

Real Estate Appraisal

**Permanent Easement Taking
Drainage and Utility Easement
at 308 Opal Street
Saginaw, Texas**

**Lot 9 Block 1 Rancho North Addition
City of Saginaw
Tarrant County Texas**

Owners:

**Bobby Moorman
Anita Moorman**

For:

Rick Trice P.E.
Director of Public Works & Community Development
City of Saginaw
205 Brenda Lane
Saginaw, Texas 76179

By:

Tom Kyser, Appraiser
1412 Texas Street
Fort Worth, Texas 76102
(817)332-4428

TOM KYSER, APPRAISER

1412 TEXAS STREET
FORT WORTH, TEXAS 76102
(817) 332-4428

July 29, 2020

Rick Trice, P.E.
Director of Public Works and Community Development
City of Saginaw
205 Brenda Lane
Saginaw, Texas 76179

Subject: Compensation due for a drainage and utility easement. The taking is located on west side of property at 308 Opal Street, Saginaw, Texas (Lot 9 Block 1 Rancho North Addition, Saginaw, Tarrant County)

Dear Mr. Trice,

As requested, I have completed the following appraisal on the above referenced property. Compensation is based on a value of the taking as part of the whole property. The taking parcel is too small and too narrow to be considered as a separate economic unit in this market area. This methodology is used to comply with state law regarding eminent domain acquisitions. The property is appraised as "land only" with an allocation for the improvements within the permanent taking area. Compensation and methodology are further explained in the *Scope* section of this report. Compensation is estimated at the following amount.

***** \$5,200.00*****

The property was valued as of the date of inspection, July 29, 2020. No title report or environmental study was furnished to appraiser. Normal utility easements, only, were assumed unless indicated in the report. Value estimates and conclusions are subject to the Special Conditions, Assumptions and Limiting Conditions, Certification, and Disclaimer, in this report. In my opinion, this report has been completed in accord with the Uniform Standards of Professional Appraisal Practice (USPAP).

Sincerely,



Tom Kyser, SRA MAI

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SPECIAL CONDITIONS OF VALUE

1. The easement taking were valued as part of the whole property which is considered the “larger parcel” which is a legal term that denotes a typical economic unit in this market area. This was done to comply with state law regarding eminent domain acquisitions and is the basis for compensation in this report. Methodology is further explained in the *Scope* section of this report. Property value and compensation are based on “land value” only. The fencing on the rear of the site (along the new easement) will be replaced by the City or its contractor after completion of construction. In addition, the easement area will be re-sodded with grass by the contractor and affected fencing between the properties will be repaired or replaced. Site improvement values within the proposed area will also be included in the compensation. No major improvements are affected by the taking.
2. Persons with an interest in this property are advised to contact the U.S. Army Corps of Engineers concerning any potential wetlands and possible use restrictions. This information is not generally readily available to appraisers. This property is assumed to be unaffected by the existence of any endangered species that would create limitations on property utilization and or have an adverse effect on value. Appraiser was furnished no such information and is unaware of any such existence.
3. Valuation of the whole property is of the surface estate and no mineral interests are considered. City of Saginaw does not intend to purchase or affect any mineral interest potential of the subject whole property or taking area.
4. Data furnished by landowner, client or third parties regarding such issues as conditions, features or characteristics of the subject property, sales data and market area of the subject property are assumed to be accurate and were relied upon in the completion of this report.
5. This report is subject to special hypothetical conditions and assumptions which include the provisions of the laws of the State of Texas regarding eminent domain acquisition. These laws provide for hypothetical conditions such as not considering any project influence in the value of the whole property or acquisition parcel and valuing any remainder value, as if the public project has been completed. Certain factors of value are not considered in a remainder valuation if they are considered “non-compensable” by State law. This type of appraisal is done in compliance with USPAP, under jurisdictional exception.
6. Value estimates and conclusions herein assume no tax rollback liability to current owner and no future special assessments, future platting fees or impact fees were considered in the estimate of compensation.
7. All affected utilities including any pipelines (if any) will be relocated as necessary at no expense to the landowner.
8. Size of the whole property was based on the area estimated by Tarrant Appraisal District

The above represent hypothetical conditions or extraordinary assumptions and values could be different if these were not considered.

ASSUMPTIONS AND LIMITING CONDITIONS

The legal description furnished is assumed to be correct. I, and collectively we as may be applicable hereafter, assume no responsibility for matters legal in character, nor do I render any opinion as to the title, which is assumed to be good.

The property is appraised on the basis of fee simple title conveyance to the purchaser and full cash payment being received by the seller. It is recognized; however, that purchaser will likely take advantage of the maximum available financing, and effects of such financing on the probable selling price have been considered.

I do not assume any responsibility for the condition of the property or the correction of any defects now existing or that may develop in the future.

Sketches in this report are to assist the reader in visualizing the property. I have made no survey of the property and assume no liability in connection with such matters.

I believe the information contained in this report which was furnished by others to be reliable but assume no responsibility for its accuracy.

The appraisal of this property has been made assuming responsible ownership and management, and if applicable, aggressive marketing effort.

Possession of this report or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without written consent of the appraiser.

One or more of the signatories of this appraisal report is a member or candidate of the Appraisal Institute. The bylaws and regulations of this organization require that each member or candidate control the use and distribution of each appraisal report signed by the member or candidate. Therefore, except as provided hereinafter, the party for whom this appraisal report was prepared may distribute copies of this appraisal report, in its entirety, to such third parties as may be selected by the party for whom this appraisal report was prepared; however, portions of this report shall not be given to third parties without the prior written consent of the signatories of this appraisal report. Further, neither all nor any part of this report shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media or other media for public communication without the prior written consent of the signatories of this report. This particularly includes valuation conclusions, identity of appraiser, or the firm with which he is connected.

I am prepared but not required to give testimony or submit to attendance in court by reason of this appraisal with reference to the property in question, unless prior additional arrangements are made.

If applicable, the distribution of total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuation for land and improvements must not be used in conjunction with any other appraisal and is invalid if so used.

The Americans with Disabilities Act (ADA) became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of this property. Since I have no direct evidence relating to this issue, I did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

Unless noted otherwise in this report, subject property is assumed to be clear of soil contamination, from sources within or without the property. Improvements are also assumed clear of environmental contamination and hazardous materials, including asbestos. This property is also assumed clear of any wetlands restrictions as might be imposed by the U.S. Army Corps of Engineers. Wetlands are not always confined to low areas, and wetland information is generally not immediately available to appraisers. The property is also assumed to be free of any adverse restrictions created by endangered species. No such information was made known to appraiser.

Appraisal is of real property only, and does not include any increments for business value, going concern value, leasehold or leased fee values, good will, value in use, or any personal property values.

My analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the appropriate State laws, regulations, and policies and procedures applicable to the appraisal of right of way for such purposes, and that to the best of my knowledge no portion of the value assigned to such property consists of items which are non-compensable under the established law of said State, and any decrease or increase in the fair market value of subject real property prior to the date of valuation caused by the public improvement for which such property is to be acquired or by the likelihood that the property would be acquired for such improvement, other than that due to the physical deterioration within the reasonable control of the owner has been disregarded in estimating the compensation for the property.

See previous Special Conditions.

