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APPRAISAL OF
A 1.5 ACRE TRACT OF LAND
LOCATED IN THE
7700 BLOCK OF GARTH ROAD
BAYTOWN, HARRIS COUNTY, TEXAS 77521

DATE OF VALUE
AUGUST 3, 2018

DATE OF REPORT
AUGUST 16, 2018

DATE OF INSPECTION
AUGUST 3, 2018

PREPARED FOR
INDEPENDENT BANK
3090 CRAIG DRIVE
MCKINNEY, TEXAS 75070

PREPARED BY
NATIONAL APPRAISAL PARTNERS LLP

NAP LLP FILE #: 18-1275



NATIONAL APPRAISAL PARTNERS, LLP

August 16, 2018

Ms. Nancy Ellison
Independent Bank
3090 Craig Drive
McKinney, Texas 75070

Re: Appraisal of a 1.5 acre tract of land located in the 7700 Block of Garth Road in Baytown, Harris County, Texas 77521

Dear Ms. Ellison,

At your request we have appraised the above referenced property. The purpose of this appraisal is to provide an estimate of the market value of the fee simple interest of the above referenced property as of the date of inspection, or August 3, 2018.

The subject property consists of 1.500 acres or 65,340 square feet of vacant land located along the east side of Garth Road, 458 feet north of Seabird Street in Baytown, Harris County, Texas. The subject property address is the 7700 Block of Garth Road, Baytown, Harris County, Texas 77521.

The intended use of this appraisal is for loan underwriting purposes by Independent Bank. We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Our valuation was prepared in conformance with the Uniform Standards of Professional Appraisal Practice ("USPAP") of The Appraisal Foundation, and with regulations adopted by the Department of the Treasury, Office of the Comptroller of the Currency, required under Title XI of the Financial Institution Reform, Recovery, and Enforcement Act of 1989. This appraisal was also prepared in conformance with Independent Bank's Appraisal Requirements. This Appraisal Report is the written result of our findings and analysis. These opinions are to be used solely for the purposes stated above and are subject to the accompanying definition of market value and Statement of General Assumptions and Limiting Conditions.

Ms. Nancy Ellison
August 16, 2018
Page ii

Extraordinary Assumptions (the use of which might have affected the assignment results herein):

1. There are no Extraordinary Assumptions for this appraisal.

Hypothetical Conditions (the use of which might have affected the assignment results herein):

1. There are no Hypothetical Conditions for this appraisal.

Based on the investigation described in this report, the market value of the fee simple interest of the subject property as of the date of inspection, or August 3, 2018, is as follows:

SEVEN HUNDRED NINETEEN THOUSAND DOLLARS
\$719,000

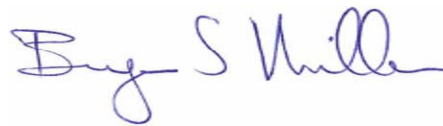
We appreciate the opportunity to perform this service for Independent Bank.

Sincerely,

NATIONAL APPRAISAL PARTNERS, LLP



Thomas A. Stark, MAI, Partner
State Certified General Real Estate Appraiser
TX-1325319-G



Bryan S. Miller, MAI, CCIM, Partner
State Certified General Real Estate Appraiser
TX-1328184-G

Attachments

EXECUTIVE SUMMARY

Property Identification

| | |
|---------------------|--|
| Property Appraised: | 1.5 acre tract of land |
| Address: | 7700 Block Garth Road Baytown, Harris County, Texas 77521 |
| Location: | E/S Garth Road, 458 feet north of Seabird Street |
| Date of Inspection: | August 3, 2018 |
| Date of Value: | August 3, 2018 |
| Interest Appraised: | Fee Simple |

Property Data

| | |
|--------------------------|-----------------------------------|
| Land Area: | 65,340 Square Feet 1.500 Acres |
| Highest and Best Use | |
| Site As Vacant: | Retail/commercial development |
| Property As Improved: | N/A |
| Marketing/Exposure Time: | 12 months or less |

Value Indications

| | <u>Aggregate</u> | <u>Per Square Foot</u> |
|---------------------------------|------------------|------------------------|
| Sales Comparison Approach: | \$719,000 | \$11.00 |
| Income Capitalization Approach: | N/A | N/A |
| Cost Approach: | N/A | N/A |
| Final Value Estimate: | \$719,000 | \$11.00 |



Aerial view of the subject property



View of the subject property looking northwest across Garth Road



Looking north along Garth Road with the subject property on the right



Looking south along Garth Road with the subject property on the left



Interior view of the subject site looking south



Interior view of the subject site looking north

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Land Sale Write-ups
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SCOPE OF THE APPRAISAL

Scope of Work

The scope of this appraisal involved the systematic research and analysis necessary to reach a value conclusion for the subject. The initial step was to inspect the subject property and the surrounding area. The extent of our inspection of the subject property included an inspection of the subject site and the surrounding neighborhood. After analyzing the macro environment, research was conducted relevant to the valuation process, including gathering comparable land sales and listings, real estate tax data and other pertinent information. We have completed the Sales Comparison Approach to value only for this appraisal. This is the only appropriate approach to value a property similar to the subject, and the scope of work defined herein is adequate to derive a credible value opinion of the subject property. The Cost and Income Capitalization Approaches are not appropriate approaches to value similar tracts of vacant land. Therefore, we have not completed the Cost or Income Capitalization Approaches for this appraisal. This Appraisal Report is the written result of our findings and analysis.

Date of the Appraisal

The date of the market value of the fee simple interest of the subject property is the date of inspection, or August 3, 2018. The date of this report is August 16, 2018.

Purpose and Intended Use of the Appraisal

The purpose of this appraisal is to estimate the market value of the fee simple interest of the subject property. The intended use of this appraisal is for loan underwriting purposes by Independent Bank. This report is for the exclusive use of Independent Bank, its affiliates, designates and assignees and no other party shall have any right to rely on any service provided by National Appraisal Partners, LLP without prior written consent. The client for this appraisal is Independent Bank.

Property Rights Appraised

Fee simple interest, as used herein, is defined by *The Dictionary of Real Estate Appraisal*, Sixth Edition, as:

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.

Definition of Market Value

The current definition of market value, as defined by the Financial Institution Reform, Recovery and Enforcement Act (FIRREA), effective August 24, 1990, is as follows:

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:

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

GENERAL DATA

Property Identification

A brief legal description of the subject property is as follows:

A tract or parcel containing 1.500 acres (65,340 square feet) of land situated in the George Ellis League, Abstract No. 21, Harris County, Texas, being out of and a part of Reserve D of the Springfield Estates Subdivision, Section No. 2, according to the map or plat thereof recorded in Volume 523, Page 39 of the Harris County map records.

The subject property consists of 1.500 acres or 65,340 square feet of land which is located along the east side of Garth Road, 458 feet north of Seabird Street in Baytown, Harris County, Texas. The subject property address is the 7700 Block of Garth Road, Baytown, Harris County, Texas 77521.

Ownership History of the Property

According to the Harris County Appraisal District (HCAD), the current owner of record for the subject property is Legna II, LLC. Legna II, LLC acquired the subject property January 2003. The subject property is currently under contract for sale to Medical Village of Cypress Creek LP for \$718,740, or \$11.00 per square foot. Based on the analysis presented herein, the contract price is at market level. Prior to the contract, the property was listed for sale for \$718,740, or \$11.00 per square foot. Based on the analysis presented herein, the listing price was at market level. Based on our research, there have been no other transactions involving the subject property over the past three years.

Exposure/Marketing Period

The comparable sales used in this appraisal and our interviews with local market participants indicate that the exposure/marketing period for properties similar to the subject is typically less than one year. Therefore, we estimate an exposure/marketing period of 12 months or less for the subject property.

Area Analysis

The subject property is located within the Houston Metropolitan Statistical Area (MSA), which includes Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, San Jacinto and Waller Counties. The subject property is heavily influenced by factors affecting the City of Houston and the immediate outlying areas.

The City of Houston covers approximately 600 square miles of land. The Texas Medical Center, NASA and the energy industry are significant influences on the area. Houston is the fourth largest city in the United States and is the most populous city in the State of Texas. Houston is the county seat of Harris County.

Population

Houston MSA, State of Texas and United States population trends are presented on the table below.

| Population Growth and Forecasts | | | | | |
|--|-------------|-------------|----------------------------|----------------------------|--------------------------------|
| | 2010 | 2017 | Annual % Change | 2022 Projection | Annual % Change |
| Houston MSA | 5,920,416 | 6,896,170 | 2.35% | 7,657,236 | 2.21% |
| Texas | 25,145,561 | 28,296,099 | 1.79% | 30,737,777 | 1.73% |
| United States | 308,745,538 | 327,514,334 | 0.87% | 341,323,594 | 0.84% |

Source: STDB Online

The Houston MSA experienced strong population growth from 2010 to 2017. The Houston MSA population growth rate exceeded the state and nation during the period. Population growth for the Houston MSA is projected to exceed the state and national growth rates between 2017 and 2022.

Income

The following table summarizes median household income for the Houston MSA, the State of Texas and the United States.

| Median Household Income | | | |
|--------------------------------|-------------|----------------------------|----------------------------|
| | 2017 | 2022 Projection | Annual % Change |
| Houston MSA | \$63,212 | \$72,615 | 2.98% |
| Texas | \$56,247 | \$62,805 | 2.33% |
| United States | \$56,124 | \$62,316 | 2.21% |

Source: STDB Online

The median household income for the Houston MSA is greater than the State of Texas and the United States. Median household income growth for the Houston MSA is projected to exceed the State of Texas and the United States through 2022.

Employment

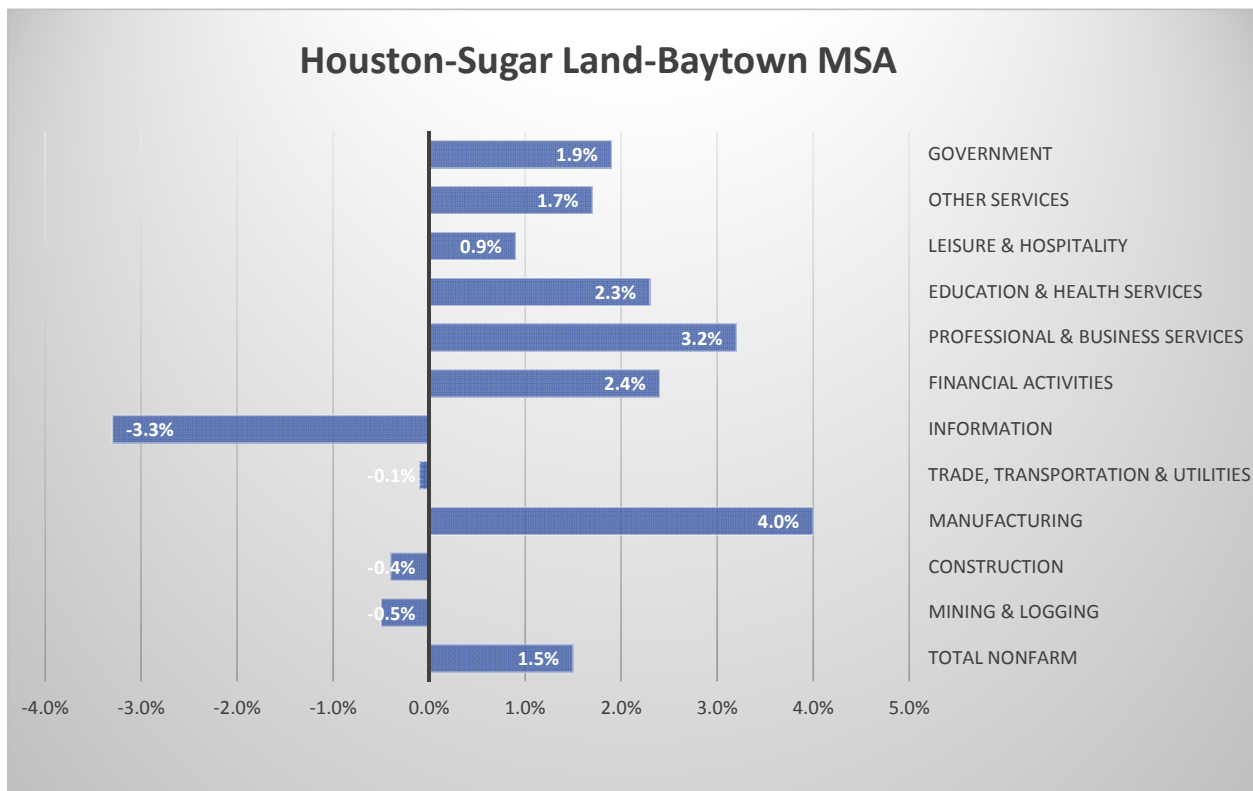
The following table summarizes historic employment levels for the Houston MSA and the State of Texas.

| Employment | | | | |
|------------|-------------|----------|------------|----------|
| | Houston MSA | | Texas | |
| Year | Total | % Change | Total | % Change |
| 2012 | 2,906,813 | -- | 11,818,675 | -- |
| 2013 | 2,995,360 | 3.0% | 12,070,808 | 2.1% |
| 2014 | 3,074,575 | 2.6% | 12,340,567 | 2.2% |
| 2015 | 3,097,920 | 0.8% | 12,463,031 | 1.0% |
| 2016 | 3,115,186 | 0.6% | 12,671,801 | 1.7% |
| 2017 | 3,147,416 | 1.0% | 12,872,693 | 1.6% |

Source: Texas A&M Real Estate Center

Over the past five years, employment growth in the Houston MSA has averaged 1.7% per year. The average employment growth for the State of Texas was 1.7% over the same period.

The following chart outlines Houston MSA employment growth rates by industry sector over the past twelve months.



Source: U.S. Bureau of Labor Statistics February 2018

The largest employment growth in the Houston MSA occurred in the manufacturing sector (4.0%), followed by the professional & business services sector (3.2%). The largest decline was in the information sector with a decrease of 3.3% over the past 12 months.

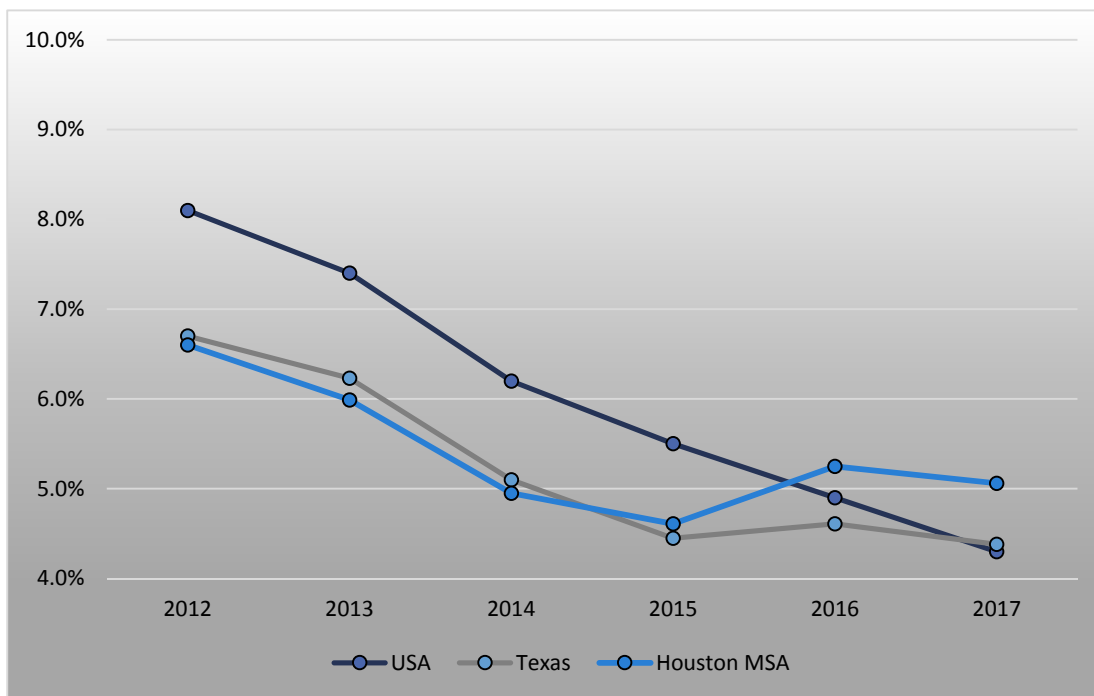
The following table lists the top five employers in the Houston MSA.

| Top Five Employers | |
|---|-------------------|
| Employer | # Local Employees |
| Walmart | 37,000 |
| Memorial Hermann Health System | 24,108 |
| HEB | 23,732 |
| The University of Texas MD Anderson Cancer Center | 21,086 |
| McDonald's Corporation | 20,918 |

Source: Houston Comprehensive Financial Report 2017

Unemployment

The following chart tracks unemployment rates for the Houston MSA, the State of Texas and the United States over the past six years.



