

CERTIFICATE OF APPROPRIATENESS

Application Date: February 4, 2015

Applicant: Thomas R. Bersch, TRB Interface Investment, for Elijah A. Stansell, Jr., CFO Texas Annual Conference of the United Methodist Church, Ethel Braxton, Secretary Mallalieu United Methodist Church, representatives for the owner

Property: 1918-1920 Hickory Street, Lot 7, Block 268, Baker NSBB Subdivision. The property includes a historic wood frame landmarked church structure and attached parsonage building for a total of 1,798 square feet, situated on a 5,000 square foot (50' x 100') corner lot.

Total church owned property encompasses 15,000 square feet and is comprised of Lots 5, 6, and 7, Block 268, Baker NSBB Subdivision. See survey for more detail.

Significance: The Mallalieu United Methodist Church is a City of Houston Landmark designated in May 2003. The present wood-frame church building, known as Mallalieu United Methodist Church, was built in 1926. The building was reconstructed after being destroyed during the 1900 Galveston Hurricane that damaged much of Houston as well. The church was deemed a "colored denomination" of the Methodist Episcopal Church in 1915. When the building became too small for the growing number of worshippers, it was replaced in 1926 with the present building. It is interesting that most of the building materials for the construction of the new church came from Camp Logan. Camp Logan, a large U.S. Army training facility during World War I, was located in present-day Memorial Park. When the camp was eventually closed, some of the buildings were relocated to adjacent neighborhoods while others were dismantled and the building materials were used in construction elsewhere, including at Mallalieu Church. The church building and parsonage are significant because they house one of the earliest Methodist Episcopal Church congregations for African Americans in Houston. Also the church building is significant because of its unique design, being constructed in the shape of a plus "+" sign with the flat-roofed bell and pedestrian entry tower being situated at its southwest corner.

Proposal: Demolition – Demolish the City Landmarked Mallalieu United Methodist Church and attached parsonage building.

See enclosed application materials and detailed project description on p. 4-64 for further details.

Attachment A: Certified Appraisal of the Property

Attachment B: Real Estate Contracts

Attachment C: Property Inspection Report

Attachment D: Landmark Report

Public Comment: No public comment received.

Civic Association: No comment received.

Recommendation: Denial - does not satisfy criteria 1, 2, 3, 4 for unreasonable economic hardship; does not satisfy criteria 1, 2 for unusual and compelling circumstance

HAHC Action: Denied

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

Denial of a Certificate of Appropriateness does not financially prevent or seriously interfere with carrying out the mission, purpose, or function of the nonprofit corporation, because although the owner of the property is a nonprofit organization, the current congregation is now defunct and no longer carries out its intended purposes.

OR

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

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

There is ample evidence that shows these to be historic structures eligible for City of Houston Historic Landmark Designation. The church building and parsonage are significant because they housed one of the earliest Methodist Episcopal Church congregations for African Americans in Houston. Additionally, most of the building materials for the construction of this building were salvaged from Camp Logan, a large U.S. Army training facility during World War I, located in what is now Memorial Park.

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

The proposed plan for the property, once the structures are demolished, is the construction of 12, 4-story, 2,400 square foot townhomes. Although not located within a historic district, the construction of these townhomes will negatively affect the remaining historical, architectural, and cultural character of this portion of the First Ward neighborhood.

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

Currently, the buildings are dried-in and secure. Leaks in the roof and walls have been mitigated with the use of tarps and other temporary measures. The buildings are currently looked after and minimally maintained. The historic landmark plaque was recently stolen and random acts of repair have also been undertaken by persons unknown.



PROPERTY LOCATION

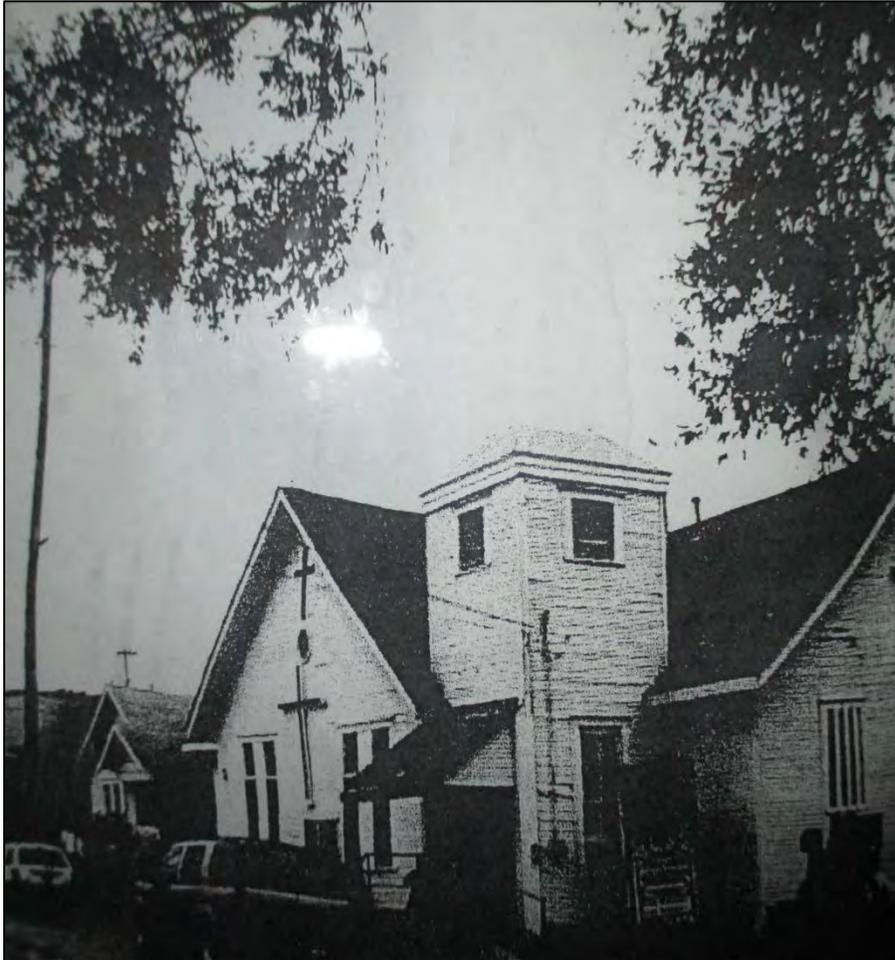
MALLALIEU UNITED METHODIST CHURCH AND PARSONAGE



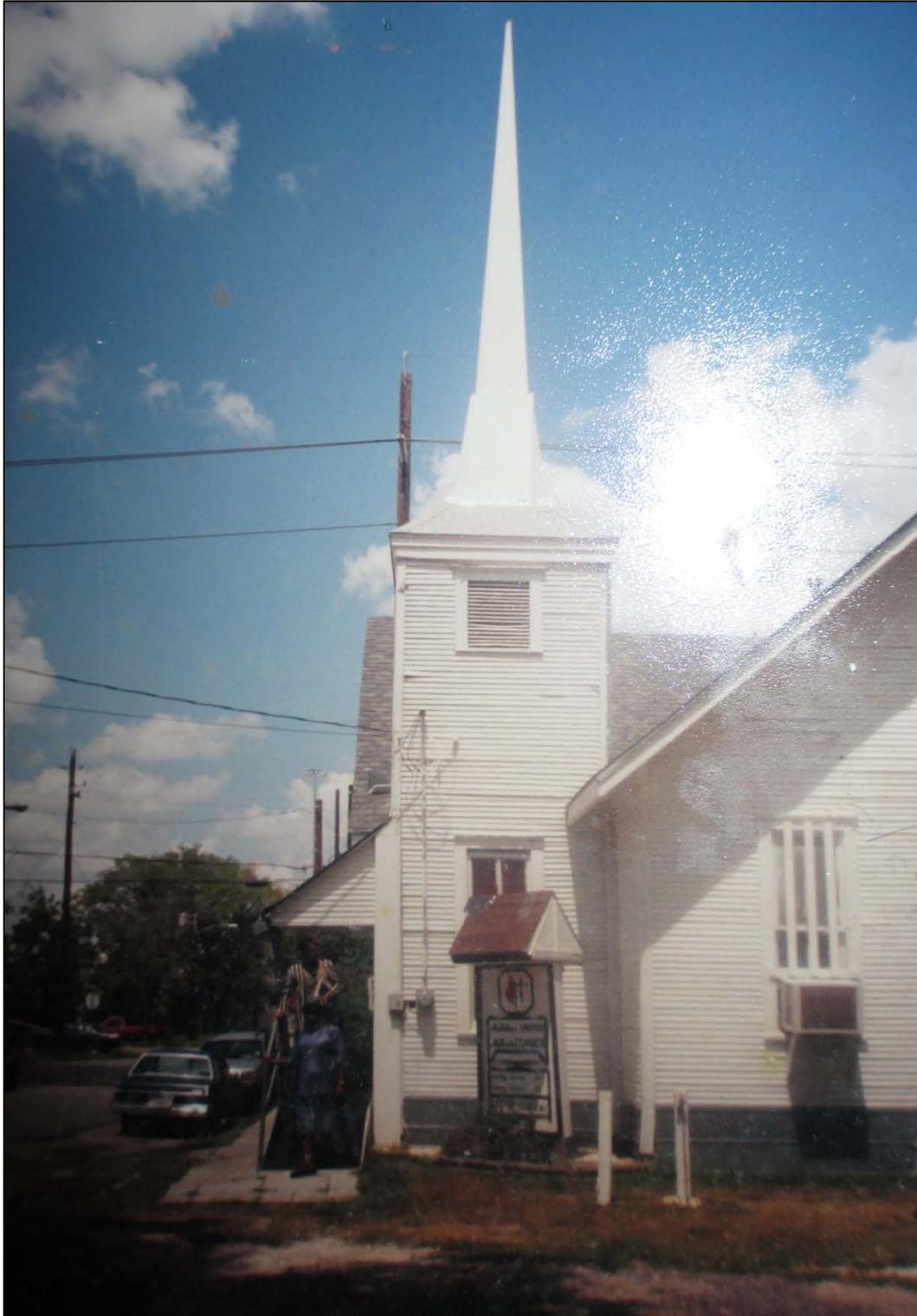
CURRENT PHOTO



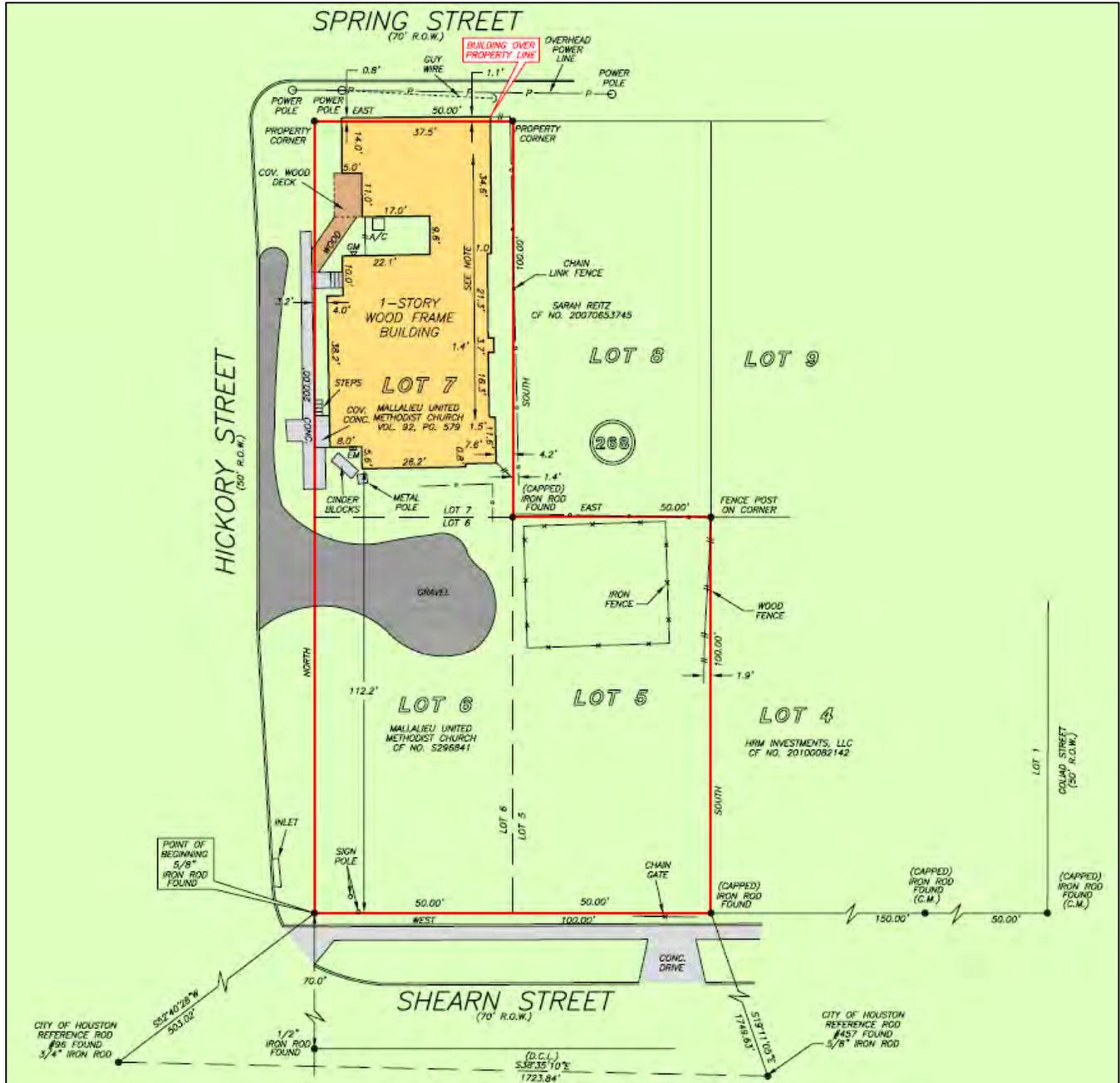
HISTORIC PHOTOS



HISTORIC PHOTOS



PROPERTY SURVEY



**APPLICATION MATERIALS
REQUEST FOR DEMOLITION**

Aug. 4, 2014

TO: HISTORIC PRESERVATION

The Mallalieu United Methodist is part of Baker NSBB, Subdivision located in Houston TX. 77077 This is a 69 yr .old all wood Frame Building, built in 1945.

The church sustains a lot of damage in a rainstorm 18 months ago. .Some damage to the roof and causing some Water leaks inside the church. Parts of the ceiling has collapsed inside the church, with the rest of the ceiling tiles are hanging down from ceiling, with a lot of loose tiles. The insulation hanging off the ceiling appears to show signs of mold as do some of the walls inside the building.

The Building sits on blocks & the flooring is uneven in some parts of the building. This may due to Foundation problems as some walls inside church show separation of the inside walls in the (Receiving part or lobby area.) . Plus the age a building could be a factor

This, is 69 years old wood frame building, that has a lot of rotten wood all around it. Some parts of the woods are missing possibility due to termites, high winds & rain falling through it. And just weather conditions.

Over a year ago, Church Members decided it was neither a sound structure nor a safe building. And with the fear of mold. It was decided that Mallalieu United Methodist would join in with another church on temporary Basic. Thus the building has been close up, locked up & never to been used again for over a year.

Last year, Mallalieu United Methodist Church, was put on the market for sale with hopes of building a new church. The church was listed for sale with Daniel & Associates @ 15614 S. Post Oak, Houston, Tx . 77053. 281-438-4444. It was of the opinion, that the Church may sale for land value only. Due to the hazardous condition of the building.

