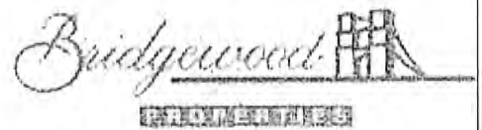
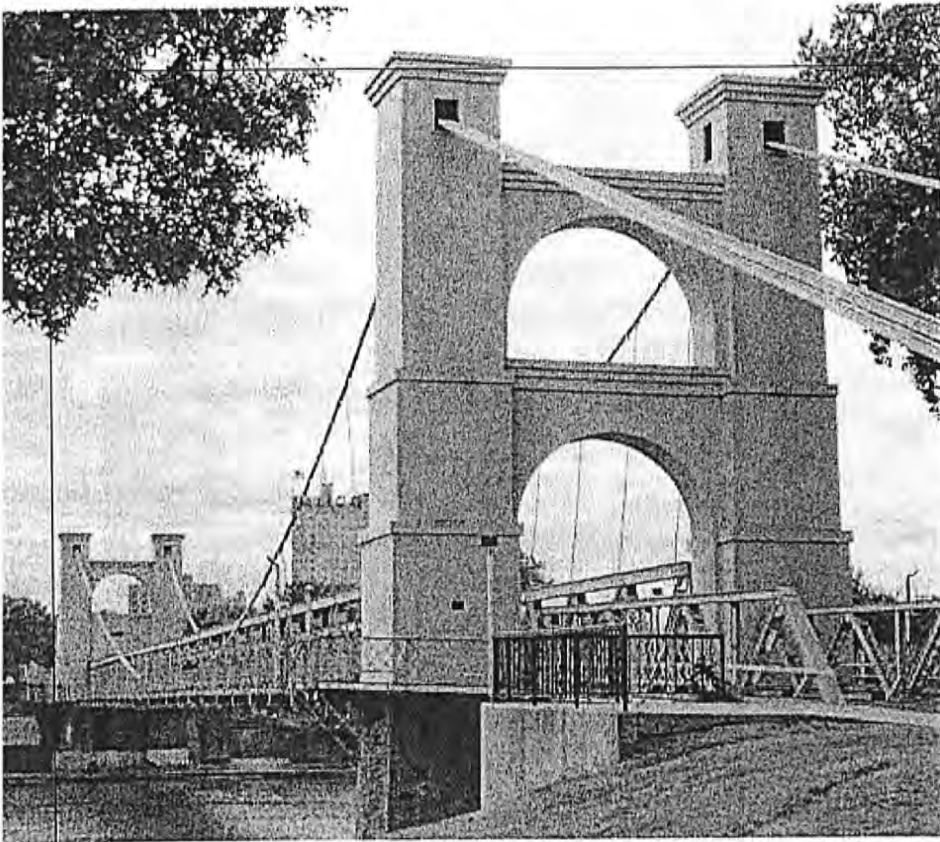


**HILLSBORO INDEPENDENT SCHOOL DISTRICT
SALE OF REAL PROPERTY
BID PACKAGE FOR 115 JANE LANE**

SELLER'S DISCLOSURES



REAL ESTATE APPRAISAL REPORT

115 JANE LANE, HILLSBORO, TEXAS

PREPARED FOR: HILLSBORO INDEPENDENT SCHOOL DISTRICT
ATTN: CATHLEEN BILLS
212 EAST WALNUT ST.
HILLSBORO, TEXAS 76645

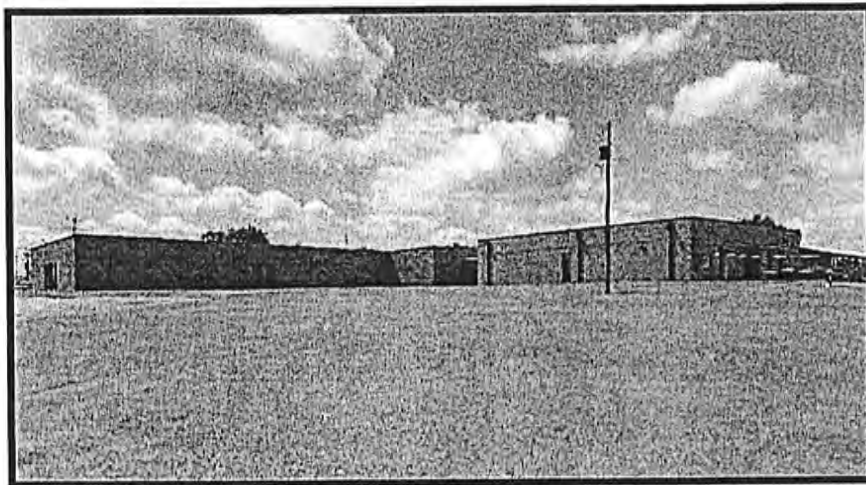


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Date: September 9, 2021

To: Hillsboro Independent School District
Attn: Cathleen Bills
212 East Walnut Street
Hillsboro, Texas 76645

RE: 115 Jane Lane
Former School Building
Hillsboro, Texas

Dear Ms. Bills:

As requested, I have performed a real estate appraisal on the property described above. I considered all conditions/characteristics pertinent to or indicative of the value of the property. As requested, the type of value that we will outline the derivation of in this report is "market value".

In the development and reporting of this appraisal report, every intention is made 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.

The property rights that are the subject of this appraisal are "fee simple".

If you have any questions or comments, please contact the undersigned. If you have any questions or comments, please contact the undersigned. Bruce Cresson and Collin Cresson can be reached by telephone at (254) 751-1202 or by e-mail at Bruce@BridgewoodProperties.com or Collin@BridgewoodProperties.com.

After careful consideration, it is my opinion that the market value of the subject property is:

Value Type	Effective Date	Market Value
As-Is	August 11, 2021	\$2,600,000

Respectfully submitted,

Collin Cresson

Bruce Cresson II

15130 Badger Ranch Boulevard, Unit 401, Woodway, TX 76712
Phone (254) 751-1202
www.bridgewoodproperties.com

EXECUTIVE SUMMARY

Effective Date:	August 11, 2021
Report Date:	September 9, 2021
Address:	115 Jane Lane Hillsboro, Texas
Legal Description:	9.935 Acres, Tract 2C, H. Deaton Survey, Abstract 227, Hillsboro, Hill County, Texas
Owner:	Hillsboro ISD
APN:	HCAD #113285
Type of Property	Elementary School
Zoning	SF-5, Single Family Residential
Lot Size	9.935 Acres or 432,769 SF, per HCAD
Building Size	42,418 SF
Building to Land Ratio	10.20
Highest and Best Use	
- As Vacant	Future Development
- As Improved	Hold for Redevelopment
Value Conclusion: "As-Is"	\$2,600,000
Value Conclusion: "As-Proposed"	N/A

CONTINGENT AND LIMITING CONDITIONS

HYPOTHETICAL CONDITIONS AND/OR EXTRAORDINARY ASSUMPTIONS:

USPAP defines a hypothetical condition as: *"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."*

USPAP defines an extraordinary assumption as: *"An assumption, directly related to a specific assignment, as of the effective date of the appraisal results, which, if found to be false, could alter the appraiser's opinions or conclusions."*

No hypothetical conditions and/or other extraordinary assumptions are employed for the purpose of this appraisal.

OTHER ASSUMPTIONS AND LIMITING CONDITIONS:

1. This is an appraisal report that 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.
2. It is assumed that title to the subject property is good and transferable. The value is reported without regard to questions of title, boundaries, encroachments, environmental regulations, licenses, or other matters of a legal nature unless non-compliance has been stated, defined, and considered in the appraisal report.
3. Factual data appearing in the report has been obtained from sources deemed reliable and was verified by recording information and by other sources when possible. While this information is believed to be reliable, no warranty is given for its accuracy. If new information of significance comes to light, the value given in this report is subject to change without notice.
4. Real Estate Values are influenced by a large number of external factors. The data contained herein is all of the data we consider necessary to support the value estimate. The appraiser has not knowingly withheld any pertinent facts, but cannot guarantee knowledge of all factors which might influence the value of the subject property. Due to unanticipated changes in external influences upon value, the value estimate is considered reliable only as of the date of the appraisal.
5. Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the future sales price of the subject property will equal the value

estimate stated in this report. The value estimate assumes that the property is under responsible ownership and has competent management.

6. The appraiser will not be required to give testimony or attendance in either a court of law, or before any other legal authority by reason of this appraisal without prior agreement.

7. Possession of this report, or any copy thereof, does not carry with it the right of publication, nor may it be used for any purpose by any but the client without the previous consent of the appraiser or the client.

8. Neither all, nor any part, of the contents of this report shall be disseminated to the public through advertising media, public relations media, news media, prospectus for securities, or any other public means of communications without prior written consent and approval of the undersigned.

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

10. No environmental impact studies were either requested or made in conjunction with this appraisal, and the appraiser hereby reserves the right to alter, amend, revise or rescind any of the value opinions based upon any subsequent environmental impact studies, research or investigation.

11. 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.

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

13. No survey or topographical study of the property has been made by the appraiser(s) and the appraiser(s) assumes no responsibility in connection with such matters. Size of the subject property is taken from sources believed to be accurate; however, the reader/client is cautioned to rely only upon a qualified land surveyor or engineer for exact figures.

14. The appraiser(s) has not made a specific compliance survey and analysis of the subject property to determine whether or not it is in conformity with ADA

requirements. Analysis by an expert in such matters is recommended. Discovery of noncompliance could have a negative effect on the value conclusion.

15. The acceptance of this appraisal is the acceptance of all assumptions, limiting conditions, and/ or any contingencies that are stated within this or any other section(s) of the appraisal.

STANDARD FORM CERTIFICATION

PERTAINING TO: 115 Jane Lane
Former School Building
Hillsboro, Texas

AS OF: August 11, 2021

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no (or the specified) present or prospective interest in the property that is the subject of this report and no (or the specified) personal interest with respect to the parties involved.
4. I 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.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

9. Collin Cresson made a personal inspection of the property that is the subject of this report. Bruce Cresson II did not make a personal inspection of the property that is the subject of this report.
10. No one provided significant real property appraisal assistance to the person signing this certification.
11. The appraisal is based on the conditions specified in the definition of market value, as defined by the Financial Institution Reform, Recovery and Enforcement Act of 1989 (FIRREA).



Collin Cresson



Bruce Cresson II

PURPOSE OF APPRAISAL

The purpose of this appraisal is to estimate the market value of the subject property for use by the client/intended user of this report. This appraisal is not intended for use by anyone other than the client/intended user of this report. The appraiser does not intend, know of, or authorize any other use of this appraisal or content in this report. The results or content in this report should not be used for any other purposes.

FUNCTION OF APPRAISAL

This appraisal is intended to serve as a basis for ownership decisions regarding the subject property for the client/intended user. This appraisal is not intended for use by anyone other than the client/intended user of this report. The appraiser does not intend, know of, or authorize any other use of this appraisal or content in this report. The results or content in this report should not be used for any other purposes.

PROPERTY RIGHTS APPRAISED

Property rights appraised in this report are in bold. Definitions are found in the *Dictionary of Real Estate Appraisal, American Institute of Real Estate Appraisers*:

Fee Simple Estate - “Absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation.”

Leased Fee Estate - “An ownership interest held by a landlord with the right of use an occupancy conveyed by lease to others; the rights of lessor (the leased fee owner) and leased fee are specified by contract terms contained within the lease.”

DEFINITION OF MARKET VALUE

MARKET VALUE, for the purpose of this appraisal, is defined as being the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, 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 he considers his own best interest.
3. A reasonable time is allowed for exposure in the open market.
4. Payment is made in cash in U.S. Dollars or in terms of financial arrangements comparable thereto.
5. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

SCOPE OF THE APPRAISAL

USPAP Definition: The type and extent of research and analysis in any assignment. Includes the extent to which the property is identified, the extent to which tangible property is inspected, the type and extent of data researched, and the type and extent of analysis applied to arrive at opinions or conclusions.

1. Upon engagement by the client to provide a real estate appraisal of the subject property, a detailed inspection was conducted of the subject property. On such properties that include improvements, interior inspections were also made.
2. The appraiser(s) researched the physical, legal, and economic records of the subject property and included any information deemed significant in the appraisal report.
3. The appraisal process consisted of the analysis of market data, such as sales, lease rates, and construction figures of similar properties. The process of collecting such information consisted of contacting real estate brokers, grantors and grantees, and other parties that have an interest in the subject area. Additional data was collected from appropriate secondary sources, such as the multiple listing service, public sources, CoStar, Loopnet, cost estimating services, and other relevant sources.
4. The appraisal report can include three approaches to value. The sales approach considers sales of properties similar to the subject. Adjustments are made to account for significant differences between the subject and the comparable properties. The cost approach consists of the determination of the land value of the subject added to the estimated construction costs of any improvements (minus depreciation). The income approach uses the income generating potential of the subject property to establish its market value. The exclusion of any of these approaches to value does not diminish the reliability of the value conclusion.
5. The results of these approaches were reconciled to produce an opinion of value that is based upon facts and figures derived from market transactions in the subject area.

