

September 29, 2022, the Court appointed John Lewis, Jr. to serve as Receiver over all the assets of the Receivership Defendants [Doc. No. 11].

2. The Receivership Order grants Receiver various powers, including, but not limited to, the authority to “locate, list for sale or lease, engage a broker for sale or lease, cause the sale or lease, and take all necessary and reasonable actions to cause the sale or lease of all real property in the Receivership Estate either at public or private sale, on terms and in the manner the Receiver deems most beneficial to the Receivership Estate. . .” Receivership Order at ¶ 36.

3. Pursuant to his responsibilities as a Receiver, Receiver has taken control and possession of certain real property owned by Receivership Defendant CBT including real property located at S432500 Clear Creek Development Lot 1 Acres 25.132, Hempstead, Texas 77445. *See* Receiver’s First Interim Report [Doc. No. 33]; *see also* Receiver’s Second Interim Report [Doc. No. 50]. The Subject Property is part of the Receivership Estate and, as described below, may be sold by the Receiver upon the Court’s approval. *See also* Receiver’s Liquidation Plan [Doc. No. 47].

4. Receiver is now prepared to proceed with the sale of the Subject Property with the goal of realizing the highest reasonable value for the Subject Property under the circumstances of this Receivership.

5. Receiver continues to fulfill his duties as Receiver and has conducted various investigations of the Receivership Defendants with the intent to marshal the Receivership assets for the benefit of the Receivership Entities’ investors. As detailed in Receiver’s status reports, these efforts have included, but are not limited to, conducting interviews and depositions of CryptoFX sales agents and employees, reviewing and analyzing corporate records, and identifying personal and real property owned by the Receivership Defendants. *See* Receiver’s First Interim

Report [Doc. No. 33]; *see also* Receiver's Second Interim Report [Doc. No. 50]; Receiver's Third Interim Report [Doc. No. 72]; Receiver's Fourth Interim Report [Doc. No. 79].

II. SALE OF REAL PROPERTY UNDER 28 U.S.C. § 2001

6. Where the administration of a receivership estate requires the sale of real property, 28 U.S.C. § 2001 provides the general procedures that a receiver must follow. Specifically, subsection (b) establishes the following procedures for a private sale of real property:

(b) After a hearing, of which notice to all interested parties shall be given by publication or otherwise as the court directs, the court may order the sale of such realty or interest or any part thereof at private sale for cash or other consideration and upon such terms and conditions as the court approves, if it finds that the best interests of the estate will be conserved thereby. Before confirmation of any private sale, the court shall appoint three disinterested persons to appraise such property or different groups of three appraisers each to appraise properties of different classes or situated in different localities. No private sale shall be confirmed at a price less than two-thirds of the appraised value. Before confirmation of any private sale, the terms thereof shall be published in such newspaper or newspapers of general circulation as the court directs at least ten days before confirmation. The private sale shall not be confirmed if a bona fide offer is made, under conditions prescribed by the court, which guarantees at least a 10 per centum increase over the price offered in the private sale.

28 U.S.C. § 2001(b)

7. Therefore, in order to sell the Subject Property in a private sale, Receiver must obtain permission from the Court to do so.

8. Notwithstanding the processes outlined in section 2001(b), in overseeing equity receiverships, district courts have wide discretion in overseeing the sale of real and personal property. Accordingly, except in cases of abuse, appellate courts will not disturb the exercise of the district courts' discretion in setting the conditions for judicial sales or the confirmation thereof. *See Salaymeh v. Plaza Centro, LLC*, 258 S.W.3d 236, 240 (Tex. App. 2008); *see also SEC v. Safety Fin. Serv., Inc.*, 674 F.2d 363, 373 (5th Cir. 1982).

9. One of the ultimate purposes of Receiver’s appointment in this case is to provide a vehicle through which assets can be gathered, preserved, and, ultimately, liquidated in order to minimize losses incurred by thousands of investors. To that end, the Court has extremely broad powers and wide discretion to supervise the receivership and to determine the appropriate action to be taken in the administration of the receivership. *See SEC v. Hardy*, 803 F.2d 1034, 1038 (9th Cir. 1986); *SEC v. Lincoln Thrift Ass’n*, 577 F.2d 600, 606 (9th Cir. 1978); *See SEC v. Stanford Int’l Bank, Ltd.*, 927 F.3d 830, 840 (5th Cir. 2019); *see also SEC v. Safety Fin. Serv., Inc.*, 674 F.2d at 372 (holding that a court overseeing a receivership is accorded “wide discretionary power” in light of “the concern for orderly administration”) (citations omitted).

10. Each receivership case presents its own distinct circumstances that require the presiding court to employ case-specific procedures. *See Hardy*, 803 F.2d at 1038 (recognizing that courts must often craft reasonable administrative procedures to deal with the complex circumstance of each case). Because a court may not have the resources to ascertain which procedures will be most efficient in a given situation, the receiver has a duty to assist the court in understanding the specific issues in the case and developing the appropriate procedures. *See id.* (citing *SEC v. Wencke (Wencke II)*, 783 F.2d 829, 837 n.9 (9th Cir. 1986)) (noting the duty of an equity receiver is to aid the court in orderly and efficient administration of the estate); *see also Marsch v. Williams*, 23 Cal. App 4th 238, 248 (Cal. Ct. App. 1994) (noting that the receiver is “the hand of the court, to aid it in preserving and managing the property involved in the suit for the benefit of those to whom it may ultimately be determined to belong”).

11. In light of the purposes and principles underlying the administration of this receivership, and in an effort to minimize additional costs incurred by the Receivership Estate in

disposing of the Subject Property, Receiver proposes the sale of the Subject Property pursuant to the terms set forth below.

III. THE PROPOSED SALE MEETS THE REQUIREMENTS OF 28 U.S.C. § 2001

12. As part of his duties, and pursuant to 28 U.S.C. § 2001, Receiver requests that he be allowed to sell the Subject Property through a private sale and that, in connection with the sale, the Court approve the proposed sale described herein.

13. CBT Group, LLC purchased the Subject Property on February 28, 2022 and there are no liens against it.

14. Receiver employed real estate broker, the Mark Dimas Team to assist with the sale of the Subject Property. *See* Receiver's First Interim Report [Doc. No. 33]. The Mark Dimas Team conducted a comparative market analysis of the Subject Property and suggested an initial listing price of \$1,150,000. *See* Comparative Market Analysis, attached hereto as **Exhibit A**. Based on their review and analysis of the Subject Property and comparative market, the Mark Dimas Team expected the Subject Property to sell between \$900,000 and \$1,100,000.

15. On August 4, 2023, Receiver entered into a contract with Derek Nelson ("Buyer") to sell the Subject Property for \$1,100,000.00. Receiver expects the sale to net approximately \$1,027,188.82 to the Receivership Estate, with \$33,000 in commissions to be paid to the Mark Dimas team. A copy of the Purchase Agreement is attached hereto as **Exhibit B**.

16. The contract for sale of the Subject Property is the result of substantial arms-length negotiations between Receiver and Buyer.

17. Prior to entering into the Purchase Agreement, the Subject Property was listed for sale for 59 days, with an asking price of \$1,150,000. Other than the offer made by Buyer, Receiver received one other offer for \$945,000.

18. As required by 28 U.S.C. § 2001, in order to allow for competing bids, Receiver has published notice of the terms of the Subject Property in The Greensheet newspaper, which is a newspaper of general circulation in the geographic area where the Subject Property is located. See Copy of the Notice attached as **Exhibit C**. Receiver first published the notice on October 31, 2023 and it will run consecutively through November 14, 2023. Upon completion of the notice period, Receiver will file a Publisher’s Affidavit confirming the dates of publication and will disclose all qualifying competing bids—*i.e.*, bids with a purchase price of at least 10% higher than the purchase price in the Purchase Agreement—in response to the published notice. Receiver will notify the Court promptly if he receives such an offer prior to the Court’s approval of the sale.

19. As required by 28 U.S.C. § 2001, Receiver has considered the following three “appraisals” to arrive at the sales price:

- (a) The purchase price of \$2,050,000.00 which was paid by CBT Group, LLC when it purchased the Subject Property in February 2022. A true and correct copy of the Settlement Statement reflecting the purchase price is attached hereto as **Exhibit D**.
- (b) The December 30, 2022 appraisal performed by Scott Stephens & Associates, Inc. placing a fair market value of \$1,150,000 on the Subject Property, a true and correct copy of which is attached hereto as **Exhibit E**.
- (c) The April 18, 2023 appraisal performed by MBLane & Associates, placing a fair market value of \$1,080,000 on the Subject Property, a true and correct copy of which is attached hereto as **Exhibit F**.

20. These documents are sufficient to satisfy section 2001(b)’s appraisal requirements because each was provided by a party who is independent from Receiver and has no interest in the proposed sale of the Subject Property. Receiver deems that said documents accurately reflect the value of the Subject Property and save the Receivership Estate significant expenses and undue delay of the proposed sale.

21. As required by 28 U.S.C. § 2001, the \$1,100,000.00 sales price exceeds two-thirds of the appraised value. Moreover, selling the Subject Property, “as-is,” will allow the Receivership Estate to avoid additional expenses associated with maintaining the Subject Property in the future.

22. Allowing Receiver to liquidate the Subject Property through the proposed private sale will most expeditiously further the goals of the Receivership.

23. The proposed sale of the Subject Property will result in additional cash being deposited into the Receivership Estate.

24. Additionally, because the proposed sale of the Subject Property satisfies the prerequisites established by 28 U.S.C. § 2001 for the reasons described herein, Receiver contends that the sale is in the best interest of the Receivership Estate and should be permitted to close as requested.

25. The proposed sale is scheduled to close on or before November 28, 2023. The proposed offer is reasonable in light of the current market conditions and the appraised value of the Subject Property.

IV. REQUEST FOR EXPEDITED CONSIDERATION.

26. Receiver respectfully requests that the Court allow for expedited consideration and determination of this Motion. Time is of the essence under the stated terms of the Purchase Agreement. The sale, contingently accepted by Receiver subject to this Court’s approval and the satisfaction of the above-described statutory requirements, is scheduled to close on or before November 28, 2023, and before that date, many events must take place.

27. Receiver advises the Court that the SEC and Counsel for the Receivership Defendants do not oppose this Motion or the relief requested herein.

28. No party to this action will be prejudiced by a decision to shorten time for objections to be filed or a decision to expedite consideration of this Motion. Rather, doing so will ensure timely closing of a bona fide sale, which will result in the resolution of the property interest for the Receivership Estate—these proceeds are needed to fund the ongoing investigation for cash and assets held by Defendants for ultimate payout to creditors of the Estate, including investors.

29. Therefore, Receiver asks that the Court shorten the deadline for filing objections to this Motion, schedule an expedited hearing if the Court determines one is necessary, and approve the private sale of 0 Mack Washington, Hempstead, Texas 77445. An Order authorizing this request has been separately submitted to the Court in accordance with the local rules.

V. **CONCLUSION**

WHEREFORE, Receiver respectfully requests that this Court enter an order approving the private sale of real property located at S432500 Clear Creek Development Lot 1 Acres 25.132, Hempstead, Texas 77445 pursuant to the terms of the Purchase Agreement. Specifically, if no objections are filed to this Motion and if Receiver does not receive any qualifying competing bids for the Subject Property, Receiver requests that the Court grant this unopposed Motion without hearing. If competing bids are received prior to the Court's approval of the sale, Receiver will notify the Court promptly and Receiver requests that the Court schedule a hearing to resolve any outstanding issues.

Respectfully submitted, this November 3, 2023

SHOOK, HARDY & BACON L.L.P.

By: /s/ Poston E. Pritchett

Poston E. Pritchett

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Counsel for Court-appointed Receiver

CERTIFICATE OF CONFERENCE

The undersigned hereby certifies that he has conferred with counsel for the SEC, Mauricio Chavez and Giorgio Benvenuto. They do not oppose this Motion or the relief requested herein.

/s/ Poston E. Pritchett _____

Poston E. Pritchett

CERTIFICATE OF SERVICE

I hereby certify that on this 3rd day of November, 2023, the above and foregoing document was filed electronically through the CM/ECF system, which sent notification of such filing to all known counsel of record, addressed as follows:

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AND EXCHANGE COMMISSION
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Fort Worth, TX 76102
Telephone: 817.978.1410
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***Counsel for Defendant,
Giorgio Benvenuto***

/s/ Poston E. Pritchett

Poston E. Pritchett

Exhibit A

Comparative Market Analysis



**Mack Washington Lane, Hempstead, Texas
77445**

John Lewis Jr. Receiver

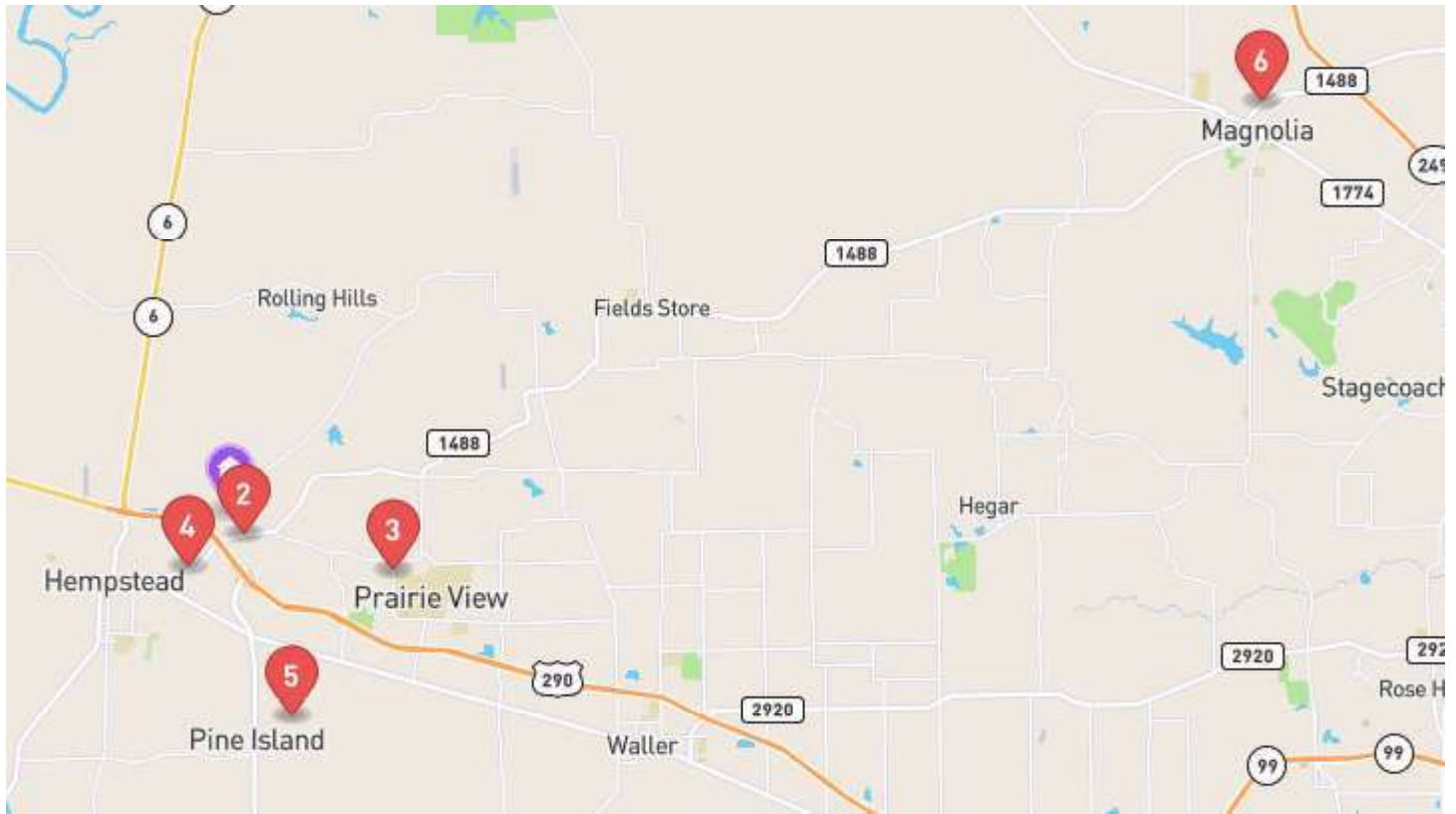
MAY 9, 2023



Mark Dimas

Mark Dimas Properties

Map of Comparable Listings



STATUS: S = SOLD

MLS #	STATUS	ADDRESS	BEDS	BATHS	SQFT	PRICE
1	Subject	Mack Washington Lane, Hempstead, Texas 77445	-	-	-	-
2	S	40647 Fm 1488	-	0/0	-	\$2,000,000
3	S	Tbd Fm 1098	-	0/0	-	\$500,000
4	S	Tbd Fm 1488	-	0/0	-	\$1,759,622
5	S	37642 Brumlow Road	3	2.00	2,964	\$1,050,000
6	S	0 Fm 1488 Road	-	0/0	-	\$438,000



Mark Dimas

Mark Dimas Properties

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Summary of Comparable Properties

S SOLD LISTINGS

ADDRESS	SOLD DATE	BEDS	BATHS	SQFT	PRICE	\$/SQ.FT
40647 Fm 1488	10/11/22	-	0/0	-	\$2,000,000	-
Tbd Fm 1098	9/26/22	-	0/0	-	\$500,000	-
Tbd Fm 1488	8/19/22	-	0/0	-	\$1,759,622	-
37642 Brumlow Road	6/29/22	3	2.00	2,964	\$1,050,000	\$354
0 Fm 1488 Road	9/8/22	-	0/0	-	\$438,000	-
Averages				2,964	\$1,149,524	\$354



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Comparable Home

MLS #93821722



40647 Fm 1488

\$2,000,000

Hempstead, Texas 77445

SOLD 10/11/22

Beds

0/0 Baths

Days on market: **31**

Features

Acres Description: 15 Up to 20 Acres

List Type: Exclusive Right to Sell/Lease

Road Surface: Asphalt

Disclosures: No Disclosures

Pool Private: False

Water Sewer: No Sewer, No Water

Details

Prop Type: Country Homes/Acreage

Lot Size (sqft): 760,696

List Price: \$2,250,000

Middle: Hempstead Middle School

County: Waller

List date: 8/8/22

Orig list price: \$2,250,000

Elementary: Hempstead Elementary School

Area: 26

Sold date: 10/11/22

Taxes: \$24

Subdivision: Wail Justo Liendo Surv Abs #41

Off-market date: 9/8/22

School District: 24 Hempstead

Acres: 17.4632

Updated: Oct 16, 2022 4:41 PM

High: Hempstead High School

Remarks

This 17.4632-acre property is a prime location for your country home or new/expanding commercial venture. Located in the highly desirable northwestern section of Waller County on FM 1488 at the intersection of US Hwy 290 and Hwy 6, it is within minutes of the new RCR Hempstead Logistics Park, Prairie View A&M University, and the Prairie View Cricket Fields, as well the nearly Wolfe Companies 521-acre development in Waller and the Daiken Manufacturing Plant in Hockley. This location is also situated at a pivotal point to provide easy access to the rapidly expanding Houston, Woodlands, College Station / Bryan, and Austin communities. The site offers an advantageous elevation, approximately 447 ft of road frontage, and the availability of City of Hempstead utilities. Call to schedule an appointment today.

Courtesy of Hegemeyer Realty & Associates


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Information is deemed reliable but not guaranteed.



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40647 Fm 1488

Hempstead, Texas 77445

MLS #93821722

\$2,000,000

Beds **0/0** Baths

Days on market: **31**

SOLD 10/11/22

Days on market: **31**



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40647 Fm 1488

Hempstead, Texas 77445

MLS #93821722



Comparable Home

MLS #87998632



Tbd Fm 1098

\$500,000

Hempstead, Texas 77445

SOLD 9/26/22

Beds	0/0 Baths	Days on market: 34
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Features

Acres Description: 10 Up to 15 Acres

List Type: Exclusive Right to Sell/Lease

Road Surface: Asphalt

Disclosures: No Disclosures

Pool Private: False

Water Sewer: No Sewer, No Water

Details

Prop Type: Country Homes/Acreage

Lot Size (sqft): 584,374

List Price: \$525,000

Middle: Schultz Junior High School

County: Waller

List date: 6/8/22

Orig list price: \$525,000

Elementary: H T Jones Elementary School

Area: 26

Sold date: 9/26/22

Taxes: \$50

Subdivision: Other

Off-market date: 7/12/22

School District: 55 Waller

Acres: 13.4154

Updated: Sep 28, 2022 6:57 AM

High: Waller High School

Remarks

In the heart of rapidly expanding area of northern Waller County, this prime 13+/- acre tract is the perfect site for your new county home, growing business venture, or as an addition to your investment portfolio. Unrestricted and ag exempt, it qualifies for a favorable tax rate. While outside the congestion of the big city, it offers easily accessible connections to the metropolitan areas of Bryan-College Station, Houston, Austin, and The Woodlands, and Austin via SH 6, US 290, and FM 1488. Additionally, it is only a short drive away from the new Hempstead Logistics Park, Daiken Manufacturing Plant in Hockley, and the Wolff Company Beacon Hill project in Waller. The property's rural atmosphere, coupled with convenient access for clientele, make it an excellent choice for a variety of uses. Call today and come explore the unique possibilities this site has to offer. The property is cleared and visible from the road.



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Tbd Fm 1098

Hempstead, Texas 77445

MLS #87998632

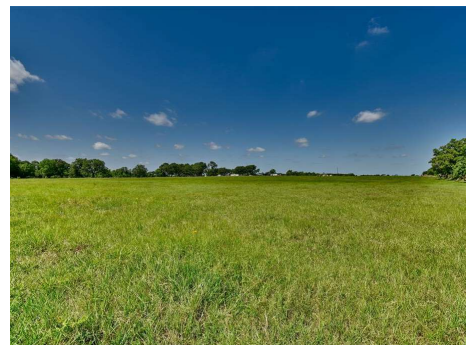
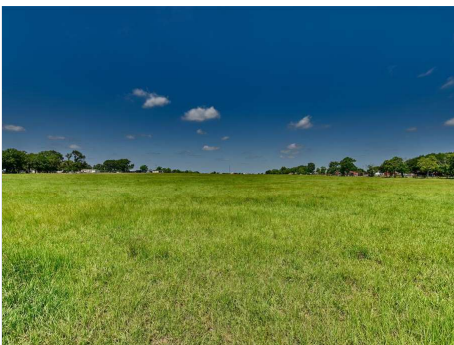
\$500,000

Beds **0/0** Baths

Days on market: **34**

SOLD 9/26/22

Days on market: **34**



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Tbd Fm 1098

Hempstead, Texas 77445

MLS #87998632



Comparable Home

MLS #37569686



Tbd Fm 1488

\$1,759,622

Hempstead, Texas 77445

SOLD 8/19/22

Beds

0/0 Baths

Days on market: **108**

Features

Acres Description: 50 or more Acres

List Type: Exclusive Right to Sell/Lease

Road Surface: Concrete

Disclosures: No Disclosures

Pool Private: False

Water Sewer: No Sewer, No Water

Details

Prop Type: Country Homes/Acreage

Lot Size (sqft): 2,437,269

List Price: \$1,850,000

Middle: Schultz Junior High School

County: Waller

List date: 3/30/22

Orig list price: \$2,200,000

Elementary: H T Jones Elementary School

Area: 26

Sold date: 8/19/22

Taxes: \$85

Subdivision: N/A

Off-market date: 7/16/22

School District: 55 Waller

Acres: 55.952

Updated: Aug 19, 2022 3:42 PM

High: Waller High School

Remarks

This beautiful and well-located 56 acres is perfect for a buy-and-hold, development, or as part of a tax-deferred exchange. The gently rolling land is about 70% open and 30% wooded. The sandy loam soils are well drained, and there is no flood plain present. One pond supplies year-round water to livestock and wildlife, and likely could be developed into a beautiful water feature. Light grazing has left the property in good shape for the cattle tenant. There is approximately 1,500 feet of frontage on FM 1488 and 800 feet on Mayer Rd at the back of the property. The property is perimeter fenced. Electricity is available along the road, water well and septic needed. There is a 138-kV Centerpoint Energy transmission line easement on the property. Sellers own part or all of the mineral estate. Waller ISD. Agricultural tax valuation.

Courtesy of Grand Land Realty, LLC


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Tbd Fm 1488

Hempstead, Texas 77445

MLS #37569686

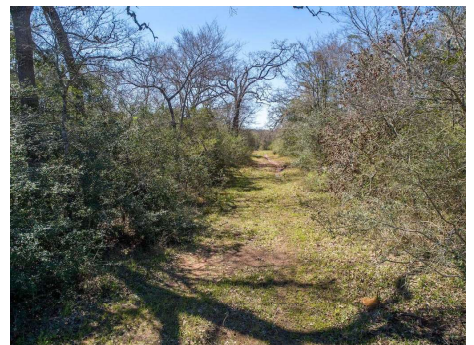
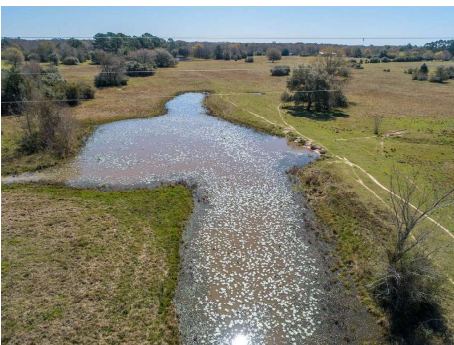
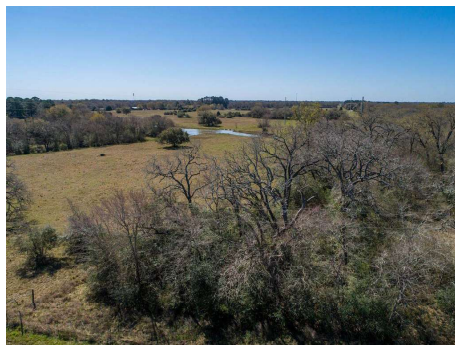
\$1,759,622

SOLD 8/19/22

Beds **0/0** Baths

Days on market: **108**

Days on market: **108**



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Tbd Fm 1488

Hempstead, Texas 77445

MLS #37569686



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Comparable Home

MLS #60300048



37642 Brumlow Road

\$1,050,000

Hempstead, Texas 77445

SOLD 6/29/22

3 Beds **2.00 Baths**
2,964 Sq. Ft. (\$354 / sqft)

Year Built 1974

Features

Acres Description: 20 Up to 50 Acres

Cool System: Central Electric

Disclosures: Sellers Disclosure

Energy: Ceiling Fans

Fireplaces: 1

Floors: Carpet, Tile

Foundation: Slab

Garage Desc: Detached Garage

Heating: Central Electric

Improvements: Barn, Fenced, Guest House, Pastures

List Type: Exclusive Right to Sell/Lease

Lot Description: Cleared, Water View

Oven Type: Electric Oven

Pool Private: False

Range Type: Electric Cooktop

Road Surface: Asphalt

Room Description: Family Room, Formal Living, Kitchen/Dining Combo, Living Area - 1st Floor, Sun Room

Topography: Rolling

Tree Desc: Clusters

Water Amenity: Pond

Water Sewer: Septic Tank, Well

Details

Prop Type: Country Homes/Acreage

County: Waller

Area: 26

Subdivision: None

Style: ["Traditional"]

Full baths: 2.0

Acres: 35.14

Lot Size (sqft): 1,530,698

Garages: 1

List date: 4/26/22

Sold date: 6/29/22

Off-market date: 4/26/22

Updated: Jun 29, 2022 9:32 AM

List Price: \$1,100,000

Orig list price: \$1,100,000

Taxes: \$8,728

School District: 55 Waller

High: Waller High School

Middle: Waller Junior High School

Elementary: H T Jones Elementary School

Remarks

35 unrestricted acres, rolling land with nice views, no flood plain, fenced & cross fenced, pond, 2 wells, 5 septic, barn, shop unfinished guest quarters (19'x25'), working pens, kennels, chicken coop. Large 3 bedroom, 2 full bath home with fireplace, 2 living areas & sunroom. Home sits on a hill surrounded by trees. Easy access to Hwy 290 just off FM 359.


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Courtesy of Waller County Land Co.

Information is deemed reliable but not guaranteed.



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37642 Brumlow Road

Hempstead, Texas 77445

MLS #60300048

\$1,050,000

3 Beds 2.00 Baths

2,964 Sq. Ft. (\$354 / sqft)

SOLD 6/29/22

Year Built 1974



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37642 Brumlow Road

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Comparable Home

MLS #16380255



0 Fm 1488 Road

\$438,000

Hempstead, Texas 77445

SOLD 9/8/22

Beds

0/0 Baths

Days on market: 79

Features

Acres Description: 10 Up to 15 Acres

Disclosures: No Disclosures

Improvements: Fenced

List Type: Exclusive Right to Sell/Lease

Lot Description: Cleared

Pool Private: False

Road Surface: Asphalt

Water Sewer: No Sewer, No Water

Details

Prop Type: Country Homes/ Acreage

County: Waller

Area: 26

Subdivision: None

Acres: 12.5

Lot Dim: 637X869

Lot Size (sqft): 544,500

List date: 5/10/22

Sold date: 9/8/22

Off-market date: 7/28/22

Updated: Sep 12, 2022 5:29 AM

List Price: \$499,500

Orig list price: \$562,500

Taxes: \$15

School District: 55 Waller

High: Waller High School

Middle: Schultz Junior High School

Elementary: H T Jones Elementary School

Remarks

GREAT LOCATION! Cleared & Unrestricted just waiting for you to build your dream home or business! Scattered trees with excellent FM 1488 road frontage. Bring the cattle or horses. No Flood Plain! Don't miss out on this one! Agents, property is cleared, open and able to be fully viewed from the road. If you would like to access the property please make an appointment through showing time and the seller will accompany you due to cattle being on the property.

Courtesy of Waller County Land Co.

Information is deemed reliable but not guaranteed.


Mark Dimas

Mark Dimas Properties

Cell: 832-684-7691

mark@markdimasteam.com | www.markdimasteam.com

0 Fm 1488 Road

Hempstead, Texas 77445

MLS #16380255

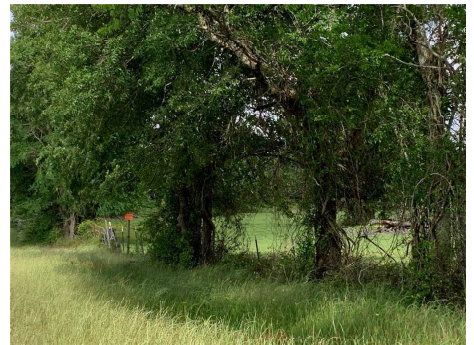
\$438,000

SOLD 9/8/22

Beds **0/0** Baths

Days on market: **79**

Days on market: **79**



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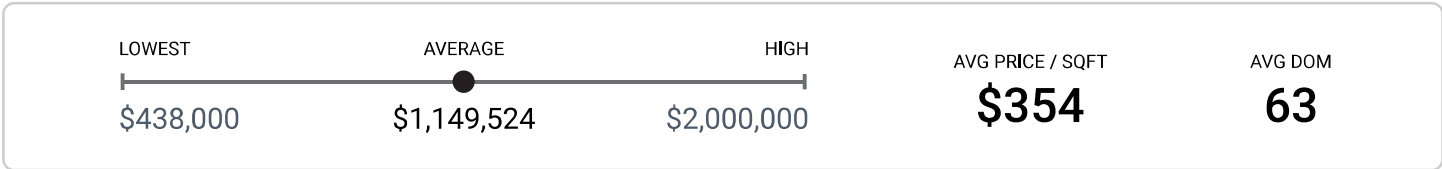
MLS #16380255



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Comparable Property Statistics

S 5 Sold Listings



Mark Dimas

Mark Dimas Properties

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mark@markdimasteam.com | www.markdimasteam.com

Sold Property Analysis

Averages

87.49%

Homes sold for an average of 87.49% of their list price.

63

Days on market

It took an average of 63 days for a home to sell.

Analysis

ADDRESS	ORIG LIST PRICE	SOLD PRICE	% OF ORIG LIST PRICE	DOM	\$ PER SQFT
40647 Fm 1488	\$2,250,000	\$2,000,000	88.89%	31	-
Tbd Fm 1098	\$525,000	\$500,000	95.24%	34	-
Tbd Fm 1488	\$2,200,000	\$1,759,622	79.98%	108	-
37642 Brumlow Road	\$1,100,000	\$1,050,000	95.45%	-	\$354
0 Fm 1488 Road	\$562,500	\$438,000	77.87%	79	-
Averages	\$1,327,500	\$1,149,524	87.49%	63	\$354



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Suggested List Price

Analysis of the comparable properties suggests a list price of:

\$1,150,000

Comparable Averages *per Status*

S 5 Sold

\$1,149,524 \$354 / sqft

ADJ↑ \$1,149,524 \$354 / sqft

63 Days on Market

Disclaimer

The CMA is a side-by-side comparison of homes for sale and homes that have recently sold in the same neighborhood and price range. This information is further sorted by data fields such as single-family or condo, number of bedrooms, number of baths, postal codes, and many other factors. Its purpose is to show fair market value, based on what other buyers and sellers have determined through past sales, pending sales and homes recently put on the market.



Mark Dimas

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This represents an estimated sale price for this property. It is not the same as the opinion of value in an appraisal developed by a licensed appraiser under the Uniform Standards of Professional Appraisal Practice.

Exhibit B



PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC)

11-07-2022

UNIMPROVED PROPERTY CONTRACT

NOTICE: Not For Use For Condominium Transactions



1. **PARTIES:** The parties to this contract are John Lewis Jr., Court-Appointed Receiver in S.E.C. v. Chavez, et al. (Seller) and Derek Nelson and/or assigns (Buyer). Seller agrees to sell and convey to Buyer and Buyer agrees to buy from Seller the Property defined below.

2. **PROPERTY:** Lot 1, Block S432500 CLEAR CREEK DEVELOPMENT 25.132, Addition, City of Hempstead, County of Waller, Texas, known as 0 Mack Washington 77445 (address/zip code), or as described on attached exhibit together with all rights, privileges and appurtenances pertaining thereto (Property).

RESERVATIONS: Any reservation for oil, gas, or other minerals, water, timber, or other interests is made in accordance with an attached addendum.

3. **SALES PRICE:**
A. Cash portion of Sales Price payable by Buyer at closing. \$ 1,100,000.00
The term "Cash portion of the Sales Price" does not include proceeds from borrowing of any kind or selling other real property except as disclosed in this contract.
B. Sum of all financing described in the attached: Third Party Financing Addendum, Loan Assumption Addendum, Seller Financing Addendum. \$ 0.00
C. Sales Price (Sum of A and B) \$ 1,100,000.00

4. **LEASES:**
A. Except as disclosed in this contract, Seller is not aware of any leases affecting the Property. After the Effective Date, Seller may not, without Buyer's written consent, create a new lease, amend any existing lease, or convey any interest in the Property.
B. **NATURAL RESOURCE LEASES:** "Natural Resource Lease" means an existing oil and gas, mineral, water, wind, or other natural resource lease affecting the Property to which Seller is a party. Seller is is not a party to a Natural Resource Lease. If Seller is a party to a Natural Resource Lease, check one of the following:
 (1) Seller has delivered to Buyer a copy of all the Natural Resource Leases.
 (2) Seller has not delivered to Buyer a copy of all the Natural Resource Leases. Seller shall provide to Buyer a copy of all the Natural Resource Leases within 3 days after the Effective Date. Buyer may terminate the contract within NA days after the date the Buyer receives all the Natural Resource Leases and the earnest money shall be refunded to Buyer.

5. **EARNEST MONEY AND TERMINATION OPTION:**
A. **DELIVERY OF EARNEST MONEY AND OPTION FEE:** Within 3 days after the Effective Date, Buyer must deliver to Fidelity National Title (Escrow Agent) at 23226 Red River Dr., Katy, TX 77494 (address): \$ 22,000.00 as earnest money and \$ 500.00 as the Option Fee. The earnest money and Option Fee shall be made payable to Escrow Agent and may be paid separately or combined in a single payment.

- (1) Buyer shall deliver additional earnest money of \$NA to Escrow Agent within NA days after the Effective Date of this contract.
- (2) If the last day to deliver the earnest money, Option Fee, or the additional earnest money falls on a Saturday, Sunday, or legal holiday, the time to deliver the earnest money, Option Fee, or the additional earnest money, as applicable, is extended until the end of the next day that is not a Saturday, Sunday, or legal holiday.
- (3) The amount(s) Escrow Agent receives under this paragraph shall be applied first to the Option Fee, then to the earnest money, and then to the additional earnest money.
- (4) Buyer authorizes Escrow Agent to release and deliver the Option Fee to Seller at any time without further notice to or consent from Buyer, and releases Escrow Agent from liability for delivery of the Option Fee to Seller. The Option Fee will be credited to the Sales Price at closing.

B. **TERMINATION OPTION:** For nominal consideration, the receipt of which Seller acknowledges, and Buyer's agreement to pay the Option Fee within the time required, Seller grants Buyer the unrestricted right to terminate this contract by giving notice of termination to Seller within 760 days after the Effective Date of this contract (Option Period). Notices under this paragraph must be given by 5:00 p.m. (local time where the Property is located) by the date specified. If Buyer gives notice of termination within the time prescribed: (i) the Option Fee will not be refunded and Escrow Agent shall release any Option Fee remaining with Escrow Agent to Seller; and (ii) any earnest money will be returned to Buyer.

Initialed for identification by Buyer DML and Seller DML TREC NO. 9-16

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11:31 AM EDT
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08/04/23

Contract Concerning 0 Mack Washington, Hempstead, TX 77445 Page 2 of 10 11-07-2022
(Address of Property)

- C. FAILURE TO TIMELY DELIVER EARNEST MONEY: If Buyer fails to deliver the earnest money within the time required, Seller may terminate this contract or exercise Seller's remedies under Paragraph 15, or both, by providing notice to Buyer before Buyer delivers the earnest money.
- D. FAILURE TO TIMELY DELIVER OPTION FEE: If no dollar amount is stated as the Option Fee or if Buyer fails to deliver the Option Fee within the time required, Buyer shall not have the unrestricted right to terminate this contract under this Paragraph 5.
- E. TIME: **Time is of the essence for this paragraph and strict compliance with the time for performance is required.**

6. TITLE POLICY AND SURVEY:

- A. TITLE POLICY: Seller shall furnish to Buyer at Seller's Buyer's expense an owner's policy of title insurance (Title Policy) issued by Fidelity Title (Title Company) in the amount of the Sales Price, dated at or after closing, insuring Buyer against loss under the provisions of the Title Policy, subject to the promulgated exclusions (including existing building and zoning ordinances) and the following exceptions:
 - (1) Restrictive covenants common to the platted subdivision in which the Property is located.
 - (2) The standard printed exception for standby fees, taxes and assessments.
 - (3) Liens created as part of the financing described in Paragraph 3.
 - (4) Utility easements created by the dedication deed or plat of the subdivision in which the Property is located.
 - (5) Reservations or exceptions otherwise permitted by this contract or as may be approved by Buyer in writing.
 - (6) The standard printed exception as to marital rights.
 - (7) The standard printed exception as to waters, tidelands, beaches, streams, and related matters.
 - (8) The standard printed exception as to discrepancies, conflicts, shortages in area or boundary lines, encroachments or protrusions, or overlapping improvements:
 - (i) will not be amended or deleted from the title policy; or
 - (ii) will be amended to read, "shortages in area" at the expense of Buyer Seller.
 - (9) The exception or exclusion regarding minerals approved by the Texas Department of Insurance.

- B. COMMITMENT: Within 20 days after the Title Company receives a copy of this contract, Seller shall furnish to Buyer a commitment for title insurance (Commitment) and, at Buyer's expense, legible copies of restrictive covenants and documents evidencing exceptions in the Commitment (Exception Documents) other than the standard printed exceptions. Seller authorizes the Title Company to deliver the Commitment and Exception Documents to Buyer at Buyer's address shown in Paragraph 21. If the Commitment and Exception Documents are not delivered to Buyer within the specified time, the time for delivery will be automatically extended up to 15 days or 3 days before the Closing Date, whichever is earlier. If the Commitment and Exception Documents are not delivered within the time required, Buyer may terminate this contract and the earnest money will be refunded to Buyer.

- C. SURVEY: The survey must be made by a registered professional land surveyor acceptable to the Title Company and Buyer's lender(s). (Check one box only)
 - (1) Within NA days after the Effective Date of this contract, Seller shall furnish to Buyer and Title Company Seller's existing survey of the Property and a Residential Real Property Affidavit promulgated by the Texas Department of Insurance (T-47 Affidavit). **If Seller fails to furnish the existing survey or affidavit within the time prescribed, Buyer shall obtain a new survey at Seller's expense no later than 3 days prior to Closing Date.** If the existing survey or affidavit is not acceptable to Title Company or Buyer's lender(s), Buyer shall obtain a new survey at Seller's Buyer's expense no later than 3 days prior to Closing Date.
 - (2) Within NA days after the Effective Date of this contract, Buyer shall obtain a new survey at Buyer's expense. Buyer is deemed to receive the survey on the date of actual receipt or the date specified in this paragraph, whichever is earlier.
 - (3) Within NA days after the Effective Date of this contract, Seller, at Seller's expense shall furnish a new survey to Buyer.

- D. OBJECTIONS: Buyer may object in writing to (i) defects, exceptions, or encumbrances to title: disclosed on the survey other than items 6A(1) through (7) above; or disclosed in the Commitment other than items 6A(1) through (9) above; (ii) any portion of the Property lying in a special flood hazard area (Zone V or A) as shown on the current Federal Emergency Management Agency map; or (iii) any exceptions which prohibit the following use or activity: **~~residential or commercial use, unrestricted use~~**. Buyer must object the earlier of (i) the Closing Date or (ii) 3 days after Buyer receives the Commitment, Exception Documents, and the survey. Buyer's failure to object within the time allowed will constitute a waiver of Buyer's right to object; except that the requirements in Schedule C of the Commitment are not waived. Provided Seller is not obligated to incur any expense, Seller shall cure any timely objections of Buyer or any third party lender within 15 days after Seller receives the objections (Cure Period) and the Closing Date will be extended as necessary. If objections are not cured within the Cure Period, Buyer may, by delivering notice to Seller within 5 days after the end of the Cure Period, (i) terminate this contract and the earnest money will be refunded to Buyer; or (ii) w 229 objections. If Buyer does not terminate

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(Address of Property)

within the time required, Buyer shall be deemed to have waived the objections. If the Commitment or survey is revised or any new Exception Document(s) is delivered, Buyer may object to any new matter revealed in the revised Commitment or survey or new Exception Document(s) within the same time stated in this paragraph to make objections beginning when the revised Commitment, survey, or Exception Document(s) is delivered to Buyer.

E. TITLE NOTICES:

(1) ABSTRACT OR TITLE POLICY: Broker advises Buyer to have an abstract of title covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a Title Policy. If a Title Policy is furnished, the Commitment should be promptly reviewed by an attorney of Buyer's choice due to the time limitations on Buyer's right to object.

(2) MEMBERSHIP IN PROPERTY OWNERS ASSOCIATION(S): The Property is is not subject to mandatory membership in a property owners association(s). If the Property is subject to mandatory membership in a property owners association(s), Seller notifies Buyer under §5.012, Texas Property Code, that, as a purchaser of property in the residential community identified in Paragraph 2 in which the Property is located, you are obligated to be a member of the property owners association(s). Restrictive covenants governing the use and occupancy of the Property and all dedicatory instruments governing the establishment, maintenance, and operation of this residential community have been or will be recorded in the Real Property Records of the county in which the Property is located. Copies of the restrictive covenants and dedicatory instruments may be obtained from the county clerk. **You are obligated to pay assessments to the property owners association(s). The amount of the assessments is subject to change. Your failure to pay the assessments could result in enforcement of the association's lien on and the foreclosure of the Property.**

Section 207.003, Property Code, entitles an owner to receive copies of any document that governs the establishment, maintenance, or operation of a subdivision, including, but not limited to, restrictions, bylaws, rules and regulations, and a resale certificate from a property owners' association. A resale certificate contains information including, but not limited to, statements specifying the amount and frequency of regular assessments and the style and cause number of lawsuits to which the property owners' association is a party, other than lawsuits relating to unpaid ad valorem taxes of an individual member of the association. These documents must be made available to you by the property owners' association or the association's agent on your request.

If Buyer is concerned about these matters, the TREC promulgated Addendum for Property Subject to Mandatory Membership in a Property Owners Association should be used.

(3) STATUTORY TAX DISTRICTS: If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fee of the district prior to final execution of this contract.

(4) TIDE WATERS: If the Property abuts the tidally influenced waters of the state, §33.135, Texas Natural Resources Code, requires a notice regarding coastal area property to be included in the contract. An addendum containing the notice promulgated by TREC or required by the parties must be used.

(5) ANNEXATION: If the Property is located outside the limits of a municipality, Seller notifies Buyer under §5.011, Texas Property Code, that the Property may now or later be included in the extraterritorial jurisdiction of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and extraterritorial jurisdiction. To determine if the Property is located within a municipality's extraterritorial jurisdiction or is likely to be located within a municipality's extraterritorial jurisdiction, contact all municipalities located in the general proximity of the Property for further information.

(6) PROPERTY LOCATED IN A CERTIFICATED SERVICE AREA OF A UTILITY SERVICE PROVIDER: Notice required by §13.257, Water Code: The real property, described in Paragraph 2, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned Buyer hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in Paragraph 2 or at closing of purchase of the real property.

(7) PUBLIC IMPROVEMENT DISTRICTS: If the Property is in a public improvement district, Seller must give Buyer written notice as required by §5.014, Property Code. An addendum containing the required notice shall be attached to this contract.

Initialed for identification by Buyer DMU and Seller [Signature]

08/04/23
dotloop verified

TREC NO. 9-16

Contract Concerning 0 Mack Washington, Hempstead, TX 77445 Page 4 of 10 11-07-2022
(Address of Property)

- (8) TEXAS AGRICULTURAL DEVELOPMENT DISTRICT: The Property is is not located in a Texas Agricultural Development District. For additional information, contact the Texas Department of Agriculture.
- (9) TRANSFER FEES: If the Property is subject to a private transfer fee obligation, §5.205, Property Code requires Seller to notify Buyer as follows: The private transfer fee obligation may be governed by Chapter 5, Subchapter G of the Texas Property Code.
- (10) PROPANE GAS SYSTEM SERVICE AREA: If the Property is located in a propane gas system service area owned by a distribution system retailer, Seller must give Buyer written notice as required by §141.010, Texas Utilities Code. An addendum containing the notice approved by TREC or required by the parties should be used.
- (11) NOTICE OF WATER LEVEL FLUCTUATIONS: If the Property adjoins an impoundment of water, including a reservoir or lake, constructed and maintained under Chapter 11, Water Code, that has a storage capacity of at least 5,000 acre-feet at the impoundment's normal operating level, Seller hereby notifies Buyer: "The water level of the impoundment of water adjoining the Property fluctuates for various reasons, including as a result of: (1) an entity lawfully exercising its right to use the water stored in the impoundment; or (2) drought or flood conditions."
- (12) REQUIRED NOTICES: The following notices have been given or are attached to this contract (for example, MUD, WCID, PID notices): NA

7. PROPERTY CONDITION:

A. ACCESS, INSPECTIONS AND UTILITIES: Seller shall permit Buyer and Buyer's agents access to the Property at reasonable times. Buyer may have the Property inspected by inspectors selected by Buyer and licensed by TREC or otherwise permitted by law to make inspections. Seller at Seller's expense shall immediately cause existing utilities to be turned on and shall keep the utilities on during the time this contract is in effect.

NOTICE: Buyer should determine the availability of utilities to the Property suitable to satisfy Buyer's needs.

B. ACCEPTANCE OF PROPERTY CONDITION: "As Is" means the present condition of the Property with any and all defects and without warranty except for the warranties of title and the warranties in this contract. Buyer's agreement to accept the Property As Is under Paragraph 7B (1) or (2) does not preclude Buyer from inspecting the Property under Paragraph 7A, from negotiating repairs or treatments in a subsequent amendment, or from terminating this contract during the Option Period, if any.

(Check one box only)

- (1) Buyer accepts the Property As Is.
- (2) Buyer accepts the Property As Is provided Seller, at Seller's expense, shall complete the following specific repairs and treatments: _____

(Do not insert general phrases, such as "subject to inspections" that do not identify specific repairs and treatments.)

C. ~~COMPLETION OF REPAIRS AND TREATMENTS: Unless otherwise agreed in writing, Seller shall complete all agreed repairs and treatments prior to the Closing Date and obtain any required permits. The repairs and treatments must be performed by persons who are licensed to provide such repairs or treatments or, if no license is required by law, are commercially engaged in the trade of providing such repairs or treatments. Seller shall: (i) provide Buyer with copies of documentation from the repair person(s) showing the scope of work and payment for the work completed; and (ii) at Seller's expense, arrange for the transfer of any transferable warranties with respect to the repairs and treatments to Buyer at closing. If Seller fails to complete any agreed repairs and treatments prior to the Closing Date, Buyer may exercise remedies under Paragraph 15 or extend the Closing Date up to 5 days, if necessary, for Seller to complete repairs and treatments.~~

D. ENVIRONMENTAL MATTERS: Buyer is advised that the presence of wetlands, toxic substances, including asbestos and wastes or other environmental hazards, or the presence of a threatened or endangered species or its habitat may affect Buyer's intended use of the Property. If Buyer is concerned about these matters, an addendum promulgated by TREC or required by the parties should be used.

E. SELLER'S DISCLOSURE:

- (1) Seller is is not aware of any flooding of the Property which has had a material adverse effect on the use of the Property.
 - (2) Seller is is not aware of any pending or threatened litigation, condemnation, or special assessment affecting the Property.
 - (3) Seller is is not aware of any environmental hazards that materially and adversely affect the Property.
 - (4) Seller is is not aware of any dumpsite, landfill, or underground tanks or containers now or previously located on the Property.
 - (5) Seller is is not aware of any wetlands, as defined by federal or state law or regulation, affecting the Property.
 - (6) Seller is is not aware of any threatened or endangered species or their habitat affecting the Property.
 - (7) Seller is is not aware that the Property is located wholly partly in a floodplain.
 - (8) Seller is is not aware that a tree or trees located on the Property has oak wilt.
- If Seller is aware of any of the items above, explain (attach additional sheets if necessary): _____

DMR

8. BROKERS AND SALES AGENTS:

- A. **BROKER OR SALES AGENT DISCLOSURE:** Texas law requires a real estate broker or sales agent who is a party to a transaction or acting on behalf of a spouse, parent, child, business entity in which the broker or sales agent owns more than 10%, or a trust for which the broker or sales agent acts as a trustee or of which the broker or sales agent or the broker or sales agent's spouse, parent or child is a beneficiary, to notify the other party in writing before entering into a contract of sale. Disclose if applicable: Buyers agent, Kristen Nelson Novicke, is sister to buyer Derek Nelson.
- B. **BROKERS' FEES:** All obligations of the parties for payment of brokers' fees are contained in separate written agreements. October 18

9. CLOSING:

- A. The closing of the sale will be on or before July 28, 2023, or within 7 days after objections made under Paragraph 6D have been cured or waived, whichever date is later (Closing Date). If either party fails to close the sale by the Closing Date, the non-defaulting party may exercise the remedies contained in Paragraph 15.
- B. At closing:
 - (1) Seller shall execute and deliver a general warranty deed conveying title to the Property to Buyer and showing no additional exceptions to those permitted in Paragraph 6 and furnish tax statements or certificates showing no delinquent taxes on the Property.
 - (2) Buyer shall pay the Sales Price in good funds acceptable to the Escrow Agent.
 - (3) Seller and Buyer shall execute and deliver any notices, statements, certificates, affidavits, releases, loan documents, transfer of any warranties, and other documents reasonably required for the closing of the sale and the issuance of the Title Policy.
 - (4) There will be no liens, assessments, or security interests against the Property which will not be satisfied out of the sales proceeds unless securing the payment of any loans assumed by Buyer and assumed loans will not be in default.
 - (5) ~~Private transfer fees (as defined by Chapter 5, Subchapter C of the Texas Property Code) will be the obligation of Seller unless provided otherwise in this contract. Transfer fees assessed by a property owners' association are governed by the Addendum for Property Subject to Mandatory Membership in a Property Owners Association.~~

10. POSSESSION: Seller shall deliver to Buyer possession of the Property in its present or required condition upon closing and funding.

