



Valuation Advisory

Client: Jefferson County

Property: 5115 Interstate 10 South, Beaumont, TX 77705

Month/Year: September 4, 2020



Ford Park Entertainment Complex
5115 Interstate 10 South
Beaumont, TX 77705



5 Riverway, Suite 200
Houston, TX 77056

Phone: 713-243-3300
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September 4, 2020

Ms. Jamey West
Assistant Purchasing Agent
Jefferson County
1149 Pearl Street
Beaumont, TX 77701

Re: Appraisal

Ford Park Entertainment Complex
5115 Interstate 10 South
Beaumont, Jefferson County, TX 77705
File Number: 1701-20-161351

Dear Ms. West:

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

Ford Park is a sports and entertainment complex in Beaumont, Texas situated on approximately 221 acres on the southeast line of Interstate 10.

Land	
Parcel Descriptions	Acres
Unencumbered	165.22
Area Encumbered by Pipeline Corridor	8.25
Area Encumbered by Willow Marsh Bayou	6.00
Area Between Pipeline Corridor and Willow Marsh Bayou	23.11
Area Encumbered by Ground Leases	18.42
Total Acreage	221.00

The property is improved with the 8,500 seat Ford Arena and Ford Exhibit Hall and the Ford Fields complex made up of 12 youth baseball/softball fields which hosts several tournaments throughout the year. These improvements opened in the Fall of 2003 and are a combined 83,000 square feet of event space. The property also includes the 14,000 seat (fixed and lawn) Ford Pavilion, an outdoor event space complete with restrooms and food & drink plazas. Finally, the property is also home to the Ford Midway which is an outdoor area that hosts festivals, fairs, and rodeos. This area consists of a large stabilized area and approximately 70,000 square feet of covered barn space. The site also includes two ground leased areas containing a 18.42 acres that are occupied by a 120-space RV Park and two metallic buildings.

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

Market Uncertainty from COVID-19 (Novel Coronavirus)

The outbreak of the COVID-19 (Novel Coronavirus), declared by the World Health Organization as a “Global Pandemic” on March 11, 2020, has impacted global financial markets.

The COVID-19 outbreak is an evolving situation with the effects on the financial and real estate markets currently unknown. The impact will be driven by the scale and longevity of the pandemic.

Market activity, meaning transactions and market evidence since the pandemic are limited. The reader is cautioned and reminded that the valuation is based on the information available to us at the date of valuation, and the conclusions presented are only as of the effective date(s) indicated. It is difficult to predict the short- and long-term effects the pandemic may have on capital values.

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

Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Value in Use As Is	Fee Simple	August 14, 2020	\$43,200,000

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

Extraordinary Assumptions & Hypothetical Conditions

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

1. The appraisers relied on county site plans, tax records, and leases to determine the size of the property. We assume the total acreage of 221, including the ground leased parcels, is accurate and reserve the right to amend the report if a survey is provided.
2. We relied on information provided to us by the client, tax records, and GIS mapping measurements to determine the size of improvements on the property. We assume the measurements utilized within this report are accurate and reserve the right to amend the report should we be provided any building plans.
3. We assume the wetlands in the unencumbered area are non-jurisdictional and would not prevent development to its highest and best use.
4. We assume that 18.42 acres are the only long-term ground leases to third parties that affect the site based on the information provided by the client. If there are other lease encumbrances or if this land area is not accurate, we reserve the right to amend the report.

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

1. None

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

Respectfully submitted,

JLL Valuation & Advisory Services, LLC



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Certification Statement

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions and conclusions.
3. We have no present or prospective future interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. We certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
11. We have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
12. Kenneth B. Levenson, MAI, FRICS, and Bradley Schuetze, MAI, AI-GRS, made a personal inspection of the property on August 14, 2020.
13. Significant real property appraisal assistance was provided by Jake Morgan who has not signed this certification.

14. As of the date of this report, Kenneth B. Levenson, MAI, FRICS, Bradley Schuetze, MAI, AI-GRS, have completed the continuing education program for Designated Members of the Appraisal Institute.



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Summary of Salient Facts and Conclusions

Property Name	Ford Park Entertainment Complex		
Address	5115 Interstate 10 South Beaumont, Jefferson County, Texas 77705		
Owner of Record	Jefferson County		
Tax IDs	120084, 120085, 400927 and 120065		
Land Area	221.00 acres; 9,626,760 SF		
Improvements			
Ford Arena	35,000 SF (8,500 Fixed Seats)		
Ford Exhibit Hall	48,000 SF		
Ford Pavilion	6,200 Fixed Seats (7,800 lawn seats)		
Ford Fields	12 Baseball Fields		
Livestock Sheds	70,000 SF		
Utility Building	12,400 SF		
Year Built	2002 - 2003		
Zoning Designation	LI - Light Industrial		
Highest & Best Use - As If Vacant	Light Industrial		
Highest & Best Use - As Improved	Special Purpose		
Exposure Time; Marketing Period	12 months; 12 months		
Date of Report	September 4, 2020		

Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Value in Use As Is	Fee Simple	August 14, 2020	\$43,200,000

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

Extraordinary Assumptions & Hypothetical Conditions

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

1. The appraisers relied on county site plans, tax records, and leases to determine the size of the property. We assume the total acreage of 221, including the ground leased parcels, is accurate and reserve the right to amend the report if a survey is provided.
2. We relied on information provided to us by the client, tax records, and GIS mapping measurements to determine the size of improvements on the property. We assume the measurements utilized within this report are accurate and reserve the right to amend the report should we be provided any building plans.
3. We assume the wetlands in the unencumbered area are non-jurisdictional and would not prevent development to its highest and best use.
4. We assume that 18.42 acres are the only long-term ground leases to third parties that affect the site based on the information provided by the client. If there are other lease encumbrances or if this land area is not accurate, we reserve the right to amend the report.

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

1. None

Introduction

Ford Park is a sports and entertainment complex in Beaumont, Texas situated on approximately 221 acres on the southeast line of Interstate 10. The property is improved with the 8,500 seat Ford Arena and Ford Exhibit Hall and the Ford Fields complex made up of 12 youth baseball/softball fields which hosts several tournaments throughout the year. These improvements opened in the Fall of 2003 and are a combined 83,000 square feet of event space. The property also includes the 14,000 seat (fixed and lawn) Ford Pavilion, an outdoor event space complete with restrooms and food & drink plazas. Finally, the property is also home to the Ford Midway which is an outdoor area that hosts festivals, fairs, and rodeos. This area consists of a large stabilized area and approximately 70,000 square feet of covered barn space. The site also includes two ground leased areas containing a 18.42 acres that are occupied by a 120-space RV Park and two metallic buildings.

Subject Identification

Name	Ford Park Entertainment Complex
Address	5115 Interstate 10 South, Beaumont, Jefferson County, TX 77705
Tax ID	120084, 120085, 400927 and 120065
Owner of Record	Jefferson County
Legal Description	Approximately 221 acres of land situated in the Samuel Stivers League, Abstract 51, Jefferson County, Texas.

Ownership and Transaction History

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

Scope of Work

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

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

Summary

Research

- We inspected the property and its environs. Physical information on the subject was obtained from the property owner's representative, public records, and/or third-party sources.
- Regional economic and demographic trends, as well as the specifics of the subject's local area were investigated. Data on the local and regional property market (supply and demand trends, rent levels, etc.) was also obtained. This process was based on interviews with regional and/or local market participants, primary research, available published data, and other various resources.
- Other relevant data was collected, verified, and analyzed. Comparable property data was obtained from various sources (public records, third-party data-reporting services, etc.) and confirmed with a party to the transaction (buyer, seller, broker, owner, tenant, etc.) wherever possible. It is, however, sometimes necessary to rely on other sources deemed reliable, such as data reporting services.

Analysis

- Based upon the subject property characteristics, prevailing market dynamics, and other information, we developed an opinion of the property's Highest and Best Use.
- We analyzed the data gathered using generally accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value.
- The results of each valuation approach are considered and reconciled into a reasonable value estimate.

Applicable Requirements

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

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

Client, Intended Use, and User(s)

Client: Jefferson County

Intended Use: The intended use of the appraisal is for internal decision making.

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

Purpose of the Appraisal

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

Appraisal Premise	Interest Appraised	Date of Value
Value in Use As Is	Fee Simple	August 14, 2020

The date of the report is September 4, 2020. The appraisal is valid only as of the stated effective date or dates.

Approaches to Value

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

Approach	Description	Applicability	Utilization
Cost	A cost approach is most applicable in valuing new or proposed construction when the improvements represent the highest and best use of the land and the land value, cost new and depreciation are well supported.	Applicable	Utilized
Sales Comparison	A sales approach is most applicable when sufficient data on recent market transactions is available and there is an active market for the property type.	Applicable	Utilized
Income	An income approach is most applicable when the subject is an income producing property or has the ability to generate income in the future as an investment.	Applicable	Utilized

Prior Services

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

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

Report Option

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

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

Market Value	The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:
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- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

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

Value In Use	The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually.
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Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015); also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77471

Definition of Property Rights Appraised

Fee simple estate	Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.
Leased fee estate	A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).
Leasehold interest	The tenant's possessory interest created by a lease.
Lease	A contract in which rights to use and occupy land or structures are transferred by the owner to another for a specified period of time in return for a specified rent.

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

Inspection

Kenneth B. Levenson, MAI, FRICS, performed an on-site inspection on August 14, 2020. Bradley Schuetze, MAI, AI-GRS, performed an on-site inspection on August 14, 2020.

Significant Appraisal Assistance

It is acknowledged that Jake Morgan made a significant professional contribution to this appraisal, consisting of conducting research on the subject and transactions involving comparable properties, performing appraisal analyses, and assisting in report writing, under the supervision of the persons signing the report.

Area Demographics and Market Analysis

Beaumont MSA Area Demographics

The subject is located in the Beaumont-Port Arthur, TX Metropolitan Statistical Area, hereinafter called the Beaumont MSA, as defined by the U.S. Office of Management and Budget. The Beaumont MSA is 2,095 square miles in size, and ranks # in population out of the nation's 382 metropolitan areas.

Population

The Beaumont MSA has an estimated 2020 population of 404,337, which represents an average annual 0.4% increase over the 2010 census amount of 388,745. Beaumont MSA added an average of 1,559 residents per year over the 2010 - 2020 period, and its annual growth rate is less than that of the State of Texas.

Population Trends

Area	2010 Census	Population		Compound Ann. % Chng	
		2020 Est.	2025 Est.	2010 - 2020	2020 - 2025
1 mi. radius	188	196	199	0.4%	0.3%
3 mi. radius	4,000	4,180	4,250	0.4%	0.3%
5 mi. radius	27,514	28,427	28,764	0.3%	0.2%
Jefferson County	252,273	258,338	260,753	0.2%	0.2%
Beaumont MSA	388,745	404,337	410,502	0.4%	0.3%
Texas	25,145,561	29,806,340	32,172,745	1.7%	1.5%
United States	308,745,538	333,793,107	346,021,282	0.8%	0.7%

Source: Esri 2020. Compiled by JLL Valuation & Advisory Services, LLC.

Looking forward, the Beaumont MSA's population is projected to increase at a 0.3% annual rate from 2020 - 2025, equivalent to the addition of an average of 1,233 residents per year. The Beaumont MSA growth rate is expected to lag that of Texas, which is projected to be 1.5%.

Employment

The current estimate of total employment in the Beaumont MSA is 165,283 jobs. Since 2010, employment grew by 4,725 jobs, equivalent to a 2.9% gain over the entire period. There were gains in employment in five of the past ten years despite the national economic downturn and slow recovery.

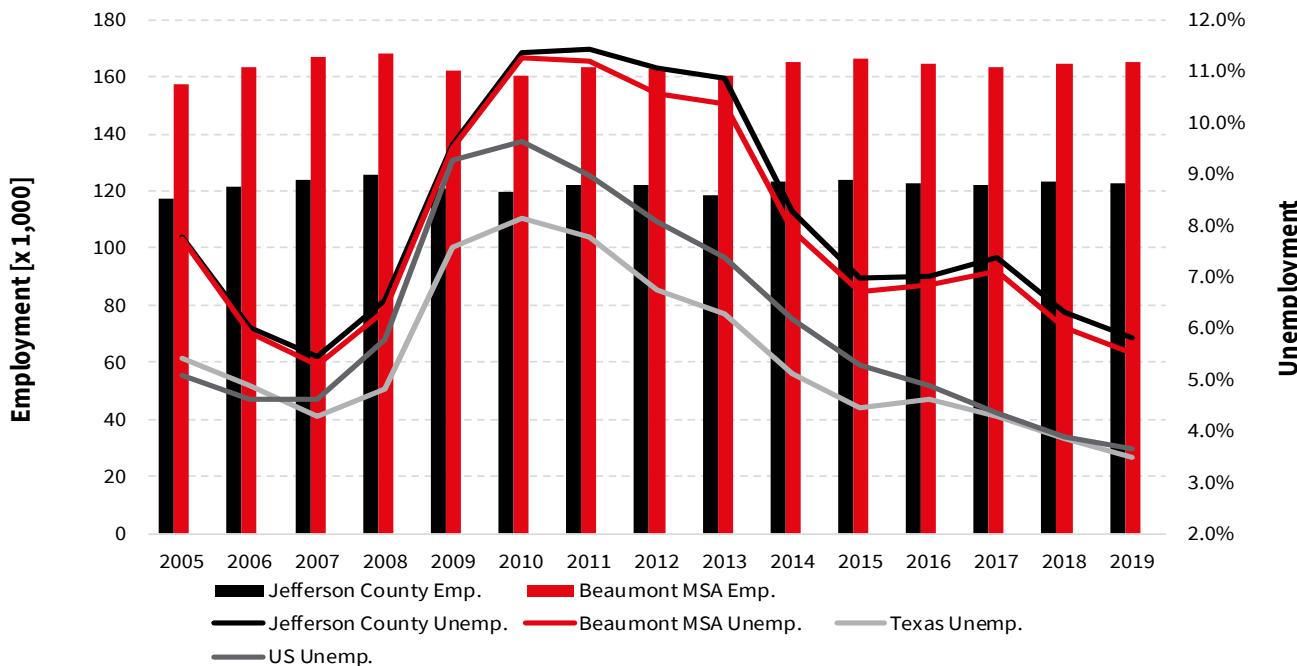
The Beaumont MSA's rate of change in employment significantly underperformed the State of Texas, which experienced an increase in employment of 23.4% or 2,425,683 over this period.

Employment Trends

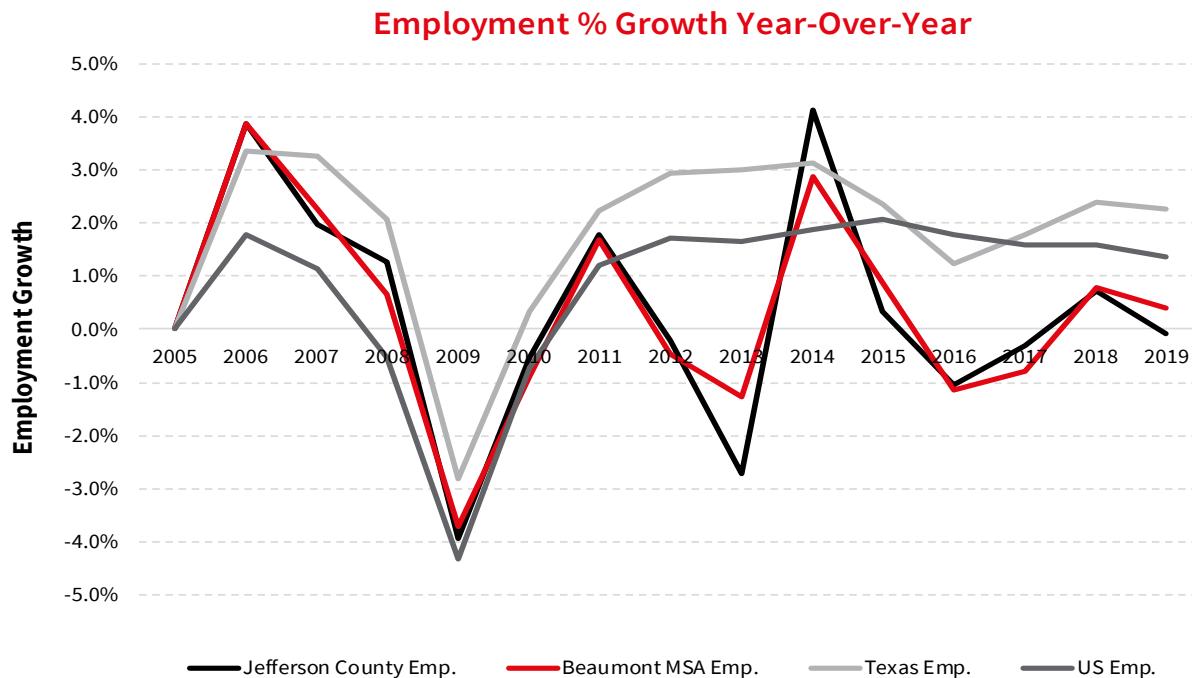
Year	Total Employment (Annual Average)						Unemployment Rate (Ann. Avg.)					
	Jefferson County		Beaumont MSA		Texas		Jefferson County		Beaumont MSA		United States	
	Change			Change		Change	United States	Change		Change	Texas	United States
2005	117,063	-	157,367	-	9,772,733	-	134,033,667	-	7.8%	7.7%	5.4%	5.1%
2006	121,596	3.9%	163,433	3.9%	10,099,167	3.3%	136,435,417	1.8%	6.0%	5.9%	4.9%	4.6%
2007	123,984	2.0%	167,133	2.3%	10,429,233	3.3%	137,981,250	1.1%	5.4%	5.3%	4.3%	4.6%
2008	125,549	1.3%	168,233	0.7%	10,643,317	2.1%	137,223,833	-0.5%	6.6%	6.3%	4.8%	5.8%
2009	120,595	-3.9%	161,983	-3.7%	10,342,333	-2.8%	131,296,083	-4.3%	9.6%	9.5%	7.6%	9.3%
2010	119,967	-0.5%	160,558	-0.9%	10,375,642	0.3%	130,345,000	-0.7%	11.4%	11.3%	8.2%	9.6%
2011	122,106	1.8%	163,258	1.7%	10,605,542	2.2%	131,914,417	1.2%	11.4%	11.2%	7.8%	9.0%
2012	121,828	-0.2%	162,517	-0.5%	10,914,942	2.9%	134,157,417	1.7%	11.1%	10.6%	6.7%	8.1%
2013	118,517	-2.7%	160,450	-1.3%	11,241,192	3.0%	136,363,833	1.6%	10.9%	10.4%	6.3%	7.4%
2014	123,412	4.1%	165,075	2.9%	11,593,725	3.1%	138,939,750	1.9%	8.3%	7.9%	5.1%	6.2%
2015	123,809	0.3%	166,533	0.9%	11,866,025	2.3%	141,824,917	2.1%	7.0%	6.7%	4.5%	5.3%
2016	122,507	-1.1%	164,608	-1.2%	12,013,500	1.2%	144,335,833	1.8%	7.0%	6.8%	4.6%	4.9%
2017	122,143	-0.3%	163,333	-0.8%	12,227,775	1.8%	146,607,583	1.6%	7.4%	7.1%	4.3%	4.4%
2018	123,013	0.7%	164,633	0.8%	12,519,017	2.4%	148,908,417	1.6%	6.3%	6.0%	3.8%	3.9%
2019	122,926	-0.1%	165,283	0.4%	12,801,325	2.3%	150,939,333	1.4%	5.8%	5.5%	3.5%	3.7%
10 Yr Change	2,958	2.5%	4,725	2.9%	2,425,683	23.4%	20,594,333	15.8%				
Avg Unemp. Rate 2010-2019									8.6%	8.3%	5.5%	6.2%
Unemployment Rate - Jun 2020									13.6%	12.8%	8.9%	11.2%

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

Employment / Unemployment Historical Trends



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

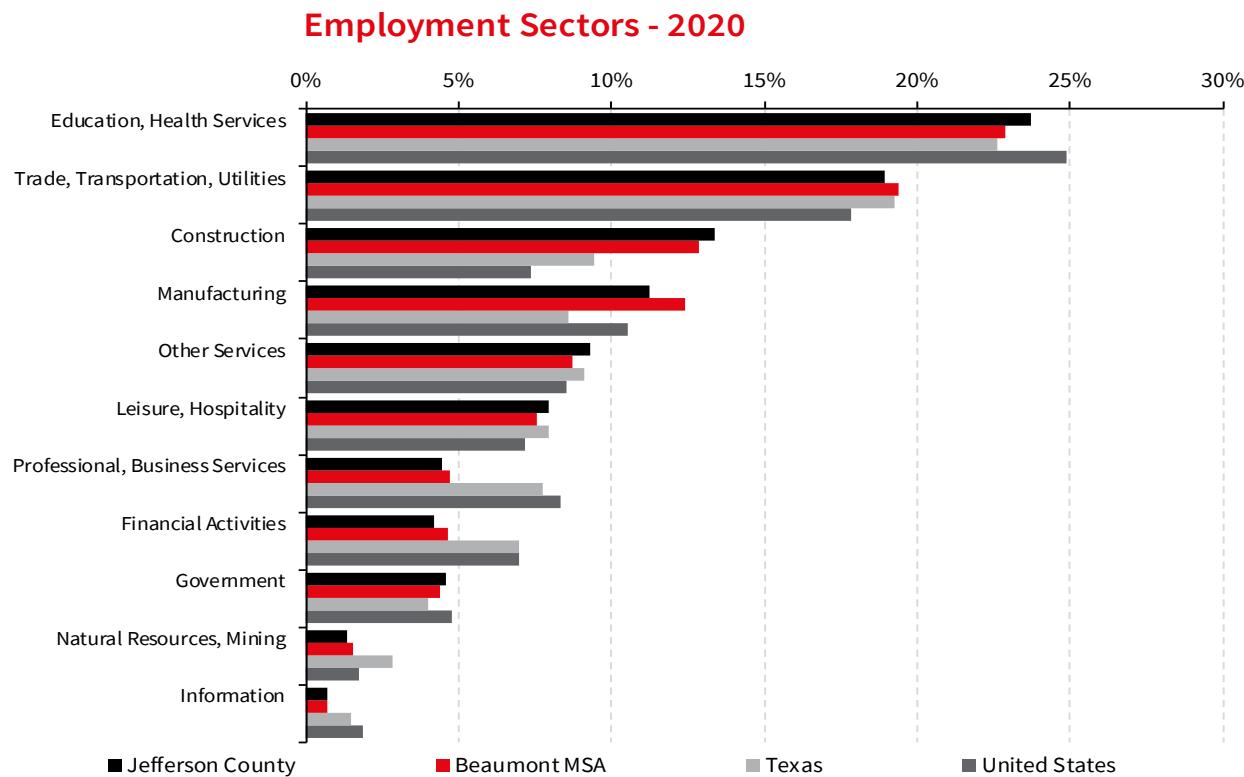


Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

A comparison of unemployment rates is another way of gauging an area's economic health, where a higher unemployment rate is a negative indicator. Over the past decade, the Beaumont MSA unemployment rate of 8.3% has been higher than the Texas rate of 5.5%. In the latter half of the decade that trend has continued, as the Beaumont MSA has consistently underperformed Texas. Recent data shows that the Beaumont MSA unemployment rate is 12.8%, in comparison to a 8.9% rate for Texas, a negative sign for the Beaumont MSA economy and one that is exacerbated by the fact that the Beaumont MSA has underperformed Texas in the rate of job growth over the past two years.

Employment Sectors

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



Source: Esri 2020. Compiled by JLL Valuation & Advisory Services, LLC.

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

1. Education, Health Services - which accounts for 22.9% of Beaumont MSA payroll employment compared to 22.6% for Texas as a whole. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.
2. Trade, Transportation, Utilities - which accounts for 19.4% of Beaumont MSA payroll employment compared to 19.2% for Texas as a whole. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.
3. Construction - which accounts for 12.9% of Beaumont MSA payroll employment compared to 9.4% for Texas as a whole. This sector includes construction of buildings, roads, and utility systems.
4. Manufacturing - which accounts for 12.4% of Beaumont MSA payroll employment compared to 8.6% for Texas as a whole. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.

The Beaumont MSA is underrepresented in the following categories:

1. Professional, Business Services - which accounts for 4.7% of Beaumont MSA payroll employment compared to 7.8% for Texas as a whole. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.

2. Financial Activities - which accounts for 4.7% of Beaumont MSA payroll employment compared to 7.0% for Texas as a whole. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.
3. Natural Resources, Mining - which accounts for 1.6% of Beaumont MSA payroll employment compared to 2.8% for Texas as a whole. Agriculture, mining, quarrying, and oil and gas extraction are included in this sector.
4. Information - which accounts for 0.7% of Beaumont MSA payroll employment compared to 1.5% for Texas as a whole. Publishing, broadcasting, data processing, telecommunications, and software publishing are included in this sector.

