items			(rounded)	35221

BUILDING SKETCH

MARKETABILITY – CHURCH/RELIGIOUS FACILITY

Marketability refers to the posture of a specific property within its defined market and its ability to be leased, sold, or marketed relative to its competition and current conditions. As such, marketability will differ (sometimes significantly) between different types of real estate and within alternative locals. The subject property is a church/religious facility. Published data regarding this product type is virtually non-existent; so, it is difficult to provide specific figures regarding the number of facilities, demand for such property, etc. on an area wide basis. Therefore, this report section only presents anecdotal evidence regarding the church/religious facility product type and recent trends within the immediate market/local area. However, limited data was found for the United States. Given the function of a typical religious facility, the relationship between the facilities and the users is paramount to the valuation process.

Religious facilities are typically built for a specific purpose – primarily by a particular group (congregation) as a place of worship. As such, churches and religious facilities are considered special purpose properties. While some cases of alternative usages exist for religious facilities, these properties tend to be utilized most efficiently in their intended use. For that reason, religious facilities are typically not sold unless compelling reasons for sale exist changing neighborhoods, a facility is near the end of its physical life, the congregation has outgrown the facility or membership has deteriorated such that the facility is not needed. Thus, the marketability of religious facilities (and the appraisal consideration of such properties) tends to differ from other types of traditional real estate.

The design and appeal of churches/religious facilities also tend to be disparate as the various religions, which utilize the properties. The older classical design of churches has changed in recent years to buildings, which are more modernistic and functionally built. In addition, most religions today are more involved in the day-to-day lives of the members and religious facilities have expanded beyond just offering a place to worship. These expanded uses include numerous support facilities, including gymnasiums, social halls, classrooms, schools, etc. These changes have resulted in many churches having more multi-purpose space in relation to actual worship or sanctuary facility (with the ratio of size/square footage to total seating thus expanding).

Of further importance to a particular congregation use and/or need of a particular facility is the ability of the facility to seat the entire membership. This seating requirement tends to be one of the most limiting factors in the sale (and valuation) of most religious facilities. Most congregations desire a religious facility, which can seat the entire congregation for a major holiday or event (with some excess capacity needed for guest).

Overall, the items, which tend to enhance a religious facility's use and value, are its location and proximity to congregates, its design and appeal to potential members, the leadership (both professional and lay members) and various other factors. A church/religious facility is typically built for a particular congregation, with the location, design/layout and peripheral space selected under anticipation of a long term, continued usage (available land for potential expansion is also considered by prudent congregations).

Market Conditions – United States

As diversity of religious groups has grown, so has the need for religious facilities. Historically religious groups in the United States have been somewhat geographically segmented. This is becoming less so over time but still persists to a degree (other than mega-facilities, most religious facilities tend to operate on a local basis).

In total, the need for facilities has paralleled areas of growth. Stable areas such as New England have had a nominal demand for new and/or existing facilities, whereas growth corridors in Florida, California and Texas have been meccas for new facilities.

A recent survey of various denominations that exist throughout the United States is summarized in *One Nation Under God – Religion in Contemporary American Society*. The random survey of 113,000 people from across the country was conducted by the Graduate School of the City University of New York by means of computer-generated telephone calls over a 13-month period. This National Survey of Religious Identification is reportedly the largest and most comprehensive survey on the subject ever taken and includes not only the religious composition of the country but the geographic diversification. The results of the survey are as follows:

Christian	86.2%
None	8.2%
Other Religions	3.3%
Refused	2.3%

In this survey, "None" category consisted of "agnostic", "humanist", and simply "no religion". The "Other Religions" category consisted of Jewish, Muslim/Islamis, Uniterian Universalist, Buddist, Hindu, Native American, Scientologist, Baha'I, Taoist, Mew Age, Eckankar, Rastafarian, Sikh, Wiccan, Shintoist, Deity and "other unclassified".

The survey would indicate that almost 90% of the population of the United States is aligned with a religious group. Thus, the need for facilities appears apparent. The survey recognizes that not all of the respondents participate in organized religion, but given these numbers, many individuals do practice religion, indicating the need/demand for facilities.

The above noted survey is of individuals and not facilities. Conversations with a firm, *American Church List, Inc., Arlington Texas*, specializing in tallying the religious facilities in the country has provided a detailed breakdown to the number and general denomination of religious facilities throughout the country. This information tends to indicate that there are approximately 345,000 facilities in the country. A breakdown of these facilities by religious denomination appears in the following tables.

SEE RELIGIOUS DENOMINATIONS TABLE – NEXT PAGE

Number of Religious Facilities in the United States, by Denomination

State	Adventist	Baptist	Methodist	Lutheran	Presbyterian	Pentecostal	Catholic	Bretheran	Independent Funda-mentalist	Episcopal	Christian Churches of Christ	Mennonite	Mormon	Holiness	Metaphysical	Orthodox	Evangelical, Misc.	Misc./ Classified*	Totals
Alabama	70	4,682	1,701	103	474	1,400	151	7	46	130	1,151	7	36	289	38	7	281	72	10,645
Alaska	28	134	34	48	52	148	69	7	29	45	60	2	25	51	16	82	125	55	1,008
Arizona	65	604	133	235	182	621	209	16	79	70	305	18	212	173	112	21	316	150	3,611
Arkansas	80	3,058	755	91	271	1,160	111	1	39	59	1,059	10	37	171	35	6	214	37	7,194
California	580	3,591	895	1,029	1,264	4,358	1,268	114	382	473	1,442	101	374	1,016	1,128	219	2,605	1,473	22,312
Colorado	83	627	277	287	299	528	265	15	99	101	325	38	98	208	109	21	420	172	3,972
Connecticut	47	319	182	130	347	350	437	2	29	198	78	11	55	81	59	185	171	—	2,681
Washington, DC	17	283	69	17	32	158	50	4	9	41	31	5	1	32	43	13	80	44	930
Delaware	12	99	183	21	52	113	44	4	8	42	26	7	4	50	11	4	55	19	754
Florida	218	3,393	994	436	654	2,249	456	52	113	324	901	44	76	570	287	101	855	407	12,130
Georgia	120	4,991	1,626	136	493	1,585	144	2	39	164	762	9	44	334	78	19	390	144	11,080
Hawaii	29	98	34	25	91	165	78	4	13	43	63	2	36	57	38	3	115	222	1,117
Idaho	58	186	85	94	89	196	89	10	47	42	110	9	305	109	31	4	128	31	1,623
Illinois	189	3,351	1,738	1,281	1,252	2,040	1,202	81	287	215	1,271	86	135	767	240	106	1,104	521	15,866
Indiana	115	1,792	1,356	480	558	1,201	465	242	111	87	1,378	119	53	1,027	109	45	768	144	10,050
Iowa	82	568	1,122	949	789	427	558	62	102	73	457	40	110	224	55	15	376	98	6,107
Kansas	76	924	855	344	374	564	392	59	89	86	682	139	76	344	51	13	338	57	5,463
Kentucky	55	3,381	943	75	444	911	300	15	37	81	1,513	32	22	389	31	4	290	57	8,580
Louisiana	58	3,111	672	102	202	1,039	555	2	47	93	393	3	29	148	46	9	267	118	6,894
Maine	54	361	177	25	242	160	159	4	25	79	48	3	19	83	74	7	114	30	1,664
Maryland	102	827	1,009	328	300	677	278	100	85	248	176	46	26	189	87	23	375	177	5,053
Massachusetts	76	555	285	106	530	322	809	1	27	263	77	2	15	118	272	96	296	259	4,108
Michigan	233	2,128	1,098	1,010	1,047	1,442	863	102	279	260	491	81	171	848	224	83	784	301	11,445
Minnesota	67	443	283	2,001	379	330	519	5	57	103	151	25	36	180	82	24	496	106	5,291
Mississippi	63	3,394	1,085	49	344	863	135	18	83	539	11	27	122	20	5	146	61	—	6,965
Missouri	151	3,296	1,077	441	613	1,447	518	29	79	106	1,528	45	221	429	97	25	515	141	10,758
Montana	50	201	165	261	122	163	159	3	37	49	125	17	84	121	30	5	151	41	1,784
Nebraska	70	273	496	667	354	254	342	11	70	72	249	29	40	144	30	15	205	65	3,386
Nevada	17	128	31	36	24	122	57	15	32	53	73	27	28	8	75	35	—	—	761
New Hampshire	39	195	113	23	184	68	143	1	26	53	32	9	23	49	15	81	35	—	1,089
New Jersey	80	903	734	304	706	602	772	9	141	301	129	10	20	178	104	113	446	408	5,960
New Mexico	55	506	163	68	120	400	206	7	23	50	279	4	58	77	42	8	163	65	2,294
New York	259	1,927	1,665	718	1,510	1,761	1,858	11	148	748	400	53	67	673	324	231	965	1,484	14,801
North Carolina	156	5,956	2,462	325	1,165	2,193	160	20	44	270	797	18	56	523	75	13	801	152	15,184
North Dakota	52	119	169	739	180	120	257	6	10	29	24	17	18	69	10	7	88	22	1,936

[continued]

State	Adventist	Baptist	Methodist	Lutheran	Presbyterian	Pentecostal	Catholic	Bretheran	Independent Funda-mentalist	Episcopal	Christian Churches of Christ	Mennonite	Mormon	Holiness	Metaphysical	Orthodox	Evangelical, Misc.	Misc./ Classified*	Totals
Ohio	177	2,804	2,183	924	1,236	2,027	1,023	351	143	213	1,395	166	94	1,226	243	147	1,112	373	15,837
Oklahoma	123	2,802	722	142	267	1,474	203	8	59	67	1,250	61	87	410	66	10	425	82	8,278
Oregon	139	486	216	241	210	626	182	12	68	102	397	41	119	263	116	11	434	146	3,829
Pennsylvania	231	1,755	2,780	1,636	2,156	1,281	1,682	412	345	432	481	466	1,045	1,045	161	283	1,027	470	16,696
Rhode Island	11	107	32	18	41	52	144	7	63	10	5	10	21	10	37	30	—	—	598
South Carolina	61	2,901	1,185	199	566	1,132	100	4	40	170	240	4	31	246	33	10	223	78	7,223
South Dakota	33	167	196	525	274	119	247	6	16	90	63	35	24	110	12	2	88	28	2,035
Tennessee	132	4,414	1,614	125	817	1,395	127	20	40	126	1,904	7	320	320	49	10	404	102	11,634
Texas	268	8,476	2,424	894	888	4,008	1,197	38	230	456	3,359	47	573	573	264	49	1,342	308	25,038
Utah	18	113	22	32	39	74	85	14	22	33	511	13	5	5	39	31	—	—	1,071
Vermont	22	96	103	13	187	36	116	4	14	53	30	7	32	32	36	5	90	24	873
Virginia	109	2,955	1,779	292	762	1,190	200	217	64	375	689	72	303	303	86	26	393	142	9,696
Washington	166	712	276	495	403	781	283	32	130	149	340	12	351	351	167	16	625	199	5,256
Wisconsin	99	534	605	1,743	535	503	943	5	98	133	180	24	181	181	109	34	414	145	6,521
West Virginia	92	1,178	1,317	68	278	717	135	66	45	92	533	15	314	314	19	20	202	49	5,155
Wyoming	30	158	45	77	49	119	55	4	19	54	66	60	14	14	7	53	20	—	888

Number of Religious Facilities in Largest Metropolitan Areas of U.S.

City	Adventist	Baptist	Methodist	Lutheran	Presbyterian	Pentecostal	Catholic	Bretheran	Independent Funda-mentalist	Episcopal	Christian Churches of Christ	Mennonite	Mormon	Holiness	Metaphysical	Orthodox	Evangelical, Misc.	Misc./ Classified*	Totals
Atlanta	39	1,694	511	81	216	462	55	1	20	56	271	7	10	97	46	10	147	72	3,795
Boston	13	146	56	23	88	98	180	0	7	68	11	3	4	30	73	27	60	93	980
Chicago	35	893	153	197	157	570	304	5	55	38	80	10	8	98	74	35	284	185	3,181
Dallas	22	1,038	265	84	124	505	59	0	67	62	319	8	16	62	40	8	161	33	2,873
Denver	41	322	108	175	191	268	126	7	50	56	132	17	33	92	61	13	246	99	2,037
Fort Worth	33	768	172	46	72	329	45	2	33	34	251	1	11	49	21	3	114	17	2,001
Houston	31	1,347	315	173	134	724	209	8	39	87	381	2	37	84	59	17	239	76	3,962
Los Angeles	105	953	205	215	338	922	301	36	76	88	303	9	89	214	298	52	564	445	5213
New York	135	643	223	231	307	870	532	6	48	191	162	16	8	149	115	107	371	976	5,090
Phoenix	27	400	83	131	106	375	104	6	41	36	135	15	110	95	66	15	176	82	2,003
Salt Lake City	8	80	17	23	32	53	55	0	10	14	24	0	364	9	16	4	32	25	766
San Francisco	69	674	136	156	182	568	229	4	47	90	141	6	35	122	171	46	317	260	3,253

* This category includes facilities for the following religions: Baha'i, Buddhist, Zen, Eckankar, Hindu, Jehovah's Witnesses, Jewish, Krishna, Muslim/Islamic, Sikh, Spiritualist Church/Organizations, Tenikyo Churches, Unification Church, Unitarian Universalist Association, United Synagogue of America, Yoga Institute, and miscellaneous cults and sects.

