

APPRAISAL REPORT

NATIONAL WESTERN LIFE INS CO
844 E Anderson Lane
Austin, Travis County, Texas 78752
CBRE, Inc. File No. 17-361HO-7728-10
Client Reference No. PID 234163

Leana Mann
Finance & Facilities Director
TRAVIS CENTRAL APPRAISAL DISTRICT
P.O. Box 149012
Austin, Texas 78714-9012

www.cbre.com/valuation

The CBRE logo is displayed in a bold, green, sans-serif font. It is positioned in the lower right quadrant of the page, above a large, abstract graphic of a globe composed of green dots and lines. The background of the entire page is a dark green with a pattern of binary code (0s and 1s) and glowing green lines that create a sense of digital connectivity and data flow.

January 31, 2018

Leana Mann
 Finance & Facilities Director
 TRAVIS CENTRAL APPRAISAL DISTRICT
 P.O. Box 149012
 Austin, Texas 78714-9012

RE: Appraisal of National Western Life Ins Co
 844 E Anderson Lane
 Austin, Travis County, Texas 78752
 CBRE, Inc. File No. 17-361HO-7728-10
 Client Reference No. PID 234163

Dear Ms. Mann:

At your request and authorization, CBRE, Inc. has prepared an appraisal of the market value of the referenced property. Our analysis is presented in the following Appraisal Report.

The subject is a 72,720-square foot, four-story, suburban office building located at 844 E Anderson Lane in Austin, Texas. The improvements were constructed in 1975 and are situated on a 2.95-acre site. Currently, the facility is considered to be in fair condition. The subject is currently vacant and offered for sale. The subject is more fully described, legally and physically, within the enclosed report.

Based on the analysis contained in the following report, the market value of the subject is concluded as follows:

MARKET VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Retrospective As Is	Fee Simple Estate	January 1, 2018	\$7,500,000
Compiled by CBRE			

The above value conclusion is retrospective as of January 1, 2018, based on directions from the client.

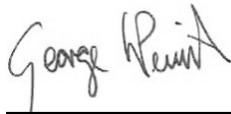
The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE can be of further service, please contact us.

Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES



George Pereira
Senior Appraiser
Texas Certification #1380210-G

Phone: (512) 499-4936
Fax: (512) 499-4999
Email: george.pereira@cbre.com



Grant Mueller, MAI
Managing Director
Texas Certification #1337145-G

Phone: (512) 499-4909
Fax: (512) 499-4999
Email: grant.mueller@cbre.com

Certification

We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of Texas.
8. 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.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. As of the date of this report, Grant Mueller, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
11. As of the date of this report, George Pereira has completed the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.
12. George Pereira has and Grant Mueller, MAI has not made a personal inspection of the property that is the subject of this report.
13. Valuation & Advisory Services operates as an independent economic entity within CBRE, Inc. Although employees of other CBRE, Inc. divisions may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
14. George Pereira and Grant Mueller, MAI have not provided 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.



George Pereira
Texas Certification No. TX-1380210-G



Grant Mueller, MAI
Texas Certification No. TX-1337145-G

Subject Photographs

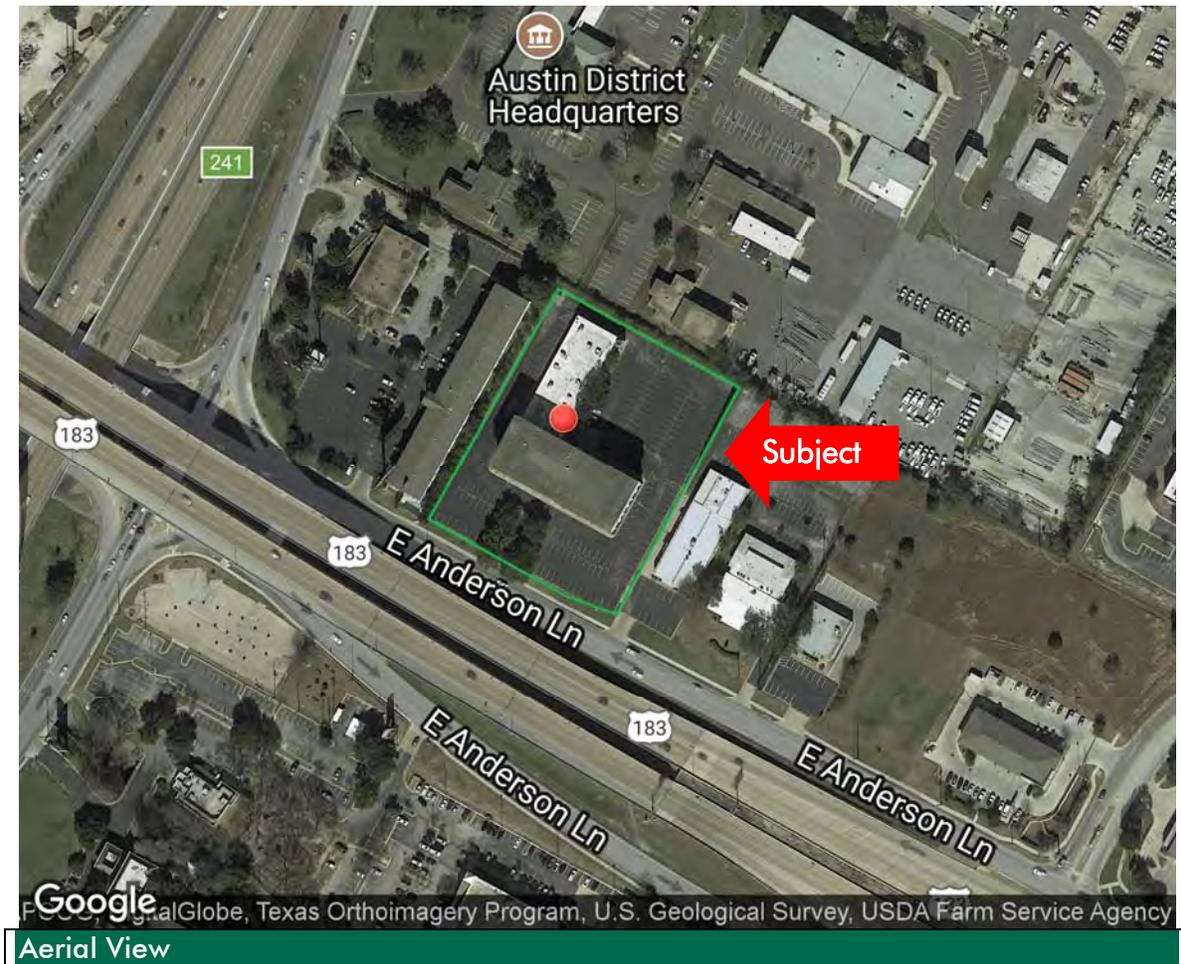




Photo 1 – Exterior View



Photo 2 – Exterior View



Photo 3 – Exterior View



Photo 4 – Exterior View



Photo 5 – E Anderson Lane Frontage



Photo 6 – E Anderson Lane Frontage

Executive Summary

Property Name	National Western Life Ins Co	
Location	844 E Anderson Lane, Austin, Travis County, Texas 78752	
Client Reference Number	PID 234163	
Highest and Best Use		
As If Vacant	Office	
As Improved	Office	
Property Rights Appraised	Fee Simple Estate	
Date of Report	January 31, 2018	
Date of Inspection	January 27, 2018	
Estimated Exposure Time	6 Months	
Estimated Marketing Time	6 Months	
Land Area	2.95 AC	128,372 SF
Improvements		
Property Type	Office	(Multi Tenant)
Number of Buildings	1	
Number of Stories	4	
Gross Building Area	72,720 SF	
Net Rentable Area	72,720 SF	
Year Built	1975	
Condition	Fair	
Buyer Profile	Investor-Regional	
Financial Indicators		
Current Occupancy	0.0%	
Stabilized Occupancy	90.0%	
Overall Capitalization Rate	8.25%	
Pro Forma Operating Data		
	Total	Per SF
Effective Gross Income	\$1,374,408	\$18.90
Operating Expenses	\$614,913	\$8.46
Expense Ratio	44.74%	
Net Operating Income	\$759,495	\$10.44

VALUATION	Total	Per SF
Land Value	\$1,350,000	\$10.52
Cost Approach	\$7,360,000	\$101.21
Sales Comparison Approach	\$7,390,000	\$101.62
Income Capitalization Approach	\$7,500,000	\$103.14

CONCLUDED MARKET VALUE			
Appraisal Premise	Interest Appraised	Date of Value	Value
Retrospective As Is	Fee Simple Estate	January 1, 2018	\$7,500,000

Compiled by CBRE

The above value conclusion is retrospective as of January 1, 2018 based on directions from the client.

EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined as “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.”¹

- Information pertaining to the subject's physical characteristics was obtained from the Travis County Appraisal District and CoStar. The improvements were not measured and the site was not surveyed by our firm. If it is found that the subject site or improvement size differs from what is reported in this appraisal report, then we reserve the right to amend our findings and conclusions.
- Our value conclusion is contingent on the extraordinary assumption that the subject property is in good repair and does not suffer from any known items of deferred maintenance as of the date of value.

HYPOTHETICAL CONDITIONS

A hypothetical condition is defined as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purposes of analysis.”²

- None noted.

¹ The Appraisal Foundation, *USPAP, 2018-2019* ed., 4.

² The Appraisal Foundation, *USPAP, 2018-2019* ed., 4.

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Introduction

PROPERTY DESCRIPTION

The subject is a 72,720-square foot, four-story, suburban office building located at 844 E Anderson Lane in Austin, Texas. The improvements were constructed in 1975 and are situated on a 2.95-acre site. Currently, the facility is considered to be in fair condition.

LEGAL DESCRIPTION

Lot 1 and 2, R.E. Austin Subdivision, Travis County, Texas.

OWNERSHIP AND PROPERTY HISTORY

Based on our review of the Travis County Appraisal District data, title to the property is currently vested in the name of Westcap Corporation who acquired title to the property in January 2009, for an unknown amount, as recorded in the Travis County Deed Records. The conditions surrounding this transaction of the subject were not provided to the appraisers.

To the best of our knowledge, there has been no ownership transfer of the property during the previous three years. According to CoStar, the subject is currently offered for sale by JLL, with an offering price of \$9,350,000 or \$128.58 per square foot and has been on the market for approximately 2 months. The property is currently vacant and being marketed for sale as vacant. Based on our analysis herein, the current listing price is above the indicated market value, but is considered reasonable as it represents the positive perspective of an offering.

INTENDED USE OF REPORT

This appraisal is to be used for estimating the market value of fee simple interest of the subject property.

INTENDED USER OF REPORT

This appraisal is to be used by the Travis Central Appraisal District (Client), and no other user may rely on our report unless as specifically indicated in the report.

Intended Users - the intended user is the person (or entity) who the appraiser intends will use the results of the appraisal. The client may provide the appraiser with information about other potential users of the appraisal, but the appraiser ultimately determines who the appropriate users are given the appraisal problem to be solved. Identifying the intended users is necessary so that the appraiser can report the opinions and conclusions developed in the appraisal in a manner that is clear and understandable to the intended users. Parties who receive or might receive a copy of

the appraisal are not necessarily intended users. The appraiser's responsibility is to the intended users identified in the report, not to all readers of the appraisal report.³

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the retrospective market value of the subject property as of January 1, 2018 as defined by the Texas Property Tax Code.

DEFINITION OF VALUE

Market Value is defined in the Texas Property Tax Code as follows:

"Market Value" means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

(A) exposed for sale in the open market with a reasonable time for the seller to find a purchaser;

(B) both the seller and the purchaser know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use; and

(C) both the seller and purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.⁴

INTEREST APPRAISED

The value estimated represents the fee simple interest and defined as follows:

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.⁵

SCOPE OF WORK

This Appraisal Report is intended to comply with the reporting requirements set forth under Standards Rule 2 of USPAP. The scope of the assignment relates to the extent and manner in which research is conducted, data is gathered and analysis is applied. CBRE, Inc. completed the following steps for this assignment:

Extent to Which the Property is Identified

The property is identified through the following sources:

- postal address

³ Appraisal Institute, *The Appraisal of Real Estate*, 14th ed. (Chicago: Appraisal Institute, 2013), 50.

⁴ Texas Property Tax Code – 2009, Section 1.04(7).

⁵ *Dictionary of Real Estate Appraisal*, 113.

- assessor's records
- legal description

Extent to Which the Property is Inspected

The extent of the inspection included the following:

- Exterior sides of the building located on the subject site and portions of the interior common areas. Access was not provided to the of the building(s).

Type and Extent of the Data Researched

CBRE reviewed the following:

- applicable tax data
- zoning requirements
- flood zone status
- demographics
- income and expense data
- comparable data

Type and Extent of Analysis Applied

CBRE, Inc. analyzed the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value. The steps required to complete each approach are discussed in the methodology section.

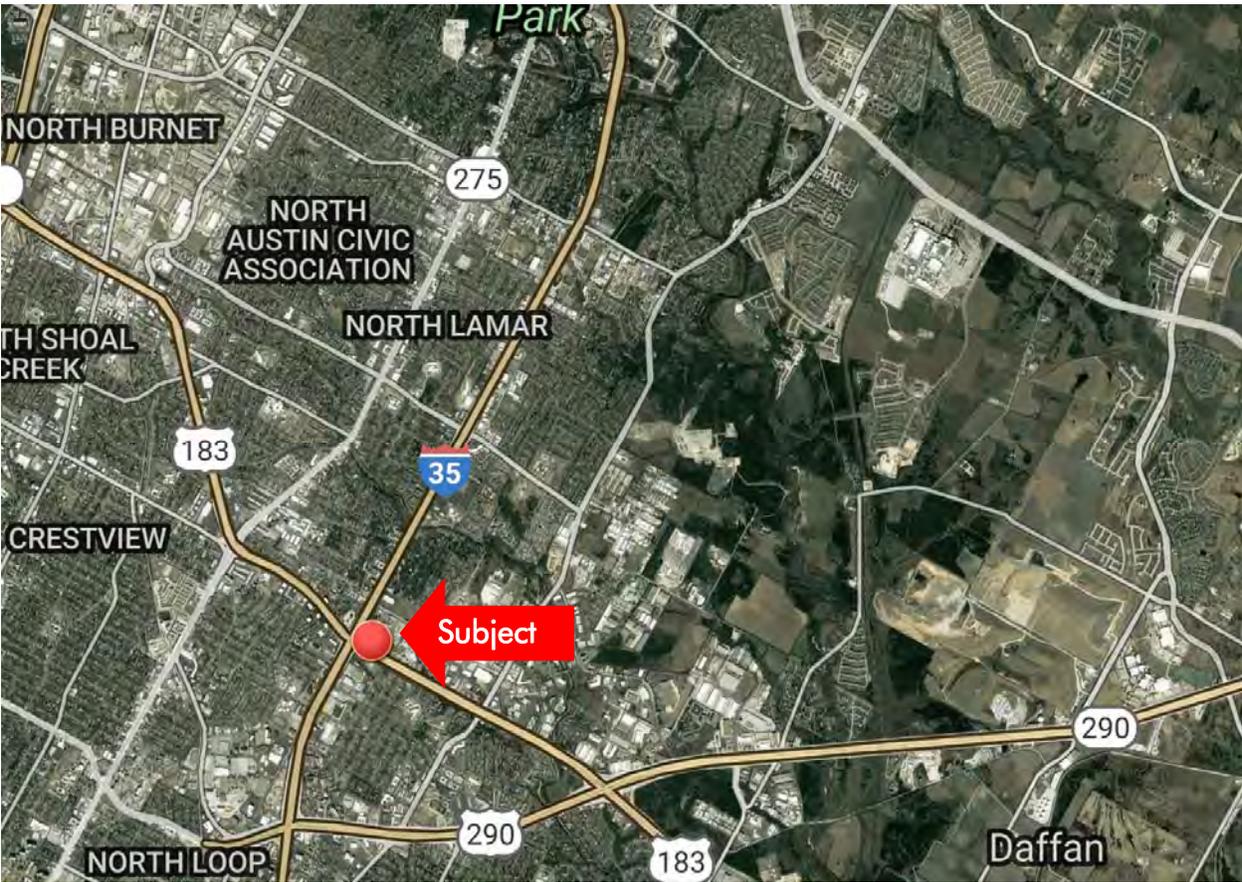
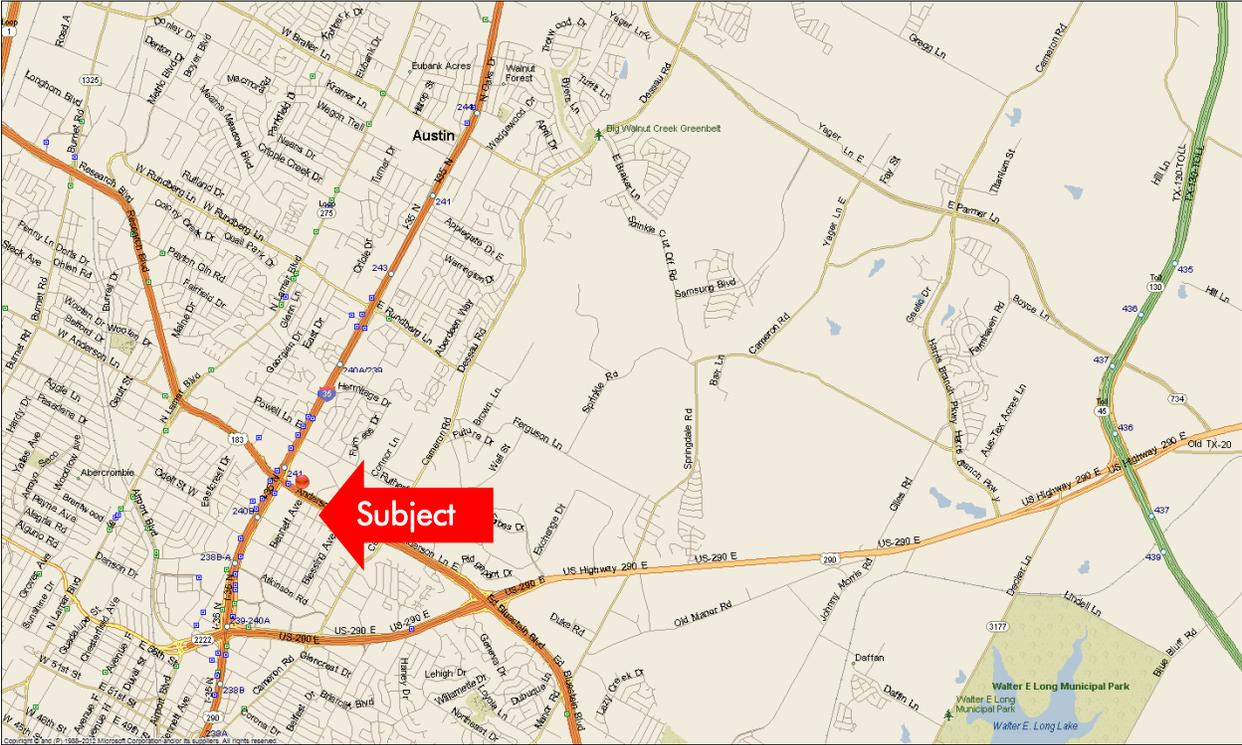
Data Resources Utilized in the Analysis

DATA SOURCES	
<i>Item:</i>	<i>Source(s):</i>
Site Data	
Size	Travis County Appraisal District
Improved Data	
Building Area	CoStar (GBA), CoStar (NRA)
Area Breakdown/Use	CoStar
No. Bldgs.	Site tour, Travis County Appraisal District
Parking Spaces	CoStar
Year Built/Developed	Travis County Appraisal District
Economic Data	
Deferred Maintenance:	Not provided
Building Costs:	Not provided
Income Data:	Not provided
Expense Data:	Expense comparable data
Other	
Occupancy	CoStar
Compiled by CBRE	

SPECIAL APPRAISAL INSTRUCTIONS

The appraisers have been instructed to estimate the value of the subject property as of January 1, 2018.