Major Employers

The table below contains major employers in the Beaumont MSA.

Major Employers - Beaumont MSA

Name	Employees
1 AT&T	3,003
2 Lamar University	2,546
3 ExxonMobil Corp.	2,189
4 Christus St. Elizabeth Hospital	2,136
5 Texas State Bank	1,900
6 Talon Insurance Agency Ltd.	1,718
7 Westvaco	1,690
8 Motiva Enterprises LLC	1,500
9 West Teleservices Corp.	1,464
10 Memorial Hermann Baptist	1,399
11 Kinsel Ford Inc.	1,135
12 Huntsman Corp.	1,038
13 Signal International	1,000
14 Medical Center of SETX	825
15 Wal-Mart Stores Inc.	816
16 Valero Refining Group	813
17 Burrow Global Services	785
18 Premcor Refinery	780
19 Alorica	665
20 Conn's	603

Sources(s): City of Beaumont Texas, 2017

Gross Domestic Product

Based on Gross Domestic Product (GDP), the Beaumont MSA ranks #93 out of all metropolitan area economies in the nation.

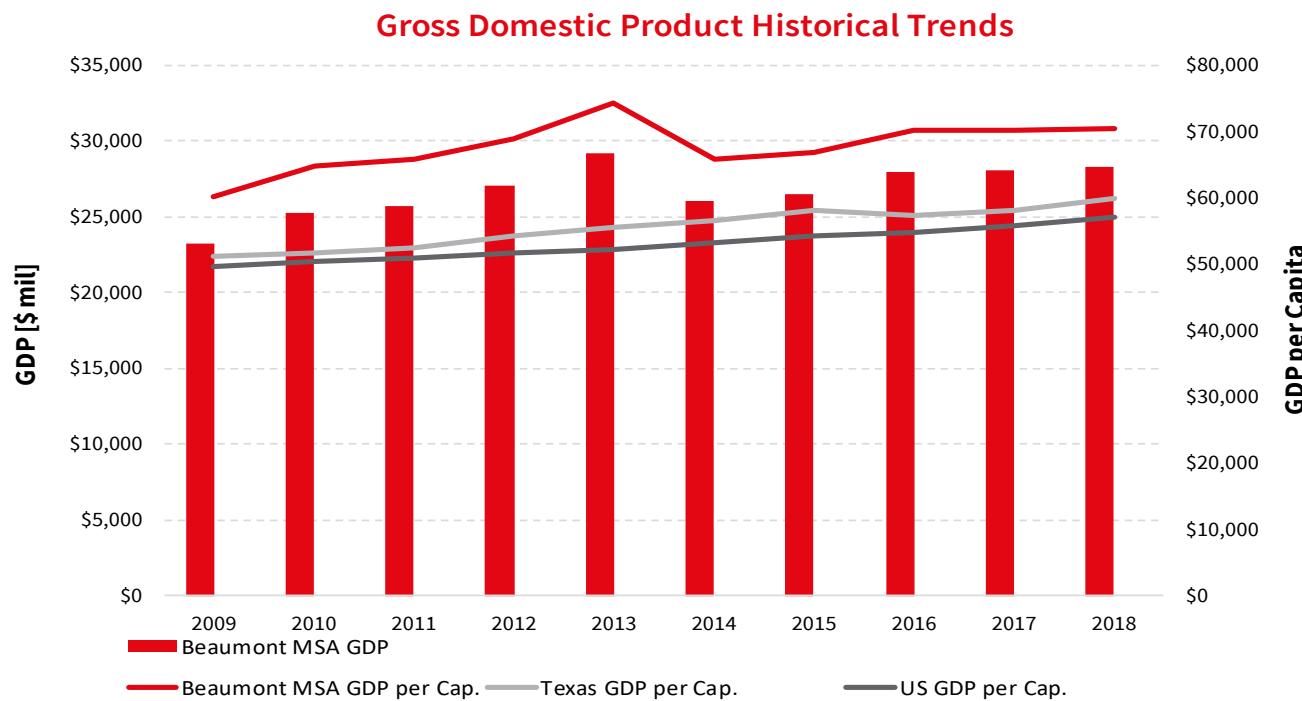
Economic growth, as measured by annual changes in GDP, has been somewhat lower in the Beaumont MSA than Texas overall during the past nine years. The Beaumont MSA has expanded at a 2.2% average annual rate while the State of Texas has grown at a 3.4% rate. As the national economy improves, the Beaumont MSA continues to underperform Texas. GDP for the Beaumont MSA rose by 0.6% in 2018 while Texas's grew by 4.0%.

The Beaumont MSA has a per capita GDP of \$70,354, which is 18.0% greater than Texas's GDP of \$59,827. This means that the Beaumont MSA industries and employers are adding relatively much more value to the economy than their peers in Texas.

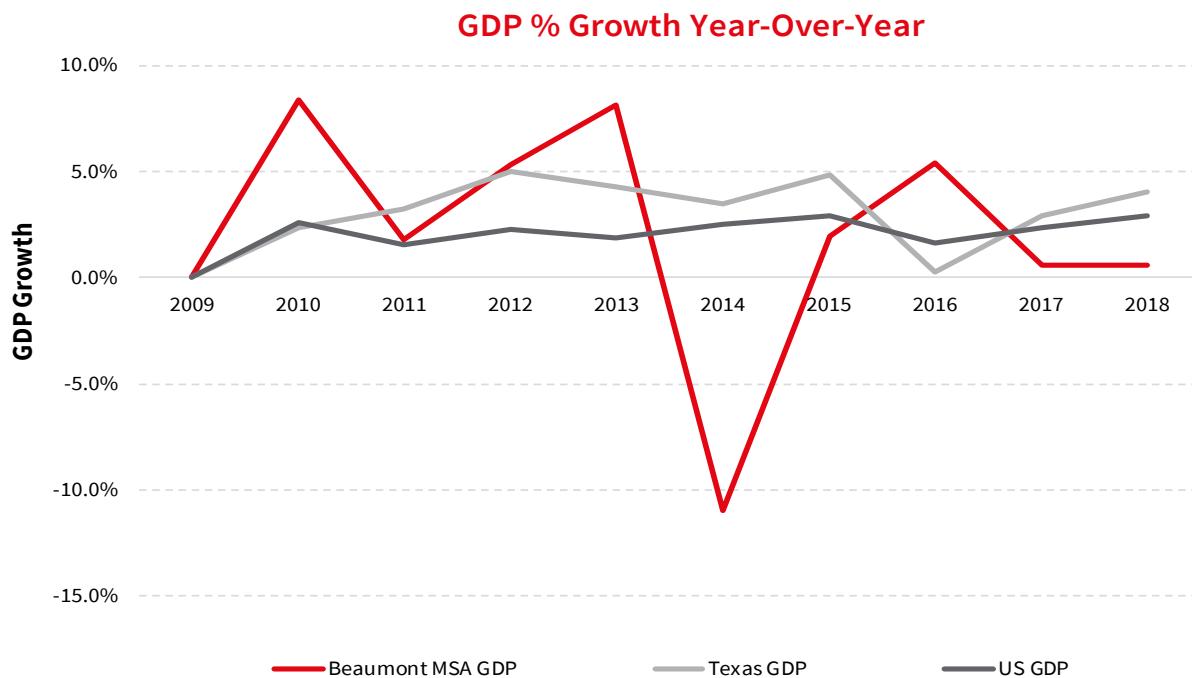
Gross Domestic Product

Year	Gross Domestic Product (\$ mil)						GDP per Capita (\$)		
	Beaumont		Texas		United States		Beaumont	Texas	United States
	MSA	Change	Texas	Change	United States	Change	MSA	Texas	United States
2009	\$23,241	-	\$1,271,436	-	\$15,208,834	-	\$60,026	\$51,264	\$49,577
2010	\$25,191	8.4%	\$1,301,727	2.4%	\$15,598,753	2.6%	\$64,801	\$51,570	\$50,429
2011	\$25,648	1.8%	\$1,343,791	3.2%	\$15,840,664	1.6%	\$65,712	\$52,398	\$50,844
2012	\$27,011	5.3%	\$1,411,379	5.0%	\$16,197,007	2.2%	\$68,930	\$54,108	\$51,611
2013	\$29,209	8.1%	\$1,472,104	4.3%	\$16,495,369	1.8%	\$74,243	\$55,592	\$52,202
2014	\$25,996	-11.0%	\$1,523,057	3.5%	\$16,912,038	2.5%	\$65,816	\$56,484	\$53,132
2015	\$26,492	1.9%	\$1,596,362	4.8%	\$17,403,843	2.9%	\$66,809	\$58,113	\$54,279
2016	\$27,918	5.4%	\$1,600,260	0.2%	\$17,688,890	1.6%	\$70,128	\$57,327	\$54,774
2017	\$28,069	0.5%	\$1,646,264	2.9%	\$18,108,082	2.4%	\$70,233	\$58,182	\$55,720
2018	\$28,227	0.6%	\$1,712,764	4.0%	\$18,638,164	2.9%	\$70,354	\$59,827	\$57,052
10 Yr Change	\$4,986	2.2%	\$441,328	3.4%	\$3,429,330	2.3%	\$10,328	\$8,563	\$7,475

Source: Bureau of Economic Analysis. The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted 'real' GDP stated in 2012 dollars. BEA no longer publishes MSA per Capita GDP data; values shown are calculated by dividing the MSA GDP by its estimated population for the year shown.



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



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

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

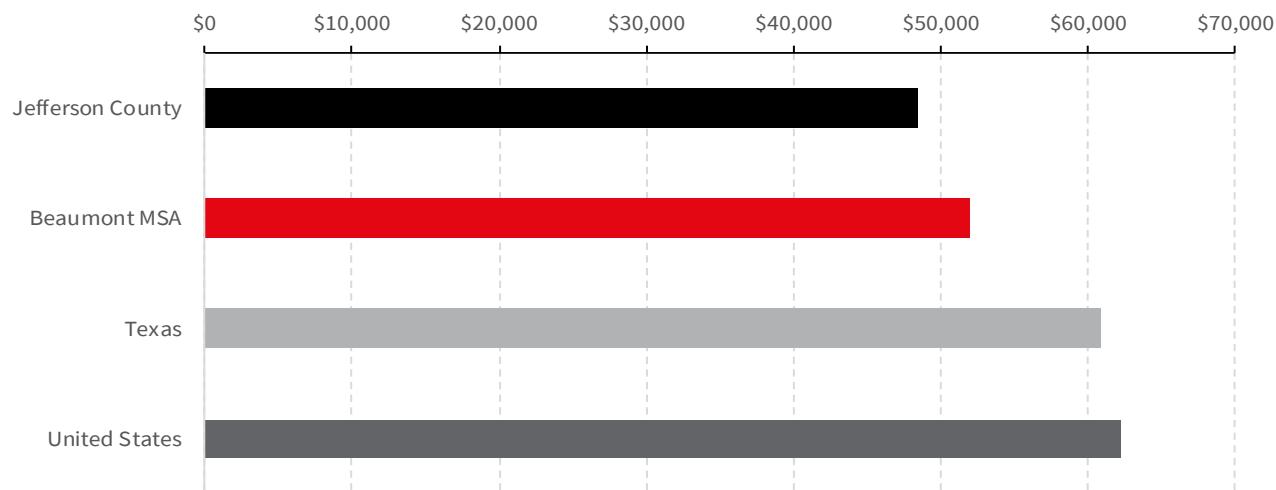
Household Income

The Beaumont MSA has a much lower level of household income than Texas. Median household income for the Beaumont MSA is \$51,978, which is 14.5% less than Texas.

Median Household Income

Area	Med. Household Income 2020 Est.	2025 Est.	Compound Ann. % Chng 2020 - 2025
Jefferson County	\$48,403	\$51,859	1.4%
Beaumont MSA	\$51,978	\$55,121	1.2%
Texas	\$60,820	\$65,282	1.4%
United States	\$62,203	\$67,325	1.6%

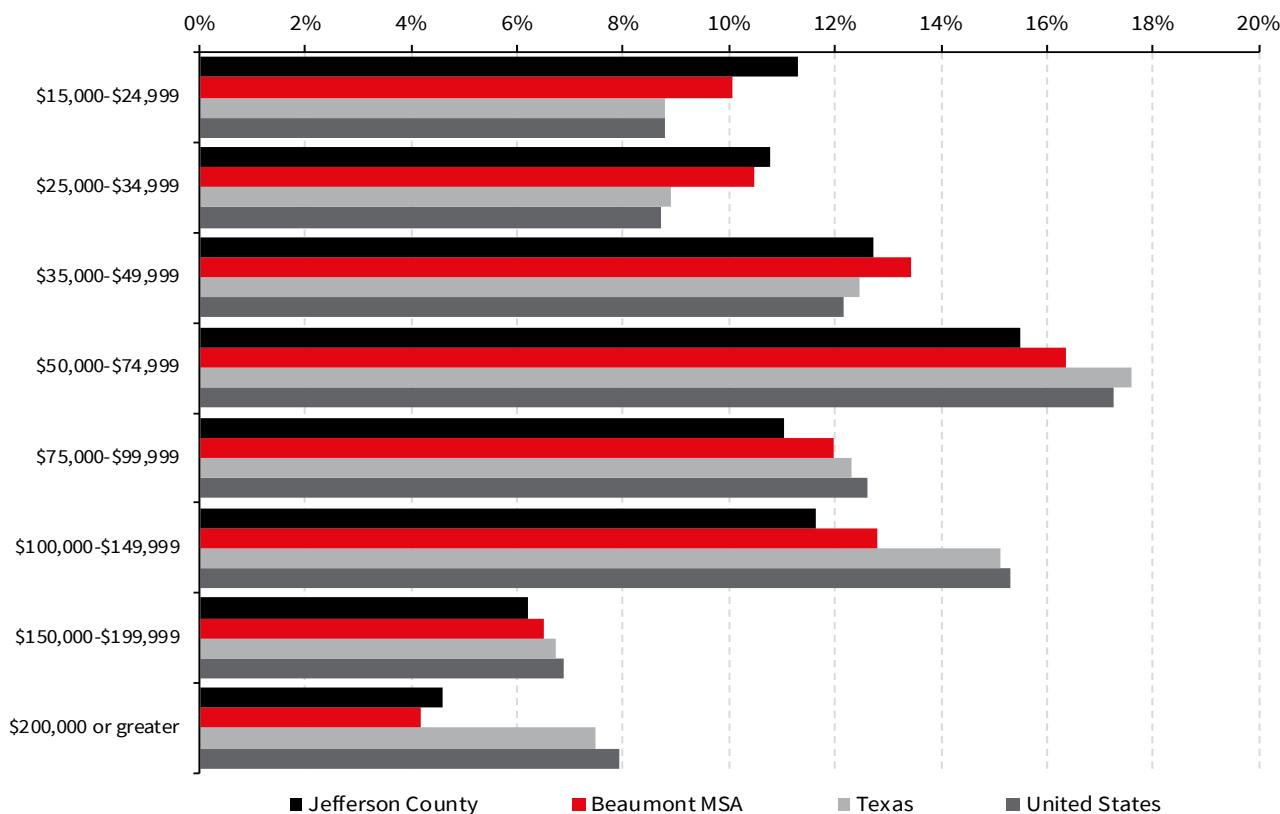
Source: Esri 2020. Compiled by JLL Valuation & Advisory Services, LLC.

2020 Median Household Income Area Comparison

Source: Esri 2020. Compiled by JLL Valuation & Advisory Services, LLC.

The Beaumont MSA has a greater concentration of households in the lower income levels than Texas. Specifically, 35% of the Beaumont MSA households are below the \$35,000 level in household income as compared to 28% of Texas households. A smaller concentration of households exists in the higher income levels, as 35% of the Beaumont MSA households are at the \$75,000 or greater levels in household income versus 42% of Texas households.

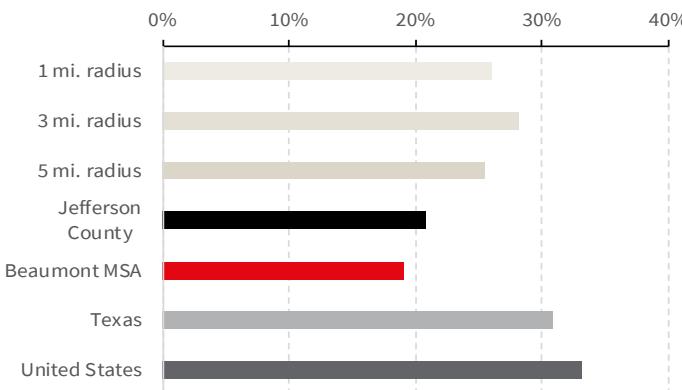
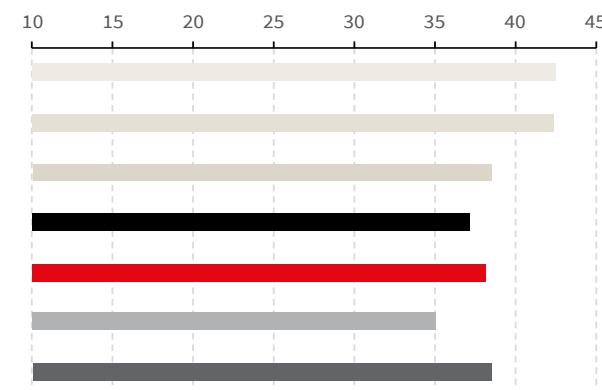
2020 Median Household Income Distribution



Source: Esri 2020. Compiled by JLL Valuation & Advisory Services, LLC.

Education and Age

Residents of the Beaumont MSA have a significantly lower level of educational attainment than those in Texas. An estimated 19.1% of the Beaumont MSA residents are college graduates with four-year degrees or higher, while Texas residents have an estimated 30.9% with at least a four-year degree. People in the Beaumont MSA are older than their peers in Texas. The median age of the Beaumont MSA is 38 years, while Texas is 35 years.

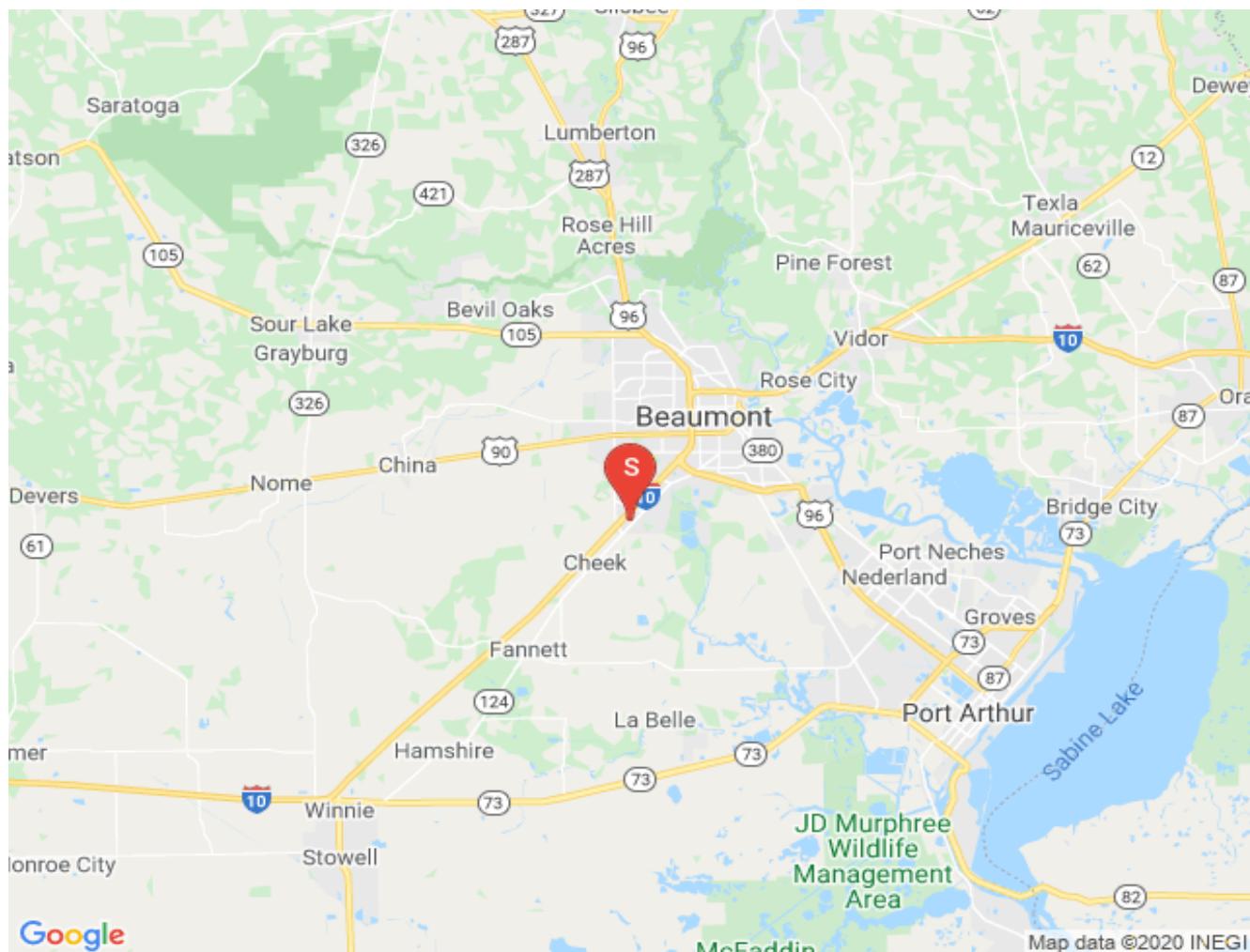
Population % with at least 4-Year Degree**Median Age**

Source: Esri 2020. Compiled by JLL Valuation & Advisory Services, LLC.

Conclusion

Due largely to the COVID-19 pandemic and a similarly timed repricing of oil and related products, the Beaumont area economy has stalled. The Beaumont MSA's economy will benefit from a stable to slightly growing population base. The Beaumont MSA saw an increase in the number of jobs in the past 10 years, and it can be anticipated that employment growth will continue in the future. Furthermore, the Beaumont MSA is influenced positively from having a higher level of GDP per capita than Texas overall. We project that the Beaumont MSA's economy will improve and employment will grow, strengthening the demand for real estate overall.

Area Map



Industrial Market Area Analysis

Beaumont Metro Area Trends and Analysis

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

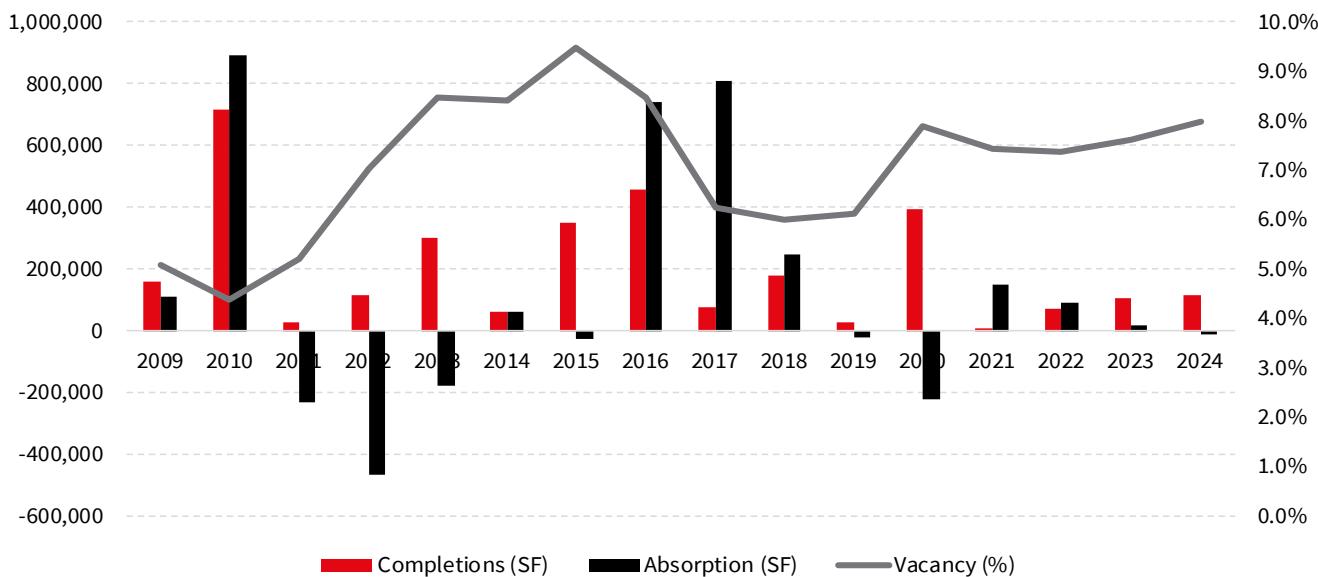
Beaumont Industrial Market Trends (All Classes of Space)

Year	Inventory (SF)	Vacancy (SF)	Vacancy (%)	Completions (SF)	Absorption (SF)	Inventory, Under Cons (SF)	Asking Rent (\$/SF)
2009	30,671,370	1,554,848	5.1%	158,420	107,562	610,336	\$5.05
2010	31,386,012	1,376,136	4.4%	714,642	893,356	22,500	\$4.93
2011	31,414,512	1,635,902	5.2%	28,500	-231,268	57,490	\$4.97
2012	31,530,998	2,219,888	7.0%	116,486	-467,504	300,998	\$5.09
2013	31,831,996	2,699,576	8.5%	300,998	-178,688	19,000	\$5.29
2014	31,870,596	2,678,522	8.4%	61,400	59,654	269,970	\$5.59
2015	32,220,166	3,057,310	9.5%	349,570	-29,218	375,100	\$5.75
2016	32,675,166	2,771,584	8.5%	455,000	740,732	67,798	\$5.99
2017	32,752,864	2,040,136	6.2%	77,698	809,142	163,906	\$6.26
2018	32,929,770	1,969,298	6.0%	176,906	247,744	9,900	\$6.63
2019	32,989,070	2,017,858	6.1%	27,900	-20,658	395,144	\$6.88
2020 Q2	33,048,414	2,297,408	7.0%	33,000	-147,212	335,800	\$6.83
2020	33,380,818	2,631,138	7.9%	394,532	-221,432	0	\$6.69
2021	33,380,452	2,482,916	7.4%	7,034	148,454	0	\$6.70
2022	33,449,358	2,463,228	7.4%	68,906	89,444	0	\$6.93
2023	33,556,566	2,555,442	7.6%	107,208	15,520	0	\$7.10
2024	33,671,292	2,682,252	8.0%	114,726	-11,724	0	\$7.22
2009 - 2019 Avg.	32,024,775	2,183,733	6.8%	224,320	175,532	208,377	\$5.67

Source: ©CoStar, Inc. 2019. Reprinted with the permission of CoStar, Inc. Compiled by JLL Valuation & Advisory Services, LLC.