*Mallalieu United Methodist Church
Ethel Dwyer Secretary/Chairman Poston Parish*

APPLICATION MATERIALS

TITLE REPORT



Additional Reports

Profile Report
1920 HICKORY ST, HOUSTON, TX. 77007 Harris County

General Property Description

Map Page/Coord: 493G	School District: Houston ISD	MLS Area: 16
ParcelID : Card 005-093-000-0028-001 : 001	Census Tract/Block: 482015101 / 1	Map Face: 5358D
Subdivision: NOT CODED		
Legal Desc: PT LT 7 BLK 268 BAKER NSBB		

Property Characteristics

Improved SqFt: 870	Built: 1945	Remodeled:
Bedrooms: 03	Baths: 01/	Total Rooms: 5
Foundation:	Swimming Pool: No	Stories: 1.0
Fireplace: No	Exterior Walls:	Misc2:
Style: Traditional	Misc3:	Misc4:
Heat & A/C:	Misc5:	Misc1: OPEN FRAME PORCH PR

Land Characteristics

Acreage: 0.0344	Land SqFt: 1,500	Depth: 0
Land Use: Res Imprvd Override - 2001	Longitude: -95.371060	Front: 0
Latitude: 29.775010		

Deed and Sales Information

Last Sale Date: 2 Jan 1991	Sales Amount: \$0	MLS No.:
Last Deed Date:	Loan Amount: \$0	Seller:
Deed History	Broker:	CCF#:

Taxpayer Information **Owner Information**

Name: MALLALIEU UNITED METHODIST CHU	Name: MALLALIEU UNITED METHODIST CHU
Address: 1918 HICKORY ST HOUSTON TX 77007-4134	Address: 1918 HICKORY ST HOUSTON, TX 77007-4134

County Appraisal District Property Values

2013	Change (%)	2012	Change (%)	2011
Total Value: \$0		\$0		\$0
Imprv: \$0				
Land: \$0				
CAD Mkt Val: \$0	Exempt Status: Total		Lot / Block: 7 / 268	

Taxes

Tax Entity/Collector	Tax Rate	Bonds	Bonds	Estimated Tax
	(per \$100.00)	Authorized	Issued	(before exemptions)
CITY OF HOUSTON	0.83875000			\$0.00
HARRIS CO	0.40021000			\$0.00
HARRIS CO DPT EDUC	0.00661700			\$0.00
HARRIS CO FLOOD CONTRL	0.02809000			\$0.00
HARRIS CO HOSPITAL	0.18216000			\$0.00
HOUSTON COMM. COLL.	0.09717300			\$0.00
HOUSTON ISD	1.15670000			\$0.00
PORT OF HOUSTON AUTH	0.01952000			\$0.00
Total:	2.52922000			\$0.00

 Data is provided by third parties and is presumed reliable, but not warranted, guaranteed or verified.
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APPLICATION MATERIALS
HCAD ASSESSED VALUE

1/13/2015 Head Acct: 0050930000027

Tuesday, January 13, 2015

Texas Comptroller Leadership Circle

HARRIS COUNTY APPRAISAL DISTRICT
REAL PROPERTY ACCOUNT INFORMATION
0050930000027

Account Number Address Owner Name ?
13-Digt Number search

Tax Year: 2014

Print E-mail

File A Protest Similar Owner Name Nearby Addresses Same Street Name Related Map 5358D

Ownership History

Owner and Property Information

Owner Name & MALLALIEU UNITED METHODIST CHURCH Legal PT LT 7 BLK 268
Mailing Address: 1918 HICKORY ST Description: BAKER NSBB
HOUSTON TX 77007-4134 Property Address: 1918 HICKORY ST
HOUSTON TX 77007

State Class Code	Land Use Code	Building Class	Total Units
XV -- Other Exempt (Religious)	4620 -- Religious	E	0

Land Area	Building Area	Net Rentable Area	Neighborhood	Market Area	Map Facet	Key Map®
3,500 SF	928	0	5924	4018 -- FM 1960 Interstate 45	5358D	493G

Value Status Information

Capped Account	Value Status	Notice Date	Shared CAD
No	Noticed	04/25/2014	No

Exemptions and Jurisdictions

Exemption Type	Districts	Jurisdictions	ARB Status	2013 Rate	2014 Rate	Online Tax Bill
Total	001	HOUSTON ISD	Certified: 08/15/2014	1.186700	1.196700	View
	040	HARRIS COUNTY	Certified: 08/15/2014	0.414550	0.417310	View
	041	HARRIS CO FLOOD CNTRL	Certified: 08/15/2014	0.028270	0.027360	
	042	PORT OF HOUSTON AUTHY	Certified: 08/15/2014	0.017160	0.015310	
	043	HARRIS CO HOSP DIST	Certified: 08/15/2014	0.170000	0.170000	
	044	HARRIS CO EDUC DEPT	Certified: 08/15/2014	0.006358	0.005999	
	048	HOJ COMMUNITY COLLEGE	Certified: 08/15/2014	0.097173	0.106890	
	061	CITY OF HOUSTON	Certified: 08/15/2014	0.638750	0.631080	

Valuations

Value as of January 1, 2013			Value as of January 1, 2014		
	Market	Appraised		Market	Appraised
Land	0		Land	0	
Improvement	0		Improvement	0	
Total	0	0 Total	Total	0	0

5-Year Value History

http://www.hcad.org/records/details.asp?crypt=%04%0A%B0%04%BF%04%8D%84zgf%8E%87%0V%5FW%8E%99%A2%D3%89%86%0C2e%7CU%8A%8... 1/2

APPLICATION MATERIALS
HCAD ASSESSED VALUE

1/13/2015		Head Acct: 0050830000027										
Land												
Market Value Land												
Line	Description	Site Code	Unit Type	Units	Size Factor	Site Factor	Appr O/R Factor	Appr O/R Reason	Total Adj	Unit Price	Adj Unit Price	Value
1	4620 -- Religious	SF1	SF	3,500	1.00	1.00	1.00	--	1.00	0	0	0
Building												
Building	Year Built	Type	Style				Quality	Impr Sq Ft	Building Details			
1	1945	Religious	8351 -- Single-Family Residence				Low	928	Displayed			
Building Details (1)												
Texas law prevents us from displaying residential sketches on our website. You can see the sketch or get a copy at HCAD's information center at 13013 NW Freeway.												
Building Data						Building Areas						
Element		Details				Description		Area				
Cooling Type		None				PORCH, OPEN -C		84				
Construction Type		Wood / Steel Joist				BASE AREA PRI		928				
Functional Utility		Good										
Heating Type		None				Extra Features						
Partition Type		Normal				Description		Units				
Physical Condition		Good				CHURCH 2226 SF		1				
Plumbing Type		Adequate				Porch, Open		1				
Sprinkler Type		None										
Exterior Wall		Frame / Res Stucco										
Economic Obsolescence		Normal										
Element		Units										
Wall Height		9										
Interior Finish Percent		100										
Home Record Search Forms Maps Resources Help Thank You for Visiting Harris County Appraisal District. All Rights Reserved.												
http://www.hcad.org/records/details.asp?crypt=%94%9A%B0%94%BFg%84%8D%84zgg%8E%870xv%5FW%9E%99%A2%D3%89%95%C2e%7CU%8A%8... 2/2												

APPLICATION MATERIALS
CERTIFIED APPRAISAL OF THE PROPERTY

PROPERTY ANALYST, INC.

Houston • Dallas • Laredo • San Antonio

October 29, 2014

Interface Investments
1920 Hickory Street
Houston, Texas 77007

Attn.: Mr. Thomas R. Bersch

Re: Appraisal of the building structures located @ 1920 Hickory Street, within the City of Houston, in Harris County, Texas (Mallalieu United Methodist Church)

Dear Mr. Ellison:

At your request and authorization, we have completed an appraisal report on an appraisal of the above referenced property. The purpose of the accompanying appraisal is to estimate the market value of the fee simple interest in the above referenced property under market conditions prevailing on October 28, 2014, the site visit date.

The appraisal was completed in conformance with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; the requirements of the Texas Appraisal Licensing and Certification Board; and the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by The Appraisal Foundation. Unless otherwise noted, all definitions and methodologies employed within the report can be found in *The Appraisal of Real Estate*, 14th edition, or *The Dictionary of Real Estate Appraisal*, 5th edition, published by the Appraisal Institute.

Based on the investigation and the analyses of the subject property, and subject to the definitions, assumptions, and limiting conditions, it is our opinion that the market value of the fee simple interest in subject property, as of October 28, 2014, is as follows:

NO VALUE

\$0

This restricted appraisal report is intended to comply with the reporting requirements set forth under all of Standards Rule 2-2 of the Uniform Standards of Professional Appraisal Practice for a restricted appraisal report. *This report is not intended for any other use or by others than*

3480 Times Boulevard, Suite 203-B • Houston, Texas 77005 • Tele. (713) 526-4850 • Fax: (713) 526-4813

APPLICATION MATERIALS

CERTIFIED APPRAISAL OF THE PROPERTY

Re: 1920 Hickory Street, Houston, Tx.
October 29, 2014
Page 2

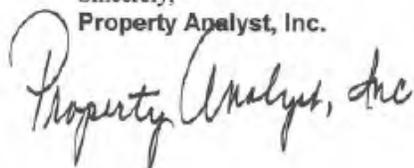
the client, and is to be used primarily by the client for internal decision-making purposes regarding asset allocation. A reader of this report may not fully understand the appraisal without additional information that is in the appraiser's workfile.

It should specifically be noted that the foregoing market value estimate is based on the assumption that the subject property is not negatively affected by the existence of hazardous substances deposited thereupon by present or previous owners of the subject site or detrimental environmental conditions. As part of appraisal process, the appraisal of the subject property was based on an *Inspection Report* that was recently prepared by Arsenal Inspection Services of Houston, Texas. As stated in that *Inspection Report* 'No environmental inspections of any kind were performed during this inspection. Even if comments are made regarding certain aspects or issues, inspections and/or any determination of the presence or possible dangers of materials organisms or microbial organisms including, but not limited to asbestos, lead, formaldehyde, mildew, molds, fungi, etc. are specifically excluded from the inspection and from this report. If you have any concerns over the presence or possible future growth of any of these type items, you should, as part of your due diligence, have the environmental inspections of your choice performed on the house prior to closing.' The appraiser has also not taken into account any affects regarding the presence or lack of presence regarding these potential issues. Should an inspection or tests be made by a professional qualified in this area and such an inspection revealed the existence of hazardous substances and/or detrimental environmental conditions, the market value estimated herein may not be valid.

Assuming adequate exposure and normal marketing efforts: the estimated exposure time (i.e., the length of time the subject property would have been exposed for sale in the market had it sold at the market value concluded in this analysis as of the date of this valuation) would have been within about 12 months; the estimated marketing time (i.e., the amount of time it would probably take to sell the subject property if exposed in the market beginning on the date of this valuation) is estimated to be within about 12 months.

This transmittal letter and following certification of appraisal are a part of the oral given Appraisal Report, describing the subject property and containing the reasoning and pertinent data leading to the opinion of value. Your attention is directed to the *General Assumptions and Limiting Conditions* which are considered usual for this type assignment and have been included at the beginning of the report. Also, please consult the *Extraordinary Assumptions and Limiting Conditions* that have been included solely for this assignment. A copy of this report, along with the working papers from which it was prepared, have been retained in our files.

Sincerely,
Property Analyst, Inc.



File #14-82

APPLICATION MATERIALS
REAL ESTATE CONTRACT

TEXAS ASSOCIATION OF REALTORS®
COMMERCIAL CONTRACT - IMPROVED PROPERTY
USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS IS NOT AUTHORIZED.
© 2014 T.A.R. REALTOR/REALTOR/REALTOR/REALTOR

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: Mallalieu United Methodist Church

Address: 3331 Owl Creek Drive, Missouri City, TX 78488
Phone: (832) 370-3095 E-mail: _____
Fax: _____ Other: _____

Buyer: Tom Borosh & Assoc

Address: _____
Phone: _____ E-mail: _____
Fax: _____ Other: _____

2. PROPERTY:

A. "Property" means that real property situated in Harris County, Texas at 1920 Hickory St, 1918 Hickory & 1320 Shearn St, Houston, TX, 77067

(address) and that is legally described on the attached Exhibit _____ or as follows:

- 1.) 1920 Hickory St, PT LT.7 BDK.268 BAKER NSBB Subd.
- 2.) 1918 Hickory St, PT LT.7 BDK.268 BAKER NSBB Subd
- 3.) 1320 Shearn St. LOTS 5&6 BDK.268 BAKER NSBB

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

- (1) all buildings, improvements; and fixtures;
- (2) all rights, privileges, and appurtenances pertaining to the Property, including Seller's right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights-of-way;
- (3) Seller's interest in all leases, rents, and security deposits for all or part of the Property;
- (4) Seller's interest in all licenses and permits related to the Property;
- (5) Seller's interest in all third party warranties or guaranties, if transferable, relating to the Property or any fixtures;
- (6) Seller's interest in any trade names, if transferable, used in connection with the Property; and
- (7) all Seller's tangible personal property located on the Property that is used in connection with the Property's operations except: _____

Any personal property not included in the sale must be removed by Seller prior to closing.

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

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

(If the Property is a condominium, attach Condominium Contract Condominium Addendum (TAR-1930).)

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

- A. Cash portion payable by Buyer at closing \$ 580,000.00
- B. Sum of all financing described in Paragraph 4 \$ _____
- C. Sales price (sum of 3A and 3B) \$ 580,000.00

(TAR-190) 4-1-14

Initiated for identification by Seller [Signature] and Buyer [Signature]

Page 1 of 14

Denial & Associates, 15614 S. Post Oak, Houston, TX 77053
Phone 281-436-6192 Fax 281-436-4444

Elizabeth Johnson

1920 HICKORY

Replaces with 415 Form by eScribe 1875 Fines Mill Bend, Frisco, N.H. 75074

**APPLICATION MATERIALS
REAL ESTATE CONTRACT**

Commercial Contract - Improved Property concerning 1920 Hickory St, 1918 Hickory & 1320 Shearn St. Houston, Tx. 77007

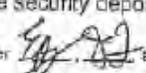
NOTICE: Chapter 62, Texas Property Code, authorizes a broker to secure an earned commission with a lien against the Property.

C. The parties may not amend this Paragraph 9 without the written consent of the brokers affected by the amendment.

10. CLOSING:

- A. The date of the closing of the sale (closing date) will be on or before the later of:
 - (1) _____ days after the expiration of the feasibility period.
 - Oct 15, 2014 (specific date).
 - Will be extended if necessary to remove church from Historic Reserve.
 - (2) 7 days after objections made under Paragraph 6D have been cured or waived.
- B. If either party fails to close by the closing date, the non-defaulting party may exercise the remedies in Paragraph 15.
- C. At closing, Seller will execute and deliver to Buyer, at Seller's expense, a general special warranty deed. The deed must include a vendor's lien if any part of the sales price is financed. The deed must convey good and indefeasible title to the Property and show no exceptions other than those permitted under Paragraph 6 or other provisions of this contract. Seller must convey the Property:
 - (1) with no liens, assessments, or Uniform Commercial Code or other security interests against the Property which will not be satisfied out of the sales price, unless securing loans Buyer assumes;
 - (2) without any assumed loans in default; and
 - (3) with no persons in possession of any part of the Property as lessees, tenants at sufferance, or trespassers except tenants under the written leases assigned to Buyer under this contract.
- D. At closing, Seller, at Seller's expense, will also deliver to Buyer:
 - (1) tax statements showing no delinquent taxes on the Property;
 - (2) a bill of sale with warranties to title conveying title, free and clear of all liens, to any personal property defined as part of the Property in Paragraph 2 or sold under this contract;
 - (3) an assignment of all leases to or on the Property;
 - (4) to the extent that the following items are assignable, an assignment to Buyer of the following items as they relate to the Property or its operations:
 - (a) licenses and permits;
 - (b) maintenance, management, and other contracts; and
 - (c) warranties and guaranties;
 - (5) a rent roll current on the day of the closing certified by Seller as true and correct;
 - (6) evidence that the person executing this contract is legally capable and authorized to bind Seller;
 - (7) an affidavit acceptable to the title company stating that Seller is not a foreign person or, if Seller is a foreign person, a written authorization for the title company to: (i) withhold from Seller's proceeds an amount sufficient to comply applicable tax law; and (ii) deliver the amount to the Internal Revenue Service together with appropriate tax forms; and
 - (8) any notices, statements, certificates, affidavits, releases, and other documents required by this contract, the commitment, or law necessary for the closing of the sale and the issuance of the title policy, all of which must be completed and executed by Seller as necessary.
- E. At closing, Buyer will:
 - (1) pay the sales price in good funds acceptable to the title company;
 - (2) deliver evidence that the person executing this contract is legally capable and authorized to bind Buyer;
 - (3) sign and send to each tenant in the Property a written statement that:
 - (a) acknowledges Buyer has received and is responsible for the tenant's security deposit; and
 - (b) specifies the exact dollar amount of the security deposit;

(TAR-1801) 7-1-14

Initialed for Identification by Seller  and Buyer 
Produced with eScribe by eScribe 10670 Piquan MW Road, Frisco, TX 75034-4429 www.eScribe.com

Page 7 of 14
1918-1920 HICKORY ST

APPLICATION MATERIALS
REAL ESTATE CONTRACT

1918 Hickory St. & 1920 Hickory St.
Commercial Listing concerning Houston, 77007

3. LISTING PRICE:

A. Seller instructs Broker to market the Property at the following gross sales price: \$ 1,000,000
(Listing Price).

B. Seller agrees to sell the Property for the Listing Price or any other price acceptable to Seller. Seller will pay all typical closing costs charged to sellers of commercial real estate in Texas (seller's typical closing costs are those set forth in the commercial contract forms published by the Texas Association of REALTORS®) except _____

4. TERM:

A. This Listing begins on November 13, 2013 and ends at 11:59 p.m. on November 30, 2014. Seller may terminate this Listing on notice to Broker any time after _____

B. If Seller enters into a binding written contract to sell the Property before the date this Listing begins and the contract is binding on the date this Listing begins, this Listing will not commence and will be void.

