



**REAL ESTATE APPRAISAL REPORT**  
**5467 ROGERS HILL ROAD, WEST, TEXAS**  
**PREPARED FOR: FUZZY FRIENDS**  
**ATTN: BETSY ROBINSON**  
**P.O. BOX 20966**  
**WACO, TEXAS 76702**



## TABLE OF CONTENTS

Page #

TRANSMITTAL LETTER	2
EXECUTIVE SUMMARY	3
CONTINGENT AND LIMITING CONDITIONS	4
STANDARD FORM CERTIFICATION	7
PURPOSE OF APPRAISAL	9
DEFINITION OF MARKET VALUE	10
SCOPE OF APPRAISAL	11
OWNERSHIP HISTORY	12
GENERAL INFORMATION	
- Taxing Information	13
- City Data	14
- General Location Information with Maps	19
- Neighborhood Analysis	20
DESCRIPTION OF SUBJECT PROPERTY	
- Site Description	22
- Environmental Disclaimer	25
- Description of Improvements	26
HIGHEST AND BEST USE ANALYSIS	54
APPRAISAL PROCEDURE	56
- Direct Sales Comparison Analysis	57
- Cost Approach Analysis	65
- Income Approach Analysis	66
CORRELATION AND CONCLUSIONS	67
LAND VALUE ADDENDUM	68
QUALIFICATIONS OF APPRAISER(S)	74



**Date:** August 4, 2024

**To:** Fuzzy Friends  
Attn: Betsy Robinson  
P.O. Box 20966  
Waco, Texas 76702

**RE:** 5467 Rogers Hill Road  
Retreat Center  
West, Texas

Dear Mrs. Robinson:

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”. The subject property is the site of a youth rehabilitation clinic known as the Brookhaven Youth Ranch, which ceased operations in September of 2023.

If you have any questions or comments, please contact the undersigned. Collin Cresson and Bruce Cresson II can be reached by telephone at (254) 751-1202 or by e-mail at Collin@BridgewoodProperties.com or Bruce@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	July 29, 2024	\$1,825,000

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

<b>Effective Date:</b>	July 29, 2024
<b>Report Date:</b>	August 4, 2024
<b>Address:</b>	5467 Rogers Hill Road, West, Texas
<b>Legal Description:</b>	72.78 Acres out of the Mary Ware Survey, Abstract #1056, McLennan County, Texas
<b>Owner:</b>	Fuzzy Friends Rescue
<b>APN:</b>	203771 & 322960
<b>Type of Property</b>	Retreat Center
<b>Zoning</b>	N/A
<b>Lot Size</b>	72.78 Acres, per Survey
<b>Building Size</b>	38,845 SF, per appraiser measurements
<b>Land to Building Ratio</b>	81.61
<b>Highest and Best Use</b>	
<b>- As Vacant</b>	Agricultural, Recreational and/or Residential Use
<b>- As Improved</b>	Retreat Center
<b>Value Conclusion: "As-Is"</b>	<u>\$1,825,000</u>



## **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 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:** 5467 Rogers Hill Road  
Retreat Center  
West, Texas

**AS OF:** July 29, 2024

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. Bruce Cresson made a personal inspection of the property that is the subject of this report. Collin Cresson did not make a personal inspection of the subject property.

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 and 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.

<b>OWNERSHIP HISTORY: 3 YEARS</b>	According to the McLennan County Appraisal District, ownership of the subject property transferred from Brookhaven Youth Ranch Inc. to Fuzzy Friends Rescue on November 21, 2023 (Instrument #2023035969). The consideration of this transaction is unknown.
<b>INTENDED USER:</b>	Fuzzy Friends Rescue
<b>CLIENT:</b>	Fuzzy Friends Rescue
<b>EFFECTIVE DATE:</b>	July 29, 2024
<b>MARKETING TIME:</b>	“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 is approximately twelve to eighteen months.
<b>EXPOSURE TIME:</b>	“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 of the subject property is approximately twelve to eighteen months.

**TAXING INFORMATION**

McLennan County Appraisal District Valuation:

2024 Assessed Values

<b>Parcel</b>	<b>Land Assessment</b>	<b>Improvement Assessment</b>	<b>Taxes</b>
<b>141683</b>	\$331,530	\$735,410	\$15,246

2023 Tax Rates

<b>Tax Districts</b>	<b>Tax Rate/100</b>
<b>McLennan County</b>	0.329805
<b>West ISD</b>	0.9706
<b>McLennan Community College</b>	0.128509
<b>Total</b>	1.428914



## CITY DATA & ECONOMIC TRENDS

The subject is located near the City of Waco and is located in the central sector of the State of Texas approximately eighty-five miles south of the Dallas/Fort Worth Metroplex. Austin, which is the capitol of Texas, is located approximately eighty miles to the south of the City of Waco. The following analyses, prepared by Moody's Analytics, summarize the economic outlook and population trends for the City of Waco and surrounding areas.



### Current Employment Trends

	% CHANGE YR AGO, 3-MO MA		
	Aug 23	Dec 23	Apr 24
Total	2.5	3.5	3.0
Construction	5.6	5.0	2.2
Manufacturing	1.5	2.2	0.9
Trade	3.9	1.1	0.1
Trans/Utilities	-8.1	-5.1	-1.7
Information	-3.3	0.6	0.1
Financial Activities	9.4	6.5	4.7
Prof & Business Svcs.	0.1	2.0	6.8
Edu & Health Svcs.	2.4	4.7	4.0
Leisure & Hospitality	3.6	6.0	3.4
Other Services	3.6	6.0	4.4
Government	4.5	4.8	4.4

Sources: BLS, Moody's Analytics

### Comparative Employment and Income

Sector	% of Total Employment			Average Annual Earnings		
	WAC	TX	U.S.	WAC	TX	U.S.
Mining	0.2	1.5	0.4	nd	nd	nd
Construction	6.1	5.8	5.1	\$63,676	nd	nd
Manufacturing	12.0	6.9	8.4	\$90,922	nd	nd
Durable	54.3	63.4	62.2	nd	nd	nd
Non-durable	45.7	36.6	37.8	nd	nd	nd
Transportation/Utilities	3.1	5.1	4.7	nd	nd	nd
Wholesale Trade	4.6	4.7	3.9	\$73,976	nd	nd
Retail Trade	10.7	10.2	10.2	\$40,926	nd	nd
Information	0.8	1.7	2.0	\$63,143	nd	nd
Financial Activities	6.3	6.5	5.9	nd	nd	nd
Prof. and Bus. Services	9.8	15.4	14.8	\$77,094	nd	nd
Educ. and Health Services	18.8	13.4	16.0	\$58,233	nd	nd
Leisure and Hing. Services	9.8	10.5	10.4	nd	nd	nd
Other Services	2.8	3.3	3.7	\$43,464	nd	nd
Government	15.0	14.8	14.5	\$72,753	nd	nd

Sources: % of total employment: BLS, Moody's Analytics, 2023; Ann. annual earnings: RF&A, Moody's Analytics, 2022

### Payroll Employment



### Economic Health Check

	2023Dec	2024Jan	2024Feb	2024Mar	2024Apr	2024May
Employment, change, ths	0.6	0.1	0.1	0.1	0.3	0.1
Unemployment rate, %	3.7	3.4	3.5	3.4	3.4	3.7
Labor force participation rate, %	61.5	61.4	61.4	61.2	61.4	61.5
Employment-to-population ratio, %	59.2	59.3	59.2	59.2	59.3	59.2
Average weekly hours, #	33.0	32.6	33.5	33.8	34.7	35.9
Industrial production, 2012=100	99.1	98.2	98.9	98.4	98.7	99.5
Residential permits, single-family, #	624	899	546	779	847	700
Residential permits, multifamily, #	260	98	60	141	170	210

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

Sources: BLS, Census Bureau, Moody's Analytics

### Sector Employment



### Leading Industries by Wage Tier

NAICS	Industry	Location Quotient	Employees (ths)
G01	Federal Government, (Ths. #, SA)	1.5	3.8
S241	Insurance carriers, (Ths. #, SA)	1.6	2.3
S416	Management, scientific, and technical consulting services, (Ths. #, SA)	0.5	0.8
S413	Architectural, engineering, and related services, (Ths. #, SA)	0.5	0.8
E113	Colleges, universities, and professional schools, (Ths. #, SA)	3.5	5.1
E211	Offices of physicians, (Ths. #, SA)	1.3	3.5
Z382	Building equipment contractors, (Ths. #, SA)	1.4	3.2
G05	State Government, (Ths. #, SA)	0.5	2.6
G04	Local Government, (Ths. #, SA)	1.1	14.6
T225	Restaurants and other eating places, (Ths. #, SA)	1.1	10.4
R11	Farms, (Ths. #, SA)	2.2	5.0
E221	General medical and surgical hospitals, (Ths. #, SA)	1.0	4.6

  High    
   Mid    
   Low

Source: Moody's Analytics, 2017

### Key Indicators

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Gross Metro Product, CSB	16.0	15.8	15.6	16.9	17.4	18.1	18.8	19.1	19.5	20.0	20.5	21.0
% Change	2.7	-1.2	-1.2	7.8	3.3	3.7	4.1	1.8	2.0	2.3	2.5	2.4
Total Employment (000)	123.4	125.2	122.8	126.1	131.4	135.2	138.7	140.2	141.1	142.0	142.9	143.8
% Change	0.5	1.4	-2.0	2.8	4.2	2.9	2.6	1.0	0.7	0.6	0.6	0.7
Unemployment Rate	3.6	3.3	6.3	4.9	3.7	3.7	3.4	3.4	3.4	3.4	3.4	3.4
Personal Income Growth	4.9	3.5	9.9	10.1	1.7	5.7	5.2	4.0	4.0	4.0	4.0	4.0
Population (000)	273.0	275.8	278.1	280.7	283.0	285.4	287.3	289.1	290.7	292.4	294.0	295.7
Net Migration (000)	1.8	1.6	1.6	2.4	1.9	1.5	1.1	1.0	0.9	1.0	1.0	1.1
Single-Family Permits	764.0	876.0	971.0	983.0	920.0	744.0	805.2	854.0	905.5	908.4	898.5	867.8
Multifamily Permits	86.0	346.0	243.0	124.0	429.0	1,015.0	347.7	469.4	527.6	576.2	592.9	561.9
Mortgage Originations (\$M)	803.7	966.7	1,729.9	1,940.2	1,376.9	806.6	847.5	1,014.1	1,214.6	1,441.1	1,667.2	1,746.0
Personal Bankruptcies	216	243	207	151	154	184	236	287	373	454	508	552

**Unemployment**

Sources: BLS, Moody's Analytics



**Employment Diffusion Index**

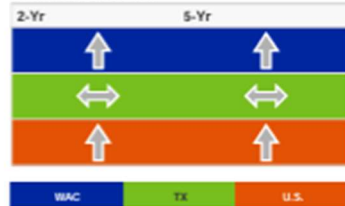
3-digit NAICS level, 6-mo MA

Sources: BLS, Moody's Analytics



**Employment Performance**

Forecast vs. 6mo Prior



Sources: BLS, Moody's Analytics

**Industrial Production**

Industrial Production, 2012=100, SA

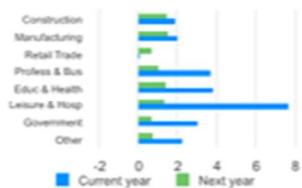
Source: Moody's Analytics



**Industry Performance**

Employment, % change

Sources: BLS, Moody's Analytics



**Productivity**

Output per worker, % change yr ago

Sources: BEA, BLS, Moody's Analytics



**Business Cycle Indicator**

Jan 2013=100, SA

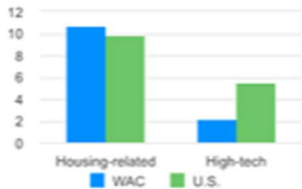
Source: Moody's Analytics



**Industry Concentrations**

Employment, % of total, 2022

Sources: BLS, Moody's Analytics



**Commercial Real Estate**

Employment, difference yr ago, ths, SA

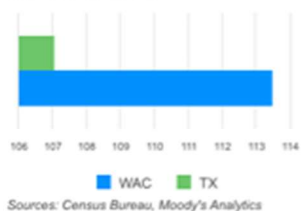
Sources: BLS, Moody's Analytics



**Entrepreneurship**

Broad-Based Start-Up Rate

U.S.=100, 4-qr MA, 2021

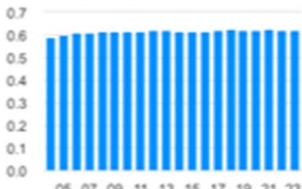


Sources: Census Bureau, Moody's Analytics

**Diversity**

U.S.=1.0

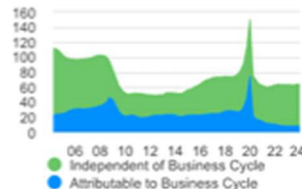
Source: Moody's Analytics



**Historical Volatility**

Volatility, U.S.=100

Source: Moody's Analytics



### Top Employers

Baylor University	5,698
Ascension Providence	2,518
Baylor Scott & White Medical Center - Hillcrest	2,283
H-E-B	2,000
Sanderson Farms, Inc.	1,200
Walmart, Inc.	1,174
Veterans Administration Medical Center	886
Mars Wrigley Confectionery	885
L3Harris	843
Dept of Veterans Affairs Regional Office	796
Abbvie	747
S2G Support Services, Ltd	715
Aramark	696
American Income Life Insurance	693
McLennan Community College	679
Versallt	638
Clayton Homes	620
Big Creek Construction	617
Cargill Value Added Meats	603
SpaceX	590