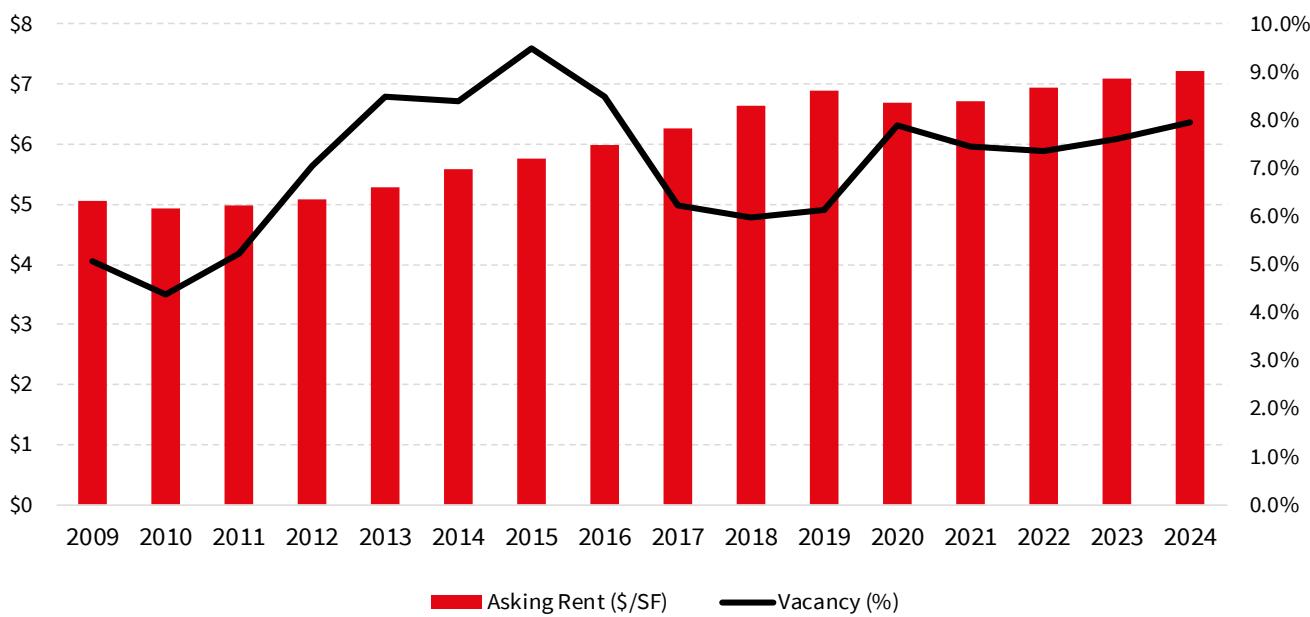
- The most recent data shows 33,000 SF were added to the market. On average 224,320 SF have been added to the market over the last eleven complete years and dropped 82.4%. During the same period, completions reached a low of 27,900 SF in 2019 and experienced a maximum of 714,642 SF in 2010.
- Looking forward, it is expected that in four years completions will show a decline of 48.9% from the 11-year average of 224,320 SF, representing a change of 109,594 SF by year-end 2024.
- The most recent data shows asking rent is \$6.83/SF. Over the last eleven complete years, asking rent had an annual average of \$5.67/SF and increased 36.3%. During the same period, asking rent reached a low of \$4.93/SF in 2010 and achieved a peak of \$6.88/SF in 2019.
- Looking forward, it is expected that in four years asking rent will show a gain of 5.6% from the present amount of \$6.83/SF, representing a change of \$0.38/SF by year-end 2024.

Supply and Demand Trends



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Vacancy Rate vs. Asking Rent



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- Vacancy rates are presently 7.0%. Over the past eleven complete years, vacancy rates had an annual average of 6.8% and rose 105 bps. During the same period, vacancy rates reached a low of 4.4% in 2010 and achieved a peak of 9.5% in 2015.

- Projecting four years into the future, vacancy rates will show an increase of 101 bps from the present amount of 7.0%.
- Currently, absorption is -147,212 SF. During the past eleven complete years, absorption averaged 175,532 SF annually and decreased 119.2%. Over that same time frame, absorption experienced a minimum of -467,504 SF in 2012 and experienced a maximum of 893,356 SF in 2010.
- Four-year forecasts demonstrate that absorption will be -11,724 SF by the end of 2024, equivalent to a decline of 106.7% compared to the eleven-year average of 175,532 SF.

Beaumont Submarket Synopsis

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

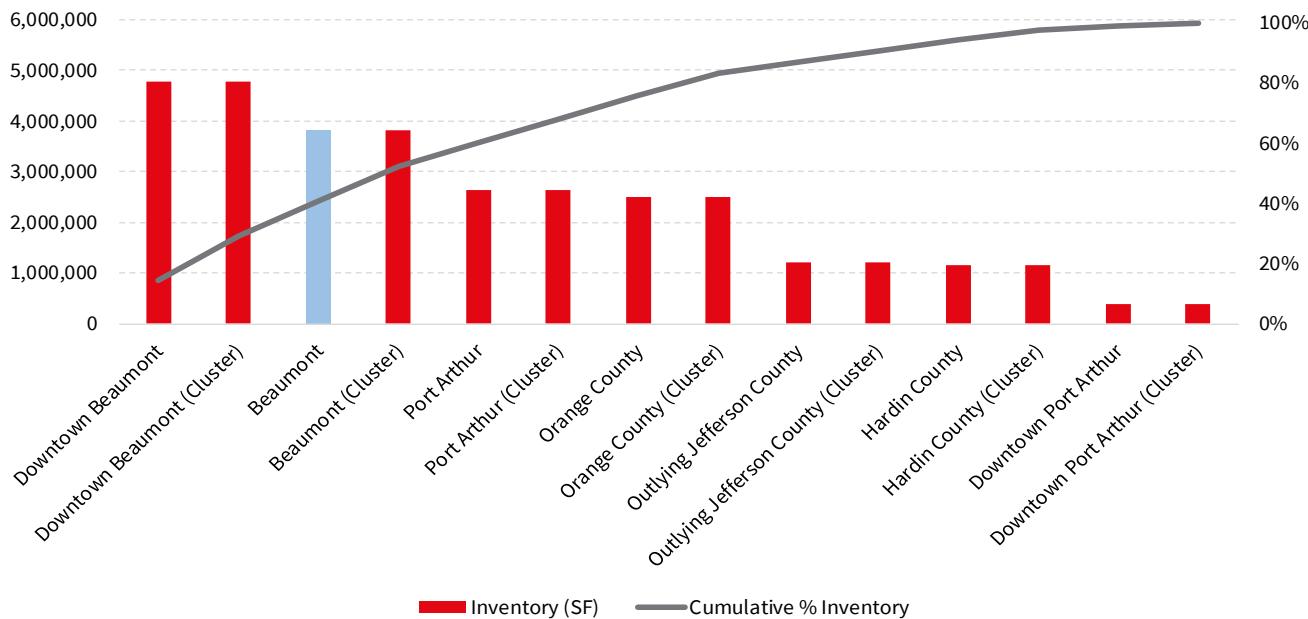
Beaumont Submarket Overview (All Classes of Space)

Submarket	Inventory (SF)	Asking Rent (\$/SF)	Vacancy (%)	Vacancy (SF)	Completions (SF)	Absorption (SF)	Inventory, Under Cons (SF)
Downtown Beaumont	4,783,237	\$6.00	7.2%	344,199	0	-67,331	0
Downtown Beaumont (Cluster)	4,783,237	\$6.00	7.2%	344,199	0	-67,331	0
Beaumont	3,832,816	\$7.13	10.1%	386,231	30,966	-143,709	27,600
Beaumont (Cluster)	3,832,816	\$7.13	10.1%	386,231	30,966	-143,709	27,600
Port Arthur	2,637,256	\$7.55	3.0%	79,008	166,300	182,681	140,300
Port Arthur (Cluster)	2,637,256	\$7.55	3.0%	79,008	166,300	182,681	140,300
Orange County	2,505,184	\$6.87	5.8%	146,107	0	-72,967	0
Orange County (Cluster)	2,505,184	\$6.87	5.8%	146,107	0	-72,967	0
Outlying Jefferson County	1,221,775	\$7.70	15.1%	184,759	0	-25,902	0
Outlying Jefferson County (Cluster)	1,221,775	\$7.70	15.1%	184,759	0	-25,902	0
Hardin County	1,152,486	\$6.15	0.7%	8,400	0	-8,743	0
Hardin County (Cluster)	1,152,486	\$6.15	0.7%	8,400	0	-8,743	0
Downtown Port Arthur	391,453	\$6.41	0.0%	0	0	25,255	0
Downtown Port Arthur (Cluster)	391,453	\$6.41	0.0%	0	0	25,255	0
Market Totals/Averages	33,048,414	\$6.83	7.0%	2,297,408	394,532	-221,432	335,800

Source: ©CoStar, Inc. 2019. Reprinted with the permission of CoStar, Inc. Compiled by JLL Valuation & Advisory Services, LLC.

- Over half of the total inventory in the Beaumont metro area is contained in just the top four of its fourteen submarkets. The Beaumont submarket is the third-largest in inventory in the metro area. It contains 3,832,816 SF, which represents 11.6% of the unit inventory.
- The submarket's asking rent is \$7.13/SF, which is 4.4% greater than the metro area average of \$6.83.

Beaumont Submarket Overview (All Classes of Space)



Source: ©CoStar, Inc. 2019. Reprinted with the permission of CoStar, Inc. Compiled by JLL Valuation & Advisory Services, LLC.

- The submarket's vacancy rate is 10.1%, which is greater than the average of 7.0% across the metro area.
- The submarket has vacancy averaging 386,231 SF, which is 16.8% of the metro area total 2,297,408 SF.
- The submarket has completions averaging 30,966 SF, which is 7.8% of the metro area total 394,532 SF.
- The submarket has absorption averaging -143,709 SF, which is 64.9% of the metro area total - 221,432 SF.
- The submarket has under construction inventory of 27,600 SF, which is 8.2% of the metro area total 335,800 SF.

When evaluated in comparison to the other submarkets in the area, Beaumont receives the following ratings:

Beaumont Submarket Attribute Ratings

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

Beaumont Submarket Trends and Analysis

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

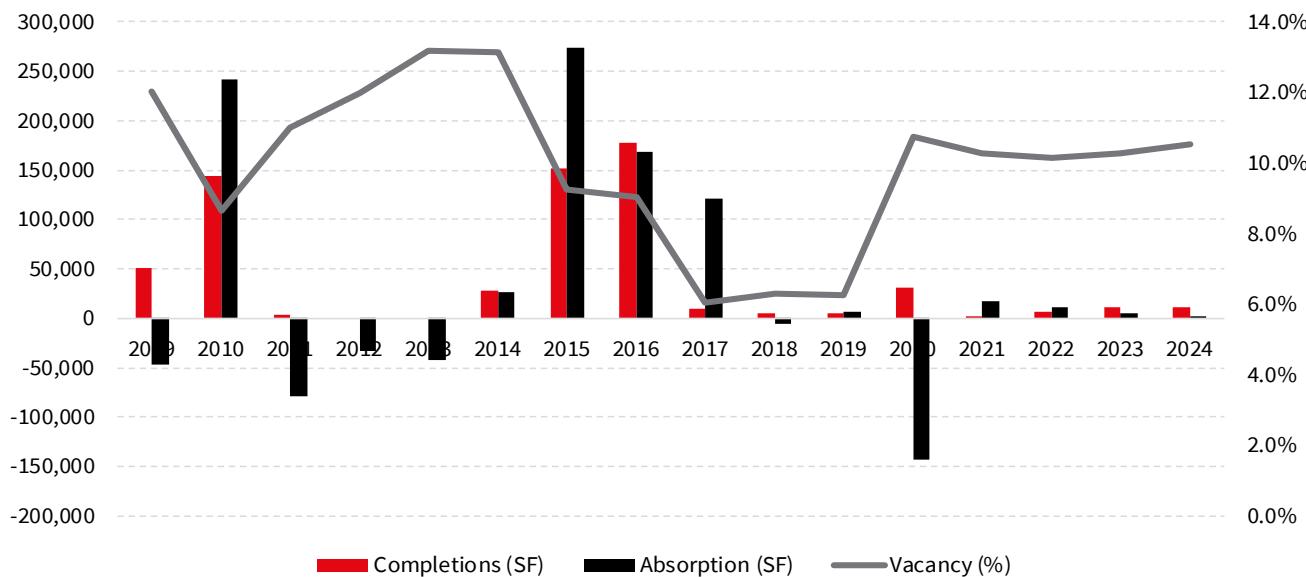
Beaumont: Beaumont Submarket Trends (All Classes of Space)

Year	Inventory (SF)	Vacancy (SF)	Vacancy (%)	Completions		Under Cons (SF)	Inventory, Asking Rent (\$/SF)
				(SF)	(SF)		
2009	3,294,970	396,594	12.0%	51,298	-46,400	129,350	\$5.38
2010	3,438,322	297,557	8.7%	143,352	242,389	0	\$5.27
2011	3,441,322	379,183	11.0%	3,000	-78,625	0	\$5.30
2012	3,441,322	411,884	12.0%	0	-32,702	0	\$5.39
2013	3,441,322	453,984	13.2%	0	-42,100	7,500	\$5.57
2014	3,470,022	456,003	13.1%	28,700	26,681	113,485	\$5.84
2015	3,621,507	334,187	9.2%	151,485	273,302	158,800	\$6.06
2016	3,799,307	342,991	9.0%	177,800	168,996	9,437	\$6.30
2017	3,808,744	230,562	6.1%	9,437	121,865	4,950	\$6.54
2018	3,813,694	240,491	6.3%	4,950	-4,978	4,950	\$6.92
2019	3,829,144	239,529	6.3%	4,950	5,911	31,272	\$7.17
2020 Q2	3,832,816	386,231	10.1%	0	-41,925	27,600	\$7.13
2020	3,860,110	414,224	10.7%	30,966	-143,709	0	\$6.98
2021	3,860,070	397,190	10.3%	684	17,111	0	\$7.00
2022	3,866,910	393,004	10.2%	6,840	11,247	0	\$7.24
2023	3,877,529	399,109	10.3%	10,619	4,704	0	\$7.42
2024	3,888,888	409,441	10.5%	11,359	1,171	0	\$7.55
2009 - 2019 Avg.	3,581,789	343,906	9.6%	52,270	57,667	41,795	\$5.98

Source: ©CoStar, Inc. 2019. Reprinted with the permission of CoStar, Inc. Compiled by JLL Valuation & Advisory Services, LLC.

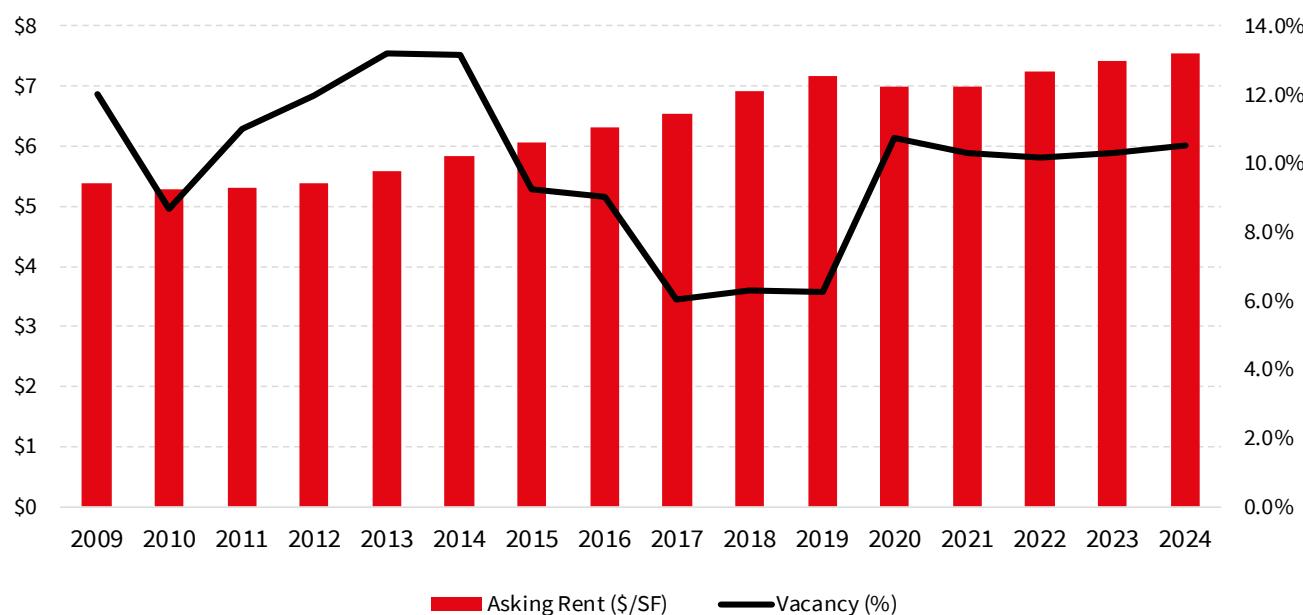
- There were no completions in the current period. On average 52,270 SF have been added to the market over the last eleven complete years and declined 90.4%. During the same period, completions achieved a peak of 177,800 SF in 2016.
- Looking forward, it is expected that in four years completions will show a decrease of 78.3% from the 11-year average of 52,270 SF, representing a change of 40,911 SF by year-end 2024.

Supply and Demand Trends



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Vacancy Rate vs. Asking Rent



Source: ©CoStar, Inc. 2019. Reprinted with the permission of CoStar, Inc. Compiled by JLL Valuation & Advisory Services, LLC.

- Vacancy rates are presently 10.1%. Over the past eleven complete years, vacancy rates had an annual average of 9.6% and dropped 578 bps. During the same period, vacancy rates reached a low of 6.1% in 2017 and attained a high of 13.2% in 2013.

- Projecting four years into the future, vacancy rates will show a gain of 45 bps from the present amount of 10.1%.
- Currently, absorption is -41,925 SF. During the past eleven complete years, absorption averaged 57,667 SF annually and declined 112.7%. Over that same time frame, absorption reached a low of -78,625 SF in 2011 and achieved a peak of 273,302 SF in 2015.
- Four-year forecasts demonstrate that absorption will be 1,171 SF by the end of 2024, equivalent to a decrease of 98.0% compared to the eleven-year average of 57,667 SF.

Beaumont Construction Activity

The ensuing table contains a snapshot of proposed, planned, and under construction activity for all industrial properties in the Beaumont metro area.

Beaumont Industrial New Construction Overview

	Under Construction		Planned		Proposed	
	Properties	Bldg. SF	Properties	Bldg. SF	Properties	Bldg. SF
Beaumont	57	10,925,454	110	16,216,147	33	10,859,028
Warehouse/Distribution	53	10,627,165	86	14,498,365	30	10,275,028
Flex/R&D	3	235,461	16	1,015,952	0	0
Manufacturing	0	0	2	255,600	3	584,000

Source: ©REIS Services, LLC 2019. Reprinted with the permission of REIS Services, LLC. Compiled by JLL Valuation & Advisory Services, LLC.

- Of these, 57 are under construction, 110 are planned and 33 are proposed.
- As a percentage of total new construction square footage, under construction properties account for 29%, planned properties account for 43% and proposed properties account for 29% of the volume in the market.
- Considering the property subtypes as a percent of the total square footage of new supply, 93% are Warehouse/Distribution and 2% are Manufacturing.

Industrial Market Summary and Conclusions

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

Vacancy Rate Summary

Market Segment	Vacancy Rate
Beaumont Metro Area	7.0%
Beaumont Submarket Area	10.1%
Subject Property - Current	-

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

Surrounding Area Analysis

Boundaries

The subject is located in the Beaumont submarket, which is generally bound as follows:

North	Neches River
South	Flint Road/Willow Marsh Bayou/Hillebrandt Road
East	HWY 287
West	South Major Drive/Keith Road

Surrounding Demographics

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

Surrounding Area Demographics

	1 mi. radius	3 mi. radius	5 mi. radius	Jefferson County	Beaumont MSA	Texas	United States
Population							
2010	188	4,000	27,514	252,273	388,745	25,145,561	308,745,538
2020	196	4,180	28,427	258,338	404,337	29,806,340	333,793,107
2025	199	4,250	28,764	260,753	410,502	32,172,745	346,021,282
Compound Chg 2010 - 2020	0.42%	0.44%	0.33%	0.24%	0.39%	1.71%	0.78%
Compound Chg 2020 - 2025	0.30%	0.33%	0.24%	0.19%	0.30%	1.54%	0.72%
Density	62	148	362	295	193	114	95
Households							
2010	80	1,506	10,925	93,441	144,934	8,922,933	116,716,292
2020	83	1,584	11,270	95,755	150,760	10,521,548	126,083,849
2025	85	1,610	11,399	96,728	153,127	11,341,452	130,658,485
Compound Chg 2010 - 2020	0.37%	0.51%	0.31%	0.24%	0.39%	1.66%	0.77%
Compound Chg 2020 - 2025	0.48%	0.33%	0.23%	0.20%	0.31%	1.51%	0.72%
Other Demographics							
Med. Household Income	\$75,000	\$80,996	\$48,549	\$48,403	\$51,978	\$60,820	\$62,203
Avg. Household Size	2.4	2.6	2.5	2.5	2.6	2.8	2.6
College Graduate %	26.1%	28.2%	25.6%	20.8%	19.1%	30.9%	33.1%
Median Age	43	42	39	37	38	35	39
Owner Occupied %	81%	82%	59%	58%	65%	62%	64%
Renter Occupied %	20%	18%	41%	42%	35%	38%	36%
Med. Home Value	\$202,273	\$213,523	\$136,086	\$136,199	\$140,384	\$193,109	\$235,127

Source: Esri 2020. Compiled by JLL Valuation & Advisory Services, LLC.

As illustrated above, the current population within a three-mile radius of the subject is 4,180, and the average household size is 2.6. Population in the area has risen since the 2010 census, and this trend is expected to continue in the ensuing five years. The pace of population growth within a three-mile radius is projected to be less than that of the Beaumont MSA overall.

Median household income is \$80,996, which is considerably higher than the household income for the Beaumont MSA as a whole. The populace within a three-mile radius has more formal college education than residents in the Beaumont MSA, and median home values in the area are substantially higher.

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

Walk and Bike Information

Metric	Rating (0-100)	Description
Walk Score	1	Car-Dependent
Bike Score	25	Somewhat Bikeable

Source: Walkscore.com, updated 11/15/2019. Compiled by JLL Valuation & Advisory Services, LLC.

