



The insight you need. The independence you trust.

Ziggi's Coffee

Freestanding Drive Thru Coffee Shop
6134 South Memorial Drive
Tulsa, Oklahoma 62959

BBG File #0123000040
Client File #221221039

Prepared For

High Plains Bank
Appraisal Administrator Appraisal Review Group
329 Main Avenue
Flagler, CO 80815

Report Date

January 17, 2023

Prepared By

BBG, Inc., Dallas Office
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Client Manager: Michael Septer, MAI
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January 17, 2023

High Plains Bank
Appraisal Administrator Appraisal Review Group
329 Main Avenue
Flagler, CO 80815

Re: Appraisal of Real Property
Ziggi's Coffee
6134 South Memorial Drive
Tulsa, Oklahoma 74133
BBG File #0123000040
Client File #221221039

Dear Appraisal Review Group:

In accordance with your authorization (per the engagement letter found in the addenda of this report), we have prepared an Appraisal Report of the above-referenced property.

The subject property is an existing drive-thru only retail building operating as Ziggi's Coffee. The subject contains 624 SF of gross building area on a 0.56-acre site. According to the information provided to our firm, the subject is not encumbered by a lease.

As of the valuation date of this report, J Bales Inc. owns the subject property. To the best of the appraiser's knowledge, the subject was not listed for sale on the open market; however, is currently under a sales contract. The subject is under a contract for a consideration of \$1,590,000 or \$2,548/SF for the real estate only. Note that there is a separate asset sales contract for the franchisee business/FF&E for a consideration of \$10,000. Based upon the analysis herein; the real estate sales contract is an arm's length transaction and is indicative of market value.

This appraisal report was prepared to conform with the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP), the appraisal guidelines set forth in Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), and the December 2010 Interagency Appraisal and Evaluation Guidelines. This report has been written in accordance with the Code of Ethics and the Standards of Professional Practice of the Appraisal Institute. In addition, this report is intended to be in compliance with additional requirements of High Plains Bank (client). No other party may rely upon the findings in this report.

Note: Our opinions of market values are subject to the following Extraordinary Assumptions and/or Hypothetical Conditions:

EXTRAORDINARY ASSUMPTION(S) AND HYPOTHETICAL CONDITION(S)	
The values presented within this appraisal report are subject to the extraordinary assumptions and hypothetical	
Extraordinary Assumption(s)	This appraisal employs no extraordinary assumptions.
Hypothetical Condition(s)	This appraisal employs no hypothetical conditions.

January 17, 2023

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Based on our inspection of the property and the investigation and the analysis undertaken, we have concluded the following value opinions. ***The value presented in the table is for real estate only and excludes business value and FF&E.***

MARKET VALUE CONCLUSION(S)			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value - As Is	Fee Simple	January 11, 2023	\$1,590,000

This letter must remain attached to the report, which should be transmitted in its entirety, in order for the value opinion set forth to be considered valid.

January 17, 2023

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Our firm appreciates the opportunity to have performed this appraisal assignment on your behalf. If we may be of further service, please contact us.

Sincerely,
BBG, Inc.



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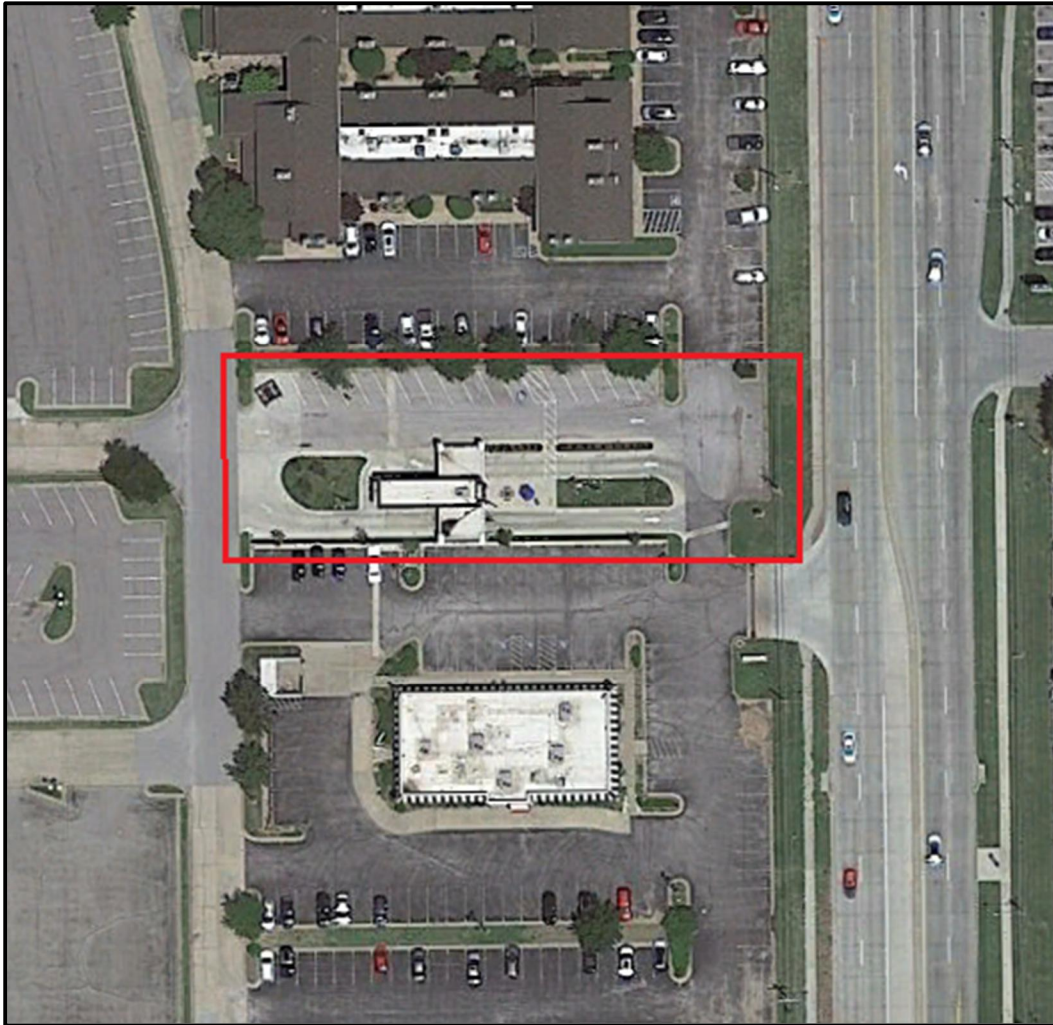
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SUBJECT PROPERTY



AERIAL PHOTOGRAPH



SUMMARY OF SALIENT FACTS

PROPERTY DATA

Property Name	Ziggi's Coffee
Address	6134 South Memorial Drive Tulsa, Oklahoma 74133
Location	West side of Memorial Drive, 350' south of East 61st Street
Property Description	Retail (Freestanding) Freestanding Drive Thru Coffee Shop
County	Tulsa
Parcel Number	39314-83-02-18370
Census Tract No.	'0076.16
Legal Description	PRT RES A & PRT BLK 2 BEG 459.91 SWC SOUTHBRIDGE EAST OFFICE PARK TH N90 E270 S90 W270 POB
Site Area	
Primary Site	24,394 square feet (0.56 acres)
Zoning	CS;Light Industrial
Flood Status	Zone X (unshaded) is a Non-Special Flood Hazard Area (NSFHA) of minimal flood hazard, usually depicted on Flood Insurance Rate Maps (FIRM) as above the 500-year flood level. This is an area in a low to moderate risk flood zone that is not in any immediate danger from flooding caused by overflowing rivers or hard rains. In communities that participate in the National Flood Insurance Program (NFIP), flood insurance is available to all property owners and renters in this zone.
Year Built	2018
Year Renovated	N/A
Type of Construction	Concrete block
Number of Buildings	1
Gross Building Area	624 square feet
Net Rentable Area	624 square feet
Total Number of Tenants	1
Occupancy	100.0%
Overall Condition	Good
Overall Quality	Excellent
Overall Design/Functionality	Good

RISK SUMMARY

Advantages	The subject is located in a primary market being Tulsa, OK. The subject property has been constructed within the past five years, and is in a good condition.
Challenges	Inflation remains a chief concern among investors and lenders. Should inflation not come in line with Federal Reserve targets quickly, the risk of additional prime interest rate hikes will remain elevated. Rising interest rates are a concern for real estate investors as it may compress returns and impact financing alternatives.

VALUE INDICATIONS				
As Is as of January 11, 2023				
Cost Approach	\$1,330,000	\$	2,131	Per Square Foot (GBA)
Land Value	\$380,000	\$	15.58	Per Square Foot of Land
Sales Comparison Approach	\$1,590,000	\$	2,548	Per Square Foot (GBA)
Income Capitalization Approach				
Direct Capitalization	\$1,600,000	\$	2,564	Per Square Foot (GBA)
Approach Reliance	Sales Comparison			
Value Conclusion - As Is	\$1,590,000	\$	2,548	Per Square Foot (GBA)
Exposure Time (Months)	12			
Marketing Time (Months)	12			

PROPERTY TRANSACTION HISTORY

As of the valuation date of this report, J Bales Inc. owns the subject property. To the best of the appraiser's knowledge, the subject was not listed for sale on the open market; however, is currently under a sales contract. The subject is under a contract for a consideration of \$1,590,000 or \$2,548/SF for the real estate only. Note that there is a separate asset sales contract for the franchisee business/FF&E for a consideration of \$10,000. Based upon the analysis herein; the real estate sales contract is an arm's length transaction and is indicative of market value.

Current Contract	
Contract Date	July 29, 2022
Sale Price	\$1,590,000
per SF NRA	\$2,548.08
Grantor	J Bales Inc.
Grantee	FL Ziggi's Operating LLC
Comments	Based upon the analysis herein, the contract price is slightly below the subject's as is market value and is an arm's length transaction.
Recent Transaction	
Sale Date	May 9, 2018
Deed Book/Page	2018044140
Sale Price	\$350,000
per SF of Land	\$14.35
Grantor	Oklahomasak Properties One LLC c/o Les Davis
Grantee	J Bales Inc.
Comments	This transaction represents the sale of the land of the property. This was an arm's length transaction.

SCOPE OF WORK

APPRAISAL INFORMATION

Client	High Plains Bank 329 Main Avenue, Flagler, CO 80815
Intended User(s)	High Plains Bank, US Small Business Administration and REI Oklahoma
Intended Use	loan underwriting for a sale/purchase
Property Rights Appraised / Premise	•Market Value of the Fee Simple interest in the subject property, As Is as of January 11, 2023
Date of Inspection	January 11, 2023
Marketing Time	12 months - "as is"
Exposure Time	12 months - "as is"
Owner of Record	J Bales Inc.
Property Contact(s)	Chelsey Franklin, broker, provided the necessary information needed for the appraisal report.
Most Probable Purchaser	Owner-User
Highest and Best Use	
If Vacant	Retail development
As Improved	Retail development

SCOPE OF THE INVESTIGATION

General and Market Data Analyzed	- Regional economic data and trends - Market analysis data specific to the subject property type - Published survey data - Neighborhood demographic data - Comparable cost, sale, rental, expense, and capitalization rate data - Floodplain status - Zoning information - Assessor's information - Interviewed professionals knowledgeable about the subject's property type and market
Inspection Details	Nicholas Askew inspected the subject property.

Property Specific Data Requested and Received

PROPERTY DATA RECEIVED

Site plan
Sale contracts

Data Requested, but not Provided

DATA REQUESTED, BUT NOT PROVIDED

None

Data Sources

DATA SOURCES	
Site Size	Site Plan
Building Size	Site Plan
Tax Data	Assessor's Records
Zoning Information	Planning Dept
Flood Status	FEMA
Demographics Reports	Spotlight
Comparable Land Sales	CoStar, Assessor's Records
Comparable Improved Sales	CoStar, BBG Database, Brokers
Comparable Improved Leases	CoStar, BBG Database, Brokers

VALUATION METHODOLOGY

Most Probable Purchaser	To apply the most relevant valuation methods and data, the appraiser must first determine the most probable purchaser of the subject property. The most probable purchaser of the subject "As Is" is an owner-user as there are no long-term leases in place.
Valuation Methods Utilized	This appraisal employs all three typical approaches to value: the Cost Approach, the Sales Comparison Approach, and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that all approaches would be considered meaningful and applicable in developing a credible value conclusion.

DEFINITIONS

Pertinent definitions, including the definition of market value, are included in the glossary, located in the Addenda to this report. The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States:

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 are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

^[1] (Interagency Appraisal and Evaluation Guidelines; December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472)

LEVEL OF REPORTING DETAIL

Standards Rule 2-2 (Real Property Appraisal, Reporting) contained in USPAP requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report.

This report is prepared as an **Appraisal Report**. An Appraisal Report must at a minimum summarize the appraiser's analysis and the rationale for the conclusions.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Overview

Environmental, Social and Governance (ESG) has become a standard criterion in the global real estate sector, excepting the United States. The European Union has adopted specific, conduct-based directives on ESG. In the US, while there has been a scattering of ESG regulations within specific markets there has been no industry wide or politically enacted regulations. Nevertheless, market participants are increasingly concerned with environmental risks, sustainable construction, carbon neutrality, social responsibilities, and governance of their companies, partners, and vendors.

Principles for Responsible Investment provides the following summary of approaches to responsible investment for direct and indirect real estate investors.

 ENVIRONMENTAL ▪ Biodiversity and habitat ▪ Climate change ▪ Land contamination ▪ Energy consumption ▪ Greenhouse gas emissions ▪ Indoor environmental quality ▪ Location and associated infrastructure ▪ Materials ▪ Pollution prevention ▪ Resilience to catastrophe/disaster ▪ Renewable energy ▪ Sustainable procurement ▪ Waste management ▪ Water consumption	 SOCIAL ▪ Community development ▪ Controversial tenants ▪ Health and well-being of occupants, contractors and the local community ▪ Human rights ▪ Accessibility ▪ Inclusion and diversity ▪ Labour standards and working conditions ▪ Social enterprise partnering ▪ Stakeholder relations ▪ Occupier amenities – showers, changing rooms	 GOVERNANCE ▪ Anti-bribery and money laundering ▪ Cybersecurity ▪ Board diversity ▪ Independence of board members ▪ Remuneration policy (including ESG-linked incentives) ▪ Data protection and privacy ▪ Legal and regulatory fines ▪ ESG clauses in contracts ▪ Asset data collection framework and/or management systems ▪ Procurement standards and requirements ▪ Tenant engagement frameworks
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Furthermore, PRI provides examples of how these issues may affect property valuations.

ADDITIONAL CAPITAL EXPENDITURES	Equipment upgrades to improve energy performance
INCREASED COSTS	Higher insurance premiums due to physical risk factors
FUTURE INCOME UNCERTAINTY	Tenant and leasing disruption due to extreme weatherevents
OBSOLESCENCE RISK	Buildings that do not meet minimum energy performancestandards set by legislation

Environmental

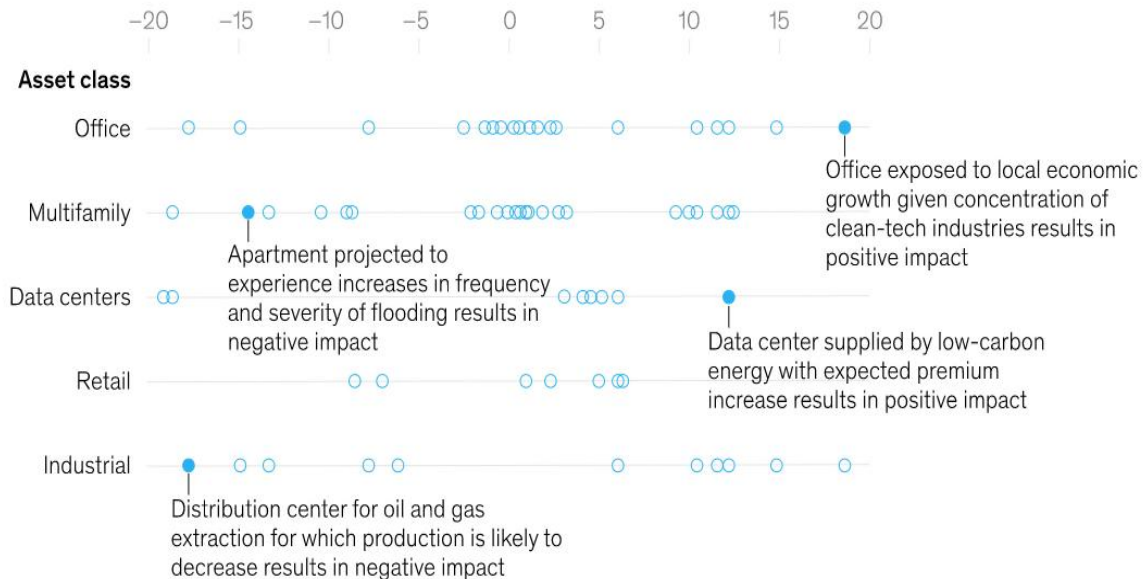
Both physical and transition risks must be analyzed for each property and market. Physical risks are hazards caused by changing climate such as floods, fires, rising temperatures, and rising sea levels. Transition risks involve the responses to climate change by humans and society. An example of transition risk is New York's Local Law 97 which requires most buildings over 25,000 square feet to meet energy and greenhouse gas emissions by 2024 with additional requirements in 2030. Transition risks are regulatory, economic and social changes that could affect asset values.

According to *Climate Risk and the Opportunity for Real Estate* by McKinsey & Company,

The combination of this economic transition and the physical risks of climate change has created a significant risk of mispricing real estate across markets and asset classes. For example, a major North American bank conducted analysis that found dozens of assets in its real-estate portfolio that would likely be exposed to significant devaluations within the next ten years due to factors including increased rates of flooding and job losses due to the climate transition. Additionally, a study of a diversified equity portfolio found that, absent mitigating actions, climate risks could reduce annual returns toward the end of the decade by as much as 40 percent. Leading real-estate players will figure out which of their assets are mispriced and in what direction and use this insight to inform their investment, asset management, and disposition choices. They will also decarbonize their assets, attracting the trillions of dollars of capital that has been committed to net zero and the thousands of tenants that have made similar commitments. They will then create new revenue sources related to the climate transition.

Building climate intelligence is central to value creation and strategic differentiation in the real-estate industry. But the reverse is also true: real estate is central to global climate change mitigation efforts. Real estate drives approximately 39 percent of total global emissions. Approximately 11 percent of these emissions are generated by manufacturing materials used in buildings (including steel and cement), while the rest is emitted from buildings themselves and by generating the energy that powers buildings. Real-estate owners and investors will need to improve their climate intelligence to understand the potential impact of revenue, operating costs, capital costs, and capitalization rate on assets. This includes developing the analytical capabilities to consistently assess both physical and transition risks. Analyses should encompass both direct effects on assets and indirect effects on the markets, systems, and societies with which assets interact.

The following chart from McKinsey& Co. shows examples of physical and transition risks, and their potential effects on value.

Illustrative chart and examples of physical and transition risk effects on equity value of assets, %

Social

According to *ESG Real Estate Insights* by Deloitte,

Recently, the “S” in ESG has received growing attention as the COVID-19 pandemic put greater emphasis on the social factor. Since real estate companies have a significant social impact, they should consider the “S” as a value driver. Social aspects in real estate include, for example, participation in the rehabilitation of public spaces, affordable housing, social housing or care centers as well as ensuring security in buildings and assuring human rights. From an internal perspective, social elements may also comprise ensuring workplace safety, fostering high standards in labor practices, responsible marketing, and promoting diversity across the company. Incorporating social considerations can increase companies’ ability to attract talent – especially among millennials. The risk of neglecting social elements can lead to a lack of reputation, lost work, higher employee turnover, increased operating costs, and may threaten the ability to operate.

Governance

The “G” in ESG and how it pertains to commercial real estate is convoluted. Governance in commercial real estate has little to do with individual assets or portfolios, and more to do with how a commercial real estate company is structured, led, and how decisions are made. Governance concerns itself with how an ESG focused entity approaches risk management and longer-term planning. It may also concern itself with how individuals who manage properties make decisions to build tenant and community trust.

From a bigger picture, the “G” truly focuses on the boardroom and according to *ESG Real Estate Insights* by Deloitte,

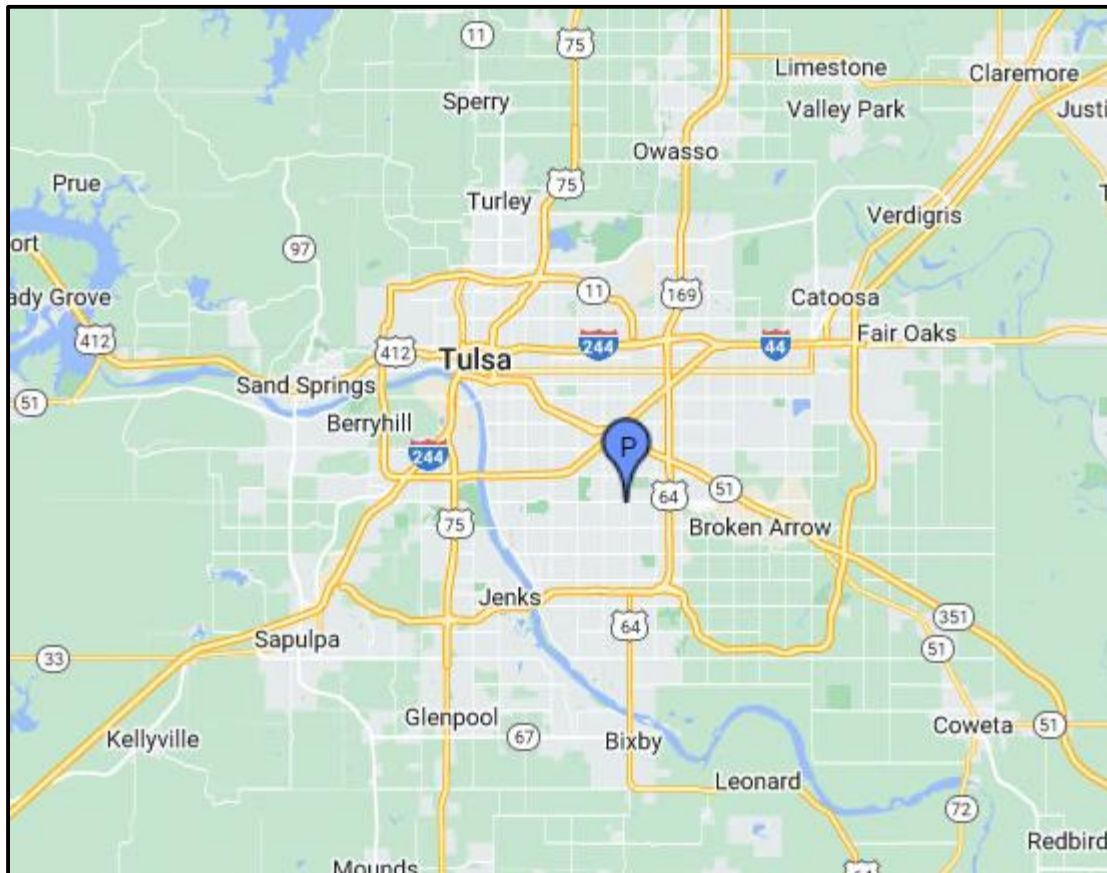
Regarding the “G” in ESG, governance scrutiny is central to companies’ ability to continue business operations. While promoting corporate governance can present an opportunity for real estate companies in

order to drive long-term value, not addressing governance considerations carries high risks – reaching from penalties and fines to a loss of reputation and market penetration.

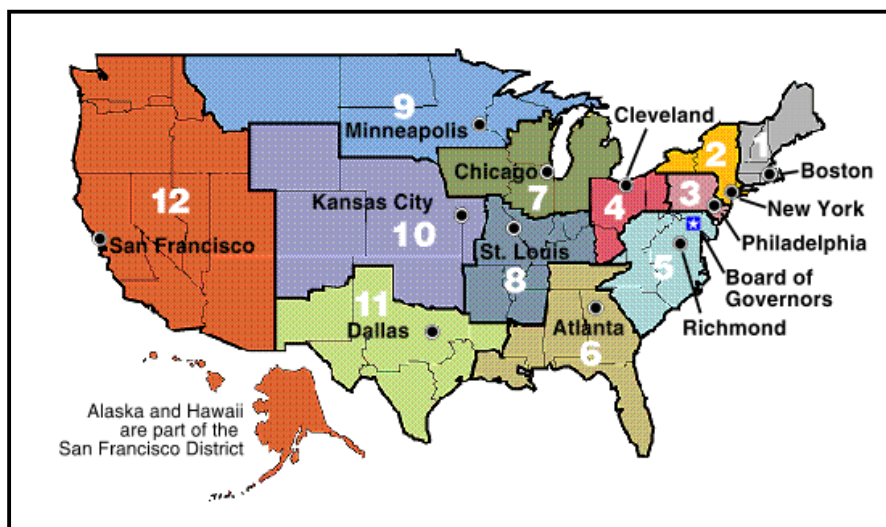
Governance elements include, among others, compliance with governance rules and guidelines, ensuring adequate and transparent remuneration, promoting transparent disclosure of governance issues, taking action against corruption, fostering diversity in management and governing bodies, as well as establishing and communicating organizational values. A corporate culture of ethics, compliance, and integrity is the foundation to create a positive long-term impact.

REGIONAL OVERVIEW

The subject is located within the city limits of Tulsa, Oklahoma and is located in the central portion of the Tulsa, OK Metropolitan Area (MSA).



ECONOMY



The subject is located in Federal Reserve Board's Beige Book's Tenth District. Real economic activity in the Tenth District declined slightly in recent months. The pace of job growth slowed due to the combination of lower demand from employers and ongoing labor supply constraints. Though growth in labor demand reportedly cooled, employers still indicated they are using higher compensation and additional training to build their workforce over the next several months. Consumer demand fell slightly in recent weeks, both for lower-priced goods and for personal services. The volume of consumer purchases fell broadly, but higher prices led to modest increases in total consumer expenditures. Activity among services businesses grew slowly, with the exception of advertising activity, which fell sharply over the past month. Manufacturing production declined modestly. Although selling prices continued to rise at a robust pace, several contacts noted growth in the prices of construction materials and other manufacturing inputs slowed. Also, growth in rent prices moderated from recent highs. Commodity prices declined by a small amount. Despite lower crop prices and worse-than-anticipated consequences of drought in the region, farm incomes and ag credit conditions improved modestly.

LABOR MARKETS

Tenth District contacts reported employment growth was mostly unchanged, as many employers slowed their hiring efforts in recent weeks. Contacts reported the reduction in the pace of hiring is partially due to cooling labor demand coinciding with lower expectations for growth in sales. Businesses also pointed to ongoing difficulties finding employees with requisite skills amid still-elevated labor demand. To fill open positions, most contacts noted they continued to raise compensation levels and increased the level of on-the-job training they offered to underqualified hires. A few contacts alternatively noted they accelerated their planned investments in automation to alleviate labor supply constraints. Despite recent slowing in hiring, most contacts reported expectations for modest employment growth over the next 12 months, citing expectations for growth, overworked staff, and demand for more skilled workers.

Wages rose at a moderate pace, with most contacts noting ongoing efforts to raise starting wages across job categories to attract new hires. Firms also reported they have been adjusting wages and salaries more frequently than in previous years to retain existing employees, as the cost of bringing on new hires is becoming burdensome.

PRICES

Most District contacts reported that selling prices continued to increase at a robust pace. However, input price growth slowed to a moderate pace, primarily due to easing growth in costs of manufacturing inputs. Although expectations that prices will continue to rise over the next six months were prevalent, a larger number of

manufacturing businesses expected price pressures to ease somewhat over the medium-term. The cost of housing remained a significant source of inflationary pressure for households in the District. Rent prices continued to increase at a moderate pace, though the pace of rent price growth eased from its historic high over the past few months.

CONSUMER SPENDING

Several contacts indicated that consumer demand declined slightly in recent weeks. For example, hair salons and studios reported giving fewer haircuts, and restaurant owners indicated patronage fell modestly in recent weeks. Demand for consumer goods, particularly lower-to-middle priced items, also fell modestly. Yet, high-end entertainment venues and travel resorts reported ongoing strength. Although the total volume of purchases across goods and services fell, total spending increased slightly due to higher prices.

COMMUNITY CONDITIONS

Small and micro enterprises reported tighter cash flows resulting from increased costs and slowing demand amid rising economic uncertainty. Small business contacts suggested banks demonstrated more risk aversion in their lending, exacerbating funding challenges for small businesses. When possible, business owners have been funding investments with cash as opposed to acquiring new debt. Also, contacts from community development financial institutions reported more business owners are utilizing non-traditional financing methods such as unsecured lines of credit and online finance firms that require higher interest rates, shorter terms, and more onerous repayment terms. Additionally, lender contacts reported that small business owners are exhibiting caution in their investment decisions, holding off on financing projects through the first half of 2023.

CONSTRUCTION AND REAL ESTATE

Multifamily housing real estate activity declined abruptly in recent weeks. This decline arose despite a backdrop of elevated demand for housing across the District and declining prices for construction materials. The downshift was attributed solely to higher interest rates and the outlook for higher rates over the near term. Debt financing for multifamily projects became less available over the last several months, but brokers and builders indicated that private equity and other sources of capital diminished sharply in recent weeks. Although the number of new multifamily housing deals declined sharply, construction activity was mostly unchanged due to the backlog of projects already underway.

MANUFACTURING

Overall activity among service providers rose modestly in recent months. Yet, several District contacts noted that demand for advertising services declined sharply in recent months. The decline was reported broadly across media types and across the types of goods and services being promoted. Though use of data storage and processing remained elevated, several businesses reported additional investments in software to diminish their use of data server services due to rising costs associated with high electricity prices. Manufacturing activity declined modestly in recent months as both revenues and total volumes of shipments fell. Several contacts noted that the availability of transportation services improved recently. Although growth slowed broadly, contacts across services and manufacturing reported favorable expectations for modest growth over the next 6 months.

BANKING AND FINANCE

Loan demand weakened modestly in the past month. Bankers noted rising interest rates reduced demand for credit and pressured residential real estate valuations. Contacts expected further weakness in loan demand during the first quarter of 2023 amidst rising borrowing costs and economic uncertainty. Credit quality remained stable, but bankers cited concerns around performance of consumer loan segments in the coming months. Deposit levels were mostly stable, although rate-sensitive customers sought additional yield for their excess funds. Some contacts noted that deposit relationships are now being factored into loan pricing decisions as banks seek to generate and maintain liquidity. Finally, rising interest rates continued to pressure bond portfolio valuations, resulting in reduced tangible book value and impacting potential merger activity.

AGRICULTURE

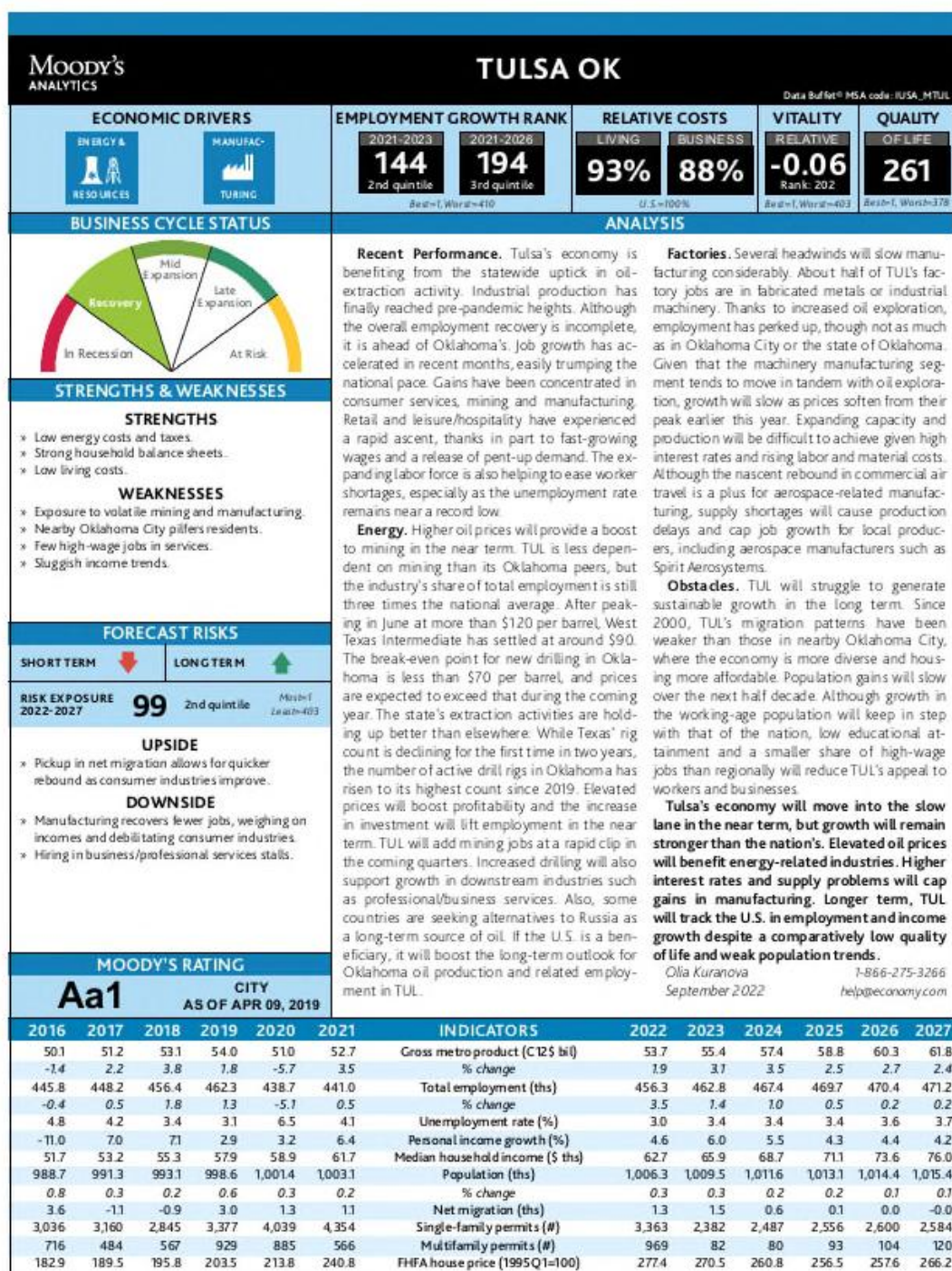
The Tenth District farm economy generally remained strong despite slightly lower commodity prices and intensifying adverse effects of drought in certain areas of the District. Overall, farm income and credit conditions continued to improve modestly. However, contacts in areas most impacted by drought reported that farm income and liquidity were slightly lower than a year ago. As harvest neared completion, crop yields were generally expected to be less than average across all states and were particularly poor in Kansas and Oklahoma. Dry conditions also reduced hay production throughout the region and is likely to push feed expenses higher for many livestock producers.

ENERGY

Tenth District energy activity expanded slightly compared to recent months. Although overall activity increased slightly, significantly lower natural gas prices, driven by higher production and export disruptions, resulted in a meaningful reduction in active natural gas rigs within the District. Higher oil prices over the last month provided a boost to oil drilling activity. The number of newly drilled wells rose faster in Colorado, Wyoming, and Oklahoma compared to growth in drilling activity in New Mexico. Well completion activity was up slightly across all major drilling basins within the District, bringing additional supply online. Business contacts continued to report high costs, with oil field services firms indicating a moderate increase in costs over the last month, albeit at a slower pace than earlier this year.

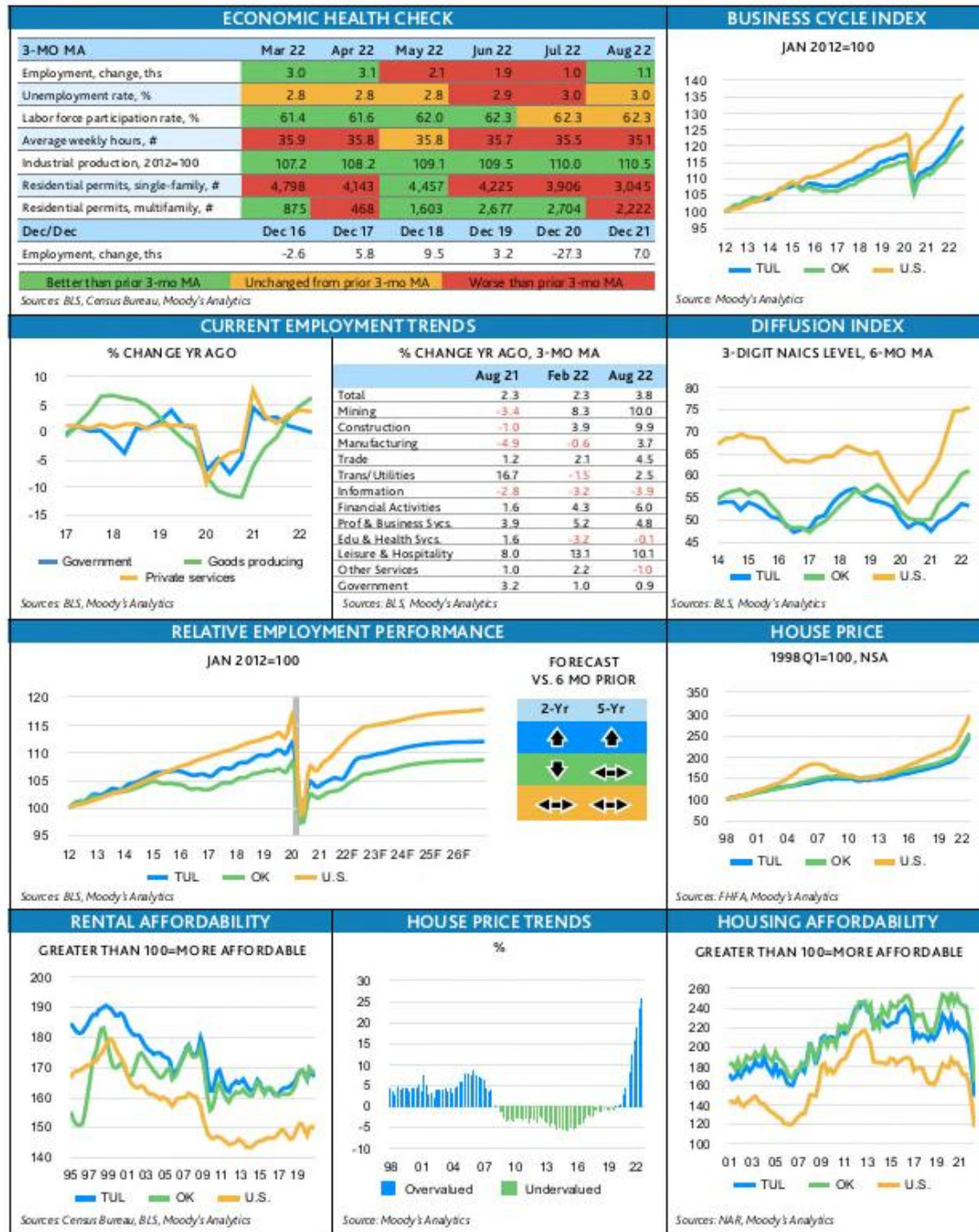
MOODY'S ECONOMY.COM METROPOLITAN SUMMARY

The following pages are taken from the most recent Moody's Economy.com report available. It will give the most current view of the economic conditions in the Tulsa, OK area (September 2022).



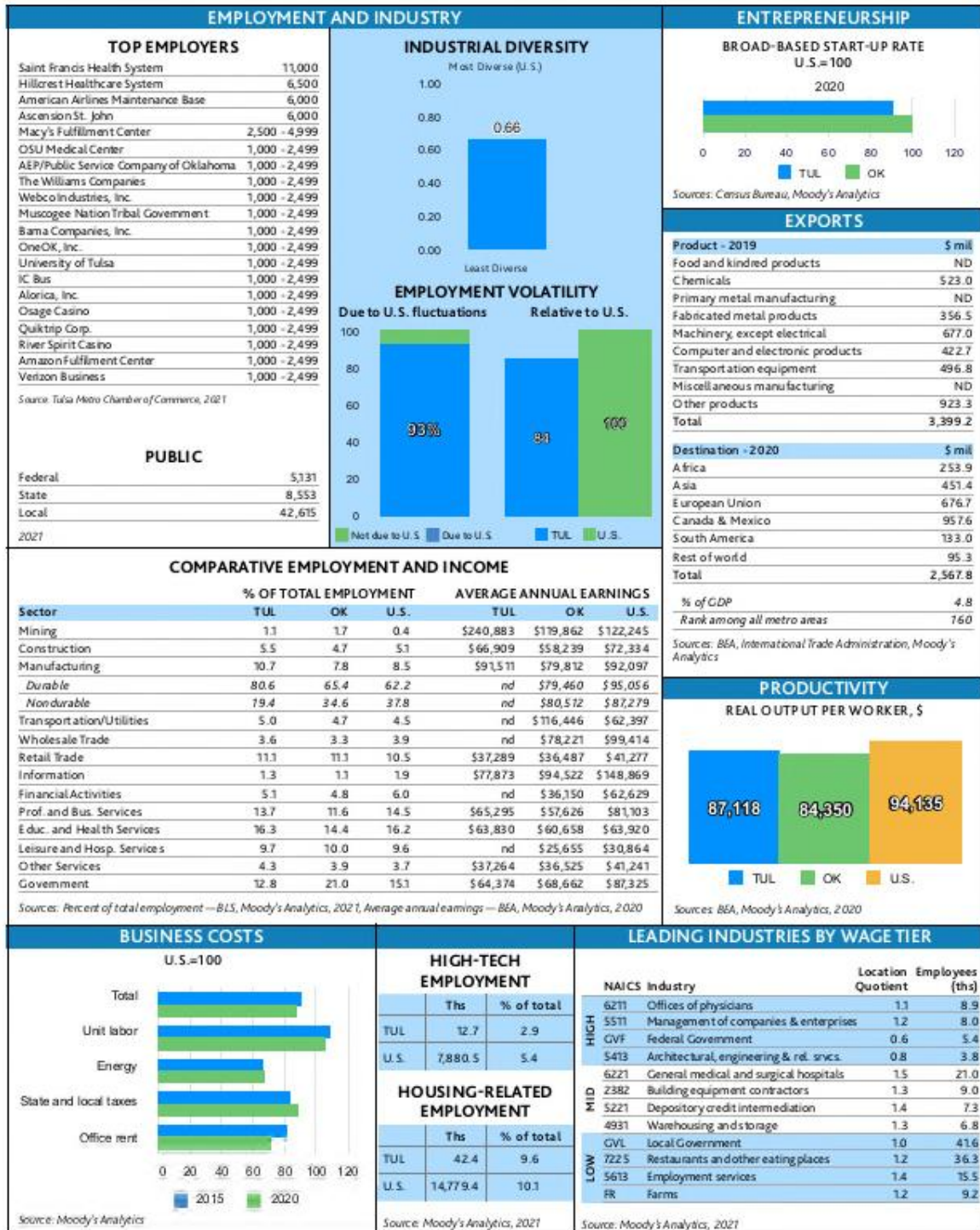
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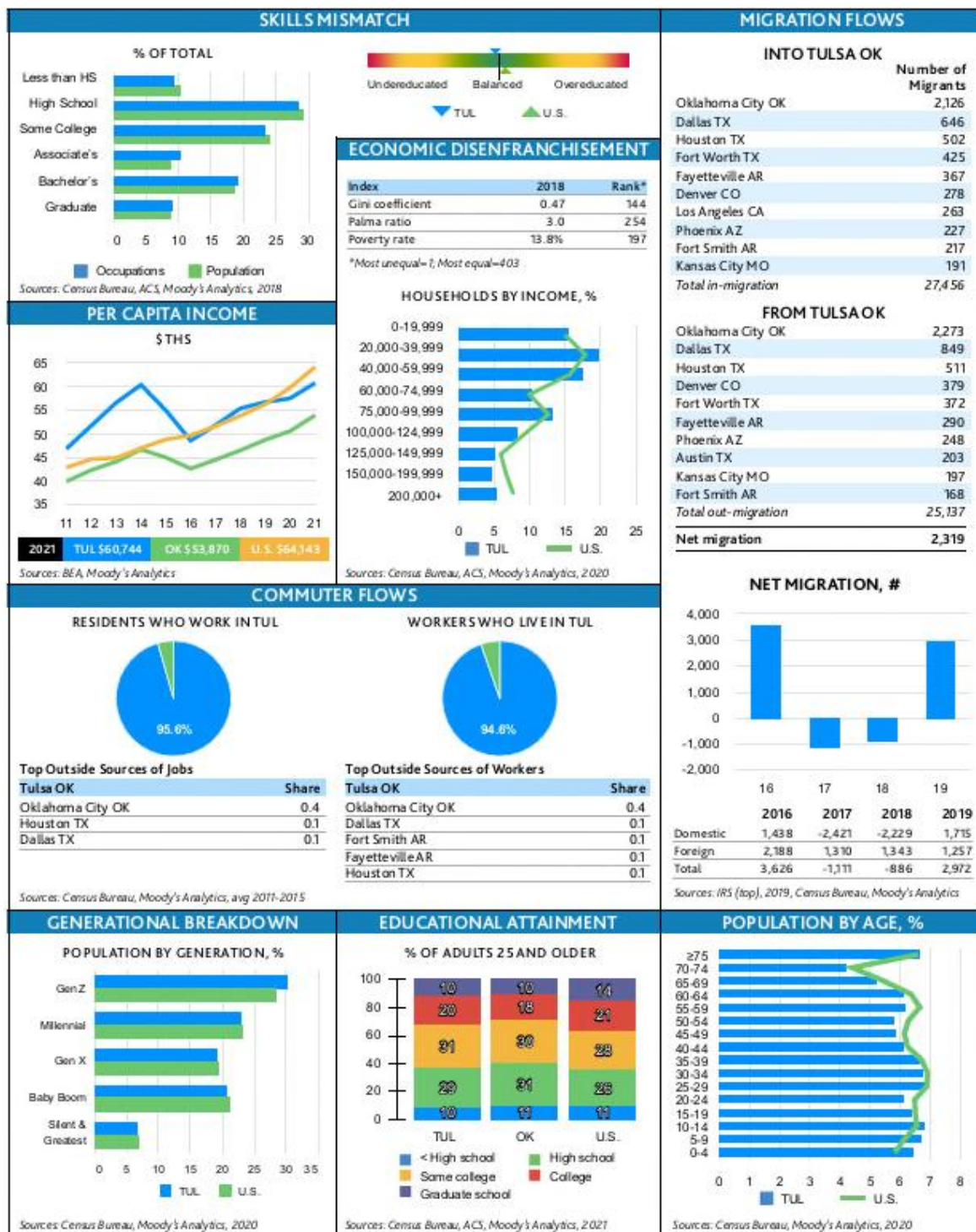
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SUMMARY

Tulsa's economy is benefiting from the statewide uptick in oil-extraction activity. Industrial production has finally reached pre-pandemic heights. Although the overall employment recovery is incomplete, it is ahead of Oklahoma's. Job growth has accelerated in recent months, easily trumping the national pace. Gains have been concentrated in consumer services, mining and manufacturing. Retail and leisure/hospitality have experienced a rapid ascent, thanks in part to fast-growing wages and a release of pent-up demand. The expanding labor force is also helping to ease worker shortages, especially as the unemployment rate remains near a record low.