Source: American Church Lists, Inc., Arlington, Texas

Market Conditions – Dallas Fort Worth Area

Demand for religious facilities naturally tend to follow residential growth trends and patterns with most new facilities located within suburban areas and waning memberships noted within its core or urban areas. The growth in residential development throughout greater Dallas/Fort Worth has resulted in a relatively proliferation of new facilities (or expansions) in recent years. This is primarily noted within the prime suburban areas, yet some renewed growth is noted within core areas (such as the $48M expansion of the First Baptist Church in downtown Dallas).

The religious facility market for the greater Dallas/Fort Worth area is considered fairly vibrant and relatively prolific as compared to many markets throughout the nation (there are almost 2,200 religious/church facilities in the Dallas area and close to 3,000 in the Metroplex). An active real estate market for religious facilities is noted within Dallas/Fort Worth, which is likely due to the vast number of religious orientations and various cultural groups in the area. Non-denominational groups occupy many of the smaller religious facilities.

According to the Dallas phone directory, there are 125 religious' denominations (congregations) within the Dallas area, totaling 2,175 facilities. Fort Worth has a large number of denominations, with Metroplex wide congregations totaling 3,000 facilities. These include numerous groups with one facility and the number likely excludes some smaller organizations. The largest denominations (over 100 facilities) include: Baptist, Baptist-Missionary, Baptist-Southern, Church of Christ and Methodist-United. Overall, it is evident that there is a diverse and extensive number of religious groups and facilities in the Dallas/Fort Worth Area.

A trend toward religious diversity is creating a wide variety of new faiths in the Dallas/Fort Worth area (also a national trend). Before the Immigration and Nationality Act Amendments in 1965, most immigrants to the US came from Western Europe (where religious beliefs mirrored those in America). The 1965 law allowed for greater immigration from other parts of the world. Today, Dallas/Fort Worth is home to at least nine world religions, including Muslims, Sikhs, Zoroastrians, Hindus, Jains, and Baha'is. It is important to note, that many of the newer religions to the region feature sanctuaries, which usually double as community space where members also share native customs.

The following is a summary of the membership of the various primary denominations active in the Dallas/Fort Worth area.

SEE MEMBERSHIP PRIMARY DENOMINATIONS – NEXT PAGE

Group	Where	Number of Adherents	% of total pop.
Alternative Religions	**Texas: Dallas-Fort Worth**	3,900	0.10%
Baptist	Texas: Dallas-Fort Worth	1,485,900	38.10%
Catholic	Texas: Dallas-Fort Worth	491,400	12.60%
Christianity	Texas: Dallas-Fort Worth	3,552,900	91.10%
Church of Jesus Christ of Latter-day Saints	Texas: Dallas-Fort Worth	22,230	0.57%
Church of Jesus Christ of Latter-day Saints - temples	Texas: Dallas-Fort Worth	-	-
Church of Jesus Christ of Latter-day Saints - temples	Texas: Dallas-Fort Worth	-	-
Churches of Christ	Texas: Dallas-Fort Worth	109,200	2.80%
East Asian religions	Texas: Dallas-Fort Worth	15,600	0.40%
Episcopalian	Texas: Dallas-Fort Worth	58,500	1.50%
Islam	Texas: Dallas-Fort Worth	7,800	0.20%
Jehovah's Witnesses	Texas: Dallas-Fort Worth	31,200	0.80%
Judaism	Texas: Dallas-Fort Worth	38,000	-
Judaism	Texas: Dallas-Fort Worth	23,400	0.60%
Judaism	Texas: Dallas-Fort Worth	50,000	-
Judaism	Texas: Dallas-Fort Worth	-	-
Latter Day Saints	Texas: Dallas-Fort Worth	23,400	0.60%
Lutheran	Texas: Dallas-Fort Worth	70,200	1.80%
Methodist	Texas: Dallas-Fort Worth	413,400	10.60%
Native Americans	Texas: Dallas-Fort Worth	18,972	-
New Kadampa Tradition	Texas: Dallas-Fort Worth	-	-
Nonreligious	Texas: Dallas-Fort Worth	226,200	5.80%
Orthodox (Eastern Christian)	Texas: Dallas-Fort Worth	3,900	0.10%
Pentecostal	Texas: Dallas-Fort Worth	167,700	4.30%
Presbyterian	Texas: Dallas-Fort Worth	81,900	2.10%
Protestant	Texas: Dallas-Fort Worth	2,901,600	74.40%
Protestant - other	Texas: Dallas-Fort Worth	514,800	13.20%
Unitarian/Unitarian Universalist	Texas: Dallas-Fort Worth	11,700	0.30%

The appraisers are aware of numerous new religious facilities and expansions throughout the Dallas/Fort Worth area. The Majority of the new facilities are within areas, which have experienced strong residential growth, while many of the established (growth-oriented) congregations opt to expand. It is also noted, however, that new construction exists for established congregations, which have simply outgrown the existing facility (which can many times be a result the lack of space for schools or other professional uses). In many of these cases, a smaller, growth-oriented congregation will purchase a larger facility that has been vacated for new construction.

According to our research of religious facility transactions within the Dallas/Fort Worth area, well over 375 religious facilities have transferred/sold between October 1991 and the date of this report. These religious facilities ranged in price from $2.72 (auction sale) to $326.50 per square foot with the majority being between $14.98 to $120.00 per square foot since January 1, 2015.

In conclusion, it is apparent that the local religious facility market is active. While the majority of the sales involve religious facilities, which are 30,000 s.f. or less in size, there are multi-million-dollar facilities which have either been built or expanded in the Dallas/Fort Worth area. The slow but active market for religious facilities in the Dallas/Fort Worth market is likely due to historical growth in employment, population, and income levels. *In the last couple of years, the market for religious facilities has slowed in the Dallas/Fort Worth area*.

HIGHEST & BEST USE

The Appraisal Institute defines highest and best use as follows:

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

The four criteria the highest and best use must meet are:

1. **Physically Possible Use**: What uses of the site in question are physically possible?
2. **Legally Permissible Use**: What uses are permitted by zoning and deed restrictions?
3. **Financially Feasible Use**: Which possible and permissible uses will produce a net return to the owner of the site?
4. **Maximally Productive**: Among the financially feasible uses that are physically possible and legally permissible, which use will produce the highest net return or the highest present worth?

There are two types of highest and best use studies. The first is the highest and best use of the land or site as though vacant. The second is the highest and best use of the property as improved. The highest and best use of land or a site as though vacant assumes that the parcel is vacant or can be made vacant by demolishing any improvements. The question to be answered in this analysis is: If the land is, or were vacant, what use should be made of it?

The highest and best use of a property as improved pertains to the use that should be made of an improved property in light of its improvements. Should it be maintained as it is, or be renovated, expanded, demolished, or partly demolished? Should it be replaced with a different type or intensity of use, or should it be held as an interim use? The improvements should be retained as long as they have some value and the return from the property exceeds the return that would be realized by a new use, after deducting the costs of demolishing the old building and constructing a new one.

Highest and Best Use-As if Vacant

Physical Possible-The physical aspects of the site dictate the first constraint on the possible use of the property. The size and location of the parcel are important aspects of value. In general, the larger the site, the greater it's potential to achieve economies of scale and flexibility in the development.

According to information provided by the Tarrant County Appraisal, the subject property contains a total of 3.7329 acres (162,208 s.f.). Access to the site is average and is provided by an entrance along the north side of the W. Pipeline Road. The property has good visibility. W. Pipeline Road is a four-lane, asphalt paved roadway with concrete curb and gutter drainage.

The property has no major topographic problems. The overall size of the property allows for flexibility in development and the width of the property is sufficient to allow a wide variety of uses.

Legally Permissible Use-Legal use of any property is governed to some extent by public restrictions such as zoning ordinances and/or building codes and private restrictions such as easements and/or deed restrictions. The site is zoned "U" – Institutional District by the City of Hurst. According to city officials, this zoning allows for a religious facility and related uses. It appears the subject is in compliance with all zoning requirements.

Based upon our inspection of the subject property and conversation with the City of Hurst, it appears that the subject property is in compliance with all of the zoning restrictions. Again, the City of Hurst confirmed this conclusion. Therefore, the property is not legally impacted. The appraisers are not aware of any private restrictions, which may affect the utility or value of the property.

Financially Feasible/Maximally Productive-Proposed development must be financially feasible**.** Factors, which must be considered included surrounding land, uses, the supply and demand of the property type, the availability of financing, and the cost of land acquisition and building construction in relation to the property's income producing capacity.

Conformity is the appraisal principle that holds that real property values are created and sustained when the characteristics of the property conform to the demands of its current market. The styles and uses of the properties in an area may conform for several reasons, including economic pressures, the shared preference of owners of certain types of structures, amenities and services and the enforcement of uniform standards by means of zoning. Through local zoning ordinances, the government encourages conformity by restricting land use. Standards of conformity are set by the market and are therefore subject to change. Zoning codes, however, tend to establish conformity in basic property characteristics including size, style, and design. A particular market also sets standards of conformity, especially in terms of price. Usually, the value of an over improved property will decline, or regress towards the value of surrounding, conforming properties, while the value of an under improved property may increase, or progress towards the prevailing market standards.

Land uses within the immediate market area of the subject property are entirely comprised of commercial and residential sites. This use pattern is consistent with predominant area trends and prevalent patterns.

Highest And Best Use Conclusion-Vacant Land

Several factors have, at this point, been analyzed in the determination of the highest and best use of the subject as considered vacant. The site has passed the tests of physically possible and legally permissible uses. Use of the subject property for a community and/or commercial type use is believed to be most probable and considered the highest and best use as vacant.

Highest and Best Use - As Improved

The definition of highest and best use as improved involves the estimation of the use that will maximize an investment property's return (NOI) on a long-term basis. If the existing improvements do not represent such a use, and as a consequence require renovation, expansion, or removal, the appraiser must consider the economic feasibility of such changes as of the effective date of the appraisal.

The analysis of the highest and best use of the site *as if vacant* and *as improved* considers the contributory value of the improvements. If the overall value of the property as improved exceeds the value of the property as vacant, a prudent purchaser would leave the existing improvements intact. The following discussion tests the highest and best use of the subject, as improved, using the four criteria of physically possible uses, legally permissible uses, financially feasible uses, and maximally productive uses.

Physical Possibilities: The subject property is improved with an existing 35,221 s.f. religious facility. The property is in average overall condition and is considered to be well maintained. The improvements and site area create a land-to-building ratio of 4.62:1, which is considered reasonable for this type of development.

The overall value of the building exceeds the value of the property as vacant. Based on this information, the physical possibilities of the subject would be for use of the subject as a community related facility.

Legal Restrictions: As previously outlined, the site is zoned "U" – Institutional District by the City of Hurst. According to city officials, this zoning allows for a religious facility and related uses. It appears the subject is in compliance with all zoning requirements. Based on this information, the subject's use conforms to the legal restrictions and further supports the physical indication that the subject's highest and best use is for use of the subject as a community related facility.

Financially Feasible and Maximally Productive: The subject is an existing religious facility, and the question becomes: Is there another use that would produce a higher return to the property on a long-term basis? In this particular case, it does not appear that there is a reasonable alternative use that could out perform the subject's current use at the present time.

Special use properties have both a use value and a market value, which may be the same or different depending on the property and the market (The value a specific property has for a specific use). Religious facilities are special use properties. The financial feasibility of a religious facility is based on cash-flow which is difficult for a variety of issues. The cash flow that is focused on is related to collections rather than a rental rate or an income stream generated by the real estate. Dividing the two is generally impossible. If the congregation is strong and has good cash flow a value-in use can be implied. Again, the subject is a special use property and not an investment grade commercial property. Therefore, given the data in this report and the fact that the subject is an existing religious facility, it is our opinion that the existing improvements do represent the highest and best use of the site.

