

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

VS.

MAURICIO CHAVEZ, GIORGIO
BENVENUTO and CryptoFX, LLC,

Defendants.

CBT Group, LLC,

Relief Defendant.

CIVIL ACTION NO. 4:22-CV-03359

JUDGE ANDREW S. HANEN

**RECEIVER'S AMENDED UNOPPOSED MOTION TO APPROVE PRIVATE SALE OF
REAL PROPERTY AND TO EXPEDITE CONSIDERATION AND BRIEF IN SUPPORT**

John Lewis, Jr. (“Receiver”), the court-appointed Receiver for Mauricio Chavez (“Chavez”), Giorgio Benvenuto (“Benvenuto”), CryptoFX, LLC (“CryptoFX”) and CBT Group, LLC (“CBT”), pursuant to the Order Appointing Receiver (“Receivership Order”) [Doc. No. 11] files this Unopposed Motion to Approve Private Sale of Real Property located at 0 Hogan Lane, Hempstead, Texas 77445 (“Subject Property”) and to Expedite Consideration and Brief in Support, showing the Court as follows:

I. INTRODUCTION

1. On September 19, 2022, the United States Securities and Exchange Commission (“SEC”) filed a Complaint against Defendants Chavez, Benvenuto, CFX, and CBT, along with an application for the appointment of a receiver for the Receivership Entities. [Doc. Nos. 3 & 6]. On

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

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

3. Pursuant to his responsibilities as a Receiver, the Receiver has taken control and possession of certain real property owned by Receivership Defendant CBT including real property located at 0 Hogan Lane, Hempstead, Texas 77445. *See* Receiver’s First Interim Report, Doc. No. 33; *see also* Receiver’s Second Interim Report, Doc. No. 50. The Subject Property is part of the Receivership Estate and, as described below, may be sold by the Receiver upon the Court’s approval. *See also* Receiver’s Liquidation Plan, Doc. No. 47.

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

5. The Receiver continues to fulfill his duties as Receiver and has conducted various investigations of the Receivership Defendants with the intent to marshal the Receivership assets for the benefit of the Receivership Entities’ investors. As detailed in the Receiver’s status reports, these efforts have included, but are not limited to, conducting interviews and depositions of CryptoFX sales agents and employees, review and analyzation of corporate records and identifying personal and real property owned by Receivership Defendants. *See* Receiver’s First Interim Report, Doc. No. 33; *see also* Receiver’s Second Interim Report, Doc. No. 50.

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

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

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

28 U.S.C. § 2001(b)

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

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

9. One of the ultimate purposes of the Receiver's appointment in this case is to provide a vehicle through which assets can be gathered, preserved, and, ultimately, liquidated in order to minimize losses incurred by thousands of investors. To that end, the Court has extremely broad

powers and wide discretion to supervise the receivership and to determine the appropriate action to be taken in the administration of the receivership. *See SEC v. Hardy*, 803 F.2d 1034, 1038 (9th Cir. 1986); *SEC v. Lincoln Thrift Ass’n*, 577 F.2d 600, 606 (9th Cir. 1978); *See SEC v. Stanford Int’l Bank, Ltd.*, 927 F.3d 830, 840 (5th Cir. 2019); *see also SEC v. Safety Fin. Serv., Inc.*, 674 F.2d 368, 372 (5th Cir. 1982) (holding that a court overseeing a receivership is accorded “wide discretionary power” in light of “the concern for orderly administration”) (citations omitted).

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

11. In light of the purposes and principles underlying the administration of this receivership, and in an effort to minimize additional costs incurred by the Receivership Estate in disposing of the Subject Property, the Receiver proposes the sale of the Subject Property pursuant to the terms set forth below.

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

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

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

14. The Receiver employed real estate broker, the Mark Dimas Team to assist with the sale of the Subject Property. *See* Receiver's First Interim Report, Doc. No. 33.

15. On February 14, 2023, the Receiver entered into a contract with Jasmeet Singh Sudhan and Lovedeep Saini (collectively "proposed Purchasers") to sell the Subject Property for \$70,000.00. The Receiver expects the sale to net approximately \$63,961.01 to the Receivership Estate. A copy of the Purchase Agreement is attached hereto as **Exhibit A**.

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

17. Prior to entering in the Purchase Agreement, the Subject Property was listed for sale for 84 days, with an asking price of \$80,000.00. Other than the offer made by the proposed Purchasers, the Receiver received and rejected one offer for \$65,000.

18. As required by 28 U.S.C. § 2001, in order to allow for competing bids, the Receiver has published notice of the terms of the Subject Property in *The Greensheet* newspaper, which is a newspaper of general circulation in the geographic area where the Subject Property is located. *See* Copy of the Notice attached as **Exhibit B**. The Receiver first published the notice on February 21, 2023, and it will run consecutively through March 2, 2023. Upon completion of the notice period, the Receiver will file a Publisher's Affidavit confirming the dates of publication and will disclose all qualifying competing bids—i.e., bids with a purchase price at least 10% higher than

the purchase price in the Purchase Agreement—in response to the published notice. The Receiver will notify the Court promptly if he receives such an offer prior to the Court’s approval of the sale.

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

- (a) The purchase price of \$80,000.00 which was paid by CBT Group, LLC when it purchased the property on February 28, 2022. A true and correct copy of the Settlement Statement reflecting the purchase price is attached hereto as **Exhibit C**.
- (b) The December 28, 2022 appraisal report conducted by Scott Stephens & Associates, Inc. placing a fair market value of \$80,000.00 on the Subject Property, a true and correct copy of which is attached hereto as **Exhibit D**.
- (c) The Waller County Appraisal District’s independent assessment of the Subject Property states that the 2022 assessed value is \$71,360, a true and correct copy of which is attached hereto as **Exhibit E**.

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

21. As required by 28 U.S.C. § 2001, the \$70,000.00 sales price exceeds two-thirds of the appraised value. Moreover, selling the Subject Property, “as-is,” will allow the Receivership Estate to avoid additional expenses associated with maintaining the Subject Property in the future.

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

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

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

25. The proposed sale is scheduled to close on or before March 3, 2023. The proposed offer is reasonable in light of the current market conditions and the appraised value of the Subject Property.

IV. REQUEST FOR EXPEDITED CONSIDERATION.

26. The Receiver respectfully requests that the Court allow for expedited consideration and determination of this Motion. Time is of the essence under the stated terms of the Purchase Agreement. The sale, contingently accepted by the Receiver subject to this Court's approval and the satisfaction of the above-described statutory requirements, is scheduled to close on or before March 3, 2023, and before that date, many events must take place.

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

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

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

V. CONCLUSION

WHEREFORE, the Receiver respectfully requests that this Court enter an order approving the private sale of 0 Hogan Lane, Hempstead, Texas 77445 pursuant to the terms of the Purchase Agreement. Specifically, if no objections are filed to this Motion and if the Receiver does not receive any qualifying competing bids for the Subject Property, the Receiver requests that the Court grant this Motion without hearing. If objections are filed or competing bids received, the Receiver requests that the Court schedule a hearing to resolve any outstanding issues.

Respectfully submitted, this February 16, 2023.

SHOOK, HARDY & BACON L.L.P.

By: /s/ Sonila Themeli

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Counsel for Court-appointed Receiver

CERTIFICATE OF CONFERENCE

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

/s/ Sonila Themeli

Sonila Themeli

CERTIFICATE OF SERVICE

I hereby certify that on this the 16th day of February, 2023, the above and foregoing document was filed electronically through the CM/ECF system, which sent notification of such filing to all known counsel of record, addressed as follows:

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UNITED STATES SECURITIES
AND EXCHANGE COMMISSION
Burnett Plaza, Suite 1900
801 Cherry Street, Unit 18
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***Attorney for Defendant,
Giorgio Benvenuto***

/s/ Sonila Themeli

Sonila Themeli

EXHIBIT A



PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC)

11-07-2022

UNIMPROVED PROPERTY CONTRACT

NOTICE: Not For Use For Condominium Transactions



1. PARTIES: The parties to this contract are John Lewis, Jr., Court-Appointed Receiver in S.E.C. v. Chavez, et al. (Seller) and Jasmeet Singh Sudhan and Lovedeep Saini (Buyer). Seller agrees to sell and convey to Buyer and Buyer agrees to buy from Seller the Property defined below.

2. PROPERTY: Lot 1, Block 56,
S566000 LEGENDARY OAKS ACRES .5553 Addition,
City of Hempstead, County of Waller,
Texas, known as 0 Hogan Lane, Hempstead, TX 77445
(address/zip code), or as described on attached exhibit together with all rights, privileges and appurtenances pertaining thereto (Property).

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

3. SALES PRICE:

- A. Cash portion of Sales Price payable by Buyer at closing\$70,000
The term "Cash portion of the Sales Price" does not include proceeds from borrowing of any kind or selling other real property except as disclosed in this contract.
- B. Sum of all financing described in the attached: ☐ Third Party Financing Addendum,
☐ Loan Assumption Addendum, ☐ Seller Financing Addendum\$0.00
- C. Sales Price (Sum of A and B)\$70,000

4. LEASES:

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

5. EARNEST MONEY AND TERMINATION OPTION:

- A. DELIVERY OF EARNEST MONEY AND OPTION FEE: Within 3 days after the Effective Date, Buyer must deliver to Emily Morton- Fidelity National Title (281) 201-9000 (Escrow Agent) at 23226 Red River Dr, Katy, TX 77494 (address): \$1400.00 as earnest money and \$200.00 as the Option Fee. The earnest money and Option Fee shall be made payable to Escrow Agent and may be paid separately or combined in a single payment.

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

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

Initialed for identification by Buyer

and Seller

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

6. TITLE POLICY AND SURVEY:

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

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

- C. SURVEY: The survey must be made by a registered professional land surveyor acceptable to the Title Company and Buyer's lender(s). (Check one box only)

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


- D. OBJECTIONS: Buyer may object in writing to (i) defects, exceptions, or encumbrances to title: disclosed on the survey other than items 6A(1) through (7) above; or disclosed in the Commitment other than items 6A(1) through (9) above; (ii) any portion of the Property lying in a special flood hazard area (Zone V or A) as shown on the current Federal Emergency Management Agency map; or (iii) any exceptions which prohibit the following use or activity:

Buyer must object the earlier of (i) the Closing Date or (ii) _____ days after Buyer receives the Commitment, Exception Documents, and the survey. Buyer's failure to object within the time allowed will constitute a waiver of Buyer's right to object; except that the requirements in Schedule C of the Commitment are not waived. Provided Seller is not obligated to incur any expense, Seller shall cure any timely objections of Buyer or any third party lender within 15 days after Seller receives the objections (Cure Period) and the Closing Date will be extended as necessary. If objections are not cured within the Cure Period, Buyer may, by delivering notice to Seller within 5 days after the end of the Cure Period: (i) terminate this contract and the earnest money will be refunded to Buyer; or (ii) waive the objections. If Buyer does not terminate

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and Seller:



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

E. TITLE NOTICES:

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

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

You are obligated to pay assessments to the property owners association(s). The amount of the assessments is subject to change. Your failure to pay the assessments could result in enforcement of the association's lien on and the foreclosure of the Property.