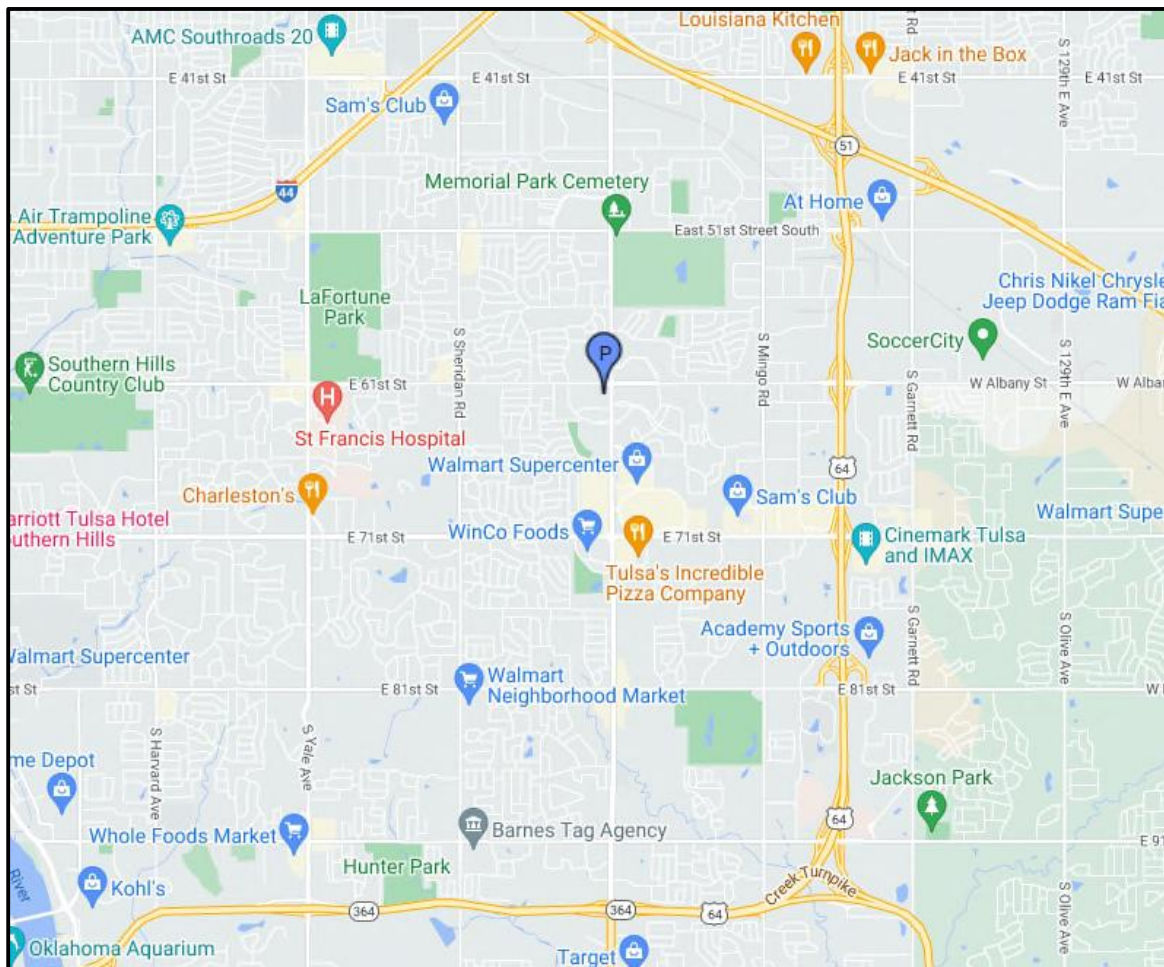
Tulsa's economy will move into the slow lane in the near term, but growth will remain stronger than the nation's. Elevated oil prices will benefit energy-related industries. Higher interest rates and supply problems will cap gains in manufacturing. Longer term, TUL will track the U.S. in employment and income growth despite a comparatively low quality of life and weak population trends.

NEIGHBORHOOD OVERVIEW

A neighborhood is “the defined geographic area in which the subject property competes for the attentions of market participants; the term broadly defines an area containing diverse land uses.” Neighborhood areas are defined by a combination of factors including physical features the demographic and socioeconomic characteristics of the residents or tenants, the condition of the improvements, and land use trends. Neighborhood analysis focuses on the identification of a neighborhood’s boundaries and the social, economic, governmental and environmental influences that affect the value of real property within those boundaries. In conducting neighborhood analysis, the competitive supply and demand for the subject property is more directly addressed.

The purpose of a neighborhood analysis is to provide a bridge between the study of general influences on all property values and the analysis of a subject. Neighborhood boundaries are identified by determining the area in which the four forces that affect value (social, economic, governmental and environmental) operate in the same way they affect the subject property. Interaction of the various components influencing these four forces often results in the dissimilarities regarding the length of time between the stages of a neighborhood’s life cycle.

NEIGHBORHOOD MAP



GENERAL DESCRIPTION

For the purpose of this analysis, the neighborhood is the area within a 3-mile radius of the property. The boundaries include State Highway 64 to the east, Interstate 44 to the north, Arkansas Rive to the west, and Creek Turnpike to the south.

ACCESS/VISIBILITY

I-44 in Oklahoma is mostly three separate toll roads and is paralleled by the former US 66 from Oklahoma City to the Missouri line. In southwestern Oklahoma, I-44 is the H. E. Bailey Turnpike and is mainly south–north. In the Oklahoma City area, I-44 is either six or eight lanes; it runs concurrent with I-35 for about 4 miles in Oklahoma City. From Oklahoma City, I-44 becomes southwest–northeast as the Turner Turnpike towards Tulsa. After I-44 leaves Tulsa, it becomes the Will Rogers Turnpike to the Missouri state line.

LAND USE PATTERNS

Development in the neighborhood of the subject reflects a mix of commercial, industrial and residential properties. The majority of the residential product in the subject’s area is in average to good condition and consists almost entirely of single family uses.

The neighborhood is approximately 90% developed. Most of this is single family residential, by far the predominant use throughout the neighborhood. Multi-family developments are located along primary carriers, generally serving as a buffer between single family residences and commercial properties.

Retail and office development exist throughout the neighborhood, with the more intense developments located near intersections of primary roadways. Retail development in the neighborhood ranges from small freestanding buildings to power centers and a regional mall. Retail tenants in the neighborhood are of local, regional, and national credit. Office development is particularly intense in the southern portion of the neighborhood in a medical office planned development area. Industrial uses can be found in the far northeast corner of the neighborhood in an industrial park setting. Industrial uses range from small warehouses to light manufacturing properties.

The neighborhood is also home to Woodland Hills Mall and Tulsa Community College. Woodland Hills Mall is a 1+ million square foot, super-regional shopping mall located at 7021 S. Memorial Drive in Tulsa, Oklahoma, United States. It was originally developed by Homart Development Company and opened in August 1976. Today, the mall is owned by Simon Property Group of Indianapolis, Indiana. Woodland Hills Mall features over 165 specialty shops and restaurants, including Aldo, Coach, Michael Kors, Sephora, and Godiva Chocolatier. Of the over 165 stores, the mall features over 80 stores which are unique and can't be found elsewhere in the Tulsa area. The neighborhood has very few small tracts available for development, with a few large tracts of vacant land being held for development.

LIFE STAGE AND TRENDS

The neighborhood is in the stable stage of its life cycle. Improved property values are generally stable as population continues to grow slightly for well-located sites and properties with good access. Prices for vacant land for speculative development have remained consistent. Most of the residential development, including multifamily, range from new construction to 5 to 30 years old. Approximately 10% of the neighborhood is vacant land being held for development in the immediate or near term with most being located distant from the major roads.

COMPARATIVE DEMOGRAPHIC ANALYSIS FOR PRIMARY TRADE AREA			
	6134 South Memorial Drive - 1 mi. Totals	6134 South Memorial Drive - 3 mi. Totals	6134 South Memorial Drive - 5 mi. Totals
Description			
Population			
2027 Projection	12,228	89,488	260,856
2022 Estimate	12,156	87,630	254,900
2010 Census	12,191	83,258	239,382
2000 Census	13,117	81,206	229,715
2022 Est. Median Age	40.83	39.01	37.83
2022 Est. Average Age	42.35	40.69	39.46
Households			
2027 Projection	5,737	39,676	108,341
2022 Estimate	5,694	38,916	106,068
2010 Census	5,680	37,220	100,398
2000 Census	6,165	36,187	96,860
2022 Est. Average Household Size	2.12	2.23	2.37
2022 Est. Households by Household Income (%)			
Income < \$15,000	9.4	9.2	8.9
Income \$15,000 - \$24,999	10.7	8.8	8.8
Income \$25,000 - \$34,999	11.2	10.0	9.5
Income \$35,000 - \$49,999	14.7	14.7	13.8
Income \$50,000 - \$74,999	17.7	17.3	17.4
Income \$75,000 - \$99,999	12.7	12.3	12.2
Income \$100,000 - \$124,999	8.0	8.3	8.7
Income \$125,000 - \$149,999	5.7	5.6	5.6
Income \$150,000 - \$199,999	5.3	6.1	6.1
Income \$200,000 - \$249,999	2.2	3.0	3.1
Income \$250,000 - \$499,999	2.0	3.4	3.8
Income \$500,000+	0.5	1.4	2.1
2022 Est. Average Household Income	\$75,612	\$86,987	\$92,625
2022 Est. Median Household Income	\$54,894	\$59,342	\$61,879
2022 Est. Tenure of Occupied Housing Units (%)			
Owner Occupied	50.2	50.4	57.0
Renter Occupied	49.8	49.6	43.0
2022 Est. Median All Owner-Occupied Housing Value	\$192,112	\$210,829	\$207,399
Source: 2022 Claritas, Inc.			

CONCLUSION

The local area associated with the subject property is afforded a good level of access, both on a regional and local basis. The neighborhood is in a stable stage and is dominated primarily by retail development with approximately 10% of vacant land being held for future development. Barring any unforeseen circumstance, future economic prospects for the area are average.

SITE DESCRIPTION

GENERAL SITE DESCRIPTION OVERVIEW

Location	West side of Memorial Drive, 350' south of East 61st Street		
Parcel Number	39314-83-02-18370		
Legal Description	PRT RES A & PRT BLK 2 BEG 459.91 SWC SOUTHBRIDGE EAST OFFICE PARK TH N90 E270 S90 W270 POB		
Site Area			
Primary Site	24,394 square feet	(0.56 acres)	
Total	24,394 square feet	(0.56 acres)	
Configuration	Rectangular		
Topography	Generally level		
Drainage	Appears adequate		
Utilities/Municipal Services	All available to site.		
Floodplain	<u>Zone</u>	<u>Map</u>	<u>Date</u>
	Zone X (Unshaded)	40143C0359M	May 2, 2019
	Zone X (unshaded) is a Non-Special Flood Hazard Area (NSFHA) of minimal flood hazard, usually depicted on Flood Insurance Rate Maps (FIRM) as above the 500-year flood level. This is an area in a low to moderate risk flood zone that is not in any immediate danger from flooding caused by overflowing rivers or hard rains. In communities that participate in the National Flood Insurance Program (NFIP), flood insurance is available to all property owners and renters in this zone.		
Census Tract No.	'0076.16		
Soil/Subsoil Conditions	We did not receive nor review a soil report. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property.		
Environmental Concerns	No unusual conditions observed. Phase 1 Environmental Site Assessment was provided. The assessment revealed the site is free of any environmental concerns.		
Land Use Restrictions	None detrimental known		
Hazards Nuisances	None detrimental known		
Frontage	85' Memorial Drive		
Access	Site access is provided by three curb cuts. The site does not have direct access to Memorial Drive		
Visibility	Good		
Surrounding Land Uses	Retail in all surrounding directions.		
Enterprise Zone	The subject is not located in an enterprise zone.		
Traffic Counts	South 81st East Avenue (2022): 34,778 VPD		
Transportation Facilities	Private transportation most common.		

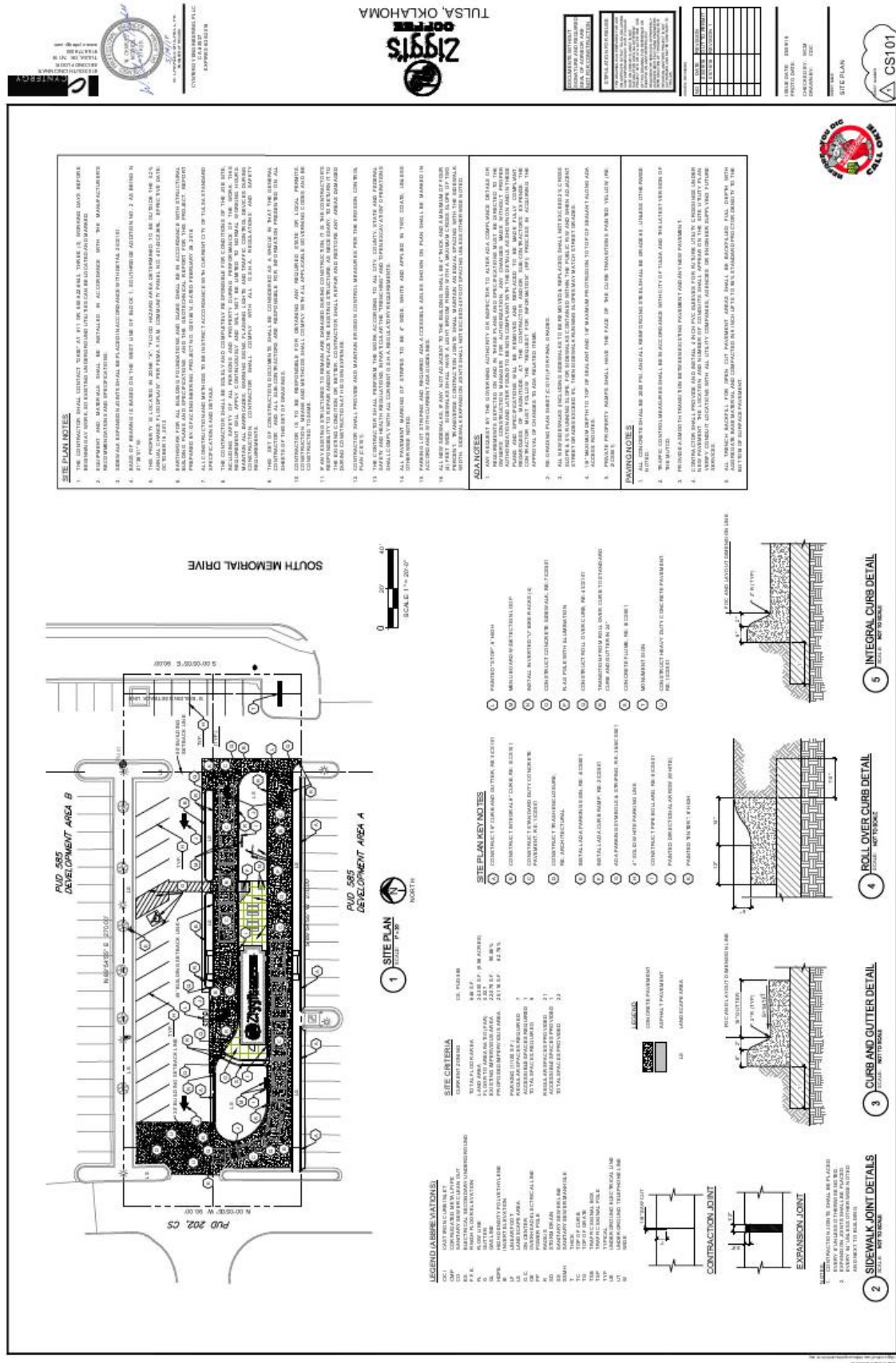
ZONING

Designation	CS
Description	Commercial
Zoning Intent	The CS district is primarily intended to accommodate convenience, neighborhood, subcommunity, community, and regional shopping centers providing a range of retail and personal service uses.
Compliance	The subject is a legal conforming use in this zoning district.

ZONING REQUIREMENTS

Permitted Uses	Variety of commercial use
Area	
Front (min. ft.)	50'
Rear, alley/no alley (min. ft.)	10'
Side (min. ft.) interior	10'
Maximum Density	None
Maximum Height	None
Subject's Total Parking Spaces	15

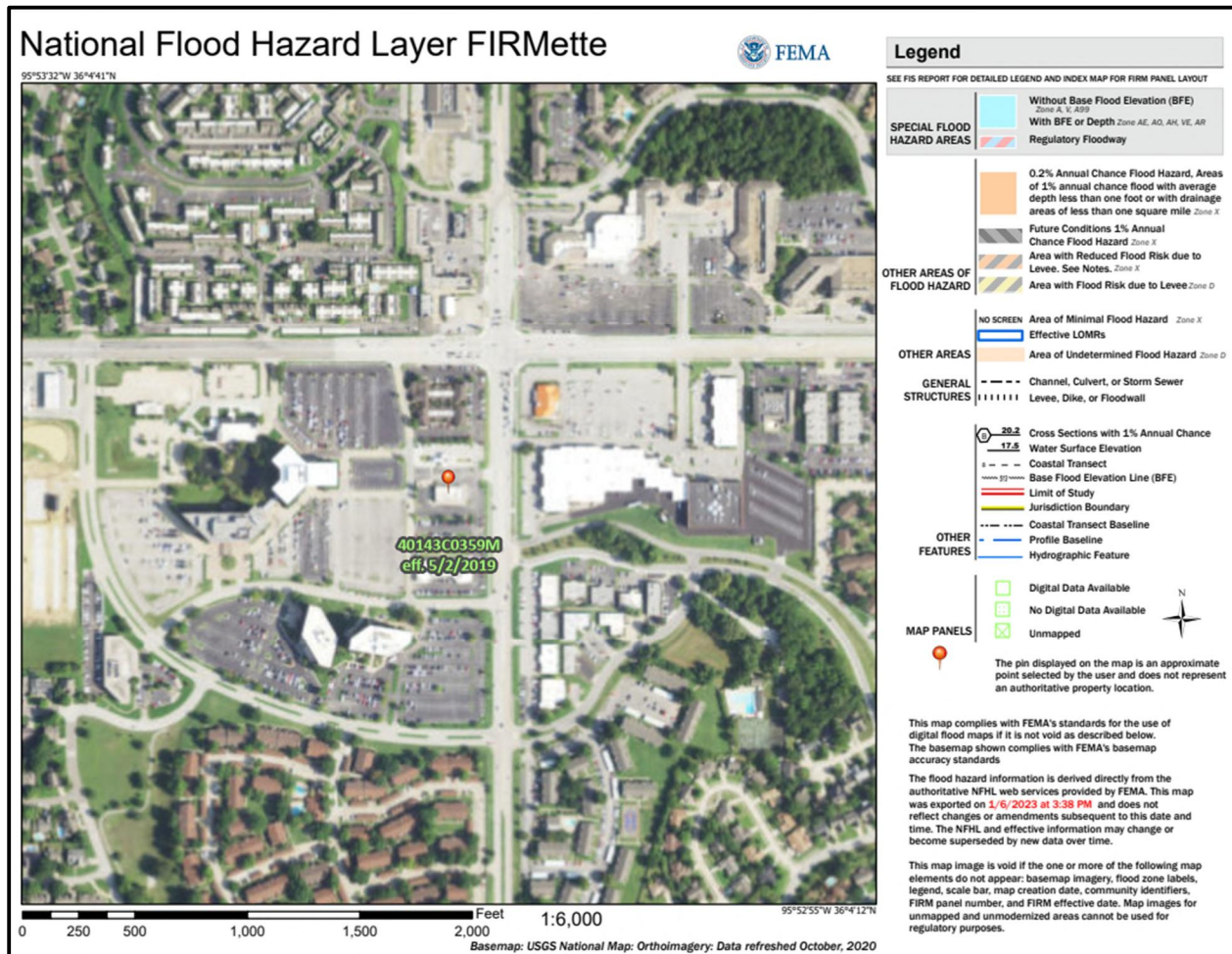
SITE PLAN



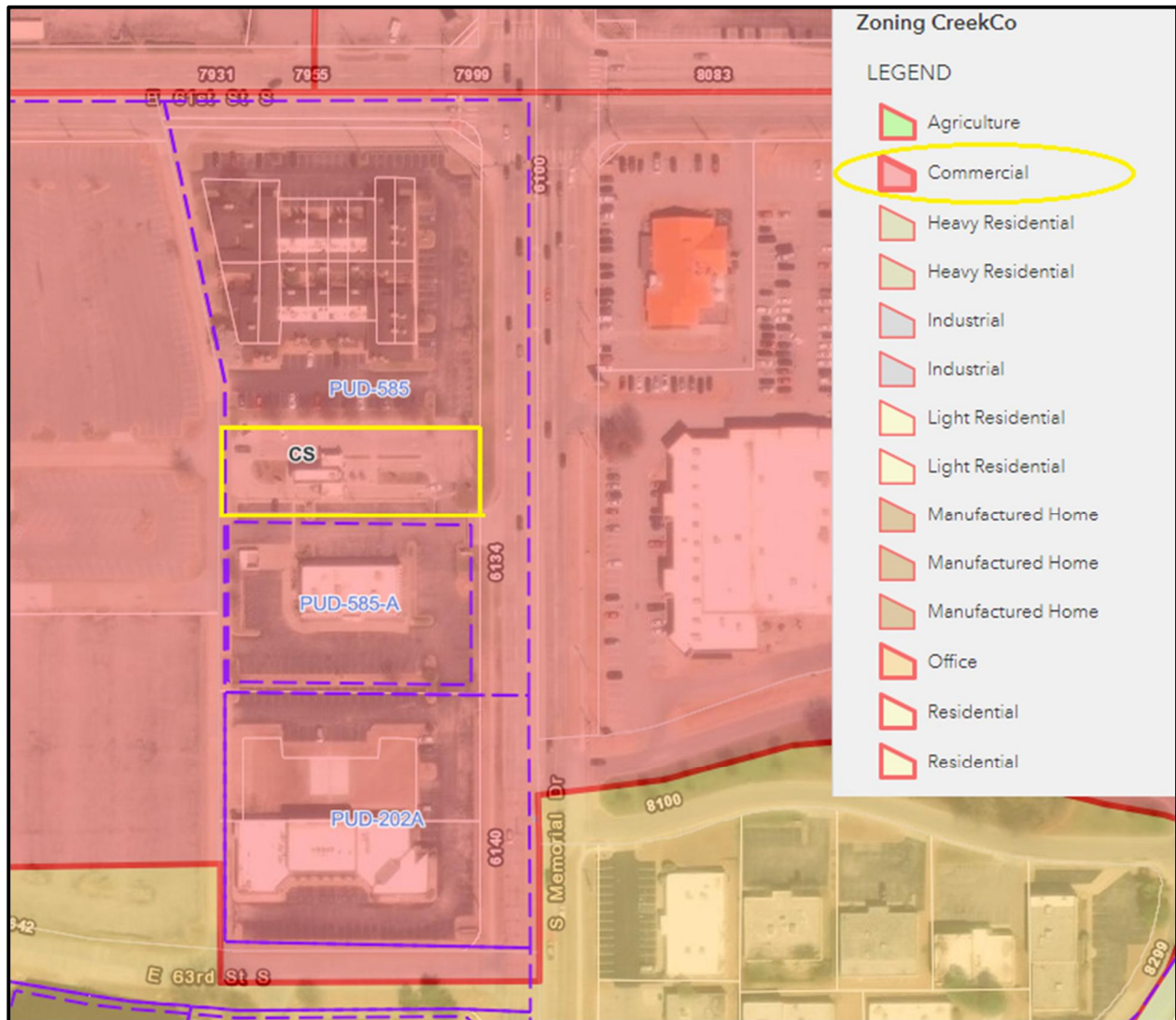
PARCEL MAP



FLOOD MAP



ZONING MAP



IMPROVEMENTS DESCRIPTION

GENERAL IMPROVEMENT DESCRIPTION OVERVIEW

Address	6134 South Memorial Drive Tulsa, Oklahoma 74133
Property Description	Retail (Freestanding)
Year Built	2018
Year Renovated	N/A
Number of Buildings	1
Number of Stories	1
Building Construction Class	Class C
Net Rentable Area	624 square feet
Gross Building Area	624 square feet
Bay Depth	None
LEED Ratio	None
Land-to-Building Ratio	39.09 : 1
Ingress/Egress	Site access is provided by three curb cuts. The site does not have direct access to Memorial Drive
Parking	
Surface Parking Spaces	15
Total Parking Spaces	15
Parking Ratio	8.61
ADA Compliance	The property is assumed to be fully ADA compliant upon construction.

CONSTRUCTION DETAIL

General Layout	The subject is a single-story coffee shop demised for Ziggi's Coffee. The layout is consistent with a modern drive thru coffee shop. The interior consists of a coffee preparation area, a drive thru, a storage area, and restrooms.
Foundation	Poured concrete slab
Construction	Concrete block
Floor Structure	Reinforced concrete
Exterior Walls	Stucco, and brick veneer
Roof Type	Flat
Roof Cover	Sealed membrane and metal
Windows	Double-pane, metal

INTERIOR DETAIL

Interior Walls	Drywall
Ceilings	Acoustic Tile
Floor Coverings	Tile
Lighting	LED
Restrooms	Employee restrooms

MECHANICAL DETAIL

Heating	Forced Air
Cooling	HVAC
Plumbing	Assumed to code and adequate.
Electrical	Assumed to code and adequate.
Fire Protection	No sprinkler system observed.

SITE IMPROVEMENTS

Parking Type	Surface; concrete
Landscaping	Low maintenance shrubs and grass
Signage	Moument signage and building façade
Fencing	None
Other	None

SUMMARY

Building Condition	Good
Building Quality	Excellent
Design and Functionality	Good
Actual Age	6 years
Expected Economic Life	50 years
Effective Age	3 years
Remaining Economic Life	47 years

PROPERTY ASSESSMENT AND TAX ANALYSIS

Under the Oklahoma Constitution, however, taxes cannot be levied against more than 13.5% of the fair cash value. This is called a "fractional assessment system." The State Constitution states that real property shall not be assessed at a value less than 11% nor greater than 13.5% of its Fair Cash Value. This percentage or Assessment Ratio cannot be increased except upon approval by a majority of voters in a county. Within the State of Oklahoma, assessed values are typically increased to a level at or near 100% of the purchase price with a deduction for personal property. The subject's proforma is the purchase price of the real estate for an accurate measure of upcoming taxes.

Real estate taxes and assessments for the current tax year are shown in the following table.

REAL ESTATE ASSESSMENT AND TAXES			
Tax ID No.		2022	Pro Forma
39314-83-02-18370		\$502,700	\$1,590,000
Tax Value Subtotal		\$502,700	\$1,590,000
Assessed Value @	11.00%	\$55,297	\$174,900
General Tax Rate	per \$1,000	133.32	133.3200
Property Taxes		\$7,372	\$23,318
Total Taxes		\$7,372	\$23,318
Total Taxes PSF		\$11.81	\$37.37

DELINQUENCY

There are no delinquent real property taxes.

CONCLUSION

The subject's pro forma assessment was based upon the purchase price of the subject as appears reasonable given that a sale of real property would trigger a reassessment in taxes.

MARKET ANALYSIS

TULSA RETAIL MARKET

Costar is the source for the following data. The data reflects conditions of 2022 Q3, the most recent data available. The initial discussion provides information on the overall Tulsa Retail market, followed by the subject's submarket. The subject is located within the South Central Tulsa submarket, which will be discussed later in this report.

CoStar's 2022Q3 Base Case forecast is based on the Oxford Economics Baseline scenario published on September 28, 2022, which reflects slowing momentum in the economy as the Federal Reserve engages in an aggressive monetary tightening cycle to rein in a four-decade high inflation rate. The outlook for 2022Q4 envisions further slowing in activity as inflation takes its toll. The economy is expected to enter a mild recession in the first half of 2023, after seeing 1.7% annual growth in 2022. About 4 million jobs were added in the first three quarters of 2022, and another 653,000 more will be added in the fourth quarter of the year. Employment momentarily peaks in the first quarter of 2023, but payrolls end 2023 0.5% lower than at the end of 2022. A recovery in employment follows over the next two years, before growth returns to its long run growth rate of 0.6% in 2026. Despite the mild recession, the unemployment rate continues to linger at near historic lows through the end of the forecast period. Inflation has spread more towards services in the second half of the year, which tend to be stickier and suggest that high inflation will persist for longer. Headline and core inflation are expected to ease through the next four quarters, albeit very slowly. The PCE price index is expected to remain above the Fed's target rate until mid- to late-2023. The FOMC has signaled its intent to bring inflation under control and is widely expected to bring the policy rate to 3.75-4.00% by the end of the year, while it simultaneously continues to reduce its asset holdings. Capital markets remain calm as spreads settle at around 200 basis points through the end of the forecast period.

Costar provides statistics related to the retail market based on the following subtypes: Mall, Neighborhood Center, Power Center, Strip Center, General Retail and Other.

KEY INDICATORS AT A GLANCE

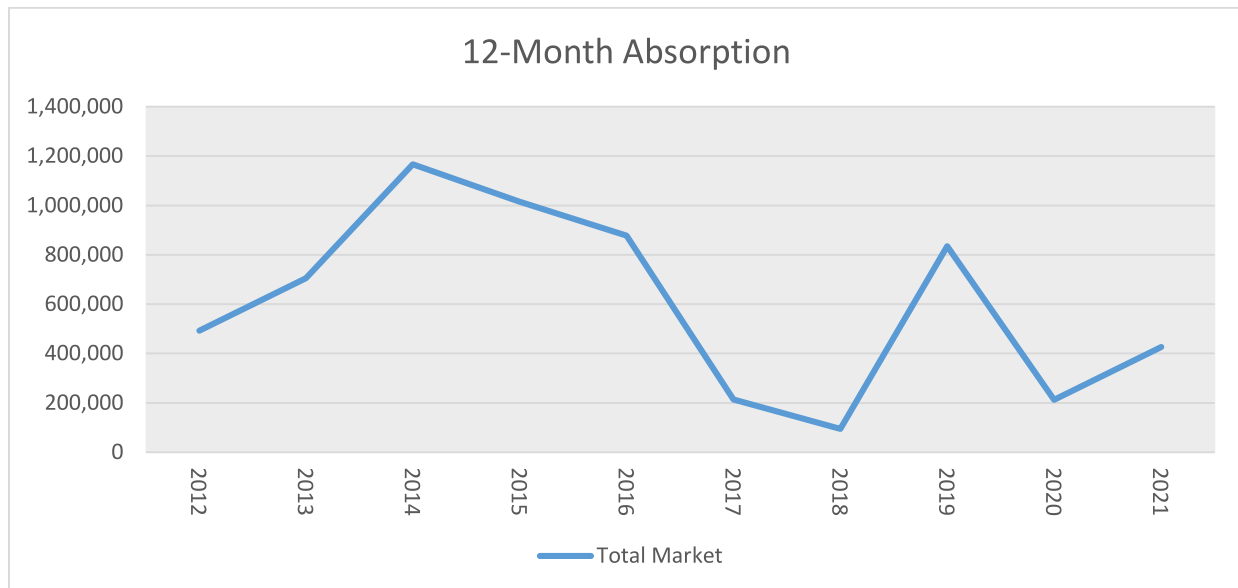
	PRIOR QUARTER	CURRENT QUARTER	COMPARISON
Vacancy (%)	3.18%	3.28%	increased 10 Basis Points
Absorption (SF)	250,085	-35,242	decreased 285,327 SF
Quoted Rental Rates (\$/SF/Year)	\$13.96	\$14.23	increased \$0.27 PSF
Inventory (SF)	71,163,693	71,204,601	increased 40,908 SF
Net Deliveries (SF)	-11,187	40,908	increased 52,095 SF
Under Construction (SF)	157,066	117,257	decreased 39,809 SF
Overall Comparison	<i>Vacancy, Rental Rates, Inventory, Net Deliveries increased; while Absorption, Under Construction decreased.</i>		

TULSA RETAIL MARKET STATISTICS

PERIOD	EXISTING INVENTORY (SF)	VACANCY %	NET ABSORPTION (SF)	NET COMPLETIONS (SF)	UNDER CONST. (SF)	QUOTED RATES (\$/SF/YEAR)
2022 Q3	71,204,601	3.28%	-35,242	40,908	117,257	\$14.23
2022 Q2	71,163,693	3.18%	250,085	-11,187	157,066	\$13.96
2022 Q1	71,174,880	3.55%	164,098	-25,076	160,216	\$13.97
2021 Q4	71,199,956	3.81%	41,360	15,391	161,711	\$13.81
2021	71,199,956	3.81%	426,493	191,918	161,711	\$13.81
2020	71,008,038	4.15%	212,263	281,113	226,003	\$12.91
2019	70,689,393	4.07%	835,207	379,676	164,724	\$12.50
2018	70,307,112	4.74%	94,385	545,330	233,094	\$12.16
2017	69,752,756	4.13%	213,831	424,289	647,934	\$11.91
2016	69,324,467	3.86%	877,329	503,895	289,817	\$11.65
2015	68,820,572	4.43%	1,014,363	777,416	468,795	\$11.51
2014	68,043,156	4.80%	1,167,795	813,098	395,400	\$11.33
2013	67,230,058	5.39%	704,929	592,345	276,616	\$11.18

The Tulsa Retail market ended the third quarter with a vacancy rate of 3.28%. The vacancy rate increased over the previous quarter, with net absorption totaling -35,242 square feet in the third quarter. Rental rates increased compared to the previous quarter, ending third quarter at \$14.23. A total of 40,908 square feet was delivered to the market, with 117,257 square feet still under construction at the end of the quarter.

ABSORPTION



Net absorption for the overall Tulsa Retail market was -35,242 square feet in the third quarter 2022. That compares to 250,085 square feet in the second quarter 2022, 164,098 square feet in the first quarter 2022, and 41,360 square feet in the fourth quarter 2021. Net absorption in the market over the prior 12 months totaled 420,301 square feet.

The Mall subtype recorded net absorption of 0 square feet in the third quarter 2022, compared to 179,570 square feet in the second quarter 2022, 1,200 square feet in the first quarter 2022, and 16,708 square feet in the fourth quarter 2021.

Neighborhood Centers recorded net absorption of -15,518 square feet in the third quarter 2022, compared to 99,876 square feet in the second quarter 2022, 159,782 square feet in the first quarter 2022, and 131,669 square feet in the fourth quarter 2021.

Power Centers recorded net absorption of 3,461 square feet in the third quarter 2022, compared to -25,580 square feet in the second quarter 2022, 2,934 square feet in the first quarter 2022, and 0 square feet in the fourth quarter 2021.

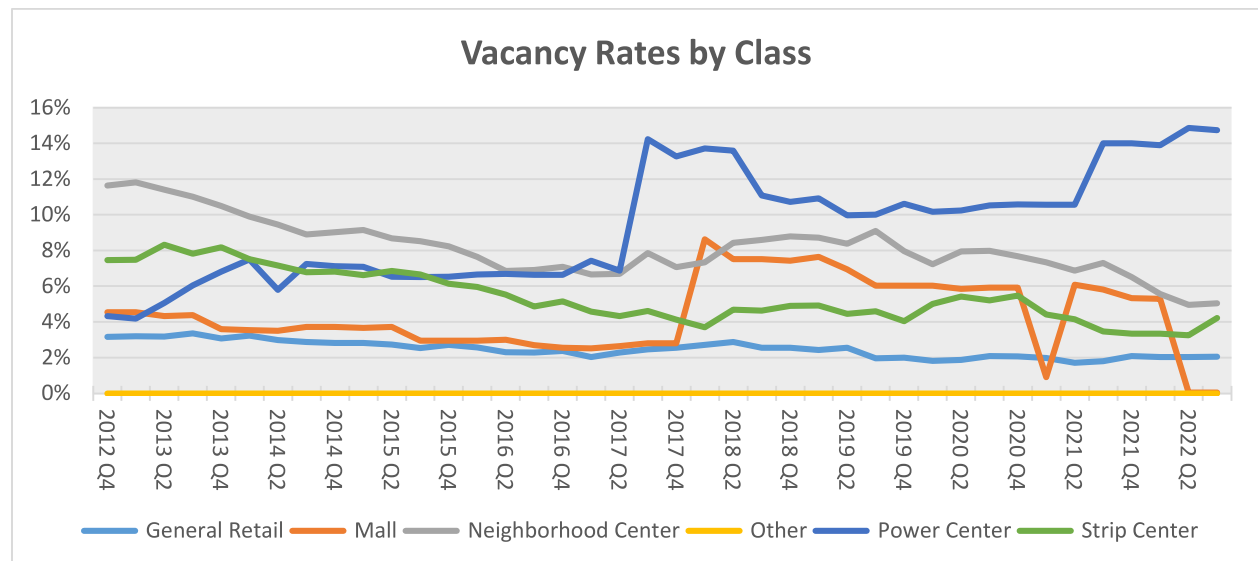
Strip Centers recorded net absorption of -53,980 square feet in the third quarter 2022, compared to 4,990 square feet in the second quarter 2022, 180 square feet in the first quarter 2022, and 7,004 square feet in the fourth quarter 2021.

General Retail recorded net absorption of 30,795 square feet in the third quarter 2022, compared to -8,771 square feet in the second quarter 2022, 2 square feet in the first quarter 2022, and -114,021 square feet in the fourth quarter 2021.

Finally, Other retail subtypes recorded net absorption of 0 square feet in the third quarter 2022, compared to 0 square feet in the second quarter 2022, 0 square feet in the first quarter 2022, and 0 square feet in the fourth quarter 2021.

Net absorption for the South Central Tulsa submarket was 51,403 square feet in the third quarter 2022. That compares to -14,928 square feet in the second quarter 2022, 86,420 square feet in the first quarter 2022, and 33,464 square feet in the fourth quarter 2021.

VACANCY



Vacancy for the overall Tulsa Retail market was 3.28% in the third quarter 2022. That compares to 3.18% in the second quarter 2022, 3.55% in the first quarter 2022, and 3.81% in the fourth quarter 2021.

The Mall subtype recorded vacancy of 0.04% in the third quarter 2022, compared to 0.04% in the second quarter 2022, 5.29% in the first quarter 2022, and 5.32% in the fourth quarter 2021.

Neighborhood Centers recorded vacancy of 5.04% in the third quarter 2022, compared to 4.95% in the second quarter 2022, 5.55% in the first quarter 2022, and 6.51% in the fourth quarter 2021.

Power Centers recorded vacancy of 14.73% in the third quarter 2022, compared to 14.86% in the second quarter 2022, 13.89% in the first quarter 2022, and 14.00% in the fourth quarter 2021.

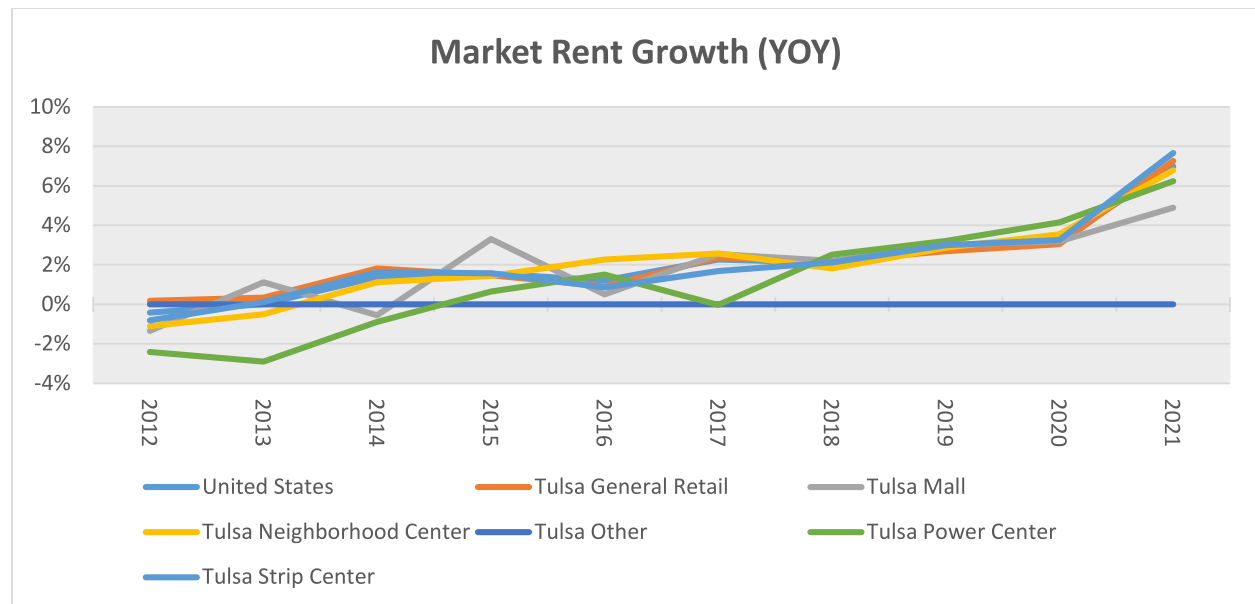
Strip Centers recorded vacancy of 4.22% in the third quarter 2022, compared to 3.25% in the second quarter 2022, 3.34% in the first quarter 2022, and 3.34% in the fourth quarter 2021.

General Retail recorded vacancy of 2.05% in the third quarter 2022, compared to 2.02% in the second quarter 2022, 2.03% in the first quarter 2022, and 2.09% in the fourth quarter 2021.

Finally, Other retail subtypes recorded vacancy of 0.00% in the third quarter 2022, compared to 0.00% in the second quarter 2022, 0.00% in the first quarter 2022, and 0.00% in the fourth quarter 2021.

Vacancy for the South Central Tulsa submarket was 4.95% in the third quarter 2022. That compares to 5.29% in the second quarter 2022, 5.27% in the first quarter 2022, and 5.85% in the fourth quarter 2021.

RENTAL RATES



The rental rates shown below are per square foot per year on a NNN basis.

The average asking rental rate for available Retail space, all subtypes, was \$14.23 psf at the end of the third quarter 2022 in the Tulsa market area. Average asking rental rates reported a 1.9% increase from the end of the second quarter 2022, when rents were reported at \$13.96.

The average quoted rate within the Mall subtype was \$18.68 at the end of the third quarter 2022, while Neighborhood Center rates stood at \$14.14, Power Center rates at \$17.23, Strip Center rates at \$13.75, General Retail rates at \$13.79, and Other retail rates at \$0.00. At the end of the second quarter 2022, Mall subtype rates were \$18.23, Neighborhood Center rates stood at \$13.78, Power Center rates at \$16.88, Strip Center rates at \$13.47, General Retail rates at \$13.58, and Other retail rates at \$0.00.

The average quoted asking rental rate in Tulsa's South Central Tulsa submarket was \$15.60 at the end of the third quarter 2022. In the second quarter 2022, quoted rates were \$15.25.

INVENTORY & CONSTRUCTION

During the third quarter 2022, a total of 40,908 square feet was completed in the Tulsa market area. This compares to a total of -11,187 square feet completed in the second quarter 2022, a total of -25,076 square feet completed in the first quarter 2022, and 15,391 square feet completed in the fourth quarter 2021.

There was 117,257 square feet of Retail space under construction at the end of the third quarter 2022.

SUBTYPE	EXISTING INVENTORY (SF)	NET DELIVERIES (12 MONTHS)	UNDER CONSTRUCTION (SF)
Mall	3,424,742	0	0
Neighborhood Center	16,638,331	0	0
Power Center	2,613,509	0	0
Strip Center	5,548,467	0	17,009
General Retail	42,948,652	20,036	100,248
Other	0	0	0
Total	71,204,601	20,036	117,257

MARKET OUTLOOK

The Tulsa Retail market ended the third quarter 2022 with a vacancy rate of 3.28%. The vacancy rate increased over the previous quarter, with net absorption totaling -35,242 square feet in the third quarter 2022. Rental rates increased \$0.27 PSF over the previous quarter and ended at \$14.23. A total of 40,908 square feet was delivered in the quarter, with 117,257 square feet still under construction at the end of the quarter.

