



Valbridge
PROPERTY ADVISORS

Appraisal Report

Residential Land Tract
130 East Jackson Street (Estimated)
Broken Arrow, Tulsa County, Oklahoma 74012

Report Date: 06/10/2022



FOR:

Broken Arrow Public Schools
Mr. Michael Leitch
210 North Main Street
Broken Arrow, Oklahoma 74013

Client Number: PO 2022-21-311

Valbridge Property Advisors | Oklahoma

6666 South Sheridan Road, Ste 104
Tulsa, OK 74133
918-712-9992 phone
918-742-3061 fax
valbridge.com

Valbridge File Number:
OK01-22-7091-000



6666 South Sheridan Road, Ste 104
Tulsa, OK 74133
918-712-9992 phone
918-742-3061 fax
valbridge.com

06/10/2022

Luke McLeod
918-712-9992
lmcLeod@valbridge.com

Mr. Michael Leitch
Broken Arrow Public Schools
210 North Main Street
Broken Arrow, Oklahoma 74013

RE: Appraisal Report
Residential Land Tract
130 East Jackson Street (Estimated)
Broken Arrow, Tulsa County, Oklahoma 74012

Dear Mr. Leitch:

In accordance with your request, we have performed an appraisal of the above referenced property. This appraisal report sets forth the pertinent data gathered, the techniques employed, and the reasoning leading to our value opinions. This letter of transmittal does not constitute an appraisal report and the rationale behind the value opinion(s) reported cannot be adequately understood without the accompanying appraisal report.

The subject property, as referenced above, is located on the north side of East Jackson Street, just west of South 1st Street and is further identified as tax parcel number 79200-84-14-04040. The subject site is a 0.16-acre or 7,000-square-foot parcel. The subject is a single-family residential tract with an interior location.

We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; and the requirements of our client as we understand them.

The client in this assignment is Broken Arrow Public Schools and the intended user of this report is Broken Arrow Public Schools and no others. The sole intended use is to assist the client with decision-making related to a property disposition. The value opinions reported herein are subject to the definitions, assumptions, limiting conditions, and certifications contained in this report.

The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results:

Extraordinary Assumptions:

- None

Hypothetical Conditions:

- None

Based on the analysis contained in the following report, our value conclusions are summarized as follows:

Value Conclusion

Component	As Is
Value Type	Land Only Market Value
Property Rights Appraised	Fee Simple
Effective Date of Value	June 6, 2022
Value Conclusion	\$65,000
	\$9.29 psf

Respectfully submitted,
Valbridge Property Advisors | Oklahoma

Luke McLeod
Appraiser

Stephen C. Walton, MAI, CCIM
Senior Managing Director
Oklahoma Certified General Appraiser 11392CGA
License Expires November 30, 2024

Table of Contents

Cover Page	
Letter of Transmittal	
Table of Contents	i
Summary of Salient Facts	ii
Aerial and Front Views.....	iii
Location Map	iv
Introduction.....	1
Scope of Work	4
Regional and Market Area Analysis.....	6
City and Neighborhood Analysis	12
Site Description	16
Subject Photographs.....	23
Assessment and Tax Data	25
Market Analysis	26
Highest and Best Use.....	31
Land Valuation.....	32
Reconciliation.....	45
Exposure Time and Marketing Period	45
General Assumptions and Limiting Conditions	46
Certification – Luke McLeod.....	51
Certification – Stephen C. Walton, MAI, CCIM.....	52
Addenda	53
Glossary	54
Qualifications.....	61
Valbridge Property Advisors Information / Office Locations	64

Summary of Salient Facts

Property Identification

Client Identification Number	PO 2022-21-311
Property Name	Residential Land Tract
Property Address	130 East Jackson Street (Estimated) Broken Arrow, Tulsa County, Oklahoma 74012
Latitude & Longitude	36.044524, -95.78953
Tax Parcel Number	79200-84-14-04040
Property Owner	Independent School District No. 3, c/o Board of Education

Site

Zoning	Residential Single-Family (R-3)
FEMA Flood Map No.	40143C0391L
Flood Zone	Zone X (unshaded)
Gross Land Area	7,000 square feet
Usable Land Area	7,000 square feet

Valuation Opinions

Highest & Best Use - As Vacant	Single-family residential
Reasonable Exposure Time	Less than 12 months
Reasonable Marketing Time	Less than 12 months

Value Indications

Approach to Value	As Is
Sales Comparison	\$65,000
Cost	Not Developed
Income Capitalization	Not Developed

Value Conclusion

Component	As Is
Value Type	Land Only Market Value
Property Rights Appraised	Fee Simple
Effective Date of Value	June 6, 2022
Value Conclusion	\$65,000
	\$9.29 psf

Aerial and Front Views

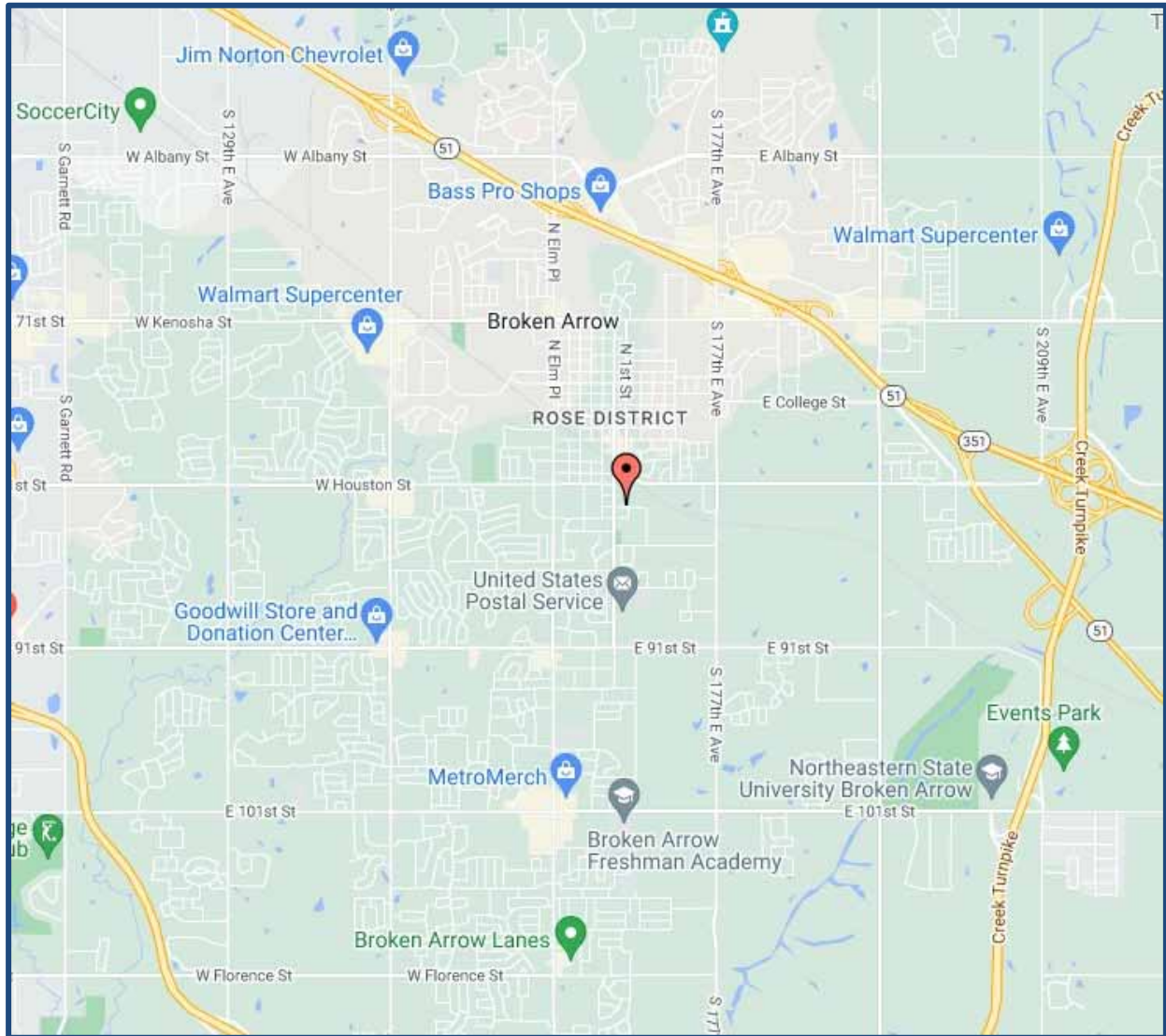
AERIAL VIEW



FRONT VIEW



Location Map



Introduction

Client and Intended Users of the Appraisal

The client in this assignment is Broken Arrow Public Schools and the sole intended user of this report is Broken Arrow Public Schools. Under no circumstances shall any of the following parties be entitled to use or rely on the appraisal or this appraisal report:

- i. The borrower(s) on any loans or financing relating to or secured by the subject property,
- ii. Any guarantor(s) of such loans or financing; or
- iii. Principals, shareholders, investors, members or partners in such borrower(s) or guarantors.

Intended Use of the Appraisal

The sole intended use of this report is to assist the client with decision-making related to a property disposition.

Real Estate Identification

The subject property is located at 130 East Jackson Street (Estimated), Broken Arrow, Tulsa County, Oklahoma 74012. The subject property is further identified by the tax parcel number 79200-84-14-04040.

Legal Description

Lot Thirteen (13), Block Five (5), FEARS ADDITION to the Town of Broken Arrow, Tulsa County, State of Oklahoma, according to the Recorded Plat thereof.

Use of Real Estate as of the Effective Date of Value

As of the effective date of value, the subject was a single-family residential land tract.

Use of Real Estate as Reflected in this Appraisal

Same as above.

Ownership of the Property

According to Tulsa County Clerk, title to the subject property is vested in Independent School District No. 3, c/o Board of Education.

History of the Property

Ownership of the subject property has not changed within the past three years.

Analysis of Listings/Offers/Contracts

The subject property is not offered for sale on the open market.

Type and Definition of Value

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

- *Buyer and seller are typically motivated.*
- *Both parties are well informed or well advised, each 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 sale concessions granted by anyone associated with the sale."¹*

The value conclusions apply to the value of the subject property under the market conditions presumed on the effective date of value. Please refer to the Glossary in the Addenda section for additional definitions of terms used in this report.

Valuation Scenarios, Property Rights Appraised, and Effective Dates of Value

Per the scope of our assignment, we developed opinions of value for the subject property under the following scenarios of value:

Valuation Scenario	Effective Date of Value
As Is Land Only Market Value of the Fee Simple Interest	June 6, 2022

We completed an appraisal inspection of the subject property on 06-06-2022.

Date of Report

The date of this report is 06/10/2022.

List of Items Requested but Not Provided

- None

¹ Source: Code of Federal Regulations, Title 12, Banks and Banking, Part 722.2-Definitions

Assumptions and Conditions of the Appraisal

This appraisal assignment and the opinions reported herein are subject to the General Assumptions and Limiting Conditions contained in the report and the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results.

Extraordinary Assumptions

- None

Hypothetical Conditions

- None

Scope of Work

The elements addressed in the Scope of Work are (1) the extent to which the subject property is identified, (2) the extent to which the subject property is inspected, (3) the type and extent of data researched, (4) the type and extent of analysis applied, (5) the type of appraisal report prepared, and (6) the inclusion or exclusion of items of non-realty in the development of the value opinion. These items are discussed as below.

Extent to Which the Property Was Identified

The three components of the property identification are summarized as follows:

- Legal Characteristics - The subject was legally identified via a review of available County Assessor and Clerk records and correspondence with the property owner.
- Economic Characteristics - Economic characteristics of the subject property were identified via an observation of the area history and anticipated future with emphasis toward growth trends, economic successes, and failures, and the interaction with other communities in this region of the United States. The city data presented herein is based on information retained from Site To Do Business, as well as a comparison to properties with similar locational and physical characteristics.
- Physical Characteristics - The subject was physically identified via an appraisal inspection that consisted of exterior observations of vacant land.

Extent to Which the Property Was Inspected

We inspected the subject on 06-06-2022.

Type and Extent of Data Researched

We researched and analyzed: (1) market area data, (2) property-specific market data, (3) zoning and land-use data, and (4) current data on comparable listings and transactions. We also interviewed people familiar with the subject market/property type.

Type and Extent of Analysis Applied (Valuation Methodology)

We observed surrounding land use trends, the condition of any improvements, demand for the subject property, and relevant legal limitations in concluding a highest and best use. We then valued the subject based on that highest and best use conclusion.

Appraisers develop an opinion of property value with specific appraisal procedures that reflect three distinct methods of data analysis: the Cost Approach, Sales Comparison Approach, and Income Capitalization Approach. One or more of these approaches are used in all estimations of value.

- Sales Comparison Approach - In the Sales Comparison Approach, value is indicated by recent sales and/or listings of comparable properties in the market, with the appraiser analyzing the impact of material differences in both economic and physical elements between the subject and the comparables.
- Direct Capitalization: Land Residual Method - The Land Residual Methodology involves estimating the residual net income to the land by deducting from total potential income the

portion attributable to the improvements, assuming development of the site at its highest and best use. The residual income is capitalized at an appropriate rate, resulting in an indication of land value.

- Direct Capitalization: Ground Rent Capitalization – A market derived capitalization rate is applied to the net income resulting from a ground lease. This can represent the leased fee or fee simple interest, depending on whether the income potential is reflective of a lease in place or market rental rates.
- Yield Capitalization: Subdivision Development Method – Also known as Discounted Cash Flow Analysis (DCF), the methodology is most appropriate for land having multiple lot development in the near term as the highest and best use. The current site value is represented by discounting the anticipated cash flow to a present value, taking into consideration all necessary costs of development, maintenance, administration, and sales throughout the absorption period.

All these approaches to value were considered. We assessed the availability of data and applicability of each approach to value within the context of the characteristics of the subject property and the needs and requirements of the client. Based on this assessment, we relied upon the Sales Comparison Approach. The Cost Approach and the Income Capitalization Approach were not used because this is an appraisal of land only and there are no improvements. Further discussion of the extent of our analysis and the methodology of each approach is provided later in the respective valuation sections.

Appraisal Conformity and Report Type

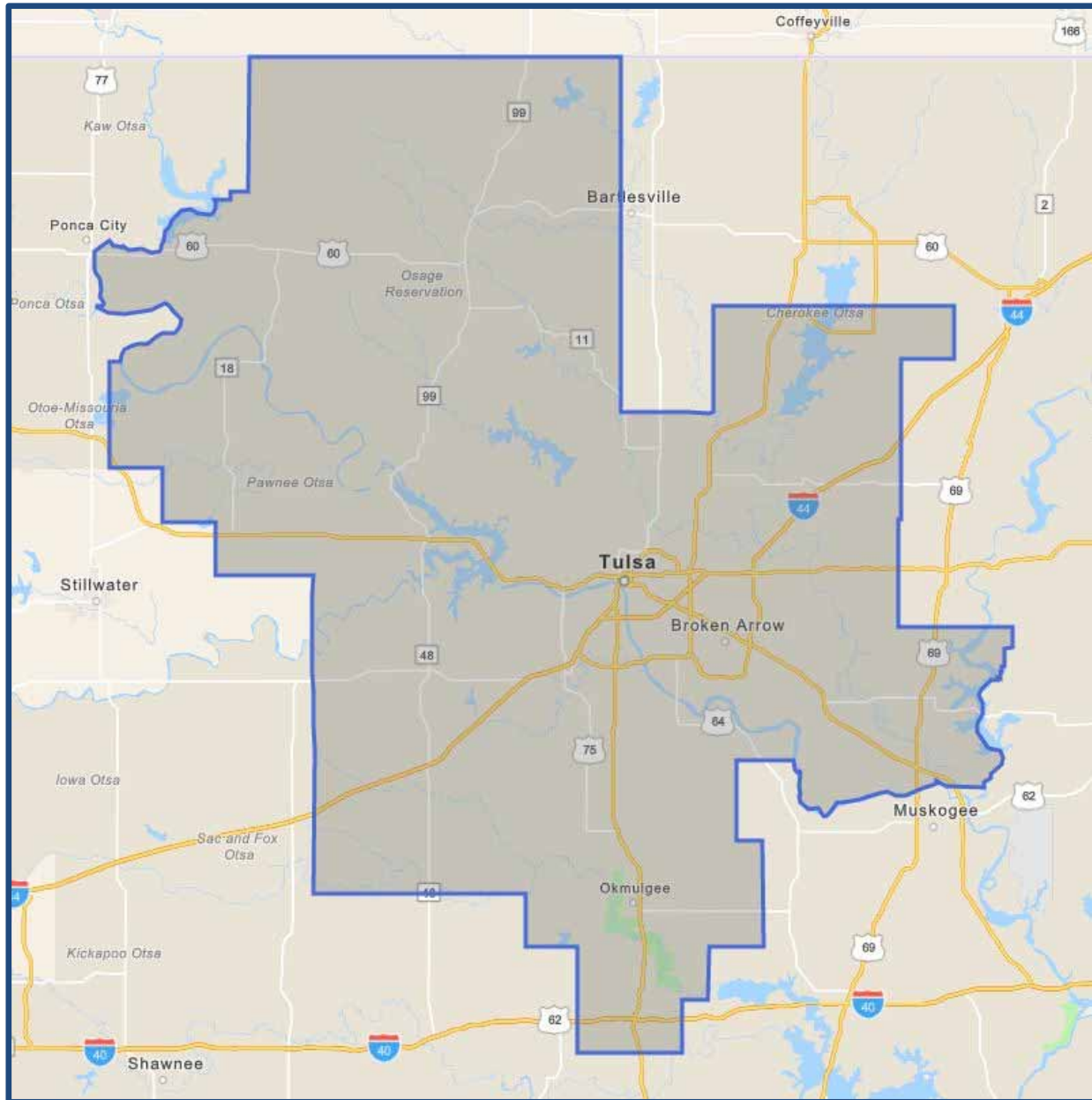
We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; and the requirements of our client as we understand them. This is an Appraisal Report as defined by the Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2a.

Personal Property/FF&E

All items of non-realty are excluded from this analysis. The opinion of market value developed herein is reflective of real estate only.

