

CIM COMMERCIAL APPRAISERS

PRESENTS AN
APPRAISAL REPORT

A SPECIAL PURPOSE BUILDING
218 EAST MAIN STREET
LEAGUE CITY, GALVESTON COUNTY, TEXAS

APPRAISAL REPORT

A Special Purpose Building
218 East Main Street
League City, Galveston County, Texas 77573



File #-22-002380-01-01
Inglesi De Dios Un Nuevo Pacto

PREPARED FOR

Prosperity Bank
5501 Bissonnet Street
Houston, TX 77081

PREPARED BY

CIM Commercial Appraisers, Inc.
11763 Riverview Drive
Houston, Texas 77077
(713) 298-2826

CIM COMMERCIAL APPRAISERS, INC.
JULIE ST. PAUL ALLBRIGHT, MAI
PRESIDENT
ja101@att.net

June 7, 2022

Prosperity Bank
5501 Bissonnet Street
Houston, TX 77081

File #-22-002380-01-01
Inglesi De Dios Un Nuevo Pacto

Attn: Robert S. Ely
SVP-Chief Appraiser

Re: A Special Purpose Building
218 East Main Street
League City, Galveston County, Texas 77573

Dear Mr. Ely,

At your request, we have prepared this Appraisal Report of the "As Is" Market Value" of the Fee Simple Interest in the Subject Special Purpose Building, as of a current date of May 28, 2022. The "Subject" is located on the west side of Houston Avenue, north of East Main Street, in League City, Galveston County, Texas, or more specifically at 518 East Main Street.

It should be noted that although the physical address of the Subject Property is 518 East Main Street, the Subject Building has no frontage on East Main Street. It is physically located on the west side of Houston Avenue, north of East Main Street.

The date of the Site Visit was May 28, 2022 (effective date of appraisal). *The appraiser has not performed any services regarding the Subject Property within the three year period preceding acceptance of this assignment, as an appraiser or in any other capacity.*

The Subject Improvements consist of a Special Purpose Building containing approximately 10,795 SF located on approximately 0.51 Acres (22,216 SF). The Subject Special Purpose Building was most recently a used as a Charter School.

The Subject land area was based on the Survey prepared by Precision Surveyors dated 8/27/2015. The Subject Building square footage was based on the Survey prepared by Precision Surveyors dated 8/27/2015 and on the appraiser's field measurements. The appraiser was not provided with a Title Policy and we reserve the right to amend our value conclusions upon receipt of a Title Policy.

We hereby certify that we have conducted a Site Visit of the Subject, and that all the data gathered in our investigation is from sources believed to be reliable. In addition, the Subject in our opinion has no significant natural, cultural, recreational or scientific value.

The appraiser was not provided with a copy of an Environmental Site Assessment for the Subject. This appraisal specifically assumes that the Subject is absent of any environmental hazards. Should information become more definitive, we reserve the right to amend our value conclusions accordingly at an additional cost.

The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of the Subject to determine whether or not it is (or will be) in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the Subject together with a detailed analysis of the requirements of the ADA could reveal that the Subject is not in compliance with one or more of the requirements of the act. If so, this could have a negative effect upon 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 estimating the value of the Subject. This appraisal specifically assumes that the Subject has no actual or suspect code violations and/or health and safety issues.

This appraisal has been made in accordance with accepted techniques, standards, methods, and procedures of the Appraisal Institute and has been prepared in conformance with the requirements of the Financial Institution Reform Recovery and Enforcement Act of 1989 (FIRREA); the Interagency Appraisal and Evaluation Guidelines, the BancorpSouth Appraisal Standards, the Uniform Standards of Professional Appraisal Practice (USPAP) as approved by the Appraisal Standards Board of the Appraisal Foundation; the requirements of and Code of Professional Ethics of the Appraisal Institute as well as our understanding of most appraisal guidelines. Julie St. Paul Allbright, MAI conducted a Site Visit on May 28, 2022

According to the Real Estate Broker, the Subject Building has been vacant for approximately 3 years and has been maintained by the School District. As per the Broker, roof repairs are estimated at \$15,000 or \$102,000 for a roof replacement. One of the HCVAC Units is out and the estimated cost to replace the Unit is \$12,500. The parking lot is in need of resurfacing and striping. We have estimated the "As Is" Market Value of the Subject Special Purpose Building and we have not included any deductions for Deferred Maintenance. The Appraiser recommends that the Owners obtain a Property Condition Report by a licensed Professional.

As defined in **The Dictionary of Real Estate, 7th Edition (Appraisal Institute, 2020)**

Marketing Time is "An opinion of the amount of time to sell a property interest at the concluded market value or at a benchmark price during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which precedes the effective date of an appraisal". (Advisory Opinion 7 and Advisory Opinion 35 of the Appraisal Standards Board of The Appraisal Foundation address the determination of reasonable exposure and marketing time)

Exposure Time is defined as "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 (USPSP, 2020-2021 ed.)".

It is my opinion based on the statistical information about days on the market and/or information gathered through sales verification and/or interviews of market participants that the marketing time for the subject property at the value concluded herein is 9-12 months.

This appraisal report is a conclusion of analyses "during" the impact of the Corona Virus. To date, due to the constant change, COVID -19 is not a factor that can be measured. For that reason, the conclusions drawn will have a margin of error. Due to that uncertainty, this means on any given subsequent week this economic environment may change and have consequences to the value.

A Special Purpose Building
518 East Main Street
June 7, 2022

Attached is our Appraisal Report which describes our investigation, analysis and conclusions upon which we based our opinion that the "As Is Market Value" of the Fee Simple Estate of the Subject Special Purpose Building, as of an effective date of May 28, 2022, *subject to:*

the property being operated by competent management,
and subject to our Certification and Assumptions and Limiting Conditions,
is as follows:

"As Is Market Value"

SEVEN HUNDRED SIXTY-FIVE THOUSAND DOLLARS

\$765,000

Value PSF: (Based on 10,795 SF)

\$70.87

No personal property, fixtures, or intangible items have been included in the opinion of "Market Value".

Respectfully submitted,
CIM COMMERCIAL APPRAISERS, INC.



JULIE ST. PAUL ALLBRIGHT, MAI
President
Texas State Certification Number TX #1320457-G

This Letter of Transmittal must remain attached to the associated Appraisal Report in order for the value opinion set forth to be considered valid.

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ADDENDA

SUMMARY OF FACTS AND CONCLUSIONS

Physical Data

Physical Data	The Subject Improvements consist of a Special Purpose Building containing approximately 10,795 SF located on approximately 0.51 Acres (22,216 SF)
Address:	218 East Main Street, League City, Galveston County, Texas, 77573
Date of the Site Visit:	May 28, 2022
Effective Date of Appraisal:	May 28, 2022
Date of Report:	June 7, 2022
Building Size (NRA SF):	10,795 SF, the Subject building square footage was based on the Survey prepared by Precision Surveyors dated 8/27/2015 and on the appraiser's field measurements.
Occupancy:	Vacant for approximately 3 years
Year Built:	1972
Land Area:	0.51 Acres (22,216 SF)
Land-to-Building Ratio:	2.06:1
Parking:	29 asphalt paved parking spaces on the north and west sides of the Building, currently not striped (includes 2 handicap parking spaces)
Property Rights Appraised:	Fee Simple Estate
Zoning:	The Subject Property is located in League City, Galveston County, is Zoned CRC Commercial Revitalization Overlay District <i>and is a permissible use</i> . This District is intended to preserve the character of an established commercial corridor while providing opportunities for infill development that is consistent with and enhances the prevailing built character. The -CRC Overlay District applies to commercial development on the FM 518 corridor between Pecan Drive and FM 270, excluding properties within the Olde Towne Districts and encourages small-scale commercial uses to locate nearer the street with parking located to the rear or side of buildings. The use regulations and development standards included in the -CRC Overlay District will facilitate neighborhood maintenance, upgrading, and the development of vacant or underutilized lots while reducing the potential for incompatible land uses. Circulation and access in the district will be consistent with the FM 518 Corridor Access Management Plan.

Deferred Maintenance:

According to the Real Estate Broker, the Subject Building has been vacant for approximately 3 years and has been maintained by the School District. As per the Broker, roof repairs are estimated at \$15,000 or \$102,000 for a roof replacement. One of the HCVAC Units is out and the estimated cost to replace the Unit is \$12,500. The parking lot is in need of resurfacing and striping. We have estimated the "As Is" Market Value of the Subject Special Purpose Building and we have not included any deductions for Deferred Maintenance. The Appraiser recommends that the Owners obtain a Property Condition Report by a licensed Professional.

Highest and Best Use:

As Vacant: The Highest and Best Use as vacant would be for development of a Special Use Property supporting the needs of the community.

As Improved: Based on the Building Residual Technique used in this Appraisal Report, the "As Is" Market Value of the Improvements is higher than the value of the land as if vacant, therefore, the existing improvements currently represent the Highest and Best Use of the Subject Site "As Improved".

Value Indications

				"As Is"
Sales Comparison Approach				
Improved				\$765,000
Land Value				\$120,000
		PSF		\$5.40
Cost Approach				\$550,000
"As Is Market Value"				\$765,000
				\$70.87
Insurable Value				\$860,000

GENERAL PROPERTY INFORMATION

Identification of Property

The Subject Improvements consist of a Special Purpose Building located on approximately 0.51 Acres (22,216 SF).

Legal Description

Based on the Survey prepared by Precision Surveyors dated 8/27/2015, the Subject Property is described legally as follows:

Lots 1, 2 and part of Lots 3, 11, and 12; part of an intervening 15.0 foot alley, all being out of Block 4, Interurban Addition; part of Lot 1, Block 3 and a part of Lot 1, Block 4, Galveston County Farms Subdivision according to the Map Records of Galveston County, Texas.

Purpose and Date of Appraisal

The purpose of the appraisal is to estimate Market Value of the existing interest appraised for the Subject Special Purpose Building in its "As Is" condition, as well as other additional value premise(s) described herein. Federal regulations and guidelines require an "as is" value consisting of "the current market value of the property in its actual physical condition, use, and subject to the Zoning in effect as of the date of the appraisal.

Intended Use of the Appraisal

The Intended Use of this appraisal report is for determining loan and credit underwriting decisions that will be made by Prosperity Bank and any additional noted participants for a federally related loan transaction.

Intended User of the Appraisal

Prosperity Bank and any noted permitted participants, affiliates or additional users are the only Intended Users of this appraisal report. *The Appraisal has not and cannot be re-addressed.*

Scope of the Appraisal/Appraisal Development and Reporting Process

Extent to which the property is identified

The appraiser was provided with 2 Surveys. We relied upon the Survey prepared by Precision Surveyors dated 8/27/2015 and county facet maps for the identification of the subject site, in addition to Aerial Maps. The Building Square Footage was based on the Survey prepared by Precision Surveyors dated 8/27/2015 and on the appraiser's field measurements. We did not perform a Title search or Survey of the Subject Property.

Extent to which tangible property is inspected

In preparing this appraisal we walked and photographed the entire site and viewed and photographed the interior and exterior of the Subject Improvements.

We visited the subject property in order to develop impressions of physical characteristics based on visual observations of apparent, not unapparent conditions. We are not engineers and are not qualified to assess structural integrity or the adequacy and condition of its mechanical, electrical, or plumbing components. This appraisal is not a property condition report, and should not be relied upon to disclose any conditions present in the property, and it does not guarantee the property to be free of defects. We are not licensed inspectors, and we did not make an "inspection" of the property as defined by TREC Rule 535.227-535.231 for real estate inspectors.

We are not qualified to detect or identify hazardous substances, which may, or may not, be present on, in, or near the subject property. The presence of hazardous materials may negatively affect market value. We have no reason to suspect the presence of hazardous substances, and we valued the subject assuming that none are present. No responsibility is assumed for any such conditions or for any expertise or engineering required to detect or discover them. We urge the user of this report to obtain the services of specialists for the purpose of conducting inspections, engineering studies, or environmental audits. While we refer to FEMA flood maps, we are not surveyors and not qualified to make flood plain determinations, and we recommend that a qualified party be consulted before any investment decision is made.

The type and extent of data researched

We conducted a search for sales of similar type Buildings ranging in size from 5,000 SF to 20,000 SF. We additionally conducted a search for comparable Land Sales in the immediate area. Our data sources were LoopNet recent sales, HAR, Co-Star Data Services and International Church Realty (specializes in the sale of Special Purpose Buildings and Religious Facilities). Our search for data concentrated on the immediate market area for Land Sales, and was expanded to the entire Houston Market Area for Improved Sales. We supplemented these sources with information from knowledge brokers, particularly those with listings in the immediate area in addition to appraisers.

Texas is a non-disclosure state. It is important that the intended users of this appraisal understand that in Texas, there is no legal requirement for grantors or grantees to disclose any information relative to a transfer of real property, other than the recordation of the deed itself. In Texas, the deed contains no information about the transaction, including the purchase price. As a result, no data source provides absolute coverage of all transactions. It is possible that there are sales of which we are unaware. Our data sources provide all the data typically available to appraisers in the normal course of business.

The type and extent of analysis applied

We developed our opinion of value using the Sales Comparison Approach (Land Analysis and Improved Property Analysis) and the Cost Approach. The Income Approach was not considered to be applicable and the omission of the Income Approach does not affect the reliability of the value estimate contained herein as the Sales Comparison Approach is typically used for this property type by buyers and sellers in the Market. All of the applicable approaches are more clearly defined in the Valuation Process Section of this Report

Significant real property appraisal assistance

No one other than the person signing this Appraisal Report, Julie St. Paul Allbright, MAI, TX 1320457-G, provided any significant real property appraisal assistance in researching Land Sales and comparable Improved Sales and in making appropriate adjustments in order to develop an opinion of the "As Is" Market Value of the Subject, Special Purpose Building, as of an effective date of May 28, 2022.

History of the Subject

According to the Galveston County Tax Records, the Subject Property is currently listed under the ownership of Odyssey 2020 Academy, Inc. who has been the owner of record since October 20, 2015.

The Subject Property was listed "For Sale" by Lee & Associates, John Gazzola, 713-744-7446 for \$950,000 and was on the market for approximately one year.

It is currently under contract "As Is" from Odyssey 2020 Academy, Inc. to Inglesia De Dios Un Nuevo Pacto for \$750,000 which was reduced to \$735,000. The Broker representing the Buyer, Jonathan Byers, with KW Commercial indicated that the Buyer (a Religious Facility) was very interested in the Subject Building and offered \$750,000 ("As Is" with the understanding that the Building needed several updates and parking) which was accepted by the seller with no negotiations. The Buyer then requested an additional reduction in Sales Price to \$735,000 and the Sellers accepted. It is the appraiser's opinion that the current Contract Price ("As Is") is market supported. We are not aware of any other title conveyances as of the effective date of this Appraisal Report.

Real Property Taxes

The following table details the taxing jurisdictions and the tax rates applicable to the Subject. The Subject is assessed under the following tax account number(s):383699 as follows.

Taxing Jurisdiction	2021 Tax Rate
Houston ISD	\$1.094400
Harris County	\$0.586340
Houston Community College	\$0.099092
City of Houston	\$0.550830
Total Tax Rate	\$2.330662

According to representatives of the taxing jurisdictions, the Subject is assessed as shown below.

Assessments	PSF Land	PSF Land	Impr.	Total	PSF Improved
2022	\$92,200	\$4.19	\$1,186,290	\$1,278,490	\$117.76
2021	\$92,200	\$4.19	\$1,186,290	\$1,278,490	\$117.76
2020	\$32,340	\$2.98	\$487,220	\$519,560	\$47.85
Total Assessed Value PSF:					
* Based on:				22,029	SF
** Based on:				10,857	SF

**-as per the County Appraisal District Tax Records. The Market Assessed Value increased 162.41% from 2020 to 2022.*


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General Property Information

We have included Assessed Values for similar type properties.

Assessed Values

Taxes Comparables				
Address	Age	SF	Assessment	Assessed Value SF
14000 Chrisman Road	1989	9,140	\$639,164	\$69.93
6808 Easthaven	1975/2018	8,125	\$744,980	\$91.69
8225 Cantrell	1982/2006	12,622	\$1,089,958	\$86.35
401 Pennsylvania	1970/2020	11,235	\$711,694	\$63.35
AVG	1979	10,281	\$796,449	\$77.83
SUBJECT	1972	10,795	\$1,278,490	\$118.43
EST ASSESSED VALUE		10,795	\$760,000	\$70.40

Based on our Market Research and based on the Current Contract, the current Assessed Value is high. We have estimated the Assessed Value at \$760,000.

2021 TAX STATEMENT									
 CHERYL E. JOHNSON, PCC GALVESTON COUNTY TAX ASSESSOR-COLLECTOR 722 Moody Galveston, TX 77550									
Certified Owner: ODYSSEY 2020 ACADEMY INC ATTN: BUSINESS OFFICE 2412 61ST ST GALVESTON, TX 77551					Legal Description: ABST 3 S F AUSTIN SUR LOTS 1,2 & PT OF LOTS 3,11,12 & PT OF ALLEY BLK 4 & PT OF BLK 3 GALVESTON COUNTY FARMS				
Account No: 383699 As of Date: 06/06/2022					Appr. Dist. No.: 41500040001001 Legal Acres: .5057 Parcel Address: 218 E MAIN ST Print Date: 06/06/2022				
Market Value		Appraised Value	Assessed Value	Capped Value	Homesite Value	Agricultural Market Value	Non-Qualifying Value		
Land	Improvement								
\$92,200	\$1,186,290	\$1,278,490	\$1,278,490	\$0	\$0	\$0	\$1,278,490		
Taxing Unit	Assessed Value (100%)	Exemptions		Taxable Value	Tax Rate	Tax			
		Code	Amount						
GALVESTON CO	\$1,278,490	EXXV	\$1,278,490.00	\$0	0.4149400	\$0.00			
ROAD & FLOOD	\$1,278,490	EXXV	\$1,278,490.00	\$0	0.0095600	\$0.00			
LEAGUE CITY	\$1,278,490	EXXV	\$1,278,490.00	\$0	0.4655260	\$0.00			
\$.00									
Total Tax:						\$0.00			
Total Tax Paid to date:						\$0.00			
Total Tax Remaining:						\$0.00			
Exemptions: EXXV PRORATED-EXXV									
AMOUNT DUE IF PAID BY:									
06/30/2022 15%	08/01/2022 18%	08/31/2022 19%	09/30/2022 20%	10/31/2022 21%	11/30/2022 22%				
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
IF YOU ARE 65 YEARS OF AGE OR OLDER OR ARE DISABLED AND THE PROPERTY DESCRIBED IN THIS DOCUMENT IS YOUR RESIDENCE HOMESTEAD, YOU SHOULD CONTACT THE APPRAISAL DISTRICT REGARDING ANY ENTITLEMENT YOU MAY HAVE TO A POSTPONEMENT IN THE PAYMENT OF THESE TAXES.									

All Taxes are paid

Competency

The appraiser has appraised many similar type properties during the past forty-two years.

Definition of Market Value and Interest Appraised

Per Paragraph 323.2 (g) of the FDIC Rules and Regulations "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, 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 each acting in what they consider their best interests;
a reasonable time is allowed for exposure in the open market;
payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

This appraisal conforms to the previous Market Value definition, as we understand it.

"As Is" Market Value is defined as an estimate of the Market Value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions, or qualifications on the effective date of appraisal.

Fee Simple Estate is defined as "Absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation."

The analyses, opinions and conclusions communicated within this appraisal report were developed based upon the requirements and guidelines of the current Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute".

"Extraordinary Assumption" is an assumption, directly related to a specific assignment, which, if found to be false could alter the appraiser's opinions or calculations. Per the 2019-2020 edition of the Uniform Standards of Professional Appraisal Practice, (USPAP), Page U-17, an Extraordinary Assumption may be used in an assignment only if it is required to properly develop credible opinions and conclusions, the appraiser has a reasonable basis for the Extraordinary Assumption, the use of the Extraordinary Assumption results in a credible analysis, and the appraiser complies with the disclosure requirements set forth in USPAP for Extraordinary Assumptions.

The appraiser has not used any Extraordinary Assumptions in this Appraisal Report.

USPAP defines a **Hypothetical Condition** as, "that 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".

The appraiser has not used any Hypothetical Conditions in this Appraisal Report.

LEAGUE CITY

League City is a waterfront community nestled along the shores of Clear Lake, 30 miles south of downtown Houston, with close proximity to Galveston Bay and the Gulf of Mexico. The city regularly ranks among the safest, most affordable, and best places to live and raise a family in the state of Texas and in the US. With a population of approximately 110,000, League City residents represent a diversity of backgrounds and lifestyles. Professionals across the country are drawn to League City because of low unemployment rates and a ripe job market for positions in the medical, energy, aerospace, marine, and petrochemical industries.

The City is bordered by Clear Creek to the north which flows into Clear Lake and out to Galveston Bay. These scenic bodies of water provide abundant recreation opportunities including sailing, jet skiing, kayaking, fishing, and more.

League City is located minutes away from Johnson Space Center Houston-the visitor center of NASA Johnson Space Center and the most popular tourist attraction in the Houston Metro region.

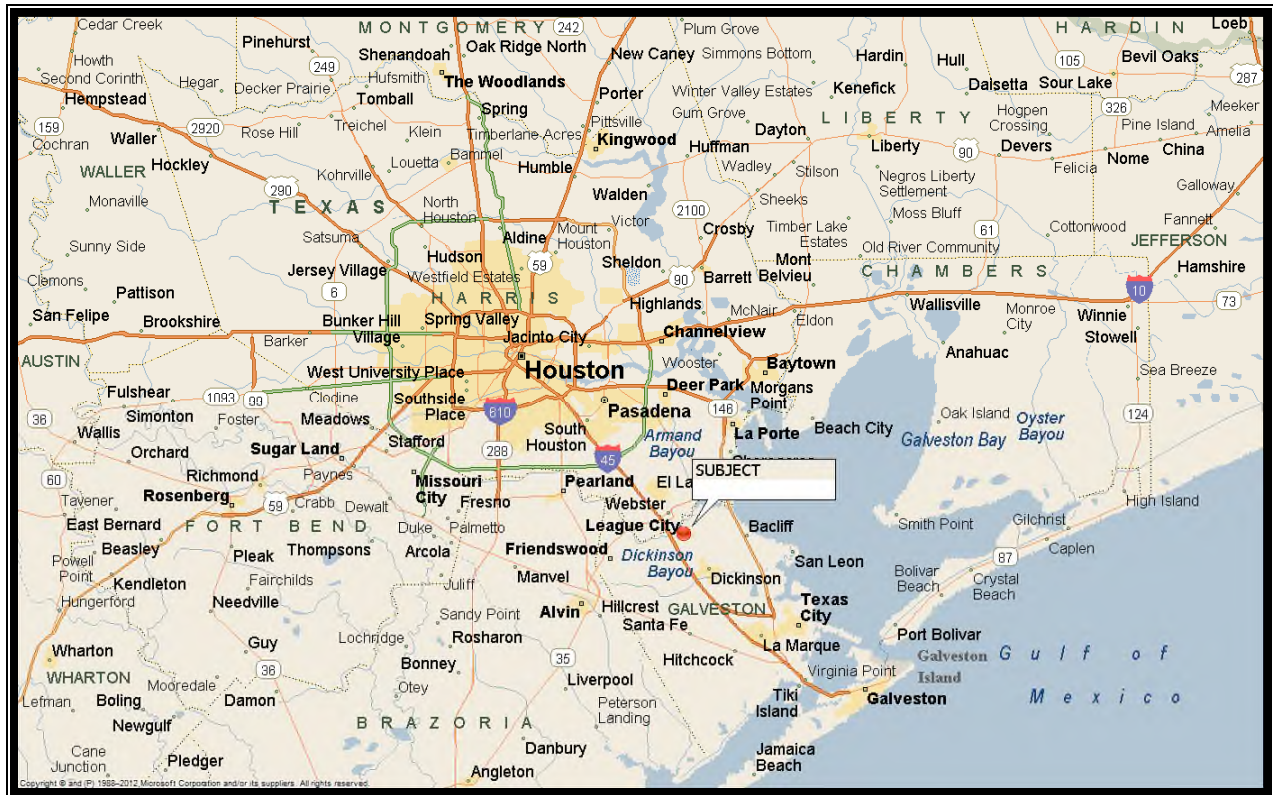
With Southern charm and Texas pride, League City boasts its own brand of historic appeal. Beautiful 19th century homes and buildings are scattered throughout League City Historic District, and its streets are lined with towering live oaks, planted by the city's founders over 100 years ago. Locals and visitors enjoy the variety of boutiques, gardens, museums, and dining available in the Historic District and throughout the city.

Residents of League City have access to state-of-the-art healthcare facilities, and the Bay Area of Houston is becoming a small medical center in its own right. Houston Methodist, UTMB, HCA, MD Anderson Cancer Center, and Memorial Hermann all have a presence in the League City area, and some of the top doctors and specialists in the nation come here to practice medicine.

School-aged children receive an excellent education at the schools within the Clear Creek Independent School District and Dickinson School District, and have plenty of opportunities to participate in sports and other extra-curricular activities. Nearby higher education opportunities include College of the Mainland, San Jacinto Community College, University of Houston (including their Clear Lake campus), the prestigious Rice University, and others.

The city of League City has a small portion north of Clear Creek within Harris County zoned for residential and commercial uses.

AREA MAP



NEIGHBORHOOD ANALYSIS

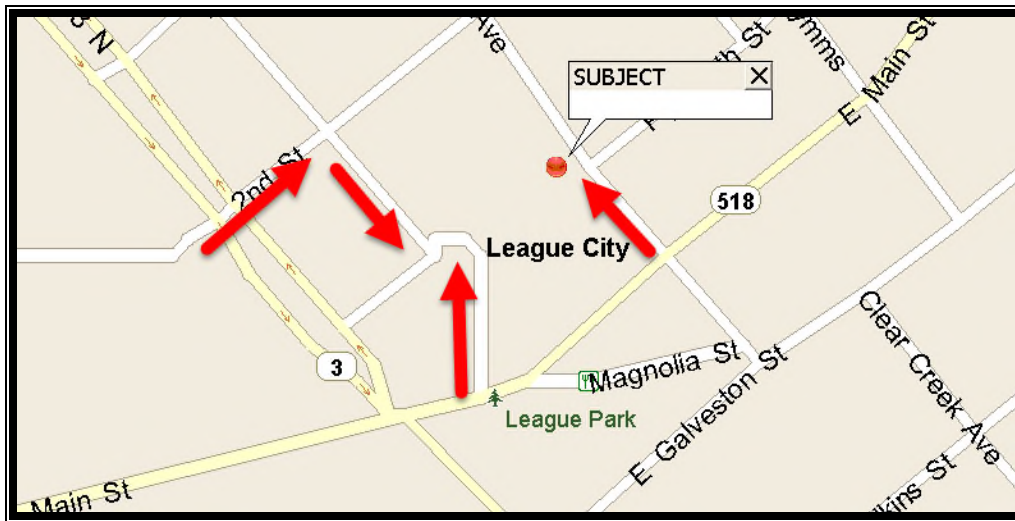
Subject Location/Neighborhood

A neighborhood is generally understood as a portion of a larger community where there is a homogeneous group of inhabitants, buildings, and business enterprises that have a more than casual appearance of community and a similarity of economic level and/or cultural background. The boundaries of the Subject Neighborhood are as follows:

Boundaries: North: Nasa Road One
South: FM 517
West: IH 45 (Gulf Freeway)
East: SH 146

Access and Thoroughfares

The Subject property/neighborhood is accessible from the Houston Central Business District via IH 45 (Gulf Freeway) traveling south to FM 518 (W Main Street), then traveling east on FM 518 (W Main Street) to Houston Avenue, then traveling northwest on Houston Avenue to the Subject Property. The Subject Property is additionally accessible from League Street to Dallas Street across Highway 3 and from West Main Street via Dallas Street.



The major thoroughfares within the Subject Neighborhood are IH 45 (Eastex Freeway), Highway 3, Nasa Road One (Nasa Parkway), East Main (FM 518), League City Parkway, FM 646, and FM 517.

