

*An Appraisal Report*  
of 378.17 Acres of  
Agricultural Land  
Located 20.00 miles northeast of Throckmorton,  
Throckmorton County, Texas

Effective Date  
November 16, 2022

Requested By  
Mr. Milton Purvis  
Polk County  
936-398-4171  
milton.purvis@co.polk.tx.us



Prepared By  
**WT Appraisal, Inc.**  
800-340-5039  
www.wtappraisal.com  
Job No. 2022-1044

December 20, 2022

Mr. Milton Purvis  
Polk County  
936-398-4171  
milton.purvis@co.polk.tx.us

**RE: An *Appraisal Report* of 378.17 acres of agricultural land located approximately 20.00 miles northeast of Throckmorton, in Throckmorton County, Texas.**

Dear Mr. Purvis,

In accordance with your letter we have prepared an *Appraisal Report* of the property referenced above. The purpose of the appraisal is to estimate the current "as is" market value, as defined in the *attached* report, of the fee simple interest in the property as of the effective date of the appraisal. We understand that the function of the report is to establish market value of the property to assist the client, Polk County and associated parties, with internal decision making regarding the Subject Property.

The effective date of this appraisal is November 16, 2022, and is based on data and market conditions prevailing on that date. The research and analysis contained herein was conducted during the months of November and December 2022.

By reason of our investigation and analysis of data contained in the *attached* report, other information in our files, and our experience in the real estate and appraisal profession, it is our opinion that the "as is" market value of the fee simple estate, surface only, in the subject property, as of November 16, 2022, was in round numbers:

**SEVEN HUNDRED TWENTY THOUSAND DOLLARS  
\$720,000**

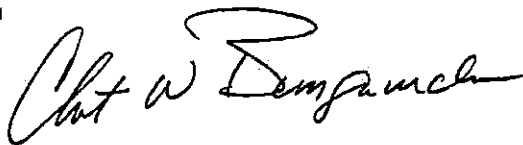
This value estimate is subject to the assumptions and limiting conditions as set out within the *attached* appraisal report. This report is the result of a complete appraisal process. In our opinion, this report conforms to the Standards of Professional Practice of the Appraisal Institute, the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Standards Board of The Appraisal Foundation, and the specific appraisal standards set out by the client.

It should be noted that, to our knowledge, no environmental hazard was known to be located on the property, as of the effective date of this appraisal. Furthermore, as a result of our analysis, we have concluded that the property has no scientific, cultural or historic value.

DISTRIBUTION and USE of REPORT ~ Neither all nor any part of the contents of this report, or copy thereof, shall be distributed without the prior written consent of the Appraiser. Possession of this report or any copy thereof does not carry with it the right of publication, nor may it be used for other than its intended use. Neither all nor any part of this appraisal report shall be conveyed to the general public through advertising, public relations, news, sales or other media, without the written consent and approval of the Appraiser. The physical report(s) remain the property of the Appraiser for the use of the client-the fee being for the analytical services only.

We thank you for the privilege of serving you and should you have any questions, please contact us.

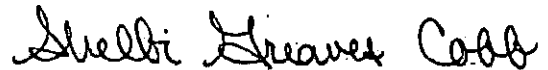
Sincerely yours,



Clint W. Bumguardner, MAI, ASA  
State Certification No. TX-1321020-G



Sam Walker, Appraiser  
State Certification No. NM-03611-G  
State Certification No. TX-1380450-G



Shelbi Greaves Cobb, Appraiser Trainee  
Authorization No. TX-1342556

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## ADDENDA

Assumptions and Limiting Conditions  
Qualifications of the Appraisers  
Letter of Engagement  
Photographs of Subject

## Summary of Salient Facts, Data and Conclusions

<b>Property Appraised:</b>	378.17 acres of agricultural land located approximately 20.00 miles northeast of Throckmorton, Throckmorton County, Texas
<b>Property Type:</b>	Agricultural land consisting of 378.17 acres of native pasture and brush and dryland cultivation located in Throckmorton County, Texas.
<b>Location:</b>	The subject is identified as 378.17 acres located approximately 20.00 miles northeast of Throckmorton and 1.50 miles west of Buckalew Road, Throckmorton County, Texas.
<b>GPS Coordinates:</b>	Latitude: 33° 22' 29.97" North Longitude: 99° 02' 55.33" West
<b>Legal Description:</b>	Being 378.17 acres of land out of Tract No. 20, Section Nos. 21 and 22, Polk County School Lands, Throckmorton County, Texas  <i>The appraisers were provided a survey of the subject property by the client. The size used in this appraisal was the size indicated by the survey and is assumed to be correct. If the size of the subject property changes, our value is subject to change.</i>
<b>Purpose of Appraisal:</b>	The purpose of the appraisal is to develop an opinion of the "As Is" market value of the subject property.
<b>Property Rights Appraised:</b>	The property rights appraised for the subject property is the fee simple interest.
<b>Client Identity and Intended Users of the Appraisal:</b>	This report is intended for use only by the client, Polk County and associated parties. Use of this report by others is not intended by the appraisers.

## Summary of Salient Facts, Data and Conclusions

<b>Intended Use of Appraisal:</b>	The intended use of this appraisal is to assist Polk County and associated parties, with internal decision making regarding the Subject Property. This report is intended for use only by the client, Polk County and associated parties. Use of this report by others is not intended by the appraisers. This report is intended only for use for internal decision making. No purchaser or seller of the subject property, nor any borrower are intended users of this appraisal and no such parties should use or rely on this appraisal for any purpose. All such parties are advised to consult with appraisers or other professionals of their own choosing.
<b>Effective Date of Valuation:</b>	November 16, 2022
<b>Land Data:</b>	
<b>Size:</b>	378.17 acres
<b>Shape:</b>	Somewhat rectangular
<b>Access:</b>	There is no legal access provided to the subject property.
<b>Land Use:</b>	Native pasture and brush
<b>Topography:</b>	Level to gently rolling
<b>Flood Zone:</b>	According to FEMA Flood Map Panel Number 4810210003A, dated May 27, 1980, the Subject Property did not lie in a flood hazard zone. As of the physical inspection, drainage of the subject property appeared to be adequate for use as agricultural ranch land. <i>It is recommended that a survey by a registered surveyor be performed to determine exact elevations, flood status and the amount of acreage that might be affected.</i>
<b>Improvements:</b>	There are no structural improvements on the subject property. Site improvements include interior dirt roadways.
<b>Utilities:</b>	None

## Summary of Salient Facts, Data and Conclusions

### Easements, Restrictions, and Encroachments:

Typical utility easements were assumed on the property. A physical inspection of the property did not reveal any adverse encroachments.

### Natural, recreational, cultural or scientific value:

The appraisers were not provided with a study regarding natural, recreational, cultural or scientific amenities on the subject and are not qualified as experts in determining value attributed with these amenities. If a subsequent study is completed and indicates a value for any of these specific amenities, the appraisers reserve the right to modify the value conclusions in this report.

### Nuisances, Hazards and Detrimental Influences:

We were not provided with an environmental study on the subject property. For purposes of this appraisal assignment, we have assumed that no hazardous conditions affect the subject site. If subsequent environmental studies indicate a hazardous condition at the subject site, it could affect the value conclusions in this report.

### Current Use:

Agricultural/Recreational Land

### Highest and Best Use:

Agricultural/Recreational Land

### Assessed Value (2022)

Land Market Value:

\$ 3,980,100

Improvement Value:

\$ 1,890

Ag Value :

\$ 479,380

Assessed Value :

\$ 3,981,990

\*Tax records are for a larger 3,551 acre tract of land

## Summary of Salient Facts, Data and Conclusions

Indicated Improvement Value by  
Cost Approach: N/A

Indicated Value by  
Sales Comparison Approach: \$720,000

Indicated Value by  
Income Approach: N/A

<b>FINAL MARKET VALUE INDICATION:</b>	<b>\$720,000</b>
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Estimated Exposure Time: 6-12 months



## **WT Appraisal, Inc. Assumptions**

The term "Appraiser", as referenced herein, refers to the appraiser preparing the report, the appraiser's employer for purposes of this appraisal and other employees of the\_ employer and/or appraiser.

1. LIMIT of LIABILITY -The liability of the Appraiser is limited to the client and to the fee collected with no liability or obligation to any other third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The Appraiser assumes no responsibility for any costs incurred to discover or correct deficiencies of any nature present in the property.

2. CONFIDENTIALITY -This appraisal is to be used only in its entirety; no part is to be used without the entire report. All conclusions and opinions concerning the analysis set forth in the report were prepared by the specific appraiser(s) whose signature(s) appear(s) on the appraisal report, unless indicated otherwise in the report. No change in the report shall be made by anyone other than this appraiser. The Appraiser shall have no responsibility if any such unauthorized change is made.

The Appraiser shall not divulge the material contents of this report, analytical findings or conclusions, or give a copy of the report to anyone other than the client or client's designee as specified in writing, except as may be required by appraisal organizations to which the Appraiser belongs as they may request in confidence for ethics enforcement, or by court of law or other body with the power of subpoena.

## ***Identification of Subject Property***



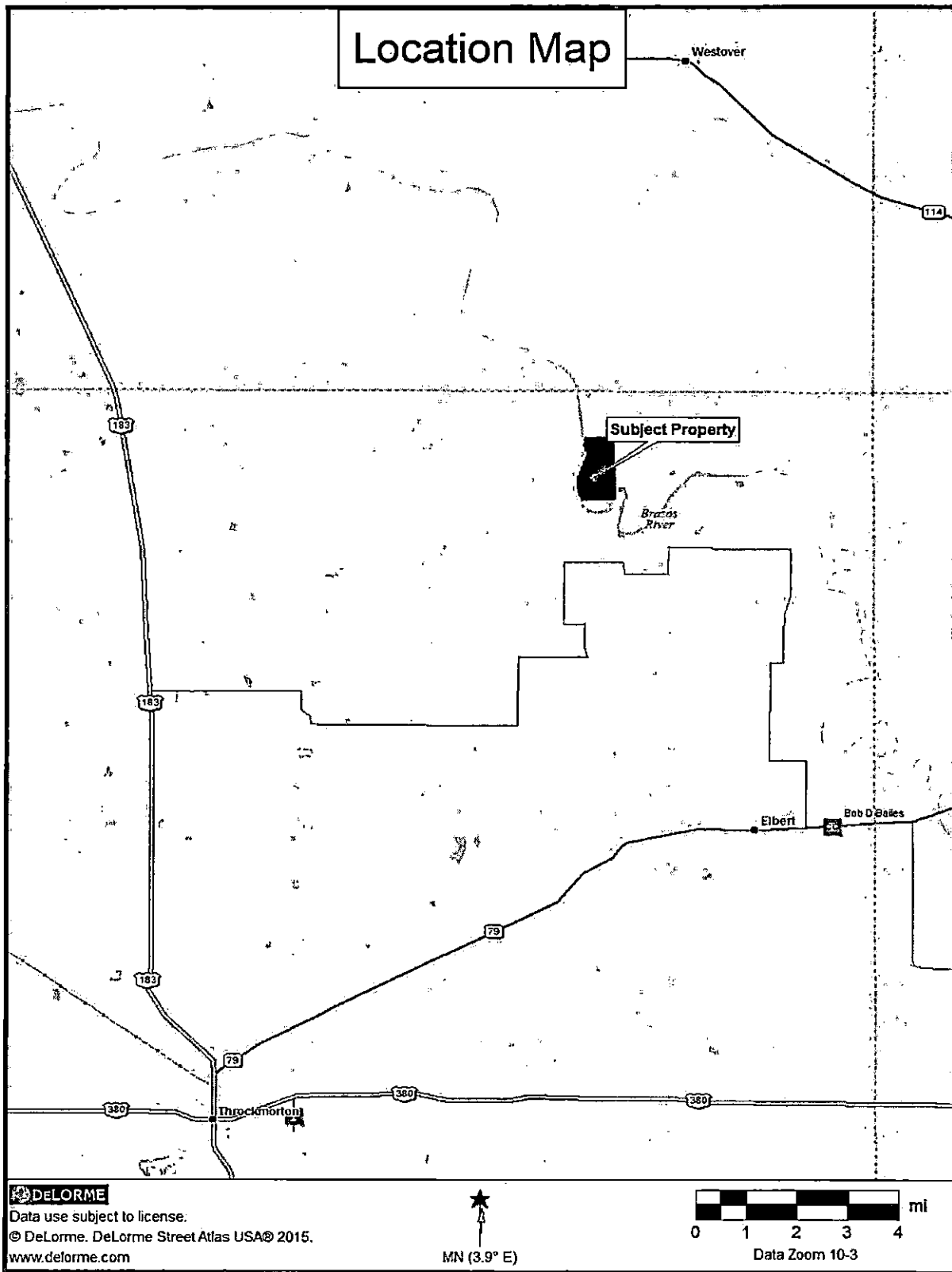
The subject is identified as one contiguous tract of land that encompasses 378.17 acres, consisting of native pasture and brush and dryland cultivation with average views, located approximately 20.00 miles northeast of Throckmorton, in the northeastern portion of Throckmorton County, Texas. The subject is somewhat rectangular in shape and level to gently rolling in topography. The subject property has no legal access to the property.

## **Legal Description**

The subject property legal description is as follow:

Being 378.17 acres of land out of Tract No. 20, Section Nos. 21 and 22, Polk County School Lands, Throckmorton County, Texas

*The appraisers were provided a survey of the subject property by the client. The size used in this appraisal was the size indicated by the survey and is assumed to be correct. If the size of the subject property changes, our value is subject to change.*



# SCOPE OF WORK

## Appraisal Problem to be Solved

The problem to be solved in this appraisal assignment is to support and develop an opinion of the "As Is" market value of the subject, as of the effective date of appraisal, subject to the assumptions and limiting conditions set forth in the appraisal. The fee simple interest in the subject property is being appraised.

## Intended Use and Intended Users of the Appraisal

The intended use of this appraisal is to assist Polk County and associated parties, with internal decision making regarding the Subject Property. This report is intended for use only by the client, Polk County and associated parties. Use of this report by others is not intended by the appraisers. This report is intended only for use for internal decision making. No purchaser or seller of the subject property, nor any borrower are intended users of this appraisal and no such parties should use or rely on this appraisal for any purpose. All such parties are advised to consult with appraisers or other professionals of their own choosing.

## Effective Date of Appraisal and Date of Report

This appraisal has an effective date of November 16, 2022 and is based on data and market conditions prevailing on that date. This appraisal report was written during the months of November and December 2022 and was completed on December 20, 2022.

## Property Rights Appraised

In this particular appraisal, the property rights appraised consist of the fee simple interest in the subject. A **fee simple interest** is defined as:

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

## Type and Definition of Value Used in the Appraisal

Market Value—As defined in the Farm Credit Administration Statutes and Regulations, the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming neither is under duress. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;

- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.<sup>1</sup>

## **Extent of Property Identification**

### **Physical Characteristics**

The total area of the subject site is 378.17 deeded acres and consists of a heavy to dense covering of native pasture and brush and dryland cultivation. The land site is somewhat rectangular in shape, and level to gently rolling in topography providing for average recreational views. There are no structural improvements on the subject property. Site improvements include interior dirt roadways. The subject property is accessed by traversing through the neighboring private property which has locked gates. There is no legal access provided to the subject property. According to FEMA Flood Map Panel Number 4810210003A, dated May 27, 1980, the Subject Property did not lie in a flood hazard zone. As of the physical inspection, drainage of the subject property appeared to be adequate for use as agricultural ranch land.

### **Legal Characteristics**

We relied on information from surveys, deeds and county records concerning easements, restrictions and other encumbrances. The subject legal description is:

Being 378.17 acres of land out of Tract No. 20, Section Nos. 21 and 22, Polk County School Lands, Throckmorton County, Texas

*The appraisers were provided a survey of the subject property by the client. The size used in this appraisal was the size indicated by the survey and is assumed to be correct. If the size of the subject property changes, our value is subject to change.*

### **Economic Characteristics**

According to the lessee, Mr. Clint McAdam, the subject property was leased to the neighboring property for \$10 per acre for the native pasture, \$21.60 per acre for the dryland cultivation, and \$3 per acre for hunting or approximately \$5,550 per year. The appraisers are unaware of any lease agreements that are detrimental to the Subject Property.

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<sup>1</sup> Farm Credit Administration Statutes & Regulations; Part 614, Subpart F, Section 614.4240

### **Extent of Property Inspection**

The subject property was photographed and viewed on ground. Size and measurement information for the land site was based on the survey provided by the client. Size and measurement information for the improvements was based on information from, on-site measurements and information from the property owner. The inspection was performed in order to gather information about the physical characteristics of the subject that are relevant to the valuation problem. The inspection was conducted on November 16, 2022, and the appraisers were accompanied by the lessee, Mr. Clint McAdam, during the physical inspection.

### **Type and Extent of Data Researched**

Comparable improved sales were obtained and verified by principals, brokers or appraisers in order to form an opinion of value for the subject by the sales comparison approach and income approach. All of the sales used were inspected either physically or by plats and/or photographs. In addition, we reported the current assessed value and the applicable tax rates as provided by the County. We reviewed factors controlling highest and best use, formed a preliminary opinion, and checked that opinion against collected data for reasonableness. We also reviewed employment, population, and other demographic data from various federal and local governmental agencies for analysis and reliance on for demographic trends. Clint Bumguardner, Sam Walker, and Shelbi Greaves Cobb provided real property appraisal assistance within the type and extent of data researched.

