

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

SECURITIES AND EXCHANGE)
COMMISSION,)
)
Plaintiff,)
)
v.)
)
KEVIN B. MERRILL, et al.,)
)
Defendants.)

Case No.: 1:18-cv-02844-RDB

**RECEIVER GREGORY S. MILLIGAN’S MOTION FOR AUTHORIZATION OF SALE OF
REAL PROPERTY LOCATED AT 1132 GLADE ROAD, COLLEYVILLE, TEXAS 76034**

This Motion for Sale of Real Property (“Sale Motion”) seeks authorization to sell real property located at 1132 Glade Road, Colleyville, Texas 76034 (the “Real Property”). If you oppose the sale identified in this Sale Motion, you should immediately contact the undersigned counsel for Receiver Gregory S. Milligan (the “Receiver”). If you and the Receiver cannot agree, you must file a written objection to the proposed sale within thirty (30) days of the filing of this Sale Motion. Your objection must state why the proposed sale should not be approved by the Court and whether the objecting party has a proposed buyer willing to purchase the Real Property for an amount that exceeds the Purchase Price set forth below. If no party timely files an objection, the proposed sale may be approved by the Court without a hearing, thereby authorizing the Receiver to close the sale as soon as practicable.

Receiver Gregory S. Milligan, without opposition from the Securities and Exchange Commission (the “SEC”) and the Office of the United States Attorney (the “U.S. Attorney’s Office”), respectfully files this Sale Motion for authorization to sell the real property located at 1132 Glade Road, Colleyville, Texas 76034 (the “Real Property”), pursuant to the approved procedures for the sale of the real property held by the Receiver. See Dkt. Nos. 137, 258. The facts and circumstances supporting this Sale Motion are set forth in the Declaration of Gregory S. Milligan (the “Milligan Declaration”), which is attached hereto as **Exhibit A**. In further support of this Sale Motion, the Receiver states as follows:

I. BACKGROUND

1. On March 8, 2019, the Receiver filed the Motion for Approval of Procedures for Sale of Real Property and Retention of Sotheby's International Realty, Inc. as Broker (the "Sotheby's Motion") to obtain Court approval to market and sell the real property in the Receivership Estate. *See* Dkt. No. 107.

2. Defendant Kevin B. Merrill ("Merrill") and Relief Defendant Amanda Merrill ("Amanda Merrill") consented to the Sotheby's Motion. *See* Dkt. Nos. 116 and 117.

3. Defendant Jay Ledford ("Ledford") initially opposed the Sotheby's Motion. *See* Dkt. No. 115. However, on December 18, 2019, Ledford withdrew his objection and consented to the Sotheby's Motion. *See* Dkt. No. 257.

4. On April 23, 2019, the Court entered an Agreed Order on the Sotheby's Motion (the "Agreed Order"), which granted Sotheby's Motion with respect to certain real property owned or purchased by Merrill and/or Amanda Merrill. *See* Dkt. No. 137 ¶¶ 17-18. The Court did not grant any relief as to the property subject to Ledford's opposition, including the Real Property. *See* Dkt. No. 137 ¶¶ 17-18. The Agreed Order established the procedures for the sale of the Merrill Real Property. *See* Dkt. No. 137.

5. On December 18, 2019, the Receiver and Ledford filed a stipulation that resolved and withdrew Ledford's opposition to the Sotheby's Motion ("Ledford Stipulation"). *See* Dkt. No. 258 ¶ 3. On December 18, 2019, the Court granted the stipulation and established the procedures for the sale of the remaining real property (the "Real Property Sales Procedures"). *See generally* Dkt. No. 258. The Court ordered that the Real Property Sales Procedures shall apply to the remaining real property, including the Real Property. *See id.* ¶¶ 2-4.

6. On June 29, 2022, the Court granted a first-priority lien on the Real Property in the amount of \$1,663,792.59 in favor of Receivables Portfolio Interchange, Inc., a Receivership Party, pursuant to the doctrine of equitable subrogation. *See* Dkt. 625, 635.

7. Pursuant to the Real Property Sales Procedures, the Receiver retained Sotheby's International Realty, Inc. ("Sotheby's") and began marketing the Real Property for sale. *See* Milligan Declaration at ¶ 9.

8. The initial listing price for the Real Property was \$1,775,000.00, when the Real Property was listed for sale on or about August 16, 2022. On September 19, 2022, the listing price was increased to \$1,795,000.00. *See id.* at ¶ 10.

9. After diligently marketing the Real Property, Sotheby's received an offer from Churchill Residential Holdings, LLC (the "Buyer") on or about October 3, 2022, to purchase the Real Property for \$1,795,000.00, which is approximately \$18,000.00 above the average appraised value for the Real Property. A copy of the Commercial Contract – Improved Property (the "Contract") is attached as **Exhibit 1** to the Milligan Declaration. During the Buyer's feasibility period, an inspection revealed, amongst other issues, failures in the Real Property's lighting system that will require replacement of the entire lighting system, which is estimated to cost \$60,000.00. Following negotiations, the Receiver agreed to a reduction of the sales price to \$1,735,000.00 (the "Purchase Price") to credit the necessary repairs to the Real Property's lighting system and remove all remaining contingencies under the Contract. *See id.* at ¶ 11. A copy of the Amendment to the Contract is attached as **Exhibit 2** to the Milligan Declaration.

10. The Purchase Price is all cash and is not contingent upon inspections or the sale of any current property owned by the Buyer. *See id.* at ¶ 12.

11. Pursuant to the Real Property Sales Procedures, the Receiver believes a private sale of the Real Property pursuant to the terms of the Contract will yield a higher return than a public auction. *See id.* at ¶ 17.

12. Pursuant to 28 U.S.C. § 2001, the Receiver obtained three appraisals of the Real Property from disinterested appraisers. *See id.* at ¶ 13.

13. The first appraisal was performed by Ted Brooks, MAI, MRICS, of JLL Valuation & Advisory Services, LLC (the “JLL Appraisal”), which concluded the present market value of the Real Property was \$1,650,000.00 as of July 21, 2022. *See id.* at ¶ 14. A copy of the JLL Appraisal is attached as **Exhibit 3** to the Milligan Declaration.

14. The second appraisal was performed by Mark Lowery, MAI, AI-GRS, CCIM, MRICS, of Lowery Property Advisors (the “Lowery Appraisal”), which concluded the present market value of the Real Property was \$1,830,000.00 as of July 22, 2022. *See id.* at ¶ 15. A copy of the Lowery Appraisal is attached as **Exhibit 4** to the Milligan Declaration.

15. The third appraisal was performed by Jason Jackson, MAI, of Integra Realty Resources (the “Integra Appraisal”) (the JLL Appraisal, Lowery Appraisal, and Integra Appraisal are collectively, the “Appraisals”), which concluded the present market value of the Real Property was \$1,850,000.00 as of September 1, 2022. *See id.* at ¶ 16. A copy of the Integra Appraisal is attached as **Exhibit 5** to the Milligan Declaration.

16. The Receiver believes that the sale of the Real Property to the Buyer at this time pursuant to the terms of the Contract is in the best interest of the Receivership Estate¹ to maximize the recovery and preservation of Receivership Assets. While the Purchase Price is slightly lower

¹ Capitalized terms herein shall have the same meaning as used in the Second Amended Order Appointing Temporary Receiver (the “Receivership Order”) (Dkt. No. 484) unless otherwise noted.

than the average appraised price, the Purchase Price is \$85,000.00 higher than the lowest appraisal. In addition, the commercial real estate market has continued to decline since the date of the Appraisals, and holding the Real Property in the face of further known interest rate hikes and an imminent recession is not in the best interest of the Receivership Estate. *See id.* at ¶ 18.

17. If approved by the Court, the proposed 6% commission of \$104,100.00 (the “Commission”) would be paid 50% to Sotheby’s and 50% to the Buyer’s broker and out of the Purchase Price at closing. *See id.* at ¶ 19.

18. Additionally, if approved by the Court, Sotheby’s would also receive an administrative fee of \$495.00 (the “Administrative Fee”) to be paid out of the Purchase Price at closing. *See id.* at ¶ 20.

19. Finally, if approved by the Court, the sale of the Real Property would also incur customary closing costs for any unpaid taxes, recording fees, and other government fees in the approximate amount of \$311,794.00 to be paid at closing out of the Purchase Price. *See id.* at ¶

21. A copy of the draft Settlement Statement is attached to the Milligan Declaration as **Exhibit 6**.

II. REQUESTED RELIEF

20. The Receiver seeks Court authorization to sell the Real Property to the Buyer for the Purchase Price and pursuant to the other terms and conditions described in this Sale Motion. Pursuant to the Agreed Order, the Receiver also seeks Court authorization to pay the Commission, Administrative Fee, and other customary closing costs out of the Purchase Price. *See* Dkt. No. 137 ¶ 6.

21. The Receiver believes a private sale of the Real Property will yield a higher sale price than a public auction. *See id.* at ¶ 17.

22. In the Receiver’s business judgment, the Commission and Administrative Fee proposed by Sotheby’s is fair market value for such services and will result in a net benefit to the

Receivership Estate and will reduce the administrative cost to the Receivership Estate. Pursuant to the Agreed Order, the Receiver seeks authorization to pay these fees in connection with the sale of the Real Property. If Sotheby's was required to submit fee applications, the burden of preparing those fee applications would fall on the Receiver's professionals and would increase the burden on the Receivership Estate. Accordingly, the Receiver is requesting final approval for payment of Sotheby's Commission and Administrative Fee, along with all other customary closing costs, out of the Purchase Price at closing without need of further Court approval. *See id.* at ¶ 22.

23. Pursuant to the Real Property Sales Procedures, this Sale Motion will be served on all Known Parties of Interest. As used in this Sale Motion, the term "Known Parties of Interest" shall mean: (i) all counsel and/or pro se parties of record who have registered to receive electronic service; (ii) all parties of record in this matter who have not registered to receive electronic service; and (iii) any individuals or entities who hold a recorded lien on the Real Property. Any Known Parties of Interest who have registered to receive electronic service shall receive a copy of this Sale Motion through the Court's CM/ECF filing system. All other Known Parties of Interest shall receive a copy of the Sale Motion through regular U.S. Mail. The Sale Motion will act as formal legal notice of the proposed sale and will require all Known Parties of Interest with objections to the proposed sale to timely respond to this Sale Motion or be deemed to consent to the sale. The Receiver will also post a copy of this Sale Motion and proposed order on the Receiver's website for this case, www.merrill-ledford.com, to provide adequate notice to the public of the proposed sale.

24. Pursuant to the Real Property Sales Procedures, any party, entity, or person asserting an objection to this Sale Motion shall file its objection within thirty (30) days of the filing of the Sale Motion. In the event an objection is filed to this Sale Motion, such objecting party shall state why the proposed sale should not be approved by the Court and whether the objecting

party has a proposed buyer who is willing to purchase the Real Property for an amount that exceeds the proposed Purchase Price. The Receiver's response to any objection to this Sale Motion shall be due within fourteen (14) days of the date the objection was filed with the Court. If the Receiver fails to respond to the objection, the objection shall be granted and this Sale Motion shall be denied. If the Receiver files a response, the Court may thereafter determine whether a hearing is necessary to (i) approve the sale, (ii) sustain the objection, or (iii) order a public auction with the proposed Buyer and terms under the Sale Motion to act as a "stalking horse" bid, subject to higher and better offers.

25. Pursuant to the Real Property Sales Procedures, if no objection is filed, or if the Court approves the sale subsequent to an objection, the Receiver's sale of the Real Property shall be free and clear of all liens, claims, and encumbrances, unless the Court orders that such liens, claims, or encumbrances shall attach to the proceeds of such sale. All allowed claims shall attach to the proceeds of the sale of the Real Property without need for further Court order. If any party asserts a lien, claim, or encumbrance on the Real Property, such sale may still go forward to closing, with a determination of the extent, validity, and/or priority of the alleged lien, claim, or encumbrance to be made by the Court at a later date.

26. Pursuant to the Agreed Order, the net proceeds of the sale of the Real Property will be held in an interest-bearing account maintained by the Receiver pending final resolution of this SEC Action or further Order of this Court.

III. CONCLUSION

WHEREFORE, the Receiver respectfully requests that this Court enter an Order: (i) granting this Sale Motion; (ii) authorizing the Receiver to sell the Real Property to the Buyer free and clear of liens, claims, and encumbrances (with such liens, claims, and encumbrances, if any, to attach to the sales proceeds) for the Purchase Price and pursuant to the other terms disclosed in

this Sale Motion; (iii) authorizing Sotheby's to receive the Commission at closing from the Purchase Price, which will be shared equally with the Buyer's broker, plus the Administrative Fee; (iv) authorizing the Receiver to pay other customary closing costs out of the Purchase Price at closing; and (v) granting such other relief as the Court deems just and proper.

Date: December 1, 2022.

Respectfully Submitted,

/s/ Lynn H. Butler

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Jameson J. Watts, *pro hac vice*
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Counsel for Receiver Gregory S. Milligan

CERTIFICATE OF SERVICE

On December 1, 2022, I electronically submitted the foregoing document with the clerk of the court of the U.S. District Court for the District of Maryland, using the electronic case filing system of the court. I hereby certify that I have served all counsel and/or pro se parties of record electronically through the Court's CM/ECF filing system for all parties who have registered to receive electronic service. Additionally, the foregoing document was served on the following parties not registered for Court's CM/ECF filing system as indicated below:

Defendant Kevin B. Merrill (via U.S. Mail):

Kevin B. Merrill, #64274-037
FCI Allenwood Low
Federal Correctional Institution
P.O. Box 1000
White Deer, PA 17887

Defendant Jay B. Ledford (via U.S. Mail):

Jay B. Ledford, #55055-048
FCI Safford
Federal Correctional Institution
P.O. Box 9000
Safford, AZ 85548

Criminal Counsel for Defendant Kevin B. Merrill (via E-Mail and U.S. Mail):

Elizabeth Genevieve Oyer
Office of the Federal Public Defender
100 S Charles St Ste 900 Tower II
Baltimore, MD 21201
liz_oyer@fd.org

Maggie Grace
Office of the Federal Public Defender
100 S Charles St, Tower II, 9th Floor
Baltimore, MD 21201
maggie_grace@fd.org

Criminal Counsel for Defendant Jay B. Ledford (via E-Mail and U.S. Mail):

Harry J Trainor, Jr
Trainor Billman Bennett and Milko LLP
116 Cathedral St Ste E
Annapolis, MD 21401
htrain@prodigy.net

Criminal Counsel for Defendant Cameron R. Jezierski (via E-Mail and U.S. Mail):

Joseph J Aronica
Duane Morris LLP
505 9th St NW Ste 1000
Washington, DC 20004
jjaronica@duanemorris.com

Criminal Counsel for Relief Defendant Amanda Merrill (via E-Mail and U.S. Mail):

Addy R. Schmitt
Ian Herbert
Miller & Chevalier Chartered
900 16th St NW
Washington, DC 20006
aschmitt@milchev.com
iherbert@milchev.com

Relief Defendant Lalaine Ledford (via U.S. Mail):

Lalaine Ledford
10512 Courtney Cove Ave.
Las Vegas, NV 89144
lalainebarretto@yahoo.com

Lalaine Ledford
2381 Carnegie Hall Street
Las Vegas, NV 89135
lalainebarretto@yahoo.com

Baltimore County Office of Law (via E-Mail and U.S. Mail):

Susan B. Dubin
Baltimore County Office of Law
400 Washington Avenue
Towson, Maryland 21204
sdubin@baltimorecountymd.gov

Dundalk United Methodist Church (U.S. Mail):

Dundalk United Methodist Church
c/o Edward F. Mathus
6903 Mornington Road
Baltimore, Maryland 21222

Lienholders, Tax Assessors, and Other Interested Parties (U.S. Mail):

Florida Community Bank, N.A.
2325 Vanderbilt Beach Road
Naples, Florida 34109

Mortgage Electronic Registration Systems, Inc.
PO Box 2026
Flint, Michigan 48501-2026

Collier County, Florida Tax Assessor
3291 Tamiami Trail East
Naples, Florida 34112

Maryland Department of Assessments & Taxation
301 W. Preston Street
Baltimore, Maryland 21201-2395

Branch Banking and Trust Company,
A North Carolina Banking Corporation
PO Box 1290
Whiteville, North Carolina 28472

Talbot County, Maryland Finance Office
Talbot County Courthouse
11 North Washington Street, Suite 9
Easton, Maryland 21601

HSBC Bank USA, National Association, as trustee of
J.P. Morgan Alternative Loan Trust 2006-A5
c/o Howard n. Bierman, Trustee
c/o Select Portfolio Servicing, Inc.
3815 Southwest Temple
Salt Lake City, Utah 84115

Clark County, Nevada Tax Assessor
500 S. Grand Central Parkway
Las Vegas, Nevada 89155

First Financial Bank, N.A. Southlake
3205 E. Hwy. 114
PO Box 92840
Southlake, Texas 76092

Hunter Kelsey of Texas, LLC
4131 Spicewood Springs Road, Bldg. J-1A
Austin, Texas 78759

Frost Bank, f/k/a The Frost National Bank
c/o Michael J. Quilling
Quilling, Selander Lownds, Winslett & Moser, P.C.
2001 Bryan Street, Suite 1800
Dallas, Texas 75201

Frost Bank, f/k/a The Frost National Bank
c/o Trey Banack, its Registered Agent
111 West Houston Street
San Antonio, TX 78205

The City of Colleyville, Texas
c/o Victoria W. Thomas
Nichols, Jackson, Dilard, Hager & Smith, L.L.P.
1800 Lincoln Plaza
500 North Akard
Dallas, Texas 75201

Tarrant County, Texas Tax Assessor
100 E. Weatherford
Fort Worth, Texas 76196

J Trust
c/o Hillary RE. Badrow, Trustee
2801 Paramount Boulevard
Amarillo, Texas 79109

Dallas Central Appraisal District
2949 N. Stemmons Freeway
Dallas, Texas 75247-6195

Bozeman West
PO Box 1970
15632 West Main Street
Bozeman, Montana 59771-1970

Neil A. Patel
5308 Burgandy Court
Colleyville, Texas 76034

TIB – The Independent BankersBank
350 Phelps Court, Suite 200
PO Box 560528i
Dallas, Texas 75356-0528

Wachovia Mortgage, FSB
PO Box 659548
San Antonio, Texas 78265-9548

Denton County Tax Assessor
1505 E. McKinney Street
Denton, Texas 76209-4525

Potter County, Texas Tax Assessor
900 South Polk, Suite 106
Amarillo, Texas 79101

Wells Fargo Home Mortgage
P.O. Box 10335
Des Moines, IA 50306

Albertelli Law
Attn: Coury M. Jacocks
2201 W. Royal Lane, Suite 155
Irving, TX 75063

Samual I. White, P.C.
5040 Corporate Woods Drive, Suite 120
Virginia Beach, VA 23462

Stephen D. Graeff
Dunlap Bennett & Ludwig
8300 Boone Boulevard, #550
Vienna, VA 22182

Kenneth C. Grace
Lash Wilcox & Grace PL
2202 West Shore Blvd.; Suite 200
Tampa, FL 33607

/s/ Lynn H. Butler

Lynn H. Butler

EXHIBIT A

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

SECURITIES AND EXCHANGE)
COMMISSION,)
)
Plaintiff,)
)
v.)
)
KEVIN B. MERRILL, et al.,)
)
Defendants.)

Case No.: 1:18-cv-02844-RDB

**DECLARATION OF GREGORY S. MILLIGAN IN SUPPORT OF RECEIVER'S
MOTION FOR AUTHORIZATION OF SALE OF REAL PROPERTY LOCATED AT
1132 GLADE ROAD, COLLEYVILLE, TEXAS 76034**

Gregory S. Milligan declares, pursuant to 28 U.S.C. § 1746 and under penalty of perjury,
that the following is true and correct:

1. My name is Gregory S. Milligan and I am of sound mind and capable of making this Declaration. I have personal knowledge of the facts stated herein and they are true and correct.
2. I am the Court-appointed Receiver in the civil action styled *Securities and Exchange Commission v. Kevin B. Merrill, et al.*, Case No.: 1:18-cv-02844-RDB pending in the United States District Court for the District of Maryland.
3. In furtherance of my duties to manage and maintain the value of the Receivership Assets,¹ I filed a Motion for Approval of Procedures for Sale of Real Property and Retention of Sotheby's International Realty, Inc. as Broker (the "Sotheby's Motion") (Dkt. No. 107) to obtain Court approval to market and sell the real property in the Receivership Estate.
4. Defendant Jay Ledford ("Ledford") opposed the Sotheby's Motion. *See* Dkt. No. 115.
5. On April 23, 2019, the Court entered an Agreed Order, granting in part the Sotheby's Motion (the "Agreed Order") (Dkt. No. 137) with respect to certain real property owned or purchased by Defendant Kevin B. Merrill and/or Relief Defendant Amanda Merrill (the "Merrill Real Property"), which established the procedures for the sale of the Merrill Real Property (the "Real Property Sales Procedures"). The Court did not grant any relief as to the property subject to Ledford's opposition. *See* Dkt. No. 137 ¶¶ 17–18.

¹ Capitalized terms herein shall have the same meaning as used in the Second Amended Order Appointing Temporary Receiver (the "Receivership Order") (Dkt. No. 484) unless otherwise noted.

6. On December 18, 2019, I filed a stipulation that resolved and withdrew Ledford's opposition. *See* Dkt. 278. That same day, the Court granted the stipulation and ordered the Real Property Sales Procedures applied to the remaining real property, including: (i) 9017 Grove Crest Lane, Las Vegas, Nevada 89134, (ii) 1132 Glade Road, Colleyville, Texas 76034, (iii) 1650 Cedar Hill, Dallas, Texas 75208, and (iv) 2308 Cedar Elm Terrace, Westlake, Texas 76262 (collectively "Remaining Real Property"). The Court ordered the Real Property Sales Procedures shall apply to the Remaining Real Property.
7. The real property that is the subject of the current sale motion is located at 1132 Glade Road, Colleyville, Texas 76034 (the "Real Property") and is one of the Remaining Real Properties that was approved for marketing and sale by the Court.
8. On June 29, 2022, the Court granted a first-priority lien on the Real Property in the amount of \$1,663,792.59 in favor of Receivables Portfolio Interchange, Inc., a Receivership Party, pursuant to the doctrine of equitable subrogation. *See* Dkt. 635.
9. Pursuant to the Real Property Sales Procedures, I retained Sotheby's International Realty, Inc. ("Sotheby's") and began marketing the Real Property for sale.
10. The initial listing price for the Real Property was \$1,775,000.00, when the Real Property was listed for sale on or about August 16, 2022. On September 19, 2022, the listing price was increased to \$1,795,000.00.
11. After diligently marketing the Real Property, Sotheby's received an offer from Churchill Residential Holdings, LLC (the "Buyer") on or about October 3, 2022, to purchase the Real Property for \$1,795,000.00, which is approximately \$18,000.00 above the average appraised value for the Real Property. A copy of the Commercial Contract – Improved Property (the "Contract") is attached hereto as **Exhibit 1**. During the Buyer's feasibility period, an inspection revealed, amongst other issues, failures in the Real Property's lighting system that will require replacement of the entire lighting system, which is estimated to cost \$60,000.00. Following negotiations, I agreed to a reduction of the sales price to \$1,735,000.00 (the "Purchase Price") to credit the necessary repairs to the Real Property's lighting system and remove all remaining contingencies under the Contract. A copy of the Amendment to the Contract is attached hereto as **Exhibit 2**.
12. The Purchase Price is all cash and is not contingent upon inspections or the sale of any current property owned by the Buyer.
13. Pursuant to 28 U.S.C. § 2001, I obtained three appraisals of the Real Property from disinterested appraisers.
14. The first appraisal was performed by Ted Brooks, MAI, MRICS, of JLL Valuation & Advisory Services, LLC (the "JLL Appraisal"), which concluded the present market value of the Real Property was \$1,650,000.00 as of July 21, 2022. A copy of the JLL Appraisal is attached hereto as **Exhibit 3**.
15. The second appraisal was performed by Mark Lowery, MAI, AI-GRS, CCIM, MRICS, of Lowery Property Advisors (the "Lowery Appraisal"), which concluded the present market

value of the Real Property was \$1,830,000.00 as of July 22, 2022. A copy of the Lowery Appraisal is attached hereto as **Exhibit 4**.

16. The third appraisal was performed by Jason Jackson, MAI, of Integra Realty Resources (the “Integra Appraisal”) (the JLL Appraisal, Lowery Appraisal, and Integra Appraisal are collectively, the “Appraisals”), which concluded the present market value of the Real Property was \$1,850,000.00 as of September 1, 2022. A copy of the Integra Appraisal is attached hereto as **Exhibit 5**.
17. Pursuant to the Real Property Sales Procedures, I believe a private sale of the Real Property pursuant to the terms of the Contract will yield a higher return than a public auction.
18. I believe that the sale of the Real Property to the Buyer at this time pursuant to the terms of the Contract is in the best interest of the Receivership Estate to maximize the recovery and preservation of Receivership Assets. While the Purchase Price is slightly lower than the average appraised price, the Purchase Price is \$85,000.00 higher than the lowest appraisal. In addition, the commercial real estate market has continued to decline since the date of the Appraisals, and holding the Real Property in the face of further known interest rate hikes and an imminent recession is not in the best interest of the Receivership Estate.
19. If approved by the Court, the proposed 6% commission of \$104,100.00 (the “Commission”) would be paid 50% to Sotheby’s and 50% to the Buyer’s broker out of the Purchase Price at closing.
20. Additionally, if approved by the Court, Sotheby’s would also receive an administrative fee of \$495.00 (the “Administrative Fee”) to be paid out of the Purchase Price at closing.
21. Finally, if approved by the Court, the sale of the Real Property would also incur customary closing costs for any unpaid taxes, recording fees, and other government fees in the approximate amount of \$311,794.00 to be paid at closing out of the Purchase Price. A copy of the draft Settlement Statement is attached hereto as **Exhibit 6**.
22. In my business judgment, the Commission and Administrative Fee proposed by Sotheby’s is fair market value for such services, will result in a net benefit to the Receivership Estate, and will reduce the administrative cost to the Receivership Estate. Pursuant to the Agreed Order, I seek authorization to pay these fees in connection with the sale of the Real Property. If Sotheby’s were required to submit fee applications, the burden of preparing those fee applications would fall on my professionals and would increase the burden on the Receivership Estate. Accordingly, I am requesting final approval for payment of Sotheby’s Commission and Administrative Fee, along with all other customary closing costs, at closing out of the Purchase Price without need of further Court approval.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on December 1, 2022.



GREGORY S. MILLIGAN

EXHIBIT 1



COMMERCIAL CONTRACT - IMPROVED PROPERTY

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS®, INC. IS NOT AUTHORIZED. ©Texas Association of REALTORS®, Inc. 2018

1. PARTIES: Seller agrees to sell and convey to Buyer the Property described in Paragraph 2. Buyer agrees to buy the Property from Seller for the sales price stated in Paragraph 3. The parties to this contract are:

Seller: Gregory S. Milligan, Receiver for King Fischer, Ltd.

Address: 8911 N. Capital of Texas Highway, Suite 2120, Austin, Texas 78759

Phone: 512.626.1818 E-mail:

Fax: gmilligan@harneypartners.com Other:

Buyer: Churchill Residential Holdings, LLC

Address: 5605 N. MacArthur Blvd., Suite 580, Irving, Texas 75038

Phone: (972) 550-7800 E-mail: bforslund@crl.bz

Fax: Other:

2. PROPERTY:

A. "Property" means that real property situated in Tarrant County, Texas at 1132 Glade Road, Colleyville, TX 76034 and that is legally described on the attached Exhibit or as follows:

Lot 3R4, Block 2, Riverwalk at Colleyville Addition, City of Colleyville, Tarrant County, Texas

B. Seller will sell and convey the Property together with:

- (1) all buildings, improvements, and fixtures;
(2) all rights, privileges, and appurtenances pertaining to the Property, including Seller's right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights-of-way;
(3) Seller's interest in all leases, rents, and security deposits for all or part of the Property;
(4) Seller's interest in all licenses and permits related to the Property;
(5) Seller's interest in all third party warranties or guaranties, if transferable, relating to the Property or any fixtures;
(6) all Seller's tangible personal property located on the Property that is used in connection with the Property's operations except:
Any personal property not included in the sale must be removed by Seller prior to closing.

(Describe any exceptions, reservations, or restrictions in Paragraph 12 or an addendum.)
(If mineral rights are to be reserved an appropriate addendum should be attached.)
(If the Property is a condominium, attach Commercial Contract Condominium Addendum (TXR-1930) or (TXR-1946).)

3. SALES PRICE: At or before closing, Buyer will pay the following sales price for the Property:

Table with 2 columns: Description and Amount. Row A: Cash portion payable by Buyer at closing \$ 1,795,000.00. Row B: Sum of all financing described in Paragraph 4 \$ 0. Row C: Sales price (sum of 3A and 3B) \$ 1,795,000.00.

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4. FINANCING: Buyer will finance the portion of the sales price under Paragraph 3B as follows:

- A. Third Party Financing: One or more third party loans in the total amount of \$_____. This contract:
 - (1) is not contingent upon Buyer obtaining third party financing.
 - (2) is contingent upon Buyer obtaining third party financing in accordance with the attached Commercial Contract Financing Addendum (TXR-1931).
- B. Assumption: In accordance with the attached Commercial Contract Financing Addendum (TXR-1931), Buyer will assume the existing promissory note secured by the Property, which balance at closing will be \$_____.
- C. Seller Financing: The delivery of a promissory note and deed of trust from Buyer to Seller under the terms of the attached Commercial Contract Financing Addendum (TXR-1931) in the amount of \$_____.

5. EARNEST MONEY:

- A. Not later than 3 days after the effective date, Buyer must deposit \$ 20,000.00 as earnest money with University Title Company (title company) at 6230 Colleyville Boulevard, Colleyville, TX 76034 (address) Brian Borecki (closer). Brian.Borecki@Utitle.com
If Buyer fails to timely deposit the earnest money, Seller may terminate this contract or exercise any of Seller's other remedies under Paragraph 15 by providing written notice to Buyer before Buyer deposits the earnest money.
- B. Buyer will deposit an additional amount of \$ 0 with the title company to be made part of the earnest money on or before:
 - (i) _____ days after Buyer's right to terminate under Paragraph 7B expires; or
 - (ii) _____.
 Buyer will be in default if Buyer fails to deposit the additional amount required by this Paragraph 5B within 3 days after Seller notifies Buyer that Buyer has not timely deposited the additional amount.
- C. Buyer may instruct the title company to deposit the earnest money in an interest-bearing account at a federally insured financial institution and to credit any interest to Buyer.

6. TITLE POLICY, SURVEY, AND UCC SEARCH:

- A. Title Policy:
 - (1) Seller, at Seller's expense, will furnish Buyer an Owner's Policy of Title Insurance (the title policy) issued by any underwriter of the title company in the amount of the sales price, dated at or after closing, insuring Buyer against loss under the title policy, subject only to:
 - (a) those title exceptions permitted by this contract or as may be approved by Buyer in writing; and
 - (b) the standard printed exceptions contained in the promulgated form of title policy unless this contract provides otherwise.
 - (2) The standard printed exception as to discrepancies, conflicts, or shortages in area and boundary lines, or any encroachments or protrusions, or any overlapping improvements:
 - (a) will not be amended or deleted from the title policy.
 - (b) will be amended to read "shortages in areas" at the expense of Buyer Seller.
 - (3) Within 10 days after the effective date, Seller will furnish Buyer a commitment for title insurance (the commitment) including legible copies of recorded documents evidencing title exceptions. Seller authorizes the title company to deliver the commitment and related documents to Buyer at Buyer's address.

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B. Survey: Within 7 days after the effective date:

- (1) Buyer will obtain a survey of the Property at Buyer's expense and deliver a copy of the survey to Seller. The survey must be made in accordance with the: (i) ALTA/NSPS Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition. Seller will reimburse Buyer \$0 (insert amount) of the cost of the survey at closing, if closing occurs.
- (2) Seller, at Seller's expense, will furnish Buyer a survey of the Property dated after the effective date. The survey must be made in accordance with the: (i) ALTA/NSPS Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition.
- (3) Seller will deliver to Buyer and the title company a true and correct copy of Seller's most recent survey of the Property along with an affidavit required by the title company for approval of the existing survey. If the existing survey is not acceptable to the title company, Seller Buyer (updating party), will, at the updating party's expense, obtain a new or updated survey acceptable to the title company and deliver the acceptable survey to the other party and the title company within 30 days after the title company notifies the parties that the existing survey is not acceptable to the title company. The closing date will be extended daily up to 30 days if necessary for the updating party to deliver an acceptable survey within the time required. The other party will reimburse the updating party 0 (insert amount or percentage) of the cost of the new or updated survey at closing, if closing occurs.

C. UCC Search:

- (1) Within _____ days after the effective date, Seller, at Seller's expense, will furnish Buyer a Uniform Commercial Code (UCC) search prepared by a reporting service and dated after the effective date. The search must identify documents that are on file with the Texas Secretary of State and the county where the Property is located that relate to all personal property on the Property and show, as debtor, Seller and all other owners of the personal property in the last 5 years.
- (2) Buyer does not require Seller to furnish a UCC search.

D. Buyer's Objections to the Commitment, Survey, and UCC Search:

- (1) Within 7 days after Buyer receives the last of the commitment, copies of the documents evidencing the title exceptions, any required survey, and any required UCC search, Buyer may object to matters disclosed in the items if: (a) the matters disclosed are a restriction upon the Property or constitute a defect or encumbrance to title to the real or personal property described in Paragraph 2 other than those permitted by this contract or liens that Seller will satisfy at closing or Buyer will assume at closing; or (b) the items show that any part of the Property lies in a special flood hazard area (an "A" or "V" zone as defined by FEMA). If the commitment or survey is revised or any new document evidencing a title exception is delivered, Buyer may object to any new matter revealed in such revision or new document. Buyer's objection must be made within the same number of days stated in this paragraph, beginning when the revision or new document is delivered to Buyer. If Paragraph 6B(1) applies, Buyer is deemed to receive the survey on the earlier of: (i) the date Buyer actually receives the survey; or (ii) the deadline specified in Paragraph 6B.
- (2) Seller may, but is not obligated to, cure Buyer's timely objections within 15 days after Seller receives the objections. The closing date will be extended as necessary to provide such time to cure the objections. If Seller fails to cure the objections by the time required, Buyer may terminate this contract by providing written notice to Seller within 5 days after the time by which Seller must cure the objections. If Buyer terminates, the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer.

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(3) Buyer's failure to timely object or terminate under this Paragraph 6D is a waiver of Buyer's right to object except that Buyer will not waive the requirements in Schedule C of the commitment.

7. PROPERTY CONDITION:

A. Present Condition: Buyer accepts the Property in its present condition except that Seller, at Seller's expense, will complete the following before closing: _____

B. Feasibility Period: Buyer may terminate this contract for any reason within 30 days after the effective date (feasibility period) by providing Seller written notice of termination.

(1) Independent Consideration. (Check only one box and insert amounts.)

(a) If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer less \$ 100.00 that Seller will retain as independent consideration for Buyer's unrestricted right to terminate. Buyer has tendered the independent consideration to Seller upon payment of the amount specified in Paragraph 5A to the title company. The independent consideration is to be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(1) or if Buyer fails to deposit the earnest money, Buyer will not have the right to terminate under this Paragraph 7B.

(b) Not later than 3 days after the effective date, Buyer must pay Seller \$ _____ as independent consideration for Buyer's right to terminate by tendering such amount to Seller or Seller's agent. If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer and Seller will retain the independent consideration. The independent consideration will be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(2) or if Buyer fails to pay the independent consideration, Buyer will not have the right to terminate under this Paragraph 7B.

(2) Feasibility Period Extension: Prior to the expiration of the initial feasibility period, Buyer may extend the feasibility period for a single period of an additional 15 days by depositing additional earnest money in the amount of \$ 5,000.00 with the title company. If no dollar amount is stated in this Paragraph or if Buyer fails to timely deposit the additional earnest money, the extension of the feasibility period will not be effective.

C. Inspections, Studies, or Assessments:

(1) During the feasibility period, Buyer, at Buyer's expense, may complete or cause to be completed any and all inspections, studies, or assessments of the Property (including all improvements and fixtures) desired by Buyer.

(2) Seller, at Seller's expense, will turn on all utilities necessary for Buyer to make inspections, studies, or assessments.

(3) Buyer must:
(a) employ only trained and qualified inspectors and assessors;
(b) notify Seller, in advance, of when the inspectors or assessors will be on the Property;
(c) abide by any reasonable entry rules or requirements of Seller;
(d) not interfere with existing operations or occupants of the Property; and
(e) restore the Property to its original condition if altered due to inspections, studies, or assessments that Buyer completes or causes to be completed.

(4) Except for those matters that arise from the negligence of Seller or Seller's agents, Buyer is responsible for any claim, liability, ^{PS}encumbrance, cause of action, and expense resulting from

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Buyer's inspections, studies, or assessments, including any property damage or personal injury. Buyer will indemnify, hold harmless, and defend Seller and Seller's agents against any claim involving a matter for which Buyer is responsible under this paragraph. This paragraph survives termination of this contract.

D. Property Information:

(1) Delivery of Property Information: Within 5 days after the effective date, Seller will deliver to Buyer: *(Check all that apply.)*

- (a) a current rent roll of all leases affecting the Property certified by Seller as true and correct;
- (b) copies of all current leases, including any mineral leases, pertaining to the Property, including any modifications, supplements, or amendments to the leases;
- (c) a current inventory of all personal property to be conveyed under this contract and copies of any leases for such personal property;
- (d) copies of all notes and deeds of trust against the Property that Buyer will assume or that Seller will not pay in full on or before closing;
- (e) copies of all current service, utility, maintenance, and management agreements relating to the ownership and operation of the Property;
- (f) copies of current utility capacity letters from the Property's water and sewer service provider;
- (g) copies of all current warranties and guaranties relating to all or part of the Property;
- (h) copies of fire, hazard, liability, and other insurance policies that currently relate to the Property;
- (i) copies of all leasing or commission agreements that currently relate to the tenants of all or part of the Property;
- (j) a copy of the "as-built" plans and specifications and plat of the Property;
- (k) copies of all invoices for utilities and repairs incurred by Seller for the Property in the 24 months immediately preceding the effective date;
- (l) a copy of Seller's income and expense statement for the Property from _____ to _____;
- (m) copies of all previous environmental assessments, geotechnical reports, studies, or analyses made on or relating to the Property;
- (n) real and personal property tax statements for the Property for the previous 2 calendar years;
- (o) Tenant reconciliation statements including, operating expenses, insurance and taxes for the Property from _____ to _____; and
- (p) copies of any appraisals completed to value the property

(2) Return of Property Information: If this contract terminates for any reason, Buyer will, not later than 10 days after the termination date: *(Check all that apply.)*

- (a) return to Seller all those items described in Paragraph 7D(1) that Seller delivered to Buyer in other than an electronic format and all copies that Buyer made of those items;
- (b) delete or destroy all electronic versions of those items described in Paragraph 7D(1) that Seller delivered to Buyer or Buyer copied in any format; and
- (c) deliver to Seller copies of all inspection and assessment reports related to the Property that Buyer completed or caused to be completed.

This Paragraph 7D(2) survives termination of this contract.

E. Contracts Affecting Operations: Until closing, Seller: (1) will operate the Property in the same manner as on the effective date under reasonably prudent business standards; and (2) will not transfer or dispose of any part of the Property, any interest or right in the Property, or any of the personal property or other items described in Paragraph 2B or sold under this contract. After the feasibility period ends, Seller may not enter into, amend, or terminate any other contract that affects the operations of the Property without Buyer's written approval.

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8. LEASES:

- A. Each written lease Seller is to assign to Buyer under this contract must be in full force and effect according to its terms. Seller may not enter into any new lease, fail to comply with any existing lease, or make any amendment or modification to any existing lease without Buyer's written consent. Seller must disclose, in writing, if any of the following exist at the time Seller provides the leases to the Buyer or subsequently occur before closing:
 - (1) any failure by Seller to comply with Seller's obligations under the leases;
 - (2) any circumstances under any lease that entitle the tenant to terminate the lease or seek any offsets or damages;
 - (3) any non-occupancy of the leased premises by a tenant;
 - (4) any advance sums paid by a tenant under any lease;
 - (5) any concessions, bonuses, free rents, rebates, brokerage commissions, or other matters that affect any lease; and
 - (6) any amounts payable under the leases that have been assigned or encumbered, except as security for loan(s) assumed or taken subject to under this contract.
- B. Estoppel Certificates: Within _____ days after the effective date, Seller will deliver to Buyer estoppel certificates signed not earlier than _____ by each tenant that leases space in the Property. The estoppel certificates must include the certifications contained in the current version of TXR Form 1938 – Commercial Tenant Estoppel Certificate and any additional information requested by a third party lender providing financing under Paragraph 4 if the third party lender requests such additional information at least 10 days prior to the earliest date that Seller may deliver the signed estoppel certificates.

9. BROKERS:

A. The brokers to this sale are:

Principal Broker: <u>Briggs Freeman Sotheby's</u>	Cooperating Broker: <u>The Woodmont Company</u>
<u>International Realty</u>	
Agent: <u>Jim Eagle; Laura Fincher</u>	Agent: <u>Rachel Forslund</u>
Address: <u>4828 Camp Bowie Blvd.</u>	Address: <u>2100 W 7th St, Fort Worth, TX 76107</u>
<u>Fort Worth, TX 76107</u>	
Phone & Fax: <u>(817) 731-8466</u>	Phone & Fax: <u>(817) 713.4407</u>
E-mail: <u>jeagle@briggsfreeman.com; lfincher@briggsfreeman.com</u>	E-mail: <u>rforslund@woodmont.com</u>
License No.: <u>689325</u>	License No.: <u>755724</u>

Principal Broker: (Check only one box)	Cooperating Broker represents Buyer.
<input checked="" type="checkbox"/> represents Seller only.	
<input type="checkbox"/> represents Buyer only.	
<input type="checkbox"/> is an intermediary between Seller and Buyer.	

B. Fees: (Check only (1) or (2) below.)
(Complete the Agreement Between Brokers on page 14 only if (1) is selected.)

- (1) Seller will pay Principal Broker the fee specified by separate written commission agreement between Principal Broker and Seller. Principal Broker will pay Cooperating Broker the fee specified in the Agreement Between Brokers found below the parties' signatures to this contract.
- (2) At the closing of this sale, Seller will pay:

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Principal Broker a total cash fee of:	Cooperating Broker a total cash fee of:
<input checked="" type="checkbox"/> <u>3</u> % of the sales price.	<input checked="" type="checkbox"/> <u>3</u> % of the sales price.
<input type="checkbox"/> _____	<input type="checkbox"/> _____

The cash fees will be paid in Tarrant County, Texas. Seller authorizes the title company to pay the brokers from the Seller's proceeds at closing.

NOTICE: Chapter 62, Texas Property Code, authorizes a broker to secure an earned commission with a lien against the Property.

C. The parties may not amend this Paragraph 9 without the written consent of the brokers affected by the amendment.

10. CLOSING:

A. The date of the closing of the sale (closing date) will be on or before the later of:

(1) _____ days after the expiration of the feasibility period.
 _____ (specific date).
 30 days after the sale motion is filed and an order is entered by the Court approving the sale.

(2) 7 days after objections made under Paragraph 6D have been cured or waived.

B. If either party fails to close by the closing date, the non-defaulting party may exercise the remedies in Paragraph 15.

C. At closing, Seller will execute and deliver to Buyer, at Seller's expense, a general special warranty deed. The deed must include a vendor's lien if any part of the sales price is financed. The deed must convey good and indefeasible title to the Property and show no exceptions other than those permitted under Paragraph 6 or other provisions of this contract. Seller must convey the Property:

(1) with no liens, assessments, or Uniform Commercial Code or other security interests against the Property which will not be satisfied out of the sales price, unless securing loans Buyer assumes;

(2) without any assumed loans in default; and

(3) with no persons in possession of any part of the Property as lessees, tenants at sufferance, or trespassers except tenants under the written leases assigned to Buyer under this contract.

D. At closing, Seller, at Seller's expense, will also deliver to Buyer:

(1) tax statements showing no delinquent taxes on the Property;

(2) a bill of sale with warranties to title conveying title, free and clear of all liens, to any personal property defined as part of the Property in Paragraph 2 or sold under this contract;

(3) an assignment of all leases to or on the Property;

(4) to the extent that the following items are assignable, an assignment to Buyer of the following items as they relate to the Property or its operations:

(a) licenses and permits;

(b) service, utility, maintenance, management, and other contracts; and

(c) warranties and guaranties;

(5) a rent roll current on the day of the closing certified by Seller as true and correct;

(6) evidence that the person executing this contract is legally capable and authorized to bind Seller;

(7) an affidavit acceptable to the title company stating that Seller is not a foreign person or, if Seller is a foreign person, a written authorization for the title company to: (i) withhold from Seller's proceeds an amount sufficient to comply with applicable tax law; and (ii) deliver the amount to the Internal Revenue Service together with appropriate tax forms; and

(8) any notices, statements, certificates, affidavits, releases, and other documents required by this contract, the commitment, or law necessary for the closing of the sale and the issuance of the title policy, all of which must be completed and executed by Seller as necessary.

E. At closing, Buyer will:

(1) pay the sales price in good funds acceptable to the title company;

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- (2) deliver evidence that the person executing this contract is legally capable and authorized to bind Buyer;
- (3) sign and send to each tenant in the Property a written statement that:
 - (a) acknowledges Buyer has received and is responsible for the tenant's security deposit; and
 - (b) specifies the exact dollar amount of the security deposit;
- (4) sign an assumption of all leases then in effect; and
- (5) execute and deliver any notices, statements, certificates, or other documents required by this contract or law necessary to close the sale.

F. Unless the parties agree otherwise, the closing documents will be as found in the basic forms in the current edition of the State Bar of Texas Real Estate Forms Manual without any additional clauses.

11. POSSESSION: Seller will deliver possession of the Property to Buyer upon closing and funding of this sale in its present condition with any repairs Seller is obligated to complete under this contract, ordinary wear and tear excepted. Any possession by Buyer before closing or by Seller after closing that is not authorized by a separate written lease agreement is a landlord-tenant at sufferance relationship between the parties.

12. SPECIAL PROVISIONS: The following special provisions apply and will control in the event of a conflict with other provisions of this contract. *(If special provisions are contained in an Addendum, identify the Addendum here and reference the Addendum in Paragraph 22D.)*

Per Section 7(B)(A), the \$5,0000.00 Earnest Money for the Feasibility Period Extension shall be non-refundable.

See Exhibit A

13. SALES EXPENSES:

- A. Seller's Expenses: Seller will pay for the following at or before closing:
 - (1) releases of existing liens, other than those liens assumed by Buyer, including prepayment penalties and recording fees;
 - (2) release of Seller's loan liability, if applicable;
 - (3) tax statements or certificates;
 - (4) preparation of the deed and any bill of sale;
 - (5) one-half of any escrow fee;
 - (6) costs to record any documents to cure title objections that Seller must cure; and
 - (7) other expenses that Seller will pay under other provisions of this contract.
- B. Buyer's Expenses: Buyer will pay for the following at or before closing:
 - (1) all loan expenses and fees;
 - (2) preparation fees of any deed of trust;
 - (3) recording fees for the deed and any deed of trust;
 - (4) premiums for flood and hazard insurance as may be required by Buyer's lender;
 - (5) one-half of any escrow fee; and
 - (6) other expenses that Buyer will pay under other provisions of this contract.

14. PRORATIONS:

- A. Prorations:
 - (1) Interest on any assumed loan, taxes, rents, and any expense reimbursements from tenants will be prorated through the closing date.

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- (2) If the amount of ad valorem taxes for the year in which the sale closes is not available on the closing date, taxes will be prorated on the basis of taxes assessed in the previous year. If the taxes for the year in which the sale closes vary from the amount prorated at closing, the parties will adjust the prorations when the tax statements for the year in which the sale closes become available. This Paragraph 14A(2) survives closing.
- (3) If Buyer assumes a loan or is taking the Property subject to an existing lien, Seller will transfer all reserve deposits held by the lender for the payment of taxes, insurance premiums, and other charges to Buyer at closing and Buyer will reimburse such amounts to Seller by an appropriate adjustment at closing.
- B. Rollback Taxes: If Seller's use or change in use of the Property before closing results in the assessment of additional taxes, penalties, or interest (assessments) for periods before closing, the assessments will be the obligation of Seller. If this sale or Buyer's use of the Property after closing results in additional assessments for periods before closing, the assessments will be the obligation of Buyer. This Paragraph 14B survives closing.
- C. Rent and Security Deposits: At closing, Seller will tender to Buyer all security deposits and the following advance payments received by Seller for periods after closing: prepaid expenses, advance rental payments, and other advance payments paid by tenants. Rents prorated to one party but received by the other party will be remitted by the recipient to the party to whom it was prorated within 5 days after the rent is received. This Paragraph 14C survives closing.

15. DEFAULT:

- A. If Buyer fails to comply with this contract, Buyer is in default and Seller, as Seller's sole remedy(ies), may terminate this contract and receive the earnest money, as liquidated damages for Buyer's failure except for any damages resulting from Buyer's inspections, studies or assessments in accordance with Paragraph 7C(4) which Seller may pursue, or
(Check if applicable)
- enforce specific performance, or seek such other relief as may be provided by law.
- B. If, without fault, Seller is unable within the time allowed to deliver the estoppel certificates, survey or the commitment, Buyer may:
- (1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
- (2) extend the time for performance up to 15 days and the closing will be extended as necessary.
- C. Except as provided in Paragraph 15B, if Seller fails to comply with this contract, Seller is in default and Buyer may:
- (1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
- (2) enforce specific performance, or seek such other relief as may be provided by law, or both.

16. CASUALTY LOSS AND CONDEMNATION:

- A. If any part of the Property is damaged or destroyed by fire or other casualty after the effective date, Seller must restore the Property to its previous condition as soon as reasonably possible and not later than the closing date. If, without fault, Seller is unable to do so, Buyer may:
- (1) terminate this contract and the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer;
- (2) extend the time for performance up to 15 days and closing will be extended as necessary; or
- (3) accept at closing: (i) the Property in its damaged condition; (ii) an assignment of any insurance proceeds Seller is entitled to receive along with the insurer's consent to the assignment; and (iii) a credit to the sales price in the amount of any unpaid deductible under the policy for the loss.

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- B. If before closing, condemnation proceedings are commenced against any part of the Property, Buyer may:
 - (1) terminate this contract by providing written notice to Seller within 15 days after Buyer is advised of the condemnation proceedings and the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer; or
 - (2) appear and defend the condemnation proceedings and any award will, at Buyer's election, belong to: (a) Seller and the sales price will be reduced by the same amount; or (b) Buyer and the sales price will not be reduced.

17. ATTORNEY'S FEES: If Buyer, Seller, any broker, or the title company is a prevailing party in any legal proceeding brought under or with relation to this contract or this transaction, such party is entitled to recover from the non-prevailing parties all costs of such proceeding and reasonable attorney's fees. This Paragraph 17 survives termination of this contract.

18. ESCROW:

- A. At closing, the earnest money will be applied first to any cash down payment, then to Buyer's closing costs, and any excess will be refunded to Buyer. If no closing occurs, the title company may require payment of unpaid expenses incurred on behalf of the parties and a written release of liability of the title company from all parties.
- B. If one party makes written demand for the earnest money, the title company will give notice of the demand by providing to the other party a copy of the demand. If the title company does not receive written objection to the demand from the other party within 15 days after the date the title company sent the demand to the other party, the title company may disburse the earnest money to the party making demand, reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and the title company may pay the same to the creditors.
- C. The title company will deduct any independent consideration under Paragraph 7B(1) before disbursing any earnest money to Buyer and will pay the independent consideration to Seller.
- D. If the title company complies with this Paragraph 18, each party hereby releases the title company from all claims related to the disbursement of the earnest money.
- E. Notices under this Paragraph 18 must be sent by certified mail, return receipt requested. Notices to the title company are effective upon receipt by the title company.
- F. Any party who wrongfully fails or refuses to sign a release acceptable to the title company within 7 days after receipt of the request will be liable to the other party for: (i) damages; (ii) the earnest money; (iii) reasonable attorney's fees; and (iv) all costs of suit.
- G. Seller Buyer intend(s) to complete this transaction as a part of an exchange of like-kind properties in accordance with Section 1031 of the Internal Revenue Code, as amended. All expenses in connection with the contemplated exchange will be paid by the exchanging party. The other party will not incur any expense or liability with respect to the exchange. The parties agree to cooperate fully and in good faith to arrange and consummate the exchange so as to comply to the maximum extent feasible with the provisions of Section 1031 of the Internal Revenue Code. The other provisions of this contract will not be affected in the event the contemplated exchange fails to occur.

19. MATERIAL FACTS: To the best of Seller's knowledge and belief: *(Check only one box.)*

- A. Seller is not aware of any material defects to the Property except as stated in the attached Commercial Property Condition Statement (TXR-1408).
- B. Except as otherwise provided in this contract, Seller is not aware of:
 - (1) any subsurface: structures, pits, waste, springs, or improvements;
 - (2) any pending or threatened litigation, ^{dis}condemnation, or assessment affecting the Property;

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- (3) any environmental hazards or conditions that materially affect the Property;
- (4) whether the Property is or has been used for the storage or disposal of hazardous materials or toxic waste, a dump site or landfill, or any underground tanks or containers;
- (5) whether radon, asbestos containing materials, urea-formaldehyde foam insulation, lead-based paint, toxic mold (to the extent that it adversely affects the health of ordinary occupants), or other pollutants or contaminants of any nature now exist or ever existed on the Property;
- (6) any wetlands, as defined by federal or state law or regulation, on the Property;
- (7) any threatened or endangered species or their habitat on the Property;
- (8) any present or past infestation of wood-destroying insects in the Property's improvements;
- (9) any contemplated material changes to the Property or surrounding area that would materially and detrimentally affect the ordinary use of the Property;
- (10) any material physical defects in the improvements on the Property; or
- (11) any condition on the Property that violates any law or ordinance.

(Describe any exceptions to (1)-(11) in Paragraph 12 or an addendum.)

20. NOTICES: All notices between the parties under this contract must be in writing and are effective when hand-delivered, mailed by certified mail return receipt requested, or sent by facsimile transmission to the parties addresses or facsimile numbers stated in Paragraph 1. The parties will send copies of any notices to the broker representing the party to whom the notices are sent.

- A. Seller also consents to receive any notices by e-mail at Seller's e-mail address stated in Paragraph 1.
- B. Buyer also consents to receive any notices by e-mail at Buyer's e-mail address stated in Paragraph 1.

21. DISPUTE RESOLUTION: The parties agree to negotiate in good faith in an effort to resolve any dispute related to this contract that may arise. If the dispute cannot be resolved by negotiation, the parties will submit the dispute to mediation before resorting to arbitration or litigation and will equally share the costs of a mutually acceptable mediator. This paragraph survives termination of this contract. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

22. AGREEMENT OF THE PARTIES:

A. This contract is binding on the parties, their heirs, executors, representatives, successors, and permitted assigns. This contract is to be construed in accordance with the laws of the State of Texas. If any term or condition of this contract shall be held to be invalid or unenforceable, the remainder of this contract shall not be affected thereby.

B. This contract contains the entire agreement of the parties and may not be changed except in writing.

C. If this contract is executed in a number of identical counterparts, each counterpart is an original and all counterparts, collectively, constitute one agreement.

D. Addenda which are part of this contract are: (Check all that apply.)

- (1) Property Description Exhibit identified in Paragraph 2;
- (2) Commercial Contract Condominium Addendum (TXR-1930) or (TXR-1946);
- (3) Commercial Contract Financing Addendum (TXR-1931);
- (4) Commercial Property Condition Statement (TXR-1408);
- (5) Commercial Contract Addendum for Special Provisions (TXR-1940);
- (6) Addendum for Seller's Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (TXR-1906);
- (7) Notice to Purchaser of Real Property in a Water District (MUD);
- (8) Addendum for Coastal Area Property (TXR-1915);
- (9) Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TXR-1916);
- (10) Information About Brokerage Services (TXR-2501);
- (11) Information About Mineral Clauses in Contract Forms (TXR-2509); and
- (12) Exhibit A

(TXR-1801) 4-1-18

Initialed for Identification by Seller

DS
GM

and Buyer

BB

Commercial Contract - Improved Property concerning 1132 Glade Road, Colleyville, TX 76034

(Note: Counsel for Texas REALTORS® has determined that any of the foregoing addenda which are promulgated by the Texas Real Estate Commission (TREC) or published by Texas REALTORS® are appropriate for use with this form.)

E. Buyer may may not assign this contract. If Buyer assigns this contract, Buyer will be relieved of any future liability under this contract only if the assignee assumes, in writing, all of Buyer's obligations under this contract.

23. **TIME:** Time is of the essence in this contract. The parties require strict compliance with the times for performance. If the last day to perform under a provision of this contract falls on a Saturday, Sunday, or legal holiday, the time for performance is extended until the end of the next day which is not a Saturday, Sunday, or legal holiday.

24. **EFFECTIVE DATE:** The effective date of this contract for the purpose of performance of all obligations is the date the title company receipts this contract after all parties execute this contract.

25. **ADDITIONAL NOTICES:**

A. Buyer should have an abstract covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a title policy.

B. If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fees of the district before final execution of this contract.

C. Notice Required by §13.257, Water Code: "The real property, described below, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in the notice or at closing of purchase of the real property." The real property is described in Paragraph 2 of this contract.

D. If the Property adjoins or shares a common boundary with the tidally influenced submerged lands of the state, §33.135, Texas Natural Resources Code, requires a notice regarding coastal area property to be included as part of this contract (*the Addendum for Coastal Area Property (TXR-1915) may be used*).

E. If the Property is located seaward of the Gulf Intracoastal Waterway, §61.025, Texas Natural Resources Code, requires a notice regarding the seaward location of the Property to be included as part of this contract (*the Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TXR-1916) may be used*).

F. If the Property is located outside the limits of a municipality, the Property may now or later be included in the extra-territorial jurisdiction (ETJ) of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and ETJ. To determine if the Property is located within a municipality's ETJ, Buyer should contact all municipalities located in the general proximity of the Property for further information.

G. If apartments or other residential units are on the Property and the units were built before 1978, federal law requires a lead-based paint and hazard disclosure statement to be made part of this contract (*the Addendum for Seller's Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (TXR-1906) may be used*).

(TXR-1801) 4-1-18

Initialed for Identification by Seller

^{DS}
GM

and Buyer

BS

Commercial Contract - Improved Property concerning 1132 Glade Road, Colleyville, TX 76034

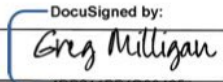
- H. Section 1958.154, Occupations Code requires Seller to provide Buyer a copy of any mold remediation certificate issued for the Property during the 5 years preceding the date the Seller sells the Property.
- I. Brokers are not qualified to perform property inspections, surveys, engineering studies, environmental assessments, or inspections to determine compliance with zoning, governmental regulations, or laws. Buyer should seek experts to perform such services. Buyer should review local building codes, ordinances and other applicable laws to determine their effect on the Property. Selection of experts, inspectors, and repairmen is the responsibility of Buyer and not the brokers. Brokers are not qualified to determine the credit worthiness of the parties.
- J. NOTICE OF WATER LEVEL FLUCTUATIONS: If the Property adjoins an impoundment of water, including a reservoir or lake, constructed and maintained under Chapter 11, Water Code, that has a storage capacity of at least 5,000 acre-feet at the impoundment's normal operating level, Seller hereby notifies Buyer: "The water level of the impoundment of water adjoining the Property fluctuates for various reasons, including as a result of: (1) an entity lawfully exercising its right to use the water stored in the impoundment; or (2) drought or flood conditions."
- K. LICENSE HOLDER DISCLOSURE: Texas law requires a real estate license holder who is a party to a transaction or acting on behalf of a spouse, parent, child, business entity in which the license holder owns more than 10%, or a trust for which the license holder acts as a trustee or of which the license holder or the license holder's spouse, parent or child is a beneficiary, to notify the other party in writing before entering into a contract of sale. Disclose if applicable: _____.


26. CONTRACT AS OFFER: The execution of this contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts the offer by 5:00 p.m., in the time zone in which the Property is located, on October 10, 2022, the offer will lapse and become null and void.

READ THIS CONTRACT CAREFULLY. The brokers and agents make no representation or recommendation as to the legal sufficiency, legal effect, or tax consequences of this document or transaction. **CONSULT your attorney BEFORE signing.**

Seller: Gregory S. Milligan, Receiver for King Fischer, Ltd.

Buyer: Churchill Residential Holdings, LLC

By: _____
 By (signature): 
 Printed Name: Gregory S. Milligan
 Title: Receiver

By: _____
 By (signature): 
 Printed Name: Brad Forslund
 Title: President

By: _____
 By (signature): _____
 Printed Name: _____
 Title: _____

By: _____
 By (signature): _____
 Printed Name: _____
 Title: _____

Commercial Contract - Improved Property concerning 1132 Glade Road, Colleyville, TX 76034

AGREEMENT BETWEEN BROKERS

(use only if Paragraph 9B(1) is effective)

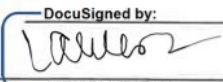
Principal Broker agrees to pay The Woodmont Company (Cooperating Broker) a fee when the Principal Broker's fee is received. The fee to be paid to Cooperating Broker will be:

- \$ _____, or
- 3 % of the sales price, or
- _____ % of the Principal Broker's fee.

The title company is authorized and directed to pay Cooperating Broker from Principal Broker's fee at closing. This Agreement Between Brokers supersedes any prior offers and agreements for compensation between brokers.

Principal Broker: Jim Eagle & Laura Fincher

Cooperating Broker: Rachel Forslund

By: 
A4F82F92A70F423...

By: 
2E73C5AD2658404...

ATTORNEYS

Seller's attorney: _____

Buyer's attorney: _____

Address: _____

Address: _____

Phone & Fax: _____

Phone & Fax: _____

E-mail: _____

E-mail: _____

Seller's attorney requests copies of documents, notices, and other information:

- the title company sends to Seller.
- Buyer sends to Seller.

Buyer's attorney requests copies of documents, notices, and other information:

- the title company sends to Buyer.
- Seller sends to Buyer.

ESCROW RECEIPT

The title company acknowledges receipt of:

- A. the contract on this day _____ (effective date);
- B. earnest money in the amount of \$ _____ in the form of _____ on _____.

Title company: _____

Address: _____

By: _____

Phone & Fax: _____

Assigned file number (GF#): _____

E-mail: _____



Exhibit A

-Conditions to be disclosed to potential buyer: Sale of Property is subject to Court approval in the case styled SEC v. Kevin B. Merrill, et al., Case No. 18-cv-02844 in the United States District Court for the District of Maryland (the "SEC Action") and closing to occur a minimum of 30 days from the date a sale motion is filed with the Court in the SEC Action.

-Section 12(A)(5) does not apply. This property is subject to the jurisdiction and approval of the Court in the SEC Action.

-Broker's compensation under Section 5 is subject to Court approval in the SEC Action.

-Seller is the Court-appointed Receiver for the Property, has never occupied the Property, and has no personal knowledge related to the Property prior to September 18, 2018. All parties understand this circumstance and accepts the property in its current "as is" condition, subject to any agreed feasibility period.

-The parties agree that the Court in the SEC Action shall have exclusive jurisdiction for any and all disputes, claims, and controversies between them arising out of or in any way related to this contract.

-The Property's fire suppression system discharged in the Spring of 2021, which was not a full flow of water, only a release of the water standing in the ceiling pipe at the time, but resulted in property damage. The damage has been repaired in part, but additional repairs are needed and any buyer takes the property in its "as-is" condition.

-All furniture, fixtures and personal property located within the property shall be conveyed by Seller as a part of the purchase price hereunder.

EXHIBIT 2



PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC)

11-2-2015



AMENDMENT
TO CONTRACT CONCERNING THE PROPERTY AT

1132 Glade Road, Colleyville, TX 76034

(Street Address and City)

Seller and Buyer amend the contract as follows: (check each applicable box)

- (1) The Sales Price in Paragraph 3 of the contract is:

A. Cash portion of Sales Price payable by Buyer at closing	\$	1,735,000.00
B. Sum of financing described in the contract	\$	0
C. Sales Price (Sum of A and B)	\$	1,735,000.00
- (2) In addition to any repairs and treatments otherwise required by the contract, Seller, at Seller's expense, shall complete the following repairs and treatments:
- (3) The date in Paragraph 9 of the contract is changed to _____, 20_____.
- (4) The amount in Paragraph 12A(1)(b) of the contract is changed to \$ _____.
- (5) The cost of lender required repairs and treatment, as itemized on the attached list, will be paid as follows: \$ _____ by Seller; \$ _____ by Buyer.
- (6) Buyer has paid Seller an additional Option Fee of \$ _____ for an extension of the unrestricted right to terminate the contract on or before 5:00 p.m. on _____, 20_____. This additional Option Fee will will not be credited to the Sales Price.
- (7) Buyer waives the unrestricted right to terminate the contract for which the Option Fee was paid.
- (8) The date for Buyer to give written notice to Seller that Buyer cannot obtain Buyer Approval as set forth in the Third Party Financing Addendum is changed to _____, 20_____.
- (9) **Other Modifications:** (Insert only factual statements and business details applicable to this sale.)
 Buyer has completed its studies and inspections on the property and determined that the property is satisfactory to Buyer. Buyer hereby requests to proceed to closing per the contract terms, unless otherwise agreed upon by Buyer and Seller. Buyer hereby waives any remaining feasibility period or right to terminate the contract under Section 7(B) of the contract.

EXECUTED the 22 day of November, 2022. (BROKER: FILL IN THE DATE OF FINAL ACCEPTANCE.)


Buyer

DocuSigned by:

Seller 4DB211BB1D99465

Buyer

Seller



This form has been approved by the Texas Real Estate Commission for use with similarly approved or promulgated contract forms. Such approval relates to this form only. TREC forms are intended for use only by trained real estate license holders. No representation is made as to the legal validity or adequacy of any provision in any specific transactions. It is not intended for complex transactions. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, 512-936-3000 (<http://www.trec.texas.gov>) TREC No. 39-8. This form replaces TREC No. 39-7.

EXHIBIT 3



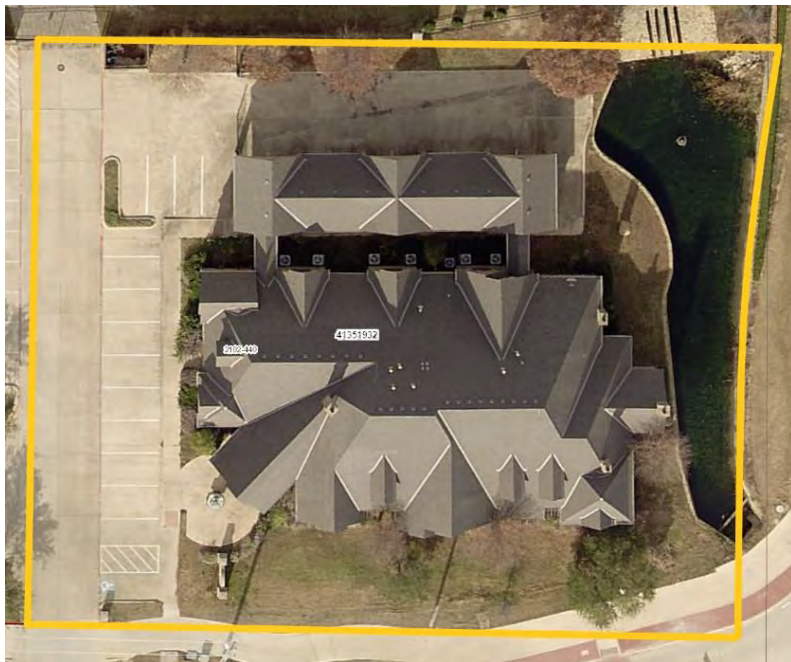
Valuation Advisory

Client: Harney Partners
Property Name: Riverwalk Holdings, Ltd.
Property Address: 1132 Glade Road, Colleyville, TX 76034

Report Date: August 15, 2022

JLL File #: VA-22-187873





Riverwalk Holdings, Ltd.
1132 Glade Road
Colleyville, TX 76034



2401 Cedar Springs Road, Suite 100
Dallas, TX 75201

Phone: 972-960-1222
Fax: 972-960-2922

August 15, 2022

Mr. Gregory Milligan
Court-Appointed Receiver
Harney Partners
8911 N. Capital of Texas Highway, Suite 2120
Austin, TX 78759

Re: Appraisal

Riverwalk Holdings, Ltd.
1132 Glade Road
Colleyville, Tarrant County, TX 76034

File Number: VA-22-187873

Dear Mr. Milligan:

At your request, we have prepared an appraisal for the above referenced property, which may be briefly described as follows:

The subject is an existing office property containing 7,780 square feet of rentable area. The improvements were constructed in 2008 and are 100% vacant as of the effective appraisal date. The site area is 0.81 acres or 35,409 square feet.