11. SPECIAL PROVISIONS: (This paragraph is intended to be used only for additional informational items. An informational item is a statement that completes a blank in a contract form, discloses factual information, or provides instructions. Real estate brokers and sales agents are prohibited from practicing law and shall not add to, delete, or modify any provision of this contract unless drafted by a party to this contract or a party's attorney. NA See Ex. B Special Stipulations to this Agreement. Special Stipulations in Exhibit B, if conflicting with any Exhibit Addendum, or paragraph in this Agreement, shall control. See Exhibit A.

12. SETTLEMENT AND OTHER EXPENSES:

- A. The following expenses must be paid at or prior to closing:
 - (1) Expenses payable by Seller (Seller's Expenses):
 - (a) Releases of existing liens, including prepayment penalties and recording fees; release of Seller's loan liability; tax statements or certificates; preparation of deed; one-half of escrow fee; and other expenses payable by Seller under this contract.
 - (b) Seller shall also pay an amount not to exceed \$ NA to be applied in the following order: Buyer's Expenses which Buyer is prohibited from paying by FHA, VA, Texas Veterans Land Board or other governmental loan programs, and then to other Buyer's Expenses as allowed by the lender.
 - (2) Expenses payable by Buyer (Buyer's Expenses): Appraisal fees; loan application fees; origination charges; credit reports; preparation of loan documents; interest on the notes from date of disbursement to one month prior to dates of first monthly payments; recording fees; copies of easements and restrictions; loan title policy with endorsements required by lender; loan-related inspection fees; photos; amortization schedules; one-half of escrow fee; all prepaid items, including required premiums for flood and hazard insurance, reserve deposits for insurance, ad valorem taxes and special governmental assessments; final compliance inspection; courier fee; repair inspection; underwriting fee; wire transfer fee; expenses incident to any loan; Private Mortgage Insurance Premium (PMI), VA Loan Funding Fee, or FHA Mortgage Insurance Premium (MIP) as required by the lender; and other expenses payable by Buyer under this contract.
- B. If any expense exceeds an amount expressly stated in this contract for such expense to be paid by a party, that party may terminate this contract unless the other party agrees to pay such excess. Buyer may not pay charges and fees expressly prohibited by FHA, VA, Texas Veterans Land Board or other governmental loan program regulations.

13. PRORATIONS AND ROLLBACK TAXES:

- A. **PRORATIONS:** Taxes for the current year, interest, rents, and regular periodic maintenance fees, assessments, and dues (including prepaid items) will be prorated through the Closing Date. The tax proration may be calculated taking into consideration any change in exemptions that will affect the current year's taxes. If taxes for the current year vary from the amount prorated at closing, the parties shall adjust the prorations when tax statements for the current year are available. If taxes are not paid at or prior to closing, Buyer shall pay taxes for the current year.

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B. ROLLBACK TAXES: If this sale or Buyer's use of the Property after closing results in the assessment of additional taxes, penalties or interest (Assessments) for periods prior to closing, the Assessments will be the obligation of Buyer. If Assessments are imposed because of Seller's use or change in use of the Property prior to closing, the Assessments will be the obligation of Seller. Obligations imposed by this paragraph will survive closing.

14. ~~CASUALTY LOSS: If any part of the Property is damaged or destroyed by fire or other casualty after the Effective Date of this contract, Seller shall restore the Property to its previous condition as soon as reasonably possible, but in any event by the Closing Date. If Seller fails to do so due to factors beyond Seller's control, Buyer may (a) terminate this contract and the earnest money will be refunded to Buyer (b) extend the time for performance up to 15 days and the Closing Date will be extended as necessary or (c) accept the Property in its damaged condition with an assignment of insurance proceeds, if permitted by Seller's insurance carrier, and receive credit from Seller at closing in the amount of the deductible under the insurance policy. Seller's obligations under this paragraph are independent of any other obligations of Seller under this contract.~~

15. ~~DEFAULT: If Buyer fails to comply with this contract, Buyer will be in default, and Seller may (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this contract and receive the earnest money as liquidated damages, thereby releasing both parties from this contract. If Seller fails to comply with this contract, Seller will be in default and Buyer may (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this contract and receive the earnest money, thereby releasing both parties from this contract.~~

16. ~~MEDIATION: It is the policy of the State of Texas to encourage resolution of disputes through alternative dispute resolution procedures such as mediation. Any dispute between Seller and Buyer related to this contract which is not resolved through informal discussion will be submitted to a mutually acceptable mediation service or provider. The parties to the mediation shall bear the mediation costs equally. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.~~

17. ~~ATTORNEY'S FEES: A Buyer, Seller, Listing Broker, Other Broker, or Escrow Agent who prevails in any legal proceeding related to this contract is entitled to recover reasonable attorney's fees and all costs of such proceeding.~~

18. ~~ESCROW:~~
A. ~~ESCROW: The Escrow Agent is not (i) a party to this contract and does not have liability for the performance or nonperformance of any party to this contract, (ii) liable for interest on the earnest money and (iii) liable for the loss of any earnest money caused by the failure of any financial institution in which the earnest money has been deposited unless the financial institution is acting as Escrow Agent. Escrow Agent may require any disbursement made in connection with this contract to be conditioned on Escrow Agent's collection of good funds acceptable to Escrow Agent.~~
B. ~~EXPENSES: At closing, the earnest money must be applied first to any cash down payment, then to Buyer's Expenses and any excess refunded to Buyer. If no closing occurs, Escrow Agent may: (i) require a written release of liability of the Escrow Agent from all parties before releasing any earnest money; and (ii) require payment of unpaid expenses incurred on behalf of a party. Escrow Agent may deduct authorized expenses from the earnest money payable to a party. "Authorized expenses" means expenses incurred by Escrow Agent on behalf of the party entitled to the earnest money that were authorized by this contract or that party.~~
C. ~~DEMAND: Upon termination of this contract, either party or the Escrow Agent may send a release of earnest money to each party and the parties shall execute counterparts of the release and deliver same to the Escrow Agent. If either party fails to execute the release, either party may make a written demand to the Escrow Agent for the earnest money. If only one party makes written demand for the earnest money, Escrow Agent shall promptly provide a copy of the demand to the other party. If Escrow Agent does not receive written objection to the demand from the other party within 15 days, Escrow Agent may disburse the earnest money to the party making demand reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and Escrow Agent may pay the same to the creditors. If Escrow Agent complies with the provisions of this paragraph, each party hereby releases Escrow Agent from all adverse claims related to the disbursement of the earnest money.~~
D. ~~DAMAGES: Any party who wrongfully fails or refuses to sign a release acceptable to the Escrow Agent within 7 days of receipt of the request will be liable to the other party for (i) damages; (ii) the earnest money; (iii) reasonable attorney's fees; and (iv) all costs of suit.~~
E. ~~NOTICES: Escrow Agent's notices will be effective when sent in compliance with Paragraph 21. Notice of objection to the demand will be deemed effective upon receipt by Escrow Agent.~~

19. ~~REPRESENTATIONS: All covenants, representations and warranties in this contract survive closing. If any representation of Seller in this contract is untrue on the Closing Date, Seller will be in default. Unless expressly prohibited by written agreement, Seller may continue to show the Property and receive, negotiate and accept back up offers.~~

20. ~~FEDERAL TAX REQUIREMENTS: If Seller is a "foreign person," as defined by Internal Revenue Code and its regulations, or if Seller fails to deliver an affidavit or a certificate of non-foreign status to Buyer that Seller is not a "foreign person," then Buyer shall withhold from the sales proceeds an amount sufficient to comply with applicable tax law and deliver the same to the Internal Revenue Service together with appropriate tax forms. Internal Revenue Service regulations require filing written reports if currency in excess of specified amounts is received in the transaction.~~

DS
DMLA

DS
DMLA

DS
DMLA

DS
08/04/23
11:31 AM EDT
dotloop verified

DS
08/04/23
11:31 AM EDT
dotloop verified

Initialed for identification by Buyer DMLA and Seller DS

Contract Concerning 0 Mack Washington, Hempstead, TX 77445 Page 7 of 10 11-07-2022
(Address of Property)

21. **NOTICES:** All notices from one party to the other must be in writing and are effective when mailed to, hand-delivered at, or transmitted by fax or electronic transmission as follows:

To Buyer at: _____ To Seller at: _____

Phone: _____ Phone: _____

E-mail/Fax: _____ E-mail/Fax: _____

E-mail/Fax: derekruessellnelson@gmail.com E-mail/Fax: _____

With a copy to Buyer's agent at: kristen@texasitrustrealestate.com With a copy to Seller's agent at: Escrow@markdimasteam.com

22. **AGREEMENT OF PARTIES:** This contract contains the entire agreement of the parties and cannot be changed except by their written agreement. Addenda which are a part of this contract are (check all applicable boxes):

- Third Party Financing Addendum
- Seller Financing Addendum
- Addendum for Property Subject to Mandatory Membership in a Property Owners Association
- Buyer's Temporary Residential Lease
- Seller's Temporary Residential Lease
- Addendum for Reservation of Oil, Gas and Other Minerals
- Addendum for "Back-Up" Contract
- Addendum Concerning Right to Terminate Due to Lender's Appraisal
- Addendum containing Notice of Obligation to Pay Improvement District Assessment
- Addendum for Coastal Area Property
- Environmental Assessment, Threatened or Endangered Species and Wetlands Addendum
- Addendum for Property Located Seaward of the Gulf Intracoastal Waterway
- Addendum for Sale of Other Property by Buyer
- Addendum for Property in a Propane Gas System Service Area
- Other (list): Exhibit A and Exhibit B

23. **CONSULT AN ATTORNEY BEFORE SIGNING:** TREC rules prohibit real estate brokers and sales agents from giving legal advice. READ THIS CONTRACT CAREFULLY.

Buyer's Attorney is: buyers choice Seller's Attorney is: sellers choice

Phone: _____ Phone: _____

Fax: _____ Fax: _____

E-mail: _____ E-mail: _____

Contract Concerning 0 Mack Washington, Hempstead, TX 77445 Page 8 of 10 11-07-2022
(Address of Property)

EXECUTED the _____ day of 08/04/2023, _____ (Effective Date).
(BROKER: FILL IN THE DATE OF FINAL ACCEPTANCE.)

DocuSigned by:
Derek Nelson and/or assigns
Buyer AA231A1DESAD42B...
Derek Nelson and/or assigns

John Lewis, Jr.
Seller
John Lewis, Jr., Receiver in SEC
v. Chavez et al.

Buyer

Seller



The form of this contract has been approved by the Texas Real Estate Commission. TREC forms are intended for use only by trained real estate license holders. No representation is made as to the legal validity or adequacy of any provision in any specific transactions. It is not intended for complex transactions. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, (512) 936-3000 (<http://www.trec.texas.gov>) TREC NO. 9-16. This form replaces TREC NO. 9-15.

TREC NO. 9-16

Contract Concerning 0 Mack Washington, Hempstead, TX 77445 Page 9 of 10 11-08-2022
(Address of Property)

BROKER INFORMATION

(Print name(s) only. Do not sign)

Texas Trust Real Estate 9005156
Other Broker Firm License No.

Mark Dimas Properties 0488488
Listing Broker Firm License No.

represents Buyer only as Buyer's agent
 Seller as Listing Broker's subagent

represents Seller and Buyer as an intermediary
 Seller only as Seller's agent

Kristen Nelson Novicke 635155
Associate's Name License No.

Mark Dimas 04088488
Listing Associate's Name License No.

Team Name

Team Name

kristen@texastrustrealestate.com (979)885-8426
Associate's Email Address Phone

escrow@markdimasteam.com (832)220-3151
Listing Associate's Email Address Phone

Lori Balusek 0507624
Licensed Supervisor of Associate License No.

Licensed Supervisor of Listing Associate License No.

402 4th Street (979)885-6925
Other Broker's Address Phone

Listing Broker's Office Address Phone

Sealy TX 77474
City State Zip

City State Zip

Selling Associate's Name License No.

Team Name

Selling Associate's Email Address Phone

Licensed Supervisor of Selling Associate License No.

Selling Associate's Office Address

City State Zip

Disclosure: Pursuant to a previous, separate agreement (such as a MLS offer of compensation or other agreement between brokers), Listing Broker has agreed to pay Other Broker a fee (**3% of sales price** _____). This disclosure is for informational purposes and does not change the previous agreement between brokers to pay or share a commission.

Contract Concerning 0 Mack Washington, Hempstead, TX 77445 Page 10 of 10 11-07-22
(Address of Property)

OPTION FEE RECEIPT

Receipt of \$ _____ (Option Fee) in the form of _____
is acknowledged.

Escrow Agent **Fidelity National Title** _____ Date

EARNEST MONEY RECEIPT

Receipt of \$ _____ Earnest Money in the form of _____
is acknowledged.

Escrow Agent _____ Received by _____ Email Address _____ Date/Time _____

Address _____ Phone _____

City _____ State _____ Zip _____ Fax _____

CONTRACT RECEIPT

Receipt of the Contract is acknowledged.

Escrow Agent _____ Received by _____ Email Address _____ Date _____

Address _____ Phone _____

City _____ State _____ Zip _____ Fax _____

ADDITIONAL EARNEST MONEY RECEIPT

Receipt of \$ _____ additional Earnest Money in the form of _____
is acknowledged.

Escrow Agent _____ Received by _____ Email Address _____ Date/Time _____

Address _____ Phone _____

City _____ State _____ Zip _____ Fax _____

Exhibit C

Notice: Vacant Lot for Sale. 28 Mack Washington Lane, Hempstead, Texas 77445. Set to close on 11/28/23 for \$1,100,000. 25.132 acres. To make a bona fide offer of \$1,100,000 or more call 281-861-6199 before 11/21/23.

EXHIBIT D

Scott Stephen S & Associates, Inc. S

An Appraisal Report of the

25.132 Acre Tract of Vacant Land
Located along
The South Line of Mack Washington Lane
Hempstead, Waller County, Texas 77445

File ID: 221202069



FOR
Appraisal MC
320 Detering, Ste. B
Houston, TX 77007

As Is:
December 28, 2022

**Scott Stephens
& Associates, Inc.**

15021 Bohemian Hall Rd.
Crosby, Texas 77532
713-451-3600
713-451-3300 Fax

www.scottstephensandassociates.com

SSA Job No.:
(2212-16490)

SCOTT STEPHENS & ASSOCIATES%INC.

*Real Estate Appraisers – Consultants
Houston, Austin, San Antonio and South Texas*

*15021 Bohemian Hall Road
Crosby, Texas 77532
Phone: (713) 451-3600
Fax: (713) 451-3300*

www.scottstephensandassociates.com



Scott P. Stephens, MAI, AI-GRS, CEO



*Ryan Dagley, MAI, President
Lt. Colonel (Ret.) Terence J. O'Rourke, MAI, VP*

December 30%2022

Appraisal MC
320 Detering%Ste. B
Houston%TX 77007

File ID: 221202069

Re: Approximately 25.132 acres or 1%094%750 square feet of land located along the south line of Mack Washington Lane%Hempstead%Waller County%Texas 77445.

Dear whom it may concern:

A real estate Appraisal Report of the above referenced property has been conducted. The "As Is" market value of the fee simple estate as of December 28%2022 is:

\$1%150%000#

We are not qualified to detect the existence of hazardous materials%which may or may not be present on the subject property. Hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there is not such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field%if desired.

THE OPINION OF VALUE STATED ABOVE% AS WELL AS EVERY OTHER ELEMENT OF THIS APPRAISAL REPORT%IS QUALIFIED IN ITS ENTIRETY BY THE GENERAL ASSUMPTIONS AND LIMITING CONDITIONS SET FORTH IN ANOTHER PART OF THIS REPORT AND WHICH ARE AN INTEGRAL PART OF THE REPORT.

I certify that%to the best of my knowledge and belief%...

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

December 30%2022

- !2" The reported analyses% opinions% and conclusions are limited only by the reported assumptions and limiting conditions% and are my personal% impartial% and unbiased professional analyses%opinions%and conclusions.
- !3" I have no present or prospective interest in the property that is the subject of this report% and I have no personal interest with respect to the parties involved.
- !4" I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- !5" My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- !6" My compensation for completing this assignment was not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client%the amount of the value opinion%the attainment of a stipulated result% or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- !7" My analyses% opinions% and conclusions were developed% and this report has been prepared%in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- !8" I certify that%to the best of my knowledge and belief%the reported analyses%opinions%and conclusions were developed%and this report has been prepared%in conformity with the Uniform Standards of Professional Practice%the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute%and the specific reporting requirements of the client.
- !9" Katie McGinnis and Kailey Gillings% Appraisal Trainee TX&343409% have made a personal visit to the property that is the subject of this report. Scott P. Stephens%MAI% AI&GRS and Ryan Dagley%MAI have reviewed the report and concur with the analysis and conclusions.
- !10" Kailey Gillings% Appraisal Trainee TX&343409 has provided significant professional assistance to the persons signing this report.
- !11" I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- !12" As of the date of this report%Scott P. Stephens%MAI%AI&GRS and Ryan J. Dagley%MAI have completed the requirements of the continuing education program of the Appraisal Institute and the State of Texas. Katie McGinnis has completed the requirements of the continuing education program of the State of Texas. Kailey Gillings%Appraisal Trainee TX&343409 has completed the requirements of the continuing education program of the State of Texas.
- !13" The appraiser!s" have not performed services as an appraiser or in any other capacity% regarding the property that is the subject of this report within the previous three years immediately preceding acceptance of this assignment.

December 30%2022

The attached report is an explanation of the analysis and reasoning used to derive a market value estimate for the subject. The above values are based on a reasonable exposure period of 12 months.

The appraisal was conducted solely for the named client and is for the internal use of the client only. If you have any questions%please feel free to call.

Sincerely%

Scott Stephens & Associates%Inc.



by Scott P. Stephens%MAI%AI&GRS%CEO
State Certified General RE Appraiser
Certificate No. TX&1320269&



by Ryan J. Dagley%MAI%President
State Certified General RE Appraiser
CeCEOCertificate No. TX&1335208&



by Katie McGinnis%Associate
State Certified General RE Appraiser
Certificate No. TX&1381012&



by Kailey Gillings%Appraiser Trainee
Certificate No. TX&1343409

SPS/RJD/KM/KG/rg

EXECUTIVE SUMMARY

Location: South Line of Mack Washington Lane% Hempstead% Texas 77445

Property Type: Vacant Land

Land Area: 25.132 acres or 1,094,750 square feet of land being Lot 1% Clear Creek Development% Waller County% Texas.

Land Value: 25.132 acres or 1,094,750 square feet @ \$1.05 psf \$1,494,888

Final Value Opinion: ~~\$1,500,000~~

Marketing Period: 12 months

Valuation Date: December 28%2022
Date of Report: December 30%2022

Appraiser: Scott P. Stephens% MAI% AI&GRS% CEO
Ryan J. Dagley% MAI% President
Katie McGinnis% Associate
Kailey Gillings% Trainee Appraiser
Scott Stephens and Associates% Inc.

All values stated above are subject to the assumptions and limiting conditions as set out in this narrative appraisal.

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GENERAL ASSUMPTIONS

No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated. Responsible ownership and competent management are assumed.

The information furnished by others is believed to be reliable, but no warranty is given for its accuracy. The appraisal will interpret the FEMA map in the report. However, the reader is directed to the Caution Statement at the bottom of such map regarding the need to have the property evaluated by a qualified civil engineer or specialist to determine the floodplain status of the property. We are not experts in floodplain evaluation, nor is our interpretation warranted. All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.

It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described and considered in the appraisal. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

It is assumed that the utilization of the land and improvements is confined within the boundaries or property lines of the described property and that there is no encroachment or trespass unless noted within the report.

Unless otherwise stated in this report, the existence of hazardous materials or wetlands, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials or condition on or in the property. The appraiser, however, is not qualified to detect such substances or areas. The presence of substances such as asbestos, urea-formaldehyde foam insulation, and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumptions that there is no such materials on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

LIMITING CONDITIONS

The opinion of value and every other element of this appraisal report are qualified and limited by all of the following conditions:

1. THIS REPORT WAS PREPARED FOR THE INTERNAL USE OF THE CLIENT AND INTENDED USER(S) NAMED WITHIN THIS REPORT. NO PERSON OR ENTITY OTHER THAN THE CLIENT AND INTENDED USER(S) HAS ANY RIGHT OR AUTHORITY TO RELY ON THIS REPORT OR ANYTHING CONTAINED IN IT OR IMPLIED FROM IT, UNLESS OTHERWISE STATED IN THE BODY OF THE REPORT.

2. The appraiser will not be required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been previously made.

3. The appraiser, by reason of this appraisal, is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.

4. The distribution of the total valuation in this 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.

5. Neither all nor any part of the contents of this report, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales, or any other media without written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organization of which the appraiser is a member be identified without written consent of the appraiser.

6. By acceptance of this report, the client acknowledges that the value opinion is the product of a professionally trained mind, but nevertheless is an opinion only, and not a provable fact. As a personal opinion, a valuation may vary between appraisers based on the same facts.

QUALIFICATIONS OF SCOTT P. STEPHENS%MAI%AI&GRS

CEO of Scott Stephens and Associates, Inc.

15021 Bohemian Hall Road

Crosby, TX, Texas 77532

(713) 451-3600 Fax 713-451-3300

www.scottstephensandassociates.com

email: scottpstephens@gmail.com

Mission Statement: Scott Stephens and Associates, Inc. is committed to honesty, excellence, and professionalism. As we build lasting relationships with our clients, our constant goal is to provide a trustworthy "value-added" service that is indispensable in real estate lending and investment decisions.

Scott Stephens & Associates%Inc has a staff of 13 including 3 members of the Appraisal Institute !MAI". Seven appraisers specialize in commercial properties%3 in residential and 3 support staff.

Professional Affiliation:

MAI &Designated Member of Appraisal Institute #7758 on March 3%1988

AI&GRS &Designated Member of Appraisal Institute # 81916 on November 17%2015

State Certified General Real Estate Appraiser !Certificate # TX&320269&"%since 1991

Real Estate Broker: Texas License #328907%since 1986

Certification:

Currently certified by the Appraisal Institute !12/21" and the State of Texas !3/23".

Educational Background:

Gatesville High School%Gatesville%Texas &May 1979

Bachelor of Science Degree &Texas A&M University; Agricultural Economics – 1982

Recent Continuing Education Completed:

Fannie Mae Appraisal Guidelines: Debunking the Myths !2/19"%Introduction to Expert Witness Testimony for Appraisers: To Do or Not to Do !2/19"%Supporting Your Adjustments: Methods for Residential Appraisers !2/19"% Business Practices and Ethics !5/20"% Millennials are Changing Real Estate !6/20"% Broker Responsibility !6/20"% Texas Legal Update Parts 1 & 2 !6/20"% A New Look at Contract Law !7/22"% Texas Legal Update Parts 1 & 2 !7/22"% Ethics in Age of Disruption !7/22"% Preforming Quality BPO's !7/22"

Property Types Appraised:

Appraisal Reviews	Day Care Facilities	Mini Warehouse	Restaurants
Automotive Repair	Eminent Domain	Mobile Home Parks	Single Family
Box Retail	Fire Stations	Multifamily	Shopping Centers
Car Dealerships	Hotel/Motels	Office Buildings	Subdivisions
Churches	Industrial	Office Warehouses	Vacant Land
Convenience Stores	Medical Office	Ranches	Various Other

Expert Witness: Harris%Bexar%Fort Bend and Montgomery Counties

Partial List of Clients:

Banks: Allegiance% Austin% Bank of Houston% Capital% Comerica% Community Bank of TX% Eppraisal% Falcon% 1st Financial% 1st Liberty% 1st National% 1sr Security% 1st State% Guaranty% Independent% Origin% Plains Capital% Prosperity% Regions% South Trust% Texas Citizens% Texan% Third Coast% Truist% Trustmark% Wallis% Woodforest and many others. *Additional Clients:* Community Resource CU% Mobil CU% Shell FCU% Five Point CU% Security FCU% Chambers County%Harris County% Cities of Dayton% Houston% Beaumont% Mt Belvieu and Pasadena% as well various attorneys% corporations% credit unions% individuals% insurance companies% colleges% school districts% and appraisal management companies.

Qualifications of Scott P. Stephens, MAI, AI-GRS continued:

Memberships%Boards%Service:

Houston Chapter of the Appraisal Institute Board of Directors 1994&; Past Chair of Education Chairman of the Board 2005% Board of Directors 2001&% Member 1990&2017 &North Channel Area Chamber of Commerce; Crosby&Huffman Chamber of Commerce 2017 – present Member of San Jacinto College Foundation Board 2006&2007 Member of the Rotary Club of North Shore &President 1998&1999 also served as President&Elect% Secretary%Treasurer and Sergeant at Arms in prior years Rotary District 5890 Assistant District Governor 1999&2000% 2009&2010; Chairman of Rotary District 5890 Polio Worldwide Eradication Committee !2001&%2004&" Chairman of Live Auction for Northshore Rotary Catfish Fry & Crawfish Boil 2008&15 Have served as a special commissioner for Harris County Court at Law #3 & #4 Vice President of Harris County MUD #8%Former VP of Woodforest Professional Plaza President of Crosby Sports Association 2002&2004%Youth Baseball Coach 1995&2004 Past Member of Board of Directors of the former Brazos Valley Bank in College Station%Texas Member of First Baptist Church in Crosby%the National Association of Realtors and the Houston Board of REALTORS ®; Board of directors%former Chairman of the Board – Parent Heart Watch% Crosby Fair & Rodeo%Channelview FFA Fair%Sheldon FFA Fair – Auction Buyer Chaired and served on numerous other committees for Chamber of Commerce% Crosby Sports Association%Houston Chapter of Appraisal Institute%Church and other civic associations President of the Cody Stephens Go Big or Go Home Memorial Foundation which was awarded "Foundation of the Year" by the Crosby Huffman Chamber of Commerce – 2014.

Awards%Interests%Background

Selected by the Houston Chronicle as a Houston Hero for 2015 Crosby Huffman Chamber of Commerce "Citizen of Year – 2012" Rotary International: North Shore Rotary Club Rotarian of the Year 2010%Rotary International's "Four Avenues of Service Citation for Individual Rotarians" 2003&2004% Rotary International District 5890's "Rotary Foundation Supporter of Year" 2003&2004% Rotary International's Presidential Citation 1998&1999% "Co&President of the Year" for the Rotary International District 5890%1998&1999%Rotary Foundation Paul Harris Fellowship Major Donor Houston Chapter of the Appraisal Institute 1992 and 1993 &Key Man Award Patriotic Employer – Office of the Secretary of Defense 2003 & 2012 North Channel Chamber of Commerce &Dedicated Service Award%2007 Employers include Dominy%Ford McPherson & Teel 1983&% Ted Whitmer & Associates 1987% Whitmer & Stephens%Inc. 1988. Scott Stephens & Associates%Inc since January 1989. While at Texas A&M University was a member of the Alpha Zeta Honor Society%Baptist Student Union% Baptist Home Mission Board Summer Missionary 1981% Dean's List% Student Housing Dorm Head Resident and graduated in 3.5 years. Have served as host family for exchange students and young professionals from Australia%Chile% Germany%Italy and Serbia. Born in Big Spring%Texas%12/60. 3 children. Hobbies include reading%outdoor activities%assisting students with 4H and FFA livestock show projects%the pinnacle of which included my eldest son winning Reserve Grand Champion Steer at the HLS&R in 2006. Personal Note: My youngest son% Cody%died on May 6%2012 at the age of 18. He was an athlete preparing for college football. I am now actively involved promoting heart screening in our youth throughout the state of Texas. I work with Texas school districts promoting the inclusion of heart screenings !ECG's" with their student physicals. In 2013%2015%2017 and 2019 bills were introduced in the Texas Legislature to make this a part of the student physicals at my request. The bill passed and became "Cody's Law" HB76 in September of 2019%making Texas the first state to have this law. The law has now passed in Pennsylvania and been introduced in many other states. For more information or go to www.codystephensfoundation.org or follow us on Facebook.

SCOTT PAUL STEPHENS
15021 BOHEMIAN HALL RD
CROSBY, TX 77532



Certified General Real Estate Appraiser

Appraiser: **Scott Paul Stephens**

License #: **TX 1320269 G**

License Expires: **03/31/2023**

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

A handwritten signature in blue ink, appearing to read 'Chelsea B.', is located in the bottom right corner of the certificate. The signature is written in a cursive style.

Chelsea Buchholtz
Commissioner

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

QUALIFICATIONS OF
THE HONORABLE RYAN JOSEPH DAGLEY%MAI%CHAMBERS COUNTY
COMMISSIONER PCT 4

President of
Scott Stephens and Associates, Inc. located at 15021 Bohemian Hall Road
Crosby, Texas 77532
(713) 451-3600 Fax 713-451-3300
www.scottstephensandassociates.com
ryandagley@gmail.com

Mission Statement: Scott Stephens and Associates, Inc. is committed to honesty, excellence, and professionalism. As we build lasting relationships with our clients, our constant goal is to provide a trustworthy "value-added" service that is indispensable in real estate lending and investment decisions.

Professional Affiliations:

MAI & Designated Member of the Appraisal Institute #442002
State Certified General Real Estate Appraiser License #TX&335208&C

Educational Background:

North Shore High School&Houston%Texas May&1997
University of Houston- Houston%Texas & Graduate with Bachelor of Business Administration &
Degree%May%2002

Recent Continuing Education Completed:

Basic Hotel Appraising Limited Service Hotels !4/3/2019% Appraisal of Land subject to Ground
Leases !4/8/2019"% Appraisal of Fast food Facilities !4/1/2019"% USPAP Update !4/24/2019"%
Residential Property Inspection for Appraisers !5/2017"% Appraisal of Owner Occupied Properties
!5/2017"% Appraisal of REO Properties !5/2017"% Business Practice and Ethics !5/2020"

Current Employment:

Scott Stephens & Associates%Inc.%Houston%Texas& Since 2002%
Vice President Since January 2011
Named President in January 2020

Property Types Appraised:

Apartments	Farm and Ranch	Mobile Home Parks	Retail Centers
Banks	Hotels/Motels	Office Buildings	Single Family
Boat/RV Storage	Industrial Plants	Office Service	Single Tenant Retail
Churches	Light Industrial	Office Warehouse	Special Purpose
Commercial Developments	Medical Office	Raw Land	Subdivisions
Condemnation	Mini&warehouses	Restaurants	Various Other

Expert Witness: Harris%Jefferson%and Galveston Counties

Partial List of Clients:

Banks: Allegiance% Amegy% Austin% Barbers Hill% BB&T% Capital% Community Bank of Texas%
BBVA Compass% East Chambers% Eppraisal% Falcon% 1st Financial% 1st Liberty% 1st National% 1st
State% Heritage% Independent% Integrity% Mainland% National United% Origin% Plains Capital%
Prosperity% Regions% Spirit of Texas% South Trust% T Bank% Texas Citizens% Third Coast% Truist%
Trustmark% Wallis St% Woodforest% Zions 1st National and many others. Additional Clients:
Community Resource CU% Mobile CU% Shell FCU% Smart Federal CU% Five Point CU% Chambers

Qualifications of Ryan J. Dagley%MAI%continued:

County% Harris County% State of Texas% U.S. Army Corps of Engineers% Cities of Dayton% Houston% Beaumont% Mt Belvieu and Pasadena% as well various municipal utility districts% emergency service districts% attorneys% corporations% credit unions% individuals% insurance companies%colleges%school districts%and appraisal management companies.

Biographical Background:

Born in Baytown% Texas% May 1979. Completed primary and secondary education in Houston% Texas% May 1997. Attended Texas A&M University from 1997&1998% San Jacinto Junior College from 1998&1999% and the University of Houston from 1999&2002. May of 2002% earned bachelors degree in Business Administration. Married wife Isis in 6/2002 and have two children !Ryan Dagley Jr and Kayla Dagley". Have worked in the field of real estate appraisal since 2002% and now President of Scott Stephens & Associates% Inc. Became a Member of the Appraisal Institute in June 2015.

Memberships%Boards%Service: Member of the Rotary Club of North Shore & Sergeant at Arms in 2008% Community Service Chairman 2009% 2013% 2014% 2015% 2016% Chairman of VIP Committee for Northshore Rotary Catfish Fry & Crawfish Boil 2007 til 2018% Multiple Paul Harris Fellow&Major Donor% North Shore Rotary Club Rotarian of the Year 2015% Board of Director for North Shore Rotary 2015&2018% Treasurer of the North Shore Rotary 2016&2017% Secretary of the North Shore Rotary Club 2017&2018% President&Elect of the North Shore Rotary Club 2018&2019% President of the North Shore Rotary Club 2019&2020% President of Greenbriar Estates HOA from 2008&2015% North Channel Area Chamber of Commerce member 2004&2012% West Chambers County Chamber of Commerce Member&2017&Present% North Channel Area Chamber of Commerce – 2011&2012% Board of Directors% Youth Baseball Coach 2010&2019% Board of Director for the Cody Stephens Go Big or Go Home Foundation% Lee College Education Foundation&Director% Alderman for Beach City 2019&2020% Mayor of Beach City% Texas 2020&2022% Chambers County Commissioner Pct 4 2023&Present

RYAN JOSEPH DAGLEY
15021 BOHEMIAN HALL ROAD
CROSBY, TX 77532



Certified General Real Estate Appraiser

Appraiser: **RYAN JOSEPH DAGLEY**

License #: **TX 1335208 G**

License Expires: **08/31/2023**

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

A handwritten signature in blue ink, appearing to read 'Chelsea B.', is located to the right of the certification text.

Chelsea Buchholtz
Commissioner

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

QUALIFICATIONS OF KATIE A. MCGINNIS

A State of Texas Licensed Real Estate Appraiser at
Scott Stephens and Associates, Inc. located at 15021 Bohemian Hall Road
Crosby, Texas 77532
(713) 451-3600 Fax 713-451-3300
www.scottstephensandassociates.com
kmcginnis.ssa@gmail.com

Professional Affiliations:

Texas State Certified General Real Estate Appraiser – License # TX&381012 G

Educational Background:

Texas A&M University% College of Agriculture and Life Sciences% College Station% TX;
Bachelor of Science% Animal Science & May 2012

Recent Continuing Education Completed:

Appraisal Institute: General Appraiser Sales Comparison Approach! 8/17/2018"% General Appraiser
Income Approach Part 1 ! 9/14/2018"% General Appraiser Site Valuation and Cost Approach
! 10/6/2018"% General Appraiser Income Approach Part 2 ! 10/16/2018"% General Appraiser Report
Writing and Case Studies ! 10/20/2018"% Real Estate Finance% Statistics% and Valuation Modeling
! 11/30/2018"% General Appraiser Market Analysis and Highest and Best Use ! 2/28/2019"% Advanced
Income Capitalization ! 5/3/2019"
McKissock: Basic Appraisal Principles ! 12/15/2017"% Basic Appraisal Procedures ! 1/28/2018"% 15 &
hr National USPAP Course ! 4/22/2018"

Current Employment:

Scott Stephens and Associates% Inc.% Houston% Texas – Since July 2018% Licensed Real Estate
Appraiser

Property Types Appraised:

Apartments	Farm and Ranch	Mobile Home Parks	Retail Centers
Banks	Hotels/Motels	Office Buildings	Single Family
Boat/RV Storage	Industrial Plants	Office Service	Single Tenant Retail
Churches	Light Industrial	Office Warehouse	Special Purpose
Commercial Developments	Medical Office	Raw Land	Subdivisions
Condemnation	Mini&warehouses	Restaurants	Various Other

Biographical Background:

Born in Houston% Texas% March of 1990. Completed primary and secondary education in Crosby
Independent School District in May of 2008. Attended Texas A&M University from the fall of 2008
through May of 2012. In May of 2012% I was awarded a bachelor's degree in Animal Science. In
the five years after graduation% I worked as a teacher for Crosby Independent School district%
teaching various subjects including Physics% Veterinary Medicine% and Animal Science. I began
working at Scott Stephens and Associates% Inc as a real estate appraiser trainee in July 2018. Became
a State of Texas Licensed Appraiser in July of 2020.

KATIE ANN MCGINNIS
15025 BOHEMIAN HALL RD
CROSBY, TX 77532



Certified General Real Estate Appraiser

Appraiser: **Katie Ann McGinnis**

License #: **TX 1381012 G**

License Expires: **07/31/2024**

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

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.



Chelsea Buchholtz
Commissioner

KAILEY REBECCA GILLINGS
514 RAIN CLOUD
BAYTOWN, TX 77523



Appraiser Trainee

Trainee: **Kailey Rebecca Gillings**

Authorization #: **TX 1343409 Trainee**

Expires: **06/30/2024**

Review the list of the above Trainee's Supervisors on the License Holder Search at www.talcb.texas.gov.

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title: Appraiser Trainee

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz
Commissioner

LOCATION MAP

Borrower or Owner:

Subject Address: SL of Mack Washington Lane

Census Tract: 6803.03

City: Hempstead

County: Waller

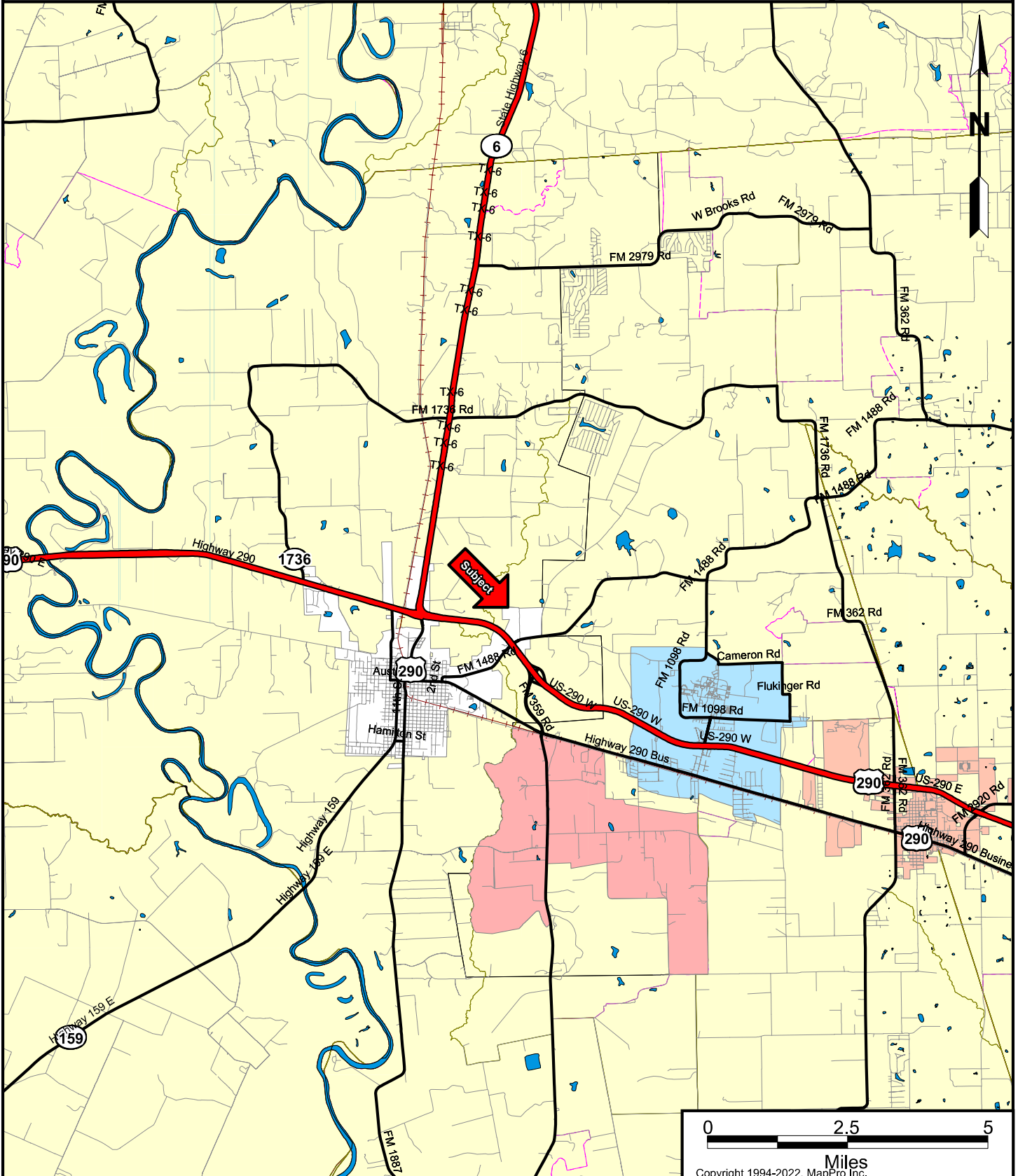
State: TX

Zip Code: 77445

Lender or Client:

Lat: 30.116343

Long: -96.049399



CAUTION:

The location of property arrows shown on this map are approximate only. Inaccuracies may exist on map such as missing, incorrectly drawn, or incorrectly addressed streets. Please report any such inaccuracy to MapPro, Inc. so that appropriate corrections can be made.





DESCRIPTIONS, ANALYSES AND CONCLUSIONS

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the "as is" market value of the fee simple estate of the subject property being described as:

25.132 acres or 1,709,450 square feet of land being Lot 1 Clear Creek Development Waller County Texas.

PROPERTY RIGHTS APPRAISED

The property rights appraised are the fee simple estate of the subject property subject to existing easements restrictions and prior encumbrances.

DEFINITION OF MARKET VALUE

Market value means 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:

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

Sources: OCC Regulations No. 12 CFR Subpart C 34.42(g) Title XI of the FIRREA Act of 1989 Interagency Appraisal and Evaluation Guidelines of December 2010.

Note: The appraiser defines the reasonable exposure time as 12 months.

MARKETING TIME AND EXPOSURE TIME

The exposure time is the estimated length of time the property interest being appraised would have been offered on the market to the hypothetical consummation of a sale at market value on the effective date of the appraisal. The marketing time is an opinion of the amount of time it might take to sell the property interest being appraised at the concluded market value level during

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the period immediately after the effective date of an appraisal. In this case, the exposure time and marketing time is estimated to be approximately 12 months, which is based on interviews with market participants, analysis of the sales comparison approach and investor surveys.

EFFECTIVE DATE OF APPRAISAL DATE OF THE REPORT

The effective date of the appraisal for the “as is” value is December 28, 2022, the date of the site visit. The date of the report is December 30, 2022.

INSTRUCTIONS TO THE APPRAISER

The appraisers were instructed by the client to conduct an “as is” market value appraisal of the fee simple estate of the subject property. Data provided by the client includes legal description of the subject property and specific appraisal guidelines.

SCOPE OF THE APPRAISAL

This is a Summary Appraisal Report. It presents discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. The depth of discussion and analyses contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.

The term "extent of the research" relates to the extent of the process of collecting, confirming, and recording data. All sources of information have been documented throughout the report and the appraisers relied on the accuracy of these sources. However, it is suggested by the appraiser that the client read and fully understand the assumptions and limiting conditions set forth within as to the extent of responsibility of the appraiser.

The appraisal was conducted in conformity with the Ethics and Standards of The Appraisal Institute, the State of Texas, the Uniform Standards of Professional Appraisal Practice (USPAP), and guidelines requested by the client. This appraisal considers the land sales comparison approach to value, but not the cost approach to value or the income approach to value because the subject represents vacant land.

The research included comparable sales of land with similar physical characteristics occurring in the past three years within the subject area. All of the land sales included in this analysis were confirmed by Scott Stephens and Associates, Inc. Some of the items which were verified in the confirmation process include the sale prices, recording data, physical and income characteristics, and other vital information available from the grantor or grantee, and from actual deed records as reported by various reporting services or county agencies.

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Kailey Gillings, Appraiser Trainee TX 343409, has provided significant professional assistance to the persons signing this report, including assisting in the site visit of the subject property, researching neighborhood and market information, and research of comparable sales of land with similar physical characteristics.

The site visit to the subject property was conducted on December 28, 2022. The subject property consists of approximately 25.132 acres or 1,094,500 square feet tract of vacant land. A property visit to the subject site and of the surrounding environment was conducted.

COVID-19 "Coronavirus": The global outbreak of a "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). The reader is cautioned and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen event subsequent to the effective date of the appraisal.

The COVID-19 or Coronavirus global pandemic arrived in United States in late January of 2020 unleashing unprecedented public gathering restrictions by March of 2020. The long and short term market impact from Covid-19 is in determining the market value conclusion.

The attached report presents all factual knowledge concerning the subject property to include its physical characteristics, characteristics of the general area, neighborhood and the immediate market. After presenting factual knowledge concerning the subject property and its market, the land sales comparison approach to value are analyzed and a final value estimate is reconciled and identified.

COMPETENCY PROVISION

It is presented that this report was completed by Scott P. Stephens, MAI, AI, GRS, Ryan Joseph Dagley, MAI, Katie McGinnis, and Kailey Gillings. Scott Stephens and Ryan Dagley hold the MAI designation awarded by the Appraisal Institute and are currently certified under the continuing educational programs. Further, this designation is held by appraisers experienced in the valuation and evaluation of commercial, industrial, residential, and other types of properties; and who advise clients on real estate investment decisions. Ryan Dagley, Scott Stephens, and Katie McGinnis are State Certified General Real Estate Appraisers and are currently certified under the continuing educational programs. The appraisers have completed numerous appraisal assignments on properties such as the subject and have the experience and ability to complete the appraisal in a competent manner. For a more detailed description of the appraiser's qualifications, refer to the introduction section of this appraisal. Kailey Gillings, Appraiser Trainee TX 343409 has provided significant professional assistance to the persons signing this report and is a Trainee under Mr. Scott Stephens, MAI, AI, GRS. Kailey Gillings is a trainee and is under the continuing educational programs from the TALCB.

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INTENDED USER AND INTENDED USE OF THE APPRAISAL IDENTIFICATION OF CLIENT

The intended use of the appraisal is for the internal use of the client "Appraisal MC" for asset evaluation and analysis. The intended user of this appraisal is Appraisal MC.

HISTORY OF THE SUBJECT

According to the Waller County Appraisal District (WCAD) the subject is a 25.132-acre or 1,094,750 square feet tract of land. Per the Waller County Appraisal District (WCAD) the subject is under the ownership name of CBT Group LLC who has owned the subject for less than three years since March 29, 2022 per WCAD. The subject site was purchased by the current owner in March of this year at an undisclosed purchase price. Currently the subject is not being marketed for sale. There have been no other known conveyances of title for the subject within the past three years.

REAL ESTATE TAXES

The Waller County Appraisal District lists the ownership name of CBT Group LLC (property ID 257912). Copies of the subject's WCAD tax information pages are included within the Addenda section. The subject has an assessed value of \$1,094,750. Due to an agriculture exemption on the property the current (2022) total assessed valuation for the subject property is \$1,890,000 of which 100% is attributed to the land. The subject property is within the taxing jurisdictions of the City of Hempstead, Waller & Harris Emergency Service District 200, Waller County, Waller County FM and Hempstead Independent School District. The current (2022) total tax rate is \$2.335144 per \$100 in assessed value. Thus the current total indicated tax liability for the subject based on the above estimated assessed value of the subject is \$44. ® This report assumes all taxes are paid to date.

CITY ANALYSIS

The Houston & The Woodlands & Sugar Land Metropolitan Statistical Area has 7.1 million inhabitants and is the fifth most populous metro area according to the US Census Bureau as of 2019 their most current reported year. Additionally the City of Houston has approximately 2.3 million inhabitants which puts the city as the fourth largest US city.

Houston's economy historically relied on the petroleum and petrochemical exploration and production industries earning the city the title "Oil Capital of the Nation." However today

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Houston has broadened its economic base shifting away from the energy sector and diversifying in industries like biotechnology, nanotechnology, manufacturing, logistics, and aeronautics.

The COVID-19 pandemic has led to a widespread economic disruption across the MSA and its effects have been felt both directly and indirectly. The government mandated stay-at-home orders directly impacted the retail and hospitality sectors by curtailing spending at non-essential businesses and softening demand. Furthermore, as global travel largely froze after the pandemic, the demand for oil and gas crashed resulting in negative oil prices for the first time in the industry's history. These subsequent lower oil prices globally led to indirect effects on Houston's energy and manufacturing industries.

These consequences of the pandemic saw vacancy rates increase substantially in 2020, correlating with both negative absorption and decreasing rental rates in most areas and sectors of the real estate market. The office market experienced 4.4 million SF of net absorption in 2020, which was the worst year on record, and an overall vacancy rate of above 18% is one of the worst in the nation as the Houston office market was already facing problems pre-pandemic as owners have had to contend with successive supply waves and waning energy tenant demand. In the industrial sector, demand is being driven by e-commerce providers, logistics companies, building material retailers, and discount stores. Yet Houston's industrial sector is experiencing record-breaking new supply, leading to rising vacancies and some of the lowest rent growth metrics in the country. An increase in vacancies in the retail sector caused by businesses shutting down has forced landlords to lower rents, and 2020 marked the first time the market registered negative annual rent growth in ten years. Rent growth has remained firmly in the red since.

Looking forward, while the local recovery outpaced that of the US due to the state's accelerated reopening, the recovery of the Houston economy depends largely on an improving health situation.

The near term outlook is bleak, as cutbacks in non-essential retail spending, especially for service, entertainment, and apparel retailers, has hurt retailer revenues significantly. Further, the unpredictability of the energy markets here forward add to the economy's volatility. Although the US rig count started to rebound slightly in early 2021, it still remains in historically low territory, extending economic uncertainty for Houston's exploration, production, and oil field service companies, which are the region's largest employers.

However, in the longer term, Houston's economic outlook remains optimistic with the vaccine rollout, and economists are forecasting 35,000 to 71,000 new jobs in 2021. Though the energy industry is predicted to remain stagnant, above-average population growth, and expansion in housing, transportation, and distribution will continue to drive growth. This is particularly true in Houston's northern and western suburbs, which are growing quickly and have become the primary target for investment buyers. These areas are anticipated to witness an outsized share of new

demand's demand for shopping and rental housing is strengthened in these suburbs due to a shift in renter and employer preferences to outside the core as a result of the health crisis and subsequent remote working.

Geography: The Houston metro is composed of Harris%Galveston%Brazoria%Fort Bend%Chambers%Montgomery%Austin%Liberty%San Jacinto%and Waller counties located in southeastern Texas. Bordered on the southeast by the Gulf Coast%the metro encompasses Galveston Bay. The Houston Ship Channel links the City of Houston to the Gulf of Mexico. The area's terrain is level and drains into a number of bayous and canals. Growth has sprawled%primarily to the north and west%making Houston the fifth%most populated metro in the nation. These 10 counties have a population of almost 7.1 million people. Houston is the largest city%with nearly 2.3 million residents%followed by Pasadena and Pearland.

Infrastructure: Great strides have been made to upgrade Houston's transportation infrastructure%with installments of Metro Rail and the completion of Interstate 10 in West Houston now comprising sections of the state's first interstate toll road. Also%the apportionment of U.S. 59 through Houston has been upgraded and renamed Interstate 69. When the 1%000-mile interstate is completed%Houston will have better access to Canada and Mexico. Since 1994%construction on the massive State Highway 99%or "Grand Parkway%" has driven growth in the metro. This outer loop will be the largest beltway in the U.S. once completed.

There are two major commercial Airports within the Houston MSA. George Bush Intercontinental Airport "IAH" is among the country's busiest airports%servicing most major airlines and has non-stop flights to every inhabited continent. Additionally%it is the second largest hub for United Airlines. William P. Hobby Airport "HOU" is Houston's secondary commercial airport%and is an operating base for Southwest Airlines providing both domestic and international flights.