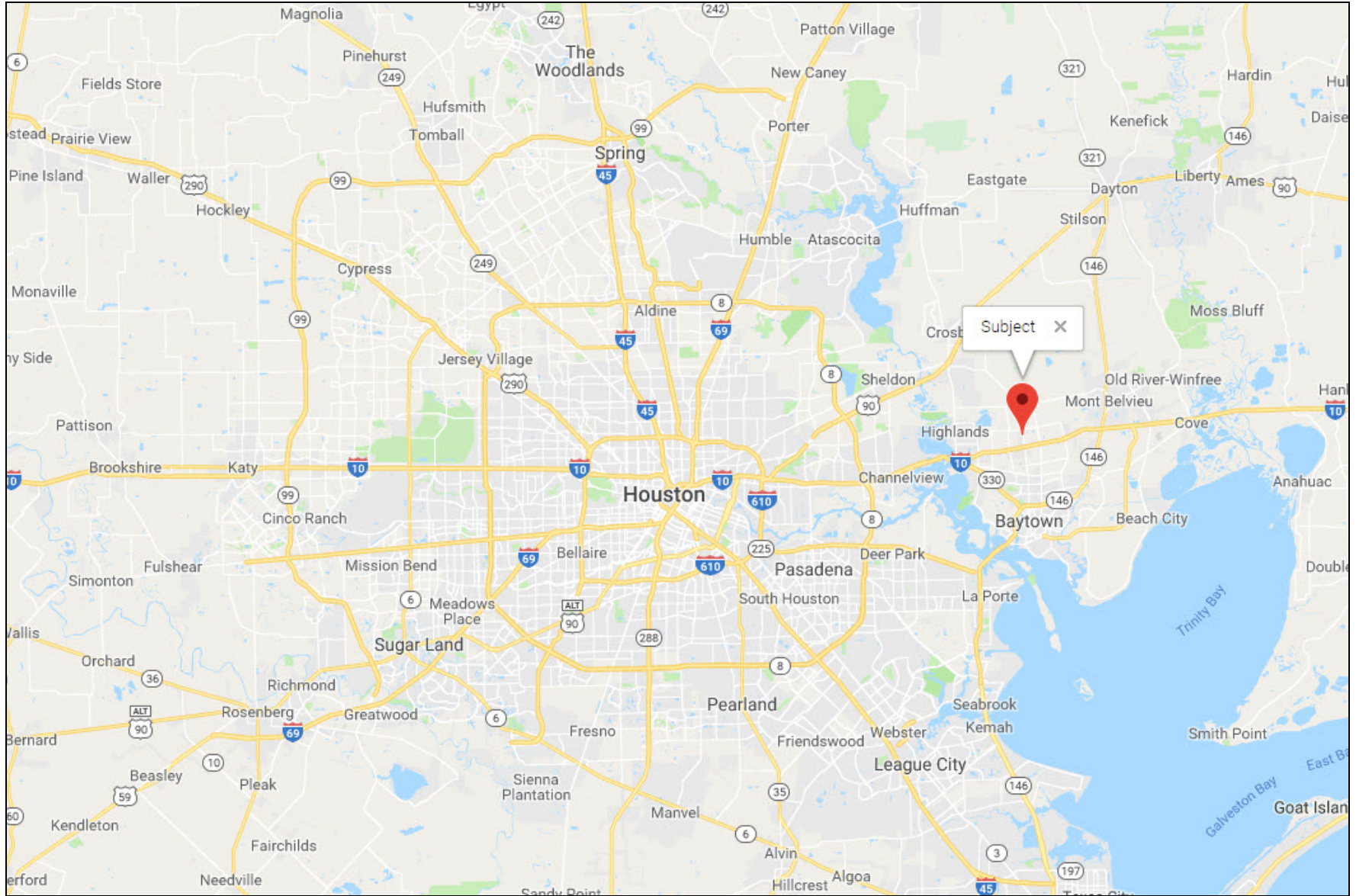
Source: U.S. Bureau of Labor Statistics February 2018

The Houston MSA unemployment rate declined between 2012 and 2015, increased in 2016, and then decreased again in 2017. The Houston MSA unemployment rate was similar to the State of Texas and below the United States between 2012 and 2015. However, Houston's unemployment rate increased above the State of Texas and the United States in 2016 and stayed above both in 2017. This trend is projected to continue in the near term.

Conclusion

Overall, the outlook for the Houston MSA is optimistic. Houston's economy should continue to improve in the near term. Longer term, above-average population growth, employment, and household income growth levels are projected to continue. The recent opening of the expansion of the Panama Canal should help the economy in the near and long term.

Area Map



Neighborhood Analysis

Neighborhood Defined/Location

The subject property is located in eastern Harris County, Texas. The neighborhood is roughly bound by FM 1942 (Crosby Barbers Hill Road) to the north, State Highway 146 to the south, State Highway 146 to the east and North Main Street to the west. The neighborhood includes portions of unincorporated Harris County and portions of the City of Baytown. The neighborhood is located approximately twenty miles east of the Houston Central Business District.

Predominant Development/Stage of Development

The neighborhood includes a mixture of retail/commercial, industrial and residential development. The neighborhood also includes tracts of vacant land. Retail/commercial development in the neighborhood includes hotels, retail centers, restaurants and freestanding retail buildings. Retail/commercial development is concentrated along the primary roadways in the neighborhood such as Interstate Highway 10 (Katy Freeway), Garth Road, Wallisville Road, Thompson Road, Wade Road, John Martin Road, North Main Street, Sjolander Road, State Highway 146, Cedar Bayou Lynchburg Road, West Baker Road, Spur 330 and Massey Tompkins Road. Residential development is scattered throughout the neighborhood, predominantly along secondary thoroughfares. Industrial development is located along primary and secondary roadways in the subject neighborhood, on freestanding sites and within industrial parks. Overall, the subject neighborhood is established, with new development and redevelopment occurring.

Friendswood Development, a real estate development company which operates in the Greater Houston Area, is currently constructing a master-planned community in Baytown. This community will consist of over 1,400 new homes and spans 514 acres. This development will be at the corner of Garth Road and Wallisville Road near the subject site and is projected to open in Summer 2019.

Accessibility

Primary north/south roadways in the subject neighborhood include Garth Road, Wade Road, North Main Street, and Sjolander Road. Primary east/west roadways in the subject neighborhood include Interstate Highway 10 (Katy Freeway), Spur 330, State Highway 146, Wallisville Road, Cedar Bayou Lynchburg Road, West Baker Road and Massey Tompkins. Overall, the accessibility of the neighborhood is good.

Immediate Vicinity

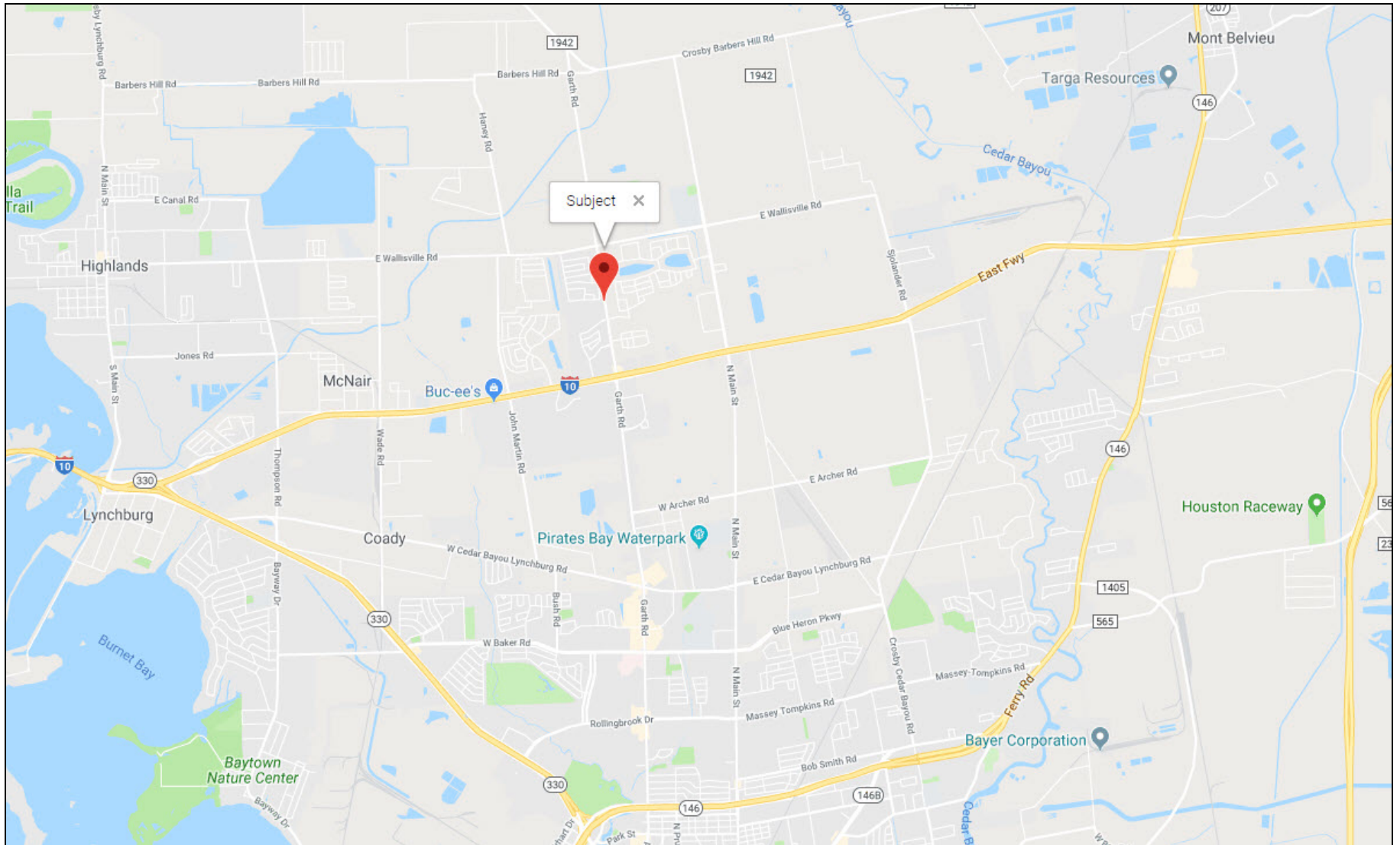
The immediate vicinity of the subject property includes a mixture of retail/commercial and residential development and tracts of vacant land. The following chart outlines land uses adjacent to the subject site.

| | |
|--------|--|
| North: | Vacant Land, Spring Park Drive, Vacant Land, East Wallisville Road |
| South: | Vacant Land, Seabird Street, Staybridge Suites Hotel, Home2 Suites by Hilton Hotel |
| East: | Single-Family Residences, Ginger Park Drive, Single-Family Residences, Chervil Lane |
| West: | Garth Road, Victoria Walker Elementary School, Vacant Land, Single-Family Residences |

Conclusion

The subject neighborhood includes primarily a mixture of retail/commercial, industrial and residential development and tracts of vacant land. Overall, the subject neighborhood is established with new development and redevelopment occurring. The neighborhood has good access to other portions of the Houston Area. The outlook for the neighborhood is optimistic. A neighborhood map follows.

Neighborhood Map



Site Analysis

The following is a description of the physical characteristics of the subject site. A survey, a plat map, a flood plain map and an Ad Valorem Tax Schedule exhibit of the subject site follow this site analysis section.

Location

The subject site is located along the east side of Garth Road, 458 feet north of Seabird Street, in Baytown, Harris County, Texas. The subject property address is the 7700 Block of Garth Road, Baytown, Harris County, Texas 77521.

Size/Shape

The subject site contains 1.500 acres or 65,340 square feet of land area and is rectangular in shape.

Accessibility/Frontage

The site has 161.82 feet of frontage along the east side of Garth Road. Garth Road is a five-lane, two way concrete paved primary roadway with curbs and gutters in the vicinity of the subject. Overall, the access/frontage of the site is good.

Topography

The subject site is basically level and at the grade of the adjacent roadway.

Flood Plain

According to FEMA Map Community Panel Number 48201C0765M dated January 6, 2017, the subject is located in flood zone X, outside of the flood plain.

Zoning

The subject site is located in unincorporated Harris County. Harris County does not subscribe to zoning.

Utilities and Services

Water and sewer services are provided to the site by Spring Meadows MUD. Natural gas service is provided to the site by CenterPoint Energy. Electricity is provided to the site by various providers.

Easements and Encroachments

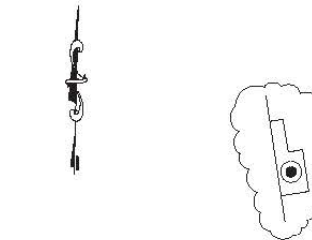
The site has typical utility easements which do not appear to impact the development potential of the site.

Environmental Considerations

During our inspection we did not notice any obvious environmental hazards associated with the subject site. However, we are not qualified to detect such hazards and the valuation herein assumes that the site is free and clear of any environmental problems.

Conclusion

The subject site is located along the east side of Garth Road, 458 feet north of Seabird Street in Baytown, Harris County, Texas. The size and shape of the site are well suited for development. The access/frontage of the site is good. All public utilities are available to the subject site. Overall, the development potential of the subject site is good. A survey, a plat map, a flood plain map and an Ad Valorem Tax Schedule exhibit of the subject site follow.



- NOTES:**
1. THE BEARINGS SHOWN HEREON ARE BASED ON THE MAP OR PLAT OF SPRINGFIELD ESTATES SUBDIVISION, SECTION NO. 2, RECORDED IN VOLUME 523, PAGE 39, MAP RECORDS, HARRIS COUNTY, TEXAS.
 2. SURVEYOR DID NOT ABSTRACT PROPERTY. SURVEY BASED ON LEGAL DESCRIPTIONS SUPPLIED BY TITLE COMPANY. EASEMENTS, BUILDING LINES, ETC., SHOWN ARE AS IDENTIFIED BY GP NO.1823921-VGHF OF INDEPENDENCE TITLE COMPANY.
 3. NOTHING IN THIS SURVEY IS INTENDED TO EXPRESS AN OPINION REGARDING OWNERSHIP OR TITLE.
 4. THE WORD CERTIFY IS UNDERSTOOD TO BE AN EXPRESSION OF PROFESSIONAL JUDGMENT BY THE SURVEYOR, WHICH IS BASED ON HIS BEST KNOWLEDGE, INFORMATION AND BELIEF.
 5. SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.
 6. THE FINDINGS AND OPINIONS OF WELLS LAND SURVEY, LLC REFLECTED HEREON ARE PRIVILEGED, CONFIDENTIAL AND INTENDED FOR THE USE OF THE INDIVIDUAL OR ENTITY FOR WHOM THIS WORK WAS PREPARED. IT IS UNDERSTOOD THAT THE USE OF, RELIANCE ON, OR REPRODUCTION OF SAME, IN WHOLE OR IN PART, BY OTHERS WITHOUT THE EXPRESS WRITTEN CONSENT OF WELLS LAND SURVEY, LLC IS PROHIBITED AND WITHOUT WARRANTY, EXPRESS OR IMPLIED. WELLS LAND SURVEY, LLC SHALL BE HELD HARMLESS AGAINST DAMAGES OR EXPENSES RESULTING FROM SUCH UNAUTHORIZED USE. RELIANCE OF REPRODUCTION, COPYRIGHT 2018. ALL RIGHTS RESERVED.
 7. AGREEMENT FOR UNDERGROUND ELECTRICAL SERVICE RECORDED IN DOCUMENT NO. N0204394, OFFICIAL PUBLIC RECORDS, HARRIS COUNTY, TEXAS.

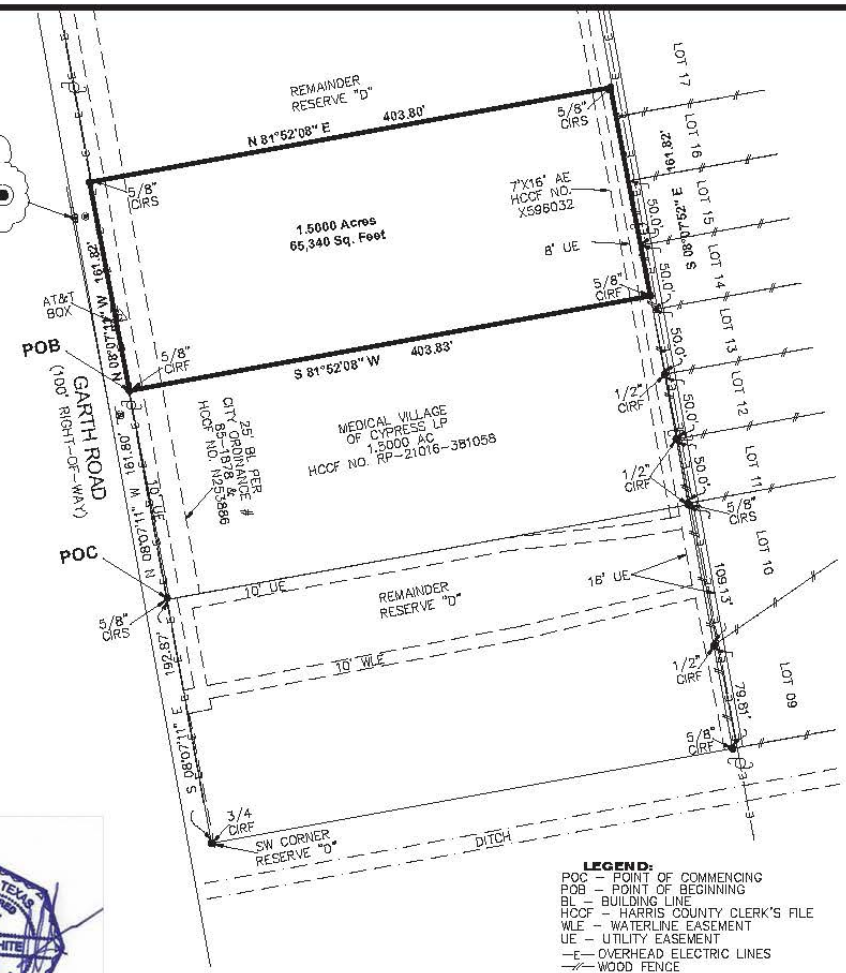
SURVEYORS CERTIFICATION

TO: INDEPENDENCE TITLE COMPANY AND MEDICAL VILLAGE OF CYPRESS CREEK, EXCLUSIVELY.

