

SUMMARY OF SALIENT FEATURES

JAN 13 2014

SUBJECT INFORMATION	Subject Address	113 - 121 W Chambers St
	Legal Description	Lots 3, 4, 5, Block 5, Original Cleburne
	City	Cleburne
	County	Johnson
	State	TX
	Zip Code	76033
	Census Tract	48251-1308.00
	Map Reference	JohnsonMpsco1116X
SALES PRICE	Sale Price	\$ NA
	Date of Sale	NA
CLIENT	Owner	Johnson County
	Client	Johnson County
DESCRIPTION OF IMPROVEMENTS	Size (Square Feet)	6,587
	Price per Square Foot	\$ 33.40
	Location	Central Business District
	Age	~55 years
	Condition	Average
	Total Rooms	25 Rooms, One Story Office Building
	Bedrooms	22 Offices, 2 Reception, 1 Kitchen
	Baths	2 Restrooms
APPRAISER	Appraiser	Dona L Buie, ATA-G
	Date of Appraised Value	October 8, 2013
VALUE	Opinion of Value	\$ 220,000

Engagement Letter

Owner	Johnson County			
Property Address	113 W Chambers St			
City	Cleburne	County	Johnson	State TX Zip Code 76033
Client	Johnson County			

Hello Ms. Buie,

Johnson County is considering the sale of five (5) pieces of property pending Commissioners Court approval. We are requesting a soft quote from RFP2011-417: Real Estate Appraiser Services for the properties listed below. We are also requesting an estimated start date upon notification to proceed as well as an estimated time of completion.

Property Location

113-121 W. Chambers, Cleburne, TX 76031; 1-story 4131 sq. ft. building (Annex)
104 S. Main Str., Cleburne, TX 76031; 2-story 5632 sq. ft. building (Lesial)
116 S. Mill Str., Cleburne, TX 76031, 3-story 14441 sq. ft. building (Old Jail)
102 S. Main Str., Cleburne, TX 76031, 2-story 10164 sq. ft. building (Old Adult Probation)
102 E. Chambers St., Cleburne, TX 76033, .1600 acre parking lot

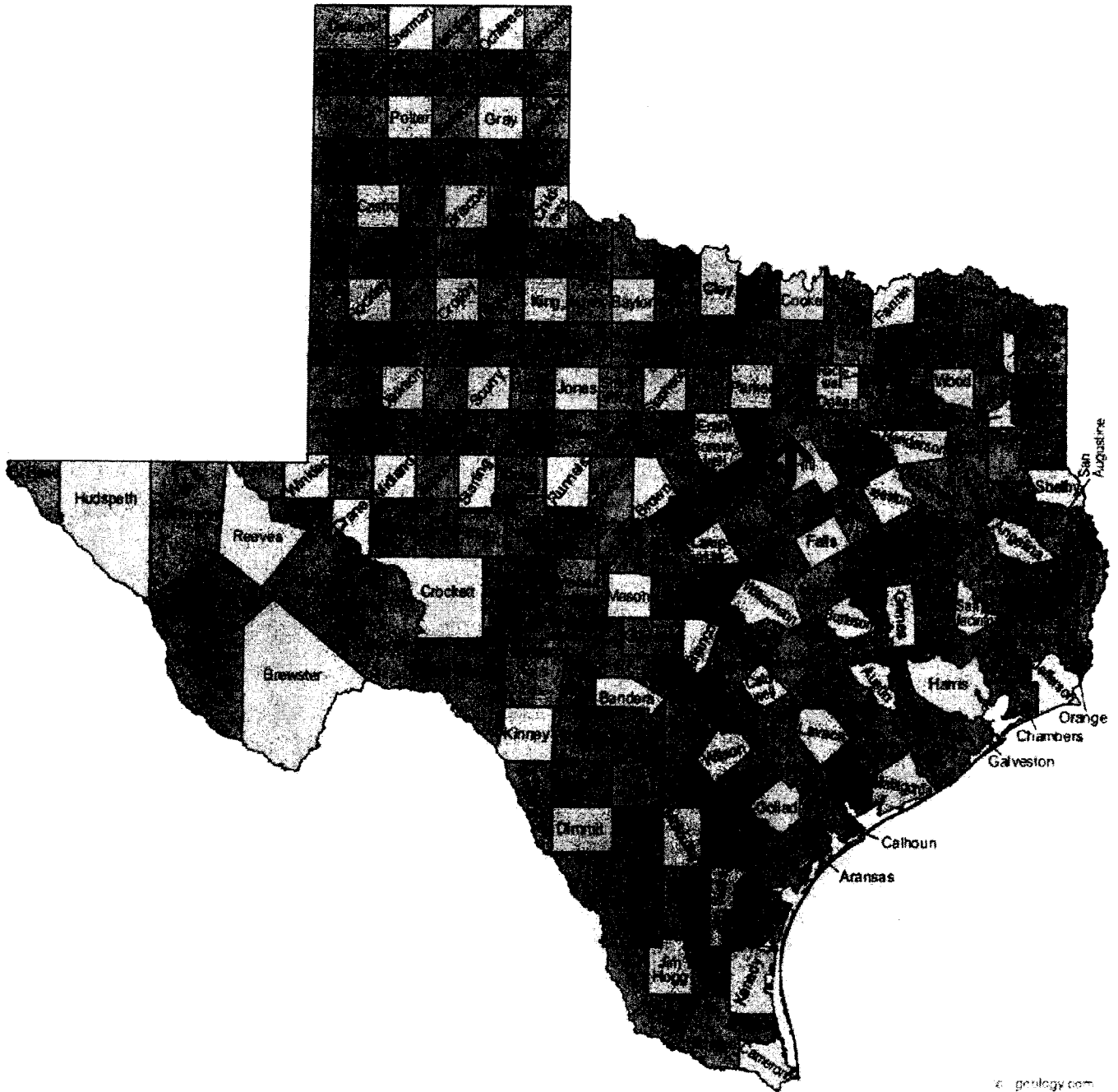
Please do not hesitate to contact Kelli or me if you have any questions or need any additional information.

Sincerely,

Heather Carmichael
Contract Manager/Buyer
Johnson County Purchasing
1102 E Kilpatrick, Ste B
Cleburne, TX 76031
(817) 556-6384 phone
(817) 556-6385 fax

State of Texas Map

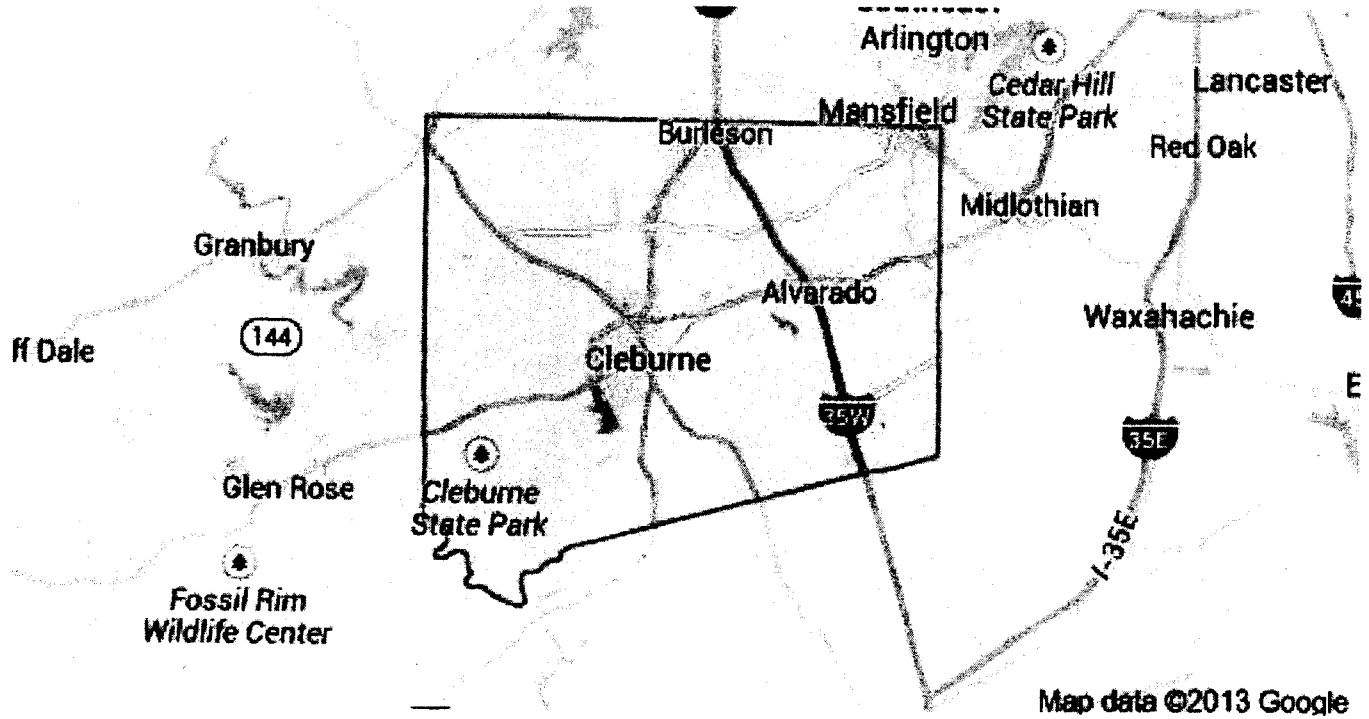
Owner	Johnson County			
Property Address	113-121 W Chambers St			
City	Cleburne	County	Johnson	State TX Zip Code 76033
Client	Johnson County			