Interstate Highway 45 (Gulf Freeway) is a 6-to 8-lane controlled access freeway that principally serves to connect the neighborhood with the 610 Loop and the Houston Central Business District on the north and with Hobby Airport, Friendswood, League City, Dickinson, Texas City and Galveston to the south. Interstate Highway 45 intersects with nearly every major east/west thoroughfare in the region, and is generally considered one of Houston's principal highways.

Overall, due to the quality of the major north/south and east/west thoroughfares within and near the Subject neighborhood, the accessibility of the Subject neighborhood is considered good.

Traffic Counts Co-Star-2018-2022

Traffic		
Collection Street	Cross Street	Traffic Volume
East Main Street	Railroad Ave NE	22,920
E Main St	Railroad Ave NE	25,344
Park Ave	E Main St NW	1,038
E Walker St	Dickinson Ave NE	5,471
League St	Hwy 3 N W	18,900
E Walker St	Hwy 3 S SW	6,208
S Kansas Ave	Lewis SE	1,080
N Kansas Ave	S Kansas Ave SE	390
Houston Ave	4th St SE	1,936
Houston Ave	Avondale St SE	1,555



Demographics-Co-Star

Population			
	2 mile	5 mile	10 mile
2010 Population	21,290	165,493	361,287
2022 Population	26,131	199,341	424,373
2027 Population Projection	27,970	211,715	448,506
Annual Growth 2010-2022	1.9%	1.7%	1.5%
Annual Growth 2022-2027	1.4%	1.2%	1.1%
Median Age	36.7	37.2	37.8
Bachelor's Degree or Higher	42%	39%	37%
U.S. Armed Forces	21	351	504

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Neighborhood Data

Households			
	2 mile	5 mile	10 mile
2010 Households	8,130	64,585	134,078
2022 Households	10,188	77,483	157,197
2027 Household Projection	10,938	82,205	166,107
Annual Growth 2010-2022	1.7%	1.6%	1.5%
Annual Growth 2022-2027	1.5%	1.2%	1.1%
Owner Occupied Households	6,113	51,545	117,594
Renter Occupied Households	4,826	30,660	48,513
Avg Household Size	2.5	2.6	2.7
Avg Household Vehicles	2	2	2
Total Specified Consumer Spending (\$)	\$351.6M	\$2.7B	\$5.7B

Income			
	2 mile	5 mile	10 mile
Avg Household Income	\$107,146	\$106,807	\$111,384
Median Household Income	\$86,934	\$83,995	\$88,235
< \$25,000	1,234	9,331	17,661
\$25,000 - 50,000	1,470	12,085	24,181
\$50,000 - 75,000	1,810	14,018	26,437
\$75,000 - 100,000	1,216	9,194	19,490
\$100,000 - 125,000	1,339	9,888	20,097
\$125,000 - 150,000	794	6,813	13,465
\$150,000 - 200,000	1,327	7,747	16,585
\$200,000+	999	8,408	19,279

Housing

Housing			
	2 mile	5 mile	10 mile
Median Home Value	\$246,230	\$241,530	\$238,203
Median Year Built	1997	1992	1991

Daytime Employment

Daytime Employment						
Radius	2 mile			5 mile		
	Employees	Businesses	Employees Per Business	Employees	Businesses	Employees Per Business
Service-Producing Industries	10,261	1,394	7	78,335	8,870	9
Trade Transportation & Utilit...	2,029	263	8	13,811	1,489	9
Information	127	16	8	1,366	141	10
Financial Activities	877	195	4	7,152	1,289	6
Professional & Business Se...	1,116	194	6	6,739	1,176	6
Education & Health Services	2,585	332	8	19,250	2,711	7
Leisure & Hospitality	1,808	126	14	13,563	931	15
Other Services	1,129	226	5	5,259	1,004	5
Public Administration	590	42	14	11,195	129	87
Goods-Producing Industries	1,095	157	7	6,149	751	8
Natural Resources & Mining	3	1	3	25	9	3
Construction	779	112	7	3,115	531	6
Manufacturing	313	44	7	3,009	211	14
Total	11,356	1,551	7	84,484	9,621	9

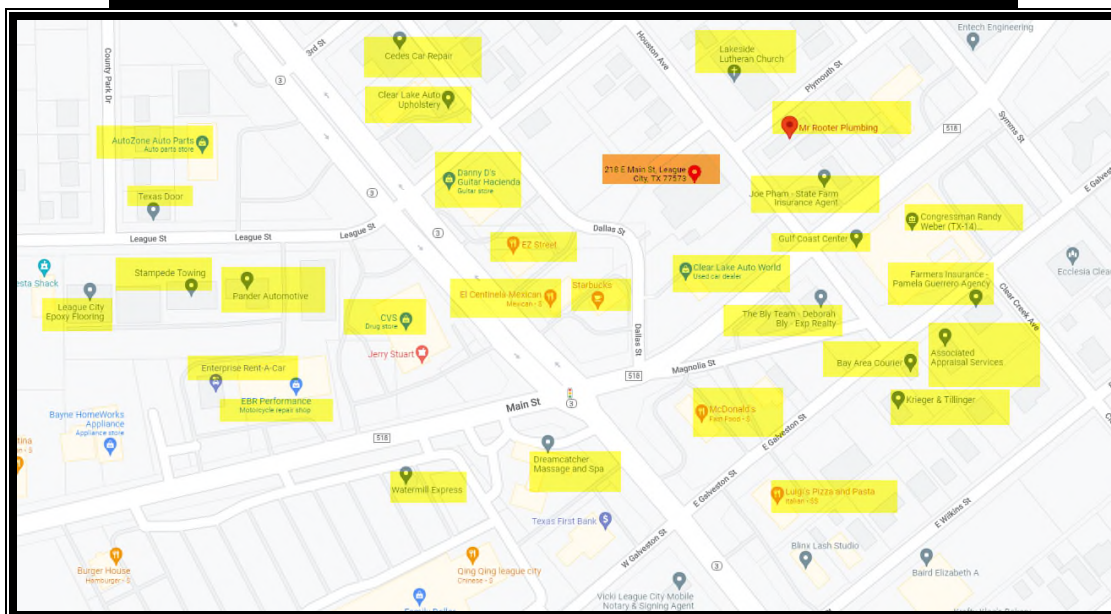
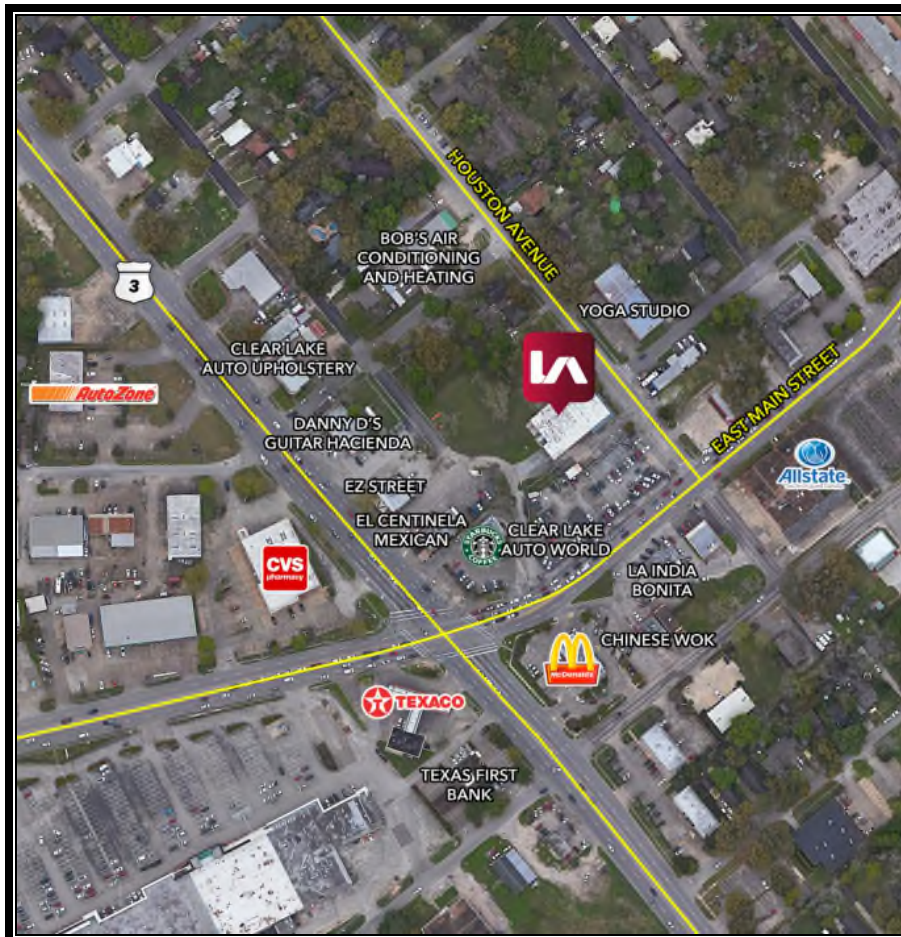
Land Use Utilization: 70%

Predominant Land Use: Residential, Religious Facilities, Schools, Retail, Office, Fast Food, Industrial and Commercial. The majority of Commercial/Retail Development is along FM 518 (E Main Street).

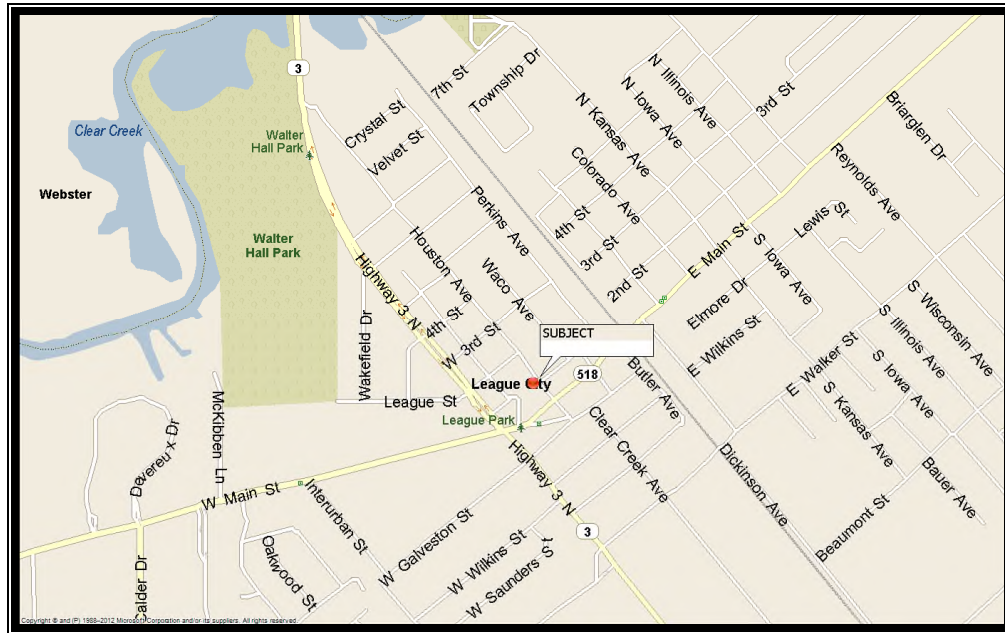
Conclusion

The Subject neighborhood is reasonably well located in proximity to Intestate Highway 45 (Gulf Freeway) and FM 518 (E Main Street).

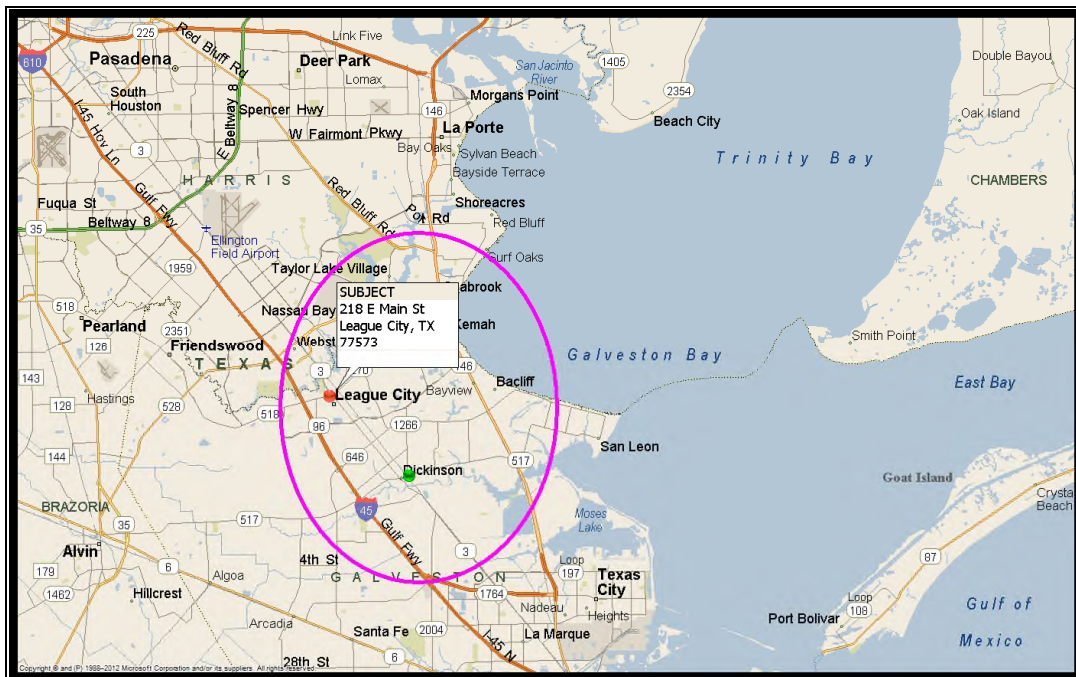
SUBJECT-SURROUNDING DEVELOPMENT



LOCATION MAP



NEIGHBORHOOD MAP



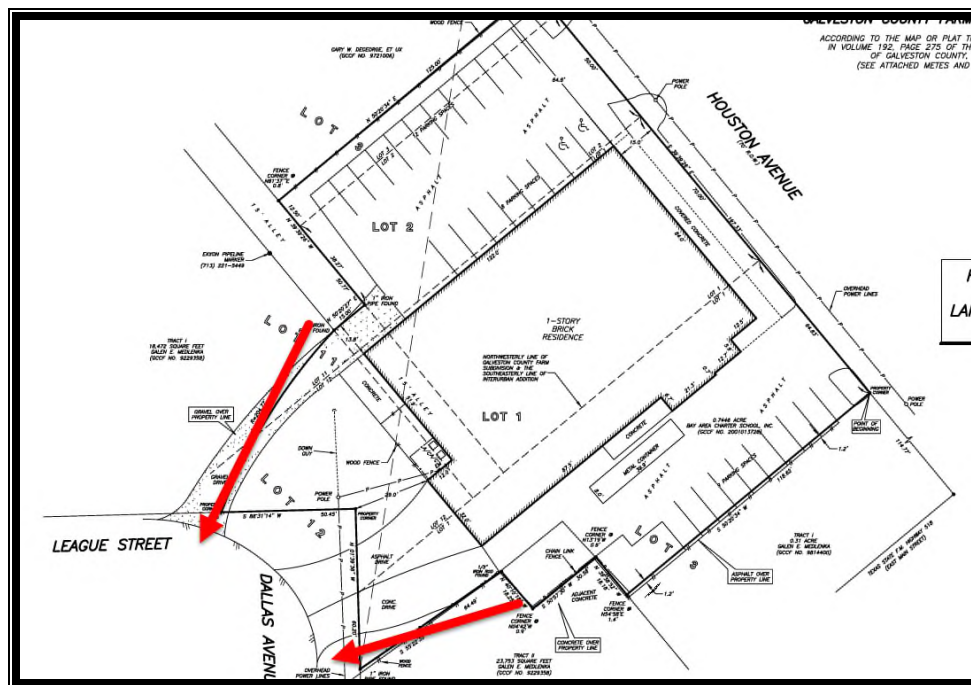
SITE DATA

Property Description/Location

The Subject Special Purpose Building is located on the west side of Houston Avenue, north of East Main Street, in League City, Galveston County, Texas, or more specifically at 518 East Main Street.

Size/Shape/Frontage

Based on the Survey prepared by Precision Surveyors dated 8/27/2015, the Subject Site contains 0.51 Acres (22,216 SF) and is slightly irregular in shape on the west side. It has approximately 197.33 feet of frontage on the west side of Houston Avenue with an average depth of approximately 137 feet. It has a frontage-to-depth ratio of 1.438:1 from Houston Avenue and a frontage-to-area ratio of 386. The western boundary extends west intersecting with League Street and Dallas Avenue



Access

The Subject property/neighborhood is accessible from the Houston Central Business District via IH 45 (Gulf Freeway) traveling south to FM 518 (W Main Street), then traveling east on FM 518 (W Main Street) to Houston Avenue, then traveling northwest on Houston Avenue to the Subject Property. The Subject Property is additionally accessible from League Street to Dallas Street across Highway 3 and from West Main Street via Dallas Street.

Topography

The Subject has basically level topography and appears to be at street grade with surrounding properties.

Easements

The Survey prepared by Precision Surveyors dated 8/27/2015 indicated the following:

West Boundary: 15' Alley; gravel over property line; Exxon pipeline marker
South Boundary: Concrete over property line; Asphalt over property line

The appraiser was not provided with a Title Policy and we reserve the right to amend our value conclusions upon receipt of a Title Policy.

Utilities

The Subject is located within the City of League City. Electricity and natural gas are provided by a variety of companies. Telephone service is provided by ATT. Sewer and water are provided by the City of League City.

Flood Hazard Influence

According to the Federal Emergency Management Agency Flood Insurance Rate Map, Community - Panel Number 48167C 0038 G dated 08/15/2019, the most recent panel published, (see attached Flood Map); the Subject is located in an area which is designated as Zone CX. Zone CX are areas that are determined to be outside of the 100 and the 500 year Flood Plain.

Soil and Subsoil Conditions

The soil and subsoil conditions observed on the Subject site are considered to be typical of those located in the region surrounding the Subject. Although no specific soil tests or analyses were furnished, based upon the improvements observed on surrounding properties, conditions appear to be such that they allow ample foundation support for construction of any future improvements.

Land Use Restrictions

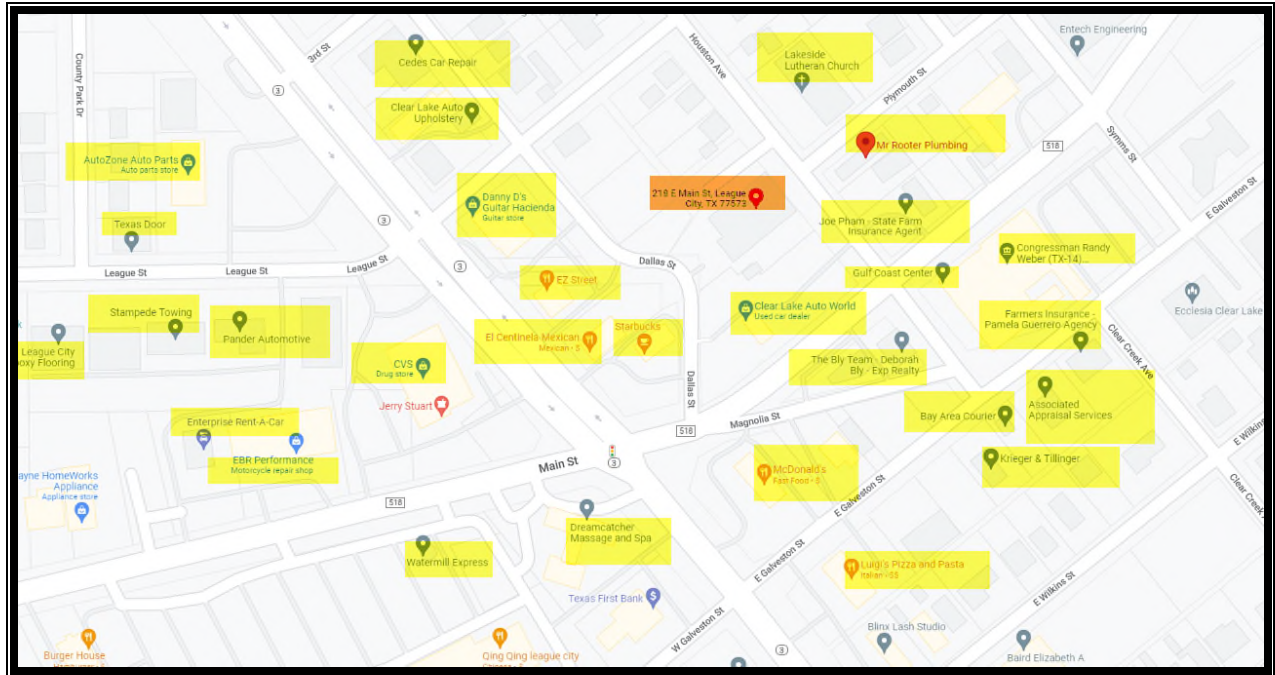
The Subject Property is located in League City, Galveston County, is Zoned CRC Commercial Revitalization Overlay District *and is a permissible use*. This District is intended to preserve the character of an established commercial corridor while providing opportunities for infill development that is consistent with and enhances the prevailing built character. The -CRC Overlay District applies to commercial development on the FM 518 corridor between Pecan Drive and FM 270, excluding properties within the Olde Towne Districts and encourages small-scale commercial uses to locate nearer the street with parking located to the rear or side of buildings. The use regulations and development standards included in the -CRC Overlay District will facilitate neighborhood maintenance, upgrading, and the development of vacant or underutilized lots while reducing the potential for incompatible land uses. Circulation and access in the district will be consistent with the FM 518 Corridor Access Management Plan.

Environmental Assessment

The appraiser was not provided with a copy of an Environmental Site Assessment for the Subject. This appraisal specifically assumes that the Subject is absent of any environmental hazards. Should information become more definitive, we reserve the right to amend our value conclusions accordingly at an additional cost.

Surrounding Land Use

Development within proximity to the Subject Property includes: Residential, Religious Facilities, Schools, Retail, Office, Fast Food, Industrial and Commercial. The majority of Commercial/Retail Development is along FM 518 (E Main Street). North of the Subject is residential; west/southwest of the Subject is a Starbucks and a Mexican Restaurant located at the intersection of Highway 3 and East Main Street; south of the Subject fronting on East Main Street is Clear Lake Auto World; east of the Subject is Space City Plumbing and a small Retail/Office Building .

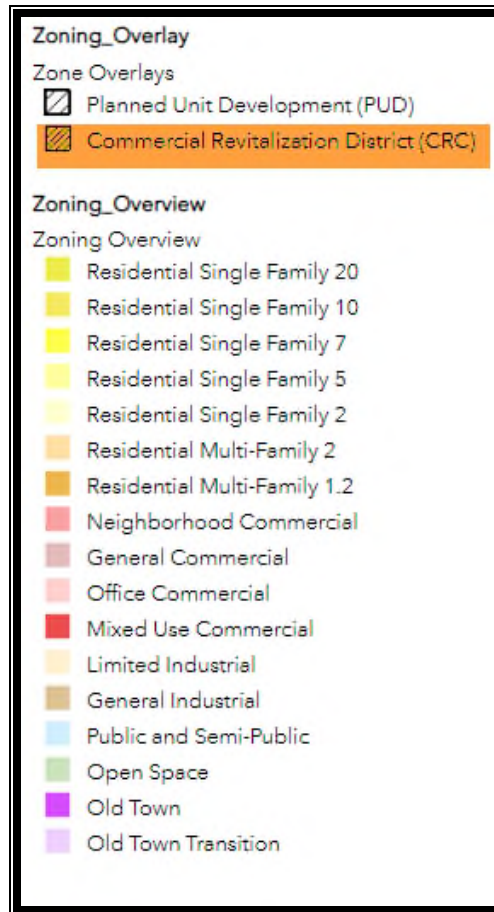


Conclusion

For additional information, please refer to the Surveys, Aerial Map, Zoning Map, Appraisal District Map, Flood Map, and Subject Photographs, which follow.

CITY OF LEAGUE CITY ZONING MAP
CRC-COMMERCIAL REVITALIZATION DISTRICT





The CRC Commercial Revitalization Overlay District is intended to preserve the character of an established commercial corridor while providing opportunities for infill development that is consistent with and enhances the prevailing built character. The -CRC Overlay District applies to commercial development on the FM 518 corridor between Pecan Drive and FM 270, excluding properties within the Olde Towne Districts and encourages small-scale commercial uses to locate nearer the street with parking located to the rear or side of buildings. The use regulations and development standards included in the -CRC Overlay District will facilitate neighborhood maintenance, upgrading, and the development of vacant or underutilized lots while reducing the potential for incompatible land uses. Circulation and access in the district will be consistent with the FM 518 Corridor Access Management Plan.

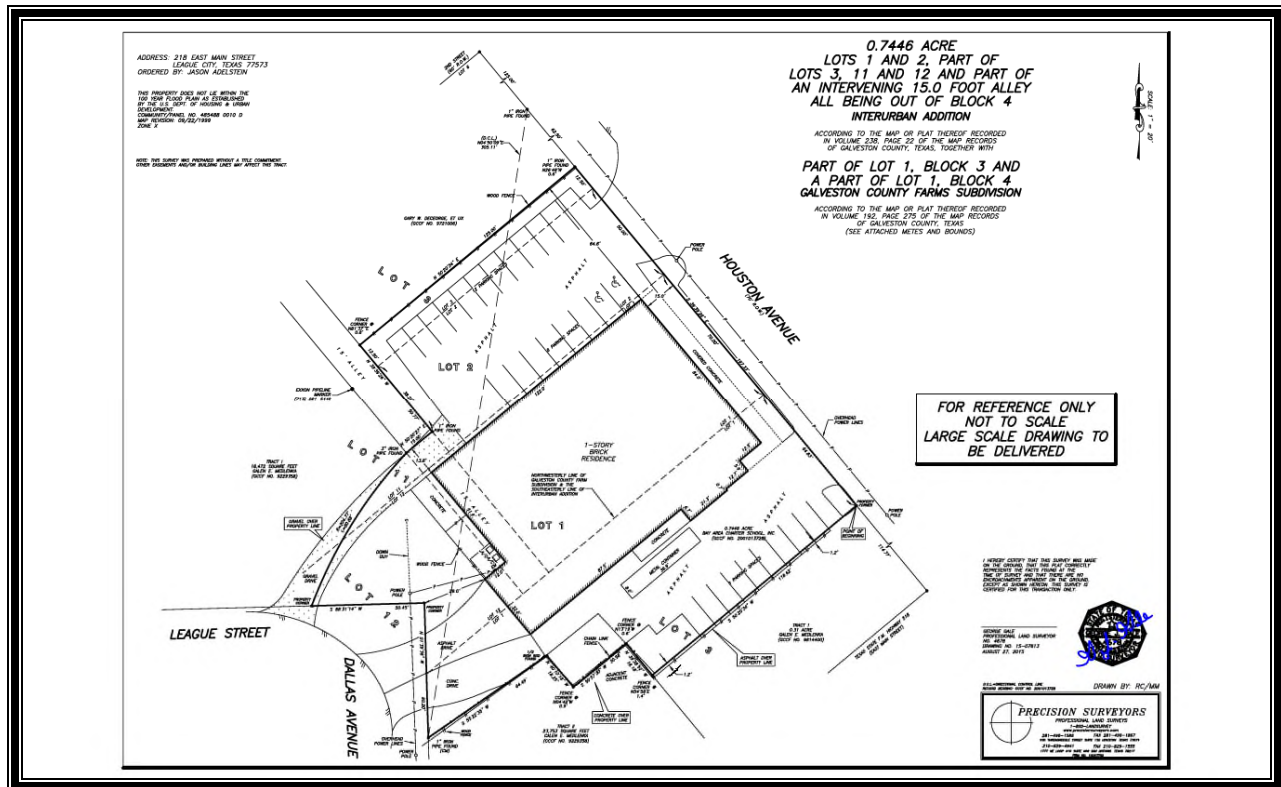
The -CRC Overlay District will be combined with the base zoning district(s) applied to the area and will be shown on the zoning map by a -CRC designator applied to the base district(s) designation.