The Port of Houston contains 210 Miles of facilities located along the Houston Ship Channel and has recently been expanded. The port is one of the world's busiest%moving more than 200 million tons of cargo%and it records nearly 8%000 vessel calls annually. As the closest gulf port to the Panama Canal%Houston will benefit from the port's increased capacity.

Economy: Houston is the center of the U.S. petroleum industry. The metro leads the nation in petrochemical manufacturing and refining and ranks highly in manufacturing agricultural chemicals%fertilizers%and pesticides. In fact%Houston is home to 44 of the 128 publicly traded oil and gas companies. Houston is also the world's primary producer of oil&field equipment. Other products manufactured in Houston include paper%electrical and electronic machinery%iron%and steel.

Today Houston has broadened its economic base%shifting away from the energy sector and diversifying in industries with a particular stronghold in healthcare and the life sciences. In fact%

Houston is home to the largest medical center in the world at the Texas Medical Center, which treats more than 7.2 million patients annually and employs more than 100,000 people. The Texas Medical Center has plans to expand its footprint with several million SF of new life sciences and oriented mixed-use projects in the pipeline. With this expansion, they seek to establish Texas as the “Third Coast” for life sciences and biotechnology research, competing directly with Cambridge, MA and San Francisco, CA. As such, Houston’s public and private sectors today are united in growing its global life sciences profile.

The Port of Houston is one of the country’s busiest for exports and is in the process of upgrading its facilities to handle the larger supertankers that will come through the widened Panama Canal. Significant trading partners include Mexico, Saudi Arabia, Venezuela, China, and Germany. The port directly supplies thousands of jobs and generates billions of dollars in business revenue and is central to the region’s ongoing development as a hub for international trade.

Labor: Prior to the outbreak of the CoronaVirus Pandemic, the Houston MSA consistently ranked among the top metros for job growth in the country. Ample job opportunities had spurred significant population growth and more than 1.1 million new residents were added from 2010 to 2019. However, the onset of the pandemic has had a large impact on the Houston economy, leading to a significant rise in unemployment due to the closing of many retail, transportation, and related and hospitality businesses: at the height of the pandemic, Houston’s unemployment reached 14%. While this level has recovered to just above 8%, this is still significantly above the pre-pandemic number of 4.1%.

Today, Houston’s labor pool consists of nearly 3.4 million individuals according to Texas Labor Market Information and is dominated by jobs in the energy industry, which consists of the following components: upstream energy (oil and gas exploration and production, pipeline transportation and oil field equipment manufacturing) and downstream energy (refining, chemicals manufacturing). At present, upstream companies represent less than one-third of Houston’s jobs, while energy-independent businesses represent more than 50 percent.

Substantial structural shifts in Houston’s employment base has reduced its vulnerability to downturns in energy. The Port of Houston and George Bush Intercontinental Airport contribute to the trade, transportation, and utilities sector, which is the largest employment sector in the metro, comprising 21% of all nonfarm jobs. This sector experienced a loss of 2.3% as a result of the pandemic, as compared to 6.8% of all nonfarm jobs. Professional and business services is the second largest sector, accounting for 16.2% of total employment, and likewise experienced a loss below the total at 2.8%.

Employers: Houston serves as the headquarters for 22 Fortune 500 companies (September 2020) in industries such as energy, transportation and technology. Corporations on the list include Phillips 66, Sysco, Baker Hughes and Halliburton. Houston is fourth among metros nationwide in

the number of Fortune 500 headquarters%behind only New York City%Chicago and Dallas. Houston's major employers include H&E%Houston Methodist%Memorial Hermann Health System%and MD Anderson Cancer Center.

Though Houston is home to many major corporations%businesses with 250 or more workers account for only a small portion of total employment. The metro has hundreds of thousands of small businesses%which provide jobs in all employment sectors.

Demographics: The following data is taken from the US Census Bureau as of 2019. The metro's population has grown 19.5% since 2010%adding more than 1.2 million residents and is predicted to continue to increase for the next five years at approximately 2.2% annually. A large portion of the growth will come from immigration as an expanding employment base attracts young workers to the region. As a result%the area has one of the lowest median ages among major U.S. metros at 34.9 years per the US census. Around 29% of residents fall within their prime employment years of 25 to 44.

The availability of employees also helps attract corporations seeking a large%affordable and skilled labor pool. More than 33% of area residents age 25 and older have attained a bachelor's degree and more than 12% hold a graduate degree.

A skilled workforce as well as the concentration of Fortune 500 headquarters and major business operations in the region contributes to income growth. The metro's median household income%currently at \$69%93 per year%is expected to rise significantly in the next five years. Low housing prices help to keep Houston as one of the most affordable major metros in the country%with more than 60% of households owning their home.

Quality of Life: Outdoor activities abound in Houston as a result of the city's favorable location and climate. More than a dozen state parks and recreation areas lie within a short drive of Houston%and more than 500 parks and open spaces are located in the immediate area.

For those seeking cultural activities%Houston is one of very few U.S. cities with permanent professional resident companies in opera%ballet%orchestra and theatre. The area also has a strong collection of museums including the Museum of Fine Arts%Houston; Children's Museum of Houston; and the Lawndale Art Center. Additionally%Houston is home to four professional sports teams: the Houston Texans%the Houston Astros%the Houston Rockets%and the Houston Dynamo.

Educational opportunities also play a key role in Houston's quality of life. The education and health services sector accounts for 12 percent of total employment. Johnson Space Center for instance%is a popular tourist and educational destination. Houston offers distinguished school districts and more than 40 colleges%universities and institutions. The metro is also known internationally for its medical community and is home to the Texas Medical Center%the largest medical center in the world.

Due to its affordability, warm climate, low taxes, and pro-business environment, Houston is well positioned for future growth and remains resilient in the face of the current recession. If the reader desires more detailed statistical and background information for the City of Houston it is available for the reader at the following website address: www.houstontx.gov. This web site contains information on the history of the city, the form of government, economy, and trade, and area attractions.

The information contained in the market overview comes from Marcus & Millichap and other sources deemed to be reliable, however, no representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. The most timely data available at time of production, including estimates and forecasts, were used and may be subject to revision.

NEIGHBORHOOD ANALYSIS

A neighborhood is defined as "A group of complimentary land uses; a congruous grouping of inhabitants, buildings, or business enterprises." *The Dictionary of Real Estate Appraisal*, 6th Edition

The purpose of the area and neighborhood analysis section of this report is to provide a background for the subject property in terms of its most immediate influences. This section delineates factual data according to the social, economic, governmental, and environmental forces that affect the inhabitants, and thus the value of the property in the general and immediate neighborhoods.

Location/Boundaries/Access: The subject neighborhood may be generally defined to be the Hempstead area of Waller County and the City of Waller. Specifically, the US 290 corridor between the City of Hempstead to the west and the City of Waller to the east. Hempstead and Waller represents a rural communities situated approximately 40 to 50 miles northwest of the Houston Central Business District. The City of Waller is centered around the intersection of US 290 and the Harris & Waller County line and Hempstead is centered around the intersection of US 290 and SH 6.

The subject property itself is located within city limits of the City of Hempstead, which is an incorporated part of Waller County, Texas. Specifically, the subject property is situated along the south line of Mack Washington Lane, being just north of Business US 290 "Old Hempstead Highway". Furthermore, the subject is located approximately 1.50 miles east of State Highway 6 "SH 6".

Traffic Arteries: US 290 begins at Loop 610 in near northwest Houston and ends at IH 35 in north central Austin. While there are several other routes, since the completion of all of the US 290 bypass highway sections northwest of Houston, it is now the most traveled route between these

two important Texas cities. SH 6 begins at Hitchcock at IH 45 just west of Galveston and loops around the south side of the Houston Metro Area turning north in the Sugar Land Area and continuing as SH 6 until it reaches US 290. To the north it becomes FM 1960 eventually ringing the entire greater Houston area meeting back with SH 6 in Hitchcock as SH 146. SH 6 itself follows the common route with US 290 until it branches off to the north at Hempstead continuing to the Bryan/College Station Texas A & M University and beyond.

The old highway still exists between Hempstead and Houston generally known as Hempstead Highway but has become rather secondary as a result as the new configuration. There are plans to make this a toll road at some future date. The other two communities in this immediate area are Waller !the county seat" and Prairie View !home of Prairie View A & M University". Like most rural towns there is a healthy network of farm to market and county roads that service the area.

Development: Hempstead began as a cattle and agricultural town situated along a major railroad. It now represents a town of just around 5,000 in population. The old downtown area still has some viable businesses and even though the main traffic has been redirected to the north most of the retail and service development is still along the old highway. The city government is of the Alderman type. There are several banks medical clinics doctors dentist and chiropractors a physical therapist and a nursing home. There are a total several churches restaurants a super market a Wal Mart and numerous retail and service oriented businesses.

The Lawrence Marshall Automobile Dealership which was one of the major dealerships in the state has been shut down and is no longer a draw to the area. There is a motel on the south side of US 290 west of SH 6 and several service station and truck facilities in the immediate area of that intersection. The closing of the dealership has negatively affected the area.

Daikin Industries has developed a new air conditioning and furnace factory being approximately 4,000,000 square foot tilt wall facility which employs 5,000 workers. This new Daikin facility is located approximately 5.5 miles east of the subject. The appraiser is aware of a new 900,000 square foot FedEx facility going in on the Grand Parkway in the Far Northwest submarket !subject's submarket" and GET just leased a 200,000 square foot industrial building in the 4th Quarter in the Far Northwest submarket. Transwestern notes that 72% of the new speculative space in the subject's submarket is pre-leased indicating strong demand.

Public Services: Police fire and emergency services are generally provided by Waller County excepting where the City of Hempstead has controlling authority. Within the city limits water and sewer services are available from the City of Hempstead but are not available outside of the city limits where private systems are necessary. Natural gas is not generally available but electricity telephone high speed internet service and cable TV are available. Natural gas is available in certain areas of the City of Hempstead including the subject property.

Recreation: The neighborhood enjoys substantial recreational opportunities due to the presence of two major universities to the north and east many fishing areas bird hunting off-roading and other rural activities. The area has long been popular for gentleman farm estates and weekend farm/ranch homes. There is a watermelon festival every year the bluebonnet trail in the spring and there are several other major festivals and get-togethers between Hempstead Waller Bellville Brookshire Chappell Hill and Round Top. One of the larger antique festivals in the country "five miles on both sides of the highway" twice a year between Round Top and Warrenton. While Hempstead itself has only a few antique/collectable shops the area in general is full of history and famous for these types of shops. Another major area attraction is the Texas Renaissance Festival in the months of October and November located just to the east at Magnolia.

Conclusion: While the cities of Waller and Hempstead has grown by about 30% every decade since the 1960's the surrounding Waller County population has more than doubled that rate especially over the past 15 years. Suburban development with a Houston base has grown past the 50 mile mark from the CBD in several directions and the belt of rolling creek riddled terrain west of Houston from Brookshire and Sealy on the south all the way to Brenham and Navasota on the north represents logical developmental expansion for the foreseeable future especially as more workers are enabled to work part or full time from home computers connecting to their places of employment.

COVID-19 "Coronavirus": The global outbreak of a "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization "WHO". The reader is cautioned and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen event subsequent to the effective date of the appraisal.

The COVID-19 or Coronavirus global pandemic arrived in United States in late January of 2020 unleashing unprecedented public gathering restrictions by March of 2020. The long and short term market impact from Covid-19 is in determining the market value conclusion.

Current Market Trends: The subject area has experienced moderate amounts of overall growth in the past 3 to 5 years in the commercial market. Development in the neighborhood includes retail commercial light industrial multifamily as well as single family residential subdivisions. Overall this area represents a well rounded community from all standpoints.

In addition as Houston continues to diversify from its previously heavily dependent petroleum economy the overall business basis continues to strengthen. Considering the neighborhood's location and its accessibility from major thoroughfares the medium to long term prospects for the neighborhood are considered stable.

Overall this neighborhood is considered to have good potential for continued development. The following pages are a snapshot of the Greater Houston Partnership Volume 31 No. 10 – October 2022.

THE ECONOMY AT A GLANCE

HOUSTON

GREATER HOUSTON PARTNERSHIP
Making Houston Greater

A publication of the Greater Houston Partnership

Volume 31 Number 10 – October 2022

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HOW WE'VE CHANGED

Each fall, the U.S. Census Bureau releases the American Community Survey (ACS), its annual snapshot of the nation's economic, demographic, housing and social characteristics. By examining ACS data over time, one can see shifts in the population. This issue of *Glance* examines what the '21 ACS data revealed about Houston.

Race and Ethnicity

Houston's Black, Asian and Hispanic populations have grown substantially over the past 10 years. Houston's White population, however, has stagnated. Those trends accelerated over the past two years. There were 88,000 fewer Whites in metro Houston in '21 than in '19. Hispanics more than made up for those losses, adding 89,000 residents. The Black population jumped by 24,000, the Asian population by 25,000 over the two years.

Race/Ethnicity	'21	'11	Change, '11 – '21 Estimate	%
Hispanic	2,774,634	2,185,195	589,438	27.0
White	2,392,671	2,386,063	6,608	0.3
Black	1,210,749	1,022,598	188,151	18.4
Asian	576,547	395,648	180,899	45.7
Multiple ¹	216,205	73,043	143,162	196.0
Other ²	36,034	24,348	11,687	48.0
Total	7,206,841	6,086,895	1,119,946	18.4

1 Includes residents who self-identify as of two or more races.
2 Includes American Indians, Alaska Natives, Native Hawaiians, and Other Pacific Islanders

Source: U.S. Census Bureau, American Community Survey 1-Yr Estimates

RACE/ETHNICITY, % OF POPULATION Houston in '21 v. U.S. in '60

Year	Hispanic	Anglo	African American	Asian	Other
Hou '21	38.5	33.2	16.8	6.5	3.5
U.S. '60	27.5	44.3	15.0	9.1	4.1

Source: U.S. Census Bureau

Foreign Born

Individuals born outside the U.S. represent a larger share of the region's population than a decade ago, 24.1 percent in '21 versus 21.9 percent in '11. By comparison, the foreign-born population for the nation was 13.6 percent in '21, up marginally from 13.0 percent in '11.

Since '11, Houston has added over 400,000 foreign-born residents. They account for 36.1 percent of the region's population gains since '11. Two thirds (1.1 million) of Houston's foreign-born population, arrived in the U.S. prior to '10.

Origin	'21		'11	
	Count	%	Count	%
Native Born	5,469,992	75.9	4,753,865	78.1
Foreign Born	1,736,849	24.1	1,333,030	21.9
Total	7,206,841	100.0	6,086,895	100.0

Source: U.S. Census Bureau, American Community Survey

October 2022 Economy at a Glance ©2022, Greater Houston Partnership 1

Less than half (42.9 percent) of our foreign-born are naturalized citizens. That is up from 35.2 percent 10 years ago. For the nation, 53.1 percent of foreign-born residents are citizens, up from 44.9 percent in '11.

Place of Origin

The majority of our foreign-born came from Latin America (61.2 percent), followed by Asia (25.9 percent), Africa (6.8 percent), Europe (4.9 percent), North America (0.9 percent) and Oceania (0.2 percent). Twenty countries account for 85.5 percent of Houston's foreign-born residents.

ORIGIN OF HOUSTON'S FOREIGN-BORN POPULATION

Country	Residents	Origin	Residents
Mexico	598,758	Philippines	35,642
El Salvador	118,984	Pakistan	35,325
Vietnam	95,480	Cuba	34,146
India	94,163	United Kingdom‡	28,046
Honduras	91,650	Canada	16,440
Nigeria	62,864	Iran	16,283
Venezuela	54,333	Taiwan	15,172
China	53,253	Nicaragua	12,027
Colombia	39,887	Germany	11,812
Guatemala	39,813	Iraq	10,738
Total Top 10	1,267,800	Total 11 - 20	215,631

‡ Includes England and Scotland

Source: U.S. Census Bureau, 2021 American Community Survey

Age

Houston's population continues to mature. In '11, the region's median age was 33.4 years. In '21, the median was 35.3. The median for the U.S. is 38.8 years.

Seniors (residents over 65) accounted for 12.1 percent of our population in '21, up from 8.9 percent in '11. Minors (residents under 18) were 26.2 percent of the region's population, down from 27.7 percent in '11.

AGE COMPOSITION OF METRO HOUSTON

Years	'21		'11	
	Count	%	Count	%
Under 20	2,068,363	28.7	1,856,503	30.5
20 - 34	1,506,230	20.9	1,326,943	21.8
35 - 54	1,974,674	27.4	1,710,417	28.1
55 - 64	799,959	11.1	651,298	10.7
65+	872,028	12.1	541,734	8.9
Total	7,206,841	100.0	6,086,895	100.0

Note: Columns do not sum due evenly due to rounding errors
Source: U.S. Census Bureau, American Community Survey

Disability Status

One in 10 Houstonians, 743,425 residents, suffer from one or more disabilities (behavioral, emotional, sensory, mobility, or developmental). That's up from 573,540 residents ten years ago. Typically, this cohort grows by 17,000 to 20,000 residents each year. From '19 to '21, the population jumped by nearly 85,000. One in 24 Houstonians under the age of 18 has at least one disability. The rate is one in 12 for ages 18 to 64 and one in three for residents 65 and older.

School Enrollment

Just over 1.9 million Houston residents were enrolled in school in '21, up from 1.7 million in '11. Nearly one in four (22.6 percent) were in college or a graduate school, compared to 21.1 percent in '11.

POPULATION 3 YRS AND OVER ENROLLED IN SCHOOL, '21

Grade Level	Students	%
Nursery school, preschool	99,396	5.2
Kindergarten	97,484	5.1
Elementary school (grades 1-8)	846,775	44.3
High school (grades 9-12)	437,723	22.9
College or graduate school	431,989	22.6
Total	1,932,292	100.0

Note: Columns may not sum due evenly due to rounding errors.

Source: U.S. Census Bureau, 2021 American Community Survey

Educational Attainment

Houstonians are better educated. One in three adults (35.8 percent) hold a bachelor's degree or higher. Ten years ago, 28.9 percent did. Increased enrollment in higher education and the passing on of older Houstonians who tended to be less educated has contributed to the improvement.

EDUCATIONAL ATTAINMENT, METRO HOUSTON POPULATION 25 YEARS OLD AND OLDER

Highest Education Level Attained	'21	'11
No High School Diploma	15.5	18.9
Less Than 9th Grade	9.1	9.7
9th to 12th Grade	6.4	9.2
High School Grad or Higher	84.4	81.1
High School/ GED only	22.9	24.1
Some College, No Degree	18.7	21.6
Associate Degree	7.0	6.5
Bachelor's Degree or Higher	35.9	28.8
Bachelor's Degree	22.4	19.0
Graduate or Professional Degree	13.5	9.8

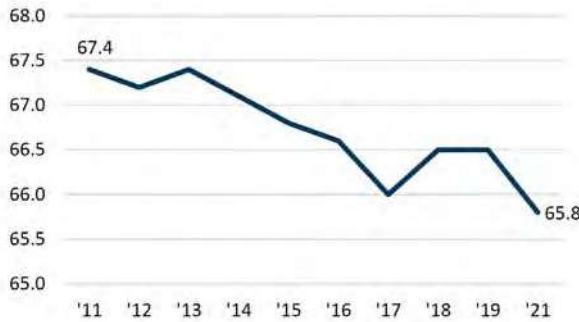
Note: Columns do not sum due evenly due to rounding errors.

Source: U.S. Census Bureau, American Community Survey

Labor Force Participation Rate

The labor force participation rate is the percentage of population over 16 that is employed or unemployed and actively seeking work. Houston’s rate has trended down since the ‘00s. The decline accelerated in the pandemic.

LABOR FORCE PARTICIPATION RATE, METRO HOUSTON



At 65.8 percent, Houston’s rate is still well above that of the U.S., which averaged 62.5 percent in ‘21.

Travel to Work

Houstonians are spending more time in traffic. According to the ACS, the average travel time to work was 28.9 minutes in ‘21, up from 27.7 minutes in ‘11.

- Most commuters (70.6 percent) drive to work alone, down from 80.4 percent in ‘11.
- Only 8.9 percent of commuters carpool, down from 10.8 percent 10 years ago.
- Only 1.3 percent of all commutes involved public transit in ‘21, down from 2.3 percent in ‘11.

One in six Houston workers worked from home (WFH) in ‘21, up from one in 19 prior to the pandemic and one in 30 a decade ago. While significant, Houston lags the nation in share of population working from home.

EMPLOYED POPULATION, 16 AND OLDER, WORKING FROM HOME

	'21	'19	'11
HOU Workforce	3.295 M	3.371 M	2.774 M
% WFH	15.5	5.1	3.3
# WFH	510,853	171,970	91,557
U.S. Workforce	154.3 M	156.9 M	138.2 M
% WFH	17.9%	5.7%	4.3%
# WFH	27.622 M	8.945 M	5.945 M

Source: U.S. Census Bureau and Partnership calculations

Income

Median household income trended up in recent years, growing 11.3 percent, adjusted for inflation, from ‘11 to ‘19. Incomes took a hit in the pandemic. Median household income for Houston was \$70,893 in ‘21, which is \$58,707 in ‘11 constant dollars, a 3.9 percent drop from ‘19.

MEDIAN HOUSEHOLD INCOME, METRO HOUSTON



* ‘11 constant dollars

Source: U.S. Census Bureau American Community Survey

Poverty

In ‘11, one in seven Houston families (14.1 percent) lived in poverty. That improved to one in ten (10.2 percent) by ‘19. But the pandemic hit those at the lower income levels the hardest. By ‘21, one in nine families (11.2 percent) lived in poverty.

- In families with children under the age of 18, the rate jumped from 14.8 percent to 16.3 percent.
- In single-mother households with children under 18, the rate was 37.9 percent in ‘21, a marginal improvement from 41.9 percent in ‘11.
- For residents 65 and older, the rate was 11.5 percent in ‘21, up from 10.7 percent 10 years ago.

Veteran Status

One in 20, or 5.0 percent of the adult population (265,780 residents) served in the U.S. military. That’s down from ‘11, when 294,643 veterans, 6.5 percent, called Houston home.

Health Insurance Coverage

More Houstonians carry health insurance now than a decade ago, but the improvement has been marginal. When the Census Bureau first asked about coverage in ‘13 (prior to passage of the Affordable Care Act), only 77.2 percent of the metro population had insurance. In ‘21, 80.7 percent had health insurance.

Health Insurance Coverage in Metro Houston

	% Population	
	'21	'11
With health insurance	80.7	75.9
With private health insurance	60.3	56.9
With public coverage	28.1	25.2
No health insurance	19.3	24.1

Source: U.S. Census Bureau American Community Survey

Marital Status

Half the region’s population over the age of 15, nearly 2.9 million residents, is currently married. One-third of the population has never married. The remaining population is either widowed, separated, or divorced.

MARITAL STATUS, POPULATION 15 AND OLDER, '21

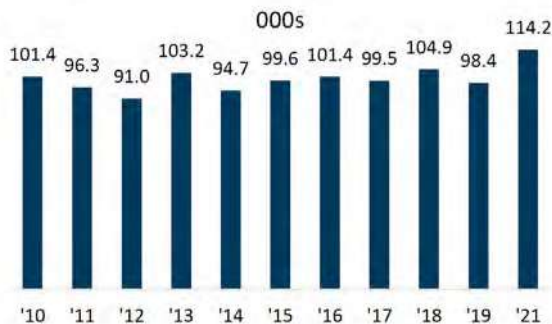
	#	%
Currently married	2,856,487	50.6
Never married	1,927,022	34.1
Divorced	500,610	8.9
Widowed	241,505	4.3
Separated	124,438	2.2
Total	5,647,206	100.0

Note: Columns may not sum due evenly due to rounding errors.
Source: U.S. Census Bureau, 2021 American Community Survey

Fertility

The fertility rate trended down in recent years but jumped post-pandemic, setting a record for births in '21.

NUMBER OF WOMEN 15 - 50 YEARS OLD WHO HAD A BIRTH IN THE PAST 12 MONTHS



Source: U.S. Census Bureau, American Community Survey (2010-2021)

Of the 114,161 births in Houston last year, 32.1 percent were to unmarried women (widowed, divorced, or never married). Over the past 10 years, the fertility rate for women under 20 has plummeted while the rate for women 35 to 50 has climbed.

HOUSTON FERTILITY RATES, BIRTHS PER 1,000 WOMEN

Mother's Age	'21	'11
15 to 50 years old	40	40
15 to 19 years old	16	43
20 to 34 years old	107	104
35 to 50 years old	37	27

Source: U.S. Census Bureau, 2021 American Community Survey

Households

Houston added nearly 535,000 households over the past decade. In '21, roughly one-third (36.2 percent) of the 2.6 million households included someone under 18; one-fourth (25.0 percent) included someone over the age of 65.

HOUSEHOLD COMPOSITION, METRO HOUSTON – '21

Household Type	#	%
Married-couple household	1,311,106	50.4
With children under 18	595,721	22.9
Cohabiting couple household	171,692	6.6
With children under 18 years	70,238	2.7
Male householder, no spouse/partner	452,644	17.4
With children under 18 years	33,818	1.3
Female householder, no spouse/partner	665,959	25.6
With children under 18 years	150,881	5.8
Males living alone	304,364	11.7
Females living alone	332,979	12.8
Total	2,601,401	100.0

Source: U.S. Census Bureau, 2021 American Community Survey

Mobility

One million Houstonians—14.0 percent of residents one year and older—moved year. The majority simply changed apartments or houses within the metro area, but a substantial number moved here from outside the region.

PLACE OF RESIDENCE, ONE YEAR AGO*, '21

Location	Residents	%
Same house	6,118,192	86.0
Different house	995,985	14.0
Different house in the U.S.	946,186	13.3
Same county	583,363	8.2
Different county	355,709	5.0
Same state	234,768	3.3
Different state	128,055	1.8
Abroad	49,799	0.7
Total	7,114,177	100.0

* For population 1 year old and older

Source: U.S. Census Bureau, 2021 American Community Survey

Note: The Census Bureau did not release ACS data for '20.

Source: U.S. Census Bureau American Community Survey ('11-'21)

EMPLOYMENT UPDATE

Metro Houston added 5,400 jobs in August '22. This falls below expectations for the month. In a normal year, the region creates 7,000 to 10,000 jobs in August. In a boom year, which has been the case up to this point, the region creates 10,000 to 18,000 jobs. It's too soon to determine whether the August report is the first sign of an economic slowdown.

- Restaurants and bars added 7,500 jobs in August. The sector normally creates 800 to 1,200 jobs in the month. August's job growth is likely an anomaly that will be revised downward in future reports.
- Administrative and support services added 5,500 jobs. Employers are relying on contractors to meet their workforce needs in the current tight labor market.
- Durable goods manufacturing added 1,500 jobs in August and 7,700 since the first of the year. It's not clear from the available data in which sub sectors those jobs were created. Manufacturing overall remains well below pre-pandemic employment levels.
- Real estate/equipment rentals added 800 jobs in August bringing employment to 100 jobs shy of where it stood in February '20. In a sector with over 64,000 jobs, this is essentially a rounding error. The sector should be considered as fully recovered.
- Employment in hotels, information, and other services—all laggards in the COVID recovery— was flat in August. The energy sector, also a laggard, shed 700 jobs.

Fourteen of the 19 major sectors tracked by TWC have fully recovered their pandemic losses. Those sectors are:

- Administrative support and waste management
- Arts, entertainment, and recreation
- Construction
- Educational services
- Finance and insurance
- Food services and drinking places
- Health care and social assistance
- Professional, scientific and tech services
- Retail trade
- Transportation, warehousing, and utilities
- Wholesale trade.

Information, hotels, and personal services should recover by the end of the year. The path to full recovery for energy and manufacturing remains uncertain, especially as U.S. economic growth has begun to slow.

October 2022 Economy at a Glance ©2022, Greater Houston Partnership

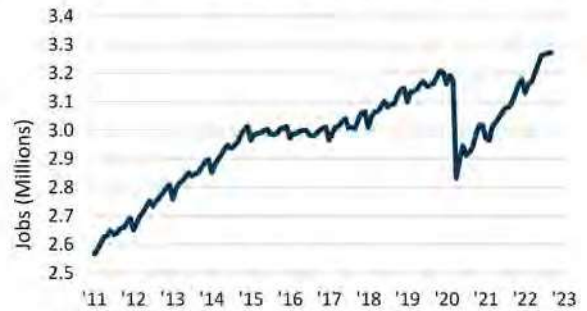
SECTORS STILL IN RECOVERY, METRO HOUSTON

Sectors	Job Still to Recoup
Real estate and equipment rentals	100
Information	500
Hotels	2,300
Other Services	4,300
Manufacturing	5,700
Energy (exploration, oil field services)	10,200

Source: Texas Workforce Commission and Partnership calculations

Nonfarm payroll employment now tops 3,273,100, well above Houston's previous peak of 3,207,900 reached in November '19.

NONFARM PAYROLL EMPLOYMENT METRO HOUSTON



Source: Texas Workforce Commission

RECESSION IN 2023?

Will the U.S. slip into a recession next year? If so, will Houston follow? And if so, how bad will it be for Houston and how long will it last? The Partnership's [Houston Region Economic Outlook](#) event scheduled for Thursday, December 8 at the Royal Sonesta Hotel aims to answer those questions and more.



During lunch, a of Partnership Board Members will share their insights for Houston's future. Following the discussion, **Patrick Jankowski**, the Partnership's Chief Economist, will present the Houston the employment forecast for next year. Register for the event at the [Partnership's website](#).

KEY ECONOMIC INDICATORS



Aviation — The Houston Airport System (HAS) handled 52.2 million passengers in the 12 months ending August '22, up 44.5 percent from the comparable period in '21. This marks the highest 12-month passenger count since April '20.



Building Permits — City of Houston building permits totaled \$7.7 billion for the 12 months ending August '22, up from \$6.1 billion over the same period in '21, according to the city's Public Works Department. Commercial permit values rose 28.6 percent to \$4.3 billion and residential permit values increased 21.9 percent to \$3.4 billion.



Construction — Metro Houston construction starts totaled \$14.8 billion through July of this year, up from \$12.1 billion over the comparable period in '21, according to the latest data from Dodge Data & Analytics. Nonresidential activity increased from \$4.4 billion, to \$6.0 billion and residential activity from \$7.7 billion to \$8.8 billion.



Crude Oil — The closing spot price for West Texas Intermediate (WTI), the U.S. benchmark for light, sweet crude, averaged \$93.67 per barrel in August '22, up from \$67.73 for the same period in '21. WTI has consistently traded above \$90 per barrel since early February '21. The U.S. Energy Information Administration forecasts WTI to average \$98.07 per barrel this year and \$90.91 in '23.



Home Sales — In the 12 months ending August, Houston area realtors closed on 128,869 homes, compared to 130,767 for the 12 months in July, and 132,887 for the 12 months ending in June. In August '22, active listings of all property types (single-family, townhomes, condos, duplexes) were up 25.1 percent over August of '21. They are still 17.7 percent below where they stood five years ago.



Inflation — Inflation, as measured by the Consumer Price Index for all Urban Consumers (CPI-U), rose 8.3 percent nationwide in the 12 months ending August '22. This has come down from a peak in June '22 of 9.1 percent. The peak of the last 50 years was in March '80 when the annual rate topped 14.6 percent.



Purchasing Managers Index — Economic activity in Houston expanded in August at a slightly slower rate than July, according to the most recent Houston Purchasing Managers Index (PMI). The August '22 PMI registered 54.2, down from 55.6 in July. Readings over 50 generally indicate expansion in the economy, below 50, contraction.



Rig Count — The Baker Hughes count of active domestic rotary rigs hit 765 the last week of September, up 237 rigs from the same week the year before, according to data recently released by the company. The rig count is 28 shy of where it stood in mid-March '20 prior to the pandemic. However, the rig count peaked at 1,083 the last week of December '18. The pandemic only accelerated the decline.



Unemployment — The unemployment rate for metro Houston was 4.6 percent in August '22, down from 4.8 percent in July '22 and from 6.3 percent in August '21. The Texas rate was 4.2 percent, down from 4.3 percent in July and 5.5 percent in August of last year. The rates are not seasonally adjusted.



Vehicle Sales — New car, truck, and SUV sales are up 9.7 percent through August of this year compared to the same period in '21. Truck and SUV sales continue to dominate the market, accounting for one in four (77.6 percent) of all vehicles sold to date.

Clara Richardson and Patrick Jankowski contributed to this issue of Houston: The Economy at a Glance.

STAY UP TO DATE

For past issues of **Economy at a Glance**, click [here](#).

The Partnership posts updates to the region's key economic indicators throughout the month. If you would like to receive updates by e-mail, click [here](#).

If you would like to receive updates via Twitter, follow the Partnership's Chief Economist, Patrick Jankowski, at @PNJankowski.

If you are a not a member of the Greater Houston Partnership and would like to subscribe to **Economy at a Glance**, please click [here](#). For information about joining the Partnership, call Member Engagement at 713-844-3683.

SITE DATA AND ANALYSIS

An analysis of the subject site is particularly important in determining its highest and best use. We have relied on the legal description, aerial photos, WCAD tax map, and a thorough physical property visit of the subject. The following is a discussion of the most important facts.

Legal Description: 25.132 acres or 1,709,450 square feet of land being Lot 1, Clear Creek Development, Waller County, Texas.

Location/Access: The subject property is located within city limits of the City of Hempstead, which is an incorporated part of Waller County, Texas. Specifically, the subject property is situated along the south line of Mack Washington Lane, being just north of Business US 290 "Old Hempstead Highway". Furthermore, the subject is located approximately 1.50 miles east of State Highway 6 "SH 6".

Physical Characteristics: The subject site is rectangular in shape and contains a total of 25.132 acres or 1,709,450 square feet of land in size per WCAD.

Zoning/Land Use: The subject is located in the City of Hempstead within Waller County, which Hempstead does subscribe to zoning. The subject property is zoned "Agriculture Residential" by the City of Hempstead, which allows for a variety of agriculture and commercial uses. There are no known deed restrictions or other known restrictions as to use or value.

Floodplain: According to the flood insurance rate map of the Federal Emergency Management Agency, revised May 16, 2019, FEMA Map No. 48473C0135F, the subject lies within Zone X, an area outside the 500-year and 100-year floodplains. A copy of the floodplain map follows this section. Please refer to the caution statement at the bottom of floodplain map.

Environmental Concerns: An environmental survey for the subject property was not provided. It is assumed that no adverse environmental or geologic conditions exist, but this should be checked with appropriate professionals.

Topography/Drainage: Upon inspection, the subject site appears to be level and well drained. Drainage of the subject site is facilitated by natural site drainage to open ditch drainage along bordering roadway rights of way. Drainage of the area is under the control of Waller County and appears adequate as evidenced by the existing improvements in the immediate vicinity.

Easements and Covenants: The subject has no known easements or restrictions which would be considered to adversely affect utilization of the subject site. There are utility easements common to properties in the area.

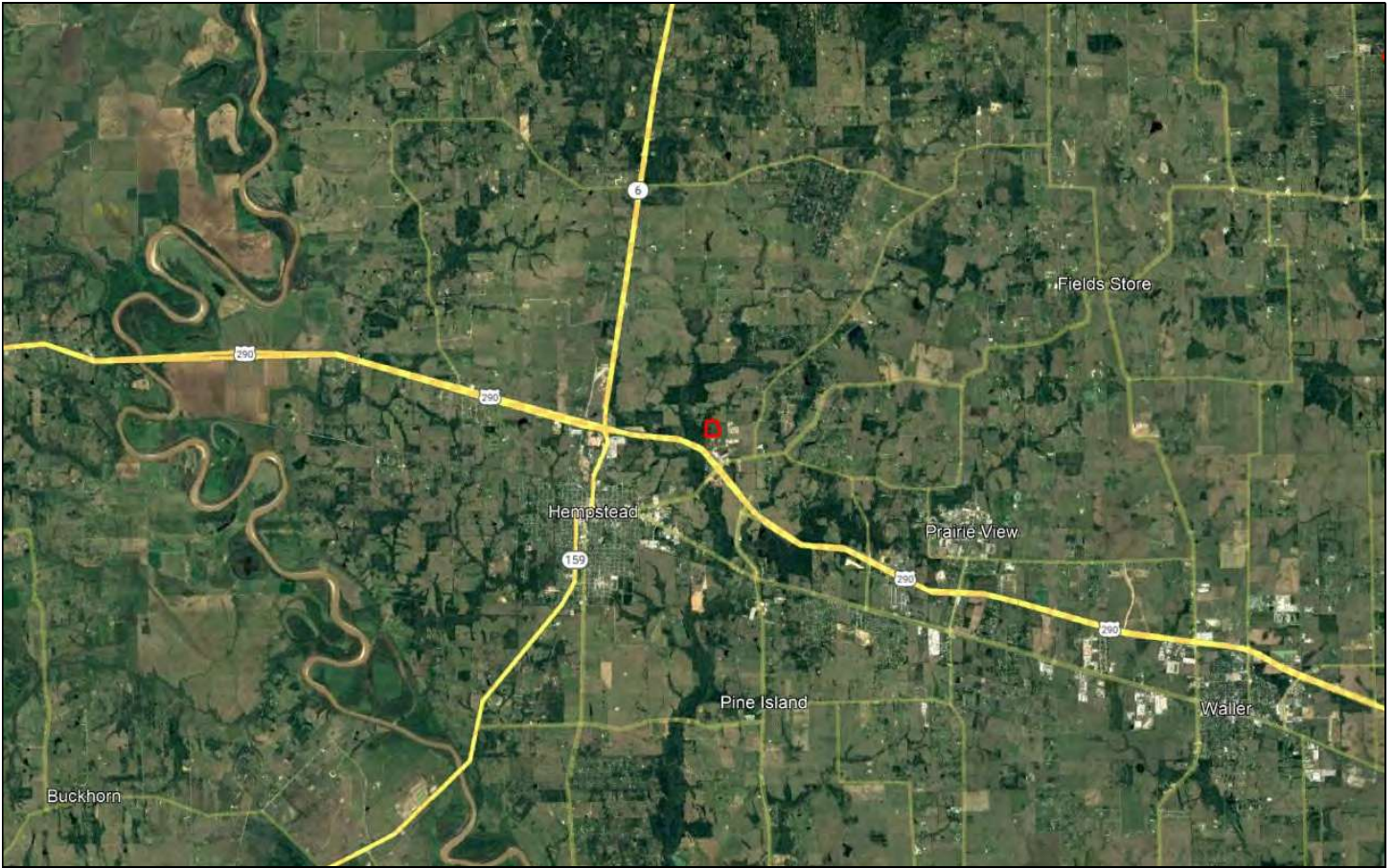
Utilities/Education/Public Services The subject does have access to water and sewer via the City of Hempstead. Electricity is distributed by CenterPoint Energy, and telephone is available through several national providers. In addition, cable television and high speed internet service are readily available through a variety of area providers.

Police%fire%and emergency services are provided by Waller County. Education is provided by the Hempstead Independent School District%which provides secondary education through the high school level !Kindergarten through the 12th grade".

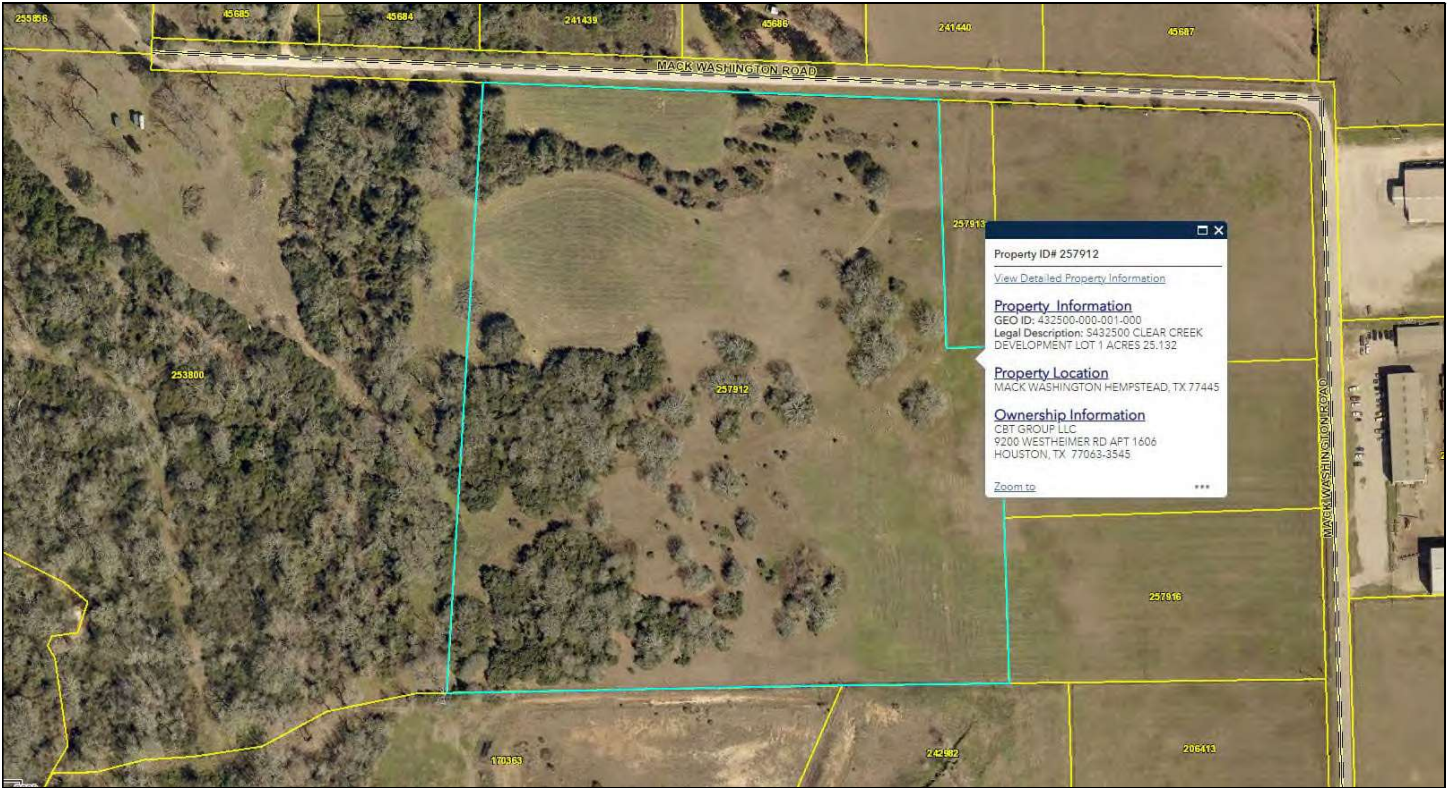
Conclusion: The subject has good access to primary traffic arteries and all portions of the greater Houston area. The site is a sufficient size to support a number of possible uses%and does not appear to be encumbered by any easements or encroachments that would affect value or use. The subject represents a good developable site with fair accessibility and amenities.



**Aerial Photo of Subject Site
Boundaries are estimated by appraiser**



Broad Aerial View of Subject and Surrounding Area Development



Subject WCAD Tax Map



Subject as of December 28%2022

FLOOD MAP

Borrower or Owner:

Subject Address: SL of Mack Washington Lane

Census Tract: 6803.03

City: Hempstead

County: Waller

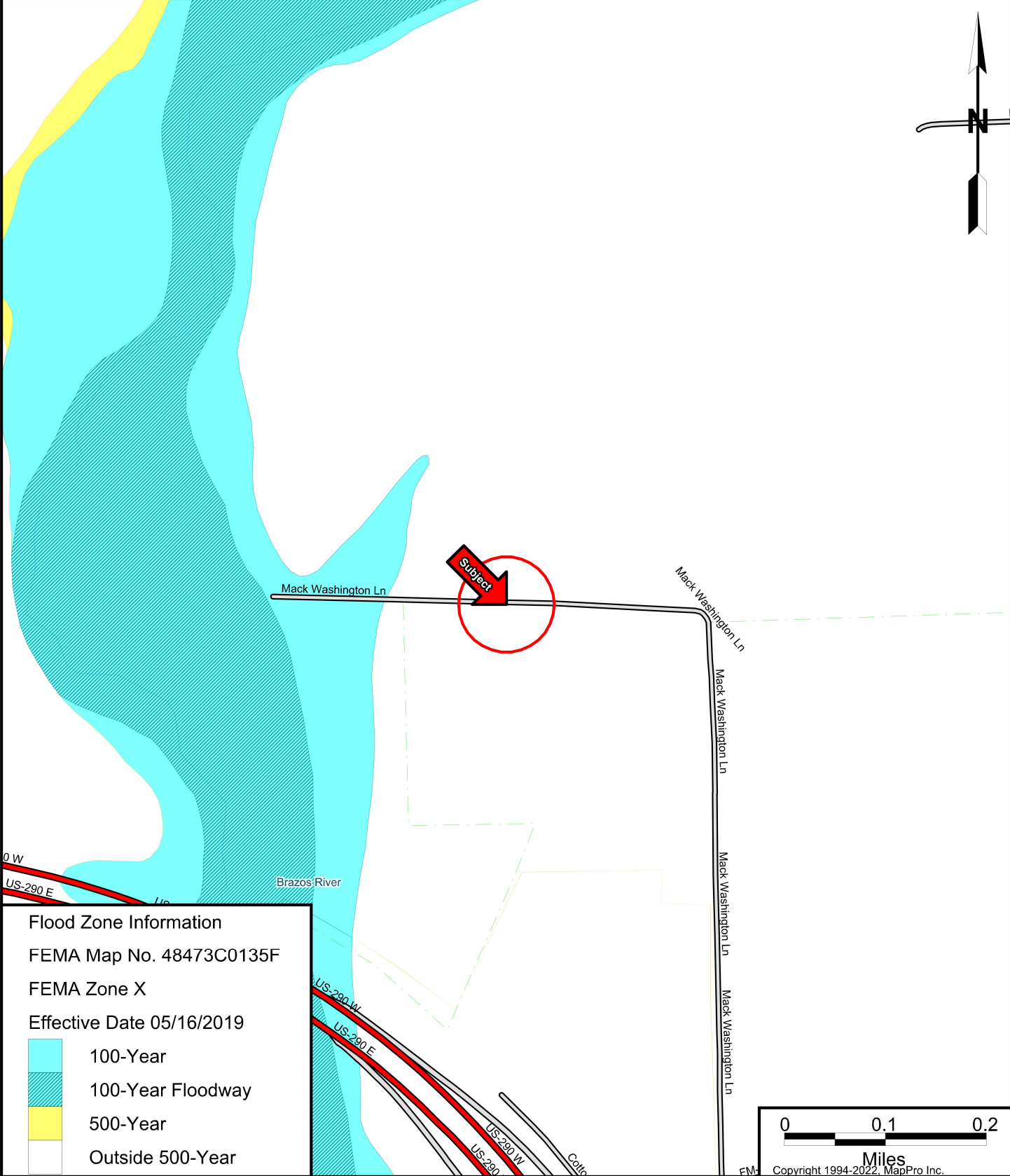
State: TX

Zip Code: 77445

Lender or Client:

Lat: 30.116343

Long: -96.049399



Flood Zone Information

FEMA Map No. 48473C0135F

FEMA Zone X

Effective Date 05/16/2019

- 100-Year
- 100-Year Floodway
- 500-Year
- Outside 500-Year

CAUTION:

The location of flood hazard areas shown on this map are approximate only. Flood hazard boundaries may change from time to time. A property in the general vicinity of a flood hazard area should be evaluated by a civil engineer or other appropriate specialist prior to purchase or investment.

HIGHEST AND BEST USE

Highest and best use is defined as "the reasonably probable and legal use of vacant land or an improved property which is physically possible, appropriately supported, financially feasible, and that results in the highest value" ! *The Dictionary of Real Estate Appraisal* 6th Edition". The definitions of highest and best use indicate that there are two types of highest and best use. The first type is highest and best use of land or a site as though vacant. The second is highest and best use of a property as improved. Each type requires a separate analysis. Moreover, in each case, the existing use may or may not be different from the site's highest and best use.

Legally Permissible: In all cases of highest and best use, the appraiser must determine the uses of the site which are legally permissible. The subject is located in the City of Hempstead within Waller County, which Hempstead does subscribe to zoning. The subject property is zoned "Agriculture Residential," which allows for a variety of agriculture or commercial development. Beyond building code requirements, there appear to be no legal impediments to the subject use or value.

Physically Possible: Size, terrain, shape with respect to development, surrounding uses, and utility availability are generally considered the most important in determining uses to which the subject may be developed. The subject site contains a total of 25.132 acres or 1,709,475 square feet of vacant land. The subject has access to public water and sewer. The subject tract is of a size and shape that could accommodate a number of uses. Considering the size and location of the subject, the most likely physical uses would be for some type of commercial development as demand warrants.

Financially Feasible: This criterion dictates that the use must create value and generate a positive net income. Factors which influence feasible uses include those considered other than legally permissible and physically possible uses, as well as economic factors relating to rental rates and occupancies of the various real estate sectors. In other words, a property's financial feasibility is based on its income potential.

Maximally Productive: In considering the maximally productive uses, the comparison of all uses determined to be physically possible, legally permissible, and financially feasible are evaluated. The maximally productive use produces the highest rate of return or the highest value to the property. Generally, it is viewed as the ideal improvement. There are few if any uses which create a greater return to the land than some type of commercial use.

As Vacant: Based on a review of financial information, it is our opinion that the highest and best use of the property "as vacant" is for commercial use.

SALES COMPARISON APPROACH

The sales comparison approach is a set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, applying appropriate units of comparison, and making adjustments to the sales prices of the comparables based on the element of comparison. The sales comparison approach may be used to value improved properties, vacant land or land being considered as though vacant.

The sales comparison approach is applicable when sufficient data on recent market transactions is available. Essential information on income-producing properties derived through sales comparison is used in the income capitalization and cost approaches.

The procedure for applying the sales comparison approach includes the following:

1. Research the competitive market for information on properties that are similar to the subject property and that have recently sold, are listed for sale, or are under contract. Information on agreements of sale, options, listings, and bona fide offers may also be collected. The characteristics of the properties such as property type, date of sale, size, physical condition, location, and land use constraints should be considered. The goal is to find a set of comparable sales or other evidence such as property listings or contracts as similar as possible to the subject property to ensure they reflect the actions of similar buyers. Market analysis and highest and best use analysis set the stage for the selection of appropriate comparable sales.

2. Verify the information by confirming that the data obtained is factually accurate and that the transactions reflect arm's-length market considerations. Verification should elicit additional information about the property such as buyer motivation, economic characteristics (if the property is income-producing), value component allocations, and other significant factors as well as information about the market to ensure that comparisons are credible.

3. Select the most relevant units of comparison used by participants in the market (e.g., price per acre, price per square foot, price per front foot, price per dwelling unit) and develop a comparative analysis for each unit. The appraiser's goal is to define and identify a unit of comparison that explains market behavior.

4. Look for differences between the comparable sale properties and the subject property using all appropriate elements of comparison. Then adjust the price of each sale property, reflecting how it differs, to equate it to the subject property or eliminate that property as a comparable. This step typically involves using the most similar sale properties and then adjusting for any remaining differences. If a transaction does not reflect the actions of a buyer who would also be attracted to the subject property, the appraiser should be concerned about comparability.

5. Reconcile the various value indications produced from the analysis of comparables into a value conclusion. A value opinion can be expressed as a single point estimate, as a range of values, or in terms of relationship (e.g., more or less than a given amount).

There are 10 basic elements of comparison that should be considered in sales comparison analysis:

- 1) Real Property rights conveyed
- 2) Financing terms
- 3) Conditions of sale
- 4) Expenditures made immediately after the purchase
- 5) Market conditions (time)
- 6) Location
- 7) Physical characteristics – e.g., size, construction, quality, condition
- 8) Economic characteristics – e.g., expense ratios, lease provisions, management, tenant mix
- 9) Legal characteristics
- 10) Non-realty components of value

(*The Appraisal of Real Estate*, 15th Edition, pg. 362).

