

Staff Report for 2023 State Board of Equalization

File No.: 2023-WILLIAMS-WILLISTON-ENERGY PROPERTY PARTNERS LLC 826 48TH AVE W

Prepared By: Property Tax Division

County or City: City of Williston

Appellant: Energy Property Partners LLC

Issue: Appeal of Commercial Property Valuation.

Summary: Energy Property Partners LLC, doing business as Halliburton, represented by Kimberly King, Tax Specialist with Halliburton Real Estate Services, is appealing the property value of \$18,006,860 on parcel number 01-765-00-00-00-010 located at 826 48th Avenue West, Williston, ND.

Analysis:

Recommendation:



Appellant Information – State Board of Equalization

County or City: Williams
 Appellant: Energy Property Partners, LLC
 Type of Appeal: Commercial

Please complete this form in its entirety. The information provided will be taken into consideration when investigating and reaching a conclusion regarding the appeal presented. To provide ample time for investigation, all information to support the appeal (property information, pictures, income information, etc.) must be received by August 1, 2023, and is subject to open records. Please provide one questionnaire per property.

Please email or mail any supporting documentation to:
propertytax@nd.gov
 or
 The Office of State Tax Commissioner, Attn: Property Tax,
 600 E Boulevard Ave., Bismarck, ND 58505-0599

Information for Property Referenced in Appeal:

Address: 826 48th Ave, Williston,ND
 Township Name:
 County: Williams
 Parcel ID: 01-765-00-00-00-010
 Legal Description:

Appellant Contact Information:

Appellant Name: Kimberly King
 Address: Halliburton Energy Services
 Attn: Property Tax - 3000 N Sam Houston Pkwy, Houston, TX 77032
 Phone Number: 281-871-2950
 Email Address: Kimberly.king@halliburton.com

Answer the questions below that apply to the appeal:

Are you the owner of the property of this appeal? Yes No
 (If No, please see the Consent to Release Financial Info)

Did you receive a notice of increase letter from the city/township? (choose all that apply)
 Prior to After Township/City Equalization Meeting
 Prior to After County Equalization Meeting
 No Notification Received

At which meeting(s) did you appeal your assessment? (choose all that apply)

Township/City County N/A

****Please note NDCC § 57-13-04.3(a)(1)(2) requires appellants to appeal to the State Board of Equalization must have applied to both local and county boards.***

Has a recent appraisal been completed on the property?

Yes (if yes, please attach) No

What grounds is your appeal based upon? Please check all that apply and provide supporting documentation for each selection.

- Factual error, that is, a data collection or clerical error.
- Equity and uniformity claim of discriminatory level of assessment.
- Belief that the valuation is inaccurate.
- Exemption, classification, or assessment limitation.

Please attach or email (propertytax@nd.gov) the following:

1. A detailed explanation of your appeal
2. Evidence to validate the assessment appealed
3. Consent to Release Financial Information, if required

Appeal Process:

- 1.) Appellant notifies the Property Tax Division of intent to appeal.
- 2.) Submit this form and all applicable documentation to propertytax@nd.gov by the date specified above.
- 3.) The State Board of Equalization meets on the second Tuesday in August to examine and compare the returns of the assessment of taxable property as submitted by North Dakota counties. This is locally assessed property. The board equalizes the property so that all assessments of similar taxable property are uniform and equal throughout the state. During this meeting, tax directors or other representatives from a county will speak, along with city representatives, and individual taxpayers.
- 4.) After the State Board meeting, your case will be assigned, and staff will reach out to schedule an onsite review of the property (when deemed applicable). While an interior inspection of the property is not required, interior reviews may affect the consideration of value. If denied an interior review, we will assess from the exterior only. Staff will not be allowed to enter the property without the owner or a representative present.
- 5.) Generally, by the first Thursday of October, the property tax division staff will present their findings to the State Board of Equalization with a recommendation. The board deliberates and votes. You can attend this meeting; however, public comments are not accepted.

600 E. BOULEVARD AVE., DEPT. 127
BISMARCK, ND 58505-0599



TAX.ND.GOV | TAXINFO@ND.GOV NORTH DAKOTA

ENERGY PROPERTY
PARTNERS, LLC
826 48TH AVE, WILLISTON



2023 Valuation Summary

**2023 Williams County Proposed Value - \$18,006,860
(\$126.19/SF)**

2023 Appraisal Value (JLL) - \$ 11,500,000 (\$84.10/SF)

**2023 Halliburton Opinion of Value - \$11,500,000
(\$84.10/SF)**

Subject: 826 48th Ave, Williston

The Halliburton Willison Field Camp supports our field operations by housing the maintenance, repair and deployment of service equipment for Williston.

This facility consists of:

- 8 Buildings of over 160,000 SF of industrial warehouse and office space
- Buildings constructed in 2011
- +29 acres land

- An appraisal was completed and established a fee simple market value for this property at **\$11,500,000** as of the lien date.

Industrial Complex Sale: 805 48th Ave



- Nearly identical design and features as subject due to the fact both sites were constructed and occupied by the same owner from 2013-2018.
- Property details include:
 - Approximately 115,000 SF industrial warehouse, office space and 6 wash bays
 - Buildings were originally constructed in 2013
 - +20 acres land
- Property sold in April 2021 for \$7,000,000 (\$60.87/sf), which was 15% below asking price (\$8,250,000)

Industrial Complex Sale 2: 420 Halliburton Dr

- Halliburton listed this parcel on the market for sale in April 2020
- Property details include:
 - 15 buildings that consist of approximately 128,000 SF industrial office, warehouse, bulk plant, etc.
 - Buildings were originally built/renovated between 1965 – 2013
 - +25 acres land
- Property sold in August 2022 for \$4,200,000 (\$32.74/sf)

Industrial Complex Sale 3: 438 22nd Ave properties

- Halliburton listed this site on the market for sale in June 2020
- Property details include:
 - 6 parcels that are comprised of more than 114,000 SF industrial warehouse, office building, sand plant, wash bay, etc.
 - Buildings were originally constructed in 2011/2012
 - +35 acres land
- Property sold in May 2022 for \$2,000,000 (\$24.45/sf)

2023 Valuation Summary

- Several relevant industrial complex sites have sold since 2021
- 805 48th Ave is the most comparable industrial site to the subject property due to its size, age and location (neighboring parcel). This site sold for \$7M (approx. \$61/sf)
- Other relevant sales of industrial complex sites are 420 Halliburton Dr and 438 22nd Ave. These properties were sold for a sales price range of \$2M to \$4.2M or (\$26/sf - \$32/sf)
- Being that there are a limited number of large industrial complexes in Williston, it is difficult to have multiple properties sell within a year (or even several years)
- The 805 48th Ave site is most comparable to the subject property, and yet our 2023 assessment is nearly triple its sales price.
- Industrial Complex sales prices have been trending downward for several years due to the fact oilfield service operations no longer require having large amounts of warehouse space and parking for field service equipment (super-adequacy).
- The appraisal completed by JLL considers the cost, income and market approaches to value, and concludes an accurate market value of this property at \$11,500,000.
- As a result of the above points, we believe a fair true and full market value for our 2023 assessment is \$11,500,000 (\$84/sf).



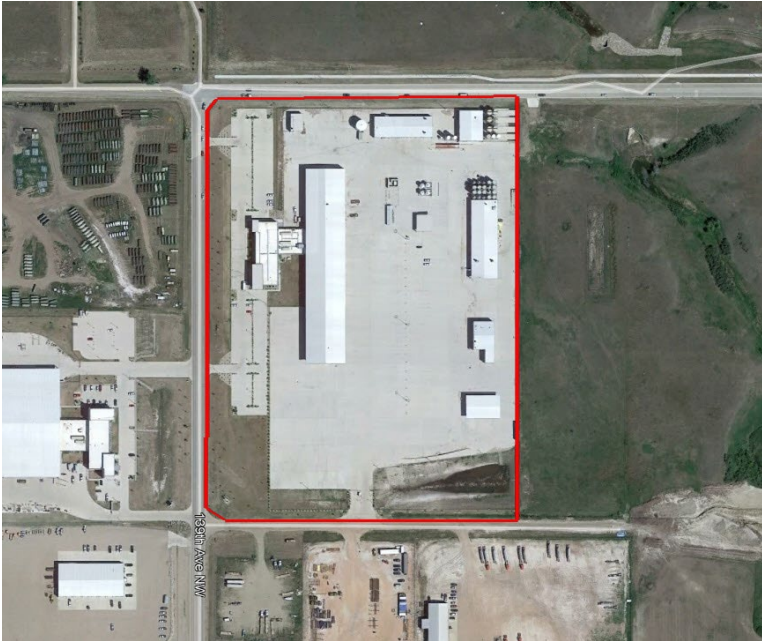
Valuation Advisory

Client: Halliburton Real Estate Services

Property: 826 48TH Avenue W, Williston, ND 58801

Month/Year: March 10, 2023





Halliburton Williston Field Camp
826 48TH Avenue W
Williston, ND 58801



4200 Westheimer, Suite 1400
Houston, TX 77027

Phone: 713-243-3300
Fax: 713-827-8552

March 10, 2023

Mr. Rafik Ibrahim
Real Estate Manager/Acquisitions & Dispositions
Halliburton Real Estate Services
3000 North Sam Houston Parkway East
Houston, Texas 77032-3219

Mr. Shelby Mathew
Senior Tax Manager
Halliburton Real Estate Services
3000 North Sam Houston Parkway East
Houston, Texas 77032-3219

Re: Appraisal

Halliburton Williston Field Camp
826 48TH Avenue W
Williston, Williams County, ND 58801

File Number: VA-22-236373

Dear Mr. Ibrahim and Mr. Mathew:

At your request, we have prepared an appraisal for the above referenced property, which may be briefly described as follows:

The subject is a multi-building industrial property that contains 168,843 square feet of rentable area plus a 5,310 square foot truck wash bay. Improvements include 20 to 36-foot clear ceiling heights and 19 overhead doors. The subject has approximately 10% finished office space. According to the information provided by Client, the improvements were constructed in 2011. The subject has a gross site area of 29.97 acres or 1,305,493 square feet. This appraisal is being performed for the purpose of establishing the fee simple market value for property tax purposes. The client requested a prospective date of value of February 1, 2023, the date for tax purposes.

The appraisal is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and applicable state appraisal regulations.

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), we have made the following value conclusion(s):

Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Prospective Market Value As Is	Fee Simple	February 1, 2023	\$11,500,000

Your attention is directed to the Limiting Conditions and Assumptions section of this report. Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, we note the following:

Extraordinary Assumptions & Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in the analysis which, if found to be false, could alter the appraiser’s opinions of conclusions.

1. For the purpose of the as is valuation, we assume: that there is no contamination to the site. The value indications set forth are contingent upon no adverse conditions currently existing on the subject site, but not limited to toxic or hazardous wastes. Since it is the property owner’s obligation to correct any contaminations caused by these factors, we would recommend that an audit be prepared by a qualified professional engineer to establish an environmental site assessment with the purpose of identifying any potential environmental liabilities and associated clean-up costs prior to any decision to purchase or sell.
2. The property photographs are from a previous inspection. Our appraisal assumes that no material changes have occurred since our last inspection.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. None.

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

JLL Valuation & Advisory Services, LLC

A handwritten signature in black ink, appearing to read "David R. Dominy", with a horizontal line extending to the right.

David R. Dominy, MAI, CRE, FRICS
Managing Director
Certified Real Estate General
ND Certificate #: CG-220141
Telephone: (713) 243-3333
Email: david.dominy@am.jll.com



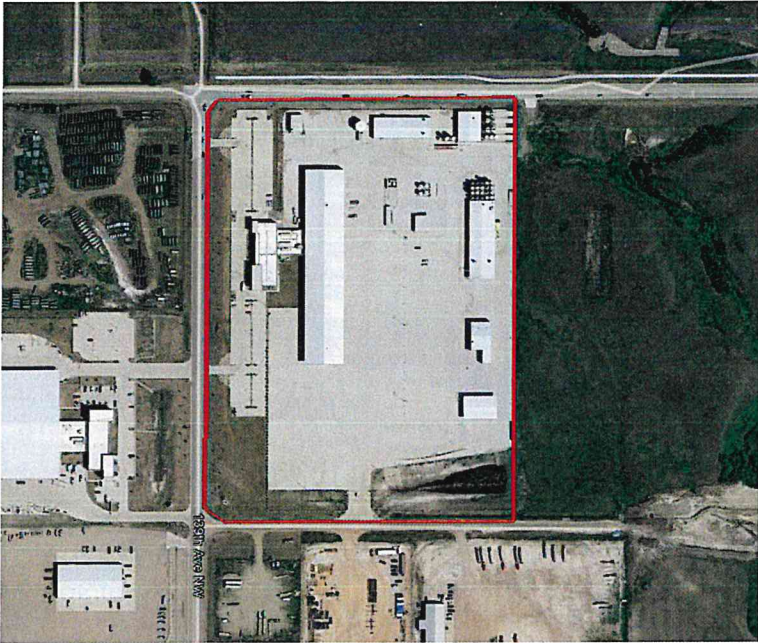
Valuation Advisory

Client: Halliburton Real Estate Services

Property: 826 48TH Avenue W, Williston, ND 58801

Month/Year: March 10, 2023





Halliburton Williston Field Camp
826 48TH Avenue W
Williston, ND 58801



4200 Westheimer, Suite 1400
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Phone: 713-243-3300
Fax: 713-827-8552

March 10, 2023

Mr. Rafik Ibrahim
Real Estate Manager/Acquisitions & Dispositions
Halliburton Real Estate Services
3000 North Sam Houston Parkway East
Houston, Texas 77032-3219

Mr. Shelby Mathew
Senior Tax Manager
Halliburton Real Estate Services
3000 North Sam Houston Parkway East
Houston, Texas 77032-3219

Re: Appraisal

Halliburton Williston Field Camp
826 48TH Avenue W
Williston, Williams County, ND 58801

File Number: VA-22-236373

Dear Mr. Ibrahim and Mr. Mathew:

At your request, we have prepared an appraisal for the above referenced property, which may be briefly described as follows:

The subject is a multi-building industrial property that contains 168,843 square feet of rentable area plus a 5,310 square foot truck wash bay. Improvements include 20 to 36-foot clear ceiling heights and 19 overhead doors. The subject has approximately 10% finished office space. According to the information provided by Client, the improvements were constructed in 2011. The subject has a gross site area of 29.97 acres or 1,305,493 square feet. This appraisal is being performed for the purpose of establishing the fee simple market value for property tax purposes. The client requested a prospective date of value of February 1, 2023, the date for tax purposes.

The appraisal is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and applicable state appraisal regulations.

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), we have made the following value conclusion(s):

Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Prospective Market Value As Is	Fee Simple	February 1, 2023	\$11,500,000

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Extraordinary Assumptions & Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in the analysis which, if found to be false, could alter the appraiser's opinions of conclusions.

1. For the purpose of the as is valuation, we assume: that there is no contamination to the site. The value indications set forth are contingent upon no adverse conditions currently existing on the subject site, but not limited to toxic or hazardous wastes. Since it is the property owner's obligation to correct any contaminations caused by these factors, we would recommend that an audit be prepared by a qualified professional engineer to establish an environmental site assessment with the purpose of identifying any potential environmental liabilities and associated clean-up costs prior to any decision to purchase or sell.
2. The property photographs are from a previous inspection. Our appraisal assumes that no material changes have occurred since our last inspection.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. None.

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

JLL Valuation & Advisory Services, LLC

A handwritten signature in black ink, appearing to read 'D. Dominy', with a horizontal line extending to the right.

David R. Dominy, MAI, CRE, FRICS
Managing Director
Certified Real Estate General
ND Certificate #: CG-220141
Telephone: (713) 243-3333
Email: david.dominy@am.jll.com

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Appendices

- A. Appraiser Qualifications
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Certification Statement

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions and conclusions.
3. We have no present or prospective future interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
8. The reported analyses, opinions, and conclusions 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.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. We certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
11. We have prepared one appraisal of the subject property for the current client within the three-year period immediately preceding acceptance of this assignment.
12. David R. Dominy MAI, CRE, FRICS has made an inspection of the subject property on other dates. The property photographs are from a previous inspection. Our appraisal assumes that no material changes have occurred since our last inspection.
13. Significant real property appraisal assistance was provided by Raymond A. Smith III who has not signed this certification.

14. As of the date of this report, David R. Dominy MAI, CRE, FRICS has completed the continuing education program for Designated Members of the Appraisal Institute.

A handwritten signature in black ink, appearing to read 'D. Dominy', with a long horizontal line extending to the right.

David R. Dominy, MAI, CRE, FRICS
Managing Director
Certified Real Estate General
ND Certificate #: CG-220141
Telephone: (713) 243-3333
Email: david.dominy@am.jll.com

Summary of Salient Facts and Conclusions

Property Name	Halliburton Williston Field Camp
Address	826 48TH Avenue W Williston, Williams County, North Dakota 58801
Property Type	Flex Space
Owner of Record	Energy Property Partners, LLC
Tax ID	01-765-00-00-00-010
Land Area	29.97 acres; 1,305,493 SF
Gross Building Area (SF)	174,153 SF
Rentable Area (SF)	168,843 SF
Year Built	2011
Zoning Designation	M-2, This district is intended to include lands suited by topography and other natural conditions, including the presence of natural resources, for industrial development, including heavy manufacturing, shipping terminals, natural resources extraction,
Highest & Best Use - As If Vacant	Industrial Use
Highest & Best Use - As Improved	Continued Industrial Use
Exposure Time; Marketing Period	12 months; 12 months
Date of Report	March 10, 2023

Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Prospective Market Value As Is	Fee Simple	February 1, 2023	\$11,500,000

The values reported above are subject to definitions, assumptions and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than the client and intended users may use or rely on the information, opinions and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions and limiting conditions contained therein.

Extraordinary Assumptions & Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in the analysis which, if found to be false, could alter the appraiser's opinions of conclusions.

- For the purpose of the as is valuation, we assume: that there is no contamination to the site. The value indications set forth are contingent upon no adverse conditions currently existing on the subject site, but not limited to toxic or hazardous wastes. Since it is the property owner's obligation to correct any contaminations caused by these factors, we would recommend that an audit be prepared by a qualified professional engineer to establish an environmental site assessment with the purpose of identifying any potential environmental liabilities and associated clean-up costs prior to any decision to purchase or sell.
- The property photographs are from a previous inspection. Our appraisal assumes that no material changes have occurred since our last inspection.

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

- None.

Introduction

The subject is a multi-building industrial property that contains 168,843 square feet of rentable area plus a 5,310 square foot truck wash bay. Improvements include 20 to 36-foot clear ceiling heights and 19 overhead doors. The subject has approximately 10% finished office space. According to the information provided by Client, the improvements were constructed in 2011. The subject has a gross site area of 29.97 acres or 1,305,493 square feet. This appraisal is being performed for the purpose of establishing the fee simple market value for property tax purposes. The client requested a prospective date of value of February 1, 2023, the date for tax purposes.

Subject Identification

Name	Halliburton Williston Field Camp
Address	826 48TH Avenue W, Williston, Williams County, ND 58801
Tax ID	01-765-00-00-00-010
Owner of Record	Energy Property Partners, LLC
Legal Description	Lots 1 and 3 of Wickum Subdivision, Williams County, North Dakota, according to the Plat thereof on file in the Office of the County Recorder, Williams County, North Dakota.

Ownership and Transaction History

The subject sold on September 1, 2021. The sale of the subject property represents the transaction of a partial interest. Partial interest transactions are influenced by the many factors including motivations of the partners, ownership interests and control. Therefore, the subject's sale, although recognized in the appraisal, was not relied upon due to the partial interest component.

Scope of Work

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s).

Scope of work is the type and extent of research and analyses involved in an assignment. To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the relevant characteristics of the subject property, and other pertinent factors. Our concluded scope of work is summarized below, and in some instances, additional scope details are included in the appropriate sections of the report.

Summary

Research

- We inspected the property and its environs. Physical information on the subject was obtained from the property owner's representative, public records, and/or third-party sources.
- Regional economic and demographic trends, as well as the specifics of the subject's local area were investigated. Data on the local and regional property market (supply and demand trends, rent levels, etc.) was also obtained. This process was based on interviews with regional and/or local market participants, primary research, available published data, and other various resources.
- Other relevant data was collected, verified, and analyzed. Comparable property data was obtained from various sources (public records, third-party data-reporting services, etc.) and confirmed with a party to the transaction (buyer, seller, broker, owner, tenant, etc.) wherever possible. It is, however, sometimes necessary to rely on other sources deemed reliable, such as data reporting services.

Analysis

- Based upon the subject property characteristics, prevailing market dynamics, and other information, we developed an opinion of the property's Highest and Best Use.
- We analyzed the data gathered using generally accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value.
- The results of each valuation approach are considered and reconciled into a reasonable value estimate.

Applicable Requirements

This appraisal is intended to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- Applicable state appraisal regulations;
- The North Dakota Property Tax Code.

Client, Intended Use, and User

Client: Halliburton Real Estate Services

Intended Use: The intended use of the appraisal is for tax purposes.

Intended User: The intended user of the appraisal is Halliburton Real Estate Services. The appraisal is not intended for any other use or user. No party or parties other than Halliburton Real Estate Services may use or rely on the information, opinions, and conclusions contained in this report.

Purpose of the Appraisal

The purpose of the appraisal is to estimate the Subject's:

Appraisal Premise	Interest Appraised	Date of Value
Prospective Market Value As Is	Fee Simple	February 1, 2023

The date of the report is March 10, 2023. The appraisal is valid only as of the stated effective date or dates.

Approaches to Value

Appraisers usually consider the use of three approaches to value when developing a market value opinion for real property. These are the cost approach, sales comparison approach, and income capitalization approach. Applicability and utilization of the approaches in this assignment is described as follows.

Approach	Description	Applicability	Utilization
Cost	A cost approach is most applicable in valuing new or proposed construction when the improvements represent the highest and best use of the land and the land value, cost new and depreciation are well supported.	Applicable	Utilized
Sales Comparison	A sales approach is most applicable when sufficient data on recent market transactions is available and there is an active market for the property type.	Applicable	Utilized
Income	An income approach is most applicable when the subject is an income producing property or has the ability to generate income in the future as an investment.	Applicable	Utilized

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services.

- We have previously appraised the property that is the subject of this report twice for the current client within the three-year period immediately preceding acceptance of this assignment with the last time being February 1, 2021.

Report Option

Based on the intended users understanding of the subject's physical, economic and legal characteristics, and the intended use of this appraisal, an appraisal report format was used, as defined below.

Appraisal Report	This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses.
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Definition of Values

Market Value	<p>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:</p> <ul style="list-style-type: none"> ■ Buyer and seller are typically motivated; ■ Both parties are well informed or well advised, and acting in what they consider their own 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.
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Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

As Is Market Value	<p>The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal's effective date.</p>
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Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015); also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77471

Definition of Property Rights Appraised

Fee simple estate	<p>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.</p>
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Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015)

Inspection

David R. Dominy, MAI, CRE, FRICS performed an on-site inspection on other dates. The property photographs are from a previous inspection. Our appraisal assumes that no material changes have occurred since our last inspection.

Significant Appraisal Assistance

It is acknowledged that Raymond A. Smith III made a significant professional contribution to this appraisal, consisting of conducting research on the subject and transactions involving comparable properties,

performing appraisal analyses, and assisting in report writing, under the supervision of the persons signing the report.

Area Demographics and Market Analysis

Williams County Area Demographics

Williams County is located in North Dakota. It is 2,069 square miles in size and has a population density of 19 persons per square mile.

Population

Williams County has an estimated 2022 population of 44,327, which represents an average annual 4.0% increase over the 2020 census amount of 40,950. Williams County added an average of 1,689 residents per year over the 2020 - 2022 period, and its annual growth rate is much greater than that of the State of North Dakota.

Population Trends

Area	Population				Compound Ann. % Chng	
	2010 Census	2020 Census	2022 Est.	2027 Est.	2020 - 2022	2022 - 2027
1 mi. radius	665	2,457	2,620	2,524	3.3%	-0.7%
3 mi. radius	15,745	27,838	30,809	31,192	5.2%	0.2%
5 mi. radius	17,164	31,533	34,673	35,028	4.9%	0.2%
Williams County	22,398	40,950	44,327	44,248	4.0%	0.0%
North Dakota	672,591	779,094	792,340	804,669	0.8%	0.3%
United States	308,745,538	331,449,281	335,707,897	339,902,796	0.6%	0.2%

Source: Esri 2022. Compiled by JLL Valuation & Advisory Services, LLC.

Looking forward, Williams County's population will remain essentially the same from 2022 - 2027 without any appreciable growth or decline. The Williams County growth rate is expected to lag that of North Dakota, which is projected to be 0.3%.

Employment

The current estimate of total employment in Williams County is 22,444 jobs. Since 2012, employment declined by 11,835 jobs, equivalent to a 34.5% loss over the entire period. There were gains in employment in five of the past ten years despite the national economic downturn and slow recovery.

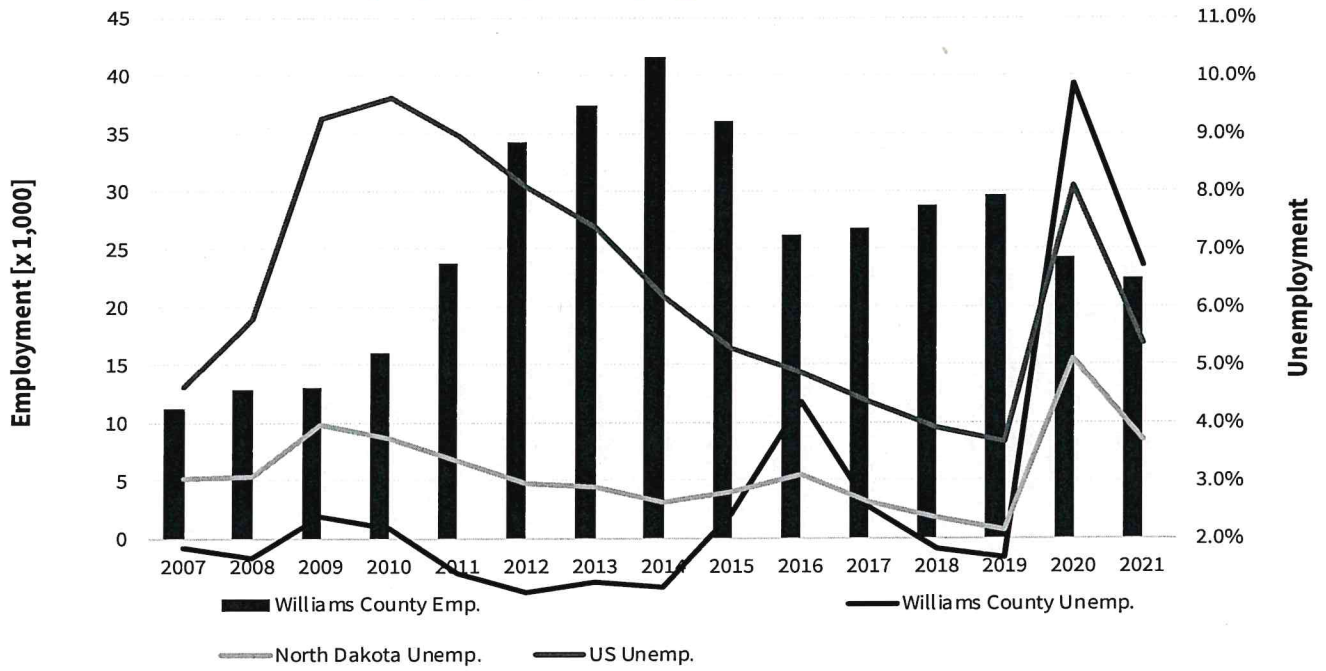
Williams County's rate of change in employment significantly underperformed the State of North Dakota, which experienced a less pronounced decline in employment of 3.0% or 12,983 jobs over this period.