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

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

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

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

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

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

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

Initialed for identification by Buyer

JS
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and Seller

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- (8) TEXAS AGRICULTURAL DEVELOPMENT DISTRICT: The Property ☐ is ☒ is not located in a Texas Agricultural Development District. For additional information, contact the Texas Department of Agriculture.
- (9) TRANSFER FEES: If the Property is subject to a private transfer fee obligation, \$5,205, Property Code requires Seller to notify Buyer as follows: The private transfer fee obligation may be governed by Chapter 5, Subchapter G of the Texas Property Code.
- (10) PROPANE GAS SYSTEM SERVICE AREA: If the Property is located in a propane gas system service area owned by a distribution system retailer, Seller must give Buyer written notice as required by §141.010, Texas Utilities Code. An addendum containing the notice approved by TREC or required by the parties should be used.
- (11) NOTICE OF WATER LEVEL FLUCTUATIONS: If the Property adjoins an impoundment of water, including a reservoir or lake, constructed and maintained under Chapter 11, Water Code, that has a storage capacity of at least 5,000 acre-feet at the impoundment's normal operating level, Seller hereby notifies Buyer: "The water level of the impoundment of water adjoining the Property fluctuates for various reasons, including as a result of: (1) an entity lawfully exercising its right to use the water stored in the impoundment; or (2) drought or flood conditions."
- (12) REQUIRED NOTICES: The following notices have been given or are attached to this contract (for example, MUD, WCID, PID notices):

7. PROPERTY CONDITION:

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

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

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

(Check one box only)

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

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

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

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

E. SELLER'S DISCLOSURE:

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

If Seller is aware of any of the items above, explain (attach additional sheets if necessary):

Initialed for identification by Buyer:

JD

LS

and Seller:

JD

TREC NO. 9-16

Contract Concerning 0 Hogan Lane, Hempstead, TX 77445

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(Address of Property)

8. BROKERS AND SALES AGENTS:

A. **BROKER OR SALES AGENT DISCLOSURE:** Texas law requires a real estate broker or sales agent who is a party to a transaction or acting on behalf of a spouse, parent, child, business entity in which the broker or sales agent owns more than 10%, or a trust for which the broker or sales agent acts as a trustee or of which the broker or sales agent or the broker or sales agent's spouse, parent or child is a beneficiary, to notify the other party in writing before entering into a contract of sale. Disclose if applicable: _____.

B. **BROKERS' FEES:** All obligations of the parties for payment of brokers' fees are contained in separate written agreements.

9. CLOSING:

A. The closing of the sale will be on or before 03/03/2023, or within 7 days after objections made under Paragraph 6D have been cured or waived, whichever date is later (Closing Date). If either party fails to close the sale by the Closing Date, the non-defaulting party may exercise the remedies contained in Paragraph 15.

B. At closing:

- (1) Seller shall execute and deliver a general warranty deed conveying title to the Property to Buyer and showing no additional exceptions to those permitted in Paragraph 6 and furnish tax statements or certificates showing no delinquent taxes on the Property.
- (2) Buyer shall pay the Sales Price in good funds acceptable to the Escrow Agent.
- (3) Seller and Buyer shall execute and deliver any notices, statements, certificates, affidavits, releases, loan documents, transfer of any warranties, and other documents reasonably required for the closing of the sale and the issuance of the Title Policy.
- (4) There will be no liens, assessments, or security interests against the Property which will not be satisfied out of the sales proceeds unless securing the payment of any loans assumed by Buyer and assumed loans will not be in default.
- (5) ~~Private transfer fees (as defined by Chapter 5, Subchapter G of the Texas Property Code) will be the obligation of Seller unless provided otherwise in this contract. Transfer fees assessed by a property owners' association are governed by the Addendum for Property Subject to Mandatory Membership in a Property Owners Association.~~

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

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

Special Stipulations in Exhibit A if conflicting with any Exhibit Addendum or paragraph in this Agreement shall control. See Exhibit B.

12. SETTLEMENT AND OTHER EXPENSES:

A. The following expenses must be paid at or prior to closing:

(1) Expenses payable by Seller (Seller's Expenses):

- (a) Releases of existing liens, including prepayment penalties and recording fees; release of Seller's loan liability; tax statements or certificates; preparation of deed; one-half of escrow fee; and other expenses payable by Seller under this contract.
- (b) Seller shall also pay an amount not to exceed \$ _____ to be applied in the following order: Buyer's Expenses which Buyer is prohibited from paying by FHA, VA, Texas Veterans Land Board or other governmental loan programs, and then to other Buyer's Expenses as allowed by the lender.

(2) Expenses payable by Buyer (Buyer's Expenses): Appraisal fees; loan application fees; origination charges; credit reports; preparation of loan documents; interest on the notes from date of disbursement to one month prior to dates of first monthly payments; recording fees; copies of easements and restrictions; loan title policy with endorsements required by lender; loan-related inspection fees; photos; amortization schedules; one-half of escrow fee; all prepaid items, including required premiums for flood and hazard insurance; reserve deposits for insurance, ad valorem taxes and special governmental assessments; final compliance inspection; courier fee; repair inspection; underwriting fee; wire transfer fee; expenses incident to any loan; Private Mortgage Insurance Premium (PMI), VA Loan Funding Fee, or FHA Mortgage Insurance Premium (MIP) as required by the lender; and other expenses payable by Buyer under this contract.

B. If any expense exceeds an amount expressly stated in this contract for such expense to be paid by a party, that party may terminate this contract unless the other party agrees to pay such excess. Buyer may not pay charges and fees expressly prohibited by FHA, VA, Texas Veterans Land Board or other governmental loan program regulations.

13. PRORATIONS AND ROLLBACK TAXES:

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

Initialed for identification by Buyer

JS
02/14/23
dotloop verified

LS
02/14/23
dotloop verified

and Seller

MS
02/14/23
3:51 PM EST
dotloop verified

TREC NO. 9-16

TXR 1607

Contract Concerning 0 Hogan Lane, Hempstead, TX 77445

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(Address of Property)

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

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

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

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

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

18. ESCROW:

A. ESCROW: The Escrow Agent is not (i) a party to this contract and does not have liability for the performance or nonperformance of any party to this contract, (ii) liable for interest on the earnest money and (iii) liable for the loss of any earnest money caused by the failure of any financial institution in which the earnest money has been deposited unless the financial institution is acting as Escrow Agent. Escrow Agent may require any disbursement made in connection with this contract to be conditioned on Escrow Agent's collection of good funds acceptable to Escrow Agent.

B. EXPENSES: At closing, the earnest money must be applied first to any cash down payment, then to Buyer's Expenses and any excess refunded to Buyer. If no closing occurs, Escrow Agent may: (i) require a written release of liability of the Escrow Agent from all parties before releasing any earnest money; and (ii) require payment of unpaid expenses incurred on behalf of a party. Escrow Agent may deduct authorized expenses from the earnest money payable to a party. "Authorized expenses" means expenses incurred by Escrow Agent on behalf of the party entitled to the earnest money that were authorized by this contract or that party.

C. DEMAND: Upon termination of this contract, either party or the Escrow Agent may send a release of earnest money to each party and the parties shall execute counterparts of the release and deliver same to the Escrow Agent. If either party fails to execute the release, either party may make a written demand to the Escrow Agent for the earnest money. If only one party makes written demand for the earnest money, Escrow Agent shall promptly provide a copy of the demand to the other party. If Escrow Agent does not receive written objection to the demand from the other party within 15 days, Escrow Agent may disburse the earnest money to the party making demand reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and Escrow Agent may pay the same to the creditors. If Escrow Agent complies with the provisions of this paragraph, each party hereby releases Escrow Agent from all adverse claims related to the disbursement of the earnest money.



D. DAMAGES: Any party who wrongfully fails or refuses to sign a release acceptable to the Escrow Agent within 7 days of receipt of the request will be liable to the other party for (i) damages; (ii) the earnest money; (iii) reasonable attorney's fees; and (iv) all costs of suit.

E. NOTICES: Escrow Agent's notices will be effective when sent in compliance with Paragraph 21. Notice of objection to the demand will be deemed effective upon receipt by Escrow Agent.


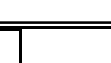
19. REPRESENTATIONS: ~~All covenants, representations and warranties in this contract survive closing. If any representation of Seller in this contract is untrue on the Closing Date, Seller will be in default. Unless expressly prohibited by written agreement, Seller may continue to show the Property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

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

Initialed for identification by Buyer

 
02/14/23 02/14/23
9:13 AM CST 8:43 AM CST
dotloop signature verification

and Seller

 
02/14/23 02/14/23
9:13 AM CST 8:43 AM CST
dotloop signature verification

TREC NO. 9-16

TXR 1607

Contract Concerning 0 Hogan Lane, Hempstead, TX 77445

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(Address of Property)

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

To Buyer at: _____

To Seller at: _____

Phone: _____

Phone: _____

E-mail/Fax: _____

E-mail/Fax: _____

E-mail/Fax: _____

E-mail/Fax: _____

With a copy to Buyer's agent at: _____

With a copy to Seller's agent at: _____

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

- ☐ Third Party Financing Addendum
- ☐ Seller Financing Addendum
- ☒ Addendum for Property Subject to Mandatory Membership in a Property Owners Association
- ☐ Buyer's Temporary Residential Lease
- ☐ Seller's Temporary Residential Lease
- ☐ Addendum for Reservation of Oil, Gas and Other Minerals
- ☐ Addendum for "Back-Up" Contract
- ☐ Addendum Concerning Right to Terminate Due to Lender's Appraisal
- ☐ Addendum containing Notice of Obligation to Pay Improvement District Assessment

- ☐ Addendum for Coastal Area Property
- ☐ Environmental Assessment, Threatened or Endangered Species and Wetlands Addendum
- ☐ Addendum for Property Located Seaward of the Gulf Intracoastal Waterway
- ☐ Addendum for Sale of Other Property by Buyer
- ☐ Addendum for Property in a Propane Gas System Service Area
- ☒ Other (list): _____

Exhibit A Special Stipulations, Exhibit B

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

Buyer's Attorney is: _____

Seller's Attorney is: _____

Phone: _____

Phone: _____

Fax: _____

Fax: _____

E-mail: _____

E-mail: _____

Initialed for identification by Buyer

JS

LS

and Seller

LA

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

EXECUTED the _____ day of 02/14/2023, 20____ (Effective Date).
(BROKER: FILL IN THE DATE OF FINAL ACCEPTANCE.)

Jasmeet Singh Sudhan
dotloop verified
02/14/23 9:13 AM CST
6LJR-MWDV-UCTK-RPHO

Buyer

John Lewis Jr
dotloop verified
02/14/23 3:01 PM EST
DWBI-SMZU-SNWM-EQEK

Seller

Lovedeep Saini
dotloop verified
02/14/23 9:43 AM CST
INCK-KJE3-N2I0-JTPV

Buyer

Seller



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

Contract Concerning 0 Hogan Lane, Hempstead, TX 77445 Page 9 of 10 11-07-2022
(Address of Property)

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

Other Broker Firm _____ License No. _____	Mark Dimas _____ 488488 _____ Listing Broker Firm License No.
represents <input type="checkbox"/> Buyer only as Buyer's agent <input type="checkbox"/> Seller as Listing Broker's subagent	represents <input checked="" type="checkbox"/> Seller and Buyer as an intermediary <input type="checkbox"/> Seller only as Seller's agent
Associate's Name _____ License No. _____	Mark Dimas _____ 488488 _____ Listing Associate's Name License No.
Team Name _____	Mark Dimas Team _____ Team Name
Associate's Email Address _____ Phone _____	escrow@markdimasteam.com _____ 832-220-3151 _____ Listing Associate's Email Address Phone
Licensed Supervisor of Associate _____ License No. _____	Mark Dimas _____ 488488 _____ Licensed Supervisor of Listing Associate License No.
Other Broker's Address _____ Phone _____	Listing Broker's Office Address _____ Phone _____
City _____ State _____ Zip _____	City _____ State _____ Zip _____
	Selling Associate's Name _____ License No. _____
	Team Name _____
	Selling Associate's Email Address _____ Phone _____
	Licensed Supervisor of Selling Associate _____ License No. _____
	Selling Associate's Office Address _____
	City _____ State _____ Zip _____

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

Contract Concerning 0 Hogan Lane, Hempstead, TX 77445 Page 10 of 10 11-07-2022
(Address of Property)

OPTION FEE RECEIPT

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

Escrow Agent Date

EARNEST MONEY RECEIPT

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

Escrow Agent Received by Email Address Date/Time

Address Phone

City State Zip Fax

CONTRACT RECEIPT

Receipt of the Contract is acknowledged.

Escrow Agent Received by Email Address Date

Address Phone

City State Zip Fax

ADDITIONAL EARNEST MONEY RECEIPT

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

Escrow Agent Received by Email Address Date/Time

Address Phone

City State Zip Fax

EXHIBIT B

Notice: Vacant Lot for Sale. 0 Hogan Lane, Hempstead, Texas 77445. Set to close on 3/3/23 for \$70,000. 0.5553 acres. To make a bona fide offer of \$70,000 or more call 281-861-6199 before 3/2/23.

