PLANNING & DEVELOPMENT DEPARTMENT

CERTIFICATE OF APPROPRIATENESS

Reviewed by the Houston Archaeological and Historical Commission

ITEM B5 November 5, 2026 503 Sul Ross Street
HPO File #: HP2026_0329 First Montrose Commons

Applicant: Katy Garvey, agent for Les Sprott-The Monarch Community, owner

Property: 503 Sul Ross Street, Reserve A, Block 1 of the Monarch Community Clinical Center. The property is a 3972 square foot two-story stucco multifamily residence situated on a 15,000 square foot (120' by 125') interior lot.

Significance: Contributing Craftsman property constructed circa 1946, located in the First Montrose Commons Historic District.

Proposal: Demolition – Contributing Structure

The applicant proposes to demolish a contributing structure

- HAHC granted a COA for an addition combining this structure with 505 Sul Ross via a connecting rear addition.
- Applicant asserts that alterations revealed previously unknown structural damage to wall framing when finishes were removed.
- Applicant acknowledges that approved scope was exceeded by removing shiplap during this process.
- Applicant asserts that structure is currently a hazard and is requesting to demolish the building.

Public Comment: No public comment received.

Civic Association: No civic association comment received.

Recommendation: **Denial of COA, Issuance of COR for work completed without a permit**

HAHC Action: -

DRAFT

ITEM B5 November 5, 2026 503 Sul Ross Street
HPO File #: HP2026_0329 First Montrose Commons

APPROVAL CRITERIA

DEMOLITION OF A LANDMARK, PROTECTED LANDMARK, CONTRIBUTING STRUCTURE, OR WITHIN AN ARCHAEOLOGICAL SITE

Sec. 33-247(a): The issuance of a certificate of appropriateness for the demolition of a landmark, a protected landmark, or a contributing structure, or for the demolition of a building, structure or object on or in an archaeological site shall be granted only if:

S D NA **S - satisfies D - does not satisfy NA - not applicable**

☒ ☐ ☐ (1) The building, structure, or object has seriously deteriorated to an unusable state and is beyond reasonable repair; and

☐ ☐ ☒ (2) The HAHC finds, based on the preponderance of credible evidence presented subject to the establishment by the applicant, the existence of an unreasonable economic hardship under subsection (c) of this section or the establishment of an unusual and compelling circumstance pursuant to subsection (d) of this section.

(c) Determination of the existence of an **unreasonable economic hardship** shall be based upon the following criteria:

☐ ☐ ☐ (1) That the property is incapable of earning a reasonable return, regardless of whether the return is the most profitable return, including without limitation, regardless of whether the costs of maintenance or improvement of the property exceed its fair market value;

☐ ☐ ☐ (2) That the owner has demonstrated that the property cannot be adapted for any other use, whether by the current owner, by a purchaser or by a lessee, that would result in a reasonable return;

☐ ☐ ☐ (3) That the owner has demonstrated reasonable efforts to find a purchaser or lessee interested in acquiring the property and preserving it, and that those efforts have failed; and

☐ ☐ ☐ (4) If the applicant is a nonprofit organization, determination of an unreasonable economic hardship shall instead be based upon whether the denial of a certificate of appropriateness financially prevents or seriously interferes with carrying out the mission, purpose, or function of the nonprofit corporation

OR

(d) Determination of the existence of an **unusual and compelling circumstance** shall be based upon the following criteria:

☐ ☐ ☐ (1) That current information does not support the historic or archaeological significance of this building, structure or object or its importance to the integrity of an historic district, if applicable;

☐ ☐ ☐ (2) Whether there are definite plans for reuse of the property if the proposed demolition is carried out and what effect such plans have on the architectural, cultural, historical or archaeological character of the context area; and

☐ ☐ ☐ (3) Whether reasonable measures can be taken to save the building, structure or object from further deterioration, collapse, arson, vandalism or neglect.

DRAFT

CERTIFICATE OF APPROPRIATENESS

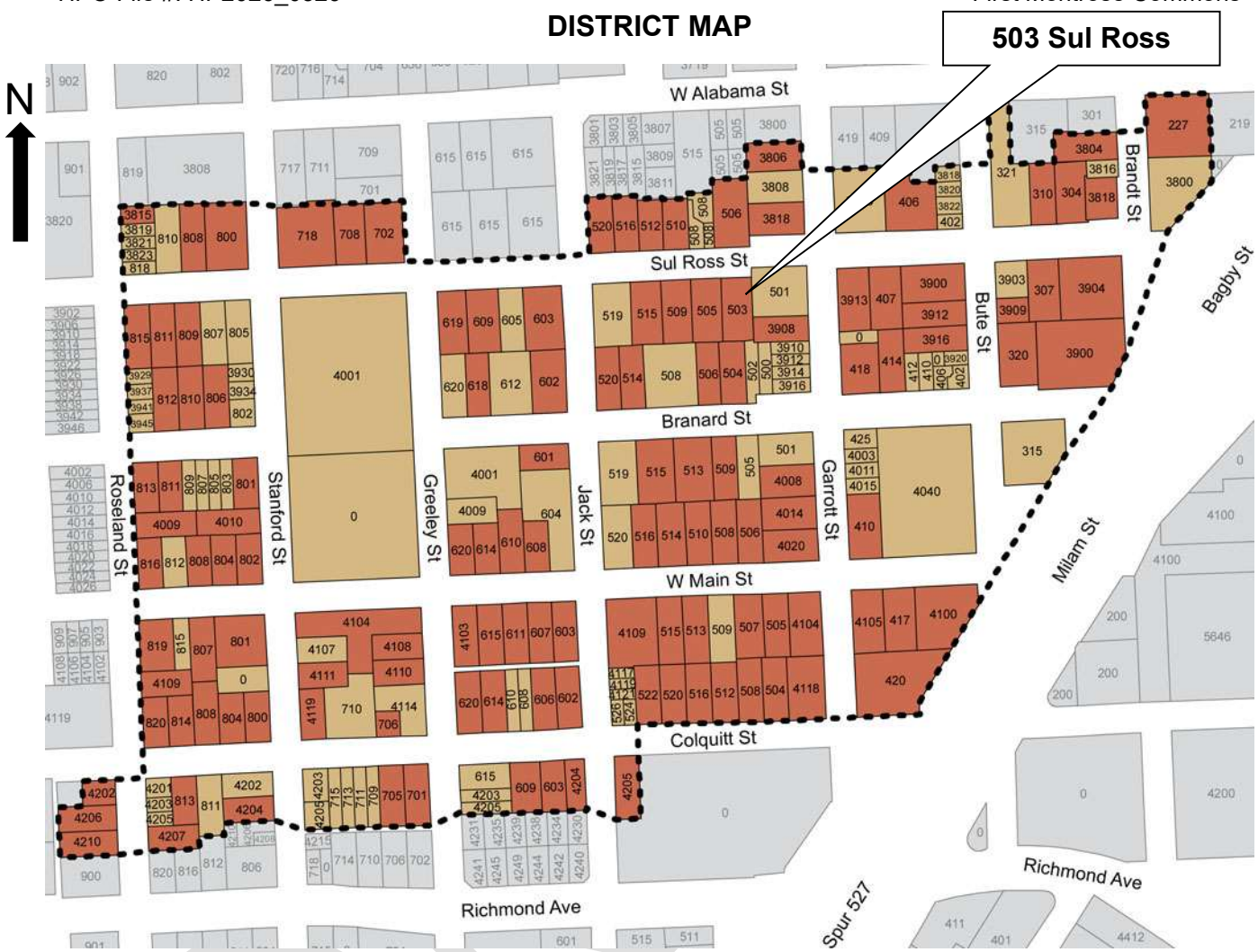
Reviewed by the Houston Archaeological and Historical Commission

ITEM B5
HPO File #: HP2026_0329

November 5, 2026

503 Sul Ross Street
First Montrose Commons

DISTRICT MAP



DRAFT

ITEM B5
HPO File #: HP2026_0329

November 5, 2026

503 Sul Ross Street
First Montrose Commons

INVENTORY PHOTO



GOOGLE STREET VIEW MARCH 2026



DRAFT

CERTIFICATE OF APPROPRIATENESS

Reviewed by the Houston Archaeological and Historical Commission

ITEM B5
HPO File #: HP2026_0329

November 5, 2026

503 Sul Ross Street
First Montrose Commons

CURRENT PHOTO

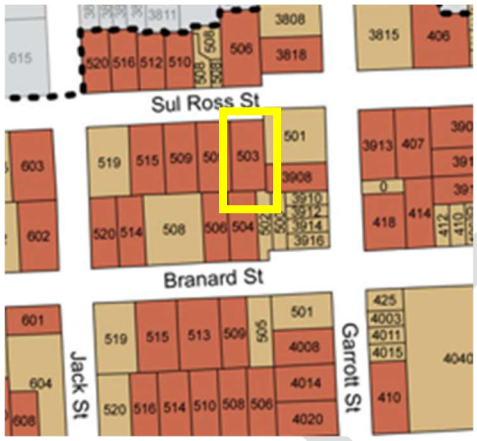


ITEM B5
HPO File #: HP2026_0329

November 5, 2026

503 Sul Ross Street
First Montrose Commons

CONTEXT AREA



501 Sul Ross St. 2-Story -Non-Contributing



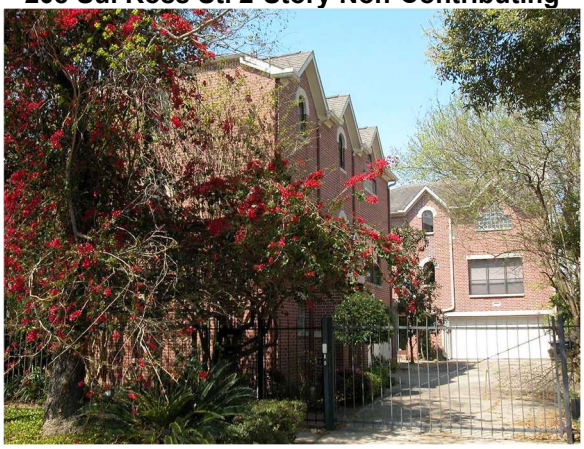
505 Sul Ross St. 2-Story Contributing



506 Sul Ross St. 2-Story Contributing



208 Sul Ross St. 2-Story Non-Contributing



DRAFT

ITEM B5
HPO File #: HP2026_0329

November 5, 2026

503 Sul Ross Street
First Montrose Commons

ATTCHMENT A

APPLICANT MATERIALS

1. **Checklist**
2. **Appraisal**
3. **Construction and Budget**
4. **Non-Profit Checklist**
5. **Photos**

DRAFT

In addition, please see this link to the section of the Historic Preservation Ordinance dealing with demolition applications and this link to the section that deals with public notice. The former will help you prepare for the HAHC meeting and the latter specifies the requirements for the notice sign. Please be sure to post the notice sign, without the meeting date, as soon as possible and email a picture of the posted sign. Once the special session is established, you may add the meeting date.

I will be in touch. If you have any questions in the meantime, feel free to let me know.

Geoff Butler

Principal Planner

Planning & Development Department
611 Walker, 6th Floor, Houston, Texas 77002

Direct 832.393.6528

Facebook Twitter Nextdoor

From: Michael Dovalina <mdovalina@arch-con.com>
Sent: Thursday, October 29, 2026 11:14 AM
To: Tran, Vonn - PD <Vonn.Tran@houstontx.gov>; Jonathan De La Cruz <jdelacruz@arch-con.com>; Stockton, Pete - HPC-HPW <Pete.Stockton@houstontx.gov>
Cc: Farrar, David - HPW-HPC <David.Farrar@houstontx.gov>; Davenport, Michael - HPW <Michael.Davenport@houstontx.gov>; Sadler, Charles - PD <Charles.Sadler@houstontx.gov>; Rockwell, David - HPW <David.Rockwell@houstontx.gov>; Shannahan, Christopher - HPW <Christopher.Shannahan@houstontx.gov>; Fowler, Robert - HPC-HPW <Robert.Fowler@houstontx.gov>; PD - Historic Preservation <historicpreservation@houstontx.gov>; Allmer, David - HPW <David.Allmer@houstontx.gov>; Michael Vaughn <mvaughn@arch-con.com>; lsprott@themonarchcommunity.org; Rusty Norwood <rnorwood@arch-con.com>; Jared Wood <wood@studioredarchitects.com>; Katy Garvey <garvey@studioredarchitects.com>; Daniel Peralta <dperalta@arch-con.com>
Subject: RE: immediate hazard 505 Sul Ross 25053431
Importance: High

[This message came from outside the City of Houston email system. Please be careful while clicking links, opening attachments, or replying to this email.]
Vonn,

Thank you for your team's help with this situation. As you know, The Monarch Community and all partners involved have been diligent in following the necessary procedural steps for the Historic, Planning, and Inspection requirements on this project. However, given the risk this building pose to residents and staff at The Monarch Community, I am formally requesting that the City expedite its demolition. Specifically, we are requesting one of the following:

1. Planning immediately removes the historic hold to allow a demolition permit to be obtained; or
2. That our demolition COA be added to the November 5 HAHC agenda, or heard at a special called meeting, despite the missed application deadline.

We believe this situation warrants an exception for the following reasons:

- City of Houston structural inspectors have found the building to be in a state of catastrophic failure (reference attached email).

- The building meets the criteria for a Dangerous Building outlined in section 10-371 per the attached email.
- The building sits at the center of the campus of The Monarch Community, a residential treatment facility for adults with serious mental illness and poses a direct risk to residents and staff.
- The building currently blocks safe paths of egress and travel across the campus, forcing the facility to operate in a way that is not appropriate for the residents it serves.
- The building is in a residential neighborhood with regular pedestrian traffic.
- The area has a large unhoused population, and vacant buildings nearby have been broken into and occupied. A structure in this condition is at serious risk of trespass, fire, or further collapse.

So that no time is lost either way, we will submit a complete demolition COA application by the November 2 deadline for the December 10 meeting. We would much prefer, however, to resolve this quickly to avoid putting the Monarch Community and the surrounding neighborhood in unnecessary danger. In the meantime, we have secured the site and halted all work on the project. These measures limit the risk but do not eliminate it. Reasonable measures cannot save this structure from further deterioration or collapse.

I would appreciate a response by end of day today tomorrow, October 30, given how close the November 5 meeting is. I am available today or tomorrow for a phone call or an in-person meeting at your office or on site and would welcome the chance to walk the property with you.

I am confident we can find a path that respects the City's preservation process while removing this danger from the public.

Thank you,

Michael Dovalina
Vice President
Arch Con Corporation

T 713-533-1900 ext.7414
M 832-260-2423
www.arch-con.com
Follow us:

The information contained in this electronic mail transmission and any attachments are intended solely for the addressee(s) named above. If you are not an addressee, or responsible for delivering this e-mail, you have received this e-mail in error and you are strictly prohibited from reading, copying or disclosing it. The information contained in this e-mail is highly confidential and may be subject to legally enforceable privileges. If you received this in error, please call us at 713-533-1900 or reply via electronic mail immediately to the person sending this transmission. SECURITY NOTICE - While we take precautions to ensure this email and any attachments are free of viruses or other harmful components, we recommend that you perform your own checks. Arch-Con Corporation accepts no liability for any loss or damage transmitted in this email. Thank you for your cooperation.

From: Tran, Vonn - PD <Vonn.Tran@houstontx.gov>
Sent: Wednesday, October 21, 2026 3:51 PM
To: Jonathan De La Cruz <jdelacruz@arch-con.com>; Stockton, Pete - HPC-HPW <Pete.Stockton@houstontx.gov>
Cc: Farrar, David - HPW-HPC <David.Farrar@houstontx.gov>; Davenport, Michael - HPW <Michael.Davenport@houstontx.gov>; Sadler, Charles - PD <Charles.Sadler@houstontx.gov>; Rockwell, David - HPW <David.Rockwell@houstontx.gov>; Shannahan, Christopher - HPW <Christopher.Shannahan@houstontx.gov>; Fowler, Robert - HPC-HPW <Robert.Fowler@houstontx.gov>; PD - Historic Preservation <historicpreservation@houstontx.gov>; Allmer, David - HPW <David.Allmer@houstontx.gov>; Michael Vaughn <mvaughn@arch-con.com>; Michael Dovalina <mdovalina@arch-con.com>; lsprott@themonarchcommunity.org; Rusty Norwood <rnorwood@arch-con.com>; Jared Wood <wood@studioredarchitects.com>; Katy Garvey <garvey@studioredarchitects.com>; Daniel Peralta <dperalta@arch-con.com>
Subject: RE: immediate hazard 505 Sul Ross 25053431

CERTIFICATE OF APPROPRIATENESS APPLICATION

PART II.D – CHECKLIST AND FORM: DEMOLITION

PLANNING & DEVELOPMENT DEPARTMENT

Please complete all applicable sections and submit with the COA application; digital application documents preferred. An incomplete application may cause delays in processing or may be deferred to the next agenda. Refer to Houston Code of Ordinances, Ch. 33 VII, Sec. 33-247 for HAHC consideration criteria for approval for the demolition of a landmark; protected landmark; or contributing structure in an historic district; or structure in an archaeological site.

DEMOLITION CRITERIA: (select one)

☐ **Unreasonable Economic Hardship** ☒ **Unusual or Compelling Circumstance**

DEMOLITION NOTICE REQUIREMENTS:

Demolition applicants must give public notice by posting a sign at the site of the demolition. Refer to the schedule on the general application form for sign posting deadlines. Download the Relocation and Demolition Public Sign Requirements information document at www.houstontx.gov/planning; or, refer to the Historic Preservation Ordinance, Sec. 33-238.1.

DEMOLITION APPLICATION DOCUMENTATION:

Photographs (label each photo with a description and location)

☒ **All Elevations** illustrating current conditions of the structure proposed for demolition

☒ **Public Notification Sign** photo of the sign(s) at the site upon installation per the demolition requirements noted above

Renderings (accurately scaled and dimensioned)

☐ **Current Site Plan** or survey of the property containing structure proposed for demolition

Informational Material (as outlined in the Historic Preservation Ordinance, Sec. 33-247(b))

☒ **(1)** Certified appraisal of the value of the property conducted by a certified real estate appraiser

☒ **(2)** Assessed value of the land and improvements according to the two most recent assessments, unless the property is exempt from local property taxes

☒ **(3)** All appraisals obtained by the owner in connection with the acquisition, purchase, donation, or financing of the property

☐ **(4)** All Listings of the property for sale or rent that are less than a year old at the time of the application

N/A ☐ **(5)** Evidence of any consideration by the owner of uses and adaptive reuses of the property

☒ **(6)** Rehabilitation cost estimates, itemized and detailed, for identified uses or reuses, including the basis of cost estimates

☒ **(7)** Comparison costs of rehabilitation of the existing building, demolition of the building, and new construction

☒ **(8)** Complete architectural plans and drawings of the intended future use of the property, including new construction, if applicable/available

N/A ☐ **(9)** Plans to reuse, recycle or salvage list of building materials if a COA is granted

☒ **(10)** If applicant is a Nonprofit Organization, provide the following additional written information:

☒ (a) Cost Comparison of the performance of the organization's mission or function in the existing and new buildings

☒ (b) Impact of Reuse of the existing building on the organization's program, function or mission

Site Address	503 Sul Ross	Subdivision	Monarch Community Clinical Center	Lot	1	Block	1
Primary Project Contact	Les Sprott	Email	lsprott@themonarchcommunity.org	Phone	(713) 545-3715		

CERTIFICATE OF APPROPRIATENESS APPLICATION

PART II.D – CHECKLIST AND FORM: DEMOLITION

PLANNING & DEVELOPMENT DEPARTMENT

N/A ☐ (c) Additional Costs if any, attributable to the building of performing the nonprofit organization's function within the context of costs incurred by comparable organizations, particularly in the Houston area

☒ (d) Grants received, applied for or available to maintain or improve the property

☒ (e) Budget of the nonprofit organization for the current and immediately past fiscal years

Written Description (include the following items, use the area below and/or attach additional pages)

☒ **Subject of Demolition** description including current location and condition of structure and any prior alterations or additions

☐ **Criteria Adherence** describe how the proposal satisfies the demolition determination criteria as stated in the Historic Preservation Ordinance, Sec. 33-247 **(c)** (1) through (4); or, **(d)** (1) through (3):

☐ **(c)** Determination of an unreasonable economic hardship:

☐ **(1)** The property is incapable of earning a reasonable return, without regard to whether the return is the most profitable return, including without limitation, whether the costs of maintenance or improvement of the property exceed its fair market value;

☐ **(2)** The property cannot be adapted for any other use, whether by the current owner, by a purchaser or by a lessee, that would result in a reasonable return;

☐ **(3)** The efforts to find a purchaser or lessee interested in acquiring the property and preserving it have failed; and

☐ **(4)** If the applicant is a nonprofit organization, determination of an unreasonable economic hardship shall instead be based upon whether the denial of a certificate of appropriateness financially prevents or seriously interferes with carrying out the mission, purpose or function of the nonprofit corporation

OR

☒ **(d)** Determination of the existence of an unusual or compelling circumstance:

☐ **(1)** That the current information does not support the historic or archaeological significance of the building, structure or object or its importance to the integrity of a historic district, if applicable;

☒ **(2)** Whether there are definite plans for reuse of the property if the proposed demolition is carried out and what effect such plans have on the architectural, cultural, historical or archaeological character of the surrounding area; and

☐ **(3)** Whether reasonable measures can be taken to save the building, structure or object from further deterioration, collapse, arson, vandalism or neglect

I (we) request approval of a Certificate of Appropriateness to...

Demolish the remainder of 503.

503 and 505 Sul Ross were originally submitted together and approved for a COA on 2/27/2025 - HP2024_0316. The project included combining the two houses with an addition that would add necessary program for The Monarch community while preserving the original residential structures. During our initial demolition and investigation phase the interior finishes were removed to inspect the structure and the quality of the remaining building components. 505 Sul Ross remains in great shape having been built to a standard which allowed it to last for almost a century. Unfortunately, 503 Sul Ross was built with a stucco facade and air conditioning was later added below the subfloor creating a damp and rotting environment which destroyed the first 5' of the balloon frame and many of the foundation beams. The ship lap and the applied stucco were the only two elements holding the building together. Once the stucco was surgically removed it became clear that some framing was completely missing. The rot and termite damage over the years has taken its toll on 503 and left us with an unsafe structure to continue with. The City of Houston Structural inspector and our Structural Engineer have both been to the site and have determined that 503 Sul Ross is beyond repair and creates an unsafe building environment.

Attach additional pages as necessary.

D 0 3 1 8 2 5 L 0 1 8

Mailing Address:
Information & Assistance Division
P.O. BOX 922004
Houston, TX 77292-2004
2404543

HARRIS CENTRAL APPRAISAL DISTRICT

NOTICE OF APPRAISED VALUE
FOR PROPERTY TAX PURPOSES

This is **NOT** a tax bill. Do **NOT** pay from this notice.

Tax Year: **2025**

www.hcad.org/iFile

PROPERTY DESCRIPTION: **06/13/2025**
Business Personal Property
CMP F&F M&E SUP

Please use this ACCOUNT NUMBER **2404543** when inquiring about your property.

GFGEFGGHEGGEHEGFEFFFHEGHFGHGHHHFGEGEFHHGHEHEEHFFFEGHHEGEFGEGHGEHE

2025 2404543 06/13/2025 A PP L1 KNB
SHAUNTY HEALING CENTER LLC
503 SUL ROSS,
HOUSTON TX 77006-5030

PROPERTY LOCATION:
503 SUL ROSS ST
HOUSTON, TX 77006

Dear Property Owner:

The Harris Central Appraisal District appraises the business personal property described above for property tax purposes. For your convenience, we've included a breakout of your property value by category in the table below for the tax year indicated. The jurisdictions listed below will determine whether your taxes increase or decrease when they set their tax rates later this year. The appraisal district only determines the value of your property. *The Texas Legislature does not set the amount of your local taxes. Your property tax burden is decided by your locally elected officials, and all inquiries concerning your taxes should be directed to those officials.* Beginning August 7th, visit Texas.gov/PropertyTaxes to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information regarding the amount of taxes that each entity that taxes your property will impose if the entity adopts its proposed tax rate. Your local property tax database will be updated regularly during August and September as local elected officials propose and adopt the property tax rates that will determine how much you pay in property taxes.