Regional and Market Area Analysis

REGIONAL MAP



Location

The subject is located in Broken Arrow, in Tulsa County. It is part of the Tulsa MSA. The Tulsa Metropolitan Statistical Area (MSA) lies in the Arkansas River Basin of northeastern Oklahoma. The seven counties comprising the MSA are Tulsa, Creek, Pawnee, Osage, Rogers, Wagoner, and Okmulgee. The City of Tulsa is the county seat for Tulsa County, and the economic center for the MSA.

Transportation

Major transportation routes in the larger area include Interstate Highways, U.S. Highways, and State Highways. Interstate 44 crosses the Tulsa Metro through midtown from east and west. Interstate 244 breaks from I-44 west of the Arkansas River and makes up the western and northern portion of the inner-dispersal loop, which surround the CBD; I-244 further extends east across the northern part of the city, reconnecting to I-44 in the northeast portion of the city. U.S. Highway 412 leaves the city from its most eastern and western points, but through most of its duration in Tulsa, it is primarily concurrent with Interstate 244. U.S. Highway 64 forms the Broken Arrow Expressway to the east and goes as far as the Sand Springs Expressway to the west. U.S. Highway 75 traverses West Tulsa through downtown going north and south, and U.S. Highway 169, also called the Mingo Valley Expressway, generally crosses the city in its eastern areas in a north-south direction. State Highway 11 serves the Tulsa International Airport, connecting from I-244 and Highway 75. The Creek Turnpike splits away from Highway 169 from the South and Interstate 44 from the East, bypassing most of the City of Tulsa and the suburb of Broken Arrow, eventually reconnecting with I-44 in Catoosa to the east and Jenks to the west.

The area also features the nation's farthest inland port, the Tulsa Port of Catoosa. This port, along with the Port of Muskogee, is situated along the McClellan-Kerr Arkansas River Navigation System. Several major rail lines are also located throughout the region. The region's principal airport is the Tulsa International Airport. Other minor airports are located throughout the region.

Population

Population in the Tulsa MSA is expected to grow at an average annual rate of 0.7% over the next five years. This forecast is above the overall growth projections for the United States, but consistent with the State of Oklahoma which is projected to grow at 0.6% annually.

Population

Area	2010	Estimated 2021	Annual % Change 2010 - 21	Projected 2026	Annual % Change 2021 - 26
United States	308,745,538	333,793,107	0.7%	333,934,112	0.0%
Oklahoma	3,751,351	4,018,868	0.6%	4,135,591	0.6%
Tulsa, OK (MSA)	937,478	1,005,992	0.6%	1,042,768	0.7%

Source: ESRI (ArcGIS)

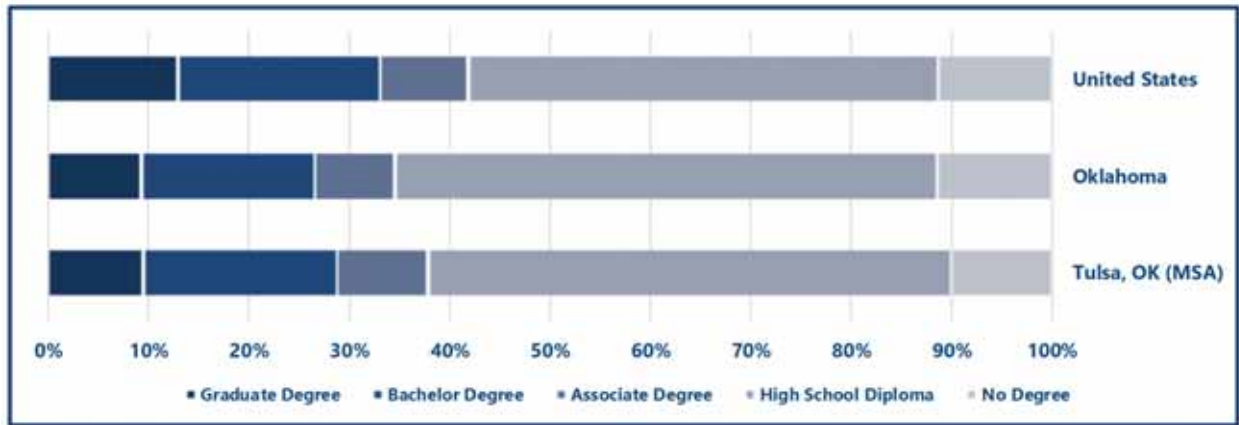
Education Level

Data regarding educational attainment are gathered by the U.S. Census Bureau utilizing a variety of surveys. The data are aggregated into categories ranging from No Degree to the attainment of a Graduate Degree and Higher. The educational attainment levels are shown in the table below.

Education Attainment

Area	Graduate Degree	Bachelor Degree	Associate Degree	High School Diploma	No Degree
United States	12.9%	20.2%	8.7%	46.8%	11.4%
Oklahoma	9.3%	17.3%	8.0%	54.1%	11.4%
Tulsa, OK (MSA)	9.5%	19.3%	9.0%	52.1%	10.1%

Source: ESRI (ArcGIS)



Source: ESRI (ArcGIS)

On average, Tulsa MSA residents are more highly educated compared with the state. A lower percentage of MSA residents have failed to complete a high school diploma than at the both the state and national levels. The MSA exceeds the state at all levels of postsecondary education.

Housing and Population Formation

The following table presents the population and household trends for the Tulsa MSA, State of Oklahoma and overall United States. This data is provided by Esri for the 2000 Census, the 2010 Census, a 2021 estimate, and a forecast for 2026.

Population and Households

	Tulsa, OK (MSA)	Oklahoma	United States
Population			
2026 Estimated Population	1,042,768	4,135,591	345,887,495
2021 Estimated Population	1,005,992	4,018,868	333,934,112
2010 Population	937,478	3,751,351	308,745,538
2000 Population	859,532	3,450,654	281,421,906
Annual Growth 2021 to 2026	0.7%	0.6%	0.7%
Annual Growth 2010 to 2021	1.5%	1.4%	1.6%
Annual Growth 2000 to 2010	1.8%	1.7%	1.9%
Households			
2026 Estimated Households	405,865	1,601,024	131,047,364
2021 Estimated Households	391,957	1,557,479	126,470,675
2010 Households	367,091	1,460,450	116,716,292
2000 Households	337,215	1,342,293	105,480,101
Annual Growth 2021 to 2026	0.7%	0.6%	0.7%
Annual Growth 2010 to 2021	1.4%	1.3%	1.7%
Annual Growth 2000 to 2010	1.8%	1.8%	2.1%

Source: Site-to-Do-Business (STDB Online)

Population within the MSA reflects annualized growth of 1.5% from 2010 to 2021, which is in line with the figures for the State of Oklahoma and country overall at 1.4% and 1.6% respectively.

Estimates for the area anticipate continued population growth over the next five years. However, the market area's growth rate over the next five years of 0.7% is expected to be slower than the growth rate of the past decade.

Income Distribution

The following table presents the estimated household income distribution for the MSA, State and Country.

Income Distribution

Households by Income Distribution - 2021	Tulsa, OK (MSA)	Oklahoma	United States
<\$15,000	10.1%	11.6%	9.8%
\$15,000 - \$24,999	9.5%	10.0%	8.2%
\$25,000 - \$34,999	9.8%	10.1%	8.4%
\$35,000 - \$49,999	13.2%	13.9%	11.9%
\$50,000 - \$74,999	19.0%	18.7%	17.3%
\$75,000 - \$99,999	12.7%	12.5%	12.8%
\$100,000 - \$149,999	14.0%	13.6%	15.8%
\$150,000 - \$199,999	5.7%	4.9%	7.2%
\$200,000+	6.0%	4.7%	8.5%

Source: Site-to-Do-Business (STDB Online)

Household Level Income

The following table presents the median household level incomes and home values for the Tulsa market as well as the overall state and country.

Household Level Income

Income	Tulsa, OK (MSA)	Oklahoma	United States
2021 Median Household Income	\$57,460	\$54,281	\$64,730
2021 Median Home Value	\$177,688	\$160,949	\$264,021
2021 Estimated Per Capita Income	\$31,623	\$29,127	\$35,106

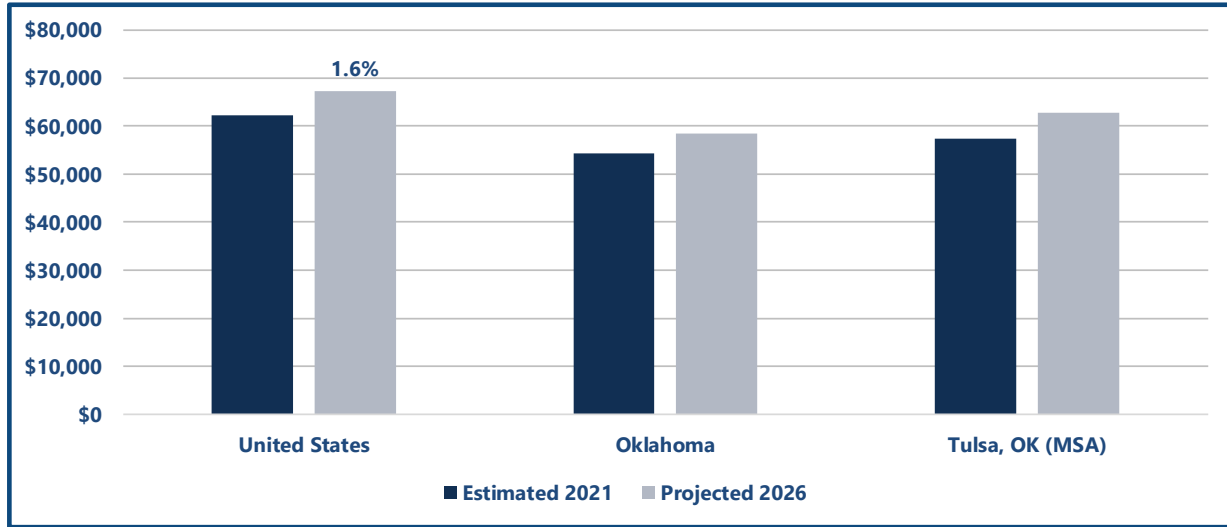
Source: Site-to-Do-Business (STDB Online)

Total median household income for the region is presented in the following table. The MSA exhibits higher income levels than the state, but below the United States overall. The MSA is projected to experience a higher rate of growth during the next five years. Overall, the subject's MSA and county compare favorably to the state and the country when considering the cost of living.

Median Household Income

Area	Estimated 2021	Projected 2026	Annual % Change 2021 - 26
United States	\$62,203	\$67,325	1.6%
Oklahoma	\$54,281	\$58,439	1.5%
Tulsa, OK (MSA)	\$57,460	\$62,709	1.8%

Source: ESRI (ArcGIS)



Source: ESRI (ArcGIS)

Employment

The following table shows the overall breakdown of employment by industry for the Tulsa MSA. The table reflects the employment characteristics of the Tulsa market, indicating a predominately middle-income employment profile with much of the population holding manufacturing, retail and healthcare/social assistance jobs. These sectors account for 37.1% of jobs across all sectors of the Tulsa-area economy.

Employment by Industry - Tulsa, OK (MSA)

Industry	2021 Estimate	Percent of Employment
Agriculture/Forestry/Fishing/Hunting	2,942	0.61%
Mining/Quarrying/Oil & Gas Extraction	8,763	1.82%
Construction	32,665	6.77%
Manufacturing	56,356	11.68%
Wholesale Trade	13,482	2.79%
Retail Trade	53,412	11.07%
Transportation/Warehousing	28,952	6.00%
Utilities	6,374	1.32%
Information	9,974	2.07%
Finance/Insurance	21,997	4.56%
Real Estate/Rental/Leasing	8,457	1.75%
Professional/Scientific/Tech Services	32,923	6.82%
Management of Companies/Enterprises	401	0.08%
Admin/Support/Waste Management Services	18,133	3.76%
Educational Services	39,697	8.22%
Health Care/Social Assistance	69,509	14.40%
Arts/entertainment/Recreation	7,058	1.46%
Accommodation/Food Services	28,922	5.99%
Other Services (excl Public Administration)	23,086	4.78%
Public Administration	19,536	4.05%
Total	482,639	100.0%

Source: ESRI (ArcGIS)

Unemployment

The following table exhibits current and past unemployment rates as obtained from the Bureau of Labor Statistics. Overall, the Region boasts one of the lowest unemployment rates for metropolitan statistical areas in the country at 2.2%.

Unemployment Rates

Area	YE 2016	YE 2017	YE 2018	YE 2019	YE 2020	2021 ¹
United States	4.9%	4.4%	3.9%	3.7%	8.1%	3.9%
Oklahoma	4.6%	4.0%	3.3%	3.1%	6.1%	1.9%
Tulsa, OK (MSA)	4.8%	4.2%	3.3%	3.1%	6.4%	2.2%

Source: www.bls.gov

data not seasonally adjusted: ¹November - most recent for US, others lag by 1-2 mos.)

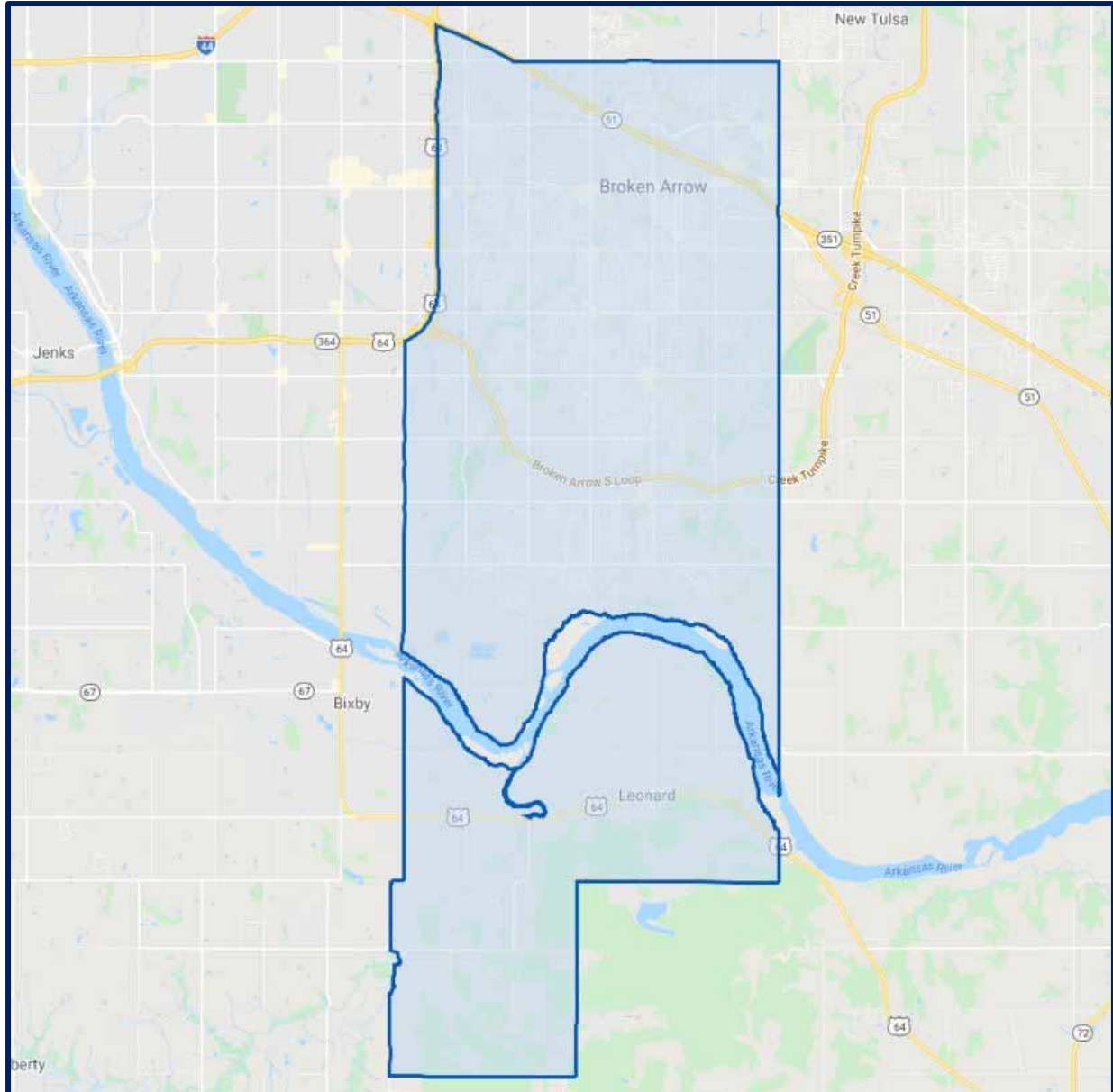
Conclusions

Economic conditions have been stable to improving in the Tulsa MSA over the past several years. The area has experienced slow and steady growth in both population size and employment. Most of the recent expansion has occurred in the MSA's southeastern and eastern quadrant, while secondary locations have been in satellite communities in the north and northeastern sectors. Improving demographics should also provide support for well-planned and located in-fill development within the central portions of the MSA.

The Tulsa MSA is exhibiting generally good occupancy and rent levels, indicating that the short-term outlook for the Tulsa area is expected to remain stable. Based on the preceding analysis, the metro area surrounding the subject property is projected to experience moderate growth relative to households and population soon. Given the area demographics, it appears that demand for both residential and non-residential real estate will continue to be favorable. The overall outlook for the Tulsa market is average with moderate growth.

City and Neighborhood Analysis

NEIGHBORHOOD MAP



Neighborhood Location and Boundaries

The subject neighborhood is in the Southeast section of the Tulsa Metro and is suburban to semi-rural in nature. The neighborhood is bounded by East 51st Street and the Broken Arrow Expressway to the north, County Line Road to the east, Adams Road, and the Tulsa-Wagoner County line to the south, and South Mingo Road to the west.

Transportation Access

Within the immediate area of the subject property, transportation access helps define the character of its development. Major travel and commuter routes within the area of the subject property include the following:

Primary Ground Routes

North/South - Garnett Road, Olive Avenue (129th East Avenue), Aspen Avenue (145th East Avenue), Elm Place (161st East Avenue), 9th Street (177th East Avenue), and 23rd Street (193rd East Avenue). East/West – Albany Street (61st Street), Kenosha Street (71st Street), Houston Street (81st Street), Washington Street (91st Street), New Orleans Street (101st Street), and Florence Street (111th Street).