I, TIM W. WHITE, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, HEREBY CERTIFY THAT THIS PLAT REPRESENTS A SURVEY MADE ON THE GROUND UNDER MY DIRECT SUPERVISION ON JANUARY 17, 2018. AT THE TIME OF THIS SURVEY THERE WERE NO APPARENT DISCREPANCIES, SHORTAGES IN AREA, BOUNDARY LINE CONFLICTS, ENCRoACHMENTS, oVERLAPPING oF IMPROVEMENTS, EASEMENTS OR RIGHTS oF WAY, THAT I AM AWARE oF EXCEPT AS SHOWN HEREON, AND THAT SAID PROPERTY HAS ACCESS TO AND FROM A DEDICATED ROADWAY. PROPERTY IS SUBJECT TO ALL CITY ORDINANCES AND SUBDIVISION COVENANTS, CONDITIONS AND RESTRICTIONS THAT MAY APPLY. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.



Tim Wells White, Registered Professional Land Surveyor No. 5742



LEGAL DESCRIPTION
1.5000 ACRES

A TRACT OR PARCEL CONTAINING 1,500 ACRES (65,340 SQUARE FEET) OF LAND SITUATED IN THE GEORGE ELLIS LEAGUE, ABSTRACT NO. 21, HARRIS COUNTY, TEXAS, BEING OUT OF AND A PART OF RESERVE D OF THE SPRINGFIELD ESTATES SUBDIVISION, SECTION NO. 2, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN VOLUME 523, PAGE 39 OF THE HARRIS COUNTY MAP RECORDS, SAID 1,5000 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS: THE BEARINGS SHOWN HEREON ARE BASED ON THE RECORDED PLAT OF SAID SPRINGFIELD ESTATES SUBDIVISION, SECTION NO. 2.

COMMENCING AT A 5/8 INCH CAPPED IRON ROD SET IN THE EAST RIGHT OF WAY LINE OF GARTH ROAD (100 FOOT RIGHT OF WAY) AND THE WEST LINE OF SAID RESERVE D, BEING THE SOUTHWEST CORNER OF THE MEDICAL VILLAGE OF CYPRESS 1,5000 ACRE TRACT DESCRIBED IN HARRIS COUNTY CLERKS FILE NO. RP-2016-381058, FROM WHICH A 3/4 INCH CAPPED IRON ROD FOUND FOR THE SOUTHWEST CORNER OF SAID SAID RESERVE D BEARS SOUTH 08 DEGREES 07 MINUTES 11 SECONDS EAST, A DISTANCE OF 192.87 FEET;

THENCE NORTH 08 DEGREES 07 MINUTES 11 SECONDS WEST, ALONG THE EAST LINE OF SAID GARTH ROAD AND THE WEST LINE OF SAID RESERVE D AND SAID MEDICAL VILLAGE OF CYPRESS 1,5000 ACRE TRACT, A DISTANCE OF 161.80 FEET TO A 5/8 INCH CAPPED IRON ROD FOUND FOR THE NORTHWEST CORNER OF SAID MEDICAL VILLAGE OF CYPRESS 1,5000 ACRE TRACT, BEING THE SOUTHWEST CORNER OF THE HEREIN DESCRIBED TRACT AND POINT OF BEGINNING;

THENCE NORTH 08 DEGREES 07 MINUTES 11 SECONDS WEST, CONTINUING ALONG THE EAST LINE OF SAID GARTH ROAD AND THE WEST LINE OF SAID RESERVE D, A DISTANCE OF 161.82 FEET TO A 5/8 INCH CAPPED IRON ROD SET FOR THE NORTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE NORTH 81 DEGREES 52 MINUTES 08 SECONDS EAST, OVER AND ACROSS SAID RESERVE D, A DISTANCE OF 403.80 FEET TO A 5/8 INCH CAPPED IRON ROD SET IN THE EAST LINE OF SAID RESERVE D AND THE WEST LINE OF LOT 17 OF SAID SPRINGFIELD ESTATES SUBDIVISION, SECTION NO. 2, BEING THE NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE SOUTH 08 DEGREES 07 MINUTES 52 SECONDS EAST, ALONG THE EAST LINE OF SAID RESERVE D AND THE WEST LINE OF SAID LOT 17 PASS AT 22.55 FEET THE COMMON WEST CORNER OF SAID LOT 17 AND LOT 16 OF SAID SPRINGFIELD ESTATES SUBDIVISION, SECTION NO. 2, PASS AT 72.55 FEET THE COMMON WEST CORNER OF SAID LOT 14 AND LOT 16 OF SAID SPRINGFIELD ESTATES SUBDIVISION, SECTION NO. 2, PASS AT 122.55 FEET A 1/2\"/>

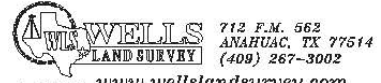
THENCE SOUTH 81 DEGREES 52 MINUTES 08 SECONDS WEST, ALONG THE NORTH LINE OF SAID MEDICAL VILLAGE OF CYPRESS 1,5000 ACRE TRACT, A DISTANCE OF 403.83 FEET TO THE POINT OF BEGINNING AND CONTAINING 1,5000 ACRES OF LAND, MORE OR LESS.

PROPERTY LIES WITHIN FLOOD ZONE 'X', ACCORDING TO F.I.R.M. NO. 482016075504, DATED JANUARY 8, 2017, BY GRAPHIC PLOTTING ONLY. WELLS LAND SURVEY DOES NOT ASSUME RESPONSIBILITY FOR EXACT DETERMINATION, BEFORE ANY DEVELOPMENT PLANNING, DESIGN, OR CONSTRUCTION IS STARTED, THE COMMUNITY, CITY, AND COUNTY IN WHICH SUBJECT TRACT EXISTS SHOULD BE CONTACTED. SAID ENTITIES MAY IMPOSE GREATER FLOOD PLAIN AND FLOODWAY RESTRICTIONS THAN SHOWN BY THE F.I.R.M. THAT MAY AFFECT DEVELOPMENT.

SURVEY OF

A TRACT OR PARCEL CONTAINING 1,500 ACRES (65,340 SQUARE FEET) OF LAND SITUATED IN THE GEORGE ELLIS LEAGUE, ABSTRACT NO. 21, HARRIS COUNTY, TEXAS, BEING OUT OF AND A PART OF RESERVE D OF THE SPRINGFIELD ESTATES SUBDIVISION, SECTION NO. 2, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN VOLUME 523, PAGE 39 OF THE HARRIS COUNTY MAP RECORDS.

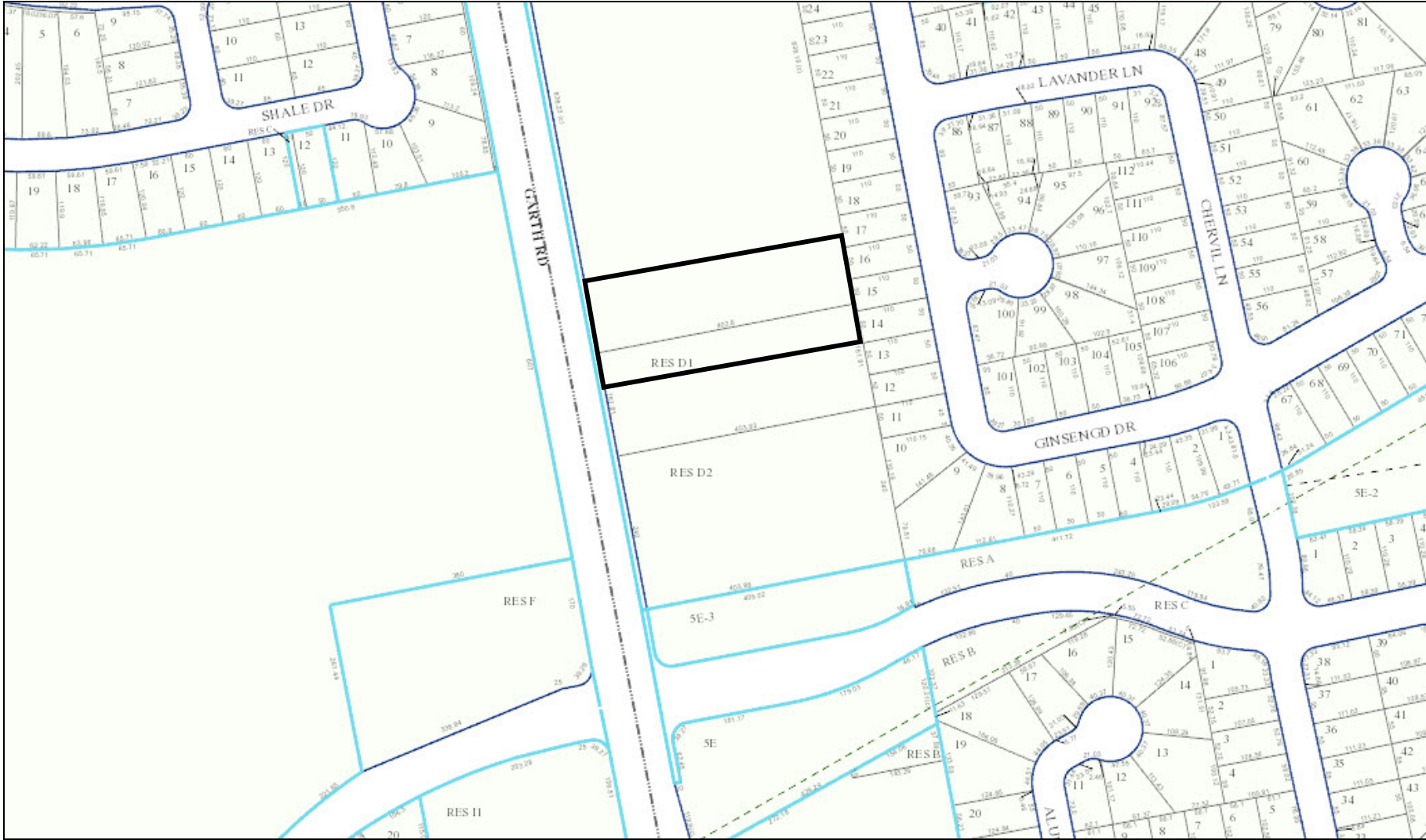
ADDRESS: GARTH RD. BUYER: MEDICAL VILLAGE
BAYTOWN, TX 77621 OF CYPRESS CREEK LP

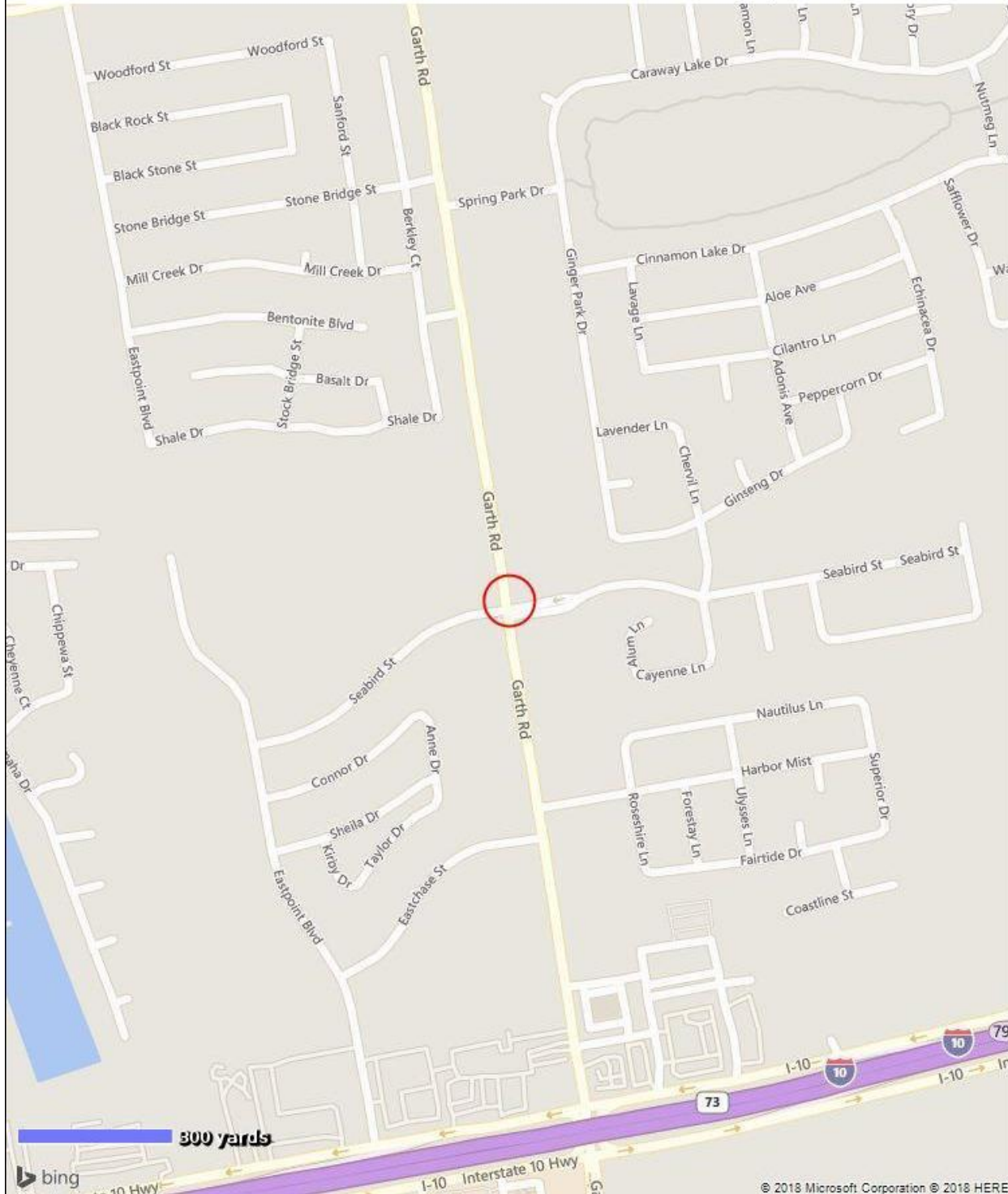


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| | |
|---------------------|-----------------|
| JOB NO: 407-18 | DATE: 07-18-18 |
| REVISED: 07/10/2018 | SCALE: 1" = 80' |

- LEGEND:**
- POB - POINT OF COMMENCING
 - POB - POINT OF BEGINNING
 - BL - BUILDING LINE
 - HOCP - HARRIS COUNTY CLERK'S FILE
 - WLE - WATERLINE EASEMENT
 - UE - UTILITY EASEMENT
 - OE - OVERHEAD ELECTRIC LINES
 - WF - WOOD FENCE
 - M - MANHOLE
 - UD - UTILITY POLE
 - SS - STOP SIGN
 - UCM - UNDERGROUND CABLE MARKER
 - CIRF - CAPPED IRON ROD FOUND
 - CIRS - CAPPED IRON ROD SET
 - F.I.R.M. - FLOOD INSURANCE RATE MAP
 - HCCF - HARRIS COUNTY CLERKS FILE





MAP DATA

FEMA Special Flood Hazard Area: **No**
 Map Number: **48201C0765M**
 Zone: **X**
 Map Date: **January 06, 2017**
 FIPS: **48201**

MAP LEGEND

- Areas inundated by 500-year flooding
- Areas inundated by 100-year flooding
- Velocity Hazard
- Protected Areas
- Floodway
- Subject Area

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AD VALOREM TAX SCHEDULE

Property Address: 7700 Block Garth Road
 Baytown, Harris County, Texas 77521

Owner: Legna II, LLC

Account Number: 1235440000116 / 1235440000113

Land size - Acres⁽¹⁾: 1.500 Acs.

