

## Summary of Facts and Conclusions

Property Type:	An Existing 48 Unit Self Storage Facility and A 14,000 SF Land Parcel
Address:	Improved Parcel: 501 N Main Street, Seymour, Baylor County, Texas 76380 Land Parcel: 515-519 N Main Street, Seymour, Baylor County, TX 76380
Location:	Improved Parcel: Northwest corner of N Main Street and E Nevada Street Land Parcel: West side of N Main Street, Approximately 150' N of E Nevada Street
Date of Site Visit:	February 28, 2023
Date of Appraisal:	February 28, 2023
Date of Report:	April 21, 2023
Zoning:	B-2; Commercial
Site Area:	Improved Site: 21,000 SF (Per BCAD and Survey) Land Parcel: 14,000 SF (Per BCAD)
Building Area:	6,058 SF Gross Building Area 6,000 SF Rentable Area
Number of Units:	48
Average Unit Size:	125 SF
Land to Building Ratio:	3.50:1
Year Built:	2010 & 2012; Avg of 2011
Current Occupancy	96%
Highest and Best Use "As If Vacant":	Commercial development (both improved site and land parcel)
"As Improved":	Continued use as a self-storage facility

## Summary of Salient Facts and Conclusions – Cont.

### Summary of Estimated Values:

Approach	"As Is" 02/28/2023
Site Valuation (Land Parcel)	\$36,000
Sales Approach:	\$192,000
Income Approach:	\$217,000
FINAL VALUE CONCLUSION:	
Land Parcel	\$36,000
Self- Storage Facility	\$210,000

### 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) A survey completed by Russell L. Rivers, dated 12/14/2009, was provided for the improved site. No survey was provided for the 14,000 square foot land parcel, and the site area secured from the Baylor County Appraisal District is assumed to be accurate. It is specifically assumed that there are no unusual or detrimental easements, encroachments, or restrictions for either parcel.
- 3) The appraisal assumes that the subject's historical operating data provided by the ownership is accurate as presented.



## Legal Description

Per a survey completed by Russell L. Rivers dated 12/14/2009, the following is the legal description for the improved portion of the subject: Lots 7, 8, 9, 10, 11, and 12, Block 24, McClain Addition to the Town of Seymour, Baylor County, Texas. The Baylor County Appraisal District reports a legal description of 0.482 Acres, Lot 7, Block 24, McClain Subdivision Lots 7-12. No metes and bounds legal description was provided.

The land parcel is comprised of two tax accounts and has the following legal descriptions (per Baylor County Appraisal District).

519 N. Main (R000009817):

Legal Description:

| Acres 0.161 Lot 3 Blk 24 Subd McClain LOTS 3-4 BLK 24 MCLAIN ADDITION

515 N. Main (R000009818):

Legal Description:

| Acres 0.161 Lot 5 Blk 24 Subd McClain LOTS 5-6 BLK 24 MCLAIN ADDITION

## Site Description

General Description

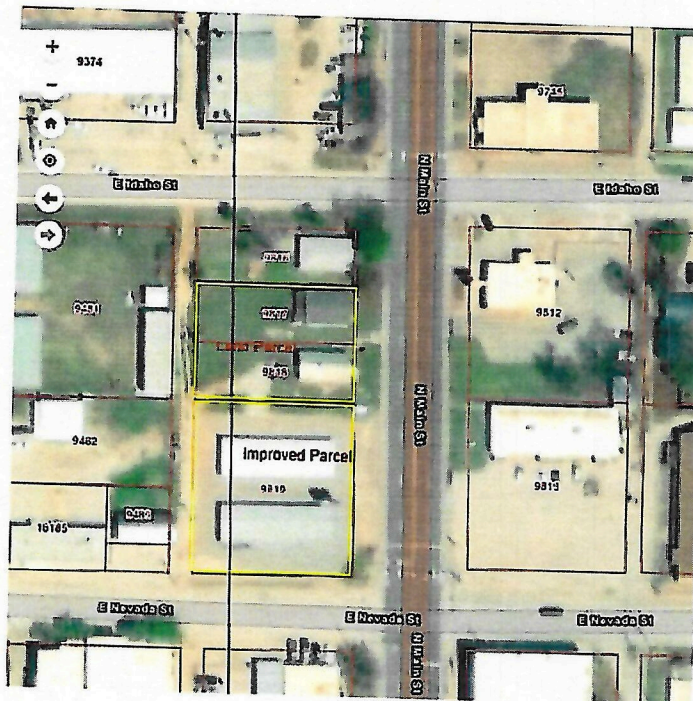
The improved site is located at the Northwest Corner of N Main Street and Nevada Street.