Business Personal Property Value Proposed This Year

Last Year's Appraised Value	**This Year's Appraised Value**
133,730	**133,730**

Value Detail

Category	2024 Appraised Value	2025 Appraised Value
Aircraft	0	0
Vessels	0	0
Inventory	0	0
Supplies	2,865	2,865
Raw Material	0	0
Work in Progress	0	0
Furniture and Fixtures	69,150	69,150
Machinery and Equipment	59,715	59,715
Computers	2,000	2,000
Leasehold Improvements	0	0
Vehicles	0	0
Miscellaneous	0	0

Jurisdiction and Exemption Information

Taxing Jurisdiction		Last Year's Exemptions Amount	Last Year's Value After Exemptions	Exemptions Granted This Year (see explanation of codes below)	This Year's Exemptions Amount	This Year's Value After Exemptions
001	HOUSTON ISD	0	133,730		0	133,730
040	HARRIS COUNTY	0	133,730		0	133,730
041	HARRIS CO FLOOD CNTRL	0	133,730		0	133,730
042	PORT OF HOUSTON AUTHY	0	133,730		0	133,730
043	HARRIS CO HOSP DIST	0	133,730		0	133,730
044	HARRIS CO EDUC DEPT	0	133,730		0	133,730
048	HOU COMMUNITY COLLEGE	0	133,730		0	133,730
061	CITY OF HOUSTON	0	133,730		0	133,730

Exemption Codes: ABT = Abatement; CBD = Customs Bond; ERE = Emergency Response Equipment; FPT = Freeport; FTZ = Foreign Trade Zone; GCC = Green Coffee or Cocoa; GIT=Goods in Transit; IFC = Interstate or Foreign Commerce; ODR= Offshore Drilling Rig; POL = Pollution Control; PUV = Personal Use Leased Vehicles; SOL = Solar; SPC = Special; SPV=Sole Proprietorship Vehicle; TOT = Total Exemption; UND = Under Minimum Value Exemption; VT = Disabled Veteran or Survivor; MBP = Medical or Biomedical Property

Your protest deadline is July 14, 2025. A protest form is included with this notice for your convenience. *Please use this form or go to www.hcad.org/ifile if you choose to file a protest.*

(letter continues on back)

We have also enclosed information on how to prepare and present a protest. The appraisal review board will begin 2025 hearings on May 12, 2025 at 13013 Northwest Fwy, Houston, Texas, 77040. Other hearings are conducted year round. You may also request an informal conference with the appraisal office before your hearing on a protest if you wish to discuss a possible resolution without the necessity of a formal hearing.

In making our appraisals of business personal property in multiple locations, leased equipment, and leased vehicles, we use generally accepted mass appraisal methods in accordance with state guidelines. We consider information rendered by the property owner, data gathered in field inspections, and information from other sources. Property that escapes taxation may be subject to an omitted property assessment at a later time.

This account lists the value of business personal property held in multiple locations, equipment that you lease to others, and vehicles that you lease to others. The value of your business personal property *other than* these items will be listed in a separate account. If your business owns vehicles for its own use, they will be listed on a separate account. The value of motor vehicle, vessel, heavy equipment, and manufactured housing inventories will also be listed on separate accounts if you own these types of inventories.

If you choose to protest and have access to the Internet, we encourage you to file your protest on line at www.hcad.org/ifile. The process is quick and you will receive a receipt via email. You will need to have the *iFile* number that is printed in the upper right hand corner of the front side of this notice. It looks like this:

This is **NOT** a tax bill. Do **NOT** pay from this notice.

ACCOUNT NUMBER Ú **2404543**

www.hcad.org/iFile

You should also check the list of exemptions shown on the front. If you applied for and have been granted a disabled veteran's exemption, freeport exemption, or tax abatement, the specific code for the exemption should appear in the appropriate columns. If they do not, contact us immediately. If you have not applied for exemptions and you qualify, contact our office for an exemption application. There is no charge for filing an exemption application. You do not need to hire someone to file on your behalf. Additionally, if the combined total value of business personal property you own in a particular taxing unit (city, county, school district, etc.) is less than $2,500, the property will be exempt from taxation by that unit. The same interests will be taxable in other units if the combined value of the property you own in those units is more than $2,500. For example, suppose you owned three individual business personal property items, each valued at $1,000, in Harris County. However, two items are in Spring ISD and one is in Houston ISD. Because the total value of the three items in the county exceeds $2,500, all three would be subject to Harris County taxes. The same items would be exempt from the school taxes because the total value in each of the school districts is less than $2,500.

The filing deadline for your protest appears on the front of this notice. If your value is wrong, we encourage you to file your protest as soon as possible.

In the event a protest or correction is filed on this account, we intend to use as part of our evidence any and all information included in this notice.

Tax Code Section 1.085(a-1) requires that a chief appraiser deliver communications to you or your designated representative electronically if requested. The election remains in effect until rescinded, in writing, by you or your designated representative. For instructions on how to request the chief appraiser to deliver communications to you or your designated representative electronically, **please go to hcad.org/communications.**

Your property does not qualify for the circuit breaker limitation on appraised value provided by Texas Property Tax Code Section 23.231.

We encourage you to call our office if you have concerns or come by for an individual meeting with an appraiser. Call (713) 957-7800 for more information. Initially our phones may be busy, but please be patient and continue to call. Once the Telephone Information Center answers, please continue to hold as all calls are taken in the order received.

Yours truly,

Roland Altinger

Roland Altinger, CAE, RPA, CTA
Chief Appraiser
Harris Central Appraisal District

NEWMARK VALUATION & ADVISORY

Single Family Residential

503 Sul Ross
Houston, Harris County, TX 77006

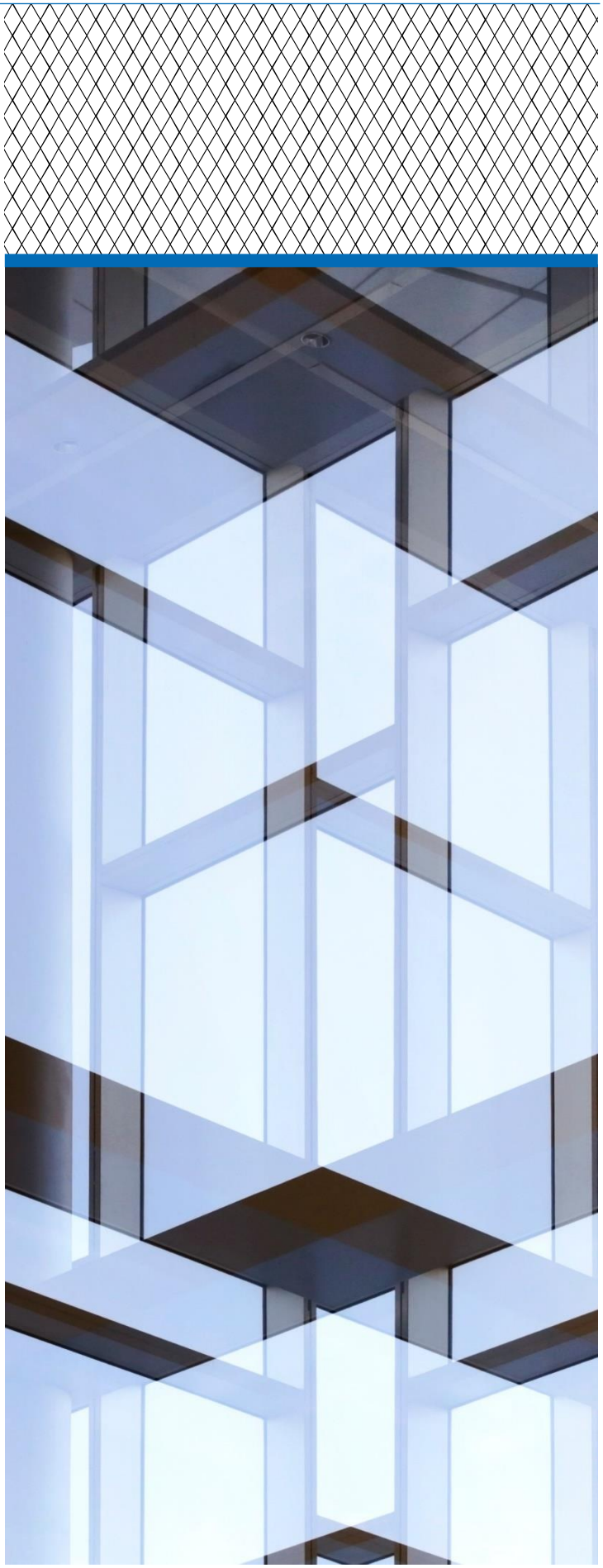
Newmark Job No.: 23-0190210-1

Appraisal Report Prepared For:

David Lumpkins
MHC Bridge Foundation
811 Louisiana Street, Suite 2460
Houston, TX 77002

Prepared By:

Newmark Valuation & Advisory
1700 Post Oak Blvd, 2 Blvd Place, Suite 350
Houston, TX 77056



NEWMARK

August 2, 2023

David Lumpkins
MHC Bridge Foundation
811 Louisiana Street, Suite 2460
Houston, TX 77002

RE: Appraisal Of A Single Family Residential Property Located At 503 Sul Ross, Houston, Harris County, TX 77006, Prepared By Newmark Valuation & Advisory, LLC (herein "Firm" or "Newmark")

Newmark Job No.: 23-0190210-1

Dear Mr. Lumpkins:

The "Subject Property" is a 3,972 square foot 2-story residential property with 1-story metal dining hall that is being utilized as a residential treatment center for adult mental health patients. The improvements are in average condition, are of average quality, and were built in 1945 and were most recently renovated in 1989. The site encompasses approximately 0.172 acres (7,500 square feet). The subject is 100% leased and occupied by Shaunty Healing Centers for a seven year lease term that commenced on May 1, 2019. The lease is subject to an independent purchase option, in which tenant has the right to purchase the property with agreed upon terms. The terms were requested but were not provided.

Upon acquisition, the subject will be owner occupied and will not be encumbered by a lease. Therefore, we have appraised the fee simple estate of the subject property in our analysis and did not analyze the current lease in place.

Based on the analysis contained in the following report, the opinion of value for the subject is:

Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value "As Is"	Fee Simple	7/25/2023	$1,060,000

Compiled by Newmark

Extraordinary Assumptions

An extraordinary assumption is defined in USPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false,

could alter the appraiser's opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. None

The use of this extraordinary assumption might have affected assignment results.

Hypothetical Conditions

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

1. None

The appraisal was developed based on, and this report has been prepared in conformance with the Client's appraisal requirements, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

Certification

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of Texas.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, Esin Locke, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
12. Esin Locke, MAI made a personal inspection of the property that is the subject of this report.
13. Significant real property appraisal assistance was provided by Xiaokang Jing who has not signed this certification. The assistance of Xiaokang Jing consisted of participating in the property inspection, conducting research on the market, subject property, and transactions involving comparable properties, performing certain appraisal analyses, and assisting in report writing, all under the supervision of the person(s) signing this report.
14. The Firm operates as an independent economic entity. Although employees of other service lines or affiliates of the Firm may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
15. Within this report, "Newmark", "Newmark Valuation & Advisory", "Newmark, Inc.", and similar forms of reference refer only to the appraiser(s) who have signed this certification and any persons noted above as having provided significant real property appraisal assistance to the persons signing this report.

16. Esin Locke, MAI has not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.



Esin Locke, MAI
Executive Vice President - Appraisal
Certified General
Texas # 1380534
Telephone: 713.599.5108
Email: Esin.Locke@nmrk.com

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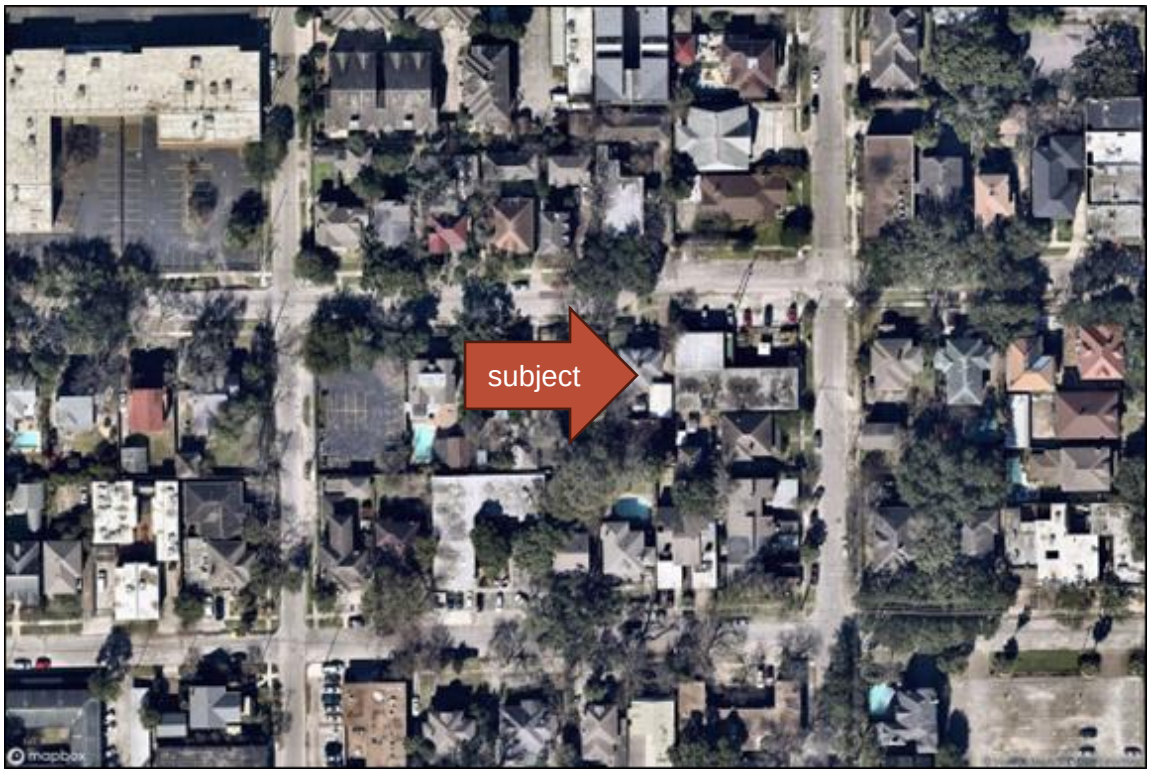
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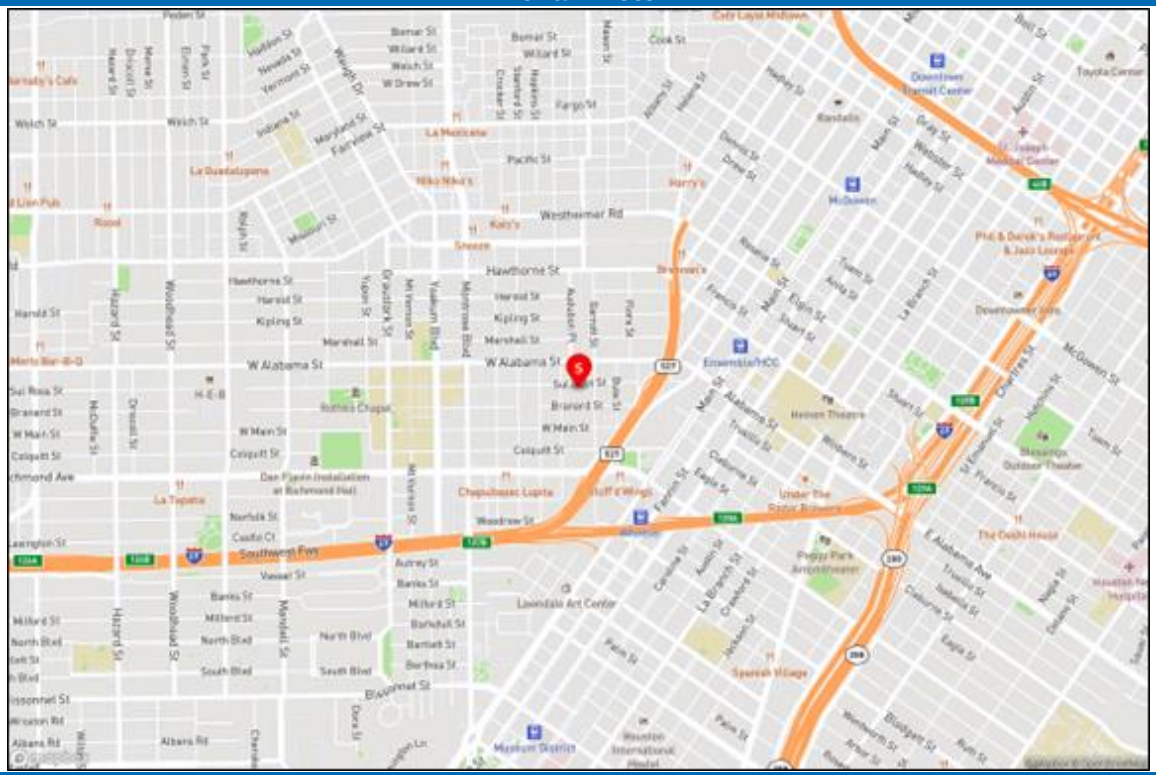
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Aerial Photo



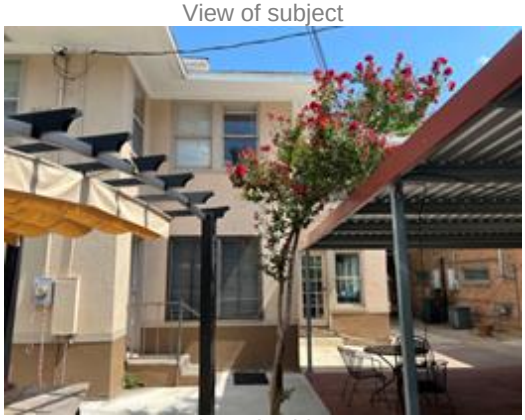
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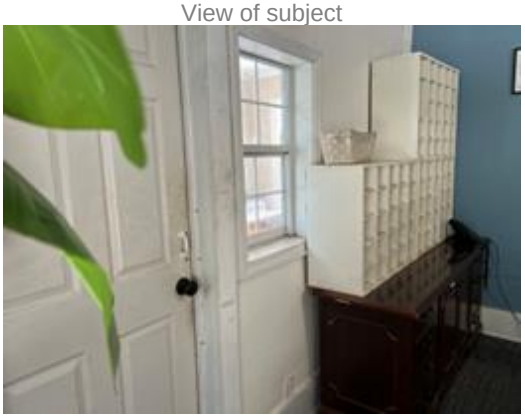


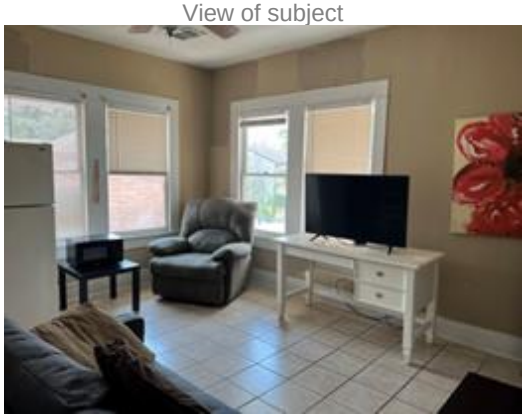
View of subject


View of subject

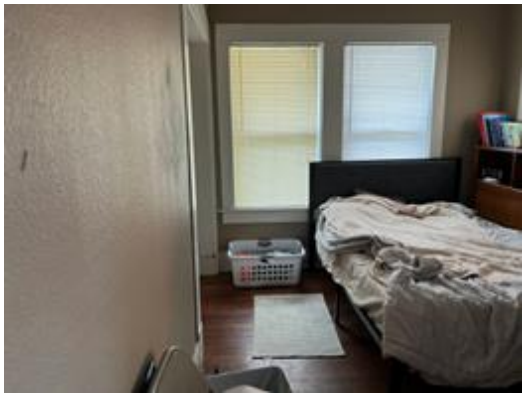

View of subject


View of subject

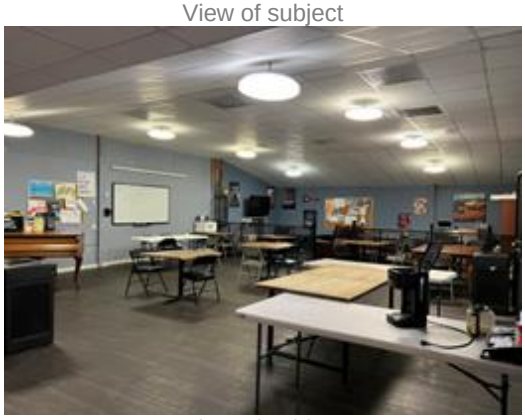

View of subject


View of subject


View of subject


View of subject


View of subject


View of subject


View of subject


View of subject

Executive Summary

Single Family Residential

Property Type:	Specialty-SF Residential
Street Address:	503 Sul Ross
City, State & Zip:	Houston, Harris County, TX 77006
Net Rentable Area (SF):	3,972
Year Built (Renovated):	1945 (1989)
Land Area:	0.172 acres; 7,500 SF
Zoning:	None
Highest and Best Use - As Vacant:	A Specialty Use
Highest and Best Use - As Improved:	Specialty Use
Analysis Details	
Valuation Date:	
Market Value "As Is"	July 25, 2023
Inspection Date and Date of Photos:	July 25, 2023
Report Date:	August 2, 2023
Report Type:	Appraisal Report
Client:	MHC Bridge Foundation
Intended Use:	Internal decision making purposes and no other use is permitted.
Intended User:	MHC Bridge Foundation and no other user is permitted by any other party for any other purpose.
Appraisal Premise:	Market Value "As Is"
Intended Use and User:	The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and Newmark will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.
Interest Appraised:	Fee Simple
Exposure Time (Marketing Period) Estimate:	2 Months (2 Months)

Compiled by Newmark

Valuation Summary

Land Value			$790,000
Sales Comparison Approach		$/SF	$ Total
Number of Sales			3
Range of Sale Dates			March-2023 to May-2023
Adjusted Range of Comparables ($/SF)			$324.29 - $425.95
Indicated Sales Comparison Approach Value	As Is		$1,060,000
Market Value Conclusions	**As Is**		**$1,060,000**

Compiled by Newmark

Extraordinary Assumptions and Hypothetical Conditions

An extraordinary assumption is defined in USPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. None

The use of this extraordinary assumption might have affected assignment results.

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

1. None

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Introduction

OWNERSHIP HISTORY

The current owner is Frisch Samuel. The following summarizes a three-year history of ownership, the current listing status, and pending transactions for the subject property (as applicable).

Ownership History

To the best of our knowledge, no sale or transfer of ownership has taken place within the three-year period prior to the effective date of the appraisal.

Listing Status:	Not Listed For Sale
Current or Pending Contract:	None Reported
Sales in the Previous Three Years:	None

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The subject is 100% leased and occupied by Shaunty Healing Centers for a seven year lease term that commenced on May 1, 2019. The lease is subject to an independent purchase option, in which tenant has the right to purchase the property with agreed upon terms. The terms were requested but were not provided.

To the best of our knowledge, no sale or transfer of ownership has taken place within a three-year period prior to the effective date of the appraisal.

INTENDED USE AND USER

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and Newmark will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.

- The intended use of the appraisal is for internal decision making purposes and no other use is permitted.
- The client is MHC Bridge Foundation.
- The intended user is MHC Bridge Foundation and no other user is permitted by any other party for any other purpose.

DEFINITION OF VALUE

Market value is defined as:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition 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."

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

APPRAISAL REPORT

This appraisal is presented in the form of an appraisal report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of USPAP. This report incorporates sufficient information regarding the data, reasoning and analysis that were used to develop the opinion of value in accordance with the intended use and user.

PURPOSE OF THE APPRAISAL & INTEREST APPRAISED

The primary purpose of the appraisal is to develop an opinion of the Market Value "As Is" of the Fee Simple Estate in the property. (Please see Glossary of Terms for definition(s) of interest(s) appraised)

Purpose of the Appraisal

Appraisal Premise	Interest Appraised	Date of Value
Market Value "As Is"	Fee Simple	7/25/2023

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SCOPE OF WORK

Extent to Which the Property is Identified

- Physical characteristics
- Legal characteristics

– Economic characteristics

Extent to Which the Property is Inspected

Newmark inspected the subject property on July 25, 2023 as per the defined scope of work. Esin Locke, MAI made a personal inspection of the property that is the subject of this report.

