

Integra Realty Resources

St. Louis

Appraisal of Real Property

Durvy Liquidation

Industrial Property

1841 Denmark Rd.

Union, Franklin County, Missouri 63084

Prepared For:

United Bank of Union and the US Small Business Administration

Date of the Report:

November 3, 2023

Report Format:

Appraisal Report

IRR - St. Louis

File Number: 206-2023-0398

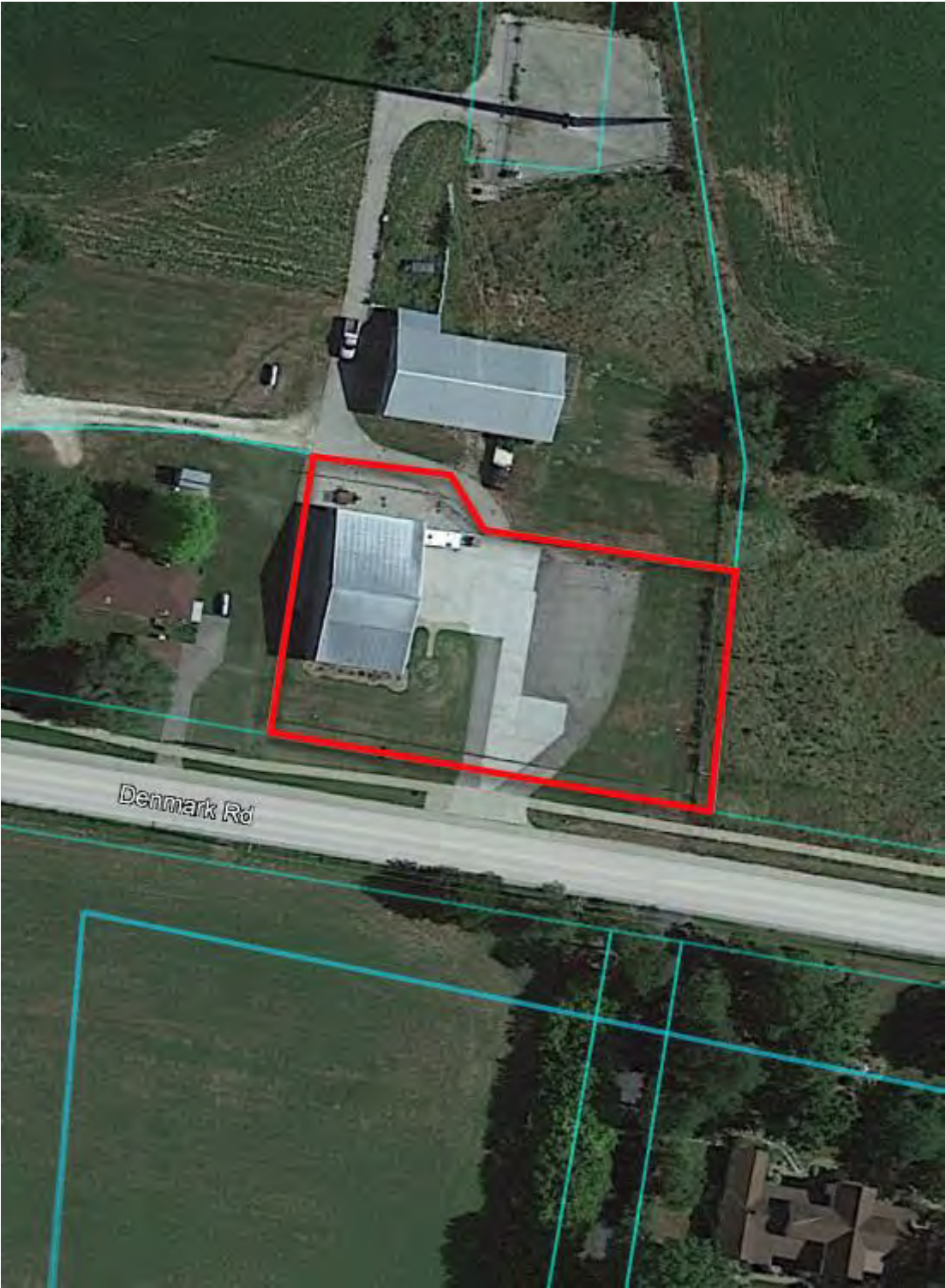


Subject Photographs



Durvy Liquidation
1841 Denmark Rd.
Union, Missouri

Aerial Photograph





November 3, 2023

Hailey Noecker
Appraisal/Evaluation Coordinator
United Bank of Union
PO Box 500
Union, MO 63084

SUBJECT: Market Value Appraisal
 Durvy Liquidation
 1841 Denmark Rd.
 Union, Franklin County, Missouri 63084
 IRR - St. Louis File No. 206-2023-0398

Dear Ms. Noecker:

Integra Realty Resources – St. Louis is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the market value as is, pertaining to the fee simple interest in the property.

The client for the assignment is United Bank of Union. The intended users of this report are United Bank of Union and the US Small Business Administration. The intended use of the report is for loan underwriting purposes. No other party or parties may use or rely on the information, opinions, and conclusions contained in this report.

The subject is an existing industrial property containing 2,800 square feet of rentable area. The improvements were constructed in 1987, renovated in 2019 and are 100% owner occupied as of the effective appraisal date. The property is currently under contract and the buyer will be purchasing the business along with the real estate. Following the close of the transaction, the subject will remain owner-occupied. The site area is 0.53 acres or 23,159 square feet. Since the subject could be converted to other uses with minimal modifications, the subject would not be considered special purpose as defined by the Small Business Administration.

The appraisal conforms to the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Practice of the Appraisal

Institute, applicable state appraisal regulations, and the appraisal guidelines of United Bank of Union and the US Small Business Administration. The appraisal is also prepared in accordance with the appraisal regulations issued in connection with the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA).

Standards Rule 2-2 (Content of a Real Property Appraisal Report) contained in the Uniform Standards of Professional Appraisal Practice (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 as defined by USPAP under Standards Rule 2-2(a), and incorporates practical explanation of the data, reasoning, and analysis that were used to develop the opinion of value.

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, the concluded opinions of value are as follows:

Value Conclusion			
Value Type & Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Fee Simple	October 19, 2023	\$360,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is 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.

1. None

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

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

The value conclusion(s) in this report consider the impact of COVID-19 on the subject property.

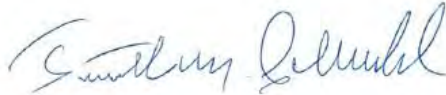
The opinions of value expressed in this report are based on estimates and forecasts which are prospective in nature and subject to considerable risk and uncertainty. Events may occur which could cause the performance of the property to differ materially from the estimates contained herein, such as changes in the economy, interest rates, capitalization rates, financial strength of tenants, and behavior of investors, lenders, and consumers. Additionally, the concluded opinions and forecasts are based partly on data obtained from interviews and third-party sources, which are not always completely reliable. Although the findings are considered reasonable based on available evidence, IRR is not responsible for the effects of future, unforeseen occurrences.

Hailey Noecker
United Bank of Union
November 3, 2023
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If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

Integra Realty Resources - St. Louis



Timothy Schoemehl, MAI
Missouri Certified General Real Estate
Appraiser #2009025506
Telephone: 636.898.6533
Email: tschoemehl@irr.com



Christopher Olwig
Missouri State Certified General Trainee
#2020001172
Telephone: 636.898.5876
Email: colwig@irr.com



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Quality Assurance

IRR Quality Assurance Program

At IRR, delivering a quality report is a top priority. Integra has an internal Quality Assurance Program in which managers review material and pass an exam in order to attain IRR Certified Reviewer status. By policy, every Integra valuation assignment is assessed by an IRR Certified Reviewer who holds the MAI designation, or is, at a minimum, a named Director with at least ten years of valuation experience.

This quality assurance assessment consists of reading the report and providing feedback on its quality and consistency. All feedback from the IRR Certified Reviewer is then addressed internally prior to delivery. The intent of this internal assessment process is to maintain report quality.

Designated IRR Certified Reviewer

An internal quality assurance assessment was conducted by an IRR Certified Reviewer prior to delivery of this appraisal report. This assessment should not be construed as an appraisal review as defined by USPAP.

Executive Summary

Property Name	Durvy Liquidation	
Address	1841 Denmark Rd. Union, Franklin County, Missouri 63084	
Property Type	Industrial - Other	
Owner of Record	Thomas M Sikes	
Tax ID	18-9-31.2-0-014-001.820	
Legal Description	DURVY LIQUIDATION LOT 1 AYON FARM PLAT 2 PT LOT 1 NW N OF DENMARK RD	
Land Area	0.53 acres; 23,159 SF	
Gross Building Area	2,800 SF	
Rentable Area	2,800 SF	
Percent Leased	NA	
Year Built; Year Renovated	1987; 2019	
Zoning Designation	B-2, Highway Business District	
Highest and Best Use - As if Vacant	Industrial use	
Highest and Best Use - As Improved	Continued industrial use	
Exposure Time; Marketing Period	1 to 9 months; 1 to 9 months	
Effective Date of the Appraisal	October 19, 2023	
Date of the Report	November 3, 2023	
Property Interest Appraised	Fee Simple	
Market Value Indications		
Cost Approach	Not Used	
Sales Comparison Approach	\$360,000	(\$128.57/SF)
Income Capitalization Approach	\$330,000	(\$117.86/SF)
Market Value Conclusion	\$360,000	(\$128.57/SF)

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

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is 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.

1. None

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

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

Strengths, Weaknesses, Opportunities, Threats (SWOT Analysis)

The analyses presented in this report consider the internal strengths and weaknesses of the subject property, as well as opportunities and external threats. The overall valuation influences are summarized in the following table.

Valuation Influences

Strengths

- Industrial properties have outperformed most other property types in recent years and were generally insulated from negative impacts from the COVID-19 pandemic.
- Industrial vacancy in the submarket is lower than the St. Louis metro area and is projected to decrease.
- Subject has been well maintained and is fully climate controlled

Weaknesses

- Industrial asking rents in the submarket are lower than the St. Louis metro average but are projected to increase each of the next 5 years. Cap rates are higher in the subject's submarket than in neighboring submarkets and the St. Louis metro area as a whole.
- Minimal office finish

Opportunities

- There is potential to increase parking or expand building

Threats

- Rising interest rates and relatively high inflation is increasing the uncertainty in the real estate market.
 - Risk of assessment and tax increase but is mitigated by the market oriented triple net lease structure
-

Identification of the Appraisal Problem

Subject Description

The subject is an existing industrial property containing 2,800 square feet of rentable area. The improvements were constructed in 1987, renovated in 2019 and are 100% owner occupied as of the effective appraisal date. The property is currently under contract and the buyer will be purchasing the business along with the real estate. Following the close of the transaction, the subject will remain owner-occupied. The site area is 0.53 acres or 23,159 square feet. Since the subject could be converted to other uses with minimal modifications, the subject would not be considered special purpose as defined by the Small Business Administration. A legal description of the property is provided in the addenda.

Property Identification

Property Name	Durvy Liquidation
Address	1841 Denmark Rd. Union, Missouri 63084
Tax ID	18-9-31.2-0-014-001.820
Owner of Record	Thomas M Sikes
Legal Description	DURVY LIQUIDATION LOT 1 AYON FARM PLAT 2 PT LOT 1 NW N OF DENMARK RD
Census Tract Number	41180-29-071-8006.06

Sale History

The most recent closed sale of the subject is summarized as follows:

Sale Date	October 21, 2019
Seller	Frick Ava L Living Trust
Buyer	Thomas M Sikes
Sale Price	\$140,000
Recording Instrument Number	14289
Comments	The building was full of clutter and was reportedly in poor shape at the time of sale. The seller has reportedly has invested over \$100,000 and six months of labor into the building since purchase.

No known sales or transfers of ownership have taken place within a three-year period prior to the effective appraisal date.

Pending Transactions

The property is under contract of sale as of the effective appraisal date. The contract is summarized as follows:

Contract Date	August 30, 2023
Seller	Thomas M Sikes
Buyer	Josh Scherder
Sale Price	\$400,000
Comments	Buyer is purchasing the seller's business and real estate.

The seller, Tom Sikes, has confirmed that the buyer is acquiring both the seller's business and the associated real estate. Additionally, the seller will work with the buyer for a specific period following the transaction's closure to facilitate a smooth transition of ownership. According to the sales contract provided to the appraisers, the contract specifies a price of \$400,000 for the business assets (excluding the real estate), and the appraised value of the real estate will be added to this amount to determine the overall purchase price.

The seller stated the allocated real estate price currently penciled in to the underwriting is an additional \$400,000 for a total purchase price of \$800,000 plus the value of the inventory at the time of sale. The business value and value of the inventory is not considered in our analysis. The real estate allocation price is based on a broker's opinion of value.

Our market value conclusion of \$360,000 differs significantly from the contract price considering the final contract price is based on the appraised value of the real estate. Based on our analysis of the data presented in this report we believe the allocation to real estate is higher than supported in a typical market transaction.

Appraisal Purpose

The purpose of the appraisal is to develop the following opinion(s) of value:

- The market value as is of the fee simple interest in the subject property as of the effective date of the appraisal, October 19, 2023

The date of the report is November 3, 2023. The appraisal is valid only as of the stated effective date or dates.

Value Type Definitions

The definitions of the value types applicable to this assignment are summarized below.

Market Value

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

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;

3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

Appraisal Premise Definitions

The definitions of the appraisal premises applicable to this assignment are specified as follows.

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.²

Property Rights Definitions

The property rights appraised which are applicable to this assignment are defined as follows.

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.³

Client and Intended User(s)

The client is United Bank of Union. The intended users are United Bank of Union and the US Small Business Administration. No other party or parties may use or rely on the information, opinions, and conclusions contained in this report.

The sale contract indicates that the final purchase price for the real estate component will be established by appraisal. This appraisal has been engaged by the buyer's lender for financing purposes. Neither the buyer nor seller have been identified as an intended user as defined by USPAP. The appraiser specifically disclaims any responsibility to these parties and any others not identified as intended users of this report. Any party other than the intended users stated who desires an appraisal should obtain one separately.

Intended Use

The intended use of the appraisal is for loan underwriting purposes. The appraisal is not intended for any other use.

¹ Code of Federal Regulations, Title 12, Chapter I, Part 34.42[h]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472

² Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022)

³ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022)

Applicable Requirements

This appraisal report conforms to the following requirements and regulations:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute;
- Applicable state appraisal regulations;
- Appraisal requirements of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), revised April 9, 2018;
- Interagency Appraisal and Evaluation Guidelines issued December 10, 2010;
- Appraisal guidelines of United Bank of Union and the US Small Business Administration.

Report Format

Standards Rule 2-2 (Content of a Real Property Appraisal Report) contained in the Uniform Standards of Professional Appraisal Practice (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 as defined by USPAP under Standards Rule 2-2(a), and incorporates practical explanation of the data, reasoning, and analysis used to develop the opinion of value.

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have performed no 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.

Appraiser Competency

No steps were necessary to meet the competency provisions established under USPAP. The assignment participants have appraised several properties similar to the subject in physical, locational, and economic characteristics, and are familiar with market conditions and trends; therefore, appraiser competency provisions are satisfied for this assignment. Appraiser qualifications and state credentials are included in the addenda of this report.

Scope of Work

Introduction

The appraisal development and reporting processes require gathering and analyzing information about the assignment elements necessary to properly identify the appraisal problem. The scope of work decision includes the research and analyses necessary to develop credible assignment results, given the intended use of the appraisal. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed.

To determine the appropriate scope of work for the assignment, the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors were considered. The concluded scope of work is described below.

Research and Analysis

The type and extent of the research and analysis conducted are detailed in individual sections of the report. The steps taken to verify comparable data are disclosed in the addenda of this report. Although effort has been made to confirm the arms-length nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

Subject Property Data Sources

The legal and physical features of the subject property, including size of the site and improvements, flood plain data, wetlands map, property zoning, existing easements and encumbrances, access and exposure, and condition of the improvements (as applicable) were confirmed and analyzed.

Contacts

In addition to public records and other sources cited in this appraisal, information pertaining to the subject was obtained from the following party: Tom Sikes, seller.

Inspection

Details regarding the property inspection conducted as part of this appraisal assignment are summarized as follows:

Property Inspection		
Party	Inspection Type	Inspection Date
Timothy Schoemehl, MAI	None	N/A
Christopher Olwig	Interior and exterior	October 19, 2023

Valuation Methodology

Three approaches to value are typically considered when developing a market value opinion for real property. These are the cost approach, the sales comparison approach, and the income capitalization approach. Use of the approaches in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Applicable	Utilized

The sales comparison approach is the most reliable valuation method for the subject due to the following:

- There is an active market for similar properties, and sufficient sales data is available for analysis.
- This approach directly considers the prices of alternative properties having similar utility.
- This approach is typically most relevant for owner-user properties.

The income capitalization approach is an applicable valuation method because:

- There is an active rental market for similar properties that permits us to estimate the subject's income generating potential.
- Sufficient market data regarding income, expenses, and rates of return is available for analysis.

The cost approach is not applicable to the assignment considering the following:

- The age of the property would limit the reliability of an accrued depreciation estimate.
- This approach is not typically used by market participants, except for new (or proposed) or nearly new properties.

Economic Analysis

Area Analysis

Franklin County Area Analysis

Franklin County is located in Eastern Missouri. It is part of the St. Louis, MO-IL Metropolitan Statistical Area (MSA). It is about 30 miles southwest of Downtown St. Louis and is directly west of St. Louis County. It is 923 square miles in size and has a population density of 114 persons per square mile.

Population

Franklin County has an estimated 2023 population of 105,544, which represents an average annual 0.3% increase over the 2020 census of 104,682. Franklin County added an average of 287 residents per year over the 2020-2023 period, and its annual growth rate exceeded the State of Missouri rate of 0.1%.

Looking forward, Franklin County's population is projected to increase at a 0.3% annual rate from 2023-2028, equivalent to the addition of an average of 299 residents per year. Franklin County's growth rate is expected to exceed that of Missouri, which is projected to be 0.2%.

	Population			Compound Ann. % Chng	
	2020 Census	2023 Estimate	2028 Projection	2020 - 2023	2023 - 2028
Franklin County, MO	104,682	105,544	107,039	0.3%	0.3%
St. Louis, MO-IL Metro	2,820,253	2,807,826	2,810,787	-0.1%	0.0%
Missouri	6,154,913	6,182,064	6,247,302	0.1%	0.2%

Source: Claritas

Employment

Total employment in Franklin County was estimated at 38,775 jobs at year-end 2022. Between year-end 2012 and 2022, employment rose by 2,935 jobs, equivalent to an 8.2% increase over the entire period. There were gains in employment in eight out of the past ten years. Consistent with national trends, there were losses in 2020, with the onset of the COVID-19 pandemic, followed by a return to positive growth in 2021. Although Franklin County's employment rose over the last decade, it underperformed Missouri, which experienced an increase in employment of 8.3% or 219,582 jobs over this period.

A comparison of unemployment rates is another way of gauging an area's economic health. Over the past decade, the Franklin County unemployment rate has been slightly higher than that of Missouri, with an average unemployment rate of 4.9% in comparison to a 4.8% rate for Missouri. A higher unemployment rate is a negative indicator.

Recent data shows that the Franklin County unemployment rate is 3.1% in comparison to a 3.4% rate for Missouri, a positive sign for the Franklin County economy but one that must be tempered by the

fact that Franklin County has underperformed Missouri in the rate of job growth over the past two years.

Employment Trends

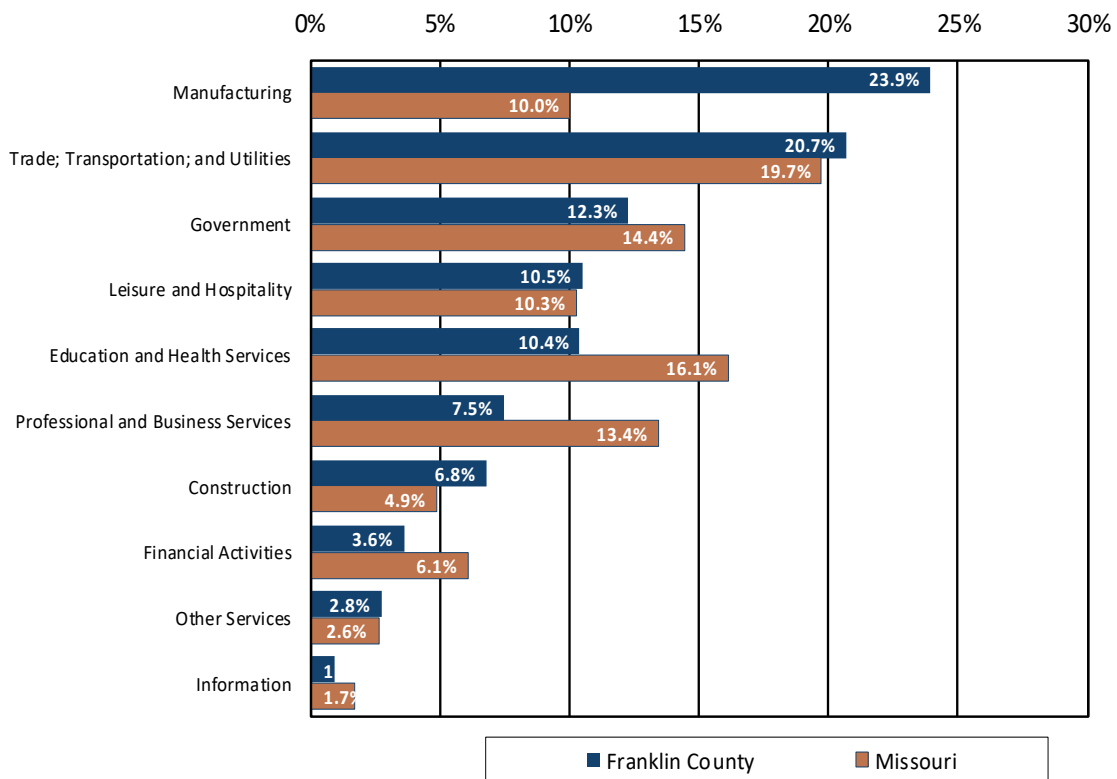
Year	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
	Franklin County	% Change	Missouri	% Change	Franklin County	Missouri
2012	35,840		2,640,824		8.1%	7.2%
2013	36,543	2.0%	2,670,259	1.1%	7.3%	6.8%
2014	37,589	2.9%	2,709,656	1.5%	6.5%	6.2%
2015	38,341	2.0%	2,759,312	1.8%	5.2%	5.1%
2016	39,250	2.4%	2,783,059	0.9%	4.3%	4.5%
2017	39,941	1.8%	2,807,464	0.9%	3.6%	3.7%
2018	39,604	-0.8%	2,820,470	0.5%	3.1%	3.2%
2019	39,965	0.9%	2,848,113	1.0%	3.1%	3.2%
2020	38,074	-4.7%	2,724,446	-4.3%	6.2%	6.1%
2021	38,252	0.5%	2,803,998	2.9%	3.7%	4.1%
2022	38,775	1.4%	2,860,406	2.0%	2.3%	2.5%
Overall Change 2012-2022	2,935	8.2%	219,582	8.3%		
Avg Unemp. Rate 2012-2022					4.9%	4.8%
Unemployment Rate - July 2023					3.1%	3.4%

Source: U.S. Bureau of Labor Statistics and Moody's Analytics. Employment figures are from the Quarterly Census of Employment and Wages (QCEW). Unemployment rates are from the Current Population Survey (CPS). The figures are not seasonally adjusted.

Employment Sectors

The composition of the Franklin County job market is depicted in the following chart, along with that of Missouri. Total employment for both areas is broken down by major employment sector, and the sectors are ranked from largest to smallest based on the percentage of Franklin County jobs in each category.

Employment Sectors - 2022



Source: U.S. Bureau of Labor Statistics and Moody's Analytics

Franklin County has greater concentrations than Missouri in the following employment sectors:

1. Manufacturing, representing 23.9% of Franklin County payroll employment compared to 10.0% for Missouri as a whole. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.
2. Trade; Transportation; and Utilities, representing 20.7% of Franklin County payroll employment compared to 19.7% for Missouri as a whole. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.
3. Leisure and Hospitality, representing 10.5% of Franklin County payroll employment compared to 10.3% for Missouri as a whole. This sector includes employment in hotels, restaurants, recreation facilities, and arts and cultural institutions.
4. Construction, representing 6.8% of Franklin County payroll employment compared to 4.9% for Missouri as a whole. This sector includes construction of buildings, roads, and utility systems.

Franklin County is underrepresented in the following sectors:

1. Government, representing 12.3% of Franklin County payroll employment compared to 14.4% for Missouri as a whole. This sector includes employment in local, state, and federal government agencies.
2. Education and Health Services, representing 10.4% of Franklin County payroll employment compared to 16.1% for Missouri as a whole. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.
3. Professional and Business Services, representing 7.5% of Franklin County payroll employment compared to 13.4% for Missouri as a whole. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.
4. Financial Activities, representing 3.6% of Franklin County payroll employment compared to 6.1% for Missouri as a whole. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.

Major Employers

Major employers in St. Louis MSA are shown in the following table.

Major Employers - St. Louis MO-IL MSA	
Name	Number of Employees
1 BJC Healthcare Hospital System	31,876
2 Washington University	19,972
3 Walmart Inc.	17,500
4 Boeing Defense, Space & Security	15,796
5 Mercy Health System Hospital	15,084
6 SSM Health	14,226
7 Scott Air Force Base	13,000
8 Schnuck Markets Inc.	8,768
9 McDonald's Corp	8,415
10 Archdiocese of St. Louis	7,000
11 City of St. Louis	6,609
12 Chater Communications	6,230
13 Ameren Corp.	6,169
14 Special School District of St. Louis County	5,890
15 Edward Jones	5,514

Source: St. Louis Business Journal April 2023

Gross Domestic Product

Gross Domestic Product (GDP) is a measure of economic activity based on the total value of goods and services produced in a defined geographic area, and annual changes in Gross Domestic Product (GDP) are a gauge of economic growth.

Economic growth, as measured by annual changes in GDP, has been somewhat lower in Franklin County than Missouri overall during the past decade. Franklin County has grown at a 0.8% average

annual rate while Missouri has grown at a 1.0% rate. Franklin County continues to underperform Missouri. GDP for Franklin County rose by 2.6% in 2021 while Missouri's GDP rose by 4.6%.

Franklin County has a per capita GDP of \$41,569, which is 13% less than Missouri's GDP of \$47,937. This means that Franklin County industries and employers are adding relatively less value to the economy than their counterparts in Missouri.

Gross Domestic Product

Year	(\$,000s)		(\$,000s)	
	Franklin County	% Change	Missouri	% Change
2011	4,026,009		268,533,800	
2012	3,889,407	-3.4%	271,535,100	1.1%
2013	4,047,333	4.1%	274,599,300	1.1%
2014	3,938,079	-2.7%	276,080,700	0.5%
2015	4,090,026	3.9%	279,020,800	1.1%
2016	4,174,561	2.1%	279,109,200	0.0%
2017	4,210,672	0.9%	281,253,300	0.8%
2018	4,107,734	-2.4%	284,540,300	1.2%
2019	4,242,782	3.3%	290,619,500	2.1%
2020	4,264,688	0.5%	282,754,100	-2.7%
2021	4,374,389	2.6%	295,687,300	4.6%
Compound % Chg (2011-2021)		0.8%		1.0%
GDP Per Capita 2021	\$41,569		\$47,937	

Source: U.S. Bureau of Economic Analysis and Moody's Analytics; data released December 2022.

The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted "real" GDP stated in 2012 dollars.

Household Income

Franklin County has a higher level of household income than Missouri. Median household income for Franklin County is \$67,298, which is 3.9% greater than the corresponding figure for Missouri.

Median Household Income - 2023

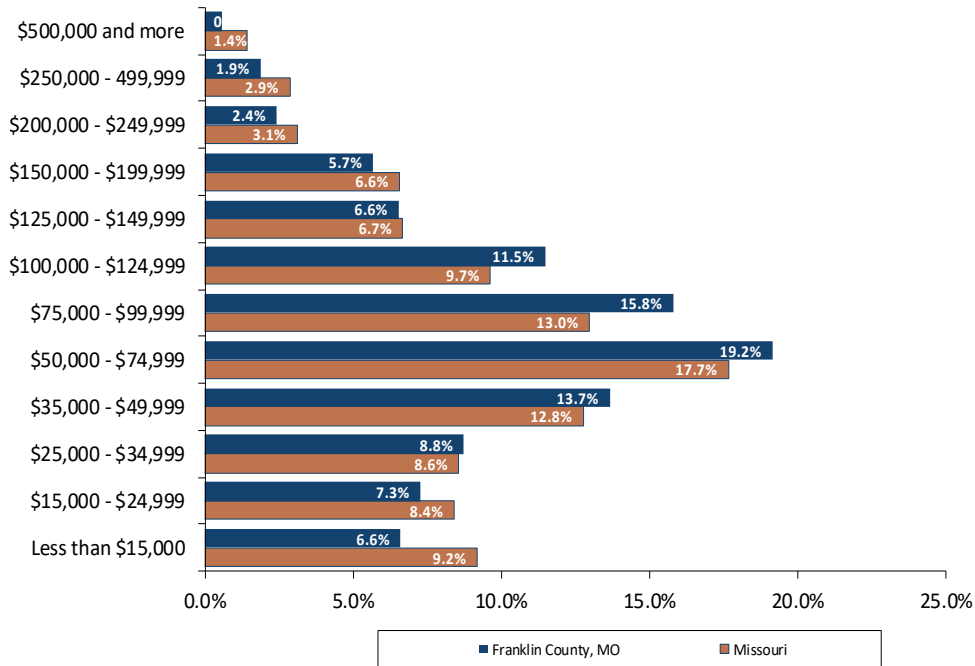
	Median
Franklin County, MO	\$67,298
Missouri	\$64,789
Comparison of Franklin County, MO to Missouri	+ 3.9%

Source: Claritas

The following chart shows the distribution of households across twelve income levels. Franklin County has a greater concentration of households in the middle income levels than Missouri. Specifically, 33% of Franklin County households are between the \$35,000 - \$75,000 levels in household income as compared to 30% of Missouri households. A lesser concentration of households is apparent in the

lower income levels, as 23% of Franklin County households are below the \$35,000 level in household income versus 26% of Missouri households.