Demand Generators

Major employers in the area include Beaumont ISD, Christus St. Elizabeth Hospital, and Exxon Mobil Oil Corporation. Development activity in the immediate area has been predominantly of industrial uses. In addition, development in the area has been moderate in the last three years. Additionally, the Subject has average area linkages providing access to surrounding area job centers, such as The City of Beaumont and other commercial districts. The closest major commercial corridors to the subject are the Interstate 10 and Highway 124 corridors; providing average supporting retail and entertainment services, which is situated to the northeast of the Subject.

Access and Linkages

Interstate 10 and Highway 124 provide access to the subject from the greater Beaumont metro area. Interstate 10 links Beaumont to The City of Houston and The State of Louisiana, along with much of the southern United States. The subject is not serviced by any form of public transportation. Additionally, the subject has a walk score of 1 indicating a below average walkability factor. The subject is most commonly accessed via car.

The nearest commercial airport is Beaumont Municipal Airport and is located within 4 miles of the subject property.

Outlook and Conclusion

The subject's area has not experienced recent employment growth and construction activity has been stagnant contributing to our conclusion that the subject's area is in the stable stage of its life cycle.

Surrounding Area Map



Property Description

Site Description

Aerial Map



Land Summary

Parcel ID	Gross Land Area (Acres)	Gross Land Area (Sq Ft)	Flood Zone	Approved or Zoned	Topography	Shape
Ford Park	221.00	9,626,760	AE	Zoned	Generally Level	Irregular

Source: Client

Land Description

Shape	Irregular
Corner Location	No
Primary Street Frontage	Interstate 10
Access Rating	Average
Visibility Rating	Good
Functional Utility	Average
Topography	Generally Level
Drainage	No drainage problems were observed or disclosed to us during our inspection. This appraisal assumes that surface water collection is adequate.
Soil Conditions	The soil conditions observed at the subject appear to be typical of the region and adequate to support development.
Wetlands/Watershed	According to the US Fish and Wildlife GIS mapping service, the Subject Property consists almost entirely of wetlands. Based on these maps this does not appear to be uncommon to the area.
Flood Zone Designation	AE
Flood Zone	The Subject Property is situated entirely within the 100-year floodplain in Zone AE. The Bayou that traverses the center of the Subject Property is situated within the floodway.
FEMA Map Number	4854570055D
FEMA Map Date	8/6/2002
Utilities	All public utilities are available to the site including public water and sewer, gas, electric, and telephone
Utilities Adequacy	The subject's utilities are typical and adequate for the market area.

Environmental Hazards

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

Zoning Summary

Zoning Jurisdiction	City of Beaumont
Zoning Code	LI - Light Industrial
Zoning Description	This District is intended primarily for the conduct of light manufacturing, assembling, fabrication, warehousing, wholesaling, and service operations that do not depend primarily on frequent personal visits of customers or clients, but that may require good accessibility to major rail, air facilities, or highways. This district is designed to upgrade industrial development standards, prevent industrial blight, and protect light industrial development from incompatible residential, commercial or heavy industrial uses. This district should function as a buffer or transition between heavy industrial development and commercial development.
Permitted Uses	A variety of light industrial and commercial uses.
Current Use Legally Conforming	Yes
Other Land Use Regulations	We are not aware of any other land use regulations that would affect the property.
Source	City of Beaumont Code of Ordinances

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

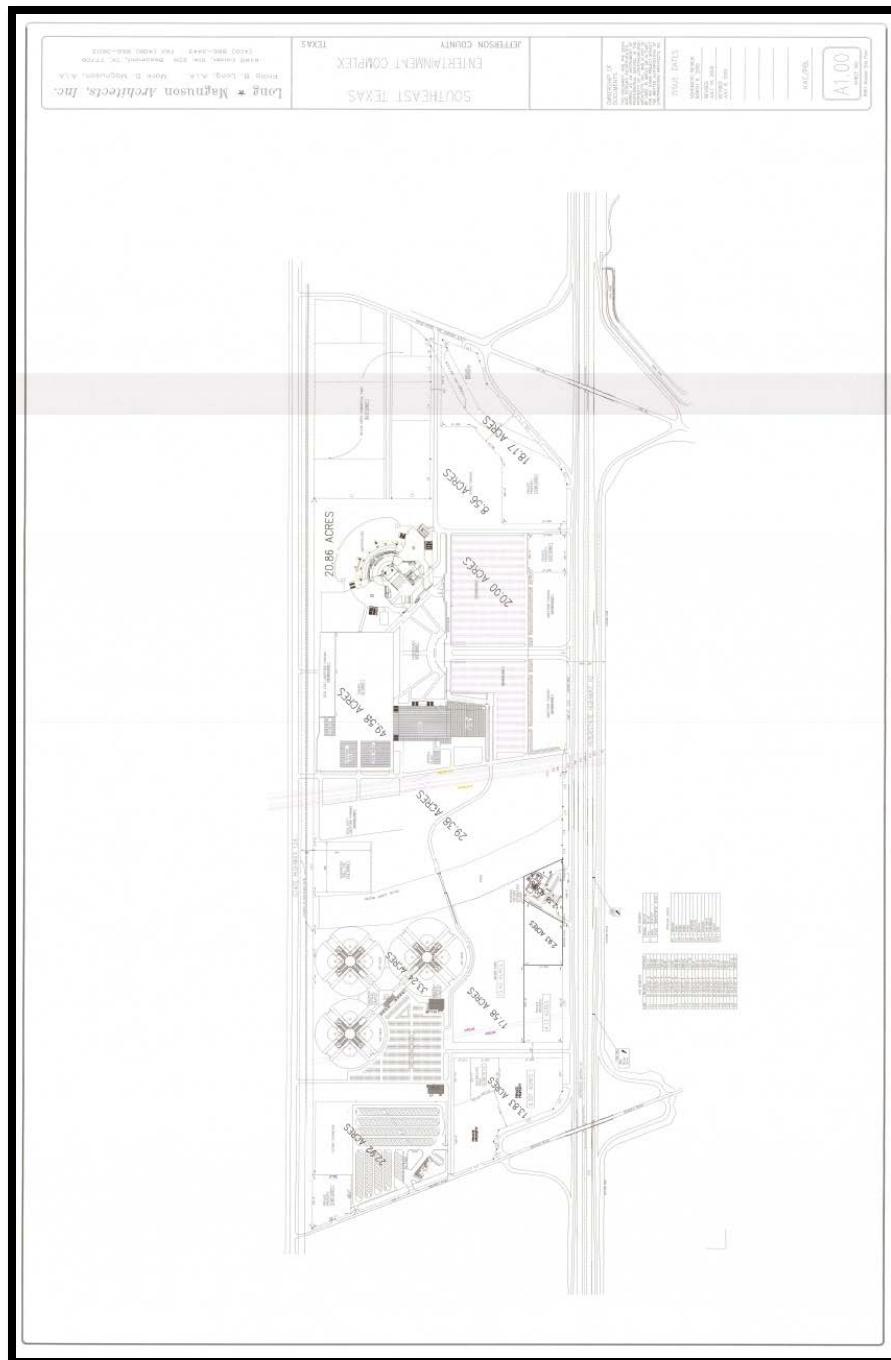
Encumbrance/Easements/Restrictions

Based upon a review of the deed and property survey, the property is subject to several pipeline easements and a drainage easement (Willow Marsh Bayou). The area of the Subject Property that is included within Willow Marsh Bayou will be discounted due to the fact that this area cannot be utilized or developed. There is also a cluster of pipeline easements situated near the middle of the Subject Property. The area within the pipeline corridor will also be discounted due to the loss of development potential of the area encumbered by these pipeline easements. There are several other pipeline easements that cross the Subject Property along its boundaries and in the northern portion of the property. These areas will not be discounted as they could likely be incorporated into future development plans of the property. Our valuation assumes that there are no other adverse impacts from easements, encroachments, or restrictions, other than those discussed in this paragraph and further assumes that the subject has clear and marketable title.

Overall Site Utility

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

Site Plan



Improvements Description

Ford Park is a sports and entertainment complex in Beaumont, Texas situated on approximately 221 acres on the southeast line of Interstate 10. The property is improved with the 8,500 seat Ford Arena and Ford Exhibit Hall and the Ford Fields complex made up of 12 youth baseball/softball fields which hosts several tournaments throughout the year. These improvements opened in the Fall of 2003 and are a combined 83,000 square feet of event space. The property also includes the 14,000 seat (fixed and lawn) Ford Pavilion, an outdoor event space complete with restrooms and food & drink plazas. Finally, the property is also home to the Ford Midway which is an outdoor area that hosts festivals, fairs, and rodeos. This area consists of a large stabilized area and approximately 70,000 square feet of covered barn space. The site also includes two ground leased areas containing 18.42 acres that are occupied by a 120-space RV Park and two metallic buildings.

Ford park hosts a wide array of events throughout its various venues. The Ford Fields baseball and softball complex hosts several tournaments and is the site of many interstate tournaments with teams from Louisiana and Texas both participating in tournaments. The Ford Arena and Pavilion has hosted several concerts, rodeos, circuses, and various motor sports events. The Ford Exhibit Hall has hosted various conventions and is suitable for tradeshows or other similar events. The South Texas State Fair, which draws an attendance of over 400,000 people each year, is held on the property each year.

Improvements Description

General Description	Subject	Building 2	Building 3	Building 4	Building 5	Building 6	Overall Property
Building Name / Type	Ford Arena	Ford Exhibit Hall	Ford Pavilion	Ford Fields	Livestock Sheds	Metal Shed	Ford Park
General Property Type	Special Purpose	Special Purpose	Special Purpose	Sports & Entertainment	Agricultural	Industrial	Sports & Entertainment
Competitive Property Class	C	C	C	C	C	C	C
Stories							-
Year Built	2003	2003	2003	2002	2003	2003	2002 - 2003
Construction Class	Class C	Class C	Class C	Class C	Class S	Class S	Multiple
Construction Type	Masonry	Masonry	Masonry	Masonry	Metal	Metal	Multiple
Construction Quality	Average	Average	Average	Average	Average	Average	Average
Condition	Average	Average	Average	Average	Average	Average	Average
Building Areas and Ratios							
Gross Building Area (SF)	35,000	48,000			69,000		152,000
Rentable Area (SF)	35,000	48,000			69,000		152,000
Usable Area (SF)	35,000	48,000			69,000		152,000
Building Efficiency Ratio	100%	100%			100%		100%
Building Area Source	Client						
Features	8,500 Permanent Seats		6,200 Permanent Seats	12 Baseball Fields			

Parking

Building Name / Type	Ford Park
Total Parking Spaces	5,187
Parking Type	Surface
Source of Parking Count	Client
Parking Condition	Average
Parking Adequacy	Average

Effective Age and Economic Life

Building Name / Type	Ford Arena	Ford Exhibit Hall	Ford Pavilion	Ford Fields	Livestock Sheds	Metal Shed	Ford Park
Year Built	2003	2003	2003	2002	2003	2003	2002 - 2003
Year Renovated	-	-	-	-	-	-	-
Actual Age (Yrs.)	17	17	17	18	17	17	17 - 18
Estimated Effective Age (Yrs.)	18	18	20	15	12	15	12 - 20
Estimated Economic Life (Yrs.)	45	45	35	45	20	30	20 - 45
Remaining Economic Life (Yrs.)	27	30	15	30	8	15	8 - 30

Improvements Analysis

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

Improvements Conclusion

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

Subject Photographs



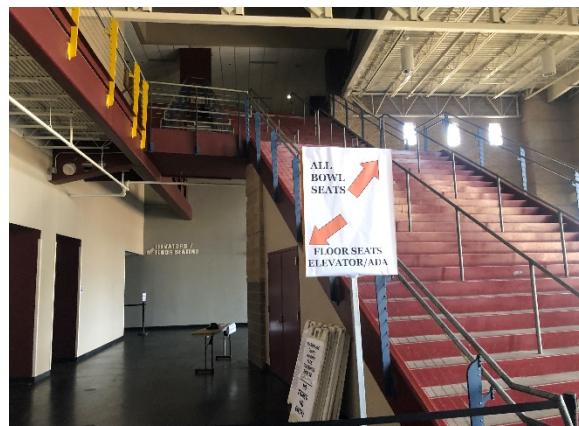
Exterior of Ford Arena
(Photo Taken on August 14, 2020)



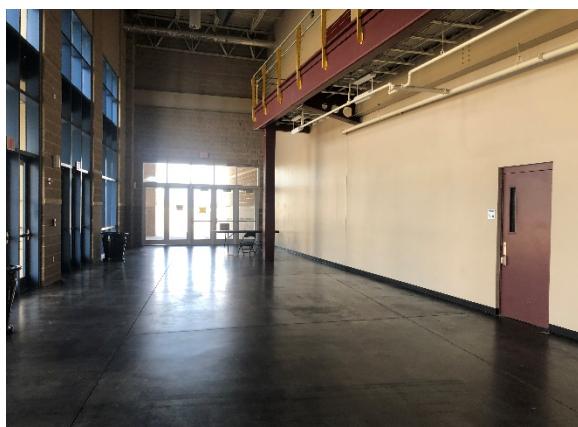
Exterior of Ford Exhibit Hall
(Photo Taken on August 14, 2020)



Interior of Ford Arena
(Photo Taken on August 14, 2020)



Interior of Ford Arena
(Photo Taken on August 14, 2020)



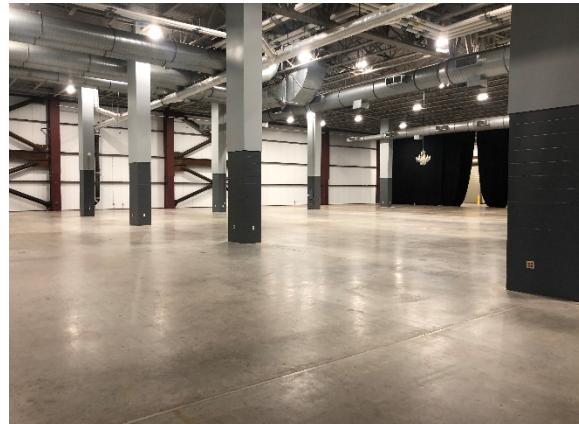
Interior of Ford Arena
(Photo Taken on August 14, 2020)



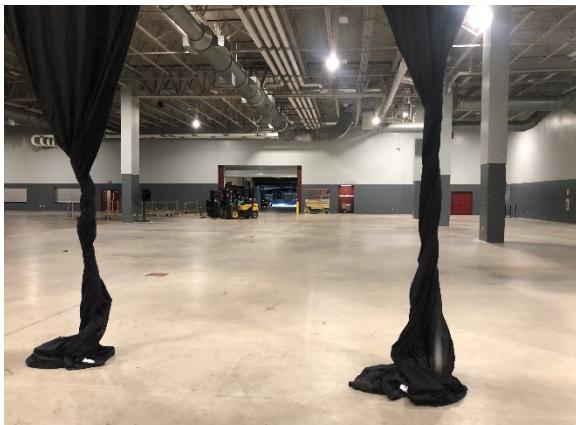
Ford Exhibit Hall
(Photo Taken on August 14, 2020)



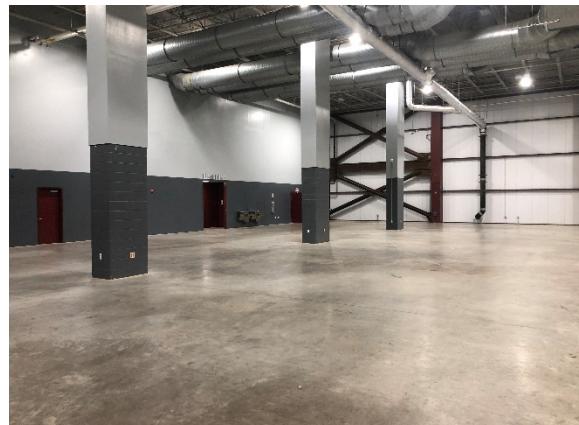
Ford Arena/Exhibit Hall Restroom
(Photo Taken on August 14, 2020)



Interior of Ford Exhibit Hall
(Photo Taken on August 14, 2020)



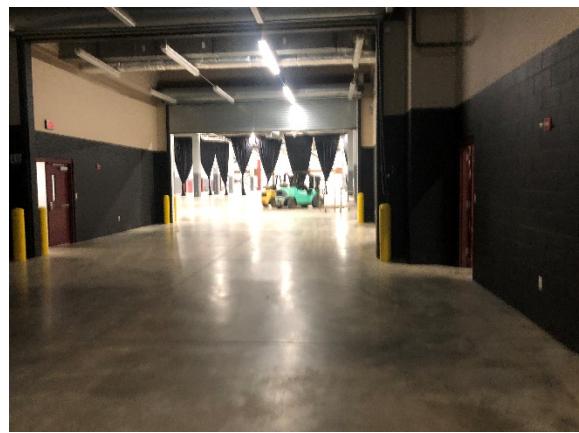
Interior of Exhibit Hall
(Photo Taken on August 14, 2020)



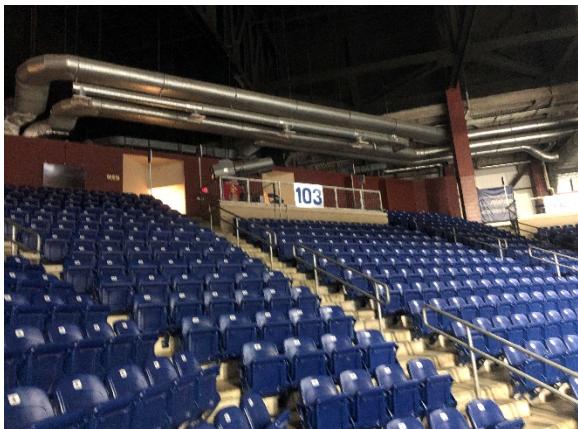
Interior of Exhibit Hall
(Photo Taken on August 14, 2020)



Interior of Exhibit Hall
(Photo Taken on August 14, 2020)



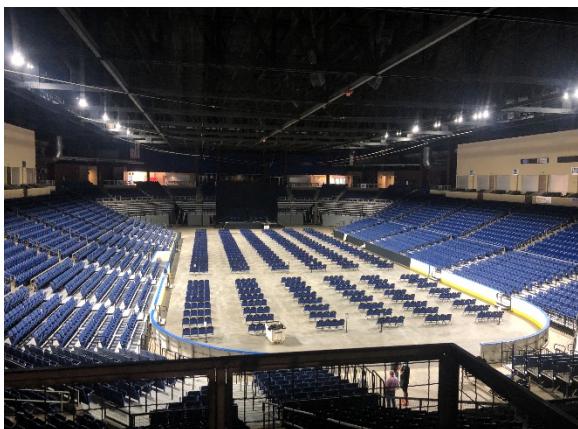
Interior of Exhibit Hall
(Photo Taken on August 14, 2020)



Seating in Ford Arena
(Photo Taken on August 14, 2020)



Concourse in Ford Arena
(Photo Taken on August 14, 2020)



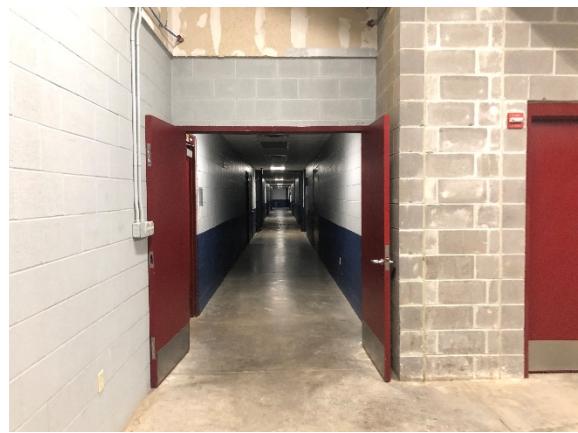
Interior of Ford Arena
(Photo Taken on August 14, 2020)



Interior of Ford Arena
(Photo Taken on August 14, 2020)



Locker Room in Ford Arena
(Photo Taken on August 14, 2020)



Interior of Ford Arena
(Photo Taken on August 14, 2020)



Interior of Ford Arena
(Photo Taken on August 14, 2020)



Office Space in Ford Arena
(Photo Taken on August 14, 2020)



Office Space in Ford Arena
(Photo Taken on August 14, 2020)



Kitchen in Ford Arena
(Photo Taken on August 14, 2020)



Kitchen Area in Ford Arena
(Photo Taken on August 14, 2020)



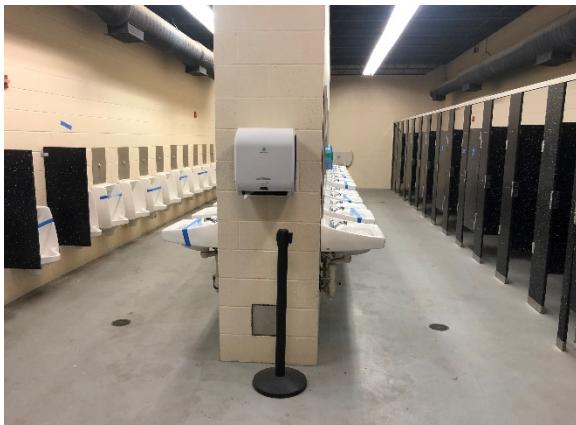
Rear of Ford Arena
(Photo Taken on August 14, 2020)



Ford Pavilion
(Photo Taken on August 14, 2020)



Exterior of Restroom at Ford Pavilion
(Photo Taken on August 14, 2020)



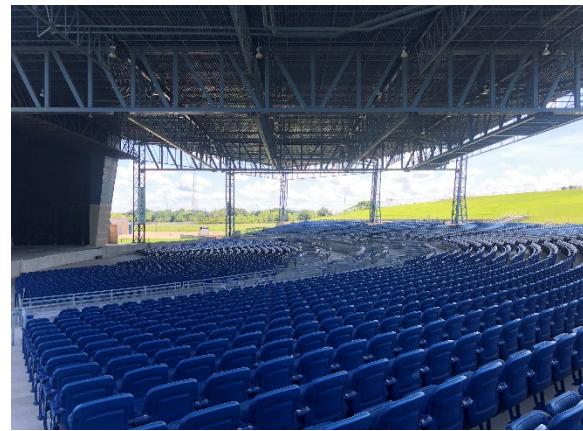
Interior of Restroom Area at Ford Pavilion
(Photo Taken on August 14, 2020)



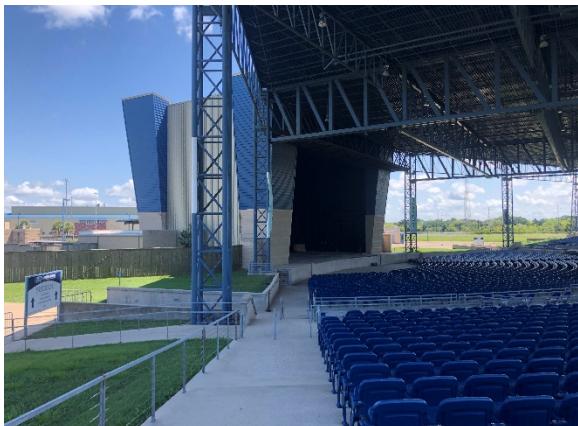
Ticket Office at Ford Pavilion
(Photo Taken on August 14, 2020)



Plaza Area at Ford Pavilion
(Photo Taken on August 14, 2020)



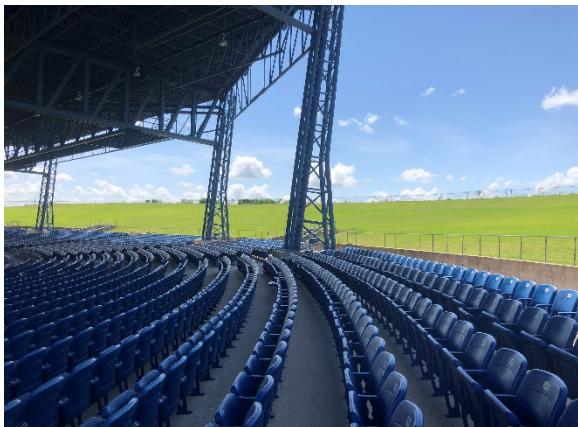
Fixed Seating at Ford Pavilion
(Photo Taken on August 14, 2020)



Seating Area at Ford Pavilion
(Photo Taken on August 14, 2020)



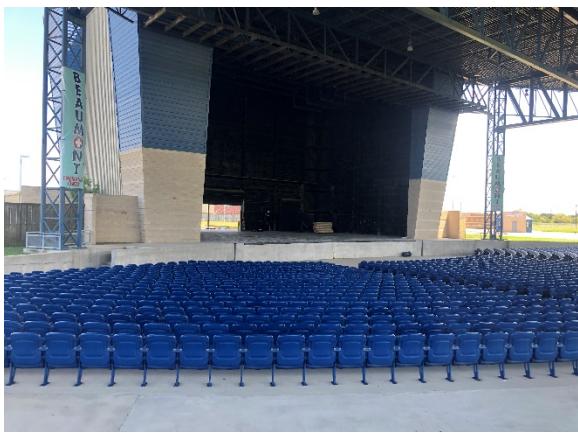
Lawn Seating Area at Ford Pavilion
(Photo Taken on August 14, 2020)