### **Type and Extent of Analysis Applied**

The value opinion presented in this report was based upon review and analysis of the market conditions affecting real property value of competitive properties and sales in Throckmorton County and surrounding counties.

The appraisal problem did not warrant an intensive highest and best use study. Given the nature of the subject real estate, our conclusion of highest and best use was based on logic, observed evidence and our experience in the real estate appraisal profession. In the Sales Comparison Approach, a comparative analysis of relevant factors that influence value was undertaken to adjust the sales to the subject based upon the actions and preferences demonstrated by the participants in the market and based upon the appraiser's knowledge and experience in the appraisal business. Thus, the sales comparison approach to value was utilized to form an opinion of value for the subject property. The Cost Approach was not utilized as the subject property did not contain any structural improvements. Clint Bumguardner, Sam Walker, and Shelbi Greaves Cobb provided real property appraisal assistance within the type and extent of data researched.

## **History of Subject Property**

According to Standard Rule 1-5, as set out in the Uniform Standards of Professional Appraisal Practice by the Appraisal Standards Board of the Appraisal Foundation, effective January 1, 2012, a three year sales history of the subject property shall be included for all non-residential real estate.

The subject property is currently under the ownership of the Polk County School Lands and has been under this ownership for the previous three years. To our knowledge there have been no other sales or listings of the subject property during the past three years.

## **Exposure Time Analysis**

In accordance with the market value definition contained herein, as requested by the client, consideration has been given to a reasonable estimated exposure period for the subject property **at the appraised value estimate herein.**

Exposure time may be defined as follows: The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market. The reasonable exposure period is a function of price, time, and use, not an isolated opinion of time alone.

Based upon the historical activity of sales similar to the subject and the appraiser's personal conversations with area agents/brokers, appraisers, and property owners familiar with the subject market, it is our opinion that a reasonable exposure time for agricultural properties in the Throckmorton County, Texas area to be approximately 6 to 12 months.

## **Marketing Time Analysis**

In accordance with the market value definition contained herein, as requested by the client, consideration has been given to a reasonable estimated exposure period for the subject property **at the appraised value estimate herein.**

A normal marketing period is a function of various factors including prevailing market conditions, the price of the product being marketed, the competitive position of the property in the market, and the amount and quality of marketing effort allocated to the property. It is strongly emphasized that the appraiser has no control over the aforementioned factors, nor can the appraiser anticipate or predict any of them. Therefore, it is assumed that the property will receive an adequate marketing effort.

Based upon the historical activity of sales similar to the subject and the appraiser's personal conversations with area agents/brokers, appraisers, and property owners familiar

with the subject market, it is our opinion that a reasonable marketing time for the subject property is approximately 6 to 12 months.

### **Competency Statement**

The appraiser(s) have valued numerous farm and ranch properties within the State of Texas during the past ten years. In addition, the appraiser(s) have valued several agricultural properties in the subject area over the past five years. For these reasons, the appraiser(s) have the professional competency required to appraise the subject property. Mr. Bumguardner is a member of the Appraisal Institute (MAI No. 10161) as well as a State Certified General Real Estate Appraiser in the state of Texas, certificate number TX-1321020-G. Mr. Walker is a State Certified General Real Estate Appraiser in the State of Texas, certificate number TX-1380450-G.

### **Report Type**

This is an Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. As such, it presents summarized discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated herein. The appraiser is not responsible for unauthorized use of this report.



## Throckmorton County Area Analysis

Analysis of a local economy often focuses on trends in population, employment and income. The conditions and potential of the local economy are relevant to most appraisal assignments. The value of real estate in a community is influenced by the demand for its use. The demand for various types of real estate, including vacant land, depends on the population of the market that the real estate serves, the effective purchasing power of this population, and their desire to own real estate. Demand may change for various types of real estate and between real estate and non-realty investment sources. "Market areas are defined by a combination of factors, such as, physical features, the demographic and socioeconomic characteristics of the residents or tenants, the condition of the improvements, and land use trends."<sup>2</sup>

### Location

Throckmorton County is located in north-central Texas and is bordered to the north by Baylor County, on the west by Jones and Haskell Counties, on the east by Young and Stephens Counties, and to the south by Shackelford County. Founded in 1879, the County encompasses a total area of 915 square miles or 585,818 acres and was named for an early Collin County settler, William Throckmorton. The County consists of rolling and hilly terrain drained by the tributaries of the Brazos River. The Clear Fork of the Brazos River runs through the southern part of the county. Throckmorton County is primarily rural in nature with most of the roads providing access for the agricultural sector.

The town of Throckmorton is the largest town and County seat, which is located in the central portion of the County. Major highways which provide access to the area include U. S. Highways 380 and 283. US 180 runs east/west and provides access to Haskell to the west and Graham and Dallas/ Fort Worth to the east. U.S. Highway 283 provide access to Seymour to the north and Albany to the south. All of these roads are in good condition and provide the area with adequate access.

### Demographics

Throckmorton County has experienced an overall decline in population since the 1980's. From 2010 to 2017, the population declined 6.9%. According to the U.S. Census, residents 65 years and older comprise 24.9% of the population in the County; the median age is 47.6 years. The following chart illustrates population trends for Throckmorton County from 1980 to 2020.

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<sup>2</sup>The Appraisal of Real Estate, Fourteenth Edition, Appraisal Institute, 2013 p. 166.

POPULATION STATISTICS		
Year	Throckmorton Co.	Change
1980	2,053	
1990	1,880	-8.43%
2000	1,850	-1.60%
2010	1,641	-11.30%
2013	1,600	-2.50%
2015	1,579	-1.31%
2016	1,533	-2.91%
2017	1,527	-0.39%
2018	1,515	-0.79%
2019	1,436	-5.21%
2020	1,440	0.28%

U.S. Census statistics state that the per capita income in the County in 2020 dollars was \$31,628, and the median household income was \$41,875. Median value of owner-occupied housing units was \$58,600.

### **Economy**

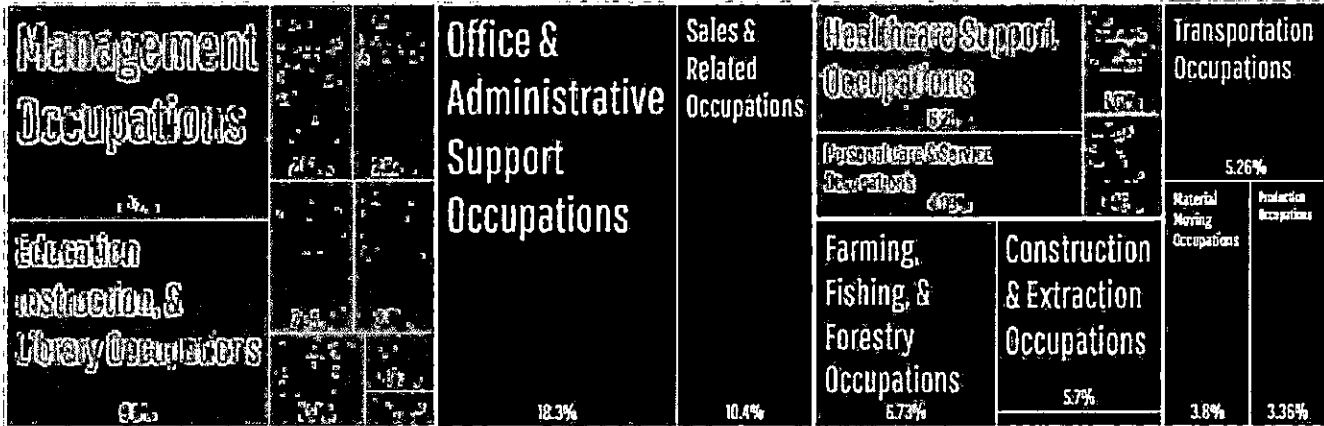
Agriculture is one of the primary businesses in the county generating the majority of the area's total income. The major livestock product is beef cattle with chief crops being wheat, cotton, hay, oats and milo. Oil and gas also plays an important role in the area's economy. Other factors influencing the areas economy include the seasonal influx of recreational hunters, primarily for deer and turkey.

The most recent agricultural statistics as published by the USDA, NASS show that as of January 1, 2020, Throckmorton County had 43,000 head of cattle with beef cows comprising 17,900 head. Cash rents as of January 1, 2020 for non-irrigated cropland totaled \$15.00 while cash rents for pastureland totaled \$6.20.

The unemployment rate for Throckmorton County has continually stayed near or below the Texas unemployment rate. As of September, 2020 Throckmorton County's unemployment rate was 6.2% as compared to the State's rate of 8.3%.

From 2018 to 2019, employment in Throckmorton County, TX declined at a rate of -2.7%, from 703 employees to 684 employees.

The most common job groups, by number of people living in Throckmorton County, TX, are Office & Administrative Support Occupations (125 people), Sales & Related Occupations (71 people), and Management Occupations (70 people).



### Public Services

Utility service to the area includes electricity by Fort Belknap Electric Co-Op in Olney and BK-Tri County Electric Co-Op in Seymour while At&T provides telephone service. Most of the rural portions of the area are served by rural coop water systems or private wells and septic systems. The Throckmorton County Sheriff's Department is responsible for law enforcement while fire protection is from various volunteer fire departments. Public education for the subject area is provided by the Throckmorton Independent School Districts which educates approximately 342 students in 2 public schools.

### Terrain

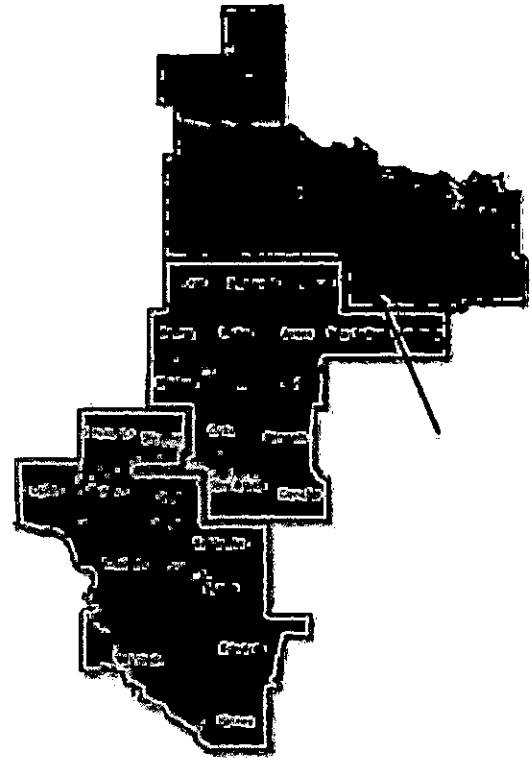
Throckmorton County is primarily hilly to rolling with some rough and rocky terrain. Predominate soil types are upland range sites which are deep and moderately deep, loamy soils that are primarily limited to native and improved pasture uses. The area drains to tributaries of the Brazos river. Altitude ranges from 1,200 feet in the northeastern part of the county to 1,957 feet in the southwestern part.

### Climate

The average high temperature for the area is 97 degrees in July with an average low in January of 31 degrees Fahrenheit. Annual rainfall averages is 28.6 inches and the length of the growing season averages approximately 224 days.

**Real Estate Market**

Throckmorton County is located in Region 3 of Texas, and specifically the North Central Plains – North Texas Region (LMA 12) in research studies performed by the Texas A&M University Real Estate Center in conjunction with the Texas Chapter of the ASFMRA. The North Central Plains – North Texas Region includes Archer, Baylor, Childress, Clay, Collingsworth, Cottle, Dickens, Donley, Foard, Hall, Hardeman, Jack, King, Motley, Throckmorton, Wheeler, Wichita, Wilbarger and Young Counties.



According to *Texas 2021 Rural Land Value Trends*, an article published by the ASFMRA Texas Chapter, in the North Texas area, “Farmland prices have risen in this area over the past year. This was likely due to the increase in commodity production and prices last fall. Typically, farm buyers purchase properties after a good year. However, the lease rates continue to be stable due to the increase of input costs.”

“The prices for pastureland have risen in the past year. However, this rise has been primarily in properties under 2,000 acres. The ranches over 2,000 acres were stable from 2020 to 2021. It should also be noted that Young and Jack Counties, located on the extreme southeast corner of North Texas have had some land sales significantly higher than the range in this report. This is due to the proximity to Fort Worth and Dallas as well as the amount of desirable properties versus farther west.”

An illustration of the observations for the North Texas Regional Market follows:

<b>North Texas Regional Market Observations</b>				
<b>Land Use or Class</b>	<b>Value Ranges</b>	<b>Activity/Trend</b>	<b>Rental Range</b>	<b>Activity/Trend</b>
Irrigated Cropland	\$1,200 to \$2,600	Active/Increasing	\$40 to \$90	Stable/Stable
Class II & II Dry Crop	\$900 to \$1,700	Active/Increasing	\$30 to \$50	Stable/Stable
Class IV & V Dry Crop	\$800 to \$900	Active/Stable	\$15 to \$30	Stable/Stable
Rangeland > 2,000 Acres	\$700 to \$1,500	Active/Stable	\$8 to \$12	Stable/Stable
Rangeland < 2,000 Acres	\$700 to \$3,000	Active/Increasing	\$8 to \$15	Stable/Stable
Hunting Lease Rangeland			\$6 to \$15	Stable/Stable

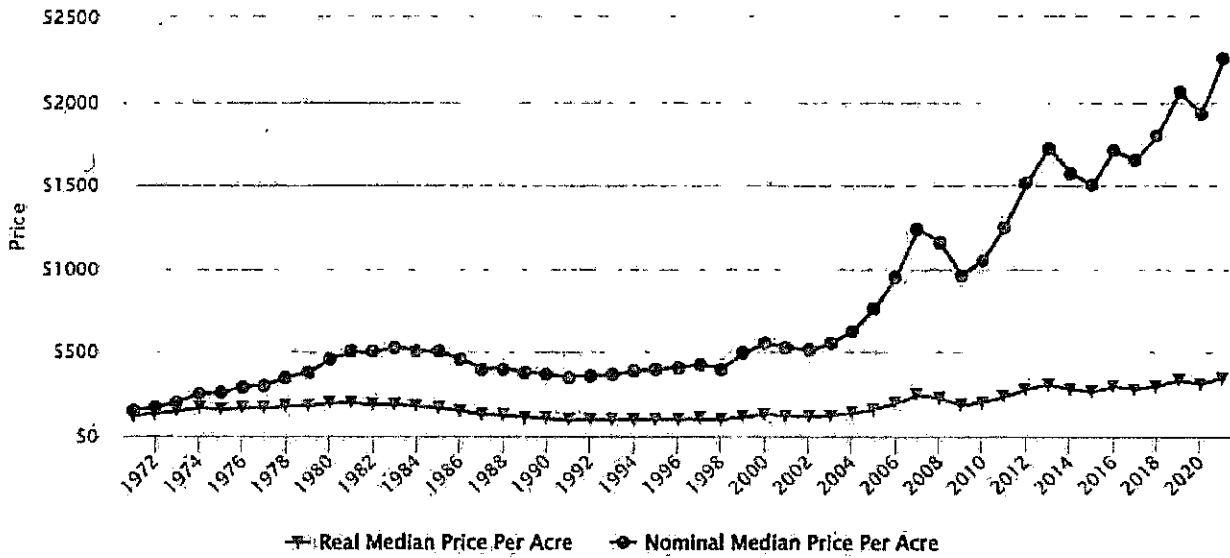
Rangeland lease rates per animal unit year long range from \$150 to \$240

General highlights of the overall regional market as observed by the ASFMRA are as follows:

1. Region Three has seen a large increase in competition for residential properties. Residential properties in this area could be up to several hundred acres in size. This appears to be due to the pandemic and the ability of people to work remotely from rural locations.
2. Recreational tracts have seen a large jump in price throughout the area. This is particularly evident in the properties that are under 2,000 acres has also seen an increase. However, the price rise in properties over 2,000 acres is significantly smaller than the price increase for properties under 2,000 acres.
3. Farmland prices continue to be somewhat stable with exception of a few areas that have seen a slight rise in prices. This is due primarily to the continued increase in production costs, which has offset any increase in commodity prices.
4. The area continues to see solar and wind development, particularly in the North Texas and Central Texas areas of Region Three. However, one solar project was scrapped in Tom Green and Runnels County in 2021 during the option period. In addition to the wind and solar, there has been interest in areas in this region along major power lines for bit coin mining. These mining operations require a large amount of computer processing an, therefore, the necessity to place these bit coin mining operations in rural areas away from homes.
5. Some of the buyers in the region are developers. These developers typically by larger parcels and divide them into smaller tracts. The large parcels range from a section to several sections and the smaller tracts range from 20 acres to 400 acres.