EXHIBIT C

A. Settlement StatementU.S. Department of Housing and
Urban Development

OMB Approval No. 2502-0265

B. Type of Loan

1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> FmHA	3. <input type="checkbox"/> Conv. Unins.	6. File Number: 1568336	7. Loan Number:	8. Mortgage Insurance Case Number:
4. <input type="checkbox"/> VA	5. <input type="checkbox"/> Conv. Ins.				

C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. Name & Address of Borrower: CBT GROUP LLC	E. Name & Address of Seller: DAVID SANDERS PATTY SANDERS 1031 QUALEX, LLC	F. Name & Address of Lender:
G. Property Location: LOT HOGAN LANE HEMPSTEAD, TX 77445 (WALLER)	H. Settlement Agent STEWART TITLE COMPANY 2925 RICHMOND AVE, SUITE 1500, HOUSTON, TX 77098 (713) 528-5007 Place Of Settlement: 2925 RICHMOND AVE, SUITE 1500 HOUSTON, TX 77098	I. Settlement Date / Disbursement Date 2/28/2022 / 3/1/2022 Tax ID: 74-0923770

J. Summary of Borrower's Transaction

100. Gross Amount Due From Borrower		400. Gross Amount Due To Seller	
101. Contract sales price	\$80,000.00	401. Contract sales price	\$80,000.00
102. Personal Property		402. Personal Property	
103. Settlement Charges to Borrower (line 1400)	\$1,336.26	403.	
104.		404.	
105.		405.	
Adjustments for items paid by seller in advance		Adjustments for items paid by seller in advance	
106. Homeowners Association Dues (Paid) 2/28/2022 to 1/1/2023	\$294.38	406. Homeowners Association Dues (Paid) 2/28/2022 to 1/1/2023	\$294.38
107. County taxes		407. County taxes	
108. Assessments 2/28/2022 to 7/31/2022 @ \$250.00/Year	\$104.79	408. Assessments 2/28/2022 to 7/31/2022 @ \$250.00/Year	\$104.79
109.		409.	
110.		410.	
111.		411.	
112.		412.	
120. Gross Amount Due From Borrower	\$81,735.43	420. Gross Amount Due To Seller	\$80,399.17
200. Amounts Paid By Or In Behalf Of Borrower		500. Reductions In Amount Due To Seller	
201. Deposit or Earnest Money	\$1,000.00	501. Excess deposit (see instructions)	
202. Principal amount of new loan		502. Settlement Charges to Seller (line 1400)	\$6,069.95
203. Existing loan taken subject to		503. Existing loan(s) taken subject to	
204.		504. Payoff of first mortgage loan	
205.		505. Payoff of second mortgage loan	
206.		506. Earnest money retained by	
207.		507. Disbursed as proceeds (\$1,000.00)	
208.		508. 1031 Exchange Funds to 1031 Qualex LLC	\$74,145.68
209.		509.	
Adjustments for items unpaid by seller		Adjustments for items unpaid by seller	
210. City/town taxes		510. City/town taxes	
211. County taxes 1/1/2022 to 2/28/2022 @ \$1,155.04/Year	\$183.54	511. County taxes 1/1/2022 to 2/28/2022 @ \$1,155.04/Year	\$183.54
212. Assessments		512. Assessments	
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. Total Paid By/For Borrower	\$1,183.54	520. Total Reduction Amount Due Seller	\$80,399.17
300. Cash At Settlement From/To Borrower		600. Cash At Settlement To/From Seller	
301. Gross Amount Due From Borrower (line 120)	\$81,735.43	601. Gross Amount Due To Seller (line 420)	\$80,399.17
302. Less Amounts Paid By/For Borrower (line 220)	\$1,183.54	602. Less Deduction in Amt. Due To Seller (line 520)	\$80,399.17
303. Cash <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower	\$80,551.89	603. Cash <input type="checkbox"/> To <input type="checkbox"/> From Seller	\$0.00

L. Settlement Charges		
700. Total Sales/Broker's Commission based on price \$80,000.00 @ 6.00 % = \$4,800.00		
Division of Commission (line 700) as follows:		
701. \$2,400.00 to BHGRE Gary Greene	Paid From Borrower's Funds at Settlement	Paid From Seller's Funds at Settlement
702. \$2,400.00 to Diverse City Realty		
703. Commission paid at Settlement		\$4,800.00
704.		
800. Items Payable In Connection With Loan		
801. Loan Origination Fee		
802. Loan Discount		
803. Appraisal Fee		
804. Credit Report		
805. Lender's Inspection Fee		
806. Mortgage Insurance Application Fee		
807. Assumption Fee		
900. Items Required By Lender To Be Paid In Advance		
901. Interest		
902. Mortgage Insurance Premium		
903. Hazard Insurance Premium		
1000. Reserves Deposited With Lender		
1001. Hazard Insurance		
1002. Mortgage insurance		
1003. City property taxes		
1004. County property taxes		
1005. Annual assessments		
1008. Aggregate accounting adjustment		
1100. Title Charges		
1101. Settlement or closing fee to Stewart Title Company	\$400.00	\$400.00
1102. Abstract or title search		
1103. Title examination		
1105. Document preparation to Albert Butler, PC		\$75.00
1106. Notary fees to DFW Notary Series, LLC	\$125.00	
1107. Attorney's fees		
(includes above item numbers:)		
1108. Title Insurance to Stewart Title Company		\$698.00
(includes above item numbers:)		
1109. Lender's coverage Premium \$0.00 to Stewart Title Company		
1110. Owner's coverage \$80,000.00 Premium \$698.00 to Stewart Title Company		
1111. Area and Boundary Coverage (Non-Residential 15%) (Owner's) Endorsement(s) to Stewart Title Company	\$104.70	
1113. TX Policy Guaranty Fee to Texas Title Policy Guaranty Fee - STC		\$2.00
1114. Tax Certificate Fee to Stewart Title Company		\$64.95
1115. e Record Fee (Buyer/Borrower) to Stewart Title Company	\$4.00	
1116. e Record Fee (Seller) to Stewart Title Company		\$4.00
1200. Government Recording and Transfer Charges		
1201. Recording fees: Deed \$26.00; Mortgage ;Release ;	\$26.00	
1202. County tax/stamps: Deed ;Mortgage ;		
1203. State tax/stamps: Deed ;Mortgage ;		
1204. City tax/stamps: Deed ;Mortgage ;		
1205. to Stewart Title Company		\$26.00
1300. Additional Settlement Charges		
1301. Survey to CBG Surveying Texas, LLC	\$676.56	
1302. Pest Inspection		
1305. Past Due Property Tax to Waller County Tax (POC \$1,259.02 by David Sanders)		
1306. 1031 Exchange Fee to 1031 QualEx LLC (POC \$950.00 by David Sanders)		
1400. Total Settlement Charges (enter on line 103, Section J and 502, Section K)	\$1,336.26	\$6,069.95


I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief it is true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

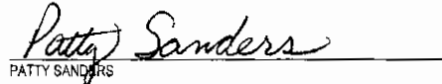
BORROWERS

CBT Group LLC

BY: Giorgio Benvenuto, Managing Member

SELLERS


DAVID SANDERS

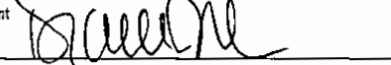

PATTY SANDERS

1031 QualEx, LLC, as Qualified Intermediary for David Sanders and Patty Sanders

BY: _____

Read and Approve _____

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused or I will cause the funds to be disbursed in accordance with this statement.

Settlement Agent 

Date
2/28/2022

DIANA JURISICH

WARNING: It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010

SUBSTITUTE FORM 1099 SELLER STATEMENT - The information contained in Blocks E, G, H and I and on line 401 (or, if line 401 is asterisked, lines 403 and 404), 408, 407 and 408-412 (applicable part of Buyer's real estate tax reportable to the IRS) is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction will be imposed on you if this item is required to be reported and the IRS determines that it has not been reported.
SELLER INSTRUCTION - If this real estate was your principal residence, file form 2119, Sale or Exchange of Principal Residence, for any gain, with your income tax return; for other transactions, complete the applicable parts of form 4797, Form 8252 and/or Schedule D (Form 1040).

You are required to provide the Settlement Agent with your correct taxpayer identification number.
If you do not provide the Settlement Agent with your correct taxpayer identification number, you may be subject to civil or criminal penalties.

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief it is true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

BORROWERS

CBT Group LLC

Giorgio Benvenuto03/01/2022
08:24 AM CST

BY: Giorgio Benvenuto, Managing Member

SELLERS

DAVID SANDERS

PATTY SANDERS

1031 QualEx, LLC, as Qualified Intermediary for David Sanders and Patty Sanders

BY:

Read and Approve

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused or I will cause the funds to be disbursed in accordance with this statement.

Settlement Agent

Date

2/28/2022

DIANA JURISICH

WARNING: It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010

SUBSTITUTE FORM 1099 SELLER STATEMENT - The information contained in Blocks E, G, H and I and on line 401 (or, if line 401 is asterisked, lines 403 and 404), 405, 407 and 408-412 (applicable part of Buyer's real estate tax reportable to the IRS) is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction will be imposed on you if this item is required to be reported and the IRS determines that it has not been reported.

SELLER INSTRUCTION - If this real estate was your principal residence, file form 2119, Sale or Exchange of Principal Residence, for any gain, with your income tax return; for other transactions, complete the applicable parts of form 4797, Form 6252 and/or Schedule D (Form 1040).

You are required to provide the Settlement Agent with your correct taxpayer identification number.

If you do not provide the Settlement Agent with your correct taxpayer identification number, you may be subject to civil or criminal penalties.

I have carefully reviewed the HUD-1 Settlement Statement and, to the best of my knowledge and belief, it is true and contains a statement of all receipts and disbursements made on my account or by me in the transaction. I further certify that I have received a copy of this HUD-1 Settlement Statement.

BORROWERS

CBT Group LLC

BY: Giorgio Benevento, Managing Member

SELLERS

DAVID SANDERS

PATTY SANDERS

1031 QualEx, LLC, as Qualified Intermediary for David Sanders and Patty Sanders

By:

Read and Approve

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused or I will cause the funds to be disbursed in exact conformity with this statement.

Settlement Agent

Date

2/26/2022

DIANA JUREWICH

WARNING: It is a crime to knowingly make false statements in the United States or in any other federal territory. Penalties upon conviction include a fine and imprisonment. For details, see Title 18 U.S.C. Code Section 1021 and Section 1010.

SUBSTITUTION FOR RESIDENT SELLER STATEMENT: The information contained in Resale E, 3, 11 and 12 and on the APR (or if not APR, then 403 and 404), 406, 407 and 408-412 is a required part of the seller's disclosure for the RES is important for information and is being provided to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction will be imposed on you if the return is omitted to be reported and the IRS determines that it has not been reported.

SEE ALSO: 26 CFR 1.101-1.0104. If you are not a resident of the United States, you must file Form 706, Sale or Exchange of Personal Residence, for any gain, with your income tax return. To report transactions, complete the application outlined on page 4752, For 1042-S, Seller's Statement, Form 1042-S.

You are required to provide the Substituted Agent with your current taxpayer identification number.

If you do not provide the Settlement Agent with your correct taxpayer identification number, you may be subject to civil or criminal penalties.

Loan Number:

File Number: 1568336

Page 3 of 3

Supplemental Page
HUD-1 Settlement Statement

Seller Addendum

Seller 1

DAVID SANDERS
28030 N HWY 6
HEMPSTEAD, TX 77445

Seller 2

PATTY SANDERS
28030 N. HWY
HEMPSTEAD, TX 77445

Seller 3

1031 QUALEX, LLC
PO BOX 4754
FAYETTEVILLE, AR 72702

EXHIBIT D

Scott Stephen S & Associates, Inc. S

An Appraisal Report of the

0.5553 Acre Tract of Vacant Land
Located along the
East line of Hogan Lane
Hempstead, Waller County, Texas 77445

File ID: 221202073



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

As Is:
December 28, 2022

Scott Stephens & Associates, Inc.

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

www.scottstephensandassociates.com

SSA Job No.:
(2212-16489)

SCOTT STEPHENS & ASSOCIATES%INC.