Employment Trends

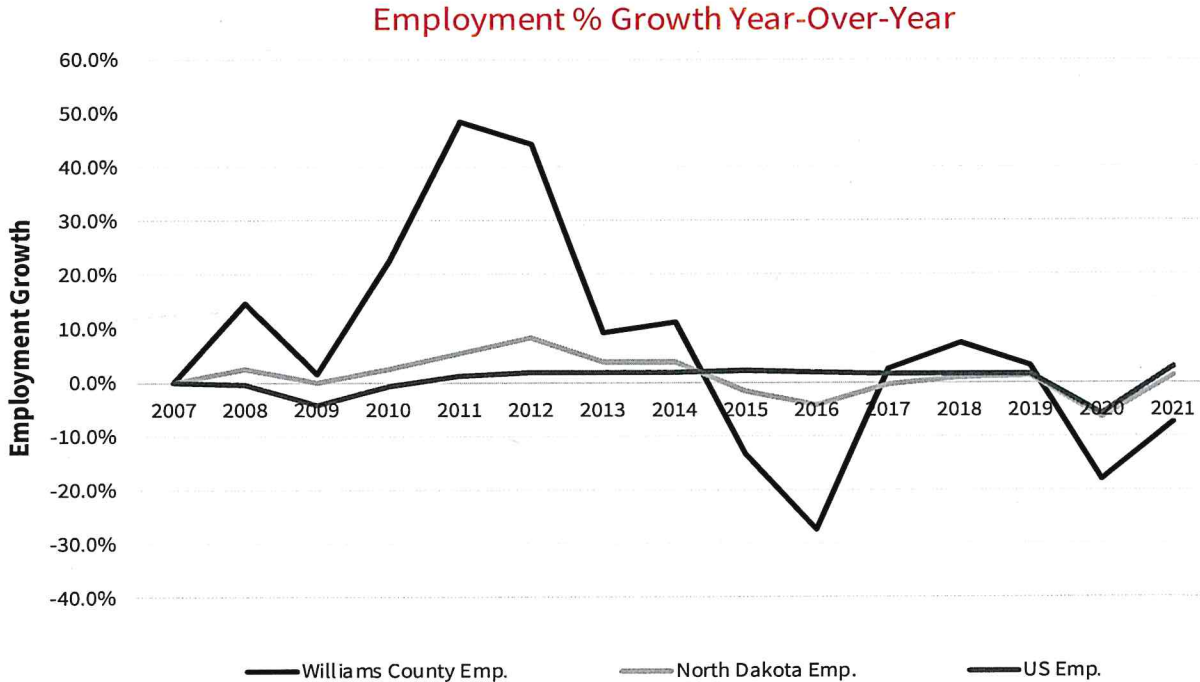
Year	Total Employment (Annual Average)						Unemployment Rate (Ann.)		
	Williams		North		United States		Williams	North	United
	County	Change	Dakota	Change		Change	County	Dakota	States
2007	11,209	-	358,650	-	137,981,250	-	1.8%	3.0%	4.6%
2008	12,850	14.6%	367,650	2.5%	137,223,833	-0.5%	1.7%	3.1%	5.8%
2009	13,055	1.6%	367,267	-0.1%	131,296,083	-4.3%	2.4%	4.0%	9.3%
2010	16,014	22.7%	376,708	2.6%	130,345,000	-0.7%	2.2%	3.7%	9.6%
2011	23,770	48.4%	397,233	5.4%	131,914,417	1.2%	1.4%	3.3%	9.0%
2012	34,279	44.2%	429,592	8.1%	134,157,417	1.7%	1.1%	2.9%	8.1%
2013	37,435	9.2%	445,100	3.6%	136,363,833	1.6%	1.2%	2.9%	7.4%
2014	41,573	11.1%	462,042	3.8%	138,939,750	1.9%	1.2%	2.6%	6.2%
2015	36,079	-13.2%	454,400	-1.7%	141,824,917	2.1%	2.4%	2.8%	5.3%
2016	26,170	-27.5%	435,192	-4.2%	144,335,833	1.8%	4.4%	3.1%	4.9%
2017	26,799	2.4%	432,758	-0.6%	146,607,583	1.6%	2.5%	2.6%	4.4%
2018	28,773	7.4%	436,425	0.8%	148,908,417	1.6%	1.8%	2.4%	3.9%
2019	29,700	3.2%	441,092	1.1%	150,904,750	1.3%	1.7%	2.1%	3.7%
2020	24,302	-18.2%	412,317	-6.5%	142,186,000	-5.8%	9.9%	5.1%	8.1%
2021	22,444	-7.6%	416,608	1.0%	146,124,000	2.8%	6.7%	3.7%	5.4%
10 Yr Change	-11,835	-34.5%	-12,983	-3.0%	11,966,583	8.9%			
Avg Unemp. Rate 2012-2021							3.3%	3.0%	5.7%
Unemployment Rate - Aug 2022							2.8%	2.2%	3.8%

Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

Employment / Unemployment Historical Trends



Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

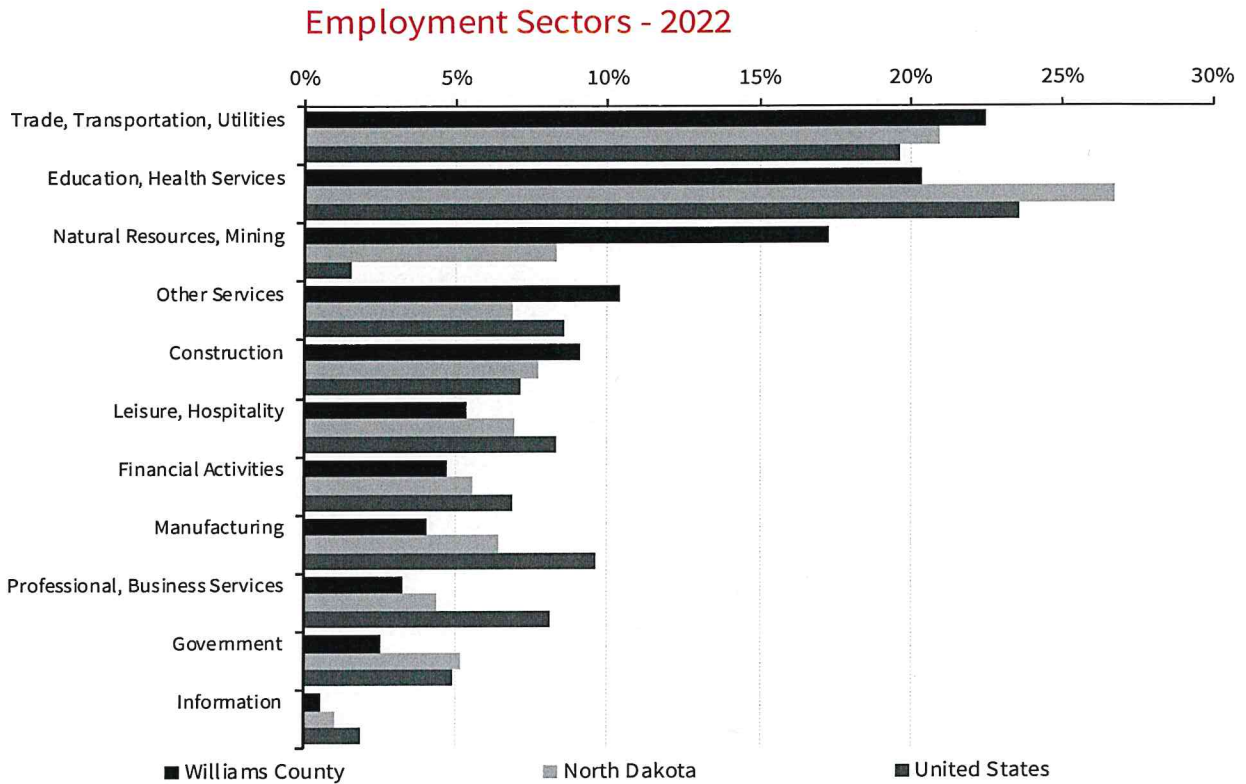


Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

A comparison of unemployment rates is another way of gauging an area’s economic health, where a higher unemployment rate is a negative indicator. Over the past decade, the Williams County unemployment rate of 3.3% has been higher than the North Dakota rate of 3.0%. In the latter half of the decade the trend has continued, with Williams County performing similarly to North Dakota. Recent data shows that the Williams County unemployment rate is 2.8%, in comparison to a 2.2% rate for North Dakota, a negative sign for Williams County economy and one that is exacerbated by the fact that Williams County has underperformed North Dakota in the rate of job growth over the past two years.

Employment Sectors

The composition of Williams County job market is illustrated in the chart below, paired with that of North Dakota. Total employment for the areas is stratified by eleven major employment sectors, ranked from largest to smallest based on the percentage of Williams County jobs in each sector.



Source: Esri 2022. Compiled by JLL Valuation & Advisory Services, LLC.

Williams County has a greater percentage employment than North Dakota in the following categories:

1. Trade, Transportation, Utilities - which accounts for 22.5% of Williams County payroll employment compared to 21.0% for North Dakota as a whole. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.
2. Natural Resources, Mining - which accounts for 17.3% of Williams County payroll employment compared to 8.3% for North Dakota as a whole. Agriculture, mining, quarrying, and oil and gas extraction are included in this sector.
3. Other Services - which accounts for 10.4% of Williams County payroll employment compared to 6.9% for North Dakota as a whole. This sector includes establishments that do not fall within other defined categories, such as private households, churches, and laundry and dry cleaning establishments.
4. Construction - which accounts for 9.1% of Williams County payroll employment compared to 7.7% for North Dakota as a whole. This sector includes construction of buildings, roads, and utility systems.

Williams County is underrepresented in the following categories:

1. Education, Health Services - which accounts for 20.4% of Williams County payroll employment compared to 26.7% for North Dakota as a whole. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.

2. Government - which accounts for 2.5% of Williams County payroll employment compared to 5.2% for North Dakota as a whole. This sector includes public administration at the federal, state, and county level, as well as other government positions.
3. Manufacturing - which accounts for 4.0% of Williams County payroll employment compared to 6.4% for North Dakota as a whole. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.
4. Leisure, Hospitality - which accounts for 5.4% of Williams County payroll employment compared to 7.0% for North Dakota as a whole. This sector includes employment in hotels, restaurants, recreation facilities, and arts and cultural institutions.

Gross Domestic Product

Gross Domestic Product (GDP) data will be analyzed as a review of overall economic health.

Economic growth, as measured by annual changes in GDP, has been somewhat lower in the United States than North Dakota overall during the past nine years. The United States has expanded at a 1.6% average annual rate while the State of North Dakota has grown at a 2.9% rate. As the national economy improves, the United States continues to underperform North Dakota. GDP for the United States shrank by 3.4% in 2020 while North Dakota's declined by 3.0%.

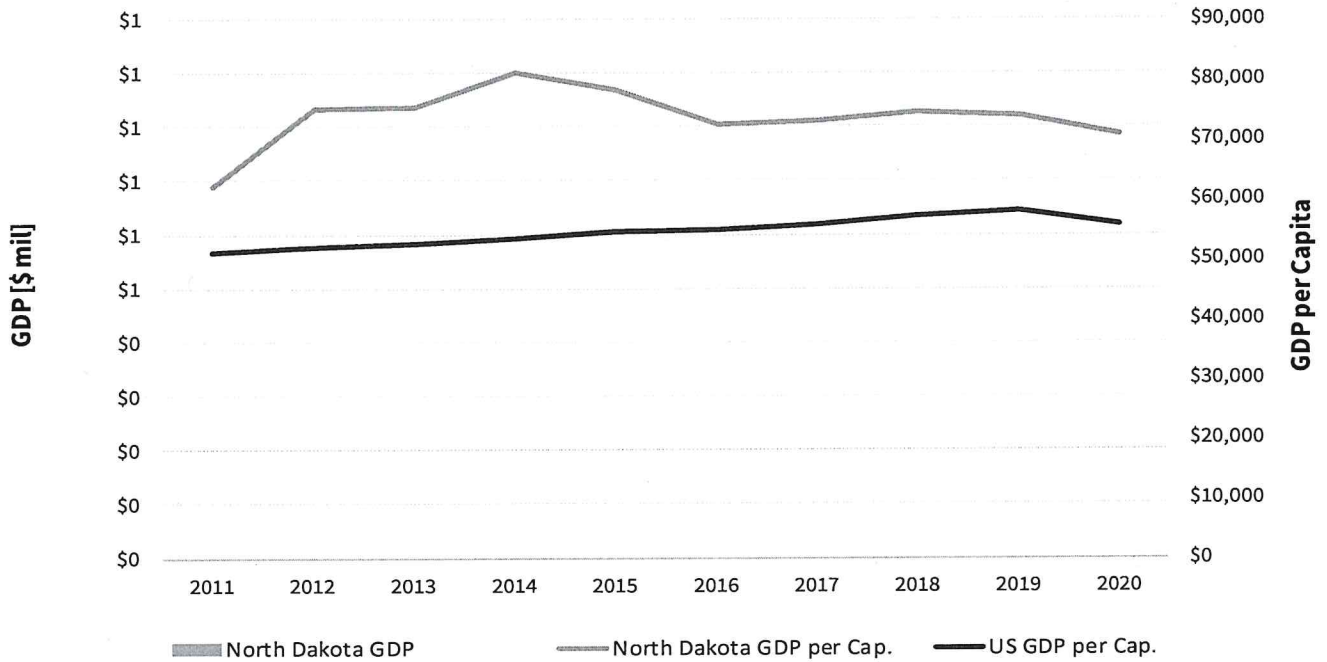
The United States has a per capita GDP of \$55,507, which is 21.0% less than North Dakota's GDP of \$70,666. This means that the United States industries and employers are adding relatively much less to the economy than their peers in North Dakota.

Gross Domestic Product

Year	Gross Domestic Product (\$ mil)				GDP per Capita (\$)	
	North Dakota	Change	United States	Change	North Dakota	United States
2011	\$42,341	-	\$15,891,534	-	\$62,031	\$51,099
2012	\$51,833	22.4%	\$16,253,970	2.3%	\$74,843	\$51,890
2013	\$52,892	2.0%	\$16,553,348	1.8%	\$75,289	\$52,469
2014	\$57,790	9.3%	\$16,932,051	2.3%	\$81,108	\$53,290
2015	\$56,542	-2.2%	\$17,390,295	2.7%	\$78,261	\$54,348
2016	\$52,975	-6.3%	\$17,680,274	1.7%	\$72,324	\$54,869
2017	\$54,083	2.1%	\$18,079,084	2.3%	\$72,845	\$55,718
2018	\$55,884	3.3%	\$18,606,787	2.9%	\$74,272	\$56,950
2019	\$56,247	0.6%	\$19,032,672	2.3%	\$73,776	\$57,856
2020	\$54,581	-3.0%	\$18,384,687	-3.4%	\$70,666	\$55,507
10 Yr Change	\$12,240	2.9%	\$2,493,153	1.6%	\$8,635	\$4,408

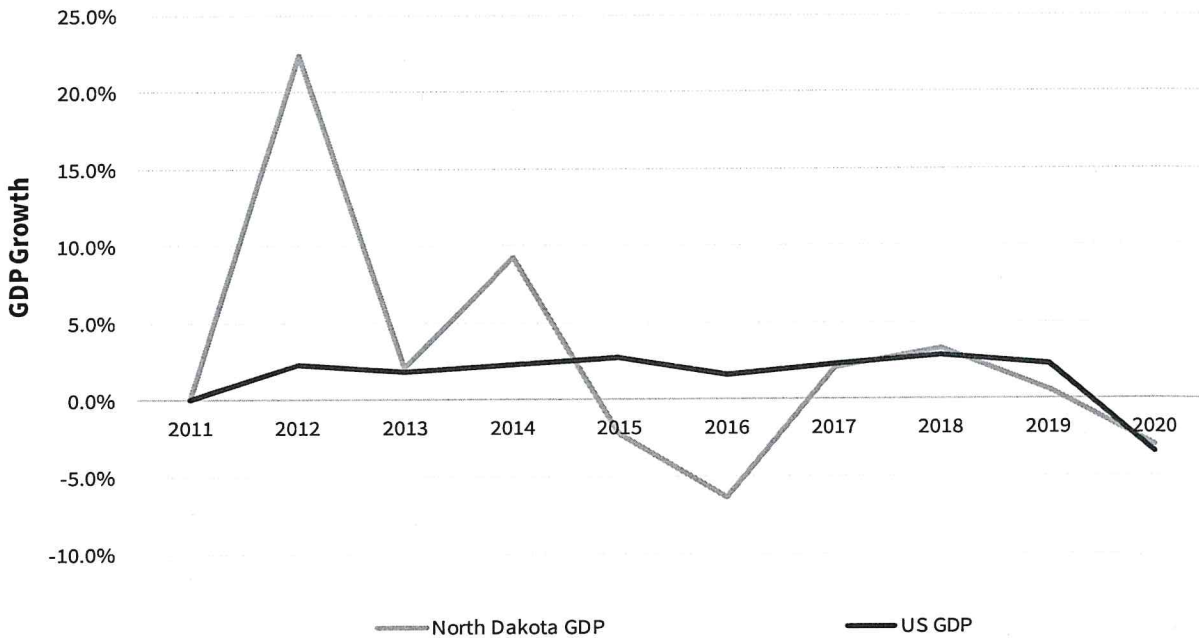
Source: Bureau of Economic Analysis. The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted 'real' GDP stated in 2012 dollars. Per Capita GDP data are calculated by dividing the area GDP by its estimated population for the

Gross Domestic Product Historical Trends



Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

GDP % Growth Year-Over-Year



Source: Bureau of Labor Statistics. County employment is from the Quarterly Census of Employment & Wages (QCEW), all other areas use the Current Employment Survey (CES). Unemployment rates use the Current Population Survey (CPS). Data is not seasonally adjusted.

Gross Domestic Product is a measure of economic activity based on the total value of goods and services produced in a specific geographic area. The figures in the table above represent inflation adjusted “real” GDP stated in 2012 dollars.

Household Income

Williams County has a much higher level of household income than North Dakota. Median household income for Williams County is \$99,303, which is 43.5% higher than North Dakota.

Median Household Income

Area	Med. Household Income		Compound Ann. % Chng
	2022 Est.	2027 Est.	2022 - 2027
Williams County	\$99,303	\$108,613	1.8%
North Dakota	\$69,218	\$77,612	2.3%
United States	\$72,414	\$84,445	3.1%

Source: Esri 2022. Compiled by JLL Valuation & Advisory Services, LLC.

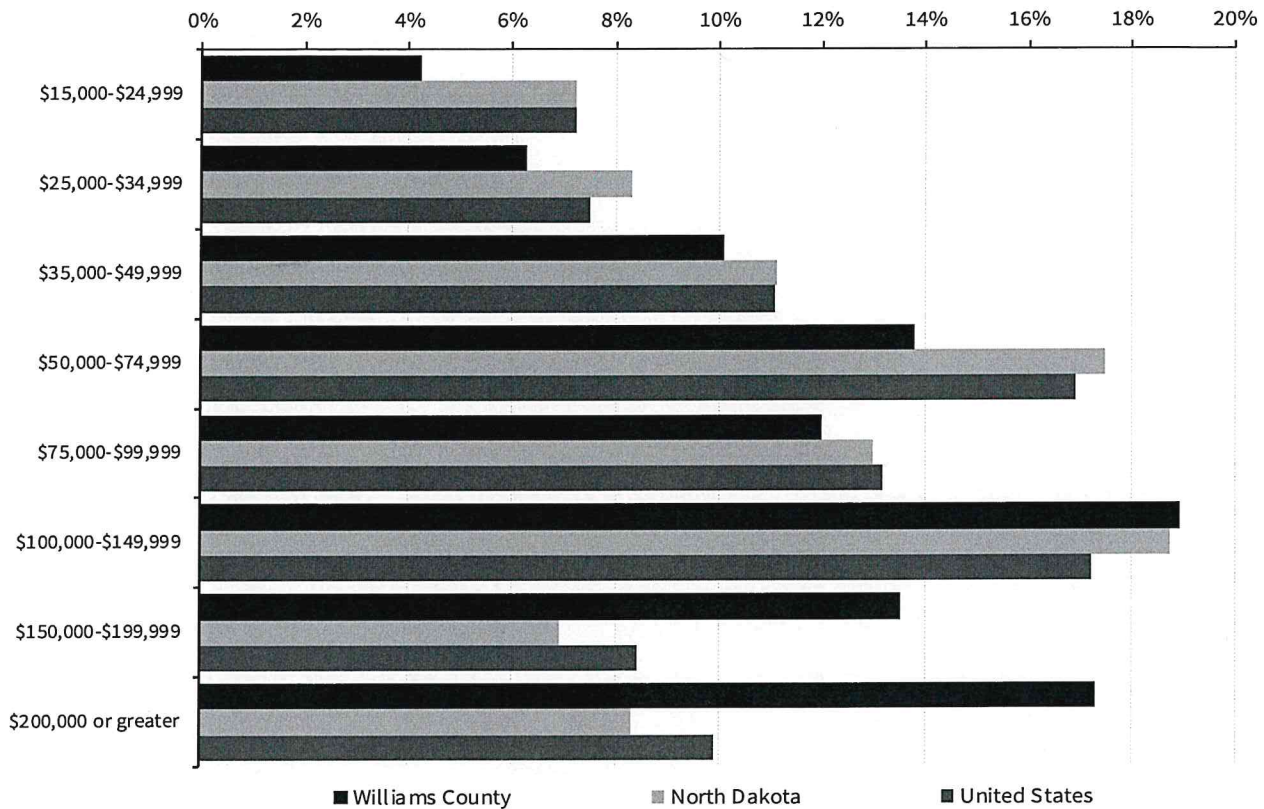
2022 Median Household Income Area Comparison



Source: Esri 2022. Compiled by JLL Valuation & Advisory Services, LLC.

Williams County has a smaller concentration of households in the lower income levels than North Dakota. Specifically, 14% of Williams County households are below the \$35,000 level in household income as compared to 24% of North Dakota households. A far greater concentration of households is apparent in the higher income levels, as 62% of Williams County households are at the \$75,000 or greater levels in household income versus 47% of North Dakota households.

2022 Median Household Income Distribution



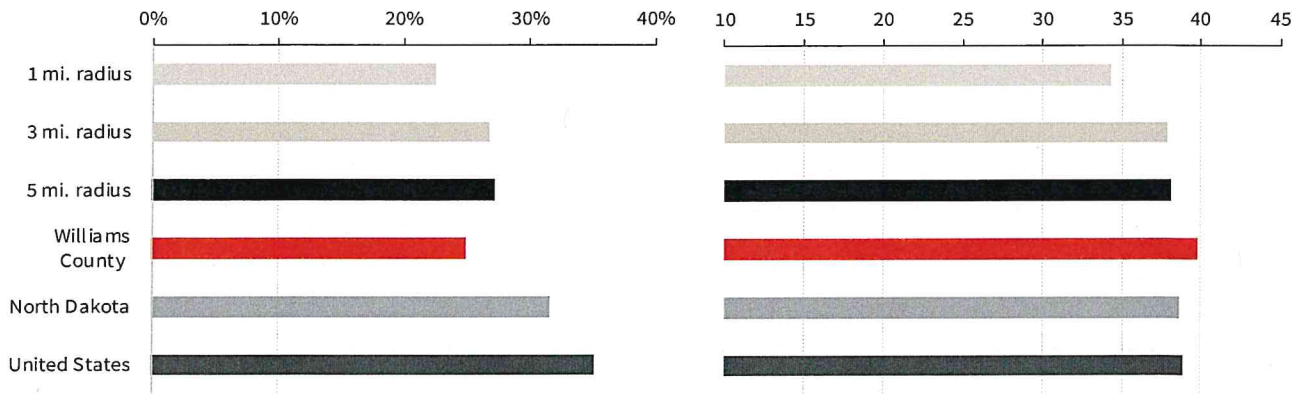
Source: Esri 2022. Compiled by JLL Valuation & Advisory Services, LLC.

Education and Age

Residents of Williams County have a lower level of educational attainment than those in North Dakota. An estimated 24.9% of Williams County residents are college graduates with four-year degrees or higher, while North Dakota residents have an estimated 31.6% with at least a four-year degree. People in Williams County are slightly older than their peers in North Dakota. The median age of Williams County is 40 years, while North Dakota is 39 years.

Population % with at least 4-Year Degree

Median Age

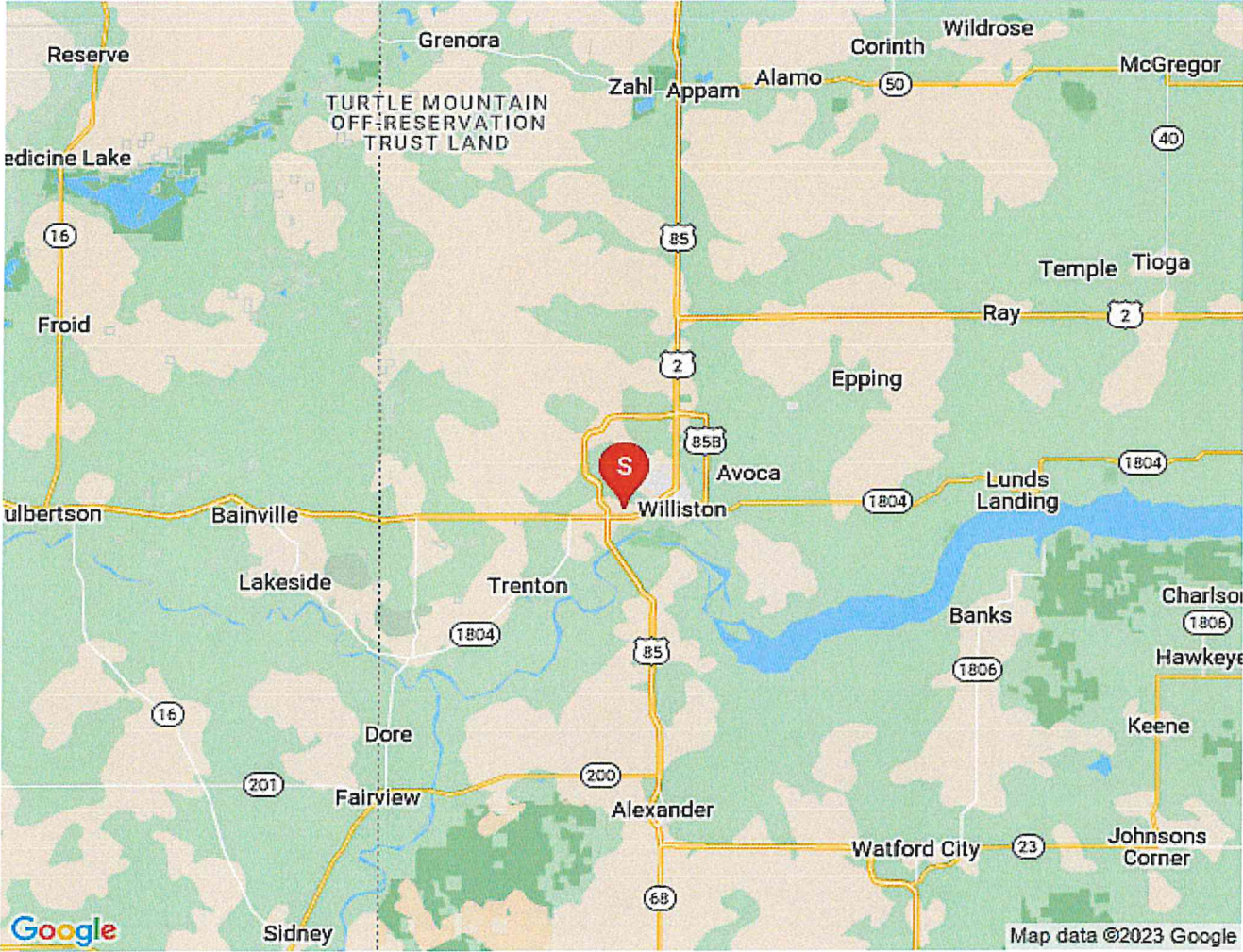


Source: Esri 2022. Compiled by JLL Valuation & Advisory Services, LLC.

Conclusion

Williams County's economy will benefit from a stable to slightly growing population base and higher income levels. The employment situation in Williams County is facing challenges, as the number of jobs has declined during the past decade, which is exacerbated by the fact that unemployment has been greater than North Dakota over the same period.

Area Map



Market Area Analysis

Industrial Market Area Analysis

The subject is located in Williams County, North Dakota. The subject does not fall into a defined market or submarket, and as such we have summarized the Q2 2022 data for Williams County from CoStar in the following tables and charts.