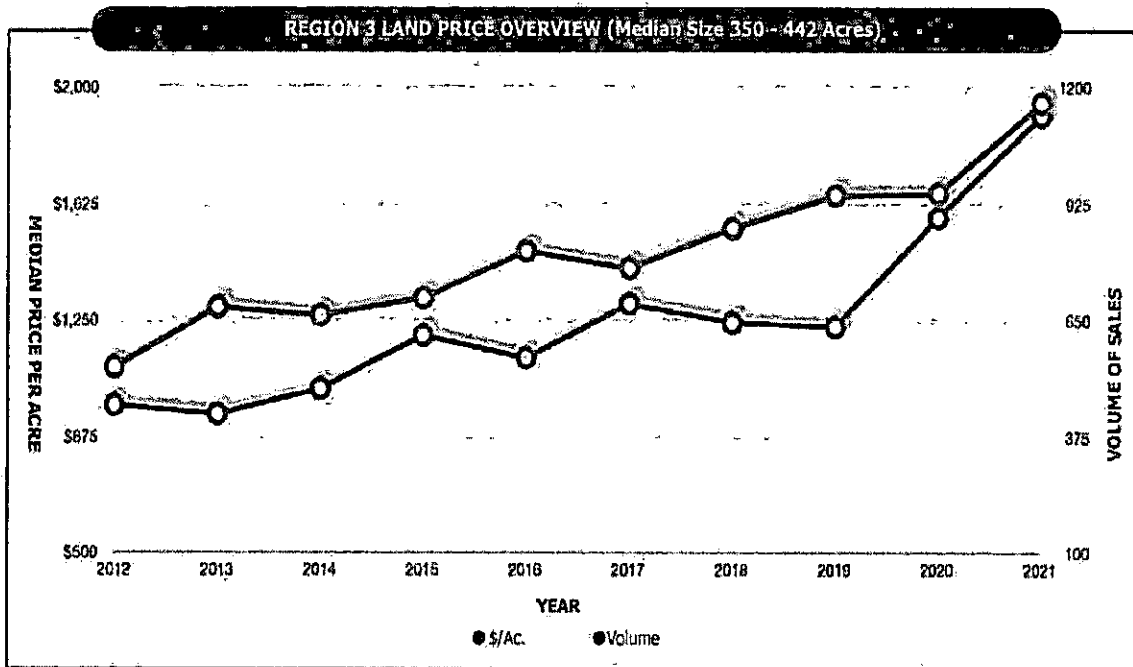
The following illustrations provided by the Texas A&M University Real Estate Center display trends of rural land prices in Region 3 from 1972 to 2021:

### North Central Plains (LMA 12) Land Price Data



Highcharts.com

The following chart presents a detailed analysis of the trends noticed in the data above including land prices, percent changes, and median tract sizes for rural land sales from years 2004 to 2021.

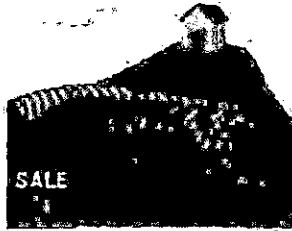


Texas Region 3 - North Central Plains (LMA 12) Statistics			
Year	Average Price Per Acre	Percent Change	Median Tract Size (Acres)
2004	\$625	N/A	236
2005	\$759	21.44%	240
2006	\$950	25.16%	215
2007	\$1,239	30.42%	253
2008	\$1,160	-6.38%	244
2009	\$960	-17.24%	208
2010	\$1,051	9.48%	200
2011	\$1,250	18.93%	200
2012	\$1,509	20.72%	222
2013	\$1,719	13.92%	200
2014	\$1,575	-8.38%	200
2015	\$1,500	-4.76%	200
2016	\$1,705	13.67%	200
2017	\$1,650	-3.23%	202
2018	\$1,798	8.97%	202
2019	\$2,053	14.18%	206
2020	\$1,926	-6.19%	217
2021	\$2,250	16.82%	196

# TEXAS SMALL LAND SALES REPORT | 2021 EDITION

## Region Three: West Texas

### Total Acres Sold



**8,042**  
In 2019

**9,632**  
In 2020

### Total Sales Dollar Volume



**\$25,129,837**  
2019

**\$30,667,031**  
2020

### Small Land Sales Volume



### Average Tract Size



**34 Acres** | **37 Acres**  
in 2019 | in 2020

**8.8% Increase from 2019 to 2020**

### Average Price Per Acre



**\$3,125** | **\$3,184**  
in 2019 | in 2020

**1.8% Increase from 2019 to 2020**



### Conclusion

The economy of the area has been recovering from the late 1980's when the oil and gas industry was hard hit by low oil prices. It is obvious that in recent years a gradual recovery has been occurring. With some stabilization of the oil and agricultural economy, there is a better outlook. Throckmorton continues to try and diversify its economy, much like the Texas trends. One of the positive trends in the area is the tourism industry, fueled by local attractions as well as the wildlife in the area. Thus, the local land market appears to be remaining relatively strong with a demand for rural recreational tracts. However, the effects of the downturn in the national economy and the current financial picture remains to be seen as it relates to agricultural/recreational properties.





## **Site Data and Analysis**

A site is land that has been improved so that it is ready to be used for a specific purpose. Land, on the other hand, can be raw or improved. Raw land, is land on which no improvements have been made; land in its natural state before grading, construction, subdivision, or the installation of utilities. A site description is a comprehensive listing of factual data, including a legal description, other title and record data, and information on physical characteristics of the site. (From The Appraisal of Real Estate, Appraisal Institute, Thirteenth Edition, 2008, Pg. 205-206)

### **Zoning and Land Use Information**

The subject site is located approximately 20.00 miles northeast of Throckmorton, in Throckmorton County, Texas, and is somewhat rectangular in shape. The subject property is accessed has no legal access. Access to the subject property is from the adjoining private property, through locked gates. The total land area of the subject property is 378.17 acres, which consists of native pasture and brush and dryland cultivation. The topography of the subject site is level to gently rolling. There appears to be enough slope to allow for adequate surface water drainage. The subject site is not located within the city limits of any municipality, therefore is not subject to zoning.

### **Easements, Encroachments and Restrictions**

*Easements* - A physical inspection of the property did not reveal any adverse easements. There are no known easements considered to have a major detriment to the site. It should be noted, however, that if a current survey map, or a registered surveyor determines that adverse easements do exist, these factors may impact the market value and/or the marketability of the subject property. Therefore, it is assumed that no easements exist, which would adversely affect the marketability or desirability of the site.

*Encroachments* - The physical inspection of the property did not reveal any adverse encroachments. Also, there are no known deed restrictions which would be detrimental to value. In order to verify these findings, a survey by a licensed surveyor and a title opinion by a reputable title company are recommended.

*Deed Restrictions* - No formal study of deed restrictions was conducted. However, it is recommended that a lawyer or title company be consulted regarding any deed restrictions associated with subject site.

## **Physical Characteristics**

### **Location**

The subject property is identified as 378.17 acres of land, located approximately 20.00 miles northeast of Throckmorton, in the northeastern portion of Throckmorton County, Texas. Surrounding properties include small to large rural residential and agricultural tracts consisting primarily of native and improved pasture utilized for livestock grazing, recreational hunting, and scattered home sites in all directions.

### **GPS Coordinates**

Latitude: 33° 22' 29.97" North  
Longitude: 99° 02' 55.33" West

### **Size and Shape**

The subject consists of 378.17 acres of land and is somewhat rectangular in shape. The subject property is approximately 1.0 mile in length from north to south and 0.70 mile in width from east to west. The size and shape of the subject property do not have any adverse impact to the subject and appear to adequately facilitate the highest and best use of the property as an individual economic unit.

### **Topography**

The subject property is level to gently rolling in topography with elevations ranging from 1,160 to 1,165 feet above sea level. The property is mostly level to gently rolling in topography. The change in topography provides for average views of the entire property. The subject consists a heavy to dense coverage of native pasture and brush and dryland cultivation. The native vegetation consisted of hardwood trees including elm, cedar, and mesquite trees as well as other native grasses and vegetation. There are approximately 55.00 acres of land in dryland cultivation. The dryland cultivation was planted in winter wheat and was in poor condition at the time of the inspection. The native pasture appeared to be in average condition at the time of the inspection.

### **Access**

The subject property has no legal access. Access to the subject property is given by the adjoining private property, through locked gates. In order to gain access to the property, the neighboring property must give permission to traverse the property as well as unlock the gates. Previously, the subject property was apart of a larger tract of land and accessed by crossing the Brazos River. However, the crossing can only be utilized when water levels are extremely low in the Brazos River. The property is located approximately 1.50 miles west of Buckalew Road. Access to the subject property is considered atypical of the area.

Interior roadways consisted of dirt and gravel but provide for limited access through the property.

## **Soils**

The Soil Survey of Throckmorton County provided information concerning the soil types present on the subject property. Overall, the subject tract possesses typical soil types for the area for tracts within Throckmorton County. The soils on the subject are suitable for use as pasture land. A Soil map is included following this section of the report.

**Lincoln Series:** The Lincoln series consists of very deep, somewhat excessively drained, rapidly permeable soils that formed in recent sandy alluvium. These nearly level to very gently undulating soils occur on flood plains in the Central Rolling Red Plains and Southern High Plains Breaks. Slope ranges from 0 to 3 percent. Mean annual precipitation is about 635 mm (25 in), and mean annual air temperature is about 16.1 degrees C (61 degrees F). Drainage: Somewhat excessively drained Permeability: Rapid Surface runoff: negligible on 0 to 1 percent slopes and very low on 1 to 3 percent slopes Wetness: A water table occurs at a depth of 152 to 244 cm (5 to 8 feet) during the months of November to May Flooding: frequently to rarely flooded for very brief to brief periods during the spring and summer months Used mainly for rangeland. Native vegetation is tall grasses with small percent of trees, mainly eastern cottonwood and tamarisk. Some areas are cultivated to bermudagrass, weeping lovegrass, winter wheat, and forage sorghums.

**Clairemont Series:** The Clairemont series consists of very deep, well drained, moderately permeable soils that formed in calcareous silty alluvium derived from sandstone and siltstone of Permian age. These nearly level soils occur on flood plains of dissected plains. Slopes range from 0 to 2 percent. Mean annual precipitation is about 610 mm (24 in) and the mean annual temperature is about 17 degrees C (63 degrees F). Well drained. Permeability is moderate. Runoff is negligible on slopes less than 1 percent and very low on 1 to 3 percent slopes. Flooding is frequent or occasional, unless protected. Mainly rangeland with short and midgrasses, some areas have heavy infestations of mesquite. A few areas are in cotton, grain sorghum, and wheat.

\*Source: USDA-NRCS Official Soil Series Descriptions - [www.soilseries.sc.egov.usda.gov](http://www.soilseries.sc.egov.usda.gov).

Overall, the subject tract possesses typical soil types for the area.

## **Water**

The subject property has approximately 1.50 miles of frontage along the Brazos River. The Brazos River makes up the western boundary of the property as well as traverses through the southeastern corner of the property. The Brazos River was in average condition at the time of the inspection. There also appeared to be several seasonal draws that traversed the property that did not contain any water at the time of the inspection.

## Utilities

The subject property does not have access to utilities. The electricity provider for the Throckmorton County area is Oncor Electric and can be contacted at (888) 313-6862.

## Flood Plain

According to FEMA Flood Map Panel Number 4810210003A, dated May 27, 1980, the Subject Property did not lie in a flood hazard zone. As of the physical inspection, drainage of the subject property appeared to be adequate for use as agricultural ranch land. *It is recommended that a survey by a registered surveyor be performed to determine exact elevations, flood status and the amount of acreage that might be affected.*

## Definitions of FEMA Flood Zone Designations

Flood zones are geographic areas that the FEMA has defined according to varying levels of flood risk. These zones are depicted on a community's Flood Insurance Rate Map (FIRM) or Flood Hazard Boundary Map. Each zone reflects the severity or type of flooding in the area.

### Moderate to Low Risk Areas

In communities that participate in the NFIP, flood insurance is available to all property owners and renters in these zones:

Zone	Description
<b>B and X (shaded)</b>	Area of moderate flood hazard, usually the area between the limits of the 100-year and 500-year floods. B Zones are also used to designate base floodplains of lesser hazards, such as areas protected by levees from 100-year flood, or shallow flooding areas with average depths of less than one foot or drainage areas less than 1 square mile.
<b>C and X (unshaded)</b>	Area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level. Zone C may have ponding and local drainage problems that don't warrant a detailed study or designation as base floodplain. Zone X is the area determined to be outside the 500-year flood and protected by levee from 100-year flood.

### High Risk Areas

Zone	Description
<b>A</b>	Areas with a 1% annual chance of flooding and a 26% chance of flooding over the life of a 30 year mortgage. Because detailed analyses are not performed for such areas; no depths or base flood elevations are shown within these zones.
<b>AE</b>	The base floodplain where base flood elevations are provided. Areas subject to inundation by the 1% annual chance flood event determined by detailed methods. Zones are now used on new format FIRMs instead of A1-A30 zones.

## **Improvements**

There are no structural improvements on the subject property. Site improvements include interior dirt roadways. The subject property did not have perimeter fencing.

## **Oilfield Activity**

There was no oilfield activity noted on the subject property during the inspection. The appraisers were not provided with an environmental study on the subject property and are not qualified as experts in determining environmental contamination. If a subsequent environmental study indicates a hazardous condition on the subject site, the appraisers reserve the right to modify the value conclusions in this report.

## **Environmental Hazards**

There was no oilfield production noted on the subject property. The appraiser was not provided with an environmental study of the site with regard to possible hazardous materials. We are not experts in the field of environmental hazards or ground contamination; therefore, should any questions concerning environmental hazards or material arise, it is suggested that the client call on an expert in this field to provide further analysis and inspection. The value estimate of this appraisal assumes that there are no environmental problems which would adversely affect the marketability of the property.

## **Surrounding Uses**

Properties surrounding the subject are agricultural tracts of land with native and improved pasture and dryland cultivation utilized for agricultural production and recreation. Overall, the subject property appears to conform to surrounding properties in the immediate area.

## **Summary**

The subject site is located in an area of similar uses. The subject is typical in terms of size, shape, topography and productivity. Total land area of the subject property is 378.17 acres. The subject is somewhat rectangular in shape and consists of native pasture and brush and dryland cultivation. The subject site is generally level to gently rolling providing for average recreational views, and typical in soil types. The subject property has extremely limited exterior and interior access. The subject property does not have direct access to utilities. Given its size and use, the site is considered relatively consistent with the immediate area and provides below average functional utility.

2022-1044 378.17 ac Throckmorton Co., Texas  
Throckmorton County, Texas, 378.17 AC +/-



2022-1044 378.17 ac Throckmorton Co., Texas  
Throckmorton County, Texas, 378.17 AC +/-





SOIL CODE	SOIL DESCRIPTION	ACRES	%	CPI	NCCPI	CAP
Ln	Lincoln sandy loam, occasionally flooded	255.4 5	63.54	0	30	3s
Cu	Clairemont silt loam, moist, 0 to 2 percent slopes, occasionally flooded	134.7 1	33.51	0	59	2w
Wo	Westola fine sandy loam, occasionally flooded	9.68	2.41	0	45	2w
Pe	Clearfork silty clay loam, 0 to 1 percent slopes, occasionally flooded	2.18	0.54	0	52	2e
TOTALS		402.0 1(*)	100%	-	40.2	2.64

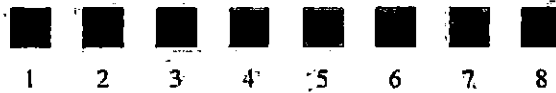
(\*) Total acres may differ in the second decimal compared to the sum of each acreage soil. This is due to a round error because we only show the acres of each soil with two decimal.