Land size - Square Feet⁽¹⁾: 65,340 Sq.Ft.

| | 2017 | 2018 ⁽²⁾ |
|-----------------------|------------|---------------------|
| Tax Assessment | | |
| Land | \$447,334 | \$495,686 |
| Improvements | <u>\$0</u> | <u>\$0</u> |
| Total | \$447,334 | \$495,686 |
| Total PSF | \$6.85 | \$7.59 |

Tax Rates (\$ per \$100 of assessed value)

| | | |
|---|-------------------|-------------------|
| Jurisdiction: | | |
| Goose Creek CISD | \$1.431890 | \$1.431890 |
| Harris County & Related Entities | \$0.748215 | \$0.748215 |
| Lee Junior College District | \$0.250400 | \$0.250400 |
| Harris County Emergency Service District 75 | \$0.100000 | \$0.100000 |
| Spring Meadows MUD | <u>\$0.860000</u> | <u>\$0.860000</u> |
| Combined tax rate: | \$3.39051 | \$3.39051 |

Total Tax Payments⁽³⁾

| | | |
|---|-----------------|-----------------|
| Jurisdiction: | | |
| Goose Creek CISD | \$6,405 | \$7,098 |
| Harris County & Related Entities | \$3,347 | \$3,709 |
| Lee Junior College District | \$1,120 | \$1,241 |
| Harris County Emergency Service District 75 | \$447 | \$496 |
| Spring Meadows MUD | \$3,847 | \$4,263 |
| Total | \$15,166 | \$16,807 |
| Total PSF | <u>\$0.23</u> | <u>\$0.26</u> |

Notes:

⁽¹⁾ Harris County Appraisal District recorded size.

⁽²⁾ The 2018 tax rates are not available as of the date of this report. We have used the 2017 tax rates in our estimate.

⁽³⁾ There are no delinquent taxes reported for the subject property.

HIGHEST AND BEST USE

The uses to which a property can be put affect its value. This is recognized by the concept of highest and best use, generally understood to mean:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and which results in the highest value. These four factors influence the developability and the marketability/value of property:

- ⇒ Legal permissibility (zoning, deed restrictions, building codes, etc.)
- ⇒ Physical possibility (size, shape, frontage, utilities, etc.)
- ⇒ Financial feasibility (demand to support development)
- ⇒ Maximum productivity

Two separate analyses are performed to develop an opinion of highest and best use: first, an examination of the site as vacant and available for development and second, an examination of the existing improvements and an investigation of their contribution to the value of the property. For an existing improved property, as long as the value of the property as improved is greater than the value of the vacant site less demolition costs, the highest and best use is the use as improved. Once the value of the vacant land exceeds the value of the improved property, the highest and best use becomes the use of the land as vacant. Since the subject property is vacant land, we have completed an analysis of the site as vacant only.

Site as Vacant

Physically Possible

The subject site contains 1.500 acres or 65,340 square feet of land area. The site is rectangular in shape, with frontage along a primary neighborhood roadway. All utilities are available to the site. Most uses are physically possible on the site. Based on the physical characteristics of the site and its location, the most likely use of the site is some form of retail/commercial development.

Legally Permissible

The subject property is located in unincorporated Harris County, which does not subscribe to zoning. Therefore, retail/commercial development is permitted on the site. There do not appear to be any adverse restrictions which would limit the development of the subject site.

Financially Feasible/Maximally Productive

During our inspection, we noted new retail/commercial development occurring in the subject neighborhood. Rental rates and occupancy levels appear to support new retail/commercial development on the subject site. According to local brokers and developers, retail/commercial development is financially feasible in the subject neighborhood. Based on this analysis, the highest and best use of the subject site as vacant is for retail/commercial development.

SALES COMPARISON APPROACH

Introduction

In order to apply the Sales Comparison Approach to the subject property, we have researched and analyzed recent land sales and listings in and around the subject neighborhood. We contacted individuals having knowledge of the transaction details and discussed each sale to the fullest extent possible. We also interviewed local brokers, investors and developers regarding current trends in land prices and development in and around the subject neighborhood.

The most pertinent sales to analyze the subject are summarized on the Land Sales Summary and Adjustment Grid and location map following this introduction. A detailed write up of each sale can be found in the Addenda.

LAND SALES SUMMARY AND ADJUSTMENT GRID

| MARKET DATA | | Subject Contract | Current Contract | | | Current Listing |
|------------------------|---|--|------------------------------------|---|---|------------------------------------|
| SUBJECT | | 1 | 2 | 3 | 4 | 5 |
| Location | E/S Garth Road, 458 feet north of Seabird Street | E/S Garth Road, 458 feet north of Seabird Street | NE/C Garth Road and Seabird Street | NE/S Garth Road, 303 feet north of Seabird Street | E/S Garth Road, approximately 330 feet north of Harbor Mist Drive | SE/C Garth Road and Seabird Street |
| City | Baytown | Baytown | Baytown | Baytown | Baytown | Baytown |
| Date of Sale | - | Aug/18 | Aug/18 | Aug/16 | Aug/15 | Aug/18 |
| Size (Ac.) | 1.500 Acs. | 1.500 Acs. | 0.987 Acs. | 1.500 Acs. | 1.153 Acs. | 0.870 Acs. |
| Size (SF) | 65,340 SF | 65,340 | 43,000 | 65,340 | 50,222 | 37,897 |
| Sale Price | - | \$718,740 | \$448,060 | \$718,740 | \$439,443 | \$606,355 |
| Sale Price Per Sq. Ft. | - | \$11.00 | \$10.42 | \$11.00 | \$8.75 | \$16.00 |
| Proposed Development | - | Medical | Retail Center | Medical | Hotel | Unknown |
| Sale Price Per Sq. Ft. | - | \$11.00 | \$10.42 | \$11.00 | \$8.75 | \$16.00 |

COMPARATIVE ANALYSIS

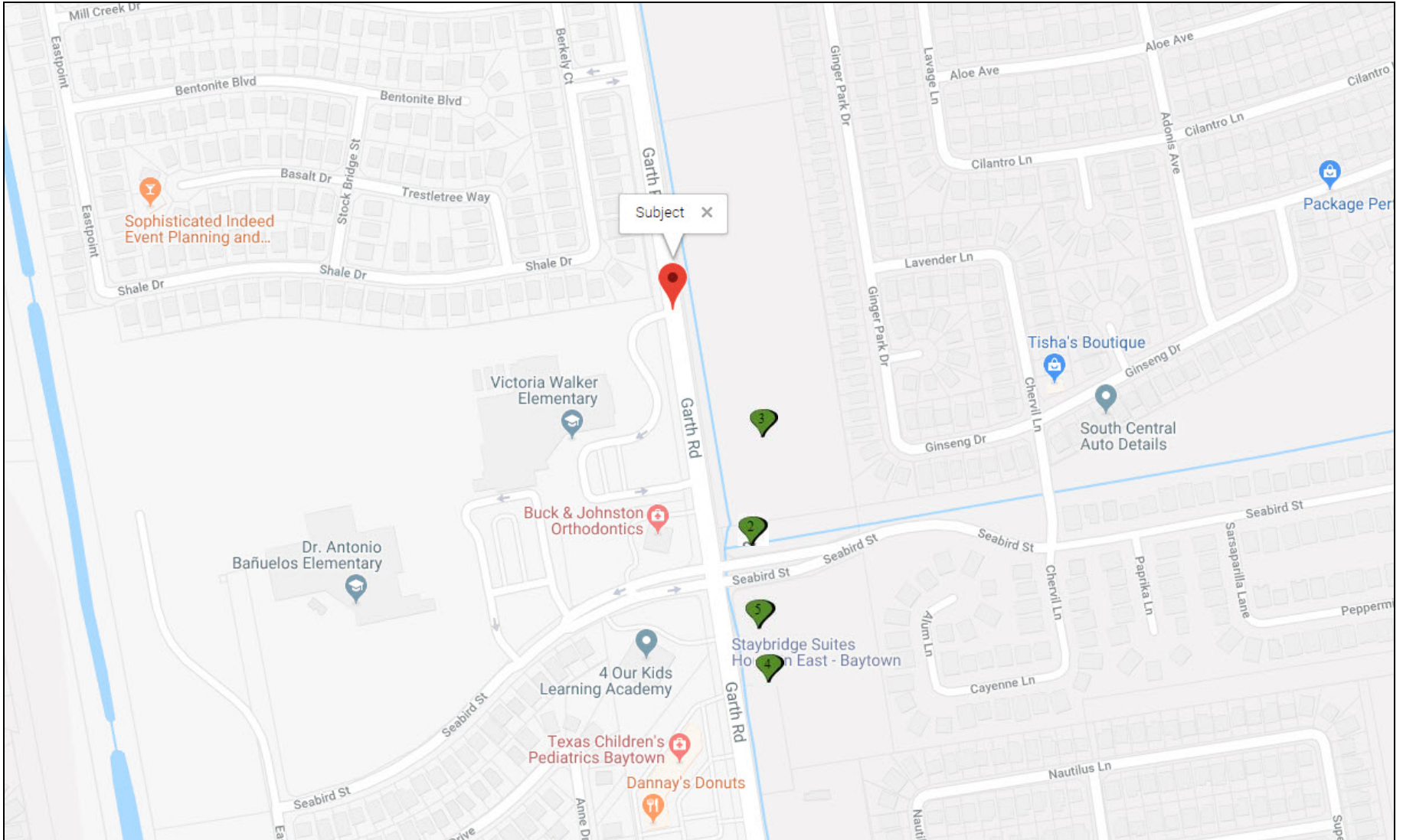
| MULTIPLIED ADJUSTMENTS | | | | | |
|-----------------------------------|--|-----------|-----------|-----------|-----------|
| Elapsed Time (Years) | | 0.0 years | 0.0 years | 1.9 years | 3.0 years |
| Market Conditions/Time Adjustment | | 0.0% | 0.0% | 5.7% | 9.0% |
| Conditions of Sale Adjustment | | 0.0% | 0.0% | 0.0% | 0.0% |
| Coq. Cond/Time Adj. Price PSF | | \$11.00 | \$10.42 | \$11.63 | \$9.54 |
| ADDED ADJUSTMENTS | | | | | |
| Location Adjustment | | 0% | 0% | 0% | 0% |
| Physical Characteristics: | | | | | |
| Size Adjustment/Sq. Ft. Basis | | 0% | 0% | 0% | 0% |
| Shape/Depth | | 0% | 0% | 0% | 10% |
| Access/Frontage | | 0% | 0% | 0% | 0% |
| Corner | | 0% | -5% | 0% | 0% |
| Topography | | 0% | 0% | 0% | 0% |
| Flood Plain | | 0% | 0% | 0% | 0% |
| Utilities | | 0% | 0% | 0% | 0% |
| Zoning | | 0% | 0% | 0% | 0% |
| Total Adjustment | | 0% | -5% | 0% | 10% |
| Adjusted Price/Sq. Ft. | | \$11.00 | \$9.90 | \$11.63 | \$10.49 |

| | | |
|---------------------------------|---------|---------|
| PSF METHOD⁽¹⁾ | Low: | \$9.90 |
| | High: | \$11.63 |
| | Mean: | \$10.67 |
| | Median: | \$10.49 |

| | | | |
|---|----------|---------------|--------------------|
| INDICATED VALUE ESTIMATE | | | |
| \$11.00 | X | 65,340 | = \$718,740 |
| Indicated Market Value of Subject Site (Rounded): | | | \$719,000 |

Notes:
⁽¹⁾ Excludes the Subject Contract and Current Listing

Land Sales Map



Comparative Analysis

For this analysis, we compared the sales to the subject and adjusted them for differences in market conditions (time), conditions of sale, location and various physical characteristics. The adjusted prices for the sales were then reconciled into a final value indication for this approach.

Our analysis includes the subject property, two contracts (including the subject contract), two sales and one current listing. The sales and contract range in date of sale from August 2015 to August 2018. The sales and contract range in size from 0.987 to 1.500 acres. The unadjusted prices of the sales and contract range from \$8.75 to \$11.00 per square foot. The current listing contains 0.870 acres and has an unadjusted asking price of \$16.00 per square foot.

Market Conditions

For this adjustment, we considered changes in the demand for land, recent and proposed development, the availability of financing, and economic conditions at the local level. Based on our discussions with market participants and a comparison of the sales, land prices in the subject neighborhood have increased over the past few years. Therefore, we have applied an upward adjustment of 3.0% per year for improved market conditions.

Conditions of Sale

An adjustment is warranted for conditions of sale when a transaction involves atypical motivations that affect the price of a property. All of the sales were reported to be typical arm's length transactions and were not adjusted for this characteristic. Listings generally sell for less than their asking price. Therefore, the current listing was adjusted downward for conditions of sale.

Location

Location adjustments are necessary when the locations of the comparable properties are different than the subject. All of the sales and the current listing are similar to the subject site with respect to location. Therefore, adjustments were not applied to the comparables for this characteristic.

Size

The size of a property will usually affect its per unit sale price. An inverse relationship typically exists between the size of a property and its sale price per square foot. The larger the size of a property, the smaller the per unit price, and vice versa, assuming all other variables are constant. The subject site contains 1.500 acres, while the comparables range from 0.870 to 1.500 acres. All comparables are similar to the subject with respect to size and were not adjusted for this characteristic.

Shape/Depth

The shape/depth characteristics of a property can affect its sale price. Sale 4 has an irregular shape as compared to the subject and was adjusted upward for this characteristic. The remaining comparables have shape/depth characteristics that would not influence the developability of the site, similar to the subject. Therefore, adjustments were not applied to these comparables for this characteristic.

Access/Frontage

The access/frontage characteristics of a property will usually affect its sale price. The subject site has frontage along the west side of Garth Road, a primary neighborhood roadway. All comparables are similar to the subject with respect to access/frontage and were not adjusted for this characteristic.

Corner

Corner sites typically sell for more than interior sites. Sales 1, 3 and 4 are interior tracts of land similar to the subject. Therefore, these comparables were not adjusted for this characteristic. Current contract 2 and the current listing are corner tracts and were adjusted downward for this characteristic.

Topography

The overall price of a property will generally be negatively impacted if additional investment is required to level the site. All of the comparables are similar to the subject property with respect to topography. Therefore, topography adjustments were not applied to the comparables.

Flood Plain

The overall price of a site can be impacted if a portion of the site is located within the flood plain. The subject site and all of the comparables are located outside of the flood plain. Therefore, flood plain adjustments were not applied to the comparables.

Utilities

Access to utilities can have an impact on the sale price of a site. The subject site has access to all utilities. All of the comparables had access to all utilities at the time of the sale. Therefore, adjustments were not applied to the comparables for this characteristic.

Zoning

The subject site and all of the comparables are similar with respect to zoning and/or highest and best use. Therefore, adjustments for zoning differences were not applied to the comparables.

Sales Comparison Approach Conclusion

The adjusted sale prices of the comparable land sales ranges from \$9.90 to \$11.63 per square foot (excludes subject contract and current listing). The mean of the sales is \$10.67 per square foot and the median is \$10.49 per square foot (excludes subject contract and current listing). The current listing indicates an adjusted asking price of \$13.68 per square foot. We have weighted Sale 3 most heavily in our reconciliation, as it required no adjustments. This sale indicates an adjusted price of \$11.63 per square foot. Based on this analysis, the market value of the fee simple interest of the subject property as of the date of inspection, or August 3, 2018, is estimated as follows:

| | | | | |
|--------------------|---|-------------------------|---|------------------|
| 65,340 Square Feet | X | \$11.00 per square foot | = | \$718,740 |
| | | Rounded | = | \$719,000 |

RECONCILIATION AND FINAL VALUE ESTIMATE

For this appraisal, we have used the Sales Comparison Approach to estimate the market value of the fee simple interest of the subject property. This is the only appropriate approach to value a property similar to the subject. The Cost and Income Capitalization Approaches are not appropriate approaches to value similar tracts of vacant land. Therefore, we have not completed the Cost or Income Capitalization Approach for this appraisal. Our value conclusion is as follows:

Sales Comparison Approach - \$719,000
Income Capitalization Approach – N/A
Cost Approach – N/A

Based on the investigation described in this report, the market value of the fee simple interest of the subject property as of the date of inspection, or August 3, 2018, is as follows:

SEVEN HUNDRED NINETEEN THOUSAND DOLLARS
\$719,000

CERTIFICATION

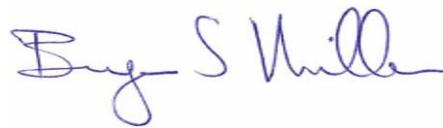
I certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and assumptions and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- The Appraisal Assignment was not based on a requested minimal valuation, a specific valuation or the approval of a loan.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the *Uniform Standards of Professional Appraisal Practice*.
- Bryan S. Miller and Luke B. Schoppe made a personal inspection of the subject property. Thomas A. Stark did not make a personal inspection of the subject property.
- Luke B. Schoppe provided significant real property appraisal assistance to the people signing this certification, including research, analysis and writing the report.
- The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Thomas A. Stark and Bryan S. Miller have completed the continuing education program for Designated Members of the Appraisal Institute.
- Thomas A. Stark and Bryan S. Miller currently hold an appropriate state certification allowing the performance of real estate appraisals in connection with federally related transactions in the state in which the subject property is located.