Key Metrics

Search Analytics						
INVENTORY SF 5.8M +0% Prior Period 5.8M	UNDER CONSTRUCTION SF 0 - Prior Period 0	12 MO NET ABSORPTION SF 411K +190.4% Prior Period (454K)	VACANCY RATE 8.8% -7.0% Prior Period 15.8%	MARKET RENT/SF \$14.64 +5.2% Prior Period \$13.91	MARKET SALE PRICE/SF \$118 +9.5% Prior Period \$108	MARKET CAP RATE 8.1% +0.1% Prior Period 8.0%

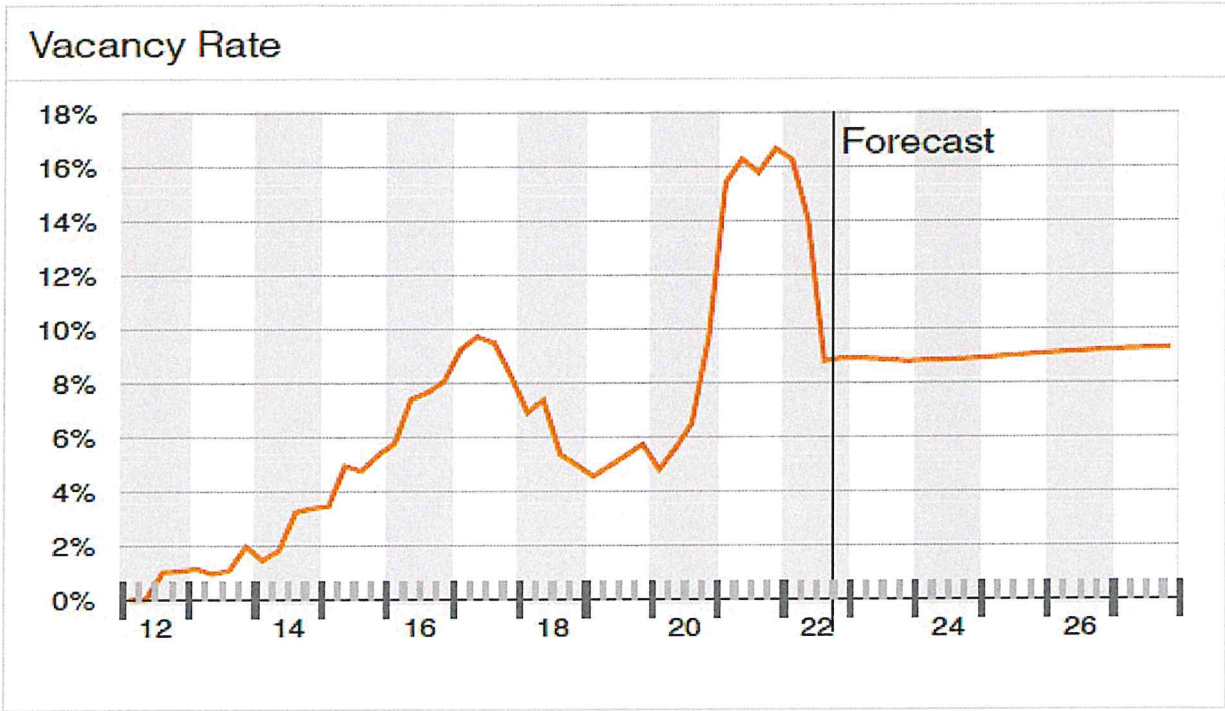
Key Metrics

Availability		Inventory	
Vacant SF	510K ↓	Existing Buildings	352 ↓
Sublet SF	54.8K ↓	Under Construction Avg SF	-
Availability Rate	25.2% ↓	12 Mo Demolished SF	0 ↓
Available SF	1.5M ↓	12 Mo Occupancy % at Delivery	-
Available Asking Rent/SF	\$11.79 ↓	12 Mo Construction Starts SF	0 ↓
Occupancy Rate	91.2% ↑	12 Mo Delivered SF	0 ↓
Percent Leased Rate	91.8% ↑	12 Mo Avg Delivered SF	-
Sales Past Year		Demand	
Asking Price Per SF	\$59 ↓	12 Mo Net Absorp % of Inventory	7.1% ↑
Sale to Asking Price Differential	-9.0% ↓	12 Mo Leased SF	218K ↑
Sales Volume	\$23.1M ↑	Months on Market	9.5 ↓
Properties Sold	26 ↑	Months to Lease	-
Months to Sale	18.0 ↓	Months Vacant	13.4 ↑
For Sale Listings	32 ↓	24 Mo Lease Renewal Rate	29.2%
Total For Sale SF	1.2M ↓	Population Growth 5 Yrs	33.1%

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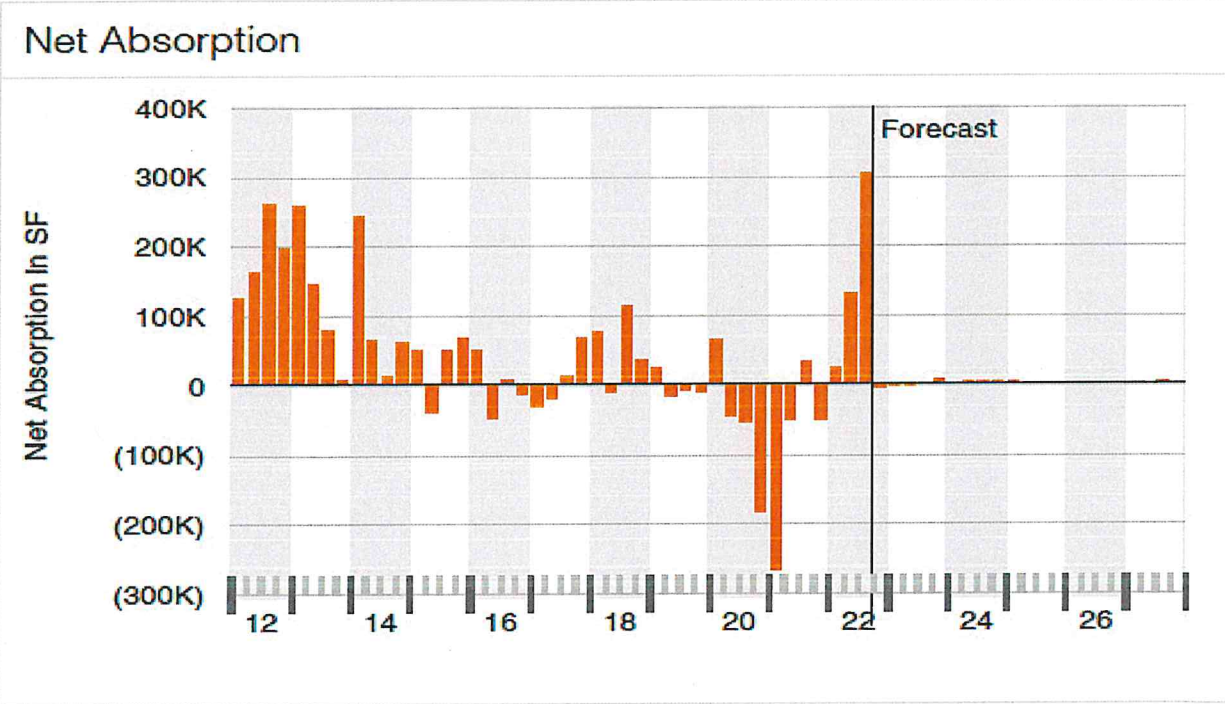
The Williams County industrial market contains an overall inventory of about 352 buildings or 5.8 million square feet of existing industrial space and has increased over the past five years, with a slight increase to supply.

The chart below presents the vacancy rate since 2010.



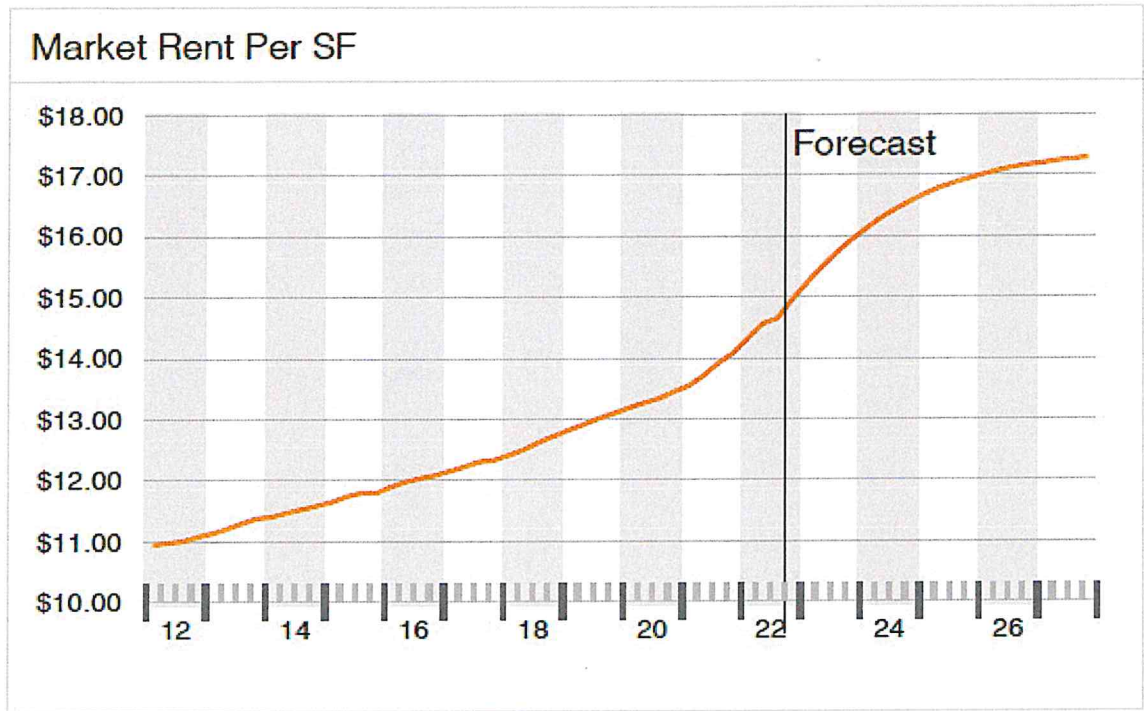
The vacancy rate is currently at 8.8%, which is down from 15.4% in 2021.

Net Absorption



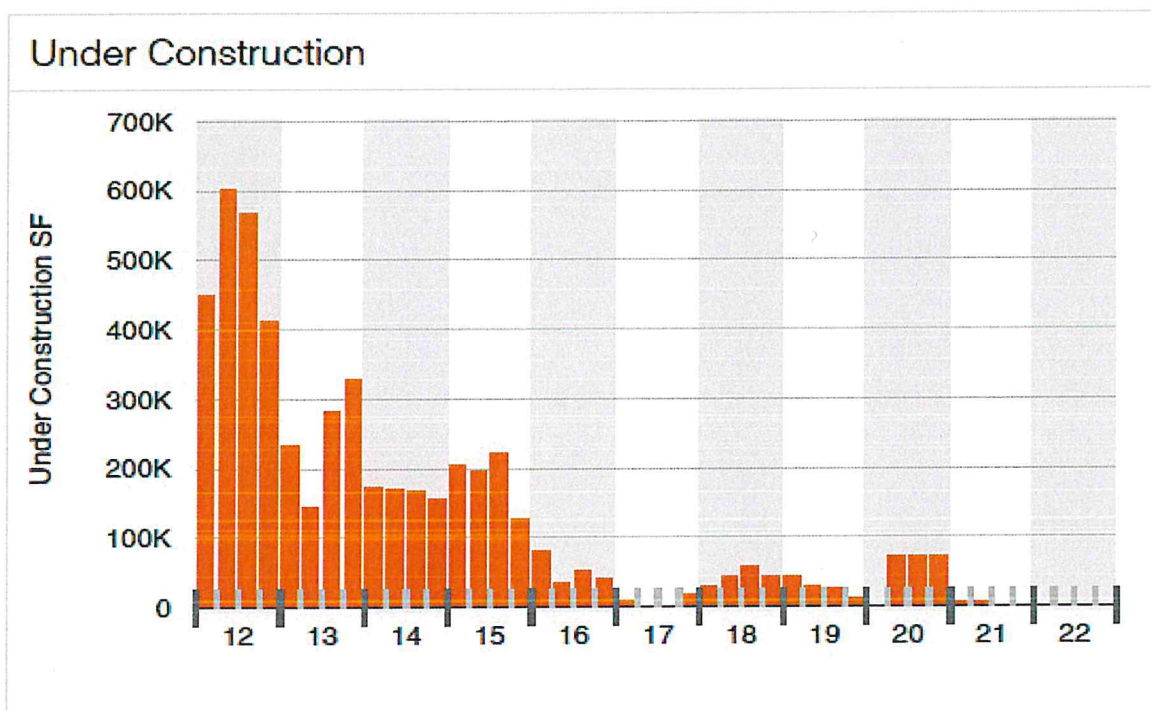
The current net absorption is 456,485 square feet with an increase of 7.1% over the past 12 months.

Market Rent Per SF



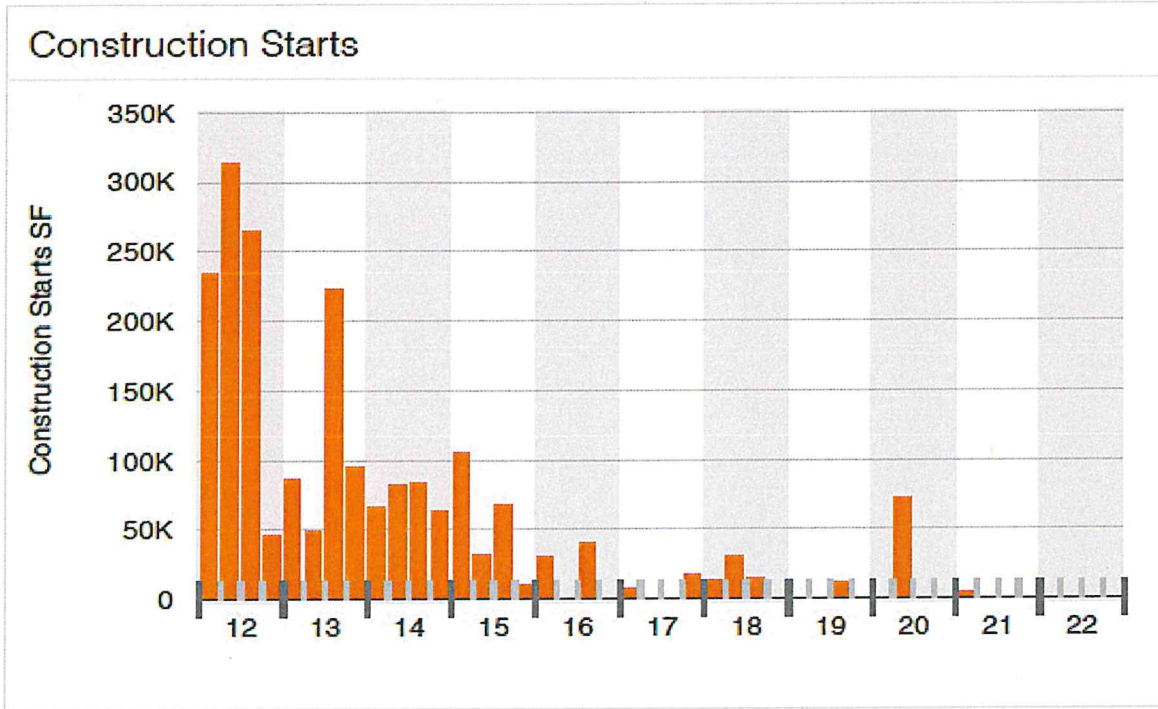
Triple net asking rents on a per square foot basis has increased from \$11.87 psf in 2021 to the current market rent of \$12.00 psf. Over the past 10 years market rent has gone from \$18.97 psf to \$12.00 psf.

Under Construction



After a period of heightened development activity beginning in 2011, Williams County has seen construction taper off in the last few years.

Construction Starts in SF



Construction starts began to increase in 2020 but decreased tremendously due to COVID-19. Thus far in 2022 there has been no new construction.

Williams County, ND Industrial Market Summary and Conclusions

Based on influential overall area trends and the performance of competing properties, JLL expects the mix of property fundamentals and economic conditions in the Williams County area to have a neutral impact on the subject property’s performance in the near-term.

Surrounding Area Analysis

Boundaries

The subject is located in the Williams County submarket, which is generally bound as follows:

North	84 th St NW
South	Missouri River
East	102 nd Ave NW
West	North Dakota/ Montana Border

Surrounding Demographics

A snapshot of the surrounding area demographics, including population, households, and income data, is displayed in the following table.

Surrounding Area Demographics

	1 mi. radius	3 mi. radius	5 mi. radius	Williams County	North Dakota	United States
Population						
2010	665	15,745	17,164	22,398	672,591	308,745,538
2020	2,457	27,838	31,533	40,950	779,094	331,449,281
2022	2,620	30,809	34,673	44,327	792,340	335,707,897
2027	2,524	31,192	35,028	44,248	804,669	339,902,796
Compound Chg 2020 - 2022	3.26%	5.20%	4.86%	4.04%	0.85%	0.64%
Compound Chg 2022 - 2027	-0.74%	0.25%	0.20%	-0.04%	0.31%	0.25%
Density	835	1,090	442	21	12	95
Households						
2010	260	6,569	7,106	9,293	281,192	116,716,292
2020	1,008	11,067	12,512	16,095	322,553	126,817,580
2022	1,091	12,510	14,011	17,739	328,791	128,657,669
2027	1,075	13,007	14,536	18,183	334,949	130,651,872
Compound Chg 2020 - 2022	4.04%	6.32%	5.82%	4.98%	0.96%	0.72%
Compound Chg 2022 - 2027	-0.30%	0.78%	0.74%	0.50%	0.37%	0.31%
Other Demographics						
Med. Household Income	\$81,045	\$94,798	\$97,389	\$99,303	\$69,218	\$72,414
Avg. Household Size	2.4	2.4	2.4	2.5	2.3	2.6
College Graduate %	22.5%	26.8%	27.2%	24.9%	31.6%	35.1%
Median Age	34	38	38	40	39	39
Owner Occupied %	22%	44%	46%	51%	62%	65%
Renter Occupied %	78%	56%	54%	49%	38%	35%
Med. Home Value	\$217,727	\$250,420	\$259,095	\$261,080	\$234,735	\$283,272

Source: Esri 2022. Compiled by JLL Valuation & Advisory Services, LLC.

As illustrated above, the current population within a three-mile radius of the subject is 30,809, and the average household size is 2.4. Population in the area has risen relatively rapidly since the 2020 census, and this trend is expected to continue in the ensuing five years. Despite the population growth within a three-mile radius, it is estimated Williams County overall will remain steady.

Median household income is \$94,798, which is lower than the household income for Williams County as a whole. The populace within a three-mile radius has more formal college education than residents in Williams County, while median home values in the area are lower.

Demand Generators

Major employers in the area include Haliburton Energy Services (subject), Narbors Drilling USA, and Liberty Oilfield Services. The local economy is largely driven by the oil and drilling industries. The closest major commercial corridors to the subject are along Highway 2; providing average supporting retail and entertainment services. Development activity in the immediate area has been predominantly of retail and industrial uses. In addition, development has been stagnant in the last three years. Finally, the subject has below average area linkages providing access to MSA job centers and surrounding commercial districts.

Access and Linkages

Highway 2 and Highway 1804 provide access to the subject from the greater Williams County metro area. The subject has below average access to public transportation. There is no bus stop near the subject. Additionally, the subject has a walk score of 0 indicating a below average walkability factor. The subject is most commonly accessed via car. The nearest commercial airport is Williston Basin International Airport and is located within 8.0 miles of the subject property.

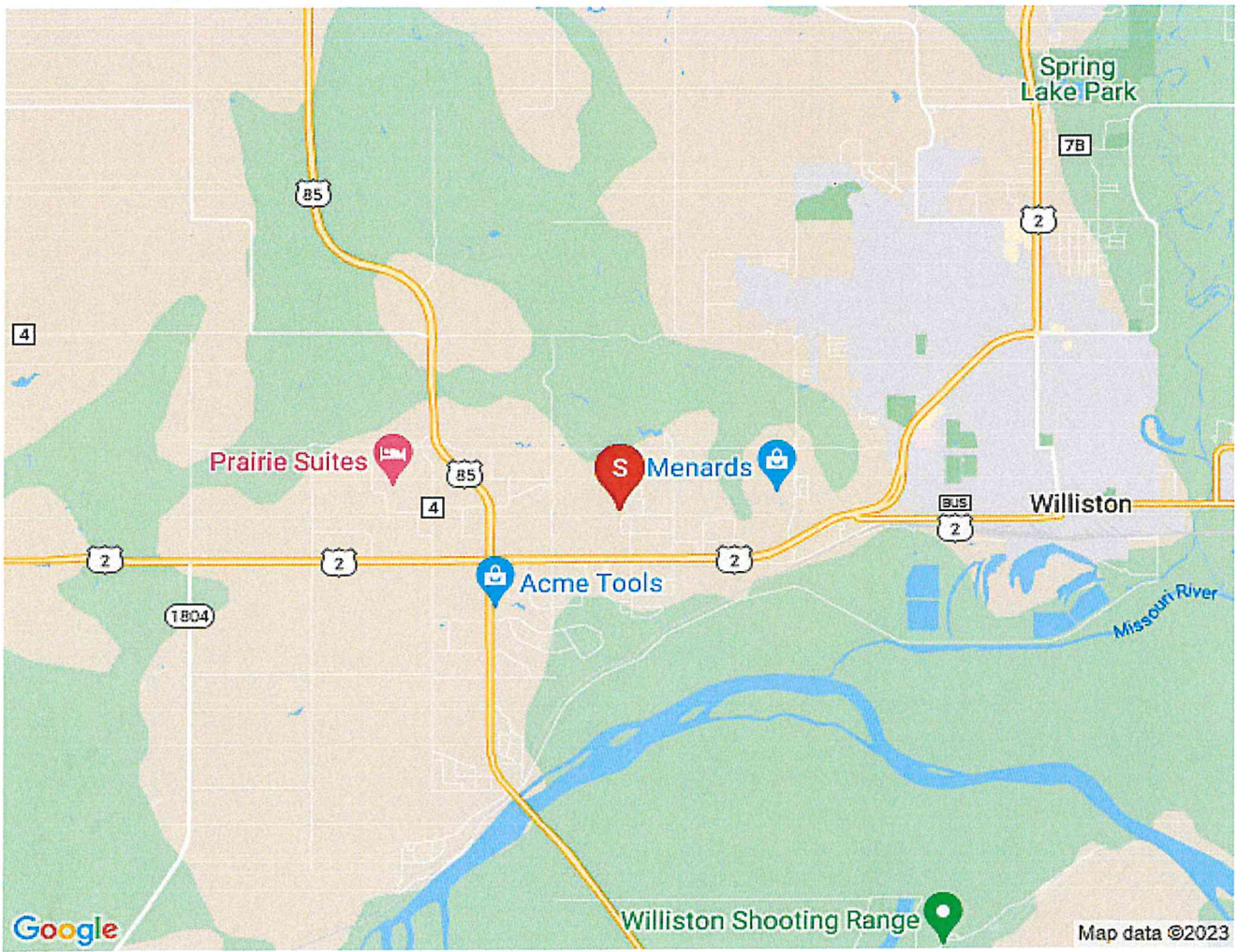
Safety and Support Services

The nearest police and fire stations are within 16.30 and 16.40 miles, respectively.

Outlook and Conclusion

The subject's area has not experienced recent employment growth and construction activity has been stagnant contributing to our conclusion that the subject's area is in the stable of its life cycle.

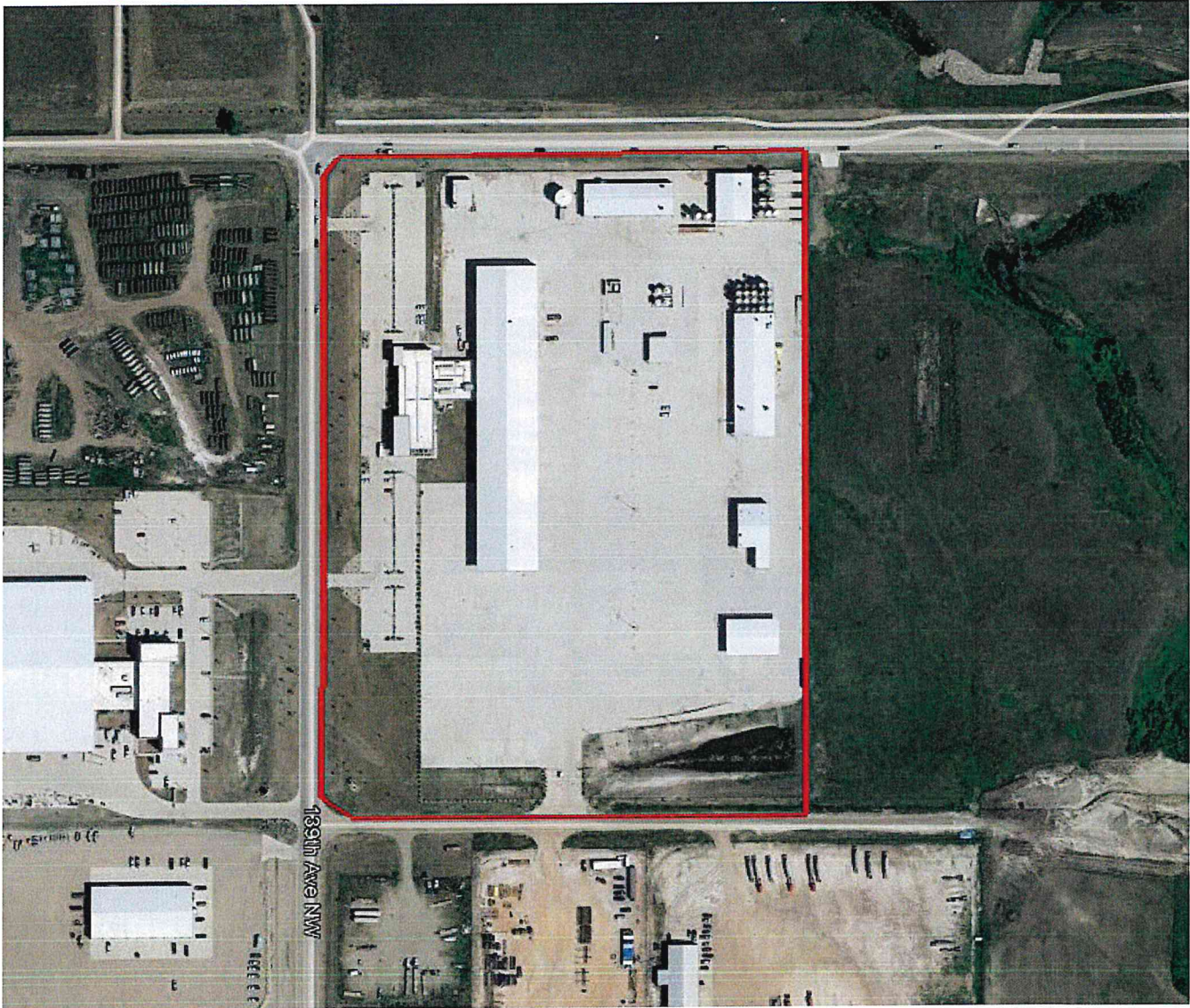
Surrounding Area Map



Property Description

Site Description

Aerial Map



Land Summary

Parcel ID	Gross Land Area (Acres)	Gross Land Area (Sq Ft)	Usable Land Area (Acres)	Usable Land Area (Sq Ft)	Topography	Shape
01-765-00-00-010	29.97	1,305,493	29.97	1,305,493	Level	Square
Totals	29.97	1,305,493	29.97	1,305,493		

Source: Client

Land Description

Shape	Square
Average Depth (Feet)	1,289
Average Width (Feet)	940
Corner Location	Yes
Primary Street Frontage	48th Avenue West
Access Rating	Good
Visibility Rating	Good
Functional Utility	Average
Topography	Level
Drainage	No drainage problems were observed or disclosed to us during our inspection. This appraisal assumes that surface water collection is adequate.
Soil Conditions	Adequate for development
Flood Zone Designation	Inconclusive as reported by FEMA.
Utilities	All public utilities are available to the site including public water and sewer, electric, and telephone
Utilities Adequacy	The subject's utilities are typical and adequate for the market area.

Environmental Hazards

An environmental assessment was not provided for review. No environmental hazards were apparent from inspection and it is assumed the Subject is free and clear of any environmental hazards including, without limitation, hazardous waste, toxic substances and mold.

Zoning Summary

Zoning Jurisdiction	City of Williston
Zoning Code	M-2
Zoning Description	This district is intended to include lands suited by topography and other natural conditions, including the presence of natural resources, for industrial development, including heavy manufacturing, shipping terminals, natural resources extraction.
Permitted Uses	Manufacturing, airports, trucking terminals, oil & gas storage facilities, etc.
Current Use Legally Conforming	Yes
Zoning Change Likely	A zoning change is unlikely.
Maximum Building Height	100
Maximum Site Coverage	20 acres
Set Back Distance (Feet)	None
Side Yard Distance (Feet)	None
Rear Yard Distance (Feet)	None
Parking Requirement	One space per employee on the largest shift, plus one space per company vehicle regularly stored on premises
Other Land Use Regulations	We are not aware of any land use regulations that would affect the property.
Source	City of Williston

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance is required.