Each of these arterials has asphalt and/or concrete paving and appeared adequately maintained. Drainage is facilitated primarily by concrete curb and gutter, or open ditches. The neighborhood arterials are predominantly four-lane with a center turn lane. Furthermore, the neighborhood arterials are generally four to six-lanes at primary intersections.

Highways

U.S. Highway 169 forms a portion of the western neighborhood boundary. This six to eight lane regional highway provides good north-south access across eastern Tulsa and intersects most regional highways in the metropolitan area.

The Creek Turnpike runs east to west along the southern and western boundary and provides good access to the Tulsa metropolitan area's highway system. This four-lane route provides good northwest to southeast access across southern Broken Arrow and intersects most primary ground routes within the metropolitan area.

The Broken Arrow Expressway (State Highway 51/64) forms a portion of the northern boundary and provides good access to the Tulsa metropolitan area's highway system. Additionally, it provides a direct route to Tulsa's Central Business District. These six to eight lane routes provide good northwest to southeast access across northern Broken Arrow and intersect most primary ground routes within the metropolitan area. Interstate-44 forms the northern boundary, U.S. 169 forms the eastern boundary, Creek Turnpike forms the southern boundary and Highway 51/64 passes through the northeast portion of the neighborhood. These six to eight lane routes provide good access across the metropolitan area and intersect most primary ground routes throughout the area.

Interior Access

A network of two-lane commercial collectors and residential streets typically facilitates access to interior parcels.

Neighborhood Land Use

The neighborhood is 65%-75% developed with uses ranging from single family and multi-family residential development to heavy commercial, and light industrial development. Commercial uses consist of general commercial, office, and retail.

Single-family residential housing represents the predominant land use within the neighborhood. Much of the development is located on interior parcels, with some abutting major arterials. Typical

prices fall in the value range of \$150,000 to \$250,000. The neighborhood contains some multi-family developments spread throughout.

Neighborhood commercial and retail development is typically located along the arterial thoroughfares and expressway frontage. Uses generally consist of single-tenant, and multi-tenant retail, garden office, conventional and fast-food restaurants, lodging facilities, and general commercial uses. As previously mentioned, the development of the destination retailers Super Target and Wal-Mart Supercenter, has generated new development within their immediate areas and will continue to make the development of nearby commercial facilities financially feasible. Several multi-tenant commercial developments are scattered throughout the neighborhood.

Light industrial development consists of primarily light to moderate office/warehouses and light assembly/fabrication facilities located in the central and northeastern portions.

Demographics

The following table depicts the area demographics in the subject neighborhood.

Neighborhood Demographics

Population Summary

2010 Population	88,973
2021 Population Estimate	101,683
2026 Population Projection	107,566
Annual % Change (2021 - 2026)	1.1%

Housing Unit Summary

2010 Housing Units	34,792
% Owner Occupied	71.1%
% Renter Occupied	23.7%
2021 Housing Units	40,176
% Owner Occupied	67.4%
% Renter Occupied	27.2%
2026 Housing Units	42,446
% Owner Occupied	68.0%
% Renter Occupied	26.7%
Annual % Change (2021 - 2026)	1.1%

Income Summary

2021 Median Household Income Estimate	\$75,862
2026 Median Household Income Projection	\$81,675
Annual % Change	1.5%
2021 Per Capita Income Estimate	\$35,426
2026 Per Capita Income Projection	\$39,335
Annual % Change	2.2%

Source: ESRI (ArcGIS)

Within the Southeast submarket the reported population is 101,683 with a projected growth rate of approximately 1.1% annually. There are 40,176 housing units within the submarket. The growth rate is expected to be 1.1% annually. Most of the housing is owner-occupied. Our research indicates that property values in the area are increasing. The median household income is \$75,862. Looking ahead, annual household income growth is projected at 1.5% per year. The average income figures suggest that the inhabitants are within the middle to upper income brackets.

Neighborhood Life Cycle

Most neighborhoods are classified as being in four stages: growth, stability, decline, and renewal. Overall, the subject neighborhood is in the growth and renewal stage of its life cycle.

Analysis and Conclusions

The neighborhood has experienced moderate growth in recent years due to its location in one of the metropolitan area's primary growth corridors. The area has experienced continued development of single-family homes and supporting non-residential uses. With these characteristics and an adequate supply of vacant land, neighborhood trends should continue upward soon.

The northwestern portion of the neighborhood is within the primary growth corridor of the metropolitan area. The 71st Street (Kenosha Street) corridor has experienced considerable development within all real estate sectors over the past 10-15 years. Additionally, new development continues to occur along Highway 51 in the northern portion of the neighborhood as well as the Creek Turnpike in the southern portion.

Redevelopment efforts are concentrated in and around the Rose District of Broken Arrow, as this area has emerged as a popular walkable-retail strip in recent years. Newly constructed multi-family units are also slated to enter the market in this area in the coming months.

The overall neighborhood outlook is good due to its location in favorable school districts, access to area highways and employment centers, and a good demographic base.

Site Description

The subject site is located on the north side of East Jackson Street, just west of South 1st Street. The characteristics of the site are summarized as follows:

Site Characteristics

Gross Land Area:	0.16 Acres or 7,000 SF
Usable Land Area:	0.16070 Acres or 7,000 SF
Usable Land %:	100.0%
Shape:	Rectangular
Average Depth:	140.00 feet
Topography:	Level
Drainage:	Assumed adequate
Grade:	At street grade
Utilities:	All public available
Off-Site Improvements:	None
Interior or Corner:	Interior
Signalized Intersection:	No:
Excess or Surplus Land:	None

Street Frontage / Access

Frontage Road	Primary
Street Name:	East Jackson Street
Street Type:	Collector
Frontage (Linear Ft.):	50.00
Number of Curb Cuts:	1

Additional Access

Alley Access:	No
Water or Port Access:	No
Rail Access:	No

Flood Zone Data

Flood Map Panel/Number:	40143C0391L
Flood Map Date:	09-30-2016
Portion in Flood Hazard Area:	0.00%
Flood Zone:	Zone X (unshaded)

The areas of minimal flood hazard, which are the areas outside the SFHA and higher than the elevation of the 0.2-percent-annual-chance flood, are labeled Zone C or Zone X (unshaded).

Other Site Conditions

Soil Type:	A soil report for the land was not provided; therefore, we assume the soil has sufficient stability to support the continued use and/or development of the tract
Environmental Issues:	An environmental site assessment report was not furnished for our review. An inspection of the property did not reveal any visible or factual evidence of apparent environmental impairment to the site. The appraisers are not considered experts in hazardous materials. The client is advised to obtain an environmental report if further investigation is desired. In addition, a drive-by inspection of the immediate vicinity surrounding the subject did not reveal any uses or hazards that would be expected to pose an apparent risk to the site or would restrict its use.
Easements/Encroachments:	The reader should note that no survey or engineering study is available for review. Therefore, this analysis assumes no adverse easements or encroachments exist.
Earthquake Zone:	Unknown

Adjacent Land Uses

North:	Light Industrial Development
South:	East Jackson Street/Single-Family Residential Development
East:	Single-Family Residential Development
West:	Single-Family Residential Development

Site Ratings

Access:	Average
Visibility:	Fair

Zoning Designation

Zoning Jurisdiction:	City of Broken Arrow
Zoning Classification:	R-3, Residential Single-Family
General Plan Designation:	The R-3 zoning classification is designed to permit the development and conservation of single-family detached dwellings in suitable environments in a medium density.
Permitted Uses:	A complete list of permitted uses can be found in the Broken Arrow Zoning Code, which is retained in the Appraisers' work-file
Zoning Comments:	According to the <u>Zoning Code of the City of Broken Arrow</u> , the R-3, Single-Family Residential District is "intended for single-family dwellings at a higher density than allowed in the R-1 and R-2 districts. The district prohibits commercial and industrial use or any other use that would substantially interfere with the development or continuation of single-family dwellings in this district."

The dimensional and density standards of the R-3 zoning district are as follows:

Single-Family Detached

Lot Dimensions:

Lot Area (Minimum) 7,000 SF

Lot Frontage (Minimum) ¹ 60 Feet

Lot Coverage (Maximum):

Interior Lot 50%

Corner Lot 60%

Minimum Setbacks: ²

Front ³ 25 Feet

Side:

Both 10 Feet

One ⁵ Feet

Rear 20 Feet

Adjacent to Arterial 35 Feet

Corner or Adjacent to Public Street/Alley 25 Feet

Maximum Height 35 Feet or 2.5 Stories

Other Uses

Lot Dimensions:

Lot Area (Minimum) 12,000 SF

Lot Frontage (Minimum) ¹ 200 Feet

Lot Coverage (Maximum):

Interior Lot 50%

Corner Lot 60%

Minimum Setbacks: ²

Front ³ 40 Feet

Side:

Both 40 Feet

One ²⁰ Feet

Rear 35 Feet

Adjacent to Arterial 40 Feet

Corner or Adjacent to Public Street/Alley 40 Feet

Maximum Height ⁴ 35 Feet

¹ The frontage of any wedge-shaped lot that meets the requirements of minimum lot size may be less than the minimum lot frontage requirements of this table, so long as the applicable minimum lot frontage requirement is met at the front building line. Lot must have at least 30 feet of frontage at the front property line.

² A required building setback from an abutting street shall be measured from the planned right of way as designated by the Transportation Plan as set forth in the Comprehensive Plan.

³ For lots in the RS-3, R3, and RD districts with more than two sides abutting a

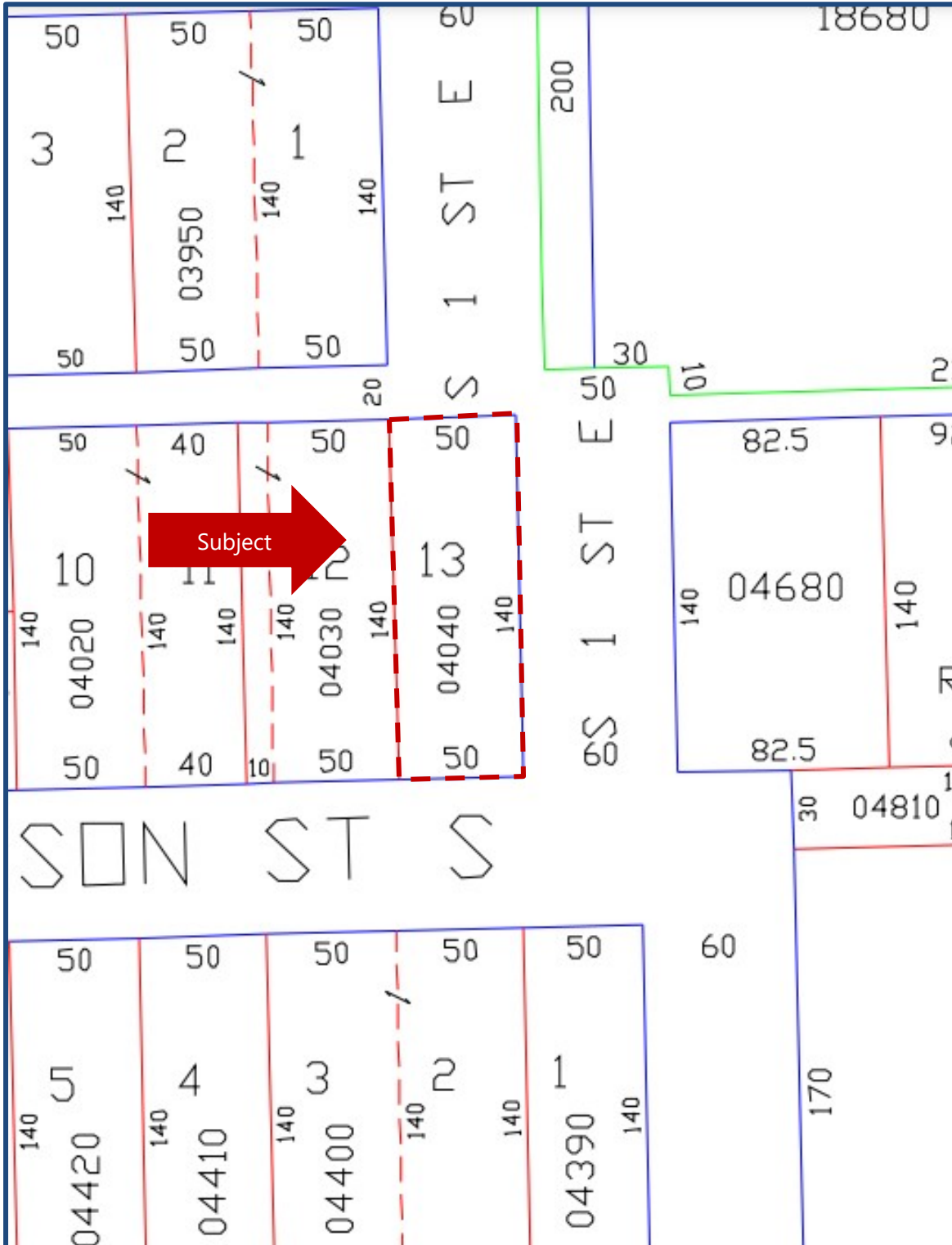
public way (not including arterials), the front yard may be reduced to 15 feet along those rights of way that have no vehicular access. In such instances, there shall be no obstruction in a 15-foot front yard (such as buildings, fences, parked vehicles, etc.) and vehicular access should be from the street with the lowest design speed and capacity and lowest traffic volume. The jog in the front yard between the two lots shall not exceed five feet.

⁴ Maximum height for other uses may be increased by one foot for every additional foot in setback provided beyond the minimum required setback

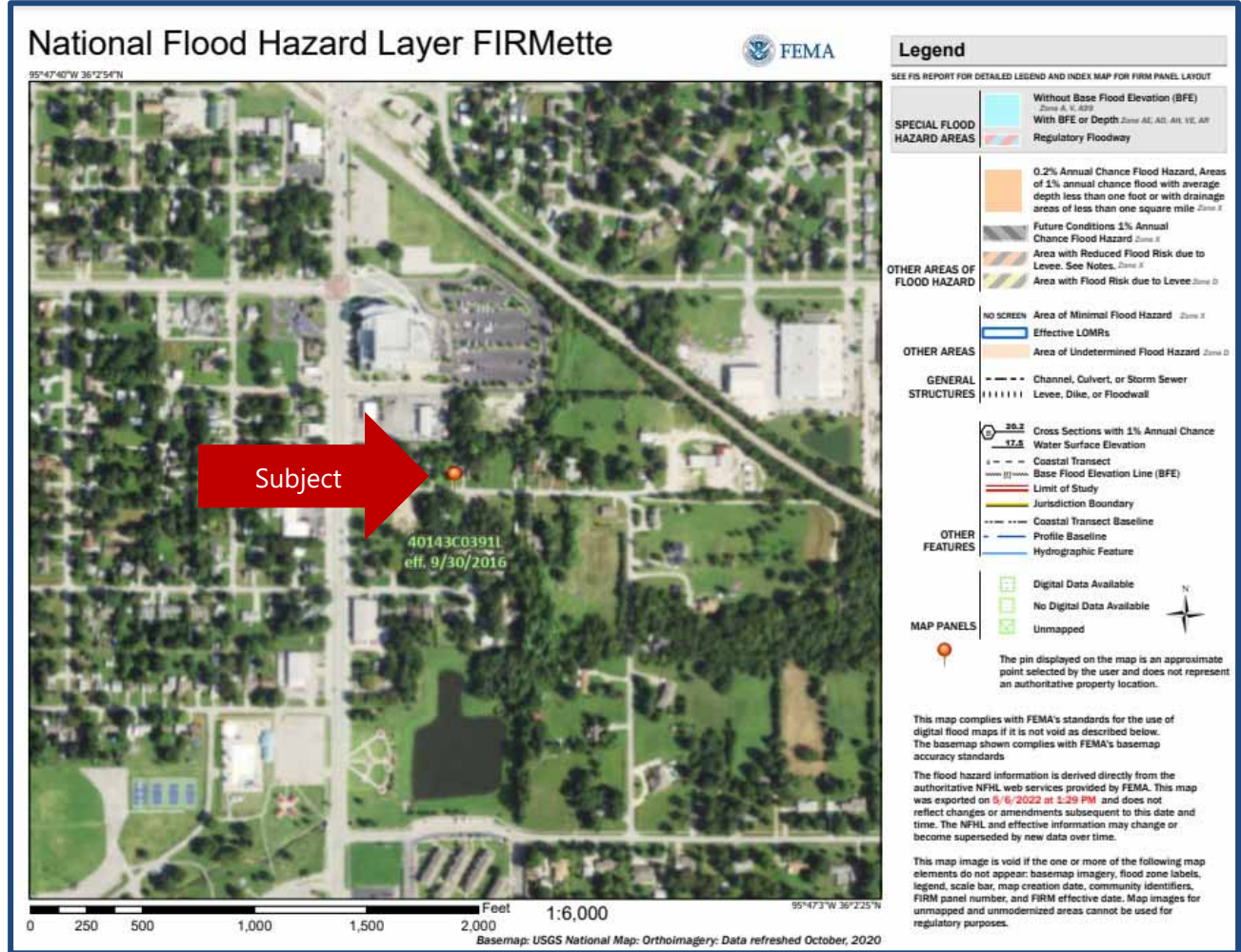
Analysis/Comments on Site

Based on the characteristics above, the site is suitable for a variety of uses allowed by zoning. Overall, there are no known factors or characteristics of the site which would prevent it from being developed for its highest and best use.