5. BROKER'S FEE:

A. Fee: When earned and payable, Seller will pay Broker a fee of

(1) 10.000 % of the sales price.

(2) _____

B. Earned: Broker's fee is earned when any one of the following occurs during this Listing:

- (1) Seller sells, exchanges, agrees to sell, or agrees to exchange all or part of the Property to anyone at any price on any terms;
- (2) Broker individually or in cooperation with another broker procures a buyer ready, willing, and able to buy all or part of the Property at the Listing Price or at any other price acceptable to Seller;
- (3) Seller grants or agrees to grant to another person an option to purchase all or part of the Property;
- (4) Seller transfers or agrees to transfer all or part of Seller's interest (stock or shares) in any entity that holds title to all or part of the Property for the purpose of conveying all or part of the Property to another person; or
- (5) Seller breaches this Listing.

C. Payable: Once earned, Broker's fee is payable either during this Listing or after it ends at the earlier of:

- (1) the closing and funding of any sale or exchange of all or part of the Property;
- (2) Seller's refusal to sell the Property after Broker's Fee has been earned;
- (3) Seller's breach of this Listing; or
- (4) at such time as otherwise set forth in this Listing.

Broker's fee is not payable if a sale of the Property does not close or fund as a result of: (i) Seller's failure, without fault of Seller, to deliver to a buyer a deed or a title policy as required by the contract to sell; (ii) loss of ownership due to foreclosure or other legal proceeding; or (iii) Seller's failure to restore the Property, as a result of a casualty loss, to its previous condition by the closing date set forth in a contract for the sale of the Property.

D. Other Fees:

(1) Lease of Property: If, during this Listing, Broker procures a tenant to lease all or part of the Property and Seller agrees to lease all or part of the Property to the tenant, Seller will pay Broker at the time _____

APPLICATION MATERIALS
INSPECTION REPORT SUMMARY

Arsenal Inspection Services
Property Inspection Report



1920 Hickory St, Houston, Texas 77007
Inspection prepared for: Tom Bersch
Date of Inspection: 9/24/2014 Time: 11:00
Age of Home: Unknown Size: 1750 sq ft

Inspector: Abner Brown Jr.
TREC License #20495
2319 Cobbdale Lane, Houston, TX 77014
Phone: 713.501.3134
Email: [REDACTED]

APPLICATION MATERIALS
INSPECTION REPORT SUMMARY

Arsenal Inspection Services		1920 Hickory St, Houston, Texas	
PROPERTY INSPECTION REPORT			
Prepared For:	Tom Bersch <small>(Name of Client)</small>		
Concerning:	1920 Hickory St, Houston Texas, 77007 <small>(Address or Other Identification of Inspected Property)</small>		
By:	Abner Brown Jr., TREC License #20495 <small>(Name and License Number of Inspector)</small>	9/24/2014 <small>(Date)</small>	
	<small>(Name and License Number of Sponsoring Inspector)</small>		
PURPOSE, LIMITATIONS AND INSPECTOR / CLIENT RESPONSIBILITIES			
<p>This property inspection report may include an inspection agreement (contract), addenda, and other information related to property conditions. If any item or comment is unclear, you should ask the inspector to clarify the findings. It is important that you carefully read ALL of this information.</p> <p>This inspection is subject to the rules ("Rules") of the Texas Real Estate Commission ("TREC"), which can be found at www.trec.texas.gov.</p> <p>The TREC Standards of Practice (Sections 535.227-535.233 of the Rules) are the minimum standards for inspections by TREC licensed inspectors. An inspection addresses only those components and conditions that are present, visible, and accessible at the time of the inspection. While there may be other parts, components or systems present, only those items specifically noted as being inspected were inspected. The inspector is NOT required to turn on decommissioned equipment, systems, utility services or apply an open flame or light a pilot to operate any appliance. The inspector is NOT required to climb over obstacles, move furnishings or stored items. The inspection report may address issues that are code-based or may refer to a particular code; however, this is NOT a code compliance inspection and does NOT verify compliance with manufacturer's installation instructions. The inspection does NOT imply insurability or warrantability of the structure or its components. Although some safety issues may be addressed in this report, this inspection is NOT a safety/code inspection, and the inspector is NOT required to identify all potential hazards.</p> <p>In this report, the inspector shall indicate, by checking the appropriate boxes on the form, whether each item was inspected, not inspected, not present or deficient and explain the findings in the corresponding section in the body of the report form. The inspector must check the Deficient (D) box if a condition exists that adversely and materially affects the performance of a system or component or constitutes a hazard to life, limb or property as specified by the TREC Standards of Practice. General deficiencies include inoperability, material distress, water penetration, damage, deterioration, missing components, and unsuitable installation. Comments may be provided by the inspector whether or not an item is deemed deficient. The inspector is not required to prioritize or emphasize the importance of one deficiency over another.</p> <p>Some items reported may be considered life-safety upgrades to the property. For more information, refer to Texas Real Estate Consumer Notice Concerning Recognized Hazards or Deficiencies below.</p> <p>THIS PROPERTY INSPECTION IS NOT A TECHNICALLY EXHAUSTIVE INSPECTION OF THE STRUCTURE, SYSTEMS OR COMPONENTS. The inspection may not reveal all deficiencies. A real estate inspection helps to reduce some of the risk involved in purchasing a home, but it cannot eliminate these risks, nor can the inspection anticipate future events or changes in performance due to changes in use or occupancy. It is recommended that you obtain as much information as is available about this property, including any seller's disclosures, previous inspection reports, engineering reports, building/remodeling permits, and reports performed for or by relocation companies, municipal inspection departments, lenders, insurers, and appraisers. You should also attempt to determine whether repairs, renovation, remodeling, additions, or other such activities have taken place at this property. It is not the inspector's responsibility to confirm that information obtained from these sources is complete or accurate or that this inspection is consistent with the opinions expressed in previous or future reports.</p> <p>ITEMS IDENTIFIED IN THE REPORT DO NOT OBLIGATE ANY PARTY TO MAKE REPAIRS OR TAKE OTHER ACTIONS, NOR IS THE PURCHASER REQUIRED TO REQUEST THAT THE SELLER TAKE ANY ACTION. When a deficiency is reported, it is the client's responsibility to obtain further evaluations and/or cost estimates from qualified service professionals. Any such follow-up should take place prior to the expiration of any time limitations such as option periods.</p>			
REI 7-4 (04/2014)		Page 1 of 32	

APPLICATION MATERIALS
INSPECTION REPORT SUMMARY

STRUCTURAL SYSTEMS	
Page 6 Item: A	<p>Foundations</p> <p>Could not fully inspect the crawlspace of the foundation due to an adequate access or clearance to the crawlspace. Access should be at least 18 inches we only have nine available.</p> <p>From the inspectors vantage point, there appears to be radical shifting of the piers supporting the beams for the foundation of the structure causing significant movement and damage to the walls of exterior interior of the structure</p> <p>Termite shields missing between piers and the beams</p> <p>After examining the failure of the wall systems, unlevel interior floors along with the shifting of piers underneath the structure, it is the inspectors opinion that the foundation does not appear to be performing as intended. The inspector recommends contacting a structural engineer to evaluate as the inspector believes that the structure is possibly unsafe for usage.</p>
Page 8 Item: B	<p>Grading and Drainage</p> <p>Vegetation too close to structure.</p> <p>Excessive vegetation growing on the sides of the structure, this vegetation contains moisture that can damage the structure</p> <p>Recommend contacting a landscaping specialist to evaluate the improvement of grading and drainage</p>

APPLICATION MATERIALS
INSPECTION REPORT SUMMARY

Arsenal Inspection Services		1920 Hickory St, Houston, Texas
Page 11 Item: C	Roof Covering Materials	<p>Flashing is bent</p> <p>Flashing is lifting</p> <p>Flashing rusted</p> <p>Lifting at seams</p> <p>Roof is weathered</p> <p>Shingles lifting</p> <p>Broken shingles</p> <p>Deteriorated shingles</p> <p>Areas of the roof have been patched.</p> <p>Deteriorated soffits</p> <p>Deteriorated fascia boards</p> <p>Awning for the main entrance to the structure is severely damaged and appears to be only held in place by the gutter that is strapped to the stairway/entrance ramp to the main entrance.</p> <p>B vent for the heating system does not extend high enough above the roof covering of the structure</p>
Page 14 Item: D	Roof Structure and Attics	<p>Ridgeboard is smaller than the rafters attached to it, recommend adding an extension to support the rafters for the roof.</p> <p>There is some evidence pointing to the rafters slightly twisting and rotating due to lack of support from a smaller ridgeboard</p> <p>Roof decking appears damaged in certain areas</p> <p>Ladder for attic access is damaged.</p>

APPLICATION MATERIALS
INSPECTION REPORT SUMMARY

Arsenal Inspection Services		1920 Hickory St, Houston, Texas
Page 17 Item: E	Walls (Interior and Exterior)	<p>Observed the presence of an organic fungal growth, mold like in appearance, recommend further investigation by a qualified state licensed Mold Assessment Consultant.</p> <p>Exterior walls are deteriorated in some places, most likely due to moisture and in some cases possible insect damage.</p> <p>Damaged exterior panels to the siding, appears to be moisture related.</p> <p>Panels of the exterior siding are missing</p> <p>Some panels on the exterior siding are loose and can allow moisture to penetrate the inside of the structure</p> <p>A section of siding is missing and the structures only protected by the vapor barrier placed to prevent water from entering the structure</p> <p>Large cracks in the interior walls</p> <p>Walls are separating at the corners due to significant movement of the structure</p>
Page 21 Item: F	Ceilings and Floors	<p>Observed the presence of an organic fungal growth, mold like in appearance, recommend further investigation by a qualified state licensed Mold Assessment Consultant.</p> <p>Large areas of the ceiling in the main area of the structure have collapsed</p> <p>Sections of drywall and all area have caved in due to moisture</p> <p>Floors are not level. Indicates possible movement of the foundation.</p>
Page 23 Item: G	Doors (Interior & Exterior)	<p>Main entrance doors to the main interior area of the structure do not close properly</p> <p>Door to the office area gets hung on the floor area from where the foundation has shifted</p> <p>Rear exterior door does not close properly</p>
Page 25 Item: H	Windows	<p>Broken Window(s)</p> <p>Frames around some windows are severely deteriorated due to moisture penetration</p>
HEATING, VENTILATION AND AIR CONDITIONING SYSTEMS		
Page 27 Item: C	Duct Systems, Chases, and Vents	Duct system is damaged

APPLICATION MATERIALS
INSPECTION REPORT

Arsenal Inspection Services 1920 Hickory St, Houston, Texas

I=Inspected NI=Not Inspected NP=Not Present D=Deficient

I NI NP D

I. STRUCTURAL SYSTEMS

REI 7-4 (04/2014) Page 4 of 32

Arsenal Inspection Services 1920 Hickory St, Houston, Texas

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A. Foundations

Type of Foundation(s):
• Crawspace Foundation (pier and beam)

Comments:

All deficient items in need of attention are listed in RED, items noted for information listed in BLACK. Deficiencies of note requiring special attention are preceded and followed by asterisks. All findings are as of the date and time of the inspection. Property conditions change with time and use.

Items noted during the visual inspection that require comment, are in need of repair, adjustment, restoration, continuation of the due diligence process and/or servicing or items noted for information include but are not limited to:

Foundation comments: (pier and beam)
Homes built on a pier & beam construction may have heating ductwork, plumbing, gas, and electrical lines running beneath the home in a crawl space. Clearance of at least 18" is required to inspect a crawl space and the area is required to be dry at time of the inspection.
Because some structural movement is tolerated in the Houston area, evaluation of foundation performance is, largely, subjective. Expansive soil conditions are common in this area and can adversely affect the performance of a foundation. Geological evaluations are beyond the scope of this inspection. A professional Structural Geo-Tech Engineer should be consulted prior to closing if client is concerned by conditions listed in this report.
Our evaluation of the foundation is a visual review and represents the opinion of the inspector based on his personal experience with similar homes. The inspection does not predict or guarantee future performance. Inspectors do not have access to information on how the home was constructed or if an engineered analysis of the underlying soils was performed. If more information is required on the type of soil in correlation to the type of foundation or future stability of the foundation, then the services of a Professional Structural Geo-Tech engineer would be required.

Could not fully inspect the crawspace of the foundation due to an adequate access or clearance to the crawspace. Access should be at least 13 inches we only have nine available.

From the inspectors vantage point, there appears to be radical shifting of the piers supporting the beams for the foundation of the structure causing significant movement and damage to the walls of exterior interior of the structure

Termite shields missing between piers and the beams

After examining the failure of the wall systems, uneven interior floors along with the shifting of piers underneath the structure, it is the inspectors opinion that the foundation does not appear to be performing as intended. The inspector recommends contacting a structural engineer to evaluate as the inspector believes that the structure is possibly unsafe for usage

REI 7-4 (04/2014) Page 5 of 32

APPLICATION MATERIALS
INSPECTION REPORT

Arsenal Inspection Services 1920 Hickory St, Houston, Texas

I=Inspected NI=Not Inspected NP=Not Present D=Deficient

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Could not fully inspect the crawlspace of the foundation due to an adequate access or clearance to the crawlspace. Access should be at least 18 inches we only have nine available.

From the inspectors vantage point, there appears to be radical shifting of the piers supporting the beams for the foundation of the structure causing significant movement and damage to the walls of exterior interior of the structure




Piers appear to be shifting

Termite shields missing between piers and the beams

REI 7-4 (04/2014) Page 6 of 32

Arsenal Inspection Services 1920 Hickory St, Houston, Texas

I=Inspected NI=Not Inspected NP=Not Present D=Deficient

I	NI	NP	D
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Piers appear to be shifting

Piers appear to be shifting




Flooring is not level

Flooring is not level

REI 7-4 (04/2014) Page 7 of 32

APPLICATION MATERIALS

INSPECTION REPORT

Arsenal Inspection Services 1920 Hickory St, Houston, Texas

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B. Grading and Drainage

Comments:

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Items noted during the visual inspection that require comment, are in need of repair, adjustment, restoration, continuation of the due diligence process and/or servicing or items noted for information include but are not limited to:

Information Notes: With slab foundations, the soil should be kept at 4 inches below the brickledge, 6 inches for siding. The final grade should slope away from the house at a rate of 6 inches in ten feet. Inadequate clearance can allow water to enter through the weep holes causing interior damages. Please note that grading and drainage was examined around the foundation perimeter only. Grading and drainage at other areas of the property are not included within the scope of this inspection. Proper clearance will also help in detecting wood destroying insects if they try to enter from a visible point outside the home. High soil around a home is conducive for wood destroying insects. Extensive vegetation next to the home or growing on the home can promote moisture damage and wood deterioration to the siding and structure. It is recommended to keep all vegetation away from the home to allow for proper ventilation between the home and vegetation.