DISCLAIMER

All users of this report are hereby advised that appraiser(s) is not a qualified inspector of such items as pest/termite damage or infestation, soil and subsoil conditions, soil contamination, drainage, foundations, structures, plumbing systems, electrical systems, septic tanks and lateral systems, appliances, electrical or electronic equipment, mechanical equipment, roofs, swimming pools and related equipment, wells, or the presence of potentially hazardous materials such as radon, asbestos, urea formaldehyde or lead based paint. Unless otherwise stated, all component parts are assumed to be serviceable and appraiser(s) assumes no liability for their adequacy or proper function. Potentially hazardous substances or conditions, unless otherwise noted, are assumed not to be present within or without the property limits. Persons with an interest in the property are advised to investigate such items to their own satisfaction, and the assistance of qualified experts in such matters is recommended. Due to normal building tolerances, dimensions of the improvements may have been "squared" in order to calculate building or living area. In most areas, new, and in some cases older, improvements are required to have smoke/fire detection devices, and appraiser(s) assumes and recommends compliance with such requirements. If a private water system, water well or private sewage or septic system are utilized with the property, their compliance with all applicable health codes is assumed, including plugging of abandoned wells. This property is assumed to comply with legislation requiring security devices (door locks, window latches, etc.).

Unless noted otherwise in this report, subject property is assumed to be clear of environmental contamination, from sources within or without the property. Users of this report are advised that appraiser has been furnished no environmental report of any type. Appraiser is not a qualified environmental expert. Persons with an interest in this property are advised to investigate environmental concerns, using qualified personnel.

The Americans with Disabilities Act (ADA) became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of this property. Since I have no direct evidence relating to this issue, I did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

This property is assumed to be unaffected by the existence of any endangered species or wetlands that would create limitations on property utilization and or have an effect on value. Appraiser was furnished no such information and is unaware of any such existence.

SCOPE OF APPRAISAL

The subject whole property site has 9,173 square feet of area according to Tarrant County Appraisal District and is located at 308 Opal Street in Saginaw. This area is assumed to be accurate. The property has 65 feet of frontage on Opal Street and extends 122+ feet to the west. The shape of the site is generally rectangular. The rear of the site follows the creek and existing drainage easement and is 68 feet wide. The site is improved with a house, garage and related improvements outside of the taking area. The improvements within the taking area include, a 120 square foot wood storage building with a 115 square foot concrete patio, 230 square foot of wood decking with an adjoining 32 square foot brick inlay. Landscaping included small shrubbery and plantings. (Native trees and plant growth are considered in the land value, per state law). Personal property includes bird bath and bird houses as well as any tools or equipment and are not included in this valuation. Most storage buildings are considered personal property, but age and construction of this building indicate that it is real estate.

The taking is a permanent easement acquisition that measures 10.03 feet on north and 10.02 on the south. The city will replace the lawn inside the new drainage easement wall with sod over a retention pad to insure new growth. The rear fence will be replaced with a new fence along the rear of the site at the top of the proposed easement, by the city's contractor. The main improvements on the property are well removed from the takings and will be unaffected. The whole property and taking will be valued, therefore, as "land only" with addition of the improvements in the taking area. The taking is too small and too narrow to be considered as economic unit in this market area so value of the area will be based on the unit value of the whole property. This type of valuation is done in order to comply with state law regarding eminent domain acquisitions. Surveys of the proposed takings and the survey of the whole property are included in the Addenda of this report.

The taking was first physically inspected to determine nature and type of property. The property owner was contacted, and the owner was present at the property inspection. Other sources of property information may include property owner, plans, specifications, public records, city offices, county offices, FEMA flood hazard maps, Texas Department of Transportation (TxDOT), appraisal district and tax offices. Market data sources may include multiple listing services, other appraisers, brokers, buyers, lenders, appraisers' own files, and various data services. Area description data was mostly from city offices, county offices, chambers of commerce, and North Texas Council of Governments.

Appraiser applied the sales comparison approach to value the whole property site. Comparable sales were used in a direct comparison to the site to estimate the value of the property as of the date of taking. This approach is the most common technique used in land appraising. The use of other approaches was not judged realistic for the type property involved. Value of the easement taking and the remainder are discussed further in the respective sections of this report.

Kim Hartt provided research and writing assistance in the completion of this report.

CERTIFICATION

I (and “we”, as applicable) certify that, to the best of my knowledge and belief:

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

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

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

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My 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. This assignment is not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute, and with the Uniform Standards of Professional Appraisal Practice.

The use of this report is subject to the requirements of the Appraisal Institute, relating to review by its duly authorized representatives.

I have not performed an appraisal or any other real estate service regarding this property within three years prior to the acceptance of this assignment. I have made a personal inspection of the property that is the subject of this report.

Kim Hartt provided significant real property appraisal assistance to the person signing this report.

As of the date of this report, appraiser has completed the continuing education requirements of the Appraisal Institute.

My analyses, opinions, and conclusions were developed, and this report prepared, in conformity with the rules of the Texas Real Estate Commission, and the Texas Appraiser Licensing and Certification Board; and I am certified by the Texas Appraiser Licensing and Certification Board as General Real Estate Appraiser, Certificate Number TX-1320755-G.



Tom Kyser, SRA MAI

APPRAISAL REPORT

This appraisal report is intended to comply with reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an "Appraisal Report" As such, it presents information for the assumptions, hypothetical conditions, limiting conditions, information analyzed, appraisal procedures followed, and the reasoning and analyses that were used in the appraisal process to develop opinions, conclusions, and estimates of value. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated below. The appraiser is not responsible for unauthorized use of this report.

PROPERTY RIGHTS APPRAISED

Surface estate (land) was valued in fee simple. Fee simple title is the highest form of land ownership subject only to police powers and escheat.

Permanent easement rights are typically needed for a specific and limited use and reflect a partial interest in the property. Permanent easements restrict the use of the easement area and allow the permitted use to the easement holder. Landowner retains the property and all remaining rights of ownership.

DEFINITION OF VALUE

Market value is defined by the State of Texas as follows:

"Market Value is the price which the property would bring when it is offered for sale by one who desires, but is not obliged to sell, and is bought by one who is under no necessity of buying it, taking into consideration all of the uses to which it is reasonably adaptable and for which it either is or in all reasonable probability will become available within the reasonable future."

PURPOSE/USE/USER OF APPRAISAL

Purpose of this appraisal is to estimate market value, as defined herein, as of the date specified, of a whole property and compensation due the owner for a permanent drainage and utility easement on that property. Use of the appraisal is to assist client, City of Saginaw, in acquisition of the easement rights in the specified area. Client, City of Saginaw, ordered this appraisal and is the intended user of this report.

TITLE AND SURVEY DATA

Appraiser was furnished with no whole property title report. The property has been appraised assuming good and transferable title, and the absence of any adverse easements whether above or below surface. Normal easements, only, were assumed, unless otherwise noted in the report (see Property Description). Survey of the whole property site was used for the area of the whole property. Client supplied the details and survey of the proposed easement.