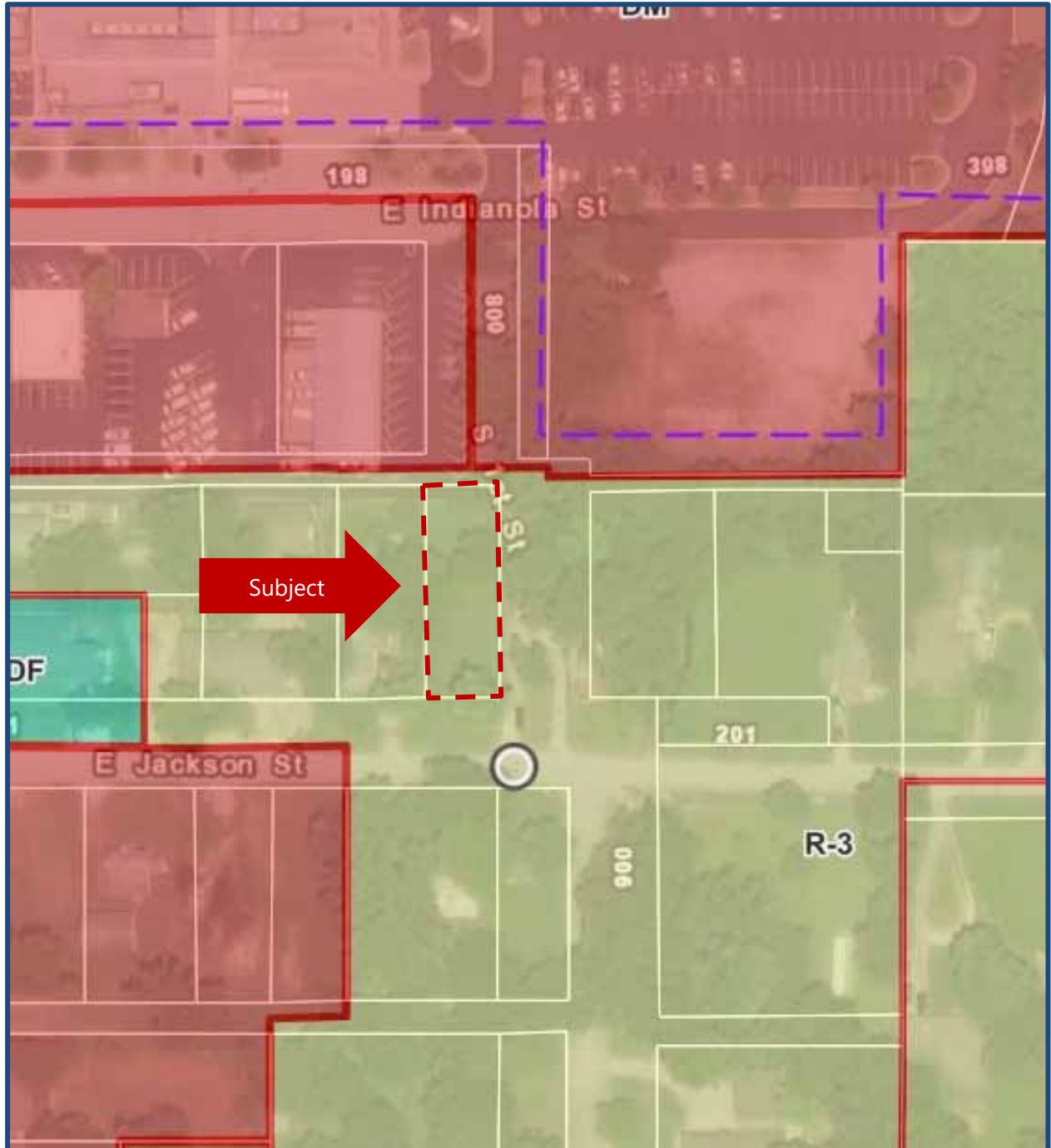
TAX MAP



FEMA FLOOD MAP



ZONING MAP



Subject Photographs



View of Subject from Southwest Boundary



View of Subject from South Boundary



View East on East Jackson Street – Subject on Left



View West on East Jackson Street – Subject on Right

Assessment and Tax Data

Assessment Methodology

Real Property in Broken Arrow, Tulsa County, Oklahoma is assessed annually at 11.00% of what the Assessor's Office establishes as market value. In turn, the actual tax liability is calculated by dividing the assessed value by 1,000. Article 10, § 8B of the Oklahoma State Constitution, the assessed value of any parcel of real property shall not increase by more than 5% annually; and, if the property qualifies for a homestead exemption or is classified as agricultural land, the increase is limited to 3% annually. Note these provisions do not apply in any year when title to the property is transferred, changed, or conveyed to another person or when improvements have been made to the property.

Assessed Values and Property Taxes

The subject's assessed values, applicable tax rates and total taxes, including direct assessments, are shown in the following table:

Ad Valorem Tax Schedule

Tax Parcel Number: 79200-84-14-04040

Tulsa County Year	Actual Market Estimate 2021	
Appraised Value		
Land:	\$24	\$65,000
Improvements:	\$0	\$0
Total:	\$24	\$65,000
Per Square Foot:	\$0.00	\$9.29
% Change:	N/A	270733.3%
Assessment Ratio	11.00%	11.00%
Assessed Value		
Land:	\$3	\$7,150
Improvements:	\$0	\$0
Total:	\$3	\$7,150
% Change:	N/A	270733.3%
Tax Rate	\$129.680000	\$129.680000
% Change:	N/A	
Millage Rate	per \$1,000	per \$1,000
	Actual	Market Estimate
Tax Expense	2021	
Total:	\$0	\$927
Per Square Foot:	\$0.00	\$0.13

Conclusions

Considering the current state of the subject property, we have estimated the Assessor's appraised value for the subject will increase to \$65,000 or \$9.29 per square foot. This indicates an assessed value of \$7,150 and a tax burden of \$927 or \$0.13 per square foot for the subject property. According to the Tulsa County Tax Assessor the subject's property taxes are current as of the date of value.

Market Analysis

The Covid-19 pandemic upended economies globally beginning in Q1 2020. A year later, the virus continues to spread but is showing signs of relenting in many countries. Unprecedented vaccine development and manufacturing efforts, combined with mitigation strategies, have helped slow the virus's progress in many places and most leaders expect to see a return to pre-pandemic level activity in the second half of 2021 for most industries. As of March 2021, approximately 1/3 of all adults in the United States have received at least the first dose of a Covid-19 vaccine, with the US averaging two million doses administered per day. Oxford Economics' US Recovery Tracker rose 1.7 ppts to 85.3 in mid-March, a new high one year after the onset of the pandemic crisis.

Employment is stabilizing as more job listings are posted, layoffs are decreasing, and small businesses bring in new hires. Consumers are spending more on goods and leisure activity, including air travel and hotel rooms.

President Biden announced a \$2 trillion infrastructure plan in March 2021. The plan calls for spending to improve basic infrastructure such as roads, bridges, electrical grids, and water systems, as well as expanding broadband internet access. It also calls for \$213 billion to renovate more than 2,000,000 affordable housing units and commercial buildings and build more than 500,000 new low-cost housing units. As part of the housing plan, the president is asking for Congress to pass the Neighborhood Homes Investment Act, which would provide \$20 billion in tax credits over the next five years for affordable housing. Additional spending in the Act would go toward modernization of Veteran's Affairs facilities, other federal buildings, and schools.

Other parts of the plan could bolster prospects for commercial real estate, including aid for rental housing, restaurants, and small business assistance. This, in addition to individual stimulus checks and assistance programs, aims to keep households stabilized as the recovery takes hold. Rental aid passed in December in the Consolidated Appropriations Act is intended to help multi-family property owners collect unpaid rents caused by eviction moratoria and renters unable to make payments.

Unemployment claims in late March fell to the lowest levels since the onset of the pandemic, though it is still a higher number than any week prior to 1982, according to Costar. The biggest concern is the high percentage of those unemployed for more than six months.

President Biden's tax plan proposals, made during his campaign, could affect commercial real estate markets if enacted. Possible impacts would include:

- Capital gains tax increases for those earning over \$1 million per year from 20% to 39.6%
- Elimination of the 1031 exchange program
- Changing the taxing of Carried Interests from capital gains to ordinary income, effectively raising rates for most developers with these types of interests from 20% to 39.6%
- Repeal of the 20% deduction for qualified pass-through entities for taxpayers earning more than \$400,000 per year.

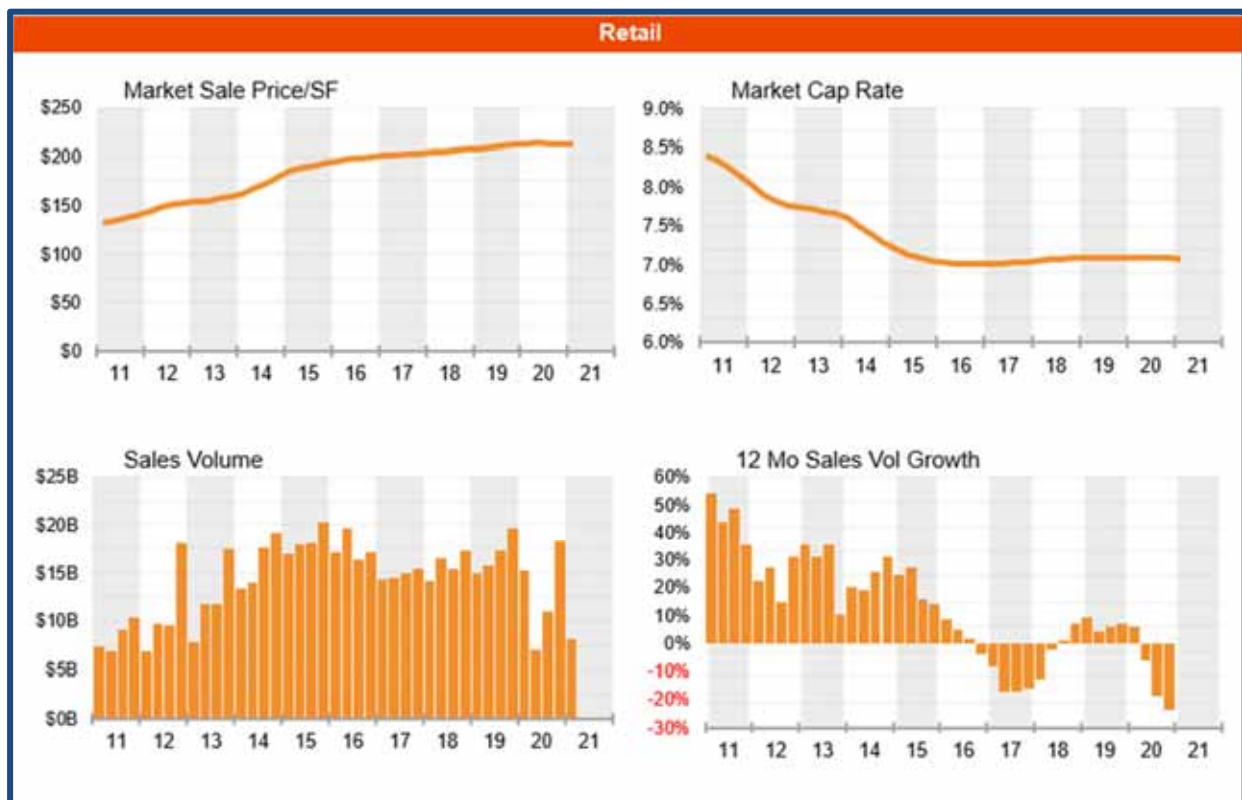
It is too early to know if these changes will be pushed in the near term and what the political climate in Congress will be to support the plan, but the changing party in the White House and Congress means that some change to the markets and tax implications in real estate are likely in the next two years.

Capital fundraising for US commercial real estate investment is strong, with investment managers reporting that they intend to primarily raise capital from new investors rather than the traditional approach of sticking with existing investors. Managers are also seeing a shift in investors from large positions to smaller ones. Technology innovations have made it more feasible to manage smaller positions, enabling retail investors to get in for \$150,000 to \$300,000.

Cap rates for net leased assets are down from Q1 2020 in Q1 2021, according to the Boulder Group, in retail and industrial sectors, with office rates holding around the same place they were a year ago. Sector trends vary widely right now as specific property use and geographic location play large roles in market health. It remains incumbent on market participants to look at property, sector, and location details closely to understand fundamentals and project performance in coming months and years. Broad trends in the major sectors are discussed below. All sector graphs are from Costar's April 1, 2021, US Capital Markets Data Report.

Retail

Activity started to come back in Q3 2020 in transactions with well-capitalized and successful concept retailers taking advantage of vacant spaces at reduced rates. Some changes underway before Covid will continue as retail space and tenants modernize and adjust to evolving consumer demands and learned habits during lockdown.



Restaurant traffic, as evidenced by data from OpenTable, shows a steady increase since the beginning of the year and is expected to continue as vaccination rates grow and warm weather expands dining space options in northern areas. Grocery-anchored space remains strong, as well as home improvement retail. Clothing retailers continue to struggle, and we will see much transition in traditional clothing space such as department stores.

Office

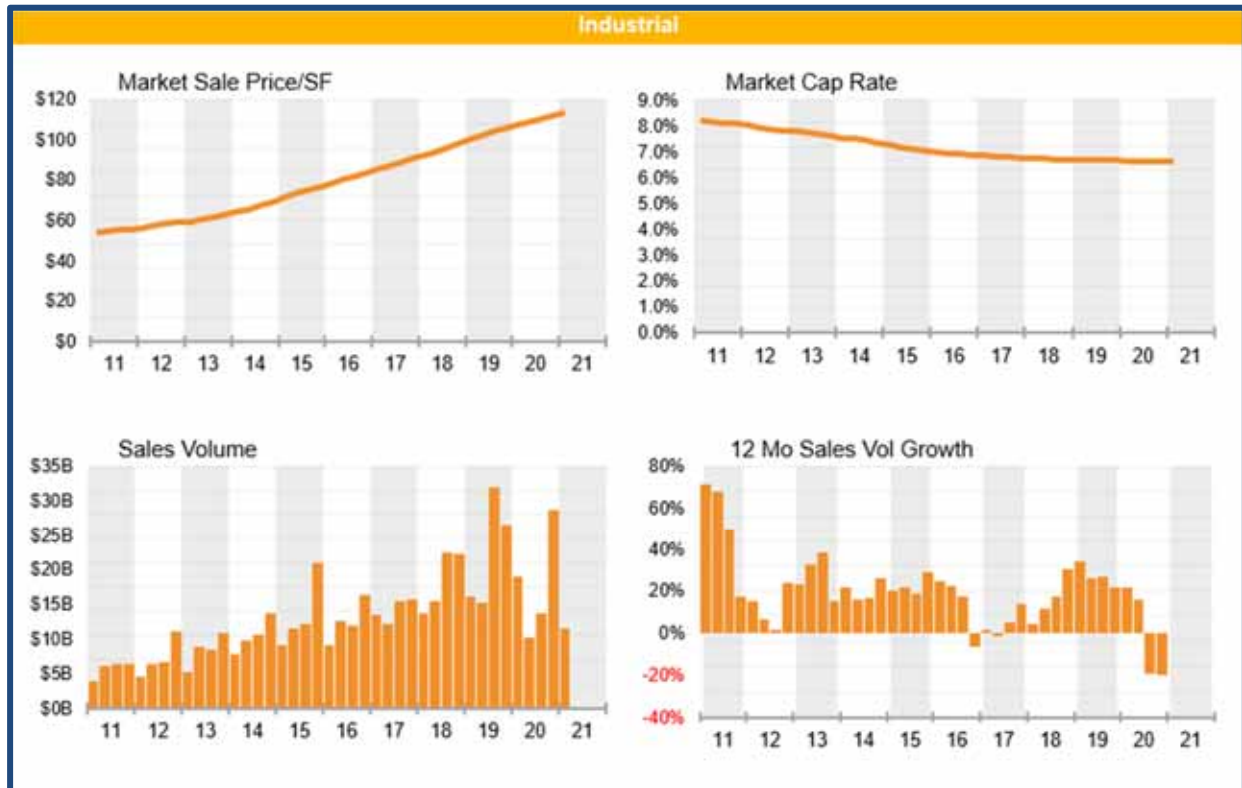
Physical occupancy of office is at its lowest on record. As the pandemic wanes, office occupancy is very slow to come back. Leasing is at record low activity levels across the country, with varying degrees, depending on the metro area. Some experts believe we are at a bottom and may see some recovery in Q2 or Q3 this year, but this will likely look very different across various parts of the country and between CBD properties versus suburban low-density space.



It is generally agreed that there will be wide-spread trends for new employees to spend at least some time working from home for the foreseeable future, and hot-desking between home, office and third-site locations will be the norm in many companies. Overall, firms are expected to reduce their office space needs by 30% as lockdown restrictions are lifted across the country.

Industrial

While all other sectors were negatively impacted by the pandemic, industrial was positively impacted, leading to the highest annual rental rate growth ever posted, 8.3%, according to RE Journals. This followed more than two years leading up to the pandemic of positive absorption, rent growth and low vacancy.

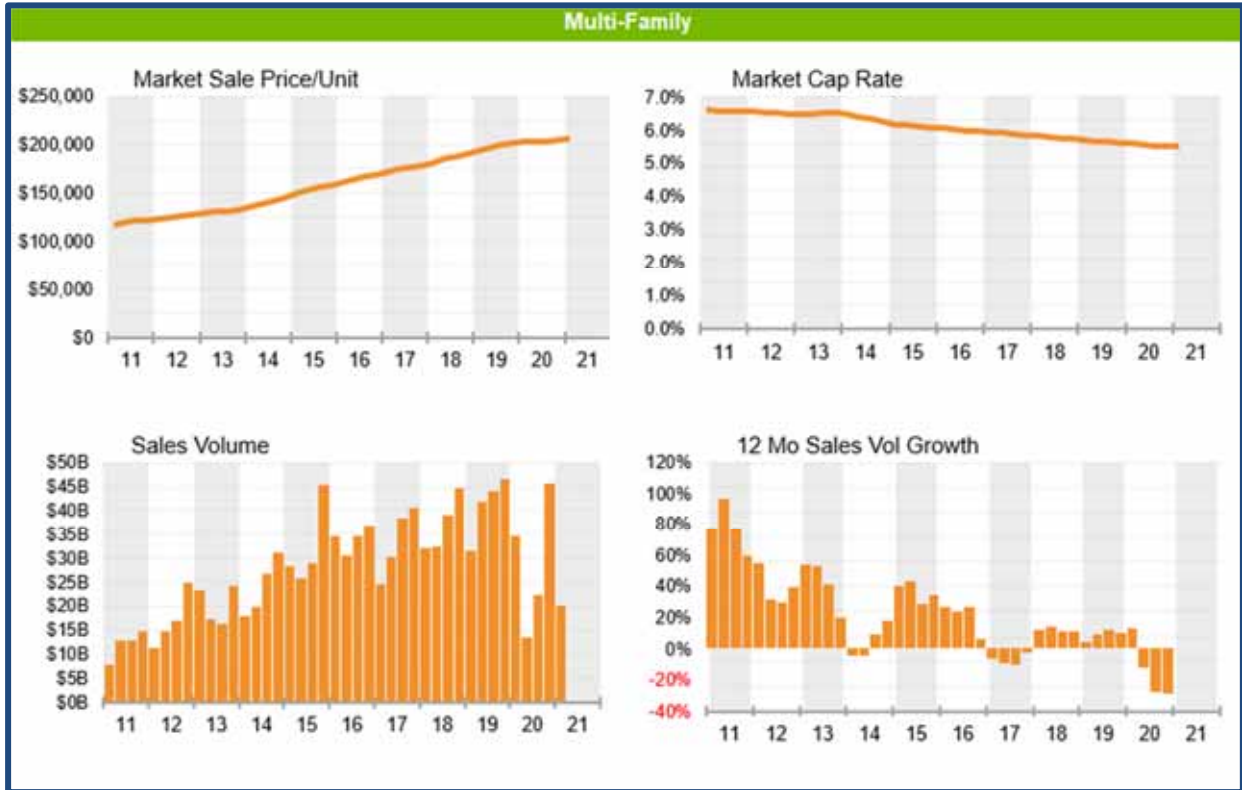


Investors, confident of ecommerce's strength and continuity, poured money into the sector and at year's end, a record 327 million square feet of industrial space was under construction. Distribution and warehouse space is the most in demand. Consumers with saved up cash are spending both online and in stores, creating demand to have inventory stored and ready to go. Personal saving in the United States in February was \$2.4 trillion, which is a \$1 trillion increase from a year ago.