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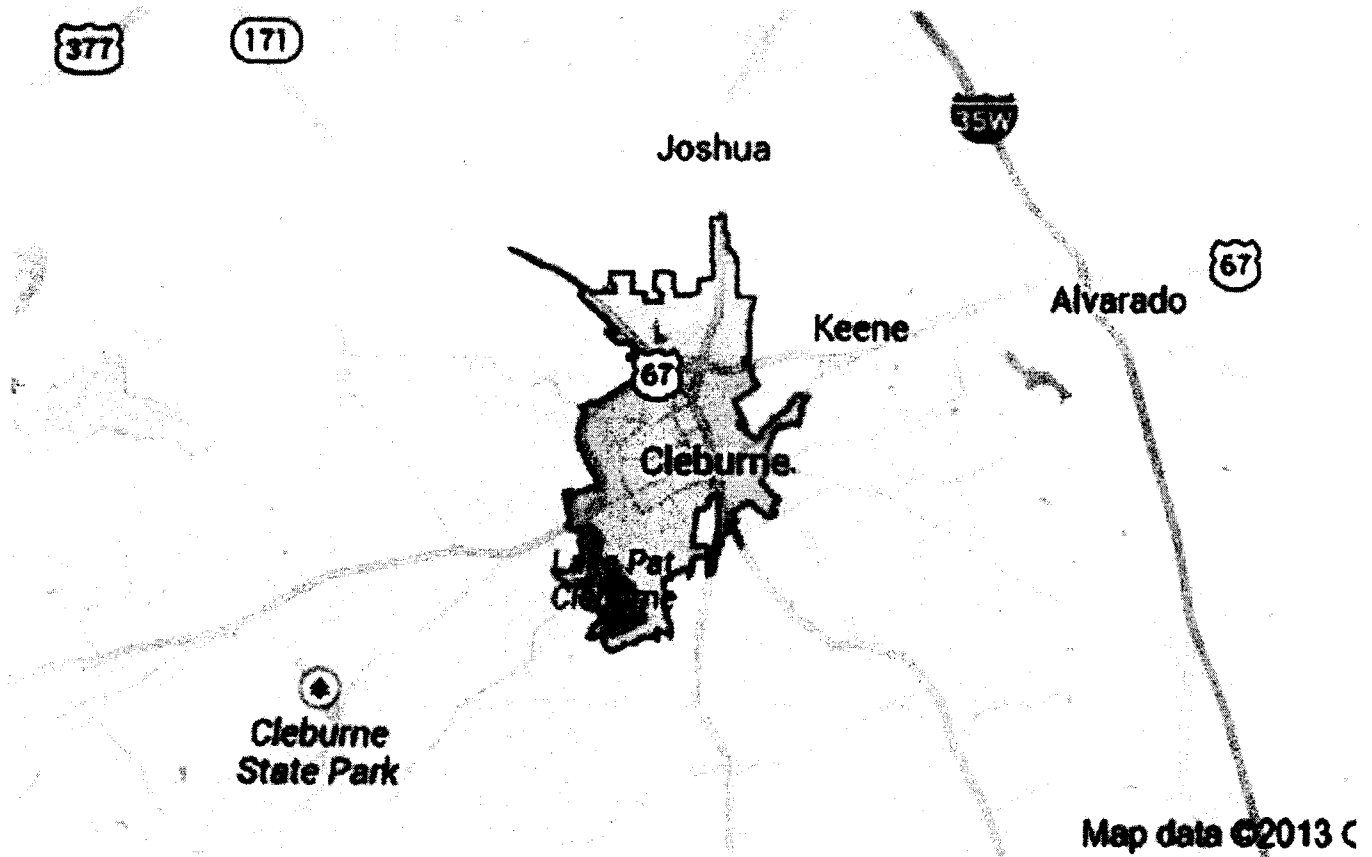
County of Johnson Map

Owner	Johnson County						
Property Address	113-121 W Chambers St						
City	Cleburne	County	Johnson	State	TX	Zip Code	76033
Client	Johnson County						



City of Cleburne Map

Owner	Johnson County			
Property Address	113-121 W Chambers St			
City	Cleburne	County Johnson	State TX	Zip Code 76033
Client	Johnson County			



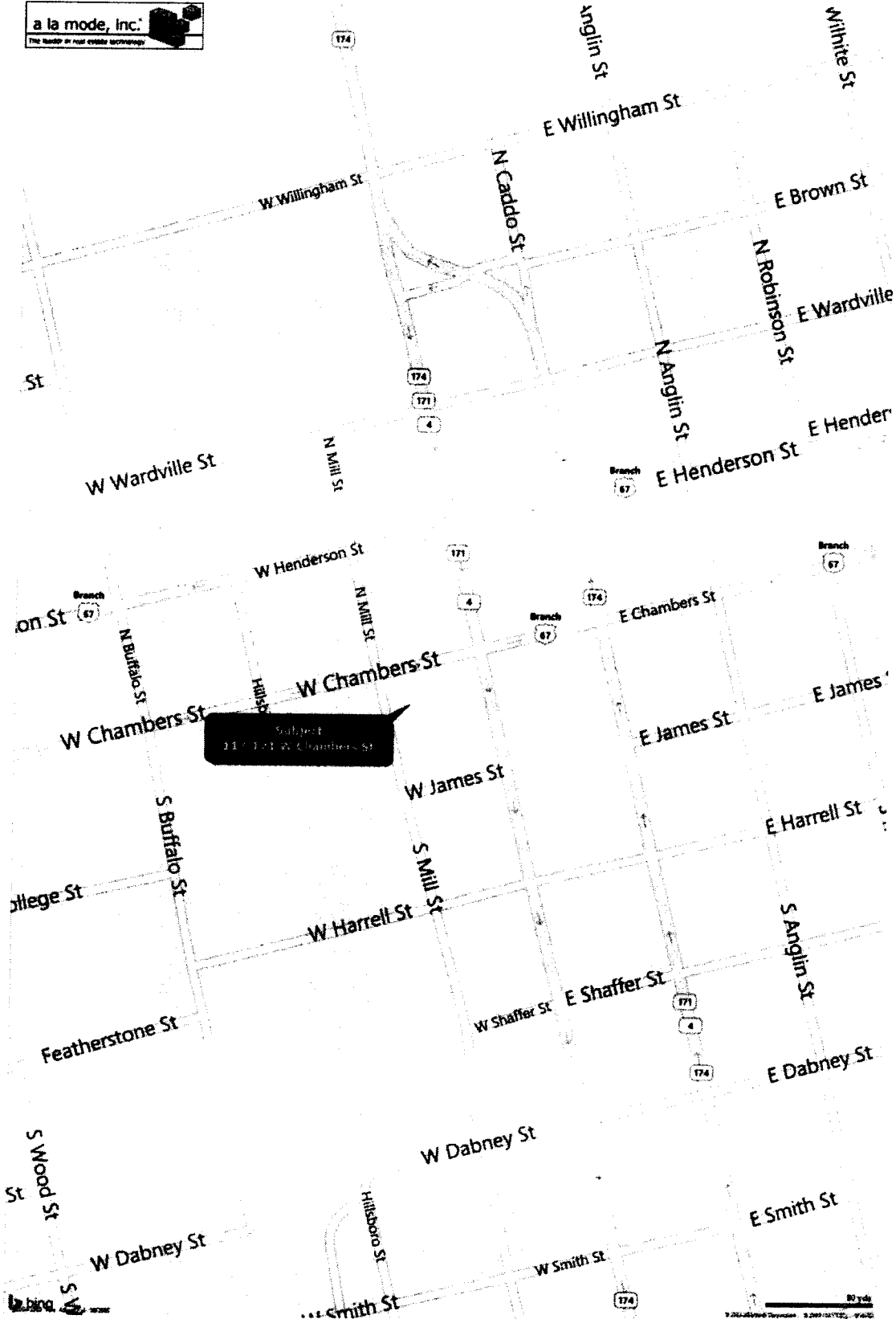
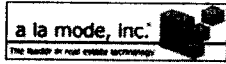
Business Centers Map

Owner	Johnson County						
Property Address	113-121 W Chambers St						
City	Cleburne	County	Johnson	State	TX	Zip Code	76033
Client	Johnson County						



Location Map

Owner	Johnson County						
Property Address	113-121 W Chambers St						
City	Cleburne	County	Johnson	State	TX	Zip Code	76033
Client	Johnson County						



Zoning Map

Owner	Johnson County						
Property Address	113-121 W Chambers St						
City	Cleburne	County	Johnson	State	TX	Zip Code	76033
Client	Johnson County						

C3

according to map provided by P&Z



Flood Map

Owner	Johnson County		
Property Address	113-121 W Chambers St		
City	Cleburne	County Johnson	State TX Zip Code 76033
Client	Johnson County		