Household Income Distribution - 2023



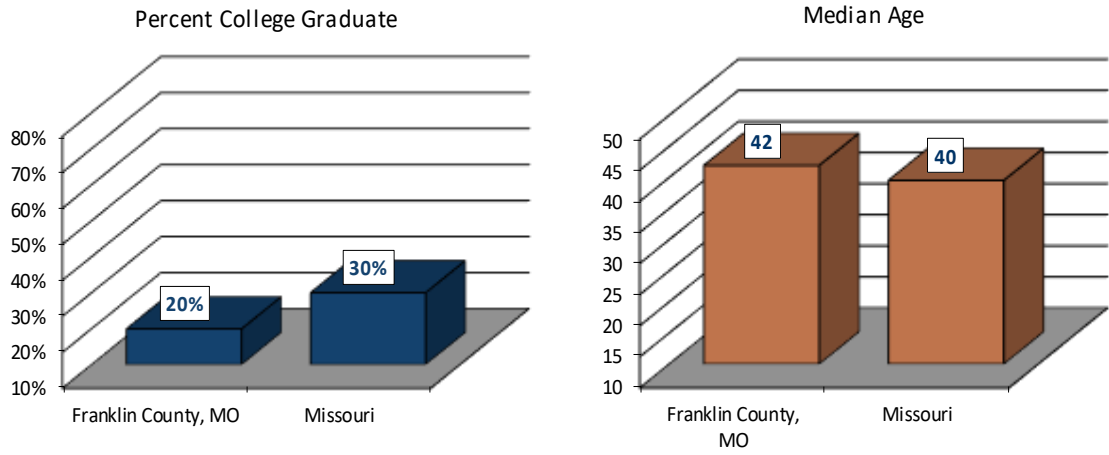
Source: Claritas

Education and Age

Residents of Franklin County have a lower level of educational attainment than those of Missouri. An estimated 20% of Franklin County residents are college graduates with four-year degrees, versus 30% of Missouri residents. People in Franklin County are older than their Missouri counterparts. The median age for Franklin County is 42 years, while the median age for Missouri is 40 years.



Education & Age - 2023

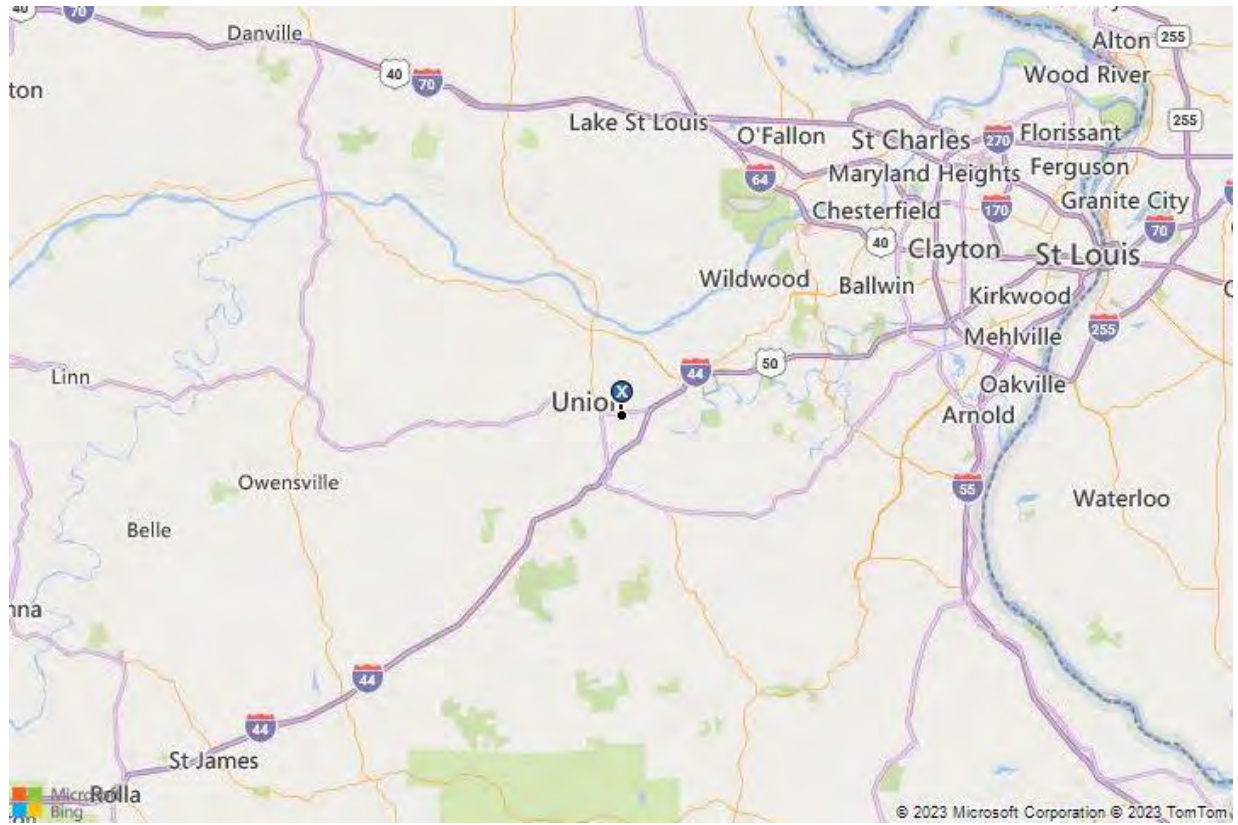


Source: Claritas

Conclusion

The Franklin County economy will benefit from a stable to slightly growing population base and a higher level of median household income. Franklin County experienced growth in the number of jobs over the past decade, and it is reasonable to assume that employment growth will occur in the future. It is anticipated that the Franklin County economy will improve and employment will grow, strengthening the demand for real estate.

Area Map



Surrounding Area Analysis

The subject is located in Union, Missouri. Union is the county seat of Franklin County and the second largest community behind Washington, MO. Union is connected to St. Louis through US-50 Highway to Interstate 44. Missouri Highway 47 also provides access to Washington, Missouri to the north and St. Clair, Missouri to the south. Union is approximately 5 miles from Interstate 44. The city has a diverse economy with manufacturing companies producing goods such as automobile parts, plastics, and machinery. Additionally, Union is home to several agricultural operations, including farms and livestock operations.

The subject is located in the southeastern portion of Union, which has seen recent development in the form of commercial and residential uses. East of the subject is Hummingbird Heights, which is a new market-rate multifamily community. Recent construction west of the subject includes Aldi Grocery Store, Brite WorX carwash, and a Scooter's Coffee. This area west of the subject is a heavily concentrated retail district with national tenants such as Tractor Supply, Walmart, Arby's, Dairy Queen, Ace Hardware, AT&T, Burger King, Dollar Tree, and Valvoline Instant Oil Change.

Access and Linkages

Primary access and linkages to the subject area, including highways, roadways, public transit, traffic counts, and airports, are summarized in the following table.

Access & Linkages	
Vehicular Access	
Major Highways	Interstate 44
Primary Corridors	US-50 & E State Hwy 47
Vehicular Access Rating	Average
Public Transit	
Providers	OATS Transit
Transit Access Rating	Average (for a small-town location in the region)
Airport(s)	
Name	St. Louis Lambert International Airport
Distance	40 miles
Driving Time	40 minutes
Primary Transportation Mode	Automobile

Demand Generators

The typical generators of demand affecting the subject property and its market are discussed and analyzed below.

Surrounding Area Demographics						
2023 Estimates	1-Mile Radius	3-Mile Radius	5-Mile Radius	Franklin County, MO	St. Louis, MO-IL Metro	Missouri
Population 2020	2,662	8,524	21,587	104,682	2,820,253	6,154,913
Population 2023	2,724	8,655	21,796	105,544	2,807,826	6,182,064
Population 2028	2,825	8,880	22,159	107,039	2,810,787	6,247,302
Compound % Change 2020-2023	0.8%	0.5%	0.3%	0.3%	-0.1%	0.1%
Compound % Change 2023-2028	0.7%	0.5%	0.3%	0.3%	0.0%	0.2%
Households 2020	997	3,246	8,362	41,476	1,149,824	2,479,146
Households 2023	1,011	3,291	8,456	42,023	1,148,909	2,495,970
Households 2028	1,038	3,371	8,609	42,845	1,154,727	2,529,357
Compound % Change 2020-2023	0.5%	0.5%	0.4%	0.4%	0.0%	0.2%
Compound % Change 2023-2028	0.5%	0.5%	0.4%	0.4%	0.1%	0.3%
Median Household Income 2023	\$75,981	\$65,976	\$67,569	\$67,298	\$75,469	\$64,789
Average Household Size	2.7	2.6	2.5	2.5	2.4	2.4
College Graduate %	29%	22%	21%	20%	35%	30%
Median Age	39	39	39	42	40	40
Owner Occupied %	76%	72%	72%	77%	69%	67%
Renter Occupied %	24%	28%	28%	23%	31%	33%
Median Owner Occupied Housing Value	\$241,233	\$231,294	\$213,365	\$204,478	\$230,791	\$215,468
Median Year Structure Built	2001	1995	1992	1983	1972	1977
Average Travel Time to Work in Minutes	32	31	30	31	28	26

Source: Claritas

As shown above, the current population within a 3-mile radius of the subject is 8,655, and the average household size is 2.6. Population in the area has grown since the 2020 census, and this trend is projected to continue over the next five years. Compared to Franklin County overall, the population within a 3-mile radius is projected to grow at a faster rate.

Median household income is \$65,976, which is lower than the household income for Franklin County. Residents within a 3-mile radius have a higher level of educational attainment than those of Franklin County, while median owner occupied home values are considerably higher.

Land Use

Predominant land uses in the immediate vicinity of the subject include a mix of commercial and residential. Land use characteristics of the area are summarized below.

Surrounding Area Land Uses	
Character of Area	Outer Suburban Metro
Predominant Age of Improvements (Years)	20 to 40+ years
Predominant Quality and Condition	Average
Approximate Percent Developed	30%
Infrastructure and Planning	Average
Predominant Location of Undeveloped Land	All directions
Prevailing Direction of Growth	West of subject

Immediate Surroundings

North	Single Family Residence (Zone Commercial)
South	Vacant Commercial Land
East	Vacant Commercial Land
West	Single Family Residence (Zone Commercial)

Outlook and Conclusions

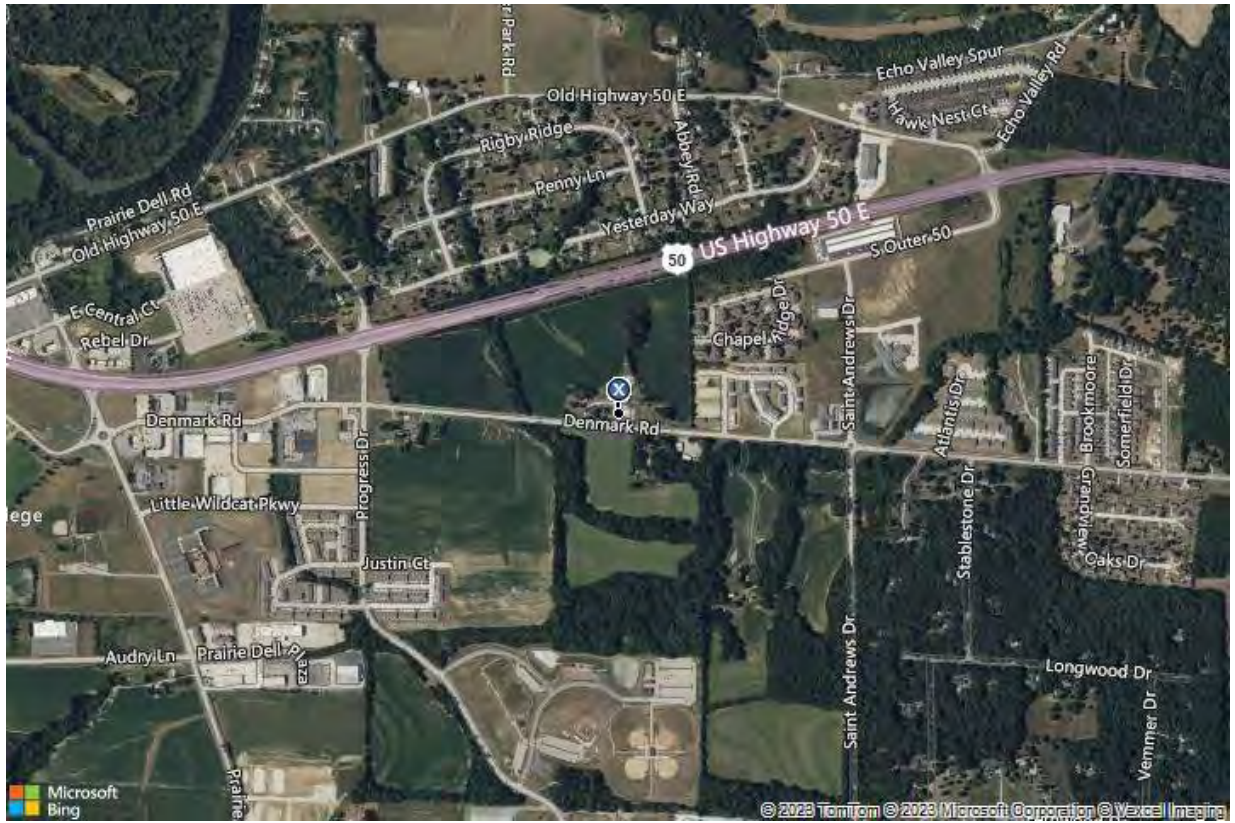
The area is in the growth stage of its life cycle. Given the history of the area and the growth trends, it is anticipated that property values will increase in the near future.

In comparison to other areas in the region, the area is rated as follows:

Surrounding Area Ratings

Highway Access	Average
Demand Generators	Average
Convenience to Support Services	Average
Convenience to Medical Services	Average
Convenience to Public Transit	Average
Employment Stability	Average
Neighborhood Amenities	Average
Police and Fire Protection	Average
Barriers to Competitive Entry	Below Average
Price/Value Trends	Average
Property Compatibility	Average

Surrounding Area Map



Industrial Market Analysis

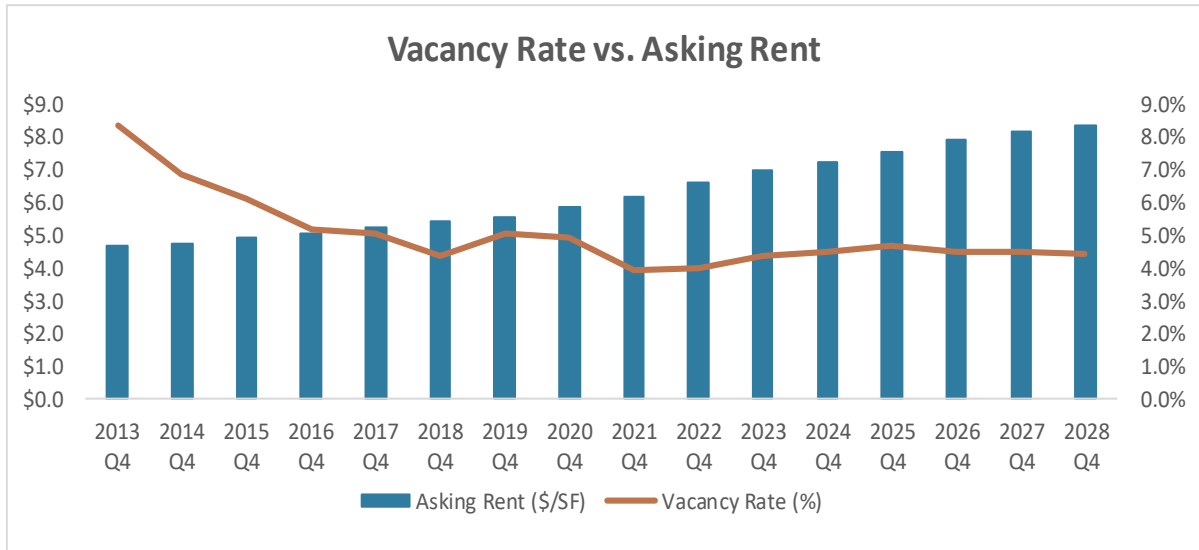
Metro Area Overview

The subject is located in the Saint Louis - MO metro area as defined by CoStar. Trended supply and demand statistics, including inventory levels, absorption, vacancy, and rental rates for all classes of space are presented in the ensuing table.

All Industrial Saint Louis - MO Metro Trends									
Period	Stock	Demand	Vacancy	Net Completions 12 Months	Under Construction Stock	Net Absorption 12 Months	Asking Rent	Rent Growth 12 Month	Cap Rate
2013 Q4	301,995,355	276,681,568	8.38%	-577,983	823,845	1,192,282	\$4.70	2.24%	7.80%
2014 Q4	302,353,061	281,506,496	6.89%	357,706	1,801,814	4,817,230	\$4.79	1.85%	7.56%
2015 Q4	303,155,458	284,596,160	6.12%	802,397	4,667,624	3,097,346	\$4.94	3.11%	7.25%
2016 Q4	307,209,115	291,164,928	5.22%	4,053,657	6,596,463	6,430,784	\$5.10	3.32%	7.32%
2017 Q4	313,047,735	297,112,512	5.09%	5,838,620	4,622,100	5,944,625	\$5.28	3.41%	7.80%
2018 Q4	315,778,727	301,989,152	4.37%	1,935,252	6,391,812	4,090,293	\$5.44	3.08%	7.89%
2019 Q4	320,827,425	304,634,016	5.05%	5,048,698	2,938,835	2,631,046	\$5.60	2.98%	7.89%
2020 Q4	322,934,115	306,980,064	4.94%	2,106,690	3,845,961	2,366,479	\$5.86	4.53%	7.40%
2021 Q4	326,346,988	313,494,912	3.94%	3,412,873	8,532,274	6,514,870	\$6.20	5.93%	6.85%
2022 Q4	333,872,464	320,518,784	4.00%	7,525,476	3,439,942	7,023,849	\$6.65	7.22%	7.41%
2023 Q4	337,857,631	323,125,952	4.36%	3,985,167	0	2,607,167	\$7.01	5.37%	8.24%
2024 Q4	339,777,482	324,432,832	4.52%	1,919,851	N/A	1,315,960	\$7.26	3.53%	8.61%
2025 Q4	342,192,940	326,167,040	4.68%	2,415,458	N/A	1,747,689	\$7.59	4.59%	8.43%
2026 Q4	343,823,176	328,376,160	4.49%	1,630,236	N/A	2,222,433	\$7.93	4.50%	8.09%
2027 Q4	345,993,136	330,486,496	4.48%	2,169,960	N/A	2,122,972	\$8.16	2.92%	7.87%
2028 Q4	348,705,213	333,187,360	4.45%	2,712,077	N/A	2,713,598	\$8.37	2.62%	7.59%

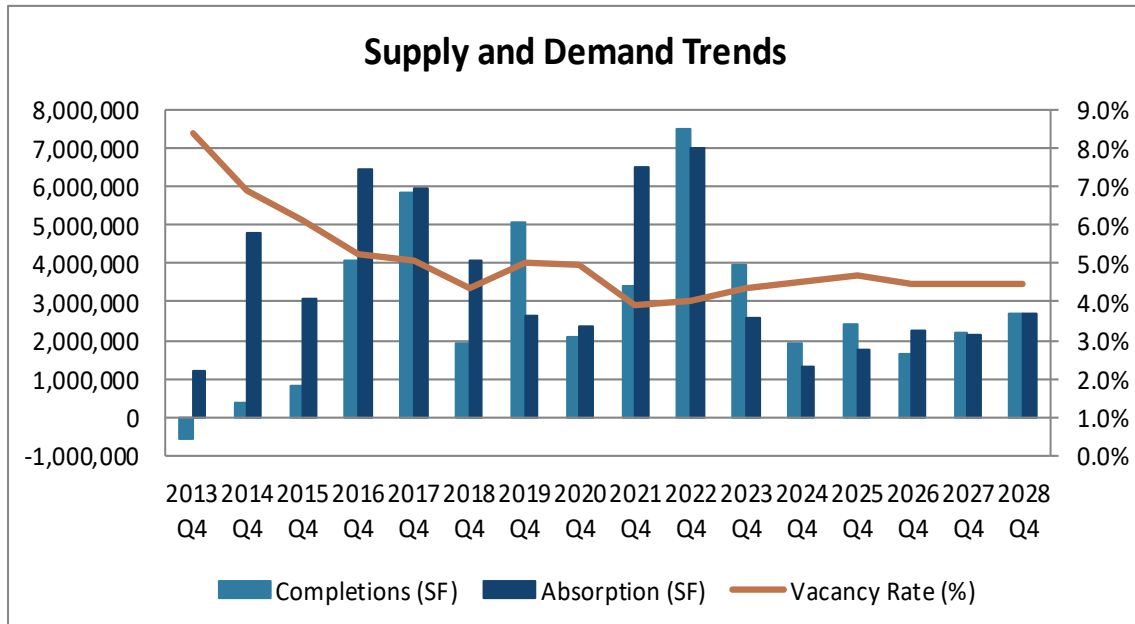
Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.

Saint Louis - MO Metro Trends and Forecasts



Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.

- The current vacancy rate in the metro area is 4.36%; the vacancy rate has increased by 42 bps from 2021 Q4.
- Two-year Base Case forecasts project a 4.68% vacancy rate in the metro area, representing an increase of 32 bps by 2025 Q4.
- Asking rent averages \$7.01/SF in the metro area, and values have increased by 13.06% from 2021 Q4.
- Two-year Base Case forecasts project a \$7.59/SF asking rent in the metro area, representing an increase of 8.27% by 2025 Q4.



Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.

- The total stock (SF) has increased by 3.53% from 2021 Q4, while the demand has increased by 3.07%.
- Between 2018 Q4 and 2023 Q4, net completions in the metro area has averaged 4,002,359 SF annually, and reached a peak of 7,525,476 SF in 2022 Q4.
- Between 2018 Q4 and 2023 Q4, absorption figures in the metro area have averaged 4,205,617 SF annually, and reached a peak of 7,023,849 SF in 2022 Q4.

Submarket Overview

The subject is located in the Franklin County submarket as defined by CoStar. Trended supply and demand statistics, including inventory levels, absorption, vacancy, and rental rates for all classes of space are presented in the following table.



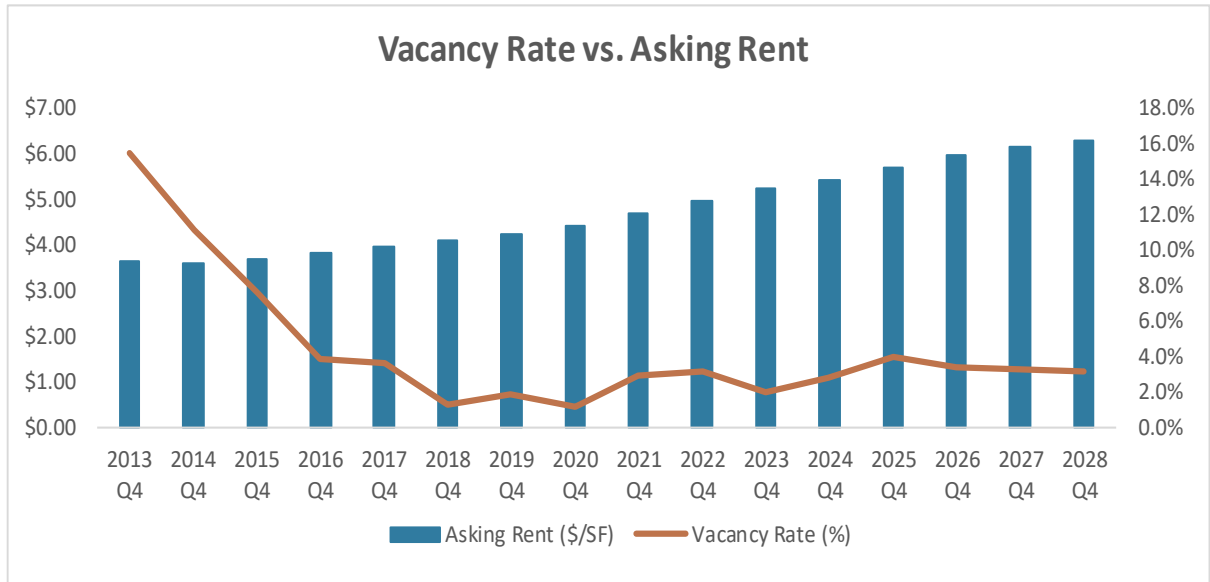
All Industrial Franklin County Submarket Trends

Period	Stock	Demand	Vacancy	Net Completions 12 Months	Under Construction Stock	Net Absorption 12 Months	Asking Rent	Rent Growth 12 Month	Cap Rate
2013 Q4	11,606,236	9,814,368	15.44%	1,856	0	-370,738	\$3.65	5.86%	8.00%
2014 Q4	11,606,236	10,310,270	11.17%	0	148,273	495,902	\$3.59	-1.53%	7.83%
2015 Q4	11,769,809	10,866,915	7.67%	163,573	160,000	556,645	\$3.69	2.87%	7.44%
2016 Q4	11,860,491	11,400,498	3.88%	90,682	223,000	533,583	\$3.83	3.70%	7.52%
2017 Q4	12,190,731	11,751,477	3.60%	330,240	193,606	350,979	\$3.97	3.69%	8.01%
2018 Q4	12,396,337	12,234,383	1.31%	205,606	320,000	482,906	\$4.10	3.26%	8.11%
2019 Q4	12,440,491	12,204,052	1.90%	44,154	320,000	-30,331	\$4.22	2.95%	8.20%
2020 Q4	12,645,391	12,493,041	1.20%	204,900	0	288,989	\$4.43	4.91%	7.84%
2021 Q4	12,645,391	12,270,291	2.97%	0	1,500	-222,750	\$4.69	5.94%	6.93%
2022 Q4	12,671,891	12,268,950	3.18%	26,500	1,000	-1,341	\$4.99	6.36%	7.52%
2023 Q4	12,679,891	12,424,757	2.01%	8,000	0	155,807	\$5.25	5.20%	9.09%
2024 Q4	12,668,456	12,320,754	2.74%	-11,435	N/A	-103,648	\$5.44	3.66%	9.46%
2025 Q4	12,894,148	12,380,247	3.99%	225,692	N/A	60,098	\$5.70	4.69%	9.28%
2026 Q4	12,900,406	12,464,931	3.38%	6,258	N/A	85,274	\$5.96	4.59%	8.94%
2027 Q4	12,915,685	12,496,392	3.25%	15,279	N/A	32,116	\$6.14	3.01%	8.72%
2028 Q4	12,939,606	12,528,551	3.18%	23,921	N/A	32,789	\$6.30	2.71%	8.44%

Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.

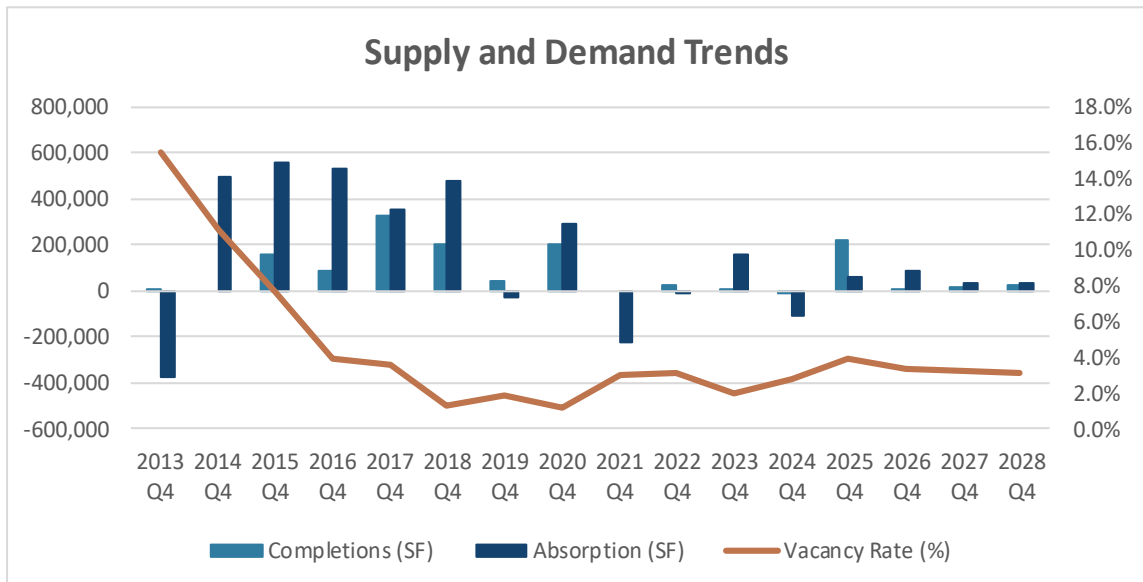
- The Franklin County submarket comprises 3.8% of the metro building stock and 3.8% of the metro building demand.
- The vacancy rate in the Franklin County submarket is 2.01%, which is less than the metro area's average of 4.36%.
- Franklin County market rate is \$5.25/SF which is less than the metro area's average rate of \$7.01/SF.