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

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

www.scottstephensandassociates.com



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



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

December 29%2022

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

File ID: 221202073

Re: Approximately 0.5553 acres or 24%394 square feet of land located along the East line of Hogan Lane%Hempstead%Waller County%Texas 77445.

Dear whom it may concern:

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

\$80%000#

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

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

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

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

December 29%2022

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

December 29%2022

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

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

Sincerely%

Scott Stephens & Associates%Inc.



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



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



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



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

SPS/RJD/KM/KG/rg

EXECUTIVE SUMMARY

Location: East line of Hogan Lane%Hempstead%Texas 77445

Property Type: Vacant Land

Land Area: 0.5553 acres or 24%394 square feet of land being Block 1%Lot 56%
Legendary Oaks Subdivision%Waller County%Texas.

Land Value: 0.5553 acres or 24%394 square feet @ \$80%000 per lot \$80%000

Final Value Opinion: \$80%000

Marketing Period: 12 months

Valuation Date: December 28%2022
Date of Report: December 29%2022

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

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

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GENERAL ASSUMPTIONS

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

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

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

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

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

LIMITING CONDITIONS

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

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

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

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

4. The distribution of the total valuation in this report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.

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

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

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

CEO of Scott Stephens and Associates, Inc.
15021 Bohemian Hall Road
Crosby, TX, Texas 77532
(713) 451-3600 Fax 713-451-3300
www.scottstephensandassociates.com
email: scottstephens@gmail.com

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

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

Professional Affiliation:

MAI &Designated Member of Appraisal Institute #7758 on March 3%1988
AI&GRS &Designated Member of Appraisal Institute # 81916 on November 17%2015
State Certified General Real Estate Appraiser !Certificate # TX&320269&"%since 1991
Real Estate Broker: Texas License #328907%since 1986

Certification:

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

Educational Background:

Gatesville High School%Gatesville%Texas &May 1979
Bachelor of Science Degree &Texas A&M University; Agricultural Economics – 1982

Recent Continuing Education Completed:

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

Property Types Appraised:

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

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

Partial List of Clients:

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

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

Memberships%Boards%Service:

Houston Chapter of the Appraisal Institute Board of Directors 1994~~6~~; Past Chair of Education
Chairman of the Board 2005% Board of Directors 2001~~6~~% Member 1990~~2~~017 & North Channel
Area Chamber of Commerce; Crosby & Huffman Chamber of Commerce 2017 – present
Member of San Jacinto College Foundation Board 2006~~8~~2007
Member of the Rotary Club of North Shore & President 1998~~8~~1999 also served as President & Elect%
Secretary% Treasurer and Sergeant at Arms in prior years
Rotary District 5890 Assistant District Governor 1999~~2~~000% 2009~~2~~010; Chairman of Rotary
District 5890 Polio Worldwide Eradication Committee ! 2001~~2~~% 2004~~6~~"
Chairman of Live Auction for Northshore Rotary Catfish Fry & Crawfish Boil 2008~~8~~15
Have served as a special commissioner for Harris County Court at Law #3 & #4
Vice President of Harris County MUD #8% Former VP of Woodforest Professional Plaza
President of Crosby Sports Association 2002~~2~~004% Youth Baseball Coach 1995~~2~~004
Past Member of Board of Directors of the former Brazos Valley Bank in College Station% Texas
Member of First Baptist Church in Crosby% the National Association of Realtors and the Houston
Board of REALTORS ®; Board of directors% former Chairman of the Board – Parent Heart Watch%
Crosby Fair & Rodeo% Channelview FFA Fair% Sheldon FFA Fair – Auction Buyer
Chaired and served on numerous other committees for Chamber of Commerce% Crosby Sports
Association% Houston Chapter of Appraisal Institute% Church and other civic associations
President of the Cody Stephens Go Big or Go Home Memorial Foundation which was awarded
“Foundation of the Year” by the Crosby Huffman Chamber of Commerce – 2014.

Awards%Interests%Background

Selected by the Houston Chronicle as a Houston Hero for 2015
Crosby Huffman Chamber of Commerce “Citizen of Year – 2012”
Rotary International: North Shore Rotary Club Rotarian of the Year 2010% Rotary International’s
“Four Avenues of Service Citation for Individual Rotarians” 2003~~2~~004% Rotary International
District 5890’s “Rotary Foundation Supporter of Year” 2003~~2~~004% Rotary International’s
Presidential Citation 1998~~8~~1999% “Co~~8~~President of the Year” for the Rotary International District
5890% 1998~~8~~1999% Rotary Foundation Paul Harris Fellowship Major Donor
Houston Chapter of the Appraisal Institute 1992 and 1993 & Key Man Award
Patriotic Employer – Office of the Secretary of Defense 2003 & 2012
North Channel Chamber of Commerce & Dedicated Service Award% 2007
Employers include Dominy% Ford McPherson & Teel 1983~~7~~% Ted Whitmer & Associates 1987%
Whitmer & Stephens% Inc. 1988. Scott Stephens & Associates% Inc since January 1989.
While at Texas A&M University was a member of the Alpha Zeta Honor Society% Baptist Student
Union% Baptist Home Mission Board Summer Missionary 1981% Dean’s List% Student Housing
Dorm Head Resident and graduated in 3.5 years.
Have served as host family for exchange students and young professionals from Australia% Chile%
Germany% Italy and Serbia.
Born in Big Spring% Texas% 12/60. 3 children. Hobbies include reading% outdoor activities% assisting
students with 4H and FFA livestock show projects% the pinnacle of which included my eldest son
winning Reserve Grand Champion Steer at the HLS&R in 2006. Personal Note: My youngest son%
Cody% died on May 6% 2012 at the age of 18. He was an athlete preparing for college football. I am
now actively involved promoting heart screening in our youth throughout the state of Texas. I
work with Texas school districts promoting the inclusion of heart screenings ! ECG’s” with their
student physicals. In 2013% 2015% 2017 and 2019 bills were introduced in the Texas Legislature to
make this a part of the student physicals at my request. The bill passed and became “Cody’s Law”
HB76 in September of 2019% making Texas the first state to have this law. The law has now
passed in Pennsylvania and been introduced in many other states. For more information or go to
www.codystephensfoundation.org or follow us on Facebook.

SCOTT PAUL STEPHENS
15021 BOHEMIAN HALL RD
CROSBY, TX 77532



Certified General Real Estate Appraiser

Appraiser: Scott Paul Stephens

License #: TX 1320269 G

License Expires: 03/31/2023

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

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

**Chelsea Buchholtz
Commissioner**

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

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

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

Professional Affiliations:

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

Educational Background:

North Shore High School&Houston%Texas May&997
University of Houston - Houston%Texas & Graduate with Bachelor of Business Administration &
Degree%May%2002

Recent Continuing Education Completed:

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

Current Employment:

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

Property Types Appraised:

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

Expert Witness: Harris%Jefferson%and Galveston Counties

Partial List of Clients:

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

Qualifications of Ryan J. Dagley%MAI%continued:

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

Biographical Background:

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

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

RYAN JOSEPH DAGLEY
15021 BOHEMIAN HALL ROAD
CROSBY, TX 77532



Certified General Real Estate Appraiser

Appraiser: RYAN JOSEPH DAGLEY

License #: TX 1335208 G

License Expires: 08/31/2023

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

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

**Chelsea Buchholtz
Commissioner**

QUALIFICATIONS OF KATIE A. MCGINNIS

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

Professional Affiliations:

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

Educational Background:

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

Recent Continuing Education Completed:

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

Current Employment:

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

Property Types Appraised:

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

Biographical Background:

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

KATIE ANN MCGINNIS
15025 BOHEMIAN HALL RD
CROSBY, TX 77532



Certified General Real Estate Appraiser

Appraiser: Katie Ann McGinnis

License #: TX 1381012 G

License Expires: 07/31/2024

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

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

**Chelsea Buchholtz
Commissioner**

KAILEY REBECCA GILLINGS
514 RAIN CLOUD
BAYTOWN, TX 77523



Appraiser Trainee

Trainee: **Kailey Rebecca Gillings**

Authorization #: **TX 1343409 Trainee**

Expires: **06/30/2024**

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

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

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



Chelsea Buchholtz
Commissioner

LOCATION MAP

Borrower or Owner:

Subject Address: EL of Hogan Ln

City: Hempstead

County: Waller

Lender or Client:

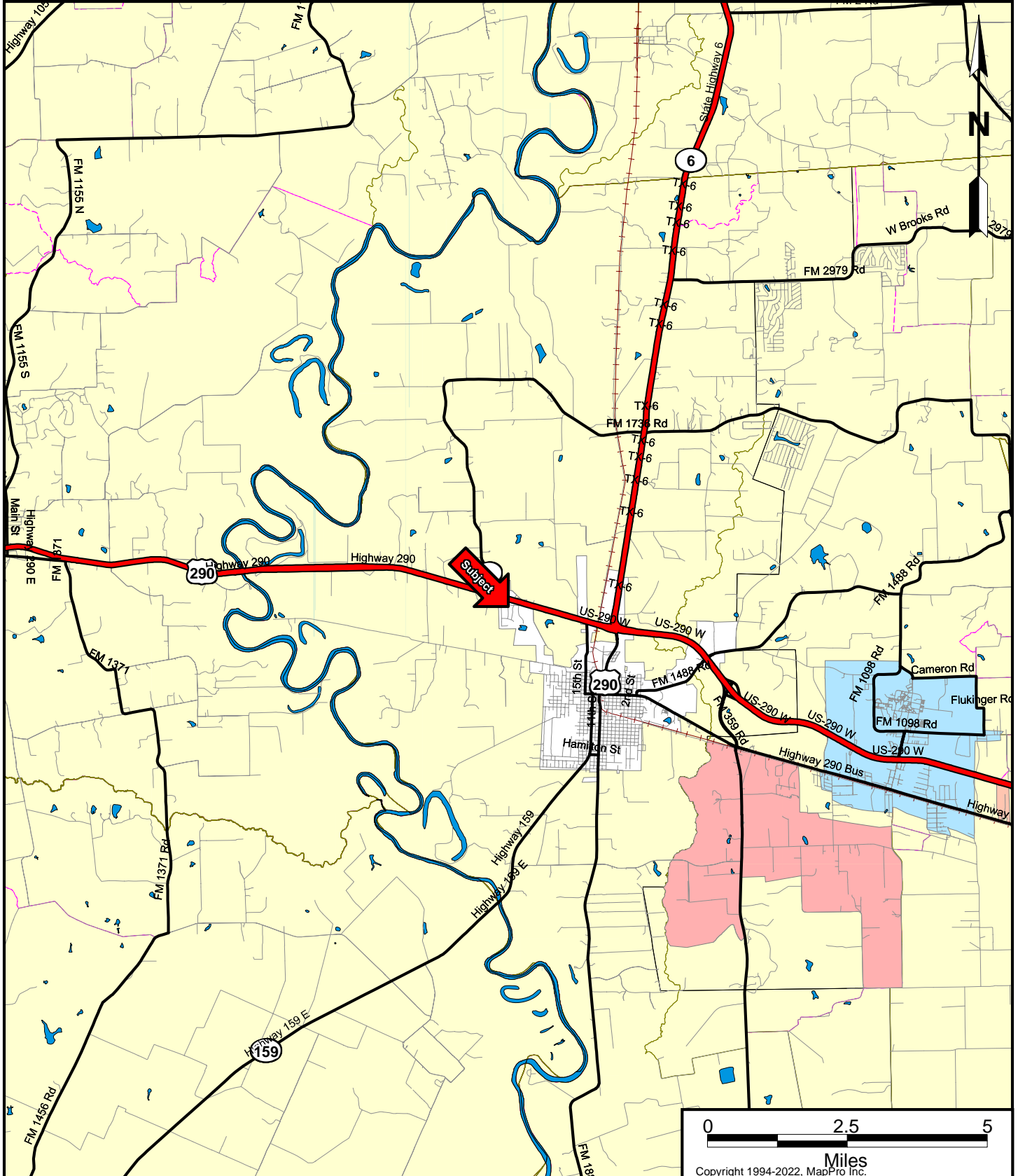
Census Tract: 6805.02

State: TX

Zip Code: 77445

Lat: 30.120109

Long: -96.107393



CAUTION:

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

Prepared by Scott Stephens & Associates, Inc. using MapPro Ser18 MapPro Inc., PO Box 37427, Houston, TX 77237 1-866-3MAPPRO.