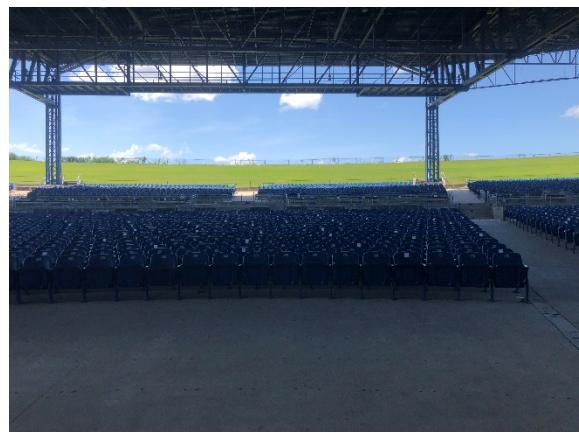
Fixed & Lawn Seating Area at Ford Pavilion (Photo Taken on August 14, 2020)



Fixed Seat Covering at Ford Pavilion
(Photo Taken on August 14, 2020)



Fixed Seating & Stage Area at Ford Pavilion (Photo Taken on August 14, 2020)



Seating at Ford Pavilion
(Photo Taken on August 14, 2020)



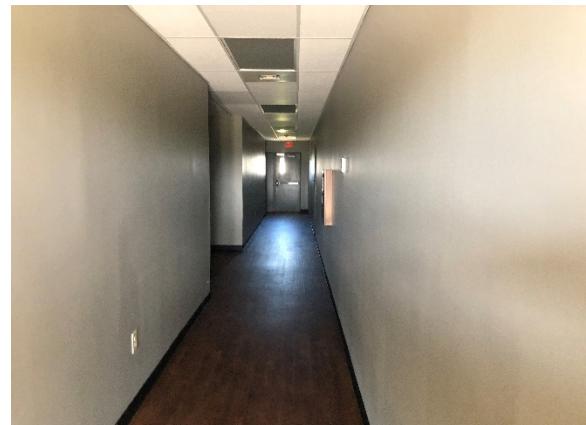
Stage Area of Ford Pavilion
(Photo Taken on August 14, 2020)



Stage Area of Ford Pavilion
(Photo Taken on August 14, 2020)



Backstage Area of Ford Pavilion
(Photo Taken on August 14, 2020)



Interior of Backstage Area of Ford Pavilion
(Photo Taken on August 14, 2020)



Interior of Backstage Area of Ford Pavilion
(Photo Taken on August 14, 2020)



Interior of Backstage Area of Ford Pavilion
(Photo Taken on August 14, 2020)



Ford Fields Parking Area
(Photo Taken on August 14, 2020)



Exterior of Building at Ford Fields
(Photo Taken on August 14, 2020)



Exterior of Restrooms at Ford Fields
(Photo Taken on August 14, 2020)



Interior of Restrooms at Ford Fields
(Photo Taken on August 14, 2020)



Concession Stand at Ford Fields
(Photo Taken on August 14, 2020)



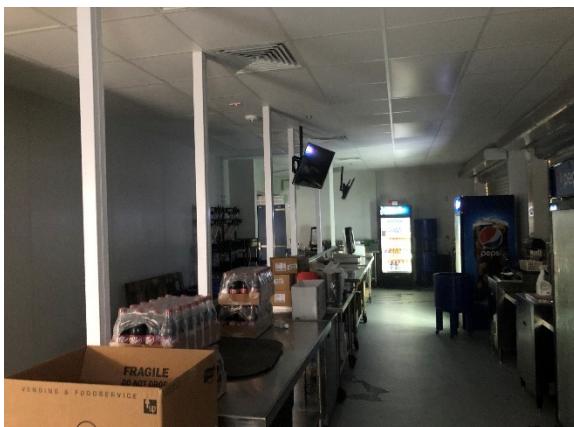
Concession Stand at Ford Fields
(Photo Taken on August 14, 2020)



Baseball Field at Ford Fields
(Photo Taken on August 14, 2020)



Baseball Field at Ford Fields
(Photo Taken on August 14, 2020)



Interior of Concession Stand at Ford Fields
(Photo Taken on August 14, 2020)



Interior of Concession Stand at Ford Fields
(Photo Taken on August 14, 2020)



Covered Livestock Shed
(Photo Taken on August 14, 2020)



Covered Livestock Shed
(Photo Taken on August 14, 2020)



Restroom/Office in Covered Livestock Shed
(Photo Taken on August 14, 2020)



Interior of Restroom/Office in Covered Livestock Shed
(Photo Taken on August 14, 2020)



Exterior of Metal Utility Shed
(Photo Taken on August 14, 2020)



Drainage Easement/Willow Marsh Bayou
(Photo Taken on August 14, 2020)



Pedestrian Bridge over Willow Marsh Bayou
(Photo Taken on August 14, 2020)



Pipeline Corridor on Subject Property
(Photo Taken on August 14, 2020)

Assessment and Taxes

Real estate tax assessments are administered by the Appraisal District in which the subject is located and are estimated by jurisdiction on a county basis for the subject. Real estate taxes in this state and this jurisdiction represent ad valorem taxes, meaning a tax applied in proportion to value. The real estate taxes for an individual property may be determined by dividing the assessed value for a property by \$100, then multiplying the estimate by the composite rate. The composite rate is based on a consistent state tax rate throughout the state, in addition to one or more local taxing district rates. It is noted that the Subject Property is owned by Jefferson County and is not subject to taxation. There are small portions of the property that are ground leased to other entities who are taxed, but are not considered in this valuation.

Highest and Best Use

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

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

Highest and Best Use of the Site

Legally Permissible

The site is zoned LI - Light Industrial, This District is intended primarily for the conduct of light manufacturing, assembling, fabrication, warehousing, wholesaling, and service operations that do not depend primarily on frequent personal visits of customers or clients, but that may require good accessibility to major rail, air facilities, or highways. This district is designed to upgrade industrial development standards, prevent industrial blight, and protect light industrial development from incompatible residential, commercial or heavy industrial uses. This district should function as a buffer or transition between heavy industrial development and commercial development. To our knowledge, there are no legal restrictions such as easements or deed restrictions that would effectively limit the use of the property. Given prevailing land use patterns in the area, only light industrial is given further consideration in determining highest and best use of the site, as though vacant.

Physically Possible

The Subject Property is situated entirely within flood zone AE, which is within the 100-year floodplain. As previously discussed, the Subject Property is encumbered by Willow Marsh Bayou and several pipeline easements. The areas encumbered by Willow Marsh Bayou and the area that contains a pipeline corridor cannot be developed. In addition, the land situated between Willow Marsh Bayou and the pipeline corridor also has limited development potential due to its shape, flood characteristics, and the surrounding encumbrances. Consequently, the subject property contains approximately 108 acres west of the pipeline corridor and 77.42 acres of land east of Willow Marsh Bayou (including the ground leased areas). Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses.

Financially Feasible

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

Maximally Productive

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

Conclusion

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

Highest and Best Use as Improved

The subject site is developed with a Special Purpose use, which is not consistent with the highest and best use of the site as if it were vacant.

Consequently, it is our opinion the existing improvements constitute an interim use until such time the property can be redeveloped to its highest and best use.

Most Probable Buyer

Taking into account the size and characteristics of the property, the likely buyer is a local or regional investor such as an individual, partnership, or an owner-user.

Valuation Methodology

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

Cost Approach

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

Sales Comparison Approach

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

Income Approach

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

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

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

Final Reconciliation

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

Analyses Applied

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

Approach	Description	Applicability	Utilization
Cost	A cost approach is most applicable in valuing new or proposed construction when the improvements represent the highest and best use of the land and the land value, cost new and depreciation are well supported.	Applicable	Utilized
Sales Comparison	A sales approach is most applicable when sufficient data on recent market transactions is available and there is an active market for the property type.	Applicable	Utilized
Income	An income approach is most applicable when the subject is an income producing property or has the ability to generate income in the future as an investment.	Applicable	Utilized

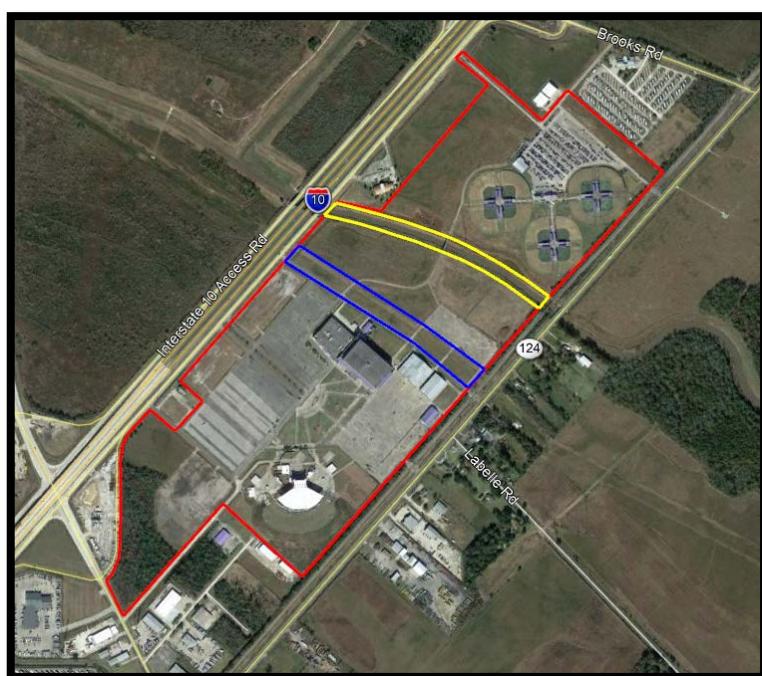
Land Valuation

The subject's land value has been developed via the sales comparison approach.

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. This approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived.

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

As previously discussed, the Subject Property is encumbered by Willow Marsh Bayou and multiple pipeline easements. Due to the loss of development potential and utility of these portions of the Subject Property, they will be discounted. These areas are shown in the aerial below. The area encumbered by the pipeline corridor is outlined in blue and the appraisers have estimated this area to be approximately 8.25 acres in size. The area of the Subject Property encumbered by the Willow Marsh Bayou is outlined in yellow and the appraisers have estimated this area to be approximately 6.00 acres in size. The area between these two easement areas will also be discounted due to its shape, flood characteristics, and proximity to encumbrances that negatively affect its development potential. The appraisers have estimated this area to be approximately 23.11 acres in size. It is also noted that the 18.42 acres of land occupied by Gulf Coast RV park and baseball/softball training facilities that are ground leased are not included in the fee simple land valuation as they are valued separately herein. This leaves approximately 202.58 acres that are included in the fee simple land valuation portion of this report.



Ford Park Entertainment Complex Real Estate Appraisal

Land Sales Summary

No.	Name; Address	Sale Date; Status; Prop. Rights	Square Feet; Acres	Usable SF; Usable Acres	Utilities	Frontage (ft.); Shape; Flood Zone	Depth (ft.); Topography; Traffic Count	Sale Price	\$/SF; \$/Acre
1	385 AC Sale on US HWY 90 Highway 90 Nome, TX 77629	6/23/2020 Closed Sale Fee Simple	16,793,687 385.53	16,793,687 385.53	Public Water & Sewer, Electricity	US HWY 90 & HWY 365 Irregular X	Generally Level	\$2,795,093	\$0.17 \$7,250

General Comments: Grantee plans a single family development for this site.

2	208 AC on Walden Road North of Walden Road and west of Wescalder Road Beaumont, TX 77707	1/22/2020 Closed Sale Fee Simple	9,103,256 208.98	9,103,256 208.98	Public Water & Sewer, Electricity	Walden Road & Interior Roadways Irregular X, X500, AE	Generally Level	\$1,188,695	\$0.13 \$5,688
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General Comments: There is an approximate 4 acre drill site along the west boundary of the property. There are also interior roads within the property.

3	47 AC on I-10 Interstate 10 Winnie, TX 77665	2/28/2019 Closed Sale Fee Simple	2,028,720 46.57	2,028,720 46.57	Public Water & Sewer, Electricity	Interstate 10 Frontage Road Irregular X	Generally Level	\$825,000	\$0.41 \$17,715
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General Comments: The property is currently vacant that is being utilized as a storage yard.

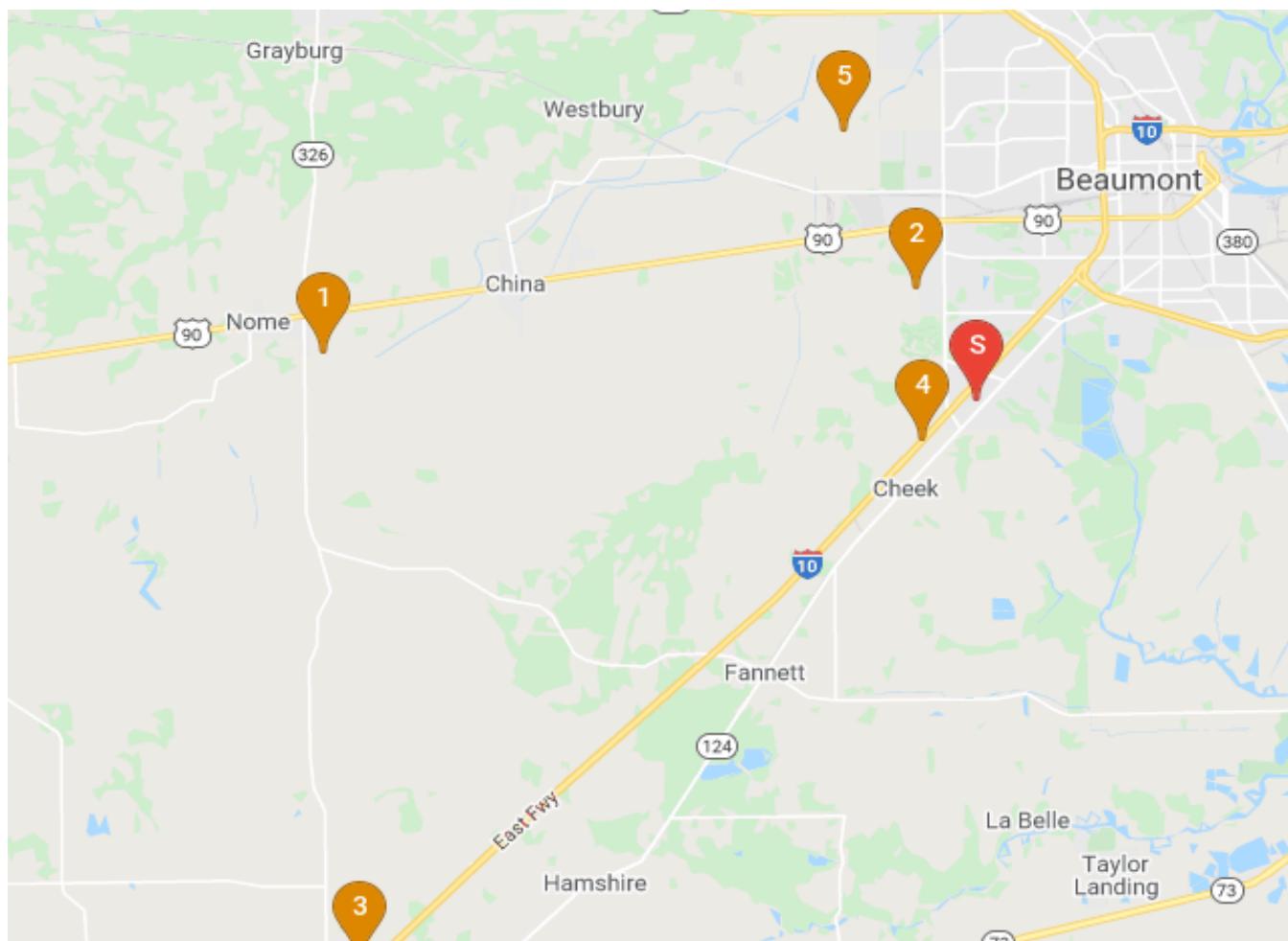
4	487 AC on I-10 Southwest Intersection of I-10 and South Major Drive Beaumont, TX 77704	2/5/2019 Closed Sale Fee Simple	21,199,345 486.67	21,199,345 486.67	All available to site	Irregular X	Generally Level	\$3,212,022	\$0.15 \$6,600
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5	488.88 AC on Keith Road Keith Road Beaumont, TX 77713	3/22/2018 Closed Sale Fee Simple	21,295,613 488.88	21,295,613 488.88	Public Water & Sewer, Electricity	Keith Road & Dishman Road Irregular X	Generally Level	\$3,422,160	\$0.16 \$7,000
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S	Ford Park 5115 Interstate 10 South Beaumont, TX 77705 Jefferson	9,626,760 221.00	All available	Irregular AE	Generally Level
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*If applicable, prices per SF/unit and capitalization rates and/or income multipliers based on effective sale price.

Land Sales Map



No.	Name	Location	Miles From Subject		
				Acres	Price/Acres
1	385 AC Sale on US HWY 90	Nome, TX	13.4	386	\$7,250
2	208 AC on Walden Road	Beaumont, TX	2.7	209	\$5,688
3	47 AC on I-10	Winnie, TX	17.5	47	\$17,714
4	487 AC on I-10	Beaumont, TX	1.4	487	\$6,600
5	488.88 AC on Keith Road	Beaumont, TX	6.4	489	\$7,000
S	Ford Park	Beaumont, TX		221	

Analysis and Adjustment of Sales

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

Land Adjustment Summary

Adjustment Factor	Accounts For	Comments
Property Rights	Fee simple, leased fee, leasehold, partial interest, etc.	No adjustments for real property rights were required.
Financing	Seller financing, or assumption of existing financing, at non-market terms.	No adjustments for financing terms were required.
Conditions of Sale	Extraordinary motivation of buyer or seller, assemblage, forced sale.	No adjustments for conditions of sale were required.
Expend. After Sale	Atypical economics of a transaction, such as demolition cost, impact fees, remediation, or other expenditures by buyer at time of purchase.	No adjustments for expenditures after sale were required.
Market Trends Through	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.	The land sales took place from March 2018 to June 2020. Market conditions generally have been stable over this period through the effective date of value. As a result, we apply no adjustments for market trends.
Location	Market or submarket area influences on sale price or rental rate; surrounding land use influences.	All five comparables have been adjusted upward due to their inferior location when compared to the subject property. Although comparable 4 is located close to the subject it is located just outside of the Beaumont City Limits. Additionally, the majority of comparable 4 is located on the northside of Interstate 10 where there is inferior access to utilities and ingress/egress from Interstate 10.
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility; traffic counts.	All five comparables have been adjusted upward due to their inferior access/exposure when compared to the subject property.
Size	Inverse relationship that often exists between parcel size and unit value.	Comparable 3 has been adjusted downward due to its smaller size when compared to the subject property. Comparables 1, 4 and 5 have been adjusted upward due to their larger size when compared to the subject property. Comparable 2 has not been adjusted.
Shape/Topography	Primary physical factors that affect the utility of a site for its highest and best use.	No adjustments for shape/topography were required.
Zoning	Government regulations that affect the types and intensities of uses allowable on a site.	No adjustments for zoning were required.
Flood Zone	Impact on value due to presence of flood plains.	All five comparables have been adjusted downward due to their superior flood zone status when compared to the subject property.
Utilities	Impact on land value due to presence or absence of public utilities such as water, sewer, and electricity.	Comparable 4 has been adjusted upward due to its inferior utilities when compared to the subject property. The remaining four comparables have not been adjusted.
Entitlements	The specific level of governmental approvals attained pertaining to development of a site.	No adjustments for entitlements were required.
Highest and Best Use	Development potential of the site.	Comparables 1, 2, and 5 have been adjusted downward due to their inferior highest and best use. The remaining comparables have not been adjusted.

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

Land Grid

	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Name	Ford Park	385 AC Sale on US Highway 90	208 AC on Walden	47 AC on I-10 Interstate 10	487 AC on I-10 Southwest	488.88 AC on Keith Keith Road
Address	5115 Interstate 10	Highway 90	North of Walden			
City	Beaumont	Nome	Beaumont	Winnie	Beaumont	Beaumont
County	Jefferson	Jefferson	Jefferson	Chambers	Jefferson	Jefferson
State	TX	TX	TX	TX	TX	TX
Date	Aug-2020	Jun-2020	Jan-2020	Feb-2019	Feb-2019	Mar-2018
Price	\$2,795,093	\$1,188,695	\$825,000	\$3,212,022	\$3,212,022	\$3,422,160
Price Adjustment	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Price	\$2,795,093	\$1,188,695	\$825,000	\$3,212,022	\$3,212,022	\$3,422,160
Acres	221	386	209	47	487	489
Acre Unit Price	\$7,250	\$5,688	\$17,714	\$6,600	\$6,600	\$7,000
Flood Zone	AE	X	X, X500, AE	X	X	X
Zoning	LI - Light Industrial	-	Partial SFR	-	-	-
Shape	Irregular	Irregular	Irregular	Irregular	Irregular	Irregular
Topography	Generally Level	Generally Level	Generally Level	Generally Level	Generally Level	Generally Level
Utilities	All Available	Public Water &	Public Water &	Public Water &	All available to	Public Water &
Transaction Adjustments						
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment	-	-	-	-	-	-
Financing		Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
% Adjustment	-	-	-	-	-	-
Conditions of Sale		Market	Market	Market	Market	Market
% Adjustment	-	-	-	-	-	-
Expend. After Sale	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Market Trends Through	Aug-20	-	-	-	-	-
Adjusted Acre Unit Price	\$7,250.00	\$5,688.03	\$17,714.13	\$6,600.00	\$6,600.00	\$7,000.00
Location	15%	10%	5%	5%	5%	10%
Access/Exposure	10%	15%	10%	10%	10%	10%
Size	5%	-	-20%	15%	15%	15%
Shape/Topography	-	-	-	-	-	-
Zoning	-	-	-	-	-	-
Flood Zone	-10%	-5%	-10%	-10%	-10%	-10%
Utilities	-	-	-	15%	15%	-
Entitlements	-	-	-	-	-	-
Highest and Best Use	15%	15%	-	-	-	15%
Adjusted Acre Unit Price	\$9,788	\$7,679	\$15,057	\$8,910	\$8,910	\$9,800
Net Adjustments	35%	35%	-15%	35%	35%	40%
Gross Adjustments	55%	45%	45%	55%	55%	60%
Summary Indicators	Range	Average	Median			
Comparables - Unadjusted	\$5,688 - \$17,714	\$8,850	\$7,000			
Comparables - Adjusted	\$7,679 - \$15,057	\$10,247	\$9,788			
Reconciled Unit Value:						\$10,000

Land Value Reconciliation

Premise	Value
Value in Use	August 14, 2020
Indicated Value per Acres	\$10,000
Unencumbered Land (165.22 Acres)	\$1,652,200
Land Encumbered by Willow Marsh Bayou (6.00 acres discounted 90%)	\$6,000
Land Encumbered by Pipeline Corridor & Area Between Pipeline Corridor and Willow Marsh Bayou (31.36 acres discounted 50%)	\$156,800
Value Added by Ground Leases (18.42 acres)	\$1,000,000
Indicated Value	\$2,815,000
Rounded Value	\$2,820,000

It is the appraisers' opinion that the area encumbered by the pipeline corridor and Willow Marsh Bayou, as well as the area between the two, has significantly less utility and development potential. Consequently, it is estimated that the pipeline corridor and the land between the pipeline corridor and Willow Marsh Bayou will be discounted 50% of its fee simple value, and the area encumbered by Willow Marsh Bayou will be discounted 90% of its fee simple value due to the impact these encumbrances have on the functional utility on these areas of the subject property.

The appraisers have added the value created by the ground leases into the land value in use. Please see the following discussion beginning on the next page for further detail regarding the valuation of the ground leases.

Income Capitalization Approach

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

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

Direct Capitalization Analysis

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

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

The Income Approach to value is based on the present worth of the future rights to income. This type of analysis considers the property from an investor's point of view, the basic premise being that the amount and quality of the income stream are the basis for value of the property. There are approximately 18.42 acres of the parent tract currently ground leased to two tenants on long term leases as summarized on the following page.



Income Producing Parcels - Ford Park				
Parcel	Acres	Lease Rate	Remaining Term	
		12.5% up to \$500,000 25.0% above		
Gulf Coast RV Resort	15.8	\$500,000	10 years +	
Golden Triangle Sports Academy, LLC	2.62	\$8,000/year	20 years +	
Total Acreage	18.42			

Typically, ground lease rates are negotiated on an expected rate of return based on the value of the site. However, the Gulf Coast RV Resort lease does not appear to be typical for the market or property type. The RV park ground lease rate is based on percentage income from RV space rentals, vending machines and other ancillary income such as laundry. The lump sum is paid to the county as a percentage of gross income. There are no expenses or maintenance required by the county.