SOUTH CENTRAL TULSA RETAIL MARKET

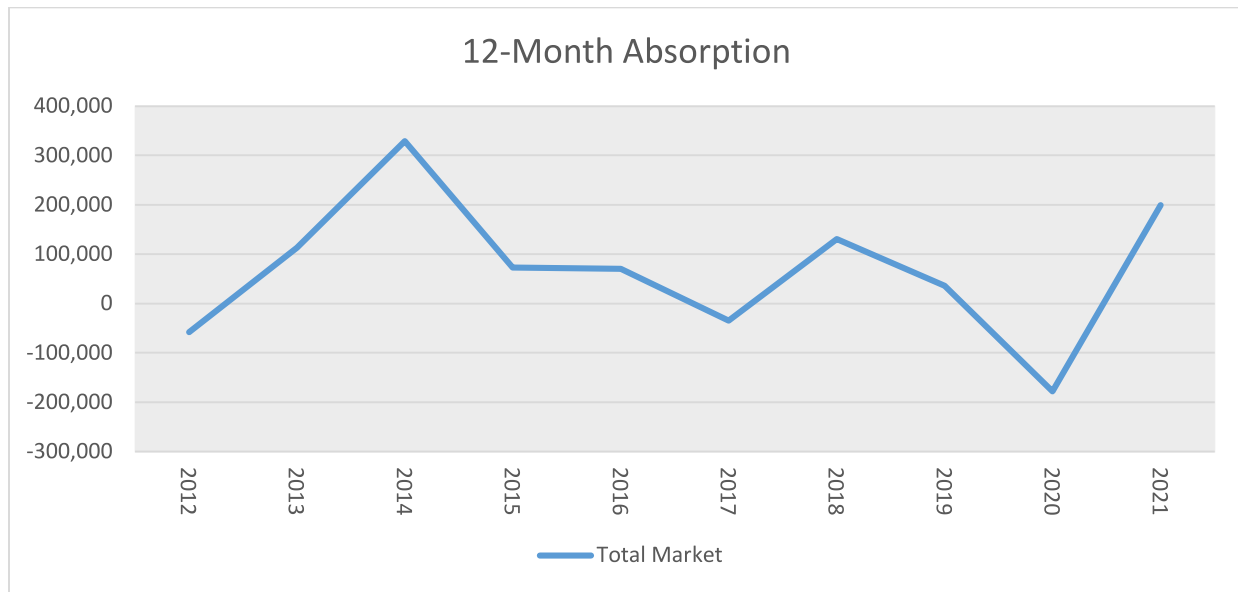
KEY INDICATORS AT A GLANCE

	PRIOR QUARTER	CURRENT QUARTER	COMPARISON
Vacancy (%)	5.29%	4.95%	decreased 34 Basis Points
Absorption (SF)	-14,928	51,403	increased 66,331 SF
Quoted Rental Rates (\$/SF/Year)	\$15.25	\$15.60	increased \$0.35 PSF
Inventory (SF)	14,861,659	14,862,764	increased 1,105 SF
Net Deliveries (SF)	-12,647	1,105	increased 13,752 SF
Under Construction (SF)	21,762	20,657	decreased 1,105 SF
Overall Comparison	<i>Absorption, Rental Rates, Inventory, Net Deliveries increased; while Vacancy, and Under Construction decreased.</i>		

SOUTH CENTRAL TULSA RETAIL MARKET STATISTICS

PERIOD	EXISTING INVENTORY (SF)	VACANCY %	NET ABSORPTION (SF)	NET COMPLETIONS (SF)	UNDER CONST. (SF)	QUOTED RATES (\$/SF/YEAR)
2022 Q3	14,862,764	4.95%	51,403	1,105	20,657	\$15.60
2022 Q2	14,861,659	5.29%	-14,928	-12,647	21,762	\$15.25
2022 Q1	14,874,306	5.27%	86,420	0	26,657	\$15.27
2021 Q4	14,874,306	5.85%	33,464	0	6,000	\$15.10
2021	14,874,306	5.85%	199,198	-913	6,000	\$15.10
2020	14,875,219	7.19%	-177,522	5,080	1,760	\$14.22
2019	14,861,515	5.97%	35,808	107,546	0	\$13.84
2018	14,753,969	5.53%	130,246	129,124	49,341	\$13.53
2017	14,624,845	5.58%	-34,767	103,154	152,075	\$13.27
2016	14,521,691	4.67%	70,361	22,489	77,650	\$12.88
2015	14,499,202	5.01%	72,475	26,979	12,245	\$12.73
2014	14,472,223	5.23%	329,245	42,454	20,479	\$12.50
2013	14,429,769	7.24%	112,934	181,192	24,304	\$12.36

The South Central Tulsa Retail market ended the third quarter with a vacancy rate of 4.95%. The vacancy rate decreased over the previous quarter, with net absorption totaling 51,403 square feet in the third quarter. Rental rates increased compared to the previous quarter, ending third quarter at \$15.60. A total of 1,105 square feet was delivered to the market, with 20,657 square feet still under construction at the end of the quarter.

ABSORPTION

Net absorption for the overall South Central Tulsa Retail market was 51,403 square feet in the third quarter 2022. That compares to -14,928 square feet in the second quarter 2022, 86,420 square feet in the first quarter 2022, and 33,464 square feet in the fourth quarter 2021. Net absorption in the market over the prior 12 months totaled 156,359 square feet.

The Mall subtype Retail market recorded net absorption of 0 square feet in the third quarter 2022, compared to 0 square feet in the second quarter 2022, 0 square feet in the first quarter 2022, and 0 square feet in the fourth quarter 2021.

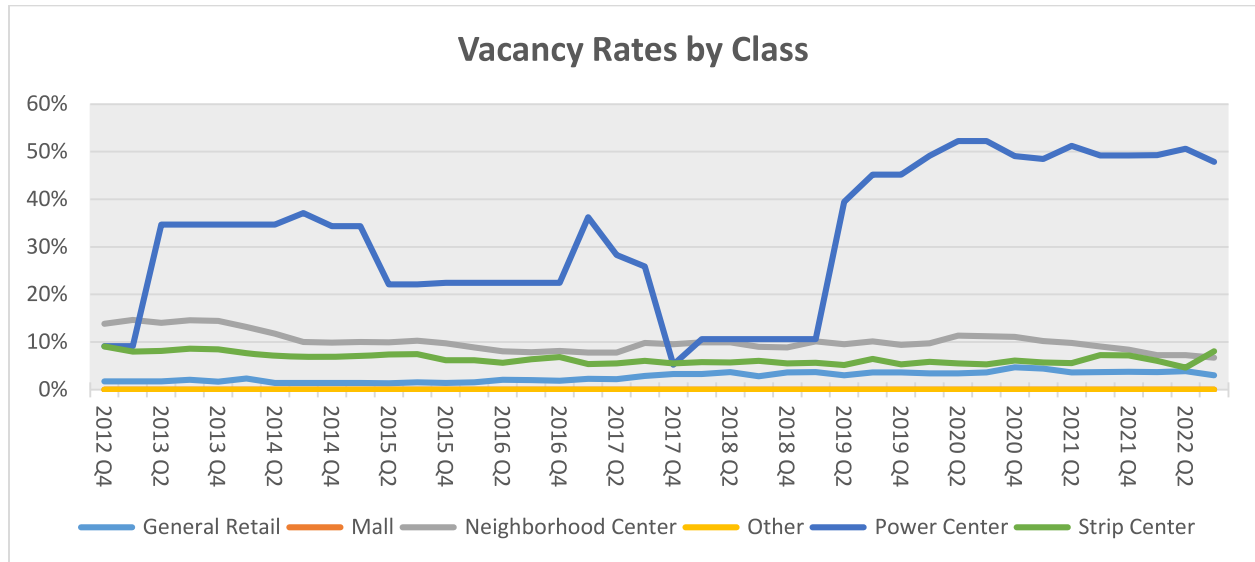
The Neighborhood Center subtype Retail market recorded net absorption of 27,088 square feet in the third quarter 2022, compared to -1,651 square feet in the second quarter 2022, 65,525 square feet in the first quarter 2022, and 34,761 square feet in the fourth quarter 2021.

The Power Center subtype Retail market recorded net absorption of 3,122 square feet in the third quarter 2022, compared to -1,526 square feet in the second quarter 2022, -60 square feet in the first quarter 2022, and 0 square feet in the fourth quarter 2021.

Strip Centers recorded net absorption of -41,386 square feet in the third quarter 2022, compared to 16,369 square feet in the second quarter 2022, 14,744 square feet in the first quarter 2022, and 1,025 square feet in the fourth quarter 2021.

General Retail recorded net absorption of 62,579 square feet in the third quarter 2022, compared to -28,120 square feet in the second quarter 2022, 6,211 square feet in the first quarter 2022, and -2,322 square feet in the fourth quarter 2021.

Finally, Other retail subtypes recorded net absorption of 0 square feet in the third quarter 2022, compared to 0 square feet in the second quarter 2022, 0 square feet in the first quarter 2022, and 0 square feet in the fourth quarter 2021.

VACANCY

Vacancy for the overall South Central Tulsa Retail market decreased to 4.95% in the third quarter 2022. That compares to 5.29% in the second quarter 2022, 5.27% in the first quarter 2022, and 5.85% in the fourth quarter 2021.

Mall subtype projects reported a vacancy rate of 0.00% at the end of the third quarter 2022, 0.00% at the end of the second quarter 2022, 0.00% at the end of the first quarter 2022, and 0.00% at the end of the fourth quarter 2021.

Neighborhood Center subtype projects reported a vacancy rate of 6.78% at the end of the third quarter 2022, 7.27% at the end of the second quarter 2022, 7.24% at the end of the first quarter 2022, and 8.42% at the end of the fourth quarter 2021.

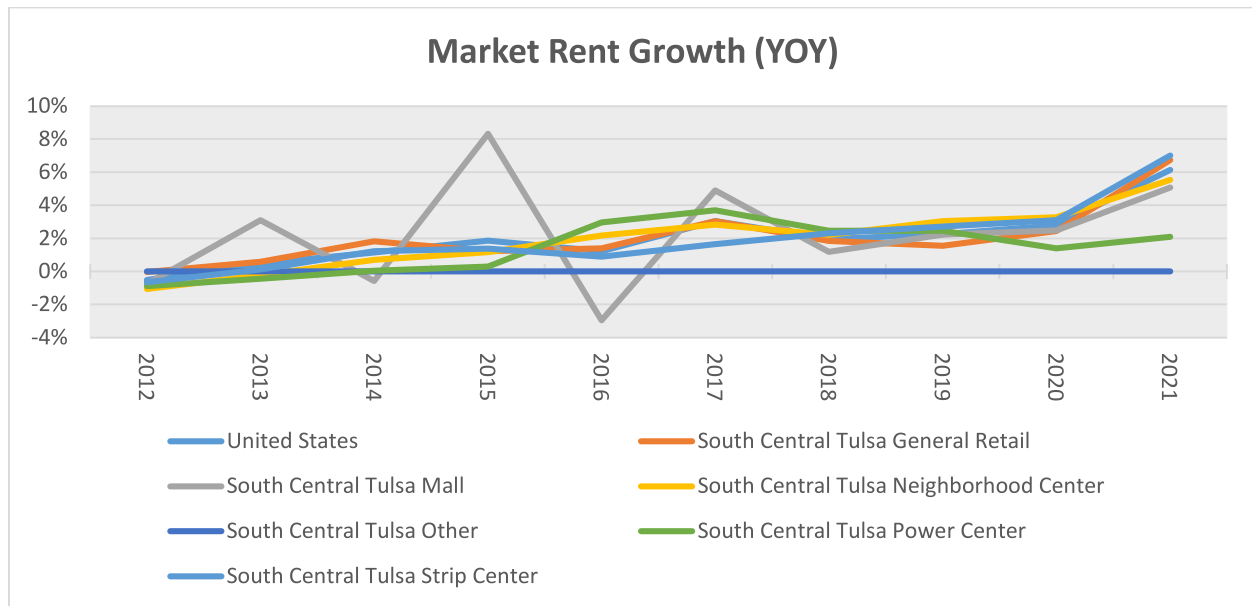
Power Center subtype projects reported a vacancy rate of 47.83% at the end of the third quarter 2022, 50.60% at the end of the second quarter 2022, 49.24% at the end of the first quarter 2022, and 49.19% at the end of the fourth quarter 2021.

Strip Centers recorded vacancy of 8.03% in the third quarter 2022, compared to 4.68% in the second quarter 2022, 6.01% in the first quarter 2022, and 7.20% in the fourth quarter 2021.

General Retail recorded vacancy of 3.00% in the third quarter 2022, compared to 3.90% in the second quarter 2022, 3.66% in the first quarter 2022, and 3.75% in the fourth quarter 2021.

Finally, Other retail subtypes recorded vacancy of 0.00% in the third quarter 2022, compared to 0.00% in the second quarter 2022, 0.00% in the first quarter 2022, and 0.00% in the fourth quarter 2021.

RENTAL RATES



The rental rates shown below are per square foot per year on a NNN basis.

The average asking rental rate for available Retail space, all classes, was \$15.60 psf at the end of the third quarter 2022 in the South Central Tulsa market area. This represented a 2.3% increase in quoted rental rates from the end of the second quarter 2022, when rents were reported at \$15.25.

The average quoted rate within the Mall subtype sector was \$19.49 at the end of the third quarter 2022, while Neighborhood Center subtype rates stood at \$15.36, Power Center subtype rates at \$13.66, Strip Center rates at \$14.25, General Retail rates at \$15.46, and Other retail rates at \$0.00. At the end of the second quarter 2022, Mall subtype rates were \$19.16, Neighborhood Center rates were \$14.94, Power Center rates were \$13.39, Strip Center rates were \$13.95, General Retail rates were \$15.16 and Other Retail rates were \$0.00.

INVENTORY & CONSTRUCTION

During the third quarter 2022, a total of 1,105 square feet was completed in the South Central Tulsa market area. This compares to a total of -12,647 square feet completed in the second quarter 2022, a total of 0 square feet completed in the first quarter 2022, and 0 square feet completed in the fourth quarter 2021.

There were 20,657 square feet of Retail space under construction at the end of the third quarter 2022.

SUBTYPE	EXISTING INVENTORY (SF)	NET DELIVERIES (12 MONTHS)	UNDER CONSTRUCTION (SF)
Mall	1,090,122	0	0
Neighborhood Center	5,534,477	0	0
Power Center	112,756	0	0
Strip Center	1,238,336	0	17,009
General Retail	6,887,073	-11,542	3,648
Other	0	0	0

SOUTH CENTRAL TULSA MARKET OUTLOOK

The South Central Tulsa Retail market ended the third quarter 2022 with a vacancy rate of 4.95%. The vacancy rate decreased over the previous quarter, with net absorption totaling 51,403 square feet in the third quarter 2022. Rental rates increased \$0.35 PSF over the previous quarter and ended at \$15.60. A total of 1,105 square feet was delivered in the quarter, with 20,657 square feet still under construction at the end of the quarter.

HIGHEST AND BEST USE

INTRODUCTION

The highest and best use is the reasonable, probable, and legal use of vacant land or an improved property that is physically possible, legally permissible, appropriately supported, financially feasible and that results in the highest value. These criteria are often considered sequentially. The tests of legal permissibility and physical possibility must be applied before the remaining tests of financial feasibility and maximal productivity. A financially feasible use is precluded if it is legally prohibited or physically impossible. If a reasonable possibility exists that one of the prior, unacceptable conditions can be changed, is it appropriate to proceed with the analysis with such an assumption.

HIGHEST AND BEST USE CRITERIA

The site's highest and best use is analyzed both as vacant and as improved, and if improvements are proposed then an as proposed analysis is required. In all cases, the property's highest and best use must meet four criteria: (1) legally permissible; (2) physically possible; (3) financially feasible; and (4) maximally productive.

HIGHEST AND BEST USE AS VACANT

LEGALLY PERMISSIBLE

Legal restrictions include deed restrictions, CC&R's, lease encumbrances, zoning requirements, building codes, historic district controls and environmental regulations, and were previously analyzed to determine legally permitted uses. Legally, the subject is zoned CS, Commercial Shopping. Permitted uses include a variety of commercial uses. No other legal restrictions have been identified that would limit development of the property beyond the development standards stipulated by municipal code.

PHYSICALLY POSSIBLE

Size, shape, topography, soil condition, availability of utilities, transportation access, surrounding uses, and locational characteristics were previously analyzed to determine which legal land uses are physically possible and which are best to conform to the physical and locational aspects of the site and its setting with respect to the neighborhood and community. Overall, the physical site attributes result in adequate utility, and the property could be developed with a variety of legally-conforming uses. Given the surrounding uses and location, the site is best suited for retail property use.

FINANCIALLY FEASIBLE

Financial feasibility is determined by the relationship of supply and demand for the legally probable land uses versus the cost to create them. Given the increasing vacancy rates in the submarket, rising interest rates, increasing construction costs, the uncertainty with the United States economy, and the global economy, it is unlikely that if the site were vacant, it would be speculatively developed as of the effective date. The uncertainty in the market raised by the previously mention concerns are causing market participants to defer investment decisions. As such, the highest and best, as vacant, is to hold for future retail use.

MAXIMALLY PRODUCTIVE

The final test of highest and best use of the site as vacant is that the use be maximally productive, yielding the highest return to the land. In order to determine the maximally productive use, a comparison of rental rates, occupancy, operating expenses, and rates of return for the financially feasible uses have been made. Based on this analysis, retail use renders the highest residual land value; therefore, commercial development on the subject's site is the maximally productive use of the subject as vacant.

HIGHEST AND BEST USE AS IMPROVED

LEGALLY PERMISSIBLE

The subject is a legal conforming use in this zoning district.

PHYSICALLY POSSIBLE

The subject is currently improved with a 624 SF retail building on a 0.56-acre site that conforms to its surrounding uses. Continued use of the improvements for retail use is physically possible.

FINANCIALLY FEASIBLE

Financial feasibility as an income-producing investment is based on the amount of rental income it can generate net of the required operating expenses. If the resulting net operating income motivates continued operation, then the land is being put to a productive and financially feasible use. The subject is capable of producing positive net cash flow to an investor. The existing improvements provide contributory value to the site, and there is no alternate use that would result in a greater value. Therefore, utilization of the existing improvements is financially feasible.

MAXIMALLY PRODUCTIVE

The maximally productive use should conform to neighborhood trends and be consistent with existing nearby land uses. The single use that produces the greatest return on investment and usually the highest price and value is typically the highest and best use. As shown in the applicable valuation sections, properties like the subject have been acquired and continue to be used for retail use. None of the comparable properties were acquired for conversion to an alternative use. This provides evidence suggesting that the current retail use is maximally productive.

VALUATION PROCESS

Valuation in the appraisal process generally involves three techniques, including the Cost Approach, Sales Comparison Approach and the Income Capitalization Approach.

These three valuation methods are defined in the following table:

VALUATION METHODS	DEFINITION
Cost Approach	In this approach, value is based on adding the contributing value of any improvements (after deductions for accrued depreciation) to the value of the land as if it were vacant based on its highest and best use. If the interest appraised is other than fee simple, additional adjustments may be necessary for non-realty interest and/or the impact of existing leases or contracts.
Sales Comparison Approach	In this approach, recent sales of similar properties in the marketplace are compared directly to the subject property. This comparison is typically accomplished by extracting "units of comparison", for example, price per square foot, and then analyzing these units of comparison for differences between each comparable and the subject. The reliability of an indication found by this method depends on the quality of the comparable data found in the marketplace.
Income Capitalization Approach	In this approach, a property is viewed through the eyes of a typical investor, whose primary objective is to earn a profit on the investment principally through the receipt of expected income generated from operations and the ultimate resale of the property at the end of a holding period.

VALUATION METHODS UTILIZED

This appraisal employs all three typical approaches to value: the Cost Approach, the Sales Comparison Approach, and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that all approaches would be considered meaningful and applicable in developing a credible value conclusion.

The valuation process is concluded by analyzing each approach to value used in the appraisal. When more than one approach is used, each approach is judged based on its applicability, reliability, and the quantity and quality of its data. A final value opinion is chosen that either corresponds to one of the approaches to value, or is a correlation of all the approaches used in the appraisal.

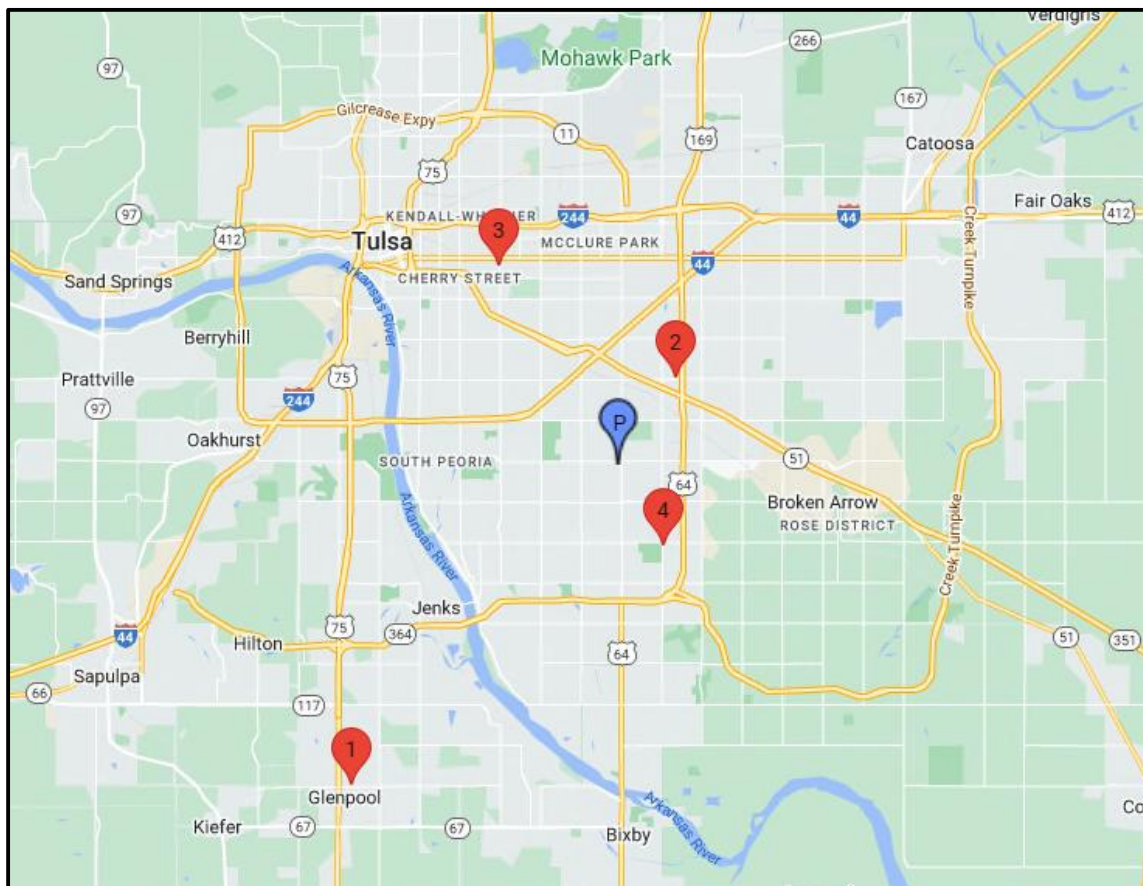
LAND VALUATION

METHODOLOGY

The Sales Comparison Approach is employed to develop an opinion of land value. In the Sales Comparison Approach, we developed an opinion of value by comparing similar, recently sold sites in the surrounding or competing area to the subject property. In order to determine the value of the subject property, these comparable sales and/or listings are then evaluated and adjusted based on their differences when compared to the subject property. Inherent in this approach is the principle of substitution, which states that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

COMPARABLE LAND SALES MAP AND SALES SUMMARY

A map below has presented of the land sales. The appraiser has gathered land sales in the Tulsa area.



SUMMARY OF LAND SALES						
No.	Property / Location	Date of Sale	Transaction Status	Site Size (Net SF)	Sale Price	Price per SF (Net)
1	Vacant Land 135 East 141st Street Glenpool, OK	May-22	Closed	24,394	\$295,000	\$12.09
2	Vacant Land 10249 East 41st Street Tulsa, OK	Apr-22	Closed	43,124	\$470,000	\$10.90
3	Vacant Land 1232 South Harvard Avenue Tulsa, OK	Apr-22	Closed	31,363	\$585,000	\$18.65
4	Vacant Land 8145 South Mingo Road Tulsa, OK	Oct-21	Closed	67,082	\$965,000	\$14.39
Subj.	Ziggi's Coffee 6134 South Memorial Drive Tulsa, Oklahoma	—	—	24,394	—	—

COMMENTS
1 - Sale of vacant land for \$12.09/SF. At the time of sale, the site was zoned for commercial use and had all utilities to site.
2 - This is the sale of a 0.99 acre generally rectangular site on the north side of East 41st Street. The site is zoned CS (Commercial)
3 - Sale of vacant land for \$18.65/SF. At the time of sale the site was zoned for commercial use and had all utilities to site.
4 - Sale of vacant land for \$14.39/SF. At the time of sale the property was zoned for commercial use, and had all utilities to site.

COMPARABLE LAND SALES ADJUSTMENT GRID

COMPARABLE LAND SALE ADJUSTMENTS					
	Subject	Comp 1	Comp 2	Comp 3	Comp 4
Property / Location	Ziggi's Coffee 6134 South Memorial Drive Tulsa, Oklahoma	Vacant Land 135 East 141st Street Glenpool, OK	Vacant Land 10249 East 41st Street Tulsa, OK	Vacant Land 1232 South Harvard Avenue Tulsa, OK	Vacant Land 8145 South Mingo Road Tulsa, OK
Transaction Status	-----	Closed	Closed	Closed	Closed
Date of Sale	-----	May-22	Apr-22	Apr-22	Oct-21
Site Size (Acres)	0.56	0.56	0.99	0.72	1.54
Site Size (SF)	24,394	24,394	43,124	31,363	67,082
Sale Price	-----	\$295,000	\$470,000	\$585,000	\$965,000
Zoning	CS	CS	CS	CH	CO
Property Use	Freestanding	Hold for Development	Hold for Development	Hold for Development	Hold for Development
Unadjusted Price per SF	—	\$12.09	\$10.90	\$18.65	\$14.39
Transactional Adjustments					
Property Rights Conveyed		<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>
Adjustment		0%	0%	0%	0%
Financing Terms					
Adjustment		0%	0%	0%	0%
Conditions of Sale					
Adjustment		0%	0%	0%	0%
Expenditures Immed After Sale					
Adjustment		0%	0%	0%	0%
Market Conditions	<i>Jan-23</i>	<i>May-22</i>	<i>Apr-22</i>	<i>Apr-22</i>	<i>Oct-21</i>
Adjustment		0%	0%	0%	0%
Total Transactional Adjustments		0%	0%	0%	0%
Adjusted Price per SF		\$12.09	\$10.90	\$18.65	\$14.39
Property Adjustments					
Location		0%	15%	-15%	10%
Net Site Size (SF)	24,394	24,394	43,124	31,363	67,082
		0%	0%	0%	5%
Zoning / Intended Use	CS	CS	CS	CH	CO
		0%	0%	0%	0%
Shape / Configuration	<i>Rectangular</i>	<i>Rectangular</i>	<i>Rectangular</i>	<i>Rectangular</i>	<i>Square</i>
		0%	0%	0%	0%
Utilities / Infrastructure		<i>All available to site.</i>	<i>All to site</i>	<i>All available to site.</i>	<i>All available to site.</i>
		0%	0%	0%	0%
Topography	<i>Generally level</i>	<i>Generally level</i>	<i>Generally level</i>	<i>Generally level</i>	<i>Generally level</i>
		0%	0%	0%	0%
Flood Zone	<i>Zone X (Unshaded)</i>	<i>Zone X (Unshaded)</i>	<i>Zone X (Shaded)</i>	<i>Zone X (Unshaded)</i>	<i>Zone X (Unshaded)</i>
		0%	0%	0%	0%
Total Property Adjustments		0%	15%	-15%	15%
Indication for Subject per SF		\$12.09	\$12.53	\$15.85	\$16.54

ADJUSTMENT PROCESS

The sales that we have utilized represent the best available information that could be compared to the subject property. The major elements of comparison for an analysis of this type include the property rights conveyed, the financial terms incorporated into a particular transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its physical traits and the economic characteristics of the property.

PROPERTY RIGHTS CONVEYED

This adjustment accounts for any impact that the property rights transferred to the buyer may have on sale price. For leased fee properties, the length of leases in place and the relationship of market to contract rent could impact value. Some properties may have stronger appeal to an owner-user or an investor, resulting in a premium or discount associated with fee simple property rights. If a buyer acquires the leasehold interest in a comparable, then an adjustment may be necessary that accounts for the impact to the of ground rent and/or risk associated with the expiration of the ground lease to the sale price.

All of the comparables were considered similar to the subject and no adjustments were required for this category.

FINANCING TERMS

This category accounts for differences in financing terms associated with the transaction. Financing arrangements that may require an adjustment include mortgage assumptions (at favorable interest rates), seller buydowns, installment sales, wrap-around loans, or any other atypical financing arrangements that do not represent cash-equivalent terms.

All of the comparables were considered similar to the subject and no adjustments were required for this category.

TERMS/CONDITIONS OF SALE

Adjustments for conditions of sale typically reflect various motivations of the buyer and/or seller. This may include such factors as seller distress (short sale, REO, auction) or buyer motivation (assemblage, etc.). In some situations, the conditions of sale may significantly affect transaction prices. Properties that are listed for sale may require adjustments herein to account for any disparity between asking prices and the achievable sale price anticipated.

All of the comparables were considered similar to the subject and no adjustments were required for this category.

EXPENDITURES IMMEDIATELY AFTER SALE

In order to arrive at the effective sale price, the actual sale price of each comparable is adjusted to account for any expenditures planned by the buyer immediately after sale, such as capital expenditures, cost to cure deferred maintenance, or lease-up costs.

All of the comparables were considered similar to the subject and no adjustments were required for this category.

MARKET CONDITIONS

This adjustment category accounts for differences in economic conditions between the effective date of appraisal and the transaction date of the comparable, such as may be caused by changing supply and demand factors, rental rates, vacancy rates and/or capitalization rates.

All of the comparables were considered similar to the subject and no adjustments were required for this category.

LOCATION

The appeal of a property's location to users of and/or investors in a particular property type can influence value significantly. This factor broadly considers the impact of demographics, geographical attributes, access to transportation networks and local land use trends on pricing. Comparisons of location can often be derived, or even quantified, by examining rent, vacancy, capitalization rate, and land value trends in the subject and directly competitive areas. Sale 2 is located with inferior exposure to a highly traversed roadway, thus was adjusted upward for location. Sale 3 is located near the University of Tulsa, thus was adjusted downward for location. Sale 4 has inferior access, thus was adjusted upward for location.

Comparable No. 2 was judged inferior to the subject and received an upward adjustment of 15%. Comparable No. 3 was regarded superior to the subject and received a downward adjustment of 15%. Comparable No. 4 was judged inferior to the subject and received an upward adjustment of 10%.

SITE SIZE (SF)

Size and pricing typically have an inverse relationship, whereby larger sites tend to achieve lower pricing on a per-square-foot basis. This is attributable to economies of scale, as well as the narrower pool of prospective buyers for a larger property.

Comparable No. 4 was judged inferior to the subject and received an upward adjustment of 5%.

ZONING / INTENDED USE

The value of vacant land is largely contingent upon its potential use. This factor considers the uses permitted by the applicable development standards, per the subject's zoning designation. The maximum density to which a property can be developed typically impacts total value positively; however, depending upon property type, location, and type of construction higher permitted densities can have an inverse relationship to pricing on a per-unit or per-square-foot basis.

All of the comparables were considered similar to the subject and no adjustments were required for this category.

SHAPE / CONFIGURATION

The configuration, shape, dimensions and depth of a site determine its developability and overall utility. These factors can impact development costs, usable area of the site, and thereby, achievable pricing. The subject site is comprised of a single parcel.

All of the comparables were considered similar to the subject and no adjustments were required for this category.

UTILITIES/INFRASTRUCTURE

Infrastructure adjustments may reflect differences in utility availability/capacity, developmental plans or other outside influences.

All of the comparables were considered similar to the subject and no adjustments were required for this category.

TOPOGRAPHY

Topography characteristics can influence pricing, as sites with more radical elevation changes typically increase site preparation/development costs when compared to a level site.

All of the comparables were considered similar to the subject and no adjustments were required for this category.

FLOOD ZONE

The prices of properties located within flood prone areas tend to be proportionately less than otherwise similar parcels not adversely affected by flood plain locations. This is due to the increased development costs associated with alleviating the problem as well as the fact that portions of the site may not be able to be developed or higher expenses related to insurance for buildings located in flood prone areas.

All of the comparables were considered similar to the subject and no adjustments were required for this category.

CONCLUSION OF LAND VALUE

SALES SUMMARY	UNADJUSTED	ADJUSTED
Minimum	\$10.90	\$12.09
Maximum	\$18.65	\$16.54
Average	\$14.01	\$14.26
Median	\$13.24	\$14.19
Standard Deviation	\$2.96	\$1.96

After adjustments, the comparable land sales reflect a range from \$12.09 to \$16.54 per square foot. Primary weight was placed upon Sale 3 given the site was due to be improved to a similar use in a drive-thru only retail building. We conclude that the indicated value of the vacant land by the Sales Comparison Approach is \$15.75 per square foot, calculated in the following table.

LAND VALUE CONCLUSION	
Indicated Value per SF	\$15.75
Land Area (SF)	x 24,394
Indicated Value	\$384,206
Rounded to nearest \$10,000	\$380,000

COST APPROACH

METHODOLOGY

The Cost Approach is based on the principle of substitution, which states that no prudent person will pay more for a property than the cost of acquiring a site and constructing, without undue delay, an equally desirable and useful property. The steps have been outlined in the Valuation Process section of this report.

REPLACEMENT COST NEW

Our estimate of replacement cost new (RCN) is based on the Calculator Section in Marshall Valuation Service (MVS), a nationally recognized publication containing construction costs for all types of building and site improvements, and where available, cost comparables and the developer's budget. Base costs are revised monthly and adjustment factors are provided to reflect regional and local cost variations. The subject is considered to be a Class C Restaurants - Fast Food, and is judged to be of Excellent quality relative to the rating of MVS.

MARSHALL VALUATION SERVICE

BASE BUILDING COSTS

The published costs include all direct costs for the base structure, tenant improvements, and the following indirect costs:

- Plans, specifications, and building permits, including engineer's and architect's fees;
- Interest on construction loan during the construction period;
- Sales tax on materials; and
- Contractor's overhead and profit, including worker's compensation, fire and liability insurance, unemployment insurance, etc.

These base building costs, adjusted for any unique building characteristics and cost multipliers, are presented in the cost summary table at the end of this section.

SITE IMPROVEMENT COSTS

Site improvements include the paving, landscaping, signage, lighting, and other miscellaneous items. An itemization of the site improvements is summarized in the table at the end of the section.

INDIRECT COSTS

Indirect costs not included in Base Building Costs include such items as developer overhead, property taxes, permanent loan fees, legal costs, developer fees, contingencies, and lease-up and marketing costs. Research into these costs leads to the conclusion that an average property requires an allowance for other indirect costs of between 5% and 25% percent of Base Building Costs plus Site Improvement Costs. We have estimated indirect costs of 20% in our analysis.

ENTREPRENEURIAL PROFIT

Entrepreneurial profit, also referred to as developer's profit, represents the profit required to motivate a developer to construct and lease-up a property. Anticipated developer's profit varies widely between individual projects depending on location and market conditions, but generally lies within the range of 10% to 20% of direct and indirect building and site costs. In this analysis, we estimated entrepreneurial profit at 15% of replacement cost.

COMPARABLES BUDGET

For further support, actual costs of other Ziggi's Coffee properties are shown in the table below. Such total cost include entrepreneurial profit.

CONSTRUCTION COST SUMMARY			
	Comp 1	Comp 2	Comp 3
Location:	Ziggi's Coffee- Wyoming	Ziggi's Coffee- Colorado	Ziggi's Coffee - Colorado
Actual/Budget	Actual	Actual	Actual
Year of Cost Data	2022	2021	2019
Size (SF):	624	624	624
Total Costs (SF)	\$1,826.55	\$1,646.14	\$1,397.59
Total Cost Conclusion	\$1,139,767	\$1,027,191	\$872,096.16

MARSHALL & SWIFT ESTIMATE

MVS COST SUMMARY				
Replacement Cost New (RCN)	Area (SF)	\$/SF	Subtotal	Total Cost
Building Improvements				
Base Cost	624	\$397.00	\$247,728	
Subtotal			\$247,728	
Multipliers				
Current Cost		1.070		
Local Area		0.890		
Story Height		1.000		
Product of Multipliers			x 0.952	
Adjusted Base Building Cost				\$235,837
Site Improvements				
Paving (asphalt)	23,770	\$6.00	\$142,620	
Landscaping, Lighting, Other Site Improvements			\$350,000	
Total Site Improvements				\$492,620
Total Direct Costs				\$728,457
Plus Other Indirect Costs (% of Direct Costs)	20%			\$145,691
Subtotal Replacement Cost New (RCN)				\$874,148
Plus Entrepreneurial Profit (% of RCN)	15%			\$131,122
Total Replacement Cost New (RCN)				\$1,005,271
per square foot				\$1,611.01

RECONCILIATION – REPLACEMENT COST NEW

REPLACEMENT COST NEW (RCN) RECONCILIATION		
Source	Indication	Weight
Marshall Valuation Service	\$1,005,271	Secondary
Construction Comparables (Average)	\$1,013,018	Primary
RCN Conclusion	\$1,013,018	

Given the construction comparables are all Ziggi's Coffee properties, the appraiser has placed primary weight on the average of the cost comparables.

ACCRUED DEPRECIATION

Three different sources of depreciation may affect the existing improvements:

Physical Deterioration	As discussed in the <i>Improvements Description</i> section, because the subject improvements are proposed, <i>curable</i> physical depreciation does not exist. We have used the economic age-life method to develop an opinion of physical deterioration. In the Improvements Description section of this report, we developed an opinion that the effective age of the subject to be 3 years and the economic life to be 50 years, which results in <i>incurable</i> physical deterioration of 6.0% (effective age ÷ economic life).
Functional Obsolescence	The subject improvements are constructed utilizing modern materials and techniques. Furthermore, the design and layout of the property is consistent with current market standards. As such, no functional obsolescence affects the existing improvements.
External Obsolescence	Based upon a review of the specific location of the subject, as well as local market conditions, no external obsolescence appears to be present.
Total Depreciation	The sum of these elements of accrued depreciation amounts to 6.0%, which is deducted from the RCN.

CONCLUSION

The following table provides a summary of the Cost Approach.

COST APPROACH SUMMARY				
Replacement Cost New (RCN)	Area (SF)	\$/SF	Subtotal	TotalCost
Building Improvements				
Base Cost	624		\$1,013,018	
Subtotal			\$1,013,018	
Adjusted Base Building Cost				\$1,013,018
Total Replacement Cost New (RCN)				\$1,013,018
per square foot				\$1,623.43
Less Accrued Depreciation				
Physical				
Curable (Deferred Maintenance)			\$0	
Incurable				
Effective Age (Years)	3			
Economic Life	50			
Total Incurable Physical Depreciation	6.0%		\$60,781	
Functional Obsolescence	0.0%		\$0	
External Obsolescence	0.0%		\$0	
Total	6.0%			\$60,781
Depreciated Value of the Improvements				\$952,237
per square foot				\$1,526.02
Plus Land Value				\$380,000
Indicated Value by Cost Approach				\$1,332,237
Rounded to nearest \$10,000				\$1,330,000
per square foot				\$ 2,131.41

SALES COMPARISON APPROACH

METHODOLOGY

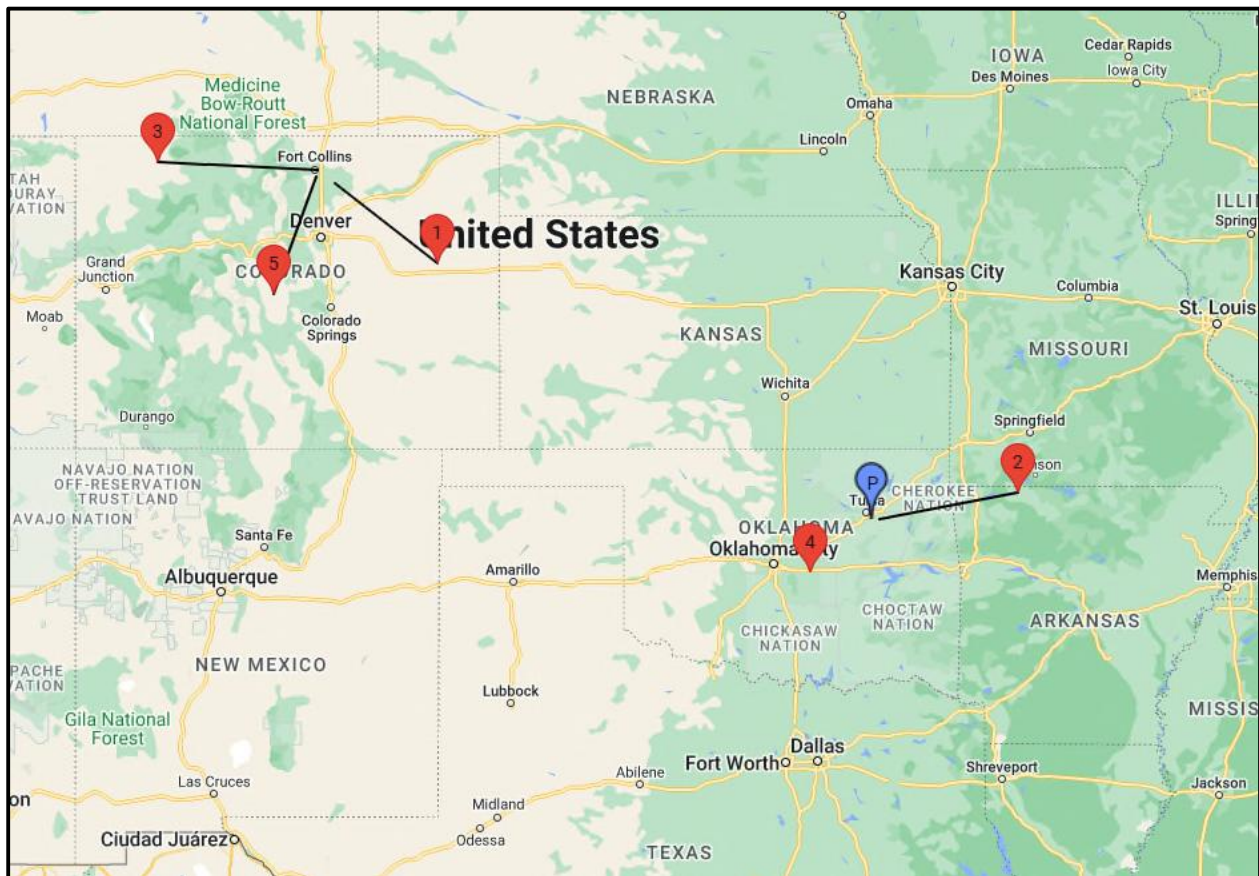
In the Sales Comparison Approach, we developed an opinion of value by comparing similar, recently sold properties in the surrounding or competing area to the subject property. In order to determine the value of the subject property, these comparable sales and/or listings are then evaluated and adjusted based on their differences when compared to the subject property. Inherent in this approach is the principle of substitution, which states that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

UNITS OF COMPARISON

The most applicable unit of comparison is the price per SF.

COMPARABLE IMPROVED SALES

Given the lack of similar improved coffee shop sales in the immediate market, the appraiser broadened the search to include sales in nearby states. On the following pages, we present a summary of the improved properties that we compared to the subject property, and the adjustment process. A map below has presented of the improved sales.



COMPARABLE IMPROVED SALES SUMMARY

SUMMARY OF IMPROVED SALES									
Comp No.	Property / Location	Date of Sale	Transaction Status	Property Rights	Year Built/ Renovated	Bldg. Size (SF Net)	Site Size (SF) (Acres)	Land-to-Building Ratio	Sale Price \$/SF Gross
1	Ziggi's Coffee 5815 West 20th Street Greeley, CO	Aug-22	Closed	Leased Fee	2018	492	33,062 0.76	67.20 : 1	\$1,630,000 \$3,313.01
2	Dutch Bro's 701 East Kenosha Street Broken Arrow, OK	Jan-22	Closed	Leased Fee	2022	950	30,125 0.69	31.71 : 1	\$2,410,000 \$2,536.84
3	Ziggi's Coffee 432 12th Street Fort Collins, CO	Apr-22	Closed	Fee Simple	2004	476	10,415 0.24	21.88 : 1	\$775,000 \$1,628.15
4	Scooter's Coffee 1502 North Harrison Street Shawnee, OK	Feb-22	Closed	Leased Fee	2021	574	27,007 0.62	47.05 : 1	\$626,500 \$1,091.46
5	Ziggi's Coffee 6533 South College Avenue Fort Collins, CO	Dec-21	Closed	Fee Simple	2018	490	70,872 1.63	144.64 : 1	\$1,385,000 \$2,826.53
Subj.	Ziggi's Coffee 6134 South Memorial Drive Tulsa, Oklahoma	-----	---	Fee Simple	2018	624	24,394 0.56	39.09 : 1	--- -----

COMMENTS

- 1 - This drive-thru coffee kiosk occupied by Ziggi's Coffee sold with a new 15-year absolute net lease. The cap rate for this transaction was 4.79%.
- 2 - Sale of a Dutch Brothers for \$2,536.84/SF. At the time of sale, the remaining term was 15-years.
- 3 - Owner/user purchase of a drive-thru coffee kiosk.
- 4 - Sale of a Scooter's Coffee for \$1,091.46/SF. At the time of sale the remaining term was 10-years
- 5 - Owner/user purchase of a drive-thru coffee kiosk.

COMPARABLE IMPROVED SALES ADJUSTMENT GRID

COMPARABLE SALE SUMMARIES AND ADJUSTMENTS						
Property / Location	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Property / Location	Ziggi's Coffee 6134 South Memorial Drive Tulsa, Oklahoma	Ziggi's Coffee 5815 West 20th Street Greeley, CO	Dutch Bro's 701 East Kenosha Street Broken Arrow, OK	Ziggi's Coffee 432 12th Street Fort Collins, CO	Scooter's Coffee 1502 North Harrison Street Shawnee, OK	Ziggi's Coffee 6533 South College Avenue Fort Collins, CO
Transaction Status	-----	Closed	Closed	Closed	Closed	Closed
Date of Sale	-----	Aug-22	Jan-22	Apr-22	Feb-22	Dec-21
Bldg. Size (SF Gross)	624	492	950	476	574	490
Site Size (SF)	24,394	33,062	30,125	10,415	27,007	70,872
Site Size (Acres)	0.56	0.76	0.69	0.24	0.62	1.63
Occup.	100%	100%	100%	0%	100%	100%
Sale Price	\$0	\$1,630,000	\$2,410,000	\$775,000	\$626,500	\$1,385,000
Unadjusted Price per SF (Gross)		\$3,313.01	\$2,536.84	\$1,628.15	\$1,091.46	\$2,826.53
Transactional Adjustments						
Property Rights Conveyed	<i>Fee Simple</i>	<i>Leased Fee</i>	<i>Leased Fee</i>	<i>Fee Simple</i>	<i>Leased Fee</i>	<i>Fee Simple</i>
Adjustment		-5%	-5%	0%	-5%	0%
Financing						
Adjustment		0%	0%	0%	0%	0%
Terms/Conditions of Sale						
Adjustment		0%	0%	0%	0%	0%
Expenditures After Sale						
Adjustment		0%	0%	0%	0%	0%
Market Conditions	<i>Jan-00</i>	<i>Aug-22</i>	<i>Jan-22</i>	<i>Apr-22</i>	<i>Feb-22</i>	<i>Dec-21</i>
Adjustment		0%	0%	0%	0%	0%
Total Transactional Adjustments		-5%	-5%	0%	-5%	0%
Adjusted Price per SF (Gross)		\$3,147.36	\$2,410.00	\$1,628.15	\$1,036.89	\$2,826.53
Property Adjustments						
Location		-15%	0%	-10%	20%	-5%
Property Size SF (Gross)	624	492	950	476	574	490
		0%	5%	0%	0%	0%
Effective Age		0%	0%	0%	0%	0%
Quality	<i>Excellent</i>	<i>Good</i>	<i>Good</i>	<i>Average</i>	<i>Good</i>	<i>Good</i>
		5%	5%	10%	0%	0%
Land-To-Building Ratio	39.09 : 1	67.2 : 1	31.71 : 1	21.88 : 1	47.05 : 1	144.64 : 1
		-10%	0%	10%	-5%	-25%
Total Property Adjustments		-20%	10%	10%	15%	-30%
Indication for Subject		\$2,517.89	\$2,651.00	\$1,790.97	\$1,192.42	\$1,978.57

ADJUSTMENT PROCESS

The sales that we have utilized represent the best available information that could be compared to the subject property. The major elements of comparison for an analysis of this type include the property rights conveyed, the financial terms incorporated into a particular transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its physical traits and the economic characteristics of the property.