Franklin County Submarket Trends and Forecasts



Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.

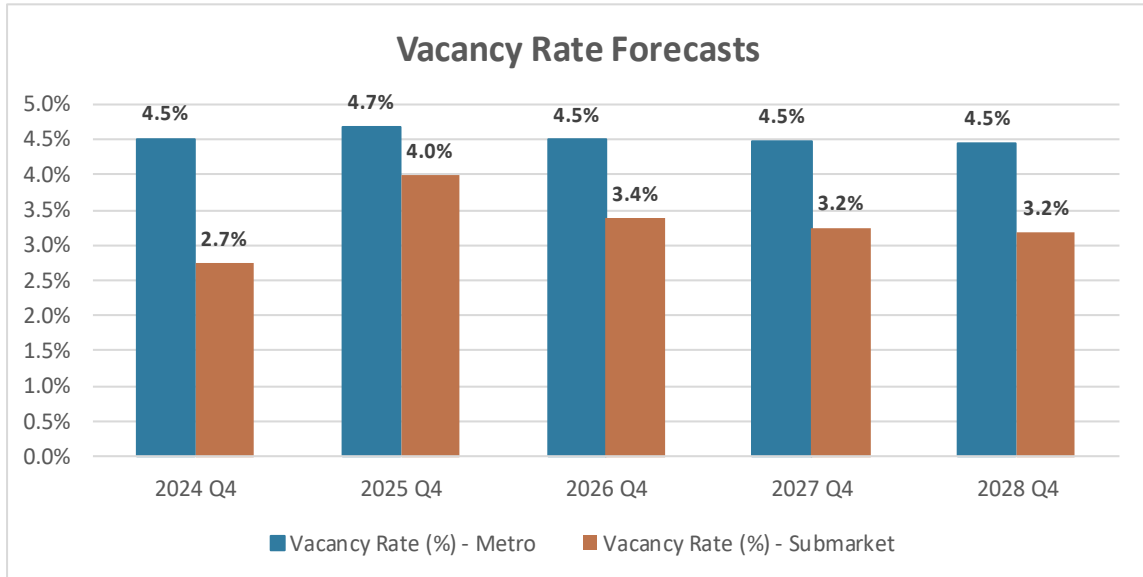
- The current vacancy rate in the submarket area is 2.01%; the vacancy rate has decreased by 95 bps from 2021 Q4.
- Two-year Base Case forecasts project a 3.99% vacancy rate in the submarket area, representing an increase of 197 bps by 2025 Q4.
- Asking rent averages \$5.25/SF in the submarket area, and values have increased by 11.94% from 2021 Q4.
- Two-year Base Case forecasts project a \$5.70/SF asking rent in the submarket area, representing an increase of 8.57% by 2025 Q4.



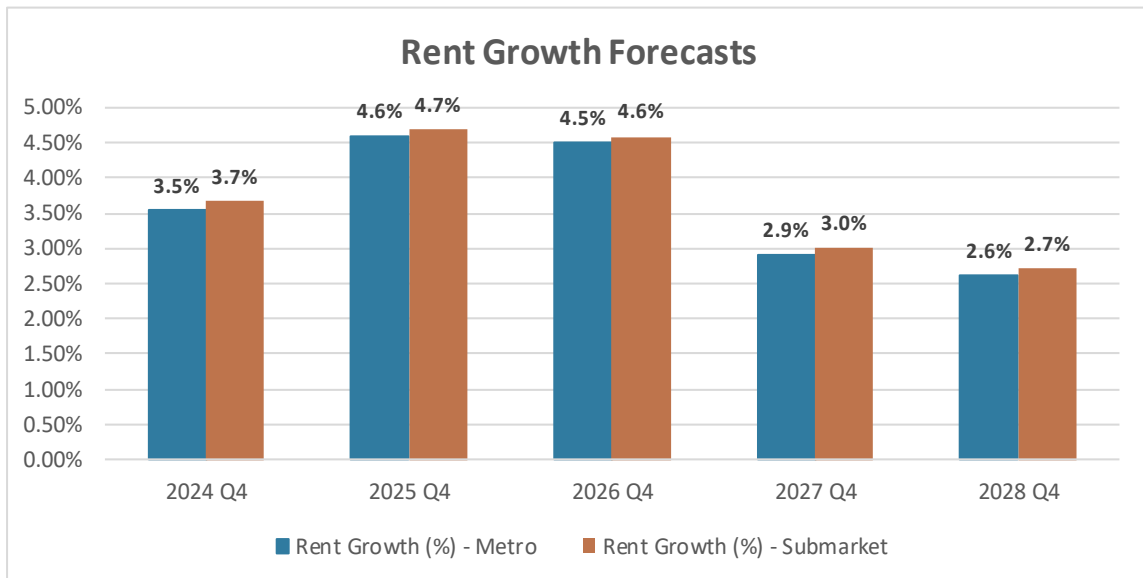
Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.

- The total stock (SF) has increased by 0.27% from 2021 Q4, while the demand has increased by 1.26%.
- Between 2018 Q4 and 2023 Q4, net completions in the submarket area has averaged 81,527 SF annually, and reached a peak of 205,606 SF in 2018 Q4.
- Between 2018 Q4 and 2023 Q4, absorption figures in the submarket area have averaged 112,213 SF annually, and reached a peak of 482,906 SF in 2018 Q4.

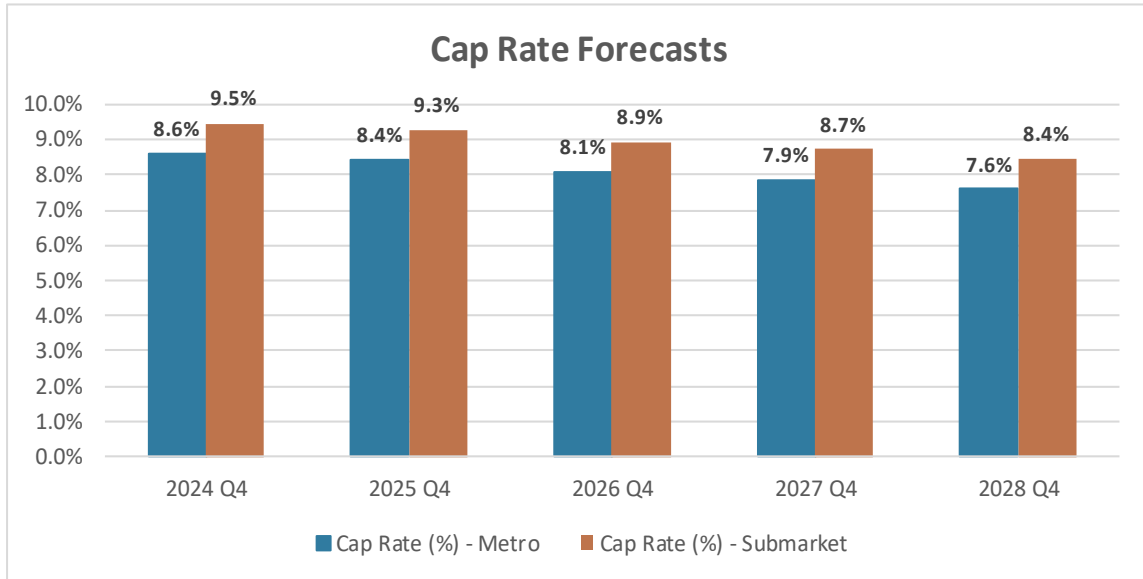
Industrial Market Forecast Comparisons



Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.



Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.



Source: CoStar, Inc.; compiled by Integra Realty Resources, Inc.

Industrial Market Outlook and Conclusions

Based on the key metro and submarket area trends, construction outlook, and the performance of competing properties, IRR expects the mix of property fundamentals and economic conditions in the St. Louis metro area to have a neutral impact on the subject property’s performance in the near-term.

Property Analysis

Land Description and Analysis

Land Description

Land Area	0.53 acres; 23,159 SF
Source of Land Area	Survey
Primary Street Frontage	Denmark - 204 feet
Shape	Irregular
Corner	No
Rail Access	No
Water/Port Access	No
Topography	Generally level and at street grade
Drainage	No problems reported or observed
Environmental Hazards	None reported or observed
Ground Stability	No problems reported or observed
Flood Area Panel Number	29071C0315D
Date	October 18, 2011
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No

Zoning; Other Regulations

Zoning Jurisdiction	City of Union
Zoning Designation	B-2
Description	Highway Business District
Legally Conforming?	Appears to be legally conforming
Zoning Change Likely?	No
Permitted Uses	Beauty services, beer, wine and alcoholic beverages- wholesale, books- retail, cameras and photographic supplies- retail, drug stores, gift shops, groceries- retail, general stores, and any other permitted use as found in the addenda of this report
Minimum Lot Area	Not regulated
Minimum Street Frontage (Feet)	Not regulated
Minimum Lot Width (Feet)	Not regulated
Minimum Lot Depth (Feet)	Not regulated
Minimum Setbacks (Feet)	Front: 50'; Side: None; Rear: 20'
Maximum Building Height	Not regulated
Maximum Site Coverage	Not regulated
Maximum Floor Area Ratio	Not regulated
Parking Requirement	Commercial service facilities and retail sales uses: 5.5 spaces for every 1,000 square feet gross floor area Warehouse: 2 space for every 3 employees on the maximum shift, plus 1 space for every vehicle customarily used in operation of the use or stored on the premises

Utilities

Service	Provider
Water	City of Union
Sewer	City of Union
Electricity	Ameren Missouri
Natural Gas	Spire Missouri, Inc.
Local Phone	Various Providers

The subject parking is not striped but appears to be adequate to comply with zoning. We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance with zoning is required.

The subject has a relatively low FAR ratio, but is still in range of the comparables, and that there is a strip of unused land along the east side of the site that would give room to expand the parking/loading/storage if desired. The low FAR ratio would also provide room for future expansion if desired. This has been considered in our comparative analysis.

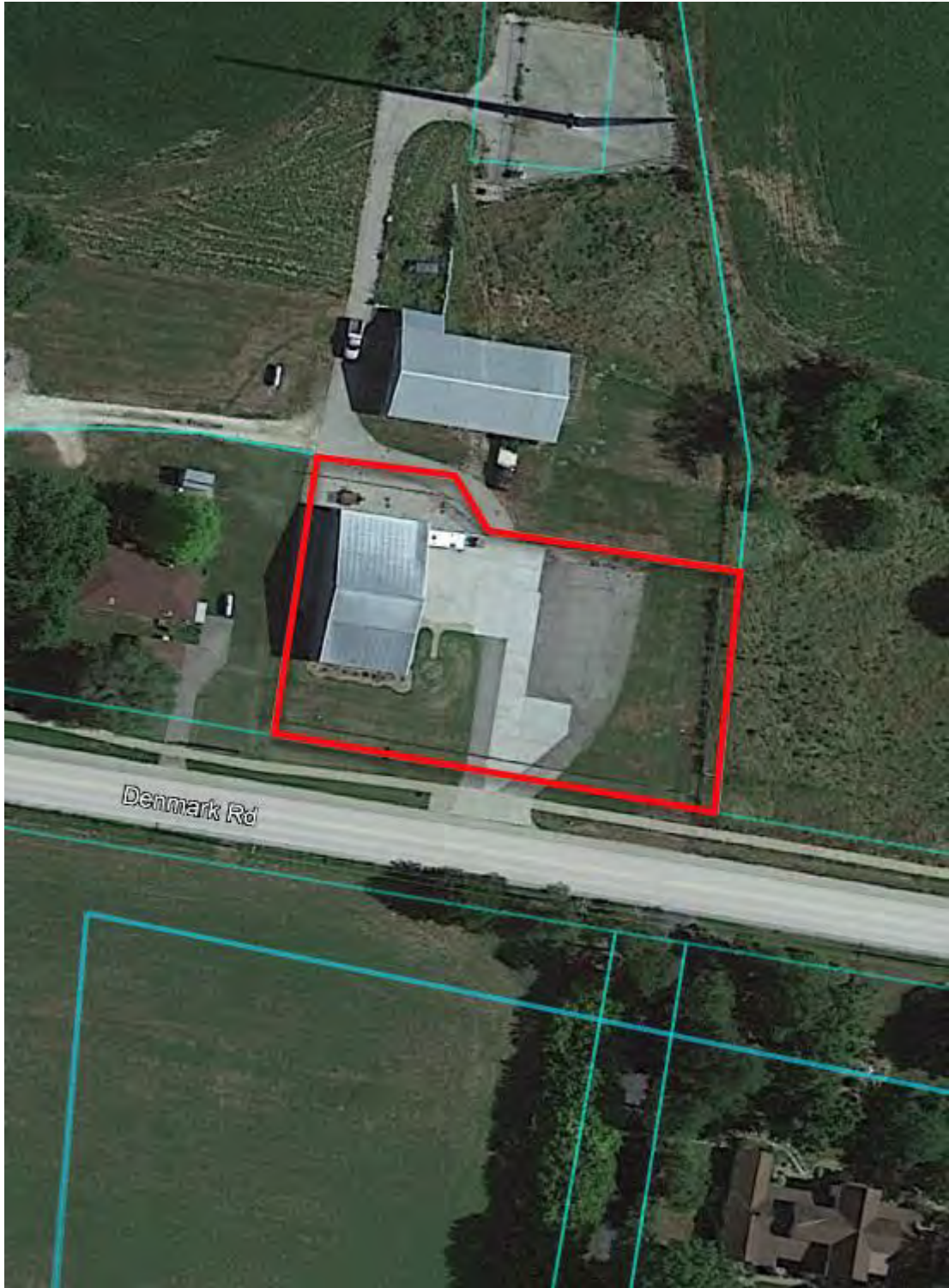
Easements, Encroachments and Restrictions

Based upon a review of the deed and property survey, there are no apparent easements, encroachments, or restrictions that would adversely affect value. This valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

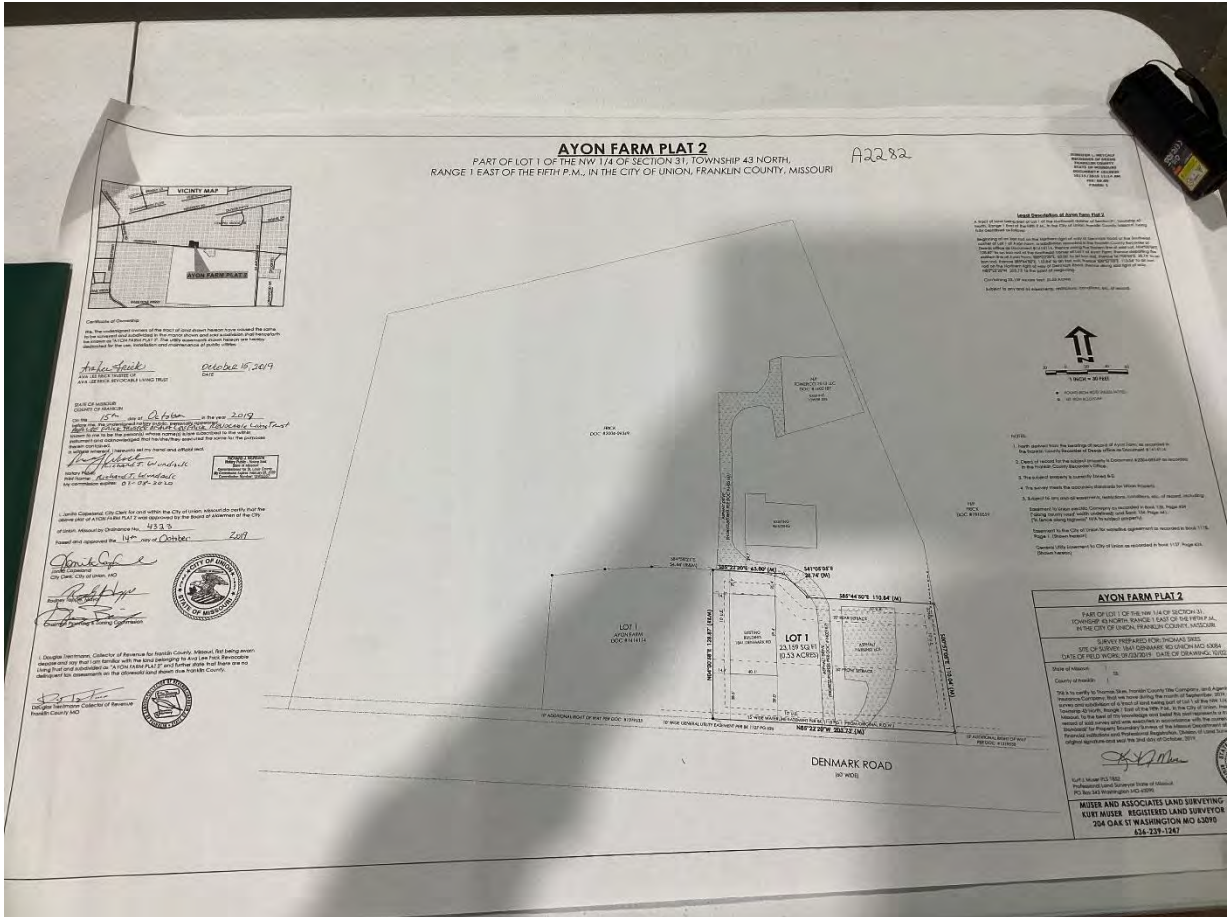
Conclusion of Site Analysis

Overall, the physical characteristics and the availability of utilities result in a functional site, suitable for a variety of uses including those permitted by zoning. Uses permitted by zoning include beauty services, beer, wine and alcoholic beverages- wholesale, books-retail, cameras and photographic supplies- retail, drug stores, gift shops, groceries- retail, general stores, and any other permitted use as found in the addenda of this report. No other restrictions on development are apparent.

Aerial Photograph



Survey



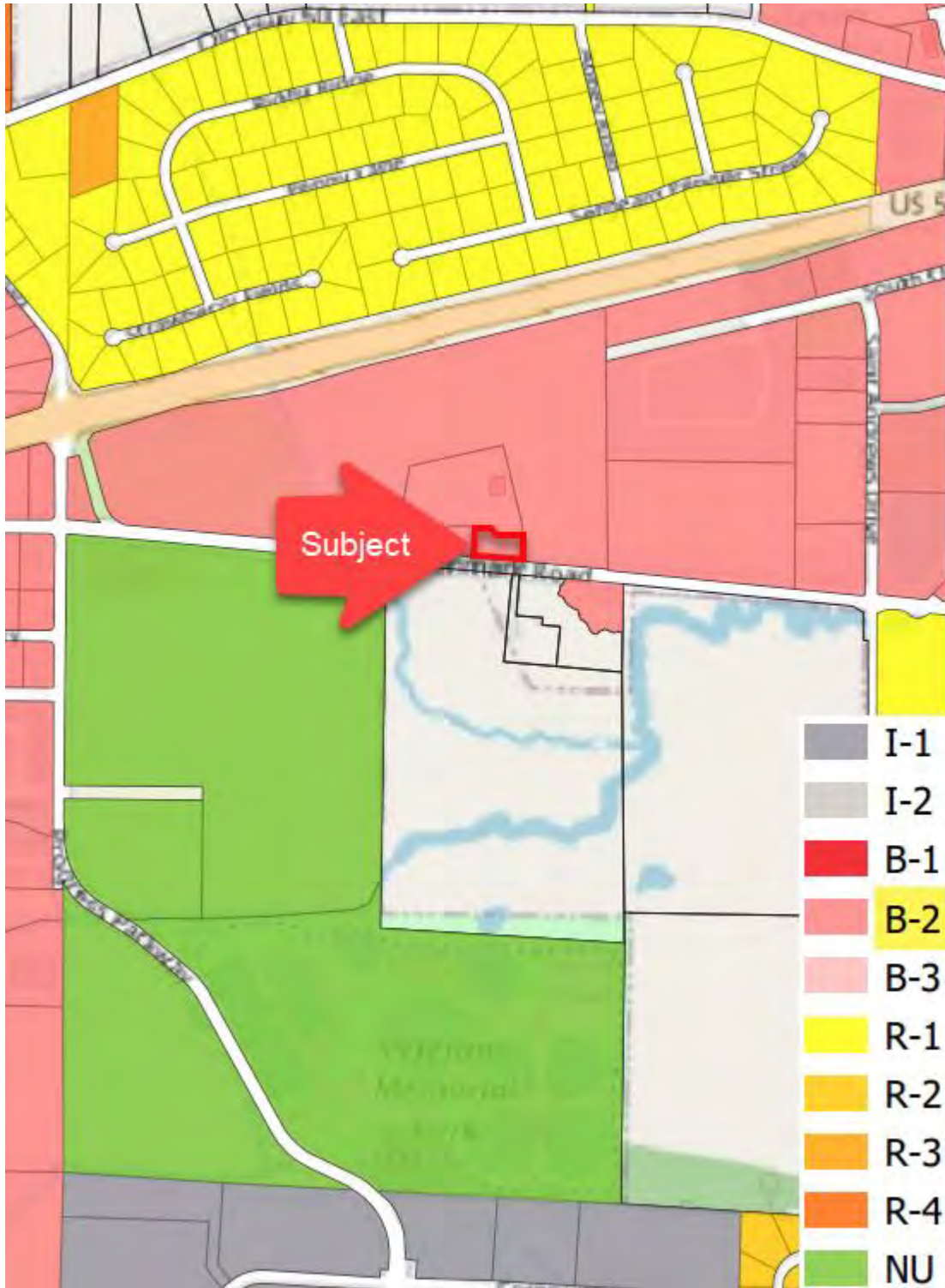
Flood Hazard Map



Wetlands Hazard Map



Zoning Map



Improvements Description and Analysis

Overview

The subject is an existing industrial property containing 2,800 square feet of rentable area. The improvements were constructed in 1987, renovated in 2019 and are 100% owner occupied as of the effective appraisal date. The property is currently under contract and the buyer will be purchasing the business along with the real estate. Following the close of the transaction, the subject will remain owner-occupied. The site area is 0.53 acres or 23,159 square feet. Since the subject could be converted to other uses with minimal modifications, the subject would not be considered special purpose as defined by the Small Business Administration. The following description is based on the inspection of the property and discussions with ownership.

Improvements Description

Name of Property	Durvy Liquidation
General Property Type	Industrial
Property Sub Type	Other
Competitive Property Class	B
Occupancy Type	Owner Occupied
Number of Buildings	1
Stories	1
Construction Class	S
Construction Type	Metal
Construction Quality	Above Average
Condition	Good
Gross Building Area (SF)	2,800
Rentable Area (SF)	2,800
Percent Office Space	Minimal
Land Area (SF)	23,159
Floor Area Ratio (RA/Land SF)	0.12
Floor Area Ratio (GBA/Land SF)	0.12
Building Area Source	Public Records
Year Built	1987
Year Renovated	2019
Actual Age (Yrs.)	36
Estimated Effective Age (Yrs.)	15
Estimated Economic Life (Yrs.)	45
Remaining Economic Life (Yrs.)	30
Number of Parking Spaces	Adequate
Source of Parking Count	Inspection
Parking Type	Gravel, Asphalt, and Concrete Surface Parking with Fenced Yard

The size of the subject calculated from our inspection of the property was within 2% of the size of the subject's improvement reported on public records. As such, the subject's size from public records was relied upon.

The subject property was previously used as a veterinarian clinic prior to the current owner purchasing the building in 2019 for use as warehouse storage. Since the 2019 purchase, the current owner has made multiple improvements including removing interior walls to open the space, adding the overhead door, adding insulation, exterior concrete work, adding gravel around the yard, installing fencing and a gate, and servicing the HVAC.

The entire subject is climate controlled and the owner has partitioned off a small area that he uses as an office. The office finish is similar to the remainder of the building.

Construction Details

Foundation	Concrete slab
Structural Frame	Metal
Exterior Walls	Metal with some decorative stone trim
Roof	Metal
Clear Height in Feet	14.22'
Dock Height Loading Doors	0
Drive-in Doors	1
HVAC	Fully climate controlled
Sprinklers	None

Occupancy Status

The property is fully occupied by the owner. There are no arm's-length leases in place at the subject property.

Improvements Analysis

Quality and Condition

The improvements are of above average quality construction and are in good condition. The quality of the subject is consistent with competing properties. Maintenance has been consistent with competing properties. Overall, the market appeal of the subject is slightly superior to competing properties.

Functional Utility

The improvements appear to be adequately suited to their current use. Based on the property inspection and consideration of the foregoing, there do not appear to be any significant items of functional obsolescence.

Deferred Maintenance

No deferred maintenance is apparent from the property inspection, and none is identified based on discussions with ownership.

ADA Compliance

Based on the property inspection and information provided, there are no apparent ADA issues. However, ADA matters are beyond the scope of expertise of the assignment participants, and further study by an appropriately qualified professional would be recommended to assess ADA compliance.

Hazardous Substances

An environmental assessment report was not provided for review, and environmental issues are beyond the scope of expertise of the assignment participants. No hazardous substances were observed during the inspection of the improvements; however, detection of such substances is outside the scope of expertise of the assignment participants. Qualified professionals should be consulted. Unless otherwise stated, it is assumed no hazardous conditions exist on or near the subject.

Personal Property

The appraisal assignment is specifically focused on the value of the real property only. Items of personal property are excluded from consideration.

Conclusion of Improvements Analysis

In comparison to competitive properties in the market, the subject improvements are rated as follows:

Improvements Ratings	
Visibility/Exposure	Average
Design and Appearance	Average
Age/Condition	Above Average
% Office	Average
Loading Docks	Average
Clear ceiling heights	Average
% Sprinklered	Average
Landscaping	Average

Overall, the quality, condition, and functional utility of the improvements are above average for their age and location.



Exterior view of subject property



Exterior view of subject property



Exterior view of subject property



Exterior view of subject property



Exterior view of subject property



View of subject's entrance



View of subject's gated yard



View of subject's loading area



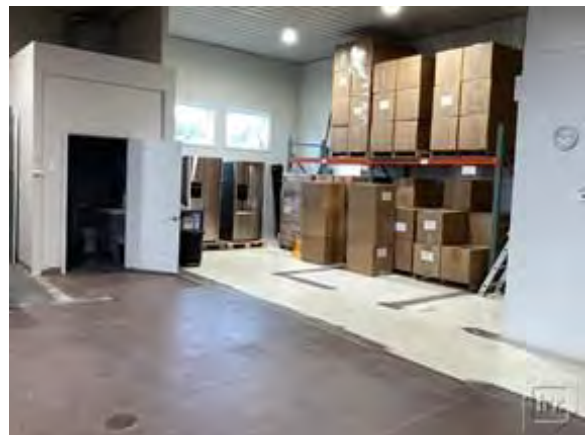
View of Denmark frontage



View of Denmark frontage



Interior view of subject property



Interior view of subject property



Interior view of subject property



Interior view of subject property



Interior view of subject property



Interior view of subject property



Interior view of subject property



Interior view of subject property

Real Estate Taxes

Real estate tax assessments are administered by Franklin County and are estimated by jurisdiction on a county basis for the subject. Real estate taxes in this state and jurisdiction represent ad valorem taxes, meaning a tax applied in proportion to value. Real estate taxes in Missouri are based upon assessed value, which is meant to represent 32% of market value for commercial property and 19% of market value for residential property. The gross tax rate is expressed in dollars per one hundred dollars of assessment. The current year real estate taxes have been paid. The prior year real estate taxes also have been paid.

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

Taxes and Assessments - 2023						
Tax ID	Assessed Value			Taxes and Assessments		
	Land	Improvements	Total	Ad Valorem Tax Rate	Taxes	Total
18-9-31.2-0-014-001.820	\$3,392	\$35,766	\$39,158	6.419123%	\$2,514	\$2,514

Assessor's Market Value			
Tax ID	Land	Improvements	Total
18-9-31.2-0-014-001.820	\$10,600	\$111,770	\$122,370

Based on the concluded market value of the subject, the assessed value appears low. However, a triple net lease structure is concluded to be market oriented for the subject under which taxes would be a tenant responsibility. Therefore, no specific tax estimate is necessary for our analysis.

Highest and Best Use

The highest and best use of a property is the reasonably probable use resulting in the highest value, and represents the use of an asset that maximizes its productivity.

Process

Before a property can be valued, an opinion of highest and best use must be developed for the subject site, both as though vacant, and as improved or proposed. By definition, the highest and best use must be:

- Physically possible.
- Legally permissible under the zoning regulations and other restrictions that apply to the site.
- Financially feasible.
- Maximally productive, i.e., capable of producing the highest value from among the permissible, possible, and financially feasible uses.