LAND VALUATION

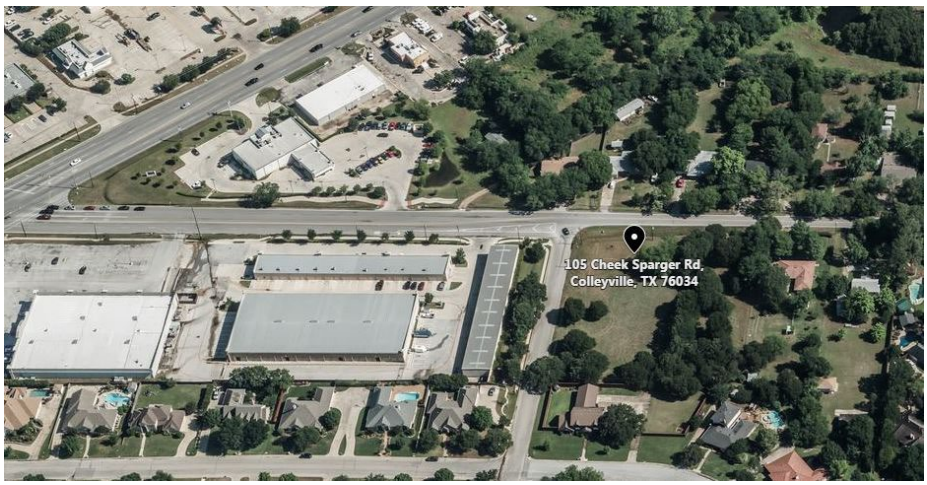
"The Sales Comparison Approach may be used to value land that is actually vacant or land that is being considered as though vacant for appraisal purposes. Sale comparison is the most common technique for valuing land, and it is the preferred method when comparable sales are available. With this method, sales of similar parcels of land are analyzed, compared, and adjusted to provide a value indication of the land being appraised. The comparison process is based on an analysis of the similarity or dissimilarity of the parcels" (The Appraisal of Real Estate, A.I., 14th Edition).

In order to derive an opinion of the market value of the subject land, assuming the property is available for development to its highest and best use, we have assembled sales data for similar properties in the area. After examining available sales data, we have selected four land sale transactions as most comparable for this analysis. After an adjustment process, which compensates for the significant differences between these sales and the subject, these sales provide an indication of the subject's land value.

On the following pages is a Comparable Land Sales Map identifying the relative location of each land sale; the following land sales displays the data pertinent to this analysis. The identified sale prices have been adjusted to cash-equivalency, when appropriate. At the end of the land value section is a land sales Grid, which provides relevant data and shows the appropriate adjustments. For each element of comparison, each sale is rated as being superior, similar, or inferior to the subject. A downward (negative) adjustment is applied for a superior rating and an upward (positive) adjustment is made for an inferior rating; no adjustments are made for elements considered similar to the subject.

In analyzing the individual sales, we have selected the price per square foot of land as the operative unit of comparison. This is the unit of comparison most commonly quoted by brokers, sellers, and purchasers when discussing sales transactions and is considered the most relevant for the subject.

The following comparables were considered when deriving a value estimate for the subject property:



Comparable Land Sale #1

LOCATION

Location:	105 Cheek Sparger Road
City/County:	Colleyville/Tarrant

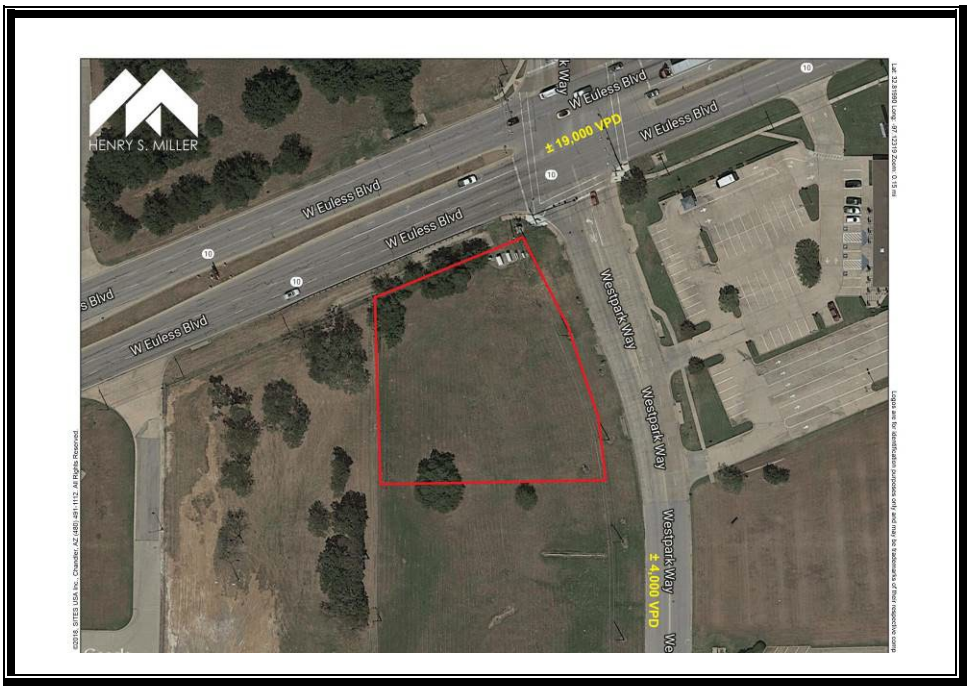
PHYSICAL DESCRIPTION

Size:	1.9600 acres, 85,378 s.f.
Zoning:	Commercial
Utilities	Available
Flood Plain:	None
Improvements:	None

SALES DATA

Date of Sale:	11/29/2022
Sales Price:	$562,500
Price Per s.f.:	$6.59
Financing:	Cash to seller
Grantor:	Ronnie R. Uhlenhaker
Grantee:	Aayush Real Estate, LLC
Recording:	D222262018
Verification:	Broker

REMARKS: None.



Comparable Land Sale #2

LOCATION

Location:	1200 Westpark Way
City/County:	Euless/Tarrant

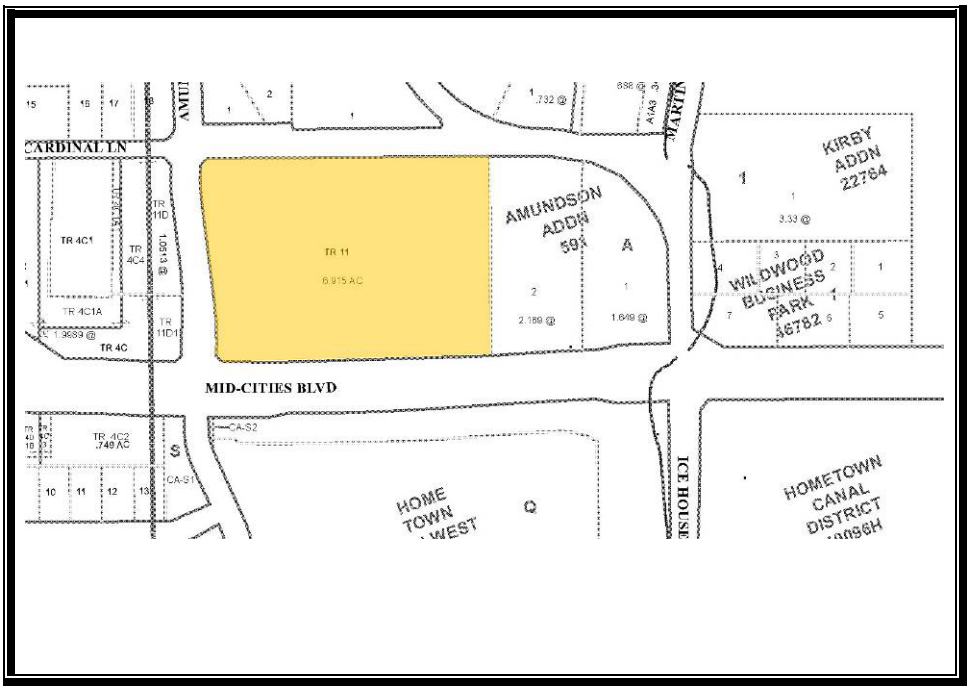
PHYSICAL DESCRIPTION

Size:	2.6600 acres, 115,870 s.f.
Zoning:	Commercial
Utilities	Available
Flood Plain:	None
Improvements:	None

SALES DATA

Date of Sale:	11/22/2022
Sales Price:	$1,115,000
Price Per s.f.:	$9.62
Financing:	Cash to seller
Grantor:	Webuyland, LLC
Grantee:	City Venture Group
Recording:	D222276716
Verification:	Broker

REMARKS: None.



Comparable Land Sale #3

LOCATION

Location:	Mid Cities Blvd. @ Davis Blvd.
City/County:	North Richland Hills/Tarrant

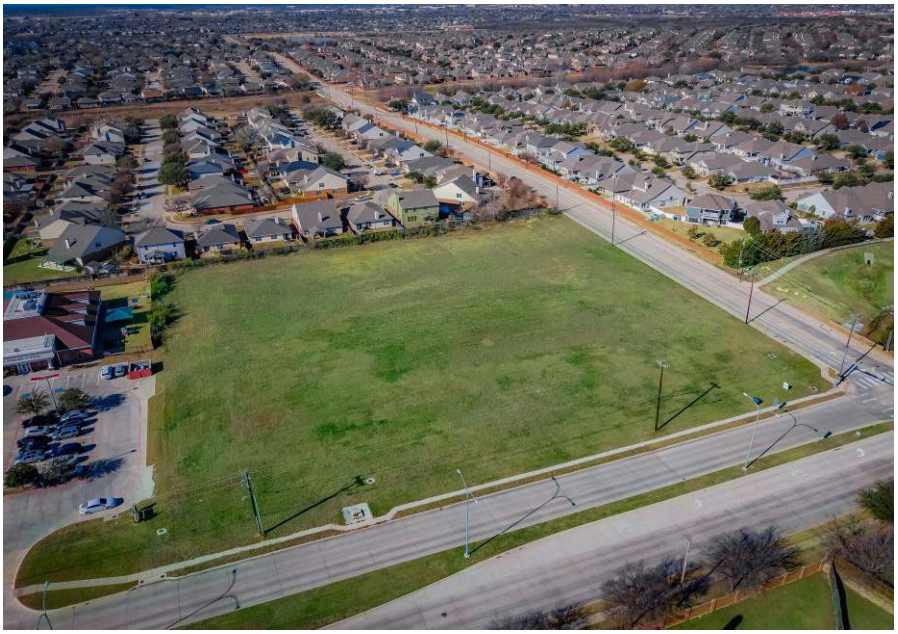
PHYSICAL DESCRIPTION

Size:	1.2100 acres, 52,542 s.f.
Zoning:	Commercial
Utilities	Available
Flood Plain:	None
Improvements:	None

SALES DATA

Date of Sale:	06/08/2022
Sales Price:	$240,000
Price Per s.f.:	$4.57
Financing:	Cash to seller
Grantor:	Womack Dan R.
Grantee:	Mid Cities Real Estate, Inc.
Recording:	D222127348
Verification:	Broker

REMARKS: None.