PROPERTY RIGHTS CONVEYED

The subject will be effectively owner-occupied by a Ziggi's Coffee franchise operator. No arm's length leases encumber the subject. The subject would convey fee simple property rights in a future sale to another franchise operator if no lease were in place. However, the subject could also convey leased fee property rights in a potential sale if the subject's owner-operator were to complete a sale leaseback transaction with an investor. Sales 1, 2, and 4 are incoming producing properties, thus were adjusted downward.

Comparable No. 1 was regarded superior to the subject and received a downward adjustment of 5%. Comparable No. 2 was regarded superior to the subject and received a downward adjustment of 5%. Comparable No. 4 was regarded superior to the subject and received a downward adjustment of 5%.

FINANCING TERMS

This category accounts for differences in financing terms associated with the transaction. Financing arrangements that may require an adjustment include mortgage assumptions (at favorable interest rates), seller buydowns, installment sales, wrap-around loans, or any other atypical financing arrangements that do not represent cash-equivalent terms.

All of the comparables were considered similar to the subject and no adjustments were required for this category.

TERMS/CONDITIONS OF SALE

Adjustments for conditions of sale typically reflect various motivations of the buyer and/or seller. This may include such factors as seller distress (short sale, REO, auction) or buyer motivation (assemblage, etc.). In some situations, the conditions of sale may significantly affect transaction prices. Properties that are listed for sale may require adjustments herein to account for any disparity between asking prices and the achievable sale price anticipated.

All of the comparables were considered similar to the subject and no adjustments were required for this category.

EXPENDITURES IMMEDIATELY AFTER SALE

In order to arrive at the effective sale price, the actual sale price of each comparable is adjusted to account for any expenditures planned by the buyer immediately after sale, such as capital expenditures, cost to cure deferred maintenance, or lease-up costs.

All of the comparables were considered similar to the subject and no adjustments were required for this category.

MARKET CONDITIONS

This time-adjustment category accounts for differences in economic conditions between the effective date of appraisal and the transaction date of the comparable, such as may be caused by changing supply and demand factors, rental rates, vacancy rates and/or capitalization rates.

All of the comparables were considered similar to the subject and no adjustments were required for this category.

LOCATION

The appeal of a property's location to users of and/or investors in a particular property type can influence value significantly. This factor broadly considers the impact of demographics, geographical attributes, access to transportation networks and local land use trends on pricing. Comparisons of location can often be derived, or even quantified, by examining rent, vacancy, capitalization rate, and land value trends in the subject and directly competitive areas.

Comparable No. 1 was regarded superior to the subject and received a downward adjustment of 15%. Comparable No. 3 was regarded superior to the subject and received a downward adjustment of 10%. Comparable No. 4 was judged inferior to the subject and received an upward adjustment of 20%. Comparable No. 5 was regarded superior to the subject and received a downward adjustment of 5%.

PROPERTY SIZE SF (GROSS)

Normally, all other characteristics being equal, the unit value of a property is affected by its size. Building size and price per square foot typically have an inverse relationship. Larger buildings tend to achieve lower pricing on a per-unit basis due to their economies of scale, and smaller pool of prospective buyers.

Comparable No. 2 was judged inferior to the subject and received an upward adjustment of 5%.

EFFECTIVE AGE

Unlike chronological age differences, this adjustment category reflects differences in the amount of observed deterioration and obsolescence sustained, which may be different than physical age.

All of the comparables were considered similar to the subject and no adjustments were required for this category.

QUALITY

Quality adjustments reflect differences in the quality and durability of construction materials, design, building classification, finish-out, et cetera.

Comparable No. 1 was judged inferior to the subject and received an upward adjustment of 5%. Comparable No. 2 was judged inferior to the subject and received an upward adjustment of 5%. Comparable No. 3 was judged inferior to the subject and received an upward adjustment of 10%.

LAND-TO-BUILDING RATIO

This represents the proportion of land area to gross building area. Properties with a higher land-to-building ratio are generally considered superior to those with a lower ratio due to the possibility for expansion, redevelopment, outside storage, parking, et cetera.

Comparable No. 1 was regarded superior to the subject and received a downward adjustment of 10%. Comparable No. 3 was judged inferior to the subject and received an upward adjustment of 10%. Comparable No. 4 was regarded superior to the subject and received a downward adjustment of 5%. Comparable No. 5 was regarded superior to the subject and received a downward adjustment of 25%.

SUMMARY OF PROPERTY ADJUSTMENTS

Comparable No. 1 was regarded superior to the subject and received a downward adjustment of 20%. Comparable No. 2 was judged inferior to the subject and received an upward adjustment of 10%. Comparable No. 3 was judged inferior to the subject and received an upward adjustment of 10%. Comparable No. 4 was judged inferior to the subject and received an upward adjustment of 15%. Comparable No. 5 was regarded superior to the subject and received a downward adjustment of 30%.

CONCLUSION OF SALES COMPARISON APPROACH

SALES SUMMARY	UNADJUSTED	ADJUSTED
Minimum	\$1,091.46	\$1,192.42
Maximum	\$3,313.01	\$2,651.00
Average	\$2,279.20	\$2,026.17
Median	\$2,536.84	\$1,978.57
Standard Deviation	\$808.62	\$526.29

After adjustments the comparable improved sales reflect prices ranging from \$1,192.42 to \$2,651.00 per square foot. Primary consideration was placed upon the adjusted average of Sales 1 and 2 being the most recent with consideration given to the current contract price. This analysis supports a value by the Sales Comparison Approach of \$2,550.00 per square foot.

SALES COMPARISON APPROACH VALUE CONCLUSION	
Indicated Value per SF	\$2,550.00
per SF (Gross)	x 624
Indicated As Is Value	\$1,591,200
Rounded to nearest \$10,000	\$1,590,000
Per SF (Net)	\$2,548

INCOME CAPITALIZATION APPROACH

GENERAL PROCESS

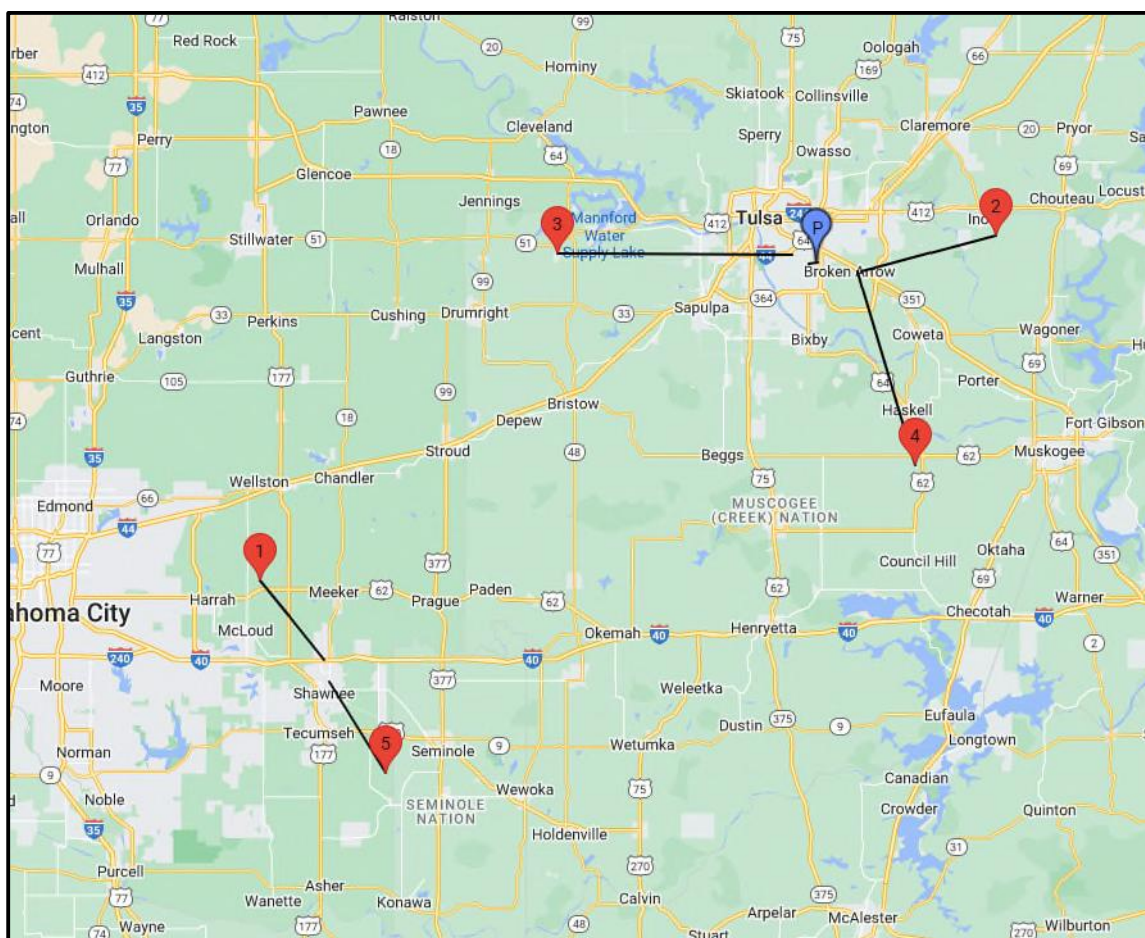
In the Income Capitalization Approach, the appraiser concludes to a value indication for the subject by converting a projected net operating income into a single present value by using either the direct capitalization or yield capitalization method.

In direct capitalization, the estimated net operating income is divided by a market-driven capitalization rate to provide an indication of value. In yield capitalization, a series of income streams are discounted over a holding period to estimate a present value. The yield capitalization approach is referred to as a discounted cash flow analysis and is most useful for properties that are not stabilized or expect to have large fluctuations in the income stream over a holding period.

MARKET RENT

To estimate the market rental rate of the retail space in the subject, the rental rates of other drive-thru only coffee shops have been analyzed. These rental rates are summarized below, and the pertinent details of each are in the exhibits section of this report.

COMPARABLE LEASE MAP AND LEASE SURVEY



COMPARABLE LEASE SURVEY								
Comp No.	Property Name / Location	Bldg. Size (SF Net)	Year Built	Overall Occ. %	Lease Start	Lease Term	Lease Rate (\$/SF/Yr)	Expense Structure
Lease 1	Dutch Brothers Coffee, Shawnee, OK 190 Shawnee Mall Drive Shawnee, OK	950	2023	100%	Jan-2023	180 mos.	\$106.32	Absolute Net
Lease 2	7 Brew 1501 East Kenosha Street Broken Arrow, OK	510	2022	100%	Dec-2022	180 mos.	\$235.29	Absolute Net
Lease 3	Dutch Bros. Coffee 4725 E 51st Street Tulsa, OK	862	2022	100%	Mar-2022	180 mos.	\$119.84	Absolute Net
Lease 4	Dutch Bro's 701 East Kenosha Street Broken Arrow, OK	950	2022	100%	Feb-2022	180 mos.	\$105.26	Absolute Net
Lease 5	Scooter's Coffee 1502 North Harrison Street Shawnee, OK	574	2021	100%	Feb-2022	120 mos.	\$62.72	NNN
Minimum			2021	100%			\$62.72	
Maximum			2023	100%			\$235.29	
Average			2022	100%			\$125.89	
Subject		624	2018	100%				

MARKET RENT CONCLUSION

Based upon the preceding data, a summary of the concluded market rent utilized within the following analysis is presented within the following table. Given, the location, age, and condition primary consideration was given to the four most recent comparables with an average of \$141.68 . Lease comparable 5 is considered an outlier of the collected data.

MARKET RENT CONCLUSION	
Net Rentable Area (SF)	624
Comparable Lease Rate Range	\$62.72 - \$235.29
Concluded Market Rent (\$/SF)	\$141.00
Expense Structure	Absolute Net
Concessions	None
Annual Escalations	10% every 5-years
Tenant Improvements (\$/SF)	
New	\$10.00
Renewal	\$5.00
Leasing Commissions	
New	6%
Renewal	3%
Average Lease Term (years)	15

POTENTIAL GROSS RENTAL INCOME

Potential gross rental income based on market rents is shown in the following table.

POTENTIAL GROSS RENTAL INCOME			
Tenant	Total	Market Rent	
	Area (SF)	\$/SF	Annl. Rent
Total	624	\$141.00	\$87,984

VACANCY AND COLLECTION LOSS

Occupancy data for the market, submarket, lease comparables and the subject, as well as the concluded occupancy/vacancy for the subject, is shown in the following table.

VACANCY CONCLUSION	
Market Occupancy	97%
Submarket Occupancy	95%
Lease Comparables Occupancy Range	100%–100%
Lease Comparable Average Occupancy	100%
Subject's Current Occupancy	100%
Subject's Stabilized Occupancy	100.0%
Subject's Stabilized Vacancy Loss	0.0%

A total vacancy loss for the subject property of 0.0% is projected. We also estimate a nominal level of collection loss of 0.0%. This is consistent with practices by market participants for drive-thru only coffee properties.

OPERATING EXPENSE ANALYSIS AND PROJECTIONS

Typically, the best source of information to estimate pro forma operations for the property is the actual historical performance of the subject. However, since the subject property is under contract and under construction, the pro forma operations for the subject were estimated according to comparable operations within the market. Each of the respective expense items is estimated in the following analysis with consideration given to comparable expense data from the latest IREM report. A discussion of each of the expense categories is as follows: Total recoveries projected for the subject are \$26,958.

IREM INCOME/EXPENSE ANALYSIS			
Expense	Low	High	Median
Real Estate Taxes	\$0.89	\$1.99	\$1.60
Insurance	\$0.16	\$0.29	\$0.20
CAM	\$0.89	\$1.98	\$1.45
Management	\$0.28	\$0.62	\$0.42
Replacement Reserves	---	---	---
Total	\$2.22	\$4.88	\$3.67

COMMENTS

Real Estate Taxes	Taxes were previously concluded in the tax section of this report and considered to be reasonable based upon a sale of the subject property. On a per square foot basis, the subject's tax liability of \$37.37 per square foot.
Insurance	This category includes property and casualty insurance that is required or typical at the subject and similar properties. Insurance expenses have been estimated to approximate the median amount reported via IREM at \$0.20 per square foot.
CAM	Retail properties often have a CAM charge in order to provide for routine maintenance of the landscaping, parking lot repair, cleaning, and other items associated with maintaining the subject improvements. Appropriate CAM charges of \$1.45 per square foot are estimated and regarded as relatively consistent with the median amount indicated in IREM.
Management	This category accounts for off-site management performed by the owner or third-party management company, typically ranging from 2% to 5%. We have estimated this expense as 2.0% of EGI, which appears reasonable given the data presented.
Replacement Reserves	This account accrues funds for the eventual repair/replacement of building components outside of CAM. Based upon our experience with similar properties and the age of the subject, and its condition, we have estimated this expense at \$0.50 per square foot. This is also supported by the most recent PwC report.

Expense Conclusion

EXPENSES		
Expense	\$/SF	Total
Real Estate Taxes	\$37.37	\$23,318
Insurance	\$0.20	\$125
CAM	\$1.45	\$905
Management	\$3.68	\$2,299
Replacement Reserves	\$0.50	\$312
Total	\$43.20	\$26,958

PRO FORMA

Following is a summary of the income and expense projections for the subject which is a summation of the preceding analysis.

DIRECT CAPITALIZATION		FY 2024	
Income		\$	Per SF
Gross Potential Rent		\$87,984	\$141.00
Expense Recoveries		\$26,958	\$43.20
Total Potential Gross Income		\$114,942	\$184.20
Less Vacancy Loss	0.00%	\$0	\$0.00
Less Collection Loss	0.00%	\$0	\$0.00
Effective Gross Income (EGI)		\$114,942	\$184.20
Expenses			
Real Estate Taxes		\$23,318	\$37.37
Insurance		\$125	\$0.20
CAM		\$905	\$1.45
Management	2.00%	\$2,299	\$3.68
Replacement Reserves		\$312	\$0.50
Total Expenses	23%	\$26,958	\$43.20
NET OPERATING INCOME (NOI)		\$87,984	\$141.00

DIRECT CAPITALIZATION

Direct capitalization is a method used to convert a projected single year's income expectancy into an indication of value. Dividing a property's net operating income by an appropriate market-derived capitalization rate, or overall rate (OAR), provides a value indication. There are several methods that can be used in deriving an overall rate to capitalize the net operating income projected above.

MARKET DERIVATION

When adequate data is available, the overall rate is best derived from the comparable sales employed in the Sales Comparison Approach; however, since some of the comparables were owner occupied, additional free standing

drive-thru only buildings were included. The following table summarizes capitalization rates extracted from the comparable sales transactions.

MARKET DERIVED CAPITALIZATION RATE SUMMARY							
No.	Property / Location	Date of Sale	Year Built	Occup.	Sale Price PSF	Yrs. Remain on Lease	Capitalization Rate
1	Dunkin' Go - Tulsa OK	Jan-23	2022	100%	\$ 1,792.00	15	5.05%
2	Human Bean - Lewisville, TX	Oct-22	2020	100%	\$ 2,260.64	10	6.00%
3	Ziggi's Coffee - Greeley, CO	Aug-22	2018	100%	\$ 3,313.01	15	4.79%
4	Dutch Bros - Broken Arrow, OK	Jun-22	2022	100%	\$ 2,536.84	15	4.15%
5	Dutch Bros - Tulsa OK	Mar-22	2022	100%	\$ 2,755.22	15	4.35%
6	Scooter's Coffee - Shawnee, OK	Feb-22	2021	100%	\$ 1,091.46	10	5.75%
7	Scooter's Coffee - Oklahoma City, OK	Nov-21	2021	100%	\$ 1,219.51	10	6.40%
8	Human Bean - Saint Joseph, MO	Apr-21	2016	100%	\$ 1,687.50	15	6.82%
Low							4.15%
High							6.82%
Median							5.75%
Average							5.01%
Appraiser's Concluded Range							5.00%-6.00%

The sales above indicate a range of capitalization rates from 4.15% to 6.82% with an average of 5.01%. The subject warrants a capitalization rate in the 5.00%-6.00% range. Dutch Bros is one of the largest coffee drive-thru companies in the country and is a stronger tenant in the market. Primary weight should be placed upon the Scooter Coffee's and Human Bean which are more akin to the subject. The Ziggi's sale is superior in location being in Colorado. Furthermore, interest rates have increased significantly since Q3 2022 as such a capitalization rate near the upper limit is reasonable. Thus, a capitalization rate that is higher than the average is reasonable.

INVESTOR SURVEYS

INVESTOR SURVEYS		
Survey/Investment Type	OAR Range	Average
PwC Real Estate Investor Survey (3Q22)		
Net Lease	5.00% - 7.50%	6.13%
RealtyRates.com Investor Survey (4Q22)		
Retail	5.08% - 13.79%	9.35%
Indicated OAR:	5.00% - 13.79%	7.74%

MARKET PARTICIPANT INTERVIEWS

The following table indicates data from local and/or regional market participant interviews relative to capitalization rates for the subject and similar drive-thru only properties.

MARKET PARTICIPANT INTERVIEWS			
Respondent	Company	Survey Date	Cap Rate Range
Keith May	Cottonwood Commercial	1Q 2023	5.50%-6.00%
Matt Hazelton	JLL	4Q 2022	5.25%-5.75%
Melissa Ley	CBRE	4Q 2022	5.50%-6.50%
Reported Range			5.25%-6.50%

BAND OF INVESTMENT

The band of investment calculation is summarized in the following table.

BAND OF INVESTMENT				
Loan Parameters				
Loan-to-Value (LTV)				75%
Amortization Period (yrs)				30
Interest Rate				5.00%
Mortgage Constant				0.06442
Equity Dividend Rate				5.25%
Calculation				
0.75 LTV	x	0.06442 Mortgage Constant	=	0.04831
0.25 Equity	x	0.05250 Equity Dividend Rate	=	0.01313
Capitalization Rate				6.14%

CAPITALIZATION RATE SUMMARY AND CONCLUSION

The capitalization rates derived from the various techniques are summarized in the following table.

SUMMARY CAPITALIZATION RATE AND CONCLUSION	
Method	Capitalization Rate
Market Extraction	5.00%-6.00%
Investor Surveys	7.74%
Market Participants	5.25%-6.50%
Band of Investment	6.14%
Primary Weight	Market Extraction
Secondary Weight	Investor Surveys, Market Participants
Capitalization Rate Conclusion	5.50%

Typically, most weight is placed on the rates derived from sources most closely associated with the subject's immediate market, that is, comparable sales, particularly if the comparable sales have a similar risk profile to the subject property. Placing primary consideration on the sales comparables we conclude an overall capitalization rate of **5.50%**.

VALUE INDICATION FROM DIRECT CAPITALIZATION

A value indication by the Direct Capitalization Method is calculated by dividing the net operating income (NOI), derived earlier in this section by the appropriate capitalization rate. Our conclusion via the Direct Capitalization Method is as follows.

DIRECT CAPITALIZATION METHOD VALUE CONCLUSION -		
NET OPERATING INCOME	\$87,984	\$141.00
Sensitivity Analysis (0.25% OAR Spread)	Value	\$/SF
Based on Low-Range of 5.25%	\$1,675,886	\$2,685.71
Based on Most Probable Rate of 5.50%	\$1,599,709	\$2,563.64
Based on High-Range of 5.75%	\$1,530,157	\$2,452.17
Reconciled Value	\$1,599,709	\$2,563.64
Rounded to nearest \$10,000	\$1,600,000	\$2,564.10

RECONCILIATION AND FINAL VALUE CONCLUSIONS

VALUE INDICATIONS			
As Is as of January 11, 2023			
Cost Approach	\$1,330,000	\$	2,131 Per Square Foot (GBA)
Land Value	\$380,000	\$	15.58 Per Square Foot of Land
Sales Comparison Approach	\$1,590,000	\$	2,548 Per Square Foot (GBA)
Income Capitalization Approach			
Direct Capitalization	\$1,600,000	\$	2,564 Per Square Foot (GBA)
Approach Reliance	Sales Comparison		
Value Conclusion - As Is	\$1,590,000	\$	2,548 Per Square Foot (GBA)
Exposure Time (Months)	12		
Marketing Time (Months)	12		

MARKET VALUE - VALUATION RELIANCE

The Cost Approach is relevant for valuation of the subject property because purchasers of this type of real estate typically consider the cost of constructing a substitute property when making purchase decisions. An adequate number of comparable land sales were available to develop an opinion of land value. Cost data is reliable since cost figures are based on the current, and similar comparable costs to construct the subject property. Therefore, the Cost Approach is utilized as support for the Sales Comparison Approach.

The sales comparison approach is used by both owner-users and investors. Both would analyze recently sold properties when making a purchase decision. Quantifying subtle differences between properties is somewhat subjective. Nonetheless, the Sales Comparison Approach provides a reliable indication of value.

The Income Capitalization Approach is the valuation method most used by investors in making purchase decisions for income-producing properties. Sale leaseback transactions for this property type occur and the subject would appeal to an investor if an arm's length lease agreement were drafted. Good quality data was available for development of the appropriate rental and capitalization rates. Therefore, the Income Capitalization Approach provides a reliable value indication for the subject and is utilized as support for the Sales Comparison Approach.

CONCLUDED OPINIONS OF VALUE

Based on our inspection of the property and the investigation and the analysis undertaken, we have concluded the following value opinions. ***The value presented in the table is for real estate only and excludes business value and FF&E.***

MARKET VALUE CONCLUSION(S)			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value - As Is	Fee Simple	January 11, 2023	\$1,590,000

MARKETING TIME AND EXPOSURE TIME

EXPOSURE TIME

Exposure time is a condition of a Market Value opinion, and is defined as follows:

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.¹

Reasonable exposure time is one of a series of conditions in most market value definitions. Exposure time is always presumed to precede the effective date of the appraisal.

Given the market value conclusions of the subject property, a reasonable Exposure Time of 12 months was concluded. This opinion was formed from analyzing the marketing times of comparable sales and interviews with brokers.

MARKETING TIME

Marketing time is not found in the definitions section of USPAP; however Advisory Opinion 7 describes reasonable marketing time as:

The reasonable marketing time is an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value or at a benchmark price during the period immediately after the effective date of appraisal.²

Marketing time is a forecast that is made looking forward from the effective date. Marketing time differs from exposure time, which is always presumed to precede the effective date of appraisal.

A reasonable Marketing Time of 12 months was concluded.

¹ Uniform Standards of Professional Appraisal Practice (USPAP), *The Appraisal Foundation* 2020-2021 Edition – Definitions page 4

² Uniform Standards of Professional Appraisal Practice (USPAP), *The Appraisal Foundation* 2020-2021 Edition – Advisory Opinion 7, page 74

CERTIFICATION

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 interest in the property that is the subject of this report and no personal interest with respect to the parties involved with this assignment.
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 opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the state of Oklahoma.
9. The reported analyses, opinions, and Value Indications were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, Michael Septer, MAI has and Ronald K. Owens, Jr., MAI, MRICS, ASA has and completed the continuing education program for Designated Members of the Appraisal Institute.
12. Michael Septer, MAI has not and Ronald K. Owens, Jr., MAI, MRICS, ASA has not and Nicholas Askew has made a personal inspection of the property that is the subject of this report.
13. No one provided significant real property appraisal assistance to the person(s) signing this certification.
14. Michael Septer, MAI has not and Ronald K. Owens, Jr., MAI, MRICS, ASA has not and Nicholas Askew has not provided services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.



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STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

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

- 1) Notwithstanding that Appraiser may comment on, analyze or assume certain conditions in the appraisal, BBG, Inc. shall have no monetary liability or responsibility for alleged claims or damages pertaining to: (a) title defects, liens or encumbrances affecting the property; (b) the property's compliance with local, state or federal zoning, planning, building, disability access and environmental laws, regulations and standards; (c) building permits and planning approvals for improvements on the property; (d) structural or mechanical soundness or safety; (e) contamination, mold, pollution, storage tanks, animal infestations or other hazardous conditions affecting the property; and (f) other conditions and matters for which licensed real estate appraisers are not customarily deemed to have professional expertise. Accordingly:
 - a) The Appraiser has not conducted any engineering or architectural surveys in connection with this appraisal assignment. Information reported pertaining to dimensions, sizes, and areas is either based on measurements taken by the Appraiser or the Appraiser's staff or was obtained or taken from referenced sources and is considered reliable. The Appraiser and BBG, Inc. shall not be monetarily liable or responsible for or assume the costs of preparation or arrangement of geotechnical engineering, architectural, or other types of studies, surveys, or inspections that require the expertise of a qualified professional.
 - b) Unless otherwise stated in the report, only the real property is considered, so no consideration is given to the value of personal property or equipment located on the premises or the costs of moving or relocating such personal property or equipment. Further, unless otherwise stated, it is assumed that there are no subsurface oil, gas or other mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Further, unless otherwise stated, it is assumed that there are no rights associated with extraction or exploration of such elements considered. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
 - c) Any legal description or plats reported in the appraisal are assumed to be accurate. Any sketches, surveys, plats, photographs, drawings or other exhibits are included only to assist the intended user to better understand and visualize the subject property, the environs, and the competitive data. BBG, Inc. has made no survey of the property and assumes no monetary liability or responsibility in connection with such matters.
 - d) Title is assumed to be good and marketable, and in fee simple, unless otherwise stated in the report. The property is considered to be free and clear of existing liens, easements, restrictions, and encumbrances, except as stated. Further, BBG, Inc. assumes there are no private deed restrictions affecting the property which would limit the use of the subject property in any way.
 - e) The appraisal report is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the appraisal report; additionally, that all applicable zoning, building, and use regulations and restrictions of all types have been complied with unless otherwise stated in the appraisal report. Further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value opinion. Moreover, unless otherwise stated herein, it is assumed that there are no encroachments or violations of any zoning or other regulations affecting the subject property, that the utilization of the land and improvements is within the boundaries or property lines of the property described, and that there are no trespasses or encroachments.
 - f) The American Disabilities Act (ADA) became effective January 26, 1992. The Appraiser has not made a specific compliance survey or analysis of the property to determine whether or not it is in conformity

- with the various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would 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 impact upon the value of the property. Since the Appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.
- g) No monetary liability or responsibility is assumed for conformity to specific governmental requirements, such as fire, building, safety, earthquake, or occupancy codes, except where specific professional or governmental inspections have been completed and reported in the appraisal report.
 - h) It is assumed the subject property is not adversely affected by the potential of floods; unless otherwise stated herein. Further, it is assumed all water and sewer facilities (existing and proposed) are or will be in good working order and are or will be of sufficient size to adequately serve any proposed buildings.
 - i) Unless otherwise stated within the appraisal report, the depiction of the physical condition of the improvements described therein is based on visual inspection. No monetary liability or responsibility is assumed for (a) the soundness of structural members since no engineering tests were conducted; (b) the condition of mechanical equipment, plumbing, or electrical components, as complete tests were not made; and (c) hidden, unapparent or masked property conditions or characteristics that were not clearly apparent during the Appraiser's inspection.
 - j) If building improvements are present on the site, it is assumed that no significant evidence of termite damage or infestation was observed during physical inspection, unless so stated in the appraisal report. Further, unless so stated in the appraisal report, no termite inspection report was available. No monetary liability or responsibility is assumed for hidden damages or infestation.
 - k) Unless subsoil opinions based upon engineering core borings were furnished, it is assumed there are no subsoil defects present, which would impair development of the land to its maximum permitted use or would render it more or less valuable. No monetary liability or responsibility is assumed for such conditions or for engineering which may be required to discover them.
 - l) BBG, Inc., excepting employees of BBG Assessment, Inc., and the appraiser(s) are not experts in determining the presence or absence of hazardous substances toxic materials, wastes, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, or other raw materials or chemicals) used in construction or otherwise present on the property. BBG, Inc. and the appraiser(s) assume no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such substances or for loss as a result of the presence of such substances. The Client is free to retain an expert on such matters in this field; however, Client retains such expert at Client's own discretion, and any costs and/or expenses associated with such retention are the responsibility of Client.
 - m) BBG, Inc. is not an expert in determining the habitat for protected or endangered species, including, but not limited to, animal or plant life (such as bald eagles, gophers, tortoises, etc.) that may be present on the property. BBG, Inc. assumes no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such species or for loss as a result of the presence of such species. The Appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions contained within the appraisal report based upon any subsequent endangered species impact studies, research, and investigation that may be provided. However, it is assumed that no environmental impact studies were either requested or made in conjunction with this analysis, unless otherwise stated within the appraisal report.
- 2) If the Client instructions to the Appraiser were to inspect only the exterior of the improvements in the appraisal process, the physical attributes of the property were observed from the street(s) as of the inspection date of the appraisal. Physical characteristics of the property were obtained from tax assessment records, available plans, if any, descriptive information, and interviewing the client and other

knowledgeable persons. It is assumed the interior of the subject property is consistent with the exterior conditions as observed and that other information relied upon is accurate.

- 3) If provided, the estimated insurable value is included at the request of the Client and has not been performed by a qualified insurance agent or risk management underwriter. This cost estimate should not be solely relied upon for insurable value purposes. The Appraiser is not familiar with the definition of insurable value from the insurance provider, the local governmental underwriting regulations, or the types of insurance coverage available. These factors can impact cost estimates and are beyond the scope of the intended use of this appraisal. The Appraiser is not a cost expert in cost estimating for insurance purposes.
- 4) The dollar amount of any value opinion herein rendered is based upon the purchasing power and price of the United States Dollar as of the effective date of value. This appraisal is based on market conditions existing as of the date of this appraisal.
- 5) The value opinions reported herein apply to the entire property. Any proration or division of the total into fractional interests will invalidate the value opinions, unless such proration or division of interests is set forth in the report. Any division of the land and improvement values stated herein is applicable only under the program of utilization shown. These separate valuations are invalidated by any other application.
- 6) Any projections of income and expenses, including the reversion at time of resale, are not predictions of the future. Rather, they are BBG, Inc.'s best estimate of current market thinking of what future trends will be. No warranty or representation is made that such projections will materialize. The real estate market is constantly fluctuating and changing. It is not the task of an appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future in terms of expectations of growth in rental rates, expenses, and supply and demand. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
- 7) The Appraiser assumes no monetary liability or responsibility for any changes in economic or physical conditions which occur following the effective date of value within this report that would influence or potentially affect the analyses, opinions, or conclusions in the report. Any subsequent changes are beyond the scope of the report.
- 8) Any proposed or incomplete improvements included in the appraisal report are assumed to be satisfactorily completed in a workmanlike manner or will be thus completed within a reasonable length of time according to plans and specifications submitted.
- 9) If the appraisal report has been prepared in a so-called "public non-disclosure" state, real estate sales prices and other data, such as rents, prices, and financing, are not a matter of public record. If this is such a "non-disclosure" state, although extensive effort has been expended to verify pertinent data with buyers, sellers, brokers, lenders, lessors, lessees, and other sources considered reliable, it has not always been possible to independently verify all significant facts. In these instances, the Appraiser may have relied on verification obtained and reported by appraisers outside of our office. Also, as necessary, assumptions and adjustments have been made based on comparisons and analyses using data in the report and on interviews with market participants. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
- 10) Although the Appraiser has made, insofar as is practical, every effort to verify as factual and true all information and data set forth in this report, no responsibility is assumed for the accuracy of any information furnished the Appraiser either by the Client or others. If for any reason, future investigations should prove any data to be in substantial variance with that presented in this report, the Appraiser reserves the right to alter or change any or all analyses, opinions, or conclusions and/or opinions of value.
- 11) The right is reserved by the Appraiser to make adjustments to the analyses, opinions, and conclusions set forth in the appraisal report as may be required by consideration of additional or more reliable data that may become available. No change of this report shall be made by anyone other than the Appraiser. The Appraiser shall have no monetary liability or responsibility for any unauthorized change(s) to the report.

- 12) The submission of the appraisal report constitutes completion of the services authorized and agreed upon. Such appraisal report is submitted on the condition the Client will provide reasonable notice and customary compensation, including expert witness fees, relating to any subsequent required attendance at conferences, depositions, or judicial or administrative proceedings. In the event the Appraiser is subpoenaed for either an appearance or a request to produce documents, a best effort will be made to notify the Client immediately. The Client has the sole responsibility for obtaining a protective order, providing legal instruction not to appear with the appraisal report and related work files, and will answer all questions pertaining to the assignment, the preparation of the report, and the reasoning used to formulate the opinion of value. Unless paid in whole or in part by the party issuing the subpoena or by another party of interest in the matter, the Client is responsible for all unpaid fees resulting from the appearance or production of documents regardless of who orders the work.
- 13) Client shall not disseminate, distribute, make available or otherwise provide any Appraisal Report prepared hereunder to any third party (including without limitation, incorporating or referencing the Appraisal Report, in whole or in part, in any offering or other material intended for review by other parties) except to (a) any third party expressly acknowledged in a signed writing by Appraiser as an "Intended User" of the Appraisal Report provided that either Appraiser has received an acceptable release from such third party with respect to such Appraisal Report or Client provides acceptable indemnity protections to Appraiser against any claims resulting from the distribution of the Appraisal Report to such third party, (b) any third party service provider (including rating agencies and auditors) using the Appraisal Report in the course of providing services for the sole benefit of an Intended User, or (c) as required by statute, government regulation, legal process, or judicial decree. In the event Appraiser consents, in writing, to Client incorporating or referencing the Appraisal Report in any offering or other materials intended for review by other parties, Client shall not distribute, file, or otherwise make such materials available to any such parties unless and until Client has provided Appraiser with complete copies of such materials and Appraiser has approved all such materials in writing. Client shall not modify any such materials once approved by Appraiser. In the absence of satisfying the conditions of this paragraph with respect to a party who is not designated as an Intended User, the receipt of an Appraisal Report by such party shall not confer any right upon such party to use or rely upon such report, and Appraiser shall have no liability for such unauthorized use or reliance upon such report. In the event Client breaches the provisions of this paragraph, Client shall indemnify, defend and hold Appraiser, and its affiliates and their officers, directors, employees, contractors, agents and other representatives (Appraiser and each of the foregoing an "Indemnified Party" and collectively the "Indemnified Parties"), fully harmless from and against all losses, liabilities, damages and expenses (collectively, "Damages") claimed against, sustained or incurred by any Indemnified Party arising out of or in connection with such breach, regardless of any negligence on the part of any Indemnified Party in preparing the Appraisal Report.

Overview

BBG OVERVIEW

BBG is one of the nation's largest real estate due diligence firms with more than 45 offices across the country serving more than 3,000 clients. We deliver best-in-class valuation, advisory and assessment services with a singular focus of meeting our clients' needs.

Our professional team offers broad industry expertise and deep market knowledge to help clients meet their objectives throughout the real estate life cycle.

BBG clients include commercial real estate professionals, investors, lenders, attorneys, accountants and corporations.

THE BBG DIFFERENCE

National Footprint. BBG is one of only two national firms offering in-house valuation and environmental and property condition assessment services for all commercial property types.

Customer-focused Growth. BBG is one of the largest national due diligence firms because we deliver best-in-class work product and provide excellent customer care.

Qualified Team. Over 50 percent of BBG appraisers are MAI designated and offer deep industry expertise gained through real-world experience.

Unbiased Independence. By focusing exclusively on due diligence services, BBG guarantees an independent perspective free from potential conflicts of interest.

Innovative Technology. BBG has made significant analytics and IT investments to continually improve our data and report quality.

SERVICES

Valuation

- + Single Asset Valuation
- + Portfolio Valuation
- + Institutional Asset Valuation
- + Appraisal Review
- + Appraisal Management
- + Lease and Cost Analysis
- + Insurance Valuation
- + Arbitration & Consulting
- + Feasibility Studies
- + Highest and Best Use Studies
- + Evaluation
- + Investment analysis
- + Tax appeals
- + Litigation Support
- + Manufactured Housing and Campgrounds

Advisory

- + ASC 805 Business combinations
- + ASC 840 Leases
- + Purchase Price Allocations
- + Portfolio Valuations for reporting net asset values (NAV)
- + Public and non-traded REIT valuations
- + Valuations for litigation and litigation support
- + Sale-leaseback valuation analysis
- + Valuations for bankruptcy/fresh start accounting
- + Cost segregation analysis

Assessment

- + Environmental due diligence
- + Property condition consulting
- + Small loan services
- + Energy consulting
- + Environmental consulting
- + Zoning
- + ALTA Surveys

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GLOSSARY

Appraisal: (noun) the act or process of developing an opinion of value; an opinion of value. (adjective) of or pertaining to appraising and related functions such as appraisal practice or appraisal services.⁷

Appraisal Practice: valuation services performed by an individual acting as an appraiser, including but not limited to appraisal and appraisal review.⁷

Appraisal Review: (noun) the act or process of developing an opinion about the quality of another appraiser's work (i.e., a report, part of a report, a workfile, or some combination of these), that was performed as part of an appraisal or appraisal review assignment, (adjective) of or pertaining to an opinion about the quality of another appraiser's work that was performed as part of an appraisal or appraisal review assignment.⁷

Appraiser: one who is expected to perform valuation services competently and in a manner that is independent, impartial and objective.⁷

Appraiser's Peers: other appraisers who have expertise and competency in a similar type of assignment.⁷

Assessed Value: The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value.¹

Asset:

1. Any item, the rights to which may have economic value, including financial assets (cash or bonds), business interests, intangible assets (copyrights and trademarks), and physical assets (real estate and personal property).
2. In general business usage, something owned by a business and reflected in the owner's business sheet.

Asset: A resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity.²

Assignment: a valuation service that is provided by an appraiser as a consequence of an agreement with a client.⁷

Assignment Conditions: Assumptions, extraordinary assumptions, hypothetical conditions, laws and regulation, jurisdictional exceptions, and other conditions that affect the scope of work.⁷

Assignment Elements: Specific information needed to identify the appraisal or appraisal review problem: client and any other intended users, intended use of the appraiser's opinions and conclusions, type and definition of value; effective date of the appraiser's opinions and conclusions; subject of the assignment and its relevant characteristics; and assignment conditions.⁷

Assignment Results: An appraiser's opinions or conclusions, not limited to value, that were developed when performing an appraisal assignment, an appraisal review assignment, or a valuation service other than an appraisal or appraisal review.⁷

Bias: a preference or inclination that precludes an appraiser's impartiality, independence, or objectivity in an assignment.⁷

Business Enterprise: an entity pursuing an economic activity.⁷

Business Equity: the interests, benefits, and rights inherent in the ownership of a business enterprise or a part thereof in any form (including, but not necessarily limited to, capital stock, partnership interests, cooperatives, sole proprietorships, options, and warrants).⁷

Capital Expenditure: Investments of cash (or the creation of liability) to acquire or improve an asset, e.g., land, buildings, building additions, site improvements, machinery, equipment; as distinguished from cash outflows for expense items that are normally considered part of the current period's operations. Also referred to as Cap Ex.¹

Cash Equivalency Analysis: An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash or its equivalent.¹

Client: the party or parties (i.e., individual, group or entity) who engage an appraiser by employment or contract in a specific assignment, whether directly or through an agent.⁷

Condominium Ownership: A form of fee ownership of separate units or portions of multiunit buildings that provides for formal filing and recording of a divided interest in real estate.¹

Confidential Information:

1: information that is either:

- Identified by the client as confidential when providing it to a valuer and that is not available from any other source, or
- Classified as confidential or private by applicable law or regulation.

2: Information that is either

- Identified by the client as confidential when providing it to an appraiser and that is not available from any other source; or
- Classified as confidential or private by applicable law or regulation *
- NOTICE: For example, pursuant to the passage of the Gramm-Leach-Bliley Act in November 1999, some public agencies have adopted privacy regulations that affect appraisers. The Federal Trade Commission (FTC) issued two rules. The first rule (16 CFR 313) focuses on the protection of "non-public personal information" provided by consumers to those involved in financial activities "found to be closely related to banking or usual in connection with the transaction of banking." These activities include "appraising real or personal property." The second rule (16 CFR 314) requires appraisers to safeguard customer non-public personal information. Significant liability exists for appraisers should they fail to comply with these FTC rules.⁷

Cost: the actual or estimated amount required to create, reproduce, replace or obtain a property.⁷

Cost Approach: A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.¹

Credible: worthy of belief.⁷

Deferred Maintenance: Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of the property, such as a broken window, a dead tree, a leak in the roof, or a faulty roof that must be completely replaced. These items are almost always curable.¹

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 specific time, which is short than the typical exposure time for such a property in that market. 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. 8) Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration of the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. This definition can also be modified to provide for valuation with specified financing terms.¹

Economic Life: The period over which improvements to real estate contribute to property value.¹

Effective Date: the date to which the appraiser's analysis, opinions and conclusions apply, also referred to as date of value.⁷

Effective Gross Income Multiplier (EGIM): The ratio between the sale price (or value) of a property and its effective gross income.¹

Effective Rent: Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions, the rent that is effectively paid by a tenant net of financial concessions provided by a landlord.¹

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 the market value on the effect date of the appraisal.⁷

Extraordinary Assumption: an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.⁷

Fair Market Value:

1. In nontechnical usage, a term that is equivalent to the contemporary usage of market value.
2. As used in condemnation, litigation, income tax, and property tax situations, a term that is similar in concept to market value but may be defined explicitly by the relevant agency. For example, one definition of *fair market value* provided by the Internal Revenue Service for certain purposes is as follows: The price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts. The fair market value of a particular item of property includible in the decedent's gross estate is not to be determined by a forced sale price. Nor is the fair market value of an item of property to be determined by the sale price of the item in a market other than that in which such item is most commonly sold to the public, taking into account the location of the item wherever appropriate. (IRS Regulation §20.2031-1)¹

Fair Share:

1. A share of a fund or deposit that is divided or distributed proportionately.
2. A share of a burden or obligation that is divided proportionately; e.g., a tenant in a multitenant building or development may be required to pay a pro rata share of the building's operating expenses based on the number of square feet the tenant occupies. In a shopping center, the tenant's share of operating costs is often stated as a fraction, with the gross leasable area of the tenant's premises as the numerator and the gross leasable area or gross leased area of the entire shopping center as the denominator.
3. The share of a trade area that a retail facility is likely to capture; assumes that capture is a function of property size as a proportion of the overall inventory of competitive space in the trade area, i.e., that the facility captures a "fair share" of the trade area.¹

Fair Value:

1. The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (FASB)
2. The estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties. (This does not apply to valuations for financial reporting.) (IVS).¹
3. The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.²

Feasibility Analysis: a study of the cost benefit relationship of an economic endeavor.¹

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.¹

Floor Area Ratio (FAR): The relationship between the above-ground floor area of a building, as described by the zoning or 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.¹

Going Concern:

1. An established and operating business having an indefinite future life.
2. An organization with an indefinite life that is sufficiently long that, over time, all currently incomplete transformations [transforming resources from one form to a different, more valuable form] will be completed.¹

Gross Building Area (GBA):

1. 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 market area of the type of property involved.
2. Gross leasable area plus all common areas.
3. For residential space, the total area of all floor levels measured from the exterior of the walls and including the super structure and substructure basement; typically does not include garage space.¹

Highest and Best Use:

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS).
3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)¹

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.⁷

Income Capitalization Approach: Specific appraisal techniques applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income.¹

Inspection: Personal observation of the exterior or interior of the real estate that is the subject of an assignment performed to identify the property characteristics that are relevant to the assignment, such as amenities, general physical condition, and functional utility. Note that this is not the inspection process performed by a licensed or certified building inspector.¹

Insurable Value: A type of value for insurance purposes.¹

Intangible Property (intangible Assets): Nonphysical assets, including but not limited to franchises, trademarks, patents, copyrights, goodwill, equities, securities, and contracts as distinguished from physical assets such as facilities and equipment.⁷

Intended Use: the user(s) of an appraiser's reported appraisal or appraisal review assignment results, as identified by the appraiser based on communication with the client at the time of the assignment.⁷

Intended User: the client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser, based on communication with the client at the time of the assignment.⁷

Internal Rate of Return ("IRR"): The annualized yield rate or rate of return on capital that is generated or capable of being generalized within an investment of portfolio over a period of ownership. Alternatively, the indicated return of capital associated with a projected or pro forma income stream. The discount rate that equates the present value of the net cash flows of a project with the present value of the capital investment. It is the rate at which the Net Present Value (NPV) equals zero. The IRR reflects both the return on invested capital and the return of the original investment, which are basic considerations of potential investors. Therefore, deriving the IRR from analysis of market transactions of similar properties having comparable income patterns is a proper method for developing market discount rates for use in valuations to arrive at Market Value. Used in discounted cash flow analysis to find the implied or expected rate of return of the project, the IRR is the rate of return which gives a zero net present value (NPV). See also equity yield rate (YE); financial management rate of return (FMRR); modified internal rate of return (MIRR); yield rate (Y).¹

Investment Value: 1) The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. 2) The value of an asset to the owner or a prospective owner for individual investment or operational objectives. (IVS)¹

Jurisdictional Exception: an assignment condition established by applicable law or regulation, which precludes an appraiser from complying with a part of USPAP.⁷

Leasehold Interest: The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.¹

Leased Fee Interest: The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.¹

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. This definition can also be modified to provide for valuation with specified financing terms.¹

Load Factor: A measure of the relationship of common area to useable area and therefore the quality and efficiency of building area layout, with higher load factors indicating a higher percentage of common area to overall rentable space than lower load factors; calculated by subtracting the amount of useable area from the rentable area and then dividing the difference by the useable area:¹

Load Factor =

$$\frac{(\text{Rentable Area} - \text{Useable Area})}{\text{Useable Area}}$$

Market Value: a type of value stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the value definition that is identified by the appraiser as applicable in an appraisal.⁷

Market Value "As If Complete" On The Appraisal Date: Market value as if complete on the effective date of the appraisal is an estimate of the market value of a property with all construction, conversion, or rehabilitation hypothetically completed, or under other specified hypothetical conditions as of the date of the appraisal. With regard to properties wherein anticipated market conditions indicate that stabilized occupancy is not likely as of the date of completion, this estimate of value should reflect the market value of the property as if complete and prepared for occupancy by tenants.