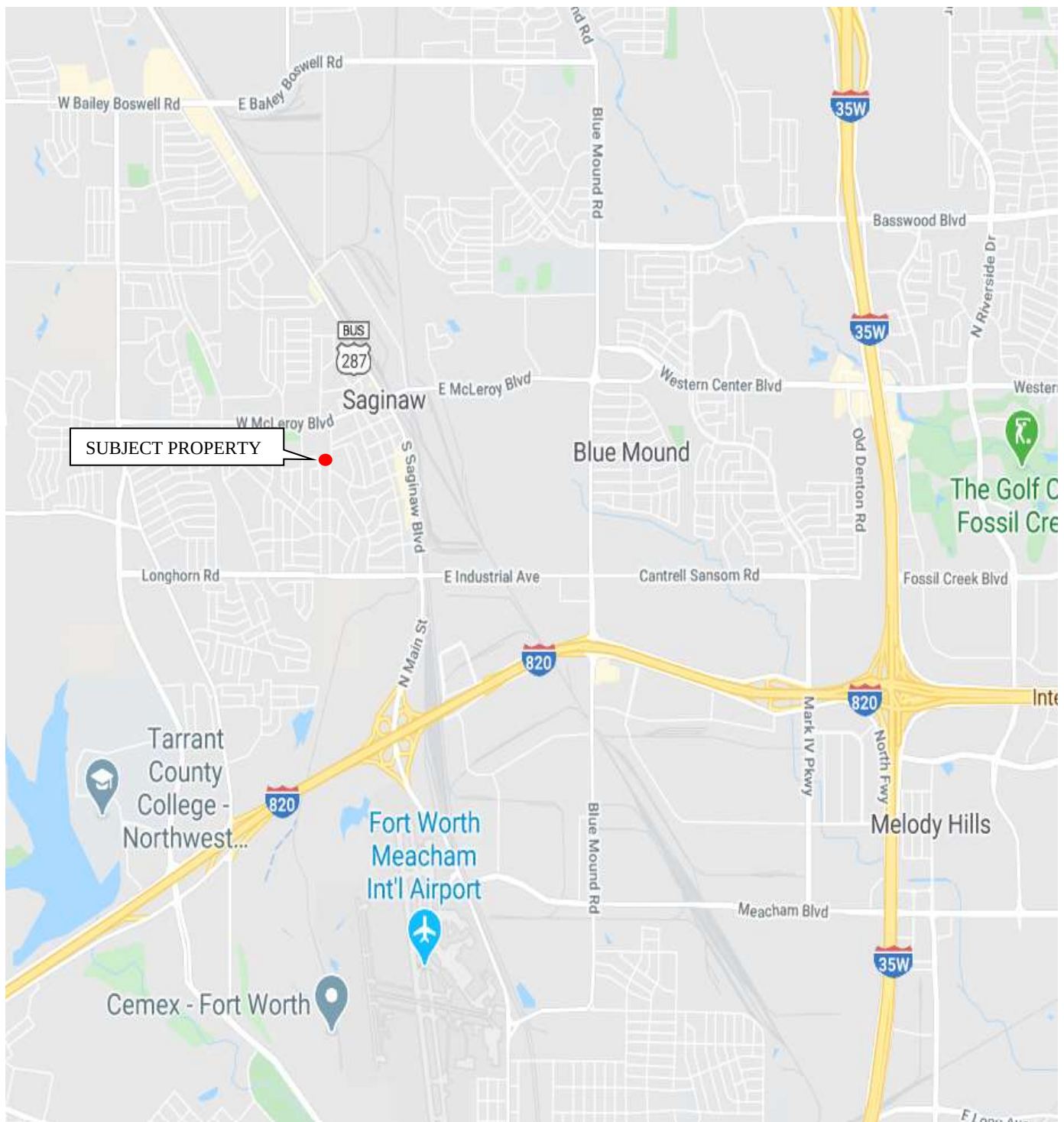
LOCATION

Subject property is located on the west side of Opal Street at W. Southern Avenue. Street address is 308 Opal Street, Saginaw, Texas.

LEGAL DESCRIPTION AND PROPERTY IDENTIFICATION

The whole property is legally described as Lot 9, Block 1, Rancho North Addition to Saginaw, Texas.

LOCATION MAP



OWNERSHIP/SALES HISTORY

Subject property is owned by Bobby and Anita Moorman and has been since 1995. No purchase price or other data could be obtained in the normal course of business from any source. Property is not currently offered for sale, optioned or under contract.

OWNER CONTACT/PROPERTY INSPECTION

Appraiser contacted the owner by phone and requested an on-site inspection of the property. Property was inspected on July 29, 2020. Mr. Moorman was present at the property inspection.

EFFECTIVE DATES

All photographs of subject property were taken on July 29, 2020 which is the date of inspection and the effective date of value. The date of this report is also July 29, 2020.

LEASES

No leases were furnished to appraiser and none are known to exist on the site.

AREA AND NEIGHBORHOOD DESCRIPTION

Subject property is located in Saginaw, Texas. Saginaw is a small city in north Tarrant County, Texas and a suburb of Fort Worth. The close proximity to DFW Airport and other work centers in Fort Worth and Tarrant County are major economic influences of the city of Saginaw.

Saginaw is a small bedroom community that has a population of approximately 25,000 persons. Many of these residents commute daily to areas within the DFW to places of employment. Saginaw's top employer in the city is the local School district, Eagle Mountain-Saginaw I.S.D. It also has 2 major railroad lines, Union Pacific and BNSF running through the city. Saginaw is known for its "Train & Grain" heritage and claims it as the motto due to the railroads and two large flour mills located in the city limits.

According to local data sources the population density of Saginaw is 2,900 people per square mile. There were 7,315 housing units. The median household income is \$75,617 and approximately 4% of the population was below the poverty line. The total land area of the city is 7.5 square miles. Major roadway through the city is Saginaw Main Street (Bus. U.S.287). Interstate 820 is the southern boundary and another major link to other parts of the metro-area. Even with the local employment, the City of Saginaw remains a "bedroom community" and is largely dependent on Fort Worth and Tarrant County.

Fort Worth is located in north central Texas, about 80 miles south of the Oklahoma border, and 30 miles east of Dallas. It began as a frontier military post in the mid-1800s, became a major livestock center, has since developed into a large city with a diverse economy, and is the county seat of Tarrant County.

City population ranges around 900,000. The county, including cities such as Arlington, Hurst, Euless, Bedford, Richland Hills, North Richland Hills, Haltom City, Keller, Benbrook, White Settlement and several others, approaches 1,850,000. Fort Worth operates under an elected mayor-council system, which appoints a city manager as chief administrative official. County government consists of an elected commissioners' court (4 precinct commissioners plus a county judge) presided over by the judge.

Fort Worth offers typical large city services. There is a city water and sewer department, public transportation, police department, fire department, library system, and trash collection. Electricity, telephone, cable television, and natural gas are supplied by private utilities. The city has zoning ordinances and building codes. Less visible is a large administrative staff that deals in areas of real estate planning and development, real property management, engineering, legal, various welfare programs, public health, parks and recreation, personnel, finance, etc. Taxes and fees have generally increased during the past several years. Transportation facilities, to serve business and individual, are considered adequate. The Dallas-Fort Worth airport is supplemented by several small airports. Rail is available in many areas. Private transportation and express companies are well distributed. Three interstate highways (IH20, IH30, IH35W) serve the city, as well as numerous state and federal highways. Several of these major roads have been recently expanded, with more planned.

The county provides police protection (sheriff's department) and road maintenance in unincorporated areas. They do not provide utility services. There is a county managed public hospital. Other county functions include maintenance of public records, court system, jail operations, some welfare administration, and tax collection.

Development in Fort Worth spread from the central business district in most directions not having physical limitations. Old neighborhoods, both residential and otherwise, generally have inner city locations. During the past 20 years, most but certainly not all growth has been to the north, west and southwest. Growth to the extreme west is limited by a few large landowners with no motivation to sell. The far east side has physical factors, in the form of flood plain from several streams, which hinder expansion. The abutment of other cities, many of which have had rapid growth themselves, limits Fort Worth development.

