

NOTICE OF PUBLIC SALE

The Houston Housing Authority (HHA) will offer for sale to the highest bidder, 13.06 acres and the existing improvements located at 8904 Forest Hollow Street, Houston, Texas, 77078, formerly known as Forest Green Townhomes. The property is described in detail on the appraisal attached as Exhibit C.

The property is currently owned by HHA and encumbered through a Declaration of Trust (DOT) by the U.S. Department of Housing and Urban Development (HUD). Pursuant to HUD regulations, HHA has established a minimum bid price for the property based on appraised value in current "as-is" condition as described in the appraisal.

Offers will not be considered below the minimum bid price.

Instructions for Bidding – Bids must be submitted no later than:

Monday, December 5, 2024 at 2:00 PM Local Time

Interested bidders must complete the bid form in Exhibit A attached to this notice. The name of the bidder on Exhibit A shall be stated in the legal format desired for title upon consummation of the sale. The bid form shall be completed, signed and dated as indicated.

An earnest payment in the form of a cashier's check, certified check or money order equal to 1% (one percent) of the total bid amount shall be made payable to: **Houston Housing Authority** and attached to the completed bid form.

Bid forms with corresponding earnest payments shall be presented in a sealed envelope. The envelope shall be clearly marked as follows:

**Forest Green Townhomes Bid
Houston Housing Authority
2640 Fountain View Drive
Houston, Texas 77057
Attn: Procurement Department**

Bids may be submitted via regular mail, overnight mail, or other similar means; or by personal delivery. Bidders are encouraged to request a receipt from the form of delivery utilized.

It shall be the sole responsibility of each bidder to ensure his/her bid(s) are received by HHA on or before the stipulated deadline.

Pre-Bid Conference – An option pre-bid conference will be held on Thursday, November 7, 2024 at 3:00 PM CST via zoom using the link or phone information below.

<https://us02web.zoom.us/j/82962357391?pwd=ChjaZkGq0GKTBlynZdGtq5rqo5Jhs7.1>

Phone: 1-346-248-7799

Meeting ID: 829 6235 7391

Passcode: 353561

Property Inspection – The property will be available for inspection pursuant to the schedule attached in Exhibit B to this notice. Individuals must pre-register for the property inspection a minimum of five calendar days prior to the date of inspection listed on the attached Exhibit B. To pre-register for a property inspection, you must submit a request to SKennedy@housingforhouston.com. A written confirmation will be returned via e-mail.

Bid Award - The property is being offered in “As Is, Where Is” condition with no express or implied warranties. The highest bid will be accepted unless some unforeseen circumstance warrants rejection. In the event of equal high bids, the selection shall be randomly made by drawing lots immediately following the deadline.

Upon receipt of a valid bid, HHA shall provide the bidder with written confirmation of an acceptable bid and intent to sell. As noted on Exhibit A (bid form), bids must be held for a minimum of 90 days following the bid opening. The successful bidder will be provided with no more than 30 days to complete all desired due diligence. Upon completion of the due diligence period, the successful bidder must provide and execute a purchase agreement to HHA. Failure to provide an executed purchase agreement shall result in rescission of the bid award and forfeiture of earnest funds.

The second highest bid, upon agreement of bidder, shall be retained for a period of 45 days or until such time that the highest bidder has executed the purchase agreement. Earnest funds for all other bid, HHA must secure release of the DOT from HUD. It is anticipated that this approval process could take up to 90 days. Closing will occur within 30 days from release.

THE HOUSTON HOUSING AUTHORITY RESERVES THE RIGHT TO REJECT ANY, OR ALL BIDS THAT DO NOT COMPLY WITH THIS REQUEST. HHA FURTHER RESERVES THE RIGHT TO REJECT ANY AND ALL BIDS WITHOUT CAUSE.

EXHIBIT A - FORM OF BID

INSTRUCTIONS:

1. Complete the information below, sign and date the form where indicated.
 2. Attach a cashier's check or money order equal to 1% of the total bid amount.
 3. The name of the bidder must be stated in the legal format desired for title.
 4. Minimum bid is the appraised value of the property but offers below minimum bid will be accepted.
-

FOREST GREEN TOWNHOMES, 8904 FOREST HOLLOW STREET
HOUSTON, TEXAS 77078

BID AMOUNT: \$ _____

Legal Name for Title: _____

Bidder's Name if Different than Title: _____

Bidders Address: _____

City: _____ State: _____ Zip Code: _____

Phone: _____ E-mail Address: _____

Acknowledgement: I hereby acknowledge my understanding that: this is a cash sale and no owner financing is available; I must honor my bid for 90 days from the date of notification of acceptance of my bid from HHA; I must execute a purchase agreement within 30 days of notification of acceptance of my bid and failure to do so shall result in rescission of the bid award and forfeiture of earnest funds; transfer of the property will be in the "as-is" condition at time of sale; HHA assumes no responsibility or liability for any condition(s) not visible or known at the property.

Signature: _____ Date: _____

EXHIBIT B – PROPERTY INSPECTION

Interested bidders may inspect the property at the date and time listed below.

REMEMBER: You must send notification five days prior to the date listed if you wish to inspect the property.

Notification is to be sent via e-mail: SKennedy@housingforhouston.com

DATE AVAILABLE TO INSPECT	TIME AVAILABLE
November 13, 2024	10:00 am
November 20, 2024	10:00 am

EXHIBIT C – APPRAISAL

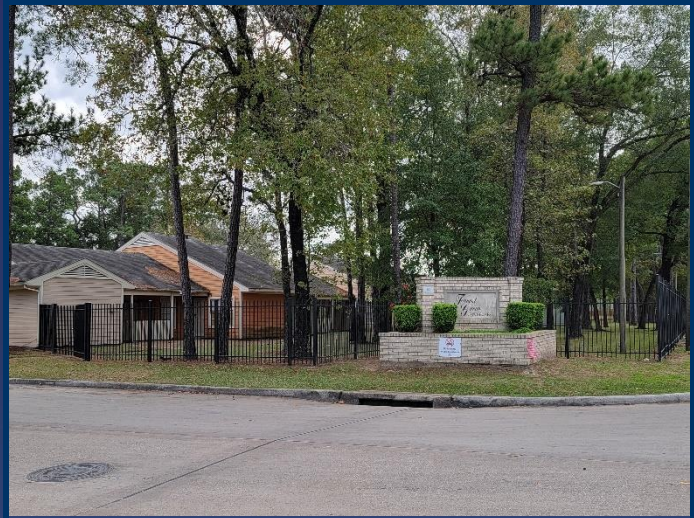


Valbridge
PROPERTY ADVISORS

Appraisal Report

Forest Green Townhome
8904 Forest Hollow St
Houston, Harris County, Texas 77078

Report Date: January 27, 2023



FOR:

Houston Housing Authority
Mr. James Williams

2640 Fountain View Drive
Houston, Texas 77057

Client Number:

**Valbridge Property Advisors |
Houston**

974 Campbell Road, Suite 204
Houston, Texas 77024
(713) 467-5858 phone
(713) 467-0704 fax
valbridge.com

Valbridge File Number:
TX02-22-1826-000



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January 27, 2023

Mr. James Williams
Houston Housing Authority
2640 Fountain View Drive
Houston, Texas 77057

RE: Appraisal Report
Forest Green Townhome
8904 Forest Hollow St
Houston, Harris County, Texas 77078

Dear Mr. Williams:

In accordance with your request, an appraisal of the above referenced property was performed. This appraisal report sets forth the pertinent data gathered, the techniques employed, and the reasoning leading to the value opinions. This letter of transmittal does not constitute an appraisal report and the rationale behind the value opinion(s) reported cannot be adequately understood without the accompanying appraisal report.

The subject property, as referenced above, is located at 8904 Forest Hollow Street, just off of Mesa Drive and is further identified as tax parcels 1023520000101 and 1023520000001 through 1023520000100. The subject is a 100-unit apartment project built in 1968 which is owned and managed by the Houston Housing Authority and offers affordable housing to low-income families. The subject site is a 13.076-acre or 569,606-square-foot parcel. The improvements sustained heavy damage during Hurricane Harvey in 2017 and as a result, the property has relocated most of its tenants and to this date, remains mostly vacant.

The analyses, opinions, and conclusions were developed, and this report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute; the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA); and the requirements of our client.

The client in this assignment is Houston Housing Authority and the intended user of this report is Houston Housing Authority and no others. The intended use is to aid in determining the market value of the property. The value opinions reported herein are subject to the definitions, assumptions, limiting conditions, and certifications contained in this report.

The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results. **Please take note of the third extraordinary assumption. If applicable, we strongly urge the client to see legal counsel:**

Extraordinary Assumptions:

- We were not provided a property condition assessment or a repair cost estimate to get the damaged units up to livable condition. As such, we have estimated the repair cost based on our observations during our site visit and our conversations with the property contact during this process. It is assumed that our estimate covers all the necessary costs to repair the property. However, we should note we are not experts in the matter and a property condition assessment is recommended. Should more accurate information regarding the condition and cost of repairs be available, our value is subject to change.
- The parcel with tax number 1023520000101 corresponds to the entirety of common areas and property site improvements and is owned by the City of Houston per public records. Should the subject go into the open market, this report assumes the entirety of the property including common areas and site improvements such as sidewalks, parking, clubhouse, amenities and landscaping will be transferred along with the residential buildings.
- That the Harris County requirement for properties with damage that is more than 50% of the assessed value of the improvements be brought up to current standards not apply. Per the site description, about 60% of the site is in Shaded Zone X or deeper in the flood plain. The foregoing infers that 60% of the units are likely similarly located. Harris County now requires that all structures be at least 2 feet above said elevation. It would be cost prohibitive to raise units to meet such requirements. It is our opinion that the Housing Authority would not be held to such standards, but that a private or profit oriented investor would be held to these requirements. If that is the case, the market value would be land value less demolition costs.

Hypothetical Conditions:

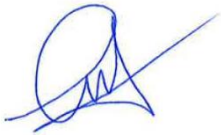
- The market rent scenario assumes there are no rent restrictions in place as of the date of value

Based on the analysis contained in the following report, our value conclusions are summarized as follows:

Value Conclusions

Component	Market Rent	As Is - Affordable
Value Type	Market Value	Market Value
Real Property Interest	Leased Fee	Leased Fee
Effective Date of Value	December 16, 2022	December 16, 2022
Value Conclusion	\$3,840,000	\$6,450,000

Respectfully submitted,
Valbridge Property Advisors | Houston



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Summary of Salient Facts

Property Identification

Property Name	Forest Green Townhome
Property Address	8904 Forest Hollow St Houston, Harris County, Texas 77078
Latitude & Longitude	29.864212, -95.260964
Tax Parcel Number	1023520000001 through 1023520000100
Property Owner	Housing Authority of Houston

Site

Zoning	(Not Zone)
FEMA Flood Map No.	48201C0685L
Flood Zone	Zone X, Zone X (shaded), Zone A and Floodway
Primary Land Area	13.076 acres

Existing Improvements

Property Use	Garden, Low-Rise
Occupancy Type	Tenant occupied
Gross Building Area (GBA)	95,900 sf
Net Rentable Area (NRA)	92,400 sf
Number of Units	100
Number of Buildings	14 plus Clubhouse
Number of Stories	1
Year Built	1968
Condition	Fair
Construction Class	D - Wood Frame
Construction Quality	Average

Valuation Opinions

Highest & Best Use - As Vacant	Multifamily
Highest & Best Use - As Improved	Multifamily
Reasonable Exposure Time	6 months
Reasonable Marketing Time	6 months

Value Indications

Approach to Value	Market Rent	As Is - Affordable
Land Only - Sales Comparison	\$1,280,000	
Cost	Not Developed	Not Developed
Sales Comparison	\$3,710,000	\$5,620,000
Income Capitalization	\$3,840,000	\$6,450,000

Value Conclusions

Component	Market Rent	As Is - Affordable
Value Type	Market Value	Market Value
Real Property Interest	Leased Fee	Leased Fee
Effective Date of Value	December 16, 2022	December 16, 2022
Value Conclusion	\$3,840,000	\$6,450,000

Aerial and Front Views

AERIAL VIEW



FRONT VIEW



Introduction

Client and Intended Users of the Appraisal

The client in this assignment is Houston Housing Authority and the intended user of this report is Houston Housing Authority.

Intended Use of the Appraisal

The intended use of this report is to aid in determining the market value of the property.

Real Estate Identification

The subject property is located at 8904 Forest Hollow St, Houston, Harris County, Texas 77078. The subject property is further identified by the tax parcels 1023520000101 and 1023520000001 through 1023520000100.

Legal Description

Lots 1 to 100, Forest Green Section 3, Harris County, Texas

Use of Real Estate as of the Effective Date of Value

As of the current date of value, the subject was a multifamily property targeted to low-income families.

Use of Real Estate as Reflected in this Appraisal

The current opinion of value for the subject property reflects use as a multifamily property with low-income rent restrictions and also the value of the subject without any income restrictions in place. (market rents)

Ownership of the Property

According to HCAD, title to the subject property is vested in Housing Authority of Houston (residential buildings) and the City of Houston (common areas).

History of the Property

Ownership of the subject property has not changed within the past three years. The subject has been operated as a low-income housing project owned and managed by the Houston Housing Authority. In 2017, the subject suffered flooding damages and as a result, 84 tenants were relocated to other locations while 16 tenants remained at the property. The owner performed some damage control work such as removing all damaged walls and mold treatment. However, no further repairs were performed, and these units have remained in non-livable condition since these events. To this date, there are only 4 tenants remaining at the property.

Type and Definition of Value

The appraisal problem is to develop an opinion of the market value of the subject property. Market value is defined as the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale with the buyer and seller each acting prudently, 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 interest;*
- *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 sale¹*

Please refer to the Glossary in the Addenda section for additional definitions of terms used in this report.

Valuation Scenarios, Property Rights Appraised, and Effective Dates of Value

Opinions of value for the subject property were developed under the following valuation scenarios:

Valuation Scenario	Effective Date of Value
As Is Market Value of the Leased Fee Interest (with low-income restrictions)	December 16, 2022
Market Value of the Leased Fee Interest (Market Rents, no restrictions)	December 16, 2022

Date of Report

The date of this report is January 27, 2023.

List of Items Requested but Not Provided

- Property conditions assessment, repairs budget, cost of partial repairs incurred by the owner

Assignment Challenges

The subject does not have reliable operating expenses as it has been operating under atypical circumstances. This poses an additional challenge for the rent restricted scenario as we do not have a proper income, occupancy, and operating expenses to reflect the subject's performance under normal circumstances. As such, we have only relied on market data available.

Assumptions and Conditions of the Appraisal

This appraisal assignment and the opinions reported herein are subject to the General Assumptions and Limiting Conditions contained in the report and the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results.

Extraordinary Assumptions

- We were not provided a property condition assessment or a repair cost estimate to get the damaged units up to livable condition. As such, we have estimated the repair cost based on

¹ FIRREA Code of Federal Regulations, Title 12, Part 34 Subpart C - 34.42, 1990; also Interagency Appraisal and Evaluation Guidelines, Federal Register / Vol.75, No. 237, 2010

our observations during our site visit and our conversations with the property contact during this process. It is assumed that our estimate covers all the necessary costs to repair the property. However, we should note we are not experts in the matter and a property condition assessment performed is recommended. Should more accurate information regarding the condition and cost of repairs be available, our value is subject to change.

- The parcel with tax number 1023520000101 corresponds to the entirety of common areas and property site improvements and is owned by the City of Houston per public records. Should the subject go into the open market, this report assumes the entirety of the property including common areas and site improvements such as sidewalks, parking, clubhouse, amenities and landscaping will be transferred along with the residential buildings.
- That the Harris County requirement for properties with damage that is more than 50% of the assessed value of the improvements be brought up to current standards not apply. Per the site description, about 60% of the site is in Shaded Zone X or deeper in the flood plain. The foregoing infers that 60% of the units are likely similarly located. Harris County now requires that all structures be at least 2 feet above said elevation. It would be cost prohibitive to raise units to meet such requirements. It is our opinion that the Housing Authority would not be held to such standards, but that a private or profit oriented investor would be held to these requirements. If that is the case, the market value would be land value less demolition costs.

Hypothetical Conditions:

- The market rent scenario assumes there are no rent restrictions in place as of the date of value.

Scope of Work

The elements addressed in the Scope of Work are (1) the extent to which the subject property is identified, (2) the extent to which the subject property is inspected, (3) the type and extent of data researched, (4) the type and extent of analysis applied, (5) the type of appraisal report prepared, and (6) the inclusion or exclusion of items of non-realty in the development of the value opinion. These items are discussed as below.

Extent to Which the Property Was Identified

The three components of the property identification are summarized as follows:

- Legal Characteristics - The subject was legally identified via appraisal district records.
- Economic Characteristics - The subject property economic characteristics were identified via discussions with market participants, market surveys, and our database, as well as a comparison to properties with similar locational and physical characteristics..
- Physical Characteristics - The subject property physical characteristics were identified via aerial photos, appraisal district records and on-site observations.

Extent to Which the Property Was Inspected

An appraisal inspection of the subject property an appraisal inspection that consisted of exterior observations and interior observations of recently vacated units and vacant damaged units was completed on December 16, 2022. The improvements were not measured during the course of the inspection.

Type and Extent of Analysis Applied (Valuation Methodology)

Surrounding land use trends, the condition of any improvements, demand for the subject property, and relevant legal limitations were observed in the process of concluding a highest and best use for the subject property. The subject property was then valued based on the highest and best use conclusion.

Appraisers develop an opinion of property value with specific appraisal procedures that reflect three distinct methods of data analysis: the cost approach, sales comparison approach, and income capitalization approach. One or more of these approaches are used in all estimations of value.

- Cost Approach - In the cost approach, the value indication reflects the sum of current depreciated replacement or reproduction cost, land value, and an appropriate entrepreneurial incentive or profit.
- Sales Comparison Approach - In the sales comparison approach, value is indicated by recent sales and/or listings of comparable properties in the market, with the appraiser analyzing the impact of material differences in both economic and physical elements between the subject and the comparables.
- Income Capitalization Approach - In the income capitalization approach, value is indicated by the capitalization of anticipated future income. There are two types of capitalization: direct capitalization and yield capitalization, more commonly known as discounted cash flow (DCF) analysis.

All these approaches to value were considered. The availability of data and applicability of each approach to value within the context of the characteristics of the subject property, along with the needs and requirements of the client, were assessed. Based on this assessment, the Sales Comparison and Income Capitalization Approaches were developed. Further discussion of the extent of our analysis and the methodology of each approach is provided later in the respective valuation sections.

Appraisal Conformity and Report Type

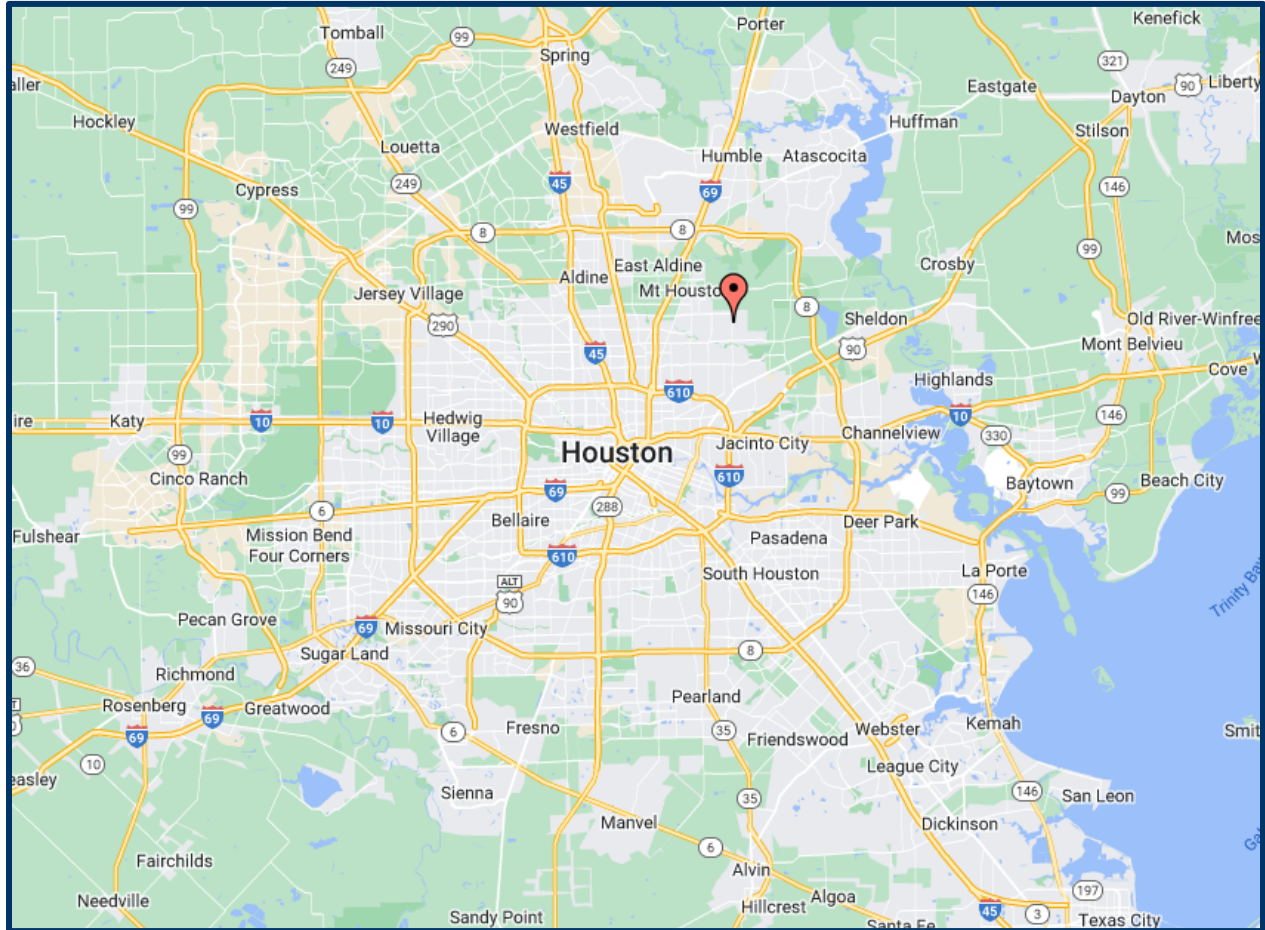
The analyses, opinions, and conclusions were developed and this report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute and the requirements of our client. This is an Appraisal Report as defined by the Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2a.

Personal Property/FF&E

The market value includes typical apartment FF&E; including appliances, etc. This FF&E is not separately valued, which is consistent with industry standards.

Regional and Market Area Analysis

REGIONAL MAP



Overview

The Houston–The Woodlands–Sugar Land MSA is a major metropolitan area in the south central United States and southeast Texas. Houston has a strategic location near Mexico and the Gulf of Mexico. In addition to maritime dominance, Houston occupies a central position along the I-10 corridor, an important east-west highway connecting Florida to Los Angeles. Houston marks the southeastern point of the “Texas Triangle,” a megaregion also bound by Dallas and San Antonio.

Economy

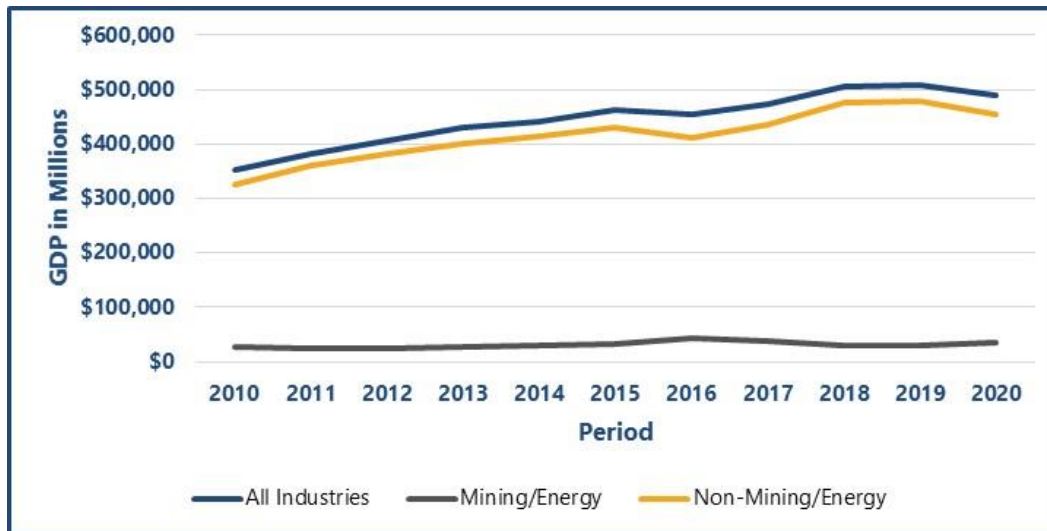
The Houston economy, once dominated by the energy sector, has grown and diversified in recent years. Today, the largest employers in Houston are medical services businesses. Nevertheless, oil and gas remain central to the region’s economy. Houston remains the headquarters for major players in the energy markets as they seek to capitalize on the rapidly-changing industry.

The U.S. Bureau of Economic Analysis reports regional GDP statistics each September for the preceding year. The most current information available is for 2020. The Houston–The Woodlands–Sugar Land MSA has the seventh-largest economy in the United States, unchanged from 2019.

Houston’s economy exceeded \$450 billion in 2015 but declined the following year with most of the decline related to the mining/energy industry, which declined by more than 30% from 2016 to 2018.

Houston’s non-Mining economy has grown from under \$220 billion in 2003 to \$453 billion in 2020, indicating significant economic diversification over the past decade. While the energy sector remains a crucial component of Houston’s economy, its influence over the non-Mining sector has declined. The Houston MSA GDP trend over the past decade is presented in the following graph:

HOUSTON-THE WOODLANDS-SUGAR LAND MSA GDP



Source: U.S. Bureau of Economic Analysis

Population

The COVID-19 pandemic led to an increase in remote work and resulting population migration. The Houston–The Woodlands–Sugar Land MSA was a beneficiary of this trend, experiencing the third largest increase in MSA population during the COVID-19 pandemic. Population characteristics relative to the subject property region are presented in the following table:

Population

Area	2010	2022	Annual % Change 2010 - 22	Projected 2027	Annual % Change 2022 - 27
United States	308,745,538	333,934,112	0.7%	345,887,495	0.7%
Texas	25,145,561	30,157,100	1.7%	31,502,395	0.9%
Houston-The Woodlands-Sugar Land, TX (MSA)	5,920,416	7,421,501	2.1%	7,800,183	1.0%
Harris County	4,092,333	4,875,969	1.6%	5,026,074	0.6%
Houston city	2,108,863	2,355,890	1.0%	2,425,836	0.6%

Source: ESRI (ArcGIS)

Employment

Employment by industry for the MSA is presented in the following graph. Oil drilling and services are included in the Agriculture/Mining category:

Employment by Industry - Houston-The Woodlands-Sugar Land, TX (MSA)

Industry	2022 Estimate	Percent of Employment
Agriculture/Forestry/Fishing/Hunting	8,424	0.24%
Mining/Quarrying/Oil & Gas Extraction	79,892	2.25%
Construction	371,131	10.45%
Manufacturing	339,249	9.55%
Wholesale Trade	115,484	3.25%
Retail Trade	367,360	10.35%
Transportation/Warehousing	232,602	6.55%
Utilities	32,712	0.92%
Information	39,390	1.11%
Finance/Insurance	142,921	4.02%
Real Estate/Rental/Leasing	85,153	2.40%
Professional/Scientific/Tech Services	317,575	8.94%
Management of Companies/Enterprises	3,262	0.09%
Admin/Support/Waste Management Services	150,053	4.23%
Educational Services	300,344	8.46%
Health Care/Social Assistance	411,609	11.59%
Arts/entertainment/Recreation	38,166	1.07%
Accommodation/Food Services	222,537	6.27%
Other Services (excl Public Administration)	188,851	5.32%
Public Administration	104,311	2.94%
Total	3,551,026	100.0%

Source: ESRI (ArcGIS)

The following list of the MSA's top 20 largest employers illustrates the heavy influence of oil and gas and healthcare industries on the region:

Houston Region's Top Employers

Over 20,000 Employees	10,000 to 19,999 Employees	
H-E-B	Exxon Mobil Corp.	Shell Oil Co.
Houston Methodist	HCA Houston Healthcare	Texas Children's Hospital
Memorial Hermann Health System	Kroger	United Airlines
The University of Texas MD Anderson	Landry's	UT Health Science Center
Wal-Mart Stores, Inc.	Schlumberger, Ltd.	Wood Group

Source: Greater Houston Partnership (GHP)

Unemployment

The following table exhibits current and past unemployment rates as obtained from the Bureau of Labor Statistics.

Unemployment Rates

Area	n/a	YE 2018	YE 2019	YE 2020	YE 2021	2022 ¹
United States	n/a	3.9%	3.7%	8.1%	5.3%	3.6%
Texas	n/a	3.9%	3.5%	7.7%	5.7%	3.7%
Houston-The Woodlands-Sugar Land, TX (MSA)	n/a	4.4%	3.8%	8.7%	6.4%	4.0%
Harris County, TX	n/a	4.4%	3.9%	9.0%	6.5%	4.1%
Houston city, TX	n/a	4.3%	3.8%	8.9%	6.4%	4.0%

Source: www.bls.gov

data not seasonally adjusted; ¹Annual - most recent for US, others lag by 1-2 mos.)

Median Household Income

Total median household income for the region is presented in the following table. Overall, the subject's MSA and county compare favorably to the state and the country.

Median Household Income

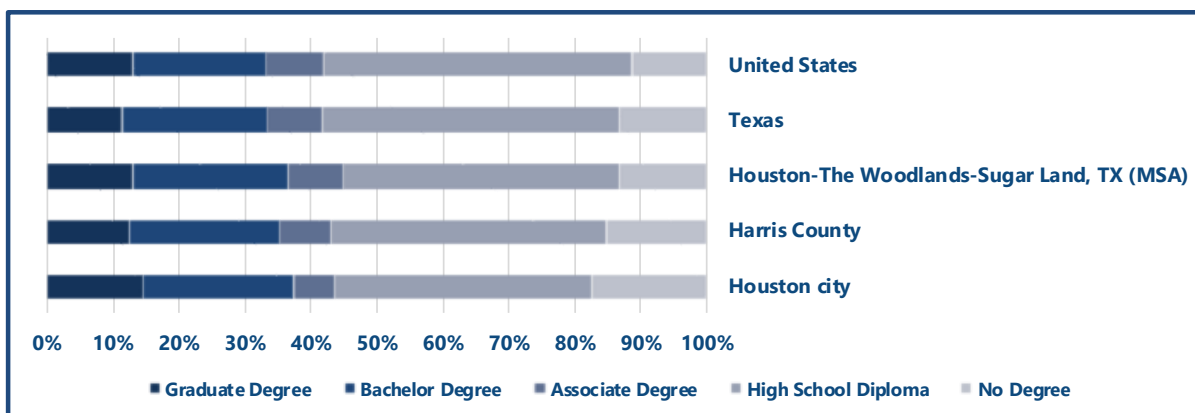
Area	Estimated 2022	Projected 2027	Annual % Change 2022 - 27
United States	\$62,203	\$67,325	1.6%
Texas	\$70,834	\$81,850	3.1%
Houston-The Woodlands-Sugar Land, TX (MSA)	\$77,032	\$89,714	3.3%
Harris County	\$68,569	\$80,537	3.5%
Houston city	\$59,389	\$69,964	3.6%

Source: ESRI (ArcGIS)

Education

Educational attainment refers to the highest level of education completed. Higher ratios of graduate and bachelor degree attainment generally reflect a more desirable employee base. The following chart presents education attainment for the region:

EDUCATION ATTAINMENT



Source: ESRI (ArcGIS)

Base Industries

The group of industries that generates the greatest amount of employment and income in excess of the needs of the local community is referred to as the regional economic base. The following is a summary of the region's largest base industries.

Energy Markets

Mining activity, including oil drilling and oilfield services, comprises about one eighth of Houston's economy today, down from 20-25% over the recent past. But even as Houston diversifies and grows its non-mining sectors, energy—in particular, oil—is a crucial component to the economic health of the region. Houston is considered the U.S. energy headquarters and a world center for virtually every segment of the oil and gas industry, including exploration, production, transmission, marketing, supply, and technology. The market for oil is global, with relatively few producers, but a vast number of consumers. Global supply and demand determines oil prices, so events around the world affect pricing everywhere.

After mostly stabilizing in the \$50 to \$70 per barrel range from 2017 to 2019, oil prices fell to below \$25 in March 2020, then below \$15 in April 2020. The initial decline was a result of OPEC+ failing to agree on a production cut and Saudi Arabia subsequently launching an oil price war in retaliation against Russia for not agreeing to OPEC's proposed production cut. However, the COVID-19 pandemic has resulted in school and office closures, minimal air travel, and a significant part of the population staying at home, reducing worldwide demand for oil by approximately one-third.

The oil and gas sector experienced a sharp downturn in 2015 that led to consolidation and Houston's surviving oil and gas companies are significantly leaner and more efficient than in prior periods. As a result, they were able to handle this short-term price collapse with few bankruptcies and consolidation. Houston-based oil and gas companies require sustained pricing above \$40/bbl before growth in the industry can resume. Prices have been above this level since the start of 2021 and in March 2022, steep sanctions that include a ban on the import of Russian oil, liquefied natural gas, and coal to the United States were imposed in reaction to Russia's invasion of Ukraine. These actions have resulted in steep increases in oil prices to levels that have not been experienced since 2014.

Although prices have been at levels that support industry growth since the start of 2021, the Biden administration has limited drilling and distribution opportunities and investors are demanding capital return in the form of dividends and buybacks over drilling expansion. As a result, elevated oil prices have resulted in limited growth in the oil and gas industry and most experts predict current pricing to normalize at the conclusion of the Russia-Ukraine war. The following graph illustrates oil prices over the prior five years with the COVID-19 induced recession highlighted:

FIVE YEAR WEST TEXAS INTERMEDIATE (WTI) OIL PRICE HISTORY



Petrochemical

Petrochemicals are chemical obtained from cracking or processing petroleum oil or natural gas. Petrochemicals and their derivatives are used as elastomers, fibers, plasticizers, and solvents, feedstock, and for production of thousands of other products. This industry is closely related to the oil drilling and refining industry, but is counter-cyclical to it, as oil and gas are inputs to the petrochemical process and are thus costs rather than the final product to be sold. Petrochemical facilities are primarily located east of downtown Houston, from the ship channel through Mont Belvieu to Baytown.

Aerospace

Houston's aerospace industry is centered on the Johnson Space Center and the contractor companies—more than fifty—that support it. Johnson Space Center is NASA's home for spaceflight training, research, and flight control. Boeing's Space Exploration Headquarters is in Houston, as is Lockheed Martin's Information Systems division.

Healthcare

The Texas Medical Center, located southwest of downtown Houston, is the largest medical center in the world. It is home to 54 medicine-related institutions, including 21 hospitals and eight specialty institutions, eight academic and research institutions, four medical schools, six nursing schools, and schools of dentistry, public health, pharmacy, and other health-related practices.

Distribution

Houston's distribution economy benefits from the community's location at the Gulf of Mexico and along both major interstate (I-10/I-45) and railroad (BNSF and Union Pacific) lines. The Panama Canal expansion project doubled the capacity of the canal by adding a new lane of traffic allowing for a larger number of ships, and increasing the width and depth of the lanes and locks allowing larger ships to pass. The expanded canal began commercial operation in June 2016. In 2015, more than a quarter of all ships passing through the canal originated from or called at the Port of Houston, generating an annual trade impact of \$137 billion. Opening the Panama Canal to larger ships could significantly boost the Port of Houston's appeal for distribution, allowing shippers from Asia to bypass Los Angeles's crowded Long Beach port. The Port of Houston is the busiest port in the United States in terms of foreign tonnage and second in the United States in terms of overall tonnage.

Headquarters

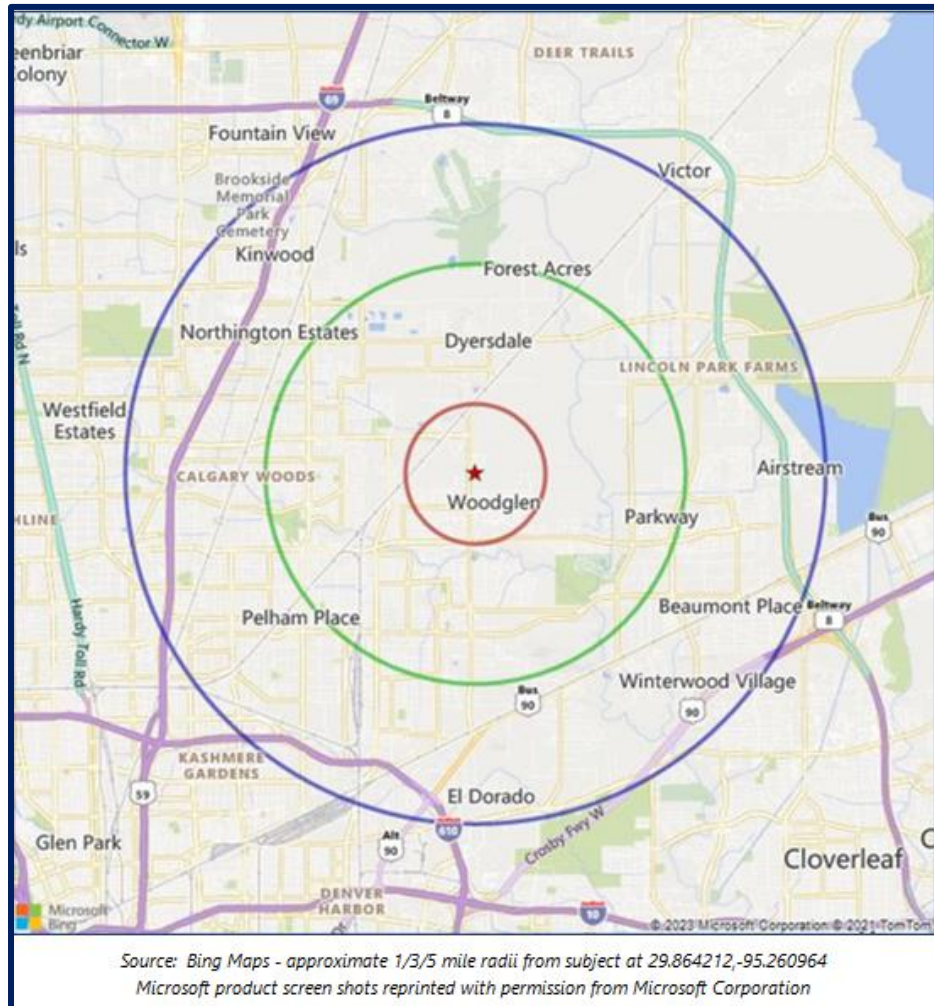
Houston is home to 26 Fortune 500 companies, trailing only New York City and Chicago in the nation. Major non-energy related businesses include Sysco Corporation (food services), Waste Management (sanitation) and Group 1 Automotive (automobile dealership).

Conclusion

The present day Houston MSA economy looks little like the one that suffered a sustained recession in the early 1980s. The largest employers in the region are medical, outpacing growth in the oil and gas sector that is not experiencing growth consistent with oil price increases as it has in the past. The market has generally recovered from the COVID-19 pandemic with most businesses returning to full capacity. The outlook for the region is modest growth consistent with pre-pandemic levels.

City and Neighborhood Analysis

NEIGHBORHOOD MAP



Overview

The subject is located in the City of Houston in Harris County. The immediate vicinity is characterized by a mix of residential and commercial uses on Wayside, including some changes of use to commercial from previous residences. Wayside Drive, however, is predominately commercial due to the traffic patterns. Most of the structures are older (pre-1975), with some renovation and rehabilitation in evidence. Driving the interior roadways reveals a mix of older structures and the occasional new building, built to modest standards in this lower income area. There are some institutional buildings such as a hospital and several larger employers in the neighborhood as well.

Neighborhood Location and Boundaries

The subject neighborhood is located in the inner northeast section of Houston. The area is suburban in nature. The neighborhood is bounded by Tidwell Road to the north, Sam Houston Parkway to the east, Loop 610 and Crosby Freeway to the south, and Interstate 69 to the west.

Demographics

The following table depicts the area demographics in Houston within a one-, three-, and five-mile radius from the subject.

Neighborhood Demographics

Radius (Miles)	1 Mile	3 Mile	5 Mile
Population Summary			
2010 Population	4,640	48,778	131,926
2022 Population Estimate	4,760	56,154	161,353
2027 Population Projection	5,037	58,576	165,879
Annual % Change (2022 - 2027)	1.1%	0.9%	0.6%
Housing Unit Summary			
2010 Housing Units	1,645	17,264	45,096
% Owner Occupied	45.5%	58.6%	56.7%
% Renter Occupied	43.6%	31.5%	32.2%
2022 Housing Units	1,765	19,318	54,049
% Owner Occupied	44.3%	55.6%	55.2%
% Renter Occupied	45.7%	37.2%	37.0%
2027 Housing Units	1,894	20,496	56,443
% Owner Occupied	45.2%	56.9%	55.6%
% Renter Occupied	43.7%	34.7%	35.3%
Annual % Change (2022 - 2027)	1.5%	1.2%	0.9%
Income Summary			
2022 Median Household Income Estimate	\$37,601	\$42,095	\$48,932
2027 Median Household Income Projection	\$45,577	\$50,823	\$56,367
Annual % Change	3.9%	3.8%	2.9%
2022 Per Capita Income Estimate	\$16,646	\$17,820	\$21,289
2027 Per Capita Income Projection	\$19,820	\$21,121	\$24,947
Annual % Change	3.6%	3.5%	3.2%

Source: ESRI (ArcGIS)

Within a three-mile radius, the reported population is 56,154 with a projected growth rate of approximately 0.9% annually. There are 19,318 housing units within that three-mile radius. The growth rate is expected to be 1.2% annually. Most of the housing is owner-occupied. Our research indicates that property values in the area are stable.

Within a three-mile radius, the median household income is \$42,095. Looking ahead, annual household income growth is projected at **3.8%** per year. The average income figures suggest that the inhabitants are within the lower income brackets.

Transportation Access

Within the immediate area of the subject property, transportation access helps define the character of its development. Beyond the major roadways noted as neighborhood boundaries, Beaumont

Highway is a primary arterial Secondary thoroughfares consist of Wallisville Road, Crosstimbers/Ley/Green River, Homestead Road, Wayside Drive, Mesa Drive, and C.E. King Parkway.

Neighborhood Land Use

The neighborhood is projected to remain stable for the near term and remain at the same basic demographic income level for the near future. The bulk of development is older although some newer uses were noted, including a very modern senior community across the street. The community is part of Houston and should not be considered a separate economy from that of the city. Both residential and commercial uses, including industrial uses, abound within the area, providing employment and housing opportunities for area residents.

Conclusions

Nominal new growth is projected, although the area remains stable by appearance and signs of new construction bode well for the neighborhood in general. The area does benefit from good access to major arterial roadways and close proximity to major employment hubs; however, new growth throughout the neighborhood is expected to be slow through the foreseeable future.

Site Description

The characteristics of the site are summarized as follows:

Site Characteristics

Gross Land Area:	13.076 Acres or 569,606 SF
Usable Land Area:	13.076 Acres or 569,606 SF
Usable Land %:	100.0%
Shape:	Irregular
Topography:	Level
Drainage:	Assumed adequate
Grade:	Generally at grade
Utilities:	Public water, electricity, gas, and sewer
Off-Site Improvements:	Paved roads
Interior or Corner:	Mid-Block
Signalized Intersection:	No
Excess/Surplus Land:	None

Street Frontage / Access

Frontage Road	Primary	Secondary
Street Name:	Mesa Drive	Forest Hollow Drive
Street Type:	4 lane, two way	two lane, two way
Frontage (Linear Ft.):	1,287	
Number of Curb Cuts:		5

Flood Zone Data

Flood Map Panel/Number:	48201C0685L
Flood Map Date:	06-18-2007
Flood Zone:	Zone X, Zone X (shaded), Zone A and Floodway

A "Regulatory Floodway" means the channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than a designated height. Approximately 15% of the subject site is located within this designation, attributable to its proximity to a creek which bounds the northwest section of the property. Approximately 5% of the subject site is located within Zone A which is the designation for areas subject to a one percent or greater annual chance of flooding in any given year. The majority of the site (approximately 45%) is located within Flood Zone Z (shaded). Zone X (shaded) is an area of moderate flood hazard, usually the area between the limits of the 100-year and 500-year floods. The remainder of the site (35%

approximately) is located within Zone X (unshaded) which is the designation for areas of minimal flood hazard from the principal source of flood in the area and determined to be outside the 0.2% annual chance floodplain.