Vegetation too close to structure.

Excessive vegetation growing on the sides of the structure, this vegetation contains moisture that can damage the structure

Recommend contacting a landscaping specialist to evaluate the improvement of grading and drainage

REI 7-4 (04/2014) Page 8 of 32

Arsenal Inspection Services 1920 Hickory St, Houston, Texas

I=Inspected NI=Not Inspected NP=Not Present D=Deficient

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Excessive vegetation growing on the sides of the structure, this vegetation contains moisture that can damage the structure

Excessive vegetation growing on the sides of the structure, this vegetation contains moisture that can damage the structure

Vegetation too close to structure.

Vegetation too close to structure.

REI 7-4 (04/2014) Page 9 of 32

APPLICATION MATERIALS
INSPECTION REPORT

Arsenal Inspection Services 1920 Hickory St, Houston, Texas

I=Inspected NI=Not Inspected NP=Not Present D=Deficient

I	NI	NP	D
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Excessive vegetation in the yard

REI 7-4 (04/2014) Page 10 of 32

Arsenal Inspection Services 1920 Hickory St, Houston, Texas

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C. Roof Covering Materials

Type(s) of Roof Covering:
 • Composition shingles noted.
 Viewed From:
 • Roof
 • Ladder
 • Ground with Binoculars
 Comments:

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Items noted during the visual inspection that require comment, are in need of repair, adjustment, restoration, continuation of the due diligence process and/or servicing or items noted for information include but are not limited to:

- Flashing is bent
- Flashing is lifting
- Flashing rusted
- Lifting at seams
- Roof is weathered
- Shingles lifting
- Broken shingles
- Deteriorated shingles
- Areas of the roof have been patched.
- Deteriorated soffits
- Deteriorated fascia boards
- Awning for the main entrance to the structure is severely damaged and appears to be only held in place by the gutter that is strapped to the stairway/entrance ramp to the main entrance.
- B vent for the heating system does not extend high enough above the roof covering of the structure

REI 7-4 (04/2014) Page 11 of 32

APPLICATION MATERIALS
INSPECTION REPORT

Arsenal Inspection Services 1920 Hickory St, Houston, Texas

I=Inspected NI=Not Inspected NP=Not Present D=Deficient

I	NI	NP	D
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Flashing is lifting

Deteriorated fascia boards

Lifting at seams

Deteriorated shingles

REI 7-4 (04/2014) Page 12 of 32

Arsenal Inspection Services 1920 Hickory St, Houston, Texas

I=Inspected NI=Not Inspected NP=Not Present D=Deficient

I	NI	NP	D
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Areas of the roof have been patched.

Deteriorated shingles

Flashing is lifting

B vent for the heating system does not extend high enough above the roof covering of the structure

REI 7-4 (04/2014) Page 13 of 32

APPLICATION MATERIALS
INSPECTION REPORT

Arsenal Inspection Services 1920 Hickory St. Houston, Texas

I=Inspected NI=Not Inspected NP=Not Present D=Deficient

I NI NP D



B vent for the heating system does not extend high enough above the roof covering of the structure

I NI NP D

D. Roof Structure and Attics

Viewed From:
• Attic

Approximate Average Depth of Insulation:
• Bait Insulation Present
• No vertical insulation present in the attic

Comments:

All deficient items in need of attention are listed in RED, items noted for information listed in BLACK. Deficiencies of note requiring special attention are preceded and followed by asterisks. All findings are as of the date and time of the inspection. Property conditions change with time and use.

Items noted during the visual inspection that require comment, are in need of repair, adjustment, restoration, continuation of the due diligence process and/or servicing or items noted for information include but are not limited to:

Ridgeboard is smaller than the rafters attached to it, recommend adding an extension to support the rafters for the roof.

There is some evidence pointing to the rafters slightly twisting and rotating due to lack of support from a smaller ridgeboard

Roof decking appears damaged in certain areas

Ladder for attic access is damaged.

REI 7-4 (04/2014) Page 14 of 32

Arsenal Inspection Services 1920 Hickory St. Houston, Texas

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I NI NP D



Ridgeboard is smaller than the rafters attached to it, recommend adding an extension to support the rafters for the roof.

There is some evidence pointing to the rafters slightly twisting and rotating due to lack of support from a smaller ridgeboard



Roof decking appears damaged in certain areas, could be insect related.

Roof decking appears damaged in certain areas could be insect related.

REI 7-4 (04/2014) Page 15 of 32

APPLICATION MATERIALS
INSPECTION REPORT

Arsenal Inspection Services 1920 Hickory St, Houston, Texas

I=Inspected NI=Not Inspected NP=Not Present D=Deficient

I	NI	NP	D
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Roof decking appears damaged in certain areas



Ladder for attic access is damaged.

REI 7-4 (04/2014) Page 16 of 32

Arsenal Inspection Services 1920 Hickory St, Houston, Texas

I=Inspected NI=Not Inspected NP=Not Present D=Deficient

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E. Walls (Interior and Exterior)

Wall Materials:

- Exterior walls are made of wood
- Interior walls are made of Drywall
- Interior walls are made of paneling

Comments:

All deficient items in need of attention are listed in RED, items noted for information listed in BLACK. Deficiencies of note requiring special attention are preceded and followed by asterisks. All findings are as of the date and time of the inspection. Property conditions change with time and use.

Items noted during the visual inspection that require comment, are in need of repair, adjustment, restoration, continuation of the due diligence process and/or servicing or items noted for information include but are not limited to:

Observed the presence of an organic fungal growth, mold like in appearance, recommend further investigation by a qualified state licensed Mold Assessment Consultant.

Exterior walls are deteriorated in some places, most likely due to moisture and in some cases possible insect damage.

Damaged exterior panels to the siding, appears to be moisture related.

Panels of the exterior siding are missing

Some panels on the exterior siding are loose and can allow moisture to penetrate the inside of the structure

A section of siding is missing and the structures only protected by the vapor barrier placed to prevent water from entering the structure

Large cracks in the interior walls

Walls are separating at the corners due to significant movement of the structure

REI 7-4 (04/2014) Page 17 of 32

APPLICATION MATERIALS
INSPECTION REPORT

Arsenal Inspection Services 1920 Hickory St, Houston, Texas

I=Inspected NI=Not Inspected NP=Not Present D=Deficient

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Large cracks in the interior walls

Large cracks in the interior walls

Large cracks in the interior walls

Walls are separating at the corners due to significant movement of the structure

REI 7-4 (04/2014) Page 18 of 32

Arsenal Inspection Services 1920 Hickory St, Houston, Texas

I=Inspected NI=Not Inspected NP=Not Present D=Deficient

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Damaged exterior panels to the siding, appears to be moisture related.

Panels of the exterior siding are missing

Exterior walls are deteriorated in some places, most likely due to moisture and in some cases possible insect damage.

Some panels on the exterior siding are loose and can allow moisture to penetrate the inside of the structure

REI 7-4 (04/2014) Page 19 of 32

APPLICATION MATERIALS
INSPECTION REPORT

Arsenal Inspection Services 1920 Hickory St, Houston, Texas

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I NI NP D



Panels of the exterior siding are missing

A section of siding is missing and the structures only protected by the vapor barrier placed to prevent water from entering the structure



Observed the presence of an organic fungal growth, mold like in appearance, recommend further investigation by a qualified state licensed Mold Assessment Consultant.



Observed the presence of an organic fungal growth, mold like in appearance, recommend further investigation by a qualified state licensed Mold Assessment Consultant.

REI 7-4 (04/2014) Page 20 of 32

Arsenal Inspection Services 1920 Hickory St, Houston, Texas

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I NI NP D

F. Ceilings and Floors

Ceiling & Floor Materials:

- Ceiling is made of drywall
- Ceiling has tile squares on it

Comments:

All deficient items in need of attention are listed in RED, items noted for information listed in BLACK. Deficiencies of note requiring special attention are preceded and followed by asterisks. All findings are as of the date and time of the inspection. Property conditions change with time and use.

Items noted during the visual inspection that require comment, are in need of repair, adjustment, restoration, continuation of the due diligence process and/or servicing or items noted for information include but are not limited to:

Observed the presence of an organic fungal growth, mold like in appearance, recommend further investigation by a qualified state licensed Mold Assessment Consultant.

Large areas of the ceiling in the main area of the structure have collapsed

Sections of drywall and all area have caved in due to moisture

Floors are not level. Indicates possible movement of the foundation.



Observed the presence of an organic fungal growth, mold like in appearance, recommend further investigation by a qualified state licensed Mold Assessment Consultant.



Observed the presence of an organic fungal growth, mold like in appearance, recommend further investigation by a qualified state licensed Mold Assessment Consultant.

REI 7-4 (04/2014) Page 21 of 32

APPLICATION MATERIALS
INSPECTION REPORT

Arsenal Inspection Services 1920 Hickory St, Houston, Texas

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Sections of drywall and all area have caved in due to moisture

Large areas of the ceiling in the main area of the structure have collapsed

Large areas of the ceiling in the main area of the structure have collapsed

Floors are not level. Indicates possible movement of the foundation.

REI 7-4 (04/2014) Page 22 of 32

Arsenal Inspection Services 1920 Hickory St, Houston, Texas

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Observed the presence of an organic fungal growth, mold like in appearance, recommend further investigation by a qualified state licensed Mold Assessment Consultant.

G. Doors (Interior & Exterior)

Comments:

All deficient items in need of attention are listed in RED, items noted for information listed in BLACK. Deficiencies of note requiring special attention are preceded and followed by asterisks. All findings are as of the date and time of the inspection. Property conditions change with time and use.

Items noted during the visual inspection that require comment, are in need of repair, adjustment, restoration, continuation of the due diligence process and/or servicing or items noted for information include but are not limited to:

Main entrance doors to the main interior area of the structure do not close properly

Door to the office area gets hung on the floor area from where the foundation has shifted

Rear exterior door does not close properly

REI 7-4 (04/2014) Page 23 of 32

APPLICATION MATERIALS
INSPECTION REPORT

Arsenal Inspection Services 1920 Hickory St. Houston, Texas

I=Inspected NI=Not Inspected NP=Not Present D=Deficient

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Main entrance doors to the main interior area of the structure do not close properly

Door to the office area gets hung on the floor area from where the foundation has shifted



Rear exterior door does not close properly

REI 7-4 (04/2014) Page 24 of 32

Arsenal Inspection Services 1920 Hickory St. Houston, Texas

I=Inspected NI=Not Inspected NP=Not Present D=Deficient

I	NI	NP	D
X			X

H: Windows

Window Types:

- Stationary style windows
- Windows are made of wood

Comments:

All deficient items in need of attention are listed in RED, items noted for information listed in BLACK. Deficiencies of note requiring special attention are preceded and followed by asterisks. All findings are as of the date and time of the inspection. Property conditions change with time and use.

Items noted during the visual inspection that require comment, are in need of repair, adjustment, restoration, continuation of the due diligence process and/or servicing or items noted for information include but are not limited to:

Broken Window(s)

Frames around some windows are severely deteriorated due to moisture penetration



Broken Window(s)

Broken Window(s)

REI 7-4 (04/2014) Page 25 of 32

APPLICATION MATERIALS
INSPECTION REPORT

Arsenal Inspection Services 1920 Hickory St. Houston, Texas

I=Inspected NI=Not Inspected NP=Not Present D=Deficient

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Broken Window(s)



Frames around some windows are severely deteriorated due to moisture penetration

I. Stairways (Interior & Exterior)
Comments:

J. Fireplaces and Chimneys
Locations:
Types:
Comments:

K. Porches, Balconies, Decks, and Carports
Comments:

L. Other
Materials:
Comments:

II. ELECTRICAL SYSTEMS

A. Service Entrance and Panels
Panel Locations:
Materials & Amp Rating:
Comments:
Not inspected per clients request

REI 7-4 (04/2014) Page 26 of 32

Arsenal Inspection Services 1920 Hickory St. Houston, Texas

I=Inspected NI=Not Inspected NP=Not Present D=Deficient

I	NI	NP	D
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

B. Branch Circuits, Connected Devices, and Fixtures
Type of Wiring:
Comments:
Not inspected per clients request

III. HEATING, VENTILATION AND AIR CONDITIONING SYSTEMS

A. Heating Equipment
Type of Systems:
Energy Sources:
Comments:
Not inspected per clients request

B. Cooling Equipment
Type of Systems:
Comments:
Not inspected per clients request

C. Duct Systems, Chases, and Vents
Comments:
All deficient items in need of attention are listed in RED, items noted for information listed in BLACK. Deficiencies of note requiring special attention are preceded and followed by asterisks. All findings are as of the date and time of the inspection. Property conditions change with time and use.
Items noted during the visual inspection that require comment, are in need of repair, adjustment, restoration, continuation of the due diligence process and/or servicing or items noted for information include but are not limited to:
Cooling and heat are supplied by a duct system. Ducts are a source of indoor air quality contamination and should be cleaned periodically as an investment in your personal environmental hygiene. Environmental evaluations are beyond the scope of this inspection, if you are concerned with the indoor air quality, we recommend contacting a member of the American Society of Industrial Hygienist to perform air quality testing.
Duct system is damaged

REI 7-4 (04/2014) Page 27 of 32

APPLICATION MATERIALS
INSPECTION REPORT

Arsenal Inspection Services 1920 Hickory St. Houston, Texas

I=Inspected NI=Not Inspected NP=Not Present D=Deficient

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Duct system is damaged

IV. PLUMBING SYSTEMS

A. Plumbing Supply, Distribution System and Fixtures
Location of Water Meter:
Location of Main Water Supply Valve:
Comments:
Not inspected per clients request

B. Drains, Wastes, and Vents
Comments:
Not inspected per clients request

C. Water Heating Equipment
Energy Source:
Capacity:
Comments:
Not inspected per clients request

D. Hydro-Massage Therapy Equipment
Comments:

REI 7-4 (04/2014) Page 28 of 32

Arsenal Inspection Services 1920 Hickory St. Houston, Texas

I=Inspected NI=Not Inspected NP=Not Present D=Deficient

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I	NI	NP	D

E. Other
Materials:
Comments:

V. APPLIANCES

A. Dishwashers
Comments:

B. Food Waste Disposers
Comments:

C. Range Hood and Exhaust Systems
Comments:

D. Ranges, Cooktops, and Ovens
Comments:

E. Microwave Ovens
Comments:

F. Mechanical Exhaust Vents and Bathroom Heaters
Comments:

G. Garage Door Operators
Door Type:
Comments:

H. Dryer Exhaust Systems
Comments:

I. Other
Observations:

REI 7-4 (04/2014) Page 29 of 32

APPLICATION MATERIALS

INTERIOR PHOTOS



Front Door - Entrance -



Water damage between beams & back side of Parsonage
appears to be mold



Opposite Side of hallway



Water damage to the wooden ceiling in Parsonage



Water damage on wooden ceiling in the Parsonage



Water damage on wooden ceiling in the Parsonage



Fallen debris from collapsed ceiling - 2011



Debris on floor of Parsonage -



Water damage on wooden ceiling in the Parsonage

APPLICATION MATERIALS

EXTERIOR PHOTOS



2015-02-26
1918-1920 Hickory Street
Mallalieu United Methodist Church
& Parsonage

2015-02-26
1918-1920 Hickory Street
Mallalieu United Methodist Church
& Parsonage



Close up shot



Porch needs to be repaired



Back Side of House



Close up of door - front porch of house



Front porch of building needs to be restored



2015-02-26
1918-1920 Hickory Street
Mallalieu United Methodist Church
& Parsonage



2015-02-26
1918-1920 Hickory Street
Mallalieu United Methodist Church
& Parsonage



2015-02-26
1918-1920 Hickory Street
Mallalieu United Methodist Church
& Parsonage

APPLICATION MATERIALS

INTERIOR PHOTOS



Peeling base of wall - more wall
destruction



Bathroom



Bathroom door



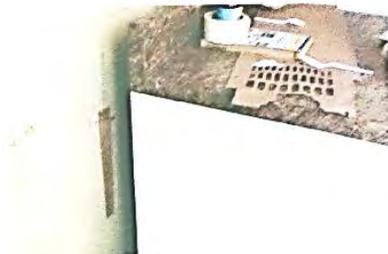
Opposite to the north of the wall



Office - Note damage to the
ceiling



Restroom door



Kitchen door



Kitchen



Kitchen

APPLICATION MATERIALS

INTERIOR PHOTOS



Missing tiles on drop ceiling outside Church



Pattern debris from outside ceiling



Close up of pattern debris



The jagged hole appears to be bursting from walls



Pattern debris from outside ceiling



Significant damage to wall ceiling. Debris on floor below.