The Golden Triangle Sports Academy is leasing approximately 2.62 acres from the county and have improved the site with two metal buildings and supporting parking lot. This lease is structured like a typical ground lease and would appear to be at a market supported rate. The current lease rate is \$8,000 per year which would equate to \$30,000-\$40,000 per acre which is not unreasonable considering the land size.

As is typical with most ground leases, the landlord is not responsible for any operating expenses. The gross income is equal to the net operating income. A brief history of gross income to the landlord is presented below.

Parcel	Historical Income					
	2015	2016	2017	2018	2019	2020*
Gulf Coast RV Resort			\$ 103,279	\$ 104,874	\$ 102,670	\$ 163,503
Golden Triangle Sports Academy, LLC	\$ 7,200	\$ 7,200	\$ 7,200	\$ 7,200	\$ 7,200	\$ 8,000
Total			\$ 110,479	\$ 112,074	\$ 109,870	\$ 171,503
Average 3-year history rounded						\$ 110,000

*Annualized 1 month for RV park and scheduled contract rate increase for Academy

Both leases had an increase in rent beginning in 2020. The income for 2020 is annualized based on one month which is insufficient data for a full year's projection. For the purposes of our analysis, factoring in average gross income to the RV park of \$735,000, and an appropriate estimate of percentage rent for 2020 would be approximately \$120,000 per year. The percentage rent is calculated as 12.5% of the income up to \$500,000 and 25% for the portion above \$500,000 or \$235,000.

Capitalization Rate

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

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

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

Based on the use, location, and rural, tertiary nature of this market, ground leases are not typically executed due to low site acquisition costs. Additionally, due to the atypical lease structure of the RV park, we were unable to locate any supporting ground lease capitalization rates based solely on percentage rent.

Consequently, we have relied on industry recognized surveys to determine an appropriate capitalization rate for the property.

Published Investor Surveys

The following table summarizes prevailing land lease capitalization and discount rates. The former reflects initial rates of return on appraised values for vacant land proposed for development. They do not address increases in land lease payments or the reversion but may include percentage rent. The latter are internal rates of return being achieved by landowners on improved properties. As such, they include changes in land lease payments, percentage rent where applicable, and the reversion of the entire property at the termination of the lease. Total lease terms range from 40 to 99 years, while fixed rent periods range from one to 10 years. Generally, short-term (1-3 years) fixed rent periods auto-adjust based on a national reference rate such as the Consumer Price Index, while long-term (5-10 years) fixed rent periods are based on appraised values but are often subject to negotiation and/or arbitration.

RealtyRates.com INVESTOR SURVEY - 2nd Quarter 2020*									
Property Type	LAND LEASES			Capitalization Rates			Discount Rates		
	Min.	Max.	Avg.	Min.	Max.	Avg.	Min.	Max.	Avg.
Apartments	1.88%	9.20%	5.86%	4.48%	9.70%	6.86%			
Golf	1.79%	15.40%	8.25%	4.39%	15.90%	9.25%			
Health Care/Senior Housing	2.62%	10.48%	6.66%	5.22%	10.98%	7.66%			
Industrial	2.01%	9.36%	6.28%	4.61%	9.86%	7.28%			
Lodging	1.79%	14.75%	6.82%	4.39%	15.25%	7.82%			
Mobile Home/RV Park	1.81%	12.25%	7.20%	4.41%	12.75%	8.20%			
Office	2.08%	8.96%	5.82%	4.68%	9.46%	6.82%			
Restaurant	3.20%	14.50%	7.71%	5.80%	15.00%	8.71%			
Retail	2.01%	10.45%	6.45%	4.61%	10.95%	7.45%			
Self-Storage	2.26%	9.46%	7.45%	4.86%	9.96%	8.45%			
Special Purpose	2.84%	15.19%	8.20%	5.88%	18.00%	8.87%			
All Properties	1.79%	15.40%	6.97%	4.39%	15.90%	7.85%			

*1st Quarter 2020 Data

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The range of return rates on ground leases entered into by the entities in early 2020 was between 1.79% and 15.40%. For RV Parks and mobile home communities, the rates of return ranged between 1.81% and 12.25%.

We have also analyzed rate of return requirements for land investments by various public and private institutions, which are provided following:

Government/Municipal Entity	Annual Return to Land
Lower Colorado River Authority	10.00%
US Army Corps of Engineers*	8.74%
California State Lands Commission	9.00%
Port of Lake Charles	10.00%
Ohio Department of Natural Resources	10.00%
Port of Freeport	10.00%
Port of Houston	9.50%
Port of Corpus Christi	10.00%
Houston Airport Authority	10.00%

*Based on "special purpose" rates from RealtyRates.com

It should be noted, the data presented does not reflect market changes since the start of the COVID pandemic and the downturn in the oil and gas market which is of significant concern in the subject's market area. Based on the property type, current use, lease type and remaining term of the leases, we have estimated an appropriate capitalization rate of 12.0%. To estimate the value of the subject property attributable to the ground leased portion we have divided the net income estimate of \$120,000 by the estimated capitalization rate of 12.0%. The concluded value is \$1,000,000.

Cost Approach

The Cost Approach is based on the principle of substitution - that a prudent and rational person would pay no more for a property than the cost to construct a similar and competitive property, assuming no undue delay in the process. The Cost Approach tends to set the upper limit of value before depreciation is considered. The applied process is as follows:

1. Estimate the land value according to its Highest and Best Use.
2. Estimate the replacement cost of the building and site improvements.
3. Estimate the physical, functional and/or external depreciation accrued to the improvements.
4. Sum the depreciated value of the improvements with the value of the land for an indication of value.

Replacement Cost

Replacement cost is the current cost to construct improvements with equivalent utility to the subject, using modern materials and current standards, design, and layout. Estimates of replacement cost for the purpose of developing a market value opinion include three components: direct costs, indirect costs (also known as soft costs) and entrepreneurial profit.

Direct Costs

In order to estimate the direct replacement cost, we will utilize several sources.

Marshall & Swift

Marshall Valuation Service (MVS), a nationally recognized source for cost data, is utilized to estimate direct costs for the subject, which includes expenditures for labor, materials, supervision, contractors' profit and overhead, architects' plans and specifications, sales taxes and insurance. MVS' *Square Foot Commercial Methodology* determines the property's base costs, which are then adjusted, if applicable, for differences in heating/cooling costs, and the presence of sprinklers and elevators. The adjusted base costs are then further adjusted, if applicable, to account for building height, interior wall height, building perimeter, current costs, location variations, and prospective value multipliers. Beyond the base building costs, specialty components or site improvements are provided by the segregated cost sections of the MVS *Commercial Cost Explorer*. In addition to direct costs, MVS includes certain indirect costs such as architectural and engineering fees, and interest on building loan funds during construction. Our direct cost estimate using MVS is shown below.

Unit Costs

Name	MVS Sec./Page or Source	MVS Building Type	Construction Class	MVS Quality	Base Cost
Building Improvements					
Ford Arena	16/27	Arena	Class C	Average	\$3,500.00
Ford Exhibit Hall	16/16	Convention Center	Class C	Average	\$177.00
Ford Pavilion	16/27	Ampitheater	Class C	Average	\$1,510.00
Ford Fields	18/23	Field House	Class C	Average	\$104.00
Livestock Sheds W/ Bathrooms	17/33	Utility Shed	Class S	Good	\$14.50
Utility Building	17/12	Light Commercial Utility Building	Class S	Good	\$29.75
Site Improvements					
Asphalt Parking w/ Lighting	66/3	N/A	N/A	Average	\$5.75
Stabilized Parking w/ Lighting	66/8	N/A	N/A	Average	\$2.89
Flood Lights	66/5	N/A	N/A	Average	\$52,500.00
Baseball Field Fencing	66/4		N/A	Average	\$20.70

Source: MVS

Direct Cost Estimate

Name	Adjusted Base Cost	Current Multiplier	Local Multiplier	Adjusted Base Cost	Unit Cost Estimate	Quantity	Units	Direct Cost Estimate
Building Improvements								
Ford Arena	\$3,500.00	0.980	0.880	\$3,018.40	\$3,018.40	8,500	Per Seat	\$25,656,400
Ford Exhibit Hall	\$177.00	0.980	0.880	\$152.64	\$152.64	48,000	SF	\$7,326,950
Ford Pavilion	\$1,510.00	0.980	0.880	\$1,302.22	\$1,302.22	6,200	Per Seat	\$8,073,789
Ford Fields	\$104.00	0.980	0.880	\$89.69	\$89.69	108,843	SF	\$8,154,138
Livestock Sheds W/ Bathrooms	\$14.50	0.980	0.860	\$12.22	\$12.22	70,000	SF	\$855,442
Utility Building	\$29.75	0.980	0.860	\$25.07	\$25.07	12,400	SF	\$310,909
Subtotal- Building Improvements								\$50,377,628
Site Improvements								
Asphalt Parking w/ Lighting	\$5.75	0.980	0.880	\$4.96	\$4.96	1,331,250	SF	\$6,601,403
Stabilized Parking w/ Lighting	\$2.89	0.980	0.880	\$2.49	\$2.49	583,243	SF	\$1,453,638
Flood Lights	\$52,500.00	0.980	0.880	\$45,276.00	\$45,276.00	6	Per Unit	\$271,656
Baseball Field Fencing	\$20.70	1.000	0.880	\$18.22	\$18.22	8,328	Per LF	\$151,703
Subtotal- Site Improvements								\$8,478,399
Total								\$58,856,027

MVS Direct Cost Summary

Type	Cost Estimate
Building Improvements	\$50,377,628
Site Improvements	\$8,478,399
Total MVS Direct Costs	\$58,856,027
Total MVS Direct Costs per SF	\$387.21

Indirect Costs

MVS does not include all of the indirect costs (soft costs) that are appropriate in a replacement cost estimate. Therefore, we add an allowance for the following indirect costs that are not contained within our direct cost estimate: taxes and carrying costs on land during construction; legal and accounting fees; and marketing and finance costs prior to stabilization.

Entrepreneurial Profit

The final component of the replacement cost estimate is entrepreneurial profit, the financial reward that a developer would expect to receive in addition to recovering all direct and indirect costs. This is the expected compensation that would be necessary to motivate a developer to undertake the project.

Replacement Cost New

The following tables show our replacement cost estimates for the subject building improvements and site improvements.

Replacement Cost New Estimate

Name	Direct Cost Estimate	Indirect Costs (%)	Indirect Costs (\$)	Replacement Cost + Indirect Cost	Entrepreneurial Cost	Entrepreneurial Incentive (%)	Entrepreneurial Incentive (\$)	Replacement Cost Estimate
Building Improvements								
Ford Arena	\$25,656,400	10.00%	\$2,565,640	\$28,222,040	10.00%	\$2,822,204	\$31,044,244	
Ford Exhibit Hall	\$7,326,950	10.00%	\$732,695	\$8,059,645	10.00%	\$805,965	\$8,865,610	
Ford Pavilion	\$8,073,789	10.00%	\$807,379	\$8,881,168	10.00%	\$888,117	\$9,769,284	
Ford Fields	\$8,154,138	10.00%	\$815,414	\$8,969,552	10.00%	\$896,955	\$9,866,507	
Livestock Sheds W/ Bathrooms	\$855,442	10.00%	\$85,544	\$940,986	10.00%	\$94,099	\$1,035,085	
Utility Building	\$310,909	10.00%	\$31,091	\$342,000	10.00%	\$34,200	\$376,200	
Subtotal- Building Improvements	\$50,377,628	10.00%	\$5,037,763	\$55,415,391	10.00%	\$5,541,539	\$60,956,930	
Site Improvements								
Asphalt Parking w/ Lighting	\$6,601,403	10.00%	\$660,140	\$7,261,543	10.00%	\$726,154	\$7,987,697	
Stabilized Parking w/ Lighting	\$1,453,638	10.00%	\$145,364	\$1,599,001	10.00%	\$159,900	\$1,758,901	
Flood Lights	\$271,656	10.00%	\$27,166	\$298,822	10.00%	\$29,882	\$328,704	
Baseball Field Fencing	\$151,703	10.00%	\$15,170	\$166,873	10.00%	\$16,687	\$183,560	
Subtotal- Site Improvements	\$8,478,399	10.00%	\$847,840	\$9,326,239	10.00%	\$932,624	\$10,258,863	
Total	\$58,856,027	10.00%	\$5,885,603	\$64,741,630	10.00%	\$6,474,163	\$71,215,793	

Depreciation Analysis

Depreciation may be defined as any loss of value from any cause. It is the difference between the market value of a structural improvement or piece of equipment and its reproduction or replacement cost as of the date of valuation. There are three general areas of depreciation: physical deterioration, functional obsolescence and external obsolescence. Depreciation may be curable or incurable, the test being that money spent to cure the depreciation be gained in value. If the depreciation costs more to fix than will be gained in value, then the depreciation is considered incurable.

Physical Deterioration

This results from deterioration from aging and use. This type of depreciation may be curable or incurable.

No items of deferred maintenance are identified; thus, no deductions for this form of depreciation are necessary.

After deducting deferred maintenance, if any, we use the age-life method to estimate depreciation applicable to the remaining replacement costs. This method indicates the loss in value due to physical deterioration and some functional obsolescence based on the age and condition of the improvements. The age-life method is applied on a straight-line basis, by dividing the subject's effective age by its economic life. Age-life depreciation for the site improvements is estimated separately from the building improvements, based on their shorter economic lives.

Functional Obsolescence

This results from a lack of utility or desirability due to design or market perception of the improvements. This type of depreciation may be curable or incurable. Functional obsolescence is a loss in value due to changes in market tastes and standards. In the case of the subject, it is not necessary to make a deduction for additional functional obsolescence over and above that accounted for in the age-life method.

External Obsolescence

This is due to circumstances outside the property itself, such as industry, demographic and economic conditions or an undesirable proximate use. This type of depreciation is rarely curable. A deduction for external obsolescence is not considered necessary for the subject.

Final Estimate of Depreciation

Our estimate of depreciation and calculation of depreciated replacement cost is shown in the following table.

Depreciation Estimate

Name	Replacement Cost	Effective Age	Economic Life	Age-Life Depreciation (%)	Age-Life Depreciation (\$)	Subtotal	Total Depreciation (%)	Total Depreciation (\$)	Depreciated Replacement Cost	Depreciated Unit Cost
	Estimate									
Building Improvements										
Ford Arena	\$31,044,244	18	45	40.0%	\$12,417,698	\$18,626,546	40.0%	\$12,417,698	\$18,626,546	\$2,191.36
Ford Exhibit Hall	\$8,865,610	18	45	40.0%	\$3,546,244	\$5,319,366	40.0%	\$3,546,244	\$5,319,366	\$110.82
Ford Pavilion	\$9,769,284	20	35	57.1%	\$5,582,448	\$4,186,836	57.1%	\$5,582,448	\$4,186,836	\$675.30
Ford Fields	\$9,866,507	15	45	33.3%	\$3,288,836	\$6,577,671	33.3%	\$3,288,836	\$6,577,671	\$60.43
Livestock Sheds W/ Bathrooms	\$1,035,085	12	20	60.0%	\$621,051	\$414,034	60.0%	\$621,051	\$414,034	\$5.91
Utility Building	\$376,200	15	30	50.0%	\$188,100	\$188,100	50.0%	\$188,100	\$188,100	\$15.17
Subtotal- Building Improvements	\$60,956,930			42.1%	\$25,644,376	\$35,312,554	42.1%	\$25,644,376	\$35,312,554	
Site Improvements										
Asphalt Parking w/ Lighting	\$7,987,697	8	16	50.0%	\$3,993,849	\$3,993,849	50.0%	\$3,993,849	\$3,993,849	\$3.00
Stabilized Parking w/ Lighting	\$1,758,901	4	7	57.1%	\$1,005,087	\$753,815	57.1%	\$1,005,087	\$753,815	\$1.29
Flood Lights	\$328,704	10	20	50.0%	\$164,352	\$164,352	50.0%	\$164,352	\$164,352	\$27,391.98
Baseball Field Fencing	\$183,560	7	20	35.0%	\$64,246	\$119,314	35.0%	\$64,246	\$119,314	\$14.33
Subtotal- Site Improvements	\$10,258,863			51.0%	\$5,227,533	\$5,031,330	51.0%	\$5,227,533	\$5,031,330	
Total	\$71,215,793			43.3%	\$30,871,909	\$40,343,883	43.3%	\$30,871,909	\$40,343,883	

MVS Depreciated Replacement Cost Estimate

Type	MVS Replacement		Total Depreciation	Total Depreciation %	MVS Depreciated Replacement Cost
	Cost New	Depreciation			
Building Improvements	\$60,956,930	\$25,644,376		42.1%	\$35,312,554
Site Improvements	\$10,258,863	\$5,227,533		51.0%	\$5,031,330
Total Cost	\$71,215,793	\$30,871,909		43.3%	\$40,343,883
Total Cost per SF	\$468.52	\$203.10			\$265.42

Cost Approach Conclusion

By combining our land value conclusion with the depreciated replacement cost of the subject, we arrive at a value indication by the cost approach as shown in the following table.

Cost Approach Valuation

Value In Use	Projection 1
Concluded Land Value	\$2,820,000
Depreciated Cost of Improvements	\$40,343,883
Indicated Value In Use	\$43,163,883
Rounded Value In Use	\$43,200,000

Final Reconciliation

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

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

Value Indications

Summary of Value Indications

Value in Use As Is	
Cost Approach	\$43,200,000
Reconciled	\$43,200,000

Cost Approach

The cost approach is most reliable for newer properties that have no significant amount of accrued depreciation. The subject represents new construction, and there is a relatively active market for land. As a result, the cost approach is applicable to the subject and is applied in our analysis.

Sales Comparison Approach

The sales comparison approach is most reliable in an active market when an adequate quantity and quality of comparable sales data are available. In addition, it is typically the most relevant method for owner-user properties, because it directly considers the prices of alternative properties with similar utility for which potential buyers would be competing. The analysis and adjustment of the sales provides a reasonably narrow range of value indications. Nonetheless, it does not directly account for the improvements located on the subject. Therefore, this approach is used in support for the cost approach.

Income Approach

The income capitalization approach is usually given greatest weight when evaluating investment properties. The value indication from the income capitalization approach is supported by market data regarding income, expenses and required rates of return. An owner-user is the most likely purchaser of the appraised property, and the income capitalization approach does not represent the primary analysis undertaken by the typical owner-user. Accordingly, this approach is used as support in arriving at a value conclusion.

Value Conclusion

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

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Value in Use As Is	Fee Simple	August 14, 2020	\$43,200,000

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Exposure time is always presumed to precede the effective date of the appraisal. Based on our review of recent sales transactions for similar properties and our analysis of supply and demand in the local Sports & Entertainment market, it is our opinion that the probable exposure time for the subject at the concluded market value stated previously is 12 months.

Marketing Time

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. *Given the market uncertainty and volatility, marketing times are currently difficult to predict.* It is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 12 months.

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

Investor Survey 2018 Q1 Industrial Marketing Time

Property Type	Marketing Time	
US		
CBD	Range	2.0 – 18.0
	Average	6.5
Net Lease	Range	2.0 – 12.0
	Average	5.8
Secondary	Range	3.0 – 12.0
	Average	5.9
Suburban	Range	1.0 – 12.0
	Average	6.5

Source: PwC Real Estate Investor Survey.

Limiting Conditions and Assumptions

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

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

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

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

Appendix A

Appraiser Qualifications

Kenneth B. Levenson, MAI, FRICS

**Executive Vice President
Valuation and Advisory Services, Houston**

Current Responsibilities

Kenneth Levenson is an Executive Vice President within JLL Houston's Valuation and Advisory Services (VAS) group, where he focuses on managing and expanding the reach of JLL's VAS business in the Houston market. As a senior member and leader of VAS, Mr. Levenson is instrumental in identifying opportunities to increase VAS's Houston market penetration in the capital markets sector.

Mr. Levenson's valuation and advisory experience extends across a vast inventory including single and multi-tenant office, retail and industrial properties, multi-family, mixed-use projects, self-storage, residential subdivisions, lodging and resort facilities, convenience stores, land and rural properties, as well as, many Social purpose properties.

Experience

Prior to joining JLL in late 2016, Mr. Levenson served as Managing Director at Integra Realty Resources – Houston. Mr. Levenson has successfully completed numerous real estate valuation courses and seminars supported by the Appraisal Institute, accredited universities and other institutions. He is currently certified by the Appraisal Institute's voluntary program of continuing education for its designated members.

Education and Affiliations

- The University of Texas at El Paso, Bachelor of Business Administration
- The University of Texas at Austin
- Appraisal Institute, Member (MAI)
- Royal Institute of Chartered Surveyors, Fellow (FRICS)
- Appraisal Institute: Past President – Houston chapter, Past Region Representative – Region VIII and Past Participant in the Leadership Development and Advisory Council
- International Right of Way Association (IRWA), Member
- Rolling Creek Utility District, Board of Directors
- Licensed in Texas, Alabama, Arizona, Louisiana, Mississippi and North Carolina
- Qualified before courts and administrative bodies in Texas County and District Courts: Harris, Fort Bend, Montgomery, Grayson
- Federal Bankruptcy Court

Contact

T: +1-713-243-3311

E: Kenneth.Levenson@am.jll.com



*Licensed in Texas,
Alabama, Louisiana,
Mississippi and North
Carolina*

You may wish to laminate the pocket identification card to preserve it.

The person named on the reverse is licensed by the Texas Appraiser Licensing and Certification Board.

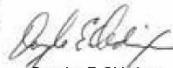
Inquiry as to the status of this license may be made to:

Texas Appraiser Licensing and Certification Board
P.O. Box 12188
Austin, Tx 78711-2188
www.talcb.texas.gov
(512) 936-3001
Fax:(512) 936-3899

KENNETH BRUCE LEVENSON
5 RIVERWAY SUITE 200
HOUSTON, TX 77056

Texas Appraiser Licensing and Certification Board
P.O. Box 12188 Austin, Texas 78711-2188
Certified General Real Estate Appraiser
Number#: **TX 1324293 G**
Issued: **12/13/2018** Expires: **12/31/2020**
Appraiser: **KENNETH BRUCE LEVENSON**

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


Douglas E. Oldmixon
Commissioner

Texas Appraiser Licensing and Certification Board

P.O. Box 12188 Austin, Texas 78711-2188

Certified General Real Estate Appraiser

Number:

TX 1324293 G

Issued:

12/13/2018

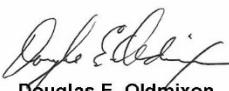
Expires:

12/31/2020

Appraiser:

KENNETH BRUCE LEVENSON

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


Douglas E. Oldmixon
Commissioner

Bradley Schuetze, MAI, AI-GRS

Vice President

Current Responsibilities

Bradley Schuetze is a Vice President in the Houston office of JLL Valuation Advisory. Mr. Schuetze started his career in valuation and consulting after graduating from Baylor University. He also holds the MAI and AI-GRS designations by the Appraisal Institute and is a licensed real estate broker.

Mr. Schuetze has extensive experience in commercial real estate valuation. Based on 15+ years of experience, he has significant expertise with multi-family valuation, condominiums, single and multi-tenant office buildings, industrial, retail, mixed-use developments, subdivisions, and a wide variety of special purpose property types including storage operations of salt domes and depleted reservoirs. Other valuation specialties include property tax appeal representation and eminent domain. Mr. Schuetze has qualified before courts to testify in Harris, Montgomery, Trinity and Galveston Counties.

Experience

Prior to joining JLL, Brad was a Senior Review Appraiser with JPMorgan Chase. Additionally, Mr. Schuetze was a Senior Review Appraiser with Whitney/Hancock Bank, Associate Director with Integra Realty Resources and Real Estate Counselor for Lewis Realty Advisors.

Education and Affiliations

BBA, Management Information Systems – Baylor University
State Certified General Real Estate Appraiser – TX-1338030-G
Appraisal Institute - Designated Member, MAI, AI-GRS
Appraisal Institute – Director - Houston Chapter, 2017 – present
Appraisal Institute – Regional Representative, 2017 - present
Texas Real Estate Broker

Contact

T: +1-713-243-3300
E: brad.schuetze@am.jll.com



*Certified General Real
Estate Appraiser:*

- Texas

BRADLEY EDWARD SCHUETZE
5 RIVERWAY
SUITE 200
HOUSTON, TX 77056



**Certified General
Real Estate Appraiser**

Appraiser: **BRADLEY EDWARD SCHUETZE**

License #: **TX 1338030 G**

License Expires: **07/31/2022**

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

Appendix B

Definitions

Definitions

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

Amenity

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

As Is Market Value

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

Class of Apartment Property

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

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

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

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

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

Deferred Maintenance

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

Depreciation

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

Discounted Cash Flow (DCF) Analysis

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

Disposition Value

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

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

Effective Date of Appraisal

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

Entrepreneurial Profit

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

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

Excess Land; Surplus Land

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

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

Exposure Time

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

Extraordinary Assumption

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

Fee Simple Estate

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

Floor Area Ratio (FAR)

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

Gross Building Area (GBA)

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

Highest and Best Use

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

Hypothetical Condition

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

Lease

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

Leased Fee Interest

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

Leasehold Interest

The tenant's possessory interest created by a lease.