Market Value "As Is" On The Appraisal Date: Value As Is -The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning. See also effective date; prospective value opinion.

Market Value of the Total Assets of the Business: The market value of the total assets of the business is the market value of all of the tangible and intangible assets of a business as if sold in aggregate as a going concern. This assumes that the business is expected to continue operations well into the future.⁴

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. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property Market Value Opinions" address the determination of reasonable exposure and marketing time.).³

Mass Appraisal: the process of valuing a universe of properties as of a given date using standard methodology, employing common data and allowing for statistical testing.⁷

Mass Appraisal Model: a mathematical expression of how supply and demand factors interact in a market.⁷

Misleading: intentionally or unintentionally misrepresenting, misstating or concealing relevant facts or conclusions.⁷

Net Lease: A lease in which the landlord passes on all expenses to the tenant. See also lease.¹

Net Rentable Area (NRA): 1) The area on which rent is computed. 2) The

Rentable Area of a floor shall be computed by measuring to the inside finished surface of the dominant portion of the permanent outer building walls, excluding any major vertical penetrations of the floor. No deductions shall be made for columns and projections necessary to the building. Include space such as mechanical room, janitorial room, restrooms, and lobby of the floor.⁵

Penetration Ratio (Rate): The rate at which stores obtain sales from within a trade area or sector relative to the number of potential sales generated; usually applied to existing facilities. Also called: penetration factor.¹

Personal Inspection: a physical observation performed to assist in identifying relevant property characteristics in a valuation service.⁷

Personal Property: any tangible or intangible article that is subject to ownership and not classified as real property, including identifiable tangible objects that are considered by the general public as being "personal", such as furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment, and intangible property that is created and stored electronically such as plans for installation art, choreography, emails or designs for digital tokens.⁷

Physical Characteristics: attributes of a property that are observable or measurable as a matter of fact, as distinguished from opinions and conclusions, which are the result of some level of analysis or judgement.⁷

Price: the amount asked, offered or paid for a property.⁷

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.¹

Real Estate: an identified parcel or tract of land, including improvements, if any.⁷

Real Property: the interests, benefits and rights inherent in the ownership of real estate.⁷

Reconciliation: A phase of a valuation assignment in which two or more value indications are processed into a value opinion, which may be a range of value, a single point estimate, or a reference to a benchmark value.¹

Relevant Characteristics: features that may affect a property's value or marketability such as legal, economic or physical characteristics.⁷

Reliable Measurement: [The IAS/IFRS framework requires that] neither an asset nor a liability is recognized in the financial statements unless it has a cost or value that can be measured reliably.²

Remaining Economic Life: The estimated period over which existing improvements are expected to contribute economically to a property; an estimate of the number of years remaining in the economic life of a structure or structural components as of the effective date of the appraisal; used in the economic age-life method of estimating depreciation.¹

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.¹

Report: any communication, written or oral, of an appraisal or appraisal review that is transmitted to the client or a party authorized by the client upon completion of an assignment.⁷

Retrospective Value Opinion: A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."¹

Sales Comparison Approach: The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available.¹

Scope of Work: the type and extent of research and analyses in an appraisal or appraisal review assignment.⁷

Signature: personalized evidence indicating authentication of the work performed by the appraiser and the acceptance of the responsibility for content, analyses and the conclusions in the report.⁷

Stabilized value: A value opinion that excludes from consideration any abnormal relationship between supply and demand such as is experienced in boom periods when cost and sale price may exceed the long-term value, or during periods of depression, when cost and sale price may fall short of long-term value. It is also a value opinion that excludes from consideration any transitory condition that may cause excessive construction costs, e.g., a premium paid due to a temporary shortage of supply.

Substitution: The principle of substitution states that when several similar or commensurate commodities, goods, services are available, the one with the lowest price will attract the greatest demand and widest distribution. This is the primary principle upon which the cost and sales comparison approaches are based.³

Total Assets of a Business: Total assets of a business is defined by the Appraisal Institute as “the tangible property (real property and personal property, including inventory and furniture, fixtures and equipment) and intangible property (cash, workforce, contracts, name, patents, copyrights, and other residual intangible assets, to include capitalized economic profit).”

Use Value:

The value of a property assuming a specific use, which may or may not be the property’s highest and best use on the effective date of the appraisal. Use value may or may not be equal to market value but is different conceptually.¹

Valuation Service: a service pertaining to an aspect of property value, regardless of the type of service and whether it is performed by appraisers or by others.⁷

Value: the monetary relationship between properties and those who buy and sell, or use those properties, expressed as an opinion of the worth of a property at a given time.⁷

Workfile: data, information and documentation necessary to support the appraiser’s opinions and conclusions and to show compliance with USPAP.⁷

¹Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute 2010). ²Appraisal Institute, *International Financial Reporting Standards for Real Property Appraiser*, IFRS Website, www.ifrs-ebooks.com/index.html. ³Appraisal Institute, *The Appraisal of Real Estate*, 13th ed. (Chicago: Appraisal Institute 2008). ⁴ This definition is taken from “Allocation of Business Assets Into Tangible and Intangible Components: A New Lexicon,” *Journal of Real Estate Appraisal*, January 2002, Volume LXX, Number 1. This terminology is to replace former phrases such as: value of the going concern. ⁵Financial Publishing Company, *The Real Estate Dictionary*, 7 ed. ⁶ U.S. Treasury Regulations. ⁷USPAP 2020-2021

LETTER OF ENGAGEMENT



ASSIGNMENT ACCEPTANCE CONFIRMATION

The undersigned (the **Appraiser**) accepts this assignment. The Appraiser has read and understands the Appraisal Order Request and all attached files and specifically agrees to the terms and conditions set forth therein, including without limitation in the Engagement Letter.

INVOICING AND PAYMENT

By executing this Assignment Acceptance Confirmation, you acknowledge and agree to the terms of Invoicing and Payment process contained in the Engagement Letter. Per the Engagement Letter, if you believe that have not been paid your fee for an appraisal within 25 days of the date you transmitted to us your completed appraisal, except where you have been notified of any non-compliance with the conditions of the engagement, place a message in the Web Portal AND contact MountainSeed immediately at accounting@mountainseed.com so that we can work with you to ensure that you receive timely payment. Please note that while we believe that our payment policy is mutually beneficial, it does require that we rely on you to notify us when you have not been timely paid. To assist us in prioritizing your request for payment, please include the phrase PAYMENT REQUEST in all caps in the subject line of your email.

REPRESENTATIONS AND WARRANTIES

By executing this Assignment Acceptance Confirmation, you acknowledge, declare, represent and warrant that you hold in good standing the appraisal license or certification necessary to perform the appraisal assignment AND that you:

- (i) Understand the competency requirements of the pertinent version of USPAP and can satisfy each provision of the competency rule;
- (ii) Meet the competency requirements for this appraisal assignment;
- (iii) Are competent in the property type of the assignment;
- (iv) Are competent in the geographical area of the assignment;
- (v) Have access to appropriate data sources for the assignment;
- (vi) Are aware that misrepresentation of competency may be subject to the mandatory reporting requirement in the most current version of USPAP;
- (vii) Are familiar with the USPAP and the laws, rules, regulations, guidelines and other materials described in the Additional Requirements;
- (viii) Are not aware of any reason why you or the Appraisal you prepare in connection with this assignment would fail to comply with USPAP and the Additional Requirements, including without limitation the independence provisions and prohibitions on conflicts of interest;
- (ix) Have specific experience with the subject property type;
- (x) Hold all licenses, registrations, permits, certifications and governmental or other authorizations required to perform the appraisal in accordance with USPAP and the Additional Requirements, and in compliance with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines;
- (xi) Have not performed any prior services regarding the Subject Property, as an appraiser or in any

other capacity, within the three-year period ending with the date of this Engagement Letter, or, if you have you have performed such services, have disclosed those services in writing in compliance with USPAP prior to accepting this assignment;

(xii) To your actual knowledge, are not listed on an exclusionary list or any similar list maintained by any governmental or quasi-governmental entity;

(xiii) To your actual knowledge, have not had any registration, certificate or license to act as an appraiser refused, denied, canceled, surrendered in lieu of a pending revocation, suspended or revoked by any state or appraisal board prior to or as of the date of this Engagement Letter; and

(xiv) Have no interest, direct or indirect, financial or otherwise in the Subject Property or the underlying transaction. ***(Although USPAP may allow an appraiser to appraise a property in which the appraiser has an interest with appropriate disclosures, the Additional Requirements do not permit such activity. If you have an interest in the Subject Property, you must decline this assignment.)***

You represent and warrant that you hold in good standing the appraisal license or certification necessary to perform the appraisal assignment. Furthermore, you represent and warrant that all professional qualifications, licenses, and other information provided to MountainSeed or Financial Institution were and remain valid, true, correct, and complete in every respect, except to the extent you have notified MountainSeed and Financial Institution in writing of any change.

☒ BY CHECKING THE BOX, APPRAISER ACKNOWLEDGES THAT THEY HAVE READ AND UNDERSTAND THE FOREGOING PROVISIONS AND THOSE SUCH PROVISIONS ARE REASONABLE AND ENFORCEABLE. VENDOR ACCEPTS THE APPRAISER AGREEMENT & TERMS.

Date: 1/3/2023

Time: 2:25 PM

Name: Michael Septer
msepter@bbgres.com

Appraisal Order Request**State Registration Number:** 60129AMC**File Information**

File ID: 221221039
 Loan Number: 44322706

Due Date: 1/18/2023

Requested Service

Loan Type: Acquisition/Purchase
 Service / Form Type: Appraisal Report (Narrative format) - NO REVIEW

Appraiser: Septer, Michael
 UAD Form Required: No

Service Fee: \$3500.00
 Interest Valued: Fee Simple

Real Estate Valued: Land and Improvements

Effective Date of Valuation: Value As Is

Other Intended Users:

USDA: No
 SBA: Yes

Branch and Address: SBA & REI Oklahoma

Lender Name / Borrower Information

Client: High Plains Bank- Flagler, CO
 Address: 329 Main Avenue
 Flagler, CO 80815

Borrower:
 Co-Borrower:

Subject Property

Address / Intersection: 6134 S Memorial Dr E
 Tulsa, OK 74133

Intended Use: Sale / Purchase

County: Tulsa
 Sales Price: \$1,590,000
 Map: [Map Link](#)

Appraisal Category: Origination

Property Type: OO Retail
 Property Tax ID: R39314830218370

Property Description: Rebid – Please provide updated bids.

APPRAISERS: PLEASE PROVIDE FEES FOR BOTH STANDARD AND RUSH TURNAROUND TIMES. YOUR FEE AND TURNAROUND TIME FOR A RUSH BID CAN BE PLACED IN THE APPRAISERS BID NOTES. THANK YOU.

This order is for ONE report only. Multiple reports for this order are not permitted. Contact MountainSeed immediately if you determine multiple reports are needed.

*****Please include all applicable approaches to value. The bank is requesting the Cost, Sales and Income approaches.*****

Per bank: Interior and Exterior inspection is needed. Please only bid if you are able to provide and interior and exterior inspection.

US Small Business Administration and REI Oklahoma should also be listed as intended users.

*****SBA Appraisal Requirements*****

Per SOP 50 10 Version: 06 (effective – Oct 1, 2020) (applicable sections):

"C. The "Appraisal Report" must be prepared in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP)."

"D. In order for the appraiser to identify the scope of work appropriately, the appraisal must identify SBA as the client or an intended user of the appraisal, as those terms are defined in the Uniform Standards of Professional Appraisal Practice (USPAP). The CDC may also be identified as the client or an intended user. It is acceptable to SBA if the appraisal identifies the Third Party Lender as the client and SBA as an intended user. The CDC may not use an appraisal prepared for the applicant. The cost may be passed on to the borrower."

"F. If the loan will be used to acquire an existing building that does not require construction, the appraiser should estimate market value on an as-is basis. If the appraiser estimates the value other than on an as-is basis, the narrative must include an explanation of why the as-is basis was not used."

"G. If the appraisal engagement letter asks the appraiser for a business enterprise or going concern value, the appraiser must allocate separate values to the individual components of the transaction including land, building, equipment and business (including intangible assets)."

"H. When the collateral is a Special Purpose Property, the appraiser must be experienced in the particular industry."

- Additional Comment: Although the requirement is not found in the SBA SOP, it is often requested and stated by banks that there be at least two appraisal approaches considered in an SBA compliant appraisal. The appraiser should also provide at least two approaches.

Property Contact Information

Contact Person:

Chelsey Franklin

Work Phone:

Cell Phone:

720-232-8796

Home Phone:

Contact Email Address:

Inspection Date

Inspection Date:

Inspection Time:

▼

:

▼

▼

Update

Files

Name	Date	Upload By	Doc Type
BAL - Purchase Agreement - Ready to Execute (2).pdf	12/21/2022 12:06 PM	Cutri, Aimee	Sales Contract
BAL - Commercial Improved-Ziggis 9.29.22 - Ready to Execute.pdf	12/21/2022 12:06 PM	Cutri, Aimee	Sales Contract
NDA_Septer.pdf	12/30/2022 1:38 PM	Septer, Michael	NDA Agreement
order_221221039.pdf	1/3/2023 2:18 PM	Cutri, Aimee	Engagement Letter
agreement_221221039.pdf	1/3/2023 2:25 PM	Septer, Michael	Appraiser Agreement
221221039 Market Data Report.xlsx	1/3/2023 2:47 PM	Gadbury, Jacob	Other
221221039 Subject Property Information.docx	1/3/2023 2:47 PM	Gadbury, Jacob	Other

Please follow the link below to complete our data input form before uploading the completed report.

[Click Here](#)

Notes

Date	From	Message
1/3/2023 2:25 PM	Septer, Michael	Appraisal assignment accepted.
1/3/2023 2:47 PM	Gadbury, Jacob	For your convenience, MountainSeed has attached a Market Data Report, along with a subject property information sheet.

To:

Administrator ▼

Note:

Add Note



MountainSeed Appraisal Management, LLC
2100 Powers Ferry Road SE, Suite 410
Atlanta, GA 30339
404-973-2568

APPRAISAL REQUEST FORM
COMPANY: High Plains Bank– Flagler, CO

State Registration Number: 60129AMC

File Information

File ID: 221221039
Loan Number: 44322706

Due Date: 1/18/2023

Appraiser Information

Loan Type: Acquisition/Purchase
Form: Appraisal Report (Narrative format) – NO REVIEW
Service Fee: \$3500.00
Real Estate Valued: Land and Improvements
Other Intended Users:
USDA: No
SBA: Yes
Appraiser: Septer, Michael
Interest Valued: Fee Simple
Effective Date of Valuation: Value As Is
Branch and Address: SBA &REI Oklahoma

Client Information

Client: High Plains Bank– Flagler, CO
Address: 329 Main Avenue
Flagler, CO 80815
Borrower: FL Ziggis Operating LLC
Co-Borrower:
Company Name: High Plains Bank

Subject Property

Address: 6134 S Memorial Dr E
Tulsa, OK 74133
County: Tulsa
Sales Price: 1,590,000
Property Type: OO Retail
Property Tax ID: R39314830218370
Intended Use: Sale / Purchase
Appraisal Category: Origination
Map: [Map Link](#)
Description: Rebid – Please provide updated bids.

APPRAISERS: PLEASE PROVIDE FEES FOR BOTH STANDARD AND RUSH
TURNAROUND TIMES. YOUR FEE AND TURNAROUND TIME FOR A RUSH BID
CAN BE PLACED IN THE APPRAISERS BID NOTES. THANK YOU.

**This order is for ONE report only. Multiple reports for this order are not permitted.
Contact MountainSeed immediately if you determine multiple reports are needed.**

*****Please include all applicable approaches to value. The bank is requesting the Cost, Sales and Income approaches.*****

Per bank: Interior and Exterior inspection is needed. Please only bid if you are able to provide and interior and exterior inspection.

US Small Business Administration and REI Oklahoma should also be listed as intended users.

*****SBA Appraisal Requirements*****

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"F. If the loan will be used to acquire an existing building that does not require construction, the appraiser should estimate market value on an as-is basis. If the appraiser estimates the value other than on an as-is basis, the narrative must include an explanation of why the as-is basis was not used."

"G. If the appraisal engagement letter asks the appraiser for a business enterprise or going concern value, the appraiser must allocate separate values to the individual components of the transaction including land, building, equipment and business (including intangible assets)."

"H. When the collateral is a Special Purpose Property, the appraiser must be experienced in the particular industry."

– Additional Comment: Although the requirement is not found in the SBA SOP, it is often requested and stated by banks that there be at least two appraisal approaches considered in an SBA compliant appraisal. The appraiser should also provide at least two approaches.

Leased Fee versus Fee Simple: It is the responsibility of the appraiser to properly assess whether the subject interest is Fee Simple or Leased Fee. Generally, any current leases encumbering any part of the property would sanction a Leased Fee valuation. Any valid or specific request to value the property otherwise would require a hypothetical value in addition to the As Is value. Please contact MountainSeed if an issue is encountered.

Are there issues that the financial institution knows about that could impact value? No

Property Contact Information

Contact Person: Chelsey Franklin

Cell Phone: 720-232-8796

Contact Email Address:

Work Phone:

Home Phone:

Note: This appraisal order is not transferrable to another appraiser. If the appraiser named on this appraisal request is unable to complete this assignment please contact MountainSeed AMC at 404-973-2568. All appraisers are approved on an individual basis, if this assignment is completed by another appraiser MountainSeed AMC will not be liable for any appraisal related service fee.



Date: 1/3/2023

Appraisal Company: BBG, Inc
Appraisal Co Address: 15019 W 77th Terrace
Lenexa, KS 66216

Regarding: 6134 S Memorial Dr E Tulsa, OK 74133

Dear: Michael Septer

This letter (this **Engagement Letter**) confirms your engagement to prepare an appraisal of the property described below in compliance with the terms and conditions set forth below.

Basic Information

Property to Be Appraised: 6134 S Memorial Dr E Tulsa, OK 74133

Property Description: Rebid – Please provide updated bids.

APPRAISERS: PLEASE PROVIDE FEES FOR BOTH STANDARD AND RUSH TURNAROUND TIMES. YOUR FEE AND TURNAROUND TIME FOR A RUSH BID CAN BE PLACED IN THE APPRAISERS BID NOTES. THANK YOU.

****This order is for ONE report only. Multiple reports for this order are not permitted. Contact MountainSeed immediately if you determine multiple reports are needed.****

*******Please include all applicable approaches to value. The bank is requesting the Cost, Sales and Income approaches.*******

Per bank: Interior and Exterior inspection is needed. Please only bid if you are able to provide and interior and exterior inspection.

US Small Business Administration and REI Oklahoma should also be listed as intended users.

*****SBA Appraisal Requirements*****

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"D. In order for the appraiser to identify the scope of work appropriately, the appraisal must identify SBA as the client or an intended user of the appraisal, as those terms are defined in the Uniform Standards of Professional Appraisal Practice (USPAP). The CDC may also be identified as the client or an intended user. It is acceptable to SBA if the

appraisal identifies the Third Party Lender as the client and SBA as an intended user. The CDC may not use an appraisal prepared for the applicant. The cost may be passed on to the borrower."

"F. If the loan will be used to acquire an existing building that does not require construction, the appraiser should estimate market value on an as-is basis. If the appraiser estimates the value other than on an as-is basis, the narrative must include an explanation of why the as-is basis was not used."

"G. If the appraisal engagement letter asks the appraiser for a business enterprise or going concern value, the appraiser must allocate separate values to the individual components of the transaction including land, building, equipment and business (including intangible assets)."

"H. When the collateral is a Special Purpose Property, the appraiser must be experienced in the particular industry."

– Additional Comment: Although the requirement is not found in the SBA SOP, it is often requested and stated by banks that there be at least two appraisal approaches considered in an SBA compliant appraisal. The appraiser should also provide at least two approaches.

Leased Fee versus Fee Simple: It is the responsibility of the appraiser to properly assess whether the subject interest is Fee Simple or Leased Fee. Generally, any current leases encumbering any part of the property would sanction a Leased Fee valuation. Any valid or specific request to value the property otherwise would require a hypothetical value in addition to the As Is value. Please contact MountainSeed if an issue is encountered.

Interest in the
Property to be
Appraised: Fee Simple

Client: High Plains Bank– Flagler, CO

Intended User: Financial Institution

Borrower (if
Applicable): FL Ziggis Operating LLC

Property Owner
Contact Name: Chelsey Franklin

Property Owner
Phone:

Appraisal
Management
Company: MountainSeed Appraisal Management, LLC

Valuation
Methodology to
Be Used: **Value As Is**

Appraisal Form
to Be Used: Appraisal Report (Narrative format) – NO REVIEW

Fee: \$3500.00

Due Date: 1/18/2023

Addressee: Your Appraisal Report should be addressed to the Financial Institution.

I. INSTRUCTIONS

a. Purpose of the Assignment

The purpose of the assignment is to develop and report an informed and independent opinion of the Market Value of the Subject Property.

b. Intended Use

The report you prepare is intended to be used by the Financial Institution as an aid in underwriting a loan, loan modification or loan extension; classification or monitoring of a loan; and/or the disposition or monitoring of REO or loan collateral, which may constitute a federally-related real estate transaction for purposes of applicable federal appraisal regulations. The Financial Institution may, without your prior authorization or a notice to you, provide your report to other parties for their use, including without limitation in lending-related activities.

c. Acceptance of the Assignment

You must accept or decline this assignment ***within one (1) business day.***

d. Web Portal

The Financial Institution (Client) has engaged MountainSeed Appraisal Management, LLC (MountainSeed) to provide certain appraisal management company services to the Financial Institution. The Client has appointed MountainSeed as the Client's agent for purposes of engaging you on behalf of the Client in accordance with this Engagement Letter. Accordingly, you must direct communications about this appraisal assignment to MountainSeed through the web-based software system with which you registered prior to receiving this assignment (the ***Web Portal***). If you have an issue with the Web Portal, please contact MountainSeed by phone (404) 973-2568 or email (info@mountainseed.com).

You agree to consistently monitor the Web Portal for updates and correspondence from MountainSeed. ***You agree to respond to all communications from MountainSeed within one (1) business day,*** and you agree to comply with the other timing and delivery requirements set forth below.

Failure to respond to communications from MountainSeed regarding this appraisal assignment, or failure to meet any of the other timing and delivery requirements, may result in the work being reassigned to another appraiser. You understand that the Financial Institution reserves the right to withhold payment in the event the assignment is reassigned due to your failure to meet timing and delivery requirements.

e. Requirement to Decline the Assignment or Stop Work

You must decline this assignment if you are not geographically competent, the assignment falls outside of your scope of practice restrictions, or you know of any reason you would not be able to provide an unbiased and independent professional judgment as to the Market Value of the Subject Property. Furthermore, you must stop work and immediately notify MountainSeed if you later determine that you are not qualified to complete the assignment. You acknowledge that you have received a copy of MountainSeed's Appraiser Independence Policy (AP0001) (the ***Appraiser Independence Policy***), which is incorporated into this Engagement Letter by this reference. ***If you believe that a violation of the Appraiser Independence Policy has occurred, or any applicable conflict of interest or independence requirements (such as attempts by others to influence or coerce) have been compromised in any way, you will immediately stop work and contact MountainSeed's compliance hotline at 1-877-848-4914.***

f. Requirements for Completion of the Assignment

i. Inspection

Immediately, but in no event less than **two (2) business days**, following your acceptance of this assignment, you should contact the property contact to schedule an inspection. If you are unable to reach the property contact, please notify MountainSeed immediately. As soon as the inspection date has been set, you should change the order status in the Web Portal to **"Appt. Set"** and add the date and time of the appointment in the appropriate section of the order.

ii. Property Information

The description of the Subject Property and any other information provided to you by MountainSeed or Financial Institution is provided on an **As-Is, Where-Is** basis with no representation or warranty whatsoever.

If at any time you discover a material discrepancy or insufficiency in the description of the Subject Property or other information provided to you that necessitates a change in the scope of the work, your fee or the Due Date, you must notify MountainSeed within **one (1) business day** of such discovery (and in any event prior to the Due Date and your delivery of the Appraisal) and the parties will work together to agree upon a mutually satisfactory amendment to this Engagement Letter to memorialize any such necessary changes.

iii. Uniform Standard

In performing the assignment, you and your work product must conform to generally accepted appraisal standards as evidenced by the Uniform Standards of Professional Appraisal Practice (**USPAP**) promulgated by the Appraisal Standards Board of the Appraisal Foundation.

iv. Additional Requirements

You and your work product must comply with the regulations, guidelines, and standards specified in the MountainSeed General Guidelines for Financial Institutions, Commercial Appraisal Services (herein referred to as the **Additional Requirements**). You can access these guidelines via the following link: <https://mountainseed.com/valuationguidelines-commercial/>

By signing this engagement letter, you acknowledge that you have received a copy of these Guidelines.

While you must comply, and must ensure that your work product complies, with those provisions in the respective federal laws and regulations that are applicable to you and your performance of this assignment, this Engagement Letter does not require you to guaranty compliance with portions of those federal laws and regulations that do not apply to your performance of this assignment or over which you have no control whatsoever. However, you must be knowledgeable about and comply with any provisions of the laws, regulations, and guidelines discussed above that apply to your work. For example, you must comply with the requirement to provide an As Is Market Value for assignments involving federally related transactions. This requirement applies to all assignments, including those involving new construction or for properties undergoing renovation. Please remember that under USPAPs Scope of Work Rule, assignment conditions include laws and regulations. You may also wish to refer to USPAP Advisory Opinion 30, *Appraisals for Use by a Federally Regulated Financial Institution*.

v. Nondiscrimination

The Fair Housing Act, Equal Credit Opportunity Act, and other federal, state, and local laws and regulations broadly prohibit discrimination in real estate, appraisal and lending services based on legally protected characteristics. These protected characteristics, depending on the applicable law or regulation, may include race, color, religion, sex, sexual orientation, gender identity, age, marital status, disability, familial status, exercise of any federally protected civil right, receipt of income derived from any public assistance program, birthplaces of residents of the property or in the neighborhood, national origin of the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.

In accepting this assignment, you acknowledge the importance of these protections against discrimination and agree that your performance of the assignment, including without limitation your development and reporting of the appraisal and your interactions with all persons, will not be based in part or in whole on information involving any legally protected characteristics, regardless of your intention, unless expressly permitted by law. You agree that you and persons acting under your direction or control are knowledgeable of and will abide by all applicable federal, state, and local laws and regulations governing nondiscrimination.

1. Specifically Prohibited/Unacceptable Practices

To avoid discrimination, or a suggestion of discrimination, by you or by other parties who may utilize or rely on your appraisal, you agree that you will not:

- a) Act with bias or otherwise discriminate against or treat differently any individual or group based on a protected characteristic.
- b) Consider, discuss, or refer to any protected characteristic of any party or with regard to the neighborhood or community within which the subject property is located in your appraisal development and/or report or in communications with other parties, including MountainSeed, unless expressly permitted by law or regulation.
- c) Use, rely on, consider, or discuss in any analysis, opinion or conclusion, any assumptions, stereotypes, or generalizations related to protected characteristics (or nonprotected characteristics intentionally used as a substitute for a protected characteristic).
- d) Employ terminology or veiled language as code words that may signal underlying bias, including but not limited to desirable location/neighborhood, diverse, gentrified, pride of ownership, predominantly White or Black or Hispanic neighborhood, services or amenities geared toward a protected class or using generational descriptors such as Gen X, Millennial, or Boomer.

These specific unacceptable practices do not limit your responsibility to comply with all other discrimination prohibitions in the applicable laws and regulations.

2. Exceptions

In limited circumstances, applicable nondiscrimination laws and regulations may permit the consideration of protected characteristics in the performance of an appraisal (e.g., the prohibition against discrimination based on family may not be applicable to an appraisal of housing legally designated for older persons). If a protected characteristic is considered under such a limited exception, that such consideration is required or expressly permitted by law or regulation, the appraiser must conspicuously state in the report the protected characteristic(s) considered and cite the law or regulation that requires or expressly permits consideration.

3. Reporting of Concerns and Accusations

In the event that any party expresses a concern or makes any accusation regarding discrimination, you agree that you will immediately notify MountainSeed and cooperate with MountainSeed in its investigation and resolution of the matter.

vi. State-Specific Requirements

1. AMC Registration/License Number & Fee Disclosure

Appraisals are expected to comply with any state-specific requirements regarding the disclosure of: (a) MountainSeed's AMC registration or license number, as applicable; and/or (b) the fee paid for your services.

Pursuant to state law, MountainSeed cannot prohibit the appraiser from disclosing the appraisal fee within the appraisal report. Furthermore, MountainSeed does not require the appraiser to disclose the AMC registration/license number or appraisal fee within the appraisal report, however in the following states, you should disclose the AMC registration and/or your fee within the body of the appraisal report. (Note: This list is provided for informational purposes only. It is your responsibility to verify disclosure requirements with the licensing board in the state where the subject property is located.)

State	Appraiser to Disclose in Report (AMC #, Fee, or Both)	Special Instructions
Alabama	AMC #	Appraiser shall state fee paid to appraiser in certification of report.
Arizona	Fee	Appraiser shall state their fee in scope of work section of report.
Colorado	Fee	None
Georgia	Both	None
Illinois	Both	1) An independent appraiser by employment or contract for a specific assignment, the appraiser shall prominently display the appraisal fee received from the appraisal management company in the certification as follows: "The compensation for this appraisal assignment is \$_____." 2) An employee appraiser for a specific assignment, the appraiser shall prominently display the appraisal fee received from the appraisal management company in the certification as follows: "The compensation for this appraisal assignment is \$_____." 3) An employee appraiser who receives a salary and does not receive a fee for the assignment, the employee appraiser shall prominently display the following

		language: "The appraiser is a salaried employee and received no appraisal fee for the assignment." 4) An appraiser for a specific assignment, the appraiser shall prominently display the appraisal management company's Illinois registration number and expiration date as follows: "The appraisal management company's Illinois registration number is _____ and it expires on (month/day/year)."
Kentucky	Both	Appraiser to place AMC name, registration number and fee paid to appraiser in report.
Louisiana	Fee	None
Montana	AMC #	None
Nevada	Fee	Appraiser to state total paid to appraiser and total fee retained by AMC.
New Jersey	Both	None
New Mexico	Fee	Appraiser to state total paid to appraiser and total fee retained by AMC.
Ohio	Both	Appraiser to state actual fees paid to the appraiser within the body of the appraisal report.
Utah	Fee	Appraiser to state total paid to appraiser and total fee retained by AMC.
Vermont	Fee	Appraiser to state fee paid to appraiser in report.

2. Assignments Involving Illinois Property

For appraisal assignments involving property located in the state of Illinois, you must comply with the requirements of Illinois law and the Illinois Administrative Code. Illinois has established state law governing appraisal assignments in which an AMC is involved. You must comply with Illinois law, including the provisions of Illinois Administrative Code Section 1455.250.

a. Client(s) & Intended User(s)

MountainSeed is an appraisal management company (AMC) and is engaging you on the Financial Institutions behalf, acting as the Financial Institutions agent. As the Financial Institution is engaging you through MountainSeed (an agent), the Financial Institution is also a client. Accordingly, notwithstanding any provision to the contrary contained in this Engagement Letter, **you must identify MountainSeed as the client and the Financial Institution as the intended user in the appraisal report.**

b. AMC Illinois Registration Number

The appraiser shall prominently display the appraisal management company's Illinois registration number and expiration date as follows: "The appraisal management company's Illinois registration number is 558.000010 and it expires on (month/day/year)."

Verify current expiration date at: <https://ilesonline.idfpr.illinois.gov/DFPR/Lookup/LicenseLookup.aspx>

vii. Form-Specific Requirements

1. FHLMC Form 71A

If Form 71A is used, the appraiser must conspicuously state in an addendum that the pre-printed definition of market value, contingent & limiting conditions, certification, and FHLMC Form 461 (lease analysis) referenced on Form 71A are outdated and are not incorporated in the report. (See 71A Addendum Example below).

At a minimum, the report must contain a current definition of market value, assumptions and limiting conditions, and certifications that comply with the current USPAP.

71A Addendum Example:

FORM 71A CONTAINS THE FOLLOWING PRE-PRINTED ELEMENTS THAT ARE OUTDATED AND COMPROMISE COMPLIANCE WITH CURRENT STANDARDS AND GUIDELINES. THESE PRE-PRINTED ELEMENTS ARE NOT INCORPORATED IN THE REPORT.

- 1. Definition of Market Value Not current (c.1975) as printed on Form 71A and not consistent with the current FIRREA definition. (See FIRREA Title XI § 323.2 Definitions. (h) Market value)***
- 2. Contingent & Limiting Conditions Not current with USPAP as they contain assumptions that appear to require explicit identification as Extraordinary Assumptions (e.g. assumptions regarding condition). [See USPAP Standard 2-2 (a)(xiii)]***
- 3. Certification Not current or consistent with the current minimum certification required by USPAP. (See USPAP Standard 2-3)***
- 4. FHMLC Form 461 (Lease Analysis) Inadequate to meet current standards and requirements for development and reporting.***

THE APPRAISER HAS REPLACED THESE WITH ADDENDA AND ATTACHMENTS THAT COMPLY WITH CURRENT STANDARDS AND GUIDELINES.

2. FHLMC Form 71B

If a 71B is ordered, the appraiser must conspicuously state in an addendum that FHLMC 239 (certification and statement of limiting conditions, including definition of market value) and FHLMC Form 461 (lease analysis) referenced on form 71B are outdated and are not incorporated in the

report. (See 71B Addendum Example below)

At a minimum, the report must contain a current definition of market value, assumptions and limiting conditions, and certifications that comply with the current USPAP.

71B Addendum Example:

FORM 71B CONTAINS PRE-PRINTED REFERENCES TO THE FOLLOWING FORMS THAT ARE OUTDATED AND COMPROMISE COMPLIANCE WITH CURRENT STANDARDS AND GUIDELINES. THESE ELEMENTS ARE NOT INCORPORATED IN THE REPORT.

1. FHLMC 239*Outdated due to:*

a. Definition of Market Value) Not current (c.1975) and not consistent with the current FIRREA definition. (See FIRREA Title XI § 323.2 Definitions. (h) Market value)

*b. Contingent & Limiting Conditions**Not current with USPAP as they contain assumptions that appear to require explicit identification as Extraordinary Assumptions (e.g. assumptions regarding condition). [See USPAP Standard 2-2 (a)(xiii)]*

*c. Certification**Not current or consistent with the current minimum certification required by USPAP. (See USPAP Standard 2-3)*

2. FHMLC Form 461 (Lease Analysis)*Inadequate to meet current standards and requirements for development and reporting.*

THE APPRAISER HAS REPLACED THESE WITH ADDENDA AND ATTACHMENTS THAT COMPLY WITH CURRENT STANDARDS AND GUIDELINES.

viii. Special Requirements

Your Appraisal must comply with USPAP, the Additional Requirements stated above, and all the terms and conditions and any Special Requirements set forth in this Engagement Letter.

g. Requirements for Delivery of the Appraisal

i. Delivery to MountainSeed

You must upload the Appraisal, including all exhibits and addendums, in a color PDF format to the Web Portal. You must upload a separate PDF of your invoice for the report in accordance with the Invoicing and Payment section below. The invoice should comply with the requirements of Section II(b) of this Engagement Letter.

ii. Due Date

You must deliver all work product required under the terms of this Engagement Letter by 5pm (local time of the subject property) on the Due Date. You must promptly notify MountainSeed in writing, and in no event less than two (2) business days prior to the Due Date, in the event that you anticipate any delay in meeting the Due Date. MountainSeed shall be under no obligation to extend the Due Date.

iii. Effective Date of the Appraisal

The effective date of your valuation opinion must be within thirty (30) days of the date of your delivery of the Appraisal, unless instructed otherwise.

II. POST-DELIVERY

a. Review of the Appraisal and Response to Related Inquiries

You acknowledge that MountainSeed may, for the benefit of MountainSeed and the Financial Institution, conduct or cause to be conducted a review of your completed appraisal. In connection with that review,

MountainSeed may contact you to discuss your appraisal, to ask questions, or to request revisions in connection with MountainSeeds Appraisal Independence Policy. You agree to respond: (i) **within one (1) business day** to acknowledge your receipt of any such communication, and (ii) **within two (2) business days** to address any requests for revisions or additional information. You acknowledge that the resolution of such requests may in some cases require further analysis or written response from you and you agree that such analysis or response is part of the scope of work agreed to in connection with this assignment and will be provided at no additional charge.

Furthermore, you acknowledge that MountainSeed may use the results of any reviews or other quality control processes to establish an appraiser scorecard or other methodology or process for determining the quality of your work product (a **Scorecard**), and you agree that MountainSeed may share the results of any such Scorecard with the Financial Institution and other Financial Institution clients and third parties. You have the right to request a copy of your Scorecard and to dispute any information contained in it.

MountainSeed agrees to use good faith efforts to cooperate with you in resolving any such disputes regarding information contained on your Scorecard.

b. Invoicing and Payment

i. *Generally*

You must address your invoice to the Financial Institution (Client) at its address and submit it with your completed Appraisal. **The fee for this engagement set forth above includes all expenses, including travel and any technical assistance that you feel is necessary or appropriate.** Your invoice at a minimum should include your contact information, the property address and MountainSeed File ID Number, the fee, an invoice date and payment terms, and shall be accompanied by a completed IRS W-9 Form (unless you have already provided a copy of your W-9 to MountainSeed).

Provided you have delivered the appraisal and otherwise fully satisfied your obligations hereunder, the Financial Institution (Client) will pay your fee as set forth above within thirty (30) days following the later to occur of (1) the Clients receipt of your invoice and all required supplemental information (e.g., W-9) or (2) the Clients receipt of completed report or work product meeting all requirements of this Engagement Letter. You acknowledge and agree that your fee may be withheld in the event that your work product, in the Clients reasonable discretion, does not comply with any requirement of this Engagement Letter.

Please note that MountainSeed does not charge the Client an all-inclusive flat fee (your appraiser fee and the AMC fee combined). Instead, MountainSeed's arrangement with the Client requires you to invoice the Financial Institution directly for your agreed-upon fee. MountainSeed's fee is invoiced separately from yours. We believe this model provides transparency for you. We believe that asking you to bill the Financial Institution directly for your appraisal fee eliminates delay. While it is our belief that this is the best payment model, we also understand that it is possible that from time to time a Client may be delinquent in timely payment. We do not want to be a deterrent in your receiving timely payment. If you have outstanding invoices that are excessively delinquent and would like to inquire directly to the Financial Institution on the status of your payment, please feel free to place a message in the Web Portal and request the contact information for the accounts payable department at the Financial Institution.

ii. *Payment Requests*

If you believe that the Financial Institution has failed to pay your fee for an appraisal within 25 days of the date you transmitted to us your completed appraisal, except where you have been notified of any non-compliance with the conditions of the engagement, in addition to placing a message in the Web Portal please contact MountainSeed immediately at accounting@mountainseed.com so that we can work with you and the Financial Institution to ensure that you receive timely payment. Please note that while we believe that our payment policy is mutually beneficial, it does require that we rely on you to notify us when you have not been timely paid. To assist us in prioritizing your request for payment, please include the phrase PAYMENT REQUEST in all caps in the subject line of your email.

Please note that except as specifically provided elsewhere in this agreement, MountainSeed does not assume liability for your fee in the event that the Financial Institution fails to pay or is in delinquent in paying

your invoice.

iii. State-Specific Requirements

For assignments involving properties located in states with laws and/or regulations requiring an appraisal management company to assume all responsibility for payment of the appraisal fee (e.g. Illinois, North Carolina): After notifying MountainSeed as set forth in Payment Requests, if you have not been paid by the Financial Institution, and you have not been notified of any non-compliance with the conditions of the engagement, MountainSeed will pay any outstanding portion of your fee within the time allowed by law/regulation after you transmitted a completed report compliant with the terms of this Engagement Letter. Please note that time allowed by law/regulation may exceed the time set forth in Invoicing and Payment above.

c. Disputes

MountainSeed has established a policy and a process for handling dispute requests from the Client following the Client's receipt of the completed appraisal, in accordance with the Appraiser Independence Policy and Client Dispute Policy. If you receive a completed dispute request form through the Web Portal, you agree to respond: (i) **within one (1) business day** to acknowledge your receipt of any such communication, and (ii) **within three (3) business days** to address any requests for revisions or additional information utilizing the Web Portal. You acknowledge that the resolution of such dispute requests may in some cases require further analysis or written response from you and you agree that such analysis or response is part of the scope of work agreed to in connection with this assignment and will be provided at no additional charge.

III. REPRESENTATIONS AND WARRANTIES

a. Licensure/Certification

You represent and warrant that you hold the appraisal license or certification necessary to perform the appraisal assignment. Furthermore, you represent and warrant that all professional qualifications, licenses, and other information provided to MountainSeed or Financial Institution were and remain valid, true, correct, and complete in every respect, except to the extent you have notified MountainSeed and Financial Institution in writing of any change.

b. Appraisal Standards and Competency

By executing this Engagement Letter you acknowledge, declare, represent and warrant that you:

- (i) Understand the competency requirements of the pertinent version of USPAP and can satisfy each provision of the competency rule;
- (ii) Meet the competency requirements for this appraisal assignment;
- (iii) Are competent in the property type of the assignment;
- (iv) Are competent in the geographical area of the assignment;
- (v) Have access to appropriate data sources for the assignment;
- (vi) Are aware that misrepresentation of competency may be subject to the mandatory reporting requirement in the most current version of USPAP;
- (vii) Are familiar with the laws, rules, regulations, guidelines and other materials described in USPAP and the Additional Requirements;
- (viii) Are not aware of any reason why you or the Appraisal you prepare in connection with this assignment would fail to comply with USPAP and Additional Requirements, including without limitation the independence provisions and prohibitions on conflicts of interest;
- (ix) Have specific experience with the Subject Property type;
- (x) Hold all licenses, registrations, permits, certifications and governmental or other authorizations required to perform the appraisal in accordance with USPAP and the Additional Requirements, and in compliance with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines;
- (xi) Have not performed any prior services regarding the Subject Property, as an appraiser, or in any other capacity, within the three-year period ending with the date of this Engagement Letter, or if you have you have performed such services, have disclosed those services in writing in compliance with USPAP prior to accepting this assignment;
- (xii) To your actual knowledge, are not listed on an exclusionary list or any similar list maintained by any governmental or quasi-governmental entity;

(xiii) To your actual knowledge, have not had any registration, certificate or license to act as an appraiser refused, denied, canceled, surrendered in lieu of a pending revocation, suspended or revoked by any state or appraisal board prior to or as of the date of this Engagement Letter; and

(xiv) Have no interest, direct or indirect, financial or otherwise in the Subject Property or the underlying transaction. ***(Although USPAP may allow an appraiser to appraise a property in which the appraiser has an interest with appropriate disclosures, the Additional Requirements do not permit such activity. If you have an interest in the Subject Property, you must decline this assignment.)***

c. Compliance with Applicable Law

You represent and warrant that you perform services as covered by this Engagement Letter in compliance with all applicable federal and state laws, regulations, and guidance, including, but not limited to, the laws, regulations, and guidance identified in the Additional Requirements section of this Engagement Letter.

d. Errors & Omissions Insurance

You represent and warrant that you maintain, and covenant that you shall continue to maintain (either by continuation of similar coverage with the same or a different insurance carrier or by the purchase of extended reporting period coverage or tail coverage) for a period of three years after the date of completion of this assignment, professional liability insurance (***E&O Insurance***) covering damages arising from the professional appraisal services delivered by you under this Engagement Letter. Your E&O Insurance shall: (i) have a minimum liability limit of \$500,000 per claim and \$1,000,000 in aggregate for all claims, (ii) be issued by an insurance carrier having a Bests Financial Strength rating of A- or better and Financial Size Category of at least Class IX, and (iii) be issued on an insurance policy form and by an insurance program acceptable to MountainSeed and Financial Institution. The policy shall not contain an exclusion for defense or damages relating to claims arising out of failed financial institutions or claims made by the FDIC or any other state or federal regulator or insurer of Financial Institutions, mortgage lenders, or other financial institutions.

You represent and warrant that you have provided MountainSeed (or other persons or entities as directed by MountainSeed) with true, correct and complete insurance declarations page or certificate of coverage evidencing your current E&O Insurance together with any other insurance documentation relating to such coverage requested by MountainSeed.