Source: Combined List

### Cost of Doing Business

U.S.=100

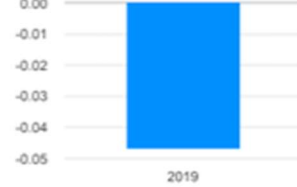
Source: Moody's Analytics



### Vitality

U.S.=0

Source: Moody's Analytics



### Economic Disenfranchisement

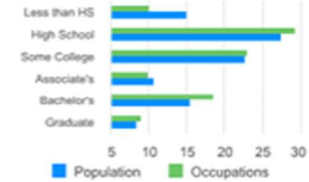
Index	Value	Rank*
Gini coefficient	0.47	132
Poverty rate	3.2	154
Poverty rate	14.0	148

\*Most unequal=1, Most equal=403  
ACS, Moody's Analytics, 2021

### Skills Mismatch

% of total, 2018

Sources: ACS, Census Bureau, Moody's Analytics



### Cost of Living

U.S.=100

Source: Moody's Analytics



### Households by Income

%, 2021

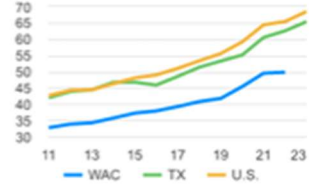
Sources: ACS, Census Bureau, Moody's Analytics



### Per Capita Income

\$ ths, SA

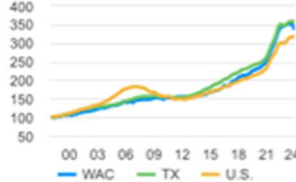
Sources: BEA, Moody's Analytics



### House Prices

New and Existing, 1998Q1=100

Sources: FHFA, Moody's Analytics



### House Affordability

Housing affordability index, SA

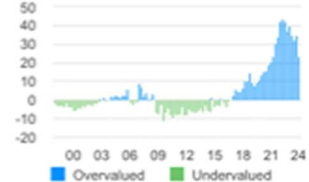
Sources: NAR, Census Bureau, Moody's Analytics

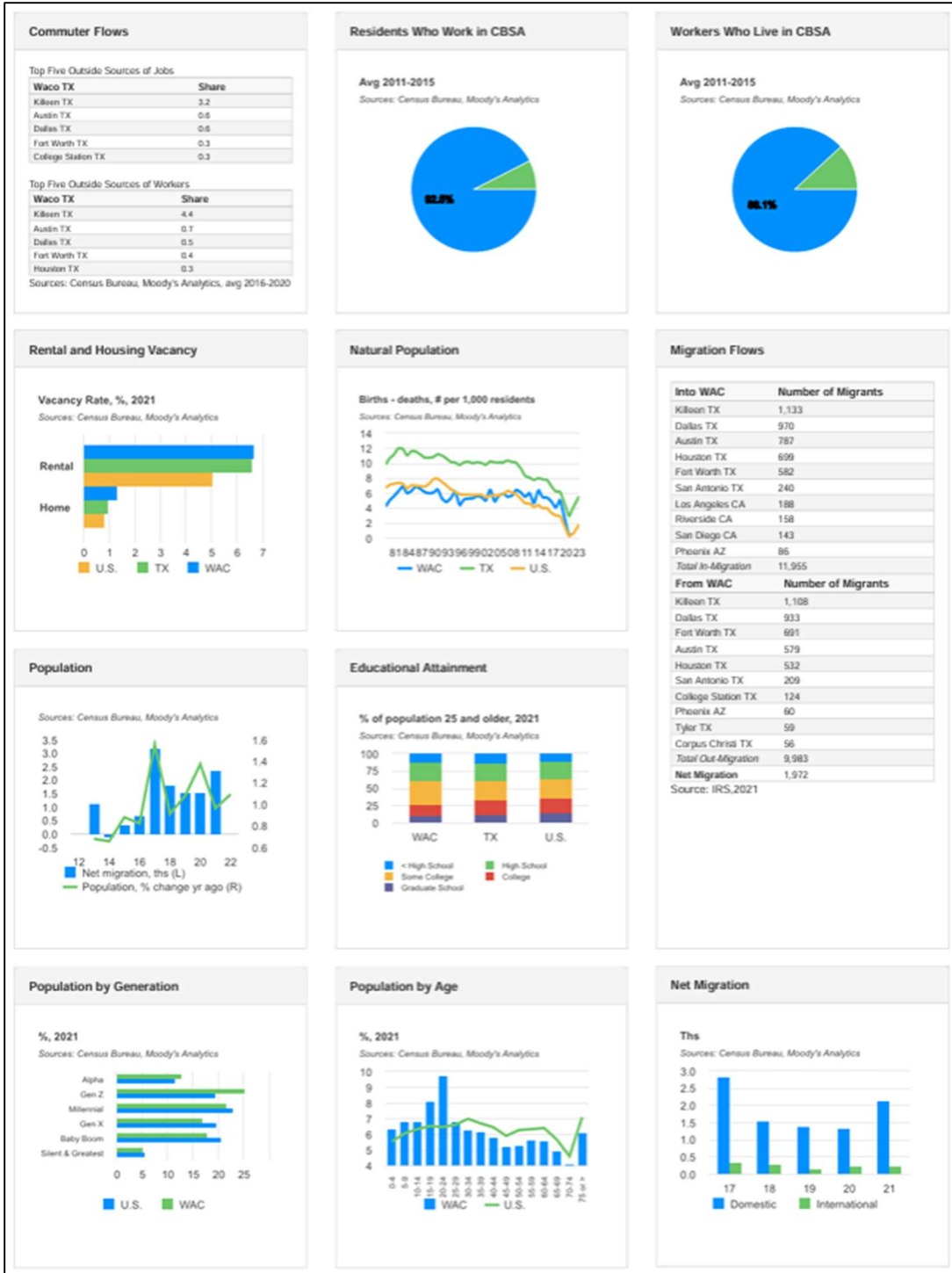


### House Price Trends

%

Sources: FHFA, Moody's Analytics





**Bridgewood Summary**

**Moody's forecasts that the Waco market will weather short term economic uncertainty. Overall, Bridgewood concludes that the Waco area is capable of supporting the viability of long-term real estate investment.**



**GENERAL LOCATION INFORMATION:**

The subject property is located in the northern sector of McLennan County near the cities of West and Gholson. The subject contains frontage along Rogers Hill Road, which is a secondary thoroughfare of the subject area. The subject is located just to the east of Gholson Road, also known as FM 933, which is a primary thoroughfare of the subject area. The subject is located approximately six miles to the west of Interstate Highway 35, which is the primary thoroughfare of McLennan County and leads north to the DFW metroplex and south to the City of Austin.

The downtown business district of the City of West is located six and one-half miles to the east of the subject property. The downtown business district of the City of Waco is located thirteen miles to the south of the subject property. The immediate subject area consists of vacant and agricultural land, single family residences, and scattered commercial buildings. The subject is serviced by the West Independent School District. Overall, this area has shown average marketability in the past.

## NEIGHBORHOOD ANALYSIS:

<b><u>Neighborhood Boundaries</u></b>	The subject area is comprised of the northern sector of McLennan County
<b><u>Land Use</u></b>	Land use in the subject neighborhood is estimated to be: Commercial/Retail      5% Office Buildings        2% Industrial Use            3% Residential Use          25% Vacant Land              65%
<b><u>Property Compatibility</u></b>	Average.
<b><u>Growth Rate</u></b>	Growth has been modest in the subject area in the recent past.
<b><u>Property Values</u></b>	Property values in the commercial sector have increased sharply over the past several years. Elevated interest rates have increased residential marketing times and have slowed residential property value growth. Given the fewer number of datapoints in the commercial real estate sector, no indication has been observed by Bridgewood that suggests commercial property values have declined; however, rising interest rates will inevitably decrease the pool of potential buyers, which could lead to increased marketing times and may impact property values in the short term.
<b><u>Employment Stability</u></b>	The Waco sector’s unemployment rate is in line with its long term average and appears to have fully recovered from the COVID-19 pandemic. We caution readers to monitor employment trends, as interest rates used to combat inflation may lead to unemployment rate increases.
<b><u>Market Conditions</u></b>	Elevated interest rates employed to combat inflation should be monitored by the reader. As previously mentioned, the residential market in the Waco area has seen a marked slowdown from record levels of activity. The commercial sector is more difficult to analyze on a macro level; however, Bridgewood has observed signs of a generally cooling real estate market.
<b><u>General Description</u></b>	The immediate subject area consists of vacant and agricultural land, single family residences, and scattered commercial buildings.

**LOCATION MAP**

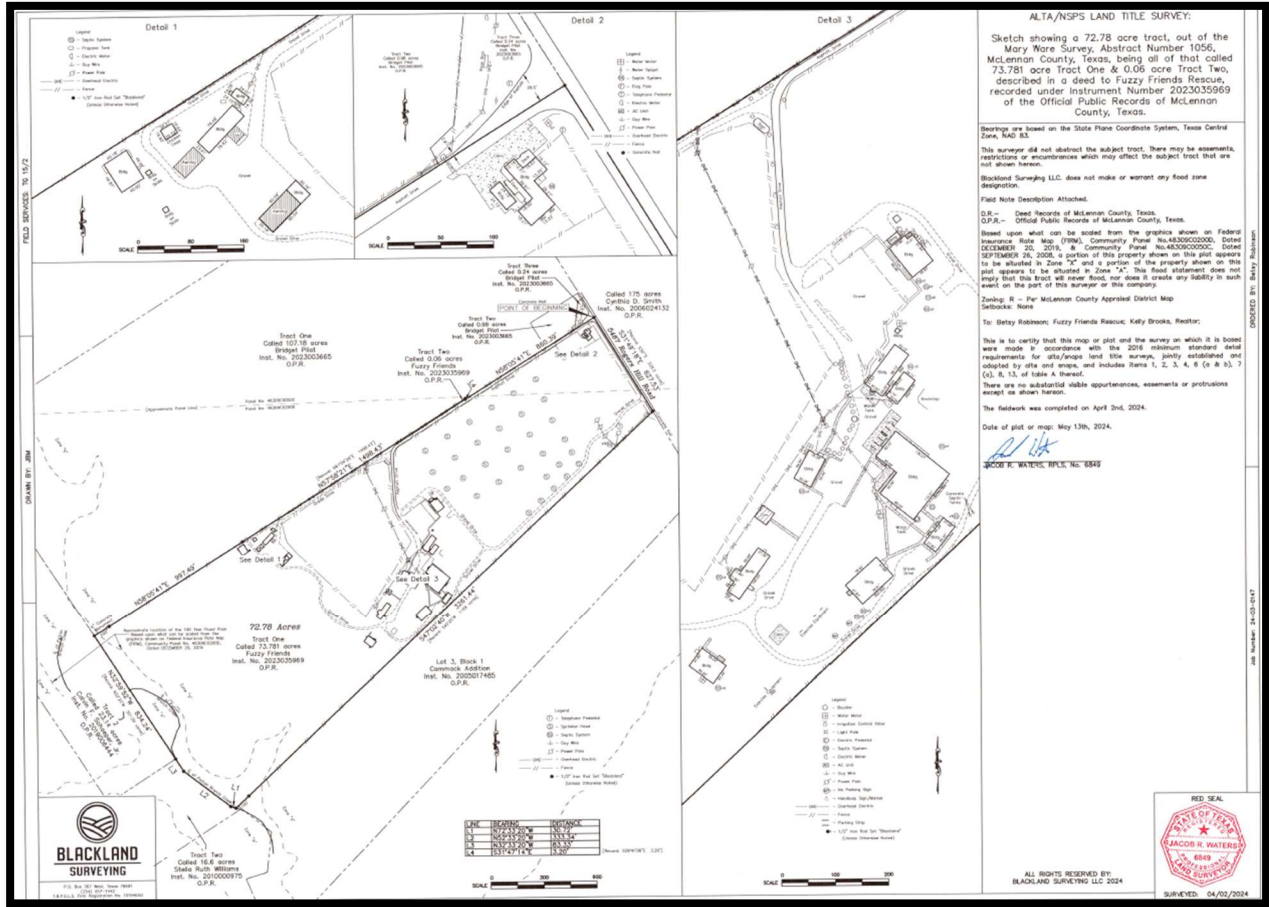


## SITE DESCRIPTION

<b>SIZE &amp; SHAPE:</b>	72.78 acres consisting of a mostly rectangular shape. See attached survey.
<b>TOPOGRAPHY AND SOIL:</b>	Terrain is level to rolling. A creek runs along the western edge of the tract. A pond is located on the property. All other surface drainage appears adequate at the present time. The soil condition appears suitable for all types of construction.
<b>UTILITIES &amp; SERVICES:</b>	Water: Available. Electricity: Available. Sewer: None. Septic: In place. Water Well: None. Gas: Above ground propane tanks noted at the time of inspection.
<b>STREET IMPROVEMENTS:</b>	The subject contains frontage along Rogers Hill Road, which is asphalt paved and publicly maintained.
<b>ACCESS:</b>	The subject has average access to Rogers Hill Road
<b>IMPROVEMENTS:</b>	The subject is currently improved with a retreat center. See description of improvements.
<b>FLOOD ZONE INFORMATION:</b>	The majority of the property is located in unshaded Zone X, which consists of areas outside of the 0.2% Annual Chance Flood Hazard zone. A portion of the tract along the creek appears to be located in Zone A, which consists of areas without Base Flood Elevation. Please see the attached flood zone map. Panel #48309C0050C & 48309C0200D
<b>EASEMENTS &amp; ENCROACHMENTS</b>	No adverse easements or encroachments were observed on the subject tract.