Respectfully submitted,



Thomas A. Stark, MAI, Partner
State Certified General Real Estate Appraiser
TX-1325319-G



Bryan S. Miller, MAI, CCIM, Partner
State Certified General Real Estate Appraiser
TX-1328184-G

STATEMENT OF GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions and limiting conditions.

General

1. No investigation has been made of, and no responsibility is assumed for, the legal description of the property being valued or for legal matters, including title or encumbrances. Title to the property is assumed to be good and marketable unless otherwise stated. The property is further assumed to be free and clear of any or all liens, easements or encumbrances unless otherwise stated.
2. Information furnished by others, upon which all or portions of this report are based, is believed to be reliable, but has not been verified in all cases. No warranty is given as to the accuracy of such information.
3. It is assumed 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 estimate contained in this report is based.
4. Full compliance with the applicable federal, state and local zoning, use, environmental and similar laws and regulations is assumed, unless otherwise stated.
5. No responsibility is taken for changes in market conditions, and no obligation is assumed to revise this report to reflect events or conditions which occur subsequent to the date hereof.
6. The value estimates herein are predicated on the financial structure prevailing as of the date of this report.
7. Responsible ownership and competent property management are assumed.
8. The allocation, if any, in this report of the total value between components of the property applies only to the program of utilization stated in this report. The separate values for any components may not be applicable for any other purpose and must not be used in conjunction with any other appraisal.
9. Areas and dimensions of the property were obtained from sources believed to be reliable. Maps or sketches, if included in this report, are only to assist the reader in visualizing the property; and no responsibility is assumed for their accuracy. No independent surveys were conducted.
10. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
11. No soil analysis or geological studies were ordered or made in conjunction with this report, nor was an investigation made of any water, oil, gas, coal or other subsurface mineral and use rights or conditions.

12. Neither National Appraisal Partners LLP nor any individual signing or associated with this report shall be required by reason of this report to give further consultation, provide testimony or appear in court or at other legal proceedings unless specified arrangements therefore have been made.
13. Neither this report nor any portions thereof (including without limitation any conclusions as to value, the identity of National Appraisal Partners LLP or any individuals signing or associated with this report, or the professional associations or organizations with which they are affiliated) shall be disseminated to third parties, without the prior written consent and approval of National Appraisal Partners LLP.
14. The date of analysis on which the conclusion and opinion expressed in this report apply is set forth in the letter of transmittal. Our value opinion is based on the purchasing power of the United States' dollar as of this date.
15. We are not qualified to investigate or test for the presence of toxic materials or substances. Unless otherwise stated in this report, no hazardous material, which may or may not be present on or near the property, was observed. We have no knowledge of the existence of such materials on or in the property; however, we are not qualified to detect such substances. The presence of potentially hazardous substances, such as asbestos, urea-formaldehyde foam insulation, or industrial wastes, may affect the value of the property. The value conclusions herein are predicated on the assumption that there is no such material on, in, or near the property that would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client should retain an expert in this field if further information is desired.
16. We have not attempted to measure the potential impact on value of recent enforcement of wetlands legislation. Certain areas of the subject site may be dry and developable, while others may contain reclaimable and/or non-reclaimable wetland areas. We are not qualified to make such judgments and recommend retaining an expert in this field, if desired. Our value conclusions are predicated on there being no wetlands impact.
17. We did not make any observations or interpretations on compliance with the Americans With Disabilities Act. We are not experts in this field and are not qualified to make such determinations. Our value estimate is predicated upon the property owner(s) bearing no costs for compliance.

Extraordinary Assumptions (the use of which might have affected the assignment results herein):

1. There are no Extraordinary Assumptions for this appraisal.

Hypothetical Conditions (the use of which might have affected the assignment results herein):

1. There are no Hypothetical Conditions for this appraisal.

ADDENDA

LAND SALE WRITE-UPS

Land Sale 1

IDENTIFICATION

Sale Contract Offer Listing

Address 7700 Block Garth Road
Location E/S Garth Road, 458 feet north of Seabird Street
City Baytown
County Harris
State Texas (TX)
Confidential Yes No
Source Map Key Map
Coordinates 461T

Legal 1.5 acres, being Abstract 21, part of Reserve D, Springfield Estates Subdivision, Harris County, Texas

TRANSACTION DATA

Grantor Legna II, LLC
Grantee Medical Village of Cypress Creek LP
Sale Date 7/19/2018
Recording Data N/A - Current Contract

Unadj. Sale Price \$718,740 \$11.00 /Sq Foot \$479,160 /Acre
Estimated Cash Equivalent Price (1) \$718,740 \$11.00 /SqFoot \$479,160 /Acre

Terms/Seller Financing Cash to seller

(1) Adjusted for nonmarket seller financing and any costs such as demolition, off-site improvements and/or rezoning costs.

PHYSICAL DATA

Land Area 1.5 Sq. Feet Acres

Shape Rectangular

Access/Frontage 162 FF - Garth Road

Zoning/Deed Restrict. None

Intended Use Medical

Floodplain Yes No

Improvements Yes No

Signalization Yes No

Adverse Easements/Encroachments Yes No

Corner Parcel Yes No

Utilities All Available Septic System Water
 None Gas Sewer
 Water Well Electric Phone

Land Sale 1

CONFIRMATION

| | |
|----------------------------|----------------------|
| Confirmation Date | 8/1/2018 |
| Confirmation Source | Christopher Williams |
| Confirmation Phone | (713) 855-4419 |

REMARKS

The confirmation source is the buyer's broker, and he confirmed that an urgent care facility will be built on this tract and the adjacent 1.5 acre tract. The adjacent tract was sold to the same buyer in 2016.

Land Sale 2

IDENTIFICATION

Sale Contract Offer Listing

Address 5200 Block Seabird Street
Location NE/C Garth Road and Seabird Street
City Baytown **Legal** 0.98 acres, being Tract 5E-3, Abstract 21 G Ellis,
County Harris Harris County, Texas
State Texas (TX)
Confidential Yes No
Source Map Key Map
Coordinates 461T

TRANSACTION DATA

Grantor Legna II LLC
Grantee Confidential
Sale Date 8/7/2018
Recording Data N/A - Current Contract
Unadj. Sale Price \$448,060 \$10.42 /Sq Foot \$453,895 /Acre
Estimated Cash Equivalent Price (1) \$448,060 \$10.42 /SqFoot \$453,895 /Acre
Terms/Seller Financing Cash to seller

(1) Adjusted for nonmarket seller financing and any costs such as demolition, off-site improvements and/or rezoning costs.

PHYSICAL DATA

| | | |
|---|---|--|
| Land Area 43,000 | <input checked="" type="radio"/> Sq. Feet <input type="radio"/> Acres | Floodplain <input type="radio"/> Yes <input checked="" type="radio"/> No |
| Shape Rectangular | | Improvements <input type="radio"/> Yes <input checked="" type="radio"/> No |
| Access/Frontage 200 FF - Garth Road 215 FF - Seabird Street | | Signalization <input type="radio"/> Yes <input checked="" type="radio"/> No |
| | | Adverse Easements/Encroachments <input checked="" type="radio"/> Yes <input type="radio"/> No |
| | | Corner Parcel <input checked="" type="radio"/> Yes <input type="radio"/> No |
| Zoning/Deed Restrict. None | Utilities <input checked="" type="checkbox"/> All Available <input type="checkbox"/> Septic System <input type="checkbox"/> Water <input type="checkbox"/> None <input type="checkbox"/> Gas <input type="checkbox"/> Sewer <input type="checkbox"/> Water Well <input type="checkbox"/> Electric <input type="checkbox"/> Phone | |
| Intended Use Retail Center | | |

Land Sale 2

CONFIRMATION

| | |
|----------------------------|----------------|
| Confirmation Date | 8/7/2018 |
| Confirmation Source | Wade Sinclair |
| Confirmation Phone | (713) 628-1671 |

REMARKS

According to Wade Sinclair, the property contract would be executed soon after the confirmation date. The property will be used for a retail strip center that will face Seabird Street. We were unable to obtain a copy of the contract, but Wade Sinclair said there are two water lines running through the property.

Land Sale 3

IDENTIFICATION

Sale Contract Offer Listing

Address 7700 Block Garth Road
 Location NE/S Garth Road, 303 feet north of Seabird Street
 City Baytown
 County Harris
 State Texas (TX)
 Confidential Yes No
 Source Map Key Map
 Coordinates 461T

Legal 1.5 acres, being part of Reserve Block D1, Springfield Estates Section 2, Harris County, Texas

TRANSACTION DATA

Grantor Legna II Ltd.
 Grantee Medical Village of Cypress Creek LP
 Sale Date 8/23/2016
 Recording Data RP2016381058

| | | | |
|-------------------------------------|-----------|------------------|-----------------|
| Unadj. Sale Price | \$718,740 | \$11.00 /Sq Foot | \$479,160 /Acre |
| Estimated Cash Equivalent Price (1) | \$718,740 | \$11.00 /SqFoot | \$479,160 /Acre |

Terms/Seller Financing Cash to seller

(1) Adjusted for nonmarket seller financing and any costs such as demolition, off-site improvements and/or rezoning costs.

PHYSICAL DATA

| | | | | |
|------------------------------|---------------------|--|-------------------------------------|--|
| Land Area | 1.5 | <input type="radio"/> Sq. Feet <input checked="" type="radio"/> Acres | Floodplain | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| Shape | Rectangular | | Improvements | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| Access/ Frontage | 162 FF - Garth Road | | Signalization | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| | | | Adverse Easements/ Encroachments | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| | | | Corner Parcel | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| Zoning/ Deed Restrict. | None | | Utilities | <input checked="" type="checkbox"/> All Available <input type="checkbox"/> Septic System <input type="checkbox"/> Water <input type="checkbox"/> None <input type="checkbox"/> Gas <input type="checkbox"/> Sewer <input type="checkbox"/> Water Well <input type="checkbox"/> Electric <input type="checkbox"/> Phone |

Intended Use Medical

Land Sale 3

CONFIRMATION

Confirmation Date 8/1/2018
Confirmation Source Christopher Williams
Confirmation Phone (713) 855-4419

REMARKS

This property sold in 2016 and is adjacent to a tract currently under contract (as of August 10, 2018). The buyer plans to develop a freestanding urgent care facility on both tracts.

Land Sale 4

IDENTIFICATION

Sale Contract Offer Listing

Address 7602 Garth Road
Location E/S Garth Road, approximately 330 feet north of Harbor Mist Drive
City Baytown **Legal** 1.1529 acres, being Abstract 21, George Ellis Survey, Harris County, Texas
County Harris
State Texas (TX)
Confidential Yes No
Source Map Key Map
Coordinates 461T

TRANSACTION DATA

Grantor Legna II, Ltd.
Grantee SAI KriShiv, LLC
Sale Date 8/20/2015
Recording Data 20150379574
Unadj. Sale Price \$439,443 \$8.75 /Sq Foot \$381,150 /Acre
Estimated Cash Equivalent Price (1) \$439,443 \$8.75 /SqFoot \$381,150 /Acre
Terms/Seller Financing Seller financing/market terms

(1) Adjusted for nonmarket seller financing and any costs such as demolition, off-site improvements and/or rezoning costs.

PHYSICAL DATA

| | | | | |
|------------------------------|---------------------|--|--|--|
| Land Area | 50,222 | <input checked="" type="radio"/> Sq. Feet <input type="radio"/> Acres | Floodplain | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| Shape | L-Shaped | | Improvements | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| Access/Frontage | 169 FF - Garth Road | | Signalization | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| Zoning/Deed Restrict. | None | | Adverse Easements/Encroachments | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| | | | Corner Parcel | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| | | | Utilities | <input checked="" type="checkbox"/> All Available <input type="checkbox"/> Septic System <input type="checkbox"/> Water <input type="checkbox"/> None <input type="checkbox"/> Gas <input type="checkbox"/> Sewer <input type="checkbox"/> Water Well <input type="checkbox"/> Electric <input type="checkbox"/> Phone |
| Intended Use | Hotel | | | |

Land Sale 4

CONFIRMATION

Confirmation Date 11/25/2015
Confirmation Source Buyer/Divyesh Bhikabhai
Confirmation Phone 281-739-4843

REMARKS

This vacant tract of land was purchased for development of a 37 room Palace Inn Blue hotel.

Land Sale 5

IDENTIFICATION

Sale Contract Offer Listing

Address 7500 Garth Road
Location SE/C Garth Road and Seabird Street
City Baytown **Legal** 0.87 acres, being Tracts 5E, Abstract 21, G Ellis,
County Harris Harris County, Texas
State Texas (TX)
Confidential Yes No
Source Map Key Map
Coordinates 461T

TRANSACTION DATA

Grantor Legna II, LLC
Grantee N/A - Current Listing
Sale Date 8/17/2018
Recording Data N/A - Current Listing
Unadj. Sale Price \$606,355 \$16.00 /Sq Foot \$696,960 /Acre
Estimated Cash Equivalent Price (1) \$606,355 \$16.00 /SqFoot \$696,960 /Acre
Terms/Seller Financing Cash to seller

(1) Adjusted for nonmarket seller financing and any costs such as demolition, off-site improvements and/or rezoning costs.

PHYSICAL DATA

| | | | |
|---|--|--|---|
| Land Area 0.87 | <input type="radio"/> Sq. Feet <input checked="" type="radio"/> Acres | Floodplain | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| Shape Basically Rectangular | | Improvements | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| Access/Frontage 183 FF - Garth Road 386 FF - Seabird Street | | Signalization | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| | | Adverse Easements/Encroachments | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| | | Corner Parcel | <input type="radio"/> Yes <input checked="" type="radio"/> No |
| Zoning/Deed Restrict. None | Utilities <input checked="" type="checkbox"/> All Available | <input type="checkbox"/> Septic System | <input type="checkbox"/> Water |
| | <input type="checkbox"/> None | <input type="checkbox"/> Gas | <input type="checkbox"/> Sewer |
| | <input type="checkbox"/> Water Well | <input type="checkbox"/> Electric | <input type="checkbox"/> Phone |

Intended Use Unknown

Land Sale 5

CONFIRMATION

Confirmation Date 8/13/2018
Confirmation Source Listing Broker/Wade Sinclair
Confirmation Phone (713) 628-1671

REMARKS

The property has been on the market since February 2018. All above information is based on available marketing information.

SUBJECT CONTRACT FOR SALE



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

Seller: Legna II. LLC

Address: PO Box 570, Baytown, TX 77521

Phone: _____ E-mail: _____

Fax: _____ Other: _____

Buyer: Medical Village of Cypress Creek LP

Address: 837 Cypress Creek, Houston, TX 77090

Phone: (832)515-8325 E-mail: imaging50@live.com

Fax: _____ Other: _____

2. **PROPERTY:**

A. "Property" means that real property situated in Harris County, Texas at 0 Garth Rd, Baytown, TX 77521

(address) and that is legally described on the attached Exhibit "A" ~~survey~~ or as follows:

~~Survey from 2016 purchase~~ *MV*

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

- (1) all rights, privileges, and appurtenances pertaining to the Property, including Seller's right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights-of-way;
- (2) Seller's interest in all leases, rents, and security deposits for all or part of the Property; and
- (3) Seller's interest in all licenses and permits related to the Property.

*(Describe any exceptions, reservations, or restrictions in Paragraph 12 or an addendum.)
 (If mineral rights are to be reserved an appropriate addendum should be attached.)*

3. **SALES PRICE:**

A. At or before closing, Buyer will pay the following sales price for the Property:

| | | |
|---|----|-------------------|
| (1) Cash portion payable by Buyer at closing | \$ | <u>143,748.00</u> |
| (2) Sum of all financing described in Paragraph 4 | \$ | <u>574,992.00</u> |
| (3) Sales price (sum of 3A(1) and 3A(2)) | \$ | <u>718,740.00</u> |

B. Adjustment to Sales Price: (Check (1) or (2) only.)

- (1) The sales price will not be adjusted based on a survey.
 (2) The sales price will be adjusted based on the latest survey obtained under Paragraph 6B.

(a) The sales price is calculated on the basis of \$ 11.00 per:

- (i) square foot of total area net area.
 (ii) acre of total area net area.

(b) "Total area" means all land area within the perimeter boundaries of the Property. "Net area" means total area less any area of the Property within:

- (i) public roadways;
 (ii) rights-of-way and easements other than those that directly provide utility services to the Property; and
 (iii) _____

(c) If the sales price is adjusted by more than 3.000 % of the stated sales price, either party may terminate this contract by providing written notice to the other party within 7 days after the terminating party receives the survey. If neither party terminates this contract or if the variance is less than the stated percentage, the adjustment to the sales price will be made to the cash portion of the sales price payable by Buyer.

4. **FINANCING:** Buyer will finance the portion of the sales price under Paragraph 3A(2) as follows:

- A. Third Party Financing: One or more third party loans in the total amount of \$ 574,992.00. This contract:
 (1) is not contingent upon Buyer obtaining third party financing.
 (2) is contingent upon Buyer obtaining third party financing in accordance with the attached Commercial Contract Financing Addendum (TAR-1931).
 B. Assumption: In accordance with the attached Commercial Contract Financing Addendum (TAR-1931), Buyer will assume the existing promissory note secured by the Property, which balance at closing will be \$ _____.
 C. Seller Financing: The delivery of a promissory note and deed of trust to Seller under the terms of the attached Commercial Contract Financing Addendum (TAR-1931) in the amount of \$ _____.