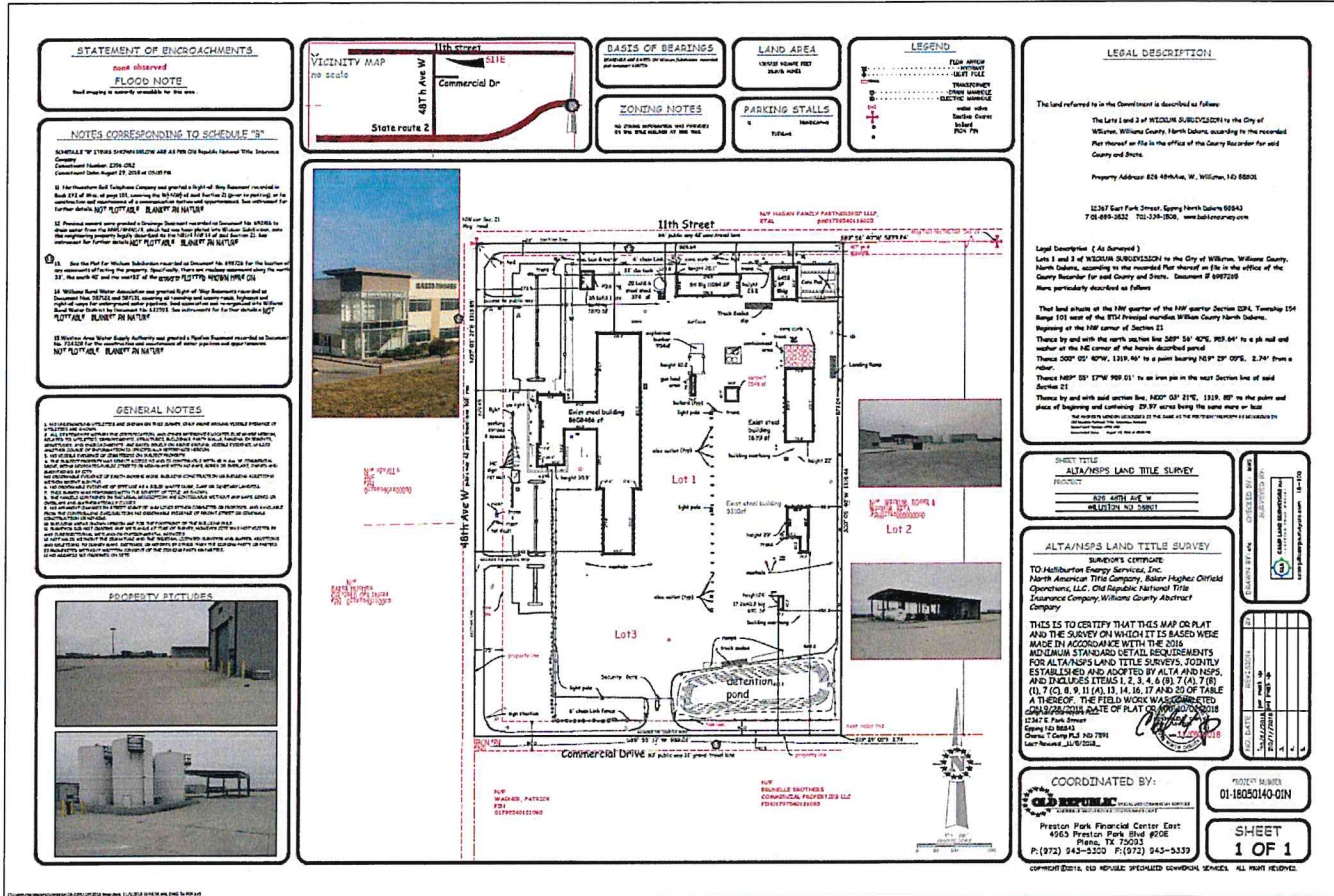
Encumbrance/Easements/Restrictions

We were not provided a current title report to review. We are not aware of any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Overall Site Utility

Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning.

Survey



Zoning Map



Improvements Description

The subject is a multi-building industrial property that contains 174,153 square feet of rentable area plus a 5,310 square foot truck wash bay. Improvements include 20 to 36-foot clear ceiling heights and 19 overhead doors. The subject has approximately 10% finished office space. The truck wash bay has contributory value and as such we use a modified version of the cost approach to provide a value estimate. According to the information provided by Client, the improvements were constructed in 2011.

Improvements Description

	Building 1	Building 2	Building 3	Building 4	Building 5	Building 6	Building 7	Overall Property
General Description								
Building Name / Type	Building 100 & 200 - Offices & Shop	Building 300 - Fuel Building	Building 400 - Truck Wash	Building 500 Chemical Storage & Acid Plant	Building 600 - Lab	Building 700 - Chemical Storage	Building 800 - Storage	Halliburton Williston Field Camp
General Property Type	Office	Industrial	Special Purpose	Industrial	Industrial	Industrial	Industrial	Industrial
Property Type			Wash Bay	Wash Bay				-
Competitive Property Class	A	C	C	C	C	C	C	A; C
Number of Buildings	1	1	1	1	1	1	1	7
Stories	2	1	1	1	1	1	1	1 - 2
Year Built	2011	2011	2011	2011	2011	2011	2011	2011
Construction Class	Class C	Class S	Class S	Class S	Class S	Class S	Class S	Multiple
Construction Type	Masonry	Metal	Metal	Metal	Metal	Metal	Metal	Multiple
Construction Quality	Good	Average	Low Cost	Average	Average	Average	Average	Multiple
Condition	Good	Good	Good	Good	Good	Good	Good	Good
Building Areas and Ratios								
Gross Building Area (SF)	147,101	691	5,310	1,639	11,084	6,458	1,870	174,153
Rentable Area (SF)	147,101	691	-	1,639	11,084	6,458	1,870	168,843
Building Efficiency Ratio	100%	100%	-	100%	100%	100%	100%	97%
Percent Office Space	11%							10%
Percent HVAC Space	100%							87%
Land Area (SF)								1,305,493
Floor Area Ratio (GBA/Land SF)								0.13
Floor Area Ratio (RA/Land SF)								0.13
Building Area Source	Client							
Building Features								
Special Features	Truck Wash Bay							

As stated, the subject has a 5,310 square foot truck wash bay that is included in the above description. Its building area is calculated within the gross building area and not the rentable area as its value is only to support the business segment of the subject. The wash bay does contribute value and as such we used the cost approach to provide a value estimate of the truck wash bay. The contributory value is added to the value conclusions of the sales and income approaches.

Construction Description

Building Name / Type	Building 100 & 200	Building 300 - Fuel Building	Building 400 - Truck Wash	Building 500 Chemical Storage & Acid Plant	Building 600 - Lab	Building 700 - Chemical Storage	Building 800 - Storage
Foundation, Frame, and Exterior							
Foundation	Poured concrete slab	Poured concrete slab	Poured concrete slab	Poured concrete slab	Poured concrete slab	Poured concrete slab	Poured concrete slab
Structural Frame	Heavy Steel Frame	Heavy Steel Frame	Heavy Steel Frame	Heavy Steel Frame	Heavy Steel Frame	Heavy Steel Frame	Heavy Steel Frame
Exterior	Concrete	Metal	Metal	Metal	Metal	Metal	Metal
Windows	Fixed Casement			Fixed Casement	Fixed Casement	Fixed Casement	Fixed Casement
Roof/Cover	Flat	Flat	Flat	Flat	Flat	Flat	Flat
Building Features							
Clear Height (Feet)	36	24	29	22	20	23	21
Service/Overhead Doors	19						
Interior Features							
Interior Layout	Very Good	Average	Average	Average	Average	Average	Average
Lobby/Common Area	Above Average	Average	Average	Average	Average	Average	Average
Floor Cover	Tile & Carpet	Concrete	Concrete	Concrete	Concrete	Concrete	Concrete
Walls	Painted drywall			Metal	Metal	Metal	Metal
Ceilings	Acoustic ceiling panels	Metal	Metal	Metal	Metal	Metal	Metal
Lighting	Fluorescent lighting	Fluorescent lighting	Fluorescent lighting	Fluorescent lighting	Fluorescent lighting	Fluorescent lighting	Fluorescent lighting
Restrooms	Men's and women's			Unisex	Unisex	Unisex	Unisex
Finish Out Condition	Above Average	Average	Average	Average	Average	Average	Average
Mechanical Systems							
Heating	Central						
Cooling	Central						
Electrical	Assumed adequate and up to code	Assumed adequate and up to code	Assumed adequate and up to code	Assumed adequate and up to code	Assumed adequate and up to code	Assumed adequate and up to code	Assumed adequate and up to code
Plumbing	Assumed adequate and up to code			Assumed adequate and up to code	Assumed adequate and up to code	Assumed adequate and up to code	Assumed adequate and up to code
Elevators	Yes						

Parking

Halliburton Williston Field Camp	
Building Name / Type	Camp
Total Parking Spaces	100
Surface Spaces	100
Parking Type	Surface
Source of Parking Count	Client
Parking Spaces/1,000 SF GBA	0.6
Parking Spaces/1,000 SF RA	0.6
Parking Condition	Average
Parking Adequacy	Average

Effective Age and Economic Life

Building Name / Type	Halliburton Williston Field Camp						
	Building 100 & 200 - Offices & Shop	Building 300 - Fuel Building	Building 400 - Truck Wash	Building 500 Chemical Storage & Acid Plant	Building 600 - Lab	Building 700 - Chemical Storage	Building 800 - Storage
Year Built	2011	2011	2011	2011	2011	2011	2011
Actual Age (Yrs.)	12	12	12	12	12	12	12
Estimated Effective Age (Yrs.)	10	10	10	10	10	10	10
Estimated Economic Life (Yrs.)	50	35	20	35	35	35	20 - 50
Remaining Economic Life (Yrs.)	40	25	10	25	25	25	10 - 40

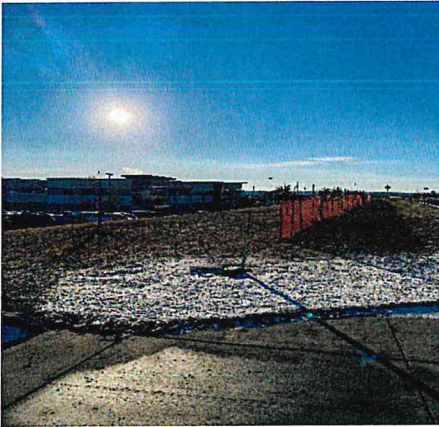
Improvements Analysis

Design & Functional Utility	Above Average
Appeal & Appearance	Superior to competitive properties
Deferred Maintenance	We did not identify any major items of deferred maintenance during our inspection and ownership indicated there were none.
Personal Property	Our appraisal considers only the real property, personal property is not included.
Americans With Disabilities Act	Based on our inspection and information provided, we are not aware of any ADA issues. However, we are not expert in ADA matters, and further study by an appropriately qualified professional would be recommended to assess ADA compliance.

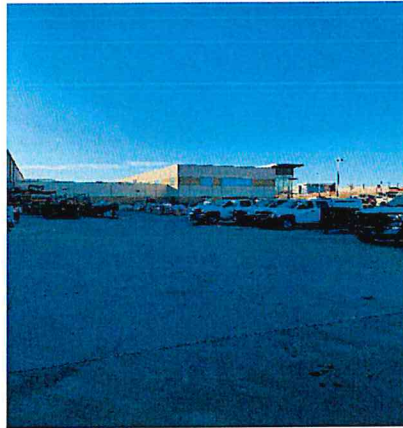
Improvements Conclusion

On balance, the condition, quality, and functional utility of the improvements are typical for their age and location.

Subject Photographs



Site view
(Photo Taken on December 16, 2020)



Site view
(Photo Taken on December 16, 2020)



Site view
(Photo Taken on December 16, 2020)



Exterior main building
(Photo Taken on December 16, 2020)



Reception area main building
(Photo Taken on December 16, 2020)



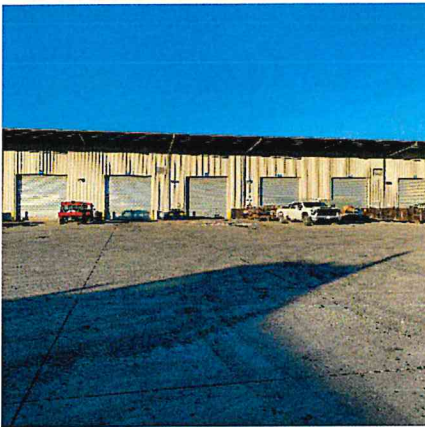
Hallway main building
(Photo Taken on December 16, 2020)



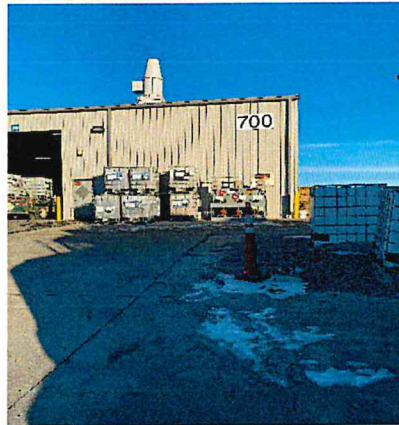
Interior
(Photo Taken on December 16, 2020)



Office cubicles main building
(Photo Taken on December 16, 2020)



Auxiliary Building
(Photo Taken on December 16, 2020)



Auxiliary Building
(Photo Taken on December 16, 2020)



Warehouse
(Photo Taken on December 16, 2020)



Warehouse
(Photo Taken on December 16, 2020)

Assessment and Taxes

Real estate tax assessments are administered by the Appraisal District in which the subject is located and are estimated by jurisdiction on a county basis for the subject. Real estate taxes in this state and this jurisdiction represent ad valorem taxes, meaning a tax applied in proportion to value. The real estate taxes for an individual property may be determined by dividing the assessed value for a property by \$100, then multiplying the estimate by the composite rate. The composite rate is based on a consistent state tax rate throughout the state, in addition to one or more local taxing district rates.

Real estate tax statements are mailed in December of each year. The first instalment of the current real estate taxes is due by March 1st. The second instalment of the current real estate taxes is due by October 15th. Property taxes for the subject are paid to date.

Based on discussions with a representative from the Williams County Assessor office, the sale of a property does not trigger a reassessment. In determining new assessed values, the assessor places primary reliance on comparable properties and also considers the sale price in determining the new assessed value.

Real Estate Taxes

Taxing Authority	Williams County
Assessment Year	2022

Real estate taxes and assessments for the current tax year are shown in the following table. Market value for land is \$1,246,680, which corresponds to an assessed value of \$62,334. Market value for improvements is \$16,760,180, which corresponds to an assessed value of \$838,009.

Real Estate Assessment and Taxes - 2022

Tax ID	Assessed Value			Taxes and Assessments		
	Land	Improvements	Total Assessment	Tax Rate	Ad Valorem Taxes	Total Taxes
01-765-00-00-00-010	\$62,334	\$838,009	\$900,343	\$173.990	\$156,651	\$156,651
Totals	\$62,334	\$838,009	\$900,343	\$173.990	\$156,651	\$156,651

Depicted in the ensuing table is the subject property's tax history.

Tax History

Assessment Year	Total Assessment	Ad Valorem Tax Rate	Ad Valorem Taxes	Total Taxes	Annual Change
2022	\$900,343	\$173.99	\$156,651	\$156,651	-5.5%
2021	\$963,983	\$171.96	\$165,767	\$165,767	2.3%
2020	\$1,039,795	\$155.87	\$162,073	\$162,073	-0.7%
2019	\$963,983	\$156.90	\$163,262	\$163,262	-1.0%
2018	\$1,260,360	\$130.88	\$164,956	\$164,956	

Highest and Best Use

Highest and best use may be defined as the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

- **Legally Permissible:** What uses are permitted by zoning and other legal restrictions?
- **Physically Possible:** To what use is the site physically adaptable?
- **Financially Feasible:** Which possible and permissible use will produce any net return to the owner of the site?
- **Maximally Productive:** Among the feasible uses which use will produce the highest net return, (i.e., the highest present worth)?

Highest and Best Use of the Site

Legally Permissible

The site is zoned M-2, this district is intended to include lands suited by topography and other natural conditions, including the presence of natural resources, for industrial development. To our knowledge, there are no legal restrictions such as easements or deed restrictions that would effectively limit the use of the property. Given prevailing land use patterns in the area, only industrial use is given further consideration in determining highest and best use of the site, as though vacant.

Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses.

Financially Feasible

Based on our analysis of the market, there is currently limited demand for industrial use in the subject's area. It appears that a newly developed industrial use on the site would not have a value commensurate with its cost; thus industrial use is not considered to be financially feasible at the current time. However, given anticipated population and employment growth in the subject's area, we expect rents and improved property values to increase to a level at which industrial use would be financially feasible in the future.

Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than holding the property for future development of an industrial use. Accordingly, it is our opinion that holding the property for future industrial use, based on the normal market density level permitted by zoning, is the maximally productive use of the property.

Conclusion

Holding the property for future development of an industrial use is the only use that meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property as if vacant.

Highest and Best Use as Improved

The subject site is developed with an industrial facility, which is consistent with the highest and best use of the site as if it were vacant. Based on our analysis, there does not appear to be any alternative use that could reasonably be expected to provide a higher present value than the current use, and the value of the existing improved property exceeds the value of the site, as if vacant. For these reasons, continued industrial use is concluded to be maximally productive and the highest and best use of the property as improved.

Most Probable Buyer

Taking into account the size and characteristics of the property and its occupancy, the likely buyer is an owner-user.

Valuation Methodology

Three basic approaches may be applicable and utilized, then reconciled to arrive at an estimate of market value. An approach to value is included or eliminated based on its applicability to the property type being valued and the information available. The reliability of each approach depends on the availability and comparability of market data as well as the motivation and thinking of purchasers. Applicable approaches and whether or not they were utilized are summarized below:

Cost Approach

The Cost Approach is based on the proposition that an informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. In the Cost Approach, the appraiser forms an opinion of the cost of all improvements, depreciation from physical, functional and external causes. The land value, entrepreneurial profit and depreciated improvement costs are then added, resulting in indication of value.

Sales Comparison Approach

The Sales Comparison Approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. A gross income multiplier and / or effective gross income multiplier may also be analyzed. By process of correlation and analysis, a final indicated value is derived.

Income Approach

In the Income Capitalization Approach the income-producing capacity of a property is estimated by using contract rents on existing leases and by estimating market rent from rental activity at competing properties for the vacant space. Deductions are then made for vacancy and collection loss and operating expenses. The resulting net operating income is divided by an overall capitalization rate to derive an opinion of value for the subject property. The capitalization rate represents the relationship between net operating income and value. This method is referred to as Direct Capitalization.

Related to the Direct Capitalization Method is the Yield Capitalization Method. In this method periodic cash flows (which consist of net operating income less capital costs) and a reversionary value are developed and discounted to a present value using a discount rate or an internal rate of return.

The Income Approach converts the anticipated flow of future benefits (income) to a present value estimate through a capitalization and or a discounting process.

Final Reconciliation

The appraisal process concludes with the Final Reconciliation of the values derived from the approaches applied for a single estimate of market value. Different properties require different means of analysis and lend themselves to one approach over the others.

Analyses Applied

Applicability and utilization of the approaches in this assignment is described as follows.

Approach	Description	Applicability	Utilization
Cost	A cost approach is most applicable in valuing new or proposed construction when the improvements represent the highest and best use of the land and the land value, cost new and depreciation are well supported.	Applicable	Utilized
Sales Comparison	A sales approach is most applicable when sufficient data on recent market transactions is available and there is an active market for the property type.	Applicable	Utilized
Income	An income approach is most applicable when the subject is an income producing property or has the ability to generate income in the future as an investment.	Applicable	Utilized

Land Valuation

The subject's land value has been developed via the sales comparison approach.

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. This approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived.

We have researched comparables for this analysis, which are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources and, when possible, verified by a party to the transaction.

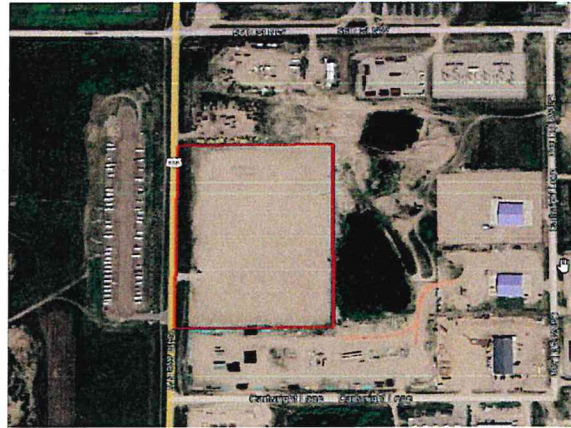
Land Sales Summary

No.	Name; Address	Sale Date; Status;	Square Feet; Acres	Usable SF; Usable Acres	Zoning	Utilities	Shape; Topography	Sale Price; Effective Price	\$/SF; \$/Acre	\$/Usable SF; \$/Usable Ac.
		Prop. Rights					Flood Zone			
1	405 32nd Avenue West 405 32nd Avenue West Williston, ND 58801	12/27/2021 Closed Sale Fee Simple	487,001 11.18	487,001 11.18	Not Zoned	All available	Irregular Level X	\$1,000,000 \$1,000,000	\$2.05 \$89,445	\$2.05 \$89,445
Sale Comments: Sale of a 11.18 acre tract of land on December 27, 2021 for a reported consideration of \$1,000,000 or \$2.05 psf.										
2	Highway 85B & 56th St NW Highway 85B & 56th St NW Williston, ND 58801	12/20/2021 Closed Sale Fee Simple	653,400 15.00	653,400 15.00	M1 - Light Industrial	All available	Square Level X	\$575,000 \$575,000	\$0.88 \$38,333	\$0.88 \$38,333
Sale Comments: Sale of a 15 acre lot zoned M-1: Light Industrial. Property sold for \$575,000 or \$0.88 psf on December 20, 2021.										
3	5216 & 5302 22nd Ave W 5216 22nd Avenue West Williston, ND 58801	8/11/2021 Closed Sale Fee Simple	629,878 14.46	629,878 14.46	M1 - Light Industrial	All available	Rectangular Level X	\$900,000 \$900,000	\$1.43 \$62,241	\$1.43 \$62,241
Sale Comments: Two tract sale of 5216 & 5302 22nd Avenue West. The 14.46 acre combined tract sold for \$900,000 or \$1.43 psf on August 11, 2021.										
4	Highway 2 Highway 2 Williston, ND 58801	11/25/2022 Listing Fee Simple	421,225 9.67	421,225 9.67	M1 - Light Industrial	All available	Irregular Level X	\$765,000 \$765,000	\$1.82 \$79,111	\$1.82 \$79,111
Sale Comments: Current listing of 9.67 Acres zoned M1-Light Industrial . Property has been on the market for over 1,088 days.										
Halliburton Williston Field Camp 826 48TH Avenue W Williston, ND 58801 Williams			1,305,493 29.97	1,305,493 29.97	M-2		Square Level X			

Land Sale Comparable Photographs



Land Sale #1
405 32nd Avenue West



Land Sale #2
Highway 85B & 56th St NW

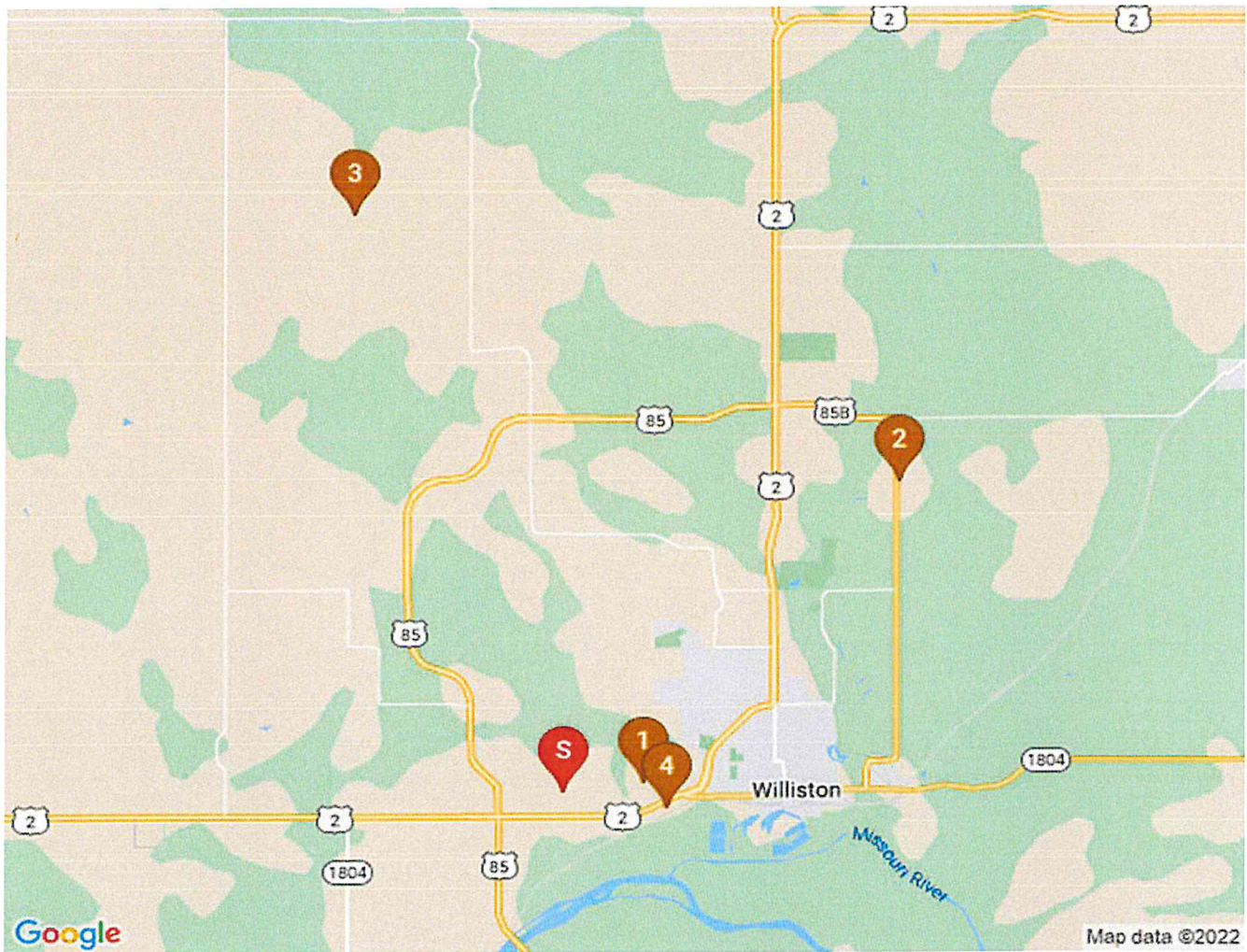


Land Sale #3
5216 & 5302 22nd Ave W



Land Sale #4
Highway 2

Land Sales Map



No.	Name	Location	Miles From Subject	SF	Price/SF	
1	405 32nd Avenue West	Williston, ND	1.3	487,001	\$2.05	
2	Highway 85B & 56th St NW	Williston, ND	7.7	653,400	\$0.88	
3	5216 & 5302 22nd Ave W	Williston, ND	10.7	629,878	\$1.43	
4	Highway 2	Williston, ND	1.7	421,225	\$1.82	
Halliburton Williston Field Ca				Williston, ND	1,305,493	

Analysis and Adjustment of Sales

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

Land Grid

	Subject	Comp 1	Comp 2	Comp 3	Comp 4
Name	Halliburton Williston Field	405 32nd Avenue West	Highway 85B & 56th St NW	5216 & 5302 22nd Ave W	Highway 2
Address	826 48TH Avenue W	405 32nd Avenue West	Highway 85B & 56th St NW	5216 22nd Avenue West	Highway 2
City	Williston	Williston	Williston	Williston	Williston
County	Williams	Williams	Williams	Williams	Williams
State	ND	ND	ND	ND	ND
Date	Feb-2023	Dec-2021	Dec-2021	Aug-2021	Nov-2022
Price		\$1,000,000	\$575,000	\$900,000	\$765,000
Price Adjustment		\$0	\$0	\$0	\$0
Adjusted Price		\$1,000,000	\$575,000	\$900,000	\$765,000
Acres	29.97	11.18	15.00	14.46	9.67
Land SF	1,305,493	487,001	653,400	629,878	421,225
Land SF Unit Price		\$2.05	\$0.88	\$1.43	\$1.82
Flood Zone	X	X	X	X	X
Zoning	M-2	Not Zoned	M1 - Light	M1 - Light	M1 - Light
Shape	Square	Irregular	Square	Rectangular	Irregular
Topography	Level	Level	Level	Level	Level
Utilities	All Available	All available	All available	All available	All available
Transaction Adjustments					
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		-	-	-	-
Financing		Cash	Cash	Cash	Listing
% Adjustment		-	-	-	-
Conditions of Sale		Market	Market	Market	Listing
% Adjustment		-	-	-	-15%
Market Trends Through	Feb-23	-	-	-	-
Adjusted Land SF Unit Price		\$2.05	\$0.88	\$1.43	\$1.54
Location		-	-	-	-
Access/Exposure		-15%	-	-	-20%
Size		-10%	-5%	-10%	-15%
Shape/Topography		10%	-	-	-
Flood Zone		-	-	-	-
Utilities		-	-	-	-
Highest & Best Use		-15%	-	-	-
Adjusted Land SF Unit Price		\$1.44	\$0.84	\$1.29	\$1.00
Net Adjustments		-30%	-5%	-10%	-45%
Gross Adjustments		50%	5%	10%	50%
Summary Indicators		Range	Average	Median	
Comparables - Unadjusted		\$0.88 - \$2.05	\$1.54	\$1.62	
Comparables - Adjusted		\$0.84 - \$1.44	\$1.14	\$1.14	
Reconciled Unit Value:			\$0.90		

Comparable Land Sale Adjustments

Property Rights

No adjustments for real property rights were required.