More view of jagged hole in ceiling



View of hole in ceiling



Continuation of hole in ceiling - walls

APPLICATION MATERIALS

INTERIOR PHOTOS



Front view of church - existing ceiling - 4/15/15



Same view as - Front of church



Close up view of stone wall and cross - view from back of church (looking forward)



View of ceiling in the back of church



View of ceiling in the back of church (looking forward)



View of ceiling in the back of church (looking forward)



View of ceiling in the back of church



View of ceiling in the back of church



View of ceiling in the back of church

APPLICATION MATERIALS
INTERIOR PHOTOS



Water damage on Church ceiling



Water damage on Church ceiling



Water damage on Church ceiling



Water damage on Church ceiling



Water damage on Church ceiling



Water damage on Church ceiling



Water damage on Church ceiling



Water damage on Church ceiling



Water damage on Church ceiling

APPLICATION MATERIALS

EXTERIOR PHOTOS



Rotten wood & missing Boards - Back of Church



Close up picture - Back of Church



Side of Building



More rotten wood - Side entrance



Rotten wood on back side of Church



Different areas of wall separation on the outside walls - Back of church



What appears to be separator of the outside walls - on side of church



more rotten wood & missing Boards



Back side - Rotten wood & missing Boards

APPLICATION MATERIALS

EXTERIOR PHOTOS



Back entrance of Church



Different side of Church



Side entrance of Church and porch



Front entrance to Church (shown as side entrance) - entrance



Front entrance to Parsonage - entrance - address # -



Walk way leading to front of church



Church entrance -



Side profile of Church



Side view picture of side of Church

STAFF PHOTOS



STAFF PHOTOS



STAFF PHOTOS



STAFF PHOTOS



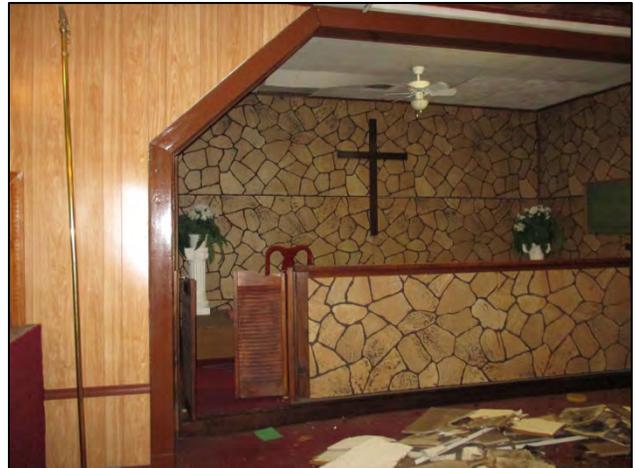
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STAFF PHOTOS



STAFF PHOTOS



STAFF PHOTOS



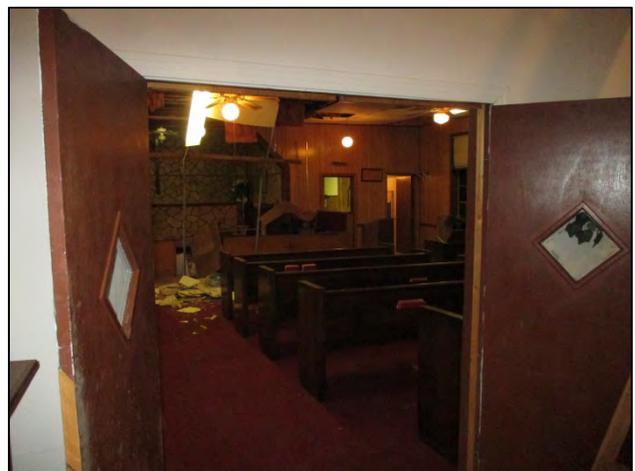
STAFF PHOTOS



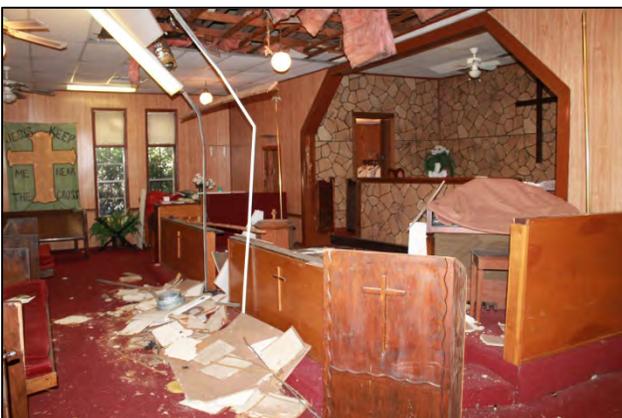
STAFF PHOTOS



STAFF PHOTOS



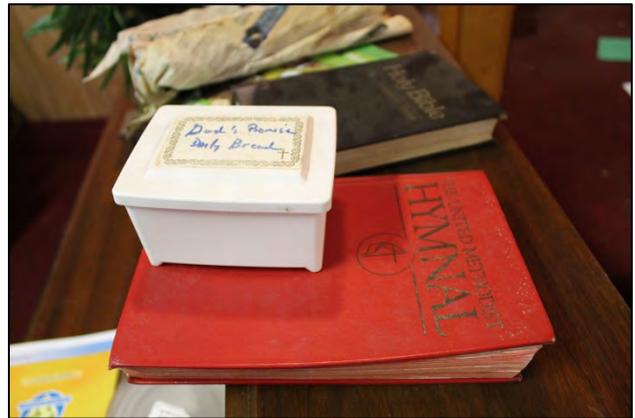
STAFF PHOTOS



STAFF PHOTOS



STAFF PHOTOS



APPLICATION MATERIALS
REHABILITATION COSTS

Bishop Building Company

1335 Tulane * Houston, Texas 77008 * 713-819-3847 * Fax 713-862-1205

Date : October 29th 2014

Job #: Hickory114

Company: Hickory Church
1920 Hickory
Houston, Texas

Bishop Building Company would like to offer this proposal for work to be done at - "1920 Hickory"

Plans, Permit & Insurance - \$ 9,000.00

- Permits for this project
- Maintain General liability, and workers Compensation Insurance for this Project.

Demolition - \$ 60,000.00

- Remove all drywall, rotten wood framing, shingles, and siding.
- Remove all wiring.
- Remove all plumbing pipes.
- Remove all debris from project.

Wood Framing - \$ 176,000.00

- Complete structural framing repairs, floor, wall, ceiling, and roof.
- Remove rotten base plates, and studs due to water damage to exterior wall. Install new base plates, and add sister studs to the existing studs to complete repair of entire exterior.
- Replace all floor joist.
- Replace all floor decking.
- Replace all structural studs, plates, and joist.
- Install new hardie siding through out exterior.
- Install all new Windows, and doors to match.

Roofing - \$ 34,000.00

- Install #15 felt to decking.
- flash all Valleys with galvanized Metal.
- Install 30 year Elk Prestige 1 Composition shingles.

**APPLICATION MATERIALS
REHABILITATION COSTS**

Plumbing – \$ 45,000.00

- Complete new ground up rough in per national Codes.
- Install all new water lines, and drains.
- Install all new plumbing fixtures, provided in this proposal.

Electrical - \$ 56,000.00

- Complete home rewire per national Codes.
- Install owner provided Light fixtures.
- Trim out all switches, and plugs included in price.

HVAC - \$ 46,000.00

- Remove all existing duct work, and replace with G-Km Thermaflex flexible duct through out.
- Change out 8 Register boxes as discussed.
- Reinstall remaining register boxes that were not installed correctly.
- Relocate Return Air as discussed.

Flooring - \$ 48,000.00

- Remove all carpet
- Sand, Stain, and finish 2nd floor existing 2x6 subflooring.
- Install laminated wood flooring through out first floor.

Insulation - \$ 22,000.00

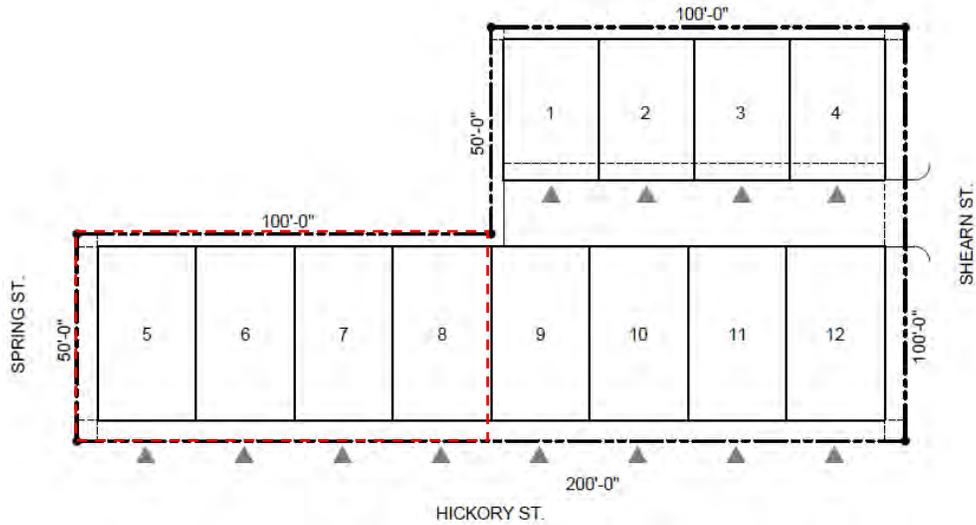
- Install R-19 in walls, and ceilings.
- Install R-30 in floor joist.

Painting & Drywall – \$ 64,000.00

- Provide & Install all missing drywall, and drywall needed to complete new framing through out house.
- Skim, float, sand, and finish all new drywall, and drywall repairs.
- Prep, prime, and paint all interior walls, and ceilings, and trim work through out house with 2 coats of Sherwin Williams Paint or better.

Proposal Total – 560,000.00

APPLICATION MATERIALS
FUTURE PLANS FOR SITE



APPLICATION MATERIALS

FUTURE PLANS FOR SITE



APPLICATION MATERIALS
FUTURE PLANS FOR SITE



Townhouse plans that are planned for the site after the church is demolished

1. I have sent you plans to build 12 townhouse.

- Cost of the townhouses planned for the site after the church is demolished

2. I sent you the cost of the 12 townhouse

- Evidence of consideration for adaptive reuses of the property

3. We will be building 12 single family townhouse on the site

- Plans for reuse and salvage existing materials

material will be deposited of.

12 homes 2,400 SF each. Estimated construction cost \$110/SF

APPLICATION MATERIALS
NON-PROFIT COST COMPARISON

Dec. 2, 2014

To; City of Houston Planning & Development Department;

This is in reference to Mallalieu United Methodist CHURCH, Located @ 1918 & 1920 Hickory St.
Houston, Tx.

n References to the CERIFICATE OF APPROPRIATENESS APPLICATION

PART 11.D CHECKLIST and FORM; DEMOLITION

Informational 54 Material

10. If applicant is nonprofit Organization, provide the following additional written information.

The Church is no longer exist, Therefore ,there is no Cost Comparison.



Ethel Braxton, Mallalieu United Methodist Church

PROJECT DETAILS

Proposal: The applicant proposes to demolish the Mallalieu United Methodist Church and attached Parsonage located at 1918-1920 Hickory Street. The applicant states that the structure is in severe disrepair. The structures have not been in use as a church for several years. The congregation had previously moved their services to neighboring churches and has since become defunct. The property was put up for sale within the last year.

Inspection Report: Many of the issues that the inspection report uncovered may be related to foundation problems. Due to the radial shifting of the existing foundation piers, significant movement and damage to the walls of the exterior and interior of the structure has occurred. The property inspection report notes that the foundation does not appear to be performing as intended and recommends contacting a structural engineer.

In addition to the foundation issues, portions of the building's protective envelope, including missing or broken flashing, roof shingles, siding, fascia boards, and soffits, have been compromised or lost, which has left the structure open to the elements resulting in water infiltration and deterioration, including cracked walls, uneven floors, and mold growth. Much of this damage may have been caused by deferred maintenance.

See Property Inspection Report (*Attachment C*) for more detail.

Assessment / Appraisal Value: The property is not assessed by the Harris County Tax Assessor because of its non-profit status. A certified property appraiser appraised the structures and determined that the market value of the two connected buildings was \$0.00. It was noted that "the property is in poor condition. Due to condition, the existing improvements are considered to have no contributory value."

See Title Report (*above*), HCAD Assessed Value (*above*), and Certified Appraisal of the Property (*Attachment A*) for more detail.

Rehabilitation Cost: An itemized cost estimate for rehabilitation of the two connected buildings was provided. The cost estimate indicates that the total rehabilitation of the structures would be \$560,000.00.

See Rehabilitation Costs (*above*)

Sale of Property: The property was put up for sale by the Church last year and has a buyer. The date of the closing is indicated as October 15, 2014 or "will be extended if necessary to remove church from Historic Preserva[tion]." The listing price is \$1,000,000.00 and the sale price is \$680,000.00.

See Real Estate Contract (*Attachment B*) for more detail.

Proposed Plans: Once the church is demolished, the applicant proposes to construct 12 single family townhouses. Each townhouse will be four stories tall and contain 2,400 square feet (at an estimated construction cost of \$110.00 per square foot). This would be a total construction cost of approximately \$3,168,000.00. The existing materials will not be reused or salvaged and will be disposed of.

See Future Plans for Site (*above*) for more detail.

Houston Archaeological & Historical Commission

February 26, 2015

HPO File No. 150201

ITEM B.2

1918-1920 Hickory Street

Landmark: Mallalieu United Methodist

Church and Parsonage

ATTACHMENT A

CERTIFIED APPRAISAL OF THE PROPERTY



**REAL ESTATE APPRAISAL REPORT
ORAL PRESENTATION**

PREPARED FOR

**INTERFACE INVESTMENTS
1920 HICKORY STREET
HOUSTON, TEXAS 77007**

ATTN.: MR. THOMAS R. BERSCH

OF THE

**BUILDING STRUCTURES LOCATED @
1920 HICKORY STREET
WITHIN THE CITY OF HOUSTON
IN HARRIS COUNTY, TEXAS
(MALLALIEU UNITED METHODIST CHURCH)**

BY

**PROPERTY ANALYST, INC.
2480 TIMES BOULEVARD, SUITE 203-B
HOUSTON, TEXAS 77005
(713) 526-4850**

**EFFECTIVE DATE OF APPRAISAL:
OCTOBER 28, 2014**

PROPERTY ANALYST, INC.

Houston ♦ Dallas ♦ Laredo ♦ San Antonio

October 29, 2014

Interface Investments
1920 Hickory Street
Houston, Texas 77007

Attn.: Mr. Thomas R. Bersch

Re: Appraisal of the building structures located @ 1920 Hickory Street, within the City of Houston, in Harris County, Texas (Mallalieu United Methodist Church)

Dear Mr. Ellison:

At your request and authorization, we have completed an appraisal report on an appraisal of the above referenced property. The purpose of the accompanying appraisal is to estimate the market value of the fee simple interest in the above referenced property under market conditions prevailing on October 28, 2014, the site visit date.

The appraisal was completed in conformance with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; the requirements of the Texas Appraisal Licensing and Certification Board; and the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by The Appraisal Foundation. Unless otherwise noted, all definitions and methodologies employed within the report can be found in *The Appraisal of Real Estate*, 14th edition, or *The Dictionary of Real Estate Appraisal*, 5th edition, published by the Appraisal Institute.

