

Summary of Facts and Conclusions

Property Type:	An Existing 24 Unit Self Storage Facility
Address:	1209 Johnson Rd, Iowa Park, Wichita County, TX 76367
Location:	East Side of Johnson Road, Approximately 258' South of the Corner of W Highway Street and Johnson Road
Date of Site Visit:	March 1, 2023
Date of Appraisal:	March 1, 2023
Date of Report:	April 21, 2023
Zoning:	Automobile Commercial & Commercial Recreation (C-A/R)
Site Area:	40,000 SF (per CAD/Survey)
Building Area:	3,000 SF Rentable Area
Number of Units:	24
Average Unit Size:	125 SF
Land to Building Ratio:	13.33:1; or 6.67:1 considering excess land separately
Year Built:	2010
Current Occupancy	96%
Highest and Best Use "As If Vacant":	Hold for future development or assemblage with an adjoining parcel
"As Improved":	Continued use as a self-storage facility

Summary of Salient Facts and Conclusions – Cont.

Summary of Estimated Values:

<i>Approach</i>	<i>"As Is"</i> <i>03/01/2023</i>
<i>Sales Approach:</i>	\$132,000
<i>Income Approach:</i>	\$136,000
<i>FINAL VALUE CONCLUSION:</i>	\$134,000

Extraordinary Assumptions:

- 1) No environmental audit was provided. This appraisal assumes there is no environmental contamination and should an environmental audit reveal such, any remediation costs would have to be deducted from the value estimate presented herein.
- 2) An undated survey, completed by an unknown entity, was provided. It does not show any improvements on the subject site. It is specifically assumed that there are no unusual or detrimental easements, encroachments, or restrictions.
- 3) The appraisal assumes that the subject's historical operating data provided by the ownership is accurate as presented.

Legal Description

Lots 3 & 4, Block 1, Planners Mutual Development (out of Block 19 TCSL) (per CAD)

Site Description

General Description

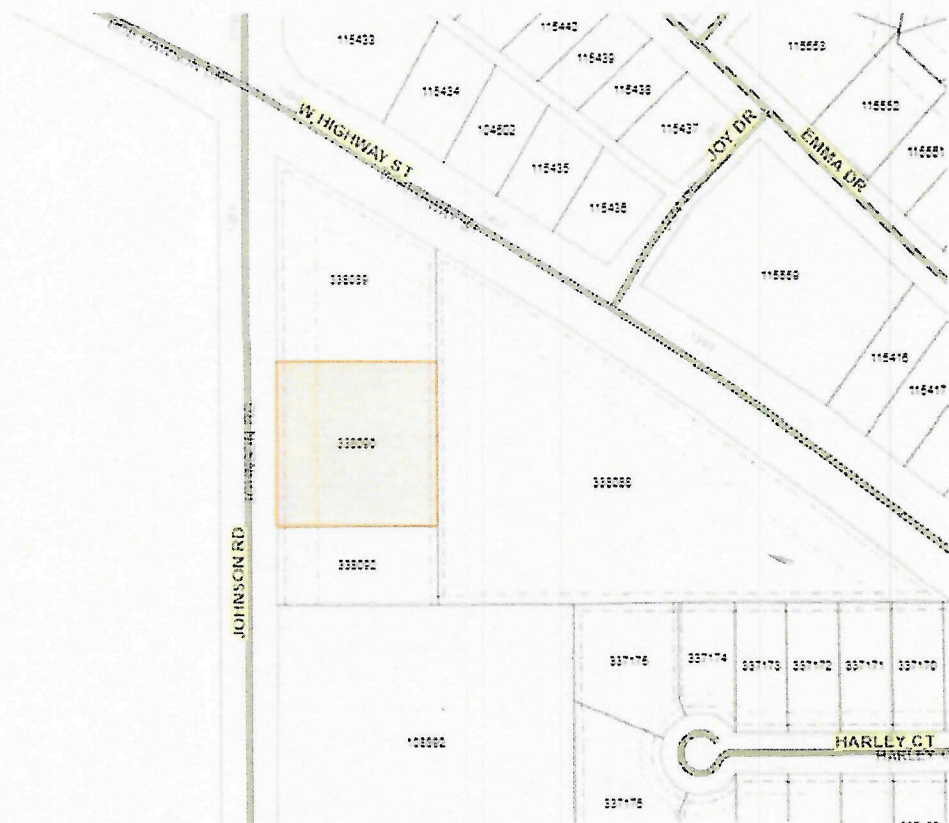
East Side of Johnson Road, Approximately 258' South of the Corner of W Highway Street and Johnson Road