Sale 1

Key Map:

Reference No: 21096

PROPERTY IDENTIFICATION

Property Type: Commercial Vacant Land
Property Name: Commercial Vacant Land
Property Address: SL Fm 1488 Rd
City, County, State: Hempstead, Waller County, TX 77445



SALE DATA

Grantor: William Ray Price
Grantee: Tomball Real Estate Partners LLC
Sale Date: August 19, 2022
Financing: Cash to seller
Property Rights: Fee Simple
Recording Data: 2213372
Legal Description: Tract 7, John F Martin, Abstract 227, Waller County, TX

SALE ANALYSIS

Sales Price:	\$1,759,622	Adjusted Sales Price:	\$1,759,622
Land	\$0.72 PSF	Per Acre	\$31,449

LAND INFORMATION

Land Size:	55.952 Ac.	2,437,269 SF	
Frontage:	FM 1488		
Floodplain:	No	Zoning:	None
Panel No.:		Encumbrances:	None
Panel Date:		Environmental Issues:	

UTILITIES

Electricity:	Yes	Sewer:	No
Gas:	No	Telephone:	Yes
Water:	No	Road:	2 lane

COMMENTS

Confirmed Sale (MLS 37569686)

Sale 2

Key Map:

Reference No: 21097

PROPERTY IDENTIFICATION

Property Type: Commercial Vacant Land
Property Name: Commercial Vacant Land
Property Address: WL of Richards Rd
City, County, State: Hempstead, Waller County, TX 77445



SALE DATA

Grantor: Quest IRA Inc FBO Byron K Preadom
Grantee: DMW Properties LLC
Sale Date: April 29, 2022
Financing: Cash to seller
Property Rights: Fee Simple
Recording Data: 2205825
Legal Description: Tract 93, Justo Liendo, Abstract 41, Waller County, TX

SALE ANALYSIS

Sales Price: \$540,000	Adjusted Sales Price: \$540,000
Land \$1.12 PSF	\$48,780 Per Acre

LAND INFORMATION

Land Size: 11.070 Ac.	482,209 SF	Zoning:	None
Frontage: Richards Rd		Encumbrances:	None
Floodplain: No		Environmental Issues:	
Panel No.:			
Panel Date:			

UTILITIES

Electricity: Yes	Sewer: Public
Gas: No	Telephone: Yes
Water: Public	Road: 2 lane

COMMENTS

Confirmed Sale (MLS 14738240)

Sale 3

Key Map:

Reference No: 21095

PROPERTY IDENTIFICATION

Property Type: Commercial Vacant Land
Property Name: Commercial Vacant Land
Property Address: 40647 Fm 1488 Rd
City, County, State: Hempstead, Waller County, TX 77445



SALE DATA

Grantor: KGHS Holdings LLC
Grantee: Peter S Terpstra
Sale Date: August 20, 2021
Financing: Cash to seller
Property Rights: Fee Simple
Recording Data: 2213372
Legal Description: Tract 15, Justo Liendo, Abstract 41, Waller County, TX

SALE ANALYSIS

Sales Price:	\$1,375,000	Adjusted Sales Price:	\$1,375,000
Land	\$1.81 PSF	Per Acre	\$78,737

LAND INFORMATION

Land Size:	17.463 Ac.	760,697 SF	
Frontage:	FM 1488		
Floodplain:	No	Zoning:	None
Panel No.:		Encumbrances:	None
Panel Date:		Environmental Issues:	

UTILITIES

Electricity:	Yes	Sewer:	No
Gas:	No	Telephone:	Yes
Water:	No	Road:	2 lane

COMMENTS

Confirmed Sale (MLS 18291140)

Sale 4

Key Map:

Reference No: 21098

PROPERTY IDENTIFICATION

Property Type: Commercial Vacant Land
Property Name: Commercial Vacant Land
Property Address: 32408 Fm 1488 Rd
City, County, State: Hempstead, Waller County, TX 77445



SALE DATA

Grantor: Jerry Lance Snyder
Grantee: 32408 FM 1488 LLC
Sale Date: July 28, 2021
Financing: Cash to seller
Property Rights: Fee Simple
Recording Data: 2200675
Legal Description: Tract 4, Andrew MC Stee, Abstract 220, Waller County, TX

SALE ANALYSIS

Sales Price:	\$1,900,000	Adjusted Sales Price:	\$1,900,000
Land	\$0.80 PSF	Per Acre	\$35,047

LAND INFORMATION

Land Size:	54.213 Ac.	2,361,518 SF		
Frontage:	FM 1488			
Floodplain:	No	Zoning:	None	
Panel No.:		Encumbrances:	None	
Panel Date:		Environmental Issues:		

UTILITIES

Electricity:	Yes	Sewer:	No
Gas:	No	Telephone:	Yes
Water:	No	Road:	2 lane

COMMENTS

Confirmed Sale (MLS 12883395)

Sale 5

Key Map:

Reference No: 21099

PROPERTY IDENTIFICATION

Property Type: Commercial Vacant Land
Property Name: Commercial Vacant Land
Property Address: 53681 US 290
City, County, State: Hempstead, Waller County, TX 77445



SALE DATA

Grantor: Michael L Jeane
Grantee: Sorsby 290 Ventures LLC
Sale Date: July 15, 2021
Financing: Cash to seller
Property Rights: Fee Simple
Recording Data: 2108240
Legal Description: Tract 77, James Hall Jr., Abstract 32, Waller County, TX

SALE ANALYSIS

Sales Price:	\$1,572,000	Adjusted Sales Price:	\$1,572,000
Land	\$1.30 PSF	\$56,575 Per Acre	

LAND INFORMATION

Land Size:	27.786 Ac.	1,210,363 SF	
Frontage:	US 290		
Floodplain:	No	Zoning:	None
Panel No.:		Encumbrances:	None
Panel Date:		Environmental Issues:	

UTILITIES

Electricity:	Yes	Sewer:	No
Gas:	No	Telephone:	Yes
Water:	No	Road:	2 lane

COMMENTS

Confirmed Sale (MLS 15043332)

LOCATION MAP

Borrower or Owner:

Subject Address: SL of Mack Washington Lane

Census Tract: 6803.03

City: Hempstead

County: Waller

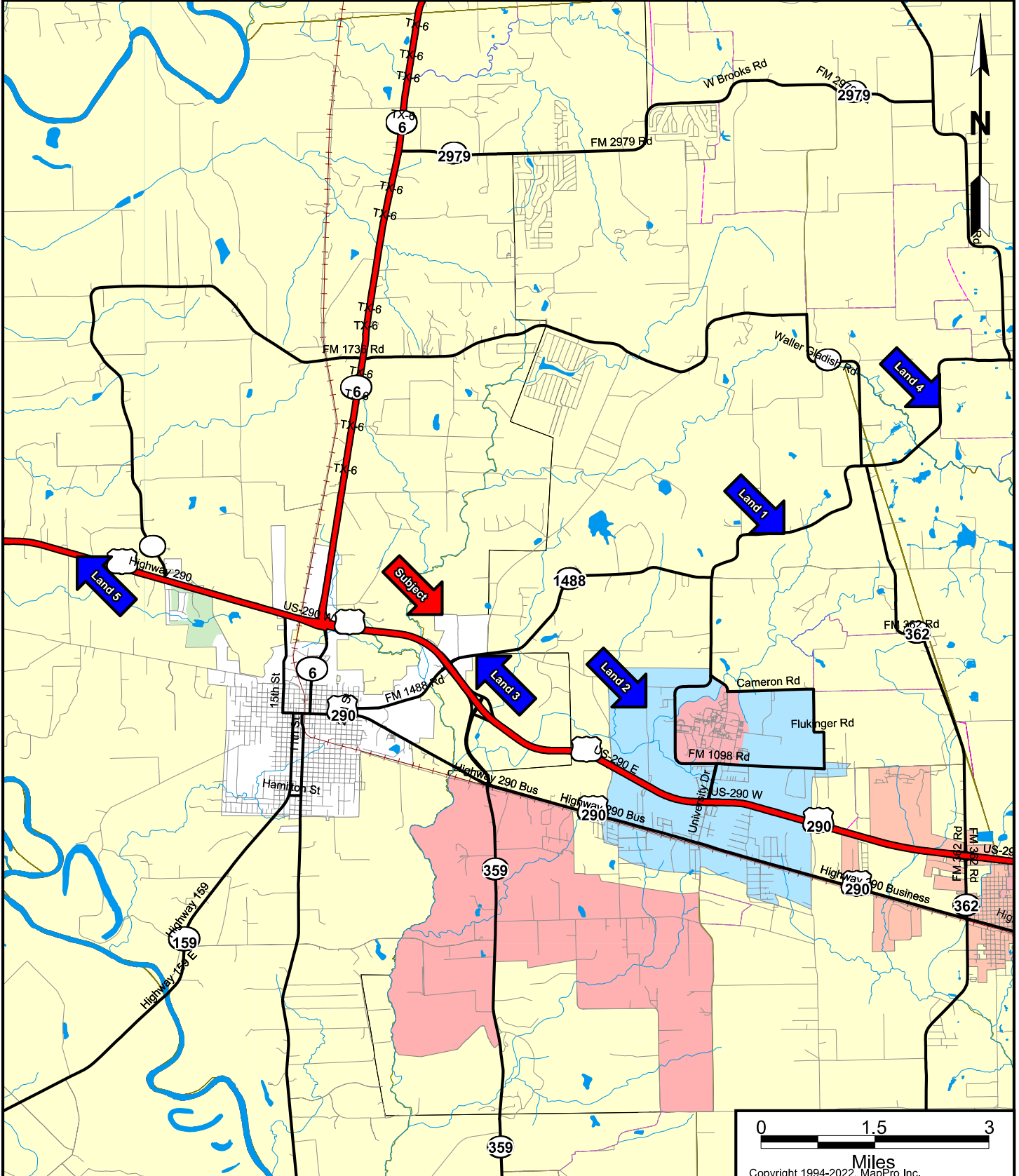
State: TX

Zip Code: 77445

Lender or Client:

Lat: 30.1163

Long: -96.0494



CAUTION:

The location of property arrows shown on this map are approximate only. Inaccuracies may exist on map such as missing, incorrectly drawn, or incorrectly addressed streets. Please report any such inaccuracy to MapPro, Inc. so that appropriate corrections can be made.

SITE VALUATION

The sales comparison approach utilizes sales transactions of area properties considered comparable to most characteristics of the subject site. The most basic requirement is that the comparable sales are located within proximity to the subject neighborhood and have occurred in the open market in the recent past. This analysis was conducted within the framework of the definition of market value as described within the report. It requires a valuation of the site as vacant as in its highest and best use.

In order to develop a value estimate for the subject tract the deed records of Waller County were searched through a deed reporting service and the area was surveyed for sales of comparable tracts.

Included within this section are five comparable sales of vacant land tracts which are considered to be comparable to the subject in the immediate neighborhood. The sales included for comparison within this section are the most comparable sales to the subject property and are the most recent sales occurring within the immediate neighborhood. Based on the quality and quantity of the data our confidence level in the land sales comparison approach is high. The sales are described in detail on the land sale comparable forms which immediately precede this section. Additionally a sales map is included in the preceding pages and the sales map contains a representation of the size shape and location of each sale in relation to the subject property.

Adjustment Factors: The methodology for this approach is the employment of an adjustment grid a copy of which follows this section and also acts as a summary of the land sales and the basic subject information. No financial adjustments have been necessary. The following paragraphs discuss the adjustments and make the comparisons with the subject site.

Conditions of Sale: This adjustment takes into consideration unusual features of the transaction such as unusual influences among the sale parties existing improvements on the sales at the date of the transaction or whether or not the sale took place under open market conditions. No adjustments are necessary.

Market Conditions !Time": The market condition !time" adjustment is considered and the lack of sales activity in some real estate sectors may point to the need for this adjustment. The comparable sales included within this analysis occurred during the previous 2 years. The current COVID&19 outbreak is considered; however indications are the subject market segment that has remained steady. Sales 3&4 and 5 are adjusted upward for market conditions.

Size: While the sales at least demonstrate the principle that a smaller site will sell for more per square foot than a larger one there is insufficient comparability and numbers from which to draw a meaningful adjustment factor. However years of pairing studies throughout the Gulf Coast area suggest a safe average comparison of 5% to 10% per doubling or halving in size

by comparison with the subject 25.132-acre site size. The appraiser will analyze the sales based on a 10% per doubling rounded to the nearest 5%. Sales 2 and 3 are adjusted downward for their smaller site size as compared to the subject. Sales 1 and 4 are adjusted upward for their larger site size as compared to the subject. Overall net adjustments may be found on the adjustment grid.

Location: Location adjustments are primarily subjective to the appraiser's based upon experience and knowledge of the various markets involved and on inspections of the properties presented. Sales 1, 3, 4 and 5 are adjusted downward for their superior location as compared to the subject.

Floodplain: Floodplain designations affect the utilization of each tract and thus affect value. The subject is located in the Zone X Floodway. No adjustments were made.

Physical Characteristics: This adjustment considers corner influence, utilities, detention and shape. The subject has access to public water and sewer through the city of Hempstead. Sales 1, 3, 4 and 5 are adjusted upward for having inferior access to utilities.

Conclusion: The adjusted sale prices range from \$0.79 to \$1.40 per square foot with a mean of \$1.06 and a median of \$1.01 per square foot. Thus the value for the subject is concluded to \$1.05 per square foot or \$1,494,888 rounded to:

\$1,500,000

LAND SALES ADJUSTMENT GRID

Sale #	1	2	3	4	5	Subject
Location	SL of FM 1488	WL of Richards Rd	40647 FM 1488	32408 FM 1488	53681 US 290	SL of Mack Washington
Date of Sale	Aug-22	Apr-22	Aug-21	Jul-21	Jul-21	Dec-22
Size (Acres)	55.9520	11.0700	17.4632	54.2130	27.7861	25.1320
Sale Price \$PSF	\$0.72	\$1.12	\$1.81	\$0.80	\$1.30	??
Financing	0%	0%	0%	0%	0%	
Condition of Sale	0%	0%	0%	0%	0%	
Cash Adj. Sale Price	\$0.72	\$1.12	\$1.81	\$0.80	\$1.30	
Market Conditions (Time)	0%	0%	3%	3%	3%	
Time Adj. Sale Price	\$0.72	\$1.12	\$1.86	\$0.82	\$1.34	
Size	10%	-10%	-5%	10%	0%	
Location	-10%	0%	-30%	-10%	-20%	
Floodplain	0%	0%	0%	0%	0%	
Physical Characteristics	10%	0%	10%	10%	10%	
Net Adjmts.	10%	-10%	-25%	10%	-10%	
Gross Adjmts.	30%	10%	48%	33%	33%	
Adjusted Price psf	\$0.79	\$1.01	\$1.40	\$0.91	\$1.21	??

Mean Adjusted Value: \$1.06 psf
 Median Adjusted Value \$1.01 psf

ADDENDA



Appraisal MC
320 Detering Ste B
Houston, TX 77007
713-623-0559

APPRAISAL REQUEST FORM
COMPANY: Individual – Commercial NR CC

State Registration Number: 2000252

File Information

File ID: 221202069 **Due Date:** 1/3/2023
Loan Number: 111111

Appraiser Information

Loan Type: Commercial – Primary **Appraiser:** Stephens, Scott
Form: Commercial appraisal report
Service Fee: \$1250.00
Transaction Fee:

Total Appraiser Fee: \$1250.00

Client Information

Client: Shook, Hardy & Bacon L.L.P. **Borrower or Company Name:** Shook, Hardy & Bacon
Address:

Subject Property

Address or Intersection: MACK WASHINGTON **Intended Use:** Home Equity
HEMPSTEAD, TX 77445 **Property Type:** Commercial
County: Waller
Legal Description:
Property Description:
Map: [Map Link](#)

Property Contact Information

Contact Person: Kelsey Morris w/ Mark Dimas Team **Work Phone:** 832-814-7623
Cell Phone: **Home Phone:**
Property Contact Notes: Kelsey Morris w/ Mark Dimas Team kelsey@markdimasteam.com

Effective Date of Valuation

	Retrospective	As Is	Prospective at Completion	Prospective at Stabilized Occupancy
Effective Date(s) of Appraisal:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Interest Leased Fee (all or part):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Interest Fee Simple (not leased):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Interest Leasehold (borrower is tenant):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Condition (vacant land/improved):				
If Leased Fee approx % leased (excludes owner):				
If Leased Fee approx no of tenants (excludes owner):				
If Leased Fee approx remaining lease term(s) over 5 years:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If Leased Fee approx remaining lease term(s) under 5 years:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Other information believed germane to the appraisal bid:

Additional Notes:

Date	From	Message
12/14/2022 4:41 PM	Bautista, Mayra	Good afternoon your conditions have been accepted. Please proceed and accept this order in your queue. Thank you

Note: This appraisal order is not transferrable to another appraiser. If the appraiser named on this appraisal request is unable to complete this assignment please contact Appraisal MC at 713-623-0559. All appraisers are approved on an individual basis, if this assignment is completed by another appraiser Appraisal MC will not be liable for any appraisal related service fee.



Commercial Order Form
client

* If a client of Appraisal MC or lender makes contact with you directly, contact Appraisal MC immediately. Do NOT make contact with the client of Appraisal MC or lender directly unless otherwise specified in the order. Any contact outside of the Appraisal MC system may be cause for removal and forfeit of appraisal fee due to non-compliance with the appraiser agreement. All communication and reports must be sent through Appraisal MC only. Failure to comply with this request will result in this order being cancelled and payment for this order will be rescinded immediately.

Appraiser agrees not to directly or indirectly engage via communication or assignments with any of Appraisal MC's lender clients for a period of one year without written consent of Appraisal MC. Appraiser agrees to provide reasonable monetary damages for violation of this Agreement; and, that if monetary damages are calculable, monetary damages alone are inadequate as a remedy for such violation. Therefore, the parties agree that equitable remedies, including, without limitation, temporary restraining order and mandatory injunction enforcing specific performance, are and shall be proper remedies for violation of this Agreement. If suit is brought to enforce this Agreement, the winning party shall be entitled to receive, in addition to any actual damages, reasonable attorney(s) fees spent in the prosecution of such suit.

APPRAISAL MC RESERVES THE RIGHT TO DISCOUNT FEE OF PAST DUE REPORTS BY \$50 PER DAY IF NO NOTIFICATION IS RECEIVED. COMPLETED APPRAISALS MUST BE SUBMITTED BY 2 PM CST ON THE DUE DATE.

IF A RUSH/PRIORITY ASSIGNMENT IS NOT SUBMITTED ON OR BEFORE THE DUE DATE THE RUSH/PRIORITY ADDITIONAL FEE WILL BE FORFEITED.

ANY REVISIONS MUST BE SUBMITTED THE SAME BUSINESS DAY OTHERWISE THE ASSIGNMENT WILL BE CONSIDERED LATE.

Trip Fee Policy:

Trip fees for scheduled appointments are not to exceed \$150 unless otherwise approved. A photo of the subject property with address must be provided for verification

Trip fees may be forfeited for the following reasons:

- ***If the assignment is not submitted on or before the due date and the order is cancelled due to appraiser delays.***
- ***Cancelled orders not submitted on or before the due date***
- ***Assignments that have been withdrawn from***

Cancellation policy:

Pre-Inspect: 0%

Post-Inspect based on appt time in system: Fee not to exceed \$150 unless otherwise approved

Completed report: 100%

Cancellation fees may be forfeited for the following reasons:

- ***If the assignment is not submitted on or before the due date and the order is cancelled due to appraiser delays.***
- ***Cancelled orders not submitted on or before the due date***
- ***Assignments that have been withdrawn from***

(Please note that any cancellations will come via message from Appraisal MC)

TEXAS APPRAISERS: If you are an appraiser licensed or certified in Texas you must accept the TALCB invite prior to accepting any assignments from Appraisal MC. Do not accept any assignments or begin work on any assignments and contact Appraisal MC immediately. Appraisal MC will not be responsible for any work completed by an appraiser not active on the Appraisal MC TALCB panel.

Waller CAD

Property Search Results > 257912 CBT GROUP LLC for Year 2022

Tax Year: 2022

Property

Account

Property ID:	257912	Legal Description:	S432500 CLEAR CREEK DEVELOPMENT LOT 1 ACRES 25.132
Geographic ID:	432500-000-001-000	Zoning:	
Type:	Real	Agent Code:	
Property Use Code:			
Property Use Description:			

Protest

Protest Status:
Informal Date:
Formal Date:

Location

Address:	MACK WASHINGTON HEMPSTEAD, TX 77445	Mapsco:	B13SUBS
Neighborhood:	CLEAR CREEK DEVELOPMENT	Map ID:	3771 N1
Neighborhood CD:	S432500		

Owner

Name:	CBT GROUP LLC	Owner ID:	1026384
Mailing Address:	9200 WESTHEIMER RD APT 1606 HOUSTON, TX 77063-3545	% Ownership:	100.0000000000%
		Exemptions:	

Values

(+) Improvement Homesite Value:	+	\$0	
(+) Improvement Non-Homesite Value:	+	\$0	
(+) Land Homesite Value:	+	\$0	
(+) Land Non-Homesite Value:	+	\$0	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$1,094,750	\$1,890
(+) Timber Market Valuation:	+	\$0	\$0

(=) Market Value:	=	\$1,094,750	
(-) Ag or Timber Use Value Reduction:	-	\$1,092,860	

(=) Appraised Value:	=	\$1,890	
(-) HS Cap:	-	\$0	

(=) Assessed Value: = \$1,890

Taxing Jurisdiction

Owner: CBT GROUP LLC
 % Ownership: 100.000000000000%
 Total Value: \$1,094,750

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
CAD	WALLER CAD	0.000000	\$1,890	\$1,890	\$0.00
CHD	HEMPSTEAD CITY OF	0.552573	\$1,890	\$1,890	\$10.44
ESD	WALLER-HARRIS ESD 200	0.097426	\$1,890	\$1,890	\$1.84
GWA	WALLER COUNTY	0.522593	\$1,890	\$1,890	\$9.88
RFM	WALLER CO FM	0.025852	\$1,890	\$1,890	\$0.49
SHD	HEMPSTEAD ISD	1.136700	\$1,890	\$1,890	\$21.48
Total Tax Rate:		2.335144			
Taxes w/Current Exemptions:					\$44.13
Taxes w/o Exemptions:					\$44.13

Improvement / Building

No improvements exist for this property.

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	W6	WILDLIFE MGMT (PREV NATIVE PASTURE)	25.1320	1094749.92	0.00	0.00	\$1,094,750	\$1,890

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2023	N/A	N/A	N/A	N/A	N/A	N/A
2022	\$0	\$1,094,750	1,890	1,890	\$0	\$1,890
2021	\$0	\$1,094,750	1,890	1,890	\$0	\$1,890
2020	\$0	\$1,040,010	1,760	1,760	\$0	\$1,760
2019	\$0	\$1,007,170	1,760	1,760	\$0	\$1,760

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	3/29/2022	WDV	WARRANTY / VENDOR LIEN	STYERS ODIS III	CBT GROUP LLC			2203998

Tax Due

Property Tax Information as of 12/27/2022

Amount Due if Paid on: 

Year	Taxing Jurisdiction	Taxable Value	Base Tax	Base Taxes	Base Tax	Discount / Penalty &	Attorney Fees	Amount Due
					63			

Paid Due Interest

NOTE: Penalty & Interest accrues every month on the unpaid tax and is added to the balance. Attorney fees may also increase your tax liability if not paid by July 1. If you plan to submit payment on a future date, make sure you enter the date and RECALCULATE to obtain the correct total amount due.

Questions Please Call (979) 921-0060

Website version: 1.2.2.33

Database last updated on: 12/26/2022 8:24 PM

© N. Harris Computer Corporation

Exhibit E

Scott Stephen S & Associates, Inc. S

An Appraisal Report of the

25.132 Acre Tract of Vacant Land
Located along
The South Line of Mack Washington Lane
Hempstead, Waller County, Texas 77445

File ID: 221202069



FOR
Appraisal MC
320 Detering, Ste. B
Houston, TX 77007

As Is:
December 28, 2022

**Scott Stephens
& Associates, Inc.**

15021 Bohemian Hall Rd.
Crosby, Texas 77532
713-451-3600
713-451-3300 Fax

www.scottstephensandassociates.com

SSA Job No.:
(2212-16490)

SCOTT STEPHENS & ASSOCIATES, INC.

*Real Estate Appraisers – Consultants
Houston, Austin, San Antonio and South Texas*

15021 Bohemian Hall Road

Crosby, Texas 77532

Phone: (713) 451-3600

Fax: (713) 451-3300

www.scottstephensandassociates.com



Scott P. Stephens, MAI, AI-GRS, CEO



Ryan Dagley, MAI, President
Lt. Colonel (Ret.) Terence J. O'Rourke, MAI, VP

December 30, 2022

Appraisal MC
320 Detering, Ste. B
Houston, TX 77007

File ID: 221202069

Re: Approximately 25.132 acres or 1,094,750 square feet of land located along the south line of Mack Washington Lane, Hempstead, Waller County, Texas 77445.

Dear whom it may concern:

A real estate Appraisal Report of the above referenced property has been conducted. The "As Is" market value of the fee simple estate as of December 28, 2022 is:

\$1,150,000*

We are not qualified to detect the existence of hazardous materials, which may or may not be present on the subject property. Hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there is not such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

THE OPINION OF VALUE STATED ABOVE, AS WELL AS EVERY OTHER ELEMENT OF THIS APPRAISAL REPORT, IS QUALIFIED IN ITS ENTIRETY BY THE GENERAL ASSUMPTIONS AND LIMITING CONDITIONS SET FORTH IN ANOTHER PART OF THIS REPORT AND WHICH ARE AN INTEGRAL PART OF THE REPORT.

I certify that, to the best of my knowledge and belief, ...

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

December 30, 2022

- (2) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- (3) I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
- (4) I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- (5) My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- (6) My compensation for completing this assignment was not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- (7) My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- (8) I certify that, to the best of my knowledge and belief, the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Practice, the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute, and the specific reporting requirements of the client.
- (9) Katie McGinnis and Kailey Gillings, Appraisal Trainee TX-1343409, have made a personal visit to the property that is the subject of this report. Scott P. Stephens, MAI, AI-GRS and Ryan Dagley, MAI have reviewed the report and concur with the analysis and conclusions.
- (10) Kailey Gillings, Appraisal Trainee TX-1343409 has provided significant professional assistance to the persons signing this report.
- (11) I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- (12) As of the date of this report, Scott P. Stephens, MAI, AI-GRS and Ryan J. Dagley, MAI have completed the requirements of the continuing education program of the Appraisal Institute and the State of Texas. Katie McGinnis has completed the requirements of the continuing education program of the State of Texas. Kailey Gillings, Appraisal Trainee TX-1343409 has completed the requirements of the continuing education program of the State of Texas.
- (13) The appraiser(s) have not performed services as an appraiser or in any other capacity, regarding the property that is the subject of this report within the previous three years immediately preceding acceptance of this assignment.

December 30, 2022

The attached report is an explanation of the analysis and reasoning used to derive a market value estimate for the subject. The above values are based on a reasonable exposure period of 12 months.

The appraisal was conducted solely for the named client and is for the internal use of the client only. If you have any questions, please feel free to call.

Sincerely,
Scott Stephens & Associates, Inc.



by Scott P. Stephens, MAI, AI-GRS, CEO
State Certified General RE Appraiser
Certificate No. TX-1320269-G



by Ryan J. Dagley, MAI, President
State Certified General RE Appraiser
CeCEOCertificate No. TX-1335208-G



by Katie McGinnis, Associate
State Certified General RE Appraiser
Certificate No. TX-1381012-G



by Kailey Gillings, Appraiser Trainee
Certificate No. TX-1343409

SPS/RJD/KM/KG/rg

EXECUTIVE SUMMARY

Location: South Line of Mack Washington Lane, Hempstead, Texas 77445

Property Type: Vacant Land

Land Area: 25.132 acres or 1,094,750 square feet of land being Lot 1, Clear Creek Development, Waller County, Texas.

Land Value: 25.132 acres or 1,094,750 square feet @ \$1.05 psf \$1,149,488

Final Value Opinion: \$1,150,000

Marketing Period: 12 months

Valuation Date: December 28, 2022
Date of Report: December 30, 2022

Appraiser: Scott P. Stephens, MAI, AI-GRS, CEO
Ryan J. Dagley, MAI, President
Katie McGinnis, Associate
Kailey Gillings, Trainee Appraiser
Scott Stephens and Associates, Inc.

All values stated above are subject to the assumptions and limiting conditions as set out in this narrative appraisal.

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GENERAL ASSUMPTIONS

No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated. Responsible ownership and competent management are assumed.

The information furnished by others is believed to be reliable, but no warranty is given for its accuracy. The appraisal will interpret the FEMA map in the report. However, the reader is directed to the Caution Statement at the bottom of such map regarding the need to have the property evaluated by a qualified civil engineer or specialist to determine the floodplain status of the property. We are not experts in floodplain evaluation, nor is our interpretation warranted. All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.

It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described and considered in the appraisal. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

It is assumed that the utilization of the land and improvements is confined within the boundaries or property lines of the described property and that there is no encroachment or trespass unless noted within the report.

Unless otherwise stated in this report, the existence of hazardous materials or wetlands, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials or condition on or in the property. The appraiser, however, is not qualified to detect such substances or areas. The presence of substances such as asbestos, urea-formaldehyde foam insulation, and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumptions that there is no such materials on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

LIMITING CONDITIONS

The opinion of value and every other element of this appraisal report are qualified and limited by all of the following conditions:

1. THIS REPORT WAS PREPARED FOR THE INTERNAL USE OF THE CLIENT AND INTENDED USER(S) NAMED WITHIN THIS REPORT. NO PERSON OR ENTITY OTHER THAN THE CLIENT AND INTENDED USER(S) HAS ANY RIGHT OR AUTHORITY TO RELY ON THIS REPORT OR ANYTHING CONTAINED IN IT OR IMPLIED FROM IT, UNLESS OTHERWISE STATED IN THE BODY OF THE REPORT.

2. The appraiser will not be required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been previously made.

3. The appraiser, by reason of this appraisal, is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.

4. The distribution of the total valuation in this 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.

5. Neither all nor any part of the contents of this report, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales, or any other media without written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organization of which the appraiser is a member be identified without written consent of the appraiser.

6. By acceptance of this report, the client acknowledges that the value opinion is the product of a professionally trained mind, but nevertheless is an opinion only, and not a provable fact. As a personal opinion, a valuation may vary between appraisers based on the same facts.

QUALIFICATIONS OF SCOTT P. STEPHENS, MAI, AI-GRS

CEO of Scott Stephens and Associates, Inc.

15021 Bohemian Hall Road

Crosby, TX, Texas 77532

(713) 451-3600 Fax 713-451-3300

www.scottstephensandassociates.com

email: scottpstephens@gmail.com

Mission Statement: *Scott Stephens and Associates, Inc. is committed to honesty, excellence, and professionalism. As we build lasting relationships with our clients, our constant goal is to provide a trustworthy "value-added" service that is indispensable in real estate lending and investment decisions.*

Scott Stephens & Associates, Inc has a staff of 13 including 3 members of the Appraisal Institute (MAI). Seven appraisers specialize in commercial properties, 3 in residential and 3 support staff.

Professional Affiliation:

MAI - Designated Member of Appraisal Institute #7758 on March 3, 1988

AI-GRS - Designated Member of Appraisal Institute # 81916 on November 17, 2015

State Certified General Real Estate Appraiser (Certificate # TX-1320269-G), since 1991

Real Estate Broker: Texas License #328907, since 1986

Certification:

Currently certified by the Appraisal Institute (12/21) and the State of Texas (3/23).

Educational Background:

Gatesville High School, Gatesville, Texas - May 1979

Bachelor of Science Degree - Texas A&M University; Agricultural Economics – 1982

Recent Continuing Education Completed:

Fannie Mae Appraisal Guidelines: Debunking the Myths (2/19), Introduction to Expert Witness Testimony for Appraisers: To Do or Not to Do (2/19), Supporting Your Adjustments: Methods for Residential Appraisers (2/19), Business Practices and Ethics (5/20), Millennials are Changing Real Estate (6/20), Broker Responsibility (6/20), Texas Legal Update Parts 1 & 2 (6/20), A New Look at Contract Law (7/22), Texas Legal Update Parts 1 & 2 (7/22), Ethics in Age of Disruption (7/22), Performing Quality BPO's (7/22)

Property Types Appraised:

Appraisal Reviews	Day Care Facilities	Mini Warehouse	Restaurants
Automotive Repair	Eminent Domain	Mobile Home Parks	Single Family
Box Retail	Fire Stations	Multifamily	Shopping Centers
Car Dealerships	Hotel/Motels	Office Buildings	Subdivisions
Churches	Industrial	Office Warehouses	Vacant Land
Convenience Stores	Medical Office	Ranches	Various Other

Expert Witness: Harris, Bexar, Fort Bend and Montgomery Counties

Partial List of Clients:

Banks: Allegiance, Austin, Bank of Houston, Capital, Comerica, Community Bank of TX, Eppraisal, Falcon, 1st Financial, 1st Liberty, 1st National, 1sr Security, 1st State, Guaranty, Independent, Origin, Plains Capital, Prosperity, Regions, South Trust, Texas Citizens, Texan, Third Coast, Truist, Trustmark, Wallis, Woodforest and many others. *Additional Clients:* Community Resource CU, Mobil CU, Shell FCU, Five Point CU, Security FCU, Chambers County, Harris County, Cities of Dayton, Houston, Beaumont, Mt Belvieu and Pasadena, as well various attorneys, corporations, credit unions, individuals, insurance companies, colleges, school districts, and appraisal management companies.

Qualifications of Scott P. Stephens, MAI, AI-GRS continued:

Memberships, Boards, Service:

Houston Chapter of the Appraisal Institute Board of Directors 1994-6; Past Chair of Education Chairman of the Board 2005, Board of Directors 2001-6, Member 1990-2017 - North Channel Area Chamber of Commerce; Crosby-Huffman Chamber of Commerce 2017 – present
Member of San Jacinto College Foundation Board 2006- 2007
Member of the Rotary Club of North Shore - President 1998-1999 also served as President-Elect, Secretary, Treasurer and Sergeant at Arms in prior years
Rotary District 5890 Assistant District Governor 1999-2000, 2009-2010; Chairman of Rotary District 5890 Polio Worldwide Eradication Committee (2001-2, 2004-6)
Chairman of Live Auction for Northshore Rotary Catfish Fry & Crawfish Boil 2008-15
Have served as a special commissioner for Harris County Court at Law #3 & #4
Vice President of Harris County MUD #8, Former VP of Woodforest Professional Plaza
President of Crosby Sports Association 2002-2004, Youth Baseball Coach 1995-2004
Past Member of Board of Directors of the former Brazos Valley Bank in College Station, Texas
Member of First Baptist Church in Crosby, the National Association of Realtors and the Houston Board of REALTORS®; Board of directors, former Chairman of the Board – Parent Heart Watch, Crosby Fair & Rodeo, Channelview FFA Fair, Sheldon FFA Fair – Auction Buyer
Chaired and served on numerous other committees for Chamber of Commerce, Crosby Sports Association, Houston Chapter of Appraisal Institute, Church and other civic associations
President of the Cody Stephens Go Big or Go Home Memorial Foundation which was awarded “Foundation of the Year” by the Crosby Huffman Chamber of Commerce – 2014.

Awards, Interests, Background

Selected by the Houston Chronicle as a Houston Hero for 2015

Crosby Huffman Chamber of Commerce “Citizen of Year – 2012”

Rotary International: North Shore Rotary Club Rotarian of the Year 2010, Rotary International’s “Four Avenues of Service Citation for Individual Rotarians” 2003-2004, Rotary International District 5890’s “Rotary Foundation Supporter of Year” 2003-2004, Rotary International’s Presidential Citation 1998-1999, “Co-President of the Year” for the Rotary International District 5890, 1998-1999, Rotary Foundation Paul Harris Fellowship Major Donor

Houston Chapter of the Appraisal Institute 1992 and 1993 - Key Man Award

Patriotic Employer – Office of the Secretary of Defense 2003 & 2012

North Channel Chamber of Commerce - Dedicated Service Award, 2007

Employers include Dominy, Ford McPherson & Teel 1983-7, Ted Whitmer & Associates 1987, Whitmer & Stephens, Inc. 1988. Scott Stephens & Associates, Inc since January 1989.

While at Texas A&M University was a member of the Alpha Zeta Honor Society, Baptist Student Union, Baptist Home Mission Board Summer Missionary 1981, Dean’s List, Student Housing Dorm Head Resident and graduated in 3.5 years.

Have served as host family for exchange students and young professionals from Australia, Chile, Germany, Italy and Serbia.

Born in Big Spring, Texas, 12/60. 3 children. Hobbies include reading, outdoor activities, assisting students with 4H and FFA livestock show projects, the pinnacle of which included my eldest son winning Reserve Grand Champion Steer at the HLS&R in 2006. Personal Note: My youngest son, Cody, died on May 6, 2012 at the age of 18. He was an athlete preparing for college football. I am now actively involved promoting heart screening in our youth throughout the state of Texas. I work with Texas school districts promoting the inclusion of heart screenings (ECG’s) with their student physicals. In 2013, 2015, 2017 and 2019 bills were introduced in the Texas Legislature to make this a part of the student physicals at my request. The bill passed and became “Cody’s Law” HB76 in September of 2019, making Texas the first state to have this law. The law has now passed in Pennsylvania and been introduced in many other states. For more information or go to www.codystephensfoundation.org or follow us on Facebook.

SCOTT PAUL STEPHENS
15021 BOHEMIAN HALL RD
CROSBY, TX 77532



Certified General Real Estate Appraiser

Appraiser: **Scott Paul Stephens**

License #: **TX 1320269 G**

License Expires: **03/31/2023**

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

Chelsea Buchholtz
Commissioner

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

QUALIFICATIONS OF
THE HONORABLE RYAN JOSEPH DAGLEY, MAI, CHAMBERS COUNTY
COMMISSIONER PCT 4

President of
Scott Stephens and Associates, Inc. located at 15021 Bohemian Hall Road
Crosby, Texas 77532
(713) 451-3600 Fax 713-451-3300
www.scottstephensandassociates.com
[*ryandagley@gmail.com*](mailto:ryandagley@gmail.com)

Mission Statement: Scott Stephens and Associates, Inc. is committed to honesty, excellence, and professionalism. As we build lasting relationships with our clients, our constant goal is to provide a trustworthy "value-added" service that is indispensable in real estate lending and investment decisions.

Professional Affiliations:

MAI - Designated Member of the Appraisal Institute #442002
State Certified General Real Estate Appraiser License #TX-1335208-G

Educational Background:

North Shore High School- Houston, Texas May-1997
University of Houston- Houston, Texas - Graduate with Bachelor of Business Administration - Degree, May, 2002

Recent Continuing Education Completed:

Basic Hotel Appraising Limited Service Hotels (4/3/2019), Appraisal of Land subject to Ground Leases (4/8/2019), Appraisal of Fast food Facilities (4/1/2019), USPAP Update (4/24/2019), Residential Property Inspection for Appraisers (5/2017), Appraisal of Owner Occupied Properties (5/2017), Appraisal of REO Properties (5/2017), Business Practice and Ethics (5/2020)

Current Employment:

Scott Stephens & Associates, Inc., Houston, Texas- Since 2002,
Vice President Since January 2011
Named President in January 2020

Property Types Appraised:

Apartments	Farm and Ranch	Mobile Home Parks	Retail Centers
Banks	Hotels/Motels	Office Buildings	Single Family
Boat/RV Storage	Industrial Plants	Office Service	Single Tenant Retail
Churches	Light Industrial	Office Warehouse	Special Purpose
Commercial Developments	Medical Office	Raw Land	Subdivisions
Condemnation	Mini-warehouses	Restaurants	Various Other

Expert Witness: Harris, Jefferson, and Galveston Counties

Partial List of Clients:

Banks: Allegiance, Amegy, Austin, Barbers Hill, BB&T, Capital, Community Bank of Texas, BBVA Compass, East Chambers, Eppraisal, Falcon, 1st Financial, 1st Liberty, 1st National, 1st State, Heritage, Independent, Integrity, Mainland, National United, Origin, Plains Capital, Prosperity, Regions, Spirit of Texas, South Trust, T Bank, Texas Citizens, Third Coast, Truist, Trustmark, Wallis St, Woodforest, Zions 1st National and many others. Additional Clients: Community Resource CU, Mobile CU, Shell FCU, Smart Federal CU, Five Point CU, Chambers

Qualifications of Ryan J. Dagley, MAI, continued:

County, Harris County, State of Texas, U.S. Army Corps of Engineers, Cities of Dayton, Houston, Beaumont, Mt Belvieu and Pasadena, as well various municipal utility districts, emergency service districts, attorneys, corporations, credit unions, insurance companies, colleges, school districts, and appraisal management companies.

Biographical Background:

Born in Baytown, Texas, May 1979. Completed primary and secondary education in Houston, Texas, May 1997. Attended Texas A&M University from 1997-1998, San Jacinto Junior College from 1998-1999, and the University of Houston from 1999-2002. May of 2002, earned bachelors degree in Business Administration. Married wife Isis in 6/2002 and have two children (Ryan Dagley Jr and Kayla Dagley). Have worked in the field of real estate appraisal since 2002, and now President of Scott Stephens & Associates, Inc. Became a Member of the Appraisal Institute in June 2015.

Memberships, Boards, Service: Member of the Rotary Club of North Shore - Sergeant at Arms in 2008, Community Service Chairman 2009, 2013, 2014, 2015, 2016, Chairman of VIP Committee for Northshore Rotary Catfish Fry & Crawfish Boil 2007 til 2018, Multiple Paul Harris Fellow-Major Donor, North Shore Rotary Club Rotarian of the Year 2015, Board of Director for North Shore Rotary 2015-2018, Treasurer of the North Shore Rotary 2016-2017, Secretary of the North Shore Rotary Club 2017-2018, President-Elect of the North Shore Rotary Club 2018-2019, President of the North Shore Rotary Club 2019-2020, President of Greenbriar Estates HOA from 2008-2015, North Channel Area Chamber of Commerce member 2004-2012, West Chambers County Chamber of Commerce Member-2017-Present, North Channel Area Chamber of Commerce – 2011-2012, Board of Directors, Youth Baseball Coach 2010-2019, Board of Director for the Cody Stephens Go Big or Go Home Foundation, Lee College Education Foundation- Director, Alderman for Beach City 2019-2020, Mayor of Beach City, Texas 2020-2022, Chambers County Commissioner Pct 4 2023-Present

RYAN JOSEPH DAGLEY
15021 BOHEMIAN HALL ROAD
CROSBY, TX 77532



Certified General Real Estate Appraiser

Appraiser: **RYAN JOSEPH DAGLEY**

License #: **TX 1335208 G**

License Expires: **08/31/2023**

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

A handwritten signature in blue ink, appearing to read 'Chelsea B.', is located on the right side of the certificate, above the name of the Commissioner.

Chelsea Buchholtz
Commissioner

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

QUALIFICATIONS OF KATIE A. MCGINNIS

*A State of Texas Licensed Real Estate Appraiser at
Scott Stephens and Associates, Inc. located at 15021 Bohemian Hall Road
Crosby, Texas 77532
(713) 451-3600 Fax 713-451-3300
www.scottstephensandassociates.com
kmcginnis.ssa@gmail.com*

Professional Affiliations:

Texas State Certified General Real Estate Appraiser – License # TX-1381012 G

Educational Background:

Texas A&M University, College of Agriculture and Life Sciences, College Station, TX;
Bachelor of Science, Animal Science -May 2012

Recent Continuing Education Completed:

Appraisal Institute: General Appraiser Sales Comparison Approach (8/17/2018), General Appraiser Income Approach Part 1 (9/14/2018), General Appraiser Site Valuation and Cost Approach (10/6/2018), General Appraiser Income Approach Part 2 (10/16/2018), General Appraiser Report Writing and Case Studies (10/20/2018), Real Estate Finance, Statistics, and Valuation Modeling (11/30/2018), General Appraiser Market Analysis and Highest and Best Use (2/28/2019), Advanced Income Capitalization (5/3/2019)
McKissock: Basic Appraisal Principles (12/15/2017), Basic Appraisal Procedures (1/28/2018), 15-hr National USPAP Course (4/22/2018)

Current Employment:

Scott Stephens and Associates, Inc., Houston, Texas – Since July 2018, Licensed Real Estate Appraiser

Property Types Appraised:

Apartments	Farm and Ranch	Mobile Home Parks	Retail Centers
Banks	Hotels/Motels	Office Buildings	Single Family
Boat/RV Storage	Industrial Plants	Office Service	Single Tenant Retail
Churches	Light Industrial	Office Warehouse	Special Purpose
Commercial Developments	Medical Office	Raw Land	Subdivisions
Condemnation	Mini-warehouses	Restaurants	Various Other

Biographical Background:

Born in Houston, Texas, March of 1990. Completed primary and secondary education in Crosby Independent School District in May of 2008. Attended Texas A&M University from the fall of 2008 through May of 2012. In May of 2012, I was awarded a bachelor's degree in Animal Science. In the five years after graduation, I worked as a teacher for Crosby Independent School district, teaching various subjects including Physics, Veterinary Medicine, and Animal Science. I began working at Scott Stephens and Associates, Inc as a real estate appraiser trainee in July 2018. Became a State of Texas Licensed Appraiser in July of 2020.

KATIE ANN MCGINNIS
15025 BOHEMIAN HALL RD
CROSBY, TX 77532



Certified General Real Estate Appraiser

Appraiser: **Katie Ann McGinnis**

License #: **TX 1381012 G**

License Expires: **07/31/2024**

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

A handwritten signature in blue ink, appearing to read 'Chelsea B.', is located to the right of the authorization text.

Chelsea Buchholtz
Commissioner

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

KAILEY REBECCA GILLINGS
514 RAIN CLOUD
BAYTOWN, TX 77523



Appraiser Trainee

Trainee: **Kailey Rebecca Gillings**

Authorization #: **TX 1343409 Trainee**

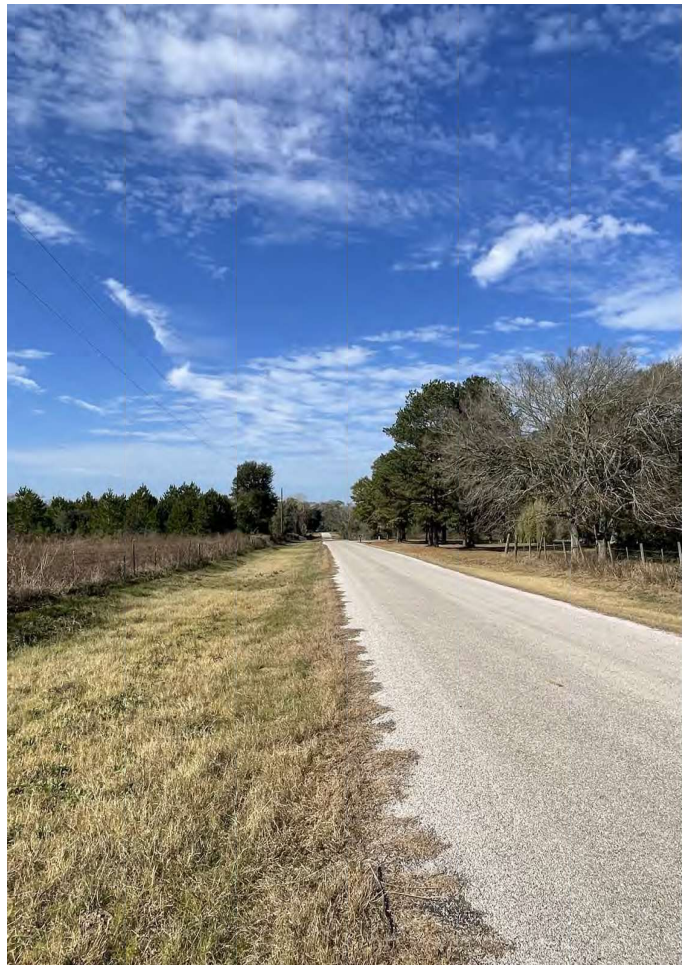
Expires: **06/30/2024**

Review the list of the above Trainee's Supervisors on the License Holder Search at www.talcb.texas.gov.

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title: Appraiser Trainee

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz
Commissioner





DESCRIPTIONS, ANALYSES AND CONCLUSIONS

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the “as is” market value of the fee simple estate of the subject property being described as:

25.132 acres or 1,094,750 square feet of land being Lot 1, Clear Creek Development, Waller County, Texas.

PROPERTY RIGHTS APPRAISED

The property rights appraised are the fee simple estate of the subject property, subject to existing easements, restrictions, and prior encumbrances.

DEFINITION OF MARKET VALUE

Market value means 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:

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

Sources: OCC Regulations, No. 12-CFR-Subpart C-34.42(g) Title XI of the FIRREA Act of 1989, Interagency Appraisal and Evaluation Guidelines of December, 2010.

Note: The appraiser defines the reasonable exposure time as 12 months.

MARKETING TIME AND EXPOSURE TIME

The exposure time is the estimated length of time the property interest being appraised would have been offered on the market to the hypothetical consummation of a sale at market value on the effective date of the appraisal. The marketing time is an opinion of the amount of time it might take to sell the property interest being appraised at the concluded market value level during

Scott Stephens & Associates, Inc.

the period immediately after the effective date of an appraisal. In this case, the exposure time and marketing time is estimated to be approximately 12 months, which is based on interviews with market participants, analysis of the sales comparison approach and investor surveys.

EFFECTIVE DATE OF APPRAISAL DATE OF THE REPORT

The effective date of the appraisal for the “as is” value is December 28, 2022, the date of the site visit. The date of the report is December 30, 2022.

INSTRUCTIONS TO THE APPRAISER

The appraisers were instructed by the client to conduct an “as is” market value appraisal of the fee simple estate of the subject property. Data provided by the client includes legal description of the subject property and specific appraisal guidelines.

SCOPE OF THE APPRAISAL

This is a Summary Appraisal Report. It presents discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. The depth of discussion and analyses contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.

The term "extent of the research" relates to the extent of the process of collecting, confirming, and recording data. All sources of information have been documented throughout the report and the appraisers relied on the accuracy of these sources. However, it is suggested by the appraiser that the client read and fully understand the assumptions and limiting conditions set forth within as to the extent of responsibility of the appraiser.

The appraisal was conducted in conformity with the Ethics and Standards of The Appraisal Institute, the State of Texas, the Uniform Standards of Professional Appraisal Practice (USPAP), and guidelines requested by the client. This appraisal considers the land sales comparison approach to value, but not the cost approach to value or the income approach to value because the subject represents vacant land.

The research included comparable sales of land with similar physical characteristics, occurring in the past three years within the subject area. All of the land sales included in this analysis were confirmed by Scott Stephens and Associates, Inc. Some of the items which were verified in the confirmation process include the sale prices, recording data, physical and income characteristics, and other vital information available from the grantor or grantee, and from actual deed records as reported by various reporting services or county agencies.

Scott Stephens & Associates, Inc.

Kailey Gillings, Appraiser Trainee TX-1343409, has provided significant professional assistance to the persons signing this report, including assisting in the site visit of the subject property, researching neighborhood and market information, and research of comparable sales of land with similar physical characteristics.

The site visit to the subject property was conducted on December 28, 2022. The subject property consists of approximately 25.132 acres or 1,094,750 square feet tract of vacant land. A property visit to the subject site and of the surrounding environment was conducted.

COVID-19 (Coronavirus): The global outbreak of a “novel coronavirus” known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). The reader is cautioned and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen event, subsequent to the effective date of the appraisal.

The COVID-19 or Coronavirus global pandemic arrived in United States in late January of 2020 unleashing unprecedented public gathering restrictions by March of 2020. The long- and short-term market impact from Covid-19 is in determining the market value conclusion.

The attached report presents all factual knowledge concerning the subject property to include its physical characteristics, characteristics of the general area, neighborhood and the immediate market. After presenting factual knowledge concerning the subject property and its market, the land sales comparison approach to value are analyzed and a final value estimate is reconciled and identified.