Neighborhood Analysis



LOCATION

The subject is located in the northeast portion of the City of Austin and is considered to be in a suburban location. The neighborhood is approximately seven miles northeast of the Austin Central Business District.

NEIGHBORHOOD CHARACTERISTICS		
Location:	<i>(urban, suburban, rural)</i>	Urban
Built-Up:	<i>(>75%, 25-50%, <25%)</i>	Over 75%
Growth Rate / Change:	<i>(rapid, stable, slow)</i>	Stable
Change in Present Land Use:	<i>(not likely, likely*, taking place*)</i>	Not Likely
(*) From:	n/a	to n/a
Neighborhood Boundaries		
North:	Parmer Lane	
South:	FM 2222/Koenig	
East:	Cameron Road/Dessau Road	
West:	MoPac Expressway (Loop 1)	
Source: CBRE		

LAND USE

Land uses within the subject neighborhood consist of a mixture of commercial and residential developments and vacant acreage. The immediate area of the subject property is improved primarily with light industrial and office uses. The subject is situated west of the Walnut Creek Business Park, a 700-acre master planned office and technology park. Within the business park, land uses are exclusive to commercial uses with approximately 70% of the developed tracts utilized as flex/distribution facilities and the remaining 30% utilized as low-rise office space. The majority of properties have been built within the past twenty-five years and are situated along Cross Park and Exchange Drives, as well as Cameron, Dessau, and Sprinkle Roads. Other commercial uses in the neighborhood consist of various retail uses that are situated along Anderson Lane East (Highway 183) and Cameron Road in the southern portion of the neighborhood and Dessau Road and Braker Lane in the northern portion of the neighborhood.

The majority of residential enclaves are situated proximate to Interstate Highway 35. Multi-family development has been scattered but the largest concentration has occurred along Rundberg and Braker Lanes. Single-family residential development within a three-mile radius of the subject is best described as tract homes in the \$100,000-\$300,000 price range. According to information obtained from ESRI, approximately 45% of the homes built within a three-mile radius of the subject were constructed between 1970 and 1990.

Primary employers for residents include the full range of employers in central Austin to the south and Dell Computers in Round Rock to the north, as well as high-tech employers such as Samsung, IBM, Motorola, Applied Materials, Austin Semiconductor, Advanced Micro Devices, and

other technologically-oriented companies. Interstate Highway 35 provides north-south access to various employment centers.

The subject's immediate area benefits from good access to these commercial and residential districts along with proximity to several large employers in the immediate area. The facilities include Dell Computers main campus, secondary campus, and the Samsung Semiconductor plant. Despite recent job cuts at Dell, this facility still represents the region's largest employer. In contrast to Dell, Samsung completed a 35,000-square foot expansion, in April 2006 Samsung opened a new semi-conductor facility in Austin.

GROWTH PATTERNS

Growth patterns have occurred along primary commercial thoroughfares such as Interstate Highway 35, US Highway 183, Anderson Lane, Cameron Road, Dessau Road, and Braker Lane. The immediate area around the subject property is improved with a mixture of commercial uses, including office, flex, and industrial uses. Retail development has been limited over the past five years in the immediate area due to the lack of available land tracts along major thoroughfares with good access/visibility.

Although the immediate area has experienced moderate growth with respect to population and households over the past few years, the overall Austin MSA has experienced significant growth. City officials have encouraged development in established areas proximate the CBD in an effort to curtail urban sprawl. An example of this is seen in the redevelopment of the Robert Mueller Airport, located just south of the subject along the east side of Interstate Highway 35 at 51st Street. Dell's children's hospital provides an anchor to the mixed-use development, which includes retail, apartment, townhouse, office, and park uses.

ACCESS

Primary access to the subject neighborhood is provided by Interstate Highway 35, Research Boulevard (US Highway 183), and US Highway 290. Interstate Highway 35 traverses the city in a north-south direction and connects Austin with the cities of Waco and Dallas/Ft. Worth to the north, and the city of San Antonio to the south. US Highway 290 provides east-west access to the area and connects the city of Austin with city of Houston to the east. Highway 290 merges with Interstate Highway 35 about two miles south of the subject. Additionally, US Highway 183 traverses the neighborhood in an east-west direction, before turning south and providing the area with access to Austin-Bergstrom International Airport. Secondary access to the neighborhood is provided by State Highway 130, Cameron Road, Rundberg Lane, Braker Lane, and Parmer Lane.

The commute to the Austin Central Business District is approximately twenty minutes depending on traffic levels. The Austin-Bergstrom International Airport is also about a twenty-minute drive from the subject neighborhood.

EMPLOYMENT

The subject property is designed to accommodate office uses, which conforms to the neighborhood uses. Selected employment demographics in a one-, three-, and five-mile radius from the subject are shown in the following table:

EMPLOYMENT BY INDUSTRY			
Occupation	1 Mile	3 Miles	5 Miles
Agric/Forestry/Fishing/Hunting/Mining	0.03%	0.33%	0.46%
Construction	27.68%	14.50%	10.03%
Manufacturing	3.50%	5.08%	5.43%
Wholesale Trade	0.89%	1.45%	1.45%
Retail Trade	7.35%	9.76%	9.48%
Transportation/Warehousing/Utilities	2.27%	2.88%	2.81%
Information	0.96%	1.75%	2.11%
Estate/Rental/Leasing	4.05%	4.65%	5.72%
Prof/Scientific/Tech Services	4.17%	8.89%	10.90%
Mgmt of Companies/Enterprises	0.00%	0.06%	0.04%
Admin/Support/Waste Mgmt Svcs	9.42%	8.22%	6.03%
Educational Services	7.13%	9.54%	12.05%
Health Care/Social Assistance	8.54%	9.01%	9.74%
Arts/Entertainment/Recreation	1.80%	1.82%	2.23%
Accommodation/Food Services	13.33%	12.36%	11.06%
Other Services (excl Publ Adm)	5.69%	5.26%	5.16%
Public Administration	3.20%	4.44%	5.31%

Source: Esri

DEMOGRAPHICS

Selected neighborhood demographics in 1-, 3-, and 5-mile radii from the subject are shown in the following table:

SELECTED NEIGHBORHOOD DEMOGRAPHICS			
844 E Anderson Lane Austin, TX	1 Mile	3 Miles	5 Miles
Population			
2022 Total Population	24,302	163,846	360,620
2017 Total Population	22,664	152,681	334,043
2010 Total Population	20,382	135,702	294,284
2000 Total Population	20,744	136,129	275,491
Annual Growth 2017 - 2022	1.41%	1.42%	1.54%
Annual Growth 2010 - 2017	1.53%	1.70%	1.83%
Annual Growth 2000 - 2010	-0.18%	-0.03%	0.66%
Households			
2022 Total Households	8,800	65,077	146,544
2017 Total Households	8,221	60,480	135,141
2010 Total Households	7,478	53,905	118,984
2000 Total Households	7,833	55,537	113,556
Annual Growth 2017 - 2022	1.37%	1.48%	1.63%
Annual Growth 2010 - 2017	1.36%	1.66%	1.84%
Annual Growth 2000 - 2010	-0.46%	-0.30%	0.47%
Income			
2017 Median Household Income	\$31,607	\$41,779	\$46,420
2017 Average Household Income	\$44,049	\$61,987	\$72,461
2017 Per Capita Income	\$15,989	\$24,687	\$29,758
2017 Pop 25+ College Graduates	2,637	35,283	90,564
Age 25+ Percent College Graduates - 2017	20.0%	36.3%	44.7%
Source: Esri			

CONCLUSION

The subject property is situated in an area of Austin that lends itself favorably to commercial property use due to its proximity to major transportation arteries. The property offers convenient access to Interstate Highway 35, Research Boulevard (US Highway 183), and US Highway 290. The outlook for the neighborhood is for relatively stable performance with moderate improvement over the next several years. As a result, the demand for existing developments is expected to be average.

Site Analysis

The following chart summarizes the salient characteristics of the subject site.

SITE SUMMARY AND ANALYSIS			
Physical Description			
Gross Site Area (Allocated Site)	2.947 Acres	128,372 Sq. Ft.	
Net Site Area (Allocated Site)	2.947 Acres	128,372 Sq. Ft.	
Primary Road Frontage	E Anderson Lane		
Excess Land Area	None	n/a	
Surplus Land Area	None	n/a	
Shape	Rectangular		
Topography	Generally Level		
Zoning District	CS-NP General Commercial Services		
Flood Map Panel No. & Date	48453C0455J	6-Jan-16	
Flood Zone	Zone X		
Adjacent Land Uses	Office, retail, land, and commercial uses		
Earthquake Zone	N/A		
Comparative Analysis		Rating	
Visibility	Good		
Functional Utility	Assumed adequate		
Traffic Volume	Good		
Adequacy of Utilities	Assumed adequate		
Landscaping	Average		
Drainage	Assumed adequate		
Utilities		Provider	Adequacy
Water	City of Austin		Yes
Sewer	City of Austin		Yes
Electricity	Austin Energy		Yes
Telephone	AT&T		Yes
Other		Yes	No
Detrimental Easements			X
Encroachments			X
Deed Restrictions			X
Reciprocal Parking Rights			X
Source: Various sources compiled by CBRE			

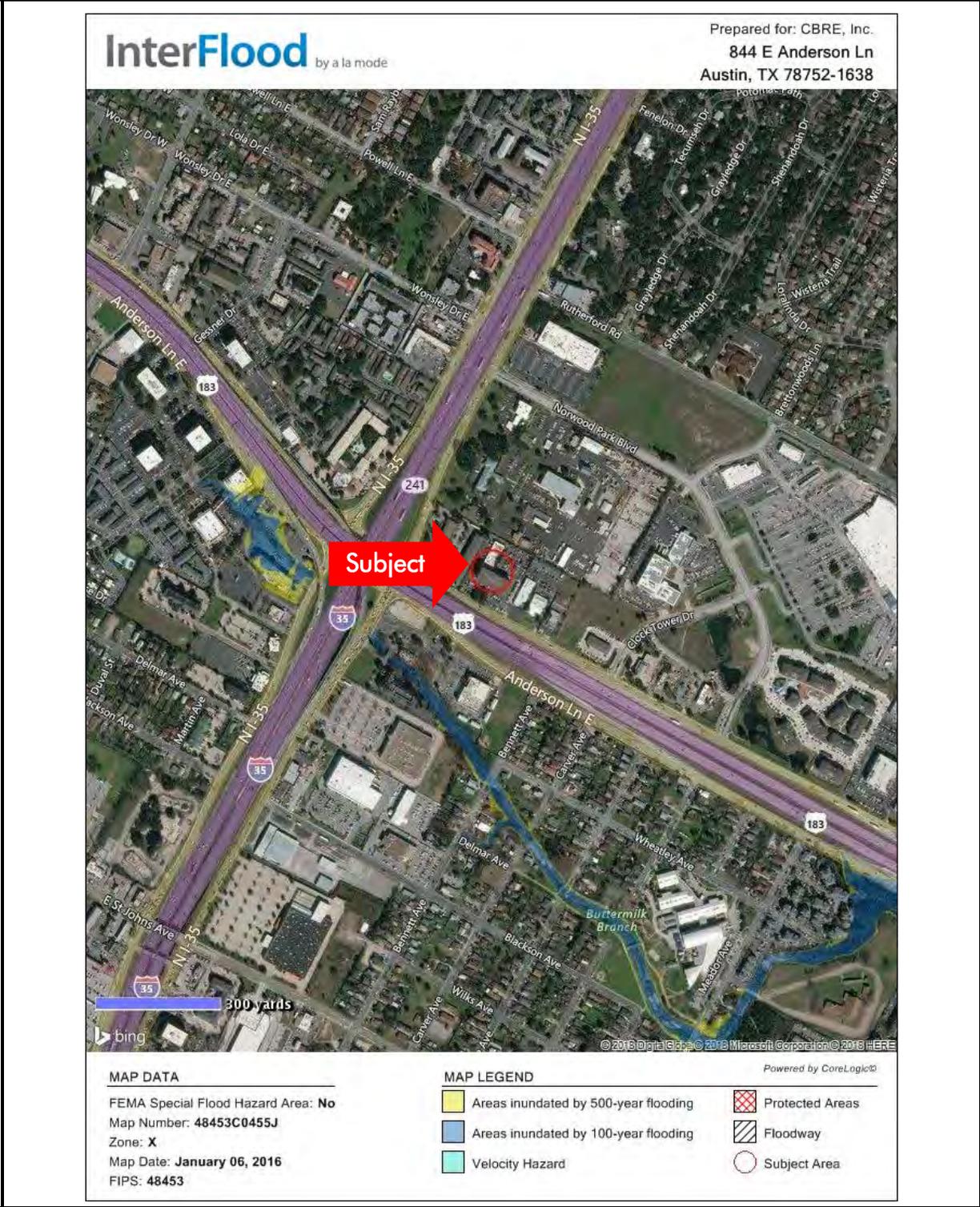
ENVIRONMENTAL ISSUES

CBRE, Inc. is not qualified to detect the existence of potentially hazardous material or underground storage tanks which may be present on or near the site. The existence of hazardous materials or underground storage tanks may affect the value of the property. For this appraisal, CBRE, Inc. has specifically assumed that the property is not affected by any hazardous materials that may be present on or near the property.

CONCLUSION

The site is well located and afforded good access and visibility from roadway frontage. The size of the site is typical for the area and use, and there are no known detrimental uses in the immediate vicinity. Overall, there are no known factors which are considered to prevent the site from development to its highest and best use, as if vacant, or adverse to the existing use of the site.

FLOOD PLAIN MAP



IMPROVEMENTS ANALYSIS

The following chart shows a summary of the improvements.

IMPROVEMENTS SUMMARY AND ANALYSIS	
Property Type	Office (Multi Tenant)
Number of Buildings	1
Number of Stories	4
Gross Building Area	72,720 SF
Net Rentable Area	72,720 SF
Site Coverage	14.2%
Land-to-Building Ratio	1.77 : 1
Floor Area Ratio (FAR)	0.57
Parking Spaces:	250
	surface parking
Parking Ratio (per 1,000 SF NRA)	3.44
Average Floor Plate	18,180 SF
Year Built	1975
Actual Age	43 Years
Effective Age	30 Years
Total Economic Life	60 Years
Remaining Economic Life	30 Years
Age/Life Depreciation	50.0%
Functional Utility	Typical

Improvement Summary Description	Comparative Rating			
	Good	Avg.	Fair	Poor
Foundation		X		
Frame		X		
Exterior Walls		X		
Interior Walls		X		
Roof		X		
Ceiling		X		
HVAC System		X		
Exterior Lighting		X		
Interior Lighting		X		
Flooring		X		
Plumbing		X		
Elevators/Stairwells		X		
Life Safety and Fire Protection		X		
Furnishings		N/A		
Parking		X		
Landscaping		X		

Source: Various sources compiled by CBRE

As shown, the subject is a 4-story, Class B/C suburban office building, which includes surface parking. The following illustrates the key features/components of the subject improvements.

- The subject property was constructed in 1975.
- The subject includes structured parking with a 3.44/1,000 SF parking ratio (per CoStar);

CONSTRUCTION CLASS

Building construction class is as follows:

B - Reinforced concrete frames and concrete or masonry floors and roofs

The construction components are assumed to be in working condition and adequate for the building.

The overall quality of the facility is considered to be average for the neighborhood and age. However, CBRE, Inc. is not qualified to determine structural integrity and it is recommended that the client/reader retain the services of a qualified, independent engineer or contractor to determine the structural integrity of the improvements prior to making a business decision.

DEFERRED MAINTENANCE

The appraisers are unaware of any items of deferred maintenance. If it is found that the subject suffered from deferred maintenance as of the date of value (January 1, 2018), then we reserve the right to alter and amend our findings and conclusions.

ECONOMIC AGE AND LIFE

CBRE, Inc.'s estimate of the subject improvements effective age and remaining economic life is depicted in the following chart:

ECONOMIC AGE AND LIFE	
Actual Age	43 Years
Effective Age	30 Years
MVS Expected Life	60 Years
Remaining Economic Life	30 Years
Accrued Physical Incurable Depreciation	50.0%
Compiled by CBRE	

The remaining economic life is based upon our on-site observations and a comparative analysis of typical life expectancies as published by Marshall and Swift, LLC, in the Marshall Valuation Service cost guide.

CONCLUSION

The improvements are in fair overall condition. The property is currently vacant and designed for single tenancy. Overall, there are no known factors that could be considered to adversely impact the marketability of the improvements.

Zoning

The following chart summarizes the subject's zoning requirements.