You agree to supply evidence of E&O Insurance whenever your E&O Insurance is renewed or replaced and shall immediately inform MountainSeed (or other persons or entities as directed by MountainSeed) of any nonrenewal, cancellation, termination or change of prior acts date/retroactive date of Appraisers E&O Insurance. During the period that you are required to carry E&O Insurance under this Engagement Letter, you shall not make any change or alteration to your E&O Insurance which results in the loss of prior acts or retroactive date coverage covering the date on which the assignment was performed under this Agreement. You consent to MountainSeed confirming E&O Insurance coverage directly with the insurance carriers or insurance program administrators.

IV. *INTELLECTUAL PROPERTY*

As between you and the Financial Institution, the Financial Institution will be deemed to own your appraisal and any reports or other information provided by you to Financial Institution in connection with this Engagement Letter, and neither Financial Institution nor MountainSeed will be restricted in any way with respect to redistribution of such information. You shall not claim any copyrights or other ownership interests in that work product. You, however, shall have the right to retain copies of reports, documents or other information produced or utilized by you for the purpose of your work file under USPAP or as may be required under any law or regulation.

Notwithstanding the foregoing, you acknowledge and agree that, in connection with its review of your Appraisal or otherwise, MountainSeed may extract and compile market data, including without limitation, information relating to comparable sales, rents, operating expenses, income, leases, and leasing activity; neighborhood descriptions; economic trends; and similar information, including, without limitation, for purposes of populating databases to be used by MountainSeed and its affiliates in future performance of

services for, and product offerings to Financial Institution and other clients. Any such databases or other compilation of data extracted and compiled by MountainSeed shall be owned solely by MountainSeed, and you specifically disclaim, transfer, and assign to MountainSeed any right, title or interest in and to such databases and compilations and the information contained in them; provided, however, that this sentence shall not limit the Financial Institutions rights to use the appraisal in accordance with the terms of this Engagement Letter. For the absence of doubt, any such information extracted from your Appraisal and compiled by MountainSeed solely in accordance with the rights granted to MountainSeed under this paragraph shall not include your opinion of the value of the Subject Property as stated in the Appraisal, or any other confidential information relating to the Subject Property or the loan or transaction underlying the appraisal (including the identity of the lender and the identity of the borrower), or any confidential information with respect to the Financial Institution, the borrower, or the Financial Institutions or borrowers business operations, to the extent not already publicly available.

V. OTHER PROVISIONS

a. Relationship between the Parties

In the performance of services under the terms of this Engagement Letter, you shall act solely as an independent contractor, and nothing herein contained or implied shall at any time be construed so as to create the relationship of employer and employee, master and servant, partner, principal and agent or joint venture partner between you and Financial Institution or MountainSeed. Specifically, you acknowledge and agree that (i) neither Financial Institution nor MountainSeed will withhold any taxes, income or otherwise, from payments to you and that you will be required to file corporate, partnership, and/or individual tax returns and to pay taxes in accordance with applicable federal, state and local laws, (ii) this Engagement Letter is not an employment agreement, (iii) you are not an employee of MountainSeed or Financial Institution for any purpose, including, but not limited to, application of the Federal Insurance Contribution Act, Social Security Act, Federal Unemployment Tax Act, Internal Revenue Code, state and federal income tax withholding requirements, workers compensation insurance, and third-party liability claims, (iv) neither MountainSeed nor Financial Institution shall be liable for any obligations incurred by you unless specifically authorized in writing, (v) you shall not act as an agent of MountainSeed or Financial Institution, nor bind MountainSeed or Financial Institution in any manner, (vi) you shall not represent or communicate to any party that you are an employee or an agent of MountainSeed or Financial Institution, and (vii) you are free to perform services for any and all other clients or management companies and you are free to set your own hours with respect to the performance of the assignment under this Engagement Letter.

b. Subcontracting Performance of Services

i. Generally

No subcontracting or outsourcing is permitted under this Engagement Letter. You, as the person signing this Engagement Letter, shall be the person who performs and signs the Appraisal requested herein. In general, the Financial Institution expects that you shall be the person that personally inspects the Property in connection with your Appraisal. Requests to have another employee in your firm inspect the Property must be approved and accepted by MountainSeed prior to engagement. Unless specifically instructed otherwise by MountainSeed or the Financial Institution, you may receive assistance in completing the Appraisal, so long as: (1) you at all times comply with USPAP, the Additional Requirements and the other provisions of this Engagement Letter, including without limitation in documenting the assistance you received, (2) the person providing the assistance is employed directly by you or by your appraisal firm and is characterized as an employee (and not an independent contractor) for federal income tax purposes; (3) the person providing the assistance is competent and qualified to provide the assistance and holds all necessary state, federal or local licenses, certificates or other authorizations required by any applicable authority; (4) you continuously supervise the person providing the assistance at all times in any work related to this Appraisal assignment, and (5) you sign the Appraisal and certification and accept full responsibility for the work. Specifically, and without limitation, you acknowledge and agree that you are familiar with applicable state laws, rules and appraisal board regulations, if any, regarding receiving professional assistance in connection with an appraisal assignment and that you shall at all times comply with those laws, rules and regulations in receiving any assistance in performing the Appraisal. You shall not

assign this Engagement Letter to any other party, and any attempt by you to assign shall be void.

ii. State-Specific Requirements

For appraisal assignments involving property located in the state of Montana, subject to being permissible under the policies of the Financial Institution, Subsection V(b)(i), above, does not preclude you from: (i) utilizing the assistance of a licensed real estate trainee (under your supervision) or (ii) transferring the assignment to your employee who is Montana-licensed or -certified real estate appraiser who is a member of the Financial Institutions panel, provided that such individual can complete the work in accordance with USPAP and pursuant to the requirements of the Montana Board of Real Estate Appraisers.

c. No Disclaimers

The Financial Institution reserves the right not to accept the report and neither Financial Institution nor MountainSeed will be responsible for any fees or expenses incurred hereunder if your report includes disclaimers limiting your professional liability for services typically performed by an appraiser. This section shall not prohibit you from including standard disclaimers that may limit your liability for services typically performed by a third-party and that an appraiser is not qualified to perform, such as environmental site assessments.

d. No Third-Party Beneficiaries

All requirements and standards for you and your work product are imposed solely and exclusively for the benefit of MountainSeed and Financial Institution and their respective successors and assigns, and no other person shall be deemed a third-party beneficiary of this Engagement Letter. You are solely responsible for ensuring that you and your work product comply with all such requirements and standards. Specifically, you are not entitled to rely on any review that MountainSeed may perform to evaluate your work products compliance with any such requirements and standards. You should not assume that MountainSeed will refuse to accept your work product in absence of strict compliance with any or all such requirements and standards.

e. No Promise of Future Assignments

You acknowledge that neither MountainSeed nor Financial Institution has made any guarantee of future assignments. Neither Financial Institution nor MountainSeed makes any promise or guarantee as to any minimum number of assignments or minimum level of revenue.

f. Indemnity

You agree to indemnify MountainSeed for any and all loss, damage, liability, claim or expense incurred by an Indemnified Party arising out of or related to (i) any death, bodily injury or damage to property resulting from your acts or omissions, (ii) your negligence, gross negligence or willful misconduct in performing this assignment; or (iii) any breach of your representations, warranties and covenants contained in this Engagement Letter. Notwithstanding the foregoing, nothing in subpart (iii) above will be deemed to require you to defend, indemnify or hold harmless MountainSeed or any MountainSeed-related Indemnified Party with respect to any liability, damage, loss, claim or expense that arises out of the services performed by MountainSeed, its agents, employees, or independent contractors, and not the services you performed. Furthermore, this indemnification provision in this paragraph shall not apply to appraisals performed in Vermont; for other states, in the event that the indemnification provision in this paragraph is broader than permitted by any applicable law or regulation, this section shall be limited to the extent of the indemnification permitted by such law or regulation in that state.

g. Termination

Notwithstanding anything contained herein to the contrary, either Financial Institution or MountainSeed may, at its option and for any reason, terminate this agreement without responsibility for payment of the appraiser's fees or costs, except for any actual staff time and out-of-pocket costs only, not to exceed the fee amount stated above, incurred by the appraiser in connection with the appraiser's performance of this agreement as of the date of termination.

h. Amendment

This Engagement Letter may only be amended in writing, signed by the parties hereto.

i. Confidentiality

You will take all reasonable steps to ensure that neither you nor any organization with which you are affiliated (including any employees, agents, appraisers, or officers of any such organization) will divulge any Confidential Information concerning your Appraisal to any person other than Financial Institution or MountainSeed. For purposes of this engagement letter, the term **Confidential Information** shall mean all non-public data or information that is submitted directly or indirectly to you by MountainSeed or Financial Institution or obtained or learned by you as a result of the engagement described in this Letter, including without limitation, information related to Financial Institutions or MountainSeeds customers, technology, operations facilities, consumer markets, products, capabilities, systems procedures, security practices, research, development, business affairs, ideas, concepts, innovations, inventions, designs, business methodologies, improvements, trade secrets, copyrightable subject matter and other proprietary information. All Confidential Information shall remain the property of Financial Institution or MountainSeed, as applicable, and shall be protected as described below.

Except may be required by applicable law or lawful order or requirement of a court or other governmental authority having jurisdiction over you, you shall take reasonable means to hold all Confidential Information in confidence, and you shall not use (except for purposes set forth herein and authorized by Financial Institution or MountainSeed), disclose, duplicate, publish, release, transfer or otherwise make available Confidential Information in any form to, or for the use and benefit of, any person or entity without the express written consent of MountainSeed. You represent and warrant to Financial Institution and MountainSeed that you have established commercially reasonable controls to ensure the confidentiality of Confidential Information and to insure that Confidential Information is not disclosed in violation of the provisions of this Engagement Letter or the Gramm-Leach-Bliley Act of 1999 (15 U.S.C. § 6801, et seq.), as it may be amended, supplemented or replaced from time to time (the **GLB Act**) and the regulations promulgated thereunder. If the GLB Act, the regulations promulgated thereunder or other applicable law now or hereafter in effect imposes a higher standard of confidentiality, such standard shall prevail over the standard set forth in this Engagement Letter.

You also agree that you will at any time during your engagement, at MountainSeeds or Financial Institutions request, and in any event, at the termination of this engagement, regardless of the reason, surrender to MountainSeed and/or Financial Institution (as is appropriate) all Confidential Information and any copies or abstracts thereof, to the extent surrendering the information is not prohibited under USPAP or other applicable federal, state and local laws, ordinances, rules, regulations and guidelines that may require you to maintain certain records.

You have caused this Engagement Letter to be executed as of the date set forth below.

_____(COMPANY)

By: 

Name: _____

Title: _____

INSPECTION PHOTOS



Exterior View



Access



Access



Trash Exterior



Parking



Exterior View



Access



Parking



Memorial Drive facing North



Memorial Drive facing South



Access



Exterior View



Access



Exterior View



Parking Area



Exterior View



Exterior View



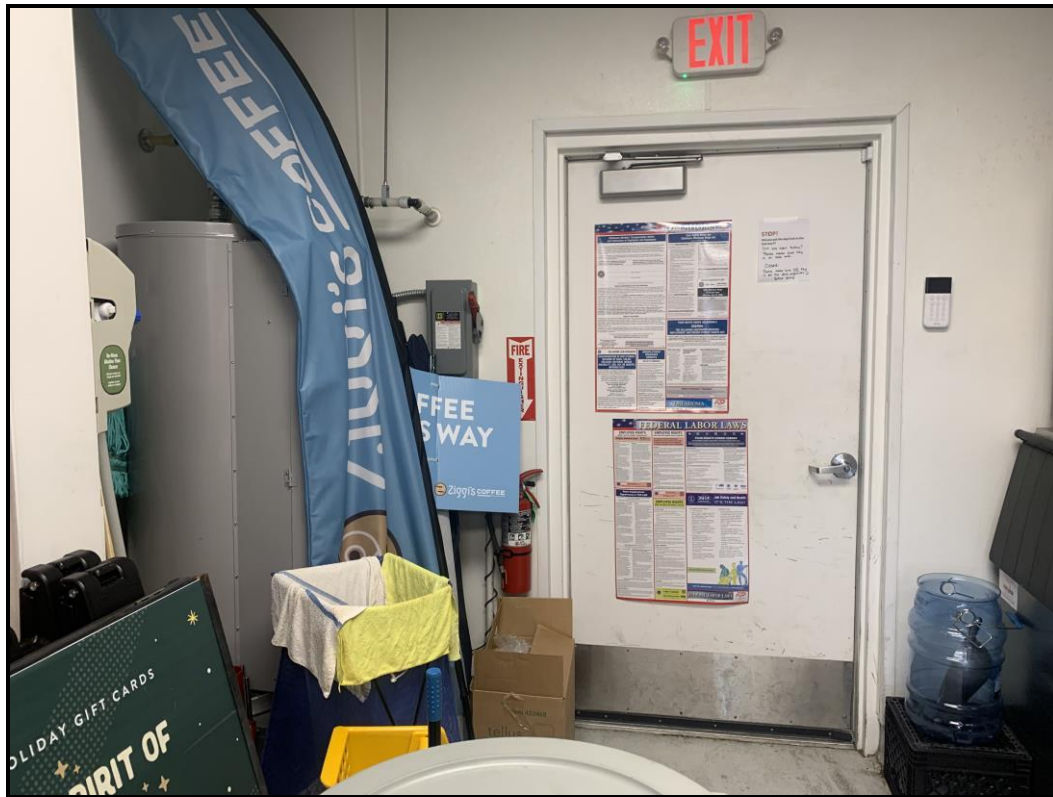
Exterior View



Exterior View



Interior View



Interior View



Interior View



Interior View



Interior View



Interior View



Interior View



Interior View



Exterior View



Exterior View



Exterior View



Tenant Signage



Parking

PURCHASE AND SALES AGREEMENT

OKLAHOMA REAL ESTATE COMMISSION

This is a legally binding Contract; if not understood, seek advice from an attorney.

**OKLAHOMA UNIFORM CONTRACT OF SALE OF REAL ESTATE
COMMERCIAL IMPROVED**

CONTRACT DOCUMENTS. The Contract is defined as this document with the following attachment(s):
(check as applicable)

_____ Financing Supplement

_____ Supplement

☒ Exhibit (A) – (C) _____

Parties. THE CONTRACT is entered into between:

J Bales Incorporated, "Seller", and

FL Ziggi's Operating LLC, "Buyer".

The Parties' signatures at the end of the Contract, which includes any attachments or documents incorporated by reference, with delivery to their respective Brokers, if applicable, will create a valid and binding Contract, which sets forth their complete understanding of the terms of the Contract. This agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, successors and permitted assigns. The Contract shall be executed by original signatures of the Parties or by signatures as reflected on separate identical Contract counterparts (carbon, photo, fax or other electronic copy). The Parties agree that as to all aspects of this transaction involving documents an electronic signature shall have the same force and effect as an original signature pursuant to the provisions of the Uniform Electronic Transactions Act, 12A, Oklahoma Statutes, Section 15-101 et seq. All prior verbal or written negotiations, representations and agreements are superseded by the Contract, which may only be modified or assigned by a further written agreement of Buyer and Seller.

The Parties agree that all notices and documents provided for in this contract shall be delivered to the Parties or their respective brokers, if applicable. Seller agrees to sell and convey by Special Warranty Deed, and Buyer agrees to accept such deed and buy the Property described herein, on the following terms and conditions:

The Property shall consist of the following described real estate located in Tulsa County, Oklahoma.

1. LEGAL DESCRIPTION. _____

See Exhibit A attached and incorporated by reference, specifically describing the Property.

Property Address 6134 S Memorial Dr E

City Tulsa

Zip 74133

Together with all fixtures and improvements, and all appurtenances, subject to existing zoning ordinances, plat or deed restrictions, utility easements serving the Property, **including** all mineral rights owned by Seller unless expressly reserved by Seller in the Contract and **excluding** mineral rights previously reserved or conveyed of record (collectively referred to as "the Property").

2. PURCHASE PRICE, EARNEST MONEY AND SOURCE OF FUNDS. ~~This is a CASH TRANSACTION unless a Financing Supplement is attached.~~ The Purchase Price is \$One Million Five Hundred Ninety Thousand and 00/199ths Dollars (\$1,590,000) payable by Buyer as follows: Buyer has paid \$0.00 as earnest money on execution of the Contract, and Buyer shall pay the balance of the purchase price and Buyer's closing costs at Closing. Upon execution of the Contract, the earnest money shall be deposited in the trust account of the Escrow Agent or if left blank, the Listing Broker's trust account, as part payment of the purchase price and/or closing costs.

3. CLOSING, FUNDING AND POSSESSION. The Closing process includes execution of documents, delivery of deed and receipt of funds by Seller and shall be completed on or before 120 days after the mutual execution of this Contract, ("Closing Date") or such later date as may be necessary in the Title Evidence Paragraph of the Contract. Possession shall be transferred upon conclusion of Closing process unless otherwise provided below: NONE

~~In addition to costs and expenses otherwise required to be paid in accordance with terms of the Contract, Buyer shall pay Buyer's Closing fee, Buyer's recording fees, and all other expenses required from Buyer. Seller shall pay documentary stamps required, Seller's Closing fee, Seller's recording fees, if any, and all other expenses required from Seller. Funds required from Buyer and Seller at Closing shall be either cash, cashier's check or wire transfer.~~

- 4. TIME PERIODS SPECIFIED IN CONTRACT.** Time periods for Investigations, Inspections and Reviews and Financing Supplement Agreement shall commence on the day following the day of the last signature of the Parties (Time Reference Date), regardless of the date the Contract is signed by Buyer and Seller. The day after the **Time Reference Date** shall be counted as day one (1). If left blank, the **Time Reference Date** shall be the third day after the last date of signatures of the Parties.
- 5. INVESTIGATIONS, INSPECTIONS AND REVIEWS.**
- A.** The Buyer agrees and acknowledges that Seller, Seller's Broker and their licensed associates, are not experts regarding the condition of the Property. No representations, warranties, or guarantees regarding the condition of the Property, or environmental hazards, are expressed or implied except as may be specified by Seller in the additional provisions in Paragraph 11.
- B.** Buyer shall have 30 days (ten [10] days if left blank) after the **Time Reference Date** to complete any investigations, inspections, and reviews. Seller shall have water, gas and electricity turned on and serving the Property for the Buyer's inspections, and through the date of possession or Closing, whichever occurs first. If required by ordinance, Seller, or Seller's Broker, if applicable, shall deliver to Buyer, in care of Buyer's Broker, if applicable, within five (5) days after the **Time Reference Date** any written notices affecting the Property.
- C.** Buyer, at Buyer's expense, shall have the right to enter upon the Property, together with Buyer's representative(s), independent contractor(s) and/or any other person Buyer deems qualified, to conduct any and all investigations, inspections, tests, studies and reviews. Excepting only the negligence of Seller or a condition caused or permitted by Seller, Buyer shall indemnify, protect, defend and hold Seller harmless from and against any and all claims, demands, losses, liabilities, costs, fees and expenses (including attorney's and consultant's fees) arising out of or related to Buyer's entry onto the Property in connection with any testing or investigation performed pursuant to this Contract. Buyer's investigations, inspections and reviews may include, but may not be limited to, the following:
- 1) Flood, Storm Water Run-off, Storm Sewer Back-up or Water History**
 - 2) Environmental Risks.** Including, but not limited to soil, air, water, hydrocarbon, chemical, carbon, asbestos, mold, radon gas and lead-based paint
 - 3) Roof.** Structural members, roof decking, coverings and related components
 - 4) Structural Inspection**
 - 5) Use of Property.** Property use restrictions, building restrictions, easements, restrictive covenants, zoning ordinances and regulations
 - 6) Square Footage/Acreage.** Buyer shall not rely on any quoted square footage and/or acreage and shall have the right to measure the Property.
- D. EQUIPMENT.** ~~Buyer and Seller shall have 0 days (7 days if blank) after the Seller's receipt of the completed TRR form to negotiate the Treatment, Repair, or Replacement items. If a written agreement is reached, seller shall complete all agreed Treatments, Repairs, or Replacements prior to the closing date. If a written agreement is not reached within the time specified in this provision, the Contract shall terminate and the Earnest Money returned to the Buyer.~~
- E. WOOD DESTROYING INSECTS INSPECTION.** Within _____ days (ten [10] if left blank) from the **Time Reference Date** of this Contract, Buyer shall have the right to have the Property inspected by Buyer's choice of a licensed exterminating company and deliver to Seller, in care of Seller's Broker, if applicable, an infestation report. The expense of such report shall be the Buyer's expense. In the event the report shows visible infestation or visible damage, Seller agrees, at Seller's expense, to treat and/or repair same, provided the estimated cost to cure such infestation or damage does not exceed \$_____. If the estimated cost exceeds such amount, Seller shall have the option to cancel and terminate this Contract within forty-eight (48) hours of being advised of such estimate unless Buyer agrees, in writing, to pay any costs in excess of such amount.
- F. BUYER'S RIGHT TO CANCEL.** If, upon Buyer's investigation, inspections and reviews, the Buyer determines that the Property is not suitable for Buyer's intended use, the Buyer may cancel and terminate this Contract and receive a refund of the earnest money by delivering written notice to the Seller, in care of Seller's Broker, if applicable, as provided in Paragraph 17 within twenty-four (24) hours of the expiration of the time period specified in this provision.
- 6. RISK OF LOSS.** Until transfer of Title or transfer of possession, risk of loss to the Property, ordinary wear and tear excepted, shall be upon Seller; after transfer of Title or transfer of possession, risk of loss shall be upon Buyer. (Parties are advised to address insurance coverage regarding transfer of possession prior to Closing.)
- 7. NON-FOREIGN SELLER.** Seller represents that at the time of acceptance of this contract and at the time of Closing, Seller is not a "foreign person" as such term is defined in the Foreign Investments in Real Property Tax Act of 1980 (26 USC Section 1445(f) et. Sec) ("FIRPTA"). If either the sales price of the property exceeds \$300,000.00 or the buyer does not intend to use the property as a primary residence then, at the Closing, and as a condition thereto, Seller shall furnish to Buyer an affidavit, in a form and substance acceptable to Buyer, signed under penalty of perjury containing Seller's United States Social Security and/or taxpayer identification numbers and a declaration to the effect that Seller is not a foreign person within the meaning of Section "FIRPTA."
- 8. ACCEPTANCE OF PROPERTY.** Buyer, upon accepting Title or transfer of possession of the Property, shall be deemed to have accepted the Property in its then condition. No warranties, expressed or implied, by Sellers, or Seller's Broker and/or their associated licensees, with reference to the condition of the Property, shall be deemed to survive the Closing.

9. TITLE EVIDENCE. Seller shall furnish Buyer title evidence covering the Property. Such title evidence shall be in the form of:
(check one or both)

- ☐ **SURFACE RIGHTS ABSTRACT (A below)**
☒ **TITLE INSURANCE COMMITMENT AND SURVEY (B below)**

A. SURFACE RIGHTS ABSTRACT

- 1) Seller, at Seller's expense, within thirty (30) days prior to Closing Date, agrees to make available to Buyer the following (collectively referred to as "the Title Evidence"):
 - a) A complete surface-rights-only Abstract of Title, certified by an Oklahoma-licensed and bonded abstract company; and
 - b) A current Uniform Commercial Code Search Certificate.
- 2) **LAND OR BOUNDARY SURVEY.** Seller agrees that Buyer, at ☒ **Buyer's** ☐ **Seller's** expense, may have a licensed surveyor enter upon the Property to perform a Land or Boundary (Pin Stake) Survey that shall then be considered as part of the Title Evidence.
- 3) **BUYER TO EXAMINE TITLE EVIDENCE.**
 - a) Buyer shall have ten (10) days after receipt to examine the Title Evidence and to deliver Buyer's objections to Title to Seller or Seller's Broker, if applicable. In the event the Title Evidence is not made available to Buyer within ten (10) days prior to Closing Date, said Closing Date shall be extended to allow Buyer the ten (10) days from receipt to examine the Title Evidence.
 - b) Buyer agrees to accept Title subject to: (i) utility easements serving the Property, (ii) building and use restrictions of record, (iii) set back and building lines, (iv) zoning regulations, and (v) reserved and severed mineral rights, which shall not be considered objections for requirements of Title.
- 4) **SELLER TO CORRECT ISSUES WITH TITLE (IF APPLICABLE); POSSIBLE CLOSING DELAY.** Upon receipt by Seller, or in care of Seller's Broker, if applicable, of any Title requirements reflected in an Attorney's Title Opinion or Title Insurance Commitment, based upon the standard of marketable title set out in the Title Examination Standards of the Oklahoma Bar Association, the Parties agree to the following:
 - a) Seller, at Seller's expense, shall make reasonable efforts to obtain and/or execute all documents necessary to cure Title requirements identified by Buyer; and
 - b) Delay Closing Date for _____ days [thirty (30) days if left blank], or a longer period as may be agreed upon in writing, to allow Seller to cure Buyer's Title requirements. In the event Seller cures Buyer's objection prior to the delayed Closing Date, Buyer and Seller agree to close within five (5) days of notice of such cure. In the event that Title requirements are not cured within the time specified in this Paragraph, the Buyer may cancel the Contract and receive a refund of the earnest money.

B. TITLE INSURANCE COMMITMENT AND SURVEY

- 1) Seller, at ☒ **Buyer's** ☐ **Seller's** expense **(check one)**, (including the cost of pre-closing abstracting and Title examiner's report) within 14 days after the Time Reference Date shall furnish Buyer a Commitment for title insurance from a title insurance company acceptable to Buyer (the "Title Commitment"). The Title Commitment covering the Property shall be addressed to the Buyer and bind the title company to issue to Buyer, at closing, an American Land Title Association (ALTA) standard form Owner's Policy of Title Insurance (the "Title Policy"), in the amount of the purchase price. The Title Commitment shall set forth the status of the Title to the Property, showing and having attached copies of all liens, claims, encumbrances, easements, rights-of-way, encroachments, reservations, restrictions and any other matters affecting the Property.
- 2) Seller, at ☐ **Buyer's** ☐ **Seller's** expense **(check one)**, within _____ days after _____, shall furnish Buyer five (5) copies of a survey of the Property, prepared by a licensed surveyor, dated or updated no more than six (6) months prior to the **Time Reference Date** (the "Survey"). The Survey shall show:
 - a) The boundary lines, dimensions and area of the land indicated thereon,
 - b) The location of all fences, buildings, driveways, monuments, and other improvements located within the boundary lines,
 - c) The location of all setback lines
 - d) The location of all easements, alleys, streets, roads, rights-of-way, and other matters of record affecting such land, together with the instrument, book and page number indicated,
 - e) If the Property is un-platted, a metes and bounds description of the Property,

- f) The scale, the North direction, the beginning point, distance to the nearest intersecting street, and point of reference from which the Property is measured, and
 - g) If the Property is located in (i) a floodway, (ii) a 100-year flood plain, (iii) a "flood prone area", as defined by the United States Department of Housing and Urban Development (HUD), pursuant to the U.S. Flood Disaster Protection Act of 1973, as amended, or (iv) an area classified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, reflected by Flood Insurance Rate Map covering the area in which the Property is situated; and shall identify the portion of the Property located in such floodway, 100-year flood plain, flood prone area, or flood hazard area. Such Survey shall be in a form sufficient to permit the Title Company issuing the Title Policy to remove printed survey exception from the policy.
- 3) The legal description of the Property contained in the Survey, if different from the description contained in this Contract, once approved by Buyer and Seller, shall be substituted for the description of the Property and the Contract shall be deemed amended by the substitution of the legal description of the Property contained in the Survey without the necessity of the Parties executing any further amendment to the Contract.
 - 4) Buyer shall have ~~ten (10)~~ twenty (20) days from the receipt of both the Commitment for Title Insurance and the Survey referred to above to examine the same and specify to Seller, in care of Seller's Broker attorney, if applicable, in writing, those matters which Buyer finds objectionable. No matter in the Title Commitment shall be construed as a valid objection to title under this Contract unless it is so construed under the Title Examination Standards of the Oklahoma Bar Association, where applicable. In case of valid objections to the title in the Title Commitment, Seller shall have ~~thirty (30)~~ ten (10) days, or such additional time as may be agreed to, in writing, by Seller and Buyer, to make reasonable efforts to cure or remove such objections. If Buyer, or Buyer's Broker, if applicable, does not deliver to Seller, in care of Seller's Broker, if applicable, a written notice specifying those items to which Buyer objects within ten (10) days after the receipt by Buyer of the information referred to above, then all of the items reflected in the Title Commitment and Survey shall be considered to be acceptable to Buyer. If such valid objections cannot be satisfied within the time stipulated in this Paragraph, Buyer may elect the earnest money shall be refunded to the Buyer, Buyer shall return the abstract to Seller, and this Contract shall be of no further force and effect or may waive the objections.
 - 5) On the date of closing of this transaction, as provided in the Contract, Seller shall furnish to Buyer a copy of the Title Commitment, fully marked and initialed by the title company issuing the Owner's Title Policy, which marked Title Commitment, shall reflect the exceptions and provisions to be contained in the Owner's Title policy upon issuance thereof. The Title Commitment shall commit to issue to Buyer an owner's policy of title insurance, covering all of the Property, in the sum of the purchase price, and written on an American Land Title Association (ALTA) Owner's Policy form or its equivalent, and, except for the objections Buyer has agreed to waive showing only the standard printed exceptions and exclusions contained in the said ALTA form of Owner's Title Policy. The premium charged by the Title Company and post closing abstracting expense of providing such Title Policy shall be borne by:

(check one) ☒ Buyer ☐ Seller

- 6) The Title Commitment shall permit deletion of the Survey exceptions, at Buyer's sole cost and expense. Additional extended coverage, including waiver of the standard exceptions and an ALTA standard zoning endorsement, which reflects the zoning classification of the Property, shall also be provided by Seller, at Buyer's request, and costs for such extended coverage in excess of the base policy premium shall be reimbursed to Seller by Buyer at closing.
- 7) ~~Seller shall make reasonable efforts, at Seller's sole cost and expense, to cure or remove objections identified in the Survey. If Seller fails to cause all of the objections to be removed or cured prior to the closing date, or if Seller, or Seller's Broker, if applicable, notifies Buyer, in care of Buyer's Broker, if applicable, of Seller's decision not to cure or remove some, or all, of the objections, Buyer's sole remedy shall be to:~~
 - a) ~~Terminate this Contract by giving Seller, in care of Seller's Broker, if applicable, written notice thereof, which notice must be given within five (5) days after Seller, or Seller's Broker, if applicable, notifies Buyer, in care of Buyer's Broker, if applicable, of Seller's decision not to cure or remove the objections; in which event, the earnest money, together with all interest earned thereon, shall be returned to the Buyer, and neither Party shall have any further rights, duties, or obligations hereunder; or~~
 - b) ~~Elect to purchase the Property subject to the Buyer's objections not so removed or cured; in which event, the objections not removed or cured shall be deemed acceptable to Buyer.~~
- 8) Notwithstanding anything to the contrary contained in this Contract, in the event the transaction contemplated by this Contract does not close for any reason except Seller's failure to cure or remove a title objection described in the Survey or wrongful refusal to close, **Buyer shall be responsible for the payment of the cost of the Survey.** Upon closing, any existing Abstract(s) of Title, owned by Seller, shall become the property of Buyer.

10. TAXES, ASSESSMENTS AND PRORATIONS.

- A. General ad valorem taxes for the current calendar year shall be prorated through the date of closing, if certified. However, if the amount of such taxes has not been fixed, the proration shall be based upon the rate of levy for the previous calendar year and the most current assessed value available at the time of Closing.
- B. The following items shall be paid by Seller at Closing: (i) Documentary Stamps; (ii) all utility bills, actual or estimated; (iii) all taxes other than general ad valorem taxes which are or may become a lien against the Property; and (iv) any labor, materials, or other expenses related to the Property, incurred prior to Closing which is or may become a lien against the Property.
- C. At Closing all leases, if any, shall be assigned to Buyer and security deposits, if any, shall be transferred to Buyer. Prepaid rent and lease payments shall be prorated through the date of Closing.
- D. If applicable, membership and meters in utility districts to include, but not limited to, water, sewer, ambulance, fire, garbage, shall be transferred at no cost to Buyer at Closing.
- E. If the property is subject to a mandatory Homeowner's Association, dues and assessments, if any, based on most recent assessment, shall be prorated through the date of Closing.
- F. All governmental and municipal special assessments against the property (matured or not matured), not to include Homeowner's Association special assessments, whether or not payable in installments, shall be paid in full by Seller at Closing.

11. ADDITIONAL PROVISIONS.

See Exhibit B attached and incorporated herein

- 12. TAX DEFERRED EXCHANGE 1031.** In conformance with Section 1031 of the Internal Revenue Code, it may be the intention of the Seller or Buyer or both to effect a tax-deferred exchange. Either the Seller or Buyer or both may assign his/her rights in the contract to a Qualified Intermediary for the purpose of effecting a tax-deferred exchange. The Parties agree to cooperate and execute the necessary documents to allow either or both Parties to effect such exchange at no additional cost or liability to the other Party. However, any warranties that may be expressed in this contract shall remain and be enforceable between the Parties executing this document.

- 13. MEDIATION.** Any dispute arising with respect to the Contract shall first be submitted to a dispute resolution mediation system servicing the area in which the Property is located. Any settlement agreement shall be binding. In the event an agreement is not reached, the Parties may pursue legal remedies as provided by the Contract.

- 14. BREACH AND FAILURE TO CLOSE.** Seller or Buyer shall be in breach of this contract if either fails to comply with any material covenant, agreement, or obligation within the time limits required by this Contract.
TIME IS OF THE ESSENCE IN THIS CONTRACT.

- A. **UPON BREACH BY SELLER.** If the Buyer performs all of the obligations of Buyer, and if, within five (5) days after the date specified for Closing under Paragraph 3, Seller fails to convey the Title or fails to perform any other obligations of the Seller under this Contract, then Buyer shall be entitled to either cancel and terminate this Contract, return the abstract to Seller and receive a refund of the earnest money, or pursue any other remedy available at law or in equity, including specific performance.
- B. **UPON BREACH BY BUYER.** If, after the Seller has performed Seller's obligation under this Contract, and if, within five (5) days after the date specified for Closing under Provision 3, the Buyer fails to provide funding, or to perform any other obligations of the Buyer under this Contract, then the Seller may, at Seller's option, cancel and terminate this Contract and retain all sums paid by the Buyer, but not to exceed 5% of the purchase price as liquidated damages, or pursue any other remedy available at law or in equity, including specific performance.

15. INCURRED EXPENSES AND RELEASE OF EARNEST MONEY.

- A. **INCURRED EXPENSES.** Buyer and Seller agree that any expenses, incurred on their behalf, shall be paid by the Party incurring such expenses and shall not be paid from earnest money.
- B. **RELEASE OF EARNEST MONEY.** In the event a dispute arises prior to the release of earnest money held in escrow, the escrow holder shall retain said earnest money until one of the following occur:
 - 1) A written release is executed by Buyer and Seller agreeing to its disbursement;
 - 2) Agreement of disbursement is reached through Mediation;
 - 3) Interpleader or legal action is filed, at which time the earnest money shall be deposited with the Court Clerk; or
 - 4) The passage of thirty (30) days from the date of final termination of the Contract has occurred and options 1), 2) or 3) above has not been exercised; Broker escrow holder, at Broker's discretion, may disburse earnest money. Such disbursement may be made only after fifteen (15) days written notice to Buyer and Seller at their last known address stating the escrow holder's proposed disbursement.

- 16. DELIVERY OF ACCEPTANCE OF OFFER OR COUNTEROFFER.** ~~The Buyer and Seller authorize their respective Brokers, if applicable, to receive delivery of an accepted offer or counteroffer.~~

- 17. NOTICE.** Any notice provided for herein shall be given in writing, sent by (a) personal delivery, (b) United States mail, postage prepaid, or (c) by facsimile, to the Escrow Agent, with copies to the other Parties, addressed as follows:

To Escrow/Closing Agent:

c/o _____

Phone: _____

Buyers: _____

c/o _____

Phone: _____

FAX: _____

Email: _____

FAX: _____

Sellers: _____

c/o _____

Phone: _____

FAX: _____

Email: _____

or such other address as shall hereafter be designated in writing.

- 18. BROKER RELATIONSHIP DISCLOSURE/COMMISSION.** Parties acknowledge and confirm that Broker(s) providing brokerage services to the Parties have described and disclosed their duties and responsibilities to the Parties prior to the Parties signing this Contract.

(Applicable for in-house transactions only) Parties acknowledge and confirm that the broker is providing brokerage services to both Parties to the transaction prior to the Parties signing this Contract. Parties further acknowledge receipt of Estimate of Costs associated with this transaction and that a Contract Information Booklet has been made available to the Parties in print, or at www.orec.ok.gov.

Seller acknowledges and confirms that the Broker providing brokerage services to the seller has described and disclosed their duties and responsibilities to the seller prior to the seller signing this Contract.

It is further acknowledged and agreed by the Parties that the **Buyer** **Seller (check one)** will pay the Listing Broker a commission equal to _____ of the purchase price at Closing for services rendered in this real estate transaction.

- 19. TERMINATION OF OFFER.** The above Offer shall automatically terminate on _____ unless withdrawn prior to acceptance or termination.

20. EXECUTION BY Parties.

AGREED TO BY BUYER:

On this Date: 10/04/2022

Buyer's Printed Name

Buyer's Signature Chelsey Franklin

Buyer's Printed Name

Buyer's Signature

AGREED TO BY SELLER:

On this Date: 10/04/2022

Seller's Printed Name

Seller's Signature Carl Joseph Bales

Seller's Printed Name

Seller's Signature

OFFER REJECTED AND SELLER IS NOT MAKING A COUNTEROFFER _____, 20____

Seller's Signature

Seller's Signature

EARNEST MONEY RECEIPT, INSTRUCTIONS, AND ASSOCIATE INFORMATION

In accordance with the terms and conditions of the PURCHASE, PRICE, EARNEST MONEY, AND SOURCE OF FUNDS Paragraph, \$ _____ ☐ Check ☐ Cash as Earnest Money Deposit, has been delivered to:

☐

Listing Broker: Listing Broker acknowledges receipt of Earnest Money and shall deposit said funds in accordance with Paragraph 2 of this Contract. Listing Broker shall provide a copy of receipt to the Selling Broker.

☐

Selling Broker: Selling Broker acknowledges receipt of Earnest Money and shall deliver said funds to the Title Company. Selling Broker shall provide a copy of the receipt to the Listing Broker.

☐

X Title Company (Name/Address of Title Company): _____

☐

Other: _____

Date Selling Broker/Associate Signature

(Print Name) Selling Broker/Associate

SELLING BROKER/ASSOCIATE:

Name and **OREC** Associate License Number

OREC Company Name

OREC Company License Number

Company Address

Company Phone Number

Associate Email

Date

Date Listing Broker/Associate Signature

(Print Name) Listing Broker/Associate

LISTING BROKER/ASSOCIATE:

Name and **OREC** Associate License Number

OREC Company Name

OREC Company License Number

Company Address

Company Phone Number

Associate Email

Date

Exhibit A
The "Property"

All that certain lot, piece, or parcel of land located at 6134 S Memorial Dr E, Tulsa 74133, Tulsa County, Oklahoma, as more particularly bounded and described as

**PRT RES A & PRT BLK 2 BEG 459.91 SWC SOUTHBRIDGE EAST OFFICE PARK
TH N90 E270 S90 W270 to POB, Section: 02 Township: 18 Range: 13**

Together with:

- (a) All buildings and improvements located on the Land and all of Seller's right, title, and interest in and to any and all fixtures attached thereto (collectively, the **"Improvements"**);
- (b) All equipment, machinery, apparatus, appliances, and other articles of personal property located on and used in connection with the operation of the Improvements (collectively, the **"Personal Property"**), to the extent any of same are owned by Seller;
- (c) All rights appurtenant to the Land, if any, including without limitation, any strips and gores abutting the Land, and any land lying in the bed of any street, road, or avenue in front of, or adjoining the Land, to the center line thereof.
- (d) All other rights, privileges, easements, licenses, appurtenances, and hereditaments relating to the Property.

Excluding the "Tangible Personal Property" (as defined in the Asset Purchase Agreement) (for the purpose of this Agreement, the **"Excluded Personal Property"**), which Excluded Personal Property is expressly excluded from this conveyance.

Exhibit B
Additional Provisions

1. **Definitions.** For the purposes of the Contract and this Exhibit B, the following terms are defined as follows:

- a. **"Asset Purchase Agreement"** means that certain Asset Purchase Agreement between Buyer and Seller dated September 29, 2022.
- b. **"Escrow Agent"** and **"Title Insurance Company"** shall mean Charter Title & Escrow Company, LLC with an office at 8522 E 61st Street, Tulsa, OK.

2. **Miscellaneous Adjustments.** Any miscellaneous adjustments payable by either Party, as the case may be, that occur at the Closing may be paid at the Closing by delivery of personal or business checks, provided, however, that such miscellaneous adjustments do not exceed Ten Thousand and 00/100 Dollars (\$10,000.00). Any errors in calculations or apportionments shall be corrected or adjusted as soon as practicable after the Closing Date. This paragraph shall survive the Closing. The parties agree that no adjustments to the Purchase Price shall be made as a result of any property inspections, as Seller is selling the Property as-is.

3. **Financing.** Seller expressly agrees and acknowledges that Buyer's obligations to pay the Purchase Price and otherwise consummate the transactions contemplated hereby are conditioned upon Buyer's ability to obtain financing of the Purchase Price within 120 days of the date of this Contract. If Buyer is unable to obtain the Purchase Price, then Buyer may cancel and terminate this Contract and all earnest money shall be refunded to Buyer.

4. **Seller's Representations and Warranties.** Seller represents and warrants to Buyer on and as of the date of this Contract and on and as of the Closing Date as follows:

- (a) Seller is a corporation duly formed, validly existing, and in good standing under the laws of the State of Oklahoma.
- (b) The execution, delivery, and performance of this Contract by Seller and all agreements, instruments, and documents herein provided to be executed by Seller on the Closing Date: (i) do not violate the bylaws of Seller, or any contract, agreement, commitment, lease, order, judgment, or decree to which Seller is a party; and (ii) have been duly authorized by the consent of the board of directors of Seller and the appropriate and necessary action has been taken by such board of directors on the part of Seller. This Contract is valid and binding upon Seller, subject to bankruptcy, reorganization, and other similar laws affecting the enforcement of creditors' rights generally.
- (c) Seller is not a "foreign person" within the meaning of Section 1445 of the Code.
- (d) There are no leases affecting the Property on the date of this Contract.
- (e) No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Contract or the Asset Purchase Agreement based upon arrangements made by or on behalf of Seller.
- (f) To Seller's actual knowledge, there is no pending or threatened litigation or condemnation action against the Property or against Seller with respect to the Property as of the date of this Contract.
- (g) Seller is not, and will not become, a person or entity with whom United States persons or entities are restricted or prohibited 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 (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support

Terrorism), or other governmental action and is not and will not engage in any dealings or transactions or be otherwise associated with such persons or entities.

(h) This Paragraph 4 of Seller's Representations and Warranties shall survive Closing for a period of two (2) years.

5. **Buyer's Representations and Warranties.** Buyer represents and warrants to Seller on and as of the date of this Contract and on and as of the Closing Date as follows:

(a) Buyer is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Colorado and qualified to do business in the State of Oklahoma.

(b) The execution, delivery, and performance of this Contract by Buyer and all agreements, instruments, and documents herein provided to be executed by Buyer on the Closing Date: (i) do not violate the Operating Agreement of Buyer, or any contract, agreement, commitment, lease, order, judgment, or decree to which Buyer is a party; and (ii) have been duly authorized by the consent of the manager of Buyer and the appropriate and necessary action has been taken by such manager on the part of Buyer. This Contract is valid and binding upon Buyer, subject to bankruptcy, reorganization, and other similar laws affecting the enforcement of creditors' rights generally.

(c) Buyer has not violated any contract, agreement, or other instrument to which Buyer is a party nor any judicial order, judgment, or decree to which Buyer is bound by: (i) entering into this Contract; (ii) executing any of the documents Buyer is obligated to execute and deliver on the Closing Date or (iii) performing any of its duties or obligations under this Contract or otherwise necessary to consummate the transactions contemplated by this Agreement.

(d) Buyer is not, and will not become, a person or entity with whom United States persons or entities are restricted or prohibited from doing business under regulations of OFAC (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and is not and will not engage in any dealings or transactions or be otherwise associated with such persons or entities.

(e) This Paragraph 5 of Buyer's Representations and Warranties shall survive Closing for a period of two (2) years.

6. **Seller's Closing Deliverables.** At Closing, Seller shall deliver or cause to be delivered to Buyer, the following, executed, certified, and acknowledged by Seller, as appropriate:

(a) One (1) original Special Warranty deed ("**Deed**") in substantially the form attached hereto as Exhibit C duly executed with the appropriate acknowledgment form and otherwise in proper form for recording so as to convey title to the Property as required by this Contract. The delivery of the Deed by Seller, and the acceptance by Buyer, shall be deemed the full performance and discharge of every obligation on the part of Seller to be performed pursuant to this Agreement, except those obligations of Seller which are expressly stated in this Agreement to survive the Closing.

(b) Counterparts of any required transfer tax returns, or in each instance and if available, an electronic filing of such returns, together with the required payment of applicable transfer taxes, pursuant to the requirements of the applicable state and local taxing authorities; notwithstanding the foregoing, however, at Seller's option, at least five (5) days before the Closing Date, Seller may elect to allow Buyer a credit against the Purchase Price for the amount of transfer taxes due and payable by Seller and to have Buyer make the timely payment directly to the taxing authorities or provide payment for such amounts to Buyer's Title Insurance Company and Buyer shall provide Seller with proof of payment at the Closing.

(c) A certification that Seller is not a "foreign person" as such term is defined in Section 1445 of the Internal Revenue Code, as amended and the regulations thereunder (collectively, the "**Code**"), which certification shall be signed under penalty of perjury.

(d) A consent of the members of the board of directors of Seller authorizing the transaction contemplated hereby and the execution and delivery of the documents required to be executed and delivered hereunder.

(e) A counterpart of a closing statement jointly prepared by Seller and Buyer reflecting the prorations and adjustments required under this Contract and the balance of the Purchase Price due Seller.

(f) All keys, key cards, and access codes to any portion of the Property, to the extent in Seller's possession or control.

(g) All Seller's deliverables pursuant to the Asset Purchase Agreement.

(h) All other documents reasonably necessary or otherwise required by the Escrow Agent and Title Insurance Company to consummate the transaction contemplated by this Agreement.

7. **Buyer's Closing Deliverables.** On the Closing Date, Buyer shall deliver or cause to be delivered to Seller, the following, executed, certified, and acknowledged by Buyer, as appropriate:

(i) The balance of the Purchase Price.