DESCRIPTIONS, ANALYSES AND CONCLUSIONS

PURPOSE OF THE APPRAISAL

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

0.5553 acres or 24,394 square feet of land being Block 1 Lot 56
Legendary Oaks Subdivision Waller County Texas.

PROPERTY RIGHTS APPRAISED

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

DEFINITION OF MARKET VALUE

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

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

Sources: OCC Regulations No. 12 CFR Subpart C § 4.42(g) Title XI of the FIRREA Act of 1989 Interagency Appraisal and Evaluation Guidelines of December 2010.

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

MARKETING TIME AND EXPOSURE TIME

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

Scott Stephens & Associates, Inc.

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

EFFECTIVE DATE OF APPRAISAL DATE OF THE REPORT

The effective date of the appraisal for the “as is” value is December 28, 2022, the date of the site visit. The date of the report is December 29, 2022.

INSTRUCTIONS TO THE APPRAISER

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

SCOPE OF THE APPRAISAL

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

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

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

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

Scott Stephens & Associates, Inc.

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

The site visit to the subject property was conducted on December 28, 2022. The subject property consists of approximately 0.5553 acres or 24,394 square feet tract of vacant land. Please note the subject is a vacant lot within the Legendary Oaks Subdivision, which is a private, gated neighborhood. A property visit to the subject site and of the surrounding environment was conducted.

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

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

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

COMPETENCY PROVISION

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

Scott Stephens & Associates, Inc.

Scott Stephens MAI & GRS. Kailey Gillings is a trainee and is under the continuing educational programs from the TALCB.

INTENDED USER AND INTENDED USE OF THE APPRAISAL IDENTIFICATION OF CLIENT

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

HISTORY OF THE SUBJECT

According to the Waller County Appraisal District "WCAD" the subject is a 0.5553 acre or 24,394 square feet tract of land. Per the Waller County Appraisal District "WCAD" the subject is under the ownership name of CBT Group LLC who has owned the subject for less than three years since February 28, 2022 per WCAD". The subject lot is a vacant tract of land within the Legendary Oaks Subdivision and accessed via remote gate entry. Currently the subject is listed for sale for \$80,000 or \$3.21 per square foot. There have been no other known conveyances of title for the subject within the past three years.

REAL ESTATE TAXES

The Waller County Appraisal District lists the ownership name of CBT Group LLC "property ID 186919". Copies of the subject's WCAD tax information pages are included within the Addenda section. The current "2022" total assessed valuation for the subject property is \$71,600 of which 100% is attributed to the land. The subject property is within the taxing jurisdictions of the City of Hempstead, Waller & Harris Emergency Service District, Waller County, Waller County FM, and Hempstead Independent School District. The current "2022" total tax rate is \$2.335144 per \$100 in assessed value. Thus the current total indicated tax liability for the subject based on the above estimated assessed value of the subject is \$1,666. ® This report assumes all taxes are paid to date.

CITY ANALYSIS

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

Houston's economy historically relied on the petroleum and petrochemical exploration and production industries%earning the city the title "Oil Capital of the Nation." However%today Houston has broadened its economic base%shifting away from the energy sector and diversifying in industries like biotechnology%nanotechnology%manufacturing%logistics%and aeronautics.

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

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

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

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

However%in the longer term%Houston's economic outlook remains optimistic with the vaccine rollout%and economists are forecasting 35%00 to 71%00 new jobs in 2021. Though the energy industry is predicted to remain stagnant%above-average population growth%and expansion in housing%transportation and distribution will continue to drive growth. This is particularly true in

Houston's northern and western suburbs, which are growing quickly and have become the primary target for investment buyers. These areas are anticipated to witness an outsized share of new demand as demand for shopping and rental housing is strengthened in these suburbs due to a shift in renter and employer preferences to outside the core as a result of the health crisis and subsequent remote working.

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

Infrastructure: Great strides have been made to upgrade Houston's transportation infrastructure, with installments of Metro Rail and the completion of Interstate 10 in West Houston now comprising sections of the state's first interstate toll road. Also, the apportionment of U.S. 59 through Houston has been upgraded and renamed Interstate 69. When the 1,008-mile interstate is completed, Houston will have better access to Canada and Mexico. Since 1994, construction on the massive State Highway 99, or "Grand Parkway," has driven growth in the metro. This outer loop will be the largest beltway in the U.S. once completed.

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

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

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

Today Houston has broadened its economic base%shifting away from the energy sector and diversifying in industries with a particular stronghold in healthcare and the life sciences. In fact% Houston is home to the largest medical center in the world at the Texas Medical Center%which treats more than 7.2 million patients annually and employs more than 100%000 people. The Texas Medical Center has plans to expand its footprint%with several million SF of new life sciences& oriented mixed&used projects in the pipeline. With this expansion%they seek to establish Texas as the “Third Coast” for life sciences and biotechnology research%competing directly with Cambridge% MA and San Francisco%CA. As such%Houston’s public and private sectors today are united in growing its global life sciences profile.

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

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

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

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

Employers: Houston serves as the headquarters for 22 Fortune 500 companies !September 2020" in industries such as energy%transportation and technology. Corporations on the list include Phillips 66%Sysco%Baker Hughes and Halliburton. Houston is fourth among metros nationwide in the number of Fortune 500 headquarters%behind only New York City%Chicago and Dallas. Houston's major employers include H&E%Houston Methodist%Memorial Hermann Health System%and MD Anderson Cancer Center.

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

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

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

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

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

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

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

internationally for its medical community and is home to the Texas Medical Center%the largest medical center in the world.

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

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

NEIGHBORHOOD ANALYSIS

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

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

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

The subject property itself is located within city limits of the City of Hempstead%which is an incorporated part of Waller County%Texas. Specifically%the subject property is situated within the Legendary Oaks Subdivision along the east line of Hogan Lane%being just south of Business US 290 !Old Hempstead Highway". Furthermore%the subject is located approximately 2.00 miles west of the intersection of Business US 290 and State Highway 6 !SH 6".

Traffic Arteries: US 290 begins at Loop 610 in near northwest Houston and ends at IH 35 in north central Austin. While there are several other routes%since the completion of all of the US 290 bypass highway sections northwest of Houston%t is now the most traveled route between these two important Texas cities. SH 6 begins at Hitchcock%at IH 45%just west of Galveston%and loops around the south side of the Houston Metro Area%turning north in the Sugar Land Area%and continuing as SH 6 until it reaches US 290. To the north it becomes FM 1960%eventually ringing the entire greater Houston area%meeting back with SH 6 in Hitchcock as SH 146. SH 6 itself follows the common route with US 290 until it branches off to the north at Hempstead%continuing to the Bryan/College Station%Texas A & M University and beyond.

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

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

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

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

Public Services: Police%fire%and emergency services are generally provided by Waller County%excepting where the City of Waller has controlling authority. Within the city limits%water and sewer services are available from the City of Waller%but are not available outside of the city

limits%where private systems are necessary. Natural gas is not generally available%but electricity%telephone%high speed internet service%and cable TV are available. Natural gas is available in certain areas of the City of Waller%including the subject property.

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

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

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

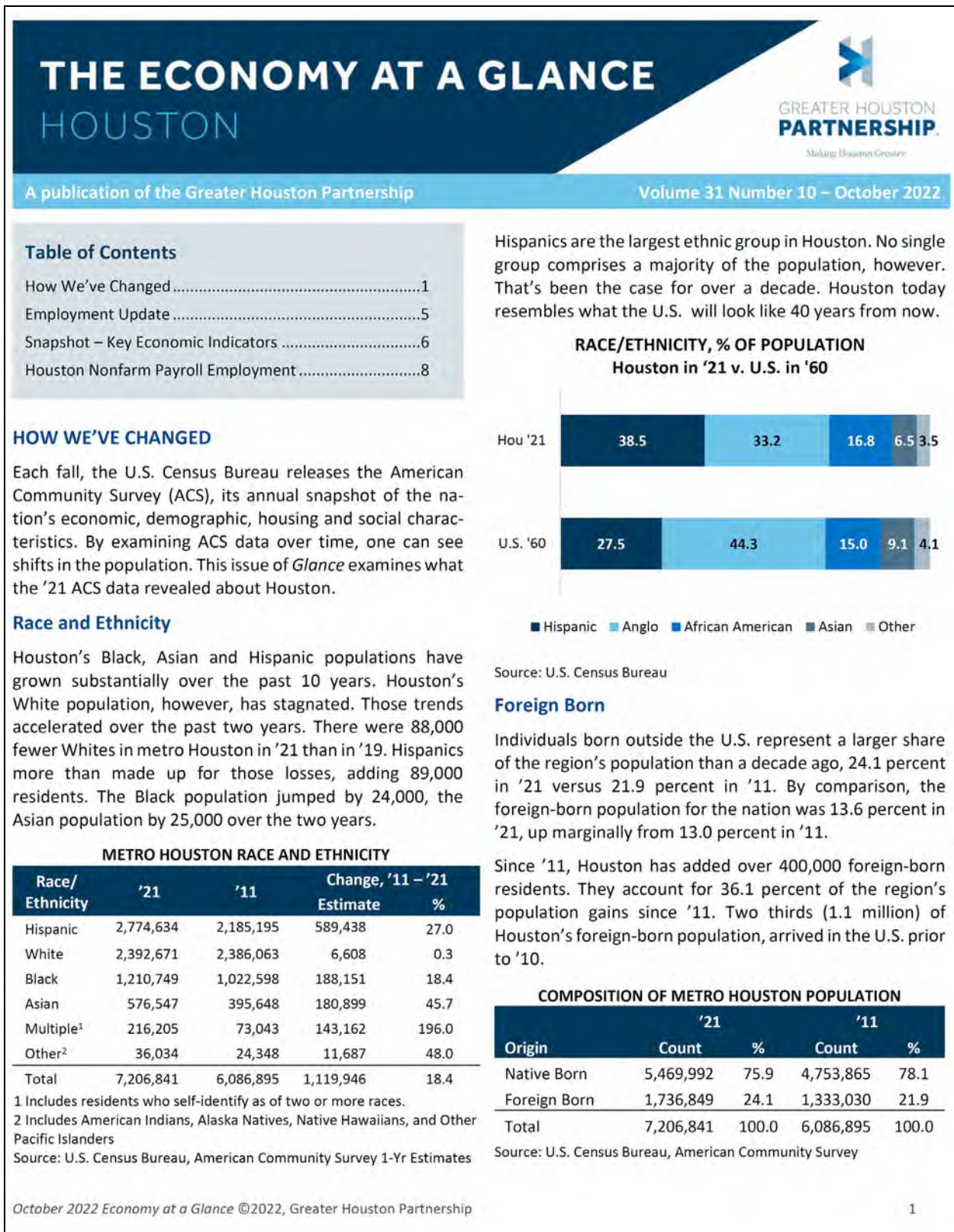
The COVID&19 or Coronavirus global pandemic arrived in United States in late January of 2020 unleashing unprecedented public gathering restrictions by March of 2020. The long&and short&term market impact from Covid&19 is in determining the market value conclusion.

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

In addition%as Houston continues to diversify from its previously heavily dependent petroleum economy%the overall business basis continues to strengthen. Considering the

neighborhood's location and its accessibility from major thoroughfares, the medium to long-term prospects for the neighborhood are considered stable.