Multifamily

The multi-family sector has weathered the crisis well, helped in some cases by stimulus money and unemployment checks for renters and eviction moratoria, keeping occupancies up. Vacancy rates increased year-over-year, but when the hardest-hit metros are subtracted from the numbers, the decline is just over 1%.

Loan requirements tightened in 2020, as well as underwriting scrutiny, but both have loosened in recent months. Suburban properties and Class B and C products have been relatively strong, with urban core properties in coastal northern cities struggling. As workers' offices continue to re-open in 2021, it is unclear how occupancy in suburban, rural and smaller metros will be impacted. Sunbelt areas are likely to benefit most as companies and individuals move south.



In other sectors, markets vary widely. Hospitality has seen a bigger hit than even office, with metrics showing the lowest performance on record. While 2020 was dark for all but a few hotel properties (notably, those on the coasts and near outdoor destinations with less restrictive lockdowns), early 2021 appears to have a brighter outlook. ADR growth is slowly increasing, and higher vaccination rates presumably mean people will begin feeling more comfortable traveling for both business and leisure.

Highest and Best Use

The Highest and Best Use of a property is the use that is legally permissible, physically possible, and financially feasible which results in the highest value. An opinion of the highest and best use results from consideration of the criteria noted above under the market conditions or likely conditions as of the effective date of value. Determination of highest and best use results from the judgment and analytical skills of the appraiser. It represents an opinion, not a fact. In appraisal practice, the concept of highest and best use represents the premise upon which value is based.

Analysis of Highest and Best Use As Though Vacant

The primary determinants of the highest and best use of the property As Though Vacant are the issues of (1) Legal permissibility, (2) Physical possibility, (3) Financial feasibility, and (4) Maximum productivity.

Legally Permissible

The subject site is zoned R-3, Residential Single-Family which controls the general nature of permissible uses but is appropriate for the location and physical elements of the subject property, providing for a consistency of use with the general neighborhood. The location of the subject property is appropriate for the uses allowed, as noted previously, and a change in zoning is unlikely. There are no known easements, encroachments, covenants, or other use restrictions that would unduly limit or impede development.

Physically Possible

The physical attributes allow for several potential uses. Elements such as size, shape, availability of utilities, known hazards (flood, environmental, etc.), and other potential influences are described in the Site Description and have been considered. There are no items of a physical nature which would adversely impact development with the legal permitted uses.

Financially Feasible

The probable use of the site for single-family residential development conforms to the pattern of land use in the market area. A review of published yield, rental and occupancy rates suggest that there is a balanced supply and demand is sufficient to support construction costs and ensure timely absorption of additional inventory in this market. Therefore, near-term speculative development of the subject site is marginally financially feasible.

Maximally Productive

Among the financially feasible uses, the use that results in the highest value (the maximally productive use) is the highest and best use. Considering these factors, the maximally productive use as though vacant is for single-family residential use.

Conclusion of Highest and Best Use As Though Vacant

The conclusion of the highest and best use As Though Vacant is for single-family residential use.

Most Probable Buyer

As of the date of value, the most probable buyer of the subject property is an owner-occupant.

Land Valuation

Methodology

Site Value is most often estimated using the sales comparison approach. This approach develops an indication of market value by analyzing closed sales, listings, or pending sales of properties like the subject, focusing on the difference between the subject and the comparables using all appropriate elements of comparison. This approach is based on the principles of supply and demand, balance, externalities, and substitution, or 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.

The process of developing the sales comparison approach consists of the following analyses: (1) researching and verifying transactional data, (2) selecting relevant units of comparison, (3) analyzing and adjusting the comparable sales for differences in various elements of comparison, and (4) reconciling the adjusted sales into a value indication for the subject site.

Unit of Comparison

The unit of comparison depends on land use economics and how buyers and sellers use the property. The unit of comparison in this analysis is per usable square foot.

Elements of Comparison

Elements of comparison are the characteristics or attributes of properties and transactions that cause the prices of real estate to vary. The primary elements of comparison considered in sales comparison analysis are as follows: (1) property rights conveyed, (2) financing terms, (3) conditions of sale, (4) expenditures made immediately after purchase, (5) market conditions, (6) location and (7) physical characteristics.

Comparable Sales Data

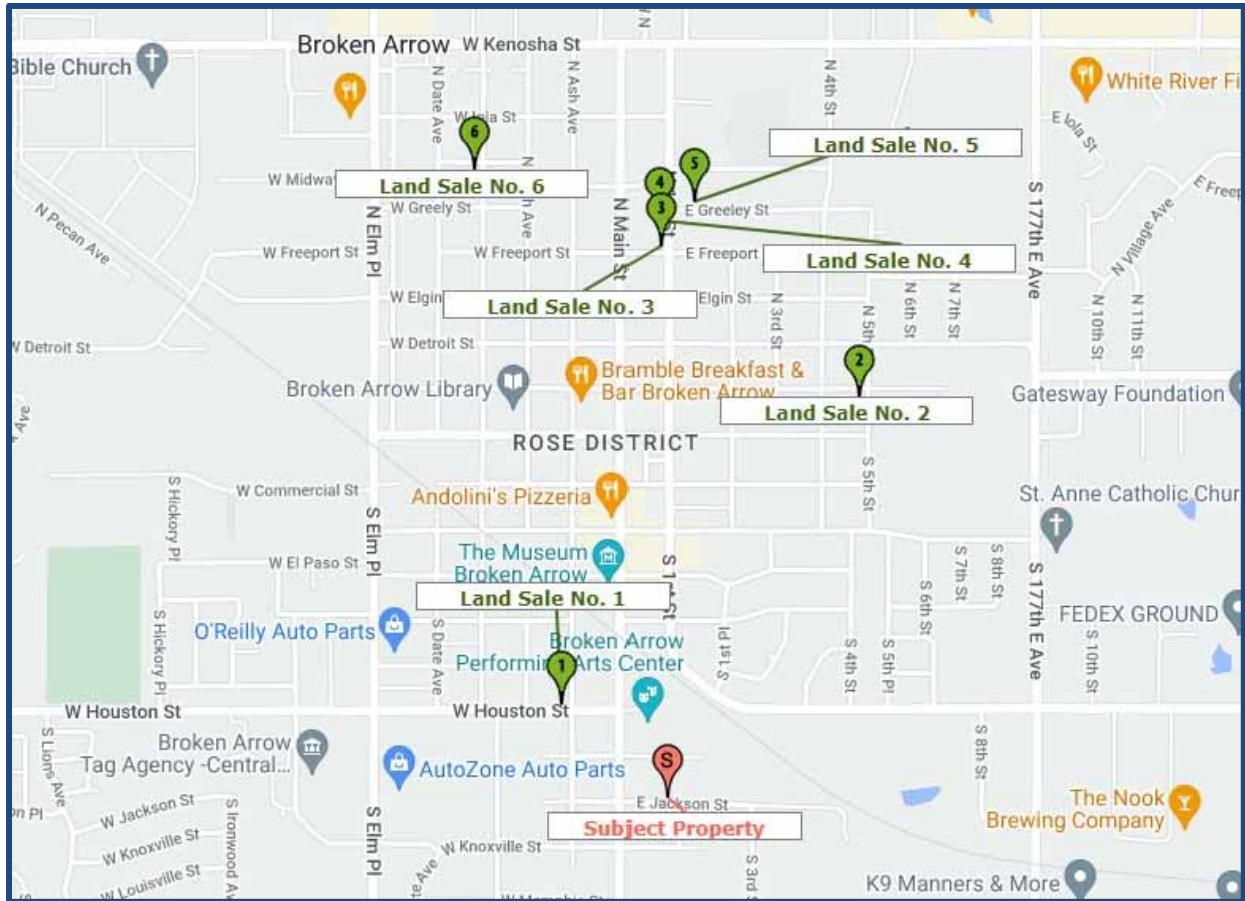
To obtain and verify comparable sales of vacant land properties, we conducted a search of public records, field surveys, interviews with knowledgeable real estate professionals in the area, and a review of our internal database.

The sales selected and presented in our analysis were judged to be the most comparable to develop an indication of market value for the subject property. The following is a table summarizing each sale comparable and a map illustrating the location of each in relation to the subject. Details of each comparable follow the location map.

Land Sales Summary

Comp. No.	Date of Sale	Usable Sq. Ft.	Location	Zoning	Proposed Sales Price		Per Sq. Ft.
					Use	Actual	
1	August-19	14,406	620 South Ash Avenue	Broken Arrow, Oklahoma	R-3 Single-family Residential	\$130,000	\$9.02
2	June-20	12,600	523 East College Street	Broken Arrow, Oklahoma	R-3 Single-family Residential	\$95,000	\$7.54
3	September-20	7,000	502 North 1st Street	Broken Arrow, Oklahoma	R-3 Single-family Residential	\$67,000	\$9.57
4	May-21	7,812	524 North 1st Street	Broken Arrow, Oklahoma	R-3 Single-family Residential	\$85,500	\$10.94
5	November-21	5,180	216 East Greeley Street	Broken Arrow, Oklahoma	R-3 Single-family Residential	\$50,000	\$9.65
6	November-20	10,500	624 North Cedar Avenue	Broken Arrow, Oklahoma	R-3 Single-family Residential	\$95,000	\$9.05

COMPARABLE SALES MAP



LAND Sale 1

Sale ID 1440656
Property Name Redevelopment Tract
Address 620 South Ash Avenue, Broken Arrow, Tulsa County, Oklahoma 74012
TaxID/APN 78100-84-11-05480

Sale Data

Sale Date 08-16-2019
Sale Status Closed
Grantor Primus Properties, LLC & Romelia Properties, LLC
Grantee Route 66 Rentals, LLC
Document Number 2019074194
Property Rights Fee Simple
Financing Cash to Seller
Conditions of Sale Arms-Length
Base Sale Price \$130,000
Base Price/SF \$9.02
Base Price/Acre \$393,086



Adjusted Sale Price \$130,000
Adjusted Price/SF \$9.02
Adjusted Price/Acre \$393,086

Base Price/Unit N/A

Adjusted Price/Unit N/A

Property Description

Gross Land SF	14,406	Shape	Rectangular
Gross Land Acres	0.33	Visibility	Average
Usable Land SF	14,406	Topography	Level
Usable Land Acres	0.33072	Electricity	Yes
Proposed Units	N/A	Natural Gas	Yes
Primary Frontage	125.00 : West Houston	Sanitary Sewer	Yes
Secondary Frontage	115.00 : South Ash Avenue	Water	Yes
Zoning	R3	Rail Access	No
Flood Zone	Zone X (unshaded)	Water/Port Access	No
Flood Zone Comments	N/A		

Verification

Confirmed With Deed
Confirmed By Stephen C. Walton
Confirmation Date 12-12-2019

Comments

N/A

Purchase for new residential development.

LAND Sale 2

Sale ID 1595548
Property Name Residential Land Tract
 523 East College Street, Broken
 Arrow, Tulsa County, Oklahoma
 74012
Address
TaxID/APN 78810-84-11-09180



Sale Data

Sale Date 06-25-2020
Sale Status Closed
Grantor Steven and Jody Harpe
Grantee Joey Jay Bowles
Document Number 2020063816
Property Rights Fee Simple
Financing Typical
Conditions of Sale Arms-Length
Base Sale Price \$95,000
Base Price/SF \$7.54
Base Price/Acre \$328,424

Base Price/Unit N/A

Adjusted Sale Price \$95,000
Adjusted Price/SF \$7.54
Adjusted Price/Acre \$328,424

Adjusted Price/Unit N/A

Property Description

Gross Land SF 12,600
Gross Land Acres 0.29
Usable Land SF 12,600
Usable Land Acres 0.28926
Proposed Units 1
Primary Frontage 95.00 : East College Street
Secondary Frontage 140.00 : North 5th Street
Zoning R-3
Flood Zone Zone X (unshaded)
Flood Zone Comments N/A

Shape Rectangular
Visibility Fair
Topography Level
Electricity Yes
Natural Gas Yes
Sanitary Sewer Yes
Water Yes
Rail Access No
Water/Port Access No

Verification

Confirmed With Deborah Green/ReMax Legacy
Confirmed By Luke McLeod
Confirmation Date 06-08-2022

Comments

N/A

N/A

LAND Sale 3

Sale ID 1595556
Property Name Residential Land Tract
Address 502 North 1st Street, Broken Arrow,
 Tulsa County, Oklahoma 74012
TaxID/APN 78100-84-11-00110

Sale Data

Sale Date 09-14-2020
Sale Status Closed
Grantor T & L Property Management, LLC
Grantee Larry and Desiree Hopkins
Document Number 2020092536
Property Rights Fee Simple
Financing Typical
Conditions of Sale Arms-Length
Base Sale Price \$67,000
Base Price/SF \$9.57
Base Price/Acre \$416,926



Base Price/Unit N/A

Adjusted Sale Price \$67,000
Adjusted Price/SF \$9.57
Adjusted Price/Acre \$416,926

Adjusted Price/Unit N/A

Property Description

Gross Land SF 7,000
Gross Land Acres 0.16
Usable Land SF 7,000
Usable Land Acres 0.16070
Proposed Units 1
Primary Frontage 140.00 : West Freeport Street
Secondary Frontage 50.00 : North 1st Street
Zoning R-3
Flood Zone Zone X (unshaded)
Flood Zone Comments N/A

Shape Rectangular
Visibility Fair
Topography Level
Electricity Yes
Natural Gas Yes
Sanitary Sewer Yes
Water Yes
Rail Access No
Water/Port Access No

Verification

Confirmed With Bunny Blalack/Coldwell Banker
Confirmed By Luke McLeod
Confirmation Date 06-08-2022

Comments

N/A

N/A

LAND Sale 4

Sale ID 1595560
Property Name Residential Land Tract
Address 524 North 1st Street, Broken Arrow, Tulsa County, Oklahoma 74012
TaxID/APN 78100-84-11-00155

Sale Data

Sale Date 05-27-2021
Sale Status Closed
Grantor Eric Allen & Kristi Anne Krebs
Grantee John & Adrienne Kidwell
Document Number 2021064304
Property Rights Fee Simple
Financing Typical
Conditions of Sale Arms-Length
Base Sale Price \$85,500
Base Price/SF \$10.94
Base Price/Acre \$476,748



Base Price/Unit N/A

Adjusted Sale Price \$85,500
Adjusted Price/SF \$10.94
Adjusted Price/Acre \$476,748

Adjusted Price/Unit N/A

Property Description

Gross Land SF 7,812
Gross Land Acres 0.18
Usable Land SF 7,812
Usable Land Acres 0.17934
Proposed Units 1
Primary Frontage 55.00 : North 1st Street
Secondary Frontage .00 : N/A
Zoning R-3
Flood Zone Zone X (unshaded)
Flood Zone Comments N/A

Shape Rectangular
Visibility Fair
Topography Level
Electricity Yes
Natural Gas Yes
Sanitary Sewer Yes
Water Yes
Rail Access No
Water/Port Access No

Verification

Confirmed With Linda Magnusson/McGraw Realtors
Confirmed By Luke McLeod
Confirmation Date 06-08-2022

Comments

N/A

N/A

LAND Sale 5

Sale ID 1595563
Property Name Residential Land Tract
 216 East Greeley Street, Broken
 Arrow, Tulsa County, Oklahoma
 74012
Address
TaxID/APN 79010-84-11-10150



Sale Data

Sale Date 11-15-2021
Sale Status Closed
Grantor Peter Valentin
Grantee Seth & Cassandra Scantling
Document Number 2021132457
Property Rights Fee Simple
Financing Typical
Conditions of Sale Arms-Length
Base Sale Price \$50,000
Base Price/SF \$9.65
Base Price/Acre \$420,451

Base Price/Unit N/A

Adjusted Sale Price \$50,000
Adjusted Price/SF \$9.65
Adjusted Price/Acre \$420,451

Adjusted Price/Unit N/A

Property Description

Gross Land SF 5,180
Gross Land Acres 0.12
Usable Land SF 5,180
Usable Land Acres 0.11892
Proposed Units 1
Primary Frontage 37.00 : East Greeley Street
Secondary Frontage .00 : N/A
Zoning R-3
Flood Zone Zone X (unshaded)
Flood Zone Comments N/A

Shape Rectangular
Visibility Fair
Topography Level
Electricity Yes
Natural Gas Yes
Sanitary Sewer Yes
Water Yes
Rail Access No
Water/Port Access No

Verification

Confirmed With Bob Willinger/Platinum Realty
Confirmed By Luke McLeod
Confirmation Date 06-08-2022

Comments

N/A

N/A

LAND Sale 6

Sale ID 1595565
Property Name Residential Land Tract
 624 North Cedar Avenue, Broken
 Arrow, Tulsa County, Oklahoma
 74012
Address
TaxID/APN 80610-84-11-14610


Sale Data

Sale Date 11-03-2020
Sale Status Closed
Grantor Nona & Mitchell Forbes
Grantee Robert & Larry Cornelison
Document Number 2020111250
Property Rights Fee Simple
Financing Typical
Conditions of Sale Arms-Length
Base Sale Price \$95,000
Base Price/SF \$9.05
Base Price/Acre \$394,109

Base Price/Unit N/A

Adjusted Sale Price \$95,000
Adjusted Price/SF \$9.05
Adjusted Price/Acre \$394,109

Adjusted Price/Unit N/A

Property Description

Gross Land SF 10,500
Gross Land Acres 0.24
Usable Land SF 10,500
Usable Land Acres 0.24105
Proposed Units 1
Primary Frontage 80.00 : North Cedar Avenue
Secondary Frontage 140.00 : West Hartford Street
Zoning R-3
Flood Zone Zone X (unshaded)
Flood Zone Comments N/A

Shape Rectangular
Visibility Fair
Topography Level
Electricity Yes
Natural Gas Yes
Sanitary Sewer Yes
Water Yes
Rail Access No
Water/Port Access No

Verification

Confirmed With Kelly Kilmer/ReMax Results
Confirmed By Luke McLeod
Confirmation Date 06-08-2022

Comments

N/A

N/A

Land Sales Comparison Analysis

When necessary, adjustments were made for differences in various elements of comparison, including property rights conveyed, financing terms, conditions of sale, expenditures made immediately after purchase, market conditions, location, and other physical characteristics. If the element in comparison is considered superior to that of the subject, we applied a negative adjustment. Conversely, a positive adjustment was applied if inferior. A summary of the elements of comparison follows.