Type and Extent of the Data Researched

– Exposure and marketing time;
– Neighborhood and land use trends;
– Demographic trends;
– Market trends relative to the subject property type;
– Physical characteristics of the site and applicable improvements;
– Flood zone status;
– Zoning requirements and compliance;
– Real estate tax data; and
– Relevant applicable comparable data.

Type and Extent of Analysis Applied

We analyzed the property and market data gathered through the use of appropriate, relevant, and accepted market-derived methods and procedures. Further, we employed the appropriate and relevant approaches to value, and correlated and reconciled the results into an estimate of market value, as demonstrated within the appraisal report. The applied scope of work is appropriate and sufficient to produce credible assignment results for the intended use of this report.

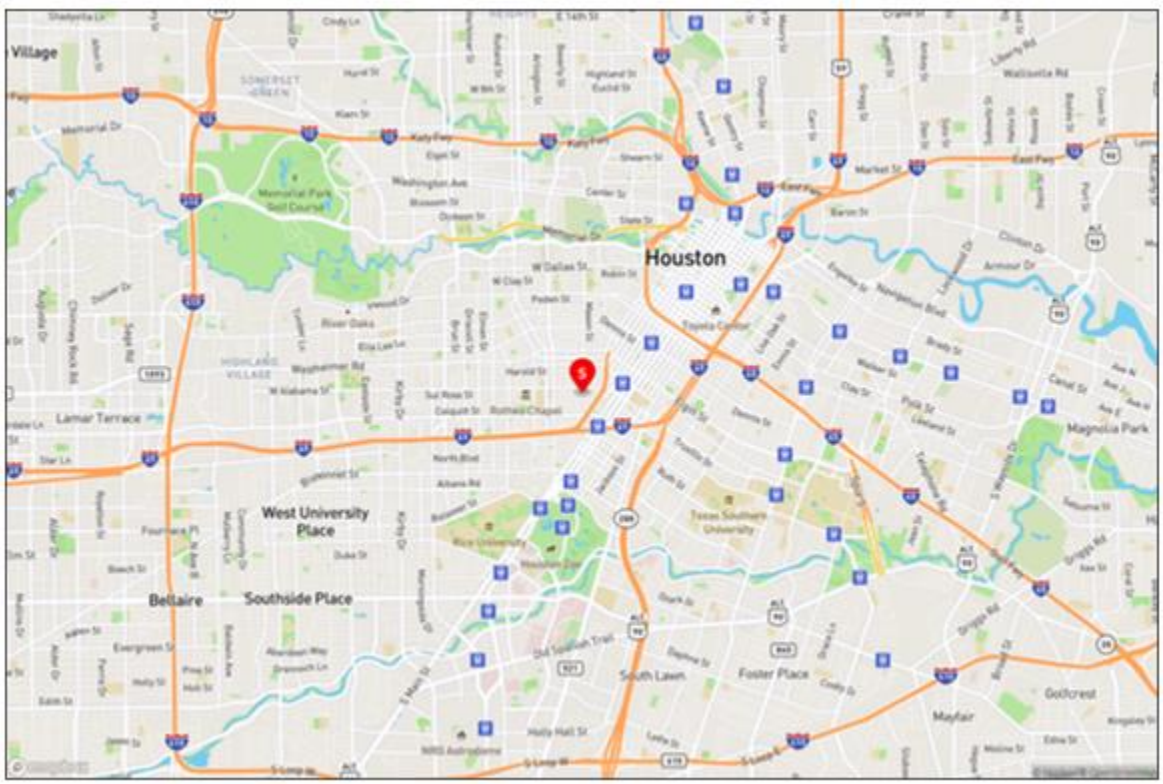
Application of Approaches to Value

Approach	Comments
Cost Approach	The Cost Approach is not applicable and is not utilized in this appraisal.
Sales Comparison Approach	The Sales Comparison Approach is applicable and is utilized in this appraisal.
Income Capitalization Approach	The Income Capitalization Approach is not applicable and is not utilized in this appraisal.

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The cost approach and income approaches were not utilized in this appraisal as market participants considering properties like the subject do not give consideration to the cost approach and income approach. The exclusion of these approaches are not considered to impact the reliability of the appraisal. Although we did not include a Cost Approach, we included a land valuation calculation to determine the underlying land value.

Neighborhood Analysis



Neighborhood Map

Boundaries

The subject is located in the southwest area of the city of Houston. This area is generally delineated as follows:

North	Interstate 10
South	Interstate 69
East	Interstate 45
West	Loop 610

Surrounding Area of Influence Trends

Description

The subject's surrounding area is viewed as suburban.

Access

Primary Access

Primary access to the subject is provided by State Highway 527, Interstate 69, and Interstate 45.

Major Thoroughfares

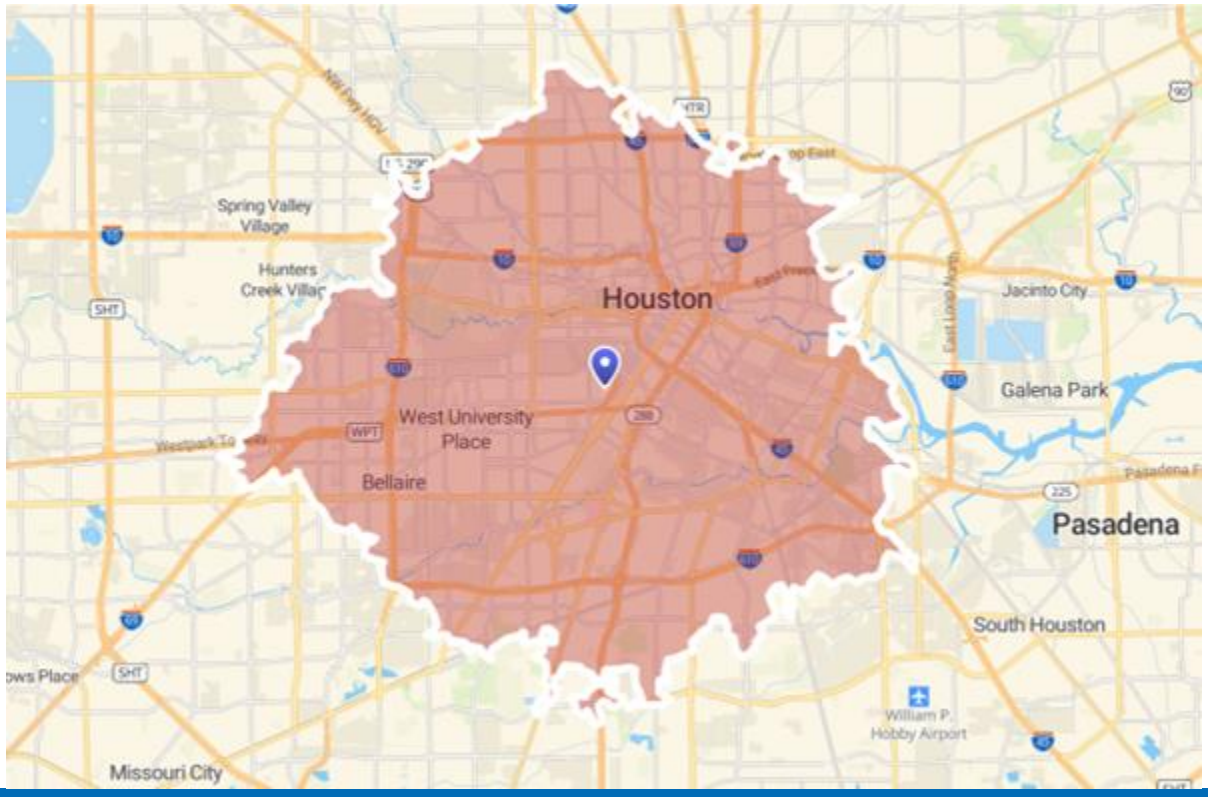
Major thoroughfares include West Alabama Street, Montrose Boulevard, Westheimer Road, Richmond Avenue, and Main Street.

Transportation

Transportation is provided by automobile and bus.

Distance from Key Locations

The following illustrates the 10-minute drive time from the subject.

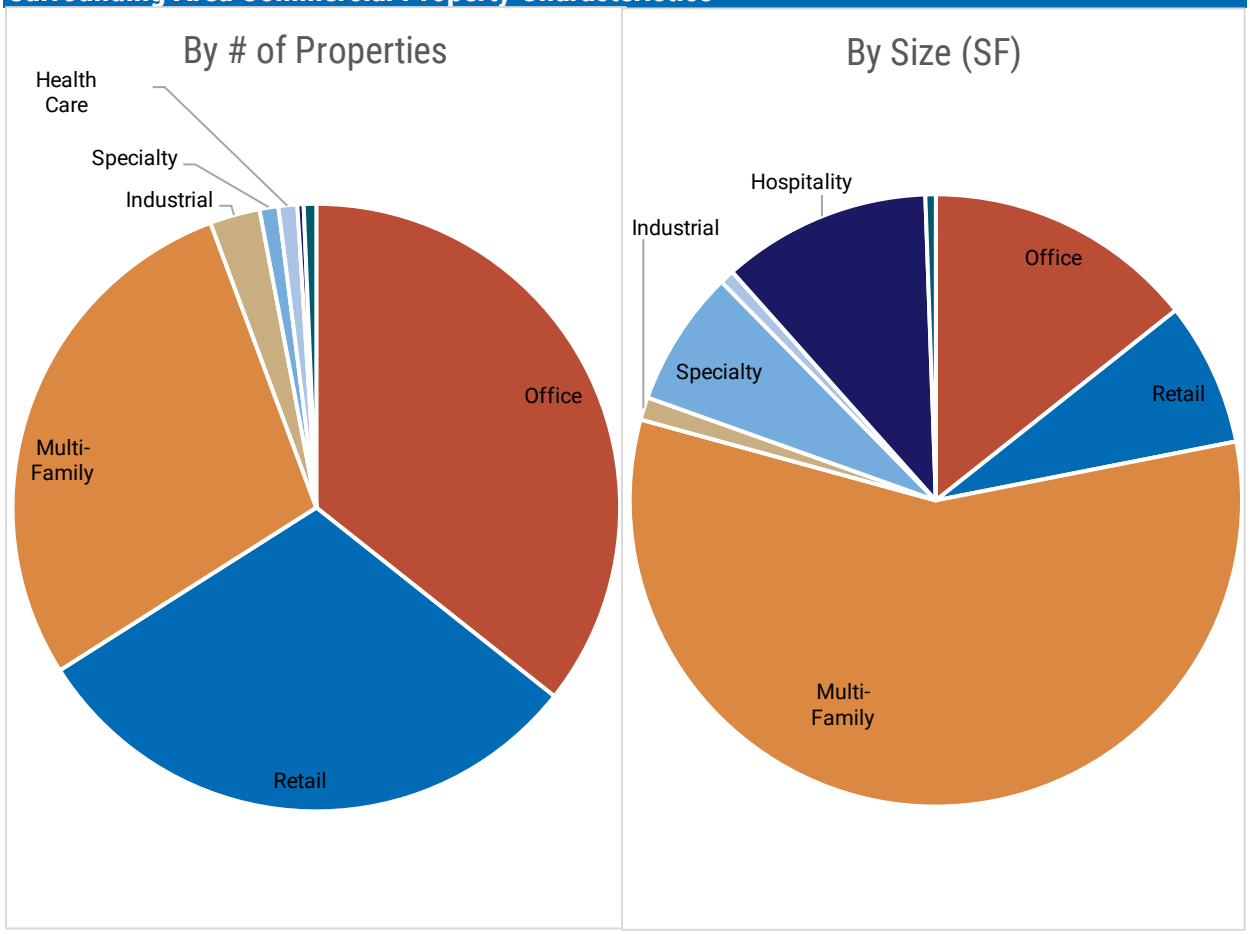


Drive Time Map

Land Use

The following was developed from Costar data for the major property types in the surrounding 0.5 mile radius around the subject.

Surrounding Area Commercial Property Characteristics

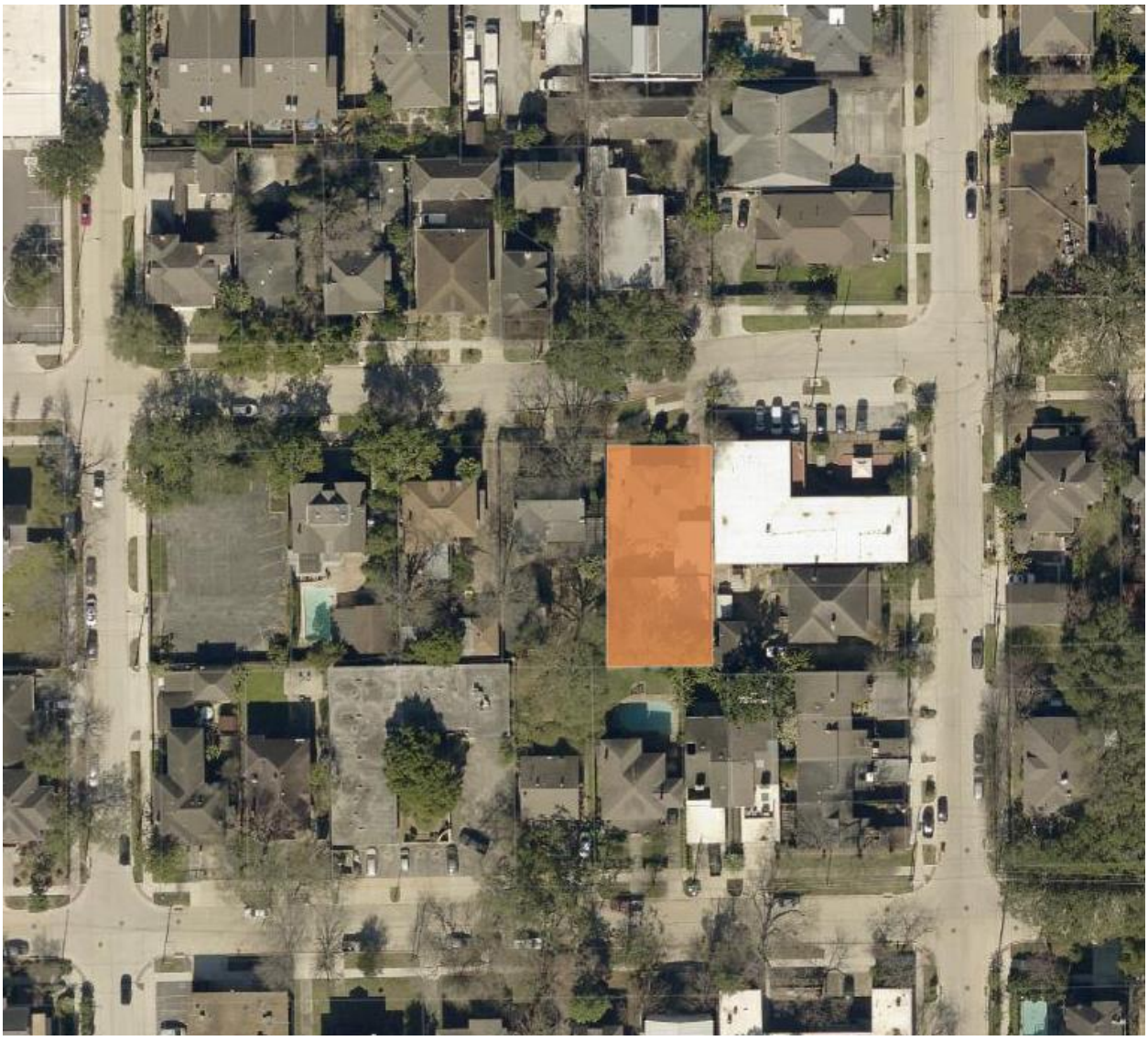


Souce: Costar; Compiled by Newmark

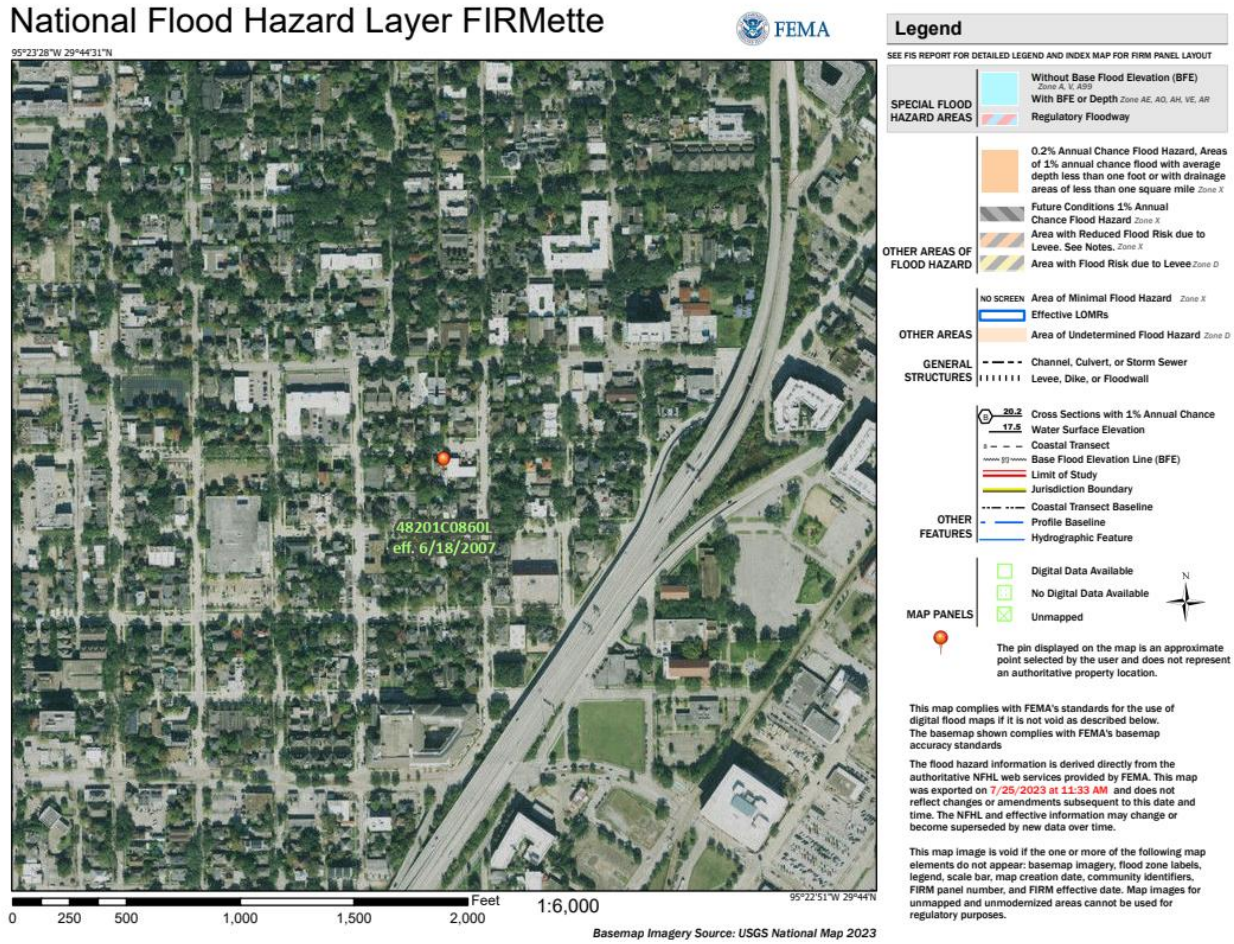
Within the immediate area of the subject, property uses include the following:

- Office
- Multi-Family
- Retail

Land and Site Analysis



Plat Map


National Flood Hazard Layer FIRMette
FEMA
95°23'28"W 29°44'31"N
48201C0860L
eff. 6/18/2007
95°22'51"W 29°44'N
Feet
0 250 500 1,000 1,500 2,000
1:6,000
Basemap Imagery Source: USGS National Map 2023
Legend
SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT
SPECIAL FLOOD HAZARD AREAS
Without Base Flood Elevation (BFE) Zone A, V, A99
With BFE or Depth Zone AE, AO, AH, VE, AR
Regulatory Floodway
OTHER AREAS OF FLOOD HAZARD
0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
Future Conditions 1% Annual Chance Flood Hazard Zone X
Area with Reduced Flood Risk due to Levee. See Notes. Zone X
Area with Flood Risk due to Levee Zone D
OTHER AREAS
NO SCREEN Area of Minimal Flood Hazard Zone X
Effective LOMRs
Area of Undetermined Flood Hazard Zone D
GENERAL STRUCTURES
Channel, Culvert, or Storm Sewer
Levee, Dike, or Floodwall
OTHER FEATURES
20.2 Cross Sections with 1% Annual Chance
17.5 Water Surface Elevation
Coastal Transect
Base Flood Elevation Line (BFE)
Limit of Study
Jurisdiction Boundary
Coastal Transect Baseline
Profile Baseline
Hydrographic Feature
MAP PANELS
Digital Data Available
No Digital Data Available
Unmapped
N
The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.
This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards
The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 7/25/2023 at 11:33 AM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.
This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

Flood Map

Land Parcels

Parcel Summary	Associated APN(s)	Classification	Land Area (SF)	Land Area (Acres)
Site 1	0082710000004	Primary Site 1	7,500	0.1722
Total Gross Land Area			7,500	0.1722
Total Usable Land Area			7,500	0.1722

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Land Description

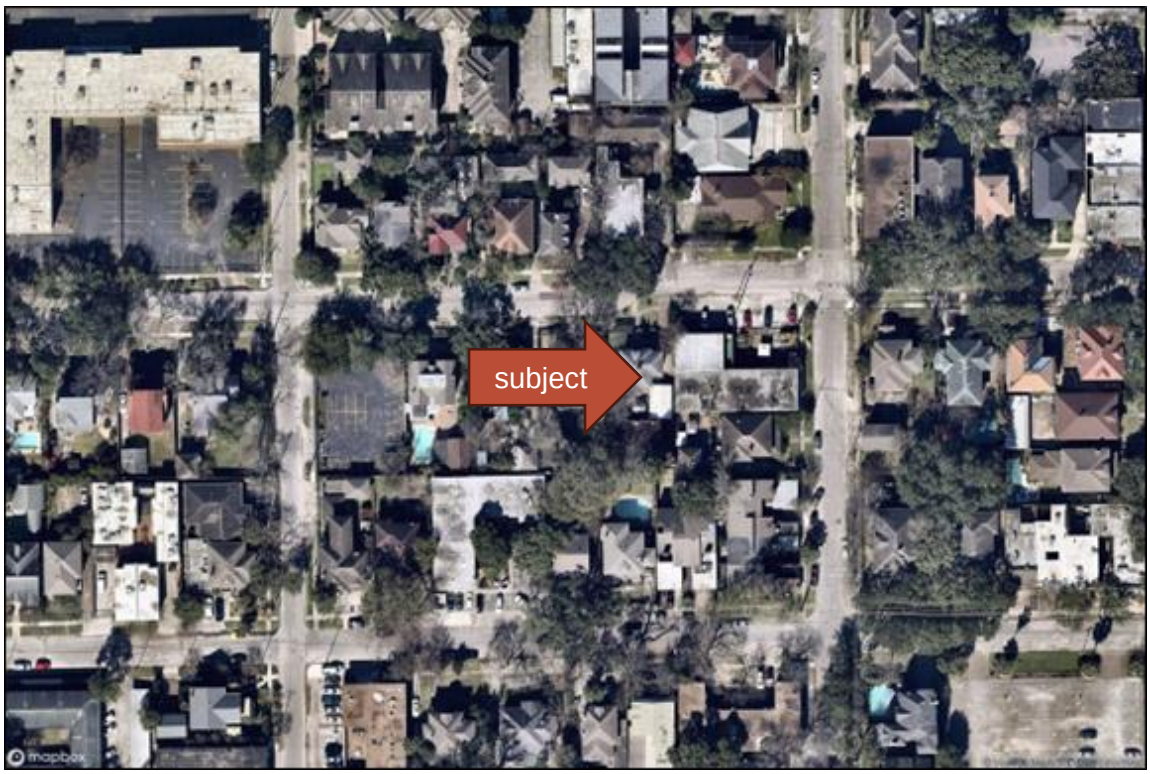
Total Land Area	0.1722 Acres; 7,500 SF
Usable Land Area	0.1722 Acres; 7,500 SF
Excess Land Area	None
Surplus Land Area	None
Source of Land Area	Assessor's records
Site Characteristics	
Primary Street Frontage	Sul Ross Street (60 FF)
Traffic Control at Entry	None
Traffic Flow	Low
Accessibility Rating	Average
Visibility Rating	Average
Shape	Rectangular
Corner	No
Rail Access	No
Topography	Level, at street grade
Site Vegetation	Grass, bushes and plants
Easement/Encroachments	None Noted
Environmental Issue	None Noted
Flood Zone Analysis	
Flood Area Panel Number	48201C0860L
Date	6/18/2007
Zone	Zone X
Description	Area of minimal flood hazard, usually depicted on Flood Insurance Rate Maps as above the 500-year flood level.
Insurance Required?	No
Utilities	
Utility Services	Electricity, gas, sewer, water

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ZONING AND LEGAL RESTRICTIONS

The subject is located in the City of Houston and in Harris County. Neither City of Houston nor Harris County zone land uses. As such, the subject site is not encumbered by any zoning ordinances.