Financing

No adjustments for financing terms were required.

Conditions of Sale

Listing 4 has been adjusted down to provide for negotiations as it is an offering. Typically, listings represent the upper limits of seller expectations in the market and are, in most cases, subject to negotiations.

Expenditures After Sale

No adjustments for expenditures after sale were required.

Economic Trends

The land sales took place from August 2021 to November 2022. Market conditions generally have been stable over this period through the effective date of value. As a result, we apply no adjustments for market trends.

Location

No adjustments for location were required.

Access/Exposure

Comparables 1 and 4 have been adjusted downward due to their superior access/exposure when compared to the subject property. Comparables 2 and 3 have not been adjusted.

Size

All four comparables have been adjusted downward due to their smaller size when compared to the subject property.

Shape/Topography

Comparable 1 has been adjusted upward due to its inferior shape/topography when compared to the subject property. The remaining three comparables have not been adjusted.

Flood Zone

No adjustments for flood zone status were required.

Utilities

No adjustments for utilities were required.

Highest & Best Use

Sale 1's highest and best use allows for more dense development noted by a downward adjustment.

Land Valuation Conclusion

All of the value indications have been considered, and in the final analysis, comparable 2 has been given most weight in arriving at our final reconciled value because it required the least gross adjustment, as depicted below.

Land Value Reconciliation

Premise	Value
As-If Vacant	February 1, 2023
Indicated Value per Land SF	\$0.90
Subject Land SF	1,305,493
Indicated Value	\$1,174,944
Rounded Value	\$1,170,000

Cost Approach

The Cost Approach is based on the principle of substitution - that a prudent and rational person would pay no more for a property than the cost to construct a similar and competitive property, assuming no undue delay in the process. The Cost Approach tends to set the upper limit of value before depreciation is considered. The applied process is as follows:

1. Estimate the land value according to its Highest and Best Use.
1. Estimate the replacement cost of the building and site improvements.
2. Estimate the physical, functional and/or external depreciation accrued to the improvements.
3. Sum the depreciated value of the improvements with the value of the land for an indication of value.

Replacement Cost

Replacement cost is the current cost to construct improvements with equivalent utility to the subject, using modern materials and current standards, design, and layout. Estimates of replacement cost for the purpose of developing a market value opinion include three components: direct costs, indirect costs (also known as soft costs) and entrepreneurial profit.

Direct Costs

In order to estimate the direct replacement cost, we will utilize several sources.

1. Marshall & Swift

Marshall Valuation Service (MVS), a nationally recognized source for cost data, is utilized to estimate direct costs for the subject, which includes expenditures for labor, materials, supervision, contractors' profit and overhead, architects' plans and specifications, sales taxes and insurance. MVS' *Square Foot Commercial Methodology* determines the property's base costs, which are then adjusted, if applicable, for differences in heating/cooling costs, and the presence of sprinklers and elevators. The adjusted base costs are then further adjusted, if applicable, to account for building height, interior wall height, building perimeter, current costs, location variations, and prospective value multipliers. Beyond the base building costs, specialty components or site improvements are provided by the segregated cost sections of the MVS *Commercial Cost Explorer*. In addition to direct costs, MVS includes certain indirect costs such as architectural and engineering fees, and interest on building loan funds during construction. Our direct cost estimate using MVS is shown below.

Unit Costs

Name	MVS Sec./Page or Source	MVS Building Type	Construction Class	MVS Quality	Base Cost	Sprinkler	Adjusted Base Cost
Building Improvements							
Building 100 & 200 - Offices & Shop	15/17	Office	Class C	Good	\$203.00	\$3.62	\$206.62
Building 300 - Fuel Building	14/14	Light Industrial	Class S	Average	\$60.50	-	\$60.50
Building 400 - Truck Wash	64/5	Drive - Thru Washes	Class S	Low Cost	\$101.00	-	\$101.00
Building 500 Chemical Storage & Acid Plant	14/14	Light Industrial	Class S	Average	\$60.50	-	\$60.50
Building 600 - Lab	14/14	Light Industrial	Class S	Average	\$60.50	-	\$60.50
Building 700 - Chemical Storage	14/14	Light Industrial	Class S	Average	\$60.50	-	\$60.50
Building 800 - Storage	14/14	Light Industrial	Class S	Average	\$60.50	-	\$60.50
Site Improvements							
Perimeter Fencing (3-Strand Barbed Wire)	66/4	Yard Improvements	N/A		\$25.46	-	\$25.46
Concrete	66/2	Yard Improvements	N/A		\$7.00	-	\$7.00
Site Lighting		Contractor	N/A		\$4,000.00	-	\$4,000.00

Source: MVS & Contractor

Direct Cost Estimate

Name	Adjusted Base Cost	Current Multiplier	Local Multiplier	Adjusted Base Cost	Unit Cost Estimate	Quantity	Units	Direct Cost Estimate
Building Improvements								
Building 100 & 200 - Offices & Shop	\$206.62	1.070	1.030	\$227.72	\$227.72	147,101	SF	\$33,497,237
Building 300 - Fuel Building	\$60.50	1.090	1.050	\$69.24	\$69.24	691	SF	\$47,846
Building 400 - Truck Wash	\$101.00	1.090	1.050	\$115.59	\$115.59	5,310	SF	\$613,807
Building 500 Chemical Storage & Acid Plant	\$60.50	1.090	1.050	\$69.24	\$69.24	1,639	SF	\$113,488
Building 600 - Lab	\$60.50	1.090	1.050	\$69.24	\$69.24	11,084	SF	\$767,481
Building 700 - Chemical Storage	\$60.50	1.090	1.050	\$69.24	\$69.24	6,458	SF	\$447,166
Building 800 - Storage	\$60.50	1.090	1.050	\$69.24	\$69.24	1,870	SF	\$129,483
Subtotal- Building Improvements								\$35,616,509
Site Improvements								
Perimeter Fencing (3-Strand Barbed Wire)	\$25.46	1.080	1.030	\$28.32	\$28.32	814	LF	\$23,054
Concrete	\$7.00	1.080	1.030	\$7.79	\$7.79	731,148	SF	\$5,693,303
Site Lighting	\$4,000.00	1.000	1.000	\$4,000.00	\$4,000.00	5	Qty.	\$20,000
Subtotal- Site Improvements								\$5,736,357
Total								\$41,352,866

*Current and local multipliers have already been considered for site lighting.

MVS Direct Cost Summary

Type	Cost Estimate
Building Improvements	\$35,616,509
Site Improvements	\$5,736,357
Total MVS Direct Costs	\$41,352,866
Total MVS Direct Costs per SF	\$237.45

Indirect Costs

MVS does not include all of the indirect costs (soft costs) that are appropriate in a replacement cost estimate. Therefore, we add an allowance for the following indirect costs that are not contained within our direct cost estimate: taxes and carrying costs on land during construction; legal and accounting fees; and marketing and finance costs prior to stabilization.

Entrepreneurial Profit

The final component of the replacement cost estimate is entrepreneurial profit, the financial reward that a developer would expect to receive in addition to recovering all direct and indirect costs. This is the expected compensation that would be necessary to motivate a developer to undertake the project.

Replacement Cost New

The following table show our replacement cost estimates for the subject building improvements and site improvements.

Replacement Cost New Estimate

Name	Direct Cost Estimate	Indirect Costs (%)	Indirect Costs (\$)	Replacement Cost + Indirect Cost	Entrepreneurial Incentive (%)	Entrepreneurial Incentive (\$)	Replacement Cost Estimate
Building Improvements							
Building 100 & 200 - Offices & Shop	\$33,497,237	10.00%	\$3,349,724	\$36,846,961	5.00%	\$1,842,348	\$38,689,309
Building 300 - Fuel Building	\$47,846	10.00%	\$4,785	\$52,631	5.00%	\$2,632	\$55,263
Building 400 - Truck Wash	\$613,807	10.00%	\$61,381	\$675,187	5.00%	\$33,759	\$708,947
Building 500 Chemical Storage & Acid Plant	\$113,488	10.00%	\$11,349	\$124,837	5.00%	\$6,242	\$131,079
Building 600 - Lab	\$767,481	10.00%	\$76,748	\$844,229	5.00%	\$42,211	\$886,441
Building 700 - Chemical Storage	\$447,166	10.00%	\$44,717	\$491,883	5.00%	\$24,594	\$516,477
Building 800 - Storage	\$129,483	10.00%	\$12,948	\$142,431	5.00%	\$7,122	\$149,553
Subtotal- Building Improvements	\$35,616,509	10.00%	\$3,561,651	\$39,178,160	5.00%	\$1,958,908	\$41,137,068
Site Improvements							
Perimeter Fencing (3-Strand Barbed Wire)	\$23,054	10.00%	\$2,305	\$25,359	5.00%	\$1,268	\$26,627
Concrete	\$5,693,303	10.00%	\$569,330	\$6,262,634	5.00%	\$313,132	\$6,575,765
Site Lighting	\$20,000	-	-	\$20,000	-	-	\$20,000
Subtotal- Site Improvements	\$5,736,357	9.97%	\$571,636	\$6,307,993	4.98%	\$314,400	\$6,622,392
Total	\$41,352,866	10.00%	\$4,133,287	\$45,486,152	5.00%	\$2,273,308	\$47,759,460

*Indirect costs and entrepreneurial incentive have already been considered for site lighting.

Depreciation Analysis

Depreciation may be defined as any loss of value from any cause. It is the difference between the market value of a structural improvement or piece of equipment and its reproduction or replacement cost as of the date of valuation. There are three general areas of depreciation: physical deterioration, functional obsolescence and external obsolescence. Depreciation may be curable or incurable, the test being that money spent to cure the depreciation be gained in value. If the depreciation costs more to fix than will be gained in value, then the depreciation is considered incurable.

Physical Deterioration

This results from deterioration from aging and use. This type of depreciation may be curable or incurable. No items of deferred maintenance are identified; thus, no deductions for this form of depreciation are necessary.

After deducting deferred maintenance, if any, we use the age-life method to estimate depreciation applicable to the remaining replacement costs. This method indicates the loss in value due to physical deterioration and some functional obsolescence based on the age and condition of the improvements. The age-life method is applied on a straight-line basis, by dividing the subject's effective age by its economic life. Age-life depreciation for the site improvements is estimated separately from the building improvements, based on their shorter economic lives.

Functional Obsolescence

This results from a lack of utility or desirability due to design or market perception of the improvements. This type of depreciation may be curable or incurable. Functional obsolescence is a loss in value due to changes in market tastes and standards. The subject's functional obsolescence is caused by superadequacy due to the significant cost to build the facility in comparison what typical rent levels and comparable sales in the market area can support. According to the Appraisal Institute, The Appraisal of Real Estate 14th Edition, a superadequacy is a type of functional obsolescence caused by something in the subject property that exceeds market requirements but does not contribute to value an amount equal to its cost. Accordingly, we deducted the value difference between the Cost Approach and the Sales Comparison Approach and applied that amount to functional obsolescence as detailed in the following table.

External Obsolescence

This is due to circumstances outside the property itself, such as industry, demographic and economic conditions or an undesirable proximate use. This type of depreciation is rarely curable. External obsolescence is caused by negative externalities that are incurable by the owner and may include among other things reduced rents and/or sale prices as a result of depressed market conditions. A deduction for additional external obsolescence, over and above that accounted for in the age-life method is necessary for the subject.

Final Estimate of Depreciation

Our estimate of depreciation and calculation of depreciated replacement cost is shown in the following table.

Depreciation Estimate

Name	Replacement Cost Estimate	Effective Age	Economic Life	Age-Life Depreciation (%)	Age-Life Depreciation (\$)	Subtotal	Functional Obsolescence (%)	Functional Obsolescence (\$)	External Obsolescence (%)	External Obsolescence (\$)	Total Depreciation (%)	Total Depreciation (\$)	Depreciated Replacement Cost	Depreciated Unit Cost
Building Improvements														
Building 100 & 200 - Offices & Shop	\$38,689,309	10	50	20.0%	\$7,737,862	\$30,951,447	69.0%	\$21,356,498	3.0%	\$928,543	77.6%	\$30,022,903	\$8,666,405	\$58.91
Building 300 - Fuel Building	\$55,263	10	35	28.6%	\$15,789	\$39,473	69.0%	\$27,237	3.0%	\$1,184	80.0%	\$44,210	\$11,053	\$15.99
Building 400 - Truck Wash	\$708,947	10	35	28.6%	\$202,556	\$506,391	69.0%	\$349,410	3.0%	\$15,192	80.0%	\$567,157	\$141,789	\$26.70
Building 500 Chemical Storage & Acid Plant	\$131,079	10	35	28.6%	\$37,451	\$93,628	69.0%	\$64,603	3.0%	\$2,809	80.0%	\$104,863	\$26,216	\$15.99
Building 600 - Lab	\$886,441	10	35	28.6%	\$253,269	\$633,172	69.0%	\$436,889	3.0%	\$18,995	80.0%	\$709,153	\$177,288	\$15.99
Building 700 - Chemical Storage	\$516,477	10	35	28.6%	\$147,565	\$368,912	69.0%	\$254,550	3.0%	\$11,067	80.0%	\$413,182	\$103,295	\$15.99
Building 800 - Storage	\$149,553	10	35	28.6%	\$42,729	\$106,823	69.0%	\$73,708	3.0%	\$3,205	80.0%	\$119,642	\$29,911	\$15.99
Subtotal- Building Improvements	\$41,137,068			20.3%	\$8,437,221	\$32,699,846	69.0%	\$22,562,894	3.0%	\$980,995	77.7%	\$31,981,111	\$9,155,957	
Site Improvements														
Perimeter Fencing (3-Strand Barbed Wire)	\$26,627	8	16	50.0%	\$13,314	\$13,314	69.0%	\$9,186	3.0%	\$399	86.0%	\$22,899	\$3,728	\$4.58
Concrete	\$6,975,765	10	20	50.0%	\$3,287,883	\$3,287,883	69.0%	\$2,268,639	3.0%	\$98,636	86.0%	\$5,655,158	\$920,607	\$12.26
Site Lighting	\$20,000	10	20	50.0%	\$10,000	\$10,000	69.0%	\$6,900	3.0%	\$300	86.0%	\$17,200	\$2,800	\$560.00
Subtotal- Site Improvements	\$6,622,392			50.0%	\$3,311,196	\$3,311,196	69.0%	\$2,284,725	3.0%	\$99,336	86.0%	\$5,695,258	\$927,135	
Total	\$47,759,460			24.6%	\$11,748,418	\$36,011,042	69.0%	\$24,847,619	3.0%	\$1,080,331	78.9%	\$37,676,368	\$10,083,092	

MVS Depreciated Replacement Cost Estimate

Type	MVS Replacement Cost New	Total Depreciation	Total Depreciation %	MVS Depreciated Replacement Cost
Building Improvements	\$41,137,068	\$31,981,111	77.7%	\$9,155,957
Site Improvements	\$6,622,392	\$5,695,258	86.0%	\$927,135
Total Cost	\$47,759,460	\$37,676,368	78.9%	\$10,083,092
Total Cost per SF	\$274.24	\$216.34		\$57.90

Cost Approach Conclusion

By combining our land value conclusion with the depreciated replacement cost of the subject, we arrive at a value indication by the cost approach as shown in the following table.

Cost Approach Valuation

As Is	February 1, 2023
Concluded Land Value	\$1,170,000
Depreciated Cost of Improvements	<u>\$10,083,092</u>
Indicated As Is Value	\$11,253,092
Rounded As Is Value	\$11,300,000

Sales Comparison Approach

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

1. The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
2. The most pertinent data is further analyzed and the quality of the transaction is determined.
3. The most meaningful unit of value for the subject property is determined.
4. Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
5. The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

We have researched comparables for this analysis, which are documented on the following pages, followed by a location map and analysis grid. All sales have been researched through numerous sources and, when possible, verified by a party to the transaction. There were very few large scale industrial transactions in the subject’s submarket and as a result we expanded our geographic analysis.

Improved Sales Summary - Industrial

No.	Name; Address	Sale Date; Status; Prop. Rights	Year Blt.	Percent Office; Clear Height; Truck Doors	Rentable Area; GBA	Sale Price; Effective Price	\$/RA; \$/GBA	Cap Rate; EGIM
1	420 Haliburton	5/19/2022	1965-2013	29%	128,303	\$4,200,000	\$32.74	
	420 Haliburton Drive	Closed Sale		20'	128,303	\$4,200,000	\$32.74	
	Williston, ND 58801	Fee Simple		7				
Sale Comments: Sale of a 128,303 sf industrial facility that sold on May 19, 2022 for a reported consideration of \$4,200,000 or \$32.74 psf.								
2	805 48th Ave W	4/21/2021	2013	20%	115,000	\$7,000,000	\$60.87	
	805 48th Ave W	Closed Sale		20'	115,000	\$7,000,000	\$60.87	
	Williston, ND 58801	Fee Simple						
Sale Comments: April 21, 2021 sale of a 115,000 SF Industrial building sold by Baker Hughes Oilfield Operations for \$7,000,000 or \$60.87 per square foot to RCS-805 West LLC								
3	4675 N Washington St - 4675 Industrial	10/8/2020	2014	2%	152,376	\$10,000,000	\$65.63	
	4675 N Washington St	Closed Sale		29'	152,376	\$10,000,000	\$65.63	
	Grand Forks, ND 58203	Fee Simple		2				
Sale Comments: Sale of a 152,376 sf for \$10,000,000 or \$65.63 psf on October 8, 2020.								
Halliburton Williston Field Camp			2018	11%	168,843			
826 48th Avenue West				36	174,153			
Williston, ND 58801				20	Williston			
Williams								

Improved Sale Comparable Photographs



Improved Sale #1
420 Haliburton

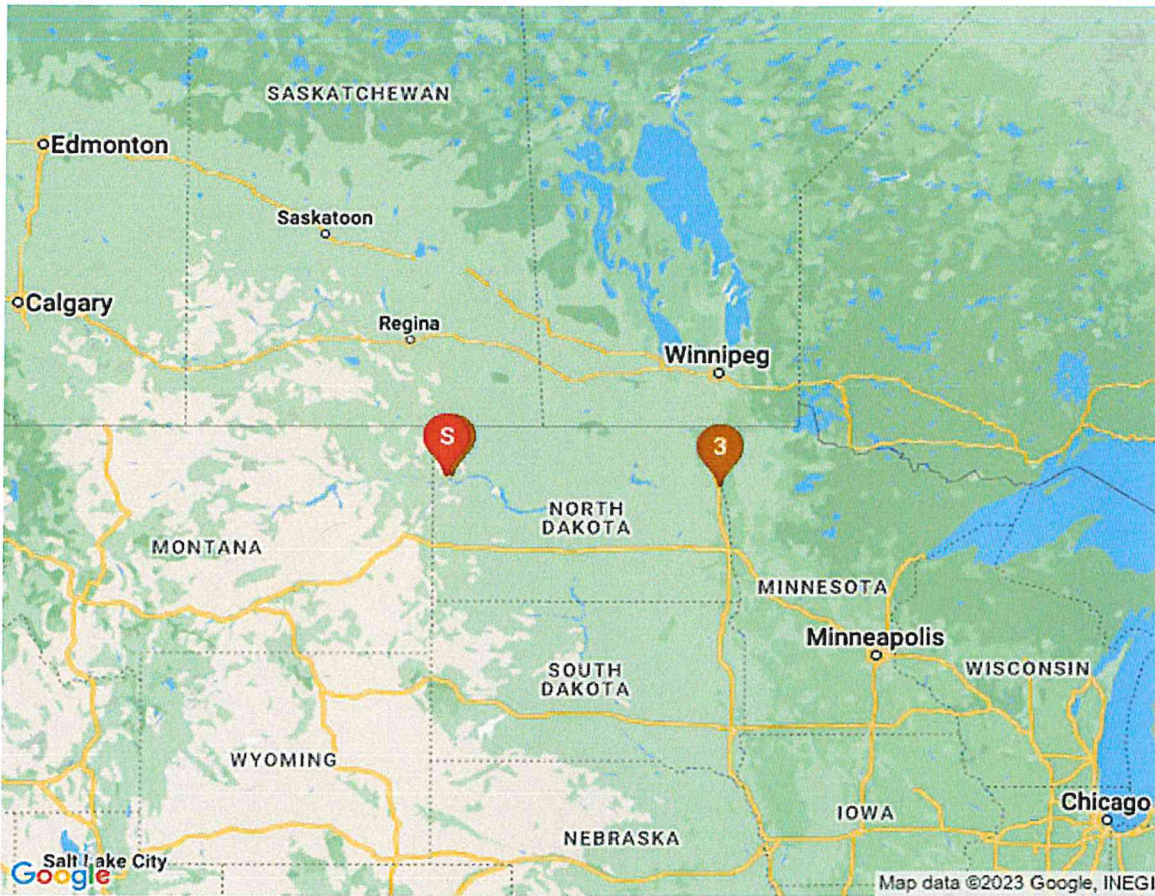


Improved Sale #2
805 48th Ave W



Improved Sale #3
4675 N Washington St - 4675 Industrial

Improved Sales Map



No.	Name	Location	Miles From Subject	Rentable Area	Price/Rentable Area
1	420 Haliburton	Williston, ND	5.5	128,303	\$32.74
2	805 48th Ave W	Williston, ND	0.5	115,000	\$60.87
3	4675 N Washington St - 4675 Industrial	Grand Forks, ND	305.7	152,376	\$65.63
Halliburton Williston Field Camp				168,843	

Analysis and Adjustment of Sales

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

Sales Grid

	Subject	Comp 1	Comp 2	Comp 3
Name	Halliburton Williston Field	420 Haliburton	805 48th Ave W	4675 N Washington St -
Address	826 48th Avenue West	420 Haliburton Drive	805 48th Ave W	4675 N Washington St
City	Williston	Williston	Williston	Grand Forks
County	Williams	Williams	Williams	Grand Forks
State	ND	ND	ND	ND
Date	Feb-2023	May-2022	Apr-2021	Oct-2020
Price		\$4,200,000	\$7,000,000	\$10,000,000
Price Adjustment		\$0	\$0	\$0
Adjusted Price		\$4,200,000	\$7,000,000	\$10,000,000
Rentable Area	168,843	128,303	115,000	152,376
Rentable Area Unit Price		\$32.74	\$60.87	\$65.63
Construction	Masonry	Metal & Concrete	Metal	Metal
Percent Office	10.00%	29.00%	20.00%	1.90%
Clear Height	36	20	20	29
Land to Building Ratio	7.7	8.7	7.6	8.4
Year Built	2018	1965-2013	2013	2014
Median Household Income	\$109,742	\$109,742	\$109,742	\$76,786
Transaction Adjustments				
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		-	-	-
Financing		Cash	Cash	Cash
% Adjustment		-	-	-
Conditions of Sale		Market	Market	Market
% Adjustment		-	-	-
Market Trends Through	Feb-23	-	-	-
Adjusted Rentable Area Unit Price		\$32.74	\$60.87	\$65.63
Location		-	-	5%
Access/Exposure		-	-	-
Size		-5%	-5%	-
Age/Condition		15%	5%	5%
Construction		5%	5%	5%
Percent Office		-5%	-5%	5%
Clear Height		5%	5%	5%
Land to Building Ratio		-5%	-	-5%
Rail Service		-5%	-	-5%
Adjusted Rentable Area Unit Price		\$34.37	\$63.91	\$75.47
Net Adjustments		5%	5%	15%
Gross Adjustments		45%	25%	35%
Summary Indicators	Range	Average	Median	
Comparables - Unadjusted	\$32.74 - \$65.63	\$53.08	\$60.87	
Comparables - Adjusted	\$34.37 - \$75.47	\$57.92	\$63.91	
Reconciled Unit Value		\$65.00		

Comparable Sale Adjustments

Property Rights

No adjustments required for property rights.

Financing

No adjustments for financing terms were required.

Conditions of Sale

No adjustments for conditions of sale were required.

Expenditures After Sale

No adjustments for expenditures after sale were required.

Economic Trends

The sales took place from October 2020 to May 2022. Market conditions generally have been stable over this period through the effective date of value. As a result, we apply no adjustments for market trends.

Location

Location is based upon median household income. Comparable 3 has been adjusted upward due to its inferior location when compared to the subject property. Comparables 1 and 2 have not been adjusted.

Access/Exposure

No adjustments for access/exposure were required.

Size

Comparables 1 and 2 have been adjusted downward due to their smaller size when compared to the subject property. Comparable 3 has not been adjusted.

Age/Condition

All three comparables have been adjusted upward due to their inferior age/condition when compared to the subject property.

Construction

The subject is masonry constructed, whereas comparables 1, 2, and 3 are constructed of metal. Consequently, comparables 1, 2, and 3 have been adjusted upward due to their inferior construction when compared to the subject property.

Percent Office

Comparables 1 and 2 have been adjusted downward due to their larger percent office when compared to the subject property. Comparable 3 has been adjusted upward due to its smaller percent office when compared to the subject property.

Clear Height

All three comparables have been adjusted upward due to their shorter clear height when compared to the subject property.

Land to Building Ratio

Comparables 1 and 3 have been adjusted downward due to their higher land to building ratio when compared to the subject property. Comparable 2 has not been adjusted.

Rail Service

The subject is not rail served, whereas sales 1 and 3 are. Accordingly, a downward adjustment has been applied to sales 1 and 3.

Sales Comparison Approach Conclusion

All of the value indications have been considered, and in the final analysis, sale 2 was given primary consideration because of its proximity to the subject, as depicted below.

Sales Approach Valuation

Premise	Value
As Is	February 1, 2023
Indicated Value per Rentable Area	\$65.00
Subject Rentable Area	168,843
Indicated As Is Value	\$10,974,795
Adjustments	
Contributory Value Truck Wash Bay	\$506,391
Total Adjustments	\$506,391
Indicated As Is Value	\$11,481,186
Rounded As Is Value	\$11,500,000

Contributory Value Truck Wash Bay

As previously discussed, the subject contains a truck wash bay that has contributory value and as such we used the cost approach to provide a value estimate for the wash bay. Accordingly, we added the contributory value of the wash bay to the concluded value, which was obtained from page 51.

Income Capitalization Approach

The Income Approach to value is based on the present worth of the future rights to income. This type of analysis considers the property from an investor's point of view, the basic premise being that the amount and quality of the income stream are the basis for value of the property. The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.

In this analysis, we use direct capitalization analysis because investors in this property type typically rely on this method.

Direct Capitalization Analysis

The steps involved in capitalizing the subject's net operating income are as follows:

1. Develop the subject's Potential Gross Income (PGI) through analysis of the subject's actual historic income and an analysis of competitive current market income rates.
2. Estimate and deduct vacancy and collection losses to develop the Effective Gross Income (EGI).
3. Develop and subtract operating expenses to derive the Net Operating Income (NOI).
4. Develop the appropriate capitalization rate (R_o).
5. Divide the net operating income by the capitalization rate for an estimate of value through the income approach.

Occupancy and Potential Gross Income

The subject is currently owner occupied, and the most probable buyer is another owner-user. Accordingly, we use market rent as the basis of our income projection, and our valuation assumes stabilized occupancy without a deduction for lease-up costs.

Market Rent

To estimate market rent, we analyze comparable rentals most relevant to the subject in terms of location, building class, size, and transaction date. Comparable rentals considered most relevant are summarized in the following table. We did not find similar sized comparables in the surrounding area and as a result we expanded our geographic analysis.