Transaction Adjustments

Transaction adjustments include (1) real property rights conveyed, (2) financing terms, (3) conditions of sale and (4) expenditures made immediately after purchase. These items, which are applied prior to the market conditions and property adjustments, are discussed as follows:

Real Property Rights Conveyed

Real property rights conveyed influence sale prices and must be considered when analyzing a sale comparable. The appraised value and sale comparables all reflect the fee simple interest with no adjustments required.

Financing Terms

The transaction price of one property may differ from that of an identical property due to different financial arrangements. Sales involving financing terms that are not at or near market terms require adjustments for cash equivalency to reflect typical market terms. A cash equivalency procedure discounts the atypical mortgage terms to provide an indication of value at cash equivalent terms. All the sale comparables involved typical market terms by which the sellers received cash or its equivalent and the buyers paid cash or tendered typical down payments and obtained conventional financing at market terms for the balance. Therefore, no adjustments for this category were required.

Conditions of Sale

When the conditions of sale are atypical, the result may be a price that is higher or lower than that of a normal transaction. Adjustments for conditions of sale usually reflect the motivations of either a buyer or a seller who is under duress to complete the transaction. Another more typical condition of sale involves the downward adjustment required to a comparable property's for-sale listing price, which usually reflects the upper limit of value. No adjustments for atypical conditions or for-sale listings were warranted.

Expenditures Made Immediately After Purchase

A knowledgeable buyer considers expenditures required upon purchase of a property, as these costs affect the price the buyer agrees to pay. Such expenditures may include costs to demolish and remove any portion of the improvements, costs to petition for a zoning change, and/or costs to remediate environmental contamination.

The relevant figure is not the actual cost incurred, but the cost anticipated by both the buyer and seller. Unless the sales involved expenditures anticipated upon the purchase date, no adjustments to the comparable sales are required for this element of comparison. The parties to these transactions did not anticipate expenditures were required immediately after purchase; therefore, no adjustments were warranted.

Market Conditions Adjustment

Market conditions change over time because of inflation, deflation, fluctuations in supply and demand, or other factors. Changing market conditions may create a need for adjustment to comparable sale transactions completed during periods of dissimilar market conditions.

Discussions with market participants and a review of market data indicated overall market conditions for vacant land properties had been improving through the end of 2019. As such, we applied an adjustment to each comparable based on a factor of 2.50% per year for the period prior to 1-1-2020.

The global outbreak of a "novel coronavirus" (known as COVID-19) was officially declared a pandemic by the World Health Organization (WHO) on March 11, 2020. Since that time, commercial real estate markets have reported varying changes in transaction volumes due to travel restriction, quarantines and "stay at home" orders. Within certain sectors, these changes have prompted the restructuring or outright cancellation of deals, but in other, appear to have had little to no impact. Based on our most recent market research and experience in the appraisal of similar properties, overall market conditions for vacant land properties like the subject do not support a market conditions adjustment for the period from 1-1-2020 to the present.

Property Adjustments

Property adjustments are usually expressed quantitatively as percentages or dollar amounts that reflect the differences in value attributable to the various characteristics of the property. In some instances, however, qualitative adjustments are used. These adjustments are based on locational and physical characteristics and are applied after transaction and market conditions adjustments. Our reasoning for the property adjustments made to each sale comparable follows. The discussion analyzes each adjustment category deemed applicable to the subject property.

Location

Location adjustments may be required when the locational characteristics of a comparable are different from those of the subject. These characteristics can include general neighborhood characteristics, proximity to major thoroughfares, proximity to employment centers and amenities, neighboring properties, and accessibility. The subject property is located along East Jackson Street with average access and fair visibility. The comparable sales feature similar locational characteristics, so no adjustments were warranted.

Size

The size adjustment addresses variance in the physical size of the comparables and that of the subject, as a larger parcel typically commands a lower price per unit than a smaller parcel. This inverse relationship is due, in part, to the principle of "economies of scale." The subject property consists of 0.16 gross acres (7,000 gross square feet), and 0.16070 acres (7,000 square feet) of useable land area. The sales range in size from 5,180 to 14,406 square feet and did not require size adjustments.

Shape/Depth

Sites with an irregular shape may limit development options. Irregular shapes can impact building placement and size as well. The subject site consists of a rectangular-shaped tract considered similar enough to the land sales to not warrant an adjustment for this category.

Corner Exposure

The interior location of the subject site has been employed in our analysis, considered desirable by single-family residential buyers.

Sale 1: an upward adjustment of 5.0% was warranted for a less desirable mid-block location.

Sale 2: no adjustment was warranted.

Sale 3: no adjustment was warranted.

Sale 4: no adjustment was warranted.

Sale 5: no adjustment was warranted.

Sale 6: no adjustment was warranted.

Utilities

The subject property does have utilities available on the date of value. The comparable sales feature similar utility access, so no adjustments were warranted.

Topography

The subject has a level topography considered similar enough to the comparable sales to not warrant any adjustments.

Floodplain

A property's location within flood zone areas is typically a negative factor due to the increased costs of raising improvements up out of the floodplain, as well as additional insurance costs associated with improvements. The subject property flood zone(s) were identified as Zone X (unshaded). Neither the subject nor the comparable sales are located within the hazardous floodplain, so no adjustments were warranted.

Zoning

The highest and best use of sale comparables should be very similar to that of the subject property. When comparables with the same zoning as the subject are lacking or scarce, parcels with slightly different zoning, but a highest and use like that of the subject may be used as comparables. These comparables may require an adjustment for differences in utility if the market supports such adjustment. The subject site has zoning that allows single-family residential development. The comparable sales feature similar zoning designations, so no adjustments were warranted.

Summary of Adjustments

Presented on the following page is a summary of the adjustments made to the sale comparables. As noted earlier, these quantitative adjustments were based on our market research, best judgment, and experience in the appraisal of similar properties.

LAND SALES ADJUSTMENT GRID

	Subject	Sale # 1	Sale # 2	Sale # 3	Sale # 4	Sale # 5	Sale # 6
Sale ID		1440656	1595548	1595556	1595560	1595563	1595565
Date of Value & Sale	June-22	August-19	June-20	September-20	May-21	November-21	November-20
Unadjusted Sales Price		\$130,000	\$95,000	\$67,000	\$85,500	\$50,000	\$95,000
Usable Square Feet	7,000	14,406	12,600	7,000	7,812	5,180	10,500
Unadjusted Sales Price per Usable Sq. Ft.		\$9.02	\$7.54	\$9.57	\$10.94	\$9.65	\$9.05
Transactional Adjustments							
Property Rights Conveyed	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>
Adjusted Sales Price		\$9.02	\$7.54	\$9.57	\$10.94	\$9.65	\$9.05
Financing Terms	<i>Cash to Seller</i>	<i>Cash to Seller</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>
Adjusted Sales Price		\$9.02	\$7.54	\$9.57	\$10.94	\$9.65	\$9.05
Conditions of Sale	<i>Typical</i>	<i>Arms-Length</i>	<i>Arms-Length</i>	<i>Arms-Length</i>	<i>Arms-Length</i>	<i>Arms-Length</i>	<i>Arms-Length</i>
Adjusted Sales Price		\$9.02	\$7.54	\$9.57	\$10.94	\$9.65	\$9.05
Expenditures after Sale		\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Sales Price		\$9.02	\$7.54	\$9.57	\$10.94	\$9.65	\$9.05
Market Conditions Adjustments							
Elapsed Time from Date of Value		<i>2.81 years</i>	<i>1.95 years</i>	<i>1.73 years</i>	<i>1.03 years</i>	<i>0.56 years</i>	<i>1.59 years</i>
Market Trend Through	January-20	0.9%	-	-	-	-	-
Subsequent Trend Ending	June-22	-	-	-	-	-	-
Analyzed Sales Price		\$9.11	\$7.54	\$9.57	\$10.94	\$9.65	\$9.05
Physical Adjustments							
Location	<i>130 East Jackson Street (Estimated) Broken Arrow, Oklahoma</i>	<i>620 South Ash Avenue Broken Arrow, Oklahoma</i>	<i>523 East College Street Broken Arrow, Oklahoma</i>	<i>502 North 1st Street Broken Arrow, Oklahoma</i>	<i>524 North 1st Street Broken Arrow, Oklahoma</i>	<i>216 East Greeley Street Broken Arrow, Oklahoma</i>	<i>624 North Cedar Avenue Broken Arrow, Oklahoma</i>
Adjustment		-	-	-	-	-	-
Size	<i>7,000 sf</i>	<i>14,406 sf</i>	<i>12,600 sf</i>	<i>7,000 sf</i>	<i>7,812 sf</i>	<i>5,180 sf</i>	<i>10,500 sf</i>
Adjustment		-	-	-	-	-	-
Shape/Depth	<i>Rectangular</i>	<i>Rectangular</i>	<i>Rectangular</i>	<i>Rectangular</i>	<i>Rectangular</i>	<i>Rectangular</i>	<i>Rectangular</i>
Adjustment		-	-	-	-	-	-
Corner Exposure	<i>Interior</i>	<i>Mid-Block 5.0%</i>	<i>Interior</i>	<i>Interior</i>	<i>Interior</i>	<i>Interior</i>	<i>Interior</i>
Adjustment		-	-	-	-	-	-
Utilities	<i>All public available</i>	<i>All Public Available</i>	<i>All public available</i>	<i>All public available</i>	<i>All public available</i>	<i>All Public Available</i>	<i>All public available</i>
Adjustment		-	-	-	-	-	-
Topography	<i>Level</i>	<i>Level</i>	<i>Level</i>	<i>Level</i>	<i>Level</i>	<i>Level</i>	<i>Level</i>
Adjustment		-	-	-	-	-	-
Floodplain	<i>Zone X (unshaded)</i>	<i>Zone X (unshaded)</i>	<i>Zone X (unshaded)</i>	<i>Zone X (unshaded)</i>	<i>Zone X (unshaded)</i>	<i>Zone X (unshaded)</i>	<i>Zone X (unshaded)</i>
Adjustment		-	-	-	-	-	-
Zoning	<i>R-3</i>	<i>R3</i>	<i>R-3</i>	<i>R-3</i>	<i>R-3</i>	<i>R-3</i>	<i>R-3</i>
Adjustment		-	-	-	-	-	-
Net Physical Adjustment		5.0%	-	-	-	-	-
Adjusted Sales Price per Usable Square Foot		\$9.56	\$7.54	\$9.57	\$10.94	\$9.65	\$9.05

Conclusion

From the market data available, we used the relevant land sales in competitive market areas which were adjusted based on pertinent elements of comparison. The analysis of the sales in our set resulted in a range of unit pricing from which our value conclusion is drawn. The following table summarizes the unit prices resulting from our analysis:

Land Sale Statistics

Metric	Unadjusted	Analyzed	Adjusted
Min. Sales Price per Usable Square Foot	\$7.54	\$7.54	\$7.54
Max. Sales Price per Usable Square Foot	\$10.94	\$10.94	\$10.94
Median Sales Price per Usable Square Foot	\$9.31	\$9.34	\$9.57
Mean Sales Price per Usable Square Foot	\$9.30	\$9.31	\$9.39

Based on the adjusted prices and the analysis of the sales presented, we have concluded a unit value for the subject property is near the mid-point of the adjusted range. The land value conclusions are summarized as follows:

Land Value Conclusion

Reasonable Adjusted Comparable Range				
7,000 square feet	x	\$9.25 psf	=	\$64,750
7,000 square feet	x	\$9.75 psf	=	\$68,250
Land Only Market Value Opinion				(Rounded)
7,000 square feet	x	\$9.50 psf	=	\$65,000

Reconciliation

Summary of Value Indications

The indicated value from the approach used and our concluded market value for the subject property is summarized in the following table.

Value Indications

Approach to Value	As Is
Sales Comparison	\$65,000
Cost	Not Developed
Income Capitalization	Not Developed

Value Conclusion

Component	As Is
Value Type	Land Only Market Value
Property Rights Appraised	Fee Simple
Effective Date of Value	June 6, 2022
Value Conclusion	\$65,000
	\$9.29 psf

To reach a final opinion of value, we considered the reliability and relevance of each value indication based upon the quality of the data and applicability of the assumptions underlying each approach. Given the availability and reliability of data within the Sales Comparison Approach, we gave this approach sole weight in arriving at our final value conclusion. Furthermore, land properties such as the subject property are typically purchased by owner-occupants, who primarily rely upon the methods employed by the Sales Comparison Approach.

Our findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions which might have affected the assignment results:

Extraordinary Assumptions:

- None

Hypothetical Conditions:

- None

Exposure Time and Marketing Period

Based on statistical information about days on market, escrow length, and marketing times gathered through national investor surveys, sales verification, and interviews of market participants, marketing and exposure time estimates of less than twelve months and less than twelve months, respectively, are considered reasonable and appropriate for the subject property.

General Assumptions and Limiting Conditions

This appraisal is subject to the following general assumptions and limiting conditions:

1. The legal description – if furnished to us – is assumed to be correct.
2. No responsibility is assumed for legal matters, questions of survey or title, soil or subsoil conditions, engineering, availability or capacity of utilities, or other similar technical matters. The appraisal does not constitute a survey of the property appraised. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management unless otherwise noted.
3. Unless otherwise noted, the appraisal will value the property as though free of contamination. Valbridge Property Advisors | Oklahoma will conduct no hazardous materials or contamination inspection of any kind. It is recommended that the client hire an expert if the presence of hazardous materials or contamination poses any concern.
4. The stamps and/or consideration placed on deeds used to indicate sales are in correct relationship to the actual dollar amount of the transaction.
5. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.
6. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, unless previous arrangements have been made.
7. Unless expressly specified in the engagement letter, the fee for this appraisal does not include the attendance or giving of testimony by Appraiser at any court, regulatory or other proceedings, or any conferences or other work in preparation for such proceeding. If any partner or employee of Valbridge Property Advisors | Oklahoma is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment, client shall compensate Appraiser for the time spent by the partner or employee in appearing and/or testifying and in preparing to testify according to the Appraiser's then current hourly rate plus reimbursement of expenses.
8. The values for land and/or improvements, as contained in this report, are constituent parts of the total value reported and neither is (or are) to be used in making a summation appraisal of a combination of values created by another appraiser. Either is invalidated if so used.
9. The dates of value to which the opinions expressed in this report apply are set forth in this report. We assume no responsibility for economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and anticipated short-term supply and demand factors and are subject to change with future conditions. Appraiser is not responsible for determining whether the date of value requested by Client is appropriate for Client's intended use.
10. The sketches, maps, plats and exhibits in this report are included to assist the reader in visualizing the property. The appraiser has made no survey of the property and assumed no responsibility in connection with such matters.
11. The information, estimates and opinions, which were obtained from sources outside of this office, are considered reliable. However, no liability for them can be assumed by the appraiser.

12. Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organization or the firm with which the appraisers are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval.
13. No claim is intended to be expressed for matters of expertise that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers. We claim no expertise in areas such as, but not limited to, legal, survey, structural, environmental, pest control, mechanical, etc.
14. This appraisal was prepared for the sole and exclusive use of the client for the function outlined herein. Any party who is not the client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of Valbridge Property Advisors | Oklahoma and Client. The Client shall not include partners, affiliates, or relatives of the party addressed herein. The appraiser assumes no obligation, liability or accountability to any third party.
15. Distribution of this report is at the sole discretion of the client, but third-parties not listed as an intended user on the face of the appraisal or the engagement letter may not rely upon the contents of the appraisal. In no event shall client give a third-party a partial copy of the appraisal report. We will make no distribution of the report without the specific direction of the client.
16. This appraisal shall be used only for the function outlined herein, unless expressly authorized by Valbridge Property Advisors | Oklahoma.
17. This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.
18. Unless otherwise noted in the body of this report, this appraisal assumes that the subject property does not fall within the areas where mandatory flood insurance is effective. Unless otherwise noted, we have not completed nor have we contracted to have completed an investigation to identify and/or quantify the presence of non-tidal wetland conditions on the subject property. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
19. The flood maps are not site specific. We are not qualified to confirm the location of the subject property in relation to flood hazard areas based on the FEMA Flood Insurance Rate Maps or other surveying techniques. It is recommended that the client obtain a confirmation of the subject property's flood zone classification from a licensed surveyor.
20. If the appraisal is for mortgage loan purposes 1) we assume satisfactory completion of improvements if construction is not complete, 2) no consideration has been given for rent loss during rent-up unless noted in the body of this report, and 3) occupancy at levels consistent with our "Income and Expense Projection" are anticipated.
21. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.