The appraisal is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and applicable state appraisal regulations.

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), we have made the following value conclusion(s):

Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Fee Simple	July 21, 2022	\$1,650,000

Your attention is directed to the Limiting Conditions and Assumptions section of this report. Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, we note the following:

Extraordinary Assumptions & Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in the analysis which, if found to be false, could alter the appraiser's opinions of conclusions.

1. The property sustained damage from a sprinkler malfunction in 2021. As a result, most of the flooring, cabinetry, plumbing fixtures, and the bottom two feet of drywall within the building have been removed. We consider cost estimates from Marshall & Swift to estimate cost to make these repairs. For replacement of flooring, sheetrock, cabinets, and plumbing, as well painting the entire interior, Marshall & Swift indicates a total cost in the range of \$115,000 to \$150,000. To this total, we add an additional allowance of \$7.50 per square foot for miscellaneous repairs. The resulting cost indication ranges from \$173,000 to \$206,000, or approximately \$22.00/SF to \$26.50/SF. We conclude total cost to cure estimated at \$25.00 per square foot, which results in \$194,500. We assume this cost estimate is adequate to bring the subject to a usable condition of quality consistent with the market.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. None

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

JLL Valuation & Advisory Services, LLC



Ted Brooks, MAI, MRICS
Managing Director
Certified General Real Estate Appraiser
TX Certificate #: TX 1320511 G
Telephone: (817) 334-8132
Email: Ted.Brooks@am.jll.com



Stuart Miller
Senior Vice President
Certified General Real Estate Appraiser
TX Certificate #: TX 1380866 G
Telephone: (214) 396-5467
Email: stuart.miller@am.jll.com

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Appendices

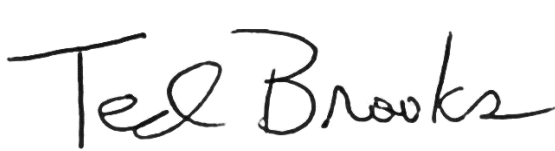
- A. Appraiser Qualifications
- B. Definitions
- C. Financials and Property Information
- D. Comparable Data
- E. Engagement Letter

Certification Statement

We certify that, to the best of our 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 our personal, impartial, and unbiased professional analyses, opinions and conclusions.
3. We have no present or prospective future interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
4. We 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. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. We certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
11. We have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
12. Ted Brooks, MAI, MRICS, has made a personal inspection of the subject property. Stuart Miller, has not made a personal inspection of the property.
13. No one provided significant real property appraisal assistance to the persons signing this certification.
14. As of the date of this report, Ted Brooks, MAI, MRICS, has completed the continuing education program for Designated Members of the Appraisal Institute.

15. As of the date of this report, Stuart Miller, has completed the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.



Ted Brooks, MAI, MRICS
Managing Director
Certified General Real Estate Appraiser
TX Certificate #: TX 1320511 G
Telephone: (817) 334-8132
Email: Ted.Brooks@am.jll.com



Stuart Miller
Senior Vice President
Certified General Real Estate Appraiser
TX Certificate #: TX 1380866 G
Telephone: (214) 396-5467
Email: stuart.miller@am.jll.com

Summary of Salient Facts and Conclusions

Property Name	Riverwalk Holdings, Ltd.
Address	1132 Glade Road Colleyville, Tarrant County, Texas 76034
Property Type	Office Building
Owner of Record	King Fisher LTD
Tax ID	41351932
Land Area	0.81 acres; 35,409 SF
Gross Building Area (SF)	7,780 SF
Rentable Area (SF)	7,780 SF
Percent Leased	0%
Year Built	2008
Zoning Designation	PUD-R, Planned Unit Development Residential (CN Neighborhood Commercial underlying)
Highest & Best Use - As If Vacant	Office Use
Highest & Best Use - As Improved	Continued Office Use
Exposure Time; Marketing Period	3-6 months; 3-6 months
Date of Report	August 15, 2022

Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Fee Simple	July 21, 2022	\$1,650,000

The values reported above are subject to definitions, assumptions and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than the client and intended users may use or rely on the information, opinions and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions and limiting conditions contained therein.

Extraordinary Assumptions & Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in the analysis which, if found to be false, could alter the appraiser's opinions of conclusions.

1. The property sustained damage from a sprinkler malfunction in 2021. As a result, most of the flooring, cabinetry, plumbing fixtures, and the bottom two feet of drywall within the building have been removed. We consider cost estimates from Marshall & Swift to estimate cost to make these repairs. For replacement of flooring, sheetrock, cabinets, and plumbing, as well painting the entire interior, Marshall & Swift indicates a total cost in the range of \$115,000 to \$150,000. To this total, we add an additional allowance of \$7.50 per square foot for miscellaneous repairs. The resulting cost indication ranges from \$173,000 to \$206,000, or approximately \$22.00/SF to \$26.50/SF. We conclude total cost to cure estimated at \$25.00 per square foot, which results in \$194,500. We assume this cost estimate is adequate to bring the subject to a usable condition of quality consistent with the market.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. None

Introduction

The subject is an existing office property containing 7,780 square feet of rentable area. The improvements were constructed in 2008 and are 100% vacant as of the effective appraisal date. The site area is 0.81 acres or 35,409 square feet.

Subject Identification

Name	Riverwalk Holdings, Ltd.
Address	1132 Glade Road, Colleyville, Tarrant County, TX 76034
Tax ID	41351932
Owner of Record	King Fisher LTD
Legal Description	RIVERWALK AT COLLEYVILLE BLOCK 2 LOT 3R4

Ownership and Transaction History

The property is currently in receivership, and the court-appointed receiver is Gregory Milligan with Harney Partners.

To the best of our knowledge, no sale or transfer of ownership has taken place within a three-year period prior to the effective appraisal date. Additionally, the property is not subject to an agreement of sale or an option to buy, nor is it listed for sale, as of the effective appraisal date.

Scope of Work

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s).

Scope of work is the type and extent of research and analyses involved in an assignment. To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the relevant characteristics of the subject property, and other pertinent factors. Our concluded scope of work is summarized below, and in some instances, additional scope details are included in the appropriate sections of the report.

Summary

- | | |
|----------|---|
| Research | <ul style="list-style-type: none">■ We inspected the property and its environs. Physical information on the subject was obtained from the property owner's representative, public records, and/or third-party sources.■ Regional economic and demographic trends, as well as the specifics of the subject's local area were investigated. Data on the local and regional property market (supply and demand trends, rent levels, etc.) was also obtained. This process was based on interviews with regional and/or local market participants, primary research, available published data, and other various resources.■ Other relevant data was collected, verified, and analyzed. Comparable property data was obtained from various sources (public records, third-party data-reporting services, etc.) and confirmed with a party to the transaction (buyer, seller, broker, owner, tenant, etc.) wherever possible. It is, however, sometimes necessary to rely on other sources deemed reliable, such as data reporting services. |
| Analysis | <ul style="list-style-type: none">■ Based upon the subject property characteristics, prevailing market dynamics, and other information, we developed an opinion of the property's Highest and Best Use.■ We analyzed the data gathered using generally accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value.■ The results of each valuation approach are considered and reconciled into a reasonable value estimate. |

Applicable Requirements

This appraisal is intended to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- Applicable state appraisal regulations;

Client, Intended Use, and User(s)

Client: Harney Partners

Intended Use: The intended use of the appraisal is for receivership proceedings.

Intended User(s): The intended user(s) of the appraisal is Harney Partners. The appraisal is not intended for any other use or user. No party or parties other than Harney Partners may use or rely on the information, opinions, and conclusions contained in this report.

Purpose of the Appraisal

The purpose of the appraisal is to estimate the Subject's:

Appraisal Premise	Interest Appraised	Date of Value
Market Value As Is	Fee Simple	July 21, 2022

The date of the report is August 15, 2022. The appraisal is valid only as of the stated effective date or dates.

Approaches to Value

Appraisers usually consider the use of three approaches to value when developing a market value opinion for real property. These are the cost approach, sales comparison approach, and income capitalization approach. Applicability and utilization of the approaches in this assignment is described as follows.

Approach	Description	Applicability	Utilization
Cost	A cost approach is most applicable in valuing new or proposed construction when the improvements represent the highest and best use of the land and the land value, cost new and depreciation are well supported.	Not Applicable	Not Utilized
Sales Comparison	A sales approach is most applicable when sufficient data on recent market transactions is available and there is an active market for the property type.	Applicable	Utilized
Income	An income approach is most applicable when the subject is an income producing property or has the ability to generate income in the future as an investment.	Applicable	Utilized

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services.

- We have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Report Option

Based on the intended users understanding of the subject's physical, economic and legal characteristics, and the intended use of this appraisal, an appraisal report format was used, as defined below.

Appraisal Report This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses.

Definition of Values

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

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- 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.

Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

As Is Market Value The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal's effective date.

Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015); also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77471

Definition of Property Rights Appraised

Fee simple estate Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

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

Inspection

Ted Brooks, MAI, MRICS, performed an inspection on July 21, 2022. Stuart Miller, has not performed an inspection.

Area Demographics and Market Analysis

Dallas MSA Area Demographics

The subject is located in the Dallas-Fort Worth-Arlington, TX Metropolitan Statistical Area, hereinafter called the Dallas MSA, as defined by the U.S. Office of Management and Budget. The Dallas MSA is 8,673 square miles in size, and is the fourth most populous metropolitan area in the nation.

Population

The Dallas MSA has an estimated 2022 population of 7,961,535, which represents an average annual 2.1% increase over the 2020 census amount of 7,637,387. Dallas MSA added an average of 162,074 residents per year over the 2020 - 2022 period, and its annual growth rate is greater than that of the State of Texas.

Population Trends

Area	Population				Compound Ann. % Chng	
	2010 Census	2020 Census	2022 Est.	2027 Est.	2020 - 2022	2022 - 2027
1 mi. radius	5,395	5,610	5,582	5,495	-0.2%	-0.3%
3 mi. radius	74,344	81,919	82,091	81,539	0.1%	-0.1%
5 mi. radius	233,841	257,427	260,454	259,641	0.6%	-0.1%
Tarrant County	1,809,478	2,110,640	2,175,474	2,252,183	1.5%	0.7%
Dallas MSA	6,366,542	7,637,387	7,961,535	8,393,172	2.1%	1.1%
Texas	25,145,561	29,145,505	30,157,100	31,502,395	1.7%	0.9%
United States	308,745,538	331,449,281	335,707,897	339,902,796	0.6%	0.2%

Source: Esri 2022. Compiled by JLL Valuation & Advisory Services, LLC.

Looking forward, the Dallas MSA's population is projected to increase at a 1.1% annual rate from 2022 - 2027, equivalent to the addition of an average of 86,327 residents per year. The Dallas MSA growth rate is expected to exceed that of Texas, which is projected to be 0.9%.

Employment

The current estimate of total employment in the Dallas MSA is 3,841,033 jobs. Since 2012, employment grew by 755,433 jobs, equivalent to a 24.5% gain over the entire period. There were gains in employment in eight of the past ten years despite the national economic downturn and slow recovery.

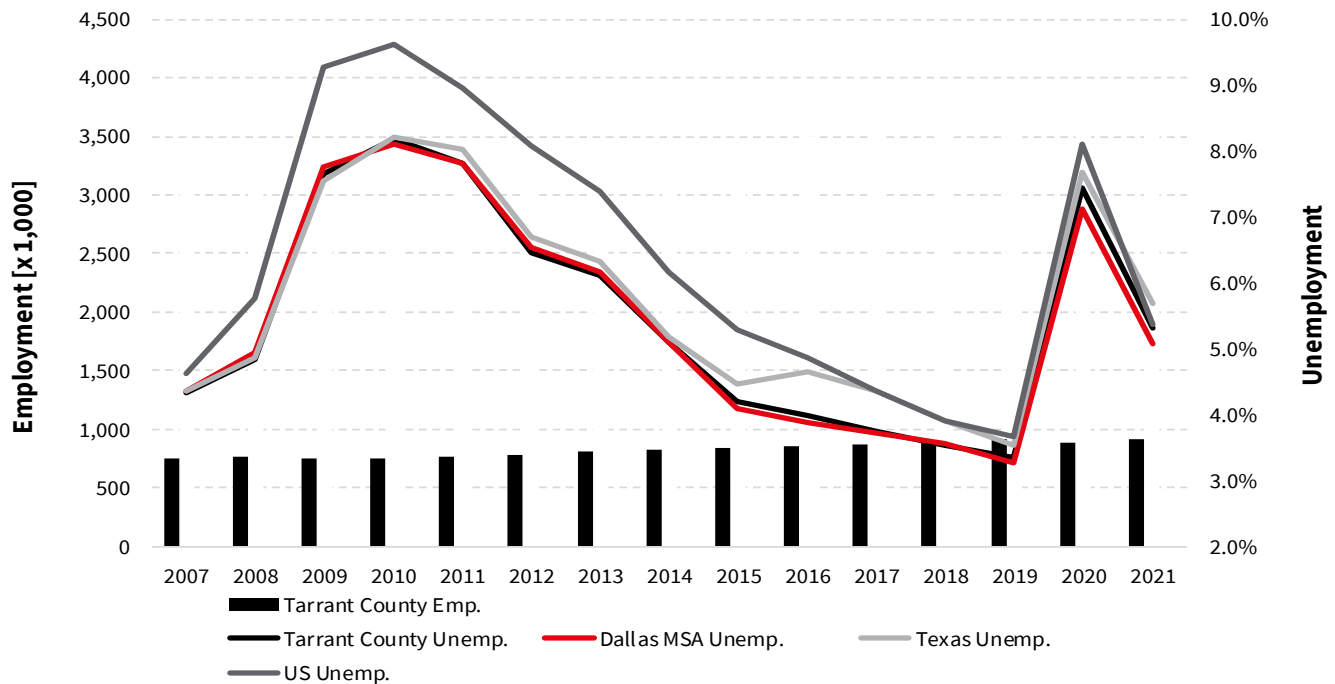
The Dallas MSA's rate of change in employment significantly outperformed the State of Texas, which experienced an increase in employment of 16.4% or 1,787,417 over this period.

Employment Trends

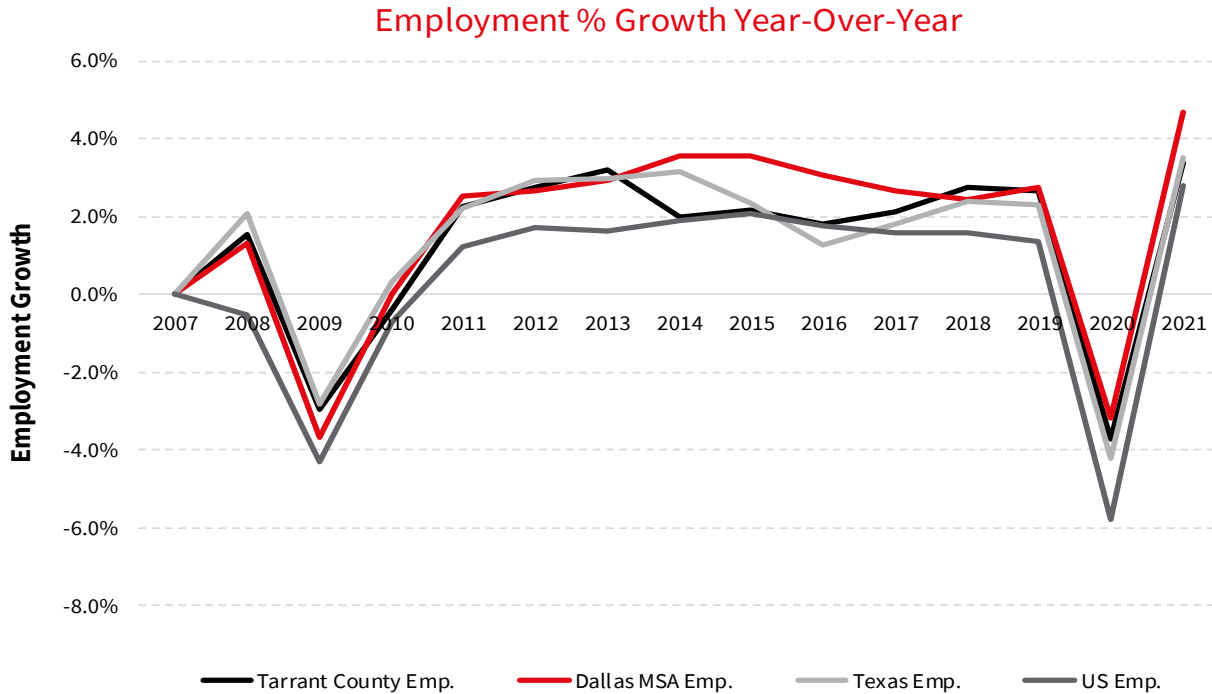
Year	Total Employment (Annual Average)								Unemployment Rate (Ann. Avg.)			
	Tarrant County		Dallas MSA		Texas		United States		Tarrant County	Dallas MSA	Texas	United States
2007	758,236	-	3,004,800	-	10,430,208	-	137,981,250	-	4.3%	4.4%	4.4%	4.6%
2008	769,935	1.5%	3,044,083	1.3%	10,644,600	2.1%	137,223,833	-0.5%	4.8%	4.9%	4.9%	5.8%
2009	747,006	-3.0%	2,931,717	-3.7%	10,343,967	-2.8%	131,296,083	-4.3%	7.7%	7.8%	7.5%	9.3%
2010	744,151	-0.4%	2,931,875	0.0%	10,377,908	0.3%	130,345,000	-0.7%	8.2%	8.1%	8.2%	9.6%
2011	760,993	2.3%	3,006,083	2.5%	10,608,392	2.2%	131,914,417	1.2%	7.8%	7.8%	8.0%	9.0%
2012	781,848	2.7%	3,085,600	2.6%	10,918,067	2.9%	134,157,417	1.7%	6.5%	6.5%	6.7%	8.1%
2013	806,713	3.2%	3,175,575	2.9%	11,244,625	3.0%	136,363,833	1.6%	6.1%	6.2%	6.3%	7.4%
2014	822,665	2.0%	3,288,108	3.5%	11,597,317	3.1%	138,939,750	1.9%	5.1%	5.1%	5.2%	6.2%
2015	840,593	2.2%	3,404,300	3.5%	11,869,825	2.3%	141,824,917	2.1%	4.2%	4.1%	4.5%	5.3%
2016	855,756	1.8%	3,507,883	3.0%	12,017,600	1.2%	144,335,833	1.8%	4.0%	3.9%	4.6%	4.9%
2017	873,867	2.1%	3,600,783	2.6%	12,232,233	1.8%	146,607,583	1.6%	3.8%	3.7%	4.4%	4.4%
2018	897,988	2.8%	3,688,675	2.4%	12,523,317	2.4%	148,908,417	1.6%	3.5%	3.6%	3.9%	3.9%
2019	921,867	2.7%	3,790,533	2.8%	12,813,733	2.3%	150,904,750	1.3%	3.3%	3.3%	3.5%	3.7%
2020	887,573	-3.7%	3,670,083	-3.2%	12,275,517	-4.2%	142,186,000	-5.8%	7.4%	7.1%	7.7%	8.1%
2021	917,639	3.4%	3,841,033	4.7%	12,705,483	3.5%	146,124,000	2.8%	5.3%	5.1%	5.7%	5.4%
10 Yr Change	135,791	17.4%	755,433	24.5%	1,787,417	16.4%	11,966,583	8.9%				
Avg Unemp. Rate 2012-2021									4.9%	4.9%	5.2%	5.7%
Unemployment Rate - May 2022									3.4%	3.3%	3.8%	3.4%

Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

Employment / Unemployment Historical Trends



Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

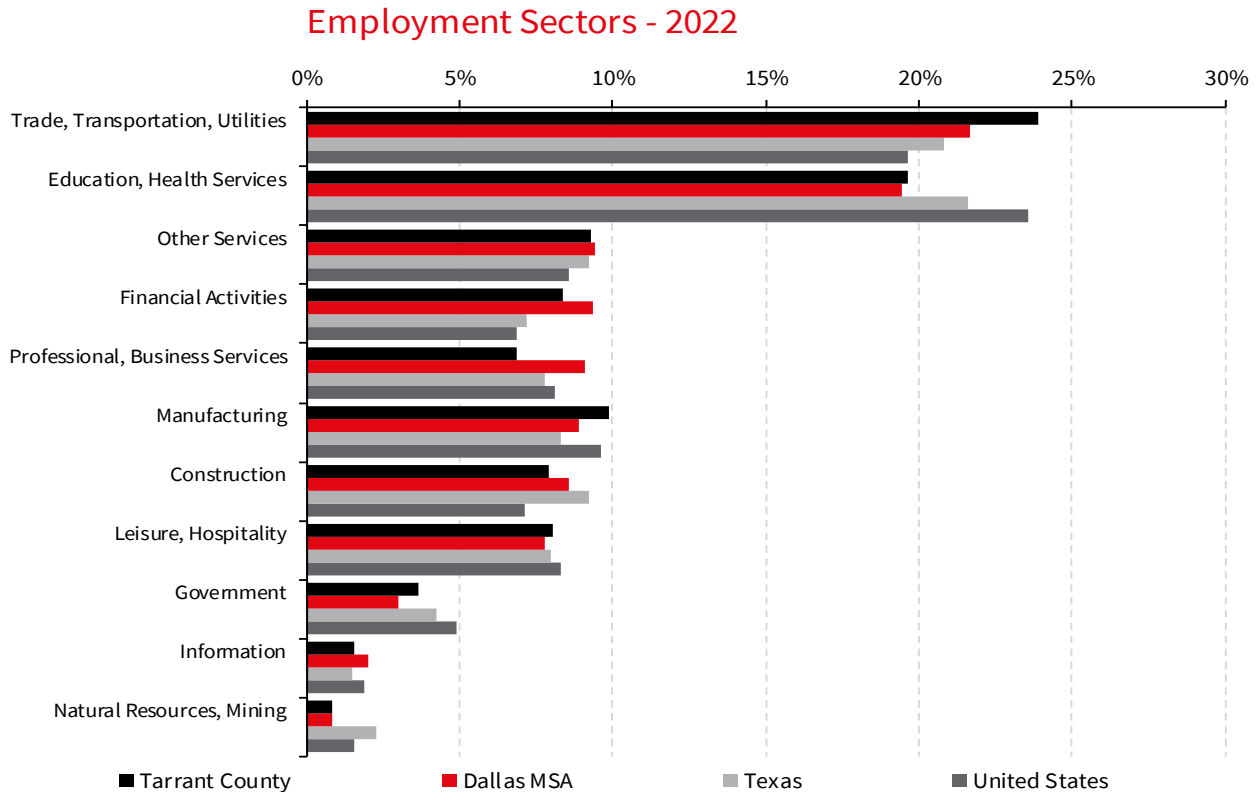


Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

A comparison of unemployment rates is another way of gauging an area’s economic health, where a higher unemployment rate is a negative indicator. Over the past decade, the Dallas MSA unemployment rate of 4.9% has been lower than the Texas rate of 5.2%. In the latter half of the decade that trend has continued, as the Dallas MSA has consistently overperformed Texas. Recent data shows that the Dallas MSA unemployment rate is 3.3%, in comparison to a 3.8% rate for Texas, a positive sign for the Dallas MSA economy and one that is further magnified by the fact that the Dallas MSA has outperformed Texas in the rate of job growth over the past two years.

Employment Sectors

The composition of the Dallas MSA job market is illustrated in the chart below, paired with that of Texas. Total employment for the areas is stratified by eleven major employment sectors, ranked from largest to smallest based on the percentage of Dallas MSA jobs in each sector.



Source: Esri 2022. Compiled by JLL Valuation & Advisory Services, LLC.

The Dallas MSA has a greater percentage employment than Texas in the following categories:

1. Trade, Transportation, Utilities - which accounts for 21.7% of Dallas MSA payroll employment compared to 20.8% for Texas as a whole. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.
2. Other Services - which accounts for 9.4% of Dallas MSA payroll employment compared to 9.2% for Texas as a whole. This sector includes establishments that do not fall within other defined categories, such as private households, churches, and laundry and dry cleaning establishments.
3. Financial Activities - which accounts for 9.3% of Dallas MSA payroll employment compared to 7.2% for Texas as a whole. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.
4. Professional, Business Services - which accounts for 9.1% of Dallas MSA payroll employment compared to 7.8% for Texas as a whole. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.

The Dallas MSA is underrepresented in the following categories:

1. Education, Health Services - which accounts for 19.5% of Dallas MSA payroll employment compared to 21.6% for Texas as a whole. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.

2. Natural Resources, Mining - which accounts for 0.8% of Dallas MSA payroll employment compared to 2.3% for Texas as a whole. Agriculture, mining, quarrying, and oil and gas extraction are included in this sector.
3. Government - which accounts for 3.0% of Dallas MSA payroll employment compared to 4.2% for Texas as a whole. This sector includes public administration at the federal, state, and county level, as well as other government positions.
4. Construction - which accounts for 8.6% of Dallas MSA payroll employment compared to 9.2% for Texas as a whole. This sector includes construction of buildings, roads, and utility systems.

Major Employers

The table below contains major employers in the Dallas MSA.

Major Employers - Dallas MSA

Name	Employees
1 Walmart Inc.	34,000
2 American Airlines	33,000
3 AMR/American Airlines	25,000
4 Baylor Scott & White Health	24,088
5 Lockheed Martin	20,500
6 UT Southwestern Medical Center	18,666
7 AT&T	17,000
8 Medical City Healthcare	17,000
9 Bank of America Corp.	14,465
10 Lockheed Martin	13,690
11 Texas Instruments Inc.	12,901
12 JPMorgan Chase & Co.	12,600
13 Texas Health Resources	12,000
14 HCA North Texas Division	11,612
15 Parkland Hospital	10,361
16 NAS - Fort Worth - JRB	10,000
17 Arlington ISD	10,000
18 Southwest Airlines Co.	9,500
19 Target Brands Inc.	8,270
20 Verizon	8,100

Sources(s): City of Dallas Economic Profile, 2019; Dallas Business Journal, 2019; Dallas Business Journal, Book of Lists, 2017; Dallas Office of Economic Development, 2016; Dallas Regional Chamber, 2017; Fort Worth Chamber of Commerce, 2017

Gross Domestic Product

Based on Gross Domestic Product (GDP), the Dallas MSA ranks #6 out of all metropolitan area economies in the nation.

Economic growth, as measured by annual changes in GDP, has been somewhat higher in the Dallas MSA than Texas overall during the past nine years. The Dallas MSA has expanded at a 3.0% average annual rate while the State of Texas has grown at a 2.8% rate. As the national economy improves, the Dallas MSA continues to outperform Texas. GDP for the Dallas MSA shrank by 2.2% in 2020 while Texas's declined by 2.9%.

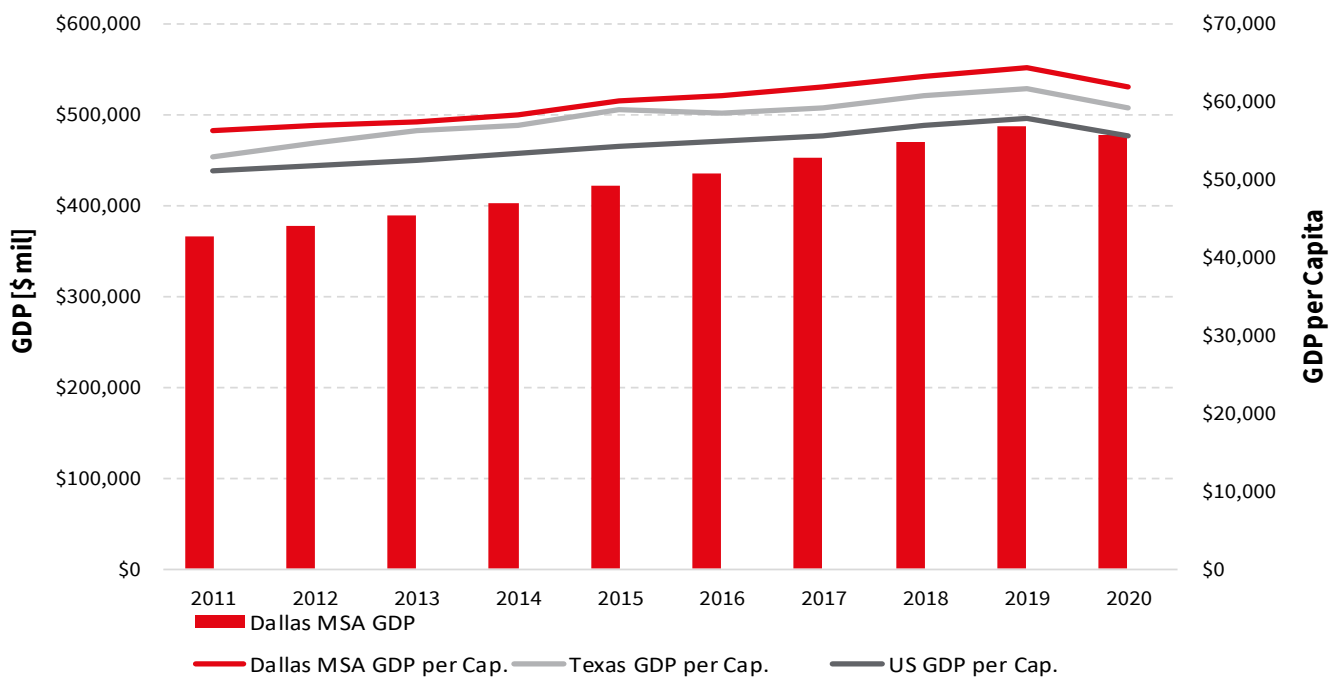
The Dallas MSA has a per capita GDP of \$61,986, which is 5.0% greater than Texas's GDP of \$59,148. This means that the Dallas MSA industries and employers are adding relatively more value to the economy than their peers in Texas.

Gross Domestic Product

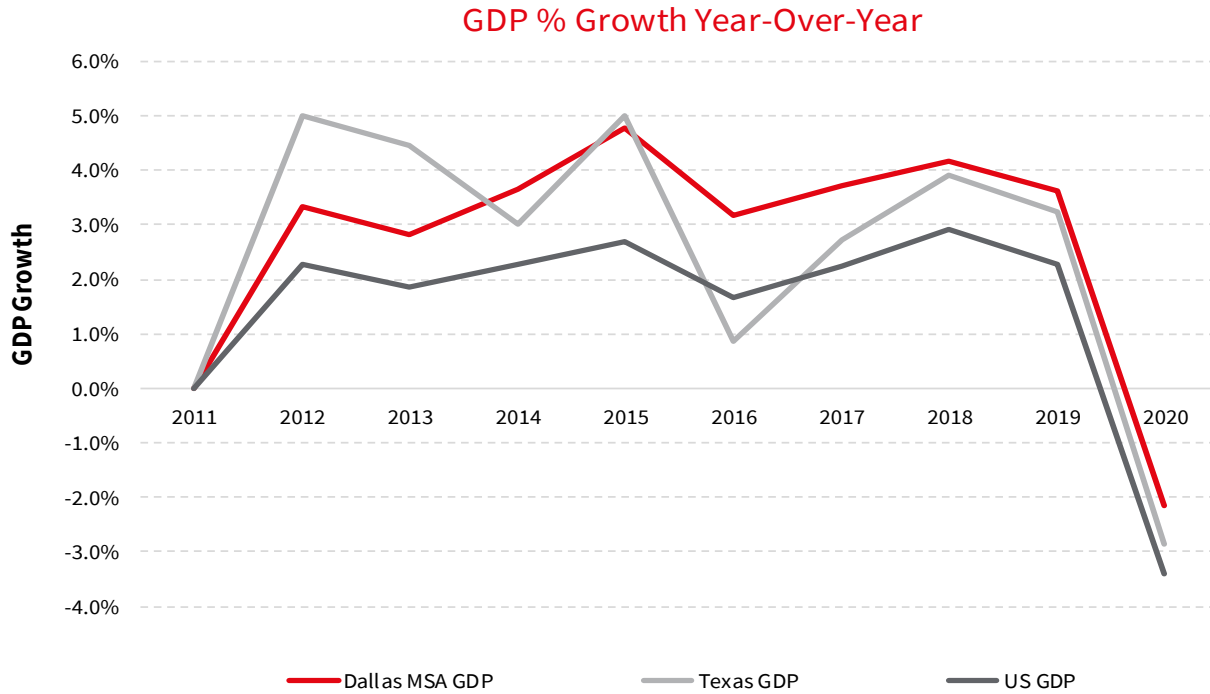
Year	Gross Domestic Product (\$ mil)						GDP per Capita (\$)		
	Dallas MSA		Texas		United States		Dallas MSA	Texas	United States
	Value	Change	Value	Change	Value	Change	Value	Value	Value
2011	\$365,601	-	\$1,353,600	-	\$15,891,534	-	\$56,251	\$52,951	\$51,099
2012	\$377,846	3.3%	\$1,421,180	5.0%	\$16,253,970	2.3%	\$56,970	\$54,701	\$51,890
2013	\$388,536	2.8%	\$1,484,700	4.5%	\$16,553,348	1.8%	\$57,431	\$56,242	\$52,469
2014	\$402,788	3.7%	\$1,529,617	3.0%	\$16,932,051	2.3%	\$58,390	\$57,041	\$53,290
2015	\$422,048	4.8%	\$1,605,902	5.0%	\$17,390,295	2.7%	\$60,026	\$58,967	\$54,348
2016	\$435,498	3.2%	\$1,619,954	0.9%	\$17,680,274	1.7%	\$60,789	\$58,585	\$54,869
2017	\$451,717	3.7%	\$1,664,219	2.7%	\$18,079,084	2.3%	\$61,905	\$59,290	\$55,718
2018	\$470,512	4.2%	\$1,729,287	3.9%	\$18,606,787	2.9%	\$63,327	\$60,705	\$56,950
2019	\$487,605	3.6%	\$1,785,318	3.2%	\$19,032,672	2.3%	\$64,474	\$61,767	\$57,856
2020	\$477,023	-2.2%	\$1,734,321	-2.9%	\$18,384,687	-3.4%	\$61,986	\$59,148	\$55,507
10 Yr Change	\$111,422	3.0%	\$380,721	2.8%	\$2,493,153	1.6%	\$5,735	\$6,197	\$4,408

Source: Bureau of Economic Analysis. The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted 'real' GDP stated in 2012 dollars. Per Capita GDP data are calculated by dividing the area GDP by its estimated population for the year shown.

Gross Domestic Product Historical Trends



Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.



Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

Gross Domestic Product is a measure of economic activity based on the total value of goods and services produced in a specific geographic area. The figures in the table above represent inflation adjusted “real” GDP stated in 2012 dollars.

Household Income

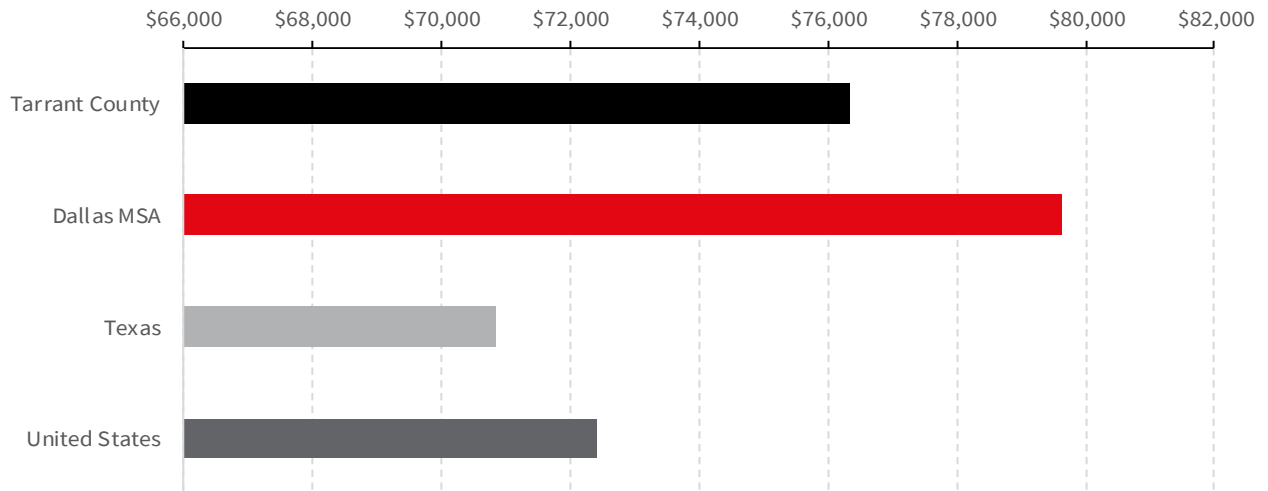
The Dallas MSA has a much higher level of household income than Texas. Median household income for the Dallas MSA is \$79,627, which is 12.4% higher than Texas.

Median Household Income

Area	Med. Household Income		Compound Ann. % Chng
	2022 Est.	2027 Est.	2022 - 2027
Tarrant County	\$76,329	\$86,392	2.5%
Dallas MSA	\$79,627	\$91,205	2.8%
Texas	\$70,834	\$81,850	2.9%
United States	\$72,414	\$84,445	3.1%

Source: Esri 2022. Compiled by JLL Valuation & Advisory Services, LLC.

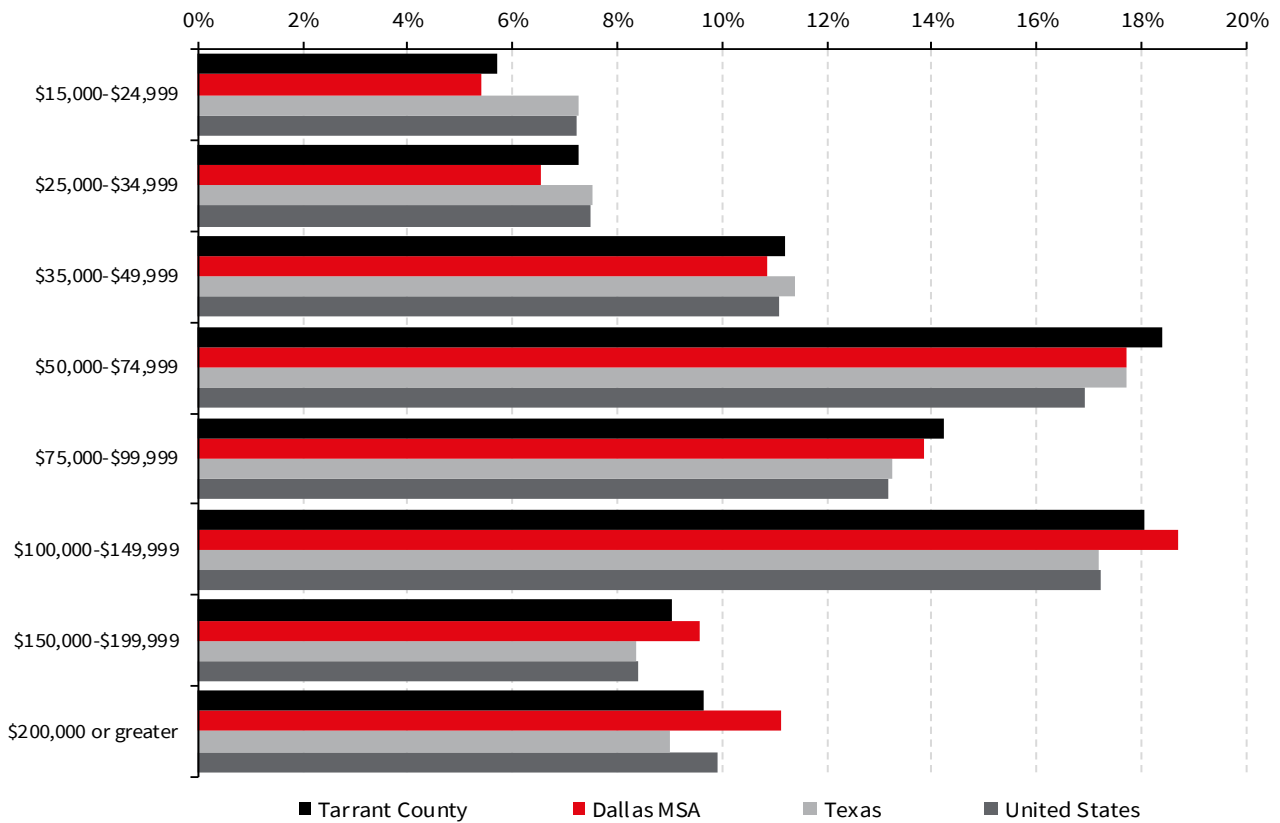
2022 Median Household Income Area Comparison



Source: Esri 2022. Compiled by JLL Valuation & Advisory Services, LLC.

The Dallas MSA has a smaller concentration of households in the lower income levels than Texas. Specifically, 18% of the Dallas MSA households are below the \$35,000 level in household income as compared to 23% of Texas households. A greater concentration of households exists in the higher income levels, as 53% of the Dallas MSA households are at the \$75,000 or greater levels in household income versus 48% of Texas households.

2022 Median Household Income Distribution



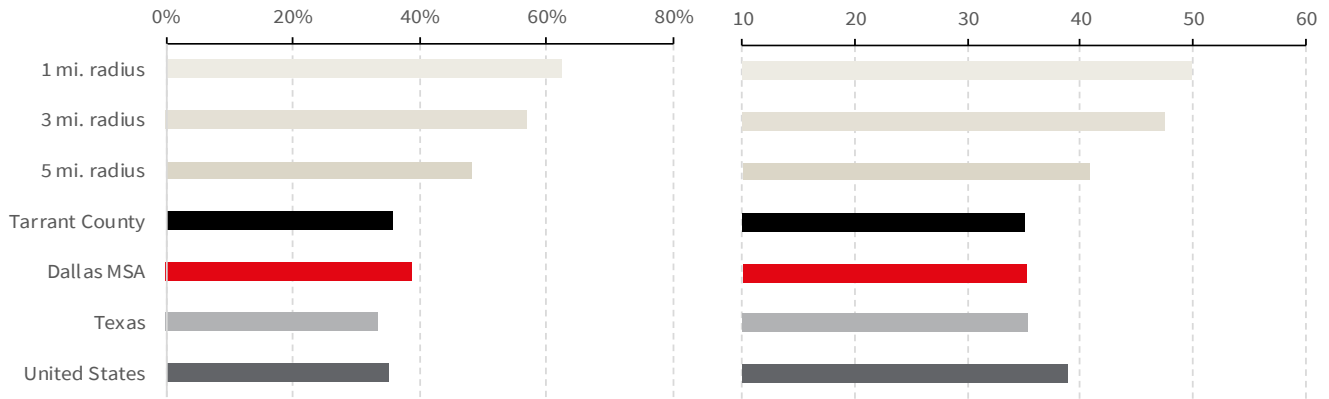
Source: Esri 2022. Compiled by JLL Valuation & Advisory Services, LLC.

Education and Age

Residents of the Dallas MSA have a higher level of educational attainment than those in Texas. An estimated 38.9% of the Dallas MSA residents are college graduates with four-year degrees or higher, while Texas residents have an estimated 33.4% with at least a four-year degree. People in the Dallas MSA are similar in age to their peers in Texas. The median age of both the Dallas MSA and Texas is 35 years.

Population % with at least 4-Year Degree

Median Age

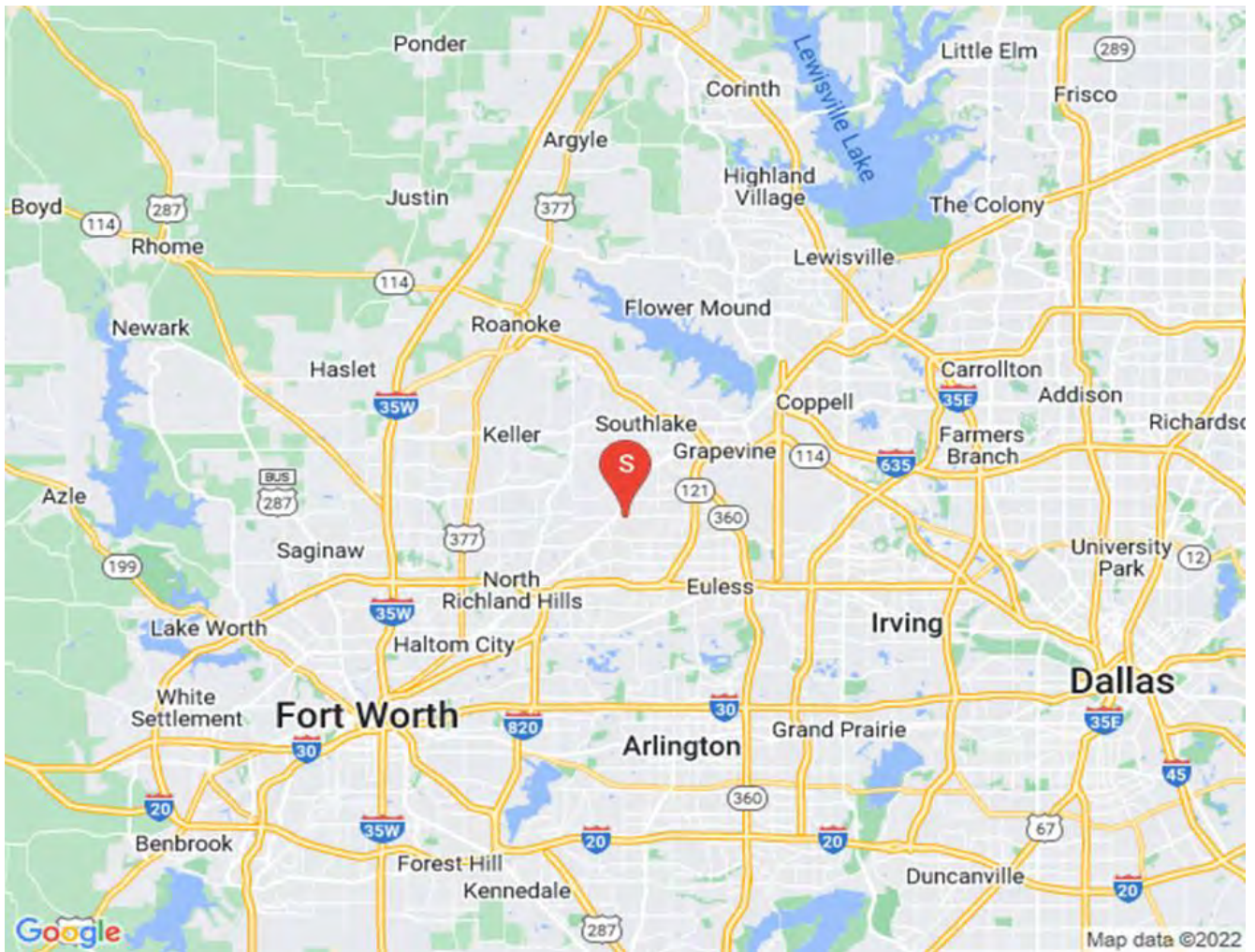


Source: Esri 2022. Compiled by JLL Valuation & Advisory Services, LLC.

Conclusion

The Dallas MSA's economy will benefit from a rapidly growing population base, and higher income and education levels. The Dallas MSA saw an increase in the number of jobs in the past 10 years and has maintained a lower unemployment than Texas during the past decade. Furthermore, the Dallas MSA is well-positioned from being the fourth most populous metropolitan area in the country and having both a higher rate of GDP growth in the past nine years and a higher level of GDP per capita than Texas overall. We project that the Dallas MSA's economy will improve and employment will grow, strengthening the demand for real estate overall.

Area Map



Office Market Area Analysis

Dallas-Fort Worth Metro Area Trends and Analysis

The subject is located in the Dallas-Fort Worth metro area, as defined by CoStar. Supply and demand metrics, including inventory levels, vacancy, completions, absorption, and rental rates for all classes of space are presented in the following table.

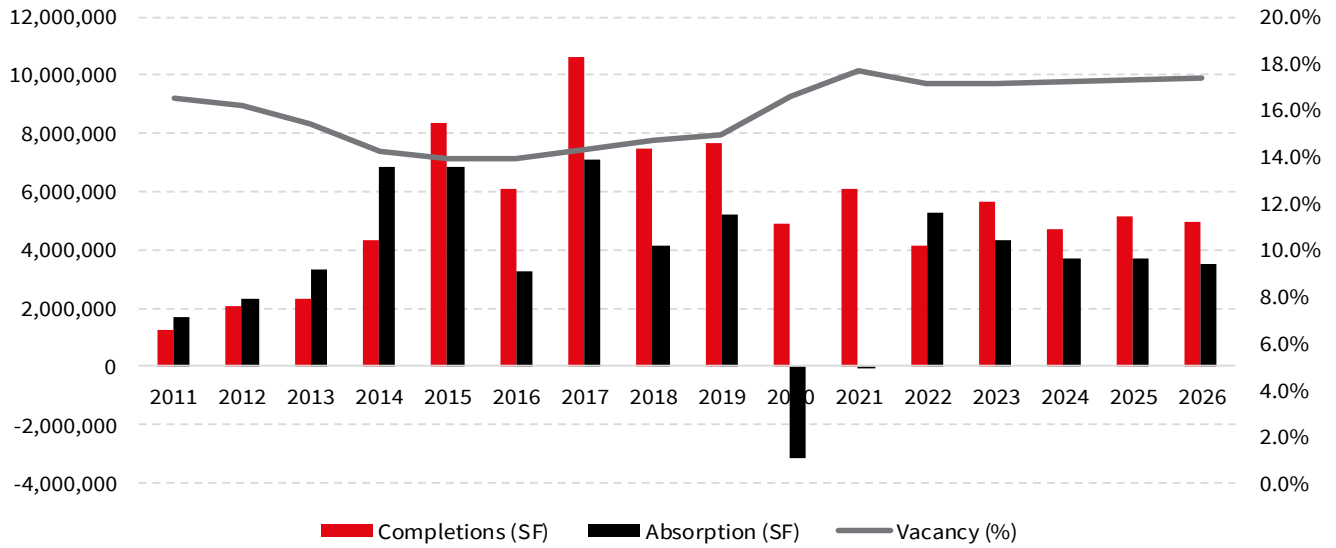
Dallas-Fort Worth Office Market Trends (All Classes of Space)

Year	Inventory (SF)	Vacancy (SF)	Vacancy (%)	Completions (SF)	Absorption (SF)	Inventory, Under Cons (SF)	Asking Rent (\$/SF)
2011	361,320,915	59,771,298	16.5%	1,261,872	1,672,226	2,239,282	\$19.75
2012	362,620,849	58,740,668	16.2%	2,035,195	2,302,946	2,675,323	\$20.41
2013	363,298,390	56,094,306	15.4%	2,322,823	3,323,896	7,784,763	\$21.19
2014	366,166,617	52,092,137	14.2%	4,330,983	6,878,238	9,691,917	\$22.09
2015	372,779,303	51,812,621	13.9%	8,333,410	6,853,856	10,762,753	\$23.09
2016	377,231,559	52,636,927	14.0%	6,065,918	3,268,231	15,656,670	\$23.82
2017	387,261,620	55,417,810	14.3%	10,593,318	7,105,305	12,616,815	\$24.64
2018	394,112,633	57,972,218	14.7%	7,477,855	4,171,183	9,153,610	\$25.27
2019	401,338,134	59,966,095	14.9%	7,683,968	5,227,603	9,311,949	\$25.77
2020	405,379,434	67,187,174	16.6%	4,911,493	-3,147,500	7,763,154	\$25.85
2021	410,923,135	72,709,735	17.7%	6,118,368	-6,522	6,772,486	\$26.40
2022 Q1	411,349,791	72,264,834	17.6%	670,175	883,560	7,599,877	\$26.50
2022	414,505,608	71,025,855	17.1%	4,149,583	5,273,824	0	\$27.44
2023	419,869,770	72,083,219	17.2%	5,676,934	4,308,350	0	\$28.85
2024	424,479,259	72,974,810	17.2%	4,706,963	3,717,962	0	\$29.85
2025	429,509,907	74,293,037	17.3%	5,123,765	3,710,633	0	\$30.66
2026	434,368,653	75,615,398	17.4%	4,955,948	3,533,276	0	\$31.39
2011 - 2021 Avg.	382,039,326	58,581,908	15.3%	5,557,746	3,422,678	8,584,429	\$23.48

Source: ©CoStar, Inc. 2022. Reprinted with the permission of CoStar, Inc. Compiled by JLL Valuation & Advisory Services, LLC.

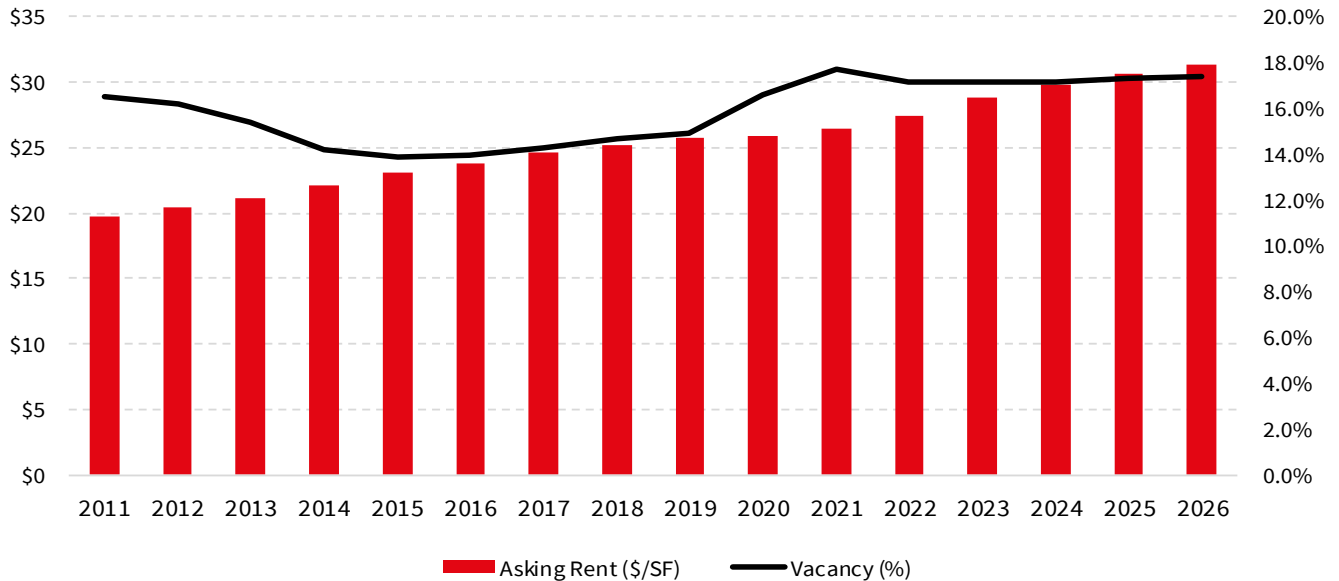
- The most recent data shows 670,175 SF were added to the market. On average 5,557,746 SF have been added to the market over the last eleven complete years and increased 384.9%. During the same period, completions rose from a minimum of 1,261,872 SF in 2011 and achieved a peak of 10,593,318 SF in 2017.
- Looking forward, it is expected that in four years completions will show a decline of 10.8% from the 11-year average of 5,557,746 SF, representing a change of 601,798 SF by year-end 2026.
- The most recent data shows asking rent is \$26.50/SF. Over the last eleven complete years, asking rent had an annual average of \$23.48/SF and increased 33.7%. During the same period, asking rent rose from a minimum of \$19.75/SF in 2011 and attained a high of \$26.40/SF in 2021.
- Looking forward, it is expected that in four years asking rent will show an increase of 18.4% from the present amount of \$26.50/SF, representing a change of \$4.88/SF by year-end 2026.

Supply and Demand Trends



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Vacancy Rate vs. Asking Rent



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- Vacancy rates are presently 17.6%. Over the past eleven complete years, vacancy rates had an annual average of 15.3% and increased 115 bps. During the same period, vacancy rates saw a low of 13.9% in 2015 and experienced a maximum of 17.7% in 2021.
- Projecting four years into the future, vacancy rates will show a decrease of 16 bps from the present amount of 17.6%.

- Currently, absorption is 883,560 SF. During the past eleven complete years, absorption averaged 3,422,678 SF annually and declined 100.4%. Over that same time frame, absorption experienced a minimum of -3,147,500 SF in 2020 and experienced a maximum of 7,105,305 SF in 2017.
- Four-year forecasts demonstrate that absorption will be 3,533,276 SF by the end of 2026, equivalent to a gain of 3.2% compared to the eleven-year average of 3,422,678 SF.

Westlake/Grapevine Submarket Synopsis

The subject is located in the Westlake/Grapevine submarket, as defined by CoStar. To effectively gauge investor interest in the subject's submarket, we evaluate key supply and demand metrics in comparison to other areas for all classes of space in the following table.

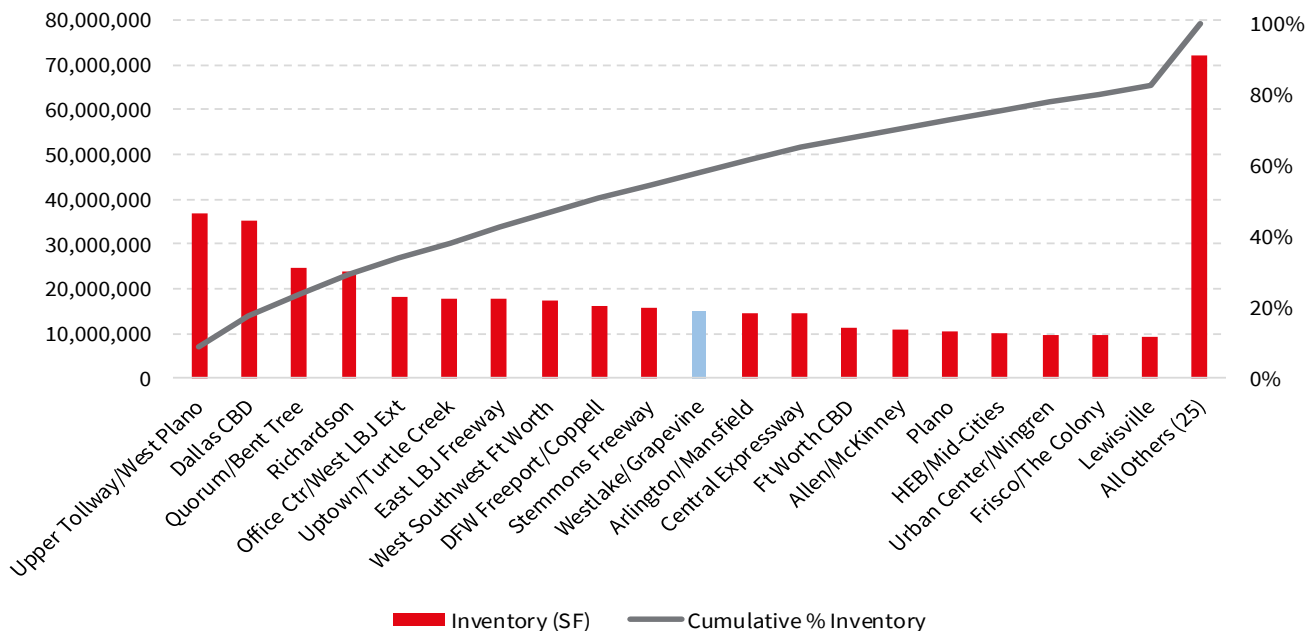
Dallas-Fort Worth Submarket Overview (All Classes of Space)

Submarket	Inventory (SF)	Asking Rent (\$/SF)	Vacancy (%)	Vacancy (SF)	Completions (SF)	Absorption (SF)	Inventory, Under Cons (SF)
Upper Tollway/West Plano	36,994,569	\$35.18	25.5%	9,417,974	146,277	-328,503	901,277
Dallas CBD	35,241,119	\$27.20	25.6%	9,029,741	0	-199,262	0
Quorum/Bent Tree	24,868,681	\$26.92	20.3%	5,054,204	0	247,865	0
Richardson	23,818,968	\$24.81	18.7%	4,461,795	0	202,908	8,000
Office Ctr/West LBJ Ext	18,056,119	\$26.67	15.8%	2,855,040	0	182,081	0
Uptown/Turtle Creek	17,938,094	\$43.83	17.2%	3,076,790	0	613,460	834,076
East LBJ Freeway	17,719,860	\$27.01	25.5%	4,522,882	0	109,600	0
West Southwest Ft Worth	17,432,876	\$26.12	10.8%	1,887,826	148,544	122,334	168,034
DFW Freeport/Coppell	16,307,762	\$26.36	20.9%	3,415,936	673,180	572,064	1,158,877
Stemmons Freeway	15,782,631	\$22.74	21.1%	3,327,532	0	124,177	0
Westlake/Grapevine	14,916,799	\$28.99	13.1%	1,951,654	415,704	377,732	177,508
Arlington/Mansfield	14,554,375	\$23.96	9.8%	1,426,381	99,898	-68,598	91,412
Central Expressway	14,532,323	\$29.72	18.3%	2,655,254	0	-135,865	0
Ft Worth CBD	11,217,220	\$27.78	14.2%	1,596,141	0	90,757	0
Allen/McKinney	10,797,372	\$30.37	9.6%	1,041,228	572,618	670,878	753,918
Plano	10,398,528	\$25.45	15.4%	1,598,020	261,473	242,214	259,392
HEB/Mid-Cities	9,887,268	\$23.20	9.3%	915,530	76,776	-4,977	64,056
Urban Center/Wingren	9,880,929	\$29.53	24.9%	2,461,226	0	88,106	512,269
Frisco/The Colony	9,695,419	\$35.15	12.7%	1,228,824	245,162	441,255	935,190
Lewisville	9,244,874	\$25.17	16.7%	1,542,598	78,535	201,018	195,654
Preston Center	7,326,506	\$40.77	11.3%	829,666	314,612	302,789	329,066
Southwest Dallas	6,921,045	\$23.37	9.5%	657,586	3,488	56,753	0
White Rock	6,315,665	\$28.25	16.5%	1,039,222	484,396	636,634	482,416
East Northeast Ft Worth	5,579,440	\$21.86	8.9%	493,963	0	12,758	0
West LBJ Freeway	5,213,468	\$20.85	20.0%	1,043,008	12,000	65,807	20,000
Grand Prairie	5,025,917	\$23.90	31.9%	1,600,848	2,921	-20,835	5,698
Denton	4,857,316	\$24.57	9.7%	469,783	41,179	-35,781	43,600
Alliance	4,619,490	\$29.50	11.6%	536,645	266,563	177,733	358,133
Garland	3,286,673	\$23.15	14.2%	468,281	65,901	85,865	67,776
South Irving	3,076,364	\$20.92	12.2%	375,885	37,854	66,606	21,750
Southeast Ft Worth	2,707,899	\$24.10	6.4%	174,003	0	-14,071	0
Mesquite/Forney/Terrell	2,160,776	\$23.62	5.5%	119,474	4,883	38,283	0
Ellis County	2,139,603	\$25.54	8.9%	189,547	59,958	80,002	23,000
Rockwall	2,073,874	\$28.74	7.4%	154,458	13,000	50,967	22,700
Johnson County	1,806,862	\$23.25	6.1%	110,704	19,160	3,574	26,149
Parker County	1,773,984	\$24.70	3.5%	61,471	10,316	40,965	12,232
Southeast Dallas	1,745,889	\$23.56	4.7%	82,441	14,059	22,091	51,950
Northwest Ft Worth	1,642,194	\$23.33	8.1%	133,522	0	-5,228	0
Hunt County	1,039,332	\$24.24	6.5%	67,515	0	34,350	0
Outlying Collin County	897,564	\$30.60	10.7%	95,992	61,401	72,139	55,744
Hood County	871,213	\$23.80	2.1%	18,365	0	15,178	0
Outlying Denton County	504,601	\$26.46	8.8%	44,166	19,725	36,733	20,000
Wise County	341,925	\$24.70	4.7%	16,090	0	-360	0
Outlying Kaufman County	130,264	\$24.26	12.0%	15,623	0	1,628	0
Delta County	6,141	\$18.43	0.0%	0	0	0	0
Market Totals/Averages	411,349,791	\$26.50	17.6%	72,264,834	4,149,583	5,273,824	7,599,877

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- Over half of the total inventory in the Dallas-Fort Worth metro area is contained in just the top nine of its 45 submarkets. The Westlake/Grapevine submarket is ranked eleventh in inventory in the metro area. It contains 14,916,799 SF, which represents 3.6% of the unit inventory.
- The submarket's asking rent is \$28.99/SF, which is 9.4% greater than the metro area average of \$26.50.

Dallas-Fort Worth Submarket Overview (All Classes of Space)



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- The submarket's vacancy rate is 13.1%, which is less than the average of 17.6% across the metro area.
- The submarket has vacancy averaging 1,951,654 SF, which is 2.7% of the metro area total 72,264,834 SF.
- The submarket has completions averaging 415,704 SF, which is 10.0% of the metro area total 4,149,583 SF.
- The submarket has absorption averaging 377,732 SF, which is 7.2% of the metro area total 5,273,824 SF.
- The submarket has under construction inventory of 177,508 SF, which is 2.3% of the metro area total 7,599,877 SF.

When evaluated in comparison to the other submarkets in the area, Westlake/Grapevine receives the following ratings:

Westlake/Grapevine Submarket Attribute Ratings

Metric	Rating
Market Size/Stature	Average
Market Demand	Stable
Vacancy Trends	Decreasing
Threat of New Supply	Average
Rental Trends	Increasing

Westlake/Grapevine Submarket Trends and Analysis

Supply and demand statistics, for all classes of space in the Westlake/Grapevine submarket are presented in the following table.