Many individuals relocating here from other large cities feel a small-town atmosphere exists. Over the years, the city has managed to attract or retain many large business residents. Employees are satisfied that this is a desirable city in which to live. There are adequate restaurants. Shopping is convenient to most neighborhoods and consists of several large malls and various neighborhood centers. Just west of the downtown business district is a cultural district that includes a science museum and three art museums, and two live theaters. Nearby is a city owned zoo and botanical garden. Two convention centers are located in or near the business district. Major league football, basketball, and baseball teams play in Dallas and Arlington. Fort Worth is proud of its western heritage and annually hosts the Southwestern Exposition and Fat Stock Show. The old stockyards area in north Fort Worth has been restored and has become a significant tourist attraction.

Outdoor recreation is available from public parks interspersed around the city, public golf courses, several private country clubs, and about eight nearby lakes. Amusement parks are located in Arlington.

Public education is provided by the Fort Worth Independent School District and numerous other districts. School districts do not follow city jurisdictional lines and there is considerable overlap. Several private schools, some church affiliated, are available, and charge tuition. A county junior college system has three campuses located around the city. Texas Christian University, Southwestern Baptist Theological Seminary, Texas Wesleyan University, and Texas College of Osteopathic Medicine are located in Fort Worth. The University of Texas at Arlington and University of North Texas (Denton) are within easy commuting distance. Both are large, state supported colleges. Other private and public colleges are located in Dallas. School taxes have shown steady increases.

In the near south side of the city is an extensive medical district. There are about five large hospitals, including a specialized children's unit. Physicians are available to deal with most health problems. This district is used extensively by residents of nearby counties. Nursing and retirement facilities are available to suit a range of income levels.

The economic base of the city is varied. Fort Worth, in its early years, had an agricultural economy. It became a major meat packing and livestock trading center and was home to national packing companies (Swift, Armour, etc.). It was also a farming center and several grain storage facilities still exist. Beginning about World War II, the economy began to move away from agriculture. Major sources of employment are now diverse. In and around Fort Worth, defense related industry had

significant growth. These employers included Lockheed Martin, Bell Helicopter, and Carswell Joint Reserve Base. Industrial districts of various sizes are located around the city, but principal industrial centers are in north and south Fort Worth. Employers range from small local concerns to major, national corporations. Their products range from warehousing/distribution through heavy manufacturing of such goods as railcars and oil well equipment.

After the war, Fort Worth served as district or regional headquarters for several major oil companies and was also the home for many independents. Oil and gas activity generally increased up until the mid-1980's, after which it sharply declined. A large part of the "energy employed" have relocated into other fields. Recent increases in petroleum prices are reversing these growth trends but most regional and other headquarters of these companies are not likely to move to Tarrant County again.

Government is a large employer in Fort Worth. Many federal agencies are housed in the downtown Fritz Lanham Federal Center. District offices are maintained by the Internal Revenue Service, U.S. Army Corps of Engineers, Department of Agriculture, Commerce Department, General Services Administration, and Housing and Urban Development. These districts may administer a multi-state area. Numerous other bureaus also office here. The federal courthouse is the location of the north Texas federal court system, as well as the Justice Department and other legal and law enforcement entities. The Federal Aviation Administration has offices in north Fort Worth. In south Fort Worth, a large supply and storage depot is used by several government departments. In addition to city and county government, the state is also a significant employer. The Texas Department of Transportation maintains a multi-county district headquarters.

Private sector employment is diverse, ranging from small, locally owned businesses to major corporations. Well known companies include Miller Brewing, Tandy Corporation, American Airlines, Burlington Northern Railroad, General Motors (in Arlington), and the above defense contractors. Other large firms are Trinity Industries, American Manufacturing, Halliburton, Harbison Fischer, and Alcon Laboratories.

According to Texas Real Estate Research at Texas A and M University the residential real estate market in Fort Worth and surrounding markets leveled off in 2011-2012. This is in spite of the rapid growth of Fort Worth (40%) and Tarrant County (20%) in the last 15 years. Average home sales prices had leveled at \$135,000 which is slightly higher than in 2000. Recently the residential market has started to improve with signs of growth in 2013 through 2018. Some leveling has recently been reported but most brokers indicate that this is due to diminished supply. Multi-family has fared well in the Fort Worth market area. Multi-family stands at near 95% occupancy with rental rates averaging at \$.89/sf. Over 500,000 units have been built in north Texas since 2000. Office has been a slow market item for a number of years due to over-building is past years and changes in the nature of office work in general. Over-all vacancy is at 12%. Class "C" space, the largest grouping, is near 15%. Retail has improved since the downturn in late 2008. 1.5 million square feet in now occupied but there is still 10% vacancy. All expect retail growth to be level to increasing and generally in line with residential and multi-family growth levels since most retail is neighborhood service related. Industrial is also slow. Little industrial absorption has occurred in the last few years with only 50,000 square feet absorbed in the entire market area. Most of this is build-to suit and not spec space. Vacancy is at or near 10% in most sectors although this has to be factored with the slow industrial growth in the last 15 years. Limited sales of industrial lots have been found in research of the general market area and immediate area of the

subject as well. Industrial parks report similar slow growth. Sectors of lower land costs and owner-occupied properties in mixed use areas make up most of the recent growth according to brokers and developers.

The most significant commercial development of the general area was the development of Alliance Airport in 1988 and the ensuing development of Alliance Texas, a 17,000-acre, master planned development that includes office, manufacturing, distribution, industrial and commercial development. The airport is an industrial airport that operates on a full-time basis. In 1995, the Burlington Northern Santa Fe Railroad Company (BNSF) headquarters move into the area. Other developments in the area include Alliance Commerce Center, Alliance Advance Technology Center. Both centers have a large number of high-tech companies ranging from aerospace related companies to government entities such as FAA and City of Fort Worth facilities. The United States Bureau of Engraving and Printing has a mint facility located at 9000 Blue Mound Road.

Other development in the north sector includes the BNSF Intermodal Facility that was developed and covers 735 acres of land. Many related companies have warehouses in and near the area to utilize the facility including J.C. Penney, Fed Ex, Maytag and others. Alliance Crossing is a 170-acre retail and mixed-use development center developed recently. Alliance Town Center is another retail center recently completed. Kroger, J.C. Penney and Best Buy anchor this center. Other mixed-use developments include Presidio Towne Crossing which is developed with multi-family, retail and restaurants. Other than the largest developments, many smaller centers and users have developed around the expanding residential base that has grown since the 1990's.

The outlook is somewhat positive for the foreseeable future even with the recent slowdown caused by the corona pandemic. The expectation is still that the slow economic outlook will be temporary especially considering the expected growth of the city and county. Tarrant County and Fort Worth have recorded substantial growth in the last few years and most expect this growth to continue even though sales volumes have obviously slowed. Median price ranges of all types of properties have increased including entry-level housing.

The attached chart indicates the growth in the recent past of all property types in the north Tarrant County area and Saginaw.

Historic Sales Prices -Saginaw/N. Tarrant Co.