Lease Comparables Summary - Industrial

No.	Name; Address	Year Built; Total RA; Parking Ratio	Percent Office Clear Height Truck Doors	Tenant; Lease Start; Leased SF	Escalations; T.I./SF; Free Rent	Rent/SF; Lease Type; Term (Mos.)
1	3750 44th Ave N 3750 44th Ave N Fargo, ND 58102	2022 127,500	10% 32 4	Confidential 6/1/2022 127,500	2.00%	\$7.25 NNN 60 months
Lease Comments: Lease of 127,500 of a newly constructed industrial building. Base rent is \$7.25 psf on a triple net expense structure. Lease term is 60 months.						
2	2451 43rd St N 2451 43rd St N Fargo, ND 58102	2020 94,600	10% 28 9	Confidential 10/1/2021 94,600	2.00%	\$7.75 NNN 84 months
Lease Comments: Lease of 94,600 sf of industrial space for a 84 month term. Base rent is \$7.75 psf, NNN.						
3	5615 Front St W 5615 Front St W Williston, ND 58801	1980 27,175	17% 20 8	Chaznline 1/1/2021 27,175	2.00%	\$6.62 NNN 60 months
Lease Comments: Lease of 27,175 sf of industrial space with base rent of \$6.62 psf on a triple net basis.						
4	3500 Burdick Expressway E 3500 Burdick Expressway E Minot, ND 58701	1975 57,360	18% 24 8	Undisclosed 2/1/2019 57,360	None reported None reported None reported	\$5.85 Triple Net 24
Lease Comments: Lease of 57,360 sf of industrial space with a base rent of \$5.85 psf, NNN.						
Halliburton Williston Field 826 48th Avenue West Williston, ND 58801 Williams		2018 168,843	10.0% 22 16			

Lease Comparable Photographs



Lease Comp #1

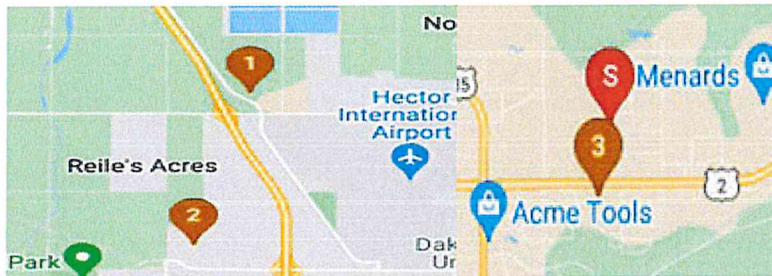
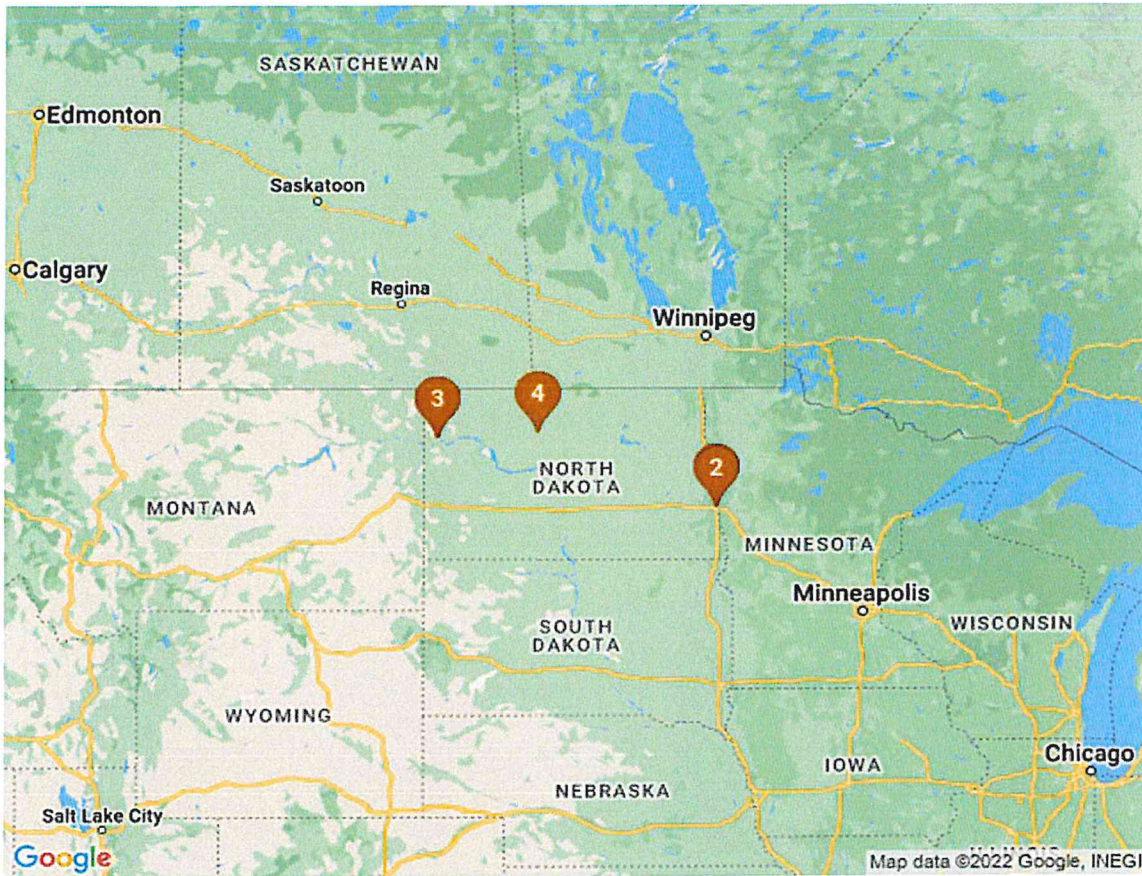
Lease Comp #2



Lease Comp #3

Lease Comp #4

Lease Comparables Map



No.	Name	Location	Miles From		
			Subject	Suite Size	Base Rent/SF
1	3750 44th Ave N	Fargo, ND	330.3	127,500	\$7.25
2	2451 43rd St N	Fargo, ND	330.4	94,600	\$7.75
3	5615 Front St W	Williston, ND	0.5	27,175	\$6.62
4	3500 Burdick Expressway E	Minot, ND	113.4	57,360	\$5.85
S	Halliburton Williston Field Camp	Williston, ND		168,843	

Analysis and Adjustment of Comparable Rentals

On the following page is a lease comparison grid displaying the subject property, the comparables and the adjustments applied.

Lease Analysis Grid - Industrial

Industrial	Subject	Comp 1	Comp 2	Comp 3	Comp 4
Name	Halliburton Williston Field	3750 44th Ave N	2451 43rd St N	5615 Front St W	3500 Burdick Expressway E
Address	826 48th Avenue West	3750 44th Ave N	2451 43rd St N	5615 Front St W	3500 Burdick Expressway E
City	Williston	Fargo	Fargo	Williston	Minot
County	Williams	Cass	Cass	Williams	Ward
State	ND	ND	ND	ND	ND
Date	Feb-2023	Jun-2022	Oct-2021	Jan-2021	Feb-2019
Lease Type		NNN	NNN	NNN	Triple Net
Term		60 months	84 months	60 months	24
Year Built	2018	2022	2020	1980	1975
Suite Size	168,843	127,500	94,600	27,175	57,360
Tenant		Confidential	Confidential	Chazline	Undisclosed
Construction	Masonry	Concrete Tilt Wall	Concrete Tilt Wall	Metal	Metal
Percent Office	10.00%	10.00%	10.00%	17.00%	18.00%
Clear Height	36	32	28	20	24
Land to Building Ratio	7.5	3.7	4.2	3.6	5.3
Year Built	2018	2022	2020	1980	1975
Median Household Income	\$109,742	\$107,291	\$104,167	\$109,742	\$45,381
Base Rent/SF		\$7.25	\$7.75	\$6.62	\$5.85
Transaction Adjustments					
Expense Structure		NNN	NNN	NNN	NNN
\$ Adjustment		-	-	-	-
Conditions of Lease		Normal	Normal	Normal	Normal
% Adjustment		-	-	-	-
Market Trends/Year		-	-	-	-
Adjusted Rent		\$7.25	\$7.75	\$6.62	\$5.85
Location		-	-	-	5%
Access/Exposure		-	-	-	-
Size		-5%	-5%	-25%	-15%
Age/Condition		-10%	-5%	10%	15%
Construction		-	-	5%	5%
Percent Office		-	-	-5%	-5%
Clear Height		5%	5%	5%	5%
Land to Building Ratio		5%	5%	5%	5%
Adjusted Rent		\$6.89	\$7.75	\$6.29	\$6.73
Net Adjustments		-5%	-	-5%	15%
Gross Adjustments		25%	20%	55%	55%
Summary Indicators		Range	Average	Median	
Comparables - Unadjusted		\$5.85 - \$7.75	\$6.87	\$6.94	
Comparables - Adjusted		\$6.29 - \$7.75	\$6.91	\$6.81	
Concluded Market Rent		\$6.50 /SF			

Comparable Rent Adjustments

Type of Lease/Expense Structure

No adjustments for expense structure were required.

Conditions of Lease

No adjustments for conditions of lease were required.

Economic Trends

The leases took place from February 2019 to June 2022. Market conditions generally have been stable over this period through the effective date of value. As a result, we apply no adjustments for market trends.

Location

Location is based upon median household income. Comparable 4 has been adjusted upward due to its inferior location when compared to the subject property. The remaining three comparables have not been adjusted.

Access/Exposure

No adjustments for access/exposure were required.

Size

All four comparables have been adjusted downward due to their smaller size when compared to the subject property.

Building Quality

No adjustments for building quality were required.

Age/Condition

Comparables 1 and 2 have been adjusted downward due to their superior age/condition when compared to the subject property. Comparables 3 and 4 have been adjusted upward due to their inferior age/condition when compared to the subject property.

Construction

The subject is masonry constructed, whereas comparables 3 and 4 are constructed of metal. Consequently, comparables 3 and 4 have been adjusted upward due to their inferior construction when compared to the subject property. The remaining two comparables have not been adjusted.

Percent Office

Comparables 3 and 4 have been adjusted downward due to their larger percent office when compared to the subject property. Comparables 1 and 2 have not been adjusted.

Clear Height

All four comparables have been adjusted upward due to their shorter clear height when compared to the subject property.

Land to Building Ratio

All four comparables have been adjusted upward due to their lower land to building ratio when compared to the subject property.

Our concluded marketing lease assumptions are shown in the following table.

Concluded Market Leasing Assumptions

Space Type	SF	Market Rent	Measure	Rent Escalations	Lease Type	Lease Term (Mos.)	Free Rent (Mos.)	TI/SF New	TI/SF Renew	Months Downtime
Industrial	168,843	\$6.50	\$/SF/Year	2.00%	NNN	60 months	3	\$5.00	\$2.50	12

Potential Gross Income

The following table summarizes the potential gross rent of the subject based on contractual income from leases in place as well as the estimated income from vacant space at market lease terms.

Potential Gross Income - Vacant Space

Potential Gross Rent	SF	Units	Market Rent	Market Rent/SF
Vacant Space				
Industrial	168,843	1	\$1,097,480	\$6.50
Vacant Space Totals	168,843	1	\$1,097,480	\$6.50
Commercial Totals	168,843	1	\$1,097,480	\$6.50

Potential Gross Income Summary

Potential Gross Income Summary

Market Rent		Contract & Market Rent	
Market PGI For Occupied Space	\$0	Projected Rent For Occupied Space	\$0
Market PGI For Vacant Space	\$1,097,480	Market PGI For Vacant Space	\$1,097,480
Market Potential Gross Income	\$1,097,480	Projected & Market PGI	\$1,097,480
Market PGI per SF	\$6.50	Projected & Market PGI per SF	\$6.50
		Market Rent to Projected Rent Variance	0%

Vacancy and Collection Loss

As discussed in the Market Analysis, the current submarket vacancy rate is 8.8%. Based on a review of market conditions we have projected vacancy and collection loss at 8.0%.

Effective Gross Income

The following table details the subject's effective gross income.

Effective Gross Income

	JLL Projection 1
Total	\$1,009,682
\$/SF	\$5.98

Our effective gross income forecast for the 12 months following the effective date of this appraisal is \$1,009,682, or \$5.98 per square foot.

Expenses

Operating expenses are assumed to be paid directly by the owner-user; therefore, it is not necessary to estimate reimbursement income. The only expense deductions that are appropriate are property management and structural maintenance.

Management expenses are estimated at 3.0% of effective gross income considering the limited managerial responsibilities associated with a single user. Structural maintenance is estimated at \$0.10 per square foot based on the age, condition, and construction quality of the improvements.

Net Operating Income

NOI Projection

Income		Annual	Per SF
Base Rent		\$1,097,480	\$6.50
Less Vacancy & Collection Loss @ 8.00%		-\$87,798	-\$0.52
Effective Gross Income		\$1,009,682	\$5.98
<hr/>			
Expenses			
Management	3.00%	\$30,290	\$0.18
Reserves		\$16,884	\$0.10
Total Expenses		\$47,175	\$0.28
Net Operating Income		\$962,507	\$5.70

Capitalization Rate

The capitalization rate is the factor that converts the stabilized net operating income (NOI) to a present value. It is the ratio of net income to value or sale price.

$\text{NOI} \div \text{Sale Price} = \text{Capitalization Rate}$

For example, if a property sells for \$500,000, and has a stabilized NOI of \$50,000, the indicated capitalization rate is 10%.

Market Extracted Rates

The following table details capitalization rates extracted from the market.

Comparable Sale Capitalization Rates

No.	Name	City	State	Rentable Area	Year Built	Price	Price Per RA	Date	Cap Rate
	2225 W Villard	Dickinson	ND	34,177	2013	\$2,889,472	\$84.54	May-2022	8.71%
	800 4th Street NW	Perham	MN	515,972	1970	\$36,139,847	\$70.04	Feb-22	5.71%
	14203 Lincoln Street NE	Ham Lake	IA	52,732	2001	\$3,650,000	\$69.22	May-22	7.00%
	18780-18850 Lake Dr E	Chanhassen	MN	63,950	2006	\$6,450,000	\$100.86	Mar-22	5.00%
Average (Mean):									6.61%
Median:									6.36%

As shown in the preceding table, cap rates indicate a range of 5.00% to 8.71% for the subject. In May of 2022 the federal government increased interest rates. The rate hike marked the first time since 2018 that the Fed has increased rates. In early May 2022, the Federal Reserve issued another statement that it would again raise the target range for the federal funds rate to between 0.75% and 1%. Accordingly, a capitalization rate at the upper end of the range would be appropriate for the subject.

Band of Investment

This technique utilizes lender and real estate investor investment criteria to develop, or synthesize a capitalization rate. There are four key inputs necessary for this method:

- The loan-to-value ratio (M)
- The mortgage interest rate (i)
- The loan term (n)
- The equity cap rate or equity dividend rate (RE)

Capitalization Rate Calculations

Capitalization Rate Variables			
Mortgage Interest Rate			10.00%
Loan Term (Years)			25
Loan To Value Ratio			75%
Equity Dividend Rate			10.00%

Band of Investment Analysis			
Mortgage Constant		Loan Ratio	Contributions
0.1090	x	75%	= 8.18%
Equity Dividend Rate		Ratio	
10.00%	x	25%	= 2.50%
Band of Investment Capitalization Rate			10.68%

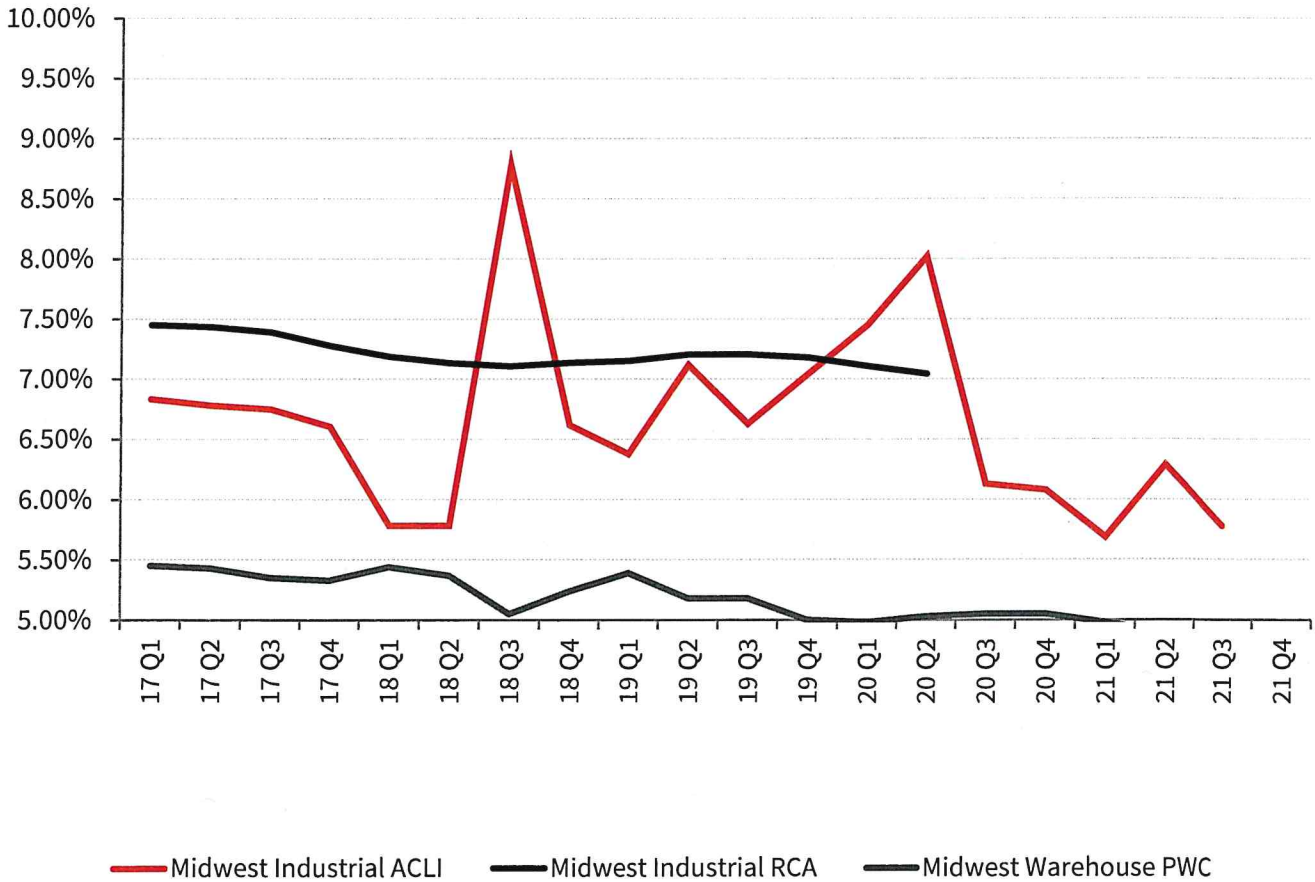
Published Investor Surveys

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

Recent Investor Survey Industrial Cap Rates

Property Type	Source	Period	Cap Rate
Midwest			
Industrial	ACLI	21 Q3	Average 5.78%
Warehouse	PWC	21 Q4	Range 3.50% – 5.50%
		21 Q4	Average 4.53%

Industrial Cap Rate Trends



A capitalization rate within a range of 3.30% to 5.50% is indicated by the survey. This reported range is for institutional investment properties leased to a credit tenant. For the most part, the subject is owner occupied and as such, a higher capitalization rate would be expected for the subject.

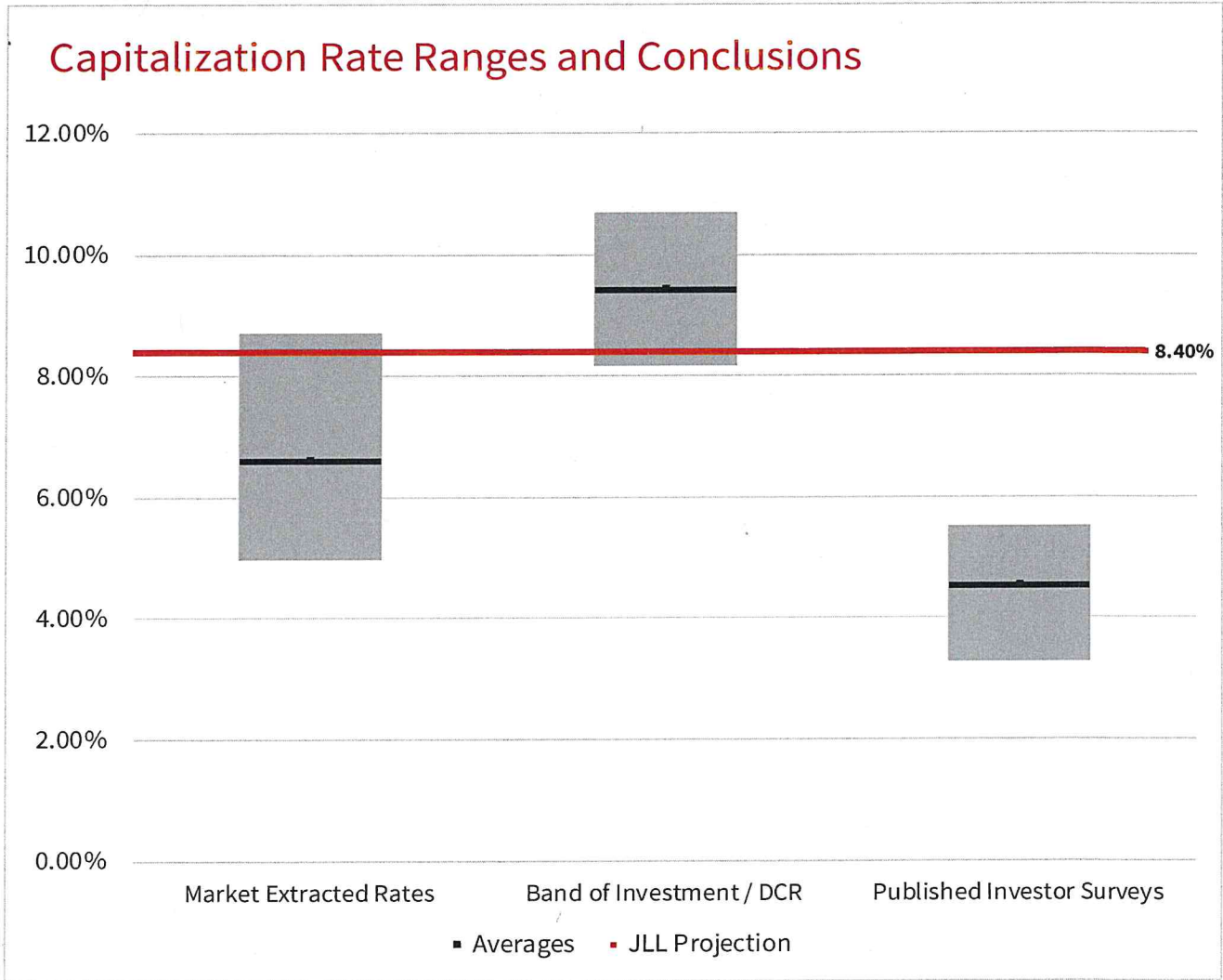
Capitalization Rate Conclusion

The following table summarizes the data from the previous capitalization rate analysis.

Capitalization Rate Reconciliation

Source	Range	Average	Median
Market Extracted Rates	5.00% – 8.71%	6.61%	6.36%
Band of Investment	10.68%	–	–
Published Investor Surveys	3.30% – 5.50%	4.53%	–
JLL Projection			8.40%

The following graph shows the ranges and averages of the capitalization rate indicators used in this analysis, along with our concluded capitalization rate.



As previously mentioned, the purpose of this appraisal is to develop an opinion of value for the subject for tax purposes. Therefore, we have not forecasted the ad valorem taxes for the subject and will instead apply the tax rate to the overall capitalization rate in order to develop a “loaded” capitalization rate that will provide the taxable value of the property. The current tax rate for the subject is \$172 (rounded) per \$100 of assessed value or 1.72%. When the concluded capitalization rate of 8.25% is “loaded” with the approximate share of this tax rate (8.0% of the total due to projected vacancy rate), the resulting loaded reversion capitalization rate equates to 8.14%. Based on the preceding analysis and the subject’s condition, we have concluded to a capitalization rate of 8.40%.

Direct Capitalization Analysis Conclusion

Based on the previous analysis, we have reconciled to a direct capitalization approach as follows:

Direct Capitalization

Premise	Value
As Is	February 1, 2023
Effective Gross Income	\$1,009,682
Expenses	\$47,175
Net Operating Income	\$962,507
Capitalization Rate	8.40%
Adjustments	
Contributory Value Truck Wash Bay	\$506,391
Total Adjustments	\$506,391
Indicated As Is Value	\$11,964,805
Rounded As Is Value	\$12,000,000

Contributory Value Truck Wash Bay

As previously discussed, the subject contains a truck wash bay that has contributory value and as such we used the cost approach to provide a value estimate for the wash bay. Accordingly, we added the contributory value of the wash bay to the concluded value, which was obtained from page 51

Final Reconciliation

The process of reconciliation involves the analysis of each approach to value. The quality of data applied, the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed. Finally, each is considered separately and comparatively with each other.

Based on the preceding valuation analysis and subject to the definitions, assumptions, and limiting conditions expressed in the report, our value opinion follows:

Value Indications

Summary of Value Indications

	Prospective Market Value As Is
Cost Approach	\$11,300,000
Sales Comparison Approach	\$11,500,000
Income Capitalization Approach	\$12,000,000
Reconciled	\$11,500,000

Cost Approach

The cost approach is most reliable for newer properties that have no significant amount of accrued depreciation. Due to the age of the subject improvements, estimates of depreciation are subjective, limiting the reliability of this approach. Additionally, the cost approach is not typically used by market participants, except for new properties. Accordingly, the cost approach is not relied upon in this analysis. It does, however, provide general support for the indications developed in the other approaches.

Sales Comparison Approach

The sales comparison approach is most reliable in an active market when an adequate quantity and quality of comparable sales data are available. In addition, it is typically the most relevant method for owner-user properties, because it directly considers the prices of alternative properties with similar utility for which potential buyers would be competing.

There is a reasonably active market for comparable properties, and this approach most closely reflects buyer behavior. Accordingly, the sales comparison approach is given greatest weight in the value conclusion.

Income Approach

The income capitalization approach is usually given greatest weight when evaluating investment properties. The value indication from the income capitalization approach is supported by market data regarding income, expenses and required rates of return.

An owner-user is the most likely purchaser of the appraised property, and the income capitalization approach does not represent the primary analysis undertaken by the typical owner-user. Accordingly, this approach is given secondary weight in arriving at a value conclusion.

Value Conclusion

Based on the data and analyses developed in this appraisal, we have reconciled to the following value conclusion(s), subject to the Limiting Conditions and Assumptions of this appraisal.

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Prospective Market Value As Is	Fee Simple	February 1, 2023	\$11,500,000

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Exposure time is always presumed to precede the effective date of the appraisal. Based on our review of recent sales transactions for similar properties and our analysis of supply and demand in the local Industrial market, it is our opinion that the probable exposure time for the subject at the concluded market values stated previously is 12 months.

Marketing Time

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. It is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 12 months.

Limiting Conditions and Assumptions

1. All reports and work product we deliver to you (collectively called “report”) represent an opinion of value, based on historical information and forecasts of market conditions. Actual results may vary from those forecast in the report. There is no guaranty or warranty that the opinion of value reflects the actual value of the property.
2. The conclusions stated in our report apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events. Assessed values may change significantly and unexpectedly over short periods. We are not liable for any conclusions in the report that may be different if there are subsequent changes in value. We are not liable for loss relating to reliance upon our report more than three months after its date.
3. There may be differences between projected and actual results because events and circumstances frequently do not occur as predicted, and those differences may be material. We are not liable for any loss arising from these differences.
4. We are not obligated to predict future political, economic or social trends. We assume no responsibility for economic factors that may affect or alter the opinions in the report if the economic factors were not present as of the date of the letter of transmittal accompanying the report.
5. The report reflects an appraisal of the property free of any liens or encumbrances unless otherwise stated.
6. We assume responsible ownership and competent property management.
7. The appraisal process requires information from a wide variety of sources. We have assumed that all information furnished by others is correct and complete, up to date and can be relied upon, but no warranty is given for its accuracy. We do not accept responsibility for erroneous information provided by others. We assume that no information that has a material effect on our appraisal has been withheld.
8. We assume the following, unless informed to the contrary in writing: Each property has a good and marketable title. All documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other adverse title conditions, which would have a material effect on the value of the interest under consideration. There is no material litigation pending involving the property. All information provided by the Client, or its agents, is correct, up to date and can be relied upon. We are not responsible for considerations requiring expertise in other fields, including but not limited to: legal descriptions, interpretation of legal documents and other legal matters, geologic considerations such as soils and seismic stability, engineering, or environmental and toxic contaminants. We recommend that you engage suitable consultants to advise you on these matters.
9. We assume that all engineering studies are correct. The plot plans and illustrative material in the report are included only to help the reader visualize the property.