InterFlood



www.interflood.com • 1-800-252-6633

Prepared for:
Appraisal Associates

W Chambers & Mill St
Cleburne, TX 76031



FLOODSCAPE

Flood Hazards Map

Map Number
48251C0285J

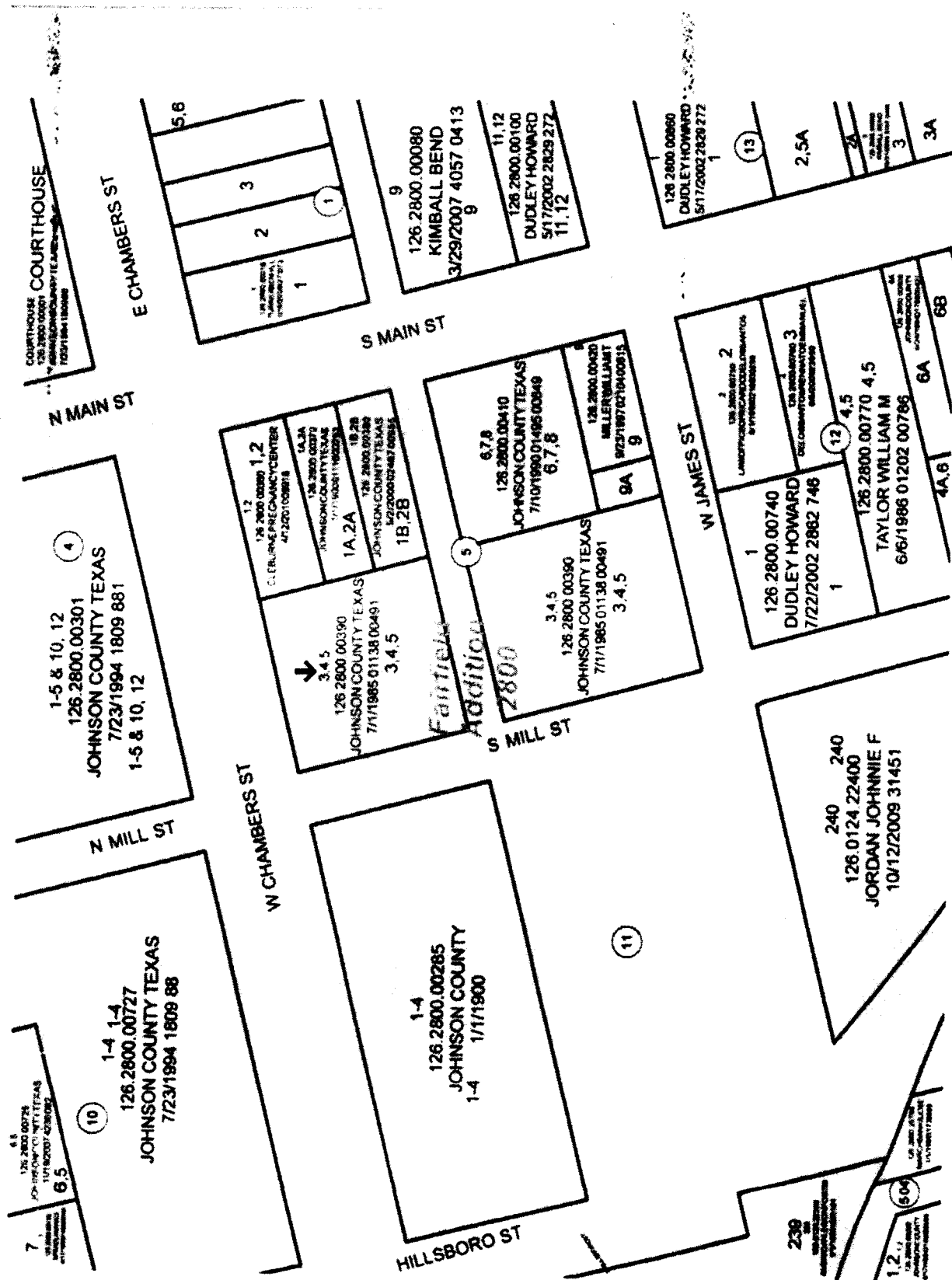
Effective Date
December 4, 2012

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877.77.FLOOD
www.floodsource.com

© 1998-2013 SourceProse and/or FloodSource Corporations. All rights reserved. Patents 6,631,326 and 6,678,615. Other patents pending. For info: info@floodsource.com.

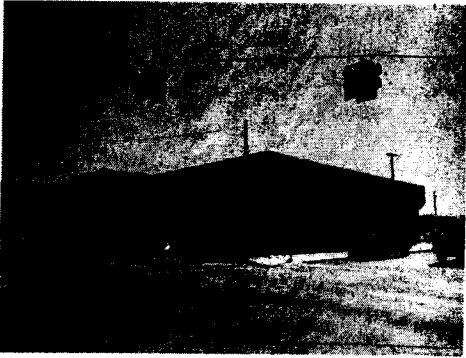
Site Map

Owner	Johnson County		
Property Address	113-121 W Chambers St		
City	Cleburne	County Johnson	State TX
Client	Johnson County		Zip Code 76033

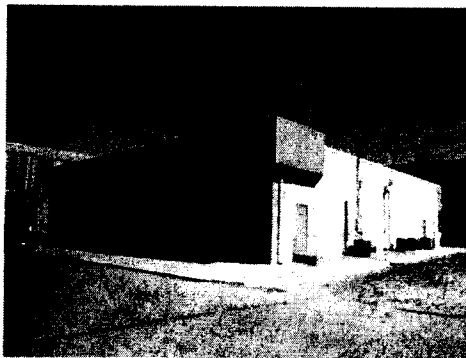


Photograph Addendum

Owner	Johnson County		
Property Address	113-121 W Chambers St		
City	Cleburne	County Johnson	State TX
Client	Johnson County		
			Zip Code 76033



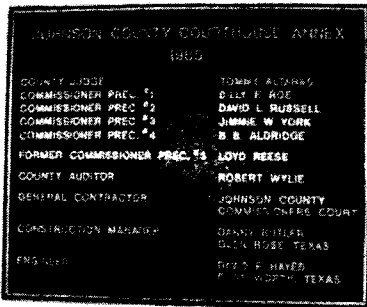
Front



Side/Rear



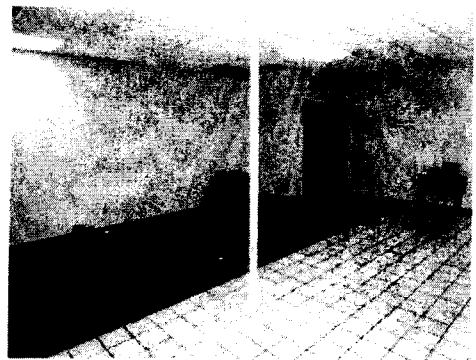
Roof of 113-121 from BOA bldg



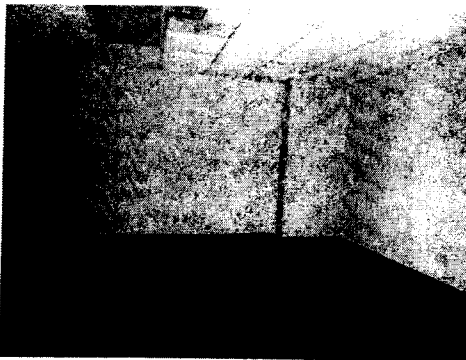
Plaque



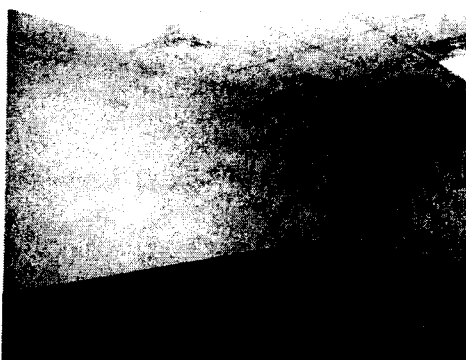
Foyer



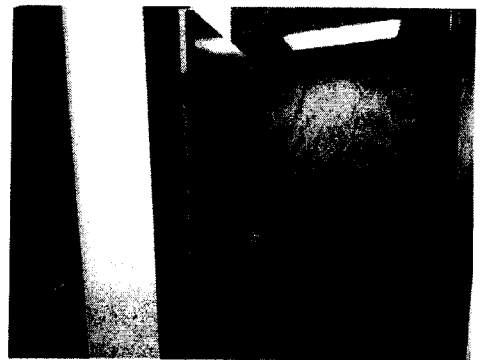
Reception



Office



Office



Office



Hallway



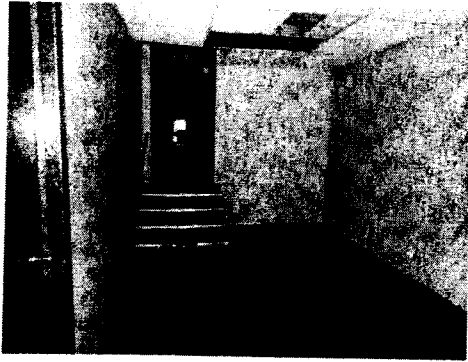
Hallway to 113



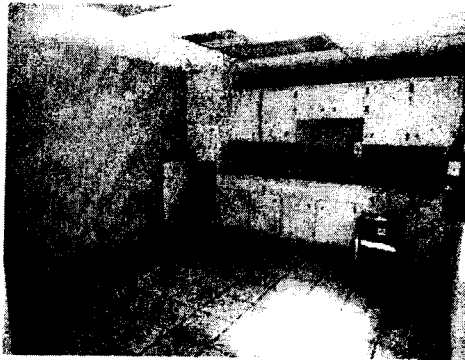
Reception area

Photograph Addendum

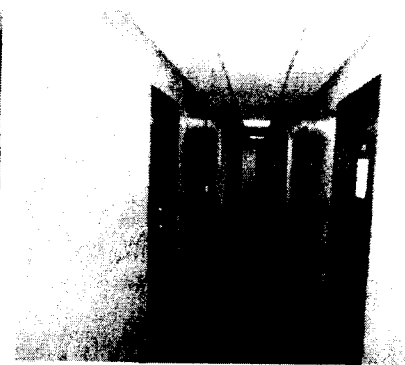
Owner	Johnson County		
Property Address	113-121 W Chambers St		
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Client	Johnson County		Zip Code 76033