### Capability Legend

Increased Limitations and Hazards

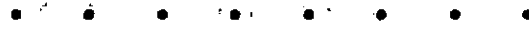
Decreased Adaptability and Freedom of Choice Users

Land, Capability

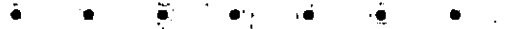


1 2 3 4 5 6 7 8

Wild Life



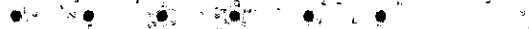
Forestry



Limited



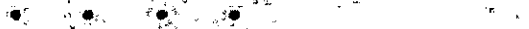
Moderate



Intense



Limited



Moderate



Intense



Very Intense

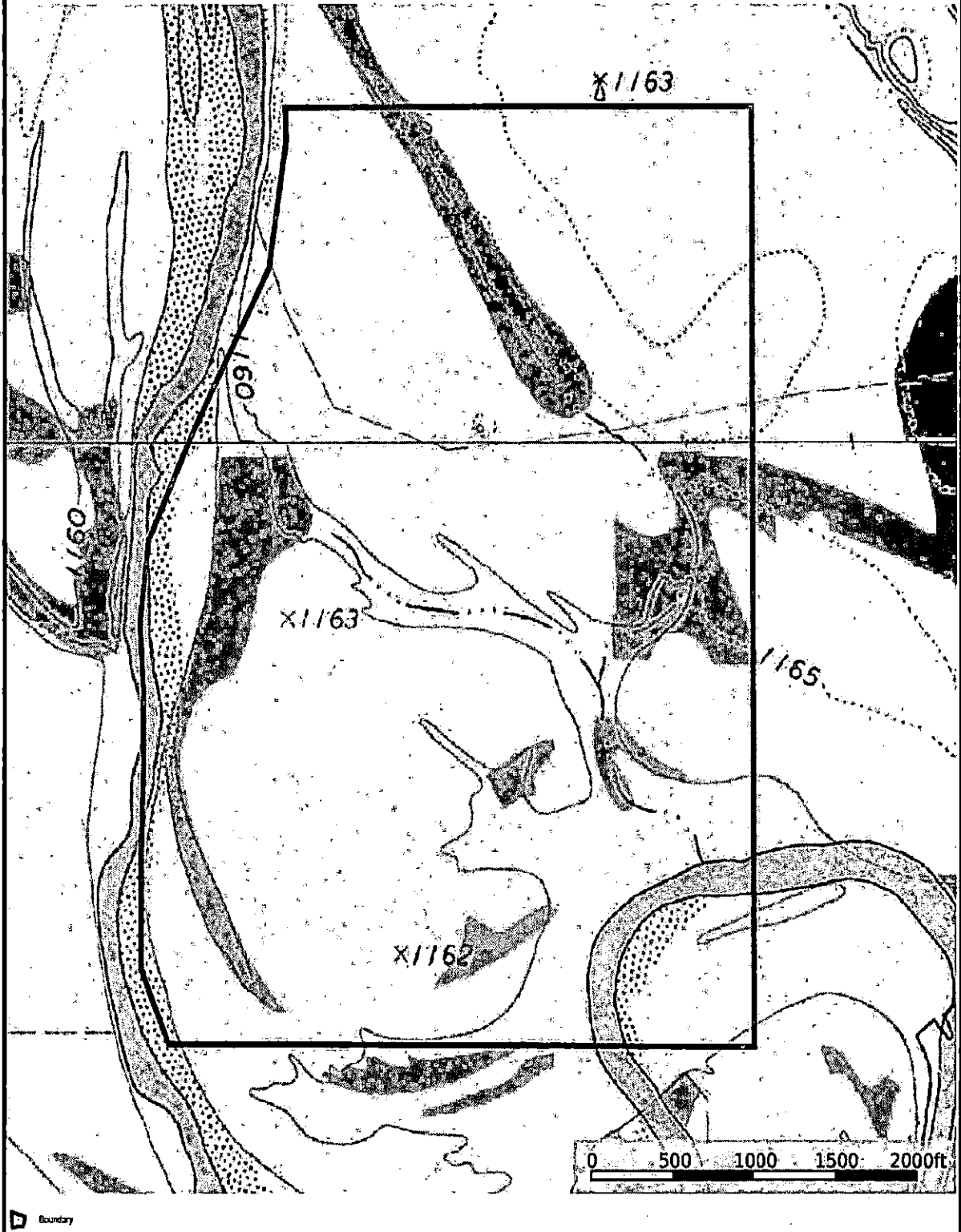


### Grazing Cultivation

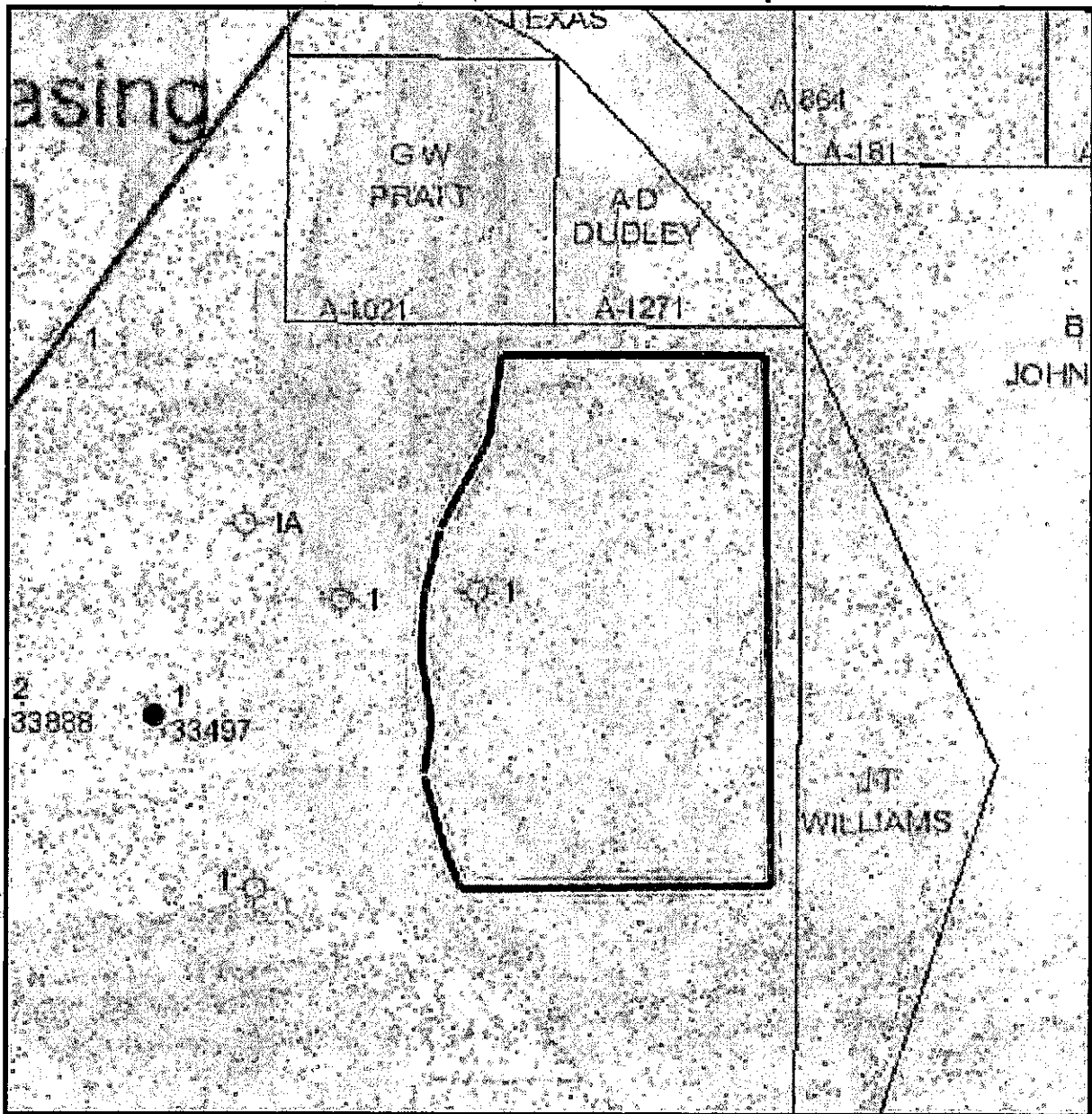
(c) climatic limitations (e) susceptibility to erosion

(s) soil limitations within the rooting zone (w) excess of water

2022-1044 378.17 ac Throckmorton Co., Texas  
Throckmorton County, Texas, 378.17 AC +/-

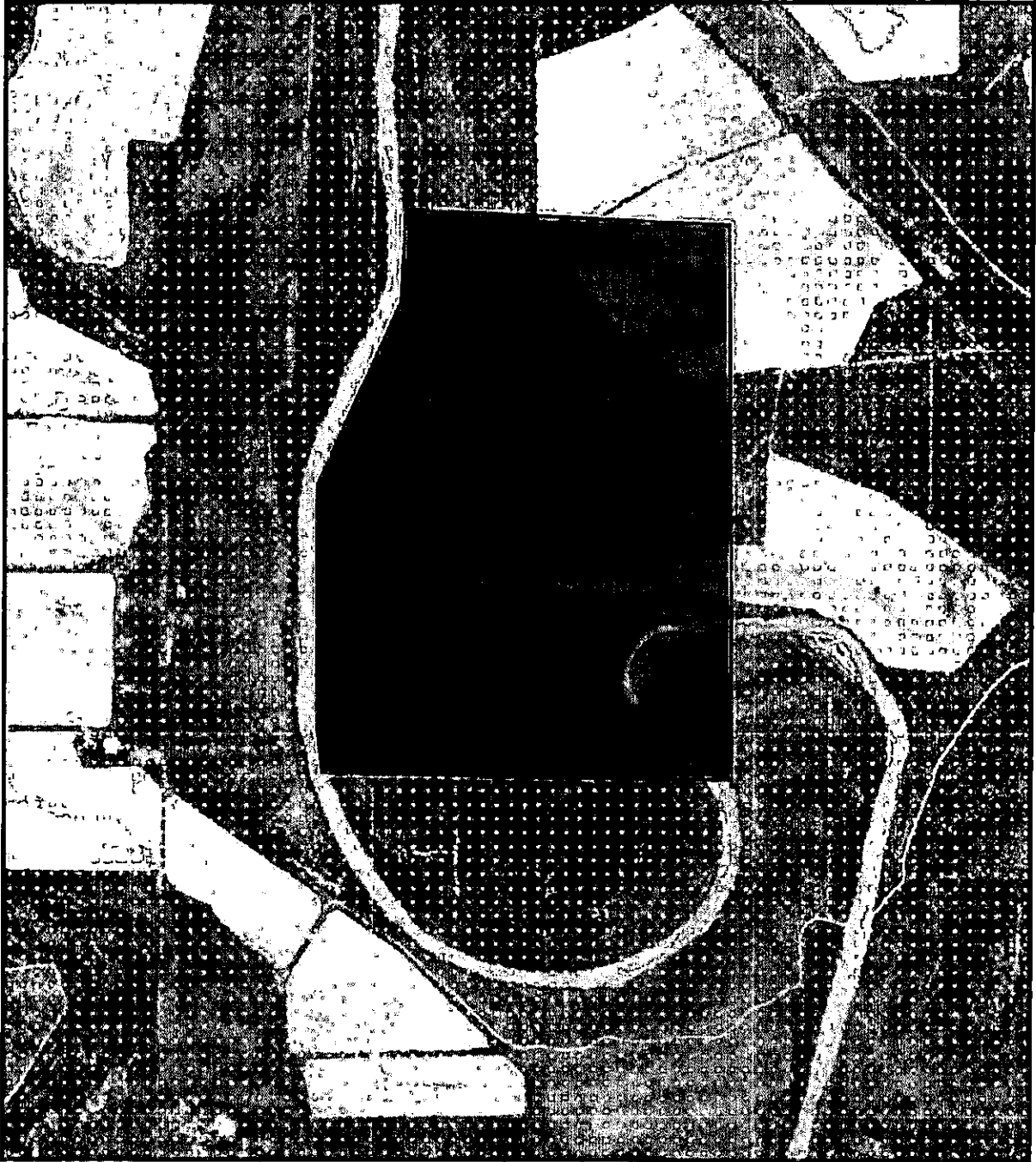


# Railroad Commission Map



There is no oil/gas activity located on the Subject Property.

# Flood Plain Map





## Taxes and Assessment Analysis

The property is located in Throckmorton County, Texas. The Throckmorton County Appraisal District estimates market values for all properties in the county, and these values are utilized by all taxing authorities in each county as a basis for assessing taxes. The taxing entities for the Subject Property include Throckmorton County, Farm Road, Throckmorton County Road and Bridge, Throckmorton ISD, and Throckmorton ISD I&S.

The 2022 appraised value summary of the land assigned to the property by the Appraisal Districts are listed in the chart below.

Property ID	Acres	Market Value Land	Improvements	Ag Value	Assessed Value
1695	3,551.00	\$3,980,100	\$1,890	\$479,380	\$3,981,990
<b>Total</b>	<b>3,551.00</b>	<b>\$3,980,100</b>	<b>\$1,890</b>	<b>\$479,380</b>	<b>\$3,981,990</b>

The subject property is out of a larger 3,551 acre tract of land according to the Throckmorton County Appraisal District. As of the date of the appraisal, no delinquent taxes were noted. The total tax liability amount due for the 3,551 acres was \$10,460.50. Please contact the Throckmorton County Central Appraisal District for any questions (940) 213-1114.

## Highest and Best Use

Highest and best use is a basic premise of value. As with value, highest and best use is not an absolute fact; it reflects an appraiser's opinion of the best use of a property based on an analysis of prevailing market conditions. The term highest and best use, as used in this appraisal report, is defined as:

The reasonably probable and legal use of vacant land or an improved property, that is physically possible, appropriately supported, financially feasible, and that results in the highest value.<sup>3</sup>

Highest and best use has also been defined as that use which produces the greatest return to land over time.

Because existing improvements can limit the use of land, a determination of highest and best use for both 1) the site as if vacant and 2) the property as improved is based on the following four criteria:

- 1) *Legally permissible* - such use must be allowed under existing zoning, building codes, deed restrictions, and environmental regulations;
- 2) *Physically possible* - the size, shape, area and terrain of the property must be adequate to develop such use;
- 3) *Financially feasible* - the use must produce a positive return; and
- 4) *Maximally productive* - the use must produce a value, consistent with the rate of return indicated by the market, higher than all other uses which meet the first three criteria.<sup>4</sup>

The analysis of these four criteria is based on consideration of several factors. These factors include any legal restriction on its utilization, the property's physical attributes, current supply and demand conditions, potential gross income and market derived rates or return.

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<sup>3</sup> The Appraisal of Real Estate, Thirteenth Edition, Appraisal Institute, 2008, pg. 277-278.

<sup>4</sup> Ibid

## **HIGHEST AND BEST USE, AS IF VACANT**

Land, as vacant, is a fundamental concept of valuation theory and the basis for the Cost Approach. Highest and best use of the land, as though vacant may be the existing use, a projected development, a subdivision, or an assemblage; alternatively, it may involve holding the land as an investment. The highest and best use of land is generally that use which, among all reasonable, alternative uses, provides the highest land value. The estimation of highest and best use, as if vacant, is accomplished by applying the four criteria previously listed.

### **Physically Possible Use**

This criterion is dictated by the physical features of the tract. The size, shape, frontage, topography, and soil conditions affect the uses to which it can be utilized. The size of the subject tract is approximately 378.17 total acres and is somewhat rectangular in shape. The size and shape of the subject tract is considered to be adequate to support most of the legally permissible forms of use and development.

The subject generally conforms with the size, shape and topography of other sites in the area and is considered typical. The subject property has extremely limited exterior and interior access. Thus, market evidence suggests the subject is at a physical disadvantage with other properties in the area. In our opinion, a limited number of uses are physically possible for the subject due to the limited access.

### **Legally Permissible Use**

The subject property does not lie within a municipality, therefore, it is not subject to any zoning regulations. Typical utility easements exist across the subject property and along the perimeters, but should have no adverse effect on utilization of the property. The property is subject to typical county flood restrictions and rural septic system inspections, which are enforced by the county environmental department if applicable. We are not aware of any private deed restrictions or environmental regulations that would limit property type or use on the subject. In our opinion, a variety of uses are legally permissible for the subject property.

### **Financially Feasible Use**

Financial feasibility relates to all uses that are physically possible and legally permissible which are likely to produce some income, or return, greater than the combined income needed to satisfy operating expenses, financial expenses, and capital amortization. All uses expected to produce a positive return with a satisfactory equity yield are regarded as financially feasible. In considering the financial feasibility of the subject's most probable uses, several factors must be considered. These factors include, but are not limited to, the surrounding land uses, the physical characteristics of the site, the supply and demand forces which influence property values, and the cost of development.



As mentioned previously, the subject property is native pasture located in Throckmorton County, Texas. There are several large farms and ranches surrounding the subject property which are not currently developed. These farms and ranches are utilized as native and improved pasture for livestock grazing, and recreational hunting. The subject is currently used as agricultural land.

Due to the reasons mentioned above, it is our opinion that the subject property is most likely many years from any high density development activity. Therefore, the only feasible use for the subject at this time is determined to be rural recreational/agricultural land, specifically, livestock grazing. This use also conforms to the general make up of the immediate area.

### **Maximally Productive Use**

Assuming all potential uses of the property are physically possible, legally permissible, and financially feasible, the maximally productive use would be the use that provides the greatest return to the investor. It has been concluded that the most probable use for the subject is to remain an agricultural operation. Based on the existing improvements, soils and terrain of the subject properties, and limited access, it is our opinion that the most productive use, as of the effective date of this appraisal, is agricultural land.

### **Conclusion of Highest and Best Use - As Though Vacant**

We have examined the criteria that must be met to determine the highest and best use of the subject site, as vacant. A number of uses are physically possible, financially feasible, and legally permissible. Therefore, we have concluded that the highest and best use of the subject, as vacant, is recreational/agricultural land.

## The Valuation Process

An appraisal is defined as "the act or process of developing an opinion of value".<sup>5</sup> The valuation process is a systematic procedure an appraiser follows to provide answers to a client's questions about real property value. The valuation process is applied to develop a well supported opinion of a defined value based on an analysis of pertinent general and specific data. The estimation of a real property's market value involves a systematic process. This process involves the interpretation of the economic, sociological, physical and political forces that have an effect upon a specific property.

The first step in the process is to define the appraisal problem, i.e., identify the real estate, the property rights being appraised and the type of value sought. Once this has been accomplished, the factors that affect the market value of the subject are collected and analyzed. These factors are addressed in the city and area section, the neighborhood section, the site and improvement sections and the highest and best use section. In this process, the basic approaches to value, when applicable, are utilized: the cost approach, the income approach, and the sales comparison approach.