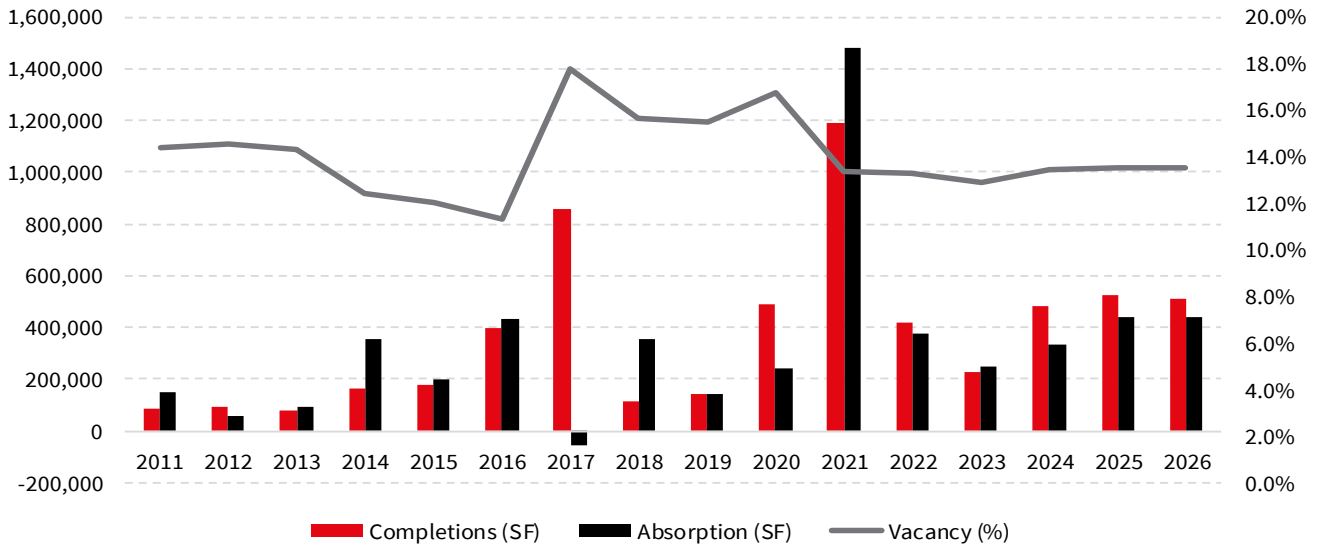
Dallas-Fort Worth: Westlake/Grapevine Submarket Trends (All Classes of Space)

Year	Inventory (SF)	Vacancy (SF)	Vacancy (%)	Completions (SF)	Absorption (SF)	Inventory, Under Cons (SF)	Asking Rent (\$/SF)
2011	10,847,575	1,563,033	14.4%	83,546	151,408	94,849	\$22.06
2012	11,029,548	1,603,388	14.5%	96,442	56,087	49,053	\$23.14
2013	11,109,792	1,588,187	14.3%	80,244	95,445	119,480	\$23.80
2014	11,270,455	1,396,590	12.4%	160,663	352,260	177,009	\$24.33
2015	11,450,968	1,378,279	12.0%	180,513	198,824	321,339	\$25.26
2016	11,850,146	1,343,918	11.3%	399,178	434,170	785,520	\$25.85
2017	12,706,550	2,255,563	17.8%	856,404	-55,241	678,562	\$26.16
2018	12,818,066	2,004,823	15.6%	115,723	356,337	696,943	\$27.60
2019	12,957,939	2,004,768	15.5%	139,873	139,928	1,664,840	\$28.40
2020	13,445,570	2,248,333	16.7%	487,631	244,065	1,491,230	\$28.19
2021	14,634,476	1,957,557	13.4%	1,188,906	1,479,683	398,931	\$28.88
2022 Q1	14,916,799	1,951,654	13.1%	282,323	288,226	177,508	\$28.99
2022	15,047,873	1,993,419	13.2%	415,704	377,732	0	\$29.99
2023	15,274,920	1,974,718	12.9%	227,047	245,885	0	\$31.50
2024	15,758,307	2,122,541	13.5%	483,387	335,380	0	\$32.56
2025	16,286,189	2,207,452	13.6%	527,882	442,843	0	\$33.42
2026	16,798,915	2,276,536	13.6%	512,726	443,433	0	\$34.19
2011 - 2021 Avg.	12,192,826	1,758,585	14.4%	344,466	313,906	588,887	\$25.79

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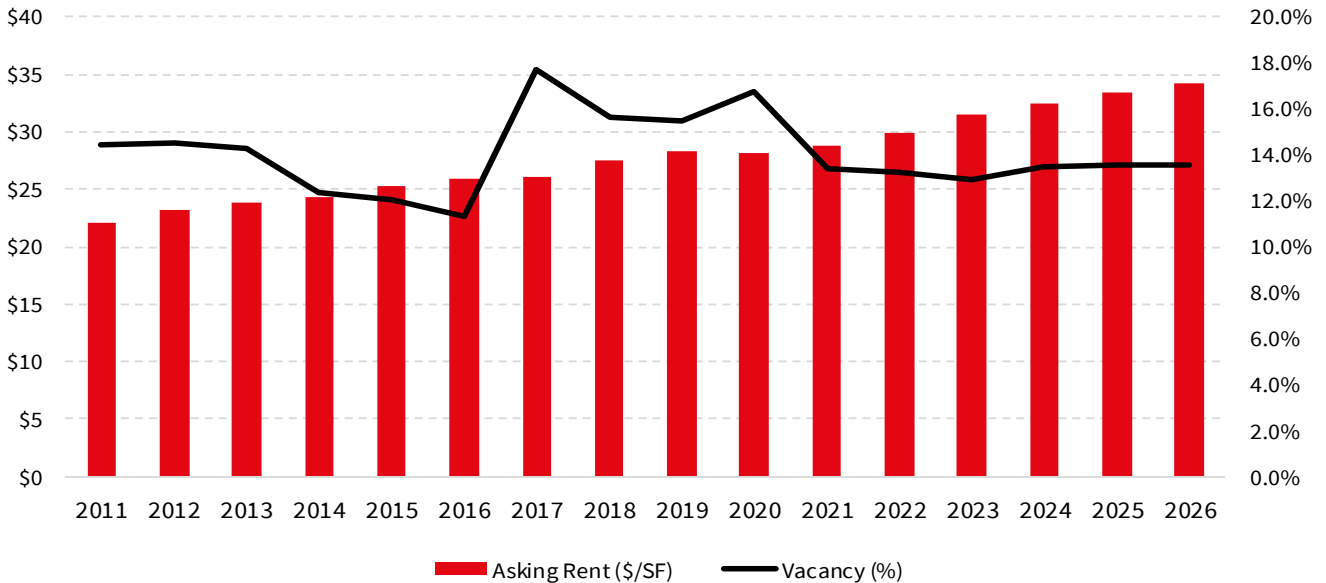
- The most recent data shows 282,323 SF were added to the market. On average 344,466 SF have been added to the market over the last eleven complete years and increased 1323.1%. During the same period, completions experienced a minimum of 80,244 SF in 2013 and achieved a peak of 1,188,906 SF in 2021.
- Looking forward, it is expected that in four years completions will show an increase of 48.8% from the 11-year average of 344,466 SF, representing a change of 168,260 SF by year-end 2026.

Supply and Demand Trends



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Vacancy Rate vs. Asking Rent



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- Vacancy rates are presently 13.1%. Over the past eleven complete years, vacancy rates had an annual average of 14.4% and dropped 103 bps. During the same period, vacancy rates experienced a minimum of 11.3% in 2016 and attained a high of 17.8% in 2017.
- Projecting four years into the future, vacancy rates will show an increase of 47 bps from the present amount of 13.1%.

- Currently, absorption is 288,226 SF. During the past eleven complete years, absorption averaged 313,906 SF annually and increased 877.3%. Over that same time frame, absorption saw a low of 55,241 SF in 2017 and experienced a maximum of 1,479,683 SF in 2021.
- Four-year forecasts demonstrate that absorption will be 443,433 SF by the end of 2026, equivalent to a gain of 41.3% compared to the eleven-year average of 313,906 SF.

Office Market Summary and Conclusions

A summary of vacancy rates across various market segments analyzed is shown in the ensuing table:

Vacancy Rate Summary

Market Segment	Vacancy Rate
Dallas-Fort Worth Metro Area	17.6%
Westlake/Grapevine Submarket Area	13.1%

Based on influential overall market and submarket area trends, construction outlook, and the performance of competing properties, JLL expects the mix of property fundamentals and economic conditions in the Dallas-Fort Worth metro area to have a neutral impact on the subject property's performance in the near-term.

Surrounding Area Analysis

Boundaries

The subject is located in the Westlake/Grapevine submarket, which is generally bound as follows:

North	Interstate 35E
South	Interstate 820
East	Grapevine Lake
West	Interstate 35W

Surrounding Demographics

A snapshot of the surrounding area demographics, including population, households, and income data, is displayed in the following table.

Surrounding Area Demographics

	1 mi. radius	3 mi. radius	5 mi. radius	Tarrant County	Dallas MSA	Texas	United States
Population							
2010	5,395	74,344	233,841	1,809,478	6,366,542	25,145,561	308,745,538
2020	5,610	81,919	257,427	2,110,640	7,637,387	29,145,505	331,449,281
2022	5,582	82,091	260,454	2,175,474	7,961,535	30,157,100	335,707,897
2027	5,495	81,539	259,641	2,252,183	8,393,172	31,502,395	339,902,796
Compound Chg 2020 - 2022	-0.25%	0.10%	0.59%	1.52%	2.10%	1.72%	0.64%
Compound Chg 2022 - 2027	-0.31%	-0.13%	-0.06%	0.70%	1.06%	0.88%	0.25%
Density	1,778	2,904	3,317	2,519	918	115	95
Households							
2010	2,008	29,056	90,840	657,291	2,296,410	8,922,933	116,716,292
2020	2,093	31,884	98,924	760,739	2,760,991	10,491,147	126,817,580
2022	2,085	31,907	99,887	783,782	2,877,711	10,870,372	128,657,669
2027	2,057	31,735	99,663	810,756	3,031,792	11,377,128	130,651,872
Compound Chg 2020 - 2022	-0.19%	0.04%	0.49%	1.50%	2.09%	1.79%	0.72%
Compound Chg 2022 - 2027	-0.27%	-0.11%	-0.04%	0.68%	1.05%	0.92%	0.31%
Other Demographics							
Med. Household Income	\$166,473	\$120,090	\$94,303	\$76,329	\$79,627	\$70,834	\$72,414
Avg. Household Size	2.7	2.6	2.6	2.7	2.7	2.7	2.6
College Graduate %	62.2%	56.9%	48.1%	35.8%	38.9%	33.4%	35.1%
Median Age	50	48	41	35	35	35	39
Owner Occupied %	93%	79%	64%	60%	60%	63%	65%
Renter Occupied %	7%	21%	36%	40%	40%	37%	35%
Med. Home Value	\$483,137	\$388,238	\$340,904	\$254,356	\$286,886	\$238,757	\$283,272

Source: Esri 2022. Compiled by JLL Valuation & Advisory Services, LLC.

As illustrated above, the current population within a three-mile radius of the subject is 82,091, and the average household size is 2.6. Population in the area has risen since the 2020 census, but this trend is expected to reverse in the ensuing five years. Despite the contracting population within a three-mile radius, it is estimated the Dallas MSA overall will trend in the opposite direction.

Median household income is \$120,090, which is considerably higher than the household income for the Dallas MSA as a whole. The populace within a three-mile radius has a notably higher level of formal college education than residents in the Dallas MSA, and median home values in the area are also substantially higher.

The following table presents a summary of the convenience of walking and biking to amenities in the neighborhood around the subject property.

Walk and Bike Information

Metric	Rating (0-100)	Description
Walk Score	52	Somewhat Walkable
Bike Score	43	Somewhat Bikeable

Source: Walkscore.com, updated 05/01/2022. Compiled by JLL Valuation & Advisory Services, LLC.

Demand Generators

Major employers in the area include Wal-Mart Stores, Inc., American Airlines Group, Inc., Dallas ISD, Texas Health Resources Inc. and Baylor Scott & White. The closest major commercial corridors to the subject are Colleyville Boulevard and Grapevine Highway; providing average supporting retail and entertainment services. Development activity in the immediate area has been predominantly of commercial uses. In addition, development has been increasing in the last three years. Finally, the subject has average area linkages providing access to Dallas job centers and surrounding commercial districts.

Access and Linkages

I-30 E and TX-183 E provide access to the subject from the greater Dallas metro area. The subject has poor access to public transportation with no bus or train service in the immediate area. Additionally, the subject has a walk score of 52 indicating a below average walkability factor. The subject is most commonly accessed via car.

The nearest commercial airport is Dallas/Fort Worth International Airport and is located within 9 miles of the subject property.

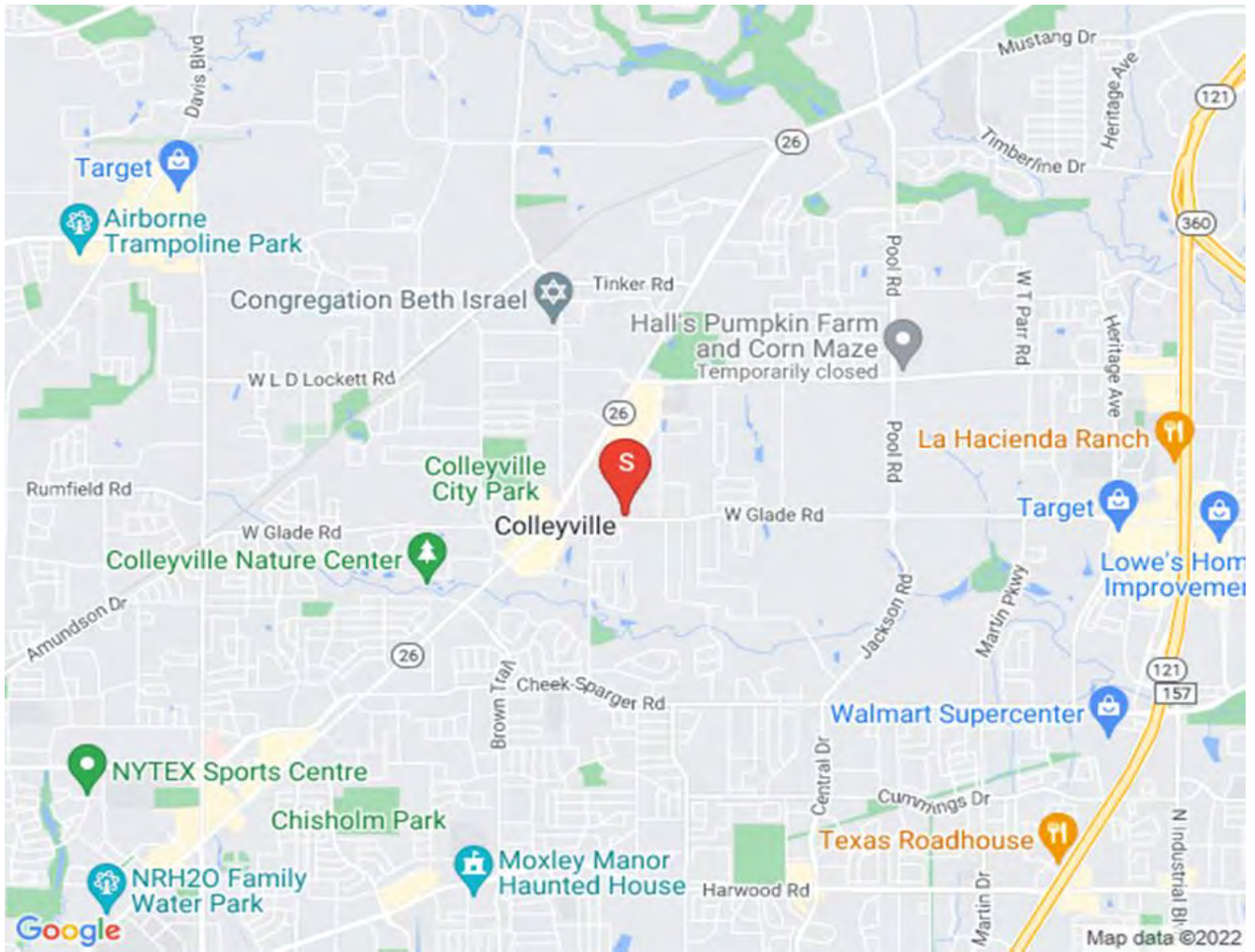
Safety and Support Services

The nearest police and fire stations are within 0.4 and 0.6 miles, respectively.

Outlook and Conclusion

The subject's area has experienced recent employment growth and construction activity has been moderate contributing to our conclusion that the subject's area is in the stable stage of its life cycle.

Surrounding Area Map



Property Description

Site Description

Aerial Map



The subject property is outlined in yellow in the aerial above.

Land Summary

Parcel ID	Gross Land Area (Acres)	Gross Land Area (Sq Ft)	Usable Land Area (Acres)	Usable Land Area (Sq Ft)	Topography	Shape
41351932	0.81	35,409	0.81	35,409	Level	Generally
Totals	0.81	35,409	0.81	35,409		

Source: Public Records

Land Description

Shape	Generally rectangular
Average Depth (Feet)	174
Average Width (Feet)	207
Corner Location	Yes
Primary Street Frontage	Glade Road
Access Rating	Average
Visibility Rating	Average
Functional Utility	Average
Topography	Level
Landscaping	The subject has average landscaping.
Drainage	No drainage problems were observed or disclosed to us during our inspection. This appraisal assumes that surface water collection is adequate.
Soil Conditions	Adequate for development
Wetlands/Watershed	No wetlands were observed during our site inspection.
Flood Zone Designation	X
Flood Zone	The subject is outside the 500-year flood plain. The appraiser is not an expert in this matter and is reporting data from FEMA maps.
FEMA Map Number	48439C0095K
FEMA Map Date	9/25/2009
Utilities	All public utilities are available to the site including public water and sewer, gas, electric, and telephone
Utilities Adequacy	The subject's utilities are typical and adequate for the market area.

Environmental Hazards

An environmental assessment was not provided for review. No environmental hazards were apparent from inspection and it is assumed the Subject is free and clear of any environmental hazards including, without limitation, hazardous waste, toxic substances and mold.

Zoning Summary

Zoning Jurisdiction	City of Colleyville
Zoning Code	PUD-R
Zoning Description	Planned Unit Development Residential (CN Neighborhood Commercial underlying)
Permitted Uses	office, medical office, limited retail uses
Zoning Density/FAR	None stated
Actual Density of Use	0.22
Current Use Legally Conforming	The subject is a legal and conforming use.
Zoning Change Likely	A zoning change is unlikely.
Zoning Change Description	None
Maximum Building Height	35 feet or 2 stories
Maximum Site Coverage	40%
Set Back Distance (Feet)	40 feet
Side Yard Distance (Feet)	25 feet
Rear Yard Distance (Feet)	25 feet
Parking Requirement	1 per 300 square feet of gross floor area
Other Land Use Regulations	We are not aware of any other land use regulations that would affect the property.
Source	Chapter 3, Colleyville, Texas - Code of Ordinances

According to the local planning department, there are no pending or prospective zoning changes. It appears that the current use of the site is a legally conforming use.

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance is required.

Encumbrance/Easements/Restrictions

Based upon a review of the deed and property survey, there do not appear to be any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Overall Site Utility

Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning.

Improvements Description

The subject is an existing office property containing 7,780 square feet of rentable area. The improvements were constructed in 2008 and are 100% vacant as of the effective appraisal date. The site area is 0.81 acres or 35,409 square feet.

Improvements Description

	Subject
General Description	
Building Name / Type	Riverwalk Holdings, Ltd.
General Property Type	Office
Property Type	Office Building
Competitive Property Class	C
Occupancy Type	Single-Tenant
Number of Buildings	1
Stories	1
Year Built	2008
Construction Class	Class C
Construction Type	Masonry
Construction Quality	Good
Condition	Poor
Building Areas and Ratios	
Gross Building Area (SF)	7,780
Rentable Area (SF)	7,780
Building Efficiency Ratio	100%
Land Area (SF)	35,409
Floor Area Ratio (GBA/Land SF)	0.22
Floor Area Ratio (RA/Land SF)	0.22
Building Area Source	Public Records

There was a sprinkler system malfunction in 2021, which caused the property to flood. As a result, most of the flooring, cabinetry, plumbing fixtures, and the bottom two feet of drywall within the building have been removed.

Construction Description

Building Name / Type	Subject
Foundation, Frame, and Exterior	
Foundation	Poured concrete slab
Structural Frame	Heavy Concrete Frame
Exterior	Brick
Roof/Cover	Gable
Interior Features	
Interior Layout	Average
Lobby/Common Area	Average
Floor Cover	Carpet, Linoleum, Tile
Walls	Painted drywall
Ceilings	Acoustic ceiling panels
Lighting	A mix of fluorescent and incandescent lighting.
Restrooms	Men's and women's
Mechanical Systems	
Heating	Central, Roof Mounted
Cooling	Central, Roof Mounted
Electrical	Assumed adequate and up to code
Plumbing	Assumed adequate and up to code
Sprinklers	100% Wet
Security	Video Surveillance and Key Access

Parking

Building Name / Type	Riverwalk Holdings, Ltd.
Total Parking Spaces	26
Surface Spaces	16
Covered Spaces	10
Parking Type	Surface
Source of Parking Count	Appraiser Measurement
Parking Spaces/1,000 SF GBA	3.3
Parking Spaces/1,000 SF RA	3.3
Parking Condition	Average
Parking Adequacy	Average

Effective Age and Economic Life

Building Name / Type	Riverwalk Holdings, Ltd.
Year Built	2008
Actual Age (Yrs.)	14
Estimated Effective Age (Yrs.)	15
Estimated Economic Life (Yrs.)	55
Remaining Economic Life (Yrs.)	40

Improvements Analysis

Design & Functional Utility	Average
Appeal & Appearance	Consistent with competitive properties
Deferred Maintenance	We did not identify any major items of deferred maintenance during our inspection and ownership indicated there were none.
Capital Improvements	Based on discussions with management, there are no planned capital expenditures.
Personal Property	Our appraisal considers only the real property, personal property is not included.
Americans With Disabilities Act	Based on our inspection and information provided, we are not aware of any ADA issues. However, we are not expert in ADA matters, and further study by an appropriately qualified professional would be recommended to assess ADA compliance.
Hazardous Substances	An environmental assessment was not provided for review. We discovered no environmental hazards in our inspection and we assume the subject is free and clear of any environmental hazards including, without limitation, hazardous waste, toxic substances and mold.

As previously noted, the property sustained damage from a sprinkler malfunction in 2021. As a result, most of the flooring, cabinetry, plumbing fixtures, and the bottom two feet of drywall within the building have been removed. We consider cost estimates from Marshall & Swift to estimate cost to make these repairs.

For replacement of flooring, sheetrock, cabinets, and plumbing, as well painting the entire interior, Marshall & Swift indicates a total cost in the range of \$115,000 to \$150,000. To this total, we add an additional allowance of \$5.00 per square foot for miscellaneous repairs. The resulting cost indication ranges from \$154,000 to \$187,000, or approximately \$20.00/SF to \$24.00/SF. We conclude total cost to cure estimated at \$22.50 per square foot, which results in \$175,050.

Deferred Maintenance

Item	Estimated Cost
Finish Out Costs	\$175,050
Total	\$175,050

Improvements Conclusion

On balance, the condition, quality, and functional utility of the improvements are typical for their age and location.

Subject Photographs



Typical exterior
(Photo Taken on July 21, 2022)



Typical exterior
(Photo Taken on July 21, 2022)



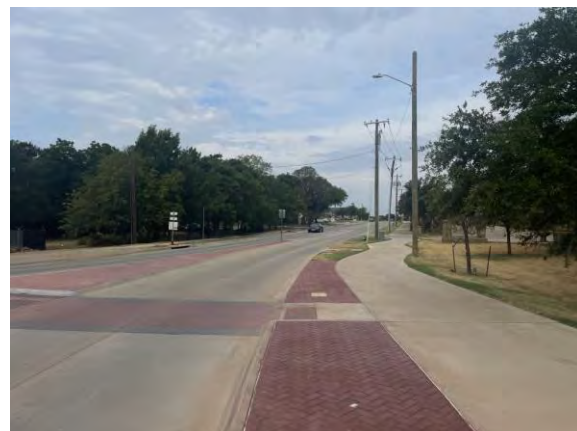
Typical exterior
(Photo Taken on July 21, 2022)



Typical exterior
(Photo Taken on July 21, 2022)



Facing eastward along Glade Rd.
(Photo Taken on July 21, 2022)



Facing westward along Glade Rd.
(Photo Taken on July 21, 2022)



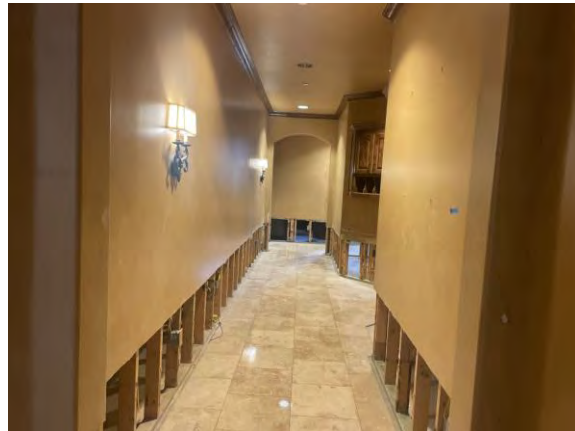
Typical interior
(Photo Taken on July 21, 2022)



Typical interior
(Photo Taken on July 21, 2022)



Typical interior
(Photo Taken on July 21, 2022)



Typical interior
(Photo Taken on July 21, 2022)



Typical interior
(Photo Taken on July 21, 2022)



Typical interior
(Photo Taken on July 21, 2022)

Assessment and Taxes

Real estate tax assessments are administered by the Appraisal District in which the subject is located and are estimated by jurisdiction on a county basis for the subject. Real estate taxes in this state and this jurisdiction represent ad valorem taxes, meaning a tax applied in proportion to value. The real estate taxes for an individual property may be determined by dividing the assessed value for a property by \$100, then multiplying the estimate by the composite rate. The composite rate is based on a consistent state tax rate throughout the state, in addition to one or more local taxing district rates.

It should be noted that the subject is exempt from taxation due to the non-profit ad valorem tax exemption. The subject property has no current or past assessment values on record with the Tarrant Appraisal District.

Real Estate Taxes

Taxing Authority	Tarrant County
Assessment Year	2022

Real estate taxes and assessments for the current tax year are shown in the following table.

Real Estate Assessment and Taxes - 2022

Tax ID	Assessed Value			Taxes and Assessments		
	Land	Improvements	Total Assessment	Tax Rate	Ad Valorem Taxes	Total Taxes
41351932	\$495,740	\$1,329,964	\$1,825,704	2.150477%	\$39,261	\$39,261
Totals	\$495,740	\$1,329,964	\$1,825,704	2.150477%	\$39,261	\$39,261

Depicted in the ensuing table is the subject property's tax history.

Tax History

Assessment Year	Total Assessment	Tax Rate	Ad Valorem Taxes	Total Taxes	Annual Change
2022	\$1,825,704	2.150477%	\$39,261	\$39,261	-2.1%
2021	\$1,825,704	2.196064%	\$40,094	\$40,094	-1.2%
2020	\$1,825,704	2.222106%	\$40,569	\$40,569	7.4%
2019	\$1,633,800	2.311999%	\$37,773	\$37,773	

Assessment Analysis

We have analyzed the assessment and corresponding taxation of competitive properties in the marketplace as a test of reasonableness compared to the subject's current assessment and taxation.

Tax Comparables

No.	Name	Rentable Area	Year Built	Total Assessment	Assessment per SF
Subject	Riverwalk Holdings, Ltd.	7,780	2008	\$1,825,704	\$234.67
1	1128 Glade Rd	4,482	2010	\$980,000	\$218.65
2	1124 Glade Rd	5,122	2008	\$1,085,864	\$212.00
3	1312 Glade Rd	6,280	2006	\$1,444,000	\$229.94
4	1308 Glade Rd	4,438	2007	\$887,600	\$200.00
5	1117 Glade Rd	5,526	2009	\$1,188,090	\$215.00
6	1300 Glade Rd	3,132	2007	\$714,660	\$228.18
7	1105 Glade Rd	5,684	2016	\$1,434,755	\$252.42

Tax assessments for comparable properties range from \$200.00 to \$252.42 per square foot, as compared with the subject at \$234.67 per square foot. Additionally, we note that the subject's current assessment is above the concluded market value herein. However, it is unlikely the subject will have its assessment reduced. We project year 1 taxes consistent with the current assessment. This results in taxes at \$39,261 or \$5.05 per square foot.

Highest and Best Use

Highest and best use may be defined as the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

- **Legally Permissible:** What uses are permitted by zoning and other legal restrictions?
- **Physically Possible:** To what use is the site physically adaptable?
- **Financially Feasible:** Which possible and permissible use will produce any net return to the owner of the site?
- **Maximally Productive:** Among the feasible uses which use will produce the highest net return, (i.e., the highest present worth)?

Highest and Best Use of the Site

Legally Permissible

The site is zoned PUD-R, Planned Unit Development Residential (CN Neighborhood Commercial underlying). To our knowledge, there are no legal restrictions such as easements or deed restrictions that would effectively limit the use of the property. Given prevailing land use patterns in the area, only office use is given further consideration in determining highest and best use of the site, as though vacant.

Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses.

Financially Feasible

Based on our analysis of the market, there is currently adequate demand for office use in the subject's area. It appears that a newly developed office use on the site would have a value commensurate with its cost. Therefore, office use is considered to be financially feasible.

Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than office use. Accordingly, it is our opinion that office use, developed to the normal market density level permitted by zoning, is the maximally productive use of the property.

Conclusion

Development of the site for office use is the only use that meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property as if vacant.

Highest and Best Use as Improved

The subject site is developed with office use, which is consistent with the highest and best use of the site as if it were vacant.

The existing improvements are currently leased and produce a significant positive cash flow that we expect will continue. Therefore, a continuation of this use is concluded to be financially feasible.

Based on our analysis, there does not appear to be any alternative use that could reasonably be expected to provide a higher present value than the current use, and the value of the existing improved property exceeds the value of the site, as if vacant. For these reasons, continued office use is concluded to be maximally productive and the highest and best use of the property as improved.

Most Probable Buyer

Taking into account the size and characteristics of the property, the likely buyer is an owner-user.

Valuation Methodology

Three basic approaches may be applicable and utilized, then reconciled to arrive at an estimate of market value. An approach to value is included or eliminated based on its applicability to the property type being valued and the information available. The reliability of each approach depends on the availability and comparability of market data as well as the motivation and thinking of purchasers. Applicable approaches and whether or not they were utilized are summarized below:

Cost Approach

The Cost Approach is based on the proposition that an informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. In the Cost Approach, the appraiser forms an opinion of the cost of all improvements, depreciation from physical, functional and external causes. The land value, entrepreneurial profit and depreciated improvement costs are then added, resulting in indication of value.

Sales Comparison Approach

The Sales Comparison Approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. A gross income multiplier and / or effective gross income multiplier may also be analyzed. By process of correlation and analysis, a final indicated value is derived.

Income Approach

In the Income Capitalization Approach the income-producing capacity of a property is estimated by using contract rents on existing leases and by estimating market rent from rental activity at competing properties for the vacant space. Deductions are then made for vacancy and collection loss and operating expenses. The resulting net operating income is divided by an overall capitalization rate to derive an opinion of value for the subject property. The capitalization rate represents the relationship between net operating income and value. This method is referred to as Direct Capitalization.

Related to the Direct Capitalization Method is the Yield Capitalization Method. In this method periodic cash flows (which consist of net operating income less capital costs) and a reversionary value are developed and discounted to a present value using a discount rate or an internal rate of return.

The Income Approach converts the anticipated flow of future benefits (income) to a present value estimate through a capitalization and or a discounting process.

Final Reconciliation

The appraisal process concludes with the Final Reconciliation of the values derived from the approaches applied for a single estimate of market value. Different properties require different means of analysis and lend themselves to one approach over the others.

Analyses Applied

Applicability and utilization of the approaches in this assignment is described as follows.

Approach	Description	Applicability	Utilization
Cost	A cost approach is most applicable in valuing new or proposed construction when the improvements represent the highest and best use of the land and the land value, cost new and depreciation are well supported.	Not Applicable	Not Utilized
Sales Comparison	A sales approach is most applicable when sufficient data on recent market transactions is available and there is an active market for the property type.	Applicable	Utilized
Income	An income approach is most applicable when the subject is an income producing property or has the ability to generate income in the future as an investment.	Applicable	Utilized

Sales Comparison Approach

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

1. The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
2. The most pertinent data is further analyzed and the quality of the transaction is determined.
3. The most meaningful unit of value for the subject property is determined.
4. Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
5. The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

We have researched comparables for this analysis, which are documented on the following pages, followed by a location map and analysis grid. All sales have been researched through numerous sources and, when possible, verified by a party to the transaction.

Improved Sales Summary - Office

No.	Name; Address	Sale Date; Status; Prop. Rights	Year Bt.; Yr. Renov.	Stories; Parking Ratio; Quality	Rentable Area; GBA	Sale Price; Effective Price	\$/RA; \$/GBA
1	Grapevine Pkwy Professional Office Building 2559 Grapevine Parkway Grapevine, TX 76051	12/21/2021 Closed Sale Fee Simple	2003	1	10,652 10,652	\$2,750,000 \$2,750,000	\$258.17 \$258.17
Sale Comments: Vacant at time of sale. The property can be divided into 3 separate suites.							
2	1105 Cheek Sparger Road Office 1105 Cheek Sparger Rd. Colleyville, TX 76034	3/12/2021 Closed Sale Fee Simple	2003 NA	1	3,993 3,993	\$860,000 \$860,000	\$215.38 \$215.38
Sale Comments: Confirmed sale. On March 12, 2021, this 3,993 square-foot office building in Tarrant County, Texas was transferred from David and Mary Myers to Cover-Tek Inc. in an owner-user sale for \$860,000.							
3	516 Silicon 516 Silicon Drive Southlake, TX 76092	6/5/2020 Closed Sale Fee Simple	2019 None	1 Good	5,611 5,611	\$1,700,000 \$1,700,000	\$302.98 \$302.98
Sale Comments: Sale of an owner-occupied office building. Class A interior finish-out. Can be easily subdivided in to multi-tenant occupancy.							
4	2320 W Southlake Boulevard Office 2320 W Southlake Blvd. Southlake, TX 76092-6715	3/31/2020 Closed Sale Fee Simple	1999	1	4,142 4,142	\$925,000 \$925,000	\$223.32 \$223.32
Sale Comments: Confirmed sale.							

5

Sale Comments:

S	Riverwalk Holdings, Ltd. 1132 Glade Road Colleyville, TX 76034		2008	1	7,780 7,780 Colleyville		
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*If applicable, prices per SF/unit and capitalization rates and/or income multipliers based on effective sale price.

Improved Sale Comparable Photographs



Improved Sale #1
Grapevine Pkwy Professional Office Building



Improved Sale #2
1105 Cheek Sparger Road Office

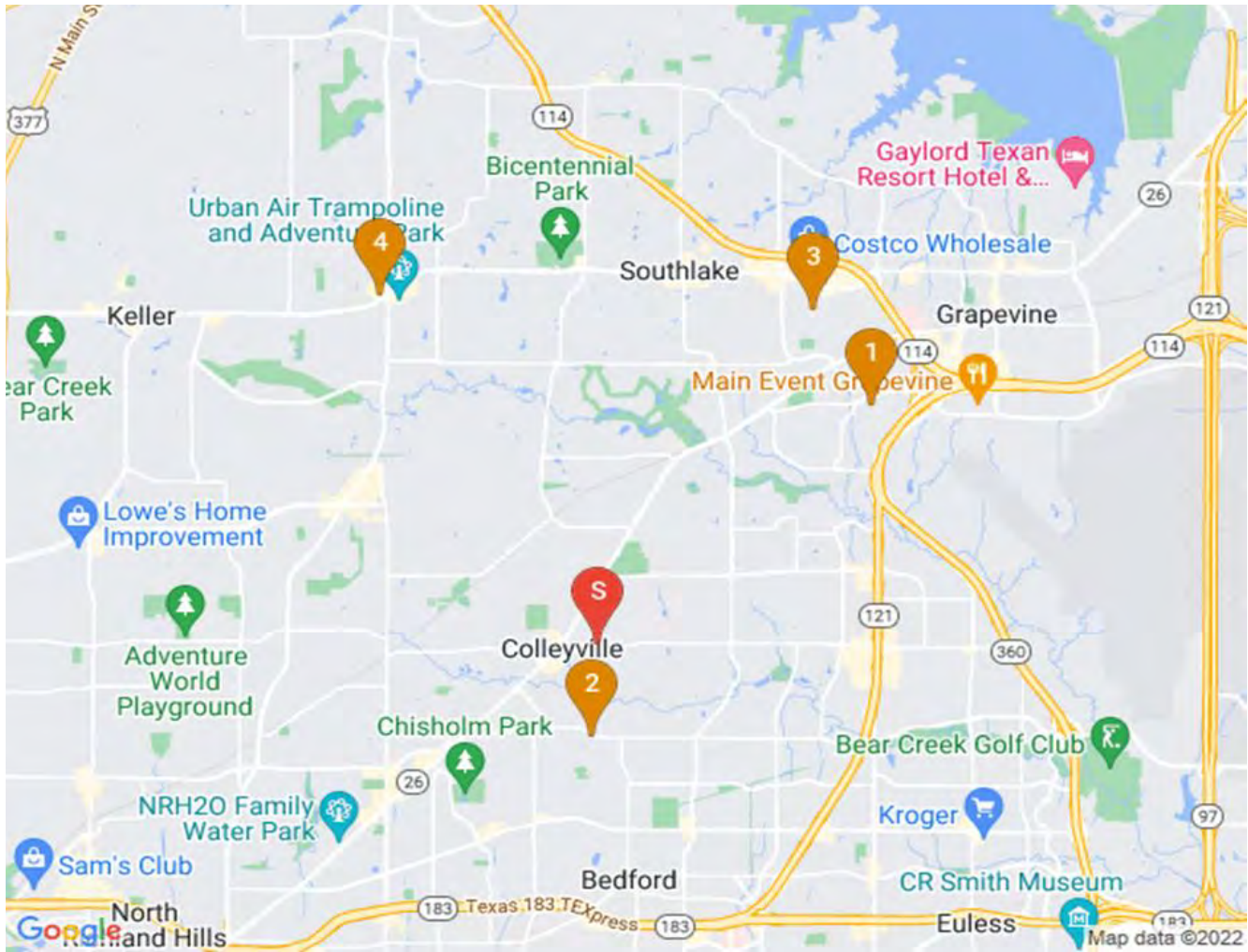


Improved Sale #3
516 Silicon



Improved Sale #4
2320 W Southlake Boulevard Office

Improved Sales Map



No.	Name	Location	Miles From Subject	Rentable Area	Price/Rentable Area
1	Grapevine Pkwy Professional Office Building	Grapevine, TX	3.8	10,652	\$258.17
2	1105 Cheek Sparger Road Office	Colleyville, TX	1.0	3,993	\$215.38
3	516 Silicon	Southlake, TX	4.3	5,611	\$302.98
4	2320 W Southlake Boulevard Office	Southlake, TX	4.4	4,142	\$223.32
S	Riverwalk Holdings, Ltd.	Colleyville, TX		7,780	

Analysis and Adjustment of Sales

The previous sales have been analyzed and compared with the subject property. Adjustments are considered for the following factors, in the sequence shown below.

Sales Adjustment Summary

Adjustment Factor	Accounts For	Comments
Property Rights	Fee simple, leased fee, leasehold, partial interest, etc.	No adjustments for real property rights were required.
Financing	Seller financing, or assumption of existing financing, at non-market terms.	No adjustments for financing terms were required.
Conditions of Sale	Extraordinary motivation of buyer or seller, assemblage, forced sale.	No adjustments for conditions of sale were required.
Expend. After Sale	Atypical economics of a transaction, such as demolition cost, impact fees, remediation, or other expenditures by buyer at time of purchase.	No adjustments for expenditures after sale were required.
Market Trends Through	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.	The sales took place from March 2020 to December 2021. Market conditions generally have been strengthening over this period through the effective date of value. As a result, we apply upward adjustments of 2.0% per year to account for this trend.
Location	Market or submarket area influences on sale price or rental rate; surrounding land use influences.	Comparable 3 has been adjusted downward due to its superior location when compared to the subject property. The remaining three comparables have not been adjusted.
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility; traffic counts.	Comparable 3 has been adjusted upward due to its inferior access/exposure when compared to the subject property. The remaining three comparables have not been adjusted.
Size	Inverse relationship that often exists between parcel size and unit value.	Comparables 2 and 4 have been adjusted downward due to their smaller size when compared to the subject property. Comparables 1 and 3 have not been adjusted.
Building Quality	Construction quality, amenities, market appeal, functional utility.	No adjustments for building quality were required.
Age/Condition	Effective age; physical condition.	Comparable 3 has been adjusted downward due to its superior age/condition when compared to the subject property. Comparables 1, 2 and 4 have been adjusted upward due to their inferior age/condition when compared to the subject property.
Land to Building Ratio	Ratio of land area to building area	No adjustments for land to building ratio were required.
Parking Ratio	Ratio of parking spaces per 1,000 SF of rentable area	Comparables 1 and 2 have been adjusted downward due to their superior parking ratio when compared to the subject property. Comparables 3 and 4 have not been adjusted.
Economic Characteristics	Non-stabilized occupancy, above/below market rents, and other economic factors. Excludes differences in rent levels that are already considered in previous adjustments, such as for location or quality.	No adjustments for economic characteristics were required.

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

Sales Grid

	Subject	Comp 1	Comp 2	Comp 3	Comp 4
Name	Riverwalk Holdings, Ltd.	Grapevine Pkwy Professional Office Building	1105 Cheek Sparger Road Office	516 Silicon 2320 W Southlake Boulevard Office	
Address	1132 Glade Road	2559 Grapevine Parkway	1105 Cheek Sparger Rd.	516 Silicon Drive	2320 W Southlake Blvd.
City	Colleyville	Grapevine	Colleyville	Southlake	Southlake
County	Tarrant	Tarrant	Tarrant	Tarrant	Tarrant
State	TX	TX	TX	TX	TX
Date	Jul-2022	Dec-2021	Mar-2021	Jun-2020	Mar-2020
Price		\$2,750,000	\$860,000	\$1,700,000	\$925,000
Price Adjustment		\$0	\$0	\$0	\$0
Adjusted Price		\$2,750,000	\$860,000	\$1,700,000	\$925,000
Rentable Area	7,780	10,652	3,993	5,611	4,142
Rentable Area Unit Price		\$258.17	\$215.38	\$302.98	\$223.32
Year Built	2008	2003	2003	2019	1999
Parking Ratio RA	3.3	6.3	7.0	4.6	4.1
No. of Stories	1.0	1.0	1.0	1.0	1.0
Land to Building Ratio	4.6	6.4	5.2	5.6	5.6
Transaction Adjustments					
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		-	-	-	-
Financing		Cash to seller	Cash to Seller	Cash to Seller	Cash to Seller
% Adjustment		-	-	-	-
Conditions of Sale		Conventional	Normal	Normal	Normal
% Adjustment		-	-	-	-
Market Trends Through	Jul-22 2.0%	1%	3%	4%	5%
Adjusted Rentable Area Unit Price		\$261.15	\$221.25	\$316.00	\$233.76
Location		-	-	-5%	-
Access/Exposure		-	-	5%	-
Size		-	-5%	-	-5%
Building Quality		-	-	-	-
Age/Condition		5%	5%	-10%	5%
Land to Building Ratio		-	-	-	-
Parking Ratio		-2.5%	-2.5%	-	-
Economic Characteristics		-	-	-	-
Adjusted Rentable Area Unit Price		\$267.68	\$215.72	\$284.40	\$233.76
Net Adjustments		4%	0%	-6%	5%
Gross Adjustments		9%	15%	24%	15%
Summary Indicators					
		Range	Average	Median	
Comparables - Unadjusted		\$215.38 - \$302.98	\$249.96	\$240.74	
Comparables - Adjusted		\$215.72 - \$284.40	\$250.39	\$250.72	
Reconciled Unit Value			\$235.00		

In addition to the above, we consider the following current listings as supplemental data.

- 761 Lonesome Dove Trl, Hurst, TX – 1,667 SF office built in 2004, listed for \$267/SF
- 8308 Precinct Line Rd, Colleyville, TX – 1,600 SF office built in 1987, listed for \$198.5/SF
- 8508 Precinct Line Rd, Colleyville, TX – 4,678 SF office built in 2016, listed for \$267/SF

Sales Comparison Approach Conclusion

All of the value indications have been considered, and in the final analysis, we place emphasis on Comparable 2 which is the most similar to the subject in location.

Sales Approach Valuation

Premise	Value
As Is	July 21, 2022
Indicated Value per Rentable Area	\$235
Subject Rentable Area	7,780
Indicated Stabilized Value	\$1,828,300
Adjustments	
Deferred Maintenance	-\$175,050
Total Adjustments	-\$175,050
Indicated As Is Value	\$1,653,250
Rounded As Is Value	\$1,650,000

In the course of our research we spoke with Jim Eagle with Briggs Freeman Sotheby's, who noted that, despite recent interest rate hikes, there remains a robust market for owner-user offices of a comparable size to the subject.

Note that all of the comparables analyzed above are fee simple acquisitions like the subject. As such, they require no adjustment for lease-up costs.

Income Capitalization Approach

The Income Approach to value is based on the present worth of the future rights to income. This type of analysis considers the property from an investor's point of view, the basic premise being that the amount and quality of the income stream are the basis for value of the property. The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.

In this analysis, we use direct capitalization analysis because investors in this property type typically rely on this method.

Direct Capitalization Analysis

The steps involved in capitalizing the subject's net operating income are as follows:

1. Develop the subject's Potential Gross Income (PGI) through analysis of the subject's actual historic income and an analysis of competitive current market income rates.
2. Estimate and deduct vacancy and collection losses to develop the Effective Gross Income (EGI).
3. Develop and subtract operating expenses to derive the Net Operating Income (NOI).
4. Develop the appropriate capitalization rate (R_o).
5. Divide the net operating income by the capitalization rate for an estimate of value through the income approach.

Occupancy and Potential Gross Income

The subject is currently vacant, and the most probable buyer is an owner-user. Accordingly, we use market rent as the basis of our income projection, and our valuation assumes stabilized occupancy without a deduction for lease-up costs.

Market Rent

To estimate market rent, we analyze comparable rentals most relevant to the subject in terms of location, building class, size, and transaction date. Comparable rentals considered most relevant are summarized in the following table.

Lease Comparables Summary - Office

No.	Name; Address	Year Built; Total RA; Parking Ratio	Tenant; Lease Start; Leased SF	Escalations; T.I./SF; Free Rent	Rent/SF; Lease Type; Term (Mos.)
1	1202 S. White Chapel Boulevard 1202 S. White Chapel Boulevard Southlake, TX 76092	1997 1,045	Unknown 4/1/2022 1,045		\$17.50 NNN 36
2	4004 Gateway Dr. POB 4004 Gateway Dr. Colleyville, TX 76034	2008 4,875	Confidential 12/1/2021 1,485	Undisclosed Undisclosed Undisclosed	\$18.00 Triple Net 36
3	5005 Thompson Ter Office 5005 Thompson Ter Colleyville, TX 76034	2005 2,900	Century 21 Judge Fite 3/1/2021 2,900	None	\$16.75 Triple Net 12
4	Kimball Office Bldg 2 405 S Kimball Southlake, TX 76092	2017 15,500	DJfs 3/1/2021 9,000	2.5% annually \$20 PSF 3 months free	\$18.00 Triple Net 48
5	6248 Davis Office 6248 Davis Boulevard North Richland Hills, TX 76180	2007 5,014	Aspire Chiropractic 3/1/2020 5,014	Fixed Steps Undisclosed Undisclosed	\$17.50 Triple Net 60

Lease Comments: The lease information was confirmed by CoStar with the parties involved.

S	Riverwalk Holdings, Ltd. 1132 Glade Road Colleyville, TX 76034	2008 7,780			
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Lease Comparable Photographs



Lease Comp #1
1202 S. White Chapel Boulevard



Lease Comp #2
4004 Gateway Dr. POB



Lease Comp #3
5005 Thompson Ter Office

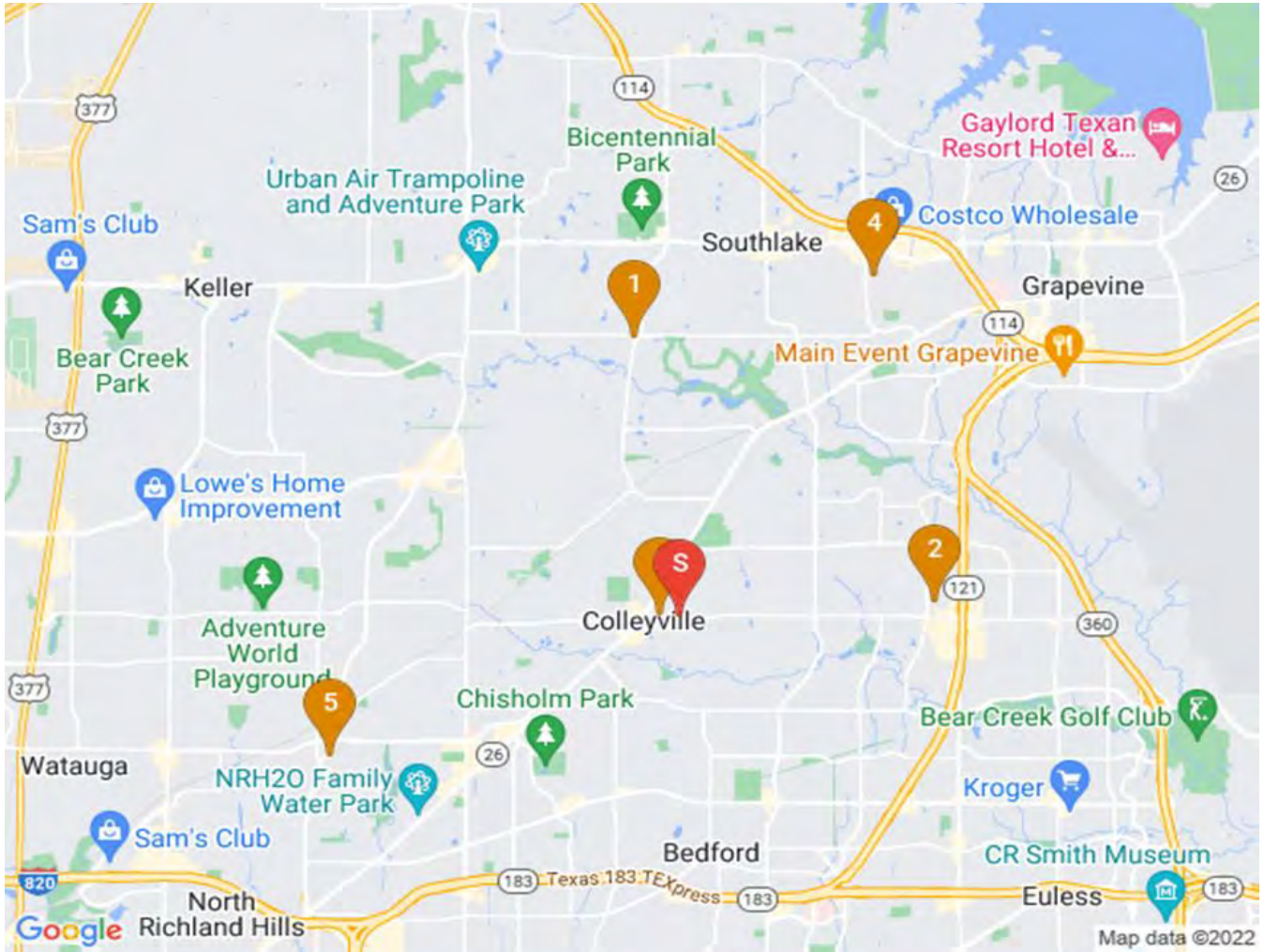


Lease Comp #4
Kimball Office Bldg 2



Lease Comp #5
6248 Davis Office

Lease Comparables Map



No.	Name	Location	Miles From Subject	Suite Size	Base Rent/SF
1	1202 S. White Chapel Boulevard	Southlake, TX	3.1	1,045	\$17.50
2	4004 Gateway Dr. POB	Colleyville, TX	2.6	1,485	\$18.00
3	5005 Thompson Ter Office	Colleyville, TX	0.2	2,900	\$16.75
4	Kimball Office Bldg 2	Southlake, TX	4.2	9,000	\$18.00
5	6248 Davis Office	North Richland Hills, TX	3.9	5,014	\$17.50
S	Riverwalk Holdings, Ltd.	Colleyville, TX		7,780	

Analysis and Adjustment of Comparable Rentals

The rent comparables have been analyzed and compared with the subject property. Adjustments are considered for the following factors, in the sequence shown below.

Lease Adjustment Summary

Adjustment Factor	Accounts For	Comments
Expense Structure	Division of expense responsibilities between landlord and tenants.	No adjustments for expense structure were required.
Conditions of Lease	Extraordinary motivations of either landlord or tenant to complete the transaction.	No adjustments for conditions of lease were required.
Market Trends/Year	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.	The leases took place from March 2020 to April 2022. Market conditions generally have been strengthening over this period through the effective date of value. As a result, we apply upward adjustments of 2.0% per year to account for this trend.
Location	Market or submarket area influences on sale price or rental rate; surrounding land use influences.	Comparables 1 and 4 have been adjusted downward due to their superior location when compared to the subject property. The remaining three comparables have not been adjusted.
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility; traffic counts.	No adjustments for access/exposure were required.
Size	Inverse relationship that often exists between parcel size and unit value.	No adjustments for size were required.
Building Quality	Construction quality, amenities, market appeal, functional utility.	No adjustments for building quality were required.
Age/Condition	Effective age; physical condition.	Comparable 4 has been adjusted downward due to its superior age/condition when compared to the subject property. Comparable 1 has been adjusted upward due to its inferior age/condition when compared to the subject property. The remaining three comparables have not been adjusted.
Economic Characteristics	Non-stabilized occupancy, above/below market rents, and other economic factors. Excludes differences in rent levels that are already considered in previous adjustments, such as for location or quality.	No adjustments for economic characteristics were required.
Land to Building Ratio	Ratio of land area to building area	No adjustments for land to building ratio were required.
Parking Ratio RA	Ratio of parking spaces per 1,000 SF of rentable area	No adjustments for parking ratio were required.

On the following page is a lease comparison grid displaying the subject property, the comparables and the adjustments applied.

Lease Analysis Grid - Office

Office	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Name	Riverwalk Holdings, Ltd.	1202 S. White Chapel	4004 Gateway Dr.	5005 Thompson Ter	Kimball Office Bldg 2	6248 Davis Office
Address	1132 Glade Road	1202 S. White Chapel	4004 Gateway Dr.	5005 Thompson Ter	405 S Kimball	6248 Davis Boulevard
City	Colleyville	Southlake	Colleyville	Colleyville	Southlake	North Richland
County	Tarrant	Tarrant	Tarrant	Tarrant	Tarrant	Tarrant
State	TX	TX	TX	TX	TX	TX
Date	Jul-2022	Apr-2022	Dec-2021	Mar-2021	Mar-2021	Mar-2020
Lease Type		NNN	Triple Net	Triple Net	Triple Net	Triple Net
Term		36	36	12	48	60
Year Built	2008	1997	2008	2005	2017	2007
Suite Size	7,780	1,045	1,485	2,900	9,000	5,014
Tenant		Unknown	Confidential	Century 21 Judge Fite	DJfs	Aspire Chioropractic
Parking Ratio RA	0	0	6	3	4	7
Base Rent/SF		\$17.50	\$18.00	\$16.75	\$18.00	\$17.50
Transaction Adjustments						
Expense Structure		NNN	Triple Net	Triple Net	Triple Net	Triple Net
\$ Adjustment		-	-	-	-	-
Conditions of Lease		Normal	Normal	Normal	Normal	Normal
% Adjustment		-	-	-	-	-
Market Trends/Year	2.0%	1%	1%	3%	3%	5%
Adjusted Rent		\$17.61	\$18.23	\$17.22	\$18.50	\$18.35
Location		-5%	-	-	-5%	-
Access/Exposure		-	-	-	-	-
Size		-	-	-	-	-
Building Quality		-	-	-	-	-
Age/Condition		10%	-	-	-10%	-
Economic Characteristics		-	-	-	-	-
Land to Building Ratio		-	-	-	-	-
Parking Ratio RA		-	-	-	-	-
Adjusted Rent		\$18.49	\$18.23	\$17.22	\$15.73	\$18.35
Net Adjustments		6%	1%	3%	-13%	5%
Gross Adjustments		16%	1%	3%	18%	5%
Summary Indicators						
		Range	Average	Median		
Comparables - Unadjusted		\$16.75 - \$18.00	\$17.55	\$17.50		
Comparables - Adjusted		\$15.73 - \$18.49	\$17.60	\$18.23		
Concluded Market Rent		\$17.50 /SF				

Market Rent Conclusions

Our concluded marketing lease assumptions for each space type are shown in the following table.

Concluded Market Leasing Assumptions

Space Type	Market SF	Market Rent	Measure	Rent Escalations	Lease Type	Lease		Renewal Probability	LC New	LC Renewal	Months Downtime	
						Term (Mos.)	TI/SF New					
Office	7,780	\$17.50	\$/SF/Year	\$0.50/SF annual	Triple Net	60	\$25.00	\$5/SF	75%	6.00%	4.00%	6

In addition to the above, we consider the following current listings as supplemental data.

- 8508 Precinct Line Rd, Colleyville, TX – 4,678 SF space built in 2016, listed for \$17.00/SF
- 4508 Colleyville Blvd, Colleyville, TX – 2,075 SF space built in 2009, listed for \$18.50/SF
- 5001 Thompson Ter, Colleyville, TX – 2,900 SF space built in 2018, listed for \$19.00/SF

Potential Gross Income

The following table summarizes the potential gross rent of the subject based on market lease terms.

Potential Gross Income - Vacant Space

Potential Gross Rent			Market	Market
Vacant Space	SF	Units	Rent	Rent/SF
Office	7,780	1	\$136,150	\$17.50

Expense Reimbursements

Income is generated from tenant obligations to reimburse the owner for pass-through of all operating expenses.

Vacancy and Collection Loss

As discussed in the Market Analysis, the current submarket vacancy rate is 13.1%. CoStar Analytics reports a vacancy rate of 8.0% for office properties less than 20,000 square feet in the subject's submarket. Based on a review of market conditions and the subject's operating history we have projected vacancy and collection loss at 8.0%.

Expenses

To develop projections of stabilized operating expenses, we analyze the comparable data. The following table summarizes our analysis.

Expense Comparables

	Subject		Comp 1	Comp 2	Comp 3	Comp 4
	City		Sunnyvale	Grapevine	Fort Worth	Colleyville
	Date		12/31/2020	1/1/2022	12/31/2021	1/1/2021
	Rentable Area		11,492	14,298	11,592	4,689
	JLL					
	EGI Projection 1		\$253,538	\$255,435	\$240,389	\$102,002
Tax Expense	\$/SF	\$5.05	\$6.04	\$3.48	\$2.32	\$4.04
Insurance	\$/SF	\$0.75	\$0.92	\$0.73	\$0.51	\$2.18
Total Utilities	\$/SF	\$1.00	N/A	\$0.64	\$1.92	\$0.76
Repairs and Maintenance	\$/SF	\$0.75	\$0.81	\$1.63	\$0.66	\$0.55
Cleaning and Janitorial	\$/SF	\$0.50	N/A	\$0.63	\$0.99	\$0.26
General and Administrative	\$/SF	\$0.50	\$1.37	\$0.01	\$0.27	\$0.16
Management	% EGI	3.0%	3.2%	N/A	N/A	N/A
Total Expenses	\$/SF	\$9.29	\$9.85	\$7.12	\$6.67	\$7.94
Total Expenses	% EGI	37.7%	44.6%	39.9%	32.2%	36.5%

History and Projections

	JLL
Income	Projection 1
Base Rent	\$136,150
Expense Reimbursements	\$72,243
Eff./Potential Gross Income(1)	\$208,393
Less Vacancy & Collection Loss @ 8.00%	(\$16,671)
Effective Gross Income	\$191,722
Expenses	
Tax Expense	\$39,261
Insurance	\$5,835
Total Utilities	\$7,780
Repairs and Maintenance	\$5,835
Cleaning and Janitorial	\$3,890
General and Administrative	\$3,890
Management	\$5,752
Total Expenses	\$72,243
Expense Ratio	37.7%
Net Operating Income	\$119,479

(1)Historic, Annualized and Budget = Effective Income after vacancy and loss, Projections = Potential Gross Income before vacancy and collection loss

Tax Expense

This expense category includes all local, county, and state property tax levies, including special assessments.

Tax Expense

	JLL	Comp 1	Comp 2	Comp 3	Comp 4
	Projection 1	2020	2022	2021	2021
Total	\$39,261	\$69,445	\$49,731	\$26,879	\$18,931
% of EGI	20.5%	27.4%	19.5%	11.2%	18.6%
\$/SF	\$5.05	\$6.04	\$3.48	\$2.32	\$4.04

Insurance

Coverage for loss or damage to the property caused by the perils of fire, lightning, extended coverage perils, vandalism and malicious mischief, and additional perils.

Insurance

	JLL	Comp 1	Comp 2	Comp 3	Comp 4
	Projection 1	2020	2022	2021	2021
Total	\$5,835	\$10,597	\$10,371	\$5,857	\$10,200
% of EGI	3.0%	4.2%	4.1%	2.4%	10.0%
\$/SF	\$0.75	\$0.92	\$0.73	\$0.51	\$2.18

Total Utilities

Utilities expenses typically include electric, gas, water, sewer, and trash removal.

Total Utilities

	JLL	Comp 1	Comp 2	Comp 3	Comp 4
	Projection 1	2020	2022	2021	2021
Total	\$7,780	N/A	\$9,200	\$22,309	\$3,542
% of EGI	4.1%	N/A	3.6%	9.3%	3.5%
\$/SF	\$1.00	N/A	\$0.64	\$1.92	\$0.76

Repairs and Maintenance

All expenses incurred for the general repairs and maintenance of the building including common areas and general upkeep. Repairs and maintenance expense includes elevator, HVAC, electrical and plumbing, structural/roof, and other repairs and maintenance expense items.

Repairs and Maintenance

	JLL	Comp 1	Comp 2	Comp 3	Comp 4
	Projection 1	2020	2022	2021	2021
Total	\$5,835	\$9,359	\$23,312	\$7,648	\$2,600
% of EGI	3.0%	3.7%	9.1%	3.2%	2.5%
\$/SF	\$0.75	\$0.81	\$1.63	\$0.66	\$0.55

Cleaning and Janitorial

This item includes all cleaning and janitorial supplies as well as contract service expenses.

Cleaning and Janitorial

	JLL	Comp 1	Comp 2	Comp 3	Comp 4
	Projection 1	2020	2022	2021	2021
Total	\$3,890	N/A	\$9,030	\$11,508	\$1,200
% of EGI	2.0%	N/A	3.5%	4.8%	1.2%
\$/SF	\$0.50	N/A	\$0.63	\$0.99	\$0.26

General and Administrative

General and Administrative may include staff wages and benefits, consulting expenses, miscellaneous insurance, office supplies, audit fees, subscriptions, etc.

General and Administrative

	JLL Projection 1	Comp 1 2020	Comp 2 2022	Comp 3 2021	Comp 4 2021
Total	\$3,890	\$15,732	\$198	\$3,118	\$750
% of EGI	2.0%	6.2%	0.1%	1.3%	0.7%
\$/SF	\$0.50	\$1.37	\$0.01	\$0.27	\$0.16

Management

An expense item representing the sum paid for management services; a variable operating expense. Management services may be contracted for or provided by the property owner. Management expenses may include supervision, telephone service, clerical help, legal or accounting services, printing and postage, and advertising. Management fees may occasionally be included among recoverable operating expenses.

Management

	JLL Projection 1	Comp 1 2020	Comp 2 2022	Comp 3 2021	Comp 4 2021
Total	\$5,752	\$8,012	N/A	N/A	N/A
% of EGI	3.0%	3.2%	N/A	N/A	N/A

Net Operating Income

NOI Projection

Income	Annual	Per SF
Base Rent	\$136,150	\$17.50
Expense Reimbursements	\$72,243	\$9.29
Potential Gross Income	\$208,393	\$26.79
Less Vacancy & Collection Loss @ 8.00%	-\$16,671	-\$2.14
Effective Gross Income	\$191,722	\$24.64
Expenses		
Tax Expense	\$39,261	\$5.05
Insurance	\$5,835	\$0.75
Total Utilities	\$7,780	\$1.00
Repairs and Maintenance	\$5,835	\$0.75
Cleaning and Janitorial	\$3,890	\$0.50
General and Administrative	\$3,890	\$0.50
Management	3% \$5,752	\$0.74
Total Expenses	\$72,243	\$9.29
Net Operating Income	\$119,479	\$15.36

Capitalization Rate

The capitalization rate is the factor that converts the stabilized net operating income (NOI) to a present value. It is the ratio of net income to value or sale price.

$$\text{NOI} \div \text{Sale Price} = \text{Capitalization Rate}$$

For example, if a property sells for \$500,000, and has a stabilized NOI of \$50,000, the indicated capitalization rate is 10%.

Market Extracted Rates

The table below details capitalization rates extracted from the market.

Comparable Sale Capitalization Rates

No.	Name	City	State	Rentable Area	Year Built	Price	Price Per RA	Date	Cap Rate
1	Grapevine Pkwy	Grapevine	TX	10,652	2003	\$2,750,000	\$258.17	Dec-2021	N/A
2	1105 Cheek Sparger	Colleyville	TX	3,993	2003	\$860,000	\$215.38	Mar-2021	N/A
3	516 Silicon	Southlake	TX	5,611	2019	\$1,700,000	\$302.98	Jun-2020	N/A
4	2320 W Southlake	Southlake	TX	4,142	1999	\$925,000	\$223.32	Mar-2020	N/A
Supplemental Comparables									
6	4141 FM 1461	McKinney	TX	6,810	2006	\$2,300,000	\$337.74	Mar-2022	5.55%
7	357 Keller Pkwy	Keller	TX	1,564	1997	\$372,000	\$237.85	Jun-2020	6.40%
8	1046 Texan Trl	Grapevine	TX	10,200	2005	\$2,700,000	\$264.71	Mar-2021	7.00%
9	1052 Texan Trl	Grapevine	TX	10,000	2006	\$2,275,000	\$227.50	Jan-2020	6.70%
Average (Mean):									6.41%
Median:									6.55%

As shown above, cap rates indicate a range of 5.55% to 7.0% for the subject.

Band of Investment

This technique utilizes lender and real estate investor investment criteria to develop, or synthesize a capitalization rate. There are four key inputs necessary for this method:

- The loan-to-value ratio (M)
- The mortgage interest rate (i)
- The loan term (n)
- The equity cap rate or equity dividend rate (RE)

Capitalization Rate Calculations

Capitalization Rate Variables

Mortgage Interest Rate	4.25%
Loan Term (Years)	28
Loan To Value Ratio	75%
Debt Coverage Ratio	1.3
Equity Dividend Rate	8.50%

Band of Investment Analysis

Mortgage Constant		Loan Ratio	Contributions
0.0611	x	75%	= 4.59%
Equity Dividend Rate		Ratio	
8.50%	x	25%	= 2.13%
Band of Investment Capitalization Rate			6.71%

Debt Coverage Ratio Analysis

Loan to Value Ratio x Debt Coverage Ratio x Mortgage Constant						
75%	x	1.3	x	0.06114	=	5.96%
Debt Coverage Ratio Capitalization Rate						5.96%

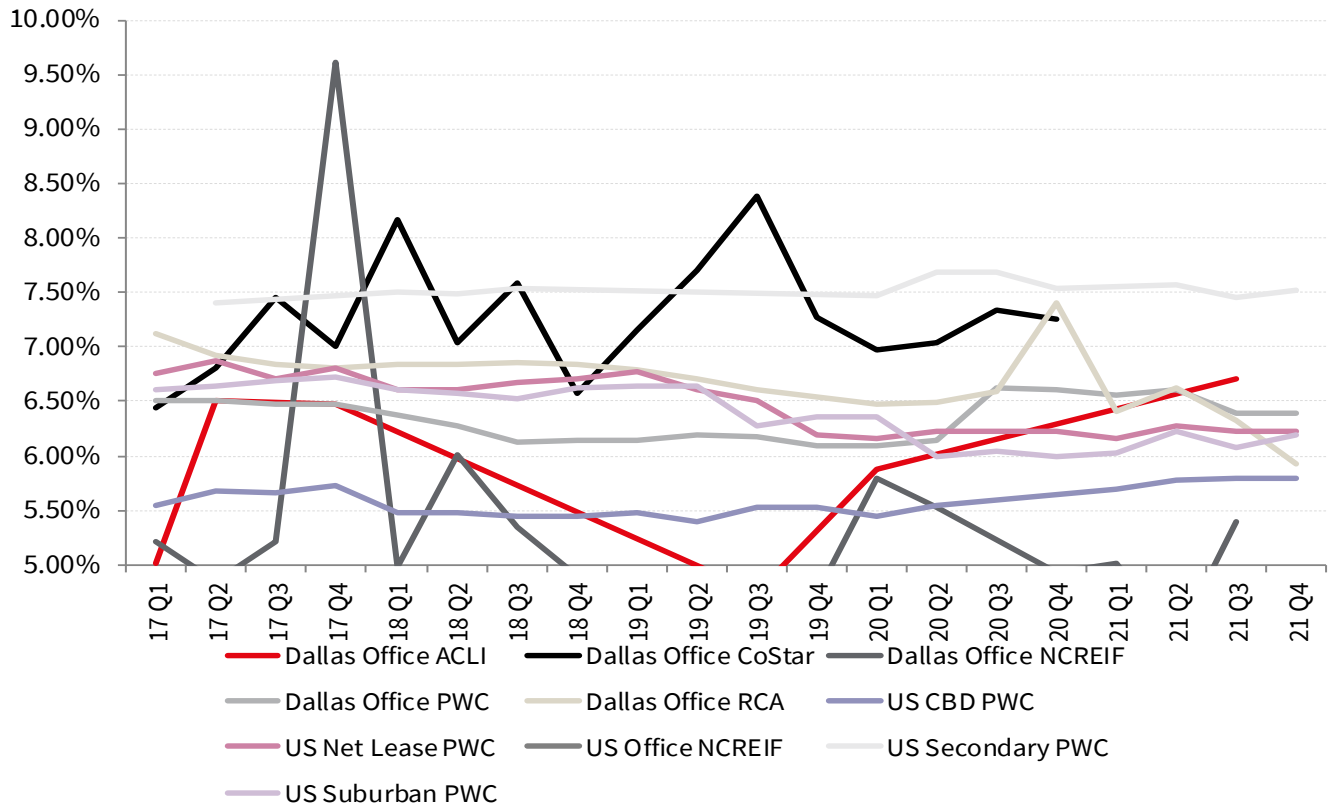
Published Investor Surveys

The results of the most recent investor surveys are summarized in the following chart.