(j) Buyer shall, where applicable, join with Seller in the execution and delivery of the closing documents and instruments required under this Agreement.

(k) A consent of the managing member of Buyer authorizing the transaction contemplated hereby and the execution and delivery of the documents required to be executed and delivered hereunder.

(l) All other documents reasonably necessary or otherwise required by the Escrow Agent or the Title Insurance Company to consummate the transactions contemplated by this Agreement.

8. **Contracts/Maintenance and Repairs.** Seller shall cause the Property, and the Improvements, to be maintained in substantially the same manner as prior to the date of this Contract pursuant to Seller's normal course of business, subject to reasonable wear and Paragraph 9 "Risk of Loss" of this Exhibit B. During the terms of this Contract, Seller shall not enter into any new contracts without the consent of the Buyer.

9. **Risk of Loss.** If prior to the Closing Date any portion of the Property shall be taken by condemnation or eminent domain or damaged or destroyed by fire or other casualty, the Contract shall be deemed cancelled and terminated and the Buyer shall receive a refund of the earnest money.

10. **Further Assurances.** Each of the parties hereto shall execute and deliver such additional documents, instruments, conveyances, and assurances and take such further actions as may be reasonably required to carry out the provisions of this Contract and give effect to the transactions contemplated hereby, provided such documents are customarily delivered in real estate transactions in the State of Oklahoma and do not impose any material obligations upon any party hereunder except as set forth in this Contract.

11. **Counterparts/Electronic Signatures.** This Contract may be executed by the parties in separate counterparts, each of which when so executed and delivered shall be an original for all purposes, but all such counterparts shall together constitute but one and the same instrument. This Contract may be executed in several counterparts, including electronic counterparts (such as facsimile or .pdf), each of which shall be deemed to be an original, and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all of the parties shall not have signed the same counterpart.

12. **No Waivers.** No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party providing the waiver. No waiver by either party of any failure or refusal to comply with any obligations under this Contract shall be deemed a waiver of any other or subsequent failure or refusal to so comply.

Property Address 6134 S Memorial Dr., Tulsa, OK 74133

13. **Waiver of Jury Trial.** SELLER AND BUYER HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM (WHETHER ARISING IN TORT OR CONTRACT) BROUGHT BY SUCH PARTY AGAINST THE OTHER ON ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS CONTRACT.

Exhibit C
Form of Special Warranty Deed

ASSET PURCHASE AGREEMENT

between

J BALES INCORPORATED

as “Seller”

FL Ziggis Operating LLC

as “Buyer”

September 29, 2022

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this “Agreement”) is entered into as of September 29, 2022 (the “Effective Date”) by and between J Bales Incorporated, an Oklahoma Corporation doing business as Ziggi’s Coffee (“Seller”), and FL Ziggis Operating LLC, a Colorado limited liability company (“Buyer”) (each of Seller and Buyer may be referred to as a “Party” or collectively as “Parties”).

RECITALS

WHEREAS, Seller is engaged in the business of owning and operating a Ziggi’s Coffee franchise located at 6134 S Memorial Dr, Tulsa, OK 74133 (the “Business”);

WHEREAS, Seller wishes to sell and assign to Buyer, and Buyer wishes to purchase and assume from Seller, all the assets, and certain specified liabilities, of the Business, subject to the terms and conditions set forth herein; and

NOW, THEREFORE, in consideration of the mutual promises of the Parties hereto and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1 DEFINITIONS

1.1 Certain Definitions. In this Agreement, the following terms shall have the following meanings:

"Action" means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

"Affiliate" of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" has the meaning set forth in the preamble.

"Ancillary Documents" means the Real Estate Purchase Agreement, the Bill of Sale, the Assignment and Assumption Agreement, Deeds, Intellectual Property Assignment, and the other agreements, instruments and documents required to be delivered at the Closing, including other agreements, instruments and documents required by the Title Company or necessary in connection with the consummation of the transactions completed by this Agreement.

"Assigned Contracts" has the meaning set forth in Section 2.1(b).

"Assignment and Assumption Agreement" has the meaning set forth in Section 3.2(a)(ii).

"Assumed Liabilities" has the meaning set forth in Section 2.3.

"Audited Financial Statements" has the meaning set forth in Section 4.4.

"Balance Sheet" has the meaning set forth in Section 4.4.

"Balance Sheet Date" has the meaning set forth in Section 4.4.

"Bill of Sale" has the meaning set forth in Section 3.2(a)(i).

"Books and Records" has the meaning set forth in Section 2.1(m).

"Business" has the meaning set forth in the recitals.

"Business Day" means any day except Saturday, Sunday or any other day on which commercial banks located in Oklahoma are authorized or required by Law to be closed for business.

"Buyer" has the meaning set forth in the preamble.

"Buyer Indemnitees" has the meaning set forth in Section 8.2.

"Closing" has the meaning set forth in Section 3.1.

"Closing Date" has the meaning set forth in Section 3.1.

"Code" means the Internal Revenue Code of 1986, as amended.

"Confidentiality Agreement" means that certain Confidentiality, Nondisclosure, and Noncompete Agreement dated September 29, 2022 by and between the Buyer and Seller, which shall survive the execution of this Agreement and the Closing.

"Contracts" means all contracts, equipment leases, licenses, supplier and vendor agreements, and all other agreements, commitments and legally binding arrangements, whether written or oral, including the Franchise Agreement.

"Deed" has the meaning set forth in Section 3.2(a)(iii).

"Deposit" has the meaning set forth in Section 2.5.

"Disclosure Schedules" means those schedules disclosing certain information contemplated by this Agreement and delivered by Seller and Buyer concurrently with the execution and delivery of this Agreement.

"Dollars or \$" means the lawful currency of the United States.

"Effective Date" has the meaning set forth in the preamble.

"Encumbrance" means any charge, claim, community property interest, pledge, condition, equitable interest, lien (statutory or other), option, security interest, mortgage, easement, encroachment, right of way, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

"Excluded Assets" has the meaning set forth in Section 2.2.

"Excluded Contracts" has the meaning set forth in Section 2.2(a).

"Excluded Liabilities" has the meaning set forth in Section 2.4.

"Franchise Agreement" shall mean that certain Franchise Agreement between Seller and Ziggi's Coffee Franchise, LLC dated June 12, 2017 and with an initial term of ten years.

"Financial Statements" has the meaning set forth in Section 4.4.

"FIRPTA Certificate" means a certificate pursuant to Treasury Regulations Section 1.1445-2(b) that Seller is not a foreign person within the meaning of Section 1445 of the Code duly executed by Seller.

"GAAP" means United States generally accepted accounting principles in effect from time to time.

"Governmental Authority" means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.

"Governmental Order" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"Intellectual Property" means any and all rights in, arising out of, or associated with any of the following in any jurisdiction throughout the world: (a) issued patents and patent applications (whether provisional or non-provisional), including divisionals, continuations, continuations-in-part, substitutions, reissues, reexaminations, extensions, or restorations of any of the foregoing, and other Governmental Authority-issued indicia of invention ownership (including certificates of invention, petty patents, and patent utility models) ("Patents"); (b) trademarks, service marks, brands, certification marks, logos, trade dress, trade names, and other similar indicia of source or origin, together with the goodwill connected with the use of and symbolized by, and all registrations, applications for registration, and renewals of, any of the foregoing ("Trademarks"); (c) copyrights and works of authorship, whether or not copyrightable, and all registrations, applications for registration, and renewals of any of the foregoing ("Copyrights"); (d) internet domain names and social media account or user names (including "handles") including all user names, passwords and other access information or credentials, whether or not Trademarks, all associated web addresses, URLs, websites and web pages, social media sites and pages, and all content and data thereon or relating thereto, whether or not Copyrights; (e) mask works, and all registrations, applications for registration, and renewals thereof; (f) industrial designs, and all Patents, registrations, applications for registration, and renewals thereof; (g) trade secrets, know-how, inventions (whether or not patentable), discoveries, improvements, technology, business and technical information, databases, data compilations and collections, tools, methods, processes, techniques, and other confidential and proprietary information and all rights therein ("Trade Secrets"); (h) computer programs, operating systems, applications, firmware and other code, including all source code, object code, application programming interfaces, data files, databases, protocols, specifications, and other documentation thereof ("Software"); (i) rights of publicity; and (j) all other intellectual or industrial property and proprietary rights.

"Intellectual Property Agreements" means (other than the Franchise Agreement) all licenses, sublicenses, consent to use agreements, settlements, coexistence agreements, covenants not to sue, waivers, releases, permissions and other Contracts relating to any Intellectual Property that is used or held for use in the conduct of the Business as currently conducted to which Seller is a party, beneficiary or otherwise bound, and as listed on the Disclosure Schedule Section 2.1, if any.

"Intellectual Property Assets" means all Intellectual Property that is owned by Seller and used or held for use in the conduct of the Business as currently conducted, including all rights to and claims for damages, restitution, and injunctive and other legal or equitable relief for infringement, misappropriation, or other violation thereof.

"Intellectual Property Assignment" has the meaning set forth in Section 3.2(a)(v).

"Interim Balance Sheet" has the meaning set forth in Section 4.4.

"Interim Balance Sheet Date" has the meaning set forth in Section 4.4.

"Interim Financial Statements" has the meaning set forth in Section 4.4.

"Inventory" has the meaning set forth in Section 2.1(a).

"Knowledge of Seller or Seller's Knowledge" or any other similar knowledge qualification, means the actual or constructive knowledge of any director or officer of Seller, after due inquiry.

"Law" means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority.

"Liabilities" means liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise.

"Losses" means losses, damages, liabilities, deficiencies, Actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys' fees and the cost of enforcing any rights herein, any rights to indemnification hereunder and the cost of pursuing any insurance providers; provided, however, that "Losses" shall not include punitive damages, except to the extent actually awarded to a Governmental Authority or other third party.

"Material Adverse Effect" means any event, occurrence, fact, condition or change that is, or could reasonably be expected to become, individually or in the aggregate, materially adverse to (a) the Business, results of operations, condition (financial or otherwise) or assets of the Business, or (b) the value of the Purchased Assets; provided, however, that "Material Adverse Effect" shall not include any event, occurrence, fact, condition or change, directly or indirectly, arising out of or attributable to: (i) general economic or political conditions; (ii) conditions generally affecting the industries in which the Business operates; (iii) any changes in financial or securities markets in general; (iv) acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof; (v) any action required or permitted by this Agreement; (vi) any changes in applicable Laws or accounting rules, including GAAP; or (vii) the public announcement, pendency or completion of the transactions contemplated by this Agreement; provided further, however, that any event, occurrence, fact, condition or change referred to in clauses (i) through (iv) immediately above shall be taken into account in determining whether a Material Adverse Effect has occurred or could reasonably be expected to occur to the extent that such event, occurrence, fact, condition or change has a disproportionate effect on the Business compared to other participants in the industries in which the Business operates.

"Material Contracts" has the meaning set forth in Section 4.7.

"Permits" means all permits, licenses, registrations, certificates, and similar rights obtained, or required to be obtained, from Governmental Authorities and listed on the Disclosure Schedule Section 2.1.(g).

"Permitted Encumbrances" has the meaning set forth in Section 4.8(a).

"Person" means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

"Pre-Closing Tax Period" means any taxable period ending on or before the Closing Date and, with respect to any taxable period beginning before and ending after the Closing Date, the portion of such taxable period ending on and including the Closing Date

"Purchase Price" has the meaning set forth in Section 2.5.

"Purchased Assets" has the meaning set forth in Section 2.1.

"Real Property" has the meaning set forth in Section 4.14(a).

"Real Property Purchase Agreement" means that certain Real Estate Purchase Agreement dated as of the date of this Agreement between Seller and Buyer for the purchase of the Real Property.

"Representative" means, with respect to any Person, any and all directors, officers, members, shareholders, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.

"Seller" has the meaning set forth in the preamble.

"Seller Indemnitees" has the meaning set forth in Section 8.3.

"Tangible Personal Property" has the meaning set forth in Section 2.1(f).

"Taxes" means all federal, state, local, foreign and other income, gross receipts, sales, use, production, ad valorem, transfer, documentary, franchise, registration, profits, license, lease, service, service use, withholding, payroll, employment, unemployment, estimated, excise, severance, environmental, stamp, occupation, premium, property (real or personal), real property gains, windfall profits, customs, duties or other taxes, fees, assessments or charges of any kind whatsoever, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties.

"Tax Return" means any return, declaration, report, claim for refund, information return or statement or other document relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Third Party Claim" means any Action made or brought by any Person who is not a party to this Agreement or an Affiliate of a party to this Agreement or a Representative of the foregoing.

"Title Company" has the meaning set forth in Section 2.5.

ARTICLE 2

PURCHASE AND SALE

2.1 Purchase and Sale of Assets and Assumption of Liabilities. Subject to the terms and conditions set forth herein, at the Closing, Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase from Seller, free and clear of any Encumbrances other than Permitted Encumbrances, all of Seller's right, title and interest in, to and under all of the assets, properties and rights of every kind and nature, whether real, personal or mixed, tangible or intangible (including goodwill), wherever located and whether now existing or hereafter acquired (other than the Excluded Assets), which relate to, or are used or held for use in connection with, the Business (collectively, the "Purchased Assets"), including, without limitation, the following:

- (a) all inventory, packaging, supplies, perishables, and consumables ("Inventory");

- (b) all Contracts set forth on Section 2.1(b) of the Disclosure Schedules (the “Assigned Contracts”)
- (c) all Intellectual Property Assets set forth on Section 2.1(c) of the Disclosure Schedules;
- (d) all, fixtures, equipment, machinery, tools, office equipment, supplies, computers, telephones and other tangible personal property located on the Real Property and dedicated primarily to the Business (the "Tangible Personal Property");
- (e) all transferable Permits which are held by Seller and required for the conduct of the Business as currently conducted or for the ownership and use of the Purchased Assets;
- (f) all of Seller's rights under warranties for Tangible Personal Property or Inventory;
- (g) originals, or where not available, copies, of books and records related to the Purchased Assets, including, but not limited to machinery and equipment maintenance files, customer lists, customer purchasing histories, price lists, distribution lists, supplier lists, production data, quality control records and procedures, customer complaints and inquiry files, marketing and promotional surveys, ("Books and Records"); and
- (h) all goodwill and the going concern value of the Business.

2.2 Excluded Assets. Notwithstanding the foregoing, the Purchased Assets shall not include the following assets (collectively, the "Excluded Assets"):

- (a) Contracts that are not Assigned Contracts (the "Excluded Contracts");
- (b) the corporate seals, organizational documents, minute books, stock books, Tax Returns, books of account or other records having to do with the corporate organization of Seller;
- (c) the assets, properties and rights specifically set forth on Section 2.2(d) of the Disclosure Schedules; and
- (d) the rights of the Seller under this Agreement and the Ancillary Documents that survive the Closing.

2.3 Assumed Liabilities. Subject to the terms and conditions set forth herein, Buyer shall assume and agree to pay, perform and discharge only the following Liabilities of Seller (collectively, the "Assumed Liabilities"), and no other Liabilities:

- (a) all trade accounts payable of Seller to third parties in connection with the Business that remain unpaid and are not delinquent as of the Closing Date and that either are reflected on the Interim Balance Sheet Date or arose in the ordinary course of business consistent with past practice since the Interim Balance Sheet Date;
- (b) all Liabilities in respect of the Assigned Contracts but only to the extent that such Liabilities thereunder arose or are required to be performed after the Closing Date or, if relating to a period prior to the Closing Date, as set forth on Section 2.3(c) of the Disclosure Schedules; and
- (c) those Liabilities of Seller set forth on Section 2.3(c) of the Disclosure Schedules;

2.4 Excluded Liabilities. Notwithstanding the provisions of Section 2.3 or any other provision in this Agreement to the contrary, Buyer shall not assume and shall not be responsible to pay, perform or discharge any Liabilities of Seller or any of its Affiliates of any kind or nature whatsoever other than the Assumed Liabilities (the "Excluded Liabilities"). Seller shall, and shall cause each of its Affiliates to, pay and satisfy in due course all Excluded Liabilities which they are obligated to pay and satisfy—provided, however, that all matters relating to cash or contracts (not to include Inventory Invoices or Customer Loyalty Cards) shall be settled on or before Closing Without limiting the generality of the foregoing, the Excluded Liabilities shall include, but not be limited to, the following:

(a) any Liabilities of Seller arising or incurred in connection with the negotiation, preparation, investigation and performance of this Agreement, the Ancillary Documents and the transactions contemplated hereby and thereby, including, without limitation, fees and expenses of counsel, accountants, consultants, advisers and others;

(b) any Liability for (i) Taxes of Seller (or any stockholder or Affiliate of Seller) or relating to the Business, the Purchased Assets or the Assumed Liabilities for any Pre-Closing Tax Period; (ii) Taxes that arise out of the consummation of the transactions contemplated hereby or that are the responsibility of Seller pursuant to Section 6.6; or (iii) other Taxes of Seller (or any stockholder or Affiliate of Seller) of any kind or description (including any Liability for Taxes of Seller (or any stockholder or Affiliate of Seller) that becomes a Liability of Buyer under any common law doctrine of de facto merger or transferee or successor liability or otherwise by operation of contract or Law);

(c) any Liabilities relating to or arising out of the Excluded Assets;

(d) any Liabilities in respect of any pending or threatened Action arising out of, relating to or otherwise in respect of the operation of the Business or the Purchased Assets to the extent such Action arises out of the operation of the Business prior to the Closing Date;

(e) any Liabilities of Seller arising under or in connection with any benefit plan which provided benefits prior to the Closing Date to any present or former employee of Seller;

(f) any Liabilities of Seller for any present or former employees, officers, directors, retirees, independent contractors or consultants of Seller, including, without limitation, any Liabilities arising prior to the Closing Date for wages or other benefits, bonuses, accrued vacation, workers' compensation, severance, retention, termination or other payments. For the avoidance of doubt, the parties agree that Liabilities related to actions by Buyer on or after the Closing Date constituting an actual or constructive termination of any employee of the Business are Assumed Liabilities;

(g) any trade accounts payable of Seller to the extent not accounted for on the Interim Balance Sheet;

(h) any Liabilities under the Excluded Contracts; and

(i) those Liabilities of Seller set forth on Section 2.4(m) of the Disclosure Schedules.

Notwithstanding any other provision to the contrary, this Section 2.4 shall survive Closing.

2.5 Purchase Price. The aggregate purchase price for the Purchased Assets shall be Ten Thousand Dollars and No Cents (\$10,000.00) (the "Purchase Price"), plus the assumption of the Assumed Liabilities.

(a) Closing On the Closing Date, the Purchase Price shall be deposited into escrow by Buyer with Charter Title & Escrow Company, LLC ("Title Company") ("Deposit"). At Closing, the Title Company shall release the Deposit to the Seller, subject to prorations required by Section 6.6, by cashier's check or by federal wire transfer of funds, pursuant to the terms and conditions of this Agreement.

(b) The Allocation Of The Purchase Price Shall Be As Follows:

1.	Inventory	\$500
2.	Equipment	\$9000
3.	Intangible Assets (see 26 IRC § 197)	\$500

The parties agree that should Form 8594, Asset Acquisition Statement, for Buyer and Seller, be required by applicable law, it shall be prepared in accordance with the above allocation, as adjusted at Closing, if required.

2.6 Intentionally Omitted.

2.7 Withholding Tax. Buyer shall be entitled to deduct and withhold from the Purchase Price all Taxes that Buyer may be required to deduct and withhold under any provision of Tax Law. All such withheld amounts shall be treated as delivered to Seller hereunder.

2.8 Third-Party Consents. To the extent that Seller's rights under any Contract or Permit constituting a Purchased Asset (including the Franchise Agreement), or any other Purchased Asset, may not be assigned to Buyer without the consent of another Person which has not been obtained, this Agreement shall not constitute an agreement to assign the same if an attempted assignment would constitute a breach thereof or be unlawful. Seller, at its expense, shall use commercially reasonable efforts to obtain any such required consent(s). If any such consent shall not be obtained or if any attempted assignment would be ineffective or would impair Buyer's rights under the Purchased Asset in question so that Buyer would not in effect acquire the benefit of all such rights, Seller, to the maximum extent permitted by law and the Purchased Asset, shall cooperate, to the maximum extent permitted by Law and the Purchased Asset, with Buyer in commercially reasonable arrangements designed to provide such benefits to Buyer.

ARTICLE 3 CLOSING

3.1 Closing. Subject to the terms and conditions of this Agreement, the consummation of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of the Title Company, or remotely by exchange of documents and signatures (or their electronic counterparts), at 11:00 AM, Central Standard time, on the last Business Day of the month during which all of the conditions to Closing set forth in Article 7 are either satisfied or waived (other than conditions which, by their nature, are to be satisfied on the Closing Date), but in no event more than one hundred twenty (120) days after the Effective Date of this Agreement, or at such other time, date or place as Seller and Buyer may mutually agree upon in writing. The date on which the Closing is to occur is herein referred to as the "Closing Date".

3.2 Closing Deliverables. At the Closing, the following events shall occur, which events shall all be deemed to have occurred simultaneously with each other:

(a) At the Closing, Seller shall deliver to Buyer the following:

(i) a bill of sale in form and substance substantially similar to the form attached as Exhibit A (the "Bill of Sale") and duly executed by Seller, transferring the Inventory, Tangible Personal Property, and Books and Records included in the Purchased Assets to Buyer;

(ii) an assignment and assumption agreement in form and substance substantially similar to the form attached as Exhibit B (the "Assignment and Assumption Agreement") and duly executed by Seller, effecting the assignment to and assumption by Buyer of the Purchased Assets;

(iii) all third-party consents, including consent pursuant to the Franchise Agreement, except as otherwise agreed by the Buyer;

(iv) all Closing Deliverables of the Seller pursuant to the Real Estate Purchase Agreement; and

(v) such other customary instruments of transfer, assumption, filings or documents, in form and substance reasonably satisfactory to Buyer, as may be required to give effect to this Agreement or required by the Title Company.

(b) At the Closing, Buyer shall deliver to Seller the following:

(i) the Purchase Price wire transfer of immediately available funds;

(ii) the Assignment and Assumption Agreement duly executed by Buyer; and

(iii) with respect to each equipment lease listed as a Material Contract, an Assignment and Assumption of Lease duly executed by Buyer.

ARTICLE 4 SELLER'S REPRESENTATIONS AND WARRANTIES

Except as set forth in the correspondingly numbered Section of the Disclosure Schedules, Seller represents and warrants to Buyer that the statements contained in this Article IV are true and correct as of the date hereof and shall be confirmed to be true and correct as of the Closing Date:

4.1 Organization and Qualification of Seller. Seller is a corporation duly organized, validly existing and in good standing under the Laws of the state of Oklahoma and has full corporate power and authority to own, operate or lease the properties and assets now owned, operated or leased by it and to carry on the Business as currently conducted.

4.2 Authority of Seller. Seller has full corporate power and authority to enter into this Agreement and the Ancillary Documents to which Seller is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Seller of this Agreement and any Ancillary Document to which Seller is a party, the performance by Seller of its obligations hereunder and thereunder and the consummation by Seller of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Seller. This Agreement has been duly executed and delivered by Seller, and (assuming due authorization, execution and delivery by Buyer) this Agreement constitutes a legal, valid and binding obligation of Seller enforceable against Seller in accordance with its terms. When each Ancillary Document to which Seller is or will be a party has been duly executed and delivered by Seller (assuming due authorization, execution and delivery by each other party thereto), such Ancillary Document will constitute a legal and binding obligation of Seller enforceable against it in accordance with its terms.

4.3 No Conflicts; Consents. The execution, delivery and performance by Seller of this Agreement and the Ancillary Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the certificate of incorporation, by-laws or other organizational documents of Seller; (b) conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to Seller, the Business or the Purchased Assets; (c) require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel any Contract or Permit to which Seller is a party or by which Seller or the Business is bound or to which any of the Purchased Assets are subject (including any Assigned Contract), or those which would not constitute a Material Adverse Effect pursuant to Section 4.6; or (d) result in the creation or imposition of any Encumbrance other than Permitted Encumbrances on the Purchased Assets. No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to Seller in connection with the execution and delivery of this Agreement or any of the Ancillary Documents and the consummation of the transactions contemplated hereby and thereby, other than has been disclosed in this Agreement.

4.4 Financial Statements. Complete copies of the audited financial statements consisting of the balance sheets of the Business as at December 31 in each of the years 2019, 2020, and 2021 and the related statements of income and retained earnings, stockholders' equity and cash flow for the years then ended (the "Audited Financial Statements"), and unaudited financial statements consisting of the balance sheet of the Business as at July 1, 2022, and the related statements of income and retained earnings, stockholders' equity and cash flow for the six month period then ended (the "Interim Financial Statements" and together with the Audited Financial Statements, the "Financial Statements"). The Financial Statements have been prepared in accordance with GAAP applied on a consistent basis throughout the period involved, subject, in the case of the Interim Financial Statements, to normal and recurring year-end adjustments (the effect of which will not be materially adverse) and the absence of notes (that, if presented, would not differ materially from those presented in the Audited Financial Statements). The Financial Statements are based on the books and records of the Business, and fairly present the financial condition of the Business as of the respective dates they were prepared and the results of the operations of the Business for the periods indicated. The balance sheet of the Business as of December 31, 2021 is referred to herein as the "Balance Sheet" and the date thereof as the "Balance Sheet Date" and the balance sheet of the Business as of July 1, 2022 is referred to herein as the "Interim Balance Sheet" and the date thereof as the "Interim Balance Sheet Date". Seller maintains a standard system of accounting for the Business established and administered in accordance with GAAP.

4.5 Undisclosed Liabilities. Seller has no Liabilities with respect to the Business, except (a) those which are adequately reflected or reserved against in the Balance Sheet as of the Balance Sheet Date, and (b) those which have been incurred in the ordinary course of business consistent with past practice since the Balance Sheet Date and which are not, individually or in the aggregate, material in amount.

4.6 Absence of Certain Changes, Events and Conditions. Since the Balance Sheet Date, and other than in the ordinary course of business consistent with past practice, there has not been any:

(a) event, occurrence or development that has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;

(b) material change in any method of accounting or accounting practice for the Business, except as disclosed in the notes to the Financial Statements;

(c) material change in Inventory, prepayment of expenses, payment of trade accounts payable, accrual of other expenses, deferral of revenue;

(d) entry into any Contract that would constitute a Material Contract;

(e) incurrence, assumption or guarantee of any indebtedness for borrowed money in connection with the Business except unsecured current obligations and Liabilities incurred in the ordinary course of business consistent with past practice;

(f) transfer, assignment, sale or other disposition of any of the Purchased Assets shown or reflected in the Balance Sheet, except for the sale of Inventory in the ordinary course of business;

(g) material damage, destruction or loss, or any material interruption in use, of any Purchased Assets, whether or not covered by insurance

(h) acceleration, termination, material modification to or cancellation of any Assigned Contract or Permit

(i) material capital expenditures which would constitute an Assumed Liability;

(j) imposition of any Encumbrance upon any of the Purchased Assets;

(k) adoption of any plan of merger, consolidation, reorganization, liquidation or dissolution or filing of a petition in bankruptcy under any provisions of federal or state bankruptcy Law or consent to the filing of any bankruptcy petition against it under any similar Law;

4.7 Material Contracts. Section 4.7 of the Disclosure Schedules lists each of the Contracts (which have a material effect on the occupancy, management or operation of the Business (the "Material Contracts")).

4.8 Title to Purchased Assets. Seller has good and valid title to, or a valid leasehold interest in, all of the Purchased Assets. All such Purchased Assets (including leasehold interests) are free and clear of Encumbrances except for the following (collectively referred to as "Permitted Encumbrances"):

(a) those items set forth in Section 4.8 of the Disclosure Schedules;

(b) liens for Taxes not yet due and payable;

(c) liens arising under original purchase price conditional sales contracts and equipment leases with third parties.

4.9 Condition of Assets. To the knowledge of Seller, the Tangible Personal Property included in the Purchased Assets are in good operating condition and repair, and are adequate for the uses to which they are being put, and none of such Tangible Personal Property is in need of maintenance or repairs except for ordinary, routine maintenance and repairs that are not material in nature or cost.

4.10 Inventory. All Inventory, whether or not reflected in the Balance Sheet, consists of a quality and quantity usable and salable in the ordinary course of business consistent with past practice. All Inventory owned by Seller is free and clear of all Encumbrances, and no Inventory is held on a consignment basis, other than as disclosed in Section 4.10 of the Disclosure Schedules.

4.11 Legal Proceedings. There are no Actions pending or, to Seller's Knowledge, threatened against or by Seller (a) relating to or affecting the Business, the Purchased Assets or the Assumed

Liabilities; or (b) that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action. There are no outstanding Governmental Orders and no unsatisfied judgments, penalties or awards against, relating to or affecting the Business.

4.12 Compliance With Laws; Permits. Seller has complied, and is now complying, with all Laws applicable to the conduct of the Business as currently conducted or the ownership and use of the Purchased Assets. All Permits required for Seller to conduct the Business as currently conducted or for the ownership and use of the Purchased Assets have been obtained by Seller and are valid and in full force and effect. No event has occurred that, with or without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, lapse or limitation of any Permit required to conduct the Business as currently conducted.

4.13 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or any Ancillary Document based upon arrangements made by or on behalf of Seller.

4.14 Real Property.

(a) Section 4.14(a) of the Disclosure Schedules sets forth the legal description of real property owned by Seller and used in or necessary for the conduct of the Business as currently conducted (the "Real Property").

(b) Concurrently with this Agreement, and as additional consideration for this Agreement, the Parties shall enter into that certain Real Property Purchase Agreement dated as of the date hereof, for the purchase of the Real Property.

ARTICLE 5

BUYER'S REPRESENTATIONS AND WARRANTIES

Buyer represents and warrants to Seller that the statements contained in this Article V are true and correct as of the date hereof:

5.1 Organization of Buyer. Buyer is a limited liability company duly organized, validly existing and in good standing under the Laws of the state of Colorado. Buyer has registered as a foreign corporation and is qualified to conduct business in the state of Oklahoma.

5.2 Authority of Buyer. Buyer has full corporate power and authority to enter into this Agreement and the Ancillary Documents to which Buyer is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Buyer of this Agreement and any Ancillary Document to which Buyer is a party, the performance by Buyer of its obligations hereunder and thereunder and the consummation by Buyer of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Buyer. This Agreement has been duly executed and delivered by Buyer, and (assuming due authorization, execution and delivery by Seller) this Agreement constitutes a legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms. When each Ancillary Document to which Buyer is or will be a party has been duly executed and delivered by Buyer (assuming due authorization, execution and delivery by each other party thereto), such Ancillary Document will constitute a legal and binding obligation of Buyer enforceable against it in accordance with its terms.

5.3 No Conflicts; Consents. The execution, delivery and performance by Buyer of this Agreement and the Ancillary Documents to which it is a party, and the consummation of the transactions

contemplated hereby and thereby, do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the certificate of incorporation, by-laws or other organizational documents of Buyer; (b) conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to Buyer; or (c) except as set forth in the Franchise Agreement, require the consent, notice or other action by any Person under any Contract to which Buyer is a party. No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to Buyer in connection with the execution and delivery of this Agreement and the Ancillary Documents and the consummation of the transactions contemplated hereby and thereby.

5.4 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or any Ancillary Document based upon arrangements made by or on behalf of Buyer.

5.5 Sufficient Knowledge and Experience. Buyer and/or its member(s) has sufficient knowledge and experience with financial and business matters to evaluate the Business, and has relied upon its own business judgment in such evaluation, and (other than the Buyer's representations and warranties specifically set forth in this Agreement) has not relied on any express or implied representations or warranties by Buyer with respect to any projections, budgets, plans, cash flows, or results.

ARTICLE 6 COVENANTS

6.1 Conduct of Business Prior to Closing. From the Effective Date until the Closing, except as otherwise provided in this Agreement or consented to in writing by Buyer (which consent shall not be unreasonably withheld, conditioned or delayed), Seller shall (x) conduct the Business in the ordinary course of business consistent with past practice; and (y) use commercially reasonable efforts to continue to preserve the rights, franchises, goodwill and relationships of its employees, customers, suppliers, and others having relationships with the Business. Without limiting the foregoing, from the date hereof until the Closing Date, Seller shall:

- (a) preserve and maintain all Permits required for the conduct of the Business as currently conducted or the ownership and use of the Purchased Assets
- (b) pay all required franchise fees and perform all obligations of the Business pursuant to the Franchise Agreement;
- (c) pay the debts, Taxes and other obligations of the Business when due;
- (d) maintain the Purchased Assets in the same condition as they were on the date of this Agreement, subject to reasonable wear and tear;
- (e) continue in full force and effect without modification insurance policies related to the Business, except as required by applicable Law;
- (f) perform its obligations under all Assigned Contracts which have become due to be performed prior to the Closing; and
- (g) comply in all material respects with all Laws applicable to the conduct of the Business or the ownership and use of the Purchased Assets.

6.2 Access to Information. From the Effective Date until the Closing, Seller shall (a) afford Buyer and its Representatives full and free access to and the right during the normal operating hours of the

Business and subject to the Confidentiality Agreement to inspect all of the Real Property, properties, assets, premises, Books and Records, Contracts and other documents and data related to the Business; (b) furnish Buyer and its Representatives with such financial, operating and other data and information related to the Business as Buyer or any of its Representatives may reasonably request; and (c) instruct the Representatives of Seller to cooperate with Buyer in its investigation of the Business. Any investigation pursuant to this Section 6.2 shall be conducted in such manner as not to interfere unreasonably with the conduct of the Business or any other businesses of Seller.

6.3 Notice of Certain Events. From the Effective Date until the Closing, Seller shall promptly notify Buyer in writing of:

(a) any fact, circumstance, event or action the existence, occurrence or taking of which to Seller's Knowledge (A) has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (B) has resulted in, or could reasonably be expected to result in, any representation or warranty made by Seller hereunder not being true and correct or (C) has resulted in, or could reasonably be expected to result in, the failure of any of the conditions set forth in Section 7.2 to be satisfied; and

(b) any Actions commenced or, to Seller's Knowledge, threatened against, relating to or involving or otherwise affecting the Business, the Purchased Assets or the Assumed Liabilities that, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to Article 4 or that relates to the consummation of the transactions contemplated by this Agreement;

6.4 Closing Conditions. From the Effective Date until the Closing, each party hereto shall use commercially reasonable efforts to take such actions as are necessary to expeditiously satisfy the closing conditions set forth in Article VII hereof.

6.5 [Intentionally omitted.]

6.6 Transfer Taxes. All transfer, documentary, sales, use, stamp, registration, value added and other such Taxes and fees (including any penalties and interest) incurred in connection with this Agreement and the Ancillary Documents (including any real property transfer Tax and any other similar Tax) shall be borne and paid by Seller when due, except that any ad valorem, excise, or sales tax that covers a period prior to the Closing that extends beyond Closing shall be prorated between the parties Seller shall, at its own expense, timely file any Tax Return or other document with respect to such Taxes or fees (and Buyer shall cooperate with respect thereto as necessary).

6.7 Further Assurances. Following the Closing, each of the parties hereto shall, and shall cause their respective Affiliates to, execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement and the Ancillary Documents.

ARTICLE 7 CONDITIONS TO CLOSING

7.1 Conditions to Obligations of Buyer. The obligations of Buyer to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or Buyer's waiver, at or prior to the Closing, of each of the following conditions:

(a) the representations and warranties of Seller contained in this Agreement, the Ancillary Documents and any certificate or other writing delivered pursuant hereto shall be true and correct

in all respects on and as of the date hereof and on and as of the Closing Date with the same effect as though made at and as of such date.

(b) The Closing (as defined in the Real Estate Purchase Agreement) of the purchase of the Real Estate shall have occurred or occur concurrently with the Closing of this Agreement, or all conditions to such Closing have been satisfied by the Seller.

(c) Seller shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement and each of the Ancillary Documents to be performed or complied with by it prior to or on the Closing Date.

(d) From the date of this Agreement, there shall not have occurred any Material Adverse Effect, nor shall any event or events have occurred that, individually or in the aggregate, with or without the lapse of time, could reasonably be expected to result in a Material Adverse Effect.

(e) Seller shall have delivered to Buyer duly executed counterparts to the Ancillary Documents and such other documents and deliveries set forth in this Agreement.

(f) Seller shall have obtained all consents and approvals of third parties necessary to consummate this transaction including any consent of assignment of the Franchise Agreement.

(g) Seller shall have delivered to Buyer such other documents or instruments as Buyer reasonably requests and are reasonably necessary to consummate the transactions contemplated by this Agreement.

(h) Buyer shall have obtained financing for the Transaction on terms and conditions acceptable to the Buyer. In the event that the Buyer fails to obtain financing within sixty (60) days after the Effective Date of this Agreement, this Agreement shall automatically terminated and all funds paid by the Buyer shall be forfeited to the Seller.

7.2 Conditions to Obligations of Seller. The obligations of Seller to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or Seller's waiver, at or prior to the Closing, of each of the following conditions:

(a) the representations and warranties of Buyer contained in this Agreement, the Ancillary Documents and any certificate or other writing delivered pursuant hereto shall be true and correct in all respects on and as of the date hereof and on and as of the Closing Date with the same effect as though made at and as of such date.

(b) Buyer shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement and each of the Ancillary Documents to be performed or complied with by it prior to or on the Closing Date, including the following:

- (i) Buyer has acknowledged receipt of the Franchise Disclosure Document;
- (ii) Buyer has demonstrated to Ziggi's Coffee Franchise LLC (the "Franchisor") the minimum net worth and liquidity requirements for a Ziggi's franchisee;
- (iii) Buyer has received or is receiving all necessary approvals or training to become an assignee of the Franchise Agreement;
- (iv) Buyer has agreed to, provided, undertaken, or executed any additional documents with (or for the benefit of) the Franchisor as required by the Franchise Agreement,

such as those relating to confidentiality, security interests in the Business or Tangible Personal Property, and supplier contracts.

(v) Buyer shall have cooperated in good faith with Franchisor and Seller to obtain Franchisor's consent to the assignment of the Franchise Agreement to Buyer;

(vi) Buyer shall have used its best efforts to obtain all Permits necessary to operate the Business which are non-transferable from Seller.

(c) The Closing (as defined in the Real Estate Purchase Agreement) shall have occurred or occur concurrently with the Closing of this Agreement, or all conditions to such Closing have been satisfied by the Buyer.

(d) All waiting periods for rights of first refusal (or similar preferential rights) included in the Franchise Agreement, shall have either expired or been waived in writing by an authorized representative of the Franchisor.

(e) Buyer shall have delivered to Seller such other documents or instruments as Seller reasonably requests and are reasonably necessary to consummate the transactions contemplated by this Agreement.

ARTICLE 8 INDEMNIFICATION

8.1 Survival. Subject to the limitations and other provisions of this Agreement, the representations and warranties contained herein shall survive the Closing and shall remain in full force and effect until the date that is two (2) years from the Closing Date; provided, that Section 2.4 and the representations and warranties in Section 4.1, Section 4.2, Section 4.8, Section 4.13, Section 5.1, Section 5.2 and Section 5.4 shall survive indefinitely. All covenants and agreements of the parties contained herein shall survive the Closing indefinitely or for the period explicitly specified therein. Notwithstanding the foregoing, any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the non-breaching party to the breaching party prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation or warranty and such claims shall survive until finally resolved.

8.2 Indemnification By Seller. Subject to the other terms and conditions of this Article VIII, Seller shall indemnify and defend each of Buyer and its Affiliates and their respective Representatives (collectively, the "Buyer Indemnitees") against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the Buyer Indemnitees based upon, arising out of, with respect to or by reason of:

(a) any material breach or non-fulfillment of any material covenant, agreement or obligation to be performed by Seller pursuant to this Agreement;

(b) any Third Party Claim based upon, resulting from or arising out of the business, operations, properties, assets or obligations of Seller or any of its Affiliates or its Representatives (other than the Purchased Assets or Assumed Liabilities) conducted, existing or arising prior to the Closing Date.

(c) In no event shall Seller be liable to Buyer for any punitive, incidental, consequential, special or indirect damages, including loss of future revenue or income, loss of business reputation or opportunity relating to the breach or alleged breach of this Agreement, or diminution of value or any damages based on any type of multiple.

(d) Seller shall not be liable under this Article VIII for any indemnity obligation or Liability based upon or arising out of (i) any inaccuracy in or breach of any of the representations or warranties of Seller contained in this Agreement if Buyer had actual knowledge of such inaccuracy or breach prior to the Closing, or (ii) the Franchise Agreement between Buyer and the third-party franchisor, including but not limited to franchise disclosure documents.

8.3 Indemnification By Buyer. Subject to the other terms and conditions of this Article VIII, Buyer shall indemnify and defend each of Seller and its Affiliates and their respective Representatives (collectively, the “Seller Indemnitees”) against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the Seller Indemnitees based upon, arising out of, with respect to or by reason of:

(a) any material breach or non-fulfillment of any material covenant, agreement or obligation to be performed by Buyer pursuant to this Agreement occurring on or after the Closing Date; or

(b) any non-compliance of Buyer with the Franchise Agreement;

(c) any Third Party Claim based upon, resulting from or arising out of the business, operations, properties, assets or obligations of Buyer or any of its Affiliates or its Representatives (other than arising from the Excluded Assets or Excluded Liabilities) conducted, existing or arising on or after to the Closing Date.

(d) any Assumed Liability.

ARTICLE 9 TERMINATION

9.1 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual written consent of Seller and Buyer;

(b) by Buyer by written notice to Seller if:

(i) Buyer is not then in material breach of any provision of this Agreement and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Seller pursuant to this Agreement that would give rise to the failure of any of the conditions specified in Article VII and such breach, inaccuracy or failure has not been cured by Seller within thirty (30) days of Seller's receipt of written notice of such breach from Buyer; or

(ii) Buyer has terminated the Real Estate Purchase Agreement pursuant to the terms therein; or

(iii) any of the conditions set forth in Section 7.1 shall not have been, or if it becomes apparent that any of such conditions will not be, fulfilled by Closing, unless such failure shall be due to the failure of Buyer to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Closing;

(c) by Seller by written notice to Buyer if:

(i) Seller is not then in material breach of any provision of this Agreement and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Buyer pursuant to this Agreement that would give rise to the failure of any of the

conditions specified in Article VII and such breach, inaccuracy or failure has not been cured by Buyer within thirty (30) days of Buyer's receipt of written notice of such breach from Seller; or

(ii) any of the conditions set forth in Section 7.2 shall not have been, or if it becomes apparent that any of such conditions will not be, fulfilled by Closing, unless such failure shall be due to the failure of Seller to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Closing; or

(d) by Buyer or Seller in the event that (i) there shall be any Law that makes consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited or (ii) any Governmental Authority shall have issued a Governmental Order restraining or enjoining the transactions contemplated by this Agreement, and such Governmental Order shall have become final and non-appealable.

9.2 Effect of Termination. In the event of the termination of this Agreement in accordance with this Article, this Agreement shall forthwith become void and there shall be no liability on the part of any party hereto except:

(a) as set forth in this Article IX; and

(b) that nothing herein shall relieve any party hereto from liability for any willful breach of any provision hereof.

ARTICLE 10 MISCELLANEOUS PROVISIONS

10.1 Entire Agreement. This Agreement and the Ancillary Documents, certificates and instruments referred to herein, embodies the entire agreement and understanding of the Parties hereto in respect of the Transaction and supersedes all prior agreements, representations, warranties, promises, covenants, arrangements, communications and understandings, oral or written, express or implied, between the Parties with respect to the Transaction. Each of the Parties acknowledges that no other party, nor any agent or attorney of any other party, has made any promise, representation, or warranty whatsoever, and acknowledges that the Party has not executed or authorized the execution of this Agreement in reliance upon any such promise, representation or warranty, that is not expressly contained herein.

10.2 No Intended Third-Party Beneficiaries. Nothing in this Agreement shall be construed to make any Party hereto liable for any of the debts or other obligations of any other Party hereto. This Agreement shall not be construed so as to confer any right or benefit upon any Person other than the Parties to this Agreement and each of their respective successors and permitted assigns.

10.3 Severability of Provisions. Each provision of this Agreement shall be considered severable, and if for any reason any provision that is not essential to the effectuation of the basic purposes of this Agreement is determined to be invalid and contrary to any existing or future Applicable Law, such invalidity shall not impair the operation of or affect those provisions of this Agreement that are valid; provided that such determination of invalidity will apply only with respect to the operation of the provision in the particular jurisdiction with respect to which the determination is made.

10.4 No Continuing Waiver; Delays and Omissions; Remedies. The waiver of either Party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach. No delay or omission to exercise any right, power or remedy accruing to any Party hereto, upon any breach or default of any other Party under this Agreement, shall impair any such right, power or remedy of such Party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or

of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. All remedies, either under this Agreement or by Applicable Law or otherwise afforded to any Party, shall be cumulative and not alternative.

10.5 Notices. All notices, requests and other communications hereunder shall be in writing (including wire or similar writing) and shall be sent, delivered or mailed, addressed to the parties at the addresses listed below. If notice is provided by email, it shall be deemed adequately given only if such notice is included in a signed attachment to an email with a subject line that clearly identifies the subject matter, such as: "Notice of _____ in connection with the Ziggi's Purchase"

(a) if to Buyer, to:

FL ZIGGIS OPERATING LLC
1290 Ascent Trail Circle
Erie CO 80516
Attention: General Counsel
Telephone: (720) 979-8828
Email: dfranklin@shanorfranklin.com

(b) if to Seller, to:

J Bales Incorporated
2604 W. Kenosha, Suite 202
Broken Arrow, Oklahoma 74012
Attention: Littleton Legal PLLC
Telephone: (918) 608-1836
Email: brittany@littletonlegal.com

Each such notice, request or other communication shall be given (i) by mail (postage prepaid, registered or certified mail, return receipt requested), (ii) by hand delivery, (iii) by nationally recognized courier service, or (iv) by email in the manner described above, receipt confirmed. Each such notice, request or communication shall be effective and shall be deemed given and received (x) if mailed, three (3) calendar days after mailing at the address specified in this Section 10.5 (or in accordance with the latest unrevoked written direction from such Party), (y) if delivered by hand or by internationally recognized courier service, when delivered at the address specified in this Section 10.5 (or in accordance with the latest unrevoked written direction from the receiving Party) and (z) if given by email, when such email is transmitted to the relevant address and in the manner specified in this Section 10.5 (or in accordance with the latest unrevoked written direction from the receiving Party), and the appropriate confirmation is received; provided that notices received on a day that is not a Business Day or after 5:00 p.m. where the recipient is located on a Business Day will be deemed to be effective on the next Business Day.