22. Our inspection included an observation of the land and improvements thereon only. It was not possible to observe conditions beneath the soil or hidden structural components within the improvements. We inspected the buildings involved, and reported damage (if any) by termites, dry rot, wet rot, or other infestations as a matter of information, and no guarantee of the amount or degree of damage (if any) is implied. Condition of heating, cooling, ventilation, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. Should the client have concerns in these areas, it is the client's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise to make such inspections and assumes no responsibility for these items.
23. This appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. It is assumed that all required licenses, consents, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value conclusion contained in this report is based unless specifically stated to the contrary.
24. When possible, we have relied upon building measurements provided by the client, owner, or associated agents of these parties. In the absence of a detailed rent roll, reliable public records, or "as-built" plans provided to us, we have relied upon our own measurements of the subject improvements. We follow typical appraisal industry methods; however, we recognize that some factors may limit our ability to obtain accurate measurements including, but not limited to, property access on the day of inspection, basements, fenced/gated areas, grade elevations, greenery/shrubbery, uneven surfaces, multiple story structures, obtuse or acute wall angles, immobile obstructions, etc. Professional building area measurements of the quality, level of detail, or accuracy of professional measurement services are beyond the scope of this appraisal assignment.
25. We have attempted to reconcile sources of data discovered or provided during the appraisal process, including assessment department data. Ultimately, the measurements that are deemed by us to be the most accurate and/or reliable are used within this report. While the measurements and any accompanying sketches are considered to be reasonably accurate and reliable, we cannot guarantee their accuracy. Should the client desire more precise measurement, they are urged to retain the measurement services of a qualified professional (space planner, architect or building engineer) as an alternative source. If this alternative measurement source reflects or reveals substantial differences with the measurements used within the report, upon request of the client, the appraiser will submit a revised report for an additional fee.
26. In the absence of being provided with a detailed land survey, we have used assessment department data to ascertain the physical dimensions and acreage of the property. Should a survey prove this information to be inaccurate, upon request of the client, the appraiser will submit a revised report for an additional fee.
27. If only preliminary plans and specifications were available for use in the preparation of this appraisal, and a review of the final plans and specifications reveals substantial differences upon request of the client the appraiser will submit a revised report for an additional fee.

28. Unless otherwise stated in this report, the value conclusion is predicated on the assumption that the property is free of contamination, environmental impairment or hazardous materials. Unless otherwise stated, the existence of hazardous material was not observed by the appraiser and the appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required for discovery. The client is urged to retain an expert in this field, if desired.
29. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey of the property to determine if it is in conformity with the various requirements of the ADA. It is possible that a compliance survey of the property, together with an analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in developing an opinion of value.
30. This appraisal applies to the land and building improvements only. The value of trade fixtures, furnishings, and other equipment, or subsurface rights (minerals, gas, and oil) were not considered in this appraisal unless specifically stated to the contrary.
31. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated, unless specifically stated to the contrary.
32. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute prediction of future operating results. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance.
33. Any estimate of insurable value, if included within the scope of work and presented herein, is based upon figures developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage. This analysis should not be relied upon to determine insurance coverage and we make no warranties regarding the accuracy of this estimate.
34. The data gathered in the course of this assignment (except data furnished by the Client) shall remain the property of the Appraiser. The appraiser will not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished to the appraiser. Notwithstanding the foregoing, the Appraiser is authorized by the client to disclose all or any portion of the appraisal and related appraisal data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable the appraiser to comply with the Bylaws and Regulations of such Institute now or hereafter in effect.

35. You and Valbridge Property Advisors | Oklahoma both agree that any dispute over matters in excess of \$5,000 will be submitted for resolution by arbitration. This includes fee disputes and any claim of malpractice. The arbitrator shall be mutually selected. If Valbridge Property Advisors | Oklahoma and the client cannot agree on the arbitrator, the presiding head of the Local County Mediation & Arbitration panel shall select the arbitrator. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, by agreeing to binding arbitration, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury. In the event that the client, or any other party, makes a claim against Valbridge Property Advisors | Oklahoma or any of its employees in connections with or in any way relating to this assignment, the maximum damages recoverable by such claimant shall be the amount actually received by Valbridge Property Advisors | Oklahoma for this assignment, and under no circumstances shall any claim for consequential damages be made.
36. Valbridge Property Advisors | Oklahoma shall have no obligation, liability, or accountability to any third party. Any party who is not the "client" or intended user identified on the face of the appraisal or in the engagement letter is not entitled to rely upon the contents of the appraisal without the express written consent of Valbridge Property Advisors | Oklahoma. "Client" shall not include partners, affiliates, or relatives of the party named in the engagement letter. Client shall hold Valbridge Property Advisors | Oklahoma and its employees harmless in the event of any lawsuit brought by any third party, lender, partner, or part-owner in any form of ownership or any other party as a result of this assignment. The client also agrees that in case of lawsuit arising from or in any way involving these appraisal services, client will hold Valbridge Property Advisors | Oklahoma harmless from and against any liability, loss, cost, or expense incurred or suffered by Valbridge Property Advisors | Oklahoma in such action, regardless of its outcome.
37. The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by Walton Property Services, LLC. Neither Valbridge Property Advisors, Inc., nor any of its affiliates has been engaged to provide this report. Valbridge Property Advisors, Inc. does not provide valuation services, and has taken no part in the preparation of this report.
38. If any claim is filed against any of Valbridge Property Advisors, Inc., a Florida Corporation, its affiliates, officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, except only for direct compensatory damages, and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide this report.
39. This report and any associated work files may be subject to evaluation by Valbridge Property Advisors, Inc., or its affiliates, for quality control purposes.
40. Acceptance and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and limiting conditions.
41. The global outbreak of a "novel coronavirus" (known as COVID-19) was officially declared a pandemic by the World Health Organization (WHO). It is currently unknown what direct, or indirect, effect, if any, this event may have on the national economy, the local economy or the market in which the subject property is located. The reader is cautioned, and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of this event, or any event, subsequent to the effective date of the appraisal.

Certification – Luke McLeod

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. The undersigned has not performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. Luke McLeod has personally inspected the subject property.
10. No one provided significant real property appraisal assistance to the person signing this certification.
11. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

Luke McLeod
Appraiser

Certification – Stephen C. Walton, MAI, CCIM

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. The undersigned has not performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. Stephen C. Walton has personally inspected the subject property.
10. No one provided significant real property appraisal assistance to the person signing this certification.
11. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, the undersigned has completed the continuing education program for Designated Members of the Appraisal Institute.

Stephen C. Walton, MAI, CCIM
Senior Managing Director
Oklahoma Certified General Appraiser 11392CGA
License Expires November 30, 2024

Addenda

Glossary

Qualifications

- Luke McLeod - Appraiser
- Stephen C. Walton, MAI, CCIM - Senior Managing Director

Information on Valbridge Property Advisors

Office Locations

Glossary

Definitions are taken from The Dictionary of Real Estate Appraisal, 7th Edition (Dictionary), the Uniform Standards of Professional Appraisal Practice (USPAP), and Building Owners and Managers Association International (BOMA).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. (Dictionary)

Amortization

The process of retiring a debt or recovering a capital investment, typically through scheduled, systematic repayment of the principal; a program of periodic contributions to a sinking fund or debt retirement fund. (Dictionary)

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. (Interagency Appraisal and Evaluation Guidelines) Note that the use of the “as is” phrase is specific to appraisal regulations pursuant to FIRREA applying to appraisals prepared for regulated lenders in the United States. The concept of an “as is” value is not included in the Standards of Valuation Practice of the Appraisal Institute, Uniform Standards of Professional Appraisal Practice, or International Valuation Standards. (Dictionary)

Base Rent

The minimum rent stipulated in a lease. (Dictionary)

Base Year

The year on which escalation clauses in a lease are based. (Dictionary)

Building Common Area

In office buildings, the areas of the building that provide services to building tenants but that are not included in the office area or store area of any specific tenant. These areas may include, but shall not be limited to, main and auxiliary lobbies, atrium spaces at the level of the finished floor, concierge areas or security desks, conference rooms, lounges or vending areas, food service facilities, health or fitness centers, daycare facilities, locker or shower facilities, mail rooms, fire control rooms, fully enclosed courtyards outside the exterior walls, and building core and service areas such as fully enclosed mechanical or equipment rooms. Specifically excluded from building common area are floor common areas, parking space, portions of loading docks outside the building line, and major vertical penetrations. (BOMA)

Building Rentable Area

The sum of all floor rentable areas. Floor rentable area is the result of subtracting from the gross measured area of a floor the major vertical penetrations on that same floor. It is generally fixed for the life of the building and is rarely affected by changes in corridor size or configuration. (BOMA)

Bulk Value

The value of multiple units, subdivided plots, or properties in a portfolio as though sold together in a single transaction. (Dictionary)

Certificate of Occupancy (COO)

A formal written acknowledgment by an appropriate unit of local government that a new construction or renovation project is at the stage where it meets applicable health and safety codes and is ready for commercial or residential occupancy. (Dictionary)

Common Area Maintenance (CAM)

The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property. (Dictionary)

The amount of money charged to tenants for their shares of maintaining a [shopping] center’s common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenance, snow removal, security, [amenities,] and upkeep. (ICSC – International Council of Shopping Centers, 4th Ed.)

Condominium

An attached, detached, or stacked unit within or attached to a structure with common areas that are held as tenants in common (an undivided interest) with other owners in the project. The units can be residential, commercial, industrial, or parking spaces or boat docks. These units are commonly defined by state laws in their locations. Because units can be stacked on top of other units, these units can be defined both vertically and horizontally. (Dictionary)

Conservation Easement

An interest in real estate restricting future land use to preservation, conservation, wildlife habitat, or some combination of those uses. A conservation easement

may permit farming, timber harvesting, or other uses of a rural nature as well as some types of conservation-oriented development to continue, subject to the easement. (Dictionary)

Contributory Value

A type of value that reflects the amount a property or component of a property contributes to the value of another asset or to the property as a whole.

The change in the value of a property as a whole, whether positive or negative, resulting from the addition or deletion of a property component. Also called deprival value in some countries. (Dictionary)

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service ($DCR = NOI \div I_m$), which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR)*. A larger *DCR* typically indicates a greater ability for a property to withstand a reduction of income, providing an improved safety margin for a lender. (Dictionary)

Deed Restriction

A provision written into a deed that limits the use of land. Deed restrictions usually remain in effect when title passes to subsequent owners. (Dictionary)

Depreciation

In appraisal, 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 value of the improvement on the same date.

In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques. (Dictionary)

Disposition Value

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

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
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;
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto; and
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.

This definition can also be modified to provide for valuation with specified financing terms. (Dictionary)

Double Net (Net Net) Lease

An alternative term for a type of net lease. In some markets, a net net lease is defined as a lease in which the tenant is responsible to pay both property taxes and premiums for insuring the building(s). (Valbridge)

(The market definition of a double net lease varies depending on the market)

Easement

The right to use another's land for a stated purpose. (Dictionary)

EIFS

Exterior Insulation Finishing System. This is a type of exterior wall cladding system. Sometimes referred to as dry-vit.

Effective Date

1. The date on which the appraisal opinion applies. (SVP)
2. The date to which an appraiser's analyses, opinions, and conclusions apply; also referred to as date of value. (USPAP, 2020-2021 ed.)
3. The date that a lease goes into effect. (Dictionary)

Effective Gross Income (EGI)

The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. (Dictionary)

Effective Rent

Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord. (TIs). (Dictionary)

EPDM

Ethylene Propylene Diene Monomer Rubber. A type of synthetic rubber typically used for roof coverings.

Escalation Clause

A clause in an agreement that provides for the adjustment of a price or rent based on some event or index. e.g., a provision to increase rent if operating expenses increase; also called *escalator clause*, *expense recovery clause* or *stop clause*. (Dictionary)

Estoppel Certificate

A signed statement by a party (such as a tenant or a mortgagee) certifying, for another's benefit, that certain facts are correct, such as that a lease exists, that there are no defaults, and that rent is paid to a certain date. (Black's) In real estate, a buyer of rental property typically requests estoppel certificates from existing tenants. Sometimes referred to as an *estoppel letter*. (Dictionary)

Excess Land

Land that is not needed to serve or support the existing use. 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 has the potential to be sold separately and is valued separately. (Dictionary)

Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties. (Dictionary)

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying operating expenses above a stated level or amount. (Dictionary)

Exposure Time

1. The time a property remains on the market.
2. 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. (USPAP, 2020-2021 ed.)

Extraordinary Assumption

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

Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. (USPAP)

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. (Dictionary)

Floor Common Area

In an office building, the areas on a floor such as washrooms, janitorial closets, electrical rooms, telephone rooms, mechanical rooms, elevator lobbies, and public corridors which are available primarily for the use of tenants on that floor. In essence, floor common area represents all of the area on the floor that is common to that respective floor with the exception of those areas that penetrate through the floor, such as the elevator shaft and stairwell. The significant point to be made is that floor common area is not part of the tenant's usable area. (BOMA)

Full Service (Gross) Lease

A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called a *full service lease*. (Dictionary)

Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory. (Dictionary)

Going-Concern Value

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern* or *market value of the total assets of the business*. (Dictionary)

Gross Building Area (GBA)

1. 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 market area of the type of property involved.
2. Gross leasable area plus all common areas.
3. For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space. (Dictionary)

Gross Measured Area

The total area of a building enclosed by the dominant portion (the portion of the inside finished surface of the permanent outer building wall which is 50 percent or more of the vertical floor-to-ceiling dimension, at the given point being measured as one moves horizontally along the wall), excluding parking areas and loading

docks (or portions of same) outside the building line. It is generally not used for leasing purposes and is calculated on a floor by floor basis. (BOMA)

Gross Up Method

A method of calculating variable operating expenses in income-producing properties when less than 100% occupancy is assumed. Expenses reimbursed based on the amount of occupied space, rather than on the total building area, are described as “grossed up.” (Dictionary)

Gross Sellout Value (Sum of the Retail Values)

The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions. An appraisal has an effective date, but summing the sale prices of multiple units over an extended period of time will not be the value on that one day unless the prices are discounted to make the value equivalent to what another developer or investor would pay for the bulk purchase of the units. Also called the *aggregate of the retail values, aggregate retail selling price or sum of the retail values*. (Dictionary)

Ground Lease

A lease that grants the right to use and occupy land. Improvements made by the ground lessee typically revert to the ground lessor at the end of the lease term. (Dictionary)

Ground Rent

The rent paid for the right to use and occupy land according to the terms of a ground lease; the portion of the total rent allocated to the underlying land. (Dictionary)

HVAC

Heating, ventilation, air conditioning (HVAC) system. A unit that regulates the temperature and distribution of heat and fresh air throughout a building. (Dictionary)

Highest and Best Use

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset’s existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset

when formulating the price that it would be willing to bid. (IVS)

3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions) (Dictionary)

Hypothetical Condition

1. A condition that is presumed to be true when it is known to be false. (SVP)
2. 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.

Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP)

Insurable Value (Replacement Cost for Insurance Purposes)

The estimated cost, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design, and layout for insurance coverage purposes guaranteeing that damaged property is replaced with new property (i.e., depreciation is not deducted). (Dictionary)

Investment Value

1. The value of a property to a particular investor or class of investors based on the investor’s specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. (Dictionary)
2. The value of an asset to the owner or a prospective owner given individual investment or operational objectives (may also be known as worth). (IVS)

Just Compensation

In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken. Just compensation should put the owner in as good a position pecuniarily as he or she would have been if the property had not been taken. (Dictionary)

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified

in the lease plus the reversionary right when the lease expires. (Dictionary)

Leasehold Interest (Leasehold Estate)

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. (Dictionary)

See also Positive Leasehold and Negative Leasehold.

Lessee (Tenant)

One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement. (Dictionary)

Lessor (Landlord)

One who conveys the rights of occupancy and use to others under a lease agreement. (Dictionary)

Liquidation Value

The most probable price that a specified interest in 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 the local currency) 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. (Dictionary)

Loan to Value Ratio (LTV)

The ratio between a mortgage loan and the value of the property pledged as security, usually expressed as a percentage. (Dictionary)

Major Vertical Penetrations

Stairs, elevator shafts, flues, pipe shafts, vertical ducts, and the like, and their enclosing walls. Atria, lightwells and similar penetrations above the finished floor are included in this definition. Not included, however, are vertical penetrations built for the private use of a tenant occupying office areas on more than one floor. Structural columns, openings for vertical electric cable or

telephone distribution, and openings for plumbing lines are not considered to be major vertical penetrations. (BOMA)

Market Rent

The most probable rent that a property should bring in a competitive and open market under all the conditions requisite to a fair lease transaction, the lessee and the lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. Implicit in this definition is the execution of a lease as of a specified date under conditions whereby:

1. Lessee and lessor are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their best interests;
3. Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and
4. The rent reflects specified terms and conditions, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, and tenant improvements (TIs). (Appraisal Institute)

Market Value

The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States: The most probable price that 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 United States 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. (Dictionary; 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)

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. (Advisory Opinion 7 of the Appraisal Standards Board of the Appraisal Foundation)

Master Lease

1. A lease in which a part or the entire property is leased to a single entity (the master lessee) in return for a stipulated rent. The master lessee then subleases the property to multiple tenants.
2. The first lease in a sandwich lease. (Dictionary)

Modified Gross Lease

A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a *double net lease*, *net net lease*, *partial net lease*, or *semi-gross lease*. (Dictionary)

Negative Leasehold

A lease situation in which the market rent is less than the contract rent. (Dictionary)

Operating Expense Ratio

The ratio of total operating expenses to effective gross income (*TOE/EGI*); the complement of the net income ratio, i.e., $OER = 1 - NIR$ (Dictionary)

Option

A legal contract, typically purchased for a stated consideration, that permits but does not require the holder of the option (known as the *optionee*) to buy, sell, or lease real estate for a stipulated period of time in accordance with specified terms; a unilateral right to exercise a privilege. (Dictionary)

Partial Interest

Divided or undivided rights in real estate that represent less than the whole, i.e., a fractional interest such as a tenancy in common or easement. (Dictionary)

Pass Through

A tenant's portion of operating expenses that may be composed of common area maintenance (CAM), real property taxes, property insurance, and any other expenses determined in the lease agreement to be paid by the tenant. (Dictionary)

Percentage Lease

A lease in which the rent or some portion of the rent represents a specified percentage of the volume of business, productivity, or use achieved by the tenant. (Dictionary)

Positive Leasehold

A lease situation in which the market rent is greater than the contract rent. (Dictionary)

Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. (Dictionary)

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. (Dictionary)

Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. (Dictionary)

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 of the deficiencies, superadequacies, and obsolescence of the subject building. (Dictionary)

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." (Dictionary)

Sandwich Leasehold Estate

The interest held by the sandwich leaseholder when the property is subleased to another party; a type of leasehold estate. (Dictionary)

Sublease

An agreement in which the lessee in a prior lease conveys the right of use and occupancy of a property to another, the sublessee, for a specific period of time, which may or may not be coterminous with the underlying lease term. (Dictionary)

Subordination

A contractual arrangement in which a party with a claim to certain assets agrees to make that claim junior, or subordinate, to the claims of another party. (Dictionary)

Surplus Land

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

TPO

Thermoplastic polyolefin, a resilient synthetic roof covering.