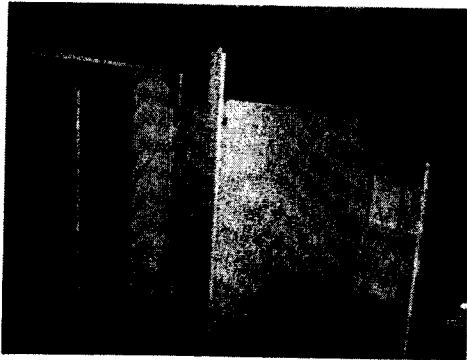
Hallway to rear 102 S Main



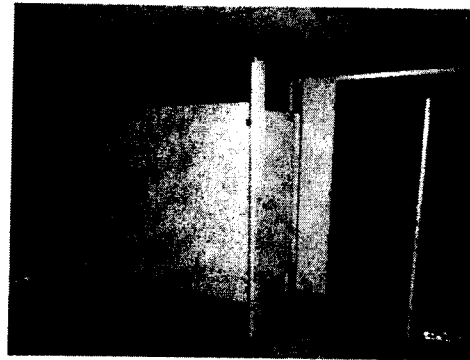
Kitchen



Hallway



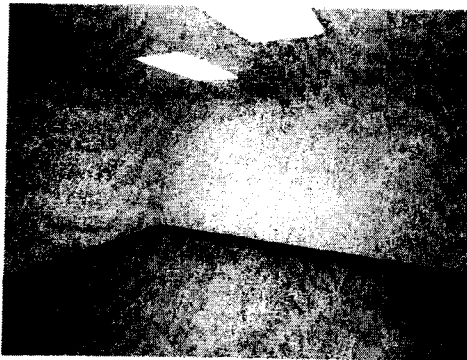
Restroom 1



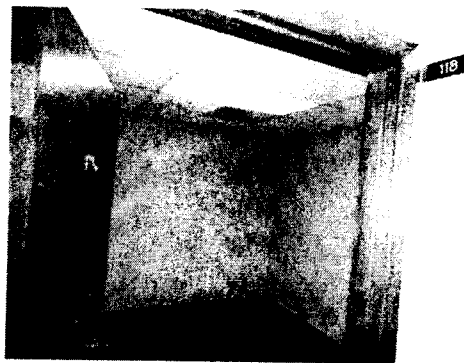
Restroom 2



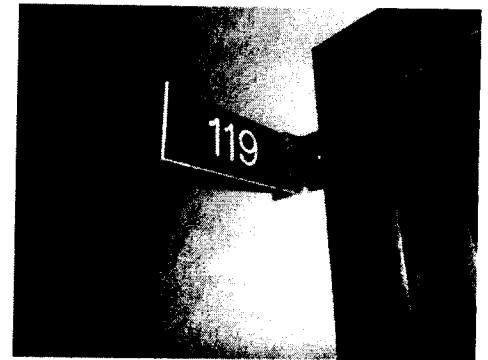
Office



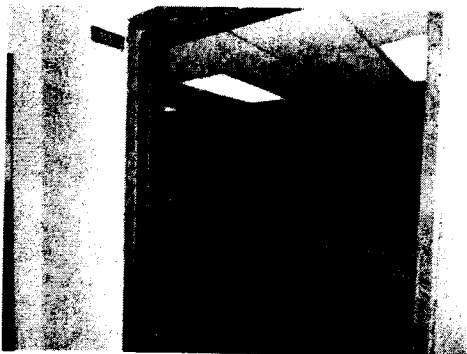
Office



Office



Office



Office



Rear bldg & side street



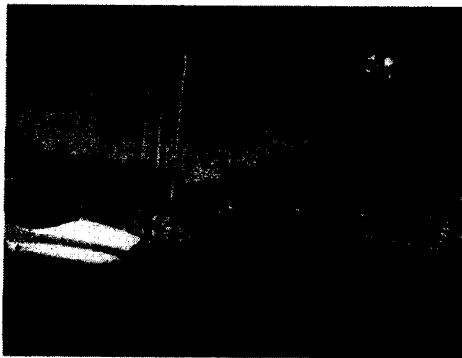
Street Scene N on Mill St

Photograph Addendum

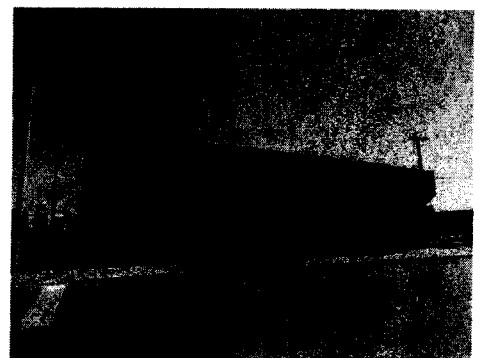
Owner	Johnson County			
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City	Cleburne	County	Johnson	State TX Zip Code 76033
Client	Johnson County			



Street scene E on Chambers



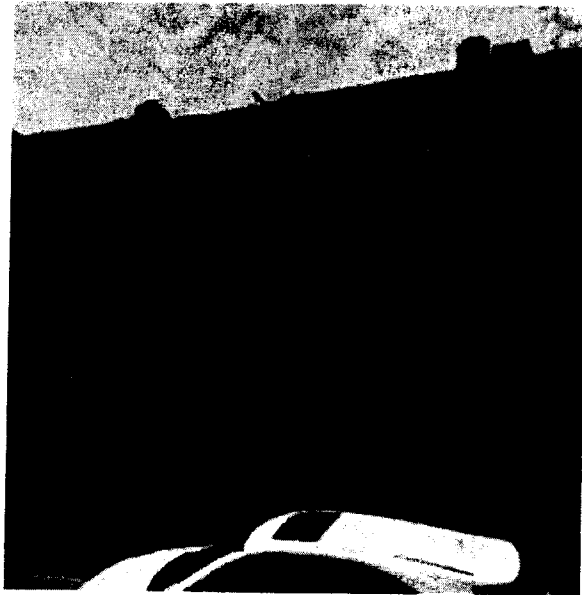
Street scene W on Chambers



West side view

Comparable Building Photos

Owner	Johnson County			
Property Address	113 W Chambers St			
City	Cleburne	County Johnson	State TX	Zip Code 76033
Client	Johnson County			