Based on the investigation and the analyses of the subject property, and subject to the definitions, assumptions, and limiting conditions, it is our opinion that the market value of the fee simple interest in subject property, as of October 28, 2014, is as follows:

NO VALUE

\$0

This restricted appraisal report is intended to comply with the reporting requirements set forth under all of Standards Rule 2-2 of the Uniform Standards of Professional Appraisal Practice for a restricted appraisal report. *This report is not intended for any other use or by others than*

Re: 1920 Hickory Street, Houston, Tx.

October 29, 2014

Page 2

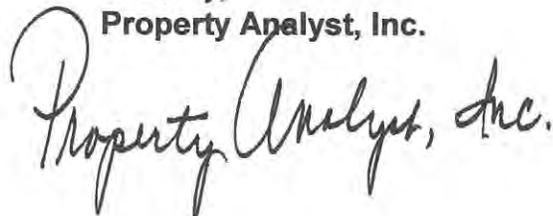
the client, and is to be used primarily by the client for internal decision-making purposes regarding asset allocation. A reader of this report may not fully understand the appraisal without additional information that is in the appraiser's workfile.

It should specifically be noted that the foregoing market value estimate is based on the assumption that the subject property is not negatively affected by the existence of hazardous substances deposited thereupon by present or previous owners of the subject site or detrimental environmental conditions. As part of appraisal process, the appraisal of the subject property was based on an *Inspection Report* that was recently prepared by Arsenal Inspection Services of Houston, Texas. As stated in that *Inspection Report* 'No environmental inspections of any kind were performed during this inspection. Even if comments are made regarding certain aspects or issues, inspections and/or any determination of the presence or possible dangers of materials organisms or microbial organisms including, but not limited to asbestos, lead, formaldehyde, mildew, molds, fungi, etc. are specifically excluded from the inspection and from this report. If you have any concerns over the presence or possible future growth of any of these type items, you should, as part of your due diligence, have the environmental inspections of your choice performed on the house prior to closing.' The appraiser has also not taken into account any affects regarding the presence or lack of presence regarding these potential issues. Should an inspection or tests be made by a professional qualified in this area and such an inspection revealed the existence of hazardous substances and/or detrimental environmental conditions, the market value estimated herein may not be valid.

Assuming adequate exposure and normal marketing efforts: the estimated exposure time (i.e., the length of time the subject property would have been exposed for sale in the market had it sold at the market value concluded in this analysis as of the date of this valuation) would have been within about 12 months; the estimated marketing time (i.e., the amount of time it would probably take to sell the subject property if exposed in the market beginning on the date of this valuation) is estimated to be within about 12 months.

This transmittal letter and following certification of appraisal are a part of the oral given Appraisal Report, describing the subject property and containing the reasoning and pertinent data leading to the opinion of value. Your attention is directed to the *General Assumptions and Limiting Conditions* which are considered usual for this type assignment and have been included at the beginning of the report. Also, please consult the *Extraordinary Assumptions and Limiting Conditions* that have been included solely for this assignment. A copy of this report, along with the working papers from which it was prepared, have been retained in our files.

Sincerely,
Property Analyst, Inc.

A handwritten signature in black ink that reads "Property Analyst, Inc." in a cursive script.

File #14-82

CERTIFICATION OF APPRAISER

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

To the best of our knowledge and belief, the statements of fact contained in this appraisal report, upon which the analysis, opinions, and conclusions expressed herein are based, are true and correct.

My compensation for completing the 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 estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved; any specified interest or bias has not affected the impartiality of my opinions and conclusions.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice¹.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions, and conclusions.

I have made a personal inspection of the property that is the subject of this report.

In addition to the undersigned, N/A has provided assistance in collecting, verifying and analyzing data.

I certify that, to the best of our knowledge and belief, 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 Practice of the Appraisal Institute.

I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its authorized representatives.

The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

The values expressed in this report are not based in whole or part upon race, color, or national origin of the current/prospective owners or occupants.

No pertinent information has knowingly been withheld. No single item of information was completely relied upon to the exclusion of the other information and all data was analyzed within the framework of our judgment, knowledge, and experience.

This appraisal report sets forth all of the limiting conditions (imposed by the terms of our assignment or by the undersigned) affecting the analysis, opinions, and conclusions contained in this report. The analyses, opinions, and conclusions contained herein are the personal, unbiased, professional opinions and conclusions of the appraiser.

I have not performed consulting 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.

LOCATION:

1920 Hickory Street, Houston, Texas, 77007



Bryan P. Muecke, CRA
State Certified General Real Estate Appraiser
TX-1321637-G

**QUALIFICATIONS OF APPRAISER
BRYAN P. MUECKE, CRA
APPRAISAL EXPERIENCE**

A Native Texan and longtime Houstonian, I graduated from the University of Texas @ Austin with a Bachelors of Business Administration with an emphasis in Finance. Upon graduation, I spent five years building a national network of professional contacts as a paid professional for a national men's fraternity as well as being the Interfraternity Council Advisor at the University of Texas @ Austin. During that previous employment period, I visited nearly 50 colleges and universities in the United States addressing college students and alumni on various collegiate topics, including risk management, membership recruitment and fund-raising. Subsequently, I began my professional career as a real estate valuation specialist and consultant spans that spans over thirty-one years. In 1991, I joined Property Analyst, Inc. where I am a Senior Appraiser and a Principal of the firm.

Assignments throughout my career have included a wide variety of property types throughout the United States. Involved in valuation and counseling for all types of properties, I have been recently most active in the appraisal of industrial properties. Notable recent assignments include forty-two Merchants Fast Motor Lines Truck Terminals in Colorado, New Mexico, Oklahoma and Texas; White Swan Refrigerated Warehouse, Houston, Texas; Marathon Oil Tower, Houston, Texas; Bank One Tower, Houston, Texas; Executive Inn, Albuquerque, New Mexico; ExxonMobil Stations in New York and New Jersey; and Hilton Hotel, Beaumont, Texas. A representation of other career assignments follows:

INVESTMENT GRADE PROPERTIES: High-rise office buildings; office/service/warehouse developments; heavy manufacturing complexes; distribution/storage facilities; mini-warehouses; regional malls; shopping centers; retail stores; convenience stores; multi-family apartment projects; mix-use commercial developments; and lodging properties (hotels and motels).

SPECIAL PURPOSE PROPERTIES: Refrigerated warehouses; regional truck terminal chain; automotive service centers; automobile dealerships; car wash facilities; airport hangers; bank facilities; restaurants; farm and ranch land; single-family residential subdivisions; luxury residences; child-care facilities; and college dormitories.

INSTITUTIONAL PROPERTIES: Hospitals; medical and professional office buildings; medical clinics; and retirement communities.

INTANGIBLE ASSETS: Leasehold interests; and going concern values.

I have prepared appraisals for financing, purchase agreements, rental agreements, condemnation and bankruptcy litigation, estate planning, IRS tax liability and feasibility analyses. As a qualified expert, I regularly present data and analyses for tax hearings at appraisal districts, and have testified as an expert in District Court in Fort Bend and Harris Counties. Outside of Texas, I have completed assignments within Arizona, New Mexico, Colorado, Wyoming, Oklahoma, Louisiana, Arkansas, Kansas, Nebraska, Illinois, Florida, New York and New Jersey.

Civically, I am active in many local charities, most notably, Houston Ballet, The March of Dimes, Kyle Chapman Baseball League and City of Bellaire Basketball League. I am a member of the National Association of Review Appraisers.

REAL ESTATE APPRAISED

The subject property includes small church building structures located at the northwest corner of Hickory Street and Shearn Street, within the City of Houston, in Harris County, Texas. The mailing address is 1920 Hickory Street, Houston, Texas, 77007. The legal description is contained in *Exhibit A* of the *Addendum*.

ASSETS APPRAISED

Assets appraised includes only the real estate that comprises the subject property, as physically and legally described. *The assets appraised do not include any moveable furniture, fixtures, or equipment. The valuation of these items are beyond the scope of this assignment.*

REAL PROPERTY INTEREST APPRAISED

The property rights appraised include those inherent in the fee simple estate. This property is appraised as a surface estate only and free and clear of any liens and encumbrances. As a title policy was not provided the appraiser which would delineate any liens or encumbrances, this may or may not be the case.

DEFINITION OF INTEREST APPRAISED

Fee Simple Estate is defined 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."

(Source: *The Dictionary of Real Estate Appraisal*, 5th edition, Appraisal Institute)

PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to estimate the market value of the fee simple interest in the subject property, under market conditions prevailing on October 28, 2014, the site visit date.

INTENDED USE OF THE REPORT

It is our understanding that this report will be primarily used by the client, Interface Investments, to assist internal decision-making purposes regarding asset allocation.

DEFINITION OF VALUE ESTIMATED

Market Value is defined as:

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

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

(Source: *The Dictionary of Real Estate Appraisal*, 5th edition, Appraisal Institute)

The value conclusion of this report is expressed in terms of cash.

EFFECTIVE DATE OF THE APPRAISAL

The effective date of the appraisal is October 28, 2014, the site visit date.

DATE OF THE REPORT

The date of this report is October 29, 2014.

SCOPE OF APPRAISAL

The scope of the appraisal requires compliance with the Uniform Standards of Professional Appraisal Practice promulgated by the Appraisal Standards Board of Appraisal Foundation (including Appraisal Institute). The standards contain rules that must be followed and specific guidelines that deal with the procedures to be followed in developing an appraisal, analysis, or opinion. These uniform standards set the requirements to communicate the appraiser's analyses, opinions, and conclusions in a manner that will be meaningful and not misleading in the marketplace.

A restricted appraisal report on the subject property has been prepared. The subject data such as size, location, quality, and zoning are considered. Market data (search period primarily from 1/14 to 10/14, within and near the immediate area of the subject property) including primary and secondary market data as well as sales and supply and demand are among the items researched, analyzed and presented. The data is used to consider the highest and best use of the subject property and to conclude opinion of market value.

The appraiser lacks the knowledge and experience with respect to the detection and measurement of hazardous substances. Furthermore, it should specifically be noted that the foregoing market value estimate is based on the assumption that the subject property is not negatively affected by the existence of hazardous substances deposited thereupon by present or previous owners of the subject site or detrimental environmental conditions. As part of appraisal process, the appraisal of the subject property was based on an *Inspection Report* that was recently prepared by Arsenal Inspection Services of Houston, Texas. As stated in that Inspection Report 'No environmental inspections of any kind were performed during this inspection. Even if comments are made regarding certain aspects or issues, inspections and/or any determination of the presence or possible dangers of materials organisms or microbial organisms including, but not limited to asbestos, lead, formaldehyde, mildew, molds, fungi, etc. are specifically excluded from the inspection and from this report. If you have any concerns over the presence or possible future growth of any of these type items, you should, as part of your due diligence, have the environmental inspections of your choice performed on the house prior to closing.' The appraiser has also not taken into account any affects regarding the presence or lack of presence regarding these potential issues. Should an inspection or tests be made by a professional qualified in this area and such an inspection revealed the existence of hazardous substances and/or detrimental environmental conditions, the market value

estimated herein may not be valid.

The documentation necessary to arrive at the value is considered in this appraisal report. The market data has been collected, confirmed, and analyzed. Comparable sales were chosen for their potential similarity in highest and best use as outlined within the report. All sales data were analyzed and compared to the subject property based on their similarities and dissimilarities. In addition to local sources, cost data was obtained from *Marshall Valuation Service*, a nationally recognized cost estimating service as well as from the local market. The cost data presented in *Marshall Valuation Service* is based on over sixty years of valuation experience involving thousands of appraisals and continual analysis of the costs of new buildings. These approaches are considered and judged in reaching final estimate of value.

The appraiser has certified himself have complied with the Competency Provision in the *Certification of Appraiser*.

This restricted appraisal report format includes brief descriptions of all pertinent data, descriptions and discussions germane to the appraisal of the subject property, essentially there is a minimal presentation of information. A copy of this report and the data included herein have been retained in our files. *This report is not intended for any other use or by others than the client, and is to be used primarily by the client for internal decision-making purposes regarding asset allocation. A reader of this report may not fully understand the appraisal without additional information that is in the appraiser's workfile.* The presentation of this appraisal report is similar to the *Restricted Use* appraisal report format utilized by appraisers previous to 2014.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following limiting conditions. Those utilizing this report in any manner bind themselves to accept the assumptions and limiting conditions. These conditions are a part of the appraisal report and a preface to any certification, definition, fact or analysis, and are intended to establish as a matter of record that the appraiser's function is to provide a present market value indication for the subject property.

The liability of Property Analyst Inc., employees and affiliated independent contractors, is limited to the client only and to the fee actually received by appraiser (total per appraisal). If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussion. The Appraiser(s) is in no way responsible for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and/or

legally.

Possession of this report or any copy thereof does not carry with it the right of publication, nor may it be used for other than its intended use. The physical report(s) remain the property of the Appraiser(s) for the use of the client, the fee being for the analytical services only. Except as hereinafter provided, the client may distribute copies of this appraisal report in its entirety to such third parties as he may select. However, selected portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of this appraisal report. Neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relation, news, sales, or other media for public communication without the prior written consent of the appraiser(s).

All conclusions and opinions concerning the analysis as set forth in the report were prepared by the Appraiser(s) whose signature(s) appear on the appraisal report, unless indicated as "Review Appraiser". No change of any item in the report shall be made by anyone other than the Appraiser(s). The Appraiser(s) and firm shall have no responsibility if any such unauthorized change is made.

This appraisal consists of "trade secrets and commercial or financial information" which is privileged and confidential and exempted from disclosure under 5 U.S.C. 551 (b) (4). No responsibility is assumed for accuracy of information furnished by work of others, the client, his designee, or public records. Be advised that some of the people associated with Property Analyst, Inc. and possibly signing the report are independent contractors. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit or other source thought reasonable; all are considered appropriate for inclusion to the best of our factual judgement and knowledge.

The contract for appraisal, consultation, or analytical service is fulfilled, and the total fee is payable upon completion of the report. The Appraiser(s) or those assisting in preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal, in full or in part, nor engage in post appraisal consultation with client or third parties except under separate and special arrangement and at additional fee. If testimony or deposition is required because of any subpoena, the client shall be responsible for any additional time, fees, and charges regardless of issuing party.

The sketches and maps are included to assist the reader in visualizing the property and are not necessarily to scale. Various photos, if any, are included for the same purpose. Site plans are not surveys unless shown from separate surveyor.

The Appraiser(s) and/or firm has no responsibility for matters legal, architectural, structural, mechanical, or engineering in nature or character. No opinion is rendered as to the title, which is presumed to be good and merchantable. The property is appraised as if free and clear, unless otherwise stated in the report. The legal description is assumed to be correct as used in the report as furnished by the client, his designee, or as derived by the Appraiser(s).

The Appraiser(s) has (have) inspected as far as possible, by observation, the land and improvements. We have not critically inspected mechanical components within the improvements and no representations are made herein as to these matters unless specifically stated in the report. The soil appears firm, however, subsidence in the area is unknown. The Appraiser(s) do not warrant against this condition or occurrence of problems arising from soil conditions.

The appraisal is based on there being no hidden, unapparent, or apparent detrimental conditions of the property including toxic materials, urea-formaldehyde foam insulation, asbestos, contaminated soils/subsoils or any other toxic substance or environmental hazard which would render it more or less valuable. The appraisers and firm have no responsibility for such conditions or for any expertise or engineering to discover them. All mechanical components are assumed to be in operable condition and standard for properties of the subject type. Conditions of heating, cooling, ventilating, electrical, and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. No judgement may be made by us as to adequacy of insulation, type of insulation, or energy efficiency of the improvements or equipment.

If the Appraiser(s) has (have) not been supplied with termite inspection, survey, or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained.

The Appraiser(s) has (have) no responsibility for any costs or consequences arising due to the need or the lack of need for flood hazard insurance. An Agent, for the Federal Flood Insurance Program should be contacted. The lender or owner may wish to require professional legal, mechanical, or structural inspections.