Portion in Flood Hazard Area: 60.00%

Other Site Conditions

Environmental Issues: None observed or reported
Easements/Encroachments: Typical utility easements

Adjacent Land Uses

North: High School
South: Industrial
East: Vacant land, Creek
West: Residential, Gas Station

Site Ratings

Access: Average
Visibility: Average

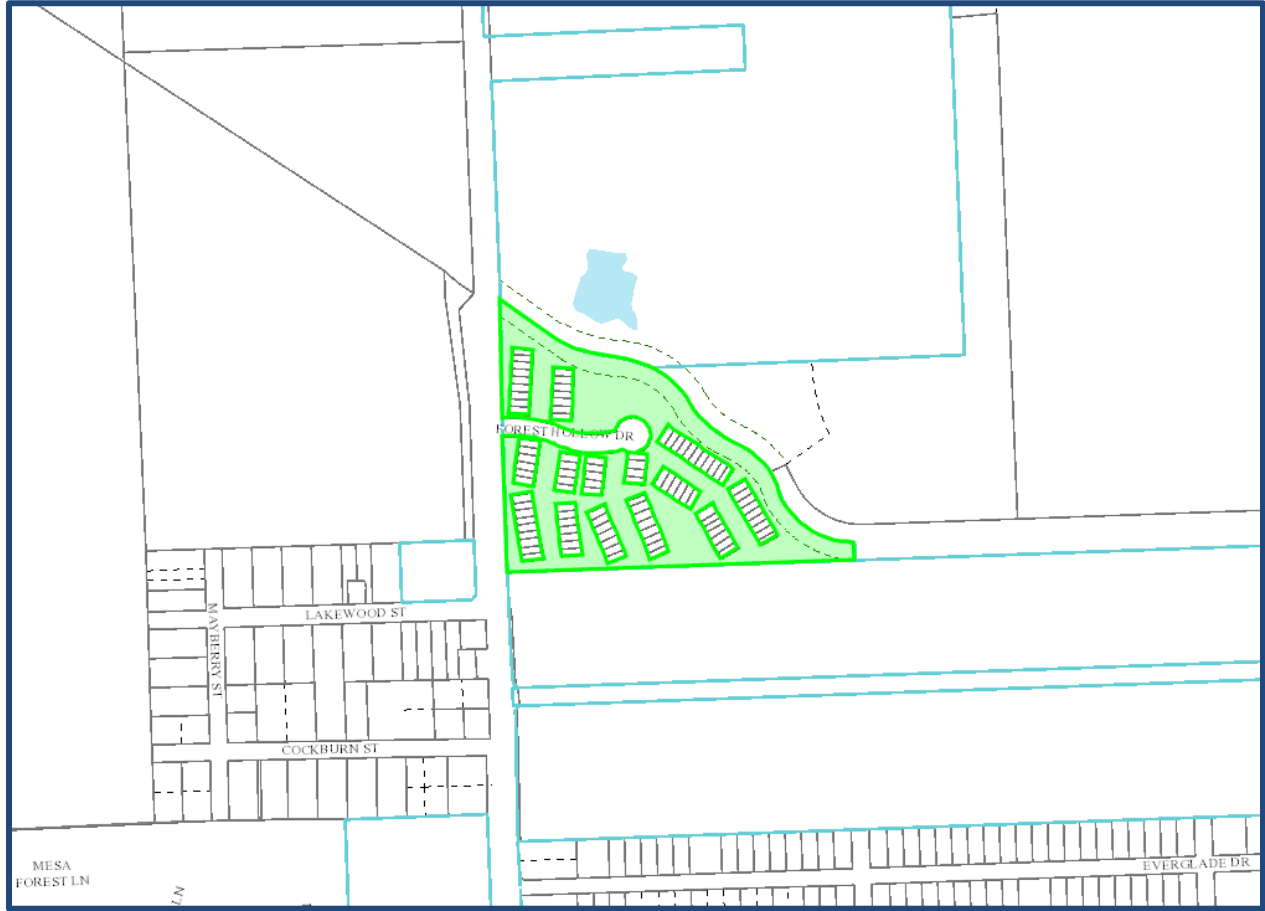
Zoning Designation

Zoning Jurisdiction: City of Houston
Zoning Classification: Not Zoned

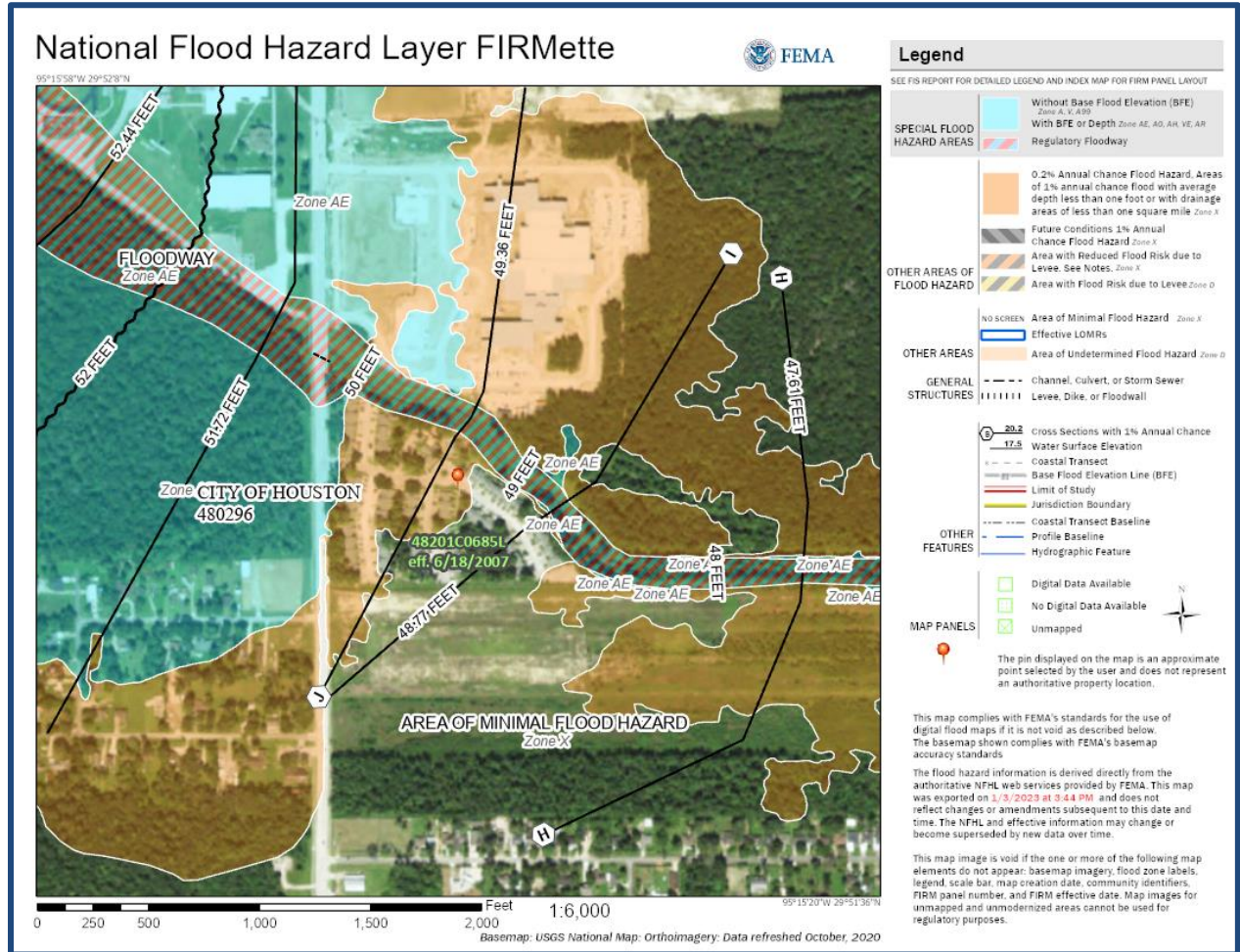
Analysis/Comments on Site

The subject can be accessed via Mesa Drive. Forest Hollow Street is an interior public right of way which goes into the property and provides access to a bus stop located inside the property. The northeastern side of the property is bounded by a creek which is a designated regulatory floodway area. A small portion of the property is affected by floodway and Zone AE, while the majority is located within Zone X (shaded). It should be noted the subject has a history of heavy flooding damages caused by Hurricane Harvey. It is not known if there have been previous flooding damages before this event. The immediate vicinity is predominantly comprised of vacant and heavily wooded land with other surrounding developments being single family residences and industrial developments as well. The subject is immediately next to the North Forest High School and across from the HISD Education Learning Center. Access to schools is rated good. The closest retail cluster with grocery stores is located at the intersection of Tidwell Road and Mesa Drive, roughly 2 miles south from the subject. Access to basic services and shopping is rated average to good.

PLAT MAP



FLOOD MAP



Improvements Description

Improvement Characteristics

Property Type:	Multifamily
Property Subtype:	Garden, Low-Rise
Investment Class:	Class
Number of Buildings:	14 plus Clubhouse
Number of Stories:	1
Construction Class:	D - Wood Frame per Marshall Valuation Service
Construction Quality:	Average
Gross Building Area (GBA):	95,900 SF (based on Google Earth and CoStar)

Unit Mix

Unit Type	Number of Bedrooms	Number of Baths	Total Units	Average Unit Size	Total SF
2 Bedroom	2	2	10	720 sf	7,200 sf
3 Bedroom	3	2	70	888 sf	62,160 sf
4 Bedroom	4	2	20	1,152 sf	23,040 sf
Totals			100	924 sf	92,400 sf

Property Features

Clubhouse On-Site:	Yes
Fitness/Exercise Facility:	No
Whirlpool/Sauna:	No
Basketball Courts:	Yes
Swimming Pools:	No
Gated Parking/Access:	No
Storage Units:	No
Security Personnel:	No
Other Property Amenities:	Playground and walking areas. The clubhouse appears to have a community room and used to house the management office. Currently, it is completely vacant due to the damages that have not been repaired and is not in use. Only the outdoor amenities are in use. The subject has a perimeter fence but no access gates.

Unit Features

Kitchen Appliances/Finish:	Refrigerator, stove/oven, laminate countertops
Fireplace in Units:	No
Washer/Dryer Connection:	Yes
Washer/Dryer Included:	No
Restroom Finish:	Vinyl flooring, shower-tub combination

Patio/Balcony: No
 Security System in Unit: No
 Other Unit Amenities: None

Ratios & Parking

Land-to-Building Ratio: 5.94 to 1 (Usable Land/GBA)
 Floor Area Ratio (FAR): 0.17 (based on GBA)
 Parking Spaces: 208
 Parking Ratio: 2.08 spaces/unit
 Parking Comments: Open paved parking

Age / Life

Year Built: 1968
 Renovated/Yr. Renovated: No
 Yr. Blt./Renovated: See deferred maintenance notes
 Comments:
 Condition: Fair
 Actual Age: 55 years
 Effective Age: 30 years
 Typical Building Life: 60 years
 Remaining Economic Life: 30 years

Structural Characteristics

Foundation: Concrete slab
 Building Frame: Wood
 Exterior Walls: Siding
 Roof Type / Material: Pitched / Composition shingle

Interior

Floors: Vinyl
 Walls: Painted drywall
 Ceilings: Painted drywall
 Lighting: Adequate for the intended use

Mechanical Systems

Electrical: Assumed adequate for intended use
 Plumbing: Assumed adequate for intended use
 Heating: Boiler
 Air Conditioning: Central air conditioning
 Fire Protection/Sprinklers: Smoke detectors

Elevators: None

Site Improvements

Site Improvements: Landscaping, playground, sidewalks, basketball court

Landscaping: Average

Legal, Conforming Status

Legally Permitted Use: Yes

Conforms to Parking: Yes

Conformity Conclusion: Legally conforming

Deferred Maintenance

The subject property suffered flooding damages due to Hurricane Harvey in 2017. Following this event, the HHA relocated 84 tenants while 16 remained at the property. The 84 units have remained vacant since this event. Partial repairs were performed since then which consisted primarily of demolition of damaged drywall and insulation and mold remediation. The vacant interior units are at the stud level, with the drywalls partially torn down and vinyl flooring completely removed, some units had the old appliances stored within the apartment but not connected. We were unable to inspect all the units and therefore, the state of each unit is uncertain until a proper property assessment study is performed. Per conversations with the property contact and manager on-site, it is assumed all vacant units are in similar condition. Per our walk around the property, we observed some units had been trespassed. The state of the mechanical systems such as HVAC and plumbing is uncertain due to the long time the units had remained vacant. We inspected two vacant units which had been occupied until recently. These units were in livable average condition with no major deferred maintenance items observed save for cosmetic issues such as chipped paint on the walls and cleaning. We were unable to inspect the 4 units currently occupied, but it is assumed they are in similar condition as the units inspected. The following deferred maintenance items have been estimated by the appraiser based on our observations at the time of inspection. We have used Marshall and Swift Valuation Service to estimate the cost to repair the property up to living standards with the same or similar interior finishes before the flooding damages. We have used the costs from MVS Section 42.

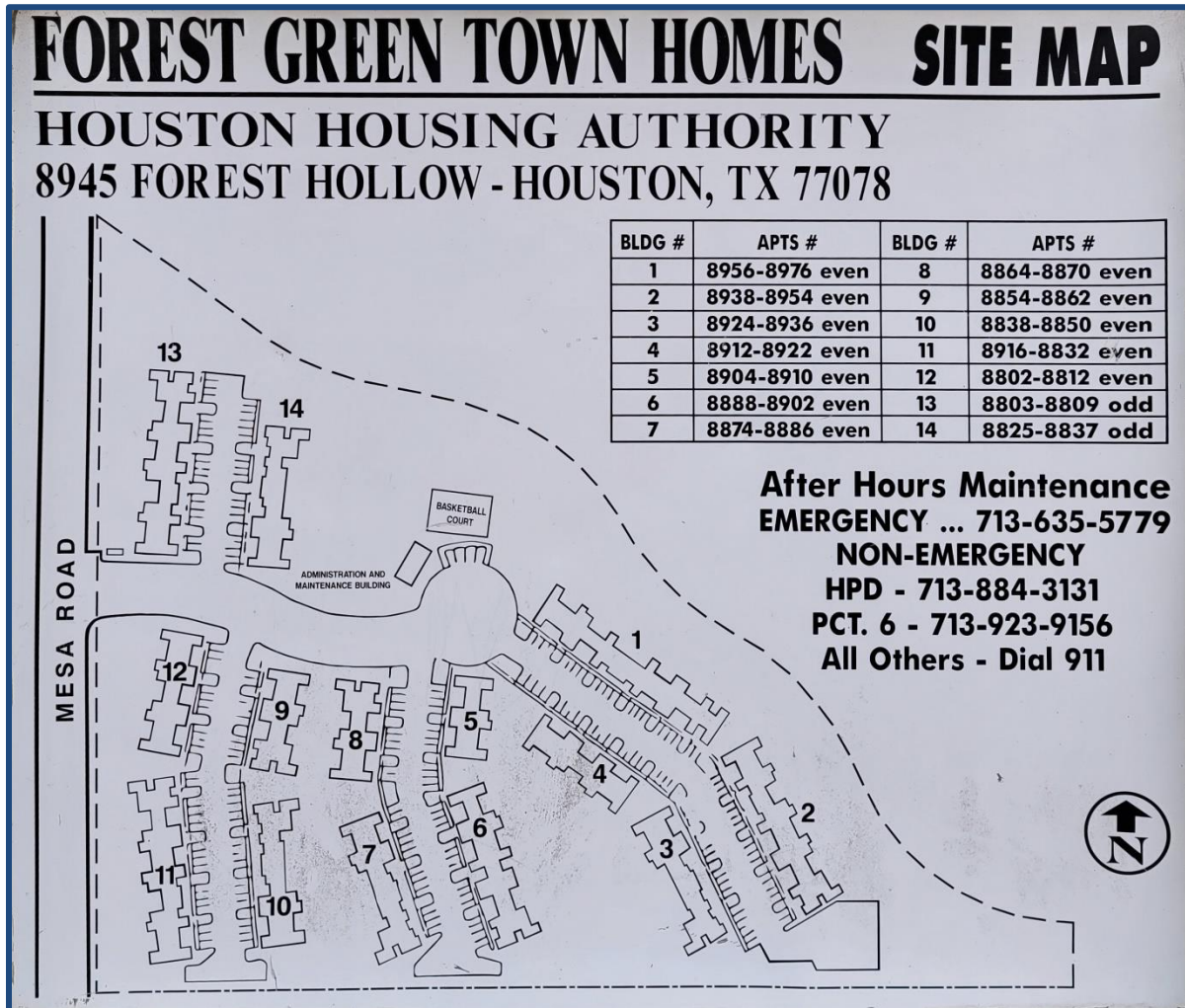
Curable Deterioration (Deferred Maintenance)

Item	Replacement Cost
Appliances: Refrigerator, Stove/oven, disposal	\$142,716
Interior Construction(*)	\$1,193,346
Flooring cover: Vinyl	\$331,545
HVAC	\$683,021
Clubhouse: walls and flooring	\$70,578
Plumbing	\$603,076
Entrepreneurial Incentive @ 20%	\$604,856
Total	\$3,630,000

Analysis/Comments on Improvements

The subject currently has 96 vacant units out of which, 84 units had been vacant since 2017 after they sustained flooding damages due to Hurricane Harvey. The state of these units is assumed to be fair as the Housing Authority performed some preliminary work to avoid further damage to the structures; however, no actual repairs were performed and therefore, the units are currently not in livable condition. The units which had been occupied until recently were in average condition. Per our inspection of these units, the interior finishes and amenities is on par with similar Class C properties in the area with similar construction design and age. The subject also has a community room building which used to house the management office. At the time of inspection, the management office was operating from a trailer container as a temporary office. This building is currently vacant due to the damages from Harvey. The building has electricity and currently stores some of the old furniture and appliances, but the damaged walls and flooring has been torn down as part of the work performed to avoid further damage and mold. The subject has common areas such as walking trails, a playground and a basketball court which are in average to good condition. The functional utility of the property is fair based upon a comparison of similar properties in the market area.

SITE PLAN



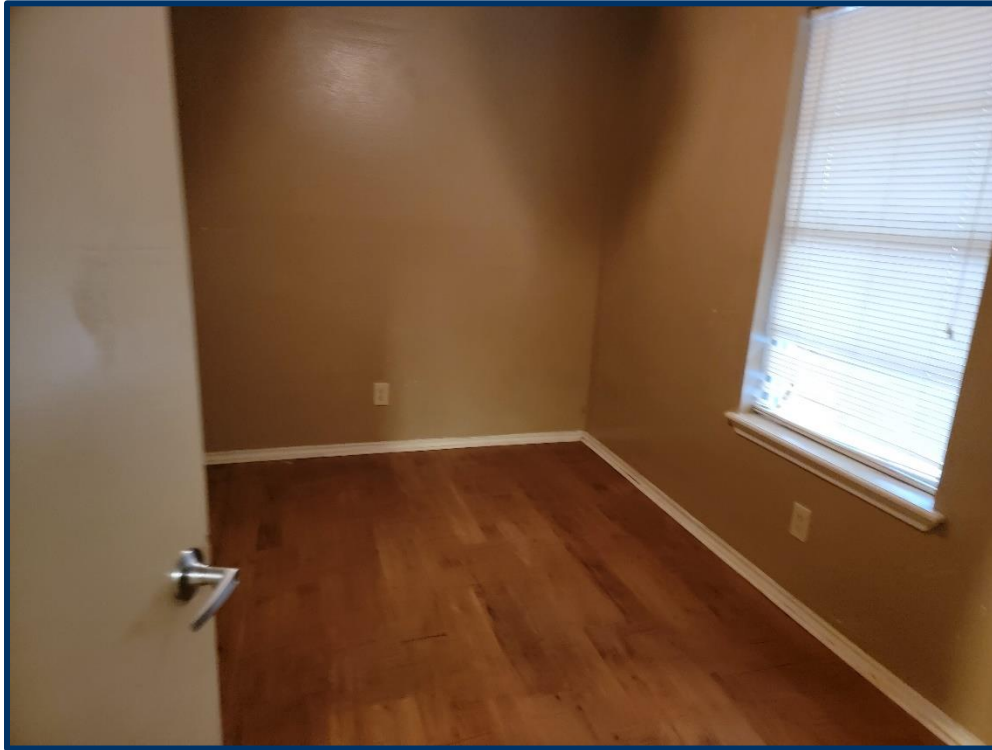
Subject Photographs



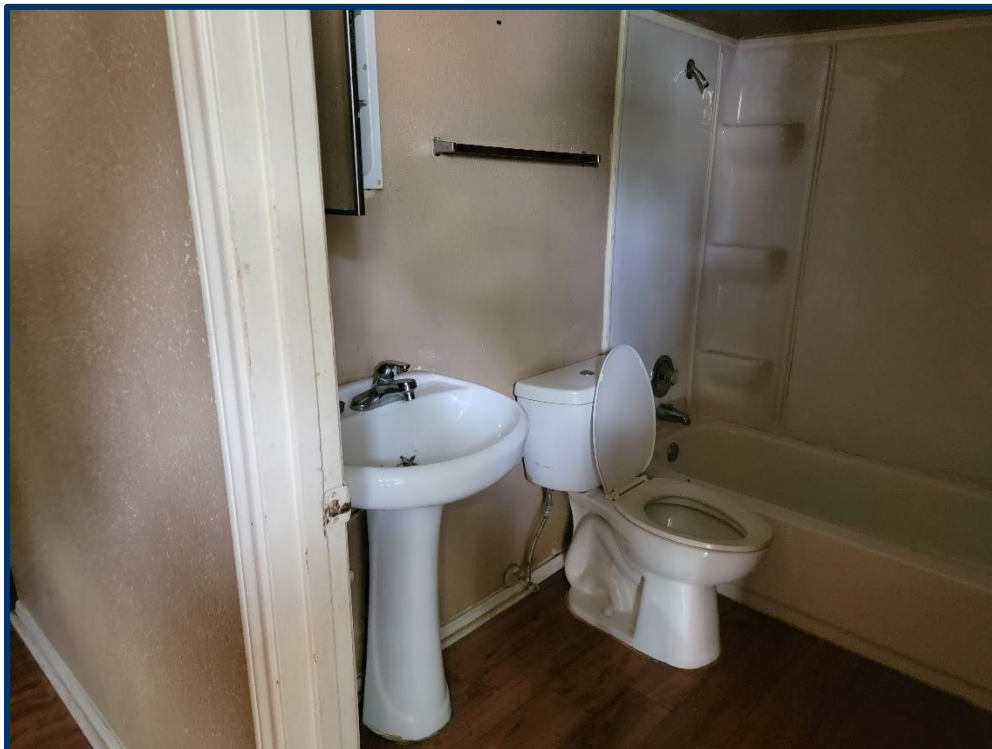
Interior view of the clubhouse/management office



View of one of the recently vacated units – Kitchen area



View of one of the recently vacated units – Bedroom



View of one of the recently vacated units – Bathroom



Interior view of one of the vacant units. All other vacant and damaged units are assumed to be in similar condition



Typical exterior view of the residential units



Playground and basketball court



Bus stop located within the property

Additional photos are included in the Addenda.

Assessment and Tax Data

The subject is within the Harris County Appraisal Jurisdiction which assess properties at 100% market value. However, the subject is currently tax exempt. For the market scenario, we gathered tax comparables to estimate the subject's assessment and subsequent tax liability. For the affordable scenario, we have considered the current tax exemptions in place when estimating the tax liability.

Ad Valorem Tax Schedule - 100% Market

Tax Parcel Number: 102352000001 through 1023520000100

Harris County Year	Actual 2020	Actual 2021	Actual 2022	Appraiser's Estimate Year 1
Appraised Value				
Total:	\$0	\$0	\$0	\$4,500,000
Per Unit:	\$0	\$0	\$0	\$45,000
% Change:	N/A	N/A	N/A	N/A
Assessment Ratio	0.00%	0.00%	0.00%	100.00%
Assessed Value	\$0	\$0	\$0	\$4,500,000
% Change:	N/A	0.0%	0.0%	#DIV/0!
Tax Rate per \$100	\$2.399400	\$2.330660	\$2.201890	\$2.399400
% Change:	N/A	-2.9%	-5.5%	0.0%
	Actual 2020	Actual 2021	Actual 2022	Appraiser's Estimate Year 1
Tax Expense				
Total:	\$0	\$0	\$0	\$107,973
Per Unit:	\$0	\$0	\$0	\$1,080

Tax Comparables

2022 Tax Comp.	Parcel Number	Property Name	Address	Building Size	Year Built	Appraised Value	
						Total	Per Unit
1	1021350000010	Angel Ridge	8600 Sterlingshire St	135,135	1979	\$6,138,721	\$37,204
2	0481090000006	Parker Square	10300 Shady Ln	145,635	1974	\$9,361,699	\$53,495
3	0825270000089	Las Palmas	7170 Parker Rd	120,350	1970	\$3,485,188	\$24,036
4	1164270000009	Villas on Green	9603 Homestead	209,152	2000	\$7,130,420	\$27,853
	&						
	1202870000001						
Median				140,385	1977	\$6,634,571	\$32,529
	1023520000001						
	through						
Subject	1023520000100	Forest Green Townhome	8904 Forest Hollow St	92,400	1968	\$4,500,000	\$45,000

For our assessment estimate, we are considering the subject is in average livable conditions as the deferred maintenance will be subtracted after the preliminary value conclusion. The comparables did not report any renovations and have overall similar effective age as the subject. Comparable 2 features a slightly superior location compared to the subject and thus is considered an upper limit. Comparable 3 features the closest location to the subject, but the subject's design is physically superior due to the single-story design and amenities. Based on the foregoing, the appropriate assessment per unit for the subject would be between Comparables 1 and 2, or \$45,000 per unit.

Conclusions – 100% Market

The estimated assessed value of the subject (100% market, no tax exemptions) is estimated at \$4,500,000 or \$45,000 which is less than the preliminary estimated market value of the subject.

Conclusions – Affordable

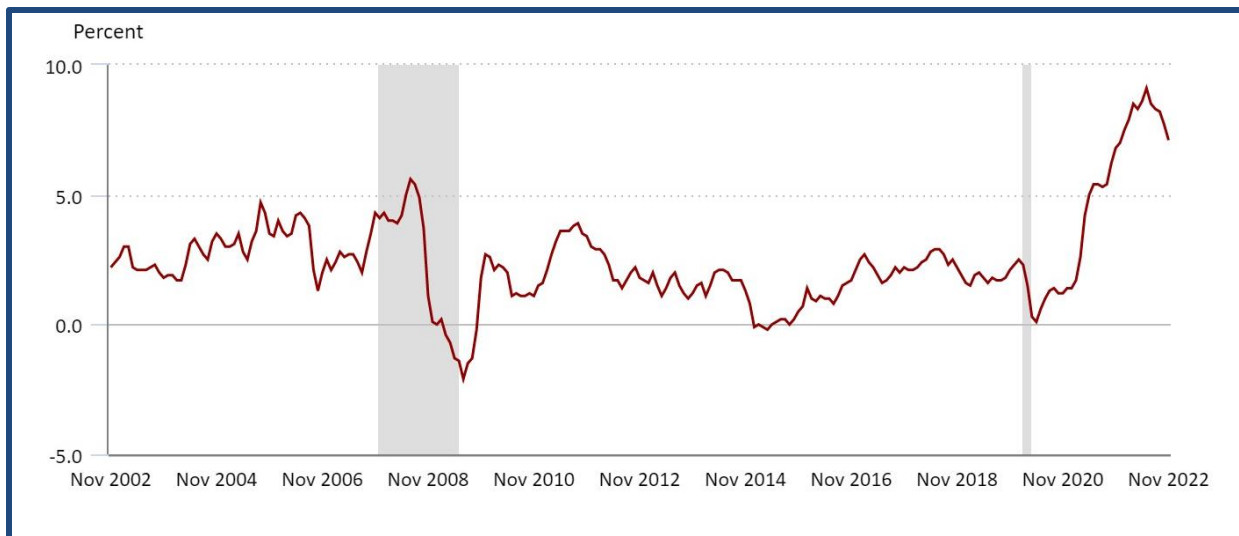
The subject is currently tax exempted. For the affordable scenario, these exemptions have been considered when estimating the operating expenses.

Market Analysis

Inflation

Inflation is perhaps the biggest 2023 concern for CRE markets and investors. High inflation rates are being driven by both demand (stimulus, more businesses opening, high savings rates) and supply factors (labor shortages and supply chain disruptions). While at the highest rate in 30 years, inflation will likely stay high for the next year. The following table presents historical inflations rates:

ANNUAL CPI RATE OF CHANGE



Source: U.S. Bureau of Labor Statistics

The November 2022 CPI reading was an annual rate of 7.1%, down from the annual rate of 9.0% in June, a pace not seen since 1990. Because of the unique nature of the causes of this rate of inflation, the demand outlook does not point to accelerating inflation over the medium term, which is most important for the overall economic outlook and for decision makers at the Federal Reserve. Market participants anticipate that the Fed will continue to hike interest rates in early 2023 to combat inflation. The biggest risk is that unexpected runaway inflation would be damaging to the economy and negatively affect commercial property markets. However, this is not the expected scenario and elevated inflation can have a net positive impact on commercial property values.

Interest Rates

To combat inflation, the Federal Reserve raised the federal funds rate by 25 basis points in March 2022, reflecting the first increase since 2018. However, this increase had little to no impact in year over year inflation and the Federal Reserve raised rates by an additional 50 basis points in May 2022, followed by 75 basis points in June, July, September, and November 2022. Interest rate increases were moderated in December at 50 basis points in response to CPI rolling over.

Interest rate increases affect capital-intensive industries like real estate. As credit becomes more expensive, investor return requirements increase, which can lead to higher capitalization rates expectations. As inflation persists and the market anticipates additional rate hikes by the Fed, slower growth in CRE pricing and transactions is expected.

In general, nominal (non-inflation adjusted) real estate returns perform well under a variety of rate environments, while inflation-adjusted real estate returns are strongest during periods of stability, according to research done by Trepp. In a March 2022 report on interest rates and commercial real estate, moderate declines or slight increases (0 to 50 basis points) create the strongest returns, with median annual growth at 3.1%. Trepp outlined the following possible impacts of higher interest rates on major CRE sectors:

Multifamily

Issuance in this sector surged in the low-interest-rate environment of 2020 and 2021. Sharply higher interest rates put a dent in issuance in late 2022, as higher borrowing costs reduced demand for debt financing. In the long-term, issuance could rebound. Despite the current trend of declining unemployment and rising income, wage inflation is outpacing price inflation as of now. If this inflation trend continues, consumer demand could be pushed further toward rental properties.

However, the market is currently experiencing a shift away from renting. According to data from the United States Census Bureau, the homeownership rate increased to 65.5% in Q4 2021, a decline from the Q2 2020 peak of 67.9% (a rate height that has yet to be surpassed by those seen post-2008 financial crisis). Additionally, those between the ages of 25 to 29 have increased their homeownership share to 35.4%, up from 34.8% a year earlier, possibly suggesting that younger families are moving away from renting.

Office

The office sector also benefited from the low-interest-rate environment. However, rising interest rates have resulted in an overall drag on growth in 2022 with some companies reducing their projections for future office space needs. With that in mind, landlords have been more willing to lock in tenants at their current rates rather than risk losing them. However, firms are in the midst of the debate over hybrid, in-person, and fully remote expectations from employees, and some are choosing to offload their excess office spaces and either downsize or do away with their in-person spaces for good.

Additionally, rising rates have been problematic when it comes to refinancing. The office market is already in turmoil and rising interest rates are adding to the uncertainty in the market.

Retail

With rising interest rates and a slowing economy, some retailers may curtail plans for growth in response to an up-and-coming potential drop in disposable consumer income. This curtailment may make it more difficult to backfill vacant spaces and lead to consolidation by retailers. Investors could choose to approach 2023 with a more conservative view of retail occupancy going forward.

Lodging

The hotel industry faces challenges from both a supply and demand perspective. CMBS lenders abruptly stopped funding loans when the pandemic took effect in 2020, but, since then lodging loan issuance has picked up. While this seems like good news, the uptick in issuance could prove too fast and there is a potential for the supply to outpace demand. There may not be enough demand to absorb the new supply if consumers and businesses maintain and reduce their levels of spending.

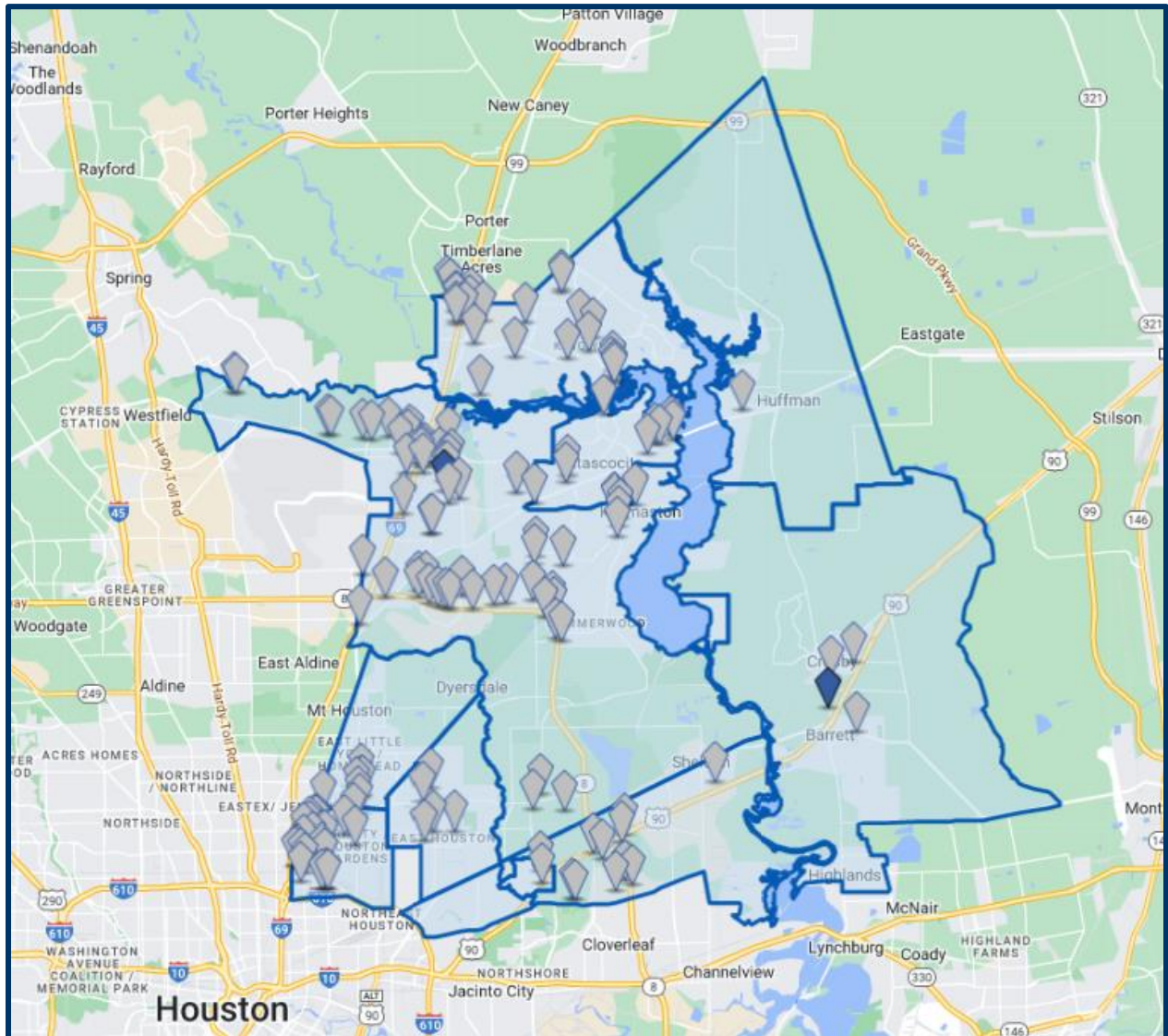
Conclusions

Various market participants will feel the effects of rising interest rates. As highlighted above, each sector of the CRE space will react differently to these rising rates. Ultimately there was some volatility in late 2022 experience across most CRE sectors, which is expected to continue until interest rates moderate.

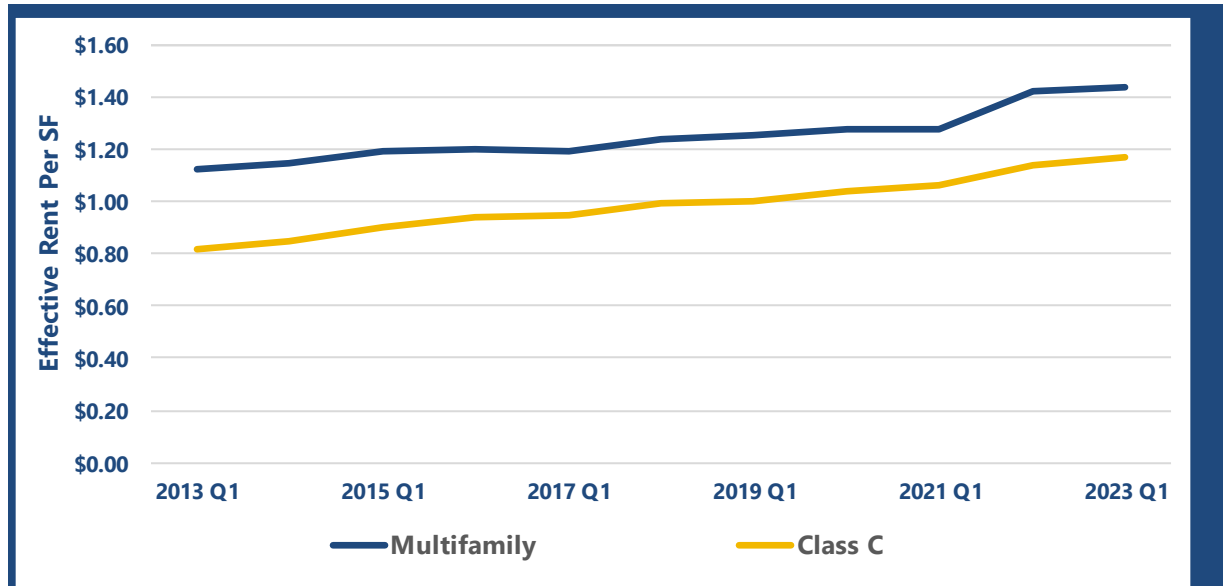
Local Market Performance

Market analysis is a study of market conditions for a specific property type. The following market analysis of the Houston Multifamily property market is based on data obtained from the CoStar Inc., a leading provider of real estate information services. The analysis presents the subject property's macro and micro markets and includes a breakdown of Class C space. The following is the Houston multifamily market map, as presented by CoStar Inc.:

COSTAR SUBMARKET MAP



HOUSTON - QUOTED RENTAL RATE TRENDS



Time Period	2023 Q1	1-Year	3-Year	5-Year	10-Year
Houston - Multifamily	\$1.44 PSF	\$1.42 PSF	\$1.28 PSF	\$1.24 PSF	\$1.12 PSF
<i>Annual Growth Rate</i>	-	1.4%	4.0%	3.0%	2.5%
<i>Concessions (Disc. from Ask)</i>	1.1%	1.0%	1.4%	3.3%	1.1%
Houston - Class C	\$1.17 PSF	\$1.14 PSF	\$1.04 PSF	\$0.99 PSF	\$0.82 PSF
<i>Annual Growth Rate</i>	-	2.6%	4.0%	3.4%	3.6%
<i>Concessions (Disc. from Ask)</i>	0.8%	0.8%	1.2%	2.5%	1.4%

Source: CoStar Group, Inc.

Houston MSA - All Multifamily

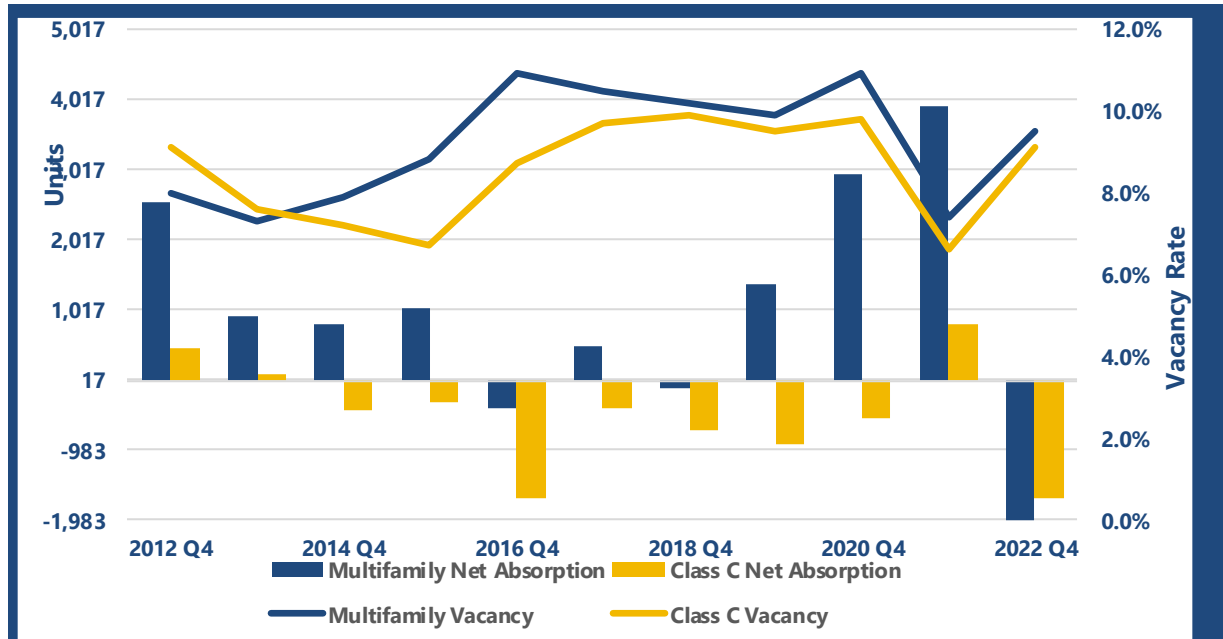
The Houston MSA had a 2022 2nd Quarter average effective rental rate of \$1.44 per square foot for Multifamily units, compared to \$1.42 in the 2021 2nd Quarter, or a 1.4% increase over the prior year. This was lower than the long-term trend.

Houston MSA - Class C

The Houston MSA had a 2022 2nd Quarter average effective rental rate of \$1.17 per square foot for Class C units, compared to \$1.14 in the 2021 2nd Quarter, or a 2.63% increase over the prior year.

Sector Comparison

The average effective rental rate for Class C units was 18.8% lower than the overall Houston multifamily market units and the long-term growth trend was higher.

HOUSTON - VACANCY AND NET ABSORPTION TRENDS


Time Period	2022 Q4	1-Year	3-Year	5-Year	10-Year
Houston - Multifamily	9.5%	7.4%	9.9%	10.5%	8.0%
<i>Avg. Annual Net Absorp. Units</i>	-	316	16.4K	13.8K	12.1K
<i>Avg. Annual Deliveries Units</i>	-	14.8K	17.2K	14.1K	15.1K
Houston - Class C	9.1%	6.6%	9.5%	9.7%	9.1%
<i>Avg. Annual Net Absorp. Units</i>	-	-4.8K	508	376	-399
<i>Avg. Annual Deliveries Units</i>	-	353	331	238	159

Source: CoStar Group, Inc.

Houston MSA - All Multifamily

The Houston MSA had a 2022 2nd Quarter vacancy rate of 9.5% for Multifamily units. Net absorption was positive with 316 units absorbed in the prior year and 14,759 units delivered. This resulted in a vacancy rate increase of 210 basis points.

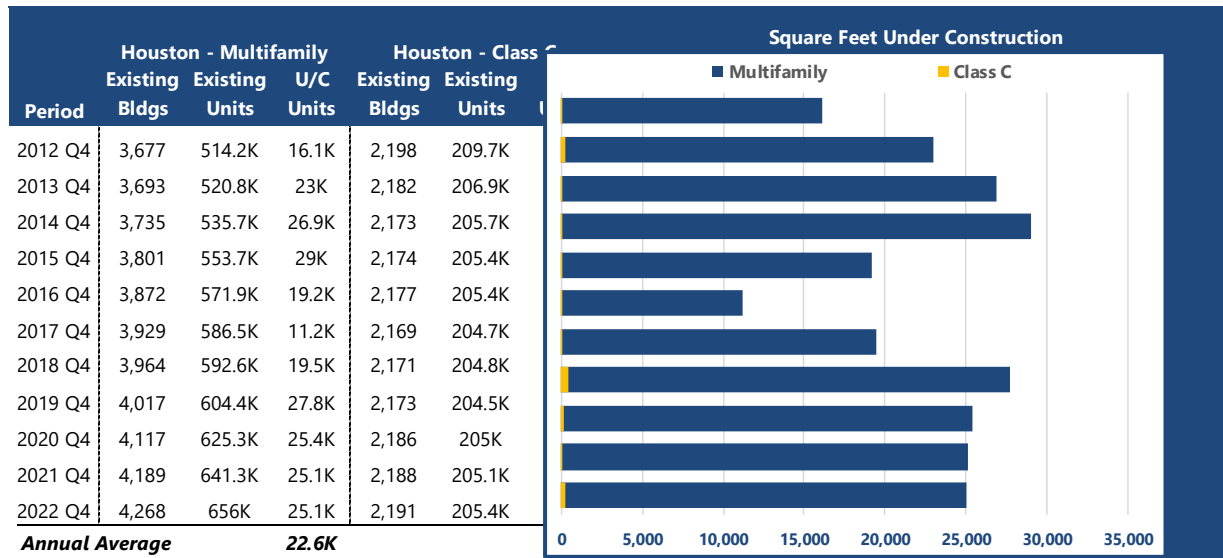
Houston MSA - Class C

The Houston MSA had a 2022 2nd Quarter vacancy rate of 9.1% for Class C units. Net absorption was negative with -4,774 units absorbed in the prior year and 353 units delivered. This resulted in a vacancy rate increase of 250 basis points.