ZONING SUMMARY	
Current Zoning	CS-NP General Commercial Services
Legally Conforming	Yes
Uses Permitted	Various civic, commercial, and industrial uses including existing office use
Zoning Change	Not likely
Category	Zoning Requirement
Minimum Setbacks	
Front Yard	10 Feet
Street Side Yard	10 Feet
Interior Side Yard	n/a
Rear Yard	n/a
Maximum FAR/Density	2.00 : 1
Subject's Actual FAR	0.57 : 1
Source: Planning & Zoning Dept.	

ANALYSIS AND CONCLUSION

The improvements represent a legally-conforming use and, if damaged, may be restored without special permit application. Additional information may be obtained from the appropriate governmental authority. For purposes of this appraisal, CBRE has assumed the information obtained is correct.

ZONING MAP

Questions? [Click here for help and contact information.](#)

Disclaimer

The Information on this website has been produced by the City of Austin as a working staff map and is not warranted for any other use. No warranty is made by the City regarding its accuracy and completeness.

For official verification of the zoning of a property, please order a Zoning Verification Letter at 512-978-4000.

Location:	850 E ANDERSON LN WB (3,127,938.5, 10,096,845)
Grid:	L28
Future Land Use (FLUM):	Commercial
Regulating Plan:	
Zoning:	CS-NP
Zoning Case:	C14-2010-0160 NP-2010-0028
Zoning Ordinance (Mostly after 2000):	20110113-059 20110113-060 99-0225-70(b)
Zoning Overlays:	NEIGHBORHOOD PLANNING AREA ■ HERITAGE HILLS ■ Heritage Hills Windsor Hills Combined NPA



Zoning Guide

The [Guide to Zoning](#) provides a quick explanation of the above Zoning codes, however, the [Development Assistance Center](#) provides general zoning assistance and can advise you on the type of development allowed on a property. General information on the [Neighborhood Planning Areas](#) is available from Neighborhood Planning. Visit [Zoning](#) for the description of each Base Zoning District.

Tax and Assessment Data

The following summarizes the local assessor's estimate of the subject's market value, assessed value, and taxes, and does not include any furniture, fixtures or equipment. The CBRE estimated tax obligation is also shown.

AD VALOREM TAX INFORMATION				
Assessor's Market Value	Parcel Description	2016	2017	Pro Forma
234163	Land & Improvements	\$6,981,000	\$6,961,329	
Subtotal		\$6,981,000	\$6,961,329	\$7,500,000
Assessed Value @		100%	100%	100%
		\$6,981,000	\$6,961,329	\$7,500,000
General Tax Rate	(per \$100 A.V.)	2.230141	2.213985	2.213985
Total Taxes		\$155,686	\$154,123	\$166,049
Source: Assessor's Office				

CONCLUSION

Based on our conclusion of the retrospective market value of the subject, the ad valorem real estate taxes are understated.

Market Analysis

The market analysis forms a basis for assessing market area boundaries, supply and demand factors, and indications of financial feasibility. Primary data sources utilized for this analysis includes the CBRE, Inc. 4th Quarter 2017 MarketView Report, CoStar Office 4th Quarter 2017 Market Report, and the CB Econometric Advisors Austin report. The subject property is located in the **East submarket** per CBRE and the **Northeast** submarket per CoStar.



The subject is in the Austin market and is considered a Class B/C suburban office building. According to the Institute of Real Estate Management (in Income/Expense Analysis: Office Buildings), the following office property definitions may be applicable towards the subject:

General: Multi-tenant building. Includes buildings with owner-occupied space if there are other tenants in the building.

BUILDING CLASSIFICATIONS

Class "A" - Buildings with superior location and access. Structure is of superior-quality finish, attractive design and contains state-of-the-art (HVAC) and security systems. Most Class "A" buildings have associated parking garages. The building also must be well maintained and professionally managed.

Class "B" - Buildings with good location and access, high-quality management and construction finishes. Multi-story buildings have elevators and adequate on-site parking. Function obsolescence is minimal and the building and grounds are well maintained.

Class "C" - Buildings are generally older with some functional obsolescence. One-story and two-story walk-up construction predominates. Exterior finishes are typically of average appeal.

MARKET OVERVIEW

The following discussion illustrates some general observations in the surrounding Austin office market.

Market Summary

We have utilized two office market studies for the Austin market. These market studies are published by Costar and CBRE.

CBRE (4Q 2017) includes 48,684,681 square feet in its office market study. CBRE only uses multi-tenant office buildings larger than 10,000 square feet. Rental rates are reflective of asking rates and all rates have been converted to "full service" equivalents.

CoStar (4Q 2017) calculates office statistics utilizing the entire CoStar database (all building sizes) including existing buildings and buildings currently under construction. CoStar includes 99,488,179 square feet in its office market study. Rental rates are reflective of asking rates and all rates have been converted to "full service" equivalents.

Market statistics for the Austin area and the subject submarket are shown in the following table:

OFFICE MARKET STATISTICS				
Category	Austin Area		East/ Northeast	
	CBRE	CoStar	CBRE	CoStar
Existing Supply (SF)	48,684,681	99,488,179	2,411,073	4,233,732
New Construction (SF)	2,695,843	4,534,869	831,508	286,257
YTD Direct Absorption (SF)	1,654,017	2,364,521	32,658	173,827
Deliveries (SF)	1,709,994	2,373,220	0	116,000
Average Occupancy	91.2%	91.9%	92.5%	90.1%
Class A	91.4%	91.0%	95.9%	84.7%
Class B	90.6%	91.5%	89.6%	93.2%
Average Rent PSF	\$34.39	\$33.77	\$25.53	\$20.80
Class A	\$40.54	\$39.12	\$38.72	\$25.38
Class B	\$30.05	\$28.48	\$25.91	\$20.91
Date of Survey	4Q 2017			
Source: CBRE, Inc. and CoStar				

The subject submarket is considered a lower to middle tier office submarket as compared to the other submarkets in the overall market area and the average rental rates are lower than the overall market as is the average occupancy rate.

Market Trends

The table below presents the quarterly trends in rental rates and occupancy for the Austin area and local submarket over the past two years:

OFFICE MARKET TRENDS								
Date	Austin Area				Local Submarket			
	Rent PSF		Occupancy		Rent PSF		Occupancy	
	Source	CBRE	CoStar	CBRE	CoStar	CBRE	CoStar	CBRE
1Q 2016	\$32.65	\$31.14	90.7%	91.6%	\$20.81	\$19.70	89.4%	91.5%
2Q 2016	\$33.22	\$31.35	90.5%	91.7%	\$22.34	\$19.86	87.7%	91.1%
3Q 2016	\$34.01	\$32.73	91.9%	91.8%	\$29.78	\$21.22	88.8%	91.2%
4Q 2016	\$34.83	\$32.34	90.8%	91.8%	\$31.08	\$21.89	93.4%	88.4%
1Q 2017	\$33.89	\$32.56	90.5%	92.2%	\$27.80	\$22.21	93.0%	93.2%
2Q 2017	\$34.83	\$33.35	90.7%	91.7%	\$26.86	\$22.64	90.3%	93.4%
3Q 2017	\$34.32	\$33.27	91.2%	91.6%	\$26.68	\$22.67	91.2%	92.5%
4Q 2017	\$34.39	\$33.77	91.2%	91.9%	\$25.53	\$20.80	92.5%	90.1%

Source: CBRE, Inc. and CoStar

According to CBRE, citywide occupancy increased from 90.5% to 91.2% over the year, while CoStar reports occupancy dipped to 91.9% at year-end 2017 from 92.2% in the 1Q 2017. Rental rates have reported increases over the past two years in both the overall market and the submarket.

Submarket Trends

Over the past two years, occupancy levels in the overall Austin market have ranged from approximately 90.5% to 91.9% according to CBRE and between 91.6% and 92.2% according to

CoStar, while the local submarket has performed from 87.7% to 93.4% according to CBRE and 88.4% to 93.4% according to CoStar.

New Construction / Proposed Office Development

New office development is currently occurring in the Austin market (CBD, SW, NW, East, and North Submarkets) along with additional planned/proposed office development in the suburban office markets, particularly in the NW and SW submarkets.

The following provides a summary of new construction within the Austin MSA as reported by CoStar (4Q 2017):

UNDER CONSTRUCTION PROJECTS

Property Name	Submarket	Stories	SF	Start Yr.	Deliv. Yr	Developer/Owner
1400 Lavaca St	CBD	13	140,000	2017	2019	Roland Swenson
Plaza Saltillo Office	East	7	150,000	2017	2019	
1801 E 6th St	East	5	134,367	2017	2019	Riverside Resources
Medical Plaza at Bee Ca...	Southwest	2	42,000	2016	2019	
Third + Shoal	CBD	29	347,072	2017	2018	TIER REIT
Domain 11	North		315,862	2017	2018	Endeavor Real Estate...
2010 S Lamar Blvd	South	3	78,275	2017	2018	
The Hills Professional ...	Southwest	3	29,500	2017	2018	Bwo Acquisition Corp...
Domain Tower	North	11	309,883	2017	2018	HPI Real Estate Serv...
Texas Mutual Insurance	East	4	270,000	2017	2018	Catellus Austin LLC
Summit II @ La Frontera	Round Rock	2	95,000	2017	2018	Koontz Corporation
Mesa Creek	Round Rock	2	59,476	2017	2018	
Preserve at 620	Far Northwest	1	220,000	2016	2018	PacVentures, Inc.
Parmer 3.3	Northeast	3	191,431	2017	2018	
901 E 6th St	East	5	132,000	2017	2018	Pegalo Properties
Building 3	Northeast	2	50,826	2017	2018	
Building 4	Northeast	2	32,000	2017	2018	
Oracle Campus	Southeast	6	550,750	2016	2018	Ryan Companies
Broadmoor - Charles Sch...	North	5	265,790	2017	2018	
Oracle Campus Building ...	Southeast	5	225,000	2016	2018	Ryan Companies
Springdale General	East	2	165,000	2017	2018	
801 Barton Springs Rd	South	9	90,500	2016	2018	Generational Commerc...
UpCycle	East	2	81,711	2017	2018	EverWest Real Estate...
Phase II Office	Southwest	2	80,000	2017	2018	
Overlook at Barton Cree...	Southwest	4	60,168	2016	2018	
Fourth& Office	East	3	42,000	2016	2018	Capsa Ventures
La Palma Plaza	North	2	25,400	2017	2018	Nasib Naser
Mopac Centre	Central	4	95,863	2016	2017	Eurus Capital
Walsh Tarlton Overlook	Southwest	4	55,550	2016	2017	JTM Development
3503 Wild Cherry Dr	Southwest	1	46,200	2017	2017	

PROPOSED PROJECTS

Property Name	Submarket	Stories	SF	Start Yr.	Deliv. Yr	Developer/Owner
92 Red River St	CBD		1,000,000		N/A	Sutton Company
Parmer Sector 2	Northeast	4	780,000		N/A	Karlin Real Estate
Colorado & Lavaca	CBD	36	665,000		N/A	Trammell Crow Co.

Barriers to Entry

The City of Austin and its surrounding towns have a tight control over new development. This is due in large part to the limited growth control the area has maintained for the past 20-30 years. Development approval in the area can take several years, which limits the amount of new growth in any particular area of the region. These restrictions are known to be the most restrictive for new development in the State of Texas. Additionally, the subject property is situated within an area where there are little if any vacant land tracts that would facilitate office or retail use.

Demand Generators

According to a study completed by Forbes.com, Austin ranks #1 among the cities best positions to grow and prosper in the next decade (based on the 52 largest metro areas in the country). Austin, Texas “has it all demographically: high rates of immigration and migration of educated workers and healthy increases in population and number of children. They are also economic superstars, with job-creation records among the best in the nation”. Primary employers for residents include the full range of employers in central Austin to the south and Dell Computers in Round Rock to the north, as well as high-tech employers such as Samsung, IBM, Motorola, Applied Materials, Austin Semiconductor, Advanced Micro Devices, and other technologically-oriented companies. Interstate Highway 35 provides north-south access to various employment centers.

The subject's immediate area benefits from good access to Interstate Highway 35 and various employment centers. Employers for the neighborhood include high-tech employers such as Samsung, IBM, Motorola, Applied Materials, Austin Semiconductor, Advanced Micro Devices, and other technologically-oriented companies.

COMPETITIVE PROPERTIES

Comparable properties were surveyed in order to identify the current occupancy within the competitive market. The comparable data is summarized in the following table:

SUMMARY OF COMPARABLE OFFICE RENTALS			
Comp. No.	Name	Location	Occupancy
1	Chase Park	7600-7700 Chevy Chase Drive, Austin, TX	92%
2	7701 Lamar Tower	7701 Lamar Blvd., Austin, TX	58%
3	One Highland Center	314 Highland Mall Blvd., Austin, TX	69%
4	La Costa Green	1033 La Posada Drive, Austin, TX	97%
5	One La Costa	1016 La Posada Drive, Austin, TX	93%
Subject	National Western Life Ins Co	844 E Anderson Lane, Austin, Texas	0%
Compiled by CBRE			

SUBJECT ANALYSIS

Occupancy

The subject's occupancy is detailed in the following chart.

OCCUPANCY	
Year	% PGI
CBRE Estimate	90.0%
Compiled by CBRE	

Based on the foregoing analysis, CBRE, Inc.'s conclusion of stabilized occupancy for the subject is illustrated in the following table. This estimate considers both the physical and economic factors of the market.

OCCUPANCY CONCLUSIONS	
Austin Area	
CBRE, Inc.	91.2%
CoStar	91.9%
Submarket	
CBRE, Inc.	92.5%
CoStar	90.1%
Rent Comparables	86.8%
Subject's Stabilized Occupancy	90.0%
Compiled by CBRE	

COST TO ACHIEVE STABILIZED OPERATIONS/LEASE-UP DISCOUNT

As the subject is currently vacant, it requires a deduction for lease-up to stabilization. This analysis utilizes assumptions developed in the market analysis and income capitalization approach and will be deducted as a line item from each valuation approach in order to render an “as is” value estimate.

LEASE-UP SUMMARY		
Estimated Downtime		9 Months
Rent Loss from Downtime	(\$1,374,408 x 75.0%)	\$1,030,806
Variable Operating Expense Credit @ 30%	(\$184,474 x 75.0%)	(\$138,355)
Leasing Commissions	(@ 5.0%, 3 Yr. Term)	\$229,068
Tenant Improvement Allowance		\$363,600
Sub-Total		\$1,485,119
Plus: Profit @ 15%		\$222,768
Total		\$1,707,886
Rounded		\$1,710,000
Compiled by CBRE		

CONCLUSION

Austin continues to be a much-desired market for office users due the city’s low occupancy cost and natural amenities. With a highly educated and versatile workforce, great quality of life, and low cost of living, Austin stands out as one of America’s best places to do business.

With respect to the subject in particular, we believe the subject is suitably located for an office product. The project has good access to IH-35, US Highway 183 and Highway 290. It is in reasonable proximity to both employment centers and major roadways.

Highest and Best Use

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria the highest and best use must meet are:

- legally permissible;
- physically possible;
- financially feasible; and
- maximally productive.

The highest and best use analysis of the subject is discussed below.

AS VACANT

The property is zoned for office use and is of sufficient size to accommodate various types of development. The immediate area includes various office land uses. Considering the surrounding land uses, location attributes, legal restrictions and other factors, it is our opinion that an office use would be reasonable and appropriate. Therefore, it is our opinion that the highest and best use would be for office development, time and circumstances warranting.

AS IMPROVED

As improved, the subject involves an office-oriented facility. The current use is legally permissible and physically possible. The improvements continue to contribute value to the property and based on our analysis, the existing use is financially feasible. Therefore, it is our opinion that the highest and best use of the subject, as improved, is for continued office related use.

Appraisal Methodology

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available.

COST APPROACH

The cost approach is based on the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when it is improved with relatively unique or specialized improvements for which there exist few sales or leases of comparable properties.

SALES COMPARISON APPROACH

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value. Economic units of comparison are not adjusted, but rather analyzed as to relevant differences, with the final estimate derived based on the general comparisons.

INCOME CAPITALIZATION APPROACH

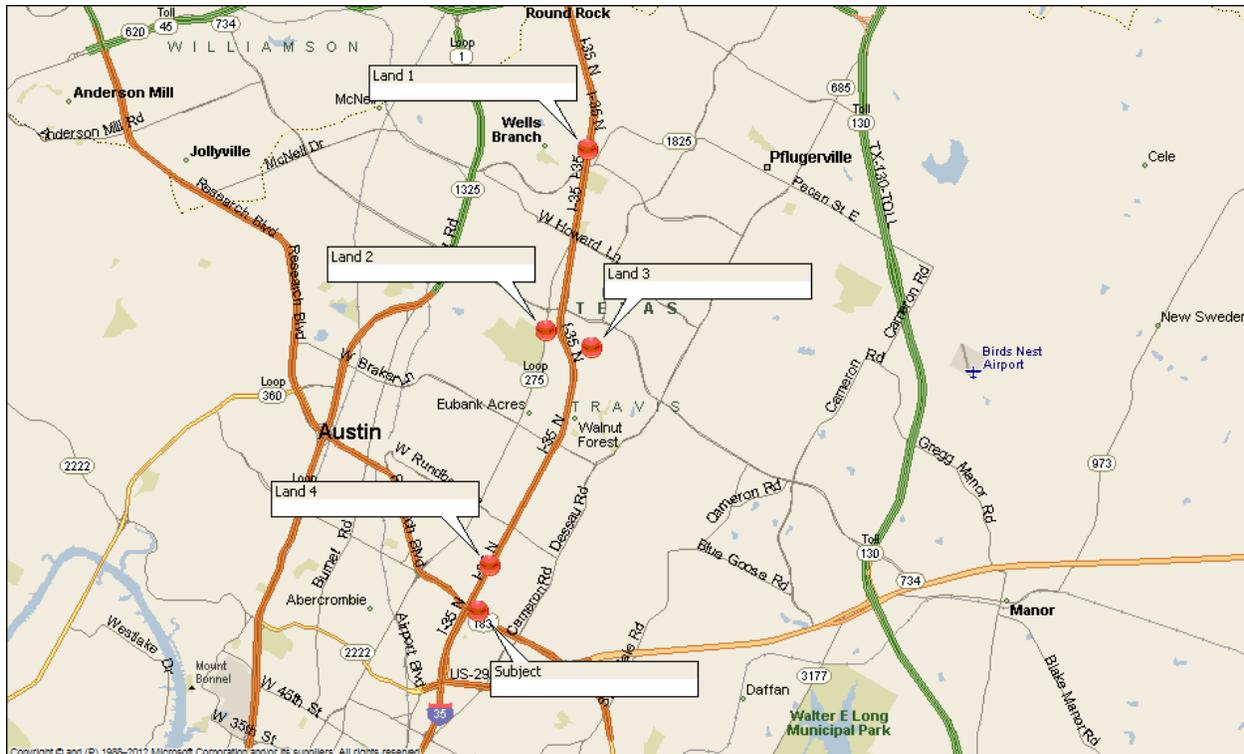
The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

METHODOLOGY APPLICABLE TO THE SUBJECT

In valuing the subject, all three approaches are applicable and have been utilized.