Size

21,000 square feet (per WCAD and Survey provided).

Shape

Rectangular; See Digital Plat Map Below



Digital Plat Map

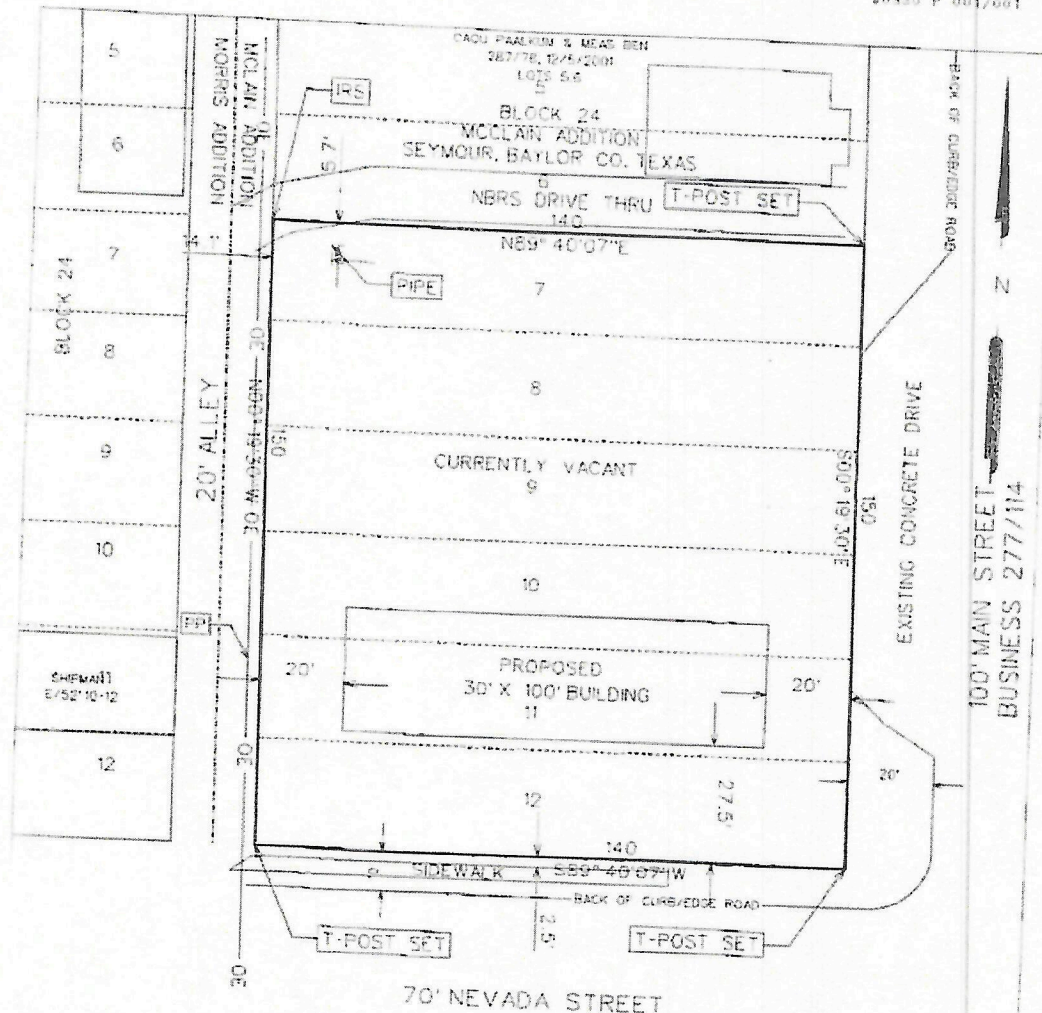


# Site Description - Continued

04/27/2012 12 12 9408841888

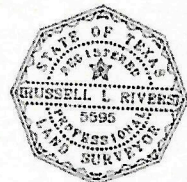
BAIZE

20320 P 001/001



Scale 1" = 40'

0 15 30 45



STATE OF TEXAS: KNOW ALL MEN BY THESE PRESENTS, that I, Russell L. Rivers, Registered Professional Land Surveyor, do hereby certify that this plat was surveyed and prepared by me or under my direct supervision and that I am a duly Licensed Professional Land Surveyor in the State of Texas.

*Russell L. Rivers*  
**RUSSELL L. RIVERS, RPLS**  
 Registered Professional Land Surveyor  
 No. 5595

12/14/2009  
 Date of Survey

SURVEYED FOR RONNY BAIZE

PLAT OF SURVEY FOR ALL OF LOTS 7, 8, 9, 10, 11, 12, BLOCK 24, MCCLAIN ADDITION, TO THE TOWN OF SEYMOUR, BAYLOR COUNTY, TEXAS. DEED REFERENCE: NOLAN DAVIS, TO DAVIS AND WARDLAW, 1/6/1997

Improved Site Survey



## Site Description - Continued

### Dimensions

Approximately 150' x 140' per County Appraisal District and Survey.

### Frontage

The subject has approximately 150 feet of frontage along the west side of N Main Street and 140 feet on the north side of E Nevada Street.