Recent Investor Survey Office Cap Rates

Property Type	Source	Period	Cap Rate
Dallas			
Office	ACLI	21 Q3	Average 6.71%
	NCREIF	21 Q3	Average 5.39%
	PWC	21 Q4	Range 4.75% – 8.50%
		21 Q4	Average 6.39%
	RCA	21 Q4	Average 5.92%
US			
CBD	PWC	21 Q4	Range 4.25% – 8.50%
		21 Q4	Average 5.80%
Net Lease	PWC	21 Q4	Range 5.00% – 7.50%
		21 Q4	Average 6.22%
Secondary	PWC	21 Q4	Range 6.00% – 9.25%
		21 Q4	Average 7.52%
Suburban	PWC	21 Q4	Range 4.70% – 9.00%
		21 Q4	Average 6.19%

Office Cap Rate Trends



Capitalization Rate Conclusion

Based on the preceding analysis, we have concluded to a capitalization rate of 6.50%.

Direct Capitalization Analysis Conclusion

Based on the previous analysis, we have reconciled to a direct capitalization approach as follows:

Direct Capitalization

Premise	Value
As Is	July 21, 2022
Effective Gross Income	\$191,722
Expenses	\$72,243
Net Operating Income	\$119,479
Capitalization Rate	6.50%
Indicated Stabilized Value	\$1,838,137
Adjustments	
Lease-Up Costs	-\$118,000
Deferred Maintenance	-\$175,050
Total Adjustments	-\$293,050
Indicated As Is Value	\$1,545,087
Rounded As Is Value	\$1,550,000

Stabilization Calculations

When a property has a below market income stream due to high vacancy and/or below market rents, an adjustment to value is often necessary for lost income over the lease-up period, leasing commissions associated with lease-up and perhaps tenant fit-up and additional operating expenses associated with the vacant space over the lease-up period.

The table below details the stabilization calculations for the subject.

Lease-up Costs

Space Type	Lease-up Inputs					Total Costs					
	SF Vacant	Annual Rent/SF/Unit	Expense Recovery/SF/Unit	Lease Term (Mos.)	LC %	Months Forgone	Forgone Rent	Expense Recovery	Loss	LC	Total
Office	7,780	\$17.50	\$2.00	60	6.0%	6	\$68,075	\$7,780		\$40,845	\$116,700
Totals/Averages	7,780						\$68,075	\$7,780		\$40,845	\$116,700
Profit for Lease-up Risk at 10%											\$11,670
Grand Total											\$128,370
Total Per Available SF											\$16.50
Total Rentable Area			100%	7,780							
Stabilized Occupancy			92%	7,158							
Current Occupancy			0%	0							
Space to Lease to Stabilized Occupancy			92%	7,158							7,158
Times Total Lease-Up Costs/SF											\$16.50
Total Lease-Up Costs to Achieve Stabilized Occupancy											\$118,100
Rounded											\$118,000

Final Reconciliation

The process of reconciliation involves the analysis of each approach to value. The quality of data applied, the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed. Finally, each is considered separately and comparatively with each other.

Based on the preceding valuation analysis and subject to the definitions, assumptions, and limiting conditions expressed in the report, our value opinion follows:

Value Indications

Summary of Value Indications

	Market Value As Is
Cost Approach	Not Utilized
Sales Comparison Approach	\$1,650,000
Income Capitalization Approach	\$1,550,000
Reconciled	\$1,650,000

Cost Approach

The cost approach is most reliable for newer properties that have no significant amount of accrued depreciation.

As previously discussed, the Cost Approach is judged to be inapplicable and is not utilized.

Sales Comparison Approach

The sales comparison approach is most reliable in an active market when an adequate quantity and quality of comparable sales data are available. In addition, it is typically the most relevant method for owner-user properties, because it directly considers the prices of alternative properties with similar utility for which potential buyers would be competing.

There is a reasonably active market for comparable properties, and this approach most closely reflects buyer behavior. Accordingly, the sales comparison approach is given greatest weight in the value conclusion.

Income Approach

The income capitalization approach is usually given greatest weight when evaluating investment properties. The value indication from the income capitalization approach is supported by market data regarding income, expenses and required rates of return.

An owner-user is the most likely purchaser of the appraised property, and the income capitalization approach does not represent the primary analysis undertaken by the typical owner-user. Accordingly, this approach is given secondary weight in arriving at a value conclusion.

Value Conclusion

Based on the data and analyses developed in this appraisal, we have reconciled to the following value conclusion(s), subject to the Limiting Conditions and Assumptions of this appraisal.

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Fee Simple	July 21, 2022	\$1,650,000

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Exposure time is always presumed to

precede the effective date of the appraisal. Based on our review of recent sales transactions for similar properties and our analysis of supply and demand in the local Office market, it is our opinion that the probable exposure time for the subject at the concluded market value stated previously is 3-6 months.

Marketing Time

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. *Given the market uncertainty and volatility, marketing times are currently difficult to predict.* It is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 3-6 months.

Our estimate is supported by the following national investor survey data.

Investor Survey 2021 Q4 Office Marketing Time

Property Type	Marketing Time	
Dallas		
Office	Range	3.0 – 12.0
	Average	7.6
US		
CBD	Range	3.0 – 12.0
	Average	8.7
Net Lease	Range	2.0 – 18.0
	Average	6.2
Secondary	Range	3.0 – 12.0
	Average	6.8
Suburban	Range	1.0 – 15.0
	Average	7.0

Source: PwC Real Estate Investor Survey. MSAs with various data points have been averaged.

Limiting Conditions and Assumptions

1. All reports and work product we deliver to you (collectively called “report”) represent an opinion of value, based on historical information and forecasts of market conditions. Actual results may vary from those forecast in the report. There is no guaranty or warranty that the opinion of value reflects the actual value of the property.
2. The conclusions stated in our report apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events. Assessed values may change significantly and unexpectedly over short periods. We are not liable for any conclusions in the report that may be different if there are subsequent changes in value. We are not liable for loss relating to reliance upon our report more than three months after its date.
3. There may be differences between projected and actual results because events and circumstances frequently do not occur as predicted, and those differences may be material. We are not liable for any loss arising from these differences.
4. We are not obligated to predict future political, economic or social trends. We assume no responsibility for economic factors that may affect or alter the opinions in the report if the economic factors were not present as of the date of the letter of transmittal accompanying the report.
5. The report reflects an appraisal of the property free of any liens or encumbrances unless otherwise stated.
6. We assume responsible ownership and competent property management.
7. The appraisal process requires information from a wide variety of sources. We have assumed that all information furnished by others is correct and complete, up to date and can be relied upon, but no warranty is given for its accuracy. We do not accept responsibility for erroneous information provided by others. We assume that no information that has a material effect on our appraisal has been withheld.
8. We assume the following, unless informed to the contrary in writing: Each property has a good and marketable title. All documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other adverse title conditions, which would have a material effect on the value of the interest under consideration. There is no material litigation pending involving the property. All information provided by the Client, or its agents, is correct, up to date and can be relied upon. We are not responsible for considerations requiring expertise in other fields, including but not limited to: legal descriptions, interpretation of legal documents and other legal matters, geologic considerations such as soils and seismic stability, engineering, or environmental and toxic contaminants. We recommend that you engage suitable consultants to advise you on these matters.
9. We assume that all engineering studies are correct. The plot plans and illustrative material in the report are included only to help the reader visualize the property.

10. We assume that there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. We are not responsible for such conditions or for obtaining the engineering studies that may be required to discover them.
11. We assume that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the report. We have not made or requested any environmental impact studies in conjunction with the report. We reserve the right to revise or rescind any opinion of value that is based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the report assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
12. Unless otherwise stated in the report, you should assume that we did not observe any hazardous materials on the property. We have no knowledge of the existence of such materials on or in the property; however, we are not qualified to detect such substances, and we are not providing environmental services. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. Our report assumes that there is no such material on or in the property that would cause a loss in value. We do not assume responsibility for such conditions or for any expertise or engineering knowledge required to discover them. We encourage you to retain an expert in this field, if desired. We are not responsible for any such environmental conditions that exist or for any engineering or testing that might be required to discover whether such conditions exist. We are not experts in the field of environmental conditions, and the report is not an environmental assessment of the property.
13. We may have reviewed available flood maps and may have noted in the report whether the property is generally located within or out of an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property. Any opinion of value we include in our report assumes that floodplain and/or wetlands interpretations are accurate.
14. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether it is in compliance with the ADA. We claim no expertise in ADA issues, and render no opinion regarding compliance of the property with ADA regulations.
15. We assume that the property conforms to all applicable zoning and use regulations and restrictions unless we have identified, described and considered a non-conformity in the report.
16. We assume that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in the report is based.
17. We assume that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

18. We have not made any investigation of the financial standing of actual or prospective tenants unless specifically noted in the report. Where properties are valued with the benefit of leasing, we assume, unless we are informed otherwise, that the tenants are capable of meeting their financial obligations under the leases, all rent and other amounts payable under the leases have been paid when due, and that there are no undisclosed breaches of the leases.
19. We did not conduct a formal survey of the property and assume no responsibility for any survey matters. The Client has supplied the spatial data, including sketches and/or surveys included in the report, and we assume that data is correct, up to date and can be relied upon.
20. Unless otherwise stated, the opinion of value included in our report excludes any additional value attributable to goodwill, or to fixtures and fittings which are only of value, in situ, to the present occupier. We have made no allowance for any plant, machinery or equipment unless they form an integral part of the building and would normally be included in a sale of the building. We do not normally carry out or commission investigations into the capacity or condition of services being provided to the property. We assume that the services, and any associated controls or software, are in working order and free from defect. We also assume that the services are of sufficient capacity to meet current and future needs.
21. In the case of property where construction work is in progress, such as refurbishment or repairs, or where developments are in progress, we have relied upon cost information supplied to us by the Client or its appointed experts or upon industry accepted cost guides. In the case of property where construction work is in progress, or has recently been completed, we do not make allowance for any liability already incurred, but not yet discharged, in respect of completed work, or obligations in favor of contractors, subcontractors or any members of the professional or design team. We assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
22. Any allocation in the report of value between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
23. The report is confidential to the party to whom it is addressed and those other intended users specified in the report for the specific purpose to which it refers. Use of the report for any other purpose or use by any party not identified as an intended user of the report without our prior written consent is prohibited, and we accept no responsibility for any use of the report in violation of the terms of this Agreement.
24. We are not required to testify or provide court-related consultation or to be in attendance in court unless we have agreed to do so in writing.
25. Neither the whole report, nor any part, nor reference thereto, may be published in any manner without our prior written approval.

26. We may rely on, and will not verify, the accuracy and sufficiency of documents, information and assumptions provided to it by the Client or others. We will not verify documents, information and assumptions derived from industry sources or that JLL or its affiliates have prepared in the regular course of business. We are not liable for any deficiency in the report arising from the inaccuracy or insufficiency of such information, documents and assumptions. However, our report will be based on our professional evaluation of all such available sources of information.
27. JLL IS NOT LIABLE TO ANY PERSON OR ENTITY FOR LOSS OF PROFITS, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SIMILAR DAMAGES IN CONNECTION WITH THIS AGREEMENT. IN NO EVENT SHALL THE LIABILITY OF JLL AND ITS AFFILIATES IN CONNECTION WITH THIS AGREEMENT EXCEED THE FEE PAID TO JLL HEREUNDER.
28. Unless expressly advised to the contrary, we assume that appropriate insurance coverage is and will continue to be available on commercially acceptable terms.
29. We assume that no material changes in any applicable federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.



Appendix A

Appraiser Qualifications

Valuation Advisory



Ted Brooks, MAI, MRICS
 Managing Director, Valuation Advisory - Americas
 +1 817 334 8132
 ted.brooks@am.jll.com

Current responsibilities

Ted Brooks serves as the Managing Director of JLL's Valuation and Advisory Services (VAS) in the United States. In this role, he is focused on conducting appraisals and consulting assignments. Actively engaged in commercial real estate valuation and consulting since 1985, Mr. Brooks has extensive experience in appraisals on various properties including, but not limited to, senior housing projects, Low Income Housing Tax Credit projects, shopping centers, apartment complexes, industrial facilities, a former bomb storage site, a former air force base, raw and developed land, office complexes, motels, hotels, marinas, bowling alleys, amusement parks and mixed use developments. In addition, he has appraised LEED certified office, hotel and multifamily buildings.

Experience

Prior to joining JLL in late 2016, Mr. Brooks was with a national valuation firm, where he most recently served as Managing Director/Partner with the Dallas/Fort Worth offices. Mr. Brooks is qualified in Federal and Texas State Courts as an expert on real estate values. He has previously served as a Board Member of the City of Bedford Zoning Board of Adjustments. In addition, he has previously served as a Board Member and Board Secretary for Community Development Corporation of Tarrant County. As a graduate student, he spent one year as a research/teaching assistant involved in real estate research for the Texas Real Estate Center at Texas A&M University. He was an appraisal officer with Texas Commerce Bank, Inc. from 1985 to 1989. He was also a review appraiser with Guaranty Federal Bank from 1989 to 1990, and a senior appraiser with Noyd and O'Connell from 1990 to 1995.

Education

- MA, Specializing in Land Economics & Real Estate, Texas A&M University, College Station, Texas 1984
- BBA, Texas A&M University, College Station, Texas 1983

Affiliations

- Appraisal Institute
- The Royal Institution of Chartered Surveyors
- International Right of Way Association
- Society of Texas A&M Real Estate Professionals
- US Green Building Council – Dallas Chapter
- Mortgage Bankers Association – Dallas Chapter
- Past Member – The Real Estate Council, Dallas Chapter
- Past Member – Zoning Board of Adjustments – City of Bedford
- Past Vice Chairman & Secretary – Tarrant County Community Development Corporation

Certified General Real Estate Appraiser:

- | | |
|--------------|--------------|
| • Alabama | • Georgia |
| • Arizona | • Louisiana |
| • Arkansas | • New Mexico |
| • California | • New York |
| • Colorado | • Oklahoma |
| • Florida | • Texas |

TED DANIEL BROOKS
405 EAGLE DR
BEDFORD, TX 76021



**Certified General
Real Estate Appraiser**

Appraiser: **Ted Daniel Brooks**
License #: **TX 1320511 G** License Expires: **04/30/2023**

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

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


**Chelsea Buchholtz
Commissioner**

Valuation Advisory



Stuart Miller

Senior Vice President

+1-214-396-5467

stuart.miller@am.jll.com

Current responsibilities

Stuart Miller serves as a Senior Vice President with JLL Valuation Advisory in the United States. In this role, he is focused on real property, personal property, and partial interest valuations for lending, portfolios, financial reporting, estate and gift tax, purchase price allocation, consulting, market studies, and litigation support.

Experience

Mr. Miller is the National Practice Lead for the Data Center practice. He has deep expertise and experience in valuation and consulting on data centers, with assignments for Fortune 100 technology companies, international REITs, investors, national banks, lenders, and owner-operators. This experience features a wide range of property types, including colocation providers, owner-operated mission critical facilities, powered shell, turnkey net-leased, and carrier hotels.

Mr. Miller is a graduate of Baylor University where he received a Bachelor of Business Administration in Real Estate. Prior to joining JLL in late 2016, Mr. Miller was with a leading national valuation firm. Mr. Miller has extensive experience in various property types including, but not limited to: apartments, affordable housing, HUD MAP, office buildings, retail centers, power centers, life-style centers, convenience stores, manufacturing facilities, industrial distribution, self-storage, independent living, hospitals, long-term acute care, emergency clinics, surgery centers, medical office buildings, data centers, mixed-use retail, and both raw & developed land.

Education

- Bachelor of Business Administration, Real Estate
- Baylor University, Waco, TX

Affiliations

- General Candidate for Designation, Appraisal Institute

Certified General Real Estate Appraiser:

- Texas
- New Mexico
- Louisiana
- Oklahoma
- New Jersey
- Virginia
- Illinois
- Michigan
- Georgia
- North Carolina

STUART ADAM MILLER
5811 LINDELL AVE
UNIT 102
DALLAS, TX 75206



**Certified General
Real Estate Appraiser**

Appraiser: **Stuart Adam Miller**
License #: **TX 1380866 G** License Expires: **01/31/2023**

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

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


**Chelsea Buchholtz
Commissioner**



Appendix B

Definitions

Definitions

The source of the following definitions is the Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015), unless otherwise noted.

Amenity

A tangible or intangible benefit of real property that enhances its attractiveness or increases the satisfaction of the user. Natural amenities may include a pleasant location near water or a scenic view of the surrounding area; man-made amenities include swimming pools, tennis courts, community buildings, and other recreational facilities.

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.

Class of Apartment Property

For the purposes of comparison, apartment properties are grouped into three classes. These classes represent a subjective quality rating of buildings, which indicates the competitive ability of each building to attract similar types of tenants. Combinations of factors such as rent, building finishes, system standards and efficiency, building amenities, location/accessibility, and market perception are used as relative measures.

Class A apartment properties are the most prestigious properties competing for the premier apartment tenants, with rents above average for the area. Buildings have high-quality standard finishes, architectural appeal, state-of-the-art systems, exceptional accessibility, and a definite market presence.

Class B apartment properties compete for a wide range of users, with rents in the average range for the area. Class B buildings do not compete with Class A buildings at the same price. Building finishes are fair to good for the area, and systems are adequate.

Class C apartment properties compete for tenants requiring functional space at rents below the average for the area. Class C buildings are generally older, and are lower in quality and condition.

(Adapted from “Class of Office Building” in *The Dictionary of Real Estate Appraisal*.)

Deferred Maintenance

Needed repairs or replacement of items that should have taken place during the course of normal maintenance.

Depreciation

A loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date.

Discounted Cash Flow (DCF) Analysis

The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate.

Disposition Value

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a future exposure time specified by the client.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. An adequate marketing effort will be made during the exposure time specified by the client.
8. Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
9. 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.
10. This definition can also be modified to provide for valuation with specified financing terms.

Effective Date of Appraisal

The date to which the appraiser's analyses, opinions, and conclusions apply; also referred to as date of value.

Entrepreneurial Profit

A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses.

In economics, the actual return on successful management practices, often identified with coordination, the fourth factor of production following land, labor, and capital; also called entrepreneurial return or entrepreneurial reward.

Excess Land; Surplus Land

Excess Land: Land that is not needed to serve or support the existing improvement. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land may have the potential to be sold separately and is valued independently.

Surplus Land: Land that is not currently needed to support the existing improvement but cannot be separated from the property and sold off. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel.

Exposure Time

An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

Extraordinary Assumption

An assignment-specific assumption as of the effective date regarding uncertain information used in the analysis which, if found to be false, could alter the appraiser's opinions of conclusions.

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Floor Area Ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.

Gross Building Area (GBA)

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the region.

Highest and Best Use

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property – specific with respect to the user and timing of the use – that is adequately supported and results in the highest present value.

Hypothetical Condition

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Lease

A contract in which rights to use and occupy land or structures are transferred by the owner to another for a specified period of time in return for a specified rent.

Leased Fee Interest

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

Leasehold Interest

The tenant's possessory interest created by a lease.

Liquidation Value

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars, or in terms of financial arrangements comparable thereto.
9. 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.
10. This definition can also be modified to provide for valuation with specified financing terms.

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements.

Market Value

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

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.

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

Multifamily Property Type

Residential structure containing five or more dwelling units with common areas and facilities. (Source: Appraisal Institute Commercial Data Standards and Glossary of Terms, Chicago, Illinois, 2004 [Appraisal Institute])

Multifamily Classifications

Garden/Low Rise Apartments: A multifamily development of two- or three-story, walk-up structures built in a garden-like setting; customarily a suburban or rural-urban fringe development. (Source: *Appraisal Institute*)

Mid/High-Rise Apartment Building: A multifamily building with four or more stories, typically elevator-served. (Source: Appraisal Institute)

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Rentable Floor Area (RFA)

Rentable area shall be computed by measuring inside finish of permanent outer building walls or from the glass line where at least 50% of the outer building wall is glass. Rentable area shall also include all area within outside walls less stairs, elevator shafts, flues, pipe shafts, vertical ducts, air conditioning rooms, fan rooms, janitor closets, electrical closets, balconies and such other rooms not actually available to the tenant for his furnishings and personnel and their enclosing walls. No deductions shall be made for columns and projections unnecessary to the building. (Source: *Income/Expense Analysis, 2013 Edition – Conventional Apartments, Institute of Real Estate Management, Chicago, Illinois*)

Replacement Cost

The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design and layout.

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building.

Room Count

A unit of comparison used primarily in residential appraisal. No national standard exists on what constitutes a room. The generally accepted method is to consider as separate rooms only those rooms that are effectively divided and to exclude bathrooms.

Stabilized Income

Income at that point in time when abnormalities in supply and demand or any additional transitory conditions cease to exist and the existing conditions are those expected to continue over the economic life of the property; projected income that is subject to change, but has been adjusted to reflect an equivalent, stable annual income.



Appendix C

Financials and Property Information

Flood Data

USPS Address: 1132 Glade Rd
Colleyville TX 76034-4227

Community Name: COLLEYVILLE, CITY OF

Community #: 480590

County: Tarrant

Census Tract: 1136.34

Flood Zone: X

Map Date: 2009-09-25

Flood Map Type and Color Options

Type: Zone Color:

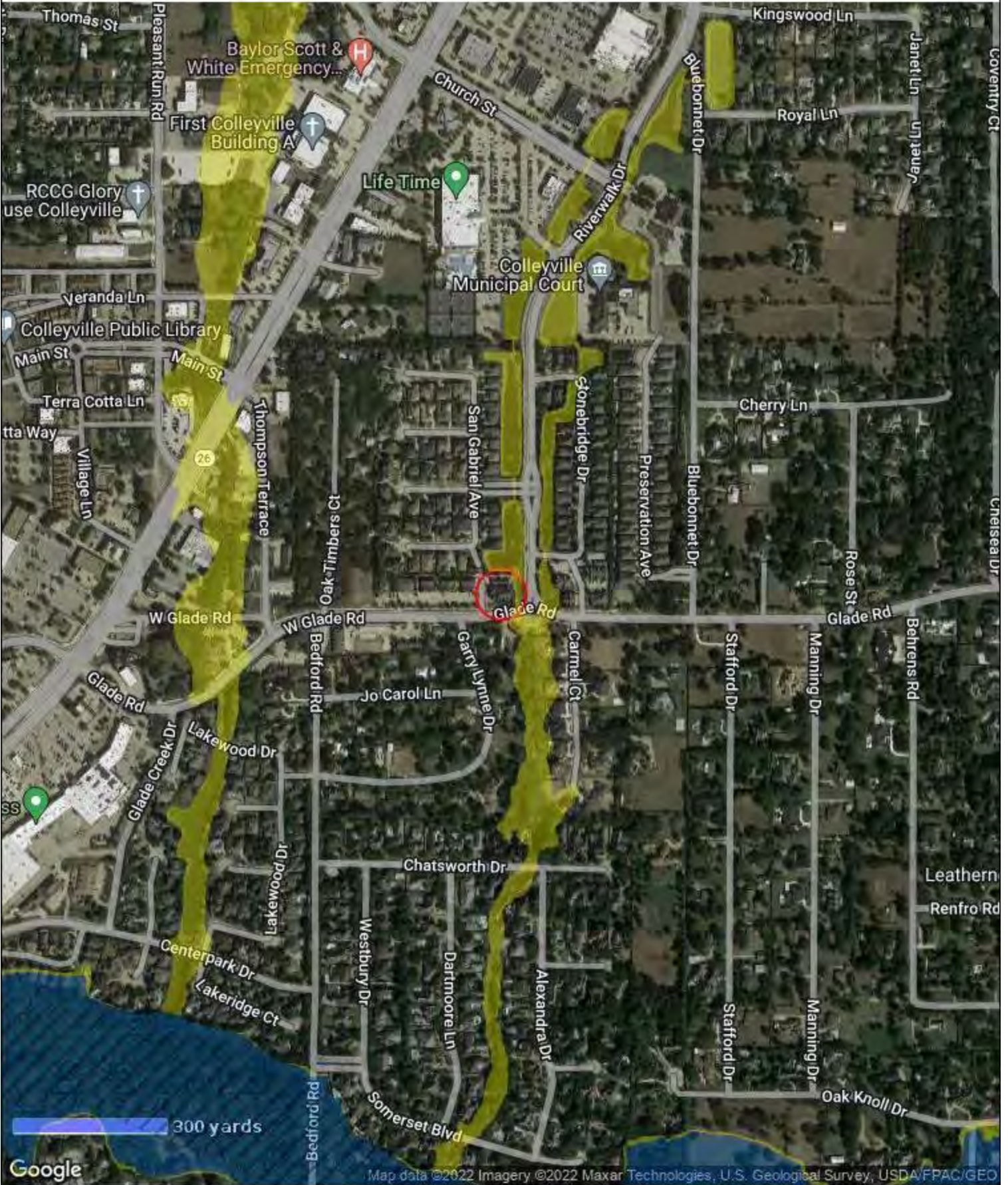


APPLY MAP OPTIONS

Flood Map

To Save your flood map, use your **right** mouse button and **click** directly on it. Then, depending on what you want to do, select:

- **Save Picture As...** to copy the flood map to your hard drive
- **Copy** to place the flood map in Windows memory so you can paste into another program
- **Print Picture ...** to print the flood map immediately



MAP DATA

FEMA Special Flood Hazard Area: **No**
 Map Number: **48439C0095K**
 Zone: **X**
 Map Date: **September 25, 2009**
 FIPS: **48439**

MAP LEGEND

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

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Account #: 41351932

Location

Property Address: 1132 GLADE RD [Interactive Maps](#)
City: COLLEYVILLE
Zipcode: 76034
Georeference: [34663-2-3R4](#)
Neighborhood Code: [OFC-Northeast Tarrant County](#)
Latitude: 32.8818122671
Longitude: -97.1488328669
TAD Map: [2102-440](#)
MAPSCO: [TAR-040J](#)

Property Data

Legal Description: RIVERWALK AT COLLEYVILLE
 Block 2 Lot 3R4

Jurisdictions: 005 CITY OF COLLEYVILLE
 220 TARRANT COUNTY
 906 GRAPEVINE-COLLEYVILLE ISD
 224 TARRANT COUNTY HOSPITAL
 225 TARRANT COUNTY COLLEGE

State Code: F1 Commercial

Agent: None

Notice Sent: 04-29-2022
Notice Value: \$1,825,704
Protest Deadline: 05-31-2022

Site Number: [80871577](#)

Site Name: LP INVESTMENTS

Site Class: OFCLowRise - Office-Low Rise
of Parcels: 1

Primary Building:

Building Name: LP INVESTMENTS LTD / 41351932
Building Type: Commercial
Year Built: 2008

Gross Building Area †††: 7,780
Net Leasable Area †††: 7,780
Land Sqft ♦: 35,409
Land Acres ♦: 0.8129

Pool: N

††† Rounded

♦ This represents one of a hierarchy of possible values ranked in the following order: Recorded, Computed, System, Calculated

Owner Information

Current Owner:
[KING FISHER LTD](#)
[1132 GLADE RD](#)
 COLLEYVILLE, TX 76034-4227

Deed Date: 01-01-2007
Deed Volume: 0000000
Deed Page: 0000000
Instrument: [000000000000000](#)

Values

This information is intended for reference only and is subject to change. It may not accurately reflect the complete status of the account as actually carried in TAD's database. [Tarrant County Tax Office Account Information](#)

Year	Improvement Market	Land Market	Total Market	Total Appraised †
2022	\$1,329,964	\$495,740	\$1,825,704	\$1,825,704
2021	\$1,329,964	\$495,740	\$1,825,704	\$1,825,704
2020	\$1,329,964	\$495,740	\$1,825,704	\$1,825,704
2019	\$1,329,964	\$495,740	\$1,825,704	\$1,825,704
2018	\$1,138,060	\$495,740	\$1,633,800	\$1,633,800
2017	\$988,212	\$495,740	\$1,483,952	\$1,483,952

A zero value indicates that the property record has not yet been completed for the indicated tax year
 † Appraised value may be less than market value due to state-mandated limitations on value increases



Appendix D

Comparable Data

Improved Sale Comparables

Office Sales Comparable 1

Property Information

Property Name	Grapevine Pkwy Professional Office Building
Property Type	Office Building
Address	2559 Grapevine Parkway
City	Grapevine
State	TX
Zip	76051
ID	436803
Tax ID	40350312

**Transaction Details**

Price	\$2,750,000
Date	12/21/2021
Price Per SF	\$258.17
Grantor	PGBA PROPERTIES LLP
Grantee	SW GRAPEVINE PARKWAY MOTEL 6 LLC
Property Rights	Fee Simple
Financing	Cash to seller
Conditions of Sale	Conventional
Transaction Type	Closed Sale
Book/Page or Reference	D221373670
Doc	
Occupancy Rate	0%

Site Data

Acres	1.56
Land SF	67,914

Improvement Data

GBA	10,652
Rentable Area	10,652
Year Built	2003
Stories	1
Parking Ratio	6.29/1,000 SF
FAR	0.16

Comments

Vacant at time of sale. The property can be divided into 3 separate suites.

Office Sales Comparable 2

Property Information

Property Name	1105 Cheek Sparger Road Office
Address	1105 Cheek Sparger Rd.
City	Colleyville
State	TX
Zip	76034
ID	382885
Tax ID	40169324



Transaction Details

Price	\$860,000
Date	3/12/2021
Price Per SF	\$215.38
Grantor	Myers, David W & Mary A Revocable Trust
Grantee	Cover-Tek Inc
Property Rights	Fee Simple
Financing	Cash to Seller
Conditions of Sale	Normal
Transaction Type	Closed Sale
Book/Page or Reference Doc	D221067614

Acres	0.47
Land SF	20,600
Zoning	Commercial

Improvement Data

GBA	3,993
Rentable Area	3,993
Year Built	2003
Renovations	NA
Building Class	B
Condition	Good
Stories	1
Parking Ratio	7.01/1,000 SF
FAR	0.19

Site Data

Comments

Confirmed sale. On March 12, 2021, this 3,993 square-foot office building in Tarrant County, Texas was transferred from David and Mary Myers to Cover-Tek Inc. in an owner-user sale for \$860,000.

Office Sales Comparable 3

Property Information

Property Name	516 Silicon
Property Type	Office Building
Address	516 Silicon Drive
City	Southlake
State	TX
Zip	76092
ID	355676
Tax ID	42073241

**Transaction Details**

Price	\$1,700,000
Date	6/5/2020
Price Per SF	\$302.98
Grantor	Altitude At Cornerstone Crossing, LLC
Grantee	DD Silicon, LLC
Property Rights	Fee Simple
Financing	Cash to Seller
Conditions of Sale	Normal
Transaction Type	Closed Sale
Book/Page or Reference Doc	D220129723
Occupancy Rate	0%

Acres	0.72
Land SF	31,259

Improvement Data

GBA	5,611
Rentable Area	5,611
Year Built	2019
Renovations	None
Building Class	A
Construction	Masonry
Condition	Good
No. of Buildings	1
Stories	1
Parking Ratio	4.63/1,000 SF
FAR	0.18

Site Data**Comments**

Sale of an owner-occupied office building. Class A interior finish-out. Can be easily subdivided in to multi-tenant occupancy.

Office Sales Comparable 4

Property Information

Property Name	2320 W Southlake Boulevard Office
Address	2320 W Southlake Blvd.
City	Southlake
State	TX
Zip	76092-6715
ID	382887
Tax ID	7216335

**Transaction Details**

Price	\$925,000
Date	3/31/2020
Price Per SF	\$223.32
Grantor	Southlake Crossing Animal Clinic
Grantee	Star Property Management LLC
Property Rights	Fee Simple
Financing	Cash to Seller
Conditions of Sale	Normal
Transaction Type	Closed Sale
Book/Page or Reference Doc	D220076055

Acres	0.53
Land SF	23,087

Improvement Data

GBA	4,142
Rentable Area	4,142
Year Built	1999
Building Class	B
Condition	Adequate
Stories	1
Parking Ratio	4.10/1,000 SF
FAR	0.18

Site Data**Comments**

Confirmed sale.

Lease Comparables

Office Lease Comparable 1

Property Information

Property Name	1202 S. White Chapel Boulevard
Address	1202 S. White Chapel Boulevard
City	Southlake
State	TX
Zip	76092
ID	418290
Tax ID	6514863



Transaction Details

Lessee	Unknown
Base Rent/SF	\$17.50
Base Rent/SF/Mo.	\$1.46
Lease Date	4/1/2022
Expire Date	3/31/2025
Lease Term	36
SF	1,045
Lease Type	NNN

Improvement Data

GBA	1,045
Rentable Area	1,045
Year Built	1997
Construction	D
Condition	Average
No. of Buildings	1
Parking Ratio	0.00/1,000 SF
FAR	0.03

Site Data

Acres	0.85
Land SF	37,026

Comments

Office Lease Comparable 2

Property Information

Property Name	4004 Gateway Dr. POB
Property Type	Office Building
Address	4004 Gateway Dr.
City	Colleyville
State	TX
Zip	76034
ID	413809



Transaction Details

Lessee	Confidential
Base Rent/SF	\$18.00
Base Rent/SF/Mo.	\$1.50
Escalations	Undisclosed
Lease Date	12/1/2021
Expire Date	10/31/2024
Lease Term	36
SF	1,485
Lease Type	Triple Net
Space Type	Office
Concessions	Undisclosed

Site Data

Acres	0.52
Land SF	22,651

Improvement Data

GBA	4,875
Rentable Area	4,875
Year Built	2008
Renovations	Various
Parking Ratio	6.15/1,000 SF
FAR	0.22

Comments

Office Lease Comparable 3

Property Information

Property Name	5005 Thompson Ter Office
Property Type	Condominium Unit(s)
Address	5005 Thompson Ter
City	Colleyville
State	TX
Zip	76034
ID	383380
Tax ID	3127540



Transaction Details

Lessee	Century 21 Judge Fite
Lessor	Acropolis Inc
Base Rent/SF	\$16.75
Base Rent/SF/Mo.	\$1.40
Escalations	None
Lease Date	3/1/2021
Lease Term	12
SF	2,900
Lease Type	Triple Net
Space Type	Office

Land SF	12,197
---------	--------

Improvement Data

GBA	2,900
Rentable Area	2,900
Year Built	2005
Building Class	B
No. of Buildings	1
Parking Ratio	2.76/1,000 SF
FAR	0.24

Site Data

Acres	0.28
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Comments

Office Lease Comparable 4

Property Information

Property Name	Kimball Office Bldg 2
Property Type	Office Building
Address	405 S Kimball
City	Southlake
State	TX
Zip	76092
ID	376004
Tax ID	1721313



Transaction Details

Lessee	DJfs
Base Rent/SF	\$18.00
Base Rent/SF/Mo.	\$1.50
Escalations	2.5% annually
Lease Date	3/1/2021
Lease Term	48
SF	9,000
Lease Type	Triple Net
Concessions	3 months free
Verification	JLL

Land SF	63,598
---------	--------

Improvement Data

GBA	15,500
Rentable Area	15,500
Year Built	2017
Building Class	Class B
Construction	Class C
Condition	Good
No. of Buildings	1
Parking Ratio	4.32/1,000 SF
FAR	0.24

Site Data

Acres	1.46
-------	------

Comments

Office Lease Comparable 5

Property Information

Property Name	6248 Davis Office
Property Type	Condominium Bldg(s)
Address	6248 Davis Boulevard
City	North Richland Hills
State	TX
Zip	76180
ID	348934
Tax ID	42551895

**Transaction Details**

Lessee	Aspire Chioropractic
Base Rent/SF	\$17.50
Base Rent/SF/Mo.	\$1.46
Escalations	Fixed Steps
Lease Date	3/1/2020
Expire Date	2/28/2025
Lease Term	60
SF	5,014
Lease Type	Triple Net
Space Type	Office
Concessions	Undisclosed
Verification	CoStar Confirmed

Zoning	TC
--------	----

Improvement Data

GBA	5,014
Rentable Area	5,014
Year Built	2007
Renovations	None
Building Class	B
Construction	Wood Frame
Condition	Average
No. of Buildings	1
Parking Ratio	6.78/1,000 SF
FAR	0.13
Fire Sprinkler Type	None

Site Data

Acres	0.86
Land SF	37,314

Comments

The lease information was confirmed by CoStar with the parties involved.



Appendix E

Engagement Letter



Ted Brooks
Managing Director
2401 Cedar Springs Road, Suite
100
Dallas, TX 75201
+1 817 334 75201
Ted.brooks@am.jll.com

July 18, 2022

Greg Milligan
Harney Partners
8911 N. Capital of Texas Highway, Suite 2120
Austin, TX 78759
gmilligan@harneypartners.com
512-626-1818

RE: Valuation & Advisory Services for the Property: 1132 Glade Road, Colleyville, TX 76034

Dear Mr. Milligan,

JLL Valuation & Advisory Services, LLC (JLL VA) is pleased to provide this proposal and engagement letter for valuation and advisory services regarding the Property.

PROPERTY IDENTIFICATION:	1132 Glade Road, Colleyville, TX 76034
PROPERTY TYPE:	Office
INTEREST APPRAISED:	Fee Simple
PURPOSE:	Market Value
INTENDED USERS:	Harney Partners [NO OTHER USERS ARE INTENDED BY JLL VALUATION & ADVISORY SERVICES, LLC.]
INTENDED USE:	Receivership Proceedings
VALUES PROVIDED:	As Is Market Value(s) (if applicable)
APPRAISAL STANDARDS:	Uniform Standards of Professional Appraisal Practice (USPAP) by the Appraisal Foundation, the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute
PROPERTY INSPECTION:	JLL VA will conduct a physical inspection of the Property
VALUATION APPROACHES:	All applicable approaches to value.
REPORT OPTION:	Appraisal Report
FEE:	\$5500
EXPENSES:	The fee includes the expenses related to this engagement. There will be no added charges for travel, delivery fees or report production costs.
RETAINER:	75% Retainer
FINAL PAYMENT:	Final Payment
DELIVERY DATE:	4 weeks from receiving the executed engagement letter and retainer (if applicable). Delays in obtaining the data needed to complete this assignment or delays in accessing the property for inspection (if applicable) may result in delays in the date our analysis is completed and delivered.



DELIVERY METHOD: A PDF of the report(s) will be delivered to the client contact identified on this engagement letter. Two hard copies are available at client's request. Additional copies can be requested at \$150 per copy.

NOTES:

HOURLY RATE SCHEDULE	
Title	Hourly Rate
Managing Director	\$600
Executive Vice President	\$500
Senior Vice President	\$400
Vice President	\$300
Associate	\$200
Analyst	\$150
Project Coordinator	\$80

This engagement letter is subject to the General Terms and Conditions attached to this letter as Exhibit A, the Statement of Assumptions and Limiting Conditions attached to this letter as Exhibit B.

Upon your acceptance of this Agreement, we will forward our information request and coordinate a property inspection, if applicable. Per USPAP, we are required to analyze any current purchase for the subject property and request that copies of these, or a term sheet be provided with other applicable information. We will update you within 48 hours of receiving the signed engagement to confirm our information request was provided and a property inspection is scheduled, if applicable.

We appreciate the opportunity to be of service. Providing white-glove service and the least amount of disruption at the property is our top priority.

Sincerely,

JLL VALUATION & ADVISORY SERVICES, LLC

Ted Brooks
Managing Director
+1 817 334 75201
Ted.brooks@am.jll.com



AGREED AND ACCEPTED BY:

Harney Partners

Greg Milligan
Signature

July 18, 2022
Date

Gregory S. Milligan, Receiver
Printed Name

gmilligan@harneypartners.com
Email Address

Court-Appointed Receiver
Title

(512) 626-1818
Phone Number

PROPERTY CONTACT:

Printed Name

Email Address

Company

Phone Number



Exhibit A

Terms and Conditions

1. INTRODUCTION

- 1.1** These Terms and Conditions supplement the proposal, agreement, letter of engagement or email (the “engagement”) between JLL Valuation and Advisory Services, LLC and the Client indicated in the engagement that sets out details of the Services to be provided to the Client. All capitalized terms in this exhibit have the meanings given to them in the engagement unless given a different meaning in this exhibit. These Terms and Conditions, together with the engagement and all other exhibits, schedules and riders to the engagement, are collectively called the “agreement”.

2. SERVICES

- 2.1** We will provide the Services using reasonable care and skill.
- 2.2** We may make changes to the Services if necessary to comply with any law or safety requirement. We will notify you if that happens. Otherwise, JLL and the Client must agree in writing to any changes to the Services, the Fees, or any other provision of the agreement.

3. CLIENT OBLIGATIONS

- 3.1** You agree to give us all documents and other information that we advise you are reasonably necessary for us to provide the Services.
- 3.2** You will maintain adequate property and public liability insurance to reasonably insure property that you own or occupy and any activities on that property. You will obtain all necessary licenses, permissions and consents which may be required to enable us to perform the Services (other than professional licenses that we are required to maintain to perform the Services). You are responsible to keep your property in a safe condition so that we may perform the Services in reasonable safety.
- 3.3** You will notify us promptly if you believe any information you have provided is incomplete or inaccurate.

4. DELAY

We are not responsible for any delay in our performance of the Services if caused by any event beyond our reasonable control, or for any delay caused by your failure to comply with the agreement.

5. FEES, EXPENSES AND PAYMENT

- 5.1** Our fee in its entirety is earned upon delivery of the first report. We will invoice you at time of delivery for any outstanding balance.
- 5.2** You agree that your obligation to pay the Fee is not contingent upon the results, conclusions or recommendations we provide.
- 5.3** If we are asked to invoice any other party, you agree to settle our invoice immediately if the other party does not do so within 30 days of the date of the invoice.
- 5.4** Delinquent payments under the agreement will earn interest at the rate of one and one-half percent (1-1/2%) per month from the date due until paid, or if lower, the maximum rate permitted by law. If the Fee or any part of it remains unpaid 30 days after it was due, you may not use any report or work product we have delivered to you for any reason.
- 5.5** If you terminate this agreement before the Services are completed, you will pay us, no later than the termination date, a reasonable fee proportionate to the part of the Services performed to the date of termination.
- 5.6** Our rights under Section 5.3 and 5.4 are in addition to, and will not limit, our right to pursue any other rights and remedies under the agreement or at law or in equity.

6. INDEMNITY

You agree to indemnify and defend us and hold us harmless from any loss, liability or expense (including attorneys’ fees) arising from a third party action, claim or proceeding (“Loss”) that we suffer arising out of the agreement or the Services, other than Loss that a court of competent jurisdiction has determined was the result of our negligence or willful misconduct. We agree to indemnify and defend you and hold you harmless from any Loss that you suffer arising out of our negligent performance of Services under the



agreement, other than Loss that is found by a court of competent jurisdiction to result from your negligence or willful misconduct.

7. EXCLUSIONS OF, AND LIMITATIONS ON, LIABILITY

- 7.1** EACH OF JLL AND THE CLIENT WAIVES ANY CLAIMS AGAINST EACH OTHER FOR LOSS OF PROFITS, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SIMILAR DAMAGES IN CONNECTION WITH THE AGREEMENT. IN NO EVENT SHALL JLL'S LIABILITY IN CONNECTION WITH THE AGREEMENT EXCEED THE FEE PAID TO JLL HEREUNDER.

8. TERMINATION

- 8.1** Either of us may terminate the agreement without reason by giving 30 days' advance written notice to the other.
- 8.2** Either of us may terminate the agreement immediately if the other breaches the agreement and fails to remedy the breach within 10 days of notice by the non-breaching party.
- 8.3** We may terminate the agreement immediately for any of the following reasons:
- (a) We cannot provide any of the Services due to conditions beyond our reasonable control.
 - (b) In our reasonable opinion, there is insufficient information available to provide a report or other work product that meets our standards.
 - (c) A conflict of interest arises which prevents us from acting for you.
 - (d) You have asked us to provide reports or work product that we do not consider to be accurate.

9. ASSUMPTIONS AND LIMITATIONS

- 9.1** Any report or other work product we deliver as part of the Services will be subject to our standard Statement of Assumptions and Limiting Conditions, provided as an exhibit and as part of the agreement, which will be incorporated into the report or work product.
- 9.2** We understand that you may wish to use the report or other work product we deliver as part of the Services to support your Stark law and Anti-Kickback compliance process. Our reports and work product are appraisals prepared

pursuant to Uniform Standards of Professional Appraisal Practice, and do not undertake to evaluate any such compliance. You acknowledge that many factors in addition to property value must be considered to determine Stark or anti-kickback law compliance, and agree that any reports and work product we deliver make no opinion or representation that any transaction involving property we appraise is compliant with Stark law or any anti-kickback law.

10. CONFIDENTIALITY

- 10.1** We each agree to maintain the confidentiality of each other's confidential information and will not disclose any information received in confidence from each other, until two years after termination or expiration of the agreement, except where required to do so by law.
- 10.2** Any report or other work product that we deliver to you in connection with the Services is confidential and may be used by only you, unless we agree otherwise in writing.

11. INTELLECTUAL PROPERTY RIGHTS

- 11.1** We retain all copyright (and other intellectual property rights) in all materials, reports, systems and other deliverables which we produce or develop for the purposes of the agreement, or which we use to provide the Services.
- 11.2** You will not reproduce or copy any part of any report or other work product we produce as part of the Services without our prior written consent.

12. GENERAL

- 12.1** The agreement may be modified only by a written agreement signed by both of us. Liability accruing before the agreement terminates or expires will survive termination or expiration.
- 12.2** The agreement states the entire agreement, and supersedes all prior agreements, between you and JLL with respect to the matters described in the agreement.
- 12.3** If a court determines that any part of the agreement is unenforceable, the remainder of the agreement will remain in effect.
- 12.4** The agreement is governed by the laws of the State of Illinois. Each of us irrevocably submits



to the exclusive jurisdiction of the courts of that State.

- 12.5** The agreement may be executed in multiple counterparts.
- 12.6** No director, officer, agent, employee or representative of either of us has any personal liability in connection with the agreement.
- 12.7** Neither of us may assign or transfer any rights or obligations under the agreement without the prior written approval of the other. We each agree to be reasonable in evaluating such a request for approval.
- 12.8** If there is any conflict between the terms of the letter and this exhibit, the terms of the letter will prevail.
- 12.9** If either of us fails to enforce any provision or exercise any right under the Agreement at any time, that failure will not operate as a waiver to enforce that provision or to exercise that right at any other time.
- 12.10** The agreement does not establish any partnership or joint venture between us, or make either of us the agent of the other.
- 12.11** A person who is not a party to the agreement does not have any rights to enforce its terms unless specifically agreed in writing.
- 12.12** Neither of us may publicize or issue any specific information to the media about the Services or the agreement without the written consent of the other.
- 12.13** Each of us represents to the other that it is not a person or entity with whom U.S. entities are restricted from doing business under regulations of the Office of Foreign Asset Control (“OFAC”) of the Department of the Treasury (including those named on OFAC’s Specially Designated and Blocked Persons List) or under any statute, executive order or other governmental action. Each of us agrees to comply with all applicable laws, statutes, and regulations relating to anti-bribery and anti-corruption.
- 12.14** If either party does not comply with the obligations under the agreement and legal action is commenced to enforce the rights under the agreement, the losing party will reimburse the prevailing party reasonable costs (including attorneys’ fees), associated with such action.
THE PARTIES HEREBY WAIVE TRIAL BY JURY.
- 12.15** Upon request by you, we will provide commercial general liability additional insured coverage to the property owner or its affiliates to

the extent a loss is attributable to JLL VA’s negligence.

- 12.16** Sections 5, 6, 7, 10, 11, 12.1, 13, 17 and 18 will survive termination of the agreement.

13. USE OF DATA AND DATA PROTECTION

- 13.1** You agree as follows: (i) The data we collect in connection with the agreement will remain our property. (ii) We and our affiliates may utilize, sell and include data you have provided (either in the aggregate or individually) in the databases of JLL and its affiliates and for use in derivative products. (iii) We may utilize all data already in the public domain on an unrestricted basis.
- 13.2** In order for us to provide the Services, we may need to record and maintain in hard copy and/or in electronic form, information regarding the Client, its officers and any other individuals connected with the Client (collectively “Data Subjects”). We may also verify the identity of Data Subjects, which could include carrying out checks with third parties such as credit reference, anti-money laundering or sanctions checking agencies.
- 13.3** We may use all information that we hold regarding Data Subjects to provide the Services. We may also use and share it with third parties for other purposes as described in our Privacy Statement available at www.jll.com. We may use both commercially available and proprietary software programs to perform the Services (web based and others).

14. SPECIAL EXPERTS

- 14.1** If you request our assistance in hiring a special expert to contribute to any assignment (such as a surveyor, environmental consultant, land planner, architect, engineer, business, personal property, machinery and equipment appraiser, among others), you will perform your own due diligence to qualify the special expert. You will be responsible to pay for the services of the special expert.
- 14.2** We not responsible for the actions and findings of any special expert. You agree to indemnify and defend us and hold us harmless from all damages that may arise out of your reliance on any special expert.



15. CONFLICTS POLICY

JLL adheres to a strict conflict of interest policy. If we learn of a conflict of interest, we will notify you and recommend a course of action to resolve the conflict. If we learn of a conflict that we do not believe can be resolved, we may terminate the agreement without penalty.

16. FIRREA REQUIREMENTS

Federal banking regulations require banks and other lending institutions to engage appraisers where FIRREA compliant appraisals must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions. Given that requirement, any report produced by JLL under the agreement, if ordered independent of a financial institution or agent, might not be FIRREA compliant or acceptable to a federally regulated financial institution.

17. USPAP REQUIREMENTS

The Ethics Rule of the Uniform Standards of Professional Appraisal Practice (“USPAP”) requires us to disclose to you any prior services (appraisal or otherwise) performed within three years prior to the date of this letter by the individual JLL appraiser who will be performing Services for the Property. We represent that to our knowledge, that JLL has not provided prior services within the designated disclosure period, outside of what we have identified.

18. USE OF WORK PRODUCT AND RELIANCE

- 18.1** You agree that any report or other work product we produce in connection with the Services are for your use only, and only for the purpose indicated in the agreement. No person or entity other than the Client may use or rely on any such report or work product unless we consent otherwise in writing, even if such reliance is foreseeable. Any person who receives a copy of any report or other work product we produce as

a consequence of disclosure requirements that apply to the Client, does not become an intended user of this report unless the Client specifically identified them at the time of the engagement.

- 18.2** You will not use any such report or work product in connection with any public documents. You will not refer to JLL in any public documents without our prior written consent. We may give or withhold our consent in our sole discretion for any purpose under this Section 18.
- 18.3** Notwithstanding the foregoing, JLL understands that applicable law in eminent domain proceedings may require you to disclose our reports and work product to landowners and to otherwise make our reports and work product available to the public. To the extent required by applicable law, JLL consents to such disclosure. However, you and only you, and no such landowner or other person or entity, may rely on our reports or our work product.

19. LITIGATION MATTERS

- 19.1** We are not required to testify or provide court-related consultation or to be in attendance in court unless we have agreed to do so in the agreement or otherwise in writing, or if required by law.
- 19.2** If we receive a subpoena or other judicial command to produce documents or to provide testimony in a lawsuit or proceeding regarding the agreement, we will notify you if allowed by law to do so. However, if we are not a party to these proceedings, you agree to compensate us for our professional time at the then prevailing hourly rates of the personnel responding to the subpoena or providing testimony, and to reimburse us for our actual expenses incurred in responding to any such subpoena or judicial command, including attorneys' fees, if any, as they are incurred.

v. 10_22_2020



Exhibit B

Statement of Assumptions and Limiting Conditions

1. All reports and work product we deliver to you (collectively called “report”) represents an opinion of value, based on historical information and forecasts of market conditions. Actual results may vary from those forecast in the report. There is no guaranty or warranty that the opinion of value reflects the actual value of the property.
2. The conclusions stated in our report apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events. Assessed values may change significantly and unexpectedly over short periods. We are not liable for any conclusions in the report that may be different if there are subsequent changes in value. We are not liable for loss relating to reliance upon our report more than three months after its date.
3. There may be differences between projected and actual results because events and circumstances frequently do not occur as predicted, and those differences may be material. We are not liable for any loss arising from these differences.
4. We are not obligated to predict future political, economic or social trends. We assume no responsibility for economic factors that may affect or alter the opinions in the report if the economic factors were not present as of the date of the letter of transmittal accompanying the report.
5. The report reflects an appraisal of the property free of any liens or encumbrances unless otherwise stated.
6. We assume responsible ownership and competent property management.
7. The appraisal process requires information from a wide variety of sources. We have assumed that all information furnished by others is correct and complete, up to date and can be relied upon, but no warranty is given for its accuracy. We do not accept responsibility for erroneous information provided by others. We assume that no information that has a material effect on our appraisal has been withheld.
8. We assume the following, unless informed to the contrary in writing: Each property has a good and marketable title. All documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other adverse title conditions, which would have a material effect on the value of the interest under consideration. There is no material litigation pending involving the property. All information provided by the Client, or its agents, is correct, up to date and can be relied upon. We are not responsible for considerations requiring expertise in other fields, including but not limited to: legal descriptions, interpretation of legal documents and other legal matters, geologic considerations such as soils and seismic stability, engineering, or environmental and toxic contaminants. We recommend that you engage suitable consultants to advise you on these matters.
9. We assume that all engineering studies correct. The plot plans and illustrative material in the report are included only to help the reader visualize the property.
10. We assume that there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. We are not responsible for such conditions or for obtaining the engineering studies that may be required to discover them.
11. We assume that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the report. We have not made or requested any environmental impact studies in conjunction with the report. We reserve the right to



revise or rescind any opinion of value that is based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the report assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.

12. Unless otherwise stated in the report, you should assume that we did not observe any hazardous materials on the property. We have no knowledge of the existence of such materials on or in the property; however, we are not qualified to detect such substances, and we are not providing environmental services. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. Our report assumes that there is no such material on or in the property that would cause a loss in value. We do not assume responsibility for such conditions or for any expertise or engineering knowledge required to discover them. We encourage you to retain an expert in this field, if desired. We are not responsible for any such environmental conditions that exist or for any engineering or testing that might be required to discover whether such conditions exist. We are not experts in the field of environmental conditions, and the report is not an environmental assessment of the property.
13. We may have reviewed available flood maps and may have noted in the report whether the property is generally located within or out of an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property. Any opinion of value we include in our report assumes that floodplain and/or wetlands interpretations are accurate.
14. We have not made a specific survey or analysis of the property to determine whether it is in compliance with the Americans with Disabilities Act ("ADA"), Stark law or any anti-kickback laws. We claim no expertise in such issues and render no opinion regarding compliance of you or the property with ADA, Stark law or anti-kickback law or regulations.
15. We assume that the property conforms to all applicable zoning and use regulations and restrictions unless we have identified, described and considered a non-conformity in the report.
16. We assume that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in the report is based.
17. We assume that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
18. We have not made any investigation of the financial standing of actual or prospective tenants unless specifically noted in the report. Where properties are valued with the benefit of leasing, we assume, unless we are informed otherwise, that the tenants are capable of meeting their financial obligations under the leases, all rent and other amounts payable under the leases have been paid when due, and that there are no undisclosed breaches of the leases.
19. We did not conduct a formal survey of the property and assume no responsibility for any survey matters. The Client has supplied the spatial data, including sketches and/or surveys included in the report, and we assume that data is correct, up to date and can be relied upon.
20. Unless otherwise stated, the opinion of value included in our report excludes any additional value attributable to goodwill, or to fixtures and fittings which are only of value, in situ, to the present occupier. We have made no allowance for any plant, machinery or equipment unless they form an integral part of the building and would normally be included in a sale of the building. We do not normally carry out or commission investigations into the capacity or condition of services being provided to the property. We assume that the services, and any



associated controls or software, are in working order and free from defect. We also assume that the services are of sufficient capacity to meet current and future needs.

21. In the case of property where construction work is in progress, such as refurbishment or repairs, or where developments are in progress, we have relied upon cost information supplied to us by the Client or its appointed experts or upon industry accepted cost guides. In the case of property where construction work is in progress, or has recently been completed, we do not make allowance for any liability already incurred, but not yet discharged, in respect of completed work, or obligations in favor of contractors, subcontractors or any members of the professional or design team. We assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
22. Any allocation in the report of value between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
23. The report is confidential to the party to whom it is addressed and those other intended users specified in the report for the specific purpose to which it refers. Use of the report for any other purpose or use by any party not identified as an intended user of the report without our prior written consent is prohibited, and we accept no responsibility for any use of the report in violation of the terms of this Agreement.
24. We are not required to testify or provide court-related consultation or to be in attendance in court unless we have agreed to do so in writing.
25. Neither the whole report, nor any part, nor reference thereto, may be published in any manner without our prior written approval.
26. We may rely on, and will not verify, the accuracy and sufficiency of documents, information and assumptions provided to it by the Client or others. We will not verify documents, information and assumptions derived from industry sources or that JLL or its affiliates have prepared in the regular course of business. We are not liable for any deficiency in the report arising from the inaccuracy or insufficiency of such information, documents and assumptions. However, our report will be based on our professional evaluation of all such available sources of information.
27. JLL IS NOT LIABLE TO ANY PERSON OR ENTITY FOR LOSS OF PROFITS, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SIMILAR DAMAGES IN CONNECTION WITH THIS AGREEMENT. IN NO EVENT SHALL THE LIABILITY OF JLL AND ITS AFFILIATES IN CONNECTION WITH THIS AGREEMENT EXCEED THE FEE PAID TO JLL HEREUNDER.
28. Unless expressly advised to the contrary, we assume that appropriate insurance coverage is and will continue to be available on commercially acceptable terms.
29. We assume that no material changes in any applicable federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
30. We may determine during the course of the assignment that additional Hypothetical Conditions and Extraordinary Assumptions may be required in order to complete the assignment. The report will be subject to those Hypothetical Conditions and Extraordinary Assumptions. Each person that is permitted to use the report agrees to be bound by all the Assumptions and Limiting Conditions and any Hypothetical Conditions and Extraordinary Assumptions stated in the report.

EXHIBIT 4



APPRAISAL REPORT

OFFICE

1132 Glade Road
Colleyville, Tarrant County, Texas



CLIENT

Harney Partners

August 1, 2022

Jim Hobby
Harney Partners
jhobby@harneypartners.com
214.740.6847

OFFICE
1132 Glade Road
Colleyville, Tarrant County, Texas



In accordance with your request and authorization, we have completed an Appraisal Report of the captioned property for the purpose of developing an opinion of the market value of the subject property. It is our intent to comply with 12 CFR, Subpart C - Subsection 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 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 following report, plus the Addenda, sets forth our findings and conclusions. Maps, plats and photographs that are considered essential to explain the reasoning followed in making the appraisal have been included and the conclusions are expressed therein. Also, no hazardous materials or waste were noted upon inspection of the subject property. Please refer to the Basic Assumptions and Limiting Conditions section of this report.

USPAP Standards Rule 1-2(h) states that an appraiser must identify the scope of work necessary to complete an assignment. The scope of work is acceptable when it is consistent with: (1) the expectations of participants in the market for the same or similar appraisal services; and (2) what the appraiser's peers' actions would be in performing the same or similar assignment in compliance with USPAP. In the case of the subject property, both of these USPAP criteria have been met.

NOTEWORTHY POINTS

- Subject is a 7,780 SF office that is 100% vacant and displays deferred maintenance.
- Subject is not listed nor under contract.
- The Sales Approach to value was fully developed and utilized herein. It is noted and emphasized that the omission of the Income and Cost Approaches to value is not considered to, in any way, reduce the validity of the value conclusions herein. The Income Approach is applicable; however, it was not utilized given the robust data available via the Sales Approach, and the majority being owner-occupied. The Cost Approach was omitted due to the subjectivity of estimating the depreciation of the subject improvements.

COVID-19 continues to impact the economy and commercial real estate. LPA is working diligently to capture and analyze current market data to reliably quantify impacts on real property values. We are conducting interviews with market participants, as well as relying on available survey data in order to support our conclusions regarding COVID-19.

The appraisal, subject to the assumptions and limiting conditions as expressed herein and conducted according to the Uniform Standards of Professional Appraisal Practice, led us to develop the opinion of market value as follows:

VALUE CONCLUSION			
Status	Interest	Date	Value
As Is	Fee Simple	July 22, 2022	\$1,830,000

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 us know.

Lowery Property Advisors, LLC



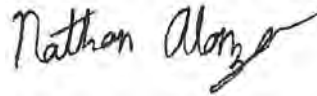
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 mark@lowerypa.com



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Nathan Alonzo
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 nalonzo@lowerypa.com

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SALIENT DATA

GENERAL

Dates of Valuation	July 22, 2022 "As Is"
Date of Inspection	July 22, 2022
Property Rights	Fee Simple

SITE

Location	The subject property is located on the north side of Glade Road, just east of Riverwalk Drive. The physical address associated with the subject is 1132 Glade Road, Colleyville, Tarrant County, Texas.
Site Description	The subject site is 0.812-acres (35,409 SF) and is generally rectangular in shape with level topography. Some flood plain is noted. Reader is referred to the <i>Site Description</i> section for further details.
Legal Description	0.812-acres of Lot 3R4, Block 2, Riverwalk at Colleyville Addition, Colleyville, Tarrant County, Texas.
Zoning	"PUD-R" – Planned Urban Development - Residential

IMPROVEMENTS

General Description	The subject site is improved with a 7,780 SF, single tenant, office building. The improvement is of wood frame construction with a brick and stone veneer and a pitched roof system. It is noted the property displays some water damage; reader is referred to the Improvements section for further detail. The improvement is of good quality construction and is in good overall condition. Reader is referred to the <i>Improvements</i> section for further details.
Net Leasable Area	7,780 SF
Year of Construction	2008
Quality of Construction	Good
Condition of Improvements	Good
Land to Building Ratio	4.55:1

HIGHEST & BEST USE

As Vacant	Office building
As Improved	Use as an office

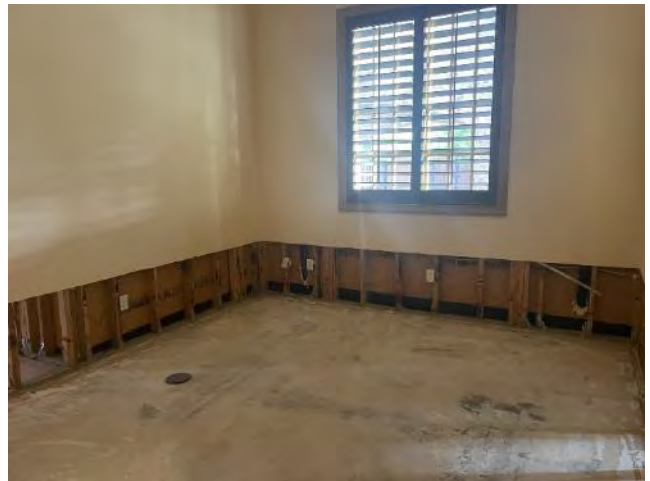


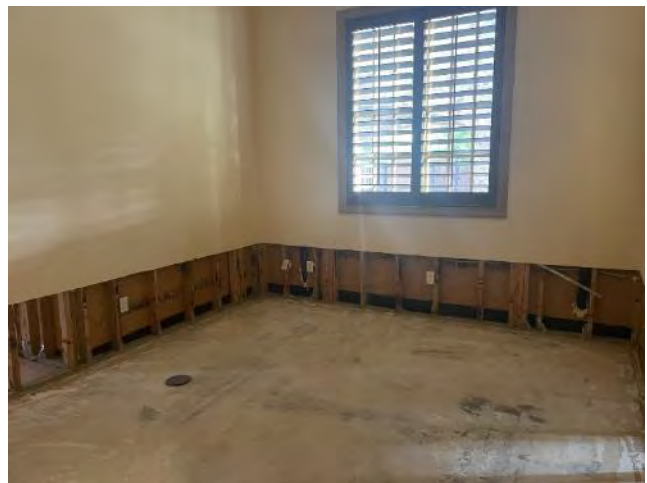
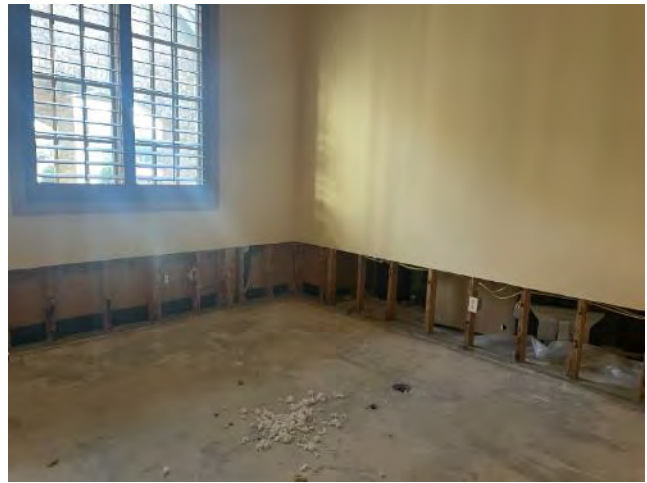


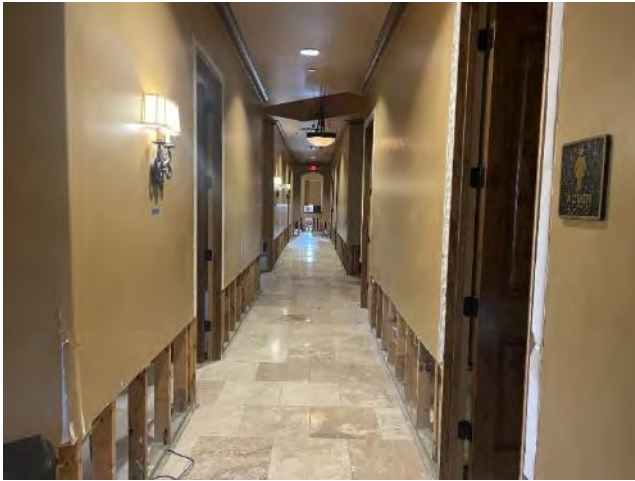
SUBJECT PHOTOS















INTRODUCTION

This is an Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. Supporting documentation concerning the data, reasoning and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated below. The appraiser is not responsible for unauthorized use of this report. Furthermore, as agreed upon with the client prior to the preparation of this appraisal, this is an appraisal as set forth by USPAP.

TYPE OF VALUE

The value definition employed in this report is *Market Value* as defined in 12 CFR - Part 34.42 (FIRREA), Department of the Treasury, Office of the Comptroller of the Currency.

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

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto; and
- 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.

Intended Use	For use by the intended user for internal decision making. No other uses are prescribed or warranted.
Intended User	Harney Partners
Client	Harney Partners
Interest Valued	Fee Simple
Dates of Valuation	July 22, 2022 "As Is"
Date of Inspection	July 22, 2022
Date of Report	August 1, 2022





SCOPE OF WORK

The scope of the assignment relates to the extent and manner in which research is conducted, data is gathered and analysis is applied. In preparing this appraisal, the appraisers did the following:

- Inspected the subject property;
- Searched the applicable market area for comparable market data. We utilized multiple sources including but not limited to: *Costar*, *Loopnet*, area brokers, local MLS, as well as our proprietary database.
- Interviewed landowners and local brokers familiar with the subject area and considered their insight of the current market and transactions;
- Obtained information from surrounding counties and area jurisdictions regarding zoning, taxes, property history, flood plain, utilities, etc.
- Developed an opinion of market value via the Sales Approach. The inclusion or exclusion of approaches to value was determined by LPA and not our client.
- It is noted and emphasized that the omission of the Income and Cost Approaches to value is not considered to, in any way, reduce the validity of the value conclusions herein. The Income Approach is applicable; however, it was not utilized given the robust data available via the Sales Approach, and the majority being owner-occupied. The Cost Approach was omitted due to the subjectivity of estimating the depreciation of the subject improvements.
- To develop the opinion of value, the appraiser performed an appraisal process, as defined by the Uniform Standards of Professional Appraisal Practice.