Land Value

The following map and table summarize the comparable data used in the valuation of the subject site. A detailed description of each transaction is included in the addenda.



SUMMARY OF COMPARABLE LAND SALES

No.	Property Location	Transaction Type	Transaction Date	Zoning	Actual Sale Price	Adjusted Sale Price ¹	Size (Acres)	Size (SF)	Price Per SF
1	15112 N. IH 35, Austin, TX	Sale	Oct-17	CS-CO	\$972,000	\$972,000	1.74	75,634	\$12.85
2	12309 Lamar Boulevard, Austin, TX	Sale	Jul-16	LO, GR-CO, CH-CO	\$3,000,000	\$3,000,000	10.39	452,765	\$6.63
3	12427 Tech Ridge Blvd, Austin, TX	Sale	Aug-15	GR	\$1,159,785	\$1,159,785	2.46	106,951	\$10.84
4	8610 North Interstate 35, Austin, TX	Sale	Aug-15	CS-CO-NP	\$1,450,000	\$1,450,000	3.47	151,088	\$9.60
Subject	844 E Anderson Lane, Austin, Texas	---	---	CS-NP General Commercial Services	---	---	2.95	128,372	---

¹ Adjusted sale price for cash equivalency and/or development costs (where applicable)
Compiled by CBRE

The sales utilized represent comparables sites purchased for office development within the Austin MSA and are considered the best data available for comparison with the subject.

SUMMARY OF ADJUSTMENTS

Based on our comparative analysis, the following chart summarizes the adjustments warranted to each comparable.

LAND SALES ADJUSTMENT GRID					
Comparable Number	1	2	3	4	Subject
Transaction Type	Sale	Sale	Sale	Sale	---
Transaction Date	Oct-17	Jul-16	Aug-15	Aug-15	---
Zoning	CS-CO	LO, GR-CO, CH-CO	GR	CS-CO-NP	CS-NP General Commercial
Actual Sale Price	\$972,000	\$3,000,000	\$1,159,785	\$1,450,000	---
Adjusted Sale Price ¹	\$972,000	\$3,000,000	\$1,159,785	\$1,450,000	---
Size (Acres)	1.736	10.394	2.455	3.469	2.947
Size (SF)	75,634	452,765	106,951	151,088	128,372
Price Per SF	\$12.85	\$6.63	\$10.84	\$9.60	---
Price (\$ PSF)	\$12.85	\$6.63	\$10.84	\$9.60	
Property Rights Conveyed	0%	0%	0%	0%	
Financing Terms ¹	0%	0%	0%	0%	
Conditions of Sale	0%	0%	0%	0%	
Market Conditions (Time)	1%	5%	7%	7%	
Subtotal	\$12.98	\$6.96	\$11.60	\$10.27	
Size	-10%	5%	0%	0%	
Shape	0%	0%	0%	0%	
Topography	0%	0%	0%	0%	
Location	0%	20%	0%	5%	
Zoning/Density	0%	0%	0%	0%	
Utilities	0%	0%	0%	0%	
Highest & Best Use	0%	0%	0%	0%	
Total Other Adjustments	-10%	25%	0%	5%	
Value Indication for Subject	\$11.68	\$8.70	\$11.60	\$10.78	
<i>Absolute Adjustment</i>	11%	30%	7%	12%	

¹ Adjusted sale price for cash equivalency and/or development costs (where applicable)

Compiled by CBRE

CONCLUSION

Based on the preceding analysis of each comparable and the foregoing adjustment grid, a price PSF indication near the middle of the range of the adjusted comparables was most appropriate for the subject. The following table presents the valuation conclusion for the subject site:

CONCLUDED LAND VALUE				
\$ PSF		Subject SF		Total
\$10.00	x	128,372	=	\$1,283,720
\$11.00	x	128,372	=	\$1,412,092
Indicated Value:				\$1,350,000
		(Rounded \$ PSF of Land)		\$10.52
Compiled by CBRE				

Cost Approach

In estimating the replacement cost new for the subject, the following methods/data sources have been utilized (where available):

- the comparative unit method has been employed, utilizing the Marshall Valuation Service (MVS) cost guide, published by Marshall and Swift, LLC.

MARSHALL VALUATION SERVICE

Direct Cost

Salient details regarding the direct costs are summarized in the Cost Approach Conclusion at the end of this section. The MVS cost estimates include the following:

1. average architect's and engineer's fees for plans, plan check, building permits and survey(s) to establish building line;
2. normal interest in building funds during the period of construction plus a processing fee or service charge;
3. materials, sales taxes on materials, and labor costs;
4. normal site preparation including finish grading and excavation for foundation and backfill;
5. utilities from structure to lot line figured for typical setback;
6. contractor's overhead and profit, including job supervision, workmen's compensation, fire and liability insurance, unemployment insurance, equipment, temporary facilities, security, etc.;
7. site improvements (included as lump sum additions); and
8. initial tenant improvement costs are included in MVS cost estimate. However, additional lease-up costs such as advertising, marketing and leasing commissions are not included.

Base building costs (direct costs) are adjusted to reflect the physical characteristics of the subject. Making these adjustments, including the appropriate local and current cost multipliers, the direct building cost is indicated.

Additions

Items not included in the direct building cost estimate include parking and walks, signage, landscaping, and miscellaneous site improvements. The cost for these items is estimated separately using the segregated cost sections of the MVS cost guide.

Indirect Cost Items

Several indirect cost items are not included in the direct building cost figures derived through the MVS cost guide. These items include developer overhead (general and administrative costs), property taxes, legal and insurance costs, local development fees and contingencies, lease-up and marketing costs and miscellaneous costs. The concluded indirect cost allowance is 10.0%.

MVS Conclusion

The concluded direct and indirect building cost estimates obtained via the MVS cost guide (Section 15, Page 17) are illustrated as follows:

MARSHALL VALUATION SERVICE COST SCHEDULE			
Primary Building Type:	Office	Height per Story:	10'
Effective Age:	30 YRS	Number of Buildings:	1
Condition:	Fair	Gross Building Area:	72,720 SF
Exterior Wall:	Concrete/Steel	Net Rentable Area:	72,720 SF
Number of Stories:	4	Average Floor Area:	18,180 SF
MVS Sec/Page			15/17
Quality/Bldg. Class			Average/B
Building Component			Office Building
Component Sq. Ft.			72,720 SF
Base Square Foot Cost			\$208.00
Square Foot Refinements			
Sprinklers			\$0.00
Subtotal			\$208.00
Height and Size Refinements			
Number of Stories Multiplier			1.005
Height per Story Multiplier			1.000
Floor Area Multiplier			0.920
Subtotal			\$192.32
Cost Multipliers			
Current Cost Multiplier			0.99
Local Multiplier			0.86
Final Square Foot Cost			\$163.74
Base Component Cost			\$11,907,065
Base Building Cost	(via Marshall Valuation Service cost data)		\$11,907,065
Additions			
Signage, Landscaping & Misc. Site Improvements (not included above)			\$60,000
Parking/Walks (not included above) TCAD - 68,325 SF x \$3.50 PSF			\$239,000
Other			\$0
Direct Building Cost			\$12,206,065
Indirect Costs	10.0% of Direct Building Cost		\$1,220,607
Direct and Indirect Building Cost			\$13,426,672
Rounded			\$13,427,000
Compiled by CBRE			

ENTREPRENEURIAL PROFIT

Entrepreneurial profit represents the return to the developer, and is separate from contractor's overhead and profit. The concluded entrepreneurial profit is 15.0%.

ACCRUED DEPRECIATION

There are essentially three sources of accrued depreciation:

1. physical deterioration, both curable and incurable;
2. functional obsolescence, both curable and incurable; and
3. external obsolescence.

Physical Deterioration

The following chart provides a summary of the remaining economic life.

ECONOMIC AGE AND LIFE	
Actual Age	43 Years
Effective Age	30 Years
MVS Expected Life	60 Years
Remaining Economic Life	30 Years
Accrued Physical Incurable Depreciation	50.0%
Compiled by CBRE	

COST APPROACH CONCLUSION

The value estimate is calculated as follows.

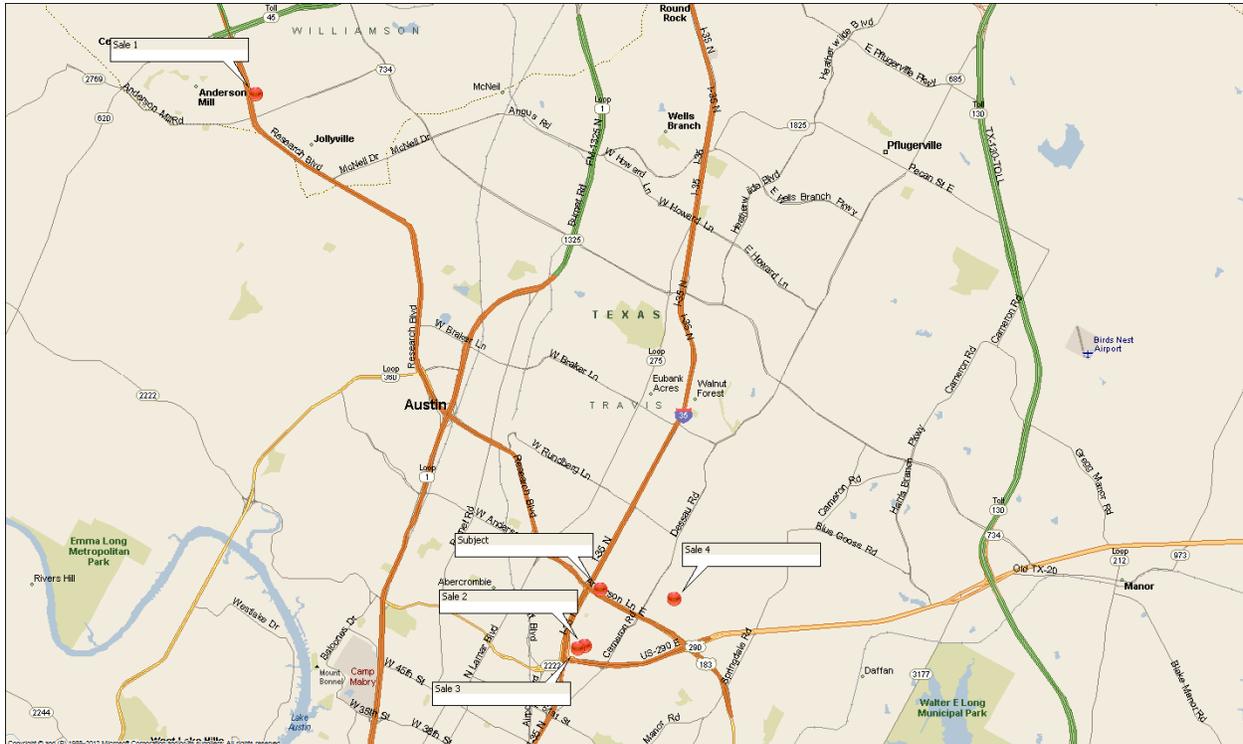
COST APPROACH CONCLUSION

Primary Building Type:	Office	Height per Story:	10'
Effective Age:	30 YRS	Number of Buildings:	1
Condition:	Fair	Gross Building Area:	72,720 SF
Exterior Wall:	Concrete/Steel	Net Rentable Area:	72,720 SF
Number of Stories:	4	Average Floor Area:	18,180 SF
Direct and Indirect Building Cost			\$13,427,000
Entrepreneurial Profit	15.0% of Total Building Cost		\$2,014,050
Replacement Cost New			\$15,441,050
Accrued Depreciation			
Unfinished Shell Space			\$0
Incurable Physical Deterioration	50.0% of Replacement Cost New less Curable Physical Deterioration		(\$7,720,525)
Functional Obsolescence			\$0
External Obsolescence			\$0
Total Accrued Depreciation	50.0% of Replacement Cost New		(\$7,720,525)
Contributory Value of FF&E			\$0
Depreciated Replacement Cost			\$7,720,525
Land Value			\$1,350,000
Indicated Stabilized Value			\$9,070,525
Rounded			\$9,070,000
Deferred Maintenance			\$0
Lease-Up Discount			(\$1,710,000)
Indicated As Is Value			\$7,360,000
Rounded			\$7,360,000
Value Per SF			\$101.21

Compiled by CBRE

Sales Comparison Approach

The following map and table summarize the comparable data used in the valuation of the subject. A detailed description of each transaction is included in the addenda.



SUMMARY OF COMPARABLE OFFICE SALES

No.	Name	Transaction Type	Date	Year Built	NRA (SF)	Actual Sale Price	Adjusted Sale Price ¹	Price Per SF ¹	Occ.	NOI Per SF	OAR
1	Executive Place, 13625 Pond Springs Road, Austin, TX	Sale	May-17	1986	12,722	\$1,950,000	\$1,950,000	\$153.28	100%	\$10.56	6.89%
2	Social Security Administration (GSA), 1029 Camino La Costa, Austin, TX	Sale	Mar-17	2005	23,859	\$4,100,000	\$4,100,000	\$171.84	100%	\$14.17	8.25%
3	1005 La Posada Office, 1005 La Posada Drive, Austin, TX	Sale	Aug-16	1980	14,518	\$2,460,000	\$2,460,000	\$169.44	0%	\$13.22	7.80%
4	Centre Creek Plaza, 1812 Centre Creek Drive, Austin, TX	Sale	May-15	1986	57,467	\$5,600,000	\$6,030,000	\$104.93	82%	\$8.14	7.76%
Subj.	National Western Life Ins Co, Pro 844 E Anderson Lane, Forma Austin, Texas	---	---	1975	72,720	---	---	---	90%	\$10.44	---

¹ Adjusted sale price for cash equivalency, lease-up and/or deferred maintenance (where applicable)

Compiled by CBRE

DISCUSSION OF IMPROVED SALES

Improved Sale One

The comparable is a 12,722-square foot, two-story, suburban office building located at 13625 Pond Springs Road in Austin. The improvements were constructed in 1986 and are situated on a 0.876-acre site. The property includes surface parking with a ratio of 2.91 per 1,000 square feet. The property was 100.0% occupied at the time of the transaction. The property is sold for \$1,950,000 or \$153.28 per square foot in May of 2017. The implied OAR was 6.89%.

Improved Sale Two

This comparable represents a 23,859-square foot, single-tenant office property located at 1029 Camino La Costa in Austin, Texas. The property was constructed in 2005, and is in average overall condition. It is 100% leased to the GSA, Social Security Administrations (SSA) on a 15-year term that expires in December 2020. The current lease rate is \$28.75 per square foot on a modified gross lease basis in which the tenant reimburses the landlord for real estate taxes over \$2.62/SF only. The property sold in March of 2017 for \$4,100,000 or \$171.84 per square foot. The implied OAR was 8.25%.

Improved Sale Three

This comparable represents a 14,518-square-foot, Class B single-tenant office property, which is situated on a 0.93-acre parcel at 1005 La Posada Drive, Austin, Texas. The 2-story improvements were originally constructed in 1980 and were considered in average condition at the time of sale. The property sold in August 2016 for \$2,460,000, or \$169.44 per square foot. The property was purchased by an owner user. Pro Forma net operating income at the time of sale was \$191,949, or \$13.22 per square foot, for an implied overall capitalization rate of 7.8%.

Improved Sale Four

This comparable represents the sale of Center Creek Plaza, a 57,467-square foot, three-story, suburban office building located at 1812 Centre Creek Drive in Austin, Texas. The improvements were constructed in 1986 and are situated on a 3.82-acre site. The notable tenants are Intera and Caring Family Network. The property was 81.9% leased at the time of sale. It is considered to be a Class B property in this market. The comparable sold in May 2015 to Congress Holdings Group as part of a two-building portfolio transaction with an allocated price of \$5,600,000 or \$97.45 per square foot. The comparable was not stabilized at the time of sale and required lease up costs (inclusive of rent loss, leasing commissions, and tenant improvements) along with deferred maintenance costs of \$430,000 to be added to the purchase price. Therefore, the effective stabilized purchase price was \$6,030,000 or \$104.93 per square foot. The implied OAR was 7.76%.

ANALYSIS OF ADJUSTMENTS

Property Rights Conveyed/Financing Terms/Conditions of Sale

No adjustments are deemed to be warranted to the comparables for these factors.

Market Conditions

The comparables sold between May 2015 and May 2017. An upward adjustment of 3.0% per year over this time period is warranted to account for improving market conditions, including improving occupancy and rental rates in the Austin MSA.

Location

The comparables are located in the greater Austin MSA and are located in generally similar office submarkets. Comparable 1 benefits from its superior neighborhood position in northwest Austin and was adjusted downward for location. Comparable 4 is located farther east and does not benefit from direct access to a primary thoroughfare and was adjusted upward for this factor. Comparables 2 and 3 were not adjusted for location characteristics.

Size (Economies of Scale)

The subject is 72,720 SF in size, while the comparables range in size from 12,722 SF to 57,467 SF. Comparables 1, 2, and 3 were adjusted downward for economies of scale given their notably smaller size. Comparable 4 is generally similar with regards to size and was not adjusted for economies of scale (size).

Age/Condition

The subject property was constructed in 1975 and is considered in fair condition. The comparables were constructed between 1980 and 2005 and were adjusted for downward age/condition at variable rates depending on condition.

Quality of Construction

The subject property represents a Class B/Coffice building. The comparables represent generally similar construction quality and were not adjusted for overall quality, including finish out, design, layout, and exterior construction components.

Parking

The subject property includes surface parking with a parking ratio of 3.44 per 1,000 SF. Comparables 1, 3, and 4 have surface parking with ratios ranging from 2.91 to 3.58 per 1,000 SF and were not adjusted for parking. Comparable 2 has an above average parking ratio (5.32 per 1,000 SF) and was adjusted downward for this factor.

Tenancy

Comparable 2 is fully leased to the GSA and was adjusted downward for this factor. The remaining comparables do not warrant an adjustment for tenancy.