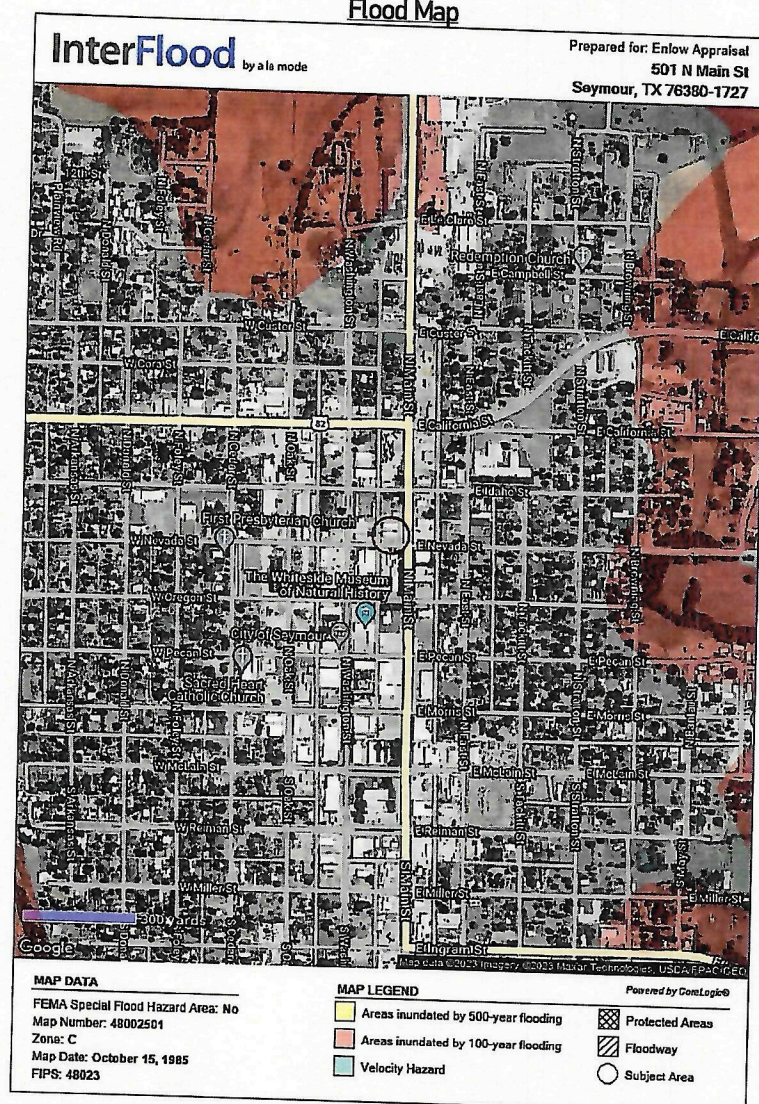
### Topography

The subject has a slight downward slope to the east, but is generally at street grade.

### Flood Hazard

According to the attached FEMA flood map, the subject is not located within a flood hazard zone.

### Flood Map





## Site Description - Continued

### 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

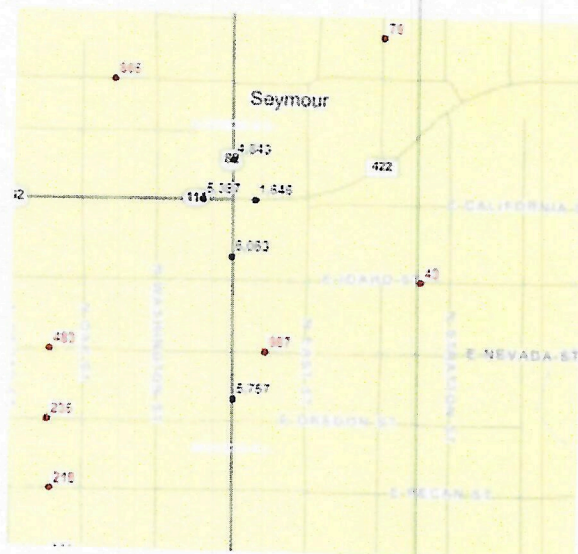
There is no electric service currently connected to the property. While there are no water/sewer connections, there is water/sewer service available in the area.

### Accessibility/Access

The subject is located along N Main Street, the primary north/south traffic artery through the area. It is a four lane, asphalt paved road with curbs and gutters. The subject has open access to this road (no curb). E Nevada is a secondary east/west roadway (two lane, asphalt paved with curbs and gutters).

### Traffic Counts

The 2021 Texas Department of Transportation Traffic Count Map indicates a traffic count on Main Street at 6,063 just north of the subject. This is the highest traffic count in Seymour. E Nevada Street has a count of 967 just east of Main Street.



### Easements

A title insurance policy was not provided. The dated survey provided did not indicate any easements, and thus 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 Description - Continued

Site Improvements	The subject improvements include 6,000 square feet (NRA) of self-storage units in two buildings with gravel paving. The improvements will be discussed in the Improvements Description to follow.
Surrounding Uses:	North: Vacant house East: Baylor County Extension Office West: CPA Office South: Tri-County Electric Cooperative Office
Excess or Surplus Land:	The improved parcel at the NWC of N Main and E Nevada Streets has no excess or surplus land.
Summary:	The improved subject parcel is located along the primary north/south traffic corridor in Seymour (the Business 283 corridor), just to the north of the CBD area. The subject site is small in size and has utilities available.
Vacant Parcel:	The subject property also includes a contiguous parcel of land to the north. This parcel is located along the west side of N Main Street, approximately 150 feet north of E Nevada Street. The parcel is located just north of the improved subject parcel. It has good frontage and a rectangular shape with dimensions of 100' x 140', for a total area of 14,000 square feet. This land parcel is comprised to two tax accounts and is currently improved with two older single family structures in poor condition. The parcel does not have any flood hazard zone (see above flood map). There are older homes located to the north; self-storage (subject facility) to the south; an older warehouse to the east; and Baylor County Extension office and Chicken Express restaurant to the east. The subject owner acquired this property in March, 2022 with plans to demolish the two structures and hold the land for possible expansion of the self-storage facility to the south. The improvements are not considered habitable and are not considered to offer any contributory value. No access was available to the interior.