Size

40,000 square feet or 0.918 Acres (per the Appraisal District and Survey provided)

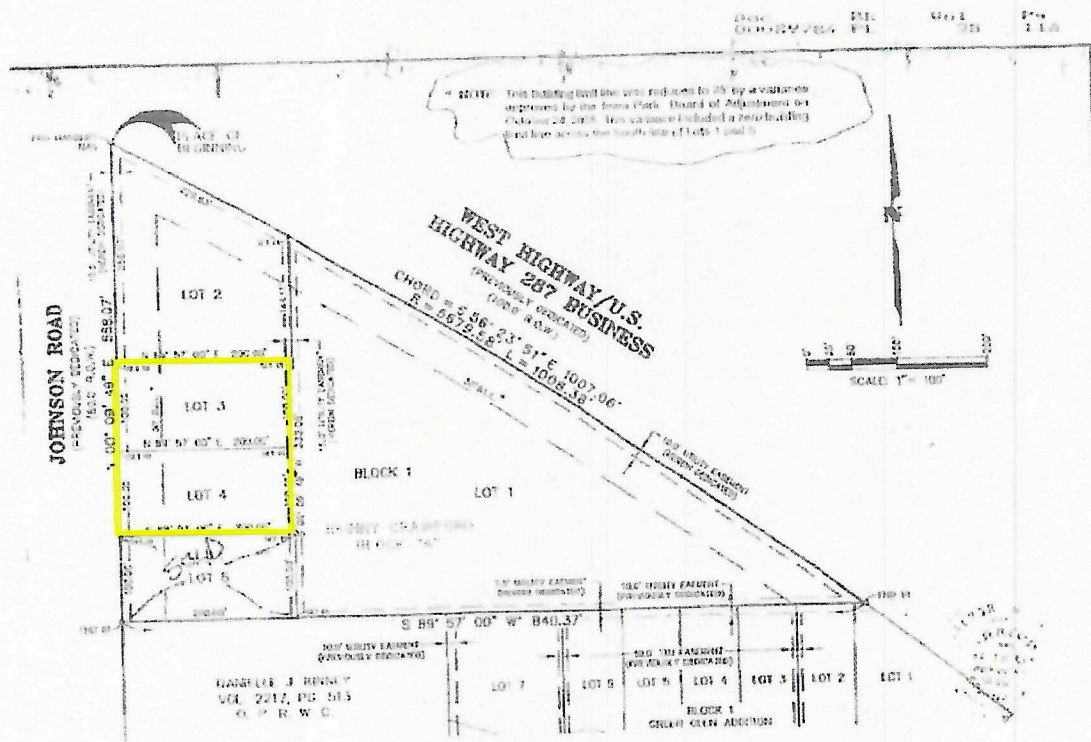
Shape

Rectangular; See Survey Below



Plat Map

Site Description - Continued



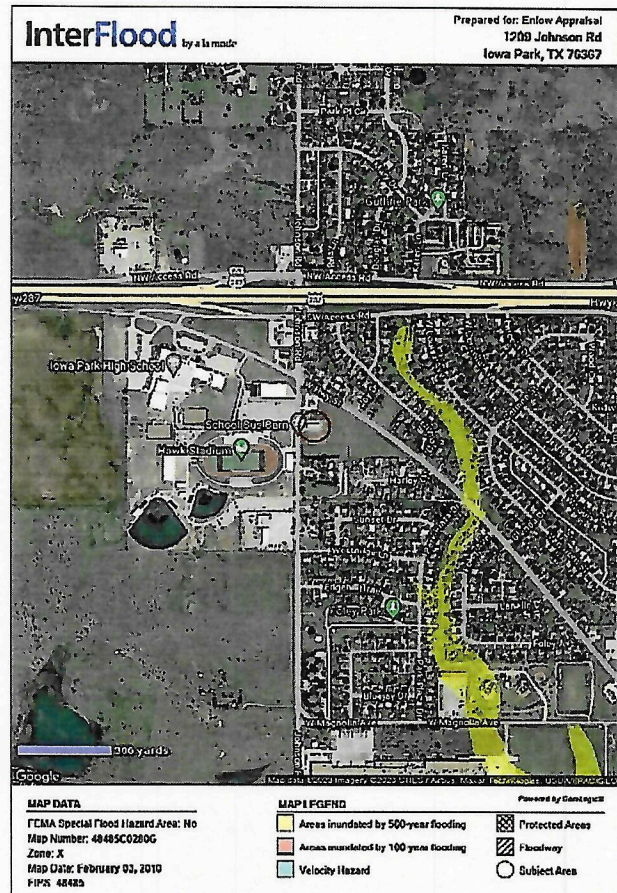
Survey

Dimensions	Approximately 200' x 200' per County Appraisal District and Survey.
Frontage	The subject has approximately 200 feet of frontage along the east side of Johnson Road
Topography	The subject is generally level with a slight downward slope to the south.
Soil Condition	The appraiser is unaware of any adverse soil conditions, and none of the improvements in the area were noted to be suffering from adverse conditions. It is assumed that the soil's load-bearing capacity is sufficient to support the subject structures.
Utilities	The following summarizes the providers to the subject: Water/Sewer - City of Iowa Park; Electricity - TXU; various retail providers; Natural Gas - Atmos Energy.
Accessibility/Access	The subject is accessed from a gravel entrance along the east side of Johnson Road. Overall, it is considered to have adequate access and visibility. West Highway is located to the north, and is a major northwest/southeast roadway through the area.

Site Description - Continued

Flood Hazard

According to FEMA, the subject is not located in a flood zone. See attached flood map.



Easements

A title insurance policy was not provided. The survey provided did not denote any easements; however, it did mention the building limit line was reduced to 25' by a variance approved by the city of Iowa Park. It is specifically assumed that there are no unusual or detrimental easements, encroachments, or restrictions.

Environmental Hazards

The appraiser is unaware of any specific environmental hazards in the immediate area. The appraisers, however, are not qualified to detect such types of hazards and recommend that the client engage appropriate experts, if such conditions are believed to exist. Should an environmental audit reveal to the contrary, any remediation costs would have to be deducted from the opinion of value presented herein.

Site Improvements

The subject improvements include 3,026 square feet of self-storage units in one building with gravel paving. The improvements will be discussed in the Improvements Description to follow.

Site Description - Continued

Surrounding Uses:	North: Vacant Lot and Subway East: Vacant Lot West: Iowa Park High School South: Vacant Lot
Excess Land:	Only the northern half of the subject site has been improved with storage units. The southern section of the site could be developed with another self storage building. Given that the land could be marketed separately, it was considered to be excess land. Thus, approximately half the site, or 20,000 square feet is considered excess land.
Summary	The site is considered to have a good location in close proximity to West Highway Street, the Business 287 corridor, and US 287 which features numerous commercial/retail type developments. The site is considered to have adequate access and visibility. All utility services are available in adequate supply.