# SURVEY

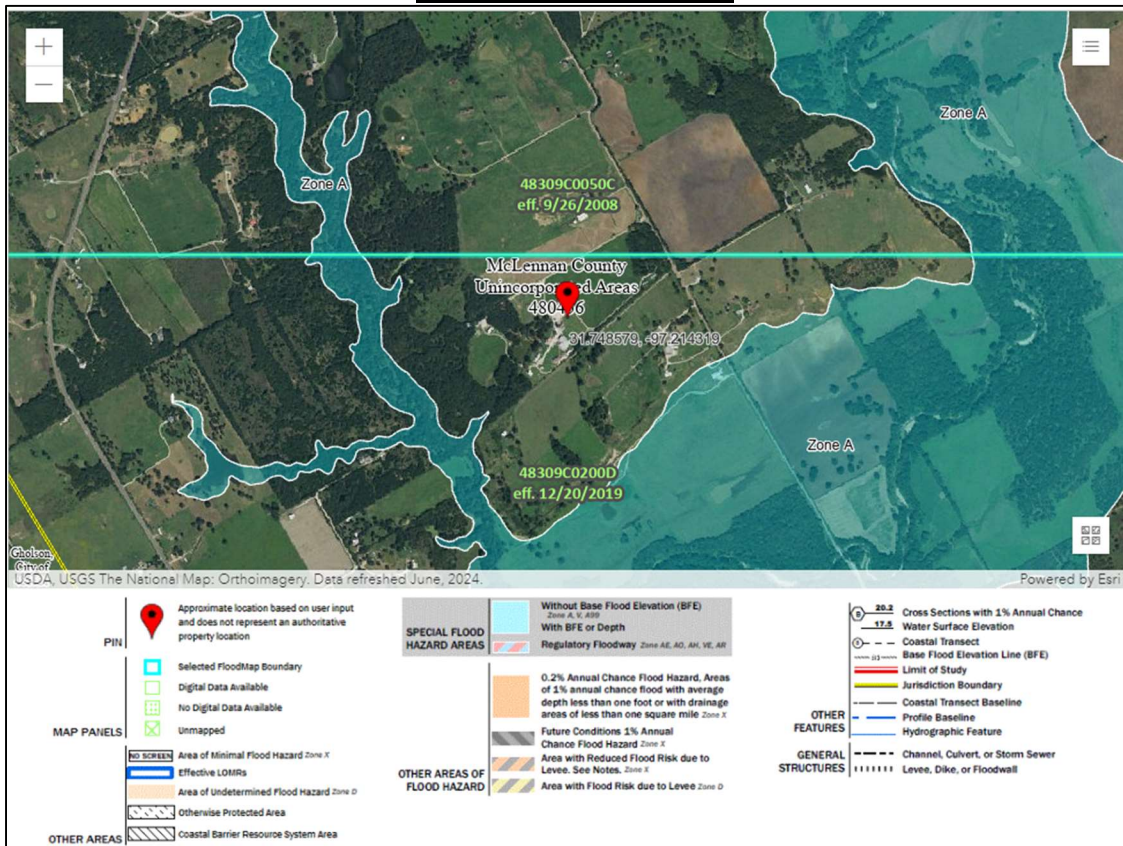




**PLAT**



**FLOOD ZONE MAP**

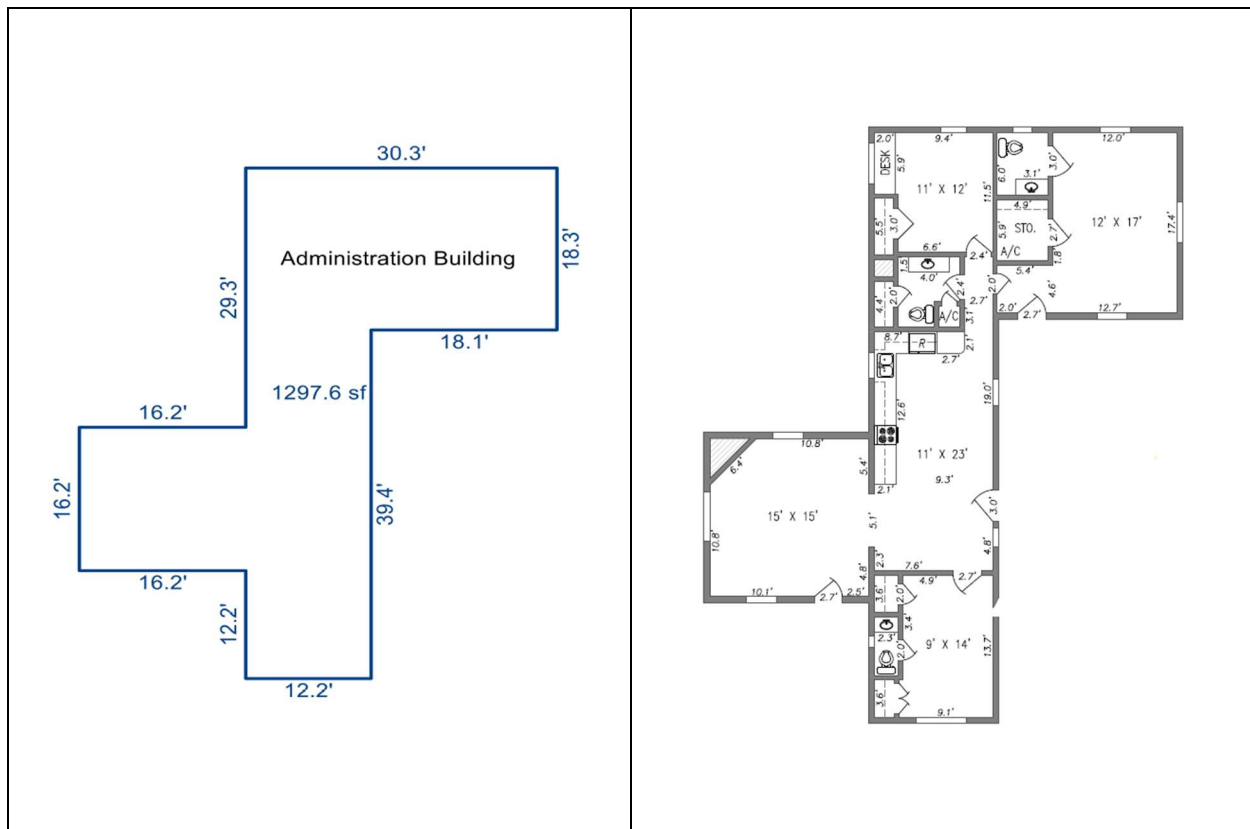


**ENVIRONMENTAL DISCLAIMER:**

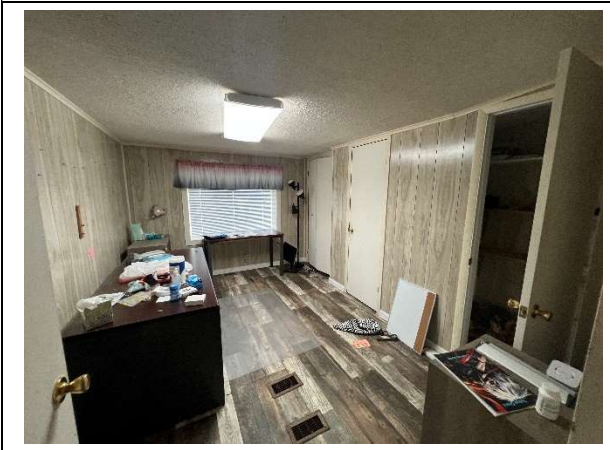
The appraiser(s) is not licensed for the examination of any environmental hazards that may be found on the subject tract. No environmental impact studies were made in conjunction with this appraisal. Inspection by a licensed environmental expert is recommended. The appraiser(s) reserves the right to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

**DESCRIPTION OF IMPROVEMENTS:**

ADMINISTRATION BUILDING	
<b><u>YEAR OF CONSTRUCTION:</u></b>	Not Known.
<b><u>EFFECTIVE AGE:</u></b>	20 years.
<b><u>SIZE:</u></b>	Approximately 1,298 sf, per measurements.
<b><u>CONSTRUCTION TYPE:</u></b>	Manufactured home construction.
<b><u>FOUNDATION:</u></b>	Pier & Beam.
<b><u>EXTERIOR FINISH:</u></b>	Siding.
<b><u>ROOF TYPE:</u></b>	Metal roof covering.
<b><u>HEATING/COOLING:</u></b>	CH&A and Window Units.
<b><u>OVERALL FLOOR PLAN:</u></b>	The building consists of four offices, kitchen and two restrooms.
<b><u>CONDITION:</u></b>	Fair to average condition.

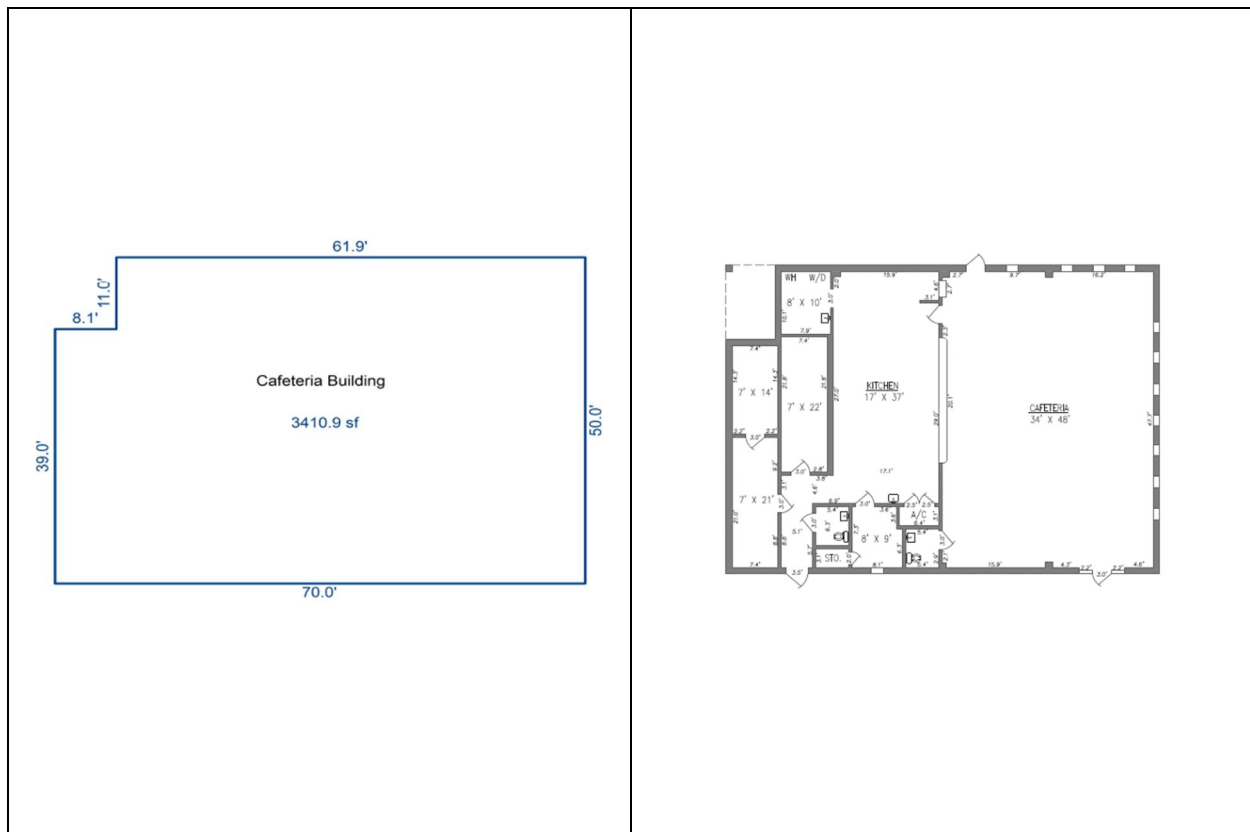






## CAFETERIA BUILDING

<b><u>YEAR OF CONSTRUCTION:</u></b>	Not Known.
<b><u>EFFECTIVE AGE:</u></b>	5 years.
<b><u>SIZE:</u></b>	Approximately 3,411 sf, per measurements.
<b><u>CONSTRUCTION TYPE:</u></b>	Steel frame construction.
<b><u>FOUNDATION:</u></b>	Concrete slab.
<b><u>EXTERIOR FINISH:</u></b>	Metal siding and stone.
<b><u>ROOF TYPE:</u></b>	Metal roof covering.
<b><u>HEATING/COOLING:</u></b>	CH&A.
<b><u>OVERALL FLOOR PLAN:</u></b>	The building consists of a large dining area, kitchen, office, storage areas, walk-in cooler/freezer and two restrooms.
<b><u>CONDITION:</u></b>	Average condition.