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



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

Place of Origin

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

ORIGIN OF HOUSTON'S FOREIGN-BORN POPULATION

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

‡ Includes England and Scotland

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

Age

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

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

AGE COMPOSITION OF METRO HOUSTON

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

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

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

Disability Status

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

School Enrollment

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

POPULATION 3 YRS AND OVER ENROLLED IN SCHOOL, '21

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

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

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

Educational Attainment

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

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

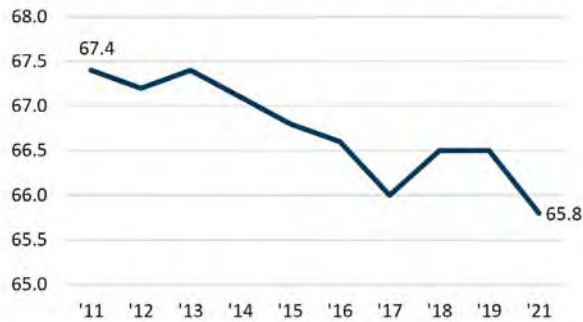
Highest Education Level Attained	'21	'11
No High School Diploma	15.5	18.9
Less Than 9th Grade	9.1	9.7
9th to 12th Grade	6.4	9.2
High School Grad or Higher	84.4	81.1
High School/ GED only	22.9	24.1
Some College, No Degree	18.7	21.6
Associate Degree	7.0	6.5
Bachelor's Degree or Higher	35.9	28.8
Bachelor's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

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

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

Labor Force Participation Rate

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

LABOR FORCE PARTICIPATION RATE, METRO HOUSTON

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

Travel to Work

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

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

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

**EMPLOYED POPULATION, 16 AND OLDER,
WORKING FROM HOME**

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

Source: U.S. Census Bureau and Partnership calculations

Income

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

MEDIAN HOUSEHOLD INCOME, METRO HOUSTON

* '11 constant dollars

Source: U.S. Census Bureau American Community Survey

Poverty

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

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

Veteran Status

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

Health Insurance Coverage

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

Health Insurance Coverage in Metro Houston

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

Source: U.S. Census Bureau American Community Survey

Marital Status

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

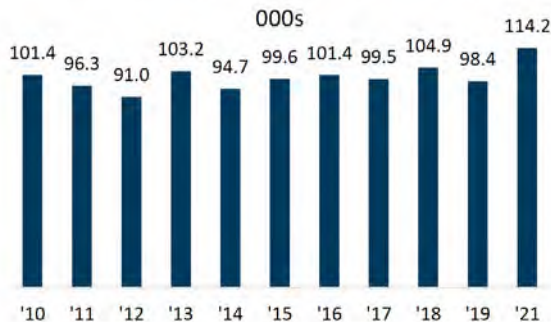
MARITAL STATUS, POPULATION 15 AND OLDER, '21

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

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

Fertility

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

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

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

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

HOUSTON FERTILITY RATES, BIRTHS PER 1,000 WOMEN

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

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

Households

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

HOUSEHOLD COMPOSITION, METRO HOUSTON – '21

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

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

Mobility

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

PLACE OF RESIDENCE, ONE YEAR AGO*, '21

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

* For population 1 year old and older

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

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

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

EMPLOYMENT UPDATE

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

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

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

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

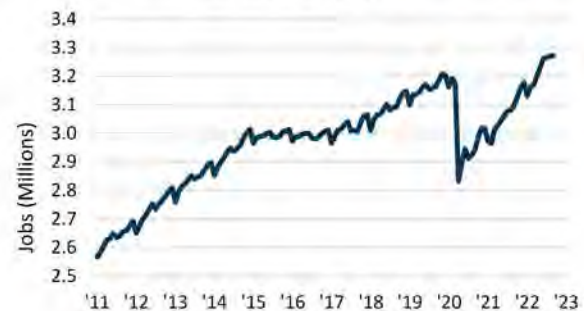
Information, hotels, and personal services should recover by the end of the year. The path to full recovery for energy and manufacturing remains uncertain, especially as U.S. economic growth has begun to slow.

SECTORS STILL IN RECOVERY, METRO HOUSTON

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

Source: Texas Workforce Commission and Partnership calculations

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

**NONFARM PAYROLL EMPLOYMENT
METRO HOUSTON**

Source: Texas Workforce Commission

RECESSION IN 2023?

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



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

KEY ECONOMIC INDICATORS



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



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



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



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



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



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



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



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



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



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

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

STAY UP TO DATE

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

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

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

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

SITE DATA AND ANALYSIS

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

Legal Description: 0.5553 acres or 24%94 square feet of land being Block 1%Lot 56% Legendary Oaks Subdivision%Waller County%Texas.

Location/Access: The subject property itself is located within city limits of the City of Hempstead%which is an incorporated part of Waller County%Texas. Specifically%the subject property is situated within the Legendary Oaks Subdivision along the east line of Hogan Lane% being just south of Business US 290 !Old Hempstead Highway". Furthermore%the subject is located approximately 2.00 miles west of the intersection of Business US 290 and State Highway 6 !SH 6".

Physical Characteristics: The subject site is rectangular in shape and contains a total of 0.5553 acres or 24%94 square feet of land !size per WCAD".

Zoning/Land Use: The subject is located in the City of Hempstead within Waller County% which neither subscribe to zoning. There are no known deed restrictions%or other known restrictions as to use or value.

Floodplain: According to the flood insurance rate map of the Federal Emergency Management Agency%revised May 16%2019%FEMA Map No. 48473C0130F%the subject lies within Zone X%an area outside the 500&year and 100&year floodplains. A copy of the floodplain map follows this section. Please refer to the caution statement at the bottom of floodplain map.

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

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

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

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

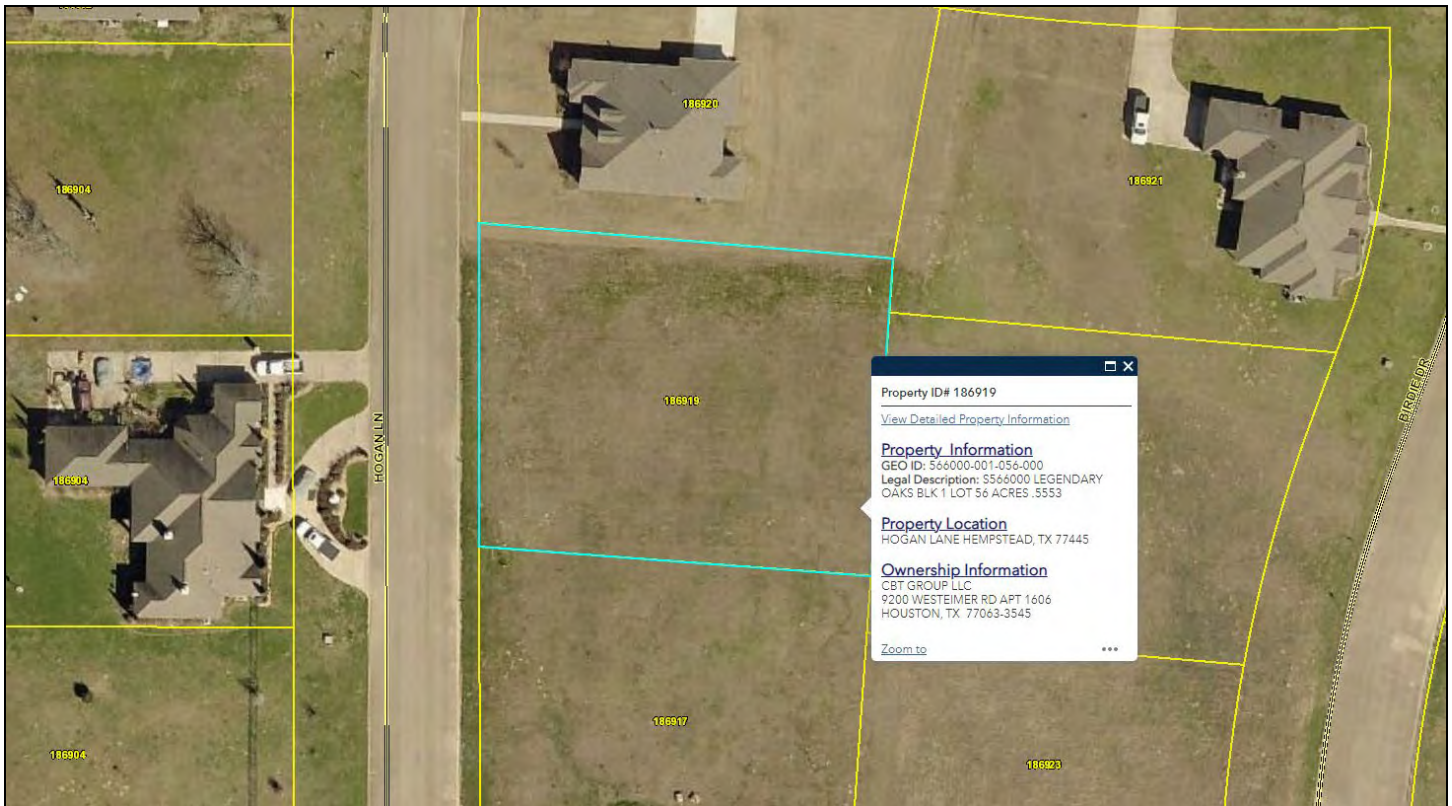
Police%fire%and emergency services are provided by Waller County. Education is provided by the Hempstead Independent School District%which provides secondary education through the high school level !Kindergarten through the 12th grade".

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



Aerial Photo of Subject Site
Boundaries are estimated by appraiser





Subject WCAD Tax Map



Subject as of December 28%2022

FLOOD MAP

Borrower or Owner:

Subject Address: EL of Hogan Ln

Census Tract: 6805.02

City: Hempstead

County: Waller

State: TX

Zip Code: 77445

Lender or Client:

Lat: 30.120109

Long: -96.107393



HIGHEST AND BEST USE

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

Legally Permissible: In all cases of highest and best use, the appraiser must determine the uses of the site which are legally permissible. The subject is located in the City of Hempstead within Waller County, which neither subscribes to zoning. Beyond building code requirements, there appear to be no legal impediments to the subject use or value.

Physically Possible: Size, terrain, shape with respect to development, surrounding uses, and utility availability are generally considered the most important in determining uses to which the subject may be developed. The subject site contains a total of 0.5553 acres or 24,394 square feet of vacant land. The subject does have access to public water and sewer services. The subject tract is of a size and shape that could accommodate a number of uses. Considering the size and location of the subject, the most likely physical uses would be for some type of commercial development as demand warrants.

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

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

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

SALES COMPARISON APPROACH

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

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

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

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

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

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

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

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

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

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

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

Sale 1**Key Map:****Reference No:** 21086**PROPERTY IDENTIFICATION**

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

**SALE DATA**

Grantor: Jasmeet Sudhan
Grantee: Kuark Energy Services LLC
Sale Date: August 25, 2022
Financing: Cash to seller
Property Rights: Fee Simple
Recording Data: 2211393
Legal Description: Block 1, Lot 60, Legendary Oaks Subdivision, Waller County, TX

SALE ANALYSIS**Sales Price:** \$95,000**Adjusted Sales Price:** \$95,000**Land** \$3.95 **PSF****\$171,977 Per Acre****LAND INFORMATION**

Land Size: 0.552 **Ac.** 24,063 **SF**
Frontage: Birdie Dr
Floodplain: X **Zoning:** None
Panel No.: **Encumbrances:** None
Panel Date: **Environmental Issues:**

UTILITIES

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

COMMENTS

Confirmed Sale (MLS 18203199) Legendary Oaks Subdivision

Sale 2**Key Map:****Reference No:** 21087**PROPERTY IDENTIFICATION**

Property Type: Commercial Vacant Land
Property Name: Vacant Land
Property Address: EL of Lawrence Marshall Dr
City, County, State: Hempstead, Waller County, TX 77445

**SALE DATA**

Grantor: Donna Ann Hamner and Ray Vernon
Grantee: Kuark Energy Services LLC
Sale Date: August 1, 2022
Financing: Cash to seller
Property Rights: Fee Simple
Recording Data: 2210305
Legal Description: Block 1, Lot 34, Legendary Oaks Subdivision, Waller County, TX

SALE ANALYSIS**Sales Price:** \$87,000**Adjusted Sales Price:** \$87,000**Land** \$4.25 **PSF****\$185,108 Per Acre****LAND INFORMATION**

Land Size: 0.470 **Ac.** 20,473 **SF**
Frontage: Lawrence Marshall Dr
Floodplain: X **Zoning:** None
Panel No.: **Encumbrances:** None
Panel Date: **Environmental Issues:**