Zoning

The subject is zoned C-A/R, Automobile Commercial and Commercial Recreation District, by the City of Iowa Park. According to the Iowa Park Zoning Ordinance, the purpose of the C-A/R, Automobile Commercial and Commercial Recreation District is as follows:

"The C-A/R, Automobile Commercial and Commercial Recreation district is established as a district in which the principal use of land is for establishments offering accommodations, supplies of services to motorists, and for certain specialized uses such as retail outlets, extensive commercial amusement and service establishments which serve the entire community but do not and should not necessarily locate in the central business district or the Convenience Commercial district. (Ordinance 375 adopted 4/12/82)"

Various commercial uses are permitted including new and used automobile sales; service stations; various sales establishments; motels; public uses; taverns; wholesale distribution centers; etc. The uses allowed in the Convenience Commercial zoning are allowed as well, and they include a multitude of commercial/retail uses some of which are; Bakeries; Barber/Beauty Shops; Drugstores; Financial Institutions; Florists; Hardware Stores; Medical Facilities; Offices; Pharmacies; Restaurants; Theaters; Toy Stores; Variety Stores; etc.

Following are some of the development regulations that apply to the C-A/R, Automobile Commercial and Commercial Recreation District.

Site Description - Continued

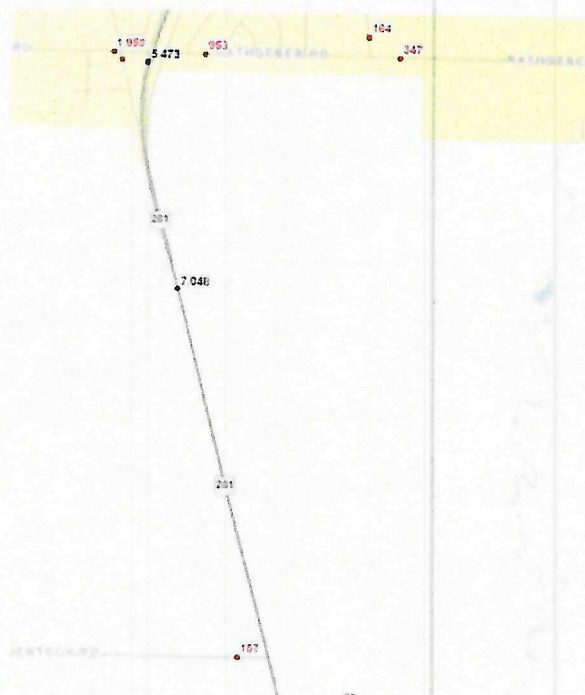
  *Sec. 606.3. Same-Area and Height Regulations*

<i>Minimum Lot Area</i>	<i>Minimum Lot Frontage</i>	<i>Maximum Percentage Coverage</i>	<i>Maximum Height</i>	<i>Minimum Front Yard Setback</i>	<i>Minimum Side Yard Setback</i>	<i>Minimum Rear Yard Setback</i>
<i>12,000 sq. ft.</i>	<i>100'</i>	<i>30%</i>	<i>35'</i>	<i>50'</i>	<i>2'/1' adj. to residential district</i>	<i>20'</i>

Parking Requirements: Vary by use; industrial type uses require one space per 500 square feet. Commercial establishments not otherwise classified require one space per 150 square feet of floor space. There appears to be ample room on the site for an adequate number of parking spaces. Given the recent construction date in 2010, it is presumed that the subject had to conform to the zoning requirements at that time. With no current survey with improvements, it is not possible to determine setbacks and if they are in conformance with the zoning requirements.

Overall, the zoning appears relatively flexible as it allows a variety of commercial uses, and the restrictions do not appear to be overly burdensome. The appraiser has no knowledge of deed restrictions, and this is a legal matter that should be investigated in conjunction with title research. It is specifically assumed that there are no deed restrictions.

Site Description – Cont.



Easements

A title insurance policy was not provided. A Survey/Plat dated 03/15/2016 as completed by Russell L. Rivers was provided by the client. It does not denote any easements, and it is specifically assumed that there are no unusual or detrimental easements, encroachments, or restrictions.

Environmental Hazards

The appraiser is unaware of any specific environmental hazards in the immediate area. The appraisers, however, are not qualified to detect such types of hazards and recommend that the client engage appropriate experts, if such conditions are believed to exist. Should an environmental audit reveal to the contrary, any remediation costs would have to be deducted from the opinion of value presented herein.