## Improvements Description

Bldg No.	Floor	GBA(SF)	Use and Type (specify)	% of Total	Remaining Econ. Life:	40+~
South - 1	1	3032	Metal Storage Units	50%	Type of Construction:	Metal, metal roof, steel frame
North - 2	1	3,026	Metal Storage Units	50%	Source of Area:	Appraiser's measurements
					Inspection(s) made:	<input checked="" type="checkbox"/> Interior of 2 vacant units (#2 and #3) <input checked="" type="checkbox"/> Exterior
	Total	6,058	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		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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	South - 2010 and North - 2012 (per BCAD); Avg actual year built of 2011; 10 year eff.	Interior Inspection was made: See above	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				



## Improvement Description – Cont.

Remaining Econ. Life      40

Exterior Inspection was made: See above

☒ Yes

☐ No

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 significant estimated deferred maintenance noted. The gravel paving is in average condition.

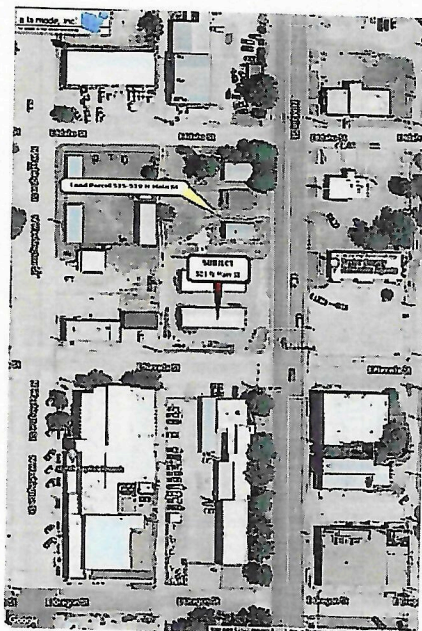
Following is the unit mix as provided by the owner:

Subject Unit Mix				
Unit Type	# Units		Area (SF)	Gross Rentable SF
5 10		12	50	600
10 10		10	100	1,000
10 15		16	150	2,400
10 20		10	200	2,000
	48		125	6,000

The NRA of 6,000 square feet (per Rent Roll) is similar to slightly lower than the GBA of 6,058 square feet (based on site visit measurements by the appraisers). The actual buildings had slightly greater dimensions than 30' x 100'. 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 3.50:1, but has no excess or surplus land.

Please note that there is a small billboard (with two signs) located on the subject site. The owner reported that the billboard is unowned, but the owner of the billboards pays the subject owner \$1,000 annually for the right to place the billboard on the subject site. The 10 year lease commenced March, 2020.