COMPETENCY PROVISION

It is presented that this report was completed by Scott P. Stephens, MAI, AI-GRS, Ryan Joseph Dagley, MAI, Katie McGinnis, and Kailey Gillings. Scott Stephens and Ryan Dagley hold the MAI designation awarded by the Appraisal Institute, and are currently certified under the continuing educational programs. Further, this designation is held by appraisers experienced in the valuation and evaluation of commercial, industrial, residential, and other types of properties; and who advise clients on real estate investment decisions. Ryan Dagley, Scott Stephens, and Katie McGinnis are State Certified General Real Estate Appraisers, and are currently certified under the continuing educational programs. The appraisers have completed numerous appraisal assignments on properties such as the subject and have the experience and ability to complete the appraisal in a competent manner. For a more detailed description of the appraiser's qualifications, refer to the introduction section of this appraisal. Kailey Gillings, Appraiser Trainee TX-1343409 has provided significant professional assistance to the persons signing this report and is a Trainee under Mr. Scott Stephens, MAI, AI-GRS. Kailey Gillings is a trainee and is under the continuing educational programs from the TALCB.

Scott Stephens & Associates, Inc.

INTENDED USER AND INTENDED USE OF THE APPRAISAL IDENTIFICATION OF CLIENT

The intended use of the appraisal is for the internal use of the client (Appraisal MC) for asset evaluation and analysis. The intended user of this appraisal is Appraisal MC.

HISTORY OF THE SUBJECT

According to the Waller County Appraisal District (WCAD), the subject is a 25.132-acre or 1,094,750 square feet tract of land. Per the Waller County Appraisal District (WCAD), the subject is under the ownership name of CBT Group LLC, who has owned the subject for less than three years (since March 29, 2022 per WCAD). The subject site was purchased by the current owner in March of this year at an undisclosed purchase price. Currently, the subject is not being marketed for sale. There have been no other known conveyances of title for the subject within the past three years.

REAL ESTATE TAXES

The Waller County Appraisal District lists the ownership name of CBT Group LLC (property ID 257912). Copies of the subject's WCAD tax information pages are included within the Addenda section. The subject has an assessed value of \$1,094,750. Due to an agriculture exemption on the property, the current (2022) total assessed valuation for the subject property is \$1,890, of which 100% is attributed to the land. The subject property is within the taxing jurisdictions of the City of Hempstead, Waller-Harris Emergency Service District 200, Waller County, Waller County FM, and Hempstead Independent School District. The current (2022) total tax rate is \$2.335144 per \$100 in assessed value. Thus, the current total indicated tax liability for the subject based on the above estimated assessed value of the subject is \$44. ® This report assumes all taxes are paid to date.

CITY ANALYSIS

The Houston-The Woodlands-Sugar Land Metropolitan Statistical Area has 7.1 million inhabitants and is the fifth most populous metro area according to the US Census Bureau as of 2019, their most current reported year. Additionally, the City of Houston has approximately 2.3 million inhabitants which puts the city as the fourth-largest US city.

Houston's economy historically relied on the petroleum and petrochemical exploration and production industries, earning the city the title "Oil Capital of the Nation." However, today

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Houston has broadened its economic base, shifting away from the energy sector and diversifying in industries like biotechnology, nanotechnology, manufacturing, logistics, and aeronautics.

The COVID-19 pandemic has led to a widespread economic disruption across the MSA, and its effects have been felt both directly and indirectly. The government mandated stay-at-home orders directly impacted the retail and hospitality sectors by curtailing spending at non-essential businesses and softening demand. Furthermore, as global travel largely froze after the pandemic, the demand for oil and gas crashed resulting in negative oil prices for the first time in the industry's history. These subsequent lower oil prices globally led to indirect effects on Houston's energy and manufacturing industries.

These consequences of the pandemic saw vacancy rates increase substantially in 2020, correlating with both negative absorption and decreasing rental rates in most areas and sectors of the real estate market. The office market experienced -4.4 million SF of net absorption in 2020, which was the worst year on record, and an overall vacancy rate of above 18% is one of the worst in the nation as the Houston office market was already facing problems pre-pandemic as owners have had to contend with successive supply waves and waning energy tenant demand. In the industrial sector, demand is being driven by e-commerce providers, logistics companies, building material retailers, and discount stores. Yet Houston's industrial sector is experiencing record-breaking new supply, leading to rising vacancies and some of the lowest rent growth metrics in the country. An increase in vacancies in the retail sector caused by businesses shutting down has forced landlords to lower rents, and 2020 marked the first time the market registered negative annual rent growth in ten years. Rent growth has remained firmly in the red since.

Looking forward, while the local recovery outpaced that of the US due to the state's accelerated reopening, the recovery of the Houston economy depends largely on an improving health situation.

The near term outlook is bleak, as cutbacks in non-essential retail spending, especially for service, entertainment, and apparel retailers has hurt retailer revenues significantly. Further, the unpredictability of the energy markets here forward add to the economy's volatility. Although the US rig count started to rebound slightly in early 2021, it still remains in historically low territory, extending economic uncertainty for Houston's exploration, production and oil field service companies, which are the region's largest employers.

However, in the longer term, Houston's economic outlook remains optimistic with the vaccine rollout, and economists are forecasting 35,000 to 71,500 new jobs in 2021. Though the energy industry is predicted to remain stagnant, above-average population growth, and expansion in housing, transportation and distribution will continue to drive growth. This is particularly true in Houston's northern and western suburbs, which are growing quickly and have become the primary target for investment buyers. These areas are anticipated to witness an outsized share of new

demand, as demand for shopping and rental housing is strengthened in these suburbs due to a shift in renter and employer preferences to outside the core as a result of the health crisis and subsequent remote working.

Geography: The Houston metro is composed of Harris, Galveston, Brazoria, Fort Bend, Chambers, Montgomery, Austin, Liberty, San Jacinto, and Waller counties located in southeastern Texas. Bordered on the southeast by the Gulf Coast, the metro encompasses Galveston Bay. The Houston Ship Channel links the City of Houston to the Gulf of Mexico. The area's terrain is level and drains into a number of bayous and canals. Growth has sprawled, primarily to the north and west, making Houston the fifth-most populated metro in the nation. These 10 counties have a population of almost 7.1 million people. Houston is the largest city, with nearly 2.3 million residents, followed by Pasadena and Pearland.

Infrastructure: Great strides have been made to upgrade Houston's transportation infrastructure, with installments of Metro Rail and the completion of Interstate 10 in West Houston now comprising sections of the state's first interstate toll road. Also, the apportion of U.S. 59 through Houston has been upgraded and renamed Interstate 69. When the 1,600-mile interstate is completed, Houston will have better access to Canada and Mexico. Since 1994, construction on the massive State Highway 99, or "Grand Parkway," has driven growth in the metro. This outer loop will be the largest beltway in the U.S. once completed.

There are two major commercial Airports within the Houston MSA. George Bush Intercontinental Airport (IAH) is among the country's busiest airports, servicing most major airlines and has non-stop flights to every inhabited continent. Additionally, it is the second largest hub for United Airlines. William P. Hobby Airport (HOU) is Houston's secondary commercial airport, and is an operating base for Southwest Airlines providing both domestic and international flights.

The Port of Houston contains 210 Miles of facilities located along the Houston Ship Channel and has recently been expanded. The port is one of the world's busiest, moving more than 200 million tons of cargo, and it records nearly 8,000 vessel calls annually. As the closest gulf port to the Panama Canal, Houston will benefit from the port's increased capacity.

Economy: Houston is the center of the U.S. petroleum industry. The metro leads the nation in petrochemical manufacturing and refining and ranks highly in manufacturing agricultural chemicals, fertilizers, and pesticides. In fact, Houston is home to 44 of the 128 publicly traded oil and gas companies. Houston is also the world's primary producer of oil-field equipment. Other products manufactured in Houston include paper, electrical and electronic machinery, iron, and steel.

Today Houston has broadened its economic base, shifting away from the energy sector and diversifying in industries with a particular stronghold in healthcare and the life sciences. In fact,

Houston is home to the largest medical center in the world at the Texas Medical Center, which treats more than 7.2 million patients annually and employs more than 100,000 people. The Texas Medical Center has plans to expand its footprint, with several million SF of new life sciences-oriented mixed-used projects in the pipeline. With this expansion, they seek to establish Texas as the “Third Coast” for life sciences and biotechnology research, competing directly with Cambridge, MA and San Francisco, CA. As such, Houston’s public and private sectors today are united in growing its global life sciences profile.

The Port of Houston is one of the country’s busiest for exports and is in the process of upgrading its facilities to handle the larger supertankers that will come through the widened Panama Canal. Significant trading partners include Mexico, Saudi Arabia, Venezuela, China, and Germany. The port directly supplies thousands of jobs and generates billions of dollars in business revenue, and is central to the region’s ongoing development as a hub for international trade.

Labor: Prior to the outbreak of the CoronaVirus Pandemic, the Houston MSA consistently ranked among the top metros for job growth in the country. Ample job opportunities had spurred significant population growth and more than 1.1 million new residents were added from 2010 to 2019. However, the onset of the pandemic has had a large impact on the Houston economy, leading to a significant rise in unemployment due to the closing of many retail, transportation-related, and hospitality businesses: at the height of the pandemic, Houston’s unemployment reached 14%. While this level has recovered to just above 8%, this is still significantly above the pre-pandemic number of 4.1%.

Today, Houston’s labor pool consists of nearly 3.4 million individuals according to Texas Labor Market Information and is dominated by jobs in the energy industry, which consists of the following components: upstream energy (oil and gas exploration and production), pipeline transportation and oil field equipment manufacturing, and downstream energy (refining, chemicals manufacturing). At present, upstream companies represent less than one-third of Houston’s jobs, while energy-independent businesses represent more than 50 percent.

Substantial structural shifts in Houston’s employment base has reduced its vulnerability to downturns in energy. The Port of Houston and George Bush Intercontinental Airport contribute to the trade, transportation, and utilities sector, which is the largest employment sector in the metro, comprising 21% of all nonfarm jobs. This sector experienced a loss of -2.3% as a result of the pandemic, as compared to -6.8% of all nonfarm jobs. Professional and business services is the second largest sector, accounting for 16.2% of total employment, and likewise experienced a loss below the total at -5.8%.

Employers: Houston serves as the headquarters for 22 Fortune 500 companies (September 2020) in industries such as energy, transportation and technology. Corporations on the list include Phillips 66, Sysco, Baker Hughes and Halliburton. Houston is fourth among metros nationwide in

the number of Fortune 500 headquarters, behind only New York City, Chicago and Dallas. Houston's major employers include H-E-B, Houston Methodist, Memorial Hermann Health System, and MD Anderson Cancer Center.

Though Houston is home to many major corporations, businesses with 250 or more workers account for only a small portion of total employment. The metro has hundreds of thousands of small businesses, which provide jobs in all employment sectors.

Demographics: The following data is taken from the US Census Bureau as of 2019. The metro's population has grown 19.5% since 2010, adding more than 1.2 million residents and is predicted to continue to increase for the next five years at approximately 2.2% annually. A large portion of the growth will come from immigration as an expanding employment base attracts young workers to the region. As a result, the area has one of the lowest median ages among major U.S. metros at 34.9 years per the US census. Around 29% of residents fall within their prime employment years of 25 to 44.

The availability of employees also helps attract corporations seeking a large, affordable and skilled labor pool. More than 33% of area residents age 25 and older have attained a bachelor's degree and more than 12% hold a graduate degree.

A skilled workforce as well as the concentration of Fortune 500 headquarters and major business operations in the region contributes to income growth. The metro's median household income, currently at \$69,193 per year, is expected to rise significantly in the next five years. Low housing prices help to keep Houston as one of the most affordable major metros in the country, with more than 60% of households owning their home.

Quality of Life: Outdoor activities abound in Houston as a result of the city's favorable location and climate. More than a dozen state parks and recreation areas lie within a short drive of Houston, and more than 500 parks and open spaces are located in the immediate area.

For those seeking cultural activities, Houston is one of very few U.S. cities with permanent professional resident companies in opera, ballet, orchestra and theatre. The area also has a strong collection of museums including the Museum of Fine Arts, Houston; Children's Museum of Houston; and the Lawndale Art Center. Additionally, Houston is home to four professional sports teams: the Houston Texans, the Houston Astros, the Houston Rockets, and the Houston Dynamo.

Educational opportunities also play a key role in Houston's quality of life. The education and health services sector accounts for 12 percent of total employment. Johnson Space Center for instance, is a popular tourist and educational destination. Houston offers distinguished school districts and more than 40 colleges, universities and institutions. The metro is also known internationally for its medical community and is home to the Texas Medical Center, the largest medical center in the world.

Due to its affordability, warm climate, low taxes, and pro-business environment, Houston is well positioned for future growth and remains resilient in the face of the current recession. If the reader desires more detailed statistical and background information for the City of Houston it is available for the reader at the following website address: www.houstontx.gov. This web site contains information on the history of the city, the form of government, economy, and trade, and area attractions.

The information contained in the market overview comes from Marcus & Millichap and other sources deemed to be reliable, however, no representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. The most timely data available at time of production, including estimates and forecasts, were used and may be subject to revision.

NEIGHBORHOOD ANALYSIS

A neighborhood is defined as "A group of complimentary land uses; a congruous grouping of inhabitants, buildings, or business enterprises." *The Dictionary of Real Estate Appraisal*, 6th Edition

The purpose of the area and neighborhood analysis section of this report is to provide a background for the subject property in terms of its most immediate influences. This section delineates factual data according to the social, economic, governmental, and environmental forces that affect the inhabitants, and thus the value of the property in the general and immediate neighborhoods.

Location/Boundaries/Access: The subject neighborhood may be generally defined to be the Hempstead area of Waller County and the City of Waller. Specifically, the US 290 corridor between the City of Hempstead to the west and the City of Waller to the east. Hempstead and Waller represents a rural communities situated approximately 40 to 50 miles northwest of the Houston Central Business District. The City of Waller is centered around the intersection of US 290 and the Harris-Waller County line and Hempstead is centered around the intersection of US 290 and SH 6.

The subject property itself is located within city limits of the City of Hempstead, which is an incorporated part of Waller County, Texas. Specifically, the subject property is situated along the south line of Mack Washington Lane, being just north of Business US 290 (Old Hempstead Highway). Furthermore, the subject is located approximately 1.50 miles east of State Highway 6 (SH 6).

Traffic Arteries: US 290 begins at Loop 610 in near northwest Houston and ends at IH 35 in north central Austin. While there are several other routes, since the completion of all of the US 290 bypass highway sections northwest of Houston, it is now the most traveled route between these

two important Texas cities. SH 6 begins at Hitchcock, at IH 45, just west of Galveston, and loops around the south side of the Houston Metro Area, turning north in the Sugar Land Area, and continuing as SH 6 until it reaches US 290. To the north it becomes FM 1960, eventually ringing the entire greater Houston area, meeting back with SH 6 in Hitchcock as SH 146. SH 6 itself follows the common route with US 290 until it branches off to the north at Hempstead, continuing to the Bryan/College Station, Texas A & M University and beyond.

The old highway still exists between Hempstead and Houston, generally known as Hempstead Highway, but has become rather secondary as a result as the new configuration. There are plans to make this a toll road at some future date. The other two communities in this immediate area are Waller (the county seat), and Prairie View (home of Prairie View A & M University). Like most rural towns, there is a healthy network of farm to market and county roads that service the area.

Development: Hempstead began as a cattle and agricultural town situated along a major railroad. It now represents a town of just around 5,000 in population. The old downtown area still has some viable businesses, and even though the main traffic has been redirected to the north, most of the retail and service development is still along the old highway. The city government is of the Alderman type. There are several banks, medical clinics, doctors, dentist, and chiropractors, a physical therapist, and a nursing home. There are a total several churches, restaurants, a super market, a Wal Mart, and numerous retail and service oriented businesses.

The Lawrence Marshall Automobile Dealership, which was one of the major dealerships in the state, has been shut down and is no longer a draw to the area. There is a motel on the south side of US 290 west of SH 6, and several service station and truck facilities in the immediate area of that intersection. The closing of the dealership has negatively affected the area.

Daikin Industries has developed a new air conditioning and furnace factory, being approximately 4,500,000 square foot tilt wall facility, which employs 5,000 workers. This new Daikin facility is located approximately 5.5 miles east of the subject. The appraiser is aware of a new 900,000 square foot FedEx facility going in on the Grand Parkway in the Far Northwest submarket (subject's submarket), and GET just leased a 200,000 square foot industrial building in the 4th Quarter in the Far Northwest submarket. Transwestern notes that 72% of the new speculative space in the subject's submarket is pre-leased indicating strong demand.

Public Services: Police, fire, and emergency services are generally provided by Waller County, excepting where the City of Hempstead has controlling authority. Within the city limits, water and sewer services are available from the City of Hempstead, but are not available outside of the city limits, where private systems are necessary. Natural gas is not generally available, but electricity, telephone, high speed internet service, and cable TV are available. Natural gas is available in certain areas of the City of Hempstead, including the subject property.

Recreation: The neighborhood enjoys substantial recreational opportunities due to the presence of two major universities to the north and east, many fishing areas, bird hunting, off-roading, and other rural activities. The area has long been popular for gentleman farm estates and weekend farm/ranch homes. There is a watermelon festival every year, the bluebonnet trail in the spring, and there are several other major festivals and get-to-gathers between Hempstead, Waller, Bellville, Brookshire, Chappell Hill, and Round Top. One of the larger antique festivals in the country (five miles on both sides of the highway) twice a year between Round Top and Warrenton. While Hempstead itself has only a few antique/collectable shops, the area in general is full of history and famous for these types of shops. Another major area attraction is the Texas Renaissances Festival in the months of October and November, located just to the east at Magnolia.

Conclusion: While the cities of Waller and Hempstead has grown by about 30% every decade since the 1960's, the surrounding Waller County population has more than doubled that rate, especially over the past 15 years. Suburban development with a Houston base has grown past the 50 mile mark from the CBD in several directions, and the belt of rolling, creek riddled terrain west of Houston from Brookshire and Sealy on the south, all the way to Brenham and Navasota on the north represents logical developmental expansion for the foreseeable future, especially as more workers are enabled to work part or full time from home computers connecting to their places of employment.

COVID-19 (Coronavirus): The global outbreak of a "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). The reader is cautioned and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen event, subsequent to the effective date of the appraisal.

The COVID-19 or Coronavirus global pandemic arrived in United States in late January of 2020 unleashing unprecedented public gathering restrictions by March of 2020. The long- and short-term market impact from Covid-19 is in determining the market value conclusion.

Current Market Trends: The subject area has experienced moderate amounts of overall growth in the past 3 to 5 years in the commercial market. Development in the neighborhood includes retail, commercial, light industrial, multifamily, as well as single-family residential subdivisions. Overall, this area represents a well-rounded community from all standpoints.

In addition, as Houston continues to diversify from its previously heavily dependent petroleum economy, the overall business basis continues to strengthen. Considering the neighborhood's location, and its accessibility from major thoroughfares, the medium to long-term prospects for the neighborhood are considered stable.

Overall, this neighborhood is considered to have good potential for continued development. The following pages are a snapshot of the Greater Houston Partnership Volume 31, No. 10 – October 2022.

THE ECONOMY AT A GLANCE

HOUSTON

GREATER HOUSTON PARTNERSHIP
Making Houston Greater

A publication of the Greater Houston Partnership Volume 31 Number 10 – October 2022

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HOW WE'VE CHANGED

Each fall, the U.S. Census Bureau releases the American Community Survey (ACS), its annual snapshot of the nation's economic, demographic, housing and social characteristics. By examining ACS data over time, one can see shifts in the population. This issue of *Glance* examines what the '21 ACS data revealed about Houston.

Race and Ethnicity

Houston's Black, Asian and Hispanic populations have grown substantially over the past 10 years. Houston's White population, however, has stagnated. Those trends accelerated over the past two years. There were 88,000 fewer Whites in metro Houston in '21 than in '19. Hispanics more than made up for those losses, adding 89,000 residents. The Black population jumped by 24,000, the Asian population by 25,000 over the two years.

METRO HOUSTON RACE AND ETHNICITY				
Race/ Ethnicity	'21	'11	Change, '11 – '21	
			Estimate	%
Hispanic	2,774,634	2,185,195	589,438	27.0
White	2,392,671	2,386,063	6,608	0.3
Black	1,210,749	1,022,598	188,151	18.4
Asian	576,547	395,648	180,899	45.7
Multiple ¹	216,205	73,043	143,162	196.0
Other ²	36,034	24,348	11,687	48.0
Total	7,206,841	6,086,895	1,119,946	18.4

1 Includes residents who self-identify as of two or more races.
2 Includes American Indians, Alaska Natives, Native Hawaiians, and Other Pacific Islanders

Source: U.S. Census Bureau, American Community Survey 1-Yr Estimates

Foreign Born

Individuals born outside the U.S. represent a larger share of the region's population than a decade ago, 24.1 percent in '21 versus 21.9 percent in '11. By comparison, the foreign-born population for the nation was 13.6 percent in '21, up marginally from 13.0 percent in '11.

Since '11, Houston has added over 400,000 foreign-born residents. They account for 36.1 percent of the region's population gains since '11. Two thirds (1.1 million) of Houston's foreign-born population, arrived in the U.S. prior to '10.

COMPOSITION OF METRO HOUSTON POPULATION				
Origin	'21		'11	
	Count	%	Count	%
Native Born	5,469,992	75.9	4,753,865	78.1
Foreign Born	1,736,849	24.1	1,333,030	21.9
Total	7,206,841	100.0	6,086,895	100.0

Source: U.S. Census Bureau, American Community Survey

Hispanics are the largest ethnic group in Houston. No single group comprises a majority of the population, however. That's been the case for over a decade. Houston today resembles what the U.S. will look like 40 years from now.

RACE/ETHNICITY, % OF POPULATION Houston in '21 v. U.S. in '60

	Hispanic	Anglo	African American	Asian	Other
Hou '21	38.5	33.2	16.8	6.5	3.5
U.S. '60	27.5	44.3	15.0	9.1	4.1

Source: U.S. Census Bureau

October 2022 *Economy at a Glance* ©2022, Greater Houston Partnership 1

Less than half (42.9 percent) of our foreign-born are naturalized citizens. That is up from 35.2 percent 10 years ago. For the nation, 53.1 percent of foreign-born residents are citizens, up from 44.9 percent in '11.

Place of Origin

The majority of our foreign-born came from Latin America (61.2 percent), followed by Asia (25.9 percent), Africa (6.8 percent), Europe (4.9 percent), North America (0.9 percent) and Oceania (0.2 percent). Twenty countries account for 85.5 percent of Houston's foreign-born residents.

ORIGIN OF HOUSTON'S FOREIGN-BORN POPULATION

Country	Residents	Origin	Residents
Mexico	598,758	Philippines	35,642
El Salvador	118,984	Pakistan	35,325
Vietnam	95,480	Cuba	34,146
India	94,163	United Kingdom‡	28,046
Honduras	91,650	Canada	16,440
Nigeria	62,864	Iran	16,283
Venezuela	54,333	Taiwan	15,172
China	53,253	Nicaragua	12,027
Colombia	39,887	Germany	11,812
Guatemala	39,813	Iraq	10,738
Total Top 10	1,267,800	Total 11 - 20	215,631

‡ Includes England and Scotland

Source: U.S. Census Bureau, 2021 American Community Survey

Age

Houston's population continues to mature. In '11, the region's median age was 33.4 years. In '21, the median was 35.3. The median for the U.S. is 38.8 years.

Seniors (residents over 65) accounted for 12.1 percent of our population in '21, up from 8.9 percent in '11. Minors (residents under 18) were 26.2 percent of the region's population, down from 27.7 percent in '11.

AGE COMPOSITION OF METRO HOUSTON

Years	'21		'11	
	Count	%	Count	%
Under 20	2,068,363	28.7	1,856,503	30.5
20 - 34	1,506,230	20.9	1,326,943	21.8
35 - 54	1,974,674	27.4	1,710,417	28.1
55 - 64	799,959	11.1	651,298	10.7
65+	872,028	12.1	541,734	8.9
Total	7,206,841	100.0	6,086,895	100.0

Note: Columns do not sum due evenly due to rounding errors
Source: U.S. Census Bureau, American Community Survey

Disability Status

One in 10 Houstonians, 743,425 residents, suffer from one or more disabilities (behavioral, emotional, sensory, mobility, or developmental). That's up from 573,540 residents ten years ago. Typically, this cohort grows by 17,000 to 20,000 residents each year. From '19 to '21, the population jumped by nearly 85,000. One in 24 Houstonians under the age of 18 has at least one disability. The rate is one in 12 for ages 18 to 64 and one in three for residents 65 and older.

School Enrollment

Just over 1.9 million Houston residents were enrolled in school in '21, up from 1.7 million in '11. Nearly one in four (22.6 percent) were in college or a graduate school, compared to 21.1 percent in '11.

POPULATION 3 YRS AND OVER ENROLLED IN SCHOOL, '21

Grade Level	Students	%
Nursery school, preschool	99,396	5.2
Kindergarten	97,484	5.1
Elementary school (grades 1-8)	846,775	44.3
High school (grades 9-12)	437,723	22.9
College or graduate school	431,989	22.6
Total	1,932,292	100.0

Note: Columns may not sum due evenly due to rounding errors.

Source: U.S. Census Bureau, 2021 American Community Survey

Educational Attainment

Houstonians are better educated. One in three adults (35.8 percent) hold a bachelor's degree or higher. Ten years ago, 28.9 percent did. Increased enrollment in higher education and the passing on of older Houstonians who tended to be less educated has contributed to the improvement.

**EDUCATIONAL ATTAINMENT, METRO HOUSTON
POPULATION 25 YEARS OLD AND OLDER**

Highest Education Level Attained	'21	'11
No High School Diploma	15.5	18.9
Less Than 9th Grade	9.1	9.7
9th to 12th Grade	6.4	9.2
High School Grad or Higher	84.4	81.1
High School/ GED only	22.9	24.1
Some College, No Degree	18.7	21.6
Associate Degree	7.0	6.5
Bachelor's Degree or Higher	35.9	28.8
Bachelor's Degree	22.4	19.0
Graduate or Professional Degree	13.5	9.8

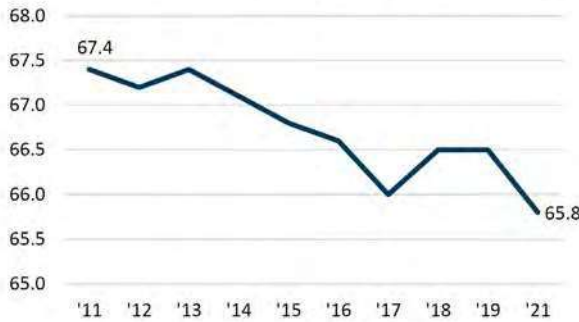
Note: Columns do not sum due evenly due to rounding errors.

Source: U.S. Census Bureau, American Community Survey

Labor Force Participation Rate

The labor force participation rate is the percentage of population over 16 that is employed or unemployed and actively seeking work. Houston's rate has trended down since the '00s. The decline accelerated in the pandemic.

LABOR FORCE PARTICIPATION RATE, METRO HOUSTON



At 65.8 percent, Houston's rate is still well above that of the U.S., which averaged 62.5 percent in '21.

Travel to Work

Houstonians are spending more time in traffic. According to the ACS, the average travel time to work was 28.9 minutes in '21, up from 27.7 minutes in '11.

- Most commuters (70.6 percent) drive to work alone, down from 80.4 percent in '11.
- Only 8.9 percent of commuters carpool, down from 10.8 percent 10 years ago.
- Only 1.3 percent of all commutes involved public transit in '21, down from 2.3 percent in '11.

One in six Houston workers worked from home (WFH) in '21, up from one in 19 prior to the pandemic and one in 30 a decade ago. While significant, Houston lags the nation in share of population working from home.

EMPLOYED POPULATION, 16 AND OLDER, WORKING FROM HOME

	'21	'19	'11
HOU Workforce	3.295 M	3.371 M	2.774 M
% WFH	15.5	5.1	3.3
# WFH	510,853	171,970	91,557
U.S. Workforce	154.3 M	156.9 M	138.2 M
% WFH	17.9%	5.7%	4.3%
# WFH	27.622 M	8.945 M	5.945 M

Source: U.S. Census Bureau and Partnership calculations

Income

Median household income trended up in recent years, growing 11.3 percent, adjusted for inflation, from '11 to '19. Incomes took a hit in the pandemic. Median household income for Houston was \$70,893 in '21, which is \$58,707 in '11 constant dollars, a 3.9 percent drop from '19.

MEDIAN HOUSEHOLD INCOME, METRO HOUSTON



* '11 constant dollars

Source: U.S. Census Bureau American Community Survey

Poverty

In '11, one in seven Houston families (14.1 percent) lived in poverty. That improved to one in ten (10.2 percent) by '19. But the pandemic hit those at the lower income levels the hardest. By '21, one in nine families (11.2 percent) lived in poverty.

- In families with children under the age of 18, the rate jumped from 14.8 percent to 16.3 percent.
- In single-mother households with children under 18, the rate was 37.9 percent in '21, a marginal improvement from 41.9 percent in '11.
- For residents 65 and older, the rate was 11.5 percent in '21, up from 10.7 percent 10 years ago.

Veteran Status

One in 20, or 5.0 percent of the adult population (265,780 residents) served in the U.S. military. That's down from '11, when 294,643 veterans, 6.5 percent, called Houston home.

Health Insurance Coverage

More Houstonians carry health insurance now than a decade ago, but the improvement has been marginal. When the Census Bureau first asked about coverage in '13 (prior to passage of the Affordable Care Act), only 77.2 percent of the metro population had insurance. In '21, 80.7 percent had health insurance.

Health Insurance Coverage in Metro Houston		
	% Population	
	'21	'11
With health insurance	80.7	75.9
With private health insurance	60.3	56.9
With public coverage	28.1	25.2
No health insurance	19.3	24.1

Source: U.S. Census Bureau American Community Survey

HOUSTON FERTILITY RATES, BIRTHS PER 1,000 WOMEN		
Mother's Age	'21	'11
15 to 50 years old	40	40
15 to 19 years old	16	43
20 to 34 years old	107	104
35 to 50 years old	37	27

Source: U.S. Census Bureau, 2021 American Community Survey

Households

Houston added nearly 535,000 households over the past decade. In '21, roughly one-third (36.2 percent) of the 2.6 million households included someone under 18; one-fourth (25.0 percent) included someone over the age of 65.

HOUSEHOLD COMPOSITION, METRO HOUSTON – '21		
Household Type	#	%
Married-couple household	1,311,106	50.4
With children under 18	595,721	22.9
Cohabiting couple household	171,692	6.6
With children under 18 years	70,238	2.7
Male householder, no spouse/partner	452,644	17.4
With children under 18 years	33,818	1.3
Female householder, no spouse/partner	665,959	25.6
With children under 18 years	150,881	5.8
Males living alone	304,364	11.7
Females living alone	332,979	12.8
Total	2,601,401	100.0

Source: U.S. Census Bureau, 2021 American Community Survey

Marital Status

Half the region's population over the age of 15, nearly 2.9 million residents, is currently married. One-third of the population has never married. The remaining population is either widowed, separated, or divorced.

MARITAL STATUS, POPULATION 15 AND OLDER, '21		
	#	%
Currently married	2,856,487	50.6
Never married	1,927,022	34.1
Divorced	500,610	8.9
Widowed	241,505	4.3
Separated	124,438	2.2
Total	5,647,206	100.0

Note: Columns may not sum due evenly due to rounding errors.
Source: U.S. Census Bureau, 2021 American Community Survey

Fertility

The fertility rate trended down in recent years but jumped post-pandemic, setting a record for births in '21.

NUMBER OF WOMEN 15 - 50 YEARS OLD WHO HAD A BIRTH IN THE PAST 12 MONTHS	
Year	000s
'10	101.4
'11	96.3
'12	91.0
'13	103.2
'14	94.7
'15	99.6
'16	101.4
'17	99.5
'18	104.9
'19	98.4
'21	114.2

Source: U.S. Census Bureau, American Community Survey (2010-2021)

Of the 114,161 births in Houston last year, 32.1 percent were to unmarried women (widowed, divorced, or never married). Over the past 10 years, the fertility rate for women under 20 has plummeted while the rate for women 35 to 50 has climbed.

Mobility

One million Houstonians—14.0 percent of residents one year and older—moved year. The majority simply changed apartments or houses within the metro area, but a substantial number moved here from outside the region.

PLACE OF RESIDENCE, ONE YEAR AGO*, '21		
Location	Residents	%
Same house	6,118,192	86.0
Different house	995,985	14.0
Different house in the U.S.	946,186	13.3
Same county	583,363	8.2
Different county	355,709	5.0
Same state	234,768	3.3
Different state	128,055	1.8
Abroad	49,799	0.7
Total	7,114,177	100.0

* For population 1 year old and older
Source: U.S. Census Bureau, 2021 American Community Survey
Note: The Census Bureau did not release ACS data for '20.
Source: U.S. Census Bureau American Community Survey ('11-'21)

October 2022 Economy at a Glance ©2022, Greater Houston Partnership

EMPLOYMENT UPDATE

Metro Houston added 5,400 jobs in August '22. This falls below expectations for the month. In a normal year, the region creates 7,000 to 10,000 jobs in August. In a boom year, which has been the case up to this point, the region creates 10,000 to 18,000 jobs. It's too soon to determine whether the August report is the first sign of an economic slowdown.

- Restaurants and bars added 7,500 jobs in August. The sector normally creates 800 to 1,200 jobs in the month. August's job growth is likely an anomaly that will be revised downward in future reports.
- Administrative and support services added 5,500 jobs. Employers are relying on contractors to meet their workforce needs in the current tight labor market.
- Durable goods manufacturing added 1,500 jobs in August and 7,700 since the first of the year. It's not clear from the available data in which sub sectors those jobs were created. Manufacturing overall remains well below pre-pandemic employment levels.
- Real estate/equipment rentals added 800 jobs in August bringing employment to 100 jobs shy of where it stood in February '20. In a sector with over 64,000 jobs, this is essentially a rounding error. The sector should be considered as fully recovered.
- Employment in hotels, information, and other services—all laggards in the COVID recovery— was flat in August. The energy sector, also a laggard, shed 700 jobs.

Fourteen of the 19 major sectors tracked by TWC have fully recovered their pandemic losses. Those sectors are:

- Administrative support and waste management
- Arts, entertainment, and recreation
- Construction
- Educational services
- Finance and insurance
- Food services and drinking places
- Health care and social assistance
- Professional, scientific and tech services
- Retail trade
- Transportation, warehousing, and utilities
- Wholesale trade.

Information, hotels, and personal services should recover by the end of the year. The path to full recovery for energy and manufacturing remains uncertain, especially as U.S. economic growth has begun to slow.

October 2022 Economy at a Glance ©2022, Greater Houston Partnership

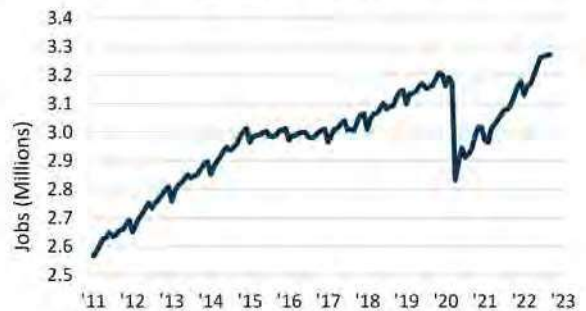
SECTORS STILL IN RECOVERY, METRO HOUSTON

Sectors	Job Still to Recoup
Real estate and equipment rentals	100
Information	500
Hotels	2,300
Other Services	4,300
Manufacturing	5,700
Energy (exploration, oil field services)	10,200

Source: Texas Workforce Commission and Partnership calculations

Nonfarm payroll employment now tops 3,273,100, well above Houston's previous peak of 3,207,900 reached in November '19.

NONFARM PAYROLL EMPLOYMENT METRO HOUSTON



Source: Texas Workforce Commission

RECESSION IN 2023?

Will the U.S. slip into a recession next year? If so, will Houston follow? And if so, how bad will it be for Houston and how long will it last? The Partnership's [Houston Region Economic Outlook](#) event scheduled for Thursday, December 8 at the Royal Sonesta Hotel aims to answer those questions and more.



During lunch, a of Partnership Board Members will share their insights for Houston's future. Following the discussion, **Patrick Jankowski**, the Partnership's Chief Economist, will present the Houston the employment forecast for next year. Register for the event at the [Partnership's website](#).

KEY ECONOMIC INDICATORS



Aviation — The Houston Airport System (HAS) handled 52.2 million passengers in the 12 months ending August '22, up 44.5 percent from the comparable period in '21. This marks the highest 12-month passenger count since April '20.



Building Permits — City of Houston building permits totaled \$7.7 billion for the 12 months ending August '22, up from \$6.1 billion over the same period in '21, according to the city's Public Works Department. Commercial permit values rose 28.6 percent to \$4.3 billion and residential permit values increased 21.9 percent to \$3.4 billion.



Construction — Metro Houston construction starts totaled \$14.8 billion through July of this year, up from \$12.1 billion over the comparable period in '21, according to the latest data from Dodge Data & Analytics. Nonresidential activity increased from \$4.4 billion, to \$6.0 billion and residential activity from \$7.7 billion to \$8.8 billion.



Crude Oil — The closing spot price for West Texas Intermediate (WTI), the U.S. benchmark for light, sweet crude, averaged \$93.67 per barrel in August '22, up from \$67.73 for the same period in '21. WTI has consistently traded above \$90 per barrel since early February '21. The U.S. Energy Information Administration forecasts WTI to average \$98.07 per barrel this year and \$90.91 in '23.



Home Sales — In the 12 months ending August, Houston area realtors closed on 128,869 homes, compared to 130,767 for the 12 months in July, and 132,887 for the 12 months ending in June. In August '22, active listings of all property types (single-family, townhomes, condos, duplexes) were up 25.1 percent over August of '21. They are still 17.7 percent below where they stood five years ago.



Inflation — Inflation, as measured by the Consumer Price Index for all Urban Consumers (CPI-U), rose 8.3 percent nationwide in the 12 months ending August '22. This has come down from a peak in June '22 of 9.1 percent. The peak of the last 50 years was in March '80 when the annual rate topped 14.6 percent.



Purchasing Managers Index — Economic activity in Houston expanded in August at a slightly slower rate than July, according to the most recent Houston Purchasing Managers Index (PMI). The August '22 PMI registered 54.2, down from 55.6 in July. Readings over 50 generally indicate expansion in the economy, below 50, contraction.



Rig Count — The Baker Hughes count of active domestic rotary rigs hit 765 the last week of September, up 237 rigs from the same week the year before, according to data recently released by the company. The rig count is 28 shy of where it stood in mid-March '20 prior to the pandemic. However, the rig count peaked at 1,083 the last week of December '18. The pandemic only accelerated the decline.



Unemployment — The unemployment rate for metro Houston was 4.6 percent in August '22, down from 4.8 percent in July '22 and from 6.3 percent in August '21. The Texas rate was 4.2 percent, down from 4.3 percent in July and 5.5 percent in August of last year. The rates are not seasonally adjusted.



Vehicle Sales — New car, truck, and SUV sales are up 9.7 percent through August of this year compared to the same period in '21. Truck and SUV sales continue to dominate the market, accounting for one in four (77.6 percent) of all vehicles sold to date.

Clara Richardson and Patrick Jankowski contributed to this issue of Houston: The Economy at a Glance.

STAY UP TO DATE

For past issues of **Economy at a Glance**, click [here](#).

The Partnership posts updates to the region's key economic indicators throughout the month. If you would like to receive updates by e-mail, click [here](#).

If you would like to receive updates via Twitter, follow the Partnership's Chief Economist, Patrick Jankowski, at @PNJankowski.

If you are a not a member of the Greater Houston Partnership and would like to subscribe to **Economy at a Glance**, please click [here](#). For information about joining the Partnership, call Member Engagement at 713-844-3683.

SITE DATA AND ANALYSIS

An analysis of the subject site is particularly important in determining its highest and best use. We have relied on the legal description, aerial photos, WCAD tax map, and a thorough physical property visit of the subject. The following is a discussion of the most important facts.

Legal Description: 25.132 acres or 1,094,750 square feet of land being Lot 1, Clear Creek Development, Waller County, Texas.

Location/Access: The subject property is located within city limits of the City of Hempstead, which is an incorporated part of Waller County, Texas. Specifically, the subject property is situated along the south line of Mack Washington Lane, being just north of Business US 290 (Old Hempstead Highway). Furthermore, the subject is located approximately 1.50 miles east of State Highway 6 (SH 6).

Physical Characteristics: The subject site is rectangular in shape and contains a total of 25.132 acres or 1,094,750 square feet of land (size per WCAD).

Zoning/Land Use: The subject is located in the City of Hempstead within Waller County, which Hempstead does subscribe to zoning. The subject property is zoned "Agriculture Residential" by the City of Hempstead, which allows for a variety of agriculture and commercial uses. There are no known deed restrictions, or other known restrictions as to use or value.

Floodplain: According to the flood insurance rate map of the Federal Emergency Management Agency, revised May 16, 2019, FEMA Map No. 48473C0135F, the subject lies within Zone X, an area outside the 500-year and 100-year floodplains. A copy of the floodplain map follows this section. Please refer to the caution statement at the bottom of floodplain map.

Environmental Concerns: An environmental survey for the subject property was not provided. It is assumed that no adverse environmental or geologic conditions exist, but this should be checked with appropriate professionals.

Topography/Drainage: Upon inspection, the subject site appears to be level and well drained. Drainage of the subject site is facilitated by natural site drainage to open ditch drainage along bordering roadway rights of way. Drainage of the area is under the control of Waller County and appears adequate as evidence by the existing improvements in the immediate vicinity.

Easements and Covenants: The subject has no known easements or restrictions which would be considered to adversely affect utilization of the subject site. There are utility easements common to properties in the area.

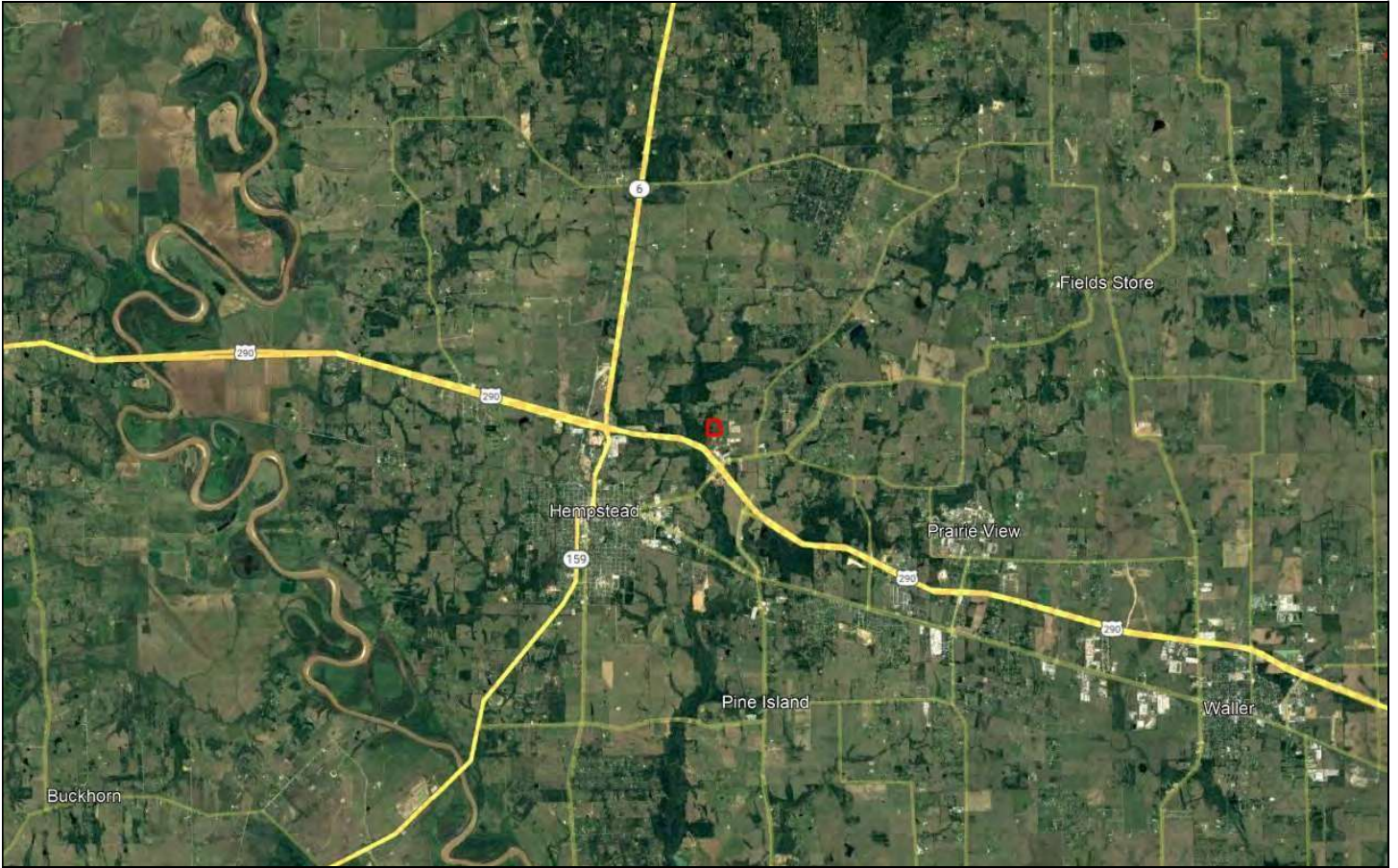
Utilities/Education/Public Services The subject does have access to water and sewer via the City of Hempstead. Electricity is distributed by CenterPoint Energy, and telephone is available through several national providers. In addition, cable television and high speed internet service are readily available through a variety of area providers.

Police, fire, and emergency services are provided by Waller County. Education is provided by the Hempstead Independent School District, which provides secondary education through the high school level (Kindergarten through the 12th grade).

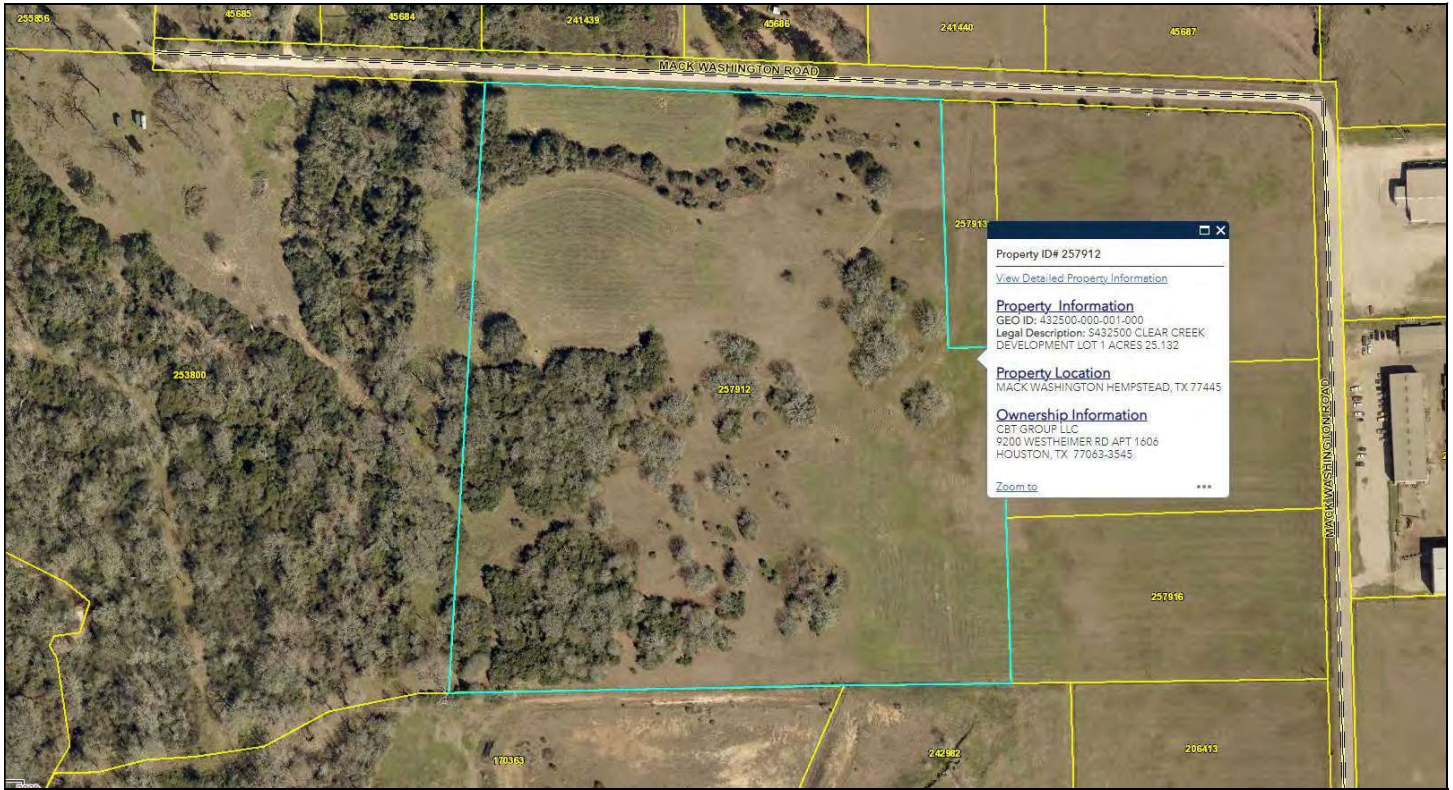
Conclusion: The subject has good access to primary traffic arteries and all portions of the greater Houston area. The site is a sufficient size to support a number of possible uses, and does not appear to be encumbered by any easements or encroachments that would affect value or use. The subject represents a good developable site with fair accessibility and amenities.



Aerial Photo of Subject Site
Boundaries are estimated by appraiser



Broad Aerial View of Subject and Surrounding Area Development



Subject WCAD Tax Map



Subject as of December 28, 2022

FLOOD MAP

Borrower or Owner:

Subject Address: SL of Mack Washington Lane

Census Tract: 6803.03

City: Hempstead

County: Waller

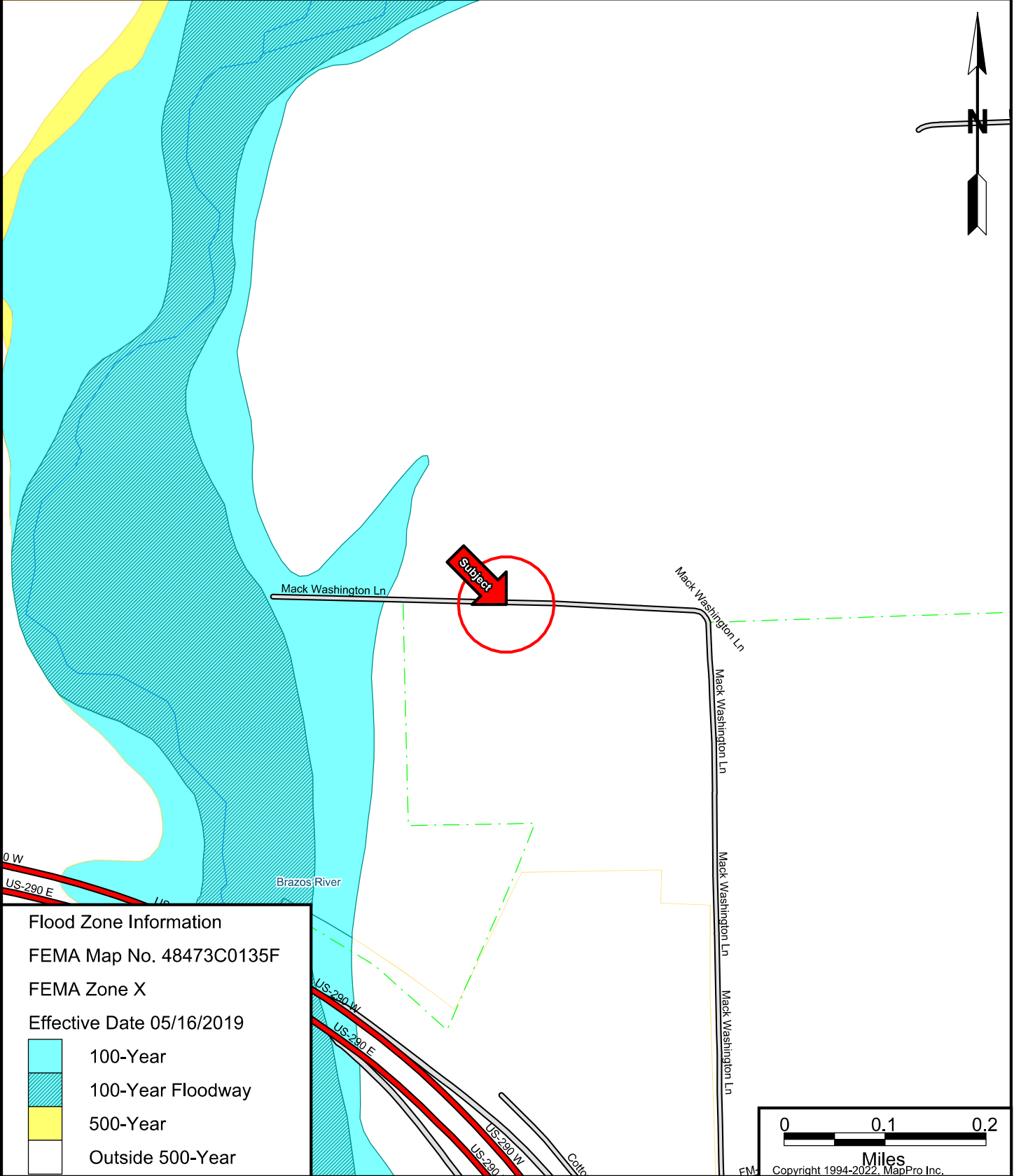
State: TX

Zip Code: 77445

Lender or Client:

Lat: 30.116343

Long: -96.049399



Flood Zone Information

FEMA Map No. 48473C0135F

FEMA Zone X

Effective Date 05/16/2019

- 100-Year
- 100-Year Floodway
- 500-Year
- Outside 500-Year

CAUTION:

The location of flood hazard areas shown on this map are approximate only. Flood hazard boundaries may change from time to time. A property in the general vicinity of a flood hazard area should be evaluated by a civil engineer or other appropriate specialist prior to purchase or investment.