As Though Vacant

First, the property is evaluated as though vacant, with no improvements.

Physically Possible

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

Legally Permissible

The site is zoned B-2, Highway Business District. Permitted uses include beauty services, beer, wine and alcoholic beverages- wholesale, books-retail, cameras and photographic supplies- retail, drug stores, gift shops, groceries- retail, general stores, and any other permitted use as found in the addenda of this report. There are no apparent legal restrictions, such as easements or deed restrictions, effectively limiting the use of the property. Given prevailing land use patterns in the area, only industrial use is given further consideration in determining highest and best use of the site, as though vacant. The permitted uses under zoning is more retail oriented but since the subject lacks frontage along a highly trafficked thoroughfare, retail use is not generally indicated.

Financially Feasible

Based on the accompanying analysis of the market, there is currently adequate demand for industrial use in the subject's area. It appears a newly developed industrial use on the site would have a value commensurate with its cost. Therefore, industrial use is considered to be financially feasible.

Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than industrial use. Accordingly, industrial use, developed to the normal market density level permitted by zoning, is the maximally productive use of the property.

Conclusion

Development of the site for industrial use is the only use which meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property as though vacant.

As Improved

The subject site is developed with an industrial use, which is consistent with the highest and best use of the site as though vacant. Several scenarios are examined to analyze feasibility, as follows:

Demolition: The value of the existing improved property exceeds the value of the site, as though vacant. Thus, demolition is not feasible.

Conversion: A repurposing of the subject property is not likely to result in significantly higher rental rates or property value. Converting the subject property to an alternative use is not applicable in this case, nor is it likely.

Expansion: The subject property comprises 0.53 acres. There is no excess or surplus land available for expansion. The property's building to land ratio of 0.12 falls within the typical range observed among competing properties. Expansion appears unlikely.

Renovation: The subject has an overall effective age of 15 years, and is in good condition. It does not appear that renovation of the property would significantly increase rental rates or property value.

Continuation: The current use of the subject property as an industrial property appears to meet the four criteria for highest and best use. Based on the analysis above, a continuation of the current use is concluded to be financially feasible.

There does not appear to be any alternative use that could reasonably be expected to provide a higher present value than the current use, and the value of the existing improved property exceeds the value of the site, as though vacant. For these reasons, continued industrial use is concluded to be maximally productive and the highest and best use of the property as improved.

Most Probable Buyer

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

Valuation

Valuation Methodology

Appraisers usually consider three approaches to estimating the market value of real property. These are the cost approach, sales comparison approach and the income capitalization approach.

The **cost approach** assumes that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the improvements being appraised are relatively new and represent the highest and best use of the land or when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

The **sales comparison approach** assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with the same utility. This approach is especially appropriate when an active market provides sufficient reliable data. The sales comparison approach is less reliable in an inactive market or when estimating the value of properties for which no directly comparable sales data is available. The sales comparison approach is often relied upon for owner-user properties.

The **income capitalization approach** reflects the market's perception of a relationship between a property's potential income and its market value. This approach converts the anticipated net income from ownership of a property into a value indication through capitalization. The primary methods are direct capitalization and discounted cash flow analysis, with one or both methods applied, as appropriate. This approach is widely used in appraising income-producing properties.

Reconciliation of the various indications into a conclusion of value is based on an evaluation of the quantity and quality of available data in each approach and the applicability of each approach to the property type.

The methodology employed in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Applicable	Utilized

Sales Comparison Approach

The sales comparison approach develops an indication of value by comparing the subject to sales of similar properties. The steps taken to apply the sales comparison approach are:

- Identify relevant property sales;
- Research, assemble, and verify pertinent data for the most relevant sales;
- Analyze the sales for material differences in comparison to the subject;
- Reconcile the analysis of the sales into a value indication for the subject.

To apply the sales comparison approach, the research focused on transactions within the following parameters:

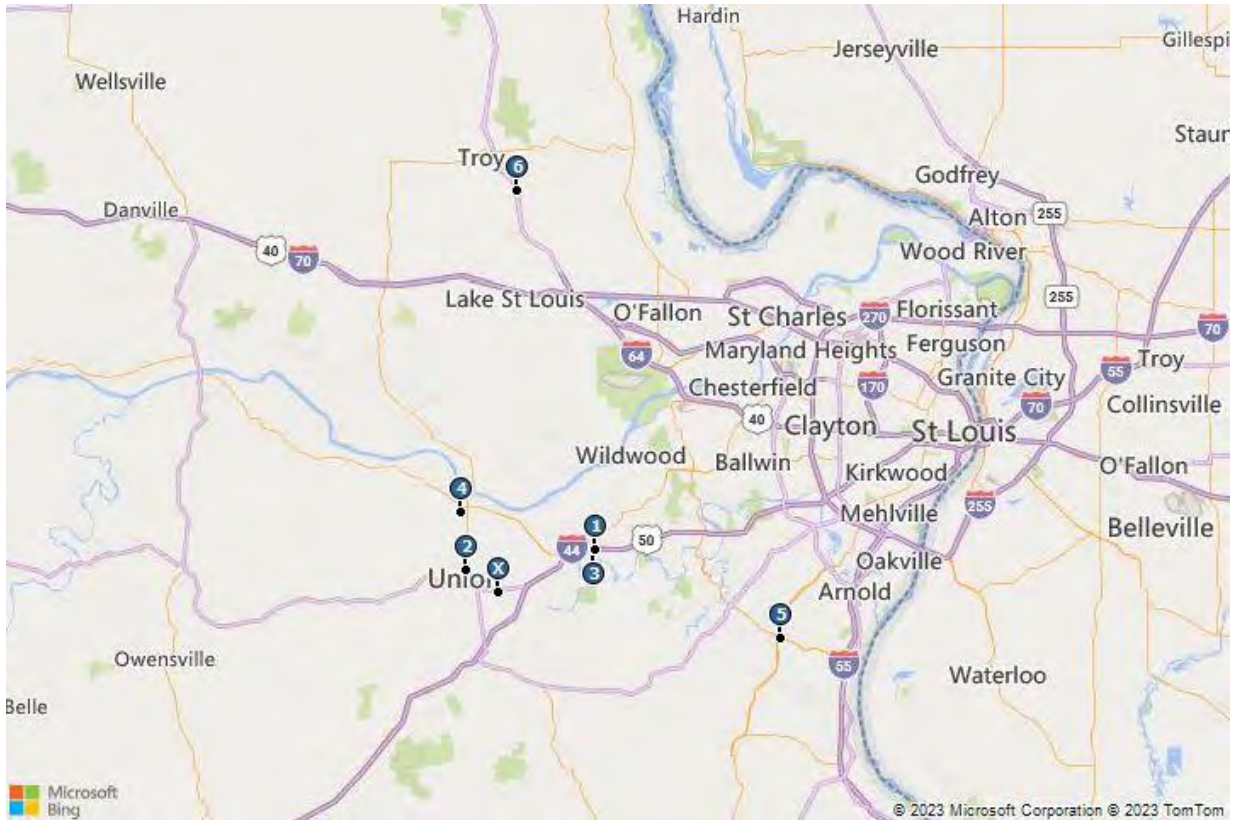
- Property Type: Industrial
- Location: Outer-Ring Suburbs of St. Louis and Similar Small-Town Non-Metro Areas
- Size: Less than 15,000 square feet
- Age/Quality: Any
- Transaction Date: Within 3 years of the effective appraisal date

For this analysis, price per square foot of rentable area is used as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The sales considered most relevant are summarized in the following table.

Summary of Comparable Improved Sales

No.	Name/Address	Sale Date; Status	Yr. Blt.; # Stories; % Occ.	Acres; FAR; Parking Ratio	Clear Height; % Office; Prop Rights	Sale Price	Rentable SF	\$/Rentable SF
1	3202 W Osage St 3202 W. Osage St Pacific Franklin County MO	Dec-22 Closed	1973 1 0%	0.35 0.20 3.25/1,000	11 – Fee Simple	\$317,500	3,080	\$103.08
<i>Comments: Sold for 86% of asking price after a month on the market. Seller was considering leases at \$3,000/month as well.</i>								
2	Union, MO Commercial 10 Hi Line Dr. Union Franklin County MO	Jul-22 Closed	1979 – –	3.27 0.08 2.58/1,000	16.5 28% Fee Simple	\$900,000	12,000	\$75.00
<i>Comments: The property is a mixed use building that was previously used as a gym and featured 3 offices and two full bathroom facilities with laundry. The property was marketed for retail/office/warehouse use. The buyer is now operating the building as an industrial fulfillment center. The broker stated in the listing that this could even serve for automotive uses with the showroom finish in the front of the building and the garage/warehouse with drive through doors in the rear.</i>								
3	3221 W Osage St 3221 W. Osage St. Pacific Franklin County MO	May-22 Closed	2015 1 100%	0.62 0.09 –	– – Fee Simple	\$340,000	2,400	\$141.67
<i>Comments: Sold for 97% of original asking price after 8 months on the market.</i>								
4	Office/Warehouse - 2132 Highway A Washington Franklin County MO	Mar-22 Closed	1990 – 100%	1.00 0.14 1.59/1,000	15 64% Leased Fee	\$590,000	6,280	\$93.95
<i>Comments: Property was leased when listed until December of 2021. Sold for 94% of asking price after 9 months on the market.</i>								
5	Warehouse Jefferson 4175 Old State Rd. House Springs Jefferson County MO	Aug-21 Closed	2008 – –	6.16 0.02 –	18 21% Fee Simple	\$785,000	4,800	\$163.54
<i>Comments: This 4,800 SF warehouse sold for \$785,000 or \$163.54/SF on August 18, 2021.</i>								
6	Moscow Mills 37 Hampel Moscow Mills Lincoln County MO	Jul-21 Closed	2005 1 –	1.00 0.03 4.00/1,000	– 27% Fee Simple	\$249,900	1,500	\$166.60
<i>Comments: The property sold for \$166/psf in July of 2021. Before the sale, the building featured 3 offices and 1,100 square feet of warehouse space with a gated gravel lot. The warehouse has one drive through door that is 10'. The building is now being operated as a car dealership. There is a billboard on the site and at the time of the sale, it was only rented on one side according to Google street view.</i>								
Subject			1987	0.53	14.22'		2,800	
Durvy Liquidation			1	0.12	Minimal			
Union, MO			NA	–	Fee Simple			

Comparable Improved Sales Map





Sale 1
3202 W Osage St



Sale 2
Union, MO Commercial Flex



Sale 3
3221 W Osage St



Sale 4
Office/Warehouse - Washington



Sale 5
Warehouse Jefferson County



Sale 6
Moscow Mills Office/Warehouse

Analysis and Adjustment of Sales

Adjustments are based on a rating of each comparable sale in relation to the subject. The adjustment process is typically applied through either quantitative or qualitative analysis, or a combination of both analyses. Quantitative adjustments are often developed as dollar or percentage amounts, and are most credible when there is sufficient data to perform a paired sales analysis.

While percentage adjustments are presented in the adjustment grid, they are based on qualitative judgment rather than empirical research, as there is not sufficient data to develop a sound quantitative estimate. Although the adjustments appear to be mathematically precise, they are merely intended to illustrate an opinion of typical market activity and perception. With the exception of market conditions, the adjustments are based on a scale, with a minor adjustment in the range of 1-5% and a substantial adjustment considered to be 20% or greater.

The rating of each comparable sale in relation to the subject is the basis for the adjustments. If the comparable is superior to the subject, its sale price is adjusted downward to reflect the subject's relative attributes; if the comparable is inferior, its price is adjusted upward.

Transactional adjustments are applied for property rights conveyed, financing, conditions of sale, expenditures made immediately after purchase, and market conditions. In addition, property adjustments include – but are not limited to – location, access/exposure, size, quality, effective age, economic and legal characteristics, and non-realty components of value. Adjustments are considered for the following factors, in the sequence shown below.

Transactional Adjustments

Real Property Rights Conveyed

Property rights considerations encompass a wide range of factors including, for example, deed type, deed restrictions, and whether the property is encumbered by leases.

The comparables consist of a combination of fee simple and leased fee sales. It appears the leased fee comparables sold with terms equivalent to market and were not influenced by above- or below-market contract terms. No adjustments are required for property rights conveyed.

Financing

In analyzing the comparables, it is necessary to adjust for financing terms that differ from market terms. Typically, if the buyer retained third-party financing (other than the seller) for the purpose of purchasing the property, a cash price is presumed and no adjustment is required. However, in instances where the seller provides financing as a debt instrument, a premium may have been paid by the buyer for below-market financing terms, or a discount may have been demanded by the buyer if the financing terms were above market. The premium or discounted price must then be adjusted to a cash equivalent basis. The comparable sales represented cash-to-seller transactions and, therefore, do not require adjustment.

Conditions of Sale

Adverse conditions of sale can account for a significant discrepancy from the sale price actually paid, compared to that of the market. This discrepancy in price is generally attributed to the motivations of the buyer and the seller. Certain conditions of sale are considered non-market and may include the following:

- a seller acting under duress (e.g., eminent domain, foreclosure);
- buyer motivation (e.g., premium paid for assemblage, certain 1031 exchanges);
- a lack of exposure to the open market;
- an unusual tax consideration;
- a sale at legal auction.

None of the comparable sales had atypical or unusual conditions of sale. Thus, adjustments are not necessary.

Expenditures Made Immediately After Purchase

This category considers expenditures incurred immediately after the purchase of a property. There were no issues of deferred maintenance reported for any of the properties. No adjustments are required for expenditures after sale.

Market Conditions

A market conditions adjustment is applied when market conditions at the time of sale differ from market conditions as of the effective date of value. Adjustments can be positive when prices are rising, or negative when markets are challenged by factors such as a deterioration of the economy or adverse changes in supply and/or demand in the market area. Consideration must also be given to when the property was placed under contract, versus when the sale actually closed.

In evaluating market conditions, changes between the comparable sale date and the effective date of this appraisal may warrant adjustment; however, if market conditions have not changed, then no adjustment is required.

The sales took place from July 2021 to December 2022. Market conditions have generally been strengthening. The adjustment grid accounts for this trend with upward adjustments applied over this period through the effective date of value. Increased interest rates have caused market conditions to stabilize negatively affect some properties types but small owner occupied industrial properties such as the subject appear to benefit from continued strong demand.

Property Adjustments

Location

Factors considered in evaluating location include, but are not limited to, demographics, growth rates, surrounding uses and property values.

Sales 1, 2, 3 and 4 are similar to the subject. No adjustments are necessary. Sale 6 is adjusted downward for superior location. Sale 5 is adjusted upward for inferior location.

Access/Exposure

Convenience to transportation facilities, ease of site access, and overall visibility of a property can have a direct impact on property value. High visibility, however, may not translate into higher value if it is not accompanied by good access. In general, high visibility and convenient access, including proximity to major linkages, are considered positive amenities when compared to properties with inferior attributes.

Sales 1, 2, 3, 5 and 6 are similar to the subject and require no adjustment. Sale 4 is further from a major highway and warrants upward adjustment.

Building Size

Due to economies of scale, the market exhibits an inverse relationship between building area and price per square foot such that larger buildings sell for a lower price per square foot than smaller buildings, all else being equal. To account for this relationship, applicable adjustments are applied for differences in building area. The comparables that are larger than the subject are adjusted upward, and vice versa.

Sales 1, 3, 5 and 6 are similar to the subject and require no adjustment. Sales 2 and 4 are larger than the subject and require upward adjustments.

Effective Age/Condition

While year built can give insight into the utility of a property, the more important consideration is the level of condition and modernization of the property. The subject was constructed in 1987, has an effective age of 15 years, and is in good condition. Comparables exhibiting newer effective ages are adjusted downward to reflect the discrepancy in remaining economic life, and vice versa.

Sales 5 and 6 are similar to the subject and require no adjustment. Sale 3 is newer than the subject, and a downward adjustment is applied. Sales 1, 2 and 4 are older than the subject. Upward adjustments are applied.

Quality of Construction

This category accounts for construction quality, amenities, market appeal and functional utility. The subject is fully climate controlled and the exterior finish exhibit good quality finishes with stone trim and window trim which is superior to typical industrial buildings.

Sales 1 and 2 are similar to the subject and require no adjustment. Sales 3, 4, 5 and 6 are not fully climate controlled and warrant upward adjustment. Sale 3's window unit is inferior to the subject.

Floor Area Coverage

The subject property exhibits a floor area ratio of approximately 0.12. A lower floor area ratio can influence price as it may represent an expansion opportunity or simply a desire for lower density. Care

must be taken not to double count for adjustments already applied for parking ratios. The extent of adjustments can vary based on underlying land values.

Sales 3 and 4 are similar to the subject and require no adjustment. Sales 5 and 6 have lower floor area ratios than the subject and require downward adjustments. Sale 1 has a higher floor area ratio than the subject. Upward adjustments are applied. Sale 2 has a similar ratio but a portion of the site is heavily wooded with significant drop off which isn't usable. Upward adjustment is warranted.

Office Build-out Ratio

The subject's office finish represents approximately Minimal of building area. Interior office finish is generally more costly than warehouse finish, and a premium is often paid for properties with a higher percentage of office finish. Conversely, if the property has an atypically high percent of office finish, some buyers will view this as a negative feature, as the office space replaces what could otherwise consist of functional warehouse space.

Sales 1 and 3 are similar to the subject and require no adjustment. Sales 2, 4, 5 and 6 have higher percentages of office finish. Downward adjustments are applied.

Clear Height

Buildings with greater clear height are more costly and are generally rated as superior to those with a lower clear height. The subject's clear height is 14.22'.

Sales 2 and 4 are similar to the subject and require no adjustment. Sale 5 has a greater clear height and requires a downward adjustment. Sales 1, 3 and 6 have lower clear heights and upward adjustments are applied.

Loading Doors

Grade-level and dock-high loading doors are also desirable attributes for industrial properties, and adjustments to account for the difference in ratio of loading doors per square foot between the subject property and comparable sales are considered.

Sales 1, 2, 3, 4 and 6 are similar to the subject and require no adjustment. Sale 5 is superior to the subject. A downward adjustment is applied.

Economic Characteristics

Items considered in this category consist of non-stabilized occupancy, above/below market rents, tenant mix, and other economic factors. Excluded are differences in rent levels that are already considered in previous adjustments, such as for location or quality. Note: these adjustments are made as refinements. Care is made to avoid double-counting adjustments previously applied.

Sales 1, 2, 3, 4 and 5 are similar to the subject and require no adjustment. Sale 6 is adjusted downward for additional billboard income.

Gated Lot

The subject's yard is fully gated which allows for exterior storage.

Sales 3 and 6 are similar to the subject and require no adjustment. Sales 1, 2, 4 and 5 are inferior to the subject. Upward adjustments are applied.

Additional Covered Storage

This adjustment accounts for additional covered storage not reflected in the gross building area.

Sales 1, 2, 4, 5 and 6 are similar to the subject and require no adjustment. Sale 3 is superior to the subject. A downward adjustment is applied.

Adjustments Summary

The following table summarizes the adjustments discussed above and applied to each sale.

Improved Sales Adjustment Grid							
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6
Property Name	Durvy Liquidation	3202 W Osage St	Union, MO Commercial Flex	3221 W Osage St	Office/Warehouse Washington	Warehouse Jefferson County	Moscow Mills Office/Warehouse
Address	1841 Denmark Rd.	3202 W. Osage St	10 Hi Line Dr.	3221 W. Osage St.	2132 Highway A	4175 Old State Rd.	37 Hampel
City	Union	Pacific	Union	Pacific	Washington	House Springs	Moscow Mills
County	Franklin	Franklin	Franklin	Franklin	Franklin	Jefferson	Lincoln
State	Missouri	MO	MO	MO	MO	MO	MO
Sale Date		Dec-22	Jul-22	May-22	Mar-22	Aug-21	Jul-21
Sale Status		Closed	Closed	Closed	Closed	Closed	Closed
Sale Price		\$317,500	\$900,000	\$340,000	\$590,000	\$785,000	\$249,900
Gross Building Area	2,800	3,080	12,000	2,400	6,280	4,800	1,500
Rentable Area	2,800	3,080	12,000	2,400	6,280	4,800	1,500
Year Built	1987	1973	1979	2015	1990	2008	2005
Year Renovated	2019	Maintained	-	-	-	-	-
% Office	Minimal	Minimal	28%	Minimal	64%	21%	27%
Clear Height	14.22'	11	16.5	12	15	18	12
% AC	100%	100%	100%	100% (window unit)	64%	Minimal	27%
Dock Doors	0	0	1	0	0	0	0
Overhead Doors	1	1	3	1	1	5	1
FAR	0.12	0.20	0.08	0.09	0.14	0.02	0.03
Price per SF of Rentable Area		\$103.08	\$75.00	\$141.67	\$93.95	\$163.54	\$166.60
Transactional Adjustments							
Property Rights		Fee Simple	Fee Simple	Fee Simple	Leased Fee	Fee Simple	Fee Simple
% Adjustment		-	-	-	-	-	-
Financing Terms		Cash to seller - buyer obtained financing	-	Cash to seller	-	Cash to seller - buyer obtained financing	-
% Adjustment		-	-	-	-	-	-
Conditions of Sale		-	-	-	-	-	-
% Adjustment		-	-	-	-	-	-
Expenditures Made Immediately After Purchase		-	-	-	-	-	-
\$ Adjustment		-	-	-	-	-	-
Market Conditions	10/19/2023	Dec-22	Jul-22	May-22	Mar-22	Aug-21	Jul-21
Annual % Adjustment	2%	2%	3%	3%	3%	4%	5%
Cumulative Adjusted Price		\$105.15	\$77.25	\$145.92	\$96.77	\$170.08	\$174.93
Property Adjustments							
Location		-	-	-	-	5%	-5%
Access/Exposure		-	-	-	5%	-	-
Building Size		-	15%	-	5%	-	-
Effective Age/Condition		10%	15%	-5%	10%	-	-
Quality of Construction		-	-	2%	5%	5%	5%
Floor Area Coverage		5%	5%	-	-	-10%	-10%
Office Build-out Ratio		-	-5%	-	-10%	-5%	-5%
Clear Height		5%	-	5%	-	-5%	5%
Loading Doors		-	-	-	-	-5%	-
Economic Characteristics		-	-	-	-	-	-5%
Gated Lot		5%	5%	-	5%	5%	-
Additional Covered Storage		-	-	-5%	-	-	-
Net Property Adjustments (\$)		\$26.29	\$27.04	-\$4.38	\$19.35	-\$17.01	-\$26.24
Net Property Adjustments (%)		25%	35%	-3%	20%	-10%	-15%
Final Adjusted Price		\$131.43	\$104.29	\$141.54	\$116.12	\$153.08	\$148.69
Range of Adjusted Prices		\$104.29 - \$153.08					
Average		\$132.52					
Indicated Value		\$130.00					

Value Indication

Prior to adjustment, the sales reflect a range of \$75.00 - \$166.60 per square foot. After adjustment, the range is narrowed to \$104.29 - \$153.08 per square foot, with an average of \$132.52 per square foot. Consideration is given to every comparable and we conclude near the average of the range. Comparable 2 is the most similar location but is also the highest net adjusted and largest building.

Based on the preceding analysis, the value indication by the sales comparison approach is as follows:

Value Indication by Sales Comparison

Indicated Value per SF	\$130.00
Subject Square Feet	2,800
Indicated Value	<hr/> \$364,000
Rounded	\$360,000

Income Capitalization Approach

The income capitalization approach converts anticipated economic benefits of owning real property into a value estimate through capitalization. The steps taken to apply the income capitalization approach are:

- Analyze the revenue potential of the property.
- Consider appropriate allowances for vacancy, collection loss, and operating expenses.
- Calculate net operating income by deducting vacancy, collection loss, and operating expenses from potential income.
- Apply the most appropriate capitalization method to convert anticipated net income to an indication of value.

The two most common capitalization methods are direct capitalization and discounted cash flow analysis. In direct capitalization, a single year's expected income is divided by an appropriate capitalization rate to arrive at a value indication. In discounted cash flow analysis, anticipated future net income streams and a future resale value are discounted to a present value at an appropriate yield rate.

As the subject is currently owner occupied and the most probable purchaser is another owner-user, we use market rent as the basis of our income projection and apply only the direct capitalization method. Our valuation assumes stabilized occupancy without a deduction for lease-up costs.

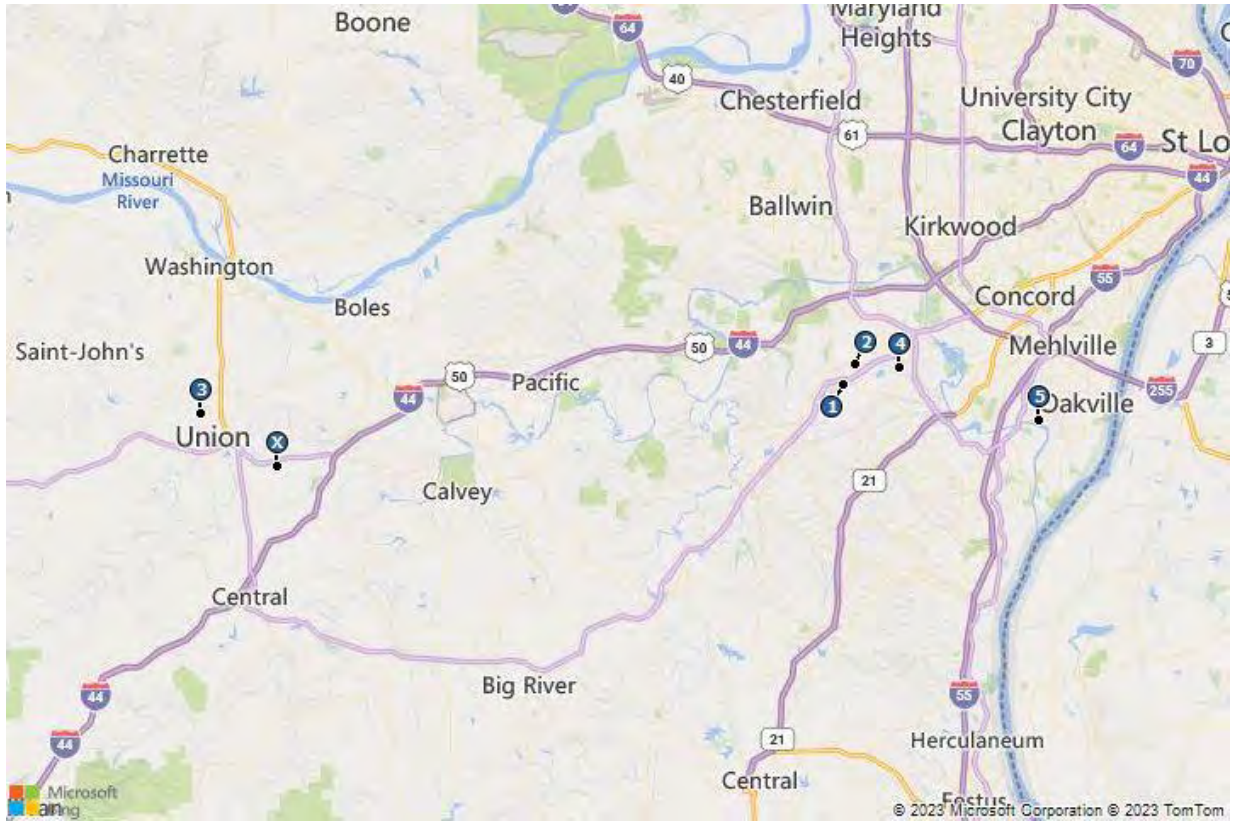
Market Rent Analysis

To estimate market rent, comparable rentals most relevant to the subject in terms of location, property type, size, and transaction date are analyzed.

Comparable rentals considered most relevant are summarized in the following table.

Summary of Comparable Rentals - Industrial									
No.	Property Information	Tenant	SF	Clear Height; % Office	Lease Start	Term (Mos.)	Rent/SF	Escalations	Lease Type
1	1721 Gravois Rd 1721 Gravois Rd High Ridge Jefferson County MO	Confidential	2,200	– 38%	Dec-22	36	\$12.00	Fixed	Modified Gross
	<i>Comments: This was marketed by Pace Properties and is the unit that has the dock door. It is 835 sf of office finish and is \$12 psf with the tenant paying for utilities.</i>								
2	Industrial Building - Fenton – 1480 W. Lark Industrial Fenton Jefferson County MO		4,454	20 8%	Dec-22	–	\$8.50	None	Triple Net
3	Cedar Court 10 and 12 12 Cedar Ct. Union Franklin County MO	Sweet Shell Enterprise	15,120	16 19%	Oct-22	36	\$7.25	None	Triple Net
	<i>Comments: The % AC includes the office portion that is fully climate controlled, a portion of the warehouse that is used for food production that is climate controlled and the cooler/freezer spaces.</i>								
4	Two-Tenant Light Industrial 291-295 Northwest Blvd. Fenton Jefferson County MO	Defender Products	3,600	19 5%	Jan-22	61	\$7.88	None	Triple Net
	<i>Comments: 3,600 SF triple net lease with an \$8.00/SF/Yr effective rate and one month of free rent. Space is comprised of 5% office space.</i>								
5	Industrial -6065 6065 Baumgartner Saint Louis St. Louis County MO	Mobile Air	6,600	– –	Nov-21	60	\$6.65	–	Triple Net

Comparable Rentals Map





Lease 1
1721 Gravois Rd



Lease 2
Industrial Building - Fenton



Lease 3
Cedar Court 10 and 12



Lease 4
Two-Tenant Light Industrial Building



Lease 5
Industrial -6065 Baumgartner Industrial- St Louis

Analysis and Adjustment of Rents

The rents are compared to the subject and adjusted to account for material differences that affect value. The adjustment process is typically applied through either quantitative or qualitative analysis, or a combination of the two. Quantitative adjustments are often developed as dollar or percentage amounts and are most credible when there is sufficient data to perform a paired analysis.