Except as otherwise noted in this section, the regulations of the underlying base zoning district(s), and any other applicable overlay district, shall apply to property in the -CRC Overlay District. In the case of a conflict between the provisions of an underlying base zoning district or other applicable overlay district and the -CRC Overlay District, the provisions of the -CRC Overlay District shall govern.

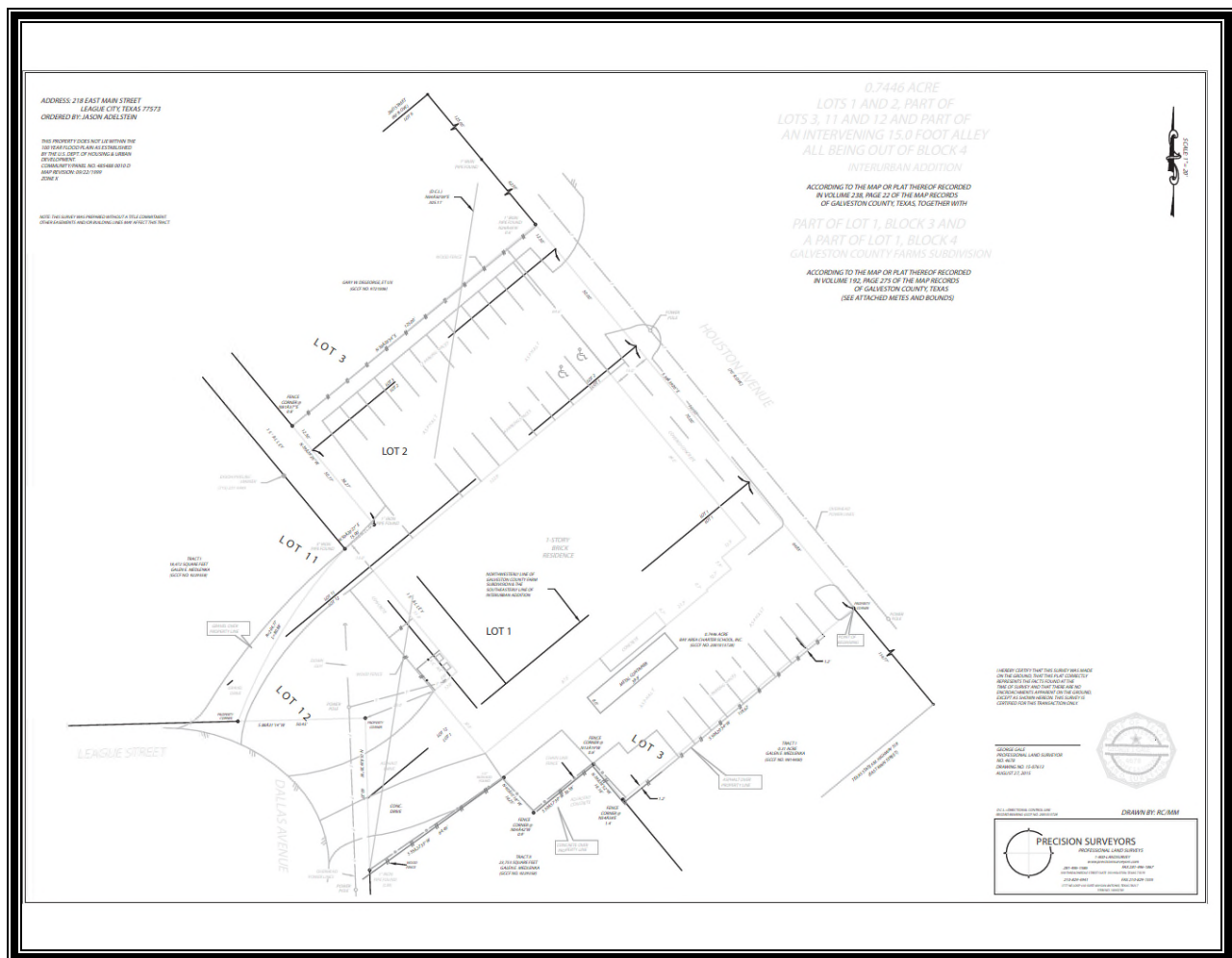
Table 125-3.11.4: Commercial Revitalization Overlay District

<i>Development Regulations</i>	CRC
Minimum Lot Area (square feet)	5,000
Minimum Lot Width (feet)	50
Minimum Lot Frontage (feet)	50
Maximum Height (feet)	45
Minimum Front Setback	—
Minimum Side Setback—nonresidential	10
Minimum Side Setback—residential	15
Minimum Street Side Setback (corner lot)	10
Minimum Rear Setback—nonresidential	15
Minimum Rear Setback—residential	20
Minimum Build-to Lines (percent)	50
Maximum impervious surface (lot) coverage (See Sec. 125-5.7)	85

SURVEY



SURVEY

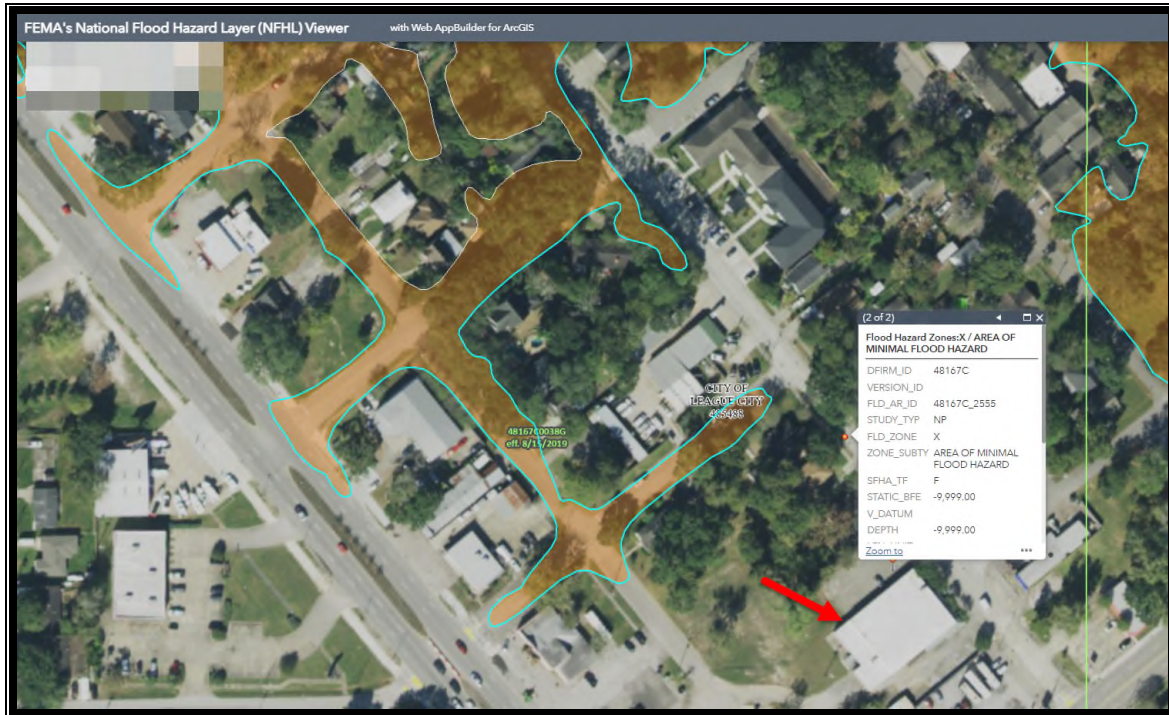


GCAD MAP




FLOOD PLAIN MAP

COMMUNITY	PANEL	ZONE	DATE
[48167C]	[0038 G]	[CX]	08/15/2019



DEPARTMENT OF HOMELAND SECURITY
Federal Emergency Management Agency
STANDARD FLOOD HAZARD DETERMINATION FORM (SFHDF)

OMB Control No. 1660-0040
Expires: 10/31/18

SECTION I - LOAN INFORMATION				
1. LENDER/SERVICER NAME AND ADDRESS Customer Number 1000204530 Address PROSPERITY BANK 3515 W CAMP WISDOM RD DALLAS, TX 75237-2505 Delivery Method: FDR-COM - WEB		2. COLLATERAL DESCRIPTION (Building/Mobile Home/Property) (See instructions for more information.) Borrower: IGLESIA DE DIOS UN NUEVO PACTO Determination Address: 218 E MAIN ST LEAGUE CITY, TX 77573-3745 GALVESTON COUNTY APN/Tax ID: 383699 Lot: 1,2,3,11,12 Block: 4,3 S/D: Section: Township: Phase: Range:		
3. LENDER/SERVICER ID # 16835	4. LOAN IDENTIFIER 539532	5. AMOUNT OF FLOOD INSURANCE REQUIRED		
SECTION II				
A. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) COMMUNITY JURISDICTION				
1. NFIP Community Name LEAGUE CITY, CITY OF	2. County(ies) GALVESTON COUNTY	3. State TX	4. NFIP Community Number 485488	
B. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) DATA AFFECTING BUILDING/MOBILE HOME				
1. NFIP Map Number or Community-Panel Number (Community name, if not the same as "A") 48167C0038G	2. NFIP Map Panel Effective / Revised Date August 15, 2019	3. Is there a Letter of Map Change (LOMC)? <input checked="" type="radio"/> NO <input type="radio"/> YES (If yes, and LOMC date/no. is available, enter date and case no. below). Date: Case Number:		
4. Flood Zone CX	5. No NFIP Map <input type="checkbox"/>			
C. FEDERAL FLOOD INSURANCE AVAILABILITY (Check all that apply.)				
1. <input checked="" type="checkbox"/> Federal Flood Insurance is available (community participates in the NFIP). <input checked="" type="checkbox"/> Regular Program <input type="checkbox"/> Emergency Program of NFIP				
2. <input type="checkbox"/> Federal Flood Insurance is not available (community does not participate in the NFIP).				
3. <input type="checkbox"/> Building/Mobile Home is in a Coastal Barrier Resources Area (CBRA) or Otherwise Protected Area (OPA). Federal Flood Insurance may not be available. CBRA/OPA Designation Date:				
D. DETERMINATION				
IS BUILDING/MOBILE HOME IN SPECIAL FLOOD HAZARD AREA (ZONES CONTAINING THE LETTERS "A" OR "V")? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO If yes, flood insurance is required by the Flood Disaster Protection Act of 1973. If no, flood insurance is not required by the Flood Disaster Protection Act of 1973. Please note, the risk of flooding in this area is only reduced, not removed.				
This determination is based on examining the NFIP map, any Federal Emergency Management Agency revisions to it, and any other information needed to locate the building /mobile home on the NFIP map.				
E. COMMENTS (Optional)			HMDA Information	
ABST 3 S F AUSTIN SUR LOTS 1,2 & PT OF LOTS 3,11,12 & PT OF ALLEY BLK 4 & PT OF BLK 3 GALVESTON COUNTY FARMS			State: County: MSA/MD: CT:	
LIFE OF LOAN DETERMINATION This flood determination is provided solely for the use and benefit of the entity named in Section 1, Box 1 in order to comply with the 1994 Reform Act and may not be used or relied upon by any other entity or individual for any purpose, including, but not limited to, deciding whether to purchase a property or determining the value of a property.				
F. PREPARER'S INFORMATION			DATE OF DETERMINATION	
NAME, ADDRESS, TELEPHONE NUMBER (If other than Lender)  ServiceLink National Flood 500 E. Border St Third Floor Arlington, TX 76010 Phone: 1.800.833.6347 Fax: 1.800.662.6347			May 19, 2022 ORDER NUMBER 1217674354	

FEMA Form 086-0-32

(06/16)

SFHDF - Form Page 1 of 1

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ZONE CLASSIFICATIONS

Zone CX, Zone X – An area that is determined to be outside of the 100 and the 500 year Flood Plain

Zone B, Zone X500 - Areas of 500-year flood; areas of 100-year flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 100-year flood. An area inundated by 0.2% annual chance flooding.

Zone A - An area inundated by 1% annual chance flooding, for which no BFEs have been determined.

Zone AE - An area inundated by 1% annual chance flooding, for which BFEs have been determined.

Zone AH - An area inundated by 1% annual chance flooding (usually an area of ponding), for which BFEs have been determined; flood depths range from 1 to 3 feet.

Zone AO - An area inundated by 1% annual chance flooding (usually sheet flow on sloping terrain), for which average depths have been determined; flood depths range from 1 to 3 feet.

Zone AR - An area inundated by flooding, for which BFEs or average depths have been determined. This is an area that was previously, and will again, be protected from the 1% annual chance flood by a Federal flood protection system whose restoration is federally funded and underway

Zone A1-A30 - An area inundated by 1% annual chance flooding, for which BFEs have been determined. .

Area Not Included - (ANI), (N) - An area that is located within a community or county that is not mapped on any published FIRM.

Zone D - An area of undetermined but possible flood hazards.

Undescribed - (UNDES) - Area of Undesignated Flood Hazard. A body of open water, such as a pond, lake, ocean, etc., located within a community's jurisdictional limits that have no defined flood hazard.

Zone VE - An area inundated by 1% annual chance flooding with velocity hazard (wave action); BFEs have been determined.

Zone V (1-30) - Coastal flood with velocity hazard (wave action); BFEs have not been determined.

FWIC - An area where the floodway is contained within the channel banks and the channel is too narrow to show to scale. An arbitrary channel width of 3 meters is shown. BFEs are not shown in this area, although they may be reflected on the corresponding profile. (Floodway Contained in Channel)

100IC - An area where the 1% annual chance flooding is contained within the channel banks and the channel is too narrow to show to scale. An arbitrary channel width of 3 meters is shown. BFEs are not shown in this area, although they may be reflected on the corresponding profile. (1% Annual Chance Flood Discharge Contained in Channel)

500IC - An area where the 0.2% annual chance flooding is contained within the channel banks and the channel is too narrow to show to scale. An arbitrary channel width of 3 meters is shown. (2% Annual Chance Flood Discharge Contained in Channel)

IMPROVEMENT DATA

Improvement Data

The Subject Special Purpose Building is located on the west side of Houston Avenue, north of East Main Street, in League City, Galveston County, Texas, or more specifically at 518 East Main Street.

This description is based on our Site Visit on May 28, 2022 on information provided by the Broker

General Data

Property Type:	Special Purpose Building
Year Built:	1972.
Building Size (NRA SF):	10,795 SF, the Subject building square footage was based on the Survey prepared by Precision Surveyors dated 8/27/2015 and on the appraiser's field measurements.
Occupancy:	Vacant for approximately 3 years
Special Purpose Building:	Entrance, Reception, Principal's Office, Office, Teacher's Room, 10 Classrooms, Computer Lab, Electrical/Mechanical Room, Men's and Women's Restrooms. (Refer to the Building Floor Plan)

Site Improvements

Land Area:	0.51 Acres (22,216 SF)
Land-To-Building Ratio:	2.06:1
Paving:	Asphalt, concrete drives
Parking:	29 asphalt paved parking spaces on the north and west sides of the Building, currently not striped (includes 2 handicap parking spaces)

Construction

Exterior:	Masonry, metal overhang at the entrance, glass storefront
Roof:	Flat; gutters and downspouts
Interior Finish:	Carpet, vinyl tile and ceramic tile floors, acoustical tile ceilings with fluorescent lighting, painted sheetrock walls, painted brick and block walls

Condition:

According to the Real Estate Broker, the Subject Building has been vacant for approximately 3 years and has been maintained by the School District. As per the Broker, roof repairs are estimated at \$15,000 or \$102,000 for a roof replacement. One of the HCVAC Units is out and the estimated cost to replace the Unit is \$12,500. The parking lot is in need of resurfacing and striping. We have estimated the "As Is" Market Value of the Subject Special Purpose Building and we have not included any deductions for Deferred Maintenance. The Appraiser recommends that the Owners obtain a Property Condition Report by a licensed Professional.

Mechanical Detail

Heating/Cooling:

Central HVAC

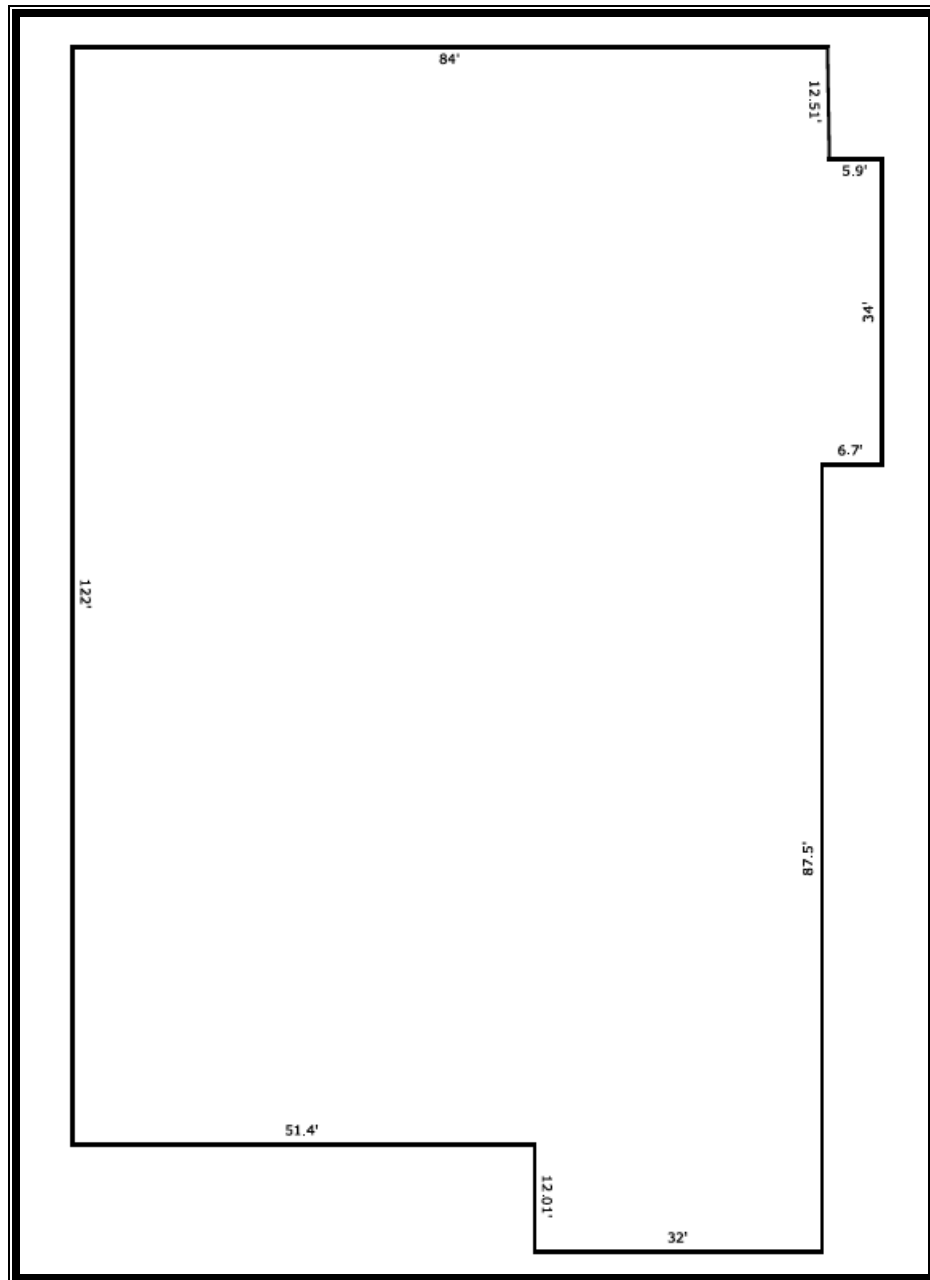
Electricity:

In accordance with code

Plumbing:

In accordance with code

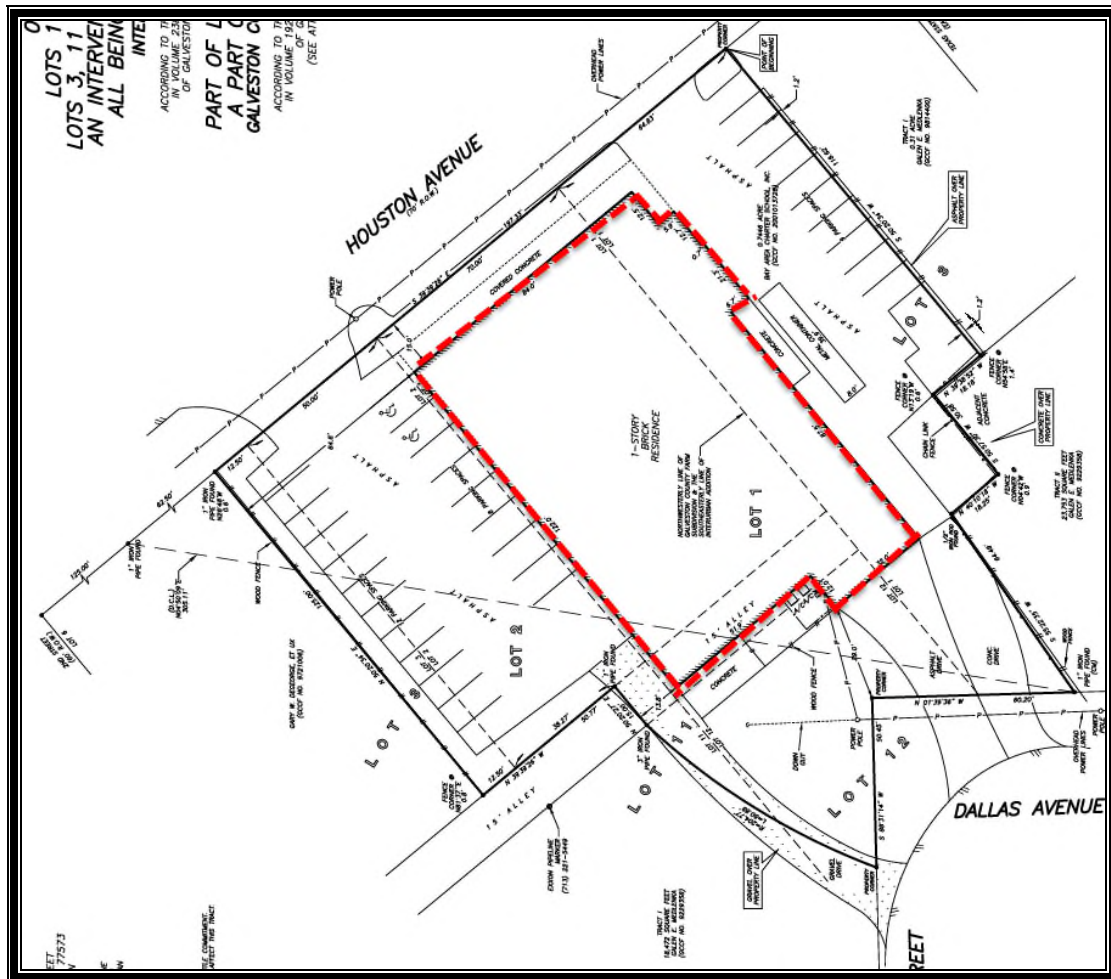
BUILDING SKETCH



10,795 SF

Calculation Details	
10795.68 Sq ft	$122 \times 51.4 = 6270.8$
	$32 \times 87.5 = 2800$
	$38.7 \times 34 = 1315.8$
	$12.51 \times 32.6 = 407.83$
	$0.5 \times 12.51 \times 0.2 = 1.25$
10796 Sq ft	

SURVEY



I HEREBY CERTIFY THAT THIS SURVEY WAS MADE
ON THE GROUND, THAT THIS PLAT CORRECTLY
REPRESENTS THE FACTS FOUND AT THE
TIME OF SURVEY AND THAT THERE ARE NO
ENCROACHMENTS APPARENT ON THE GROUND,
EXCEPT AS SHOWN HEREON. THIS SURVEY IS
CERTIFIED FOR THIS TRANSACTION ONLY.

GEORGE GALT
PROFESSIONAL LAND SURVEYOR
NO. 4478
DRAWING NO. 15-07813
AUGUST 27, 2015



3-D LINE/SHOOTING CONTROL LINE
NEEDS BEARING: 000° 00' 00\"/>

DRAWN BY: RC/MM

PRECISION SURVEYORS

PROFESSIONAL LAND SURVEYS

1-800-LANDSURVEY

www.precisionlandsurvey.com

281-488-1585 FAX 281-496-1867

916 IRVINGDALE DRIVE SUITE 100 DALLAS, TEXAS 75241

214-629-4842 FAX 214-629-1875

1000 MC LOUP AVE SUITE 100 DALLAS TEXAS 75217

TXL NO. 11010708

SUBJECT PHOTOGRAPHS-TAKEN 05/28/2022



Exterior View



Exterior View



Exterior View



Exterior View



Exterior View –North side



Interior View



Interior View



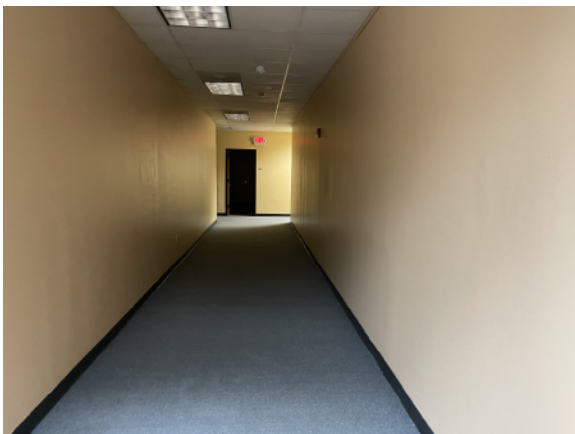
Interior View



Interior View



Interior View



Interior View



Interior View



Interior View



Interior View



Hall



Interior View



Interior View



Interior View



Interior View



Interior View



Interior View



Interior View



Interior View



Hall

CIM COMMERCIAL APPRAISERS
Subject Photographs



Exterior View-South side



Exterior Rear View-West side



Exterior Rear View-West side



West entrance/exit to League Street/Dallas Avenue



View of Dallas Avenue facing south to East Main Street



Exterior View-South side

CIM COMMERCIAL APPRAISERS
Subject Photographs



Exterior View-Rear-West side



Exterior View-Rear-West side



View of League Street facing east



Exterior View-South side



View of Houston Avenue facing south



View of Houston Avenue facing north

CIM COMMERCIAL APPRAISERS
Subject Photographs



View of Houston Avenue facing north



View of Houston Avenue facing south

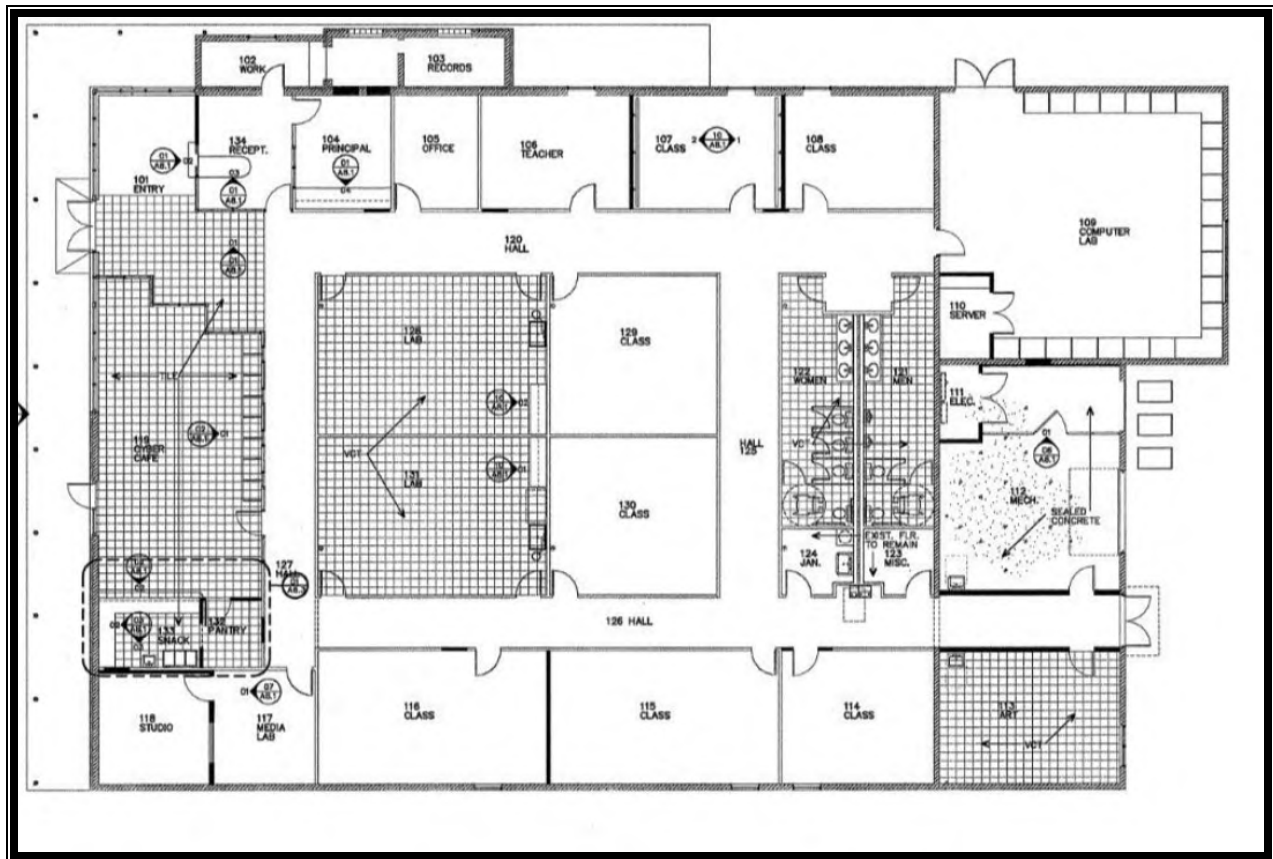


View of the Subject facing south



Exterior View

FLOOR PLAN



HIGHEST AND BEST USE

Definition

The Highest and Best Use is "the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible and that results in the highest value". To be considered the Highest and Best Use, the use must essentially meet 4 criteria. The use must be:

- Physically possible
- Legally permissible
- Financially feasible
- Maximally productive

These criteria usually should be considered sequentially since it makes no difference if a use is financially feasible if it is physically impossible to construct or not legally permitted.