5. **EARNEST MONEY:**

- A. Not later than 3 days after the effective date, Buyer must deposit \$ \$8,000.00 as earnest money with Independence Title (title company) at 700 Rollingbrook ste. E, Baytown, TX (address) Vivian Grigsby (closer). If Buyer fails to timely deposit the earnest money, Seller may terminate this contract or exercise any of Seller's other remedies under Paragraph 15 by providing written notice to Buyer before Buyer deposits the earnest money.
B. Buyer will deposit an additional amount of \$ _____ with the title company to be made part of the earnest money on or before:
 (i) _____ days after Buyer's right to terminate under Paragraph 7B expires; or
 (ii) _____
Buyer will be in default if Buyer fails to deposit the additional amount required by this Paragraph 5B within 3 days after Seller notifies Buyer that Buyer has not timely deposited the additional amount.
C. Buyer may instruct the title company to deposit the earnest money in an interest-bearing account at a federally insured financial institution and to credit any interest to Buyer.

6. TITLE POLICY AND SURVEY:

A. Title Policy:

- (1) Seller, at Seller's expense, will furnish Buyer an Owner's Policy of Title Insurance (the title policy) issued by any underwriter of the title company in the amount of the sales price, dated at or after closing, insuring Buyer against loss under the title policy, subject only to:
 - (a) those title exceptions permitted by this contract or as may be approved by Buyer in writing; and
 - (b) the standard printed exceptions contained in the promulgated form of title policy unless this contract provides otherwise.
- (2) The standard printed exception as to discrepancies, conflicts, or shortages in area and boundary lines, or any encroachments or protrusions, or any overlapping improvements:
 - (a) will not be amended or deleted from the title policy.
 - (b) will be amended to read "shortages in areas" at the expense of Buyer Seller.
- (3) Within 7 days after the effective date, Seller will furnish Buyer a commitment for title insurance (the commitment) including legible copies of recorded documents evidencing title exceptions. Seller authorizes the title company to deliver the commitment and related documents to Buyer at Buyer's address.

B. Survey: Within 14 days after the effective date:

- (1) Buyer will obtain a survey of the Property at Buyer's expense and deliver a copy of the survey to Seller. The survey must be made in accordance with the: (i) ALTA/NSPS Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition. Seller will reimburse Buyer _____ (*insert amount*) of the cost of the survey at closing, if closing occurs.
- (2) Seller, at Seller's expense, will furnish Buyer a survey of the Property dated after the effective date. The survey must be made in accordance with the: (i) ALTA/NSPS Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition.
- (3) Seller will deliver to Buyer and the title company a true and correct copy of Seller's most recent survey of the Property along with an affidavit required by the title company for approval of the existing survey. If the existing survey is not acceptable to the title company, Seller Buyer (updating party), will, at the updating party's expense, obtain a new or updated survey acceptable to the title company and deliver the acceptable survey to the other party and the title company within 20 days after the title company notifies the parties that the existing survey is not acceptable to the title company. The closing date will be extended daily up to 20 days if necessary for the updating party to deliver an acceptable survey within the time required. The other party will reimburse the updating party _____ (*insert amount or percentage*) of the cost of the new or updated survey at closing, if closing occurs.

C. Buyer's Objections to the Commitment and Survey:

- (1) Within 14 days after Buyer receives the last of the commitment, copies of the documents evidencing the title exceptions, and any required survey, Buyer may object in writing to matters disclosed in the items if: (a) the matters disclosed are a restriction upon the Property or constitute a defect or encumbrance to title other than those permitted by this contract or liens that Seller will satisfy at closing or Buyer will assume at closing; or (b) the items show that any part of the Property lies in a special flood hazard area (an "A" or "V" zone as defined by FEMA). If the commitment or survey is revised or any new document evidencing a title exception is delivered, Buyer may object to any new matter revealed in such revision or new document. Buyer's objection must be made within the same number of days stated in this paragraph, beginning when the revision or new

document is delivered to Buyer. If Paragraph 6B(1) applies, Buyer is deemed to receive the survey on the earlier of: (i) the date of Buyer's actual receipt of the survey; or (ii) of the deadline specified in Paragraph 6B.

- (2) Seller may, but is not obligated to, cure Buyer's timely objections within 15 days after Seller receives the objections. The closing date will be extended as necessary to provide such time to cure the objections. If Seller fails to cure the objections by the time required, Buyer may terminate this contract by providing written notice to Seller within 5 days after the time by which Seller must cure the objections. If Buyer terminates, the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer.
- (3) Buyer's failure to timely object or terminate under this Paragraph 6C is a waiver of Buyer's right to object except that Buyer will not waive the requirements in Schedule C of the commitment.

7. PROPERTY CONDITION:

A. Present Condition: Buyer accepts the Property in its present condition except that Seller, at Seller's expense, will complete the following before closing: _____

B. Feasibility Period: Buyer may terminate this contract for any reason within 60 days after the effective date (feasibility period) by providing Seller written notice of termination.

(1) Independent Consideration. (Check only one box and insert amounts.)

(a) If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer less \$ _____ that Seller will retain as independent consideration for Buyer's unrestricted right to terminate. Buyer has tendered the independent consideration to Seller upon payment of the amount specified in Paragraph 5A to the title company. The independent consideration is to be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(1) or if Buyer fails to deposit the earnest money, Buyer will not have the right to terminate under this Paragraph 7B.

(b) Not later than 3 days after the effective date, Buyer must pay Seller \$ _____ as independent consideration for Buyer's right to terminate by tendering such amount to Seller or Seller's agent. If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer and Seller will retain the independent consideration. The independent consideration will be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(2) or if Buyer fails to pay the independent consideration, Buyer will not have the right to terminate under this Paragraph 7B.

(2) Feasibility Period Extension: Prior to the expiration of the initial feasibility period, Buyer may extend the feasibility period for a single period of an additional _____ days by depositing additional earnest money in the amount of \$ _____ with the title company. If no dollar amount is stated in this Paragraph or if Buyer fails to timely deposit the additional earnest money, the extension of the feasibility period will not be effective.

C. Inspections, Studies, or Assessments:

(1) During the feasibility period, Buyer, at Buyer's expense, may complete or cause to be completed any and all inspections, studies, or assessments of the Property (including all improvements and fixtures) desired by Buyer.

(2) Buyer must:

- (a) employ only trained and qualified inspectors and assessors;
- (b) notify Seller, in advance, of when the inspectors or assessors will be on the Property;
- (c) abide by any reasonable entry rules or requirements of Seller;
- (d) not interfere with existing operations or occupants of the Property; and
- (e) restore the Property to its original condition if altered due to inspections, studies, or assessments that Buyer completes or causes to be completed.

(3) Except for those matters that arise from the negligence of Seller or Seller's agents, Buyer is responsible for any claim, liability, encumbrance, cause of action, and expense resulting from Buyer's inspections, studies, or assessments, including any property damage or personal injury. Buyer will indemnify, hold harmless, and defend Seller and Seller's agents against any claim involving a matter for which Buyer is responsible under this paragraph. This paragraph survives termination of this contract.

D. Property Information:

(1) Delivery of Property Information: Within 7 days after the effective date, Seller will deliver to Buyer: *(Check all that apply.)*

- (a) copies of all current leases, including any mineral leases, pertaining to the Property, including any modifications, supplements, or amendments to the leases;
- (b) copies of all notes and deeds of trust against the Property that Buyer will assume or that Seller will not pay in full on or before closing;
- (c) copies of all previous environmental assessments, geotechnical reports, studies, or analyses made on or relating to the Property;
- (d) copies property tax statements for the Property for the previous 2 calendar years;
- (e) plats of the Property;
- (f) copies of current utility capacity letters from the Property's water and sewer service provider; and
- (g) _____

(2) Return of Property Information: If this contract terminates for any reason, Buyer will, not later than 10 days after the termination date: *(Check all that apply.)*

- (a) return to Seller all those items described in Paragraph 7D(1) that Seller delivered to Buyer in other than an electronic format and all copies that Buyer made of those items;
- (b) delete or destroy all electronic versions of those items described in Paragraph 7D(1) that Seller delivered to Buyer or Buyer copied in any format; and
- (c) deliver to Seller copies of all inspection and assessment reports related to the Property that Buyer completed or caused to be completed.

This Paragraph 7D(2) survives termination of this contract.

E. Contracts Affecting Operations: Until closing, Seller: (1) will operate the Property in the same manner as on the effective date under reasonably prudent business standards; and (2) will not transfer or dispose of any part of the Property, any interest or right in the Property, or any of the personal property or other items described in Paragraph 2B or sold under this contract. After the feasibility period ends, Seller may not enter into, amend, or terminate any other contract that affects the operations of the Property without Buyer's written approval.

8. **LEASES:**

A. Each written lease Seller is to assign to Buyer under this contract must be in full force and effect according to its terms. Seller may not enter into any new lease, fail to comply with any existing lease, or make any amendment or modification to any existing lease without Buyer's written consent. Seller

must disclose, in writing, if any of the following exist at the time Seller provides the leases to the Buyer or subsequently occur before closing:

- (1) any failure by Seller to comply with Seller's obligations under the leases;
- (2) any circumstances under any lease that entitle the tenant to terminate the lease or seek any offsets or damages;
- (3) any advance sums paid by a tenant under any lease;
- (4) any concessions, bonuses, free rents, rebates, brokerage commissions, or other matters that affect any lease; and
- (5) any amounts payable under the leases that have been assigned or encumbered, except as security for loan(s) assumed or taken subject to under this contract.

B. **Estoppel Certificates:** Within _____ days after the effective date, Seller will deliver to Buyer estoppel certificates signed not earlier than _____ by each tenant that leases space in the Property. The estoppel certificates must include the certifications contained in the current version of TAR Form 1938 - Commercial Tenant Estoppel Certificate and any additional information requested by a third party lender providing financing under Paragraph 4 if the third party lender requests such additional information at least 10 days prior to the earliest date that Seller may deliver the signed estoppel certificates.

9. BROKERS:

A. The brokers to this sale are:

Principal Broker: Claire Sinclair

Agent: Wade Sinclair

Address: 700 Rollingbrook Dr
Baytown, TX 77521

Phone & Fax: _____

E-mail: wade@clairsinclaire.com

License No.: 9001167

Cooperating Broker: Heritage Texas Properties

Agent: Christopher Williams

Address: 1177 West Loop South - Twelfth Floor
Houston, TX 77027

Phone & Fax: (713)855-4419

E-mail: cwilliams@heritagetexas.com

License No.: 467775

Principal Broker: (Check only one box)

- represents Seller only.
- represents Buyer only.
- is an intermediary between Seller and Buyer.

Cooperating Broker represents Buyer.

B. **Fees:** (Check only (1) or (2) below.)

(Complete the Agreement Between Brokers on page 14 only if (1) is selected.)

(1) Seller will pay Principal Broker the fee specified by separate written commission agreement between Principal Broker and Seller. Principal Broker will pay Cooperating Broker the fee specified in the Agreement Between Brokers found below the parties' signatures to this contract.

(2) At the closing of this sale, Seller will pay:

Principal Broker a total cash fee of:

2.000 % of the sales price.

Cooperating Broker a total cash fee of:

2.000 % of the sales price.

The cash fees will be paid in Harris County, Texas. Seller authorizes the title company to pay the brokers from the Seller's proceeds at closing.

11. POSSESSION: Seller will deliver possession of the Property to Buyer upon closing and funding of this sale in its present condition with any repairs Seller is obligated to complete under this contract, ordinary wear and tear excepted. Any possession by Buyer before closing or by Seller after closing that is not authorized by a separate written lease agreement is a landlord-tenant at sufferance relationship between the parties.

12. SPECIAL PROVISIONS: The following special provisions apply and will control in the event of a conflict with other provisions of this contract. *(If special provisions are contained in an Addendum, identify the Addendum here and reference the Addendum in Paragraph 22D.)*

Seller agrees not to sell any adjacent property to any other ER / Urgent Care related business that would present any competition to the buyer (Res D Springfield Estates Sec. 2)

13. SALES EXPENSES:

A. Seller's Expenses: Seller will pay for the following at or before closing:

- (1) releases of existing liens, other than those liens assumed by Buyer, including prepayment penalties and recording fees;
- (2) release of Seller's loan liability, if applicable;
- (3) tax statements or certificates;
- (4) preparation of the deed;
- (5) one-half of any escrow fee;
- (6) costs to record any documents to cure title objections that Seller must cure; and
- (7) other expenses that Seller will pay under other provisions of this contract.

B. Buyer's Expenses: Buyer will pay for the following at or before closing:

- (1) all loan expenses and fees;
- (2) preparation of any deed of trust;
- (3) recording fees for the deed and any deed of trust;
- (4) premiums for flood insurance as may be required by Buyer's lender;
- (5) one-half of any escrow fee;
- (6) other expenses that Buyer will pay under other provisions of this contract.

14. PRORATIONS:

A. Prorations:

- (1) Interest on any assumed loan, taxes, rents, and any expense reimbursements from tenants will be prorated through the closing date.
- (2) If the amount of ad valorem taxes for the year in which the sale closes is not available on the closing date, taxes will be prorated on the basis of taxes assessed in the previous year. If the taxes for the year in which the sale closes vary from the amount prorated at closing, the parties will adjust the prorations when the tax statements for the year in which the sale closes become available. This Paragraph 14A(2) survives closing.
- (3) If Buyer assumes a loan or is taking the Property subject to an existing lien, Seller will transfer all reserve deposits held by the lender for the payment of taxes, insurance premiums, and other charges to Buyer at closing and Buyer will reimburse such amounts to Seller by an appropriate adjustment at closing.

B. Rollback Taxes: If Seller's use or change in use of the Property before closing results in the assessment of additional taxes, penalties, or interest (assessments) for periods before closing, the assessments will be the obligation of the Seller. If this sale or Buyer's use of the Property after closing results in additional assessments for periods before closing, the assessments will be the obligation of Buyer. This Paragraph 14B survives closing.

- C. Rent and Security Deposits: At closing, Seller will tender to Buyer all security deposits and the following advance payments received by Seller for periods after closing: prepaid expenses, advance rental payments, and other advance payments paid by tenants. Rents prorated to one party but received by the other party will be remitted by the recipient to the party to whom it was prorated within 5 days after the rent is received. This Paragraph 14C survives closing.

15. DEFAULT:

- A. If Buyer fails to comply with this contract, Buyer is in default and Seller, as Seller's sole remedy(ies), may terminate this contract and receive the earnest money, as liquidated damages for Buyer's failure except for any damages resulting from Buyer's inspections, studies or assessments in accordance with Paragraph 7C(3) which Seller may pursue; or
(Check if applicable)
 enforce specific performance, or seek such other relief as may be provided by law.
- B. If, without fault, Seller is unable within the time allowed to deliver the estoppel certificates, survey or the commitment, Buyer may:
(1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
(2) extend the time for performance up to 15 days and the closing will be extended as necessary.
- C. Except as provided in Paragraph 15B, if Seller fails to comply with this contract, Seller is in default and Buyer may:
(1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
(2) enforce specific performance, or seek such other relief as may be provided by law, or both.

16. CONDEMNATION: If before closing, condemnation proceedings are commenced against any part of the Property, Buyer may:

- A. terminate this contract by providing written notice to Seller within 15 days after Buyer is advised of the condemnation proceedings and the earnest money, less any independent consideration paid under Paragraph 7B(1), will be refunded to Buyer; or
- B. appear and defend in the condemnation proceedings and any award will, at Buyer's election, belong to:
(1) Seller and the sales price will be reduced by the same amount; or
(2) Buyer and the sales price will not be reduced.

17. ATTORNEY'S FEES: If Buyer, Seller, any broker, or the title company is a prevailing party in any legal proceeding brought under or with relation to this contract or this transaction, such party is entitled to recover from the non-prevailing parties all costs of such proceeding and reasonable attorney's fees. This Paragraph 17 survives termination of this contract.

18. ESCROW:

- A. At closing, the earnest money will be applied first to any cash down payment, then to Buyer's closing costs, and any excess will be refunded to Buyer. If no closing occurs, the title company may require payment of unpaid expenses incurred on behalf of the parties and a written release of liability of the title company from all parties.
- B. If one party makes written demand for the earnest money, the title company will give notice of the demand by providing to the other party a copy of the demand. If the title company does not receive written objection to the demand from the other party within 15 days after the date the title company sent the demand to the other party, the title company may disburse the earnest money to the party making demand, reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and the title company may pay the same to the creditors.