While percentage adjustments are presented in the adjustment grid that follows, they are based on qualitative judgment rather than empirical research, as there is not sufficient data to develop a sound quantitative estimate. Although the adjustments appear to be mathematically precise, they are merely intended to illustrate an opinion of typical market behavior and perception. Except for market conditions, the adjustments are based on a scale, with a minor adjustment in the range of 1-10% and a substantial adjustment considered to be 20% or greater.

The rating of each comparable rent in relation to the subject is the basis for the adjustments. If the comparable is superior to the subject, its rent is adjusted downward to reflect the subject's relative attributes; if the comparable is inferior, its rent is adjusted upward.

Transactional adjustments are applied for expense structure, conditions of lease, and market conditions. In addition, property adjustments include – but are not limited to – location, access/exposure, size, quality, effective age, and economic characteristics. Adjustments are considered for the following factors, in the sequence shown below.

Expense Structure

A review of the comparables reveals that leases in this market are typically structured on a triple net lease basis with tenants reimbursing the owner for taxes, insurance, and common area maintenance. Rents 2, 3, 4, and 5 are similar and require no adjustment. Rent 1 is leased on a modified gross basis with the tenant paying for utilities. Downward adjustment is warranted.

Conditions of Lease

The leases represent finished product of both the building shell and tenant improvements. No adjustments are necessary.

Market Conditions

The comparable rents were signed from November 2021 to December 2022. The rents are generally representative of current market rates as of the date signed. Most leases have annual escalations. Market conditions have generally been strengthening. The adjustment grid accounts for this trend with upward adjustments over this period through the effective date of value.

Location

Factors considered in evaluating location include, but are not limited to, demographics, growth rates, surrounding uses and property values.

Rents 1 and 3 are similar to the subject. No adjustments are necessary. Rents 2, 4 and 5 are adjusted downward for superior location.

Access/Exposure

Convenience to transportation facilities, ease of site access, and overall visibility of a property can have a direct impact on property value. High visibility, however, may not translate into higher value if it is not accompanied by good access. In general, high visibility and convenient access, including proximity to major linkages, are considered positive amenities when compared to properties with inferior attributes.

All of the comparables are similar to the subject. No adjustments are necessary.

Space Size

Due to economies of scale, the market exhibits an inverse relationship between building area and price per square foot, such that larger properties rent for a lower rate per square foot than smaller properties, all else being equal. To account for this relationship, applicable adjustments are applied for differences in building area.

Rents 1, 2 and 4 are similar to the subject and require no adjustment. Rents 3 and 5 are larger than the subject and require upward adjustments.

Effective Age/Condition

While year built can give insight into the utility of a property, the more important consideration is the level of condition and modernization of the property. The subject was constructed in 1987, has an effective age of 15 years, and is in good condition. Comparables exhibiting newer effective ages are adjusted downward to reflect the discrepancy in remaining economic life, and vice versa.

Rents 3 and 4 are similar to the subject and require no adjustment. Rent 1 is newer than the subject, and a downward adjustment is applied. Rents 2 and 5 are older than the subject. Upward adjustments are applied.

Quality of Construction

This category accounts for differences in quality of construction materials and finishes between the subject and the comparables.

Rent 3 is similar to the subject and requires no adjustment. Rents 1, 2, 4 and 5 are inferior to the subject. Upward adjustments are applied.

Floor Area Coverage

The subject property exhibits a floor area ratio of approximately 0.12. A lower floor area coverage can influence rent, as it may represent an expansion opportunity or simply a desire for lower density. Care must be taken not to double count for adjustments already applied for parking ratios. The extent of adjustments can vary based on underlying land values.

All of the comparables are similar to the subject. No adjustments are necessary.

Office Build-out Ratio

The subject's office finish represents approximately Minimal of building area. Interior office finish is generally more costly than warehouse finish, and a premium is often paid for properties with a higher percentage of office finish. Conversely, if the property has an atypically high percent of office finish, some buyers will view this as a negative feature, as the office space replaces what could otherwise consist of functional warehouse space.

Rents 2, 4 and 5 are similar to the subject and require no adjustment. Rents 1 and 3 have higher percentages of office finish. Downward adjustments are applied.

Clear Height

Buildings with greater clear height are more costly and are generally rated as superior to those with a lower clear height, all else being equal. The subject's clear height is 14.22'.

Rents 1 and 3 are similar to the subject and require no adjustment. Rents 2, 4 and 5 have greater clear heights and require downward adjustments.

Loading Doors

Grade-level and dock-high loading doors are also desirable attributes for industrial properties, and adjustments to account for the difference in ratio of loading doors per square foot between the subject property and comparables are considered.

All of the comparables are similar to the subject. No adjustments are necessary.

Gated Yard

The subject's yard is fully gated which allows for exterior storage.

Rent 1 is similar to the subject and requires no adjustment. Rents 2, 3, 4 and 5 are inferior to the subject. Upward adjustments are applied.

Adjustments Summary

The following table summarizes the adjustments discussed above and applied to each comparable rent.

Rental Adjustment Grid - Industrial						
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Property Name	Durvy Liquidation	1721 Gravois Rd	Industrial Building - Fenton	Cedar Court 10 and 12	Two-Tenant Light Industrial Building	Industrial -6065 Baumgartner Industrial- St Louis
Address	1841 Denmark Rd.	1721 Gravois Rd	1480 W. Lark Industrial	12 Cedar Ct.	291-295 Northwest Blvd.	6065 Baumgartner Industrial Drive
City	Union	High Ridge	Fenton	Union	Fenton	Saint Louis
County	Franklin	Jefferson	Jefferson	Franklin	Jefferson	St. Louis
State		MO	MO	MO	MO	MO
Lease Start Date		Dec-22	Dec-22	Oct-22	Jan-22	Nov-21
Lease Term (Months)		36	Confidential	36	61	60
Tenant Name		Confidential	Confidential	Sweet Shell Enterprise	Defender Products Solutions	Mobile Air
Leased SF		2,200	4,454	15,120	3,600	6,600
Lease Type		Modified Gross	Triple Net	Triple Net	Triple Net	Triple Net
Year Built	1987	2018	1985	2002	2003	1976
Renovation Date	2019	-	-	-	-	Various
% Office	Minimal	38%	8%	19%	5%	8%
AC %	100%	0%	8%	76%	5%	8%
Ceiling Height	14.22'	16	20	16	19	20
Base Rent/SF/Yr		\$12.00	\$8.50	\$7.25	\$7.88	\$6.65
Transactional Adjustments						
Expense Structure						
\$ Adjustment		-\$1.00	-	-	-	-
Conditions of Lease						
% Adjustment		-	-	-	-	-
Market Conditions	10/19/2023	Dec-22	Dec-22	Oct-22	Jan-22	Nov-21
Annual % Adjustment	2%	2%	2%	2%	4%	4%
Cumulative Adjusted Rent		\$11.22	\$8.67	\$7.40	\$8.20	\$6.92
Property Adjustments						
Location		-	-5%	-	-5%	-5%
Access/Exposure		-	-	-	-	-
Space Size		-	-	15%	-	5%
Effective Age/Condition		-10%	10%	-	-	15%
Quality of Construction		5%	5%	-	5%	5%
Floor Area Coverage		-	-	-	-	-
Office Build-out Ratio		-5%	-	-5%	-	-
Clear Height		-	-5%	-	-5%	-5%
Loading Doors		-	-	-	-	-
Gated Yard		-	5%	5%	5%	5%
Net Property Adjustments (\$)		-\$1.12	\$0.87	\$1.11	\$0.00	\$1.38
Net Property Adjustments (%)		-10%	10%	15%	0%	20%
Final Adjusted Price		\$10.10	\$9.54	\$8.50	\$8.20	\$8.30
Range of Adjusted Rents						
		\$8.20 - \$10.10				
Average						
		\$8.93				
Indicated Rent						
		\$10.00				

After analysis, the overall range is \$8.20 - \$10.10 per square foot per year. The most relevant comparables are 1 and 2 because they are the most recently signed leases and are most reflective of the current market. Additionally, considering the overall construction quality, a conclusion near the upper end of the range is considered appropriate.

Market Rent Conclusion

Based on the preceding analysis of comparable rentals and trends evident in the market, market lease terms for the subject are concluded as follows:

Concluded Market Lease Terms

Space Type	SF	Market		Rent		Lease Type	Lease Term (Mos.)
		Rent	Measure	Escalations			
Industrial	2,800	\$10.00	\$/SF/Yr	None		Triple Net	36

Stabilized Income and Expenses

Potential Gross Rent

The market rental rate is applied to the subject's rentable area to arrive at Potential Gross Rent.

Expense Reimbursements

Operating expenses are assumed to be paid directly by the owner-user; therefore, it is not necessary to estimate reimbursement income.

Vacancy & Collection Loss Allowance

Stabilized vacancy and collection loss is estimated at 2.0% based on the vacancy rate of the subject's submarket.

Expenses

As stated previously, it is assumed that operating expenses are directly paid by the owner-user. The only expense deductions that are appropriate are general/administrative, structural maintenance and property management.

General/administrative is estimated at \$0.10 per square foot.

Management is estimated at 2.0% of effective gross income considering the limited managerial responsibilities associated with this type of property.

Structural maintenance is estimated at \$0.15 per square foot based on the age, condition, and construction quality of the improvements.

Capitalization Rate Selection

A capitalization rate is used to convert net income into an indication of value. Selection of an appropriate capitalization rate considers the future income pattern of the property and investment risk associated with ownership. We consider the following data in selecting a capitalization rate for the subject.

Capitalization Rate Comparables

No.	Property Name	City	State	Year Built	Sale		%	Price/SF	Cap Rate
					Date	Rentable Area			
1	Indian Head Offices	Saint Louis	MO	1977	11/24/2021	7,686	100%	\$91.07	7.00%
2	St. Peters Office/Warehouse	Saint Peters	MO	1988	5/13/2021	16,250	100%	\$76.31	8.25%
3	Office/Warehouse	Saint Louis	MO	1986	8/24/2022	40,787	–	\$80.91	8.00%
4	RTR Services	O Fallon	MO	1995	12/30/2021	29,824	–	\$75.44	7.20%
5	Tiger Freight Holdings	St. Louis	MO	1984	7/16/2021	45,600	100%	\$73.25	6.25%
6	Winsupply, Inc.	Jefferson City	MO	2020	1/13/2021	23,600	100%	\$77.37	6.90%
7	4530 Fyler Ave, St. Louis MO	Saint Louis	MO	1963	7/7/2022	40,872	100%	\$63.61	7.82%
8	Retail/Warehouse Building	Columbia	MO	1989	8/31/2020	24,000	100%	\$62.50	8.86%
Indicated Cap Rate Range:								6.25% - 8.86%	
Average (Mean) Cap Rate:								7.54%	

Capitalization rate data was researched for a variety of properties in the region that were leased at the time of sale. While the supplemental sales are less similar to the subject than the comparables used in the sales comparison approach previously presented due to their location mainly in St. Louis County, they represent recent leased fee transactions for which overall capitalization rates have been confirmed. Generally, industrial buildings within the more immediate vicinity of the subject are owner occupied and cap rates cannot be derived. In lieu of comps in the more immediate vicinity, we have analyzed the above comparables and anticipate a cap rate above the average of the comparables due to the subject's more rural location outside of St. Charles County and St. Louis County. In addition, some of these sales represent transactions that closed before increases to lending rates which elevated cap rates as seen below in the National Investors Survey. The average of these comparables is 7.54% and based on conversations with market participants, cap rates could have increased between 50 and 100 basis points since June of 2022.

As additional comparable sales support, data reported by CoStar and detailed in the previously presented market analysis is also considered. CoStar has indicated an average industrial cap rate of 9.09%. According to the Costar projections, the industrial cap rates are set to increase to 9.46% by Q4 of 2024. The quality, condition, and size of the subject would likely allow it to out-perform the submarket.

Market Participant Surveys

We reached out to several brokers that were involved in recent real estate transactions in the St. Louis metro area and have provided some additional comments about current demand for industrial properties and recent increases to cap rates based on those conversations.

Market Participant Survey - Capitalization Rates

Respondent	Cap Rate	Comments
CBRE	75 to 100 basis point increase since 2022	Broker with CBRE stated that they thought that increases to interest rates in June of 2022 could push cap rates up as much as 75 to 100 basis points.
Hilliker	N/A	During the inspection of another industrial property located in St. Peters, a broker involved in the transaction stated that he thought there was still strong demand for industrial properties. This building was larger in size to the subject and his client had been looking for storage space for several months. The broker did not think that rising interest rates would hinder demand.

National Investor Surveys

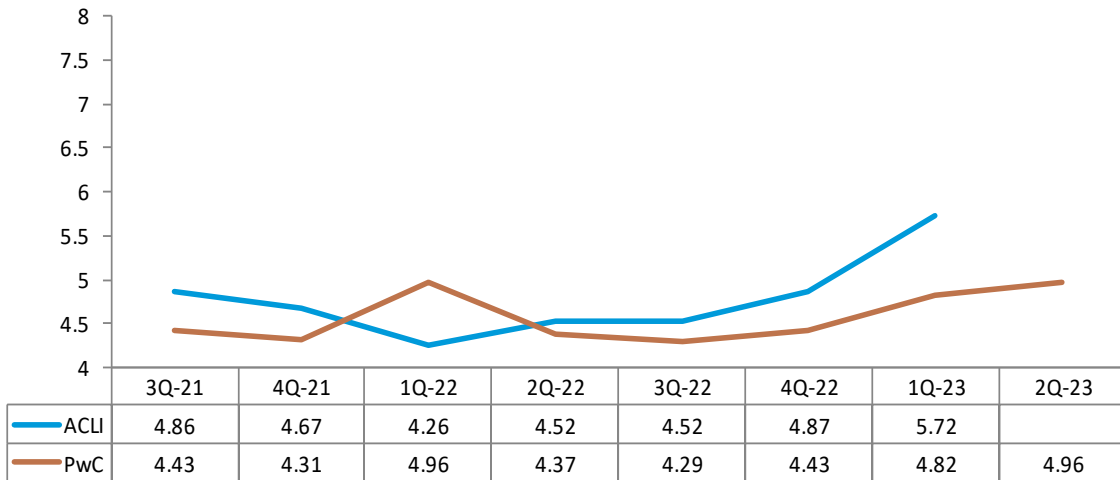
Data pertaining to investment grade properties from the PwC, ACLI, and Viewpoint surveys are summarized in the exhibits that follow.

Capitalization Rate Surveys – Industrial Properties

	IRR-ViewPoint National Industrial	IRR-ViewPoint National Flex Industrial	PwC 2Q-23 National Warehouse	ACLI 1Q-23 National Industrial
Range	4.00% - 9.25%	4.25% - 8.75%	3.00% – 7.00%	NA
Average	5.89%	6.48%	4.96%	5.72%

Source: IRR-Viewpoint 2023; PwC Real Estate Investor Survey; American Council of Life Insurers Investment

Industrial Capitalization Rate Trends



ACLI - American Council of Life Insurers Investment Bulletin - Capitalization Rates - Industrial Properties
 PwC - PwC Real Estate Investor Survey - National Warehouse Market

Band of Investment

The band of investment method derives a capitalization rate from the weighted average of the mortgage and equity demands on net income generated from the property. This method involves an estimate of typical financing terms as well as an estimated rate of return on equity capital sufficient to attract investors. The rate indicated by this method is shown in the following table.

Industrial: All						
Item	Input					OAR
Minimum						
Spread Over 10-Year Treasury	1.06%	DCR Technique	1.10	0.056362	0.80	4.96
Debt Coverage Ratio	1.10	Band of Investment Technique				
Interest Rate	4.81%	Mortgage	80%	0.056362	0.045089	
Amortization	40	Equity	20%	0.066576	0.013315	
Mortgage Constant	0.056362	OAR				5.84
Loan-to-Value Ratio	80%	Surveyed Rates				5.49
Equity Dividend Rate	6.66%					
Maximum						
Spread Over 10-Year Treasury	5.76%	DCR Technique	2.05	0.125379	0.50	12.85
Debt Coverage Ratio	2.05	Band of Investment Technique				
Interest Rate	9.51%	Mortgage	50%	0.125379	0.062690	
Amortization	15	Equity	50%	0.151149	0.075574	
Mortgage Constant	0.125379	OAR				13.83
Loan-to-Value Ratio	50%	Surveyed Rates				13.00
Equity Dividend Rate	15.11%					
Average						
Spread Over 10-Year Treasury	3.18%	DCR Technique	1.45	0.084540	0.70	8.57
Debt Coverage Ratio	1.45	Band of Investment Technique				
Interest Rate	6.93%	Mortgage	70%	0.084540	0.058943	
Amortization	25	Equity	30%	0.113091	0.034241	
Mortgage Constant	0.084540	OAR				9.32
Loan-to-Value Ratio	69.7%	Surveyed Rates				9.69
Equity Dividend Rate	11.31%					
*1st Quarter 2023 Data						
Source: RealtyRates.com Investor Survey Q2 2023						

Band of Investment Method

Mortgage/Equity Assumptions

Loan To Value Ratio	75%
Interest Rate	6.25%
Amortization (Years)	25
Mortgage Constant	0.0792
Equity Ratio	25%
Equity Dividend Rate	10.00%

Weighted Average of Mortgage and Equity Requirements

Mortgage Requirement	75%	x	7.92% =	5.94%
Equity Requirement	25%	x	10.00% =	2.50%

Indicated Capitalization Rate	8.44%
Rounded	8.45%

Capitalization Rate Conclusion

To reach a capitalization rate conclusion, we consider each of the following investment risk factors to gauge its impact on the rate. The direction of each arrow in the following table indicates our judgment of an upward, downward, or neutral influence of each factor.

Capitalization Rate Risk Factors

Factor	Issues	Impact on Rate	Comments
Income Characteristics	N/A	↔	
Competitive Market Position	Construction quality, market appeal, age/condition, functional utility	↓	Subject has been well maintained and features 100% climate controlled space.
Location	Market area demographics and life cycle trends; proximity issues; access and support services	↔	
Market	Vacancy rates and trends; rental rate trends; supply and demand	↔	Asking rents in the subject's submarket are lower than the average for the metro but industrial vacancy is also lower and projected to decrease.
Highest and Best Use	Upside potential from redevelopment, adaptation, and/or expansion	↔	
Overall Impact		↓	

Accordingly, we conclude a capitalization rate as follows:

Capitalization Rate Conclusion

Method	Capitalization Rate Indication
Analysis of Comparable Sales	6.25% - 8.86%
CoStar Average	9.09% (up from 7.52% 2022 Q4)
National Investor Surveys	5.49% to 13.00% (9.69% average)
Band of Investment	8.45%
Primary Weight	Comparable Sales
Secondary Weight	CoStar Average
Conclusion	8.00%

Direct Capitalization Analysis

Net operating income is divided by the capitalization rate to arrive at a value indication by the income capitalization approach as follows:

Direct Capitalization Analysis						
	SF	Space Type	Rent Applied	\$/SF	Annual	\$/SF Bldg.
Income						
Base Rent						
Potential Gross Rent		2,800			\$28,000	\$10.00
Vacancy & Collection Loss	2.00%				-\$560	-\$0.20
Effective Gross Income					\$27,440	\$9.80
Expenses						
General/Administrative Management	2.00%				\$280	\$0.10
Replacement Reserves					\$549	\$0.20
					\$420	\$0.15
Total Expenses					\$1,249	\$0.45
Net Operating Income					\$26,191	\$9.35
Capitalization Rate					8.00%	
Indicated Value					\$327,390	\$116.93
Rounded					\$330,000	\$117.86

Reconciliation and Conclusion of Value

The values indicated by the preceding analyses are as follows:

Summary of Value Indications	
Cost Approach	Not Used
Sales Comparison Approach	\$360,000
Income Capitalization Approach	\$330,000
Reconciled	\$360,000

The sales comparison approach is given the greatest weight because it is the most reliable valuation method for the subject. The income approach is given less weight because it does not directly consider the sale prices of alternate properties having similar utility. The cost approach is not applicable to the subject and is not used. Accordingly, our value opinion follows.

Value Conclusion			
Value Type & Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value As Is	Fee Simple	October 19, 2023	\$360,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is 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.

1. None

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

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

The value conclusion(s) in this report consider the impact of COVID-19 on the subject property.

The opinions of value expressed in this report are based on estimates and forecasts that are prospective in nature and subject to considerable risk and uncertainty. Events may occur that could cause the performance of the property to differ materially from the stated estimates, such as changes in the economy, interest rates, capitalization rates, financial strength of tenants, and behavior of investors, lenders, and consumers. Additionally, these opinions and forecasts are based partly on data obtained from interviews and third-party sources, which are not always completely reliable. Although the findings are considered reasonable based on available evidence, the assignment participants are not responsible for the effects of future occurrences that cannot reasonably be foreseen at this time.

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Based on the concluded market value stated previously, the probable exposure time is 1 to 9 months.

Marketing Period

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. The subject's marketing period is estimated at 1 to 9 months.

Certification

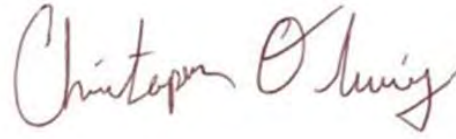
We certify that, to the best of our knowledge and belief:

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.
4. We have performed no 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.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. 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.
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 applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal 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. Timothy Schoemehl, MAI has not made a personal inspection of the property that is the subject of this report. Christopher Olwig has personally inspected the subject.
12. No one provided significant real property appraisal assistance to the persons signing this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.

14. As of the date of this report, Timothy Schoemehl, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.



Timothy Schoemehl, MAI
Missouri Certified General Real Estate Appraiser
#2009025506



Christopher Olwig
Missouri State Certified General Trainee
#2020001172

Assumptions and Limiting Conditions

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal and any other work product related to this engagement are subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes

only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.

7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.
9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
14. Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
15. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.

17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
19. The appraisal report is prepared for the exclusive benefit of you, your subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. IRR - St. Louis, Integra Realty Resources, Inc., and their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
22. We are not a building or environmental inspector. The Integra Parties do not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
23. The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
24. **IRR - St. Louis is an independently owned and operated company. The parties hereto agree that Integra shall not be liable for any claim arising out of or relating to any appraisal report or any information or opinions contained therein as such appraisal report is the sole and exclusive**

responsibility of IRR - St. Louis. In addition, it is expressly agreed that in any action which may be brought against the Integra Parties arising out of, relating to, or in any way pertaining to the engagement letter, the appraisal reports or any related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further expressly agreed that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the assignment (unless the appraisal was fraudulent or prepared with intentional misconduct). It is expressly agreed that the fees charged herein are in reliance upon the foregoing limitations of liability.

25. IRR - St. Louis is an independently owned and operated company, which has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
27. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.
28. The appraisal is also subject to the following:

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is 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.

1. None

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

1. None

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

Addendum A
Appraiser Qualifications

Timothy M. Schoemehl, MAI

Experience

Senior Managing Director for Integra Realty Resources – St. Louis. Actively engaged in real estate valuation since 2004, with experience in appraisal and consulting for a full array of property types including, but not limited to office, industrial, retail, multifamily, vacant land and hotels plus special purpose properties including schools, churches, and daycare centers. Properties appraised include existing properties, as well as proposed renovations and new construction. Clients include a diverse mix of financial institutions, property owners, attorneys, public agencies and corporations. Valuations have been performed for real estate tax, litigation, estate tax, eminent domain litigation, and financing purposes.

Professional Activities & Affiliations

Board of Director: Appraisal Institute, Greater St. Louis Chapter, January 2017 - December 2019

Appraisal Institute, Member (MAI) Appraisal Institute

Licenses

Illinois, Certified General Real Estate Appraiser, 553.002556, Expires September 2025

Missouri, Certified General Real Estate Appraiser, 2009025506, Expires June 2024

Kansas, Certified General Real Estate Appraiser, G-3206, Expires June 2024

Iowa, Certified General Real Estate Appraiser, CG04009, Expires June 2024

Education

Bachelor of Arts in History and Political Science, Trinity University, San Antonio, Texas 1999, Cum Laude

Successfully completed numerous real estate and valuation seminars sponsored by the Appraisal Institute, including:

- Advanced Concepts and Case Studies,
- Advanced Income Capitalization,
- Advanced Market Analysis and Highest and Best Use,
- Quantitative Analysis.

Integra Realty Resources - St. Louis

215 Chesterfield Business Parkway,
Suite B
St. Louis, MO 63005

T 636.898.6533

irr.com



State of Missouri

Missouri Department of Commerce and Insurance
Division of Professional Registration
Real Estate Appraisers Commission
State Certified General Real Estate Appraiser



VALID THROUGH JUNE 30, 2024
ORIGINAL CERTIFICATE/LICENSE NO. 2009025506

TIMOTHY M SCHOEMEHL
3667 CLEVELAND AVE
SAINT LOUIS MO 63110
USA


EXECUTIVE DIRECTOR


DIVISION DIRECTOR

Christopher Olwig

Experience

Director of Research for Integra Realty Resources – St. Louis.

Actively engaged in real estate research and valuation since 2019, providing help in appraisals for a full array of property types including, but not limited to industrial, multifamily, retail and land for various uses. Clients include a diverse mix of financial institutions, property owners, attorneys and corporations. Valuations have been performed for real estate tax, litigation, estate tax and financing purposes.

Licenses

Missouri, State Certified General Trainee, 2020001172, Expires January 2024

Education

Bachelor of Science in Business Administration, Saint Louis University, 2018.

Integra Realty Resources - St. Louis

215 Chesterfield Business Parkway,
Suite B
St. Louis, MO 63005

T 636.530.0009
F 636.530.0046

irr.com



State of Missouri

Missouri Department of Commerce and Insurance
Division of Professional Registration
Real Estate Appraisers Commission
State Certified General Trainee

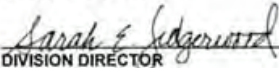


Trainee

VALID THROUGH JANUARY 12, 2024
ORIGINAL CERTIFICATE/LICENSE NO. 2020001172

CHRISTOPHER M OLWIG
6604 WINONA AVENUE
SAINT LOUIS MO 63109
USA


EXECUTIVE DIRECTOR


DIVISION DIRECTOR

About IRR

Integra Realty Resources, Inc. (IRR) provides world-class commercial real estate valuation, counseling, and advisory services. Routinely ranked among leading property valuation and consulting firms, we are now the largest independent firm in our industry in the United States, with local offices coast to coast and in the Caribbean.

IRR offices are led by MAI-designated Senior Managing Directors, industry leaders who have over 25 years, on average, of commercial real estate experience in their local markets. This experience, coupled with our understanding of how national trends affect the local markets, empowers our clients with the unique knowledge, access, and historical perspective they need to make the most informed decisions.

Many of the nation's top financial institutions, developers, corporations, law firms, and government agencies rely on our professional real estate opinions to best understand the value, use, and feasibility of real estate in their market.

Local Expertise...Nationally!

irr.com



Addendum B

IRR Quality Assurance Survey



IRR Quality Assurance Survey

We welcome your feedback!

At IRR, providing a quality work product and delivering on time is what we strive to accomplish. Our local offices are determined to meet your expectations. Please reach out to your local office contact so they can resolve any issues.

Integra Quality Control Team

Integra does have a Quality Control Team that responds to escalated concerns related to a specific assignment as well as general concerns that are unrelated to any specific assignment. We also enjoy hearing from you when we exceed expectations! You can communicate with this team by clicking on the link below. If you would like a follow up call, please provide your contact information and a member of this Quality Control Team will call contact you.