Extraordinary Assumptions & Hypothetical Conditions

It is emphasized that per USPAP, *“the use of extraordinary assumptions and or hypothetical conditions may have affected assignment results.”* These terms are defined as follows:

Extraordinary Assumption *“an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.”* This report is made with the following extraordinary assumption(s):

- None.

Hypothetical Condition, *“a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.”* This report is made with the following hypothetical condition(s):

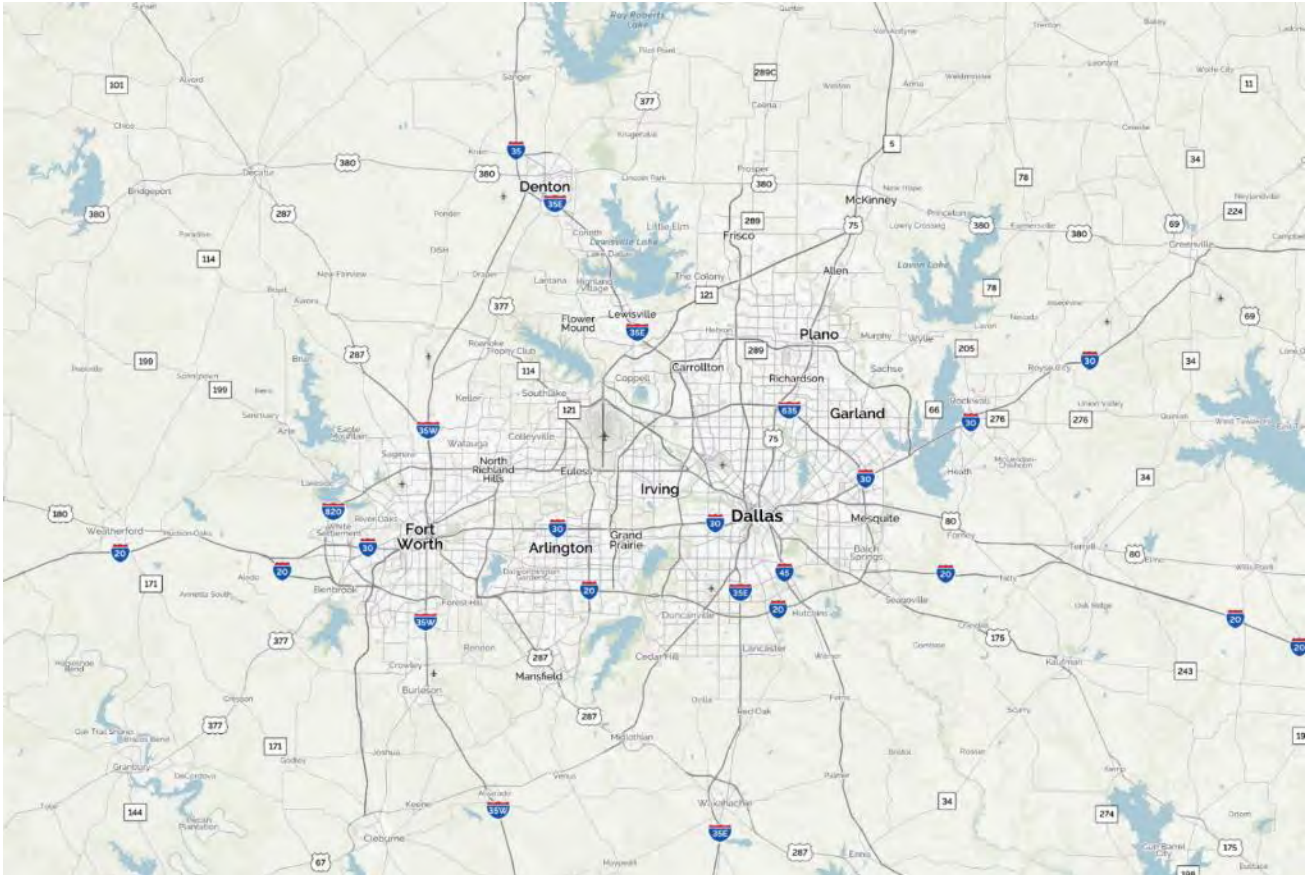
- None.





REGIONAL

The subject is located within the Dallas/Fort Worth Consolidated Metropolitan Statistical Area (CMSA), otherwise more commonly referred to as the Metroplex. The CMSA is made up of twelve contiguous counties in North Central Texas.



DEMOGRAPHICS

Based on estimates from Moody's Analytics, the current population of the DFW area is 7,832,100, making it the largest metropolitan area in the South. Based on this estimate, the Dallas–Fort Worth–Arlington metropolitan area gained approximately 88,600 new residents between 2020 and 2021. The Dallas–Fort Worth–Arlington MSA is, by population, the largest metropolitan area in Texas, the largest in the South, the fourth largest in the United States, and the tenth largest in the Americas. The NCTCOG considers 16 counties to be part of the DFW Metroplex. Most of the total growth of the area occurred in the four largest counties, including Dallas, Tarrant, Collin, and Denton. For 2020, the Metroplex is projected to have fourth largest gross metropolitan product (GMP) in the United States with a projected total of \$620.6 Billion and is approximately the tenth largest by GMP in the world. For 2021, the median income for a household in the MSA was \$73,903 and the average was \$100,795. The per capita income for the MSA was \$36,118.





ECONOMICS

Dallas – Plano – Irving MSA

Revised employment data show that Dallas-Plano-Irving is recovering steadily, though not quite as fast as previously reported. The metro division has recouped approximately two-thirds of the jobs lost in the spring of 2020, comparable to the national average. Most industries have outperformed their national counterparts, though few have returned to their pre-pandemic levels. Hospitality is still well below its level a year ago, but the deficit is proportionally less than the national average. The labor force has risen to its precrisis level and the unemployment rate is down to 6%, but that is still several percentage points above where it was in early 2020.

Recent housing market data are very strong. Homebuilding is at a record pace and will remain elevated over the coming year, adding to overall growth in Dallas. New permits for single-family homes are approximately 15% higher than their previous peak in 2006 during the last housing boom. By comparison, even though activity is also buoyant elsewhere in the country, total new permits nationally are still a third below their 2006 rate. A number of factors account for the strength. First, although mortgage rates have been rising, they remain very low by historical standards, contributing to affordability. Second, employment is rising in well-paying industries with a high concentration in Dallas such as financial services, professional services and IT. Third, the inventory of homes for sale is extremely low, on the order of just one month of sales compared with the also-low two months nationally. Fourth, although house prices have not risen quite as fast as the U.S. average, they are nonetheless up more than 7% year over year. Developers are seizing the opportunity. Sales of lots and vacant land have more than doubled over the past year.

Relocations and expansions will increase demand for professional services over the coming year. During the past half year, a number of companies including telecom maker DZS, aircraft components supplier Incora, healthcare products maker Sunrider, Charles Schwab, and CBRE have either moved to Dallas, announced plans to do so, or expanded locally. Many of these companies came from California, drawn by the lower costs of doing business compared with other metro areas of a similar size. Other reasons include the large, well-educated labor force and well-developed transportation network. However, the impact of these new arrivals on office development is uncertain as employers reevaluate their need for office space amid the growing popularity of working from home. The historically high office vacancy rate has risen to the 25% range. Still, the expectation is that office-using employment will recover enough to allow for the absorption of upward of 5 million square feet of space over the next two years.





The hospitality industry is set to recover this year, but the jump in hotel occupancy to 55% in February was temporary. The unusually severe cold weather caused people to seek shelter amid the disruption of water and other utilities. Although passenger traffic through Dallas/Fort Worth International Airport is still down by about half, more recent national data from TSA imply that it will be rising soon, boosting related demand for hotels and restaurants.

Strengths

- Stable demand for professional services because of many corporate headquarters.
- Well-positioned distribution center for Southwest as international trade grows.
- Favorable migration trends, age structure.

Weaknesses

- Exposure to volatile high tech, which is sensitive to the business cycle.
- Diminished housing affordability as metro division matures.

2016	2017	2018	2019	2020	INDICATORS	2021	2022	2023	2024	2025
324.1	339.4	352.7	360.2	351.6	Gross Metro product (C09\$ bil)	384.3	410.6	427.4	445.2	461.7
4.2	4.7	3.9	2.1	-2.4	% change	9.3	6.8	4.1	4.2	3.7
2,499.7	2,566.3	2,624.6	2,697.7	2,615.2	Total employment (ths)	2,724.0	2,848.9	2,923.4	2,971.1	3,005.0
3.7	2.7	2.3	2.8	-3.1	% change	4.2	4.6	2.6	1.6	1.1
3.8	3.7	3.6	3.3	7.1	Unemployment rate (%)	5.4	4.0	3.3	3.2	3.4
5.0	6.6	7.8	5.0	4.6	Personal income growth (%)	7.0	2.2	6.5	6.1	5.6
65.5	68.5	71.2	73.5	74.3	Median household income (\$ ths)	78.3	79.1	81.8	84.5	87.2
4,815.0	4,914.3	4,996.8	5,081.9	5,148.1	Population (ths)	5,206.9	5,277.9	5,358.2	5,436.7	5,512.9
2.2	2.1	1.7	1.7	1.3	% change	1.1	1.4	1.5	1.5	1.4
64.7	60.4	46.1	49.3	34.6	Net Migration (ths)	28.5	38.3	48.0	46.2	44.5
22,735	25,628	26,707	25,311	32,346	Single-family permits	37,705	36,157	37,398	39,293	38,975
19,089	22,273	20,975	18,295	10,904	Multifamily permits	26,378	21,959	24,835	28,058	25,754
223.1	245.6	262.0	272.9	283.3	FHFA house price (1995Q1=100)	288.6	290.0	290.9	289.9	288.5

Moody's Analytics





Fort Worth – Arlington MSA

Revised employment data show that on average Fort Worth-Arlington has recovered at a rate comparable to the nation. Job growth outpaced the U.S. in the autumn but had a temporary setback in February because of the record cold weather. Both FTW and the nation have now recouped approximately two-thirds of jobs lost last April. Industry by industry, private services and government have outperformed the nation, while goods-producing industries, including core manufacturing, have underperformed. The unemployment rate has declined to 6.4% but is still more than 3 percentage points higher than in January 2020. Housing market indicators have been positive.

Further, military helicopter maker Bell has won a \$292 million contract from the Defense Department to continue work on its offerings in the Future Long Range Assault Aircraft competition. Bell is competing against Sikorsky and the winner will have the opportunity to build thousands of helicopters as the Army replaces its aging fleet of Blackhawks by 2030. Additionally, Bell has opened its new Manufacturing Technology Center, where it will test high-tech systems to be used in its newest aircraft.

The hospitality industry will rebound steadily over the coming year as air travel rises again. Passenger traffic through Dallas/Fort Worth International Airport in February was still down by about half compared with the year before, but more recent national data from TSA imply that it will be rising soon, boosting related demand for hotels and restaurants. That said, the jump in hotel occupancy to above 60% in the metro division in February was temporary, as the brief but unusually severe cold weather caused locals to seek shelter amid the disruption of water and other utilities. Nonresidential construction will also get a boost as the airport restarts \$1 billion in infrastructure projects put on hold during the pandemic.

The booming housing market will be another source of growth in 2021. House prices are up at double-digit rates approaching 20% by some measures, and the inventory of homes on the market is below one month of sales. Developers have seized the opportunity, and new permits for single-family homes have risen to their highest pace since 2006. The drivers are recovering employment, low mortgage rates, and greater affordability than in Dallas. Demographics provide another boost; population growth is above average as is the ratio of new permits to population.





Strengths

- Central Southwest location near Latin America supports distribution industry.
- Low costs of doing business and high housing affordability attract companies from Dallas and elsewhere.

Weaknesses

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

2016	2017	2018	2019	2020	INDICATORS	2021	2022	2023	2024	2025
123.4	127.1	132.1	133.7	125.4	Gross Metro product (C09\$ bil)	135.0	144.1	150.0	156.2	161.9
1.9	3.0	4.0	1.2	-6.2	% change	7.7	6.7	4.0	4.1	3.7
1,008.4	1,033.7	1,063.4	1,092.1	1,053.4	Total employment (ths)	1,086.4	1,129.1	1,158.1	1,176.6	1,189.6
1.4	2.5	2.9	2.7	-3.6	% change	3.1	3.9	2.6	1.6	1.1
4.1	3.8	3.5	3.3	7.2	Unemployment rate (%)	5.3	3.9	3.2	3.1	3.3
0.8	7.5	5.9	4.7	5.0	Personal income growth (%)	5.0	1.3	5.9	5.6	5.1
62.4	64.2	67.3	70.6	72.0	Median household income (\$ ths)	75.0	75.1	77.3	79.5	81.7
2,455.0	2,489.6	2,528.1	2,560.0	2,595.4	Population (ths)	2,625.2	2,611.2	2,701.8	2,741.6	2,780.1
2.0	1.8	1.5	1.3	1.3	% change	1.1	1.4	1.5	1.5	1.4
30.8	28.3	23.6	19.0	20.8	Net Migration (ths)	17.8	22.6	27.6	26.8	25.9
6,968	8,976	10,125	9,849	12,594	Single-family permits	13,840	14,629	15,255	16,097	16,209
7,008	5,647	6,086	9,500	5,111	Multifamily permits	6,055	4,643	5,600	6,599	6,398
200.8	221.2	239.3	251.1	262.3	FHFA house price (1995Q1=100)	267.7	269.6	270.8	270.1	268.8

Moody's Analytics



TRANSPORTATION

Dallas / Fort Worth International Airport



The Dallas/Fort Worth International Airport, located between the cities of Dallas and Fort Worth, is the largest and busiest airport in the state of Texas. DFW is the second largest airport in the country and sixth largest in the world. It is the fourth busiest airport in the world in terms of aircraft movements and the fifteenth busiest airport in the world in terms of passenger traffic. Every major city in the continental U.S. can be reached within four hours. American Airlines, based in Fort Worth, has its headquarters adjacent to DFW Airport. As of January 2020, DFW Airport has service to a total of 260 destinations, including 67 international and 193 domestic destinations with the U.S. In surpassing 200+ total destinations, DFW joined a select group of airports worldwide with that distinction. As of January 2020, the airport has more non-stop domestic destinations than any other airport in the U.S. In March 2020, DFW earned the title of Best Large Airport by *Airports Council International*, for the second year in a row.

Dallas Love Field Airport



Love Field Airport (IATA airport code: DAL) is a city-owned public airport six (6) miles northwest of downtown Dallas, Texas. It was Dallas' main airport until 1974 when Dallas/Fort Worth International Airport (DFW) opened. All Southwest Airlines' flights to and from Dallas go through Love Field, with the airline's corporate headquarters being located close by the airport. Southwest Airlines is the largest carrier in the world in terms of passengers carried. Seven full service fixed base operators (FBOs) provide general aviation service: fuel, maintenance, hangar rentals, and charters. Some also provide meeting rooms, car rentals, limousine service and restaurants. The Love Field Modernization Program (LFMP), a \$519 million modernization project, began in early 2009 to construct a new building that would house 20 gates at DAL, as well as a remodeled lobby, an expanded baggage claim area and a new ticketing wing. The newly renovated Love Field Airport re-opened in the Fall of 2014. A new seven story parking garage connected to the existing terminal opened in November 2018. Its capacity is 5,300 cars and cost \$208 million to construct.



Texas Department of Transportation



The Dallas-Fort Worth area has thousands of lane-miles of freeways and interstates. The Metroplex has the second largest number of freeway-miles per capita in the nation, behind only the Kansas City Metropolitan Area. Like most major metropolitan areas in Texas, most interstates and freeways have frontage roads where most of the city's businesses are located. these access roads have slip ramps that merge onto the freeways and interstates. North-south Interstates include I-35, which stretches all the way to Minnesota and I-45, which provides easy access to Houston. East-west routes include I-30, which connects DFW to Little Rock, Arkansas, and I-20, which stretches all the way to South Carolina. I-35 splits into I-35E and I-35W from Denton to Hillsboro: I-35W goes through Fort Worth while I-35E goes through Dallas. HOV lanes currently exist along I-35E, I-30, I-635, US 67, and US 75. I-20 bypasses both Dallas and Fort Worth to the south while its loop, I-820, loops around Fort Worth. I-635 splits to the north of I-20 and loops around east and north Dallas, ending at SH 121 north of DFW Airport. I-35E, Loop 12, and Spur 408 ultimately connect to I-20 southwest of Dallas, completing the west bypass loop around Dallas.

Dallas Area Rapid Transit



Dallas Area Rapid Transit (DART), which includes light rail and bus service, features the nation's longest light-rail network and enables easy access to key job centers in Dallas and its suburbs. DART also provides convenient light-rail access to Dallas Fort Worth International Airport and interfaces with the Texas Railway Express (TRE). The TRE is an intercity commuter train that transports passengers between downtown Dallas and Fort Worth, with stops at several "mid-cities" suburbs in between. Fort Worth residents are served by the T, which also connects to the TRE. The Denton County Transportation Authority (DCTA) operates its A-Train, which connects DART riders in Carrollton to five stations ending in Denton. Additional public transportation options in the area include the TEXRail commuter rail line extending from downtown Fort Worth into Terminal B at the Dallas Fort Worth International Airport, which opened in January 2019, and an on-demand ridesharing provided by a partnership between Arlington and Via that launched in December 2017. Via is an on-demand transit system that services the city of Arlington which takes multiple passengers heading in the same direction and books them into a shared vehicle.

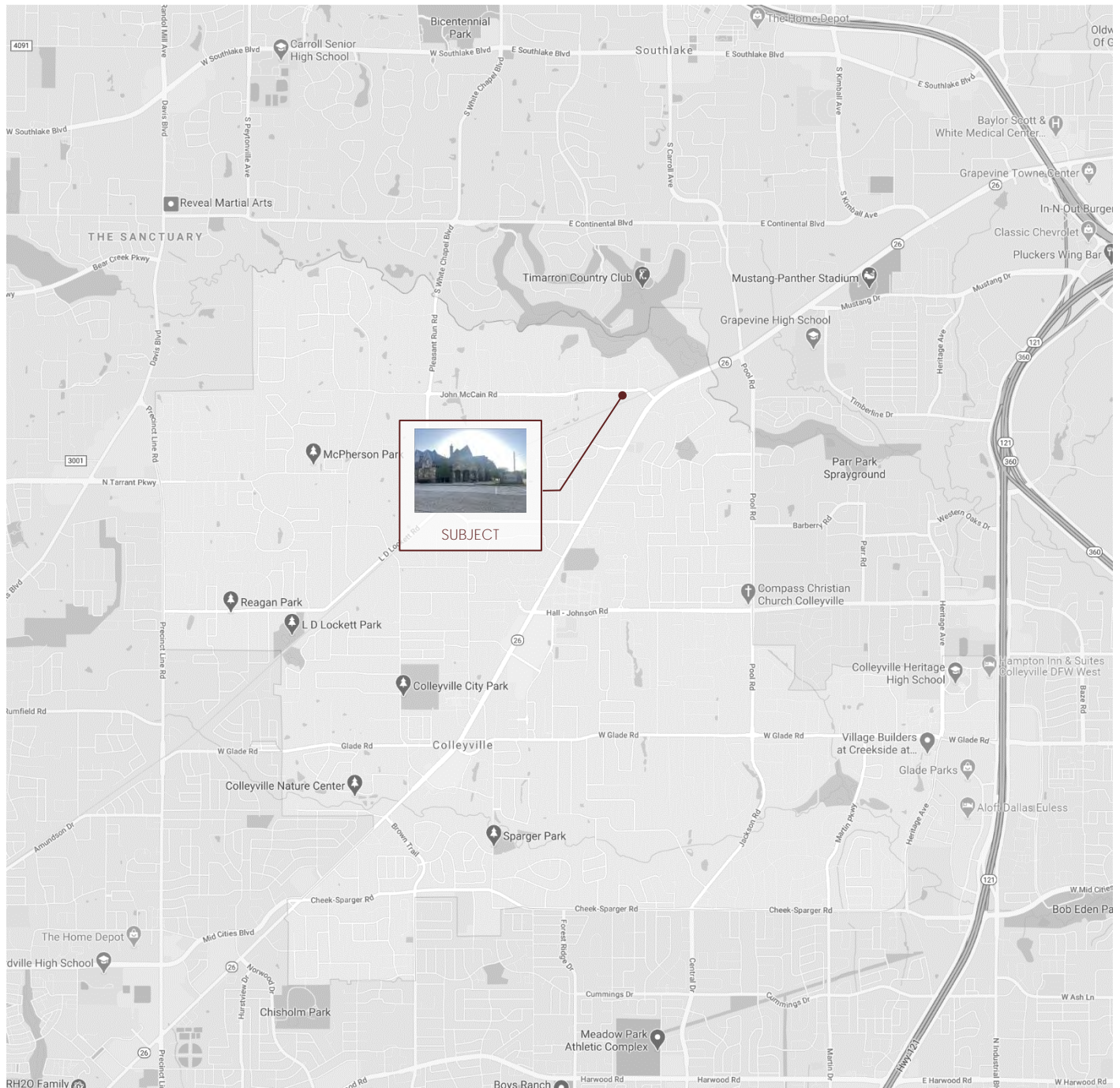
CONCLUSION

The Dallas-Plano-Irving economy will accelerate in coming months, led by growth in professional services, housing, and the recovery of hospitality. Longer term, the concentration of corporate headquarters, technology businesses, financial services, and above-average population growth will contribute to above-average performance. The recovery of the Fort Worth-Arlington economy will firm this year, led by the boom in housing, reviving travel, and 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 above-average gains.



NEIGHBORHOOD

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.





ACCESS

Access to the subject neighborhood is considered good, due to the presence of the Dallas/Fort Worth freeway system. State Highway 121 provides rapid transit from Fort Worth CBD north and east to Oklahoma. State Highway 114 is a major traffic carrier from west Texas, through the north portion of the metroplex, south and east to the Dallas CBD. State Highway 183 provides quick access between the Dallas and Fort Worth CBDs. US Highway 377 and State Highway 360 are major north/south thoroughfares around the subject's market area. Other local traffic carriers include Ira E Wood Avenue, Brumlow Avenue, Hall Johnson Road, and East Continental Boulevard.

LOCAL DEVELOPMENT

The Colleyville Boulevard/Highway 26 corridor has seen some recent renovation and expansions. Following the opening of a Walmart Neighborhood Market in November 2012 at the north corner of Colleyville Boulevard and Glade Road, the Colleyville Downs shopping center at the south corner of Colleyville Boulevard and Glade Road underwent a façade and parking update for the addition of a Whole Foods supermarket, Einstein's Brothers Bagels, Zoe's Kitchen, and Snuffers.

UTILITIES

The subject neighborhood is adequately served by all the typical utilities, including water, sewer, electric service, natural gas, private well and septic 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 Colleyville, Atmos Gas Company, and TXU Electric Company.

NUISANCES & 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.



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* as evolving through the following four stages.

Growth	Neighborhood gains public favor and acceptance
Stability	Equilibrium without marked gains or losses
Decline	Diminishing demand
Revitalization	Renewal, modernization and increasing demand

The subject neighborhood appears to be in the stability period of its life cycle. The immediate area is a well-established area within the city of Colleyville and is considered to be approximately 80% developed. Properties appear to range in age from new to over 40 years.

CONCLUSION

The subject neighborhood is located in Colleyville, Tarrant County, Texas. Demand for virtually all types of real estate in this area has been mostly stable in recent years. The future growth of the neighborhood relies heavily upon the overall strength of the real estate market within the entire North Texas area. The subject property displays good locational attributes in the defined neighborhood and should benefit from any positive economic conditions experienced by the immediate area.





DEMOGRAPHICS

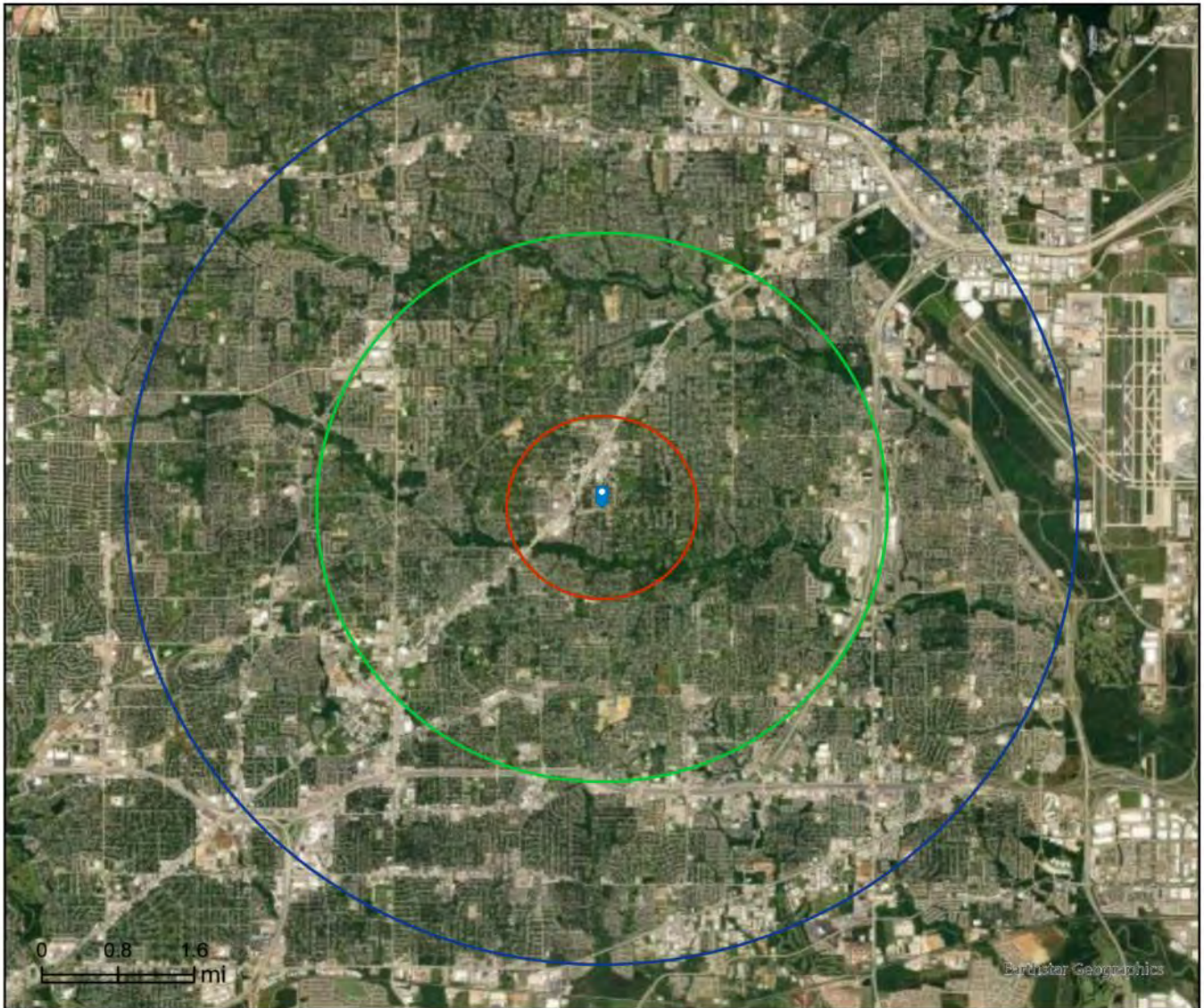
The following pages summarize data generated by the STDB.



Site Map

1132 Glade Rd, Colleyville, Texas, 76034
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 32.88182
Longitude: -97.14883





Demographic and Income Profile

1132 Glade Rd, Colleyville, Texas, 76034
Ring: 3 mile radius

Prepared by Esri
Latitude: 32.88182
Longitude: -97.14883

Summary	Census 2010	Census 2020	2022	2027
Population	74,344	81,919	82,091	81,539
Households	29,056	31,884	31,907	31,735
Families	21,855	-	23,739	23,623
Average Household Size	2.55	2.56	2.56	2.56
Owner Occupied Housing Units	23,154	-	25,358	25,407
Renter Occupied Housing Units	5,900	-	6,550	6,328
Median Age	44.4	-	47.5	48.4

Trends: 2022-2027 Annual Rate	Area	State	National
Population	-0.13%	0.88%	0.25%
Households	-0.11%	0.92%	0.31%
Families	-0.10%	0.96%	0.28%
Owner HHs	0.04%	1.19%	0.53%
Median Household Income	2.23%	2.93%	3.12%

Households by Income	2022		2027	
	Number	Percent	Number	Percent
<\$15,000	868	2.7%	581	1.8%
\$15,000 - \$24,999	937	2.9%	611	1.9%
\$25,000 - \$34,999	1,231	3.9%	931	2.9%
\$35,000 - \$49,999	1,953	6.1%	1,636	5.2%
\$50,000 - \$74,999	4,083	12.8%	3,548	11.2%
\$75,000 - \$99,999	3,391	10.6%	3,108	9.8%
\$100,000 - \$149,999	6,899	21.6%	7,146	22.5%
\$150,000 - \$199,999	4,624	14.5%	5,711	18.0%
\$200,000+	7,921	24.8%	8,462	26.7%

Median Household Income	\$120,090	\$134,089
Average Household Income	\$170,016	\$188,203
Per Capita Income	\$66,005	\$73,181

Population by Age	Census 2010		2022		2027	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	3,388	4.6%	3,259	4.0%	3,251	4.0%
5 - 9	4,579	6.2%	4,188	5.1%	4,005	4.9%
10 - 14	5,485	7.4%	5,323	6.5%	4,699	5.8%
15 - 19	5,430	7.3%	5,095	6.2%	4,764	5.8%
20 - 24	3,215	4.3%	3,726	4.5%	3,352	4.1%
25 - 34	6,109	8.2%	7,671	9.3%	7,503	9.2%
35 - 44	9,647	13.0%	9,091	11.1%	9,650	11.8%
45 - 54	15,053	20.2%	12,128	14.8%	10,912	13.4%
55 - 64	11,932	16.0%	14,730	17.9%	13,427	16.5%
65 - 74	5,795	7.8%	10,858	13.2%	12,028	14.8%
75 - 84	2,657	3.6%	4,539	5.5%	6,216	7.6%
85+	1,055	1.4%	1,482	1.8%	1,734	2.1%



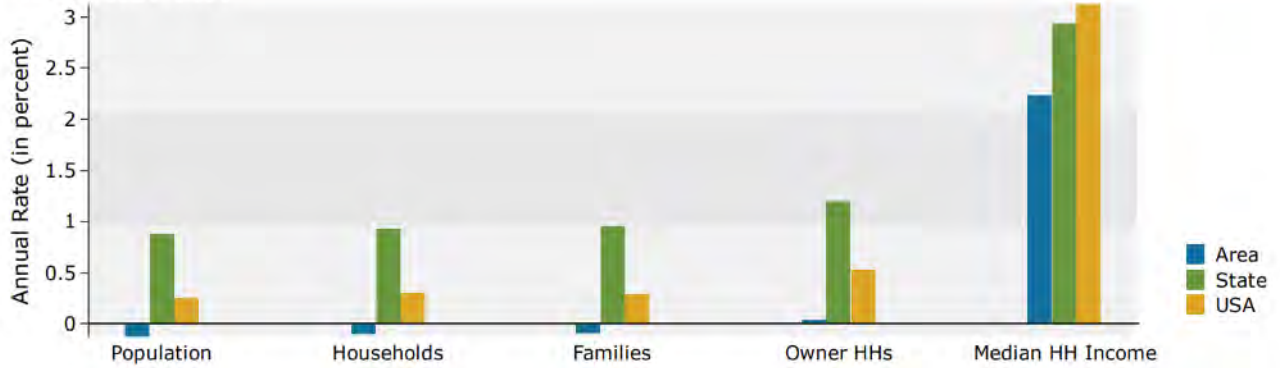


Demographic and Income Profile

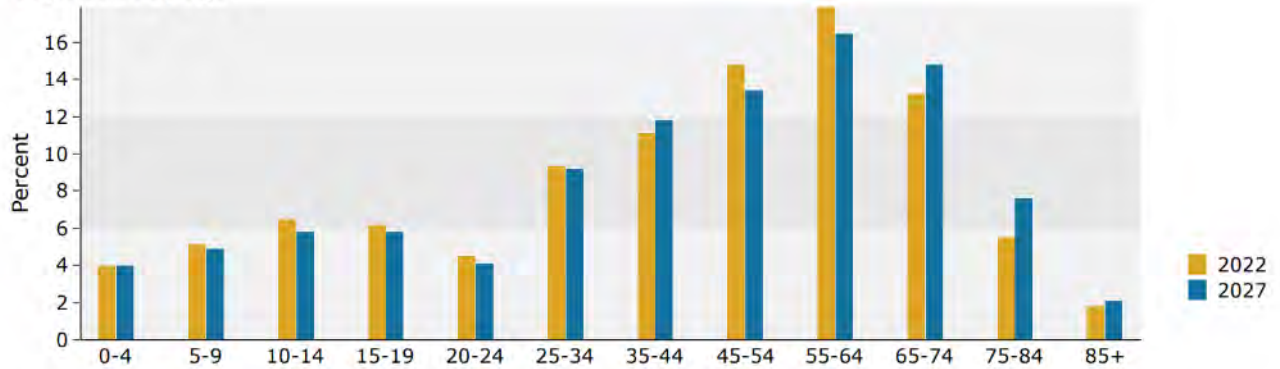
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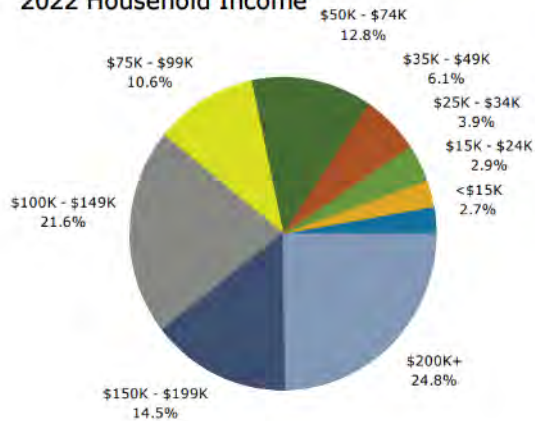
Trends 2022-2027



Population by Age



2022 Household Income





COVID-19

The COVID-19 pandemic continues to impact the economy and commercial real estate. LPA is working diligently to capture and analyze current market data to reliably quantify impacts on real property values. Outlined below is a timeline of important events in the history of the pandemic, as well as sentiment from leading experts regarding the current condition of commercial real estate and the recovery of the economy. As the situation evolves, LPA is committed to monitoring current events and how they affect commercial real estate.

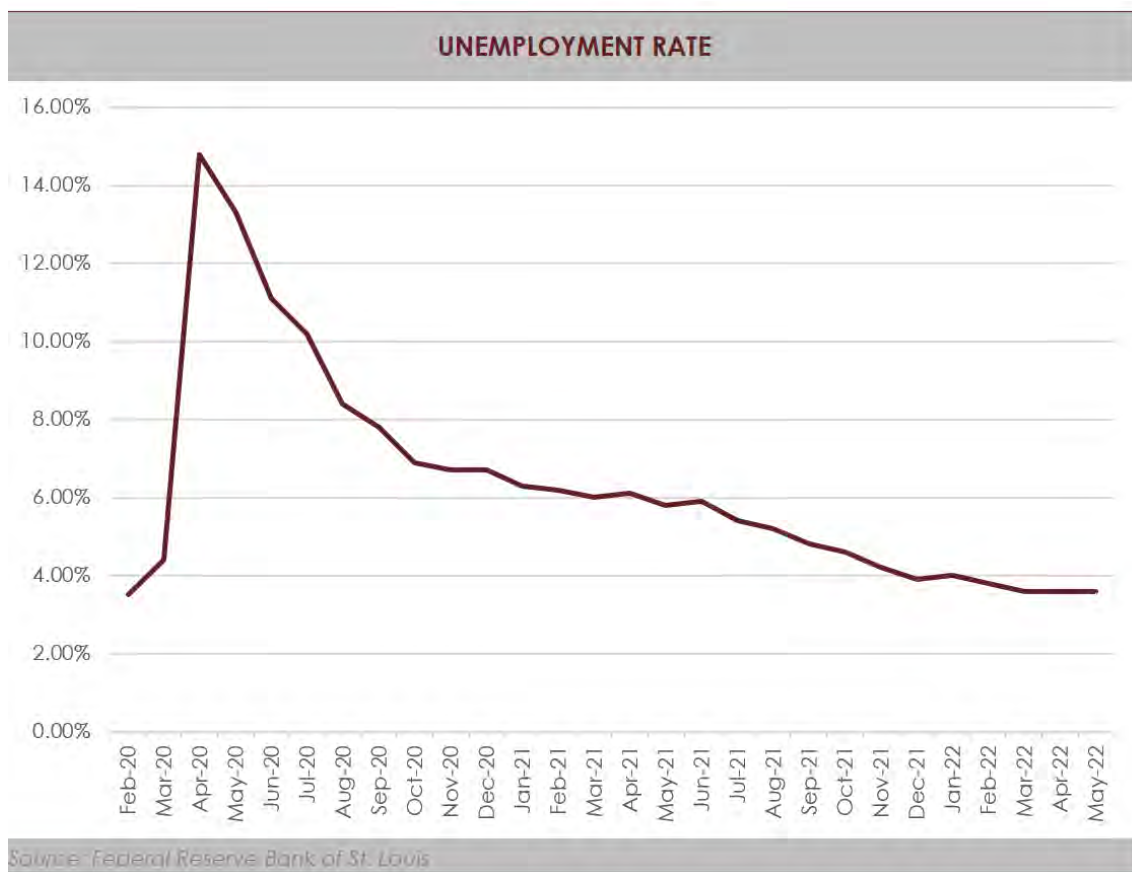
Jan 2020	The first instance of the coronavirus is seen in the U.S.
Mar 2020	The World Health Organization declares COVID-19 a worldwide pandemic.
Mar 2020	President Trump signs a \$2 Trillion economic stimulus bill.
May 2020	All 50 states had begun some form of reopening procedure.
Dec 2020	The FDA approves emergency use of the Pfizer-BioNTech vaccine.
Dec 2020	THE FDA approves emergency use of the Moderna vaccine.
Feb 2021	The FDA approves emergency use of the Johnson & Johnson vaccine.
Mar 2021	Congress passes the American Rescue Plan, the largest stimulus bill to date.
Mar 2021	All adults became eligible to receive the COVID-19 vaccine.
Sep 2021	Federal unemployment aid established by the CARES Act expires.
Mar 2022	The Federal Reserve raised interest rates for the first time since 2018 in order to combat rapid inflation.
May 2022	U.S. approves vaccinations for children under 5 years old.
Jun 2022	U.S removes Covid testing requirement for travel into the United States.





UNEMPLOYMENT

The COVID-19 pandemic has strongly affected the employment status in numerous non-essential and essential industries. As stay-at-home orders began at the onset of the pandemic, employment in sectors such as retail and food service sharply declined. The number of jobless claims skyrocketed in March 2020, when the pandemic officially began, with official unemployment numbers reaching 23.1 million or 14.7%. Unemployment has steadily declined over the following months, with the current the unemployment rate (March 2022) sitting at 3.6%, which is back to pre-pandemic levels.





POLICY RESPONSE

While the foremost consideration during the pandemic is public health policy, virtually all local, state, and federal governments enacted some sort of monetary and fiscal policy to ease the burden the virus is putting on economies at all levels.

Monetary Policy

The U.S. Federal Reserve initiated a 'whatever it takes' approach to monetary and banking policy at the onset of the pandemic. While many actions were taken, the most substantial steps have been to decrease interest rates and begin measures of quantitative easing. The Fed has decreased the federal funds rate by 1.5% since March 3, 2020. This rate serves as a benchmark for other short- and long-term rates, and is aimed at lowering rates on mortgages, auto, and home equity loans. These rates will remain low until the Fed sees minimum improvement in labor market conditions. Quantitative Easing refers to the Fed purchasing trillions of dollars in securities in order to restore smooth market functioning so that credit can continue to flow. In terms of its correlation to real estate, the Fed has encouraged banks to continue to function by direct lending, as well as temporarily relaxing regulatory requirements. The Fed has also instituted many of the same tools used in the great recession in 2008.

Fiscal Policy

The table below shows the extent of stimulus the federal government has enacted thus far, with the most significant being the CARES Act. On March 26, 2020, the U.S. Senate passed this approximately \$2 Trillion coronavirus response bill, which included an estimated \$560 billion to individuals by way of stimulus checks and extra unemployment benefits, \$377 billion in emergency grants and loan relief for small businesses, \$500 billion in employment relief for large corporations, including airlines, and \$150 billion to state and local governments in form of direct aid. After nine months without any new stimulus, a new package was passed by the House and the Senate in December 2020 that totaled \$900 Billion, approximately half of the total amount of the CARES Act. Shortly thereafter, a \$1.9 trillion dollar bill named the *American Rescue Plan* passed on March 10, 2020. The bill included \$1,400 in stimulus checks to taxpayers earning less than \$80,000/year, \$300 in extra unemployment checks, aid to small businesses in the form of refunding the Paycheck Protection Program, and \$123 Billion in health-aid spending. This bill is the largest bill passed in relation to the pandemic to date.





COVID-19 LEGISLATION	Families First Coronavirus Response Act March 18, 2020	Coronavirus Aid, Relief, and Economic Security Act (CARES Act) March 27, 2020	Paycheck Protection Program and Health Care Enhancement Act April 24, 2020	Consolidated Appropriations Act December 21, 2020	American Rescue Plan Act March 10, 2021
Economic Support for Small Businesses	X	\$377 Billion	\$383 Billion	\$325 Billion	\$59 Billion
Financial Assistance to Large Companies	X	\$500 Billion*	X	X	X
Tax Incentives	\$105 Billion	\$263 Billion	X	X	\$143 Billion
Health Aid Spending	\$59 Billion	\$145 Billion	\$100 Billion	\$54 Billion	\$123 Billion
Payments to Taxpayers	X	\$292 Billion	X	\$166 Billion	\$410 Billion
Unemployment Insurance	\$5 Billion	\$268 Billion	X	\$120 Billion	\$246 Billion
Aid to State, Local, and Territorial Governments	X	\$150 Billion	X	X	\$360 Billion
Other	\$24 Billion	\$228 Billion	X	\$235 Billion	\$547 Billion
Total Cost	\$192 Billion	\$1,721 Billion	\$483 Billion	\$900 Billion	\$1,900 Billion

RECOVERY

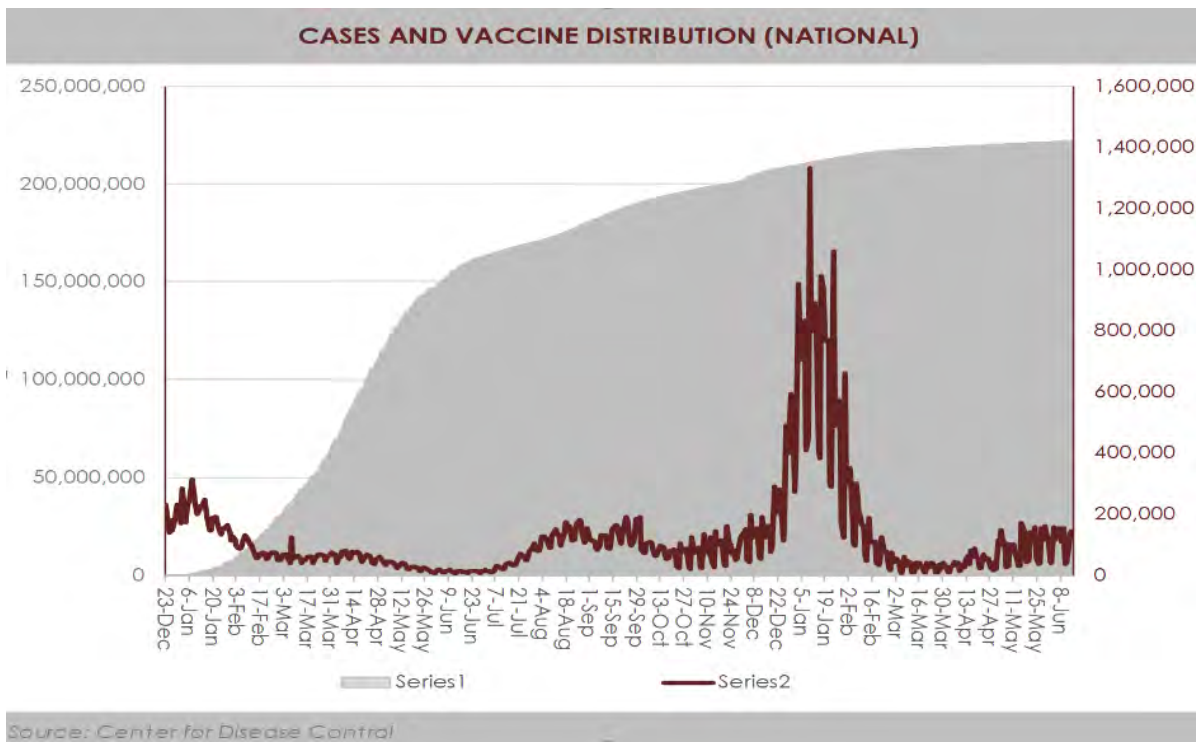
According to economists at the CoStar Group, the U.S. GDP declined 34% in Q2 2020 at the onset of the pandemic when widespread shutdowns commenced. However, a year later, as of Q3 2021, overall economic outlook is cautiously optimistic. Most forecasts estimated that the economy would not return to normal levels until late 2022 at the early stages of the pandemic. Per *Daniel Bachman*, economist at *Deloitte*, this is due to four main reasons. First, business finances are healthy. Previous recessions were caused by financial reasons, meaning companies had to rebuild their balance sheets before resuming spending. Government investment softened the blow, leaving businesses ready to invest when they could do so safely. Secondly, household savings increased dramatically over the pandemic. As a result, the reopening of consumer service has led to pent up spending, which differs from normal post-recession behavior. Third, the pandemic has accelerated productivity trends. Telecommuting and e-commerce were already on the rise, but businesses were forced to adopt these changes immediately, leading to faster innovation and therefore productivity growth. Lastly, government spending will continue to support growth, long after initial bills were signed into law. It is noted however that recovery throughout different sectors will be uneven. Industries that depend on large gatherings such as conventions and airlines have a slower projected timeline of recovery.



However, full recovery of the economy cannot happen without full containment of the virus. As seen over the course of 2021, new cases of the virus increase and decrease unpredictably. The pandemic economy also displays other challenges that threaten recovery, such as the current labor shortage, supply chain dysfunction, rising inflation, and lack of worldwide access to the vaccines. However, given the factors outlined above, outlook of the economy is optimistic.

VACCINES

Full recovery of the economy can only happen with containment of the virus. To accomplish this, multiple vaccines have been in development since the virus was first seen in early 2020. As of September, one vaccine, *Pfizer*, has been granted full FDA approval, while the remaining two vaccines, *Moderna* and *Johnson & Johnson* are currently approved for “emergency use”, with full approval expected in the coming months. Emergency use means that the FDA allows for widespread use of the vaccines as long as the public benefits. Consequently, public administration has been occurring in the U.S. and across the world. While roll-out plans differed from state to state, the most common starting point was to make doses available to people over 65 years old and/or with pre-existing conditions. In the months following, the vaccine has been approved for all adults and adolescents. Furthermore, the FDA is now considering allowing booster doses of all three vaccines to increase protection, as well as making the vaccines available to children under 12. The below chart shows the cumulative number of vaccines as compared to new daily cases of the virus across the country.





CONCLUSION

The COVID-19 pandemic is unprecedented, and therefore ever changing. The commercial real estate industry has responded in various ways. As mentioned previously, LPA is working diligently to capture and analyze current market data to reliably quantify impacts on real property values, national and regional. As the situation evolves, LPA is committed to monitoring current events and how they impact the commercial real estate market.





SITE DESCRIPTION

PHYSICAL

Location

The subject property is located on the north side of Glade Road, just east of Riverwalk Drive. The physical address associated with the subject is 1132 Glade Road, Colleyville, Tarrant County, Texas.

Legal Description

0.812-acres of Lot 3R4, Block 2, Riverwalk at Colleyville Addition, Colleyville, Tarrant County, Texas.

Size / Configuration / Flood Zone

The subject site is 0.812-acres (35,409 SF) and is generally rectangular in shape with level topography. The site appears to have ample drainage. It is noted the eastern edge of the subject site is located within the flood plain. An updated survey is recommended.

Frontage / Accessibility

The subject's site displays adequate frontage to support the subject improvements. The subject site is considered to possess ample access to the subject's traffic carrier which is a traffic carrier in average overall condition.

Utilities

Public water and sewer service are provided by the subject's municipality. 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. Electrical and natural gas are provided by the region's typical providers. At the present time, all utilities appear to be sufficient for area development patterns.





LEGAL

Zoning / Restrictions

As previously mentioned, the subject is zoned as “PUD-R” – Planned Unit Development – Residential. This zoning allows for a variety of residential uses including the subject's current permitted office use as per our conversation with the municipality. The subject's use is a legal and conforming use.

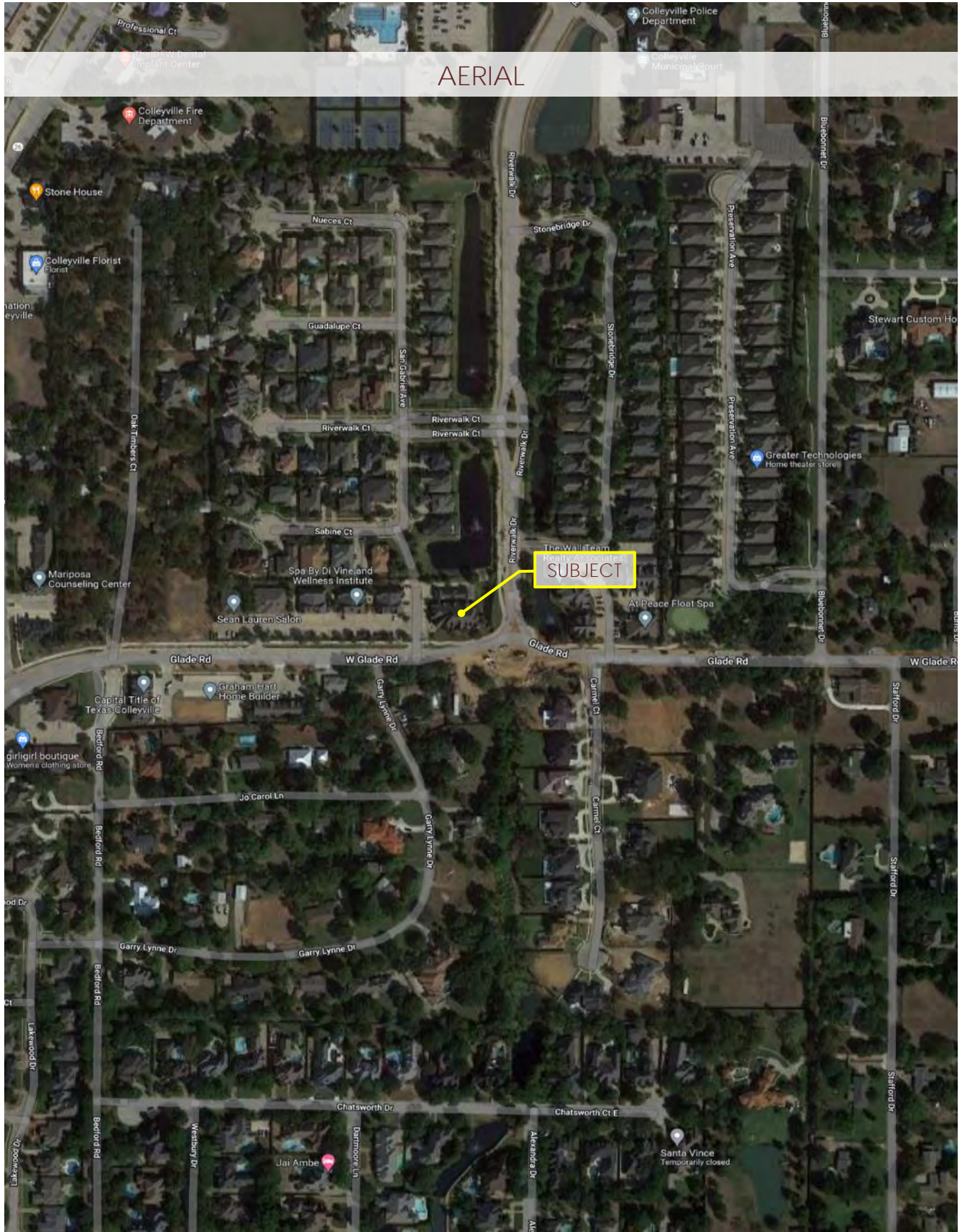
Easements / Encroachments

The subject site is encumbered by typical utility easements. No other detrimental easements and/or encroachments were noted upon physical inspection of the subject tract. It should be noted, however, that if a current survey map, or a registered surveyor determines that adverse easements exist, these factors might impact the market value and/or the marketability of the subject property. Therefore, it is assumed that no easements and/or encroachments exist, which would adversely affect the marketability or desirability of the site.

CONCLUSION

Given the physical characteristics, the subject site is capable of being developed with an office building.



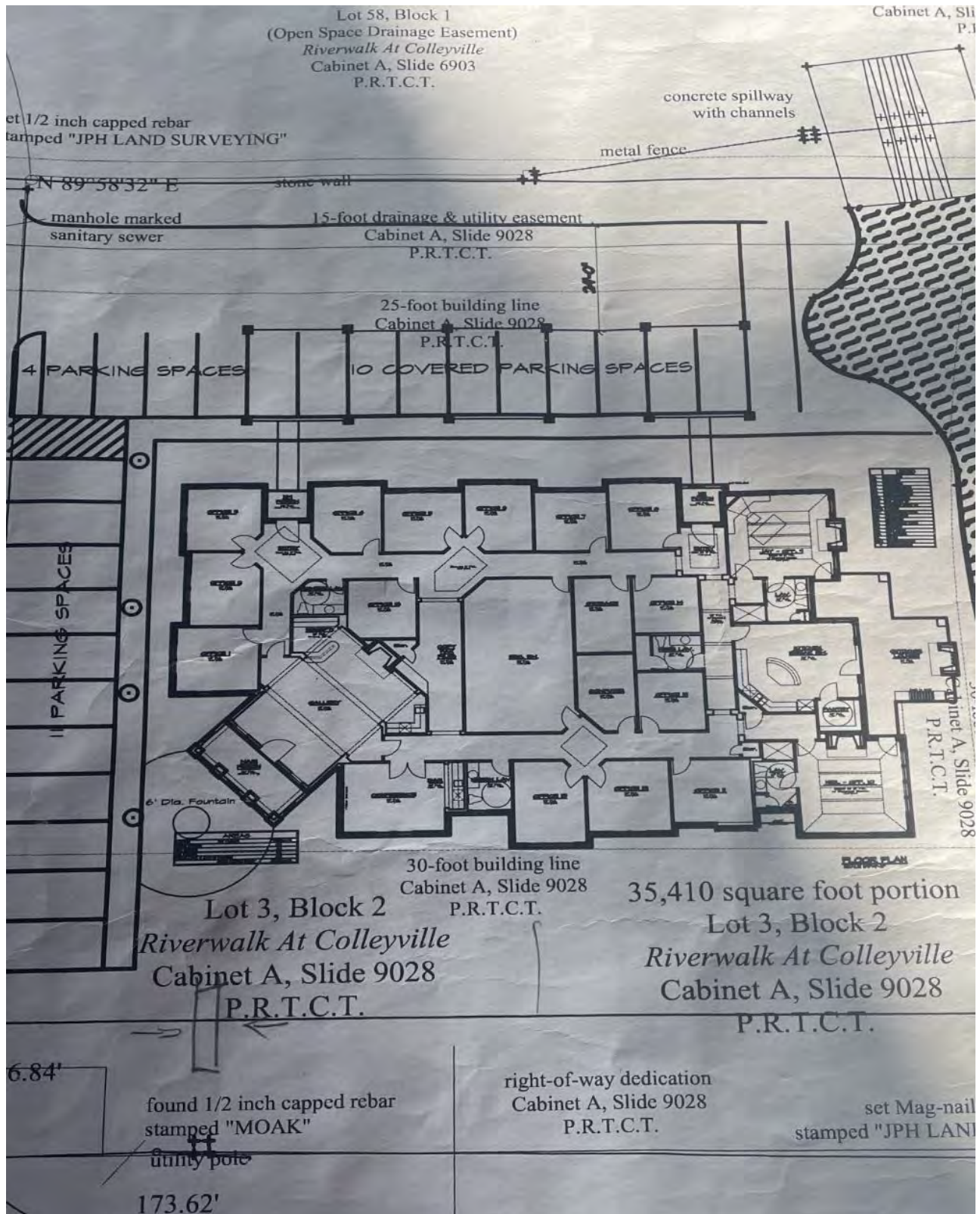








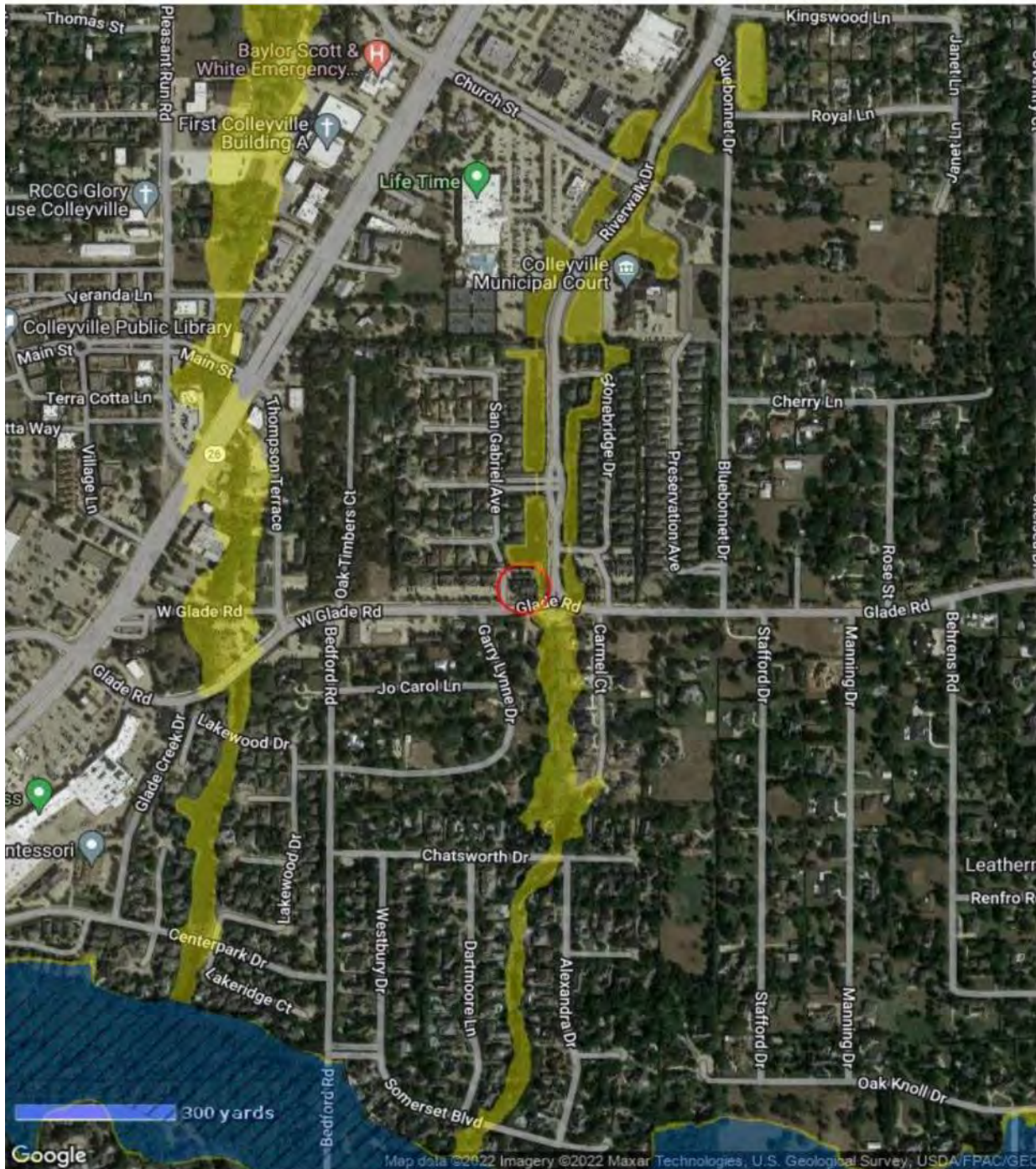
FLOOR PLAN





InterFlood by a la mode

Prepared for: Lowery Property Advisors, LLC
1132 Glade Rd
Colleyville, TX 76034-4227



MAP DATA

FEMA Special Flood Hazard Area: **No**
Map Number: **48439C0095K**
Zone: **X**
Map Date: **September 25, 2009**
FIPS: **48439**

MAP LEGEND

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

Powered by CoreLogic®





IMPROVEMENTS

The subject site is improved with a 7,780 SF, single tenant, office building. The improvement is of wood frame construction with a brick and stone veneer and a pitched roof system. It is noted the property displays some water damage. The improvement is of good quality construction and is in good overall condition.



PROPERTY

Net Leasable Area	7,780 SF
Year of Construction	2008
Quality of Construction	Good
Condition of Improvements	Good
Land to Building Ratio	4.55:1

STRUCTURAL

Foundation	Poured concrete slab
Exterior Walls	Wood frame with brick and stone veneer
Roof	Pitched
Ceilings	Gypsum drywall
Floors	Commercial grade flooring in all areas
Partitions & Wall Finish	Partition walls are framed in wood studs covered with gypsum drywall finish, taped, sanded, painted and textured with various veneers.
HVAC	HVAC is assigned to all areas.
Electrical	All electrical is assumed to comply with city building codes.
Plumbing	Assumed to comply with city building codes.
Site Improvements	Adequate concrete driveways/parking and landscaping.





The improvements are in good overall condition. Upon physical inspection of the property, there are several visible deferred maintenance items, inclusive of missing wall areas due to water damage, and various site bathrooms existing in shell condition. No other major deferred maintenance items were reported while on site.

REMAINING ECONOMIC LIFE

Effective Age

Effective age is defined as "the age indicated by the condition and utility of a structure." (*The Dictionary of Real Estate Appraisal*). Effective age can be greater or less than actual age. Maintenance and remodeling influence the effective age of a structure. Taking into consideration the current condition of the subject improvements, the effective age is considered to be 15 years.

Economic Life

Economic life is defined as "the period over which improvements to real property contribute to property value." (*The Dictionary of Real Estate Appraisal*). Generally, economic life and physical life vary, with the economic life of a structure being of shorter duration. Remaining economic life is the number of years remaining in the economic life of a structure, as of the date of the appraisal.

The Marshall Valuation Service rates various types of properties and analyzes them regarding mortality and ages at which major reconstruction and modernization has occurred. Subject property is classified as a *Good Class D Office*. Since the effective age has been estimated at 15 years and the total economic life is estimated to be 40 years; the indicated remaining economic life of the structure is 25 years.





PROPERTY HISTORY

Ownership of the subject property is currently vested in *King Fisher LTD*, as evidenced by county records. No other real property sale transactions related to the subject have occurred in the three years prior to the date of this report. The subject is currently not listed nor under contract.

The subject property is a 7,780 SF office building. The subject is currently 100% vacant.

As previously mentioned, the improvements display various deferred maintenance items, inclusive of missing wall areas due to water damage, as well as several bathrooms in shell condition. Per conversation with the current owner, the cost to cure these items is between \$300,000 and \$500,000. However, no formal budget was provided.

Account #: 41351932

Location

Property Address: 1132 GLADE RD [Interactive Maps](#)
City: COLLEYVILLE
Zipcode: 76034
Georeference: [34663-2-3R4](#)
Neighborhood Code: [OFC-Northeast Tarrant County](#)
Latitude: 32.8818122671
Longitude: -97.1488328669
TAD Map: [2102-440](#)
MAPSCO: [TAR-040J](#)

Property Data

Legal Description: RIVERWALK AT COLLEYVILLE Block 2 Lot 3R4

Jurisdictions: 005 CITY OF COLLEYVILLE
 220 TARRANT COUNTY
 906 GRAPEVINE-COLLEYVILLE
 ISD
 224 TARRANT COUNTY
 HOSPITAL
 225 TARRANT COUNTY
 COLLEGE

State Code: F1 Commercial

Agent: None

Notice Sent: 04-29-2022
Notice Value: \$1,825,704
Protest Deadline: 05-31-2022

Site Number: [80871577](#)

Site Name: LP INVESTMENTS

Site Class: OFCLowRise - Office-Low Rise
of Parcels: 1

Primary Building:
Building Name: LP INVESTMENTS LTD / 41351932
Building Type: Commercial
Year Built: 2008

Gross Building Area +++: 7,780
Net Leasable Area +++: 7,780
Land Sqft ♦: 35,409
Land Acres ♦: 0.8129

Pool: N





REAL ESTATE TAXES

The subject property is located in Colleyville, Tarrant County, Texas and is taxed based on values established by the county tax assessors. The tax rates are applied to the assessed value of the subject property, and the taxes for the subject property are then estimated. The taxes are estimated per \$100 of assessed value. This property is subject to taxes for the city Colleyville, the Colleyville Independent School District, and Tarrant County.

The subject property displays a current assessment of \$1,825,704 (\$234.66/SF), which is considered favorable based on the concluded value herein. A tax comparable table follows:

TAX COMPARABLES			
Sales Comparable	Assessment	Size (SF)	Per SF Assessment
1	\$671,065	4,168	\$161.00
2	\$2,750,000	10,653	\$258.14
3	\$2,153,460	4,675	\$460.63
4	\$1,188,000	8,328	\$142.65
5	\$2,112,900	4,030	\$524.29
6	\$1,361,978	10,200	\$133.53
Average			\$280.04

The above table of tax comparables indicate an average assessment of +/- \$280.04/SF and a range of \$133.53/SF to \$524.29/SF. *The subject displays a favorable assessment based on the tax comparables and concluded value herein. However, it is noted that the above tax comparables do not appear to display any deferred maintenance. Therefore, the in-place assessment is considered reasonable, and it utilized herein.*

Taxes for the subject are estimated as follows:

PROPERTY TAX CALCULATION			
Account #: 41351932			
Authority	Assessed Value	Rate / \$100	Tax Liability
City	\$1,825,704	\$0.2917780	\$5,327
County	\$1,825,704	\$0.5835990	\$10,655
School	\$1,825,704	\$1.2751000	\$23,280
		\$2.1504770	\$39,262





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, appropriately supported, financially feasible, and that results in the highest value."

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

PHYSICALLY POSSIBLE		LEGALLY PERMISSIBLE	
1	What uses of the site in question are physically possible?	2	What uses are permitted by zoning and deed restrictions?
FINANCIALLY FEASIBLE		MAXIMALLY PRODUCTIVE	
3	Which possible and permissible uses will produce a net return to the owner of the site?	4	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 & BEST USE - AS IF VACANT

Physically Possible

The subject site is 0.8129 -acres (35,409 SF) and is generally rectangular in shape with level topography. The physical address associated with the subject is 1132 Glade Road, Colleyville, Tarrant County, Texas. Accessibility to the site is via curb cuts along the traffic carrier. Overall, access is considered good. The property has all necessary utilities in place. The site is primarily surrounded by commercial and residential uses. Access to the subject's neighborhood is considered good due to its location near area primary traffic carriers.

The principle of conformity is an important consideration in determining the physically possible uses of a site. Conformity is the appraisal principle that holds that real property value is created and sustained when the characteristics of a property conform to the demands of its market. The styles and uses of the properties in an area may conform for several reasons, including economic pressures; the shared preferences of owners for certain types of structures, amenities, services; and the enforcement of uniform standards by zoning ordinances.