- C. The title company will deduct any independent consideration under Paragraph 7B(1) before disbursing any earnest money to Buyer and will pay the independent consideration to Seller.
- D. If the title company complies with this Paragraph 18, each party hereby releases the title company from all claims related to the disbursement of the earnest money.
- E. Notices under this Paragraph 18 must be sent by certified mail, return receipt requested. Notices to the title company are effective upon receipt by the title company.
- F. Any party who wrongfully fails or refuses to sign a release acceptable to the title company within 7 days after receipt of the request will be liable to the other party for: (i) damages; (ii) the earnest money; (iii) reasonable attorney's fees; and (iv) all costs of suit.
- G. Seller Buyer intend(s) to complete this transaction as a part of an exchange of like-kind properties in accordance with Section 1031 of the Internal Revenue Code, as amended. All expenses in connection with the contemplated exchange will be paid by the exchanging party. The other party will not incur any expense or liability with respect to the exchange. The parties agree to cooperate fully and in good faith to arrange and consummate the exchange so as to comply to the maximum extent feasible with the provisions of Section 1031 of the Internal Revenue Code. The other provisions of this contract will not be affected in the event the contemplated exchange fails to occur.

19. MATERIAL FACTS: To the best of Seller's knowledge and belief: *(Check only one box.)*

- A. Seller is not aware of any material defects to the Property except as stated in the attached Commercial Property Condition Statement (TAR-1408).
- B. Except as otherwise provided in this contract, Seller is not aware of:
 - (1) any subsurface: structures, pits, waste, springs, or improvements;
 - (2) any pending or threatened litigation, condemnation, or assessment affecting the Property;
 - (3) any environmental hazards or conditions that materially affect the Property;
 - (4) whether the Property is or has been used for the storage or disposal of hazardous materials or toxic waste, a dump site or landfill, or any underground tanks or containers;
 - (5) whether radon, asbestos containing materials, urea-formaldehyde foam insulation, lead-based paint, toxic mold (to the extent that it adversely affects the health of ordinary occupants), or other pollutants or contaminants of any nature now exist or ever existed on the Property;
 - (6) any wetlands, as defined by federal or state law or regulation, on the Property;
 - (7) any threatened or endangered species or their habitat on the Property;
 - (8) any present or past infestation of wood-destroying insects in the Property's improvements;
 - (9) any contemplated material changes to the Property or surrounding area that would materially and detrimentally affect the ordinary use of the Property;
 - (10) any condition on the Property that violates any law or ordinance.

(Describe any exceptions to (1)-(10) in Paragraph 12 or an addendum.)

20. NOTICES: All notices between the parties under this contract must be in writing and are effective when hand-delivered, mailed by certified mail return receipt requested, or sent by facsimile transmission to the parties addresses or facsimile numbers stated in Paragraph 1. The parties will send copies of any notices to the broker representing the party to whom the notices are sent.

- A. Seller also consents to receive any notices by e-mail at Seller's e-mail address stated in Paragraph 1.
- B. Buyer also consents to receive any notices by e-mail at Buyer's e-mail address stated in Paragraph 1.

21. DISPUTE RESOLUTION: The parties agree to negotiate in good faith in an effort to resolve any dispute related to this contract that may arise. If the dispute cannot be resolved by negotiation, the parties will submit the dispute to mediation before resorting to arbitration or litigation and will equally share the costs of a mutually acceptable mediator. This paragraph survives termination of this contract. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

22. AGREEMENT OF THE PARTIES:

- A. This contract is binding on the parties, their heirs, executors, representatives, successors, and permitted assigns. This contract is to be construed in accordance with the laws of the State of Texas. If any term or condition of this contract shall be held to be invalid or unenforceable, the remainder of this contract shall not be affected thereby.
- B. This contract contains the entire agreement of the parties and may not be changed except in writing.
- C. If this contract is executed in a number of identical counterparts, each counterpart is an original and all counterparts, collectively, constitute one agreement.
- D. Addenda which are part of this contract are: *(Check all that apply.)*
 - (1) Property Description Exhibit identified in Paragraph 2;
 - (2) Commercial Contract Financing Addendum (TAR-1931);
 - (3) Commercial Property Condition Statement (TAR-1408);
 - (4) Commercial Contract Addendum for Special Provisions (TAR-1940);
 - (5) Notice to Purchaser of Real Property in a Water District (MUD);
 - (6) Addendum for Coastal Area Property (TAR-1915);
 - (7) Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TAR-1916);
 - (8) Information About Brokerage Services (TAR-2501);
 - (9) Information About Mineral Clauses in Contract Forms (TAR-2509); and
 - (10) _____

(Note: Counsel for the Texas Association of REALTORS® (TAR) has determined that any of the foregoing addenda which are promulgated by the Texas Real Estate Commission (TREC) or published by TAR are appropriate for use with this form.)

- E. Buyer may may not assign this contract. If Buyer assigns this contract, Buyer will be relieved of any future liability under this contract only if the assignee assumes, in writing, all obligations and liability of Buyer under this contract.

23. TIME: Time is of the essence in this contract. The parties require strict compliance with the times for performance. If the last day to perform under a provision of this contract falls on a Saturday, Sunday, or legal holiday, the time for performance is extended until the end of the next day which is not a Saturday, Sunday, or legal holiday.

24. EFFECTIVE DATE: The effective date of this contract for the purpose of performance of all obligations is the date the title company receipts this contract after all parties execute this contract.

25. ADDITIONAL NOTICES:

- A. Buyer should have an abstract covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a title policy.
- B. If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fees of the district before final execution of this contract.
- C. Notice Required by §13.257, Water Code: "The real property, described below, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you

will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in the notice or at closing of purchase of the real property." The real property is described in Paragraph 2 of this contract.

- D. If the Property adjoins or shares a common boundary with the tidally influenced submerged lands of the state, §33.135 of the Texas Natural Resources Code requires a notice regarding coastal area property to be included as part of this contract (*the Addendum for Coastal Area Property (TAR-1915) may be used*).
- E. If the Property is located seaward of the Gulf Intracoastal Waterway, §61.025, Texas Natural Resources Code, requires a notice regarding the seaward location of the Property to be included as part of this contract (*the Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TAR-1916) may be used*).
- F. If the Property is located outside the limits of a municipality, the Property may now or later be included in the extra-territorial jurisdiction (ETJ) of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and ETJ. To determine if the Property is located within a municipality's ETJ, Buyer should contact all municipalities located in the general proximity of the Property for further information.
- G. Brokers are not qualified to perform property inspections, surveys, engineering studies, environmental assessments, or inspections to determine compliance with zoning, governmental regulations, or laws. Buyer should seek experts to perform such services. Buyer should review local building codes, ordinances and other applicable laws to determine their effect on the Property. Selection of experts, inspectors, and repairmen is the responsibility of Buyer and not the brokers. Brokers are not qualified to determine the credit worthiness of the parties.
- H. NOTICE OF WATER LEVEL FLUCTUATIONS: If the Property adjoins an impoundment of water, including a reservoir or lake, constructed and maintained under Chapter 11, Water Code, that has a storage capacity of at least 5,000 acre-feet at the impoundment's normal operating level, Seller hereby notifies Buyer: "The water level of the impoundment of water adjoining the Property fluctuates for various reasons, including as a result of: (1) an entity lawfully exercising its right to use the water stored in the impoundment; or (2) drought or flood conditions."
- I. LICENSE HOLDER DISCLOSURE: Texas law requires a real estate license holder who is a party to a transaction or acting on behalf of a spouse, parent, child, business entity in which the license holder owns more than 10%, or a trust for which the license holder acts as a trustee or of which the license holder or the license holder's spouse, parent or child is a beneficiary, to notify the other party in writing before entering into a contract of sale. Disclose if applicable: _____.

26. CONTRACT AS OFFER: The execution of this contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts the offer by 5:00 p.m., in the time zone in which the Property is located, on June 8, 2018, the offer will lapse and become null and void.

Commercial Contract - Unimproved Property concerning 0 Garth Rd. Baytown, TX 77521

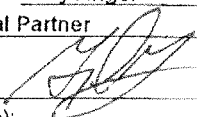
READ THIS CONTRACT CAREFULLY. The brokers and agents make no representation or recommendation as to the legal sufficiency, legal effect, or tax consequences of this document or transaction. **CONSULT your attorney BEFORE signing.**

Seller: Legna II, LLC

Buyer: Medical Village of Cypress Creek LP

By: Legna II, LLC
By (signature): _____
Printed Name: Gary Angel
Title: General Partner

By: Medical Village of Cypress Creek LP
By (signature): _____
Printed Name: Minh Nguyen
Title: General Partner

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

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

AGREEMENT BETWEEN BROKERS

(use only if Paragraph 9B(1) is effective)

Principal Broker agrees to pay Heritage Texas Properties (Cooperating Broker) a fee when the Principal Broker's fee is received. The fee to be paid to Cooperating Broker will be:

\$ _____, or
 2.000 % of the sales price, or
 _____ % of the Principal Broker's fee.

The title company is authorized and directed to pay Cooperating Broker from Principal Broker's fee at closing. This Agreement Between Brokers supersedes any prior offers and agreements for compensation between brokers.

Principal Broker: Claire Sinclair Properties Cooperating Broker: Heritage texas Properties

By: Wade Sinclair By: Christopher Williams

ATTORNEYS

Seller's attorney: _____ Buyer's attorney: _____
Address: _____ Address: _____
Phone & Fax: _____ Phone & Fax: _____
E-mail: _____ E-mail: _____

Seller's attorney requests copies of documents, notices, and other information:

- the title company sends to Seller.
- Buyer sends to Seller.

Buyer's attorney requests copies of documents, notices, and other information:

- the title company sends to Buyer.
- Seller sends to Buyer.

ESCROW RECEIPT

The title company acknowledges receipt of:

- A. the contract on this day _____ (effective date);
- B. earnest money in the amount of \$ _____ in the form of _____ on _____.

Title company: _____ Address: _____
By: _____ Phone & Fax: _____
Assigned file number (GF#): _____ E-mail: _____



TEXAS ASSOCIATION OF REALTORS®
COMMERCIAL CONTRACT FINANCING ADDENDUM

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS® IS NOT AUTHORIZED.
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**ADDENDUM TO COMMERCIAL CONTRACT BETWEEN THE UNDERSIGNED PARTIES CONCERNING
 THE PROPERTY AT**

0 Garth Rd, Baytown, TX 77521

The portion of the Sales Price not payable in cash will be paid as follows: *(Check all that apply.)*

A. THIRD PARTY FINANCING:

- (1) The contract is contingent upon Buyer obtaining a third party loan(s) secured by the Property in the amount of \$ 574,992.00 for not less than _____ years with the initial interest rate not to exceed _____ % per annum and payments calculated on an amortization period of no less than _____ years.
- (2) Buyer will apply for the third party loan(s) described in Paragraph A(1) promptly after the effective date. If Buyer cannot obtain the loan(s), Buyer may give Seller written notice within _____ days after the effective date and the contract will terminate and the earnest money, less any independent consideration under Paragraph 7B(1) of the contract, will be refunded to Buyer. **If Buyer does not give such notice within the time required, this contract will no longer be subject to the contingency described in this Paragraph A.**
- (3) Each note to be executed under this addendum is to be secured by vendor's and deed of trust liens.

B. ASSUMPTION:

- (1) Buyer will assume the unpaid principal balance of the existing promissory note secured by the Property payable to _____ dated _____ which balance at closing will be \$ _____.
- (2) Buyer's initial payment will be the first payment due after closing. Buyer's assumption of the existing note includes all obligations imposed by the deed of trust securing the note, recorded in _____ *(recording reference)* in the real property records of the county where the Property is located.
- (3) If the unpaid principal balance of the assumed loan as of the date of closing varies from the loan balance stated in Paragraph B(1), the cash payable at closing will be adjusted by the net amount of any variance; provided, if the total principal balance of the assumed loan varies in an amount greater than \$ _____ at closing, either party may terminate this contract and the earnest money will be refunded to Buyer unless either party elects to eliminate the excess in the variance by an appropriate adjustment at closing.
- (4) Buyer may terminate the contract and the earnest money, less any independent consideration under Paragraph 7B(1) of the contract, will be refunded to Buyer if the note holder on assumption requires:
 - (a) Buyer to pay an assumption fee in excess of \$ _____ and Seller declines to pay such excess;
 - (b) an increase in the interest rate to more than _____ %; or
 - (c) any other modification of the loan documents.
- (5) Unless Seller is released of liability on any assumed note, Seller requires a vendor's lien and deed of trust to secure assumption, which will be automatically released on execution and delivery of a release by the note holder.

(6) If assumption approval is required by the note holder, Buyer will apply for assumption approval within _____ days after the effective date of the contract and will make every reasonable effort to obtain assumption approval. If Buyer cannot obtain assumption approval, Buyer may give Seller written notice within _____ days after the effective date and the contract will terminate and the earnest money, less any independent consideration under Paragraph 7B(1) of the contract, will be refunded to Buyer. **If Buyer does not give such notice within the time required and Buyer does not close because Buyer is not able to assume the existing note, Buyer will be in default.**

C. SELLER FINANCING:

(1) At closing, Buyer will execute and deliver a promissory note (the note) from Buyer to Seller in the amount of \$ _____, bearing _____ % interest per annum. Matured, unpaid amounts will bear interest at the maximum rate of interest allowed by law.

(2) The note will be payable as follows:

(a) In one payment, due _____ after the date of the note, with interest payable: (i) monthly (ii) _____.

(b) In installments of \$ _____ including interest plus interest beginning _____ after the date of the note and continuing at monthly _____ intervals thereafter for _____ when the entire balance of the note will be due and payable.

(c) Interest only in monthly _____ installments for the first _____ years and thereafter in installments of \$ _____ including interest plus interest beginning _____ after the date of the note and continuing at monthly _____ intervals thereafter for _____ when the entire balance of the note will be due and payable.

(3) The note will be secured by vendor's and deed of trust liens and an assignment of leases payable at the placed designated by Seller.

(4) The note will provide that if Buyer fails to timely pay an installment within 10 days after the installment is due, Buyer will pay a late fee equal to 5% of the installment not paid.

(5) The note will will not provide for liability (personal or corporate) against the maker in the event of default.

(6) The note may be prepaid in whole or in part at any time without penalty. Any prepayments are to be applied to the payment of the installments of principal last maturing and interest will immediately cease on the prepaid principal.

(7) The lien securing payment of the note will be inferior to any lien securing any superior note described in this addendum. If an owner's policy of title insurance is furnished, Buyer, at Buyer's expense, will furnish Seller with a mortgagee title policy in the amount of the note at closing.

(8) If all or any part of the Property is sold or conveyed without Seller's prior written consent, Seller, at Seller's option, may declare the outstanding principal balance of the note, plus accrued interest, immediately due and payable. Any of the following is not a sale or conveyance of the Property:

- (a) the creation of a subordinate lien;
- (b) a sale under a subordinate lien;
- (c) a deed under threat or order of condemnation;
- (d) a conveyance solely between the parties; or
- (e) the passage of title by reason of death of a maker or operation of law.

- (9) Deposits for Taxes and Insurance: Together with the principal and interest installments, Buyer will will not deposit with Seller a pro rata part of the estimated annual ad valorem taxes on the Property and a pro rata part of the estimated annual insurance premiums for the improvements on the Property.
- (a) If Buyer deposits taxes and insurance deposits with Seller, Buyer agrees that the taxes and insurance deposits are only estimates and may be insufficient to pay total taxes and insurance premiums. Buyer agrees to pay any deficiency within 30 days after Seller notifies Buyer of any deficiency. Buyer's failure to pay the deficiency is a default under the deed of trust.
- (b) If any superior lien holder on the Property collects payments for taxes and insurance, any requirement to deposit taxes and insurance deposits with Seller under this addendum is inoperative so long as payments are being made to the superior lien holder.
- (10) Any event that constitutes a default under any superior lien constitutes a default under the deed of trust securing the note.
- (11) The note will include a provision for reasonable attorney's fees for any collection action.
- (12) Unless the parties agree otherwise, the form of the note and loan documents will be as found in the current edition of the State Bar of Texas Real Estate Forms Manual without any additional clauses.

D. CREDIT APPROVAL ON ASSUMPTION OR SELLER FINANCING:

- (1) To establish Buyer's creditworthiness for assumption approval or seller financing, Buyer will deliver to Seller the following information (Buyer's documentation) within _____ days after the effective date of the contract:
- (a) verification of employment, including salary;
 - (b) verification of funds on deposit in financial institutions;
 - (c) current financial statement;
 - (d) credit report;
 - (e) tax returns for the following years _____ ;
 - (f) _____
- (2) If Buyer does not timely deliver Buyer's documentation or Seller determines, in Seller's sole discretion, that Buyer's creditworthiness is not acceptable, Seller may terminate the contract by giving written notice to Buyer not later than _____ days after the date Buyer must deliver Buyer's documentation under Paragraph D(1) and the earnest money, less any independent consideration under Paragraph 7B(1) of the contract, will be refunded to Buyer. If Seller does not timely terminate the contract under this paragraph, Seller will be deemed to have accepted Buyer's credit.