Liquidation Value

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

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

Marketing Time

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

Market Rent

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

Market Value

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

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

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

Multifamily Property Type

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

Multifamily Classifications

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

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

Prospective Opinion of Value

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

Rentable Floor Area (RFA)

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

Replacement Cost

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

Reproduction Cost

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

Room Count

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

Stabilized Income

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

Value In Use

The Value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually.

Appendix C

Financials and Property Information

Jefferson CAD

Property Search Results > 120084 JEFFERSON COUNTY for Year 2020

Tax Year: 2020

Property

Account

Property ID:	120084	Legal Description:	TR 25-E PL B-19 S STIVERS AB 51 155.4544AC 5115 & 5155 IH 10 S
Geographic ID:	232219-000-006610-00000-6	Zoning:	LI
Type:	Real	Agent Code:	
Property Use Code:	DJ		
Property Use Description:	5+ ACRES JEFFERSON CO		

Location

Address:	5115 INTERSTATE 10 S TX	Mapsco:	101-37
Neighborhood:		Map ID:	0
Neighborhood CD:			

Owner

Name:	JEFFERSON COUNTY	Owner ID:	456568
Mailing Address:	1149 PEARL ST BEAUMONT, TX 77701-3638	% Ownership:	100.0000000000%
		Exemptions:	EX-XV

Values

(+) Improvement Homesite Value:	+	\$0
(+) Improvement Non-Homesite Value:	+	\$0
(+) Land Homesite Value:	+	\$0
(+) Land Non-Homesite Value:	+	\$2,437,774 Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$0 \$0
(+) Timber Market Valuation:	+	\$0 \$0
<hr/>		
(=) Market Value:	=	\$2,437,774
(-) Ag or Timber Use Value Reduction:	-	\$0
<hr/>		
(=) Appraised Value:	=	\$2,437,774
(-) HS Cap:	-	\$0
<hr/>		
(=) Assessed Value:	=	\$2,437,774

Taxing Jurisdiction

Owner: JEFFERSON COUNTY
% Ownership: 100.0000000000%
Total Value: \$2,437,774

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax	

101	BEAUMONT ISD	1.224050	\$2,437,774	\$0	\$0.00
221	CITY OF BEAUMONT	0.710000	\$2,437,774	\$0	\$0.00
341	PORT OF BEAUMONT	0.114674	\$2,437,774	\$0	\$0.00
755	SABINE NECHES NAV DIST	0.092067	\$2,437,774	\$0	\$0.00
849	DRAINAGE DISTRICT #6	0.220587	\$2,437,774	\$0	\$0.00
901	JEFFERSON COUNTY	0.364977	\$2,437,774	\$0	\$0.00
A59	FARM AND LATERAL ROAD	0.000000	\$2,437,774	\$0	\$0.00
CAD	JEFFERSON CO APPRAISAL DISTRICT	0.000000	\$2,437,774	\$0	\$0.00
T341	TIF PORT OF BMT	0.000000	\$2,437,774	\$0	\$0.00
Total Tax Rate:		2.726355			
					Taxes w/Current Exemptions: \$0.00
					Taxes w/o Exemptions: \$66,462.37

Improvement / Building

No improvements exist for this property.

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	S1	Square Foot Style Type	155.4544	6771593.66	0.00	0.00	\$2,437,774	\$0

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2021	N/A	N/A	N/A	N/A	N/A	N/A
2020	\$0	\$2,437,774	0	2,437,774	\$0	\$2,437,774
2019	\$0	\$2,437,770	0	2,437,770	\$0	\$2,437,770
2018	\$0	\$2,437,770	0	2,437,770	\$0	\$2,437,770
2017	\$0	\$2,437,770	0	2,437,770	\$0	\$2,437,770
2016	\$0	\$3,245,710	0	3,245,710	\$0	\$3,245,710
2015	\$0	\$3,245,710	0	3,245,710	\$0	\$3,245,710
2014	\$0	\$3,245,710	0	3,245,710	\$0	\$3,245,710
2013	\$0	\$3,245,710	0	3,245,710	\$0	\$3,245,710
2012	\$0	\$3,245,710	0	3,245,710	\$0	\$3,245,710
2011	\$0	\$3,245,710	0	3,245,710	\$0	\$3,245,710
2010	\$0	\$3,245,710	0	3,245,710	\$0	\$3,245,710
2009	\$0	\$3,245,710	0	3,245,710	\$0	\$3,245,710
2008	\$0	\$3,245,710	0	3,245,710	\$0	\$3,245,710
2007	\$0	\$3,245,710	0	3,245,710	\$0	\$3,245,710

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	2/8/2000	WD	WARRANTY DEED		JEFFERSON COUNTY			2000004838

Tax Due

Property Tax Information as of 08/24/2020

Amount Due if Paid on: 

Year	Taxing Jurisdiction	Taxable Value	Base Tax	Base Taxes Paid	Base Tax Due	Discount / Penalty & Interest	Attorney Fees	Amount Due

NOTE: Penalty & Interest accrues every month on the unpaid tax and is added to the balance. Attorney fees may also increase your tax liability if not paid by July 1. If you plan to submit payment on a future date, make sure you enter the date and RECALCULATE to obtain the correct total amount due.

Questions Please Call (409) 840-9944

Website version: 1.2.2.31

Database last updated on: 8/23/2020 8:41 PM

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Property Search Results > 400927 I-10 RV LLC for Year 2020 Tax Year: 2020

Property

Account

Property ID: 400927 Legal Description: TR 25-X PL B-19 AB 51 S STIVERS 12.183AC
 Geographic ID: 232219-000-006686-00000-0 Zoning: LI
 Type: Real Agent Code:
 Property Use Code: F1
 Property Use Description: "REAL, COMM (HOTEL/STORE/OFFC)"

Location

Address: 5175 BROOKS RD Mapsco: 101-37
 TX
 Neighborhood: Map ID: 0
 Neighborhood CD:

Owner

Name: I-10 RV LLC Owner ID: 669019
 Mailing Address: 5175 BROOKS RD % Ownership: 100.0000000000%
 BEAUMONT, TX 77705-6753 Exemptions:

Values

(+) Improvement Homesite Value:	+	\$0
(+) Improvement Non-Homesite Value:	+	\$1,540,951
(+) Land Homesite Value:	+	\$0
(+) Land Non-Homesite Value:	+	\$360,870 Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$0 \$0
(+) Timber Market Valuation:	+	\$0 \$0
<hr/>		
(=) Market Value:	=	\$1,901,821
(-) Ag or Timber Use Value Reduction:	-	\$0
<hr/>		
(=) Appraised Value:	=	\$1,901,821
(-) HS Cap:	-	\$0
<hr/>		
(=) Assessed Value:	=	\$1,901,821

Taxing Jurisdiction

Owner: I-10 RV LLC
 % Ownership: 100.0000000000%
 Total Value: \$1,901,821

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax	
101	BEAUMONT ISD	1.224050	\$1,901,821	\$1,901,821	\$23,279.24	
221	CITY OF BEAUMONT	0.710000	\$1,901,821	\$1,901,821	\$13,502.93	

341	PORT OF BEAUMONT	0.114674	\$1,901,821	\$1,901,821	\$2,180.89
755	SABINE NECHES NAV DIST	0.092067	\$1,901,821	\$1,901,821	\$1,750.95
849	DRAINAGE DISTRICT #6	0.220587	\$1,901,821	\$1,901,821	\$4,195.17
901	JEFFERSON COUNTY	0.364977	\$1,901,821	\$1,901,821	\$6,941.21
A59	FARM AND LATERAL ROAD	0.000000	\$1,901,821	\$1,901,821	\$0.00
CAD	JEFFERSON CO APPRAISAL DISTRICT	0.000000	\$1,901,821	\$1,901,821	\$0.00
T341	TIF PORT OF BMT	0.000000	\$1,901,821	\$1,901,821	\$0.00
Total Tax Rate:		2.726355			
					Taxes w/Current Exemptions: \$51,850.39
					Taxes w/o Exemptions: \$51,850.39

Improvement / Building

All improvements valued at income

Improvement #1:	Commercial	State Code:	F1	Living Area:	2856.0 sqft	Value:	N/A
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Type	Description	Class CD	Exterior Wall	Year Built	SQFT
MHPS	MOBILE HOME PARK SPACE	NA4		2016	1.0
COM	COMMERCIAL BUILDING	IA2		2016	1320.0
SHOP	SHOP	NA4		2016	288.0
C19	CARPORT/CANOPY	NA4		2016	2584.0
COM	COMMERCIAL BUILDING	IA2		2016	1536.0
POOL	POOL	NA4		2016	1.0

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	S1	Square Foot Style Type	12.1830	530691.48	0.00	0.00	\$0	\$0

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2021	N/A	N/A	N/A	N/A	N/A	N/A
2020	\$1,540,951	\$360,870	0	1,901,821	\$0	\$1,901,821
2019	\$1,531,790	\$360,870	0	1,892,660	\$0	\$1,892,660
2018	\$927,970	\$360,870	0	1,288,840	\$0	\$1,288,840
2017	\$927,810	\$360,870	0	1,288,680	\$0	\$1,288,680

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
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Tax Due

Property Tax Information as of 08/24/2020

Amount Due if Paid on: 

Year	Taxing Jurisdiction	Taxable Value	Base Tax	Base Taxes Paid	Base Tax Due	Discount / Penalty & Interest	Attorney Fees	Amount Due
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NOTE: Penalty & Interest accrues every month on the unpaid tax and is added to the balance. Attorney fees may also increase your tax liability if not paid by July 1. If you plan to submit payment on a future date, make sure you enter the date and RECALCULATE to obtain the correct total amount due.

Questions Please Call (409) 840-9944

Website version: 1.2.2.31

Database last updated on: 8/23/2020 8:41 PM

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Jefferson CAD

Property Search Results > 120085 JEFFERSON COUNTY for Year 2020

Tax Year:

Property

Account

Property ID: 120085 Legal Description: S STIVERS ABS-51 TR 25-F PLAT B-19 37.684 AC
 Geographic ID: 232219-000-006615-00000-5 Zoning: LI
 Type: Real Agent Code:
 Property Use Code: DJ
 Property Use Description: 5+ ACRES JEFFERSON CO

Location

Address: TX Mapsco: 101-37
 Neighborhood: Map ID: 0
 Neighborhood CD:

Owner

Name: JEFFERSON COUNTY Owner ID: 456568
 Mailing Address: 1149 PEARL ST % Ownership: 100.0000000000%
 BEAUMONT, TX 77701-3638
 Exemptions: EX-XV

Values

(+) Improvement Homesite Value:	+	\$0
(+) Improvement Non-Homesite Value:	+	\$0
(+) Land Homesite Value:	+	\$0
(+) Land Non-Homesite Value:	+	\$837,173 Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$0 \$0
(+) Timber Market Valuation:	+	\$0 \$0
<hr/>		
(=) Market Value:	=	\$837,173
(-) Ag or Timber Use Value Reduction:	-	\$0
<hr/>		
(=) Appraised Value:	=	\$837,173
(-) HS Cap:	-	\$0
<hr/>		
(=) Assessed Value:	=	\$837,173

Taxing Jurisdiction

Owner: JEFFERSON COUNTY
 % Ownership: 100.0000000000%
 Total Value: \$837,173

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax	
101	BEAUMONT ISD	1.224050	\$837,173	\$0	\$0.00	

221	CITY OF BEAUMONT	0.710000	\$837,173	\$0	\$0.00
341	PORT OF BEAUMONT	0.114674	\$837,173	\$0	\$0.00
755	SABINE NECHES NAV DIST	0.092067	\$837,173	\$0	\$0.00
849	DRAINAGE DISTRICT #6	0.220587	\$837,173	\$0	\$0.00
901	JEFFERSON COUNTY	0.364977	\$837,173	\$0	\$0.00
A59	FARM AND LATERAL ROAD	0.000000	\$837,173	\$0	\$0.00
CAD	JEFFERSON CO APPRAISAL DISTRICT	0.000000	\$837,173	\$0	\$0.00
T341	TIF PORT OF BMT	0.000000	\$837,173	\$0	\$0.00
Total Tax Rate:		2.726355			
					Taxes w/Current Exemptions: \$0.00
					Taxes w/o Exemptions: \$22,824.31

Improvement / Building

No improvements exist for this property.

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	S1	Square Foot Style Type	27.4300	1194851.00	0.00	0.00	\$609,374	\$0
2	S1	Square Foot Style Type	10.2540	446664.00	0.00	0.00	\$227,799	\$0

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2021	N/A	N/A	N/A	N/A	N/A	N/A
2020	\$0	\$837,173	0	837,173	\$0	\$837,173
2019	\$0	\$837,170	0	837,170	\$0	\$837,170
2018	\$0	\$837,170	0	837,170	\$0	\$837,170
2017	\$0	\$837,170	0	837,170	\$0	\$837,170
2016	\$0	\$1,594,600	0	1,594,600	\$0	\$1,594,600
2015	\$0	\$1,594,600	0	1,594,600	\$0	\$1,594,600
2014	\$0	\$1,594,600	0	1,594,600	\$0	\$1,594,600
2013	\$0	\$1,594,600	0	1,594,600	\$0	\$1,594,600
2012	\$0	\$1,594,600	0	1,594,600	\$0	\$1,594,600
2011	\$0	\$1,594,600	0	1,594,600	\$0	\$1,594,600
2010	\$0	\$1,594,600	0	1,594,600	\$0	\$1,594,600
2009	\$0	\$1,594,600	0	1,594,600	\$0	\$1,594,600
2008	\$0	\$1,594,600	0	1,594,600	\$0	\$1,594,600
2007	\$0	\$1,594,600	0	1,594,600	\$0	\$1,594,600

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	2/8/2000	WD	WARRANTY DEED		JEFFERSON COUNTY			2000004839

Tax Due

Property Tax Information as of 08/24/2020

Amount Due if Paid on: 

Year	Taxing Jurisdiction	Taxable Value	Base Tax	Base Taxes Paid	Base Tax Due	Discount / Penalty & Interest	Attorney Fees	Amount Due

NOTE: Penalty & Interest accrues every month on the unpaid tax and is added to the balance. Attorney fees may also increase your tax liability if not paid by July 1. If you plan to submit payment on a future date, make sure you enter the date and RECALCULATE to obtain the correct total amount due.

Questions Please Call (409) 840-9944

Website version: 1.2.2.31

Database last updated on: 8/23/2020 8:41 PM

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Jefferson CAD

Property Search Results > 120065 PHELAN ELEVEN B LLC 1% for Year 2020

Tax Year:

Property

Account

Property ID: 120065 Legal Description: S STIVERS-ABS 51 TR 12 3.034 TR 25-I 8.3138
TR 25-Q 2.005

Geographic ID: 232219-000-005700-00000-6 Zoning: LI

Type: Real Agent Code:

Property Use Code: C1

Property Use Description: REAL/VACANT PLATTED LT/TR 5AC<

Location

Address: TX Mapsco: 101-37

Neighborhood: Map ID: 0

Neighborhood CD:

Owner

Name: PHELAN ELEVEN B LLC 1% Owner ID: 423438

Mailing Address: MICKEY PHELAN B LAND LP 99% % Ownership: 100.0000000000%

PO BOX 1951
BEAUMONT, TX 77704-1951

Exemptions:

Values

(+) Improvement Homesite Value:	+	\$0
(+) Improvement Non-Homesite Value:	+	\$0
(+) Land Homesite Value:	+	\$0
(+) Land Non-Homesite Value:	+	\$363,078 Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$0 \$0
(+) Timber Market Valuation:	+	\$0 \$0
<hr/>		
(=) Market Value:	=	\$363,078
(-) Ag or Timber Use Value Reduction:	-	\$0
<hr/>		
(=) Appraised Value:	=	\$363,078
(-) HS Cap:	-	\$0
<hr/>		
(=) Assessed Value:	=	\$363,078

Taxing Jurisdiction

Owner: PHELAN ELEVEN B LLC 1%

% Ownership: 100.0000000000%

Total Value: \$363,078

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax	
101	BEAUMONT ISD	1.224050	\$363,078	\$363,078	\$4,444.26	
221	CITY OF BEAUMONT	0.710000	\$363,078	\$363,078	\$2,577.85	
341	PORT OF BEAUMONT	0.114674	\$363,078	\$363,078	\$416.36	
755	SABINE NECHES NAV DIST	0.092067	\$363,078	\$363,078	\$334.27	
849	DRAINAGE DISTRICT #6	0.220587	\$363,078	\$363,078	\$800.90	
901	JEFFERSON COUNTY	0.364977	\$363,078	\$363,078	\$1,325.15	
A59	FARM AND LATERAL ROAD	0.000000	\$363,078	\$363,078	\$0.00	
CAD	JEFFERSON CO APPRAISAL DISTRICT	0.000000	\$363,078	\$363,078	\$0.00	
T341	TIF PORT OF BMT	0.000000	\$363,078	\$363,078	\$0.00	
Total Tax Rate:		2.726355				
						Taxes w/Current Exemptions: \$9,898.79
						Taxes w/o Exemptions: \$9,898.80

Improvement / Building

No improvements exist for this property.

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	S1	Square Foot Style Type	3.3172	144498.00	0.00	0.00	\$144,498	\$0
2	S1	Square Foot Style Type	4.9968	217660.00	0.00	0.00	\$108,830	\$0
3	S1	Square Foot Style Type	5.0390	219499.00	0.00	0.00	\$109,750	\$0

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2021	N/A	N/A	N/A	N/A	N/A	N/A
2020	\$0	\$363,078	0	363,078	\$0	\$363,078
2019	\$0	\$363,080	0	363,080	\$0	\$363,080
2018	\$0	\$363,080	0	363,080	\$0	\$363,080
2017	\$0	\$363,080	0	363,080	\$0	\$363,080
2016	\$0	\$363,080	0	363,080	\$0	\$363,080
2015	\$0	\$363,080	0	363,080	\$0	\$363,080
2014	\$0	\$363,080	0	363,080	\$0	\$363,080
2013	\$0	\$363,080	0	363,080	\$0	\$363,080
2012	\$0	\$363,080	0	363,080	\$0	\$363,080
2011	\$0	\$363,080	0	363,080	\$0	\$363,080
2010	\$0	\$363,080	0	363,080	\$0	\$363,080
2009	\$0	\$363,080	0	363,080	\$0	\$363,080
2008	\$0	\$363,080	0	363,080	\$0	\$363,080
2007	\$0	\$301,910	0	301,910	\$0	\$301,910

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	12/31/2000	WD	WARRANTY DEED	PATRICK PHELAN & MICHAEL	PHELAN ELEVEN B LLC, 1%			2001000212
2	3/22/2001	WD	WARRANTY DEED		PHELAN ELEVEN B LLC 1%			1999039320

Tax Due

Property Tax Information as of 08/24/2020

Amount Due if Paid on: 

Year	Taxing Jurisdiction	Taxable Value	Base Tax	Base Taxes Paid	Base Tax Due	Discount / Penalty & Interest	Attorney Fees	Amount Due
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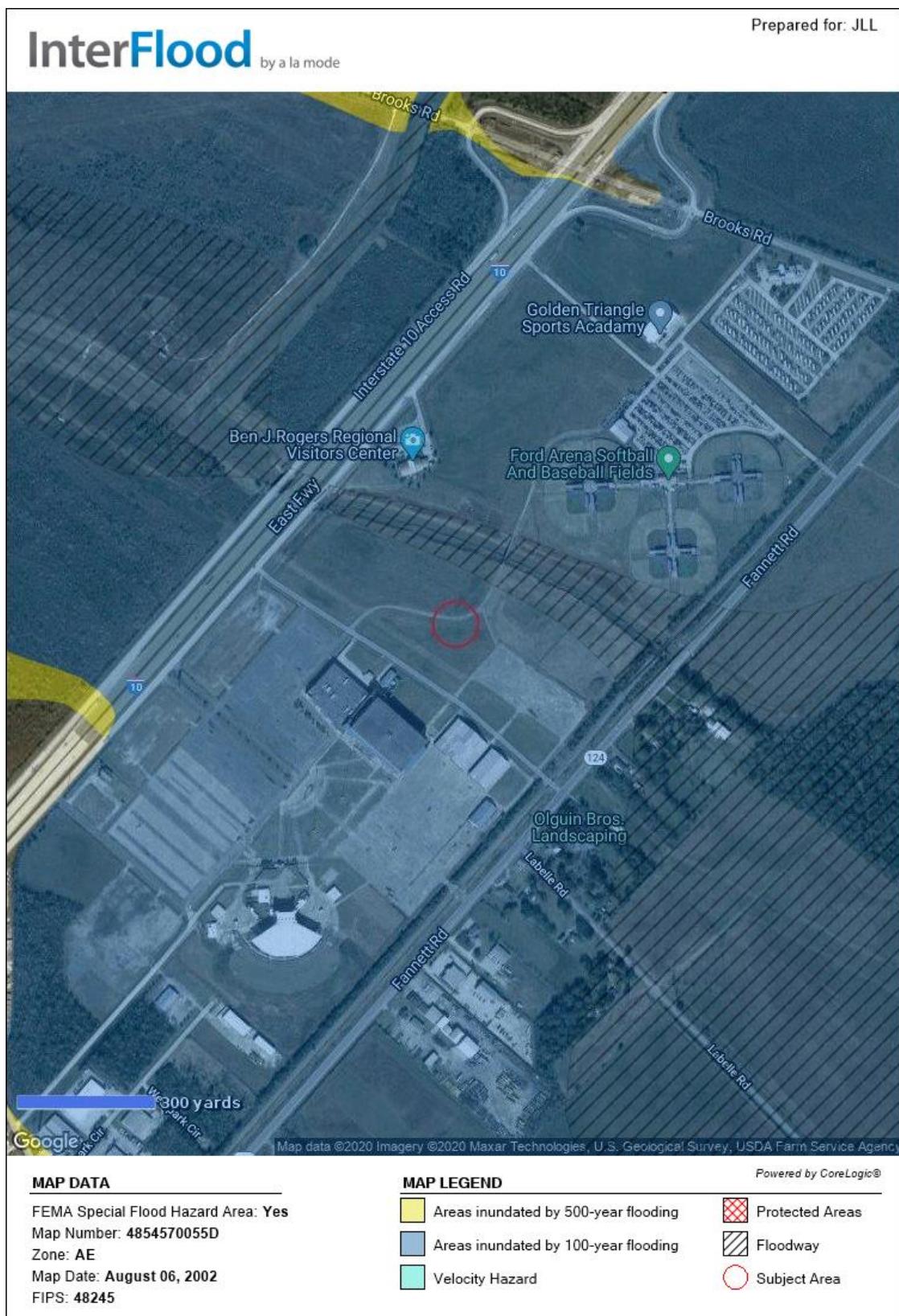
NOTE: Penalty & Interest accrues every month on the unpaid tax and is added to the balance. Attorney fees may also increase your tax liability if not paid by July 1. If you plan to submit payment on a future date, make sure you enter the date and RECALCULATE to obtain the correct total amount due.