Sector Comparison

The vacancy rate for Class C units was similar than multifamily units. Both sectors had vacancy rates that were relatively consistent with the long-term trend.

HOUSTON - EXISTING SUPPLY AND CONSTRUCTION TRENDS



Source: CoStar Group, Inc.

Houston - All Multifamily

There were 4,268 Multifamily buildings totaling 655,995 units in the Houston with 25,074 units under construction in the 2022 4th Quarter. New construction represented 3.8% of existing supply.

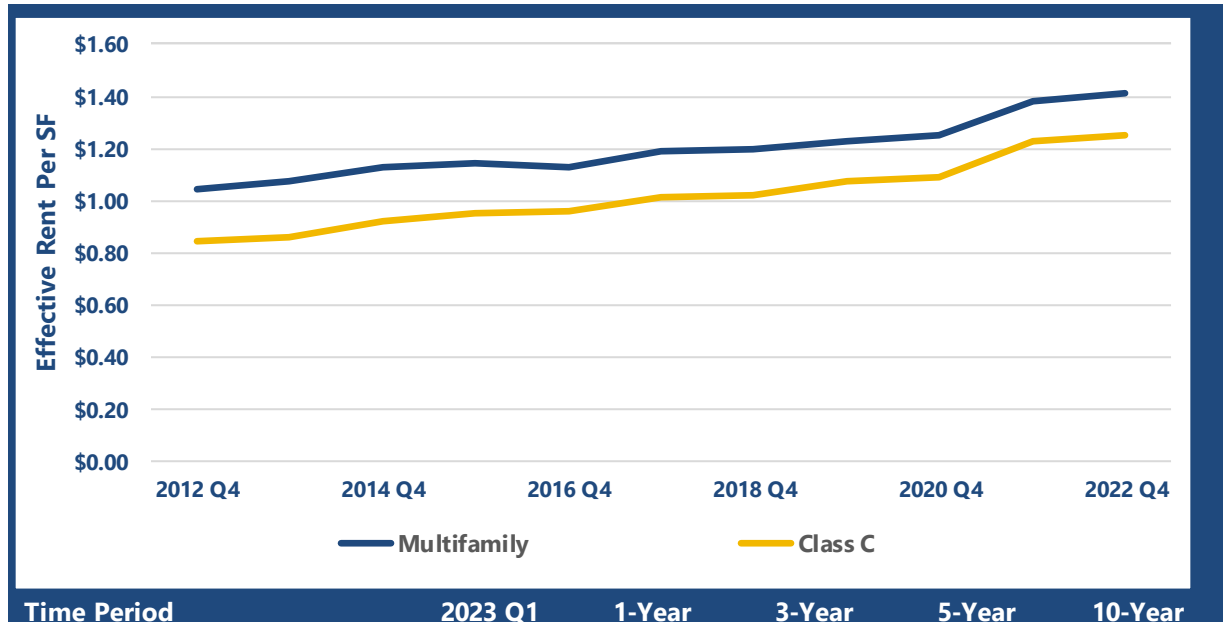
Houston - Class C

There were 2,191 Class C buildings totaling 205,445 units in the Houston with 226 units under construction in the 2022 4th Quarter. New construction represented 0.1% of existing supply.

Sector Comparison

Class C units represented 31.3% of existing supply and 0.9% of new construction in the 2022 4th Quarter.

LAKE HOUSTON AREA - QUOTED RENTAL RATE TRENDS



Time Period	2023 Q1	1-Year	3-Year	5-Year	10-Year
Lake Houston Area - Multifamily	\$1.41 PSF	\$1.38 PSF	\$1.23 PSF	\$1.19 PSF	\$1.04 PSF
Annual Growth Rate	-	2.2%	4.7%	3.5%	3.1%
Concessions (Disc. from Ask)	0.8%	0.4%	1.2%	2.2%	1.2%
Lake Houston Area - Class C	\$1.25 PSF	\$1.23 PSF	\$1.07 PSF	\$1.01 PSF	\$0.84 PSF
Annual Growth Rate	-	1.6%	5.3%	4.4%	4.1%
Concessions (Disc. from Ask)	0.7%	0.5%	0.7%	1.1%	2.4%

Source: CoStar Group, Inc.

Lake Houston Area - All Multifamily

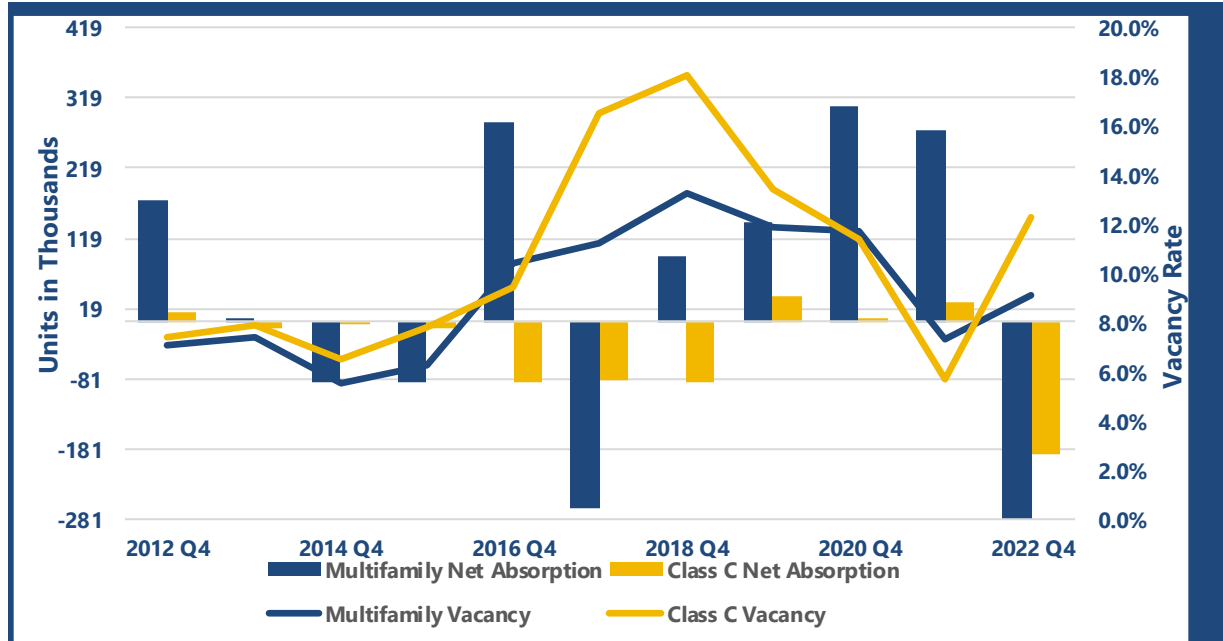
The Lake Houston Area had a 2022 4th Quarter average effective rental rate of \$1.41 per square foot for all multifamily units, compared to \$1.38 per square foot in the 2021 4th Quarter, or a 2.17% increase over the prior year. This was lower than the long-term trend.

Lake Houston Area - Class C

The Lake Houston Area had a 2022 4th Quarter average effective rental rate of \$1.25 per square foot for Class C units, compared to \$1.23 in the 2021 2nd Quarter, or a 1.62% increase over the prior year. This was lower than the long-term trend.

Sector Comparison

The average effective rental rate for all multifamily units was 12.8% higher than Class C units and the long-term growth trend was lower.

LAKE HOUSTON AREA - VACANCY AND NET ABSORPTION TRENDS


Time Period	2022 Q4	1-Year	3-Year	5-Year	10-Year
Lake Houston Area - Multifamily					
	9.1%	7.3%	11.9%	11.2%	7.1%
<i>Avg. Annual Net Absorp. Units</i>	-	-253	987	879	502
<i>Avg. Annual Deliveries Units</i>	-	178	890	889	642
Lake Houston Area - Class C					
	12.3%	5.7%	13.4%	16.5%	7.4%
<i>Avg. Annual Net Absorp. Units</i>	-	-296	16	38	-21
<i>Avg. Annual Deliveries Units</i>	-	0	0	0	1

Source: CoStar Group, Inc.

Lake Houston Area - Multifamily

The Lake Houston Area had a 2022 4th Quarter vacancy rate of 9.1% for all multifamily space. Net absorption was negative with -253 square feet absorbed in the prior year with 178 square feet delivered. This resulted in a vacancy rate increase of 180 basis points.

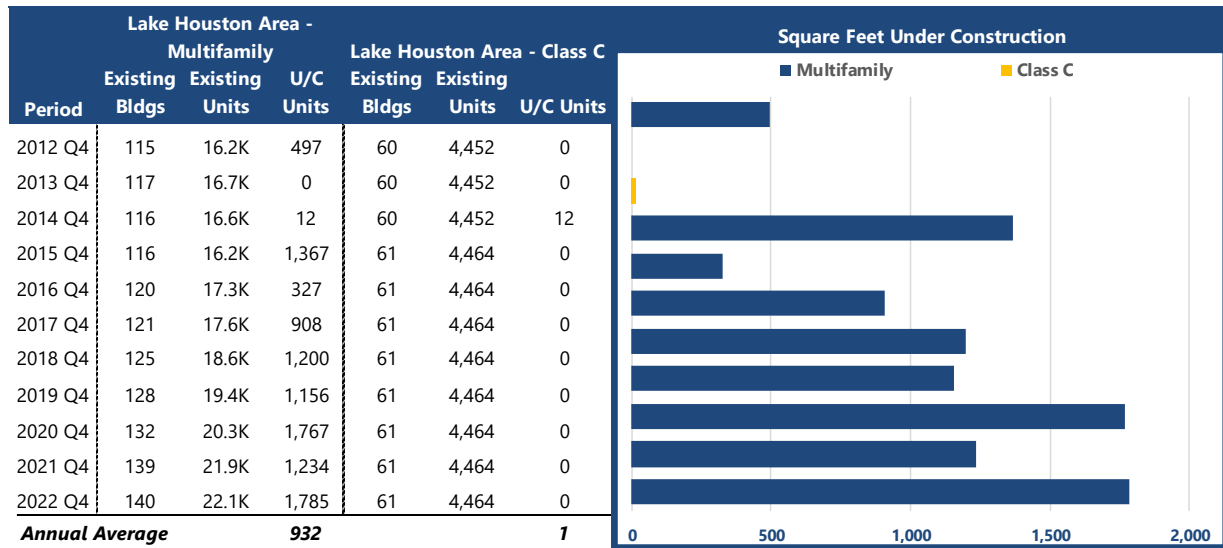
Lake Houston Area - Class C

The Lake Houston Area had a 2022 4th Quarter vacancy rate of 12.3% for Class C units. Net absorption was negative with -296 square feet absorbed in the prior year and 0 square feet delivered. This resulted in a vacancy rate increase of 660 basis points.

Sector Comparison

The vacancy rate for Class C units is above the average overall multifamily vacancy.

LAKE HOUSTON AREA - EXISTING SUPPLY AND CONSTRUCTION TRENDS



Lake Houston Area - Multifamily

There were 140 Class C buildings totaling 22,096 units in the Lake Houston Area with 1,785 units under construction in the 2022 4th Quarter. New construction represented 8.1% of existing supply.

Lake Houston Area - Class C

There were 61 Multifamily buildings totaling 4,464 units in the Lake Houston Area with no units under construction in the 2022 4th Quarter. It should be noted that Class C usually consist mostly of old construction and therefore, typically there won't be any new construction of this property class.

Sector Comparison

Class C units represented 39.98% of existing supply. Construction in the submarket has remained active.

Demographic Analysis

Demand for additional residential property is a direct function of population change. Multifamily communities are products of a clearly definable demand relating directly to population shifts.

Housing and Population Formation

The following table presents the population and household trends for a 1-mile, 3-mile and 5-mile radius from the subject property. The analysis will focus on the three-mile radius category as it best represents the Houston area.

Population and Households

Radius (Miles)	1 Mile	3 Mile	5 Mile
Population			
2027 Population Projection	5,037	58,576	165,879
2022 Population Estimate	4,760	56,154	161,353
2010 Population	4,640	48,778	131,926
Annual % Change (2022 - 2027)	1.1%	0.9%	0.6%
Annual % Change (2010 - 2022)	0.2%	1.2%	1.7%
Households			
2027 Households Projection	1,685	18,765	51,330
2022 Households Estimate	1,588	17,930	49,807
2010 Households	1,466	15,541	40,067
Annual % Change (2022 - 2027)	1.2%	0.9%	0.6%
Annual % Change (2010 - 2022)	0.7%	1.2%	1.8%

Source: ESRI (ArcGIS)

Income Distribution

Household income available after expenditure on housing and other consumer goods is a primary factor in determining the price/rent level of housing demand in a market area. In the case of this analysis, projections of household income, particularly for rents, identifies in gross terms the market from which the subject submarket draws. The following table presents the estimated household income distribution for the subject neighborhood.

Income Distribution

By Households - 2022	1 Mile	3 Mile	5 Mile
<\$15,000	18.8%	15.1%	12.6%
\$15,000 - \$24,999	14.4%	13.3%	11.5%
\$25,000 - \$34,999	14.3%	12.6%	12.0%
\$35,000 - \$49,999	11.5%	16.2%	14.7%
\$50,000 - \$74,999	18.3%	19.6%	20.2%
\$75,000 - \$99,999	14.4%	13.0%	12.1%
\$100,000 - \$149,999	7.6%	8.0%	10.1%
\$150,000 - \$199,999	0.8%	0.9%	3.1%
\$200,000+	0.0%	1.2%	3.7%

Source: ESRI (ArcGIS)

Household Level Income

The following table presents the median and average household level incomes for the subject neighborhood.

Household Level Income

Income	1 Mile	3 Mile	5 Mile
2022 Median Household Income Estimate	\$37,601	\$42,095	\$48,932
2022 Average Household Income Estimate	\$49,896	\$55,985	\$68,759
2022 Per Capita Income Estimate	\$16,646	\$17,820	\$21,289

Source: ESRI (ArcGIS)

An analysis of the income data indicates that the submarket is generally comprised of the lower economic cohort group, which includes the target market for the subject property.

Employment

An employment breakdown typically indicates the working class characteristics for a given market area. The specific employment population within the indicated radii of the subject is presented in the following table.

Employment by Industry

Occupation	1 Mile	3 Mile	5 Mile
Agriculture/Forestry/Fishing/Hunting	0.0%	0.0%	0.1%
Mining/Quarrying/Oil & Gas Extraction	0.8%	0.5%	0.9%
Construction	8.0%	15.1%	17.9%
Manufacturing	4.3%	7.1%	9.6%
Wholesale Trade	1.3%	3.2%	3.0%
Retail Trade	12.0%	13.0%	9.9%
Transportation/Warehousing	28.9%	12.2%	11.3%
Utilities	3.0%	0.5%	0.6%
Information	0.2%	0.9%	0.7%
Finance/Insurance	1.9%	1.5%	2.2%
Real Estate/Rental/Leasing	1.0%	1.1%	1.5%
Professional/Scientific/Tech Services	2.4%	3.1%	4.4%
Management of Companies/Enterprises	0.0%	0.2%	0.1%
Admin/Support/Waste Management Services	3.1%	6.1%	5.3%
Educational Services	6.4%	6.3%	6.6%
Health Care/Social Assistance	15.0%	13.2%	10.8%
Arts/entertainment/Recreation	2.0%	1.2%	0.8%
Accommodation/Food Services	3.4%	5.7%	5.4%
Other Services (excl Public Administration)	3.9%	5.7%	6.0%
Public Administration	2.3%	3.2%	2.9%
Total	100.0%	100.0%	100.0%

Source: ESRI (ArcGIS)

The table indicates the employment character of the subject neighborhood, indicating the majority of the population holding retail trade, construction and healthcare/ social assistance jobs.

Market Analysis Conclusions

The rental rate trends, vacancy rate and absorption trends, and existing supply and new construction levels indicate the market is in equilibrium. after experiencing a long period of under supply in the local submarket. Prudent developers are expected to hold for future speculative development until vacancy rates normalize or achieve significant pre-leasing prior to development.

Highest and Best Use Analysis

The Highest and Best Use of a property is the use that is legally permissible, physically possible, and financially feasible which results in the highest value. An opinion of the highest and best use results from consideration of the criteria noted above under the market conditions or likely conditions as of the effective date of value. Determination of highest and best use results from the judgment and analytical skills of the appraiser. It represents an opinion, not a fact. In appraisal practice, the concept of highest and best use represents the premise upon which value is based.

Highest and Best Use

The primary determinants of the highest and best use are (1) Legal permissibility, (2) Physical possibility, (3) Financial feasibility, and (4) Maximum productivity.

Legally Permissible

The subject site is not zoned and there are no known easements, encroachments, covenants, or other use restrictions that would materially limit or impede development of a probable use.

Physically Possible

The physical characteristics of the subject site are presented in the Site Description and allow for a number of potential uses. Elements such as size, shape, availability of utilities, known hazards (flood, environmental, etc.), and other potential influences were considered. No physical attributes materially limit legally permissible and appropriate development. The most probable use of the site is for multifamily development, which conforms to the pattern of land use in the immediate area.

Financially Feasible

A review of published yield, rental and occupancy rates suggests that there is a balanced supply of multifamily and demand is sufficient to support construction costs and timely absorption of additional inventory in this market. Therefore, near-term speculative development of the subject site is financially feasible.

Maximally Productive

Among the financially feasible uses, the use that results in the highest value (the maximally productive use) is the highest and best use. Considering these factors, the maximally productive use is for multifamily development.

Highest and Best Use Conclusion

The conclusion of the highest and best use is for multifamily development.

Highest and Best Use

The determination of the highest and best use of the subject property is focused on three possible conditions that may represent the maximally productive use of the property: (1) continuation of the existing use, (2) modification of the existing use, or (3) demolition and redevelopment of the land. In addition, the presence of surplus or excess land is identified.

As noted, the analyzed use of the subject property is as a multifamily property. The subject improvements were completed in 1968 and, as of the date of value, were in poor condition due to flooding damages during Hurricane Harvey. The subject property had an estimated remaining

economic life of 30 years once all items of deferred maintenance have been cured. Please note this only considers the property will be at the same or similar condition as before the damages and does not consider additional upgrades to the interior finishes and amenities. The existing use will generally continue until land value less demolition costs exceeds the value of the existing use.

Continuation of Existing Use

Retaining the improvements as they exist with all noted items of deferred maintenance cured meets the tests for legal permissibility and physical possibility. Further, market demand and existing supply levels provide economic support for continuation of the existing use.

Demolition and Redevelopment

The market value of the subject property after all items of deferred maintenance have been deducted exceeds the value of the site as though vacant plus demolition costs. Therefore, demolition and redevelopment of the site is not maximally productive. The following table shows our calculations:

Demolition Cost Calculation

Item	Amount	
Existing GBA		95,900
Demolition Cost (psf)	x	\$4.00
Profit Factor	x	1.15
Demolition Cost Estimate		\$440,000

Demolition and Redevelopment Test

Value of the site as thought vacant (plus demolition costs)	\$1,720,000
Value of the subject as improved (As Is - Market)	\$3,840,000
Difference	\$2,120,000

The foregoing is subject to a caveat: That being that the Harris County requirement for properties with damage that is more than 50% of the assessed value of the improvements be brought up to current standards not apply. Note, based on our projected probable assessment, this requirement would apply. It is a matter of applicability as to if the Housing Authority would be held to this standard. Per the site description, about 60% of the site is in Shaded Zone X or deeper in the flood plain. The foregoing infers that 60% of the units are likely similarly located. Harris County now requires that all structures be at least 2 feet above said elevation. It would be cost prohibitive to raise units to meet such requirements. It is our opinion that the Housing Authority would not be held to such standards, but that a private or profit oriented investor would be held to these requirements. If that is the case, the market value would be land value less demolition costs. **We highly suggest that the HA seek legal counsel in this circumstance.**

Interim Use

In instances where the highest and best use will likely change in the reasonable near future, the use during that period is an interim use. Examples include surface uses (farms, parking lots,

exterior/stabilized storage, or recreational uses) or older structures no longer appropriate for the site due to low density or functional issues. The current use is not an interim use.

Highest and Best Use Conclusion

The highest and best use of the subject property, is for repairing the property and to continue the existing use as multifamily. This is most likely for the property to remain under current ownership.

Most Probable Buyer

As of the date of value, the most probable buyer of the subject property is an investor.

Land Valuation

Methodology

Site Value is most often estimated using the sales comparison approach. This approach develops an indication of market value by analyzing closed sales, listings, or pending sales of properties similar to the subject, focusing on the difference between the subject and the comparables using all appropriate elements of comparison. This approach is based on the principles of supply and demand, balance, externalities, and substitution, or the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership.

Unit of Comparison

The unit of comparison selected depends on the appraisal problem and nature of the property and is intended to explain or mirror market behavior. The primary unit of comparison in the market and applied in this analysis is price per usable square foot.

Elements of Comparison

Elements of comparison are the characteristics or attributes of properties and transactions that cause the prices of real estate to vary. The primary elements of comparison considered in sales comparison analysis are as follows: (1) property rights conveyed, (2) financing terms, (3) conditions of sale, (4) expenditures made immediately after purchase, (5) market conditions, (6) location and (7) physical characteristics.

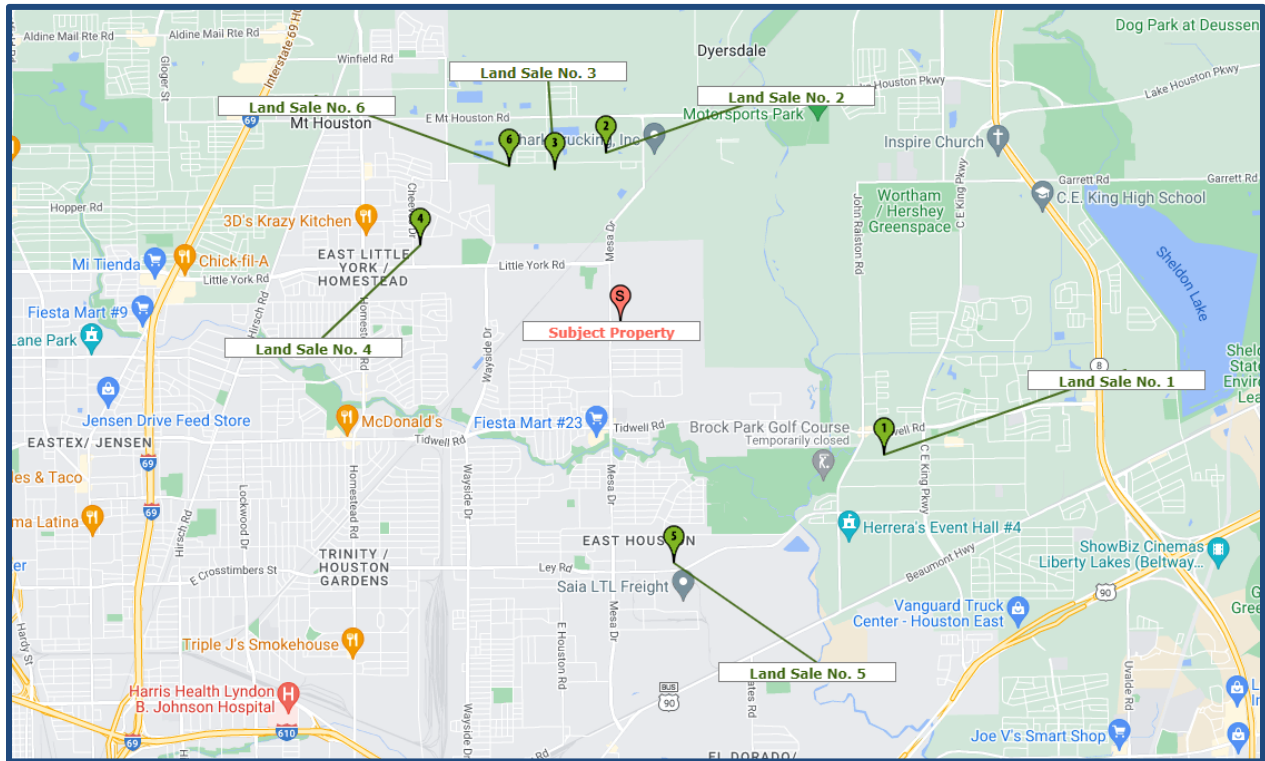
Comparable Sales Data

The market was studied to identify sales and listings of comparable properties with a focus on those that appeal to the most probable buyer of the subject site. These properties typically have similar locations and physical characteristics. Of these transactions, sufficient sales data was available for the following sale comparables, which were analyzed to estimate a unit value for the subject property. The following table summarizes the sale comparables utilized and a map illustrating the location of each in relation to the subject property follows. Details of each comparable follow the location map.

Land Sales Summary

Comp. No.	Date of Sale	Gross		Location	Zoning	Proposed Use	Sales Price	Per
		Acres					Actual	Sq. Ft.
1	September-22	2.500		12101 Ticonderoga Road	Houston, Texas		\$425,276	\$3.91
2	April-22	8.474		8705 Furay Road	Houston, Texas	Not Zoned	Unknown	\$2.17
3	November-21	3.975		0 Furay St	Houston, Texas	Not Zoned	Unknown	\$1.73
4	July-21	5.732		Cheeves Drive	Houston, Texas	Not Zoned	Residential	\$1.60
5	June-21	35.730		0 Ley Road	Houston, Texas	Not Zoned	Speculative Development	\$2.67
6	May-21	21.612		7514 Furay Road	Houston, Texas	Not Zoned	Commercial	\$1.17

COMPARABLE SALES MAP



LAND COMPARABLE 1

Property Identification

Address	12101 Ticonderoga Road
City County State Zip	Houston, Harris County, Texas 77044
MSA	Houston
Tax ID	0680630170026
VPA Property/Sale ID	11291219/1629128

Transaction Data

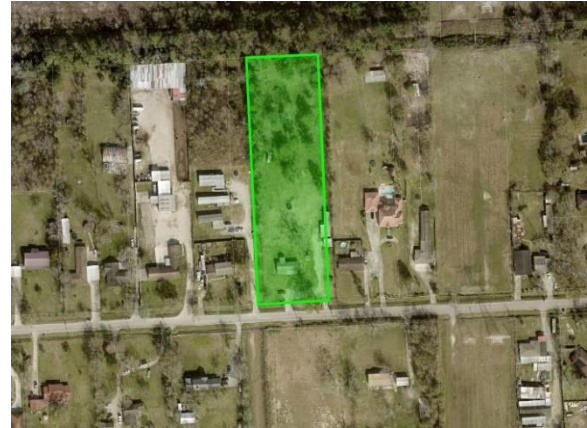
Sale Status	Closed
Sale Date	9/29/2022
Grantor/Seller	Flores Carmela, Flores Diana, Puente Oscar
Grantee/Buyer	De Molina Marizol A, Molina Jorge Rigoberto
Recording Number	RP-2022-485782
Property Rights	Fee Simple
Financing	Cash to Seller
Conditions of Sale	Typical
Sales Price	\$425,276
Financing Adj.	\$0
Sale Conditions Adj.	\$0
Post-Sale Exp. Adj.	\$5,504
Non-Realty Items Adj.	\$0
Adjusted Sales Price	\$430,780

Adjusted Sales Price Indicators

Price per Gross Acre	\$172,315
Price per Gross SF	\$3.96
Price per Usable Acre	\$172,315
Price per Usable SF	\$3.96
Price per Front Foot	\$2,380.00

Remarks

The property was sold for land value. There was a 1,376 SF single family residence built in 1935 at the time of sale. The property has two water wells and two septic systems.



Property Description

Gross Land Area	2.500 Acres/108,898 SF
Usable Land Area	2.500 Acres/108,898 SF
Frontage Feet	181
Rail Access	No
Visibility	Average
Corner/Interior	Mid-Block
Shape	Rectangular
Topography	Level
Utilities	Well and septic
Drainage	Assumed adequate
Flood Hazard Zone	Zone X
Zoning Code	Not zoned

LAND COMPARABLE 2

Property Identification

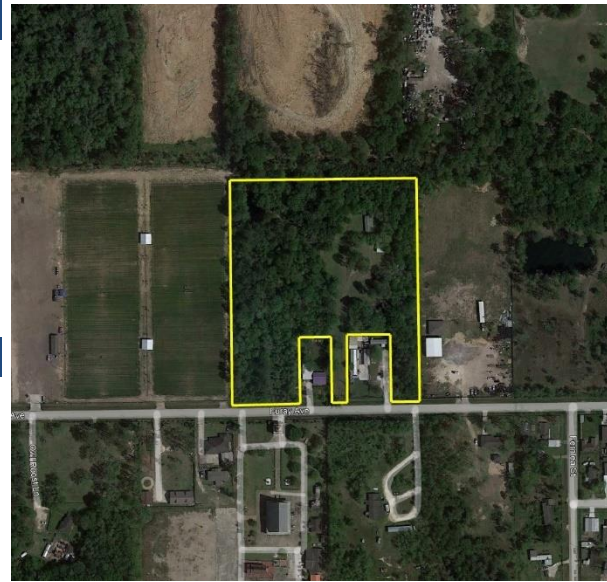
Property Name	Vacant Land
Address	8705 Furay Road
City County State Zip	Houston, Harris County, Texas 77016
MSA	Houston
Neighborhood	Houston - Aldine/Northline
Tax ID	0172080160035
VPA Property/Sale ID	11287072/1626236

Transaction Data

Sale Status	Closed
Sale Date	4/27/2022
Grantor/Seller	Darrell Warren
Grantee/Buyer	Rubisnay and Agnerys Jimenez
Recording Number	RP-2022-234554
Property Rights	Fee Simple
Financing	Cash to Seller
Conditions of Sale	Typical
Days on Market	116
Sales Price	\$800,000
Adjusted Sales Price	\$800,000

Adjusted Sales Price Indicators

Price per Gross Acre	\$94,403
Price per Gross SF	\$2.17
Price per Usable Acre	\$94,403
Price per Usable SF	\$2.17
Price per Front Foot	\$2,298.85



Property Description

Proposed Use	Unknown
Gross Land Area	8.474 Acres/369,141 SF
Usable Land Area	8.474 Acres/369,141 SF
Frontage Feet	348
Rail Access	No
Water/Port Access	No
Visibility	Average
Corner/Interior	Mid-Block
Shape	Irregular
Topography	Level
Utilities	Well and septic
Drainage	Adequate for development
Flood Hazard Zone	Zone X (shaded) and Zone AE
Zoning Code	Not Zoned

Remarks

This tract is located along the north line of Furay Road. This narrow drive provides access to the property. The interior of this tract has a small portion along the west line and north line of the property that is zone AE, while the property itself abuts the floodway. The area within the floodplain (Zone AE) is minimal and does not affect development of the site. Well and septic are in place and there is no zoning.

LAND COMPARABLE 3

Property Identification

Property Name	Previously 8010 Furay St
Address	0 Furay St
City County State Zip	Houston, Harris County, Texas 77016
MSA	Houston
Neighborhood	Houston - Near Northside
Tax ID	0172080160037
VPA Property/Sale ID	11217432/1578575

Transaction Data

Sale Status	Closed
Sale Date	11/18/2021
Grantor/Seller	Celerino A & Rebeca B Sanchez
Grantee/Buyer	Danilo Carcamo
Recording Number	RP-2021-666712
Property Rights	Fee Simple
Days on Market	135
Sales Price	\$300,000
Adjusted Sales Price	\$300,000

Adjusted Sales Price Indicators

Price per Gross Acre	\$75,463
Price per Gross SF	\$1.73
Price per Usable Acre	\$75,463
Price per Usable SF	\$1.73
Price per Front Foot	\$1,331.85



Property Description

Proposed Use	Unknown
Gross Land Area	3.975 Acres/173,172 SF
Usable Land Area	3.975 Acres/173,172 SF
Frontage Feet	225
Street Access	Average
Rail Access	No
Water/Port Access	No
Visibility	Average
Corner/Interior	Interior
Shape	Generally Rectangular
Topography	Level
Utilities	No gas, electric, water, or sewer connections currently
Drainage	Appears adequate for development
Flood Hazard Zone	Zone X500
Zoning Code	Not Zoned

Remarks

The site was heavily wooded and predominantly surrounded by industrial developments, old single family residences and vacant land. The neighborhood is mostly within Zone X500 and Zone AE.

LAND COMPARABLE 4

Property Identification

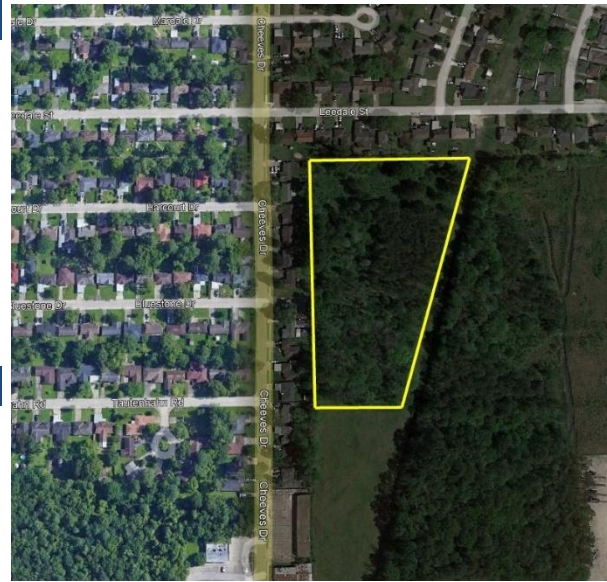
Property Name	Vacant Land
Address	Cheeves Drive
City County State Zip	Houston, Harris County, Texas 77016
MSA	Houston
Neighborhood	Houston - Near Northside
Tax ID	0431610000031 and 0440240000010
VPA Property/Sale ID	11287301/1626389

Transaction Data

Sale Status	Closed
Sale Date	7/2/2021
Grantor/Seller	Blacksmith Services Inc.
Grantee/Buyer	Auplane Inc.
Recording Number	RP-2021-379673
Property Rights	Fee Simple
Financing	Cash to Seller
Conditions of Sale	Typical
Days on Market	423
Sales Price	\$400,000
Adjusted Sales Price	\$400,000

Adjusted Sales Price Indicators

Price per Gross Acre	\$69,782
Price per Gross SF	\$1.60
Price per Usable Acre	\$69,782
Price per Usable SF	\$1.60
Price per Front Foot	\$6,896.55



Property Description

Proposed Use	Residential
Gross Land Area	5.732 Acres/249,693 SF
Usable Land Area	5.732 Acres/249,693 SF
Frontage Feet	58
Rail Access	No
Water/Port Access	No
Visibility	Average
Corner/Interior	Interior
Shape	Trapezoidal
Topography	Level
Utilities	Not available
Drainage	Adequate for intended use
Flood Hazard Zone	Zone X (unshaded)
Zoning Code	Not Zoned

Remarks

This property is a vacant interior tract with limited access located behind homes at the southeast corner of Cheeves Drive and Leedale Street. Bluestone Drive dead-ends into the west side of the property. Magellan Pipeline Company owns the pipeline easement that abuts the eastern line of this tract. There is no zoning and utilities are not available on the site. This site is not located in the floodplain.

LAND COMPARABLE 5

Property Identification

Property Name	Vacant Land
Address	0 Ley Road
City County State Zip	Houston, Harris County, Texas 77078
MSA	Houston
Neighborhood	Houston - Northeast Houston
Tax ID	051-385-000-0006 and 045- 004-002-0004
VPA Property/Sale ID	11159255/1542202

Transaction Data

Sale Status	Closed
Sale Date	6/23/2021
Grantor/Seller	Maryfield, Ltd.
Grantee/Buyer	C51P at Ley Rd., LLC
Recording Number	RP-2021-351496
Property Rights	Fee Simple
Financing	Cash to Seller
Conditions of Sale	Typical
Sales Price	\$4,155,585
Financing Adj.	\$0
Sale Conditions Adj.	\$0
Post-Sale Exp. Adj.	\$0
Adjusted Sales Price	\$4,155,585

Adjusted Sales Price Indicators

Price per Gross Acre	\$116,305
Price per Gross SF	\$2.67
Price per Usable Acre	\$116,305
Price per Usable SF	\$2.67
Price per Front Foot	\$3,191.69



Property Description

Proposed Use	Speculative Development
Gross Land Area	35.730 Acres/1,556,399 SF
Usable Land Area	35.730 Acres/1,556,399 SF
Frontage Feet	1,302
Depth	1,160.00
Street Access	Good
Rail Access	No
Water/Port Access	No
Visibility	Good
Corner/Interior	Mid-Block
Shape	Generally Rectangular
Topography	Level
Utilities	Private well and septic
Drainage	Appears adequate for development
Flood Hazard Zone	Zone X (unshaded)
Zoning Code	Not Zoned

Remarks

This tract is located on the north line of Ley Road, approximately 0.40 of a mile east of Mesa Drive. It was purchased for speculative development. It is adjacent to the Railwood Industrial Park, which is situated in the southeast quadrant of the intersection of Ley Road and Mesa Drive.

LAND COMPARABLE 6

Property Identification

Property Name	Industrial site
Address	7514 Furay Road
City County State Zip	Houston, Harris County, Texas 77016
MSA	Houston
Neighborhood	Houston - Northeast Houston
Tax ID	0172080120026, 0172080120013
VPA Property/Sale ID	11208723/1573005

Transaction Data

Sale Status	Closed
Sale Date	5/4/2021
Grantor/Seller	Samuel Wayne Harris
Grantee/Buyer	Miguel Acevedo
Recording Number	2021-250816
Property Rights	Fee Simple
Financing	Cash to Seller
Conditions of Sale	Typical
Days on Market	906
Sales Price	\$1,100,000
Financing Adj.	\$0
Sale Conditions Adj.	\$0
Post-Sale Exp. Adj.	\$8,000
Non-Realty Items Adj.	\$0
Adjusted Sales Price	\$1,108,000

Adjusted Sales Price Indicators

Price per Gross Acre	\$51,267
Price per Gross SF	\$1.18
Price per Usable Acre	\$51,267
Price per Usable SF	\$1.18
Price per Front Foot	\$923.33

Remarks

This is an arm's length transaction of real property in Harris County, Texas. The property is located on the south line of Furay Road west of Casey Street. The site is cleared level and within Flood Zone AE of the 100-year flood plain. Property had a couple of sheds and a 1,232 SF home constructed in 1940. No value was given the improvements and \$8,000 is estimated for demolition. Reportedly the buyer is going to construct a lay down yard.



Property Description

Proposed Use	Commercial
Gross Land Area	21.612 Acres/941,439 SF
Usable Land Area	21.612 Acres/941,439 SF
Frontage Feet	1,200
Depth	400.00
Street Access	Average
Rail Access	No
Water/Port Access	No
Visibility	Average
Corner/Interior	Mid-Block
Shape	Generally Rectangular
Topography	Level
Utilities	Public available
Drainage	Appears adequate for development
Flood Hazard Zone	Zone AE
Zoning Code	Not Zoned

Land Sales Comparison Analysis

When necessary, adjustments were made for differences in various elements of comparison, including property rights conveyed, financing terms, conditions of sale, expenditures made immediately after purchase, market conditions, location, and other physical characteristics. If the element in comparison is considered superior to that of the subject, a negative adjustment was applied. Conversely, a positive adjustment was applied if inferior. A summary of the elements of comparison follows.

Transaction Adjustments

Transaction adjustments include: (1) real property rights conveyed, (2) financing terms, (3) conditions of sale, and (4) expenditures made immediately after purchase. These items, which are applied prior to the market conditions and property adjustments, are discussed as follows:

Real Property Rights Conveyed

Real property rights conveyed influence sales prices and must be considered when analyzing a sale comparable. The property rights appraised reflect the Fee simple interest. All of the sale comparables conveyed the same interest; therefore, no adjustments were required.

Financing Terms

The transaction price of one property may differ from that of an identical property due to different financial arrangements. Sales involving financing terms that are not at or near market terms require adjustments for cash equivalency to reflect typical market terms. A cash equivalency procedure discounts the atypical mortgage terms to provide an indication of value at cash equivalent terms. All of the sale comparables involved typical market terms by which the sellers received cash or its equivalent and the buyers paid cash or tendered typical down payments and obtained conventional financing at market terms for the balance. Therefore, no adjustments for this category were required.

Conditions of Sale

When the conditions of sale are atypical, the result may be a price that is higher or lower than that of a normal transaction. Adjustments for conditions of sale usually reflect the motivations of either a buyer or a seller who is under duress to complete the transaction. Another more typical condition of sale involves the downward adjustment required to a comparable property's for-sale listing price, which usually reflects the upper limit of value. The sale comparables do not indicate any condition of sale adjustments were warranted for atypical conditions or for-sale listings.

Expenditures Made Immediately After Purchase

A knowledgeable buyer considers expenditures required upon purchase of a property, as these costs affect the price the buyer agrees to pay. Such expenditures may include: costs to demolish and remove any portion of the improvements, costs to petition for a zoning change, and/or costs to remediate environmental contamination.

The relevant figure is not the actual cost incurred, but the cost anticipated by both the buyer and seller. Unless the sales involved expenditures anticipated upon the purchase date, no adjustments to the comparable sales are required for this element of comparison. The details of each adjustment are located in the remarks of the respective sales profile.

Market Conditions Adjustment

Market conditions change over time because of inflation, deflation, fluctuations in supply and demand, or other factors. Changing market conditions may create a need for adjustment to comparable sale transactions completed during periods of dissimilar market conditions.

Discussions with market participants and a review of market data indicated overall market conditions for vacant land properties have been improving in the past 3 years. However, due to the rise of interest rates, market participants are reporting a decline in listings and closed transactions, which is affecting all property types at different degrees. As such, an annual adjustment factor of 2.50% was applied to each comparable to account for changes in market conditions up to 2Q 2022. From 3Q 2022 and forward, no adjustment was applied.

Property Adjustments

Property adjustments are usually expressed quantitatively as percentages or dollar amounts that reflect the differences in value attributable to the various characteristics of the property. In some instances, however, qualitative adjustments are used. These adjustments are based on locational and physical characteristics and are applied after transaction and market conditions adjustments. The reasoning for the property adjustments made to each sale comparable follows. The discussion analyzes each adjustment category deemed applicable to the subject property.

Location

Location adjustments may be required when the locational characteristics of a comparable are different from those of the subject. These characteristics can include general neighborhood characteristics, proximity to major thoroughfares, proximity to employment centers and amenities, neighboring properties, and accessibility.

The subject site is located along Mesa Drive, just south the intersection with Little York Road. The immediate vicinity is comprised of vacant land, schools and residential developments. Access and visibility are average.

Sales 1, 4 and 5 are located within the same neighborhood and feature a similar location. No adjustments were applied.

Sales 2, 3 and 6 are located along Furay Avenue, north from the subject, which is a predominantly industrial area. Access and visibility are inferior compared to the subject. An upward 5% adjustment was warranted.

Size

The size adjustment addresses variance in the physical size of the comparables and that of the subject, as a larger parcel typically commands a lower price per unit than a smaller parcel. This inverse relationship is due, in part, to the principle of "economies of scale."

The subject site consists of 13.076 acres of useable land and the comparables range from 2.500 to 35.730 acres. An approximate adjustment factor of 5% per doubling was applied to the comparables, resulting in adjustments ranging from -10.0% to 10.0%.

Frontage

The subject site has good frontage characteristics along a single thoroughfare.

Sale 4 has 58 feet of frontage and features an inferior frontage to depth ratio. This sale is inferior and an upward adjustment was warranted.

The remaining sales featured similar frontage characteristics with similar frontage to depth ratios. No adjustments were warranted.

Utilities

The subject site had public utilities available on the date of value, but Sales 1, 2, 3, 4 and 5 did not have public utilities only well and septic. Therefore, upward adjustments were applied to these comparables.

Floodplain

A property's location within flood zone areas is typically a negative factor due to the increased costs of raising improvements up out of the floodplain, as well as additional insurance costs associated with improvements. The subject site is located within zone x, zone x (shaded), zone A and floodway, Additionally, the subject has been affected by flooding damages during Hurricane Harvey which sets precedent for uses.

Sales 1, 4 and 5 are located entirely within Zone X (unshaded) and outside the 100-year and the 500-year floodplain. These comparables are superior and a downward adjustment was applied.