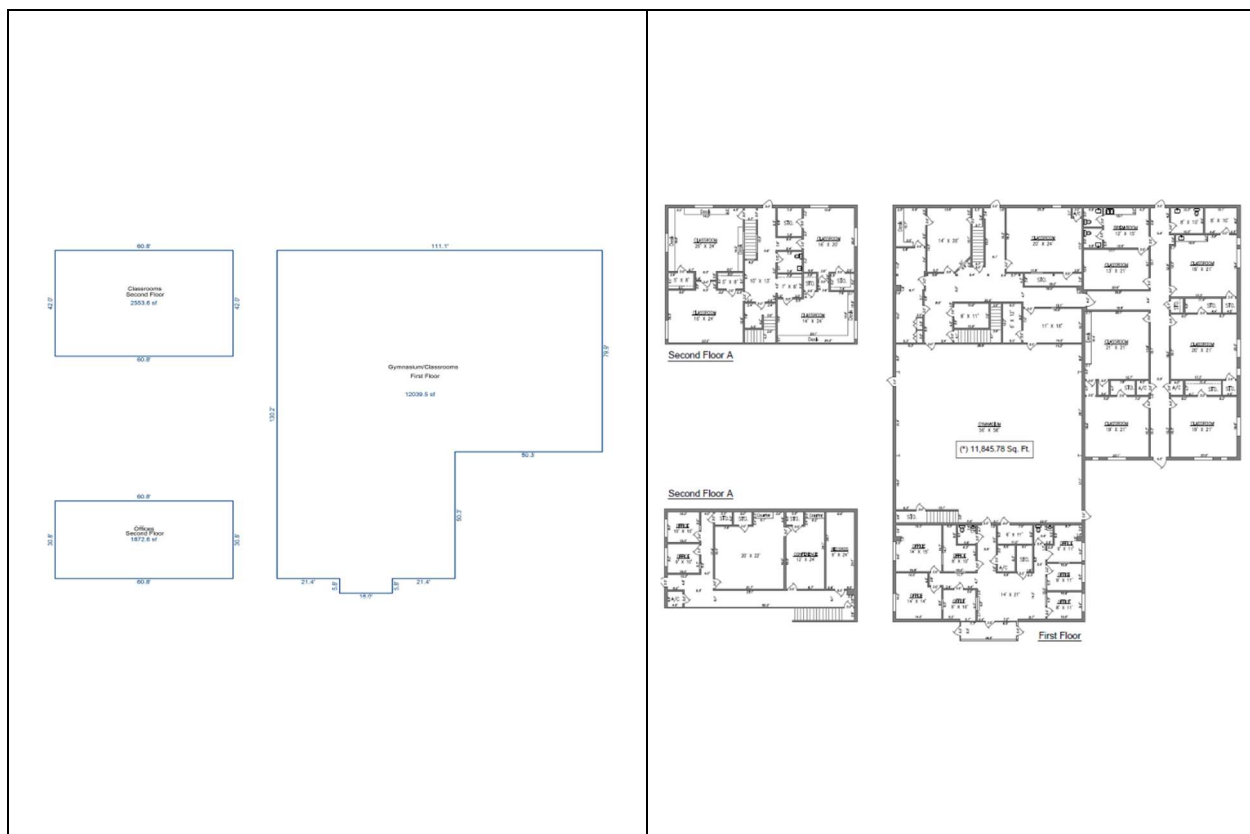






## GYMNASIUM/CLASSROOM BUILDING

<b><u>YEAR OF CONSTRUCTION:</u></b>	1994.
<b><u>EFFECTIVE AGE:</u></b>	10 years.
<b><u>SIZE:</u></b>	Approximately 16,466 sf, per measurements.
<b><u>CONSTRUCTION TYPE:</u></b>	Steel frame construction. 2 story.
<b><u>FOUNDATION:</u></b>	Concrete slab.
<b><u>EXTERIOR FINISH:</u></b>	Metal siding.
<b><u>ROOF TYPE:</u></b>	Metal roof covering.
<b><u>HEATING/COOLING:</u></b>	CH&A.
<b><u>OVERALL FLOOR PLAN:</u></b>	The building consists of a gymnasium, multiple offices and classrooms, conference room and six restrooms.
<b><u>CONDITION:</u></b>	Average condition.



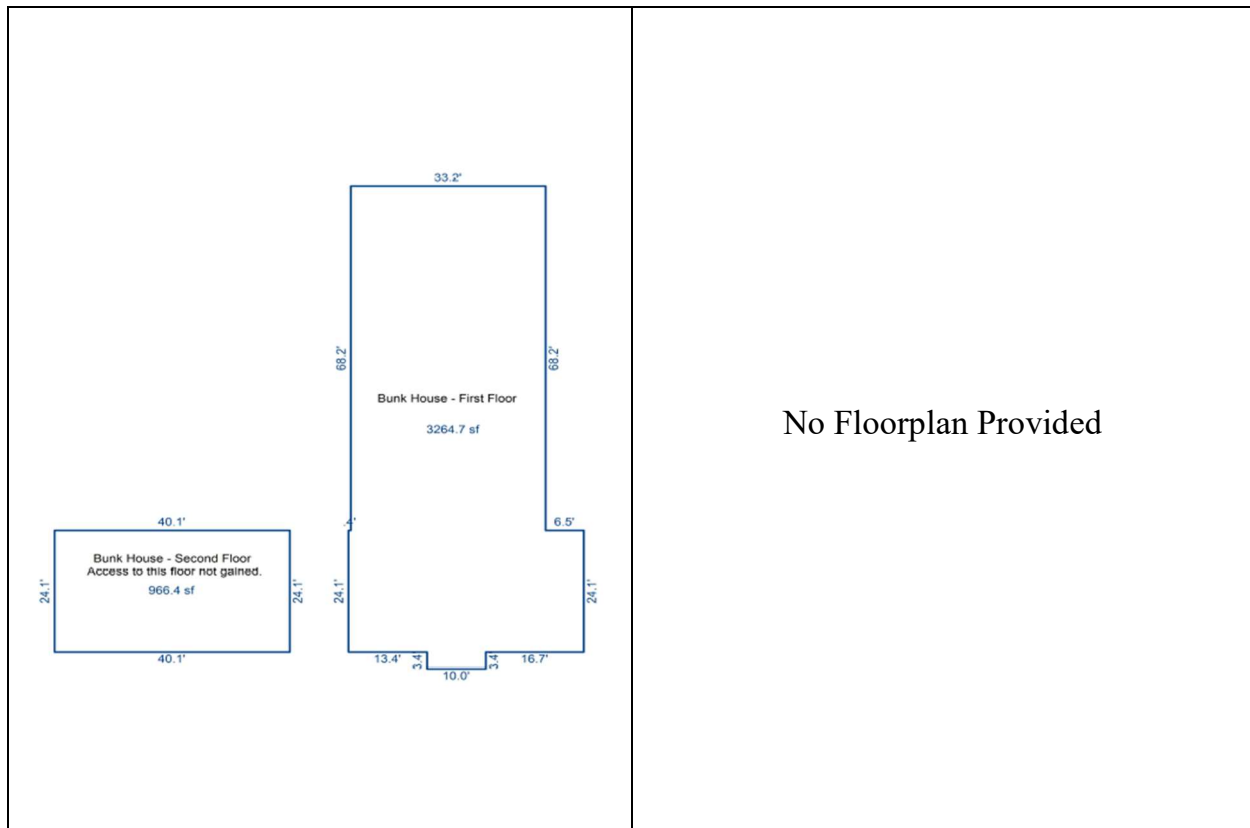






## BUNKHOUSE BUILDING

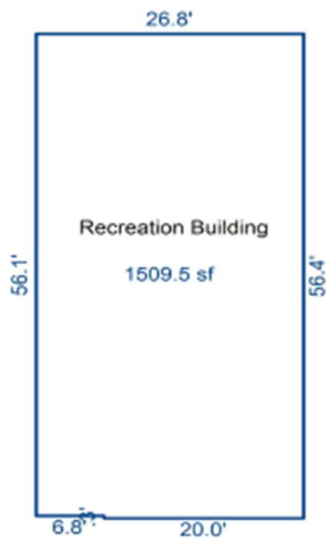
<b><u>YEAR OF CONSTRUCTION:</u></b>	Not Known.
<b><u>EFFECTIVE AGE:</u></b>	20 years.
<b><u>SIZE:</u></b>	Approximately 3,231 sf, per measurements.
<b><u>CONSTRUCTION TYPE:</u></b>	Concrete block and wood frame construction. Portion of building is 2-story.
<b><u>FOUNDATION:</u></b>	Concrete slab.
<b><u>EXTERIOR FINISH:</u></b>	Painted concrete block and siding.
<b><u>ROOF TYPE:</u></b>	Metal roof covering and a flat roof covering.
<b><u>HEATING/COOLING:</u></b>	CH&A.
<b><u>OVERALL FLOOR PLAN:</u></b>	The building consists of a meeting room, office, restroom, utility room, seven bedrooms and four bathrooms. Access to second floor was not gained.
<b><u>CONDITION:</u></b>	Fair to average condition.



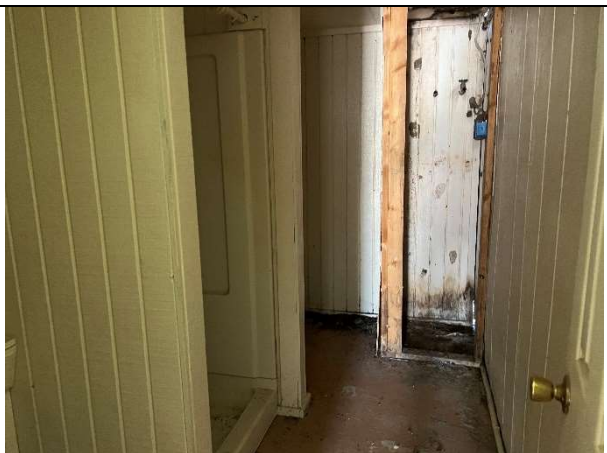


## RECREATION BUILDING

<b><u>YEAR OF CONSTRUCTION:</u></b>	Not Known.
<b><u>EFFECTIVE AGE:</u></b>	30 years.
<b><u>SIZE:</u></b>	Approximately 1,510 sf, per measurements.
<b><u>CONSTRUCTION TYPE:</u></b>	Appears to be partial modular building and wood frame construction.
<b><u>FOUNDATION:</u></b>	Pier & Beam and concrete slab.
<b><u>EXTERIOR FINISH:</u></b>	Siding and stucco.
<b><u>ROOF TYPE:</u></b>	Metal roof covering.
<b><u>HEATING/COOLING:</u></b>	CH&A and Window Units.
<b><u>OVERALL FLOOR PLAN:</u></b>	The building consists of three meeting rooms, one restroom, one bathroom and a hallway.
<b><u>CONDITION:</u></b>	Poor condition.