Triple Net (Net Net Net) Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called *NNN lease, net net net lease, or fully net lease*. (Dictionary)

(The market definition of a triple net lease varies; in some cases tenants pay for items such as roof repairs, parking lot repairs, and other similar items.)

Usable Area

The measured area of an office area, store area, or building common area on a floor. The total of all the usable areas for a floor shall equal floor usable area of that same floor. (BOMA)

Value-in-Use

1. The amount determined by discounting the future cash flows (including the ultimate proceeds of disposal) expected to be derived from the use of an asset at an appropriate rate that allows for the risk of the activities concerned. (FASB Accounting Standards Codification, Master Glossary)
2. Formerly used in valuation practice as a synonym for *contributory value* or *use value*. (Dictionary)

VTAB (Value of the Total Assets of a Business)

The total amount that the real property, tangible personal property, and intangible property assets of a business would sell for in an asset-based transaction. (Dictionary)

Qualifications

Qualifications of Luke McLeod

Commercial Appraiser

Valbridge Property Advisors | Oklahoma

Independent Valuations for a Variable World

Education

Bachelor of Science

Finance

Oral Roberts University

Contact Details

lmcleod@valbridge.com

918-878-7684 (p)

918-742-3061(f)

Valbridge Property Advisors |

Oklahoma

6666 South Sheridan Road

Suite 104

Tulsa, Oklahoma 74133

www.valbridge.com

Appraisal Institute & Related Courses

Basic Appraisal Principles

Basic Appraisal Procedures

15-Hour National USPAP Course

Business Practices & Ethics

Real Estate Finance, Statistics & Valuation Modeling

Experience:

Staff Commercial Real Estate Appraiser

Valbridge Property Advisors | Oklahoma

(May 2018 to Present)

Full service real estate appraisal, market analysis, and consultation firm. Appraisal, valuation and consulting assignments include: apartment buildings; retail buildings and shopping centers; office buildings; industrial buildings; religious and special purpose properties including schools, churches and hotels and motels; residential subdivisions; and vacant industrial, commercial and residential land.

Finance Project Manager

The Crosby Group - Tulsa, Oklahoma

2015-2018

Driving organizational excellence, efficiency, and revenue growth in material handling manufacturing environment

Qualifications of Stephen C. Walton, MAI, CCIM
Senior Managing Director
Valbridge Property Advisors | Oklahoma

Independent Valuations for a Variable World

State Certifications

State of Oklahoma
11392CGA

Education

Bachelor of Science
Business Administration
Oklahoma State University

Contact Details

swalton@valbridge.com
918-712-9992 (p)
918-742-3061(f)

Valbridge Property Advisors
| Oklahoma
6666 South Sheridan Road
Suite 104
Tulsa, Oklahoma 74133

www.valbridge.com

Membership/Affiliations:

2011-2021: Oklahoma Real Estate Appraiser Board
Member: Appraisal Institute - MAI Designation (#10599)
Member: CCIM Institute – CCIM (#11365)
Member: National Association of Realtors
Member: Greater Tulsa Association of Realtors

Qualified Expert Witness:

United States Bankruptcy Court
Tulsa County District Court
Oklahoma County District Court
Rogers County District Court

Appraisal Institute & Related Courses:

Uniform Standards of Professional Appraisal Practice
Business Practices and Ethics
Comprehensive Appraisal Workshop
Report Writing and Valuation Analysis
Case Studies in Real Estate Valuation
Capitalization Theory and Techniques A/B
Basic Valuation Procedures
Rates, Ratios and Reasonableness
Real Estate Appraisal Principles
Real Estate Finance, Statistics, and Valuation Modeling
Market Analysis for Commercial Investment Real Estate
Financial Analysis for Commercial Investment Real Estate
User Decision Analysis for Commercial Investment Real Estate
Investment Analysis for Commercial Real Estate

Experience:

Owner and Senior Managing Director

ValbridgePropertyAdvisors| Oklahoma(2013-Present)

Appraisal/valuation and consulting assignments include: apartment buildings; retail buildings and shopping centers; office buildings; industrial buildings; religious and special purpose properties including schools, churches and hotels and motels; residential subdivisions; and vacant industrial, commercial and residential land.

Owner and General Manager

Walton Property Services, LLC (1996-Present)

State of Oklahoma



Glen Mulready, Insurance Commissioner

Oklahoma Real Estate Appraiser Board

This is to certify that:

Stephen Walton

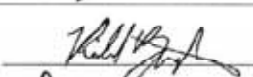
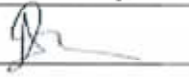
has complied with the provisions of the Oklahoma Real Estate Appraisers Act to transact business as a State Certified General Real Estate Appraiser in the State of Oklahoma.

In Witness Whereof, I have hereunto set my hand and caused the seal of my office to be affixed at the City of Oklahoma City, State of Oklahoma, this 15th day of November, 2021.



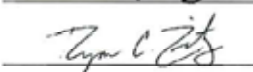
*Glen Mulready, Insurance Commissioner
Chairperson, Oklahoma Real Estate Appraiser Board*

Members, Oklahoma Real Estate Appraiser Board



Brandon Witt

Patricia M. Brown



Expires:

11/30/2024

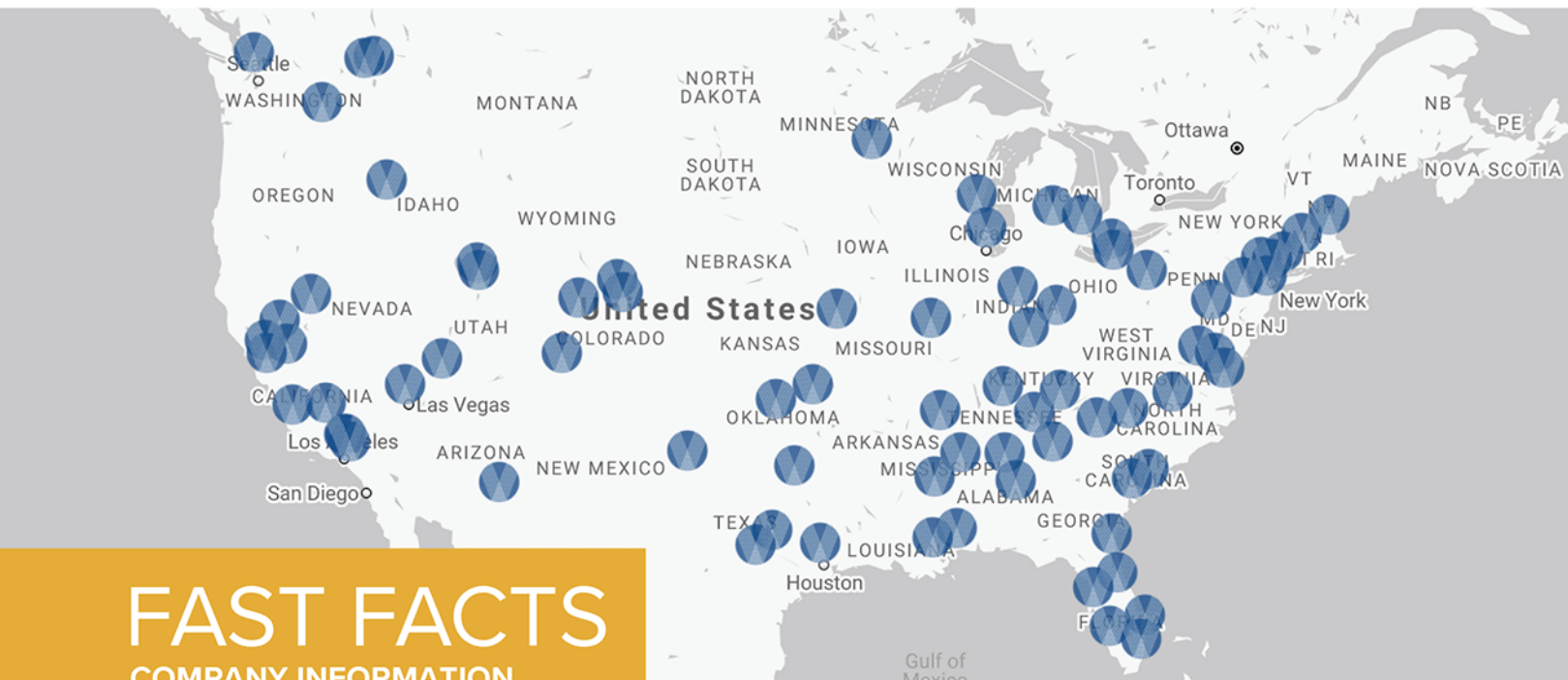
Oklahoma Appraiser Number:

11392CGA



Valbridge

PROPERTY ADVISORS



FAST FACTS

COMPANY INFORMATION

- Valbridge is the largest independent commercial property valuation and advisory service firm in North America.
 - Total number of MAI-designated appraisers (200+ on staff)
 - Total number of office locations (80+ across the U.S.)
 - Total number of staff (675+ strong)
- Valbridge covers the entire U.S. from coast to coast.
- Valbridge specializes in appraising all types of real property.
- Valbridge provides independent valuation services. We are NOT owned by a brokerage firm or investment company.
- Every Valbridge office is overseen by a senior managing director who holds the MAI designation of the Appraisal Institute.
- Valbridge is owned by local offices.
- Valbridge welcomes single-property assignments as well as portfolio, multi-market, and other bulk-property engagements.

Valbridge Property Advisors, Inc.

2240 Venetian Court
Naples, FL 34109
Phone: 888.981.2029



valbridge.com



Valbridge

PROPERTY ADVISORS

INDEPENDENT VALUATIONS
FOR A VARIABLE WORLD

ALABAMA

3100 Lorna Rd., Ste. 201
Birmingham, AL 35216
(205) 440-2998

4732 Woodmere Blvd.
Montgomery, AL 36106
(334) 277-5077

ARIZONA

6061 E. Grant Rd.
Tucson, AZ 85712
(520) 321-0000

CALIFORNIA

4915 Calloway Dr., Ste. 101
Bakersfield, CA 93312
(661) 587-1010

1306 Higuera St.
San Luis Obispo, CA 93401
(805) 544-2472

2813 Coffee Rd., Ste. E-2
Modesto, CA 95355
(209) 569-0450

3160 Crow Canyon Pl.
San Ramon, CA 94583
(925) 327-1660

825 Colorado Blvd., Ste. 243
Los Angeles, CA 90041
(626) 486-9327

1370 N. Brea Blvd., Ste. 255
Fullerton, CA 92835
(714) 449-0852

3090 Fite Cir., Ste. 202
Sacramento, CA 95872
(916) 361-2509

55 South Market St., Ste. 1210
San Jose, CA 95113
(408) 279-1520

COLORADO

23272 Two Rivers Rd., Ste. 101
Basalt, CO 81621
(970) 340-1016

5345 Arapahoe Ave., Ste. 7
Boulder, CO 80303
(303) 867-1935

COLORADO (CONT'D)

7445 E. Peakview Ave.
Centennial, CO 80111
(303) 867-1933

1099 Main Avenue, Ste. 311
Durango, CO 81301
(970) 340-1016

CONNECTICUT

17 Covewood Dr.
Norwalk, CT 06853
(860) 246-4606

15 Concord St.
Glastonbury, CT 06033
(860) 246-4606

FLORIDA

10950 San Jose Blvd.
Jacksonville, FL 32223
(904) 608-2948

301 Almeria Ave., Ste. 350
Coral Gables, FL 33134
(305) 639-8029

734 Rugby St.
Orlando, FL 32804
(407) 493-6426

2711 Poinsettia Ave.
West Palm Beach, FL 33407
(561) 833-5331

2240 Venetian Ct.
Naples, FL 34109
(239) 514-4646

2601 West Horatio St. Unit 6
Tampa, FL 33609
(321) 228-6488

GEORGIA

2675 Paces Ferry Rd., Ste. 425
Atlanta, GA 30339
(404) 354-2331

IDAHO

1459 Tyrell Ln., Ste. B
Boise, ID 83706
(208) 336-1097

1875 N. Lakewood Dr., Ste. 100
Coeur d'Alene, ID 83814
(208) 292-2965

ILLINOIS

566 W. Lake St., Ste. 240
Chicago, IL 60661
(312) 429-0132

INDIANA

820 Fort Wayne Ave.
Indianapolis, IN 46204
(317) 687-2747

KANSAS

10990 Quivira Rd., Ste. 100
Overland Park, KS 66210
(913) 451-1451

KENTUCKY

1890 Star Shoot Pkwy.
Lexington, KY 40509
(502) 585-3651

9000 Wessex Pl., Ste. 306
Louisville, KY 40222
(502) 585-3651

LOUISIANA

2030 Dickory Ave., Ste. 200
Elmwood, LA 70123
(504) 541-5100

MARYLAND

11100 Dovedale Ct.
Marriottsville, MD 21104
(443) 333-5525

MASSACHUSETTS

260 Bear Hill Rd., Ste. 106
Waltham, MA 02451
(781) 790-5645

MICHIGAN

1420 Washington Blvd.
Detroit, MI 48226
(313) 986-3313

2127 University Park Dr.
Okemos, MI 48864
(517) 336-0001

MINNESOTA

255 E. Kellogg Blvd., Ste. 102A
St. Paul, MN 55101
(651) 370-1475

CORPORATE OFFICE

2240 Venetian Court, Naples, FL 34109
Phone: (239) 325-8234 | Fax: (239) 325-8356

Each Valbridge office is independently owned and operated.



valbridge.com

Winter 2022

MISSISSIPPI

1010 Ford St.
Gulfport, MS 39507
(228) 604-1900

224 Avalon Cir., Ste. C
Brandon, MS 39047
(601) 853-0736

501 Highway 12 W., Ste. 150-M
Starkville, MS 39759
(662) 617-2350

MISSOURI

1118 Hampton Ave., Ste. 208
St. Louis, MO 63139
(314) 255-1323

NEVADA

3034 S. Durango Dr., #100
Las Vegas, NV 89117
(702) 242-9369

6490 S. McCarran Blvd., #51
Reno, NV 89509
(775) 204-4100

NEW JERSEY

2740 Route 10 West, Ste. 204
Morris Plains, NJ 07950
(973) 970-9333

3500 Route 9 South, Ste. 202
Howell, NJ 07731
(732) 807-3113

NEW YORK

325 West 38th St. Ste. 702
New York, NY 10018
(212) 268-1113

NORTH CAROLINA

5950 Fairview Rd., Ste. 405
Charlotte, NC 28210
(704) 376-5400

412 E. Chatham St.
Cary, NC 27511
(919) 859-2666

OHIO

1655 W. Market St., Ste. 130
Akron, OH 44313
(330) 899-9900

8291 Beechmont Ave., Ste. B
Cincinnati, OH 45255
(513) 785-0820

1422 Euclid Ave., Ste. 616
Cleveland, OH 44115
(216) 367-9690

OKLAHOMA

6666 S. Sheridan Rd., Ste. 104
Tulsa, OK 74133
(918) 712-9992

5909 NW Expy., Ste. 104
Oklahoma City, OK 73132
(405) 603-1553

PENNSYLVANIA

150 S. Warner Rd., Ste. 440
King of Prussia, PA 19406
(215) 545-1900

4701 Baptist Rd., Ste. 304
Pittsburgh, PA 15227
(412) 881-6080

SOUTH CAROLINA

1250 Fairmont Ave.
Mt. Pleasant, SC 29464
(843) 884-1266

11 Cleveland Ct.
Greenville, SC 29607
(864) 233-6277

920 Bay St., Ste. 26
Beaufort, SC 29902
(843) 884-1266

TENNESSEE

3500 Ringgold Rd., Ste. 3
Chattanooga, TN 37412
(423) 206-2677

213 Fox Rd.
Knoxville, TN 37922
(865) 522-2424

756 Ridge Lake Blvd., Ste. 225
Memphis, TN 38120
(901) 753-6977

5205 Maryland Way, Ste. 300
Brentwood, TN 37027
(615) 369-0670

TEXAS

2731 81st St.
Lubbock, TX 79423
(806) 744-1188

901 Mopac Expy. S., Bldg. 1, Ste. 300
Austin, TX 78746
(737) 242-8585

10210 North Central Expy., Ste. 115
Dallas, TX 75231
(214) 446-1611

974 Campbell Rd., Ste. 204
Houston, TX 77024
(713) 467-5858

TEXAS (CONT'D)

9901 IH-10 West, Ste. 1035
San Antonio, TX 78230
(210) 227-6229

UTAH

527 E. Pioneer Rd., Ste. 240
Draper, Utah 84020
(801) 262-3388

20 North Main
St. George, UT 84770
(435) 773-6300

321 N. County Blvd., Ste. D
American Fork, UT 84003
(801) 492-0000

VIRGINIA

656 Independence Pkwy., Ste. 220
Chesapeake, VA 23320
(757) 410-1222

4914 Fitzhugh Ave.
Richmond, VA 23230
(757) 345-0010

5107 Center St., Ste. 2B
Williamsburg, VA 23188
(757) 345-0010

WASHINGTON

8378 W. Grandridge Blvd., Ste. 110-D
Kennewick, WA 99336
(509) 221-1540

25923 Washington Blvd., NE., Ste. 300
Kingston, WA 98346
(360) 649-7300

324 N. Mullan Rd.
Spokane Valley, WA 99206
(509) 747-0999

WISCONSIN

12660 W. North Ave.
Brookfield, WI 53005
(262) 782-7990