Comparable Land Sale #4

LOCATION

Location:	8857 Ray White Road
City/County:	Fort Worth/Tarrant

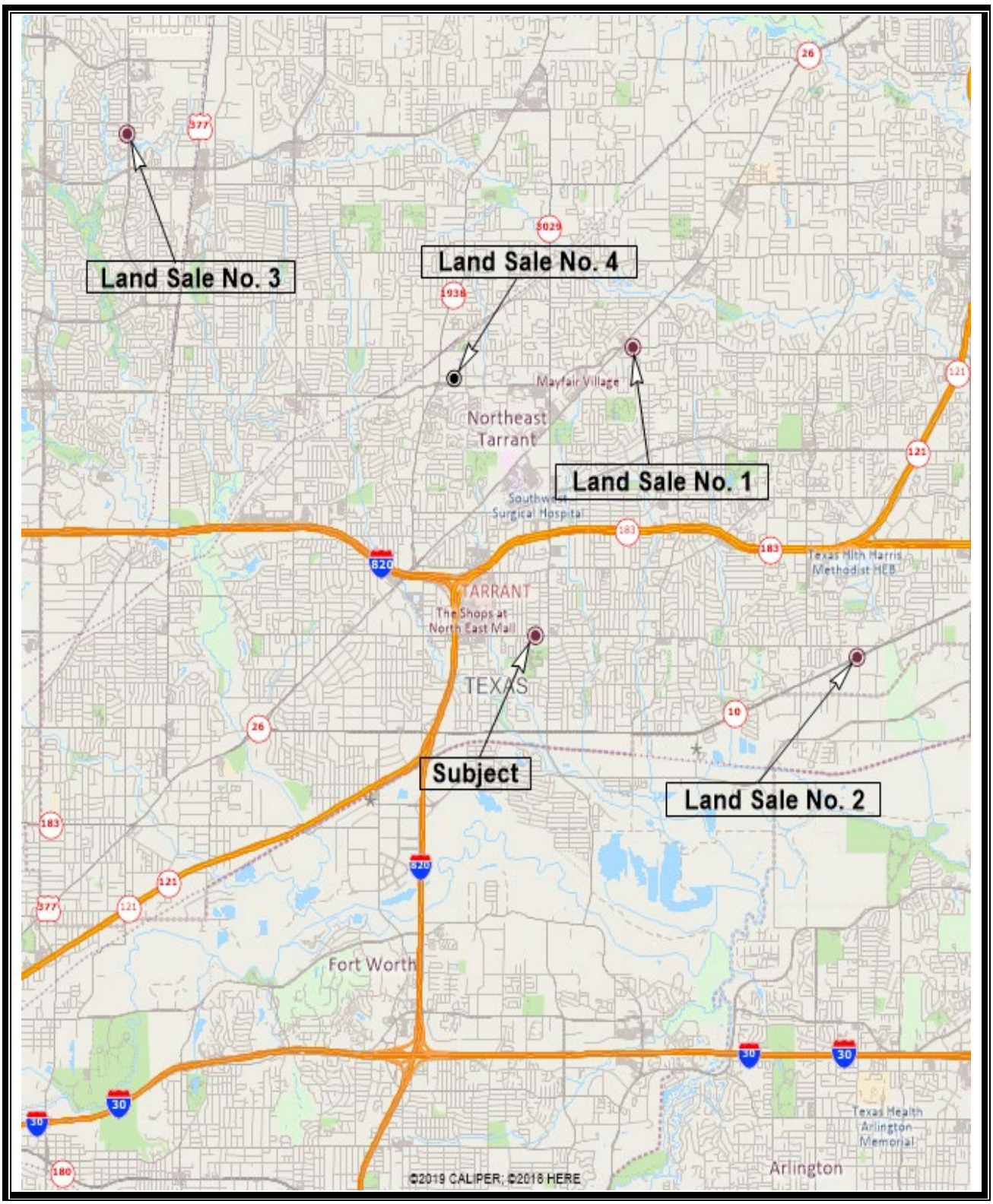
PHYSICAL DESCRIPTION

Size:	3.3300 acres, 145,055 s.f.
Zoning:	Commercial
Utilities	Available
Flood Plain:	None
Improvements:	None

SALES DATA

Date of Sale:	03/21/2022
Sales Price:	$950,000
Price Per s.f.:	$6.55
Financing:	Cash to seller
Grantor:	Diamond Oak Church of God Fort Worth
Grantee:	Holdings of RCS, LLC
Recording:	D222076660
Verification:	Broker

REMARKS: None.



LAND SALES MAP

Land Sales Analysis

A search of county deed records revealed four land sales comparable to the subject. The comparable land sales range in price from $4.57 to $9.62 per square foot and in size from 52,542 to 145,055 square feet.

It is evident that the variance in sales prices warrants some adjustments in order to better reflect the attributes of the subject property. Although paired data set analysis is a theoretically sound method, it is sometimes impractical because only a narrow sampling of sufficiently similar properties may be available, and it is difficult to quantify the adjustments attributable to the other variables present. There are many variables, some of which have to do with the physical characteristics of the property, some of which have to do with the financing, and many of which rest entirely on the perception on the part of the buyer and the property's potential. It is often possible to adjust for two differing factors but isolating the exact adjustment for each factor may not be possible. It should also be noted that the use of one pair of sales is statistically not very reliable for use with other properties. This is because the use of one pair of sales to indicate a single adjustment is similar to using a sample size of one to make inferences about a population.

A sale price adjustment can simply be an acknowledgement of a property's superior or inferior quality, or it may be a precise dollar sum or percentage. Adjustments may also be totaled and factored into the comparable sales prices. In this analysis the adjustments are based on our own judgment of value of factors affecting comparable sales prices.

Real Property Rights Conveyed - Many types of real estate, particularly income-producing property, are sold subject to existing leases. The revenue generating potential of a property is often fixed or limited by the terms of the existing leases. In the valuation process, adjustments must be made to reflect the difference between contract rent and market rent and how this difference affects property price. This is typically not a consideration for vacant land where the fee simple ownership interest is usually transferred. This is the case with the subject and each of the sales; therefore, no adjustments were necessary for property rights conveyed.

Financing - Financing adjustments refer to a cash equivalency analysis when sales are encountered that involved atypical market financing at the time of sale. Cash equivalency analysis is a procedure in which the sales prices of comparable properties that were sold with atypical financing terms are adjusted to reflect typical financing terms. Atypical financing terms can include below market interest rates, little or no down payment, installment sale contracts, and wraparound notes. Upon inspection of the comparable sales, adjustments for financing were unwarranted as each sale reportedly sold for cash, or in terms equivalent to cash.

Conditions of Sale/Motivation - Conditions of sale usually reflects the motivation of the buyer and the seller. This adjustment might be necessary if a property owner paid a premium to purchase an adjacent property for assemblage purposes. Another instance where this adjustment might be appropriate would be if a property owner liquidated a property without proper marketing in an effort to raise cash quickly. The conditions of sale or motivation of each sale was considered and determined to be similar arm's-length transactions.

Market Conditions - Real estate values normally change over time. The rate of this change fluctuates due to investors' perceptions of prevailing market conditions. This adjustment category reflects market differences occurring between the effective date of the appraisal and the sales date of a comparable when values have appreciated or depreciated.

In this analysis, dates of sale range from March 2022 to November 2022. Given the sales, extracting a market conditions adjustment to the current date of value is not possible. It is our opinion that land values have remained stable during the time frame indicated by the sales. Therefore, an adjustment is not necessary.

It should be noted that the four adjustment factors discussed above (property rights conveyed, financing, conditions of sale/motivation, and market conditions/time) must be made, if warranted, prior to making adjustments for physical characteristics. Adjustments for physical characteristics are then applied to the net adjusted sales price from the aforementioned adjustments.

Other factors of adjustment, which were considered, are outlined in the following paragraphs.

Location - The location of a commercially oriented property takes into account the proximity of a property to neighborhood collector streets or major traffic arteries, surrounding land uses, and the overall analysis of the immediate area. Location represents the time-distance relationship between a property and all possible origins or destinations for people coming to or going from the property. The importance of location usually depends on the preferences and needs of the neighborhood occupants. For instance, a location with a high traffic count and good visibility is generally very desirable for a retail property while this type location would not be favorable for a residential development.

In the case of the subject, the locational attributes of sales 1 and 3 are considered reasonably similar; therefore, an adjustment is not necessary. Sales 2 and 4 are superior due to neighborhood back up or in the case of sale 2 having Highway 10 frontage, access, and visibility.

Size - Size adjustments are based on the premise that, given two properties with similar characteristics, a smaller property will generally sell for more per unit (P/SF) than an equal, but larger property and vice versa. Also, smaller properties generally enjoy greater demand because more buyers are able to meet the financial requirements of purchasing a small property as opposed to a larger property. The greater demand enables the smaller properties to command higher unit prices in a normal market. In this analysis, sales 2 and 4 are considered similar; therefore, an adjustment was not necessary. Sales 1 and 3 are smaller and have been adjusted downward.

Zoning/Utilities – With respect to these two characteristics, all of the sales are considered reasonably similar to the subject; therefore, requiring no adjustment.

Shape – With respect to this characteristic, all of the sales are considered reasonably similar to the subject; therefore, requiring no adjustment. Comparison of the sales did not reveal an adjustment for this characteristic.

Other factors of adjustment, which were considered and subsequently not adjusted for, include flood plain, adverse deed restrictions, easements, zoning, and configuration. These characteristics were determined to be relatively similar to those of the subject property. Further details of the analysis used in deriving the following adjustments are retained in the appraiser's file.

To better facilitate the adjustment process, an adjustment grid has been prepared and is shown on the following page.

SEE LAND SALES ADJUSTMENT GRID – NEXT PAGE

Land Sales Adjustment Grid

Item	Subject	Sale 1	Sale 2	Sale 3	Sale 4
Date of Sale	Current	Nov-22	Nov-22	Jun-22	Mar-22
Sales Price		$562,500	$1,115,000	$240,000	$950,000
Size/s.f.	162,208	85,378	115,870	52,542	145,055
Price ($/Sq.Ft.)		$6.59	$9.62	$4.57	$6.55
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment		0%	0%	0%	0%
Financing	Typical	Typical	Typical	Typical	Typical
Adjustment		0%	0%	0%	0%
Conditions of Sale	Typical	Typical	Typical	Typical	Typical
Adjustment		0%	0%	0%	0%
Time	Current	Current	Current	Current	Current
Adjustmet		0%	0%	0%	0%
Adjusted SP /s.f.	**N/A**	**$6.59**	**$9.62**	**$4.57**	**$6.55**
Location	Average	Similar	Superior	Similar	Superior
Adjustment		0%	-20%	0%	-10%
Size	162,208	85,378	115,870	52,542	145,055
Adjustment		-5%	0%	-5%	0%
Zoning/Utilities	Commercial	Similar	Similar	Similar	Similar
Adjustment		0%	0%	0%	0%
Shape	Irregular	Similar	Similar	Similar	Similar
Adjustment		0%	0%	0%	0%
Net Adjustment		-5%	-20%	-5%	-10%
Adjusted SP ($/s.f.)		$6.26	$7.70	$4.34	$5.89
Adjusted Mean			**$6.05**		

The adjusted sales price range was from $4.34 to $7.70 per square foot, with a mean of $6.05 per square foot. Although not ideal, the sales were the best available at time of analysis. In final analysis, most weight was placed on sales 1, 3 and 4, having the least overall adjustments. Secondary weight was placed on sale 2. After considering the collective merits of the comparables, making the necessary adjustments, we have concluded the appropriate value for the subject site would be $5.50 per square foot, which is calculated as follows:

Site		**Price**		**Indicated Value**
162,208/SF	x	$5.50 per SF	=	$890,000

THE COST APPROACH

The formula for the cost approach is:

Replacement or Reproduction Cost of Improvements
Less: Accrued Depreciation
Contributory Value of Improvements
Plus: Site Value
Indicated Value, Adjusted for Property Rights Appraised

The first step in the cost approach is to estimate the value of the site, as vacant, and in its highest and best use as vacant. The site value is determined by the direct sales comparison approach whereby sales of comparable properties are compared to the subject. Adjustments are made to the comparables in order to derive a value estimate for the site.

The second step in the cost approach is to estimate the reproduction or replacement cost of the subject improvements. Generally, the estimated replacement cost of the improvements is used within this report, and is defined as:

> "The estimated cost to construct, at current prices, a building with utility equivalent to the building being appraised, using modern materials and current standards, design, and layout" (The Appraisal of Real Estate, A.I., 14th Edition).

For the cost approach to provide a sound indication of value, the appraiser must add to the direct and indirect costs a figure for the entrepreneurial profit that is reflected in the market. This figure is usually expressed as a percentage of the total direct and indirect costs.

Accrued depreciation is deducted from the replacement cost estimate to derive the contributory value of the improvements.

> "Accrued depreciation is the difference between an improvement's reproduction or replacement cost and its market value as of the date of appraisal".

Depreciation is caused from physical, functional, or economic sources. Physical depreciation reflects wear and tear on the structure. Functional obsolescence is from poor layout, design, outmoded fixtures, or over-improvement of a site. Economic obsolescence is loss in value from factors outside of the property boundaries. Physical and functional depreciation may be further broken into curable or incurable sources. Incurable depreciation items are those that are not economically feasible to correct as of the date of the appraisal.

The final value estimate via the cost approach is derived when the contributory value of the improvements is added to the value of the site.

Replacement Cost New

In order to estimate the cost new of the subject improvement, the Marshall Valuation Service was consulted. The service is a complete, authoritative appraisal guide for developing reproduction or replacement costs and depreciated values of buildings and other improvements, and it provides costs for a wide range of construction classes and types of occupancies. The cost data presented in this manual is based on years of valuation experience and is periodically updated to reflect the most recent cost data. Modifiers are included to make the cost applicable to any size building in any locality.

Hard Costs

Building/Site Improvements:
The replacement cost estimate of the building improvements was calculated using Marshall & Swift cost manual, which provides costs for a wide range of construction classes and type of occupancies. The manual provides two methods of estimating cost -- the Calculator Method and the Segregated Method. The calculator method provides a lump sum cost for the building improvement while the segregated method provides a line-item cost for each major building component (i.e., foundation, frame, floor, walls, etc.) The base cost from these methods includes all hard costs as well as some soft costs such as interim construction interest and origination fees; site preparation; contractor's overhead and profit including job supervision, insurance, workman's comp, equipment, temporary buildings, and security; and architect and engineering fees (architect fees are not included in the segregated method and must be added to the cost estimates) which includes plans, survey, and building permits.