HIGHEST AND BEST USE

Highest and best use is defined as "the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value" (*The Dictionary of Real Estate Appraisal*, 6th Edition). The definitions of highest and best use indicate that there are two types of highest and best use. The first type is highest and best use of land or a site as though vacant. The second is highest and best use of a property as improved. Each type requires a separate analysis. Moreover, in each case, the existing use may or may not be different from the site's highest and best use.

Legally Permissible: In all cases of highest and best use, the appraiser must determine the uses of the site which are legally permissible. The subject is located in the City of Hempstead within Waller County, which Hempstead does subscribe to zoning. The subject property is zoned "Agriculture Residential," which allows for a variety of agriculture or commercial development. Beyond building code requirements, there appear to be no legal impediments to the subject use or value.

Physically Possible: Size, terrain, shape with respect to development, surrounding uses, and utility availability are generally considered the most important in determining uses to which the subject may be developed. The subject site contains a total of 25.132 acres or 1,094,750 square feet of vacant land. The subject has access to public water and sewer. The subject tract is of a size and shape that could accommodate a number of uses. Considering the size and location of the subject, the most likely physical uses would be for some type of commercial development as demand warrants.

Financially Feasible: This criterion dictates that the use must create value and generate a positive net income. Factors which influence feasible uses include those considered other than legally permissible and physically possible uses, as well as economic factors relating to rental rates and occupancies of the various real estate sectors. In other words, a property's financial feasibility is based on its income potential.

Maximally Productive: In considering the maximally productive uses, the comparison of all uses determined to be physically possible, legally permissible, and financially feasible are evaluated. The maximally productive use produces the highest rate of return or the highest value to the property. Generally, it is viewed as the ideal improvement. There are few if any uses which create a greater return to the land than some type of commercial use.

As Vacant: Based on a review of financial information, it is our opinion that the highest and best use of the property "as vacant," is for commercial use.

SALES COMPARISON APPROACH

The sales comparison approach is a set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, applying appropriate units of comparison, and making adjustments to the sales prices of the comparables based on the element of comparison. The sales comparison approach may be used to value improved properties, vacant land or land being considered as though vacant.

The sales comparison approach is applicable when sufficient data on recent market transactions is available. Essential information on income-producing properties derived through sales comparison is used in the income capitalization and cost approaches.

The procedure for applying the sales comparison approach includes the following:

1. Research the competitive market for information on properties that are similar to the subject property and that have recently sold, are listed for sale, or are under contract. Information on agreements of sale, options, listings, and bona fide offers may also be collected. The characteristics of the properties such as property type, date of sale, size, physical condition, location, and land use constraints should be considered. The goal is to find a set of comparable sales or other evidence such as property listings or contracts as similar as possible to the subject property to ensure they reflect the actions of similar buyers. Market analysis and highest and best use analysis set the stage for the selection of appropriate comparable sales.

2. Verify the information by confirming that the data obtained is factually accurate and that the transactions reflect arm's-length market considerations. Verification should elicit additional information about the property such as buyer motivation, economic characteristics (if the property is income-producing), value component allocations, and other significant factors as well as information about the market to ensure that comparisons are credible.

3. Select the most relevant units of comparison used by participants in the market (e.g., price per acre, price per square foot, price per front foot, price per dwelling unit) and develop a comparative analysis for each unit. The appraiser's goal is to define and identify a unit of comparison that explains market behavior.

4. Look for differences between the comparable sale properties and the subject property using all appropriate elements of comparison. Then adjust the price of each sale property, reflecting how it differs, to equate it to the subject property or eliminate that property as a comparable. This step typically involves using the most similar sale properties and then adjusting for any remaining differences. If a transaction does not reflect the actions of a buyer who would also be attracted to the subject property, the appraiser should be concerned about comparability.

5. Reconcile the various value indications produced from the analysis of comparables into a value conclusion. A value opinion can be expressed as a single point estimate, as a range of values, or in terms of relationship (e.g., more or less than a given amount).

There are 10 basic elements of comparison that should be considered in sales comparison analysis:

- 1) Real Property rights conveyed
- 2) Financing terms
- 3) Conditions of sale
- 4) Expenditures made immediately after the purchase
- 5) Market conditions (time)
- 6) Location
- 7) Physical characteristics – e.g., size, construction, quality, condition
- 8) Economic characteristics – e.g., expense ratios, lease provisions, management, tenant mix
- 9) Legal characteristics
- 10) Non-realty components of value

(*The Appraisal of Real Estate*, 15th Edition, pg. 362).

Sale 1

Key Map:

Reference No: 21096

PROPERTY IDENTIFICATION

Property Type: Commercial Vacant Land
Property Name: Commercial Vacant Land
Property Address: SL Fm 1488 Rd
City, County, State: Hempstead, Waller County, TX 77445



SALE DATA

Grantor: William Ray Price
Grantee: Tomball Real Estate Partners LLC
Sale Date: August 19, 2022
Financing: Cash to seller
Property Rights: Fee Simple
Recording Data: 2213372
Legal Description: Tract 7, John F Martin, Abstract 227, Waller County, TX

SALE ANALYSIS

Sales Price:	\$1,759,622	Adjusted Sales Price:	\$1,759,622
Land	\$0.72 PSF	Per Acre	\$31,449

LAND INFORMATION

Land Size:	55.952 Ac.	2,437,269 SF	
Frontage:	FM 1488		
Floodplain:	No	Zoning:	None
Panel No.:		Encumbrances:	None
Panel Date:		Environmental Issues:	

UTILITIES

Electricity:	Yes	Sewer:	No
Gas:	No	Telephone:	Yes
Water:	No	Road:	2 lane

COMMENTS

Confirmed Sale (MLS 37569686)

Sale 2

Key Map:

Reference No: 21097

PROPERTY IDENTIFICATION

Property Type: Commercial Vacant Land
Property Name: Commercial Vacant Land
Property Address: WL of Richards Rd
City, County, State: Hempstead, Waller County, TX 77445



SALE DATA

Grantor: Quest IRA Inc FBO Byron K Preadom
Grantee: DMW Properties LLC
Sale Date: April 29, 2022
Financing: Cash to seller
Property Rights: Fee Simple
Recording Data: 2205825
Legal Description: Tract 93, Justo Liendo, Abstract 41, Waller County, TX

SALE ANALYSIS

Sales Price: \$540,000	Adjusted Sales Price: \$540,000
Land \$1.12 PSF	\$48,780 Per Acre

LAND INFORMATION

Land Size: 11.070 Ac.	482,209 SF	Zoning:	None
Frontage: Richards Rd		Encumbrances:	None
Floodplain: No		Environmental Issues:	
Panel No.:			
Panel Date:			

UTILITIES

Electricity: Yes	Sewer: Public
Gas: No	Telephone: Yes
Water: Public	Road: 2 lane

COMMENTS

Confirmed Sale (MLS 14738240)

Sale 3

Key Map:

Reference No: 21095

PROPERTY IDENTIFICATION

Property Type: Commercial Vacant Land
Property Name: Commercial Vacant Land
Property Address: 40647 Fm 1488 Rd
City, County, State: Hempstead, Waller County, TX 77445



SALE DATA

Grantor: KGHS Holdings LLC
Grantee: Peter S Terpstra
Sale Date: August 20, 2021
Financing: Cash to seller
Property Rights: Fee Simple
Recording Data: 2213372
Legal Description: Tract 15, Justo Liendo, Abstract 41, Waller County, TX

SALE ANALYSIS

Sales Price:	\$1,375,000	Adjusted Sales Price:	\$1,375,000
Land	\$1.81 PSF	\$78,737 Per Acre	

LAND INFORMATION

Land Size:	17.463 Ac.	760,697 SF		
Frontage:	FM 1488			
Floodplain:	No	Zoning:	None	
Panel No.:		Encumbrances:	None	
Panel Date:		Environmental Issues:		

UTILITIES

Electricity:	Yes	Sewer:	No
Gas:	No	Telephone:	Yes
Water:	No	Road:	2 lane

COMMENTS

Confirmed Sale (MLS 18291140)

Sale 4

Key Map:

Reference No: 21098

PROPERTY IDENTIFICATION

Property Type: Commercial Vacant Land
Property Name: Commercial Vacant Land
Property Address: 32408 Fm 1488 Rd
City, County, State: Hempstead, Waller County, TX 77445



SALE DATA

Grantor: Jerry Lance Snyder
Grantee: 32408 FM 1488 LLC
Sale Date: July 28, 2021
Financing: Cash to seller
Property Rights: Fee Simple
Recording Data: 2200675
Legal Description: Tract 4, Andrew MC Stee, Abstract 220, Waller County, TX

SALE ANALYSIS

Sales Price: \$1,900,000	Adjusted Sales Price: \$1,900,000
Land \$0.80 PSF	\$35,047 Per Acre

LAND INFORMATION

Land Size: 54.213 Ac.	2,361,518 SF
Frontage: FM 1488	
Floodplain: No	Zoning: None
Panel No.:	Encumbrances: None
Panel Date:	Environmental Issues:

UTILITIES

Electricity: Yes	Sewer: No
Gas: No	Telephone: Yes
Water: No	Road: 2 lane

COMMENTS

Confirmed Sale (MLS 12883395)

Sale 5

Key Map:

Reference No: 21099

PROPERTY IDENTIFICATION

Property Type: Commercial Vacant Land
Property Name: Commercial Vacant Land
Property Address: 53681 US 290
City, County, State: Hempstead, Waller County, TX 77445



SALE DATA

Grantor: Michael L Jeane
Grantee: Sorsby 290 Ventures LLC
Sale Date: July 15, 2021
Financing: Cash to seller
Property Rights: Fee Simple
Recording Data: 2108240
Legal Description: Tract 77, James Hall Jr., Abstract 32, Waller County, TX

SALE ANALYSIS

Sales Price:	\$1,572,000	Adjusted Sales Price:	\$1,572,000
Land	\$1.30 PSF	Per Acre	\$56,575

LAND INFORMATION

Land Size:	27.786 Ac.	1,210,363 SF	
Frontage:	US 290		
Floodplain:	No	Zoning:	None
Panel No.:		Encumbrances:	None
Panel Date:		Environmental Issues:	

UTILITIES

Electricity:	Yes	Sewer:	No
Gas:	No	Telephone:	Yes
Water:	No	Road:	2 lane

COMMENTS

Confirmed Sale (MLS 15043332)

LOCATION MAP

Borrower or Owner:

Subject Address: SL of Mack Washington Lane

Census Tract: 6803.03

City: Hempstead

County: Waller

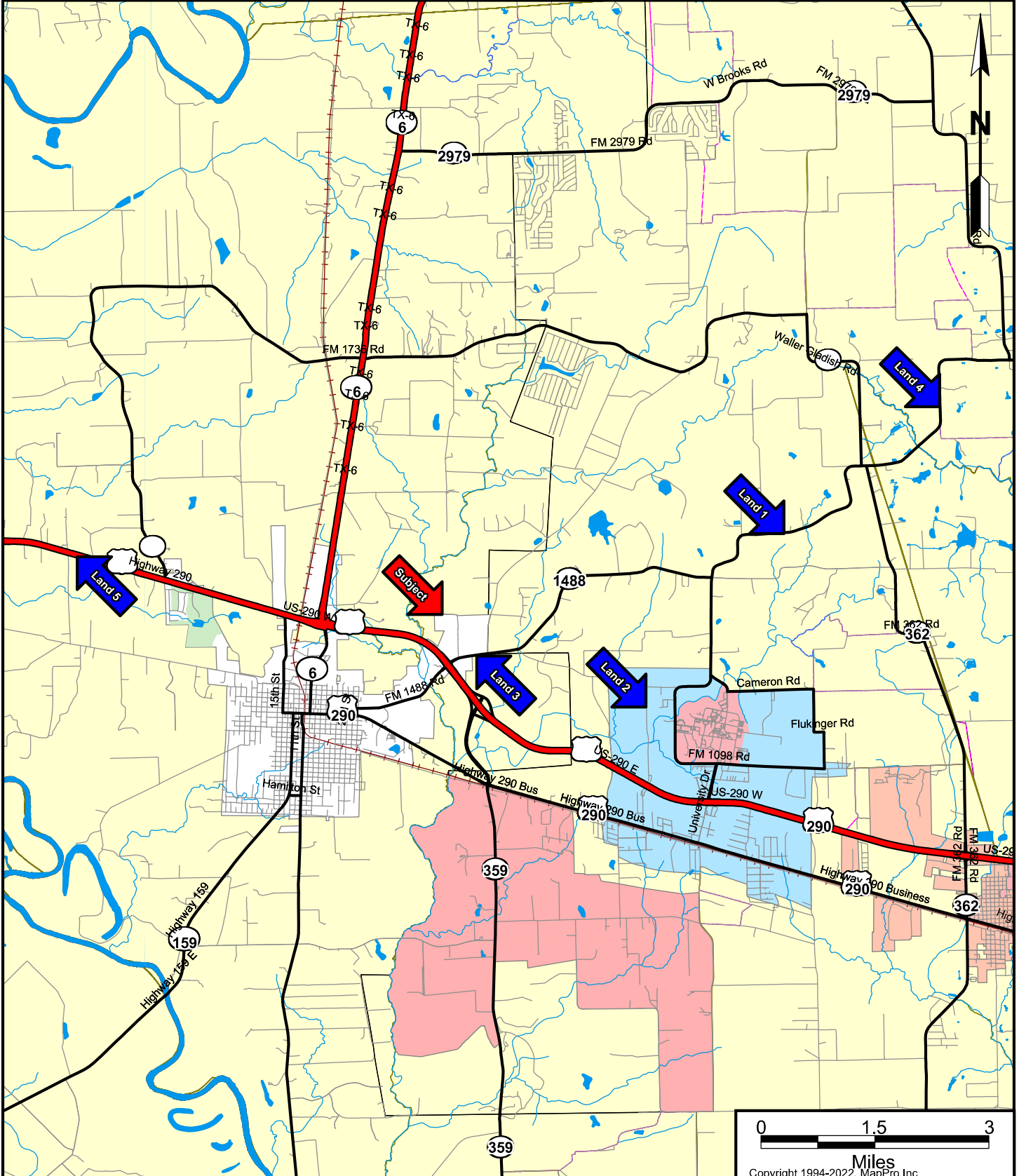
State: TX

Zip Code: 77445

Lender or Client:

Lat: 30.1163

Long: -96.0494



CAUTION:

The location of property arrows shown on this map are approximate only. Inaccuracies may exist on map such as missing, incorrectly drawn, or incorrectly addressed streets. Please report any such inaccuracy to MapPro, Inc. so that appropriate corrections can be made.

SITE VALUATION

The sales comparison approach utilizes sales transactions of area properties considered comparable to most characteristics of the subject site. The most basic requirement is that the comparable sales are located within proximity to the subject neighborhood and have occurred in the open market in the recent past. This analysis was conducted within the framework of the definition of market value, as described within the report. It requires a valuation of the site, "as vacant", as in its highest and best use.

In order to develop a value estimate for the subject tract, the deed records of Waller County were searched through a deed reporting service, and the area was surveyed for sales of comparable tracts.

Included within this section are five comparable sales of vacant land tracts, which are considered to be comparable to the subject in the immediate neighborhood. The sales included for comparison within this section are the most comparable sales to the subject property and are the most recent sales occurring within the immediate neighborhood. Based on the quality and quantity of the data, our confidence level in the land sales comparison approach is high. The sales are described in detail on the land sale comparable forms, which immediately precede this section. Additionally, a sales map is included in the preceding pages, and the sales map contains a representation of the size, shape, and location of each sale in relation to the subject property.

Adjustment Factors: The methodology for this approach is the employment of an adjustment grid, a copy of which follows this section and also acts as a summary of the land sales and the basic subject information. No financial adjustments have been necessary. The following paragraphs discuss the adjustments and make the comparisons with the subject site.

Conditions of Sale: This adjustment takes into consideration unusual features of the transaction, such as unusual influences among the sale parties, existing improvements on the sales at the date of the transaction, or whether or not the sale took place under open market conditions. No adjustments are necessary.

Market Conditions (Time): The market condition (time) adjustment is considered and the lack of sales activity in some real estate sectors may point to the need for this adjustment. The comparable sales included within this analysis occurred during the previous 2 years. The current COVID-19 outbreak is considered; however, indications are the subject market segment that has remained steady. Sales 3, 4, and 5 are adjusted upward for market conditions.

Size: While the sales at least demonstrate the principle that a smaller site will sell for more per square foot than a larger one, there is insufficient comparability and numbers from which to draw a meaningful adjustment factor. However, years of pairing studies throughout the Gulf Coast area suggest a safe average comparison of 5% to 10% per doubling or halving in size

by comparison with the subject 25.132-acre site size. The appraiser will analyze the sales based on a 10% per doubling rounded to the nearest 5%. Sales 2 and 3 are adjusted downward for their smaller site size as compared to the subject. Sales 1 and 4 are adjusted upward for their larger site size as compared to the subject. Overall net adjustments may be found on the adjustment grid.

Location: Location adjustments are primarily subjective to the appraiser, based upon experience, knowledge of the various markets involved, and on inspections of the properties presented. Sales 1, 3, 4, and 5 are adjusted downward for their superior location as compared to the subject.

Floodplain: Floodplain designations affect the utilization of each tract, and thus affect value. The subject is located in the Zone X Floodway. No adjustments were made.

Physical Characteristics: This adjustment considers corner influence, utilities, detention, and shape. The subject has access to public water and sewer through the city of Hempstead. Sales 1, 3, 4, and 5 are adjusted upward for having inferior access to utilities.

Conclusion: The adjusted sale prices range from \$0.79 to \$1.40 per square foot with a mean of \$1.06 and a median of \$1.01 per square foot. Thus the value for the subject is concluded to \$1.05 per square foot or \$1,149,488, rounded to:

\$1,150,000

LAND SALES ADJUSTMENT GRID

	1	2	3	4	5	Subject
Location	SL of FM 1488	WL of Richards Rd	40647 FM 1488	32408 FM 1488	53681 US 290	SL of Mack Washington
Date of Sale	Aug-22	Apr-22	Aug-21	Jul-21	Jul-21	Dec-22
Size (Acres)	55.9520	11.0700	17.4632	54.2130	27.7861	25.1320
Sale Price \$PSF	\$0.72	\$1.12	\$1.81	\$0.80	\$1.30	??
Financing	0%	0%	0%	0%	0%	0%
Condition of Sale	0%	0%	0%	0%	0%	0%
Cash Adj. Sale Price	\$0.72	\$1.12	\$1.81	\$0.80	\$1.30	
Market Conditions (Time)	0%	0%	3%	3%	3%	3%
Time Adj. Sale Price	\$0.72	\$1.12	\$1.86	\$0.82	\$1.34	
Size	10%	-10%	-5%	10%	0%	0%
Location	-10%	0%	-30%	-10%	-20%	
Floodplain	0%	0%	0%	0%	0%	
Physical Characteristics	10%	0%	10%	10%	10%	
Net Adjmts.	10%	-10%	-25%	10%	-10%	
Gross Adjmts.	30%	10%	48%	33%	33%	
Adjusted Price psf	\$0.79	\$1.01	\$1.40	\$0.91	\$1.21	??

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Mean Adjusted Value: \$1.06 psf
Median Adjusted Value: \$1.01 psf

ADDENDA



Appraisal MC
320 Detering Ste B
Houston, TX 77007
713-623-0559

APPRAISAL REQUEST FORM
COMPANY: Individual – Commercial NR CC

State Registration Number: 2000252

File Information

File ID: 221202069 **Due Date:** 1/3/2023
Loan Number: 111111

Appraiser Information

Loan Type: Commercial – Primary **Appraiser:** Stephens, Scott
Form: Commercial appraisal report
Service Fee: \$1250.00
Transaction Fee:

Total Appraiser Fee: \$1250.00

Client Information

Client: Shook, Hardy & Bacon L.L.P. **Borrower or Company Name:** Shook, Hardy & Bacon
Address:

Subject Property

Address or Intersection: MACK WASHINGTON **Intended Use:** Home Equity
HEMPSTEAD, TX 77445 **Property Type:** Commercial
County: Waller
Legal Description:
Property Description:
Map: [Map Link](#)

Property Contact Information

Contact Person: Kelsey Morris w/ Mark Dimas Team **Work Phone:** 832-814-7623
Cell Phone: **Home Phone:**
Property Contact Notes: Kelsey Morris w/ Mark Dimas Team kelsey@markdimasteam.com

Effective Date of Valuation

	Retrospective	As Is	Prospective at Completion	Prospective at Stabilized Occupancy
Effective Date(s) of Appraisal:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Interest Leased Fee (all or part):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Interest Fee Simple (not leased):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Interest Leasehold (borrower is tenant):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Condition (vacant land/improved):				
If Leased Fee approx % leased (excludes owner):				
If Leased Fee approx no of tenants (excludes owner):				
If Leased Fee approx remaining lease term(s) over 5 years:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If Leased Fee approx remaining lease term(s) under 5 years:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Other information believed germane to the appraisal bid:

Additional Notes:

Date	From	Message
12/14/2022 4:41 PM	Bautista, Mayra	Good afternoon your conditions have been accepted. Please proceed and accept this order in your queue. Thank you

Note: This appraisal order is not transferrable to another appraiser. If the appraiser named on this appraisal request is unable to complete this assignment please contact Appraisal MC at 713-623-0559. All appraisers are approved on an individual basis, if this assignment is completed by another appraiser Appraisal MC will not be liable for any appraisal related service fee.



Commercial Order Form
client

* If a client of Appraisal MC or lender makes contact with you directly, contact Appraisal MC immediately. Do NOT make contact with the client of Appraisal MC or lender directly unless otherwise specified in the order. Any contact outside of the Appraisal MC system may be cause for removal and forfeit of appraisal fee due to non-compliance with the appraiser agreement. All communication and reports must be sent through Appraisal MC only. Failure to comply with this request will result in this order being cancelled and payment for this order will be rescinded immediately.

Appraiser agrees not to directly or indirectly engage via communication or assignments with any of Appraisal MC's lender clients for a period of one year without written consent of Appraisal MC. Appraiser agrees to provide reasonable monetary damages for violation of this Agreement; and, that if monetary damages are calculable, monetary damages alone are inadequate as a remedy for such violation. Therefore, the parties agree that equitable remedies, including, without limitation, temporary restraining order and mandatory injunction enforcing specific performance, are and shall be proper remedies for violation of this Agreement. If suit is brought to enforce this Agreement, the winning party shall be entitled to receive, in addition to any actual damages, reasonable attorney(s) fees spent in the prosecution of such suit.

APPRAISAL MC RESERVES THE RIGHT TO DISCOUNT FEE OF PAST DUE REPORTS BY \$50 PER DAY IF NO NOTIFICATION IS RECEIVED. COMPLETED APPRAISALS MUST BE SUBMITTED BY 2 PM CST ON THE DUE DATE.

IF A RUSH/PRIORITY ASSIGNMENT IS NOT SUBMITTED ON OR BEFORE THE DUE DATE THE RUSH/PRIORITY ADDITIONAL FEE WILL BE FORFEITED.

ANY REVISIONS MUST BE SUBMITTED THE SAME BUSINESS DAY OTHERWISE THE ASSIGNMENT WILL BE CONSIDERED LATE.

Trip Fee Policy:

Trip fees for scheduled appointments are not to exceed \$150 unless otherwise approved. A photo of the subject property with address must be provided for verification

Trip fees may be forfeited for the following reasons:

- ***If the assignment is not submitted on or before the due date and the order is cancelled due to appraiser delays.***
- ***Cancelled orders not submitted on or before the due date***
- ***Assignments that have been withdrawn from***

Cancellation policy:

Pre-Inspect: 0%

Post-Inspect based on appt time in system: Fee not to exceed \$150 unless otherwise approved

Completed report: 100%

Cancellation fees may be forfeited for the following reasons:

- ***If the assignment is not submitted on or before the due date and the order is cancelled due to appraiser delays.***
- ***Cancelled orders not submitted on or before the due date***
- ***Assignments that have been withdrawn from***

(Please note that any cancellations will come via message from Appraisal MC)

TEXAS APPRAISERS: If you are an appraiser licensed or certified in Texas you must accept the TALCB invite prior to accepting any assignments from Appraisal MC. Do not accept any assignments or begin work on any assignments and contact Appraisal MC immediately. Appraisal MC will not be responsible for any work completed by an appraiser not active on the Appraisal MC TALCB panel.

Waller CAD

Property Search Results > 257912 CBT GROUP LLC for Year 2022

Tax Year: 2022

Property

Account

Property ID:	257912	Legal Description:	S432500 CLEAR CREEK DEVELOPMENT LOT 1 ACRES 25.132
Geographic ID:	432500-000-001-000	Zoning:	
Type:	Real	Agent Code:	
Property Use Code:			
Property Use Description:			

Protest

Protest Status:
Informal Date:
Formal Date:

Location

Address:	MACK WASHINGTON HEMPSTEAD, TX 77445	Mapsco:	B13SUBS
Neighborhood:	CLEAR CREEK DEVELOPMENT	Map ID:	3771 N1
Neighborhood CD:	S432500		

Owner

Name:	CBT GROUP LLC	Owner ID:	1026384
Mailing Address:	9200 WESTHEIMER RD APT 1606 HOUSTON, TX 77063-3545	% Ownership:	100.0000000000%
		Exemptions:	

Values

(+) Improvement Homesite Value:	+	\$0	
(+) Improvement Non-Homesite Value:	+	\$0	
(+) Land Homesite Value:	+	\$0	
(+) Land Non-Homesite Value:	+	\$0	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$1,094,750	\$1,890
(+) Timber Market Valuation:	+	\$0	\$0

(=) Market Value:	=	\$1,094,750	
(-) Ag or Timber Use Value Reduction:	-	\$1,092,860	

(=) Appraised Value:	=	\$1,890	
(-) HS Cap:	-	\$0	

(=) Assessed Value: = \$1,890

Taxing Jurisdiction

Owner: CBT GROUP LLC
 % Ownership: 100.000000000000%
 Total Value: \$1,094,750

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
CAD	WALLER CAD	0.000000	\$1,890	\$1,890	\$0.00
CHD	HEMPSTEAD CITY OF	0.552573	\$1,890	\$1,890	\$10.44
ESD	WALLER-HARRIS ESD 200	0.097426	\$1,890	\$1,890	\$1.84
GWA	WALLER COUNTY	0.522593	\$1,890	\$1,890	\$9.88
RFM	WALLER CO FM	0.025852	\$1,890	\$1,890	\$0.49
SHD	HEMPSTEAD ISD	1.136700	\$1,890	\$1,890	\$21.48
Total Tax Rate:		2.335144			
Taxes w/Current Exemptions:					\$44.13
Taxes w/o Exemptions:					\$44.13

Improvement / Building

No improvements exist for this property.

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	W6	WILDLIFE MGMT (PREV NATIVE PASTURE)	25.1320	1094749.92	0.00	0.00	\$1,094,750	\$1,890

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2023	N/A	N/A	N/A	N/A	N/A	N/A
2022	\$0	\$1,094,750	1,890	1,890	\$0	\$1,890
2021	\$0	\$1,094,750	1,890	1,890	\$0	\$1,890
2020	\$0	\$1,040,010	1,760	1,760	\$0	\$1,760
2019	\$0	\$1,007,170	1,760	1,760	\$0	\$1,760

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	3/29/2022	WDV	WARRANTY / VENDOR LIEN	STYERS ODIS III	CBT GROUP LLC			2203998

Tax Due

Property Tax Information as of 12/27/2022

Amount Due if Paid on: 

Year	Taxing Jurisdiction	Taxable Value	Base Tax	Base Taxes	Base Tax	Discount / Penalty &	Attorney Fees	Amount Due
					63			

Paid Due Interest

NOTE: Penalty & Interest accrues every month on the unpaid tax and is added to the balance. Attorney fees may also increase your tax liability if not paid by July 1. If you plan to submit payment on a future date, make sure you enter the date and RECALCULATE to obtain the correct total amount due.

Questions Please Call (979) 921-0060

Website version: 1.2.2.33

Database last updated on: 12/26/2022 8:24 PM

© N. Harris Computer Corporation

Exhibit F

AN APPRAISAL OF

Mack Washington Road Land,
located at 23000 Block of Mack Washington Road,
Hempstead, Waller County, TX 77445
File #: 230310011



PREPARED FOR:

Shook, Hardy, & Bacon, L.L.P.
600 Travis Street, Suite 3400
Houston, TX 77002

Date of Value "As Is": April 12, 2023

Date of Report: April 18, 2023

BY

MB LANE & ASSOCIATES, INC.
8990 Hempstead Highway, Suite 102
Houston, Texas 77008
(File No. 23061)

MBLANE & ASSOCIATES

8990 Hempstead Highway, Suite 102 • Houston, TX 77008 • Office: 713.863.1414 • Website: mblane.com

April 18, 2023

Shook, Hardy, & Bacon, L.L.P.
600 Travis Street, Suite 3400
Houston, TX 77002

Reference: ***Mack Washington Road Land:*** A appraisal of vacant land totaling 25.1320 acres (1,094,750 square feet). The subject property is located along the south line of Mack Washington Road, north of FM 1488, in the 23000 Block of Mack Washington Road, Hempstead, Waller County, TX 77445. File #:230310011

To Whom It May Concern:

In compliance with your request, we visited the above-referenced property, and appraised it as of April 12, 2023, which is the date of our physical viewing of the subject property. The purpose of this report is to provide an opinion of the Market Value of the Fee Simple Estate of the above referenced property. This is an appraisal report as defined by USPAP.

The property rights appraised in this report is the Fee Simple Estate. The persons involved in preparing this appraisal report are Michael B. Lane, MAI and Gary Jones. We are providing a value opinion based upon a one year exposure period. Please review our “Contingent and Limiting Conditions”, as our value is subject to these provisions.

Market Value, as further defined in this report, is 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 knowledgeable, and assuming the price is not affected by undue stimulus.

According to the client, the subject property has been seized by the federal government for fraudulent activity. The client requested that the entire site be viewed to determine if there were any structures or improvements on the subject property. Gary Jones met Mr. Kelsey Morris, who is a realtor and the property contact provided by the client, at the subject property on April 12, 2023 at 10:00am. Mr. Morris and Gary Jones physically drove the entire property, and the only improvements observed was a water well at the northeast corner of the subject tract. There was a wildlife watering station and a turkey feeder as well, but these are considered to be personal property. The subject is essentially unimproved vacant land.

We have prepared an appraisal report and have utilized the sales comparison approach to value the subject site “As Is”. Prior to accepting this assignment, the appraisers concluded that they have the necessary experience and/or knowledge to competently complete the appraisal, and during the preparation of the appraisal, the appraisers have not discovered any areas in the assignment requiring appraisal expertise in which we were lacking.

Shook, Hardy, & Bacon, L.L.P.

April 18, 2023

Page 3

The above statements of appraiser competency applies to knowledge and/or experience for the real estate appraisal discipline and not other areas of trades, professions or disciplines such as engineering, surveying, law, etc.

Our property inspection did not reveal, nor did we observe, or are we aware of any natural, cultural, recreational, environmental, or scientific value influences affecting the subject property. Additionally, we have not made a specific Americans with Disabilities Act (ADA) compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. The value estimate is predicated on the assumption that no such influences are present that would affect our value conclusions. We have no expertise in these fields and no responsibility is assumed for any such conditions or for any expertise, engineering or other special knowledge required to discover them. Such studies are required before these values can be relied on by readers of this report.

To the best of our understanding this report conforms to the provisions of FIRREA, as well as the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board of the Appraisal Foundation.

Based on the physical characteristics of the property, as well as the current market conditions, it is the appraiser's opinion that the market value of the subject property is based on a 12 month exposure period. Our opinion of the Market Value of the Fee Simple Estate of the subject property "As Is", as of the effective date of April 12, 2023 is as follows:

ONE MILLION EIGHTY THOUSAND DOLLARS
\$1,080,000

There are no hypothetical conditions or extraordinary assumption for this appraisal.

Your attention is now directed to the following report which contains the data and analysis used in our final value opinion. If after reviewing this report, you have any questions, please do not hesitate to contact this office.

Yours truly,



Michael B. Lane, MAI
TX-1322609-G, Expires 9/30/2023
Telephone: 713-863-1414, ext. 1
email: michael@mblane.com



Gary Jones
TX-1327865-T, Expires 10/31/2024
Telephone: 713-863-1414
email: gary@mblane.com

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CERTIFICATION

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

- (1) The statements of facts 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 no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
- (5) 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.
- (6) Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- (7) Our analyses, opinions, or conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and the Code of the Professional Ethics of the Appraisal Institute.
- (8) This report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- (9) Gary Jones has made a personal site visit to the property that is the subject of this report. Michael B. Lane, MAI, has not visited the subject property.
- (10) No one provided significant real property appraisal assistance to the persons signing this report.
- (11) As of the date of this report, Michael B. Lane, MAI, has completed the requirements of the continuing education program of the Appraisal Institute.
- (12) As of the date of this report, Michael B. Lane, MAI is a Texas State Certified General Real Estate Appraiser, and Gary Jones is an Appraiser Trainee authorized by the State of Texas and has assisted Mr. Lane on properties similar to the subject property.

CERTIFICATION (CONTINUED)

- (13) This appraisal assignment was **NOT** based on a requested minimum value, a specified valuation, or the approval of a loan.
- (14) Michael B. Lane and Gary Jones have not performed any valuation services, as an appraiser or in any other capacity, for the same client nor other clients, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- (15) The “As Is” market value of the Fee Simple Estate of the subject property, as of April 12, 2023, is as follows:

\$1,080,000

There are no hypothetical conditions or extraordinary assumption for this appraisal.



Michael B. Lane, MAI
TX-1322609-G, Expires 9/30/2023
Telephone: 713-863-1414, ext. 1
email: michael@mblane.com



Gary Jones
TX-1327865-T, Expires 10/31/2024
Telephone: 713-863-1414
email: gary@mblane.com

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Identification	Mack Washington Road Land.
Client:	Shook, Hardy, & Bacon, L.L.P.
File Number:	230310011
Location	The subject property is located along the south line of Mack Washington Road, north of FM 1488. The subject property is located in the 23000 Block of Mack Washington Road, Hempstead, Waller County, TX 77445.
Purpose of the Appraisal	The purpose of this appraisal is to provide an opinion of the “As Is” market value of the herein legally described property.
Property Right Appraised	Fee Simple Estate.
Land Size	25.1320 acres (±1,094,750 square feet).
Improvements	According to the client, the subject property has been seized by the federal government for fraudulent activity. The client requested that the entire site be viewed to determine if there were any structures or improvements on the subject property. Gary Jones met Mr. Kelsey Morris, who is a realtor and the property contact provided by the client, at the subject property on April 12, 2023 at 10:00am. Mr. Morris and Gary Jones physically drove the entire property, and the only improvements observed was a water well at the northeast corner of the subject tract. There was a wildlife watering station and a turkey feeder as well, but these are considered to be personal property. The subject is essentially unimproved vacant land.
Highest and Best Use As Vacant:	Agricultural/Residential use.
Zoning	AR - Agricultural/Residential District.
Utilities:	There was a private water well observed at the time of the site visit. It is unknown if there is a septic system.
Flood Plain	According to the FEMA Flood Insurance Map 48437C0135F, published for Waller County and dated May 16, 2019, the subject property appears to be located Flood Zone X, which

SUMMARY OF SALIENT FACTS AND CONCLUSIONS - CONTINUED

is an area determined to be outside the 0.2% annual chance flood (outside the 500-year flood plain). This determination is made by graphic plotting only, and is not guaranteed. We recommend that a surveyor determine precise flood plain status for the subject site. A copy of a portion of the flood map is included in the addenda section of this report.

OPINIONS OF VALUE:

Land Value: \$1,080,000

Market Value "As Is": \$1,080,000

Exposure Period: 12 Months
Marketing Period: 12 Months
Effective Date: April 12, 2023
Date of Report: April 18, 2023

There are no hypothetical conditions or extraordinary assumption for this appraisal.

CONTINGENT AND LIMITING CONDITIONS

This appraisal is subject to the following limiting conditions.

The legal description furnished to us is assumed to be correct. We assume no responsibility for matters legal in character, nor do we render any opinion as to the title, which is assumed to be good. Any existing liens and encumbrances have been disregarded and the property appraised as though free and clear under responsible ownership and competent management, unless otherwise indicated.

We have made no survey and assume no responsibility in connection with such matters. We believe the information in this report furnished by others to be reliable, but we assume no responsibility for its accuracy. This includes, but is not limited to, information obtained in regard to flood plains, wetlands, geological fault lines, sufficiency of public utilities, and land or surface subsidence. The construction and condition of the improvements mentioned in the body of this report is based on observation and no engineering study has been made, unless previously noted, which would discover latent defects. No certification as to construction or any of the physical aspects could be given unless a proper engineering study were made.

No fault line, flood plain, or subsidence study has been made by the appraisal firm and could be under taken only by a qualified engineering firm.

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

We are not required to give testimony or attendance in court by reason of this appraisal with reference to the property in question, unless arrangements have been made previously.

Possession of this report or a copy thereof does not carry with it the right of publication. It may not be used for any purpose by anyone other than the addressee without the previous written consent of the appraiser.

Neither all, nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media, without the consent and approval of the author, particularly as to valuation conclusions, and identity of the appraiser or firm with which he/she is connected, or any reference to the Appraisal Institute, or the MAI designation.

This report is written in conformity with the professional standards of practice and code of ethics of the Appraisal Institute, the Uniform Standards of Professional Appraisal Practice and the rules of the Texas Real Estate Commission.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous

CONTINGENT AND LIMITING CONDITIONS - CONTINUED

substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

The appraiser represents that he/she is not an expert to appraise insulation or other products banned by the Consumer Products Safety Commission which might render the property more or less valuable. In connection with this appraisal, the appraiser has not inspected or tested for, nor taken into consideration in any respect the presence or absence of insulation or other said products increase or decrease in the value of the property from the value placed thereon by the opinion of the appraiser.

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

It is understood that this assignment and the payment of our fee is not dependent or contingent upon any loan commitment, sale, trial outcome, receipts of funds by you, or any other condition or contingency.

The liability of MB Lane and Associates, Inc., its owner and staff, is limited to the Client only and to the amount of the fee actually paid for the services rendered, as liquidated damages, if any related dispute arises. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than Client, the Client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The Appraiser is in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and/or legally. Client also agrees that in case of lawsuit (brought by lender, partner or part owner in any form of ownership, tenant or any party), Client will hold Appraiser(s) completely harmless from and against any liability, loss, cost or expense incurred or suffered by Appraiser(s) in any such action, regardless of its outcome.

“These reports may be relied upon by the CLIENT, in determining whether to make a loan evidenced by a note (“the Property Note”) which is further secured by the Property. These reports may be relied upon by the purchaser or assignee of the Property Note in determining whether to acquire the Property Note or Interest therein. In addition, these reports may be relied upon by any rating agency involved in rating the securities secured by, or representing an Interest in, the Property Note. These reports may be used in connection with materials offering for sale the Property Note, or an interest in the Property Note, and in presentations to any rating agency. With respect to the foregoing, these reports speak only as of the Origination date of these reports unless specifically updated through a supplemental report.”

INTRODUCTION

SCOPE OF WORK

Extent To Which The Property Was Identified We were not provided with a survey of the subject site. In lieu of this, we relied upon the Waller County Appraisal District records for the identification of the subject site. We have assumed this information to be accurate and reliable.

Extent To Which Tangible Property Was Visited In preparing this appraisal, we visited the subject property and viewed the site as vacant land. According to the client, the subject property has been seized by the federal government for fraudulent activity. The client requested that the entire site be viewed to determine if there were any structures or improvements on the subject property. Gary Jones met the property contact, Mr. Kelsey Morris, at the subject property on April 12, 2023 at 10:00am. Mr. Morris and Gary Jones physically drove the entire property, and the only improvements observed was a water well at the northeast corner of the subject tract. There was a wildlife watering station and a turkey feeder as well, but these are considered to be personal property. The subject is unimproved vacant land

We drove the immediate and general market areas. We visited the subject property in order to develop impressions of physical characteristics based on visual observations of apparent, not unapparent conditions. We are not engineers and are not qualified to the presence of wetlands and the like.

We are not qualified to detect or identify hazardous substances, which may, or may not, be present on, in, or near the subject property. The presence of hazardous materials may negatively affect market value. We have no reason to suspect the presence of hazardous substances, and we valued the subject **assuming that none are present**. No responsibility is assumed for any such conditions or for any expertise or engineering services of specialists for the purpose of conducting inspections, engineering studies, or environmental audits. While we refer to FEMA flood maps, we are not surveyors and not qualified to make flood plain determinations, and we recommend that a qualified party be consulted before any investment decision is made.

The Type And Extent Of Data Researched We conducted a search for sales of similar land tracts in the immediate area. Our data sources were our own internal files, the LoopNet and Costar data services. Our search for data concentrated on the subject's immediate market area, but because of the lack of sales, was expanded to include the entire Greater Houston Metropolitan market area. Our search for data extended back three years. We supplemented these sources with information from knowledgeable brokers, particularly those with listings in the immediate area.

Texas is a non-disclosure state. It is important that the intended users of this appraisal understand that in Texas, there is no legal requirement for grantors or grantees to disclose any information relative to a transfer of real property, other than the recording of the deed itself. In Texas, the deed contains no information about the transaction, including the purchase price. As a result, no data source provides absolute coverage of all transactions. It is possible that there are sales of which we are unaware. Our data sources provide all the data typically available to appraisers in the normal course of business.

SCOPE OF WORK - CONTINUED

The Type And Extent Of Analysis Applied The value set forth herein this appraisal report was determined after application and analysis by the Sales Comparison Approach - Land. Given the subject is vacant land, we feel this approach is the only approach applicable to this assignment.

Significant Real Property Appraisal Assistance Provided No one provided significant real property appraisal assistance to the persons signing this report.

General This Appraisal Report has been prepared under Standards Rule 2-2(a) of an appraisal performed under Standards Rule 1 of the Uniform Standards of Professional Appraisal Practice (USPAP). The level of reporting in this appraisal report is considered to be between the minimum level and the maximum level. It has been our intention to prepare this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, and the Code of Ethics and the Standards of Professional Practice of the Appraisal Institute. Engineering studies, ADA determinations, surveys, title reports, flood plain determinations, and environmental audits are *beyond* the scope of work of this appraisal.

Purpose, Intended Use, and Users of the Appraisal The purpose of this appraisal is to provide an opinion as to the "As Is" Market Value of the herein legally described property. It is our understanding that the client intends to use this appraisal report for asset valuation purposes. The client also represents that the report will be used only representatives of Shook, Hardy, & Bacon, L.L.P. for the purposes set forth above.

Fee Simple Estate Fee simple estate is defined by the Appraisal Institute *The Dictionary of Real Estate Appraisal*, 7th Edition, copyright 2022, page 73, as being:

"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."

Leased Fee Estate Leased Fee Estate is defined by the Appraisal Institute *The Dictionary of Real Estate Appraisal*, 7th Edition, copyright 2022, page 105, as being:

"An ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires."

Property Rights Appraised The property rights being appraised in this report consist of the Fee Simple Estate of the subject property.

Date of the Appraisal Report The preparation of this appraisal report was completed on April 18, 2023.

Effective Date of the Appraisal The descriptions, analyses, and conclusions of this report for the subject property are applicable as of the effective date of April 12, 2023.

SCOPE OF WORK - CONTINUED

Competency Statement. Prior to accepting this assignment, the appraisers concluded that they have the necessary experience and/or knowledge to competently complete the appraisal, and during the preparation of the appraisal, the appraisers have not discovered any areas in the assignment requiring appraisal expertise which they were lacking.

Type and Definition of Value The type of value necessary to produce a credible result in this assignment is market value, whereby the value is to be the most probable price in terms of cash. **Market Value** is defined by the Office of the Comptroller of the Currency (12 CFR Part 34) as follows:

“Market Value means 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 knowledgeable, 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.”*

Market Rent Market Rent is defined by the Appraisal Institute *The Dictionary of Real Estate Appraisal*, 7th Edition, copyright 2022, pages 116 and 117, as:

“The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. Implicit in this definition is the execution of a lease as of a specified date under conditions whereby:

- *Lessee and lessor are typically motivated;*
- *Both parties are well informed or well advised, and acting in what they consider their best interests;*
- *Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and*
- *The rent reflects specified terms and conditions typically found in that market, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, frequency of payments (annual, monthly, etc.), and tenant improvements (Tis).”*

SCOPE OF WORK - CONTINUED

Estimate of Exposure Time Exposure time may be defined as "the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal." Our value opinion is based upon a one year exposure period which is supported by the improved sale items included herein as well as discussions with a number of professionals involved in marketing and selling similar properties.

FACTUAL DESCRIPTIONS OF THE PROPERTY

IDENTIFICATION OF THE PROPERTY

The subject property is located along the south line of Mack Washington Road, north of FM 1488. The subject property is located in the 23000 Block of Mack Washington Road, Hempstead, Waller County, TX 77445. Please see the Waller County Tax Record in the addenda for the legal description of the subject property.

PROPERTY HISTORY

According to the client, the subject property has been seized by the federal government for fraudulent activity. The client requested that the entire site be viewed to determine if there were any structures or improvements on the subject property. Gary Jones met Mr. Kelsey Morris, who is a realtor and the property contact provided by the client, at the subject property on April 12, 2023 at 10:00am. Mr. Morris and Gary Jones physically drove the entire property, and the only improvements observed was a water well at the northeast corner of the subject tract. There was a wildlife watering station and a turkey feeder as well, but these are considered to be personal property. The subject is essentially unimproved vacant land.

Based on the Waller Appraisal District records, the subject is currently held in the receivership of John Lewis, Jr., through a Final Summary Judgement dated September 29, 2022. Prior to the Final Summary Judgement, the subject was held in the ownership of CBT Group, LLC, who purchased the subject from Odis Styers on March 29, 2022 for a reported purchase price of \$2,000,000, or \$79,580 per acre, according to the property contact Mr. Kelsey Morris. Mr. Morris stated this was an off-market transaction. Based on our value "As Is" of the subject tract, this purchase price is well above market for unknown reasons and not considered to be reasonable. Odis Styers had held ownership in excess of the previous three years. To the best of our knowledge, the subject has not been involved in any other transactions in the past three years.

STATEMENT OF OWNERSHIP

According to information provided to us, as of the date of this appraisal, the subject property is currently held in the receivership of John Lewis, Jr., through a Final Summary Judgement dated September 29, 2022.

AREA

Location. The subject property is located in Hempstead, approximately 40 miles northwest of the Central Business District of the City of Houston. On the following pages is the Moody's Analytics Houston-The Woodlands-Sugar Land November 2022 market report.

HOUSTON-THE WOODLANDS-SUGAR LAND TX

Data Buffet® MSA code: IUSA_MHOU

ECONOMIC DRIVERS

ENERGY &
RESOURCES

MANUFAC-
TURING

LOGISTICS

EMPLOYMENT GROWTH RANK

2021-2023
12
1st quintile

2021-2026
16
1st quintile

Best=1, Worst=410

RELATIVE COSTS

LIVING
105%

BUSINESS
97%

U.S.=100%

VITALITY

RELATIVE
0.35
Rank: 93

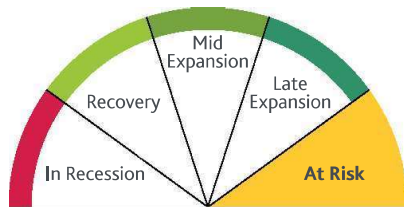
Best=1, Worst=403

QUALITY

OF LIFE
232

Best=1, Worst=378

BUSINESS CYCLE STATUS



ANALYSIS

Recent Performance. Houston-The Woodlands-Sugar Land's economy is advancing strongly, with job growth in the past year 2 percentage points higher than the national average. Employment surpassed its pre-pandemic peak in April ahead of the U.S., which reached this milestone in July. Most private sector industries are growing faster than their respective national counterparts; construction, in particular, has proceeded at a double-digit pace. The local PMI has been in expansion mode for two years as of September. The declining unemployment rate is a percentage point higher than precrisis because the labor force has grown faster than the national average in the past year. Housing market data have weakened.

Mining and manufacturing. The energy industry will continue to support the local economy, but downside risks have increased. The West Texas Intermediate crude oil price has been exceptionally volatile in 2022; it jumped from \$75 per barrel in January to \$120 per barrel in March at the start of Russia's invasion of Ukraine and rose again in June when financial markets thought the EU would forbid the insuring of Russian oil tankers. However, as global energy demand showed signs of weakening, the price fell back into the \$80 per barrel range in September. The high level of uncertainty has caused the recovery in active Texas drill rigs to pause since midsummer at a level just below that in January 2020. Still, the increased drilling activity compared with 2021 has supported HOU's manufacturing sector. Much of this production is equipment, fabricated metal parts, and other supplies needed for exploration. Thus, industry employment is up 7% year over year—nearly twice the national pace.

Residential construction. Homebuilding will weaken during the coming year, though longer-term prospects are more optimistic. House prices have stopped climbing after a year of strong

gains. Further, mortgage rates have risen to above 7%, more than 3 percentage points higher than a year ago. Moreover, the combination of previous price increases and reduced credit availability has caused affordability to fall by 37%, a bit more than the national decline. As a result, new permits for single-family homes have fallen sharply by more than 33% in just six months. In contrast, multifamily construction is still elevated. One driver is the reduction in single-family affordability, which has boosted rental demand; HOU's apartment vacancy rate is the lowest in five years. However, long term, single- and multifamily homebuilding will increase, lifted by above-average employment, population growth, and better affordability than in Dallas or Austin.

Professional services. The rebound in the energy industry will benefit a variety of business services. Professional services returned to the industry's precrisis level in June as demand for engineers and geologists increased. Additionally, the EU's need for natural gas has heightened demand for liquefied natural gas, driving gains in the distribution industry as HOU is a major terminal. Further, the banking requirements of the energy industry and the overall economy have lifted financial services employment. However, the latter industry is now at risk from the housing market decline.