OWNERSHIP HISTORY: 3 YEARS	To the best of my knowledge, the subject property has not sold within the past three years. The current owner, according to the Hill County Appraisal District, is Hillsboro Independent School District.
INTENDED USER:	Hillsboro Independent School District
CLIENT:	Hillsboro Independent School District
EFFECTIVE DATE:	August 11, 2021
MARKETING TIME:	“The time it takes an interest in real property to sell on the market subsequent to the effective date of the appraisal.” The marketing time for the subject property approximately six to twelve months.
EXPOSURE TIME:	“The estimated 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.” The exposure time for the subject property is approximately six to twelve months.

TAXING INFORMATION

Hill County Appraisal District Valuation:

2021 Assessed Values

Land Value	\$336,680
Improvement Value	6,989,830
Total Value	\$7,326,510

2020 Tax Rates

Tax Districts	Tax Rate/100	Tax Amount
City of Hillsboro	0.806400	\$59,080.98
Hill County	0.439709	32,215.32
Hill College	0.089146	6,531.29
Lateral Road	0.077392	5,670.13
Hillsboro I.S.D.	1.454800	106,586.07
Total	2.867447	\$210,083.79

*It is noted that the property is currently tax-exempt as it is owned by a public education entity.

GENERAL LOCATION INFORMATION:

The subject property is located in the central sector of the City of Hillsboro, Texas fronting Jane Lane, which is a secondary thoroughfare of the subject area. The subject property also fronts Carr Street, which is a secondary thoroughfare of the subject area. State Highway 22, a primary thoroughfare of the City of Hillsboro and a significant thoroughfare of Hill County, is located a quarter-mile to the south of the subject property. W. Waco Street, which is a primary thoroughfare for the City of Hillsboro, is located less than two miles to the west of the subject property. Interstate Highway 35, which has Hill County's highest traffic count, is located less than one-half of a mile to the east of the subject property.

The downtown commercial center of Hillsboro is located within two miles to the west of the property. The primary retail district of the City of Hillsboro is located just to the east of the subject property along Interstate Highway 35. The subject area consists primarily of restaurants, commercial properties, Hill Regional Hospital, vacant land, places of worship, and single- and multi-family residences. The subject is served by the Hillsboro Independent School District. Overall, this area has shown average marketability in the past.

NEIGHBORHOOD ANALYSIS:

<u>Neighborhood Boundaries</u>	The subject neighborhood is bounded by the limits of the City of Hillsboro.										
<u>Land Use</u>	Land use in the subject neighborhood is estimated to be: <table> <tr> <td>Commercial/Retail</td><td>20%</td></tr> <tr> <td>Office Buildings</td><td>10%</td></tr> <tr> <td>Industrial Use</td><td>10%</td></tr> <tr> <td>Residential Use</td><td>40%</td></tr> <tr> <td>Vacant Land</td><td>20%</td></tr> </table>	Commercial/Retail	20%	Office Buildings	10%	Industrial Use	10%	Residential Use	40%	Vacant Land	20%
Commercial/Retail	20%										
Office Buildings	10%										
Industrial Use	10%										
Residential Use	40%										
Vacant Land	20%										
<u>Property Compatibility</u>	Average.										
<u>Growth Rate</u>	Appears slow at the present time with limited growth in the subject area.										
<u>Property Values</u>	Generally, commercial, residential, and land values in the greater subject area are increasing. These trends are due primarily to scarcity of supply and to increasing construction costs. Supply of property is low due to increased demand brought by low interest rates and population increases in Hill County.										
<u>Employment Stability</u>	Appears stable at present time. COVID-19 pandemic has caused a rise in local unemployment; however, the Hill County unemployment rate is well below levels seen during the initial months following the COVID-19 outbreak. While the situation is worth monitoring, current unemployment levels are reasonably close to the region's long term average.										
<u>Market Conditions</u>	The subject market appears to be strong. Overall, demand is outpacing supply, which has led to increased property prices.										
<u>General Description</u>	The subject area consists primarily of restaurants, commercial properties, Hill Regional Hospital, vacant land, places of worship, and single- and multi-family residences.										

NEIGHBORHOOD MAP



LOCATION MAP



DESCRIPTION OF LAND

SIZE & SHAPE:	432,769 Square Feet or 9.935 Acres. Irregular shape per HCAD. A survey is recommended.
TOPOGRAPHY AND SOIL:	Terrain is level to gently sloping. All surface drainage appears adequate at the present time. The soil condition appears suitable for all types of construction.
UTILITIES & SERVICES:	Public water and sewer. Electric and telephone services available.
STREET IMPROVEMENTS:	The subject contains frontage along Jane Lane and Carr Street, which are asphalt paved and publicly maintained.
ACCESS:	Average accessibility from Jane Lane and Carr Street.
IMPROVEMENTS:	The subject is currently improved with a former school building. See description of improvements.
FLOOD ZONE INFORMATION:	Zone X. Zone X is located outside the .2% floodplain hazard zone. See attached flood zone map. Panel #48217C0265D.
EASEMENTS & ENCROACHMENTS	No adverse easements or encroachments were observed on the subject tract. A survey is recommended.

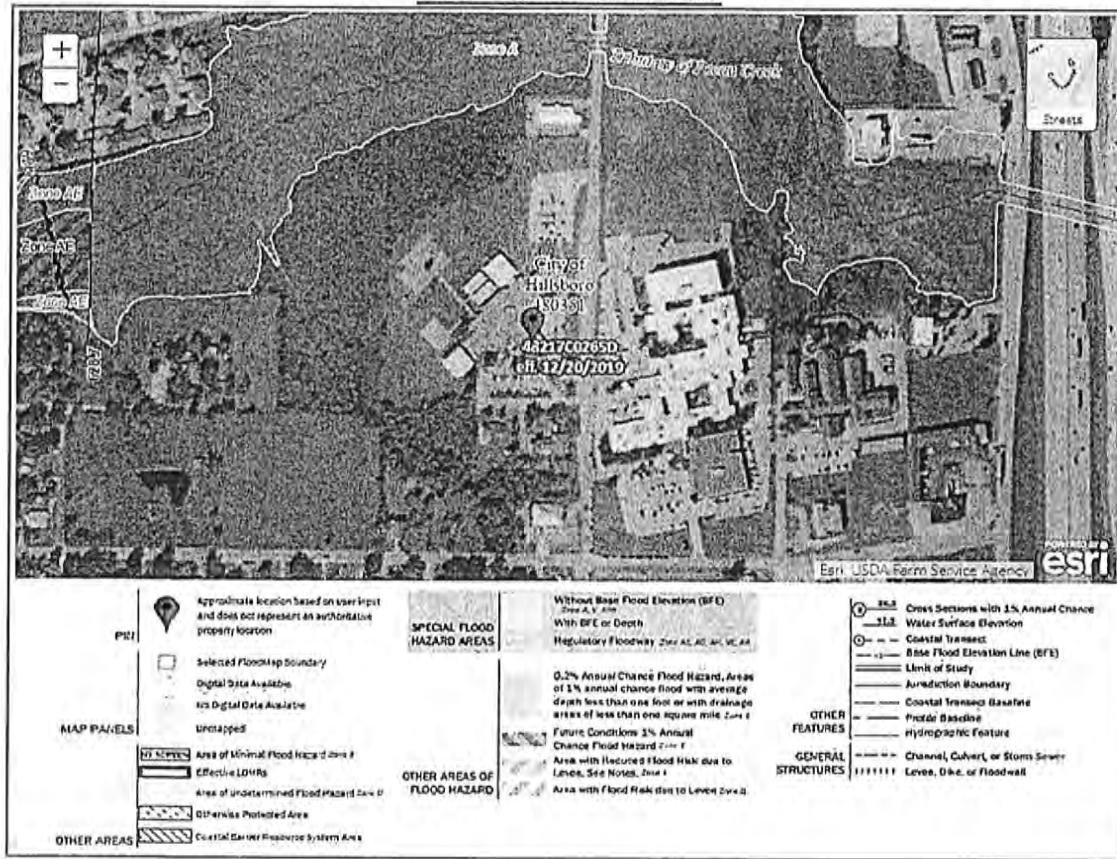
PLATS



ZONING MAP



FLOOD ZONE MAP



ENVIRONMENTAL DISCLAIMER:

The appraiser(s) is not licensed for the examination of any environmental hazards that may be found on the subject tract. No environmental impact studies were made in conjunction with this appraisal. Inspection by a licensed environmental expert is recommended. The appraiser(s) reserves the right to alter, amend, revise, or rescind the opinion(s) of value based on the results of such an inspection.

DESCRIPTION OF IMPROVEMENTS:

FORMER SCHOOL BUILDING	
YEAR OF CONSTRUCTION:	Unknown.
EFFECTIVE AGE:	Approximately 10 years.
SIZE:	Approximately 42,418 Square Feet
CONSTRUCTION TYPE:	Steel frame construction.
FOUNDATION:	Concrete slab foundation.
EXTERIOR FINISH:	Brick veneer.
ROOF TYPE:	Flat roof covering.
WINDOWS/DOORS:	Metal frame glass windows and entrance doors. Wood and metal interior doors. Metal exit doors.
HEATING/COOLING:	Central heat and air conditioning.
ELECTRICAL:	All electrical is assumed to code.
PLUMBING:	All plumbing is assumed to be code-compliant.
OVERALL FLOOR PLAN:	The building consists of various classrooms, hallways, offices, work rooms, a library, a kitchen, restrooms, storage rooms, and a cafeteria.
CONDITION:	Overall, the building is in average condition at the present time.

EXTERIOR IMPROVEMENTS

PARKING/PAVED:

Asphalt paved parking and drives.

MISCELLANEOUS:

3,132 square foot gymnasium.

(2) 1,800 square foot modular classrooms buildings.

Playground with miscellaneous recreational equipment.

Chain link fencing.

CONDITION:

Overall, the building and site improvements are in average condition at the present time.

OBSOLESCENCE/UTILITY OF IMPROVEMENTS:

PHYSICAL:

The subject improvements are in average condition at the present time. Physical depreciation is based upon age and physical condition. These improvements appear to be physically adequate for their present use.

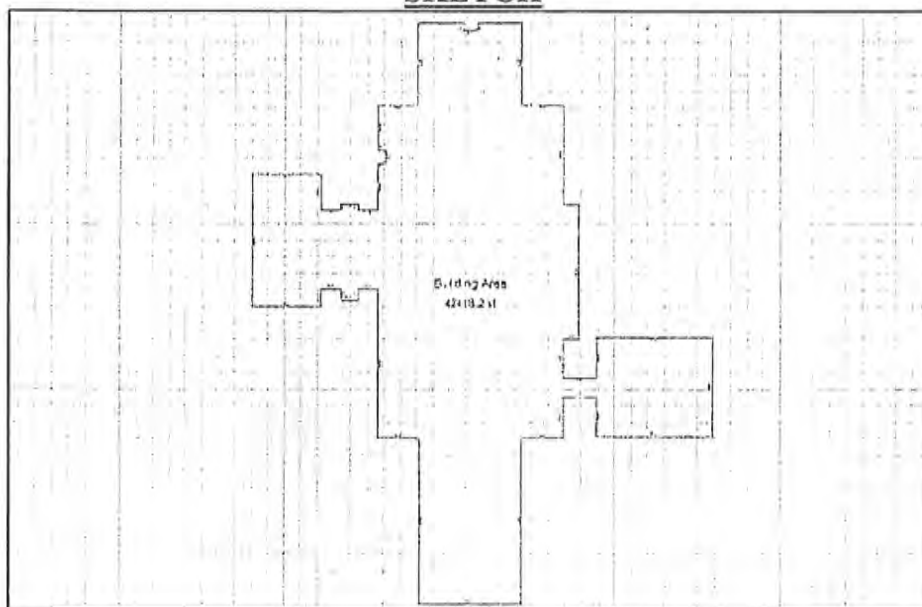
FUNCTIONAL OBSOLESCENCE:

The subject improvements are functionally adequate for their present use. The layout, design, and floor plan of the building appears logical for its overall use.