Amenities

No adjustment is deemed to be warranted to the comparables for this factor.

SUMMARY OF ADJUSTMENTS

Based on our comparative analysis, the following chart summarizes the adjustments warranted to each comparable.

OFFICE SALES ADJUSTMENT GRID					
Comparable Number	1	2	3	4	Subj. Pro Forma
Transaction Type	Sale	Sale	Sale	Sale	---
Transaction Date	May-17	Mar-17	Aug-16	May-15	---
Year Built	1986	2005	1980	1986	1975
NRA (SF)	12,722	23,859	14,518	57,467	72,720
Actual Sale Price	\$1,950,000	\$4,100,000	\$2,460,000	\$5,600,000	---
Adjusted Sale Price ¹	\$1,950,000	\$4,100,000	\$2,460,000	\$6,030,000	---
Price Per SF ¹	\$153.28	\$171.84	\$169.44	\$104.93	---
Occupancy	100%	100%	0%	82%	90%
NOI Per SF	\$10.56	\$14.17	\$13.22	\$8.14	\$10.44
OAR	6.89%	8.25%	7.80%	7.76%	---
Adj. Price Per SF	\$153.28	\$171.84	\$169.44	\$104.93	
Property Rights Conveyed	0%	0%	0%	0%	
Financing Terms ¹	0%	0%	0%	0%	
Conditions of Sale	0%	0%	0%	0%	
Market Conditions (Time)	2%	3%	4%	8%	
Subtotal - Price Per SF	\$156.35	\$177.00	\$176.22	\$113.32	
Location	-5%	0%	0%	5%	
Size	-10%	-5%	-10%	0%	
Age/Condition	-5%	-15%	-10%	-5%	
Quality of Construction	0%	0%	0%	0%	
Parking	0%	-5%	0%	0%	
Tenancy	0%	-5%	0%	0%	
Amenities	0%	0%	0%	0%	
Total Other Adjustments	-20%	-30%	-20%	0%	
Indicated Value Per SF	\$125.08	\$123.90	\$140.97	\$113.32	
<i>Absolute Adjustment</i>	22%	33%	24%	18%	

¹ Adjusted for cash equivalency, lease-up and/or deferred maintenance (where applicable)
Compiled by CBRE

SALE PRICE PER SQUARE FOOT CONCLUSION

The comparables indicate an un-adjusted price per square foot ranging from \$104.93 to \$171.84, with an adjusted price per square foot ranging from \$113.32 to \$132.16. The average adjusted price square foot is \$121.40. The following chart presents the valuation conclusion:

SALES COMPARISON APPROACH

NRA (SF)	X	Value Per SF	=	Value
72,720	X	\$120.00	=	\$8,726,400
72,720	X	\$130.00	=	\$9,453,600

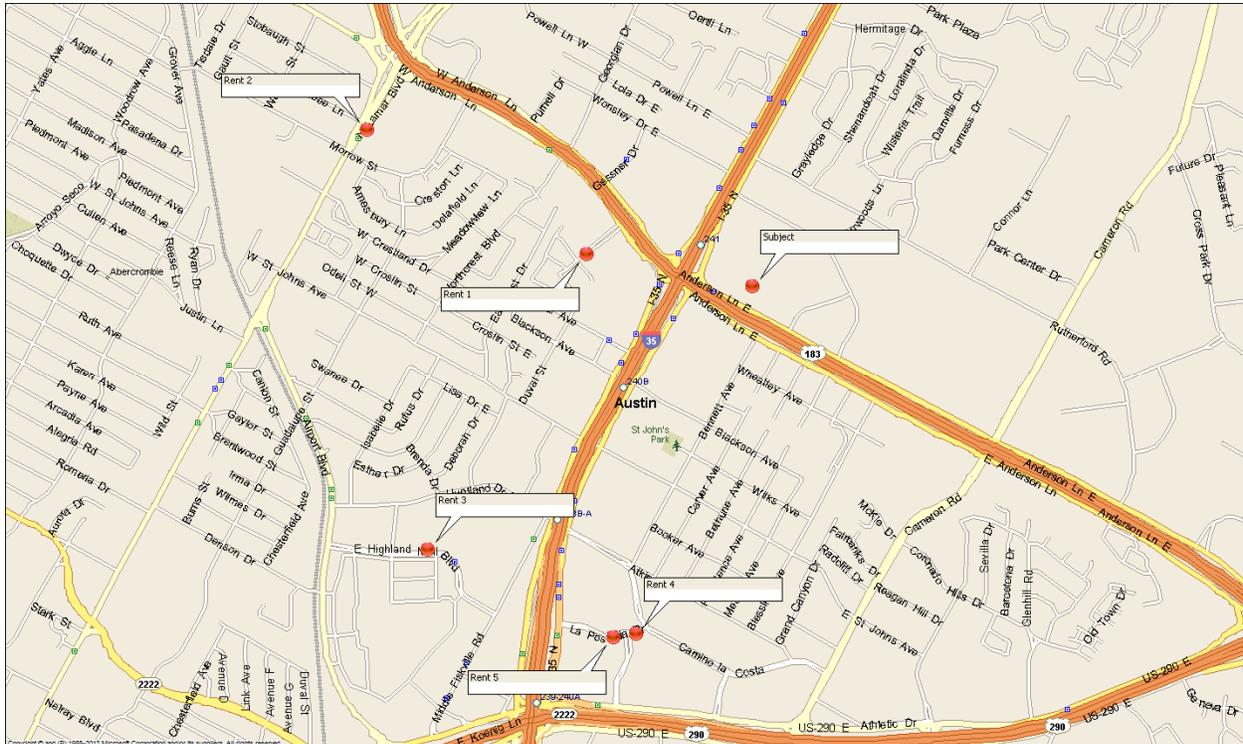
VALUE CONCLUSION

Indicated Value	\$9,100,000
Deferred Maintenance	\$0
Lease-Up Discount	(\$1,710,000)
Indicated As Is Value	\$7,390,000
Rounded	\$7,390,000
Value Per SF	\$101.62

Compiled by CBRE

Income Capitalization Approach

The following map and table summarize the primary comparable data used in the valuation of the subject. A detailed description of each transaction is included in the addenda.



SUMMARY OF COMPARABLE OFFICE RENTALS											
Comp. No.	Property Name and Location	Year Built	Occ.	NRA (SF)	Quoted Rental Rate	Expense Basis	Tenant Name	Lease Area (SF)	Lease Date	Lease Term	Base Rent
1	Chase Park 7600-7700 Chevy Chase Drive, Austin, TX	1971	92%	284,794	\$24.00 PSF	Base Year Stop	American Income Life	3,758	Feb-16	7.3 Yrs.	\$20.50 PSF
							Austin Stone Church	17,867	Jul-15	5.0 Yrs.	\$21.00 PSF
							Quoted	---	---	---	\$24.00 PSF
2	7701 Lamar Tower 7701 Lamar Blvd., Austin, TX	1972	58%	51,030	\$21.50 PSF	Full Service	Quoted	---	---	---	\$21.50 PSF
3	One Highland Center 314 Highland Mall Blvd., Austin, TX	1971	69%	65,025	\$18.00 PSF	Full Service	Confidential	720	Nov-17	3.0 Yrs.	\$18.00 PSF
							Quoted	---	---	---	\$18.00 PSF
4	La Costa Green 1033 La Posada Drive, Austin, TX	1983	97%	76,115	\$24.00 PSF	Modified Gross	Volunteer Legal Services	2,372	Nov-15	3.0 Yrs.	\$21.50 PSF
							Confidential	1,230	May-15	1.0 Yrs.	\$20.00 PSF
							Quoted	---	---	---	\$24.00 PSF
5	One La Costa 1016 La Posada Drive, Austin, TX	1981	93%	60,798	\$23.00 PSF	Full Service	Morales & Associates, PLLC	1,139	Nov-16	2.1 Yrs.	\$23.00 PSF
							Transformance	1,322	Mar-16	3.0 Yrs.	\$21.00 PSF
							Dale Vannoy	3,864	Mar-16	5.0 Yrs.	\$21.00 PSF
							Quoted	---	---	---	\$23.00 PSF
Subj.	National Western Life Ins Co 844 E Anderson Lane, Austin, Texas	1975	0%	72,720	---	---					---

Compiled by CBRE

DISCUSSION/ANALYSIS OF RENT COMPARABLES

Rent Comparable One

This comparable represents Chase Park, a 284,794-square-foot, five-building, two to five-story, suburban office complex which is located at 7600, 7700, 7715, and 7745 Chevy Chase Drive, 212 E. Anderson Lane, and 7616 N. IH-35, in Austin, Texas. The property was built in phases between 1971 and 1975 and is situated on a 17.35-acre site. Most in place tenants are signed on a base year stop basis at rates ranging from \$20.00 to \$24.00 PSF. However, two tenants are on a triple net lease basis with rates ranging from \$11.00 to \$13.00 PSF. The property is approximately 92% leased with an asking rate of \$24.00 PSF on a base year stop expense structure.

Rent Comparable Two

This comparable represents 7701 Lamar Tower, a 51,030 SF, Class B/C multi-tenant office building located at 7701 N. Lamar Boulevard, Austin, Texas. The property is located along the east side of Lamar Boulevard, just south of US Highway 183 (Research Blvd.) in Austin, Texas. The property was constructed in 1972 and renovated in 2007. The property is currently 58.0% leased. The asking rental rate is \$21.50 per square foot on a full service gross basis (\$13.00 per square foot, triple net). Operating expenses are estimated at approximately \$8.50 per square foot.

Rent Comparable Three

The comparable is a 65,025-square foot, five-story, suburban office building located at 314 East Highland Mall Blvd. in Austin, Texas. The improvements were constructed in 1971 and are situated on a 2.61-acre site. The property is 69.3% occupied and is considered in fair to average overall condition. This property is located along Highland Mall Boulevard. The property has convenient access to I-35 and Highway 290. Asking rental rates are \$18.00 to \$20.00 per square foot with a full service gross expense structure. Free rent is negotiable, and is typically between 0 to 3 months. Recent leases have been in the range of \$17.00 to \$18.00 per square foot on a full service gross basis over 3-year lease terms.

Rent Comparable Four

This comparable represents La Costa Green, a 76,115 SF office building located at 1033 La Posada Drive, Austin, Texas. The property is located in northeast Austin near the junction of Interstate Highway 35 and US Highway 290. The property was 96.5% leased as of the date of survey. The asking rental rate is \$24.00 to \$25.00 per square foot on a modified gross basis with lease term between 1 and 5 years. Most leases are signed on an as is basis; however, TIs of approximately \$0.00 to \$10.00 per square foot can be provided. Operating expenses were reported at \$10.25 per square foot.

Rent Comparable Five

This comparable represents One La Costa, a 60,798-square foot, two story suburban office property which is located at 1016 La Posada Drive, Austin, Texas. The property was constructed in 1981 and renovated in 2001. The property includes surface parking with a 3.65/1,000 SF parking ratio. The comparable is currently 92.9% leased with an asking rate of \$23.00 per square foot with a full service gross structure. Lease terms range from 2 to 5 years with \$0.50 PSF annual increases. The most recent leases were executed in the \$20.00-\$22.00 PSF range on a 2 to 4-year lease terms with \$0.50 PSF annual increases. Recent leases have ranged from \$21.00-\$23.00 PSF start ranges with \$0.50/Year bumps.

MARKET RENT ESTIMATE

Base Rental Rate

The estimate of base rental rates is shown in the following chart.

BASE RENTAL RATES	
Category (\$/SF/Yr.)	Office Space
Rent Comparable Data	\$18.00-\$24.00
CBRE Estimate	\$21.00
Compiled by CBRE	

MARKET RENT CONCLUSIONS

The following chart shows the market rent conclusions for the subject:

MARKET RENT CONCLUSIONS	
Category	Office Space
NRA (SF)	72,720
Percent of Total SF	100.0%
Market Rent (\$/SF/Yr.)	\$21.00
Concessions	None
Reimbursements	Full Service Gross
Annual Escalation	\$0.50 PSF
Tenant Improvements (New Tenants)	\$5.00
Tenant Improvements (Renewals)	\$1.00
Average Lease Term	3 Years
Compiled by CBRE	

POTENTIAL RENTAL INCOME CONCLUSION

Within this analysis, potential rental income is estimated based upon an estimated market rental rate applied to the entire subject property.

OPERATING HISTORY

Operating expense data was not available for the subject property. Therefore, we have relied upon expense comparable data of office buildings in the Austin MSA in estimating operating expenses for the subject.

VACANCY

The subject's estimated stabilized occupancy rate was previously discussed in the market analysis. The subject's vacancy is detailed as follows:

VACANCY		
Year	Total	% PGI
CBRE Estimate	\$152,712	10.0%
Compiled by CBRE		

EXPENSE REIMBURSEMENTS

The majority of the rent comparables leases are based on a full service gross structure or base-year stop, whereby the property owner is responsible for property related operating expenses. Therefore, we have assumed a full service gross expense structure for the subject without expense reimbursements.

EFFECTIVE GROSS INCOME

The subject's effective gross income is detailed as follows:

EFFECTIVE GROSS INCOME		
Year	Total	\$/SF
CBRE Estimate	\$1,374,408	\$18.90
Compiled by CBRE		

OPERATING EXPENSE ANALYSIS

Expense Comparables

The following chart summarizes expenses obtained from comparable office properties in the Austin MSA.

EXPENSE COMPARABLES

Comparable Number	1	2	3	Subject
Location	Austin, TX	Austin, TX	Austin, TX	Austin, TX
NRA (SF)	115,000	128,990	123,761	72,720
Expense Year	2017 Annualized	2017 Annualized	2017 Annualized	Pro Forma
Revenues	\$/SF	\$/SF	\$/SF	\$/SF
Effective Gross Income	\$20.59	\$37.45	\$19.91	\$18.90
Expenses				
Real Estate Taxes	\$2.53	\$6.41	\$2.89	\$2.28
Property Insurance	0.21	0.25	0.21	0.25
Utilities	2.18	2.14	1.18	2.00
General Operating	0.33	0.70	0.33	0.50
Repairs & Maintenance	1.51	1.32	0.75	1.20
Landscaping & Security	0.11	0.86	0.39	0.40
Janitorial	1.36	1.39	0.78	1.20
Management Fee ¹	0.62	1.13	0.61	0.47
	0.07	0.09	0.00	0.00
Reserves for Replacement	-	-	-	0.15
Operating Expenses	\$8.92	\$14.29	\$7.14	\$8.46
Operating Expense Ratio	43.3%	38.2%	35.9%	44.7%
¹ (Mgmt. typically analyzed as a % of EGI)	3.0%	3.0%	3.1%	2.5%

Compiled by CBRE

A discussion of each expense category is presented on the following pages.

Real Estate Taxes

The comparable data and projections for the subject are summarized as follows:

REAL ESTATE TAXES		
Year	Total	\$/SF
Expense Comparable 1	N/A	\$2.53
Expense Comparable 2	N/A	\$6.41
Expense Comparable 3	N/A	\$2.89
CBRE Estimate	\$166,049	\$2.28
Compiled by CBRE		

Our estimate is based on our pro forma estimate and tax rate.

Property Insurance

Property insurance expenses typically include fire and extended coverage and owner's liability coverage. The comparable data and projections for the subject are summarized as follows:

PROPERTY INSURANCE		
Year	Total	\$/SF
Expense Comparable 1	N/A	\$0.21
Expense Comparable 2	N/A	\$0.25
Expense Comparable 3	N/A	\$0.21
CBRE Estimate	\$18,180	\$0.25
Compiled by CBRE		

Utilities

Utilities expenses typically include electricity, natural gas, water, sewer and trash removal. The comparable data and projections for the subject are summarized as follows:

UTILITIES		
Year	Total	\$/SF
Expense Comparable 1	N/A	\$2.18
Expense Comparable 2	N/A	\$2.14
Expense Comparable 3	N/A	\$1.18
CBRE Estimate	\$145,440	\$2.00
Compiled by CBRE		

General Operating

General operating expenses typically include all payroll and payroll related items for all directly-employed administrative personnel such as building managers, secretaries, and bookkeepers. Leasing personnel are not included nor are the salaries or fees for off-site management firm personnel and services. This expense category also typically includes administrative expenses such as legal costs pertaining to the operation of the building, telephone, supplies, furniture, temporary help, etc. The comparable data and projections for the subject are summarized as follows:

GENERAL OPERATING		
Year	Total	\$/SF
Expense Comparable 1	N/A	\$0.33
Expense Comparable 2	N/A	\$0.70
Expense Comparable 3	N/A	\$0.33
CBRE Estimate	\$36,360	\$0.50
Compiled by CBRE		

Repairs and Maintenance

Repairs and maintenance expenses typically include all payroll and payroll related items for all directly employed maintenance personnel. This expense category also typically includes all outside maintenance service contracts and the cost of maintenance and repairs supplies. The comparable data and projections for the subject are summarized as follows:

REPAIRS & MAINTENANCE		
Year	Total	\$/SF
Expense Comparable 1	N/A	\$1.51
Expense Comparable 2	N/A	\$1.32
Expense Comparable 3	N/A	\$0.75
CBRE Estimate	\$87,264	\$1.20
Compiled by CBRE		

Landscaping and Security

Landscaping and security expenses are typically handled through outside service contracts. The comparable data and projections for the subject are summarized as follows:

LANDSCAPING & SECURITY		
Year	Total	\$/SF
Expense Comparable 1	N/A	\$0.11
Expense Comparable 2	N/A	\$0.86
Expense Comparable 3	N/A	\$0.39
CBRE Estimate	\$29,088	\$0.40
Compiled by CBRE		

Janitorial

Janitorial expenses typically include the outside service contract for cleaning. The comparable data and projections for the subject are summarized as follows:

JANITORIAL		
Year	Total	\$/SF
Expense Comparable 1	N/A	\$1.36
Expense Comparable 2	N/A	\$1.39
Expense Comparable 3	N/A	\$0.78
CBRE Estimate	\$87,264	\$1.20
Compiled by CBRE		

Management Fee

Management expenses are typically negotiated as a percentage of collected revenues (i.e., effective gross income). The comparable data and projections for the subject are summarized as follows:

MANAGEMENT FEE		
Year	Total	% EGI
CBRE Estimate	\$34,360	2.5%
Compiled by CBRE		

Professional management fees in the local market typically range from 2.5% to 4.0%. Given the subject's size and the competitiveness of the local market area, we believe an appropriate management expense for the subject would be towards the lower to middle portion of the range.