Houston-The Woodlands-Sugar Land should outperform the nation over the coming year, led by manufacturing and business services, though weakening residential construction will be an offset. Longer term, the concentration of energy-related industries; robust population growth; and expansion in housing, transportation and distribution industries will help propel above-average gains for the metropolitan area.

Edward Friedman
November 2022

1-866-275-3266
helpeconomy@moody.com

STRENGTHS & WEAKNESSES

STRENGTHS

- » Leadership in oil and gas technology supports technical and professional service jobs.
- » Significant trade and export links, owing to location on the Gulf coast of Texas.

WEAKNESSES

- » Unpredictable energy markets add to the economy's volatility.
- » Industrial diversity is lower than in other metro areas of comparable size.

FORECAST RISKS

SHORT TERM ↓

LONG TERM ↑

RISK EXPOSURE 2022-2027 27 1st quintile Most=1
Least=403

UPSIDE

- » Better than anticipated in-migration boosts personal services.
- » Mining and manufacturing rise faster than expected because of elevated oil prices.

DOWNSIDE

- » Housing slows down more than expected due to rising mortgage rates.
- » Nonresidential building weakens more than expected due to the trend in remote working.

MOODY'S RATING

Aaa

COUNTY
AS OF MAR 17, 2017

2016	2017	2018	2019	2020	2021	INDICATORS	2022	2023	2024	2025	2026	2027
478.0	479.8	490.8	511.3	506.9	498.0	Gross metro product (C12\$ bil)	504.0	521.6	537.9	556.7	578.6	600.3
-0.5	0.4	2.3	4.2	-0.8	-1.8	% change	1.2	3.5	3.1	3.5	3.9	3.8
2,992.6	3,020.4	3,087.9	3,160.4	2,999.8	3,066.1	Total employment (ths)	3,245.4	3,335.1	3,381.0	3,425.3	3,458.5	3,493.4
-0.0	0.9	2.2	2.3	-5.1	2.2	% change	5.8	2.8	1.4	1.3	1.0	1.0
5.3	5.1	4.4	3.8	8.7	6.4	Unemployment rate (%)	4.7	4.4	4.0	3.7	3.8	3.9
-4.4	7.7	6.8	4.1	2.3	7.0	Personal income growth (%)	6.9	10.3	6.8	5.9	6.2	5.9
62.3	63.6	66.1	68.0	68.5	70.9	Median household income (\$ ths)	73.3	77.7	80.8	83.6	86.8	89.9
6,806.5	6,900.1	6,976.1	7,066.1	7,154.9	7,235.9	Population (ths)	7,341.1	7,451.1	7,548.5	7,640.2	7,730.2	7,820.8
2.0	1.4	1.1	1.3	1.3	1.1	% change	1.5	1.5	1.3	1.2	1.2	1.2
71.6	33.4	23.0	37.9	42.3	39.0	Net migration (ths)	56.6	61.8	49.8	44.6	43.6	44.9
35,367	36,348	40,511	39,507	50,175	52,740	Single-family permits (#)	49,789	42,447	44,823	45,497	46,383	46,791
9,365	6,047	16,967	24,165	20,625	16,544	Multifamily permits (#)	31,888	32,217	25,519	21,542	17,892	14,856
245.6	255.7	267.3	277.7	289.7	317.8	FHFA house price (1995Q1=100)	359.4	342.6	323.5	315.9	319.8	327.8

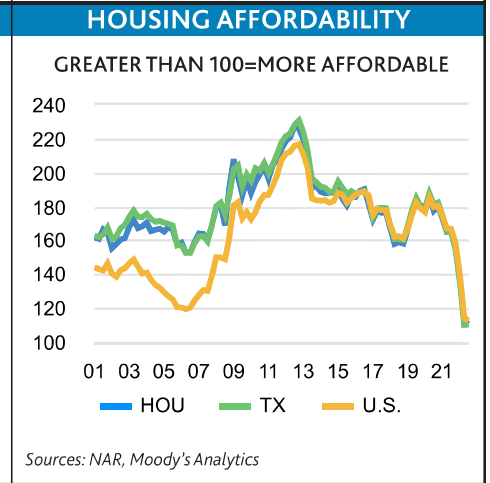
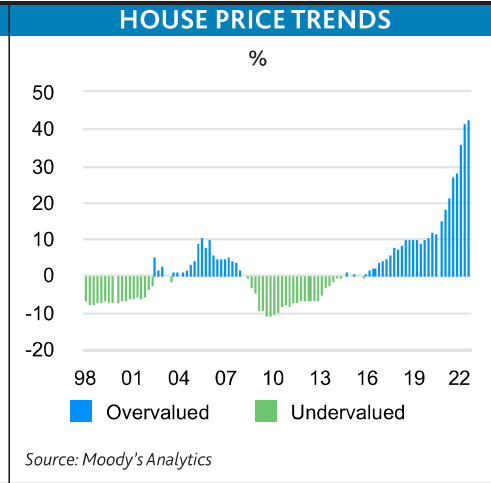
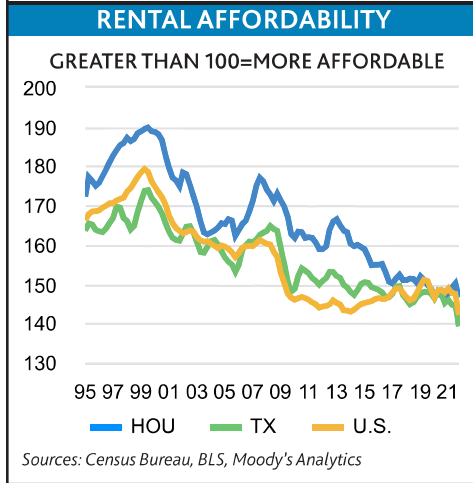
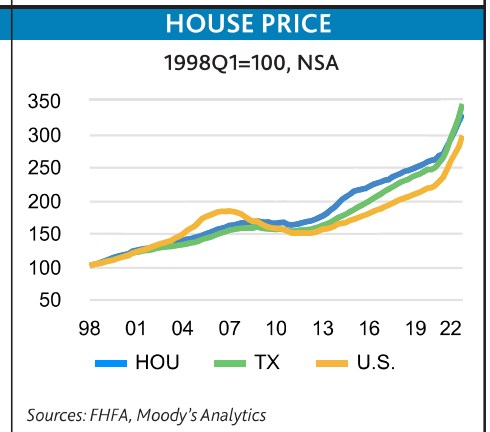
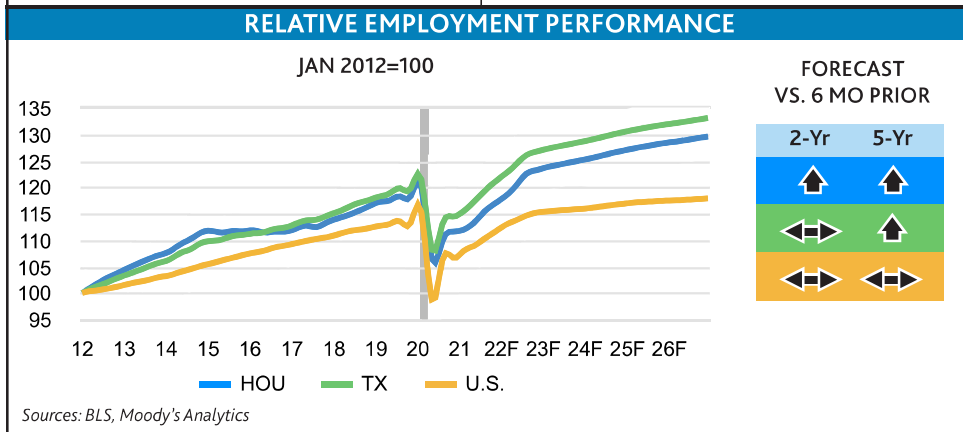
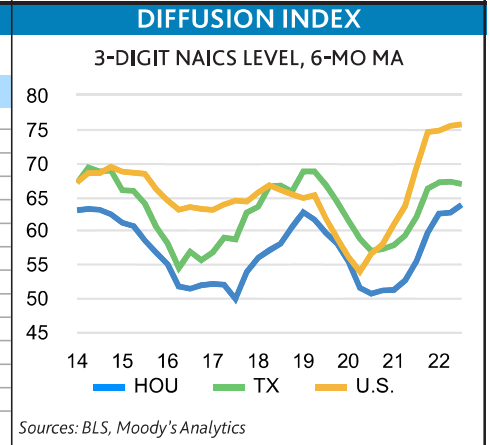
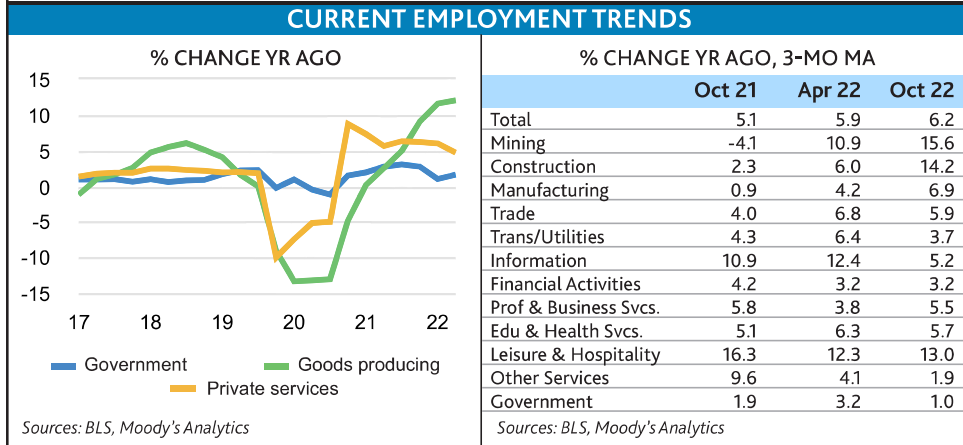
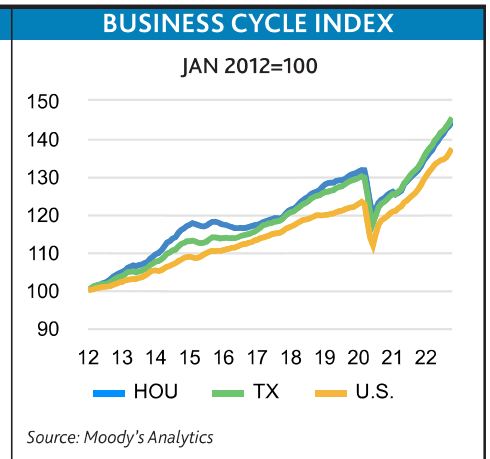
ECONOMIC HEALTH CHECK

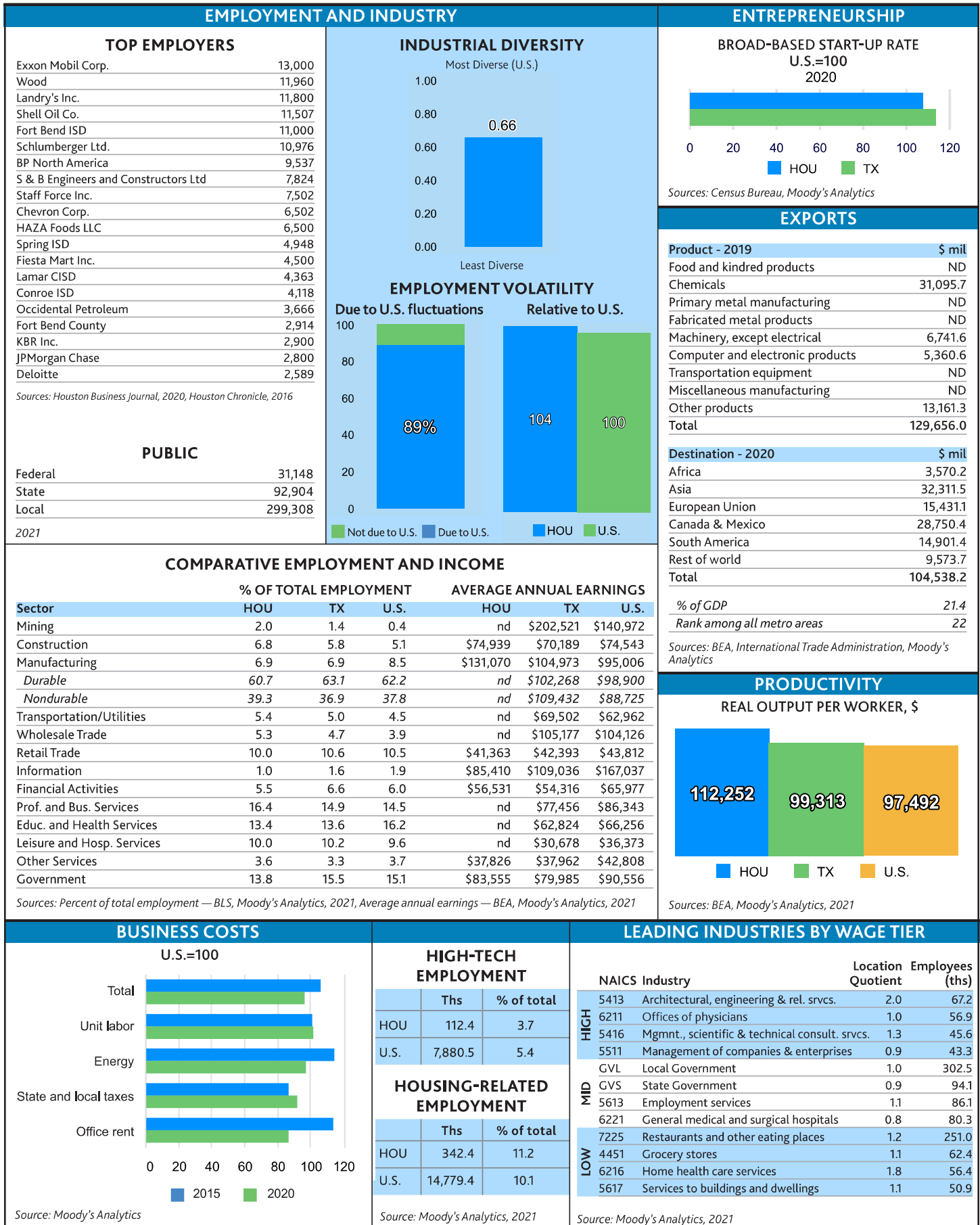
3-MO MA	May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22
Employment, change, ths	15.3	21.4	22.1	20.5	16.6	13.4
Unemployment rate, %	4.8	4.7	4.6	4.6	4.5	4.4
Labor force participation rate, %	62.4	62.8	63.0	63.1	63.1	63.2
Average weekly hours, #	36.8	36.7	36.8	36.4	36.5	36.7
Industrial production, 2012=100	113.6	114.4	115.4	116.3	117.1	117.2
Residential permits, single-family, #	57,157	53,649	47,712	44,173	41,265	42,152
Residential permits, multifamily, #	22,401	28,695	34,710	40,552	36,336	37,183

Dec/Dec	Dec 16	Dec 17	Dec 18	Dec 19	Dec 20	Dec 21
Employment, change, ths	2.5	49.3	83.2	54.7	-183.6	151.8

Better than prior 3-mo MA
Unchanged from prior 3-mo MA
Worse than prior 3-mo MA

Sources: BLS, Census Bureau, Moody's Analytics





BUSINESS COSTS

U.S.=100

■ 2015 ■ 2020

Source: Moody's Analytics

HIGH-TECH EMPLOYMENT

	Ths	% of total
HOU	112.4	3.7
U.S.	7,880.5	5.4

HOUSING-RELATED EMPLOYMENT

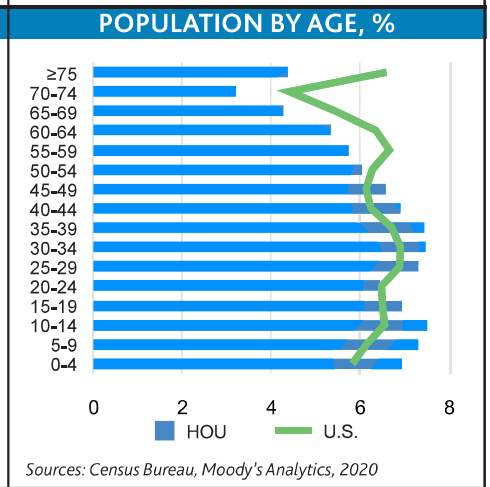
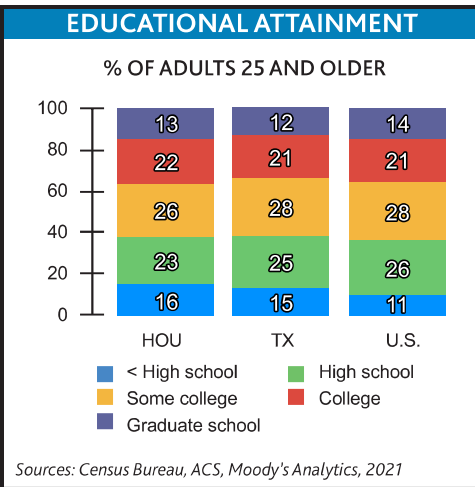
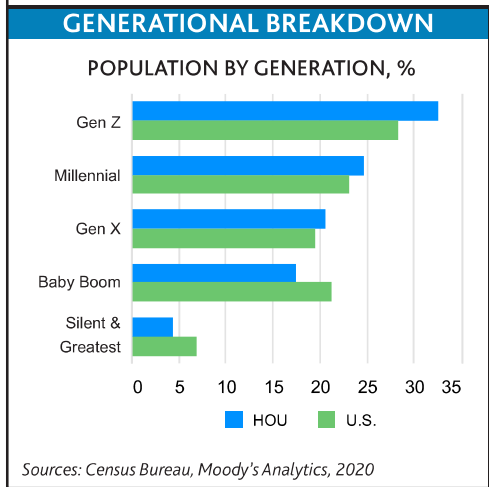
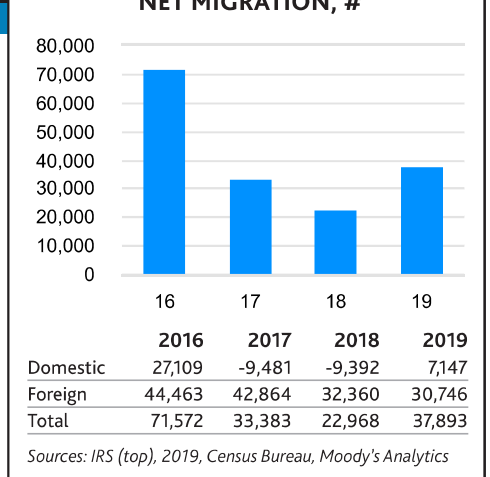
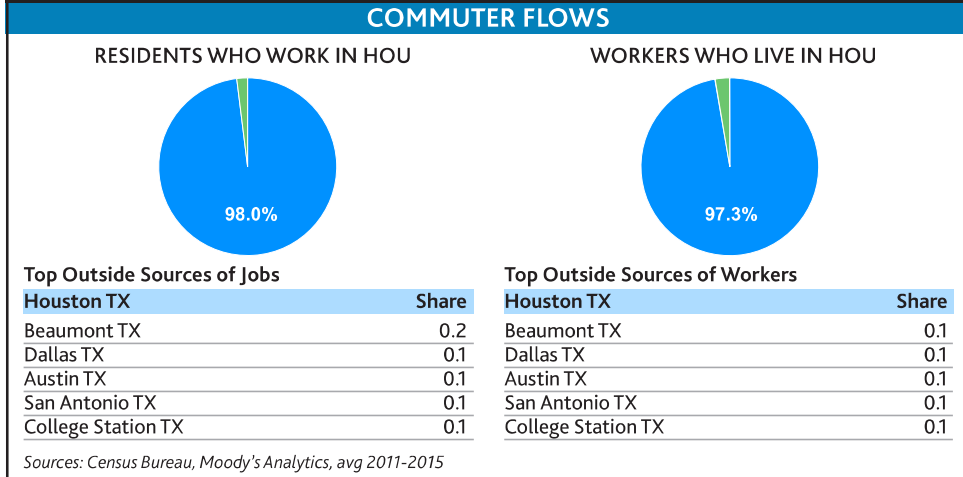
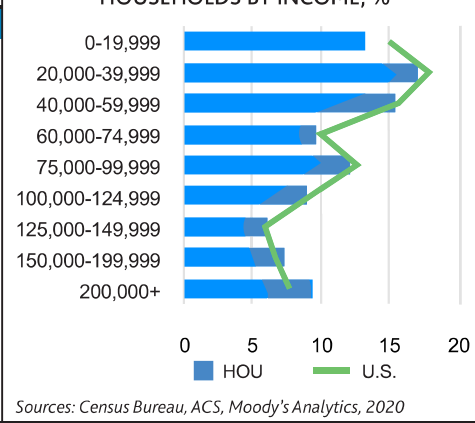
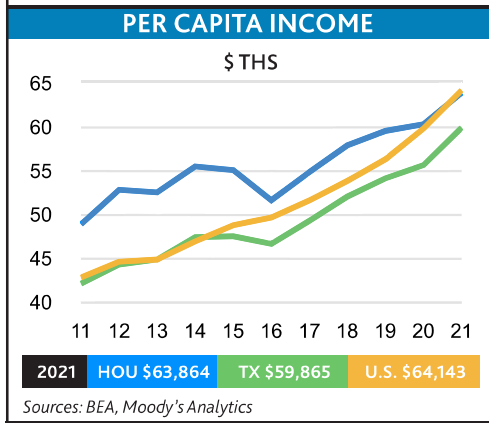
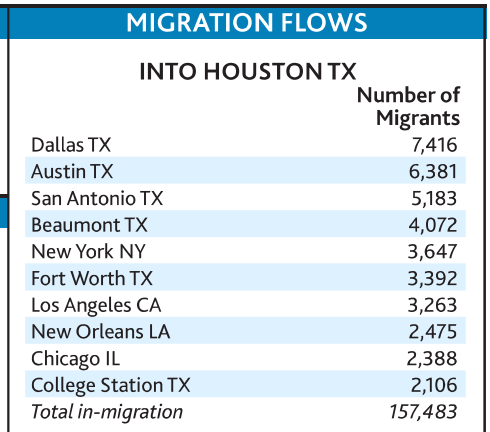
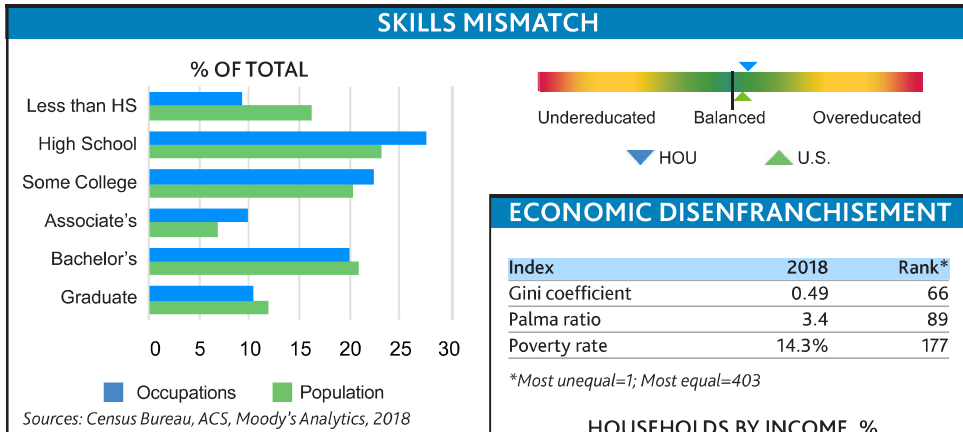
	Ths	% of total
HOU	342.4	11.2
U.S.	14,779.4	10.1

Source: Moody's Analytics, 2021

LEADING INDUSTRIES BY WAGE TIER

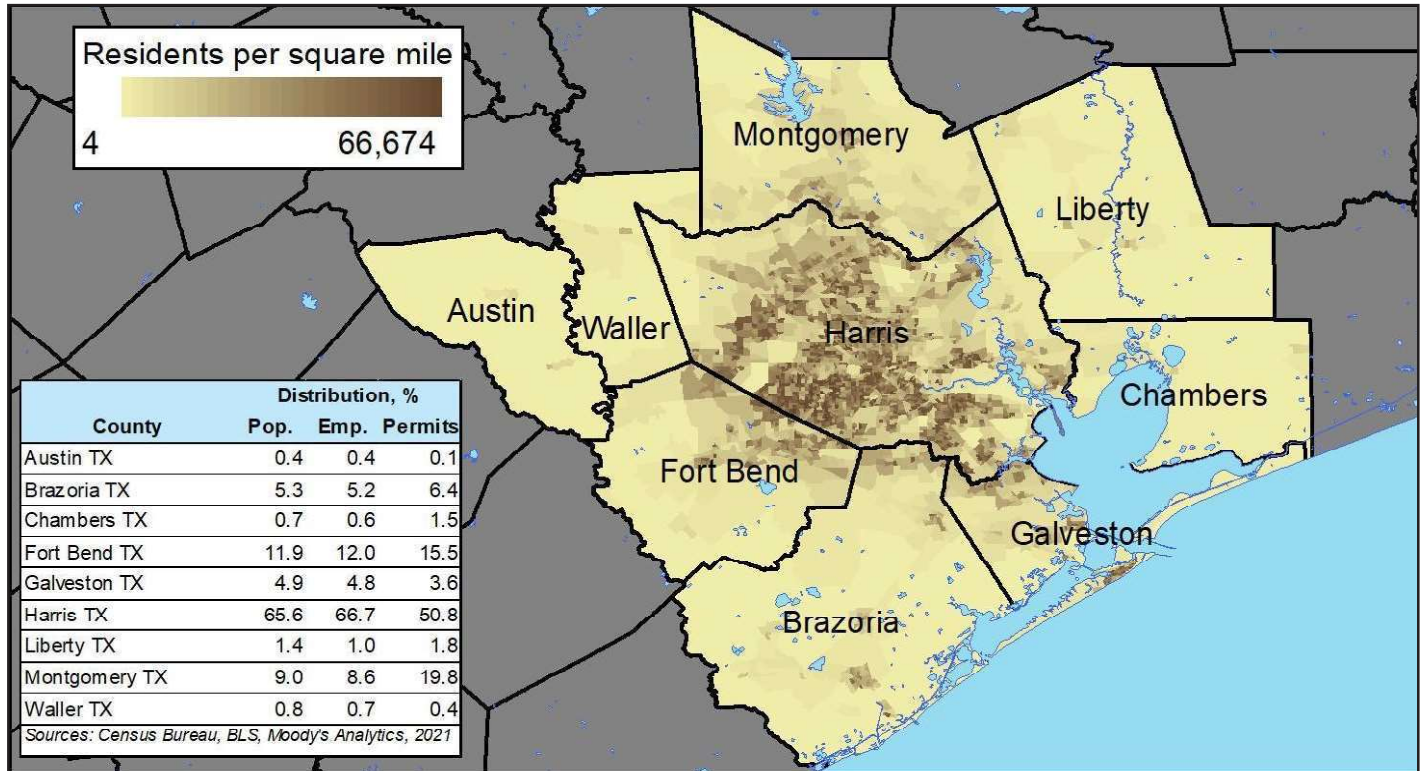
	NAICS Industry	Location Quotient	Employees (ths)
HIGH	5413 Architectural, engineering & rel. svcs.	2.0	67.2
	6211 Offices of physicians	1.0	56.9
	5416 Mgmt., scientific & technical consult. svcs.	1.3	45.6
MID	5511 Management of companies & enterprises	0.9	43.3
	GVL Local Government	1.0	302.5
	GVS State Government	0.9	94.1
LOW	5613 Employment services	1.1	86.1
	6221 General medical and surgical hospitals	0.8	80.3
	7225 Restaurants and other eating places	1.2	251.0
	4451 Grocery stores	1.1	62.4
	6216 Home health care services	1.8	56.4
	5617 Services to buildings and dwellings	1.1	50.9

Source: Moody's Analytics, 2021

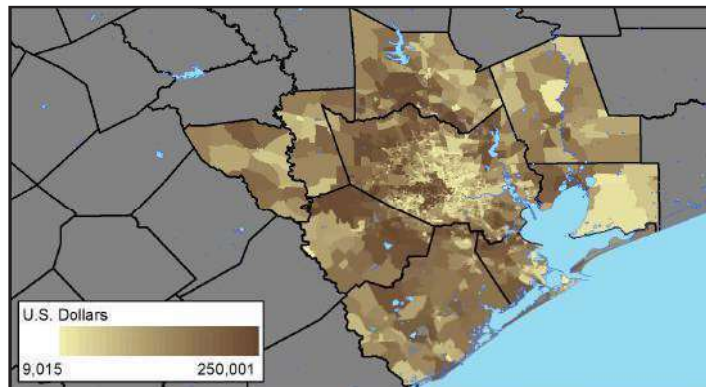


GEOGRAPHIC PROFILE

POPULATION DENSITY



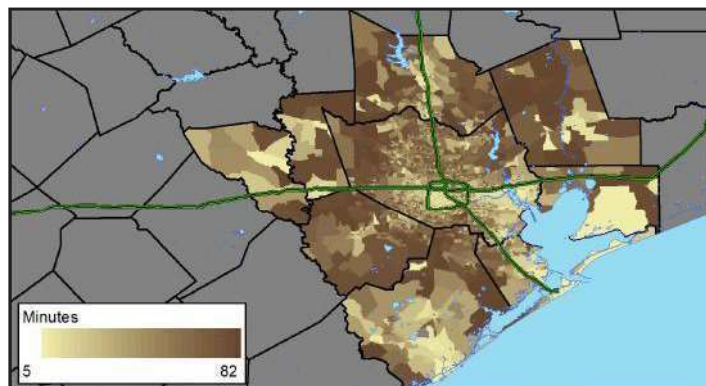
MEDIAN HOUSEHOLD INCOME



POPULATION & HOUSING CHARACTERISTICS

	Units	Value	Rank*
Total area	sq mi	9,443.8	7
Total water area	sq mi	1,183.0	12
Total land area	sq mi	8,258.2	12
Land area - developable	sq mi	6,611.3	2
Land area - undevelopable	sq mi	1,649.5	90
Population density	pop. to developable land	872.7	31
Total population	ths	7,206.8	4
U.S. citizen at birth	% of population	74.2	381
Naturalized U.S. citizen	% of population	10.3	38
Not a U.S. citizen	% of population	13.7	12
Median age		35.3	329
Total housing units	ths	2,824.0	4
Owner occupied	% of total	56.6	269
Renter occupied	% of total	35.5	72
Vacant	% of total	7.9	231
1-unit; detached	% of total	63.0	267
1-unit; attached	% of total	3.2	271
Multifamily	% of total	29.1	69
Median year built		1992	

MEDIAN COMMUTE TIME



* Areas & pop. density, out of 410 metro areas/divisions, including metros in Puerto Rico; all others, out of 403 metros.

Sources: Census Bureau, Moody's Analytics, 2021 except land area 2010

Sources: ACS, Moody's Analytics

NEIGHBORHOOD ANALYSIS

A neighborhood is defined in The Dictionary of Real Estate Appraisal, Fifth Edition, copyright 2010, page 133 by the Appraisal Institute as follows:

“A group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises.”

Neighborhoods may be devoted to such uses as residential, commercial, industrial, agricultural, and civic activities, or a mixture of these uses. Analysis of the neighborhood in which a particular property is located is important due to the fact that the various economic, social, political, and physical forces which affect that neighborhood also directly influence the individual properties within it.

Neighborhood Boundaries. The subject neighborhood generally includes central Waller County. It is bound by US Highway 290 to the north and FM 529 to the south, the Waller/Harris County line to the east and the Brazos River to the west. The neighborhood is located approximately 35-40 miles northwest of Houston’s Central Business District.

Access and Transportation. Primary access to this area from the Houston Central Business District is via Interstate 10, U.S. Highway 90 or U.S. Highway 290. The neighborhood is approximately 35 miles northwest of the Houston Central Business District. The major north/south traffic arteries include Fm 359, FM 262, FM 1489, and FM 2855. The major east/west traffic arteries are Interstate 10, U.S. Highway 90 and U.S. Highway 290.

Area Development. Historically, land use within the neighborhood has been predominantly agricultural with commercial use located primarily within the incorporated areas of the neighborhood. However, commercial (mostly industrial) and residential development has been taking place within the unincorporated areas of the neighborhood in recent years. This development has occurred in this area due to the availability of vacant acreage and good accessibility to major roadways from this area including U.S. Highway 290, Interstate 10 and U.S. Highway 90. The area has positive influences from its proximity Interstate 10.

Industrial development in the neighborhood includes light industrial, manufacturing facilities, office/warehouses and heavy industrial facilities. Typical construction features include either metallic or tilt-wall construction. This activity is located primarily along U.S. Highway 90 and Interstate 10 just to the south of the subject neighborhood. The residential development is occurring to the northeast of the neighborhood closer to U.S. Highway 290. The neighborhood is approximately 30%-40% built-up with this number rising due to continued development.

Public Services. The subject is located in an unincorporated area of Waller County and receives water and sewer service from an on-site well and septic system. Other utilities include electricity and gas from Reliant Energy and telephone service from AT&T.

Tax Jurisdiction. The neighborhood is located within the jurisdiction of Royal Independent School District, Waller County, Waller County Road and Waller-Harris ESD #200.

NEIGHBORHOOD ANALYSIS - CONTINUED

Conclusions. The subject neighborhood benefits from its accessibility to several primary roadways. There have been several new built-to-suit office/warehouse facilities constructed over the past several years most of which are located near Interstate 10 and U.S. Highway 90. An amount of new single-family residential development is to the northeast of the neighborhood in proximity to U.S. Highway 290. The near term is predicted to see stability for this area due to the recent downturns of the economy.

ASSESSMENT AND TAXES

The Waller County Appraisal District (WCAD) maintains the following account number for the subject property: 257912. The 2022 assessed value with an agriculture exemption and 2022 tax rates are calculated in the table below.

<u>2022 Assessed Value</u>		
Land (No Ag Exemption)		\$1,094,750
Ag Exemption		<u>(\$1,092,860)</u>
Land Value after Exemptions		\$1,890
Improvements		<u>\$0</u>
Final Assessed Value		\$1,890
<u>Taxing Jurisdiction</u>	<u>Tax Rate /\$100</u>	<u>Tax Liability</u>
Hempstead ISD	\$1.136700	\$21
Waller County	\$0.522593	\$10
City of Hempstead	\$0.552573	\$10
Waller County Farm to Market	\$0.025852	\$0
Waller County ESD #200	<u>\$0.097426</u>	<u>\$2</u>
Total	\$2.335144	\$43

Based upon the above 2022 assessed value and tax rates, the ad valorem tax liability for the subject property is estimated to be \$43. This report is prepared under the assumption that there are no delinquent taxes as of the date of this report. We have verified whether there are any delinquent taxes affecting the subject property. The existence of such delinquent taxes could affect proceeds from any sale of the property.

SITE DATA

An analysis of a site is particularly important in determining its highest and best use. We were not provided with a survey of the subject site. In lieu of this, we relied upon the Waller County Appraisal District records for the identification of the subject site. The following is a discussion of the most important factors of the subject site.

Location. The subject site is located along the south line of Mack Washington Road, north of FM 1488. The subject is located in the 23000 Block of Mack Washington Road, Hempstead, Waller County, TX 77445.

Physical Characteristics. The subject property is basically rectangular in shape. Since the Waller CAD plat maps do not list frontages, the amount of frontages is unknown. The subject has what appears to have a typical amount of frontage along the south line of Mack Washington Road, suggesting adequate access and visibility. Please reference the plat map aerial photograph following this section of the report, as well as the subject photographs in the addenda for a graphic understanding of the subject property.

Off-Site Improvements. At the subject site, Mack Washington Road are a two-way, two-lane, asphalt-paved secondary dead-end street with open ditch drainage.

Adjacent Land Use. Land uses immediately surrounding the subject include vacant land to the north, south, east, and west of the subject. It is noted that there is a small amount of industrial development along Mack Washington Road to the east and southeast of the subject, as well as a single-family residence to the north of the subject along Mack Washington Road.

Zoning and Restrictions. The subject site is located within the city limits of Hempstead, which has zoned that subject as AR - Agricultural/Residential District, which allows for agricultural or single-family residential uses only. To the best of our knowledge, the subject site is not affected by any deed restrictions which would adversely affect the subject property. Our value conclusion is subject to revision should any deed restrictions be present that are deemed detrimental to the subject property.

Easements. According to the information provided and our visual observation, there are typical utility easements located along the boundaries of the subject site. There do not appear to be any easements which effect development of the subject site.

Utilities/Services. There was a private water well observed at the time of the site visit. It is not known of the working condition of the well. It is unknown if there is a septic system. The subject is located within the city limits of Hempstead. Currently, the City of Hempstead does not have water or sewer services to the subject tract. Additional utilities include electricity and telephone services. Police and fire protection is provided by the City of Hempstead. The subject site is served by the Hempstead Independent School District, with schools of all levels located throughout the neighborhood.

Topography/Flood Plain. At the time of our site visit, the subject site appeared relatively level and well-drained. There do not appear to be any soil or subsoil conditions noted that would adversely

SITE DATA - CONTINUED

affect construction as evidenced by the existing improvements, though it should be noted that we are not experts in soil engineering. According to the FEMA Flood Insurance Map 48437C0135F, published for Waller County and dated May 16, 2019, the subject property appears to be located Flood Zone X, which is an area determined to be outside the 0.2% annual chance flood (outside the 500-year flood plain). This determination is made by graphic plotting only, and is not guaranteed. We recommend that a surveyor determine precise flood plain status for the subject site. A copy of a portion of the flood map is included in the addenda section of this report.

Environmental. We were provided with an Environmental Assessment of the property, which has concluded that there are no recognized environmental conditions in connection with the subject property. This assessment revealed that there were . Upon our site visit to the property, we did not observe any hazardous contaminants that would be of concern. We are not experts in recognition and identification of hazardous waste and would recommend a Phase I Environmental Assessment be prepared to identify any such hazardous contaminants along the subject property and surrounding properties, if any.

Improvements. The subject is unimproved vacant land.

Conclusions/Analysis. The subject site contains a total of approximately 25.1320 acres (1,094,750 square feet) of land, which is suitable for a variety of uses. The subject is located outside the 500-year a flood hazard area. The subject has what is considered to be a usable configuration, with a topography and flood plain location typical of properties in this area. On an overall basis, the subject is considered to be well suited for commercial retail use.

For further details as to the site configuration, please reference the following plat map and aerial photograph, as well as the subject photographs, flood plain map, and wetlands map located in the addenda to this report.

PLAT MAP AND AERIAL PHOTOGRAPH



4/11/2023, 7:25:20 PM

— Streets

□ Parcel Boundary

1:4,514
0 0.03 0.07 0.1 0.13 mi
0 0.05 0.1 0.2 km

ZONING

The subject site is located within the city limits of Hempstead, which has zoned that subject as AR - Agricultural/Residential District, which allows for agricultural or single-family residential uses only. To the best of our knowledge, the subject site is not affected by any deed restrictions which would adversely affect the subject property. Our value conclusion is subject to revision should any deed restrictions be present that are deemed detrimental to the subject property.

HIGHEST AND BEST USE

Fundamental to the concept of value is the theory of highest and best use. According to the Appraisal Institute *The Dictionary of Real Estate Appraisal*, 7th Edition, copyright 2022, pages 88 and 89, Highest and Best Use is defined as:

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

The procedure used in this report to estimate the highest and best use of the subject was to consider, in sequence, the site's legally permissible uses, the site's physically possible uses, the site's financially feasible uses, and finally, the optimum or highest and best use. Data collected and analyzed for purposes of the Neighborhood Analysis, and particularly the Site Data, was useful in arriving at a final decision.

There are four major criteria to be considered when analyzing the highest and best use of a property, vacant or improved. The criteria are that the highest and best use must be (1) legally permissible, (2) physically possible, (3) financially feasible, and (4) maximally productive. These criteria should usually be considered sequentially. We will examine the site's highest and best use as vacant land since the subject is vacant land.

Highest and Best Use Analysis - “As Vacant”

Legally Permissible. Private (deed) restrictions, zoning regulations, building codes, historic district controls, and environmental regulations can often preclude a possible highest and best use. The subject site is located within the city limits of Hempstead, which has zoned that subject as AR - Agricultural/Residential District, which allows for agricultural or single-family residential uses only. To the best of our knowledge, the subject site is not affected by any deed restrictions which would adversely affect the subject property. Our value conclusion is subject to revision should any deed restrictions be present that are deemed detrimental to the subject property.

Possible Use. The first constraint imposed on the possible use of the property is dictated by the physical aspects of the site itself. This includes such factors as size, shape, terrain, etc. In general, the larger the site, the greater its potential to achieve economics of scale and flexibility in development. The subject is located along the south line of Mack Washington Road, north of FM 1488, in Hempstead, Waller County, TX 77445. Overall, the subject tract could facilitate any possible uses.

HIGHEST AND BEST USE - CONTINUED

A tract's topography and subsoil conditions are also important considerations in determining its possible uses. If a site's topography or subsoil conditions make utilization restrictive and costly, the site's potential future use is adversely affected. As mentioned previously in the "Site Data" section of this report, the subject is gently sloping and appeared to be well drained. In addition, there are no apparent soil or subsoil conditions which would adversely affect construction, as evidenced by nearby improvements.

The possible uses of a tract are also dependent upon the site's utility availability and capacity. If a site has no access to utility service and cannot acquire access, it is virtually impossible to develop. Of equal importance is a site's utility capacity. A tract which does not have, and cannot acquire, high density utility capacity is restricted from some commercial property uses. There was a private water well observed at the time of the site visit. It is not known of the working condition of the well. It is unknown if there is a septic system.

By virtue of its shape, topography and utility availability, the subject site lends itself to a wide variety of possible uses. Physically possible uses include residential, retail, industrial, or office development.

Financially Feasible Use. From a financial standpoint, any property use which is expected to produce a positive rate of return is regarded as being feasible. Factors dictating which property uses are feasible include those which determine the possible and legal uses as well as other important factors. These factors include the shape, frontage, and location of the tract; access to the tract; adjacent property uses (in the interest of conformity); and the general neighborhood characteristics. These factors, along with pertinent market information, help determine what returns could be expected from alternative property uses. Based on area development, we feel the most likely use of the subject tract would be for an agricultural or residential use, which we feel would be financially feasible.

Maximally Productive. Given the economic realities of the subject market and the physical characteristics of the subject site, the maximally productive use of the subject site is for an agricultural or residential use.

Highest and Best Use, "As Vacant". As noted by the above analysis, an agricultural or residential use is physically possible, legally permissible, and financially feasible use. Therefore, the highest and best use of the subject property, considering the subject's location, is an agricultural or residential use.

MARKET APPROACH TO VALUE - LAND ONLY

In reaching the land value opinion of the subject property by the market data approach, we searched the County Deed Records for recent sales of comparable properties within this area. We also consulted real estate brokers and appraisers active in the area as to their knowledge of properties currently offered on the market for sale which would be in competition with the subject property.

We then investigated, analyzed and compared the available market data to the subject property, taking into prime consideration the various similar and dissimilar characteristics, including terms of sale, and made adjustments accordingly in reaching the value opinion of the subject property by the market approach.

The Sales Comparison approach involves comparing similar land sales to the site with adjustments for different characteristics. Several units of comparison are available to the appraiser; however, the primary unit of comparison in this report is the price per square foot. This unit is then applied to the subject property after adjusting the sales items for different characteristics. Our comparative analysis involves adjustments for property rights, financing, conditions of the sale, date of sale (market conditions), location, utility availability, flood plain status, zoning and other physical characteristics. Our research includes properties in the neighborhood of the subject. We have included, in our opinion, the most comparable sales of those uncovered in our survey.

The subject tract contains a total of 25.132 acres, or 1,094,750 square feet of land. The land sales listed on the following pages were considered to be the most comparable to the subject of all those occurring in the area over the recent past.

The following is a listing of sales considered in our analysis of the subject property.

LAND ANALYSIS AND VALUE INDICATION - CONTINUED

<u>LAND SALE ONE</u>	
Location:	S/L FM 1488, just east of Mack Washington Road
City:	Hempstead
Size:	6.260 acres
	272,686 square feet
Date of Sale:	June 28, 2021
Sale Price:	\$550,000
Sale Price Per Acre:	\$87,859
Sale Price PSF:	\$2.02
Utilities:	Private well and septic
Zoning:	None - Outside the city limits of Hempstead
Flood Zone:	X - Outside the 500-year flood plain
Remarks	This tract has frontage along FM 1488. This is unimproved vacant land purchased for unknown reasons.

<u>LAND SALE TWO</u>	
Location:	S/L Highway 290, just east of Sorsby Road
City:	Hempstead
Size:	27.780 acres
	1,210,097 square feet
Date of Sale:	July 16, 2021
Sale Price:	\$1,572,000
Sale Price Per Acre:	\$56,587
Sale Price PSF:	\$1.30
Utilities:	Private well and septic
Zoning:	None - Outside the city limits of Hempstead
Flood Zone:	X - Outside the 500-year flood plain
Remarks	This tract has frontage along Highway 290. This is unimproved vacant land purchased for unknown reasons.

LAND ANALYSIS AND VALUE INDICATION - CONTINUED

LAND SALE THREE	
Location:	W/L FM 1098, just south of Joe Loggins Road
City:	Hempstead
Size:	13.415 acres
	584,375 square feet
Date of Sale:	September 26, 2022
Sale Price:	\$500,000
Sale Price Per Acre:	\$37,271
Sale Price PSF:	\$0.86
Utilities:	Private well and septic
Zoning:	None - Outside the city limits of Hempstead
Flood Zone:	X - Outside the 500-year flood plain
Remarks	This tract is located just north of Prairie View, Texas. This is unimproved vacant land purchased for unknown reasons.

LAND SALE FOUR	
Location:	S/L FM 1488, just east of Mack Washington Road
City:	Hempstead
Size:	17.463 acres
	760,697 square feet
Date of Sale:	October 11, 2022
Sale Price:	\$2,000,000
Sale Price Per Acre:	\$114,527
Sale Price PSF:	\$2.63
Utilities:	Private well and septic
Zoning:	None - Outside the city limits of Hempstead
Flood Zone:	X - Outside the 500-year flood plain
Remarks	This tract has frontage along FM 1488. This is unimproved vacant land purchased for unknown reasons.

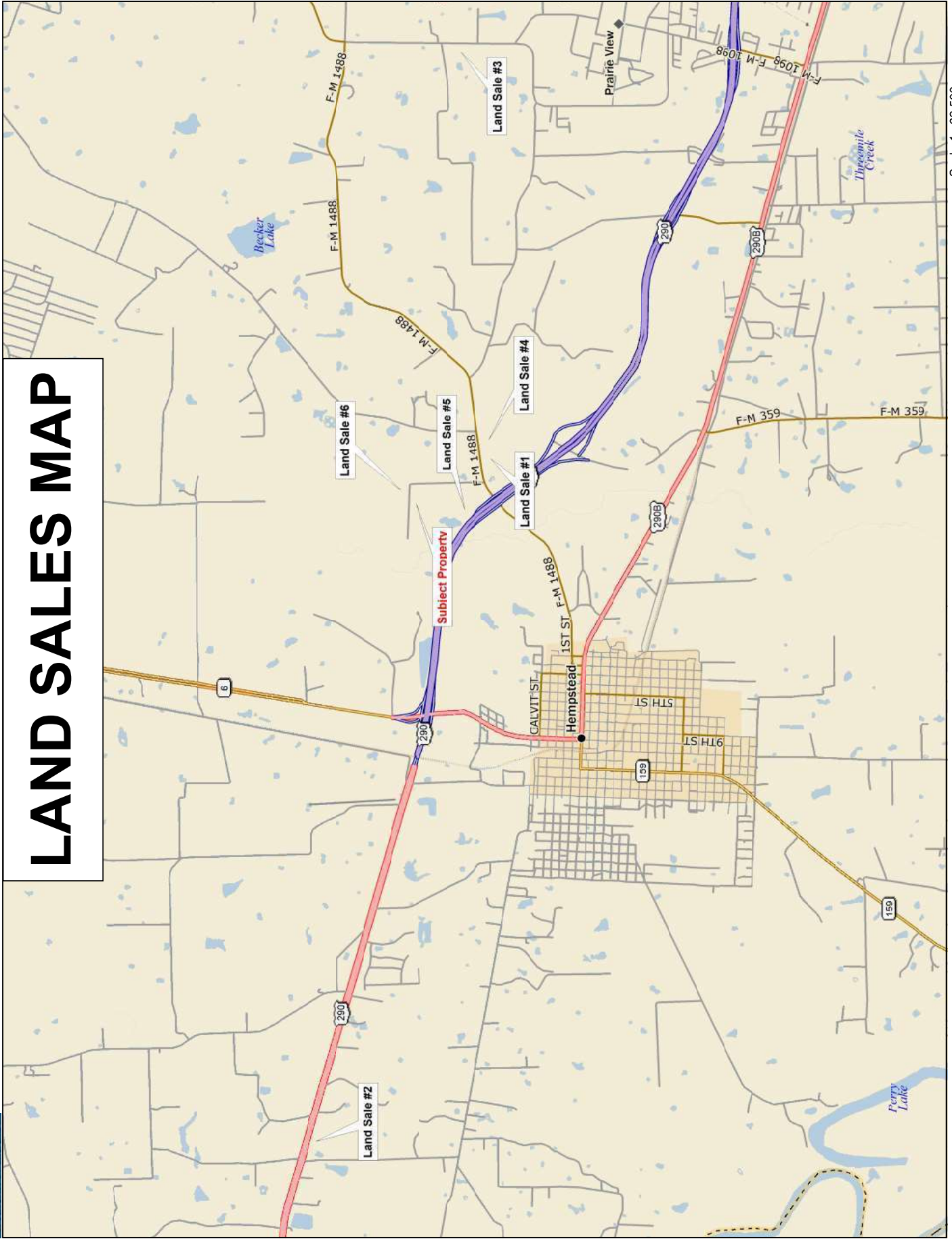
LAND ANALYSIS AND VALUE INDICATION - CONTINUED

<u>LAND SALE FIVE</u>	
Location:	E/L Post Oak Drive, just north of Highway 290
City:	Hempstead
Size:	1.500 acres
	65,340 square feet
Date of Sale:	March 13, 2023
Sale Price:	\$225,000
Sale Price Per Acre:	\$150,000
Sale Price PSF:	\$3.44
Utilities:	Public water and sewer
Zoning:	Highway Commercial
Flood Zone:	X - Outside the 500-year flood plain
Remarks	This tract is located just to the south of the subject. Property uses to the south and southeast of this tract include a DaVita Dialysis clinic, two restaurants, a Pilot Truck Stop, and a taxidermist building. This is unimproved vacant land purchased for unknown reasons.

<u>LAND SALE SIX</u>	
Location:	S/L Mack Washington Road, north of FM 1488
City:	Hempstead
Size:	7.410 acres
	322,780 square feet
Date of Sale:	Under Contract
Sale Price:	\$370,000
Sale Price Per Acre:	\$49,932
Sale Price PSF:	\$1.15
Utilities:	Private well and septic
Zoning:	None - Outside the city limits of Hempstead
Flood Zone:	X - Outside the 500-year flood plain
Remarks	This tract is located along the north line of Mack Washington Road, and two tracts east of the subject tract. The property was listed for sale for \$375,000 on June 10, 2022, went under contract in 20 days on July 1, 2022, and is expected to close on May20, 2023. According to the listing broker, the property is under contract for just under the list price. This is unimproved vacant land under contract to be purchased for unknown reasons.



LAND SALES MAP



Data use subject to license.

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www.delorme.com



MIN (2:1:15)

Scale 1 : 62,500



1" = 5,208.3 ft Data Zoom 11-6

LAND ANALYSIS AND VALUE INDICATION - CONTINUED

In reaching the land value opinion of the subject property by the market data approach, we searched county deed records for recent sales of comparable properties within this area. We also consulted real estate brokers and appraisers active in the area as to their knowledge of properties currently offered on the market for sale which would be in competition with the subject property.