Aerial Map

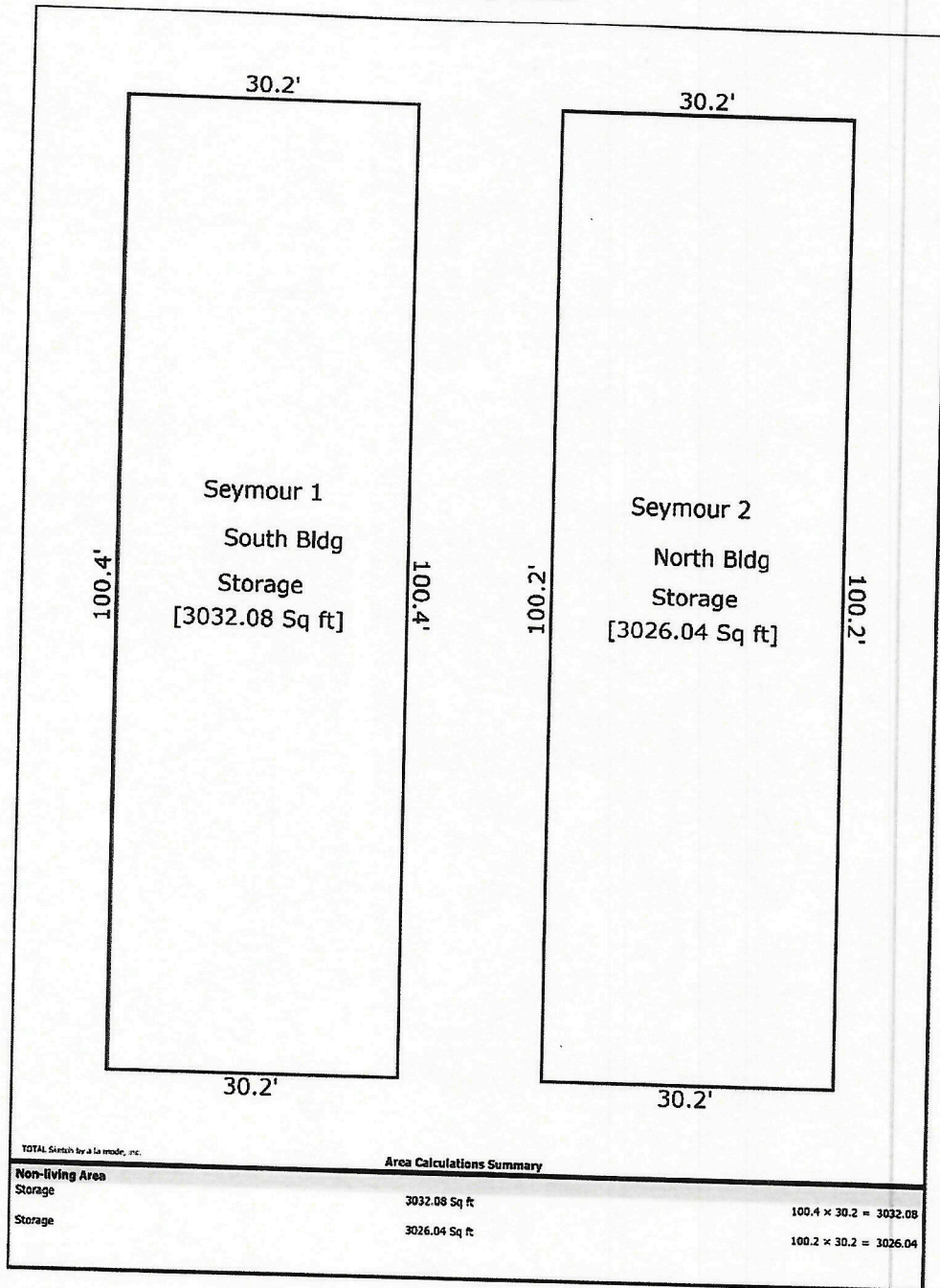




# Improvement Description – Cont.

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

## Building Sketch





# Improvement Description - Cont.

## Owner's Floorplan Layout

E ← → W  
 6 5x10 5 10x15  
 5 10x10 5 10x20

SEYMOUR # 1

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

SEYMOUR # 2 FLOOR PLAN

25 5' X 10'	48 10' X 15'	47	46	45	44 10' X 20'	43	42	41	40
26									
27									
28									
29									
30	31 10' X 15'	32	33	34	35 10' X 10'	36	37	38	39

6 5x10 8 10x15  
 5 10x10 5 10x20



## Income Approach - Cont.

The subject insurance expense (for 14 self-storage properties under the subject ownership) was reported at \$0.27 per square foot. The three expense comparables reported insurance expenses from \$0.34 to \$0.95 per square foot. Self-Storage Expense Guide reported insurance expenses of \$0.21 per square foot (Southwest Division). An insurance expense of 0.35 per square foot has been estimated based on the comparable data.