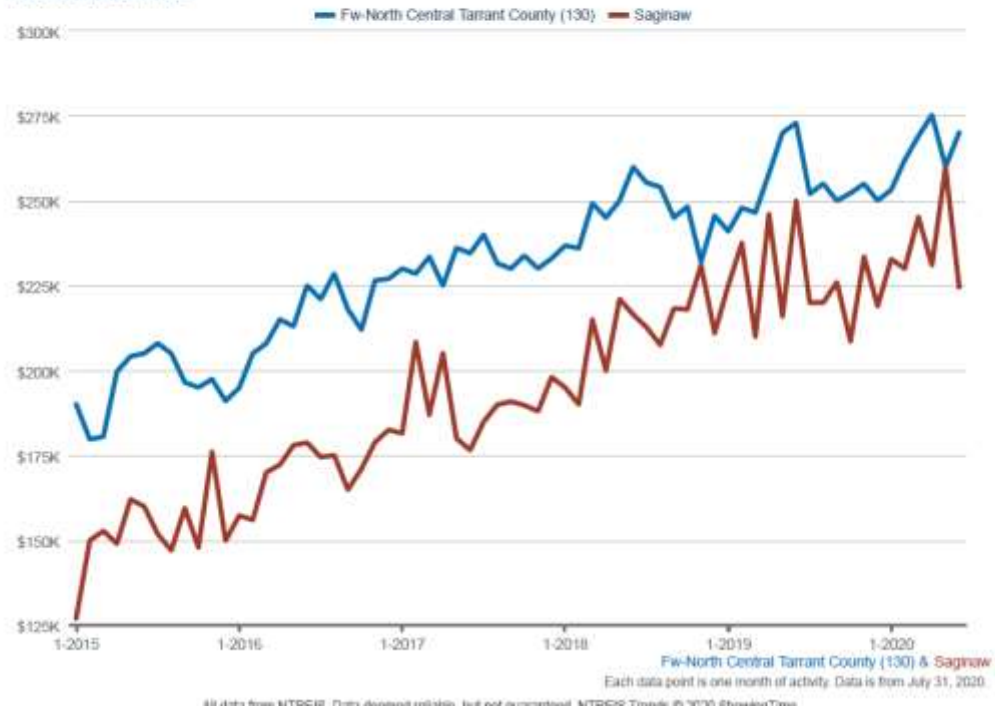
(All Property Types)

Thomas Kyser
Kyser & Ondo, Appraisers

Office: (817) 332-4428
kando1134@sbglobal.net



Median Sales Price



PROPERTY DESCRIPTION (SITE)

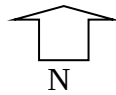
The subject whole property site is located at 308 Opal Street in Saginaw. The lot sits at the east side of a city drainage channel and easement that extends at the rear of the property on the west side. According to a filed plat of the property furnished by the client, the site has 65 feet of frontage along the west side of Opal Street. It is approximately 122+ feet deep. The site has generally rectangular shape. The total area of the site based on Tarrant County Appraisal District measurement of 9,173 square feet. The property is mostly level with sloping toward the existing drainage easement at the rear of the site. The site has no flood terrain per F.E.M.A. maps and is zoned "SF-2" Residential. The zoning allows for single-family sites that are restricted to a minimum of 7,200 square feet. Site has all utilities at the property.

The proposed drainage/utility easement is a small land tract that would not have utility as a separate unit so its optimum value would be as part of the whole property. Valuation of the proposed easement is discussed in the Part Taken section of this report. This methodology is required to comply with state law regarding eminent domain acquisitions. Area of the proposed easement is 679 square feet.

The major improvements are not affected by this taking but the value of the landscaping, wood decking, storage building and patio that are included in the proposed taking area, are included in the compensation. The site improvements that are affected will be estimated using cost analysis. Fencing along the rear will be replaced by the city or its contractor and easement area inside the fencing will be re-sodded with native grass.

See following flood hazard map and photos for description. Plats and surveys are included in the Addenda of this report.

FLOOD MAP



PHOTOGRAPHS



1. View of whole property from Opal street looking west.



2. Rear view of property looking southeast from existing easement.

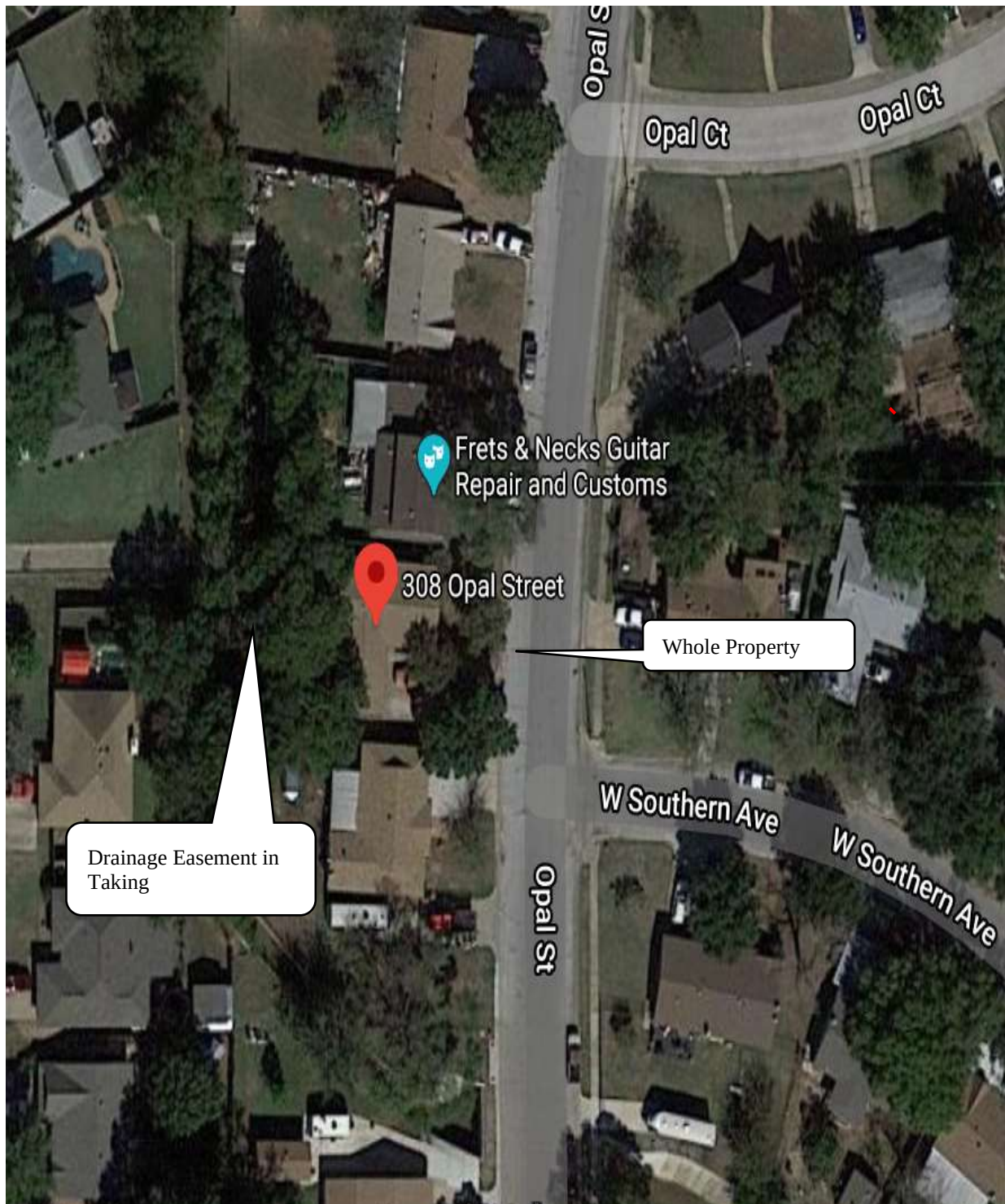


3. View of taking area from north end of the site



4. View of taking area from northwest side of property looking southeast along existing drainage easement.

AERIAL PHOTO



HIGHEST AND BEST USE

Highest and best use is that program of utilization that results in the highest present value. Any such use should be legal, physically possible, economically feasible, likely to occur and of maximum productivity. The concept applies both to unimproved land and improved property. Land is always valued as if unimproved and ready to be put to its highest and best use. Improvement value is measured by its contribution to the whole.