Site Improvements

The subject improvements include 15,288 square feet of RV & Boat storage units in two buildings with gravel paving. The improvements will be discussed in the Improvements Description to follow.

Surrounding Uses:

North: Cement Batch Plant
 East: Vacant land
 West: Hicks Offroad Designs
 South: Cowboy Church Facility

Excess or Surplus Land:

The improved parcel of 6.70 acres has some surplus land at the rear of the site (to the east of the current improvements). The surplus land area has been estimated to total 4.39 acres (see below). Thus, the area allocated to the improvements is estimated at 2.31 acres. There is a parcel to the north (6.33 Acres) that has been analyzed separately.

Site Description – Cont.

Estimated Surplus Land Area



Imagery ©2023 Maxar Technologies, Map data ©2023 Google 50 ft

Measure distance
Total area: 191,294.99 ft² (17,771.89 m²)
Total distance: 2,222.40 ft (677.39 m)

Summary:

The parcels are located just southeast of the Wichita Falls City limits along US Hwy 281. The parcels are elongated with far greater depth as opposed to frontage. Many of the tracts along this corridor do also have far less road frontage as compared to depth. The sizes of 6.70 and 6.33 acres would allow for a larger type use. Adequate utilities are available.

Zoning

The subject parcels are located just outside of the City of Wichita Falls in an unincorporated area of Archer County. Thus, the subject is not subject to zoning restrictions. The appraiser has no knowledge of deed restrictions, and this is a legal matter that should be investigated in conjunction with title research. It is specifically assumed that there are no deed restrictions.

Improvements Description

Bldg No.	Floor	GBA(SF)	Use and Type (specify)	% of Total	Remaining Econ. Life:	40+-
1	1	3026	Metal Storage Units	100%	Type of Construction:	Metal, metal roof, steel frame
					Source of Area:	Appraiser's measurements
					Inspection(s) made:	<input checked="" type="checkbox"/> Interior of vacant units (#20) <input checked="" type="checkbox"/> Exterior
	Total	3,026	Total	100%	No. of Spaces:	No on site parking. Gravel pavement around the perimeter of the buildings.

Building Description - Buildings			Improvement Rating				
			Excel	Good	Avg	Fair	Poor
Foundation	Concrete						
Frame	Metal	Appeal/Appearance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Floor Cover	Concrete	Floor Plan/Design	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ceiling	Open to metal roof panels.	Construction Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Exterior Walls	Metal Panel	Exterior Condition	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Interior Partitions	Metal Panel	Interior Condition	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Roof	Metal Panel/Steel	Roof Cover	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cover/Support							
Plumbing	None	Plumbing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Heating	None	Heating	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Air Conditioning	None	Air Conditioning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fire Protection	None	Fire Protection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sprinklers		Sprinklers					
Electrical	None	Electrical	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Elevators	None	Elevators	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Insulation	None	Insulation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Landscaping	None	Landscaping	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Paving	Gravel	Paving	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fencing	None	Fencing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Proposed Construction	<input type="checkbox"/> Yes (Completion Date); Not applicable	Source of Square Footage: Site Visit	Measurements; and the unit sizes and unit mix were provided by owner.				
Year Built / Effective Age	2010 (per CAD); 10 year eff. age	Interior Inspection was made: See above	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Remaining Econ. Life	40	Exterior Inspection was made: See above	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				

Improvement Description – Cont.