Improvements Analysis



Aerial

The “Subject Property” is a 3,972 square foot 2-story residential property with 1-story metal dinning hall that is being utilized as a residential treatment center for adult mental health patients. The improvements are in average condition, are of average quality, and were built in 1945 and were most recently renovated in 1989. The site encompasses approximately 0.172 acres (7,500 square feet).

The improvements are more fully described in the following table.

Improvements Description			
Component Structures			
Improvements (Structures)	Primary Use	Dinning Hall	**Subtotal**
General Improvement Type	Specialty	Specialty	
Use Description	SF Residential	Other	
No. Buildings	1	1	2
Rentable SF	1,920	2,052	3,972
Construction Status	Existing, Stabilized Operations	Existing, Stabilized Operations	
Construction Class	C	S	
Quality	Average	Average	
Current Condition	Average	Average	
Age/Life Depreciation Analysis			
Year Built	1945	1945	
Year Renovated	1989	1989	
Actual Age (Yrs.)	78	78	
Economic Life (Yrs.)	50	50	
Effective Age (Yrs.)	25	25	
Remaining Economic Life (Yrs.)	25	25	
Percent Depreciation	50.00%	50.00%	
Floor Area Analysis			
Number of Stories	2	1	
Construction Details	**SF Residential**	**Other**	
Foundation	Reinforced Concrete	Reinforced Concrete	
Structural Frame/Construction Summary	Wood	Metal	
Exterior Walls	Bricks	Metal	
Windows	Tempered Glass	Tempered Glass	
Roof	Pitched	Pitched	
Interior Finish	SF Residential	Other	
Floors	Ceramic Tile, Wood & Carpet	Ceramic Tile, Wood & Carpet	
Walls	Textured and painted sheetrock	Textured and painted sheetrock	
Ceilings	Sheetrock	Sheetrock	
Lighting	LED Fixtures	LED Fixtures	
Engineering & Mechanical	**SF Residential**	**Other**	
HVAC	Ground mounted	Ground mounted	
Electrical	Assumed adequate	Assumed adequate	
Plumbing	Assumed adequate	Assumed adequate	
Elevators	None	None	
Rest Rooms	Assumed adequate	Assumed adequate	
Fire Sprinklers	No	No	

Compiled by Newmark

Conclusion

Overall, the quality, condition, and functional utility of the improvements are average for their age and location with consideration to the significant renovation.

REAL ESTATE TAXES

Taxes and Assessments						
Tax Year 2023	Assessor's Market Value				Millage Rates	Taxes and Assessments
Tax ID	Land	Improvements	Total	Assessment Ratio	Land & Improvements	Ad Valorem Taxes
0082710000004	$637,500	$159,923	$797,423	100.0%	2.20189	$17,558
	$637,500	$159,923	$797,423	100.0%	2.20189	$17,558

Compiled by Newmark

The local assessor's methodology for valuation is fee simple valuation.

Under The Texas Property Tax Code, assessed value is intended to represent 100% of market value via the use of all three approaches to value. However, equal and uniform regulations (tax comparables) make this difficult. Additionally, Texas is a non-disclosure state and the sales price is not on any public document and does not have to be divulged. Finally, the owners of the subject property have the ability to protest the subject's valuation in any given tax year regardless of whether or not there is an increase.

Notifications of assessed value as of January 1st are mailed in March and April and the Appraisal District has to be notified of a value protest by May 15th. Tax rates, set by the individual taxing authorities, are not determined until November of that year.

Subject Tax Conclusion

Ad Valorem Tax Analysis		
	Subject History	Conclusion
	2023	
Total Assessed Value	$797,423	$797,423
Total Assessed Value/SF	$200.76	$200.76
Tax Rate	2.20189%	2.2019%
Ad Valorem Taxes	$17,558	$17,558
Actual / Pro Forma Taxes	$17,558	$17,558
Reported Tax Delinquencies	None	None
Tax Exemptions or Abatements	None	None

Compiled by Newmark

Our projection of taxes is based on the current assessment.

Highest and Best Use

AS VACANT

The subject site is not zoned and all uses are allowed. No legal restrictions such as easements or deed covenants are present which would impair the utility of the site.

The subject site contains 7,500 square feet (0.172 acres), has favorable topography, adequate access, and all necessary utilities to support the range of legally permissible uses. No significant physical limitations were noted. The size of the site is typical. In total, the site is physically capable of supporting the legally permissible uses.

Of the legally permissible and physically possible uses, only residential uses considered to be reasonably probable based on the surrounding uses and location.

Given the location and surrounding uses and activity, it appears that residential development would have a sufficient degree of feasibility.

AS IMPROVED

The existing residential improvements are legally conforming. There are no known legal restrictions to the continued use of the improvements as they were designed. As previously discussed, the improvements are rated as average for their age and location. The improvements conform to the expectations of the market and conform in general terms to the highest and best use as though vacant conclusion above. The improvements were designed for this use. Based on our analysis and review, the improvements do not appear to suffer from significant functional obsolescence. Therefore, continuation of the existing residential property use is reasonably probable and appropriate.

Financial feasibility tends to imply the presence of an income stream. Although the subject is currently leased, it is being acquired for owner occupancy. This property type is typically owner-occupied and the real estate itself is not expected to generate an income stream. Financial feasibility for such a property is not demonstrated through income methods but through market sales activity. As demonstrated in the sales comparison approach section of this report, there is ongoing sales activity for properties like the subject. Therefore, as the market clearly recognizes a need for properties like the subject, the continued use of the improvements in this manner is feasible. Since the concluded value as though improved exceeds the value of the underlying land, it follows that removal of the improvements for redevelopment or substantial conversion to an alternative use is not indicated.

The existing residential improvements are legally permissible, physically possible, and financially feasible. The concluded value as though improved exceeds the value of the underlying land and removal of the improvements for redevelopment or substantial conversion to an alternative use is not indicated based on current neighborhood trends. Given no alternatives, the highest and best use of the subject as improved is the existing residential property use. The most likely buyer would be an owner-user.

Appraisal Methodology

COST APPROACH

The cost approach is based on the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when it is improved with relatively unique or specialized improvements for which there exist few sales or leases of comparable properties.

SALES COMPARISON APPROACH

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the property units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value.

INCOME CAPITALIZATION APPROACH

The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

Application of Approaches to Value

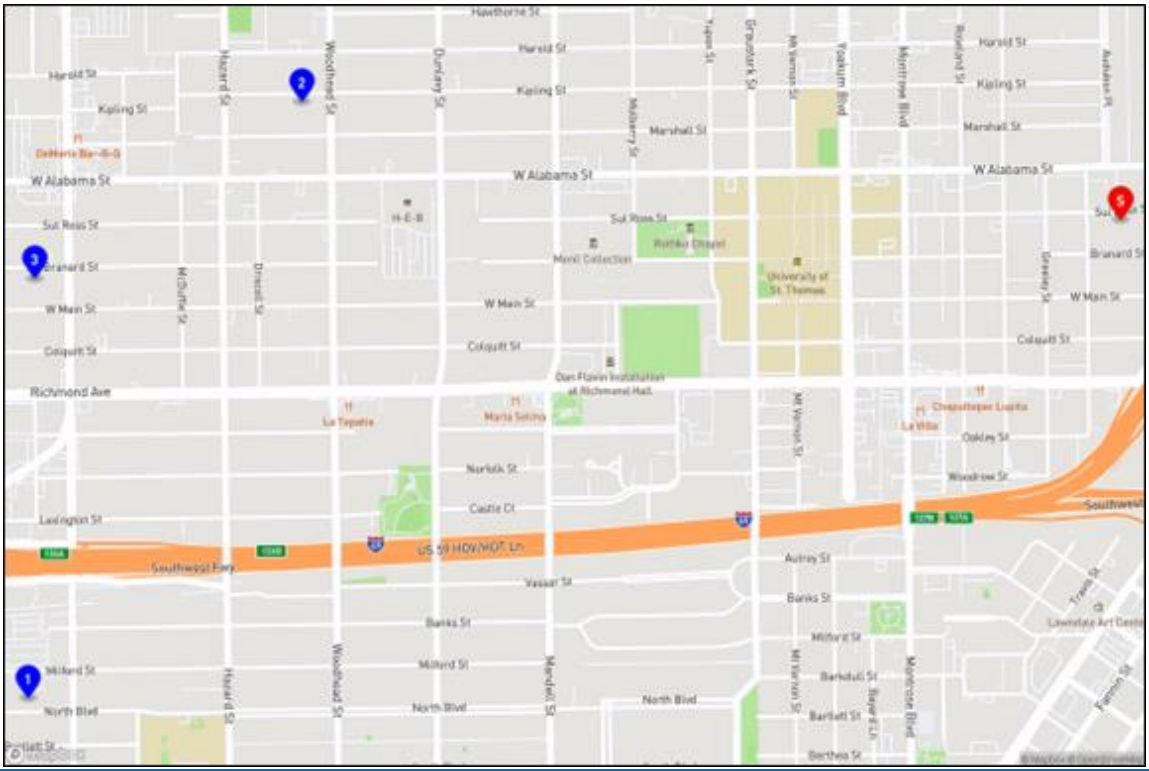
Approach	Comments
Cost Approach	The Cost Approach is not applicable and is not utilized in this appraisal.
Sales Comparison Approach	The Sales Comparison Approach is applicable and is utilized in this appraisal.
Income Capitalization Approach	The Income Capitalization Approach is not applicable and is not utilized in this appraisal.

Compiled by Newmark

The cost approach was not utilized in this appraisal as market participants considering properties like the subject do not give consideration to the cost approach. In addition, the age and condition of the improvements makes depreciation highly speculative. The income capitalization approach was not used because while the subject could generate an income stream, the most probable buyer is an owner-occupant. The exclusion of these approaches is not considered to impact the reliability of the appraisal. Although we did not include a Cost Approach, we included a land valuation as requested by the client.

Land Valuation

Land value can be developed from a number of different methodologies. In this case, we have employed the sales comparison as sufficient comparable data exists from which to derive a reliable indication of value. Based on a review of market activity, the appropriate unit of comparison is Price Per Gross Land SF.



Land Comparables Map

Comparable Land Sales Summary				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Address	503 Sul Ross	2224 North Boulevard	1815 Kipling Street	2115 Branard Street
City, State	Houston, TX	Houston, TX	Houston, TX	Houston, TX
Proposed Use	Specialty	SF Residential	SF Residential	SF Residential
Gross Land SF	7,500 SF	5,975 SF	6,250 SF	6,250 SF
Useable Acres	0.17 Acres	0.14 Acres	0.14 Acres	0.14 Acres
Useable Land SF	7,500 SF	5,975 SF	6,250 SF	6,250 SF
Frontage	60 Feet	45 Feet	50 Feet	50 Feet
Shape/Topography	Rectangular/Level, at	Rectangular/Generally Level	Rectangular/Generally Level	Rectangular/Level
Utilities Available	Electricity, gas, sewer,	Electricity, Gas, Sewer, Water	Electricity, Gas, Sewer, Water	Electricity, Sewer, Water
Zoning	None	None	None	None
Transaction Type		Closed	Closed	Closed
Buyer		CROIX CUSTOM HOMES INC	PHILIP A WOOD CONSTRUCTION LLC	CROIX CUSTOM HOMES INC
Seller		GORMAN ANN C	TSANAIS CHRIST J	HOOVER SUSAN ELIZABETH
Interest Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Transaction Date		Nov-21	Dec-21	Sep-22
Price		$775,000	$679,000	$625,000
Adj. Sale Price		$775,000	$679,000	$625,000
Price per Gross Land Acre		$5,648,688	$4,731,707	$4,355,401
Price Per Gross Land SF		$129.71	$108.64	$100.00
Price per Usable Land Acre		$5,648,688	$4,731,707	$4,355,401
Price Per Usable Land SF		$129.71	$108.64	$100.00

Compiled by Newmark

ANALYSIS OF LAND COMPARABLES

The following analyzes the most relevant comparable data against the subject property.

- Date of sale refers to market conditions that change over time. Over the past year, lender interest rates have increased notably as a result of the Fed attempting to tame inflation. As a result, while there is a lack of overall transaction volume, it is the consensus that investment rates have followed a similar upward trajectory. Therefore, sale 1 and 2 received an adjustment for market conditions.
- Sale 1 warranted a downward (-20%) adjustment due to its closer location to Rice University and Texas Medical Center.

Summary of Adjustments / Adjustment Grid

Based on our comparative analysis, the following table summarizes the adjustments warranted to each land sale.

Comparable Land Sales Adjustment Grid				
	Subject	**Sale 1**	**Sale 2**	**Sale 3**
Address	503 Sul Ross	2224 North Boulevard	1815 Kipling Street	2115 Branard Street
City, State	Houston, TX	Houston, TX	Houston, TX	Houston, TX
Gross Land SF	7,500 SF	5,975 SF	6,250 SF	6,250 SF
Usable Land Area (Acres)	0.17 Acres	0.14 Acres	0.14 Acres	0.14 Acres
Usable Land Area (SF)	7,500 SF	5,975 SF	6,250 SF	6,250 SF
Transaction Type	--	Closed	Closed	Closed
Transaction Date	--	Nov-21	Dec-21	Sep-22
Price Per Gross Land SF		$129.71	$108.64	$100.00
Transaction Adjustments				
Property Rights		0%	0%	0%
Financing		0%	0%	0%
Conditions of Sale		0%	0%	0%
Market Conditions (Time)		3%	3%	0%
Subtotal (adjustments are multiplied)		3.0%	3.0%	0%
Transaction Adjusted Price Per Gross Land SF		$133.60	$111.90	$100.00
Physical Adjustments				
Location		-20%	0%	0%
Corner		0%	0%	0%
Frontage		0%	0%	0%
Size		0%	0%	0%
Shape		0%	0%	0%
Topography		0%	0%	0%
Utilities		0%	0%	0%
Zoning		0%	0%	0%
Subtotal (adjustments are summed)		-20%	0%	0%
Gross Adjustment		23%	3%	0%
Overall Adjustment		-17.6%	3.0%	0%
Indicated Price Per Gross Land SF		**$106.88**	**$111.90**	**$100.00**

Compiled by Newmark

LAND VALUE CONCLUSION

- Prior to adjustments, the sales reflect a range of $100.00 to $129.71 per gross land sf.
- After adjustment, the range is narrowed to $100.00 to $111.90 per gross land sf, with an average of $106.26 per gross land sf.
- Most weight was placed on Comparables Two and Three which indicate an adjusted value range of $100.00 to $111.90 per square foot. The subject property was most similar to these comparables due to the gross adjustments.

Land Value Conclusion

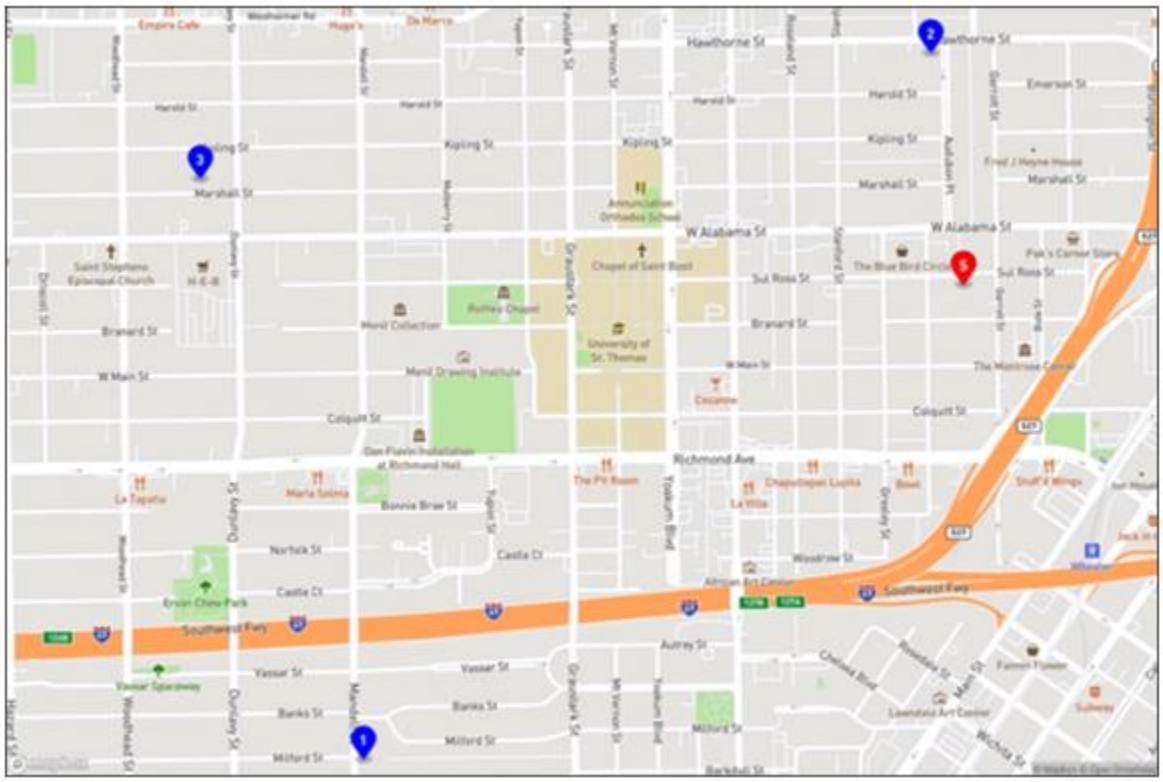
Gross Land SF		7,500
Comparable Sales Indications	**Range**	**Average**
Unadjusted Price Per Gross Land SF	$100.00 - $129.71	$112.78
Adjusted Price Per Gross Land SF	$100.00 - $111.90	$106.26
Reconciled Value Per Gross Land SF		$105.00
Total Indicated Value		$787,500
Adjustment 1		$0
Total Indicated Value		$787,500
	Rounded	$790,000

Compiled by Newmark

Sales Comparison Approach

The sales comparison approach value is derived by analyzing closed sales of properties that are similar to the subject. The sales comparison approach includes the following steps.

- Research and verify information on properties in the competitive market that are similar to the subject and that have recently sold, are listed for sale, or are under contract.
- Select the most relevant units of comparison in the market and develop a comparative analysis.
- Examine and quantify via adjustments differences between the comparable sales and the subject property using all appropriate elements of comparison.
- Reconcile the various value indications to a value bracket and then a single value indication.



Comparable Residential Sales

	Sale 1	Sale 2	Sale 3
Address	5001 Mandell	3404 Audubon Place	1720 Marshall Street
City, State	Houston, TX 77006	Houston, TX 77006	Houston, TX 77098
Land Size (SF)	7,605	6,000	6,875
Livable Area (SF)	2,253	2,614	2,858
Bedrooms	3	3	3
Bathrooms	2.5	2.5	3
Year Built/Renovation	1934/1990	1928/2010	1927/2014
Sale Date	5/31/2023	3/8/2023	5/16/2023
Sale Price	$1,000,000	$998,850	$999,500

Compiled by Newmark

FEATURE	SUBJECT			COMPARABLE SALE #1				COMPARABLE SALE #2				COMPARABLE SALE #3			
Address	503 Sul Ross Houston, TX 77006			5001 Mandell Houston, TX 77006				3404 Audubon Place Houston, TX 77006				1720 Marshall Street Houston, TX 77098			
Proximity to Subject				1 Mile				1623 Feet				1.01 Miles			
Sale Price							$ 1,000,000				$ 998,850				$ 999,500
Sale Price/Gross Liv. Area				$443.85				$382.12				$349.72			
Data Source(s)				MLS				MLS				MLS			
Verification Source(s)				MLS				MLS				MLS			
VALUE ADJUSTMENTS	DESCRIPTION			DESCRIPTION			+(-) $ Adjustment	DESCRIPTION			+(-) $ Adjustment	DESCRIPTION			+(-) $ Adjustment
Sale or Financing Concessions				Conventional				Conventional				Conventional			
Date of Sale/Time															
Location	Average			Average			$0	Average			$0	Average			$0
Leasehold/Fee Simple	Fee Simple			Fee Simple			$0	Fee Simple			$0	Fee Simple			$0
Site	7,500			7,605			($525)	6,000			$7,500	6,875			$3,125
View	Average			Average			$0	Average			$0	Average			$0
Quality of Construction	Average			Average			$0	Average			$0	Average			$0
Year of Construction/Renovation	1946/1989			1934/1990			($500)	1928/2010			($10,500)	1927/2014			($12,500)
Condition	Average			Average			$0	Average			$0	Average			$0
Above Grade	Total	Bdrms.	Baths	Total	Bdrms.	Baths		Total	Bdrms.	Baths		Total	Bdrms.	Baths	
Room Count	5	3	2.0	6	3	2.5	($1,250)	6	3	2.5	($1,250)	6	3	3.0	($2,500)
Gross Living Area	1,920			2,253			($16,650)	2,614			($34,700)	2,858			($46,900)
Basement & Finished Rooms Below Grade	N/A			N/A			$0	N/A			$0	N/A			$0
Functional Utility	Average			Average			$0	Average			$0	Average			$0
Heating/Cooling	Central Heat/AC			Central Heat/AC			$0	Central Heat/AC			$0	Central Heat/AC			$0
Energy Efficient Items	None			None			$0	None			$0	None			$0
Garage/Carport	0 Car Garage			2 Car Garage			($15,000)	2 Car Garage			($15,000)	1 Car Garage			($7,500)
Porch/Patio/Deck	Yes			Yes			$0	Yes			$0	Yes			$0
Pool	None			None			$0	Yes			($40,000)	None			$0
Net Adjustment (Total)					+	-	($33,925)		+	-	($93,950)		+	-	($66,275)
Adjusted Sale Price				Net Adj.		-3.4%		Net Adj.		-9.4%		Net Adj.		-6.6%	
of Comparables				Gross Adj.			$966,075	Gross Adj.			$904,900	Gross Adj.			$933,225
				Gross Adj.			$428.79	Gross Adj.			$346.17	Gross Adj.			$326.53

Value Indication by Sales Comparison	
Minimum	$904,900
Maximum	$966,075
Average	$934,733
Conluded Value	**$930,000**

In addition to the residential improvements, the subject includes a metal dining hall/recreation room that services all of the operators patients. This structure is not typical for the neighborhood or single family property type. Therefore, the value of these improvements are not included in the above analysis. Instead, we have calculated the depreciated value of the dining hall/recreation hall and added to the overall value of the residential improvements.