In determining the Highest and Best Use of a site, there are 2 circumstances: 1) as vacant, and 2) as improved. The Highest and Best use of a site as vacant is "the use of a property based on the assumption that a parcel of land is vacant or can be made vacant through demolition of any improvements". The Highest and Best Use of a site as improved is the "use that should be made of a property as it exists".

Physically possible

Constraints imposed on the possible use of the property are dictated by the physical aspects of the site itself. This includes such factors as size, shape, terrain, etc. In general, the larger the site, the greater it's potential to achieve economics of scale and flexibility in development.

Based on the Survey prepared by Precision Surveyors dated 8/27/2015, the Subject Site contains 0.51 Acres (22,216 SF) and is slightly irregular in shape on the west side. It has approximately 197.33 feet of frontage on the west side of Houston Avenue with an average depth of approximately 137 feet. It has a frontage-to-depth ratio of 1.438:1 from Houston Avenue and a frontage-to-area ratio of 386. The western boundary extends west intersecting with League Street and Dallas Avenue. The Subject Site can accommodate a variety of uses based on its size.

A tract's topography and subsoil conditions are also important considerations in determining its possible uses. If a site's topography or subsoil conditions make utilization restrictive and costly, the site's potential future use is adversely affected. The Subject has basically level topography and appears to be at street grade with surrounding properties.

As mentioned previously in the Site Data section of this report, on the date of site visit, the subject appeared to be level and well drained. In addition, there are no apparent soil or subsoil conditions which would adversely affect construction, as evidenced by the nearby improvements. The property is located within Zone CX which is an area determined to be outside 100-year and the 500-year floodplain.

The physically possible uses of a tract are also dependent upon the site's utility availability and capacity. If a site has no access to utility service and cannot acquire access, it is virtually impossible to develop. Of equal importance is a site's utility capacity. The Subject Property has sufficient utilities for the existing improvements or for future development.

Based on the site's physical characteristics, shape, and topography, a wide range of uses are physically possible. These physically possible uses include virtually any type of low to mid density use.

Legally permissible

The Subject Property is located in League City, Galveston County, is Zoned CRC Commercial Revitalization Overlay District *and is a permissible use*. This District is intended to preserve the character of an established commercial corridor while providing opportunities for infill development that is consistent with and enhances the prevailing built character. The -CRC Overlay District applies to commercial development on the FM 518 corridor between Pecan Drive and FM 270, excluding properties within the Olde Towne Districts and encourages small-scale commercial uses to locate nearer the street with parking located to the rear or side of buildings. The use regulations and development standards included in the -CRC Overlay District will facilitate neighborhood maintenance, upgrading, and the development of vacant or underutilized lots while reducing the potential for incompatible land uses. Circulation and access in the district will be consistent with the FM 518 Corridor Access Management Plan.

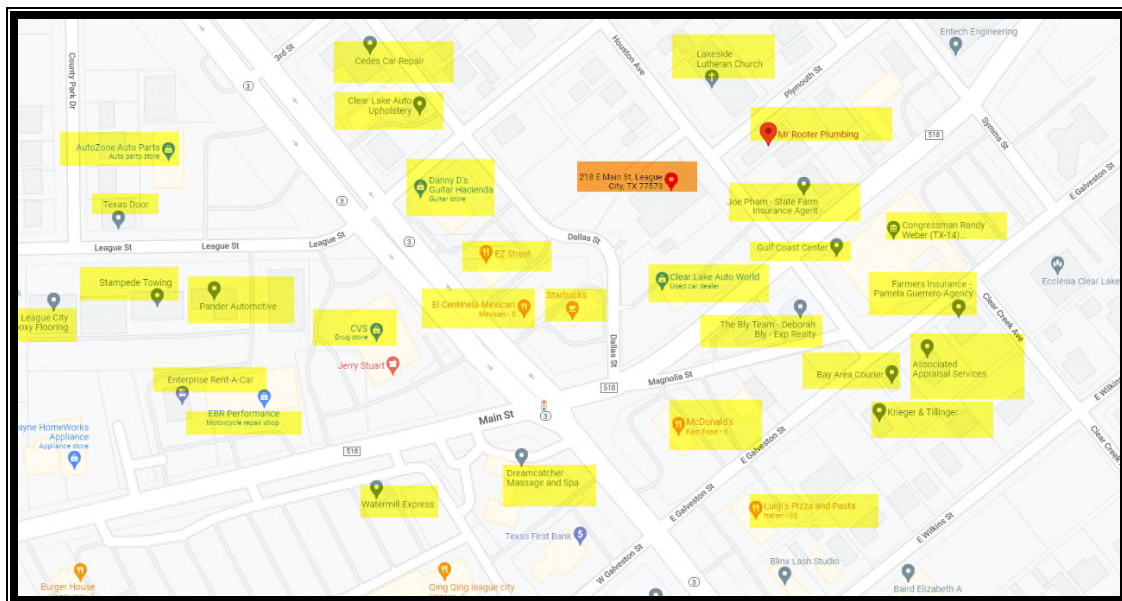
Financially feasible

Feasibility

From a financial standpoint, any property use which is expected to produce a positive rate of return is regarded as being feasible. Factors dictating which property uses are feasible include those which determine the possible and legal uses as well as other important factors such as: the shape, frontage, and location of the tract; access to the tract; adjacent property uses (in the interest of conformity); and the general neighborhood characteristics. These factors, along with pertinent market information, help determine what returns could be expected from alternative property uses.

In analyzing the financially feasible uses of the Subject site, as vacant, all physically possible and legally permissible uses that are considered to produce a positive return are considered to be financially feasible uses. In estimating the possible financially feasible uses of the Subject site, surrounding land use patterns were considered.

Development within proximity to the Subject Property includes: Residential, Religious Facilities, Schools, Retail, Office, Fast Food, Industrial and Commercial. The majority of Commercial/Retail Development is along FM 518 (E Main Street). North of the Subject is residential; west/southwest of the Subject is a Starbucks and a Mexican Restaurant located at the intersection of Highway 3 and East Main Street; south of the Subject fronting on East Main Street is Clear Lake Auto World; east of the Subject is Space City Plumbing and a small Retail/Office Building



Based on the location of the Subject, with good access and visibility, it is most conducive to a type development of a Special Use Property supporting the needs of the community. *The most probable purchaser would be an owner/user.*

Maximally Productive - As Vacant

Considering the Subject's location, visibility, size, shape, accessibility, and the surrounding land uses, it is our opinion that the Subject is best suited for a type of development of a Special Use Property supporting the needs of the community.

Conclusion - As Vacant

After analyzing the information available, *i.e.*, the physical and legal characteristics of the Subject tract(s), it is our opinion that the current Highest and Best Use of the Subject as vacant would be for a type of development of a Special Use Property supporting the needs of the community. *The most probable purchaser would be an owner/user.*

Highest and Best Use - As Improved

Legally Permissible Use. The Subject Property is located in League City, Galveston County, is Zoned CRC Commercial Revitalization Overlay District *and is a permissible use.* This District is intended to preserve the character of an established commercial corridor while providing opportunities for infill development that is consistent with and enhances the prevailing built character. The -CRC Overlay District applies to commercial development on the FM 518 corridor between Pecan Drive and FM 270, excluding properties within the Olde Towne Districts and encourages small-scale commercial uses to locate nearer the street with parking located to the rear or side of buildings. The use regulations and development standards included in the -CRC Overlay District will facilitate neighborhood maintenance, upgrading, and the development of vacant or underutilized lots while reducing the potential for incompatible land uses. Circulation and access in the district will be consistent with the FM 518 Corridor Access Management Plan.

Physically Possible Use. The Subject consists of a Special Purpose Building located on approximately 0.51 Acres (22,216 SF).

Financially Feasible Use. Based on the Building Residual Technique used in this Appraisal Report, the value of the Improvements is higher than the value of the land as if vacant, and therefore, the existing improvements currently represent the Highest and Best Use of the Subject Site as improved.

Maximally Productive Use. Of the financially feasible uses, the use that produces the highest price or value consistent with rates of return warranted by the market for that use is the highest and best use. As of the date of this appraisal, the maximally productive use of the subject property would be development of a Special Use Property supporting the needs of the community.

Highest and Best Use - As Improved. Considering other factors influencing this particular area, the value of the existing improvements is higher than the value of the land as if vacant, and therefore, the existing improvements currently represent the Highest and Best Use of the Subject Site as improved.

SWOT Analysis

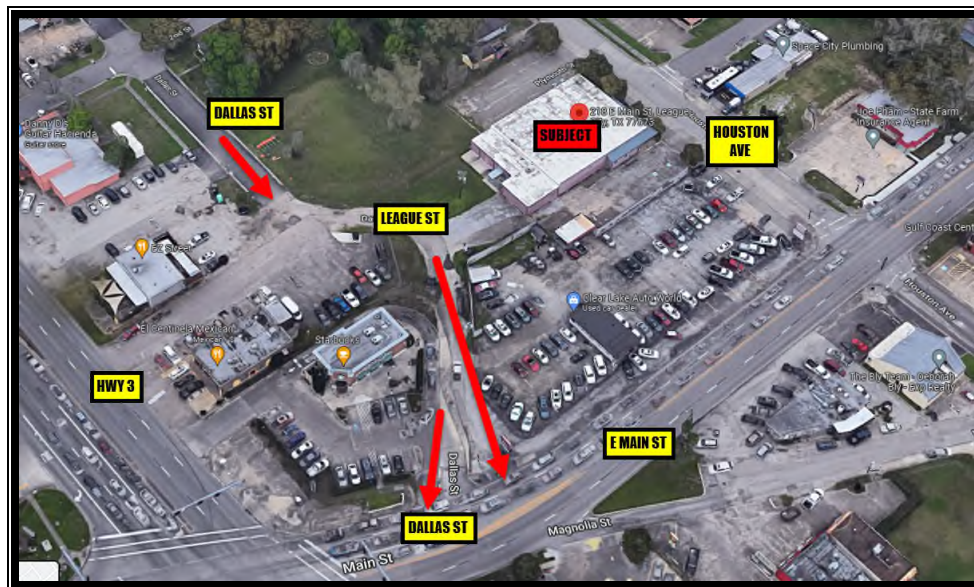
Strengths

Development within proximity to the Subject Property includes: Residential, Religious Facilities, Schools, Retail, Office, Fast Food, Industrial and Commercial. The majority of Commercial/Retail Development is along FM 518 (E Main Street). North of the Subject is residential; west/southwest of the Subject is a Starbucks and a Mexican Restaurant located at the intersection of Highway 3 and East Main; south of the Subject fronting on East Main is Clear Lake Auto World; east of the Subject is Space City Plumbing and a small Retail/Office Building.

Traffic Counts along East Main in proximity to the Subject range from 18,900 to 25, 344 cpd.



The Subject has good access to East Main traveling south along Houston Avenue and to Highway 3 from Dallas Street and League Street.



Surrounding Development



Zoning

The Subject Property is located in League City, Galveston County, is Zoned CRC Commercial Revitalization Overlay District *and is a permitted use*. The CRC Overlay District applies to commercial development on the FM 518 corridor between Pecan Drive and FM 270, excluding properties within the Olde Towne Districts and encourages small-scale commercial uses to locate nearer the street with parking located to the rear or side of buildings. The use regulations and development standards included in the -CRC Overlay District will facilitate neighborhood maintenance, upgrading, and the development of vacant or underutilized lots while reducing the potential for incompatible land uses. Circulation and access in the district will be consistent with the FM 518 Corridor Access Management Plan.

Weaknesses

There are no threats to the Subject Property and the only weakness is limited parking, however, there is additional land on the west side of the Building that could be used for parking.

THE VALUATION PROCESS

The Appraisal Process is a systematic analysis of the factors that bear upon the value of real estate. It is an orderly program by which the specific appraisal problem is defined; the data required for solution is acquired, classified, analyzed, and then finally, interpreted into an estimate of value.

In most appraisal assignments, three traditional approaches are utilized by which data may be processed into independent indications of value. These three approaches are: the Sales Comparison Approach, the Cost Approach, and the Income Approach. Overall, the quantity and quality of available data and applicability of each approach relative to the specific appraisal problem significantly impact the comparing and reconciling of the various value indications into a final estimate of value.

The **Sales Comparison Approach** is utilized to estimate the value of the land as if vacant and when applicable, the property as improved. The Sales Comparison Approach is predicated on the principle of substitution, which holds that the value of a property tends to be set by the cost of acquiring an equally desirable substitute property, assuming no costly delay is encountered in the substitution. Consequently, the value of a property in the market varies directly with the desire for, and scarcity of, like properties, the property's utility, and the quantity and quality of purchasing power in the market. The approach involves gathering data regarding sales of comparable type properties and analyzing the nature and condition of each sale, then making logical adjustments in comparison to the Subject for dissimilar characteristics. Typically, a common denominator is derived. In estimating land value, this usually involves either a price per square foot or price per acre. In improved properties it involves such units of comparison as a price per square foot, price per unit, or a gross income multiplier. The Sales Comparison Approach is considered a good indicator of the value of property when sales of highly similar properties are available and adequate and accurate data can be confirmed.

The **Cost Approach** is based on the proposition that an informed purchaser would pay no more for a property than the cost of producing a substitute property with the same utility. It is particularly applicable when a property consists of new improvements, which represent the highest and best use of the land, or if the property consists of relatively unique or specialized improvements of which there are limited comparable properties in the market. In addition, the Cost Approach can provide a measure of investment cost in a cost/benefit analysis of the feasibility of a given property in its existing or proposed use pattern.

The Cost Approach involves estimating the reproduction or replacement cost of the Subject's improvements as if new, deducting any forms of accrued depreciation, and then adding the estimated value of the land (generally, the land value is obtained by the Sales Comparison Approach previously discussed). Reproduction or replacement cost new is estimated on the basis of current prices for the component parts of the Subject's improvements. The deduction of accrued depreciation reflects the disadvantages, deficiencies and condition of the existing improvements as compared to new improvements and may include depreciation due to external forces such as economic conditions (economic obsolescence.) The estimated value of the land is then added to the depreciated value of the improvements resulting in the Cost Approach value indication.

In the **Income Approach** the estimated future income benefit to be derived from the ownership of property is converted into a value estimate and consequently the Income Approach is widely applied in appraising income-producing properties.

A number of appraisal principles form the basis of this approach with the principle of anticipation of future benefits being particularly applicable. This principle affirms that value is created by the expectation of benefits to be derived in the future. Furthermore, the Income Approach is predicated on the assumption that there is a direct relationship between the amount of income a property can produce and its value.

Direct Capitalization is one method used to convert an estimate of a single-year's income expectancy, or an annual average of several years' income expectancies, into an indication of value in one direct step -- either by dividing the income estimate by an appropriate income rate or by multiplying the income estimate by an appropriate factor. The rate or factor selected represents the relationships between income and value observed in the market and is derived through comparable sales analysis (Sales Comparison Approach) and/or a survey of criteria of investors in the market. A property's income, usually annual net operating income or pre-tax cash flow, is divided by its sale or equity price to obtain the income rate. A factor or multiplier can be derived by dividing a property's sale price by its annual potential or effective gross income. The capitalization rate derived from the market (either from comparable sales or survey data) can then be applied to the estimated net operating income of an income property resulting in an estimate of value for that property.

An additional method of analyzing an income-producing property by the Income Approach is the Discounted Cash Flow Analysis. This method differs in theory from the more traditional Direct Capitalization method by converting numerous implicit assumptions (which make up an overall rate) into explicit assumptions (concerning income and expense growth rates). The Discounted Cash Flow Analysis attempts to reflect and analyze the estimated current and projected market conditions that impact the economic profile of a property from the perspective of an investor. Ultimately, the income property's gross income expectancy, the expected reduction in income from vacancy and collection loss, the expected annual operating expenses, the pattern and duration of the property's income stream, and the anticipated value from resale are projected and then converted into value by the process of capitalization.

Upon completion of all applicable approaches the relative significance and defensibility of all indications of value are analyzed and correlated placing major emphasis on the one, or those, which are considered to produce the most reliable solution to the specific appraisal problem. The appraiser has used the Sales Comparison Approach (Vacant Land and Improved Property Analysis) and the Cost Approach in estimating of the "As Is" Market Value" of the Fee Simple Interest in the Subject Special Purpose Building, as of a current date of May 28, 2022.

SALES COMPARISON APPROACH

The Sales Comparison Approach has been utilized in arriving at an indication of the value of the Subject as if vacant and as if improved (if applicable).

SUBJECT AS IF VACANT

Introduction

The Sales Comparison Approach is generally considered the most reliable valuation approach for valuing land as if vacant, because the value indication derived is predicated upon the observable actions of buyers and sellers in the market.

Sales of properties in and around the Subject area were obtained from a service surveying local county Deed Records. The sales were then confirmed by the buyer, seller, and/or agent involved in the transaction because in Texas, there is no "full disclosure" law. Additionally, brokers active in the area were also consulted and a search of properties currently for sale was conducted. In some instances, it is not possible to confirm land sales but they may have been included in the appraisal for purposes of reporting activity in the area.

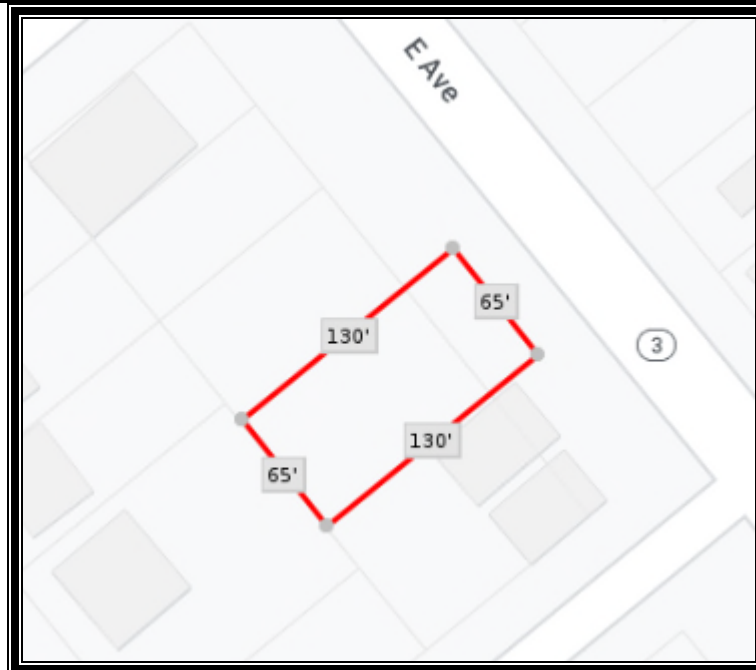
The data was first utilized through analysis and abstraction to determine what features inherent in any given property caused that property's sale price to vary relative to other properties and to establish representative and realistic measures for adjustment factors. Naturally, no one sale is exactly similar to the Subject in every respect, but after reasonable adjustments for variance factors, meaningful value indications for the Subject can be derived. Following are some of the characteristics and trends, which were found to be prevalent in the Subject's area as of the date of valuation.

Trends and Observations in the Subject Area

All of the sales occurred within the region of the Subject and most sales had similar Highest & Best Uses.

COMPARABLE LAND SALE 1

Date of Sale:	6/30/2021
Location:	W side of Avenue E (Hwy 3), N of 24th
Recording:	2021-048811
Grantor:	Koval Bohdan
Grantee:	Elizabeth Lidia Cante Martinez
Legal Description:	N 1/2 of Lot 8 and part of Lot 9, Block 128, Moores Addition, Perry & Austin Survey, Abstract 19, Dickinson, Galveston County, TX
Frontage Feet	65
Avenue E	65
FTA	124
Size (Acres):	0.5227
(SF):	22,769
Utilities:	All available
Flood Hazard:	Zone AE-Panel 48167C 0230 G 8/15/19
Environmental:	None
Zoning:	NC-Neighborhood Commercial
Easements:	None
Sales Price:	\$90,000
Per SF:	\$3.95
Terms:	Cash to Seller
Confirmation:	Koval Bohdan, 832-692-4950
Comments:	This vacant tract is rectangular in shape and has a depth of 130'. It is located south of Faith United Methodist Church and SE of Dunbar Middle School.



CIM COMMERCIAL APPRAISERS
Sales Comparison Approach

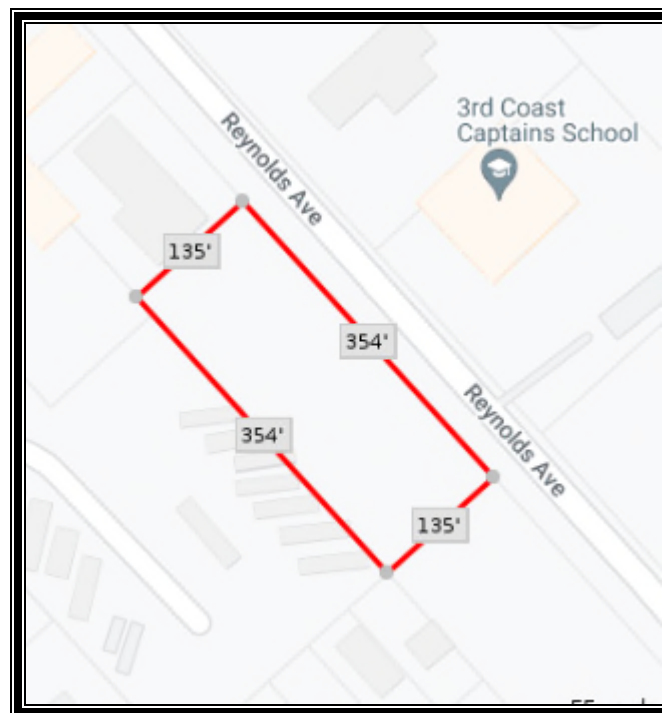


Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	6/30/2021	WD	WARRANTY DEED	KOVAL BOHDAN	MARTINEZ CANTE LIDIA ELIZABETH	2021048811	2021048811	2021048811
2	12/12/2008	WD	WARRANTY DEED	HENDERSON HOSEA E JR	KOVAL BOHDAN		2008066555	2008066555
3	10/14/2005	SD	SHERIFF'S DEED	HAGLER ELIGHA JR & PAMELA	HENDERSON HOSEA E JR		2005071212	2005071212

COMPARABLE LAND SALE 2

Date of Sale:	10/18/2021
Location:	W side of Reynolds, S of Main
Recording:	2021-077670
Grantor:	Santos R Quintero
Grantee:	Spears AC Heating & Repair
Legal Description:	S part of Lot 13 (3-6), Division B, League CI, P. 14 & 15, Abstract 3, League City, Galveston County, TX
Frontage Feet	354
Reynolds	354
FTA	322
Size (Acres):	1.1010
(SF):	47,960
Utilities:	All available
Flood Hazard:	Zone X500-Panel 48167C 0039 G 8/15/19
Environmental:	None
Zoning:	Residential
Easements:	None
Sales Price:	\$220,000
Per SF:	\$4.59
Terms:	Cash to Seller
Confirmation:	Galvan Parbatie, Optima Realty, 832-384-4229
Comments:	This vacant tract is rectangular in shape and has a depth of 135'. It is located across the street from 3 Coast Captains School.