Link to the IRR Quality Assurance Survey: quality.irr.com

Addendum C

Financials and Property Information

10/19/23, 9:34 PM

Franklin County



Parcel Number: 18-9-31.2-0-014-001.820
 Deed Holder: SIKES, THOMAS M
 Property Address: 1841 DENMARK RD
 UNION, MO 63084 [MAP THIS ADDRESS](#)
 Mailing Address: SIKES, THOMAS M
 714 ASHTON WAY CIR
 EUREKA, MO 63025-0000 USA
 Subdivision: NONE
 Sec-Twp-Rng: 31-43-1E
 Legal Description: DUR VY LIQUIDATION LOT 1 AYON FARM PLAT 2 PT LOT 1 NWN OF
 DENMARK RD
 (NOT TO BE USED ON LEGAL DOCUMENTS)
 Property Report: [PROPERTY REPORT \(PDF FILE\)](#)



Taxing Districts

District	Description
AMBULANCE	UNION
CITY	UNION
COUNTY	FRANKLIN COUNTY
COUNTY MASTER CODE	R11-01-U-10-U-L-0-0-H-D-E-3-X-X-0-0
FIRE	UNION
FRANKLIN COUNTY SB 40	FRANKLIN COUNTY SB 40
HOSPITAL	NONE
JR. COLLEGE	EAST CENTRAL COLLEGE
LEVEE	NONE
LIBRARY	SCENIC REGIONAL
NURSING HOME	NONE
ROAD	FRANKLIN CO ROAD
SCHOOL	R-11 (UNION)
SEWER	NONE
STATE	MISSOURI
TIF	[EMPTY]
WATER	NO. 3

Current Value as of January 1, 2023 CERTIFIED

FULL MARKET	Agricultural	Residential	Commercial\Other	Exempt	Total
Land	\$0	\$0	\$10,600	\$0	\$10,600
Building	\$0	\$0	\$111,770	\$0	\$111,770
Total	\$0	\$0	\$122,370	\$0	\$122,370

[Get Current Year Tax Estimate](#)

Prior Year Value Information

2022 Appraised	Agricultural	Residential	Commercial\Other	Exempt	Total
Land Full Market	\$0	\$0	\$10,600	\$0	\$10,600
Building Full Market	\$0	\$0	\$106,150	\$0	\$106,150
Total Full Market	\$0	\$0	\$116,750	\$0	\$116,750
2021 Appraised	Agricultural	Residential	Commercial\Other	Exempt	Total
Land Full Market	\$0	\$0	\$10,600	\$0	\$10,600
Building Full Market	\$0	\$0	\$106,150	\$0	\$106,150
Total Full Market	\$0	\$0	\$116,750	\$0	\$116,750

[More Years...](#)



10/19/23, 9:34 PM

Franklin County

2020 Appraised	Agricultural	Residential	Commercial\Other	Exempt	Total
Land	\$0	\$0	\$10,600	\$0	\$10,600
Building	\$0	\$0	\$96,650	\$0	\$96,650
Total	\$0	\$0	\$107,250	\$0	\$107,250
2019 Appraised	Agricultural	Residential	Commercial\Other	Exempt	Total
Land	\$0	\$0	\$10,000	\$0	\$10,000
Building	\$0	\$0	\$96,650	\$0	\$96,650
Total	\$0	\$0	\$106,650	\$0	\$106,650
2018 Appraised	Agricultural	Residential	Commercial\Other	Exempt	Total
Land	\$0	\$0	\$10,000	\$0	\$10,000
Building	\$0	\$0	\$109,160	\$0	\$109,160
Total	\$0	\$0	\$119,160	\$0	\$119,160

Parcel Information

Lot Type	Square Feet	Acres
Acres x Rate	23,087	0.530

Commercial Building Information

Occupancy	Year Built	Building Area
Metal Office	1987	2,800
Building 1 of 1		
Year Built:	1987	
EFA:	36	
EFF Year:	1987	
Occupancy:	Metal Office	
Label:		
Gross Building Area:	2,800	

Verticals-Hizontals

Component	Description	Units 1	Units 2
Ceiling:	Drywall	1	0
Electrical:	Medical Office	1	0
Exterior Wall:	Metal/ Stl/ Insul (<50' Wide)	0	0
Floor Cover:	Quarry Tile	1	0
Framing:	Steel - Average	1	0
Fronts/Doors:	Average Cost Front	Average	0
Fig & Fdtn:	Concrete	8'	0
HVAC:	Combination FHA - AC	1	0
Interior Wall:	Drywall or Equiv.	0'	0
Partitions:	Office	1	0
Roof:	Mtl/ Stl/ Insul.		0
Struct. Floor:	6" R'Concrete	1	0
Windows:	Aluminum	0	0

Plumbing

Description	Quantity	Range
1 Plumbing Fixture	6	Base

Extras 1 of 1

Type:	Door
Description:	Door
Type:	O.H. - Door - Manual
Width:	10
Height:	12
Price:	Low
Quantity:	120 SFSA



10/19/23, 9:34 PM

Franklin County

Sale Information

Sale Date	Amount	Non-Useable Transaction Code	Recording
10/18/2019	\$140,000	000 - Normal Arms-Length Transaction	1914289

Sales Detail

Buyer: SIKES, THOMAS M
 Seller: FRICK, AVA LEE TR
 Sale Date: 10/18/2019
 Sale Amount: \$140,000
 Sales Type: Deed
 NUT Code: 000 - Normal Arms-Length Transaction
 Recording: 1914289

11/19/2013	\$0	038 - No Consideration (DEFAULT)	1319533
------------	-----	----------------------------------	---------

Sales Detail

Buyer: CITY OF UNION
 Seller: FRICK, AVA LEE TR
 Sale Date: 11/19/2013
 Sale Amount: \$0
 Sales Type: Deed
 NUT Code: 038 - No Consideration (DEFAULT)
 Recording: 1319533

04/14/2004	\$0	049 - Unuseable Sale-Other	2004-09349
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Sales Detail

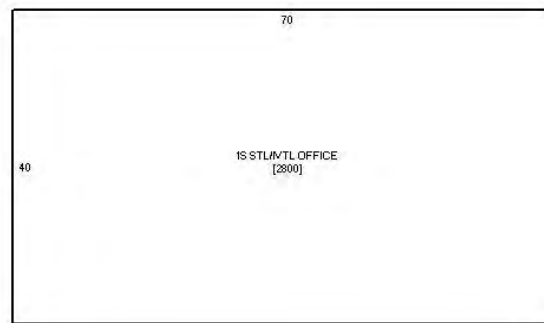
Buyer: FRICK, AVA LEE TR
 Seller:
 Sale Date: 04/14/2004
 Sale Amount: \$0
 Sales Type: Deed
 NUT Code: 049 - Unuseable Sale-Other
 Recording: 2004-09349



10/19/23, 9:34 PM

Franklin County

Sketch



GIS Map Information

<https://franklin.missouriassessors.com/parcel.php?gid=38509>

4/5



PDF-PIN: 159-18-9-31.2-0-014-001.820 Franklin Co Assessors Office Wed, 8/30/2023, 8:01 AM Page: 1
 1841 DENMARK RD, UNION Deed: SIKES, THOMAS M Map Area: UNION MARKET COMM Checks/Tags:
 Mail To: SIKES, THOMAS M Contract: CID#: 714 ASHTON WAY CIR Tax Dist: R11-01-U-10-U-L-0-0-H-0-E-3-3 Lister/Date:
 EUREKA, MO 63025-0000 DBA: DURVY LIQUIDATION Plat Page: Review/Date: EDS, 12/08/2022
 Urban / Commercial MLS: NONE Subdiv: NONE Entry Status: Inspected
 Legal: DURVY LIQUIDATION

Land										
Land Basis	Front	Rear	Side 1	Side 2	R. Lot	SF	Acres			
Acre X Rate						23,086.80	0.530			
Subtotal						23,086.80	0.530			
Grand Total						23,086.80	0.530			

Sales			Building Permits				Values						
Date	\$ Amount	NUTC	Recording	Date	Number	Tag	\$ Amount	Reason	Appr	Agriculture	Residential	Comm/Other	Exempt
10/18/2019	\$140,000	D000	1914289	12/13/2019	7853	N	\$4,000	MISC	Land		\$0	\$10,600	
11/19/2013	\$0	D038	1319533						Dwlg		\$0	\$111,770	
04/14/2004	\$0	D049	2004-09349						Total		\$0	\$122,370	
									Tax Val	\$122,370			

Precomputed Structure		Verticals						Plumbing			
Occ Code	604	Fig & Fdn	Concrete	8"				1	Plumbing Fixture	6	
Occ Desor	Metal Office	Exterior wall	Metal/ Stl/ Insul (<50" Wide)	0							
		Interior wall	Drywall or Equiv.	0							
		Pilasters									
		Wall facing									
		Windows	Aluminum	0							
Year Built	1987	Front/Doors	Average Cost Front	Average							
EFF Age/Yr	36/ 1987										
Condition	NML	Horizontals						Adjustments			
		Basement									
		Roof	Mtl/ Stl/ Insul.								
		Ceiling	Drywall	1							
		Struct. Floor	6" R/Concrete	1							
		Floor Cover	Quarry Tile	1							
		Partitions	Office	1							
		Framing	Steel - Average	1							
		HVAC	Combination FHA - AC	1							
		Electrical	Medical Office	1							
		Sprinkler									
Description											
Style	Metal - Steel										
Width	40										
Grade	3										
Basement	2,800										
Decorative Front	0										
Decorative Front	Yes										
GSA	2800										

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 (rev. 20.0.32.3275)



Addenda

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Bldg / Add	Description	Units	Year							
Bldg	O 604 —Metal Office									
Pre	P 604 —Metal Office	2,800								
V	Ftg & Fdn									
	Concrete - 8"									
V	Exterior Wall									
	Metal/ Stl/ Insul (<50' Wide) - 0									
V	Interior Wall									
	Drywall or Equiv. - 0									
V	Windows									
	Aluminum - 0									
V	Fronts/Doors									
	Average Cost Front - Average									
H	Roof									
	Mtl/ Stl/ Insul.									
H	Ceiling									
	Drywall - 1	1								
H	Struct. Floor									
	6" R'Concrete - 1	1								
H	Floor Cover									
	Quarry Tile - 1	1								
H	Partitions									
	Office - 1	1								
H	Framing									
	Steel - Average - 1	1								
H	HVAC									
	Combination FHA - AC - 1	1								
H	Electrical									
	Medical Office - 1	1								
Pmb	1 Plumbing Fixture - Base	6								
Ex	Door	2		1987						
	O.H. - Door - Manual, 10 Ft Wide, 12 Ft High									



Addenda

PDF#PIN: 159+18-9-31.2-0-014-001.820 Wed, 8/30/2023, 8:01 AM Page 3

Year	Comment	Value Type	Location	Class	Agri/Util	Res/Util	Comm/Other	Exempt	Total
2022	2020 Manual Migration 04/15/2022	Mkt/Assd	Urban	Comm	\$0	\$0	\$116,750	\$0	\$116,750
		Assd			\$0	\$0	\$37,360	\$0	\$37,360
2021	FORM 11A BALANCE (8-3-2021)	Mkt/Assd	Urban	Comm	\$0	\$0	\$116,750	\$0	\$116,750
		Assd			\$0	\$0	\$37,360	\$0	\$37,360
2020	FORM 11A BALANCE (8/3/2020)	Mkt/Assd	Urban	Comm	\$0	\$0	\$107,250	\$0	\$107,250
		Assd			\$0	\$0	\$34,320	\$0	\$34,320
2019	FORM 11A BALANCE (8-1-2019)	Mkt/Assd	Urban	Comm	\$0	\$0	\$106,650	\$0	\$106,650
		Assd			\$0	\$0	\$34,128	\$0	\$34,128
2018	FORM 11A BALANCE (8-6-2018)	Mkt/Assd	Urban	Multi-Class Com	\$0	\$0	\$119,160	\$0	\$119,160
		Assd			\$0	\$0	\$38,131	\$0	\$38,131
2017	FORM 11A BALANCE (8-2-2017)	Mkt/Assd	Urban	Multi-Class Com	\$0	\$0	\$119,160	\$0	\$119,160
		Assd			\$0	\$0	\$38,131	\$0	\$38,131



PDF#PIN: 159+18-9-31.2-0-014-001.820

Wed, 8/30/2023, 8:01 AM Page 4


Missouri Market Valuation	Value Type	Agricultural	Residential	Commercial / Other	Exempt	Total Value
	Land	\$0	\$0	\$10,600	\$0	\$10,600
	Building	\$0	\$0	\$111,770	\$0	\$111,770
	Totals	\$0	\$0	\$122,370	\$0	\$122,370

Missouri Assessed Values	Value Type	Agricultural	Residential	Commercial / Other	Exempt	Total Value
	Land	\$0	\$0	\$3,392	\$0	\$3,392
	Building	\$0	\$0	\$35,766	\$0	\$35,766
	Percent	12%	19%	32%		
	Totals	\$0	\$0	\$39,158	\$0	\$39,158



1841 Denmark Rd, Union, MO 63084-4429, Franklin County

APN: 18-9-312-0-014-001820 CLIP: 1084978553

	Beds N/A	Full Baths N/A	Half Baths N/A	MLS Sale Price \$140,000	MLS Sale Date 10/18/2019
	MLS Sq Ft 2,800	Lot Sq Ft 23,087	Yr Built 1987	Type RETAIL TRD	

OWNER INFORMATION

Owner Name	Sikes Thomas M	Tax Billing Zip	63025
Tax Billing Address	714 Ashton Way Cir	Tax Billing Zip+4	4015
Tax Billing Address	714 Ashton Way Cir	Owner Occupied	No
Tax Billing City & State	Eureka, MO		

COMMUNITY INSIGHTS

Median Home Value	\$269,642	School District	UNION R-XI
Median Home Value Rating	4 / 10	Family Friendly Score	55 / 100
Total Crime Risk Score (for the neighborhood, relative to the nation)	34 / 100	Walkable Score	27 / 100
Total Incidents (1 yr)	124	Q1 Home Price Forecast	\$282,358
Standardized Test Rank	57 / 100	Last 2 Yr Home Appreciation	18%

LOCATION INFORMATION

Zip Code	63084	Census Tract	8006.06
Carrier Route	R005	Within 250 Feet of Multiple Flood Zone	No

TAX INFORMATION

Tax ID	18-9-312-0-014-001820	% Improved	91%
Parcel ID	1893120014001820	Lot #	1
Legal Description	DURVY LIQUIDATION LOT 1 AYON FARM PLAT 2 PT LOT 1 NW N OF DENMARK RD		

ASSESSMENT & TAX

Assessment Year	2022	2021	2020
Assessed Value - Total	\$37,360	\$37,360	\$34,320
Assessed Value - Land	\$3,392	\$3,392	\$3,392
Assessed Value - Improved	\$33,968	\$33,968	\$30,928
Market Value - Total	\$116,750	\$116,750	\$107,250
Market Value - Land	\$10,600	\$10,600	\$10,600
Market Value - Improved	\$106,150	\$106,150	\$96,650
Total Tax	Tax Year	Change (\$)	Change (%)
\$2,275	2020		
\$2,439	2021	\$164	7.23%
\$2,436	2022	-\$4	-0.15%

CHARACTERISTICS

Lot Acres	0.53	# of Buildings	1
Lot Sq Ft	23,087	Stories	MLS: 1
Land Use - Universal	Tax: Retail Trade MLS: Office Building	Year Built	1987
Land Use - County	Commercial	Total Living Area	2,800

SELL SCORE

Value As Of	2023-10-15 04:37:23
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LISTING INFORMATION

MLS Listing Number	19042836	MLS Pending Date	10/17/2019
MLS Area	UNION R-11	Closing Date	10/18/2019
MLS Status	Closed	Closing Price	\$140,000
MLS Status Change Date	10/20/2019	MLS Listing Agent	Driley-Diane Riley
MLS Listing Date	06/08/2019	MLS Listing Broker	WOLFE AUCTION & REALTY LLC
MLS Current List Price	\$184,774	MLS Selling Agent	Driley-Diane Riley
MLS Orig. List Price	\$184,774	MLS Selling Broker	WOLFE AUCTION & REALTY LLC

Property Details Courtesy of Drew Drinen, Mid America Regional Info Systems

The data within this report is compiled by CoreLogic from public and private sources. The data is deemed reliable, but is not guaranteed. The accuracy of the data contained herein can be independently verified by the recipient of this report with the applicable county or municipality.

Generated on: 10/20/23

Page 1/2



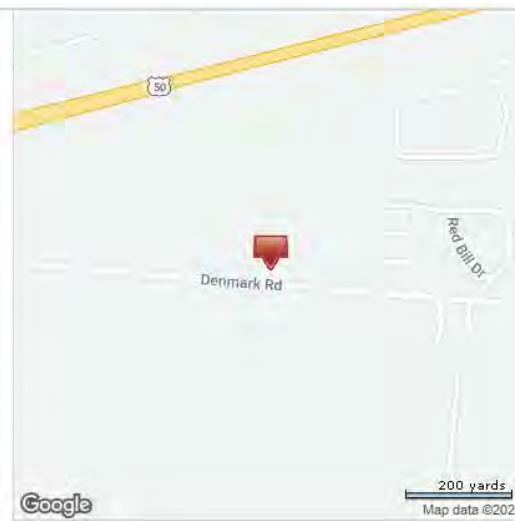
LAST MARKET SALE & SALES HISTORY

Recording Date	10/21/2019	Docid Type	Warranty Deed
Settle Date	10/18/2019	Owner Name	Sikes Thomas M
Document Number	14289	Seller	Frick Ava L Living Trust
Recording Date	10/21/2019		
Buyer Name	Sikes Thomas M		
Seller Name	Frick Ava L Living Trust		
Document Number	14289		
Document Type	Warranty Deed		

MORTGAGE HISTORY

Mortgage Date	10/21/2019	07/21/2015
Mortgage Amount	\$119,000	\$119,900
Mortgage Lender	Bank Of Wa	United Bk/Union
Mortgage Type	Resale	Refi

PROPERTY MAP



*Lot Dimensions are Estimated

Chapter 405. Zoning Code

Article IX. "B-2" Highway Business District

Section 405.320. General Purpose and Description.

[R.O. 2012 §405.320]

The purpose of this district is to provide contiguous, functional areas for medium density vehicular-oriented commercial and service activities. Specifically, those uses directly related to motorized vehicular activity, i.e., service stations, auto laundries, drive-in restaurants, motels; those uses generating large traffic volumes, i.e., community shopping centers, recreational complexes; and/or uses whose operations require large scale open storage, i.e., automobile dealerships, building supply yards, shall be located in this district. The district will be concentrated along and provide maximum frontage on arterial roads and as such is essentially linear in configuration. Sufficient lot depth shall be provided in all parts of the district to assure adequate landscaped buffer areas between highway businesses and any abutting residential districts.

Section 405.325. Permitted Uses.

[R.O. 2012 §405.325; Ord. No. 3741 §1, 8-13-2012]

The permitted uses in the "B-2" Highway Business District shall be as set out in Appendix A of this Title. Any dwelling placed or constructed within said district shall also comply with all of the requirements set forth in Sections 405.100 through 405.130 for "R-1" dwellings, Sections 405.150 through 405.180 for "R-2" dwellings or Sections 405.200 through 405.230 for "R-3" dwellings.

Section 405.330. Conditional Land Use and Development Permits.

[R.O. 2012 §405.330]

The conditional uses in the "B-2" Highway Business District shall be as set out in Appendix A of this Title.

Section 405.335. Accessory Land Uses and Developments.

[R.O. 2012 §405.335]

A. Subject to compliance with the procedures of this Section, accessory buildings, structures and uses are permitted in conjunction with a permitted land use or development or (unless restricted by applicable condition) a conditional land use or development when such accessory building, structure or use is customarily found in conjunction with the primary use, is a reasonably necessary incident to the primary use, is clearly subordinate to the primary use, and serves only to further the successful utilization of the primary use. Accessory buildings which are not a part of the main building may be built only in a required rear yard, but such accessory building shall not be nearer than five (5) feet of the rear lot lines nor eight (8) feet of the side lot lines. Accessory uses include the following:

1. Accessory uses or buildings customarily incidental to the above uses
2. *Refuse disposal.* The storage and collection of refuse shall be so managed as to create no health hazard, rodent harboring, insect breeding areas, accident hazards, or air pollution. All refuse shall be stored in fly-tight, water-tight, rodent-proof containers which shall be provided in sufficient number and capacity to accommodate all refuse. Satisfactory containers shall be provided at permanent locations, in areas appropriately and visually screened and accessible to solid waste collection vehicles.

10/19/23, 9:46 PM

City of Union, MO "B-2" Highway Business District

3. Driveways shall be provided on the site where necessary for convenient access to service entrances of buildings, to delivery and collection points for fuel, refuse and other material, and elsewhere as needed.

4. (Reserved)^[1]

[1] Editor's Note: Former Subsection (A)(4), regarding open storage, was repealed 4-9-2018 by Ord. No. 4186.

Section 405.340. Lot Area, Yard and Density Requirements.

[R.O. 2012 §405.340]

Every building hereafter erected shall be on a lot having an area of not less than ten thousand (10,000) square feet and a width at the established building line of not less than eighty (80) feet.

Section 405.345. Yard Requirements.

[R.O. 2012 §405.345; Ord. No. 2716 §1, 2-11-2002; Ord. No. 3693 §1, 11-14-2011]

- A. *Front Yard.* Each lot upon which a building is constructed shall have a front yard of not less than fifty (50) feet except for those parcels on the south side of Highway 50 between Clearview Road and Highway 47 North which may have a front yard equal to the distance between the building line as such exists on the effective date hereof (February 11, 2002) and the right-of-way of Highway 50.

Provided further, in those instances wherein the right-of-way width of the adjoining street is less than sixty (60) feet in width, no parking area, sign or other structure shall be located closer than six (6) feet to the right-of-way without prior approval of the City Engineer. The City Engineer shall review any request to locate a parking area, sign or structure within the six (6) additional feet giving due consideration to traffic safety, access from the subject property onto adjoining streets, traffic visibility and the type and/or location of the parking area, sign or structure to be constructed. The City Engineer shall have the right to eliminate in whole or in part the requirement of not building within the additional six (6) feet if the City Engineer determines that doing so would not create a safety hazard. Pump islands shall be located at least twenty (20) feet from any street or highway right-of-way.

- B. *Side Yard.* No side yard is required, except for a lot which abuts upon an "R" District. There shall be then provided a side yard equal to twice the front yard required in the abutting "R" District, but in no case less than forty (40) feet.

- C. *Rear Yard.* There shall be a rear yard of not less than twenty (20) feet.

- D. *Lots Abutting Streets Or Highways.* If a lot abuts street(s) or highway(s) on two (2) or more sides, the Building Inspector or designated Zoning Enforcement Official shall determine, after reviewing the proposed plans and use, whether or not side or rear yard requirements will be required. In making such determination, such official shall consider among other factors the impact such use would have on traffic flow in the affected area, the effect, if any, the proposed structure shall have on the safe operation of motor vehicles in the affected area, and the effect the absence of a side and/or rear yard will have on the surrounding area. In the event that the designated official believes that a given proposed use or building on any such lot is such that it is of great concern to the public at large, such official will refer the decision to the Board of Aldermen for action. The provisions of Subsection (B) of this Section pertaining to lots which abut an "R" District shall take precedence over this paragraph as concern side yard requirements. The provisions of Subsection (C) of this Section pertaining to "rear yard" requirements shall take precedence over this paragraph. Any of the foregoing notwithstanding, in no event shall a side or rear yard which abuts a street or highway be required to be greater than fifty (50) feet.

- E. *Buffer Area.* On lots abutting "R" Districts on the rear or side, there shall be provided a ten (10) foot wide planting strip extending the length of the abutting portion of the lot. The buffer area shall be in addition to any yard area that may be required and shall be landscaped and planted with trees and/or shrubs to provide a typical opaque planting screen in accordance with Appendix B of this Title. Such area shall be maintained in a neat and attractive manner. No parking of vehicles, or location of structures, trash containers or other facilities shall be permitted within the buffer area.

Section 405.350. Supplemental Regulations.

<https://ecode360.com/vpnnt/UN34557?guid=27864729,27864730,27864731,27864732,27864733,27864739,27864740,27864746,27864747,27864748>

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City of Union, MO "B-2" Highway Business District

[R.O. 2012 §405.350]

Supplemental regulations shall be as permitted in Article XVI of this Chapter.

Section 405.355. Sign Regulations.

[R.O. 2012 §405.355]

Signs shall be as permitted in Article XVIII of this Chapter.

Section 405.360. Off-Street Parking and Loading.

[R.O. 2012 §405.360]

Off-street parking and loading facilities shall be provided as required in Article XIX of this Chapter.





SAINT LOUIS GROUP
BUSINESS BROKERS

MEMBER INTERNATIONAL BUSINESS BROKERS ASSOCIATION

LETTER OF INTENT

This Letter of Intent ("Agreement") is entered into this **30th** day of **August**, 2023, by and between **Durvy Liquidation, a Missouri Sole Proprietorship, Thomas Sikes**, individual, and (individual spouse) (hereinafter referred to collectively as "Seller"), and **Josh Scherder** or their assigns (hereinafter referred to as "Purchaser").

WITNESETH:

WHEREAS, Purchaser has offered to purchase all of the Seller's right, title and interest in specific assets of Seller's business operation located at **1841 Denmark Road, Union, MO and known as Durvy Liquidation** (hereinafter referred to as "the Business"); and

WHEREAS, Seller desires to sell, transfer and assign all of such assets of the Business; and

WHEREAS, Seller is a validly existing **Missouri Sole Proprietorship** and does not intend to transfer herein any stock, securities or other indicia of ownership in the Seller, and Purchaser does not intend to acquire any such stock and other indicia of ownership in the **Sole Proprietorship** other than the specific assets being purchased;

NOW, THEREFORE, in consideration of the promises and mutual covenants and agreements contained herein, the parties covenant and agree as follows:

1. Purchase and Sale of Seller's Assets.

Subject to the terms and conditions of this Agreement, at the Closing, Seller shall sell, deliver and assign to Purchaser, and Purchaser shall purchase, acquire and accept from Seller all of Seller's right, title and interest in and to Seller's Assets, as herein defined.

The term "Seller's Assets" shall mean the furniture, fixtures, and other tangible personal property, plus the following intangible assets and rights: Business name, customer lists, agreement rights, covenant not to compete, goodwill, right to use the telephone number(s), internet name, internet address, social media accounts, and other intangible ownership rights of the Business, which are listed herein or attached hereto. Attached List of Fixture, Furniture and Equipment is agreeable or List shall be agreed upon within two weeks of acceptance of agreement.

"Seller's Assets" shall also include existing and hereafter acquired inventory which shall be confirmed by joint inspection of the parties in advance of closing. The Purchase Price under this Agreement shall be increased or decreased by the market value of the inventory.

- a. Among the assets to be transferred to Purchaser pursuant to this Agreement is the real estate and improvements thereon located at **1841 Denmark Road, Union, MO 63084. (Lot 1 Ayon**

Farm Plat 2 PT LOT 1 NW N of Denmark RD - legal description to govern) (the "Real Estate"). Seller and Purchaser agree the Purchaser will pay **Full Appraised Value** to the purchase of the Real Estate. In addition to the other requirements and contingencies of closing provided in this Agreement, **Seller** agrees that it shall (1) deliver an executed general warranty deed to the Real Estate to the Purchaser at closing; (2) convey the Real Estate to Purchaser free and clear of all liens and encumbrances other than provisions of applicable law and regulation in effect as of the Closing date, real property taxes for the current tax period as are not due and payable as of the Closing date, and such other matters as agreed by the parties (the "Permitted Encumbrances"); and (3) do all things and execute all documents required for Purchaser and/or Purchaser's lender to obtain standard form ALTA policies of title insurance in the amount of that portion of the Purchase Price allocated to the Real Estate by this paragraph, containing no exceptions to title other than the Permitted Encumbrances. In addition to the other contingencies provided for herein, this Agreement is contingent upon Purchaser's satisfaction (in Purchaser's sole opinion) of any and all matters related to the Real Estate, including its physical condition, appraised value, and survey and environmental factors.

Seller specifically retains ownership to those business assets not purchased by Purchaser, including, but not limited to, its cash on hand, cash in any bank, accounts receivable, other receivables, and its business records. Seller agrees that for a reasonable time after Closing, not to exceed one year, Seller will make appropriate customer and business records available to Purchaser for Purchaser's review and copying at Purchaser's expense.

2. Limits of Obligations and Liabilities.

Purchaser shall not assume, pay or be responsible for (i) any liability or obligation of Seller, (ii) any aspect of the Business (or relates to any transaction or activity of Seller, including any product or property sold by Seller) which accrued prior to the Closing date or (iii) any liability or obligation in any way attributable to Seller's Assets which accrued prior to the Closing date, including, but not limited to (a) any liability or obligation for any tax which may be due (b) any liability or obligation resulting from any product liability or personal injury claim and (c) any liability or obligation resulting from any formal or informal, written or unwritten agreement as to salaries, wages, severance pay, commission, bonus, pension, health or medical benefit, vacation pay or any other employee benefit, whether or not deferred or accrued, funded or unfunded. Seller agrees to indemnify Purchaser and to hold Purchaser harmless from and against, any and all costs, losses, liabilities, damages, claims or expenses, including, but not limited to, legal fees and expenses incurred in defending against any such claim, cost, liability, or suit, incurred by Purchaser, arising out of or resulting from any such liability or obligation.

Purchaser shall assume, along with the right to use the telephone number(s) **314-833-8000**, the cost of any and all Yellow Pages advertising obligations beyond the date of Closing. Including any other numbers now used for business, example, fax, cell, phone, web site(s) **and any and all social media or online based platforms that has served to market Durvy Liquidation, etc.**

3. Purchase Price.

- (a) The purchase price for Seller's Assets shall be.....**\$400,000 for the business assets;**
payable as follows plus cost of inventory estimated at **Full Appraised Value for Real Estate**
\$50,000+/-
- (b) Earnest Money Deposit of (Minimum of 5%).....**\$5000.00**
upon signing this Agreement, to Closing Escrow Agent Account; and
- (c) Balance to be Paid.....**\$395,000.00 plus Full Appraised**
Value for Real Estate to be paid in certified funds at Closing. (plus any Closing adjustments).
- (d) Seller Financing ----- Agreement is contingent on Purchaser acquiring a loan from the Seller
in the amount of.....\$
to be applied against the purchase price, maturing ___ months after Closing, bearing annual interest not
to exceed % with a () years amortization and no prepayment penalty to be approved
by seller no later than .
- (e) Purchaser authorizes seller or seller's agent to run a credit report.
- (f) Purchaser agrees to pay closing attorney a \$450 fees associated with documentation.**

4. Financing Contingency

Agreement is contingent to purchaser acquiring a loan in the
amount of.....**\$903,735**
bearing annual interest not to exceed **11%** with the values of the subject purchase determined and
approved by the lending bank's 3rd party respective vendors.