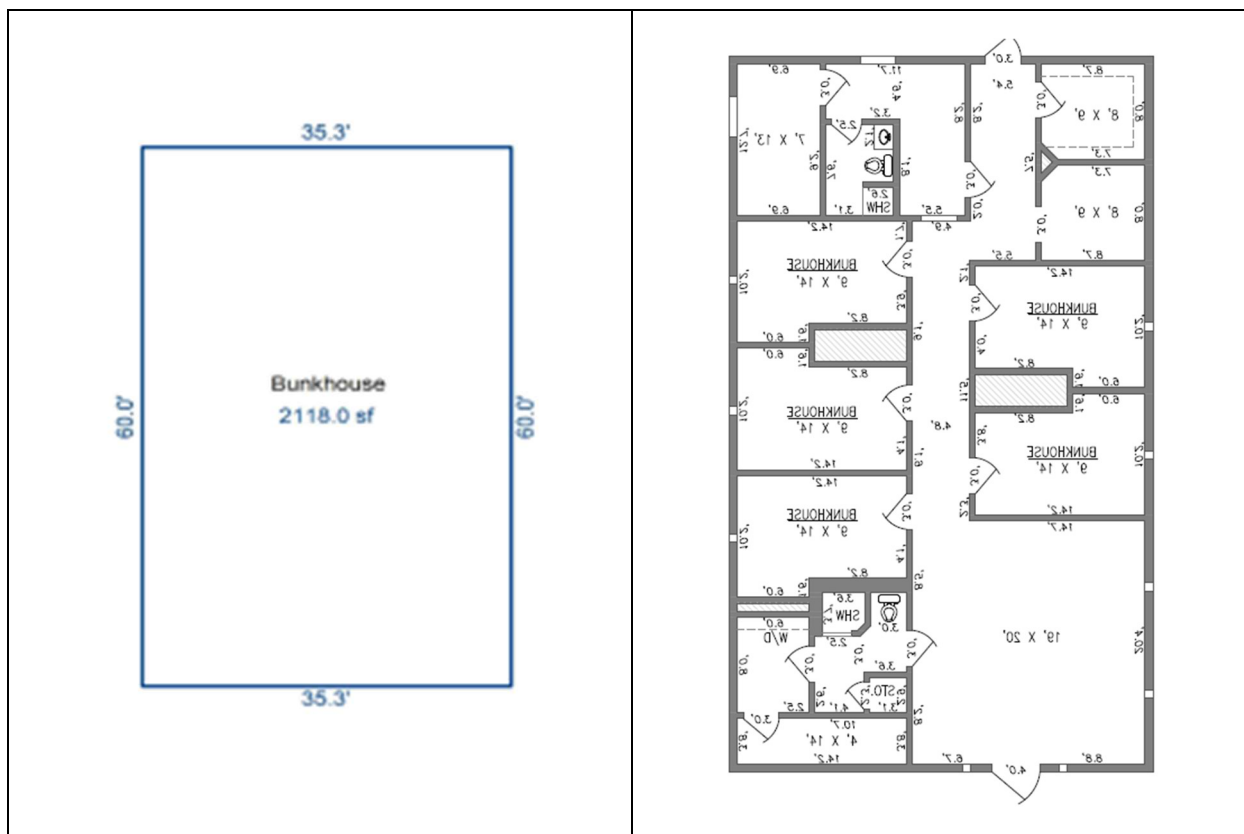
No Floorplan Provided





## BUNKHOUSE BUILDING

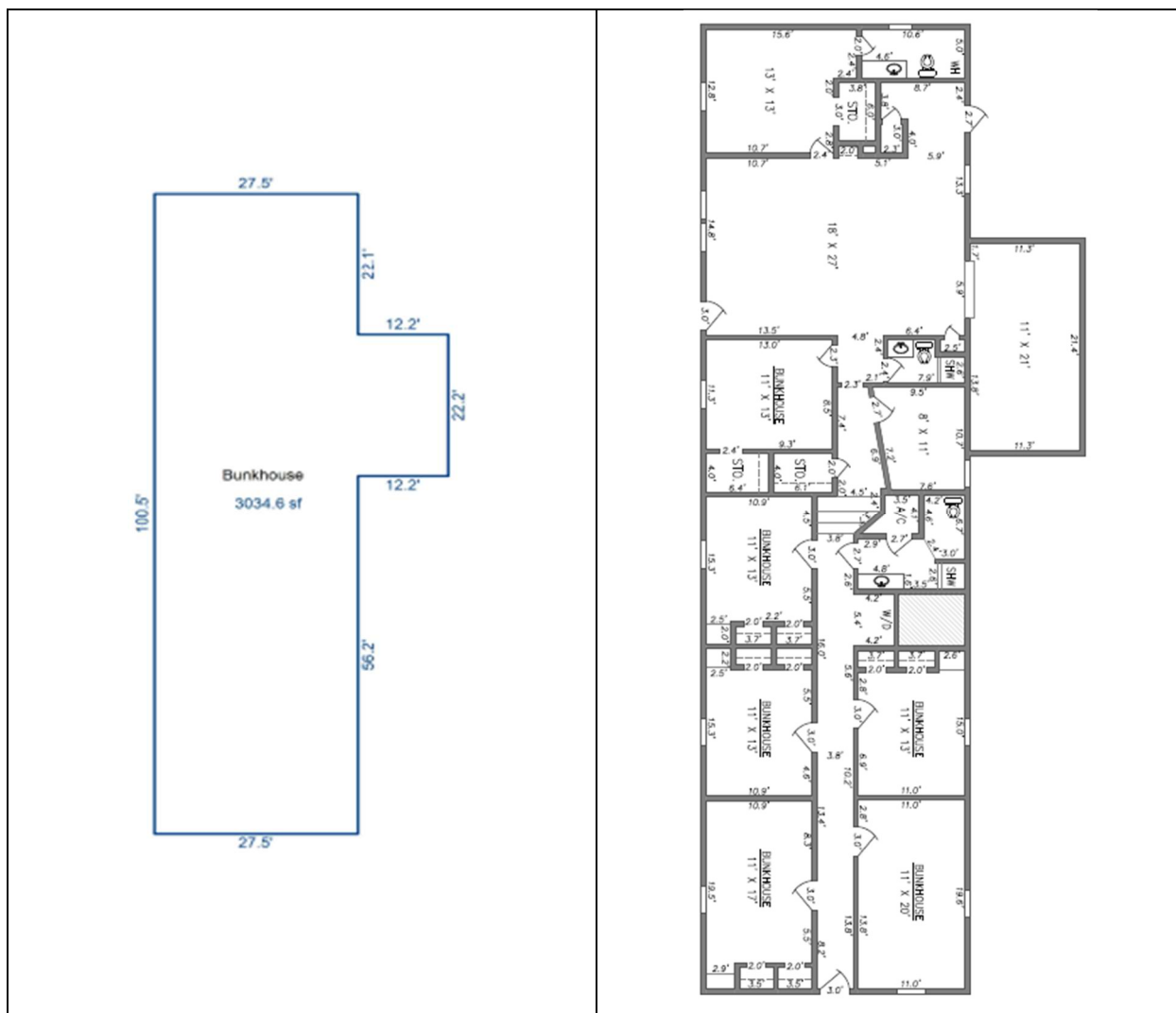
<b><u>YEAR OF CONSTRUCTION:</u></b>	Not Known.
<b><u>EFFECTIVE AGE:</u></b>	15 years.
<b><u>SIZE:</u></b>	Approximately 2,118 sf, per measurements.
<b><u>CONSTRUCTION TYPE:</u></b>	Concrete block construction.
<b><u>FOUNDATION:</u></b>	Concrete slab.
<b><u>EXTERIOR FINISH:</u></b>	Painted concrete block.
<b><u>ROOF TYPE:</u></b>	Metal roof covering.
<b><u>HEATING/COOLING:</u></b>	CH&A.
<b><u>OVERALL FLOOR PLAN:</u></b>	The building consists of a meeting room, five bedrooms, two bathrooms, observation room, and storage rooms.
<b><u>CONDITION:</u></b>	Average condition.





## BUNKHOUSE BUILDING

<b><u>YEAR OF CONSTRUCTION:</u></b>	Not Known.
<b><u>EFFECTIVE AGE:</u></b>	20 years.
<b><u>SIZE:</u></b>	Approximately 3,035 sf, per measurements.
<b><u>CONSTRUCTION TYPE:</u></b>	Appears to be a manufactured home and wood frame construction.
<b><u>FOUNDATION:</u></b>	Pier & beam and concrete slab.
<b><u>EXTERIOR FINISH:</u></b>	Siding.
<b><u>ROOF TYPE:</u></b>	Metal roof covering.
<b><u>HEATING/COOLING:</u></b>	CH&A and Window Units.
<b><u>OVERALL FLOOR PLAN:</u></b>	The building consists of four offices, kitchen and two restrooms.
<b><u>CONDITION:</u></b>	Fair to average condition.



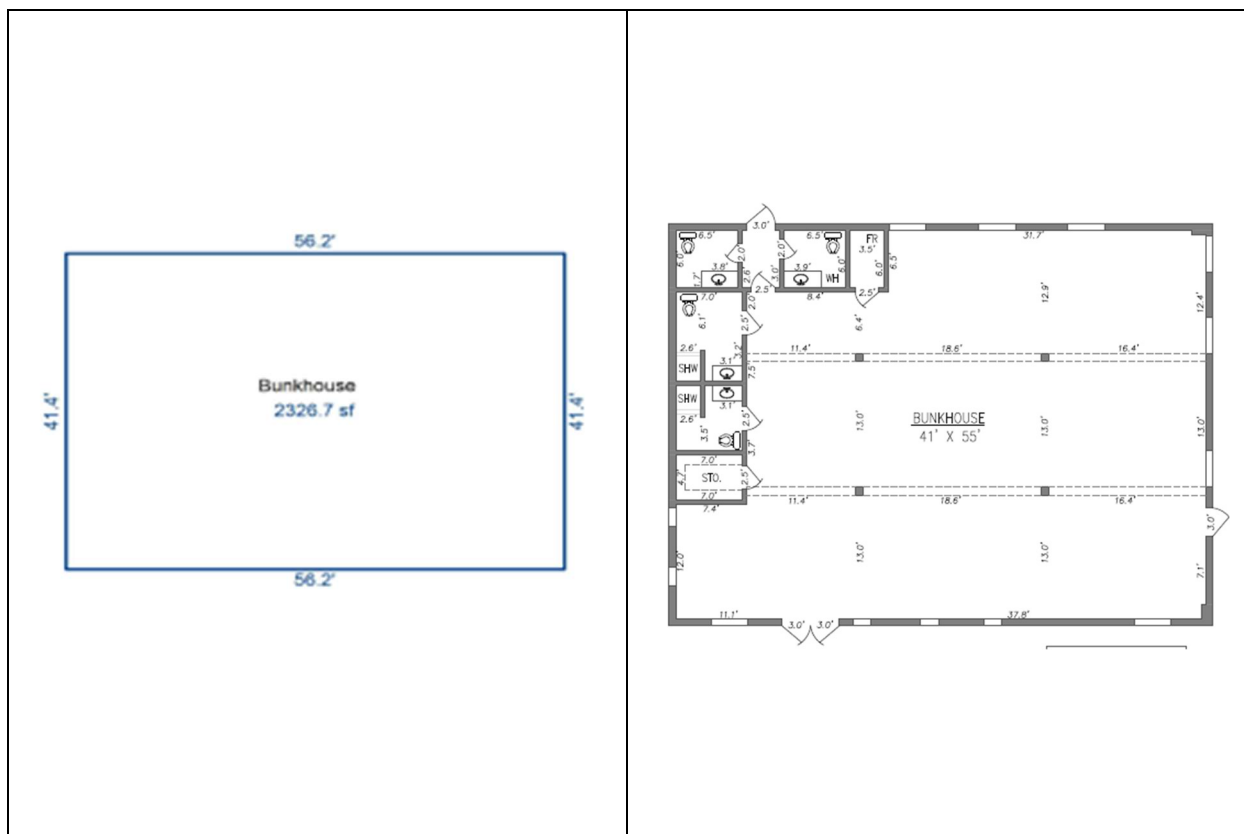






## BUNKHOUSE BUILDING

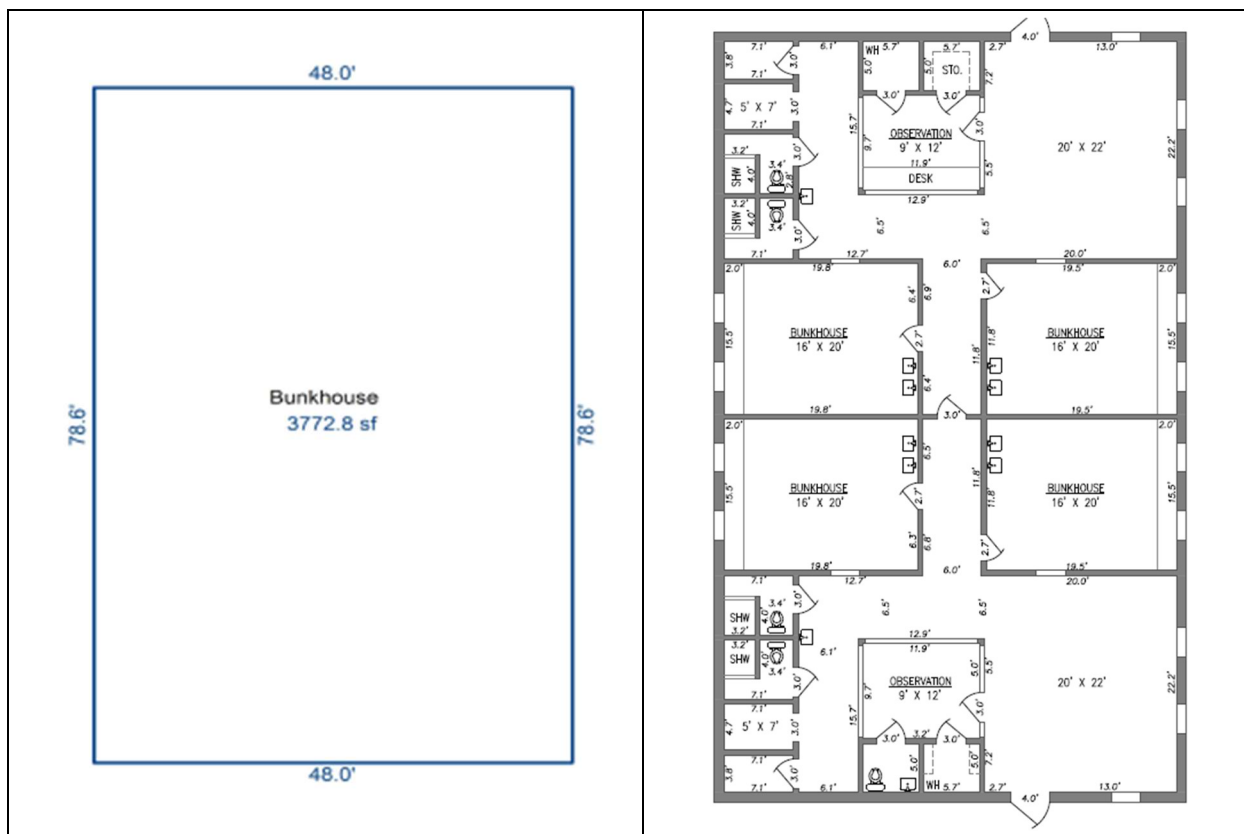
<b><u>YEAR OF CONSTRUCTION:</u></b>	Not Known.
<b><u>EFFECTIVE AGE:</u></b>	10 years.
<b><u>SIZE:</u></b>	Approximately 2,327 sf, per measurements.
<b><u>CONSTRUCTION TYPE:</u></b>	Modular building.
<b><u>FOUNDATION:</u></b>	Pier & Beam.
<b><u>EXTERIOR FINISH:</u></b>	Siding.
<b><u>ROOF TYPE:</u></b>	Metal roof covering.
<b><u>HEATING/COOLING:</u></b>	CH&A
<b><u>OVERALL FLOOR PLAN:</u></b>	The building consists of an open bunk room, two restrooms and two bathrooms.
<b><u>CONDITION:</u></b>	Average condition.