We then investigated, analyzed and compared the available market data to the subject property, taking into prime consideration the various similar and dissimilar characteristics, including terms of sale, and made adjustments accordingly in reaching the value opinion of the subject property by the market approach.

The following is a summary of sales considered in our analysis of the subject property, which were considered to be the most comparable to the subject of all those occurring in the neighborhood over the recent past. The following is a chronological listing of the sales used in this report.

<i>SALE</i>	<i>DATE</i>	<i>SIZE (ACRES)</i>	<i>SALE PRICE</i>	<i>PRICE (\$/Acre)</i>	<i>LOCATION</i>
1	6/28/21	6.260	\$550,000	\$87,859	S/L FM 1488, just east of Mack Washington Road
2	7/16/21	27.780	\$1,572,000	\$56,587	S/L Highway 290, just east of Sorsby Road
3	9/26/22	13.415	\$500,000	\$37,271	W/L FM 1098, just south of Joe Loggins Road
4	10/11/22	17.463	\$2,000,000	\$114,527	S/L FM 1488, just east of Mack Washington Road
5	3/13/23	1.500	\$225,000	\$150,000	E/L Post Oak Drive, just north of Highway 290
6	UC	7.410	\$370,000	\$49,932	S/L Mack Washington Road, north of FM 1488
Subj	N/A	25.132	N/A	N/A	S/L Mack Washington Road, north of FM 1488

As indicated in the "Site Data" section, the subject property contains approximately 25.1320 acres (1,094,750 square feet). As can be referenced in the preceding chart, the land sales range in date of sale from June 2021 to a property under contract. The land sales range in size from 1.5000 acres to 27.7800 acres; and in sales price from \$37,271 to \$150,000 per acre.

When comparing these sales to the subject parcel, the factors considered to be the most critical were conditions of sale, financing terms, date of sale, size, location and access, physical characteristics, and utility availability. Each of the sales were compared to the subject property and adjusted on that basis. The following is a discussion of the comparisons used in our analysis.

Financing Terms. The transaction price of one property may differ from that of an identical property due to different financing arrangements. For example, a buyer may pay a higher price in a transaction which involves below market or favorable financing. Favorable financing can be in terms of a below market interest rate, a small down payment, an interest only loan, a non-recourse or limited liability loan, or a loan based upon the cash flow of the project. All of the sales in this report were cash to the seller, therefore no adjustments are deemed necessary.

Conditions of Sale. Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. Buyers or sellers acting under duress may cause a sale to be less representative of the

LAND ANALYSIS AND VALUE INDICATION - CONTINUED

market. A financial, business, or family relationship between the parties may affect the price of a property. When non-market conditions of sale are detected in a transaction, the sale can be used as a comparable only with great care. The circumstances of the sale must be thoroughly researched before an adjustment is made. Although conditions of sale are often perceived as applying only to sales that are not arm's-length transactions, some arm's-length sales may reflect atypical motivations or sale conditions due to unusual tax considerations, sale at legal auction, lack of exposure on the open market, or eminent domain proceedings. If the sales used in the market approach reflect such situations, an appropriate adjustment must be made for motivation or conditions of sale. All sales had no special conditions and required no adjustments for this factor.

Market Conditions: Changes in market conditions may be the result of inflation, deflation, fluctuations in supply and demand, changes in highest and best use, or other factors. Although this adjustment is often referred to as a "time" adjustment, time is not the cause of the adjustment, but a reflection of shifts, or changes in market conditions. Therefore, if market conditions have not changed, no adjustment is deemed necessary, no matter how much time has elapsed. These adjustments are necessary to correct for changes in value over time due to market factors such as supply and demand, and economic factors such as inflation. Sales 1 and 2 were adjusted upward 6% for changing market conditions. Sales 3, 4, 5, and 6 are considered to be reflective of current market conditions with the pandemic, and were not adjusted for this factor.

Location. The subject property is located along the south line of Mack Washington Road, north of FM 1488. The subject is an interior tract with frontage along Mack Washington Road. Land uses immediately surrounding the subject include vacant land to the north, south, east, and west of the subject. It is noted that there is a small amount of industrial development along Mack Washington Road to the east and southeast of the subject, as well as a single-family residence to the north of the subject along Mack Washington Road.

Sales 1 and 4 are located along FM 1488 just to the east of Mack Washington Road and Highway 290. Sales 1 and 4 are located superior in terms of visibility, traffic passage, and area development, and were adjusted downward 40% for this factor. Sale 2 is located along Highway 290 west of Hempstead, which is superior in terms of visibility and traffic passage, and was adjusted downward 30% for this factor. Sale 3 is inferior to the subject in terms of area development, and was adjusted upward 20% for this factor. Sale 5 is located superior in terms of area development, and was adjusted downward 15% for this factor. Sale 6 is located along the north line of Mack Washington Road just to the east of the subject, and was not adjusted for this factor.

Size. The subject site contains 25.132 acres, whereas the comparable sales range from 1.500 to 27.780 acres. In most areas of the Houston CMSA, smaller tracts of land sell for a higher price per unit than larger properties. This is due to the fact that purchases of large acreage tracts entail a much greater capital outlay. This restricts the number of possible buyers as compared to the relatively larger market for smaller tracts, which tends to disproportionately "bid up" the smaller tract's per unit prices. Sales 1, 3, 4, 5, and 6 are smaller and were adjusted downward 5% to 30% for this factor. Sale 2 is relatively similar in size as the subject and required no adjustment for this factor.

LAND ANALYSIS AND VALUE INDICATION - CONTINUED

Corner/Frontage Influence. Properties which enjoy a corner location or have frontage along more than one roadway typically sell at a higher per unit value due to increased exposure and accessibility. The subject is an interior tract with frontage along a single public street. All sales are similar and were not adjusted for this factor.

Zoning. The subject property is located within the city limits of Hempstead, which has zoned the subject site as agricultural or residential uses. Sales 1, 2, 3, 4, and 6 were unrestricted to use and were not adjusted for this factor. Sale 5 is zoned Highway Commercial, and was adjusted downward 5% for this factor.

Site Characteristics. Properties which have very irregular shapes, are located in flood hazard areas with undevelopable portions or have undesirable topography tend to have lower values. The subject is rectangular in shape and is located outside the 500-year flood plain. All sales are considered similar in regards to site characteristics, and required no adjustments for this factor.

Utility Availability. The availability of utilities is a major factor in the development of any property. If a site has no access to utility service and cannot acquire access, it is virtually impossible to develop. Therefore, the price paid for such a site would be affected due to its lack of utilities. In this case, an owner must make up the expense for acquiring the services and enhancing the site's value. The subject has a private water well and it is unknown if a private septic system is present. If not, a private septic system would be required. Sales 1, 2, 3, 4, and 6 are similar and were not adjusted. Sale 5 has public water and sewer, and was adjusted downward 20% for this factor.

LAND ANALYSIS AND VALUE INDICATION - CONTINUED

The land sales adjustment grid below shows our adjustments as they pertain to the subject property:

LAND SALES ADJUSTMENT GRID						
SALE	1	2	3	4	5	6
PRICE/ACRE	\$87,859	\$56,587	\$37,271	\$114,527	\$150,000	\$49,932
DATE	6/28/21	7/16/21	9/26/22	10/11/22	3/13/23	UC
CONDITIONS OF SALE	0%	0%	0%	0%	0%	0%
MARKET CONDITIONS	6%	6%	0%	0%	0%	0%
TOTAL ADJUSTMENT	6%	6%	0%	0%	0%	0%
ADJUSTED \$/ACRE	\$93,131	\$59,983	\$37,271	\$114,527	\$150,000	\$49,932
SIZE (ACRES)	6.260	27.780	13.415	17.463	1.500	7.410
LOCATION	-40%	-30%	20%	-40%	-15%	0%
SIZE	-15%	0%	-5%	-5%	-30%	-15%
CORNER/FRONTAGE	0%	0%	0%	0%	0%	0%
ZONING	0%	0%	0%	0%	-5%	0%
SITE CHARACTERISTICS	0%	0%	0%	0%	0%	0%
UTILITIES	0%	0%	0%	0%	-20%	0%
TOTAL PHYSICAL ADJ.	-55%	-30%	15%	-45%	-70%	-15%
FINAL ADJ. \$/ACRE	\$41,909	\$41,988	\$42,861	\$62,990	\$45,000	\$42,443

Land Value Conclusion. The sales within the Adjustment Grid have an adjusted sales price ranging from \$41,909 per square foot to \$62,990 per acre, with an average adjusted price of \$46,950 per acre. Removing the extreme high results in an average of \$42,840 per acre. Based on the above land sales analysis, and considering the subject's highest and best use, and location, it is our opinion that the market value of the subject is \$43,000 per acre. The "As Is" value of the Fee Simple Estate of the subject, is as follows:

INDICATED LAND VALUE FOR THE SUBJECT "AS IS" (Fee Simple Estate)		
Land Area / Acres	Indicated Value Per Acre	Indicated Land Value
25.1320	\$43,000	\$1,080,676
Land Value (rounded):		\$1,080,000

RECONCILIATION AND FINAL VALUE OPINION

The reconciliation involves weighing the value indications provided by each method in light of its dependability as a reflection of the probable actions of users and investors in the market place. The appraiser's final conclusion of value may coincide with one of the approaches or it may reflect a weighing of relative merits of each of the approaches in leading to a final conclusion. One method of property valuation is used in this appraisal and this final section is the discussion of the value indication provided by this approach. Consideration of the relative merits of each value indication involves reviewing each approach with respect to: 1) reliability of the data used; 2) the applicability of the approach to the type of property being appraised; and 3) the applicability of the approach in light of the definition of value sought.

Final Value Opinion. The Market Approach to Value was utilized, which is the only applicable approach being the subject is vacant land. The final opinion of value must be based upon that confirmation of the available market data and analysis which is most appropriate. In our opinion, the Market Approach is well documented and supported by good market data. Thus, we have placed emphasis on this approach. It is our opinion the subject property, if properly marketed, could be sold within a 12 month exposure time. Our opinion of the Market Value of the Fee Simple Estate of the subject property "As Is", as of the effective date of April 12, 2023, is as follows:

**ONE MILLION EIGHTY THOUSAND DOLLARS
\$1,080,000**

There are no hypothetical conditions or extraordinary assumption for this appraisal.

ADDENDA

QUALIFICATIONS

QUALIFICATIONS OF MICHAEL B. LANE, MAI

Business

MB LANE & ASSOCIATES, INC.
8990 Hempstead Highway, Suite 102
Houston, Texas 77008

Telephone:(713) 863-1414
Fax:(713) 863-8822
Email: michael@mblane.com

Employment History

1999 to Present	MBLane & Associates, Inc	President	Houston, TX
1997 to 1999	First Union Capital Markets Group	Vice President	Houston, TX
1994 to 1997	Banc One Capital Markets Group	Underwriter	Houston, TX
1986 to 1994	Edward B. Schulz & Company	Senior Appraiser	Houston, TX

Education

University of Arkansas	Bachelor of Business Administration	Major: Finance & Real Estate	1985
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Certifications

General Real Estate Appraiser in the State of Texas	Certification Number: TX-1322609-G
Licensed Real Estate Broker in the State of Texas	License Number: 0373554
Member - Appraisal Institute (MAI)	Current - December 31, 2023

Training (1989 to Present)

Appraisal Reporting
Basic Valuation Procedures
Capitalization Theory & Techniques, Part A
Capitalization Theory & Techniques, Part B
Case Studies in Real Estate Valuation
Defensible Appraisal
Demonstration Report Writing
Fundamentals of Separating Real Property, Personal Property & Intangible Business Assets
General Market Analysis and Highest & Best Use
Interagency Rules of Banks & Credit Unions
National USPAP Update
Property Tax
Real Estate Appraisal Principles
Report Writing and Valuation Analysis
Sales Comparison-Adjustment Process
Standards of Professional Practice, Part A
Standards of Professional Practice, Part B
Write It Up

QUALIFICATIONS OF MICHAEL B. LANE, MAI - CONTINUED

**Types of Real Estate Appraised
& Consulting Assignments**

Assisted Living Facilities
Automobile Dealership
Automotive Repair Facilities
Business Parks
Churches
Condemnation
Convenience Stores
Fast-Food Franchises
Garden Apartments
Greenhouse/Nurseries
Industrial & Manufacturing
Leasehold Valuation
Manual & Full Service Car Washes
Medical Office Buildings
Mini-Warehouses
Motels & Hotels
Nursing Homes
Office Buildings
Recreational Vehicle Park
Resort and Recreational Development
Restaurants/Bars
Service Stations
Shopping Centers
Single-Family Subdivisions
Special Purpose Properties
Time Share Project
Townhouse Developments
Vacant Land

Partial List of Representative Clients

Allegiance Bank	Iron Stone Bank
Alliance Bank	Lowery Bank
Bancorp South	Members Choice Credit Union
BB&T	Moody National Bank
BBVA Compass	Plains State Bank
Beal Bank	Post Oak Bank
CBB Bank	Prosperity Bank
Chase/JP Morgan	Q10 Kinghorn, Driver, Hough & Co.
Citizens State Bank	Regions Bank
City Bank Texas	Smart Financial Credit Union
Coamerica Bank	StanCorp Mortgage Investors
Community First Bank & Trust	Stearns Bank
East West Bank	Symetra Financial
Evolve Bank & Trust	Synergy Bank
Fidelity Bank	Texas Advantage Community Bank
Green Bank	Tradition Bank
Guaranty Bank & Trust	Trustmark Bank
Heritage Bank	US Bank
IBC Bank	ValueBank Texas
Independence Bank	Wells Fargo Bank
Independent Bank of Texas	Wilshire State Bank

Various Types of Studies

Environmental Impact Studies
Feasibility Studies
Highest and Best Use Studies
Market Studies



QUALIFICATIONS OF GARY JONES

Business Address:

MB LANE & ASSOCIATES, INC.
8990 Hempstead Highway, Suite 102
Houston, Texas 77008

Telephone (713) 863-1414
Fax (713) 863-8822

E-Mail: gary@mblane.com

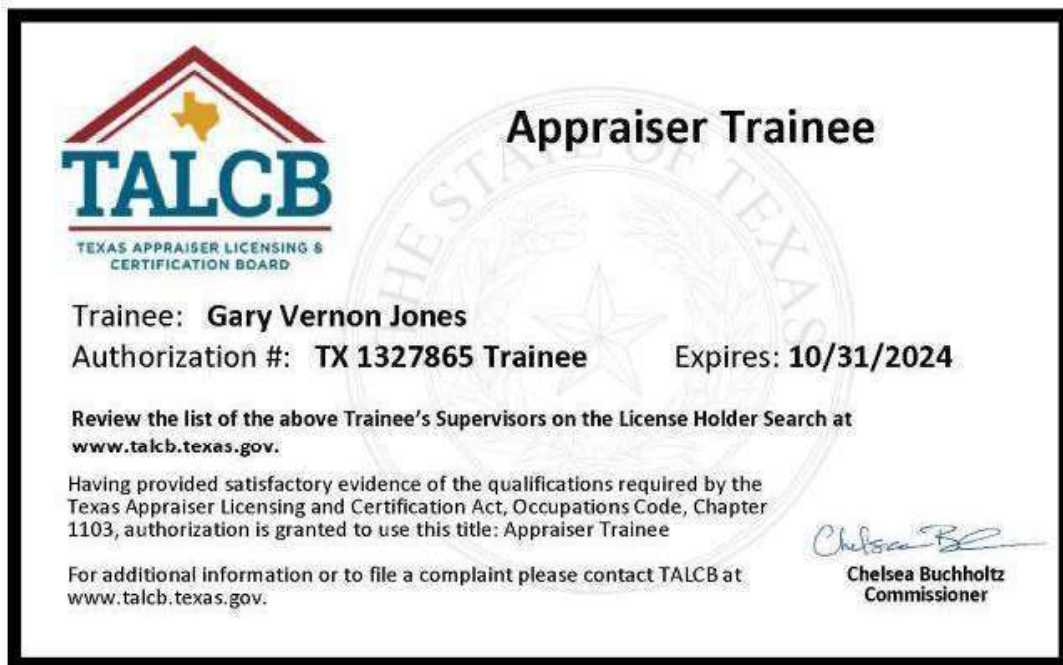
Appraisal Employment History:

2006 -Present	Appraiser Trainee, MB Lane & Associates, Inc.	Houston, Texas
2000-2006	Appraiser Trainee, O'Connor & Associates, L.P.	Houston, Texas

Certification: Trainee certification #1327865-T Expires October 31, 2024.

Types of Real Estate Appraisal Assignments

Retail Centers	Garden Apartments
Office Buildings	Motels
Warehouses	Day Care Centers
Single Family	Freestanding Retail Buildings
Vacant Land	Convenience Stores
Condo	Self-Storage Facilities
Medical Office Buildings	Automotive Sales & Repair Facilities



SUBJECT PHOTOGRAPHS

SUBJECT PROPERTY PHOTOGRAPHS



Front view of the subject property from Mack Washington Road.

SUBJECT PROPERTY PHOTOGRAPHS



Front view of the subject property from Mack Washington Road.

SUBJECT PROPERTY PHOTOGRAPHS



Front view of the subject property from Mack Washington Road.

SUBJECT PROPERTY PHOTOGRAPHS



Interior view of the subject property.

SUBJECT PROPERTY PHOTOGRAPHS



Interior view of the subject property.

SUBJECT PROPERTY PHOTOGRAPHS



Interior view of the subject property.

SUBJECT PROPERTY PHOTOGRAPHS



Interior view of the subject property.

SUBJECT PROPERTY PHOTOGRAPHS



Interior view of the subject property.

SUBJECT PROPERTY PHOTOGRAPHS



Interior view of the subject property.

SUBJECT PROPERTY PHOTOGRAPHS



Water well on the subject tract.

SUBJECT PROPERTY PHOTOGRAPHS



**Wildlife watering station on subject tract.
(Considered to be personal property.)**

SUBJECT PROPERTY PHOTOGRAPHS



**Turkey feeder on subject tract.
(Considered to be personal property.)**

SUBJECT PROPERTY PHOTOGRAPHS



Mack Washington Road looking west.

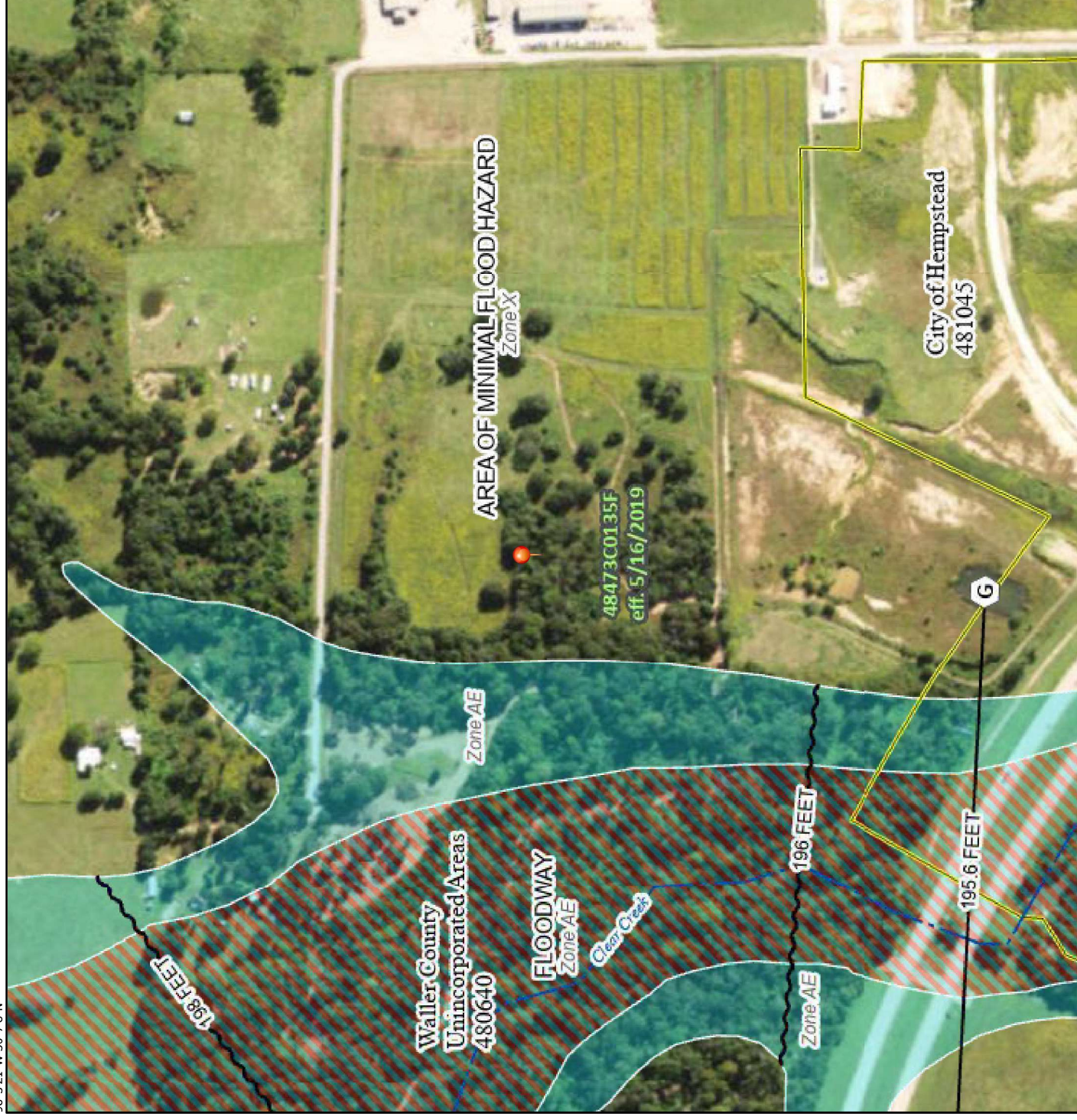
SUBJECT PROPERTY PHOTOGRAPHS



Mack Washington Road looking east.

FLOOD MAP

96°3'21"W 30°7'8"N



96°2'43"W 30°6'37"N

Feet 1:6,000
 0 250 500 1,000 1,500 2,000
 Basemap: USGS National Map: Orthoimagery. Data refreshed October, 2020

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS

- Without Base Flood Elevation (BFE)
Zone A, V, A99
- With BFE or Depth Zone AE, AO, AH, VE, AR
- Regulatory Floodway

OTHER AREAS OF FLOOD HAZARD

- 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
- Future Conditions 1% Annual Chance Flood Hazard Zone X
- Area with Reduced Flood Risk due to Levee, See Notes, Zone X
- Area with Flood Risk due to Levee Zone D

OTHER AREAS

- NO SCREEN Area of Minimal Flood Hazard Zone X
- Effective LOMRMs Area of Undetermined Flood Hazard Zone D

GENERAL STRUCTURES

- Channel, Culvert, or Storm Sewer
- Levee, Dike, or Floodwall

OTHER FEATURES

- 20.2 Cross Sections with 1% Annual Chance
- 17.5 Water Surface Elevation
- 8 Coastal Transect
- Base Flood Elevation Line (BFE)
- Limit of Study
- Jurisdiction Boundary
- Coastal Transect Baseline
- Profile Baseline
- Hydrographic Feature

MAP PANELS

- Digital Data Available
- No Digital Data Available
- Unmapped

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 4/17/2023 at 3:15 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

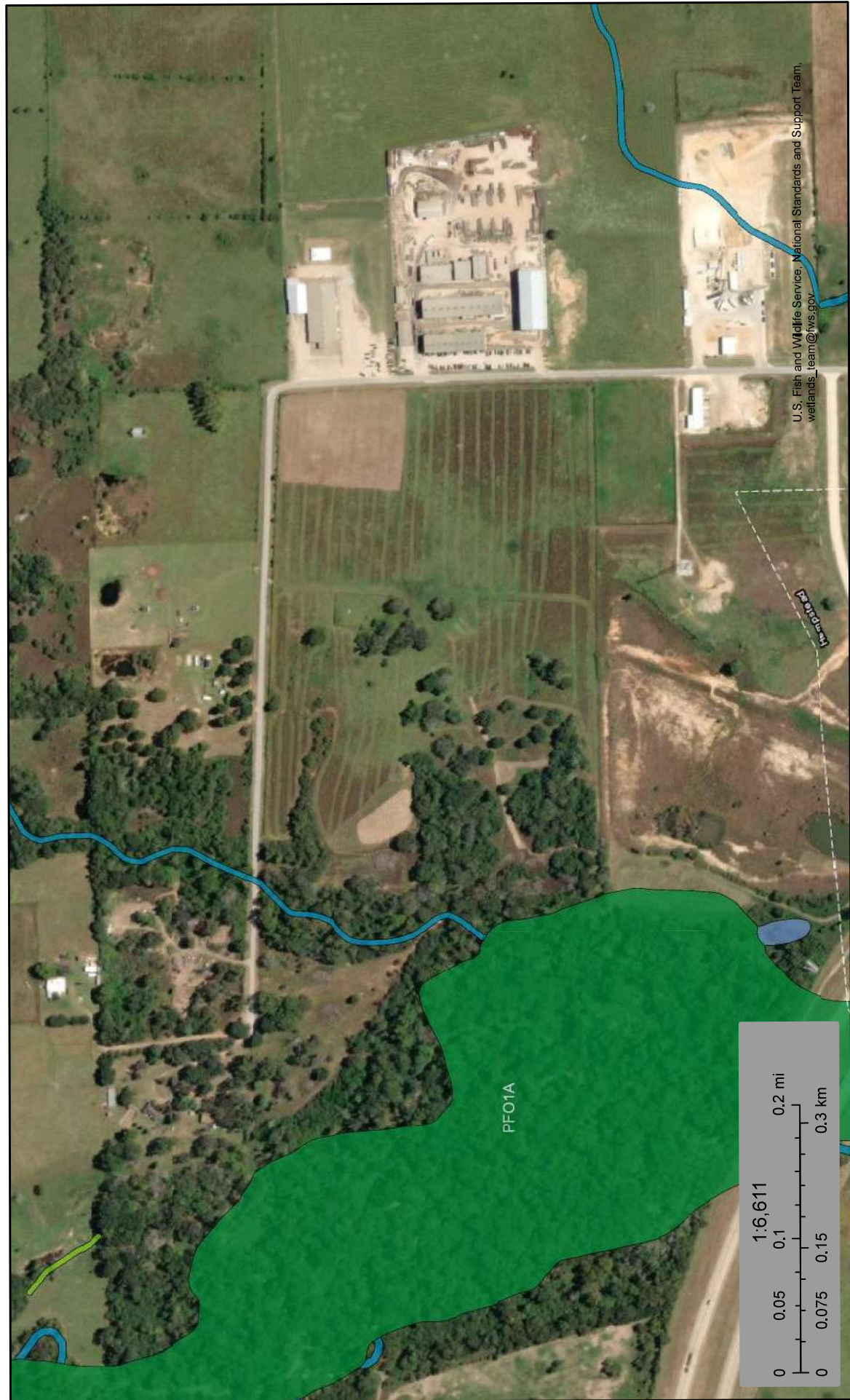
This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

WETLANDS MAP



National Wetlands Inventory

WETLANDS MAP



U.S. Fish and Wildlife Service, National Standards and Support Team, wetlands_team@fws.gov

This map is for general reference only. The US Fish and Wildlife Service is not responsible for the accuracy or currentness of the base data shown on this map. All wetlands related data should be used in accordance with the layer metadata found on the Wetlands Mapper web site.

April 16, 2023

Wetlands

- Estuarine and Marine Deepwater
- Estuarine and Marine Wetland
- Freshwater Emergent Wetland
- Freshwater Forested/Shrub Wetland
- Freshwater Pond
- Lake
- Other
- Riverine

COUNTY APPRAISAL DISTRICT RECORD

Waller CAD

Property Search Results > 257912 LEWIS JOHN JR RECEIVER for Year 2023

Tax Year: 2023 - Values not available

Property

Account

Property ID:	257912	Legal Description:	S432500 CLEAR CREEK DEVELOPMENT LOT 1 ACRES 25.132
Geographic ID:	432500-000-001-000	Zoning:	
Type:	Real	Agent Code:	
Property Use Code:	AG-WDLF		
Property Use Description:	WILDLIFE USE		

Protest

Protest Status:
 Informal Date:
 Formal Date:

Location

Address:	MACK WASHINGTON HEMPSTEAD, TX 77445	Mapsco:	B13SUBS
Neighborhood:	CLEAR CREEK DEVELOPMENT	Map ID:	3771 N1
Neighborhood CD:	S432500		

Owner

Name:	LEWIS JOHN JR RECEIVER	Owner ID:	1030220
Mailing Address:	%SHOOK HARDY & BACON LLP 600 TRAVIS ST SUITE 3400 HOUSTON, TX 77002	% Ownership:	100.0000000000%

Exemptions:

Values

(+) Improvement Homesite Value:	+	N/A	
(+) Improvement Non-Homesite Value:	+	N/A	
(+) Land Homesite Value:	+	N/A	
(+) Land Non-Homesite Value:	+	N/A	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	N/A	N/A
(+) Timber Market Valuation:	+	N/A	N/A

(=) Market Value:	=	N/A	
(-) Ag or Timber Use Value Reduction:	-	N/A	

(=) Appraised Value:	=	N/A	
(-) HS Cap:	-	N/A	

(=) Assessed Value:	=	N/A	

Taxing Jurisdiction

Owner: LEWIS JOHN JR RECEIVER
 % Ownership: 100.000000000000%
 Total Value: N/A

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
CAD	WALLER CAD	N/A	N/A	N/A	N/A
CHD	HEMPSTEAD CITY OF	N/A	N/A	N/A	N/A
ESD	WALLER-HARRIS ESD 200	N/A	N/A	N/A	N/A
GWA	WALLER COUNTY	N/A	N/A	N/A	N/A
RFM	WALLER CO FM	N/A	N/A	N/A	N/A
SHD	HEMPSTEAD ISD	N/A	N/A	N/A	N/A
Total Tax Rate:		N/A			
Taxes w/Current Exemptions:					N/A
Taxes w/o Exemptions:					N/A

Improvement / Building

No improvements exist for this property.

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	E	E	25.1320	1094749.92	0.00	0.00	N/A	N/A

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2023	N/A	N/A	N/A	N/A	N/A	N/A
2022	\$0	\$1,094,750	1,890	1,890	\$0	\$1,890
2021	\$0	\$1,094,750	1,890	1,890	\$0	\$1,890
2020	\$0	\$1,040,010	1,760	1,760	\$0	\$1,760
2019	\$0	\$1,007,170	1,760	1,760	\$0	\$1,760

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	9/29/2022	FSJ	FINAL SUMMARY JUDGEMENT	CBT GROUP LLC	LEWIS JOHN JR RECEIVER			CASE 4:22 CV 03359
2	3/29/2022	WDV	WARRANTY / VENDOR LIEN	STYERS ODIS III	CBT GROUP LLC			2203998

Tax Due

Property Tax Information as of 04/11/2023

Amount Due if Paid on: 

Year	Taxing Jurisdiction	Taxable Value	Base Tax	Base Taxes Paid	Base Tax Due	Discount / Penalty & Interest	Attorney Fees	Amount Due
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NOTE: Penalty & Interest accrues every month on the unpaid tax and is added to the balance. Attorney fees may also increase your tax liability if not paid by July 1. If you plan to submit payment on a future date, make sure you enter the date and RECALCULATE to obtain the correct total amount due.

Waller CAD

Property Search Results > 257912 CBT GROUP LLC for Year Tax Year: 2022

Property

Account

Property ID:	257912	Legal Description:	S432500 CLEAR CREEK DEVELOPMENT LOT 1 ACRES 25.132
Geographic ID:	432500-000-001-000	Zoning:	
Type:	Real	Agent Code:	
Property Use Code:			
Property Use Description:			

Protest

Protest Status:	
Informal Date:	
Formal Date:	

Location

Address:	MACK WASHINGTON HEMPSTEAD, TX 77445	Mapsco:	B13SUBS
Neighborhood:	CLEAR CREEK DEVELOPMENT	Map ID:	3771 N1
Neighborhood CD:	S432500		

Owner

Name:	CBT GROUP LLC	Owner ID:	1026384
Mailing Address:	9200 WESTHEIMER RD APT 1606 HOUSTON, TX 77063-3545	% Ownership:	100.0000000000%
		Exemptions:	

Values

(+) Improvement Homesite Value:	+	\$0	
(+) Improvement Non-Homesite Value:	+	\$0	
(+) Land Homesite Value:	+	\$0	
(+) Land Non-Homesite Value:	+	\$0	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$1,094,750	\$1,890
(+) Timber Market Valuation:	+	\$0	\$0

(=) Market Value:	=	\$1,094,750	
(-) Ag or Timber Use Value Reduction:	-	\$1,092,860	

(=) Appraised Value:	=	\$1,890	
(-) HS Cap:	-	\$0	

(=) Assessed Value:	=	\$1,890	

Taxing Jurisdiction

Owner: CBT GROUP LLC
 % Ownership: 100.000000000000%
 Total Value: \$1,094,750

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
CAD	WALLER CAD	0.000000	\$1,890	\$1,890	\$0.00
CHD	HEMPSTEAD CITY OF	0.552573	\$1,890	\$1,890	\$10.44
ESD	WALLER-HARRIS ESD 200	0.097426	\$1,890	\$1,890	\$1.84
GWA	WALLER COUNTY	0.522593	\$1,890	\$1,890	\$9.88
RFM	WALLER CO FM	0.025852	\$1,890	\$1,890	\$0.49
SHD	HEMPSTEAD ISD	1.136700	\$1,890	\$1,890	\$21.48
Total Tax Rate:		2.335144			
Taxes w/Current Exemptions:					\$44.13
Taxes w/o Exemptions:					\$44.13

Improvement / Building

No improvements exist for this property.

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	W6	WILDLIFE MGMT (PREV NATIVE PASTURE)	25.1320	1094749.92	0.00	0.00	\$1,094,750	\$1,890

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2023	N/A	N/A	N/A	N/A	N/A	N/A
2022	\$0	\$1,094,750	1,890	1,890	\$0	\$1,890
2021	\$0	\$1,094,750	1,890	1,890	\$0	\$1,890
2020	\$0	\$1,040,010	1,760	1,760	\$0	\$1,760
2019	\$0	\$1,007,170	1,760	1,760	\$0	\$1,760

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	9/29/2022	FSJ	FINAL SUMMARY JUDGEMENT	CBT GROUP LLC	LEWIS JOHN JR RECEIVER			CASE 4:22 CV 03359
2	3/29/2022	WDV	WARRANTY / VENDOR LIEN	STYERS ODIS III	CBT GROUP LLC			2203998

Tax Due

Property Tax Information as of 04/15/2023

Amount Due if Paid on: 

Year	Taxing Jurisdiction	Taxable Value	Base Tax	Base Taxes Paid	Base Tax Due	Discount / Penalty & Interest	Attorney Fees	Amount Due
------	---------------------	---------------	----------	-----------------	--------------	-------------------------------	---------------	------------

NOTE: Penalty & Interest accrues every month on the unpaid tax and is added to the balance. Attorney fees may also increase your tax liability if not paid by July 1. If you plan to submit payment on a future date, make sure you enter the date and RECALCULATE to obtain the correct total amount due.

Waller CAD

Property Search Results > 257912 CBT GROUP LLC for Year Tax Year: 2022

Property

Account

Property ID:	257912	Legal Description:	S432500 CLEAR CREEK DEVELOPMENT LOT 1 ACRES 25.132
Geographic ID:	432500-000-001-000	Zoning:	
Type:	Real	Agent Code:	
Property Use Code:			
Property Use Description:			

Protest

Protest Status:
 Informal Date:
 Formal Date:

Location

Address:	MACK WASHINGTON HEMPSTEAD, TX 77445	Mapsco:	B13SUBS
Neighborhood:	CLEAR CREEK DEVELOPMENT	Map ID:	3771 N1
Neighborhood CD:	S432500		

Owner

Name:	CBT GROUP LLC	Owner ID:	1026384
Mailing Address:	9200 WESTHEIMER RD APT 1606 HOUSTON, TX 77063-3545	% Ownership:	100.0000000000%
		Exemptions:	

Values

(+) Improvement Homesite Value:	+	\$0	
(+) Improvement Non-Homesite Value:	+	\$0	
(+) Land Homesite Value:	+	\$0	
(+) Land Non-Homesite Value:	+	\$0	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$1,094,750	\$1,890
(+) Timber Market Valuation:	+	\$0	\$0

(=) Market Value:	=	\$1,094,750	
(-) Ag or Timber Use Value Reduction:	-	\$1,092,860	

(=) Appraised Value:	=	\$1,890	
(-) HS Cap:	-	\$0	

(=) Assessed Value:	=	\$1,890	

Taxing Jurisdiction

Owner: CBT GROUP LLC
 % Ownership: 100.000000000000%
 Total Value: \$1,094,750

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
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RFM	WALLER CO FM	0.025852	\$1,890	\$1,890	\$0.49
SHD	HEMPSTEAD ISD	1.136700	\$1,890	\$1,890	\$21.48
Total Tax Rate:		2.335144			
Taxes w/Current Exemptions:					\$44.13
Taxes w/o Exemptions:					\$44.13

Improvement / Building

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Land

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2022	\$0	\$1,094,750	1,890	1,890	\$0	\$1,890
2021	\$0	\$1,094,750	1,890	1,890	\$0	\$1,890
2020	\$0	\$1,040,010	1,760	1,760	\$0	\$1,760
2019	\$0	\$1,007,170	1,760	1,760	\$0	\$1,760

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2	3/29/2022	WDV	WARRANTY / VENDOR LIEN	STYERS ODIS III	CBT GROUP LLC			2203998

Tax Due

Property Tax Information as of 04/15/2023

Amount Due if Paid on: 

Year	Taxing Jurisdiction	Taxable Value	Base Tax	Base Taxes Paid	Base Tax Due	Discount / Penalty & Interest	Attorney Fees	Amount Due
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NOTE: Penalty & Interest accrues every month on the unpaid tax and is added to the balance. Attorney fees may also increase your tax liability if not paid by July 1. If you plan to submit payment on a future date, make sure you enter the date and RECALCULATE to obtain the correct total amount due.

ENGAGEMENT LETTER



Appraisal MC
320 Detering Ste B
Houston, TX 77007
713-623-0559

APPRAISAL REQUEST FORM
COMPANY: Individual – Commercial NR CC

State Registration Number: 2000252

File Information

File ID: 230310011 **Due Date:** 4/3/2023
Loan Number: 23232323

Appraiser Information

Loan Type: Commercial – Primary **Appraiser:** Lane, Michael
Form: Commercial appraisal report
Service Fee: \$1500.00
Transaction Fee:

Total Appraiser Fee: \$1500.00

Client Information

Client: Shook, Hardy & Bacon L.L.P **Borrower or Company Name:** Shook, Hardy & Bacon
Address:

Subject Property

Address or Intersection: MACK WASHINGTON **Intended Use:** Home Equity
HEMPSTEAD, TX 77445 **Property Type:** Commercial
County: Waller
Legal Description:
Property Description:
Map: [Map Link](#)

Property Contact Information

Contact Person: Kelsey Morris w/ Mark Dimas Team **Work Phone:** 832-814-7623
Cell Phone: **Home Phone:**
Property Contact Notes: Kelsey Morris w/ Mark Dimas Team kelsey@markdimasteam.com

Effective Date of Valuation

	Retrospective	As Is	Prospective at Completion	Prospective at Stabilized Occupancy
Effective Date(s) of Appraisal:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Interest Leased Fee (all or part):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Interest Fee Simple (not leased):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Interest Leasehold (borrower is tenant):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Condition (vacant land/improved):				
If Leased Fee approx % leased (excludes owner):				
If Leased Fee approx no of tenants (excludes owner):				
If Leased Fee approx remaining lease term(s) over 5 years:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If Leased Fee approx remaining lease term(s) under 5 years:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Other information believed germane to the appraisal bid:

Additional Notes:

Date	From	Message
3/20/2023 11:03 AM	Bautista, Mayra	Good morning your conditions have been accepted. Please proceed and accept this order in your queue. Thank you This property has been seized by the government. There have been several cases of fraud associated with the property and an appraisal is needed in order to sell the properties The lot SHOULD be empty but it could be possible they contain structures, these structures are part of the fraudulence that is being investigated. We need the appraiser to physically inspect the property and confirm if anything is on the property.

Note: This appraisal order is not transferrable to another appraiser. If the appraiser named on this appraisal request is unable to complete this assignment please contact Appraisal MC at 713-623-0559. All appraisers are approved on an individual basis, if this assignment is completed by another appraiser Appraisal MC will not be liable for any appraisal related service fee.



Commercial Order Form
client

* If a client of Appraisal MC or lender makes contact with you directly, contact Appraisal MC immediately. Do NOT make contact with the client of Appraisal MC or lender directly unless otherwise specified in the order. Any contact outside of the Appraisal MC system may be cause for removal and forfeit of appraisal fee due to non-compliance with the appraiser agreement. All communication and reports must be sent through Appraisal MC only. Failure to comply with this request will result in this order being cancelled and payment for this order will be rescinded immediately.

Appraiser agrees not to directly or indirectly engage via communication or assignments with any of Appraisal MC's lender clients for a period of one year without written consent of Appraisal MC. Appraiser agrees to provide reasonable monetary damages for violation of this Agreement; and, that if monetary damages are calculable, monetary damages alone are inadequate as a remedy for such violation. Therefore, the parties agree that equitable remedies, including, without limitation, temporary restraining order and mandatory injunction enforcing specific performance, are and shall be proper remedies for violation of this Agreement. If suit is brought to enforce this Agreement, the winning party shall be entitled to receive, in addition to any actual damages, reasonable attorney(s) fees spent in the prosecution of such suit.

APPRAISAL MC RESERVES THE RIGHT TO DISCOUNT FEE OF PAST DUE REPORTS BY \$50 PER DAY IF NO NOTIFICATION IS RECEIVED. COMPLETED APPRAISALS MUST BE SUBMITTED BY 2 PM CST ON THE DUE DATE.

IF A RUSH/PRIORITY ASSIGNMENT IS NOT SUBMITTED ON OR BEFORE THE DUE DATE THE RUSH/PRIORITY ADDITIONAL FEE WILL BE FORFEITED.

ANY REVISIONS MUST BE SUBMITTED THE SAME BUSINESS DAY OTHERWISE THE ASSIGNMENT WILL BE CONSIDERED LATE.

Trip Fee Policy:

Trip fees for scheduled appointments are not to exceed \$150 unless otherwise approved. A photo of the subject property with address must be provided for verification

Trip fees may be forfeited for the following reasons:

- ***If the assignment is not submitted on or before the due date and the order is cancelled due to appraiser delays.***
- ***Cancelled orders not submitted on or before the due date***
- ***Assignments that have been withdrawn from***

Cancellation policy:

Pre-Inspect: 0%

Post-Inspect based on appt time in system: Fee not to exceed \$150 unless otherwise approved

Completed report: 100%

Cancellation fees may be forfeited for the following reasons:

- ***If the assignment is not submitted on or before the due date and the order is cancelled due to appraiser delays.***
- ***Cancelled orders not submitted on or before the due date***
- ***Assignments that have been withdrawn from***

~~(Please note that any cancellations will come via message from Appraisal MC)~~

TEXAS APPRAISERS: If you are an appraiser licensed or certified in Texas you must accept the TALCB invite prior to accepting any assignments from Appraisal MC. Do not accept any assignments or begin work on any assignments and contact Appraisal MC immediately. Appraisal MC will not be responsible for any work completed by an appraiser not active on the Appraisal MC TALCB panel.



APPRAISER CERTIFICATION OF TERMS AND STANDARDS OF ENGAGEMENT

The **undersigned**, an authorized representative of the below named appraiser, appraisal company, or appraisal management company (the "Appraiser") hereby acknowledges and certifies that the Appraiser has knowledge and experience in appraising this type of property in this market area and accepts this engagement to conduct an appraisal of the Subject Property in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) and in full compliance with the Dodd – Frank Act and all applicable state and federal laws and regulations. The Appraiser understands that the Client, a mortgage lender, has adopted a written Plan for Compliance with the Dodd – Frank Act, and that Client solely is authorized to engage and compensate the Appraiser for its appraisal services with respect to the Subject Property.

Upon completion of its services and rendering of its appraisal report on the Subject Property to Client, the Appraiser agrees to make a written certification in form acceptable to Client that the appraisal of the Subject Property was conducted in full compliance the Uniform Standards of Professional Appraisal Practice (USPAP), the Dodd – Frank Act, and all applicable state and federal laws and regulations, including the licensing or registration regulations of the state in which the Subject Property is located, and that no attempt was made by the Client or any third party to influence the valuation of the Subject Property through coercion, extortion, collusion, compensation, inducement, intimidation, bribery or in any other manner.

By accepting this assignment you hereby certify that you are properly licensed and/or certified to complete the property appraisal in this state and have geographic competency for the market. Geographic competency includes, but is not limited, to: knowledge of major employers in the area, knowledge of major recreational draws for the area, familiarity with the local school districts, awareness of all major access routes, knowledge of market area value trends and that you subscribe to relevant data sources including the multiple listing services of all markets. You agree to notify Appraisal MC immediately if you are asked to perform a valuation within an area in which you do not have sufficient knowledge to make an accurate valuation.

APPRAISER CERTIFICATION OF COMPLIANCE AND NON-COERCION

Regarding Appraisal of Subject Property located at:
MACK WASHINGTON, HEMPSTEAD, TX 77445

The undersigned, and authorized representative of the below named appraiser, appraisal company, or appraisal management company (the "Appraiser") conducting the appraisal of the Subject Property and preparing the Appraisal Report, hereby certifies that:

1. The Appraiser conducted the appraisal and prepared the Appraisal Report in full compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), the Dodd – Frank Act and all applicable state and federal laws and regulations.
2. The appraisal of the Subject Property was conducted, and the Appraisal Report was prepared, by one, or more, qualified and duly licensed or certified real estate appraisers in compliance with applicable state and federal law.
3. The Appraiser conducting the appraisal of the Subject Property has knowledge and experience in appraising this type of property in the market area within which the Subject Property is located.
4. The Appraiser was not provided any predetermined or desired valuation of the Subject Property by the Client or any third party, except, if applicable, the Appraiser was provided a photocopy of any

pending sales contract and addenda thereto, as permitted by the Dodd – Frank Act and required by USPAP standards rule 1–5 (a).

5. The Appraiser was not influenced by the Client or any third party in determining the valuation of the Subject Property and no attempt was made by the Client or any third party to influence the valuation of the Subject Property through coercion, extortion, collusion, compensation, inducement, intimidation, bribery or in any other manner.
6. The Appraiser has adopted and enforces written policies and procedures implementing the Dodd – Frank Act with respect to all its business activities. The Appraiser provides its officers, employees, and agents' adequate training on appraiser independence, including the principles set forth in the Dodd – Frank Act, and has mechanisms in place to report and discipline any of its officers, employees, or agents who violate its policies and procedures.
7. The Appraiser will include all requested revisions, reconsiderations of additional comparables and underwriting requests within 24 hours at no additional cost. If these items are not addressed and /or completed in a timely manner they will not be considered complete and Appraisal MC will not be financially responsible for the appraisal.
8. The Appraiser must be General Certified and meet all investor eligibility requirements in order to complete the appraisal.
9. Appraiser agrees to **separately upload or not include the invoice in the report** as part of the acceptance of the assignment.
10. Vendor shall be paid on the 30th of the month for the orders completed in the previous calendar month. (unless otherwise stated/specified by State appraisal management regulations) The appraiser may request to receive payment via ACH. Please contact accounting@appraisalmc.com to setup the ACH vendor payment. Otherwise, a check will be mailed to the address listed on the W9.

This Certification of Compliance and Non–Coercion is cumulative of any other or additional certifications that may be set forth in the Appraisal Report and does not revoke, amend or modify the terms or standards of engagement with respect to the Appraisal Report. ***Any violations of AIR must be reported in writing immediately to support@appraisalmc.com***

* If a client or lender makes contact with you directly, contact Appraisal MC immediately. Do NOT make contact with the lender directly. Any contact outside of the Appraisal MC system may be cause for removal and forfeit of appraisal fee due to non–compliance with the appraiser agreement. All communication and reports must be sent through Appraisal MC only. Failure to comply with this request will result in this order being cancelled and payment for this order will be rescinded immediately.

Appraiser covenants and agrees that during the term of this engagement and for a period of one year after the expiration or earlier termination of the engagement, neither Appraiser nor any employee, affiliate, agent, or representative of Appraiser (each, a "Restricted Person") shall directly or indirectly, for itself or on behalf of another person or entity (i) induce, influence, or encourage, any client, customer or other similar third party of Appraisal MC in the state of the United States where the Appraiser provides services to Appraisal MC under this engagement (each, a "Customer") to alter, terminate, or breach its contractual or other business relationship with Appraisal MC, or (ii) solicit appraisal related business or services from, or engage in appraisal related business or services for, any Customer. Appraiser agrees that the duration, scope, and geographical area of the restrictions contained herein are reasonable. Upon a determination by a court of competent jurisdiction that any term or provision of this clause is invalid, illegal, or unenforceable, such court may modify this clause to substitute the maximum duration, scope, or geographical area legally permissible under such circumstances to the greatest extent possible to give effect to the restrictions originally contemplated by the parties hereto.

Appraiser acknowledges and agrees that: (i) the restrictive covenants and other terms and conditions herein are reasonable and reasonably necessary to protect the legitimate business interests of Appraisal MC; (ii) that each Restricted Person will be reasonably able to earn a living without violating the terms of this agreement; and (iii) that the Appraiser has the right to consult with counsel before signing this agreement. The Appraiser further acknowledges that: (i) the amount of the Appraisers compensation reflects, in part,

each Restricted Persons obligations and Appraisal MCs rights under this agreement, (ii) no Restricted Person has an expectation of any additional compensation, royalties, or other payment of any kind not otherwise referenced herein in connection herewith; and (iii) no Restricted Person will be subject to undue hardship by reason of the Restricted Persons full compliance with the terms and conditions of this engagement or Appraisal MCs enforcement of it.

In the event of a breach or threatened breach by a Restricted Person of any of the provisions herein, the Appraiser hereby consents and agrees that money damages would not afford an adequate remedy and that Appraisal MC shall be entitled to seek a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages, and without the necessity of posting any bond or other security. Any equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages, or other available relief.

APPRAISAL MC RESERVES THE RIGHT TO DISCOUNT FEE OF PAST DUE REPORTS BY \$100 PER DAY IF NO NOTIFICATION IS RECEIVED. COMPLETED APPRAISALS MUST BE SUBMITTED BY 2 PM CST ON THE DUE DATE.

IF A RUSH/PRIORITY ASSIGNMENT IS NOT SUBMITTED ON OR BEFORE THE DUE DATE THE RUSH/PRIORITY ADDITIONAL FEE WILL BE FORFEITED.

ANY REVISIONS MUST BE SUBMITTED THE SAME BUSINESS DAY OTHERWISE THE ASSIGNMENT WILL BE CONSIDERED LATE.

Cancellation policy: Pre-Inspect: 0%; Post-Inspect based on appt time in system: 50%; Completed report: 100%. (Please note that any cancellations will come via message from Appraisal MC- no reply is needed)

TEXAS APPRAISERS: If you are an appraiser licensed or certified in Texas you must accept the TALCB invite prior to accepting any assignments from Appraisal MC. Do not accept any assignments or begin work on any assignments and contact Appraisal MC immediately. Appraisal MC will not be responsible for any work completed by an appraiser not active on the Appraisal MC TALCB panel.

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

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Date: 3/20/2023
Time: 1:53 PM
Name: Michael Lane
michael@mblane.com

Accordingly, IT IS HEREBY ORDERED that the Court approves the sale of the Subject Property as described in the Receiver's Motion.

IT IS SO ORDERED this ____ day of _____, 2023.

JUDGE ANDREW S. HANEN
UNITED STATES DISTRICT JUDGE