10.6 Applicable Law. This Agreement shall be governed by and construed in accordance with the Laws of the State of Oklahoma, without regard to principles of conflict of laws. The Parties hereto hereby declare that it is their intention that this Agreement shall be regarded as made under the Laws of the State of Oklahoma and that the Laws of said State shall be applied in interpreting its provisions in all cases where legal interpretation shall be required.

10.7 Jurisdiction; Jury Trial Waiver. Each Party irrevocably submits, and each agrees to cause its affiliates to irrevocably submit, to the jurisdiction of any United States Federal or Oklahoma State Court sitting in Tulsa, Oklahoma for the purposes of any suit, action or other proceeding arising out of this

Agreement or any transaction contemplated hereby and each agrees that such courts shall be the sole and exclusive venue for any such action, suit or proceeding relating to this Agreement or any transaction contemplated hereby that might be brought by it or any of its affiliates or anyone claiming by, through or under the foregoing. Each Party irrevocably and unconditionally waives (and agrees not to plead or claim), to the fullest extent permitted by Applicable Law, any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in any court referred to in this Section 10.7 or that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. EACH PARTY AGREES TO WAIVE TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT, THE TRANSACTION OR ANY OTHER MATTER CONTEMPLATED BY THIS AGREEMENT.

10.8 Amendment. No change or modification of this Agreement shall be valid unless the same is in writing and signed by each of the Parties hereto. No purported or alleged waiver of any of the provisions of this Agreement shall be binding and effective unless in writing and signed by the Party against whom it is sought to be enforced.

10.9 Assignment. Neither this Agreement nor any of the rights or obligations hereunder shall be assigned by any Party without the prior written consent of the other Party. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the Parties and their respective successors and permitted assigns.

10.10 Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which together shall constitute one and the same Agreement.

10.11 Electronic Signatures. This Agreement may be executed in several counterparts, including electronic counterparts (such as facsimile or .pdf), each of which shall be deemed to be an original, and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all of the parties shall not have signed the same counterpart.

10.12 Headings. All section headings in this Agreement are for the convenience of reference only and are not intended to qualify the meaning of any section.

10.13 Expenses. All costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

10.14 Specific Enforcement. The Parties hereby agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to seek an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, this remedy being in addition to any other remedy to which they are entitled at law, in equity or otherwise.

[The remainder of this page is intentionally blank. A signature page follows.]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first written above.

SELLER:

J BALES INCORPORATED

By: *Carl Joseph Bales* 10/04/2022
Carl Joseph Bales, President

BUYER:

FL ZIGGIS OPERATING LLC

By: *Chelsey Franklin* 10/04/2022
Chelsey Franklin, Manager

Acknowledged by:

Title Company: Charter Title & Escrow Company, LLC

By: _____

Name:

Title:

Schedule Section 2.1

Intellectual Property Agreements

None, except with regard to the Franchise Agreement

[The remainder of this page is blank.]

Schedule Section 2.1(b)

Assigned Contracts

None, except the Material Contracts

[The remainder of this page is blank.]

Schedule Section 2.1(c)

Intellectual Property Assets

Intellectual Property licensed in or used by permission pursuant to the Franchise Agreement.

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Schedule 2.1(g) Permits

Occupancy permit (not transferable)

Sales tax permit (not transferable)

Tulsa Health Department Permit (not transferable)

Oklahoma Food Service License (not transferrable)

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Schedule 2.2(d) Excluded Liabilities

Payroll expenses and taxes for any wages earned by Seller's employees until Closing.

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Schedule 2.3 Assumed Liabilities

Accounts Payable for the Material Contracts and Inventory

Customer loyalty “punch card” program

[The remainder of this page is blank.]

Schedule 4.7

Material Contracts

The Franchise Agreement

Ice Machine Equipment Lease

Dishwasher Equipment Lease

Food Service Supply Agreement

[The remainder of this page is blank.]

Schedule 4.8

Permitted Encumbrances

The right of first refusal of Ziggi's Coffee Franchise LLC for the purchase of the Business, as set forth in the Franchise Agreement.

[The remainder of this page is blank.]

Schedule 4.10

Inventory

Any breakfast burritos ordered from Burrito Kitchen Enterprises

Any breakfast sandwiches ordered from Spruce Confections

[The remainder of this page is blank.]

Schedule 4.14(a)

Real Property

Description of the Real Property:

That certain parcel, Tulsa County Tax Assessor Parcel ID 39314-83-02-18370, and located at 6134 S MEMORIAL DR E, TULSA 74133 in the SOUTHBRIDGE EAST OFFICE PARK (39314)

And more particularly described as: PRT RES A & PRT BLK 2 BEG 459.91 SWC SOUTHBRIDGE EAST OFFICE PARK TH N90 E270 S90 W270 to POB, Section: 02 Township: 18 Range: 13

Security Interests:

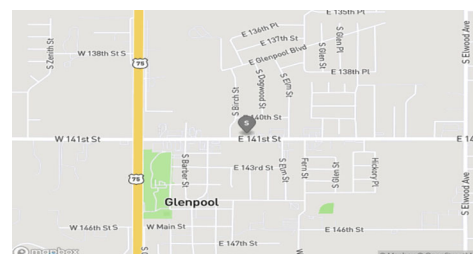
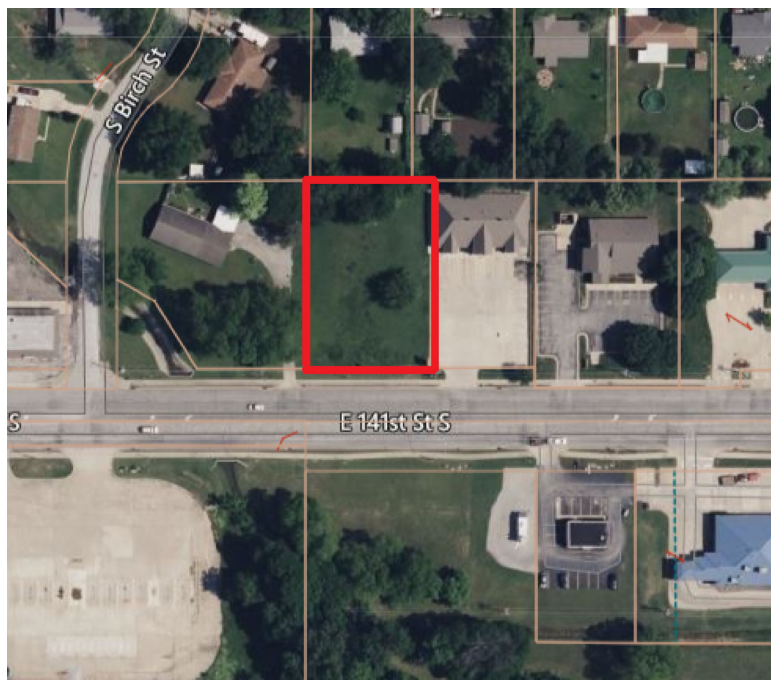
Seller's grant of a security interest in the Tangible Personal Property as collateral for the Seller's obligations to perform and amounts due pursuant to the Franchise Agreement.

Seller's grant of a security interest, if any, under a BancFirst business loans and an REI Business Lending (SBA) loan.

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COMPARABLE LAND SALES

Sale Comparable #1
Vacant Land
 135 East 141st Street
 Glenpool, OK 74033
 Tulsa County
 BBG Property #676463

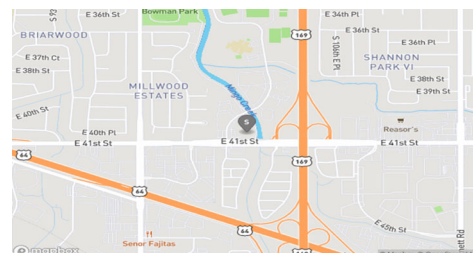

Property Data

Property Type/Use	Land Hold for Development	Lat/Long	35.959430 / -96.0059
Parcel ID #	97211-72-11-56900	Census Tract	
Opportunity Zone	No	Frontage	
Gross Land Area	24,394 SF 0.56 Acres	Net Land Area	24,394 SF 0.56 Acres
Flood Designation	Zone X (Unshaded)	Flood Panel	40143C0409K Dated August 3, 2009
Utilities	All available to site.	Terrain / Topography	Generally level
Easements / Encroachments	None detrimental known	Zoning	CS Commercial Shopping

Sale Transaction Data for BBG Event #810117 on 5/26/2022					Net Area	Gross Area
Transaction Date	5/26/2022	Consideration	\$295,000	Price PSF	\$12.09	\$12.09
Sale Status	Closed	Adjustments	\$0	Price Per Acre	\$526,786	\$526,786
		Cash Equivalent Price	\$295,000			
Property Rights	Fee Simple					
Grantor	First Oklahoma Credit Union					
Grantee	Manns Properties & Holdings LLC					
Comments	Sale of vacant land for \$12.09/SF. At the time of sale, the site was zoned for commercial use and had all utilities to site.					
Verification	1/10/2023 Nick Lombardi/918-344-9904/Frisbie Lombardi Commercial Real Estate Services/NA					



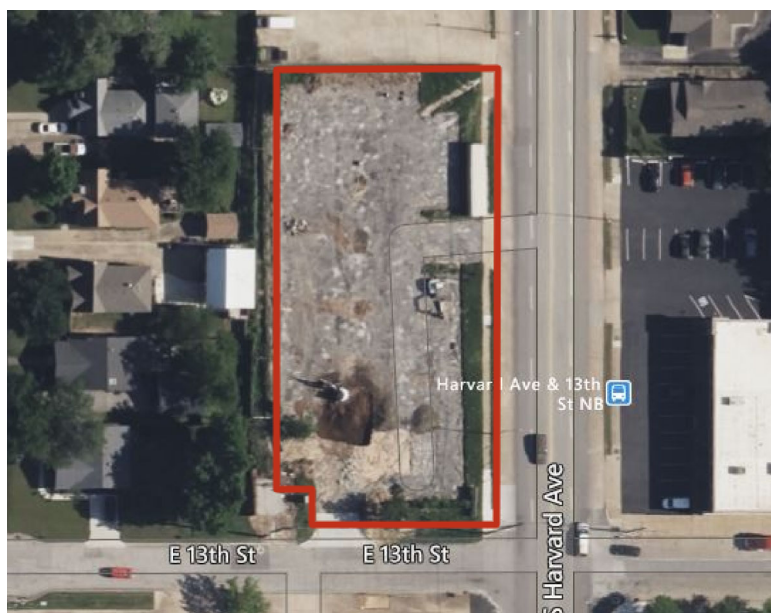
Sale Comparable #2
Vacant Land
 10249 East 41st Street
 Tulsa, OK 74146
 Tulsa County
 BBG Property #629521



Property Data

Property Type/Use	Land	Lat/Long	36.105018 / -95.8628
Parcel ID #	76165941938800	Census Tract	
Opportunity Zone	No	Frontage	
Gross Land Area	43,124 SF 0.99 Acres	Net Land Area	43,124 SF 0.99 Acres
Flood Designation	Zone X (Shaded)	Flood Panel	40143C0376L Dated October 16, 2012
Utilities	All available to site.	Terrain / Topography	Generally level
Easements / Encroachments	None detrimental known	Zoning	CS Commercial

Sale Transaction Data for BBG Event #773644 on 4/12/2022					Net Area	Gross Area
Transaction Date	4/12/2022	Consideration	\$470,000	Price PSF	\$10.90	\$10.90
Sale Status	Closed	Adjustments	\$0	Price Per Acre	\$474,747	\$474,747
		Cash Equivalent Price	\$470,000			
Property Rights	Fee Simple					
Grantor	Centre 41, LLC					
Grantee	LFORE Holdings, LLC					
Comments	This is the sale of a 0.99 acre generally rectangular site on the north side of East 41st Street. The site is zoned CS (Commercial)					
Verification	9/19/2022 Deed Reference, Broker OM					

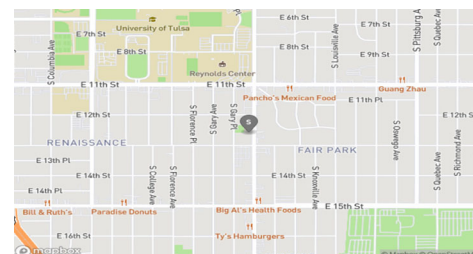

Sale Comparable #3
Vacant Land

1232 South Harvard Avenue

Tulsa, OK 74112

Tulsa County

BBG Property #676490


Property Data

Property Type/Use	Land	Lat/Long	36.144885 / -95.9407
	Hold for Development		
Parcel ID #	12000-93-08-06140	Census Tract	
Opportunity Zone	No	Frontage	
Gross Land Area	31,363 SF	Net Land Area	31,363 SF
	0.72 Acres		0.72 Acres
Flood Designation	Zone X (Unshaded)	Flood Panel	40143C0240L
			Dated October 16, 2012
Utilities	All available to site.	Terrain / Topography	Generally level
Easements / Encroachments	None detrimental known	Zoning	CH
			Commercial-High District

Sale Transaction Data for BBG Event #810161 on 4/7/2022					Net Area	Gross Area
Transaction Date	4/7/2022	Consideration	\$585,000	Price PSF	\$18.65	\$18.65
Sale Status	Closed	Adjustments	\$0	Price Per Acre	\$812,500	\$812,500
		Cash Equivalent Price	\$585,000			
Property Rights	Fee Simple					
Grantor	Tyler Wilson Irrev asset Trust & Good					
Grantee	DW Harvard LLC					
Comments	Sale of vacant land for \$18.65/SF. At the time of sale the site was zoned for commercial use and had all utilities to site. The site will be improved for a future drive-thru coffee improvement.					
Verification	1/10/2023					
	Dick Alaback/918-724-8955/McGraw Commercial Properties/NA					

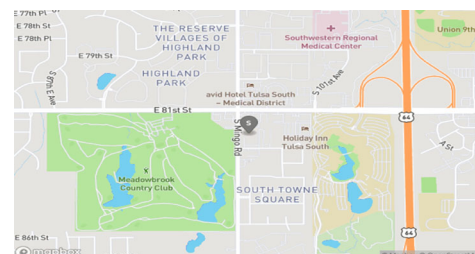
Sale Comparable #4
Vacant Land

8145 South Mingo Road

Tulsa, OK 74133

Tulsa County

BBG Property #676384


Property Data

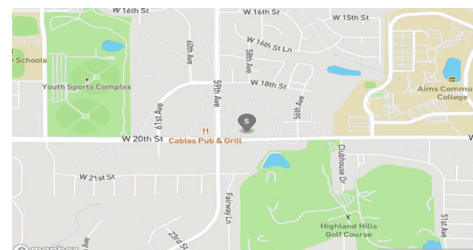
Property Type/Use	Land	Lat/Long	36.044941 / -95.8679
	Hold for Development		
Parcel ID #	77037841800130	Census Tract	
Opportunity Zone	No	Frontage	
Gross Land Area	67,082 SF	Net Land Area	67,082 SF
	1.54 Acres		1.54 Acres
Flood Designation	Zone X (Unshaded)	Flood Panel	40143C0386L
			Dated October 16, 2012
Utilities	All available to site.	Terrain / Topography	Generally level
Easements / Encroachments	None detrimental known	Zoning	CO
			Corridor District

Sale Transaction Data for BBG Event #810095 on 10/28/2021					Net Area	Gross Area
Transaction Date	10/28/2021	Consideration	\$965,000	Price PSF	\$14.39	\$14.39
Sale Status	Closed	Adjustments	\$0	Price Per Acre	\$626,623	\$626,623
		Cash Equivalent Price	\$965,000			
Property Rights	Fee Simple					
Grantor	Arkansas Valley Petroleum LLC					
Grantee	Mingo Office Holdings LLC					
Comments	Sale of vacant land for \$14.39/SF. At the time of sale the property was zoned for commercial use, and had all utilities to site.					
Verification	1/10/2023					
	Karon Smith/918-252-0508/Arkansas Valley Properties/NA					

COMPARABLE IMPROVED SALES



Sale Comparable #1
Ziggi's Coffee
 5815 West 20th Street
 Greeley, CO 80634-2913
 Weld County
 BBG Property #670931



Property Data

Improvement Details

Property Type/Use	Retail Fast Food	Lat/Long	40.407201 / -104.7736
Parcel ID #	095910331001	Number of Buildings	1
Year Built	2018	Year Renovated	N/A
Quality	Good	Condition	Good
Class		Construction Details	Masonry
Gross Building Area	492 SF	Rentable Area	492 SF
Number of Stories	1	Floor Area Ratio	0.01
Opportunity Zone	No	Census Tract	0014.11
Site Size (Gross)	33,062 SF (0.76 acres)	Site Size (Net)	33,062 SF (0.76 acres)
Flood Designation	Zone X (Unshaded)		

Sale Transaction Data for BBG Event #802325 on 8/12/2022

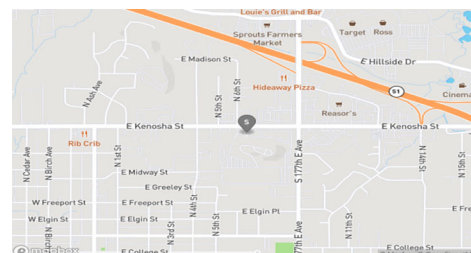
				PSF (GBA)	PSF (Rentable)
Transaction Date	8/12/2022	Consideration	\$1,630,000	\$3,313.01	\$3,313.01
Sale Status	Closed	Adjustments	\$0	\$0.00	\$0.00
Occupancy at TOS	100%	Cash Equivalent Price	\$1,630,000	\$3,313.01	\$3,313.01
Property Rights	Leased Fee				
Grantor	Family Grind, LLC				
Grantee	D&N Houska Family, LLC				
Comments	This drive-thru coffee kiosk occupied by Ziggi's Coffee sold with a new 15-year absolute net lease. The cap rate for this transaction was 4.79%.				
Verification	12/9/2022				
	Broker				

Financial Attributes

	In-Place Income	
	Amount	PSF (Rentable)
Net Operating Income	\$78,077	\$158.69
Overall Rate	4.79%	



Sale Comparable #2
Dutch Bro's
 701 East Kenosha Street
 Broken Arrow, OK 74012
 Tulsa County
 BBG Property #676550



Property Data

Improvement Details

Property Type/Use	Retail Other	Lat/Long	36.060552 / -95.7824
Parcel ID #	81363-84-11-19010	Number of Buildings	0
Year Built	2022	Year Renovated	N/A
Quality	Good	Condition	Good
Class		Construction Details	
Gross Building Area	950 SF	Rentable Area	950 SF
Number of Stories	0	Floor Area Ratio	0.03
Opportunity Zone	No	Census Tract	
Site Size (Gross)	30,125 SF (0.69 acres)	Site Size (Net)	30,125 SF (0.69 acres)
Flood Designation	Zone X (Unshaded)		

Sale Transaction Data for BBG Event #810264 on 6/6/2022

				PSF (GBA)	PSF (Rentable)
Transaction Date	6/6/2022	Consideration	\$2,410,000	\$2,536.84	\$2,536.84
Sale Status	Closed	Adjustments	\$0	\$0.00	\$0.00
Occupancy at TOS	100%	Cash Equivalent Price	\$2,410,000	\$2,536.84	\$2,536.84
Property Rights	Leased Fee				
Grantor	DW Tiger Hill Ba LLC				
Grantee	Nextgen Property Inv LLC				
Comments	Sale of a Dutch Brothers for \$2,536.84/SF. At the time of sale, the remaining term was 15-years.				
Verification	1/10/2023				
	Will Walters/214-675-3665/DuWest Realty/NA				

Financial Attributes

	In-Place Income	
	Amount	PSF (Rentable)
Net Operating Income	\$100,000	\$105.26
Overall Rate	4.15%	

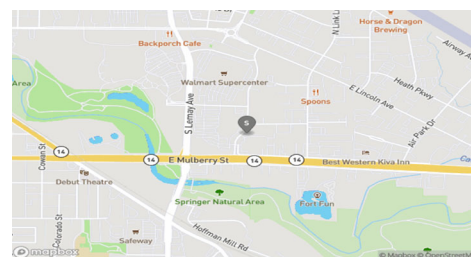

Sale Comparable #3
Ziggi's Coffee

432 12th Street

Fort Collins, CO 80524-3559

Larimer County

BBG Property #670928


Property Data
Improvement Details

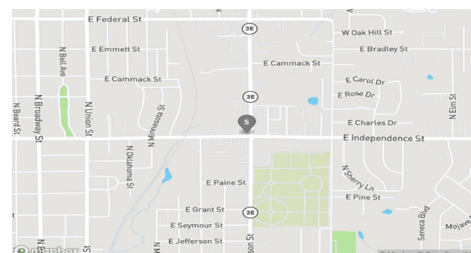
Property Type/Use	Retail Fast Food	Lat/Long	40.582764 / -105.0535
Parcel ID #	87073-43-003	Number of Buildings	1
Year Built	2004	Year Renovated	N/A
Quality	Average	Condition	Average
Class		Construction Details	Masonry
Gross Building Area	476 SF	Rentable Area	476 SF
Number of Stories	1	Floor Area Ratio	0.05
Opportunity Zone	No	Census Tract	0013.06
Site Size (Gross)	10,415 SF (0.24 acres)	Site Size (Net)	10,415 SF (0.24 acres)
Flood Designation	Zone X (Shaded)		

Sale Transaction Data for BBG Event #802323 on 4/25/2022

				PSF (GBA)	PSF (Rentable)
Transaction Date	4/25/2022	Consideration	\$775,000	\$1,628.15	\$1,628.15
Sale Status	Closed	Adjustments	\$0	\$0.00	\$0.00
Occupancy at TOS	0%	Cash Equivalent Price	\$775,000	\$1,628.15	\$1,628.15
Property Rights	Fee Simple				
Grantor	432 12th St, LLC				
Grantee	FR Holdings, Ltd.				
Comments	Owner/user purchase of a drive-thru coffee kiosk.				
Verification	12/9/2022				
	Broker				



Sale Comparable #4
Scooter's Coffee
 1502 North Harrison Street
 Shawnee, OK 74804
 Pottawatomie County
 BBG Property #676609



Property Data

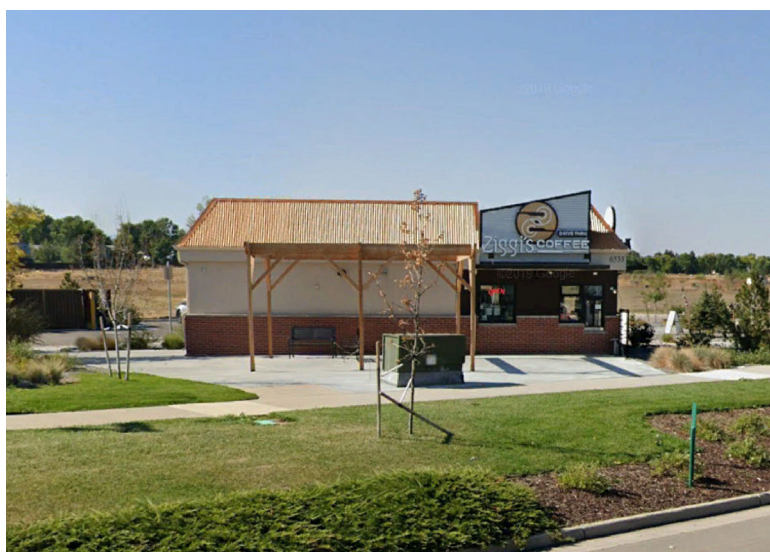
Improvement Details

Property Type/Use	Retail	Lat/Long	35.347499 / -96.9123
	Freestanding		
Parcel ID #	000007010004004500	Number of Buildings	0
Year Built	2021	Year Renovated	N/A
Quality	Good	Condition	Good
Class		Construction Details	
Gross Building Area	574 SF	Rentable Area	574 SF
Number of Stories	0	Floor Area Ratio	0.02
Opportunity Zone	No	Census Tract	
Site Size (Gross)	27,007 SF (0.62 acres)	Site Size (Net)	27,007 SF (0.62 acres)
Flood Designation	Zone X (Unshaded)		

Sale Transaction Data for BBG Event #810324 on 2/4/2022

				PSF (GBA)	PSF (Rentable)
Transaction Date	2/4/2022	Consideration	\$626,500	\$1,091.46	\$1,091.46
Sale Status	Closed	Adjustments	\$0	\$0.00	\$0.00
Occupancy at TOS	100%	Cash Equivalent Price	\$626,500	\$1,091.46	\$1,091.46
Property Rights	Leased Fee				
Grantor	Independence Harrison LLC				
Grantee	1992 Forster Trust				
Comments	Sale of a Scooter's Coffee for \$1,091.46/SF. At the time of sale the remaining term was 10-years				
Verification	1/10/2023				
	Mike Rapella/405-600-6342/Newmark Robinson Park/NA				

Financial Attributes	In-Place Income	
	Amount	PSF (Rentable)
Net Operating Income	\$36,000	\$62.72
Overall Rate	5.75%	

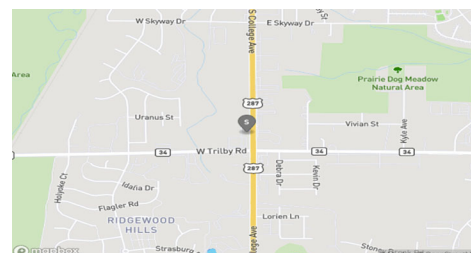

Sale Comparable #5
Ziggie's Coffee

6533 South College Avenue

Fort Collins, CO 80525

Larimer County

BBG Property #670926


Property Data
Improvement Details

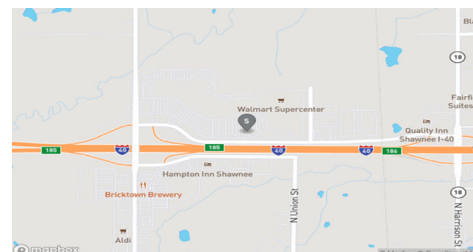
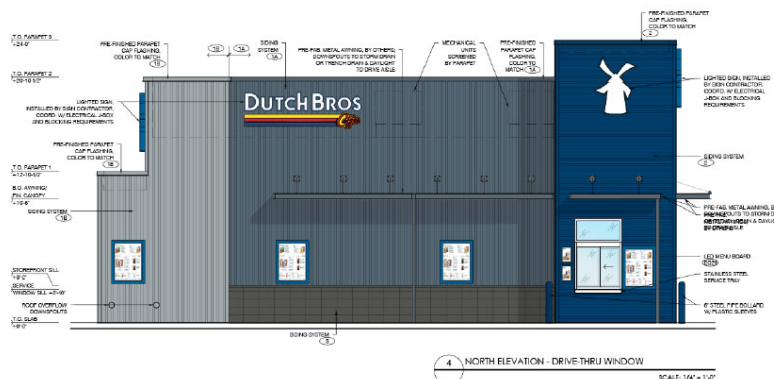
Property Type/Use	Retail Fast Food	Lat/Long	40.495786 / -105.0778
Parcel ID #	96114-32-002	Number of Buildings	1
Year Built	2018	Year Renovated	N/A
Quality	Good	Condition	Good
Class		Construction Details	Masonry
Gross Building Area	490 SF	Rentable Area	490 SF
Number of Stories	1	Floor Area Ratio	0.01
Opportunity Zone	No	Census Tract	0010.09
Site Size (Gross)	70,872 SF (1.63 acres)	Site Size (Net)	70,872 SF (1.63 acres)

Sale Transaction Data for BBG Event #802319 on 12/14/2021

				PSF (GBA)	PSF (Rentable)
Transaction Date	12/14/2021	Consideration	\$1,385,000	\$2,826.53	\$2,826.53
Sale Status	Closed	Adjustments	\$0	\$0.00	\$0.00
Occupancy at TOS	100%	Cash Equivalent Price	\$1,385,000	\$2,826.53	\$2,826.53
Property Rights	Fee Simple				
Grantor	AX3 Corp				
Grantee	Latte Love, LLC				
Comments	Owner/user purchase of a drive-thru coffee kiosk.				
Verification	12/9/2022				
	Broker				

COMPARABLE RENTS

Lease Comparable #1
Dutch Brothers Coffee, Shawnee, OK
190 Shawnee Mall Drive
Shawnee, OK 74804
Pottawatomie County
BBG Property #544638



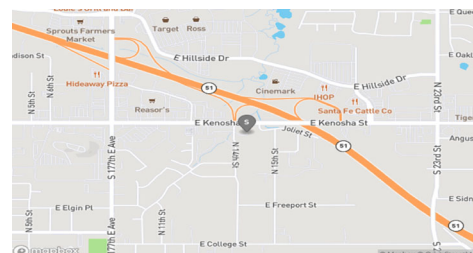
Property Data			
<i>Improvement Details</i>			
Property Type/Use	Retail Other	Lat/Long	35.384906 / -96.9237
Legal	Lot 1, Block 1, Striker Equities at Shawnee Mall, a Replat of a Lot 2, Block A, Shawnee Mall Subdivision A Part of the N.W. Quarter, Section 31, T. 11 N., R. 4E, I.M. Shawnee, Pottawatomie County, Oklahoma		
Parcel ID #	Portion of Existing: 3435-00-00A-002-0-000-00	Number of Buildings	1
Year Built	2023	Year Renovated	N/A
Quality	Good	Condition	Good
Class	Construction Details		
Gross Building Area	950 SF	Rentable Area	950 SF
Number of Stories	1	Floor Area Ratio	0.05
Opportunity Zone	No	Census Tract	5010.06
Parking	Surface: 28 Total: 28	Parking Ratio	29.47:1,000 SF of Rentable Area
Site Size (Gross)	19,010 SF (0.44 acres)	Site Size (Net)	19,010 SF (0.44 acres)
Flood Designation	Zone X (Unshaded)		

Leases							
Commence	Suite	Tenant	Leased Area Rent \$/SF/Year	Term (Mos) TI (PSF)	Free Rent (Mos) Escalations	Occupancy	Verification
1/1/2023	N/A	Dutch Bros. Coffee	950 SF \$106.32 Absolute Net	180 Build-to-suit	N/A 10% increase every 5 years	100%	3/10/2022 Lease

This is a build to suit leased property for Dutch Bros.


Lease Comparable #2
7 Brew

1501 East Kenosha Street
 Broken Arrow, OK 74012-2014
 Tulsa County
 BBG Property #663653



Property Data							
Improvement Details							
Property Type/Use		Retail Freestanding		Lat/Long		36.060339 / -95.7722	
Parcel ID #		R78817841252400		Number of Buildings		1	
Year Built		2022		Year Renovated		N/A	
Quality		Good		Condition		Good	
Class		Class C		Construction Details			
Gross Building Area		510 SF		Rentable Area		510 SF	
Number of Stories		1		Floor Area Ratio		0.01	
Opportunity Zone		No		Census Tract		0074.08	
Parking		Surface: 14 Total: 14		Parking Ratio		27.45:1,000 SF of Rentable Area	
Site Size (Gross)		36,155 SF (0.83 acres)		Site Size (Net)		36,155 SF (0.83 acres)	
Flood Designation		Zone X (Unshaded)					
Leases							
Commence	Suite	Tenant	Leased Area Rent \$/SF/Year	Term (Mos) TI (PSF)	Free Rent (Mos) Escalations	Occupancy	Verification
12/1/2022	N/A	7 Brew	510 SF	180	N/A	100%	12/2/2022
			\$235.29 Absolute Net	N/A	10% every 5 years		Net Lease Properties, OM

Lease Comparable #3

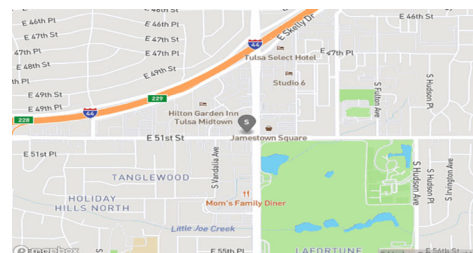
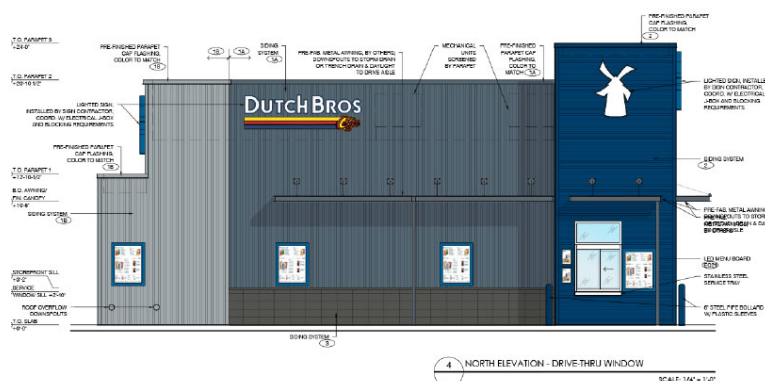
Dutch Bros. Coffee

4725 E 51st Street

Tulsa, OK 74135-3703

Tulsa County

BBG Property #546275



Property Data			
Improvement Details			
Property Type/Use	Retail Fast Food	Lat/Long	36.090098 / -95.9228
Parcel ID #	20175-93-28-01890	Number of Buildings	1
Year Built	2022	Year Renovated	N/A
Quality	Good/Excellent	Condition	Excellent
Class	Class A	Construction Details	
Gross Building Area	862 SF	Rentable Area	862 SF
Number of Stories	1	Floor Area Ratio	0.03
Opportunity Zone	No	Census Tract	0052.00
Site Size (Gross)	30,492 SF (0.70 acres)	Site Size (Net)	30,492 SF (0.70 acres)
Flood Designation	Zone X (Unshaded)		
Comments	Build-to-suit Dutch Bros.		

Leases							
Commence	Suite	Tenant	Leased Area Rent \$/SF/Year	Term (Mos) TI (PSF)	Free Rent (Mos) Escalations	Occupancy	Verification
3/1/2022	N/A	Dutch Bros	862 SF \$119.84 Absolute Net	180 N/A	N/A N/A	100%	3/15/2022 Michael Trenary mt@standridge-co.com

Build-to-suite Dutch Bros.

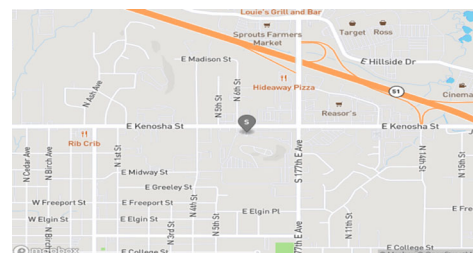

Lease Comparable #4
Dutch Bro's

701 East Kenosha Street

Broken Arrow, OK 74012

Tulsa County

BBG Property #676550



Property Data			
<i>Improvement Details</i>			
Property Type/Use	Retail Other	Lat/Long	36.060552 / -95.7824
Parcel ID #	81363-84-11-19010	Number of Buildings	0
Year Built	2022	Year Renovated	N/A
Quality	Good	Condition	Good
Class		Construction Details	
Gross Building Area	950 SF	Rentable Area	950 SF
Number of Stories	0	Floor Area Ratio	0.03
Opportunity Zone	No	Census Tract	
Site Size (Gross)	30,125 SF (0.69 acres)	Site Size (Net)	30,125 SF (0.69 acres)
Flood Designation	Zone X (Unshaded)		

Leases							
Commence	Suite	Tenant	Leased Area Rent \$/SF/Year	Term (Mos) TI (PSF)	Free Rent (Mos) Escalations	Occupancy	Verification
2/27/2022	N/A	Dutch Brothers	950 SF \$105.26 Absolute Net	180 N/A	N/A N/A	100%	1/10/2023 Broker/NA

Lease of a Dutch Brothers for \$105.26/SF. The lease is absolute net for 15-years.

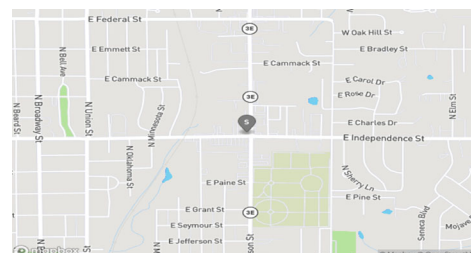

Lease Comparable #5
Scooter's Coffee

1502 North Harrison Street

Shawnee, OK 74804

Pottawatomie County

BBG Property #676609



Property Data			
<i>Improvement Details</i>			
Property Type/Use	Retail Freestanding	Lat/Long	35.347499 / -96.9123
Parcel ID #	000007010004004500	Number of Buildings	0
Year Built	2021	Year Renovated	N/A
Quality	Good	Condition	Good
Class		Construction Details	
Gross Building Area	574 SF	Rentable Area	574 SF
Number of Stories	0	Floor Area Ratio	0.02
Opportunity Zone	No	Census Tract	
Site Size (Gross)	27,007 SF (0.62 acres)	Site Size (Net)	27,007 SF (0.62 acres)
Flood Designation	Zone X (Unshaded)		

Leases							
Commence	Suite	Tenant	Leased Area Rent \$/SF/Year	Term (Mos) TI (PSF)	Free Rent (Mos) Escalations	Occupancy	Verification
2/1/2022	N/A	Scooter's Coffee	574 SF \$62.72 NNN	120 N/A	N/A N/A	100%	1/10/2023 Broker/NA

Lease of a Scooter's Coffee for \$62.72/SF. The lease is for a period of 10-years.

APPRAISER QUALIFICATIONS AND LICENSES

Profile

Michael Septer is the Managing Director of the Kansas City office of BBG. Prior to his employment with BBG, Mr. Septer served as principal of two commercial appraisal firms, Midwest Real Estate Services, and Verity Valuation. Michael has also served as a Senior Appraiser for Shaner Appraisals (Overland Park, KS), Cushman & Wakefield (Dallas, TX) and Rule & Company (Kansas City, MO). Amidst his appraisal career, Michael was employed as an Underwriter and Financial Analyst for a three-year period for two multifamily lenders: NorthMarq Capital (fka Northland Financial Company); and Newport Mortgage, since purchased by KeyBank.

Mr. Septer has accumulated over 25 years of experience in commercial real estate valuation and underwriting. The vast majority of his experience is in the valuation and analysis of multifamily properties, but he also has a wealth of experience in single- and multi-tenant retail, industrial, and office properties. He has a thorough understanding in the fields of market and feasibility studies, consulting, and litigation.

Professional Affiliations

Appraisal Institute

MAI Designation
Greater Kansas City Chapter President, 2013

General Certified Appraiser:

State of Kansas (License # G-1710)
State of Missouri (License # 2007007412)
State of Oklahoma (License # 12533CGA)
State of Iowa (License # CG03065)

Education

Bachelor of Science, Chemical Engineering, 1986
Rose-Hulman Institute of Technology, Terre Haute, IN

Coursework

Appraisal Institute Courses

Basic Income Capitalization
Advanced Income Capitalization
Advanced Sales Comparison and Cost Approaches
Highest and Best Use and Market Analysis
Report Writing and Valuation Analysis
Advanced Applications
HUD MAP Certified
Basic Appraisal Principles
USPAP

Numerous other seminars completed



VALUATION



ADVISORY



ASSESSMENT



ZONING

State of Oklahoma



Glen Mulready, Insurance Commissioner

Oklahoma Real Estate Appraiser Board

This is to certify that:

Michael R Septer

*has complied with the provisions of the Oklahoma Real Estate Appraisers Act to transact business as a **State Certified General Real Estate Appraiser** in the State of Oklahoma.*

In Witness Whereof, I have hereunto set my hand and caused the seal of my office to be affixed at the City of Oklahoma City, State of Oklahoma, this 2nd day of June, 2022.

Handwritten signature of Glen Mulready in black ink.

*Glen Mulready, Insurance Commissioner
Chairperson, Oklahoma Real Estate Appraiser Board*

Members, Oklahoma Real Estate Appraiser Board



Handwritten signature of Michael R. Septer in black ink.

Handwritten signature of a board member in black ink.

Handwritten signature of a board member in black ink.

Handwritten signature of a board member in black ink.

Brandon Witt

Patricia A. Brown

Handwritten signature of a board member in black ink.

Expires:

06/30/2025

Oklahoma Appraiser Number:

12533CGA

Profile

Ronald is a Managing Director of BBG with extensive experience in commercial real estate and business valuation. He started with Butler Burgher, Inc. in 1996 and has significant expertise with valuation of a wide range of retail and credit net lease properties. His experience also includes analysis of hotels and motels; industrial properties; office buildings; multi-family properties; and vacant land. Ronald also has significant experience in the valuation of complex special purpose and mixed-use properties. A sampling of these includes marinas, bowling and entertainment facilities, healthcare properties and various athletic facilities.

Prior to joining Butler Burgher, Inc., Ronald was President of Ronald K. Owens & Associates, Inc., his own commercial real estate consulting, and appraisal firm based in Mineral Wells, Texas. For three years, Ronald served as a consultant, developing commercial appraisals for many clients, ranging from individuals to national financial institutions.

Ronald has vast experience in commercial real estate appraisal at many firms in the Texas region. He was Senior Associate at Realty Counselors of Texas, Inc. in Houston and Michael L. Murphy & Associates, Inc. in Dallas. Earlier in his career, Ronald was an Associate at Alliance Appraisal Group, Inc. in Dallas, First American Real Estate Appraisers, Inc. in Austin, and Michael B. O'Connell & Associates in Houston.

Professional Affiliations & Licenses

Appraisal Institute

MAI Designation, 2013

Royal International Charter of Surveyors (MRICS
No.0082677)

American Society of Appraisers (ASA)
Designated Member - 2015

General Certified Appraiser:

State of Texas (License No. TX-1324625-G)
State of Georgia (License No. 319499)
State of New York (License No. 46000048277)
State of New Mexico (License No. 02832-G)
State of Pennsylvania (License No. GA003630)
State of Arkansas (License No. CG3079N)
State of California (License No. AG043668)
State of Arizona (License No. 31606)
State of Ohio (License No. 2007003824)
State of Kansas (License No. G 2787)
State of Minnesota (License No. 40183884)
State of Missouri (License No. 200835903)
State of Nevada (License No. A0206082)
State of Virginia (License No. 4001015305)
State of Idaho (License No. CGA 3310)
State of Iowa (License No. CG03166)
State of West Virginia (License No. CG428)
State of New Hampshire (License No. NHCG 824)
State of Connecticut (License No. RCG 0001370)
State of Maine (License No. CG3289)
State of North Dakota (License No. 214110)

State of New Jersey (License No. 42RG00217000)
State of Oklahoma (License No. 11637CGA)
Commonwealth of Massachusetts (License No. 103084)
State of Louisiana (License No. G2592)
State of South Carolina (License No. CG6470)
State of Tennessee (License No. 4327)
State of Alabama (License No. G00862)
State of Colorado (License No. 100023969)
State of Illinois (License No. 553002005)
State of Michigan (License No. 120173863)
State of Mississippi (License No. GA-915)
State of Nebraska (License No. CG211005R)
State of North Carolina (License No. A6871)
State of Washington (License No. 1102061)
State of Indiana (License No. CG41100029)
State of Kentucky (License No. 4632)
State of Maryland (License No. 31461)
State of Rhode Island (License No. CGA 0020004)
State of Utah (License No. 6356000 – CG00)
State of Alaska (License No. 984)
District of Columbia (License No. GA12176)

State of Oregon (License No.C001192)
State of Montana (License No.8505)
State of South Dakota (License No.1485CG)
State of Florida (License No.RZ3806)

State of Vermont (License No.080.0134147)
State of Delaware (License No.X1-0000695)
State of Wisconsin (License No.1403)
State of Hawaii (License No. CGA-1468)

Education

Bachelor of Business Administration in Real Estate & Finance
University of Texas - Austin, 1985

State of Oklahoma



Glen Mulready, Insurance Commissioner

Oklahoma Real Estate Appraiser Board

This is to certify that:

Ronald K. Owens, Jr.

*has complied with the provisions of the Oklahoma Real Estate Appraisers Act to transact business as a **Certified General Real Estate Appraiser** in the State of Oklahoma.*

In Witness Whereof, I have hereunto set my hand and caused the seal of my office to be affixed at the City of Oklahoma City, State of Oklahoma, this 27th day of February, 2020.

A handwritten signature in blue ink, appearing to read "Glen Mulready".

*Glen Mulready, Insurance Commissioner
Chairperson, Oklahoma Real Estate Appraiser Board*

Members, Oklahoma Real Estate Appraiser Board



A handwritten signature in black ink, appearing to read "Brandon Wott".

A handwritten signature in black ink, appearing to read "Patricia M. Brown".

Brandon Wott

A handwritten signature in black ink, appearing to read "Ryan C. Ziegler".

A handwritten signature in black ink, appearing to read "Patricia M. Brown".

Patricia M. Brown

A handwritten signature in black ink, appearing to read "Ryan C. Ziegler".

Expires: 3/31/2023

*Oklahoma Appraiser Number: **11637CGA***



Nicholas Askew
Appraiser Trainee/Analyst
Work: 214-944-7943
naskew@bbgres.com

Profile

Nicholas Askew is an Appraiser Trainee/Analyst at BBG and has experience in commercial real estate valuation since the start of 2019, with prior experience in commercial real estate retail.

Professional Affiliations

Appraisal Institute
State of Texas (Trainee License # TX-1342024)

Education

Bachelor of Arts - Economics, University of Massachusetts, Amherst

Coursework

Completion of Appraiser Trainee State Certification Program



VALUATION



ADVISORY



ASSESSMENT



ZONING

400 NE 50th St.
Oklahoma City, OK 73105

405.521.6636
reab.oid.ok.gov

Glen Mulready, Chairperson
Lee R. Caesar, Jr., Vice-Chairman
Aaron S. Emerson, Member
Michael S. Willard, Member

Timothy Ledbetter, Member
Patricia G. Broome, Member
Richard Broughton, Member
Brandon J. Witt, Member

PERMIT NUMBER: OK 23-004

OKLAHOMA TEMPORARY PRACTICE PERMIT

NAME: Nicholas Askew

STATE: Texas Certified General

NUMBER: 1381239

This permit allows the above-captioned appraiser to conduct appraisals in the State of Oklahoma on a temporary basis [59 O.S. §858-709(A)]. The location of the assignment(s):

6134 South Memorial Drive; Tulsa, OK

The above-captioned individual has completed the registration form required by the Oklahoma Real Estate Appraiser Board and has paid the necessary fee of \$50.00 per appraisal [59 O.S. §858-708(A)].

In witness whereof I have hereunto set my hand and caused the seal of my office to be affixed at the City of Oklahoma City, State of Oklahoma, this 5th day of January, 2023.



JENELLE LEPOINT, Administrative Officer
Oklahoma Real Estate Appraiser Board