Physically, the subject property is a typical residential site with an existing drainage easement on the west of the property. There are no flood issues on the property and the site is level and slopes at edge to the drainage/utility easement. The property has all utilities at the site. Soil types are conducive for development based on the surrounding properties.

Legally the site is zoned “R-2”, a zoning that allows medium density, single family uses. No deed restrictions were found that would negatively affect the residential use of the site. The site is impacted by typical utility easements and the existing drainage easement at the rear of the property.

Feasibly, the market supports active growth and new development in the city and sales of existing homes continue even with the recent slowdown caused by the pandemic. Alternative uses for the site are unrealistic and most would be precluded by the zoning. The highest and best use of the site and the most likely use would be as a residential site consistent with the current zoning.

The improved property is not valued in this report but improvements appear to contribute to the value of the site and, as such, reflect the highest and best use of the property as improved.

VALUATION

Normal approaches to value are the cost, market data or sales comparison, and income approaches. Land is typically valued from market data, where other sales of land tracts are compared to a subject, differences are recognized, and the sales reconciled into a value estimate. This approach is also applicable to improved properties. The cost approach employs replacement costs of improvements, from which are deducted accrued depreciation. Land value and net improvement values are added for a value estimate from the cost approach. The income approach is an investor technique, where net income from real estate is derived, then capitalized or processed under discounted cash flow methods, to arrive at a value indication. In this report, the income approach was not used, and land was valued from sales comparisons and market data. Improvements within the proposed easement area were valued by cost analysis. No other approaches were considered necessary.

EXPOSURE TIME

Marketing time is the prospective length of time during which a sale may occur, after the date of value. Exposure time is the retrospective time during which a property would have been on the market to sell at the estimated value, at the date of value. Marketing time is a future projection, while exposure time occurs prior to date of value. The exposure time for the subject property is based on the marketing times of sales, and information from brokers, market participants (buyers, sellers), and statistical data. This data is expected to reflect the impact of supply and demand, general and local economic factors, and considerations for the future that would have affected price decisions at the date of value. In appraiser's opinion, this data would support an exposure time projection for the subject of approximately one year or less. Subject was valued as if it had been exposed on the market for such a time

LAND VALUATION

Land is generally valued by market data comparisons. At any point in time, the availability of current, similar sales is limited in a specific market area. The following sales were used to estimate value of subject whole property site. Some may vary considerably in time, location, and physical features. Details about these sales are included on the following pages.

LAND SALE 1



Grantor:	Serene Alliance, LLC
Grantee:	Elwasella M. Hamdoun
Date of Sale:	7/9/20
Location:	356 Marble Creek Drive Ft. Worth
Recording:	D220164298 Tarrant County Deed Records
Price:	\$7.22/SF
Size:	7,753 square feet/.1780 acres
Legal Description:	Trails of Fossil Creek Phase1, Blk LL, Lot 1, Tarrant County

This property is a slightly irregular corner lot but not adverse. It has 75.84 feet of frontage on the side south side facing Marble Creek drive and 100 feet of frontage on Fossil Springs Drive which is a two-lane entry road into the subdivision. Site is within a group of residential lots in this subdivision that are yet to be improved. The site has all utilities. It is zoned A-5 single family residential. Sale was cash to the seller with no minerals transferring with the sale. This site is in north Tarrant county and within 5 miles of subject property.

LAND SALE 2



Grantor:	Anthony and Lee Ann Burdock, Trustee of Estate
Grantee:	Carolina Salgado
Date of Sale:	6/27/18
Location:	524 Greenvale Court, Saginaw
Recording:	D218165901 Tarrant County Deed Records
Price:	\$5.32/sf
Size:	.2180 acres / 9,497 SF
Legal Description:	Commons at Willow Creek Block 2 Lot 33

This property is a cul-de-sac lot with 44.02 ft of frontage to Greenvale Ct. It is 115 ft. deep. The owner bought the lot with intention to build. Zoning was "SF-4", Single Family Residential. No minerals were included in the sale. This area is not within a flood zone. Sale was cash to the seller.

LAND SALE 3



Grantor:	Chris Intharansy and Dawn Phim
Grantee:	James Hernandez
Date of Sale:	8/05/19
Location:	7313 Gillis Johnson Street, Ft. Worth
Recording:	D219173619 Tarrant County Deed Records
Price:	\$3.65/SF
Size:	14,525 SF
Legal Description:	Lake Crest Estates Unit 2 Lot 25 Block C

This property was vacant land on Gillis Johnson Street. Buyer plans to plat the site for development. It was bought with the intention to improve but was still vacant at time of report. The property had approximately 69.7 feet of frontage along Gillis Johnson Street. It is rectangular and approximately 208.4 feet deep. The site was zoned “R-1” single family residential and located far north Ft. Worth. The property has all utilities and no flood terrain. Sale involved no minerals and was cash to the seller.