Building and Site Improvements - Cost Summary

Improvements (Structures)		**Dinning Hall**
MVS Improvement Type		Specialty - Other
Construction Class		S
Quality		Average
MVS Section		13
MVS Page		14
Source Date		Agugst 2022
Base Cost PSF		$107.00
+ Sprinklers		$0.00
+HVAC (var. from base)		$14.30
Adjusted Base Cost PSF		$121.30
Height & Size Refinements		
# of Stories Multiplier		1.000
Ceiling Height Multiplier		1.000
Perimeter Multiplier		1.000
Adjusted Base Cost		$121.30
Final Calculations		
Current Cost Multiplier		1.070
Local Area Multiplier		0.920
Adjusted Base Cost		$119.41
x Structure Size (SF GBA per building)		2,052
Adjusted Cost per Building		$245,025
x Number of Buildings		1
Total Adjusted Cost		$245,025
Site Improvements		
+ Indirect Costs @	5.00%	$12,251
MVS Indicated Cost New Before Profit		$257,276

Compiled by Newmark

Age/Life Depreciation Summary	
Building and Site Improvements	**Dinning Hall**
Year Built	1945
Year Renovated	1989
Actual Age (Yrs.)	78
Economic Life (Yrs.)	50
Effective Age (Yrs.)	25
Remaining Economic Life (Yrs.)	25
Percent Depreciation	50.00%

Compiled by Newmark

Depreciated Replacement Cost	
Building and Site Improvements	**Dinning Hall**
Replacement Cost New	$257,276
Less: Age/Life Depreciation	$128,638
Adjusted RCN	$128,638
Less: Functional Obsolescence	$0
Adjusted RCN	$128,638
Less: External Obsolescence	$0
Depreciated Replacement Cost	$128,638
$ PSF	$62.69

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SALES COMPARISON APPROACH CONCLUSION - COMBINED PROPERTY

Sales Comparison Approach Conclusion - Combined Property Value Indications		
As Is		**Value Indication**
Single Family Residential		$930,000
Dining Hall/Recreation Room		$128,638
Total As Is Value Indication	**Effective Date: 7/25/2023**	**$1,058,638**
Total As Is Value Indication (Rounded)	**Effective Date: 7/25/2023**	**$1,060,000**

Compiled by Newmark

Reconciliation of Value

The values indicated by our analyses are as follows:

Market Value Indications

Market Value Premise As of Date:	As Is July 25, 2023
Cost Approach:	Not Used
Sales Comparison Approach:	$1,060,000
Income Capitalization Approach:	Not Used
Market Value Conclusion	$1,060,000

Compiled by Newmark

Sales Comparison Approach

The Sales Comparison Approach is focused on comparing the subject to sale and other market transactions with the aim to develop an indication of value that is founded on the theory of substitution. Basically, the intention is to determine value through considering the prices of properties which would be a substitute property to the subject. The subject property will be an owner-occupied property upon acquisition. In this market, it would not be commonly leased and the typical owner would be the user. Therefore, the sales comparison approach takes on added significance. As the sales comparison approach specifically utilizes sales data from properties acquired for owner-occupancy as well, this approach is given primary weight in this appraisal.

FINAL VALUE CONCLUSIONS

Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value "As Is"	Fee Simple	7/25/2023	$1,060,000

Compiled by Newmark

Extraordinary Assumptions and Hypothetical Conditions

An extraordinary assumption is defined in USPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. None

The use of this extraordinary assumption might have affected assignment results.

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

1. None

Compiled by Newmark

EXPOSURE TIME

Exposure time is the estimated length of time the subject property would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. It is a retrospective estimate based on an analysis of past events assuming a competitive and open market. Recent sales transaction data for similar properties, supply and demand characteristics for the local specialty market, and the opinions of local market participants were reviewed and analyzed. Based on this data and analysis, it is our opinion that the probable exposure time for the subject at the concluded market value stated previously is 2 months.

MARKETING TIME

Marketing time is an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. We estimate the subject's marketing period at 2 months.

Assumptions and Limiting Conditions

The Appraisal contained in this Report (herein "Report") is subject to the following assumptions and limiting conditions:

1. Unless otherwise stated in this report, title to the property which is the subject of this report (herein "Property") is assumed to be good and marketable and free and clear of all liens and encumbrances and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. No responsibility is assumed for the legal description, zoning, condition of title or any matters which are legal in nature or otherwise require expertise other than that of a professional real estate appraiser. This report shall not constitute a survey of the Property.
2. Unless otherwise stated in this report, it is assumed: that the improvements on the Property are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the Property and improvements conform to all applicable local, state, and federal laws, codes, ordinances and regulations including environmental laws and regulations. No responsibility is assumed for soil or subsoil conditions or engineering or structural matters. The Property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated. The physical condition of the Property reflected in this report is solely based on a visual inspection as typically conducted by a professional appraiser not someone with engineering expertise. Responsible ownership and competent property management are assumed.
3. Unless otherwise stated in this report, this report did not take into consideration the existence of asbestos, PCB transformers or other toxic, hazardous, or contaminated substances or underground storage tanks, or the cost of encapsulation, removal or remediation thereof. Real estate appraisers are not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials and substances may adversely affect the value of the Property. Unless otherwise stated in this report, the opinion of value is predicated on the assumption that there is no such material or substances at, on or in the Property.

4. All statements of fact contained in this report as a basis of the analyses, opinions, and conclusions herein are true and correct to the best of the appraiser's actual knowledge and belief. The appraiser is entitled to and relies upon the accuracy of information and material furnished by the owner of the Property or owner's representatives and on information and data provided by sources upon which members of the appraisal profession typically rely and that are deemed to be reliable by such members. Such information and data obtained from third party sources are assumed to be reliable and have not been independently verified. No warranty is made as to the accuracy of any of such information and data. Any material error in any of the said information or data could have a substantial impact on the conclusions of this Report. The appraiser reserves the right to amend conclusions reported if made aware of any such error.
5. The opinion of value stated in this report is only as of the date of value stated in this report. An appraisal is inherently subjective and the conclusions stated apply only as of said date of value, and no representation is made as to the effect of subsequent events. This report speaks only as of the date hereof.
6. Any projected cash flows included in the analysis are forecasts of estimated future operating characteristics and are predicated on the information and assumptions contained within this report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of market expectations of future income and expenses. The achievement of any financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. There is no warranty or assurances that these forecasts will occur. Projections may be affected by circumstances beyond anyone's knowledge or control. Any income and expense estimates contained in this report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
7. The analyses contained in this report may necessarily incorporate numerous estimates and assumptions regarding Property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by the analysis will vary from estimates, and the variations may be material.
8. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraphs, several events may occur that could substantially alter the outcome of the estimates such as, but not limited to changes

in the economy, interest rates, capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. In making prospective estimates and forecasts, it is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

9. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. This report shall be considered only in its entirety. No part of this report shall be utilized separately or out of context.

10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the Firm. Possession of this report, or a copy hereof, does not carry with it the right of publication.

11. Client and any other Intended User identified herein should consider this report and the opinion of value contained herein as only one factor together with its own independent considerations and underwriting guidelines in making any decision or investment or taking any action regarding the Property. Client agrees that Firm shall not be responsible in any way for any decision of Client or any Intended User related to the Property or for the advice or services provided by any other advisors or contractors. The use of this report and the appraisal contained herein by anyone other than an Intended User identified herein, or for a use other than the Intended Use identified herein, is strictly prohibited. No party other than an Intended User identified herein may rely on this report and the appraisal contained herein.

12. Unless otherwise stated in the agreement to prepare this report, the appraiser shall not be required to participate in or prepare for or attend any judicial, arbitration, or administrative proceedings.

13. The Americans with Disabilities Act (ADA) became effective January 26, 1992. No survey or analysis of the Property has been made in connection with this report to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. No expertise in ADA issues is claimed, and the report renders no opinion regarding the Property's compliance with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.

14. Acceptance and/or use of this report constitutes full acceptance of these Assumptions and Limiting Conditions and any others contained in this report, including any Extraordinary Assumptions and Hypothetical Conditions, and is subject to the terms and conditions contained in the agreement to prepare this report and full acceptance of any limitation of liability or claims contained therein.

Addendum A

Glossary of Terms

The following definitions are derived from The Dictionary of Real Estate Appraisal, 7th ed. (Chicago: Appraisal Institute, 2022).

- ***Absorption Period:*** The actual or expected period required from the time a property, group of properties, or commodity is initially offered for lease, purchase, or use by its eventual users until all portions have been sold or stabilized occupancy has been achieved.
- ***Absorption Rate:*** 1) Broadly, the rate at which vacant space in a property or group of properties for sale or lease has been or is expected to be successfully sold or leased over a specified period of time. 2) In subdivision analysis, the rate of sales of lots or units in a subdivision.
- ***Ad Valorem Tax:*** A tax levied in proportion to the value of the thing(s) being taxed. Exclusive of exemptions, use-value assessment provisions, and the like, the property tax is an ad valorem tax. (IAAO)
- ***As Is Market Value:*** The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Interagency Appraisal and Evaluation Guidelines) Note that the use of the "as is" phrase is specific to appraisal regulations pursuant to FIRREA applying to appraisals prepared for regulated lenders in the United States. The concept of an "as is" value is not included in the Standards of Valuation Practice of the Appraisal Institute, Uniform Standards of Professional Appraisal Practice, or International Valuation Standards.
- ***Assessed Value:*** The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value.
- ***Cash Equivalency Analysis:*** An analytical process in which the sale price of a transaction with atypical financing or financing with unusual conditions or incentives is converted into a price equivalent or consistent with what a cash buyer would pay with all other factors the same.
- ***Cash-Equivalent Price:*** The sale price of a property that is equivalent to what a cash buyer would pay.
- ***Contract Rent:*** The actual rental income specified in a lease.
- ***Disposition Value:*** The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) An adequate marketing effort will be made during the exposure time. 8) Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. This definition can also be modified to provide for valuation with specified financing terms.
- ***Economic Life:*** The period over which improvements to real estate contribute to property value.
- ***Effective Gross Income (EGI):*** The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income.
- ***Effective Rent:*** Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord.
- ***Excess Land:*** Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. See also *surplus land*.
- ***Excess Rent:*** The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties.

- ***Exposure Time:*** 1) The time a property remains on the market. 2 An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. (USPAP, 2020-2021 ed.)
- ***Extraordinary Assumption:*** An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property, or conditions external to the property, such as market conditions or trends, or about the integrity of data used in an analysis. (USPAP, 2020-2021 ed.)
- ***Fee Simple Estate:*** Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.
- ***Floor Area Ratio (FAR):*** The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.
- ***Frictional Vacancy:*** The amount of vacant space needed in a market for its orderly operation. Frictional vacancy allows for move-ins and move-outs.
- ***Full Service (Gross) Lease:*** See *gross lease*.
- ***General Vacancy:*** A method of calculating any remaining vacancy and collection loss considerations when using discounted cash flow (DCF) analysis, where turnover vacancy has been used as part of the income estimate. The combined effects of turnover vacancy and general vacancy relate to total vacancy and collection loss.
- ***Going-Concern Premise:*** One of the premises under which the total assets of a business can be valued; the assumption that a company is expected to continue operating well into the future (usually indefinitely).
- ***Going-Concern Value:*** An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the market value of the going concern or market value of the total assets of the business. See also *Market Value of the Going Concern* and *Market Value of the Total Assets of the Business (MVTAB)*.
- ***Going-In Capitalization Rate (R_o):*** The overall capitalization rate obtained by dividing a property's net operating income for the first year after purchase by the present value of the property.
- ***Gross Building Area (GBA):*** 1) Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. 2) Gross leasable area plus all common areas. 3) For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space.
- ***Gross Lease:*** A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called full-service lease.
- ***Hypothetical Condition:*** 1) A condition that is presumed to be true when it is known to be false. (Appraisal Institute: The Standards of Valuation Practice [SVP]) 2) A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2020-2021 ed.)
- ***Intended Use:*** 1) The valuer's intent as to how the report will be used. (SVP) 2) The use(s) of an appraiser's reported appraisal or appraisal review assignment results, as identified by the appraiser based on communication with the client at the time of the assignment. (USPAP, 2020-2021 ed.)

- ***Intended Users:*** 1) The party or parties the valuer intends will use the report. (SVP) 2) The client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser, based on communication with the client at the time of the assignment. (USPAP, 2020-2021 ed.)
- ***Investment Value:*** 1) The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. 2) The value of an asset to the owner or a prospective owner given individual investment or operational objectives (may also be known as worth). (International Valuation Standards [IVS])
- ***Land-to-Building Ratio:*** The proportion of land area to gross building area; one of the factors determining comparability of properties. See also *floor area ratio*.
- ***Lease:*** A contract in which the rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.
- ***Leased Fee Interest:*** The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.
- ***Leasehold Estate:*** The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.
- ***Lessee:*** One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement.
- ***Lessor:*** One who conveys the rights of occupancy and use to others under a lease agreement.
- ***Liquidation Value:*** The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a short time period. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under extreme compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) A normal marketing effort is not possible due to the brief exposure time. 8) Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. This definition can also be modified to provide for valuation with specified financing terms.
- ***Market Rent:*** The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. Implicit in this definition is the execution of a lease as of a specified date under conditions whereby • Lessee and lessor are typically motivated; • Both parties are well informed or well advised, and acting in what they consider their best interests; • Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and • The rent reflects specified terms and conditions typically found in that market, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, frequency of payments (annual, monthly, etc.), and tenant improvements (TIs).
- ***Market Value:*** A type of value that is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined.[1]
- ***Market Value of the Going Concern:*** The market value of an established and operating business including the real property, personal property, financial assets, and the intangible assets of the business.
- ***Market Value of the Total Assets of the Business (MVTAB):*** The market value of all of the tangible and intangible assets of a business as if sold in aggregate as a going concern.
- ***Modified Gross Lease:*** A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified

[1] The actual definition of value used for this appraisal is contained within the body of the report.

gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a double net lease, net net lease, partial net lease, or semi-gross lease. See also *net lease*.

- ***Net Lease:*** A lease in which the landlord passes on all expenses to the tenant. See also *gross lease*; *modified gross lease*.
- ***Net Net Net Lease:*** An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called *NNN lease, triple net lease,* or *fully net lease*.
- ***Net Operating Income (NOI or I_o):*** The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. Note: This definition mirrors the convention used in corporate finance and business valuation for EBITDA (earnings before interest, taxes, depreciation, and amortization).
- ***Occupancy Rate:*** 1) The relationship or ratio between the potential income from the currently rented units in a property and the income that would be received if all the units were occupied. 2) The ratio of occupied space to total rentable space in a building.
- ***Operating Expenses:*** The periodic expenditures necessary to maintain the real estate and continue production of the effective gross income, assuming prudent and competition management.
- ***Overage Rent:*** The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakpoint sales volume.
- ***Percentage Rent:*** Rental income received in accordance with the terms of a percentage lease; typically derived from retail store and restaurant tenants and based on a certain percentage of their gross sales.
- ***Prospective Opinion of Value:*** A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.
- ***Rentable Area:*** For office or retail buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.
- ***Retrospective Value Opinion:*** A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."
- ***Shell Rent:*** The typical rent paid for retail, office, or industrial tenant space based on minimal "shell" interior finishes (called vanilla finish or white wall finish in some areas). Usually the landlord delivers the main building shell space or some minimum level of interior build-out, and the tenant completes the interior finish, which can include wall, ceiling, and floor finishes, mechanical systems, interior electricity, and plumbing. Typically these are long-term leases with tenants paying all or most property expenses.
- ***Surplus Land:*** Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. See also *excess land*.
- ***Turnover Vacancy:*** A method of calculating vacancy allowance that is estimated or considered as part of the potential income estimate when using discounted cash flow (DCF) analysis. As units or suites turn over and are available for re-leasing, the periodic vacancy time frame (vacancy window) to release the space is considered.

- ***Usable Area:*** 1) For office buildings, the actual occupiable area of a floor or an office space; computed by measuring from the finished surface of the office side of corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Sometimes called net building area or net floor area. See also floor area. 2) The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas.
- ***Usable Site Area:*** The area of a site that can legally and physically accommodate buildings or significant site improvements. The usable site area equals the total site area less certain obstructions, such as flood hazard areas, required natural buffers, cemeteries, archeologically restricted areas, ecologically restricted areas, areas within certain restrictive easements, and other obstructions. The net site area or usable site area should be more precisely defined in each appraisal because the significance of improvements or the obstruction depends on the specific assignment.
- ***Use Value:*** The value of a property based on a specific use, which may or may not be the property's highest and best use. If the specified use is the property's highest and best use, use value will be equivalent to market value. If the specified use is not the property's highest and best use, use value will be equivalent to the property's market value based on the hypothetical condition that the only possible use is the specified use.
- ***Value In Use:*** 1. The amount determined by discounting the future cash flows (including the ultimate proceeds of disposal) expected to be derived from the use of an asset at an appropriate rate that allows for the risk of the activities concerned. (FASB Accounting Standards Codification, Master Glossary) 2. Formerly used in valuation practice as a synonym for contributory value or use value. See also *use value*.

Addendum B

Engagement Letter

July 13, 2023

MHC BRIDGE FOUNDATION
Attention: David Lumpkins
c/o David Lumpkins
811 Louisiana Street, Suite 2460
Houston, TX 77002
Phone: 713-252-1099
Email: lumpkins@petrologistics.com

Re: Appraisal of the property described as:
505 Sul Ross, Houston, TX 77006
503 Sul Ross, Houston, TX 77006
506 Branard, Houston, TX 77006
("**Property**")

Dear Mr. Lumpkins:

Newmark Valuation & Advisory, LLC ("**Firm**") agrees to provide MHC Bridge Foundation ("**Client**") an appraisal of the above-referenced Property in accordance with, and subject to, the terms and conditions set forth below and in the attached Schedules (collectively, "**Agreement**").

APPRAISAL FEE:	$4,500.00 (inclusive of expenses).
ADDITIONAL HOURLY FEES:	None
RETAINER:	None
REPORT DELIVERABLES:	The appraisal, draft and/or final, shall be delivered in electronic format (typically, pdf). One original hard copy of the final appraisal will be provided to Client upon request.
COMMENCEMENT AND DELIVERY DATE:	Delivery is as follows: Final appraisal report: three (3) weeks The appraisal process will commence upon receipt by the Firm of (i) this Agreement, signed by Client. The appraisal process will conclude upon

	delivery of the final appraisal report, unless terminated sooner by the Firm or Client or as provided herein.
REPORT TYPE:	Appraisal Report
VALUATION PREMISE:	Market Value
INTEREST IN THE PROPERTY APPRAISED:	Fee Simple Estate
DATE(S) OF VALUE:	Current as of: the Date of Inspection
INTENDED USER(S):	Intended users of the appraisal include only Client ("**Intended User(s)**"), and no other party is permitted to use or rely on the appraisal. The identification of Intended User(s) of the appraisal is to determine the type and extent of research, analysis and reporting appropriate for the assignment. Designation of a party other than Client as an Intended User is not intended to confer upon such party any rights under this Agreement.
INTENDED USE:	The intended use of the appraisal is solely for Intended Use ("**Intended Use**") and no other use.
RELIANCE LANGUAGE:	None
GUIDELINES:	The analyses, opinions and conclusions are to be developed based on, and the appraisal will be prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) as published by the Appraisal Foundation.
SCOPE OF WORK:	The appraiser will use and properly apply all applicable and appropriate approaches to value sufficient to produce credible assignment results. The scope of the analysis will be appropriate for the appraisal problem.
ASSUMPTIONS/ LIMITING CONDITIONS:	The appraisal will be subject to Firm's standard Assumptions and Limiting Conditions, which will be incorporated into the appraisal report. In addition, the appraisal may be subject to, and the appraisal report may contain, Extraordinary Assumptions and Hypothetical Conditions.
ACCEPTANCE:	This shall constitute a binding agreement only if countersigned by the Client, or by an officer, director or other representative of Client who, by signing and accepting this Agreement, represents and warrants that he/she is authorized by Client to do so.

PAYMENT:	Client will be invoiced the appraisal fee (and any expenses) which will be earned in full upon initial delivery of the appraisal report (draft or final), with such appraisal fee (and expenses) payable within 30 days of invoicing. Payment of the fee is not contingent upon any predetermined value or on an action or event resulting from the analysis, opinions, conclusions or use of the appraisal.
CHANGES TO THE AGREEMENT:	Any significant changes to the assignment as outlined in this Agreement, such as the identity of the Client, Intended User, or Intended Use, will require the preparation and execution of a new agreement.
CANCELLATION OF ASSIGNMENT:	Client may cancel this Agreement at any time prior to the Firm's delivery of the appraisal upon written notification to the Firm. Client shall pay Firm for all work completed on the assignment prior to Firm's receipt of such written cancellation notice, unless otherwise agreed upon by Firm and Client in writing. The Firm may withdraw without penalty or liability from the assignment(s) contemplated by the Agreement before completion or reporting if the Firm determines, in the Firm's sole discretion, that incomplete information was provided to the Firm prior to the engagement, that Client or other parties have not or cannot provide documentation or information necessary to the Firm's analysis or reporting, that conditions of the Property render the original scope of work inappropriate, that a conflict of interest has arisen, or that Client has not complied with its payment obligations under this Agreement. The Firm shall notify Client of such withdrawal in writing.
NO THIRD-PARTY BENEFICIARIES:	Nothing in the Agreement shall create a contractual relationship or any legal duty between Firm or Client and any third party, nor any cause of action, right, or claim in favor of any third party and against Firm or Client. In addition, this Agreement is not intended to, and shall not be construed to, render any person or entity a third-party beneficiary of this Agreement. Client acknowledges and agrees that the appraisal report shall reflect the foregoing. In addition, the appraisal report shall state that no party other than an Intended User identified in the Agreement is entitled to rely upon the appraisal.

This Agreement may be rescinded by the Firm unless signed and returned to the undersigned within 10 days from the date hereof.

If this Agreement correctly sets forth the Client's understanding of the services to be rendered, and if the terms are satisfactory, please execute and return the Agreement together with any required retainer.

Respectfully,

Stephen D. DuPlantis, MAI
Executive Vice President
Certified General Appraiser
License No. TX 1321138 G
steve.duplantis@nmrk.com
713.599.5103 Office Direct
713.703.8038 Cell

Agreed:
MHC BRIDGE FOUNDATION

SIGNATURE: David Lumpkins

PRINT NAME: David Lumpkins

TITLE: President

DATE: 7-13-2023

Schedule "A"

TERMS AND CONDITIONS

ATTACHED TO AND A PART OF THE AGREEMENT DATED JULY 13, 2023 TO PROVIDE APPRAISAL SERVICES FOR MHC BRIDGE FOUNDATION

1. These Terms and Conditions are attached to and incorporated into the above referenced Agreement as though fully set forth in full therein. Capitalized terms if not defined herein shall have the same meaning as defined in the Agreement.

2. With respect to any appraisal report, use of or reliance on the appraisal by any party, regardless of whether the use or reliance is authorized or known by the Firm, constitutes acceptance of these Terms and Conditions as well as acceptance of all other appraisal statements, limiting conditions and assumptions stated in the Agreement and appraisal report.

3. It is assumed that there are no matters affecting the Property that would require the expertise of other professionals, such as engineers or an environmental consultant, for Firm to provide the appraisal. If such additional expertise is required, it shall be provided by other parties retained by Client at Client's sole cost and expense.

4. Client acknowledges that the Firm is being retained as an independent contractor to provide the services described herein and nothing in this Agreement shall be deemed to create any other relationship between Firm and Client, including but not limited to an agency relationship. The parties neither intend nor have any expectation that any such relationship will arise as a matter of law or as a result of this Agreement. This assignment shall be deemed concluded and the services hereunder completed upon delivery of the appraisal described herein to Client.

5. All statements of fact contained in the appraisal report as a basis of the appraiser's analyses, opinions, and conclusions will be true and correct to the best of the appraiser's actual knowledge and belief. The appraiser is entitled to, and shall rely upon the accuracy of information and material furnished to the Firm by Client. Appraiser is also entitled to, and shall, rely on information provided by sources upon which members of the appraisal profession typically rely and that are deemed to be reliable by members of that profession without independent verification.

6. The Firm and the appraiser shall have no responsibility for legal matters, or questions or issues involving survey or title, soil or subsoil conditions, engineering, zoning, buildability, environmental contamination, structural matters, construction defects, material or methodology, or other similar technical matters with regarding the Property. Furthermore, the appraisal will not constitute a survey of the Property.

7. The appraisal and the data and information gathered in its preparation (other than the confidential data and information provided by Client) is and will remain, the property of the Firm. The Firm shall not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished by Client to the Firm. Notwithstanding the foregoing, the Firm and the appraiser are authorized by Client to disclose all or any portion of the appraisal and appraisal report and the related data and information, including confidential data and information provided by Client, to appropriate representatives of the Appraisal Institute if such disclosure is required to comply with the Standards, Bylaws and Regulations of the Appraisal Institute, as well as, such disclosure as required by law and regulations, including compliance with a subpoena and licensing authority regulatory inquiries. The Firm is also authorized to include both confidential and non-confidential data assembled in the course of preparing the appraisal and which may be incorporated into the appraisal report in a database controlled by the Firm for the aggregation of such data and information to produce analytics and other metrics or products.

8. Unless specifically noted in the appraisal report, the appraisal will not take into consideration the possibility or probability of the existence of asbestos, PCB transformers, other toxic, hazardous, or contaminated substances

and/or underground storage tanks (hazardous material) at on or in the Property, or the cost of encapsulation, removal or remediation thereof.