Reserves for Replacement

Reserves for replacement have been estimated based on market parameters. The comparable data and projections for the subject are summarized as follows:

RESERVES FOR REPLACEMENT		
Year	Total	\$/SF
CBRE Estimate	\$10,908	\$0.15
Compiled by CBRE		

OPERATING EXPENSE CONCLUSION

The comparable data and projections for the subject are summarized as follows:

OPERATING EXPENSES		
Year	Total	\$/SF
Expense Comparable 1	N/A	\$8.92
Expense Comparable 2	N/A	\$14.29
Expense Comparable 3	N/A	\$7.14
CBRE Estimate	\$614,913	\$8.46
Compiled by CBRE		

The pro forma expenses for the subject property are within the range of the expense comparable data. Overall, our estimate appears reasonable on an item by item analysis.

NET OPERATING INCOME CONCLUSION

The comparable data and projections for the subject are summarized as follows:

NET OPERATING INCOME		
Year	Total	\$/SF
CBRE Estimate	\$759,495	\$10.44
Compiled by CBRE		

DIRECT CAPITALIZATION

Direct capitalization is a method used to convert a single year's estimated stabilized net operating income into a value indication. The following subsections represent different techniques for deriving an overall capitalization rate.

Comparable Sales

The overall capitalization rates (OARs) confirmed for the comparable sales analyzed in the sales comparison approach are as follows:

COMPARABLE CAPITALIZATION RATES				
Sale	Sale Date	Sale Price \$/SF	OAR Basis	OAR
1	May-17	\$153.28	Leased Fee	6.89%
2	Mar-17	\$171.84	Leased Fee	8.25%
3	Aug-16	\$169.44	Fee Simple	7.80%
4	May-15	\$104.93	Leased Fee	7.76%
Indicated OAR:				6.89%-8.25%
Compiled by: CBRE				

Published Investor Surveys

The results of the most recent investor surveys are summarized in the following chart.

OVERALL CAPITALIZATION RATES		
Investment Type	OAR Range	Average
<i>CBRE Austin (Suburban Office)</i>		
Class A	6.25% - 7.00%	6.63%
Class B	7.00% - 7.75%	7.38%
<i>CBRE Suburban Office</i>		
Class A	5.00% - 9.00%	6.87%
Class B	6.50% - 10.50%	8.21%
<i>PwC Suburban Office</i>		
National Data	4.20% - 10.00%	6.72%
Indicated OAR:		7.25%-8.00%
Compiled by: CBRE		

Capitalization Rate Conclusion

The following chart summarizes the OAR conclusions.

OVERALL CAPITALIZATION RATE - CONCLUSION	
Source	Indicated OAR
Comparable Sales	6.89%-8.25%
Published Surveys	7.25%-8.00%
CBRE Estimate	7.75%
Compiled by: CBRE	

Fee Simple Cap Rate Adjustment

The comparables sales are located in the Austin MSA and indicate OARs in the 6.89%-8.25% range; with an average of 7.68%.

The chart below provides a summary of the comparable data:

COMPARABLE CAPITALIZATION RATES

Sale	Sale Date	Sale Price \$/SF	Occupancy	OAR Basis	OAR
1	May-17	\$153.28	100%	Leased Fee	6.89%
2	Mar-17	\$171.84	100%	Leased Fee	8.25%
3	Aug-16	\$169.44	0%	Fee Simple	7.80%
4	May-15	\$104.93	82%	Leased Fee	7.76%
Indicated OAR:			90%		6.89%-8.25%
Compiled by: CBRE					

In a comparison of indicated OARs, an adjustment of approximately 25 to 100 basis points appears to be warranted for a fee simple analysis. The fee simple OAR is derived based on an estimated market rent at the time of sale applied to the comparables less a vacancy and collection loss allowance and reserves for replacement.

The remaining comparables include a range of tenancy in place at the time of sale; however, the tenancy is considered typical for Class B/C office buildings and an adjustment for tenancy or credit was not deemed warranted in comparison to a fee simple analysis. Therefore, it is our conclusion that a fee simple capitalization rate for the subject property should be as outlined in the chart below.

CAPITALIZATION RATE ADJUSTMENT

Source	Indicated OAR
Comparable Sales Cap Rate	7.75%
Plus Fee Simple Adjustment	0.50%
Concluded OAR	8.25%
Compiled by: CBRE	

Direct Capitalization Summary

A summary of the direct capitalization is illustrated in the following chart.

DIRECT CAPITALIZATION SUMMARY

Income		\$/SF/Yr	Total
Potential Rental Income		\$21.00	\$1,527,120
Vacancy	10.00%	(2.10)	(152,712)
Net Rental Income		\$18.90	\$1,374,408
Expense Reimbursements		0.00	-
Effective Gross Income		\$18.90	\$1,374,408
Expenses			
Real Estate Taxes		\$2.28	\$166,049
Property Insurance		0.25	18,180
Utilities		2.00	145,440
General Operating		0.50	36,360
Repairs & Maintenance		1.20	87,264
Landscaping & Security		0.40	29,088
Janitorial		1.20	87,264
Management Fee	2.50%	0.47	34,360
Reserves for Replacement		0.15	10,908
Operating Expenses		\$8.46	\$614,913
Operating Expense Ratio			44.74%
Net Operating Income		\$10.44	\$759,495
OAR			/ 8.25%
Indicated Stabilized Value			\$9,205,999
Rounded			\$9,210,000
Deferred Maintenance			-
Lease-Up Discount			(1,710,000)
Indicated As Is Value			\$7,495,999
Rounded			\$7,500,000
Value Per SF			\$103.14

Compiled by CBRE

CONCLUSION OF INCOME CAPITALIZATION APPROACH

The conclusion via the valuation method employed for this approach are as follows:

INCOME CAPITALIZATION APPROACH VALUES	
Direct Capitalization Method	\$7,500,000
Reconciled Value	\$7,500,000
Compiled by CBRE	

Reconciliation of Value

The value indications from the approaches to value are summarized as follows:

SUMMARY OF VALUE CONCLUSIONS	
Land Value	\$1,350,000
Cost Approach	\$7,360,000
Sales Comparison Approach	\$7,390,000
Income Capitalization Approach	\$7,500,000
Reconciled Value	\$7,500,000
Compiled by CBRE	

In valuing the subject, the Income Capitalization Approach is considered most reliable and has been given primary emphasis, with secondary emphasis placed on the Sales Comparison and Cost Approaches.

Based on the foregoing, the market value of the subject has been concluded as follows:

MARKET VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Retrospective As Is	Fee Simple Estate	January 1, 2018	\$7,500,000
Compiled by CBRE			

Assumptions and Limiting Conditions

1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE, Inc. is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. CBRE, Inc., however, has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject's title should be sought from a qualified title company that issues or insures title to real property.
2. Unless otherwise specifically noted in the body of this report, it is assumed: that the existing improvements on the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. CBRE, Inc. professionals are not engineers and are not competent to judge matters of an engineering nature. CBRE, Inc. has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of CBRE, Inc. by ownership or management; CBRE, Inc. inspected less than 100% of the entire interior and exterior portions of the improvements; and CBRE, Inc. was not furnished any engineering studies by the owners or by the party requesting this appraisal. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported by engineering consultants, CBRE, Inc. reserves the right to amend the appraisal conclusions reported herein.
3. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property was not observed by the appraisers. CBRE, Inc. has no knowledge of the existence of such materials on or in the property. CBRE, Inc., however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

We have inspected, as thoroughly as possible by observation, the land; however, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the appraisal.

4. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the report unless otherwise stated. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon the information submitted to CBRE, Inc. This report may be subject to amendment upon re-inspection of the subject subsequent to repairs, modifications, alterations and completed new construction. Any estimate of Market Value is as of the date indicated; based upon the information, conditions and projected levels of operation.
5. It is assumed that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report. Unless otherwise specifically noted in the appraisal report, CBRE, Inc. has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact

on the conclusions reported. Thus, CBRE, Inc. reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify CBRE, Inc. of any questions or errors.

6. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This appraisal is based on market conditions existing as of the date of this appraisal. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions which occur subsequent to the date of the appraisal. However, CBRE, Inc. will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.
7. CBRE, Inc. assumes no private deed restrictions, limiting the use of the subject in any way.
8. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposit or subsurface rights of value involved in this appraisal, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
9. CBRE, Inc. is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.
10. The estimate of Market Value, which may be defined within the body of this report, is subject to change with market fluctuations over time. Market value is highly related to exposure, time promotion effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.
11. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. CBRE, Inc. does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of CBRE, Inc.
12. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of CBRE, Inc. to buy, sell, or hold the properties at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
13. Also, unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.
14. This study may not be duplicated in whole or in part without the specific written consent of CBRE, Inc. nor may this report or copies hereof be transmitted to third parties without said consent, which consent CBRE, Inc. reserves the right to deny. Exempt from this restriction is duplication for the internal use of the client-addressee and/or transmission to attorneys, accountants, or advisors of the client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom this appraisal was prepared, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without the express written consent of CBRE, Inc. which consent CBRE, Inc. reserves the right to deny. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to purchase the property or to make a "sale" or "offer for sale" of any "security", as such terms are defined and used in the Securities Act of 1933, as amended. Any third party, not covered by the exemptions herein, who may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this property. CBRE, Inc. shall have no accountability or responsibility to any such third party.
15. Any value estimate provided in the report applies to the entire property, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.

16. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or appraisal and are invalid if so used.
17. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.
18. No opinion is intended to be expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Values and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis has been made known to CBRE, Inc. unless otherwise stated within the body of this report. If the Consultant has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. CBRE, Inc. assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
19. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Appraiser nor CBRE, Inc. assumes responsibility for any situation arising out of the Client's failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.
20. CBRE, Inc. assumes that the subject analyzed herein will be under prudent and competent management and ownership; neither inefficient or super-efficient.
21. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.
22. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.
23. The Americans with Disabilities Act (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, CBRE, Inc. has not made a specific compliance survey and analysis of this property to determine whether it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed 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 ADA. If so, this fact could have a negative effect on the value estimated herein. Since CBRE, Inc. has no specific information relating to this issue, nor is CBRE, Inc. qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject.
24. Client shall not indemnify Appraiser or hold Appraiser harmless unless and only to the extent that the Client misrepresents, distorts, or provides incomplete or inaccurate appraisal results to others, which acts of the Client approximately result in damage to Appraiser. Notwithstanding the foregoing, Appraiser shall have no obligation under this Section with respect to any loss that is caused solely by the active negligence or willful misconduct of a Client and is not contributed to by any act or omission (including any failure to perform any duty imposed by law) by Appraiser. Client shall indemnify and hold Appraiser harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the appraisal report to any third party. In the event of any litigation between the parties, the prevailing party to such litigation shall be entitled to recover, from the other, reasonable attorney fees and costs.

ADDENDA

Addendum A

LAND SALE DATA SHEETS

Property Name	1.7363 Acres of Land at the SEC Cheddar Loop Road and IH 35
Address	15112 N. IH 35 Austin, TX 78728
County	Travis
Govt./Tax ID	819030
Land Area Net	1.736 ac/ 75,634 sf
Land Area Gross	1.736 ac/ 75,634 sf
Site Development Status	Raw
Utilities	All available
Maximum FAR	N/A
Min Land Bldg Ratio	N/A
Shape	Rectangular
Topography	Generally Level
Flood Zone Class	Zone X (Unshaded)
Flood Panel No./ Date	48453C0260J/ Aug 2014
Zoning	CS-CO
Entitlement Status	N/A



Transaction Details

Type	Sale	Primary Verification	Broker
Interest Transferred	Fee Simple	Transaction Date	10/03/2017
Condition of Sale	None	Recording Date	10/03/2017
Recorded Buyer	JRS Real Estate Investments, Inc.	Sale Price	\$972,000
Buyer Type	Developer	Financing	Market Rate Financing
Recorded Seller	North I-35 Business Park, L.P.	Cash Equivalent	\$972,000
Marketing Time	N/A	Capital Adjustment	\$0
Listing Broker	Quick & Co.	Adjusted Price	\$972,000
Doc #	2017158927	Adjusted Price / ac and / sf	\$559,811 / \$12.85
		Adjusted Price/ FAR	N/A
		Adjusted Price/ Unit	N/A

Comments

This comparable represents a 1.74-acre tract of land located along the west side of Interstate 35 at Cheddar Loop Road between Wells Branch Parkway and Grand Avenue Parkway in north Austin. The site is rectangular, level and cleared and is zoned CS-CO. This property sold in October 2017 for \$972,000, \$12.85 per square foot for the development of a proposed 25,579 SF Austin Homebrew site.

Property Name	10.394 acres on North Lamar Boulevard
Address	12309 Lamar Boulevard Austin, TX 78753
County	Travis
Govt./Tax ID	526900
Land Area Net	10.394 ac/ 452,765 sf
Land Area Gross	10.394 ac/ 452,765 sf
Site Development Status	Platted
Utilities	All available
Maximum FAR	N/A
Min Land Bldg Ratio	N/A
Shape	Irregular
Topography	Generally Level
Flood Zone Class	Zone X (Unshaded)
Flood Panel No./ Date	48453C0270J/ Aug 2014
Zoning	LO, GR-CO, CH-CO
Entitlement Status	N/A



Transaction Details

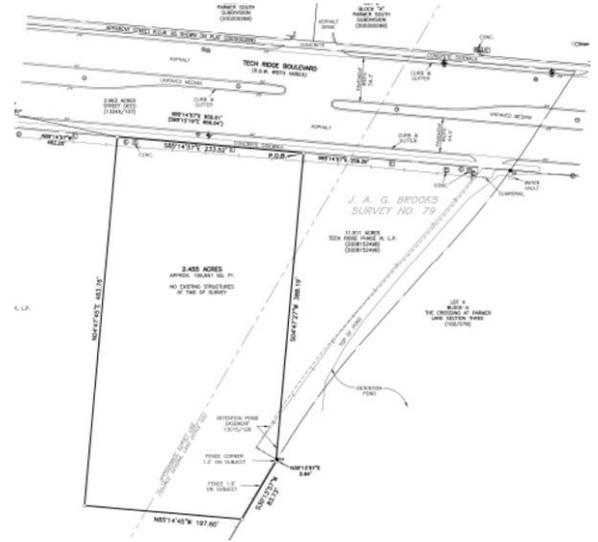
Type	Sale	Primary Verification	Buyer's rep
Interest Transferred	Fee Simple	Transaction Date	07/15/2016
Condition of Sale	None	Recording Date	07/15/2016
Recorded Buyer	NYOS Charter School, Inc.	Sale Price	\$3,000,000
Buyer Type	End User	Financing	Market Rate Financing
Recorded Seller	Koontz/McCombs 1, Ltd.	Cash Equivalent	\$3,000,000
Marketing Time	20 Month(s)	Capital Adjustment	\$0
Listing Broker	N/A	Adjusted Price	\$3,000,000
Doc #	2016114677	Adjusted Price / ac and / sf	\$288,625 / \$6.63
		Adjusted Price/ FAR	N/A
		Adjusted Price/ Unit	N/A

Comments

This comparable represents the sale of 10.394 acres of land situated on the east line of N. Lamar Blvd., just north of W. Yager Lane. The site has an irregular shape with generally level topography and no floodplain. The property is proposed for expansion of a NYOS Charter School campus which lies adjacent to the south. All utilities are available to the site. The property was listed for \$3,500,000 and sold in July 2016 for \$3,000,000 or \$6.63 per square foot.

Legal description: Lot 1, Block A, Park Central Section 2, a resubdivision of Lot 1 of Park Central Section One, according to the map or plat thereof, recorded in Document Number 200100220, Official Public Records, Travis County, Texas.

Property Name	Proposed TownePlace Suites
Address	12427 Tech Ridge Blvd Austin, TX 78753
County	Travis
Govt./Tax ID	865289
Land Area Net	2.455 ac/ 106,951 sf
Land Area Gross	2.455 ac/ 106,951 sf
Site Development Status	Raw
Utilities	All
Maximum FAR	N/A
Min Land Bldg Ratio	N/A
Shape	Irregular
Topography	Generally Level
Flood Zone Class	Zone X (Unshaded)
Flood Panel No./ Date	48453C0270J/ Aug 2014
Zoning	GR
Entitlement Status	N/A



Transaction Details

Type	Sale	Primary Verification	Buyer
Interest Transferred	Fee Simple	Transaction Date	08/17/2015
Condition of Sale	Market	Recording Date	08/18/2015
Recorded Buyer	MB Hospitality AUSN LP	Sale Price	\$1,159,785
Buyer Type	Developer	Financing	Market Rate Financing
Recorded Seller	Tech Ridge Phase VI, LP	Cash Equivalent	\$1,159,785
Marketing Time	9 Month(s)	Capital Adjustment	\$0
Listing Broker	N/A	Adjusted Price	\$1,159,785
Doc #	2015131577	Adjusted Price / ac and / sf	\$472,360 / \$10.84
		Adjusted Price/ FAR	N/A
		Adjusted Price/ Unit	N/A

Comments

This comparable represents the sale of 2.455 acres of land located at 12427 Tech Ridge Blvd in Austin, Travis County, Texas. The site has an irregular shape with generally level topography and no floodplain; it is currently zoned GR and is proposed for commercial use. All utilities are available to the site. The buyer plans to develop a 122-room extended stay hotel facility. The property sold in August 2015 for \$1,159,785, or \$10.84 per square foot.

Property Name	IH-35 Vacant Land
Address	8610 North Interstate 35 Austin, TX 78753
County	Travis
Govt./Tax ID	426172
Land Area Net	3.469 ac/ 151,088 sf
Land Area Gross	7.258 ac/ 316,150 sf
Site Development Status	Raw
Utilities	All Available
Maximum FAR	N/A
Min Land Bldg Ratio	N/A
Shape	Irregular
Topography	Generally Level
Flood Zone Class	Zone AE
Flood Panel No./ Date	48453C0455J/ Jan 2016
Zoning	CS-CO-NP
Entitlement Status	N/A



Transaction Details

Type	Sale	Primary Verification	Broker
Interest Transferred	Fee Simple	Transaction Date	08/11/2015
Condition of Sale	None	Recording Date	08/11/2015
Recorded Buyer	Blue Star Global, LLC	Sale Price	\$1,450,000
Buyer Type	Private Investor	Financing	All Cash
Recorded Seller	Doren Eskew	Cash Equivalent	\$1,450,000
Marketing Time	6 Month(s)	Capital Adjustment	\$0
Listing Broker	N/A	Adjusted Price	\$1,450,000
Doc #	2015128451	Adjusted Price / ac and / sf	\$418,048 / \$9.60
		Adjusted Price/ FAR	N/A
		Adjusted Price/ Unit	N/A

Comments

This comparable represents a 7.26 acre (316,150 SF) tract of land located at 8610 N. IH-35 in Austin, Texas. The property is currently vacant. Approximately 3.79 acres, or 165,062 SF is located within the floodplain and is not considered to be developable. Therefore the net developable site area is 3.47 acres or 151,088 SF. The property sold in August 2015 for \$1,450,000 or \$9.60 per developable square foot.