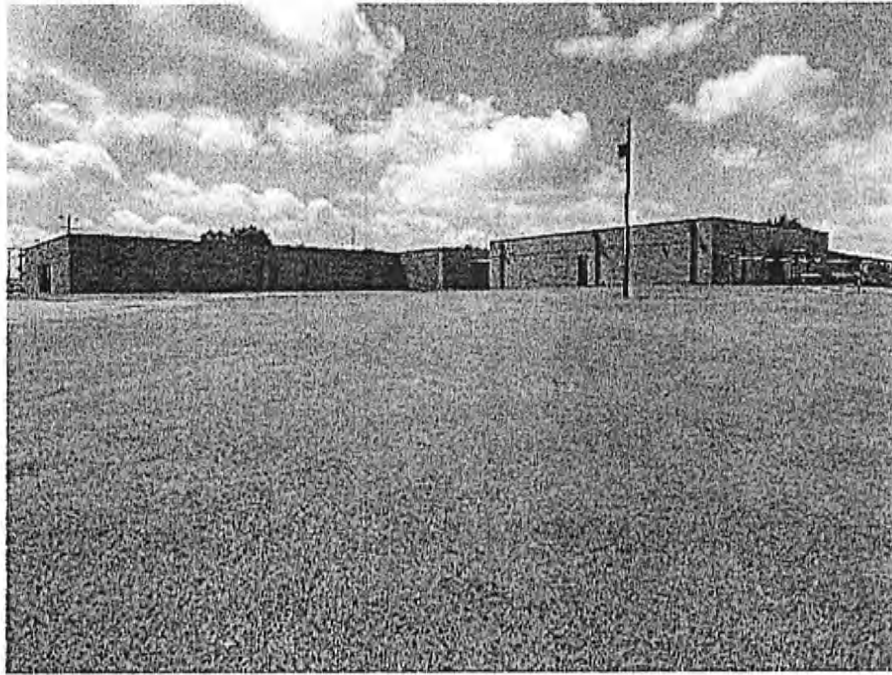
EXTERNAL (ECONOMIC) OBSOLESCENCE:

The overall subject improvements appear to suffer from no external or economic obsolescence.

SKETCH



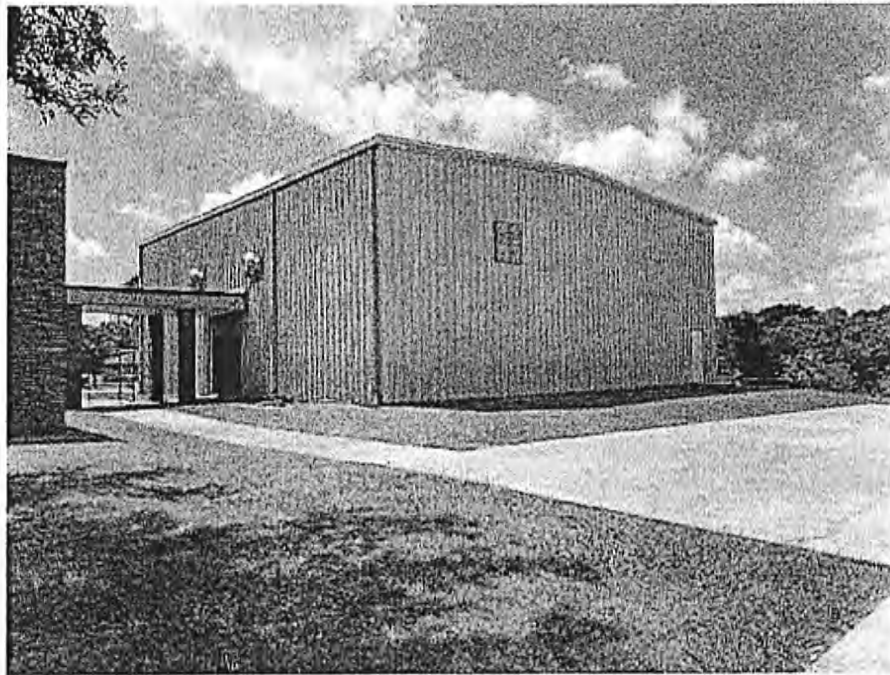
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EXTERIOR