1. In the cost approach, value is estimated as the current cost of reproducing or replacing the improvements (including an appropriate entrepreneurial incentive or profit) minus the loss in value from depreciation plus land or site value.
2. In the sales comparison approach, value is indicated by recent sales of comparable properties in the market and other supporting transactional information.
3. In the income capitalization approach, value is indicated by a property's earning power, based on the capitalization of income.

Traditionally, specific appraisal techniques are applied within the three approaches to derive indications of real property value. One or more approaches to value may be used depending on which approaches are necessary to produce credible assignment results, given the intended use.<sup>6</sup>

The final step in the valuation process is the reconciliation of the values indicated. In the final reconciliation, consideration is given to the relative significance, defensibility and applicability of each approach as it pertains to the type of property being appraised. The most weight is given to the approach that appears to produce the most reliable solution to the appraisal problem.

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Appraisal Institute, The Appraisal of Real Estate, Thirteenth Edition, 2008.

<sup>6</sup> The Appraisal of Real Estate, Thirteenth Edition, The Appraisal Institute, 2008, page 129-130

## Cost Approach

The cost approach to value is one of the three methods used in the valuation process. It is based on the understanding that market participants relate value to cost. The principle of substitution is basic to the cost approach. This principle affirms that a knowledgeable buyer would pay no more for a property than the cost to acquire a similar site and construct improvements of equivalent desirability and utility without undue delay.<sup>7</sup>

The applications of the approach to a specific property involves the following steps:

- ◆ Estimate the value of the site as though vacant and available to be developed to its highest and best use.
- ◆ Estimate the reproduction cost or replacement cost new of all the improvements
- ◆ Estimate direct, and indirect costs of improvements, and entrepreneurial profit
- ◆ Add estimated direct and indirect costs, and entrepreneurial profit to cost of improvements.
- ◆ Estimate amount of depreciation from all causes {physical deterioration, functional obsolescence and economic (external) obsolescence}.
- ◆ Deduct estimated depreciation from the total cost new of the improvements to arrive at a depreciated value of the improvements.
- ◆ Add the site (land) value (Step 1) to the depreciated value of the improvements (Step 7) to arrive at a value indicated by the cost approach.
- ◆ Adjust value conclusion if any personal property or intangible assets are included in the appraisal assignment.
- ◆

The reproduction cost is the cost to reproduce the improvements with the exact or similar materials as subject property - to produce a replica. The replacement cost is the cost associated with replacement of the improvements with equivalent utility using modern materials and current standards, design, and layout. The accrued depreciation is measured by estimating the physical deterioration, functional obsolescence, and the economic obsolescence. When the reproduction cost and the accrued depreciation are accurately estimated, then the indicated value by the cost approach will be comparable to the values indicated by the sales comparison and the income approaches.

***The subject tract does not include any structural improvements with contributory value. Therefore the Cost Approach-Summation Approach was not utilized in this analysis.***

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<sup>7</sup>The Appraisal of Real Estate, Thirteenth Edition, Appraisal Institute, 2008, p. 142, 377-385.

## The Sales Comparison Approach to Value

The Sales Comparison Approach to value is an opinion of market value developed by comparing properties similar to the subject property that have recently sold, are listed for sale, or are under contract. This approach to value is premised on the principle of *Substitution*, which holds that the value of property tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability within a reasonable amount of time.<sup>8</sup>

The applicability of this approach is based upon the collection of similar sales and offerings for comparison, from which market derived adjustments for relevant factors can be extracted. The sales data is compared to the subject on the basis of significant characteristics exhibited in the subject property. Considerations for such factors as time, location, size, building quality, age-condition, and amenities, as well as the terms of the transaction, are all related to the subject property. Because the adjustments are primarily market-derived, the desires and actions of typical buyers and sellers are reflected in the comparison process.

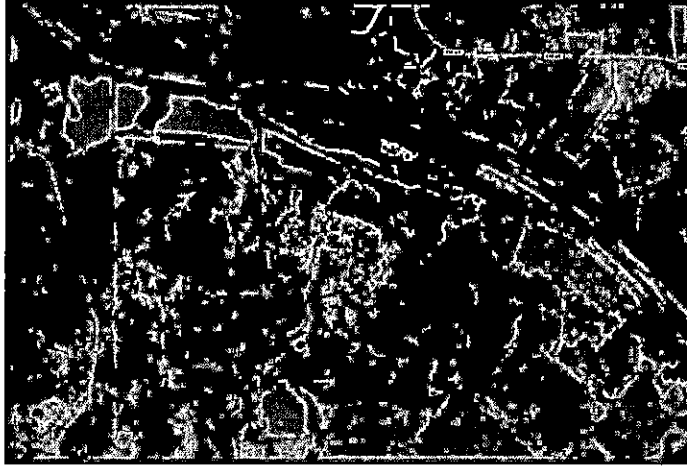
In the Sales Comparison Approach, value is estimated by comparing recent sales of similar properties to the property appraised. Preferably, all properties are located in the same area, and are of similar size, quality, and age. One premise of the Sales Comparison Approach is that the market will determine a price for the property being appraised in the same manner that it determines the prices of comparable, competitive properties.

In estimating the Value of the subject property, via the Sales Comparison Approach, we utilized the Price Per Unit Method, which derives a market value by utilizing an analysis of the sales and concludes an adjusted price per unit, which is then applied to the subject property in order to derive a current estimate of value.

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<sup>8</sup>The Appraisal of Real Estate, Thirteenth Edition, The Appraisal Institute, Chicago, 2008, Page 298-299.

## COMPARABLE SALE NO. 1



### PROPERTY DATA:

Location: Approximately 4.0 miles south of Newcastle, along the north side of Reeves Road, Young County, Texas

Legal Description: Being 367.169 acres out of the SA&MG RR. Co. Survey, Abstract No. 262, Young County, Texas

Land Area: 367.169 acres

### TRANSACTION DATA:

Grantor: Haggart Real Estate, LLC

Grantee: Macleod Family Trust

Date of Sale: November 8, 2021

Consideration: \$1,750,000

Unit Price: \$4,766/ac

Terms of Sale: Cash to seller

Recording: 2021-21003773

### LAND DATA:

Rangeland/Cultivated: Native pasture and dryland cultivation

Topography: Level to rolling

Improvements: 1,800 square feet equipment shop and 420 square feet cabin with approximately \$216 per acre

Minerals: None

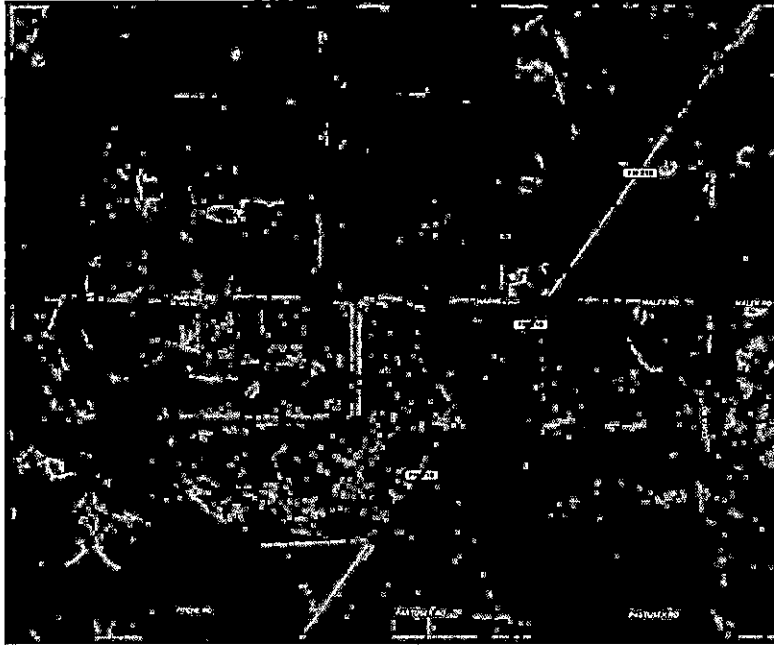
Utilities: Electricity, well, septic

Access: Private easement

### COMMENTS:

Property has 5.0 acre conservation lake, 3 ponds, and approximately 1.0 mile of Brazos River frontage.

## COMPARABLE SALE NO. 2



### PROPERTY DATA:

Location: Approximately 3.0 miles north of Megargel, along the west side of FM 210, north and south sides of Harmel Road, and east side of Goodwin Road, Archer County, Texas

Legal Description: Being 377.91 acres out of Blocks 23, 24, 27, and 34, G.P. Meade's "L.M." Pasture Subdivision, Archer County, Texas

Land Area: 377.91 acres

### TRANSACTION DATA:

Grantor: Tuong H. Nguyen  
Grantee: Peggy DeAnne Hatfield  
Date of Sale: March 10, 2022  
Consideration: \$710,486  
Unit Price: \$1,880/ acre  
Terms of Sale: Cash to seller  
Recording: 2022-154233

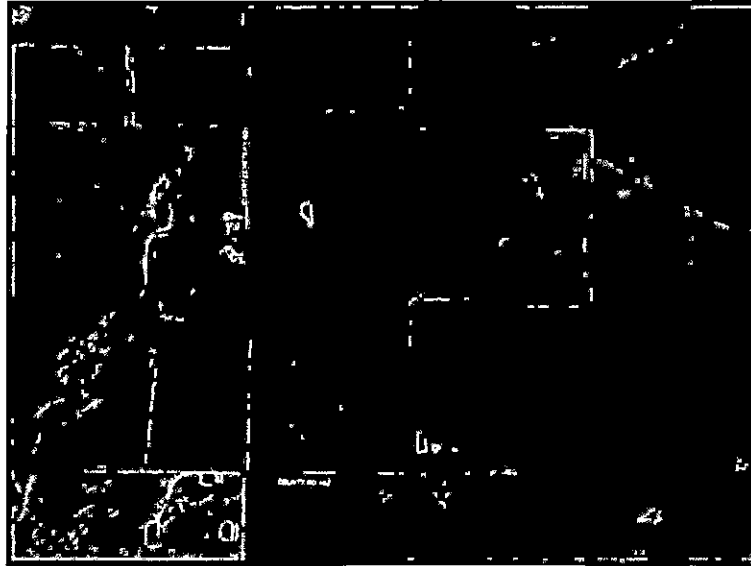
**LAND DATA:**

Rangeland/Cultivated:	Native pasture and dryland cultivation
Topography:	Level to gently rolling
Improvements:	None
Minerals:	50% of owned minerals; did not contribute to the sales price
Utilities:	Electricity
Access:	FM 210, Goodwin Road, and Harmel Road

**COMMENTS:**

Property has approximately 250 acres in dryland cultivation. Property has one seasonal draw and four surface ponds.

### COMPARABLE SALE NO. 3



#### PROPERTY DATA:

Location: Located approximately 15.0 miles northeast of Throckmorton, along the east side of Old Elbert Cemetery Road, Throckmorton County, Texas

Legal Description: Being 232.08 acres in the T.E.&L. Co. Survey No. 798, Abstract No. 315, Throckmorton County, Texas

Land Area: 232.08 acres

#### TRANSACTION DATA:

Grantor: Rebecca Priddy  
Grantee: B-Real Enterprises LLC-Moon Ranch PS  
Date of Sale: January 19, 2022  
Consideration: \$452,556  
Unit Price: \$1,950/acre  
Terms of Sale: Cash to seller  
Recording: 2022-119041

#### LAND DATA:

Rangeland/Cultivated: Native pasture and dryland cultivation  
Topography: Sloping to rolling  
Improvements: None  
Minerals: None



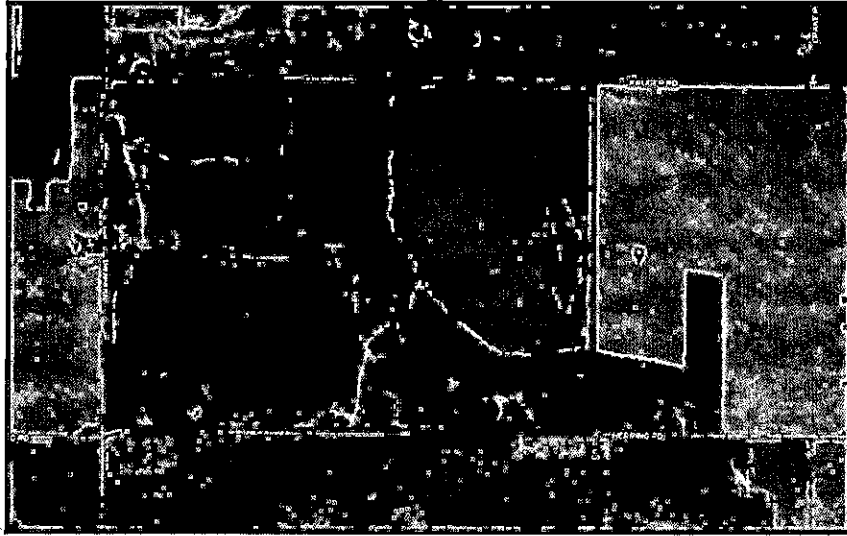
Utilities:  
Access:

Electricity  
Old Elbert Cemetery Road and CR 462

**COMMENTS:**

Property has four surface ponds and one seasonal creek.

## COMPARABLE SALE NO. 4



### PROPERTY DATA:

Location: Approximately 3.0 miles southwest of Olney, along the north side of Herring Road, Young County, Texas

Legal Description: Being 360.00 acres of land out of TE & L Survey 168, Abstracts 415, 416, and 426, Young County, Texas

Land Area: 360.00 acres

### TRANSACTION DATA:

Grantor: Risk Family Partnership, LTD and Ernest Horany

Grantee: Cočan, LLC

Date of Sale: December 23, 2021

Consideration: \$800,000

Unit Price: \$2,222/ac

Terms of Sale: Cash to seller

Recording: 2021-21004275 & 2021-21004277

### LAND DATA:

Rangeland/Cultivated: Native pasture and dryland cultivation

Topography: Level to gently rolling

Improvements: None

Minerals: None

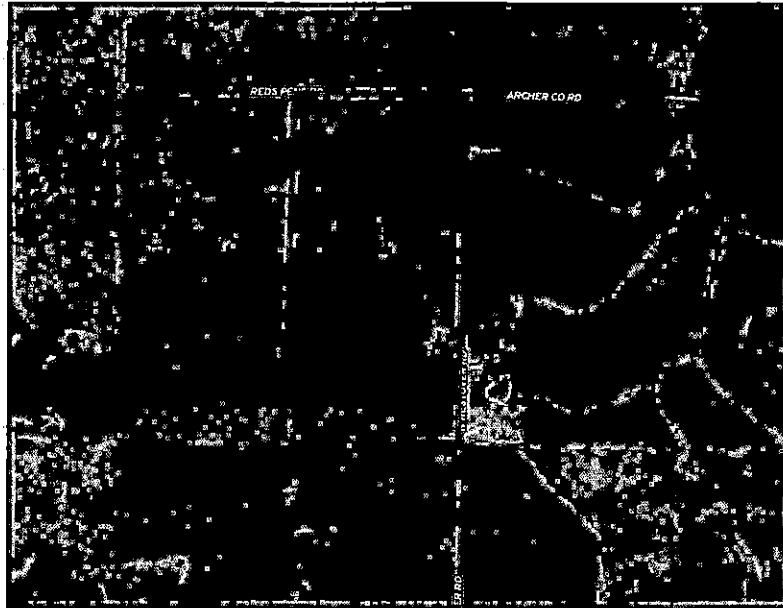
Utilities: Electricity

Access: Herring Road, Dunn Road, Kruger Road

**COMMENTS:**

The property's surface water consists of five surface ponds and one creek that traverses the property. Property is approximately 65% dryland cultivation.