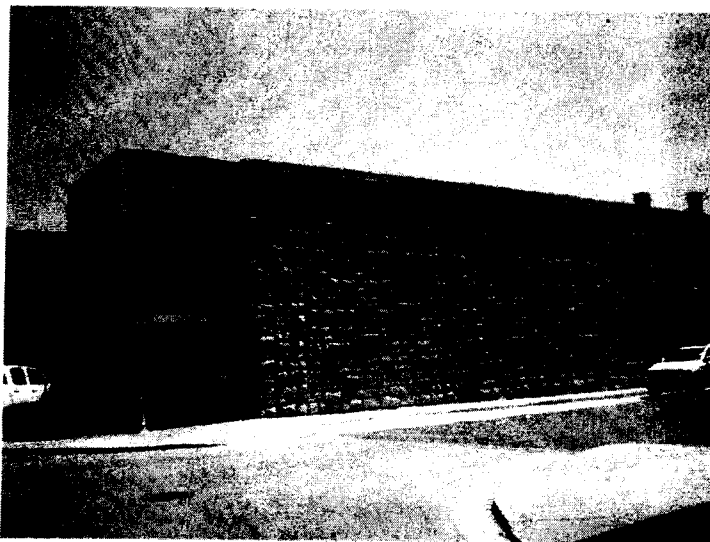
212 S Main
Cleburne, TX

Renovated Retail Space



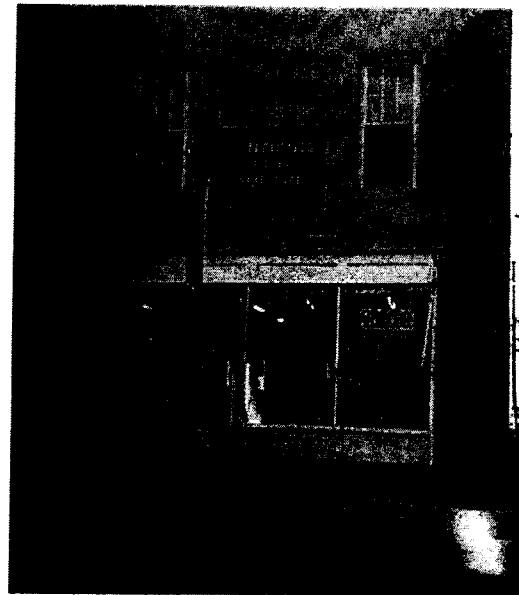
208 W Henderson
Cleburne, TX

Fair to Average Condition
Needed plumbing repairs
and updating



190 W College
Stephenville, TX

Average Condition
Needed updating

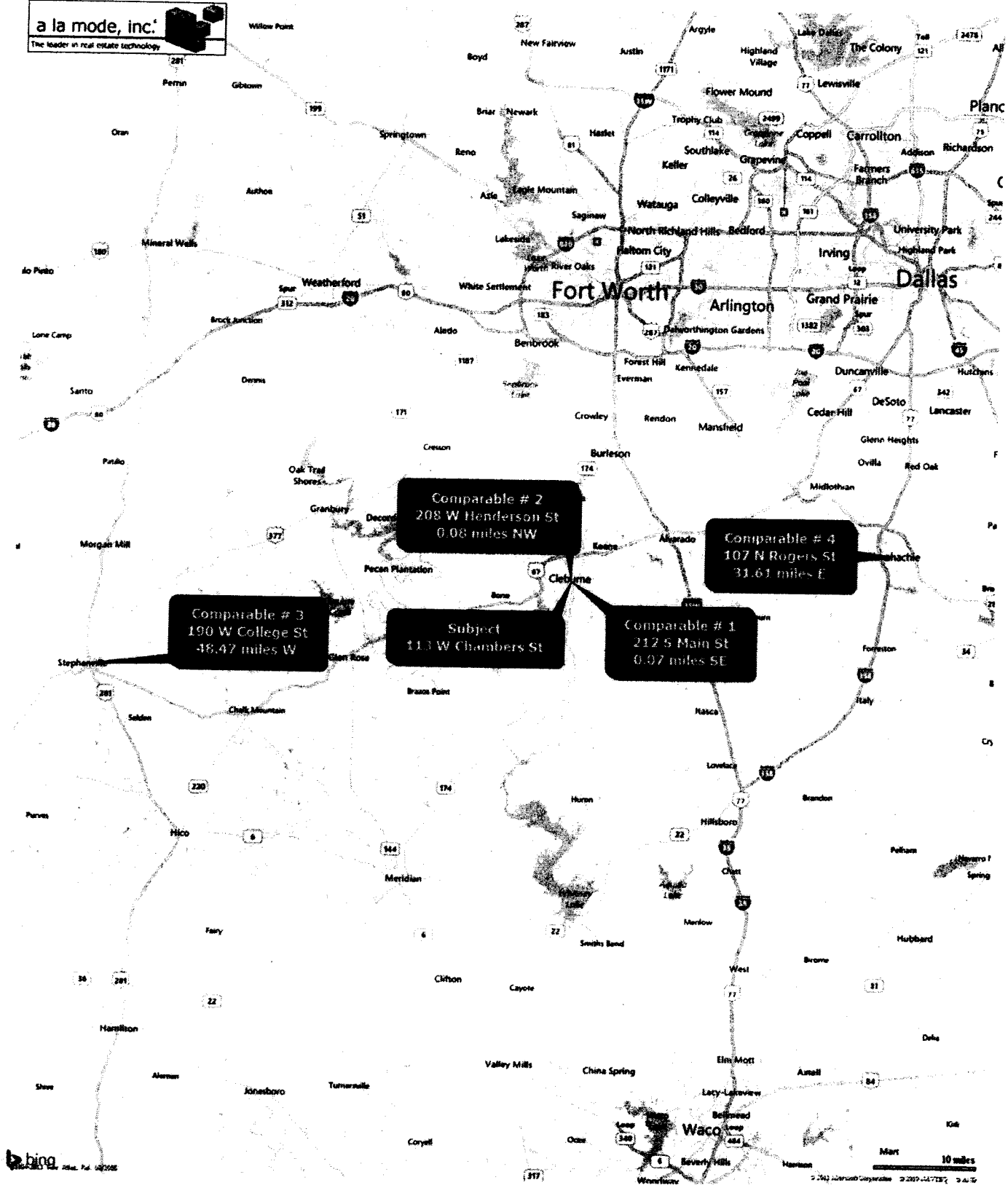


107 N Rogers St
Waxahachie, TX

Renovated Retail downstairs
Loft apartment upstairs

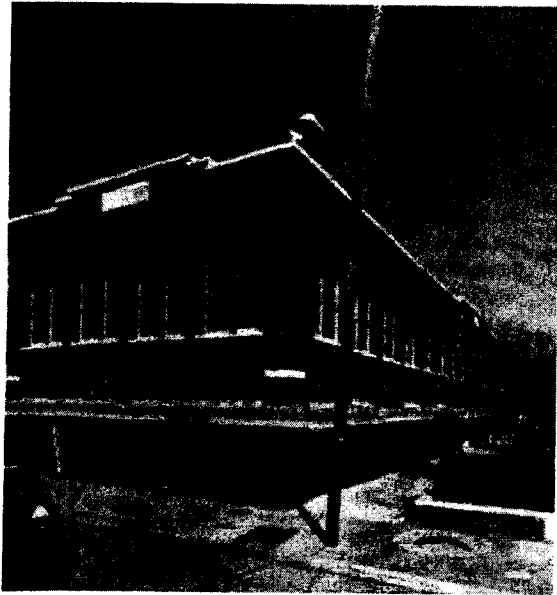
Comparable Sales Map

Owner	Johnson County		
Property Address	113-121 W Chambers St		
City	Cleburne	County Johnson	State TX Zip Code 76033
Client	Johnson County		



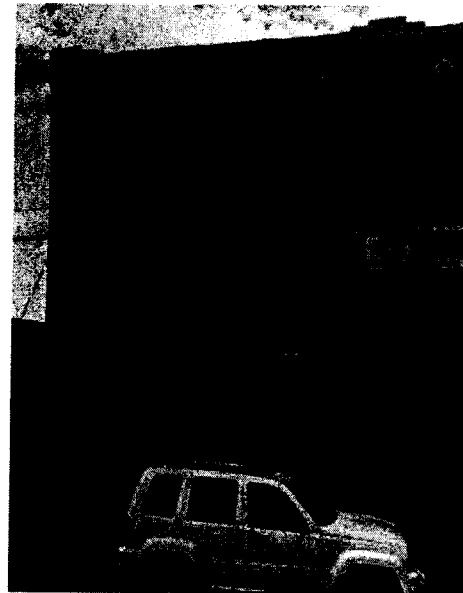
Photograph Addendum

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Property Address	113 W Chambers St			
City	Cleburne	County Johnson	State TX	Zip Code 76033
Client	Johnson County			



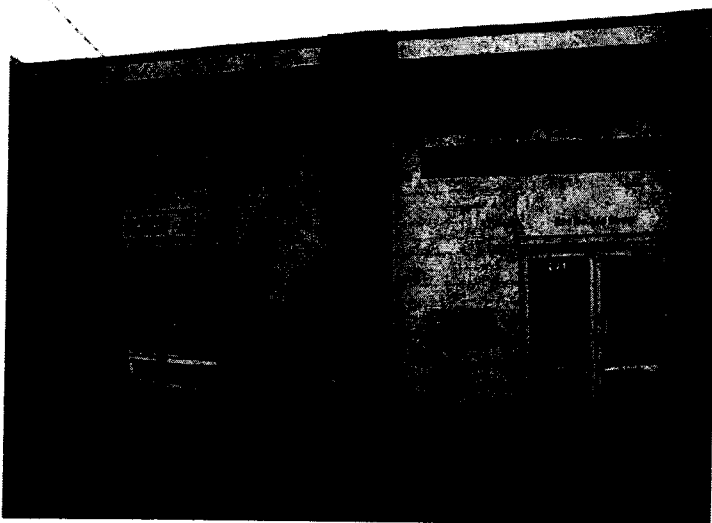
115 S Main
Wright Building
Cleburne, TX

Upper end retail/offices
One block east of subject
commands an average \$14 per sf per annum rental rate



206 S Caddo
Cleburne, TX

Two blocks east and south of subject
Renovated office
Rental rate per annum is \$8.18 per sf



207 S Mill
Cleburne, TX

One block south of subject
Office space, inferior location
Rental Rate \$3.27 per sf per annum