EXTERIOR



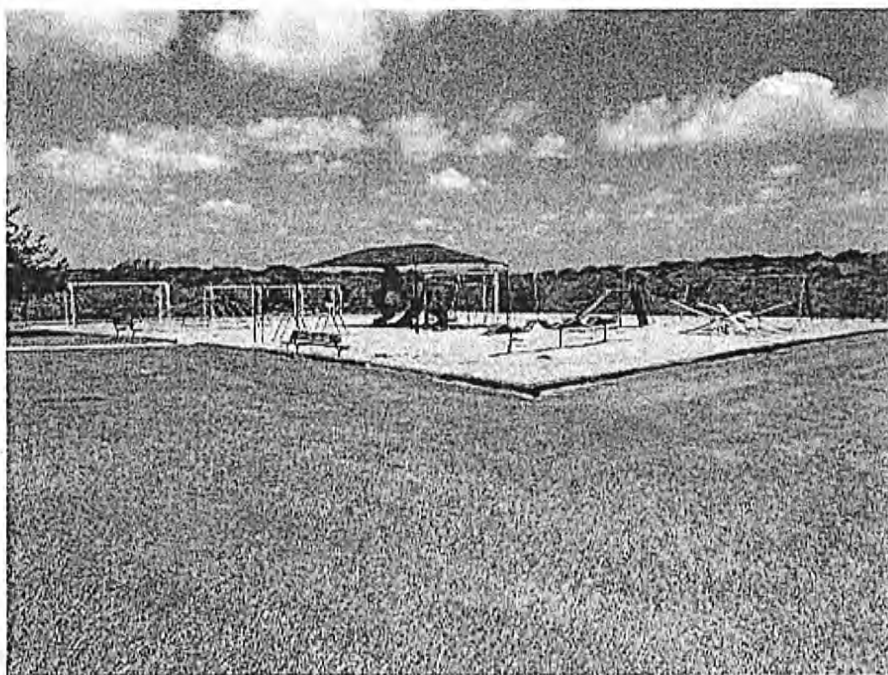
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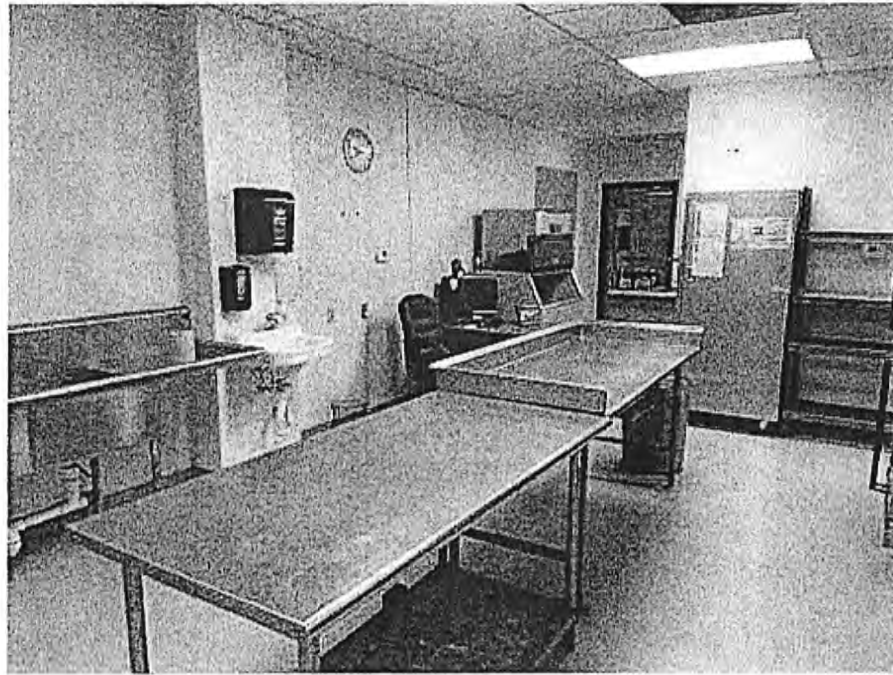
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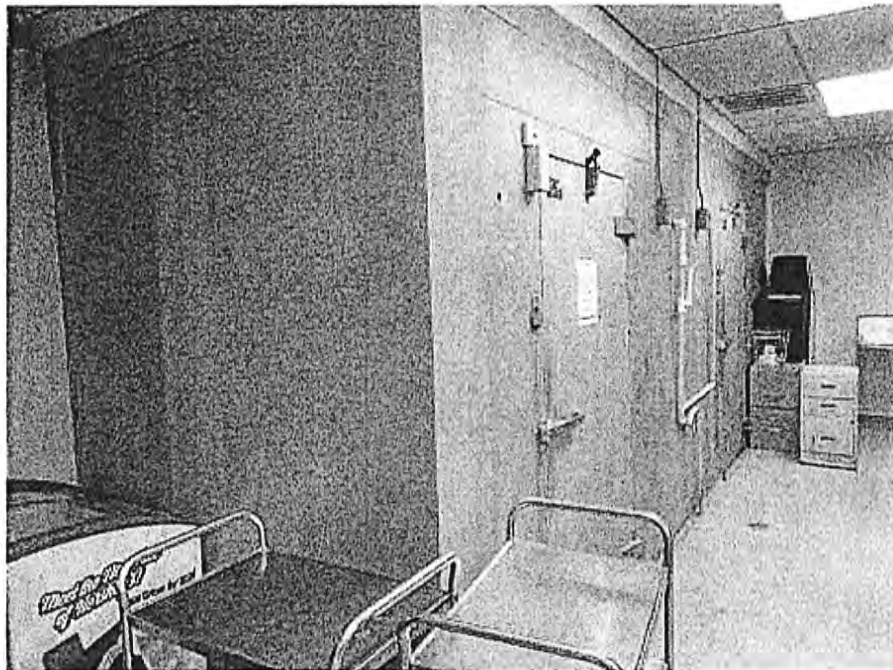
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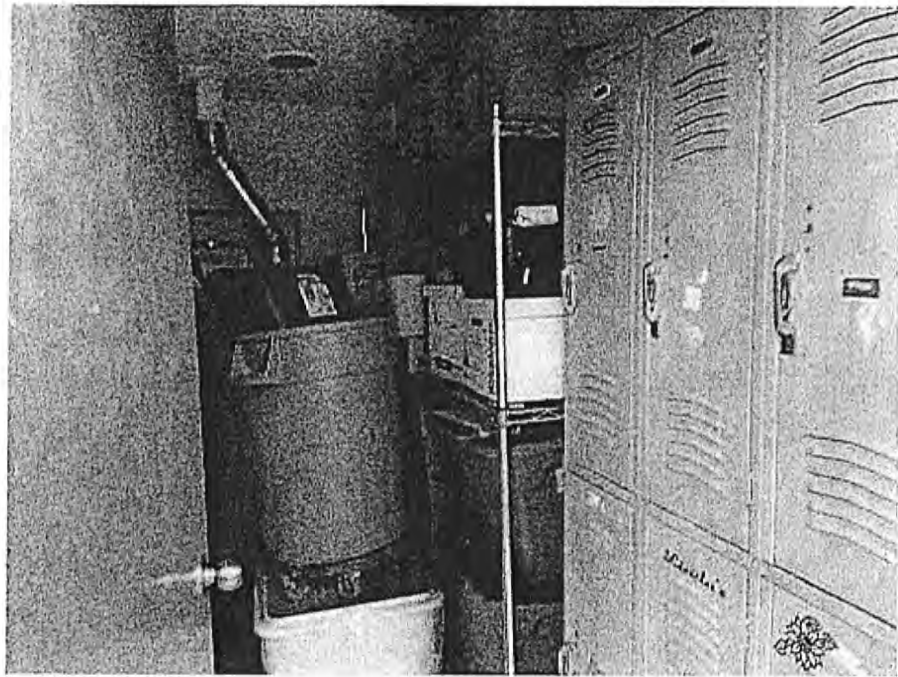
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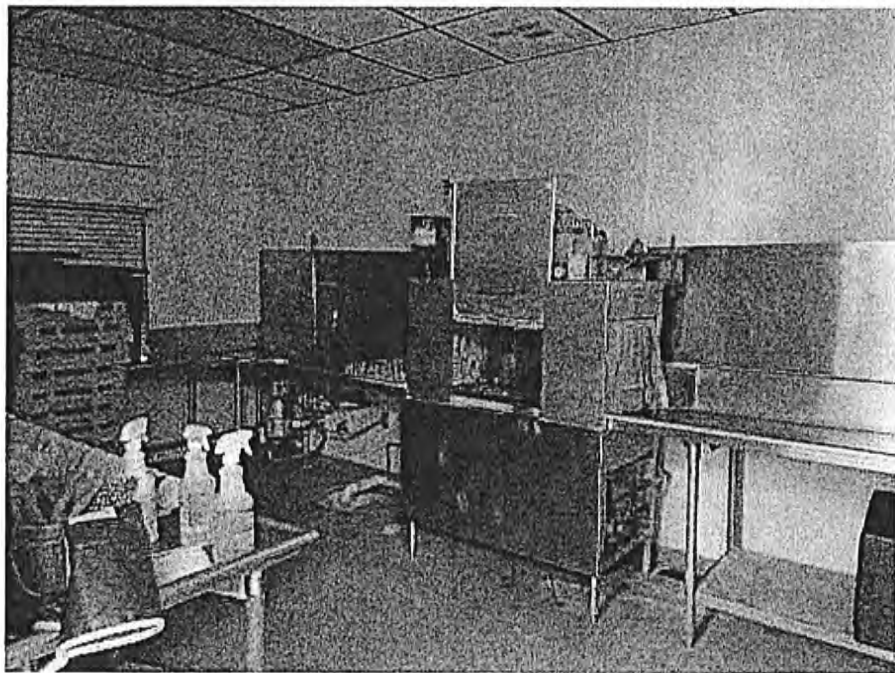
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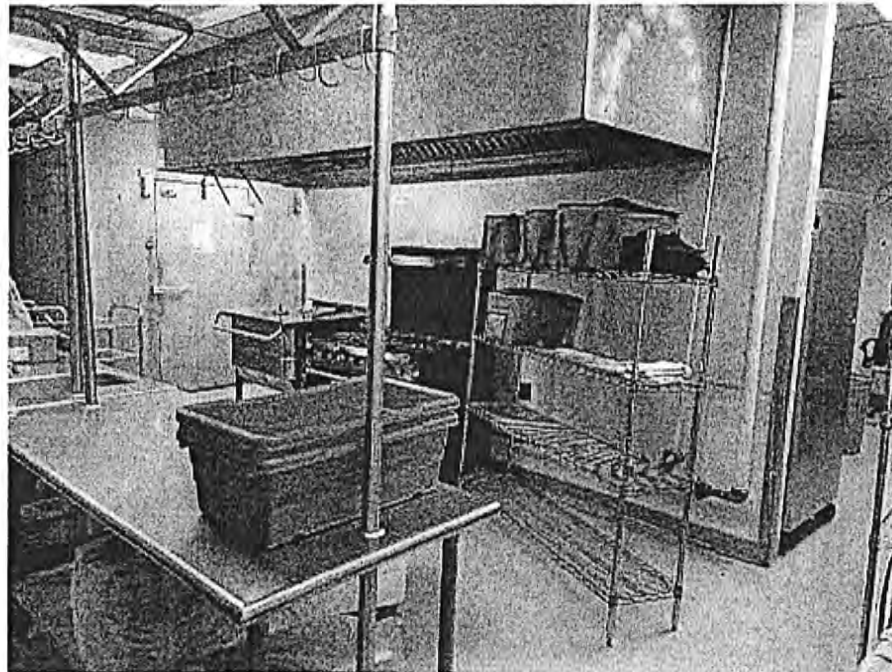
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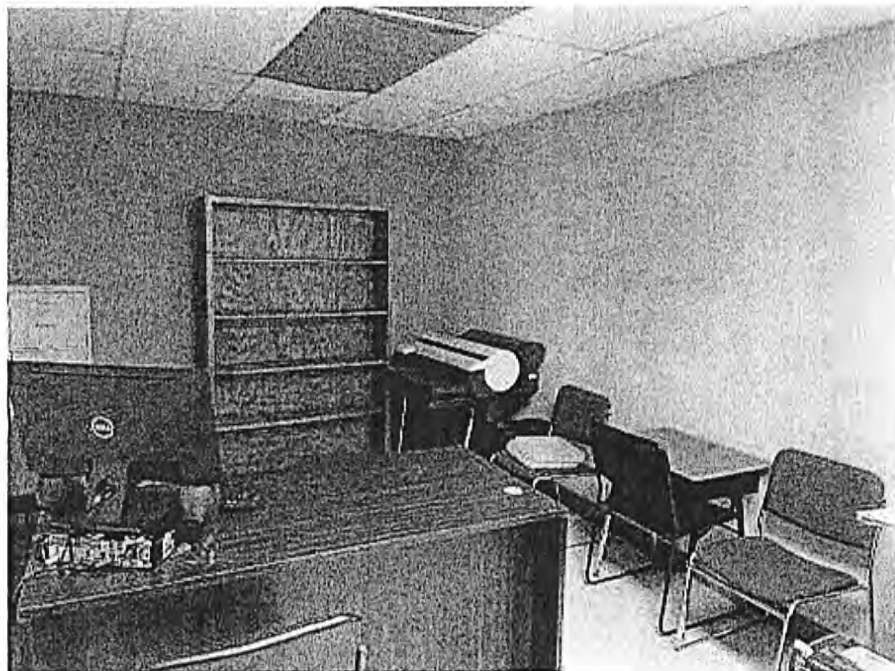
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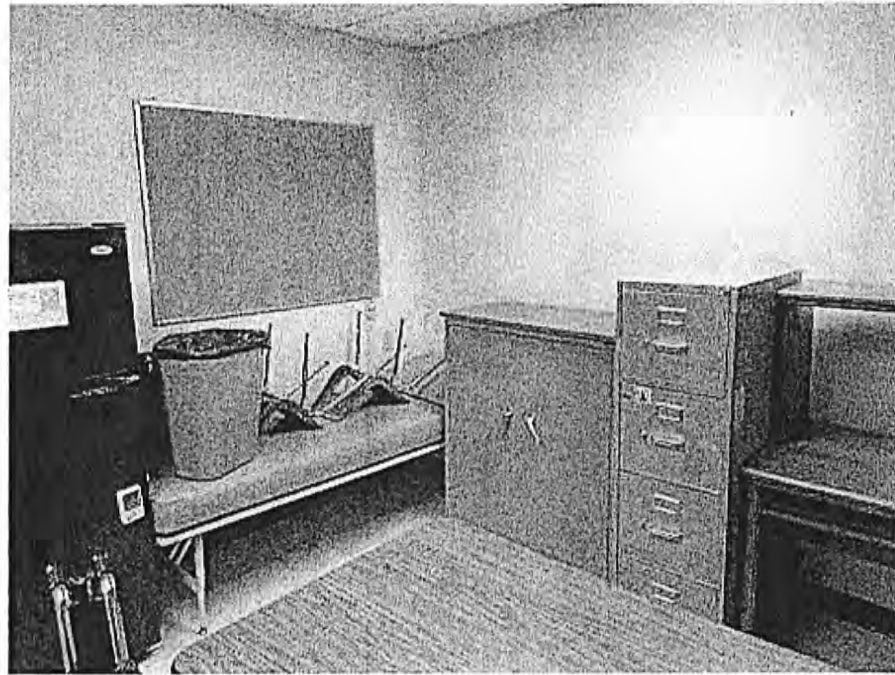
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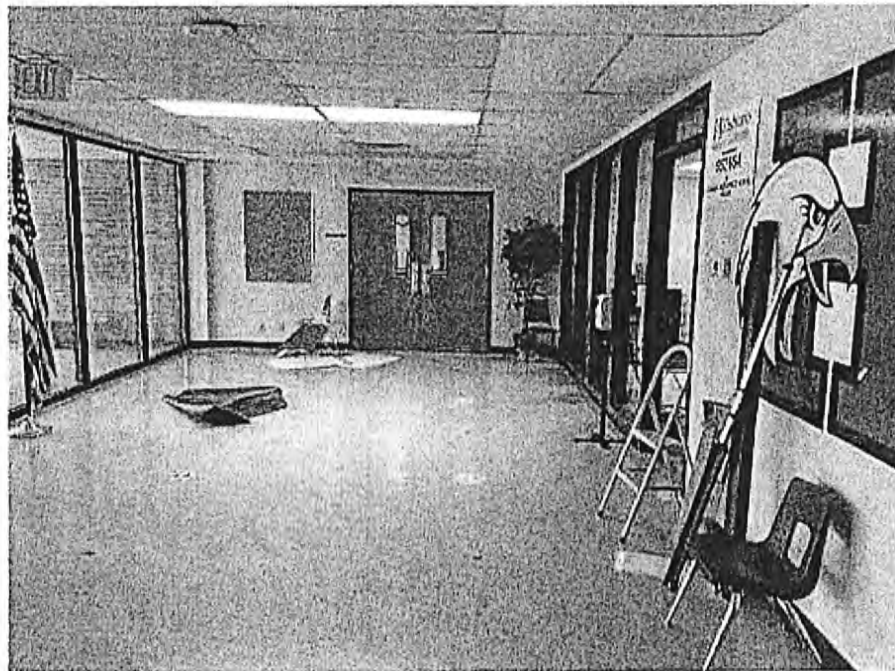
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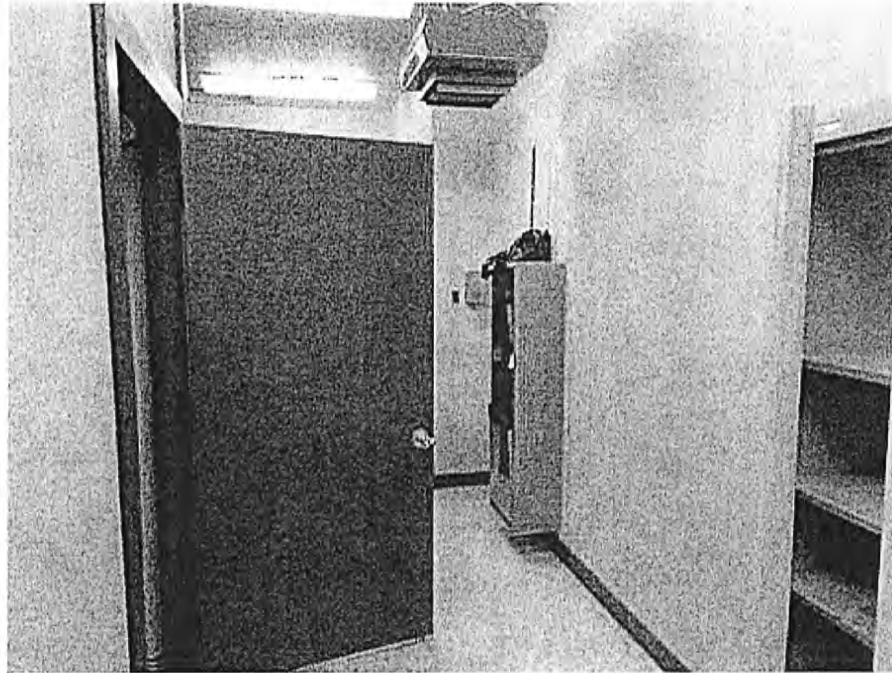
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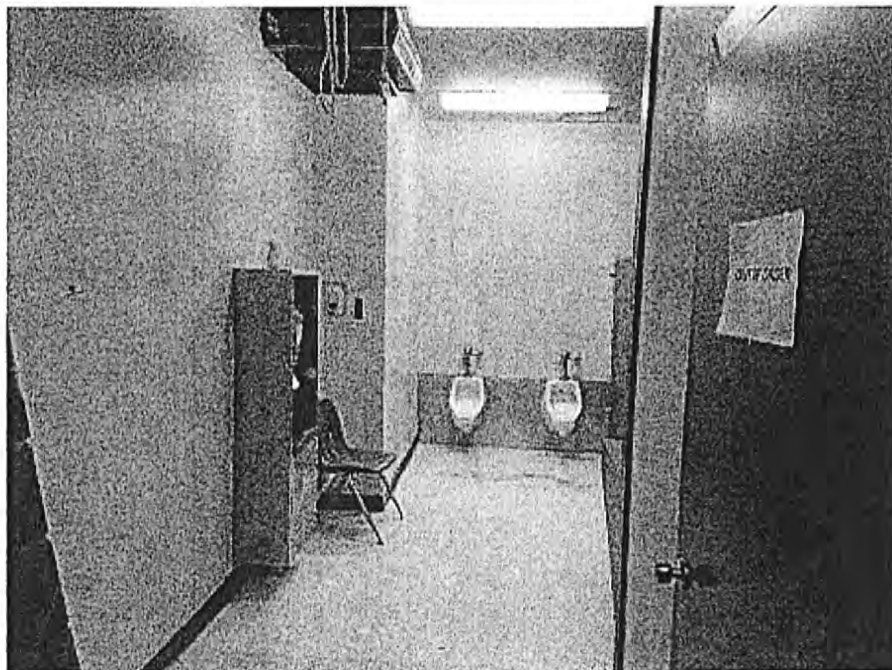
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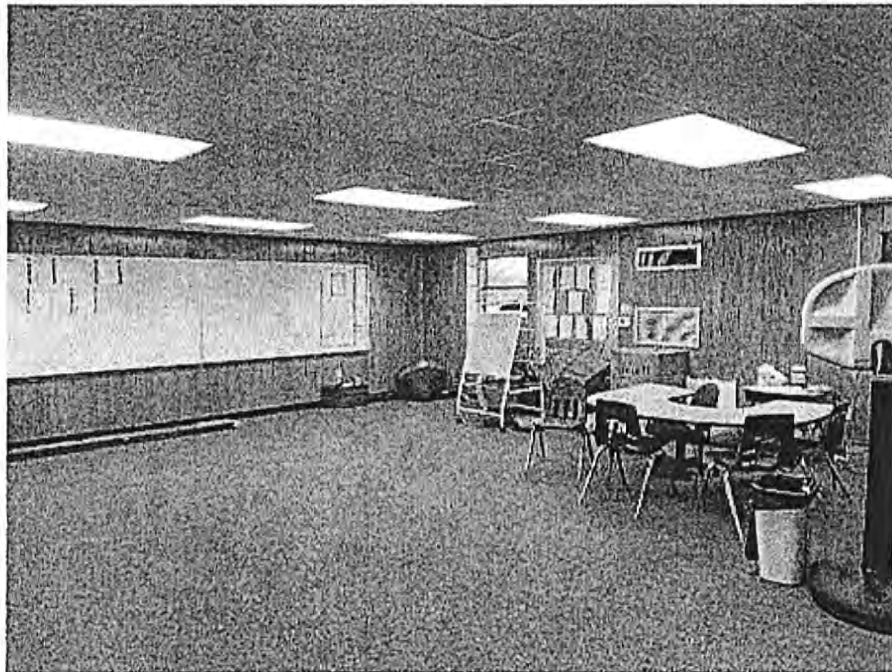