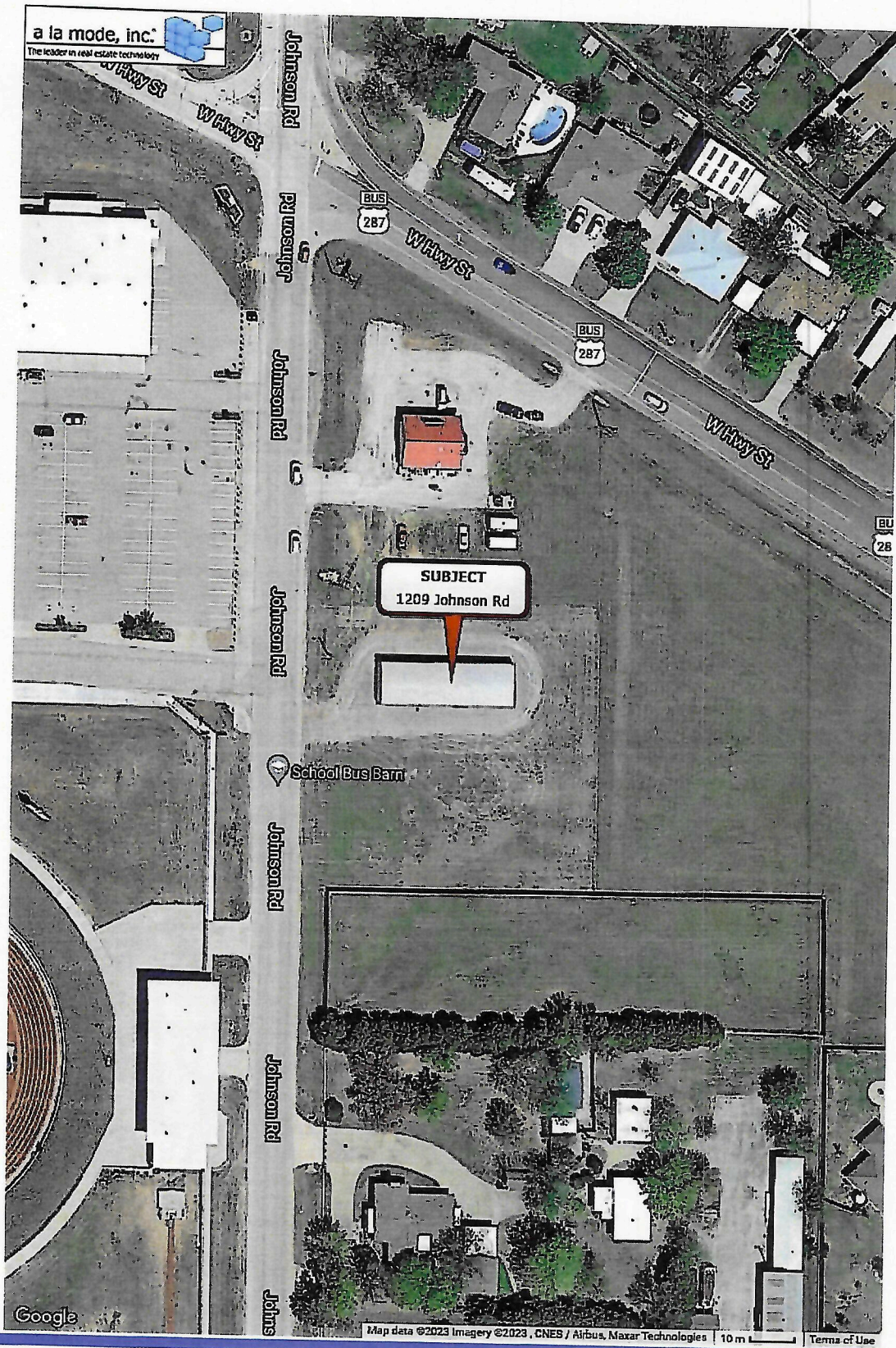
Analysis and Comments (address effect of physical characteristics on value – deferred maintenance, etc.): The units are of pre-engineered metal construction. The units have overhead roll up doors. There is no electric service to the units. The overall quality and condition are considered average. There is no estimated deferred maintenance. The gravel paving is in average condition.

Following is the unit mix as provided by the owner:

Subject Unit Mix				
Unit Type		# Units	Area (SF)	Gross Rentable SF
5	10	6	50	300
10	10	4	100	400
10	15	10	150	1,500
10	20	4	200	800
		24	125	3,000

The NRA of 3,000 square feet is slightly smaller than the GBA of 3,026 square feet, and the minor difference is related to the GBA being based on the actual building exterior dimensions with the NRA being based on the dimensions of the individual units (as reported by the owner). The average unit size is 125 square feet. The subject is functionally adequate as a small self-storage facility. There is no perimeter fence, but this is typical in smaller market areas. The subject has a land to building ratio of 13.33:1; or 6.66:1 considering excess land separately.