CIM COMMERCIAL APPRAISERS
Sales Comparison Approach

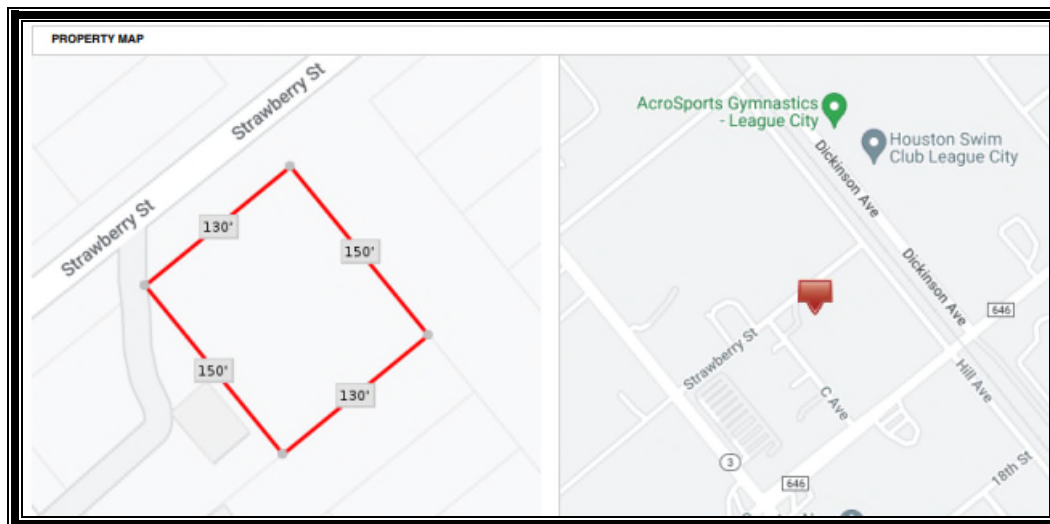


Deed History - (Last 3 Deed Transactions)

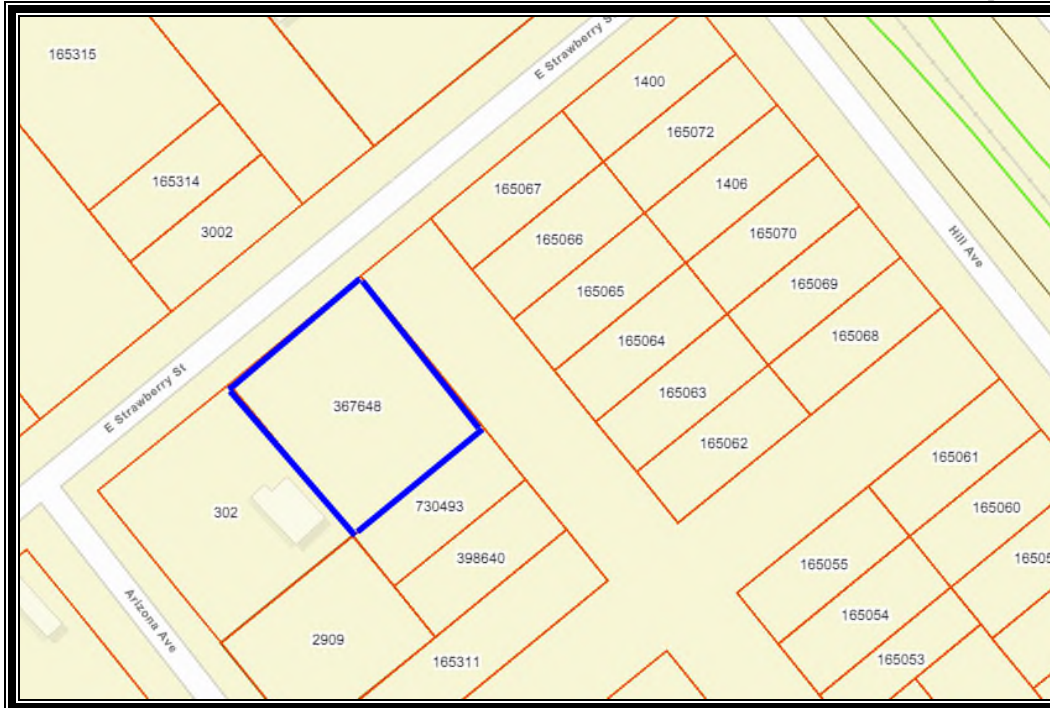
#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	10/18/2021	WD	WARRANTY DEED	QUINTERO SANTOS R	SPEARS AC & HEATING REPAIRS LLC	2021077670	2021077670	2021077670
2	4/25/2017	WD	WARRANTY DEED	CZAR ENTERPRISES LLC	QUINTERO SANTOS R	2017025211		
3	5/3/2016	UNKN	Unknown	CZAR ENTERPRISES LLC	CZAR ENTERPRISES LLC		SEE COMM	SEE COMM

COMPARABLE LAND SALE 3

Date of Sale:	1/25/2022
Location:	S side of Strawberry between Dickinson Ave & Hwy 3
Recording:	2022-005726
Grantor:	Kevin L Bell
Grantee:	Mayra & Martin Rangel
Legal Description:	Lots 10 through 12, Block 47, P.22, Moores Addition, Abstract 19, League City, Galveston County, TX
Frontage Feet	130
Strawberry	130
FTA	290
Size (Acres):	0.4477
(SF):	19,502
Utilities:	All available
Flood Hazard:	Zone X500-Panel 48167C 0230 G 8/15/19
Environmental:	None
Zoning:	Residential
Easements:	None
Sales Price:	\$99,000
Per SF:	\$5.08
Terms:	Cash to Seller
Confirmation:	M Baker, Masters Realty, 281-484-4000
Comments:	This vacant tract is rectangular in shape and has a depth of 150'. It is located W of a Mini Storage Facility, S of a Pet Clinic, and SW of a Church.



CIM COMMERCIAL APPRAISERS
Sales Comparison Approach



Deed History - (Last 3 Deed Transactions)								
#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	1/25/2022	WV	WARRANTY DEED	BELL KEVEN LLOYD	RANGEL MARTIN & MAYRA	2022005726	2022005726	2022005726
2	5/26/1995	CONV	CONVERSION	BELL EARNESTINE ESTELLA	BELL KEVEN LLOYD		010-73-2719	010-73-2719

COMPARABLE LAND SALE 4

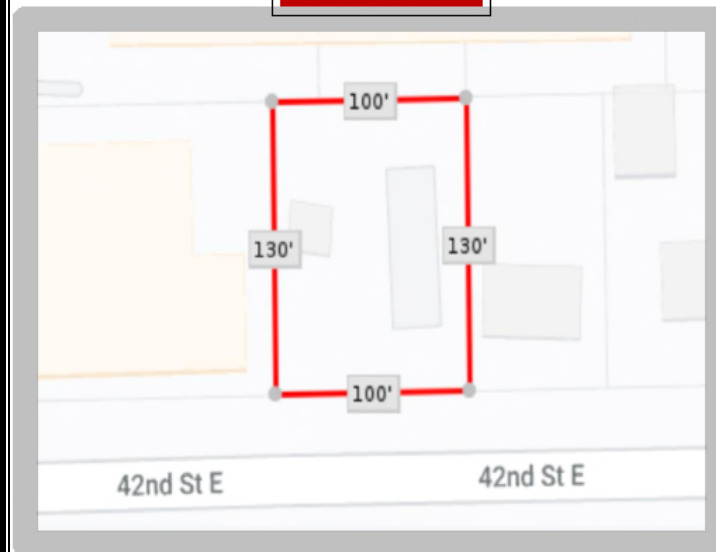
Date of Sale:	3/10/2022
Location:	N side of 42nd, W of Kansas
Recording:	2022-018762
Grantor:	Juanita R Fulmer
Grantee:	Byron Ajataz
Legal Description:	Lots 13-16, Block 321 & 10' of the adjacent alley, Nicholstone, Robert Hall Survey, Abstract 78, Dickinson, Galveston County, TX
Frontage Feet	100
42nd	100
FTA	345
Size (Acres):	0.290
(SF):	12,632
Utilities:	All available
Flood Hazard:	Zone X500-Panel 48167C 0235 G 8/15/19
Environmental:	None
Zoning:	CR-Conventional Residential
Easements:	None reported
Sales Price:	\$56,000
Per SF:	\$4.43
Terms:	Cash to Seller
Confirmation:	Robert Graham, Arrowstar Realty, 936-672-2087
Comments:	This tract was improved with an nod dilapidated Mobile Home at sale therefore, was effectively vacant. It is rectangular in shape and has a depth of 130'.





13,000 SF LOT LOCATED IN DICKINSON, TX! PUBLIC WATER AND PUBLIC SEWER AVAILABLE! GREAT LOCATION, AS THIS PROPERTY, IS LOCATED ONLY 5 MINUTES FROM I-45/GULF FWY, IS WITHIN CLOSE PROXIMITY TO LEAGUE CITY, KEMAH, AND CLEAR LAKE, AND THIS PROPERTY IS WITHIN 20 MINUTES FROM GALVESTON!

DIMENSIONS

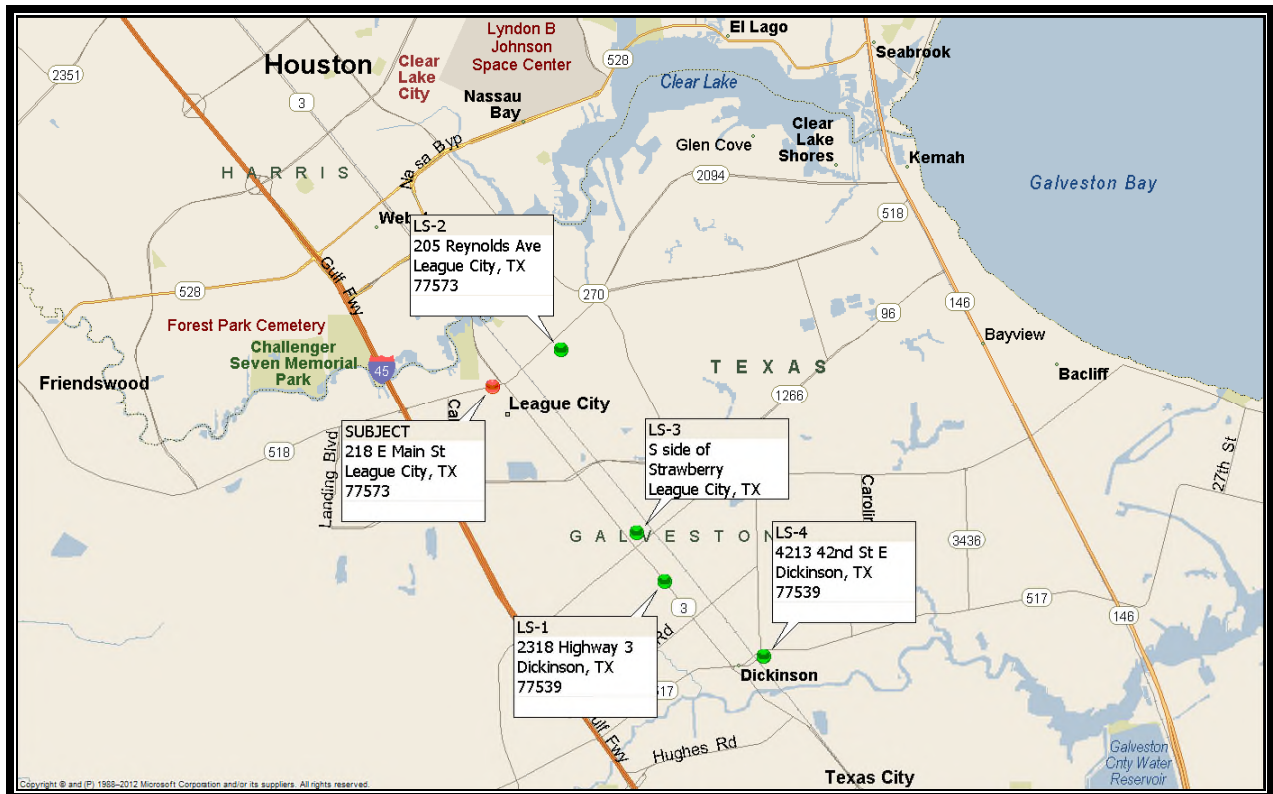


Lot Dimensions are Estimated

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	3/10/2022	WD	WARRANTY DEED	FULMER JUANITA R	AJIATAZ BYRON VICENTE ARGUETA	2022018762	2022018762	2022018762
2	5/26/1994	CONV	CONVERSION	MORRIS PAULA GAIL	FULMER JUANITA R	009-75-1044	009-75-1044	009-75-1044
3	7/22/1993	CONV	CONVERSION	THOMASON GILBERT L EST	MORRIS PAULA GAIL	009-06-2325	009-06-2325	009-06-2325

COMPARABLES LAND SALES MAP



COMPARABLE LAND SALES SUMMARY

Comp. No.	Date of Sale	Size Acres	Size SF	Price	Price PSF	FTA	Flood Plain	Zoning	Location
1	6/30/2021	0.5227	22,769	\$90,000	\$3.95	124	AE	Commercial	W side of Avenue E (Hwy 3), N of 24th
2	10/18/2021	1.1010	47,960	\$220,000	\$4.59	322	X500	Residential	W side of Reynolds, S of Main
3	1/25/2022	0.4477	19,502	\$99,000	\$5.08	290	X500	Residential	S side of Strawberry between Dickinson Ave & Hwy 3
4	3/10/2022	0.2900	12,632	\$56,000	\$4.43	345	X500	Commercial	N side of 42nd, W of Kansas
AVG		0.5904	25,716	\$116,250	\$4.51				
SUBJECT		0.51001	22,216			386	CX	Commercial Revitalization	W side of Houston Avenue

Land Sales Analysis

The adjustments, if any, are placed in an Adjustment Grid that details the relationship of the comparable sale to the Subject in terms of its superiority or inferiority to the Subject and the degree to which the relationship exists.

LAND SALES ANALYSIS

Cash Equivalency:	Vastly dissimilar financing or highly favorable financing can influence the overall consideration that one party will give to another party in a transaction. In every case, the Sales were either cash sales, third party financed that resulted in cash to the seller or were adjusted to cash equivalency prior to being placed in the Adjustment Grid.
Time:	The Comparables sold from 6/2021 to 3/2022. Land values are increasing. Land Sale One (6/2021) and Land Sale Two (10/2021) were adjusted upward. Land Sale Three (01/2022) and Land Sale Four (03/2022) are recent sales and were not adjusted.
Condition of Sale:	This adjustment attempts to compensate for unusual motivations of the buyer and seller such as an assemblage, distressed sale, not arm's length transaction, or purchase by adjacent landowners. An adjustment was not indicated.
Size:	Typically, smaller properties tend to sell for a higher per unit price than larger properties. There was insufficient data from the comparables to independently derive an adjustment factor for size. However, historical trends generally reflect a 10% adjustment for each doubling in size and therefore an adjustment to the affected comparables was considered applicable
Location	Land Sales 1, 2, and 3 have similar locations and were not adjusted. Land Sale 4 has an inferior location and was adjusted upward.
Frontage/FTA:	The Subject has a frontage-to-area ratio of 386. Land Sale One (125) was adjusted upward; Land Sale 2 (322) was adjusted upward; Land Sale 3 (290) was adjusted upward; Land Sale 4 (345) was adjusted upward.
Shape:	An adjustment for unusual shape is sometimes warranted to compensate for exaggerated shapes that limit the development of a specific tract. The Subject is basically rectangular in shape. All Land Sales are basically rectangular in shape and an adjustment was not indicated
Corner/Multi-Street Frontage:	The Subject is not a corner tract. None of the Land Sales are corner tracts and an adjustment was not indicated
Flood Hazard Influence:	According to the Federal Emergency Management Agency Flood Insurance Rate Map, Community - Panel Number 48167C 0038 G dated 08/15/2019, the most recent panel published, (see attached Flood Map); the Subject is located in an area which is designated as Zone CX. Zone CX are areas that are determined to be outside of the 100 and the 500 year Flood Plain. The Land Sales are located in Zones A and 500 and were adjusted upward

Zoning/Land Use Regulations: The Subject Property is located in League City, Galveston County, is Zoned CRC Commercial Revitalization Overlay District *and is a permissible use*. This District is intended to preserve the character of an established commercial corridor while providing opportunities for infill development that is consistent with and enhances the prevailing built character. The -CRC Overlay District applies to commercial development on the FM 518 corridor between Pecan Drive and FM 270, excluding properties within the Olde Towne Districts and encourages small-scale commercial uses to locate nearer the street with parking located to the rear or side of buildings. The use regulations and development standards included in the -CRC Overlay District will facilitate neighborhood maintenance, upgrading, and the development of vacant or underutilized lots while reducing the potential for incompatible land uses. Circulation and access in the district will be consistent with the FM 518 Corridor Access Management Plan.

Land Sales One and Four are Zoned Commercial and were not adjusted. Land Sales 2 and 3 are Zoned Residential and were adjusted upward.

Easements: Properties that have easements that limit their use and constrain development have additional costs associated with their development and are typically considered to be inferior to tracts that do not have this influence. An adjustment was not indicated.

Utilities: The availability of utilities is a major factor in the development of any property. If a site cannot acquire access to utilities, it is virtually impossible to develop.

The Subject is located within the City of League City. Electricity and natural gas are provided by a variety of companies. Telephone service is provided by ATT. Sewer and water are provided by the City of League City.

All Land Sales have utilities and an adjustment was not indicated.

The following Adjustment Grid summarizes our conclusions and judgments concerning the dissimilarity between the Subject and the comparable sales.

CIM COMMERCIAL APPRAISERS
Sales Comparison Approach

Land Sale Comparables	1	2	3	4	
Acres	0.5227	1.1010	0.4477	0.2900	
Sale Price Per SF	\$3.95	\$4.59	\$5.08	\$4.43	
Elapsed Time (Mos)	11	7	4	3	
Time Adj. (%)	10	7			
Condition of Sale Adj. (%)	-	-	-	-	
Time Adj. Sales Price	\$4.35	\$4.91	\$5.08	\$4.43	
Size					
Relationship	Similar	Inferior	Superior	Superior	
Degree	-	Moderately	Slightly	Moderately	
Adjustment (%)		11	-2	-8	
Location					
Relationship	Similar	Similar	Similar	Inferior	
Degree	-	-	-	Moderately	
Adjustment (%)	-	-	-	10	
Frontage/FTA				-	
Relationship	Inferior	Inferior	Inferior	Inferior	
Degree	Moderately	Slightly	Slightly	Moderately	
	10	3	2	6	
Shape					
Relationship	Similar	Similar	Similar	Similar	
Degree	-	-	-	-	
Adjustment (%)	-	-	-	-	
Corner					
Relationship	Similar	Similar	Similar	Similar	
Degree	-	-	-	-	
Adjustment (%)	-	-	-	-	
Flood Hazard					
Relationship	Inferior	Inferior	Inferior	Inferior	
Degree	Slightly	Slightly	Slightly	Slightly	
Adjustment (%)	5	5	5	5	
Zoning					
Relationship	Similar	Inferior	Inferior	Similar	
Degree	-	Slightly	Slightly	-	
Adjustment (%)	-	3	3	-	
Other					
Relationship	Similar	Similar	Similar	Similar	
Degree	-	-	-	-	
Adjustment (%)	-	-	-	-	
Utilities					
Relationship	Similar	Similar	Similar	Similar	
Degree	-	-	-	-	
Adjustment (%)	-	-	-	-	
Net Adjustment	15	22	8	13	
Adjusted Sale Prices	\$5.00	\$5.99	\$5.49	\$5.01	
Range Before Adjustments	\$3.95	to	\$5.08		
Mean	\$4.51		Range between High & Low	\$1.13	
Range After Adjustments	\$5.00	to	\$5.99		
Mean	\$5.37		Range between High & Low	\$0.99	
Standard Deviation	\$0.47				

Summary/Conclusion:

Taking into consideration the average variance from the average of this series of values (the Standard Deviation), and keeping in mind the intended use of the Subject as well as the recognition of the sales that have the greatest degree of comparability or similarity to the Subject, the estimated value indication for the Subject land as vacant as indicated by the Sales Comparison Approach would be calculated as follows:

Estimated				
Acres	Unit		Value	Value
SF	X		=	Indication
0.5100				
\$F 22,216		\$5.40		\$119,966
				\$120,000

The "As Is Market Value" of the Fee Simple Estate of the Subject Land, subject to:

our Certification and Assumptions and Limiting Conditions,
is as follows:

"As Is Market Value"

ONE HUNDRED TWENTY THOUSAND DOLLARS

\$120,000

Value PSF: (Based on 0.51 Acres (22,216 SF)) \$5.40

SALES COMPARISON APPROACH

Introduction

The Sales Comparison Approach results in an estimate of value by the comparison of recent sales of similar properties in the surrounding or competing area to the Subject. The sales are individually identified on the following pages and include pertinent information pertaining to the economic profile of each property at the time of sale, as well as other data which may have influenced the sale price such as financing.

An analysis of the transactions involving these properties provides or indicates several units of comparison, including an effective gross income multiplier and price per square foot or per unit. The units of comparison can be applied to the economic and physical data for the Subject with the result being a value indication for the whole property as improved. Naturally, comparability in physical, location and economic characteristics are important criteria in evaluating the sales in relation to the Subject.

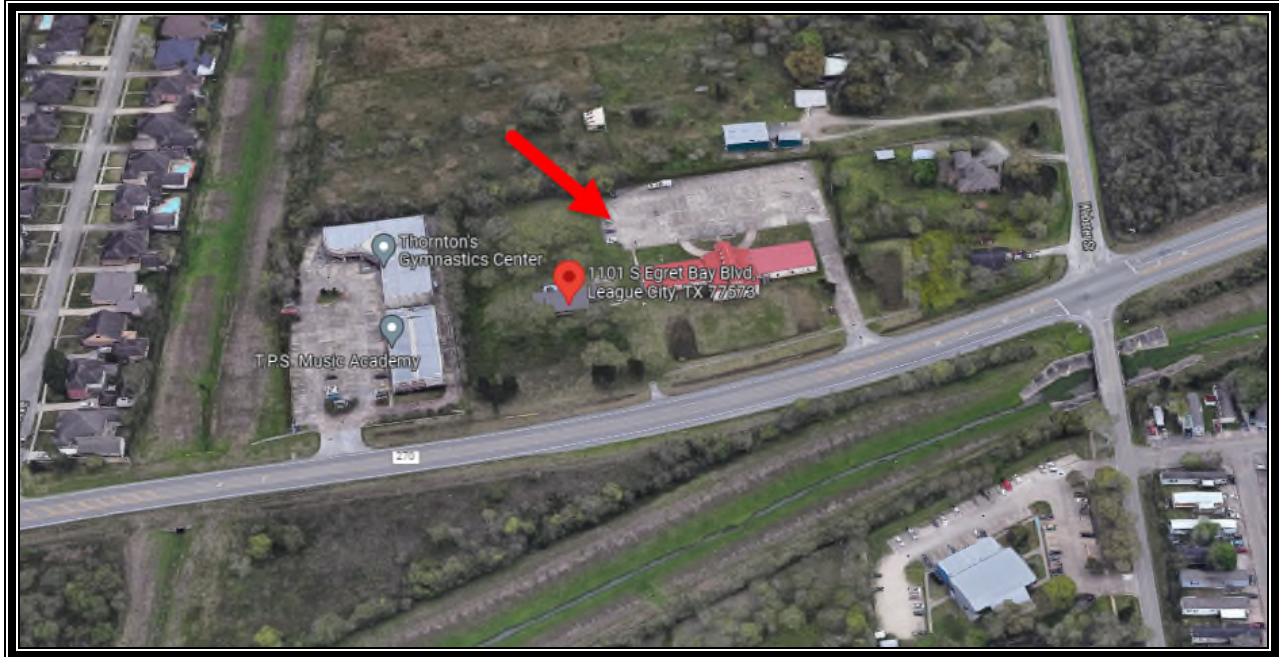
Comparable Improved Sales

Detailed information regarding the confirmed improved sales that are considered the most similar to the Subject follows. Current Contracts may be included as they typically indicate market activity.

COMPARABLE IMPROVED SALE 1

Date Sold:	5/24/2021	Land Size (Acres):	4.54
Recording:	2021-037914		
Name:	Life Church	Land-to-Bldg. Ratio (x: 1):	14.65
Address (if available):	1101 S Egret Bay Boulevard		
		Construction/Condition:	Metal/Masonry
Location:	E side of S Egret Bay Boulevard, N of Webster. St. League City, TX		
		Seating Capacity:	175-250
Grantor:	Lakeside Lutheran Church		
Grantee:	Life Tabernacle of Houston (Life Church)		
Year Built:	2004		
Number of SF:	13,500		
		Comments:	This Religious Facility and Sunday School was operated as a Church and is currently operating as a Church by the new Owners.
Consideration:	\$1,550,000		
Adjusted Sale Price:	NA		
Price PSF:	\$114.81		
Adjusted Sale Price PSF:	NA		
Terms:	Cash to seller		
		Confirmation:	Century Properties RE, Jonathan Byers, 832-678-4800





Deed History - (Last 3 Deed Transactions)								
#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	5/24/2021	SWD	SPECIAL WARRANTY DEED	LAKESIDE LUTHERAN CHURCH	LIFE TABERNACLE OF HOUSTON INC	2021037914	2021037914	2021037914
2	4/30/2002	WD	WARRANTY DEED	HETLAND ARDEN DEAN & DONNA J	LAKESIDE LUTHERAN CHURCH		2002026288	2002026288
3	8/25/2000	WD	WARRANTY DEED	PULLEY BARBARA LYNN	HETLAND ARDEN DEAN & DONNA J		2000043500	2000043500

COMPARABLE IMPROVED SALE 2

Date Sold:	6/15/2021	Land Size (Acres):	1.73
Recording:	2021-105273		
Name:	Texas Conference Association of the 7th Day Adventist	Land-to-Bldg. Ratio (x:1):	4.98
Address (if available):	1110 Bamore	Construction/Condition:	Masonry/Wood
Location:	SWC of Bamore & Spur 529 Rosenberg, TX	Parking:	Open
Grantor:	Journey Church Corpus Christi	Seating Capacity:	275-300
Grantee:	Texas Conference of the 7th Day Adventist		
Year Built:	1997		
Number of SF:	15,136		
Consideration:	\$1,025,000		
Adjusted Sale Price:	NA	Comments:	This property consists of a Sanctuary and Educational Buildings.
Price PSF:	\$67.72		
Adjusted Sale Price:	NA		
Terms:	Cash to seller		

Property Deed History							Back to Top
Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Number
6/15/2021	DG	Deed, General Warranty	Journey Church Corpus Christi	Texas Conference Association of Seventh-Day Adventists			2021105273
10/30/2017	DG	Deed, General Warranty		Journey Church Corpus Christi			2017120488
	Conv	Conversion		Bamore Road Baptist Church			2000025113



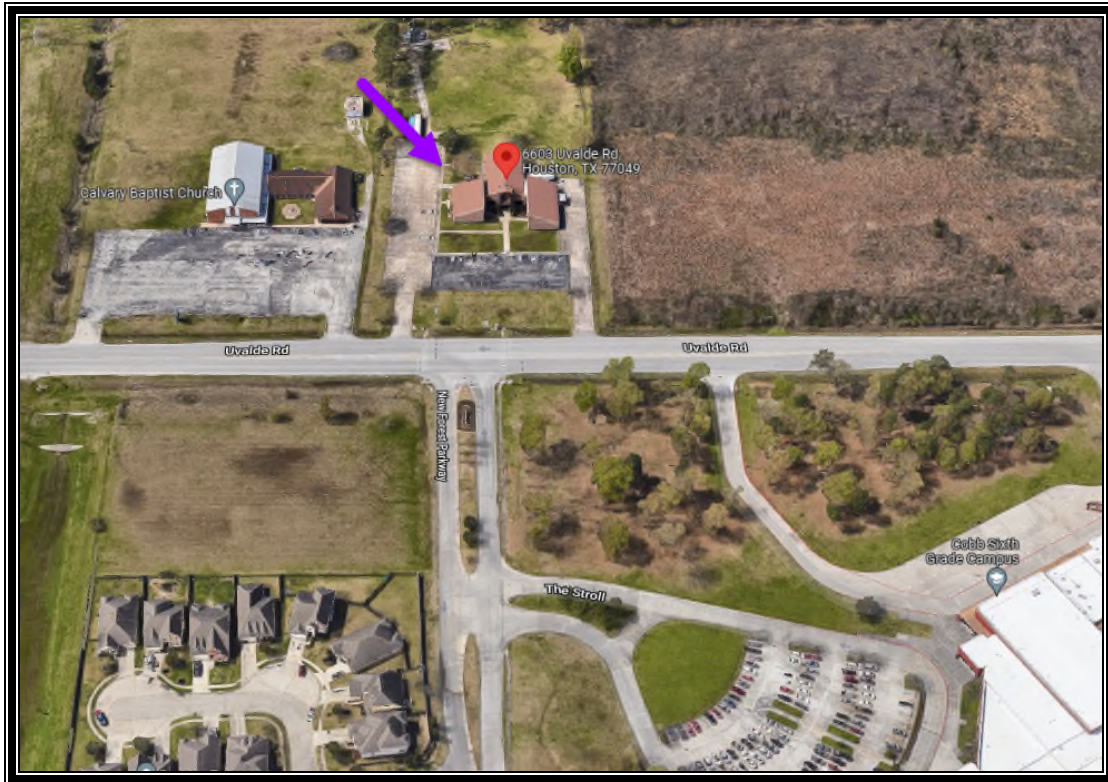
COMPARABLE IMPROVED SALE 3

Date Sold:	8/19/2021	Land Size (Acres):	4
Recording:	2021-472570		
Name:	6603 Uvalde	Land-to-Bldg. Ratio (x:1):	11.44
Address (if available):	W side of Uvalde, N of Wallisville	Construction/Condition:	Masonry
	Houston, TX	Parking:	Open
Grantor:	Truth Baptist Ministries	Seating Capacity:	250-300
Grantee:	Mount Zion Baptist World Missions (Liberty Baptist Church)	Features:	Kitchen, Fellowship Hall, 10 Classrooms
Year Built:	1981/R		
Number of SF:	15,232		
Consideration:	\$1,400,000		
Adjusted Sale Price:	NA	Comments:	This recently renovated Building is ideal for a religious facility, school or commercial use. It has undeveloped land behind the Building for expansion or additional use. The Sales Price did not include any FF & E.
Price PSF:	\$91.91		
Adjusted Sale Price:	NA		
Terms:	Cash to seller		

Confirmation: Carol Gray, International Church Realty

713-541-4004

CIM COMMERCIAL APPRAISERS
Sales Comparison Approach



CIM COMMERCIAL APPRAISERS
Sales Comparison Approach



RP-2021-472570
08/19/2021 ER \$26.00

FILED BY
ALAMO TITLE COMPANY

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SPECIAL WARRANTY DEED

THE STATE OF TEXAS §

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF HARRIS §

THAT, TRUTH BAPTIST MINISTRIES, a Texas Non-Profit Corporation, hereinafter called "**Grantor**," acting herein by and through its duly authorized Trustees, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) cash and other good and valuable considerations in hand paid by or on behalf MOUNT ZION BAPTIST WORLD MISSIONS, a Texas Non-Profit Corporation, hereinafter called "**Grantee**," whose address is 7421 Marbach Road, San Antonio, Bexar County, Texas 78227-1701, the receipt and sufficiency of which is hereby acknowledged and confessed; has GRANTED, SOLD and CONVEYED, and by these presents does GRANT, SELL and CONVEY unto Grantee, subject to the matters hereinafter stated, all that certain lot, tract or parcel of land, together with all improvements thereon and appurtenances thereto, lying and being situated in Harris County, Texas, and described as follows, to-wit:

Being a 4.000 acre tract or parcel of land situated in the John Anderson Survey, Abstract No. 97, Harris County, Texas, said 4.000 acre being more particularly described by metes and bounds on Exhibit "A" attached hereto and made a part hereof for all purposes;

which property, and all improvements thereon, are hereafter collectively referred to as the "**Subject Property**".