Loan to be applied for within three business days.
Purchaser Agrees to provide the seller with an acceptable personal financial statement within 3
days of acceptance of this agreement. Purchaser to provide proof of funds for balance of purchase
price to Escrow Agent's satisfaction in advance of closing.

5. Closing Adjustments.

The following adjustments to be made at Closing:

- (a) Purchase price to be increased or decreased by the cost of inventory on hand at Closing, valued
at the original cost/ market rate agreed to by both parties.
- (b) All deposits including utilities and rent belong to the Seller and Purchaser must pay all new
deposits necessary.
- (c) Seller agrees to disclose and make available to Purchaser any information regarding prepaid
services, deposits on future sales, work in progress and /or gift certificates sold. Seller and Purchaser to
agree to an equitable method to handle said items prior to closing.
- (d) Any other adjustments per the agreement of the parties.

6. **The Closing Date.**

The Closing of the sale and purchase provided herein ("Closing") shall take place at the office of the Closing Escrow Agent on the **13th day of November, 2023, at approximately 11:00 a.m.**, or at such other time or place as shall be fixed by mutual agreement of the parties. In the event there is a delay of closing due to a third party, i.e. lender, landlord, licensing agency, all the parties agree to extend all dates up to **60** days.

7. **Instruments of Transfer.**

The parties shall execute and deliver the following documents at Closing, as applicable, along with any other documents agreed upon by Seller and Purchaser.

Purchaser & Seller Closing Statement
Fixture, Furniture & Equipment List
Bill of Sale of Personal Property
Covenant Not to Compete
Warranty of Seller that Purchaser Has Not Acquired Any Liabilities
Warranty of Compliance of All Laws
Warranty of the Quality and Quantity of Inventory
Bulk Sales Affidavit of Title to Personal Property
Purchaser's Indemnification Agreement
Seller's Indemnification Agreement
Consent to Use Name
Allocation of Purchase Price
Compliance Agreement
Cancellation of Fictitious Name Registration
Binding Arbitration Agreement
Affidavit of Financial Statement Authenticity
Training Agreement
Assignment of Agreement
Non Foreign Person Affidavit
Tax Escrow Agreement
Owner Financing Documents
Unanimous Consent of Action Taken in Lieu of Special Meeting (X 2)
Transfer of Service Agreement (telephone)
Transfer of Internet Name & Address
Affidavit of No Lien
Completion of Services Statement

8. **Representations and Warranties of Seller.**

Seller hereby represents and warrants as follows:

- (a) **Authority to carry on business.** Seller has the power and authority to carry on its business as presently conducted and to own or lease and operate the business, assets and properties now owned and operated by it.
- (b) **Authority to enter into this Agreement.** The undersigned are the sole owners of the Business and have the power and authority to enter into this Agreement and to perform the obligations contemplated hereby.



- (c) Title to assets. Seller has, or, immediately before Closing, will have good and marketable title to Seller's Assets. Title to Seller's Assets sold hereunder shall at the time of Closing and upon delivery to Purchaser of the Bill of Sale, be free and clear of all liens, claims, charges, taxes, security interests, pledges, options or other encumbrances of any nature whatsoever.
- (d) Litigation. There is no suit, claim, action or proceeding now pending or, to the knowledge of Seller, threatened before any court, administrative or regulatory body, or any governmental agency or any grounds therefor which may result in any judgment, order, decree or other determination which will, or could, have any adverse effect upon the Purchased Assets or the consummation of the transactions contemplated by this Agreement.
- (e) Bulk Transfers Law. Seller represents to Purchaser that they have no outstanding business creditors and owes no Business debts to any person, firm or corporation, that they have paid in full for all fixtures, supplies, inventory, equipment, furniture and other property covered by this Agreement, and that there are no liens or encumbrances of any kind on any such property, and warrants that Seller can convey a free and clear title thereof. Purchaser, relying upon such representations, has agreed to waive the requirements of Article 6 of the Uniform Commercial Code relating to bulk transfers. In consideration thereof, Seller shall indemnify and save harmless Purchaser against any and all claims made by any person, firm or corporation claiming to be a creditor of the Seller or to have a lien or encumbrance on any of the property covered by this Agreement.
- (f) Sales & Use Taxes. Seller represents and warrants that all sales and/or use taxes accrued through the date of Closing have or will be paid by Seller. On the Closing date, Seller shall furnish Purchaser with documents, affidavits or other evidence satisfactorily demonstrating that no sales or use taxes are outstanding.
- (g) Payroll and Employment Taxes. Seller represents and warrants that all payroll and employment taxes accrued through the date of Closing have or will be paid by Seller. All employer withholding tax required to be withheld from employee's salaries has been paid as it became due and any balance accruing to date shall be paid by Seller as it becomes due. All employment taxes due have been paid as they became due and any balances accruing to date shall be paid by Seller as they become due. On the Closing date, Seller shall furnish Purchaser with documents, affidavits or other evidence satisfactorily demonstrating that no payroll and employment taxes are outstanding.
- (h) Survival. The representations and warranties made by Seller in this Agreement shall be true and correct in all respects on the date of Closing, with the same effect as though such representations and warranties had been made or given on and as of the date of Closing, and shall survive the Closing.
- (i) Accrued Payroll and Vacation or Sick Pay. Seller represents and warrants that all accrued payroll and vacation or sick pay accrued through the date of Closing have or will be paid by Seller.
- (j) Names and Numbers. Seller to provide a list of all vendor contact information used in business operation at closing.
- (k) Warranty of Compliance of all Laws. Seller warrants and represents that it is and has been in compliance with all requirements of law, federal, state and local, and of all governmental bodies and agencies having jurisdiction over the conduct of its business.
- (m) Material Facts. Seller is not aware of material facts that would have a negative effect on value of business or assets to be sold.
- (n) Personal Guarantee. Seller agrees to personally sign all closing documents as both company officer and individual.
- (o) Environmental Matters. Seller is in compliance, in all material respects, with all Federal, state and local environmental laws and there are no liabilities of Seller associated with any environmental condition or contamination.

9. Representations and Warranties of Purchaser.

Purchaser hereby represents and warrants as follows:

- (a) Authority to enter into this Agreement. Purchaser has the power and authority to enter into this Agreement and to perform the obligations contemplated hereby.
- (b) Personal Guarantee. Purchaser agrees to personally guarantee loans and leases and sign all closing documents as both company officer and individual.
- (c) Confidentiality. Purchaser or agent of Purchaser agrees not to use any information discovered during due diligence that might effect the seller or sellers business negatively.
- (d) Purchaser authorizes lender to release all information relating to this transaction to St. Louis Group.
- (e) Purchaser to provide proof of funds 3 days prior to closing.

10. Seller's Disclaimer Regarding Condition of Seller's Assets And Inspection.

Seller warrants that all equipment will be in working order on day of Closing. Except as expressly set forth in this Agreement and the Bill of Sale, Seller makes no other representations or warranties as to the condition of Seller's Assets and states that all sales are on an "as is" and "where is" basis. Purchaser is relying on its own investigation and inspection of Seller's Assets and accordingly SELLER HEREBY DISCLAIMS ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, COLLECTIBILITY OR OTHER WARRANTY OF QUALITY, WHETHER EXPRESSED OR IMPLIED.

11. Non-Competition and Non-Interference Agreement.

The Seller agrees that he will not compete with Durvy Liquidation for a period of 8 years, within the United States, and abroad.

12. Parties in Interest.

This Agreement will be binding upon, inure to the benefit of, and be enforceable by the respective heirs, personal representatives, successors and assigns of, the parties hereto.

13. Attorney and Closing Escrow Agent Disclaimer.

Broker has requested that the law firm of Danna McKitrick, P.C. ("Closing Attorney") prepare documents for the closing of this sale. Neither Closing Attorney nor Closing Escrow Agent, has made any representations or warranties to the Purchaser or Seller concerning or relating to the sale that is the subject of this Agreement, and they have not rendered any legal advice as to the enforceability of this Agreement or its relative merits to either Purchaser or Seller. The Closing Attorney was only requested to provide forms used herein and to monitor the Closing. Closing Attorney does not represent Purchaser or Seller for purposes of this transaction and Purchaser and Seller are encouraged to seek their own legal counsel for interpretation or drafting purposes. They have been advised that they have the right to obtain counsel of their own choice to represent them in the purchase or sale of the business and to review all of the documents prepared for the sale and purchase of said business. Escrow Agent and

Closing Attorney hereby expressly DISCLAIM ANY REPRESENTATION OR WARRANTIES AS TO THE SALE THAT IS THE SUBJECT OF THIS AGREEMENT.

14. Earnest Deposit

Earnest deposit to be retained by Escrow Agent, without interest, but Escrow Agent shall not be liable for earnest deposit until actually in form of cash in hand of Escrow Agent. If a sale is closed, earnest deposit to be applied at Closing per the settlement statements, including for Broker commission. If sale is not closed by date fixed therefor owing to failure of performance by Purchaser, earnest deposit shall be forfeited by Purchaser without further notice. Seller, by acceptance of forfeited earnest money, shall not be precluded from recovery of actual damages incurred. Prior to Closing, and upon receipt of consistent written instructions from both Seller and Purchaser, Escrow Agent shall disburse the earnest deposit in accordance with the written instructions signed by both Purchaser and Seller. In the event of (1) a dispute hereunder between Seller and Purchaser (or their successors or assigns), or (2) the expiration of 90 days after the scheduled Closing, Escrow Agent shall have the right, exercisable in its sole discretion, to be discharged by tendering unto the registry or custody of any court of competent jurisdiction, this agreement and the earnest money, together with any such legal pleadings as it deems appropriate. Forfeited earnest deposit shall go first toward reimbursing expenses of Broker incurred in this transaction. Escrow Agent shall not be liable for any losses, costs or damages incurred by Seller or Purchaser unless such losses, costs or damages shall arise out of the willful default or gross negligence of Escrow Agent or its agents. Escrow Agent shall have no liability under such circumstances for any action or omission that is taken or made in good faith, and believed by Escrow Agent to be authorized or within the rights and powers conferred upon it by the Sale/Purchase Agreement or addendum thereto.

15. Binding Arbitration.

THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

In the event of any dispute arising between and/or among Purchaser, Seller and/or Broker, or its agents, with respect to or arising from any of the transactions set forth in this Agreement, including but not limited to, disputes relating to representations, warranties, covenants, agreement construction, jurisdiction, or payment obligations, it is agreed that the matter shall be submitted to binding arbitration in accordance with the rules of the American Arbitration Association then prevailing except that actions limited to injunctive relief only are reserved unto the courts. Nothing herein shall be construed to prohibit the Escrow Agent from commencing an action for purposes of tendering earnest money into the registry of the court.

16. Entire Agreement and Modifications.

This Entire Agreement, the exhibits and schedules and other writings referred to herein contain the entire understanding of the parties. There are no restrictions, agreements, promises, warranties, covenants or undertakings other than those expressly set forth herein or referred to herein. This Agreement supersedes all prior agreements and understandings between the parties with respect to the subject matter. This Agreement may be amended only by written consent duly executed by all the parties. Any condition to a party's obligation hereunder may be waived in writing by such party.

17. **Headings.**

The section headings contained herein are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement.

18. **Law Governing.**

This Agreement shall be governed and construed in accordance with the laws of the State of Missouri without reference to conflict of laws principles.

19. **Closing.**

Seller and Purchaser hereby agree to each pay their fifty percent share of the \$1500.00 closing fee to The Escrow Closing Agent, relating to the Closing of this Letter of Intent. The Escrow Closing Agent is to draft all the documents in Section 7, necessary to consummate the sale & purchase of business and to act as a neutral third party to close this transaction. The Escrow Closing Agent reserves the right to charge an additional amount for time incurred changing or adding to standard set of transfer documents in excess of the minimum fee. In the event that Real Estate is involved there will be additional charges.

20. **Notice.**

Any notice or correspondence required under the terms of this Agreement shall be deemed sufficiently made if delivered in hand or by first class mail, postage prepaid, to the following parties at their respective addresses.

PURCHASER Name: Josh Scherder
 Address: 4 pem road, St louis Missouri 63146
 Telephone: 573-673-8223
 Email: joshscherder@gmail.com

SELLER Name: Thomas Sikes
 Address: 714 Ashton Way Cr., Eureka, Missouri 63025
 Telephone: 314-914-3600
 Email: chex184@hotmail.com

21. **Client Retention.**

Purchaser acknowledges that Seller has made no guarantees in any matters relating to customer retention.

22. **Broker's Fees & Agency.**

Seller hereby agrees to pay all broker fees due to St. Louis Group, Inc. (hereinafter referred to as "Broker"), relating to the sale of the Business Assets, as per separate agreement. Broker will receive or pay any referral fees.



Purchaser hereby acknowledges that the Broker is an agent of the Seller and not the Purchaser. Purchaser also acknowledges that Purchaser is relying solely on Purchaser's own inspection of the Seller's Business Assets and the representations of the Seller, and not the Broker, with regards to the prior operating history of the Business, the value of the Assets being purchased and all other material facts relied upon in entering this Agreement. Broker reserves the right to require an hourly fee from Purchaser if Broker determines that Purchaser is requiring Broker to engage in extra-ordinary negotiations after agreement is accepted. Purchaser acknowledges that Broker has not verified, and will not verify, the representations of Seller and should such representations be untrue, Purchaser agrees to look solely to Seller for relief and to hold Broker harmless in connection with all losses and damages.

23. **Lease Contingency.**

NA

24. **Pre-Closing Contingencies.**

This agreement is contingent upon the following:

(a) (Due Diligence Contingencies)

Purchaser's satisfaction (in purchaser's sole opinion) of any and all financials, **legal documents, licenses and etc. requested by the buyer** as provided by seller or **seller's representing authority.**

- (b) Audit of purchase orders from suppliers
- (c) Verification of 7000 + person/business email 'blast' list
- (d) Bank Statements
- (e) Operating and Inventory Cash Forecast needed post-close in order for the business to maintain successful operations

This Letter of Intent shall become binding upon the parties and pre-closing contingencies shall be waived unless written exception is given by Purchaser to Seller within two (2) weeks of acceptance of this Letter of Intent.

25. **Permits / Licenses.**

Purchaser to acquire all permits and/or licenses necessary to continue operation of Business one week prior to closing.

26. Training Period.

Four weeks training shall consist of three days on site where Seller will assist Purchaser with orders, online auctions, repackaging product and the process of selling. Seller will also teach Purchaser the processes involving banner ads he currently uses along with social media marketing. This list of tasks is not exclusive. Seller will provide 12 months of mentorship to begin immediately following closing at no additional cost to the Purchaser. For purposes of this agreement Mentorship shall consist of Seller answering the telephone, texts, and emails from Purchaser during reasonable hours where Seller will provide any and all information and support to cure any issues that may arise. The Seller agrees to act in good faith during both the training and mentorship periods.

27. Acceptance.

This agreement is null and void unless fully accepted by all parties on or before **September 5th, 2023 by 5:00 p.m.**

**THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION WHICH
MAY BE ENFORCED BY THE PARTIES**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by them as of the date first above written.

SELLER

PURCHASER

By: THOMAS SIKES
Seller (As owner of Durvy Liquidation)

By: josh scherder 9/1/23
Josh Scherder, Purchaser

THOMAS SIKES
Seller
(Individual)

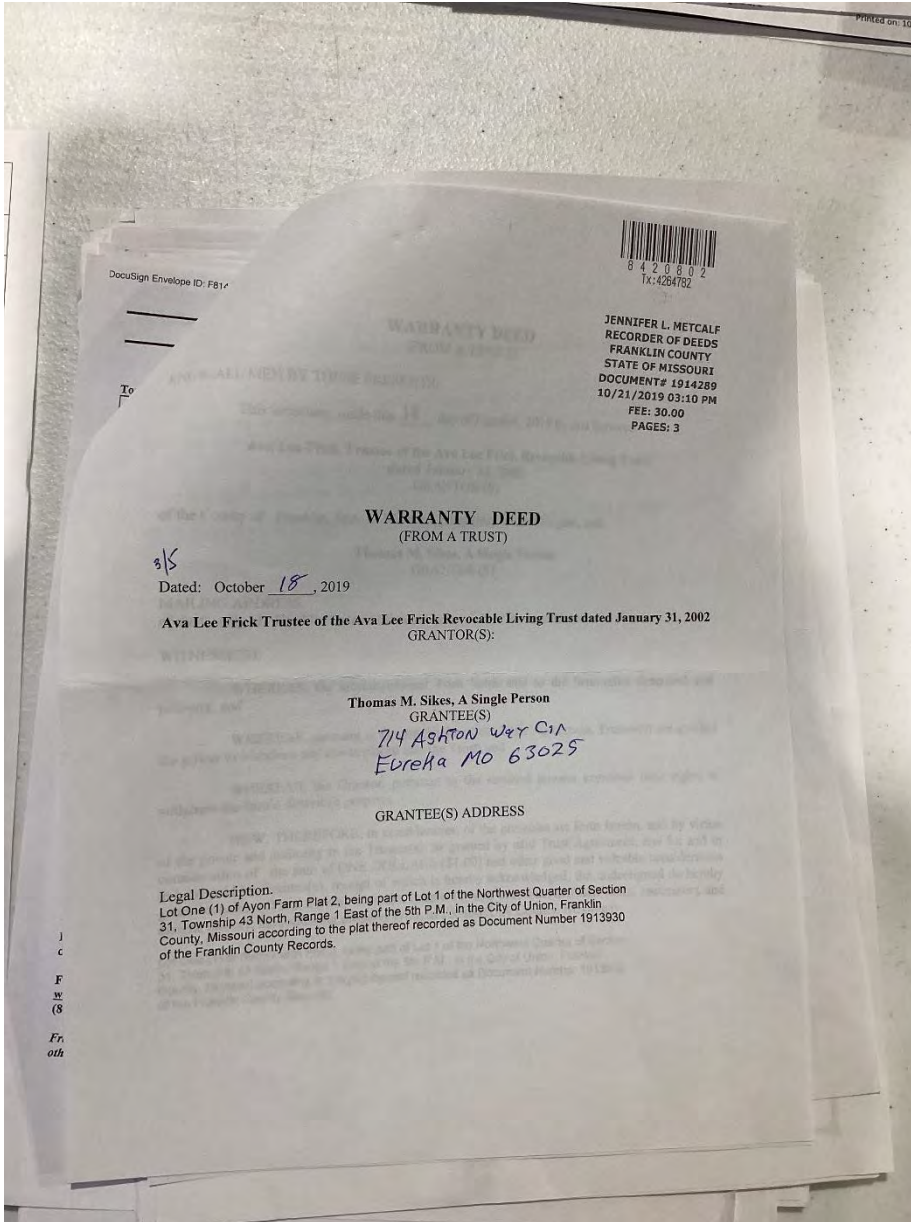
By: _____

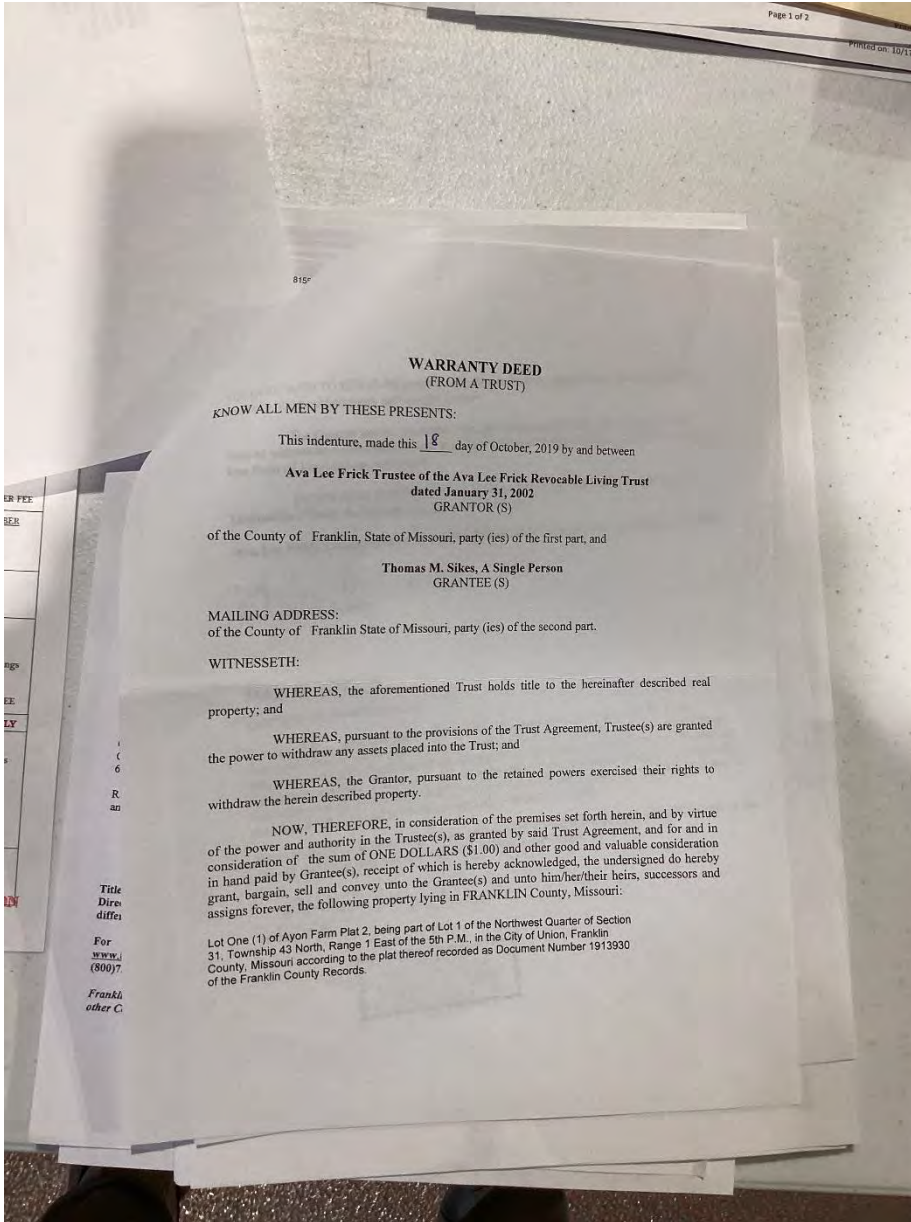
Witness

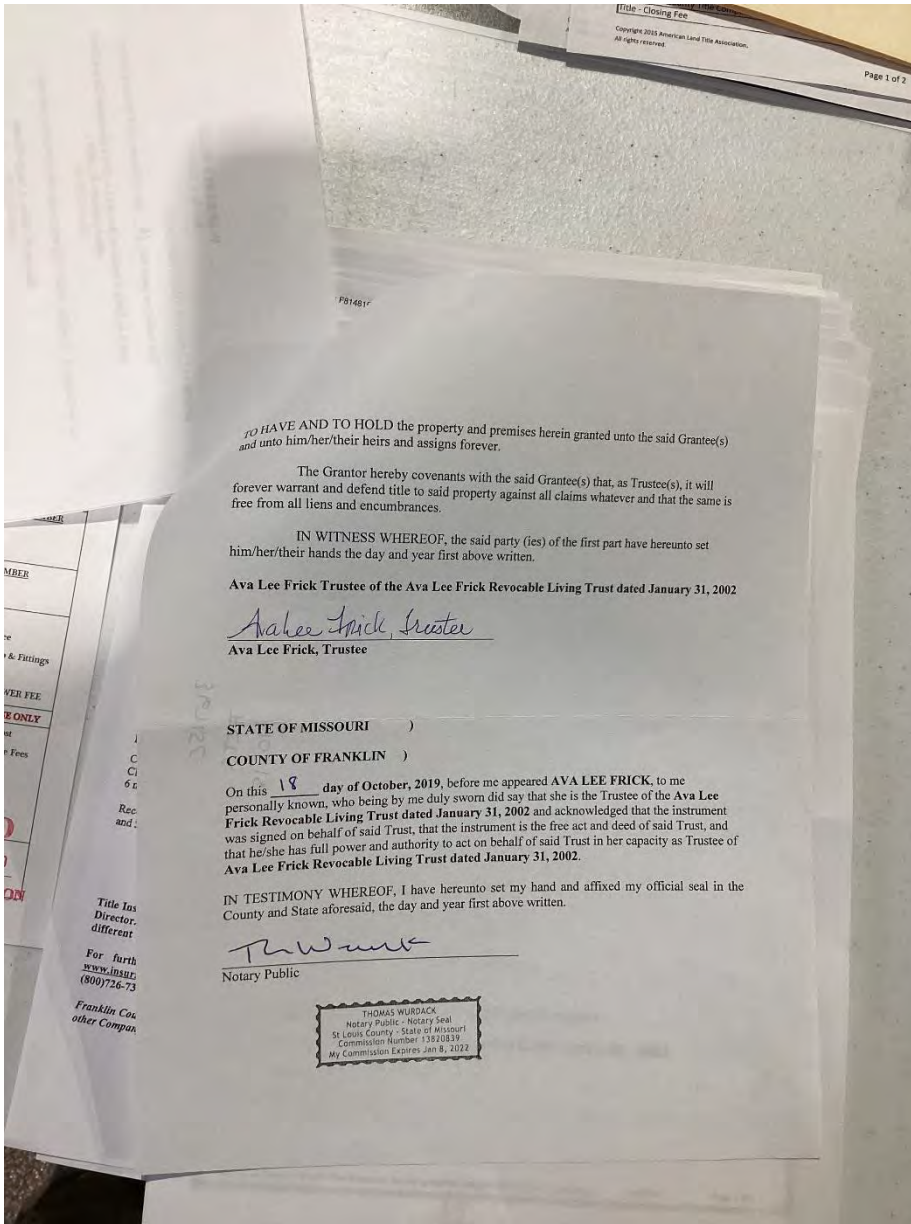
Witness

AGREEMENT ACCEPTED BY ALL PARTIES ON _____, AT _____.









Addendum D

Comparable Data

Improved Sales



Location & Property Identification

Property Name:	3202 W Osage St
Sub-Property Type:	Flex Space
Address:	3202 W. Osage St
City/State/Zip:	Pacific, MO 63069-3435
County:	Franklin
Market Orientation:	Suburban
IRR Event ID:	3063350



Sale Information

Sale Price:	\$317,500
Effective Sale Price:	\$317,500
Sale Date:	12/21/2022
Recording Date:	12/29/2022
Contract Date:	12/07/2022
Listing Price:	\$360,000
Listing Date:	11/13/2022
Sale Status:	Closed
\$/SF GBA:	\$103.08
\$/SF NRA:	\$103.08
Assemblage:	No
Portfolio Sale:	No
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller - buyer obtained financing
Document Type:	Warranty Deed
Recording No.:	000000019223
Verified By:	Andrew "Drew" Drinen
Verification Date:	10/25/2023
Verification Type:	Confirmed-Other
Secondary Verific. Source:	CoStar, Assessor, Data Service

Sale Analysis

Proposed Use Change:	No
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Sale Price Includes FF&E? No

Occupancy

Occupancy Type Before Sale:	Single Tenant
Occupancy at Time of Sale:	0.00%
Number of Tenants at T.O.S.:	0

Improvement and Site Data

MSA:	Saint Louis
Legal/Tax/Parcel ID:	19-2-090-2-002-028000
GBA-SF:	3,080
NRA-SF:	3,080
Acres(Gross):	0.35
Land-SF(Gross):	15,246
Year Built:	1973
Property Class:	C
M&S Class:	S
Construction Quality:	Average
Improvements Cond.:	Average
Exterior Walls:	Metal
Construction Desc.:	Masonry
Multi-Tenant/Condo.:	No/No
Overhead/Grade/Bay:	1
Air-Conditioned:	100.00%
Clear Height(Feet):	11.00
Total Parking Spaces:	10
Park. Ratio 1000 SF GLA:	3.25
Park. Ratio 1000 SF GBA:	3.25
Shape:	Rectangular

Improvement and Site Data (Cont'd)

Topography:	Level
Vegetation:	Grass and shrubs
Corner Lot:	No
Frontage Feet:	100
Frontage Type:	2 way, 1 lane each way
Traffic Count:	4260
AccessibilityRating:	Average
Visibility Rating:	Average
Bldg. to Land Ratio FAR:	0.20
Zoning Desc.:	CD
Easements:	No
Environmental Issues:	No
Flood Plain:	No
Flood Zone Designation:	X
Comm. Panel No.:	29071C0331E
Date:	06/05/2020
Utilities:	Electricity, Water Public, Sewer, Gas
Source of Land Info.:	Other

Comments

Sold for 86% of asking price after a month on the market.
Seller was considering leases at \$3,000/month as well.
Metal industrial/retail building in Pacific, MO. HAs been used
as an auto parts store and more recently a concrete
store/warehouse.