Sale 2 is located within Zone X (shaded) and Zone AE while Sale 3 is located within Zone X500. These sales are overall similar compared to the subject and no adjustments were warranted.

Sale 6 is located within Zone AE. This sale is inferior and an upward adjustment was warranted.

Summary of Adjustments

A summary of the adjustments made to the sale comparables is presented in the following table:

LAND SALES ADJUSTMENT GRID

Subject	Sale # 1	Sale # 2	Sale # 3	Sale # 4	Sale # 5	Sale # 6	
Sale ID	1629128	1626236	1578575	1626389	1542202	1573005	
Date of Value & Sale	December-22	September-22	April-22	November-21	July-21	June-21	May-21
Unadjusted Sales Price	\$425,276	\$800,000	\$300,000	\$400,000	\$4,155,585	\$1,100,000	
Gross Acres	13.076	2.500	8.474	3.975	5.732	35.730	21.612
Unadjusted Sales Price per Usable Sq. Ft.	\$3.91	\$2.17	\$1.73	\$1.60	\$2.67	\$1.17	
Transactional Adjustments							
Property Rights Conveyed	<i>Leased Fee</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>
Adjusted Sales Price	\$3.91	\$2.17	\$1.73	\$1.60	\$2.67	\$1.17	
Financing Terms	<i>Cash to Seller</i>	<i>Cash to Seller</i>		<i>Cash to Seller</i>	<i>Cash to Seller</i>	<i>Cash to Seller</i>	
Adjusted Sales Price	\$3.91	\$2.17	\$1.73	\$1.60	\$2.67	\$1.17	
Conditions of Sale	<i>Typical</i>	<i>Typical</i>		<i>Typical</i>	<i>Typical</i>	<i>Typical</i>	
Adjusted Sales Price	\$3.91	\$2.17	\$1.73	\$1.60	\$2.67	\$1.17	
Expenditures after Sale	\$5,504				\$0	\$8,000	
Adjustment	1.3%	-	-	-	-	0.7%	
Adjusted Sales Price	\$3.96	\$2.17	\$1.73	\$1.60	\$2.67	\$1.18	
Market Conditions Adjustments							
Elapsed Time from Date of Value	0.21 years	0.64 years	1.08 years	1.46 years	1.48 years	1.62 years	
Market Trend Through	August-22	-	0.7%	1.8%	2.7%	2.8%	3.1%
Subsequent Trend Ending	December-22	-	-	-	-	-	-
Analyzed Sales Price	\$3.96	\$2.18	\$1.76	\$1.65	\$2.74	\$1.21	
Physical Adjustments							
Location	8904 Forest Hollow St	12101 Ticonderoga Road	8705 Furay Road	0 Furay St	Cheeves Drive	0 Ley Road	7514 Furay Road
Adjustment	Houston, Texas	Houston, Texas	Houston, Texas	Houston, Texas	Houston, Texas	Houston, Texas	Houston, Texas
		-	10.0%	10.0%	-	-	10.0%
Size	13.076 acres	2.500 acres	8.474 acres	3.975 acres	5.732 acres	35.730 acres	21.612 acres
Adjustment		-10.0%	-	-10.0%	-5.0%	10.0%	5.0%
Frontage	Primary - 1287 feet	Primary - 181 feet	Primary - 348 feet	Primary - 225 feet	Primary - 58 feet	Primary - 1,302 feet	Primary - 1,200 feet
Adjustment		-	-	-	10.0%	-	-
Utilities	Public water, electricity, gas, and sewer	Well and septic	Well and septic	No gas, electric, water, or sewer connections currently	Not available	Private well and septic	None
Adjustment		5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Floodplain	Zone X, Zone X (shaded), Zone A and Floodway	Zone X	Zone X (shaded) and Zone AE	Zone X500	Zone X (unshaded)	Zone X (unshaded)	Zone AE
Adjustment		-25.0%	-	-	-25.0%	-25.0%	10.0%
Zoning	Not Zone		Not Zoned	Not Zoned	Not Zoned	Not Zoned	Not Zoned
Adjustment		-	-	-	-	-	-
Net Physical Adjustment		-30.0%	15.0%	5.0%	-15.0%	-10.0%	30.0%
Adjusted Sales Price per Usable Square Foot	\$2.77	\$2.51	\$1.85	\$1.40	\$2.47	\$1.58	

Conclusion

The land comparables were adjusted based on pertinent elements of comparison with the unadjusted and adjusted unit sales prices presented in the following table:

Land Sale Statistics

Metric	Unadjusted	Analyzed	Adjusted
Minimum Sales Price per Usable Square Foot	\$1.17	\$1.21	\$1.40
Maximum Sales Price per Usable Square Foot	\$3.91	\$3.96	\$2.77
Median Sales Price per Usable Square Foot	\$1.95	\$1.97	\$2.16
Mean Sales Price per Usable Square Foot	\$2.21	\$2.25	\$2.10

Sales 2, 3 and 6 are similarly affected by the floodplain but have inferior location and no access to public utilities. As such, these comparables are considered a lower limit. Based on the adjusted prices and the most comparable sale, a unit value near the middle of the adjusted range, or \$2.25 per usable square foot, was estimated for the subject site. Applying this to the subject land area resulted in a market value of \$1,280,000.

Based on this analysis, the land value indication is summarized as follows:

Land Value Indication

Reasonable Adjusted Comparable Range			
13.076 acres	x	\$2.00 psf	= \$1,139,212
13.076 acres	x	\$2.50 psf	= \$1,424,015
Market Value Opinion			(Rounded)
13.076 acres	x	\$2.25 psf	= \$1,280,000

Sales Comparison Approach – Market

Methodology

The Sales Comparison Approach develops an indication of market value by analyzing closed sales, listings, or pending sales of properties similar to the subject, focusing on the difference between the subject and the comparables using all appropriate elements of comparison. This approach is based on principles of supply and demand, balance, externalities, and substitution, or the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership.

The process of developing the Sales Comparison Approach consists of the following: (1) researching and verifying transactional data, (2) selecting relevant units of comparison, (3) analyzing and adjusting the comparable sales for differences in various elements of comparison, and (4) reconciling the adjusted sales into a value indication for the subject.

Unit of Comparison

The primary unit of comparison selected depends on the appraisal problem and nature of the property. The primary unit of comparison in the market for multifamily properties such as the subject property is price per units.

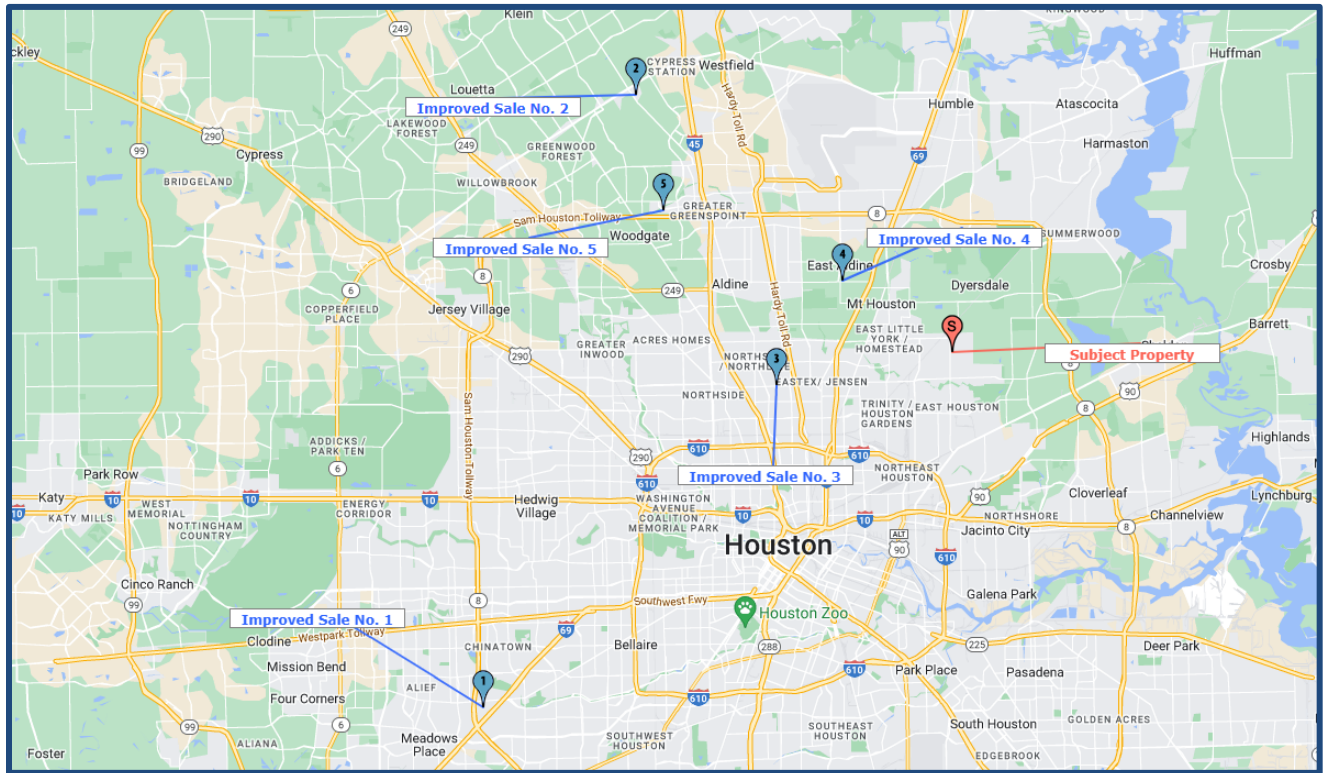
Elements of Comparison

Elements of comparison are the characteristics or attributes of properties and transactions that cause the prices of real estate to vary. The primary elements of comparison considered in sales comparison analysis are as follows: (1) property rights conveyed, (2) financing terms, (3) conditions of sale, (4) expenditures made immediately after purchase, (5) market conditions, (6) location, and (7) physical characteristics.

Improved Sales Summary

Comp. No.	Date of Sale	Property Name	Location	Year Built	No. of Units	Occupancy at Sale	Unadjusted Sale Price	Unadjusted Price per Unit	
1	August-22	Villa La Jolla fka Forum Plaza	10101 Forum Park Drive	Houston, Texas	1978	216	93.0%	\$20,000,000	\$92,593
2	August-22	Altanova (fka Vineyard Trace Apartments)	15414 Kuykendahl Road	Houston, Texas	1978	238	79.0%	\$20,500,000	\$86,134
3	April-22	Tidwell Park	9400 Baumann	Houston, Texas	1975	129		\$11,000,000	\$85,271
4	November-21	Capewood Apartments	4335 Aldine Mail Route	Houston, Texas	1977	176	85.0%	\$13,250,000	\$75,284
5	November-21	Fall Lake	1415 Greens Parkway	Houston, Texas	1984	124	96.0%	\$9,250,000	\$74,597

COMPARABLE SALES MAP



SALE COMPARABLE 1

Property Identification

Property Name	Villa La Jolla fka Forum Plaza
Address	10101 Forum Park Drive
City County State Zip	Houston, Harris County, Texas 77036
MSA	Houston
Neighborhood	Houston - Sharpstown
Tax ID	1121370000002
VPA Property/Sale ID	5331/1622245

Transaction Data

Sale Status	Closed
Sale Date	8/4/2022
Grantor/Seller	Oro Villa La Jolla LLC
Grantee/Buyer	10101 Forum Property LLC
Recording Number	2022-430594
Property Rights	Leased Fee
Financing	Cash to Seller
Conditions of Sale	Typical
Days on Market	na
Sales Price	\$20,000,000
Post-Sale Exp. Adj.	\$0
Non-Realty Items Adj.	\$0
Less: Excess Land Adj.	\$0
Adjusted Sales Price	\$20,000,000

Adjusted Units of Comparison

Adj. Price PSF of GBA	\$113.96
Adj. Price PSF of NRA	\$113.96
Adj. Price per Unit	\$92,593
Occupancy at Sale	93.0%

Financial Data (Stabilized Occupancy)

Stabilized Vacancy	7.0%
Expense PSF	\$7.26
Expense per Unit	\$5,900
NOI PSF	\$6.00
NOI per Unit	\$4,873
Cap. Rate (OAR)	5.26%
Expense Ratio	54.77%
EGIM	8.595
EDR (Cash on Cash)	2.270%

Remarks

Average condition at sale, but rents increased after purchase attesting to an upgrade program, as is so often the case following a sale. Income was estimated based on rents and occupancy during the quarter of sale per Costar. Expenses were estimated.



Villa La Jolla

Property Description

Property Type	Multifamily Other
Investment Class	C
MVS Const. Class	D - Wood Frame
Construction Quality	Average
Gross Building SF	175,504
Net Rentable SF	175,504
No. of Units	216
Average Unit Size	813
Year Built	1978
Effective Age Est.	21
Building Condition	Average
Number of Stories	2
Usable Land/LtB Ratio	6.905 Acres / 1.71:1
Flr. Area Ratio (FAR)	0.58
Density (Units/Acre)	31.28
Flood Hazard Zone	X (Unshaded)

SALE COMPARABLE 2

Property Identification

Property Name	Altanova (fka Vineyard Trace Apartments)
Address	15414 Kuykendahl Road
City County State Zip	Houston, Harris County, Texas 77090
MSA	Houston
Neighborhood	Houston - Champions/Klein/Willowbrook
Tax ID	0430860000022
VPA Property/Sale ID	775333/1628373

Transaction Data

Sale Status	Closed
Sale Date	8/3/2022
Grantor/Seller	15414 Kuykendahl Road LLC
Grantee/Buyer	15414 Kuykendahl Roas II LLC
Recording Number	20220368202
Property Rights	Leased Fee
Financing	Cash to Seller
Conditions of Sale	Typical
Sales Price	\$20,500,000
Financing Adj.	\$0
Sale Conditions Adj.	\$0
Post-Sale Exp. Adj.	\$110,000
Non-Realty Items Adj.	\$0
Less: Excess Land Adj.	\$0
Adjusted Sales Price	\$20,610,000

Adjusted Units of Comparison

Adj. Price PSF of GBA	\$106.03
Adj. Price PSF of NRA	\$109.87
Adj. Price per Unit	\$86,597
Occupancy at Sale	79.0%

Financial Data (Stabilized Occupancy)

Stabilized Vacancy	8.0%
Expense PSF	\$7.70
Expense per Unit	\$6,070
NOI PSF	\$6.30
NOI per Unit	\$4,966
Cap. Rate (OAR)	5.74%
Expense Ratio	55.00%
EGIM	7.847

Remarks

The actual cap rate for the property was between 3.00% and 3.75% at the time of sale. Additionally, we were told that if this property would have sold today (beginning of January 2023), the cap rate would have likely fallen between 5.75% to 6.50%. This was a value-add opportunity sale. At the time of sale there was some deferred maintenance such as roof repairs. We were not provided any exact costs for these repairs. The



Vineyard Trace

Property Description

Property Type	Multifamily
Investment Class	B
MVS Const. Class	D - Wood Frame
Construction Quality	Average
Gross Building SF	194,383
Net Rentable SF	187,582
No. of Units	238
Average Unit Size	788
Year Built	1978
Building Condition	Average
Number of Stories	2
Usable Land/LtB Ratio	8.449 Acres / 1.89:1
Flr. Area Ratio (FAR)	0.53
Density (Units/Acre)	28.17
Flood Hazard Zone	Zone X (unshaded)
Zoning Code	Not Zoned

income and proforma expenses were estimated by the appraiser using the rents at the time of sale per CoStar and expense comparable data. Additionally, the property was below stabilized at 80%. Typical appliance package, washer/dryer connections, kitchen pantries, faux wood flooring, ceiling fans, mini-blinds, cable/internet ready, fireplaces and vaulted ceiling in some units patios and balconies and walk-in closets. Amenities include: Gated, controlled access, two swimming pools, common laundry facilities and 10 detached garages (two used for maintenance), basketball & volleyball courts, grill & picnic areas and storage.

SALE COMPARABLE 3

Property Identification

Property Name	Tidwell Park
Address	9400 Baumann
City County State Zip	Houston, Harris County, Texas 77076
MSA	Houston
Neighborhood	Houston - Northeast Houston
Tax ID	0422250000350
VPA Property/Sale ID	49735/1628976

Transaction Data

Sale Status	Closed
Sale Date	4/12/2022
Grantor/Seller	HM Equity Management
Grantee/Buyer	Omni Brook
Recording Number	RP-2022-195371
Property Rights	Leased Fee
Financing	Cash to Seller
Conditions of Sale	Typical
Sales Price	\$11,000,000
Financing Adj.	\$0
Sale Conditions Adj.	\$0
Post-Sale Exp. Adj.	\$0
Non-Realty Items Adj.	\$0
Less: Excess Land Adj.	\$0
Adjusted Sales Price	\$11,000,000

Adjusted Units of Comparison

Adj. Price PSF of NRA	\$111.68
Adj. Price per Unit	\$85,271

Financial Data (Stabilized Occupancy)

Stabilized Vacancy	10.0%
Expense PSF	\$6.56
Expense per Unit	\$5,011
NOI PSF	\$6.56
NOI per Unit	\$5,011
Cap. Rate (OAR)	5.88%
Expense Ratio	50.00%
EGIM	8.508

Remarks

This property was sold along with 74 Lyerly (103-unit project) built in 1975. The blended cap rate for both properties was 5.23%. No issues or conditions were reported. The income was estimated based on the asking rents per CoStar at the time of sale. Expenses were estimated using the property's operating expenses as of 9/2022.



Property Description

Property Type	Multifamily Other
Investment Class	C
MVS Const. Class	D - Wood Frame
Construction Quality	Average
Net Rentable SF	98,500
No. of Units	129
Average Unit Size	764
Year Built	1975
Effective Age Est.	35
Building Condition	Average
Number of Stories	2
Usable Land/LtB Ratio	Acres / :1

SALE COMPARABLE 4

Property Identification

Property Name	Capewood Apartments
Address	4335 Aldine Mail Route
City County State Zip	Houston, Harris County, Texas 77039
MSA	Houston
Neighborhood	Houston - Northeast Houston
Tax ID	1021660000045
VPA Property/Sale ID	48836/1628460

Transaction Data

Sale Status	Closed
Sale Date	11/15/2021
Grantor/Seller	Capewood LLC
Grantee/Buyer	Obh Capewood LLC
Recording Number	RP-2021-666602
Property Rights	Leased Fee
Financing	Cash to Seller
Conditions of Sale	Typical
Sales Price	\$13,250,000
Financing Adj.	\$0
Sale Conditions Adj.	\$0
Post-Sale Exp. Adj.	\$1,020,000
Non-Realty Items Adj.	\$0
Less: Excess Land Adj.	\$0
Adjusted Sales Price	\$14,270,000

Adjusted Units of Comparison

Adj. Price PSF of NRA	\$90.07
Adj. Price per Unit	\$81,080
Occupancy at Sale	85.0%

Financial Data (Stabilized Occupancy)

Stabilized Vacancy	8.0%
Expense PSF	\$6.71
Expense per Unit	\$6,036
NOI PSF	\$5.30
NOI per Unit	\$4,773
Cap. Rate (OAR)	5.89%
Expense Ratio	55.84%
EGIM	7.501

Remarks

Previous to the sale, the owner had spent about \$1.7M in renovations and repairs. Major items in the scope of renovations included new appliances, new flooring as well as HVAC, roof, boiler and fencing replacement. About 16 units were down due to a fire and the cost of repairs was estimated to be approximately \$1M. Due to this, the property was 85% occupied at the time of sale. We applied a slight lease up adjustment (\$20,000) based on the average rents at the time of sale. Amenities include playground, picnic area, pool, access gates, soccer field, two laundry facilities, carports and landscaped courtyards. Income proforma is based on asking



Property Description

Property Type	Multifamily Other
Investment Class	C
MVS Const. Class	D - Wood Frame
Construction Quality	Average
Net Rentable SF	158,441
No. of Units	176
Average Unit Size	900
Year Built	1977
Effective Age Est.	20
Building Condition	Average
Number of Stories	2
Usable Land/LtB Ratio	Acres / :1

rents at the time of sale and TR 12 expenses.

SALE COMPARABLE 5

Property Identification

Property Name	Fall Lake
Address	1415 Greens Parkway
City County State Zip	Houston, Harris County, Texas
VPA Property/Sale ID	46713/1628462

Transaction Data

Sale Status	Closed
Sale Date	11/4/2021
Grantor/Seller	Inff Investments 3 LLC
Grantee/Buyer	1415 Greens LLC
Recording Number	RP-2021-639494
Property Rights	Leased Fee
Financing	Assumed Mortgage
Conditions of Sale	Typical
Sales Price	\$9,250,000
Financing Adj.	\$0
Sale Conditions Adj.	\$0
Post-Sale Exp. Adj.	\$0
Non-Realty Items Adj.	\$0
Less: Excess Land Adj.	\$0
Adjusted Sales Price	\$9,250,000

Adjusted Units of Comparison

Adj. Price PSF of NRA	\$91.56
Adj. Price per Unit	\$74,597
Occupancy at Sale	96.0%

Financial Data (Stabilized Occupancy)

Stabilized Vacancy	10.0%
Expense PSF	\$5.05
Expense per Unit	\$4,113
NOI PSF	\$7.92
NOI per Unit	\$6,452
Cap. Rate (OAR)	8.65%
Expense Ratio	38.93%
EGIM	7.060

Remarks

Per HCAD the property was renovated in 2016 and again in 2019. Amenities include laundry facilities, pool, patios/balconies and washer connections in all units. The property was in average condition and marketed as a value-add opportunity.



Property Description

Property Type	Multifamily Other
Net Rentable SF	101,032
No. of Units	124
Average Unit Size	815
Year Built	1984
Usable Land/LtB Ratio	Acres / :1

Sales Comparison Analysis

When necessary, adjustments were made for differences in various elements of comparison, including property rights conveyed, financing terms, conditions of sale, expenditures made immediately after purchase, market conditions, location, and other physical characteristics. If the element in comparison is considered superior to that of the subject, a negative adjustment was applied. Conversely, a positive adjustment to the comparable was applied if inferior. A summary of the elements of comparison follows:

Transaction Adjustments

Transaction adjustments include: (1) real property rights conveyed, (2) financing terms, (3) conditions of sale, and (4) expenditures made immediately after purchase. These items, which are applied prior to the market conditions and property adjustments, are discussed as follows:

Real Property Rights Conveyed

Real property rights conveyed influence sales prices and must be considered when analyzing a sale comparable. The property rights appraised reflect the Leased Fee interest. All of the sale comparables conveyed the same interest; therefore, no adjustments were required.

Financing Terms

The transaction price of one property may differ from that of an identical property due to different financial arrangements. Sales involving financing terms that are not at or near market terms require adjustments for cash equivalency to reflect typical market terms. A cash equivalency procedure discounts the atypical mortgage terms to provide an indication of value at cash equivalent terms. All of the comparable sales involved typical market terms by which the sellers received cash or its equivalent and the buyers paid cash or tendered typical down payments and obtained conventional financing at market terms for the balance. Therefore, no adjustments for this category were required.

Conditions of Sale

Atypical conditions of sale may result in a price that is higher or lower than a normal transaction. Such atypical conditions of sale often occur in conjunction with sales between related parties or those in which one of the parties is atypically motivated to complete the transaction. Additionally, a downward adjustment may be applied to a listing price, which usually reflects the upper limit of value. The sale comparables do not indicate any condition of sale adjustments were warranted for atypical conditions or for-sale listings.

Expenditures Made Immediately After Purchase

A knowledgeable buyer considers expenditures required upon purchase of a property, as these costs affect the price the buyer agrees to pay. Such expenditures may include: costs to cure deferred maintenance, costs to demolish and remove any portion of the improvements, costs to petition for a zoning change, costs to remediate environmental contamination and/or costs to occupy or stabilize the property. The relevant figure is not the actual cost incurred, but the cost anticipated by both the buyer and seller.

Sales 2 and Sale 4 were operating at below-stabilized occupancy levels and/or exhibited deferred maintenance at the time of sale with an upward adjustment necessary to reflect the buyers total

stabilized acquisition price. The details of each adjustment are in the remarks of the respective sales profile.

Sale 2 was at below stabilized occupancy and required lease-up adjustments. We estimated a lease-up adjustment of \$110,000 or 0.5% which was added to the sale price.

Sale 4 had units down due to fire damage and the cost of repairs was estimated at \$1,000,000. Additionally, the property was slightly below stabilized occupancy at the time of sale. The lease-up adjustment was estimated at \$20,000. The total adjustment was 7.7%.

Market Conditions Adjustment

Market conditions change over time because of inflation, deflation, fluctuations in supply and demand, or other factors. Changing market conditions may create a need for adjustment to comparable sale transactions completed during periods of dissimilar market conditions.

A review of transactions up to the mid-2022 shows the multifamily market in Houston had been improving. However, per conversations with brokers in the area, this trend is showing signs of decline due to the rise of interest rates. Most of the transactions closing recently being transactions which had been on the market and under contract during the first half of 2022. Due to the foregoing, we have applied a 2.50% market conditions adjustments to transactions closing before 3Q 2022 and no adjustment for transactions occurring during 3Q 2022 and later.

Property Adjustments

Property adjustments are usually expressed quantitatively as percentages or dollar amounts that reflect the differences in value attributable to the various characteristics of the property. In some instances, however, qualitative adjustments are used. These adjustments are based on locational and physical characteristics and are applied after the application of transaction and market conditions adjustments. The reasoning for the adjustments applied to each comparable follow.

Location

Location adjustments may be required when the locational characteristics of a comparable are different from those of the subject. These characteristics can include general neighborhood characteristics, proximity to employments centers and amenities, neighboring properties, and accessibility.

The subject property is located along Mesa Drive with access and average visibility.

Sale 1 is located just south of Bissonet street, near the intersection of Sam Houston Tollway (Beltway 8) and I-69, within the southwest part of Houston. This location features higher density, better access to basic services and higher median income. As such, this location is superior and a downward adjustment was applied.

Sale 2 is located north of Houston, in the southeast quadrant of the intersection between Kuykendahl Road and FM 1960. This location features superior access to recreation, basic services, newer developments and higher median income. This location is superior and a downward adjustment was warranted.

Sale 3 is located west from the subject, along Tidwell Road, west from I-69. This location features good access to basic services and features higher density. Additionally, is closer to major commuting roads and better access to inner Houston submarkets. This location is superior and a downward adjustment was warranted.

Sale 4 is located along Aldine Mail Route Road, north of the subject. This area is within the northern side of Houston and the neighborhood is similar to the subject. However, this location is within walking distance to small strip centers with good access to restaurants and grocers. As such, this location is superior and a downward adjustment was warranted.

Sale 5 is within the Greenspoint submarket, north from the subject. This location features similar access to basic services as the subject and is rated overall similar. No adjustments were warranted.

Age/Condition

All else being equal, older properties typically command a lower price per unit than newer properties. However, although a property may be older than another property, the effective age may be similar to a newer property with no adjustment warranted. This may be due to the older property being well maintained or a recent renovation. The adjustments to the comparables were based on effective age rather than actual age, which takes the remaining economic life estimate into consideration. The Marshall Valuation Service depreciation schedule for commercial properties was utilized to extract appropriate adjustments, which is presented in the following table:

Marshall Valuation Service Depreciation Sched		
Property	Effective Age	60-Year Depreciation
Sale 5	18	8.0%
	19	9.0%
	20	9.0%
	21	10.0%
Sale 1 and Sale 4	22	11.0%
	23	12.0%
Sale 3	24	13.0%
	25	14.0%
	26	15.0%
Sale 2	27	16.0%
	28	17.0%
	29	18.0%
<u>Subject</u>	<u>30</u>	<u>20.0%</u>

The effective age and economic life of each property was estimated by the appraiser, and the adjustments were based on the difference between the indicated depreciation for the subject property and each comparable. In an effort to limit this adjustment to the contributory value of the subject and comparable improvements the extracted adjustments were reduced to 80.0% prior to application to the comparables. The adjustment calculations are presented in the following table:

Age/Condition Adjustment

Component	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Year Built	1978	1978	1975	1977	1984
Condition	Average Below Average		Average Average to Good		Average
Effective Age	22	27	24	22	18
Economic Life	60	60	60	60	60
Comparable MVS Depreciation	11.0%	16.0%	13.0%	11.0%	8.0%
Subject MVS Depreciation	- 20.0%	- 20.0%	- 20.0%	- 20.0%	- 20.0%
Variance	-9.0%	-4.0%	-7.0%	-9.0%	-12.0%
Improvement Contribution Ratio	x 80.0%	x 80.0%	x 80.0%	x 80.0%	x 80.0%
Age/Condition Adjustment	-7.2%	-3.2%	-5.6%	-7.2%	-9.6%

Construction Quality

This adjustment category reflects market stature and appeal to market participants. The subject property consists of average quality construction with an exterior finish of siding.

Average Unit Size

The subject property average unit size is 924 square feet square feet, while the comparables have average unit sizes ranging from 764 to 900 square feet. The following chart shows the adjustments applied to the sales based on a formula for consistency. This is based on appraiser experience and uses the average unit sizes to derive an adjustment. The size per unit figure is the one used in the final analysis. We derived a percentage difference between the subject and each comparable average unit size, percentage difference, which was then multiplied by half the sale price per square foot.

SF	813 sf	788 sf	764 sf	900 sf	815 sf
Size /SF	-7%	-9%	-10%	-1%	-7%
Size /unit	7.76%	10.12%	12.66%	1.37%	7.58%
Concluded Adj.	8%	10%	10%	0%	8%

Amenities

The subject has the following building amenities: Clubhouse with community room, playground, basketball court. Washer and dryer connections.

Sales 1, 3 and 4 feature a similar amenity package as the subject. No adjustments were applied.

Sales 2 and 4 feature a superior amenity package. A downward adjustment was applied.

Summary of Adjustments

A summary of the adjustments made to the sale comparables is presented in the following adjustment grid:

COMPARABLE SALES ADJUSTMENT GRID

Subject		Sale # 1	Sale # 2	Sale # 3	Sale # 4	Sale # 5
Sale ID		1622245	1628373	1628976	1628460	1628462
Date of Value & Sale	December-22	August-22	August-22	April-22	November-21	November-21
Property Name	Forest Green Townhome	Villa La Jolla fka Forum Plaza	Altanova (fka Vineyard Trace Apartments)	Tidwell Park	Capewood Apartments	Fall Lake
Gross Building Area	95,900 sf	175,504	194,383	N/A	N/A	N/A
Number of Units	100 units	216	238	129	176	124
Land Area (acres)	13.0764	6.9052	8.4492			
Unadjusted Sales Price		\$20,000,000	\$20,500,000	\$11,000,000	\$13,250,000	\$9,250,000
Unadjusted Sales Price per Unit		\$92,593	\$86,134	\$85,271	\$75,284	\$74,597
Transactional Adjustments						
Property Rights Conveyed	<i>Leased Fee</i>	<i>Leased Fee</i>	<i>Leased Fee</i>	<i>Leased Fee</i>	<i>Leased Fee</i>	<i>Leased Fee</i>
Adjusted Sales Price		\$92,593	\$86,134	\$85,271	\$75,284	\$74,597
Financing Terms	<i>Cash to Seller</i>	<i>Cash to Seller</i>	<i>Cash to Seller</i>	<i>Cash to Seller</i>	<i>Cash to Seller</i>	<i>Assumed Mortgage</i>
Adjusted Sales Price		\$92,593	\$86,134	\$85,271	\$75,284	\$74,597
Conditions of Sale	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>
Adjusted Sales Price		\$92,593	\$86,134	\$85,271	\$75,284	\$74,597
Expenditures after Sale		\$0	\$110,000	\$0	\$1,020,000	\$0
Adjustment		-	0.5%	-	7.7%	-
Adjusted Sales Price		\$92,593	\$86,597	\$85,271	\$81,080	\$74,597
Market Conditions Adjustments						
Elapsed Time from Date of Value		<i>0.37 years</i>	<i>0.37 years</i>	<i>0.68 years</i>	<i>1.08 years</i>	<i>1.12 years</i>
Market Trend Through	August-22	-	-	0.8%	1.8%	1.8%
Subsequent Trend Endin	December-22	-	-	-	-	-
Analyzed Sales Price		\$92,593	\$86,597	\$85,920	\$82,518	\$75,976
Property Adjustments						
Location	<i>8904 Forest Hollow St</i>	<i>10101 Forum Park Drive</i>	<i>15414 Kuykendahl Road</i>	<i>9400 Baumann</i>	<i>4335 Aldine Mail Route</i>	<i>1415 Greens Parkway</i>
	<i>Houston, Texas</i>	<i>Houston, Texas</i>	<i>Houston, Texas</i>	<i>Houston, Texas</i>	<i>Houston, Texas</i>	<i>Houston, Texas</i>
Adjustment		-10.0%	-10.0%	-5.0%	-5.0%	-
Size	100 units	216 units	238 units	129 units	176 units	124 units
Adjustment		-	-	-	-	-
Age/Condition	Year Built	1968	1978	1978	1977	1984
	Condition	<i>Fair</i>	<i>Average</i>	<i>Below Average</i>	<i>Average</i>	<i>Average to Good</i>
	Effective Age	<i>30 years</i>	<i>22 years</i>	<i>27 years</i>	<i>24 years</i>	<i>22 years</i>
	Economic Life	<i>60 Years</i>	<i>60 Years</i>	<i>60 Years</i>	<i>60 Years</i>	<i>60 Years</i>
Adjustment		-7.2%	-3.2%	-5.6%	-7.2%	-9.6%
Construction Quality	<i>Average Class D - Wood Frame</i>	<i>Average Class D - Wood Frame</i>	<i>Average Class D - Wood Frame</i>	<i>Average Class D - Wood Frame</i>	<i>Average Class D - Wood Frame</i>	<i>Class</i>
Adjustment		-	-	-	-	-
Average Unit Size	<i>924 sf</i>	<i>813 sf</i>	<i>788 sf</i>	<i>764 sf</i>	<i>900 sf</i>	<i>815 sf</i>
Adjustment		8.0%	10.0%	10.0%	-	8.0%
Amenities		<i>Similar</i>	<i>Superior</i>	<i>Similar</i>	<i>Superior</i>	<i>Similar</i>
Adjustment		-	-5.0%	-	-5.0%	-
Net Physical Adjustment		-9.2%	-8.2%	-0.6%	-17.2%	-1.6%
Adjusted Sales Price per Unit		\$84,074	\$79,496	\$85,404	\$68,325	\$74,761

Sales Comparison Approach Value Indication

The comparable sales were presented and adjusted based on pertinent elements of comparison. The following table summarizes the results of the analysis.

Improved Sales Statistics

Metric	Unadjusted	Analyzed	Adjusted
Minimum Sale Price per Unit	\$74,597	\$75,976	\$68,325
Maximum Sale Price per Unit	\$92,593	\$92,593	\$85,404
Median Sale Price per Unit	\$85,271	\$85,920	\$79,496
Mean Sale Price per Unit	\$82,776	\$84,721	\$78,412

There is no single best sale, and a unit value near the middle of the adjusted range was estimated for the subject property. The sales comparison approach conclusion is presented in the following table:

Improved Sales Comparison Approach Value Indications

Reasonable Adjusted Comparable Range				
100 units	x	\$77,000	=	\$7,700,000
100 units	x	\$79,000	=	\$7,900,000
Preliminary As Stabilized Leased Fee Value Indication				
100 units	x	\$78,000	=	\$7,800,000
As Is Leased Fee Market Value Indication				
Less Deferred Maintenance:				\$3,630,000
Less Lease-Up Discount:				\$460,000
As Is Leased Fee Market Value Indication				
				\$3,710,000

Income Capitalization Approach – Market

Methodology

The Income Capitalization Approach is developed by converting anticipated future income into a present value by a capitalization process. There are two types of capitalization: direct capitalization and yield capitalization, more commonly known as discounted cash flow (DCF) analysis.

Income-producing properties, by nature, are developed and purchased for investment purposes, where earning power, including an income stream and return of investment, are the most critical elements affecting value. The forecast of income and selection of appropriate rate(s) are therefore important aspects of the valuation process. The process of developing the income approach consists of the following analyses: Income, Vacancy, Expense, and Rate Analysis.

Application of Methodology

Given the nature of the property being appraised, the direct capitalization method was used to develop a market value indication.

Subject Property

The subject property's unit mix, is presented in the following table:

Unit Mix

Unit Type	Number of Bedrooms	Number of Baths	Total Units	Average Unit Size	Total SF
2 Bedroom	2	2	10	720 sf	7,200 sf
3 Bedroom	3	2	70	888 sf	62,160 sf
4 Bedroom	4	2	20	1,152 sf	23,040 sf
Totals			100	924 sf	92,400 sf

The subject property was 4.0% occupied as of the effective date of value. The subject property's occupancy rates and average contract rent are presented in the following table.

Subject Rental Rates

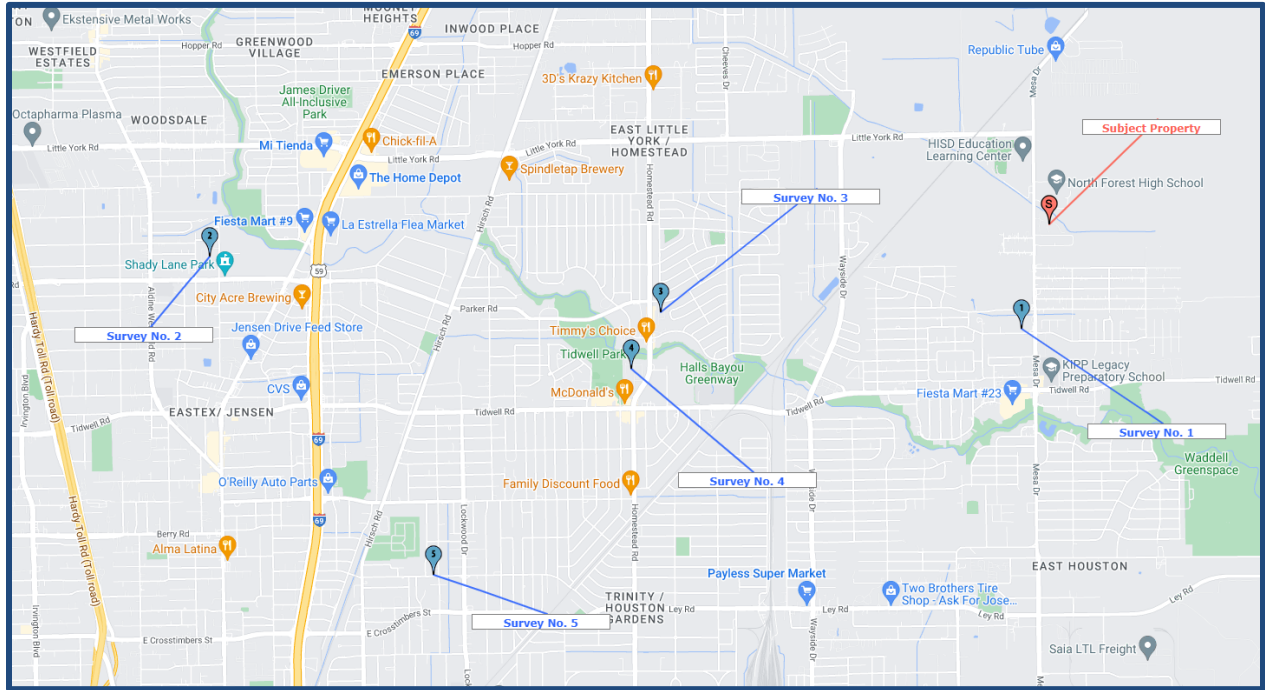
Unit Type	Average Unit Size	Total Units	Vacant Units	Occupied Units	Occupancy Rate	Contract Rent	
						Average Rent	Average Rent PSF
2 Bedroom	720 sf	10	0	10	100.0%	\$888	\$1.23
3 Bedroom	888 sf	70	0	70	100.0%	\$1,168	\$1.32
4 Bedroom	1,152 sf	20	0	20	100.0%	\$1,512	\$1.31
Total/Average	924 sf	100	0	100	100.0%	\$1,209	\$1.31

Please note: The subject's contract rents are based on the subject's rents per bedroom per the local housing authority as provided by the client. Under normal circumstances, the tenant may, in reality, pay a lower amount than this rent while the remainder is subsidized. The subsidy is based on what the tenant can afford versus the contract rates, which is determined by the local housing authority.

Rent Comparables

The market was studied to identify the most comparable properties with a focus on those that compete for residents based on location and appeal. Of these properties, rental data was available for the following rent comparables. Each rent comparable is identified on the following map and is followed by a table that summarizes the unit mix of each property. Details of each comparable follow the location map.

RENTAL COMPARABLES MAP



Summary of Comparable Rentals

Comp No.	Property	Total Units	Avg. Unit Size	Occ.	Two-bedroom Units				Three-bedroom Units				Four-bedroom Units			
					No. Units	Avg. Size	Avg. Rent	Avg. Rent PSF	No. Units	Avg. Size	Avg. Rent	Avg. Rent PSF	No. Units	Avg. Size	Avg. Rent	Avg. Rent PSF
1	Angel Ridge 8600 Sterlingshire Houston	165	819	99.0%	101	859	\$1,050	\$1.22	13	1,278	\$1,308	\$1.02				
2	Parker Square 10300 Shady Lane Houston	175	844	85.0%	80	825	\$1,031	\$1.25	45	1,053	\$1,211	\$1.15	6	1,169	\$1,451	\$1.24
3	Las Palmas Apts 7170 Parker Road Houston	145	830	93.1%	49	853	\$800	\$0.94	24	1,152	\$1,200	\$1.04	6	1,152	\$1,100	\$0.95
4	Villas on the Green 9603 Homestead Houston	256	817	99.6%	16	821	\$728	\$0.89	192	718	\$893	\$1.24	48	1,214	\$1,176	\$0.97
5	Weaver Road 4679 Weaver Houston	46	823	98.0%	45	825	\$945	\$1.15								
	Minimum	46	817	85.0%	16	821	\$728	\$0.89	13	718	\$893	\$1.02	6	1,152	\$1,100	\$0.95
	Maximum	256	844	99.6%	101	859	\$1,050	\$1.25	192	1,278	\$1,308	\$1.24	48	1,214	\$1,451	\$1.24
	Median	165	823	98.0%	49	825	\$945	\$1.15	35	1,103	\$1,206	\$1.10	6	1,169	\$1,176	\$0.97
	Mean	157	827	94.9%	58	837	\$911	\$1.09	69	1,050	\$1,153	\$1.11	20	1,178	\$1,242	\$1.05

RENT COMPARABLE 1

Property Identification

Property Name	Angel Ridge
Address	8600 Sterlingshire
City County State Zip	Houston, Harris County, Texas 77078
MSA	Houston
Tax ID	1021350000010
VPA Property/Rent ID	47853/640404

Property Description

Property Type	Multifamily Other
Investment Class	C
Construction Quality	Average
No. of Units	165
Average Unit Size	819
Year Built	1979
Number of Stories	2
Clubhouse	No
Fitness Facilities	No
No. of Outdoor Pools	1
Kitchen Description	Disposal, refrigerator, no dishwasher, no microwave
Other Unit Features	pool, playground
W/D Connections	No
Fireplaces in Units	No
Parking Description	Open paved parking



Rental Statistics

Survey Date	1/5/2023
Occupancy	99.0%
Concessions	None
Average Monthly Rent	\$1,039
Average Monthly PSF	\$1.26

Tenant Paid Services

Water	No
Sewer	No
Trash	No
Electric	No
Gas	No
Cable Television	Yes

Verification

Management Co.	Leasing office
Confirmation Contact	832-831-0761

Unit Mix and Monthly Rental Rates

Unit Type	No. of Units	No. of BR	No. of BA	Average Size	Average Rent	PSF
	51	1	1.0	639	\$950	\$1.49
	91	2	1.0	832	\$1,050	\$1.26
	10	2	2.0	1,100	\$1,050	\$.95
	13	3	2.0	1,278	\$1,308	\$1.02
* Totals *	165	292	188.0	824	\$1,039	\$1.26

Remarks

This apartment complex is located along the north side of Sterlingshire Road just west of Mesa Road. Kirby Middle School is located across Sterlingshire Road to the south and shopping is conveniently located south of this facility at Mesa and Tidwell. There are no rent specials at this time. This project accepts Section 8 housing

assistance. The project was renovated in 2011. Part of the renovation was to eliminate the 3 and 4 bedroom units by making them 2 bedroom 2 bath rental units. The management confirmed this is an all bills paid property. The manager also confirmed the rents for the one bedroom and two bedroom units as they were available. The remaining floorplans and occupancy was confirmed with CoStar as the management did not want to disclose any other information.