The property is improved with one (1), one/two-story, masonry, church building/religious facility containing 35,221 square feet. Construction consists of masonry walls and pitched composition roof. The cost manual, via the calculator method, provides an overall cost estimate for building types such as the subject. This method will be analyzed from the calculator section of the cost manual.

The base cost multiplier for the building is based on a Class "C", average cost, Churches with Sunday Schools (Section 16 Page. 8). The base costs were adjusted by floor area/perimeter, local, height and cost multipliers. The local multiplier adjusts the costs, which are a national average, to reflect the local cost conditions of the Dallas/Ft. Worth area. The current cost multiplier brings the costs up to date. The base price per square foot, including site improvements, was estimated, after adjusting for the various multipliers.

Total Project Costs:
We have estimated the subject's replacement cost to be $5,754,435, (total hard cost). The estimated cost was provided by the Marshall & Swift cost manual and considered reasonable.

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August 2021

CALCULATOR METHOD

RELIGIOUS BUILDINGS: CHURCHES WITH SUNDAY SCHOOLS (308)

CLASS	TYPE	EXTERIOR WALLS	INTERIOR FINISH	LIGHTING, PLUMBING AND MECHANICAL	HEAT	Sq. M	COST Cu Ft.	Sq. Ft.
C	Excellent	Fine masonry and windows, special architecture and trim	Finest plaster and fine wood detail, carpeting, marble, vinyl tile	Special lighting, sound system, good classroom outlets, plumbing	Warm and cool air (zoned)	3304.52	19.19	307.00
	Good	Face brick or block, stone trim, good windows and architecture	Good plaster or wood, carpet, VCT, good or high density of classrooms	Good lighting and sound system, good classroom fixtures, plumbing	Warm and cool air (zoned)	2464.93	14.31	229.00
	Average	Brick or block, stone trim, few simple stained-glass windows	Drywall, vinyl composition tile, little ornamental detail, std. classrooms	Adequate lighting and plumbing, low-cost sound	Package A.C.	1776.04	10.31	165.00
	Low-cost	Low-cost brick or block, composition roof, very plain	Painted masonry, plywood trim, asphalt tile, very plain classrooms	Minimum lighting and plumbing, classroom features	Forced air	1259.38	7.31	117.00

Local Cost Multipliers:

Religious Buildings: Churches with Sunday Schools Cost/SF

Base Cost PSF:	$ 165.00
Plus (PSF)	
>	
Subtotal:	**$ 165.00**
Multipliers	
Number of Stories:	1.00
Height Per Story:	1.00
Perimeter:	0.982
Calculator Cost:	0.98
Local:	0.91
Non-Perishable Items:	1.00
Adjusted Cost PSF:	**$ 144.50**

In order to value the subject improvements, the *Marshall Valuation Service* was consulted. This guide provides replacement cost estimates of improvements only, for commercial and residential properties by type. While many believe the *Marshall Valuation Service* is the best indicator of construction costs and consider it an ending place, the *Marshall Valuation Service* itself cautions the appraisers and users that the final opinion of construction costs rest with the appraiser's opinion of quality, size, etc.

> *Section 1, Page 2, Marshall Valuation Service* – "Where superior or complex construction is found, costs should be modified upward, remembering that the costs represent group averages. Similarly, where inferior or unusually simple or Spartan construction is found, costs should be reduced. Do not hesitate to modify costs in the manual if such procedure seems logical; however, good judgement is backed by experience and tempered by logical reasoning. This service, as with any data source, can only be a guide to the thought processes of the appraiser, who alone is finally responsible for the finished estimate of cost or value".

This appraiser considered this service only as a starting point and relies more on actual costs figures provided by developers, local information, and past construction experience for the final estimate of costs. The cost of utilities was not included in the analysis and has been accounted for in the land valuation section of this report.

Soft Costs

As stated, the cost estimated from the Marshall & Swift cost manual include some soft costs. However, the cost estimates do not include loan origination fees for permanent financing, title policy, appraisal, environmental, or legal fees. It has been our experience that this figure is typically 5% to 10%. Soft costs were estimated at 5% of hard costs, which is considered reasonable.

Developer's Profit

If the cost approach is to provide a reliable indication of value, the appraiser must add to the direct and indirect costs a figure that represents the entrepreneurial or developers profit that is reflected in the market. Although a developer is motivated by the anticipation of profit, their efforts may not be rewarded. Depending on the complexity and type of property, profit generally ranges in the 10% to 30%, with a 15% rate being standard or typical. In the case of the subject, we have not estimated an entrepreneurial profit given the special purpose nature (i.e., church) of the building.

Depreciation

Curable - As stated in the improvement description, the subject improvements are existing construction and are constructed of average quality materials with like workmanship. No items of deferred maintenance were noted.

Incurable - Based on our inspection and considering the nature the subject property an effective age is considered reasonable for the existing buildings. Utilizing this effective age and the subjects' life expectancy obtained from the Marshall & Swift cost booklet, physical deterioration (incurable) was derived as follows:

Effective Age: 20 years Estimated Physical Life: 50 years

Depreciation Percentage: 20/50 = 40%

Functional Obsolescence - Functional obsolescence results from a loss in value arising from inefficiency or inutility that is inherent in the property. This form of obsolescence can also be caused by an excess or superadequacy in the building. No functional obsolescence is noted in the design and development scheme of the subject property.

External Obsolescence - Economic obsolescence is considered to be a loss in value of the property resulting from negative influences not inherent with the property. It can be caused by the exertion of detrimental external forces upon the neighborhood or the property itself. Specific examples are significant fluctuation in the local economy, noise from nearby expressways or airports, excessive taxes, supply and demand imbalances, special assessments or certain other governmental actions, the lack of financial liquidity in the market place, or the infiltration of unharmonious groups or land uses.

This form of obsolescence is often measured by a comparison of the income needed to produce a satisfactory return on a project versus the income a project will be capable of generating given current market conditions. Since the subject is not an income producing property, the most reliable method of measuring external obsolescence is by extrapolation from the improved sales included in this report. In the case of the subject, the loss in value to the improvements from external obsolescence has been estimated utilizing the building residual value to depreciated cost ratio. The ratio was extracted from the market sales through 1) estimating the land value of each of the comparable sales and subtracting it from the cash equivalent sales price to reveal the building residual value of the improvements; 2) the effective age of the improvements are measured through observation and an estimate of physical depreciation is calculated for each sale and deducted from the estimated replacement cost new of the structure as of the sale date and 3) dividing the building residual value into the depreciated cost of the improvements, thus indicating the depreciated cost to building residual ratio. If the depreciated cost new is greater than the sales price allocated to the improvements only, then external obsolescence exists. If the depreciated cost new is less than the sales price allocated to the improvements only, no external obsolescence exists.

In selecting the most appropriate ratio to apply to the physically depreciated cost of the subject improvements, we have analyzed the sales. External obsolescence estimates for the comparables are as follows:

Improved Sale #	Building Residual Value Ratio	Estimated External Obsolescence
1	91%	9%
2	79%	21%
3	62%	38%
4	87%	13%

It is our considered judgment and opinion that the most applicable ratio would be toward the middle end of the range or 80% after discussions with the real estate brokers at Service Realty, Inc. (specializing in the sale of religious facilities). The comparable sales range in age from 32 to 62 years old. In order to calculate the external obsolescence, the inverse of the ratio or 20% (one minus the building residual ratio) will be used for the purpose of this analysis and represents the external obsolescence of the improvements. **As discussed, the rationale underlying extraction of ratios leading to the market value estimate takes into consideration the interaction of buyers and sellers of these properties whereas the buyer considers the potential for adaptation to a desired alternative use of a particular property or the suitability of that property for the particular needs of a congregation. It is our opinion that these ratios are indicative of the success rate of the seller's attempts to recoup as much of the cost to replace the property as is possible.**

SEE COST APPROACH SUMMARY – NEXT PAGE

COST APPROACH SUMMARY

Direct and Indirect Cost					
Total Hard Costs					
Church With Sunday Schools	35,221	SF	@	$144.50	$5,089,435
Site Improvements:					
Concrete parking and side walks	130,000	SF	@	$5.00	$650,000
Landscaping & Sign					$15,000
Total Hard Cost					**$5,754,435**
Plus: Soft Cost			@	5.00%	$287,722
Plus: Entrepreneurial Profit			@	0.00%	$0
Total Replacement Cost New of Improvements					$6,042,156
Less: Depreciation					
Physical Deteriortion					
Curable					
Incurable	40%				$2,416,862
Functional Obsolescence					
External Obsolescence	20%				$725,059
Total Depreciation					$3,141,921
Depreciated Value of Building Improvements				**$82.34 SF**	**$2,900,235**
Plus: Site Value					**$890,000**
Indicated Value:					**$3,790,235**
Less: Cost to replace HVAC and roof					**$450,685**
Indicated Value "As Is':					**$3,339,550**
Rounded:				**$94.83 SF**	**$3,340,000**

Based on the analyses, it is our opinion that the market value **"As Is"** of the fee simple estate, of the subject, by the Cost Approach, as of February 1, 2024, is:

-- THREE MILLION ONE SIXTY HUNDRED THOUSAND DOLLARS --
-- $3,340,000 --

SALES COMPARISON APPROACH

In the Sales Comparison Approach, the value of the appraised property is estimated by comparing the subject to similar properties that have recently sold or are currently offered for sale in the open market. The Sales Comparison Approach is based on the assumption that a prudent investor would pay more for a property than the cost to acquire a similar substitute property with similar utility or investment characteristics. Adjustments to the sales are typically made for difference in property rights conveyed, financing terms, conditions of sale, market conditions (date of sale), location and physical traits such as age, condition, and amenities of the improvements.

While the size, physical characteristics and location of the improved sales may vary substantially in many of their basic features, they tend to develop certain units of comparison, which are relatively uniform in the market. On special purpose properties such as the subject, units of comparison typically utilized for more common properties are generally not applicable. The most uniform and relevant units of comparison which could be extracted from the church sales (market data) were the building residual value per square foot and the building residual value ratio.

The building residual value per square foot (BRV/SF) is calculated by dividing the building residual (total sales price less estimated land value at date of sale) by the gross building area.

The building residual value ratio (BRVR) is calculated by dividing the building residual value by the estimated depreciated cost new of the improvements. The ratio represents the relationship of the depreciated cost new of the improvements of each sale and their implied market value. The inverse of this ratio (1-BRVR) represents the external obsolescence of the improvements. The building residual ratio and its inverse relationship has been discussed further and utilized in the Cost Approach section.

Improved Sale #1

LOCATION

Location:	14008 Distribution Way
City/County:	Farmers Branch/Dallas
Submarket:	LBJ Freeway

PHYSICAL DESCRIPTION

Building Size:	14,941 s.f.
Building Construction:	Masonry
Year of Completion:	1965
Condition:	Average
Parking:	Concrete
Land Area:	1.310 acres, 57,064 s.f.
Land/Bldg. Ratio:	3.82:1

SALES DATA

Date of Sale:	6/5/2023
Occupancy at Sale:	Owner occupied
Sales Price:	$1,250,000
Estimated Contributory Values:	
Land -	$399,448
Improvements -	$850,552

Improved Sale #1 continued . . .

UNITS OF COMPARISON

Price/SF GBA:	$83.66
BRV/SF:	$56.93
Dep. Cost of Bldg/SF:	$62.60
BRVR:	91%

RECORDING INFORMATION

Financing:	N/A
Grantor:	Walnut Hill Evangelical Luther
Grantee:	Christ The Cornerstone Community Church
Verification:	Broker
Recorded:	202300109836, Dallas County

REMARKS: The building was purchased for owner occupancy. The structure appears to be in average condition and of average quality. Support for the land value estimated is based on appraisal district information and actual land sales in the area of which this sale is located. The estimated land value of $399,448 or $7.00 s.f. is considered reasonable.

Depreciated Cost of Building

Base Cost PSF:		$	117.00
Plus (PSF)			
>			
Subtotal:		**$**	**117.00**
Multipliers			
Number of Stories:			1.00
Height Per Story:			1.00
Perimeter:			1.00
Calculator Cost:			0.98
Local:			0.91
Non-Perishable Items:			1.00
Adjusted Cost PSF:		**$**	**104.34**
Depreciation	**40%**	**$**	**41.74**
Depreciated Cost		**$**	**62.60**

Improved Sale #2

LOCATION

Location:	601 E. Main Street
City/County:	Richardson/Dallas
Submarket:	Richardson/Dallas

PHYSICAL DESCRIPTION

Building Size:	38,704 s.f.
Building Construction:	Masonry
Year of Completion:	1950-1960-1962-1974
Condition:	Average
Parking:	Concrete
Land Area:	4.080 acres, 177,768 s.f.
Land/Bldg. Ratio:	4.59:1

SALES DATA

Date of Sale:	8/7/2023
Occupancy at Sale:	Owner occupied
Sales Price:	$3,150,000
Estimated Contributory Values:	
Land -	$440,000
Improvements -	$2,710,000

Improved Sale #2 continued . . .