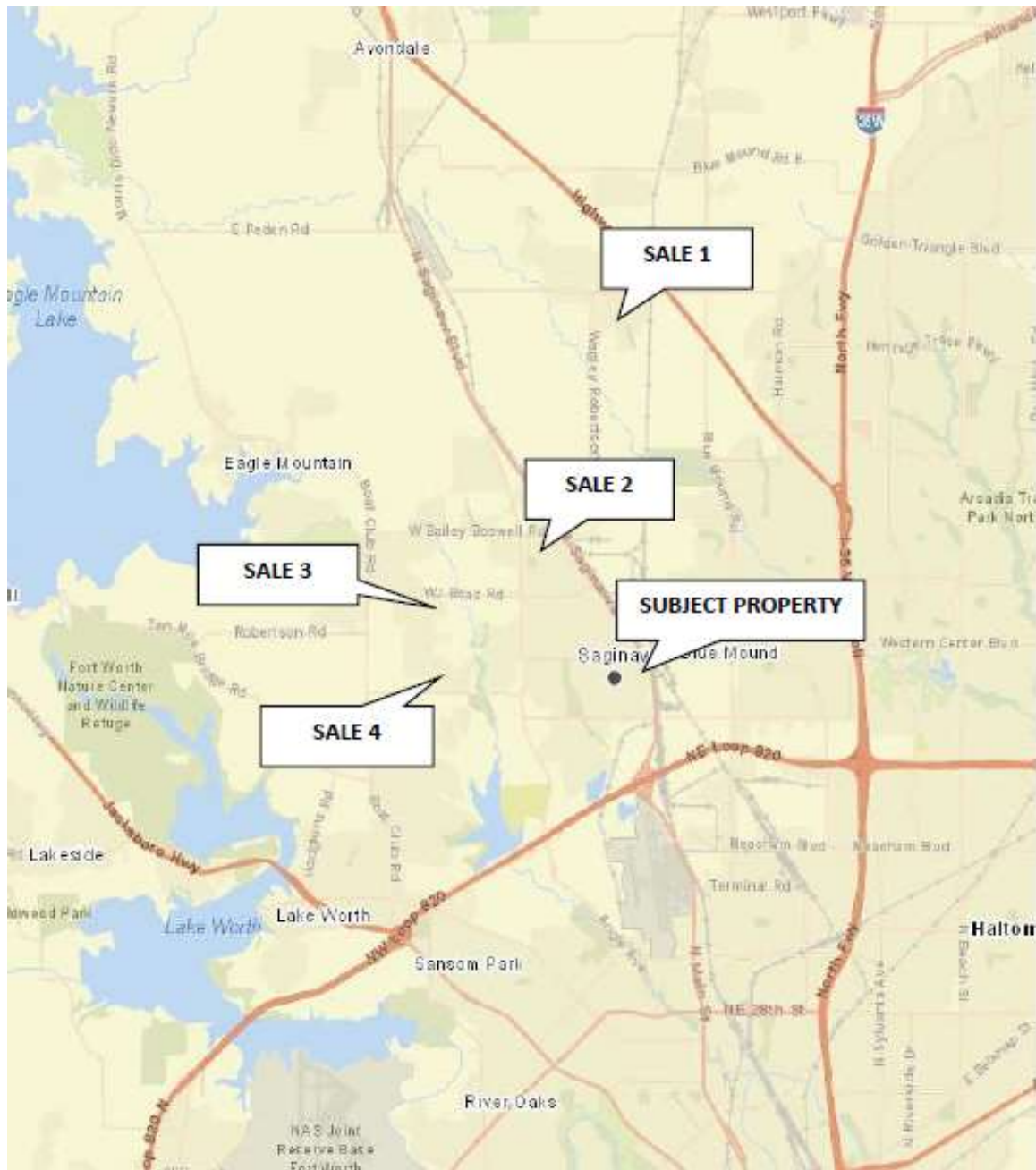
LAND SALE 4



Grantor:	John L. Rodela
Grantee:	Daniel Olmos
Date of Sale:	10/5/18
Location:	6616 Gillis Johnson Street, Ft. Worth
Recording:	D218235313 Tarrant County Deed Records
Price:	\$3.91/sf
Size:	12,782 square feet
Legal Description:	Lake Crest Estate Unit 2 Lot 3 Block X

This sale was located on the north side of Gillis Johnson St in a residential subdivision of north Fort Worth. The lot had a few trees with 70 feet of frontage and 208 feet of depth. The buyers intended use was to build a house. The zoning is residential (R-1). The property was not within any flood zone and had all utilities at the site. Sale was cash to the seller.

SALES MAP



Comparison of land sales or improved sales in any market area always depends on the amount of data (sales and listings) available for comparison. Comparisons of sales to extract adjustments is the most common method used but pure analysis of differences on that basis requires very similar data and adequate sales volume and most often that similarity and volume do not exist. Other supplemental and reliable techniques include anecdotal information from brokers, buyers and sellers, costs involved in certain remediation issues such as flood land or relocation of tanks or pipelines and catalogued adjustments from the files of the appraiser or other appraisers. All of these methods were considered or used in the analysis of the subject whole site value. The sales used in this analysis were all residential land sites that were generally similar in size and other features. The main factors of difference were location and size. The initial adjustment is typically change in a market or a time adjustment. Residential markets have dramatically improved over the past three years with sales showing measurable increases. The residential land market has been relatively stable for several years, but comparisons could support increases over the last two to three years. An adjustment of approximately 5% per year was used to adjust the sales for the market improvement between 2017 and 2019. Sales from 2019 and 2020 reflect a more stable market and no adjustments were made. Adjustment is based on the year of closing and not monthly. There is still ample land available for all types of uses in this market to offset large increases, but better locations appear to still be in demand.

The first sale was located in north Fort Worth near Saginaw and considered similar in terms of location. The site was similar in physical features, but its size was smaller. Smaller tracts tend to sell at higher unit prices as indicated when comparing this sale to the other sales, so a downward adjustment was made. This is justified based on economy of scale issues. The location was in Tarrant County and located in north Fort Worth.

The second sale was located in a similar location as our subject and was considered similar in size and physical features. The sale was adjusted upward for date of sale since the sale occurred in 2018. This was the only recent sale found in Saginaw.

Sale #3 was the sale of a site bought with the intention to build a home. It is also located in north Fort Worth, but the location was considered inferior based on comparison of the sales. The area is located due west of the Saginaw city limits but has no curbs and guttering and the homes in the area vary from older frame houses to mobile homes.

Sale #4 was the sale of a tract of land bought with the intention to build a home. It is also located in the same neighborhood as Sale #3 and a location adjustment was necessary. The sale also required a time adjustment since the sale occurred in 2018. Other features were similar and no other adjustments were necessary.

The following grid indicates the adjustments made to the sales used.

(Note: Adjustments made sequentially)

<i>Subject</i>	<i>Sale 1</i>	<i>Sale 2</i>	<i>Sale 3</i>	<i>Sale 4</i>
<i>Price</i>	<i>\$7.22/sf</i>	<i>\$5.32/sf</i>	<i>\$3.65/sf</i>	<i>\$3.91/sf</i>
<i>Market/Time (current)</i>	<i>07/20</i>	<i>06/18 +5%</i>	<i>08/19</i>	<i>10/18 +5%</i>
<i>Terrain-level (no flood)</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
<i>Location</i>	<i>Similar</i>	<i>Similar</i>	<i>Inferior +45%</i>	<i>Inferior +45%</i>
<i>Size 9,173 sf +/-</i>	<i>7,753 sf -25%</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
<i>Other</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>	<i>Similar</i>
<i>Indicated Values</i>	<i>\$5.42/sf</i>	<i>\$5.59/sf</i>	<i>\$5.29/sf</i>	<i>\$5.95/sf</i>

Adjusted values ranged from \$5.29/sf to \$5.95/sf. The subject property site is considered supportable and reasonable in the middle of that range of values and estimated at \$5.50/sf. or in round figures.....\$50,500.

DRAINAGE/UTILITY EASEMENT TAKING

The value of the easement taking is based on the difference between the proposed easement area prior to and after the imposition. The taking is too small and too narrow to have value as a separate economic unit. The permanent easement area is estimated at the same unit price prior to imposition as the estimated unit value of the whole property site or \$5.50/sf. Total area of the proposed easement is 679 square feet for a total value of \$3,735.00

The value of the permanent easement area, after imposition is developed by comparison with sales with and without easements. Losses due to easement imposition tend to range from 40% to 99% based on the amount of restrictions on the affected land after easement imposition. The most restrictive easements such as open drainage easements or petroleum pipeline easements tend to be the most restrictive since virtually no use is available to the owner after imposition. The easement in this case will be an open drainage easement but the portion of the easement that will not be available for any use will be off of the site and the lesser restricted part of the easement will be on the subject property. The owner will be allowed to use the area after imposition for storage buildings, landscaping or fencing but no permanent structures will be allowed. This loss is more similar to a utility line easement than a drainage easement, so the loss is estimated at 50%. The value of the easement area, after imposition can, therefore, be estimated as follows:

679 Square feet x \$5.50/sf = \$3,735 x .50 = \$1,867.50 or in round terms, \$1,900.

The improvements in the taking area can be measured using cost analysis, as follows:*

Storage Building:	120 sf. x \$13.75/sf	= \$1,650.
Concrete Patio:	115 sf x \$10/sf	= \$1,150.
Wood Deck:	230 sf x \$20/sf	= \$4,600.
Brick Patio Area:	32 sf x \$12/sf	= \$ 384.
Landscape:		= \$ 400.
Total Cost New:		= \$8,184.