RENT COMPARABLE 2

Property Identification

Property Name	Parker Square
Address	10300 Shady Lane
City County State Zip	Houston, Harris County, Texas 77093
MSA	Houston
Neighborhood	Houston - Aldine/Northline
Tax ID	0481090000006
VPA Property/Rent ID	47696/640993

Property Description

Property Type	Garden, Low-Rise
Investment Class	C
Construction Quality	Average
No. of Units	175
Average Unit Size	844
Year Built	1974
Number of Stories	2
Clubhouse	No
Fitness Facilities	No
No. of Outdoor Pools	1
Other Amenities	Laundry, Pool, Playground, Access Gates
Kitchen Description	Refrigerator, Dishwasher, Disposal
Other Unit Features	Walk-in Closets, Ceiling Fans
W/D Connections	No
Fireplaces in Units	No
Parking Description	Paved Surface



Parker square

Rental Statistics

Survey Date	1/12/2023
Occupancy	85.0%
LIHTC Property	No
Average Monthly Rent	\$1,058
Average Monthly PSF	\$1.25

Tenant Paid Services

Water	No
Sewer	No
Trash	No
Electric	No
Gas	No
Cable Television	Yes

Verification

Unit Mix and Monthly Rental Rates

Unit Type	No. of Units	No. of BR	No. of BA	Average Size	Average Rent	PSF
A1	44	1	1.0	619	\$898	\$1.45
B1	80	2	1.0	825	\$1,031	\$1.25
C1	45	3	1.5	1,053	\$1,211	\$1.15
D1	6	4	2.0	1,169	\$1,451	\$1.24
* Totals *	175	363	203.5	844	\$1,058	\$1.25

Remarks

This property is located near the intersection of US-59 and Parker Road. This is an all bills paid project. No change in rate for upstairs versus downstairs. This was renovated around 2009, with flooring being carpet/vinyl and counter surfaces being faux granite. Section 8 vouchers are accepted although it was confirmed with the manager that this is not a subsidized apartment project. No impact from COVID 19. The common areas have video surveillance, pool, playground, laundry room, and courtesy patrol.

RENT COMPARABLE 3



Property Identification

Property Name	Las Palmas Apts
Address	7170 Parker Road
City County State Zip	Houston, Harris County, Texas 77016
MSA	Houston
Neighborhood	Houston - Inner Loop Third Ward/UH/Gulfgate
Tax ID	0825270000089
VPA Property/Rent ID	65094/640770

Property Description

Property Type	Garden, Low-Rise
Investment Class	C
Construction Quality	Average
No. of Units	145
Average Unit Size	830
Year Built	1970
Number of Stories	2
Clubhouse	No
Fitness Facilities	No
No. of Outdoor Pools	0
Kitchen Description	Refrigerator, dual sinks, stove, oven, dishwasher
Private Balcony	No
Other Unit Features	Washer and dryer machines
W/D Connections	Yes
Fireplaces in Units	No

Rental Statistics

Survey Date	1/10/2023
Occupancy	93.1%
Concessions	None
LIHTC Property	No
Average Monthly Rent	\$835
Average Monthly PSF	\$1.01

Tenant Paid Services

Water	Yes
Sewer	Yes
Trash	Yes
Electric	Yes
Gas	No
Cable Television	Yes

Verification

Management Co.	Las Palmas - Leasing office
Confirmation Contact	346-998-4360

Unit Mix and Monthly Rental Rates

Unit Type	No. of Units	No. of BR	No. of BA	Average Size	Average Rent	PSF
A	30	1	1.0	675	\$704	\$1.04
D	36	1	1.0	660	\$704	\$1.07
TH	1	2	1.5	795	\$800	\$1.01
B	16	2	1.0	864	\$800	\$.93
E	32	2	1.0	850	\$800	\$.94
C	24	3	2.0	1,152	\$1,200	\$1.04
F	6	4	2.0	1,152	\$1,100	\$.95
* Totals *	145	260	175.5	830	\$835	\$1.01

Remarks

The property has been recently renovated. The prices above are for renovated units. Renovations included tile flooring, granite countertops, new light fixtures and washer and dryer machines in all units. No specials

offered at this time. Per the agent, no 4-bedroom floorplans were available thus we used the last price listed in CoStar. All other prices were confirmed by the leasing agent.

RENT COMPARABLE 4

Property Identification

Property Name	Villas on the Green
Address	9603 Homestead
City County State Zip	Houston, Harris County, Texas 77016
MSA	Houston
Tax ID	116427000009
VPA Property/Rent ID	11291178/640774



Property Description

Property Type	Garden, Low-Rise
Investment Class	C
Construction Quality	Average
No. of Units	256
Average Unit Size	817
Year Built	2000
Number of Stories	2
Clubhouse	No
Fitness Facilities	No
No. of Outdoor Pools	0
Other Amenities	Playground, controlled access
Kitchen Description	Refrigerator, stove/oven. No dishwasher.
Private Balcony	No
Other Unit Features	Washer and dryer connections in all units except the two bedroom units.
W/D Connections	Yes
Fireplaces in Units	No
Parking Description	Open paved parking

Rental Statistics

Survey Date	1/5/2023
Occupancy	99.6%
Concessions	None
Average Monthly Rent	\$936
Average Monthly PSF	\$1.15

Tenant Paid Services

Water	Yes
Sewer	Yes
Trash	Yes
Electric	Yes
Gas	Yes
Cable Television	Yes

Verification

Management Co.	Leasing office
Confirmation Contact	844-210-5471

Unit Mix and Monthly Rental Rates

Unit Type	No. of Units	No. of BR	No. of BA	Average Size	Average Rent	PSF
	16	2	1.5	821	\$728	\$.89
	168	3	1.0	677	\$879	\$1.30
	24	3	2.0	1,002	\$990	\$.99
	48	4	2.0	1,214	\$1,176	\$.97
* Totals *	256	800	336.0	817	\$936	\$1.15

Remarks

Tenants pay their share of water/sewer and \$2 for trash plus \$2 for pest control on top of the rent. Electricity is individually metered. No specials. Prices confirmed with the management website. The leasing agent confirmed all other details.

RENT COMPARABLE 5

Property Identification

Property Name	Weaver Road
Address	4679 Weaver
City County State Zip	Houston, Harris County, Texas 77016
MSA	Houston
Tax ID	124462000031
VPA Property/Rent ID	11291184/640776

Property Description

Property Type	Garden, Low-Rise
Investment Class	C
Construction Quality	Average
No. of Units	46
Average Unit Size	823
Year Built	1962
Number of Stories	1
Other Amenities	None
Kitchen Description	Stove, refrigerator. No dishwasher. White appliances.
Private Balcony	No
Other Unit Features	Washer and dryer connections in all units.
W/D Connections	Yes
Fireplaces in Units	No
Parking Description	Open paved parking



Rental Statistics

Survey Date	1/3/2023
Occupancy	98.0%
Concessions	None
Average Monthly Rent	\$940
Average Monthly PSF	\$1.14

Tenant Paid Services

Water	Yes
Sewer	Yes
Trash	Yes
Electric	Yes
Gas	Yes
Cable Television	Yes

Verification

Management Co.	Leasing office
Confirmation Contact	346-396-1960

Unit Mix and Monthly Rental Rates

Unit Type	No. of Units	No. of BR	No. of BA	Average Size	Average Rent	PSF
1/1	1	1	1.0	720	\$733	\$1.02
2/1	45	2	1.0	825	\$945	\$1.15
* Totals *	46	91	46.0	823	\$940	\$1.14

Remarks

No one bedroom units available. Only two bedroom units were available. The tenants pay a flat fee of \$45 for water and sewer and \$10 for trash on top of the rent. The property had windows as well as HVAC and hot water heaters replaced recently. The interior units have had some recent renovations which included primarily custom cabinets, new paint and new flooring.

Project Location

The subject and the comparables are located within the subject's general neighborhood.

Rent Comparable #1, #3 and #4 are located within the same neighborhood and feature similar locational characteristics. No adjustments were warranted.

Rent Comparable #2 is located west from I-69 with good access to commuting roads, grocers and basic services. A downward adjustment was warranted.

Rent Comparable #5 is located within the same neighborhood but has inferior access to recreation, retail and commuting roads. The immediate vicinity is primarily old residential developments and a truck yard across the street. This location is inferior compared to the subject and an upward adjustment was applied.

Age/Condition

The subject and the comparables feature similar effective age and condition. No adjustments were warranted.

Unit Size

We determined this adjustment using paired analysis. Per our review of the asking rents per floorplan, different managers quoted no price differences for size for units with the same number of bedrooms. A difference in price was noted for significant size differences only (over 200 Sf of difference or higher). As such, we only applied a size adjustment to the three-bedroom floorplan.

Only one comparable (Villas on the Green) had floorplans with different prices to allow for a paired analysis calculation. The three bedroom units showed a size factor of \$0.34. Additionally, the average rent per square foot ranged between \$1.01 and \$1.26. After multiplying the lowest rent psf by 50% and the highest rent psf by 75%, this results in a range of \$0.51 to \$0.95. Using the data available, we concluded a \$0.50 psf for size adjustment.

Utilities

The tenant is responsible for electricity while the landlord is responsible for water, sewer and trash. The adjustments were applied based on the Houston Housing Authority utility allowance grid.

Quality/Design/Amenities

The subject has washer and dryer connections included in all units. It also features some common area amenities such as playground, basketball court and clubhouse.

Comparables 1 and 2 feature a superior amenity package which includes fitness center, pool and other outdoor areas in addition to business center. These comparables are superior and a downward adjustment was warranted.

Comparable 3 features a superior amenity package competitive with that of Class A+ properties. This comparable is superior and a downward adjustment was warranted.

Comparables 4 and 5 feature a superior amenity package competitive with that of Class A properties but does not feature elevators. These comparables are superior and a slight downward adjustment was warranted.

Summary of Adjustments

Presented on the following page is a summary of the adjustments made to the rent comparables. As noted earlier, these quantitative adjustments were based on our market research, best judgment, and experience in the appraisal of similar properties.

Rent Comparison Grid

Rental Comp	Property	YOC	Unit Type	Avg. Size (SF)	Avg Quoted Net of Specials	Adjustments						Quoted Rent		Subject		
						Location	Age/ Condition	Size	Utility	Quality/ Design/ Amenities	Total Dollar Adjustment	Effective After Adjustment	PSF	Avg. Rent/Mo.	Market Per Month*	PSF
2-Bed																
1	Angel Ridge	1979		859 sf	\$1,050	\$0	\$0	\$0	(\$120)	\$20	(\$100)	\$950	\$1.11			
2	Parker Square	1974		825 sf	\$1,031	(\$25)	\$0	\$0	(\$120)	\$20	(\$125)	\$906	\$1.10			
3	Las Palmas Apts	1970		853 sf	\$800	\$0	\$0	\$0	\$72	(\$30)	\$42	\$842	\$0.99			
4	Villas on the Green	2000		821 sf	\$728	\$0	\$0	\$0	\$72	\$20	\$92	\$820	\$1.00			
5	Weaver Road	1962		825 sf	\$945	\$25	\$0	\$0	\$55	\$10	\$90	\$1,035	\$1.25			
<i>Subject</i>		1968	2-1	720 sf	\$888							\$911	\$1.26	\$888	\$888	\$1.23
3-Bed																
1	Angel Ridge	1979		1,278 sf	\$1,308	\$0	\$0	(\$195)	(\$147)	\$20	(\$322)	\$986	\$0.77			
2	Parker Square	1974		1,053 sf	\$1,211	(\$25)	\$0	(\$83)	(\$147)	\$20	(\$235)	\$977	\$0.93			
3	Las Palmas Apts	1970		1,152 sf	\$1,200	\$0	\$0	(\$132)	\$95	(\$30)	(\$67)	\$1,133	\$0.98			
4	Villas on the Green	2000		718 sf	\$893	\$0	\$0	\$85	\$95	\$0	\$180	\$1,073	\$1.50			
<i>Subject</i>		1968	3-2	888 sf	\$1,168							\$1,042	\$1.17	\$1,168	\$1,050	\$1.18
4-Bed																
2	Parker Square	1974		1,169 sf	\$1,451	(\$25)	\$0	\$0	(\$174)	\$20	(\$179)	\$1,272	\$1.09			
3	Las Palmas Apts	1970		1,152 sf	\$1,100	\$0	\$0	\$0	\$116	(\$30)	\$86	\$1,186	\$1.03			
4	Villas on the Green	2000		1,214 sf	\$1,176	\$0	\$0	\$0	\$116	\$0	\$116	\$1,292	\$1.06			
<i>Subject</i>		1968	4-2	1,152 sf	\$1,512							\$1,250	\$1.09	\$1,512	\$1,250	\$1.09

***Projected market rents for comparables are assumed to be the adjusted effective rents**

Conclusion

The following table presents the subject's contract rents in comparison to the concluded market rents.

Market Rent Conclusions

Unit Type	Contract Rent		Market Rent	
	Per Month	Per Square Foot	Per Month	Per Square Foot
2 Bedroom	\$888	\$1.23	\$888	\$1.23
3 Bedroom	\$1,168	\$1.32	\$1,050	\$1.18
4 Bedroom	\$1,512	\$1.31	\$1,250	\$1.09
Total/Average	\$1,209	\$1.31	\$1,074	\$1.16

The subject's weighted average contract rent of \$1,209 per month is above the concluded average weighted market rent of \$1,074 per month. For this section of the report, we will analyze the property as if there are no restrictions or affordable component in place. Therefore, the subject's concluded market rents will be utilized to determine the potential gross rental income for the subject property.

Income Analysis

The income analysis encompasses a review of the apartment units, as well as other income sources. The sum of all income develops potential gross income (PGI).

Potential Gross Rental Income

Potential gross rental income is presented in the following tables:

Potential Gross Rent

Unit Type	Total Average Units	Average Unit Size	Vacant Units	Average Contract Rent per Unit	Total Contract Potential Annual Rent	Market Rent per Unit	Total Market Potential Annual Rent	Contract as Percent of Market
2 Bedroom	10	720 sf	0	\$888	\$106,560	\$888	\$106,560	100.0%
3 Bedroom	70	888 sf	0	\$1,168	\$981,120	\$1,050	\$882,000	111.2%
4 Bedroom	20	1,152 sf	0	\$1,512	\$362,880	\$1,250	\$300,000	121.0%
Totals	100	924 sf	0	\$1,209	\$1,450,560	\$1,074	\$1,288,560	112.6%

Potential Gross Rental Income - 100% Market

Revenue Source	Potential Gross Rental Income
Rent (no allocation)	\$0
Market Rent (based on all market rents)	\$1,288,560
Total Potential Gross Rental Income	\$1,288,560

Expense Reimbursement

The landlord is responsible for water, sewer and trash while the tenant is responsible for electricity, which is paid separately. No expense reimbursements apply.

Other Income

This income category includes laundry income, vending income, etc. The estimated other income for the first year of this analysis is \$30,000 or \$300 per unit.

Other Income	Per Unit
Comparable #1	\$27
Comparable #2	\$348
Comparable #3	\$511
Comparable #4	\$261
<i>Subject Average</i>	<i>\$287</i>
<i>Stabilized Estimate:</i>	<i>\$300</i>

Vacancy & Collection Loss

In this section, the subject's existing vacancy is compared to the market. Collection loss is also considered. Application of vacancy develops effective gross income (EGI). The subject is currently 4.0% occupied. The occupancy rates for Class C properties in the submarket have remained within the low 90% for the past 5 years. As of 2022 Q4, the average occupancy was 87.7%. The rent comparables showed occupancies between 85% and 99.6% with an average of 94.9%.

The subject is not operating under normal circumstances and therefore, the historical and current subject occupancy was not considered. Based on the rent comparable data and the historical vacancy rates in the submarket, an estimated vacancy rate of 8.0% is utilized for the subject property. In addition, a 2.0% collection loss is applied indicating a vacancy and collection loss of 10.0% for the subject property.

Expense Analysis

Operating expenses represent deductions from the effective gross income that is necessary to maintain the leasing operations of the property.

Subject Operating Expenses

The subject operating history was reviewed to estimate subject expenses and is presented in the following table:

Subject Operating Statements

Statement Type Period Ending	Actual December-20			Actual December-21			Actual December-22		
Occupancy	16%			16%			4%		
Revenue	Amount	Per Unit	% of EGI	Amount	Per Unit	% of EGI	Amount	Per Unit	% of EGI
Rental Income	\$581,267	\$5,813	100.0%	\$940,812	\$9,408	100.0%	\$710,595	\$7,106	100.0%
Effective Gross Income	\$581,267	\$5,813	100.0%	\$940,812	\$9,408	100.0%	\$710,595	\$7,106	100.0%
Operating Expenses									
General Administration	\$32,888	\$329	5.7%	\$46,803	\$468	5.0%	\$53,893	\$539	7.6%
Management	\$21,368	\$214	3.7%	\$21,245	\$212	2.3%	\$14,486	\$145	2.0%
Utilities	\$36,089	\$361	6.2%	\$50,306	\$503	5.3%	\$50,900	\$509	7.2%
Building Services	\$18,178	\$182	3.1%	\$13,261	\$133	1.4%	\$8,646	\$86	1.2%
Maintenance	\$93,579	\$936	16.1%	\$132,348	\$1,323	14.1%	\$145,860	\$1,459	20.5%
Real Estate Taxes			N/A			N/A			N/A
Property Insurance	\$18,444	\$184	3.2%	\$15,368	\$154	1.6%	\$16,693	\$167	2.3%
Payroll	\$75,350	\$754	13.0%	\$68,821	\$688	7.3%	\$73,375	\$734	10.3%
Replacement Reserves			N/A			N/A			N/A
Total Operating Expenses	\$295,896	\$2,959	50.9%	\$348,152	\$3,482	37.0%	\$363,853	\$3,639	51.2%
Net Operating Income	\$285,371	\$2,854	49.1%	\$592,660	\$5,927	63.0%	\$346,742	\$3,467	48.8%

Please note the rental income includes both the collected rents from the tenants and the subsidy. Also note, that the subject property does not have an ad valorem tax liability.

Expense Comparables

A search for recent expense data of properties similar to the subject property was conducted. The following expense comparables were identified and used to estimate expenses for the subject property. The expense comparable data is presented in the following table:

Expense Comparables

	Expense Comp # 1			Expense Comp # 2			Expense Comp # 3			Expense Comp # 4		
Expense ID	65511			80102			77923			77179		
Location	Pasadena, Texas			Houston, Texas			Houston, Texas			Sharpstown, Texas		
Investment Class	C			B			B			B		
Statement Type	Proforma			Actual			Actual			Actual		
Period Ending	December-22			October-22			December-21			December-21		
Occupancy				95.0%			96.0%			94.0%		
Rentable Area	70,100 sf			49,700 sf			131,650 sf			186,876 sf		
Number of Units	90 units			60 units			159 units			213 units		
	Amount	Per Unit	% of EGI	Amount	Per Unit	% of EGI	Amount	Per Unit	% of EGI	Amount	Per Unit	% of EGI
Effective Gross Income	\$1,012,116	\$11,246	100.0%	\$821,683	\$13,695	100.0%	\$1,622,177	\$10,202	100.0%	\$1,999,893	\$9,389	100.0%
Operating Expenses												
General Administration	\$19,800	\$220	2.0%	\$3,141	\$52	0.4%	\$61,803	\$389	3.8%	\$17,900	\$84	0.9%
Management	\$40,485	\$450	4.0%	\$55,200	\$920	6.7%	\$48,655	\$306	3.0%	\$99,995	\$469	5.0%
Utilities	\$125,499	\$1,394	12.4%	\$126,242	\$2,104	15.4%	\$109,795	\$691	6.8%	\$352,649	\$1,656	17.6%
Building Services	\$24,039	\$267	2.4%	\$24,078	\$401	2.9%	\$0			\$21,816	\$102	1.1%
Maintenance	\$51,179	\$569	5.1%	\$13,570	\$226	1.7%	\$33,045	\$208	2.0%	\$127,197	\$597	6.4%
Real Estate Taxes	\$65,315	\$726	6.5%	\$87,365	\$1,456	10.6%	\$313,646	\$1,973	19.3%	\$327,262	\$1,536	16.4%
Property Insurance	\$51,930	\$577	5.1%	\$35,943	\$599	4.4%	\$144,690	\$910	8.9%	\$152,908	\$718	7.6%
Payroll	\$82,274	\$914	8.1%				\$206,700	\$1,300	12.7%	\$243,450	\$1,143	12.2%
Replacement Reserves	\$27,000	\$300	2.7%	\$10,000	\$167	1.2%						
Total Operating Expenses	\$487,521	\$5,417	48.2%	\$359,728	\$5,995	43.8%	\$989,884	\$6,226	61.0%	\$1,343,177	\$6,306	67.2%

Subject Expense Estimates

The subject property expenses were estimated based on the expense comparables as the subject history is impacted by the very low occupancy and is not typical of operations at a stabilized occupancy level. They are presented by category as follows:

General Administrative

The following table presents the expense comparable data used to estimate the general administrative expense for the subject property.

General Administration	Per Unit	% of EGI
Expense Comp # 1 - Pasadena, Texas - Proforma - 12/2022	\$220	2.0%
Expense Comp # 2 - Houston, Texas - Actual - 10/2022	\$52	0.4%
Expense Comp # 3 - Houston, Texas - Actual - 12/2021	\$389	3.8%
Expense Comp # 4 - Sharpstown, Texas - Actual - 12/2021	\$84	0.9%
<i>Indicator Average</i>	<i>\$186</i>	<i>1.8%</i>
<i>Stabilized Estimate:</i>	<i>\$200</i>	<i>1.7%</i>

Management Fee

The following table presents the expense comparable data used to estimate the management expense for the subject property. As such, an estimated management fee of 3.5% is concluded.

Management	Per Unit	% of EGI
Expense Comp # 1 - Pasadena, Texas - Proforma - 12/2022	\$450	4.0%
Expense Comp # 2 - Houston, Texas - Actual - 10/2022	\$920	6.7%
Expense Comp # 3 - Houston, Texas - Actual - 12/2021	\$306	3.0%
Expense Comp # 4 - Sharpstown, Texas - Actual - 12/2021	\$469	5.0%
<i>Indicator Average</i>	<i>\$536</i>	<i>4.7%</i>
<i>Stabilized Estimate:</i>	<i>\$416</i>	<i>3.5%</i>

Utilities

The following table presents the expense comparable data used to estimate the utilities expense for the subject property. It should be noted this expense includes gas, water, sewer, and common area electricity.

Utilities	Per Unit	% of EGI
Expense Comp # 1 - Pasadena, Texas - Proforma - 12/2022	\$1,394	12.4%
Expense Comp # 2 - Houston, Texas - Actual - 10/2022	\$2,104	15.4%
Expense Comp # 3 - Houston, Texas - Actual - 12/2021	\$691	6.8%
Expense Comp # 4 - Sharpstown, Texas - Actual - 12/2021	\$1,656	17.6%
<i>Indicator Average</i>	<i>\$1,461</i>	<i>13.0%</i>
<i>Stabilized Estimate:</i>	<i>\$1,500</i>	<i>12.6%</i>

Building Services

The following table presents the expense comparable data used to estimate the building services expense for the subject property.

Building Services	Per Unit	% of EGI
Expense Comp # 1 - Pasadena, Texas - Proforma - 12/2022	\$267	2.4%
Expense Comp # 2 - Houston, Texas - Actual - 10/2022	\$401	2.9%
Expense Comp # 4 - Sharpstown, Texas - Actual - 12/2021	\$102	1.1%
<i>Indicator Average</i>	<i>\$257</i>	<i>2.1%</i>
<i>Stabilized Estimate:</i>	<i>\$250</i>	<i>2.1%</i>

Repairs & Maintenance

The following table presents the expense comparable data used to estimate the repairs & maintenance expense for the subject property.

Maintenance	Per Unit	% of EGI
Expense Comp # 1 - Pasadena, Texas - Proforma - 12/2022	\$569	5.1%
Expense Comp # 2 - Houston, Texas - Actual - 10/2022	\$226	1.7%
Expense Comp # 3 - Houston, Texas - Actual - 12/2021	\$208	2.0%
Expense Comp # 4 - Sharpstown, Texas - Actual - 12/2021	\$597	6.4%
<i>Indicator Average</i>	<i>\$400</i>	<i>3.8%</i>
<i>Stabilized Estimate:</i>	<i>\$500</i>	<i>4.2%</i>

Real Estate Taxes

In the Assessment & Tax Data section of this report, we estimated a tax expense of \$107,973 or \$1,080 per unit.

Property Insurance

The following table presents the expense comparable data used to estimate property insurance expense for the subject:

Property Insurance	Per Unit	% of EGI
Expense Comp # 1 - Pasadena, Texas - Proforma - 12/2022	\$577	5.1%
Expense Comp # 2 - Houston, Texas - Actual - 10/2022	\$599	4.4%
Expense Comp # 3 - Houston, Texas - Actual - 12/2021	\$910	8.9%
Expense Comp # 4 - Sharpstown, Texas - Actual - 12/2021	\$718	7.6%
<i>Indicator Average</i>	<i>\$701</i>	<i>6.5%</i>
<i>Stabilized Estimate:</i>	<i>\$700</i>	<i>5.9%</i>

Payroll

The following table presents the expense comparable data used to estimate the payroll expense for the subject property.

Payroll	Per Unit	% of EGI
Expense Comp # 1 - Pasadena, Texas - Proforma - 12/2022	\$914	8.1%
Expense Comp # 3 - Houston, Texas - Actual - 12/2021	\$1,300	12.7%
Expense Comp # 4 - Sharpstown, Texas - Actual - 12/2021	\$1,143	12.2%
<i>Indicator Average</i>	<i>\$1,119</i>	<i>11.0%</i>
<i>Stabilized Estimate:</i>	<i>\$1,200</i>	<i>10.1%</i>

Replacement Reserves

The *PwC Real Estate Investors Survey*, published by PricewaterhouseCoopers, was used to develop a market-derived cost for this expense item. This survey indicates reserve for replacement costs ranging from \$200 to \$300 per unit, with an overall average of \$250. Considering the age of the subject property, a reserve for replacement cost above the average is appropriate. Therefore, a cost of \$300 per unit for this category.

Total Expense Estimate Comparison

The following table provides a direct comparison of the estimated total subject expense to the subject operating expenses and expense comparables excluding replacement reserves:

Total Operating Expenses	Per Unit	% of EGI
Expense Comp # 1 - Pasadena, Texas - Proforma - 12/2022	\$5,117	45.5%
Expense Comp # 2 - Houston, Texas - Actual - 10/2022	\$5,829	42.6%
Expense Comp # 3 - Houston, Texas - Actual - 12/2021	\$6,226	61.0%
Expense Comp # 4 - Sharpstown, Texas - Actual - 12/2021	\$6,306	67.2%
<i>Indicator Average</i>	<i>\$5,869</i>	<i>54.1%</i>
<i>Stabilized Estimate:</i>	<i>\$5,846</i>	<i>49.1%</i>

The correlated operating expenses for the subject property are \$5,846 per unit or 49.1% of effective gross income before replacement reserves. The correlated expenses are within the range of the

expense comparables on a per unit basis and as a percentage of effective gross income. As such, the correlated expenses are deemed reasonable.

Stabilized Net Operating Income (NOI)

The stabilized net operating income calculation is presented in the following table:

Stabilized Net Operating Income Schedule

Category	Per Unit	Total	% of EGI
Potential Gross Rental Income	\$12,886	\$1,288,560	108.3%
Potential Gross Non-Rental Income (No Vacancy Applied)			
Parking Income	\$0	\$0	0.0%
Expense Reimbursements	\$0	\$0	0.0%
Other Income	\$300	\$30,000	2.5%
Plus: Total Potential Gross Non-Rental Income	\$300	\$30,000	2.5%
Potential Gross Income (PGI)	\$13,186	\$1,318,560	110.8%
Vacancy and Collection Loss			
Less: Rental Vacancy	8.0%	\$103,085	8.7%
Less: Collection Loss	2.0%	\$25,771	2.2%
Less: Total Vacancy and Collection Loss	\$1,289	\$128,856	10.8%
Effective Gross Income (EGI)	\$11,897	\$1,189,704	100.0%
Operating Expenses			
General Administration	\$200	\$20,000	1.7%
Management	\$416	\$41,640	3.5%
Utilities	\$1,500	\$150,000	12.6%
Building Services	\$250	\$25,000	2.1%
Maintenance	\$500	\$50,000	4.2%
Real Estate Taxes	\$1,080	\$107,973	9.1%
Property Insurance	\$700	\$70,000	5.9%
Payroll	\$1,200	\$120,000	10.1%
Replacement Reserves	\$300	\$30,000	2.5%
Less: Total Operating Expenses	\$6,146	\$614,613	51.7%
Stabilized Net Operating Income (NOI)	\$5,751	\$575,091	48.3%

Direct Capitalization Analysis

The income capitalization approach to value is based on the premise that a direct relationship exists between the value of a property and the stabilized level of net income it is capable of generating. Direct capitalization is the process of converting a stabilized income stream into an estimate of value and is obtained by applying an overall capitalization rate (OAR) to the net operating income (NOI) before debt service. The direct capitalization rate is the ratio between a single year's net operating income expectancy and the total property price or value. Several techniques were employed in the determination of an appropriate overall capitalization rate for the subject. These are discussed below:

Overall Capitalization Rate (OAR)

Market comparables, investor surveys, and the band of investment technique were used to estimate an appropriate overall capitalization rate for the subject property.

Market Comparables

The overall capitalization rates exhibited by comparable sales are presented in the following table:

Market Overall Capitalization Rate (OAR) Comparables

Comp. No.	Date of Sale	Property Name	Location	Year Built	Occupancy at Time of Sale	Stabilized Occupancy	Stabilized OAR
1	August-22	Villa La Jolla fka Forum Plaza	10101 Forum Park Drive	Houston, Texas	1978	93.0%	5.26%
2	August-22	Altanova (fka Vineyard Trace Apartments)	15414 Kuykendahl Road	Houston, Texas	1978	79.0%	5.74%
3	April-22	Tidwell Park	9400 Baumann	Houston, Texas	1975	90.0%	5.88%
4	November-21	Capewood Apartments	4335 Aldine Mail Route	Houston, Texas	1977	85.0%	5.89%
5	November-21	Fall Lake	1415 Greens Parkway	Houston, Texas	1984	96.0%	8.65%
Mean							6.28%

Comparables 1 and 2 are the most recent sales available for properties considered Class C. Due to the rise of interest rates, transactions have decreased significantly since 4Q 2022 and therefore, finding recent sale data is challenging. Comparables 1, 2 and 3 are considered lower limits given that these comparables transacted during the first half of 2022 which had seen property values at the peak of the market. Per our conversations with brokers involved, some of these sales would have sold for 100 to 200 basis points over the sale cap rate if they had been sold during the current economic environment. Conversations with brokers in the market state multifamily properties are not selling for less than 6.00% cap rate.

Investor Surveys

The overall capitalization rates published by investor surveys are presented in the following table:

Investor Surveys - Overall Capitalization Rates

Survey (Nat'l unless noted)	Date	Rate Range	Average
PwC - National Apartment Market	3Q22	3.00% to 8.00%	4.75%
RERC - National Apartment Market	3Q22	3.60% to 6.00%	4.40%
Realty Rates - Apartments	2Q22	3.99% to 11.60%	7.63%
<i>Source: RealtyRates.com™, RERC & PwC</i>		Average	3.53% to 8.53%
			5.59%

Band of Investment Technique

The band of investment technique assumptions and calculations are presented in the following table:

Band of Investment Technique

Valbridge Assumptions	Date	RealtyRates Range (Nat'l)	Average
Mortgage Interest Rate = 7.00%	2Q22	2.64% to 6.92%	4.82%
Mortgage Term = 30 years		15 yrs to 40 yrs	26 yrs
Mortgage Ratio (M) = 70.0%		55% to 90%	73%
Mortgage Constant (R _M) = 0.07984			
Equity Dividend Rate (R _E) = 5.00%		6.03% to 14.31%	10.58%
Mortgage (LTV) Ratio (M) = 70.0%	x	Mortgage Constant (R _M) = 0.07984	Mortgage Component = 0.05589
1 - Mortgage Ratio (1-M) = 30.0%	x	Equity Dividend Rate (R _E) = 5.00%	Equity Component = 0.01500
<i>Source: RealtyRates.com™</i>		Overall Rate (R_O) =	7.09%

The overall capitalization rate indications are as follows:

- Stabilized Market Indicated Range: 7.00% to 7.50%

- Investors Survey Indicated Range: 5.00% to 8.50%
- Band of Investment: 7.09%

The overall capitalization rate is a measure of income quality, durability, and growth. Based on the preceding analysis, an overall capitalization rate nearest the market data, of 7.25% was selected for the subject property.

Lease-Up Discount

The preliminary value conclusion is based on operations at stabilized occupancy. However, the subject property had a below-stabilized occupancy of 4.0%. To achieve stabilized occupancy, approximately 92 units must be absorbed.

The market data reviewed suggests absorption to be positive in recent quarters. Based on the recent leasing activity in the subject property and the performance of its submarket, an absorption of 10 per month was supported and is reflected in the calculations below.

As presented in the following tables, the calculations resulted in a lease-up adjustment of \$460,000.

Assumptions	
Total Units	100
Stabilized Occupancy	92.0%
Stabilized Units	92
Less: Pre-Leased/Occupied Units	0
Remaining Units until Stabilization	92
Absorption Start Date	January 2023
Units per Month	10
Leasing Commission	5.0%
Average Monthly Rent	\$1,074
Inflationary Rate per Fiscal Year	5.0%
Discount Factor	7.00%

Lease-Up Calculation		1	1	1	1	1	1	1	1	1
Period	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23
Total Available Units	92	92	92	92	92	92	92	92	92	92
Preleased Units	0	0	0	0	0	0	0	0	0	0
Absorbed Units	10	10	10	10	10	10	10	10	10	2
Vacant Units	82	72	62	52	42	32	22	12	2	0
Occupied Units	10	20	30	40	50	60	70	80	90	92
Occupancy	10.9%	21.7%	32.6%	43.5%	54.3%	65.2%	76.1%	87.0%	97.8%	100.0%
Remaining Units to Stabilize	82	72	62	52	42	32	22	12	2	0
Average Monthly Rent	\$1,078	\$1,078	\$1,078	\$1,078	\$1,078	\$1,078	\$1,078	\$1,078	\$1,078	\$1,078
Total Rent Loss	\$88,418	\$77,636	\$66,853	\$56,070	\$45,288	\$34,505	\$23,722	\$12,939	\$2,157	\$0
Expenses During Stabilization Period										
Leasing Commissions	\$6,470	\$6,470	\$6,470	\$6,470	\$6,470	\$6,470	\$6,470	\$6,470	\$6,470	\$1,294
Period Loss										
Discount Factor	0.9942	0.9884	0.9827	0.9770	0.9713	0.9657	0.9601	0.9545	0.9490	0.9435
Discounted Amount	\$94,338	\$83,133	\$72,054	\$61,102	\$50,274	\$39,569	\$28,987	\$18,527	\$8,186	\$1,221
Present Value Lease-Up Costs	\$457,390									
Rounded	\$460,000									

Direct Capitalization Conclusions

Direct Capitalization Technique Value Indications

Stabilized Net Operating Income (NOI)		\$575,091
Divided by Overall Capitalization Rate	÷	7.25%
Preliminary As Stabilized Fee Simple Value Indication		\$7,930,000
As Is Fee Simple Market Value Indication		\$7,930,000
Less Deferred Maintenance:		\$3,630,000
Less Lease-Up Discount:		\$460,000
As Is Leased Fee Market Value Indication		\$3,840,000

Sales Comparison Approach – Affordable

Methodology

The sales comparison approach develops an indication of market value by analyzing closed sales, listings, or pending sales of properties similar to the subject, focusing on the difference between the subject and the comparables using all appropriate elements of comparison. This approach is based on principles of supply and demand, balance, externalities, and substitution, or the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership.

Unit of Comparison

The primary unit of comparison selected depends on the appraisal problem and nature of the property. The primary unit of comparison in the market for multifamily properties such as the subject property is price per unit.

Elements of Comparison

Elements of comparison are the characteristics or attributes of properties and transactions that cause the prices of real estate to vary. The primary elements of comparison considered in sales comparison analysis are as follows: (1) property rights conveyed, (2) financing terms, (3) conditions of sale, (4) expenditures made immediately after purchase, (5) market conditions, (6) location, and (7) physical characteristics.

Comparable Sales Data

Due to the lack of recent tax credit apartment sales within the market, we used the same comparable data used within the Sales Comparable Approach (Market Rents) section. As such, the same physical adjustments were used. However, these properties do not have any restrictions in place as the subject and were adjusted accordingly.

Sales Comparison Analysis

When necessary, adjustments were made for differences in various elements of comparison, including property rights conveyed, financing terms, conditions of sale, expenditures made immediately after purchase, market conditions, location, and other physical characteristics. If the element in comparison is considered superior to that of the subject, we applied a negative adjustment. Conversely, a positive adjustment to the comparable was applied if inferior. A summary of the elements of comparison follows.

Transaction Adjustments

Transaction adjustments include: (1) real property rights conveyed, (2) financing terms, (3) conditions of sale, and (4) expenditures made immediately after purchase. We applied the same adjustments as seen in the Market Scenario

Market Conditions Adjustment

Market conditions change over time because of inflation, deflation, fluctuations in supply and demand, or other factors. Changing market conditions may create a need for adjustment to comparable sale transactions completed during periods of dissimilar market conditions. We applied a 2.50% market conditions adjustments to transactions closing before 3Q 2022 and no adjustment for transactions occurring during 3Q 2022 and later, the same as the market rents scenarios.

Property Adjustments

Property adjustments are usually expressed quantitatively as percentages or dollar amounts that reflect the differences in value attributable to the various characteristics of the property. In some instances, however, qualitative adjustments are used. These adjustments are based on locational and physical characteristics and are applied after the application of transaction and market conditions adjustments.

Please refer to the Sales Comparable Approach (Market Rents) for the location, size, Age/Condition, Construction Quality and Average Unit Size adjustments.

Restrictions

This adjustment is an approximation, and the Sales Comparison Approach is less useful due to these economic differences that cannot be easily quantified in an adjustment grid. The subject is an affordable project where the tenants pay, at minimum, 30% of their qualified median income. The Housing Authority however gets a subsidy to operate the property which is based on the flat rents established by HUD. We have used the estimated NOI for the subject and compared it to each comparable. The following table shows the calculations and the adjustment estimate.

Income Potential Adjustment

Component	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Subject NOI per Unit:	\$8,003	\$8,003	\$8,003	\$8,003	\$8,003
Comparable NOI Per Unit:	\$4,873	\$4,966	\$5,011	\$4,773	\$6,452
Variance	64.2%	61.2%	59.7%	67.7%	24.0%
Variance Attributed to Factors other than					
Physical/Locational	25.0%	25.0%	25.0%	25.0%	25.0%
Calculated Adjustment	16.1%	15.3%	14.9%	16.9%	6.0%
Concluded Adjustment	15.0%	15.0%	15.0%	15.0%	5.0%

Summary of Adjustments

Presented on the following page is a summary of the adjustments made to the sale comparables. As noted earlier, these quantitative adjustments were based on our market research, best judgment, and experience in the appraisal of similar properties.

COMPARABLE SALES ADJUSTMENT GRID

Improved Sales Comparison Approach Adjustment Grid

	Subject	Sale # 1	Sale # 2	Sale # 3	Sale # 4	Sale # 5
Sale ID		1622245	1628373	1628976	1628460	1628462
Date of Value & Sale	December-22	August-22	August-22	April-22	November-21	November-21
Property Name	Forest Green Townhome	Villa La Jolla fka Forum Plaza	Altanova (fka Vineyard Trace Apartments)	Tidwell Park	Capewood Apartments	Fall Lake
Gross Building Area	95,900 sf	175,504	194,383	N/A	N/A	N/A
Number of Units	100 units	216	238	129	176	124
Land Area (acres)	13.0764	6.9052	8.4492			
Unadjusted Sales Price		\$20,000,000	\$20,500,000	\$11,000,000	\$13,250,000	\$9,250,000
Unadjusted Sales Price per Unit		\$92,593	\$86,134	\$85,271	\$75,284	\$74,597
Transactional Adjustments						
Property Rights Conveyed	<i>Fee Simple</i>	<i>Leased Fee</i>	<i>Leased Fee</i>	<i>Leased Fee</i>	<i>Leased Fee</i>	<i>Leased Fee</i>
Adjusted Sales Price		\$92,593	\$86,134	\$85,271	\$75,284	\$74,597
Financing Terms	<i>Cash to Seller</i>	<i>Cash to Seller</i>	<i>Cash to Seller</i>	<i>Cash to Seller</i>	<i>Cash to Seller</i>	<i>Assumed Mortgage</i>
Adjusted Sales Price		\$92,593	\$86,134	\$85,271	\$75,284	\$74,597
Conditions of Sale	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>	<i>Typical</i>
Adjusted Sales Price		\$92,593	\$86,134	\$85,271	\$75,284	\$74,597
Expenditures after Sale		\$0	\$110,000	\$0	\$1,020,000	\$0
Adjustment		-	0.5%	-	7.7%	-
Adjusted Sales Price		\$92,593	\$86,597	\$85,271	\$81,080	\$74,597
Market Conditions Adjustments						
Elapsed Time from Date of Value		<i>0.37 years</i>	<i>0.37 years</i>	<i>0.68 years</i>	<i>1.08 years</i>	<i>1.12 years</i>
Market Trend Through	August-22	-	-	0.8%	1.8%	1.8%
Subsequent Trend Endin	December-22	-	-	-	-	-
Analyzed Sales Price		\$92,593	\$86,597	\$85,920	\$82,518	\$75,976
Property Adjustments						
Location	<i>8904 Forest Hollow St</i>	<i>10101 Forum Park Drive</i>	<i>15414 Kuykendahl Road</i>	<i>9400 Baumann</i>	<i>4335 Aldine Mail Route</i>	<i>1415 Greens Parkway</i>
Adjustment	<i>Houston, Texas</i>	<i>Houston, Texas</i>	<i>Houston, Texas</i>	<i>Houston, Texas</i>	<i>Houston, Texas</i>	<i>Houston, Texas</i>
		-10.0%	-10.0%	-5.0%	-5.0%	-
Size	100 units	216 units	238 units	129 units	176 units	124 units
Adjustment		-	-	-	-	-
Age/Condition	Year Built <i>1968</i>	<i>1978</i>	<i>1978</i>	<i>1975</i>	<i>1977</i>	<i>1984</i>
Condition	<i>Poor</i>	<i>Average</i>	<i>Below Average</i>	<i>Average</i>	<i>Average to Good</i>	<i>Average</i>
Effective Age	<i>30 years</i>	<i>22 years</i>	<i>27 years</i>	<i>24 years</i>	<i>22 years</i>	<i>18 years</i>
Economic Life	<i>60 Years</i>	<i>60 Years</i>	<i>60 Years</i>	<i>60 Years</i>	<i>60 Years</i>	<i>60 Years</i>
Adjustment		-7.2%	-3.2%	-5.6%	-7.2%	-9.6%
Construction Quality	<i>Average Class D - Wood Frame</i>	<i>Average Class D - Wood Frame</i>	<i>Average Class D - Wood Frame</i>	<i>Average Class D - Wood Frame</i>	<i>Average Class D - Wood Frame</i>	<i>Average Class D - Wood Frame</i>
Adjustment		-	-	-	-	-
Average Unit Size	<i>924 sf</i>	<i>813 sf</i>	<i>788 sf</i>	<i>764 sf</i>	<i>900 sf</i>	<i>815 sf</i>
Adjustment		8.0%	10.0%	10.0%	-	8.0%
Amenities		<i>Similar</i>	<i>Superior</i>	<i>Similar</i>	<i>Superior</i>	<i>Similar</i>
Adjustment		-	-5.0%	-	-5.0%	-
Restrictions						
Adjustment		15.0%	15.0%	15.0%	15.0%	5.0%
Net Physical Adjustment		5.8%	6.8%	14.4%	-2.2%	3.4%
Adjusted Sales Price per Unit		\$97,963	\$92,485	\$98,292	\$80,702	\$78,559

Sales Comparison Approach Value Indication

The comparable sales were presented and adjusted based on pertinent elements of comparison. The following table summarizes the results of the analysis.

Improved Sales Statistics

Metric	Unadjusted	Analyzed	Adjusted
Minimum Sale Price per Unit	\$74,597	\$75,976	\$78,559
Maximum Sale Price per Unit	\$92,593	\$92,593	\$98,292
Median Sale Price per Unit	\$85,271	\$85,920	\$92,485
Mean Sale Price per Unit	\$82,776	\$84,721	\$89,600

Based on the adjusted prices and the most comparable sale, a unit value near the middle of the adjusted range was estimated for the subject property. The sales comparison approach conclusion is presented in the following table:

Improved Sales Comparison Approach Value Indications

Reasonable Adjusted Comparable Range					
100 units	x	\$94,000	=		\$9,400,000
100 units	x	\$96,000	=		\$9,600,000
Preliminary As Stabilized Fee Simple Value Indication					
100 units	x	\$95,000	=		\$9,500,000
As Is Fee Simple Market Value Indication					
Less Deferred Maintenance:					\$3,630,000
Less Lease-Up Discount:					\$250,000
As Is Leased Fee Market Value Indication					
					\$5,620,000

Please note, the Lease-Up Discount is lower than the market scenario. The concluded market rents for the subject are lower than the established flat rents by HUD which are used to estimate the subject's PGI. However, affordable housing projects such as the subject are absorbed at a faster rate compared to market rate properties. As such, the lease-up period is shorter. The lease-up assumptions and calculations are further explained in the income approach – affordable section of the report.