9. Client shall indemnify, defend (by counsel to be selected by Firm), protect, and hold Firm and Firm's appraisers, agents, employees, affiliates, representatives, successors and assigns (each, a "**Firm Party**"), free and harmless from any and all claims, liabilities, losses, penalties, fines, forfeitures, amounts paid in settlement, judgments, and all reasonable attorneys' fees and related litigation costs, fees and expenses incurred by the any of such indemnitees, which result from (i) any failure by Client or Client's agents or representatives to provide Firm with complete and accurate information regarding the Property; (ii) any material breach by Client of the provisions of the Agreement; (iii) if delivery of the appraisal to a third party is permitted by the Firm, Client providing an incomplete copy of the appraisal to such third party; or (iv) arising from Client or Client's agents or representatives providing a copy of the appraisal to a party not authorized by the Firm to receive such copy.

10. In preparing the appraisal, it is possible that the appraiser will discover conflicting information. In that event, appraiser will utilize information and data considered to be the most authoritative and for critical information will document the source. Information and data referred to may include, but is not limited to, legal descriptions; physical street addresses; assessor parcel numbers; property history; dimensions and areas of the site/land; dimensions and areas of the building improvements; physical unit counts; rent rolls; leases; lease abstracts; income and expense data; and any other related data. Any material discrepancy and/or error in any of the above data could have a substantial impact on the conclusions reported, and the Firm therefore reserves the right to amend conclusions reported if the Firm is made aware of any such discrepancy and/or error.

11. The appraisal may not be used, included or referenced, in whole or in part, in any offering or other materials without the prior written consent of the Firm, which consent may be conditioned upon the receipt by the Firm of an indemnity agreement, in form and content, satisfactory to Firm and provided by an indemnitor satisfactory to Firm. Client agrees to pay the fees of the Firm's legal counsel for review of any materials which is the subject of the requested consent. Except as agreed by the Firm expressly in writing, the Firm disclaims liability to any party other than Client.

12. The Firm shall not provide a copy of the appraisal to, or disclose the results of the appraisal to, any party other than Client, unless Client authorizes same, except as provided in the Confidentiality Section of the ETHICS RULE of the Uniform Standards of Professional Appraisal Practice (USPAP) or as otherwise required by law or regulations.

13. Client and any other identified Intended User should consider the appraisal as only one factor together with its own independent considerations and underwriting guidelines in making any decision or investment or taking any action regarding the Property. Client agrees that Firm shall not be responsible in any way for any decision of Client or any Intended User related to the Property or for the advice or services provided by any other advisors or contractors.

14. Unless otherwise stated in this Agreement, Client agrees that the services pursuant to this Agreement shall not include participation in or preparation for, or attendance at, any legal, judicial, administrative, or arbitration proceeding relating to this assignment. In the event the Firm or any Firm Party is required, whether through the service of a subpoena or otherwise, to produce documents or participate in or prepare for any discovery, testimony or attendance, relating to the appraisal or this assignment, where the Firm or Firm Party is not a party to the action or proceedings involved, Client agrees to reimburse expenses incurred by the Firm or Firm Party, including attorney's fees, in responding to such subpoena or other legal process and compensate the Firm therefor based upon the appraiser's prevailing hourly or daily rate for providing services as an expert consultant or witness.

15. Except as expressly provided herein, Firm makes no representations or warranties to Client or to any other person or entity with respect to the appraisal and the services to be provided by Firm under this Agreement. To the maximum extent permitted under applicable law, in no event will the Firm or any Firm Party be liable to Client or any third party (regardless of whether such party's claimed use or reliance on the appraisal was authorized by the

Firm or a Firm Party) for any indirect, special, exemplary, incidental, or consequential damages (including loss of profits) arising from or relating to this Agreement or the appraisal, even if such party knew or should have known of the possibility of, or could reasonably have prevented, such damages. In no event shall the total liability of the Firm or any Firm Party to Client or any third party (regardless of whether such party's claimed use or reliance on the appraisal was authorized by the Firm or a Firm Party) arising from or relating to this Agreement or the appraisal, whether based on tort, contract, or any other legal theory, exceed the amount of fees paid to the Firm for the appraisal and the services described herein. Legal claims or causes of action relating to the appraisal are not assignable, except: (i) as the result of a merger, consolidation, sale or purchase of a legal entity, (ii) with regard to the collection of a bona fide existing debt for services but then only to the extent of the total compensation for the appraisal plus reasonable interest, or (iii) in the case of an appraisal performed in connection with the origination of a mortgage loan, as part of the transfer or sale of the mortgage before an event of default on the mortgage or note or its legal equivalent.

16. Federal banking regulations require banks and other lending institutions to engage appraisers where FIRREA compliant appraisals must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions. In view of that requirement, the appraisal may not be accepted by a federally regulated financial institution.

17. In the event Client fails to make payments of any fees or sums when due and payable under this Agreement; then from the date due and payable until paid, the amount due and payable shall bear interest at the maximum rate permitted under the laws of the state in which the Property is located. If the Firm is required to undertake collection efforts including institution of legal action against Client relating to the Agreement, the Firm shall be entitled to recover attorney's fees, litigation expenses, and costs from Client.

18. To the extent permitted under applicable law, any legal action or lawsuit or other proceeding by Client or any Intended User of the appraisal against Firm or a Firm Party whether based in contract, tort, warranty, indemnity or otherwise, relating to the appraisal shall be commenced within two (2) years from the date of delivery of the appraisal to the claimant in such action or proceeding, unless the applicable law provides for a shorter period, and any such claimant waives the right to a jury in any such legal action or lawsuit or other proceeding. Notwithstanding the state of domicile or residency of either party to this Agreement, this Agreement shall be governed and construed under the laws of the state in which the Property is located, and venue for any action or proceeding arising out of this Agreement shall be deemed proper only in the court of competent jurisdiction located in the state in which the Property is located.

19. Throughout the performance of services under this Agreement, the Firm shall maintain at its sole cost and expense the following insurance:

    (a) Workers' Compensation, so as to provide statutory benefits as required by the laws of each state within the United States in which the Firm's services are being provided, and Employer's Liability insurance with limits of liability of $1,000,000 each accident, $1,000,000 disease each employee and $1,000,000 disease policy limit covering all employees of the Firm engaged in the performance of such services.

    (b) Fidelity insurance or bond with a limit of $1,000,000 to insure the Firm against loss of its or Client's assets caused from the dishonest acts of the Firm's employees.

    (c) Professional Liability insurance with a limit of liability of $1,000,000 each claim and $1,000,000 aggregate, which limits may be provided by a combination of primary and excess policies.

    (d) Commercial General Liability insurance providing coverage against damages due to bodily injury (including death), property damage and personal and advertising injury arising in connection with the Firm's services provided under this Agreement, which insurance coverage shall: (i) be occurrence-based; (ii) provide limits of liability in an amount of $1,000,000 each occurrence and $1,000,000 aggregate (including excess and/or umbrella limits), (iii) include at least those coverages generally included in the most current ISO Commercial

General Liability insurance policy form (or its equivalent); and (iv) include Client, and such other persons or entities as Client has identified in writing, as additional insureds solely with regard to claims arising out of this Agreement.

(e) Commercial automobile liability for owned, hired and non-owned motor vehicles, with a $1,000,000 combined single limit.

Addendum C

Legal Description

HARRIS CENTRAL APPRAISAL DISTRICT
REAL PROPERTY ACCOUNT INFORMATION
0082710000004

Tax Year: 2023

Print

Owner and Property Information			
Owner Name & Mailing Address:	**FRISCH SAMUEL** **GOLDNER ALBERT** **57 JEANINE CT** **MANALAPAN NJ 07726-4673**	Legal Description: Property Address:	**LT 4 BLK 21** **BUTE** **503 SUL ROSS ST** **HOUSTON TX 77006**

Historical Designation
This property is located in a City of Houston Historic District or is a designated Historic Landmark. Please email historicpreservation@houstontx.gov or click this link for more information.

State Class Code	Land Use Code	Building Class	Total Units	Land Area	Building Area	Net Rentable Area	Neighborhood	Market Area	Map Facet	Key Map®
F1 -- Real, Commercial	8005 -- Land Neighborhood Section 5	E	0	7,500 SF	3,972	0	5904.02	163 -- 1F Montrose, Fourth Ward Areas	5356B	493S

Value Status Information

Value Status	Notice Date	Hearing Status	Shared CAD
Noticed	3/31/2023	Protest Received	No

Exemptions and Jurisdictions

Exemption Type	Districts	Jurisdictions	Exemption Value	ARB Status	2022 Rate	2023 Rate
None	001	HOUSTON ISD		Not Certified	1.037200	
	040	HARRIS COUNTY		Not Certified	0.343730	
	041	HARRIS CO FLOOD CNTRL		Not Certified	0.030550	
	042	PORT OF HOUSTON AUTHY		Not Certified	0.007990	
	043	HARRIS CO HOSP DIST		Not Certified	0.148310	
	044	HARRIS CO EDUC DEPT		Not Certified	0.004900	
	048	HOU COMMUNITY COLLEGE		Not Certified	0.095569	
	061	CITY OF HOUSTON		Not Certified	0.533640	
	A21	MONTROSE MGMT DIST		Not Certified		

Texas law prohibits us from displaying residential photographs, sketches, floor plans, or information indicating the age of a property owner on our website. You can inspect this information or get a copy at **HCAD's information center at 13013 NW Freeway**.

Valuations

Value as of January 1, 2022			Value as of January 1, 2023		
	Market	Appraised		Market	Appraised
Land	525,000		Land	637,500	
Improvement	119,221		Improvement	159,923	
Total	644,221	644,221	Total	797,423	797,423

Land

Market Value Land												
Line	Description	Site Code	Unit Type	Units	Size Factor	Site Factor	Appr O/R	Appr O/R	Total Adj	Unit Price	Adj Unit	Value

							Factor	Reason			Price	
1	8005 -- Land Neighborhood Section 5	4318	SF	7,500	1.00	1.00	1.00	--	1.00	85.00	85.00	637,500.00

Building

Building	Year Built	Type	Style	Quality	Impr Sq Ft	Building Details
2	1946	Boarding & Rooming House	Rooming House	Average	1,920	Displayed
3	1945	Boarding & Rooming House	Rooming House	Low	2,052	**View**

Building Details (2)

Building Data	
Element	Detail
Exterior Wall	Frame / Stucco
Construction Type	Wood / Steel Joist
Cooling Type	Central / Forced
Heating Type	Hot Air
Partition Type	Normal
Plumbing Type	Adequate
Sprinkler Type	None
Physical Condition	Fair
Functional Utility	Avg/Normal
Economic Obsolescence	Normal
Market Index Adjustment	100% No Mkt Index Adjustment
Element	Units
# Stories	2
Interior Finish Percent	100
Wall Height	7

Building Areas	
Description	Area
BASE AREA UPR	960
BASE AREA PRI	960
CNPY ONLY -C	96

Extra Features

Line	Description	Quality	Condition	Units	Year Bulit
2	Paving - Asphalt	Average	Average	600.00	1970
3	CANOPY ONLY	Average	Average	600.00	2019

Addendum D

Comparable Data

Land Sales

Land Sale Comparable 1

North Blvd. Land

Location Data	
Location	2224 North Boulevard
City, State	Houston, TX
Market	TX - Houston
Submarket	Houston
County	Harris
APN	060-068-008-0007



Physical Data	
Property Type	Land (SF Residential)
Use at Sale	0
Proposed Use	SF Residential
Acres	0.14 Acres
Land SF	5,975 SF
Useable Acres	0.14 Acres
Useable Land SF	5,975 SF
Frontage	45
Visibility	Average
Topography	Generally Level
Shape	Rectangular
Corner/Interior Location	Interior
Flood Zone	X
Utilities	Electricity, Gas, Sewer, Water
Offsite/Onsite Costs	0
Zoning	None
Allowable Bldg Area	0 SF
Allowable Bldg Units	0
Verification	Confirmed-Seller Broker

Sale Data	
Transaction Type	Closed
Date	November 30, 2021
Marketing Time	N/A
Grantor	GORMAN ANN C
Grantee	CROIX CUSTOM HOMES INC
Document No.	RP-2021-688272
Price	$775,000
Financing Terms	Cash to Seller
Price Adjustments For:	
Financing	$0
Conditions of Sale	$0
Other	$0
Adjusted Price	$775,000

Analysis	
Price per Acre	$5,648,688
Price Per SF	$129.71
Price per Unit	$0
Price per FAR	$0.00

Comments

This comparable represents the acquisition of a tract of vacant land located in the Montrose area. The site is surrounded by single family and multi-family uses.

Land Sale Comparable 2

Kipling Road Land



Location Data	
Location	1815 Kipling Street
City, State	Houston, TX
Market	TX - Houston
Submarket	Houston
County	Harris
APN	054-227-000-0003

Physical Data	
Property Type	Land (SF Residential)
Use at Sale	0
Proposed Use	SF Residential
Acres	0.14 Acres
Land SF	6,250 SF
Useable Acres	0.14 Acres
Useable Land SF	6,250 SF
Frontage	50
Visibility	Average
Topography	Generally Level
Shape	Rectangular
Corner/Interior Location	Interior
Flood Zone	0 Feet (Avg.)
Utilities	Electricity, Gas, Sewer, Water
Offsite/Onsite Costs	0
Zoning	None
Allowable Bldg Area	0 SF
Allowable Bldg Units	0
Verification	Confirmed-Seller Broker

Sale Data	
Transaction Type	Closed
Date	December 21, 2021
Marketing Time	N/A
Grantor	TSANAIS CHRIST J
Grantee	PHILIP A WOOD CONSTRUCTION LLC
Document No.	RP-2021-731089
Price	$679,000
Financing Terms	Cash to Seller
Price Adjustments For:	
Financing	$0
Conditions of Sale	$0
Other	$0
Adjusted Price	$679,000

Analysis	
Price per Acre	$4,731,707
Price Per SF	$108.64
Price per Unit	$0
Price per FAR	$0.00

Comments

This comparable represents the acquisition of a 6,250-sf tract of vacant land located in the Montrose area. The site is surrounded by single family residential uses.

Land Sale Comparable 3

SF Land Sale

Location Data

Location	2115 Branard Street
City, State	Houston, TX
Market	TX - Houston
Submarket	Houston
County	Harris
APN	0630750030004



Physical Data

Property Type	Land (SF Residential)
Use at Sale	0
Proposed Use	SF Residential
Acres	0.14 Acres
Land SF	6,250 SF
Useable Acres	0.14 Acres
Useable Land SF	6,250 SF
Frontage	50
Visibility	Average
Topography	Level
Shape	Rectangular
Corner/Interior Location	Interior
Flood Zone	X
Utilities	Electricity, Sewer, Water
Offsite/Onsite Costs	0
Zoning	None
Allowable Bldg Area	0 SF
Allowable Bldg Units	0
Verification	Confirmed-Seller Broker

Sale Data

Transaction Type	Closed
Date	September 30, 2022
Marketing Time	N/A
Grantor	HOOVER SUSAN ELIZABETH
Grantee	CROIX CUSTOM HOMES INC
Document No.	RP2022493134
Price	$625,000
Financing Terms	
Price Adjustments For:	
Financing	$0
Conditions of Sale	$0
Other	$0
Adjusted Price	$625,000

Analysis

Price per Acre	$4,355,401
Price Per SF	$100.00
Price per Unit	$0
Price per FAR	$0.00

Comments

Home is not available to tour. Property is being sold for lot value only. Buyer to verify lot size, zoned schools and lot land use.

Improved Sales

Specialty Sale

NEWMARK

1720 Marshall Street

1720 Marshall Street

Location & Property Info

Property Name	1720 Marshall Street
Property Type	Specialty
Sub Type	SF Residential
Address	1720 Marshall Street, Houston, TX 77098
County	Harris
Country	USA
Latitude	29.73975000
Longitude	-95.40284700
Legal/Tax/Parcel ID	054-233-000-0015
Market Orientation	Suburban
Verification Type	Confirmed-Seller Broker
Verification Source	MLS
Event ID	943210



Site Details

Source Of Land Info	MLS
Usable/Gross Ratio	1.00
Zoning Designation	None
Flood Map	48201C0860L
Flood Map Date	06/18/2007
Flood Insurance Required	No
Site Shape	Rectangular
Site Topography	Level street grade
Flood Zone Designation	X
Vegetation	Typical landscaping
Traffic Control At Entry	None
Traffic Flow	Low
Utilities	• Electricity • Gas • Sewer • Water
Frontage Street Name	Marshall Street

Corner Lot	No
Accessibility Rating	Average
Visibility Rating	Average

Land Parcels

SITE

ROW NUMBER	ASSOCIATED APN(S)	CLASSIFICATION	LAND AREA (SF)	LAND AREA (ACRES)
1	054-233-000-0015	Usable Land Area	6,875	0.1578
		Total Gross Land Area	**6,875**	**0.1578**

Total Gross Land Area	6,875	0.1578
Total Usable Land Area	6,875	0.1578

Improvement Details

Rentable Area SF	2,858
Gross Building Area	2,858
Construction Status	Completed
Construction Purpose	Build-to-suit
Year Built	1927
Year Renovated	2014
Condition	Average
Construction Type	Masonry
Construction Quality	Average
Number Of Buildings	1
Exterior Walls	Brick/Wood
Number Of Stories/Floors	2.00
Roof Description	Composition
Land To Building Ratio	2.41

Sale Information

Sale Status	Closed
Sale Date	05/31/2023
Sale Price	$999,500
Grantor (Seller)	VAUGHN RICKFORD
Grantee (Buyer)	DONATTI DIANA
Property Rights	Fee Simple
Document Type	Deed
Recording Number	RP-2023-202271
Effective Sales Price	$999,500.00
Price Per SF GBA	$349.72
Price Per SF NRA	$349.72
Price Per Land SF (Gross)	$145.38
Price Per Acre (Gross)	$6,333,967.05
Price Per Land SF (Usable)	$145.38
Price Per Acre (Usable)	$6,333,967.05

Comments

This is the sale of a 2 story, 3-bedroom, 3-bathroom house that was built in 1927 and most recently renovated in 2014. The property includes central heating and A/c, a 1 car garage and a patio/porch. The improvements were built on a 6,875 square foot site.

Specialty Sale

NEWMARK

3404 Audubon Place

3404 Audubon Place

Location & Property Info

Property Name	3404 Audubon Place
Property Type	Specialty
Sub Type	SF Residential
Address	3404 Audubon Place, Houston, TX 77006
County	Harris
Country	USA
Latitude	29.74212300
Longitude	-95.38684700
Legal/Tax/Parcel ID	0261380000002
Market Orientation	Suburban
Verification Type	Confirmed-Seller Broker
Verification Source	MLS
Event ID	943223



Site Details

Source Of Land Info	MLS
Usable/Gross Ratio	1.00
Zoning Designation	None
Flood Map	48201C0860L
Flood Map Date	06/18/2007
Flood Insurance Required	No
Site Shape	Rectangular
Site Topography	Level
Flood Zone Designation	X
Vegetation	Typical landscaping
Traffic Control At Entry	None
Traffic Flow	Low
Utilities	• Electricity • Gas • Sewer • Water
Frontage Street Name	Audubon Place

Frontage Feet	50
Corner Lot	No
Accessibility Rating	Average
Visibility Rating	Average

Land Parcels

PRIMARY SITE 1

ROW NUMBER	ASSOCIATED APN(S)	CLASSIFICATION	LAND AREA (SF)	LAND AREA (ACRES)
1	0261380000002	Usable Land Area	6,000	0.1377
		Total Gross Land Area	**6,000**	**0.1377**

Total Gross Land Area	6,000	0.1377
Total Usable Land Area	6,000	0.1377

Improvement Details

Rentable Area SF	2,614
Gross Building Area	2,614
Construction Status	Completed
Construction Purpose	Owner-built
Year Built	1928
Year Renovated	2010
Condition	Average
Construction Type	Masonry
Construction Quality	Average
Number Of Buildings	1
Exterior Walls	Brick/Wood
Number Of Stories/Floors	2.00
Roof Description	Composition
Land To Building Ratio	2.30

Sale Information

Sale Status	Closed
Sale Date	03/08/2023
Sale Price	$998,850
Grantor (Seller)	COHEN REBECCA P
Grantee (Buyer)	LEGG MATTHEW
Recording Date	03/15/2023
Property Rights	Fee Simple
Document Type	Warranty Deed
Recording Number	RP202390950
Effective Sales Price	$998,850.00
Price Per SF GBA	$382.12
Price Per SF NRA	$382.12
Price Per Land SF (Gross)	$166.48
Price Per Acre (Gross)	$7,253,812.64
Price Per Land SF (Usable)	$166.48
Price Per Acre (Usable)	$7,253,812.64

Comments

This is the sale of a 2 story, 3-bedroom, 2.5-bathroom house that was built in 1928 and most recently renovated in 2010. The property includes central heating and A/c, a 2 car garage and a patio/porch. The improvements were built on a 6,000 square foot site.

Specialty Sale

NEWMARK

5001 Mandell Street

5001 Mandell

Location & Property Info

Property Name	5001 Mandell
Property Type	Specialty
Sub Type	SF Residential
Address	5001 Mandell Street, Houston, TX 77006
County	Harris
Country	USA
Latitude	29.72872000
Longitude	-95.39925000
Legal/Tax/Parcel ID	0530330000003
Market Orientation	Suburban
Verification Type	Confirmed-Seller Broker
Verification Source	MLS
Event ID	943244



Site Details

Source Of Land Info	MLS
Usable/Gross Ratio	1.00
Zoning Designation	None
Flood Map	48201C0860L
Flood Map Date	06/18/2007
Flood Insurance Required	No
Site Shape	Rectangular
Site Topography	Level
Flood Zone Designation	X
Vegetation	Typical landscaping
Traffic Control At Entry	None
Traffic Flow	Low
Utilities	• Electricity • Gas • Sewer • Water
Frontage Street Name	Mandell St

Frontage Feet	65
Corner Lot	No
Accessibility Rating	Average
Visibility Rating	Average

Land Parcels

PRIMARY SITE 1

ROW NUMBER	ASSOCIATED APN(S)	CLASSIFICATION	LAND AREA (SF)	LAND AREA (ACRES)
1	0530330000003	Usable Land Area	7,605	0.1746
		Total Gross Land Area	**7,605**	**0.1746**

Total Gross Land Area	7,605	0.1746
Total Usable Land Area	7,605	0.1746

Improvement Details

Rentable Area SF	2,253
Gross Building Area	2,253
Construction Status	Completed
Construction Purpose	Owner-built
Year Built	1934
Year Renovated	1990
Condition	Average
Construction Type	Masonry
Construction Quality	Average
Number Of Buildings	1
Number Of Stories/Floors	2.00
Roof Description	Composition
Land To Building Ratio	3.38

Sale Information

Sale Status	Closed
Sale Date	05/31/2023
Sale Price	$1,000,000
Grantor (Seller)	QUAST SALLY MS
Grantee (Buyer)	GAYNOR TIMOTHY EDMUND
Recording Date	05/31/2023
Property Rights	Fee Simple
Document Type	Warranty Deed
Recording Number	RP2023198938
Effective Sales Price	$1,000,000.00
Price Per SF GBA	$443.85
Price Per SF NRA	$443.85
Price Per Land SF (Gross)	$131.49
Price Per Acre (Gross)	$5,727,376.86
Price Per Land SF (Usable)	$131.49
Price Per Acre (Usable)	$5,727,376.86

Comments

This is the sale of a 2 story, 3-bedroom, 2.5-bathroom house that was built in 1934 and most recently renovated in 1990. The property includes central heating and A/c, a 2 car garage and a patio/porch. The improvements were built on a 7,605 square foot site.

Appraiser Qualifications and Licenses



Esin Locke, MAI

Executive Vice President

t 713-599-5108
m 832-877-2913
esin.locke@nmrk.com

YEARS OF EXPERIENCE

15+

AREAS OF SPECIALTY

Self Storage

Gas Station/Convenience Store

Mobile Home/ RV Park

Specialty Properties

Retail

Appraisal Valuation

Market Studies

Consulting

Esin Locke, MAI joined Newmark Valuation & Advisory in 2017 as a first vice president in the Houston office. Esin focuses on fee preparation of real estate appraisals and market studies while continuing to provide exceptional service to clients.

Throughout her career in valuation, Esin has worked with clients on a wide variety of property types, including office, retail, industrial, multifamily, net-leased investments and land. She also possesses valuation expertise of specialty purpose properties that include self-storage, greenhouses, churches, auto dealerships, gas station/convenience stores, RV parks and mobile home communities.

Prior to Newmark, Esin worked as a senior appraiser in the Houston office of CBRE's Valuation & Advisory Services Group. In this role, Esin focused primarily on Texas properties. She also completed assignments in Arkansas, Louisiana and Oklahoma, while serving as a valuation associate.