Addendum B

IMPROVED SALE DATA SHEETS

Property Name	Executive Place
Address	13625 Pond Springs Road Austin, TX 78729
County	Williamson
Govt./Tax ID	R055015
Net Rentable Area (NRA)	12,722 sf
Condition	Average
Number of Buildings	1
Parking Type/Ratio	Surface/ 2.91:1,000 sf
Year Built/Renovated	1986/ N/A
Floor Count	2
Occupancy Type	Multi-tenant
Land Area Net	0.876 ac/ 38,159 sf
Actual FAR	0.35
Zoning	I-RR (Interim - Rural Residential) GR (Community Commercial)
Construction Class/ Type	D/ Average
External Finish	Masonry
Amenities	N/A



Transaction Details

Type	Sale	Primary Verification	Grantor
Interest Transferred	Leased Fee	Transaction Date	05/08/2017
Condition of Sale	Arm's-Length	Recording Date	05/31/2017
Remaining Lease Term	N/A	Avg. Credit Rating	N/A
Recorded Buyer	Toro Grande Futbol LLC	Sale Price	\$1,950,000
Buyer Type	Private Investor	Financing	Cash to Seller
Recorded Seller	Gloria H. Oates Trust	Cash Equivalent	\$1,950,000
Marketing Time	12 Month(s)	Capital Adjustment	\$0
Listing Broker	N/A	Adjusted Price	\$1,950,000
Doc #	2017048791	Adjusted Price / sf	\$153.28
Buyer's Primary Analysis	Price and Capitalization Analyses	Occupancy at Sale	100%
Static Analysis Method	Pro Forma (Stabilized)	Underwritten Occupancy	93%
Source	Appraiser	Potential Gross Income	\$213,978
NOI / sf	\$10.56	Vacancy/Collection Loss	\$16,048
IRR	N/A	Effective Gross Income	\$197,930
OER	32.15%	Expenses	\$63,643
Expenses /sf	\$5.00	Net Operating Income	\$134,287
Cap Rate	6.89%		

Comments

The comparable is a 12,722-square foot, two-story, suburban office building located at 13625 Pond Springs Road in Austin. The improvements were constructed in 1986 and are situated on a 0.876-acre site. The property was 100.0% occupied at the time of the transaction. The property is under contract to sell for \$1,950,000. Upon acquisition, the seller will leaseback the 1,180 square feet that they currently occupy.

Property Name	Social Security Administration (GSA)
Address	1029 Camino La Costa Austin, TX 78752
County	Travis
Govt./Tax ID	377513
Net Rentable Area (NRA)	23,859 sf
Condition	Average
Number of Buildings	1
Parking Type/Ratio	Surface/ 5.32:1,000 sf
Year Built/Renovated	2005/ N/A
Floor Count	1
Occupancy Type	Single Tenant
Land Area Net	3.610 ac/ 157,252 sf
Actual FAR	0.15
Zoning	CS-MU-NP
Construction Class/ Type	C/ Average
External Finish	Masonry
Amenities	N/A



Transaction Details

Type	Sale	Primary Verification	Confidential
Interest Transferred	Leased Fee	Transaction Date	03/24/2017
Condition of Sale	None	Recording Date	03/24/2017
Remaining Lease Term	N/A	Avg. Credit Rating	N/A
Recorded Buyer	Rooker Properties, LLC	Sale Price	\$4,100,000
Buyer Type	Private Investor	Financing	Market Rate Financing
Recorded Seller	Boyd Austin III SGA, LLC	Cash Equivalent	\$4,100,000
Marketing Time	0 Month(s)	Capital Adjustment	\$0
Listing Broker	N/A	Adjusted Price	\$4,100,000
Doc #	2017047182	Adjusted Price / sf	\$171.84
Buyer's Primary Analysis	Yield Capitalization Analysis	Occupancy at Sale	100%
Static Analysis Method	Pro Forma (Stabilized)	Underwritten Occupancy	95%
Source	N/A	Potential Gross Income	\$675,234
NOI / sf	\$14.17	Vacancy/Collection Loss	\$33,762
IRR	N/A	Effective Gross Income	\$641,472
OER	47.29%	Expenses	\$303,367
Expenses /sf	\$12.71	Net Operating Income	\$338,105
Cap Rate	8.25%		

Comments

This comparable represents a 23,859 square foot, single-tenant office property located at 1029 Camino La Costa in Austin, TX. The property was constructed in 2005, and is in average overall condition. It is 100% leased to the GSA, Social Security Administrations (SSA) on a 15 year term that expires in December 2020. The current lease rate is \$28.75 per square foot on a modified gross lease basis in which the tenant reimburses the landlord for real estate taxes over \$2.62/SF only. The entity of ownership for the subject, Austin 1029 Camino La Costa, LLC, is currently under contract to be sold to Rooker Properties, LLC for a consideration of \$4,100,000 or \$171.84/SF of NRA.

Property Name	1005 La Posada Office
Address	1005 La Posada Drive Austin, TX 78752
County	Travis
Govt./Tax ID	228993
Net Rentable Area (NRA)	14,518 sf
Condition	Average
Number of Buildings	1
Parking Type/Ratio	Surface/ 3.58:1,000 sf
Year Built/Renovated	1980/ N/A
Floor Count	2
Occupancy Type	Owner/User
Land Area Net	0.930 ac/ 40,511 sf
Actual FAR	0.36
Zoning	LI-CO-NP
Construction Class/ Type	B/ Average
External Finish	Masonry
Amenities	Surface Parking



Transaction Details

Type	Sale	Primary Verification	Broker
Interest Transferred	Fee Simple	Transaction Date	08/18/2016
Condition of Sale	Owner User	Recording Date	08/18/2016
Recorded Buyer	Succession Partners, LLC	Sale Price	\$2,460,000
Buyer Type	End User	Financing	Market Rate Financing
Recorded Seller	The Better Business Bureau	Cash Equivalent	\$2,460,000
Marketing Time	N/A	Capital Adjustment	\$0
Listing Broker	Nancy Thompson / Colton Real Estate	Adjusted Price	\$2,460,000
Doc #	2016.137781	Adjusted Price / sf	\$169.44
Buyer's Primary Analysis	Price (Primary Unit of Comparison)	Occupancy at Sale	0%
Static Analysis Method	Pro Forma (Stabilized)	Underwritten Occupancy	92%
Source	Appraiser	Potential Gross Income	\$341,173
NOI / sf	\$13.22	Vacancy/Collection Loss	\$27,294
IRR	N/A	Effective Gross Income	\$313,879
OER	38.85%	Expenses	\$121,930
Expenses /sf	\$8.40	Net Operating Income	\$191,949
Cap Rate	7.80%		

Comments

This comparable represents the pending sale of a 14,518 SF office building located at 1005 La Posada Drive, Austin, TX. The property is currently owner occupied and is being purchased by an owner user. The building is situated on a 0.93 acre site. The two-story improvements were constructed in 1980 and were in average condition. The property sold in August 2016 for \$2,460,000 or \$169.44 per square foot.

Property Name	Centre Creek Plaza
Address	1812 Centre Creek Drive Austin, TX 78754
County	Travis
Govt./Tax ID	235491
Net Rentable Area (NRA)	57,467 sf
Condition	Average
Number of Buildings	1
Parking Type/Ratio	Surface/ 3.52:1,000 sf
Year Built/Renovated	1986/ 1998
Floor Count	3
Occupancy Type	Multi-tenant
Land Area Net	3.815 ac/ 166,181 sf
Actual FAR	0.35
Zoning	IP
Construction Class/ Type	B/ Average
External Finish	Masonry
Amenities	Conference Facility



Transaction Details

Type	Sale	Primary Verification	Buyer
Interest Transferred	Leased Fee	Transaction Date	05/18/2015
Condition of Sale	Two Bldg. Portfolio	Recording Date	05/18/2015
Remaining Lease Term	N/A	Avg. Credit Rating	N/A
Recorded Buyer	Austin CCP LLC	Sale Price	\$5,600,000
Buyer Type	Private Investor	Financing	Market Rate Financing
Recorded Seller	Rancho Texas 20 Investments LP	Cash Equivalent	\$5,600,000
Marketing Time	0 Month(s)	Capital Adjustment	\$430,000
Listing Broker	n/a	Adjusted Price	\$6,030,000
Doc #	2015076235	Adjusted Price / sf	\$104.93
Buyer's Primary Analysis	Price and Capitalization Analyses	Occupancy at Sale	82%
Static Analysis Method	Pro Forma (Stabilized)	Underwritten Occupancy	91%
Source	Appraiser	Potential Gross Income	\$1,071,905
NOI / sf	\$8.14	Vacancy/Collection Loss	\$96,471
IRR	9.00%	Effective Gross Income	\$975,434
OER	52.05%	Expenses	\$507,676
Expenses /sf	\$8.83	Net Operating Income	\$467,758
Cap Rate	7.76%		

Comments

This comparable represents the sale of Center Creek Plaza, a 57,467-square foot, three-story, suburban office building located at 1812 Centre Creek Drive in Austin, Texas. The improvements were constructed in 1986 and are situated on a 3.82-acre site. The notable tenants are Intera and Caring Family Network. The property was 81.9% leased at the time of sale. It is considered to be a Class B property in this market. The comparable sold in May 2015 to Congress Holdings Group as part of a two building portfolio transaction (inclusive of the Wells Fargo Office and Centre Creek Plaza) for a total price of \$13,250,000. The sale was an off market transaction. However, the transaction was arm's length. The allocated price for Centre Creek Plaza was \$5,600,000 or \$97.45 per square foot. The comparable was not stabilized at the time of sale and required lease up costs (inclusive of rent loss, leasing commissions, and tenant improvements) along with deferred maintenance costs of \$430,000 to be added to the purchase price. Therefore, the effective stabilized purchase price was \$6,030,000 or \$104.93 per square foot.

Addendum C

RENT COMPARABLE DATA SHEETS

Property Name	Chase Park
Address	7600-7700 Chevy Chase Drive Austin, TX 78752
County	Travis
Govt./Tax ID	Multiple
Net Rentable Area (NRA)	284,794 sf
Condition	Average
Number of Buildings	5
Parking Type/Ratio	Open Asphalt/ N/A
Year Built/Renovated	1971/ N/A
Floor Count	3
Occupancy Type	Multi-tenant
Land Area Net	17.350 ac/ 755,766 sf
Actual FAR	0.38
Zoning	N/A
Construction Class/ Type	B/ Average
External Finish	Brick
Amenities	Surface Parking



Quoted Terms

Reimbursements	Base Year Stop	Rent Changes/Steps	\$0.50 PSF
Occupancy	92%	Free Rent	2 Mo(s).
Tenant Size	7,000 sf	TI Allowance	\$10.00 per sf
Lease Term	60 Mo(s).	Reimbursement Amount	\$10.04 per sf
Survey Date	01/2018	Total Oper. & Fixed Exp.	\$10.04 per sf
Verification	Brandon Lester / 512-314-3574	Annual Base Rent	\$24.00 per sf

Actual Leases

Tenant Name	Tenancy Use Type	Size (sf)	Term (Mo.)	Type of Lease	Start Date	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance per sf	Annual Base Rate per sf
American Income Life	Office	3,758	87	New	Feb 2016	Gross	\$0.50 PSF	3.00	\$25.00	\$20.50
Austin Stone Church	Office	17,867	60	New	Jul 2015	Base Year Stop	\$0.50 PSF	N/A	N/A	\$21.00

Comments

This comparable represents Chase Park, a 284,794-square-foot, five-building, two to five-story, suburban office complex which is located at 7600, 7700, 7715, and 7745 Chevy Chase Drive, 212 E. Anderson Lane, and 7616 N. IH-35, in north central Austin. The property was built in phases between 1971 and 1975 and is situated on a 17.35-acre site. The buildings feature all new mechanical systems, upgraded electrical service, fiber optic access and well appointed common areas. Most in place tenants are signed on a base year stop basis at rates ranging from \$20.00 to \$24.00 PSF. However, two tenants are on a triple net lease basis with rates ranging from \$11.00 to \$13.00 PSF. The property is approximately 92% leased with an asking rate of \$24.00 PSF on a base year stop expense structure.

Property Name	7701 Lamar Tower
Address	7701 Lamar Blvd. Austin, TX 78752
County	Travis
Govt./Tax ID	Multiple
Net Rentable Area (NRA)	51,030 sf
Condition	Average
Number of Buildings	1
Parking Type/Ratio	Surface/ N/A
Year Built/Renovated	1972/ 2007
Floor Count	5
Occupancy Type	Multi-tenant
Land Area Net	1.500 ac/ 65,340 sf
Actual FAR	0.84
Zoning	N/A
Construction Class/ Type	B/ Average
External Finish	Brick Veneer
Amenities	N/A



Quoted Terms

Reimbursements	Gross	Rent Changes/Steps	\$0.50/year
Occupancy	58%	Free Rent	1 Mo(s).
Tenant Size	2,000 sf	TI Allowance	\$5.00 per sf
Lease Term	36 Mo(s).	Reimbursement Amount	\$8.50 per sf
Survey Date	01/2018	Total Oper. & Fixed Exp.	N/A
Verification	TIG / Brad Gates / 512-732-0400	Annual Base Rent	\$21.50 per sf

Actual Leases

Tenant Name	Tenancy Use Type	Size (sf)	Term (Mo.)	Type of Lease	Start Date	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance per sf	Annual Base Rate per sf
Counseling Center	Office	1,050	24	New	Aug 2016	Full Service	\$0.50 PSF	0.00	\$3.00	\$20.00

Comments

This comparable represents 7701 Lamar Tower, a 51,030 SF, Class B/C multi-tenant office building located at 7701 N. Lamar Boulevard, Austin, Texas. The property is located along the east side of Lamar Boulevard, just south of US Highway 183 (Research Blvd.) in north-central Austin. The property was constructed in 1972 and renovated in 2007. The property is currently 58.0% leased. The asking rental rate is \$21.50 per square foot on a gross basis (\$13.00 per square foot, triple net). Operating expenses are estimated at approximately \$8.50 per square foot. Building amenities include a limited number of covered parking spaces and a small fitness center.

Property Name	One Highland Center
Address	314 Highland Mall Blvd. Austin, TX 78752
County	Travis
Govt./Tax ID	228974
Net Rentable Area (NRA)	65,025 sf
Condition	Average
Number of Buildings	1
Parking Type/Ratio	Open Asphalt/ 5.18:1,000 sf
Year Built/Renovated	1971/ 1993
Floor Count	5
Occupancy Type	Multi-tenant
Land Area Net	2.610 ac/ 113,692 sf
Actual FAR	0.60
Zoning	N/A
Construction Class/ Type	B/ N/A
External Finish	Concrete
Amenities	N/A



Quoted Terms

Reimbursements	Full Service	Rent Changes/Steps	\$0.50/SF
Occupancy	69%	Free Rent	0 Mo(s).
Tenant Size	1,500 sf	TI Allowance	\$3.00 per sf
Lease Term	36 Mo(s).	Reimbursement Amount	\$8.09 per sf
Survey Date	01/2018	Total Oper. & Fixed Exp.	N/A
Verification	Tom Thornell / 512-454-2220	Annual Base Rent	\$18.00 - \$20.00 per sf

Actual Leases

Tenant Name	Tenancy Use Type	Term Size (sf)	Term (Mo.)	Type of Lease	Start Date	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance per sf	Annual Base Rate per sf
Confidential	Office	720	36	New	Nov 2017	Full Service	\$0.50 PSF	0.00	\$0.00	\$18.00

Comments

The comparable is a 65,025-square foot, five-story, suburban office building located at 314 East Highland Mall Blvd. in Austin, Texas. The improvements were constructed in 1972 and are situated on a 2.61-acre site. The property is 69.3% occupied and is considered to be in fair to average overall condition. This property is located along Highland Mall Boulevard adjacent Highland Mall. The property has convenient access to I-35 and Highway 290. Asking rental rates are \$18.00 to \$20.00 per square foot with a full service gross expense structure. Free rent is negotiable, and is typically between 0 to 3 months. Recent leases have been in the range of \$17.00 to \$18.00 per square foot on a full service gross basis over 3-year lease terms.

Property Name	La Costa Green
Address	1033 La Posada Drive Austin, TX 78752
County	Travis
Govt./Tax ID	229006
Net Rentable Area (NRA)	76,115 sf
Condition	Average
Number of Buildings	1
Parking Type/Ratio	Surface/ 3.84:1,000 sf
Year Built/Renovated	1983/ N/A
Floor Count	3
Occupancy Type	Multi-tenant
Land Area Net	3.100 ac/ 135,036 sf
Actual FAR	0.56
Zoning	CS
Construction Class/ Type	B/ Average
External Finish	Masonry
Amenities	Surface Parking



Quoted Terms

Reimbursements	Modified Gross	Rent Changes/Steps	\$0.50 / SF
Occupancy	97%	Free Rent	0 Mo(s).
Tenant Size	1,500 sf	TI Allowance	\$0.00 - \$10.00 per sf
Lease Term	36 - 60 Mo(s).	Reimbursement Amount	\$0.00 per sf
Survey Date	01/2018	Total Oper. & Fixed Exp.	\$10.25 per sf
Verification	Jeremy Lieberman / 512-960-1628	Annual Base Rent	\$24.00 - \$25.00 per sf

Actual Leases

Tenant Name	Tenancy Use Type	Term Size (sf)	Term (Mo.)	Type of Lease	Start Date	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance per sf	Annual Base Rate per sf
Volunteer Legal Services	Office	2,372	36	New	Nov 2015	Gross	\$0.50 / Yr.	N/A	N/A	\$21.50
Confidential	Office	1,230	12	New	May 2015	Full Service	\$0.50/Year	N/A	N/A	\$20.00

Comments

This comparable represents La Costa Green, a 76,115 SF office building located at 1033 La Posada Drive, Austin, TX. The property is located in northeast Austin near the junction of Interstate Highway 35 and US Highway 290. The property was 96.5% leased as of the date of survey. The asking rental rate is \$24.00 to \$25.00 per square foot on a full service gross basis with lease term between 1 and 5 years. Most leases are signed on an as is basis; however, TIs of approximately \$0.00 to \$10.00 per square foot can be provided. Operating expenses were reported at \$10.25 per square foot.