## COMPARABLE SALE NO. 5



### PROPERTY DATA:

Location: Approximately 1.50 miles north of Westover, along the west side of N. Westover Road, Baylor County, Texas

Legal Description: Being 167.79 acres out of Section 3122, T.E.&L. Survey, Abstract No. 528, Baylor County, Texas

Land Area: 167.79 acres

### TRANSACTION DATA:

Grantor: David Hajek, Jr.  
Grantee: 5 Lane Ranch, LLC  
Date of Sale: May 16, 2022  
Consideration: \$417,500  
Unit Price: \$2,488/ac  
Terms of Sale: Cash to seller  
Recording: 2022-2213967

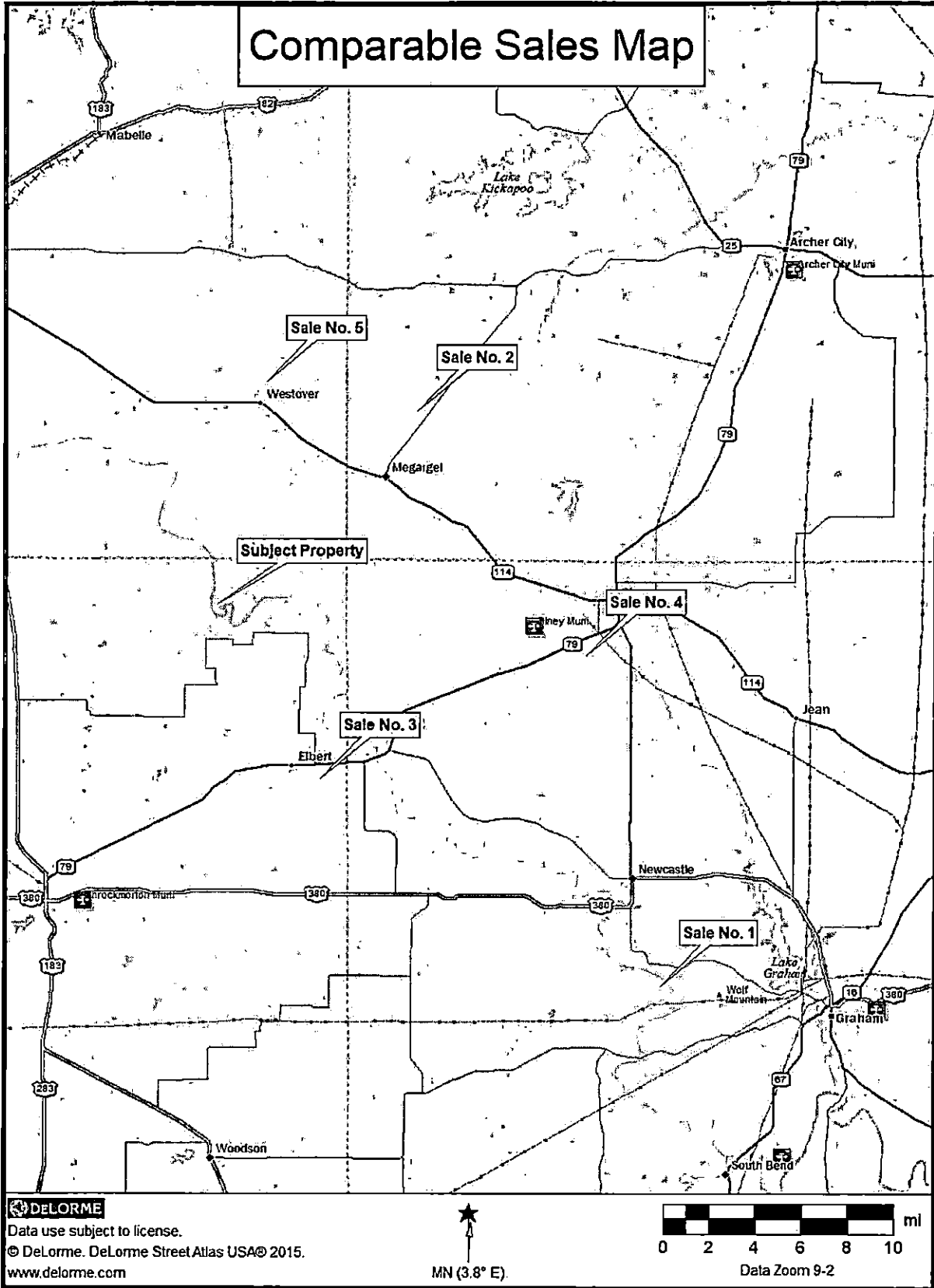
### LAND DATA:

Rangeland/Cultivated: Native pasture and dryland cultivation  
Topography: Level to sloping  
Improvements: None  
Minerals: None  
Utilities: Electricity and rural water  
Access: N. Westover Rd.

**COMMENTS:**

Property has five surface ponds. Approximately 56% of the property is dryland cultivation.

# Comparable Sales Map



DELORME

Data use subject to license.

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www.delorme.com

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MN (3.8° E)

0 2 4 6 8 10 mi

Data Zoom 9-2

<b>SUMMARY CHART OF COMPARABLE LAND SALES</b>						
<b>Sale #</b>	<b>Subject</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
County	Throckmorton	Young	Archer	Throckmorton	Young	Baylor
Location	NE of Throckmorton	S of Newcastle	N of Megargel	NE of Throckmorton	SW of Olney	N of Westover
Date	-	11/8/2021	3/10/2022	1/19/2022	12/23/2021	5/16/2022
Price	-	\$1,750,000	\$710,486	\$452,556	\$800,000	\$417,500
Size	378.17	367.17	377.91	232.08	360.00	167.79
\$/Acre	-	\$4,766	\$1,880	\$1,950	\$2,222	\$2,488
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing Terms	-	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Conditions	-	Typical	Typical	Typical	Typical	Typical
Topography	Level to Gently Rolling	Level to Rolling	Level to Gently Rolling	Sloping to Rolling	Level to Gently Rolling	Level to Sloping
Access	None	Private Easement	FM 210, Goodwin Rd., Harmel Rd.	Old Elbert Cemetery Rd. & CR 462	Herring Rd., Dunn Rd., & Kruger Rd.	N. Westover Rd.
Land Mix	Native/Dryland	Native/Dryland	Native/Dryland	Native/Dryland	Native/Dryland	Native/Dryland
Improvements	None	Cabin & Shop CV of \$216/ac	None	None	None	None
Utilities	None	Electricity, Wells, Septic	Electricity	Electricity	Electricity	Electricity & Rural Water
Comments	Brazos River Frontage	Brazos River Frontage, 5.0 acre lake, 3 ponds	4 ponds	4 ponds	5 ponds & Seasonal Creek	5 ponds

## **Summary of Comparable Sales**

An extensive market data investigation was conducted, including a thorough search of the region and surrounding communities. County Deed Records, County Appraisal District records, real estate brokers, and appraisers were contacted in search of recent comparable sales. All sales data was reviewed and the most recent and relevant sales were investigated. The basic criteria in searching for comparable sales were the date of sale, location, size, and existing use.

Several sales of rural properties were identified and the data obtained from these sales was considered to be accurate and reliable. Sales of similar land tracts were limited in the northeastern Throckmorton County area. Thus, we extended our search to include all of Throckmorton County and the surrounding counties. These five sales were chosen for comparison with the subject because of their similarity to the subject property. Each of the sales were analyzed to provide an indicated value for the property appraised.

## **Units of Comparison**

After an investigation of the market, there are a number of units of comparison that can be extracted from available sales data. The most common unit of comparison in the marketplace for rural land is the overall sales price per acre.

## **Elements of Comparison**

Elements of comparison generally used to estimate the value of rural land properties are numerous. The elements considered are 1) property rights conveyed, 2) financing, 3) market conditions (date of sale), 4) conditions of sale, 5) location, 6) size, 7) water, 8) soils and terrain.

## **Real Property Rights Conveyed**

The subject and all of the comparable sales varied in ownership percentages of oil, gas and other mineral estate. A comparison of various sales failed to identify a consistent and identifiable difference in value due to varying mineral interests of non-producing minerals. Thus, there is no market support for an adjustment due to non-producing mineral interest.

## **Financing Terms**

Financing terms are significant, since cash or financing often influences the consideration paid for a particular property. The transaction price of one property may differ from that of an identical property due to different financing arrangements. All of the comparable sales were cash or terms equivalent to cash. Therefore, an adjustment is not necessary.



## **Conditions of Sale**

Adjustments for conditions of sale typically reflect the motivations of the buyer and the seller. For example, a buyer may pay more than market value for a property located adjacent to one already owned for assemblage purposes because of acting under duress. Conversely, a sale may be transacted at below market value because the seller needs cash in a hurry. A financial, business, or family relationship between the parties may also affect the price of the property. When non-market conditions of sale are detected in a transaction, the sale must be adjusted accordingly. The comparable sales were all considered similar for conditions of sale and did not require any adjustments.

## **Market Conditions**

Each sale has been given consideration for changing market conditions between the date of sale and the effective date of this appraisal. The comparable sales occurred between November 2021 and May 2022. After analyzing the comparable sales, there is no discernable difference in market conditions. Therefore, no adjustment was made for market conditions.

## **Improvements**

In addition to the variables discussed above, we have also examined improvements, and have made adjustments accordingly. The subject property did not include any structural improvements with contributory value. The sales were adjusted based on the varying amount of improvement contribution compared to the subject.

## **Location and Access**

Features such as accessibility, visibility, and neighboring improvements impact a property's value. The property is located approximately 20.00 miles northeast of Throckmorton and does not possess legal access, and is accessed only via permission by the neighboring property. Each of the sales had legal access provided either by a deeded private easement, county roads, or State Highways and were therefore considered to be superior for access. Thus, each sale was given a downward adjustment. Sale No. 1 was located in an area that is experiencing a higher demand for recreational properties and was considered to be superior for location. Thus, this sale received a downward adjustment for location. Each of the remaining sales were considered to be similar in location and no adjustment was required.

## **Size**

Size is a factor that must be considered when comparing vacant land sales. Typically, but not always, larger tracts sell for a lower unit value and, therefore, when making comparisons on a unit basis such as price per acre, the larger tracts must be adjusted upward and the smaller tracts must be adjusted downward to accurately reflect the

difference. The subject tract contains 378.17 acres of land area. The sales were arrayed and analyzed by size. See the following chart.

ARRAY OF SIZE (Acres)		
Sale No.	Size Acres	*Adjusted Per Acre
5	167.79	\$1,742
3	232.08	\$1,365
4	360.00	\$1,555
1	367.17	\$2,503
2	377.91	\$1,222
Subject Property	378.17	N/A

\*Adjusted for all other variables

In analyzing the available market data, it appears that the relationship between size and unit value is atypical. However, it is the appraisers opinion the market generally recognizes the relationship between size and price paid per acre. Sale Nos. 3 and 5 were significantly smaller than the Subject Property and required a downward adjustment. The remaining sale was considered similar to the Subject Property and did not require an adjustment.

### Soils and Terrain

The soils and terrain of an agricultural property is a significant feature which may impact farm productivity. The subject property's terrain can be characterized as predominantly level to gently rolling with the property in native pasture and dryland cultivation. The subject's changing topography provides for average recreational views. Each of the sales were considered to be similar for soils and topography and no adjustments were warranted.

### Water Amenities

The subject property has frontage along the Brazos River. Sale Nos. 2, 3, 4, and 5 consisted of four to five surface ponds with seasonal creeks. Due to the recreational aspects as well as superior surface water the Brazos River provides, each of these sales were considered to be inferior for water and were given an upward adjustment. Sale No. 1 had significant water frontage along the Brazos River as well as a 5.0 acre conservation lake, and several ponds and was considered to be slightly superior for water. Thus, this sale received a downward adjustment.

### Remaining Elements

In addition to the variables discussed above, we have also examined overall accessibility, ranch improvements, recreational amenities, ratio of cropland or improved pasture to native pasture, oil and gas activity, access to utilities, and have made adjustments accordingly. The subject property does not have access to utilities. Each of the sales had access to

electricity and/or rural water and were considered to be superior. As such these sales received a downward adjustment for utilities.

The following tables indicates the sale price and adjustments to each of the land sales to the subject tracts. The adjustments have been applied in a consistent manner. Since they were supported from the market, they are considered reasonable.

<b>COMPARABLE SALES ADJUSTMENT TABLE</b>						
<b>Sale No.</b>	<b>Subject</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Date		Nov-2021	Mar-2022	Jan-2022	Dec-2021	May-2022
Price/Acre	N/A	\$4,766	\$1,880	\$1,950	\$2,222	\$2,488
Total Acres	378.17	367.17	377.91	232.08	360.00	167.79
<b>Comparative Analysis</b>						
Property Rights		-0-	-0-	-0-	-0-	-0-
Financing		-0-	-0-	-0-	-0-	-0-
Conditions of Sale		-0-	-0-	-0-	-0-	-0-
Market Conditions		-0-	-0-	-0-	-0-	-0-
Adjusted Value Per Acre		\$4,766	\$1,880	\$1,950	\$2,222	\$2,488
Improvements		(\$216)	-0-	-0-	-0-	-0-
Adjusted Value Per Acre		\$4,550	\$1,880	\$1,950	\$2,222	\$2,488
Location & Access		(35)%	(25)%	(25)%	(25)%	(25)%
Size		-0-	-0-	(5)%	-0-	(5)%
Soils & Terrain		-0-	-0-	-0-	-0-	-0-
Water		(5)%	15%	15%	15%	15%
Remaining Elements		(5)%	(5)%	(5)%	(5)%	(5)%
Total Adjustment		(45)%	(15)%	(20)%	(15)%	(20)%
Adjusted Value		\$2,503	\$1,598	\$1,560	\$1,889	\$1,990
<b>Mean Indicated Value Per Acre</b>				<b>\$1,908</b>		
<b>Median Indicated Value Per Acre</b>				<b>\$1,889</b>		

### Value Indicated by Per Acre Unit of Comparison

The price per acre method was utilized to provide a value indication. Recent sales that were most similar were utilized. These sales were compared, analyzed and adjusted to the subject, reflecting any dissimilarities between each sale and the subject.

### Range of Comparable Sales

Date of Sale:	Nov-2021	to	May-2022
Size/Acre:	167.79	to	377.91
Value/Acre Before Adjustments	\$1,880	to	\$4,766
Value/Acre After Adjustments	\$1,598	to	\$2,503

**Summary of Sales Comparison Approach**

The mean price per acre indicated by the sales was \$1,908 per acre, while the median price per acre was \$1,889 per acre. Given the physical attributes of the subject and the lack of legal access, a value in the lower portion of the established range is considered to be reasonable and appropriate. Therefore, the indicated "as is" market value of the subject property, as of November 16, 2022, is:

<b>Land</b>	<b>378.17 AC</b>	<b>X</b>	<b>\$1,900</b>	<b>=</b>	<b>\$718,523</b>
		<b>Rounded To:</b>		<b>=</b>	<b>\$720,000</b>

## Income Approach

In the income capitalization approach, the present value of the future benefits of property ownership is measured. To develop an opinion of market value with the income capitalization approach, the appraiser must be certain that all the data and forecasts used are market-oriented and reflect the motivations of a typical investor who would be willing to purchase the property as of the effective date of the appraisal.

In the income approach, an appraiser analyzes a property's capacity to generate future benefits and capitalizes the income into an indication of present value. The steps involved in an income approach are as follows:

- ◆ Research the income and expense data for the subject property and comparables,
- ◆ Estimate the potential gross income of the property by adding the rental income and any other potential income,
- ◆ Estimate the vacancy and collection loss,
- ◆ Subtract vacancy and collection loss from total potential gross income to arrive at the effective gross income of the subject property,
- ◆ Estimate the total operating expenses for the subject by adding fixed expenses, variable expenses, and a replacement allowance (where applicable),
- ◆ Subtract the estimate of total operating expenses from the estimate of effective gross income to arrive at net operating income. (Deductions for capital items may also be necessary at various points in time through the projection period to calculate the cash flow used in discounted cash flow analysis),
- ◆ Apply one of the direct ore yield capitalization techniques to this data to generate an estimate of value via the income capitalization approach.

In the analysis to follow, a conclusion about the prospective annual net operating income of the subject is developed. In support of this net operating income estimate, we analyzed available market data.