Income Capitalization Approach - Affordable

Methodology

The income capitalization approach is developed by converting a projection of future installments of income into a present value by a capitalization process. There are two types of capitalization: direct capitalization and yield capitalization, more commonly known as discounted cash flow (DCF) analysis.

Income-producing properties, by nature, are developed and purchased for investment purposes, where earning power, including an income stream and return of investment, are the most critical elements affecting value. The forecast of income and selection of appropriate rate(s) are therefore important aspects of the valuation process. The steps in developing the income approach are as follows: Market Rent Analysis, Income Analysis, Vacancy Analysis, Expense Analysis, and Rate Analysis.

Application of Methodology

In this appraisal, we employed the direct capitalization method to develop an indication of market value for the subject property.

Subject Property

The subject has 100 units under the which are operated by the Houston Housing Authority (HHA) using Public Housing Operating Subsidy. Under this program, the tenant's rent payment is based on 30% of their qualified income. The bulk of the subject income comes from an operating subsidy monthly award provided by HUD. As explained to us by the client, the subsidy award is estimated every year based on the fair market rent established by HUD. The maximum HUD operating cost subsidy provided is 70% of the flat rent.

We were provided the flat rent designated to the subject by HUD which are shown in the following table:

Type	ZIP Code	Development Name	FY 2023 Flat Rent (80% of SAFMR)			
			1BR	2BR	3BR	4BR
PH	77078	Forest Green	N/A	\$888	\$1,168	\$1,512

The following table presents the subject's unit mix which summarizes the discussion above:

Subject Rental Rates

Unit Type	Average Unit Size	Total Units	Occupied Units	Flat Rent	
				Average Rent	Average Rent PSF
2 Bedroom	720 sf	10	10	\$888	\$1.23
3 Bedroom	888 sf	70	70	\$1,168	\$1.32
4 Bedroom	1,152 sf	20	20	\$1,512	\$1.31
Total/Average	924 sf	100	100	\$1,209	\$1.31

The subject property was 4% occupied as of the effective date of value.

Estimate of Market Rent

To develop an opinion of market rent, we surveyed representatives of comparable and competitive properties in the local market area, focusing on apartment complexes with similar locations, size and market appeal. Our market rent analysis is in the previous Direct Capitalization (100% Market) section of the report.

Conclusion

The following table presents the subject's flat rents per HUD in comparison to the concluded market rents.

Market Rent Conclusions

Unit Type	Flat Rent		Market Rent	
	Per Month	Per Square Foot	Per Month	Per Square Foot
2 Bedroom	\$888	\$1.23	\$888	\$1.23
3 Bedroom	\$1,168	\$1.32	\$1,050	\$1.18
4 Bedroom	\$1,512	\$1.31	\$1,250	\$1.09
Total/Average	\$1,209	\$1.31	\$1,074	\$1.16

The subject's weighted average flat rent of \$1,209 per month is above the concluded average weighted market rent of \$1,074 per month. The flat rent for the two bedroom units is in line with the comparable data, but the three bedroom and four bedroom units fall outside the comparable range. This is likely due to the unit size adjustments for the market rents. The income for the subject is based on the flat rent and therefore, the flat rents will be utilized to determine the potential gross rental income for the subject property.

Income Analysis

The income analysis encompasses a review of the apartment units, as well as other income sources. The sum of all income develops potential gross income (PGI).

Potential Gross Rental Income

Potential gross rental income is presented in the following tables:

Potential Gross Rent

Unit Type	Total Average Units	Average Unit Size	Vacant Units	Average Contract Rent per Unit	Total Contract Potential Annual Rent	Market Rent per Unit	Total Market Potential Annual Rent	Contract as Percent of Market
2 Bedroom	10	720 sf	0	\$888	\$106,560	\$888	\$106,560	100.0%
3 Bedroom	70	888 sf	0	\$1,168	\$981,120	\$1,050	\$882,000	111.2%
4 Bedroom	20	1,152 sf	0	\$1,512	\$362,880	\$1,250	\$300,000	121.0%
Totals	100	924 sf	0	\$1,209	\$1,450,560	\$1,074	\$1,288,560	112.6%

Potential Gross Rental Income - As Is

Revenue Source	Potential Gross Rental Income
Rent (based on current occupancy and rents)	\$1,450,560
Market Rent (based on current vacant units and market rents)	\$0
Total Potential Gross Rental Income	\$1,450,560

Expense Reimbursement

The landlord is responsible for water, sewer and trash while the tenant is responsible for electricity, which is paid separately. No expense reimbursements apply.

Other Income

This income category includes laundry income, vending income, etc. Affordable projects generally have lower other income compared to market rent properties. For this analysis, we have used half of our estimated Other Income with market rents.

Other Income	Per Unit
Comparable #1	\$27
Comparable #2	\$348
Comparable #3	\$511
Comparable #4	\$261
<i>Subject Average</i>	<i>\$287</i>
<i>Stabilized Estimate:</i>	<i>\$150</i>

Vacancy & Collection Loss

In this section, the subject's existing vacancy is compared to the market. Collection loss is also considered. Application of vacancy develops effective gross income (EGI). The subject is currently 4.0% occupied. The occupancy rates for Class C properties in the submarket have remained within the low 90% for the past 5 years. As of 2022 Q4, the average occupancy is 87.7%. The rent comparables showed occupancies between 85% and 99.6% with an average of 94.9%.

The subject is not operating under normal circumstances and therefore, the historical and current subject occupancy was not considered. Affordable projects generally have higher occupancy rates compared to market rents. For this scenario, we have decreased the vacancy rate to 5% with a collection loss of 1 which results in a lower vacancy and collection loss of 6%.

Expense Analysis

Operating expenses represent deductions from the effective gross income that is necessary to maintain the leasing operations of the property.

Subject Operating Expenses

The subject operating history was reviewed to estimate subject expenses and is presented in the following table:

Subject Operating Statements

Statement Type	Actual			Actual			Actual		
Period Ending	December-20			December-21			December-22		
Occupancy	16%			16%			4%		
Revenue	Amount	Per Unit	% of EGI	Amount	Per Unit	% of EGI	Amount	Per Unit	% of EGI
Rental Income	\$581,267	\$5,813	100.0%	\$940,812	\$9,408	100.0%	\$710,595	\$7,106	100.0%
Effective Gross Income	\$581,267	\$5,813	100.0%	\$940,812	\$9,408	100.0%	\$710,595	\$7,106	100.0%
Operating Expenses									
General Administration	\$32,888	\$329	5.7%	\$46,803	\$468	5.0%	\$53,893	\$539	7.6%
Management	\$21,368	\$214	3.7%	\$21,245	\$212	2.3%	\$14,486	\$145	2.0%
Utilities	\$36,089	\$361	6.2%	\$50,306	\$503	5.3%	\$50,900	\$509	7.2%
Building Services	\$18,178	\$182	3.1%	\$13,261	\$133	1.4%	\$8,646	\$86	1.2%
Maintenance	\$93,579	\$936	16.1%	\$132,348	\$1,323	14.1%	\$145,860	\$1,459	20.5%
Real Estate Taxes			N/A			N/A			N/A
Property Insurance	\$18,444	\$184	3.2%	\$15,368	\$154	1.6%	\$16,693	\$167	2.3%
Payroll	\$75,350	\$754	13.0%	\$68,821	\$688	7.3%	\$73,375	\$734	10.3%
Replacement Reserves			N/A			N/A			N/A
Total Operating Expenses	\$295,896	\$2,959	50.9%	\$348,152	\$3,482	37.0%	\$363,853	\$3,639	51.2%
Net Operating Income	\$285,371	\$2,854	49.1%	\$592,660	\$5,927	63.0%	\$346,742	\$3,467	48.8%

The rental income includes both the collected rents and the HUD subsidy. The higher bulk of the income comes from the subsidy. Please note the subject has been operating at high vacancy since 2017. As such, the operating expense history does not reflect the true income potential of the subject. As such, we have included this information in the report only for informational purposes. The following expense estimate analysis will be entirely based on market comparable data.

Subject Expense Estimates

The subject property expenses were estimated based on the expense comparables which were presented in the previous Income Approach (No restrictions) section of the report. Most of the estimates remained the same. The following expense categories are the ones that differ from the market scenario:

General Administrative

General Administration is higher on the affordable scenario as it generally has auditing and other fees related to public housing that are not generally present in market rent properties.

General Administration	Per Unit	% of EGI
Expense Comp # 1 - Pasadena, Texas - Proforma - 12/2022	\$220	2.0%
Expense Comp # 2 - Houston, Texas - Actual - 10/2022	\$52	0.4%
Expense Comp # 3 - Houston, Texas - Actual - 12/2021	\$389	3.8%
Expense Comp # 4 - Sharpstown, Texas - Actual - 12/2021	\$84	0.9%
<i>Indicator Average</i>	<i>\$186</i>	<i>1.8%</i>
<i>Stabilized Estimate:</i>	<i>\$350</i>	<i>2.6%</i>

Management Fee

The following table presents the subject's data and the expense comparable data used to estimate the management expense for the subject property. As such, an estimated management fee of 3.5% is concluded.

Management	Per Unit	% of EGI
Expense Comp # 1 - Pasadena, Texas - Proforma - 12/2022	\$450	4.0%
Expense Comp # 2 - Houston, Texas - Actual - 10/2022	\$920	6.7%
Expense Comp # 3 - Houston, Texas - Actual - 12/2021	\$306	3.0%
Expense Comp # 4 - Sharpstown, Texas - Actual - 12/2021	\$469	5.0%
<i>Indicator Average</i>	<i>\$536</i>	<i>4.7%</i>
<i>Stabilized Estimate:</i>	<i>\$477</i>	<i>3.5%</i>

Other Operating Expenses

The subject has a Harris County contract for security services which has been consistent over the past three years of history provided. This expense has been accounted for in this category.

Other Operating Expenses	Per Unit	% of EGI
Subject - 12/2020	\$509	8.8%
Subject - 12/2021	\$519	5.5%
Subject - 12/2022	\$517	7.3%
<i>Indicator Average</i>	<i>\$515</i>	<i>7.2%</i>
<i>Stabilized Estimate:</i>	<i>\$500</i>	<i>3.7%</i>

Real Estate Taxes

The subject is currently tax exempted. As such, no tax expense is estimated for the affordable scenario.

Total Expense Estimate Comparison

The following table provides a direct comparison of the estimated total subject expense to the subject operating expenses and expense comparables excluding replacement reserves:

Total Operating Expenses	Per Unit	% of EGI
Expense Comp # 1 - Pasadena, Texas - Proforma - 12/2022	\$5,117	45.5%
Expense Comp # 2 - Houston, Texas - Actual - 10/2022	\$5,829	42.6%
Expense Comp # 3 - Houston, Texas - Actual - 12/2021	\$6,226	61.0%
Expense Comp # 4 - Sharpstown, Texas - Actual - 12/2021	\$6,306	67.2%
<i>Indicator Average</i>	<i>\$5,869</i>	<i>54.1%</i>
<i>Stabilized Estimate:</i>	<i>\$5,482</i>	<i>39.8%</i>

The correlated operating expenses for the subject property are \$5,482 per unit or 39.8% of effective gross income before replacement reserves. The correlated expenses are within the range of the expense comparables on a per unit basis but below the comparable data as a percentage of effective gross income. This is primarily due to the subject being tax exempted and as such, there is no real estate tax expense which significantly reduces the total operating expenses. This scenario considers the property as is, with its current restrictions and agreements between HAA and HUD, and this exemption is weighted when estimated the operating expenses. As such, the correlated expenses are deemed reasonable.

Stabilized Net Operating Income Schedule

Category	Per Unit	Total	% of EGI
Potential Gross Rental Income	\$14,506	\$1,450,560	105.2%
Potential Gross Non-Rental Income (No Vacancy Applied)			
Other Income	\$150	\$15,000	1.1%
Plus: Total Potential Gross Non-Rental Income	\$150	\$15,000	1.1%
Potential Gross Income (PGI)	\$14,656	\$1,465,560	106.3%
Vacancy and Collection Loss			
Less: Rental Vacancy	5.0%	\$72,528	5.3%
Less: Collection Loss	1.0%	\$14,506	1.1%
Less: Total Vacancy and Collection Loss	\$870	\$87,034	6.3%
Effective Gross Income (EGI)	\$13,785	\$1,378,526	100.0%
Operating Expenses			
General Administration	\$350	\$35,000	2.5%
Management	\$482	\$48,248	3.5%
Utilities	\$1,500	\$150,000	10.9%
Building Services	\$250	\$25,000	1.8%
Maintenance	\$500	\$50,000	3.6%
Real Estate Taxes	\$0	\$0	0.0%
Property Insurance	\$700	\$70,000	5.1%
Payroll	\$1,200	\$120,000	8.7%
Other Operating Expenses	\$500	\$50,000	3.6%
Replacement Reserves	\$300	\$30,000	2.2%
Less: Total Operating Expenses	\$5,782	\$578,248	41.9%
Stabilized Net Operating Income (NOI)	\$8,003	\$800,278	58.1%

Direct Capitalization Analysis

The income capitalization approach to value is based on the premise that a direct relationship exists between the value of a property and the stabilized level of net income it is capable of generating. Direct capitalization is the process of converting a stabilized income stream into an estimate of value and is obtained by applying an overall capitalization rate (OAR) to the net operating income (NOI) before debt service. The direct capitalization rate is the ratio between a single year's net operating income expectancy and the total property price or value. Several techniques were employed in the determination of an appropriate overall capitalization rate for the subject. These are discussed below:

Overall Capitalization Rate (OAR)

Market comparables, investor surveys, and the band of investment technique were used to estimate an appropriate overall capitalization rate for the subject property.

Market Comparables

The overall capitalization rates exhibited by comparable sales are presented in the following table:

Market Overall Capitalization Rate (OAR) Comparables

Comp. No.	Date of Sale	Property Name	Location	Year Built	Occupancy at Time of Sale	Stabilized Occupancy	Stabilized OAR
1	August-22	Villa La Jolla fka Forum Plaza	10101 Forum Park Drive	Houston, Texas	1978	93.0%	93.0% 5.26%
2	August-22	Altanova (fka Vineyard Trace Apartments)	15414 Kuykendahl Road	Houston, Texas	1978	79.0%	92.0% 5.74%
3	April-22	Tidwell Park	9400 Baumann	Houston, Texas	1975		90.0% 5.88%
4	November-21	Capewood Apartments	4335 Aldine Mail Route	Houston, Texas	1977	85.0%	92.0% 5.89%
5	November-21	Fall Lake	1415 Greens Parkway	Houston, Texas	1984	96.0%	90.0% 8.65%
Mean							6.28%

Comparables 1 and 2 are the most recent sales available for properties considered Class C. Due to the rise of interest rates, transactions have decreased significantly since 4Q 2022 and therefore, finding recent sale data have been challenging. Comparables 1, 2 and 3 are considered lower limits given that these comparables transacted during the first half of 2022 which had seen property values at the peak of the market. Per our conversations with brokers involved, some of these sales would have sold for 100 to 200 basis points over the sale cap rate if they had been sold during the current economic environment. Conversations with brokers in the market state multifamily properties are not selling for less than 6.00% cap rate. For this scenario, we are estimating the value of the subject with restrictions in place, which generally differs from Market Rate properties. Brokers which transact with affordable housing projects report this kind of properties generally sell for 25 to 50 basis points above market. However, we should note that market participants also report that HAP contract properties are now directly competitive with market rate properties. Although the subject does not have a HAP contract, its income structure and subsidy resemble to Section 8 properties. We added 50 basis points to our market scenario overall capitalization rate estimate of 7.25% which resulted in 7.75%. This considers the additional risk associated with the flat rents being above market rents.

Investor Surveys

The overall capitalization rates published by investor surveys are presented in the following table:

Investor Surveys - Overall Capitalization Rates

Survey (Nat'l unless noted)	Date	Rate Range		Average
PwC - National Apartment Market	3Q22	3.00%	to 8.00%	4.75%
RERC - National Apartment Market	3Q22	3.60%	to 6.00%	4.40%
Realty Rates - Apartments	2Q22	3.99%	to 11.60%	7.63%
<i>Source: RealtyRates.com™, RERC & PwC</i>		Average	3.53% to 8.53%	5.59%

Band of Investment Technique

The band of investment technique assumptions and calculations are presented in the following table:

Band of Investment Technique

Valbridge Assumptions	Date	RealtyRates Range (Nat'l)		Average
Mortgage Interest Rate = 7.00%	2Q22	2.64%	to 6.92%	4.82%
Mortgage Term = 30 years		15 yrs	to 40 yrs	26 yrs
Mortgage Ratio (M) = 70.0%		55%	to 90%	73%
Mortgage Constant (R _M) = 0.07984				
Equity Dividend Rate (R _E) = 5.00%		6.03%	to 14.31%	10.58%
Mortgage (LTV) Ratio (M) 70.0%	x	Mortgage Constant (R _M) 0.07984	=	Mortgage Component 0.05589
1 - Mortgage Ratio (1-M) 30.0%	x	Equity Dividend Rate (R _E) 5.00%	=	Equity Component 0.01500
<i>Source: RealtyRates.com™</i>		Overall Rate (R_O)	=	7.09%

The overall capitalization rate indications are as follows:

- Stabilized Market Indicated Range: 7.75%
- Investors Survey Indicated Range: 5% to 8%
- Band of Investment: 7.09%

The overall capitalization rate is a measure of income quality, durability, and growth. Based on the preceding analysis, an overall capitalization rate near the middle of the presented data range, or 7.75% was estimated for the subject property.

Lease-Up Discount - Affordable

The preliminary value conclusion is based on operations at stabilized occupancy. However, the subject property had a below-stabilized occupancy of 4.0%. To achieve stabilized occupancy, approximately 95 units must be absorbed.

The market data reviewed suggests absorption to be positive in recent quarters. Based on the recent leasing activity in the subject property and the performance of its submarket, an absorption of 20 per month was supported and is reflected in the calculations below. A higher absorption rate per month was used for this scenario given that affordable rent projects generally are leased at a faster rate than market rate properties based on other affordable properties in the market.

As presented in the following tables, the calculations resulted in a lease-up adjustment of \$330,000.

Assumptions	
Total Units	100
Stabilized Occupancy	95.0%
Stabilized Units	95
Less: Pre-Leased/Occupied Units	0
Remaining Units until Stabilization	95
Absorption Start Date	January 2023
Units per Month	20
Leasing Commission	5.0%
Average Monthly Rent	\$1,074
Inflationary Rate per Fiscal Year	5.0%
Discount Factor	7.00%

Lease-Up Calculation		1	1	1	1	1
Period	Feb-23	Mar-23	Apr-23	May-23	Jun-23	
Total Available Units	95	95	95	95	95	95
Preleased Units	0	0	0	0	0	0
Absorbed Units	20	20	20	20	20	15
Vacant Units	75	55	35	15	0	0
Occupied Units	20	40	60	80	95	95
Occupancy	21.1%	42.1%	63.2%	84.2%	100.0%	100.0%
Remaining Units to Stabilize	75	55	35	15	0	0
Average Monthly Rent	\$1,078	\$1,078	\$1,078	\$1,078	\$1,078	\$1,078
Total Rent Loss	\$80,871	\$59,305	\$37,740	\$16,174	\$0	\$0
Expenses During Stabilization Period						
Leasing Commissions	\$12,939	\$12,939	\$12,939	\$12,939	\$9,704	\$9,704
Period Loss						
Discount Factor	0.9942	0.9884	0.9827	0.9770	0.9713	0.9713
Discounted Amount	\$93,266	\$71,409	\$49,802	\$28,444	\$9,426	\$9,426
Present Value Lease-Up Costs	\$252,347					
Rounded	\$250,000					

Direct Capitalization Conclusions

Direct Capitalization Technique Value Indications

Stabilized Net Operating Income (NOI)	\$800,278
Divided by Overall Capitalization Rate	÷ 7.75%
Preliminary As Stabilized Fee Simple Value Indication	\$10,330,000
As Is Fee Simple Market Value Indication	\$10,330,000
Less Deferred Maintenance:	\$3,630,000
Less Lease-Up Discount:	\$250,000
As Is Leased Fee Market Value Indication	\$6,450,000

Reconciliation

Summary of Value Indications

The indicated values from the approaches used and our concluded market values for the subject property are summarized in the following table.

Value Indications

Approach to Value	Market Rent	As Is - Affordable
Land Only - Sales Comparison	\$1,280,000	
Cost	Not Developed	Not Developed
Sales Comparison	\$3,710,000	\$5,620,000
Income Capitalization	\$3,840,000	\$6,450,000

Value Conclusions

Component	Market Rent	As Is - Affordable
Value Type	Market Value	Market Value
Real Property Interest	Leased Fee	Leased Fee
Effective Date of Value	December 16, 2022	December 16, 2022
Value Conclusion	\$3,840,000	\$6,450,000

To reach a final opinion of value, the reliability and relevance of each value indication was considered based upon the quality of the data and applicability of the assumptions underlying each approach. Given the availability and reliability of data within the Income Approach, this approach was given primary weight in reconciling to the final value conclusions. Furthermore, multifamily properties such as the subject property are typically purchased by Investors, who primarily rely upon the methods employed by the Income Approach.

The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results:

Extraordinary Assumptions:

- We were not provided a property condition assessment or a repair cost estimate to get the damaged units up to livable condition. As such, we have estimate the repair cost based on our observations during our site visit and our conversations with the property contact during this process. It is assumed that our estimate covers all the necessary costs to repair the property. However, we should note we are not experts in the matter and a property condition assessment performed is recommended. Should more accurate information regarding the condition and cost of repairs be available, our value is subject to change.
- The parcel with tax number 1023520000101 corresponds to the entirety of common areas and property site improvements and is owned by the City of Houston per public records. Should the subject go into the open market, this report assumes the entirety of the property

including common areas and site improvements such as sidewalks, parking, clubhouse, amenities and landscaping will be transferred along with the residential buildings.

- That the Harris County requirement for properties with damage that is more than 50% of the assessed value of the improvements be brought up to current standards not apply. Per the site description, about 60% of the site is in Shaded Zone X or deeper in the flood plain. The foregoing infers that 60% of the units are likely similarly located. Harris County now requires that all structures be at least 2 feet above said elevation. It would be cost prohibitive to raise units to meet such requirements. It is our opinion that the Housing Authority would not be held to such standards, but that a private or profit oriented investor would be held to these requirements. If that is the case, the market value would be land value less demolition costs.

Hypothetical Conditions:

- The market rent scenario assumes there are no rent restrictions in place as of the date of value

Analysis of Recent Sale

The subject is not listed for sale or under contract for sale.

Analysis of Prior Appraisals

We have not performed previous appraisal reports for the subject property.

Exposure Time and Marketing Period

Investor Surveys - Marketing Time

Survey (Nat'l unless noted)	Date	Range (Mos.)			Average
PwC - National Apartment Market	3Q22	1.0	to	12.0	4.3
RERC - National Apartment Market	3Q22	---	to	---	4.3
<i>Source: RERC & PwC</i>		Average	1.0	to	12.0
					4.3

Based on statistical information about days on market, escrow length, and marketing times gathered through national investor surveys, sales verification, and interviews of market participants, marketing and exposure time estimates of 6 months and 6 months, respectively, are considered reasonable and appropriate for the subject property.

National Quality Control

Valbridge's top priority is delivering a quality report. Valbridge requires all reports to be reviewed by an experienced director with the MAI designation. This quality control assessment consists of reading the report, checking calculations, and providing feedback on its quality and consistency prior to report delivery. All Valbridge reports are signed by an experienced appraiser with the MAI designation.

Valbridge values all clients' opinions, and any/all feedback is critical to the ongoing efforts to improve client servicing. Please feel free to contact the National Quality Control Director below with any feedback, questions, or comments.

Tye Neilson, MAI, SRA, MRICS, Esq.



Senior Managing Director
832.916.4608
tneilson@valbridge.com

General Assumptions and Limiting Conditions

This appraisal is subject to the following general assumptions and limiting conditions:

1. The legal description – if furnished to us – is assumed to be correct.
2. No responsibility is assumed for legal matters, questions of survey or title, soil or subsoil conditions, engineering, availability or capacity of utilities, or other similar technical matters. The appraisal does not constitute a survey of the property appraised. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management unless otherwise noted.
3. Unless otherwise noted, the appraisal will value the property as though free of contamination. Valbridge Property Advisors | Houston will conduct no hazardous materials or contamination inspection of any kind. It is recommended that the client hire an expert if the presence of hazardous materials or contamination poses any concern.
4. The stamps and/or consideration placed on deeds used to indicate sales are in correct relationship to the actual dollar amount of the transaction.
5. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.
6. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, unless previous arrangements have been made.
7. Unless expressly specified in the engagement letter, the fee for this appraisal does not include the attendance or giving of testimony by Appraiser at any court, regulatory or other proceedings, or any conferences or other work in preparation for such proceeding. If any partner or employee of Valbridge Property Advisors | Houston is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment, client shall compensate Appraiser for the time spent by the partner or employee in appearing and/or testifying and in preparing to testify according to the Appraiser's then current hourly rate plus reimbursement of expenses.
8. The values for land and/or improvements, as contained in this report, are constituent parts of the total value reported and neither is (or are) to be used in making a summation appraisal of a combination of values created by another appraiser. Either is invalidated if so used.
9. The dates of value to which the opinions expressed in this report apply are set forth in this report. We assume no responsibility for economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and anticipated short-term supply and demand factors and are subject to change with future conditions. Appraiser is not responsible for determining whether the date of value requested by Client is appropriate for Client's intended use.
10. The sketches, maps, plats and exhibits in this report are included to assist the reader in visualizing the property. The appraiser has made no survey of the property and assumed no responsibility in connection with such matters.
11. The information, estimates and opinions, which were obtained from sources outside of this office, are considered reliable. However, no liability for them can be assumed by the appraiser.

12. Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organization or the firm with which the appraisers are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval.
13. No claim is intended to be expressed for matters of expertise that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers. We claim no expertise in areas such as, but not limited to, legal, survey, structural, environmental, pest control, mechanical, etc.
14. This appraisal was prepared for the sole and exclusive use of the client for the function outlined herein. Any party who is not the client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of Valbridge Property Advisors | Houston and Client. The Client shall not include partners, affiliates, or relatives of the party addressed herein. The appraiser assumes no obligation, liability or accountability to any third party.
15. Distribution of this report is at the sole discretion of the client, but third-parties not listed as an intended user on the face of the appraisal or the engagement letter may not rely upon the contents of the appraisal. In no event shall client give a third-party a partial copy of the appraisal report. We will make no distribution of the report without the specific direction of the client.
16. This appraisal shall be used only for the function outlined herein, unless expressly authorized by Valbridge Property Advisors | Houston.
17. This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.
18. Unless otherwise noted in the body of this report, this appraisal assumes that the subject property does not fall within the areas where mandatory flood insurance is effective. Unless otherwise noted, we have not completed nor have we contracted to have completed an investigation to identify and/or quantify the presence of non-tidal wetland conditions on the subject property. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
19. The flood maps are not site specific. We are not qualified to confirm the location of the subject property in relation to flood hazard areas based on the FEMA Flood Insurance Rate Maps or other surveying techniques. It is recommended that the client obtain a confirmation of the subject property's flood zone classification from a licensed surveyor.
20. If the appraisal is for mortgage loan purposes 1) we assume satisfactory completion of improvements if construction is not complete, 2) no consideration has been given for rent loss during rent-up unless noted in the body of this report, and 3) occupancy at levels consistent with our "Income and Expense Projection" are anticipated.
21. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.

22. Our inspection included an observation of the land and improvements thereon only. It was not possible to observe conditions beneath the soil or hidden structural components within the improvements. We inspected the buildings involved, and reported damage (if any) by termites, dry rot, wet rot, or other infestations as a matter of information, and no guarantee of the amount or degree of damage (if any) is implied. Condition of heating, cooling, ventilation, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. Should the client have concerns in these areas, it is the client's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise to make such inspections and assumes no responsibility for these items.
23. This appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. It is assumed that all required licenses, consents, certificates of occupancy or 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 conclusion contained in this report is based unless specifically stated to the contrary.
24. When possible, we have relied upon building measurements provided by the client, owner, or associated agents of these parties. In the absence of a detailed rent roll, reliable public records, or "as-built" plans provided to us, we have relied upon our own measurements of the subject improvements. We follow typical appraisal industry methods; however, we recognize that some factors may limit our ability to obtain accurate measurements including, but not limited to, property access on the day of inspection, basements, fenced/gated areas, grade elevations, greenery/shrubbery, uneven surfaces, multiple story structures, obtuse or acute wall angles, immobile obstructions, etc. Professional building area measurements of the quality, level of detail, or accuracy of professional measurement services are beyond the scope of this appraisal assignment.
25. We have attempted to reconcile sources of data discovered or provided during the appraisal process, including assessment department data. Ultimately, the measurements that are deemed by us to be the most accurate and/or reliable are used within this report. While the measurements and any accompanying sketches are considered to be reasonably accurate and reliable, we cannot guarantee their accuracy. Should the client desire more precise measurement, they are urged to retain the measurement services of a qualified professional (space planner, architect or building engineer) as an alternative source. If this alternative measurement source reflects or reveals substantial differences with the measurements used within the report, upon request of the client, the appraiser will submit a revised report for an additional fee.
26. In the absence of being provided with a detailed land survey, we have used assessment department data to ascertain the physical dimensions and acreage of the property. Should a survey prove this information to be inaccurate, upon request of the client, the appraiser will submit a revised report for an additional fee.
27. If only preliminary plans and specifications were available for use in the preparation of this appraisal, and a review of the final plans and specifications reveals substantial differences upon request of the client the appraiser will submit a revised report for an additional fee.

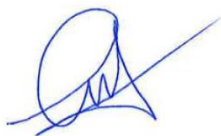
28. Unless otherwise stated in this report, the value conclusion is predicated on the assumption that the property is free of contamination, environmental impairment or hazardous materials. Unless otherwise stated, the existence of hazardous material was not observed by the appraiser and the appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required for discovery. The client is urged to retain an expert in this field, if desired.
29. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey of the property to determine if it is in conformity with the various requirements of the ADA. It is possible that a compliance survey of the property, together with an 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 could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in developing an opinion of value.
30. This appraisal applies to the land and building improvements only. The value of trade fixtures, furnishings, and other equipment, or subsurface rights (minerals, gas, and oil) were not considered in this appraisal unless specifically stated to the contrary.
31. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated, unless specifically stated to the contrary.
32. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute prediction of future operating results. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance.
33. Any estimate of insurable value, if included within the scope of work and presented herein, is based upon figures developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage. This analysis should not be relied upon to determine insurance coverage and we make no warranties regarding the accuracy of this estimate.
34. The data gathered in the course of this assignment (except data furnished by the Client) shall remain the property of the Appraiser. The appraiser will not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished to the appraiser. Notwithstanding the foregoing, the Appraiser is authorized by the client to disclose all or any portion of the appraisal and related appraisal data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable the appraiser to comply with the Bylaws and Regulations of such Institute now or hereafter in effect.

35. You and Valbridge Property Advisors | Houston both agree that any dispute over matters in excess of \$5,000 will be submitted for resolution by arbitration. This includes fee disputes and any claim of malpractice. The arbitrator shall be mutually selected. If Valbridge Property Advisors | Houston and the client cannot agree on the arbitrator, the presiding head of the Local County Mediation & Arbitration panel shall select the arbitrator. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, by agreeing to binding arbitration, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury. In the event that the client, or any other party, makes a claim against Valbridge Property Advisors | Houston or any of its employees in connections with or in any way relating to this assignment, the maximum damages recoverable by such claimant shall be the amount actually received by Valbridge Property Advisors | Houston for this assignment, and under no circumstances shall any claim for consequential damages be made.
36. Valbridge Property Advisors | Houston shall have no obligation, liability, or accountability to any third party. Any party who is not the "client" or intended user identified on the face of the appraisal or in the engagement letter is not entitled to rely upon the contents of the appraisal without the express written consent of Valbridge Property Advisors | Houston. "Client" shall not include partners, affiliates, or relatives of the party named in the engagement letter. Client shall hold Valbridge Property Advisors | Houston and its employees harmless in the event of any lawsuit brought by any third party, lender, partner, or part-owner in any form of ownership or any other party as a result of this assignment. The client also agrees that in case of lawsuit arising from or in any way involving these appraisal services, client will hold Valbridge Property Advisors | Houston harmless from and against any liability, loss, cost, or expense incurred or suffered by Valbridge Property Advisors | Houston in such action, regardless of its outcome.
37. The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by The Gerald A. Teel Company, Inc. . Neither Valbridge Property Advisors, Inc., nor any of its affiliates has been engaged to provide this report. Valbridge Property Advisors, Inc. does not provide valuation services, and has taken no part in the preparation of this report.
38. If any claim is filed against any of Valbridge Property Advisors, Inc., a Florida Corporation, its affiliates, officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, except only for direct compensatory damages, and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide this report.
39. This report and any associated work files may be subject to evaluation by Valbridge Property Advisors, Inc., or its affiliates, for quality control purposes.
40. Acceptance and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and limiting conditions.
41. The global outbreak of a "novel coronavirus" (known as COVID-19) was officially declared a pandemic by the World Health Organization (WHO). It is currently unknown what direct, or indirect, effect, if any, this event may have on the national economy, the local economy or the market in which the subject property is located. 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 this event, or any event, subsequent to the effective date of the appraisal.

Certification – Carla Mendoza-Hansel

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are 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 no personal interest with respect to the parties involved.
4. The undersigned has not performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. Carla Mendoza-Hansel has personally inspected the subject property.
10. No one provided significant real property appraisal assistance to the person signing this certification, unless otherwise noted.
11. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, the undersigned has completed the Standards and Ethics Education Requirement for Candidates/Practicing Affiliates of the Appraisal Institute.



Carla Mendoza-Hansel
Appraiser
Texas License #TX 1380943 G
cmendoza@valbridge.com

Certification – Tim Treadway, MAI, CCIM

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are 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 no personal interest with respect to the parties involved.
4. The undersigned has not performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. Tim Treadway did not personally inspect the subject property.
10. No one provided significant real property appraisal assistance to the person signing this certification, unless otherwise noted.
11. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, the undersigned has completed the continuing education program for Designated Members of the Appraisal Institute.



Tim Treadway, MAI, CCIM
Senior Managing Director
Texas License #TX-1323331-G
ttreadway@valbridge.com

Addenda

Additional Subject Photographs

Utility Allowance Grid

Operating Expenses

Glossary

Qualifications

- Carla Mendoza-Hansel, - Appraiser
- Tim Treadway, MAI, CCIM - Senior Managing Director

Information on Valbridge Property Advisors

Office Locations

Additional Subject Photographs



View of Mesa Drive from the subject



Subject entrance



Washer and dryer connections within the unit



View of the kitchen area – recently vacated unit



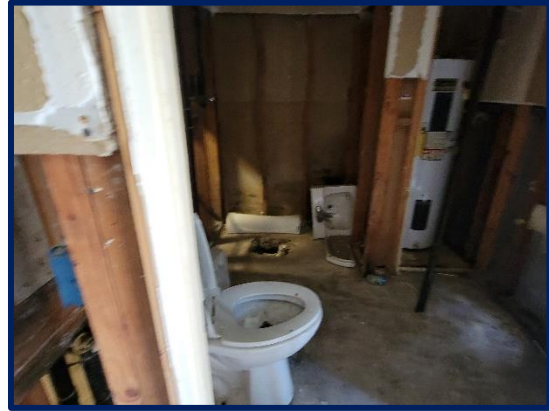
View of the bedroom



View of the secondary bedroom



Exterior view from the porch



Vacant damaged unit



Vacant damaged unit



Vacant damaged unit



View of the management office within the clubhouse – currently vacant



Exterior view of the units from Forest Hollow Street

Utility Allowance Grid

Utility Allowance Schedule

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0169
(exp 7/31/2022)

The following allowances are used to determine the total cost of tenant-furnished utilities and appliances.

Locality/PHA		Unit Type					Date (mm/dd/yyyy)
HCHA 2022 Apartments 5 or more		Rowhouse/townhouse Apts. more than 5 Units					04/01/2022
Utility or Service		Monthly Dollar Allowances					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	a. Natural Gas	8	9	10	11	11	12
	b. Electric	9	11	13	16	18	20
	c. Bottle Gas						
	d. Oil						
	e. Heat Pump						
Cooking	a. Natural Gas	2	2	4	4	6	6
	b. Electric	6	7	10	13	16	18
	c. Bottle Gas						
Other Electricity		36	40	50	59	69	79
Air Conditioning		17	20	28	36	44	52
Water Heating	a. Natural Gas	4	5	7	9	11	13
	b. Electric	13	15	19	23	27	31
	c. Bottle Gas						
	d. Oil						
Water		22	24	33	42	50	59
Sewer		24	26	39	53	66	80
Trash Collection							
Other -- specify		19	19	19	19	19	19
Range/Microwave		11	11	11	11	11	11
Refrigerator		12	12	12	12	12	12

Actual Family Allowances - May be used by the family to compute allowance while searching for a unit.	Utility or Service	per month cost
Head of Household Name	Heating	_____
Unit Address	Cooking	_____
	Other Electric	_____
	Air Conditioning	_____
	Water Heating	_____
	Water	_____
	Sewer	_____
	Trash Collection	_____
	Range/Microwave	_____
	Refrigerator	_____
	Other	_____
Number of Bedrooms	Total	\$ _____

Operating Expenses

Houston Housing Authority

Combination	Beginning Balance	Debit Amount	Credit Amount	Net Amount	Ending Balance
REVENUES					
109-311000-000000-191-000	0.00	6,482.62	63,853.13	(57,370.51)	(57,370.51)
109-312000-000000-191-000	0.00	636.00	0.00	636.00	636.00
109-316000-000000-000-000	0.00	0.00	523,766.00	(523,766.00)	(523,766.00)
109-369001-000000-191-000	0.00	30.00	60.00	(30.00)	(30.00)
109-369007-000000-191-000	0.00	47.25	784.00	(736.75)	(736.75)
EXPENSES					
109-411000-000000-100-000	0.00	3,047.08	323.85	2,723.23	2,723.23
109-411000-000000-104-000	0.00	4,634.40	514.73	4,119.67	4,119.67
109-411000-000000-120-000	0.00	1,350.07	149.84	1,200.23	1,200.23
109-411000-000000-135-000	0.00	4,940.44	533.87	4,406.57	4,406.57
109-411000-000000-150-000	0.00	17,461.08	1,966.98	15,494.10	15,494.10
109-411000-000000-170-000	0.00	1,816.43	253.92	1,562.51	1,562.51
109-411000-000000-180-000	0.00	4,472.15	462.21	4,009.94	4,009.94
109-411000-000000-190-000	0.00	13,199.42	0.00	13,199.42	13,199.42
109-411001-000000-104-000	0.00	105.21	3.78	101.43	101.43
109-411001-000000-135-000	0.00	7.51	0.00	7.51	7.51
109-411001-000000-150-000	0.00	14.24	0.00	14.24	14.24
109-411001-000000-170-000	0.00	20.86	7.78	13.08	13.08
109-411001-000000-180-000	0.00	322.24	40.21	282.03	282.03
109-411501-000000-100-000	0.00	171.84	18.27	153.57	153.57
109-411501-000000-104-000	0.00	262.88	29.98	232.90	232.90
109-411501-000000-120-000	0.00	81.20	8.82	72.38	72.38
109-411501-000000-135-000	0.00	281.91	31.35	250.56	250.56
109-411501-000000-150-000	0.00	1,018.16	115.32	902.84	902.84
109-411501-000000-170-000	0.00	102.36	14.72	87.64	87.64
109-411501-000000-180-000	0.00	242.58	27.78	214.80	214.80
109-411501-000000-190-000	0.00	939.07	0.00	939.07	939.07
109-411503-000000-100-000	0.00	1.02	1.02	0.00	0.00
109-411503-000000-104-000	0.00	1.91	1.91	0.00	0.00
109-411503-000000-120-000	0.00	0.48	0.48	0.00	0.00
109-411503-000000-135-000	0.00	1.73	1.73	0.00	0.00
109-411503-000000-150-000	0.00	5.57	5.57	0.00	0.00
109-411503-000000-170-000	0.00	1.41	1.41	0.00	0.00
109-411503-000000-180-000	0.00	6.04	6.04	0.00	0.00
109-411503-000000-190-000	0.00	119.01	0.00	119.01	119.01
109-411504-000000-100-000	0.00	264.23	36.42	227.81	227.81
109-411504-000000-104-000	0.00	397.79	54.57	343.22	343.22
109-411504-000000-120-000	0.00	122.83	16.94	105.89	105.89
109-411504-000000-135-000	0.00	438.65	60.44	378.21	378.21
109-411504-000000-150-000	0.00	1,528.21	214.19	1,314.02	1,314.02
109-411504-000000-170-000	0.00	165.36	29.80	135.56	135.56
109-411504-000000-180-000	0.00	375.41	52.84	322.57	322.57
109-411509-000000-100-000	0.00	542.76	65.13	477.63	477.63
109-411509-000000-104-000	0.00	162.91	19.59	143.32	143.32
109-411509-000000-120-000	0.00	116.25	13.95	102.30	102.30
109-411509-000000-135-000	0.00	304.88	35.90	268.98	268.98
109-411509-000000-150-000	0.00	608.19	73.32	534.87	534.87
109-411509-000000-170-000	0.00	10.27	1.77	8.50	8.50
109-411509-000000-180-000	0.00	135.02	24.40	110.62	110.62
109-411509-000000-190-000	0.00	1,005.25	0.00	1,005.25	1,005.25
109-413000-000000-104-000	0.00	308.50	0.00	308.50	308.50
109-413000-000000-190-000	0.00	0.00	0.00	0.00	0.00
109-413002-000000-190-000	0.00	0.00	0.00	0.00	0.00
109-414000-000000-190-000	0.00	651.97	755.00	(103.03)	(103.03)
109-415002-000000-190-000	0.00	0.00	0.00	0.00	0.00
109-415003-000000-190-000	0.00	2.50	0.00	2.50	2.50
109-417000-000000-120-000	0.00	7,578.66	5,102.34	2,476.32	2,476.32
109-417000-000000-190-000	0.00	0.00	0.00	0.00	0.00
109-419001-000000-150-000	0.00	320.14	160.07	160.07	160.07
109-419001-000000-190-000	0.00	0.00	0.00	0.00	0.00
109-419002-000000-170-000	0.00	2,842.33	1,249.33	1,593.00	1,593.00
109-419002-000000-190-000	0.00	0.00	0.00	0.00	0.00
109-419003-000000-135-000	0.00	50.72	5.70	45.02	45.02
109-419003-000000-190-000	0.00	164.50	0.00	164.50	164.50
109-419004-000000-190-000	0.00	612.00	0.00	612.00	612.00
109-419005-000000-190-000	0.00	0.00	0.00	0.00	0.00
109-419006-000000-190-000	0.00	0.00	0.00	0.00	0.00
109-419006-000000-191-000	0.00	4,126.60	0.00	4,126.60	4,126.60
109-419008-000000-190-000	0.00	72.75	0.00	72.75	72.75
109-419009-000000-190-000	0.00	3,956.71	0.00	3,956.71	3,956.71
109-419010-000000-190-000	0.00	0.00	0.00	0.00	0.00
109-419012-000000-190-000	0.00	0.00	0.00	0.00	0.00
109-419013-000000-190-000	0.00	0.00	0.00	0.00	0.00
109-419014-000000-190-000	0.00	0.00	0.00	0.00	0.00
109-419015-000000-190-000	0.00	0.00	0.00	0.00	0.00