10. We assume that there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. We are not responsible for such conditions or for obtaining the engineering studies that may be required to discover them.
11. We assume that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the report. We have not made or requested any environmental impact studies in conjunction with the report. We reserve the right to revise or rescind any opinion of value that is based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the report assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
12. Unless otherwise stated in the report, you should assume that we did not observe any hazardous materials on the property. We have no knowledge of the existence of such materials on or in the property; however, we are not qualified to detect such substances, and we are not providing environmental services. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. Our report assumes that there is no such material on or in the property that would cause a loss in value. We do not assume responsibility for such conditions or for any expertise or engineering knowledge required to discover them. We encourage you to retain an expert in this field, if desired. We are not responsible for any such environmental conditions that exist or for any engineering or testing that might be required to discover whether such conditions exist. We are not experts in the field of environmental conditions, and the report is not an environmental assessment of the property.
13. We may have reviewed available flood maps and may have noted in the report whether the property is generally located within or out of an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property. Any opinion of value we include in our report assumes that floodplain and/or wetlands interpretations are accurate.
14. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether it is in compliance with the ADA. We claim no expertise in ADA issues, and render no opinion regarding compliance of the property with ADA regulations.
15. We assume that the property conforms to all applicable zoning and use regulations and restrictions unless we have identified, described and considered a non-conformity in the report.
16. We assume that all required licenses, certificates of occupancy, consents, and 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 opinion of value contained in the report is based.
17. We assume that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

18. We have not made any investigation of the financial standing of actual or prospective tenants unless specifically noted in the report. Where properties are valued with the benefit of leasing, we assume, unless we are informed otherwise, that the tenants are capable of meeting their financial obligations under the leases, all rent and other amounts payable under the leases have been paid when due, and that there are no undisclosed breaches of the leases.
19. We did not conduct a formal survey of the property and assume no responsibility for any survey matters. The Client has supplied the spatial data, including sketches and/or surveys included in the report, and we assume that data is correct, up to date and can be relied upon.
20. Unless otherwise stated, the opinion of value included in our report excludes any additional value attributable to goodwill, or to fixtures and fittings which are only of value, in situ, to the present occupier. We have made no allowance for any plant, machinery or equipment unless they form an integral part of the building and would normally be included in a sale of the building. We do not normally carry out or commission investigations into the capacity or condition of services being provided to the property. We assume that the services, and any associated controls or software, are in working order and free from defect. We also assume that the services are of sufficient capacity to meet current and future needs.
21. In the case of property where construction work is in progress, such as refurbishment or repairs, or where developments are in progress, we have relied upon cost information supplied to us by the Client or its appointed experts or upon industry accepted cost guides. In the case of property where construction work is in progress, or has recently been completed, we do not make allowance for any liability already incurred, but not yet discharged, in respect of completed work, or obligations in favor of contractors, subcontractors or any members of the professional or design team. We assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
22. Any allocation in the report of value between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
23. The report is confidential to the party to whom it is addressed and those other intended users specified in the report for the specific purpose to which it refers. Use of the report for any other purpose or use by any party not identified as an intended user of the report without our prior written consent is prohibited, and we accept no responsibility for any use of the report in violation of the terms of this Agreement.
24. We are not required to testify or provide court-related consultation or to be in attendance in court unless we have agreed to do so in writing.
25. Neither the whole report, nor any part, nor reference thereto, may be published in any manner without our prior written approval.

26. We may rely on, and will not verify, the accuracy and sufficiency of documents, information and assumptions provided to it by the Client or others. We will not verify documents, information and assumptions derived from industry sources or that JLL or its affiliates have prepared in the regular course of business. We are not liable for any deficiency in the report arising from the inaccuracy or insufficiency of such information, documents and assumptions. However, our report will be based on our professional evaluation of all such available sources of information.
27. JLL IS NOT LIABLE TO ANY PERSON OR ENTITY FOR LOSS OF PROFITS, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SIMILAR DAMAGES IN CONNECTION WITH THIS AGREEMENT. IN NO EVENT SHALL THE LIABILITY OF JLL AND ITS AFFILIATES IN CONNECTION WITH THIS AGREEMENT EXCEED THE FEE PAID TO JLL HEREUNDER.
28. Unless expressly advised to the contrary, we assume that appropriate insurance coverage is and will continue to be available on commercially acceptable terms.
29. We assume that no material changes in any applicable federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.



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Appendix A

Appraiser Qualifications



David R. Dominy, MAI, CRE, FRICS

Managing Director
Head of Infrastructure

+1 713 243 3333

david.dominy@am.jll.com

Current responsibilities

David Dominy serves as the Managing Director of JLL Houston's Valuation Advisory business. In this role, Mr. Dominy is responsible for guiding the overall performance of the Houston practice, building the market presence and driving revenue to the business line. In addition to leading JLL Houston's VAS efforts, Mr. Dominy assists in targeting, recruiting and retaining valuation team members nationally.

Experience

Prior to joining JLL in late 2016, Mr. Dominy served as Senior Managing Director at Integra Realty Resources (IRR) in Houston.

Mr. Dominy has successfully completed numerous real estate related courses and seminars sponsored by the Appraisal Institute, accredited universities and other institutions.

He is currently certified by the Appraisal Institute's voluntary program of continuing education for its designated members and has been a guest lecturer at Rice University, CLE International, the Harris County Eminent Domain Seminar, the Harris County Appraisal District and the Texas Association of Assessment Officers.

Education

- Bachelor of Business Administration | Baylor University

Affiliations

- Appraisal Institute (MAI), Member and Former President - Houston Chapter
- Counselor of Real Estate (CRE), Former Chairman - Houston Chapter
- Royal Institute of Chartered Surveyors, Fellow (FRICS)

- International Right of Way Association (IRWA), Member
- City Council Member, Spring Valley, Texas
- Yellowstone Academy, Board Member
- On Track Ministries, Board Member
- C Club Houston, Former President
- Houston Realty Business Coalition, Former President
- Baylor College of Medicine, Board Member
- Baylor University Hankamer School of Business, Past Advisory Board Member

Certified General Real Estate Appraiser:

- Alabama
- Arizona
- Arkansas
- California
- Colorado
- Georgia
- Kansas
- Louisiana
- Maryland
- Massachusetts
- Michigan
- Minnesota
- Mississippi
- New Mexico
- North Dakota
- Ohio
- Oklahoma
- Pennsylvania
- South Carolina
- Tennessee
- Texas
- Virginia
- Wyoming



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Appendix B

Definitions

Definitions

The source of the following definitions is the Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015), unless otherwise noted.

Amenity

A tangible or intangible benefit of real property that enhances its attractiveness or increases the satisfaction of the user. Natural amenities may include a pleasant location near water or a scenic view of the surrounding area; man-made amenities include swimming pools, tennis courts, community buildings, and other recreational facilities.

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.

Class of Apartment Property

For the purposes of comparison, apartment properties are grouped into three classes. These classes represent a subjective quality rating of buildings, which indicates the competitive ability of each building to attract similar types of tenants. Combinations of factors such as rent, building finishes, system standards and efficiency, building amenities, location/accessibility, and market perception are used as relative measures.

Class A apartment properties are the most prestigious properties competing for the premier apartment tenants, with rents above average for the area. Buildings have high-quality standard finishes, architectural appeal, state-of-the-art systems, exceptional accessibility, and a definite market presence.

Class B apartment properties compete for a wide range of users, with rents in the average range for the area. Class B buildings do not compete with Class A buildings at the same price. Building finishes are fair to good for the area, and systems are adequate.

Class C apartment properties compete for tenants requiring functional space at rents below the average for the area. Class C buildings are generally older, and are lower in quality and condition.

(Adapted from “Class of Office Building” in *The Dictionary of Real Estate Appraisal*.)

Deferred Maintenance

Needed repairs or replacement of items that should have taken place during the course of normal maintenance.

Depreciation

A loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date.

Discounted Cash Flow (DCF) Analysis

The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate.

Disposition Value

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a future exposure time specified by the client.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. An adequate marketing effort will be made during the exposure time specified by the client.
8. Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
9. 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.
10. This definition can also be modified to provide for valuation with specified financing terms.

Effective Date of Appraisal

The date to which the appraiser's analyses, opinions, and conclusions apply; also referred to as date of value.

Entrepreneurial Profit

A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses.

In economics, the actual return on successful management practices, often identified with coordination, the fourth factor of production following land, labor, and capital; also called entrepreneurial return or entrepreneurial reward.

Excess Land; Surplus Land

Excess Land: Land that is not needed to serve or support the existing improvement. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land may have the potential to be sold separately and is valued independently.

Surplus Land: Land that is not currently needed to support the existing improvement but cannot be separated from the property and sold off. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel.

Exposure Time

An opinion, based on supporting market data, of the 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.

Extraordinary Assumption

An assignment-specific assumption as of the effective date regarding uncertain information used in the analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Floor Area Ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.

Gross Building Area (GBA)

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the region.

Highest and Best Use

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. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property – specific with respect to the user and timing of the use – that is adequately supported and results in the highest present value.

Hypothetical Condition

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Lease

A contract in which rights to use and occupy land or structures are transferred by the owner to another for a specified period of time in return for a specified rent.

Leased Fee Interest

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).

Leasehold Interest

The tenant's possessory interest created by a lease.

Liquidation Value

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars, or in terms of financial arrangements comparable thereto.
9. 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.
10. This definition can also be modified to provide for valuation with specified financing terms.

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements.

Market Value

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 concessions granted by anyone associated with the sale.

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

Multifamily Property Type

Residential structure containing five or more dwelling units with common areas and facilities. (Source: Appraisal Institute Commercial Data Standards and Glossary of Terms, Chicago, Illinois, 2004 [Appraisal Institute])

Multifamily Classifications

Garden/Low Rise Apartments: A multifamily development of two- or three-story, walk-up structures built in a garden-like setting; customarily a suburban or rural-urban fringe development. (Source: *Appraisal Institute*)

Mid/High-Rise Apartment Building: A multifamily building with four or more stories, typically elevator-served. (Source: *Appraisal Institute*)

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Rentable Floor Area (RFA)

Rentable area shall be computed by measuring inside finish of permanent outer building walls or from the glass line where at least 50% of the outer building wall is glass. Rentable area shall also include all area within outside walls less stairs, elevator shafts, flues, pipe shafts, vertical ducts, air conditioning rooms, fan rooms, janitor closets, electrical closets, balconies and such other rooms not actually available to the tenant for his furnishings and personnel and their enclosing walls. No deductions shall be made for columns and projections unnecessary to the building. (Source: *Income/Expense Analysis, 2013 Edition – Conventional Apartments, Institute of Real Estate Management, Chicago, Illinois*)

Replacement Cost

The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design and layout.

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building.

Room Count

A unit of comparison used primarily in residential appraisal. No national standard exists on what constitutes a room. The generally accepted method is to consider as separate rooms only those rooms that are effectively divided and to exclude bathrooms.

Stabilized Income

Income at that point in time when abnormalities in supply and demand or any additional transitory conditions cease to exist and the existing conditions are those expected to continue over the economic life of the property; projected income that is subject to change, but has been adjusted to reflect an equivalent, stable annual income.



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Appendix C

Property Information



Shopping Cart: 0 Items [\$0.00]

- [New Search](#)
- [History](#)
- [Payoff](#)
- [Pay Taxes](#)
- [Help](#)

Parcel#: 01-765-00-00-00-010
MP#: 11516
Status: Current
Receipt: 10337
2022 Owner(s):
 ENERGY PROPERTY PARTNERS LLC

Mailing Address:
 ATTN: PROPERTY TAX DEPT
 PO BOX 1431
 DUNCAN, OK 735360222
Legal Description:
 L 1 & 3 WICKUM SUB #854276

2022 Value:

Market: \$18,006,860
Taxable: \$900,343
Disabled Vet Credit: \$0
Homestead Credit: \$0
Net Taxable: \$900,343
[Detail](#)

2021 Taxes:

[View Pie Charts](#)

First Half: \$82,883.26 **Due:** 3/1/2022
Second Half: \$82,883.25 **Due:** 10/17/2022
Total: \$165,766.51

[Show Current Tax Bill](#)

[Detail](#)

2021 Payments:

First Half: \$82,883.26
Second Half: \$82,883.25
Discount: \$8,288.33
Total: \$157,478.19

2022 Legal Records:

Geo Code: Instru#: 888504 **Doc Type:** WD **Date:** 2021-09-02
Property address: 826 48TH AVE, WILLISTON ND 58801
Subdivision: (01-765-00) WICKUM SUB Lot: 1
Legal: L 1 & 3
 WICKUM SUB
 #854276

Note: The accuracy of this data is not guaranteed.
 Web data was last updated 10/13/2022 03:30 PM.

Note: *Market Value = True & Full Value*

If preparing a legal document, please contact the Recorder's Office at 701-577-4540 for how to obtain the full legal description.

To pay by check via USPS:
 Williams County Treasurer's Office
 PO Box 2047
 Williston, ND 58802-2047

To pay by check via FedEx or UPS:
 Williams County Treasurer's Office
 206 E Broadway
 Williston, ND 58801

Please make checks out to "Williams County Treasurer"



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Appendix D

Comparable Data

Land Sale Comparables

Industrial Land Comparable 1

Property Information

Property Name 405 32nd Avenue West
Address 405 32nd Avenue West
City Williston
State ND
Zip 58801
ID 452809
Tax ID 01-425-00-00-01-020,
01-425-00-00-01-030,
01-425-00-00-01-040,
01-577-00-00-02-020,
01-577-00-00-02-030

Transaction Details

Price \$1,000,000
Date 12/27/2021
Price Per Acre \$89,445
Price Per Land SF \$2.05
Price Per Usable Acre \$89,445
Price Per Usable Land SF \$2.05
Grantor GRANITE PEAK
DEVELOPMENT ND LLC
Grantee Menards Inc
Property Rights Fee Simple
Financing Cash
Conditions of Sale Market
Transaction Type Closed Sale
Book/Page or Reference 891852
Doc
Verification Public Records



Site Data

Acres 11.18
Land SF 487,001
Usable Acres 11.18
Usable Land SF 487,001
Zoning Not Zoned
Topography Level
Shape Irregular

Operating Data / Key Indicators

Utilities All available

Comments

Sale of a 11.18 acre tract of land on December 27, 2021 for a reported consideration of \$1,000,000 or \$2.05 psf.

Industrial Land Comparable 2

Property Information

Property Name	Highway 85B & 56th St NW
Address	Highway 85B & 56th St NW
City	Williston
State	ND
Zip	58801
ID	452814
Tax ID	40-155-00-60-01-020

Transaction Details

Price	\$575,000
Date	12/20/2021
Price Per Acre	\$38,333
Price Per Land SF	\$0.88
Price Per Usable Acre	\$38,333
Price Per Usable Land SF	\$0.88
Grantor	Schlumberger Lift Solutions LLC
Grantee	Dacotah West Holdings, LLC
Property Rights	Fee Simple
Financing	Cash
Conditions of Sale	Market
Transaction Type	Closed Sale
Book/Page or Reference Doc	891707
Verification	Chance Lindsey - CBRE



Site Data

Acres	15.00
Land SF	653,400
Usable Acres	15.00
Usable Land SF	653,400
Zoning	M1 - Light Industrial
Topography	Level
Shape	Square

Operating Data / Key Indicators

Utilities	All available
-----------	---------------

Comments

Sale of a 15 acre lot zoned M-1: Light Industrial. Property sold for \$575,000 or \$0.88 psf on December 20,2021.

Industrial Land Comparable 3

Property Information

Property Name	5216 & 5302 22nd Ave W
Address	5216 22nd Avenue West
City	Williston
State	ND
Zip	58801
ID	452816
Tax ID	01-327-00-00-01-050



Transaction Details

Price	\$900,000
Date	8/11/2021
Price Per Acre	\$62,241
Price Per Land SF	\$1.43
Price Per Usable Acre	\$62,241
Price Per Usable Land SF	\$1.43
Grantor	Bakken Holdings, LLC
Grantee	Highway 21, LLP
Property Rights	Fee Simple
Financing	Cash
Conditions of Sale	Market
Transaction Type	Closed Sale
Verification	Public Records

Site Data

Acres	14.46
Land SF	629,878
Usable Acres	14.46
Usable Land SF	629,878
Zoning	M1 - Light Industrial
Topography	Level
Shape	Rectangular

Operating Data / Key Indicators

Utilities	All available
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Comments

Two tract sale of 5216 & 5302 22nd Avenue West. The 14.46 acre combined tract sold for \$900,000 or \$1.43 psf on August 11, 2021.

Industrial Land Comparable 4

Property Information

Property Name	Highway 2
Address	Highway 2
City	Williston
State	ND
Zip	58801
ID	452812
Tax ID	01-798-54-01-22-025

Transaction Details

Price	\$765,000
Date	11/25/2022
Price Per Acre	\$79,111
Price Per Land SF	\$1.82
Price Per Usable Acre	\$79,111
Price Per Usable Land SF	\$1.82
Grantor	Town & Country Realty Dev Assn
Grantee	Listing
Property Rights	Fee Simple
Financing	Listing
Conditions of Sale	Listing
Transaction Type	Listing
Verification	Erik Peterson - Proven Realty Brokered by eXp Realty



Site Data

Acres	9.67
Land SF	421,225
Usable Acres	9.67
Usable Land SF	421,225
Zoning	M1 - Light Industrial
Topography	Level
Shape	Irregular

Operating Data / Key Indicators

Utilities	All available
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Comments

Current listing of 9.67 Acres zoned M1-Light Industrial . Property has been on the market for over 1,088 days.

Improved Sale Comparables

Industrial Sales Comparable 1

Property Information

Property Name	420 Haliburton
Address	420 Haliburton Drive
City	Williston
State	ND
Zip	58801
ID	459241
Tax ID	1172001016750



Transaction Details

Price	\$4,200,000
Date	5/19/2022
Price Per SF	\$32.74
Grantor	Halliburton Energy Services
Grantee	JMAC Energy Park, LLC
Property Rights	Fee Simple
Financing	Cash
Conditions of Sale	Market
Transaction Type	Closed Sale
Book/Page or Reference Doc	2022895906
Verification	Public Records

Site Data

Acres	25.62
Land SF	1,116,007

Improvement Data

GBA	128,303
Rentable Area	128,303
Year Built	1965-2013
Building Class	C
Construction	Metal & Concrete
Clear Height	20
Percent Office	29%

Comments

Sale of a 128,303 sf industrial facility that sold on May 19, 2022 for a reported consideration of \$4,200,000 or \$32.74 psf.

Industrial Sales Comparable 2

Property Information

Property Name	805 48th Ave W
Address	805 48th Ave W
City	Williston
State	ND
Zip	58801
ID	448618
Tax ID	01-797-54-01-20-02



Transaction Details

Price	\$7,000,000
Date	4/21/2021
Price Per SF	\$60.87
Grantor	BAKER HUGHES OILFIELD OPERATIONS IN
Grantee	RCS - 805 WEST, LLC
Property Rights	Fee Simple
Financing	Cash
Conditions of Sale	Market
Transaction Type	Closed Sale
Book/Page or Reference Doc	884582
Verification	John Veno - Owner Rep

Site Data

Acres	20.00
Land SF	871,200

Improvement Data

GBA	115,000
Rentable Area	115,000
Year Built	2013
Building Class	B
Construction	Metal
Clear Height	20
Percent Office	20%

Comments

April 21, 2021 sale of a 115,000 SF Industrial building sold by Baker Hughes Oilfield Operations for \$7,000,000 or \$60.87 per square foot to RCS-805 West LLC

Industrial Sales Comparable 3

Property Information

Property Name 4675 N Washington St -
4675 Industrial
Address 4675 N Washington St
City Grand Forks
State ND
Zip 58203
ID 378042
Tax ID 13530100001001



Transaction Details

Price \$10,000,000
Date 10/8/2020
Price Per SF \$65.63
Grantor SAS Holdings, Inc.
Grantee 4675 Industrial, LLC
Property Rights Fee Simple
Financing Cash
Conditions of Sale Market
Transaction Type Closed Sale
Book/Page or Reference 806570
Doc
Verification Public Records & Patrick
Vesey - Goldmark
Commercial Real Estate,
Inc.

Land SF 1,275,437

Improvement Data

GBA 152,376
Rentable Area 152,376
Year Built 2014
Building Class B
Construction Metal
Condition Average
No. of Buildings 1
Clear Height 29
Percent Office 2%

Site Data

Acres 29.28

Comments

Sale of a 152,376 sf for \$10,000,000 or \$65.63 psf on October 8, 2020.

Lease Comparables

Industrial Lease Comparable 1

Property Information

Property Name	3750 44th Ave N
Address	3750 44th Ave N
City	Fargo
State	ND
Zip	58102
ID	448683
Tax ID	60-8787-00100-000



Transaction Details

Lessee	Confidential
Lessor	Hyde Development
Base Rent/SF	\$7.25
Base Rent/SF/Mo.	\$0.60
Escalations	0.02
Lease Date	6/1/2022
Expire Date	5/31/2027
Lease Term	60 months
SF	127,500
Lease Type	NNN
Verification	Chance Lindsey - CBRE

Land SF	472,190
---------	---------

Improvement Data

Percent Office	10%
Clear Height	32
GBA	127,500
Rentable Area	127,500
Year Built	2022
Building Class	A
Construction	Concrete Tilt Wall
FAR	0.27

Site Data

Acres	10.84
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Comments

Lease of 127,500 of a newly constructed industrial building. Base rent is \$7.25 psf on a triple net expense structure. Lease term is 60 months.

Industrial Lease Comparable 2

Property Information

Property Name	2451 43rd St N
Address	2451 43rd St N
City	Fargo
State	ND
Zip	58102
ID	448685
Tax ID	01-8695-01500-000, 01-8695-01600-000, 01-8695-01700-000



Transaction Details

Lessee	Confidential
Lessor	Variant 1 Warehouse LL
Base Rent/SF	\$7.75
Base Rent/SF/Mo.	\$0.65
Escalations	0.02
Lease Date	10/1/2021
Expire Date	9/30/2028
Lease Term	84 months
SF	94,600
Lease Type	NNN
Verification	Chance Lindsey - CBRE

Site Data

Acres	9.10
Land SF	396,396

Improvement Data

Percent Office	10%
Clear Height	28
GBA	94,600
Rentable Area	94,600
Year Built	2020
Building Class	B
Construction	Concrete Tilt Wall
FAR	0.24

Comments

Lease of 94,600 sf of industrial space for a 84 month term. Base rent is \$7.75 psf, NNN.

Industrial Lease Comparable 3

Property Information

Property Name	5615 Front St W
Address	5615 Front St W
City	Williston
State	ND
Zip	58801
ID	448678



Transaction Details

Lessee	Chaznline
Lessor	Titan Machinery Inc.
Base Rent/SF	\$6.62
Base Rent/SF/Mo.	\$0.55
Escalations	0.02
Lease Date	1/1/2021
Expire Date	12/31/2026
Lease Term	60 months
SF	27,175
Lease Type	NNN
Verification	Heather Kitzman - NextHome Fredricksen Real Estate

Site Data

Acres	2.24
Land SF	97,574

Improvement Data

Percent Office	17%
Clear Height	20
GBA	27,175
Rentable Area	27,175
Year Built	1980
Building Class	C
Construction	Metal
FAR	0.28

Comments

Lease of 27,175 sf of industrial space with base rent of \$6.62 psf on a triple net basis.

Industrial Lease Comparable 4

Property Information

Property Name	3500 Burdick Expressway E
Address	3500 Burdick Expressway E
City	Minot
State	ND
Zip	58701
ID	333557



Transaction Details

Lessee	Undisclosed
Base Rent/SF	\$5.85
Base Rent/SF/Mo.	\$0.49
Escalations	None reported
Lease Date	2/1/2019
Expire Date	2/1/2021
Lease Term	24
SF	57,360
Lease Type	Triple Net
Concessions	None reported

Improvement Data

Percent Office	18%
Clear Height	24
GBA	57,360
Rentable Area	57,360
Year Built	1975
Renovations	N/A
Building Class	C
Construction	Metal
FAR	0.19

Site Data

Acres	6.96
Land SF	303,178

Comments

Lease of 57,360 sf of industrial space with a base rent of \$5.85 psf, NNN.



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Appendix E

Engagement Letter

HALLIBURTON

HALLIBURTON: HALLIBURTON ENERGY SERVICES, INC.
3000 N. SAM HOUSTON PARKWAY E.
HOUSTON, TEXAS 77032

SERVICES AGREEMENT WORK RELEASE

PAGE 1 OF 2	EFFECTIVE DATE September 26, 2022	SERVICES AGREEMENT NO. 9610002681	PO/WORK RELEASE NO. 4302196890
-------------	--------------------------------------	--------------------------------------	-----------------------------------

GL CODE/WBS ELEMENT/COST CENTER
560200/40000000/H000955

PROJECT NAME
Halliburton Appraisals - Various

MATERIAL GROUP ZS104000	BUYER NO. P97	VENDOR NUMBER 1268031	REQUISITION NO. 57659821
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SELLER

JLL VALUATION & ADVISORY SERVICES, LLC.
5 RIVERWAY STE 200
HOUSTON, TEXAS 77056

Attn.: David R Dominy
Phone: 713-243-3333
Email: David.Dominy@am.jll.com

FOR SERVICES AGREEMENT:

THE PARTIES AGREE THAT THE TERMS AND CONDITIONS OF THE SERVICES AGREEMENT ARE INCORPORATED HEREIN BY REFERENCE AND SHALL CONTROL THE WORK AUTHORIZED HEREUNDER. THE CONTRACT TERMS APPEARING BELOW, TOGETHER WITH SERVICES AGREEMENT REFERRED TO ABOVE AND ATTACHMENTS THERETO SHALL FORM THE PROVISIONS OF THE ENTIRE AGREEMENT.

TERMS AND CONDITIONS

SERVICES: SELLER'S SERVICES shall consist of furnishing all labor, supervision, materials, equipment, consumables, tools, transportation, administration, insurance, and all other appurtenances necessary to provide Appraisal Services as per Seller's attached Proposal "Halliburton Park Appraisal - Duncan, OK", dated June 3rd, 2019, and the SERVICES AGREEMENT NO. 9610002681.

TIME OF PERFORMANCE: Seller shall commence with SERVICES on or after September 26, 2022 and shall be completed by December 31, 2022

PRICE: The Not to exceed value for these Services is: \$25,000.00 (including all applicable taxes).

TERMS OF PAYMENT: Payment shall be made in accordance with the terms and conditions indicated in SERVICES AGREEMENT NO. 9610002681.

TAXES: SELLER is responsible for the collection of all applicable sales or use taxes from HALLIBURTON and the remittance of such taxes to the appropriate taxing jurisdictions. SELLER must pay any sales or use tax at the time of purchase or lease on all materials, supplies, tools, equipment, etc., that are used or consumed in the performance of WORK under this Work Release. All sales or use taxes paid by SELLER are included in PRICE.

INVOICING: Invoices shall be clearly marked with PO No. 4302196890 and shall be submitted to:

HALLIBURTON ENERGY SERVICES, INC.
3000 N. SAM HOUSTON PARKWAY E.
HOUSTON, TEXAS 77032
Attn.: Mary Wood - AB1300C
Phone: 281-871-3041
email: Mary.Wood@Halliburton.com

SERVICES AGREEMENT NO. 9610002681
 WORK RELEASE NO. 4302196890
 PAGE 2 OF 2

TECHNICAL

CORRESPONDENCE: All deliverables and Technical Submittals and Reports shall be submitted to:

HALLIBURTON ENERGY SERVICES, INC.
 3000 N. SAM HOUSTON PARKWAY E.
 HOUSTON, TEXAS 77032

Attn.: Woody Kemp
 Phone: 972-418-4023
 email: woody.kemp@halliburton.com



EXECUTION:

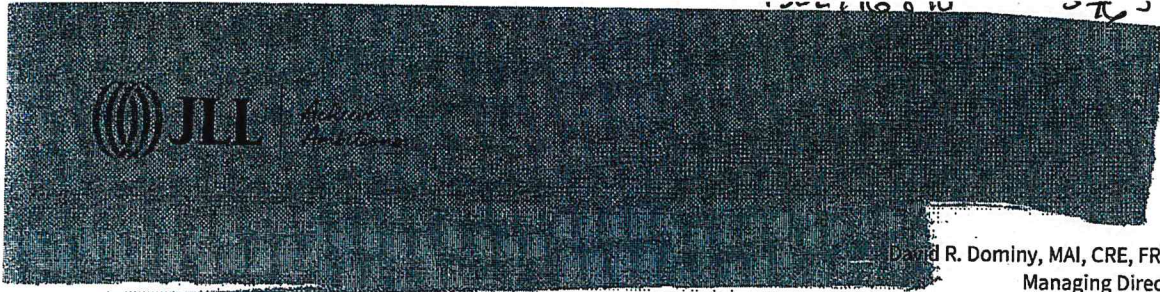
SELLER'S authorized representative shall sign and date this WORK RELEASE where indicated and return via email to the following to:

HALLIBURTON ENERGY SERVICES, INC.
 3000 N. SAM HOUSTON PARKWAY E.
 HOUSTON, TEXAS 77032

Attn: John Ritcheske
 Phone: 281-871-2304
 email: john.ritcheske@halliburton.com

ATTACHMENTS: Engagement Letter
 Exhibit A: Terms and conditions
 Exhibit B: Valuation & Advisory Statement of Assumptions and Limiting Conditions

SELLER		HALLIBURTON	
SIGNATURE 	DATE SIGNED September 28, 2022	SIGNATURE 	DATE SIGNED 26 September 2022
PRINTED NAME: David R. Dominy TITLE: Managing Director		PRINTED NAME: JOHN RITCHESKE TITLE: RES PROCUREMENT MANAGER	



David R. Dominy, MAI, CRE, FRICS
Managing Director
National Practice Lead – Infrastructure
4200 Westheimer, Suite 1400
Houston, TX 77027
+1 713 243 3333
David.Dominy@am.jll.com

September 22, 2022

Rafik Ibrahim
Real Estate Manager | Acquisition & Disposals
Halliburton Real Estate Services
3000 N. Sam Houston Pkwy E.
Houston, Texas 77032-3219
Rafik.Ibrahim@halliburton.com
+1 281 871 5216

RE: Valuation & Advisory Services for the Property: Various Halliburton locations (Tax)

Dear Mr. Ibrahim,

JLL Valuation & Advisory Services, LLC (JLL VA) is pleased to provide this proposal and engagement letter for valuation and advisory services regarding the Property.