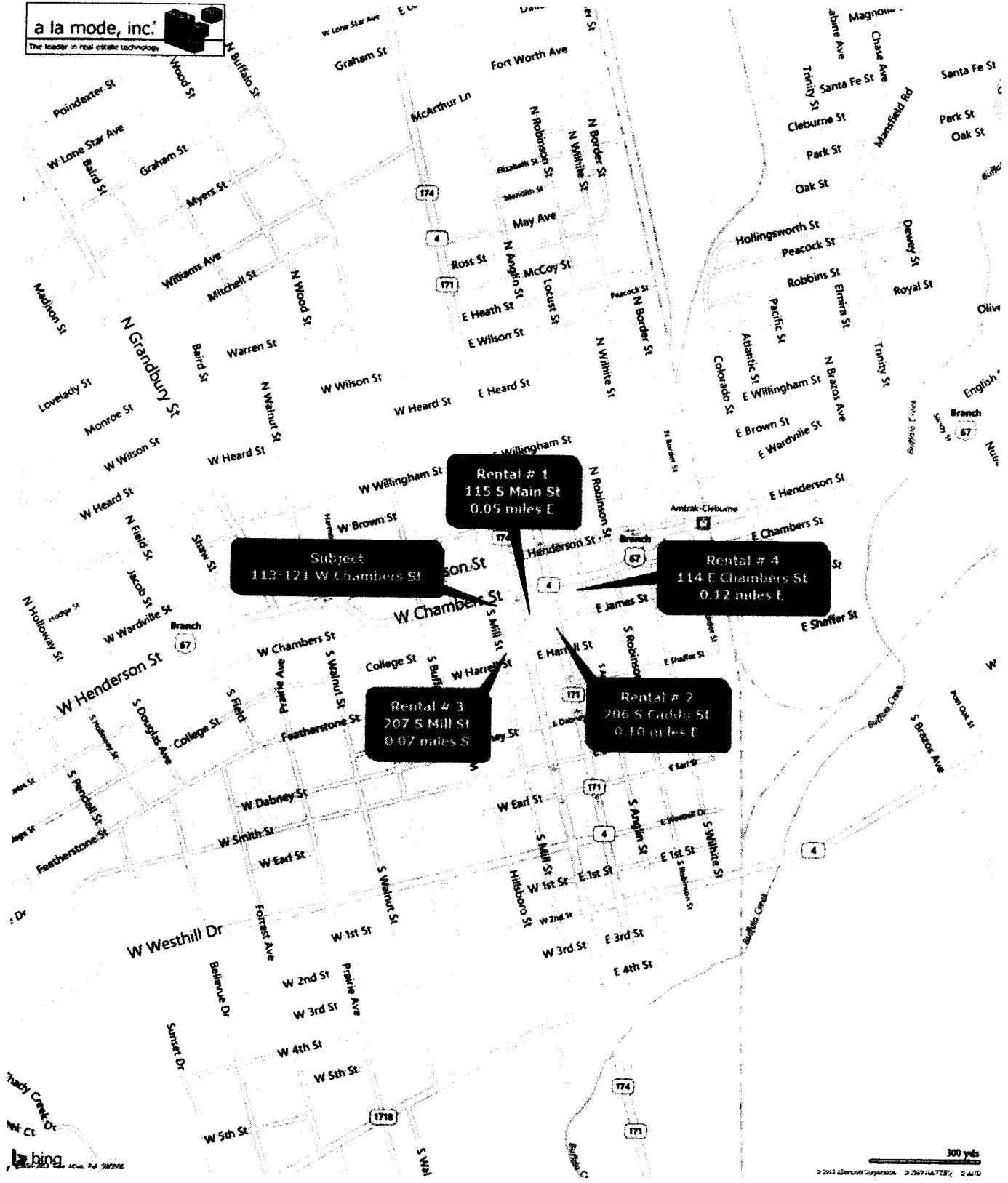


114 E Chambers
Cleburne, TX

Two blocks east of subject
Retail Space, needs updating
Bottom floor leases for \$5.33 per sf per annum

Rentals Map

Owner	Johnson County			
Property Address	113-121 W Chambers St			
City	Cleburne	County	Johnson	State TX Zip Code 76033
Client	Johnson County			



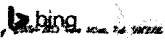
Rental # 1
115 S Main St
0.05 miles E

Subject
113-121 W Chambers St

Rental # 4
114 E Chambers St
0.12 miles E

Rental # 3
207 S Mill St
0.07 miles S

Rental # 2
206 S Caddo St
0.10 miles E



300 yds
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PRIVACY NOTICE

Pursuant to the Gramm-Leach-Bliley Act of 1999, effective July 1, 2001, Appraisers, along with all providers of personal financial services are now required by federal law to inform their clients of the policies of the firm with regard to the privacy of client nonpublic personal information. As professionals, we understand that your privacy is very important to you and are pleased to provide you with this information.

Types of Nonpublic Personal Information We Collect

In the course of performing appraisals, we may collect what is known as "nonpublic personal information" about you. This information is used to facilitate the services that we provide to you and may include the information provided to us by you directly or received by us from others with your authorization.

Parties to Whom We Disclose Information

We do not disclose any nonpublic personal information obtained in the course of our engagement with our clients to nonaffiliated third parties, except as necessary or as required by law. By way of example, a necessary disclosure would be to our employees, and in certain situations, to unrelated third party consultants who need to know that information to assist us in providing appraisal services to you. All of our employees and any third party consultants we employ are informed that any information they see as part of an appraisal assignment is to be maintained in strict confidence within the firm.

A disclosure required by law would be a disclosure by us that is ordered by a court of competent jurisdiction with regard to a legal action to which you are a party.

Confidentiality and Security

We will retain records relating to professional services that we have provided to you for a reasonable time so that we are better able to assist you with your needs. In order to protect your nonpublic personal information from unauthorized access by third parties, we maintain physical, electronic and procedural safeguards that comply with our professional standards to insure the security and integrity of your information.

Please feel free to call us any time if you have any questions about the confidentiality of the information that you provide to us.

APPRAISER DISCLOSURE STATEMENT

File No. 1309-02

Name of Appraiser: Dona L Buie, ATA-G

Class of Certification/Licensure: Certified General
 Certified Residential
 Licensed Residential
 Temporary General Licensed

Certification/Licensure Number: TX-1327327-G

Certification/Licensure State: TX **Expires:** 04/30/2015

Scope: This Report is within the scope of my Certification or License
 is not within the scope of my Certification or License

Service Provided By: Disinterested & Unbiased Third Party
 Interested & Biased Third Party
 Interested Third Party on Contingent Fee Basis

Signature of person preparing and reporting the Appraisal:

Dona L. Buie

This form must be included in conjunction with all appraisal assignments or specialized services performed by a state-certified or state-licensed real estate appraiser.

Appraiser's License

Owner	Johnson County						
Property Address	113-121 W Chambers St						
City	Cleburne	County	Johnson	State	TX	Zip Code	76033
Client	Johnson County						

Texas Appraiser Licensing and Certification Board

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

Certified General Real Estate Appraiser

Number: **TX 1327327 G**

Issued: **03/13/2013**

Expires: **04/30/2015**

Appraiser: **DONA LEE BUIE**

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


Douglas E. Oldmixon
Commissioner

REAL ESTATE APPRAISAL REPORT

Property Located At

113-121 West Chambers
Cleburne, TX 76031

Prepared for

Johnson County Judge
2 N. Main Street, Rm 120
Cleburne, TX 76031

Prepared by

Appraisal Associates, LLC
P. O. Box 391
Granbury, Texas 76048
(817) 279-8689 FAX (817) 579-5096

Effective Date of Appraisal

October 8, 2013

Appraiser

Dona L. Buie, ATA-G
State Certified General Appraiser

Appraisal Associates, LLC
State Certified Real Estate Appraisers
P. O. Box 391
Granbury, Texas 76048
Voice: (817) 279-8689 Fax: (817) 579-5096

November 15, 2013

Heather Carmichael, Contract Mgr/Buyer
Johnson County
1102 E Kilpatrick, Ste B
Cleburne, TX 76031

RE: 113-121 West Chambers, Cleburne, Johnson County, Texas

Dear Ms Carmichael:

As per your request, we have made an inspection and valuation analysis of the above-mentioned property which will be legally described in the following report. The purpose of the investigation was to estimate the current market value of the fee simple estate of the same property, as defined within FIRREA. This is a **Summary Appraisal Report** and is intended to assist the Client in make financial decisions concerning the property.

The intended User(s) of this appraisal report will be the County of Johnson, Texas. The subject is not currently listed for sale or sold within the past three years.

This estimate is subject to any contingent and limiting conditions set forth herein. The analyses, opinions, and conclusions were developed, and this report has been prepared in accordance with the Uniform Appraisal Standards and Requirements as set forth by the Appraisal Standards Board. The appraisal report also complies with the Competency provisions of USPAP.

Upon inspection of the property, no other significant, cultural, recreational or scientific value considerations were observed. The value estimates presented in this report address strictly the real property only. Based on information provided to these appraisers and the inspection, the subject property consists of two attached commercial buildings on .152 acres located in the City of Cleburne, County of Johnson, Texas.

The overall condition of the building at this time is considered to be average. An inquiry to the city was made to determine if the building meets current building codes. The city states that there are no code violations or safety issues regarding the property. No apparent environmental hazards were noted. However, these appraisers are not experts in the detection of environmental hazards. This report does not contain valuation of any personal property.

Based on our inspection of the neighborhood and analysis of the market area of concern, it is the opinion of the appraiser(s) that a reasonable amount of time allowed for the subject property to be exposed and marketed to the open market would be in the range of one to two years.

By virtue of our investigation, it is the opinion of the appraiser(s) that the Market Value of the fee simple estate of the subject property as described herein, in it's "as is" condition, **as of October 8, 2013**, was:

TWO HUNDRED TWENTY THOUSAND DOLLARS

(\$ 220,000)

Should you have any questions, or if we may be of further assistance to you in the future, please do not hesitate to call on us.

Sincerely yours,

Appraisal Associates, LLC

Dona L. Buie

Dona L. Buie, ATA-G
State Certified General Appraiser

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

CLIENT: Johnson County Judge
2 N Main Street, Rm 120
Cleburne, TX 76033

APPRAISER(S): Dona L. Buie, State Certified General Appraiser
Appraisal Associates, LLC
P. O. Box 391
Granbury, TX 76048

SUBJECT: 113-121 West Chambers
Lots 3,4,5, Block 5, Original Cleburne
Cleburne, TX 76031

PURPOSE OF THE APPRAISAL

The objective of this appraisal report is to estimate the Market Value of the fee simple estate of the herein legally described property assuming unencumbered fee simple ownership and on a cash basis.