109-419016-000000-190-000	Office Supplies/Printing	0.00	964.97	0.00	964.97	964.97
109-419018-000000-190-000	Sundry Administrative Expense	0.00	3,989.84	0.00	3,989.84	3,989.84
109-419019-000000-190-000	Annual Reports	0.00	149.29	0.00	149.29	149.29
109-419020-000000-190-000	Office Equipment Maint & Repair	0.00	0.00	0.00	0.00	0.00
109-419021-000000-150-000	Consultants	0.00	12,922.04	5,914.38	7,007.66	7,007.66
109-419021-000000-190-000	Consultants	0.00	0.00	0.00	0.00	0.00
109-419023-000000-190-000	Public Relations	0.00	389.25	300.00	89.25	89.25
109-419024-000000-190-000	Contract Employees	0.00	0.00	0.00	0.00	0.00
109-419025-000000-190-000	Machine Rental	0.00	0.00	0.00	0.00	0.00
109-419026-000000-190-000	Computer Paper and Supplies	0.00	432.42	0.00	432.42	432.42
109-419027-000000-190-000	Copy Machine Paper	0.00	0.00	0.00	0.00	0.00
109-419028-000000-170-000	Copier Services	0.00	4,642.74	0.00	4,642.74	4,642.74
109-419028-000000-190-000	Copier Services	0.00	0.00	0.00	0.00	0.00
109-419032-000000-190-000	Admin Contracts Computer Maintenance	0.00	0.00	0.00	0.00	0.00
109-419033-000000-170-000	Admin Contracts Software Maintenance	0.00	4,525.00	1,810.00	2,715.00	2,715.00
109-419033-000000-190-000	Admin Contracts Software Maintenance	0.00	0.00	0.00	0.00	0.00
109-419035-000000-190-000	Office Equipment and Furniture	0.00	0.00	0.00	0.00	0.00
109-419036-000000-190-000	Computer Equipment	0.00	0.00	0.00	0.00	0.00
109-419038-000000-190-000	Credit Reports	0.00	0.00	0.00	0.00	0.00
109-419041-000000-190-000	Eviction Expense	0.00	0.00	0.00	0.00	0.00
109-419042-000000-190-000	Courier Services	0.00	135.62	0.00	135.62	135.62
109-419044-000000-190-000	Permits/Licenses/Certifications	0.00	270.37	0.00	270.37	270.37
109-419050-000000-190-000	Franchise Tax	0.00	0.00	0.00	0.00	0.00
109-419060-000000-190-000	Bank Account Analysis Charge	0.00	1,799.88	0.00	1,799.88	1,799.88
109-419501-000000-000-000	Management Fees to COCC	0.00	5,241.61	0.00	5,241.61	5,241.61
109-419502-000000-000-000	HHA Bookkeeping Fees	0.00	1,402.50	0.00	1,402.50	1,402.50
109-419503-000000-191-000	Asset Management Fee	0.00	12,000.00	0.00	12,000.00	12,000.00
109-423002-000000-190-000	Tenant Services Other Contracts	0.00	0.00	0.00	0.00	0.00
109-431000-000000-190-000	Water and Sewer	0.00	0.00	0.00	0.00	0.00
109-431000-000000-191-000	Water and Sewer	0.00	34,248.90	1,317.27	32,931.63	32,931.63
109-432000-000000-190-000	Electricity	0.00	1,427.57	0.00	1,427.57	1,427.57
109-432000-000000-191-000	Electricity	0.00	1,729.80	0.00	1,729.80	1,729.80
109-433000-000000-190-000	Gas	0.00	0.00	0.00	0.00	0.00
109-441000-000000-190-000	Maintenance Wages	0.00	13,812.38	0.00	13,812.38	13,812.38
109-441001-000000-190-000	Maintenance Overtime	0.00	932.46	0.00	932.46	932.46
109-441509-000000-190-000	Maintenance - Benefits - Health Insurance	0.00	1,742.94	0.00	1,742.94	1,742.94
109-442001-000000-190-000	Materials - Paint & Accessories	0.00	0.00	0.00	0.00	0.00
109-442003-000000-190-000	Materials - Plumbing & Hardware	0.00	581.29	462.00	119.29	119.29
109-442004-000000-190-000	Materials - Electrical	0.00	92.73	0.00	92.73	92.73
109-442005-000000-190-000	Materials - HVAC	0.00	226.45	0.00	226.45	226.45
109-442006-000000-190-000	Materials - Hot Water Heaters	0.00	0.00	0.00	0.00	0.00
109-442007-000000-190-000	Materials - Grounds	0.00	50.42	0.00	50.42	50.42
109-442008-000000-190-000	Materials - Janitorial	0.00	955.66	0.00	955.66	955.66
109-442009-000000-190-000	Materials - Lumber	0.00	0.00	0.00	0.00	0.00
109-442010-000000-190-000	Materials - Building Supplies	0.00	721.68	3.70	717.98	717.98
109-442011-000000-190-000	Materials - Appliances	0.00	738.83	0.00	738.83	738.83
109-442012-000000-190-000	Materials - Miscellaneous	0.00	3,045.96	0.00	3,045.96	3,045.96
109-442014-000000-190-000	Materials - Pest Control	0.00	0.00	0.00	0.00	0.00
109-442015-000000-190-000	Materials - Tools	0.00	61.98	0.00	61.98	61.98
109-443001-000000-190-000	Contracts - Painting	0.00	5,955.00	0.00	5,955.00	5,955.00
109-443002-000000-190-000	Contracts - Auto Repairs/Maintenance	0.00	0.00	0.00	0.00	0.00
109-443003-000000-190-000	Contracts - Equipment Repair	0.00	0.00	0.00	0.00	0.00
109-443004-000000-190-000	Contracts - HVAC Repairs/Maintenance	0.00	1,319.60	0.00	1,319.60	1,319.60
109-443005-000000-190-000	Contracts - Electrical Repairs/Maintenance	0.00	0.00	0.00	0.00	0.00
109-443006-000000-190-000	Contracts - Appliance Repair	0.00	0.00	0.00	0.00	0.00
109-443007-000000-190-000	Contract - Garbage Pickup	0.00	7,359.76	0.00	7,359.76	7,359.76
109-443008-000000-190-000	Contracts - Utility Distribution System	0.00	0.00	0.00	0.00	0.00
109-443009-000000-190-000	Contracts - Pest Control	0.00	4,863.00	0.00	4,863.00	4,863.00
109-443010-000000-190-000	Contracts - Water Treatment	0.00	0.00	0.00	0.00	0.00
109-443011-000000-190-000	Contracts - Other Miscellaneous	0.00	3,632.00	0.00	3,632.00	3,632.00
109-443013-000000-190-000	Contracts - Building Repairs	0.00	0.00	0.00	0.00	0.00
109-443015-000000-190-000	Contracts - Elevator Repairs/Maintenance	0.00	0.00	0.00	0.00	0.00
109-443016-000000-190-000	Contracts - Roof Repairs	0.00	0.00	0.00	0.00	0.00
109-443017-000000-190-000	Contracts - Janitorial	0.00	0.00	0.00	0.00	0.00
109-443018-000000-190-000	Contracts - Plumbing	0.00	1,140.00	0.00	1,140.00	1,140.00
109-443019-000000-190-000	Contracts - Carpet & Tile	0.00	0.00	0.00	0.00	0.00
109-443020-000000-190-000	Contracts - Locks & Keys	0.00	16.91	0.00	16.91	16.91
109-443021-000000-190-000	Contracts - Grounds	0.00	24,378.33	0.00	24,378.33	24,378.33
109-443025-000000-190-000	Contracts - Labor	0.00	0.00	0.00	0.00	0.00
109-443026-000000-190-000	Contracts - Uniform Services	0.00	0.00	0.00	0.00	0.00
109-448001-000000-150-000	Security Services Harris County Contract	0.00	49,849.41	0.00	49,849.41	49,849.41
109-448002-000000-190-000	Security Service - Others	0.00	1,055.79	0.00	1,055.79	1,055.79
109-451001-000000-120-000	Insurance - General Liability	0.00	2,120.04	230.03	1,890.01	1,890.01
109-451001-000000-190-000	Insurance - General Liability	0.00	0.00	0.00	0.00	0.00
109-451002-000000-190-000	Insurance - Workers Comp	0.00	3,277.00	0.00	3,277.00	3,277.00
109-451009-000000-120-000	Insurance - Fire & Extended Coverage	0.00	18,568.32	2,014.76	16,553.56	16,553.56
109-454006-000000-190-000	Benefits - State Unemployment Insurance	0.00	0.00	0.00	0.00	0.00
109-454007-000000-190-000	Benefits - Uniforms	0.00	60.35	0.00	60.35	60.35
109-457000-000000-190-000	Bad Debt - Tenants	0.00	0.00	0.00	0.00	0.00
109-457000-000000-191-000	Bad Debt - Tenants	0.00	312.75	82.00	230.75	230.75
109-458000-000000-190-000	Interest Expense on Notes	0.00	0.00	0.00	0.00	0.00
109-461005-000000-190-000	Hurricanes/Disasters	0.00	5,887.05	0.00	5,887.05	5,887.05
109-561001-000000-000-000	Interest Expense - Notes	0.00	8,729.84	0.00	8,729.84	8,729.84

Grand Total:		0.00	336,449.29	613,090.54	(276,641.25)	(276,641.25)
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End of Report

Houston Housing Authority

Combination	Beginning Balance	Debit Amount	Credit Amount	Net Amount	Ending Balance
REVENUES					
109-311000-000000-191-000	0.00	9,555.50	76,665.75	(67,110.25)	(67,110.25)
109-312000-000000-191-000	0.00	1,136.00	263.46	872.54	872.54
109-316000-000000-000-000	0.00	0.00	807,414.00	(807,414.00)	(807,414.00)
109-317061-000000-000-950	0.00	0.00	40,000.00	(40,000.00)	(40,000.00)
109-317061-143001-000-000	0.00	0.00	27,069.84	(27,069.84)	(27,069.84)
109-369001-000000-191-000	0.00	0.00	90.00	(90.00)	(90.00)
109-369007-000000-191-000	0.00	52.50	52.50	0.00	0.00
EXPENSES					
109-411000-000000-100-000	0.00	3,234.43	279.16	2,955.27	2,955.27
109-411000-000000-104-000	0.00	3,833.23	320.30	3,512.93	3,512.93
109-411000-000000-120-000	0.00	1,487.20	126.14	1,361.06	1,361.06
109-411000-000000-135-000	0.00	4,748.34	282.41	4,465.93	4,465.93
109-411000-000000-150-000	0.00	15,118.42	961.25	14,157.17	14,157.17
109-411000-000000-170-000	0.00	357.94	0.00	357.94	357.94
109-411000-000000-180-000	0.00	3,489.31	319.64	3,169.67	3,169.67
109-411000-000000-190-000	0.00	16,981.50	0.00	16,981.50	16,981.50
109-411001-000000-104-000	0.00	103.63	15.25	88.38	88.38
109-411001-000000-135-000	0.00	16.54	0.00	16.54	16.54
109-411001-000000-150-000	0.00	5.27	0.00	5.27	5.27
109-411001-000000-180-000	0.00	610.34	60.43	549.91	549.91
109-411501-000000-100-000	0.00	184.47	16.09	168.38	168.38
109-411501-000000-104-000	0.00	227.42	20.02	207.40	207.40
109-411501-000000-120-000	0.00	88.34	7.52	80.82	80.82
109-411501-000000-135-000	0.00	272.75	16.32	256.43	256.43
109-411501-000000-150-000	0.00	896.54	56.54	840.00	840.00
109-411501-000000-170-000	0.00	21.42	0.00	21.42	21.42
109-411501-000000-180-000	0.00	232.86	22.15	210.71	210.71
109-411501-000000-190-000	0.00	1,299.09	0.00	1,299.09	1,299.09
109-411503-000000-100-000	0.00	10.22	5.11	5.11	5.11
109-411503-000000-104-000	0.00	15.87	7.95	7.92	7.92
109-411503-000000-120-000	0.00	4.08	2.04	2.04	2.04
109-411503-000000-135-000	0.00	20.43	10.21	10.22	10.22
109-411503-000000-150-000	0.00	48.55	24.27	24.28	24.28
109-411503-000000-170-000	0.00	6.12	3.06	3.06	3.06
109-411503-000000-180-000	0.00	31.51	15.92	15.59	15.59
109-411503-000000-190-000	0.00	304.92	0.00	304.92	304.92
109-411504-000000-100-000	0.00	265.08	19.74	245.34	245.34
109-411504-000000-104-000	0.00	324.96	24.53	300.43	300.43
109-411504-000000-120-000	0.00	122.96	9.16	113.80	113.80
109-411504-000000-135-000	0.00	395.85	20.06	375.79	375.79
109-411504-000000-150-000	0.00	1,255.10	70.64	1,184.46	1,184.46
109-411504-000000-170-000	0.00	30.11	0.00	30.11	30.11
109-411504-000000-180-000	0.00	327.43	23.11	304.32	304.32
109-411509-000000-100-000	0.00	586.52	43.48	543.04	543.04
109-411509-000000-104-000	0.00	171.28	12.36	158.92	158.92
109-411509-000000-120-000	0.00	125.59	9.32	116.27	116.27
109-411509-000000-135-000	0.00	250.11	1.50	248.61	248.61
109-411509-000000-150-000	0.00	635.64	46.46	589.18	589.18
109-411509-000000-170-000	0.00	0.54	0.00	0.54	0.54
109-411509-000000-180-000	0.00	116.51	8.56	107.95	107.95
109-411509-000000-190-000	0.00	182.29	0.00	182.29	182.29
109-414000-000000-190-000	0.00	738.85	0.00	738.85	738.85
109-415003-000000-190-000	0.00	0.00	0.00	0.00	0.00
109-417000-000000-120-000	0.00	3,404.94	0.00	3,404.94	3,404.94
109-419001-000000-150-000	0.00	171.98	0.00	171.98	171.98
109-419001-000000-190-000	0.00	0.00	0.00	0.00	0.00
109-419002-000000-170-000	0.00	3,330.12	751.81	2,578.31	2,578.31
109-419002-000000-190-000	0.00	0.00	0.00	0.00	0.00
109-419003-000000-135-000	0.00	63.42	20.97	42.45	42.45
109-419003-000000-190-000	0.00	153.25	0.00	153.25	153.25
109-419004-000000-190-000	0.00	612.00	0.00	612.00	612.00
109-419005-000000-190-000	0.00	235.00	0.00	235.00	235.00
109-419006-000000-190-000	0.00	0.00	0.00	0.00	0.00
109-419006-000000-191-000	0.00	3,863.20	0.00	3,863.20	3,863.20
109-419008-000000-190-000	0.00	174.33	0.00	174.33	174.33
109-419009-000000-190-000	0.00	4,119.20	0.00	4,119.20	4,119.20
109-419012-000000-190-000	0.00	0.00	0.00	0.00	0.00
109-419014-000000-190-000	0.00	0.00	0.00	0.00	0.00
109-419015-000000-190-000	0.00	0.00	0.00	0.00	0.00
109-419016-000000-190-000	0.00	768.78	0.00	768.78	768.78
109-419018-000000-190-000	0.00	12,675.37	0.00	12,675.37	12,675.37
109-419019-000000-190-000	0.00	142.11	0.00	142.11	142.11
109-419021-000000-150-000	0.00	8,786.67	0.00	8,786.67	8,786.67
109-419023-000000-190-000	0.00	95.20	0.00	95.20	95.20
109-419024-000000-190-000	0.00	2,414.45	0.00	2,414.45	2,414.45

109-419026-000000-190-000	Computer Paper and Supplies	0.00	36.70	0.00	36.70	36.70
109-419028-000000-170-000	Copier Services	0.00	3,222.56	0.00	3,222.56	3,222.56
109-419032-000000-190-000	Admin Contracts Computer Maintenance	0.00	0.00	0.00	0.00	0.00
109-419033-000000-170-000	Admin Contracts Software Maintenance	0.00	3,011.40	0.00	3,011.40	3,011.40
109-419033-000000-190-000	Admin Contracts Software Maintenance	0.00	0.00	0.00	0.00	0.00
109-419041-000000-190-000	Eviction Expense	0.00	0.00	0.00	0.00	0.00
109-419042-000000-190-000	Courier Services	0.00	79.67	0.00	79.67	79.67
109-419044-000000-190-000	Permits/Licenses/Certifications	0.00	271.12	0.00	271.12	271.12
109-419050-000000-190-000	Franchise Tax	0.00	0.00	0.00	0.00	0.00
109-419060-000000-190-000	Bank Account Analysis Charge	0.00	1,628.75	0.00	1,628.75	1,628.75
109-419501-000000-000-000	Management Fees to COCC	0.00	5,381.76	0.00	5,381.76	5,381.76
109-419502-000000-000-000	HHA Bookkeeping Fees	0.00	1,440.00	0.00	1,440.00	1,440.00
109-419503-000000-191-000	Asset Management Fee	0.00	12,000.00	0.00	12,000.00	12,000.00
109-423002-000000-190-000	Tenant Services Other Contracts	0.00	0.00	0.00	0.00	0.00
109-431000-000000-190-000	Water and Sewer	0.00	0.00	0.00	0.00	0.00
109-431000-000000-191-000	Water and Sewer	0.00	45,871.46	987.11	44,884.35	44,884.35
109-432000-000000-190-000	Electricity	0.00	4,145.80	0.00	4,145.80	4,145.80
109-432000-000000-191-000	Electricity	0.00	1,275.56	0.00	1,275.56	1,275.56
109-433000-000000-190-000	Gas	0.00	0.00	0.00	0.00	0.00
109-441000-000000-190-000	Maintenance Wages	0.00	11,196.60	0.00	11,196.60	11,196.60
109-441001-000000-190-000	Maintenance Overtime	0.00	31.50	0.00	31.50	31.50
109-441509-000000-190-000	Maintenance - Benefits - Health Insurance	0.00	1,153.69	0.00	1,153.69	1,153.69
109-442001-000000-190-000	Materials - Paint & Accessories	0.00	0.00	0.00	0.00	0.00
109-442003-000000-190-000	Materials - Plumbing & Hardware	0.00	164.19	0.00	164.19	164.19
109-442004-000000-190-000	Materials - Electrical	0.00	0.00	0.00	0.00	0.00
109-442005-000000-190-000	Materials - HVAC	0.00	188.88	0.00	188.88	188.88
109-442006-000000-190-000	Materials - Hot Water Heaters	0.00	442.74	0.00	442.74	442.74
109-442007-000000-190-000	Materials - Grounds	0.00	234.14	0.00	234.14	234.14
109-442008-000000-190-000	Materials - Janitorial	0.00	67.66	0.00	67.66	67.66
109-442010-000000-190-000	Materials - Building Supplies	0.00	893.25	48.76	844.49	844.49
109-442011-000000-190-000	Materials - Appliances	0.00	1,323.52	0.00	1,323.52	1,323.52
109-442012-000000-190-000	Materials - Miscellaneous	0.00	0.00	0.00	0.00	0.00
109-442015-000000-190-000	Materials - Tools	0.00	674.74	0.00	674.74	674.74
109-443001-000000-190-000	Contracts - Painting	0.00	1,400.00	0.00	1,400.00	1,400.00
109-443003-000000-190-000	Contracts - Equipment Repair	0.00	0.00	0.00	0.00	0.00
109-443004-000000-190-000	Contracts - HVAC Repairs/Maintenance	0.00	12,489.00	0.00	12,489.00	12,489.00
109-443005-000000-190-000	Contracts - Electrical Repairs/Maintenance	0.00	3,403.28	0.00	3,403.28	3,403.28
109-443006-000000-190-000	Contracts - Appliance Repair	0.00	0.00	0.00	0.00	0.00
109-443007-000000-190-000	Contract - Garbage Pickup	0.00	7,972.56	0.00	7,972.56	7,972.56
109-443009-000000-190-000	Contracts - Pest Control	0.00	3,888.00	0.00	3,888.00	3,888.00
109-443011-000000-190-000	Contracts - Other Miscellaneous	0.00	9,945.00	0.00	9,945.00	9,945.00
109-443013-000000-190-000	Contracts - Building Repairs	0.00	872.00	0.00	872.00	872.00
109-443015-000000-190-000	Contracts - Elevator Repairs/Maintenance	0.00	0.00	0.00	0.00	0.00
109-443016-000000-190-000	Contracts - Roof Repairs	0.00	0.00	0.00	0.00	0.00
109-443017-000000-190-000	Contracts - Janitorial	0.00	0.00	0.00	0.00	0.00
109-443018-000000-190-000	Contracts - Plumbing	0.00	11,245.19	0.00	11,245.19	11,245.19
109-443019-000000-190-000	Contracts - Carpet & Tile	0.00	0.00	0.00	0.00	0.00
109-443020-000000-190-000	Contracts - Locks & Keys	0.00	0.00	0.00	0.00	0.00
109-443021-000000-190-000	Contracts - Grounds	0.00	36,200.00	0.00	36,200.00	36,200.00
109-448001-000000-150-000	Security Services Harris County Contract	0.00	51,080.30	0.00	51,080.30	51,080.30
109-448002-000000-190-000	Security Service - Others	0.00	771.22	0.00	771.22	771.22
109-451001-000000-120-000	Insurance - General Liability	0.00	805.28	0.00	805.28	805.28
109-451001-000000-190-000	Insurance - General Liability	0.00	18.00	0.00	18.00	18.00
109-451002-000000-190-000	Insurance - Workers Comp	0.00	859.00	0.00	859.00	859.00
109-451009-000000-120-000	Insurance - Fire & Extended Coverage	0.00	14,544.88	0.00	14,544.88	14,544.88
109-454007-000000-190-000	Benefits - Uniforms	0.00	433.41	0.00	433.41	433.41
109-461005-000000-190-000	Hurricanes/Disasters	0.00	1,400.00	0.00	1,400.00	1,400.00
109-461006-000000-100-000	COVID-19/CARES ACT	0.00	49.70	3.55	46.15	46.15
109-461006-000000-104-000	COVID-19/CARES ACT	0.00	82.23	3.73	78.50	78.50
109-461006-000000-120-000	COVID-19/CARES ACT	0.00	18.46	1.42	17.04	17.04
109-461006-000000-135-000	COVID-19/CARES ACT	0.00	85.20	3.55	81.65	81.65
109-461006-000000-150-000	COVID-19/CARES ACT	0.00	245.82	9.76	236.06	236.06
109-461006-000000-180-000	COVID-19/CARES ACT	0.00	113.47	5.33	108.14	108.14
109-561001-000000-000-000	Interest Expense - Notes	0.00	36,241.92	0.00	36,241.92	36,241.92

Grand Total: 0.00 399,833.19 956,252.24 (556,419.05) (556,419.05)

End of Report

Houston Housing Authority

Combination	Beginning Balance	Debit Amount	Credit Amount	Net Amount	Ending Balance
REVENUES					
109-311000-000000-191-000 PHA Units - Tenant Rental Revenue	0.00	5,655.00	64,549.53	(58,894.53)	(58,894.53)
109-312000-000000-191-000 Excess Utilities - Other	0.00	1,539.00	80.00	1,459.00	1,459.00
109-316000-000000-000-000 HUD Operating Subsidy	0.00	0.00	291,365.50	(291,365.50)	(291,365.50)
109-317061-000000-000-000 Capital Grants	0.00	0.00	360,953.53	(360,953.53)	(360,953.53)
109-369001-000000-191-000 PHA Units - Tenant Late Charges	0.00	135.00	345.00	(210.00)	(210.00)
109-369007-000000-191-000 PHA Units - Tenant Maintenance Fee	0.00	0.00	630.00	(630.00)	(630.00)
EXPENSES					
109-411000-000000-100-000 Administrative Salaries	0.00	3,626.50	584.75	3,041.75	3,041.75
109-411000-000000-104-000 Administrative Salaries	0.00	3,041.14	500.33	2,540.81	2,540.81
109-411000-000000-120-000 Administrative Salaries	0.00	1,874.85	451.25	1,423.60	1,423.60
109-411000-000000-135-000 Administrative Salaries	0.00	4,109.91	732.75	3,377.16	3,377.16
109-411000-000000-150-000 Administrative Salaries	0.00	13,395.65	2,218.15	11,177.50	11,177.50
109-411000-000000-180-000 Administrative Salaries	0.00	1,580.36	180.44	1,399.92	1,399.92
109-411000-000000-190-000 Administrative Salaries	0.00	22,435.76	0.00	22,435.76	22,435.76
109-411001-000000-104-000 Administrative Overtime	0.00	299.22	42.80	256.42	256.42
109-411001-000000-180-000 Administrative Overtime	0.00	378.08	4.82	373.26	373.26
109-411501-000000-100-000 Administrative - Benefits - FICA	0.00	223.63	41.75	181.88	181.88
109-411501-000000-104-000 Administrative - Benefits - FICA	0.00	209.59	39.30	170.29	170.29
109-411501-000000-120-000 Administrative - Benefits - FICA	0.00	126.40	34.33	92.07	92.07
109-411501-000000-135-000 Administrative - Benefits - FICA	0.00	258.38	53.15	205.23	205.23
109-411501-000000-150-000 Administrative - Benefits - FICA	0.00	852.18	162.63	689.55	689.55
109-411501-000000-180-000 Administrative - Benefits - FICA	0.00	118.04	13.14	104.90	104.90
109-411501-000000-190-000 Administrative - Benefits - FICA	0.00	1,562.65	0.00	1,562.65	1,562.65
109-411503-000000-100-000 Administrative - Benefits - SUI & FUTA	0.00	13.74	4.80	8.94	8.94
109-411503-000000-104-000 Administrative - Benefits - SUI & FUTA	0.00	14.72	5.32	9.40	9.40
109-411503-000000-120-000 Administrative - Benefits - SUI & FUTA	0.00	4.67	1.10	3.57	3.57
109-411503-000000-135-000 Administrative - Benefits - SUI & FUTA	0.00	14.77	5.84	8.93	8.93
109-411503-000000-150-000 Administrative - Benefits - SUI & FUTA	0.00	28.83	4.22	24.61	24.61
109-411503-000000-180-000 Administrative - Benefits - SUI & FUTA	0.00	19.50	7.33	12.17	12.17
109-411503-000000-190-000 Administrative - Benefits - SUI & FUTA	0.00	254.42	0.00	254.42	254.42
109-411504-000000-100-000 Administrative - Benefits - Pension	0.00	305.97	49.35	256.62	256.62
109-411504-000000-104-000 Administrative - Benefits - Pension	0.00	282.96	45.84	237.12	237.12
109-411504-000000-120-000 Administrative - Benefits - Pension	0.00	159.12	38.34	120.78	120.78
109-411504-000000-135-000 Administrative - Benefits - Pension	0.00	348.80	62.19	286.61	286.61
109-411504-000000-150-000 Administrative - Benefits - Pension	0.00	1,130.31	187.17	943.14	943.14
109-411504-000000-180-000 Administrative - Benefits - Pension	0.00	166.36	15.74	150.62	150.62
109-411509-000000-100-000 Administrative - Benefits - Health Insurance	0.00	604.23	86.32	517.91	517.91
109-411509-000000-104-000 Administrative - Benefits - Health Insurance	0.00	255.86	65.40	190.46	190.46
109-411509-000000-120-000 Administrative - Benefits - Health Insurance	0.00	89.17	4.72	84.45	84.45
109-411509-000000-135-000 Administrative - Benefits - Health Insurance	0.00	268.12	124.80	143.32	143.32
109-411509-000000-150-000 Administrative - Benefits - Health Insurance	0.00	725.86	179.24	546.62	546.62
109-411509-000000-180-000 Administrative - Benefits - Health Insurance	0.00	71.80	29.37	42.43	42.43
109-411509-000000-190-000 Administrative - Benefits - Health Insurance	0.00	3,056.40	0.00	3,056.40	3,056.40
Payroll					
109-414000-000000-190-000 Staff Training	0.00	0.00	0.00	0.00	0.00
109-415003-000000-190-000 Travel Expense - Within City	0.00	0.00	0.00	0.00	0.00
109-417000-000000-120-000 Accounting & Auditing Fees	0.00	4,024.02	0.00	4,024.02	4,024.02
109-419001-000000-150-000 Membership Dues and Fees	0.00	173.98	0.00	173.98	173.98
109-419001-000000-190-000 Membership Dues and Fees	0.00	0.00	0.00	0.00	0.00
109-419002-000000-170-000 Telephone Expense	0.00	5,538.96	43.16	5,495.80	5,495.80
109-419002-000000-190-000 Telephone Expense	0.00	0.00	0.00	0.00	0.00
109-419003-000000-135-000 Postage Expense	0.00	64.86	1.84	63.02	63.02
109-419003-000000-190-000 Postage Expense	0.00	99.94	0.00	99.94	99.94
109-419004-000000-190-000 Publications	0.00	408.00	0.00	408.00	408.00
Admin					
109-419005-000000-190-000 Advertising Expense	0.00	0.00	0.00	0.00	0.00
Advertisement					
109-419006-000000-190-000 Management Agent Fees to PMC	0.00	0.00	0.00	0.00	0.00
109-419006-000000-191-000 Management Agent Fees to PMC	0.00	3,819.30	0.00	3,819.30	3,819.30
Management					
109-419008-000000-190-000 Pre-employment Screening	0.00	12.25	0.00	12.25	12.25
109-419009-000000-190-000 Communications Expense	0.00	2,946.59	0.00	2,946.59	2,946.59
109-419012-000000-190-000 Print Shop Expenses	0.00	0.00	0.00	0.00	0.00
109-419014-000000-190-000 Meetings Expense	0.00	0.00	0.00	0.00	0.00
109-419015-000000-190-000 Data Processing Expense	0.00	0.00	0.00	0.00	0.00
109-419016-000000-190-000 Office Supplies/Printing	0.00	633.24	0.00	633.24	633.24
109-419018-000000-190-000 Sundry Administrative Expense	0.00	5,697.24	0.00	5,697.24	5,697.24
109-419019-000000-190-000 Annual Reports	0.00	148.03	0.00	148.03	148.03
109-419021-000000-150-000 Consultants	0.00	23,521.45	0.00	23,521.45	23,521.45
109-419023-000000-190-000 Public Relations	0.00	58.30	0.00	58.30	58.30
109-419024-000000-190-000 Contract Employees	0.00	0.00	0.00	0.00	0.00
109-419026-000000-190-000 Computer Paper and Supplies	0.00	0.00	0.00	0.00	0.00
109-419028-000000-170-000 Copier Services	0.00	3,808.48	0.00	3,808.48	3,808.48
109-419032-000000-190-000 Admin Contracts Computer Maintenance	0.00	0.00	0.00	0.00	0.00
109-419033-000000-170-000 Admin Contracts Software Maintenance	0.00	3,146.89	0.00	3,146.89	3,146.89

109-419033-000000-190-000	Admin Contracts Software Maintenance	0.00	0.00	0.00	0.00	0.00
109-419041-000000-190-000	Eviction Expense	0.00	0.00	0.00	0.00	0.00
109-419042-000000-190-000	Courier Services	0.00	57.40	0.00	57.40	57.40
109-419044-000000-190-000	Permits/Licenses/Certifications	0.00	0.00	0.00	0.00	0.00
109-419050-000000-190-000	Franchise Tax	0.00	0.00	0.00	0.00	0.00
109-419060-000000-190-000	Bank Account Analysis Charge	0.00	1,276.19	0.00	1,276.19	1,276.19
109-419095-000000-000-000	Relocation Expense	0.00	2,600.00	0.00	2,600.00	2,600.00
109-419095-000000-150-000	Relocation Expense	0.00	44,622.00	0.00	44,622.00	44,622.00
Other opex: Relocation						
109-419501-000000-000-000	Management Fees to COCC	0.00	7,876.43	0.00	7,876.43	7,876.43
109-419502-000000-000-000	HHA Bookkeeping Fees	0.00	2,107.50	0.00	2,107.50	2,107.50
109-419503-000000-191-000	Asset Management Fee	0.00	17,000.00	14,210.00	2,790.00	2,790.00
109-422003-000000-150-000	Tenant Services Other	0.00	214.99	0.00	214.99	214.99
109-423002-000000-190-000	Tenant Services Other Contracts	0.00	0.00	0.00	0.00	0.00
109-431000-000000-190-000	Water and Sewer	0.00	0.00	0.00	0.00	0.00
109-431000-000000-191-000	Water and Sewer	0.00	47,790.64	0.00	47,790.64	47,790.64
109-432000-000000-190-000	Electricity	0.00	1,721.39	0.00	1,721.39	1,721.39
109-432000-000000-191-000	Electricity	0.00	1,388.04	0.00	1,388.04	1,388.04
109-433000-000000-190-000	Gas	0.00	0.00	0.00	0.00	0.00
109-441000-000000-190-000	Maintenance Wages	0.00	14,289.93	0.00	14,289.93	14,289.93
109-441001-000000-190-000	Maintenance Overtime	0.00	307.81	0.00	307.81	307.81
109-441509-000000-190-000	Maintenance - Benefits - Health Insurance	0.00	1,425.41	0.00	1,425.41	1,425.41
109-442001-000000-190-000	Materials - Paint & Accessories	0.00	0.00	0.00	0.00	0.00
109-442003-000000-190-000	Materials - Plumbing & Hardware	0.00	8.11	0.00	8.11	8.11
109-442004-000000-190-000	Materials - Electrical	0.00	0.00	0.00	0.00	0.00
109-442005-000000-190-000	Materials - HVAC	0.00	79.74	0.00	79.74	79.74
109-442006-000000-190-000	Materials - Hot Water Heaters	0.00	0.00	0.00	0.00	0.00
109-442007-000000-190-000	Materials - Grounds	0.00	0.00	0.00	0.00	0.00
109-442008-000000-190-000	Materials - Janitorial	0.00	164.32	0.00	164.32	164.32
109-442010-000000-190-000	Materials - Building Supplies	0.00	0.00	0.00	0.00	0.00
109-442011-000000-190-000	Materials - Appliances	0.00	1,951.72	0.00	1,951.72	1,951.72
109-442012-000000-190-000	Materials - Miscellaneous	0.00	0.00	0.00	0.00	0.00
109-442015-000000-190-000	Materials - Tools	0.00	20.00	0.00	20.00	20.00
109-443001-000000-190-000	Contracts - Painting	0.00	0.00	0.00	0.00	0.00
109-443003-000000-190-000	Contracts - Equipment Repair	0.00	0.00	0.00	0.00	0.00
109-443004-000000-190-000	Contracts - HVAC Repairs/Maintenance	0.00	6,286.62	0.00	6,286.62	6,286.62
109-443005-000000-190-000	Contracts - Electrical Repairs/Maintenance	0.00	975.00	0.00	975.00	975.00
109-443006-000000-190-000	Contracts - Appliance Repair	0.00	0.00	0.00	0.00	0.00
109-443007-000000-190-000	Contract - Garbage Pickup	0.00	6,053.74	0.00	6,053.74	6,053.74
109-443008-000000-190-000	Contracts - Utility Distribution System	0.00	119.63	0.00	119.63	119.63
109-443009-000000-190-000	Contracts - Pest Control	0.00	2,592.00	0.00	2,592.00	2,592.00
109-443011-000000-190-000	Contracts - Other Miscellaneous	0.00	6,357.00	0.00	6,357.00	6,357.00
109-443013-000000-190-000	Contracts - Building Repairs	0.00	0.00	0.00	0.00	0.00
109-443015-000000-190-000	Contracts - Elevator Repairs/Maintenance	0.00	0.00	0.00	0.00	0.00
109-443016-000000-190-000	Contracts - Roof Repairs	0.00	0.00	0.00	0.00	0.00
109-443017-000000-190-000	Contracts - Janitorial	0.00	0.00	0.00	0.00	0.00
109-443018-000000-190-000	Contracts - Plumbing	0.00	7,135.16	0.00	7,135.16	7,135.16
109-443019-000000-190-000	Contracts - Carpet & Tile	0.00	0.00	0.00	0.00	0.00
109-443020-000000-190-000	Contracts - Locks & Keys	0.00	0.00	0.00	0.00	0.00
109-443021-000000-190-000	Contracts - Grounds	0.00	20,450.00	0.00	20,450.00	20,450.00
109-448001-000000-150-000	Security Services Harris County Contract	0.00	59,798.81	8,530.70	51,268.11	51,268.11
109-448002-000000-190-000	Security Service - Others	0.00	387.06	0.00	387.06	387.06
109-451001-000000-120-000	Insurance - General Liability	0.00	857.79	0.00	857.79	857.79
109-451001-000000-190-000	Insurance - General Liability	0.00	335.36	0.00	335.36	335.36
109-451002-000000-190-000	Insurance - Workers Comp	0.00	1,421.00	0.00	1,421.00	1,421.00
109-451009-000000-120-000	Insurance - Fire & Extended Coverage	0.00	15,500.01	0.00	15,500.01	15,500.01
109-454007-000000-190-000	Benefits - Uniforms	0.00	0.00	0.00	0.00	0.00
109-457000-000000-191-000	Bad Debt - Tenants	0.00	0.00	15.00	(15.00)	(15.00)
109-459000-000000-140-000	Other General Expense	0.00	3,402.50	0.00	3,402.50	3,402.50
109-461005-000000-190-000	Hurricanes/Disasters	0.00	0.00	0.00	0.00	0.00
109-461006-000000-100-000	COVID-19/CARES ACT	0.00	10.65	3.55	7.10	7.10
109-461006-000000-104-000	COVID-19/CARES ACT	0.00	11.19	3.73	7.46	7.46
109-461006-000000-120-000	COVID-19/CARES ACT	0.00	4.26	1.42	2.84	2.84
109-461006-000000-135-000	COVID-19/CARES ACT	0.00	10.65	3.55	7.10	7.10
109-461006-000000-150-000	COVID-19/CARES ACT	0.00	29.28	9.76	19.52	19.52
109-461006-000000-180-000	COVID-19/CARES ACT	0.00	5.34	1.07	4.27	4.27
109-561001-000000-000-000	Interest Expense - Notes	0.00	39,620.73	0.00	39,620.73	39,620.73
Grand Total:		0.00	439,603.88	746,724.02	(307,120.14)	(307,120.14)

End of Report

Glossary

Definitions are taken from The Dictionary of Real Estate Appraisal, 7th Edition (Dictionary), the Uniform Standards of Professional Appraisal Practice (USPAP), and Building Owners and Managers Association International (BOMA).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. (Dictionary)

Amortization

The process of retiring a debt or recovering a capital investment, typically through scheduled, systematic repayment of the principal; a program of periodic contributions to a sinking fund or debt retirement fund. (Dictionary)

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Interagency Appraisal and Evaluation Guidelines) Note that the use of the “as is” phrase is specific to appraisal regulations pursuant to FIRREA applying to appraisals prepared for regulated lenders in the United States. The concept of an “as is” value is not included in the Standards of Valuation Practice of the Appraisal Institute, Uniform Standards of Professional Appraisal Practice, or International Valuation Standards. (Dictionary)

Base Rent

The minimum rent stipulated in a lease. (Dictionary)

Base Year

The year on which escalation clauses in a lease are based. (Dictionary)

Building Common Area

In office buildings, the areas of the building that provide services to building tenants but that are not included in the office area or store area of any specific tenant. These areas may include, but shall not be limited to, main and auxiliary lobbies, atrium spaces at the level of the finished floor, concierge areas or security desks, conference rooms, lounges or vending areas, food service facilities, health or fitness centers, daycare facilities, locker or shower facilities, mail rooms, fire control rooms, fully enclosed courtyards outside the exterior walls, and building core and service areas such as fully enclosed mechanical or equipment rooms. Specifically excluded from building common area are floor common areas, parking space, portions of loading docks outside the building line, and major vertical penetrations. (BOMA)

Building Rentable Area

The sum of all floor rentable areas. Floor rentable area is the result of subtracting from the gross measured area of a floor the major vertical penetrations on that same floor. It is generally fixed for the life of the building and is rarely affected by changes in corridor size or configuration. (BOMA)

Bulk Value

The value of multiple units, subdivided plots, or properties in a portfolio as though sold together in a single transaction. (Dictionary)

Certificate of Occupancy (COO)

A formal written acknowledgment by an appropriate unit of local government that a new construction or renovation project is at the stage where it meets applicable health and safety codes and is ready for commercial or residential occupancy. (Dictionary)

Common Area Maintenance (CAM)

The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property. (Dictionary)

The amount of money charged to tenants for their shares of maintaining a [shopping] center’s common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenance, snow removal, security, [amenities,] and upkeep. (ICSC – International Council of Shopping Centers, 4th Ed.)

Condominium

An attached, detached, or stacked unit within or attached to a structure with common areas that are held as tenants in common (an undivided interest) with other owners in the project. The units can be residential, commercial, industrial, or parking spaces or boat docks. These units are commonly defined by state laws in their locations. Because units can be stacked on top of other units, these units can be defined both vertically and horizontally. (Dictionary)

Conservation Easement

An interest in real estate restricting future land use to preservation, conservation, wildlife habitat, or some combination of those uses. A conservation easement

may permit farming, timber harvesting, or other uses of a rural nature as well as some types of conservation-oriented development to continue, subject to the easement. (Dictionary)

Contributory Value

A type of value that reflects the amount a property or component of a property contributes to the value of another asset or to the property as a whole.

The change in the value of a property as a whole, whether positive or negative, resulting from the addition or deletion of a property component. Also called deprival value in some countries. (Dictionary)

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service ($DCR = NOI \div I_m$), which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR)*. A larger *DCR* typically indicates a greater ability for a property to withstand a reduction of income, providing an improved safety margin for a lender. (Dictionary)

Deed Restriction

A provision written into a deed that limits the use of land. Deed restrictions usually remain in effect when title passes to subsequent owners. (Dictionary)

Depreciation

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

In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques. (Dictionary)

Disposition Value

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

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation;
3. Both the buyer and seller are acting prudently and knowledgeably;
4. The seller is under compulsion to sell;
5. The buyer is typically motivated;
6. Both parties are acting in what they consider to be their best interests;

7. An adequate marketing effort will be made during the exposure time;
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto; and
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms. (Dictionary)

Double Net (Net Net) Lease

An alternative term for a type of net lease. In some markets, a net net lease is defined as a lease in which the tenant is responsible to pay both property taxes and premiums for insuring the building(s). (Valbridge)

(The market definition of a double net lease varies depending on the market)

Easement

The right to use another's land for a stated purpose. (Dictionary)

EIFS

Exterior Insulation Finishing System. This is a type of exterior wall cladding system. Sometimes referred to as dry-vit.

Effective Date

1. The date on which the appraisal opinion applies. (SVP)
2. The date to which an appraiser's analyses, opinions, and conclusions apply; also referred to as date of value. (USPAP, 2020-2021 ed.)
3. The date that a lease goes into effect. (Dictionary)

Effective Gross Income (EGI)

The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. (Dictionary)

Effective Rent

Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord. (TIs). (Dictionary)

EPDM

Ethylene Propylene Diene Monomer Rubber. A type of synthetic rubber typically used for roof coverings.

Escalation Clause

A clause in an agreement that provides for the adjustment of a price or rent based on some event or index. e.g., a provision to increase rent if operating expenses increase; also called *escalator clause*, *expense recovery clause* or *stop clause*. (Dictionary)

Estoppel Certificate

A signed statement by a party (such as a tenant or a mortgagee) certifying, for another's benefit, that certain facts are correct, such as that a lease exists, that there are no defaults, and that rent is paid to a certain date. (Black's) In real estate, a buyer of rental property typically requests estoppel certificates from existing tenants. Sometimes referred to as an *estoppel letter*. (Dictionary)

Excess Land

Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. (Dictionary)

Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties. (Dictionary)

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying operating expenses above a stated level or amount. (Dictionary)

Exposure Time

1. The time a property remains on the market.
2. An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. (USPAP, 2020-2021 ed.)

Extraordinary Assumption

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

Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. (USPAP)

Fee Simple Estate

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

Floor Common Area

In an office building, the areas on a floor such as washrooms, janitorial closets, electrical rooms, telephone rooms, mechanical rooms, elevator lobbies, and public corridors which are available primarily for the use of tenants on that floor. In essence, floor common area represents all of the area on the floor that is common to that respective floor with the exception of those areas that penetrate through the floor, such as the elevator shaft and stairwell. The significant point to be made is that floor common area is not part of the tenant's usable area. (BOMA)

Full Service (Gross) Lease

A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called a *full service lease*. (Dictionary)

Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory. (Dictionary)

Going-Concern Value

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern* or *market value of the total assets of the business*. (Dictionary)

Gross Building Area (GBA)

1. Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.
2. Gross leasable area plus all common areas.
3. For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space. (Dictionary)

Gross Measured Area

The total area of a building enclosed by the dominant portion (the portion of the inside finished surface of the permanent outer building wall which is 50 percent or more of the vertical floor-to-ceiling dimension, at the given point being measured as one moves horizontally along the wall), excluding parking areas and loading

docks (or portions of same) outside the building line. It is generally not used for leasing purposes and is calculated on a floor by floor basis. (BOMA)

Gross Up Method

A method of calculating variable operating expenses in income-producing properties when less than 100% occupancy is assumed. Expenses reimbursed based on the amount of occupied space, rather than on the total building area, are described as “grossed up.” (Dictionary)

Gross Sellout Value (Sum of the Retail Values)

The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions. An appraisal has an effective date, but summing the sale prices of multiple units over an extended period of time will not be the value on that one day unless the prices are discounted to make the value equivalent to what another developer or investor would pay for the bulk purchase of the units. Also called the *aggregate of the retail values, aggregate retail selling price or sum of the retail values*. (Dictionary)

Ground Lease

A lease that grants the right to use and occupy land. Improvements made by the ground lessee typically revert to the ground lessor at the end of the lease term. (Dictionary)

Ground Rent

The rent paid for the right to use and occupy land according to the terms of a ground lease; the portion of the total rent allocated to the underlying land. (Dictionary)

HVAC

Heating, ventilation, air conditioning (HVAC) system. A unit that regulates the temperature and distribution of heat and fresh air throughout a building. (Dictionary)

Highest and Best Use

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset’s existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset

when formulating the price that it would be willing to bid. (IVS)

3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions) (Dictionary)

Hypothetical Condition

1. A condition that is presumed to be true when it is known to be false. (SVP)
2. A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP)

Insurable Value (Replacement Cost for Insurance Purposes)

The estimated cost, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design, and layout for insurance coverage purposes guaranteeing that damaged property is replaced with new property (i.e., depreciation is not deducted). (Dictionary)

Investment Value

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

Just Compensation

In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken. Just compensation should put the owner in as good a position pecuniarily as he or she would have been if the property had not been taken. (Dictionary)

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified

in the lease plus the reversionary right when the lease expires. (Dictionary)

Leasehold Interest (Leasehold Estate)

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. (Dictionary)

See also Positive Leasehold and Negative Leasehold.