The appraisal is based on the premise that, there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the report; further, that all applicable zoning, building codes, use regulations and restrictions of all types have been complied with unless otherwise stated in the report; further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal, and/or private entity or organization have been or can be obtained or renewed

for any use considered in the value estimate.

The market value, and costs used, are as of the date of value. All dollar amounts are based on the purchasing power and price of the dollar as of the date of value.

Improvements proposed, if any, on or off-site, as well as any repairs required are considered, for purposes of this appraisal to be completed in good and workmanlike manner according to information submitted and/or considered by the Appraiser(s).

In cases of proposed construction, the appraisal is subject to change upon inspection of the property after construction is completed. This estimate of market value is as of the date shown, as proposed, as if completed and operating at levels as shown and projected. It is assumed that the subject will be under prudent and competent ownership and management.

Unless otherwise noted herein named "Review Appraiser" has reviewed the report only as to general appropriateness of technique and format and has not necessarily inspected the subject or market comparable properties.

The Appraiser(s) reserve(s) the right to alter statements, analysis, conclusions, or any value in the appraisal if there becomes known to us facts pertinent to the appraisal process which were unknown when the report was finished. Please note that ownership history and whole property size is very difficult to determine in this area without a current professionally prepared title policy and survey, the Appraiser(s) has (have) exerted every reasonable effort to determine current ownership and whole property size. However, in absence of a current title policy and survey, no certainty is warranted regarding the ownership information or the precise size of the whole property.

Unless otherwise stated, it is assumed that the property is owned in fee simple, and is free and clear of any and all encumbrances, including: liens; delinquent taxes; encroachments; adverse easements; and indebtedness. Responsible ownership and competent property management are assumed.

The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations of value for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used. Any value estimates provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the value estimate, unless such proration or division of interests has been set forth in the report.

This appraisal is based upon the present condition of the national and local economies, the present purchasing power of the dollar, and the present financing rates as of the date of valuation. The forecasts, projections, or operating estimates contained herein are based upon current market conditions and anticipated short-term supply and demand factors. These forecasts are, therefore, subject to changes in future conditions.

The Americans with Disabilities Act ("ADA") became effective January 26, 1992. The Appraiser(s) has (have) not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the Appraiser(s) has (have) no direct evidence relating to this issue, the Appraiser(s) did not consider possible non-compliance with the requirements of ADA in estimating the value of the property.

EXTRAORDINARY ASSUMPTIONS AND LIMITING CONDITIONS

Furthermore, the value conclusion stated herein may be contingent upon variances between estimated and actual flood prone areas, specifically, when flood prone areas have not been delineated in surveys or when surveys have not been provided the appraiser(s). In addition, other factors which could have an affect on the development potential of the subject including fault lines, designated wetlands, or unusual easements or building setbacks that have not been delineated on surveys or title policies could also impact the value estimated herein. **Subject Specific:** A recent survey was not provided to the appraiser, yet information from Harris County Appraisal District as well as other sources were consulted during the appraisal process. It should be noted that no 'as is' plans and specifications were provided to the appraiser. If at a later date, a land and/or building survey (s) is (are) prepared by a professional engineer or surveyor, and there are variations as to the size (land and building) and other physical characteristics used herein, the market value conclusion estimated herein may not be valid.

It should specifically be noted that the foregoing market value estimate is based on the assumption that the subject property is not negatively affected by the existence of hazardous substances deposited thereupon by present or previous owners of the subject site or detrimental environmental conditions. As part of appraisal process, the appraisal of the subject property was based on an *Inspection Report* that was recently prepared by Arsenal Inspection Services of Houston, Texas. As stated in that Inspection Report 'No environmental inspections of any kind were performed during this inspection. Even if comments are made regarding certain aspects or issues, inspections and/or any determination of the presence or possible dangers of

materials organisms or microbial organisms including, but not limited to asbestos, lead, formaldehyde, mildew, molds, fungi, etc. are specifically excluded from the inspection and from this report. If you have any concerns over the presence or possible future growth of any of these type items, you should, as part of your due diligence, have the environmental inspections of your choice performed on the house prior to closing.' The appraiser has also not taken into account any affects regarding the presence or lack of presence regarding these potential issues. Should an inspection or tests be made by a professional qualified in this area and such an inspection revealed the existence of hazardous substances and/or detrimental environmental conditions, the market value estimated herein may not be valid.

HISTORY AND CURRENT OWNERSHIP

According to the Harris County Appraisal District (HCAD), the current owner is Mallalieu United Methodist Church of Houston, Texas. However, it is our understanding that the client has recently purchased the property, or is in the process of closing on the purchase over the near term. The appraiser performed a search on sales activity involving the subject property, but no deeds had been recorded over the past three years.

The client has stated that of the consideration paid 'no allocation of value was attributable to the existing building structures'. When on site, the appraiser met with a representative for Mallalieu United Methodist Church, and he stated that there have been no activities held in several years due to the poor condition of the building structures. A site visit gave evidence that the improvements were in poor condition. An *Inspection Report*, prepared by Arsenal Inspection Services, also indicated the improvements to be in poor condition, and not in usable or tenable condition. Also, it was reported by Larry White of Bishop Building Company of Houston, Texas, that the existing improvements are in poor condition, and he inferred that the costs to cure are substantial, and in the current condition, are beyond worth.

SUBJECT DATA

Key Map Reference:	493 G (Harris County edition)
Specific Location:	Located at the northwest corner of Hickory Street and Shearn Street, within the City of Houston, in Harris County, Texas; there is additional frontage along south side of Spring Street
Legal Description:	Lots 5, 6 and 7, Block 268, Baker NSBB, in Harris County, Texas
Size:	15,000 square feet
Road Frontages	Hickory Street - 200 feet Shearn Street - 100 feet Spring Street - 50 feet
Shape:	Irregular (See Attached)
Land Use Restrictions:	The subject property is located within Harris County and City of Houston which essentially do not utilize a land use ordinance, yet it is within a recorded subdivision of Harris County, that is NSBB, and hence, it is subordinate to restrictions and covenants of that subdivision. We were not provided a copy of the use restrictions, but it is reported that there are no use restrictions in place that would adversely impact the subject land from being developed into its highest and best use, if it still remained vacant.
Water & Sanitary Sewer:	Provided by City of Houston
Flood Plain Hazards:	Based on our review of local insurance rate map (Community Panel #48201C0690M, dated June 2014), it appears that the subject

property is contained within the lightly shaded Zone X, areas of the 500-year flood plain (See attached).

Existing Improvements:

Two building structures (connected), formerly used by Mallalieu United Methodist; contains 1,750 square feet of building area, original building structure built over 100 years ago and is reported to been registered as an historic building structure; buildings are of Class D construction (not quality, but construction type), meaning the buildings generally have wood frame, floor, and roof structure, and it may have a concrete floor on grade and other substitute materials, but are considered combustible construction. More specifically, the buildings have a painted wood siding exterior within a wood framing system and pitched roof system. The property is in poor condition. Due to condition, the existing improvements are considered to have no contributory value.

HIGHEST AND BEST USE ANALYSIS

Highest and Best Use, as discussed in *The Appraisal of Real Estate*, 12th edition, published by the Appraisal Institute, is defined as:

"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."

The highest and best use of both land as though vacant and property as improved must meet four criteria. The highest and best use must be 1) legally permissible, 2) physically possible, 3) financially feasible, and 4) maximally productive.

- Legally permissible uses may be limited by zoning, deed restrictions, subdivision regulations, building codes, environmental regulations, or special use permits.
- Physically possible uses may be limited by size, shape, or topography of the site and the size, design, or condition of the improvements.
- Financially feasible uses are those which meet the first two criteria and are most likely to produce an income or return equal to or greater than the amount needed to satisfy operating expenses, financial obligations, and capital amortization.
- Maximally productive use is that use among the financially feasible alternatives that produces the highest price, or value, consistent with the rate of return warranted by the market.

The existing building structures have no contributory value. The subject site, as a vacant land tract, appears to be best suited for townhome development.

VALUATION METHODOLOGIES

Generally, three approaches are used to estimate value: Sales Comparison Approach, Income Capitalization Approach and Cost Approach.

The Sales Comparison Approach is a set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, applying appropriate units of comparison, and making adjustments to the sale prices of the comparables based on the elements of comparison. The Sales Comparison Approach may be used to value improved properties, vacant land, or land being considered as though vacant; it is the most common and preferred method of land valuation when comparable sales data are available.

The Income Capitalization Approach is a set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.

The Cost Approach is a set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of, or replacement for, the existing structure; deducting accrued depreciation from the reproduction or replacement cost; and adding the estimated land value plus an entrepreneurial profit. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.

A final step in the appraisal process is the reconciliation of the value indications. The reconciliation addresses the relative applicability of each of the approaches used. The purpose of the appraisal, the type of property, and the adequacy and reliability of the data analyzed, influence the weight given to each of the approaches to value.

In the valuation of the subject property, the Sales Comparison Approach (As Improved) and Cost Approach to value are used herein, but the Income Capitalization Approach is not utilized in the appraisal. While not used herein, the Income Capitalization Approach to value, it is not considered to be a reliable indicator of value since this property type is usually not operated as an income-producing property. The appraiser has extensive knowledge in the valuation steps to complete an appraisal on the subject property. Hence, the appraiser is in compliance with the competency provision of USPAP.

RECONCILIATION AND FINAL VALUE CONCLUSION

Within the appraisal report, the appraiser also relied upon a recently prepared *Inspection Report*, prepared by Arsenal Inspection Services, as well as conversations with Larry White of Bishop Building Company of Houston, Texas. The quality and quantity of data used herein is good. From the analysis of this information as well as our analyses and market experiences, it is determined that the existing improvements have no contributory value. These improvements are in poor condition, and are not in tenable condition.

Based on the investigation and the analyses of the subject property, and subject to the attached definitions, assumptions, and limiting conditions, it is our opinion that the market value of the fee simple interest in the subject property, that is the building structures, as of October 28, 2014, is as follows:

NO VALUE

\$0

It should specifically be noted that the foregoing market value estimate is based on the assumption that the subject property is not negatively affected by the existence of hazardous substances deposited thereupon by present or previous owners of the subject site or detrimental environmental conditions. As part of appraisal process, the appraisal of the subject property was based on an *Inspection Report* that was recently prepared by Arsenal Inspection Services of Houston, Texas. As stated in that Inspection Report 'No environmental inspections of any kind were performed during this inspection. Even if comments are made regarding certain aspects or issues, inspections and/or any determination of the presence or possible dangers of materials organisms or microbial organisms including, but not limited to asbestos, lead, formaldehyde, mildew, molds, fungi, etc. are specifically excluded from the inspection and from this report. If you have any concerns over the presence or possible future growth of any of these type items, you should, as part of your due diligence, have the environmental inspections of your choice performed on the house prior to closing.' The appraiser has also not taken into account any affects regarding the presence or lack of presence regarding these potential issues. Should an inspection or tests be made by a professional qualified in this area and such an inspection revealed the existence of hazardous substances and/or detrimental environmental conditions, the market value estimated herein may not be valid.

Respectfully submitted,

PROPERTY ANALYST, INC.



Bryan P. Muecke, CRA
State Certified Real Estate General Appraiser
TX-1321637-G

CHURCHES, THEATERS AND AUDITORIUMS

GENERAL INFORMATION

Calculator Costs are averages of final costs including architects' fees and contractors' overhead and profit, sales taxes, permit fees and insurance during construction. Interest on interim construction financing is also included, but not financing costs, real estate taxes, or brokers' commissions (see Section 1 for complete list). They do not represent any building illustrated, except as the building is included in the averages. Refinements to the average costs for type of heating, sprinklers, elevators, area/perimeter ratio and story height are given at the end of the section. Exterior balconies are not included in the basic building costs and must be added separately. Current and Local Cost Multipliers are given in Section 99. In buildings with solid stone exterior walls, particularly older cathedral-type buildings where the walls could have a thickness of 2' to 3' or more, it is advisable to use Section 46 when determining true reproduction costs, as the costs of these buildings may be as much as 100% higher than the costs contained in the Calculator Section.

DESCRIPTIONS

The abbreviated descriptions given in the tables show some of the items most generally found in buildings of the class, quality and occupancy listed. They are merely indicative of many buildings in this cost classification, and are not meant to be building specifications.

CONSTRUCTION

Buildings are divided into five construction classes: A, B, C, D, and S, as described in Section 1. In each class there will be variations and subclasses, but for purposes of pricing, the major elements of the building should be considered in entering the tables. Thus, if a building which is otherwise a Class B has a steel truss roof, the costs for the Class B building will still be representative. Interpolations may be made if the appraiser feels the building overlaps two classes, or the segregated costs in Section 46 may be used for adjustments.

OCCUPANCY VARIATIONS

Care should be taken to use proper costs for varying types of occupancy. For example, compute separately a floor or section of a building constructed for a use differing from that of the building generally, e.g., compute the basement as a basement.

As an example, a building is a multistory office building with the first floor occupied by a theater and the other floors by offices. In addition, there is a basement below grade. In this case there are three different divisions of the building to be computed separately: the office portion (Section 15), the theater and the basement. Each of these is subject to refinements based on its own individual characteristics except that all, including the basement, are subject to the same multiplier for the number of stories above grade in the building when applicable. A further explanation on multi-story adjustments can be found in Section 10.

NOTE: In valuing buildings found in this section, which may be of A-frame construction, have high-pitched roofs, or have various wall heights and shapes of roof, the recommended procedure is to compute the total cubage and divide by the total floor area, excluding balconies, to estimate the effective wall height with which to determine the wall height modifier to the base factor. A further discussion on height measurement can be found in Section 10.

OCCUPANCY

Churches are buildings designed primarily for worship, but in many churches, costs will include some kind of kitchen, social, meeting and office facilities. The costs include special lighting and stained glass consistent with the overall quality of construction, but do not include seating, altars, pews, organs or bells, which may be priced from Section 65. For convents and rectories, see Section 11. Fellowship halls are multipurpose structures for recreation and social gatherings and include gymnasium-type flooring, stages, kitchens and other miscellaneous rooms commensurate with the quality. Foyer/narthex structures are greeting rooms that usually abut or lie between the church sanctuary and fellowship facilities. Education wings are the accompanying instructional/meeting-room facilities.

Churches with Sunday schools are complete facilities including educational classroom, recreation and social facilities. Because of the wide range in mix of facilities and qualities, it may be best to price each area individually. Complete religious or private schools are priced from Section 18.

Basement costs include finish compatible with the type of basement, including stairs and ramps as necessary, and must be refined for size, shape and height.

Balcony or mezzanine costs do not include exterior wall or heating, which are included in the building cost refinement for wall height.

Fraternal buildings are buildings designed primarily for use by fraternal organizations. These multipurpose buildings typically have auditorium, kitchen, dining, game room and office facilities. The lower-cost fraternal buildings merge into the clubhouse occupancy found in Section 11.

Theaters, live stage or cinema, are designed primarily for stage or screen presentations and include a stage commensurate with type and quality of construction but not scenery, curtains or seating.

Auditoriums are buildings designed for mass seating and visual and voice presentations. Costs include stage or arena, basic floor and necessary lighting but not the seating, ice-making units, movable floors or other special equipment. The lower-cost auditoriums will merge into the skating rinks.

Casinos are freestanding gaming facilities and include lounges, showrooms, retail and food service facilities commensurate with the quality level; gaming and food equipment is not included.

Museums are designed for long-term display of works of art, crafts, natural history, etc., and include exhibit-gallery, collection storage, vault, workshop, sales, lecture/meeting, theater, food-service areas, etc., commensurate with the quality. Costs include the basic building display structures and necessary permanent lighting, electrical connections and security, but do not include any display cases, food equipment, movable trade fixtures and chattels or works of art.

Convention centers are large open arena/auditorium-type facilities for short-term meetings and/or trade show-display of products. The better facilities will have varied multifunctional space with movable partitions and ancillary eating and entertainment capabilities.

Arcade buildings are designed mainly for coin-operated game entertainment, while the better qualities will include limited food service and lounges typically found at fun centers, miniature golf complexes, etc. Costs exclude all game or food service equipment.