UTILITIES

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

COMMENTS

Confirmed Sale (MLS 26914637) Legendary Oaks Subdivision

Sale 3**Key Map:****Reference No:** 21088**PROPERTY IDENTIFICATION**

Property Type: Commercial Vacant Land
Property Name: Vacant Land
Property Address: EL of Hogan Ln
City, County, State: Hempstead, Waller County, TX 77445

**SALE DATA**

Grantor: Larry W Wilson Jr. and S Ashanti
Grantee: Elizabeth Ewing
Sale Date: June 7, 2022
Financing: Cash to seller
Property Rights: Fee Simple
Recording Data: 2207448
Legal Description: Block 1, Lot 51, Legendary Oaks Subdivision, Waller County, TX

SALE ANALYSIS**Sales Price:** \$75,000**Adjusted Sales Price:** \$75,000**Land** \$3.51 **PSF****\$153,064 Per Acre****LAND INFORMATION**

Land Size: 0.490 **Ac.** 21,344 **SF**
Frontage: Hogan Ln
Floodplain: X **Zoning:** None
Panel No.: **Encumbrances:** None
Panel Date: **Environmental Issues:**

UTILITIES

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

COMMENTS

Confirmed Sale (MLS 60873518) Legendary Oaks Subdivision

Sale 4**Key Map:****Reference No:** 21089**PROPERTY IDENTIFICATION**

Property Type: Commercial Vacant Land
Property Name: Vacant Land
Property Address: EL of Hogan Ln
City, County, State: Hempstead, Waller County, TX 77445

**SALE DATA**

Grantor: David and Patty Sanders
Grantee: CBT Group LLC
Sale Date: March 1, 2022
Financing: Cash to seller
Property Rights: Fee Simple
Recording Data: 2202516
Legal Description: Block 1, Lot 56, Legendary Oaks Subdivision, Waller County, TX

SALE ANALYSIS**Sales Price:** \$80,000**Adjusted Sales Price:** \$80,000**Land** \$3.31 **PSF****\$144,065 Per Acre****LAND INFORMATION**

Land Size: 0.555 **Ac.** 24,189 **SF**
Frontage: Hogan Ln
Floodplain: X **Zoning:** None
Panel No.: **Encumbrances:** None
Panel Date: **Environmental Issues:**

UTILITIES

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

COMMENTS

Confirmed Sale (MLS 62752028) Legendary Oaks Subdivision

Sale 5**Key Map:****Reference No:** 21090**PROPERTY IDENTIFICATION**

Property Type: Commercial Vacant Land
Property Name: Vacant Land
Property Address: NEC of Lawrence Marshall Dr and Brassie Dr
City, County, State: Hempstead, Waller County, TX 77445

**SALE DATA**

Grantor: Richard C and Cindy Pearce
Grantee: CBT Group LLC
Sale Date: February 23, 2022
Financing: Cash to seller
Property Rights: Fee Simple
Recording Data: 2202159
Legal Description: Block 1, Lot 28, Legendary Oaks Subdivision, Waller County, TX

SALE ANALYSIS**Sales Price:** \$80,000**Adjusted Sales Price:** \$80,000**Land** \$4.17 **PSF****\$181,822 Per Acre****LAND INFORMATION**

Land Size: 0.440 **Ac.** 19,166 **SF**
Frontage: Lawrence Marshall Dr and Brassie Dr
Floodplain: X **Zoning:** None
Panel No.: **Encumbrances:** None
Panel Date: **Environmental Issues:**

UTILITIES

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

COMMENTS

Confirmed Sale (MLS 50965624) Legendary Oaks Subdivision

Sale 6**Key Map:****Reference No:** 21093**PROPERTY IDENTIFICATION**

Property Type: Commercial Vacant Land
Property Name: Vacant Land
Property Address: EL of Lawrence Marshall Dr
City, County, State: Hempstead, Waller County, TX 77445

**SALE DATA**

Grantor: Crown Bridge Builders LLC
Grantee: Robert and Patricia Dreahn
Sale Date: January 20, 2022
Financing: Cash to seller
Property Rights: Fee Simple
Recording Data: 1807697
Legal Description: Block 1, Lot 33, Legendary Oaks Subdivision, Waller County, TX

SALE ANALYSIS**Sales Price:** \$63,000**Adjusted Sales Price:** \$63,000**Land** \$3.14 **PSF****\$136,954 Per Acre****LAND INFORMATION**

Land Size: 0.460 **Ac.** 20,038 **SF**
Frontage: Lawrence Marshall Dr
Floodplain: X **Zoning:** None
Panel No.: **Encumbrances:** None
Panel Date: **Environmental Issues:**

UTILITIES

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

COMMENTS

Confirmed Sale (MLS 97812260) Legendary Oaks Subdivision

LOCATION MAP

Borrower or Owner:

Subject Address: EL of Hogan Ln

Census Tract: 6805.02

City: Hempstead

County: Waller

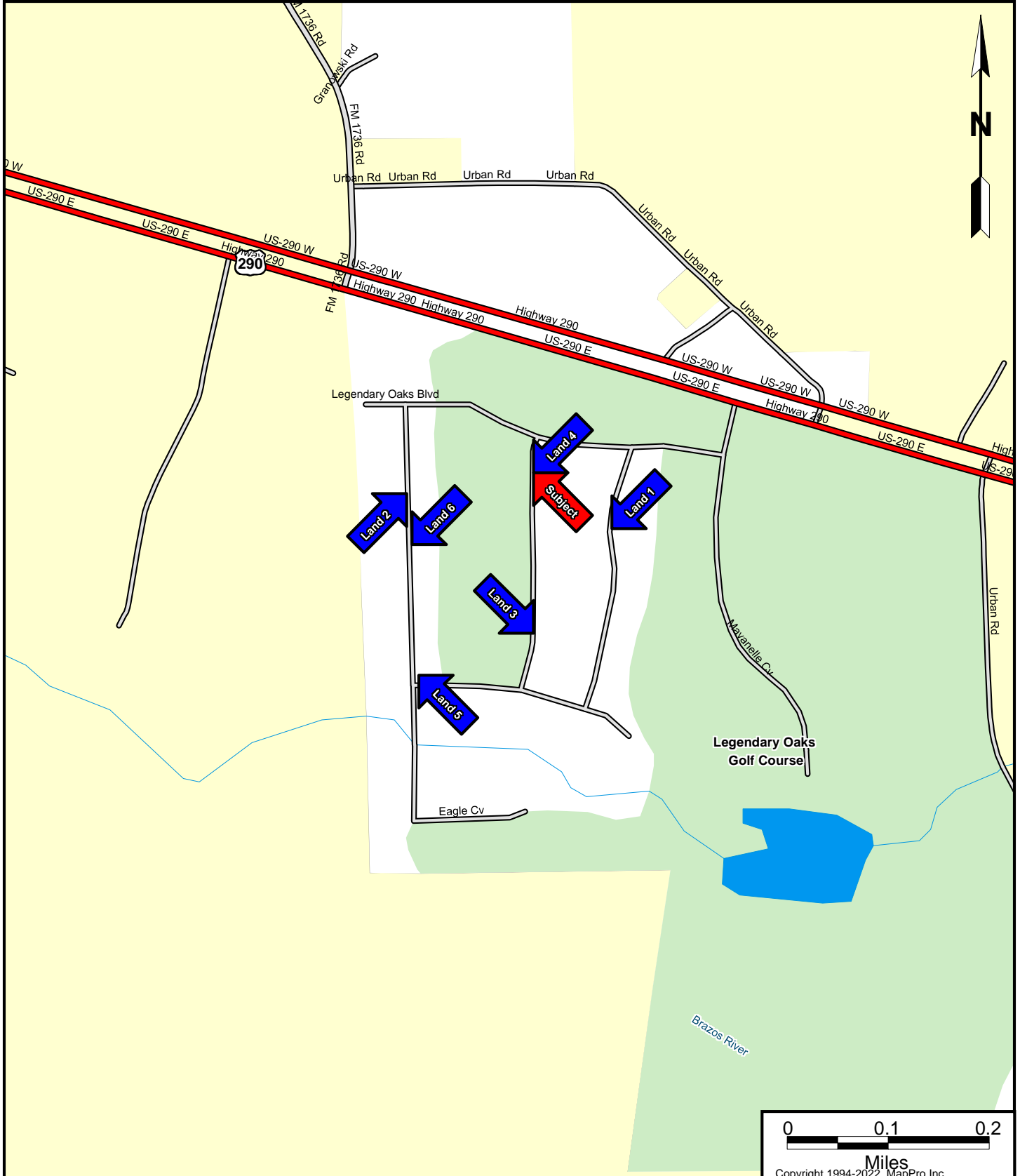
State: TX

Zip Code: 77445

Lender or Client:

Lat: 30.1201

Long: -96.1074



CAUTION:

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

Prepared by Scott Stephens & Associates, Inc. using MapPro Series 53 MapPro Inc., PO Box 37427, Houston, TX 77237 1-866-3MAPPRO.

SITE VALUATION

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

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

Included within this section are six comparable sales of vacant land tracts which are considered to be comparable to the subject in the immediate neighborhood. Please note Sale 4 is a previous sale of the subject property. The sales included for comparison within this section are the most comparable sales to the subject property and are the most recent sales occurring within the immediate neighborhood. Based on the quality and quantity of the data our confidence level in the land sales comparison approach is high. The sales are described in detail on the land sale comparable forms which immediately precede this section. Additionally a sales map is included in the preceding pages and the sales map contains a representation of the size shape and location of each sale in relation to the subject property.

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

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

Market Conditions !Time": The market condition !time" adjustment is considered and the lack of sales activity in some real estate sectors may point to the need for this adjustment. The comparable sales included within this analysis occurred during the previous 2 years. The current COVID&19 outbreak is considered; however indications are the subject market segment that has remained steady. No adjustments are necessary.

Size: While the sales at least demonstrate the principle that a smaller site will sell for more per square foot than a larger one there is insufficient comparability and numbers from which to draw a meaningful adjustment factor. However years of pairing studies throughout the

Gulf Coast area suggest a safe average comparison of 5% to 10% per doubling or halving in size by comparison with the subject 0.5553-acre site size. The appraiser will analyze the sales based on a 10% per doubling rounded to the nearest 5%. No size adjustments were made.

Location: Location adjustments are primarily subjective to the appraiser's based upon experience and knowledge of the various markets involved and on inspections of the properties presented.

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

Physical Characteristics: This adjustment considers corner influence, utilities, detention, and shape. No adjustments were made.

Conclusion: After analyzing the lot sales and surveying MLS and area real estate brokers, buyers in the subject market are more apt to paying a per lot price rather than a per acre or per square foot price. Buyers of homes and lots in the subject market typically have an overall price point for a home site. Whether it's a tract home lot, condo lot, or townhome lot, they tend to buy based on an overall price point.

The lot sizes from the sales range from 0.4400 acre to 0.5550 acre and range in sales price of \$63,000 to \$95,000 with a mean of \$80,000 per lot and a median of \$80,000 per lot. As such, it is our opinion that the subject site has a market value at the mean and median at \$80,000 per lot.