PROPERTY IDENTIFICATION: Various Halliburton locations (Tax)

PROPERTY TYPE: Various types of properties including Industrial, Mixed-Use Campus, Office

INTEREST APPRAISED: Fee Simple

INTENDED USERS: Halliburton real Estate Services [NO OTHER USERS ARE INTENDED BY JLL VALUATION & ADVISORY SERVICES, LLC.]

INTENDED USE: To assist in determining the market value

VALUES PROVIDED: "As Is" Market Value(s) (if applicable)

VALUATION DATE: As of January 1, 2022 (OR January 1, 2023-adjust as required) for property tax purposes

APPRAISAL STANDARDS: Uniform Standards of Professional Appraisal Practice (USPAP) by the Appraisal Foundation, the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

PROPERTY INSPECTION: JLL VA will conduct a physical inspection of the Property.

VALUATION APPROACHES: All applicable approaches to value



JLL Valuation & Advisory Services, LLC
Halliburton Real Estate Services | Engagement Letter

REPORT OPTION: Appraisal Report

FEE: \$25,000.00

EXPENSES: The fee includes the expenses related to this engagement. There will be no added charges for travel, delivery fees or report production costs.

RETAINER: 50% Retainer

FINAL PAYMENT: JLL VA will provide a final invoice with the delivery of our first report. The invoice is due and payable within 30 days of delivery. The entirety of our fee is earned upon delivery of the first report.

DELIVERY DATE: Delivery six (6) to eight (8) weeks from receiving the executed engagement letter and retainer (if applicable). Delays in obtaining the data needed to complete this assignment or delays in accessing the property for inspection (if applicable) may result in delays in the date our analysis is completed and delivered.

DELIVERY METHOD: A PDF of the report(s) will be delivered to the client contact identified on this engagement letter. Two hard copies are available at client's request. Additional copies can be requested at \$250 per copy.

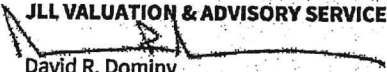
HOURLY RATE SCHEDULE	
Title	Hourly Rate
Managing Director	\$600
Executive Vice President	\$450
Senior Vice President	\$300
Vice President	\$250
Associate	\$200
Analyst	\$150
Project Coordinator	\$85

This engagement letter is subject to the General Terms and Conditions attached to this letter as Exhibit A, the Statement of Assumptions and Limiting Conditions attached to this letter as Exhibit B.

Upon your acceptance of this Agreement, we will forward our information request and coordinate a property inspection. We will update you within 48 hours of receiving the signed engagement to confirm our information request was provided and a property inspection is scheduled.

We appreciate the opportunity to be of service. Providing white-glove service and the least amount of disruption at the property is our top priority.

Sincerely,
JLL VALUATION & ADVISORY SERVICES, LLC


David R. Dominy
Managing Director
+1713 243 3333
David.Dominy@am.jll.com



JLL Valuation & Advisory Services, LLC
Halliburton Real Estate Services | Engagement Letter

AGREED AND ACCEPTED BY:

Woody Kemp Jr.
Signature
WOODY KEMP JR
Printed Name
GLOBAL AFD MANAGER
Title

SEPTEMBER 23, 2022
Date
WOODY.KEMP@HALLIBURTON.COM
Email Address
714 213 7856
Phone Number

PROPERTY CONTACT:

Printed Name _____ Email Address _____
Company _____ Phone Number _____

PORTFOLIO SUMMARY					
Property Name	Address	City	State	Zip	Fee
North Belt Campus	3000 N. Sam Houston Pkwy.				
Fort Lupton	13100 CR 8	Fort Lupton	Colorado		
Lafayette, LA	700 W. Pont Des Mouton Rd.	Lafayette	Louisiana		
Conroe, TX	16548 Donwick Drive	Conroe	Texas		
Williston, ND	826 48th Ave. W.	Williston	North Dakota		
Total					\$0



JLL Valuation & Advisory Services, LLC
Halliburton real Estate Services | Exhibit A

Exhibit A
Terms and Conditions

1. INTRODUCTION

- 1.1** These Terms and Conditions supplement the proposal, agreement, letter of engagement or email (the "engagement") between JLL Valuation and Advisory Services, LLC and the Client indicated in the engagement that sets out details of the Services to be provided to the Client. All capitalized terms in this exhibit have the meanings given to them in the engagement unless given a different meaning in this exhibit. These Terms and Conditions, together with the engagement and all other exhibits, schedules and riders to the engagement, are collectively called the "agreement".

2. SERVICES

- 2.1** We will provide the Services using reasonable care and skill.
- 2.2** We may make changes to the Services if necessary to comply with any law or safety requirement. We will notify you if that happens. Otherwise, JLL and the Client must agree in writing to any changes to the Services, the Fees, or any other provision of the agreement.

3. CLIENT OBLIGATIONS

- 3.1** You agree to give us all documents and other information that we advise you are reasonably necessary for us to provide the Services.
- 3.2** You will maintain adequate property and public liability insurance to reasonably insure property that you own or occupy and any activities on that property. You will obtain all necessary licenses, permissions and consents which may be required to enable us to perform the Services (other than professional licenses that we are required to maintain to perform the Services). You are responsible to keep your property in a safe condition so that we may perform the Services in reasonable safety.
- 3.3** You will notify us promptly if you believe any information you have provided is incomplete or inaccurate.

4. DELAY

We are not responsible for any delay in our performance of the Services if caused by any event beyond our reasonable control, or for any delay caused by your failure to comply with the agreement.

5. FEES, EXPENSES AND PAYMENT

- 5.1** Our fee in its entirety is earned upon delivery of the first report. We will invoice you at time of delivery for any outstanding balance.
- 5.2** You agree that your obligation to pay the Fee is not contingent upon the results, conclusions or recommendations we provide.
- 5.3** If we are asked to invoice any other party, you agree to settle our invoice immediately if the other party does not do so within 30 days of the date of the invoice.
- 5.4** Delinquent payments under the agreement will earn interest at the rate of one and one-half percent (1-1/2%) per month from the date due until paid, or if lower, the maximum rate permitted by law. If the Fee or any part of it remains unpaid 30 days after it was due, you may not use any report or work product we have delivered to you for any reason.
- 5.5** If you terminate this agreement before the Services are completed, you will pay us, no later than the termination date, a reasonable fee proportionate to the part of the Services performed to the date of termination.
- 5.6** Our rights under Section 5.3 and 5.4 are in addition to, and will not limit, our right to pursue any other rights and remedies under the agreement or at law or in equity.

6. INDEMNITY

You agree to indemnify and defend us and hold us harmless from any loss, liability or expense (including attorneys' fees) arising from a third party action, claim or proceeding ("Loss") that we suffer arising out of the agreement or the Services, other than Loss that a court of competent jurisdiction has determined was the result of our negligence or willful misconduct. We agree to indemnify and defend you and hold you harmless from any Loss that you suffer arising out of our negligent performance of Services under the



JLL Valuation & Advisory Services, LLC
Halliburton Real Estate Services | Exhibit A

- to the exclusive jurisdiction of the courts of that State.
- 12.5** The agreement may be executed in multiple counterparts.
- 12.6** No director, officer, agent, employee or representative of either of us has any personal liability in connection with the agreement.
- 12.7** Neither of us may assign or transfer any rights or obligations under the agreement without the prior written approval of the other. We each agree to be reasonable in evaluating such a request for approval.
- 12.8** If there is any conflict between the terms of the letter and this exhibit, the terms of the letter will prevail.
- 12.9** If either of us fails to enforce any provision or exercise any right under the Agreement at any time, that failure will not operate as a waiver to enforce that provision or to exercise that right at any other time.
- 12.10** The agreement does not establish any partnership or joint venture between us, or make either of us the agent of the other.
- 12.11** A person who is not a party to the agreement does not have any rights to enforce its terms unless specifically agreed in writing.
- 12.12** Neither of us may publicize or issue any specific information to the media about the Services or the agreement without the written consent of the other.
- 12.13** Each of us represents to the other that it is not a person or entity with whom U.S. entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order or other governmental action. Each of us agrees to comply with all applicable laws, statutes, and regulations relating to anti-bribery and anti-corruption.
- 12.14** If either party does not comply with the obligations under the agreement and legal action is commenced to enforce the rights under the agreement, the losing party will reimburse the prevailing party reasonable costs (including attorneys' fees), associated with such action.
THE PARTIES HEREBY WAIVE TRIAL BY JURY.
- 12.15** Upon request by you, we will provide commercial general liability additional insured coverage to the property owner or its affiliates to the extent a loss is attributable to JLL VA's negligence.
- 12.16** Sections 5, 6, 7, 10, 11, 12.1, 13, 17 and 18 will survive termination of the agreement.
-
- 13. USE OF DATA AND DATA PROTECTION**
- 13.1** You agree as follows: (i) The data we collect in connection with the agreement will remain our property. (ii) We and our affiliates may utilize, sell and include data you have provided (either in the aggregate or individually) in the databases of JLL and its affiliates and for use in derivative products. (iii) We may utilize all data already in the public domain on an unrestricted basis.
- 13.2** In order for us to provide the Services, we may need to record and maintain in hard copy and/or in electronic form, information regarding the Client, its officers and any other individuals connected with the Client (collectively "Data Subjects"). We may also verify the identity of Data Subjects, which could include carrying out checks with third parties such as credit reference, anti-money laundering or sanctions checking agencies.
- 13.3** We may use all information that we hold regarding Data Subjects to provide the Services. We may also use and share it with third parties for other purposes as described in our Privacy Statement available at www.jll.com. We may use both commercially available and proprietary software programs to perform the Services (web based and others).
-
- 14. SPECIAL EXPERTS**
- 14.1** If you request our assistance in hiring a special expert to contribute to any assignment (such as a surveyor, environmental consultant, land planner, architect, engineer, business, personal property, machinery and equipment appraiser, among others), you will perform your own due diligence to qualify the special expert. You will be responsible to pay for the services of the special expert.
- 14.2** We not responsible for the actions and findings of any special expert. You agree to indemnify and defend us and hold us harmless from all damages that may arise out of your reliance on any special expert.



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agreement, other than Loss that is found by a court of competent jurisdiction to result from your negligence or willful misconduct.

7. EXCLUSIONS OF, AND LIMITATIONS ON, LIABILITY

7.1 EACH OF JLL AND THE CLIENT WAIVES ANY CLAIMS AGAINST EACH OTHER FOR LOSS OF PROFITS, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SIMILAR DAMAGES IN CONNECTION WITH THE AGREEMENT. IN NO EVENT SHALL JLL'S LIABILITY IN CONNECTION WITH THE AGREEMENT EXCEED THE FEE PAID TO JLL HEREUNDER.

8. TERMINATION

- 8.1** Either of us may terminate the agreement without reason by giving 30 days' advance written notice to the other.
- 8.2** Either of us may terminate the agreement immediately if the other breaches the agreement and fails to remedy the breach within 10 days of notice by the non-breaching party.
- 8.3** We may terminate the agreement immediately for any of the following reasons:
- (a) We cannot provide any of the Services due to conditions beyond our reasonable control.
 - (b) In our reasonable opinion, there is insufficient information available to provide a report or other work product that meets our standards.
 - (c) A conflict of interest arises which prevents us from acting for you.
 - (d) You have asked us to provide reports or work product that we do not consider to be accurate.

9. ASSUMPTIONS AND LIMITATIONS

- 9.1** Any report or other work product we deliver as part of the Services will be subject to our standard Statement of Assumptions and Limiting Conditions, provided as an exhibit and as part of the agreement, which will be incorporated into the report or work product.
- 9.2** We understand that you may wish to use the report or other work product we deliver as part of the Services to support your Stark law and Anti-Kickback compliance process. Our reports and work product are appraisals prepared

pursuant to Uniform Standards of Professional Appraisal Practice, and do not undertake to evaluate any such compliance. You acknowledge that many factors in addition to property value must be considered to determine Stark or anti-kickback law compliance, and agree that any reports and work product we deliver make no opinion or representation that any transaction involving property we appraise is compliant with Stark law or any anti-kickback law.

10. CONFIDENTIALITY

- 10.1** We each agree to maintain the confidentiality of each other's confidential information and will not disclose any information received in confidence from each other, until two years after termination or expiration of the agreement, except where required to do so by law.
- 10.2** Any report or other work product that we deliver to you in connection with the Services is confidential and may be used by only you, unless we agree otherwise in writing.

11. INTELLECTUAL PROPERTY RIGHTS

- 11.1** We retain all copyright (and other intellectual property rights) in all materials, reports, systems and other deliverables which we produce or develop for the purposes of the agreement, or which we use to provide the Services.
- 11.2** You will not reproduce or copy any part of any report or other work product we produce as part of the Services without our prior written consent.

12. GENERAL

- 12.1** The agreement may be modified only by a written agreement signed by both of us. Liability accruing before the agreement terminates or expires will survive termination or expiration.
- 12.2** The agreement states the entire agreement, and supersedes all prior agreements, between you and JLL with respect to the matters described in the agreement.
- 12.3** If a court determines that any part of the agreement is unenforceable, the remainder of the agreement will remain in effect.
- 12.4** The agreement is governed by the laws of the State of Illinois. Each of us irrevocably submits



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- to the exclusive jurisdiction of the courts of that State.
- 12.5** The agreement may be executed in multiple counterparts.
- 12.6** No director, officer, agent, employee or representative of either of us has any personal liability in connection with the agreement.
- 12.7** Neither of us may assign or transfer any rights or obligations under the agreement without the prior written approval of the other. We each agree to be reasonable in evaluating such a request for approval.
- 12.8** If there is any conflict between the terms of the letter and this exhibit, the terms of the letter will prevail.
- 12.9** If either of us fails to enforce any provision or exercise any right under the Agreement at any time, that failure will not operate as a waiver to enforce that provision or to exercise that right at any other time.
- 12.10** The agreement does not establish any partnership or joint venture between us, or make either of us the agent of the other.
- 12.11** A person who is not a party to the agreement does not have any rights to enforce its terms unless specifically agreed in writing.
- 12.12** Neither of us may publicize or issue any specific information to the media about the Services or the agreement without the written consent of the other.
- 12.13** Each of us represents to the other that it is not a person or entity with whom U.S. entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order or other governmental action. Each of us agrees to comply with all applicable laws, statutes, and regulations relating to anti-bribery and anti-corruption.
- 12.14** If either party does not comply with the obligations under the agreement and legal action is commenced to enforce the rights under the agreement, the losing party will reimburse the prevailing party reasonable costs (including attorneys' fees), associated with such action.
THE PARTIES HEREBY WAIVE TRIAL BY JURY.
- 12.15** Upon request by you, we will provide commercial general liability additional insured coverage to the property owner or its affiliates to the extent a loss is attributable to JLL VA's negligence.
- 12.16** Sections 5, 6, 7, 10, 11, 12.1, 13, 17 and 18 will survive termination of the agreement.
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- 13. USE OF DATA AND DATA PROTECTION**
- 13.1** You agree as follows: (i) The data we collect in connection with the agreement will remain our property. (ii) We and our affiliates may utilize, sell and include data you have provided (either in the aggregate or individually) in the databases of JLL and its affiliates and for use in derivative products. (iii) We may utilize all data already in the public domain on an unrestricted basis.
- 13.2** In order for us to provide the Services, we may need to record and maintain in hard copy and/or in electronic form, information regarding the Client, its officers and any other individuals connected with the Client (collectively "Data Subjects"). We may also verify the identity of Data Subjects, which could include carrying out checks with third parties such as credit reference, anti-money laundering or sanctions checking agencies.
- 13.3** We may use all information that we hold regarding Data Subjects to provide the Services. We may also use and share it with third parties for other purposes as described in our Privacy Statement available at www.jll.com. We may use both commercially available and proprietary software programs to perform the Services (web based and others).
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- 14. SPECIAL EXPERTS**
- 14.1** If you request our assistance in hiring a special expert to contribute to any assignment (such as a surveyor, environmental consultant, land planner, architect, engineer, business, personal property, machinery and equipment appraiser, among others), you will perform your own due diligence to qualify the special expert. You will be responsible to pay for the services of the special expert.
- 14.2** We not responsible for the actions and findings of any special expert. You agree to indemnify and defend us and hold us harmless from all damages that may arise out of your reliance on any special expert.



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15. CONFLICTS POLICY

JLL adheres to a strict conflict of interest policy. If we learn of a conflict of interest, we will notify you and recommend a course of action to resolve the conflict. If we learn of a conflict that we do not believe can be resolved, we may terminate the agreement without penalty.

16. FIRREA REQUIREMENTS

Federal banking regulations require banks and other lending institutions to engage appraisers where FIRREA compliant appraisals must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions. Given that requirement, any report produced by JLL under the agreement, if ordered independent of a financial institution or agent, might not be FIRREA compliant or acceptable to a federally regulated financial institution.

17. USPAP REQUIREMENTS

The Ethics Rule of the Uniform Standards of Professional Appraisal Practice ("USPAP") requires us to disclose to you any prior services (appraisal or otherwise) performed within three years prior to the date of this letter by the individual JLL appraiser who will be performing Services for the Property. We represent that to our knowledge, that JLL has not provided prior services within the designated disclosure period, outside of what we have identified.

18. USE OF WORK PRODUCT AND RELIANCE

18.1 You agree that any report or other work product we produce in connection with the Services are for your use only, and only for the purpose indicated in the agreement. No person or entity other than the Client may use or rely on any such report or work product unless we consent otherwise in writing, even if such reliance is foreseeable. Any person who receives a copy of any report or other work product we produce as

a consequence of disclosure requirements that apply to the Client, does not become an intended user of this report unless the Client specifically identified them at the time of the engagement.

18.2 You will not use any such report or work product in connection with any public documents. You will not refer to JLL in any public documents without our prior written consent. We may give or withhold our consent in our sole discretion for any purpose under this Section 18.

18.3 Notwithstanding the foregoing, JLL understands that applicable law in eminent domain proceedings may require you to disclose our reports and work product to landowners and to otherwise make our reports and work product available to the public. To the extent required by applicable law, JLL consents to such disclosure. However, you and only you, and no such landowner or other person or entity, may rely on our reports or our work product.

19. LITIGATION MATTERS

19.1 We are not required to testify or provide court-related consultation or to be in attendance in court unless we have agreed to do so in the agreement or otherwise in writing, or if required by law.

19.2 If we receive a subpoena or other judicial command to produce documents or to provide testimony in a lawsuit or proceeding regarding the agreement, we will notify you if allowed by law to do so. However, if we are not a party to these proceedings, you agree to compensate us for our professional time at the then prevailing hourly rates of the personnel responding to the subpoena or providing testimony, and to reimburse us for our actual expenses incurred in responding to any such subpoena or judicial command, including attorneys' fees, if any, as they are incurred.

v. 3C_22_2020



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Exhibit B

Statement of Assumptions and Limiting Conditions

1. All reports and work product we deliver to you (collectively called "report") represents an opinion of value, based on historical information and forecasts of market conditions. Actual results may vary from those forecast in the report. There is no guaranty or warranty that the opinion of value reflects the actual value of the property.
2. The conclusions stated in our report apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events. Assessed values may change significantly and unexpectedly over short periods. We are not liable for any conclusions in the report that may be different if there are subsequent changes in value. We are not liable for loss relating to reliance upon our report more than three months after its date.
3. There may be differences between projected and actual results because events and circumstances frequently do not occur as predicted, and those differences may be material. We are not liable for any loss arising from these differences.
4. We are not obligated to predict future political, economic or social trends. We assume no responsibility for economic factors that may affect or alter the opinions in the report if the economic factors were not present as of the date of the letter of transmittal accompanying the report.
5. The report reflects an appraisal of the property free of any liens or encumbrances unless otherwise stated.
6. We assume responsible ownership and competent property management.
7. The appraisal process requires information from a wide variety of sources. We have assumed that all information furnished by others is correct and complete, up to date and can be relied upon, but no warranty is given for its accuracy. We do not accept responsibility for erroneous information provided by others. We assume that no information that has a material effect on our appraisal has been withheld.
8. We assume the following, unless informed to the contrary in writing: Each property has a good and marketable title. All documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other adverse title conditions, which would have a material effect on the value of the interest under consideration. There is no material litigation pending involving the property. All information provided by the Client, or its agents, is correct, up to date and can be relied upon. We are not responsible for considerations requiring expertise in other fields, including but not limited to: legal descriptions, interpretation of legal documents and other legal matters, geologic considerations such as soils and seismic stability, engineering, or environmental and toxic contaminants. We recommend that you engage suitable consultants to advise you on these matters.
9. We assume that all engineering studies correct. The plot plans and illustrative material in the report are included only to help the reader visualize the property.
10. We assume that there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. We are not responsible for such conditions or for obtaining the engineering studies that may be required to discover them.
11. We assume that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the report. We have not made or requested any environmental impact studies in conjunction with the report. We reserve the right to



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- revise or rescind any opinion of value that is based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the report assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
12. Unless otherwise stated in the report, you should assume that we did not observe any hazardous materials on the property. We have no knowledge of the existence of such materials on or in the property; however, we are not qualified to detect such substances, and we are not providing environmental services. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. Our report assumes that there is no such material on or in the property that would cause a loss in value. We do not assume responsibility for such conditions or for any expertise or engineering knowledge required to discover them. We encourage you to retain an expert in this field, if desired. We are not responsible for any such environmental conditions that exist or for any engineering or testing that might be required to discover whether such conditions exist. We are not experts in the field of environmental conditions, and the report is not an environmental assessment of the property.
 13. We may have reviewed available flood maps and may have noted in the report whether the property is generally located within or out of an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property. Any opinion of value we include in our report assumes that floodplain and/or wetlands interpretations are accurate.
 14. We have not made a specific survey or analysis of the property to determine whether it is in compliance with the Americans with Disabilities Act ("ADA"), Stark law or any anti-kickback laws. We claim no expertise in such issues and render no opinion regarding compliance of you or the property with ADA, Stark law or anti-kickback law or regulations.
 15. We assume that the property conforms to all applicable zoning and use regulations and restrictions unless we have identified, described and considered a non-conformity in the report.
 16. We assume that all required licenses, certificates of occupancy, consents, and 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 opinion of value contained in the report is based.
 17. We assume that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
 18. We have not made any investigation of the financial standing of actual or prospective tenants unless specifically noted in the report. Where properties are valued with the benefit of leasing, we assume, unless we are informed otherwise, that the tenants are capable of meeting their financial obligations under the leases, all rent and other amounts payable under the leases have been paid when due, and that there are no undisclosed breaches of the leases.
 19. We did not conduct a formal survey of the property and assume no responsibility for any survey matters. The Client has supplied the spatial data, including sketches and/or surveys included in the report, and we assume that data is correct, up to date and can be relied upon.
 20. Unless otherwise stated, the opinion of value included in our report excludes any additional value attributable to goodwill, or to fixtures and fittings which are only of value, in situ, to the present occupier. We have made no allowance for any plant, machinery or equipment unless they form an integral part of the building and would normally be included in a sale of the building. We do not normally carry out or commission investigations into the capacity or condition of services being provided to the property. We assume that the services, and any



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revise or rescind any opinion of value that is based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the report assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.

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13. We may have reviewed available flood maps and may have noted in the report whether the property is generally located within or out of an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property. Any opinion of value we include in our report assumes that floodplain and/or wetlands interpretations are accurate.
14. We have not made a specific survey or analysis of the property to determine whether it is in compliance with the Americans with Disabilities Act ("ADA"), Stark law or any anti-kickback laws. We claim no expertise in such issues and render no opinion regarding compliance of you or the property with ADA, Stark law or anti-kickback law or regulations.
15. We assume that the property conforms to all applicable zoning and use regulations and restrictions unless we have identified, described and considered a non-conformity in the report.
16. We assume that all required licenses, certificates of occupancy, consents, and 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 opinion of value contained in the report is based.
17. We assume that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
18. We have not made any investigation of the financial standing of actual or prospective tenants unless specifically noted in the report. Where properties are valued with the benefit of leasing, we assume, unless we are informed otherwise, that the tenants are capable of meeting their financial obligations under the leases, all rent and other amounts payable under the leases have been paid when due, and that there are no undisclosed breaches of the leases.
19. We did not conduct a formal survey of the property and assume no responsibility for any survey matters. The Client has supplied the spatial data, including sketches and/or surveys included in the report, and we assume that data is correct, up to date and can be relied upon.
20. Unless otherwise stated, the opinion of value included in our report excludes any additional value attributable to goodwill, or to fixtures and fittings which are only of value, in situ, to the present occupier. We have made no allowance for any plant, machinery or equipment unless they form an integral part of the building and would normally be included in a sale of the building. We do not normally carry out or commission investigations into the capacity or condition of services being provided to the property. We assume that the services, and any



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associated controls or software, are in working order and free from defect. We also assume that the services are of sufficient capacity to meet current and future needs.

21. In the case of property where construction work is in progress, such as refurbishment or repairs, or where developments are in progress, we have relied upon cost information supplied to us by the Client or its appointed experts or upon industry accepted cost guides. In the case of property where construction work is in progress, or has recently been completed, we do not make allowance for any liability already incurred, but not yet discharged, in respect of completed work, or obligations in favor of contractors, subcontractors or any members of the professional or design team. We assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
22. Any allocation in the report of value between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
23. The report is confidential to the party to whom it is addressed and those other intended users specified in the report for the specific purpose to which it refers. Use of the report for any other purpose or use by any party not identified as an intended user of the report without our prior written consent is prohibited, and we accept no responsibility for any use of the report in violation of the terms of this Agreement.
24. We are not required to testify or provide court-related consultation or to be in attendance in court unless we have agreed to do so in writing.
25. Neither the whole report, nor any part, nor reference thereto, may be published in any manner without our prior written approval.
26. We may rely on, and will not verify, the accuracy and sufficiency of documents, information and assumptions provided to it by the Client or others. We will not verify documents, information and assumptions derived from industry sources or that JLL or its affiliates have prepared in the regular course of business. We are not liable for any deficiency in the report arising from the inaccuracy or insufficiency of such information, documents and assumptions. However, our report will be based on our professional evaluation of all such available sources of information.
27. JLL IS NOT LIABLE TO ANY PERSON OR ENTITY FOR LOSS OF PROFITS, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SIMILAR DAMAGES IN CONNECTION WITH THIS AGREEMENT. IN NO EVENT SHALL THE LIABILITY OF JLL AND ITS AFFILIATES IN CONNECTION WITH THIS AGREEMENT EXCEED THE FEE PAID TO JLL HEREUNDER.
28. Unless expressly advised to the contrary, we assume that appropriate insurance coverage is and will continue to be available on commercially acceptable terms.
29. We assume that no material changes in any applicable federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
30. We may determine during the course of the assignment that additional Hypothetical Conditions and Extraordinary Assumptions may be required in order to complete the assignment. The report will be subject to those Hypothetical Conditions and Extraordinary Assumptions. Each person that is permitted to use the report agrees to be bound by all the Assumptions and Limiting Conditions and any Hypothetical Conditions and Extraordinary Assumptions stated in the report.



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