The two methods of income capitalization are direct capitalization, in which a single year's income is divided by an income rate or multiplied by an income factor to reach an indication of value, and yield capitalization, in which future benefits are converted into a value indication by discounting them at an appropriate yield rate (DCF analysis) or applying an overall rate that reflects the investment's income pattern, value change, and yield rate.<sup>9</sup>

***The Income Approach to value is based on the premise that a direct relationship exists between the income-producing potential of a property and its market value. The Subject Property is currently owner operated. Typically, the Income Approach does not represent the basis for purchasing agricultural or recreational land in the immediate area and was not considered applicable.***

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<sup>9</sup> The Appraisal of Real Estate, Thirteenth Edition, The Appraisal Institute, Chicago, 2008, Pages 445, 450, 465-466

## Subject Photographs

378.17 Acres of Agricultural Land Located in Throckmorton County, Texas



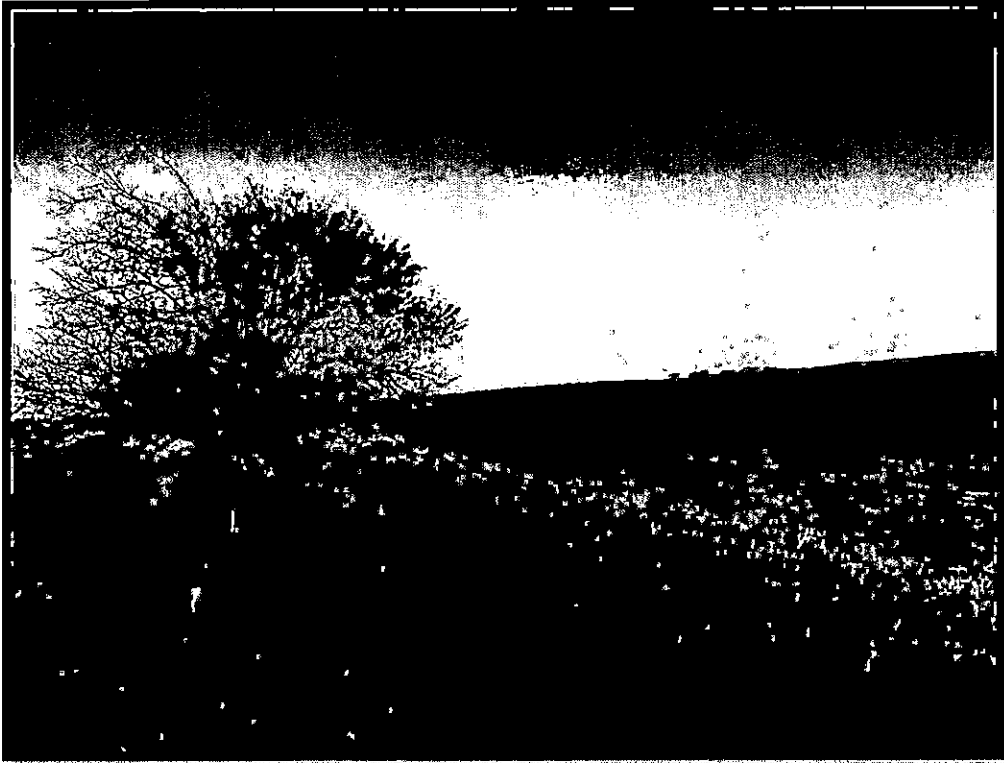
Native Pasture Along The Western Boundary



Native Pasture

## Subject Photographs

378.17 Acres of Agricultural Land Located in Throckmorton County, Texas



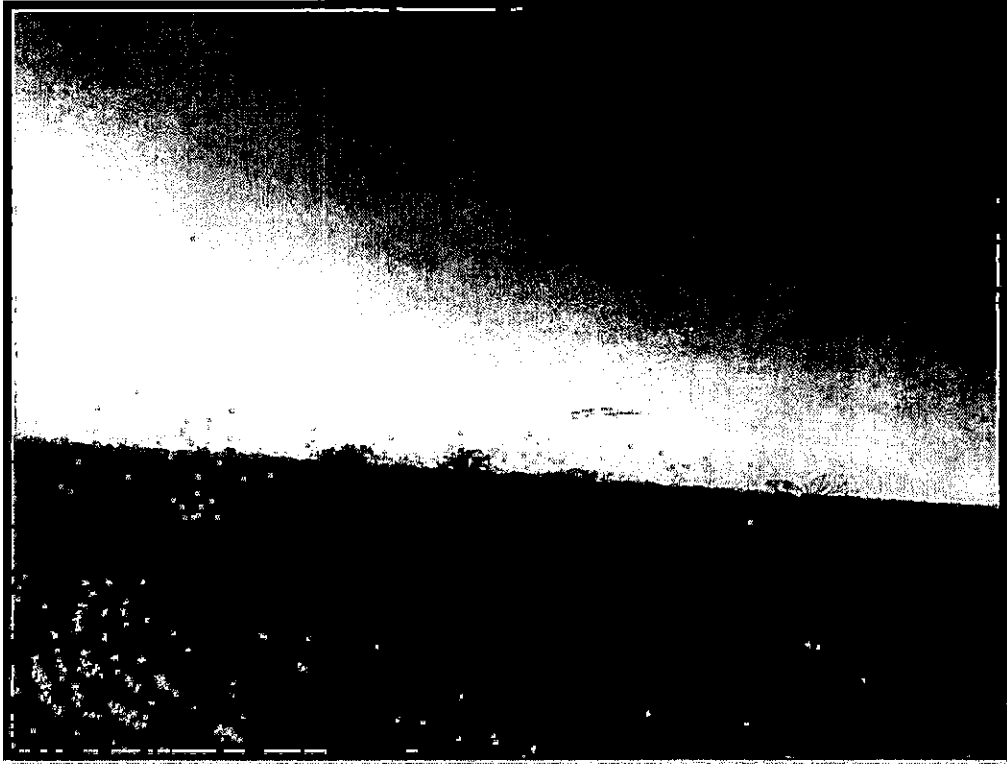
Portion Of Dryland Cultivation In The Northern Portion Of The Subject Property



Native Pasture

## Subject Photographs

378.17 Acres of Agricultural Land Located in Throckmorton County, Texas



Northern Boundary Looking West



Western Boundary Being The Brazos River Looking South



## Subject Photographs

378.17 Acres of Agricultural Land Located in Throckmorton County, Texas



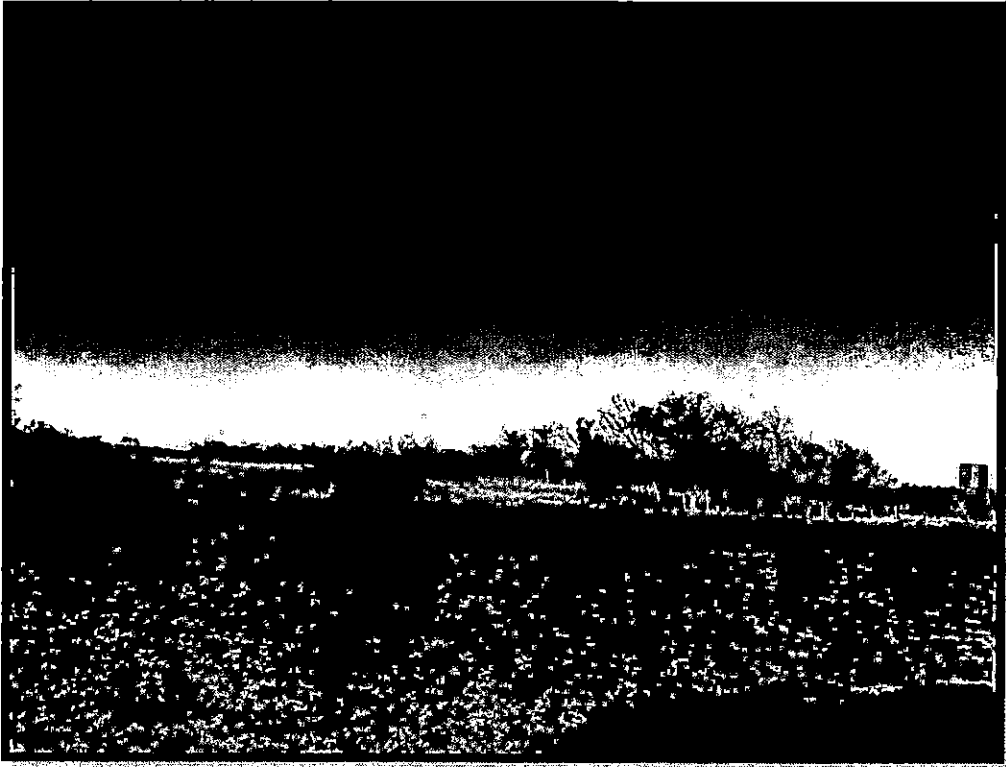
Eastern Boundary Looking South



Native Pasture

## Subject Photographs

378.17 Acres of Agricultural Land Located in Throckmorton County, Texas



Eastern Boundary Looking North



Portion Of Dryland Cultivation In The Northern Portion Of The Subject Property

## Subject Photographs

378.17 Acres of Agricultural Land Located in Throckmorton County, Texas



Main Picture



Western Boundary Being The Brazos River Looking North

## Reconciliation and Final Value Estimate

In final reconciliation, the appraiser reexamines the entire appraisal to confirm consistent application of the approaches applied (comparables used and adjustments calculated), the highest and best use conclusions upon which each approach is based, the defined value estimated in each approach, and the real property interests being appraised. The value conclusion can be expressed as a single number, as a range of numbers, or as a relationship to some benchmark amount. The nature of reconciliation depends on the appraisal problem, the approaches that have been used, and the reliability and adequacy of the data used.

The three approaches normally provide individual indications of value for the property in question which are then correlated into a final opinion of value for the property by the appraisers. Whenever possible, all three approaches should be applied in making an estimate of value. One approach, however, will often be given greater consideration than the others, depending largely upon the type of property appraised and the quality of the data upon which the approach is based. The greatest consideration is normally given to the approach most typically used by buyers and sellers to determine sale prices for properties of the subject type in the local market.

In the preceding sections of this report, an indication of value based upon the Cost Approach, Sales Comparison Approach, and Income Approach were utilized to provide indications for value of the subject's fee simple estate. Within the reconciliation, the three value indications were considered and evaluated by the relative significance of applicability for each approach. As a result, the following estimates of value were derived:

Cost Approach (CV of Imp.)	N/A
Sales Comparison Approach	\$720,000
Income Approach	N/A

### Cost Approach

The Cost Approach is important in estimating the market value of new or relatively new construction because cost and market value are closely related when properties are new. The Cost Approach is also used to estimate the market value of proposed construction, special-purpose properties and other properties that are not frequently exchanged in the market. As the subject property did not include any structural improvements with contributory value, the Cost Approach was not utilized in our analysis.

### Sales Comparison Approach

The sales comparison approach estimates market value by comparing the sales prices of recent transactions with similar attributes of the property being appraised. The sales comparison approach was utilized to provide indications of value for the land.

Several sales of rural land properties were identified in the area and the data obtained from these sales was considered to be accurate and reliable. Five of the most similar sales were included for review and analysis. These properties were analyzed on an overall per acre basis.

When the market is dominated by purchasers who intend to occupy the property, the sales comparison approach is a strong indicator of value. Since the subject is native pasture and dryland cultivation and there was adequate sale data for analysis, the Sales Comparison Approach was given the most weight.

### **Income Approach**

The Income Approach to value is based on the premise that a direct relationship exists between the income-producing potential of a property and its market value. The subject market is predominantly consists of end users for agricultural, recreational, rural home site, and residential development uses. Thus, the income approach was not considered applicable in the analysis of the subject property and has been omitted from this report.

### **Conclusion**

Because the rural land market is dominated by owner-occupants and because we considered the information obtained from the Sales Comparison Approach to be the most reliable indicator of value, the greatest weight was given to this approach. Based on these considerations, it is our opinion that the "as is" market value of the fee simple interest in the 378.17 acre subject property, based upon a six to twelve month marketing period, as of November 16, 2022, was:

**SEVEN HUNDRED TWENTY THOUSAND DOLLARS  
\$720,000**

## Certification

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. The appraisers have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have not performed services, as appraisers or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. The appraisers have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. The appraisers engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. The appraisers compensation for completing this assignment is not contingent upon the developing 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 the appraisal.
8. The appraisers analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
9. Shelbi Greaves Cobb made a personal inspection of the property that is the subject of this report. Clint Bumguardner and Sam Walker did not inspect this property.
10. No one provided significant real property appraisal assistance to the persons signing this certification.
11. The reported analyses, opinions, and conclusion were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

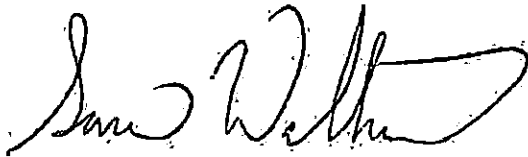
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, Clint W. Bumguardner, MAI, ASA, has completed the requirements of the continuing education program of the Appraisal Institute.

By reason of our investigation and analysis, it is our opinion that the "as is" market value of the fee simple interest in the 378.17 acre subject property, based upon a six to twelve month marketing period, as of November 16, 2022, was:

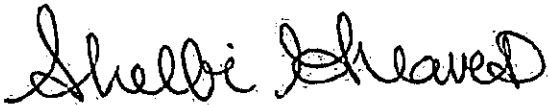
**SEVEN HUNDRED TWENTY THOUSAND DOLLARS**  
**\$720,000**



Clint W. Bumguardner, MAI, ASA  
State Certification No. TX-1321020-G



Sam Walker, Appraiser  
State Certification No. NM-03611-G  
State Certification No. TX-1380450-G



Shelbi Greaves, Appraiser Trainee  
Authorization No. TX-1342556

## **ADDENDA**



## **Assumptions and Limiting Conditions**

## **Assumptions and Limiting Conditions**

This appraisal report has been made with the following general assumptions:

1. As agreed upon with the client prior to the preparation of this appraisal, this is an Appraisal Report. As such, information pertinent to the valuation has been considered and the full valuation process has been applied.
2. This is an Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. As such, it presents a level of discussion of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value, that is consistent with the intended use of the appraisal. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated herein. The appraiser is not responsible for unauthorized use of this report.
3. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
4. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
5. Responsible ownership and competent property management are assumed.
6. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
7. All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
8. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
9. 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.

10. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.
11. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
12. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
13. All information, comments and conclusions pertaining to subject and other properties described represent the opinion of the appraiser formed after a personal examination of each.
14. The appraiser has no interest, present or prospective, in the subject property.
15. Sketches in this report are included to assist the reader in visualizing the property.
16. The appraisers assume that there are no hidden or unapparent conditions of the appraised property, which would render it more or less valuable. Further, the appraisers assume that there are no potentially harmful asbestos or other materials and/or site contaminants in, on, or near soil, subsoil, or structure of the appraised property and that there has been no disposal, discharge, leakage, or spillage of pollutants or contaminant which would render it more or less valuable, whether or not these materials or contaminants are apparent or hidden and unapparent.

No responsibility is assumed by the appraisers for these conditions. In addition, no responsibility is assumed by the appraisers for the cost of engineering and/or laboratory studies which might be required to discover such materials or contaminants. And no such engineering or laboratory studies have been ordered for the appraised property.

17. Disclosure by the appraiser of the contents of this appraisal report is subject to review in accordance with the by-laws and regulations of The Appraisal Institute and The American Society of Farm Management & Rural Appraisers.

This appraisal report has been made with the following general limiting conditions:

1. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication, unless prior arrangements have been made.
3. The appraiser, by reason of this appraisal, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval of the appraiser.
5. This appraisal was made in accordance with the Code of Professional Ethics and Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Foundation and the Appraisal Institute and The American Society of Farm Management & Rural Appraiser.
6. Acceptance of and/or use of this report constitutes acceptance of all assumptions and limiting conditions stipulated.
7. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity 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 Act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

# Key Definitions

## Appraisal

An appraisal is an unbiased estimate of the nature, quality, value, or utility of an interest in, or aspect of, identified real estate and related personalty. Appraisal involves selective research into appropriate market areas; the assemblage of pertinent data; the application of appropriate analytical techniques; and the use of knowledge, experience, and professional judgment to develop an appropriate solution of the appraisal problem.<sup>10</sup>

## Valuation

Valuation is the process of estimating the market value, fair value, insurable value, investment value, or other properly defined value of an identified interest or interests in a specific parcel or parcels of real estate as of a given date.<sup>11</sup>

## Real Estate

Real estate is the physical land and appurtenances affixed to the land, e.g., structures. Real estate includes land and all things that are a natural part of the land, such as trees and minerals, as well as all things that are attached to it by people, such as buildings and site improvements. All permanent building attachments like plumbing, electrical wiring, HVAC equipment, cabinets, elevators, appliances and so on, are also usually considered part of real estate. Real estate differs from personal property which is not considered real estate.<sup>12</sup>

## Real Property

Real property includes all interests, benefits, and rights inherent in the ownership of physical real estate. A right or interest in real property is also referred to as an estate.<sup>13</sup>

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*The Appraisal of Real Estate*, Ninth Edition, American Institute of Real Estate Appraisers, page 8.

Ibid, Page 8.

Ibid, Page 5.

Ibid, Page 5.

## Market Value

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

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales or concessions granted by anyone associated with the sale.<sup>14</sup>

## Fee Simple Interest

The property rights appraised are the fee simple estate. Fee simple estate is defined as absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation.<sup>15</sup>

## Leased Fee Estate

The leased fee estate is the lessor's, or landlord's, estate. A leased fee estate is an ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others; the rights of lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.<sup>16</sup>

## Leasehold Interest

The leasehold interest is the lessee's, or tenant's estate. A leasehold estate is the right to use and occupy real estate for a stated term and under certain conditions as conveyed by the lease.<sup>17</sup>

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Federal Register, Vol. 55, No. 165, Friday, August 24, 1990, Rules & Regulations, Part 34.42(f).

The Dictionary of Real Estate Appraisal, The Appraisal Institute (Chicago, Illinois, 1984)

The Appraisal of Real Estate, Ninth Edition, American Institute of Real Estate Appraisers, Page 111.

Ibid, Pages 111 and 115.

## **Flood Zone Definitions**

### **500 Year Flood Area**

The flood elevation that has a 0.2 percent chance of being equaled or exceeded in any given year; it is not the flood that will occur once every 500 years.

### **Area not studied**

Areas that have not been studied by FEMA.

### **Flood Transition Area**

An area that is adjacent to a Special Flood Hazard Area, and that may be subject to development regulations.

### **Floodway**

The area along both sides of a river, tributary, or creek including the main channel that has the strictest regulations on it because it is the area that is needed to move the 1 percent flood downstream and out of the homes or businesses that it may have flooded. The state of Washington does not allow construction in the floodway.

### **Floodway Fringe**

The portion of the floodplain lying on either side of the floodway.

### **Non Special Flood Hazard Area (NSFHA)**

An area in a low to moderate risk flood zone (Zones B, C, X) that is not in any immediate danger from flooding caused by overflowing rivers or hard rains. However, it's important to note that structures within a NSFHA are still at risk.

### **Outside flood area**

An area determined to be outside of a Special Flood Hazard Area, and considered to be a moderate or low risk flood area.