UNITS OF COMPARISON

Price/SF GBA:	$81.39
BRV/SF:	$70.02
Dep. Cost of Bldg/SF:	$88.29
BRVR:	79%

RECORDING INFORMATION

Financing:	N/A
Grantor:	United Disciples Christian Church
Grantee:	Jamy Properties, LLC
Verification:	Broker
Recorded:	202300157594, Dallas County

REMARKS: The building was purchased for owner occupancy. The structure appears to be in average condition and of average quality. Support for the land value estimated is based on appraisal district information and actual land sales in the area of which this sale is located. The estimated land value of $440,000 or $2.50 s.f. is considered reasonable.

Depreciated Cost of Building

Base Cost PSF:		$	165.00
Plus (PSF)			
>			
Subtotal:		**$**	**165.00**
Multipliers			
Number of Stories:			1.00
Height Per Story:			1.00
Perimeter:			1.00
Calculator Cost:			0.98
Local:			0.91
Non-Perishable Items:			1.00
Adjusted Cost PSF:		**$**	**147.15**
Depreciation	**40%**	**$**	**58.86**
Depreciated Cost		**$**	**88.29**

Improved Sale #3

LOCATION

Location:	4041 Ryan Avenue
City/County:	Fort Worth/Tarrant
Submarket:	Southwest Fort Worth/Fort Worth

PHYSICAL DESCRIPTION

Building Size:	33,908 s.f.
Building Construction:	Masonry/Concrete Block/Wood Siding
Year of Completion:	1970/Renovated 1972
Condition:	Average
Parking:	Concrete
Land Area:	1.950 acres, 84,942 s.f.
Land/Bldg. Ratio:	2.45:1

SALES DATA

Date of Sale:	4/10/2023
Occupancy at Sale:	Owner occupied
Sales Price:	$1,400,000
Estimated Contributory Values:	
Land -	$85,000
Improvements -	$1,315,000

Improved Sale #3 continued . . .

UNITS OF COMPARISON

Price/SF GBA:	$41.29
BRV/SF:	$38.78
Dep. Cost of Bldg/SF:	$62.60
BRVR:	62%

RECORDING INFORMATION

Financing:	N/A
Grantor:	Rosemont Holding
Grantee:	National Veterans Outreach Program, Inc.
Verification:	Broker
Recorded:	233081475, Tarrant County

REMARKS: The building was purchased for owner occupancy. The structure appears to be in average condition and of average quality. Support for the land value estimated is based on appraisal district information and actual land sales in the area of which this sale is located. The estimated land value of $85,000 or $1.00 s.f. is considered reasonable.

Depreciated Cost of Building

Base Cost PSF:		$	117.00
Plus (PSF)			
>			
Subtotal:		**$**	**117.00**
Multipliers			
Number of Stories:			1.00
Height Per Story:			1.00
Perimeter:			1.00
Calculator Cost:			0.98
Local:			0.91
Non-Perishable Items:			1.00
Adjusted Cost PSF:		**$**	**104.34**
Depreciation	**40%**	**$**	**41.74**
Depreciated Cost		**$**	**62.60**

Improved Sale #4

LOCATION

Location:	2503 Bedford Road
City/County:	Bedford/Tarrant
Submarket:	Mid-Cities/Arlington

PHYSICAL DESCRIPTION

Building Size:	22,050 s.f.
Building Construction:	Masonry and metal
Year of Completion:	2004
Condition:	Average
Parking:	Concrete
Land Area:	2.3857 acres, 103,924 s.f.
Land/Bldg. Ratio:	4.71:1

SALES DATA

Date of Sale:	1/20/2022
Occupancy at Sale:	Owner occupied
Sales Price:	$2,200,000
Estimated Contributory Values:	
Land -	$416,000
Improvements -	$1,784,000

Improved Sale #4 continued . . .

UNITS OF COMPARISON

Price/SF GBA:	$99.77
BRV/SF:	$80.91
Dep. Cost of Bldg/SF:	$92.75
BRVR:	87%

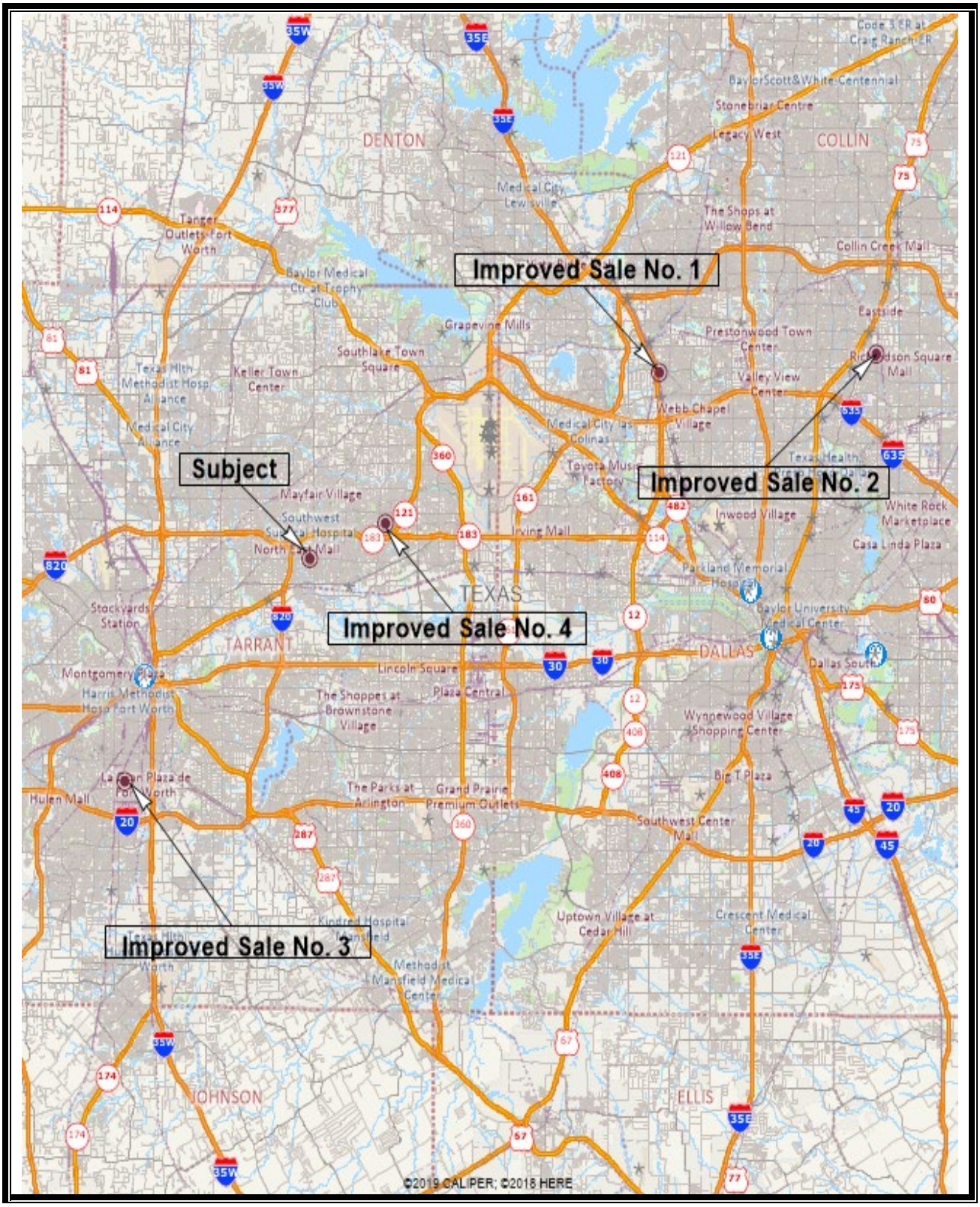
RECORDING INFORMATION

Financing:	N/A
Grantor:	Meadow Creek Baptist Temple
Grantee:	Concordia Lutheran Church of Bedford
Verification:	Broker
Recorded:	D222018562, Tarrant County

REMARKS: The building was purchased for owner occupancy. The structure appears to be in average condition and of average quality. Support for the land value estimated is based on appraisal district information and actual land sales in the area of which this sale is located. The estimated land value of $416,000 or $4.00 s.f. is considered reasonable.

Depreciated Cost of Building

Base Cost PSF:		$	130.00
Plus (PSF)			
>			
Subtotal:		**$**	**130.00**
Multipliers			
Number of Stories:			1.00
Height Per Story:			1.00
Perimeter:			1.00
Calculator Cost:			0.98
Local:			0.91
Non-Perishable Items:			1.00
Adjusted Cost PSF:		**$**	**115.93**
Depreciation	**20%**	**$**	**23.19**
Depreciated Cost		**$**	**92.75**



IMPROVED SALES MAP

IMPROVED SALES ANALYSIS

The unit of comparison commonly used in the sales comparison approach is the Sales Price per Square Foot (SP/SF). The Sales Price per Square Foot is obtained by utilizing the following equation: [Sales Price/Building size (s.f.)]. The (SP/SF) method involves comparison of the various attributes of recent sales to those of the subject property. The different features analyzed typically include property rights conveyed, financing, conditions of sale, date of sale, location, size, land-to-building ratios, age/condition, and quality. The reliability of this method depends heavily upon the comparability of the sales data gathered.

We conducted a thorough search for recent sales transactions in the subject's immediate area; however, only a limited number of church sales were identified; therefore, transactions from the Tarrant/Dallas/Denton/Collin County area were utilized. The six comparables included and analyzed in this report were considered to be the most representative data available at the time of appraisal. These comparables should not be construed as a complete summary of all transactions that have occurred in the area, only those considered to be the most comparable to the subject.

Price Per Square Foot Method

The sales data gathered was selected on the basis of construction features, size, and location. The comparables produced a price range from $38.78 to $80.91 per square foot (BRV) and a range in size from 14,941 square feet to 38,704 square feet. The comparables exhibited land-to-building ratios ranging from 2.45:1 to 4.71:1 while the subject has a land-to-building ratio of 4.61:1. **Many times church facilities will purchase larger tracts of land which will accommodate future growth but will initially only build a small church. Given the wide array of ratios and locations, the estimated land value in each transaction was estimated and extracted to provide the contributory value of the improvements (BRV). The contributory value of the improvements was then analyzed to derive a value estimate for the subject's improvements, which will then be added to the estimated land value of the subject site.**

It is evident that the variance in sales prices warrants some adjustments in order to better reflect the attributes of the subject property. These adjustments are derived from paired comparisons wherever possible in order to get market derived indications of adjustment. Ideally, a pure pairing of sales that are similar in all, but one respect can be compared to isolate how that one difference affects price. In actual practice; however, secondary pairings are often necessary where several differences are adjusted to isolate the effect of a single characteristic. In cases where this technique was not viable, the appraiser must rely on historical data and good judgment from past experience. The characteristics requiring adjustment are discussed at greater length in the following paragraphs.

Real Property Rights Conveyed - Many types of real estate, particularly income-producing property, are sold subject to existing leases. The revenue generating potential of a property is often fixed or limited by the terms of the existing leases. In the valuation process, adjustments must be made to reflect the difference between contract rent and market rent and how this difference affects property price. All of the sales were either owner-occupied or vacant at the time of sale; therefore,

no adjustments were necessary for property rights conveyed since each of the sales basically involved the transfer of the fee simple ownership interest.

Financing - Financing adjustments refer to a cash equivalency analysis when sales are encountered that involved atypical market financing at the time of sale. Cash equivalency analysis is a procedure in which the sales prices of comparable properties that were sold with atypical financing terms are adjusted to reflect typical financing terms. Atypical financing terms can include below market interest rates, little or no down payment, installment sale contracts, and wraparound notes. Upon inspection of the comparable sales, adjustments for financing were not considered necessary as all transactions were considered to be cash, cash equivalent, or under typical market financing.

Conditions of Sale/Motivation - Conditions of sale usually reflects the motivation of the buyer and the seller. This adjustment might be necessary if a property owner paid a premium to purchase an adjacent property for assemblage purposes. Another instance where this adjustment might be appropriate would be if a property owner liquidated a property without proper marketing in an effort to raise cash quickly. In this particular case, the conditions of sale/motivation of each sale were considered and determined to be arm's-length transactions.