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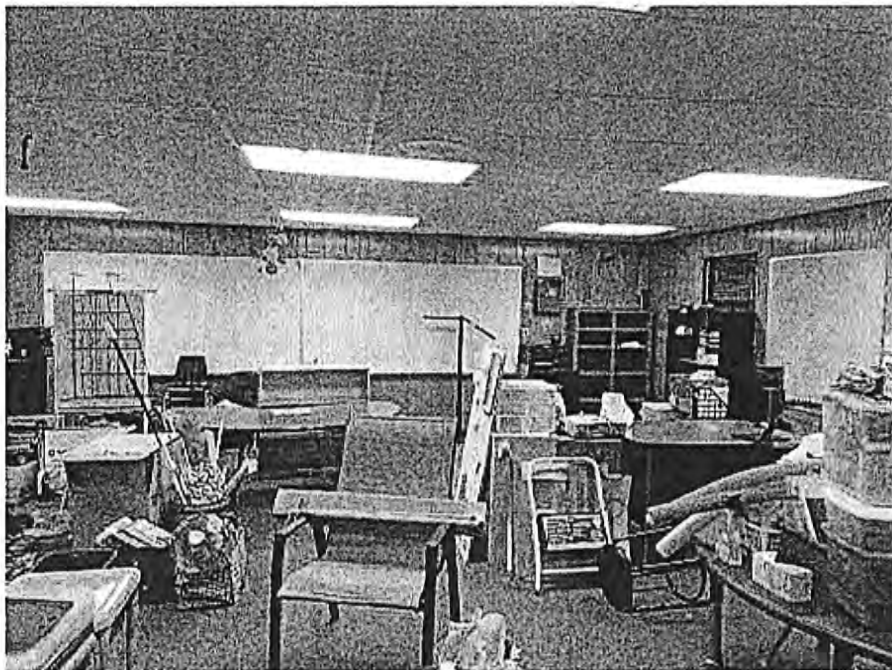
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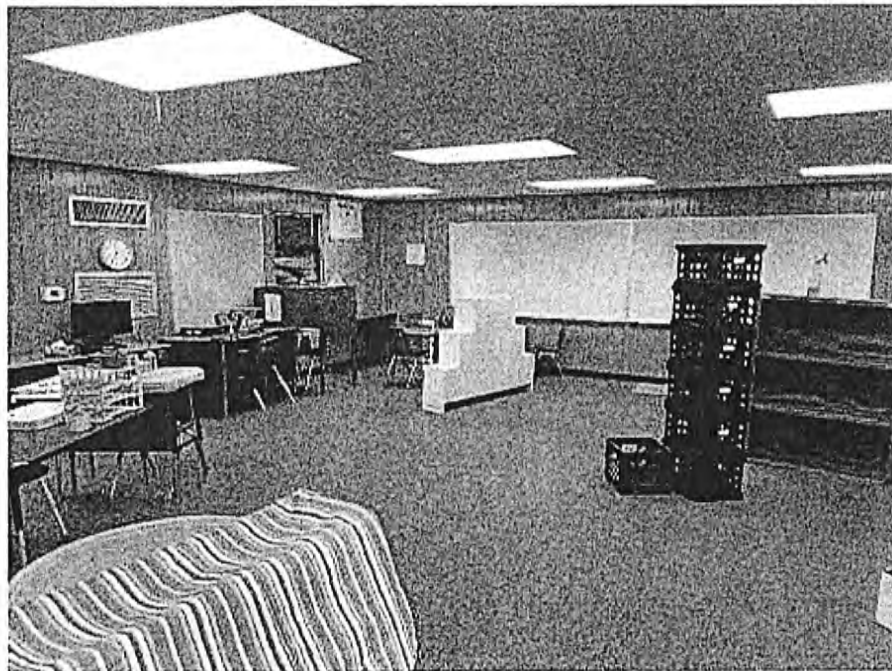
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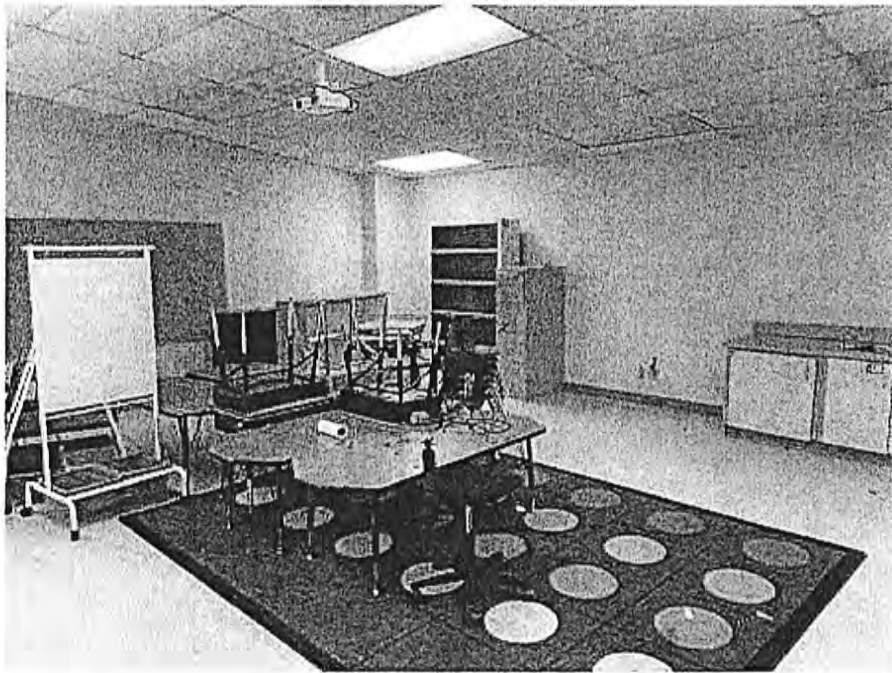
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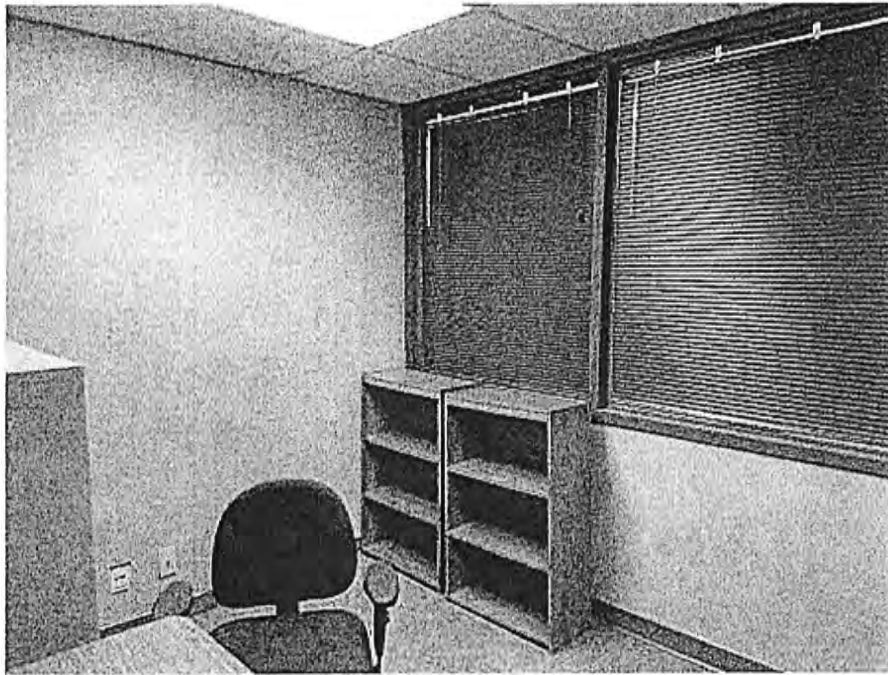
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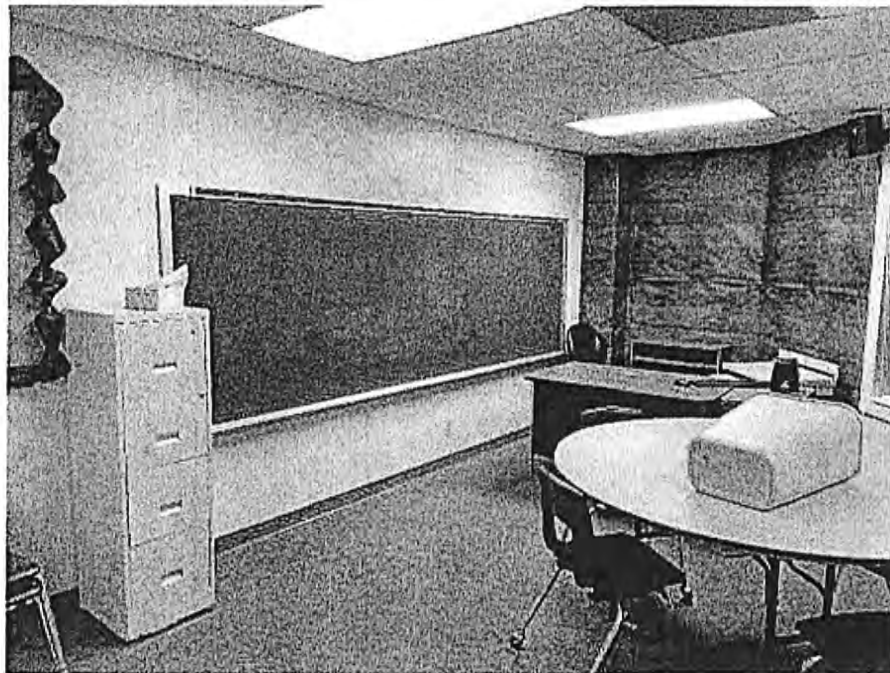
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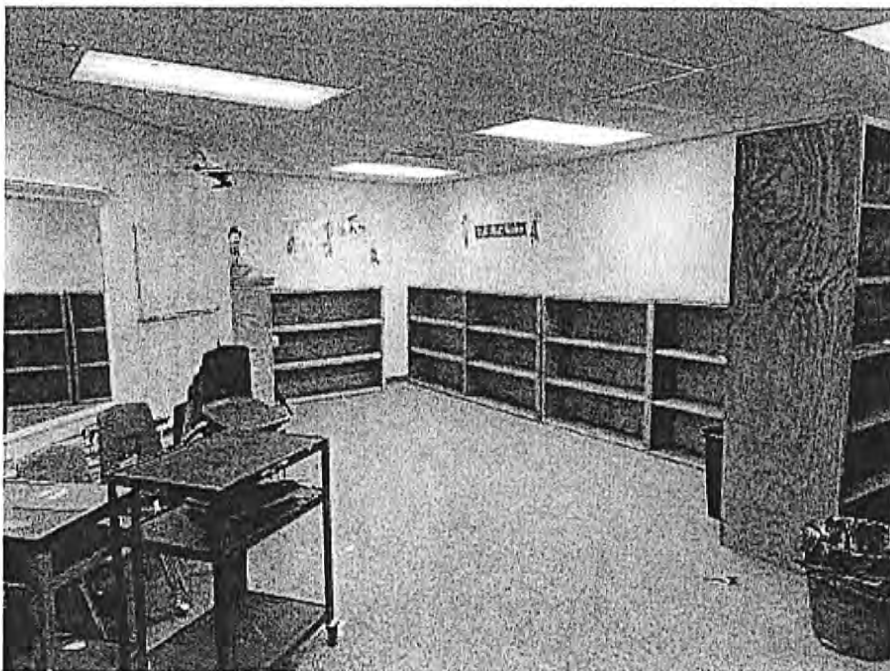
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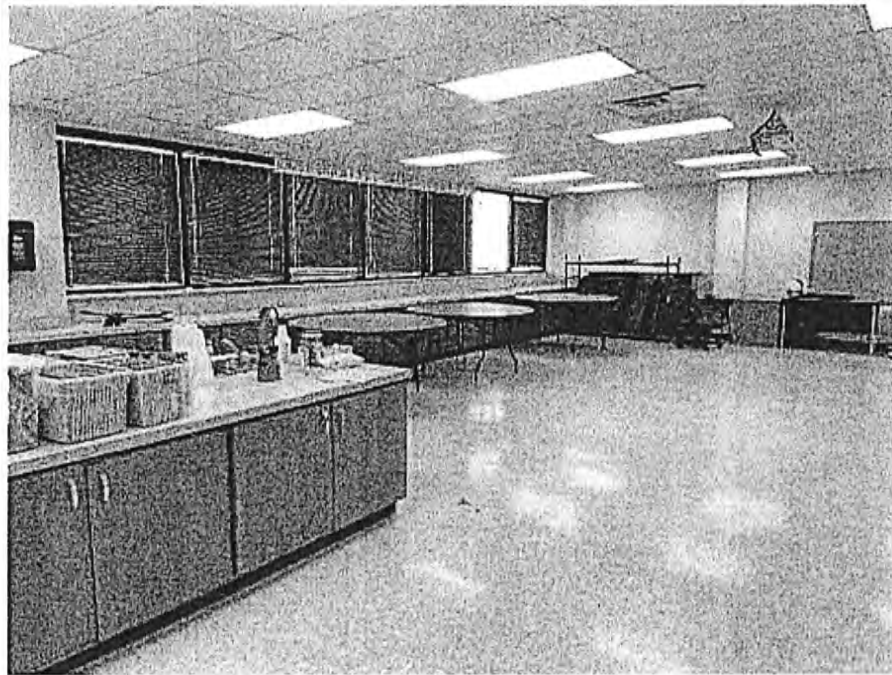
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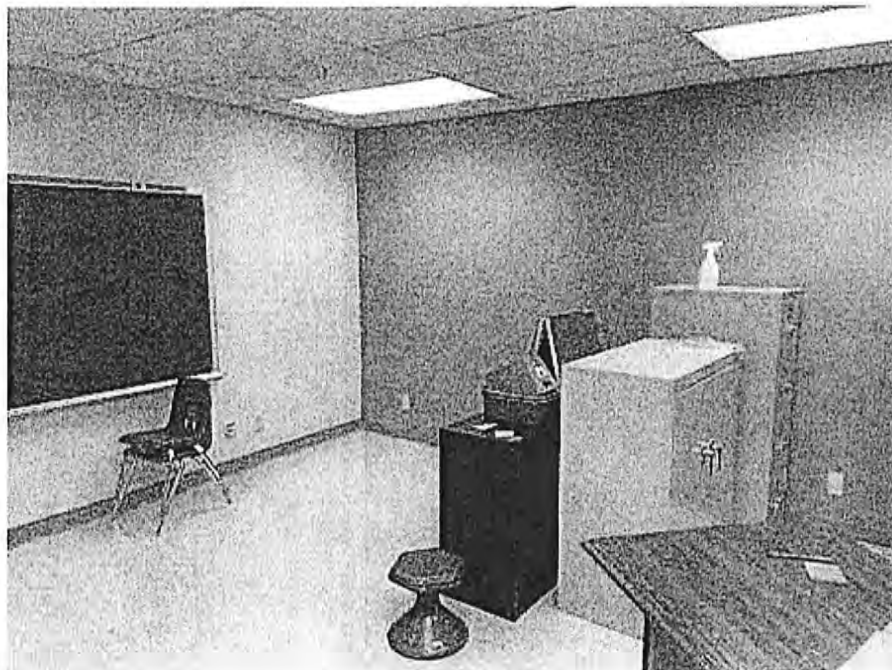
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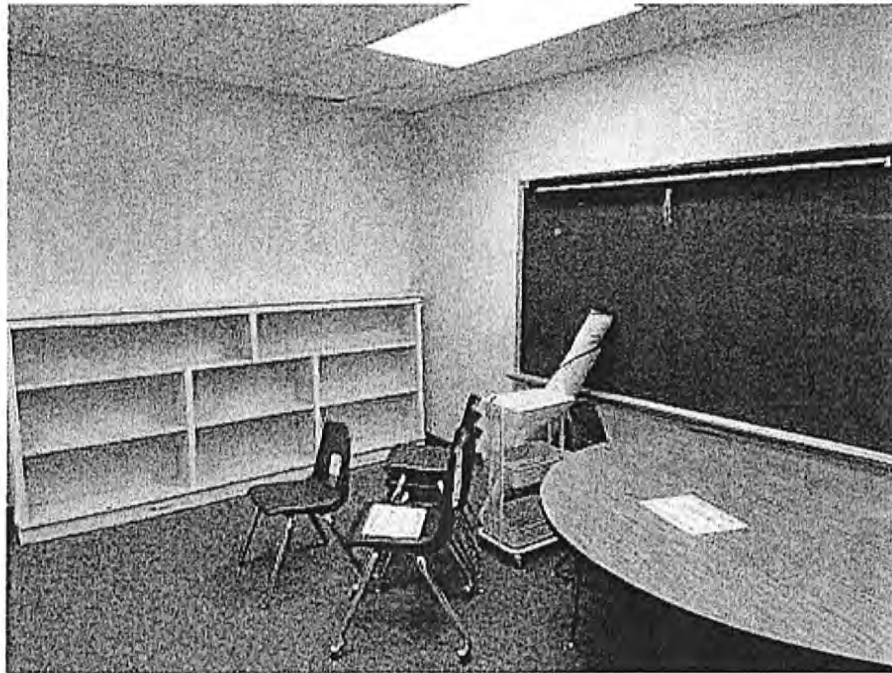
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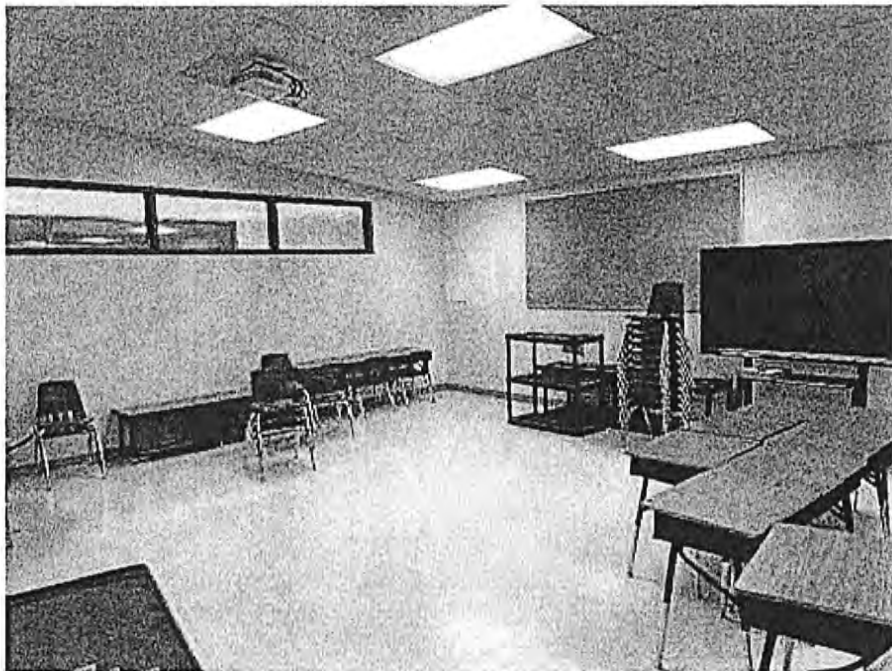
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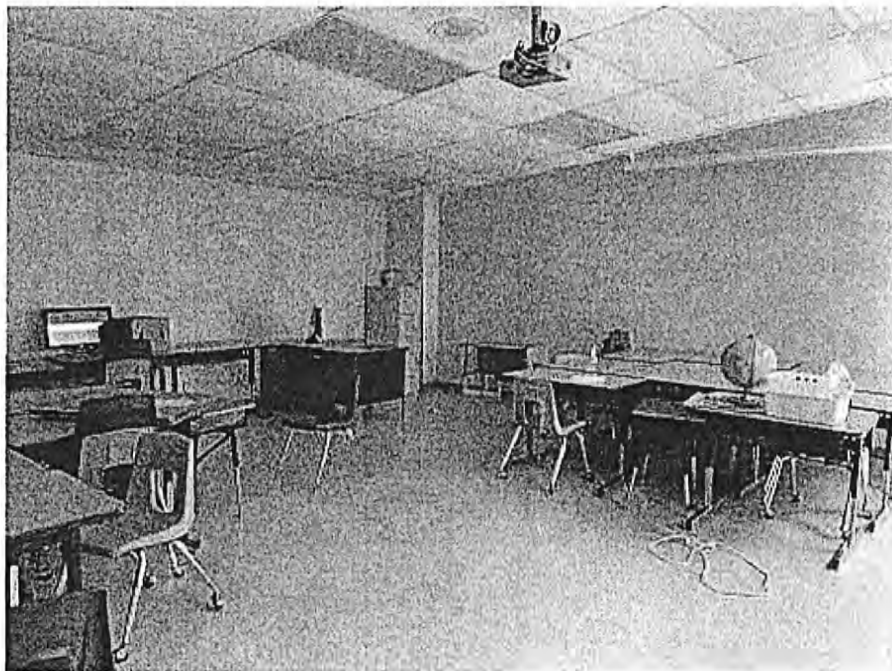
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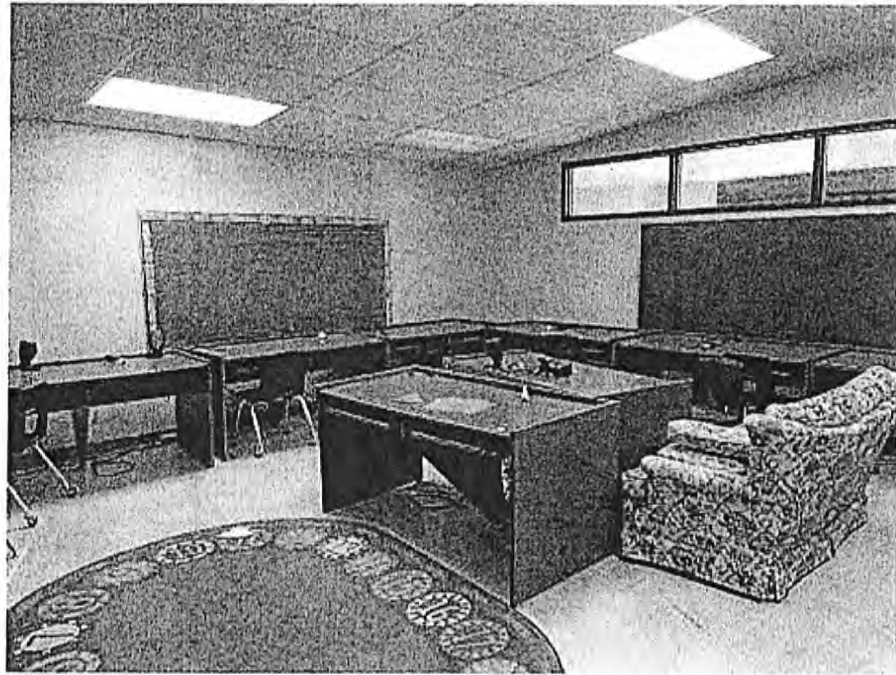
INTERIOR