\$80,000

LAND SALES ADJUSTMENT GRID

LAND SALES ADJUSTMENT GRID						
A d j u s t m e n t s	Sale #	1	2	3	4	5
	Location	WL of Birdie Dr	EL of Lawrence Marshall	EL of Hogan Ln	EL of Hogan Ln	28 Lawrence Marshall and Brassie Dr
	Date of Sale	Aug-22	Aug-22	Jun-22	Mar-22	Feb-22
	Size (Acres)	0.5520	0.4700	0.4900	0.5550	0.4400
	Sale Price Per Lot	\$95,000	\$87,000	\$75,000	\$80,000	\$80,000
	Financing	0%	0%	0%	0%	0%
	Condition of Sale	0%	0%	0%	0%	0%
	Cash Adj. Sale Price	\$95,000	\$87,000	\$75,000	\$80,000	\$80,000
	Market Conditions (Time)	0%	0%	0%	0%	0%
	Time Adj. Sale Price	\$95,000	\$87,000	\$75,000	\$80,000	\$80,000
	Size	0%	0%	0%	0%	0%
	Location	0%	0%	0%	0%	0%
	Floodplain	0%	0%	0%	0%	0%
	Physical Charactersitics	0%	0%	0%	0%	0%
Net Adjmts.		0%	0%	0%	0%	0%
Gross Adjmts		0%	0%	0%	0%	0%

ADDENDA



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

APPRAISAL REQUEST FORM
COMPANY: Individual – Commercial NR CC

State Registration Number: 2000252

File Information

File ID: 221202073
Loan Number: 000

Due Date: 1/3/2023

Appraiser Information

Loan Type: Commercial – Primary
Form: Commercial appraisal report
Service Fee: \$1250.00
Transaction Fee:

Appraiser: Stephens, Scott

Total Appraiser Fee: \$1250.00

Client Information

Client: Shook, Hardy & Bacon
LLP
Address:

Borrower or Company Name: Shook, Hardy & Bacon
LLP

Subject Property

Address or Intersection: Hogan Ln
Hempstead, TX 77445
County: Waller

Intended Use: Home Equity

Property Type: Commercial

Legal Description:

Property Description:

Map: [Map Link](#)

Property Contact Information

Contact Person: Kelsey Morris
Cell Phone:

Work Phone: 832-814-7623

Home Phone:

Property Contact Notes:

Kelsey Morris w/ Mark Dimas Team 832-814-7623 kelsey@markdimasteam.com

Effective Date of Valuation

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

Other information believed germane to the appraisal bid:

Additional Notes:

Date	From	Message
12/14/2022 4:42 PM	Bautista, Mayra	Good afternoon your conditions have been accepted. Please proceed and accept this order in your queue. Thank you

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



Commercial Order Form
client

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

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

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

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

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

Trip Fee Policy:

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

Trip fees may be forfeited for the following reasons:

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

Cancellation policy:

Pre-Inspect: 0%

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

Completed report: 100%

Cancellation fees may be forfeited for the following reasons:

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

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

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

Waller CAD

Property Search > 186919 CBT GROUP LLC for Year 2022 Tax Year: 2022

Property

Account

Property ID:	186919	Legal Description:	S566000 LEGENDARY OAKS BLK 1 LOT 56 ACRES .5553
Geographic ID:	566000-001-056-000	Zoning:	AR
Type:	Real	Agent Code:	
Property Use Code:			
Property Use Description:			

Protest

Protest Status:
Informal Date:
Formal Date:

Location

Address:	HOGAN LANE HEMPSTEAD, TX 77445	Mapsco:	LGNDRY_OAK
Neighborhood:	LEGENDARY OAKS	Map ID:	303200-109-000-100
Neighborhood CD:	S566000		

Owner

Name:	CBT GROUP LLC	Owner ID:	1026483
Mailing Address:	9200 WESTEIMER RD APT 1606 HOUSTON, TX 77063-3545	% Ownership:	100.0000000000%
		Exemptions:	

Values

(+) Improvement Homesite Value:	+	\$0	
(+) Improvement Non-Homesite Value:	+	\$0	
(+) Land Homesite Value:	+	\$0	
(+) Land Non-Homesite Value:	+	\$71,360	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$0	\$0
(+) Timber Market Valuation:	+	\$0	\$0

(=) Market Value:	=	\$71,360	
(-) Ag or Timber Use Value Reduction:	-	\$0	

(=) Appraised Value:	=	\$71,360	
(-) HS Cap:	-	\$0	

(=) Assessed Value: = \$71,360

Taxing Jurisdiction

Owner: CBT GROUP LLC
 % Ownership: 100.000000000000%
 Total Value: \$71,360

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
CAD	WALLER CAD	0.000000	\$71,360	\$71,360	\$0.00
CHD	HEMPSTEAD CITY OF	0.552573	\$71,360	\$71,360	\$394.32
ESD	WALLER-HARRIS ESD 200	0.097426	\$71,360	\$71,360	\$69.52
GWA	WALLER COUNTY	0.522593	\$71,360	\$71,360	\$372.92
RFM	WALLER CO FM	0.025852	\$71,360	\$71,360	\$18.45
SHD	HEMPSTEAD ISD	1.136700	\$71,360	\$71,360	\$811.15
Total Tax Rate:		2.335144			
Taxes w/Current Exemptions:					\$1,666.36
Taxes w/o Exemptions:					\$1,666.36

Improvement / Building

No improvements exist for this property.

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	C1	C1	0.5553	24393.60	0.00	0.00	\$71,360	\$0

Roll Value History


Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2023	N/A	N/A	N/A	N/A	N/A	N/A
2022	\$0	\$71,360	0	71,360	\$0	\$71,360
2021	\$0	\$47,760	0	47,760	\$0	\$47,760
2020	\$0	\$49,980	0	49,980	\$0	\$49,980
2019	\$0	\$38,870	0	38,870	\$0	\$38,870
2018	\$0	\$27,770	0	27,770	\$0	\$27,770
2017	\$0	\$27,770	0	27,770	\$0	\$27,770
2016	\$0	\$27,770	0	27,770	\$0	\$27,770
2015	\$0	\$44,420	0	44,420	\$0	\$44,420
2014	\$0	\$44,420	0	44,420	\$0	\$44,420
2013	\$0	\$44,420	0	44,420	\$0	\$44,420
2012	\$0	\$44,420	0	44,420	\$0	\$44,420
2011	\$0	\$44,420	0	44,420	\$0	\$44,420
2010	\$0	\$44,420	0	44,420	\$0	\$44,420
2009	\$0	\$44,420	0	44,420	\$0	\$44,420

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	2/28/2022	GWD	GENERAL WARRANTY DEED	SANDERS DAVID & PATTY	CBT GROUP LLC			2202516
2	2/25/2014	SD	SHERIFF'S DEED	LEGENDARY OAKS DEV CORP	SANDERS DAVID & PATTY	1406	602	1401529
3	1/5/2010	SWD	SPECIAL WARRANTY DEED	NORTH AMERICAN ENTERPRISES LP	LEGENDARY OAKS DEV CORP	1191	846	0

Tax Due

Property Tax Information as of 12/29/2022

Amount Due if Paid on: 

Year	Taxing Jurisdiction	Taxable Value	Base Tax	Base Taxes Paid	Base Tax Due	Discount / Penalty & Interest	Attorney Fees	Amount Due
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NOTE: Penalty & Interest accrues every month on the unpaid tax and is added to the balance. Attorney fees may also increase your tax liability if not paid by July 1. If you plan to submit payment on a future date, make sure you enter the date and RECALCULATE to obtain the correct total amount due.

Questions Please Call (979) 921-0060

EXHIBIT E

Waller CAD

Property Search > 186919 CBT GROUP LLC for Year 2022 Tax Year: 2022

Property

Account

Property ID:	186919	Legal Description:	S566000 LEGENDARY OAKS BLK 1 LOT 56 ACRES .5553
Geographic ID:	566000-001-056-000	Zoning:	AR
Type:	Real	Agent Code:	
Property Use Code:			
Property Use Description:			

Protest

Protest Status:	
Informal Date:	
Formal Date:	

Location

Address:	HOGAN LANE HEMPSTEAD, TX 77445	Mapsco:	LGNDRY_OAK
Neighborhood:	LEGENDARY OAKS	Map ID:	303200-109-000-100
Neighborhood CD:	S566000		

Owner

Name:	CBT GROUP LLC	Owner ID:	1026483
Mailing Address:	9200 WESTEIMER RD APT 1606 HOUSTON, TX 77063-3545	% Ownership:	100.000000000000%
		Exemptions:	

Values

(+) Improvement Homesite Value:	+	\$0	
(+) Improvement Non-Homesite Value:	+	\$0	
(+) Land Homesite Value:	+	\$0	
(+) Land Non-Homesite Value:	+	\$71,360	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$0	\$0
(+) Timber Market Valuation:	+	\$0	\$0

(=) Market Value:	=	\$71,360	
(-) Ag or Timber Use Value Reduction:	-	\$0	

(=) Appraised Value:	=	\$71,360	
(-) HS Cap:	-	\$0	

(=) Assessed Value: = \$71,360

Taxing Jurisdiction

Owner: CBT GROUP LLC
% Ownership: 100.000000000000%
Total Value: \$71,360

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax		
CAD	WALLER CAD	0.000000	\$71,360	\$71,360	\$0.00		
CHD	HEMPSTEAD CITY OF	0.552573	\$71,360	\$71,360	\$394.32		
ESD	WALLER-HARRIS ESD 200	0.097426	\$71,360	\$71,360	\$69.52		
GWA	WALLER COUNTY	0.522593	\$71,360	\$71,360	\$372.92		
RFM	WALLER CO FM	0.028941	\$71,360	\$71,360	\$20.65		
SHD	HEMPSTEAD ISD	1.136700	\$71,360	\$71,360	\$811.15		
Total Tax Rate:		2.338233					
Taxes w/Current Exemptions:					\$1,668.56		
Taxes w/o Exemptions:					\$1,668.56		

Improvement / Building

No improvements exist for this property.

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	C1	C1	0.5553	24393.60	0.00	0.00	\$71,360	\$0

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2023	N/A	N/A	N/A	N/A	N/A	N/A
2022	\$0	\$71,360	0	71,360	\$0	\$71,360
2021	\$0	\$47,760	0	47,760	\$0	\$47,760
2020	\$0	\$49,980	0	49,980	\$0	\$49,980
2019	\$0	\$38,870	0	38,870	\$0	\$38,870
2018	\$0	\$27,770	0	27,770	\$0	\$27,770
2017	\$0	\$27,770	0	27,770	\$0	\$27,770
2016	\$0	\$27,770	0	27,770	\$0	\$27,770
2015	\$0	\$44,420	0	44,420	\$0	\$44,420
2014	\$0	\$44,420	0	44,420	\$0	\$44,420
2013	\$0	\$44,420	0	44,420	\$0	\$44,420
2012	\$0	\$44,420	0	44,420	\$0	\$44,420
2011	\$0	\$44,420	0	44,420	\$0	\$44,420
2010	\$0	\$44,420	0	44,420	\$0	\$44,420
2009	\$0	\$44,420	0	44,420	\$0	\$44,420

Deed History - (Last 3 Deed Transactions)

#	Deed	Type	Description	Grantor	Grantee	Volume	Page	Deed
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	Date							Number
1	2/28/2022	GWD	GENERAL WARRANTY DEED	SANDERS DAVID & PATTY	CBT GROUP LLC			2202516
2	2/25/2014	SD	SHERIFF'S DEED	LEGENDARY OAKS DEV CORP	SANDERS DAVID & PATTY	1406	602	1401529
3	1/5/2010	SWD	SPECIAL WARRANTY DEED	NORTH AMERICAN ENTERPRISES LP	LEGENDARY OAKS DEV CORP	1191	846	0

Tax Due

Property Tax Information as of 10/13/2022

Amount Due if Paid on: 

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

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

Questions Please Call (979) 921-0060

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

MAURICIO CHAVEZ, GIORGIO
BENVENUTO and CryptoFX, LLC,

Defendants.

CBT Group, LLC,

Relief Defendant.

CIVIL ACTION NO. 4:22-CV-03359

JUDGE ANDREW S. HANEN

**ORDER APPROVING RECEIVER’S MOTION FOR APPROVAL OF PRIVATE SALE
OF REAL PROPERTY**

On February 16, 2023, John Lewis, Jr., the Court-appointed Receiver for the court-appointed Receiver for Mauricio Chavez (“Chavez”), Giorgio Benvenuto (“Benvenuto”), CryptoFX, LLC (“CryptoFX”) and CBT Group, LLC (“CBT”), filed a Motion for Approval of Private Sale of Real Property Located at 0 Hogan Lane, Hempstead, Texas 77445. No objections were filed in response to the Receiver’s Motion.

Having considered the Receiver’s Motion and all exhibits in support thereof, as well as previous pleadings filed by the Receiver, the Court finds that the Subject Property is part of the Receivership Estate. The Court further finds that the Receiver has complied with all requirements necessary for the sale of the Subject Property. Therefore, the Receiver’s motion is hereby GRANTED.

Accordingly, IT IS HEREBY ORDERED that the Court approves the sale of the Subject Property as described in the Receiver's Motion.

IT IS SO ORDERED this ____ day of _____, 2023.

Judge Andrew S. Hanen
United States District Judge