Property Name	One La Costa
Address	1016 La Posada Drive Austin, TX 78752
County	Travis
Govt./Tax ID	0228140502
Net Rentable Area (NRA)	60,798 sf
Condition	Average
Number of Buildings	1
Parking Type/Ratio	Open Asphalt/ 3.65:1,000 sf
Year Built/Renovated	1981/ N/A
Floor Count	2
Occupancy Type	Multi-tenant
Land Area Net	3.450 ac/ 150,282 sf
Actual FAR	0.40
Zoning	CS
Construction Class/ Type	B/ Average
External Finish	Masonry
Amenities	Surface Parking



Quoted Terms

Reimbursements	Full Service	Rent Changes/Steps	\$0.50/Year
Occupancy	93%	Free Rent	0 - 1 Mo(s).
Tenant Size	2,000 sf	TI Allowance	\$0.00 - \$15.00 per sf
Lease Term	48 Mo(s).	Reimbursement Amount	\$0.00 per sf
Survey Date	01/2018	Total Oper. & Fixed Exp.	\$8.88 per sf
Verification	Katie Ekstrom / 512 499 4901	Annual Base Rent	\$23.00 per sf

Actual Leases

Tenant Name	Tenancy Use Type	Term Size (sf)	Term (Mo.)	Type of Lease	Start Date	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance per sf	Annual Base Rate per sf
Morales & Associates, PLLC	Office	1,139	25	New	Nov 2016	NNN	See Comments	1.00	\$0.00	\$23.00
Transformance	Office	1,322	36	New	Mar 2016	Gross	\$0.50 PSF	0.00	\$5.00	\$21.00
Dale Vannoy	Office	3,864	60	New	Mar 2016	Gross	2% / Yr.	0.00	N/A	\$21.00

Comments

This comparable represents One La Costa, a 60,798 square foot, two story suburban office property which is located at 1016 La Posada Drive, Austin, TX. The property is located at the intersection of La Posada Drive and Camino La Costa in northeast Austin, TX. The property was constructed in 1981 and renovated in 2001. The property includes surface parking with a 3.65/1,000 SF parking ratio. The comparable is currently 92.9% leased with an asking rate of \$23.00 per square foot with a Full Service Gross structure. Lease terms range from 2 to 5 years with \$0.50 PSF annual increases. The most recent leases were executed in the \$20.00-\$22.00 PSF range on a 2-4 year lease terms with \$0.50 PSF annual increases. Leases in the near term pipeline are being negotiated at \$21.00-\$22.00 PSF start ranges with \$0.50/Year bumps according to the leasing agent. TIs are not typical for 2-year terms, but can be as high as \$15 on a 5-year term lease. The 2015 operating expenses were reported at \$8.88 per square foot.

A new NNN rental lease of 1,139 sq ft was created for Morales & Associates, PLLC commencing on 11/14/2016 for \$23.00 psf, with a lease term of 25 months. There is a 3:1,000 park ratio. Rent for the first 14 months was \$23.00 psf, then increased to \$23.50 for months 15-25.

Addendum D

CLIENT CONTRACT INFORMATION

CONTRACT FOR APPRAISAL SERVICES

This contract made and entered into on this 6th day of December, 2017, by and between the Travis Central Appraisal District (hereinafter “the District”) and CBRE, Inc. (hereinafter “the appraiser”). The agreement set forth in this contract represents the full extent of the agreement between the parties. Any prior agreements, estimates or proposals, not expressly contained in this document are null and void upon the signing of this contract.

For and in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged. The District and appraiser agree to bind and obligate themselves as follows:

Appraiser’s Obligations. Appraiser is to provide the District with an appraisal report estimating the market value of the fee simple interest of the land and improvements for the subject property. Only the surface rights of the subject property are to be included in the valuation. The effective date of the appraisal shall be as of January 1, 2018. The report shall follow the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.

Appraiser Independence. Appraiser cannot agree to provide an opinion that is contingent on a predetermined amount. Appraiser cannot guarantee the outcome of the assignment in advance. Appraiser cannot insure that the opinion developed as a result of this Assignment will serve to facilitate any specific objective by the District or others or advance any particular cause. The Appraiser’s opinion will be developed competently and with independence, impartiality and objectivity.

District’s Obligations. The District agrees to cooperate with and make every reasonable effort to assist the Appraiser and/or the work.

Subject Property. The appraiser will provide the District with an appraisal report on the following properties for tax year(s) 2018.

PID	Property
199815	408 W 17 Street
109019	The Tuscan Apartments
206179	Mesquite Tree
211802	Granada II
262110	Champion Chevrolet
325026	Southpoint Chrysler/Dodge
521523	Preserve at Bee Cave II
130360	5926 Balcones Place
306064	One West Hills Office
234163	National Western Life Ins Co
814207	34th & West
754302	Far West Medical Tower

PID	Property
312678	South Austin Medical Tower
212544	Pioneer Bank
864982	Walnut Park Apartments
208170	26 West
290469	Heights on Oltorf (Student Housing)
254020	Austin Beerworks
316301	The Yard/The Yard II
888345	Tito's Vodka
754099	Harris Ridge I & II
568929	Branch Creek Estate MH Park
304763	Trails of Oak Hill MH Park
513212	Little Texas MH Park

Payments. The District agrees to pay the Appraiser, for the work provided, in the sum of \$93,600.00 (ninety-three thousand six hundred dollars and no cents). The District shall pay the balance for each subject property upon delivery of the final report. The fee will cover without limitation, the initial appraisal assignment, consultation with District officials, meetings and travel expenses.

PID	Property	CBRE Cost
199815	408 W 17 Street	3,900.00
109019	The Tuscan Apartments	3,900.00
206179	Mesquite Tree	3,900.00
211802	Granada II	3,900.00
262110	Champion Chevrolet	3,900.00
325026	Southpoint Chrysler/Dodge	3,900.00
521523	Preserve at Bee Cave II	3,900.00
130360	5926 Balcones Place	3,900.00
306064	One West Hills Office	3,900.00
234163	National Western Life Ins Co	3,900.00
814207	34th & West	3,900.00
754302	Far West Medical Tower	3,900.00
312678	South Austin Medical Tower	3,900.00
212544	Pioneer Bank	3,900.00
864982	Walnut Park Apartments	3,900.00
208170	26 West	3,900.00
290469	Heights on Oltorf (Student Housing)	3,900.00
254020	Austin Beerworks	3,900.00
316301	The Yard/The Yard II	3,900.00
888345	Tito's Vodka	3,900.00
754099	Harris Ridge I & II	3,900.00
568929	Branch Creek Estate MH Park	3,900.00
304763	Trails of Oak Hill MH Park	3,900.00
513212	Little Texas MH Park	3,900.00
Total		93,600.00

Delivery Date & Method: The delivery date of the final appraisal report shall be no later than January 31, 2018. The intended delivery method shall be electronic. If at any time said appraiser realizes they will not be able to provide the final appraisal report by the final delivery date, they shall notify the District immediately. Upon discovery of this, the District has the right to terminate the contract and discontinue payment immediately. The District may also seek reimbursement for any monies paid out on the contract.

Termination of Contract. The District reserves the right to terminate this contract at any time for nonperformance and/or for failure to follow contract terms. If the District decides to terminate the contract for any of the reasons listed above, the District shall discontinue payment immediately and seek reimbursement for any monies paid out on the project. The District reserves the right to cancel this Agreement at any time prior to the Appraiser's delivery of the final appraisal report upon written notification to the Appraiser. In this case, the District shall pay the Appraiser for any work completed on the assignment prior to the Appraiser's receipt of the written cancellation notice, unless otherwise agreed upon between the Appraiser and District in writing.

Confidentiality. The appraisal is created by the appraiser, acting at the District's request, to assist the District in ensuring adherence with generally accepted appraisal practices. The appraisal is part of the deliberative process and policymaking function and may or may not be used in developing model specification, calibration or testing.

- i) ***Disclosure by Appraiser-*** The Appraiser shall not provide a copy of the final appraisal report or any work papers to, or disclose the results of the work product prepared in accordance with this Agreement with, any party other than the District, unless the District authorizes this disclosure in writing. Pursuant to the Confidentiality Section of the Ethics Rule of the Uniform Standards and Professional Appraisal Practice (USPAP), the Appraiser must protect the confidential nature of the appraiser-district relationship. The Appraiser must also act in good faith with regard to the legitimate interests of the District in the use of confidential information and in the communication of assignment results. Furthermore, the Appraiser must not disclose confidential information or assignment results prepared for the District to anyone other than the District and persons specifically authorized by the District.
- ii) ***Disclosure by District-*** The District may disclose appraisals and supporting data in accordance with the laws of the state of Texas, including but not limited to, the Public Information Act and the Texas Property Tax Code.

Changes to Agreement. Any changes to the assignment as outlined in this Agreement shall necessitate a new Agreement. The identity of the District, intended users, or intended use, the date of value, type of value, or property appraised cannot be changed without the signing of a new Agreement.

Third Party Beneficiaries. Nothing in the Agreement shall create a contractual relationship between the Appraiser or the District and any third party, or any cause of action in favor of any third party. This Agreement shall not be construed to render any person or entity a third party beneficiary of this Agreement, including but not limited to, any third parties identified herein.

Testimony at Court or Other Proceedings. Unless otherwise stated in this Agreement, the District agrees that the Appraiser's assignment pursuant to this Agreement shall not include the Appraiser's participation in or preparation for, whether voluntarily or pursuant to subpoena, any oral or written discovery, sworn testimony in a judicial, arbitration or administrative proceeding, or attendance at any judicial, arbitration, or administrative proceeding relating to this assignment. Any participation, preparation or attendance at any judicial, arbitration, or administrative proceeding would constitute a new agreement.

Prohibition of boycotting Israel. Local Government Code, Section 2270 prohibits all local government agencies from contracting with companies who boycotts Israel or plans to boycott Israel during the term of this contract. By signing this contract, you confirm that you have not and do not plan to during the term of this contract boycott Israel.

Governing Law & Jurisdiction. The interpretation and enforcement of this Agreement shall be governed by the laws of the State of Texas.

Mutual Arbitration Clause. The parties agree to arbitrate any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including but not limited to the determination of the scope or applicability of this agreement to arbitrate.

The following exhibits listed below are incorporated by reference as a part of this signed contract:

Exhibit A- TCAD General Provisions

District:

Appraiser:

Leana H. Mann

Finance & Facilities Director

Travis Central Appraisal District

Name Grant Mueller, MAI

Title Managing Director

Company (if Applicable) _____

As Agent of CBRE, Inc.

12/06/2017



Travis Central Appraisal District

General Provisions

1. Travis Central Appraisal District (the District) is a government agency, duly organized and existing under the Constitution and Laws of the State of Texas as set forth in the Texas Property Tax Code and is a political subdivision thereof, within the meaning of Section 103(c) of the Internal Revenue Code of 1986.
2. The District is authorized under the Constitution and Laws of the State of Texas to enter into those transactions contemplated, and to perform all of its obligations. The District operates on a calendar year budget cycle.
3. The District is governed by a ten member Board of Directors, nine members appointed by the taxing jurisdictions for which the District appraises property plus the county tax assessor-collector who serves as a non-voting member. The District has obtained such approvals and consents as are necessary to complete this proposal.
4. Services and equipment will be used for governmental purposes and will be exempt from all taxes presently assessed and levied.
5. The contents of the successful proposal will become a part of the contract. Any damages accruing to the District as a result of the contractor's failure to contract may be recovered from the contractor.
6. Contractors shall be an independent contractor in the performance of this contract.
7. The contractor agrees that he shall be in compliance with all laws, statutes, and other Federal, State, and Local provisions prevailing during the term of this contract.
8. The contractor shall designate a representative in charge of this project who will be available, knowledgeable, and authorized to execute binding agreements with the District.
9. Failure of the District to insist in any one or more instances upon performance of any term and/or condition of this contract shall not be construed as a waiver or relinquishment of the future performance of terms and/or conditions.
- 10. Contractors shall indemnify and hold harmless Travis Central Appraisal District, its officers, agents, Board of Directors and employees from any and all claims of losses which may result from any negligence or misconduct on the part of the contractor, his agents, employees, or representatives and shall in all ways hold the District, its officers, agents, Board of Directors and employees harmless**

from any such claims, losses, or damages regardless of whether or not such may be caused in part by an officer, agent, director or employee of the District.

11. Contact person at the District is Mrs. Leana H. Mann, Finance and Facilities Officer, phone number (512) 834-9317, extension 405. Any questions concerning specification should be in writing to Mrs. Leana H. Mann at P.O. Box 149012, Austin, Texas 78714-9012 or at 8314 Cross Park Drive, Austin, Texas 78754. E-mail is Lmann@tcadcentral.org.

Addendum E

QUALIFICATIONS

Grant Mueller, MAI

Managing Director, Austin, TX

CBRE



T - 512 499 4909
M - 512 501 9444
grant.mueller@cbre.com

500 W. 2nd Street, Suite 1700
Austin, TX 78701
www.cbre.com/grant.mueller

Clients Represented

- Amegy Bank
- BBVA Compass
- Bank of the Ozarks
- BancorpSouth
- Capital One
- First United Bank
- Frost National Bank
- JPMorgan Chase Bank
- Moody National Bank
- Prosperity Bank
- PlainsCapital Bank
- US Bank
- Washington Federal
- Texas Capital

Experience

Grant B. Mueller, MAI is a Managing Director with over fourteen years of real estate appraisal and consulting experience. Mr. Mueller is in the Valuation & Advisory Services Group's Austin office in the South Central Region. Mr. Mueller's primary geographical location is Central Texas with a focus on Austin.

Mr. Mueller is a designated member of the Appraisal Institute. For over a decade, Mr. Mueller specialized in the valuation of office, medical office, and industrial property types and is a member of the Office Valuation Group, Medical Office Valuation Group, and Industrial Valuation Group.

Mr. Mueller's experience encompasses a wide variety of commercial property types including single and multi-tenant office, medical office, industrial facilities, multi-family properties, mixed-use projects, self-storage facilities, single and multi-tenant retail, land use developments, and specialty use buildings. Mr. Mueller has experience providing valuation and appraisal services, market studies, rent analyzes, income and expense analysis and cash flow projections.

Prior to joining CBRE, Mr. Mueller was an appraiser at National Appraisal Partners in Houston, Texas.

Professional Affiliations / Accreditations

- General Certified Real Estate Appraiser, State of Texas
- Appraisal Institute, Designated Member (MAI)
- RECA Member

Education

- University of Texas, Austin, Bachelor of Arts in Liberal Arts
- Appraisal Institute, Various Appraisal Courses
 - USPAP
 - Business Practices and Ethics
 - Eminent Domain and Condemnation
 - Green Buildings: Principals & Concepts
 - Subdivision Valuation
 - Analyzing Operating Expenses
 - Small Hotel / Motel Valuation
 - Forecasting Revenue
 - Advanced Applications
 - Report Writing and Valuation Analysis
 - Market Analysis and Highest & Best Use
 - Advanced Sales Comparison & Cost Approaches
 - Advanced Income Capitalization
 - Appraisal Procedures
 - General Applications

Texas Appraiser Licensing and Certification Board

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

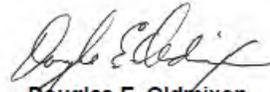
Certified General Real Estate Appraiser

Number: **TX 1337145 G**

Issued: **06/14/2017** Expires: **07/31/2019**

Appraiser: **GRANT BRANDEN MUELLER**

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


Douglas E. Oldmixon
Commissioner

QUALIFICATIONS OF

GEORGE L. PEREIRA
Senior Appraiser

CBRE, Inc.
VALUATION & ADVISORY SERVICES
500 W 2nd Street, Suite 1700
Austin, Texas 78701
(512) 499-4936 Direct Line
George.pereira@cbre.com

FORMAL EDUCATION

Southern Methodist University– B.A., 2001

CONTINUING EDUCATION

All Continuing Education Requirements Are Complete and Current

PROFESSIONAL AFFILIATIONS & DESIGNATIONS ATTAINED

Certified General Real Estate Appraiser State of Texas (1380210-G),
Expires 02/28/2019

Appraisal Institute – Candidate for Designation

EMPLOYMENT EXPERIENCE

Real estate professional with over 10 years of experience in valuation and consulting services. Thorough knowledge of complex real property valuations, real estate financing and regulatory guidelines.

July 2014 – Present	CBRE, Inc. Valuation & Advisory Services Senior Appraiser	Austin, Texas
2013 – 2014	Pereira Realty Advisors Appraisal/Consulting Company Principal	Houston, Texas
2011 – 2013	Deal, Sikes & Associates Appraisal/Consulting Company Associate Appraiser/Consultant	Houston, Texas
2010 – 2011	ThoreenHale, CRE Advisors Appraisal/Consulting Company Associate Appraiser/Consultant	Houston, Texas
2007 – 2010	Lewis Realty Advisors Appraisal/Consulting Company Associate Appraiser/Consultant	Houston, Texas

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

GEORGE LANCE PEREIRA
14006 RAGUS LAKE DR
SUGAR LAND, TX 77498

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

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

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

Texas Appraiser Licensing and Certification Board
P.O. Box 12188 Austin, Texas 78711-2188

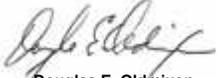
Certified General Real Estate Appraiser

Number#: **TX 1380210 G**

Issued: **02/15/2017** Expires: **02/28/2019**

Appraiser: **GEORGE LANCE PEREIRA**

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


Douglas E. Oldmixon
Commissioner

Texas Appraiser Licensing and Certification Board

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

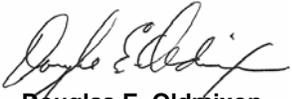
Certified General Real Estate Appraiser

Number: **TX 1380210 G**

Issued: **02/15/2017** Expires: **02/28/2019**

Appraiser: **GEORGE LANCE PEREIRA**

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


Douglas E. Oldmixon
Commissioner