INTERIOR



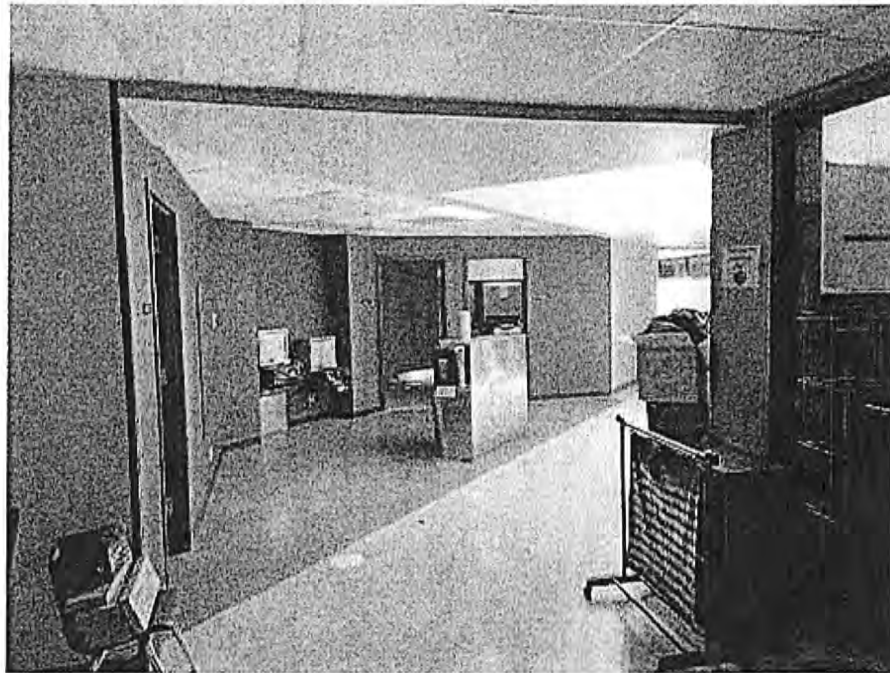
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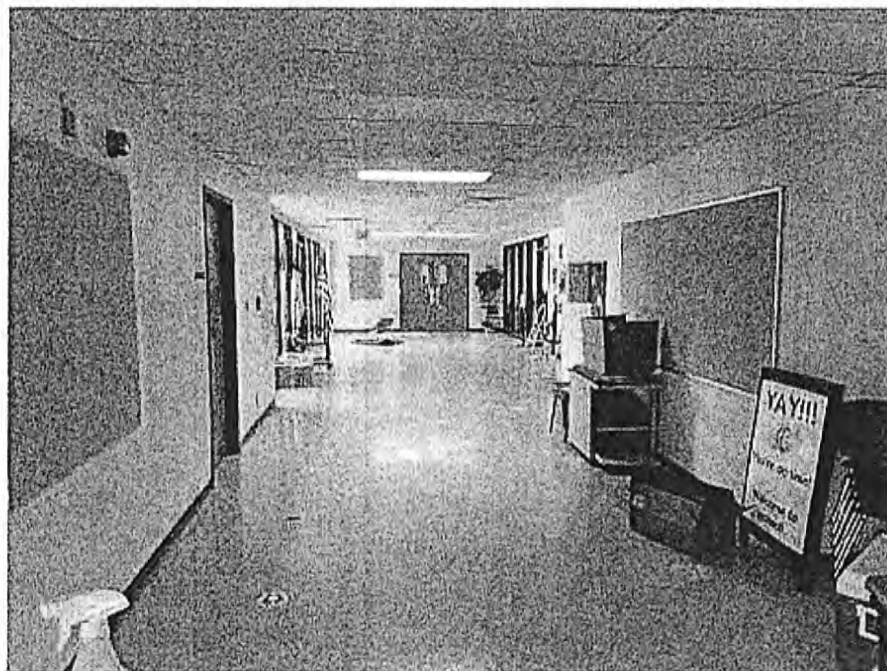
INTERIOR