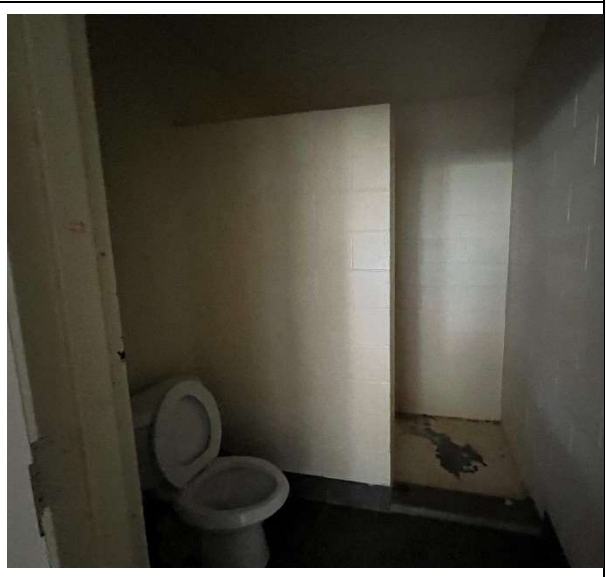


## BUNKHOUSE BUILDING

<b><u>YEAR OF CONSTRUCTION:</u></b>	Not Known.
<b><u>EFFECTIVE AGE:</u></b>	15 years.
<b><u>SIZE:</u></b>	Approximately 3,773 sf, per measurements.
<b><u>CONSTRUCTION TYPE:</u></b>	Concrete block construction.
<b><u>FOUNDATION:</u></b>	Concrete slab.
<b><u>EXTERIOR FINISH:</u></b>	Painted concrete block.
<b><u>ROOF TYPE:</u></b>	Metal roof covering.
<b><u>HEATING/COOLING:</u></b>	CH&A.
<b><u>OVERALL FLOOR PLAN:</u></b>	The building consists of four bedrooms, two observation rooms, two meeting rooms, four bathrooms and one restroom.
<b><u>CONDITION:</u></b>	Average condition.

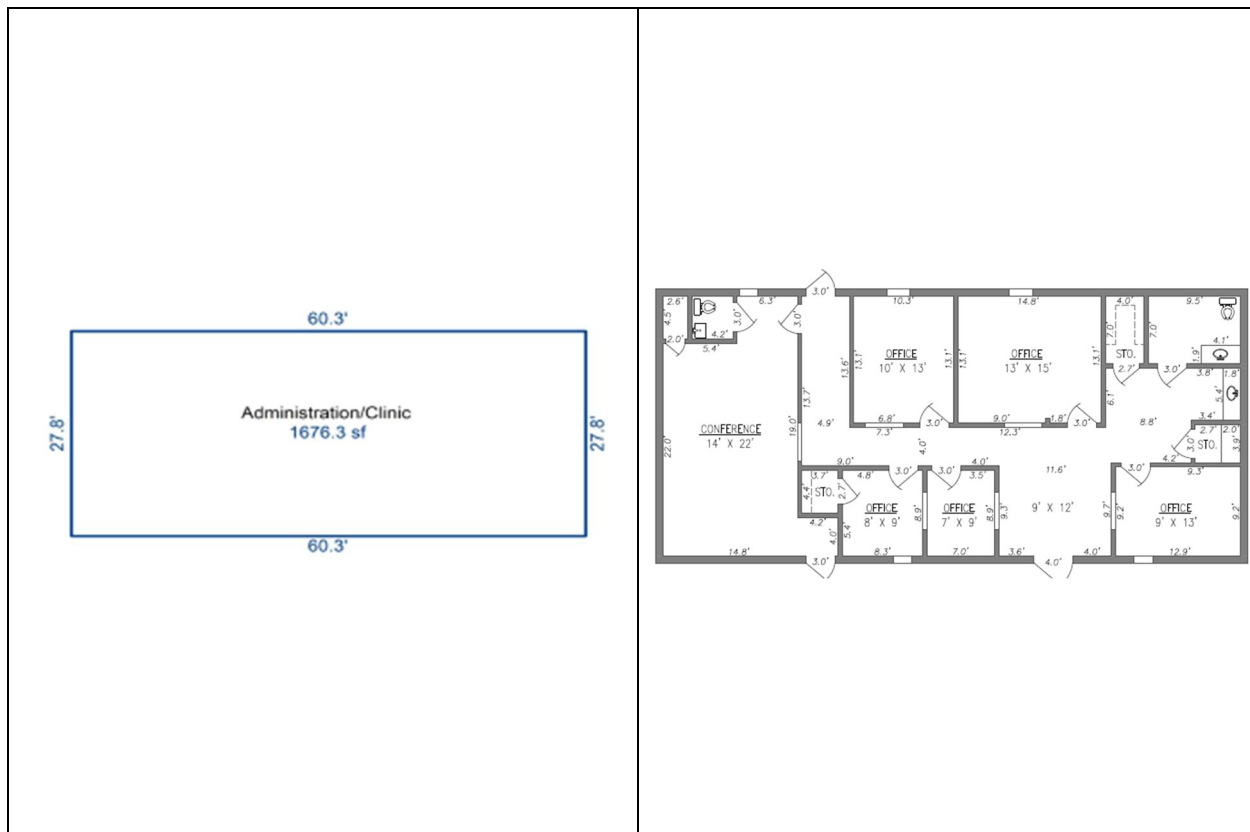






## ADMINISTRATION/CLINIC BUILDING

<b><u>YEAR OF CONSTRUCTION:</u></b>	Not Known.
<b><u>EFFECTIVE AGE:</u></b>	10 years.
<b><u>SIZE:</u></b>	Approximately 1,676 sf, per measurements.
<b><u>CONSTRUCTION TYPE:</u></b>	Modular building.
<b><u>FOUNDATION:</u></b>	Pier & Beam.
<b><u>EXTERIOR FINISH:</u></b>	Metal siding.
<b><u>ROOF TYPE:</u></b>	Metal roof covering.
<b><u>HEATING/COOLING:</u></b>	CH&A
<b><u>OVERALL FLOOR PLAN:</u></b>	The building consists of five offices, breakroom, waiting area, conference room and two restrooms.
<b><u>CONDITION:</u></b>	Average condition.

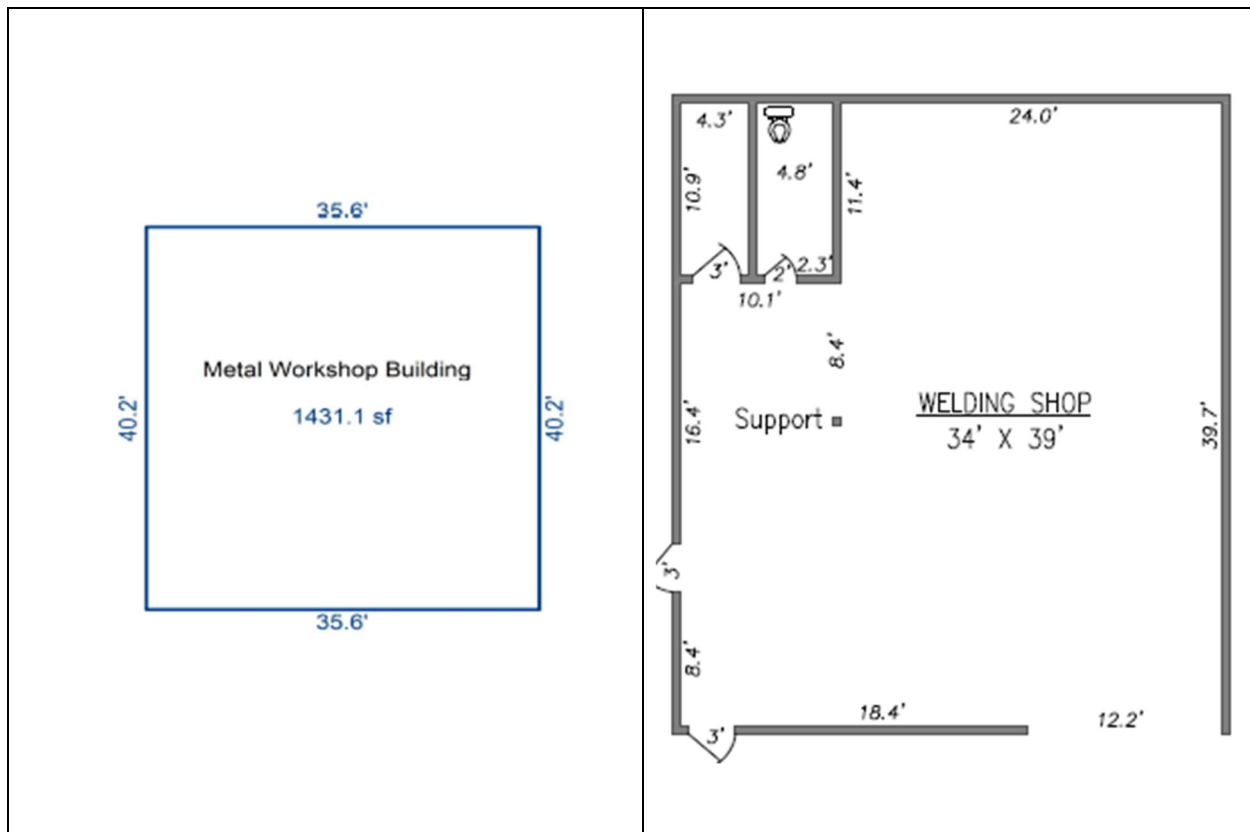




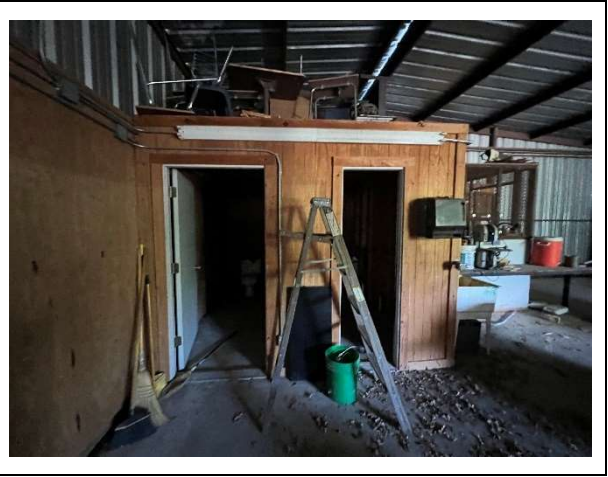


## METAL SHOP BUILDING

<b><u>YEAR OF CONSTRUCTION:</u></b>	Not Known.
<b><u>EFFECTIVE AGE:</u></b>	20 years.
<b><u>SIZE:</u></b>	Approximately 1,431 sf, per measurements.
<b><u>CONSTRUCTION TYPE:</u></b>	Steel frame construction.
<b><u>FOUNDATION:</u></b>	Concrete slab.
<b><u>EXTERIOR FINISH:</u></b>	Siding.
<b><u>ROOF TYPE:</u></b>	Metal roof covering.
<b><u>HEATING/COOLING:</u></b>	None.
<b><u>OVERALL FLOOR PLAN:</u></b>	The building consists of a work area and two restrooms.
<b><u>CONDITION:</u></b>	Average condition.



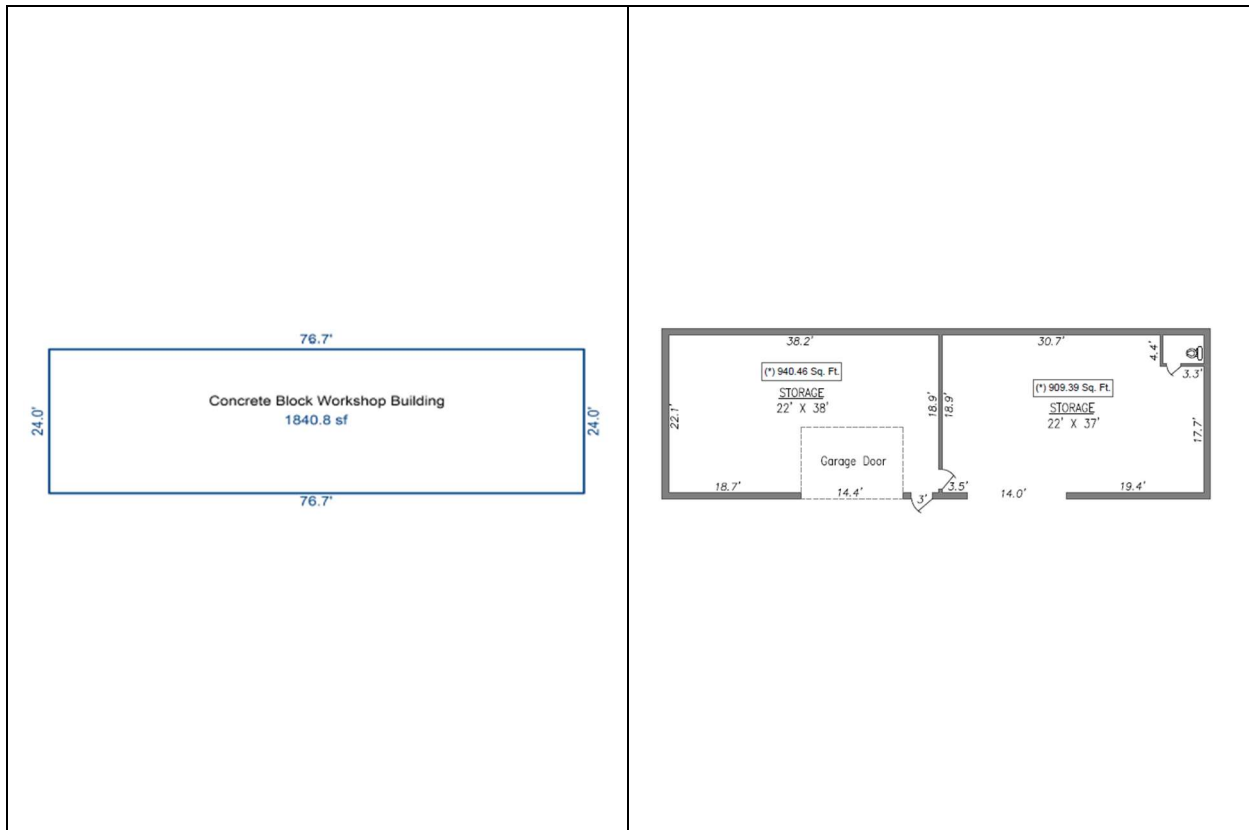






## WORKSHOP BUILDING

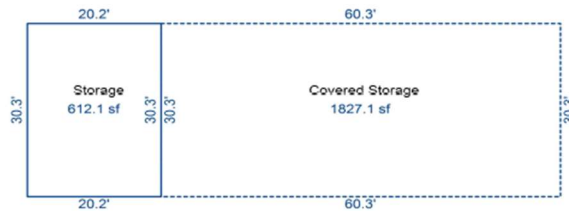
<b><u>YEAR OF CONSTRUCTION:</u></b>	Not Known.
<b><u>EFFECTIVE AGE:</u></b>	20 years.
<b><u>SIZE:</u></b>	Approximately 1,841 sf, per measurements.
<b><u>CONSTRUCTION TYPE:</u></b>	Concrete block construction.
<b><u>FOUNDATION:</u></b>	Slab.
<b><u>EXTERIOR FINISH:</u></b>	Painted concrete block.
<b><u>ROOF TYPE:</u></b>	Metal roof covering.
<b><u>HEATING/COOLING:</u></b>	Drop heater.
<b><u>OVERALL FLOOR PLAN:</u></b>	The building consists of two work areas and one restroom.
<b><u>CONDITION:</u></b>	Average condition.