Market Conditions - Market conditions adjustments are commonly referred to as "time adjustments". Market conditions change over time and may be caused by inflation, deflation, or fluctuations in supply and demand. The date of sale for each transaction was taken into account and determined to be representative of current market conditions since very few church facilities sales take place over a short period of time. In this case, no adjustments were necessary as the extraction of the land value in each transaction addressed any differences between the properties. Any increase in value would be attributable to the land, thus an adjustment was not necessary.

It should be noted that the four adjustment factors discussed above (property rights conveyed, financing, conditions of sale/motivation, and market conditions/time) must be made, if warranted, prior to making adjustments for physical characteristics. Adjustments for physical characteristics are then applied to the net adjusted sales price from the aforementioned adjustments.

Other factors of adjustment, which were considered, are outlined in the following paragraphs.

Location - Locational attributes are of key importance to the success of a commercially oriented property. Locational adjustments take into account the proximity of a property to neighborhood collector streets or major traffic arteries, surrounding land uses, views, and the overall analysis of the immediate area. In this case, no adjustments were necessary as the extraction of the land value in each transaction addressed any locational differences between the properties.

Land-to-Building Ratio - A developed property's land-to-building ratio is a good measure of whether or not a property is achieving maximum utilization of the site. A high land-to-building ratio might indicate that the entire site is not being fully utilized. As mentioned earlier, an inspection of the comparable sales indicated land-to-building ratios ranging from 2.45:1 to 4.71:1 while the subject has a land-to-building ratio of 4.61:1. Many times churches will purchase larger tracts of land which will accommodate future growth but will initially only build a small church. Given the wide array of ratios, the estimated land value in each transaction was

estimated and extracted to provide the contributory value of the improvements. The contributory value of the improvements was then analyzed to derive a value estimate for the subject's improvements, which will then be added to the estimated land value of the subject site. Given this, an adjustment for land-to-building ratios was not necessary.

Size – Size adjustments for religious facilities can be atypical of the rule of thumb that larger facilities generally sell for less per square foot than similar smaller facilities. This is frequently not the case with religious facilities. In particular, it is not unusual for very large and newer facilities, which are very ornate and include numerous peripheral items, to sell for more per square foot than otherwise dramatic smaller facilities. This is due to the propensity of buyers to only look for a facility in their need range, plus a little for growth. Any two religious facilities normally differ significantly with respect to ceiling height, quality, amenities, interior finish, stained glass, build-in items, and the like. Thus, it is unusual to make a size adjustment for religious facilities.

Effective Age/Condition - With respect to construction age of each of the comparable sales and the general condition of the improvements, it is our opinion that an adjustment was not warranted for the sales. This adjustment is accounted for in the quality and appeal adjustment.

Quality/Appeal - An adjustment for quality and appeal was considered necessary. There are numerous facilities of average quality, yet their manner of design or construction can be deceptive. Examples include painted glass or plastic windows instead of stained glass or faceted glass, roof composition, roof lines, steeple heights or perimeter complexity to name a few. Although not ideal, the sales were the best available for analysis in the Dallas/Fort Worth Metroplex. Sales 1, 2 and 3 are inferior and have been adjusted upward. Sale 4 is considered reasonably similar for the purpose of this analysis and did not require and adjustment. The adjustment is supported by the difference between the depreciated cost of the subject building per square foot and the depreciated cost of the comparable buildings per square foot at time of sale (BRV).

Example Sale 1: ($82.34/$56.93)-1 = + 0.4463 (Say +45%)
Example Sale 4: ($82.34/$80.91)-1 + -0.0177 (Say 0%)

By using this formula, a **"percent good"** of the subject is compared with a **"percent good"** of the sale and adjusted accordingly. *This analysis can provide large adjustments*. Nonetheless, in special-use, single purpose facilities that can differ significantly, often the only sales, are vastly different.

Some markets simply want size/or function and are not concerned with quality. In fact, in some congregations, excess quality could be considered undesirable due to their religious beliefs. In other markets, congregations are very interested in worshiping in facilities that are of high quality or consistent with how they live.

With this analysis, such sales can be compared reasonably and quantitatively. *Additionally, by adjusting for depreciation as noted above, all external* obsolescence and/or *depreciation is accounted for*. There are numerous other factors which tend to avail themselves for adjustment purposes. These include stigma factors, facilities that sell as aberrations due to their unusual

desirability (view, historical significance, etc.). Additionally, design, quality and appeal are issues that are difficult at best to value.

To better facilitate the adjustment process, an adjustment grid has been prepared outlining the relevant factors of adjustment between the sales and the subject. Further details of the analysis used in deriving the following adjustments are retained in the appraiser's file.

SEE IMPROVED SALES ADJUSTMENT GRID – NEXT PAGE

Improved Sales Adjustment Grid

Item	Subject	Sale 1	Sale 2	Sale 3	Sale 4
Date of Sale	Current	Jun-23	Aug-23	Apr-23	Jan-22
Sales Price		$1,250,000	$3,150,000	$1,400,000	$2,200,000
Size/s.f.	35,221	14,941	38,704	33,908	22,050
Price ($/Sq.Ft.)		$83.66	$81.39	$41.29	$99.77
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment		0%	0%	0%	0%
Financing	Typical	Typical	Typical	Typical	Typical
Adjustment		0%	0%	0%	0%
Conditions of Sale	Typical	Typical	Typical	Typical	Typical
Adjustment		0%	0%	0%	0%
Time	Current	Current	Current	Current	Current
Adjustmet		0%	0%	0%	0%
Adjusted Sales Price		**$1,250,000**	**$3,150,000**	**$1,400,000**	**$2,200,000**
Adjustment (Site/Value)		**$399,448**	**$440,000**	**$85,000**	**$416,000**
Adj. Price-(BRV)		**$850,552**	**$2,710,000**	**$1,315,000**	**$1,784,000**
Adjusted SP (Bldg./s.f.)		**$56.93**	**$70.02**	**$38.78**	**$80.91**
Size - (s.f.)	35,221	14,941	38,704	33,908	22,050
Adjustment		0%	0%	0%	0%
Eff. Age/Condition	20 yrs	20 yrs	20 yrs	20 yrs	10 yrs
Adjustment		0%	0%	0%	0%
Quality/Appeal	Average	Inferior	Inferior	Inferior	Similar
Adjustment		45%	20%	110%	0%
Net Adjustment		45%	20%	110%	0%
Adjusted Building ($/s.f.)		$82.54	$84.02	$81.44	$80.91
Adjusted Mean				**$82.23**	

Conclusion

The adjusted prices of the comparables produced a range from $80.91 to $84.02 per square foot with a mean of $82.23 per square foot. Although not ideal, each of the comparables had various strengths and weaknesses, and were considered to be the best data available at the time of appraisal. The comparable sales were constructed between 1962 and 2004 with the subject being 1972/2012 construction. They each provide similar utility to that of the subject and provide a reliable indication of the subject's value. Equal weight has been placed on the sales.

After considering the collective merits of the comparables and making the necessary adjustments, the indicated value of the subject property via the sales price per square foot method was as follows:

Improvement Size		Improvement Price		Indicated Value
35,221 s.f.	x	$82.00 p.s.f.	=	$2,888,122
			Plus: Land Value:	$ 890,000
			Total Value:	$3,778,122
			Less: cost to replace HVAC and roof:	$ 450,685
			Rounded to:	**$3,330,000**

Based on the analyses, it is our opinion that the market value **"As Is"** of the fee simple estate, of the subject, by the Sales Comparison Approach, as of February 1, 2024, is:

-- THREE MILLION THREE HUNDRED THIRTY THOUSAND DOLLARS --
-- $3,330,000 --

RECONCILIATION AND FINAL VALUE ESTIMATE

"Reconciliation is the analysis of alternative conclusions to arrive at a final value estimate." (The Appraisal of Real Estate, 14th Edition). The reconciliation and final value estimate is the last analysis step in the valuation process. The reconciliation process requires a complete review of the entire appraisal to ensure that the data, analytical techniques, and logic used are valid, realistic, and consistent. Criteria to be used in the reconciliation process include appropriateness, accuracy, and quantity of data.

To determine a value for the subject property, the sales comparison and cost approaches were utilized to support a final value estimate consistent with the property's highest and best use. The approaches used to derive an indication of value for the subject are summarized below.

Sales Comparison Approach:	$3,330,000
Income Approach:	N/A
Cost Approach:	$3,340,000

The value estimates were derived through the application of appraisal principles and concepts. The indicated values were weighted depending on the reliability and sufficiency of the data collected, the strengths and weaknesses of the approaches to value, and the particular characteristics of the subject property. Given this, the approach or approaches considered to have the greatest quantity and quality of data should be given the primary emphasis in the final analysis.

The **Sales Comparison Approach** is a very good indicator of value in an active real estate market. The reliability of this approach is largely dependent upon the number of available sales and the degree of comparability between the sales and the subject. All of the sales were owner occupied and were similar to the subject in this respect; therefore, no adjustment was necessary.

The comparables are all considered to provide a reasonable indication of the subject's value. The sales comparison approach was given equal weight in final analysis.

The **Income Approach** generally provides a good indication of value when analyzing a property, such as the subject, which can be income producing in nature. This approach estimates the earning potential of a property through comparable leasing information and subsequently converts income potential into a value estimate. In this particular case, the direct capitalization method was used to derive a value estimate. This procedure replicates what most investors analyze in the course of selecting properties that are stabilized and/or substantially leased. The income approach is useful in the respect that it displays the ability of the subject improvements to generate sufficient cash flow to meet investor's expectations.

For the purpose of this analysis, the Income Approach has been excluded. The subject property would most likely be purchased for owner occupancy. Given that religious facilities are generally owner-occupied, there would be very limited rental data to analyze, thus, the reliability of the income approach is diluted. The methods of valuation which were utilized include the Cost

Approach and the Sales Comparison Approach. The Cost Approach and The Sales Comparison Approach were considered a reliable valuation method since a sufficient number of improved sales were available for analysis.

The **Cost Approach's** reliability is based on the quality of available land sales and the accuracy of accrued depreciation estimates. This approach is most effective when analyzing a new or proposed property developed to its highest and best use under normal market conditions. A large amount of subjectivity is avoided in this approach when an estimate of accrued depreciation is not necessary and recent land sales are available. However, in this particular case, the cost approach was utilized due to the subject being a proposed special use property. In addition, by extraction of total depreciation through market analysis, buyers perceptions of properties are integrated into the Cost Approach. This methodology, in part, removes the cost approach's concept that cost equals value. *The cost approach was given equal weight in final analysis*.

Based on the analyses and conclusions in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in this report, it is our opinion that the market value **"As Is"** of the fee simple estate of the subject, as of February 1, 2024, should be:

-- THREE MILLION THREE HUNDRED THIRTY FIVE THOUSAND DOLLARS--
-- $3,335,000 --

The above value is for real estate only and *does not include* any contributory value to the furnishings, fixtures, and equipment (FF&E).

EXPOSURE TIME AND MARKETING PERIOD

Generally, exposure time relates to what has occurred (retrospective) and is occurring (current) in the market, whereas marketing period is a projection (prospective) of what is likely to occur in the market. Any sound opinion of value must consider what has occurred and what will most likely occur. Both time periods are a function of price, time, use, and the cost and availability of funds. The primary difference between the two time periods is that for marketing period we also consider anticipated changes in market conditions (trends).

Verification of sales data, such as days on the market for both listed and sold properties, and interviews with market participants are the primary source for both time estimates. Other important factors are an understanding of buyers' and sellers' motivations, their financial assumptions, who the most likely purchasers will be, and how financing influences their buying decision.

Inasmuch as the time periods are based on similar information, we have considered the contrast for the time periods, based on changing trends. Each of the following scenarios compares the resulting typical exposure time and marketing period based on how the market is perceived before and after the effective date of the appraisal:

- When it is stable before and after the effective date, the exposure and marketing times are generally equal.
- When it is increasing before and after the effective date, then exposure time is generally longer than marketing period.
- When it is decreasing before and after the effective date, then exposure time is generally shorter than marketing period.
- When it is increasing before but decreasing or stable after the effective date, then exposure time is generally shorter than marketing period.
- When it is decreasing before the effective date of the appraisal but increasing or stable afterwards, then exposure time is generally longer than marketing period.

Based on these observations, the obvious conclusion is that properties sell more quickly in stronger markets.

Our estimated exposure time is 24 months, based primarily on discussions with area brokers specializing in the sales of religious facilities. This assumes professional marketing to potential purchasers of the subject type at or near the market value concluded in this report; we estimate a marketing period of 24 months.

CERTIFICATE OF APPRAISAL

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

1) The statements of fact contained in this report are true and correct.

2) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

3) I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.

4) I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

5) Our engagement in this assignment was not contingent upon developing or reporting predetermined results.

6) My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.

7) The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.

8) I, Robert A. Bristol, MAI have made a personal inspection of the property that is the subject of this report. Chuck Sponsler, MAI has not made a personal inspection of the property that is the subject of this report.

9) The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

10) No one provided significant real property appraisal assistance to the person signing this certification.

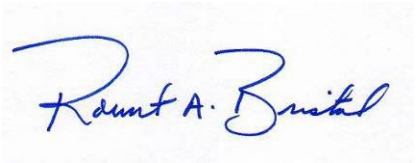
11) This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

12) We have appraised this property in the three (3) years prior to accepting this assignment.

13) As of the date of this report, Chuck Sponsler, MAI and Robert A. Bristol, MAI have completed the requirements of the continuing education program of the Appraisal Institute.

It is our opinion that the market value **"As Is"** of the fee simple estate of the subject, as of February 1, 2024, should be:

-- THREE MILLION THREE HUNDRED THIRTY FIVE THOUSAND DOLLARS--
-- $3,335,000 --



Chuck Sponsler, MAI, ASA, BCA, MRICS
State Certified General Real Estate Appraiser
Certificate No. TX-1323205-G
Expiration June, 2024

Robert A. Bristol, MAI
State Certified General Real Estate Appraiser
Certificate No. TX-1322038-G
Expiration July, 2025

QUALIFICATIONS OF CHUCK SPONSLER, MAI, ASA, BCA, MRICS

Education:

Bachelor's Degree – Agriculture Economics Texas A&M University, 1988

Master's Degree - Land Economics and Real Estate Texas A&M University, 1989

Successfully completed the following courses offered by the Appraisal Institute:

(1) Real Estate Appraisal Principles (# 1A-1/8-1)
(2) Basic Valuation Procedures (# 1A-2)
(3) Capitalization Theory and Techniques Part A (1B-A)
(4) Capitalization Theory and Techniques Part B (1B-B)
(5) Standards of Professional Practice Parts A & B
(6) Case Studies in Real Estate Valuation
(7) Report Writing and Valuation Analysis

Successfully completed the following seminars offered by the Appraisal Institute:

(1) Fundamentals of Separating Real, Personal Property and Intangible Business Assets
(2) Discounted Cash Flow Analysis
(3) Rate Extraction
(4) Economic Obsolescence
(5) Subdivision Analysis
(6) Standards of Professional Practice Parts A & B

Experience:

October 1992 to present
Principal Partner - ***BRG***, ***Incorporated***, 2315 Michigan Ct, Suite A, Arlington, Texas 76017.

February 1992 to October 1992
Manager, Appraisal Services - McKee-Blanchard & Associates, Inc., 3500 Oak Lawn Avenue, Suite 250, Dallas, Texas 75219.

June 1989 to February 1992
Staff Appraiser - McKee-Blanchard & Associates, Inc., 3500 Oak Lawn Avenue, Suite 250, Dallas, Texas 75219.

September 1989 to December 1989
Staff Appraiser & Market Researcher while completing Master's Degree- John Hamilton, Inc., College Station, Texas 77802.

June 1988 through March 1989
Real Estate Leasing Agent - Brazosland Properties, 4103 S. Texas Avenue, Bryan, Texas 77802.

Types of properties appraised include right-of-way takings, residential subdivisions, office buildings, shopping centers and regional malls, restaurants, commercial and industrial properties, hotel/motels, mobile home parks, mixed-use developments, car washes, quick lube facilities, livestock auction facilities, churches, multi-family complexes, dormitories, rural acreage, farms/ranches, and hospitals.

Affiliations/Licenses:

Member, Appraisal Institute #10068
ASA, Accredited Senior Appraiser, American Society of Appraisers
BCA, Business Certified Appraiser, International Society of Business Appraisers
Member Royal Institution of Chartered Surveyors (MRICS)
Texas State Certified General Real Estate Appraiser - Certificate #TX-1323205-G


TALCB
TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Certified General Real Estate Appraiser

Appraiser: CHARLES EWING SPONSLER
License #: TX 1323205 G License Expires: 06/30/2024

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

QUALIFICATIONS OF ROBERT A. BRISTOL, MAI

Robert A. Bristol is a senior analyst for BRG Incorporated where he is engaged in market research and appraisal of all types of real estate for governmental agencies, corporations, financial institutions, and private clients of the company.

His experience includes the valuation of various types of commercial, industrial, multi-family and vacant land for banks, savings and loans, individuals, and governmental institutions. Petroleum Land Services, providing chain of title run sheets, lease acquisition, negotiations, assignments and work releases, mineral and surface ownership tract reports, complete curative work, including satisfying title opinions.

EDUCATION:

Associate's Degree in Applied Science: Real Estate Management, Tyler Junior College, Tyler, Texas.

Mineral Land Management Certificate of Proficiency, Tyler Junior College, Tyler, Texas.

PROFESSIONAL EDUCATION (APPRAISAL INSTITUTE):

Real Estate Appraisal Principles
Basic Valuation Principles
Capitalization and Theory Part A
Capitalization and Theory Part B
Economic Obsolescence
Rate Extraction
Standards of Professional Practice Case
Studies in Real Estate Valuation
Analysis and Report Writing
Standards of Professional Practice Parts A & B
Subdivision Analysis
Discounted Cash Flow Analysis

The Appraisal Institute conducts a voluntary program of continuing education for its designated members. MAIs and SRAs who meet the minimum standards of this program are awarded periodic continuing education credit. He has currently completed these requirements.

PROFESSIONAL AFFILIATIONS:

Appraisal Institute – Designated MAI (Member Appraisal Institute), Certificate No. 9014, North Central Texas Chapter.

American Association of Professional Landmen – Active Member, ID #104626

LICENSE:

State Certified General Real Estate Appraiser, Certificate No. TX-1322038-G, State of Texas

PROFESSIONAL EXPERIENCE:

Advanced Real Estate Solutions, Inc. ***State of Texas***
Regional Real Estate Consultants **3/01 to 3/02**
Engaged in the counseling and appraisal (on a contract basis) of commercial and investment grade property for governmental agencies, corporations, financial institutions, attorneys, accountants, and private clients. Activities included analysis of income and operating statements, investment analysis, construction cost estimates, market data analysis, and preparation of narrative appraisal and counseling reports on a broad base of investment grade income properties.

Integra Realty Resources, Dallas/Fort Worth **Fort Worth, Texas**
Senior Analyst **5/99 to 3/01**
Integra Realty Resources is a national real estate consulting firm with offices in 41 states. The company is engaged in the counseling and appraisal of commercial and investment grade property for governmental agencies, corporations, financial institutions, attorneys, accountants, and private clients. As a senior analyst my activities include analysis of income and operating statements, investment analysis, construction cost estimates, market data analysis, and preparation of narrative appraisal and counseling reports on a broad base of investment grade income properties.

Judith O. Smith Mortgage Group, Inc. **Fort Worth, Texas**
Loan Officer **12/97 to 5/99**
Engaged in originating a variety of Residential Loans. Types of loans include FHA, VA, Conventional/Jumbo Loans, Texas Veteran Land and Board Loans, Arm Loans, Community Home Buyer Loans, and B and C Paper Loans. Interviewed applicants and requested specified information for loan application. Analyzed applicants' financial status, credit, and property evaluation to determine feasibility of granting loans.

Hagood Realty Advisors, Inc. **Fort Worth, Texas**
Commercial Real Estate Analyst/Appraiser **8/90 to 5/96**
Engaged in the counseling and appraisal of commercial and investment grade property for governmental agencies, corporations, financial institutions, attorneys, accountants, and private clients. Activities included analysis of income and operating statements, investment analysis, construction cost estimates, market data analysis, and preparation of narrative appraisal and counseling reports on a broad base of investment grade income properties. Responsibilities also included monitoring appraisal jobs to employees and tracking deadlines on projects.

Rohrer & Associates **Fort Worth, Texas**
Commercial Real Estate Analyst/Appraiser **1/86 to 8/90**
Extensive market analysis and research. Prepared appraisals on various types of properties including office, retail, commercial, industrial, urban land, farm and ranches, single family, and multi-family dwellings.

Robert A. Bristol **Tyler, Texas**
Independent Petroleum Landman **1/78 to 1/86**
Petroleum industry working as a landman, providing chain of title run sheets, lease acquisition, negotiations, assignments and work releases, mineral and ownership tract reports, complete curative work, including satisfying title opinions.

SUMMARY OF QUALIFICATIONS:

- Thirty-Five + years of experience in preparing appraisal and reviews on complex commercial real estate projects including office, retail, industrial, multi-family, and special purpose properties such as churches, restaurants, day care centers, service stations, etc.
- Forty + years in the petroleum industry as a working interest owner and royalty/mineral buyer as well as landman services, providing chain of title run sheets, lease acquisition, negotiations, assignments and work releases, mineral and ownership tract reports, complete curative work, including satisfying title opinions.
- Income, Market and Cost Approach utilized in property valuations.
- Applied present value techniques to real estate problems: Discounted cash flow analysis utilizing Excel, Lotus 1-2-3, Quatro Pro, and Project Plus, net present values, and internal rates of return.
- Interpreted income property calculations for investment purposes; Feasibility Analysis, Depreciation Methods, Capital gains and losses, ratio analysis, tax shelters. Analyzed property values and prepared reports for ad valorem tax purposes.

TALCB
TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Certified General Real Estate Appraiser

Appraiser: **Robert Anderson Bristol**
License #: **TX 1322038 G** License Expires: **07/31/2025**

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

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

Chelsea Buchholtz
Commissioner

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

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

1) No responsibility is assumed for matters of a legal nature affecting title to the property nor is an opinion of title rendered. The title is assumed to be good and merchantable.

2) All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless so specified within the report.

3) The property is appraised as though under responsible ownership and competent management.

4) Information furnished by others is assumed to be true, correct, and reliable. A reasonable effort has been made to verify such information; however, no responsibility for its accuracy is assumed by the appraiser.

5) No survey of the property has been made by the appraiser and no responsibility is assumed in connection with such matters. Sketches and exhibits in this report are included only to assist the reader in visualizing the property.

6) It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover such factors.

7) It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.

8) It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.

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

10) It is assumed that the utilization of the land and improvements is within the boundaries or property lines described and that there is no encroachment or trespass unless noted within the report.

11) If this report makes any distribution of total valuation of the subject property between land and improvements, such distribution applies only under the program of utilization stated in this report. Separate allocations of value to land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

12) The value estimate derived herein encompasses the real property interest only with no consideration given to personal property, furniture, equipment, or business goodwill unless stated otherwise.

13) Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed with out the written consent of the appraiser, and in any event only with proper written qualification and only in its entirety.

14) The appraiser herein by reason of this appraisal is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have previously been made.

15) Neither all nor any part of the contents of this report or any of its elements (including especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales or any other media without the prior written consent and approval of the appraiser.

16) The legal description used in this report is assumed to be correct. Data pertaining to the property was obtained from the client, the owner, public records, and an inspection of the property.

17) Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

18) The Americans with Disabilities Act (ADA) became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

19) This report contains that pertinent data considered necessary to support the value estimate. No pertinent facts have been knowingly withheld. I have attempted to identify all the social, economic, governmental, and environmental forces which influence the value of the subject property. However, no guarantee is made that I have knowledge of all those factors.

20) An appraisal requires the study of numerous value influences. Anticipation and change are fundamental in this study. Anticipation means that value is created by the expectations of benefits to be derived in the future. Change is the law of cause and effect at work. Social, economic, governmental, and environmental forces that affect real estate are in constant, inevitable transition. Since these forces undergo continual change, so do individual property values. Due to the inevitability of change, the appraised value estimate is valid only as of the date of the appraisal.

21) Disclosure of the contents of the report is governed by the Bylaws and Regulations of the professional appraisal organizations with which the Appraisers are affiliated: specifically, the Appraisal Institute.

22) Upon acceptance of this report, the Assumptions and Limiting Conditions set forth herein have been agreed to by both parties.

23) The liability of BRG Incorporated, including owner(s) and staff, and Robert A. Bristol, MAI-Independent Contractor, is limited to the Client only and to the amount of the fee actually paid for the services rendered, as liquidated damages, if a related dispute arises. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than Client, the Client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The Appraiser is in no way to be responsible for any cost incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and/or legally. Client also agrees that in case of lawsuit (brought by lender, partner, or part owner in any form of ownership, tenant, or any party), Client will indemnify and hold Appraisers completely harmless from and against any liability, loss, cost, or expense incurred or suffered by Appraiser in any such action, regardless of its outcome.