Based on the subject's physical characteristics and the principle of conformity, the site would most likely be developed with an office building.

Legally Permissible

The site is within the city of Colleyville and is zoned as "PUD-R" – Planned Urban Development – Residential. This zoning allows for a variety of residential uses in addition to the **subject's current office use**. Other than zoning, no private deed restrictions were uncovered during a normal investigation, which would further limit the potential uses of the subject site. Nonetheless, a title policy is strongly suggested in order to guarantee the absence of adverse restrictions. No other legal restrictions or covenants were found to be imposed on the subject property at the time of the appraisal, which would further restrict its development. The site's zoning requirements support the physical indication that the **site's** most probable use, as if vacant, would be for development of an office building.

Financially Feasible & Maximally Productive

The prior consideration of physically possible uses and legally permissible does not significantly narrow the use of the subject property. Based on market data presented in this report, it appears that development is likely feasible.

After considering legal, physical and financial alternatives, it is our opinion that the highest and best use of the site, as if vacant, is for development of an office building.





HIGHEST & BEST USE - AS IMPROVED

Physically Possible

The subject site is improved with a 7,780 SF office building. The improvements and site area create a land-to-building ratio considered reasonable for this type of development. The subject's improvements are generally in line with similar office developments for the area.

The overall value of the building as improved exceeds the value of the property as vacant; therefore, a prudent purchaser would leave the existing improvements intact. Based on this information, the physical possibilities of the subject would be for use as an office building.

Legally Permissible

As previously outlined, the site is zoned by the subject's municipality as "PUD-R" – Planned Urban Development – Residential. This zoning allows for a variety of residential and office uses including the subject's use. Based upon our inspection of the subject property, it appears that the subject property is in compliance with all of the zoning restrictions. This conclusion was confirmed by the subject's municipality. Considering the nature of the area and age of improvements surrounding the subject, a zoning change affecting the subject property is unlikely in the foreseeable future. Other than zoning, no other legal restrictions or covenants were found to be imposed on the subject property at the time of the appraisal, which would further restrict its development. Based on this information, the physical indication that the subject's highest and best use is for use as an office building.

Financially Feasible & Maximally Productive

It does appear feasible to construct a speculative office under current market conditions. 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 use. The subject conforms to the surrounding land uses and produces sufficient income to offset all costs of operation (not considering debt service) and return a net profit to the owner. Therefore, it is our opinion that the highest and best use of the site as improved is use as an office building.



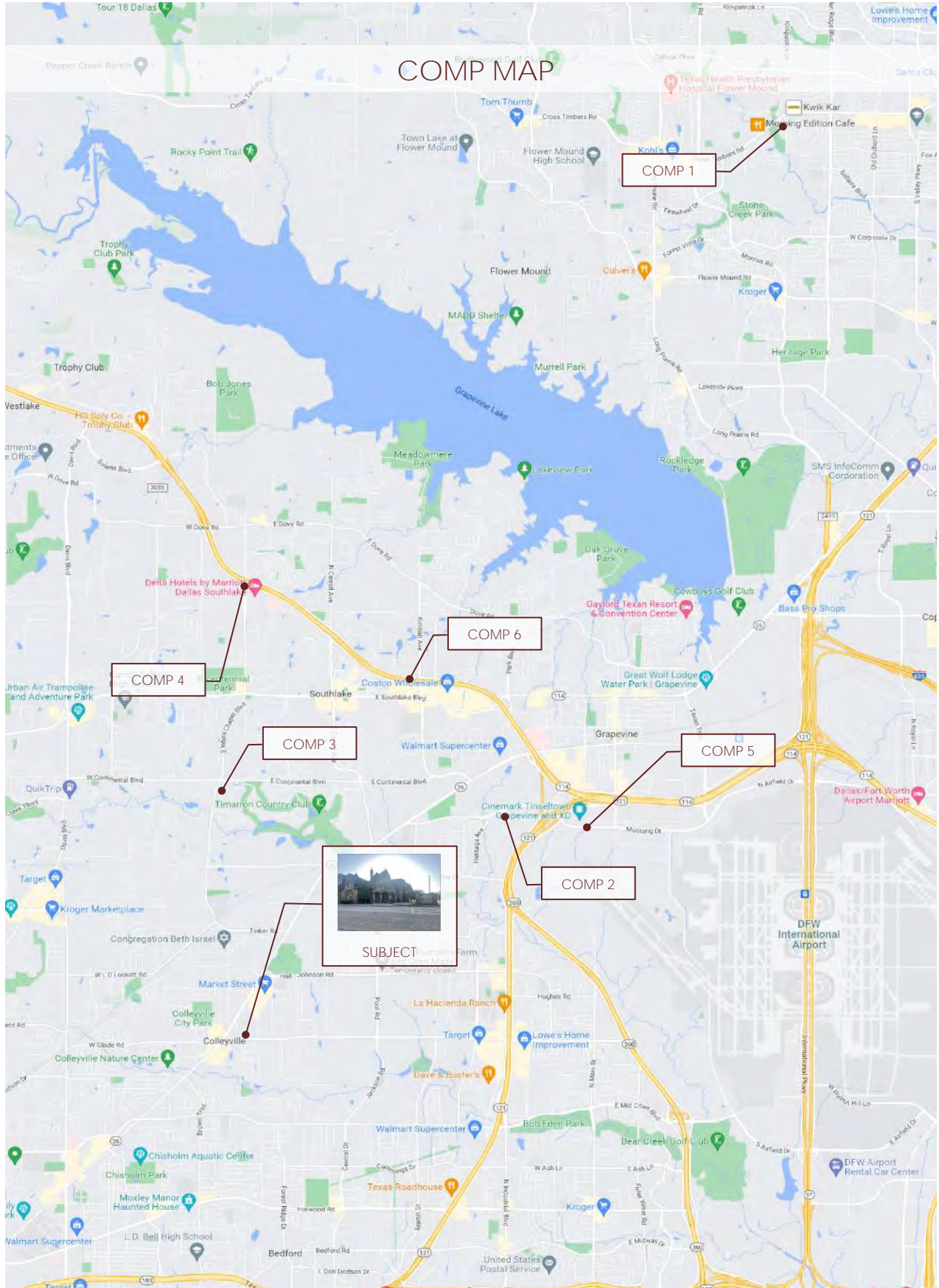


SALES APPROACH

The principles of real estate appraisal are basic to the sales comparison approach; however, one of the most important is the principle of substitution. "As applied to the sales comparison approach, the principle of substitution 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 sales comparison approach is a method of estimating market value whereby a subject property is compared with comparable properties that have sold recently. One premise of the sales comparison approach is that the market will determine a price for the property being appraised in the same manner that it determines the prices of comparable, competitive properties. Essentially, the sales comparison approach is a systematic procedure for carrying out comparative shopping. As applied to real estate, the comparison is applied to the unique characteristics of the economic good that cause real estate prices to vary.







COMPARABLE 1



PROPERTY IDENTIFICATION

Property Type General Office
 Address / Location 1231 Cross Timbers,
 Flower Mound, Texas

SALE DATA

Sale Price \$1,250,000
 Grantor LKH Properties, LLC
 Grantee FM3 Investments, LLLP
 Sale Date April 1, 2022
 Record Data D2022-49852
 Verification Confidential

PHYSICAL DATA

Building Type Class D Office Building
 Constr. Type Masonry
 Size (SF) 4,168
 Stories 1
 Year Built 2008
 Condition Good
 Land Size (SF) 43,546
 Land to Build 10.45

INDICATORS

Sale Price / SF \$299.90

COMMENTS

Property is located along the south side of Cross Timbers Road, just west of Kirkpatrick Lane. Property is under contract to be purchased for owner occupancy. Property is a general office building used as a financial office with numerous offices. Income and expenses are proforma,



COMPARABLE 2



PROPERTY IDENTIFICATION

Property Type Office Building
 Address / Location 2559 SW Grapevine Parkway,
 Grapevine, Texas

SALE DATA

Sale Price \$2,750,000
 Grantor PG&A Properties, LLP
 Grantee SW Grapevine Parkway Motel 6
 Sale Date December 21, 2021
 Record Data D221373670
 Verification Contract of Sale

PHYSICAL DATA

Building Type Office Building
 Constr. Type Masonry
 Size (SF) 10,653
 Stories 1
 Year Built 2003
 Condition Average
 Land Size (SF) 67,918
 Land to Build 6.38

INDICATORS

Sale Price / SF \$258.14

COMMENTS

Property is located on the East side of SW Grapevine Parkway, just south of Mustang Drive. Income and expenses are based on proforma.





COMPARABLE 3



PROPERTY IDENTIFICATION

Property Type Office
 Address / Location 1211 South White Chapel Boulevard,
 Southlake, Texas

SALE DATA

Sale Price \$2,200,000
 Grantor 2011 Ventures, LLC
 Grantee Kcap Re Fund III LLC
 Sale Date November 10, 2021
 Record Data D221335153
 Verification Contract of Sale

PHYSICAL DATA

Building Type Office
 Constr. Type Wood-Frame
 Size (SF) 8,328
 Stories 1
 Year Built 1998/Reno Since
 Condition Good
 Land Size (SF) 56,249
 Land to Build 6.75

INDICATORS

Sale Price / SF \$264.17

COMMENTS

The subject property is located on the east side of South White Chapel Boulevard, just south of East Continental Boulevard. The property was purchased for owner occupancy. Income and expenses are based on the previous appraisal.





COMPRABLE 4



PROPERTY IDENTIFICATION

Property Type Office
 Address / Location 101 Countryside Court,
 Southlake, Texas

SALE DATA

Sale Price \$1,400,000
 Grantor Countryside Court, LLC
 Grantee DJC Realty Group, LLC
 Sale Date October 12, 2021
 Record Data D221298848
 Verification Broker

PHYSICAL DATA

Building Type Office
 Constr. Type Wood-Frame
 Size (SF) 4,030
 Stories 1
 Year Built 2010/Reno 2017
 Condition Excellent
 Land Size (SF) 27,617
 Land to Build 6.85

INDICATORS

Sale Price / SF \$347.39

COMMENTS

Property is located on the southwest corner of Countryside Court and North White Chapel Boulevard. Property was purchased for owner-occupancy. Property was fully renovated in 2017 and sold in excellent condition. Income and expense are market proforma. Broker: Jim Kelley 817.488.4333.



COMPRABLE 5



PROPERTY IDENTIFICATION

Property Type Office Building
 Address / Location 1010 Mustang Drive,
 Grapevine, Texas

SALE DATA

Sale Price \$1,900,000
 Grantor MJEC Investments, LLC
 Grantee STP22 Holdings, LLC
 Sale Date December 23, 2020
 Record Data D220334411
 Verification Broker

PHYSICAL DATA

Building Type Office Building
 Constr. Type Wood Frame
 Size (SF) 6,750
 Stories 1
 Year Built 2004
 Condition Good
 Land Size (SF) 42,253
 Land to Build 6.26

INDICATORS

Sale Price / SF \$281.48

COMMENTS

Property is located on the north side of Mustang Road, just west of South Main Street. Property is currently leased for an undisclosed amount. Income and expenses are pro forma.
 Broker: Jim Kelley (817) 488-4333



COMPRABLE 6



PROPERTY IDENTIFICATION

Property Type Office Building
 Address / Location 1910 East State Highway 114
 Southlake, Texas

SALE DATA

Sale Price \$1,300,000
 Grantor Stic, LLC
 Grantee Harp Girl Holdings, LLC
 Sale Date January 15, 2020
 Record Data D220011066
 Verification Broker

PHYSICAL DATA

Building Type Office Building
 Constr. Type Masonry
 Size (SF) 4,000
 Stories 2
 Year Built 2008
 Condition Good
 Land Size (SF) 15,682
 Land to Build 3.92

INDICATORS

Sale Price / SF \$325.00

COMMENTS

Property is located on the east side of Cherry Lane, just north of East State Highway 114. Property was purchased for owner-occupancy. Income and expense are market proforma. Broker: Steve Shrum (214) 637-4300





IMPROVED SALES SUMMARY

The market data included in this analysis is considered to be the best available in today's market and to be indicative of current market trends. The following factors were analyzed in determining a final market value for the subject property, via the sales price per square foot method of valuation. The following criteria and subsequent adjustment grid have been implemented in order to reconcile the quality and quantity of the data available and analyzed within this approach to value.

Property Rights

All of the comparable properties sold herein were based on fee simple or leased fee market transactions. With respect to this factor, no adjustments were indicated.

Financing

Financing terms are significant, since cash or financing often influences the consideration paid for a particular property. The transaction price of one property may differ from that of an identical property due to different financing arrangements. All the sales data utilized herein were based on cash to the seller or terms considered to be cash equivalent, therefore, no adjustments for this factor were warranted. It is important to analyze the sales according to cash equivalency, as we are estimating the current market value of the subject property.

Conditions of Sale

Adjustments for conditions of sale typically reflect the motivations of the buyer and the seller. For example, a buyer may pay more than market value for a property located adjacent to one already owned for assemblage purposes or additional parking. Conversely, a sale may be transacted at below market value because the seller needs cash in a hurry. A financial, business, or family relationship between the parties may also affect the price of the property. When non-market conditions of sale are detected in a transaction, the sale must be adjusted accordingly. With respect to this factor, no adjustments were indicated.

Market Conditions

Each of the previous sales have been given consideration for the lapse of time between the date of sale and the effective date of this appraisal (market condition). The available market data was analyzed in an attempt to extract an adjustment for this factor. It should be noted that recent market conditions related to COVID-19 are not having a significant impact on real estate values. With respect to this factor, Comparable 6 was adjusted upward as market conditions improved over time.





Location

The locational attributes considered to have primary influence within the subject area include frontage on and accessibility to major traffic arteries, visibility or exposure to major streams of traffic, and proximity to existing development. With respect to this factor, Comparable 4 and Comparable 6 indicate a downward adjustment as they are located within a superior submarket. Comparable 1 indicates an upward adjustment as it is located within an inferior submarket.

Quality / Condition

The overall site characteristics of each sale have been compared to the subject site. These include traits such as type of construction, age of building, physical features, and overall condition of property. With respect to this factor, Comparable 3 indicate upward adjustments as it is of older, inferior quality and condition. Comparable 4 indicates a downward adjustment as it is of newer, superior quality and condition.

Size

Size is a factor that must be considered when comparing comparables. Typically, but not always, larger comparables sell for a lower unit value and, therefore, when making comparisons on a unit basis, the larger comparable tends to be adjusted upward and the smaller comparable tends to be adjusted downward to accurately reflect the difference. With respect to this factor, materially larger improvements were adjusted upward accordingly and materially smaller improvements were adjusted downward accordingly.

Land to Building

The appraisers have also given consideration to the land to building ratio associated with the subject property in comparison to the available market data. With respect to this factor, materially larger land to building ratios are adjusted downward accordingly and materially smaller land to building ratios are adjusted upward accordingly. Properties with no material difference in land to building ratio are not adjusted.





CONCLUSION

In this analysis of the subject property, similar weight was given to all of the comparables. The following criteria and subsequent adjustment grid have been implemented in order to reconcile the quality and quantity of the data available and analyzed within this approach to value.

	SUBJECT	1	2	3	4	5	6
Date	Current	Apr-22	Dec-21	Nov-21	Oct-21	Dec-20	Jan-20
Sale Price		\$1,250,000	\$2,750,000	\$2,200,000	\$1,400,000	\$1,900,000	\$1,300,000
SIZE - SF	7,780	4,168	10,653	8,328	4,030	6,750	4,000
Unit Price		\$299.90	\$258.14	\$264.17	\$347.39	\$281.48	\$325.00

TRANSACTION ADJUSTMENTS

Property Rights	Fee Simple	Similar 0% \$299.90	Similar 0% \$258.14	Similar 0% \$264.17	Similar 0% \$347.39	Similar 0% \$281.48	Similar 0% \$325.00
Financing Terms	Cash	Similar 0% \$299.90	Similar 0% \$258.14	Similar 0% \$264.17	Similar 0% \$347.39	Similar 0% \$281.48	Similar 0% \$325.00
Conditions of Sale	Arm's Length	Normal 0% \$299.90	Normal 0% \$258.14	Normal 0% \$264.17	Normal 0% \$347.39	Normal 0% \$281.48	Normal 0% \$325.00
Market Conditions	Current	Apr-22 0% \$299.90	Dec-21 0% \$258.14	Nov-21 0% \$264.17	Oct-21 0% \$347.39	Dec-20 0% \$281.48	Jan-20 3% \$334.75

PROPERTY ADJUSTMENTS

Location	Good	Inferior 5%	Similar 0%	Similar 0%	Superior -5%	Similar 0%	Superior -5%
Quality / Condition	Good	Similar 0%	Similar 0%	Inferior 5%	Superior -5%	Similar 0%	Similar 0%
Size - SF	7,780	4,168 -7%	10,653 5%	8,328 0%	4,030 -7%	6,750 -3%	4,000 -7%
Land to Building	4.55	10.45 -7%	6.38 0%	6.75 0%	6.85 0%	6.26 0%	3.92 0%
Total Adjustment		-9%	5%	5%	-17%	-3%	-12%
Adjusted \$ / SF		\$272.91	\$271.05	\$277.38	\$288.34	\$273.04	\$294.58
Adjusted Mean \$ / SF							\$279.55

A value generally in line with the mean is well supported.

Concluded
Unit Value \$280.00

Improvement Size (SF)	7,780
Value Indication	\$2,178,400
Concluded Value	\$2,180,000





“AS IS” VALUATION

As mentioned previously, the subject property is currently in partial shell condition due to water damage experienced during a fire suppression system failure. The property is proposed to be finished-out for a reported cost of \$300,000 to \$500,000. However, it is noted that no formal budget was provided. As such, the renovation costs were based on appraiser experience and *Marshall Valuation Service*. The estimated overall replacement cost new of Good Class D Interior Office Finish Out is +/- \$85.50/SF (*MVS Section 15, Page 35*). It is noted this finish out is inclusive of plaster or drywall, carpet, tile, or vinyl, paneling, outlets, and various other interior costs. Given the improvements display some flooring, drywall, and office finish out, a \$/SF below the mean is considered reasonable. Therefore, \$42.75/SF (\$332,595 total) in remaining finish out costs are utilized herein. To account for the compensation of providing coordination, expertise, and assuming the risks associated with the finish out and completion of the project, a 5% entrepreneurial incentive is also considered. Therefore, in order to derive the “As Is” value, the reported finish out costs and the entrepreneurial incentive must be deducted from the “Upon Completion” value.

AS IS VALUATION			
"Upon Completion" Value			\$2,180,000
Less: Finsh-out Costs			-\$332,595
Less: Entrepreneurial Incentive	5%		-\$16,630
"As Is" Value			\$1,830,775
Concluded "As Is" Value			\$1,830,000

From the subtraction method above, the subject displays an “As Is” value of \$1,830,000 or \$235.22/SF. The subject’s “As Is” opinion of value is considered reasonable and supported by market parameters.

VALUE CONCLUSIONS				
Status	Interest	Date	Value	
As Is	Fee Simple	July 22, 2022	\$1,830,000	





MARKETING / EXPOSURE TIME

Consideration has been given to a reasonable estimated exposure and marketing period estimate for the subject property.

Exposure Time as it relates to the subject is utilized in establishing market value. The Comment to Standards Rule 1-2 (b) of USPAP states that when estimating market value, the appraiser should be specific as to the estimate of exposure time linked to the value estimate.

Reasonable exposure time is one of a series of conditions in most market value definitions. Exposure time is always presumed to precede the effective date of the appraisal. Exposure time may be defined as follows: the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

Marketing Time is a function of various factors including, prevailing market conditions, the price of the product being marketed, the competitive position of the property in the market, and the amount and quality of marketing effort allocated to the property. It is strongly emphasized that the appraisers have no control of the aforementioned factors, nor can the appraisers anticipate or predict any of them. Therefore, it assumed that the property will receive an adequate marketing effort.

Therefore, an estimated marketing time of +/- 12 months and the estimated exposure time of +/- 12 months is considered reasonable.





ASSUMPTIONS & LIMITING CONDITIONS

"Report" signifies the appraisal or consulting report and its conclusions, to which these Assumptions and Limiting Conditions are annexed.

"Property" signifies the subject of the Report.

"LPA" means Lowery Property Advisors, LLC, or its subsidiary that issued the Report.

"Appraiser(s)" means the employee(s) of LPA who prepared and signed the Report.

The Report has been made subject to the following assumptions and limiting conditions:

- Unless otherwise specifically noted in the body of the report, it is assumed that the title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. LPA is not aware of any title defects nor has it been advised of any representations relative to the condition of the title. LPA has not reviewed any documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of the title. Insurance against financial loss resulting in claims that may arise out of defects in the subject's title should be sought from a reputable title company which specializes in real property.
- Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property was not observed by the appraisers. LPA has no knowledge of the existence of such materials on or in the property. LPA, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would constitute a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired. LPA has inspected as thoroughly as possible by observation. However, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specially considered in the appraisal.
- The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
- Responsible ownership and competent property management are assumed.
- The information furnished by others is believed to be reliable. However, LPA gives no warranty for its accuracy.
- LPA assumes that all engineering is correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
- If provided, the estimated insurable value is included at the request of the client and has not been performed by a qualified insurance agent or risk management underwriter. The cost estimate should not be solely relied upon for insurable value purposes. The appraisers are not familiar with the definition of insurable value from the actual insurance provider, the local government underwriting regulations, or the types of insurance coverage available. LPA has followed traditional appraisal standards to develop a reasonable calculation based upon industry practices and industry accepted publications such as the Marshall Valuation Service handbook. Actual construction costs can vary greatly from this estimate. These factors can impact cost estimates and are beyond the scope of the intended use of this appraisal. The appraisers are not cost experts in cost estimating for insurance purposes.
- LPA assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
- 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.
- All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless a nonconformity has been stated, defined, and considered in the Appraisal Report.
- Required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization are assumed to have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.





- The utilization of the land and improvements is assumed to be within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
- All information, comments and conclusions pertaining to subject and other properties described represent the opinion of the appraiser formed after a personal examination of each.
- The appraiser has no interest, present or prospective, in the subject property.
- Sketches in this report are included to assist the reader in visualizing the property.
- LPA assumes that there are no hidden or unapparent conditions of the appraised property, which would render it more or less valuable. Furthermore, the appraisers assume that there are no potentially harmful asbestos or other materials and/or site contaminants in, on, or near soil, subsoil, or structure of the appraised property and that there has been no disposal, discharge, leakage, or spillage of pollutants or contaminant which would render it more or less valuable, whether or not these materials or contaminants are apparent or hidden and unapparent.
- No responsibility is assumed by the appraisers for these conditions. In addition, no responsibility is assumed by LPA for the cost of engineering and/or laboratory studies which might be required to discover such materials or contaminants. And no such engineering or laboratory studies have been ordered for the appraised property.
- Disclosure by the appraiser of the contents of this Appraisal Report is subject to review in accordance with the by-laws and regulations of The Appraisal Institute.
- The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
- Possession of this report, or a copy thereof, does not carry with it the right of publication, unless prior arrangements have been made.
- The appraiser, 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 been previously made.
- Neither all nor any part of the contents of this report (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 other media without prior written consent and approval of the appraiser.
- This appraisal was made in accordance with the Code of Professional Ethics and Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Foundation and the Appraisal Institute.
- Acceptance of and/or use of this report constitutes acceptance of all assumptions and limiting conditions stipulated.
- The *Americans with Disabilities Act* ("ADA") became effective July 26, 1990. LPA has 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 we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.
- Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this Appraisal Report. Unless otherwise stated, it is also assumed that there are no air or developments rights of value that may be transferred.
- By use of this Appraisal Report, each party that uses this Appraisal Report agrees to be bound by all of the Assumptions and Limiting Conditions, Hypothetical Conditions and Extraordinary Assumptions stated herein.





CERTIFICATION

We certify to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and is our personal, impartial and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the State of Texas.
- Mitchell Austin, MAI, made a personal inspection of the property that is the subject of this report; Mark Lowery, MAI, CCIM, MRICS, Ellen Hevenor, and Nathan Alonzo did not make a personal inspection of the subject property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person(s) signing this certification.
- This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
- As of the date of this report, Mark Lowery, MAI, AI-GRS, CCIM, MRICS and Mitchell Austin, MAI have completed the continuing education program for Designated Members of the Appraisal Institute. Moreover, 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.
- As of the date of this report, Ellen Hevenor has completed the Standards and Ethics Education Requirements for Candidates of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- We have not provided services as an appraiser or in any other capacity regarding the property that is the subject of this report within a three-year period immediately preceding acceptance of this assignment.

MARK LOWERY, MAI, AI-GRS, CCIM, MRICS
Certificate No. TX1334103-G

MITCHELL AUSTIN, MAI
Certificate No. TX1380788-G

Ellen Hevenor
Certificate No. TX1381048-G

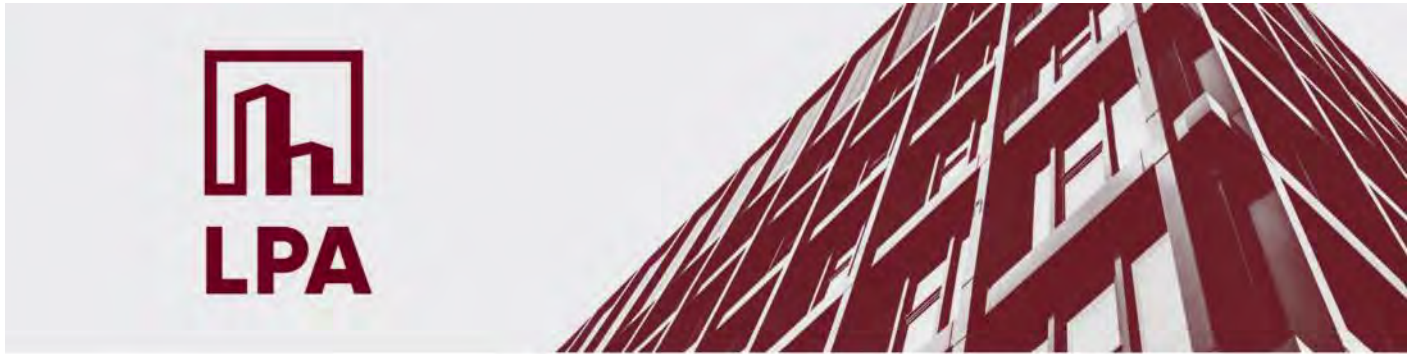
Nathan Alonzo
Certificate No. TX1343485





ADDENDUM





July 14, 2022

Jim Hobby
Harney Partners
jhobby@harneypartners.com
214.740.6847 / 817.583.4025

SUBJECT: 1132 Glade Road, Colleyville, TX 76034

Jim:

Per your request, we can complete an "As Is" appraisal on the above referenced property in two (2) weeks from receipt of payment for \$3,750 -or- three (3) weeks from receipt of full payment of \$3,250. Please don't hesitate to call or email me directly if you have any questions or concerns.

Thanks again, and we look forward to working with you.

Lowery Property Advisors, LLC

MARK LOWERY, MAI, CCIM
mark@lowerypa.com

JIM HOBBY

MAIL CHECK TO:
Lowery Property Advisors
105 Decker Court, Suite 1000
Irving, Texas 75062

WIRE PAYMENT TO:
Lowery Property Advisors
Wells Fargo Bank
Routing #121000248
Account #9712476622



MARK LOWERY, MAI, AI-GRS, CCIM, MRICS

DFW OFFICE

105 Decker Court #1000
Irving, Texas 75062

cell 214.300.8466
ofc 214.347.8558 x 301
mark@lowerypa.com

EXPERIENCE

Mark is the owner and founder of LPA and serves as President and CEO. LPA is a commercial appraisal and consulting firm completing a wide range of projects throughout the southwest. Property types include, but are not limited to office, retail, industrial, multi-family, retail, self-storage, hotel / motel, carwashes, vacant land, daycare, subdivisions, etc.

Mark began his appraisal career in with Wells Fargo Bank focusing primarily on residential appraisal review. In 2002, he moved to BRG, Inc. as a Senior Appraiser recruiting and training multiple appraisers. In 2010, Mark founded LPA which has grown to include four fully staffed offices and a satellite office.

Mark has experience with litigation support for legal matters in both federal and state courts. Numerous clients, including attorneys, insurance companies, and lenders nationwide have relied on his expertise in a review appraiser capacity. Mark has been called upon as guest lecturer at his beloved alma mater, Texas A&M.

PROFESSIONAL ASSOCIATIONS

- Appraisal Institute
 - MAI and AI-GRS designations
 - Govt Relations Chair Region VIII
 - President North Texas 2020
 - Vice President North Texas 2019
 - Secretary North Texas 2018
 - Treasurer North Texas 2017
 - President Central Texas 2016
- Member Royal Institute of Chartered Surveyors – (MRICS)
- CCIM Institute – Designated Member
- North Texas Association of Government Guaranteed Lenders
- Urban Land Institute
- Society of Texas A&M Real Estate Professionals
- Aggie100 List – 2013, 2014, 2015
- American Society of Appraisers – Designated (ASA)
- Appraisal Foundation (IAC Member)

LICENSES

Texas General Appr.
1334103

Texas Broker License
0515247

Oklahoma General Appr.
13395CGA

Louisiana General Appr.
G4147

New Mexico General Appr.
03688-G

EDUCATION

BBA – Texas A&M University – Finance, Real Estate Emphasis

Coursework for MAI designation

Coursework for CCIM designation

Coursework for AI-GRS designation



**Certified General
Real Estate Appraiser**

Appraiser: **Mark Rayburn Lowery**
License #: **TX 1334103 G**

License Expires: **09/30/2022**

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
Chelsea Buchholtz
Commissioner



MITCHELL AUSTIN, MAI

DFW OFFICE

105 Decker Court #1000
Irving, Texas 75062

direct 214.919.7402
cell 817.705.5641
ofc 214.347.8558 x 308
mitchell@lowerypa.com

EXPERIENCE

December 2013 to Present; Senior Managing Director at LPA

Types of properties appraised include: multifamily, subdivision, office, retail, industrial, mixed-use, restaurants, hotels, self-storage, car washes, land, and other types of commercial properties.



EDUCATION

BBA Finance – Texas Tech University

Successfully completed all requirements for designation including the General Comprehensive Examination, Demonstration of Knowledge, Specialized Experience Review, and all required general and advanced courses offered by the Appraisal Institute:

- Basic Appraisal Principles
- Basic Appraisal Procedures
- Uniform Standards of Professional Appraisal Practice
- Business Practices and Ethics
- Real Estate Finance, Statistics, and Valuation Modeling
- General Appraiser Income Capitalization Approach – I
- General Appraiser Income Capitalization Approach – II
- General Appraiser Sales Comparison Approach
- General Appraiser Cost Approach & Site Analysis
- General Appraiser Report Writing and Case Studies
- General Appraiser Market Analysis and Highest and Best Use
- Expert Witness: Preparation & Testimony
- Quantitative Analysis
- Advanced Income Capitalization
- Advanced Concepts and Case Studies
- Advanced Market Analysis and Highest & Best Use
- General Demonstration Report Writing

LICENSES

Texas General Appraiser
1380788-G

Oklahoma General Appraiser
13394CGA

Arkansas General Appraiser
CG-4600

Texas Real Estate Sales Agent
0618925

Property Tax Consultant
11442



**Certified General
Real Estate Appraiser**

Appraiser: **Mitchell Ryan Austin**
License #: **TX 1380788 G**

License Expires: **05/31/2024**

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

Chelsea Buchholtz
Chelsea Buchholtz
Commissioner

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

ELLEN HEVENOR

DFW OFFICE

105 Decker Court #1000
Irving, Texas 75062

cell 214.919.7573
ofc 214.347.8558 x 319
ellen@lowerypa.com

APPRAISAL / REAL ESTATE EXPERIENCE

April 2022 to Present: Managing Director at Lowery Property Advisors, LLC

Types of properties appraised include: office, retail, industrial, multi-family, self-storage, auto service, subdivisions, raw land, proposed construction, and other types of commercial properties.

November 2020 to Present: Director at Lowery Property Advisors, LLC

January 2019 to November 2020: Associate at Lowery Property Advisors, LLC

May 2018 to December 2018: Summer Associate at Lowery Property Advisors, LLC

EDUCATION

MS Real Estate – Texas A&M University
BBA Finance & Business Honors – Texas A&M University

Successfully completed the following courses administered by *McKissock Appraisal Education and Appraisal Institute*:

- Basic Appraisal Principles
- Basic Appraisal Procedures
- Texas Supervisor-Trainee Course
- 15-hour National USPAP Course
- General Appraiser Sales Comparison Approach
- General Appraiser Site Valuation and Cost Approach
- General Appraiser Report Writing and Case Studies
- Business Practices and Ethics
- Advanced Market Analysis and Highest and Best Use

Successfully completed the following applicable courses at *Texas A&M University*:

- Real Estate Investment Analysis
- Real Property Analysis
- Real Property Valuation
- Commercial Real Estate Law
- Market Analysis for Real Estate Development
- Real Estate Analytics
- Land Economics
- Real Property Finance
- Analysis of Real Estate Decisions
- Real Estate Development Analysis

LICENSES

Texas General Appraiser
1381048 G

Louisiana General Appraiser
G-4472



Appraiser: **Ellen Hevenor**
License #: **TX 1381048 G**

**Certified General
Real Estate Appraiser**

License Expires: **11/30/2022**

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
Chelsea Buchholtz
Commissioner



NATHAN ALONZO

DFW OFFICE

105 Decker Court #1000
Irving, Texas 75062

direct 214.432.1744
office 214.347.8558 x 315
nalonzo@lowerypa.com

APPRAISAL / REAL ESTATE EXPERIENCE

June 2022 to Present; Associate at Lowery Property Advisors, LLC.

Property types appraised include: multi-family, land, office, and industrial.

June/July – 2019,2020 Teller at Zavala County Bank

EDUCATION

BS Finance – Texas A&M University, 2022

Successfully completed the following courses administered by *McKissock Appraisal Education*:

- Basic Appraisal Principles
- Basic Appraisal Procedures
- Texas Supervisor-Trainee Course
- 15-hour National USPAP Course

Successfully completed the following applicable courses at *Texas A&M University*:

- Real Estate Decision Making
- Real Estate Finance
- Ethics in Financial Decision
- Financial Modeling
- Financial Reporting, I & II

LICENSES

Texas State Appraiser Trainee
TX-1343485



Appraiser Trainee

Trainee: **Nathan Christian Alonzo**
Authorization #: **TX 1343485 Trainee** Expires: **07/31/2024**

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

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

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


Chelsea Buchholtz
Commissioner

EXHIBIT 5

Integra Realty Resources

Fort Worth

Appraisal of Real Property

A Single-Tenant Office Property

Office Property

1132 Glade Road

Colleyville, Tarrant County, Texas 76034

Prepared For:

Harney Partners

Date of the Report:

September 6, 2022

Report Format:

Appraisal Report

IRR - Fort Worth

File Number: 195-2022-0813

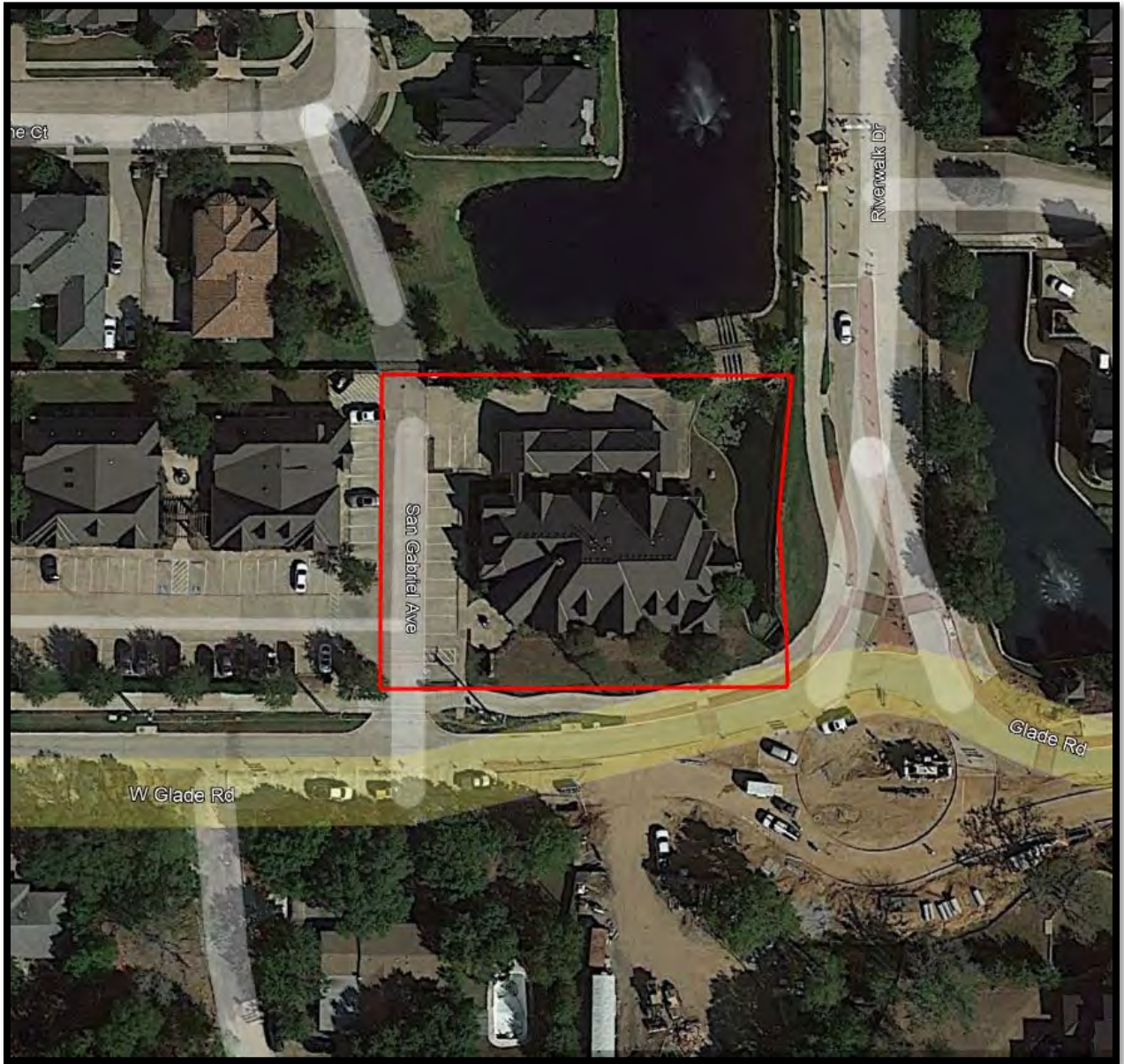


Subject Photographs



A Single-Tenant Office Property
1132 Glade Road
Colleyville, Texas

Aerial Photograph



The subject is outlined in red.



September 6, 2022

Mr. Gregory Milligan
Executive Vice President
Harney Partners
8911 Capital of Texas Highway, Suite 2120
Austin, Texas 78759

SUBJECT: Market Value Appraisal
 A Single-Tenant Office Property
 1132 Glade Road
 Colleyville, Tarrant County, Texas 76034
 IRR - Fort Worth File No. 195-2022-0813

Dear Mr. Milligan:

Integra Realty Resources – Fort Worth is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop the following opinions of value:

- The market value as is of the fee simple interest in the subject property as of the effective date of the appraisal, September 1, 2022
- The prospective market value as completed of the fee simple interest in the subject property as of December 31, 2022

The client for the assignment is Mr. Gregory S. Milligan, Harney Partners. The intended user of this report is the client. The intended use of the report is for marketing purposes. No other party or parties may use or rely on the information, opinions, and conclusions contained in this report.

The subject is an existing office property containing 7,780 square feet of rentable area. The property has seventeen standard office suites and two large master office suites, five bathrooms, a large conference area or breakroom, one large foyer and one kitchen. There are 10 covered, private gated parking spaces in the rear and 15 uncovered public parking spaces. The improvements were constructed in 2008 and are owner occupied, yet vacant as of the effective appraisal date. The subject is in a state of partial completion due to interior flood damage in 2021 from the fire suppression system's malfunction. We estimate

Mr. Gregory Milligan
 Harney PartnersHarney Partners
 September 6, 2022
 Page 2

approximately \$360,000 in capital expenditures, based on Marshal Swift Valuation Services, to complete the sheetrock repair and flooring replacement necessary for tenancy. The site area is 0.813 acres or 35,414 square feet.

The appraisal conforms to the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute, applicable state appraisal regulations. The appraisal is also prepared in accordance with the appraisal regulations issued in connection with the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA).

Standards Rule 2-2 (Content of a Real Property Appraisal Report) contained in the Uniform Standards of Professional Appraisal Practice (USPAP) requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report. This report is prepared as an Appraisal Report as defined by USPAP under Standards Rule 2-2(a), and incorporates practical explanation of the data, reasoning, and analysis that were used to develop the opinion of value.

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, the concluded opinions of value are as follows:

Value Conclusions

Value Type & Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Fee Simple	September 1, 2022	\$1,850,000
Prospective Market Value As Completed	Fee Simple	December 31, 2022	\$2,260,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. Our opinion of prospective market value as completed assumes that the proposed improvements are completed in accordance with plans and specifications as of December 31, 2022, the effective appraisal date.
2. The value herein is based on the extraordinary assumption that, in the absence of formal construction bid, our estimated construction costs to complete the subject is accurate. We, therefore, reserve the right to amend the report in the event a formal bid is received.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

The value conclusion(s) in this report consider the impact of COVID-19 on the subject property.



Mr. Gregory Milligan
Harney PartnersHarney Partners
September 6, 2022
Page 3

The opinions of value expressed in this report are based on estimates and forecasts which are prospective in nature and subject to considerable risk and uncertainty. Events may occur which could cause the performance of the property to differ materially from the estimates contained herein, such as changes in the economy, interest rates, capitalization rates, financial strength of tenants, and behavior of investors, lenders, and consumers. Additionally, the concluded opinions and forecasts are based partly on data obtained from interviews and third-party sources, which are not always completely reliable. Although the findings are considered reasonable based on available evidence, IRR is not responsible for the effects of future, unforeseen occurrences.

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

Integra Realty Resources - Fort Worth



Jason Jackson, MAI
Texas Certified General Real Estate Appraiser
#1336282-G
Telephone: 817.969.4627
Email: jsjackson@irr.com



Alan Pursley, MAI, SRPA, SRA, SGA
Texas Certified General Real Estate Appraiser
#1320321-G
Telephone: 817.763.8000, ext. 101
Email: apursley@irr.com

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Quality Assurance

IRR Quality Assurance Program

At IRR, delivering a quality report is a top priority. Integra has an internal Quality Assurance Program in which managers review material and pass an exam in order to attain IRR Certified Reviewer status. By policy, every Integra valuation assignment is assessed by an IRR Certified Reviewer who holds the MAI designation, or is, at a minimum, a named Director with at least ten years of valuation experience.

This quality assurance assessment consists of reading the report and providing feedback on its quality and consistency. All feedback from the IRR Certified Reviewer is then addressed internally prior to delivery. The intent of this internal assessment process is to maintain report quality.

Designated IRR Certified Reviewer

An internal quality assurance assessment was conducted by an IRR Certified Reviewer prior to delivery of this appraisal report. This assessment should not be construed as an appraisal review as defined by USPAP.

Executive Summary

Property Name	A Single-Tenant Office Property
Address	1132 Glade Road Colleyville, Tarrant County, Texas 76034
Property Type	Office - General Purpose
Owner of Record	King Fisher LTD
Tax ID	41351932
Legal Description	Lot 3R4, Block 2, Riverwalk at Colleyville
Land Area	0.813 acres; 35,414 SF
Gross Building Area	7,780 SF
Rentable Area	7,780 SF
Percent Leased	NA
Year Built; Year Renovated	2008; 2022
Zoning Designation	PUD-R, Planned Unit Development, Residential
Highest and Best Use - As if Vacant	Office use
Highest and Best Use - As Improved	Continued office use
Exposure Time; Marketing Period	6-9 months; 6-9 months
Date of the Report	September 6, 2022

Value Conclusions

Value Type & Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Fee Simple	September 1, 2022	\$1,850,000
Prospective Market Value As Completed	Fee Simple	December 31, 2022	\$2,260,000

The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than Harney Partners may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. Our opinion of prospective market value as completed assumes that the proposed improvements are completed in accordance with plans and specifications as of December 31, 2022, the effective appraisal date.
2. The value herein is based on the extraordinary assumption that, in the absence of formal construction bid, our estimated construction costs to complete the subject is accurate. We, therefore, reserve the right to amend the report in the event a formal bid is received.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

Identification of the Appraisal Problem

Subject Description

The subject is an existing office property containing 7,780 square feet of rentable area. The property has seventeen standard office suites and two large master office suites, five bathrooms, a large conference area or breakroom, one large foyer and one kitchen. There are 10 covered, private gated parking spaces in the rear and 15 uncovered public parking spaces. The improvements were constructed in 2008 and are owner occupied, yet vacant as of the effective appraisal date. The subject is in a state of partial completion due to interior flood damage in 2021 from the fire suppression system's malfunction. We estimate approximately \$360,000 in capital expenditures, based on Marshal Swift Valuation Services, to complete the sheetrock repair and flooring replacement necessary for tenancy. The site area is 0.813 acres or 35,414 square feet. A legal description of the property is provided below.

Property Identification

Property Name	A Single-Tenant Office Property
Address	1132 Glade Road Colleyville, Texas 76034
Tax ID	41351932
Owner of Record	King Fisher LTD
Legal Description	Lot 3R4, Block 2, Riverwalk at Colleyville
Census Tract Number	113634

Sale History

No known sales or transfers of ownership have taken place within a three-year period prior to the effective appraisal date.

Pending Transactions

Based on discussions with the appropriate contacts, the property is not subject to an agreement of sale or an option to buy, nor is it listed for sale, as of the effective appraisal date.

Appraisal Purpose

The purpose of the appraisal is to develop the following opinion(s) of value:

- The market value as is of the fee simple interest in the subject property as of the effective date of the appraisal, September 1, 2022
- The prospective market value as completed of the fee simple interest in the subject property as of December 31, 2022

The date of the report is September 6, 2022. The appraisal is valid only as of the stated effective date or dates.

Value Type Definitions

The definitions of the value types applicable to this assignment are summarized below.

Market Value

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

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.¹

Appraisal Premise Definitions

The definitions of the appraisal premises applicable to this assignment are specified as follows.

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.²

Market Value As If Completed

The market value of a property as of a current date under the hypothetical condition that all construction is completed as of the effective date of value. It is based on market conditions as of the effective date of value. This value premise assumes the project is complete and ready to lease to individual tenants.³

Property Rights Definitions

The property rights appraised which are applicable to this assignment are defined as follows.

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.⁴

¹ Code of Federal Regulations, Title 12, Chapter I, Part 34.42[h]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472

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

³ Compiled and summarized from several industry sources

⁴ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015)

Client and Intended User(s)

The client and intended user is Mr. Gregory S. Milligan. No other party or parties may use or rely on the information, opinions, and conclusions contained in this report.

Intended Use

The intended use of the appraisal is for marketing purposes. The appraisal is not intended for any other use.

Applicable Requirements

This appraisal report conforms to the following requirements and regulations:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute;
- Applicable state appraisal regulations;
- Appraisal requirements of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), revised April 9, 2018;
- Interagency Appraisal and Evaluation Guidelines issued December 10, 2010;

Report Format

Standards Rule 2-2 (Content of a Real Property Appraisal Report) contained in the Uniform Standards of Professional Appraisal Practice (USPAP) requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report. This report is prepared as an Appraisal Report as defined by USPAP under Standards Rule 2-2(a), and incorporates practical explanation of the data, reasoning, and analysis used to develop the opinion of value.

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.

Appraiser Competency

No steps were necessary to meet the competency provisions established under USPAP. The assignment participants have appraised several properties similar to the subject in physical, locational, and economic characteristics, and are familiar with market conditions and trends; therefore, appraiser competency provisions are satisfied for this assignment. Appraiser qualifications and state credentials are included in the addenda of this report.

Scope of Work

Introduction

The appraisal development and reporting processes require gathering and analyzing information about the assignment elements necessary to properly identify the appraisal problem. The scope of work decision includes the research and analyses necessary to develop credible assignment results, given the intended use of the appraisal. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed.

To determine the appropriate scope of work for the assignment, the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors were considered. The concluded scope of work is described below.

Research and Analysis

The type and extent of the research and analysis conducted are detailed in individual sections of the report. The steps taken to verify comparable data are disclosed in the addenda of this report. Although effort has been made to confirm the arms-length nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

Subject Property Data Sources

The legal and physical features of the subject property, including size of the site and improvements, flood plain data, seismic zone designation, property zoning, existing easements and encumbrances, access and exposure, and condition of the improvements (as applicable) were confirmed and analyzed.

The financial data of the subject, including tax and assessment records, were analyzed. This information, as well as trends established by confirmed market indicators, is used to forecast future performance of the subject property.

Contacts

In addition to public records and other sources cited in this appraisal, information pertaining to the subject was obtained from the following party: Jim Hobby, Senior Manager, Harney Partners.

Inspection

Details regarding the property inspection conducted as part of this appraisal assignment are summarized as follows:

Property Inspection			
Party	Inspection Type	Inspection Date	Inspection Details
Jason Jackson, MAI	None	N/A	
Alan Pursley, MAI, SRPA, SRA, SGA	None	N/A	
Janet Stephens	Interior and exterior	August 31, 2022	Typical

Valuation Methodology

Three approaches to value are typically considered when developing a market value opinion for real property. These are the cost approach, the sales comparison approach, and the income capitalization approach. Use of the approaches in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Applicable	Utilized

The sales comparison approach is an applicable valuation method for the subject due to the following:

- There is an active market for similar properties, and sufficient sales data is available for analysis.
- This approach directly considers the prices of alternative properties having similar utility.

The income capitalization approach is an applicable valuation method because:

- There is an active rental market for similar properties that permits us to estimate the subject's income generating potential.

The cost approach is not applicable to the assignment considering the following:

- The age of the property would limit the reliability of an accrued depreciation estimate.
- This approach is not typically used by market participants, except for new (or proposed) or nearly new properties.

Significant Appraisal Assistance

It is acknowledged that Janet Stephens made a significant professional contribution to this appraisal, consisting of participating in the property inspection, conducting research on the subject and transactions involving comparable properties, performing appraisal analyses, and assisting in report writing, under the supervision of the persons signing the report.

Economic Analysis

Tarrant County Area Analysis

Tarrant County is located in north central Texas approximately 15 miles west of Dallas. It is 864 square miles in size and has a population density of 2,475 persons per square mile.

Population

Tarrant County has an estimated 2022 population of 2,137,626, which represents an average annual 1.4% increase over the 2010 census of 1,809,034. Tarrant County added an average of 27,383 residents per year over the 2010-2022 period, and its annual growth rate is similar to that of the State of Texas.

Looking forward, Tarrant County's population is projected to increase at a 1.1% annual rate from 2022-2027, equivalent to the addition of an average of 24,529 residents per year. Tarrant County's growth rate is expected to exceed that of Texas, which is projected to be 1.0%.

Population Trends

	Population			Compound Ann. % Chng	
	2010 Census	2022 Estimate	2027 Projection	2010 - 2022	2022 - 2027
76034 (Colleyville, TX)	21,990	26,403	28,075	1.5%	1.2%
Colleyville, TX (city)	22,807	26,491	28,167	1.3%	1.2%
Tarrant County, TX	1,809,034	2,137,626	2,260,270	1.4%	1.1%
Dallas-Fort Worth-Arlington, TX	6,366,542	7,826,862	8,291,685	1.7%	1.2%
Texas	25,145,561	29,801,205	31,381,561	1.4%	1.0%

Source: Claritas

Employment

Total employment in Tarrant County was estimated at 910,236 jobs at year-end 2020. Between year-end 2010 and 2020, employment rose by 151,137 jobs, equivalent to a 19.9% increase over the entire period. These figures reflect a net gain of 185,513 jobs through 2019, followed by losses in 2020 with the onset of the COVID-19 pandemic. Tarrant County's rate of employment growth over the last decade surpassed that of Texas, which experienced an increase in employment of 18.2% or 1,887,238 jobs over this period.

A comparison of unemployment rates is another way of gauging an area's economic health. Over the past decade, the Tarrant County unemployment rate has been generally lower than that of Texas, with an average unemployment rate of 5.4% in comparison to a 5.7% rate for Texas. A lower unemployment rate is a positive indicator.

Recent data shows that the Tarrant County unemployment rate is 5.9% in comparison to a 6.3% rate for Texas, a positive sign that is consistent with the fact that Tarrant County has outperformed Texas in the rate of job growth over the past two years.

Employment Trends

Year	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
	%		%		Tarrant County	Texas
	Tarrant County	Change	Texas	Change		
2010	759,099		10,363,872		8.2%	8.2%
2011	775,309	2.1%	10,611,631	2.4%	7.8%	8.0%
2012	801,409	3.4%	10,964,215	3.3%	6.5%	6.7%
2013	820,876	2.4%	11,248,559	2.6%	6.1%	6.3%
2014	843,493	2.8%	11,672,985	3.8%	5.1%	5.2%
2015	858,373	1.8%	11,831,449	1.4%	4.2%	4.5%
2016	874,738	1.9%	11,972,594	1.2%	4.0%	4.6%
2017	891,649	1.9%	12,224,998	2.1%	3.7%	4.3%
2018	915,807	2.7%	12,539,711	2.6%	3.5%	3.9%
2019	944,612	3.1%	12,802,919	2.1%	3.3%	3.5%
2020	910,236	-3.6%	12,251,110	-4.3%	7.4%	7.7%
Overall Change 2010-2020	151,137	19.9%	1,887,238	18.2%		
Avg Unemp. Rate 2010-2020					5.4%	5.7%
Unemployment Rate - April 2021					5.9%	6.3%

Source: U.S. Bureau of Labor Statistics and Moody's Analytics. Employment figures are from the Quarterly Census of Employment and Wages (QCEW). Unemployment rates are from the Current Population Survey (CPS). The figures are not seasonally adjusted.

Major employers in Tarrant County are shown in the following table.

Major Employers - Tarrant County, TX

	Name	Number of Employees
1	AMR Corporation (American Airlines)	24,700
2	Bank of America Corp.	20,000
3	Texas Health Resources Inc.	19,230
4	Dallas ISD	18,314
5	Baylor Health Care System	17,097
6	AT&T	15,800
7	Lockheed Martin Aeronautics Co.	14,126
8	JP Morgan Chase & Co.	13,500
9	UT-Southwestern Medical Center	13,122
10	City of Dallas	12,836

Source: <https://www.tarrantcounty.com/en/administration/staff/economic-development-coordinator/financial-status/labor-force-and-economic-base.html>

Gross Domestic Product

Gross Domestic Product (GDP) is a measure of economic activity based on the total value of goods and services produced in a defined geographic area, and annual changes in Gross Domestic Product (GDP) are a gauge of economic growth.

Economic growth, as measured by annual changes in GDP, has been considerably lower in Tarrant County than Texas overall during the past eight years. Tarrant County has grown at a 2.1% average annual rate while Texas has grown at a 3.2% rate.

Tarrant County has a per capita GDP of \$50,825, which is 18% less than Texas's GDP of \$61,682. This means that Tarrant County industries and employers are adding relatively less value to the economy than their counterparts in Texas.

Gross Domestic Product

Year	(\$,000s)	% Change	(\$,000s)	% Change
	Tarrant County		Texas	
2012	92,212,754		1,410,447,800	
2013	93,122,305	1.0%	1,470,464,600	4.3%
2014	95,319,677	2.4%	1,518,613,700	3.3%
2015	97,865,213	2.7%	1,595,969,500	5.1%
2016	98,904,785	1.1%	1,606,579,800	0.7%
2017	101,377,040	2.5%	1,651,329,500	2.8%
2018	105,531,656	4.1%	1,715,231,000	3.9%
2019	106,860,255	1.3%	1,764,357,200	2.9%
Compound % Chg (2012-2019)		2.1%		3.2%
GDP Per Capita 2019	\$50,825		\$61,682	

Source: U.S. Bureau of Economic Analysis and Moody's Analytics; data released December 2020. The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted "real" GDP stated in 2012 dollars.

Income, Education and Age

Tarrant County has a higher level of household income than Texas. Median household income for Tarrant County is \$77,324, which is 9.6% greater than the corresponding figure for Texas.

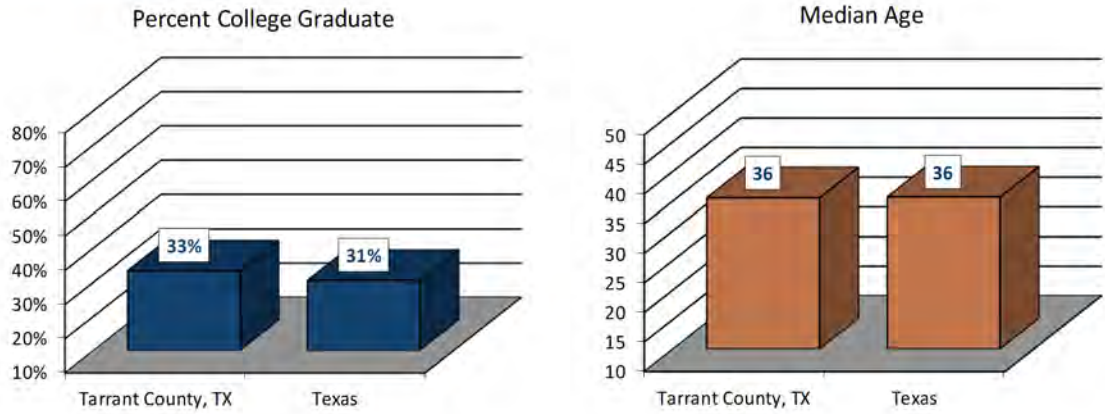
Median Household Income - 2022

	Median
Tarrant County, TX	\$77,324
Texas	\$70,521
Comparison of Tarrant County, TX to Texas	+ 9.6%

Source: Claritas

Residents of Tarrant County have a slightly higher level of educational attainment than those of Texas. An estimated 33% of Tarrant County residents are college graduates with four-year degrees, versus 31% of Texas residents. People in Tarrant County are similar in age to their Texas counterparts. The median age of both Tarrant County and Texas is 36 years.

Education & Age - 2022

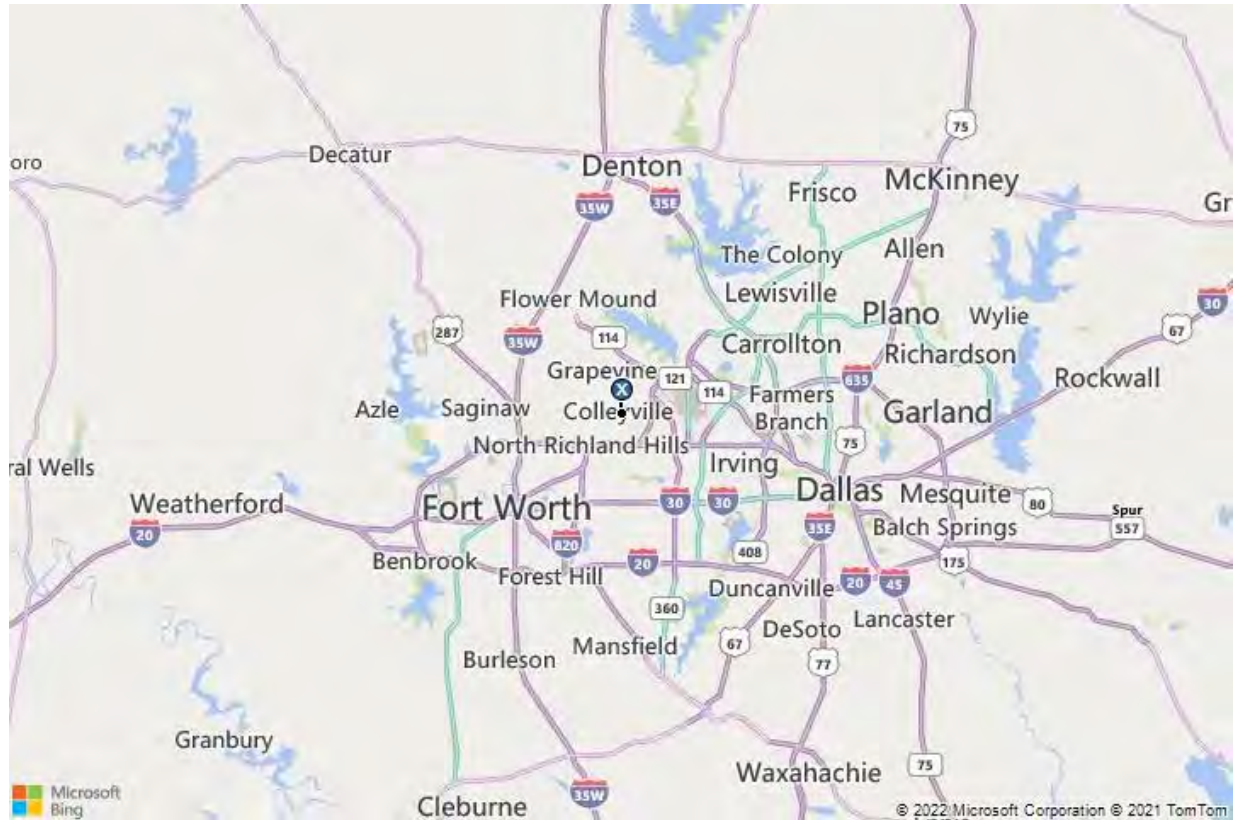


Source: Claritas

Conclusion

The Tarrant County economy will benefit from a growing population base and higher income and education levels. Tarrant County experienced growth in the number of jobs and has maintained a generally lower unemployment rate than Texas over the past decade. It is anticipated that the Tarrant County economy will improve, and employment will grow, strengthening the demand for real estate.

Area Map



Surrounding Area Analysis

The subject is located in the northern portion of Tarrant County. This area is part of the Fort Worth submarket. Adjacent communities include Grapevine to the north, Las Colinas to the east, Euless to the south, and Keller to the west. Area boundaries and delineation are indicated in the following table. A map identifying the location of the property follows this section.

Boundaries & Delineation

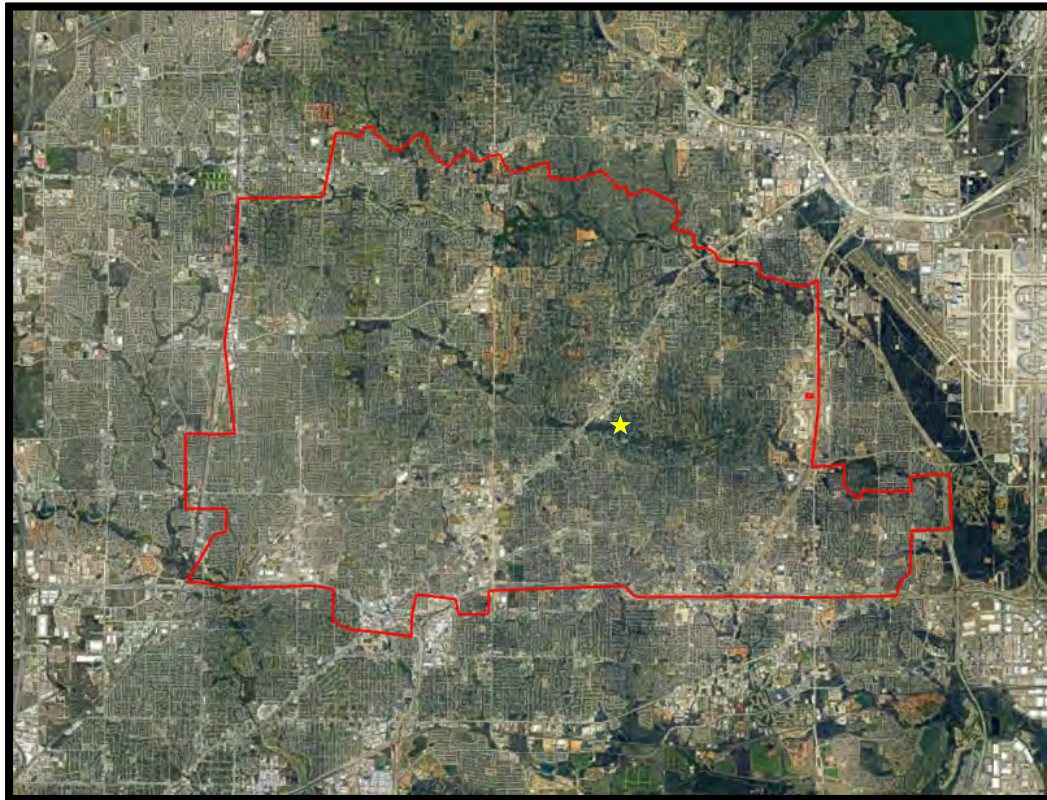
Boundaries

Market Area	Dallas-Fort Worth, TX
Submarket	Colleyville
Area Type	Suburban

Delineation

North	Grapevine
South	Las Colinas
East	Euless
West	Keller

Neighborhood Map



Access and Linkages

Access throughout the area is considered excellent. The subject capitalizes on the Dallas-Fort Worth Highway System, which is one of the most well developed in the country. Primary access and linkages to the subject area, including highways, roadways, public transit, traffic counts, and airports, are summarized in the following table.

Access & Linkages	
Vehicular Access	
Major Highways	SH121, SH360, SH 114
Primary Corridors	SH 26, Glade Rd
Vehicular Access Rating	Average
Public Transit	
Providers	Dart, Trinity Metro
Transit Access Rating	Average
Airport(s)	
Distance	2 Miles
Driving Time	5 Minutes
Primary Transportation Mode	Automobile

Below is a map that depicts the subject's location relative to the metropolitan highway system. This map was generated by Integra Realty Resources – Fort Worth using ArcGIS, as well as public data provided by the Texas Department of Transportation.

Dallas-Fort Worth Highway



Key: Interstate Highways (Blue), Principal Freeways and Expressways (Red) and Principal Highways and thoroughfares (Green and Orange). The arrow indicates the approximate location of the subject.

Demand Generators

The typical demand generators in and around the subject area that impact nearby activity levels, overall economic health and the marketability of the market area are discussed and analyzed below.

Texas Motor Speedway is a speedway located in the northernmost portion of the U.S. city of Fort Worth, Texas – the portion located in Denton County, Texas. The reconfigured track measures 1.44 miles (2.32 km) with banked 20° in turns 1 and 2 and banked 24° in turns 3 and 4. Texas Motor Speedway is a quad-oval design, where the front straightaway juts outward slightly. The track layout is similar to Atlanta Motor Speedway and Charlotte Motor Speedway. The track is owned by Speedway Motorsports, Inc.



Source: <https://www.texasmotorspeedway.com/>

Alliance Center is a planned community located within Denton County and Tarrant County, Texas, United States. It includes parts of the cities of Haslet, Fort Worth, Westlake, Northlake, Denton, and Roanoke. It is currently owned by Hillwood, a Henry Ross Perot, Jr. company. It is home to an Alliance Business Development which branches of more than 500 companies of which 69 are Fortune 500 corporations as of Dec. 2018. The total private investment as of December 2018 is \$9,036,738,025, with the total public investment totaling \$775,380,929 as of December 2018. Alliance companies employ 61,602 people of various positions. In addition to the extensive business development, there is also an Alliance Residential and Commercial called **Alliance Town Center** which



is the heart of activity for the rapidly growing Alliance region. Stretching from North Tarrant Parkway to Golden Triangle Boulevard, Alliance Town Center is a vibrant community, anchored by a robust health and wellness district, and energized by a variety of shopping, dining, and entertainment options, programmed with family-friendly activities for every age and interest. The development's smart growth, sustainable blueprint was recognized by the U.S. Green Building Council as one of two developments in Texas to receive the LEED Certified Neighborhood Development certification – one of the most difficult sustainable designations to obtain. Lastly, the development includes **Circle T Ranch** which is a 2,500-acre development seamlessly integrated with the most scenic landscapes in North Texas. Centrally located and connected within the Dallas-Fort Worth Metroplex and only 12 miles west of DFW International Airport, Circle T Ranch is one of nation's most prominent corporate destinations. Also home to a highly crafted mixed-use development, private residences, and an award-winning golf course, Circle T Ranch fosters community engagement and facilitates active lifestyles. A planned preserve that will include an organic farm, greenhouse, and farm-to-table bistros, will further enhance the unique experience of parks, trails and open spaces winding through prairies and ranch lands with herds of roaming cattle.