## ENCLOSED & OPEN STORAGE BUILDING

<b><u>YEAR OF CONSTRUCTION:</u></b>	Not Known.
<b><u>EFFECTIVE AGE:</u></b>	5 years.
<b><u>SIZE:</u></b>	Approximately 612 sf storage and 1,827 covered storage. Per measurements.
<b><u>CONSTRUCTION TYPE:</u></b>	Steel frame construction.
<b><u>FOUNDATION:</u></b>	Concrete slab and dirt.
<b><u>EXTERIOR FINISH:</u></b>	Siding.
<b><u>ROOF TYPE:</u></b>	Metal roof covering.
<b><u>HEATING/COOLING:</u></b>	No heating or cooling.
<b><u>OVERALL FLOOR PLAN:</u></b>	The building consists of enclosed storage and open storage.
<b><u>CONDITION:</u></b>	Good condition.







## ADDITIONAL IMPROVEMENTS

<b><u>STORAGE BUILDING</u></b>	346 sf – Next to workshop. 298 sf – Next to cafeteria (access not gained)
<b><u>PAVING</u></b>	Concrete paving next to administration building. Asphalt driveway. Concrete drives and parking lots.
<b><u>FENCING</u></b>	Barbed wire fencing and cross fencing. Some chain link fencing.
<b><u>OTHER</u></b>	Covered picnic area, various canopies, attached to buildings, back stop, field goal post outside basketball goal and entrance sign.
<b><u>CONDITION:</u></b>	Average condition.







**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*, 14<sup>th</sup> 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.

<b>AS VACANT</b>	
<b>Physically Possible</b>	The subject tract consists of approximately 72.78 acres of land with level to gently sloping terrain. The subject tract is located mostly outside of the flood 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.
<b>Legally Permissible</b>	This tract is located outside city limits and is not formally zoned. 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.
<b>Financially Feasible</b>	Based upon the current zoning of the subject site, allowable uses would include agricultural, recreational and/or residential use, which would be financially feasible for the subject tract.
<b>Maximally Productive</b>	Use of the subject site for agricultural, recreational and/or residential use would be consistent with surrounding developments and would represent the maximally productive use of the tract.
<b>Conclusion</b>	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 agricultural, recreational and/or residential use.



**AS IMPROVED**

<b>Physically Possible</b>	The subject is a retreat center that is, overall, in average condition. There are no physical limitations preventing the property from its highest and best use.
<b>Legally Permissible</b>	This tract is located outside city limits and is not formally zoned. There are no legal limitations that would prevent the property from being utilized to its highest and best use.
<b>Financially Feasible</b>	The present improvements are a financially feasible use of the property.
<b>Maximally Productive</b>	The present improvements and their use as a retreat center represents the maximally productive use of the property.
<b>Conclusion</b>	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, as improved, is a retreat center.

## **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.

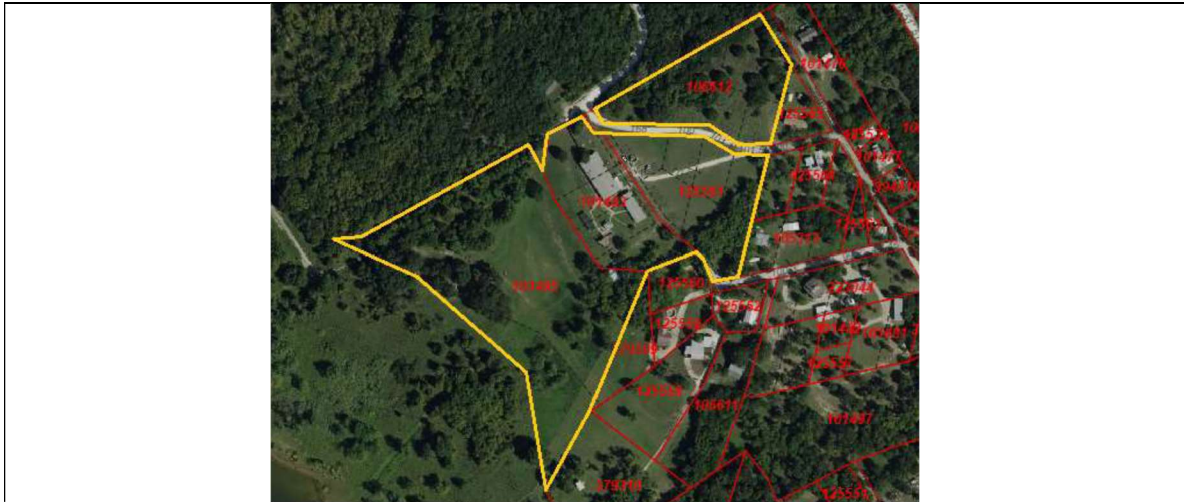
## **SALES COMPARISON APPROACH ANALYSIS**

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.

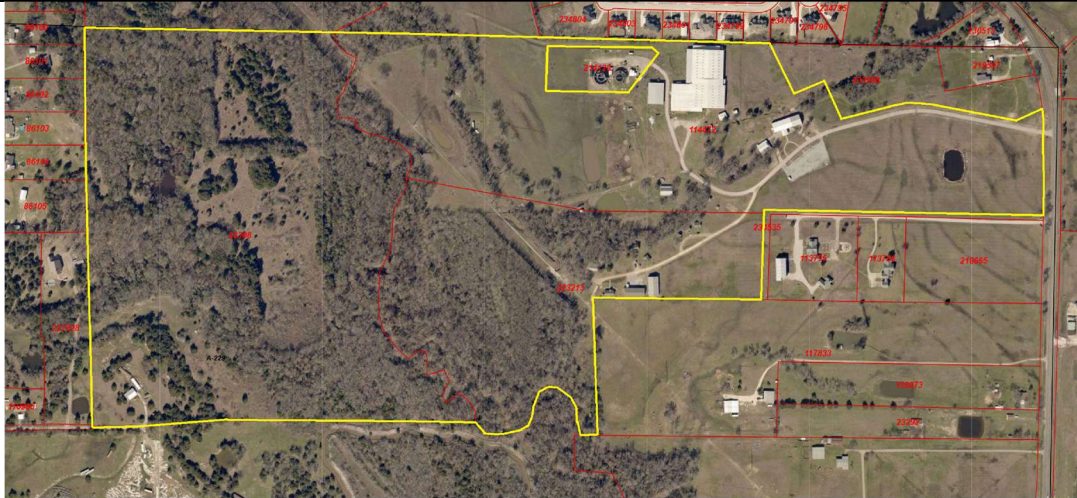
The following sales are believed to be the most recent and most similar to the subject property:

**SALES COMPARABLE #1**



Descriptive Data	Sales Data
<b>Address:</b> 175 Tobacco Road	<b>Grantor:</b> Active Partners LLC
<b>City:</b> Whitney	<b>Grantee:</b> RCSP Properties LLC
<b>County/State:</b> Hill, TX	<b>Date of Sale:</b> November 24, 2021
<b>Property Type:</b> Retreat Center	<b>Consideration:</b> \$860,000
<b>Year Built:</b> Unknown	<b>Price Per SF (B &amp; L):</b> \$98.36
<b>Building Size (SF):</b> 8,743	<b>Instrument Number:</b> 129038
<b>Lot Size (SF):</b> 589,802	<b>Source:</b> Realtor/Deed Record
<b>Land-to-Building:</b> 67.46	<b>Comments:</b> The property consists of a lodge, guest cabin, outdoor kitchen, wood deck, and workshop.

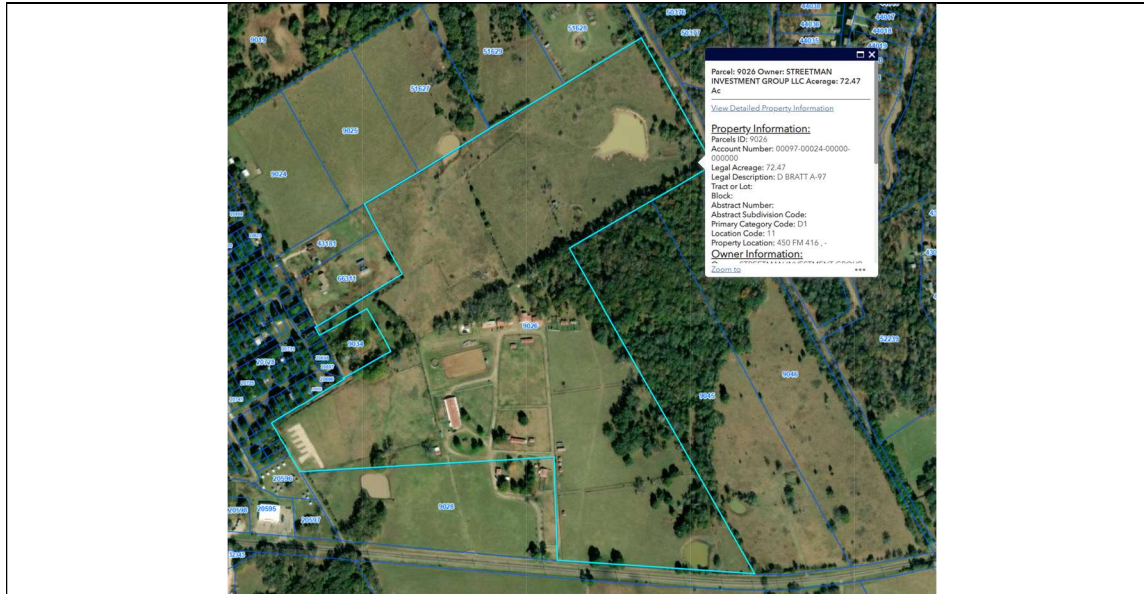
**SALES COMPARABLE #2**



Descriptive Data	Sales Data
<p><b>Address:</b> 3590 S. FM 36</p> <p><b>City:</b> Caddo Mills</p> <p><b>County/State:</b> Hunt, TX</p> <p><b>Property Type:</b> Retreat Center</p> <p><b>Year Built:</b> Various</p> <p><b>Building Size (SF):</b> 101,854</p> <p><b>Lot Size (Acres):</b> 125.08</p> <p><b>Land-to-Building:</b> 205.11</p>	<p><b>Grantor:</b> New Life Family Fellowship</p> <p><b>Grantee:</b> Unknown due to recency of sale</p> <p><b>Date of Sale:</b> July 12, 2024</p> <p><b>Consideration:</b> \$4,200,000</p> <p><b>Price Per SF (B &amp; L):</b> \$41.24</p> <p><b>Instrument Number:</b> Unknown due to recency of sale</p> <p><b>Source:</b> Realtor/MLS</p> <p><b>Comments:</b> Six cabins, auditorium, office building with kitchen, dining room, classrooms, and storage building. Additionally, the property features an arena and stall barn.</p>

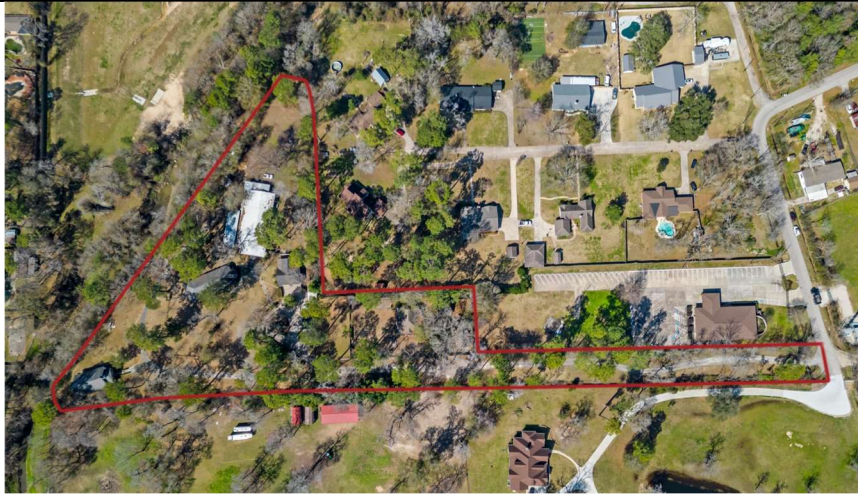


### SALES COMPARABLE #3



Descriptive Data	Sales Data
<p><b>Address:</b> 450 FM 416</p> <p><b>City:</b> Streetman</p> <p><b>County/State:</b> Freestone, TX</p> <p><b>Property Type:</b> Agricultural Retreat Center</p> <p><b>Year Built:</b> Various</p> <p><b>Building Size (SF):</b> 19,812</p> <p><b>Lot Size (Acres):</b> 84.95</p> <p><b>Land-to-Building:</b> 186.78</p>	<p><b>Grantor:</b> Dale and Victoria Taloff</p> <p><b>Grantee:</b> Streetman Investment Group LLC</p> <p><b>Date of Sale:</b> October 27, 2020</p> <p><b>Consideration:</b> \$675,000</p> <p><b>Price Per SF (B &amp; L):</b> \$34.07</p> <p><b>Instrument Number:</b> 2003535</p> <p><b>Source:</b> MLS/Deed Record</p> <p><b>Comments:</b> Large horse barn with living quarters. Various cabins and apartments. Various horse barns and run-ins. Event center. Swimming pool.</p>