The improvements are not new so depreciation has to be deducted to develop a contributory value. The home was built in 1963 but some of the improvements were added since that time including the improvements within the easement area. Assuming an effective age of 30 years and a remaining life of 20 years, a percentage of 60% can be estimated. Discounting the total cost new by 60% indicates a contributory value of the improvements \$3,273 or in round terms, \$3,300.

Adding the improvement contribution to the permanent easement value of \$1,900 indicates a final value of the easement imposition of \$5,200.

*(Cost Source: *Marshall and Swift Valuation Service*)

REMAINDER AND DAMAGES

The remainder, after the easement imposition will be the same area as the whole property site or 9,173 square feet since the easement is not a fee taking. The same sales can be used to support the value of the remainder property (site) as were used to value the whole property (site). The only loss should be the loss of the value within the proposed easement area so the value can be estimated at \$50,500 (-) 1,900 (lost site value within easement area) or \$48,600.

The fencing along the new easement wall will be replaced by the city or its contractor after completion of the project. In addition, the affected fencing between the properties will be repaired or replaced after the completion of construction. The easement area inside the fencing along the easement wall will be re-sodded to replace the lawn area affected by the new easement.

No damages, therefore, accrue to the remainder.

SUMMARY OF COMPENSATION

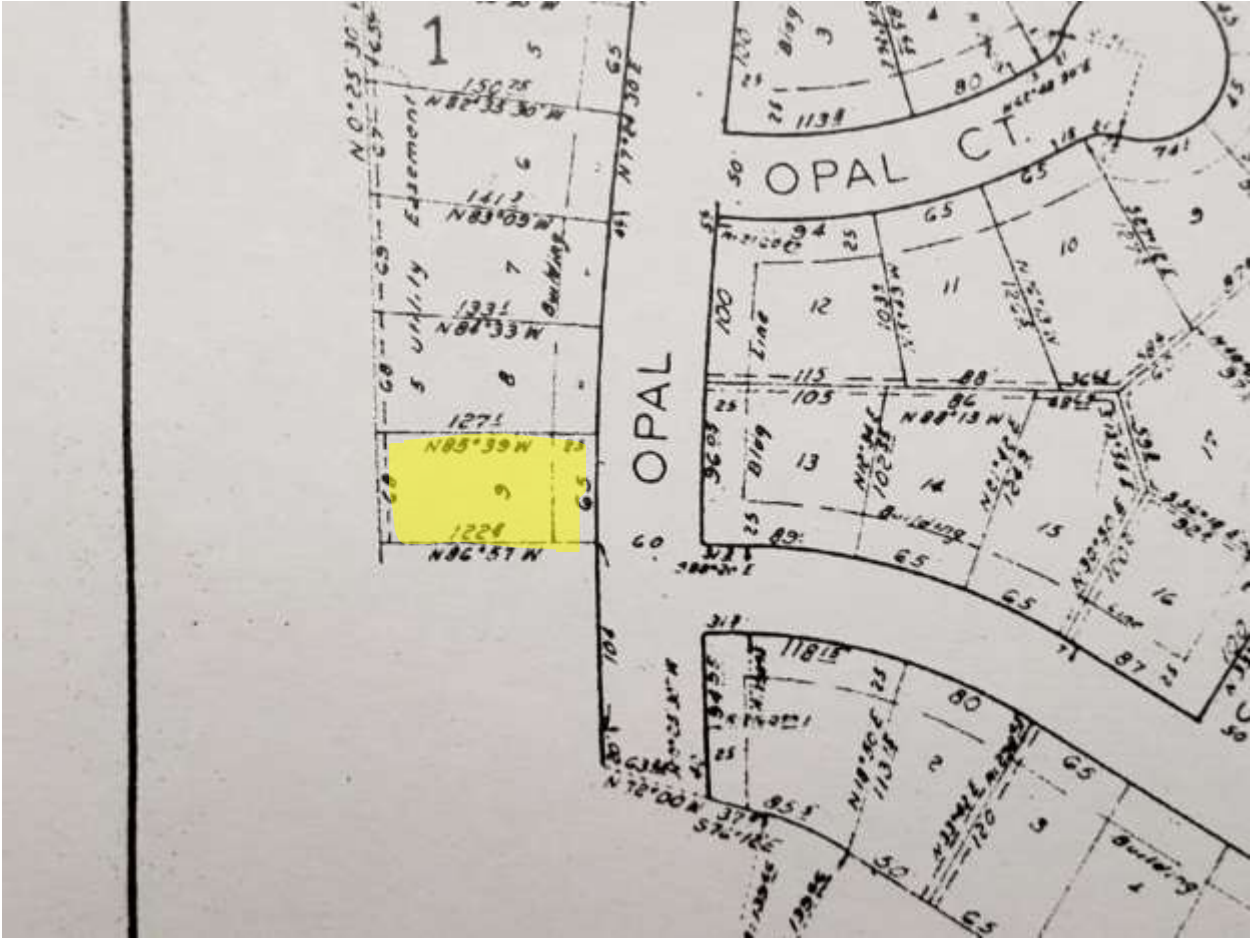
1.Value of Whole Property: (Land Only)	\$50,500.00
2.Value of Easement Rights in Taking: (Land Only)	\$ 1,900.00
3.Value of Remainder, Prior to the Taking: (Land Only)	\$48,600.00
4.Value of Remainder, After the Taking: (Land Only)	\$48,600.00
5.Improvement Contribution in Easement Area:	\$ 3,300.00
Total Compensation: (Add 2 and 5)	\$ 5,200.00

ADDENDA

SURVEY OF THE EASEMENT TAKING



SURVEY OF WHOLE PROPERTY



QUALIFICATIONS OF APPRAISER

Tom Kyser is a self-employed, independent fee appraiser officing at 1412 Texas Street, Fort Worth, Texas 76102.

State Certification

State certified as a General Real Estate Appraiser,
Certificate TX-1320755-G

Formal Education:

Southwest Texas State University - Bachelor of Science, 1970

Appraisal Education:

The following Appraisal Institute courses have been completed.

Case Studies in Real Estate Valuation

Report Writing and Valuation Analysis

Standards of Professional Practice

Litigation Valuation

Course 101 - Introduction to Appraising Real Property

Course 201 - Principles of Income Property Appraising

Professional Affiliations:

Appraisal Institute; Senior Residential Appraiser (SRA), 1974,

Member, Appraisal Institute (MAI) 1983

Other Affiliations:

Greater Fort Worth Board of Realtors

Texas Association of Realtors

National Association of Realtors

Experience and Work Area

Have been self-employed as an independent fee appraiser since 1977. Work assignments have included dwellings, residential and non-residential subdivisions, commercial, office, retail, and industrial improved properties, urban and rural land. Assignments have been completed for both public and private sector clients. Have over thirty years experience in appraising for eminent domain, in all property types. Have been qualified as expert witness and testified numerous times in special commissions, state courts, and bankruptcy court. Work area generally includes Tarrant County and surrounding counties in Texas.

Appraisals Done For: (partial list)

Fort Worth Independent School District

State of Texas

First National Bank of Weatherford

Aledo Independent School District

Wells Fargo Bank

City of Arlington

City of Fort Worth

Federal Deposit Insurance Corp.

Hurst-Euless-Bedford Independent School District

City of Kennedale

Ultramar Diamond Shamrock Corp.

Sprint Petroleum

City of Azle

City of Burleson

Parker County Appraisal District

Town of Argyle

Chase Texas Banks

U.S Army Corps of Engineers

Tarrant County Water Board

City of Corinth