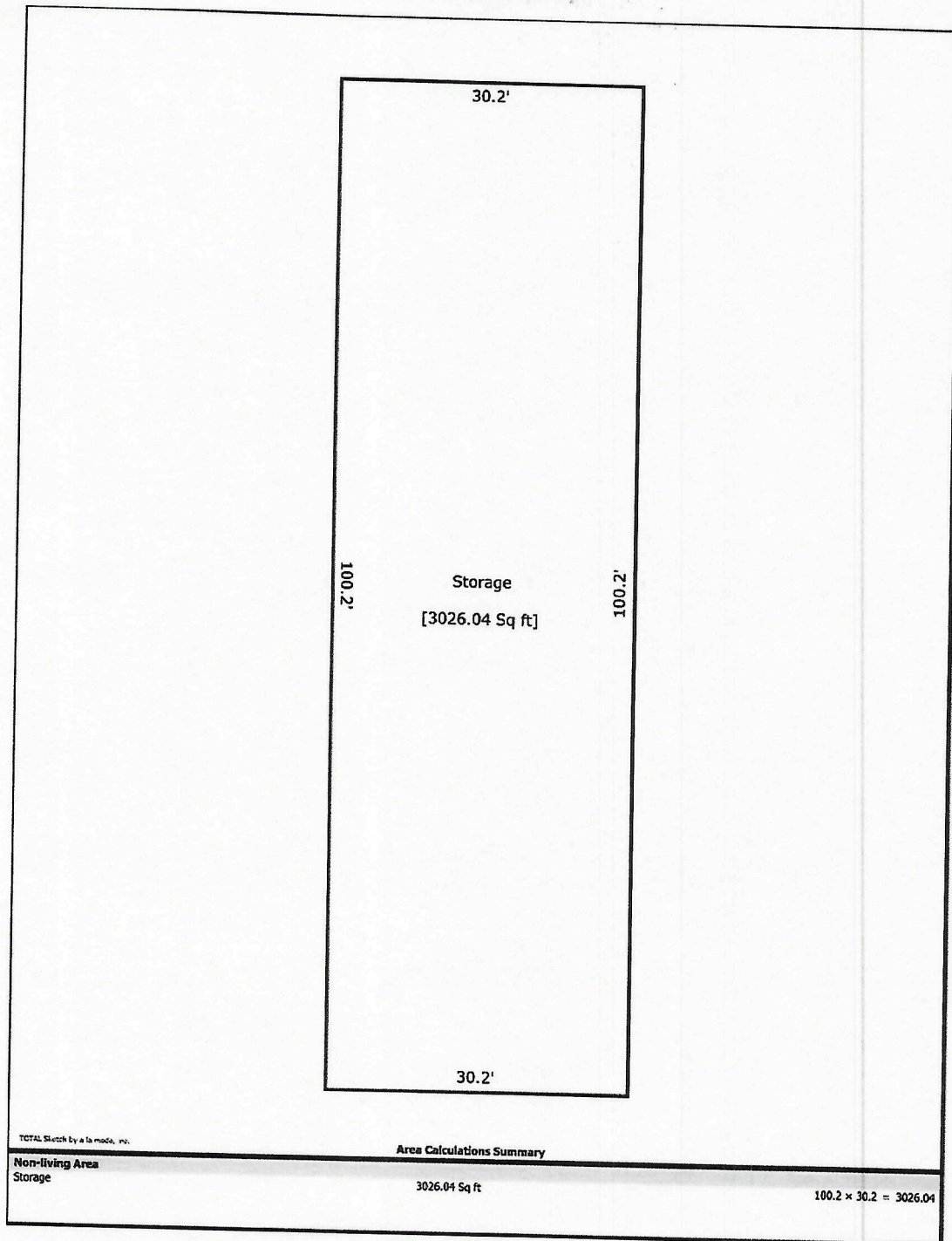
Improvement Description - Cont.