**SALES COMPARABLE #4**



Descriptive Data	Sales Data
<p><b>Address:</b> 909 Lemm Road</p> <p><b>City:</b> Spring</p> <p><b>County/State:</b> Harris, TX</p> <p><b>Property Type:</b> Event Center</p> <p><b>Year Built:</b> 2005</p> <p><b>Building Size (SF):</b> 13,405</p> <p><b>Lot Size (SF):</b> 253,084</p> <p><b>Land-to-Building:</b> 18.88</p>	<p><b>Grantor:</b> Grand Oaks Venue and Events LLC</p> <p><b>Grantee:</b> Life – The Woodlands, Inc.</p> <p><b>Date of Sale:</b> June 17, 2024</p> <p><b>Consideration:</b> \$1,575,000</p> <p><b>Price Per SF (B &amp; L):</b> \$117.49</p> <p><b>Instrument Number:</b> 2024-229528</p> <p><b>Source:</b> CoStar/Deed Record</p> <p><b>Comments:</b> Chapel, Gazebo, Reception Hall, Office/Apartment, and Single-Family Residence.</p>

## SUMMARY OF SALES DATA

Sale	Address	Date of Sale	Size (SF)	Price	\$/SF
1	175 Tobacco Road	11/24/2021	8,743	\$860,000	\$98.36
2	3590 S. FM 36	7/12/2024	101,854	\$4,200,000	\$41.24
3	450 FM 416	10/27/2020	19,812	\$675,000	\$34.07
4	909 Lemm Road	6/17/2024	13,405	\$1,575,000	\$117.49
<b>Average</b>			35,954	\$1,827,500	\$72.79
<b>Maximum</b>			101,854	\$4,200,000	\$117.49
<b>Minimum</b>			8,743	\$675,000	\$34.07

## SALES COMPARABLE MAP





### SALES COMPARISON APPROACH

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, quality, condition, and amenities. 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:

<b>Property Rights</b>	No adjustments were necessary.
<b>Financing Terms</b>	Accounts for any unusual or non-market financing terms. No adjustments were necessary.
<b>Conditions of Sale</b>	Accounts for unusual motivations of buyer or seller that impacts sales price. No adjustments were necessary.
<b>Market Conditions</b>	Comparables #1 and #3 are inferior and require positive adjustments of ten or twenty percent.
<b>Location</b>	Comparables #1 and #4 are superior and require negative adjustments of fifteen or thirty percent. Comparable #3 is inferior and requires a positive adjustment of ten percent.
<b>Land to Building Ratio</b>	Comparables #2 and #3 are superior and require negative adjustments of ten percent. Comparable #4 is inferior and requires a positive adjustment of ten percent.
<b>Size</b>	Comparable #2 is inferior and requires a positive adjustment of twenty percent. The remaining comparables are smaller and require negative adjustments of five, ten, or twenty percent.
<b>Quality</b>	Comparables #1 and #4 are superior and require negative adjustments of ten percent.
<b>Condition</b>	Comparables #1 and #4 are superior and require negative adjustments of ten or twenty percent. Comparable #3 is inferior and requires a positive adjustment of twenty percent.
<b>Amenities</b>	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		
Price per SF	\$98.36	\$41.24	\$34.07	\$117.49		
Property Rights						
Financing Terms						
Conditions of Sale						
Market Conditions	10.0%		20%			
Transactional Adj.	\$108.20	\$41.24	\$40.88	\$117.49		
Location	-15%		10%	-30%		
Land to Building		-10%	-10%	10%		
Size	-20%	20%	-5%	-10%		
Building Quality	-10%			-10%		
Condition	-10%		20%	-20%		
Amenities						
Total Adj.	-55.0%	10.0%	15.0%	-60.0%		
Total \$ Adj.	-\$59.51	\$4.12	\$6.13	-\$70.49		
Adjusted Value	\$48.69	\$45.36	\$47.02	\$47.00		
Unadjusted Data	High	\$117.49	Low:	\$34.07	Range	\$83.42
Adjusted Data	High	\$48.69	Low:	\$45.36	Range	\$3.33

The adjusted values range from \$45.36 per SF to \$48.69 per SF, with an average of \$47.02 per SF. Primary emphasis is placed on Comparables #3 and #4, with less emphasis on the comparables with the highest and lowest adjusted values. Overall, it is believed the subject has a market value of \$47.00 per square foot.

$$38,845 \text{ SF} \times \$ 47.00 \text{ per SF} = \$ 1,825,715$$

**SAY \$ 1,825,000**



### **COST APPROACH ANALYSIS**

A measure of the value of a property is indicated by estimating the cost of constructing the improvements and adding the market value of the land.

The Cost Approach is not relevant in this appraisal, given the overall condition and amount of depreciation experienced by the improvements. The exclusion of this approach does not diminish 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), a conclusion of value is found.

Special use facilities are rarely leased on the open market. As a result, insufficient information is available upon which to reliably support an opinion of value. The exclusion of this approach does not detrimentally affect the reliability of the value conclusion.

## **CORRELATIONS AND CONCLUSIONS**

The analyses described throughout this appraisal produced the following values. The values of the property were derived using one of the three traditional approaches to value. See the following value estimates:

<b>AS-IS VALUE</b>	
<b>SALES COMPARISON APPROACH</b>	\$1,825,000
<b>COST APPROACH</b>	N/A
<b>INCOME APPROACH</b>	N/A

In the reconciliation of the approaches, primary emphasis was placed on the Sales Comparison Approach. The Income and Cost Approaches were not developed for the reasons previously mentioned.

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

<b>Value Type</b>	<b>Effective Date</b>	<b>Market Value</b>
<b>As-Is</b>	July 29, 2024	\$1,825,000

**ADDENDUM: AS VACANT LAND VALUE**

The following analysis was developed at the request of the client. This analysis is contingent upon the hypothetical condition that the property is vacant.

**LAND COMPARABLE #1**



<b>Descriptive Data</b>	<b>Sales Data</b>
<p><b>Address:</b> Four Corners Road</p> <p><b>City:</b> West</p> <p><b>County/State:</b> McLennan, TX</p> <p><b>Property Type:</b> Vacant Land</p> <p><b>Lot Size (Acres):</b> 43.74</p> <p><b>Zoning:</b> N/A</p>	<p><b>Grantor:</b> George Anthony Kocian Estate</p> <p><b>Grantee:</b> K2 Investments Properties LLC</p> <p><b>Date of Sale:</b> October 26, 2023</p> <p><b>Consideration:</b> \$600,000</p> <p><b>Price Per Acre:</b> \$13,717</p> <p><b>Instrument Number:</b> 2023033523</p> <p><b>Source:</b> MLS/Deed Record</p> <p><b>Comments:</b> Water and electricity available. Three tanks.</p>



**LAND COMPARABLE #2**



<b>Descriptive Data</b>	<b>Sales Data</b>
<p><b>Address:</b> 2077 Patton Branch Road</p> <p><b>City:</b> West</p> <p><b>County/State:</b> McLennan, TX</p> <p><b>Property Type:</b> Vacant Land</p> <p><b>Lot Size (Acres):</b> 43.98</p> <p><b>Zoning:</b> N/A</p>	<p><b>Grantor:</b> James Suggs</p> <p><b>Grantee:</b> Gary and Melissa McCartney</p> <p><b>Date of Sale:</b> April 10, 2024</p> <p><b>Consideration:</b> \$506,457</p> <p><b>Price Per Acre:</b> \$11,516</p> <p><b>Instrument Number:</b> 2024010829</p> <p><b>Source:</b> MLS/Deed Records</p> <p><b>Comment:</b> Water and electricity available.</p>

### LAND COMPARABLE #3



Descriptive Data	Sales Data
<p><b>Address:</b> Hajek Road</p> <p><b>City:</b> West</p> <p><b>County/State:</b> McLennan, TX</p> <p><b>Property Type:</b> Vacant Land</p> <p><b>Lot Size (Acres):</b> 91.48</p> <p><b>Zoning:</b> N/A</p>	<p><b>Grantor:</b> Preston Cole McCoy</p> <p><b>Grantee:</b> Vijay Mehta</p> <p><b>Date of Sale:</b> April 13, 2023</p> <p><b>Consideration:</b> \$700,000</p> <p><b>Price Per Acre:</b> \$7,652</p> <p><b>Instrument Number:</b> 2023010555</p> <p><b>Source:</b> MLS/Deed Record</p> <p><b>Comments:</b> Water and electricity available.</p>

### SUMMARY OF SALES DATA

Sale	Address	Date of Sale	Size (Acre)	Price	\$/Acre
1	Four Corners Road	10/26/2023	43.74	\$600,000	\$13,717
2	2077 Patton Branch Road	4/10/2024	43.98	\$506,457	\$11,516
3	Hajek Road	4/13/2023	91.48	\$700,000	\$7,652
<b>Average</b>			59.73	\$602,152	\$10,962
<b>Maximum</b>			91.48	\$700,000	\$13,717
<b>Minimum</b>			43.74	\$506,457	\$7,652

### SALES COMPARABLE MAP



## LAND VALUATION: 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 conveyed, financing terms, conditions of sale, market conditions, location, size, shape/topography, easements, flood zone, and amenities. Adjustments for each of these categories, when necessary, will be made using data from the market. A discussion of each of these adjustment categories will be presented in the following pages:

<b>Property Rights</b>	All three comparables are similar to the subject.
<b>Financing Terms</b>	All three comparables are similar to the subject.
<b>Conditions of Sale</b>	All three comparables are similar to the subject.
<b>Market Conditions</b>	All three comparables are similar to the subject.
<b>Location</b>	All three comparables are similar to the subject.
<b>Size</b>	Comparables #1 and #2 are smaller and require negative adjustments of ten percent. Comparable #3 is larger and requires a positive adjustment of ten percent.
<b>Shape/ Topography</b>	Comparable #3 is inferior and requires a positive adjustment of ten percent.
<b>Easements</b>	All three comparables are similar to the subject.
<b>Flood Zone</b>	All three comparables are similar to the subject.
<b>Amenities</b>	Comparable #1 is superior and requires a negative adjustment of ten percent. Comparable #3 is inferior and requires a positive adjustment of five percent.

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



## ADJUSTMENT GRID

	Comp. #1	Comp. #2	Comp. #3			
Price per SF	\$13,717	\$11,516	\$7,652			
Property Rights						
Financing Terms						
Conditions of Sale						
Market Conditions						
Transactional Adj.	\$13,717	\$11,516	\$7,652			
Location						
Size	-10%	-10%	10%			
Shape/Topography			10%			
Easements						
Flood Zone						
Amenities	-10%		5%			
Total Adj.	-20.0%	-10.0%	25.0%			
Total \$ Adj.	-\$2,743	-\$1,152	\$1,913			
Adjusted Value	\$10,974	\$10,364	\$9,565			
Unadjusted Data	High	\$13,717	Low:	\$7,652	Range	\$6,065
Adjusted Data	High	\$10,974	Low:	\$9,565	Range	\$1,409

After all adjustments were made, the adjusted values range from \$9,565 per acre to \$10,974 per acre, with an average of \$10,301 per acre. Primary emphasis is placed on Comparable #2, with less emphasis on the comparables with the highest and lowest adjusted values. Overall, it is believed the subject tract of land has a market value of \$10,300 per acre.

$$72.78 \text{ per Acre} \times \$10,300 \text{ per Acre} = \$749,634$$

**SAY \$ 750,000**

## **QUALIFICATIONS OF COLLIN CRESSON**

### **STATE OF TEXAS CERTIFICATION**

- State Certified General Real Estate Appraiser  
License Number: TX 1380930-G  
Date of Expiration: 10/31/2025

### **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**

- Practicing Affiliate, 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**

- Introduction to Commercial Appraisal Review – 2023
- Basics of Expert Witness for Commercial Appraisals – 2023
- The Income Approach – 2023
- 2022-2023 7-Hour National USPAP Update Course - 2023
- Appraisal of Owner-Occupied Commercial Properties – 2021
- Supporting Your Adjustments: Methods for Residential Appraisers - 2021
- Income Approach Case Studies for Commercial Appraisal – 2021
- Introduction to Commercial Appraisal Review – 2021
- 2020-2021 7-Hour National USPAP Update Course - 2021
- 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
- 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: **10/31/2025**

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

For additional information or to file a complaint please contact TALCB at [www.talcb.texas.gov](http://www.talcb.texas.gov).

  
**Chelsea Buchholtz**  
 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, 2024

### **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**

- 2022 Appraiser Conference & Trade Show, April 2022
- Supporting Your Adjustments: Methods of Resid. Appraisers, Sept. 2022
- Measuring with ANSI and the 2021 ANSI Update
- 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, Sept. 2022
- 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 32 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: **09/30/2024**

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](http://www.talcb.texas.gov).

Chelsea Buchholtz  
Commissioner