This conveyance is expressly made by Grantors and accepted by Grantee subject to any and all zoning and other ordinances applicable to or affecting the Subject Property and any and all restrictions, easements, covenants, conditions, rights-of-way, leases, oil, gas and mineral rights or other instruments of record among the county records where the Subject Property is located.

TO HAVE AND TO HOLD the Subject Property, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said Grantee, its successors and assigns, forever, and Grantor hereby binds itself, its successors and assigns, to WARRANT AND FOREVER DEFEND the title to the Subject Property unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof by, through or under Grantor, but not otherwise.

Taxes for the current year of 2021 levied by all taxing authorities having jurisdiction over the Subject Property have not been prorated as the Subject Property is and has been exempt from taxation, and Grantee assumes and agrees to pay any and all taxes assessed for 2021 or prior tax

RP-2021-472570

years due to a rollback or other modification of the status of the Subject Property due to Grantee's acquisition, change in usage or tax designation or valuation of the Subject Property.

EXECUTED this the 18th day of August, A. D., 2021.

TRUTH BAPTIST MINISTRIES

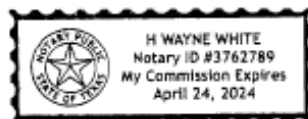
By: Michael Dale Beagle
MICHAEL DALE BEAGLE, Trustee

By: Arvid Kevin Sievers
ARVID KEVIN SIEVERS, Trustee

THE STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on the 18th day of August, A. D., 2021, by MICHAEL DALE BEAGLE, Trustee of TRUTH BAPTIST MINISTRIES, a Texas Non-Profit Corporation, on behalf of said corporation.

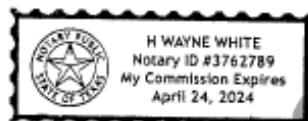


H. Wayne White
Notary Public - State of Texas
Print Name: _____
Commission Expires: _____

THE STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on the 18th day of August, A. D., 2021, by ARVID KEVIN SIEVERS, Trustee of TRUTH BAPTIST MINISTRIES, a Texas Non-Profit Corporation, on behalf of said corporation.



H. Wayne White
Notary Public - State of Texas
Print Name: _____
Commission Expires: _____

RETURN TO:
MOUNT ZION BAPTIST WORLD MISSIONS
7421 Marbach Road
San Antonio, Texas 78227-1701.

C:\MYDOCUMENTS\SWD TruthBaptistMz2021\210813

EXHIBIT "A"
TO
SPECIAL WARRANTY DEED WITH VENDOR'S LIEN TO THIRD PARTY
BETWEEN
TRUTH BAPTIST MINISTRIES, GRANTOR
AND
MOUNT ZION BAPTIST WORLD MISSIONS, GRANTEE

SUBJECT PROPERTY

Being a tract or parcel of land containing 4.000 acres in the John Anderson Survey, A-97, Harris County, Texas, and being more particularly described by the metes and bounds as follows:

COMMENCING at a 3/4" iron pipe at the intersection of the recognized South line of the J.W. Moody Survey, A-546, and the North line of the John Anderson Survey, A-97, with the West line of Uvalde Road, 100.00 feet wide;

THENCE with the said West line of Uvalde Road, South 0 deg. 04 min. 47 sec. East, for a distance of 2515.88 feet to a 3/4" iron pipe, the POINT OF BEGINNING;

THENCE continuing with said West line of Uvalde Road, South 0 deg. 04 min. 47 sec. East, for a distance of 300.00 feet to a 3/4" iron pipe on the North line of a North Shore Baptist Church Tract;

THENCE with the North line of the said North Shore Baptist Church Tract the following courses and distances:

Along the arc of a curve to the right having a central angle of 10 deg. 54 min. 19 sec., a radius of 1230.00 feet and a chord which bears North 84 deg. 56 min 46 sec. West, for an arc length of 234.11 feet to a 3/4" iron pipe at the end of said curve;

Along the arc of a curve to the left having a central angle of 10 deg. 53 min. 19 sec., a radius of 1170.00 feet and chord which bears North 84 deg. 56 min. 41 sec. West for an arc length of 222.35 feet to a 3/4" iron pipe at the end of said curve;

South 89 deg. 32 min. 06 sec. West, for a distance of 171.81 feet to a 3/4" iron pipe for a corner on the East line of a Humble Pipe Line Company 40 foot wide fee strip as recorded in Volume 2792, Page 346, Deed Records, Harris County, Texas;

THENCE with said East line of Humble Pipe Line Company, 40 foot wide fee strip North 0 deg. 24 min. 06 sec. West, for a distance of 268.57 feet to a 3/4" iron pipe for a corner;

THENCE South 89 deg. 19 min. 52 sec. East, for a distance of 627.31 feet to the POINT OF BEGINNING and containing 4.0000 acres of land.

RP-2021-472570
Pages 4
08/19/2021 10:55 AM
e-Filed & e-Recorded in the
Official Public Records of
HARRIS COUNTY
TENESHIA HUDSPETH
COUNTY CLERK
Fees \$26.00

RP-2021-472570

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RECORDERS MEMORANDUM

This instrument was received and recorded electronically and any blackouts, additions or changes were present at the time the instrument was filed and recorded.

Any provision herein which restricts the sale, rental, or use of the described real property because of color or race is invalid and unenforceable under federal law.
THE STATE OF TEXAS
COUNTY OF HARRIS

I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me; and was duly RECORDED in the Official Public Records of Real Property of Harris County, Texas.



Teneshia Hudspeth
COUNTY CLERK
HARRIS COUNTY, TEXAS

COMPARABLE IMPROVED SALE 4

Date Sold:	2/1/2022	Land Size (Acres):	0.98
		Parking:	45 spaces
Recording:	2022-57496	Land-to-Bldg. Ratio (x:1):	5.37
Address (if available):	6303 Bramley		
Location:	N side of Bramley, E of Jana Pasadena, TX	Condition/Construction:	Masonry
Grantor:	Meadowcrest Church		
Grantee:	Mouth of God Ministries	Seating Capacity:	100-150
Year Built:	1979		Move-in ready and fully furnished
Number of SF:	7,954		
Consideration:	\$740,000		
Sale Price:	\$93.03		
Price PSF:	\$700,000	Comments:	There are 2 structures on this property- 6,641 SF Main Building, 1,313 SF Mobile Building, 100 seat Auditorium, 8 Classrooms, Office Space, Kitchen, and 2 Storage Sheds (move-in ready, fully furnished). We have estimated a value for the FF & E in the amount of \$40,000 which has been deducted from the original Sales Price.
Adjusted Sale Price:	\$88.01		
Terms:	Cash to seller		
		Confirmation:	KW Commercial, CJ Garcia, 832-359- 3503



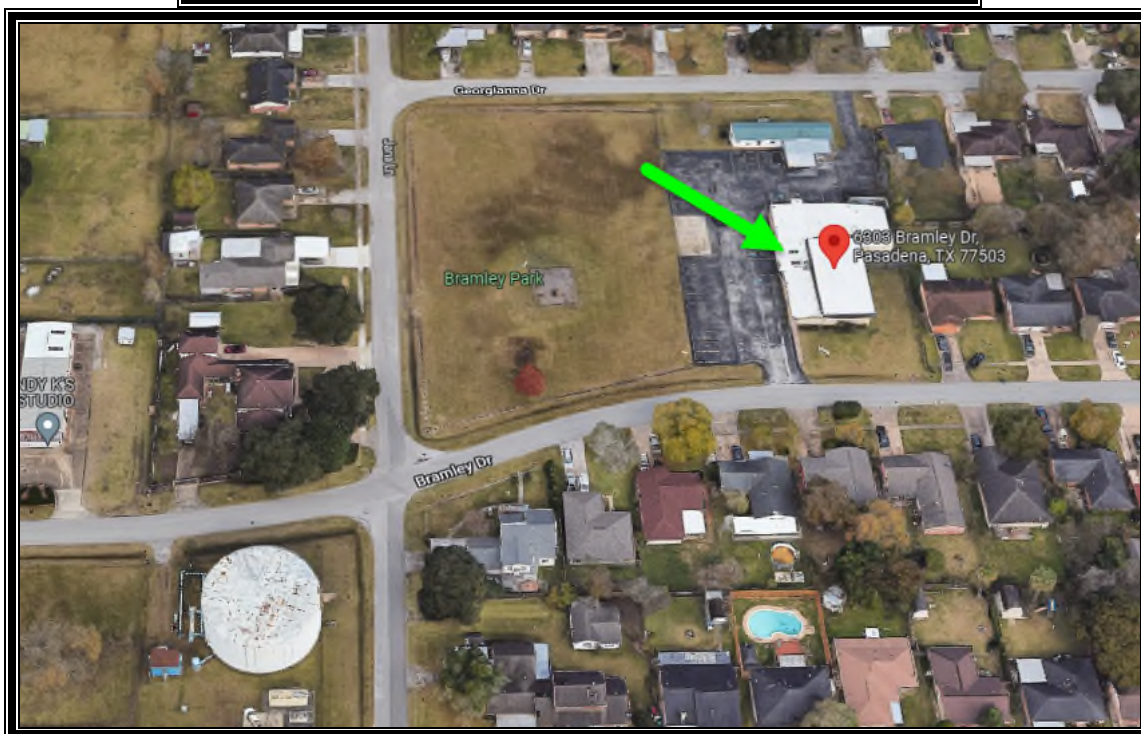
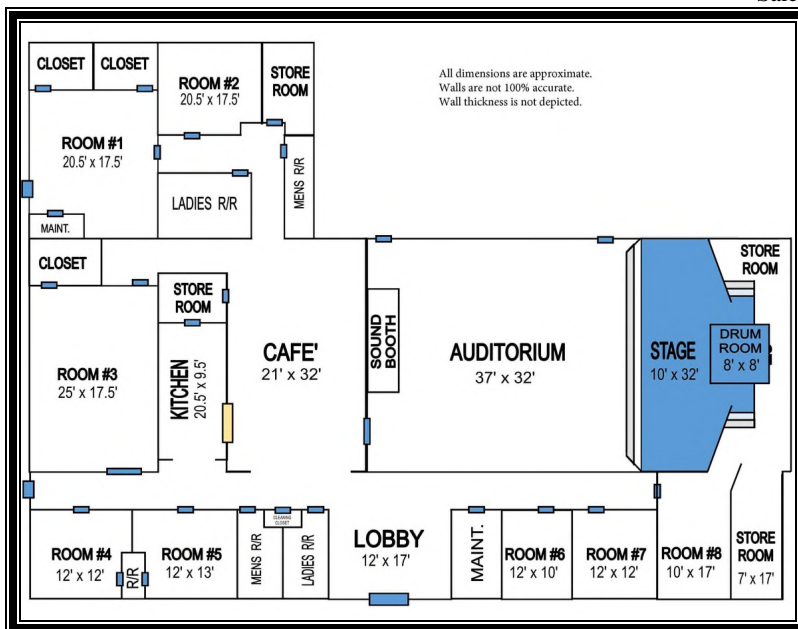
CIM COMMERCIAL APPRAISERS
Sales Comparison Approach



CIM COMMERCIAL APPRAISERS
Sales Comparison Approach



CIM COMMERCIAL APPRAISERS
Sales Comparison Approach



RP-2022-57496
02/01/2022 ER \$30.00

SPECIAL WARRANTY DEED

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STATE OF TEXAS §
 §
COUNTY OF HARRIS §

MEADOWCREST CHURCH ("Grantor"), for and in consideration of the Sum of Ten and No/100 Dollars (\$10.00), and other good and valuable consideration paid to Grantor by THE MOUTH OF GOD MINISTRIES, a Texas nonprofit corporation ("Grantee"), whose address is 6303 Bramley Dr, Pasadena, TX 77503, the receipt and sufficiency of which are hereby acknowledged and confessed, subject to the exceptions, liens, encumbrances, terms and provisions hereinafter set forth and described, has GRANTED, BARGAINED, SOLD and CONVEYED, and by these presents does hereby GRANT, BARGAIN, SELL and CONVEY, unto Grantee the following described property (such land and improvements being hereinafter referred to collectively as the "Property"), to wit:

Lots 188 thru 190, 197 thru 199, in Block 10, of BRANTLEY ADDITION, a subdivision in the City of Pasadena, Harris County, Texas, according to the plat thereof, recorded in Volume 36, Page 41 of the Map Records of Harris County, Texas.

Consideration: Ten dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged. Additionally, as a part of the consideration for the Property and this conveyance, Grantee has delivered to THE BAPTIST FOUNDATION OF CALIFORNIA, a California nonprofit corporation, AS FUND MANAGER OF THE CHARITABLE INCOME FUND ("Lender"), a promissory note dated the same date as this deed, in the original principal amount of \$540,000.00 (the "Note"), executed by Grantee and made payable to the order of Lender, bearing interest and becoming finally payable as therein provided. The Note is secured by (a) a deed of trust dated the same date as the Note from Grantee to PAUL KELLOGG, ESQ., Trustee, which covers the Property and which is filed of record in the Real Property Records of Harris County, Texas; and (b) by a vendor's lien retained in this deed.

Exceptions to Conveyance and Warranty: This conveyance is made and accepted subject and subordinate to (a) standby fees, taxes and assessments by any taxing authority for the current year, which have been prorated, and subsequent years, which

RP-2022-57496

standby fees, taxes and assessments Grantee assumes and agrees to pay, (b) the matters set forth on Exhibit A attached hereto and made a part hereof for all purposes (all of those items described in (a) through (b) above are hereinafter collectively referred to as the "Permitted Exceptions").

TO HAVE AND TO HOLD the Property, subject to the Permitted Exceptions, unto Grantee, and Grantee's successors and assigns, forever; and Grantor does hereby bind Grantor, and Grantor's successors, to **WARRANT and FOREVER DEFEND**, all and singular, the Property, unto Grantee, and Grantee's successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof when the claim is by, through or under Grantor, but not otherwise, subject to the Permitted Exceptions.

Additionally, Grantor hereby grants, bargains, sells and conveys to Grantee, without warranty, all and singular, the rights, benefits, privileges, easements, rights-of-way, tenements, appurtenances and interests thereon or in anywise appertaining thereto including, without limitation, all of Grantor's right, title and interest in and to (i) strips or gores, if any, between the Land and any abutting properties; (ii) any land lying in or under the bed of any street, alley, road or right-of-way open or proposed, abutting or adjacent to the Land; (iii) rights-of-way; (iv) rights of ingress or egress or other interests in, on or to any land, highway, street, road or avenue, open or proposed in, on, across, in front of, abutting or adjoining the Land (such rights, benefits, privileges, easements, tenements, appurtenances, improvements and interests herein being collectively called the "Additional Interests").

It is expressly agreed that a vendor's lien is created and retained herein in favor of Lender, and Grantor hereby assigns such vendor's lien to Lender without recourse or warranty, so that Lender will hold superior title in and to the Property and premises (including the Additional Interests, if any) and the title in the Grantee will not become absolute until the Note referred to herein is paid in full according to the face, effect and reading thereof, when this deed shall become absolute.

Ad valorem taxes and assessments for the current year having been prorated between Grantor and Grantee, Grantee, by its acceptance hereof, does hereby assume and agree to pay any and all ad valorem taxes and special assessments pertaining to the Property for the current calendar year and subsequent years.

(Signature Page to Follow)

RP-2022-57496

EXECUTED as of the 31st day of January 2022.

GRANTOR:

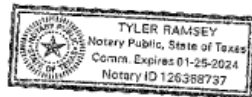
MEADOWCREST CHURCH

By: [Signature]
Name: Henry Wamble
Title: Pastor

STATE OF TEXAS

COUNTY OF Harris

This instrument was acknowledged before me on the 31st day of January 2022, by Henry Wamble, as Pastor of MEADOWCREST CHURCH, personally known to me to be the person whose name is subscribed to the foregoing instrument.



[Signature]
Notary Public in and for the State of Texas

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EXHIBIT A

1. The following restrictive covenants of record itemized below:

Volume 36, Page 41, of the Map Records of Harris County, Texas; and also recorded in Volume 2208, Page 81 of the Deed Records of Harris County, Texas.

2. All easements and building lines, as reflected by the plat of said subdivision, recorded in Volume 36, Page 41 of the Map Records of Harris County, Texas.

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RP-2022-57496
Pages 5
02/01/2022 01:25 PM
e-Filed & e-Recorded in the
Official Public Records of
HARRIS COUNTY
TENESHIA HUDSPETH
COUNTY CLERK
Fees \$30.00

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RECORDERS MEMORANDUM

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and any blackouts, additions or changes were present
at the time the instrument was filed and recorded.

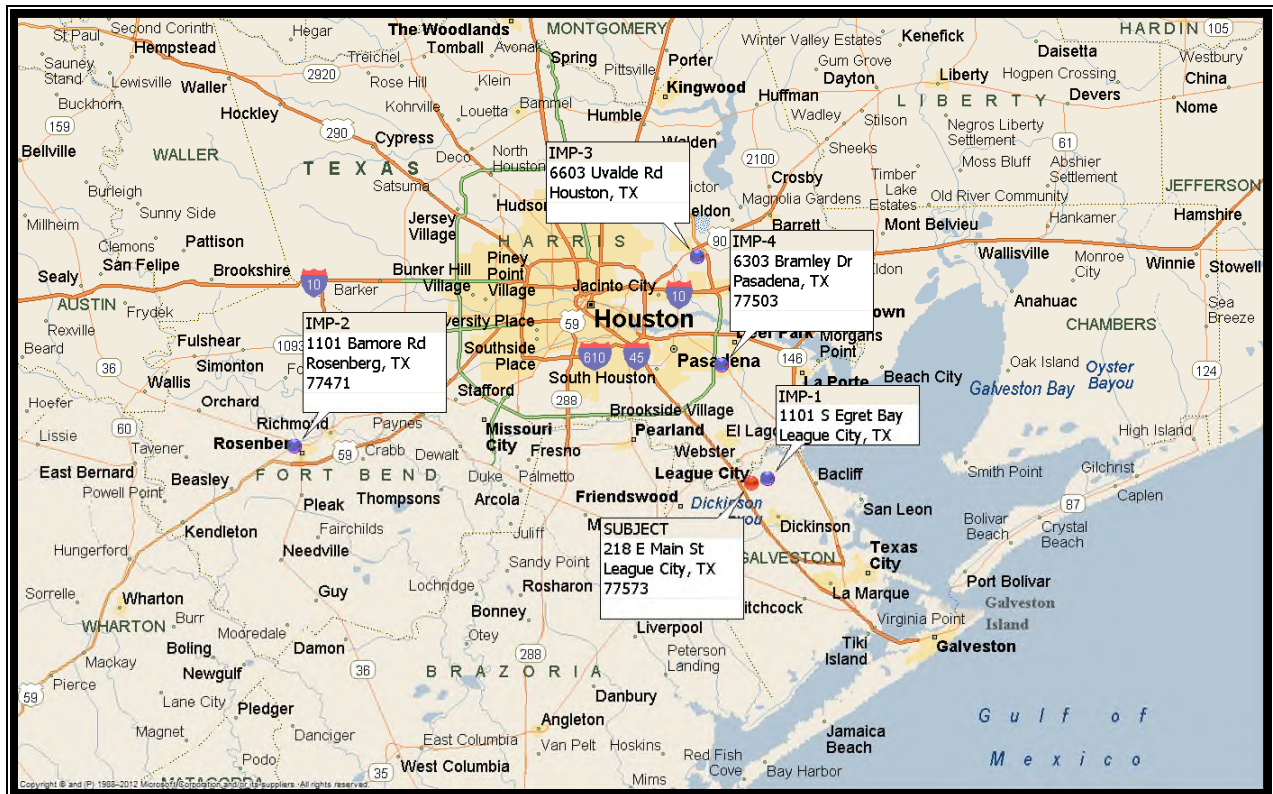
Any provision herein which restricts the sale, rental, or
use of the described real property because of color or
race is invalid and unenforceable under federal law.
THE STATE OF TEXAS
COUNTY OF HARRIS

I hereby certify that this instrument was FILED in
File Number Sequence on the date and at the time stamped
hereon by me; and was duly RECORDED in the Official
Public Records of Real Property of Harris County, Texas.



Teneshia Hudspeth
COUNTY CLERK
HARRIS COUNTY, TEXAS

COMPARABLE IMPROVED SALES MAP



COMPARABLE IMPROVED SALES SUMMARY

Comp. No.	Date of Sale	Price PSF	Building's Size (SF)	Land To Bldg. Ratio	Land Size Acres	Year Built
1	5/24/2021	\$114.81	13,500	14.65	4.540	2004
2	6/15/2021	\$67.72	15,136	4.98	1.730	1997
3	8/19/2021	\$91.91	15,232	11.44	4.000	1981/R
4	2/1/2022	\$88.01	7,954	5.37	0.980	1979
Average		\$90.61	12,956	9.11	2.813	1990
Subject			10,795	2.06	0.5100	1972

Building Residual Technique

The Building Residual technique is done in a reverse fashion from the Land Residual Technique. The appraiser values the property as improved (improvement/building + land); and the site area using the Sales Comparison Approach, then subtracts the value of the land from the value of the property as improved. The Building Residual technique is often used to value buildings when depreciation is difficult to estimate.

We have used the Building Residual Technique.

Improved Sales Analysis

The transactions listed in the Comparable Improved Sales Summary indicate varying units of comparison. The units of comparison shown are all adjusted (where applicable) for cash equivalency and estimated rent loss during any required lease-up period necessary to attain a stabilized occupancy. The sales are indicative of the value of the Subject at a stabilized occupancy level and their different ratios although affected by various factors as discussed below are comparable.

Typically, items such as land to building ratio, location, age, condition, and size are factors inherent in any specific property, and are given consideration and adjusted for as they affect the overall desirability of a property. This would typically be done utilizing 'matched pairs' of sales where either by happenstance or through previous adjustment of other dissimilar characteristics a single difference and its magnitude can be determined. Often however, the data available is inadequate to directly derive adjustments for all differences between the comparable sales and the Subject. Therefore, the following analysis is based upon available current empirical evidence as well as data in our files, the information available through abstraction and our judgment formed through extensive experience.

There are several methods of comparison typically used in analyzing improved income property sales. Typically, the methods considered most reliable are the Effective Gross Income Multiplier and the Price Per Square Foot methods.

Effective Gross Income Multiplier

In properties that are typically purchased and then leased which generates a cash stream of benefits to the property, The Effective Gross Income Multiplier (EGIM) indicates the relationship between the effective gross income attributable to a property and the overall sale price. In this regard, the EGIM can be utilized to illustrate a point of tendency for income-producing properties, and is not generally adjusted for factors such as size, age, and location. These factors are already primarily compensated for in the market rent that a property commands. Therefore, if properties are not truly comparable to the Subject, the indicated value for the Subject via the effective gross income multiplier (EGIM) might be distorted. The degree of comparability is typically based upon expense ratios and NOI.

The Effective Gross Income Multiplier Method was not considered to be applicable.

Sales Price Per Square Foot

The Sales Price per Square Foot of gross building area is another commonly used unit of comparison for estimating value. Factors, which typically influence the price per square foot paid for a property, include the land-to-building ratio, location, age, condition of the improvements, quality of construction, and size. If applicable, the percentage of office space and degree of finish as well as other factors such as quantity and type of equipment would also influence the price per square foot paid for a property.

Cash Equivalency

Vastly dissimilar financing or highly favorable financing can influence the overall consideration that one party will give to another party in a transaction. In every case, the Sales were either cash sales, third party financed that resulted in cash to the seller or were adjusted to cash equivalency prior to being placed in the Adjustment Grid.

Time

An adjustment for time attempts to compensate for the difference in prices commanded for property under highly dissimilar economic market environments. This could be necessary when sales were transacted at times where there are entirely different economic expectations. The Comparables sold from 05/21 to 02/22 and were all adjusted upward.

Conditions of Sale

This adjustment attempts to compensate for unusual motivations of the buyer and seller such as an assemblage, distressed sale, not arm's length transaction, or purchase by adjacent landowners. In each of these cases, an unusual motivation of the buyer typically alters prices due to the inequitable negotiating position of one of the participants in the transaction. The sales affected by this consideration have been adjusted accordingly. An adjustment was not indicated.

Land-To-Building Ratio

Typically, there is a direct positive relationship between the price per square foot of a property and its land-to-building ratio. Therefore, properties that have higher land-to-building ratios tend to be considered superior in terms of adjustment to properties with less land per square foot.

The estimated land value was deducted from each Sale. Since we have applied the Building Residual Technique we have not included a land-to-building ratio analysis.

Location

The location of a property is important. Many factors come into play such as access, visibility, and proximity to major thoroughfares as well as employment centers. The location on and near well-traveled thoroughfares would be considered superior to locations that do not have this condition.

The estimated land value was deducted from each Sale. Since we have applied the Building Residual Technique we have not included a location adjustment.

The market typically pays more for newer improvements. This not only recognizes that newer and better construction technique and materials are typically available for more recent development, but also the fact that there is typically lower maintenance costs expected and there is a longer economic life ahead of the particular property. An additional factor that has a decided relationship with price per square foot is the overall condition of the building. It stands to reason that properties that have been well maintained (all other things being equal) would be superior to properties that have not. Additionally, type of construction is a consideration for a longer economic life and quality.

Age

The Subject was built in 1972. The Improved Sales were built from 1979 to 2004. *We have estimated an effective age for each of the Comparables and adjustments were based on effective age.* Sale 1 (2004) was adjusted downward. Sale 2 (1977) was adjusted downward; Sale 3 (1997) was not adjusted, Sale 4 (1981/R) was adjusted downward. Sale 4 (1979) was adjusted downward.

Building Size

Of all the factors known to affect value, size is typically correlated to price. The Sales were adjusted based on a 10% doubling.

Condition

Improved Sales 3 and 4 are superior to the Subject in condition and were adjusted downward.

Construction

The Subject is masonry construction. Sale One (masonry and wood) was not adjusted. Sale 2 (masonry and wood) was not adjusted. Sale 3 (masonry) was not adjusted. Sale 4 (masonry) was not adjusted.

The following Adjustment Grid summarizes our conclusions and judgments concerning the dissimilarity between the Subject and the comparable sales.