MARKET VALUE DEFINED

As used herein, the "Market Value" is defined as 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, knowledgeably and assuming the price is not affected by undue stimulus.

Implicit of 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 each acting in what they consider their own best interest.
3. A reasonable time is allowed for exposure in the open market.
4. Payment is made in cash in U. S. Dollars or in terms of financial arrangements comparable hereto.
5. The price represents a normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

INTENDED USE/USERS OF REPORT

This appraisal is intended to assist the client, the County of Johnson, with financial decisions concerning the property.

INTEREST VALUED

The property rights appraised in this report are those constituting the fee simple estate to the appraised property, subject to public and private encumbrances, covenants and restrictions which represent a portion of the potential ownership rights. The property is appraised under the assumption of responsible ownership. It is assumed that the property can be financed for purchase at present, prevalent market terms and rates.

EFFECTIVE DATE OF VALUE

The effective date of the value estimate presented in this report is as of October 8, 2013.

DATE OF REPORT

Work for this report began on 10/8/2013 and was completed on 12/6/2013.

APPRAISAL DEVELOPMENT AND REPORT PROCESS

- Scope of the Appraisal

In preparing this appraisal, the appraisers did the following:

- 1) Inspected the subject site and interior as well as the exterior of the improvements.
- 2) Gathered information on the most recent comparable land, rentals and improved sales.
- 3) Confirmed and analyzed the data and applied the Market and Income approaches.

This Summary Appraisal Report is a brief recapitulation of the appraisers' data, analyses, and conclusions. Supporting documentation is retained in the appraisers' file.

HISTORY OF OWNERSHIP

According to public records, title to the subject tract is in the name of Johnson County as recorded in Volume 1138, Page 491 of the County Deed Records when it was purchased from Thomas Milton Sowell on 9/17/1985. No further sales were found in a five-year search.

DESCRIPTION OF REAL ESTATE APPRAISED

LEGAL DESCRIPTION

The subject property is legally described as recorded in the County Deed Records as follows:

Lots 3, 4 & 5, Block 5, Original Cleburne

The Johnson County Central Appraisal District identifies the subject as R35641 and 126-2800-00390. No survey for this tract was provided by the client for the purposes of this report.

LOCATION DESCRIPTION

The subject property is located within the City of Cleburne. Cleburne is the county seat of Johnson County. According to the 2010 Census, Cleburne had a population of about 29,377. Cleburne is located about 35 miles southwest of Fort Worth and about 50 miles southwest of Dallas. Due to Cleburne's close proximity to the Metroplex, many residents work there.

Cleburne and Johnson County are experiencing steady growth in the residential, mostly as in-migration from the Metroplex, as well as in the commercial sector. Most of the new commercial growth has occurred along Highway 67, also known as Henderson Street and Highway 174, also known as Main Street. The economic outlook for the immediate future and long term for the area appears to be favorable. Continued steady growth is expected which will create the need for more residential units and with it, commercial space for community support businesses. The subject's neighborhood is considered to be the central business district in downtown, City of Cleburne.

The subject property is located on the northwest corner of S Mills and West Chambers just south and west of the intersection of North Main, also known as Highway 174, and West Chambers. There is currently zoning for C-3, commercial use. It is located is one block from the courthouse square. The immediate area of the subject consists of commercial entities's near the subject along Highway 67 also known as West Henderson Street and a portion of Chambers Street and Main Street also known as Highway 174 with nearby residential subdivisions located near the subject along interior streets.

PROPERTY DESCRIPTION

The subject property consists of a 0.152 acre or 6,642 square foot site which is improved with two attached commercial office buildings. The construction is concrete block walls that have been stuccoed over a reinforced concrete slab foundation with a built up type roof. The front of the building has an attractive entrance for 121 West Chambers at the corner of W Chambers and S Mill. The entry to 113 West Chambers is on the north side of the building. There are rear entrances on the south side of the building for both sections.

The building is divided into one shared kitchen, two shared restrooms, 22 offices and a large reception area for each section. The building is insulated, lighted and has central heat and air and is approximately 6,587 sf in size. The utilities available at the site are electricity, city water and a city sewer. The building interior finish out is commercial grade carpeting, a drop acoustic panel ceiling and painted drywall partitions. The lighting is provided by fluorescent panel ceiling fixtures. There are five exterior access doors and an interior hallway access into the rear of 102 S Main.

There is handicap access to the building and restrooms. The parking is public spaces along the street to the north and west. There are paved sidewalks around the building on three sides, north, west and south.

According to FEMA's community maps the subject property's improvements do not appear to be within a flood hazard zone. It should be noted that although it is considered very unlikely that the subject property's improvements would be subject to flooding due to their elevation, a prudent buyer would rely upon a survey to determine the subject property's exact relationship to any flood hazard area.

The Layland Museum was contacted as to the buildings most likely age and the first date that was found was in the late 1950's for Cleburne Oil at the location of 113 W Chambers.

The City of Cleburne was contacted and asked if there were any building codes in violation or any or safety hazards known about the buildings. Their response, which is retained in the appraiser's file, was that there were no known issues with the subject property. However, a certificate of occupancy would have to be obtained if someone were to attempt to occupy the buildings. For the purposes of this report, the subject property appears to be in average condition and without knowing any issues to prevent occupancy and the fact that the property was occupied as recently as within this past year; the building is considered in average condition and able to be occupied.

In summary, the subject site enjoys a good location along West Chambers and South Mill Streets, just west of South Main also known as US Highway 174. The site also has access along the rear of the site onto a paved alleyway. The existing road network provides satisfactory access to and from the subject and visibility/exposure is considered good. The site's topographical features and ingress/egress are deemed satisfactory and all utilities are available or proximate to the site. Developments in the immediate area of the Central Business District include offices and retail with the majority of the land in the area being developed for many years. Developments along the main streets include a variety of commercial developments taking advantage of the traffic flow.

Some renovations have taken place in the near vicinity of the subject including the Wright Building and the Liberty hotel.

HIGHEST AND BEST USE

Highest and Best Use As Though Vacant. Considering the subject's location, it is believed that the highest and best use of the subject site as if vacant would be a commercial use. It has good visibility and frontage from a main thoroughfare in Cleburne. As population pressures in Johnson County create more residential subdivisions in the area, the traffic will continue to increase in front of the site and the need for commercial support businesses will increase consequently.

Highest and Best Use as Improved. The highest and best use of a property as improved may not always be the same as the highest and best use of a tract as if vacant. However, the improvements will continue to exist until the vacant site value exceeds the whole property value as improved.

The improvements are designed to function as a commercial income producing unit. The overall construction of the building appears to be typical for the market area and is within the central business district and near, as well, to residential areas which provide clients for the business. Therefore, the highest and best use is considered to be, as improved, the use as a commercial income producing entity.

As will be noted in the Income and Market Approaches, the subject's related improvements do have contributory value. Therefore, there is no alternative use which could legally, economically, and/or financially justify a change in proposed use. Therefore, the use as office space is considered to be the highest and best use of the property.

SUMMARY OF ANALYSIS AND VALUATION

MARKET APPROACH

When comparable market data is available, it should accurately reflect the attitudes of the typical buyers and sellers in the market place. When these are adjusted for differences noted, the indications are typically accurate. The appraisers were fortunate in this instance to be able to secure data on recent transactions of similar properties.

Sales Comparison Approach. A summary of the data on comparable improved sales is illustrated below.

Market Approach - Continued

Sale No.	Address City	Sales Price	Date of Sale	Bldg. S. F.	Bldg. Age	Site S. F.	\$/SF
1	212 S Main Cleburne	\$97,500	1/6/11	1,720	~103	1,655	\$56.69
2	208 W Henderson Cleburne	\$60,500	5/16/11	2,112	57	4,233	\$28.65
3	190 W College Stephenville	\$92,700	6/17/11	2,850	~128	3,485	\$32.53
4	107 N Rogers St Waxahachie	\$145,000	11/4/11	3,589	~113	2,439	\$40.40
S	113-121 W Chambers Cleburne	NA	NA	6,587	~55	6,642	\$NA

The sales were all recent in terms of after the market stabilization had started and no adjustment for market condition was considered appropriate. The location of the comparable sales 1 & 2 were in the same market and the location of the comparable sales 3 & 4 were in similar markets and no adjustment for location was made.

The size of the comparables were smaller than the subject and were adjusted upward. The condition of comparable 1 was renovated and adjusted downward, the condition of comparable 2 was it needed some repairs and was adjusted upward.

The age and quality of construction of the comparable buildings was similar for the comparable sales and were not adjusted. The estimated contributory value of the sites were adjusted accordingly. The sales had a similar mix of Office Retail in the Central Business District. The construction quality was considered similar.

After making adjustments for differences the estimated value per unit for the subject property was \$32.87 per square foot. An adjustment grid has been included showing the indicated value on each comparable sale after adjustments were made.