The subject is managed by the ownership, but a typical investor must account for a management fee. A management fee of 5% of effective gross income has been estimated. Property management fees for these types of properties generally range from 3.5% to 6.0% (based on Self-Storage Expense Guide data).

Maintenance expenses were reported from \$0.23 to \$0.34 per square foot for the 14 properties (2022 and 2021 figures), and these included some expenses associated with outside labor for cleanup, etc. The three expense comparables report maintenance expenses of \$0.06 to \$0.07, but two had additional payroll expense of \$0.26. Self-Storage Expense Guide reported \$0.28 per square foot for Repairs/Maintenance. For the subject, there is no separate payroll or administrative allowance as the maintenance person would be the only effective payroll expense. The maintenance figure for the subject has been estimated at \$0.40 per square foot (which would allow for clean out of units; and general parking lot maintenance; mowing, etc.). There are no utilities expense for the subject.

Finally, a maintenance reserve of \$0.15 per square foot has been allowed for the replacement of long lived items. According to the 1st Quarter, 2023 of PwC Real Estate Investor Survey, National Warehouse Investors (no separate survey for Self-Storage) include Replacement Reserves from \$0.02 to \$0.25 per square foot. A figure of \$0.15 per square foot has been employed in this analysis.

The total expenses are forecast at \$10,310 or 35% of effective gross income. The 2023 Self-Storage Expense Guide Book reports expense ratios for all regions with a range from 30.04% to 41.08% with a national average of 34.95%. The subject expense ratio appears reasonable in light of this data.

## Reconstructed Operating Statement

		\$/SF
Gross Potential Rental Income	\$32,160	\$5.36
Plus: Other Income Billbrd Lease	\$1,000	\$0.17
Gross Potential Income	\$33,160	\$5.53
Vacancy/Collection Loss (10%)	(\$3,316)	10.00%
Effective Gross Income	\$29,844	\$4.97
Operating Expenses		
Real Estate Taxes	\$3,418	\$0.57
Insurance	\$2,100	\$0.35
Management 5%	\$1,492	\$0.25
Repairs/Maintenance	\$2,400	\$0.40
Structural Reserves	\$900	\$0.15
Total Expenses	\$10,310	\$1.72
Net Operating Income	\$19,534	\$3.26
	9.0%	
Indicated Value	\$217,042	
Rounded	\$217,000	



## 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.

Approach	"As Is" 02/28/2023
Site Valuation (Land Parcel)	\$36,000
Sales Approach:	\$192,000
Income Approach:	\$217,000
FINAL VALUE CONCLUSION:	
Land Parcel	\$36,000
Self- Storage Facility	\$210,000

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 greater than the Sales Approach. This is partially related to the fact that approximately \$11,000 of the Income Approach value is attributable to \$1,000 in annual income from a billboard lease. Excluding the \$11,000 in value in the Income Approach, the midpoint between the two approaches to value is \$199,000. With the addition of the \$11,000 in estimated value from the billboard, a final opinion of value of \$210,000 has been estimated.

Based upon my investigation and analysis of the data gathered with respect to the assignment, it is our opinion that the estimated "as is" market value of the fee simple interest in the 48 Self-Storage Unit Property as of February 28, 2023, is:

TWO HUNDRED TEN THOUSAND DOLLARS

(\$210,000)\*

Based upon my investigation and analysis of the data gathered with respect to the assignment, it is our opinion that the estimated "as is" market value of the fee simple interest in the 14,000 SF Land Parcel as of February 28, 2023, is:

THIRTY SIX THOUSAND DOLLARS

(\$36,000)\*

\* Subject to Extraordinary Assumptions in Transmittal Letter