Improved Sale Adjustment Grid

IMPROVED SALES ANALYSIS					
Time Adjustments: Size Adjustments Per Doubling Life Expectancy	10.00% 10.00% 60				
MARKET ANALYSIS	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 3
SALE DATE	5/28/2022	05/24/21	06/15/21	08/19/21	02/01/22
ADDRESS	218 E Main	1101 S Egret Bay	1110 Bamore	6603 Uvalde	6303 Bramley
SALES PRICE	NA	\$1,550,000	\$1,025,000	\$1,400,000	\$700,000
BUILDING SIZE	10,795	13,500	15,136	15,232	7,954
PRICE/SF-GBA	NA	\$114.81	\$67.72	\$91.91	\$88.01
SITE SIZE	0.5100	4.540	1.730	4.000	0.980
LAND-TO-BUILDING RATIO	2.058	14.649	4.979	11.439	5.367
SITE VALUE (\$/PSF):	\$5.40	\$4.00	\$1.00	\$3.00	\$3.00
SITE VALUE (\$):	\$120,000	\$791,050	\$75,359	\$522,720	\$128,066
TOTAL IMPROVEMENT VALUE(\$):	NA	\$758,950	\$949,641	\$877,280	\$571,934
SUBTRACT SITE IMPROVEMENTS	\$0	\$0	\$0	\$0	\$0
BUILDING RESIDUAL VALUE	NA	\$758,950	\$949,641	\$877,280	\$571,934
INDICATED BUILDING VALUE (\$/SF)	NA	\$56.22	\$62.74	\$57.59	\$71.91
TIME ADJUSTMENTS	NA	10.0%	10.0%	8.0%	3.0%
CONDITION OF SALE ADJUSTMENTS	NA	0.0%	0.0%	0.0%	0.0%
ADJUSTED PRICE	NA	\$61.84	\$69.01	\$62.20	\$74.06
ACTUAL/AGE AT TIME OF SALE	50	17	24	40	43
EFFECTIVE AGE	35	15	20	35	30
AGE ADJUSTMENTS	NA	-18%	-15%	0%	-5%
SIZE ADJUSTMENTS	NA	3.0%	5.0%	5.0%	-4.0%
CONDITION ADJUSTMENT	NA	0.0%	0.0%	-5.0%	-10.0%
CONSTRUCTION ADJUSTMENT	NA	0.0%	0.0%	0.0%	0.0%
TOTAL ADJUSTMENTS	NA	-15.0%	-10.0%	0.0%	-19.0%
ADJUSTED PRICE	NA	\$52.56	\$62.11	\$62.20	\$59.99
BUILDING VALUE INDICATION	NA	\$567,432	\$670,512	\$671,472	\$647,597
PSF		\$42.03	\$44.30	\$44.08	\$81.42
ADD SUBJECT SITE IMPROVEMENTS	\$0	\$0	\$0	\$0	\$0
ADD LAND VALUE		\$120,000	\$120,000	\$120,000	\$120,000
		\$687,432	\$790,512	\$791,472	\$767,597
		\$63.68	\$73.23	\$73.32	\$71.11
WIEGHTING FACTOR	NA	23%	30%	30%	17%
WIEGHTED INDICATION	NA	\$158,109.38	\$237,153.47	\$237,441.50	\$130,491.51
SUM OF WEIGHTED INDICATIONS	\$763,195.86				
ESTIMATED "AS IS" MARKET VALUE	\$765,000				
LESS DEDUCTIONS	\$0				
"AS IS" MARKET VALUE	\$765,000				
ROUNDED TO:	\$765,000				
PSF	\$70.87				

According to the Real Estate Broker, the Subject Building has been vacant for approximately 3 years and has been maintained by the School District. As per the Broker, roof repairs are estimated at \$15,000 or \$102,000 for a roof replacement. One of the HCVAC Units is out and the estimated cost to replace the Unit is \$12,500. The parking lot is in need of resurfacing and striping. We have estimated the "As Is" Market Value of the Subject Special Purpose Building and we have not included any deductions for Deferred Maintenance. The Appraiser recommends that the Owners obtain a Property Condition Report by a licensed Professional. .

Conclusion-Sales Comparison Approach

Attached is our Appraisal Report which describes our investigation, analysis and conclusions upon which we based our opinion that the "As Is Market Value" of the Fee Simple Estate of the Subject Special Purpose Building, as of an effective date of May 28, 2022, *subject to:*

the property being operated by competent management,
and subject to our Certification and Assumptions and Limiting Conditions,
is as follows:

"As Is Market Value"

SEVEN HUNDRED SIXTY-FIVE THOUSAND DOLLARS

\$765,000

Value PSF: (Based on 10,795 SF)

\$70.87

No personal property, fixtures, or intangible items have been included in the opinion of "Market Value".

COST APPROACH

In an effort to arrive at a replacement cost for the Subject improvements, the Marshall Valuation Service was consulted in addition to actual costs of similar properties furnished by developers. The calculation method utilized is based on a per square foot cost for similarly constructed buildings. The base costs include architect and engineering fees; contractor's profit and overhead, building permits, surveys, fire and other insurance premiums (during construction), as well as all direct material and labor costs. The base costs do not include the value of the land, other financing costs, or unusual height or site costs. By applying appropriate adjustments to the base costs, an appropriate unit cost per square foot can be estimated.

Cost Computations

The Subject Special Purpose Building resembles Low Cost "Class C", Section 18, p.10 property category based on its physical characteristics in the Marshall Valuation Publication dated February 2018.

If appropriate, adjustments to the stated base cost figures supplied by Marshall Valuation would be made to more accurately reflect the condition of the Subject improvements such as adding additional cost for air-conditioning, sprinkler systems, etc. which are not part of the base cost figures. These subtotaled costs must then be adjusted to reflect the most recently available current costs and conditions in the Subject's area. In addition, for items not included above, the "Segregated Cost" Section of the Marshall Valuation Service was consulted.

Generally, profit is estimated at 10% to 20% of total Direct and Segregated Costs of construction, not including profit on the site. Our conversations with developers support this estimated range for entrepreneurial profit. In addition, as a percentage, entrepreneurial profit gradually decreases as total project costs increase due to an upper limit set by the market's recognition of the value of entrepreneurial risk and management oversight. In our judgment, the Subject development total replacement cost new in conjunction with the competitive market for the Subject's type of improvement would place entrepreneurial profit for the Subject in the middle to lower end of the typical range of 10% to 20%.

The following estimates and calculations result in an estimate of value by the Cost Approach.

Average Replacement Cost Calculation:						
			Special Purpose	NA	N/A	N/A
	Avg. Repl. Cost PSF:		\$108.00	\$0.00	\$0.00	\$0.00
	Number of Stories:		1.00			
	Height Per Story:		1.00			
	Perimeter:		1.00			
	Calculator Cost:		0.99			
	Local:		0.91	0.91	0.91	0.91
	Avg. Repl. Cost PSF:		\$97.30	\$0.00	\$0.00	\$0.00

Direct Costs:						
	Special Purpose	10,795	SF x	\$97.30	PSF	\$1,050,354
	N/A					
	N/A					
	N/A					
	Total SF (building)	10,795				
	Total Direct Cost					\$1,050,354

Segregated Costs:						
	Site Work/Utilities					\$50,000
	Drives/Paving					\$100,000
	Signage					\$10,000
	Total Segregated Cost					\$160,000

Indirect Costs:						
	Closing Costs - Title Policy					\$20,000
	Taxes During Construction					\$5,000
	Developer Overhead/Profit					\$180,000
	Points for Permanent Financing					\$20,000
	Total Indirect Cost					\$225,000

Total Improvement Cost:						
	Total Direct Cost					\$1,050,354
	Total Segregated Cost					\$160,000
	Total Indirect Cost					\$225,000
	Total Improvement Cost (Replacement Cost New)					\$1,435,354

Depreciation:						
	Total Improvement Cost (RCN)					\$1,435,354
	Less -	Physical Deterioration - Curable *				\$0
		Physical Deterioration - Incurable **				\$1,004,748
		Economic Obsolescence ***				\$0
		Functional Obsolescence ****				\$0
	Total Depreciated Value					\$430,606

Final Estimate:					
	Total Depreciated Value				\$430,606
	Plus: Land Value by Sales Comparison				\$120,000
	(See Sales Comparison Approach)				
	Value Estimate by Cost Approach				\$550,606
	Total Value Estimate by Cost Approach (rounded to):				\$550,000

Depreciation

Depreciation can be defined as the difference between the replacement cost new of the improvements and their value, both measured as of the date of appraisal. It is a loss in value from three basic sources categorized as follows: physical deterioration (both curable and incurable), external obsolescence, and functional obsolescence.

* **Physical deterioration curable** is defined as "that loss in value from cost new which can be recovered or offset through corrections, repair, or replacement of the defective items causing the loss, providing the resulted value increase approximates the cost of the work." Also referred to as deferred maintenance, this loss is caused by normal wear and tear that should be corrected immediately, or is necessary to keep rents at market levels. The cost of curing the condition, and bringing the property to a satisfactory and functioning condition, is generally the measure of deferred maintenance.

According to the Real Estate Broker, the Subject Building has been vacant for approximately 3 years and has been maintained by the School District. As per the Broker, roof repairs are estimated at \$15,000 or \$102,000 for a roof replacement. One of the HCVAC Units is out and the estimated cost to replace the Unit is \$12,500. The parking lot is in need of resurfacing and striping. We have estimated the "As Is" Market Value of the Subject Special Purpose Building and we have not included any deductions for Deferred Maintenance. The Appraiser recommends that the Owners obtain a Property Condition Report by a licensed Professional.

** **Physical incurable depreciation** is defined as "that loss from cost new which is impossible to offset or which would involve an expenditure substantially in excess to the value increase resulting therefrom." Generally, physical incurable depreciation is calculated by using a straight line method of depreciation based on the actual gross age and remaining physical life of the improvements, and is applied to the Total Improvement Cost after any deduction for physical deterioration curable.

The Subject Special Purpose Building as built in 1972.

Improvements, such as the Subject, typically have an economic life of approximately 50 years. The Subject has an actual age of 50 years and an effective age of 35 years. This translates into an average depreciation as calculated below for the Subject's improvements.

Physical Incurable Depreciation	
Economic Life	50
Actual Age	50
Effective Age	35
Remaining Economic Life	15
Depreciation Percentage	70%

*** **Economic (or external) obsolescence** is defined as "the impairment of desirability or useful life arising from factors external to the property, such as economic forces or environmental changes which affect supply-demand relationships in the market." Loss in the use and value of a property arising from the factors of economic obsolescence is to be distinguished from loss in value from physical deterioration and functional obsolescence, both of which are inherent in a property. There is no Economic Obsolescence.

INSURABLE VALUE

INSURABLE REPLACEMENT COST ESTIMATE						
PROPERTY:	A	SPECIAL PURPOSE BUILDING				
LOCATION:	218	E MAIN STEET				
		LEAGUE CITY TEXAS				
		77573				
INSURABLE REPLACEMENT COST CALCULATIONS:						
Building #:	SPECIAL PURPOSE					
Building Size (SF):	10,795					
Structure Class:	C LOW COST					
Marshall Valuation	Sec 18; Pg					
Service Reference:	10 (02/18)					
(or source referenced)						
Base Cost PSF:	\$108.00					
Plus (PSF)						
HVAC						
>						
>						
>						
Subtotal:	\$108.00					
Multipliers						
Number of Stories:	1.00					
Height Per Story:	1.00					
Perimeter:	1.00					
Calculator Cost:	0.99					
Local:	0.91					
Non-Perishable Items:	0.90					
Adjusted Cost PSF:	\$79.69					
Estimated Insurable						
Replacement Cost:	\$860,215					
TOTAL	\$860,215					
ROUNDED	\$860,000					

Insurable Replacement Costs (IRC) are the current replacement cost of EACH INDIVIDUAL structure, either as proposed in plans and specifications or as existing when physically inspected. Only PERSONAL PROPERTY necessary to the operation, management or marketing of the property is included.

IRCs INCLUDE: repair engineering and design fees; permit fees; and contractor's overhead and profit.

IRCs EXCLUDE: costs associated with land acquisition and development; professional fees not directly related to repairs; taxes, financing costs, owner's overhead and profit; loss of income during repairs, chattels not included above; and , all other costs not relevant to the repair of insured damages.

DIRECTIONS:

1. Each individual, unattached structure being appraised requires a separate IRC estimate.
2. Shaded areas of the IRC document automatically calculate.
3. **Non-Perishable Items fields are always calculated at .90.**
4. Use additional IRC forms should the number of buildings exceed the columns available.

Insurable Value is defined by The Dictionary of Real Estate Appraisal, 6th Edition, as published by *The Appraisal Institute* as follows:

1. *The value of an asset or an asset group that is owned by an insurance policy; can be estimated by deducting costs of non-insurable items (e.g. land value) from Market Value*
2. *Value used by insurance companies as the basis for insurance. Often considered replacement or reproduction cost plus allowances for debris removal or demolition less deterioration and non-insurable items. Sometimes Cash Value or Market Value, but often entirely a cost concept. (Marshall & Swift LP).*

We have been asked to provide an estimate of Insurable Value by the client. We do not represent ourselves as experts in the construction industry, construction cost estimating or construction materials. Our estimate is based on cost estimates provided by national cost services such as *Marshall & Swift* and may not be reflective of actual costs provided by an expert in the construction industry.

We recommend that the client, borrower, or intended user of this appraisal contact industry experts such as qualified insurance agents and/or a professional contractor to obtain an insurable cost estimates to replace the existing structure. Our estimate should be used only as a guide and not relied upon as a definitive estimate for insurance purposes.

CORRELATION, FINAL ESTIMATE OF VALUE, AND CERTIFICATION

Value Indications

The values indicated for the Subject by each approach are as follows:

				"As Is"
Sales Comparison Approach				
Improved				\$765,000
Land Value				\$120,000
		PSF		\$5.40
Cost Approach				\$550,000
"As Is Market Value"				\$765,000
				\$70.87
Insurable Value				\$860,000

Introduction

Each approach to value has been reanalyzed and weighed combining judgment and experience with factual information to determine the most accurate methods and techniques for evaluating the Subject. Each approach was reviewed separately by comparing it to other approaches in terms of adequacy, accuracy, completeness of reasoning and overall reliability.

The **Sales Comparison Approach** is considered to be a reliable value indicator in that the data used therein is considered to more accurately reflect the actions of typical investors. The Sales Comparison Approach is utilized to indicate the value of a property as vacant land and as improved (if applicable). However, this approach has certain limitations in that no 2 properties are identical in physical features, location and/or amenities. Additionally, due to the current market, motivations of buyers and sellers in purchasing and selling properties vary widely. Many properties are purchased or traded with special terms and financing, many of which are not disclosed, resulting in insufficient data to accurately reflect the actual sale data indicators. Assuming adequate data is available for analysis; this approach can provide such value indicators for comparison as the overall rate, the effective gross income multiplier, and the price per square foot of land or land and improvements.

The value indicated for the Subject (land only) by this approach is considered to be a reliable indication of the value of the Subject land as if vacant and on the market on the date of appraisal. There were a sufficient number of comparable sales that were similar to the Subject to allow utilizing this approach for estimating the value for the Subject as improved. The value indicated for the Subject as improved by this approach is considered to be more reliable than the value indicated by the Cost Approach, but typically less reliable than the Income Approach, which is more specific to the Subject.

The **Cost Approach** is basic to the understanding and solution of most appraisal problems. Its applicability and importance, however, varies widely depending on the type of property being appraised. The Cost Approach is based on the principle of substitution. A prudent investor will not pay more for a property than the amount for which he could purchase a site and construct a building of equal desirability and utility, assuming there are no undue delays in the process. In regard to income-producing properties, the cost to construct is not necessarily reflective of market value. The utility of an income property to an investor typically revolves around its ability to produce sufficient income to amortize the debt service and provide an acceptable net (after debt) cash flow. While costs of construction tend to be closely related to the rate of inflation and maintain a relatively stable pattern over time, the market rent that a property can attract may fluctuate dramatically in response to supply and demand.

The **Income Approach** can utilize the Direct Capitalization Method and/or the Discounted Cash Flow Analysis Method to indicate a value for a property, which typically has improvements. The Direct Capitalization Method abstracts the relationship between net operating income before recapture and overall sales price. The Discounted Cash Flow Analysis Method attempts to analyze the economic profile of a property from the perspective of an investor with consideration being given to features of the income stream such as market rent, market occupancy ratios, and expenses. The value indicated by the Income Approach may be a reconciliation based on both the Discounted Cash Flow Analysis. The Income Approach is typically considered to be a very reliable method for estimating the Value of income producing properties.

Conclusion

In estimating the Market Value of the Subject, we used Sales Comparison Approach (Land Value and Improved Property Analysis) and the Cost Approach.

As defined in **The Dictionary of Real Estate, 7th Edition (Appraisal Institute, 2020)**

Marketing Time is “An opinion of the amount of time to sell a property interest at the concluded market value or at a benchmark price during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which precedes the effective date of an appraisal”. (Advisory Opinion 7 and Advisory Opinion 35 of the Appraisal Standards Board of The Appraisal Foundation address the determination of reasonable exposure and marketing time)

Exposure Time is defined as “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 (USPSP, 2020-2021 ed.)”.

It is my opinion based on the statistical information about days on the market and/or information gathered through sales verification and/or interviews of market participants that the marketing time for the subject property at the value concluded herein is 9-12 months.

This appraisal report is a conclusion of analyses “during” the impact of the Corona Virus. To date, due to the constant change, COVID -19 is not a factor that can be measured. For that reason, the conclusions drawn will have a margin of error. Due to that uncertainty, this means on any given subsequent week this economic environment may change and have consequences to the value.

Attached is our Appraisal Report which describes our investigation, analysis and conclusions upon which we based our opinion that the “As Is Market Value” of the Fee Simple Estate of the Subject Special Purpose Building, as of an effective date of May 28, 2022, *subject to*:

the property being operated by competent management,
and subject to our Certification and Assumptions and Limiting Conditions,
is as follows:

“As Is Market Value”

SEVEN HUNDRED SIXTY-FIVE THOUSAND DOLLARS

\$765,000

Value PSF: (Based on 10,795 SF)

\$70.87

No personal property, fixtures, or intangible items have been included in the opinion of Market Value.

CERTIFICATION OF APPRAISAL

I certify that, to the best of our knowledge and belief,

- (1) The statements of fact contained in this report are true and correct.
- (2) The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are 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 appraisal report, and I have no personal interest or bias with respect to the parties involved.
- (4) I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding 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 the value opinion, the attachment 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) Julie St. Paul Allbright, MAI, made a personal Site Visit of the property that is the subject of this report.
- (10) No one provided significant real property appraisal assistance to the person signing this certification.
- (11) The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional 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, Julie St. Paul Allbright has completed the continuing education program for Designated Members of the Appraisal Institute.

Respectfully submitted,
CIM COMMERCIAL APPRAISERS, INC.



JULIE ST. PAUL ALLBRIGHT, MAI
President

Texas State Certification Number TX #1320457-G

Date:--May 28, 2022

ASSUMPTIONS AND LIMITING CONDITIONS

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

- 1) No survey of the Subject was undertaken and the appraisers assume no responsibility associated with such matters.
- 2) The value estimate assumes responsible ownership and competent management. The Subject is assumed to be free and clear of all liens, except as may be otherwise herein described. No responsibility is assumed by the appraisers for matters legal in character, nor is any opinion on the title rendered, which is presumed to be good and marketable.
- 3) The information contained herein has been gathered from sources deemed to be reliable but the appraisers assume no responsibility for its accuracy. Correctness of estimates, opinions, dimensions, sketches and other exhibits, which have been furnished and have been used in this report are not guaranteed.
- 4) The value estimate rendered herein is considered reliable and valid only as of the date of the appraisal, due to rapid changes in the external factors that can significantly affect the property value. The final estimate of market value is expressed in terms of the current purchasing power of the dollar.
- 5) Any leases, agreements or other written or verbal representations and/or communications and information received by the appraisers have been reasonably relied upon in good faith but have not been analyzed for their legal implications. We urge and caution the user of this report to obtain legal counsel of his own choice to review the legal and factual matters, and to verify and analyze the underlying facts and merits of any investment decision in a reasonably prudent manner.
- 6) We assume no responsibility for any hidden agreements known as "side letters", which may, or may not, exist relative to this property, which have not been made known to us, unless specifically acknowledged within this report.
- 7) This report is to be used in whole and not in part. Any separate valuation for land and improvements shall not be used in conjunction with any other appraisal and is invalid if so used. Possession of this report or any copy thereof does not carry with it the right of publication nor may the same be used for any purpose by anyone but the client without the previous written consent of the appraisers, and in any event, only in its entirety.
- 8) The appraisers here, by reason of this report, are not required to give testimony in court with reference to the property appraised unless notice and proper arrangements have been previously made therefore.
- 9) Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without prior written consent and approval of the author, particularly but not exclusively as to the firm with which he is connected, or any reference to the following: The Appraisal Institute (MAI) or Senior Real Property Appraiser (SRPA) designations.
- 10) No subsoil data or analysis based on engineering core borings or other tests were furnished us. We have assumed that there are no subsoil defects present that would impair development of the land to its maximum permitted use, or would render it more or less valuable. No responsibility is assumed for engineering, which might be required to discover such factors.

- 11) The construction and physical condition of the improvements described herein are based on visual Site Visit. No liability is assumed by the appraisers for the soundness of structural members since no engineering tests were conducted. No liability is assumed for the condition or adequacy of mechanical equipment, plumbing, or electrical components. No responsibility is assumed for engineering, which might be required to discover such factors. We urge the user of this report to retain an expert in this field.
- 12) Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's Site Visit. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde, foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to detect or discover them. We urge the user of this report to retain an expert in the field of environmental impacts on real estate if so desired.
- 13) The projections of income, expenses, terminal values or futures sale prices are not predictions of the future. Rather, they are the best estimate of current market thinking of what future trends will be. No warranty or representation is made that these projections will materialize. The real estate market is constantly fluctuating and changing. It is not the task of the appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future, and upon what assumptions of the future investment decisions are based.
- 14) The client or user of this report agrees to notify the appraiser of any error, omission, or inaccurate data in this report within 15 days of receipt, and return the report and all copies of the report to the appraiser for correction prior to any use.
- 15) The acceptance of this report, and its subsequent use by the client or any other party in any manner whatsoever or for any purpose, is acknowledgment by the user that the report has been read, and specifically agrees that the data and analysis, to their knowledge, are correct and acceptable.

ADDENDA



May 24, 2022

File#: 22-002380-01-01

APPID#: TBD

Julie Allbright
CIM Commercial Appraisers, Inc.
11763 Riverview Drive
Houston, TX 77077

RE: Appraisal Assignment
Iglesia de Dios un Nuevo Pacto
Assembly/Meeting Place - Religious Facility
218 E Main St
League City, TX 77573

Julie Allbright:

Prosperity Bank requests you provide an Appraisal on the above referenced real estate, including all applicable approaches to value. Regulations require the appraisal be signed by the Appraiser to whom the engagement letter is addressed. As the Appraiser engaged, you agree to the terms and conditions of this Engagement Letter personally, and on behalf of the associates that you may employ or contract with for completion of this assignment (collectively referred to hereafter as "Appraiser").

Upon acceptance of this assignment, Prosperity Bank (Bank) is your Client. You affirm that you are independent of the proposed borrower and other principal parties of the loan transaction.

The purpose of the appraisal is to estimate Market Value of the existing interest appraised (noted below) for the above-captioned real estate in its "as is" condition, as well as other additional value premise(s) described herein. Federal regulations and guidelines require an "as is" value consisting of "the current market value of the property in its actual physical condition, use, and subject to the zoning in effect as of the date of the appraisal (a current date of value)." For proposed renovations, new construction, and/or non-stabilized properties, a prospective market value "upon completion" and "upon stabilization" may also be required.

The appraisal report and invoice is to be addressed to Bank. The client's name should appear on the Cover Page, Letter of Transmittal, and within the body of the report. Bank may, without prior authorization or a notice to Appraiser, provide this report to other parties for their use in lending-related activities; however, it does not make the recipient an intended user of this engagement. If Bank sells all or a portion of this credit to another bank(s), said bank shall be considered a part of the intended user(s)/client(s).

The Report is to be prepared for the sole use and benefit of Bank. Appraiser's fiduciary appraiser/client relationship related to the Confidentiality requirements in USPAP is only with Bank.

Under the Gramm-Leach-Bliley Act, all provided information concerning the subject property and borrower, as well as the opinions and results of the appraisal, are confidential and cannot be distributed/discussed with any other user/client without prior written approval from Bank. All original documents are to be returned to Bank upon completion of the assignment.

An electronic copy of the completed Appraisal Report, delivered as a PDF is to be delivered on or before

1:00 pm on 6/6/2022. If the report is not delivered upon the agreed upon due date, Bank reserves the right to discount or reduce the fee at their discretion or to terminate the agreement entirely, as failure to deliver the report by this date will be considered a breach of this agreement.

The total fee, including any and all expenses related to this specific assignment, shall not exceed **\$2,995.00.**

Appraiser agrees that the maximum fee to be allowed if a new effective date, often referred to as an "update," is required by the client is to be: within 2 months of the effective date of the original appraisal, not to exceed 25% of original fee; within 3-6 months, not to exceed 50% of original fee; and within 7-9 months, not to exceed 75% of original fee. If the scope of work has increased materially, a new fee may be negotiated.

Should your assignment be cancelled prior to delivery you will have 48 hours to upload to RIMS a PDF of the invoice and any information collected during the process. If nothing is uploaded to RIMS within that time it will be assumed that no fee was charged and the assignment will be closed. Should you be unable to upload documents during the 48 hour period, you will need to contact the Job Manager for this assignment and make arrangements to get the documents uploaded in a timely manner.

The property contact information and other salient facts regarding the appraisal are:

Name of Client: Prosperity Bank
 Client's Customer: Iglesi de Dios un Nuevo Pacto
 Legal Property Owner: Iglesi de Dios un Nuevo Pacto
 Property Contact Name: Johnathan Gazzola
 Property Contact Phone: 713-423-5898
 Subject Property Address: 218 E Main St, League City, TX 77573

Job Manager: Lacie Petek
 214-372-7680
 lacie.petek@prosperitybankusa.com

Property Description: Assembly/Meeting Place - Religious Facility
 FLDT on land and improvements located at 218 E Main Street, League City, TX 77573

Scope of Work:

Intended Use: Use - Asset Valuation
 The intended use of this appraisal is for periodic valuation of the asset per policy

Intended User: User - Prosperity Bank
 The intended users of this report are Prosperity Bank and-or affiliates

Approaches to Value: Approach - ALL
 All applicable approaches

Inspection Requirements: Inspect - All
 An interior and exterior inspection of the subject property, as well as an inspection of all comparable properties utilized

Market Analysis: Level B
 Level B - Use area wide market data on general property types, projecting conclusions that are subject-specific with timing projections reliant on interpretation of market wide data. Use data from regularly published, area wide market surveys prepared by proprietary agencies conducted on each property class. Secondary data is extensively used and analyzed and it is inferred that the subject's submarket will perform similar to historical performances of the broad class of property to which it belongs.

Insurable Replacement Cost: The Insurable Replacement Cost Template (IRCT) excel file is required on every

assignment. Please upload along with Appraisal and Invoice.

Late Penalty: An electronic copy of the completed Appraisal Report, delivered as a PDF is to be delivered on or before 1:00 pm on the Due Date. If the report is not delivered upon the agreed upon due date, Bank reserves the right to discount or reduce the fee at their discretion or to terminate the agreement entirely, as failure to deliver the report by this date will be considered a breach of this agreement. A Late Fee of 3% of the total fee per day may be assessed per the Appraiser Services Agreement.

Additional Work Scope: None.

Scope of Report:

<u>Premise</u>	<u>Qualifier</u>	<u>Interest</u>
Market Value	As-Is	Fee Simple Estate
Insurable Replacement Cost	Insurable Cost	Fee Simple Estate

You are authorized to commence with the appraisal upon acceptance of this engagement letter. The Bank reserves the right, at its option or in accordance with state and federal law, to provide a copy of the appraisal or to disclose information contained in the appraisal to the Borrower or other entities.

In order to comply with federal regulations, the appraisal is required to conform to the following minimum standards:

(1) **Compliance:** The Appraisal must conform to generally accepted appraisal standards as evidenced by the Uniform Standards of Professional Appraisal Practice (USPAP,) Title XI of FIRREA, Interagency Appraisal and Evaluation Guidelines, federal and state appraisal regulations, laws, and general appraisal guidelines.

(2) **Format:** The appraisal(s) must be in writing and contain sufficient information and analysis to support the Bank's decision to engage in the transaction. In accordance with Bank's supplemental appraisal requirements and guidelines, the person engaged on this appraisal is required to fully review the appraisal report for compliance and is required to sign the appraisal report. If the appraisal is not signed by the person engaged, Bank reserves the right to reject the appraisal report and may also reserve the right to refuse payment of your invoice for failure to render services per this agreement.