INTERIOR



INTERIOR



STREET
SCENE



STREET
SCENE



HIGHEST AND BEST USE ANALYSIS:

A fundamental principle in the valuation of real property is highest and best use. Highest and Best use is defined as, "The reasonable, 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 Appraisal of Real Estate*, 14th Edition, P. 333)

Four tests are used to determine the highest and best use of a property. A use must be physically possible, legally permissible, financially feasible, and maximally productive. Determination of this use, as vacant and as improved, is critical, as the subject will be valued according to its highest and best use.

AS VACANT	
Physically Possible	The subject tract consists of approximately 432,769 square feet of land with level to gently sloping terrain. The subject tract is located outside of the 0.2% floodplain hazard zone. The soil type appears adequate for all types of construction. Public utilities are available to the subject tract and the subject is provided with adequate street access. Based upon analysis of the physical features of the site, no physical limitations are present that would limit development of the subject site.
Legally Permissible	This tract is located within the city limits of Hillsboro and is zoned Single-Family Residential. The subject tract is subject to typical local service utility easements, which have no adverse effects on the subject. Based upon analysis of the zoning regulations and utility easement requirements, no legal limitations are present that would limit development of the subject site.
Financially Feasible	Based upon the current zoning of the subject site, allowable uses would include future development, which would be financially feasible for the subject tract.
Maximally Productive	Use of the subject site for future development would be consistent with surrounding developments and would represent the maximally productive use of the tract.
Conclusion	The appraiser(s) has presented a discussion of the physically possible, legally permissible, financially feasible, and maximally productive use of the subject property, as vacant. Based on the information presented, it is my opinion that the highest and best use of the subject tract, as vacant, is future development.

AS IMPROVED	
Physically Possible	The subject is improved with a former elementary school that is in average condition at the present time. There are no physical limitations preventing the property from its highest and best use.
Legally Permissible	This tract is located within the city limits of Hillsboro and is zoned Single-Family Residential. There are no legal limitations that would prevent the property from being utilized to its highest and best use.
Financially Feasible	Holding the improvements for redevelopment is a financially feasible use of the property.
Maximally Productive	Holding the improvements for redevelopment represents the maximally productive use of the property, as improved.
Conclusion	The appraiser(s) has presented a discussion of the physically possible, legally permissible, financially feasible, and maximally productive use of the subject property, as improved. Based on the information presented, it is my opinion that the highest and best use of the subject tract, as improved, is holding the improvements for redevelopment.

APPRAISAL PROCEDURE

The methodology employed in the determination of the market value(s) provided in this appraisal involved the analysis of various factors relevant to the desirability and marketability of the subject property. Included in this analysis is an investigation into such matters as physical attributes of the property, area and neighborhood trends, and general economic, social, and political influences that have potential impacts on the subject.

The valuation process, which serves as a basis for estimating market value, can vary depending on the type of property being appraised and/or the intended use of the appraisal. The following approaches can be used to estimate market value.

SALES COMPARISON APPROACH – This approach is based upon the examination of verifiable sales of similar properties located in the subject area or in similar market areas.

COST APPROACH – An estimate of the present reproduction cost of the improvements, less accrued depreciation, plus the land value. Depreciation is the loss of value due to physical, functional, and economic causes.

INCOME APPROACH – Capitalization of the net income that the property is capable of generating. This approach, of course, is applicable only in income-producing properties.

SALES COMPARISON APPROACH ANALYSIS

The value of the subject property can be estimated by using the Sales Comparison Approach Method to value. This approach is based upon the examination of verifiable sales of similar properties located in the subject area or in similar market areas.

The Sales Comparison Approach to Value involves the comparison of recently purchased properties similar to the subject in terms of various quantitative and qualitative characteristics. Positive and/or negative adjustments are made to account for differences between the subject and the comparables in any number of categories that have an impact on marketability or desirability.

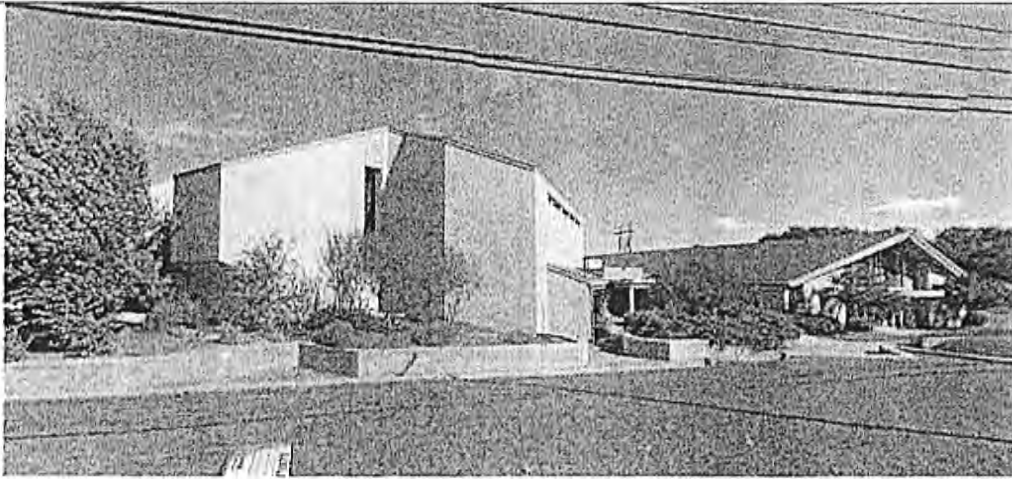
The following comparables will be used to analyze the market value of the subject:

BUILDING & LAND COMPARABLE #1



Descriptive Data	Sales Data
Address: 1208 N. Robinson Drive City: Robinson County/State: McLennan, TX Property Type: Former Church Building Year Built: 1974 Building Size (SF): 50,592 Lot Size (SF): 607,183 Land-to-Building: 12.00	Grantor: Waco Harvest Time Revival Center, Inc. Grantee: The Lord's Work, Inc. Date of Sale: June 29, 2021 Consideration: \$2,300,000 Price Per SF (B & L): \$45.46 Instrument Number: 2021025989 Source: Grantee/Deed Record Comments: Former church building that was purchased for redevelopment.

BUILDING & LAND COMPARABLE #2



Descriptive Data	Sales Data
Address: 405 Estates Drive, Units 1 and 2 City: Woodway County/State: McLennan, TX Property Type: Church Facility Year Built: Various phases. Building Size (SF): 56,680 Lot Size (SF): 155,607 Land-to-Building: 2.75	Grantor: Hines of Texas Holdings LLC Grantee: Crossroads Fellowship Church of Waco, Texas Date of Sale: May 16, 2017 Consideration: \$3,000,000 Price Per SF (B & L): \$52.93 Instrument Number: 2017015527 Source: Grantee/Deed Records

BUILDING & LAND COMPARABLE #3



Descriptive Data	Sales Data
Address: 6800 Denton Highway City: Watauga County/State: Denton, TX Property Type: Place of Worship Year Built: 1985 Building Size (SF): 28,284 Lot Size (SF): 141,496 Land-to-Building: 5.00	Grantor: Abundant Life Family Church Grantee: THFW Inc. Date of Sale: December 10, 2020 Consideration: \$2,800,000 Price Per SF (B & L): \$99.00 Instrument Number: D220333143 Source: MLS/Deed Records

BUILDING & LAND COMPARABLE #4



Descriptive Data	Sales Data
Address: 262 Illinois Avenue	Grantor: China Spring Methodist Church
City: China Spring	Grantee: Unwavering Faith Christian Church
County/State: McLennan, TX	Date of Sale: October 18, 2019
Property Type: Place of Worship	Consideration: \$245,000
Year Built: 1975	Price Per SF (B & L): \$40.56
Building Size (SF): 6,040	Instrument Number: 2019035808
Lot Size (SF): 53,685	Source: MLS/Deed Record
Land-to-Building: 8.89	Comments: The sale included a 3,600 square foot portable multi-purpose building.

BUILDING & LAND COMPARABLE #5

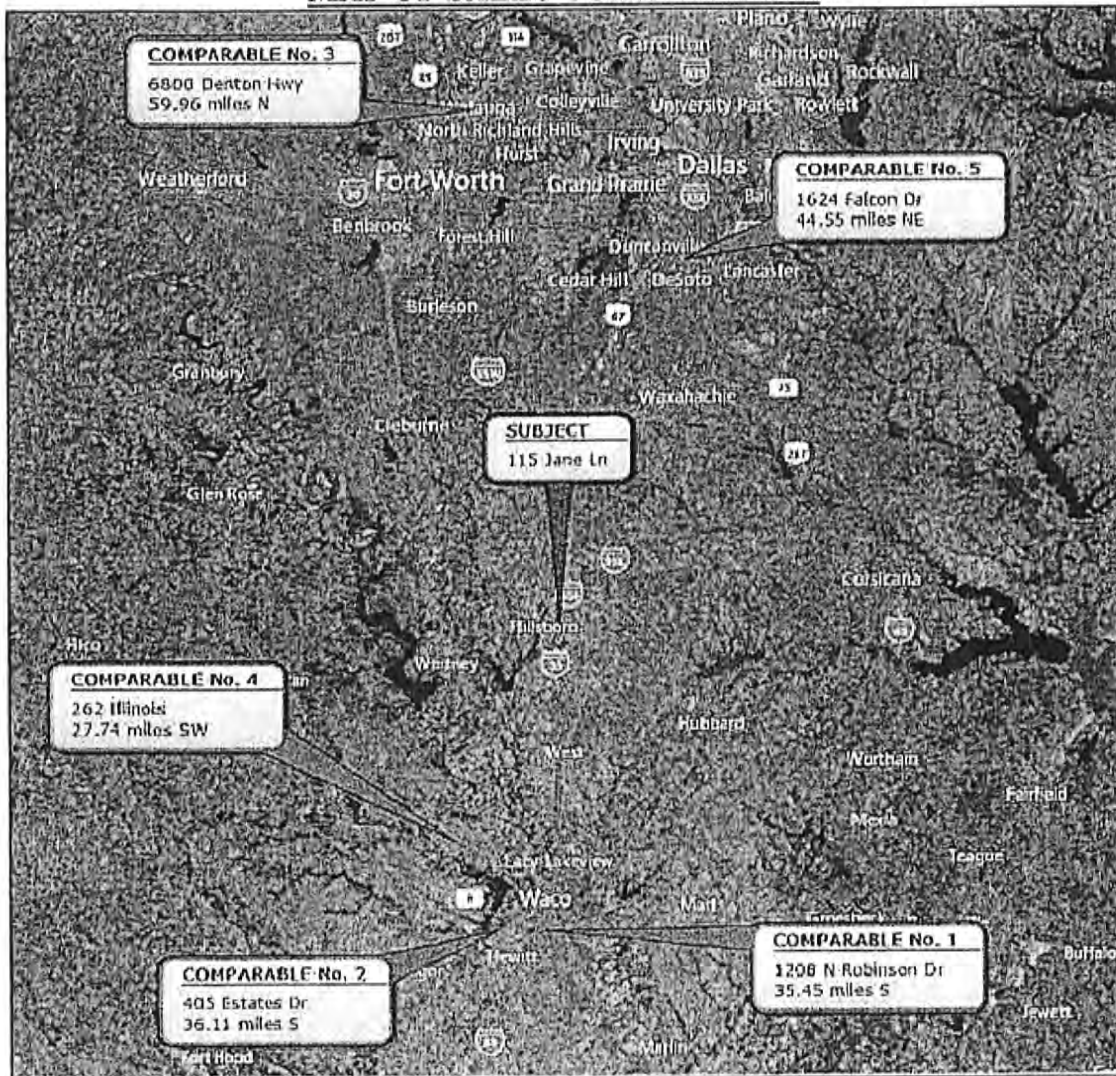


Descriptive Data	Sales Data
Address: 1624 Falcon Drive City: DeSoto County/State: Dallas, TX Property Type: Educational Facility Year Built: 2004 Building Size (SF): 10,150 Lot Size (SF): 78,395 Land-to-Building: 7.72	Grantor: Smithfield Learning Center, Inc. Grantee: Faith Family Kids, Inc. Date of Sale: July 26, 2021 Consideration: \$865,000 Price Per SF (B & L): \$85.22 Instrument Number: 202100223143 Source: MLS/Deed Record

SUMMARY OF SALES DATA

Sale	Address	Date of Sale	Size (SF)	Price	\$/SF
1	1208 N. Robinson Drive	6/29/2021	50,592	\$2,300,000	\$45.46
2	405 Estates Drive	5/16/2017	56,680	\$3,000,000	\$52.93
3	6800 Denton Highway	12/10/2020	28,284	\$2,800,000	\$99.00
4	262 Illinois Avenue	10/18/2019	6,040	\$245,000	\$40.56
5	1624 Falcon Drive	7/26/2021	10,150	\$865,000	\$85.22
Average			30,349	\$1,842,000	\$64.63
Maximum			56,680	\$3,000,000	\$99.00
Minimum			6,040	\$245,000	\$40.56

MAP OF SALES COMPARABLES



SALES COMPARISON APPROACH: ANALYSIS

Attempts are always made to find sales of similar properties in the immediate subject neighborhood. When necessary, comparables are used from adjacent or similar markets. The comparables used are always believed to be the most appropriate.