Improvement Description - Cont.

See attached appraiser sketch that was completed on the day of the site visit.

Building Sketch



Improvement Description - Cont.

Owner's Floorplan Layout

IOWA PARK

1	5' X 10'	24	10' X 15'	23	22	21	20	10' X 20'	19	18	17	16	
2													
3													
4													
5													
6		7	10' X 15'	8	9	10	11	10' X 10'	12	13	14	15	

6 5' X 10'
 4 10' X 10'
 10 10' X 15'
 4 10' X 20'

Income Approach – Cont.

Reconstructed Operating Statement

		\$/SF
Gross Potential Rental Income	\$17,400	\$5.80
Plus: Other Income	\$0	\$0.00
Gross Potential Income	\$17,400	\$5.80
Vacancy/Collection Loss (10%)	(\$1,740)	10.00%
Effective Gross Income	\$15,660	\$5.22
Operating Expenses		
Real Estate Taxes	\$1,628	\$0.54
Insurance	\$1,050	\$0.35
Management 5%	\$783	\$0.26
Repairs/Maintenance	\$1,200	\$0.40
Structural Reserves	\$450	\$0.15
Total Expenses	\$5,111	\$1.70
Net Operating Income	\$10,549	\$3.52
Overall Rate	10.5%	
Indicated Value	\$100,467	
Plus: Estimated Surplus Land	\$36,000	
Total	\$136,467	
Rounded	\$136,000	

Overall Rate Analysis (Cite data sources, means of verification, and supported conclusion):

According to *The Appraisal of Real Estate*, the direct capitalization formula that applies to this type of valuation is:

$$\text{Value} = \text{Net Operating Income} \div \text{Overall Capitalization Rate}$$

An overall capitalization rate can be derived from various techniques dependent upon the data available and these techniques include: 1) derivation from comparable sales; 2) derivation from effective gross income multipliers; 3) band of investment - mortgage and equity components; 4) band of investment - land and building components; and 5) the debt coverage formula. The first technique is preferred if sufficient data is available.

Derivation From Comparable Sales

The Sales Comparison Approach presented six improved sales with overall rates of 10.23%; 11.36%; 7.10%; 10.83%; 10.17%; and 11.66%.

Debt Coverage Ratio Formula

The fifth previously mentioned technique for estimating an overall rate is by the debt coverage formula. According to *The Appraisal of Real Estate*, the debt coverage ratio is the ratio of net operating income to annual

Final Reconciliation of Value

Reconciliation is the process in which the appraisers consider the reliability and applicability of each of the approaches used. Only the Sales and Income Approaches to value were considered in this analysis when considering the subject property with the following results.

<i>Approach</i>	<i>"As Is" 03/01/2023</i>
<i>Sales Approach:</i>	\$132,000
<i>Income Approach:</i>	\$136,000
<i>FINAL VALUE CONCLUSION</i>	\$134,000

The Sales Approach was included and a price per square foot analysis of several similar self-storage properties. An adequate number of sales were located and an analysis of the price per square foot was presented. Purchasers of the subject would likely considered alternative properties and thus the principle of substitution is considered a worthwhile and credible analysis.

The subject is an income-producing property. Hence, an Income Approach was included. An estimate of market rent was forecast along with a market vacancy and expense levels. An overall rate analysis was provided, and a value estimate was concluded from the Income Approach. The value estimate from the Income Approach was slightly less than the Sales Approach. Given that there were several similar sales in the local market area, considerable emphasis has been given the Sales Approach, and thus an opinion of value has been estimated in the lower mid- range of the two approaches, or \$134,000.

Based upon my investigation and analysis of the data gathered with respect to the assignment, it is my opinion that the estimated "as is" market value of the fee simple interest in the subject property, as of March 1, 2023, is:

ONE HUNDRED THIRTY FOUR THOUSAND DOLLARS
(\$134,000)

* Subject to Extraordinary Assumptions in Transmittal Letter