Location & Property Identification

Property Name:	Union, MO Commercial Flex
Sub-Property Type:	Flex Space
Address:	10 Hi Line Dr.
City/State/Zip:	Union, MO 63084
County:	Franklin
Submarket:	Missouri West
Market Orientation:	Rural
IRR Event ID:	2979712



Sale Information

Sale Price:	\$900,000
Effective Sale Price:	\$900,000
Sale Date:	07/19/2022
Sale Status:	Closed
\$/SF GBA:	\$75.00
\$/SF NRA:	\$75.00
Grantor/Seller:	Hood Oconnor LLC
Grantee/Buyer:	Hoberock Family LP
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Document Type:	Warranty Deed
Recording No.:	9732
Verified By:	Jason Engebretson
Verification Date:	02/28/2023
Confirmation Source:	Sandy LaBeau
Verification Type:	Confirmed-Seller Broker

Land-SF(Usable/Gross):	142,441/142,441
Usable/Gross Ratio:	1.00
Year Built:	1979
Property Class:	B
M&S Class:	S
Construction Quality:	Average
Improvements Cond.:	Good
Exterior Walls:	Metal
Multi-Tenant/Condo.:	No/No
No. of Truck Doors:	1
Overhead/Grade/Bay:	3
Percent Office:	28%
Air-Conditioned:	100.00%
Clear Height(Feet):	16.50
Total Parking Spaces:	31
Park. Ratio 1000 SF GLA:	2.58
No. Surface Spaces:	31
Park. Ratio 1000 SF GBA:	2.58
Air-Conditioning Type:	Central
Roof,Heating,AC Comm.:	Cooling: Central-Electric, Exhaust Fan, Other Bldg Heat: Forced Air
Shape:	Rectangular
Topography:	Gently Sloping
Corner Lot:	No
Frontage Feet:	223
Frontage Desc.:	223' on Hi-Line Dr
Frontage Type:	2 way, 1 lane each way
Traffic Flow:	Low

Occupancy

Occupancy Type Before Sale:	Owner Occupied
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Improvement and Site Data

MSA:	St. Louis, MO-IL
Legal/Tax/Parcel ID:	17-1-110-0-001-012000
GBA-SF:	12,000
NRA-SF:	12,000
Acres(Usable/Gross):	3.27/3.27

Improvement and Site Data (Cont'd)

Traffic Count:	Low
Bldg. to Land Ratio FAR:	0.08
Flood Plain:	No
Flood Zone Designation:	X
Comm. Panel No.:	29071C0285D
Date:	10/18/2011
Utilities:	Electricity, Water Public, Sewer, Gas
Utilities Desc.:	Bldg Fuel: Propane
Source of Land Info.:	Other

Comments

The property is a mixed use building that was previously used as a gym and featured 3 offices and two full bathroom facilities with laundry. The property was marketed for retail/office/warehouse use. The buyer is now operating the building as an industrial fulfillment center. The broker stated in the listing that this could even serve for automotive uses with the showroom finish in the front of the building and the garage/warehouse with drive through doors in the rear.

The property is a mixed use retail/office/warehouse building in Union, MO. The property features 3 office spaces. The office percentage calculation is based on aerial measurements and interior photos.

Location & Property Identification

Property Name:	3221 W Osage St
Sub-Property Type:	Flex Space
Address:	3221 W. Osage St.
City/State/Zip:	Pacific, MO 63069-3435
County:	Franklin
Market Orientation:	Suburban
IRR Event ID:	3063449



Sale Information

Sale Price:	\$340,000
Effective Sale Price:	\$340,000
Sale Date:	05/04/2022
Contract Date:	02/06/2022
Listing Price:	\$349,900
Listing Date:	06/15/2021
Sale Status:	Closed
\$/SF GBA:	\$141.67
\$/SF NRA:	\$141.67
Assemblage:	No
Portfolio Sale:	No
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller
Document Type:	Warranty Deed
Verified By:	Andrew "Drew" Drinen
Verification Date:	10/25/2023
Confirmation Source:	MLS - 21041363
Verification Type:	Confirmed-Other
Secondary Verific. Source:	Assessor, Data Service

Sale Analysis

Proposed Use Change:	No
Sale Price Includes FF&E?	No

Occupancy

Occupancy Type Before Sale:	Single Tenant
Occupancy Type After Sale:	Single Tenant
Occupancy at Time of Sale:	100.00%

Improvement and Site Data

MSA:	Saint Louis
Legal/Tax/Parcel ID:	19-2-090-2-001-018000
GBA-SF:	2,400
NRA-SF:	2,400
Acres(Usable/Gross):	0.62/0.62
Land-SF(Usable/Gross):	27,138/27,138
Usable/Gross Ratio:	1.00
Year Built:	2015
Property Class:	C
M&S Class:	D
Construction Quality:	Average
Improvements Cond.:	Average
Exterior Walls:	Vinyl siding
Construction Desc.:	Masonry
Multi-Tenant/Condo.:	No/No
Shape:	Rectangular
Topography:	Level
Vegetation:	Grass and shrubs
Corner Lot:	No
Frontage Feet:	198
Frontage Type:	2 way, 1 lane each way
Traffic Count:	4260

Improvement and Site Data (Cont'd)

AccessibilityRating:	Average
Visibility Rating:	Average
Bldg. to Land Ratio FAR:	0.09
Zoning Desc.:	CD
Easements:	No
Environmental Issues:	No
Flood Plain:	No
Flood Zone Designation:	X
Comm. Panel No.:	29071C0331E
Date:	06/05/2020
Utilities:	Electricity, Water Public, Sewer, Gas
Source of Land Info.:	Other

Comments

Sold for 97% of original asking price after 8 months on the market.

This property consists of 4 flat paved and graveled lots. Inside building has office with separate entrance and restroom, shop with overhead door with heat and a window AC unit. Also includes salt/mulch/cinder bins and another lean too.

Location & Property Identification

Property Name:	Office/Warehouse - Washington
Sub-Property Type:	Flex Space
Address:	2132 Highway A
City/State/Zip:	Washington, MO 63090
County:	Franklin
Submarket:	Missouri West
Market Orientation:	Suburban
IRR Event ID:	2912504



Sale Information

Sale Price:	\$590,000
Effective Sale Price:	\$590,000
Sale Date:	03/21/2022
Contract Date:	03/05/2022
Listing Price:	\$625,000
Listing Date:	06/28/2021
Sale Status:	Closed
\$/SF GBA:	\$93.95
\$/SF NRA:	\$93.95
Assemblage:	No
Portfolio Sale:	No
Assets Sold:	Real estate only
Property Rights:	Leased Fee
% of Interest Conveyed:	100.00
Exposure Time:	9 (months)
Document Type:	Warranty Deed
Verified By:	Andrew "Drew" Drinen
Verification Date:	08/30/2022
Verification Type:	Secondary Verification
Secondary Verific. Source:	MLS, Assessor

Occupancy

Occupancy Type Before Sale:	Single Tenant
Occupancy Type After Sale:	Single Tenant
Occupancy at Time of Sale:	100.00%

Improvement and Site Data

MSA:	St. Louis, MO-IL
Legal/Tax/Parcel ID:	10-8-270-3-012-048230
GBA-SF:	6,280
NRA-SF:	6,280
Acres(Usable/Gross):	1.00/1.00
Land-SF(Usable/Gross):	43,560/43,560
Usable/Gross Ratio:	1.00
Year Built:	1990
Property Class:	B
M&S Class:	S
Construction Quality:	Average
Improvements Cond.:	Average
Exterior Walls:	Metal
Construction Desc.:	Metal and brick
Multi-Tenant/Condo.:	Yes/No
Percent Office:	64%
Clear Height(Feet):	15.00
Total Parking Spaces:	10
Park. Ratio 1000 SF GLA:	1.59
No. Surface Spaces:	10
Park. Ratio 1000 SF GBA:	1.59
Shape:	Rectangular
Topography:	Level
Vegetation:	Grass and shrubs
Corner Lot:	Yes
Frontage Feet:	119

Improvement and Site Data (Cont'd)

Frontage Desc.:	Hwy A
Frontage Type:	2 way, 1 lane each way
Traffic Count:	8825
AccessibilityRating:	Average
Visibility Rating:	Average
Bldg. to Land Ratio FAR:	0.14
Easements:	No
Environmental Issues:	No
Flood Plain:	No
Flood Zone Designation:	X
Comm. Panel No.:	29071C0145D
Date:	10/18/2011
Utilities:	Electricity, Water Public, Sewer, Gas
Source of Land Info.:	Public Records

Comments

Property was leased when listed until December of 2021. Sold for 94% of asking price after 9 months on the market.

Office/warehouse building with conference room, several offices, show room, kitchen, and fenced lot.

Location & Property Identification

Property Name:	Warehouse Jefferson County
Sub-Property Type:	Warehouse
Address:	4175 Old State Rd.
City/State/Zip:	House Springs, MO 63051
County:	Jefferson
Submarket:	Jefferson County
Market Orientation:	Suburban
IRR Event ID:	2802038



Sale Information

Sale Price:	\$785,000
Effective Sale Price:	\$785,000
Sale Date:	08/18/2021
Sale Status:	Closed
\$/SF GBA:	\$163.54
\$/SF NRA:	\$163.54
Grantor/Seller:	Hunt Vac Services LLC
Grantee/Buyer:	Duggins Holding
Assemblage:	No
Portfolio Sale:	No
Assets Sold:	Real estate only
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Financing:	Cash to seller - buyer obtained financing
Document Type:	Warranty Deed
Recording No.:	36512
Verified By:	Elise Olwig
Verification Date:	04/20/2022
Confirmation Source:	Brandon Duncan - Block Hawley
Verification Type:	Confirmed-Seller Broker
Secondary Verific. Source:	Assessor, CoStar, Listing Flyer

Legal/Tax/Parcel ID:	08-4.0-18.0-4-002-003
GBA-SF:	4,800
NRA-SF:	4,800
Acres(Gross):	6.16
Land-SF(Gross):	268,330
Year Built:	2008
Property Class:	C
Construction Quality:	Average
Improvements Cond.:	Average
Exterior Walls:	Metal
Construction Desc.:	Metal sheet
Overhead/Grade/Bay:	5
Percent Office:	21%
Clear Height(Feet):	18.00
Bay/Column Dim.(Feet):	12x14
Bldg. to Land Ratio FAR:	0.02
Zoning Desc.:	C-2
Flood Plain:	No
Flood Zone Designation:	X
Comm. Panel No.:	29099C0207F
Date:	06/20/2019
Utilities:	Electricity, Water Public, Sewer, Gas
Bldg. Phy. Info. Source:	Public Records
Source of Land Info.:	Broker

Improvement and Site Data

MSA:	St. Louis, MO-IL
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Comments

This 4,800 SF warehouse sold for \$785,000 or \$163.54/SF

Comments (Cont'd)

on August 18, 2021.

This 4,800 SF warehouse sits on 6.16 acres in House Springs, MO. The property was built in 2008 and 845 SF have a newer office finish. There are two restrooms with showers, 18' ceiling heights, 4 12'x14' drive-in doors, and 1 10'x10' drive-in door.

Location & Property Identification

Property Name:	Moscow Mills Office/Warehouse
Sub-Property Type:	Flex Space
Address:	37 Hampel
City/State/Zip:	Moscow Mills, MO 63362
County:	Lincoln
Market Orientation:	Rural
IRR Event ID:	2980407



Sale Information

Sale Price:	\$249,900
Effective Sale Price:	\$249,900
Sale Date:	07/15/2021
Contract Date:	06/01/2021
Sale Status:	Closed
\$/SF GBA:	\$166.60
\$/SF NRA:	\$166.60
Grantee/Buyer:	37 Hampel Rd LLC
Property Rights:	Fee Simple
% of Interest Conveyed:	100.00
Document Type:	Warranty Deed
Recording No.:	1747-346
Verified By:	Jason Engebretson
Verification Date:	03/01/2023
Confirmation Source:	David Rohlfig
Verification Type:	Confirmed-Buyer Broker

Sale Analysis

Current Use at T.O.S.:	Concrete Business
Former Use:	Auto Dealership

Improvement and Site Data

MSA:	St. Louis, MO-IL
Legal/Tax/Parcel ID:	203008000000005005
GBA-SF:	1,500

NRA-SF:	1,500
Acres(Usable/Gross):	1.00/1.00
Land-SF(Usable/Gross):	43,560/43,560
Usable/Gross Ratio:	1.00
Year Built:	2005
Property Class:	B
M&S Class:	S
Construction Quality:	Average
Improvements Cond.:	Average
Exterior Walls:	Metal
No. of Buildings/Stories:	1/1
Multi-Tenant/Condo.:	No/No
Overhead/Grade/Bay:	1
Percent Office:	27%
Office Finishes Quality:	Average
Total Parking Spaces:	6
Park. Ratio 1000 SF GLA:	4.00
No. Surface Spaces:	6
Park. Ratio 1000 SF GBA:	4.00
Shape:	Rectangular
Vegetation:	Minimal
Corner Lot:	No
Frontage Feet:	145
Frontage Desc.:	145' on Hampel
Traffic Control at Entry:	None
Traffic Flow:	Low
Traffic Count:	Low
Bldg. to Land Ratio FAR:	0.03

Improvement and Site Data (Cont'd)

Zoning Code:	C-3
Zoning Desc.:	General Commercial District
Flood Plain:	No
Flood Zone Designation:	X
Comm. Panel No.:	29113C0383D
Date:	09/29/2010
Utilities:	Electricity
Source of Land Info.:	Other

Comments

The property sold for \$166/psf in July of 2021. Before the sale, the building featured 3 offices and 1,100 square feet of warehouse space with a gated gravel lot. The warehouse has one drive through door that is 10'. The building is now being operated as a car dealership. There is a billboard on the site and at the time of the sale, it was only rented on one side according to Google street view.

The property is an office/warehouse building in Moscow Mills, MO. The office built out portion is approximately 27%. The property has highway exposure and a gated back lot that is not included in the parking number which is being used for vehicle storage. The property also features a billboard.

Lease Comparables



Location & Property Identification

Property Name: 1721 Gravois Rd
Sub-Property Type: Flex Space
Address: 1721 Gravois Rd
City/State/Zip: High Ridge, MO 63049
County: Jefferson
Submarket: Southwest County
Market Orientation: Suburban

IRR Event ID: 2985664



Space Information

Space Type: Industrial
Full Building Lease: Yes
Leased Area: 2,200
% Office (leased space): 38%

Lease Information

Lease Status: Signed Lease
Lessor: Duggins Holdings Llc
Lessee: Confidential
Lease Signed Date: 11/01/2022
Start/Available Date: 12/01/2022
Expiration Date: 12/01/2025
Term of Lease: 36 months
Lease Measure: \$/SF/Yr
Face Rental Rate: \$12.00
Effective Rental Rate: \$12.47
Escalation Type: Fixed Percentage
Escalation Desc.: 4%/year
Percentage Rent: No
Verified by: Andrew "Drew" Drinen
Verification Date: 03/16/2023
Transaction Reliability: Verified

Lease Expense Information

Reimbursement Method: Modified Gross
Reimbursement Desc.: TT pays Utilities

Improvement and Site Data

MSA: Saint Louis
Legal/Tax/Parcel ID: 02-3.0-07.0-1-003-010
GBA-SF: 4,400
NRA-SF: 4,400
Acres(Gross): 0.80
Land-SF(Usable/Gross): 34,848/34,848
Year Built: 2018
Property Class: C
M&S Class: S
Construction Quality: Good
Improvements Cond.: Average
Exterior Walls: Metal
No. of Truck Doors: 1.00
Overhead/Grade/Bay: 4.00
Shape: Irregular
Topography: Level
Vegetation: Grass and shrubs
Corner Lot: No
Frontage Feet: 355
Frontage Desc.: High Ridge Commons
Frontage Type: 2 way, 1 lane each way
Accessibility Rating: Average
Visibility Rating: Average
Bldg. to Land Ratio FAR: 0.13
Zoning Code: CM1
Zoning Desc.: CM1
Easements: No
Environmental Issues: No

Improvement and Site Data (Cont'd)

Flood Plain:	No
Flood Zone Designation:	X
Comm. Panel No.:	29099C0082F
Date:	06/20/2019
Utilities:	Electricity, Water Public, Sewer, Gas
Source of Land Info.:	Other

Comments

Industrial building in Fenton. Includes 4 overhead garage doors and one dock door. The property is two units that are both approximately 2,200 sf. One of the units does not have the drive through door.

This was marketed by Pace Properties and is the unit that has the dock door. It is 835 sf of office finish and is \$12 psf with the tenant paying for utilities.

Location & Property Identification

Property Name: Industrial Building - Fenton
 Sub-Property Type: Warehouse
 Address: 1480 W. Lark Industrial
 City/State/Zip: Fenton, MO 63026
 County: Jefferson
 Submarket: Southwest County
 Market Orientation: Suburban



IRR Event ID: 2985658

Space Information

Space Type: Industrial
 Full Building Lease: No
 Leased Area: 4,454
 % Office (leased space): 8%
 Ceiling Height (ft): 20.00

GBA-SF: 7,680
 NRA-SF: 7,680
 Acres(Usable/Gross): 0.41/0.41
 Land-SF(Usable/Gross): 17,860/17,860
 Usable/Gross Ratio: 1.00
 Year Built: 1985
 Property Class: C
 M&S Class: S
 Construction Quality: Average
 Improvements Cond.: Average
 Exterior Walls: Metal
 Multi-Tenant/Condo.: No/Yes
 Ceiling Height: 20.00
 Percent Office: 8.00
 Clear Height(Feet): 20.00
 Total Parking Spaces: 14
 Park. Ratio 1000 SF GLA: 1.82
 No. Surface Spaces: 14
 Park. Ratio 1000 SF GBA: 1.82
 Shape: Irregular
 Topography: Level
 Vegetation: Minimal
 Corner Lot: No
 Frontage Feet: 263
 Frontage Type: 2 way, 1 lane each way
 Traffic Flow: Low
 Accessibility Rating: Average
 Visibility Rating: Average
 Bldg. to Land Ratio FAR: 0.43
 Easements: No
 Environmental Issues: No

Lease Information

Lease Status: Signed Lease
 Lessor: West Lark Industrial LLC
 Lease Signed Date: 11/02/2022
 Start/Available Date: 12/02/2022
 Lease Measure: \$/SF/Yr
 Face Rental Rate: \$8.50
 Effective Rental Rate: \$8.50
 Escalation Type: None
 Percentage Rent: No
 Verified by: Andrew "Drew" Drinen
 Verification Date: 03/16/2023
 Transaction Reliability: Verified

Lease Expense Information

Reimbursement Method: Triple Net

Improvement and Site Data

MSA: St. Louis, MO-IL
 Legal/Tax/Parcel ID: 02-3.0-06.0-4-003-015

Improvement and Site Data (Cont'd)

Flood Plain:	No
Flood Zone Designation:	X
Comm. Panel No.:	29099C0101F
Date:	06/20/2019
Utilities:	Electricity, Water Public, Sewer, Gas
Source of Land Info.:	Public Records

Comments

Office/warehouse in Fenton. It is made up of two buildings, a Construction Class C building and a Class S building. The Class S building is 3,215 SF with 620 SF of office.

Location & Property Identification

Property Name:	Cedar Court 10 and 12
Sub-Property Type:	Special Purpose Industrial, Refrigerated/Cold Storage
Address:	12 Cedar Ct.
City/State/Zip:	Union, MO 63084
County:	Franklin
Submarket:	Missouri West
Market Orientation:	Rural
IRR Event ID:	3054076



Space Information

Space Type:	Office/Warehouse
Suite #:	12A
Full Building Lease:	No
Leased Area:	15,120
% Office (leased space):	19%
% AC (leased space):	76%
Ceiling Height (ft):	16.00

Lease Information

Lease Status:	Signed Lease
Lessor:	Jelco Realty LLP
Lessee:	Sweet Shell Enterprise
Lease Signed Date:	07/26/2022
Start/Available Date:	10/01/2022
Expiration Date:	09/30/2025
Term of Lease:	36 months
Lease Measure:	\$/SF/Yr
Face Rental Rate:	\$7.25
Effective Rental Rate:	\$7.25
Escalation Type:	None
Free Rent (Months):	2.00
Concessions:	December 2022 rent was paid at lease signing. October-November 2022 free rent.
Renewal Options:	Yes

Desc. of Options:	One 3 Year Option
Verified by:	Jason Engebretson
Verification Date:	09/27/2023
Verification Source:	Lease
Transaction Reliability:	Confirmed

Lease Expense Information

Reimbursement Method:	Triple Net
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Improvement and Site Data

MSA:	St. Louis, MO-IL Metropolitan Statistical Area
Legal/Tax/Parcel ID:	17-5-22.0-0-023-038.310
GBA-SF:	81,152
NRA-SF:	80,640
Acres(Usable/Gross):	10.25/10.25
Land-SF(Usable/Gross):	446,446/446,446
Usable/Gross Ratio:	1.00
Year Built:	2002
Property Class:	B
M&S Class:	S
Construction Quality:	Average
Improvements Cond.:	Average
Exterior Walls:	Metal
Construction Desc.:	Metal
No. of Buildings/Stories:	2/1
Multi-Tenant/Condo.:	Yes/No
Ceiling Height:	16.00

Improvement and Site Data (Cont'd)

No. of Truck Doors:	16.00
Overhead/Grade/Bay:	1.00
Percent Office:	3.65
Air-Conditioned:	50.00
Clear Height(Feet):	18.00
Total Parking Spaces:	38
Park. Ratio 1000 SF GLA:	0.47
No. Surface Spaces:	38
Park. Ratio 1000 SF GBA:	0.47
Elevators Count:	None
Fire Sprinkler Type:	Wet
Air-Conditioning Type:	Oil Heat
Roof,Heating,AC Comments:	Flat
Shape:	Rectangular
Topography:	Gently Sloping
Corner Lot:	No
Frontage Feet:	350
Frontage Desc.:	Cedar
Frontage Type:	2 way, 1 lane each way
Traffic Control at Entry:	None
Traffic Flow:	Low
Visibility Rating:	Average
Bldg. to Land Ratio FAR:	0.18
Zoning Code:	I-2
Zoning Desc.:	General Industrial District
Flood Plain:	No
Flood Zone Designation:	X
Comm. Panel No.:	29071C0285D
Date:	10/18/2011
Utilities:	Electricity, Water Public, Sewer, Gas, Telephone
Source of Land Info.:	Public Records

Comments

Refrigerator/cold storage space.

The % AC includes the office portion that is fully climate controlled, a portion of the warehouse that is used for food production that is climate controlled and the cooler/freezer spaces.

Location & Property Identification

Property Name:	Two-Tenant Light Industrial Building
Sub-Property Type:	Warehouse
Address:	291-295 Northwest Blvd.
City/State/Zip:	Fenton, MO 63026
County:	Jefferson
Submarket:	Southwest County
Market Orientation:	Industrial Park
IRR Event ID:	2774327



Space Information

Space Type:	Warehouse
Suite #:	291
Full Building Lease:	No
Leased Area:	3,600
% Office (leased space):	5%
Ceiling Height (ft):	19.00

Lease Information

Lease Status:	Signed Lease
Lessor:	SK Investment Properties, LLC
Lessee:	Defender Products Solutions
Start/Available Date:	01/02/2022
Term of Lease:	61 months
Lease Measure:	\$/SF/Yr
Face Rental Rate:	\$7.88
Effective Rental Rate:	\$8.00
Escalation Type:	None
Escalation Desc.:	Unknown
Free Rent (Months):	1.00
Verified by:	Elise Olwig
Verification Date:	02/18/2022
Verification Source:	Sansone Group - Vince Bajardi
Transaction Reliability:	Confirmed

Lease Expense Information

Reimbursement Method:	Triple Net
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Improvement and Site Data

Legal/Tax/Parcel ID:	02-2.0-04.-4-0001-069
GBA-SF:	7,200
NRA-SF:	7,200
Acres(Gross):	2.97
Land-SF(Gross):	129,373
Year Built:	2003
Property Class:	C
M&S Class:	S
Construction Quality:	Average
Improvements Cond.:	Average
Exterior Walls:	Metal
Construction Desc.:	Metal construction type.
No. of Buildings/Stories:	1/1
Multi-Tenant/Condo.:	Yes/No
Ceiling Height:	19.00
Overhead/Grade/Bay:	2.00
Percent Office:	20.80
Clear Height(Feet):	19.00
Bay/Column Dim.(Feet):	14 X 14
Total Parking Spaces:	9
Park. Ratio 1000 SF GLA:	1.25
No. Surface Spaces:	9
Park. Ratio 1000 SF GBA:	1.25
Elevators Count:	None

Improvement and Site Data (Cont'd)

Fire Sprinkler Type:	None
Air-Conditioning Type:	Office
Bldg. to Land Ratio FAR:	0.06
Zoning Code:	PB
Zoning Desc.:	Planned Business Park District

Utilities:	Electricity, Water Public, Sewer, Gas, Telephone, CableTV, Rail
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Bldg. Phy. Info. Source:	Other
Source of Land Info.:	Public Records

Comments

The subject is a two-tenant light industrial building in an industrial park in the unincorporated community of Murphy in northern Jefferson County.

3,600 SF triple net lease with an \$8.00/SF/Yr effective rate and one month of free rent. Space is comprised of 5% office space.

Location & Property Identification

Property Name:	Industrial -6065 Baumgartner Industrial- St Louis
Sub-Property Type:	Warehouse, Office Warehouse
Address:	6065 Baumgartner Industrial Drive
City/State/Zip:	Saint Louis, MO 63129
County:	St. Louis
Submarket:	South County
Market Orientation:	Suburban
IRR Event ID:	2751523



Space Information

Space Type:	Industrial
Suite #:	6069
Leased Area:	6,600

Lease Information

Lease Status:	Signed Lease
Lessee:	Mobile Air
Start/Available Date:	11/01/2021
Expiration Date:	10/31/2026
Term of Lease:	60 months
Lease Measure:	\$/SF/Yr
Face Rental Rate:	\$6.65
Effective Rental Rate:	\$6.65
Verification Source:	Rent Roll
Transaction Reliability:	IRR Confirmed

Lease Expense Information

Reimbursement Method:	Triple Net
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Improvement and Site Data

MSA:	St. Louis, MO-IL
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Legal/Tax/Parcel ID:	32K-24-0380, 32K-24-0371 and 32K-24-0445
GBA-SF:	26,400
NRA-SF:	26,400
Acres(Usable/Gross):	3.08/3.08
Land-SF(Usable/Gross):	134,164/134,164
Usable/Gross Ratio:	1.00
Year Built:	1976
Most Recent Renovation:	Various
Property Class:	B
M&S Class:	C
Construction Quality:	Average
Improvements Cond.:	Average
Exterior Walls:	Concrete Precast
No. of Buildings/Stories:	1/1
Percent Office:	8.27
Clear Height(Feet):	20.00
Total Parking Spaces:	15
Park. Ratio 1000 SF GLA:	0.57
Park. Ratio 1000 SF GBA:	0.57
Fire Sprinkler Type:	None
Air-Conditioning Type:	Central
Roof,Heating,AC Comments:	Flat
Shape:	Irregular
Topography:	Level
Corner Lot:	No
Frontage Feet:	740

Improvement and Site Data (Cont'd)

Frontage Desc.:	Baumgartner Industrial Drive
Frontage Type:	2 way, 1 lane each way
Traffic Control at Entry:	None
Traffic Flow:	Low
Visibility Rating:	Average
Bldg. to Land Ratio FAR:	0.20
Zoning Code:	M-1
Zoning Desc.:	Industrial
Flood Plain:	No
Flood Zone Designation:	X
Comm. Panel No.:	29189C0430K
Date:	02/04/2015
Source of Land Info.:	Public Records

Comments

The property is an existing industrial property containing 26,400 square feet of rentable area. The site area is 3.08 acres or 134,165 square feet, which consists of a 1.47-acre improved parcel, an adjacent 1.03-acre fenced storage lot, and a 0.58-acre fenced storage lot on the opposite side of Baumgartner Industrial Drive. The property also generates income from a cell tower lease.

Addendum E
Engagement Letter

October 16, 2023
Request Completion Date: October 30, 2023
Fee: \$2,500

Integra Realty Resources
215 Chesterfield Business Parkway, Suite B
Chesterfield MO 63005

Durvy Liquidation
1841 Denmark Rd
Union MO 63084



To whom it may concern,

This is a request that you appraise the property located at 1841 Denmark Rd in Union for United Bank of Union. The Bank has agreed to consider financing this property for Durvy Liquidation.

A requirement of our loan commitment is that an independent appraisal be completed to determine fair market value for mortgage financing and that the appraisal conform to the standards required under Title XI of the Financial Institution Reform, Recovery and Enforcement Act of 1989 ("FIRREA").

The appraisal should estimate the fair market value defined as "the most probable price which a property should bring in a competitive and open market under all conditions requisite to fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus." In arriving at a valuation, the appraisal should address (1) direct sales comparisons, (2) income and (3) cost approaches to market value, reconciling these approaches one to the other and explaining the elimination of each approach not used.

In the event sale of the subject property would take longer than one year, please estimate the time required and the discount to be applied in the circumstances.

Please include a copy of this letter and direct the appraisal and related invoice directly to the Bank.

Sincerely,

A handwritten signature in cursive script that reads "Hailey Noecker".

Hailey Noecker
Appraisal/Evaluation Coordinator
Appraisals@ubu.bank

P.O. Box 500
Union, Missouri 63084
636-583-2555
Fax 636-583-4405
www.ubu.bank