Professional Achievements

- MAI Designation, Appraisal Institute
- Certified general real estate appraiser, states of Texas, Louisiana, Arkansas, Oklahoma and Tennessee

Professional Affiliations

- Chapter Alternate Regional Representative, Appraisal Institute 2021-2022
- Director Delegate/Chapter Champion 2021-2022, Houston Chapter of CREW
- Chapter Director, Houston Chapter of Appraisal Institute 2022-2023
- Member of the National Scholarship Committee, Houston Chapter of CREW 2023

Education

Esin earned a Bachelor of Science degree in computer engineering technology from University of Houston. She has also completed over 500 hours of appraisal coursework and annual continuing education courses.

ESIN CAKAR LOCKE
3430 BRAMPTON ISLAND DR
KATY, TX 77494

TALCB
TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Certified General Real Estate Appraiser

Appraiser: **Esin Cakar Locke**
License #: **TX 1380534 G** License Expires: **03/31/2024**

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

ARCH·CON CORPORATION

Item #07 Base Bid Contract (Original) - Schedule of Values

ITEM	DESCRIPTION	SITE WORK 1	BLDG 1	TOTAL
DIV 00	PERMITS AND EXPEDITING	$ -	$ -	$ -
DIV 01	DESIGN	$ -	$ -	$ -
DIV 01	MOBILIZATION	$ 21,936	$ 7,310	$ 29,246
DIV 02	EXISTING CONDITIONS	$ -	$ 93,934	$ 93,934
DIV 03	CONCRETE	$ -	$ 134,614	$ 134,614
DIV 04	MASONRY	$ -	$ 128,786	$ 128,786
DIV 05	METALS	$ -	$ 132,888	$ 132,888
DIV 06	WOODS, PLASTICS, COMPOSITES	$ -	$ 571,348	$ 571,348
DIV 07	THERMAL AND MOSITURE PROTECTION	$ -	$ 210,920	$ 210,920
DIV 08	OPENINGS	$ -	$ 365,383	$ 365,383
DIV 09	FINISHES	$ -	$ 243,850	$ 243,850
DIV 10	SPECIALTIES	$ -	$ 17,269	$ 17,269
DIV 11	EQUIPMENT	$ -	$ -	$ -
DIV 12	FURNISHINGS	$ -	$ 32,160	$ 32,160
DIV 13	SPECIAL CONSTRUCTION	$ -	$ -	$ -
DIV 14	CONVEYING EQUIPMENT	$ -	$ 44,313	$ 44,313
DIV 21	FIRE SUPRESSION	$ -	$ -	$ -
DIV 22	PLUMBING	$ -	$ 146,840	$ 146,840
DIV 23	HEATING, VENTILATING AND AIR CONDITIONING	$ -	$ 438,720	$ 438,720
DIV 25	INTERGRATED SYSTEMS	$ -	$ -	$ -
DIV 26	ELECTRICAL	$ -	$ 446,200	$ 446,200
DIV 27	COMMUNICATIONS	$ -	$ -	$ -
DIV 28	ELECTRONIC SAFETY AND SECURITY	$ -	$ 28,572	$ 28,572
DIV 31	EARTHWORK	$ 52,922	$ -	$ 52,922
DIV 32	EXTERIOR IMPROVEMENTS	$ 56,100	$ -	$ 56,100
DIV 33	UTILITIES	$ 89,523	$ -	$ 89,523
DIV 34	TRANSPORTATION	$ -	$ -	$ -
	SUBTOTAL - DIRECT COST	$ 220,481	$ 3,043,108	$ 3,263,589
DIV 01	GENERAL REQUIREMENTS	$ 28,415	$ 392,185	$ 420,600
DIV 01	INSURANCE, SAFETY & BONDS	$ 8,938	$ 123,370	$ 132,308
	CONTINGENCY	$ 5,157	$ 71,173	$ 76,330
	CONTRACTOR'S FEE	$ 9,731	$ 134,304	$ 144,035
	GRAND TOTAL	$ 272,722	$ 3,764,140	$ 4,036,862

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Item #07 Rehabilitation of Existing Building - Schedule of Values

ITEM	DESCRIPTION	SITE WORK 1	BLDG 1	TOTAL
DIV 00	PERMITS AND EXPEDITING	$ -	$ -	$ -
DIV 01	DESIGN	$ -	$ -	$ -
DIV 01	MOBILIZATION	$ 30,936	$ 27,310	$ 58,246
DIV 02	EXISTING CONDITIONS	$ -	$ 108,934	$ 108,934
DIV 03	CONCRETE	$ -	$ 158,614	$ 158,614
DIV 04	MASONRY	$ -	$ 128,786	$ 128,786
DIV 05	METALS	$ -	$ 152,388	$ 152,388
DIV 06	WOODS, PLASTICS, COMPOSITES	$ -	$ 655,348	$ 655,348
DIV 07	THERMAL AND MOSITURE PROTECTION	$ -	$ 237,920	$ 237,920
DIV 08	OPENINGS	$ -	$ 365,383	$ 365,383
DIV 09	FINISHES	$ -	$ 248,350	$ 248,350
DIV 10	SPECIALTIES	$ -	$ 17,269	$ 17,269
DIV 11	EQUIPMENT	$ -	$ -	$ -
DIV 12	FURNISHINGS	$ -	$ 32,160	$ 32,160
DIV 13	SPECIAL CONSTRUCTION	$ -	$ -	$ -
DIV 14	CONVEYING EQUIPMENT	$ -	$ 44,313	$ 44,313
DIV 21	FIRE SUPRESSION	$ -	$ -	$ -
DIV 22	PLUMBING	$ -	$ 146,840	$ 146,840
DIV 23	HEATING, VENTILATING AND AIR CONDITIONING	$ -	$ 438,720	$ 438,720
DIV 25	INTERGRATED SYSTEMS	$ -	$ -	$ -
DIV 26	ELECTRICAL	$ -	$ 446,200	$ 446,200
DIV 27	COMMUNICATIONS	$ -	$ -	$ -
DIV 28	ELECTRONIC SAFETY AND SECURITY	$ -	$ 28,572	$ 28,572
DIV 31	EARTHWORK	$ 63,722	$ -	$ 63,722
DIV 32	EXTERIOR IMPROVEMENTS	$ 60,600	$ -	$ 60,600
DIV 33	UTILITIES	$ 89,523	$ -	$ 89,523
DIV 34	TRANSPORTATION	$ -	$ -	$ -
	SUBTOTAL - DIRECT COST	$ 244,781	$ 3,237,108	$ 3,481,889
DIV 01	GENERAL REQUIREMENTS	$ 38,439	$ 508,341	$ 546,780
DIV 01	INSURANCE, SAFETY & BONDS	$ 9,678	$ 127,988	$ 137,666
	CONTINGENCY	$ 5,858	$ 77,469	$ 83,327
	CONTRACTOR'S FEE	$ 11,054	$ 146,184	$ 157,238
	GRAND TOTAL	$ 309,811	$ 4,097,089	$ 4,406,900

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ARCH·CON CORPORATION

#07 Demolition of Building - Value

Compass Abatement Services, LLC
6730 Windfern Rd.
Houston TX 77040
Phone: 832-230-8871
Fax: 832-284-7025

COMPASS SERVICES
DEMOLITION · CONCRETE · ABATEMENT

October 21, 2026

Project Name – 2606039 Monarch Community Center Phase 2

CHANGE ORDER

I. **SCOPE OF WORK**: Demolition of a two-story unsafe structural frame.

- Demolish remainder of unsafe structure and proper disposal of all construction waste debris.
- Provide common back fill to rough grade

Demolition Price: Fourteen Thousand Dollars.00 ----------$14,000.00

Flor Estela Fuller-Moreno

Compass Abatement Services, LLC.
Office: (832) 230-8871
Cell: (346) 410-2145
Email: f.moreno@compass-svcs.com

ARCH·CON CORPORATION

#07 New Construction - Schedule of Values

ITEM	DESCRIPTION	SITE WORK 1	BLDG 1	TOTAL
DIV 00	PERMITS AND EXPEDITING	$ -	$ -	$ -
DIV 01	DESIGN	$ -	$ -	$ -
DIV 01	MOBILIZATION	$ 30,936	$ 27,310	$ 58,246
DIV 02	EXISTING CONDITIONS	$ -	$ 108,934	$ 108,934
DIV 03	CONCRETE	$ -	$ 158,614	$ 158,614
DIV 04	MASONRY	$ -	$ 128,786	$ 128,786
DIV 05	METALS	$ -	$ 152,388	$ 152,388
DIV 06	WOODS, PLASTICS, COMPOSITES	$ -	$ 655,348	$ 655,348
DIV 07	THERMAL AND MOSITURE PROTECTION	$ -	$ 237,920	$ 237,920
DIV 08	OPENINGS	$ -	$ 365,383	$ 365,383
DIV 09	FINISHES	$ -	$ 248,350	$ 248,350
DIV 10	SPECIALTIES	$ -	$ 17,269	$ 17,269
DIV 11	EQUIPMENT	$ -	$ -	$ -
DIV 12	FURNISHINGS	$ -	$ 32,160	$ 32,160
DIV 13	SPECIAL CONSTRUCTION	$ -	$ -	$ -
DIV 14	CONVEYING EQUIPMENT	$ -	$ 44,313	$ 44,313
DIV 21	FIRE SUPRESSION	$ -	$ -	$ -
DIV 22	PLUMBING	$ -	$ 146,840	$ 146,840
DIV 23	HEATING, VENTILATING AND AIR CONDITIONING	$ -	$ 438,720	$ 438,720
DIV 25	INTERGRATED SYSTEMS	$ -	$ -	$ -
DIV 26	ELECTRICAL	$ -	$ 446,200	$ 446,200
DIV 27	COMMUNICATIONS	$ -	$ -	$ -
DIV 28	ELECTRONIC SAFETY AND SECURITY	$ -	$ 28,572	$ 28,572
DIV 31	EARTHWORK	$ 63,722	$ -	$ 63,722
DIV 32	EXTERIOR IMPROVEMENTS	$ 60,600	$ -	$ 60,600
DIV 33	UTILITIES	$ 89,523	$ -	$ 89,523
DIV 34	TRANSPORTATION	$ -	$ -	$ -
	SUBTOTAL - DIRECT COST	$ 244,781	$ 3,237,108	$ 3,481,889
DIV 01	GENERAL REQUIREMENTS	$ 38,439	$ 508,341	$ 546,780
DIV 01	INSURANCE, SAFETY & BONDS	$ 9,678	$ 127,988	$ 137,666
	CONTINGENCY	$ 5,858	$ 77,469	$ 83,327
	CONTRACTOR'S FEE	$ 11,054	$ 146,184	$ 157,238
	GRAND TOTAL	$ 309,811	$ 4,097,089	$ 4,406,900

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ARCH·CON CORPORATION

Item #06 – Rehabilitation Cost Estimate

ITEM	DESCRIPTION	SITE WORK 1	BLDG 1	TOTAL
DIV 00	PERMITS AND EXPEDITING	$ -	$ -	$ -
DIV 01	DESIGN	$ -	$ -	$ -
DIV 01	MOBILIZATION	$ 9,000	$ 20,000	$ 29,000
DIV 02	EXISTING CONDITIONS	$ -	$ 14,000	$ 14,000
DIV 03	CONCRETE	$ -	$ 24,000	$ 24,000
DIV 04	MASONRY	$ -	$ -	$ -
DIV 05	METALS	$ -	$ 19,500	$ 19,500
DIV 06	WOODS, PLASTICS, COMPOSITES	$ -	$ 84,000	$ 84,000
DIV 07	THERMAL AND MOSITURE PROTECTION	$ -	$ 27,000	$ 27,000
DIV 08	OPENINGS	$ -	$ -	$ -
DIV 09	FINISHES	$ -	$ 4,500	$ 4,500
DIV 10	SPECIALTIES	$ -	$ -	$ -
DIV 11	EQUIPMENT	$ -	$ -	$ -
DIV 12	FURNISHINGS	$ -	$ -	$ -
DIV 13	SPECIAL CONSTRUCTION	$ -	$ -	$ -
DIV 14	CONVEYING EQUIPMENT	$ -	$ -	$ -
DIV 21	FIRE SUPRESSION	$ -	$ -	$ -
DIV 22	PLUMBING	$ -	$ -	$ -
DIV 23	HEATING, VENTILATING AND AIR CONDITIONING	$ -	$ -	$ -
DIV 25	INTERGRATED SYSTEMS	$ -	$ -	$ -
DIV 26	ELECTRICAL	$ -	$ -	$ -
DIV 27	COMMUNICATIONS	$ -	$ -	$ -
DIV 28	ELECTRONIC SAFETY AND SECURITY	$ -	$ -	$ -
DIV 31	EARTHWORK	$ 10,800	$ -	$ 10,800
DIV 32	EXTERIOR IMPROVEMENTS	$ 4,500	$ -	$ 4,500
DIV 33	UTILITIES	$ -	$ -	$ -
DIV 34	TRANSPORTATION	$ -	$ -	$ -
	SUBTOTAL - DIRECT COST	$ 24,300	$ 193,000	$ 217,300
DIV 01	GENERAL REQUIREMENTS	$ 14,110	$ 112,070	$ 126,180
DIV 01	INSURANCE, SAFETY & BONDS	$ 597	$ 4,746	$ 5,343
	CONTINGENCY	$ 780	$ 6,196	$ 6,976
	CONTRACTOR'S FEE	$ 1,472	$ 11,693	$ 13,165
	GRAND TOTAL	$ 41,260	$ 327,704	$ 368,964

190 T C Jester, Suite 200 • Houston, TX 77007 • p. 713.533.1900 f: 713.533.1901 • www.arch-con.com

Part II. D – Checklist and Form: Demolition

The Monarch Community is a 501(c)(3) non-profit organization that provides residential healthcare to the severely mentally ill.

10(a)(b) – It's difficult to put a usage cost to a building originally built in 1945 and in such bad shape and then compare it to a future state that doesn't exist as this building is being incorporated into a larger building. 503 Sul Ross previously served as office space for Mental Health Technicians (MHT's), a pharmaceutical distribution center for resident medication and a boarding home for three (3) residents. Prior to being gutted for remodeling it underserved our needs, was in a bad state of disrepair and an energy & maintenance challenge. After renovation, 503 Sul Ross will serve as an MHT office, a dual pharmaceutical distribution center, office space, staff bathrooms, provide point of care and a professional nurse's examination room. Point of care and a professional nurse's examination room are facilities that currently do not exist on campus and are much needed for the care of our residents. The renovation will improve energy efficiency, reduce maintenance and provide much needed cost savings for our organization.

10(c) – Not Applicable

10(d) – The Monarch Community currently has a Capital Campaign underway for property improvement and have received grants and pledges for 80%.

10(e) – The Monarch Community started Jan 24th, 2024:

2024 Budget $2.5M
2025 Budget $5.5M
2026 Budget $5.8M
2026 Budget $6.4M




3023
NO TRESPASSING


503


Sprint Waste
281-491-
www.sprintwaste.com




Sprint Waste
281-491
www.sprintwaste.com
ATTENTION!






Sprint Waste
40517
X






EXIT








EXIT








EXIT




















Sprint Waste
40517
X




#40514




GFL
environmental
gflenv.com
281.368.8397


EXIT










GUARDIAN















ITEM B5
HPO File #: HP2026_0329

November 5, 2026

503 Sul Ross Street
First Montrose Commons

ATTACHMENT B

Approved COA

DRAFT

CERTIFICATE OF APPROPRIATENESS

Applicant: Katy Garvey, agent for Mohammed Rizvi, owner

Property: 503 Sul Ross Street, Lot 4, Block 21, Bute Subdivision. The property includes a contributing 2,199 square foot, two-story wood frame single-family residence and situated on a 15,000 square foot (120' x 125') interior lot.

Significance: Contributing Craftsman single-family residence, constructed circa 1946, located in the First Montrose Commons Historic District.

Proposal: Alteration – The applicant is proposing to build a 4537.05 SF two-story addition connecting 503 and 505 Sul Ross. 505 Sul Ross is a 1930 Colonial Revival contributing two-story structure. The applicant is proposing the following for this addition:

- This addition will be 2043.94 SF on the first floor and it adds a waiting space, office spaces for the staff, therapy rooms, a group therapy space, a staff break room, staff meeting space, and a medical assistance space that will be used by the patients living in the Monarch Community Campus.
- This addition also provides an additional stair and an elevator for staff and the patients to move more conveniently.
- There will be demolition of non-contributing structures in the backyard and an Outdoor Therapy Courtyard will be developed that patients can use.
- The purpose of this addition is to restore, connect the two existing historical homes, and better serve the Monarch Community.

Recommendation: **Approval**

HAHC Action: **Approved**

All materials in exterior walls, including windows, siding, framing lumber, and interior shiplap must be retained except where removal or replacement has been explicitly approved by HAHC. Shiplap is an integral structural component of the exterior wall assembly in balloon framed structures and its removal can cause torqueing, twisting and collapse of exterior walls. Shiplap may be carefully shored and removed in small portions to insulate, run wire or plumbing, and should be replaced when the work is complete. Maintenance and minor in-kind repairs of exterior materials may be undertaken without HAHC approval, but if extensive damage of any exterior wall element is encountered during construction, contact staff before removing or replacing the materials. A revised COA may be required.

CERTIFICATE OF APPROPRIATENESS

Basis for Issuance: HAHC Approval
Effective: February 27, 2025

PLANNING & DEVELOPMENT DEPARTMENT

COA valid for two years from effective date. COA is in addition to any other permits or approvals required by municipal, state and federal law. Permit plans must be stamped by Planning & Development Department for COA compliance prior to submitting for building or sign permits. Any revisions to the approved project scope may require a new COA.

APPROVAL CRITERIA

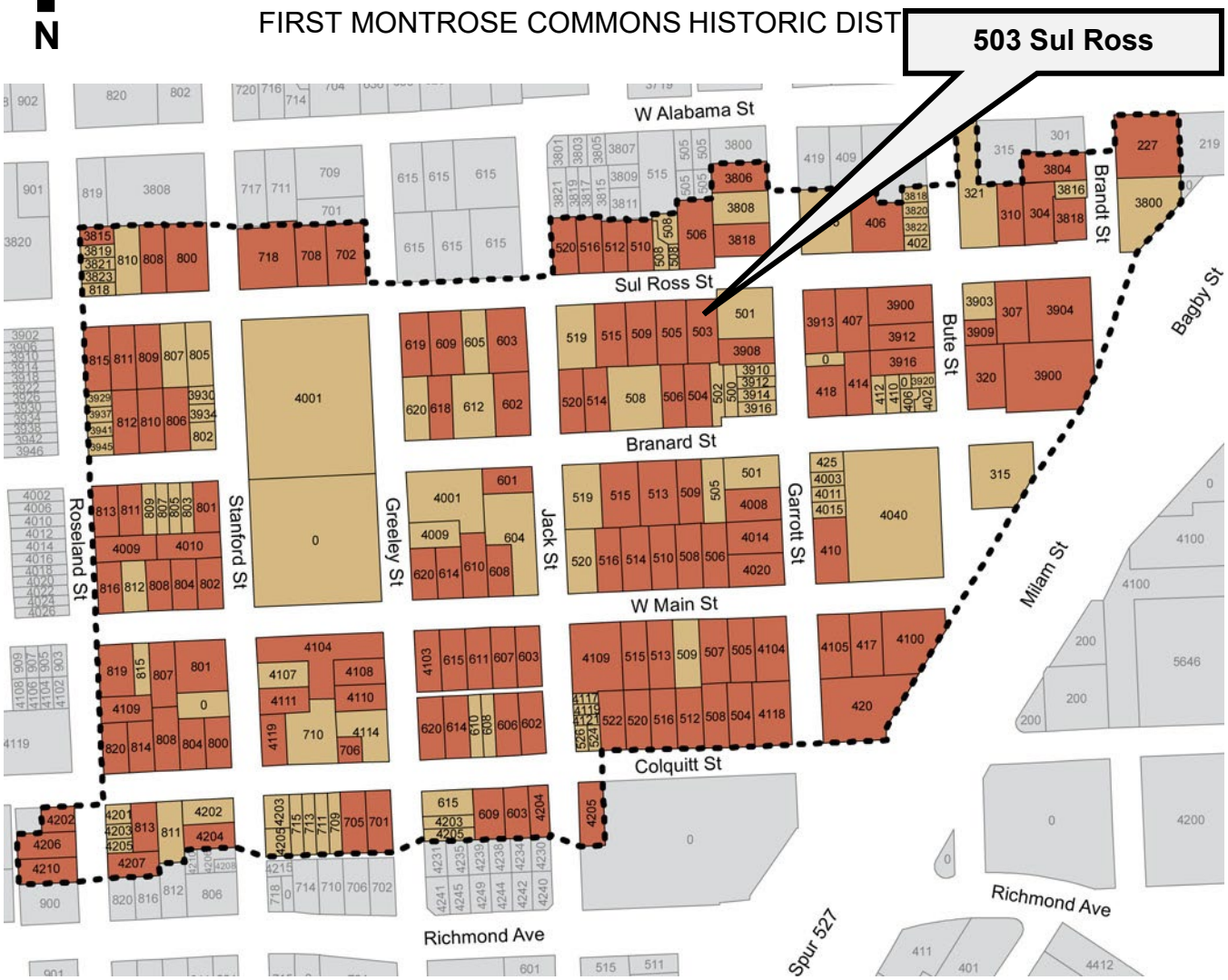
ALTERATIONS, REHABILITATIONS, RESTORATIONS AND ADDITIONS

Sec. 33-241: HAHC shall issue a certificate of appropriateness for the alteration, rehabilitation, restoration or addition of an exterior feature of (i) any landmark, (ii) protected landmark, (iii) any building, structure or object that is part of an archaeological site, or (iv) contributing building in a historic district upon finding that the application satisfies the following criteria, as applicable:

S	D	NA		S - satisfies D - does not satisfy NA - not applicable
☒	☐	☐	(1)	The proposed activity must retain and preserve the historical character of the property;
☒	☐	☐	(2)	The proposed activity must contribute to the continued availability of the property for a contemporary use;
☒	☐	☐	(3)	The proposed activity must recognize the building, structure, object or site as a product of its own time and avoid alterations that seek to create an earlier or later appearance;
☒	☐	☐	(4)	The proposed activity must preserve the distinguishing qualities or character of the building, structure, object or site and its environment;
☒	☐	☐	(5)	The proposed activity must maintain or replicate distinctive stylistic exterior features or examples of skilled craftsmanship that characterize the building, structure, object or site;
☒	☐	☐	(6)	New materials to be used for any exterior feature excluding what is visible from public alleys must be visually compatible with, but not necessarily the same as, the materials being replaced in form, design, texture, dimension and scale;
☒	☐	☐	(7)	The proposed replacement of exterior features, if any, should be based on an accurate duplication of features, substantiated by available historical, physical or pictorial evidence, where that evidence is available, rather than on conjectural designs or the availability of different architectural elements from other structures;
☒	☐	☐	(8)	Proposed additions or alterations must be done in a manner that, if removed in the future, would leave unimpaired the essential form and integrity of the building, structure, object or site;
☒	☐	☐	(9)	The proposed design for any exterior alterations or addition must not destroy significant historical, architectural, archaeological or cultural material, including but not limited to siding, windows, doors and porch elements;
☒	☐	☐	(10)	The proposed alteration or addition must be compatible with the massing, size, scale material and character of the property and the context area; and
☒	☐	☐	(11)	The distance from the property line to the front and side walls, porches, and exterior features of any proposed addition or alteration must be compatible with the distance to the property line of similar elements of existing contributing structures in the context area.

PROPERTY LOCATION

FIRST MONTROSE COMMONS HISTORIC DIST



Building Classification

- Contributing
- Non-Contributing
- Park

CURRENT (GOOGLE STREET) PHOTO



EXISTING PHOTOS
503 Sul Ross




NORTH ELEVATION - SUL ROSS STREET VIEW



EAST ELEVATION




SOUTH ELEVATION




WEST ELEVATION

EXISTING PHOTOS
505 Sul Ross




NORTH ELEVATION - SUL ROSS STREET VIEW





EAST ELEVATION




SOUTH ELEVATION




WEST ELEVATION

GOOGLE MAP


Sul Ross St
Sul Ross St
ss St
3900
505
515
509
521
519
Appartments on
510 Branard Street
3910
500
504
502
3914
514
506
mputer Spyware Virus
Removal and Repairs
Computer store
3916
Branard St
Branard St
Branard St

CONTEXT AREA



Figure 1- 509 Sul Ross, next door neighbor.