### **Special Flood Hazard Area (SFHA)**

A high risk flood area that has special flood, mudflow, or flood-related erosion hazards. This area is shown on a Flood Hazard Boundary Map or a Flood Insurance Rate Map as Zone A, AO, A1A30, AE, A99, AH, AR, AR/A, AR/AE, AR/AH, AR/AO, AR/A1-A30, V1-V30, VE, or V. Flood insurance is mandatory for properties in a SFHA.

**Flood Zone Designations** reflect the severity or type of flooding in an area. Your property may be located in a high risk zone or a low to moderate risk zone.

### **High Risk Zones**

- **A** - High flood risk. Base flood elevations have not been determined. Flood insurance is mandatory and local floodplain development codes apply. These properties have a 1 percent annual chance of flooding and a 26 percent chance of flooding over the life of a 30 year mortgage.
- **AE** - High flood risk. Base flood elevations have been determined. Flood insurance is mandatory and local floodplain development codes apply. These properties have a 1 percent annual chance of flooding and a 26 percent chance of flooding over the life of a 30 year mortgage.
- **AH** - High flood risk. Base flood elevations have been determined. Flood insurance is mandatory and local floodplain development codes apply. These properties have a 1 percent annual chance of shallow flooding, usually in the form of a pond, with an average depth of one to three feet.
- **AO** - High flood risk. Flood insurance is mandatory and local floodplain development codes apply. River or stream flood hazard areas, and areas with a one percent or greater chance of shallow flooding each year, usually in the form of sheet flow, with an average depth of one to three feet. These areas have a 26 percent chance of flooding over the life of a 20 year mortgage.
- **AR** - Areas with temporarily increased flood risk due to the building or restoration of a flood control system (such as a levee or a dam). Flood insurance is mandatory, but rates will not exceed rates for unnumbered A zones if the structure is built or restored in compliance with Zone AR floodplain management regulations.

### **Low to Moderate Risk Zones**

- **X (shaded)** - Area of moderate flood hazard. This flood risk is reduced, but not removed. Flood insurance is not required in this zone, but is available and local floodplain development codes may apply.
- **X (unshaded)** - These properties are outside the high risk zones. This flood risk is reduced, but not removed. Flood insurance is not required in this zone, but is available and local floodplain development codes may apply.



## **Qualifications of the Appraisers**

**QUALIFICATIONS  
OF  
CLINT W. BUMGUARDNER, MAI, ASA**

***Educational***

Bachelor of Science, Texas A&M University, College Station, Texas, August, 1987.

Master of Agriculture, Land Economics and Real Estate, Texas A&M University, College Station, Texas, December, 1988.

Completed Course Work and Continuing Education:

- Capitalization Theory & Tech., Part A - Appraisal Institute
- Capitalization Theory & Tech., Part B - Appraisal Institute
- Basic Valuation Procedures - Appraisal Institute
- Real Estate Appraisal Principles - Appraisal Institute
- Standards and Professional Practice - Appraisal Institute
- Case Studies in Real Estate Valuation - Appraisal Institute
- Report Writing & Valuation Analysis - Appraisal Institute
- 3rd/4th Legal Seminar on Ad Valorem Taxation - TX A&M & State Bar Assoc.
- Condemnation in the 90's - Law Offices of Windle Turley
- Nevada Real Estate Statutes - Appraisal Institute
- Appraisers Complete Review - Appraisal Institute

***Professional***

Member, Appraisal Institute (MAI) No. 10161

Accredited Senior Appraiser (ASA), American Society of Appraisers

Licensed Texas Real Estate Broker, No. 0393607

Texas Certified General Real Estate Appraiser, Certification No. TX-1321020-G

New Mexico Certified General Real Estate Appraiser, Certification No. 001579-G

Certified General Appraiser, Arkansas, License No. CG2050N

Certified General Appraiser, Oklahoma, License No. 12547CGA

Certified General Appraiser, Kansas, License No. G-2075

Certified General Appraiser, Georgia, License No. 332280

Certified General Appraiser, Iowa, License No. CG03070

Certified General Appraiser, Nebraska, License No. CG211103R

Certified General Appraiser, Indiana, License No. CG40801054

Certified General Appraiser, Arizona, License No. 31904

Certified General Appraiser, Utah, License No. 6219920-CG00

President, Texas Plains Chapter, Appraisal Institute, 2006-07

Real Estate Committee Member, Texas A&M Foundation

***Experience***

Principal, W. T. Appraisal, Inc., Abilene, 1992-present

Associate, Dominion Property Advisors, Albuquerque, NM 1999-2004

Appraiser, Wayne Austin, Associates, Abilene, 1992

Staff Appraiser, J.R. Kimball, Inc., Fort Worth, 1989-92.

Testified as expert witness in State Court proceedings

Testified as expert witness before State Property Tax Board

Testified as expert witness before various Appraisal Districts Review Boards in Texas and Oklahoma

**QUALIFICATIONS OF CLINT BUMGUARDNER, MAI, ASA  
(CONTINUED)**

**Scope of Appraisal Assignments**

- Agricultural Industry Properties
- Feedyards
- Poultry Facilities
- Swine Operations
- Grain Handling Facilities
- Feed Mills
- Flour & Corn Mills
- Meat Processing - Hog, Beef, Chicken, Duck
- Vegetable Processing
- Food Processing - Peanut, Cheese, Apple, Potato
- Commercial Dairies
- Special purpose properties including orchards and plant nurseries, etc.
- Cotton Gins / Compress Warehouses
- Appraisal Review
- Feasibility and Market Studies
- Property Inspections
- Provided real estate consulting and appraisal services throughout the United States.

**Recent Ranch Appraisals**

Lambshead Ranch, Tx	40,000+ Acres	G-F Ranch, NM	27,000 + Ac.
Nail Ranch, Tx	40,000+ Acres	Staley Ranch, NM	12,480 Ac.
Hendrick Ranch, Tx	46,000+ Acres	Roosevelt Co., NM	6,080 Ac.
Swenson Ranch, Tx	79,000 Acres	Latir Mtn. Ranch, NM	6,097A c.
Ford Ranch, Tx	38,000+ Acres	Lee Ranch, NM	39,795 Ac.
700 Springs Ranch, Tx	13,000+ Acres	Autrey Ranch, NM	5,411 Ac.
Cibola Creek Ranch, Tx	20,000+ Acres	Colfax Co., NM	23,703 Ac.
Covered S Ranch, Tx	23,000 Acres	Hat Bar Ranch, NM	19,919 Ac.
C Ranch, Tx	165,000 Acres	Cross Y Ranch, NM	21,000 +Ac.
T Diamond Ranch, Tx	25,000 Acres	EZ Heart Ranch, NM	128,00 0+ Ac.
La Mesa, Tx	72,000 Acres	San Miguel Co. , NM	4,800+ Ac.
Sears Ranch, Tx	18,000+Acres	Big Springs Ranch, NM	7,600+ Ac.
Burr Ranch, Tx	78,000+ Acres	Broken O Ranch, TX	4,900+ Ac.
Robinson Ranch, Tx	20,000 Acres	Brushy Creek Ranch, TX	38,000 + Ac.
VNN Ranch, TX	26,000+ Acres Ac.	Park Springs Ranch, NM	36,000+
Dewey Farms/Ranch, KS	14,500 +Acres		
Multiple Ranches between	1,000 -10,000 acres Ac.	Maes Ranch, NM	55,000+

***Recent Special Agricultural Appraisals***

Feed Mills - multiple	Texas, Oklahoma, New Mexico, Arkansas, Missouri
Feed Yards - multiple	Texas, Oklahoma, Kansas, Nebraska, Idaho, South Dakota, Washington
Dairy - multiple	Texas, New Mexico, Oklahoma, Georgia, Kansas, Colorado, Nebraska, Utah, California, Washington, Iowa
Peanut Processing Plant	New Mexico, Texas, Georgia, Alabama, South Carolina
Cotton Gin/ Compress	Texas, Arizona
Cattle Sale Barns	Texas & New Mexico
Grain Elevators / Shuttle	Texas, Oklahoma, Kansas, New Mexico
Flour Mills	Texas, Nebraska, Utah
Poultry Farms	Texas, Oklahoma, Oregon, Washington, Arkansas, Mississippi, Delaware, Maryland, Virginia, West Virginia
Processing Facilities	California, Oregon, Washington, Colorado, Arkansas, Alabama, Texas, Missouri, Oklahoma, South Carolina, Idaho, Virginia, North Carolina, Utah, Indiana, Wisconsin, New Mexico

CLINT WARD BUMGUARDNER  
P O BOX 7275  
ABILENE, TX 79608



**Certified General  
Real Estate Appraiser**

Appraiser: **CLINT WARD BUMGUARDNER**

License #: **TX 1321020 G**

License Expires: **06/30/2023**

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

For additional information or to file a complaint please contact TALCB at [www.talcb.texas.gov](http://www.talcb.texas.gov).

Chelsea Buchholtz  
Commissioner

**QUALIFICATIONS  
OF  
SAM WALKER**

**Educational**

BBA - Marketing; Hardin Simmons University, Abilene, Texas, 2011.

Completed Course Work and Continuing Education:

Basic Procedures Course - *American School of Real Estate Express*

Basic Principles Course- *American School of Real Estate Express*

Uniform Standards of Professional Appraisal Practice - *American School of Real Estate Express*

Site Valuation and Cost Approach- *Appraisal Institute*

Market Analysis and Highest and Best Use- *Appraisal Institute*

Sales Comparison Approach- *Appraisal Institute*

Income Approach (Part 1)- *Appraisal Institute*

Income Approach (Part 2)- *Appraisal Institute*

Report Writing and Case Studies- *Appraisal Institute*

Business Practice and Ethics- *Appraisal Institute*

Real Estate Finance - *Hardin Simmons University*

Real Estate Principles I- *Champions School of Real Estate*

Real Estate Principles II- *Champions School of Real Estate*

Law of Contracts- *Champions School of Real Estate*

Law of Agency- *Champions School of Real Estate*

Commercial Real Estate #0531- *Champions School of Real Estate*

Farm and Ranch Real Estate- *Champions School of Real Estate*

Real Estate Finance Statistics and Valuation Modeling- *Appraisal Institute*

Commercial Appraisal Review- *McKissock*

Expert Witness for Commercial Appraisers- *McKissock*

**Professional**

Certified General Texas Real Estate Appraiser, No. 1380450-G

Certified General New Mexico Real Estate Appraiser, No. 03611-G

Authorized Texas Real Estate Salesperson (Active) No. 613659

**Experience**

Appraiser, West Texas Appraisal Associates, Abilene, TX, September 2011-present.

**Scope of Appraisal Assignments**

- Office properties (commercial, retail, and medical)
- Retail Shop Centers
- Apartment Complexes and townhomes
- Hotels & Motels
- Nursing Homes & Long Term Care Facilities
- Industrial properties
- Vacant Land
- Farms (Irrigated and Non-Irrigated)
- Ranches (100 acres to 10,000+ acres)
- Game Ranches (700 acres to 5,000 acres)
- Agricultural Warehouses
- Special purpose properties including mini-warehouses, storage units, car dealerships, restaurants, RV-parks, grocery stores, convenience stores, etc.
- Commercial Evaluations
- Texas Department of Transportation Right of Way Projects (TX-DOT-ROW)
- Feasibility and Market Studies

**Personal**

Farming background- Taylor County and Jones County, Texas.  
Member- Southside Baptist Church  
Member - Hardin Simmons University Alumni Association  
Former Hardin Simmons Baseball Player 2008-2011  
Married

SAMUEL PAUL WALKER  
1302 PETROLEUM DR BLDG B  
ABILENE, TX 79602



**Certified General  
Real Estate Appraiser**

Appraiser: **Samuel Paul Walker**

License #: **TX 1380450 G**

License Expires: **06/30/2023**

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

For additional information or to file a complaint please contact TALCB at [www.talcb.texas.gov](http://www.talcb.texas.gov).

Chelsea Buchholtz  
Commissioner



**QUALIFICATIONS  
OF  
SHELBI GREAVES COBB**

***Educational***

Master of Real Estate, Mays Business School, Texas A&M University, College Station, Texas, December 2020

Bachelor of Science, Agriculture Business, Texas A&M University, College Station, Texas May 2019

Completed Course Work and Continuing Education:

National Uniform Standards of Professional Appraisal Practice - *Champions School of Real Estate*

Supervisor-Trainee Course for Texas - *Champions School of Real Estate*

Money and Capital Markets

Real Property Analysis- *Texas A&M University*

Real Property Valuation I.- *Texas A&M University*

Commercial Real Estate Law - *Texas A&M University*

Land Economics - *Texas A&M University*

Real Property Finance - *Texas A&M University*

Analysis of Real Estate Decisions - *Texas A&M University*

Real Estate Analytics - *Texas A&M University*

Real Estate Development Analysis - *Texas A&M University*

***Professional***

Authorized Texas Real Estate Appraiser Trainee, No. TX 1342556

***Experience***

W. T. Appraisal, Inc., Abilene, TX

*Appraiser, January 2020-Present*

*Intern, May 2019 - August 2019 & May 2020 – August 2020*

Texas Real Estate Research Center at Texas A&M University

*Research Analyst, October 2019-December 2020*

***Scope of Appraisal Assignments***

- Vacant Land
- Farms (Irrigated and Non-Irrigated)
- Ranches (100 acres to 36,000 acres)
- Game Ranches
- Retail Properties
- Motels
- Rural Residence
- Storage Facilities
- Office/Warehouse Facilities
- Equine Facilities
- Convenience Stores
- Retail Strip Centers
- Apartment Complexes

SHELBI GREAVES COBB  
12841 LIZZIE PLACE  
FORT WORTH, TX 76244



## Appraiser Trainee

Trainee: **Shelbi Greaves Cobb**

Authorization #: **TX 1342556 Trainee** Expires: **02/28/2025**

Review the list of the above Trainee's Supervisors on the License Holder Search at [www.talcb.texas.gov](http://www.talcb.texas.gov).

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title: Appraiser Trainee

For additional information or to file a complaint please contact TALCB at [www.talcb.texas.gov](http://www.talcb.texas.gov).

**Chelsea Buchholtz**  
Commissioner

## **Letter of Engagement**

# **AGREEMENT FOR PROFESSIONAL APPRAISAL SERVICES**

Appraisal Assignment

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**DATE OF AGREEMENT:** September 2, 2022

**PARTIES TO AGREEMENT:**

**Client:**

Mr. Milton Purvis  
936-398-4171  
[Milton.purvis@co.polk.tx.us](mailto:Milton.purvis@co.polk.tx.us)

**Appraiser:**

WT Appraisal, Inc.  
1302-B Petroleum Drive  
Abilene, TX 79602  
325-692-5039 office  
800-340-5039  
325-692-1587 fax  
[clintbum@wtappraisal.com](mailto:clintbum@wtappraisal.com)

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Client hereby engages Appraiser to complete a Complete Appraisal assignment as follows:

**PROPERTY IDENTIFICATION**

360+/- Acres located in Throckmorton County, Texas

**PROPERTY TYPE**

Agricultural

**INTEREST VALUED**

Fee Simple – Surface Only

**INTENDED USERS**

Mr. Milton Purvis and associated parties.

*Note: No other users are intended by Appraiser. Appraiser shall consider the intended users when determining the level of detail to be provided in the Appraisal Report.*

**PROPOSED DELIVERY DATE**

30 Days from date agreement signed

**NUMBER OF COPIES**

PDF w/ Hard copies upon request

**PAYMENT TO APPRAISER**

\$2,850

Please provide our firm with the following information if available. .

- Name of person to contact for inspection
- Property Tax ID
- Survey / Plat – Building Plans
- Deed
- Three years of historical operating statements
- Mailing address for completed Appraisals
- Any additional information that would aid in our analysis of the property.

**CONFIDENTIALITY**

Appraiser shall not provide a copy of the written Appraisal Report to, or disclose the results of the appraisal prepared in accordance with this Agreement with, any party other than Client, unless Client authorizes, except as stipulated in the Confidentiality Section of the ETHICS RULE of the Uniform Standards of Professional Appraisal Practice (USPAP).

**TESTIMONY AT COURT OR OTHER PROCEEDINGS**

Unless otherwise stated in this Agreement, Client agrees that 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.

**APPRAISER INDEPENDENCE**

Appraiser cannot agree to provide a value opinion that is contingent on a predetermined amount. Appraiser cannot guarantee the outcome of the assignment in advance. Appraiser cannot ensure that the opinion of value developed because of this Assignment will serve to facilitate any specific objective by Client or others or advance any particular cause. Appraiser's opinion of value will be developed competently and with independence, impartiality, and objectivity.

**GOVERNING LAW & JURISDICTION**

The interpretation and enforcement of this Agreement shall be governed by the laws of the state in which the Appraiser's principal place of business is located, exclusive of any choice of law rules.

By Appraiser:

  
\_\_\_\_\_  
(Signature)

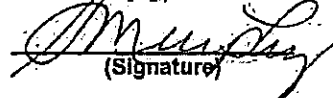
Clint W. Bumgardner

\_\_\_\_\_  
(Printed name)

09/02/2022

\_\_\_\_\_  
(Date)

By Client:

  
\_\_\_\_\_  
(Signature)

Sydney Murphy

\_\_\_\_\_  
(Printed name)

09/13/2022

\_\_\_\_\_  
(Date)