Source: <https://www.alliancetexas.com/>

Employment and Employment Centers

In addition to its good employment base, the area is easily accessible to and from the Fort Worth Central Business District and the Denton Central Business District, both within 30 minutes driving time. Access to employment centers in these submarkets, as well as other submarkets in the area, is a major demand driver for growth and development.

Demographics

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

Surrounding Area Demographics						
2020 Estimates	5-Mile Radius	10-Mile Radius	15-Mile Radius	Tarrant County, TX	Dallas-Fort Worth-Arlington, TX Metro	Texas
Population 2010	104,765	691,258	1,473,258	1,809,034	6,366,542	25,145,561
Population 2020	126,680	821,444	1,746,974	2,114,867	7,660,453	29,321,473
Population 2025	136,372	883,239	1,872,513	2,263,687	8,227,035	31,265,392
Compound % Change 2010-2020	1.9%	1.7%	1.7%	1.6%	1.9%	1.5%
Compound % Change 2020-2025	1.5%	1.5%	1.4%	1.4%	1.4%	1.3%
Households 2010	37,902	265,099	546,725	657,134	2,296,410	8,922,933
Households 2020	45,581	311,367	643,080	757,984	2,741,075	10,417,790
Households 2025	49,037	333,876	687,824	809,520	2,938,514	11,121,864
Compound % Change 2010-2020	1.9%	1.6%	1.6%	1.4%	1.8%	1.6%
Compound % Change 2020-2025	1.5%	1.4%	1.4%	1.3%	1.4%	1.3%
Median Household Income 2020	\$124,533	\$87,447	\$77,108	\$68,831	\$72,776	\$63,025
Average Household Size	2.8	2.6	2.7	2.8	2.8	2.8
College Graduate %	56%	46%	39%	31%	34%	29%
Median Age	42	37	36	35	36	35
Owner Occupied %	75%	60%	59%	62%	62%	64%
Renter Occupied %	25%	40%	41%	38%	38%	36%
Median Owner Occupied Housing Value	\$458,524	\$314,655	\$264,147	\$213,178	\$244,505	\$191,976
Median Year Structure Built	1994	1992	1990	1988	1990	1989
Average Travel Time to Work in Minutes	29	29	29	30	31	29

Source: EnviroNics Analytics

As shown above, the current population within a 10-mile radius of the subject is 821,444, and the average household size is 2.6. Population in the area has grown since the 2010 census, and this trend is projected to continue over the next five years. Compared to Tarrant County overall, the population within a 10-mile radius is projected to grow at a similar rate.

Median household income is \$87,447, which is higher than the household income for Tarrant County. Residents within a 10-mile radius have a considerably higher level of educational attainment than those of Tarrant County, while median owner-occupied home values are considerably higher.

Services and Amenities

The subject is served by the Keller Independent School District. Public services, including police and fire departments, as well as public schools are provided by The City of Colleyville.

Nearby colleges and universities include Texas Christian University (TCU), North Texas (UNT) and Tarrant County College. They offer programs typical of two- and four-year universities, as well as various continuing education programs. Proximity to parks, golf courses, and other recreational activities is considered average for typical DFW suburbs

Land Use

Predominant land uses in the immediate vicinity of the subject include a mix of commercial and residential. Land use characteristics of the area are summarized below.

Surrounding Area Land Uses

Character of Area	Suburban
Predominant Age of Improvements (Years)	20
Predominant Quality and Condition	Average
Approximate Percent Developed	90%
Land Use Allocation	
Single-Family	65%
Multifamily	5%
Retail	10%
Office	10%
Industrial	5%
Vacant Land	5%
Infrastructure and Planning	Average
Predominant Location of Undeveloped	North
Prevailing Direction of Growth	North

Development Activity and Trends

During the last five years, development has been predominantly of commercial use.

Outlook and Conclusions

The area is in the stability stage of its life cycle. Given the history of the area and the growth trends, it is anticipated that property values will remain stable in the near future.

In comparison to other areas in the region, the area is rated as follows:

Surrounding Area Ratings

Highway Access	Above Average
Demand Generators	Average
Convenience to Support Services	Average
Convenience to Public Transit	Average
Employment Stability	Average
Neighborhood Amenities	Average
Police and Fire Protection	Average
Barriers to Competitive Entry	Average
Price/Value Trends	Average
Property Compatibility	Average



Surrounding Area Map



Office Market Analysis

Metro Area Overview

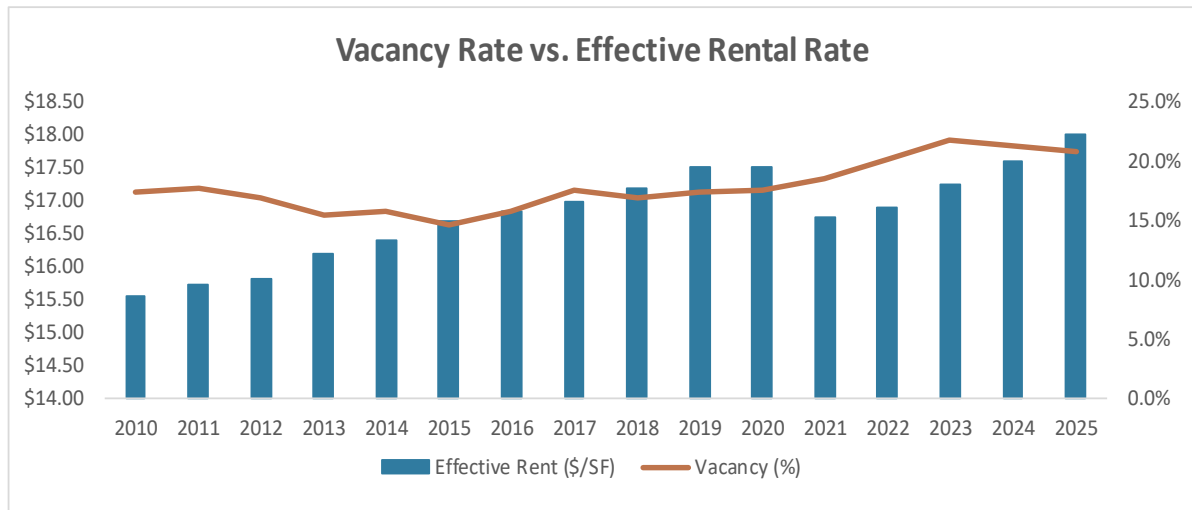
The subject is located in the Fort Worth metro area as defined by REIS. Supply and demand indicators, including inventory levels, absorption, vacancy, and rental rates for all classes of space are presented in the ensuing table.

Fort Worth Office Market Trends and Forecasts

Year	Inventory (SF)	Occupied (SF)	Vacancy (SF)	Vacancy (%)	Completions (SF)	Absorption (SF)	Effective Rent (\$/SF)	Effective Rental Rate (% Change)	Gross Revenue (\$/SF)	% Office Employment
2010	25,003,000	20,682,000	4,321,000	17.3%	11,000	-147,000	\$15.54	0.3%	\$15.82	27.9%
2011	25,206,000	20,738,000	4,468,000	17.7%	203,000	56,000	\$15.73	1.2%	\$15.85	28.0%
2012	25,261,000	20,983,000	4,278,000	16.9%	55,000	245,000	\$15.82	0.6%	\$16.07	27.9%
2013	25,483,000	21,557,000	3,926,000	15.4%	222,000	574,000	\$16.18	2.3%	\$16.72	27.8%
2014	25,638,000	21,582,000	4,056,000	15.8%	155,000	25,000	\$16.39	1.3%	\$16.85	27.4%
2015	25,401,000	21,684,000	3,717,000	14.6%	418,000	102,000	\$16.69	1.8%	\$17.39	27.2%
2016	25,560,000	21,539,000	4,021,000	15.7%	170,000	-145,000	\$16.82	0.8%	\$17.29	27.1%
2017	25,908,000	21,371,000	4,537,000	17.5%	348,000	-168,000	\$16.97	0.9%	\$17.08	27.0%
2018	26,269,000	21,840,000	4,429,000	16.9%	302,000	469,000	\$17.18	1.2%	\$17.42	27.2%
2019	26,325,000	21,783,000	4,542,000	17.3%	56,000	-57,000	\$17.52	2.0%	\$17.68	27.2%
2020	26,418,000	21,782,000	4,636,000	17.5%	93,000	-1,000	\$17.52	0.0%	\$17.56	27.3%
Q2 2021	26,418,000	21,732,000	4,686,000	17.7%	0	-73,000	\$17.46	-0.2%	\$17.56	27.6%
2021	26,481,000	21,590,000	4,891,000	18.5%	63,000	-192,000	\$16.75	-4.4%	\$17.07	27.5%
2022	26,556,000	21,193,000	5,363,000	20.2%	75,000	-397,000	\$16.90	0.9%	\$16.84	27.4%
2023	26,650,000	20,855,000	5,795,000	21.7%	94,000	-338,000	\$17.24	2.0%	\$16.77	27.3%
2024	26,823,000	21,123,000	5,700,000	21.3%	173,000	268,000	\$17.60	2.1%	\$17.17	27.3%
2025	27,003,000	21,394,000	5,609,000	20.8%	180,000	271,000	\$18.00	2.3%	\$17.57	27.4%
2010 - 2020 Average	25,679,273	21,412,818	4,266,455	16.6%	184,818	86,636	\$16.58	1.1%	\$16.88	27.5%

Source: Moody's Analytics REIS. Compiled by Integra Realty Resources, Inc.

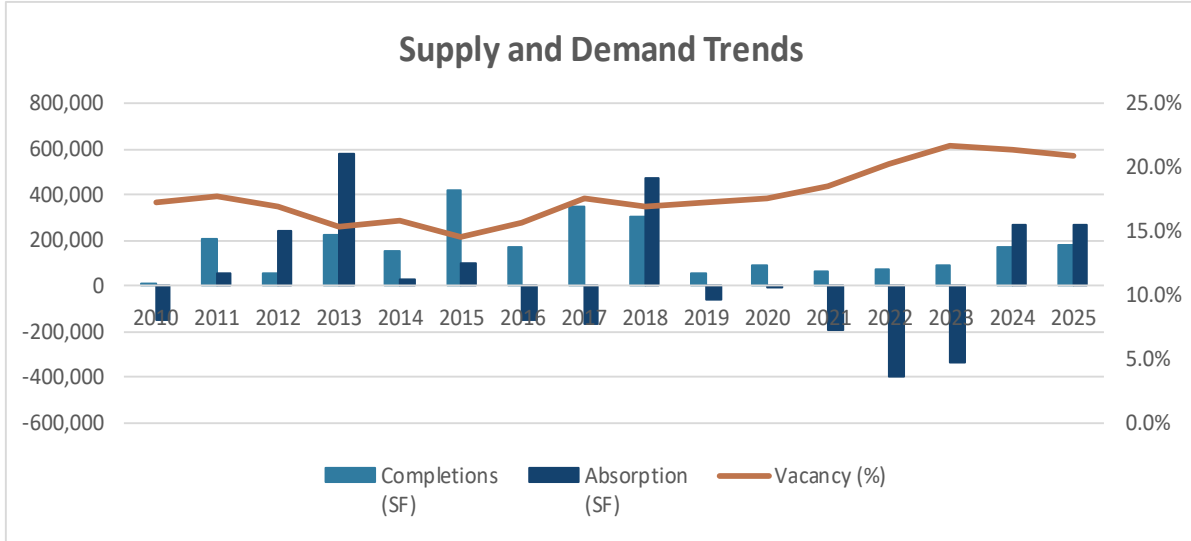
Fort Worth Metro Trends and Forecasts



Source: Moody's Analytics REIS



- The current vacancy rate in the metro area is 17.7%; the vacancy rate has increased by 310 bps from 2015.
- Four-year forecasts project a vacancy rate of 20.8% for the metro area, representing an increase of 310 bps by year-end 2025.
- Effective rent averages \$17.46/SF in the metro area; future rent values are expected to increase by 3.1% to \$18.00/SF by year-end 2025.



Source: Moody's Analytics REIS

- The inventory in the metro area has increased by 4.0% from 2015, while the occupied stock has increased by 0.2%.
- Between 2015 and 2020, completions averaged 231,167 SF annually and reached a peak of 418,000 SF in 2015.
- Between 2015 and 2020, absorption figures reached a peak of 469,000 SF in 2018 and a low of -168,000 SF in 2017.
- 27.6% of the labor force in the metro area work in office properties and this employment rate increased by 0.11% between 2015 and 2020.

Class B/C Office Overview

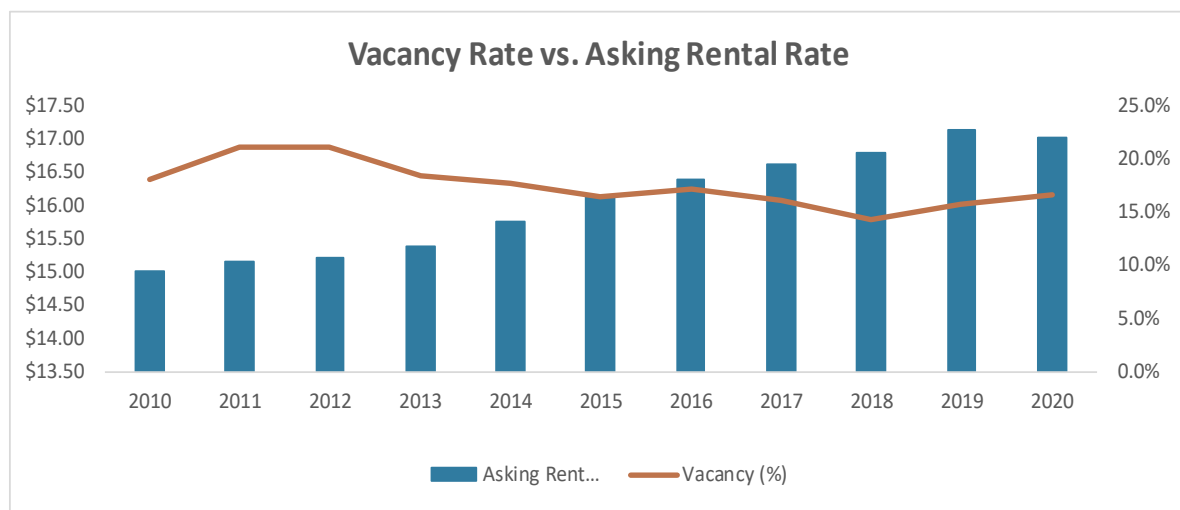
The subject is an office property as defined by REIS. Supply and demand indicators, including inventory levels, absorption, vacancy, and rental rates for all Class B/C space in the Fort Worth metro area are presented in the following table.



Fort Worth Office Class B/C Market Trends

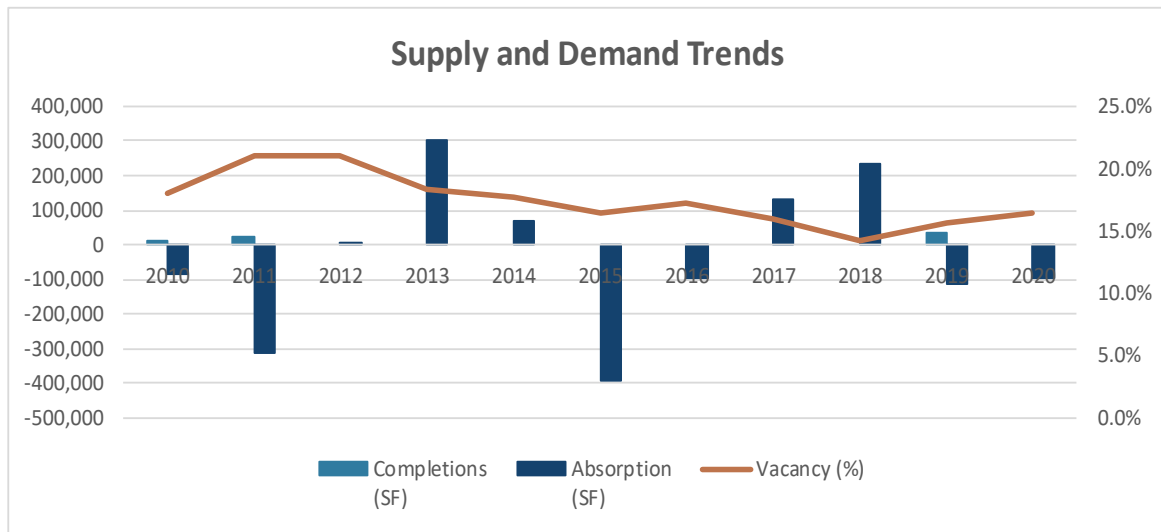
Year	Inventory (SF)	Occupancy (SF)	Vacancy (SF)	Vacancy (%)	Completions (SF)	Absorption (SF)	Asking Rent (\$/SF)	Asking Rental Rate (%) Change	Gross Revenue (\$/SF)
2010	11,343,000	9,303,000	2,040,000	18.0%	11,000	-86,000	\$15.00	-0.5%	\$12.30
2011	11,392,000	8,988,000	2,404,000	21.1%	26,000	-315,000	\$15.15	1.0%	\$11.95
2012	11,392,000	8,997,000	2,395,000	21.0%	0	9,000	\$15.20	0.3%	\$12.00
2013	11,392,000	9,299,000	2,093,000	18.4%	0	302,000	\$15.39	1.3%	\$12.56
2014	11,392,000	9,370,000	2,022,000	17.7%	0	71,000	\$15.74	2.3%	\$12.95
2015	10,737,000	8,978,000	1,759,000	16.4%	0	-392,000	\$16.12	2.4%	\$13.48
2016	10,726,000	8,880,000	1,846,000	17.2%	0	-98,000	\$16.38	1.6%	\$13.56
2017	10,726,000	9,011,000	1,715,000	16.0%	0	131,000	\$16.60	1.3%	\$13.95
2018	10,785,000	9,243,000	1,542,000	14.3%	0	232,000	\$16.79	1.1%	\$14.39
2019	10,820,000	9,127,000	1,693,000	15.6%	35,000	-116,000	\$17.13	2.0%	\$14.45
2020	10,820,000	9,030,000	1,790,000	16.5%	0	-97,000	\$17.02	-0.6%	\$14.20
2021 Q2	10,820,000	8,960,000	1,860,000	17.2%	0	22,000	\$17.09	0.4%	\$14.15
2010 - 2020 Average	11,047,727	9,111,455	1,936,273	17.5%	6,545	-32,636	\$16.05	1.1%	\$13.25

Source: Moody's Analytics REIS. Compiled by Integra Realty Resources, Inc.

Class B/C Office Trends and Insights

Source: Moody's Analytics REIS

- The current vacancy rate for Class B/C properties in the metro area is 17.2%; the vacancy rate has increased by 80 bps from 2015.
- Asking rent currently averages \$17.09/SF and has increased by 6.0% from 2015.



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- Class B/C metro area inventory has increased by 0.8% from 2015, while the occupied stock has decreased by 0.2%.
- Between 2015 and 2020, completions have averaged 5,833 SF annually and reached a peak of 35,000 SF in 2019.
- Between 2015 and 2020, absorption figures reached a peak of 232,000 SF in 2018 and a low of -392,000 SF in 2015.
- Between 2015 and 2020, gross revenue for Class B/C properties in the metro area averaged \$14.01/SF and has increased by 5.3%.

Submarket Overview

The subject is located in the Southeast submarket. In order to evaluate the market appeal of the subject’s submarket in comparison to others in the Fort Worth metro area, we compare key supply and demand indicators for all space types in the ensuing table.

Fort Worth Office Submarket Comparison

Submarket	Inventory (Buildings)	Inventory (SF)	Asking Rent (\$/SF)	Vacancy (%)	Free Rent (mos)	Improvements (New) (\$/SF)
Central Business District	47	8,375,000	\$24.87	14.6%	2.80	\$22.90
Northeast	166	7,033,000	\$19.32	28.2%	0.50	\$28.44
Northwest	55	3,739,000	\$21.95	13.7%	1.60	\$25.47
Southeast	105	5,529,000	\$18.68	12.9%	2.10	\$20.45
Southwest	25	1,742,000	\$19.80	14.6%	4.50	\$29.63
Market Averages/Totals	398	26,418,000	\$20.92	17.7%	2.30	\$25.38

Source: Moody’s Analytics REIS. Compiled by Integra Realty Resources, Inc.



Southeast Submarket Comparison

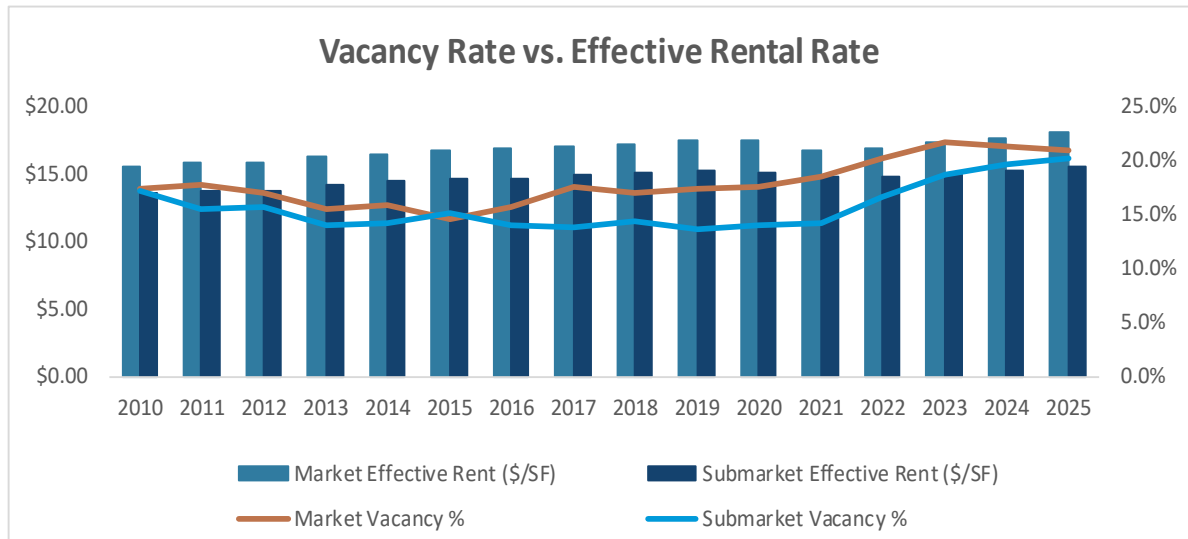
- The submarket contains 26.4% of the metro building inventory and 20.9% of the metro unit inventory.
- The submarket's asking rent is \$18.68/SF, which is less than the metro average of \$20.92/SF.
- The submarket's vacancy rate is 12.9%, which is less than the metro average of 17.7%.
- Tenant improvements average \$20.45/SF in the submarket compared to \$25.38/SF for the overall metro area.
- Average free rent in the subject property's submarket (2.1 months) is less than the free rent for the metro area (2.3 months).

Southeast Submarket Trends and Forecasts

Supply and demand indicators for all classes of space in the Southeast submarket are displayed in the following table.

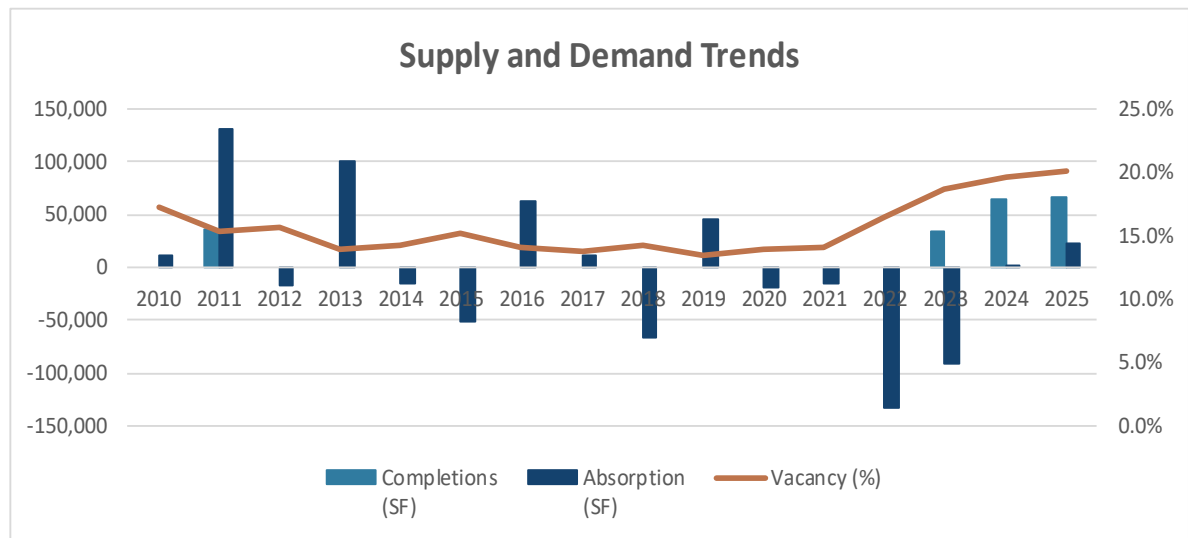
Southeast Office Submarket Trends and Forecasts									
Year	Inventory (SF)	Occupancy (SF)	Vacancy (SF)	Vacancy (%)	Completions (SF)	Absorption (SF)	Effective Rent (\$/SF)	Effective Rental Rate (% Change)	Gross Revenue (\$/SF)
2010	5,538,000	4,585,000	953,000	17.2%	0	12,000	\$13.51	-1.6%	\$14.00
2011	5,573,000	4,715,000	858,000	15.4%	35,000	130,000	\$13.73	1.6%	\$14.48
2012	5,573,000	4,698,000	875,000	15.7%	0	-17,000	\$13.77	0.3%	\$14.43
2013	5,573,000	4,798,000	775,000	13.9%	0	100,000	\$14.13	2.6%	\$15.13
2014	5,573,000	4,782,000	791,000	14.2%	0	-16,000	\$14.46	2.3%	\$15.47
2015	5,573,000	4,731,000	842,000	15.1%	0	-51,000	\$14.66	1.4%	\$15.51
2016	5,573,000	4,793,000	780,000	14.0%	0	62,000	\$14.62	-0.3%	\$15.57
2017	5,573,000	4,804,000	769,000	13.8%	0	11,000	\$14.89	1.8%	\$15.89
2018	5,529,000	4,738,000	791,000	14.3%	0	-66,000	\$14.98	0.6%	\$15.88
2019	5,529,000	4,783,000	746,000	13.5%	0	45,000	\$15.23	1.7%	\$16.32
2020	5,529,000	4,763,000	766,000	13.9%	0	-20,000	\$15.01	-1.4%	\$16.07
2021 Q2	5,529,000	4,816,000	713,000	12.9%	0	33,000	\$15.16	1.7%	\$16.27
2021	5,529,000	4,748,000	781,000	14.1%	0	-15,000	\$14.74	-1.8%	\$15.90
2022	5,529,000	4,615,000	914,000	16.5%	0	-133,000	\$14.76	0.1%	\$15.50
2023	5,563,000	4,524,000	1,039,000	18.7%	34,000	-91,000	\$14.95	1.3%	\$15.23
2024	5,627,000	4,525,000	1,102,000	19.6%	64,000	1,000	\$15.18	1.5%	\$15.18
2025	5,693,000	4,548,000	1,145,000	20.1%	66,000	23,000	\$15.44	1.7%	\$15.19
2010 - 2020 Average	5,557,818	4,744,545	813,273	14.6%	3,182	17,273	\$14.45	0.8%	\$15.34

Source: Moody's Analytics REIS. Compiled by Integra Realty Resources, Inc.



Source: Moody's Analytics REIS

- The current vacancy rate in the submarket is 12.9%; the vacancy rate has decreased by 220 bps from 2015.
- Four-year forecasts project a vacancy rate of 20.1% for the submarket, representing an increase of 720 bps by year-end 2025.
- Effective rent averages \$15.16/SF in the submarket; future rent values are expected to increase by 1.8% to \$15.44/SF by year-end 2025.



Source: Moody's Analytics REIS

- Current inventory level of 5,529,000 SF is expected to increase by 3.0% through year-end 2025.



- The inventory in the submarket has decreased by 0.8% from 2015, while the occupied stock has increased by 1.8%.
- There have not been any completions in the submarket between 2015 and 2020.
- Between 2015 and 2020, absorption figures reached a peak of 62,000 SF in 2016 and a low of -66,000 SF in 2018.

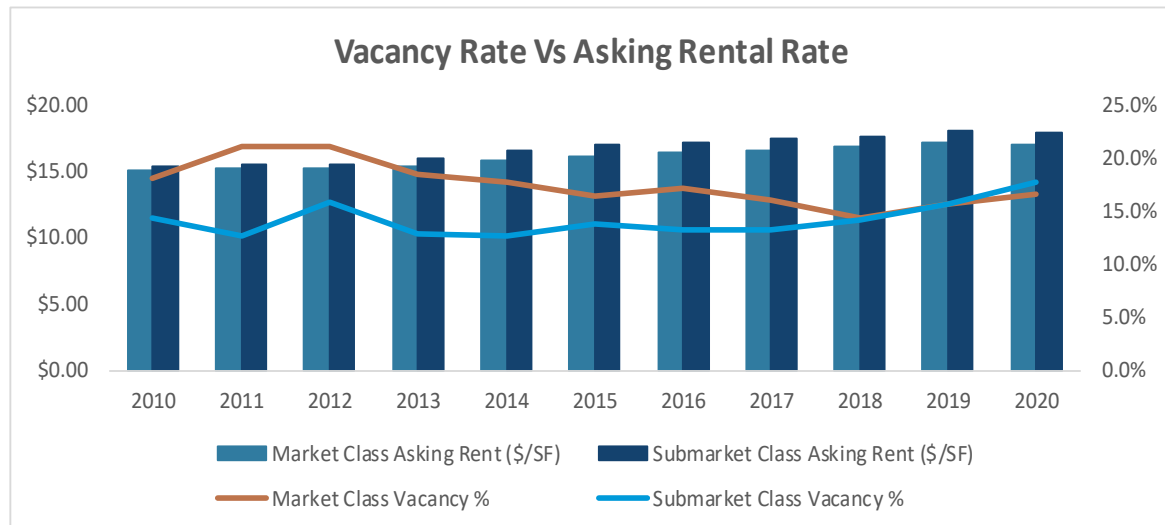
Class B/C Southeast Submarket Trends and Insights

Supply and demand indicators, including inventory levels, absorption, vacancy, and rental rates for Class B/C space in the submarket are presented in the following table.

Southeast Office Class B/C Submarket Trends

Year	Inventory (SF)	Occupancy (SF)	Vacancy (SF)	Vacancy (%)	Completions (SF)	Absorption (SF)	Asking Rental		Gross Revenue (\$/SF)
							Asking Rent (\$/SF)	Rate (% Change)	
2010	2,987,000	2,560,000	427,000	14.3%	0	38,000	\$15.34	-1.40%	\$13.15
2011	2,987,000	2,610,000	377,000	12.6%	0	50,000	\$15.53	1.20%	\$13.57
2012	2,987,000	2,515,000	472,000	15.8%	0	-95,000	\$15.53	0.00%	\$13.08
2013	2,987,000	2,605,000	382,000	12.8%	0	90,000	\$15.98	2.90%	\$13.94
2014	2,987,000	2,611,000	376,000	12.6%	0	6,000	\$16.58	3.80%	\$14.49
2015	2,987,000	2,574,000	413,000	13.8%	0	-37,000	\$16.95	2.20%	\$14.61
2016	2,987,000	2,594,000	393,000	13.2%	0	20,000	\$17.16	1.20%	\$14.90
2017	2,987,000	2,593,000	394,000	13.2%	0	-1,000	\$17.45	1.70%	\$15.15
2018	2,943,000	2,524,000	419,000	14.2%	0	-69,000	\$17.60	0.90%	\$15.09
2019	2,943,000	2,482,000	461,000	15.7%	0	-42,000	\$18.09	2.80%	\$15.26
2020	2,943,000	2,422,000	521,000	17.7%	0	-60,000	\$17.83	-1.40%	\$14.67
Q2 2021	2,943,000	2,476,000	467,000	15.9%	0	29,000	\$17.89	0.70%	\$15.05
2010 - 2020 Average	2,975,000	2,553,636	421,364	14.2%	0	-9,091	\$16.73	1.26%	\$14.36

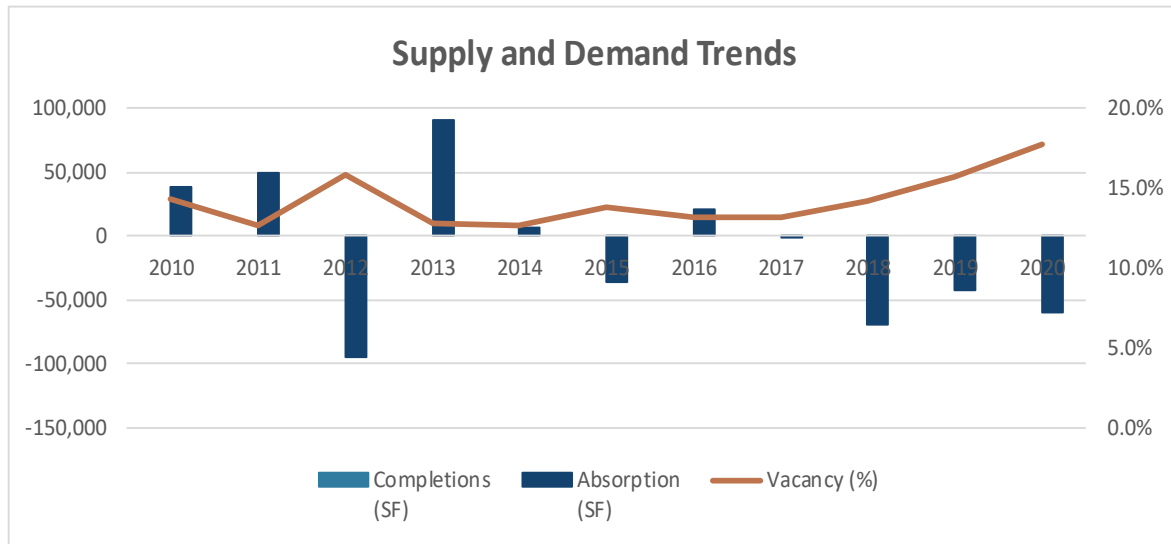
Source: Moody's Analytics REIS. Compiled by Integra Realty Resources, Inc.



Source: Moody's Analytics REIS

- The current vacancy for Class B/C properties in the submarket area is 15.9%; the vacancy rate has increased by 210 bps from 2015.

- Asking rent currently averages \$17.89/SF and has increased by 5.5% from 2015.



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- Class B/C submarket inventory has decreased by 1.5% from 2015, while the occupied stock has decreased by 3.8%.
- There have not been any Class B/C completions in the submarket between 2015 and 2020.
- Between 2015 and 2020, absorption figures reached a peak of 20,000 SF in 2016 and a low of -69,000 SF in 2018.
- Between 2015 and 2020, gross revenue for Class B/C properties in the submarket area averaged \$14.95/SF and increased by 0.4%.

Office Market Outlook and Conclusions

Based on the key metro and submarket area trends, construction outlook, and the performance of competing properties, IRR expects the mix of property fundamentals and economic conditions in the Fort Worth metro area to have no impact on the subject property's performance in the near-term.

Property Analysis

Land Description and Analysis

Land Description

Land Area	0.813 acres; 35,414 SF
Source of Land Area	Public Records
Primary Street Frontage	Glade Road - 220 feet
Secondary Street Frontage	Riverwalk Drive - 165 feet
Shape	Square
Corner	Yes
Rail Access	No
Topography	Generally level and at street grade
Drainage	None reported or observed
Environmental Hazards	None reported or observed
Ground Stability	None reported or observed
Flood Area Panel Number	48439C0095K
Date	September 25, 2009
Zone	X and X (Shaded)
Description	95% X - Outside of 500-year floodplain /5% X (Shaded) - Within 500-year floodplain
Insurance Required?	Unknown

Zoning; Other Regulations

Zoning Jurisdiction	City of Colleyville
Zoning Designation	PUD-R
Description	Planned Unit Development, Residential
Legally Conforming?	Appears to be legally conforming
Zoning Change Likely?	No
Permitted Uses	Combination of various uses to include single family residential, office, retail, commercial or educational.
Rent Control	No
Other Land Use Regulations	None reported or observed

Utilities

Service	Provider
Water	City of Colleyville
Sewer	City of Colleyville
Electricity	Oncor
Natural Gas	Atmos
Local Phone	various

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance with zoning is required.

Easements, Encroachments and Restrictions

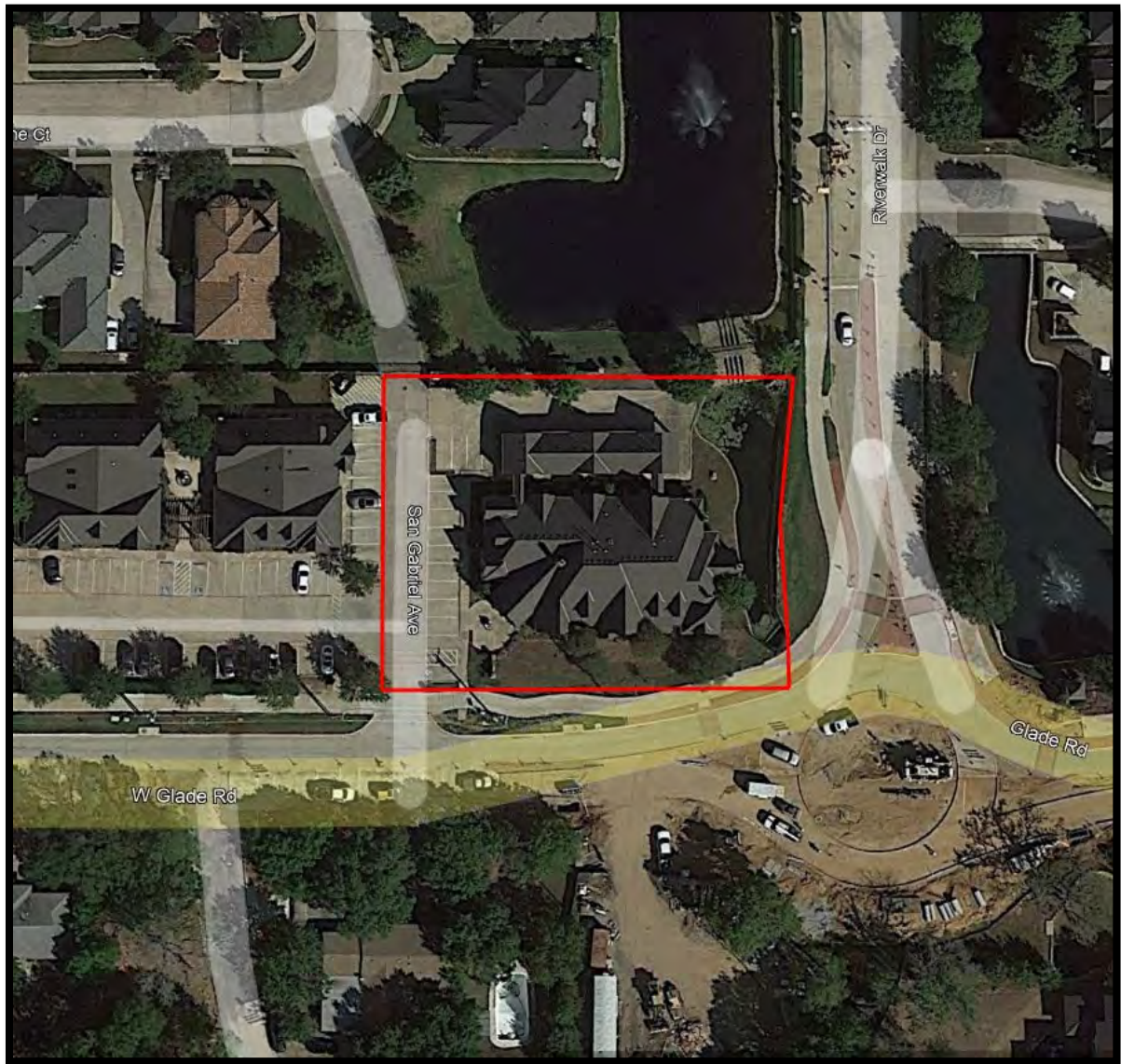
A current title report was not provided for review. There are no apparent easements, encroachments, or restrictions that would adversely affect value. This valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Conclusion of Site Analysis

Overall, the physical characteristics and the availability of utilities result in a functional site, suitable for a variety of uses including those permitted by zoning. Uses permitted by zoning include combination of various uses to include single family residential, office, retail, commercial or educational. No other restrictions on development are apparent.



Aerial Photograph



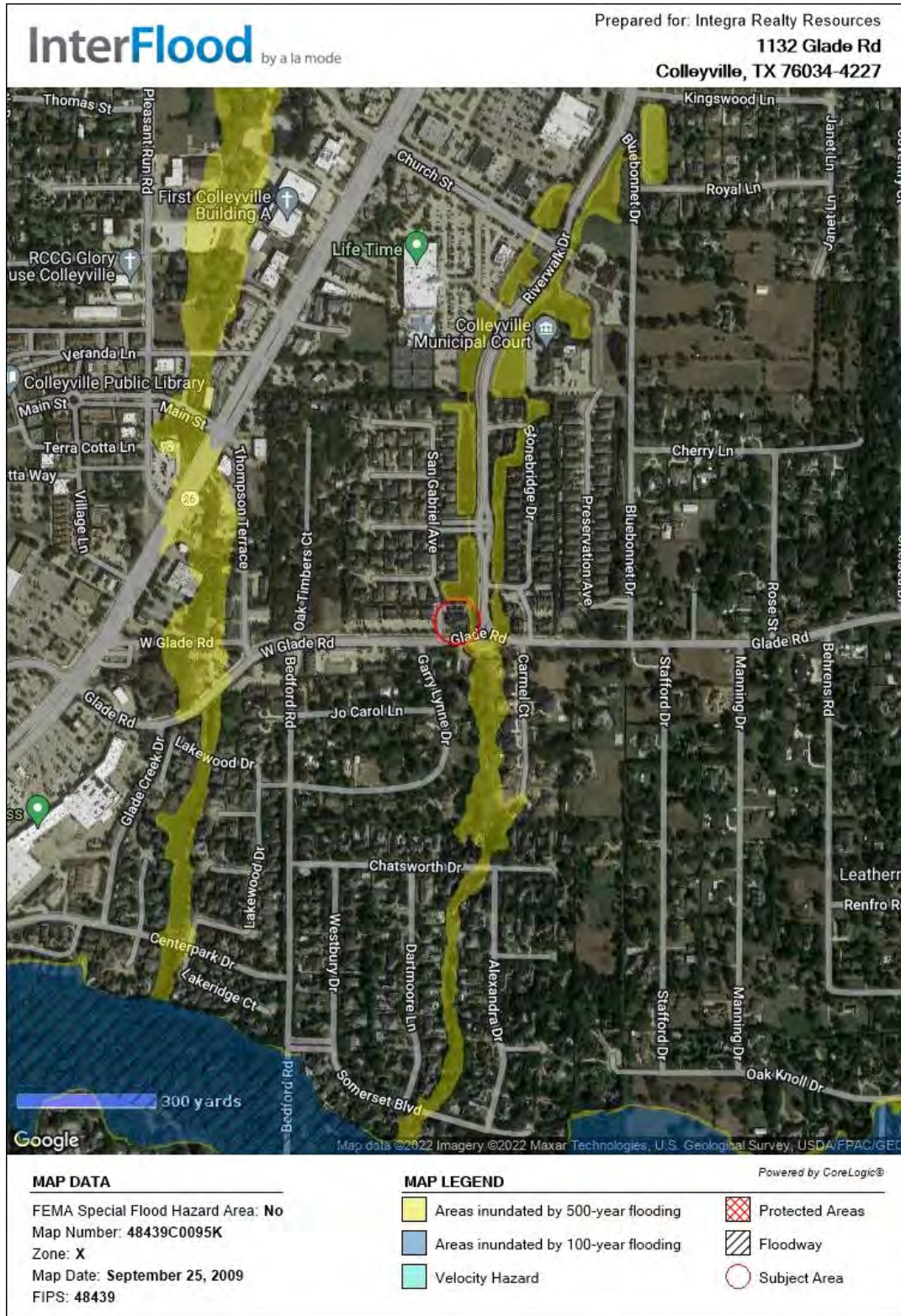
The subject is outlined in red.

Tax Map



The subject is outlined in blue.

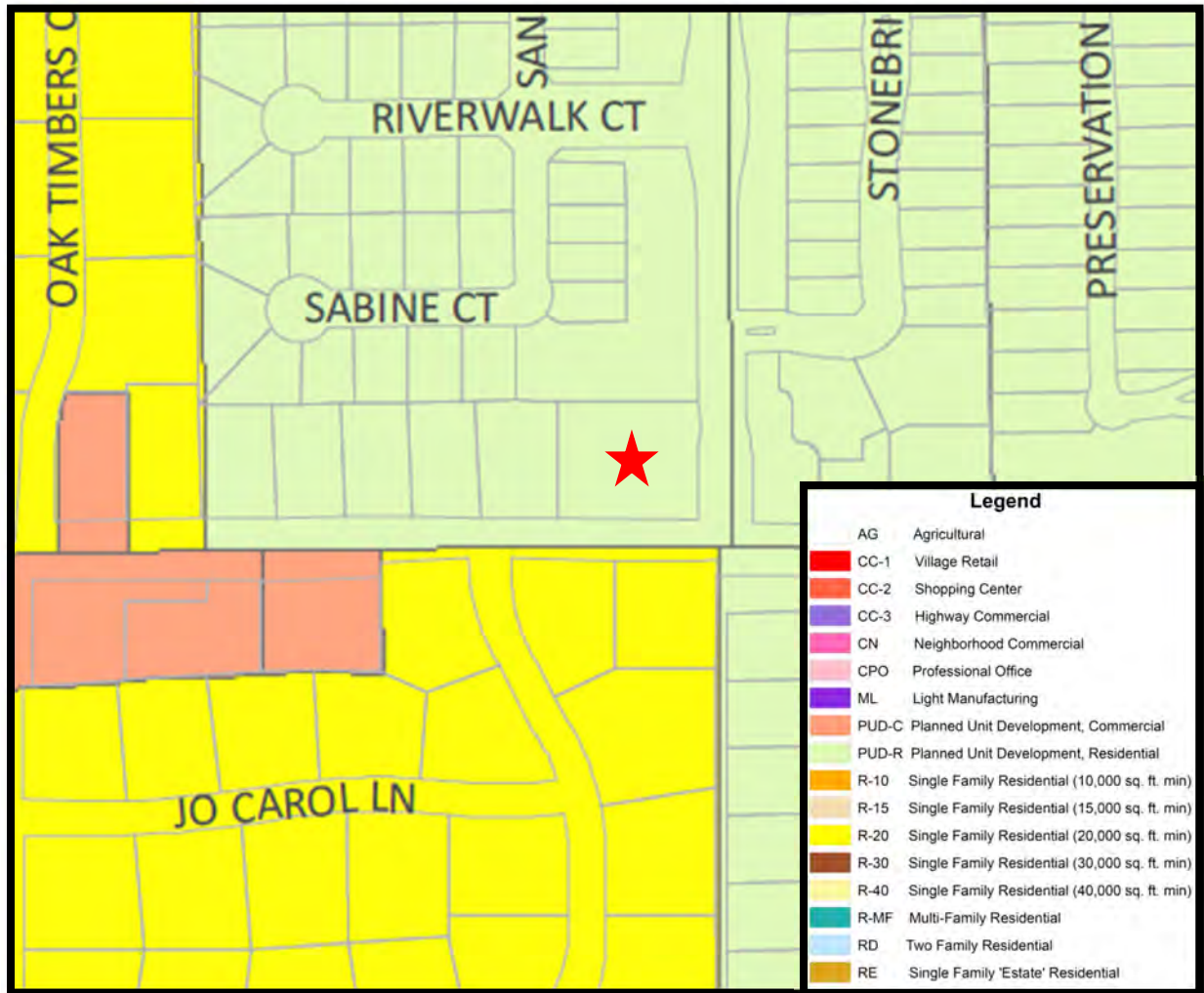
Flood Hazard Map



A Single-Tenant Office Property



Zoning Map



The subject site is marked with a red star.

PUD-R: Planned developments containing primarily residential dwelling units, which may be grouped into clusters and may have a higher density than a conventional single-family project of the same acreage, shall be classified as Planned Unit Development - Residential. A PUD-R may also contain a portion of nonresidential uses. A Planned Unit Development may allow a combination of land uses, a specific use, or a class of generic uses, such as single family residential, office, retail, commercial or educational facilities, or a reference to another zoning district.

Improvements Description and Analysis

Overview

The subject is an existing office property containing 7,780 square feet of rentable area. The property has seventeen standard office suites and two large master office suites, five bathrooms, a large conference area or breakroom, one large foyer and one kitchen. There are 10 covered, private gated parking spaces in the rear and 15 uncovered public parking spaces. The improvements were constructed in 2008 and are owner occupied, yet vacant as of the effective appraisal date. The subject is in a state of partial completion due to interior flood damage in 2021 from the fire suppression system's malfunction. We estimate approximately \$360,000 in capital expenditures, based on Marshal Swift Valuation Services, to complete the sheetrock repair and flooring replacement necessary for tenancy. The site area is 0.813 acres or 35,414 square feet. The following description is based on the inspection of the property.

Improvements Description

Name of Property	A Single-Tenant Office Property
General Property Type	Office
Property Sub Type	General Purpose
Competitive Property Class	A
Occupancy Type	Owner Occupied
Number of Buildings	1
Stories	1
Construction Class	D
Construction Type	Wood frame
Construction Quality	Average
Condition	Average
Gross Building Area (SF)	7,780
Rentable Area (SF)	7,780
Land Area (SF)	35,414
Floor Area Ratio (RA/Land SF)	0.22
Floor Area Ratio (GBA/Land SF)	0.22
Building Area Source	Public Records
Year Built	2008
Year Renovated	2022
Actual Age (Yrs.)	14
Estimated Effective Age (Yrs.)	14
Estimated Economic Life (Yrs.)	55
Remaining Economic Life (Yrs.)	41
Number of Parking Spaces	26
Source of Parking Count	Onsite
Parking Type	Concrete surface (15 uncovered, 10 covered)
Parking Spaces/1,000 SF RA	3.34

Construction Details

Foundation	Reinforced concrete slab
Structural Frame	Wood frame
Exterior Walls	Brick veneer and stucco
Roof	Pitched, Composition shingles
Interior Finishes	Painted/textured drywall
HVAC	Central
Elevators	None
Sprinklers	Yes

Occupancy Status

The property is fully occupied by the owner. There are no arm's-length leases in place at the subject property.

Improvements Analysis – As If Complete

The subject property is improved with one 7,780 square foot building, constructed in 2008. The property has seventeen standard office suites and two large master office suites, five bathrooms, a large conference area or breakroom, one large foyer and one kitchen. There are ten covered, private gated parking spaces in the rear and fifteen uncovered public parking spaces.

Quality and Condition

The improvements are of average quality construction and are in average condition. The quality of the subject is consistent with to competing properties. Maintenance has been consistent with competing properties. Overall, the market appeal of the subject is consistent with competing properties.

Functional Utility

The improvements appear to be adequately suited to their current use. Based on the property inspection and consideration of the foregoing, there do not appear to be any significant items of functional obsolescence.

Deferred Maintenance

No deferred maintenance is apparent from the property inspection, and none, other than the proposed renovations, are identified based on discussions with management.

ADA Compliance

Based on the property inspection and information provided, there are no apparent ADA issues. However, ADA matters are beyond the scope of expertise of the assignment participants, and further study by an appropriately qualified professional would be recommended to assess ADA compliance.

Hazardous Substances

An environmental assessment report was not provided for review, and environmental issues are beyond the scope of expertise of the assignment participants. No hazardous substances were observed during the inspection of the improvements; however, detection of such substances is

outside the scope of expertise of the assignment participants. Qualified professionals should be consulted. Unless otherwise stated, it is assumed no hazardous conditions exist on or near the subject.

Personal Property

The appraisal assignment is specifically focused on the value of the real property only. Items of personal property are excluded from consideration.

Conclusion of Improvements Analysis

In comparison to competitive properties in the market, the subject improvements are rated as follows:

Improvements Ratings

Visibility/Exposure	Average
Design and Appearance	Above Average
Age/Condition	Average
% Sprinklered	Average
Lobby	Average
Interior Amenities	Above Average
Floor to ceiling heights	Above Average
Elevators	Below Average
Parking Ratios	Average
Distance of Parking to Building Access	Average
Landscaping	Average

Overall, the quality, condition, and functional utility of the improvements are average for their age and location.

Improvements Analysis – As Is

As of the date of the inspection, the property comprises of one 7,780 square foot building, constructed in 2008. The property has seventeen standard office suites and two large master office suites, five bathrooms, a large conference area or breakroom, one large foyer and one kitchen. There are ten covered, private gated parking spaces in the rear and fifteen uncovered public parking spaces.

The subject is in a state of partial completion due to interior flood damage in 2021 from the fire suppression system's malfunction. We estimate roughly \$360,000 in capital expenditure to complete the sheetrock repair and flooring replacement necessary for tenancy.

Planned Capital Expenditures

Expenditures for various capital items considered to be necessary are identified in the following table. To estimate the amounts of these expenditures, reliance is placed on Marshall Valuation Service in the absence of a formal bid. Projected capital expenditures are as follows.

Capital Expenditures	
Item	Year 1
Interior finish out: sheetrock and flooring repair	\$357,880
Total	\$357,880
Percent Applied	100%
Net Total	\$357,880



Front Exterior



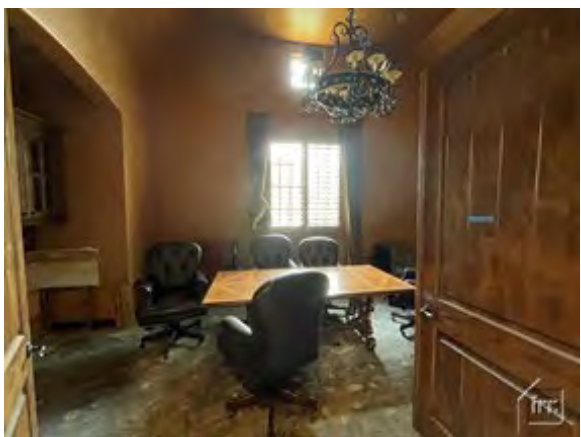
Side View - Exterior



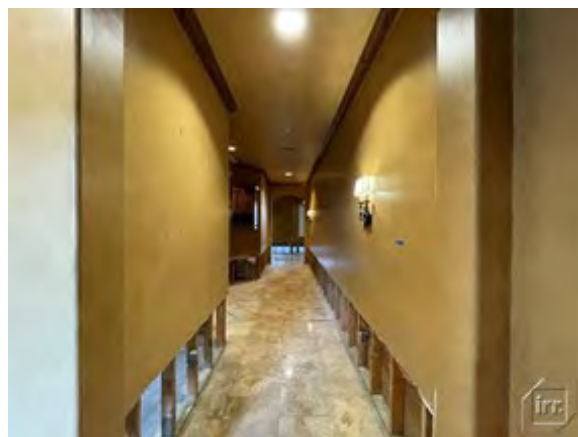
Rear gated entrance and covered parking for tenants



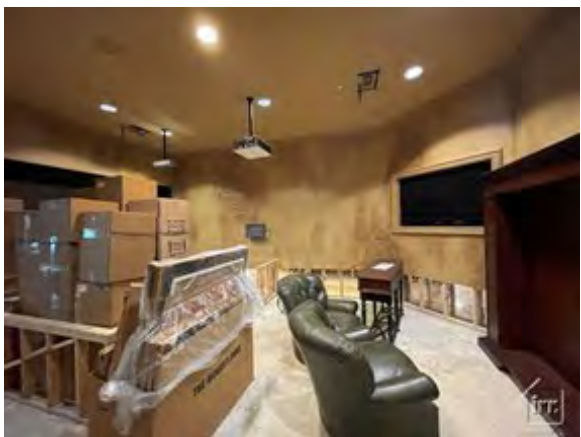
Entry/ Foyer - Interior



Interior View



Interior View



Interior View



Interior View



Interior View



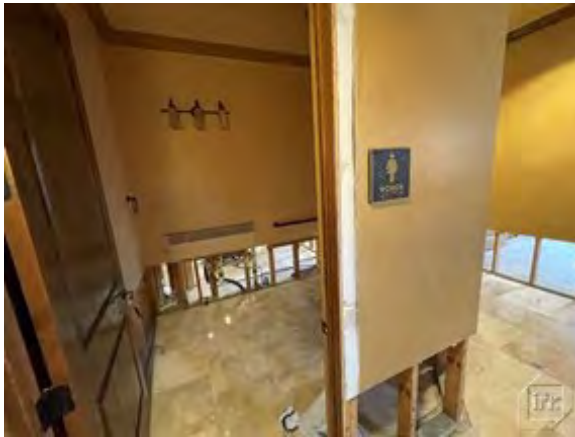
Interior View



Interior View



Interior View



Interior View



Street View, facing east

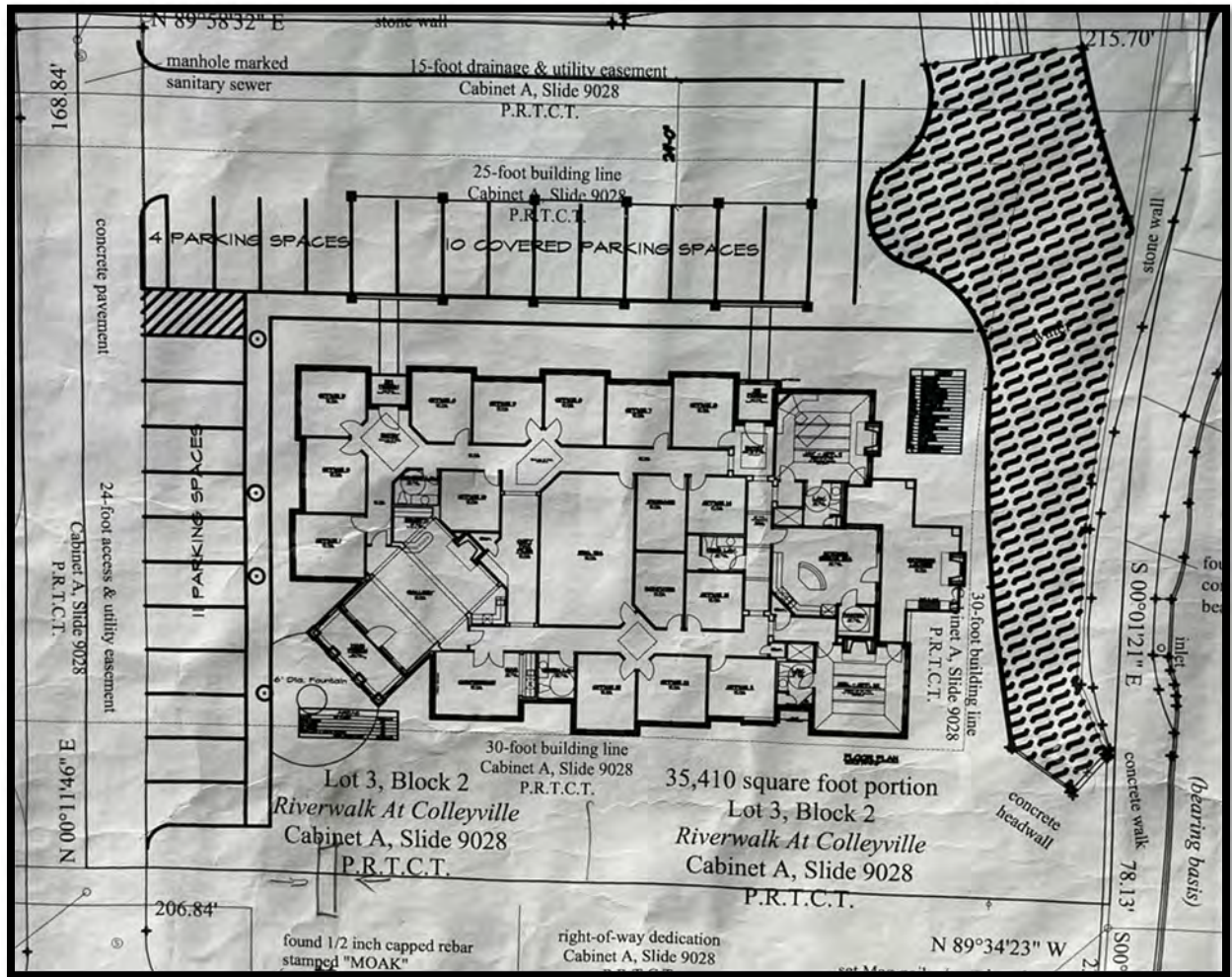


Street view, facing west

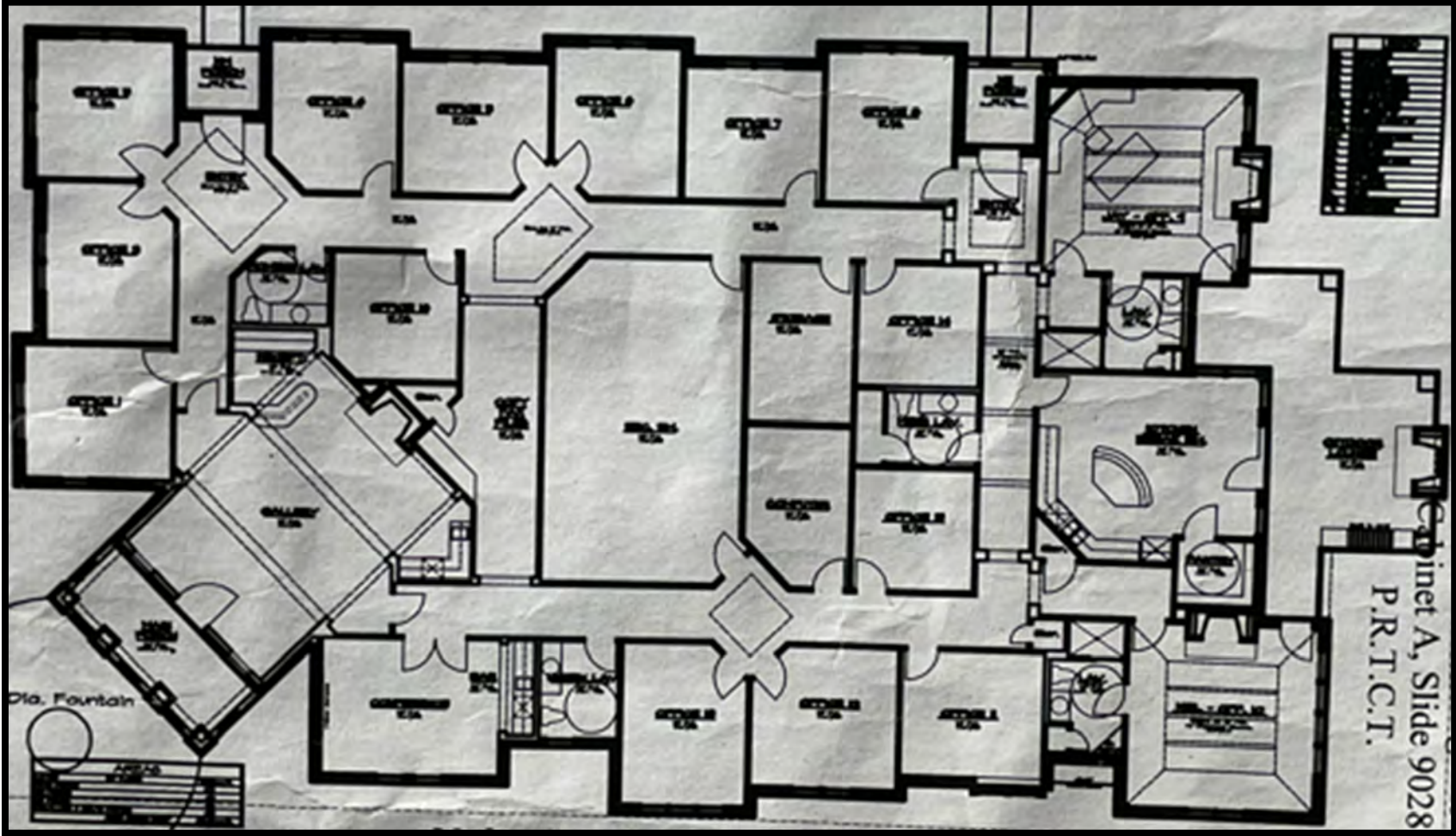


Street view, facing south

Site Plan



Floor Plan



A Single-Tenant Office Property



Real Estate Taxes

Real estate tax assessments are administered by the Tarrant County Appraisal District and are estimated by jurisdiction on a county basis for the subject. Real estate taxes in this state and this jurisdiction represent ad valorem taxes, meaning a tax applied in proportion to value. The real estate taxes for an individual property may be determined by dividing the assessed value for a property by \$100, then multiplying the estimate by the composite rate. The composite rate is based on a consistent state tax rate throughout the state, in addition to one or more local taxing district rates.

Real estate taxes and assessments for the current tax year are shown in the following table.

Taxes and Assessments - 2022						
Tax ID	Assessed Value			Taxes and Assessments		
	Land	Improvements	Total	Ad Valorem Tax Rate	Taxes	Total
41351932	\$495,740	\$1,329,964	\$1,825,704	2.150500%	\$39,262	\$39,262

Based on the concluded market value of the subject, the assessed value appears reasonable. To check the reasonableness of the subject's assessment and related tax expense, several competitive properties are analyzed and summarized as follows:

Tax Comparables								
No.	Property Name	Year Built	SF	Real Estate	Total Assessed Value	Assessed Value/SF	Total Taxes	Taxes/SF
1	1128 Glade Rd	2010	4,482	\$939,442	\$939,442	\$209.60	\$20,202	\$4.51
2	1009 Glade Rd	2001	5,111	\$894,208	\$894,208	\$174.96	\$19,230	\$3.76
3	4814 Colleyville Blvd	1995	9,842	\$1,869,980	\$1,869,980	\$190.00	\$40,213	\$4.09
4	5204 Colleyville Blvd	2011	6,909	\$1,661,407	\$1,661,407	\$240.47	\$35,728	\$5.17
Subject	Current		7,780		\$1,825,704	\$234.67	\$39,262	\$5.05

Tax assessments for comparable properties range from \$174.96 to \$240.47 per square foot, as compared with the subject at \$234.67 per square foot. On balance, the subject's taxes appear reasonable.

Highest and Best Use

The highest and best use of a property is the reasonably probable use resulting in the highest value, and represents the use of an asset that maximizes its productivity.

Process

Before a property can be valued, an opinion of highest and best use must be developed for the subject site, both as though vacant, and as improved or proposed. By definition, the highest and best use must be:

- Physically possible.
- Legally permissible under the zoning regulations and other restrictions that apply to the site.
- Financially feasible.
- Maximally productive, i.e., capable of producing the highest value from among the permissible, possible, and financially feasible uses.

As Though Vacant

First, the property is evaluated as though vacant, with no improvements.

Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses.

Legally Permissible

The site is zoned PUD-R, Planned Unit Development, Residential. Permitted uses include combination of various uses to include single family residential, office, retail, commercial or educational. There are no apparent legal restrictions, such as easements or deed restrictions, effectively limiting the use of the property. Given prevailing land use patterns in the area, only residential development or office use is given further consideration in determining highest and best use of the site, as though vacant.

Financially Feasible

Based on the accompanying analysis of the market, there is currently adequate demand for residential development or office use in the subject's area. It appears a newly developed office use on the site would have a value commensurate with its cost. Therefore, office use is considered to be financially feasible.

Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than office use. Accordingly, office use, developed to the normal market density level permitted by zoning, is the maximally productive use of the property.

Conclusion

Development of the site for office use is the only use which meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property as though vacant.

As Improved – As If Complete

The subject site is developed with an office building, which is consistent with the highest and best use of the site as though vacant. The existing improvements are vacant and in shell condition. The value of the existing, improved property no longer exceeds the value of the site, as though vacant. Therefore, redevelopment for continued office use is concluded to be the highest and best use of the property as improved.