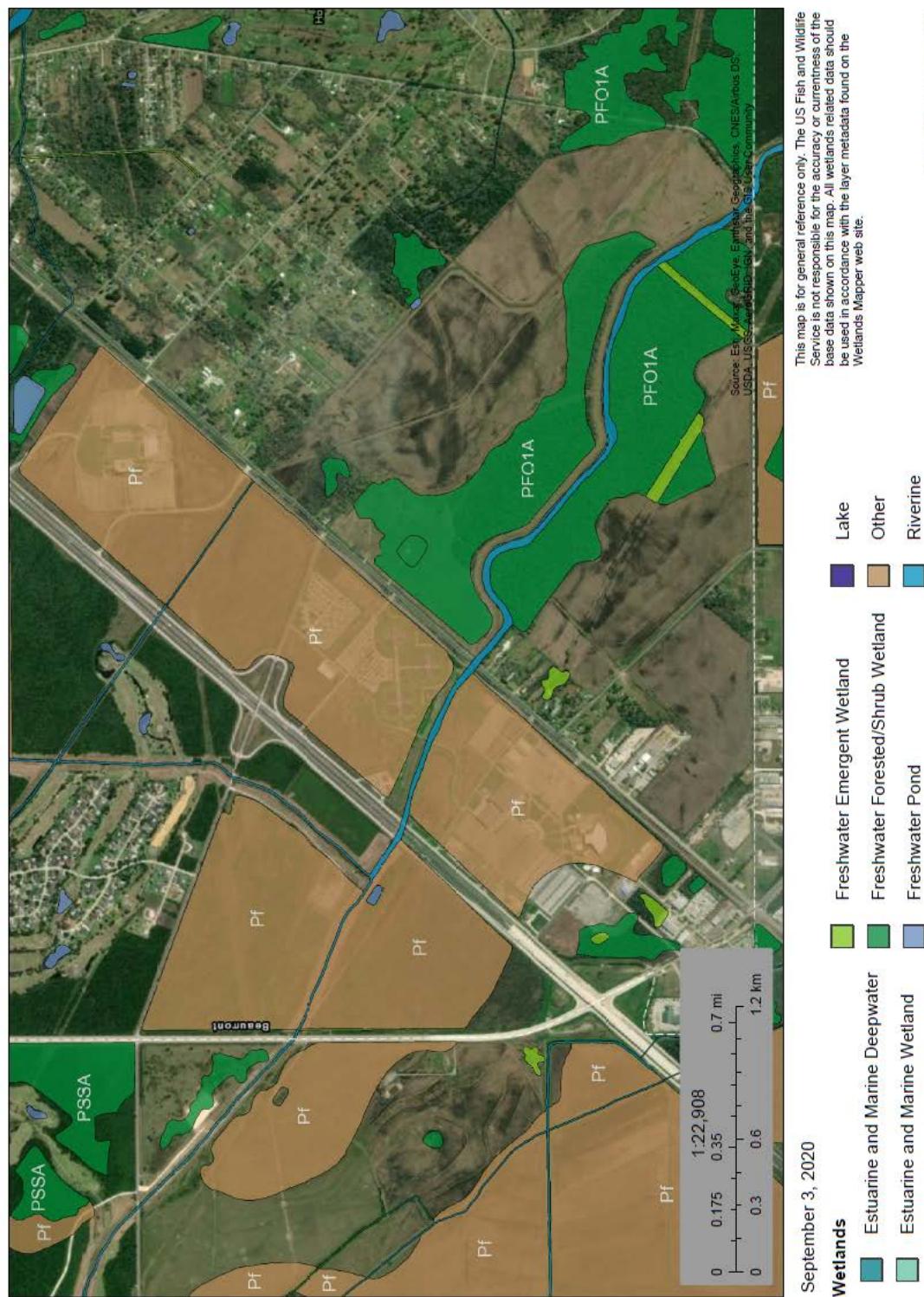
Questions Please Call (409) 840-9944

Website version: 1.2.2.31

Database last updated on: 8/23/2020 8:41 PM

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Appendix D

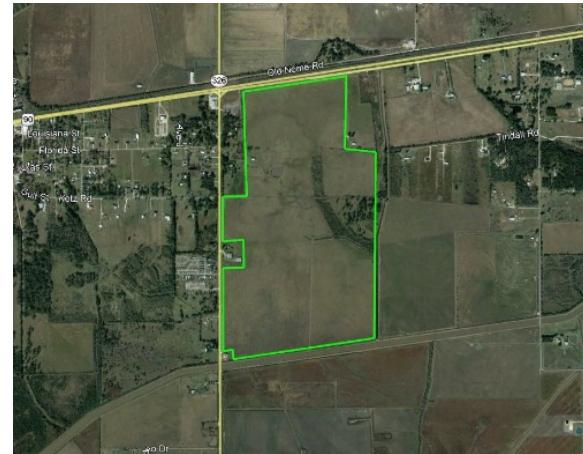
Comparable Data

Land Sale Comparables

Land Comparable 1

Property Information

Property Name	385 AC Sale on US HWY 90
Property Type	Agricultural-Undeveloped
Address	Highway 90
City	Nome
State	TX
Zip	77629
ID	356507
Tax ID	130313



Transaction Details

Price	\$2,795,093
Date	6/23/2020
Price Per Acre	\$7,250
Price Per Land SF	\$0.17
Grantor	William P. Tindall, et al
Grantee	Doguet Diamond D. Ranch Ltd.
Property Rights	Fee Simple
Financing	Cash to Seller
Conditions of Sale	Market
Transaction Type	Closed Sale
Book/Page or Reference	2020018894
Doc	
Verification	J.M. Prewitt Company

Site Data

Acres	385.53
Land SF	16,793,687
Usable Acres	385.53
Usable Land SF	16,793,687
Topography	Generally Level
Shape	Irregular

Operating Data / Key Indicators

Utilities	Public Water & Sewer, Electricity
-----------	-----------------------------------

Land Comparable 2

Property Information

Property Name	208 AC on Walden Road
Property Type	Agricultural- Undeveloped
Address	North of Walden Road and west of Wescalder Road
City	Beaumont
State	TX
Zip	77707
ID	356486
Tax ID	Multiple



Transaction Details

Price	\$1,188,695
Date	1/22/2020
Price Per Acre	\$5,688
Price Per Land SF	\$0.13
Grantor	Tyrrell Combest, Ltd. et al.
Grantee	HARM Development, LLC
Property Rights	Fee Simple
Financing	Cash to Seller
Conditions of Sale	Market
Transaction Type	Closed Sale
Book/Page or Reference	2020004870
Doc	
Verification	J.M. Prewitt Company

Site Data

Acres	208.98
Land SF	9,103,256
Usable Acres	208.98
Usable Land SF	9,103,256
Topography	Generally Level
Shape	Irregular

Operating Data / Key Indicators

Utilities	Public Water & Sewer, Electric
-----------	-----------------------------------

Land Comparable 3

Property Information

Property Name	47 AC on I-10
Property Type	Agricultural-Undeveloped
Address	Interstate 10
City	Winnie
State	TX
Zip	77665
ID	356525
Tax ID	29745



Transaction Details

Price	\$825,000
Date	2/28/2019
Price Per Acre	\$17,714
Price Per Land SF	\$0.41
Grantor	Winnie Group 47, LTD.
Grantee	Yak Mat LLC
Property Rights	Fee Simple
Financing	Cash to Seller
Conditions of Sale	Market
Transaction Type	Closed Sale
Book/Page or Reference	2019140074
Doc	
Verification	J.M. Prewitt Company

Site Data

Acres	46.57
Land SF	2,028,720
Usable Acres	46.57
Usable Land SF	2,028,720
Topography	Generally Level
Shape	Irregular

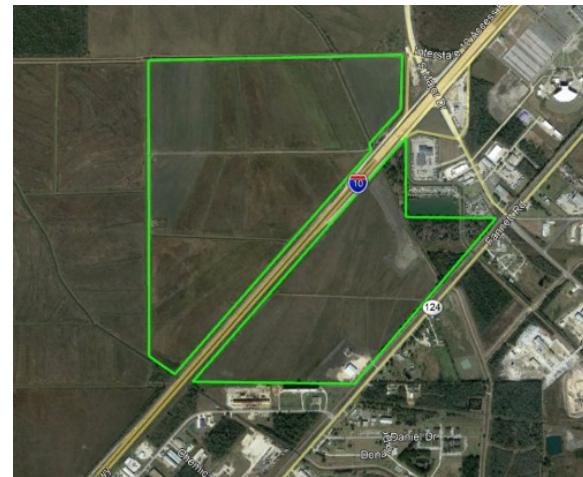
Operating Data / Key Indicators

Utilities	Public Water & Sewer, Electricity
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Land Comparable 4

Property Information

Property Name	487 AC on I-10
Property Type	Commercial
Address	Southwest Intersection of I-10 and South Major Drive
City	Beaumont
State	TX
Zip	77704
ID	355792
Tax ID	137574 & 412920



Transaction Details

Price	\$3,212,022
Date	2/5/2019
Price Per Acre	\$6,600
Price Per Land SF	\$0.15
Grantor	Estate of William Samuel Price Jr., et al
Grantee	Paragi Property Management, LTD. & I10 Equipment, LLC
Property Rights	Fee Simple
Financing	Cash to Seller
Conditions of Sale	Market
Transaction Type	Closed Sale
Book/Page or Reference	2019005003
Doc	
Verification	Buyer

Site Data

Acres	486.67
Land SF	21,199,345
Usable Acres	486.67
Usable Land SF	21,199,345
Topography	Generally Level
Shape	Irregular

Operating Data / Key Indicators

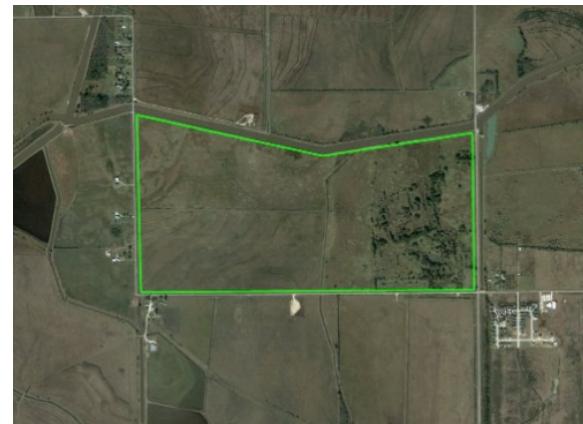
Utilities	None
-----------	------

Immediately after purchase the buyer spent a significant amount of capital improving detention and other infrastructure.

Land Comparable 5

Property Information

Property Name	488.88 AC on Keith Road
Property Type	Subdivision-Residential
Address	Keith Road
City	Beaumont
State	TX
Zip	77713
ID	356501
Tax ID	406947



Transaction Details

Price	\$3,422,160
Date	3/22/2018
Price Per Acre	\$7,000
Price Per Land SF	\$0.16
Grantor	Wesley B. Whitmeyer, etal.
Grantee	Dish Boll, LLC
Property Rights	Fee Simple
Financing	Cash to Seller
Conditions of Sale	Market
Transaction Type	Closed Sale
Book/Page or Reference	2018010240
Doc	
Verification	J.M. Prewitt Company

Site Data

Acres	488.88
Land SF	21,295,613
Usable Acres	488.88
Usable Land SF	21,295,613
Topography	Generally Level
Shape	Irregular

Operating Data / Key Indicators

Utilities	Public Water, Public Sewer, Electricity
-----------	--

Appendix E

Engagement Letter



JEFFERSON COUNTY PURCHASING DEPARTMENT

Deborah L. Clark, Purchasing Agent

1149 Pearl Street, 1st Floor, Beaumont, TX 77701 409-835-8593 Fax 409-835-8456

AGREEMENT EXECUTION NOTICE

August 12, 2020

JLL Valuation & Advisory Services, LLC
5 Riverway, Suite 200
Houston, Texas 77056
Attention: Mr. Kenneth Levenson

Re: Jefferson County (Agreement 20-034/DC) Valuation & Advisory Services
for the Ford Park Entertainment Complex Property

Enclosed is your executed copy of the above-referenced agreement. This agreement was executed, received and filed on Tuesday, August 11, 2020 by Jefferson County Commissioners' Court.

Per our previous email correspondence/telephone conversations, the County's expectation is for this "Self-Contained Format/Style" Appraisal Report for the Ford Park Entertainment Complex to be completed in three (3) weeks or *no later than* September 2, 2020.

Jefferson County looks forward to a continued working relationship with your company. Please contact this office should you need any additional information.

Sincerely,

A handwritten signature of Deborah L. Clark, with a faint circular watermark of the Jefferson County seal visible in the background.

Deborah L. Clark, Purchasing Agent
Jefferson County

DC: jw

Enclosures

Notice of Meeting and Agenda and Minutes
August 11, 2020

5. Consider and approve, execute, receive and file a contract renewal for (IFB 19-034/YS), Term Contract for Herbicides for Jack Brooks Regional Airport with Morning Star Industries and Red River Specialties for a first one (1) year renewal from August 18, 2020 to August 17, 2021.

SEE ATTACHMENTS ON PAGES 40 - 41

Motion by: Commissioner Weaver

Second by: Commissioner Sinegal

In favor: Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal, Commissioner Alfred

Action: APPROVED

6. Consider and possibly approve removal from the Sheriff/Narcotics inventory of a 2018 Ford F150 Crew Cab Truck, VIN 1FTEW1C56JKE03066, due to a vehicle accident and sold to Diamond Specialty Insurance.

SEE ATTACHMENTS ON PAGES 42 - 42

Motion by: Commissioner Weaver

Second by: Commissioner Sinegal

In favor: Commissioner Arnold, Commissioner Weaver, Commissioner Sinegal, Commissioner Alfred

Action: APPROVED

* 7. Consider and possibly approve, execute, receive and file Agreement 20-034/DC, Valuation and Advisory Services for the Property Ford Park Entertainment Complex with JLL Valuation & Advisory Services, LLC in the amount of \$30,000.00

SEE ATTACHMENTS ON PAGES 43 - 53

Motion by: Commissioner Weaver

Second by: Commissioner Sinegal

In favor: Commissioner Arnold, Commissioner Sinegal, Commissioner Alfred

Opposed: Commissioner Weaver

Action: APPROVED

Kenneth B. Levenson, MAI, FRICS
 Executive Vice President
 5 Riverway, Suite 200
 Houston, Texas 77056
 +1 713 243 3311
 Kenneth.levenson@am.jll.com

July 30, 2020

Jamey West
 Assistant Purchasing Agent, CTPM
 Jefferson County Purchasing Department
 1149 Pearl Street, 1st Floor
 Beaumont, TX 77701
 jwest@co.jefferson.tx.us
 +1 409 835 8693

RE: Valuation & Advisory Services for the Property: Ford Park Entertainment Complex, 5115 Interstate 10 Access Rd., Beaumont, TX 77705

Dear Jamey,

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

PROPERTY IDENTIFICATION: Ford Park Entertainment Complex, 5115 Interstate 10 Access Rd., Beaumont, TX 77705
PROPERTY TYPE: Sports & Entertainment
INTEREST APPRAISED: Leased Fee
INTENDED USERS: Jefferson County [NO OTHER USERS ARE INTENDED BY JLL VALUATION & ADVISORY SERVICES, LLC.]
INTENDED USE: Internal Decision Making
VALUES PROVIDED: As Is Market Value(s) (if applicable)
APPRAISAL STANDARDS: Uniform Standards of Professional Appraisal Practice (USPAP) by the Appraisal Foundation, the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute
PROPERTY INSPECTION: JLL VA will conduct a physical inspection of the Property
VALUATION APPROACHES: All applicable approaches to value.
REPORT OPTION: Appraisal Report (Similar to the former "Self Contained" report format
FEES: \$30,000
EXPENSES: The fee includes the expenses related to this engagement. There will be no added charges for travel, delivery fees or report production costs.
RETAINER: No retainer
FINAL PAYMENT: Final Payment
DELIVERY DATE: 4 weeks from receiving the executed engagement letter and retainer (if applicable). Delays in obtaining the data needed to complete this assignment or delays in accessing the property for inspection (if applicable) may result in delays in the date our analysis is completed and delivered.

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

NOTES: AFTER DELIVERY OF THE APPRAISAL REPORT, SHOULD FURTHER CONSULTATION BE REQUIRED, NOT INVOLVING NECESSARY REVIEW CORRECTIONS TO THE REPORT, THIS TIME WILL BE ACCOUNTED FOR AT OUR THEN PREVAILING HOURLY RATES (CURRENT RATE TABLE SHOWN BELOW) OR PER A NEW AGREEMENT.

HOURLY RATE SCHEDULE	
Title	Hourly Rate
Managing Director	\$450
Executive Vice President	\$400
Senior Vice President	\$300
Vice President	\$250
Associate	\$200
Analyst	\$150
Project Coordinator	\$80

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

Upon your acceptance of this Agreement, we will forward our information request and coordinate a property inspection. We will update you within 48 hours of receiving the signed engagement to confirm our information request was provided and a property inspection is scheduled.

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

Sincerely,

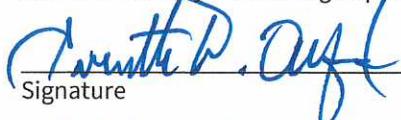
JLL VALUATION & ADVISORY SERVICES, LLC



Kenneth B. Levenson, MAI, FRICS
 Executive Vice President
 +1 713 243 3311
 Kenneth.levenson@am.jll.com

AGREED AND ACCEPTED BY:

Jefferson County Purchasing Department



Signature

Jeff R. Branick

Printed Name

Jefferson County Judge

Title

AUGUST 11, 2020

Date

jwest@co.jefferson.tx.us

Email Address

409-835-8593

Phone Number

PROPERTY CONTACT:

Steve Stafford

Printed Name

County Engineer

Company Title

sstafford@co.jefferson.tx.us

Email Address

409-835-8584

Phone Number

ATTEST
DATE

Caydy L. Grindig



Exhibit A

Terms and Conditions

1. INTRODUCTION

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

2. SERVICES

2.1 We will provide the Services using reasonable care and skill.

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

3. CLIENT OBLIGATIONS

3.1 You agree to give us all documents and other information that we advise you are reasonably necessary for us to provide the Services.

3.2 You will maintain adequate property and public liability insurance to reasonably insure property that you own or occupy and any activities on that property. You will obtain all necessary licenses, permissions and consents which may be required to enable us to perform the Services (other than professional licenses that we are required to maintain to perform the Services). You are responsible to keep your property in a safe condition so that we may perform the Services in reasonable safety.

3.3 You will notify us promptly if you believe any information you have provided is incomplete or inaccurate.

4. DELAY

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

5. FEES, EXPENSES AND PAYMENT

5.1 Our fee in its entirety is earned upon delivery of the first report. We will invoice you at time of delivery for any outstanding balance.

5.2 You agree that your obligation to pay the Fee is not contingent upon the results, conclusions or recommendations we provide.

5.3 If we are asked to invoice any other party, you agree to settle our invoice immediately if the other party does not do so within 30 days of the date of the invoice.

5.4 If the Fee or any part of it remains unpaid after it was due, you may not use any report or work product we have delivered to you for any reason.

5.5 If you terminate this agreement before the Services are completed, you will pay us, no later than the termination date, a reasonable fee proportionate to the part of the Services performed to the date of termination.

5.6 Our rights under Section 5.3 and 5.4 are in addition to, and will not limit, our right to pursue any other rights and remedies under the agreement or at law or in equity.

6. INDEMNITY

We agree to indemnify and defend you and hold you harmless from any third party action, claim or proceeding that you suffer arising out of our gross negligence while on your property and performing the Services.

7. EXCLUSIONS OF, AND LIMITATIONS ON, LIABILITY

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

8. TERMINATION

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

9. ASSUMPTIONS AND LIMITATIONS

- 9.1** Any report or other work product we deliver as part of the Services will be subject to our standard Statement of Assumptions and Limiting Conditions, provided as an exhibit and as part of the agreement, which will be incorporated into the report or work product.
- 9.2** We understand that you may wish to use the report or other work product we deliver as part of the Services to support your Stark law and Anti-Kickback compliance process. Our reports and work product are appraisals prepared pursuant to Uniform Standards of Professional Appraisal Practice, and do not undertake to evaluate any such compliance. You acknowledge that many factors in addition to property value must be considered to determine Stark or anti-kickback law compliance, and agree that any reports and work product we deliver make no opinion or representation that any transaction involving property we appraise is compliant with Stark law or any anti-kickback law.

10. CONFIDENTIALITY

- 10.1** We each agree to maintain the confidentiality of each other's confidential information and will not disclose any information received in

confidence from each other, until two years after termination or expiration of the agreement, except where required to do so by law.

- 10.2** Any report or other work product that we deliver to you in connection with the Services is confidential and may be used by only you, unless we agree otherwise in writing.
- 10.3** Notwithstanding the foregoing, we acknowledge and agree that the confidentiality obligations hereunder will not apply to information that is subject to a legitimate public disclosure under the open records laws of Texas, or similar applicable public disclosure laws governing this Agreement, or a subpoena; provided, however, that in the event you receive an open records or other similar request, you will give us prompt written notice of the same and allow us to comply or reject said request, each in our reasonable discretion, or and otherwise perform the functions required by applicable law.

11. INTELLECTUAL PROPERTY RIGHTS

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

12. GENERAL

- 12.1** The agreement may be modified only by a written agreement signed by both of us. Liability accruing before the agreement terminates or expires will survive termination or expiration.
- 12.2** The agreement states the entire agreement, and supersedes all prior agreements, between you and JLL with respect to the matters described in the agreement.
- 12.3** If a court determines that any part of the agreement is unenforceable, the remainder of the agreement will remain in effect.
- 12.4** The agreement is governed by the laws of the State of Texas. Each of us irrevocably submits to the exclusive jurisdiction of Jefferson County, Texas and the courts of that State.
- 12.5** The agreement may be executed in multiple counterparts.
- 12.6** No director, officer, agent, employee or representative of either of us has any personal liability in connection with the agreement.

- 12.7** Neither of us may assign or transfer any rights or obligations under the agreement without the prior written approval of the other. We each agree to be reasonable in evaluating such a request for approval.
- 12.8** If there is any conflict between the terms of the letter and this exhibit, the terms of the letter will prevail.
- 12.9** If either of us fails to enforce any provision or exercise any right under the Agreement at any time, that failure will not operate as a waiver to enforce that provision or to exercise that right at any other time.
- 12.10** The agreement does not establish any partnership or joint venture between us, or make either of us the agent of the other.
- 12.11** A person who is not a party to the agreement does not have any rights to enforce its terms unless specifically agreed in writing.
- 12.12** Neither of us may publicize or issue any specific information to the media about the Services or the agreement without the written consent of the other.
- 12.13** Each of us represents to the other that it is not a person or entity with whom U.S. entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order or other governmental action. Each of us agrees to comply with all applicable laws, statutes, and regulations relating to anti-bribery and anti-corruption.
- 12.14** If either party does not comply with the obligations under the agreement and legal action is commenced to enforce the rights under the agreement, the faulty losses will reimburse the prevailing party reasonable costs (including attorneys' fees), associated with such action.

THE PARTIES HEREBY WAIVE TRIAL BY JURY AND ANY LITIGATION HEREUNDER SHALL BE RESOLVED PURSUANT TO A BENCH TRIAL IN JEFFERSON COUNTY, TEXAS, UNLESS WE AGREE OTHERWISE.

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

13. USE OF DATA AND DATA PROTECTION

- 13.1** You agree as follows: (i) The data we collect in

connection with the agreement will remain our property. (ii) We and our affiliates may utilize, sell and include data you have provided (either in the aggregate or individually) in the databases of JLL and its affiliates and for use in derivative products. (iii) We may utilize all data already in the public domain on an unrestricted basis.

- 13.2** In order for us to provide the Services, we may need to record and maintain in hard copy and/or in electronic form, information regarding the Client, its officers and any other individuals connected with the Client (collectively "Data Subjects"). We may also verify the identity of Data Subjects, which could include carrying out checks with third parties such as credit reference, anti-money laundering or sanctions checking agencies.
- 13.3** We may use all information that we hold regarding Data Subjects to provide the Services. We may also use and share it with third parties for other purposes as described in our Privacy Statement available at www.jll.com. We may use both commercially available and proprietary software programs to perform the Services (web based and others).

14. SPECIAL EXPERTS

- 14.1** If you request our assistance in hiring a special expert to contribute to any assignment (such as a surveyor, environmental consultant, land planner, architect, engineer, business, personal property, machinery and equipment appraiser, among others), you will perform your own due diligence to qualify the special expert. You will be responsible to pay for the services of the special expert.
- 14.2** We not responsible for the actions and findings of any special expert.

15. CONFLICTS POLICY

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

16. FIRREA REQUIREMENTS

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

17. USPAP REQUIREMENTS

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

18. USE OF WORK PRODUCT AND RELIANCE

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

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

18.2 You will not use any such report or work product in connection with any public documents. You will not refer to JLL in any public documents without our prior written consent. We may give or withhold our consent in our sole discretion for any purpose under this Section 18.

18.3 Notwithstanding the foregoing, JLL understands that applicable law in eminent domain proceedings may require you to disclose our reports and work product to landowners and to otherwise make our reports and work product available to the public. To the extent required by applicable law, JLL consents to such disclosure. However, you and only you, and no such landowner or other person or entity, may rely on our reports or our work product.

19. LITIGATION MATTERS

19.1 We are not required to testify or provide court-related consultation or to be in attendance in court unless we have agreed to do so in the agreement or otherwise in writing, or if required by law.

19.2 If we receive a subpoena or other judicial command to produce documents or to provide testimony in a lawsuit or proceeding regarding the agreement, we will notify you if allowed by law to do so.

Exhibit B

Statement of Assumptions and Limiting Conditions

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

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

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

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

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

30. We may determine during the course of the assignment that additional Hypothetical Conditions and Extraordinary Assumptions may be required in order to complete the assignment. The report will be subject to those Hypothetical Conditions and Extraordinary Assumptions. Each person that is permitted to use the report agrees to be bound by all the Assumptions and Limiting Conditions and any Hypothetical Conditions and Extraordinary Assumptions stated in the report.

4-14-2022



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Kenneth B. Levenson, MAI,

FRICS

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Bradley Schuetze, MAI, AI-GRS

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