E. SPECIAL PROVISIONS:

Commercial Contract Financing Addendum concerning 0 Garth Rd, Baytown, TX 77521

Seller:  _____

By: **Legna II, LLC**
By (signature): _____
Printed Name: **Gary Angel**
Title: **General Partner**

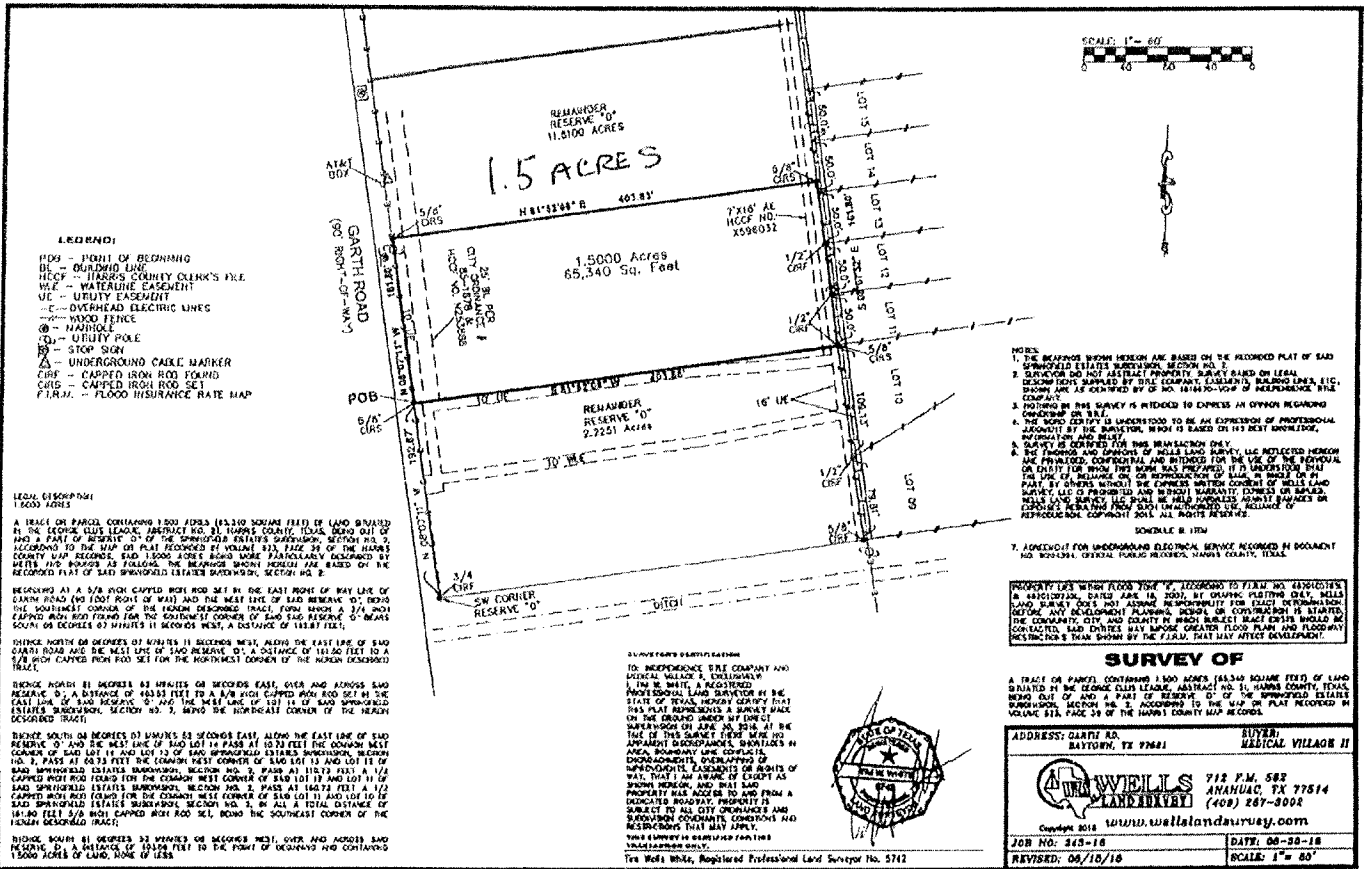
By: _____
By (signature): _____
Printed Name: _____
Title: _____

Buyer: *Medical Village of Cypress LP*  06/05/2016 12:00 PM GMT _____

By: **Medical Village of Cypress Creek LP**
By (signature): _____
Printed Name: **Minh Nguyen**
Title: **General Partner**

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

EXHIBIT "A"



QUALIFICATIONS

Thomas A. Stark, MAI



Partner

Mr. Stark is a Partner in National Appraisal Partners, LLP. He focuses primarily on commercial real estate appraisals. Key clients include financial institutions, accounting firms, attorneys, corporations, developers, government entities and private investors.

Experience

Mr. Stark has been actively engaged in the real estate appraisal industry since 1988. In 1994, Mr. Stark joined the Houston Real Estate Valuation and Consulting Group of Arthur Andersen. After being promoted to Senior Manager, he transferred to Dallas to lead the Real Estate Valuation and Consulting Group for the Firm's Southwest Market Circle. In 2002, Mr. Stark co-founded National Appraisal Partners, LLP, a real estate appraisal and consulting firm. His experience includes appraisal, appraisal review, due diligence, and consulting engagements for various property types including office buildings, retail properties, industrial facilities, apartment complexes, gasoline stations/convenience stores, hotels, day care centers and many special-use properties. Mr. Stark began his real estate career in Palm Beach County, Florida.

Affiliations/Advisory Boards

Mr. Stark holds the MAI designation from the Appraisal Institute. He is the Past President of the Houston Chapter of the Appraisal Institute and has served on the Houston Chapter Board of Directors. He has served as a Regional Representative for the Houston Chapter, and has served on numerous national committees and boards including Public Relations, Communications, Public Affairs, Long-Range Planning, AI Holdings, the National Nominating Committee, the Appraisal Institute Relief Foundation and the Appraisal Institute Education Trust. He served two years on the National Board of Directors for the Appraisal Institute as the Chair and Vice Chair of Region VIII, which includes Texas and New Mexico. He is a board member of the Houston Chapter for 2016.

Mr. Stark is the past editor of the Regional Real Estate News, a publication of the Appraisal Institute. He has served on the Real Estate Valuation Services Advisory Board for Wachovia Bank. Mr. Stark is a State of Texas and Louisiana Certified General Real Estate Appraiser. He has also completed the course and passed the exam for the Appraisal Institute course "Fundamentals of Separating Real, Personal Property and Intangible Business Assets".

Education

Mr. Stark holds a Bachelors of Science in Real Estate from Florida State University.

Personal

Mr. Stark is from West Palm Beach, Florida and has resided in the Houston area since 1993.

Bryan S. Miller, MAI, CCIM



Partner

Mr. Miller is a partner in National Appraisal Partners, LLP. He focuses on commercial real estate valuation and consulting projects. His clients include financial institutions, law firms, accounting firms, pension funds, asset managers, corporations, individuals and developers.

Experience

Mr. Miller has been active in the valuation of commercial real estate since 1995. Mr. Miller joined Arthur Andersen's Houston Real Estate Valuation and Consulting Group in 1997 and was promoted to manager in 1999. Mr. Miller co-founded National Appraisal Partners, LLP, an appraisal and consulting firm in 2002. His experience includes valuation and consulting for: retail, office, apartments, industrial buildings, subdivisions, auto dealerships, healthcare facilities, hotels/motels, tax credit properties, vacant land, ranches, mixed use developments, conservation easements and special purpose properties. In addition to valuation services, Bryan has performed a wide range of consulting services from feasibility analyses to portfolio disposition. His engagements have been a result of annual reporting, lending, estates and purchase price allocation.

Affiliations/Advisory Boards

Mr. Miller holds the MAI designation from the Appraisal Institute. Mr. Miller was a board member and regional representative of the Houston Chapter of the Appraisal Institute for several years. He was the 2008 Treasurer/Secretary and the 2009 Vice President of the Houston Chapter. He served as the 2010 President of the Houston Chapter. He also served as a committee member on the National University Relations Subcommittee for the Appraisal Institute. Mr. Miller is a CCIM. He was a committee member in 2012 and 2013 for the CCIM Houston Real Estate Forecast Competition. He was the 2013 CCIM Houston Chapter Vice President. He was the Partner's Committee Chair in 2013, 2014 and 2015. Mr. Miller is a State of Texas Certified General Real Estate Appraiser.

Education

Mr. Miller holds a Masters and a Bachelors degree from the University of Texas at Austin.

Personal

Mr. Miller is a native Houstonian.

STATE CERTIFICATIONS

Texas Appraiser Licensing and Certification Board

P.O. Box 12188 Austin, Texas 78711-2188

Certified General Real Estate Appraiser

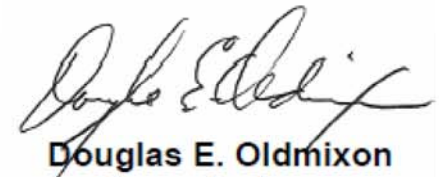
Number: **TX 1325319 G**

Issued: **12/22/2017**

Expires: **01/31/2020**

Appraiser: **THOMAS ANDREW STARK**

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


Douglas E. Oldmixon
Commissioner

Texas Appraiser Licensing and Certification Board

P.O. Box 12188 Austin, Texas 78711-2188

Certified General Real Estate Appraiser

Number: **TX 1328184 G**

Issued: **10/17/2016**

Expires: **10/31/2018**

Appraiser: **BRYAN SCOTT MILLER**

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



Douglas E. Oldmixon
Commissioner

ENGAGEMENT LETTER

LETTER OF ENGAGEMENT

Client hereby engages Appraiser to complete an appraisal assignment as follows:

DATE OF AGREEMENT: 07/30/2018

PARTIES TO AGREEMENT:

CLIENT

Client Name Nancy Ellison
Client Company Independent Bank
Relationship Manager KC Curtis
Address 3090 Craig Drive
City McKinney
State TX
Zip 75070

APPRAISER:

Appraiser Name Tom Stark
Appraiser Company National Appraisal Partners, LLP
Address 3203 Edloe Street
City Houston
State TX
Zip 77027
Phone (713) 463-8761
Email tstark@napllp.com

SUBJECT PROPERTY:

Borrower Name Medical Village of Cypress Creek LP
Property Address 0 Garth Rd.
Property City Baytown
Property State TX
Property Zip Code 77521
Property Type Land
APN
Loan Type Purchase
Loan Number

ASSIGNMENT INFORMATION:

Delivery Date 08/16/2018
Delivery Method EDR's Collateral360 via www.parcelplatform.com
Payment to Appraiser 1,400 USD

SCOPE OF SERVICES:

Intended Use The intended use of this assessment is for loan underwriting and/or credit decisions by the Bank and/or participants
Intended Users The intended user of this report is the Bank.
Inspection Requirements An interior and exterior inspection of the subject property in sufficient detail to understand the physical features of the property.
Approaches to Value All approaches that are both applicable and necessary to produce a credible result.
Report Format Narrative
Report Type Appraisal Report
Comments

VALUATION SCENARIOS:

Property Interest Fee Simple
Appraised Values Needed As Is
Date of Value

CONTACT FOR PROPERTY ACCESS, IF APPLICABLE:

Name Wade Sinclair
Phone
Email wade@clairsinclaire.com

This appraisal was prepared in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice and in accordance with the requirements of title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as amended (12 U.S.C. 331 et seq.), and any implementing regulations.

GENERAL REQUIREMENTS

The appraisal and report are to be prepared in confidence with the requirement of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA); the Interagency Appraisal and Evaluation Guidelines; and the Uniform Standards of Professional Practice (USPAP). The appraisal should include an estimate of exposure time as required in Statement 6 (USPAP), clearly state the reporting option used under Standard 2-2 (USPAP) and appropriately describe the Scope of Work. The appraisal should disclose any steps that were necessary to comply with the Competency Provision of USPAP. If the appraiser is lacking sufficient knowledge and/or experience, this must be disclosed along with steps taken to comply with the Competency Provision of USPAP. The determination of Market Value should conform to the definition set forth by the Board of Governors of the Federal Reserve System, in accordance with Title XI of FIRREA. The report should contain sufficient supporting documentation, with all pertinent information reported, so that the appraiser's logic, reasoning, judgement and analysis is arriving at a conclusion indicated to the reader and reasonableness of the market value reported.

The report or addenda must, at a minimum, include the following (if applicable and available):

1. Photographs of the subject property and comparable properties.
2. Plat map, site plan, floor plans and elevations (if available).
3. Flood Plain Map.
4. Neighborhood, site, and comparable maps.
5. Qualifications of the appraiser(s), as well as a copy of certification or license as applicable.
6. Copy of this engagement letter.

MARKET VALUE:

Market Value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised and acting in what they consider their own best interests; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Hypothetical Conditions, Extraordinary Assumptions

No additional hypothetical conditions or extraordinary assumptions are required as part of this engagement.

Applicable Requirements Other than the Uniform Standards of Professional Appraisal Practice (USPAP)

No additional applicable requirements other than the Uniform Standards of Professional Appraisal Practice (USPAP) are required as part of this engagement.

Additional Terms and Conditions

PROPOSED IMPROVEMENTS

If the property appraised consists of proposed improvements, Client shall provide to Appraiser plans, specifications, or other documentation sufficient to identify the extent and character of the proposed improvements.

PROPERTIES UNDER CONTRACT FOR SALE

If the property appraised is currently under contract for sale, Client shall provide to Appraiser a copy of said contract including all addenda.

CONFIDENTIALITY

Appraiser shall not provide a copy of the written Appraisal Report to, or disclose the results of the appraisal prepared in accordance with this Agreement with, any party other than Client, unless Client authorizes in writing, except as stipulated in the Confidentiality Section of the ETHICS RULE of the Uniform Standards of Professional Appraisal Practice (USPAP).

CHANGES TO AGREEMENT

Any changes to the assignment as outlined in this Agreement shall necessitate a new Agreement. The identity of the client, intended users, or intended use; the date of value; type of value; or property appraised cannot be changed without a new Agreement.

CANCELLATION

Client may cancel this Agreement at any time prior to the Appraiser's delivery of the Appraisal Report upon written notification to the Appraiser. Client shall pay Appraiser for work completed on assignment prior to Appraiser's receipt of written cancellation notice, unless otherwise agreed upon by Appraiser and Client in writing.

NO THIRD PARTY BENEFICIARIES

Nothing in this Agreement shall create a contractual relationship between the Appraiser or the Client and any third party, or any cause of action in favor of any third party. This Agreement shall not be construed to render any person or entity a third party beneficiary of this Agreement, including, but not limited to, any third parties identified herein.

USE OF EMPLOYEES OR INDEPENDENT CONTRACTORS

Appraiser may use employees or independent contractors at Appraiser's discretion to complete the assignment, unless otherwise agreed by the parties. Notwithstanding, Appraiser shall sign the written Appraisal Report and take full responsibility for the services provided as a result of this Agreement.

TESTIMONY AT COURT OR OTHER PROCEEDINGS

Unless otherwise stated in this Agreement, Client agrees that Appraiser's assignment pursuant to this Agreement shall not include the Appraiser's participation in or preparation for, whether voluntarily or pursuant to subpoena, any oral or written discovery, sworn testimony in a judicial, arbitration or administrative proceeding, or attendance at any judicial, arbitration, or administrative proceeding relating to this assignment.

APPRAISER INDEPENDENCE

Appraiser cannot agree to provide a value opinion that is contingent on a predetermined amount. Appraiser cannot guarantee the outcome of the assignment in advance. Appraiser cannot insure that the opinion of value developed as a result of this Assignment will serve to facilitate any specific objective by Client or others or advance any particular cause. Appraiser's opinion of value will be developed competently and with independence, impartiality and objectivity.

EXPIRATION OF AGREEMENT

This Agreement is valid only if signed by both Appraiser and Client within X days of the Date of Agreement specified.

GOVERNING LAW & JURISDICTION

The interpretation and enforcement of this Agreement shall be governed by the laws of the state in which the Appraiser's principal place of business is located, exclusive of any choice of law rules.

By Client:

Nancy Ellison

Nancy Ellison
Appraisal Specialist

By Appraiser:

Imas

ENVIRONMENTAL RISK CHECKLIST

| | YES | NONE NOTED |
|--|-------|------------|
| 1. Hazardous materials, storage tanks, electrical equipment, pits, ponds or lagoons. | _____ | _____ ✓ |
| 2. Stained soil or fouled surface water. | _____ | _____ ✓ |
| 3. Proximity to flood plains, wetlands, coastal zones, or surface water. | _____ | _____ ✓ |
| 4. Excavation, filling or other earth-moving activities. | _____ | _____ ✓ |
| 5. Proximity to drinking water supplies. | _____ | _____ ✓ |
| 6. Proximity to a known contaminate site. | _____ | _____ ✓ |
| 7. Unfavorable press reports and neighborhood complaints. | _____ | _____ ✓ |
| 8. Regulatory actions against the owner and compliance status. | _____ | _____ ✓ |
| 9. Sprayed on insulation. | _____ | _____ ✓ |
| 10. Electrical transformers. | _____ | _____ ✓ |
| 11. Unusual odors. | _____ | _____ ✓ |

Comments: _____

Inspected By: *Luke Scheppe*

Date: August 3, 2018