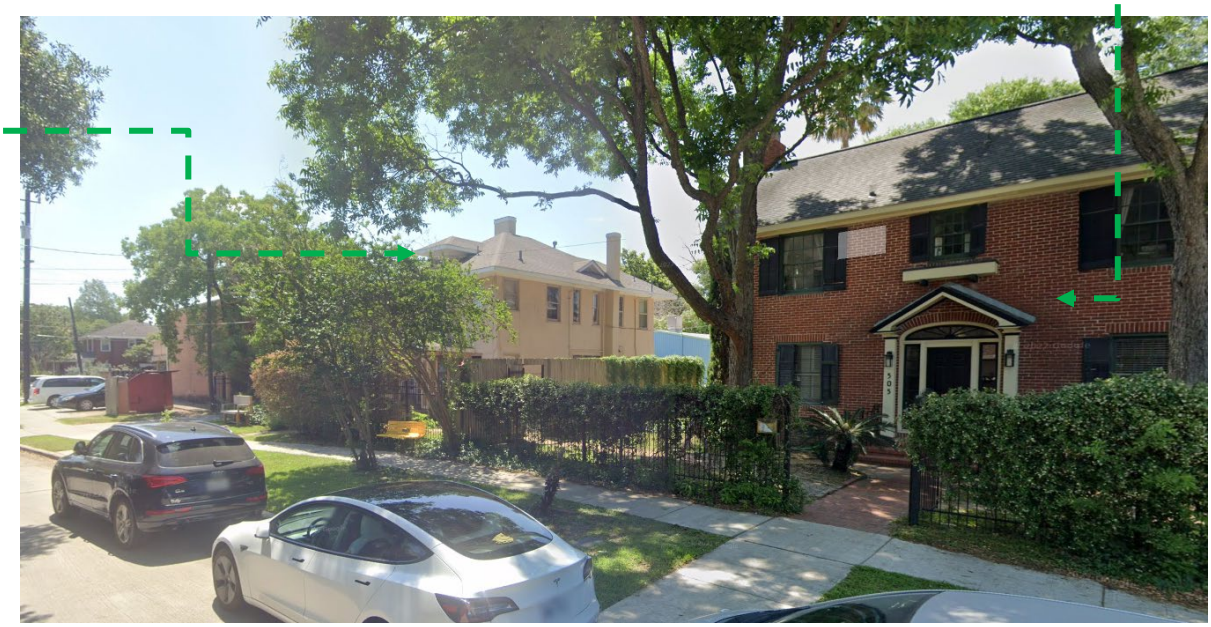
Figure 2 - 509 Sul Ross, opposite neighbor.

CONTEXT AREA

STREET VIEWS

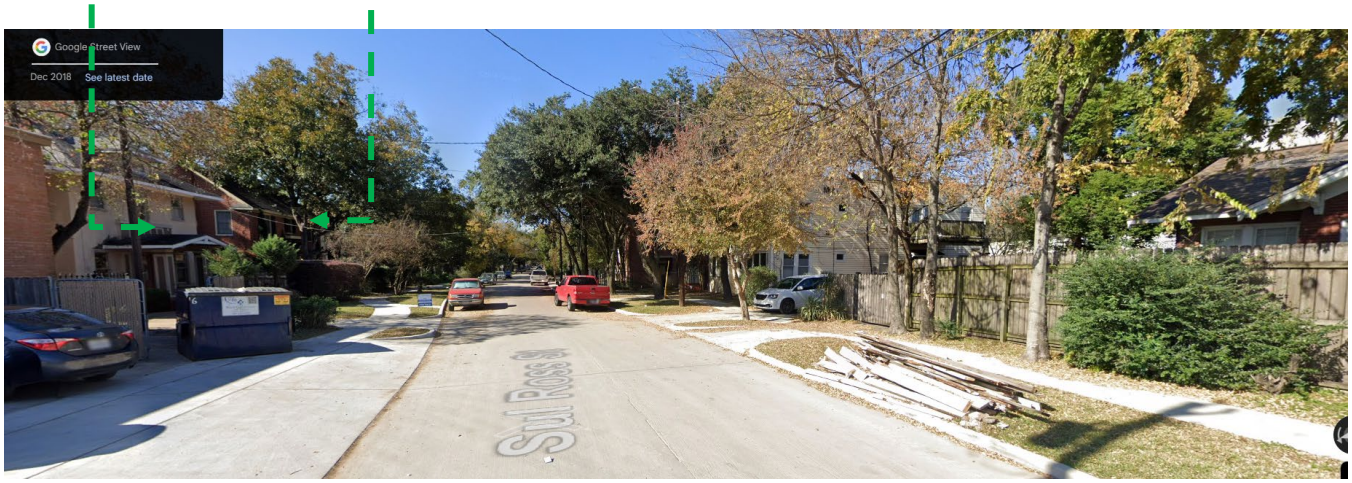
505 Sul Ross

503 Sul Ross

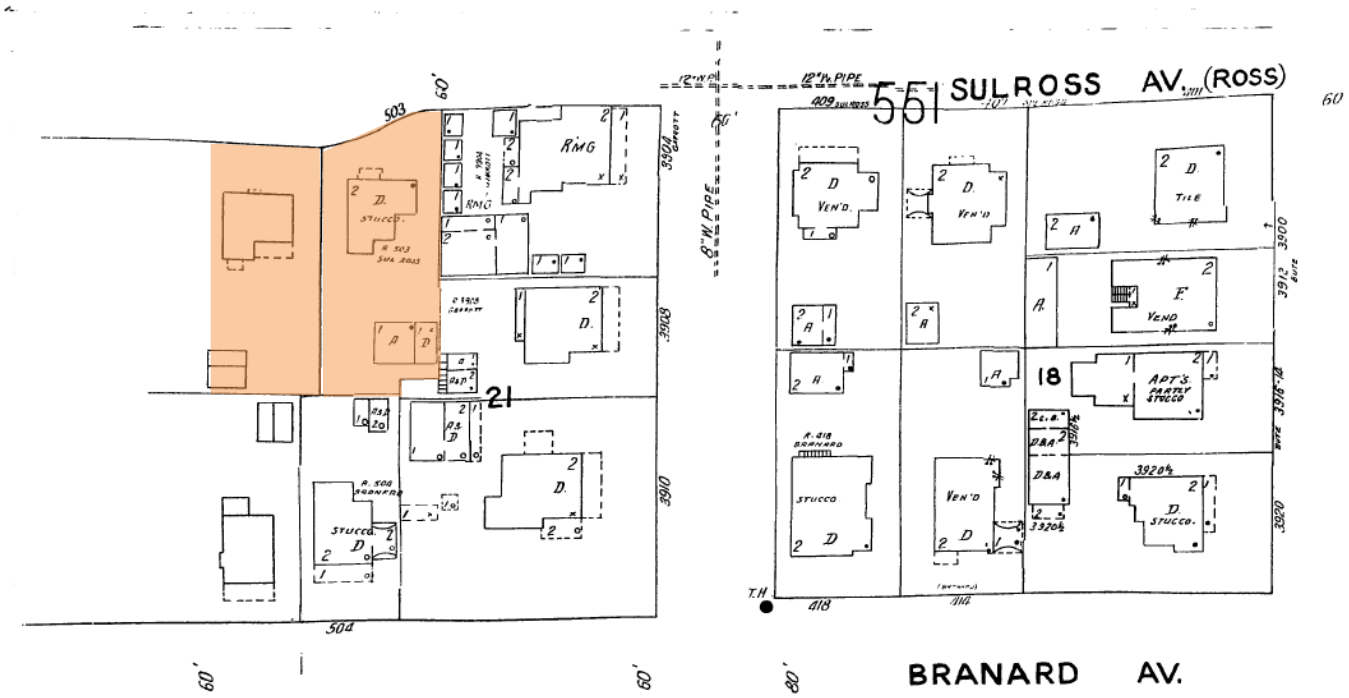


503 Sul Ross

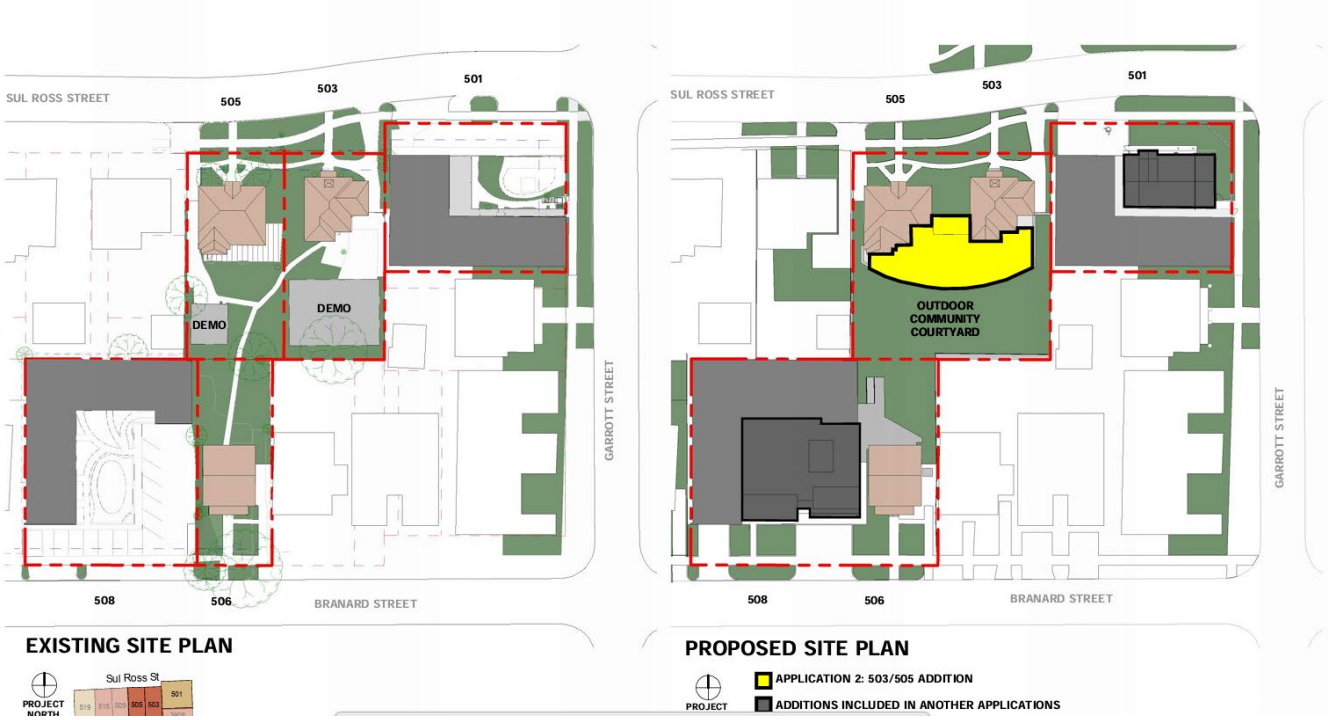
505 Sul Ross



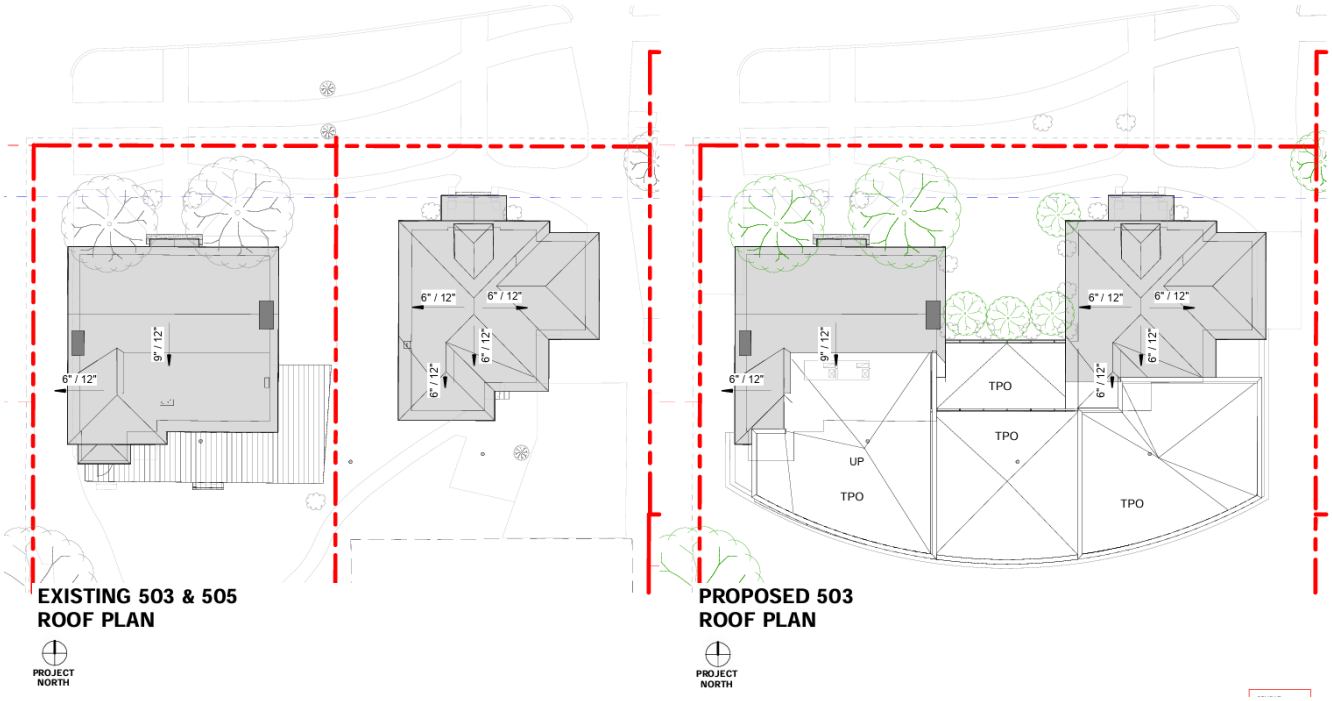
SANBORN


SUL ROSS AV. (ROSS)
BRANARD AV.
503
504
409
418
21
18
RMG
STUCCO
TILE
APT'S
PARTLY STUCCO
60'
80'

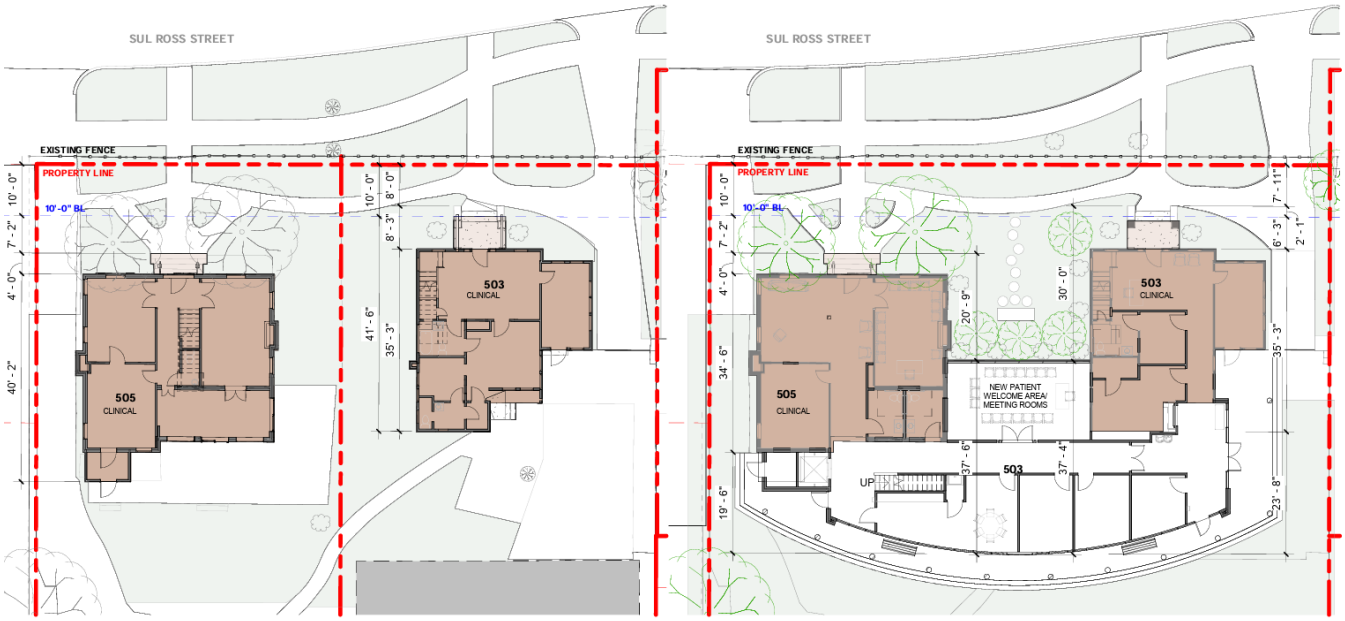
SITE PLAN


SUL ROSS STREET
505
503
501
DEMO
DEMO
GARROTT STREET
508
506
BRANARD STREET
EXISTING SITE PLAN
PROJECT NORTH
Sul Ross St
SUL ROSS STREET
505
503
501
OUTDOOR COMMUNITY COURTYARD
GARROTT STREET
508
506
BRANARD STREET
PROPOSED SITE PLAN
PROJECT
APPLICATION 2: 503/505 ADDITION
ADDITIONS INCLUDED IN ANOTHER APPLICATIONS

ROOF PLAN


6" / 12"
9" / 12"
6" / 12"
6" / 12"
6" / 12"
6" / 12"
EXISTING 503 & 505
ROOF PLAN
PROJECT NORTH
6" / 12"
9" / 12"
6" / 12"
6" / 12"
6" / 12"
TPO
TPO
UP
TPO
TPO
PROPOSED 503
ROOF PLAN
PROJECT NORTH

FIRST FLOOR PLAN



EXISTING 503 & 505 SUL ROSS ST LEVEL 1 FLOOR PLAN

PROPOSED SUL ROSS ST LEVEL 1 FLOOR PLAN

SECOND FLOOR PLAN



EXISTING 503 & 505
LEVEL 2 FLOOR PLAN

PROJECT NORTH



PROPOSED 503
LEVEL 2 FLOOR PLAN

PROJECT NORTH

FRONT NORTH ELEVATION



EXISTING 501, 503, 505 SUL ROSS ST ELEVATION



PROPOSED SUL ROSS ST ELEVATION



PROPOSED SUL ROSS ST ELEVATION
(BEHIND EXISTING FENCE)

SIDE & REAR ELEVATIONS



EXISTING WEST ELEVATION



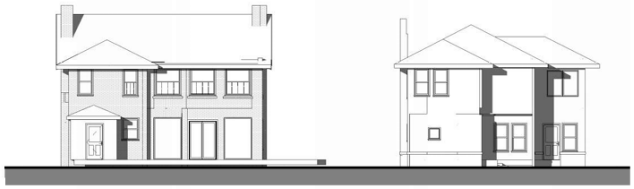
PROPOSED WEST ELEVATION



EXISTING EAST ELEVATION



PROPOSED EAST ELEVATION

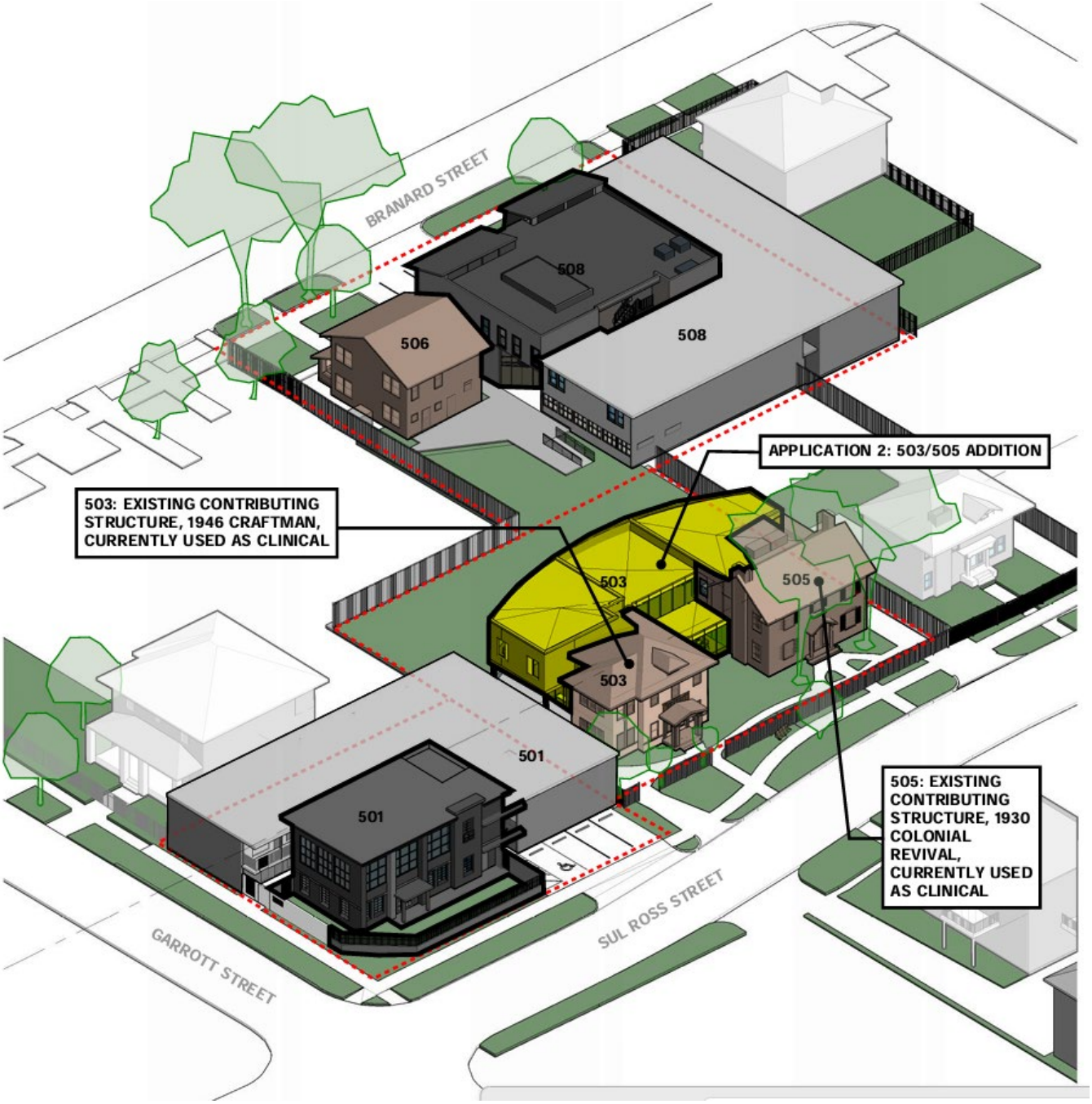


EXISTING SOUTH ELEVATION



PROPOSED SOUTH ELEVATION

PROPOSED 3D VIEWS



3D VIEWS & PROPOSED MATERIAL









CONCEPT AND INSPIRATION





800 SUL ROSS



603 W MAIN B



615 W MAIN

WINDOW WORKSHEET

CERTIFICATE OF APPROPRIATENESS

WINDOW WORKSHEET

PLANNING & DEVELOPMENT DEPARTMENT

EXISTING WINDOW SCHEDULE

Window	Material	Lite Pattern	Style	Dimensions	Mounting Profile	Original/ Replacement	Existing To Remain	Other
Ex. A1	*Wood*	*1/1*	*DH*	*32 x 66*	*Recessed*	*Original*	*No*	
A								
B								
C								

DAMAGE TO EXISTING WINDOWS

Window	Broken Glass	Painted Shut	Inoperable/Cut Sash Cords/Weights	Rotten Rails/Stiles	Rotten Sill	Rotten/Broken Frame	Other Damage/ Description
Ex. A1	*Y*	*Y*	*Y*	*N*	*Y*	*N*	*Missing Parts*
A							
B							
C							

PROPOSED WINDOW SCHEDULE

Window	Material	Lite Pattern	Style	Dimensions	Mounting Profile	Brand or Equivalent	Existing To Remain	Other
Ex. A1	*Wood*	*1/1*	*DH*	*32 x 66*	*Recessed*	*WindowCo.*	*No*	
A	wood	1/1	DH	36 x 60	recessed	Pella	n/a	
B								
C								

- Must include photos of all windows and indicated damage
- Must include specification sheet and manufacture's details for all proposed new windows

**Use additional sheets if necessary