IMPROVED PROPERTIES ADJUSTMENT GRID				
SALE NUMBER:	1	2	3	4
PRICE PER UNIT:	\$56.69	\$28.65	\$32.53	\$40.40
ADJUSTMENTS				
ECONOMIC				
Market Conditions:	0%	0%	0%	0%
Condition of Sale:	0%	0%	0%	0%
Terms of Sale:	0%	0%	0%	0%
Adjusted Basis:	\$56.69	\$28.65	\$32.53	\$40.40
PHYSICAL				
Building Size:	-30%	-30%	-25%	-20%
Location:	0%	0%	0%	0%
Condition/Age:	-10%	15%	20%	0%
Land Size/Value:	9%	9%	13%	-5%
Construction Qual:	0%	0%	0%	0%
NET ADJUSTMENT:	-31%	-6%	8%	-25%
INDICATED VALUE:	\$39.12	\$26.93	\$35.13	\$30.30
CONCLUSIONS:				
Building Size:	6,587			
Estimated Value Per SF:	\$32.87			
Estimated Value of Subject Property:	\$216,514			
VALUE INDICATED WHEN ROUNDED:	\$216,500			

COST APPROACH - WHOLE PROPERTY

The Cost Approach to value is not considered appropriate in this case, due to the age of the building and amount of estimated depreciation. There is considered to be no historical value. This approach generally considers replacement cost less depreciation. Current construction is not comparable to the subject as it would cost too much per square foot to replicate the subject as it is than would be financially feasible, making the Cost Approach not reliable or credible.

INCOME APPROACH

Rental No.	Address	\$/SF/Annum	Size SF	Quality/Condition	Location/Occupancy	Expenses by Owner
1	Wright Bldg Cleburne	\$14.00	1,000-2000	Av/Renov	Gd/80%	Taxes/Ins
2	206 S Caddo Cleburne	\$8.18	2,200	Av/Renov	Inf/100%	Taxes/Ins
3	207 S Mill Cleburne	\$3.27	4,402	Av/Renov	Inf/100%	Taxes/Ins
4	114 E Chambers Cleburne	\$5.33	14,580	Avg/Fair	Avg/50%	Taxes/Ins
Subj.	113-121 W Chambers Cleburne	\$0.00	6,587	Avg/Avg	Avg/0%	Taxes/Ins

A market survey was conducted for the purposes of this report. The reported rents range from \$2.50 to \$14.00 per square foot.

Rental 1 is all retail/office finish out that has been renovated. Rental 2 is Retail finish out that has been remodeled. Rental 3 is remodeled office space which has a inferior location. Rental 4 is a retail space in an older building with limited renovations being used as a furniture store, with the upper stories unusable except as storage. Rentals is are one year leases. Considering the rates found in the local market, and after adjusting for differences, the appraisers conclude that the estimated market rent for similar properties near the subject would be in the range of \$6 to \$8 per square foot per annum.

The Taxes, Insurance, Repairs, Maintenance and Reserve were based on an estimated market standard as was the Management.

In arriving at the estimated market rental, the appraisers have considered each of the rentals as to their overall similarity to the subject. The subject currently has no lease. If leased, the occupancy is expected to be within market norm and a conservative figure will be used for credit loss. The property might most likely be managed by the owner, however, a management fee typical in the market will be used for purposes of the income capitalization method.

The basis for all capitalization methods is net income divided by a rate of return equals value. The method of capitalization which is obtained directly from the market is the Direct Capitalization Method which is derived by dividing the net income by the sales price of the comparable sales resulting in a supportable overall capitalization rate or OAR. This method is considered the most reliable since it is a direct reflection of the overall rates which buyers and sellers are willing to accept in the market.

DIRECT CAPITALIZATION

Gross Potential Income			\$46,109
Less	Vacancy & Credit Loss	-23%	(\$10,375)
Effective Gross Income			\$35,734
Less	Taxes (estimated)		(\$5,528)
	Insurance (estimated)		(\$5,000)
	Management	-6%	(\$2,144)
	Utilities (Tenant)		\$0
	Repairs, Maintenance & Reserve	-3%	(\$1,072)
Total Expenses	(expenses as percent of EGI)	-38.46%	(\$13,744)
Net Operating Income			\$21,990
Capitalization Rate			10.0%
Indicated Value			\$219,904
Indicated Value -	Rounded		\$220,000

RECONCILIATION AND VALUE CONCLUSION

The correlation or reconciliation process involves weighing the value indications provided by each applicable method in light of the dependability of each as a reflection of the probable actions of buyers and investors in the market place. The appraisers' final conclusion of value may coincide with one of the approaches, or it may reflect a weighing of the relative merits of each of the approaches in leading to a final conclusion of value. Three accepted methods of property valuation were applied in the appraisal process.

Consideration of the relative merits of each value indication involves reviewing each approach with respect to the reliability of the data used; the applicability of the approach to the type of property being appraised and the applicability of the approach in light of the definition of value sought in the appraisal. Following are the value indications resulting from each method.

Market Approach. The strength of this approach in any appraisal assignment is that if comparable market data is available, it should accurately reflect the attitudes of the typical buyers and sellers in the market place. When these are adjusted for differences noted, the indications are typically accurate. The appraisers were fortunate in this instance to be able to secure data on recent transactions of similar properties. From this data, various units of comparison were abstracted. This data is retained in the appraiser's files. The resulting value indication by this approach was as follows:

\$ 216,500

Cost Approach. The methodology of this approach basically involves estimating the contributory value of the subject improvements as well as the current fair market value of the land, as if vacant. These two value estimates are combined to yield the value indication by this approach. The potential weakness of this approach is that, in some instances, unit cost figures and depreciation are problematic to estimate. Physical depreciation is estimated through the observed condition of the improvements. Measures of obsolescence other than physical, if any, were accomplished through market abstracted methods whose dependability is strengthened by actual actions of the marketplace. Typically, the Cost Approach is often higher than either the Market or Income Approach. The Cost Approach is most effective when used in new construction. This approach is used mainly as support for the other two approaches when the improvements are not new. For the purposes of this summary report and the needs of the client, the Cost Approach was not deemed relevant and was not used in this report.

Income Approach, Direct Capitalization. In this approach, comparable rentals, vacancy and collection factors and expenditures were abstracted from the marketplace and strengthened by historical data on the property when available. The data presented is supportive in all instances. That is, the rental rates, vacancy factors, expenses and capitalization rates are supported by the data presented herein and additional information kept in historical records within the appraisers' files. The value indication via this approach is as follows:

\$ 220,000

Reconciliation and Value Conclusion - Continued

The continued growth in the general Cleburne area population has created an increasing need for properties such as the subject and also created stable occupancy rates. Cleburne is considered a suburb to the Dallas Fort Worth Metroplex area. The need for more space for community support business is considered to be steadily growing in this community. The subject is a well-located commercial building in the city's downtown central business district which compares favorably with the other similar lease space available in the local market.

The subject property is designed to be an income producing property and is well suited to produce an income, therefore, the most weight is placed upon the Income Approach, with support from the Market Approach.

It is the opinion of these consultants, therefore, that the Market Value of the fee simple estate of the subject property as described herein, when considered in it's "as is" status, on a cash equivalency basis, **as of October 8, 2013** was:

TWO HUNDRED TWENTY THOUSAND DOLLARS

(\$ 220,000)

CERTIFICATION

The undersigned certify that, to the best of their knowledge and belief, the following statements are true and correct and adhere to the requirements as set for them by the Appraisal Foundation.

The statements of fact contained in this report are true and correct.

The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analysis, opinions, and conclusions.

The undersigned have no present, contemplated or prospective interest in the property that is the subject of this report, and the undersigned have no personal interest or bias with the respect to the parties involved.

Our compensation is not contingent on an action or event resulting from this analysis, opinion, or conclusion in, or the use of, this report.

Our analysis, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Foundation.

The Appraisers certify that the appraisal conforms to the Uniform Standards of Professional Practice (*USPAP*) adopted by the Appraisal Standards Board of the Appraisal Foundation, as amended.

The use of this report is subject to the requirements of the Appraisal Foundation relating to the review by their duly authorized representatives.

Dona L. Buie has made a personal inspection of the property that is the subject of this analysis and report.

The undersigned appraisers are not involved in the lending or collection function of the institution requesting the appraisal.

Dona L. Buie has made a personal, physical inspection of all comparable properties analyzed during the preparation of this report.

The employment of the undersigned was not conditioned on the appraisal producing a specific value, or a value within a given range, or the approval of a loan.

No person other than the undersigned, has provided significant professional assistance in the preparation of this appraisal report and the analysis, opinions, and conclusions contained herein.

As of the date of this report, Dona L. Buie has completed the requirements of the continuing education program of the Appraisal Foundation.

As of the date of this report Dona L. Buie is certified in the state of Texas as a General Real Estate Appraiser under Certification Number TX-1327327-G, with expiration date of April 30, 2015.

Dona L. Buie

Dona L. Buie

TX-1327327-G

Date: 12/06/2013

Appraisal Associates, LLC. (817) 279-8689

ASSUMPTIONS AND LIMITING CONDITIONS

1. This is a Summary Appraisal Report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it might not include full 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 appraisers' file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraisers are not responsible for unauthorized use of this report.
2. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
3. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
4. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
6. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
7. 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.
8. It is assumed that there is full compliance with all applicable federal state, and local environmental regulations and laws unless otherwise stated in this report.
9. 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 this appraisal report.
10. It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
11. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
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 otherwise stated in this report.

Assumptions and Limiting Conditions - Continued

13. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The appraisers value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraisers' descriptions and resulting comments are the result of the routine observations made during the appraisal process.

14. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.

15. Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.

16. 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.

17. Possession of this report, or a copy thereof, does not carry with it the right to publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with proper written qualification and only in its entirety.

18. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or the firm with which the appraisers are connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.

ADDENDUM