Lessee (Tenant)

One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement. (Dictionary)

Lessor (Landlord)

One who conveys the rights of occupancy and use to others under a lease agreement. (Dictionary)

Liquidation Value

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

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Dictionary)

Loan to Value Ratio (LTV)

The ratio between a mortgage loan and the value of the property pledged as security, usually expressed as a percentage. (Dictionary)

Major Vertical Penetrations

Stairs, elevator shafts, flues, pipe shafts, vertical ducts, and the like, and their enclosing walls. Atria, lightwells and similar penetrations above the finished floor are included in this definition. Not included, however, are vertical penetrations built for the private use of a tenant occupying office areas on more than one floor. Structural columns, openings for vertical electric cable or

telephone distribution, and openings for plumbing lines are not considered to be major vertical penetrations. (BOMA)

Market Rent

The most probable rent that a property should bring in a competitive and open market under all the conditions requisite to a fair lease transaction, the lessee and the 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:

1. Lessee and lessor are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their best interests;
3. Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and
4. The rent reflects specified terms and conditions, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, and tenant improvements (TIs). (Appraisal Institute)

Market Value

The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States: The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States 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. (Dictionary; 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of the Appraisal Foundation)

Master Lease

1. A lease in which a part or the entire property is leased to a single entity (the master lessee) in return for a stipulated rent. The master lessee then subleases the property to multiple tenants.
2. The first lease in a sandwich lease. (Dictionary)

Modified Gross Lease

A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a *double net lease*, *net net lease*, *partial net lease*, or *semi-gross lease*. (Dictionary)

Negative Leasehold

A lease situation in which the market rent is less than the contract rent. (Dictionary)

Operating Expense Ratio

The ratio of total operating expenses to effective gross income (*TOE/EGI*); the complement of the net income ratio, i.e., $OER = 1 - NIR$ (Dictionary)

Option

A legal contract, typically purchased for a stated consideration, that permits but does not require the holder of the option (known as the *optionee*) to buy, sell, or lease real estate for a stipulated period of time in accordance with specified terms; a unilateral right to exercise a privilege. (Dictionary)

Partial Interest

Divided or undivided rights in real estate that represent less than the whole, i.e., a fractional interest such as a tenancy in common or easement. (Dictionary)

Pass Through

A tenant's portion of operating expenses that may be composed of common area maintenance (CAM), real property taxes, property insurance, and any other expenses determined in the lease agreement to be paid by the tenant. (Dictionary)

Percentage Lease

A lease in which the rent or some portion of the rent represents a specified percentage of the volume of business, productivity, or use achieved by the tenant. (Dictionary)

Positive Leasehold

A lease situation in which the market rent is greater than the contract rent. (Dictionary)

Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. (Dictionary)

Prospective Opinion of Value

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

Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. (Dictionary)

Reproduction Cost

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

Retrospective Value Opinion

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

Sandwich Leasehold Estate

The interest held by the sandwich leaseholder when the property is subleased to another party; a type of leasehold estate. (Dictionary)

Sublease

An agreement in which the lessee in a prior lease conveys the right of use and occupancy of a property to another, the sublessee, for a specific period of time, which may or may not be coterminous with the underlying lease term. (Dictionary)

Subordination

A contractual arrangement in which a party with a claim to certain assets agrees to make that claim junior, or subordinate, to the claims of another party. (Dictionary)

Surplus Land

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

TPO

Thermoplastic polyolefin, a resilient synthetic roof covering.

Triple Net (Net Net Net) Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance,

building reserves, and management; also called *NNN lease, net net net lease, or fully net lease*. (Dictionary)

(The market definition of a triple net lease varies; in some cases tenants pay for items such as roof repairs, parking lot repairs, and other similar items.)

Usable Area

The measured area of an office area, store area, or building common area on a floor. The total of all the usable areas for a floor shall equal floor usable area of that same floor. (BOMA)

Value-in-Use

1. The amount determined by discounting the future cash flows (including the ultimate proceeds of disposal) expected to be derived from the use of an asset at an appropriate rate that allows for the risk of the activities concerned. (FASB Accounting Standards Codification, Master Glossary)
2. Formerly used in valuation practice as a synonym for *contributory value* or *use value*. (Dictionary)

VTAB (Value of the Total Assets of a Business)

The total amount that the real property, tangible personal property, and intangible property assets of a business would sell for in an asset-based transaction. (Dictionary)

Qualifications

Qualifications of Carla L. Mendoza-Hansel

Appraiser

Valbridge Property Advisors | Houston

Independent Valuations for a Variable World

State Certifications

State of Texas

Membership/Affiliations:

Member: Aggie Real Estate Network

Member: Commercial Real Estate Women – Houston

Candidate for Designation: Appraisal Institute

Education

Universidad de Lima - LL.B
Law

Texas A&M University –
Master of Real Estate

Appraisal Institute & Related Courses:

Basic Appraisal Principals

Basic Appraisal Procedures

15 Hour National USPAP Course

4 Hour Texas Appraising for Supervisor and Trainee

Commercial Real Estate Law

Real Property Finance

Real Property Valuation I & II

Market Analysis for Real Estate

Land Economics

ESRI Business Analyst Online

REFM – Real Estate Financial Modeling

ARGUS Training

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Experience:

Analyst

Valbridge Property Advisors | The Gerald A. Teel Company, Inc.
(2015-Present)

Appraiser

Valbridge Property Advisors | Houston (2019-Present)

Appraisal/valuation and consulting assignments include: Medical Office building; vacant industrial, commercial and residential land; Industrial, Retail and special purpose including schools. Right-of way assignments. Multi-family assignments including conventional, seniors, market and income restricted properties as well as HUD, Market studies and RCS report types. Assignments have been concentrated in Texas.



**Certified General
Real Estate Appraiser**

Appraiser: **Carla Lucia Mendoza-Hansel**
License #: **TX 1380943 G** License Expires: **11/30/2023**

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

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


Chelsea Buchholtz
Commissioner

Qualifications of Tim N. Treadway, MAI, CCIM

Senior Managing Director

Valbridge Property Advisors

Independent Valuations for a Variable World

State Certifications

State of Texas
State of Arkansas
State of Oklahoma
State of Louisiana
State of New Mexico

Education

University of Southern
California (USC)

Contact Details

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713-467-0704 (f)

Valbridge Property Advisors
974 Campbell Road
Suite 204
Houston, Texas 77024

www.valbridge.com
ttreadway@valbridge.com

Membership/Affiliations:

MAI: Appraisal Institute
CCIM: Houston Chapter
Brokers License: Texas Real Estate Commission

Appraisal Institute & Related Courses:

Society of Real Estate Appraisers Courses 101 and 102
Capitalization Theory and Technique A & B
Case Studies
Report Writing and Valuation Analysis courses
USPAP
Standards and Ethics
Other – FIRREEA Seminar, FHA Appraisals, Ranch Valuation, CCIM 101 Financial Analysis, CCIM 102 Market Analysis, CCIM 104 Investment Analysis

Experience:

Senior Managing Director

Valbridge Property Advisors (2013-Present)

Partner, Managing Director Multi-Family

The Gerald A. Teel Company, Inc. (1997-2013)

Appraiser

Appraisal/valuation and consulting assignments include: specialty practice in apartments (conventional, affordable, HUD MAP certified, and market demand analysis studies); subdivisions and retail; office buildings; industrial buildings; vacant land. Assignments have been concentrated in southwest region of the US, including Texas, Oklahoma and Louisiana. Also has experience in New Mexico, Washington State, Arkansas, California. Previously involved in home building, retail development and brokerage activities. Qualified expert witness in Federal and local courts. Contributing author to Houston Business Journal (multi-family). Participated in TDHCA round table discussions to help determine policy 2000/2001.



Certified General Real Estate Appraiser

Appraiser: **Tim Neal Treadway**

License #: **TX 1323331 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



Valbridge

PROPERTY ADVISORS



FAST FACTS COMPANY INFORMATION

- Valbridge is the largest independent commercial property valuation and advisory service firm in North America.
 - Total number of MAI-designated appraisers (200+ on staff)
 - Total number of office locations (80+ across the U.S.)
 - Total number of staff (675+ strong)
- Valbridge covers the entire U.S. from coast to coast.
- Valbridge specializes in appraising all types of real property.
- Valbridge provides independent valuation services. We are NOT owned by a brokerage firm or investment company.
- Every Valbridge office is overseen by a senior managing director who holds the MAI designation of the Appraisal Institute.
- Valbridge is owned by local offices.
- Valbridge welcomes single-property assignments as well as portfolio, multi-market, and other bulk-property engagements.

Valbridge Property Advisors, Inc.

2240 Venetian Court
Naples, FL 34109
Phone: 888.981.2029



valbridge.com





Valbridge
PROPERTY ADVISORS

VALBRIDGE PROPERTY ADVISORS OFFICE LOCATIONS

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26241 Equity Dr., Ste. 101
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(205) 440-2998

4732 Woodmere Blvd.
Montgomery, AL 36106
(334) 277-5077

ARIZONA

6061 E. Grant Rd.
Tucson, AZ 85712
(520) 321-0000

CALIFORNIA

4915 Calloway Dr., Ste. 101
Bakersfield, CA 93312
(661) 587-1010

1306 Higuera St.
San Luis Obispo, CA 93401
(805) 544-2472

3160 Crow Canyon Pl.
San Ramon, CA 94583
(925) 327-1660

825 Colorado Blvd., Ste. 243
Los Angeles, CA 90041
(626) 486-9327

17822 17th St., Ste. 211
Tustin, CA 92780
(714) 449-0852

775 Sunrise Ave., Ste. 260
Roseville, CA 95661
(916) 361-2509

1530 The Alameda, Ste. 100
San Jose, CA 95126
(408) 279-1520

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23272 Two Rivers Rd., Ste. 101
Basalt, CO 81621
(970) 340-1016

5345 Arapahoe Ave., Ste. 7
Boulder, CO 80303
(303) 867-1935

COLORADO (CONT'D)

7445 E. Peakview Ave.
Centennial, CO 80111
(303) 867-1933

1099 Main Ave., Ste. 311
Durango, CO 81301
(970) 340-1016

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17 Covewood Dr.
Norwalk, CT 06853
(860) 246-4606

15 Concord St.
Glastonbury, CT 06033
(860) 246-4606

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10950 San Jose Blvd.
Jacksonville, FL 32223
(904) 608-2948

301 Almeria Ave., Ste. 350
Coral Gables, FL 33134
(305) 639-8029

734 Rugby St.
Orlando, FL 32804
(407) 493-6426

2711 Poinsettia Ave.
West Palm Beach, FL 33407
(561) 833-5331

2240 Venetian Ct.
Naples, FL 34109
(239) 514-4646

2601 West Horatio St. Unit 6
Tampa, FL 33609
(321) 228-6488

GEORGIA

2675 Paces Ferry Rd., Ste. 425
Atlanta, GA 30339
(404) 354-2331

IDAHO

1459 Tyrell Ln., Ste. B
Boise, ID 83706
(208) 336-1097

IDAHO (CONT'D)

1875 N. Lakewood Dr., Ste. 100
Coeur d'Alene, ID 83814
(208) 292-2965

ILLINOIS

566 W. Lake St., Ste. 240
Chicago, IL 60661
(312) 429-0132

INDIANA

6801 Lake Plaza Dr., Ste. C-301
Indianapolis, IN 46220
(317) 687-2747

KANSAS

10990 Quivira Rd., Ste. 100
Overland Park, KS 66210
(913) 451-1451

KENTUCKY

1890 Star Shoot Pkwy.
Lexington, KY 40509
(502) 585-3651

9401 Williamsburg Plaza, Ste. 204
Louisville, KY 40222
(502) 585-3651

LOUISIANA

2030 Dickory Ave., Ste. 200
Elmwood, LA 70123
(504) 541-5100

MARYLAND

11100 Dovedale Ct.
Marriottsville, MD 21104
(443) 333-5525

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260 Bear Hill Rd., Ste. 106
Waltham, MA 02451
(781) 790-5645

MICHIGAN

1420 Washington Blvd.
Detroit, MI 48226
(313) 986-3313

2127 University Park Dr.
Okemos, MI 48864
(517) 336-0001

CORPORATE OFFICE

2240 Venetian Court, Naples, FL 34109 | Phone: (239) 325-8234 | Fax: (239) 325-8356
Each Valbridge office is independently owned and operated.

valbridge.com

rev. 112322

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255 E. Kellogg Blvd., Ste. 102A
St. Paul, MN 55101
(651) 370-1475

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1010 Ford St.
Gulfport, MS 39507
(228) 604-1900

224 Avalon Cir.
Brandon, MS 39047
(601) 853-0736

501 Highway 12 W., Ste. 150-M
Starkville, MS 39759
(662) 617-2350

MISSOURI

1118 Hampton Ave., Ste. 208
St. Louis, MO 63139
(314) 255-1323

NEVADA

3034 S. Durango Dr., Ste. 100
Las Vegas, NV 89117
(702) 242-9369

6490 S. McCarran Blvd., Ste. 51
Reno, NV 89509
(775) 204-4100

NEW JERSEY

2740 Route 10 West, Ste. 204
Morris Plains, NJ 07950
(973) 970-9333

3500 Route 9 South, Ste. 202
Howell, NJ 07731
(732) 807-3113

NEW MEXICO

7000 Prospect Pl. NE, Ste. B
Albuquerque, NM 87110
(505) 884-4721

NEW YORK

325 West 38th St., Ste. 702
New York, NY 10018
(212) 268-1113

NORTH CAROLINA

5950 Fairview Rd., Ste. 405
Charlotte, NC 28210
(704) 376-5400

412 E. Chatham St.
Cary, NC 27511
(919) 859-2666

OHIO

1655 W. Market St., Ste. 130
Akron, OH 44313
(330) 899-9900

8291 Beechmont Ave., Ste. B
Cincinnati, OH 45255
(513) 785-0820

1422 Euclid Ave., Ste. 1160
Cleveland, OH 44115
(216) 367-9690

OKLAHOMA

6666 S. Sheridan Rd., Ste. 104
Tulsa, OK 74133
(918) 712-9992

3121 Quail Springs Pkwy., Ste. 150
Oklahoma City, OK 73134
(405) 603-1553

PENNSYLVANIA

150 S. Warner Rd., Ste. 440
King of Prussia, PA 19406
(215) 545-1900

4701 Baptist Rd., Ste. 304
Pittsburgh, PA 15227
(412) 881-6080

SOUTH CAROLINA

1250 Fairmont Ave.
Mt. Pleasant, SC 29464
(843) 884-1266

11 Cleveland Ct.
Greenville, SC 29607
(864) 233-6277

920 Bay St., Ste. 26
Beaufort, SC 29902
(843) 884-1266

TENNESSEE

3500 Ringgold Rd., Ste. 3
Chattanooga, TN 37412
(423) 206-2677

213 Fox Rd.
Knoxville, TN 37922
(865) 522-2424

756 Ridge Lake Blvd., Ste. 225
Memphis, TN 38120
(901) 753-6977

5205 Maryland Way, Ste. 300
Brentwood, TN 37027
(615) 369-0670

TEXAS

901 Mopac Expy. S., Bldg. 1, Ste. 300
Austin, TX 78746
(737) 242-8585

10210 North Central Expy., Ste. 115
Dallas, TX 75231
(214) 446-1611

974 Campbell Rd., Ste. 204
Houston, TX 77024
(713) 467-5858

2731 81st St.
Lubbock, TX 79423
(806) 744-1188

9901 IH-10 West, Ste. 1035
San Antonio, TX 78230
(210) 227-6229

UTAH

527 E. Pioneer Rd., Ste. 240
Draper, Utah 84020
(801) 262-3388

20 North Main St.
St. George, UT 84770
(435) 773-6300

321 N. County Blvd., Ste. D
American Fork, UT 84003
(801) 492-0000

VIRGINIA

656 Independence Pkwy., Ste. 220
Chesapeake, VA 23320
(757) 410-1222

4914 Fitzhugh Ave., Ste. 100
Richmond, VA 23230
(757) 345-0010

5107 Center St., Ste. 2B
Williamsburg, VA 23188
(757) 345-0010

WASHINGTON

8378 W. Grandridge Blvd., Ste. 110-D
Kennewick, WA 99336
(509) 221-1540

324 N. Mullan Rd.
Spokane Valley, WA 99206
(509) 747-0999

WISCONSIN

12660 W. North Ave.
Brookfield, WI 53005
(262) 782-7990

NATIONAL COVERAGE. LOCAL KNOWLEDGE. TRUE VALUATION INDEPENDENCE.

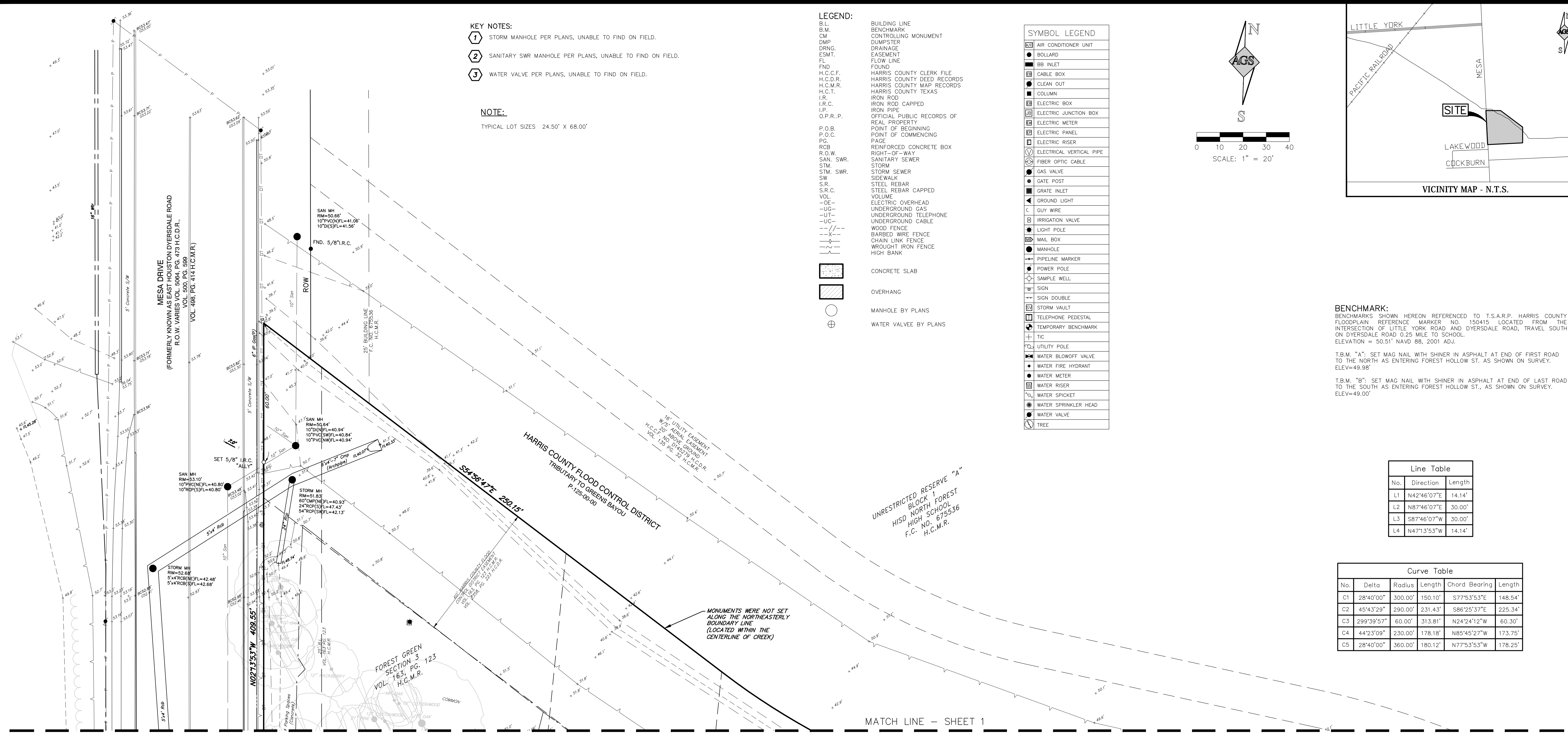


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EXHIBIT D – SURVEY

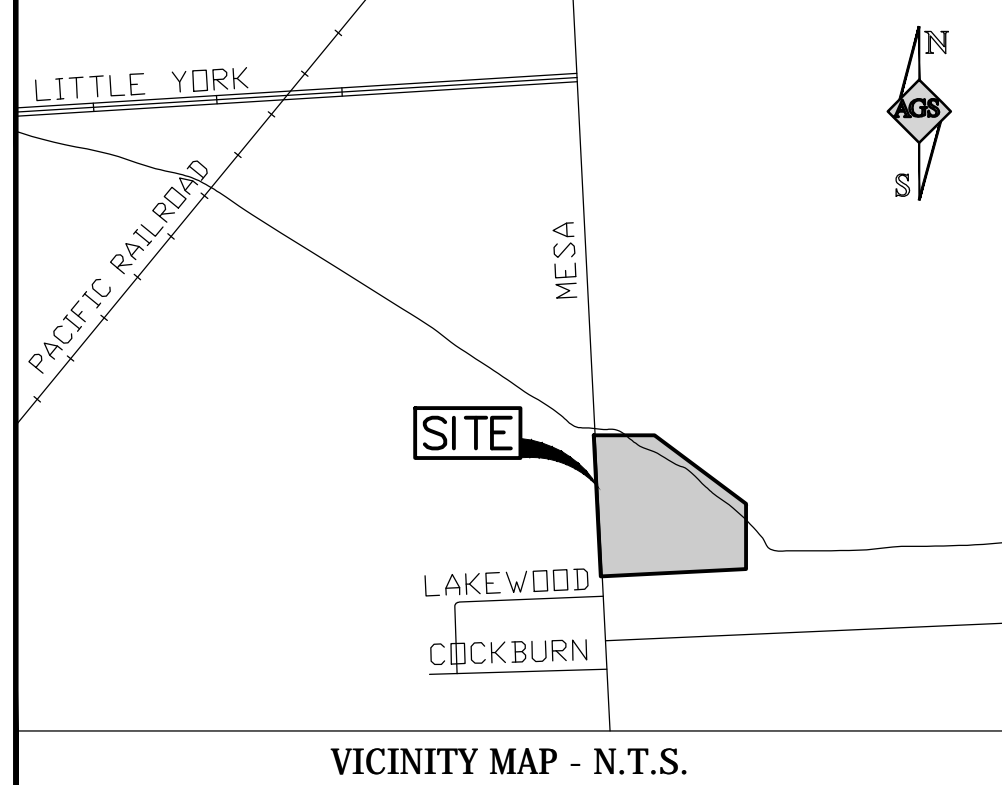
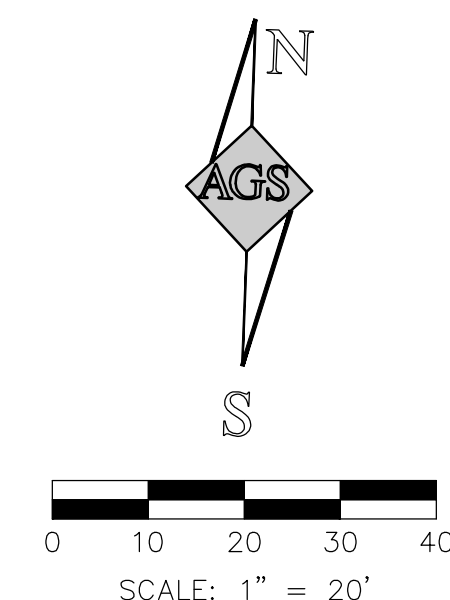


- KEY NOTES:**
- 1 STORM MANHOLE PER PLANS, UNABLE TO FIND ON FIELD.
 - 2 SANITARY SWR MANHOLE PER PLANS, UNABLE TO FIND ON FIELD.
 - 3 WATER VALVE PER PLANS, UNABLE TO FIND ON FIELD.

NOTE:
TYPICAL LOT SIZES 24.50' X 68.00'

- LEGEND:**
- B.L. BUILDING LINE
 - B.M. BENCHMARK
 - CM CONTROLLING MONUMENT
 - DMP DUMPSTER
 - DRNG. DRAINAGE
 - ESMT. EASEMENT
 - FL FLOW LINE
 - FND FOUND
 - H.C.C.F. HARRIS COUNTY CLERK FILE
 - H.C.D.R. HARRIS COUNTY DEED RECORDS
 - H.C.M.R. HARRIS COUNTY MAP RECORDS
 - H.C.T. HARRIS COUNTY TEXAS
 - I.R. IRON ROD
 - I.R.C. IRON ROD CAPPED
 - I.P. IRON PIPE
 - O.P.R.P. OFFICIAL PUBLIC RECORDS OF REAL PROPERTY
 - P.O.B. POINT OF BEGINNING
 - P.O.C. POINT OF COMMENCING
 - PC PAGE
 - RCB REINFORCED CONCRETE BOX
 - R.O.W. RIGHT-OF-WAY
 - SAN. SWR. SANITARY SEWER
 - STM. STORM SEWER
 - SW SIDEWALK
 - S.R. STEEL REBAR
 - S.R.C. STEEL REBAR CAPPED
 - VOL. VOLUME
 - OE- ELECTRIC OVERHEAD
 - UG- UNDERGROUND GAS
 - UT- UNDERGROUND TELEPHONE
 - UC- UNDERGROUND CABLE
 - WOOD FENCE
 - BARBED WIRE FENCE
 - CHAIN LINK FENCE
 - WROUGHT IRON FENCE
 - HIGH BANK

- SYMBOL LEGEND**
- AIR CONDITIONER UNIT
 - BOLLARD
 - BB INLET
 - CABLE BOX
 - CLEAN OUT
 - COLUMN
 - ELECTRIC BOX
 - ELECTRIC JUNCTION BOX
 - ELECTRIC METER
 - ELECTRIC PANEL
 - ELECTRIC RISER
 - ELECTRICAL VERTICAL PIPE
 - FIBER OPTIC CABLE
 - GAS VALVE
 - GATE POST
 - GRATE INLET
 - GROUND LIGHT
 - GUY WIRE
 - IRRIGATION VALVE
 - LIGHT POLE
 - MAIL BOX
 - MANHOLE
 - PIPELINE MARKER
 - POWER POLE
 - SAMPLE WELL
 - SIGN
 - SIGN DOUBLE
 - STORM VAULT
 - TELEPHONE PEDESTAL
 - TEMPORARY BENCHMARK
 - TIC
 - UTILITY POLE
 - WATER BLOWOFF VALVE
 - WATER FIRE HYDRANT
 - WATER METER
 - WATER RISER
 - WATER SPICKET
 - WATER SPRINKLER HEAD
 - WATER VALVE
 - TREE



BENCHMARK:
BENCHMARKS SHOWN HEREON REFERENCED TO T.S.A.R.P. HARRIS COUNTY FLOODPLAIN REFERENCE MARKER NO. 150415 LOCATED FROM THE INTERSECTION OF LITTLE YORK ROAD AND DYERSDALE ROAD, TRAVEL SOUTH ON DYERSDALE ROAD 0.25 MILE TO SCHOOL. ELEVATION = 50.51' NAVD 88, 2001 ADJ.

T.B.M. "A": SET MAG NAIL WITH SHINER IN ASPHALT AT END OF FIRST ROAD TO THE NORTH AS ENTERING FOREST HOLLOW ST. AS SHOWN ON SURVEY. ELEV=49.98'

T.B.M. "B": SET MAG NAIL WITH SHINER IN ASPHALT AT END OF LAST ROAD TO THE SOUTH AS ENTERING FOREST HOLLOW ST. AS SHOWN ON SURVEY. ELEV=49.00'

Line Table		
No.	Direction	Length
L1	N42°46'07"E	14.14'
L2	N87°46'07"E	30.00'
L3	S87°46'07"W	30.00'
L4	N47°13'53"W	14.14'

Curve Table				
No.	Delta	Radius	Chord Bearing	Length
C1	28°40'00"	300.00'	S77°53'53"E	148.54'
C2	45°43'29"	290.00'	S66°25'37"E	225.34'
C3	299°39'57"	60.00'	N24°24'12"W	60.30'
C4	44°23'09"	230.00'	N85°45'27"W	173.75'
C5	28°40'00"	360.00'	N77°53'53"W	178.25'

- NOTES:**
- BEARINGS BASIS ARE BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE 4204 (NAD 1983).
 - ALL DISTANCES SHOWN ARE SURFACE AND MAY BE CONVERTED TO GRID BY MULTIPLYING BY THE COMBINED SCALE FACTOR OF 0.9999078530.
 - COORDINATES SHOWN ARE SURFACE AND MAY BE CONVERTED TO GRID BY MULTIPLYING BY THE COMBINED SCALE FACTOR OF 0.9999078530.
 - FOREST GREEN SUBDIVISION SECTION 3 IS SUBJECT TO A HOUSTON LIGHTING & POWER CO. AGREEMENT FOR UNDERGROUND ELECTRIC SERVICE AS RECORDED UNDER H.C.C.F. NO. D045871 H.C.D.R.
 - FOREST GREEN SUBDIVISION SECTION 3 IS SUBJECT TO THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AS RECORDED UNDER H.C.C.F. NO. D074820 (VOL. 7937, PG. 239) H.C.D.R.
 - THE PLAT OF FOREST GREEN SECTION ONE AS FILED IN VOLUME 135, PG. 32 H.C.M.R. WAS VACATED BY THAT CERTAIN INSTRUMENT AS FILED IN H.C.C.F. NO. D145279 AND THE PLAT OF FOREST GREEN SECTION TWO AS FILED IN VOLUME 139, PAGE 01 H.C.M.R. WAS VACATED BY THAT CERTAIN INSTRUMENT AS FILED IN H.C.C.F. NO. D145278. NOTED PER HISD NORTH FOREST HIGH SCHOOL SUBDIVISION AS RECORDED UNDER F.C. NO. 675536 H.C.M.R. SATED PER H.C.C.F. NO. D145279 IT SAVE AND EXCEPT THE 20' WIDE ROAD WIDENING FOR MESA ROAD AND THE 16' WIDE UTILITY EASEMENT WITH 5' WIDE AERIAL EASEMENT AND THE 60' WIDE HARRIS COUNTY FLOOD CONTROL EASEMENT ORIGINALLY DEDICATED BY SAID PLAT. PER H.C.C.F. NO. D145278 SAVE AND EXCEPT 120 FOOT WIDE HARRIS COUNTY FLOOD CONTROL DISTRICT DRAINAGE EASEMENT AND 16 FOOT UTILITY EASEMENT THAT IS PARALLEL AND ADJACENT TO THE H.C.C.F. EASEMENT, WITH OR WITHOUT THE BOUNDARY OF FOREST SECTION TWO, WHICH HAS HERETOFORE BEEN DEDICATED FOR PUBLIC PURPOSES.
 - THERE WAS NO EVIDENCE OF RECENT EARTH MOVING WORK, BUILDING CONSTRUCTION, OR BUILDING ADDITIONS OBSERVED IN THE PROCESS OF CONDUCTING THE FIELDWORK.
 - THERE WAS NO EVIDENCE OF RECENT STREET OR SIDEWALK CONSTRUCTION OR REPAIRS OBSERVED IN THE PROCESS OF CONDUCTING THE FIELDWORK.

- EASEMENTS:**
- FOREST GREEN SUBDIVISION SECTION 3 IS SUBJECT TO A HOUSTON LIGHTING & POWER CO. AGREEMENT FOR UNDERGROUND ELECTRIC SERVICE AS RECORDED UNDER H.C.C.F. NO. D045871 H.C.D.R.
 - COMMON AREA AND PARKING AREA RECORDED IN VOL. 7937, PG. 239 H.C.D.R. AND VESTED IN FOREST GREEN HOME OWNERS ASSOCIATION RECORDED IN VOL. 7944, PG. 377 H.C.D.R.
- VESTING DEED RECORD INFORMATION:**
- LOTS 1-100
FOREST GREEN SUBDIVISION SECTION 3
VOL. 163, PG. 123 H.C.M.R.
- H.C.C.F. NO. F897917 H.C.D.R.
LOTS 10,14,15,18,19,20,21,25,30,31,33
35,37,39,44,49,50,52,53,55,56,57,69,70
81,82,85,92,94,95,99
- H.C.C.F. NO. F897918 H.C.D.R.
LOTS 1,2,3,4,5,6,7,8,9,11,12,13,16,17,22,23
24,26,27,28,29,32,34,36,38,40,41,42,43,45
46,47,48,51,54,58,59,60,61,62,63,64,65,66
67,68,71,72,73,74,75,76,77,78,79,80,83,84
86,87,89,90,91,93,98,99,100
- H.C.C.F. NO. G770529 H.C.D.R.
LOT 88
- H.C.C.F. NO. H261041 H.C.D.R.
LOT 97

FLOODPLAIN NOTE:
BASED ON THE FLOOD INSURANCE RATE MAP NO. 48201C0685L, MAP REVISED DATE OF JUNE 18, 2007 INDICATES THAT TRACT LIES WITHIN AREA:
ZONE "AE" - BASE FLOOD ELEVATIONS DETERMINED.
FLOODWAY AREAS IN ZONE "AE" - THE FLOODWAY IS THE CHANNEL OF A STREAM PLUS ANY ADJACENT FLOODPLAIN AREAS THAT MUST BE KEPT FREE OF ENCROACHMENT SO THAT THE 1% ANNUAL CHANCE FLOOD CAN BE CARRIED WITHOUT SUBSTANTIAL INCREASES IN FLOOD HEIGHTS.
ZONE "X" (SHADED) - AREAS OF 0.2% ANNUAL CHANCE FLOOD WITH AVERAGE DEPTHS OF LESS THAN 1 FOOT OR WITH DRAINAGE AREAS LESS THAN 1 SQUARE MILE; AND AREAS PROTECTED BY LEVEES FROM 1% ANNUAL CHANCE FLOOD.
ZONE "X" (UNSHADED) - AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN.
IN ADDITION THIS MAP STATES "THIS MAP IS FOR USE IN ADMINISTERING THE NATIONAL FLOOD INSURANCE PROGRAM; IT DOES NOT NECESSARILY IDENTIFY ALL AREAS SUBJECT TO FLOODING, PARTICULARLY FROM LOCAL DRAINAGE SOURCES OF SMALL SIZE, OR ALL PLANIMETRIC FEATURES OUTSIDE SPECIAL FLOOD HAZARD AREAS. CERTAIN AREAS NOT IN "SPECIAL FLOOD HAZARD AREAS MAY BE PROTECTED BY FLOOD CONTROL "STRUCTURES". THE APPROXIMATE LIMITS OF SAID ZONES AS DETERMINED HEREON ARE SCALED FROM SAID MAP. THIS INFORMATION IS NOT INTENDED TO IDENTIFY SPECIFIC FLOOD CONDITIONS.

- UTILITY NOTES:**
- THE UNDERGROUND UTILITIES SHOWN HAVE BEEN LOCATED FROM FIELD SURVEY INFORMATION AND UTILITY MAPS, ATLAS MAPS, AS MAY BE AVAILABLE FROM UTILITIES OR OTHER UTILITY COMPANIES, AND EXISTING DRAWINGS. THE SURVEYOR MAKES NO GUARANTEE THAT THE UNDERGROUND UTILITIES SHOWN COMPRISE ALL SUCH UTILITIES IN THE AREA, EITHER IN SERVICE OR ABANDONED. THE SURVEYOR FURTHER DOES NOT WARRANT THAT THE UNDERGROUND UTILITIES SHOWN ARE IN THE EXACT LOCATION INDICATED; ALTHOUGH, HE/SHE DOES STATE THAT THEY ARE LOCATED AS ACCURATELY AS POSSIBLE FROM INFORMATION AVAILABLE. THE SURVEYOR HAS NOT PHYSICALLY LOCATED THE UNDERGROUND UTILITIES.
 - WATER SERVICE: HOUSTON PUBLIC WORKS - (832)395-2500
 - SANITARY SERVICE: HOUSTON PUBLIC WORKS - (832)395-2500
 - ELECTRIC SERVICE IS PROVIDED BY: CENTERPOINT ENERGY - (713)223-4567
 - TELEPHONE SERVICE PROVIDED BY: AT&T (800)344-8377
 - GAS SERVICE PROVIDED BY: CENTERPOINT ENERGY-(713)223-4567

CERTIFY TO:
I, GRACE Y. CERVIN, A REGISTERED PROFESSIONAL LAND SURVEYOR OF THE STATE OF TEXAS, HEREBY CERTIFY THAT THE ABOVE PLAT CORRECTLY REPRESENTS THE FACTS FOUND AT THE TIME OF THE SURVEY MADE ON THE GROUND UNDER MY SUPERVISION. THIS SURVEY SUBSTANTIALLY COMPLIES WITH THE CURRENT TEXAS SOCIETY OF PROFESSIONAL SURVEYOR'S STANDARDS AND SPECIFICATIONS FOR A CATEGORY 1A, CONDITION II, SURVEY AND CATEGORY 6, CONDITION II SURVEY.

Grace Y. Cervin



**TOPOGRAPHIC SURVEY
OF
FOREST GREEN, SECTION 3
VOL. 163, PG. 123
HARRIS COUNTY MAP RECORDS
SITUATED IN THE
ELI NOLAND SURVEY
ABSTRACT NO. 600
HARRIS COUNTY, TEXAS**

HCAD APPRAISAL PROPERTY NO: 102-352-000-0094 8825 FOREST HOLLOW ST, HOUSTON, TEXAS 77078		
Ally General Solutions, LLC dba AGS Engineering & Construction 7070 W. 43rd St. Ste. 203 Houston, Texas 77092 Phone: (281) 888-7682 TX Engineer Firm No. 13574 TBPELS Firm No. 10194392 Certified: DBE/SBE/MBE/HUB(8)(A)		
Drawing By: JM	Date: 10/19/2020	Scale: 1"=20'
Checked By: GYC	F.B.:	Atlas/KM No. 415Z
Project No: 0080-002-2020	Drawing Name: 0080-002-20 HHA-FOREST GREEN SEC. 3.DWG	Sheet 1 of 5

MESA DRIVE
(FORMERLY KNOWN AS EAST HOUSTON/DYERDALE ROAD)
R.O.W. VARIES VOL. 5084, PG. 473 H.C.D.R.
VOL. 500, PG. 589
VOL. 488, PG. 414 H.C.M.R.

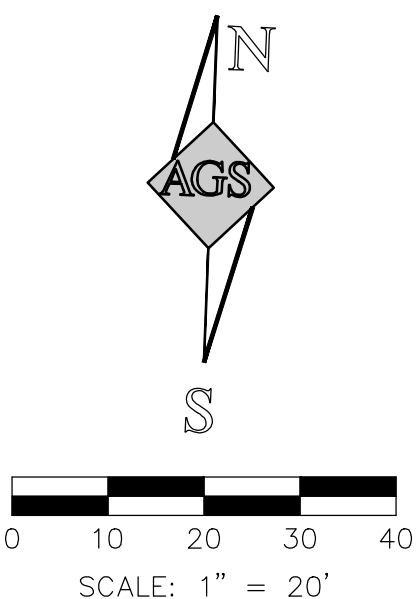
STORM MH
RM=50.81
54" RCP(N)=43.41
40" RCP(S)=43.41

FND. 5/8" I.R.C. TEAM

STORM MH
RM=50.15
40" RCP(N)=43.75
24" RCP(S)=44.45
42" RCP(S)=43.75
24" RCP(S)=44.45



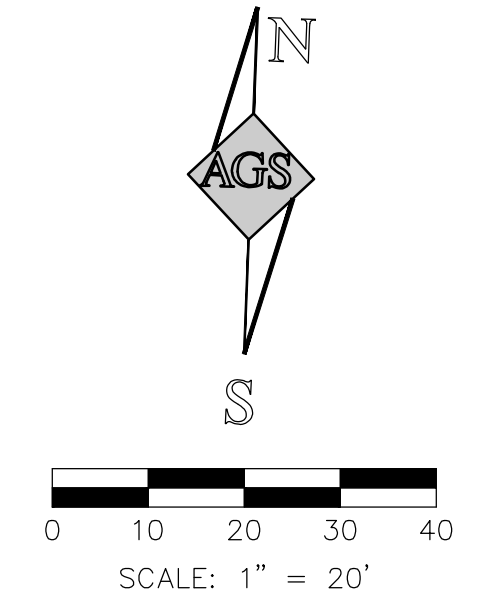
UNRESTRICTED RESERVE "A"
BLOCK 1
MESA DRIVE RESERVE
F.C. NO. 682783
H.C.M.R.



T:\0080-002-20 HHA-Forest Green Sec 3\0080-002-20 HHA-Forest Green Sec 3.dwg AGS22 10/27/2020

MATCH LINE - SHEET 2
MATCH LINE - SHEET 4

UNRESTRICTED RESERVE "A"
BLOCK 1
HISD NORTH FOREST
HIGH SCHOOL
H.C. NO. 675536
H.C.M.R.



NORTH FOREST INDEPENDENT
SCHOOL DISTRICT
REMAINDER 51.120 ACRES
H.C.C.F. NO. R631112
O.P.R.R.P.H.C.T.

HARRIS COUNTY FLOOD CONTROL DISTRICT
TRIBUTARY TO GREENS BAYOU
P-128-00000

MONUMENTS WERE NOT SET
ALONG THE NORTHEASTERLY
BOUNDARY LINE
(LOCATED WITHIN THE
CENTERLINE OF CREEK)

$A=46^{\circ}30'00''$
 $R=300.00'$
 $L=259.78'$
 $CHB=55^{\circ}51'11.47''E$
 $CHD=251.20'$

$A=37^{\circ}00'00''$
 $R=300.00'$
 $L=191.73'$
 $CHB=54^{\circ}59'34.7''E$
 $CHD=182.38'$

$A=22^{\circ}45'28''$
 $R=300.00'$
 $L=19.16'$
 $CHB=59^{\circ}04'04''E$
 $CHD=118.37'$

STORM MH
RIM=50.36'
30"RC(SW)FL=35.98'
30"RC(SW)FL=39.58'
12"RC(SW)FL=44.68'

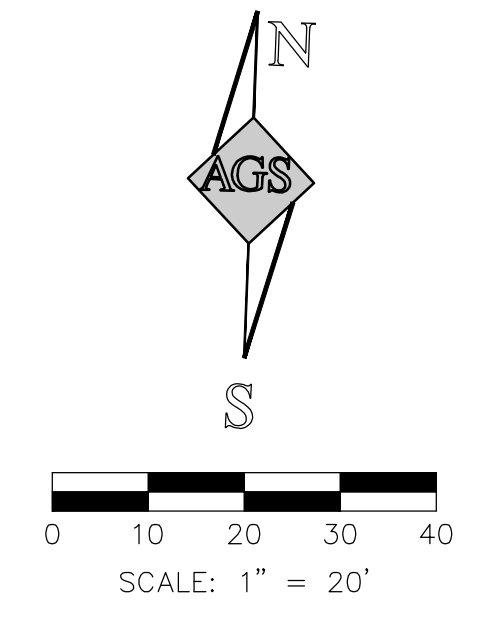
600' DIAMETER CIRCULAR
CONCRETE STRUCTURE
R.C. 12" REINFORCED
CONCRETE
R.C. 200' H.C. 200' H.C. 200' H.C.

28' PAVED PRIVATE STREET
(Asphalt)

MATCH LINE - SHEET 4
MATCH LINE - SHEET 5

T:\0080-002-20 HHA-Forest Green Sec 3\0080-002-20 HHA-Forest Green Sec 3.dwg AGS22 10/27/2020

MATCH LINE - SHEET 4
MATCH LINE - SHEET 5



MATCH LINE - SHEET 3
MATCH LINE - SHEET 5



FOREST GREEN
SECTION 3
VOL. 163, PG.
H.C.M.R.

10' PUBLIC UTILITY EASEMENT
VOL. 135 PG. 32 H.C.M.R.
H.C.C.F. NO. 007924 H.C.D.R.

MONUMENTS WERE NOT SET
ALONG THE NORTHEASTERLY
BOUNDARY LINE
(LOCATED WITHIN THE
CENTERLINE OF CREEK)

120' HARRIS COUNTY FLOOD
CONTROL DISTRICT EASEMENT
H.C.C.F. NO. D145278 H.C.D.R.
VOL. 130, PG. 001 H.C.M.R.
(SEE NOTE NO. 3)

UNRESTRICTED RESERVE "A"
BLOCK 1
MESA DRIVE RESERVE
F.C. NO. 682783
H.C.M.R.

END, 5/8" I.R.C.
TEAM

I:\0080-002-20 HHA-Forest Green Sec 3\0080-002-20 HHA-Forest Green Sec 3.dwg AGS22 10/27/2020