(3) **Deductions:** The Appraisal must analyze and report appropriate deductions and discounts for proposed construction or renovation, partially leased buildings, non-market lease terms, and tract developments with unsold units;

(4) **Intended Use/User:** The following statements must be included in the body of the report where you are required to identify the Intended Use/Users of the report:

Intended User Statement: Prosperity Bank and any noted permitted participants, affiliates or additional users are the only Intended Users of this appraisal report.

Intended Use Statement: The Intended Use of this appraisal report is for determining loan and credit underwriting decisions that will be made by Prosperity Bank and any additional noted participants for a federally related loan transaction.

(5) **Market Value:** Your opinion must be based on market value. Per paragraph 323.2 (g) of FDIC Rules and Regulations "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, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (a) Buyer and seller are typically motivated.
- (b) Both parties are well informed or well advised, and acting in what they consider their own best interest.
- (c) A reasonable time is allowed for exposure in the open market.
- (d) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable

thereto; and

(e) 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."

(6) **Licensure and Inspection:** The signatories of the Report must be licensed in the state where the property is located. The engaged appraiser must inspect the subject property unless otherwise authorized by Bank.

(7) **SBA Requirements for a Going-Concern:** The Certified General Real Property Appraiser must have completed at least four going concern appraisals of equivalent special use property as the property being appraised, within the last 36 months, as identified in the qualifications portion of the Appraisal Report. A statement certifying compliance with this requirement shall be included in the signed certification within the report when a going-concern value is requested. The appraisal must allocate separate values to the individual components of value including land, building, equipment and intangible assets.

The Bank's General Appraisal Requirements are highlighted below.

1) **As Is:** "As Is" market value means the value of the property in its current physical condition, use and subject to current zoning restrictions. The "As Is" market value for tract developments (5 or more units, lots, or land parcels), must be based on the net discounted value reflecting deductions for selling expenses, holding costs, and entrepreneurial profit over the projected absorption period. If no discounting is warranted, then holding costs and profit should be deducted per regulations.

2) **Prospective Market Value Upon Completion:** "Prospective" Market Value Upon Completion is an indication of the future value of the property after the proposed improvements are completed to the specs provided as of the date of completion. (See USPAP Statement 4)

3) **Prospective Market Value Upon Stabilization:** "Prospective" Market Value Upon Stabilization is an indication of the future value of the property after all improvements to the property are fully completed and the building is fully leased, as of the date of stabilization. (See USPAP Statement 4)

4) **Property Description:** The appraisal should adequately describe the property including: tax parcel number, legal description, zoning (current zoning and whether the current use is legal and conforming), availability of utilities, and condition of the improvements/deferred maintenance (if applicable). The appraisal must state whether or not the National Flood Insurance Program indicates the subject property to be in a flood plain and report the flood plain designation. A FEMA flood plain map for the subject is required, if available.

5) **Inspection:** Unless otherwise agreed upon with Bank, an inspection of the subject improvements must be made by the Appraiser signing the Report. If the client agrees to allow an alternate appraiser to inspect, they must be certified in the state where the appraised property is located. The subject improvements must also be physically measured at the time of inspection, and an indication provided in the report that this has been done. Floor plan sketches/drawings that depict measurements should also be included in the Report. Architectural floor plans are acceptable, but buildings must still be measured to verify that sizes reported on floor plans are reasonably accurate.

6) Required Supplemental Guidelines – General Appraisal Requirements (see full document in RIMS):

All current USPAP must be adhered to as well as the following Supplemental Guidelines:

1. Bank File number included in Letter of Transmittal.
2. Engagement letter and qualifications of all appraisers signing included in Addenda of report.
3. The engaged appraiser must sign the report.
4. As Is Value required in every report.
5. Executive Summary including required items. See requirement details.
6. Report must analyze sale history and current listings/contracts.
7. Extraordinary assumptions/hypothetical conditions, as well as any potentially hazardous or negative characteristics/areas of concern included in transmittal letter after value conclusions.
8. Marketing and exposure time must be estimated.
9. Three tax comparables and comment if taxes are paid and if tax appeal is warranted.
10. Highest and Best use to include feasibility test of reasonableness and most probable purchaser.

11. Default Level B market analysis – Existing properties / Level C market analysis – Proposed Construction
12. SWOT analysis required in every report.
13. Full-page data sheets or comparative grids required for land & improved sales and rentals.
14. Photographs for improved sales and rentals. Plat maps/aerials for land sales.
15. Subject photographs – labeled; street scenes labeled with direction of view.
16. Estimate of effective age and remaining economic life.
17. Adjustment grids for land, improved and rental comparables.
18. Minimum three executed rent comparables.
19. Other income applied prior to vacancy and collection loss.
20. Collection loss analyzed and presented separately.
21. Expense items analysis presented on line-by-line basis. Reimbursements before vacancy.
22. Direct Capitalization required for stabilized properties. No DCF needed unless there are significant future expirations.
23. Overall rates derived from sales and supported by at least one additional method.
24. Discounted Cash Flow required for non-stabilized properties and partially leased properties. Failure to provide will result in revision request at no additional fee.
25. Deductions and discounts apply to proposed construction or renovation, partially leased buildings, non-market lease terms, and tract developments (5+ units/lots/homes) with unsold units.
26. Sell out analysis supported by static residual method required for projects with 10+ units.
27. No discount necessary for projects built and sold within 12 months, but deductions for holding, carrying, marketing and selling costs must be deducted.
28. The cost approach is required for all properties constructed within the last 10 years.
29. Insurable Replacement Cost required on all improved properties (every building must be included regardless of contributory value) using Bank's template provided. Unnecessary to include in report. Upload Excel file with final report only.
30. Required Exhibits:
 - a. Site plan or survey and Assessor's plat
 - b. Building plans or layout of improvements with dimensions (buildings must be measured/spot measured to plans)
 - c. Flood Map
 - d. Zoning Map
 - e. Regional, Area and Neighborhood maps
 - f. Comparable land and improved sales and rental maps

7) Personal Property, Fixtures, and Intangible Items: The appraisal must state that no personal property, fixtures or intangible items are included in the opinion of market value or it must identify and separately value any personal property, fixtures, or intangible items.

8) Sales History: The appraisal must present a three-year sales history of the subject property and an analysis of current listing/offers or contracts affecting the subject property. The appraiser must (1) identify and state in the appraisal any list prices of the subject property if listed in the preceding year by reliable sources; and (2) comment on the impact of foreclosure activity in the market area on the market value of the subject, if any.

9) Exposure & Marketing Period: The appraisal must report an estimate of how long the property is assumed to have been (exposure time) and will be (marketing time) on the market at the indicated market value.

10) Highest and Best Use: The appraisal must analyze each of the four tests (legally permissible, physically possible, financially feasible, and maximally productive) in sufficient detail to support the concluded opinion of a specific highest and best use both "as vacant" and "as improved" and a summary of the analysis and findings should be included in the appraisal report.

11) Methods of Valuation: The appraisal must value the property using each of three common approaches to value (the Cost, Sales Comparison, and Income Approaches); or explain the omission of any approach that is not considered applicable. The reconciliation should explain reliance on the approaches included. Even if the Cost Approach is not applicable, an allocation of land value is deemed

necessary for an accurate Highest and Best Use analysis. If the subject property contains fully depreciated improvements and market value is based solely upon the value of the land, the demolition and/or removal cost should be accounted for in some manner with supported cost figures. **The Cost Approach is required for properties less than 10 years old.**

Special Purpose Properties: PB requires that the Cost Approach be performed and included in the valuation analyses for all Special Purpose Properties regardless of whether they are being valued as a going concern, and in these type properties, the subject land value must always be determined and presented in the appraisal report and in your analysis of HBU "as if vacant."

12) Documentation of Adjustments and Verification of Closed Sales and Cap Rates: Adjustments to the land, sale, and rent comparables, if applicable, should be arrayed in a quantitative adjustment grid. Every effort should be made to verify closed sales and cap rates utilized within the report with a party to the transaction. Verification contact information should be contained within the report for these transactions. Closed sales utilized within the report must be accompanied by a corresponding warranty deed, or similar instrument that has been recorded in public records. In cases where the tax stamp on a recorded instrument is not consistent with a true "sales price," sufficient explanation is required to explain the verification and confirmation process and how the sales price utilized was derived. In non-disclosure states where verification via deed records does not provide confirmation of sales price, documentation of verification with a party to the transaction, including name and phone number will suffice. If the Appraiser receives confirmation from a source that is confidential (such as an attorney or banker), it is acceptable to use that data, noting the confirmation was made by a confidential source. An analysis of current, competitive listings is also expected.

13) Trend Analysis / Feasibility: All relevant market trends and conditions affecting the subject property are to be reported and analyzed, including market vacancies, changes in rental rates, and changes in values of properties similar to the subject. The appraisal must also report and analyze government, economic, social, and environmental influences and trends that will affect projected income. An analysis of current listed, competitive properties should be included and reconciled as support to opinions of value.

A Level B market analysis for existing properties including the property specific sub-market and overall regional market. **For proposed properties a Level C market analysis which discusses existing supply as well as planned, proposed and buildings under construction must be compared with demand factors to determine project feasibility. A Level C market analysis is always required in conjunction with Going Concerns.** A Level A market analysis is only acceptable in markets where third party data is not available and must be supported by conversations with market participants and included in the report.

14) Revenues, Vacancies, Expenses and Capitalization Rates: If the property is income producing, current and historical (2-3 years) income and expenses should be requested, analyzed, and reported, if available. Projected income and expenses should be supported by market data. A minimum of three executed rent comparables are required for proper market rental rate analysis. Asking rents (listings) may be used to support the executed rent comparable and/or contract rents to establish the upper level of the rental range or as a last resort to support contract rents if no actual leases can be confirmed. Expenses must be individually itemized and explained. Vacancy and absorption assumptions should be supported by market data cited within the report. Capitalization rates should be based upon comparable market transactions, if available, and efforts should be made to verify this data if at all possible.

15) Discounted Cash Flow Analysis: The appraiser is responsible for determining the appropriate scope of work that results in a credible value conclusion. It is the appraiser's responsibility to determine when to employ a discounted cash flow (DCF) analysis and to complete the analysis competently. Similarly, it is the appraiser's responsibility to refuse an assignment if he/she lacks competency to perform such an analysis.

If the reviewer determines during the review process that a DCF analysis should have been completed to produce a credible assignment result, then the appraiser must provide a DCF analysis at no additional cost.

Additionally, if upon inspection of relevant information, the appraiser determines that ARGUS is required to complete the assignment credibly, then it is his/her responsibility to stop work immediately and contact the reviewer/job manager about the expanded scope of work and any additional fees that may be incurred for authorization to proceed.

16) Photographs and Maps: The Appraisal must include photographs of the subject site, interior and

exterior of any improvements, and the surrounding area. Photographs are also required for each of the rent and sale comparable properties (aerial photographs may be acceptable for vacant land sales). Maps depicting the location of the subject within the region, immediate area, and neighborhood as well as the location of comparable sales and rents are also required. If the subject property is vacant land, a survey plat map, or site map is required.

17) Invoice: Do not include the invoice with the Report. The invoice is to be submitted separately. The original agreed upon fee based on Appraiser's quote will be the invoice amount unless additional fees are approved in writing by Bank.

18) Limitations of Liability: Bank reserves the right not to accept the Report and will not be responsible for any expenses incurred by the engagement if disclaimers are included limiting Appraiser's professional liability to Prosperity Bank (limitations of liability to unintended third parties users of the appraisal are permissible).

19) Other Requirements: Qualifications of the Appraiser, a copy of a valid appraiser's license in the applicable state, and a signed copy of this engagement letter should be included in the report.

20) Additional Value Requested: The client may also request additional values that considers the discount from market value necessary due to a specified limited marketing period. If the normal marketing exceeds this time, please provide an analysis and support, detailed market evidence, and the discounting required to limit the marketing period. Should the normal marketing period not exceed the specified time period and there is no need to discount the market value to sell within this period of time, please make a statement in the report acknowledging the requested value and clarifying why it is not appropriate to discount.

OTHER CONSIDERATIONS:

Appraisal Independence: Dodd-Frank Wall Street Reform and Consumer Protection Act, the Interagency Appraisal and Evaluation Guidelines, USPAP and state laws require that appraisals be completed without influence. The regulations outline that it is unlawful for any party with an interest in the underlying transaction to compensate, coerce, extort, collude, instruct, induce, bribe, or intimidate such a person for the purpose of causing an appraisal value assigned to be based on any factor other than the independent judgment of the Appraiser. The Appraiser should contact the Chief Appraiser if he or she believes appraiser/appraisal independence has been compromised in any way at 713.255.1504 or Email: rob.ely@prosperitybankusa.com.

Conflict of Interest: The Appraiser, and by agreement, all members and/or appraisal sub-contractors of Appraiser's organization, certify that they have no personal, business or other relationship (either direct, indirect, financial or otherwise) in the property appraised or with regard to the parties involved in the assignment (Client, Client's Customer, Property Owner(s), Property Broker(s), leasing agent(s), property management company(s), etc.) Further, it is required that a statement to this effect be included in the certification of the appraisal.

Independent Contractor: In the performance of services under the terms of this letter, Appraiser shall act solely as an independent contractor, and nothing herein contained or implied shall at any time be construed as to create the relationship of employer and employee, partnership, principal and agent or joint venture partner as between Bank and Appraiser..

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

By accepting this assignment, Appraiser is asserting that Appraiser has geographical competence, has appropriate reliable data sources, and has experience with the property type. Appraiser will fully comply with USPAP's Competency Clause and all appraisal laws and regulations.

Bank, at its sole discretion, will perform a review of the Report for completeness and appropriateness of methodology, accuracy of calculations, and reasonableness of market support provided and conclusions made based on the market evidence provided in the Report. If the review process results in a request for further clarification, analysis, or correction, Appraiser agrees to comply within twenty-four (24) hours of said request. Failure to respond shall be considered a breach of this agreement.

By signature on a copy of this letter, Appraiser confirms acceptance of this engagement and acknowledges that Bank will own the Reports provided and will be under no restrictions regarding redistribution.

Any changes to this agreement must be agreed to in writing by Bank.

Respectfully,

Robert S. Ely
SVP- Chief Appraiser
Prosperity Bank
5501 Bissonnet St.
Houston, Texas 77081
Direct: (713) 255-1504
Email: rob.ely@prosperitybankusa.com

The Appraiser agrees by affixing his or her signature, that if the Appraiser, or any associates that Appraiser may employ or contract with for completion of this assignment, fails to comply with the terms and conditions of this agreement, Appraiser will not be entitled to compensation.

Date Contract was Accepted: 5/24/2022

Vendor Representative: Julie Albright
Julie Albright
CIM Commercial Appraisers, Inc.

DocuSign Envelope ID: 5B6CE30D-27AB-46ED-9271-64F6B68511B5



COMMERCIAL CONTRACT AMENDMENT

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**AMENDMENT TO COMMERCIAL CONTRACT BETWEEN THE UNDERSIGNED BUYER AND SELLER
CONCERNING THE PROPERTY AT**

218 E Main St, League City, TX 77573-3745

Effective May 25, 2022, Seller and Buyer amend the contract as follows: *(Check all applicable boxes.)*

- ☒ A. **Sales Price:** The sales price in Paragraph 3 of the contract is changed to:
- | | |
|--|----------------------|
| Cash portion payable by Buyer at closing. | \$ <u>250,000.00</u> |
| Sum of all financing described in the contract. | \$ <u>485,000.00</u> |
| Sales price (sum of cash portion and sum of all financing) | \$ <u>735,000.00</u> |

- ☐ B. **Property Description:** The Property's legal description in Paragraph 2A of the contract is changed to the legal description described on the attached Exhibit N/A or as follows:
N/A

- ☐ C. **Repairs:** Buyer accepts the Property in its present condition except that Seller, at Seller's expense, will complete the following before closing:
N/A

(TXR-1932) 4-1-18

Initialed for Identification by Seller JS and Buyer [Signature]

Page 1 of 2

Century Properties Real Estate, 4504 Center St. Deer Park, TX 77536
Jonathan Byers

Phone: (214) 558-4918 Fax: _____
Produced with Lone Wolf Transactions (zipForm Edition) 231 Shearson Cr. Cambridge, Ontario, Canada N1T 1J5 www.lwclt.com

Silverio Pelico

DocuSign Envelope ID: 5B6CE30D-27AB-46ED-9271-64F6B68511B5

Amendment to Commercial Contract concerning 218 E Main St, League City, TX 77573-3745

- ☐ D. Extension of Feasibility Period: For nominal consideration, the receipt of which Seller acknowledges, and the consideration described under (1) or (2) below, if any, Buyer's right to terminate under Paragraph 7B of the contract is extended until 11:59 p.m. on N/A.
- ☐ (1) The independent consideration for Buyer's right to terminate that will be deducted from the earnest money if Buyer terminates the contract under Paragraph 7B(1) is increased to a total amount of \$ N/A. (Insert an amount greater than the amount in Paragraph 7B(1) of the contract.)
- ☐ (2) Buyer has paid Seller additional consideration of \$ N/A for the extension. This additional consideration ☐ will ☐ will not be credited to the sales price upon the closing of the sale.
- ☐ E. Closing: The closing date in Paragraph 10A of the contract is changed to N/A.
- ☐ F. Expenses: At closing Seller will pay the first \$ N/A of Buyer's expenses under Paragraph 13 of the contract.
- ☐ G. Waiver of Right to Terminate: Upon final acceptance of this Amendment, Buyer waives the right to terminate under Paragraph 7B of the contract.
- ☐ H. Counterparts: If this amendment is executed in a number of identical counterparts, each counterpart is an original and all counterparts, collectively, constitute one agreement.
- ☐ I. Other Modifications:
N/A

Seller: Odyssey 2020 Academy Inc.

Buyer: Iglesia De Dios Un Nuevo Pacto

By: Matthew Sherman

By: Silverio Pelico

By (signature): [Signature]
Printed Name: Matthew Sherman
Title: CFO

By (signature): [Signature]
Printed Name: Silverio Pelico
Title: President
5/25/2022 | 12:20 PM EDT

By: _____

By: _____

By (signature): _____
Printed Name: _____
Title: _____

By (signature): _____
Printed Name: _____
Title: _____



COMMERCIAL CONTRACT - IMPROVED PROPERTY

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS®, INC. IS NOT AUTHORIZED.
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1. **PARTIES:** Seller agrees to sell and convey to Buyer the Property described in Paragraph 2. Buyer agrees to buy the Property from Seller for the sales price stated in Paragraph 3. The parties to this contract are:

Seller: Odyssey 2020 Academy, Inc.

Address: 2412 61st Street, Galveston, TX 77551

Phone: _____ E-mail: jgoodman@odyssey-academy.com

Fax: _____ Other: msherman@odyssey-academy.com

Buyer: Iglesia de Dios un Nuevo Pacto

Address: 2618 Pilgrims Point Drive, Webster, TX 77598

Phone: (832)425-6397 E-mail: silveriopelico90@gmail.com

Fax: _____ Other: _____

2. PROPERTY:

- A. "Property" means that real property situated in Galveston County, Texas at 218 East Main Street, League City, TX 77573 (address) and that is legally described on the attached Exhibit N/A or as follows:

ABST 3 S F AUSTIN SUR LOTS 1,2 & PT OF LOTS 3,11,12 & PT OF ALLEY BLK 4 & PT OF BLK 3 GALVESTON COUNTY FARMS

- B. Seller will sell and convey the Property together with:

- (1) all buildings, improvements, and fixtures;
 - (2) all rights, privileges, and appurtenances pertaining to the Property, including Seller's right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights-of-way;
 - (3) Seller's interest in all leases, rents, and security deposits for all or part of the Property;
 - (4) Seller's interest in all licenses and permits related to the Property;
 - (5) Seller's interest in all third party warranties or guaranties, if transferable, relating to the Property or any fixtures;
 - (6) Seller's interest in any trade names, if transferable, used in connection with the Property; and
 - (7) all Seller's tangible personal property located on the Property that is used in connection with the Property's operations except: N/A.
- Any personal property not included in the sale must be removed by Seller prior to closing.

(Describe any exceptions, reservations, or restrictions in Paragraph 12 or an addendum.)

(If mineral rights are to be reserved an appropriate addendum should be attached.)

(If the Property is a condominium, attach Commercial Contract Condominium Addendum (TXR-1930) or (TXR-1946).)

3. **SALES PRICE:** At or before closing, Buyer will pay the following sales price for the Property:

A. Cash portion payable by Buyer at closing \$ 200,000.00

B. Sum of all financing described in Paragraph 4 \$ 550,000.00

C. Sales price (sum of 3A and 3B) \$ 750,000.00

(TXR-1801) 09-01-21

Initialed for Identification by Seller [Signature] and Buyer [Signature]

Page 1 of 15

READ THIS CONTRACT CAREFULLY. The brokers and agents make no representation or recommendation as to the legal sufficiency, legal effect, or tax consequences of this document or transaction. **CONSULT** your attorney **BEFORE** signing.

Seller: Odyssey 2020 Academy, Inc.

Buyer: Iglesia de Dios un Nuevo Pacto

By: _____

By (signature): Jennifer Goodman

Printed Name: Jennifer Goodman

Title: Superintendent

By: _____

By (signature):  Silverio Pelico (Per 11, 2102 15:52 CST)

Printed Name: Silverio Pelico

Title: President

By: _____

By (signature): _____

Printed Name: _____

Title: _____

By: _____

By (signature): _____

Printed Name: _____

Title: _____

QUALIFICATIONS OF APPRAISER
JULIE ST. PAUL ALLBRIGHT, MAI
713-298-2826
JA101@ATT.NET

Professional Memberships

Member of the Appraisal Institute (MAI), American Institute of Real Estate Appraisers, Certificate #8555, certified through January 2026

State Certified General Real Estate Appraiser-State of Texas, certified through April 30, 2023. Certificate Number: TX-1320457-G.

Licensed Real Estate Salesman-State of Texas, License Number 259556

Real Estate Experience

Engaged exclusively in the valuation of real property throughout the United States since 1979.

Has appraised essentially all types of real estate including special purpose properties, office buildings, multi-family residential, hotels, motels, mobile home parks, truck terminals, commercial buildings, all classes of shopping centers including regional malls, condominium apartments, nursing homes, industrial buildings, warehouses, restaurants, retail stores, vacant acreage, and others.

Has conducted appraisals of condemnation proceeding including partial takings with severance damage to the remainder, feasibility analysis, market studies, and investment analysis, including expert witness testimony for right-of-way proceedings and value testimony in bankruptcy proceedings.

National appraisal assignments have included properties in Alabama, Colorado, Georgia, Illinois, Indiana, Louisiana, Maryland, Nebraska, New York, Texas, Virginia, and Washington.

Education

Associate Degree Fashion Merchandising - Tobe' Coburn School in New York City
College Equivalency granted from The American Institute of Real Estate Appraisers

Continuing Education

Completed and passed the following appraisal courses through the American Institute of Real Estate Appraisers:

7 USPAP-March 2021

Getting it right from the start-January 2021

How Tenants create or destroy value-February 2021

Appraising Co-Ops Condos and PUDS-March 2021

Business Practices and Ethics-March 2020

7 hour USPAP-February 2019

Raise your Appraiser IQ-February 2019

Transferred Value-February 2019

The Dirty Dozen-April 2017

USPAP-February 2017

Sales Comparison Approach Workshop-March 2017

Business Practices & Ethics-January 2016

Appraising Small Hotels-February 2016

Attacking & Defending Litigation-October 2014

USPAP 2014-2015-October 2014

Appraisal Review-October 2014

Webinar-July 2014, Going Concern

Appraising the Appraiser-General, April 2013
 National 7 hour USPAP-March 2013
 Seller Concessions March 2013
 Effective Rent March 2013
 Advanced Workshop in Appraisal Concepts using Excel March 2013
 National 7 hour USPAP-Dec 2010
 Spotlight on Challenges, Confidentiality, Agreement for Services, Hypothetical Conditions & Extraordinary Assumptions, Reappraising, Readdressing, Reassigning-Dec 2010
 A Lenders Perspective-Dec 2010
 Business Practices & Ethics-Dec 2010
 Confidentiality, Reappraising, Readdressing, Reassigning; Hypothetical Conditions & Extraordinary Assumptions-April 09
 Attacking & Defending Appraisal Litigation-April 09
 National Uniform Standards of Professional Appraisal Practice-April 09
 Appraising Distressed Real Estate-February 2009
 Scope of Work-March 2007, Liability Management for Residential Appraisers-March 2007
 Subdivision Valuation-March 2007
 National Standards of Professional Practice-March 2007
 Scope of Work-December 2005
 Special Purpose Properties-March 2005
 National Standards of Professional Practice-March 2005
 MCE Legal-March 2005
 Appraisal Review-March 2005
 MCE Ethics-March 2005
 2004-4 hrs Appraisal Institute Seminars
 Business Practices & Ethics, October 2004
 2003-4 hrs Appraisal Institute Seminars
 7-hr USPAP National Update Seminar, March 2003
 28-hr Recertification Seminar-March 2003
 2002-9 hrs Appraisal Institute Seminars
 2001-10 hrs Appraisal Institute Seminars
 Appraisal Review-General-February 2001
 2000-9 hrs Appraisal Institute Seminars
 Standards of Professional Practice, Part C, December 2000
 Subdivision Analysis, June 2000
 1999-2 hrs Appraisal Institute Seminars
 Commercial Mortgage Backed Securities Seminar-September 1999
 Standards of Professional Appraisal Practice- March 1999
 1998-5 hrs Appraisal Institute Seminars
 Cost Approach, Feasibility & Highest & Best Use Seminar, August 1998
 Income Approach Seminar, August 1998
 Sales Comparison Approach Seminar, August 1998
 1996-11 hrs Appraisal Institute Seminars
 Advanced Applications Course-November 1995
 Evaluation Seminar-April 1995
 Standards of Professional Practice-April 1995
 Understanding Appraisals-General Seminar-May 1996, July 1994
 FIRREA Seminar-March 1993
 Americans with Disabilities Act Seminar-November 1992
 RTC Affordable Housing Disposition Seminar-1990
 Real Estate Appraisal Principles (1A-1)
 Basic Valuation Procedures (1A-2)
 Standards of Professional Practice (2-3)
 Capitalization (201)



PARTIAL CLIENT LIST

Lending Institutions

Bancorp South
Bank of America
Bank One
Bank of River Oaks
Business First Bank
Capital One Bank
Cathay Bank
Chase Bank of Texas
Concord Bank
CY-Fair Credit Union
East/West Bank
Encore Bank
Frost National Bank
First Bank
First Capital Bank
Harris Bank
Heller Financial
Hibernia Bank
Houston National Bank
Merchants Bank
NCB Mortgage Corporation
Norwest Bank
Omni Bank
Ouachita Independent Bank
Prosperity Bank
PMC Investment Corporation
Regions Bank
Seacoast Commerce Bank
Sterling Bank
Stonegate Bank
Southwest Savings Bank
South Texas Savings Bank
Union Planters Bank
Value Bank
Wells Fargo Bank
Woodforest National Bank

Corporations & Companies

Cornerstone Housing Corporation
Wulfe & Company
Montecito Capital
Travelers Realty Investment Company
Shelby Estus Realty Company

Investment Bankers and Brokers

Schemp-Hirth Mortgage Company
Amercon, Phoenix, Arizona

Real Estate Developers

The Hanover Company
Camden Property Trust
Clay Development & Construction

Life Insurance Companies

GPM Life Insurance Company
Government Employees Personnel Mutual Life
Insurance Company
Security Mutual Life Insurance Company of
New York

Attorneys

Kissner & Sandvig, Houston, Texas
Winstead, Sechrest, & Minick, Houston,
Texas
Jackson & Walker, Houston, Texas
Fulbright & Jaworsli, LLP

Regulatory Authorities

FDIC

Municipality

Metropolitan Transit Authority
City of Houston
Houston Airport System
TXDOT