In arriving at an estimated value of the subject, consideration is given to the following categories that influence value. These categories include property rights, financing terms, conditions of sale, market conditions, location, land to building ratio, size, building quality, condition, amenities, and flood zone. When necessary, adjustments were made for the following categories. Adjustments have been rounded. A discussion of each of these adjustment categories will be presented in the following pages:

Property Rights	No adjustments are necessary.
Financing Terms	No adjustments are necessary.
Conditions of Sale	No adjustments are necessary.
Market Conditions	Comparables #2 and #4 are inferior to the subject and require positive adjustments of five or ten percent. No other adjustments are necessary.
Location	Comparables #2, #3, and #5 are superior to the subject and require negative adjustments of ten or thirty percent. Comparable #4 is inferior to the subject and requires a positive adjustment of twenty percent.
Land to Building Ratio	Comparables #2, #3, and #5 are inferior to the subject and require positive adjustments of five or ten percent.
Size	Comparables #1 and #2 are larger than the subject and require positive adjustments of five percent. The remaining comparables are smaller than the subject and require negative adjustments of ten, twenty, or twenty-five percent.
Quality	Comparable #1 is inferior to the subject in terms of construction quality and requires a positive adjustment of ten percent.
Condition	Comparables #1 and #4 are inferior to the subject and require positive adjustments of ten percent.
Amenities	All five comparables are inferior to the subject and require positive adjustments of five or ten percent.

Flood Zone No adjustments are necessary.

The following is a summary of the comparables used and the adjustments made:

ADJUSTMENT GRID

	Comp. #1	Comp. #2	Comp. #3	Comp. #4	Comp. #5
Price per SF	\$45.46	\$52.93	\$99.00	\$40.56	\$85.22
Property Rights					
Financing Terms					
Conditions of Sale					
Market Conditions		10%		5%	
Location		-10%	-30%	20%	-30%
Land to Building		10%	5%		5%
Size	5%	5%	-10%	-25%	-20%
Quality	10%				
Condition	10%			10%	
Amenities	10%	10%	10%	5%	10%
Flood Zone					
Total Adj.	35%	25%	-25%	15%	-35%
Total \$ Adj.	\$15.91	\$13.23	-\$24.75	\$6.08	-\$29.83
Adjusted Value	\$61.37	\$66.16	\$74.25	\$46.64	\$55.39

In determining a final value estimate of the subject, adjusted values ranged from \$46.64 per SF to \$74.25 per square foot, with an average of \$60.76 per SF. Primary emphasis was placed on Comparables #1, #2, and #5, with less emphasis on the comparables with the highest and lowest adjusted values.

After all analysis, it is believed that the data derived by the Sales Comparison Approach points to a market value of approximately \$61.00 per square foot.

$$42,418 \text{ SF} \times \$ 61.00 \text{ per SF} = \$ 2,587,498$$

SAY \$ 2,600,000

COST APPROACH ANALYSIS

The cost approach consists of the costs to construct the improvements, less depreciation, plus the value of the land.

Due to the overall age and condition of the subject improvements and because the highest and best use of the property is for holding for redevelopment, the Cost Approach will not be developed. The exclusion of this approach does not affect the credibility of the value conclusion.

INCOME APPROACH ANALYSIS

An indication of value can be reached by capitalizing the net operating income that the property is capable of producing. This method involves the estimation of the property's net operating income. Using a capitalization rate (a ratio describing the relationship between net income and sales price), the net income produces an estimate of market value.

Educational facilities are typically owner-occupied; therefore, insufficient information is available with which to develop a credible Income Approach. Also, the highest and best use of the property is for holding for future redevelopment. For these reasons, this approach will not be developed. The credibility of the appraisal is not affected by the exclusion of this approach.

CORRELATIONS AND CONCLUSIONS

The aforementioned analyses produced the following values. The values of the property were estimated by one of the three traditional approaches to value. The following is a listing of the value estimates of each approach:

AS-IS VALUE	
SALES COMPARISON APPROACH	\$2,600,000
COST APPROACH	N/A
INCOME APPROACH	N/A

Primary emphasis was placed on the Sales Comparison Approach. The Cost and Income Approaches were not developed for the reasons previously mentioned. The credibility of the value conclusion is not affected by the exclusion of these approaches.

Based upon the available data, the Appraiser has concluded the current Market Value of the subject property, as of August 11, 2021, is:

TWO MILLION SIX HUNDRED THOUSAND DOLLARS

\$2,600,000

QUALIFICATIONS OF COLLIN CRESSON

STATE OF TEXAS CERTIFICATION

- State Certified General Real Estate Appraiser
License Number: TX 1380930-G
Date of Expiration: 10/31/2021

BUSINESS & PROFESSIONAL EXPERIENCE

- Certified General Real Estate Appraiser, Bridgewood Properties, October 2019 - Present
- Appraiser Trainee, Bridgewood Properties – April 2016 – September 2019

PROFESSIONAL EXPERTISE

- Commercial Appraisals (Office, Retail, Retail Strip Centers, Restaurants, Etc.)
- Residential Appraisals (Single Family and Multi-Family)
- Industrial Appraisals
- Farm and Ranch Appraisals

ASSOCIATION MEMBERSHIPS

- Candidate for Designation, Appraisal Institute
- American Society of Farm Managers and Rural Appraisers
- Association of Texas Appraisers
- National Association of Appraisers
- Waco Association of Realtors

EDUCATION & TRAINING

- Graduate of Baylor University, Waco, Texas – 2015
Bachelor of Arts
Major: Political Science

REAL ESTATE COURSES COMPLETED

- MAI – Standards - 2020
- MAI – AI Business Practices and Ethics -2020
- General Appraiser Income Approach – December 2018
- General Report Writing and Case Studies – December 2018
- General Appraiser Sales Comparison Approach – February 2019
- Basic Appraisal Principles – May 2016
- Basic Appraisal Procedures – July 2016
- National Uniform Standards of Professional Appraisal Practices Course – July 2016
- General Appraiser Site Valuation and Cost Approach – August 2018
- Expert Witness for Commercial Appraisers – Subject Matter Electives – July 2018

- Commercial Appraisal Review – Subject Matter Elective – May 2018
- General Appraiser Market Analysis Highest and Best Use – October 2016
- Statistics, Modeling, and Finance – October 2016

CONTINUING EDUCATION COMPLETED SINCE 2016

- Constructing the Professional Report...From A-Z - September 2016
- 2016 Appraisal Summit and Expo No. 216, Day 1 – September 2016
- 2016 Appraisal Summit and Expo No. 216, Day 2 – September 2016
- Managing Appraiser Liability – August 2018
- 2018-2019 USPAP Update Course – August 2018
- Support Your Adjustments: Methods for Residential Appraisers – September 2018
- That's a Violation – August 2018
- Appraisal of Assisted Living Facilities – August 2018
- 2019 Appraisal Summit & Expo., No. 219 – Day 1 – September 2019



**Certified General
Real Estate Appraiser**

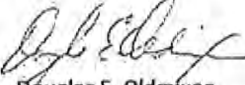
Appraiser: Collin Cresson

License #: TX 1380930 G

License Expires: 10/31/2021

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.


Douglas E. Oldmixon
Commissioner

QUALIFICATIONS OF BRUCE CRESSON II

STATE OF TEXAS CERTIFICATION

- State Certified General Real Estate Appraiser
License Number: TX-1323594-G
Date of Issue: September 9, 1992
Date of Expiration: September 30, 2022

ASSOCIATION MEMBERSHIPS

- Member – National Association of Appraisers
- Member – National Association of Realtors
- Member – Texas Association of Realtors, Licensed Real Estate
Broker, State of Texas #410029
- Member – Waco Association of Realtors
- Member – Waco Chamber of Commerce

EDUCATION & TRAINING

- Graduate of Vanguard High School, Waco, Texas – 1985
- Graduate of Baylor University, Waco, Texas – 1990
Bachelor of Business Administration
Major: Finance/Real Estate

REAL ESTATE COURSES COMPLETED:

- Standards of Professional Appraisal Practice & Ethics
- Appraisal I
- Commercial Appraisal
- Principles of Real Estate
- Real Estate Finance
- Real Estate Law
- Real Estate Licensing

CONTINUING EDUCATION COMPLETED SINCE 2000

- Property Taxes: Rights, Remedies and Responsibilities – May, 2000
- Let's Talk – No Fight – July, 2000
- Income Property Appraisal – July, 2000
- Mediation and Property Condition Issues – August, 2002
- Mortgage Brokerage: The Law and The Profits! – August, 2002
- USPAP – Sept., 2000, August, 2002, May, 2004, April, 2006, Sept., 2010, April, 2012
January, 2014, September, 2016, September, 2018, April, 2020
- Deceptive Trade Practices Act – June 15, 2004
- Pricing Prop. to Sell, Tax Free Exchanges, Methods Res. Fin. – Sept., 2004

- Real Estate Financing – Sept., 2006
- Home Inspection – August, 2006
- Tax Favorable Real Estate Transactions – Sept., 2006
- Real Estate Appraisal – Sept., 2006
- Estimating the Gross Living Area – August, 2006
- Asset Management – Sept., 2006
- REO & Foreclosures – September 2010
- Developing & Growing an Appraisal Practice – September 2010
- Ad Valorem Tax Consultation – September 2010
- Appraising the Appraisal: Appraisal Review General – April, 2012
- Sellers Concessions – April, 2012
- Staying out of Trouble in Your Appraisal Practice – April, 2012
- Quality Assurance – April, 2012
- Effective Rent – April, 2012
- Appraisal of Self-Storage Facilities – August, 2014
- The Nuts and Bolts of Green Building for Appraisers – August, 2014
- The Dirty Dozen – August, 2014
- Write It Right – January, 2014
- Constructing The Professional Report – September, 2016
- 2016 Appraisal Summit & Expo No. 216, Day 1 & Day 2 – September, 2016
- How to Support and Prove Your Adjustments – September, 2018
- Appraisal of Owner-Occupied Commercial Property – September, 2018
- Intermediate Income Approach Case Studies – September, 2018
- Support Your Adjustments: Methods for Residential Appraisers – September, 2018
- USPAP and Technology Requirements – September, 2019
- 2019 Appraisal Summit, Day 1 – September, 2019
- Online Business Practices & Ethics – June 1, 2020
- Texas Supervisor – Trainee Course – August, 2020

BUSINESS & PROFESSIONAL EXPERIENCE

- Staff Appraiser, Bridgewood Properties, Waco, Texas – 4/90 to 6/00
- Present owner and manager of Bridgewood Properties – 6/00 to Present
- Secretary/Treasurer of the Waco Association of Realtors, 1999
- President Elect of the Waco Association of Realtors, 2000
- President of the Waco Association of Realtors, 2001
- State Director of the Texas Association of Realtors, 2002-2006

- PREVIOUS 28 YEARS EXPERIENCE IN:

- Single Family, Multi-Family, & Income producing residential appraisals
- Commercial Appraisals (all types)
- Land, Farm, and Ranch appraisals
- Real Estate Sales
- Real Estate Consulting
- Property Management



Certified General Real Estate Appraiser

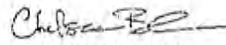
Appraiser: **BRUCE COLLINS CRESSON II**

License #: **TX 1323594 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
Commissioner