As Improved – As Is

The subject site is developed with an office building, which is consistent with the highest and best use of the site as though vacant. The existing improvements are vacant and are in a state of partial completion due to interior flood damage. The subject has an overall effective age of 14 years, and is in average condition. Overall market appeal is inferior to that of competing properties, considering the flood damage and need for completion of sheetrock and flooring replacement and repairs. Renovation completion of the property for continued office use would likely result in a higher property value and is concluded to be maximally productive.

Most Probable Buyer

Taking into account the size and characteristics of the property and its occupancy, the likely buyer is a local or regional investor such as an individual or partnership.

Valuation

Valuation Methodology

Appraisers usually consider three approaches to estimating the market value of real property. These are the cost approach, sales comparison approach and the income capitalization approach.

The **cost approach** assumes that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the improvements being appraised are relatively new and represent the highest and best use of the land or when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

The **sales comparison approach** assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with the same utility. This approach is especially appropriate when an active market provides sufficient reliable data. The sales comparison approach is less reliable in an inactive market or when estimating the value of properties for which no directly comparable sales data is available. The sales comparison approach is often relied upon for owner-user properties.

The **income capitalization approach** reflects the market's perception of a relationship between a property's potential income and its market value. This approach converts the anticipated net income from ownership of a property into a value indication through capitalization. The primary methods are direct capitalization and discounted cash flow analysis, with one or both methods applied, as appropriate. This approach is widely used in appraising income-producing properties.

Reconciliation of the various indications into a conclusion of value is based on an evaluation of the quantity and quality of available data in each approach and the applicability of each approach to the property type.

The methodology employed in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Applicable	Utilized

Sales Comparison Approach

The sales comparison approach develops an indication of value by comparing the subject to sales of similar properties. The steps taken to apply this approach are:

- Identify relevant property sales;
- Research, assemble, and verify pertinent data for the most relevant sales;
- Analyze the sales for material differences in comparison to the subject;
- Reconcile the analysis of the sales into a value indication for the subject.

To apply the sales comparison approach, we searched for sale transactions within the following parameters:

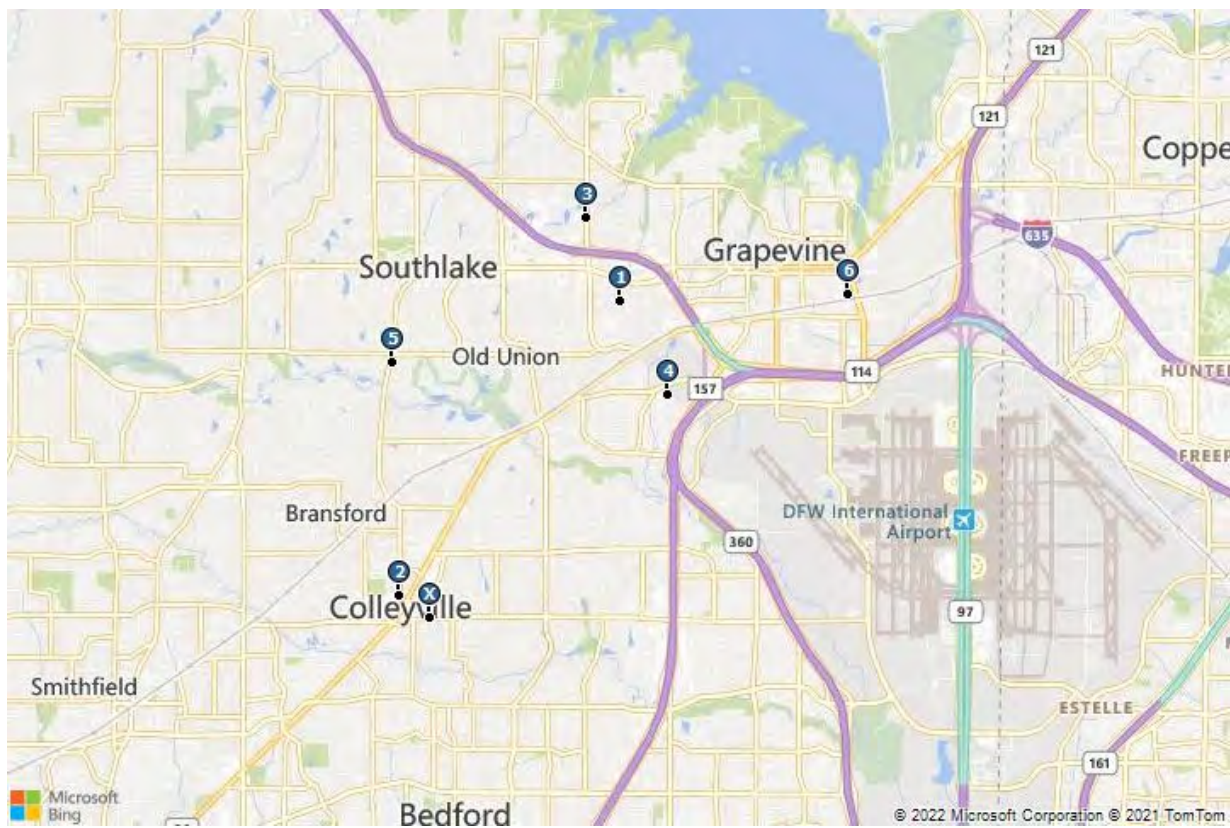
- Property Type: Office use
- Location: Tarrant County
- Size: 5,000 to 15,000 square foot
- Age/Quality: 2000+
- Transaction Date: 2019 through the Effective Appraisal Date

For this analysis, we use price per square foot of gross building area as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The most relevant sales are summarized in the following table.

Summary of Comparable Improved Sales

No.	Name/Address	Sale Date; Status	Yr. Blt.; # Stories; % Occ.	Acres; FAR; Parking Ratio	Prop Class; Const Type; Prop Rights	Effective Sale Price	Gross SF	\$/Gross SF	Cap Rate
1	5,700 SF Office Building in 508 Silicon Dr. Southlake Tarrant County TX	Jun-22 Closed	2017 1 100%	0.60 0.22 3.86/1,000	B 0 Fee Simple	\$2,200,000	5,700	\$385.96	
2	35 Veranda Lane 35 Veranda Ln. Colleyville Tarrant County TX	Feb-22 Closed	2008 1 0%	0.08 2.71	0 0 Fee Simple	\$2,000,000	9,438	\$211.91	
<i>Comments: This is a medical office that is 9,439 square feet and two stories tall. It could become an office or retail space easily. It sold on February 23, 2022 for \$2,000,000.</i>									
3	584 & 596 N Kimball Ave., 584 & 596 N. Kimball Ave Southlake Tarrant County TX	Jan-22 Closed	2014 1	0.84 0.23 3.02/1,000	C 0 Leased Fee	\$2,485,000	8,285	\$299.94	
<i>Comments: 8,285 SF office condo sold for \$2.49M in January 2022.</i>									
4	2559 SW Grapevine Pky 2559 SW. Grapevine Pky. Grapevine Tarrant County TX	Dec-21 Closed	2003 1	1.56 0.16	B Masonry Fee Simple	\$2,750,000	10,652	\$258.17	6.94%
<i>Comments: 10,652 SF office condo sold for \$2.75M.</i>									
5	1211 S White Chapel Blvd 1211 S. White Chapel Blvd. Southlake Tarrant County TX	Nov-21 Closed	1998 1 100%	1.29 0.15	0 0 Fee Simple	\$2,150,000	8,328	\$258.17	
6	Grapevine Station 1046 Texan Trail Grapevine Tarrant County TX	Mar-21 Closed	2005 1 100%	0.85 0.28 3.53/1,000	B Reinforced Leased Fee	\$2,700,000	10,200	\$264.71	7.01%
<i>Comments: 10,200 SF office sold in March 2021 for \$2.7M. Occupancy was 100% at time of sale. Property was on the market between 16 and 17 months before purchase. In-place cap rate was reported to be 7.01% equating to NOI of \$18.56/SF.</i>									
Subject			2008	0.81	A		7,780		
A Single-Tenant Office			1	0.22	Wood frame				
Colleyville, TX			NA	3.34/1,000	Fee Simple				

Comparable Improved Sales Map





Sale 1
5,700 SF Office Building in Southlake, TX



Sale 2
35 Veranda Lane



Sale 3
584 & 596 N Kimball Ave., Southlake TX 76092



Sale 4
2559 SW Grapevine Pky



Sale 5
1211 S White Chapel Blvd



Sale 6
Grapevine Station

A Single-Tenant Office Property



Analysis and Adjustment of Sales

The sales are compared to the subject and adjusted to account for material differences that affect value. Adjustments are considered for the following factors, in the sequence shown below.

Adjustment Factor	Accounts For	Comments
Effective Sale Price	Atypical economics of a transaction, such as excess land or non-realty components.	No adjustments necessary.
Real Property Rights	Leased fee, fee simple, leasehold, partial interest, etc.	No adjustments necessary.
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.	No adjustments necessary.
Conditions of Sale	Extraordinary motivation of buyer or seller.	No adjustments necessary.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.	A positive annual adjustment of 3% has been applied due to increasing market conditions.
Location	Market or submarket area influences on sale price; surrounding land use influences.	Sales 1, 3, 4, 5 and 6 are located in superior submarket areas, as compared to the subject; therefore, downward adjustments have been made.
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility; traffic counts.	No adjustments necessary.
Size	Inverse relationship that often exists between building size and unit value.	Sale 1 is smaller in size as compared to the subject; therefore, a downward adjustment has been made. Sales 2, 4 and 6 are larger in size and upward adjustments have been made.
Parking	Ratio of parking spaces to building area.	No adjustments necessary.
Building to Land Ratio	Ratio of building area to land area; also known as floor area ratio (FAR).	No adjustments necessary.

Adjustment Factor	Accounts For	Comments
Building Quality	Construction quality, amenities, market appeal, functional utility.	Sales 3, 4 and 6 appear to be inferior in quality and market appeal as compared to the subject; therefore, upward adjustments have been made.
Age/Condition	Effective age; physical condition.	Sales 2, 4, 5 and 6 are all older and do not appear to have been remodeled; therefore, upward adjustments have been made.
Economic Characteristics	Non-stabilized occupancy, above/below market rents, and other economic factors.	No adjustments necessary.

The following table summarizes the adjustments we make to each sale.

Improved Sales Adjustment Grid							
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6
Property Name	A Single-Tenant Office Property	5,700 SF Office Building in Southlake, TX	35 Veranda Lane	584 & 596 N Kimball Ave., Southlake TX 76092	2559 SW Grapevine Pky	1211 S White Chapel Blvd	Grapevine Station
Address	1132 Glade Road	508 Silicon Dr.	35 Veranda Ln.	584 & 596 N. Kimball Ave	2559 SW. Grapevine Pky.	1211 S. White Chapel Blvd.	1046 Texan Trail
City	Colleyville	Southlake	Colleyville	Southlake	Grapevine	Southlake	Grapevine
County	Tarrant	Tarrant	Tarrant County	Tarrant	Tarrant	Tarrant	Tarrant
State	Texas	TX	TX	TX	TX	TX	TX
Sale Date		Jun-22	Feb-22	Jan-22	Dec-21	Nov-21	Mar-21
Sale Status		Closed	Closed	Closed	Closed	Closed	Closed
Sale Price		\$2,200,000	\$2,000,000	\$2,485,000	\$2,750,000	\$2,150,000	\$2,700,000
Effective Sale Price		\$2,200,000	\$2,000,000	\$2,485,000	\$2,750,000	\$2,150,000	\$2,700,000
Gross Building Area	7,780	5,700	9,438	8,285	10,652	8,328	10,200
Rentable Area	7,780	5,700	9,438	8,285	10,652	8,328	10,200
Year Built	2008	2017	2008	2014	2003	1998	2005
Year Renovated	2022	-	-	-	-	-	-
Database ID		2914520	2907002	2738018	2736025	2914508	2736059
Price per SF of Gross Building Area		\$385.96	\$211.91	\$299.94	\$258.17	\$258.17	\$264.71
Property Rights		Fee Simple	Fee Simple	Leased Fee	Fee Simple	Fee Simple	Leased Fee
% Adjustment		-	-	-	-	-	-
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		-	-	-	-	-	-
Market Conditions	9/1/2022	Jun-22	Feb-22	Jan-22	Dec-21	Nov-21	Mar-21
Annual % Adjustment	3%	1%	2%	2%	2%	2%	4%
Cumulative Adjusted Price		\$389.82	\$216.15	\$305.94	\$263.33	\$263.33	\$275.29
Location		-15%	-	-15%	-10%	-15%	-10%
Access/Exposure		-	-	-	-	-	-
Size		-10%	10%	-	10%	-	10%
Parking		-	-	-	-	-	-
Building to Land Ratio (FAR)		-	-	-	-	-	-
Building Quality		-	-	5%	10%	-	10%
Age/Condition		-	15%	-	5%	15%	5%
Economic Characteristics		-	-	-	-	-	-
Net \$ Adjustment		-\$97.46	\$54.04	-\$30.59	\$39.50	\$0.00	\$41.29
Net % Adjustment		-25%	25%	-10%	15%	0%	15%
Final Adjusted Price		\$292.37	\$270.18	\$275.34	\$302.83	\$263.33	\$316.59
Overall Adjustment		-24%	28%	-8%	17%	2%	20%
Range of Adjusted Prices		\$263.33 - \$316.59					
Average		\$286.77					
Indicated Value		\$290.00					

Value Indication

Prior to adjustment, the sales reflect a range of \$211.91 - \$385.96 per square foot. After adjustment, the range is narrowed to \$263.33 - \$316.59 per square foot, with an average of \$286.77 per square foot. We give greatest weight to the mean and we arrive at a value indication as follows:

Value Indication by Sales Comparison

Stabilized

Indicated Value per SF	\$290.00
Subject Square Feet	7,780
Indicated Value	<u>\$2,256,200</u>
Indicated Value	\$2,256,200
Rounded	\$2,260,000

As Is

Stabilized Value Indication	\$2,256,200
Adjustments	
Capital Expenditures	-\$357,880
Entrepreneurial Incentive (15%)	<u>-\$53,682</u>
Total Adjustments	<u>-\$411,562</u>
Indicated Value	\$1,844,638
Rounded	\$1,840,000

Income Capitalization Approach

The income capitalization approach converts anticipated economic benefits of owning real property into a value estimate through capitalization. The steps taken to apply the income capitalization approach are:

- Analyze the revenue potential of the property.
- Consider appropriate allowances for vacancy, collection loss, and operating expenses.
- Calculate net operating income by deducting vacancy, collection loss, and operating expenses from potential income.
- Apply the most appropriate capitalization method, either direct capitalization or discounted cash flow analysis, or both, to convert anticipated net income to an indication of value.

The two most common capitalization methods are direct capitalization and discounted cash flow analysis. In direct capitalization, a single year's expected income is divided by an appropriate capitalization rate to arrive at a value indication. In discounted cash flow analysis, anticipated future net income streams and a future resale value are discounted to a present value at an appropriate yield rate.

In this analysis, we use only direct capitalization because investors in this property type typically rely more on this method.

The subject property is currently vacant, pending renovations. Further, it has no rental history to our knowledge as it was previously 100% owner occupied. As such, we have presented an abbreviated Income Approach that is utilized to support the value by Sales Comparison Approach.

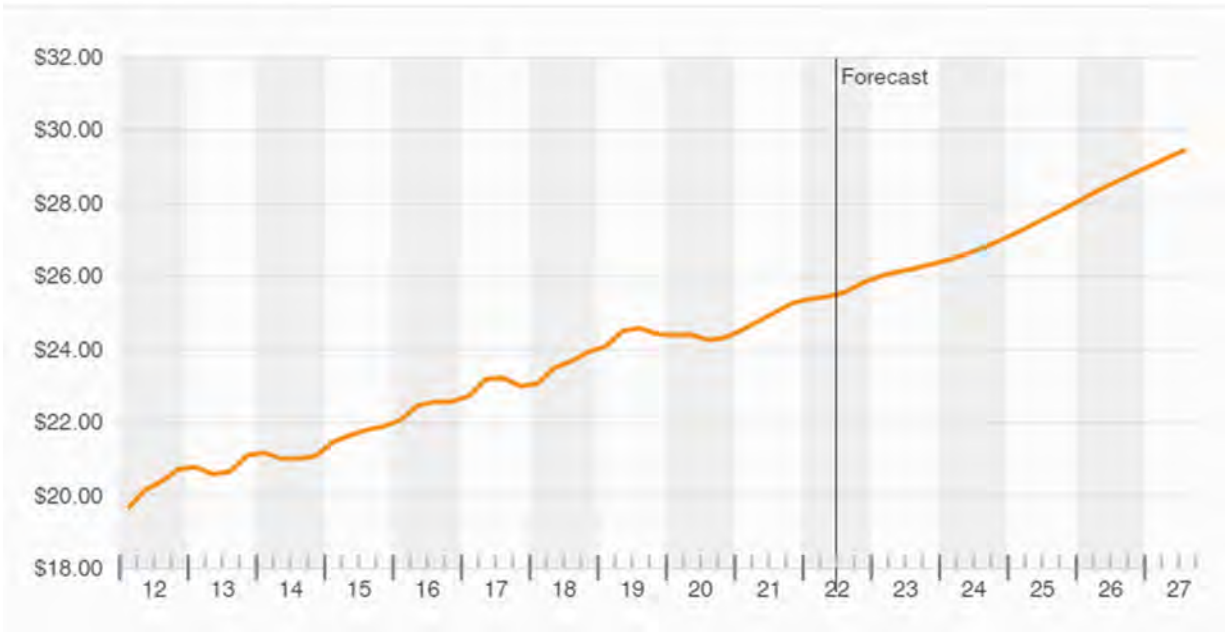
We have utilized the following assumptions which are supported by data from Costar and our files.

Market Rental Rate:	\$23.50 NNN
Vacancy Rate:	6.0%
Capitalization Rate:	7.00%

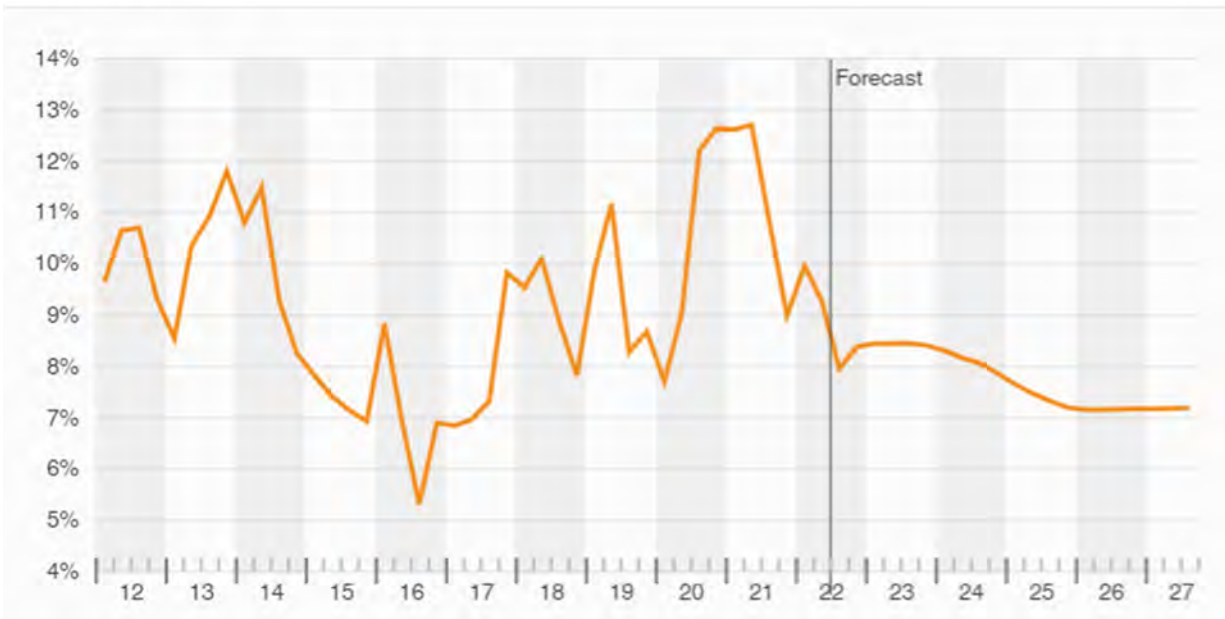
We have confirmed multiple office rental comparables within a 3-mile radius, ranging from \$21.00 to \$25.00 per square foot on a triple net basis. Considering the quality and condition of the subject as complete, and asking rent versus market rent, the rental rate of \$23.50 per square foot on a triple net basis is considered reasonable. This is reasonable given proposed renovations and finish out. Supporting data from Costar is presented on the following pages.

The preceding exhibits are provided by Costar and are based on a survey of office properties within a 3-mile radius of the property.

Market Rent Per SF



Vacancy Rate



Market Cap Rate



Capitalization Rate Selection

A capitalization rate is used to convert net income into an indication of value. Selection of an appropriate capitalization rate considers the future income pattern of the property and investment risk associated with ownership. We consider the following data in selecting a capitalization rate for the subject.

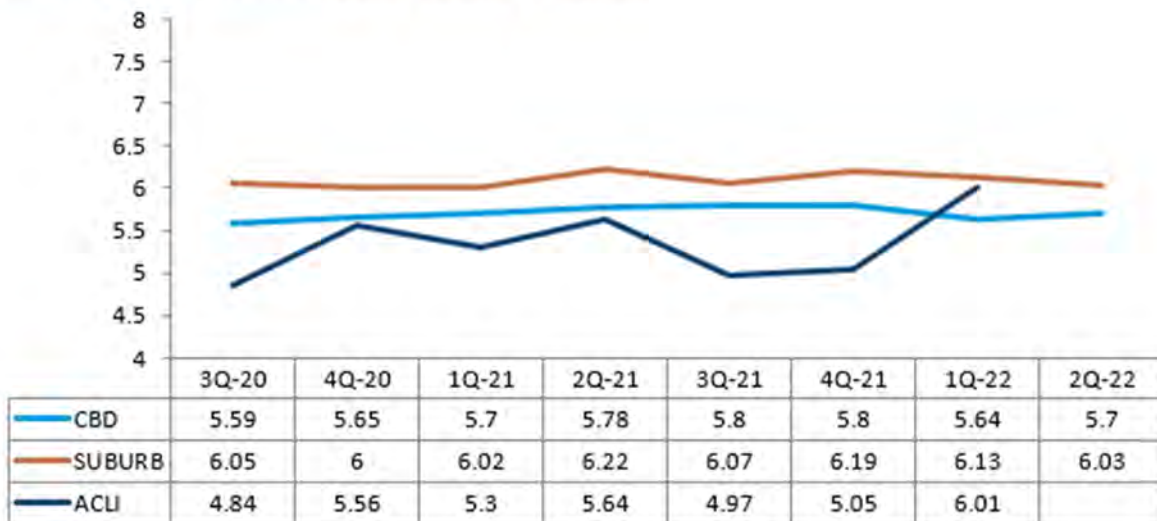
Capitalization Rate Surveys – Office Properties

	IRR-ViewPoint National CBD Office	IRR-ViewPoint National Suburban Office	PwC 2Q-22 National CBD Office	PwC 2Q-22 National Suburban Office	ACLI 1Q-22 National Office
Range	5.00% - 11.00%	5.50% - 9.75%	4.25% – 8.00%	4.50% – 8.00%	NA
Average	7.31%	7.45%	5.70%	6.03%	6.01

Source: IRR-Viewpoint 2022; PwC Real Estate Investor Survey; American Council of Life Insurers Investment



Office Capitalization Rate Trends



CBD - PwC Real Estate Investor Survey - National CBD Office Market

SUBURB - PwC Real Estate Investor Survey - National Suburban Office Market

ACLI - American Council of Life Insurers Investment Bulletin - Office Properties

Capitalization Rate Comparables

No.	Property Name	Year Built	Sale Date	Rentable Area	% Occup.	Effective Price/SF	Cap Rate
1	5,700 SF Office Building in	2017	6/23/2022	5,700	100%	\$385.96	6.57%
2	35 Veranda Lane	2008	2/23/2022	9,438	0%	\$211.91	7.01%
3	584 & 596 N Kimball Ave.,	2014	1/15/2022	8,285		\$299.94	7.50%
4	2559 SW Grapevine Pky	2003	12/15/2021	10,652		\$258.17	6.94%
5	1211 S White Chapel Blvd	1998	11/8/2021	8,328	100%	\$258.17	7.79%
6	Grapevine Station	2005	3/12/2021	10,200	100%	\$264.71	7.01%
Indicated Cap Rate Range:						6.57% - 7.79%	
Average (Mean) Cap Rate:						7.14%	

Capitalization Rate Conclusion

Based on an analysis of the preceding data, a going-in capitalization rate for the subject is indicated within a range of 4.0% to 8.0%. To reach a capitalization rate conclusion, we consider each of the following investment risk factors to gauge its impact on the rate. The direction of each arrow in the following table indicates our judgment of an upward, downward, or neutral influence of each factor.

Capitalization Rate Risk Factors			
Factor	Issues	Impact on	
		Rate	Comments
Income Characteristics	N/A	↔	
Competitive Market Position	Construction quality, market appeal, age/condition, functional utility	↓	
Location	Market area demographics and life cycle trends; proximity issues; access and support services	↓	
Market	Vacancy rates and trends; rental rate trends; supply and demand	↔	
Highest and Best Use	Upside potential from redevelopment, adaptation, and/or expansion	↔	
Overall Impact		↓	

Accordingly, we conclude a capitalization rate as follows:

Capitalization Rate Conclusion

Method	Capitalization Rate Indication
Analysis of Comparable Sales	6.57% - 7.79%
CoStar Average	7.99%
National Investor Surveys	4.00% - 8.00%
Band of Investment	7.30%
Conclusion	7.00%

Direct Capitalization Analysis

Valuation of the subject by direct capitalization is shown in the following table.

Direct Capitalization Analysis						
	SF	Space Type	Rent Applied	\$/SF	Annual	\$/SF Bldg.
Income						
Base Rent						
Owner Occupied	7,780	Office	Market	\$0.00	\$0	–
Potential Gross Rent	7,780				\$182,830	\$23.50
Expense Reimbursements					\$45,097	\$5.80
Potential Gross Income					\$227,927	\$29.30
Vacancy & Collection Loss	6.00%				-\$13,676	-\$1.76
Effective Gross Income					\$214,251	\$27.54
Expenses						
Real Estate Taxes					\$39,262	\$5.05
Insurance					\$5,835	\$0.75
Repairs/Maintenance					\$6,428	\$0.83
Management	2.00%				\$4,285	\$0.55
Total Expenses					\$55,810	\$7.17
Net Operating Income					\$158,442	\$20.37
Capitalization Rate					7.00%	
Stabilized Value Indication					\$2,263,454	\$290.93
As Is						
Stabilized Value Indication					\$2,263,454	\$290.93
Capital Expenditures					-\$357,880	-\$46.00
Entrepreneurial Incentive (15%)					-\$53,682	-\$6.90
Indicated Value As Is					\$1,851,892	\$238.03
Rounded					\$1,850,000	\$237.79

Reconciliation and Conclusion of Value

The values indicated by our analyses are as follows:

Summary of Value Indications		
	Market Value As Is	Prospective Market Value As Completed
Cost Approach	Not Used	Not Used
Sales Comparison Approach	\$1,840,000	\$2,260,000
Income Capitalization Approach	\$1,850,000	\$2,260,000
Reconciled	\$1,845,000	\$2,260,000

Sales Comparison Approach

The sales comparison approach is most reliable in an active market when an adequate quantity and quality of comparable sales data are available. In addition, it is typically the most relevant method for owner-user properties, because it directly considers the prices of alternative properties with similar utility for which potential buyers would be competing. The analysis and adjustment of the sales provides a reasonably narrow range of value indications. Nonetheless, it does not directly account for the income characteristics of the subject. Therefore, this approach is given equivalent weight.

Income Capitalization Approach

The income capitalization approach is usually given greatest weight when evaluating investment properties. The value indication from the income capitalization approach is supported by market data regarding income, expenses and required rates of return. An investor is the most likely purchaser of the appraised property, and a typical investor would place greatest reliance on the income capitalization approach. For these reasons, the income capitalization approach is given equivalent weight in the conclusion of value.

Accordingly, our value opinion follows.:

Value Conclusions			
Value Type & Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Fee Simple	September 1, 2022	\$1,850,000
Prospective Market Value As Completed	Fee Simple	December 31, 2022	\$2,260,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. Our opinion of prospective market value as completed assumes that the proposed improvements are completed in accordance with plans and specifications as of December 31, 2022, the effective appraisal date.
2. The value herein is based on the extraordinary assumption that, in the absence of formal construction bid, our estimated construction costs to complete the subject is accurate. We, therefore, reserve the right to amend the report in the event a formal bid is received.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

The value conclusion(s) in this report consider the impact of COVID-19 on the subject property.

The opinions of value expressed in this report are based on estimates and forecasts that are prospective in nature and subject to considerable risk and uncertainty. Events may occur that could cause the performance of the property to differ materially from our estimates, such as changes in the economy, interest rates, capitalization rates, financial strength of tenants, and behavior of investors, lenders, and consumers. Additionally, our opinions and forecasts are based partly on data obtained from interviews and third-party sources, which are not always completely reliable. Although we are of the opinion that our findings are reasonable based on available evidence, we are not responsible for the effects of future occurrences that cannot reasonably be foreseen at this time.

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Based on the concluded market values stated previously, it is our opinion that the probable exposure time is 6-9 months.

Marketing Period

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. We estimate the subject's marketing period at 6-9 months.

Certification

We certify that, to the best of our 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 our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. Janet Stephens has made a personal inspection of the property that is the subject of this report. Jason Jackson, MAI, and Alan Pursley, MAI, SRPA, SRA, SGA, have not personally inspected the subject.
12. Significant real property appraisal assistance was provided by Janet Stephens who has not signed this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.

14. As of the date of this report, Jason Jackson, MAI, and Alan Pursley, MAI, SRPA, SRA, SGA, have completed the continuing education program for Designated Members of the Appraisal Institute.



Jason Jackson, MAI
Texas Certified General Real Estate Appraiser
#1336282-G



Alan Pursley, MAI, SRPA, SRA, SGA
Texas Certified General Real Estate Appraiser
#1320321-G

Assumptions and Limiting Conditions

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal and any other work product related to this engagement are subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal

- covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
 8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.
 9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
 10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
 11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
 12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
 13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
 14. Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
 15. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
 16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
 17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic

- conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
 19. The appraisal report is prepared for the exclusive benefit of you, your subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
 20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. IRR - Fort Worth , Integra Realty Resources, Inc., and their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
 21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
 22. We are not a building or environmental inspector. The Integra Parties do not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
 23. The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
 24. **IRR - Fort Worth is an independently owned and operated company. The parties hereto agree that Integra shall not be liable for any claim arising out of or relating to any appraisal report or any information or opinions contained therein as such appraisal report is the sole and exclusive responsibility of IRR - Fort Worth . In addition, it is expressly agreed that in**

- any action which may be brought against the Integra Parties arising out of, relating to, or in any way pertaining to the engagement letter, the appraisal reports or any related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further expressly agreed that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the assignment (unless the appraisal was fraudulent or prepared with intentional misconduct). It is expressly agreed that the fees charged herein are in reliance upon the foregoing limitations of liability.**
25. IRR - Fort Worth is an independently owned and operated company, which has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
27. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

28. The appraisal is also subject to the following:

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. Our opinion of prospective market value as completed assumes that the proposed improvements are completed in accordance with plans and specifications as of December 31, 2022, the effective appraisal date.
2. The value herein is based on the extraordinary assumption that, in the absence of formal construction bid, our estimated construction costs to complete the subject is accurate. We, therefore, reserve the right to amend the report in the event a formal bid is received.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

Addendum A

Appraiser Qualifications



Jason S. Jackson, MAI

Experience

Jason Jackson, MAI has 20 years of experience in Commercial Real Estate appraisal. He is a Texas Certified General Appraiser and has prepared appraisals in 20+ states. Mr. Jackson has experience in appraising all major categories of real estate, including residential, multi-family, commercial, industrial, residential and commercial subdivision developments, special purpose, golf courses, country clubs, golf course planned unit developments, and vacant land for banks, lending institutions, mortgage companies, various government agencies, tax representation agents, developers, brokers, law firms and individual clients. Jason has also appraised in excess of 400 parcels for condemnation purposes, many of which were complex assignments with remainder damages and provided expert witness testimony in court proceedings. His areas of expertise include golf courses, as well as single family subdivisions. Jason graduated from Baylor University with a Bachelor of Business Administration Degree in Finance with an emphasis in Real Estate and obtained his MAI designation in 2013.

Professional Activities & Affiliations

Appraisal Institute, Member (MAI) Appraisal Institute
State of Texas Licensed Real Estate Broker #0598228
Member Greater Fort Worth Association of Realtors
Education Chair-Central Texas Chapter, A.I. (2015)
Secretary/Treasurer-Central Texas Chapter, A.I. (2017)
Vice President-Central Texas Chapter, A.I. (2018)
President-Central Texas Chapter, A.I. (2019)

Licenses

Texas, Certified General Real Estate Appraiser, 1336282-G, Expires July 2024

Education

Appraisal Institute, Member (MAI) Appraisal Institute
State of Texas Licensed Real Estate Broker #0598228
State of Colorado License Real Estate Broker #10089732 (Inactive)
Education Chair-Central Texas Chapter, A.I. (2015)
Secretary/Treasurer-Central Texas Chapter, A.I. (2017)
Vice President-Central Texas Chapter, A.I. (2018)
President-Central Texas Chapter, A.I. (2019)

Qualified Before Courts & Administrative Bodies

jsjackson@irr.com - 817.969.4627

Integra Realty Resources - Fort Worth

7080 Camp Bowie Boulevard
Fort Worth, TX 76116

T 817.763.8000

irr.com



Jason S. Jackson, MAI

Qualified Before Courts & Administrative Bodies (Cont'd)

Graduate of Baylor University (2001) with a Bachelor of Business Administration Degree in Finance with an emphasis in Real Estate. Graduate of Irving public schools (1996). Successfully completed the following real estate courses at Baylor University: Principles of Real Estate Real Estate Appraisal Real Estate Investments

Successfully completed all required courses by the Appraisal Institute for professional designation (MAI).

Successfully completed all required courses by the State of Texas for Salesperson and Broker certification.

The Discounted Cash Flow Model: Concepts, Issues & Apps. – A.I.
2022-2023 USPAP Update

Miscellaneous

Professional Testimony: Mr. Jackson has been qualified as an expert witness in the following courts and has provided expert testimony in the past four years.

Texas District Court- Rockwall

County Courts at Law- Dallas, Tarrant, Denton, Ellis and Parker Counties

Other- Special Commissioners US Bankruptcy Court

Integra Realty Resources - Fort Worth

7080 Camp Bowie Boulevard
Fort Worth, TX 76116

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irr.com





Certified General Real Estate Appraiser

Appraiser: **Jason Scott Jackson**

License #: **TX 1336282 G**

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

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

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


Chelsea Buchholtz
Commissioner

Alan Pursley, MAI, SRPA, SRA, SGA

Experience

Alan Pursley, MAI,SRPA,SGA has 30+ years of experience as a commercial appraiser. Mr. Pursley is a graduate Texas Christian University with a Bachelor's of Business Administration Degree in Finance with an emphasis in Real Estate. Following graduation, he began his career as a Real Estate Appraiser associated with Dyess,Jones and Associates in 1985. He was founder of Professional Appraisal Service in 1989, and co-founder of Appraisal Source, Inc. in 1995. In 2010, he became the sole owner of Appraisal Source, Inc. Between 1985 and 1989 Alan earned an SRA and SRPA designation through the Society of Real Estate Appraisers. In 1991 he earned his MAI through the Appraisal Institute and in 1993 he earned his SGA designation through the Society of Golf Appraisers and is experienced in appraising virtually all types of golf facilities. Typical assignments include daily fee, private for profit, private not for profit, semi-private, and developments in which the golf amenity is a major component of the overall development. Mr. Pursley has qualified as an expert witness golf course litigation matters. In Mr. Pursley's general practice, he has appraised and qualified as an expert witness in federal and state court proceedings in a wide variety of property types and litigation issues. Typical assignments include appraisals and/or feasibility analysis on the following types of real estate; residential, multi-family, commercial, industrial, restaurants, hotels, residential, ranch properties, rural land, mining operations, commercial subdivision developments, special purpose, golf courses, country clubs, golf course planned unit developments, golf teaching facilities, and vacant land for banks, lending institutions, mortgage companies, various government agencies, tax representation agents, developers, brokers, law firms, and individual clients. Mr. Pursley has appraised hundreds of properties in connection with condemnation proceedings for whole takings, partial takings, and easements. Many of the appraisals required consideration of damages to the remainders, as well as having been retained by numerous municipalities and government authorities as well as law firms representing individual property owners for the purpose of preparing Just Compensation estimates and testimony in association with eminent domain, and has been qualified as an expert witness and testified in state and federal court proceedings for eminent domain, insurance claims, bankruptcy proceedings,divorce cases and ad valorem tax appeals. Testified in excess of 100 proceedings.

Professional Activities & Affiliations

Appraisal Institute, Member (MAI)
Appraisal Institute, Senior Residential Appraiser (SRA)
SGA Member of the Society of Golf Course Appraisers
Member Greater Fort Worth Association of Realtors
Past President of the Central Texas Chapter
Past Director of the Greater Fort Worth Realtor Association
Officer, Society of Golf Course Appraisers

Licenses

Texas, State Certified General Appraiser, 1320321-G, Expires March 2023
Texas, Brokers License, 356308

apursley@irr.com - 817.763.8000 x101

Integra Realty Resources - Fort Worth

7080 Camp Bowie Blvd
Fort Worth, TX 76116

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irr.com



Alan Pursley, MAI, SRPA, SRA, SGA

Education

Graduate of Texas Christian University (1985) with a Bachelor's of Business Administration Degree in Finance with an emphasis in Real Estate.

Successfully completed all courses in Real Estate offered at Texas Christian University. Successfully completed all required courses by the Appraisal Institute for professional designation (MAI). These classes included Capitalization A and B, Case Studies, Report Writing, as well as Basic Valuation. Also attended numerous continuing education seminars including case law relating to condemnation, rates and reasonableness, subdivision analysis, cash equivalency, external obsolescence, industrial valuation, office valuation, the residential URAR form and small residential income form, fair lending and the appraiser, environmental issues and the appraiser, understanding limited and summary appraisals, condemnation and litigation, Appraising in the Barnett Shale, Hotel and Motel Valuation, Complex Litigation Case Studies, and numerous seminars discussions pertaining to golf course appraisals. Served as a faculty member multiple times for the annual CLE Condemnation Seminar in Austin Texas. Guest lecture at Texas Christian University multiple times in the Real Estate Valuation Class.

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ALAN PURSLEY
7080 CAMP BOWIE BLVD
FORT WORTH, TX 76116



TALCB
TEXAS APPRAISER LICENSING &
CERTIFICATION BOARD

Certified General Real Estate Appraiser

Appraiser: **Alan Pursley**
License #: **TX 1320321 G**

License Expires: **03/31/2023**

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

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


Chelsea Buchholtz
Commissioner

Janet Stephens

Experience

Janet Stephens is a State Certified General Real Estate Appraiser Trainee, graduating with a Bachelors of Science in Merchandising from Texas Christian University. Janet is currently working on continuing education courses and is working vigorously towards her general state certificate with hopes of pursuing her MAI. Janet is authorized to prepare appraisals in the state of Texas under the supervision of Alan Pursley, MAI.

Licenses

Texas, Appraiser Trainee, 1342891, Expires October 2023

Education

Bachelors of Science in Merchandising from Texas Christian University, 2002
Basic Appraisal Principles (30 Hours)
Basic Appraisal Procedures (30 Hours)
15 Hour National USPAP (15 Hours)
Supervisor-Trainee Course (4 Hours)

Integra Realty Resources - Fort Worth

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irr.com





Appraiser Trainee

Trainee: **Janet Stephens**
Authorization #: **TX 1342891 Trainee** Expires: **10/31/2023**

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

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

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



Chelsea Buchholtz
Commissioner

About IRR

Integra Realty Resources, Inc. (IRR) provides world-class commercial real estate valuation, counseling, and advisory services. Routinely ranked among leading property valuation and consulting firms, we are now the largest independent firm in our industry in the United States, with local offices coast to coast and in the Caribbean.

IRR offices are led by MAI-designated Senior Managing Directors, industry leaders who have over 25 years, on average, of commercial real estate experience in their local markets. This experience, coupled with our understanding of how national trends affect the local markets, empowers our clients with the unique knowledge, access, and historical perspective they need to make the most informed decisions.

Many of the nation's top financial institutions, developers, corporations, law firms, and government agencies rely on our professional real estate opinions to best understand the value, use, and feasibility of real estate in their market.

Local Expertise...Nationally!

irr.com



Addendum B

IRR Quality Assurance Survey



IRR Quality Assurance Survey

We welcome your feedback!

At IRR, providing a quality work product and delivering on time is what we strive to accomplish. Our local offices are determined to meet your expectations. Please reach out to your local office contact so they can resolve any issues.

Integra Quality Control Team

Integra does have a Quality Control Team that responds to escalated concerns related to a specific assignment as well as general concerns that are unrelated to any specific assignment. We also enjoy hearing from you when we exceed expectations! You can communicate with this team by clicking on the link below. If you would like a follow up call, please provide your contact information and a member of this Quality Control Team will call contact you.

Link to the IRR Quality Assurance Survey: quality.irr.com



Addendum C

Financials and Property Information



Addenda

Account #: 41351932

Location

Property Address: 1132 GLADE RD [Interactive Maps](#)
City: COLLEYVILLE
Zipcode: 76034
Georeference: [34663-2-3R4](#)
Neighborhood Code: [OFC-Northeast Tarrant County](#)
Latitude: 32.8818122671
Longitude: -97.1488328669
TAD Map: [2102-440](#)
MAPSCO: [TAR-040J](#)

Property Data

Legal Description: RIVERWALK AT COLLEYVILLE Block 2 Lot 3R4
Jurisdictions: 005 CITY OF COLLEYVILLE
220 TARRANT COUNTY
906 GRAPEVINE-COLLEYVILLE
ISD
224 TARRANT COUNTY
HOSPITAL
225 TARRANT COUNTY
COLLEGE

Site Number: [80871577](#)

Site Name: LP INVESTMENTS

Site Class: OFCLowRise - Office-Low Rise
of Parcels: 1

Primary Building:
Building Name: LP INVESTMENTS LTD / 41351932
Building Type: Commercial
Year Built: 2008

State Code: F1 Commercial

Agent: None

Notice Sent: 04-29-2022
Notice Value: \$1,825,704
Protest Deadline: 05-31-2022

Gross Building Area †††: 7,780
Net Leasable Area †††: 7,780
Land Sqft ♦: 35,409
Land Acres ♦: 0.8129

Pool: N

††† Rounded

♦ This represents one of a hierarchy of possible values ranked in the following order: Recorded, Computed, System, Calculated

Owner Information

Current Owner:
[KING FISHER LTD](#)
[1132 GLADE RD](#)
COLLEYVILLE, TX 76034-4227

Deed Date: 01-01-2007
Deed Volume: 0000000
Deed Page: 0000000
Instrument: [000000000000000](#)




Addenda

 Values

This information is intended for reference only and is subject to change. It may not accurately reflect the complete status of the account as actually carried in TAD's database. [Tarrant County Tax Office Account Information](#)

Year	Improvement Market	Land Market	Total Market	Total Appraised †
2022	\$1,329,964	\$495,740	\$1,825,704	\$1,825,704
2021	\$1,329,964	\$495,740	\$1,825,704	\$1,825,704
2020	\$1,329,964	\$495,740	\$1,825,704	\$1,825,704
2019	\$1,329,964	\$495,740	\$1,825,704	\$1,825,704
2018	\$1,138,060	\$495,740	\$1,633,800	\$1,633,800
2017	\$988,212	\$495,740	\$1,483,952	\$1,483,952

A zero value indicates that the property record has not yet been completed for the indicated tax year
 † Appraised value may be less than market value due to state-mandated limitations on value increases

 Exemptions



Addendum D

Improved Sales



Office Sale Profile

Sale No. 1

Location & Property Identification

Property Name:	5,700 SF Office Building in Southlake, TX
Sub-Property Type:	General Purpose
Address:	508 Silicon Dr.
City/State/Zip:	Southlake, TX 76092
County:	Tarrant
Submarket:	Southlake
Market Orientation:	Suburban
IRR Event ID:	2914520



Source of Land Info.:

Broker

Sale Information

Sale Price:	\$2,200,000
Effective Sale Price:	\$2,200,000
Sale Date:	06/23/2022
Sale Status:	Closed
\$/SF GBA:	\$385.96
\$/SF NRA:	\$385.96
Property Rights:	Fee Simple
Verified By:	Janet Stephens
Verification Date:	09/02/2022
Confirmation Source:	Seller Broker
Verification Type:	Confirmed-Seller Broker

Occupancy

Occupancy at Time of Sale:	100.00%
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Improvement and Site Data

GBA-SF:	5,700
NRA-SF:	5,700
Acres(Gross):	0.60
Land-SF(Gross):	26,136
Property Class:	B
Total Parking Spaces:	22
Park. Ratio 1000 SF GLA:	3.86
Park. Ratio 1000 SF GBA:	3.86
Bldg. to Land Ratio FAR:	0.22

5,700 SF Office Building in Southlake, TX

Office Sale Profile

Sale No. 2

Location & Property Identification

Property Name: 35 Veranda Lane
 Sub-Property Type: Mixed Use,
 Office-Multi-Family
 Address: 35 Veranda Ln.
 City/State/Zip: Colleyville, TX 76034
 County: Tarrant County
 Submarket: Colleyville
 Market Orientation: Suburban



IRR Event ID: 2907002

Sale Information

Sale Price: \$2,000,000
 Effective Sale Price: \$2,000,000
 Sale Date: 02/23/2022
 Contract Date: 01/10/2022
 Listing Price: \$2,750,000
 Listing Date: 08/06/2021
 Sale Status: Closed
 \$/SF GBA: \$211.91
 \$/SF NRA: \$211.91
 Property Rights: Fee Simple
 Exposure Time: 5 (months)
 Financing: Cash to seller
 Verified By: Laura Williams
 Verification Date: 08/17/2022
 Confirmation Source: MLS 14643918
 Verification Type: Confirmed-Buyer Broker

GBA-SF: 9,438
 NRA-SF: 9,438
 Acres(Usable/Gross): 0.08/0.08
 Land-SF(Usable/Gross): 3,485/3,485
 Usable/Gross Ratio: 1.00
 Year Built: 2008
 Bldg. to Land Ratio FAR: 2.71
 Zoning Code: PUD-C
 Zoning Desc.: Planned Unit Development
 Commercial
 Flood Plain: No
 Comm. Panel No.: 48439C0095K
 Date: 09/25/2009
 Source of Land Info.: Public Records

Occupancy

Occupancy at Time of Sale: 0.00%

Improvement and Site Data

Legal/Tax/Parcel ID: Village At Colleyville Condos
 20-1-2
 & .002336% of Common Area

Comments

This is a medical office that is 9,439 square feet and two stories tall. It could become an office or retail space easily. It sold on February 23, 2022 for \$2,000,000.

Office Sale Profile

Sale No. 3

Location & Property Identification

Property Name:	584 & 596 N Kimball Ave., Southlake TX 76092
Sub-Property Type:	General Purpose
Address:	584 & 596 N. Kimball Ave
City/State/Zip:	Southlake, TX 76092
County:	Tarrant
Submarket:	Southlake
Market Orientation:	Suburban
IRR Event ID:	2738018



Sale Information

Sale Price:	\$2,485,000
Effective Sale Price:	\$2,485,000
Sale Date:	01/15/2022
Recording Date:	12/02/2021
Contract Date:	10/25/2021
Sale Status:	Closed
\$/SF GBA:	\$299.94
\$/SF NRA:	\$299.94
Eff. Price/Unit:	\$621,250 /Unit
Grantor/Seller:	J&A Frith Properties Southlake LLC
Grantee/Buyer:	Angela Hough
Assemblage:	No
Portfolio Sale:	No
Assets Sold:	Real estate only
Property Rights:	Leased Fee
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Document Type:	Deed
Rent Controlled:	No
Verified By:	Kristin Martindale
Verification Date:	12/02/2021
Confirmation Source:	Angela Hough
Verification Type:	Confirmed-Buyer

Legal/Tax/Parcel ID:	41467205 and 41467183
GBA-SF:	8,285
NRA-SF:	8,285
Acres(Usable/Gross):	0.84/0.84
Land-SF(Usable/Gross):	36,755/36,755
Usable/Gross Ratio:	1.00
Year Built:	2014
Property Class:	C
M&S Class:	C
Construction Quality:	Average
Improvements Cond.:	Good
Exterior Walls:	Stone
No. of Buildings/Stories:	2/1
Multi-Tenant/Condo.:	Yes/Yes
Total Parking Spaces:	25
Park. Ratio 1000 SF GLA:	3.02
Park. Structure Space:	25
No. Surface Spaces:	25
Park. Ratio 1000 SF GBA:	3.02
Parking Ratio(/Unit):	12.50
Parking Conformity:	Yes
Elevators/Count:	None
Fire Sprinkler Type:	Yes
Air-Conditioning Type:	Electric
Roof,Heating,AC Comm.:	Barrell Tile
Shape:	Rectangular
Topography:	Level
Vegetation:	Minimal

Improvement and Site Data

584 & 596 N Kimball Ave., Southlake TX 76092



Office Sale Profile

Sale No. 3

Improvement and Site Data (Cont'd)

Corner Lot:	Yes
Frontage Feet:	350
Frontage Desc.:	Kimball Ave
Frontage Type:	2 way, 2 lanes each way
Traffic Control at Entry:	Turn lane
Traffic Flow:	Moderate
AccessibilityRating:	Average
Visibility Rating:	Average
Density-Unit/Gross Acre:	4.74
Density-Unit/Usable Acre:	4.74
Bldg. to Land Ratio FAR:	0.23
Zoning Code:	SP2
Zoning Desc.:	Generalized Site Plan
Easements:	No
Environmental Issues:	No
Flood Plain:	No
Flood Zone Designation:	X
Comm. Panel No.:	48439C0105K
Date:	09/25/2009
Bldg. Phy. Info. Source:	Inspection
Source of Land Info.:	Public Records

Comments

8,285 SF office condo sold for \$2.49M in January 2022.



Office Sale Profile

Sale No. 4

Location & Property Identification

Property Name:	2559 SW Grapevine Pky
Sub-Property Type:	General Purpose
Address:	2559 SW. Grapevine Pky.
City/State/Zip:	Grapevine, TX 76051
County:	Tarrant
Submarket:	Grapevine
Market Orientation:	Suburban
Property Location:	ES of SW Grapevine Pky, S of Mustang Dr, N of Hwy 121
IRR Event ID:	2736025



Sale Information

Sale Price:	\$2,750,000
Effective Sale Price:	\$2,750,000
Sale Date:	12/15/2021
Recording Date:	12/15/2021
Sale Status:	Closed
\$/SF GBA:	\$258.17
\$/SF NRA:	\$258.17
Grantor/Seller:	The George & Noonan Real Estate Group
Assemblage:	No
Portfolio Sale:	No
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Exposure Time:	3 (months)
Financing:	Cash to seller
Document Type:	Deed
Verified By:	Janet Stephens
Verification Date:	11/29/2021
Confirmation Source:	Seller Broker
Verification Type:	Confirmed-Seller Broker

Operating Data and Key Indicators

Operating Data Type:	IRR Projection
Net Operating Income:	\$ 190,882
Cap Rate - Derived:	6.94%

Occupancy

Occupancy Type Before Sale:	Single Tenant
Occupancy Type After Sale:	Single Tenant

Improvement and Site Data

Legal/Tax/Parcel ID:	Tax ID 40350312, Lot 5R2, Block 1, Southwest Grapevine Comm Pk, City of Grapevine, Tarrant County, Texas
GBA-SF:	10,652
NRA-SF:	10,652
Acres(Usable/Gross):	1.56/1.56
Land-SF(Usable/Gross):	67,918/67,918
Usable/Gross Ratio:	1.00
Year Built:	2003
Property Class:	B
Construction Quality:	Good
Improvements Cond.:	Good
Exterior Walls:	Brick
Construction Desc.:	Masonry
No. of Buildings/Stories:	1/1
Multi-Tenant/Condo.:	No/No
Elevators/Count:	None
Fire Sprinkler Type:	Yes
Air-Conditioning Type:	Electric
Shape:	Rectangular

2559 SW Grapevine Pky

Office Sale Profile

Sale No. 4

Improvement and Site Data (Cont'd)

Topography:	Level
Vegetation:	Minimal
Corner Lot:	No
Frontage Feet:	229
Frontage Desc.:	Southwest Grapevine Parkway
Frontage Type:	2 way, 2 lanes each way
Traffic Control at Entry:	None
Traffic Flow:	Moderate
AccessibilityRating:	Average
Visibility Rating:	Average
Bldg. to Land Ratio FAR:	0.16
Zoning Code:	CC
Zoning Desc.:	Community Commercial
Easements:	No
Environmental Issues:	No
Flood Plain:	No
Flood Zone Designation:	X
Comm. Panel No.:	48439C0115K
Date:	09/25/2009
Utilities:	Electricity, Water Public, Sewer, Gas, Telephone, CableTV, Fiber Optics
Bldg. Phy. Info. Source:	Public Records
Source of Land Info.:	Public Records

Comments

10,652 SF office condo sold for \$2.75M.
10,652 SF office located on SW Grapevine Pky, in Grapevine.



Office Sale Profile

Sale No. 5

Location & Property Identification

Property Name: 1211 S White Chapel Blvd
 Sub-Property Type: General Purpose
 Address: 1211 S. White Chapel Blvd.
 City/State/Zip: Southlake, TX 76092
 County: Tarrant
 Submarket: Southlake
 Market Orientation: Suburban

IRR Event ID: 2914508



Sale Information

Sale Price: \$2,150,000
 Effective Sale Price: \$2,150,000
 Sale Date: 11/08/2021
 Sale Status: Closed
 \$/SF GBA: \$258.17
 \$/SF NRA: \$258.17
 Property Rights: Fee Simple
 Verified By: Janet Stephens
 Verification Date: 09/02/2022
 Confirmation Source: Seller Broker
 Verification Type: Confirmed-Seller Broker

Land-SF(Usable/Gross): 56,249/56,249
 Usable/Gross Ratio: 1.00
 Year Built: 1998
 Shape: Rectangular
 Topography: Level
 Corner Lot: No
 Traffic Count: 6,000 CPD (2008 Survey)
 Bldg. to Land Ratio FAR: 0.15
 Zoning Code: SP-1
 Zoning Desc.: Detailed Site Plan
 Flood Plain: No
 Comm. Panel No.: 48439C0095K
 Bldg. Phy. Info. Source: Public Records
 Source of Land Info.: Public Records

Occupancy

Occupancy at Time of Sale: 100.00%

Improvement and Site Data

MSA: Dallas-Fort Worth-Arlington, TX Metropolitan Statistical Area

Legal/Tax/Parcel ID: Lot 2R-5, of Hall Medlin No. 1038 Addition, an addition to the City of Southlake, Tarrant County, Texas

GBA-SF: 8,328
 NRA-SF: 8,328
 Acres(Usable/Gross): 1.29/1.29

1211 S White Chapel Blvd



Office Sale Profile

Sale No. 6

Location & Property Identification

Property Name:	Grapevine Station
Sub-Property Type:	General Purpose
Address:	1046 Texan Trail
City/State/Zip:	Grapevine, TX 76051
County:	Tarrant
Submarket:	Grapevine
Market Orientation:	Suburban
Property Location:	E/S of Texas Trl, S of Hwy 114
IRR Event ID:	2736059



Sale Information

Sale Price:	\$2,700,000
Effective Sale Price:	\$2,700,000
Sale Date:	03/12/2021
Recording Date:	11/29/2021
Listing Price:	\$3,150,000
Sale Status:	Closed
\$/SF GBA:	\$264.71
\$/SF NRA:	\$264.71
Grantor/Seller:	Texan Trail Holdings LLC
Grantee/Buyer:	Amir Golan
Assemblage:	No
Portfolio Sale:	No
Assets Sold:	Real estate only
Property Rights:	Leased Fee
% of Interest Conveyed:	100.00
Exposure Time:	16 (months)
Financing:	Cash to seller
Document Type:	Deed
Recording No.:	D221067580
Verified By:	Kristin Martindale
Verification Date:	11/29/2021
Confirmation Source:	Amir Golan
Verification Type:	Confirmed-Buyer

Operating Data and Key Indicators

Operating Data Type:	In Place
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Net Operating Income:	\$ 189,270
Cap Rate - Derived:	7.01%

Occupancy

Occupancy Type Before Sale:	Single Tenant
Occupancy Type After Sale:	Single Tenant
Occupancy at Time of Sale:	100.00%
Number of Tenants at T.O.S.:	1
Major Tenant(s):	Amtel
Lease Type:	Triple Net
Remaining Lease Term (Yrs):	6.00

Improvement and Site Data

Legal/Tax/Parcel ID:	Tax ID 40681130, Lot 6, Block 1, Grapevine Station, City of Grapevine, Tarrant County, Texas
GBA-SF:	10,200
NRA-SF:	10,200
Acres(Usable/Gross):	0.85/0.85
Land-SF(Usable/Gross):	37,026/37,026
Usable/Gross Ratio:	1.00
Year Built:	2005
Property Class:	B
Construction Quality:	Average
Improvements Cond.:	Average
Exterior Walls:	Concrete Precast
Construction Desc.:	Reinforced concrete

Grapevine Station



Office Sale Profile

Sale No. 6

Highway 114, adjacent to Great Wolf Lodge.

Improvement and Site Data (Cont'd)

No. of Buildings/Stories:	1/1
Multi-Tenant/Condo.:	No/No
Total Parking Spaces:	36
Park. Ratio 1000 SF GLA:	3.53
Park. Structure Space:	36
No. Surface Spaces:	36
Park. Ratio 1000 SF GBA:	3.53
Elevators/Count:	None
Fire Sprinkler Type:	Yes
Air-Conditioning Type:	Electric
Shape:	Rectangular
Topography:	Level
Vegetation:	Minimal
Corner Lot:	No
Frontage Desc.:	Texan Trail
Frontage Type:	2 way, 1 lane each way
Traffic Control at Entry:	None
Traffic Flow:	Moderate
AccessibilityRating:	Average
Visibility Rating:	Average
Bldg. to Land Ratio FAR:	0.28
Zoning Code:	C1
Zoning Desc.:	Commercial
Easements:	No
Environmental Issues:	No
Flood Plain:	No
Flood Zone Designation:	X
Comm. Panel No.:	48439C0115K
Date:	09/25/2009
Utilities:	Electricity, Water Public, Sewer, Gas, Telephone, CableTV, Fiber Optics
Bldg. Phy. Info. Source:	Public Records
Source of Land Info.:	Public Records

Comments

10,200 SF office sold in March 2021 for \$2.7M. Occupancy was 100% at time of sale. Property was on the market between 16 and 17 months before purchase. In-place cap rate was reported to be 7.01% equating to NOI of \$18.56/SF.

10,200 SF office known as Grapevine Station. Located on

Engagement Letter



Addenda



Integra Realty Resources
Fort Worth

7080 Camp Bowie Blvd
Fort Worth, TX 76116

T 817-763-8000
F 817-763-8017
Fortworth@irr.com
www.irr.com/fortworth

August 29, 2022

Mr. Gregory S. Milligan
8911 Capital of Texas Highway
Suite 2120
Austin, TX 78759
214.740.6847
jhobby@harneypartners.com

RE: Appraisal Reports of: 1132 Glade Road, Colleyville, TX 76034

Dear Mr. Milligan,

This letter will serve to memorialize the material terms of your engagement of Integra Realty Resources, (hereinafter "IRR") for consultation and appraisal services associated with the above referenced property. IRR's fees are based on the complexity of the assignment as well as the time involved. The assignment will be used for marketing purposes. In this instance, IRR's fees for an Appraisal Report will be \$2,400 and will be delivered within two weeks from authorization and payment.

INDEMNITY AND RELEASE AGREEMENT. Client, and any other user of this report expressly authorized in writing by IRR ("Authorized User"), hereby agree to INDEMNIFY, DEFEND, RELEASE and HOLD IRR (including IRR's owners, directors, officers, partners, managers, appraisers, employees and/or agents) HARMLESS from and against (1) any claim alleged or any damage or harm incurred by Client in excess of the liquidated damage amount (set forth below), whether resulting from, related to or arising out of any negligence by IRR or any services, appraisal or consultation report(s) provided by IRR pursuant to this engagement agreement; and (2) any claim alleged or any damage or harm incurred by any Authorized User or by any unauthorized user, whether resulting from, related to or arising out of any negligence by IRR or any services, appraisal or consultation report(s) provided by IRR pursuant to this engagement agreement. The use of IRR's services, appraisal and/or consultation report by any unauthorized third parties is prohibited and shall be at the sole risk of any such third party.

LIMITATION OF DAMAGE AND LIQUIDATED DAMAGES. The liability of IRR (including IRR's owners, directors, officers, partners, managers, appraisers, employees and/or agents) to Client shall be solely and exclusively limited to the amount of the fee actually paid by Client to IRR, which amount shall be considered as liquidated damages. Such liquidated damage amount is not penal, but instead constitutes a reasonable forecast of just compensation for harm resulting from IRR's negligence or breach of this engagement agreement in light of the uncertainty and difficulty in ascertaining and measuring harm or damages. No other damages of any character, and no other rights or remedies, shall in any case be collectible or enforceable against IRR.

Prior to beginning the assignment, IRR will require a signed engagement letter, contact information for inspections, surveys, known repairs and/or drawings that may be available, as well as the fee in the amount of \$2,400. If this agreement meets your approval, please indicate so by signing and returning this agreement with the retainer fee.

Respectfully Submitted,

Alan Pursley, MAI, SRPA, SRA, SGA
State Certified General Real Estate Appraiser, Number TX1320321G
Member of the Appraisal Institute

Approved as to form and content:

08/29/22

Client Date

7080 Camp Bowie Blvd., Fort Worth, Texas 76116 817.763.8000
www.irr.com/fortworth



EXHIBIT 6

L. Settlement Charges				Paid From	Paid From
700. Total Sales/Broker's Commission based on price	\$1,735,000.00	@6 % = \$104,100.00		Borrower's Funds at Settlement	Seller's Funds at Settlement
Division of Commission (line 700) as follows:					
701. \$52,050.00	to Briggs Freeman Sotheby's International Realty				
702. \$52,050.00	to The Woodmont Company				
703. Commission Paid at Settlement					\$104,100.00
800. Items Payable in Connection with Loan					
801. Loan Origination Fee	%	to			
802. Loan Discount	%	to			
803. Appraisal Fee		to			
804. Credit Report		to			
805. Lender's Inspection Fee		to			
806. Mortgage Insurance Application		to			
807. Assumption Fee		to			
900. Items Required by Lender To Be Paid in Advance					
901. Interest from	1/12/2023	to 2/1/2023	@ \$0/day		
902. Mortgage Insurance Premium for	months	to			
903. Hazard Insurance Premium for	years	to			
1000. Reserves Deposited With Lender					
1001. Hazard insurance	months @		per month		
1002. Mortgage insurance	months @		per month		
1003. HOA Assessment	months @		per month		
1004. City Property Taxes	months @		per month		
1005. County Property Taxes	months @	\$3,004.83	per month		
1006. MUD Taxes	months @		per month		
1007. Other Taxes	months @		per month		
1008. School Property Taxes	months @		per month		
1011. Aggregate Adjustment					
1100. Title Charges					
1101. Copy Fee		to			
1102. Abstract or title search		to			
1103. Title examination		to			
1104. Title insurance binder		to			
1105. Document preparation(SW-DEED)		to TBD			\$125.00
1106. Notary fees		to			
1107. Attorney's fees		to			
(includes above items numbers:)			
1108. Title insurance		to University Title - Premium			\$8,758.00
(includes above items numbers:)			
1109. Lender's coverage	\$0.00/\$0.00	.			
1110. Owner's coverage	\$1,735,000.00/\$10,947.50				
1111. Escrow fee		to University Title - Escrow			\$500.00
1112. State of Texas Policy Guaranty Fee		to UTC fbo State of Texas			\$2.00
1113. T1 Survey Amendment		to University Title - Premium			
1114. REM OTP T-19.1 Amendment		to University Title - Premium			
1200. Government Recording and Transfer Charges					
1201. Recording Fees	Deed \$27.00 ; Mortgage \$100.00 ; Rel \$85.00	to University Title - Recording			\$85.00
1202. City/county tax/stamps	Deed ; Mortgage	to			
1203. State tax/stamps	Deed ; Mortgage	to			
1204. Tax certificates		to			
1205. Courier/Messenger Fee		to University Title - Courier			
1206. E-Recording Fee		to University Title - ERecording			
1207. Additional Recording Fees		to University Title - Recording			
1208. Document Preparation(ROL)		to TBD			\$375.00
1300. Additional Settlement Charges					
1301. Survey		to			
1302. Pest Inspection		to			
1303. Property Taxes		to Tarrant County Tax Assessor Collector			\$82,931.01
1304. Property Taxes		to Grapevine-Colleyville Tax Assessor Collector			\$219,017.99
1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)					\$415,894.00

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a completed copy of pages 1, 2 and 3 of this HUD-1 Settlement Statement.

Gregory S. Milligan, Receiver for King Fischer, Ltd., a Texas limited partnership

SETTLEMENT AGENT CERTIFICATION

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused the funds to be disbursed in accordance with this statement.

Settlement Agent Date

Warning: It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

SECURITIES AND EXCHANGE)
COMMISSION,)

Plaintiff,)

v.)

KEVIN B. MERRILL, et al.,)

Defendants.)

Case No.: 1:18-cv-02844-RDB

**ORDER GRANTING RECEIVER GREGORY S. MILLIGAN’S
MOTION FOR AUTHORIZATION OF SALE OF REAL PROPERTY LOCATED AT
1132 GLADE ROAD, COLLEYVILLE, TEXAS 76034**

This matter is before the Court on the Motion for Authorization of Sale of Real Property Located at 1132 Glade Road, Colleyville, Texas 76034 (the “Sale Motion”) (Dkt. No. 691), filed by Receiver Gregory S. Milligan (the “Receiver”), the Court-appointed Receiver in the above-captioned case. The Court, having considered the Sale Motion and evidence submitted in support thereof; responses or objections, if any; the arguments of counsel; and the pleadings on file; finds that the Sale Motion should be, and hereby is, GRANTED.

It is therefore ORDERED that:

1. The Sale Motion is GRANTED in its entirety.
2. The Receiver is authorized to sell the real property located at 1132 Glade Road, Colleyville, Texas 76034 (the “Real Property”) to Churchill Residential Holdings, LLC (the “Buyer”) for \$1,735,000.00 (the “Purchase Price”) pursuant to the Commercial Contract – Improved Property (the “Contract”) and its Amendment attached to the Milligan Declaration as Exhibits 1 & 2.

3. The sale of the Real Property to the Buyer shall be free and clear of liens, claims, and encumbrances (with such liens, claims, and encumbrances, if any, to attach to the sales proceeds).

4. Sotheby's International Realty, Inc. ("Sotheby's") is authorized to receive a 6% commission of \$104,100.00 to be paid 50% to Sotheby's and 50% to the Buyer's broker, plus an administrative fee of \$495.00, out of the Purchase Price at closing without need of further application or Court approval.

5. The Receiver is authorized to pay all other customary closing costs out of the Purchase Price at closing.

6. The remaining net proceeds from the sale of the Real Property shall be held in an interest-bearing account maintained by the Receiver pending further Order of this Court.

7. The Receiver shall not close on the sale of the Real Property prior to January 1, 2023, which is the 31st day following the Receiver's filing of the Sale Motion. In the event a timely objection to the Sale Motion is filed on or before December 31, 2022, the Receiver shall not close on the sale of the Real Property without further Order of this Court.

IT IS SO ORDERED, this _____ day of _____, 2022.

HON. RICHARD D. BENNETT
UNITED STATES DISTRICT JUDGE