Visitor centers include the low-cost travelers' aid or rest stop structure to the high-cost interpretive center with good orientation, exhibit, meeting, audiovisual theater and limited retail and food service facilities. Costs do not include any display or food service equipment.

Skating rinks are typically lower-quality auditoriums modified for that particular use. Costs are averages for both types of skating rinks and include all necessary plumbing and electrical connections, but do not include any equipment or fixtures such as seating, snack bar equipment or other trade and chattels. The roller rinks will include the basic skating surface. Ice rinks will include the basic floor structure, but not the ice-making equipment, which can be priced from Section 67.

Bowling centers may include restaurant, bar, billiard and miscellaneous rooms with necessary plumbing and electrical connections, but do not include any equipment or fixtures such as the alleys, ball returns, kitchen and bar equipment, or other trade fixtures and chattels. Equipment costs can be found in Section 65.

Fitness centers are complete multisport, commercial, recreational complexes distinguished by large gymnasium/auditorium-type structures, typically 20,000 to 40,000 square feet, with private membership. Community recreation centers are large municipal multisport complexes. These multipurpose buildings will include gym-basketball, handball, bowling and other sports courts, rinks, varied swimming/natatorium facilities, running tracks, as well as exercise, craft, game and other social/multipurpose rooms. The number of varied amenities and support facilities (locker room, saunas, snack bars, etc.) will vary with the quality level. Equipment and trade fixtures associated with these amenities are not included. Small health clubs, clubhouses, and city clubs can be found in Section 11. Gymnasiums are priced from Section 18.

Indoor tennis clubs include the basic playing surfaces, including all necessary plumbing and electrical connections, but do not include any fixtures or equipment such as seating, lockers, food preparation, exercise equipment or swim pools, which can be added from Sections 65 through 67.

Handball/racquetball clubs include the basic playing courts and ancillary facilities commensurate with the quality similar to the tennis clubs. The better clubs will include full exercise, dressing, spectator, lounge, snack bar and pro shop facilities but not any of the equipment or fixtures associated with these amenities. Pools and spas are not included and must be added separately.

Pavilions are averages of open and enclosed park shelters, gazebos and bandstands.

CALCULATOR METHOD

RELIGIOUS BUILDINGS: CHURCHES WITH SUNDAY SCHOOLS (308)

CLASS	TYPE	EXTERIOR WALLS	INTERIOR FINISH	LIGHTING, PLUMBING AND MECHANICAL	HEAT	Sq. M	Cu Ft.	Sq. Ft.
A	Good	Stone, good curtain walls, good stained glass and trim	Ornamental plaster and detail, marble, carpeting, vinyl tile	Special lighting, sound system, good classroom outlets, plumbing	Warm and cool air (zoned)	\$2,438.99	\$14.16	\$226.59
	Average	Concrete, metal and glass, leaded windows, stone trim	Drywall, some ornamentation, terrazzo, vinyl tile, carpeting	Adequate lighting and plumbing, classroom fixtures, sound system	Package A.C.	1,791.52	10.40	166.44
B	Good	Stone, good curtain walls, good stained glass and trim	Ornamental plaster and detail, marble, carpeting, vinyl tile	Special lighting, sound system, good classroom outlets, plumbing	Warm and cool air (zoned)	2,326.77	13.51	216.16
	Average	Concrete, metal and glass, leaded windows, stone trim	Drywall, some ornamentation, terrazzo, vinyl tile, carpeting	Adequate lighting and plumbing, classroom fixtures, sound system	Package A.C.	1,714.80	9.96	159.31
C	Excellent	Fine masonry and windows, special architecture and trim	Finest plaster and fine wood detail, carpeting, marble, vinyl tile	Special lighting, sound system, good classroom outlets, plumbing	Warm and cool air (zoned)	2,451.02	14.23	227.70
	Good	Face brick or block, stone trim, good windows and architecture	Good plaster or wood, carpet, VCT, good or high density of classrooms	Good lighting and sound system, good classroom fixtures, plumbing	Warm and cool air (zoned)	1,829.04	10.62	169.92
	Average	Brick or block, stone trim, few simple stained-glass windows	Drywall, vinyl composition tile, little ornamental detail, std. classrooms	Adequate lighting and plumbing, low-cost sound	Package A.C.	1,315.29	7.64	122.19
	Low-cost	Low-cost brick or block, composition roof, very plain	Painted masonry, plywood trim, asphalt tile, very plain classrooms	Minimum lighting and plumbing, classroom features	Forced air	938.11	5.45	87.15
D	Excellent	Face brick or stone veneer, fine windows, special architecture	Ornamental plaster and fine detail, carpet, marble, vinyl	Special lighting, sound system, good classroom outlets, plumbing	Warm and cool air (zoned)	2,307.18	13.40	214.34
	Good	Brick veneer, best stucco or siding, good windows and architecture	Good plaster or wood, carpet, VCT, good or high density of meeting rooms	Good lighting and sound system, good classroom fixtures, plumbing	Warm and cool air (zoned)	1,733.45	10.07	161.04
	Average	Stucco or siding, few stained-glass windows, some trim	Drywall and veneers, vinyl comp. tile, little trim, standard classrooms	Adequate lighting and plumbing, low-cost sound	Package A.C.	1,252.39	7.27	116.35
	Low-cost	Low-cost stucco or siding, composition roof, very plain	Drywall and plywood, asphalt and acoustic tile, minimum classrooms	Minimum lighting and plumbing, classroom features	Forced air	897.14	5.21	83.35
DPOLE	Low-cost	Pole frame, good metal panels, finished inside, little trim	Drywall, acoustic tile, vinyl comp. tile, few extras, minimum classrooms	Minimum lighting and plumbing, classroom features	Forced air	844.74	4.90	78.48
S	Good	Good sandwich panels, good windows and trim	Good drywall or wood, vinyl tile, carpet, good or high density of meeting rooms	Good lighting, sound system, good classroom fixtures, plumbing	Warm and cool air (zoned)	1,627.16	9.45	151.17
	Average	Insulated sandwich panels, few stained-glass windows	Drywall partitions, vinyl composition and acoustic tile, standard classrooms	Adequate lighting and plumbing, low-cost sound	Package A.C.	1,191.13	6.92	110.66
	Low-cost	Good metal panels and roof, finished interior, some trim	Drywall, acoustic tile, comp. tile, few extras, minimum classrooms	Minimum lighting and plumbing, classroom features	Forced air	864.46	5.02	80.31

BASEMENTS

A-B	Classroom	Reinforced concrete, plaster interior	Classroom finishes, some utility, storage, social/meeting functions	Adequate lighting and plumbing	Hot water	\$1,219.25	\$7.08	\$113.27
	Finished	Plaster interior	Finished rooms, asphalt tile	Adequate lighting and plumbing	Hot water	1,110.79	6.45	103.20
	Semifinished	Low-cost finishes	Minimum social functions, kitchenette	Minimum lighting, drains	Forced air	779.01	4.52	72.37
	Unfinished	Unfinished interior	Unfinished storage and utility	Minimum lighting, drains	None	601.62	3.49	55.89
CDS	Classroom	Reinforced concrete, plaster or drywall interior	Classroom finishes, some utility, storage, social/meeting functions	Adequate lighting and plumbing	Forced air	926.99	5.38	86.12
	Finished	Plaster or drywall interior	Finished rooms, asphalt tile	Adequate lighting and plumbing	Forced air	828.37	4.81	76.96
	Semifinished	Low-cost finishes	Minimum social functions, kitchenette	Minimum lighting and plumbing	Space heaters	504.75	2.93	46.89
Unfinished	Unfinished interior	Unfinished storage and utility	Minimum lighting, drains	None	380.40	2.21	35.34	

BASEMENT UNITS - Use 80% of comparable aboveground units. For semi-basement living units, use 90%. **NOTE:** For parking basements, see Page 19. Add for sprinklers from Page 25.

See bottom of Page 9 for other refinement notes.

Add for playground improvements from Sections 66 and 67. For seating, see Section 65.

CALCULATOR METHOD

RELIGIOUS BUILDINGS: CHURCHES – SANCTUARIES (CHAPELS) (309)

CLASS	TYPE	EXTERIOR WALLS	INTERIOR FINISH	LIGHTING, PLUMBING AND MECHANICAL	HEAT	Sq. M.	COST Cu. Ft.	Sq. Ft.
A	Excellent	Fine masonry and windows, special architecture and trim	Finest plaster and wood detail, carpeting, marble, vinyl tile	Special lighting and sound system, good plumbing	Warm and cool air (zoned)	\$3,529.60	\$20.49	\$327.91
	Good	Stone, good curtain walls, good stained glass and trim	Ornamental plaster and detail, marble, carpeting, vinyl tile	Special lighting, sound system, good plumbing	Warm and cool air (zoned)	2,603.49	15.12	241.87
	Average	Concrete, metal and glass, leaded windows, stone trim	Drywall, some ornamentation, terrazzo, vinyl tile, carpeting	Adequate lighting and plumbing, sound system	Package A.C.	1,870.80	10.86	173.80
B	Excellent	Fine masonry and windows, special architecture and trim	Finest plaster and wood detail, carpeting, marble, vinyl tile	Special lighting and sound system, good plumbing	Warm and cool air (zoned)	3,379.51	19.62	313.96
	Good	Stone, good curtain walls, good stained glass and trim	Ornamental plaster and detail, marble, carpeting, vinyl tile	Special lighting, sound system, good plumbing	Warm and cool air (zoned)	2,496.66	14.50	231.95
	Average	Concrete, metal and glass, leaded windows, stone trim	Drywall, some ornamentation, terrazzo, vinyl tile, carpeting	Adequate lighting and plumbing, sound system	Package A.C.	1,794.85	10.42	166.75
C	Excellent	Fine masonry and windows, special architecture and trim	Finest plaster & fine wood detail, carpeting, marble, vinyl tile	Special lighting and sound system, good plumbing	Warm and cool air (zoned)	2,587.16	15.02	240.35
	Good	Face brick or block, stone trim, good windows and architecture	Good plaster and detail, vinyl tile, carpeting, terrazzo	Good lighting and plumbing, good sound system	Warm and cool air (zoned)	1,905.39	11.06	177.02
	Average	Brick or block, stone trim, few simple stained-glass windows	Drywall, vinyl composition tile, little ornamental detail, carpet	Adequate lighting and plumbing, adequate sound system	Package A.C.	1,359.13	7.89	126.27
D	Low-cost	Low-cost brick or block, composition roof, very plain	Painted masonry, plywood trim, asphalt tile, very plain, basic	Minimum lighting and plumbing, low-cost sound	Forced air	961.65	5.58	89.34
	Excellent	Face brick or stone veneer, fine windows, special architecture	Ornamental plaster and fine detail, carpet, marble, vinyl	Special lighting and sound system, good plumbing	Warm and cool air (zoned)	2,476.86	14.38	230.11
	Good	Brick veneer, best stucco or siding, good windows and architecture	Good plaster or wood, vinyl tile, carpeting, terrazzo	Good lighting and plumbing, good sound system	Warm and cool air (zoned)	1,823.46	10.59	169.40
D POLE	Average	Stucco or siding, few stained-glass windows, some trim	Drywall and veneers, vinyl composition tile, little trim, carpet	Adequate lighting and plumbing, adequate sound system	Package A.C.	1,298.18	7.54	120.60
	Low-cost	Low-cost stucco or siding, composition roof, very plain	Drywall and plywood, asphalt and acoustic tile, basic worship center	Minimum lighting and plumbing, low-cost sound	Forced air	916.33	5.32	85.13
	Average	Pole frame, best metal panels, few stained-glass windows	Drywall partitions, acoustic tile, vinyl composition, some carpet	Adequate lighting and plumbing, adequate sound system	Package A.C.	1,182.07	6.86	109.82
S	Low-cost	Pole frame, good metal panels, finished inside, little trim	Drywall, acoustic tile, vinyl composition tile, few extras, very basic	Minimum lighting and plumbing, low-cost sound	Forced air	853.48	4.96	79.29
	Good	Good sandwich panels, good windows and trim	Good drywall or wood, vinyl tile, carpeting, terrazzo	Good lighting and plumbing, good sound system	Warm and cool air (zoned)	1,682.12	9.77	156.27
	Average	Insulated sandwich panels, few stained-glass windows	Drywall partitions, vinyl composition and acoustic tile, some carpet	Adequate lighting and plumbing, adequate sound system	Package A.C.	1,215.65	7.06	112.94
A-B	Low-cost	Good metal panels and roof, finished interior, some trim	Drywall, acoustic tile, vinyl tile, few extras, basic worship center	Minimum lighting and plumbing, low-cost sound	Forced air	872.33	5.07	81.04
	Good	Not included	Stepped balcony with ornate finishes	Good lighting	In building cost	\$791.69	----	\$73.55
	Average	Not included	Stepped, plaster soffit, finished floor	Adequate lighting	In building cost	575.12	----	53.43
CDS	Good	Not included	Stepped balcony with ornate finishes	Good lighting	In building cost	668.87	----	62.14
	Average	Not included	Stepped, drywall soffit, finished floor	Adequate lighting	In building cost	457.25	----	42.48

RELIGIOUS BUILDING BALCONIES*

Good	Not included	Stepped balcony with ornate finishes	Good lighting	In building cost	\$791.69	----	\$73.55
Average	Not included	Stepped, plaster soffit, finished floor	Adequate lighting	In building cost	575.12	----	53.43
Good	Not included	Stepped balcony with ornate finishes	Good lighting	In building cost	668.87	----	62.14
Average	Not included	Stepped, drywall soffit, finished floor	Adequate lighting	In building cost	457.25	----	42.48

* Balconies should not be modified for size or shape. Fireplaces, porches and balconies and kitchen equipment are not included.

MULTI-STORY BUILDINGS – Add .5% (1/2%) for each story, over three, above ground, to all base costs, excluding mezzanines, up to 30 stories; over 30, add .4% (4/10%) for each additional story.

SPRINKLERS – Systems are not included. Costs should be added from Page 25.

ELEVATORS AND HANDICAPPED LIFTS – See Page 24.

CHURCH TOWERS – Unfinished attached structures cost \$7.35 to \$10.60 per cubic foot of tower structure. When finished as an integral part of the building, include with the floor area of the church and only apply the tower cost to the unfinished portion above the roofline.

Small self-supporting exterior masonry towers cost \$9.70 to \$18.20 per cubic foot of tower structure; large campaniles run \$39.75 to \$65.00 per cubic foot, or either may be computed from the Segregated costs. For steeples, spires, cupola clocks, see Section 57; bells, Section 65.

CALCULATOR METHOD

RELIGIOUS BUILDINGS: FELLOWSHIP HALLS (516)

CLASS	TYPE	EXTERIOR WALLS	INTERIOR FINISH	LIGHTING, PLUMBING AND MECHANICAL	HEAT	Sq. M.	COST Cu. Ft.	Sq. Ft.
A-B	Good	Face brick, stone, concrete or metal panels, good trim	Plaster or drywall, acoustic tile, carpet and vinyl, stage, some extras	Good fluorescent fixtures, good plumbing and kitchen	Warm and cool air (zoned)	\$1,975.09	\$11.47	\$183.49
	Average	Brick, concrete or metal panels, formed concrete	Plaster or drywall, acoustic tile, hardwood or vinyl, small stage	Adequate lighting and plumbing, kitchen, some extras	Package A.C.	1,445.29	8.39	134.27
	Excellent	Steel frame, best masonry walls, good trim	Plaster, acoustic tile, good wood athletic floor, stage, good detail	Good lighting and plumbing, kitchen, tiled surfaces	Warm and cool air (zoned)	1,985.95	11.53	184.50
C	Good	Steel columns, web or bar joists, ornamental block or face brick	Plaster or drywall, acoustic tile, hardwood or vinyl, stage	Good fluorescent fixtures, good plumbing, kitchen	Package A.C.	1,433.23	8.32	133.15
	Average	Steel frame, brick, block, concrete, some ornamentation	Plaster or drywall, acoustic tile, vinyl, carpet or hardwood, small stage area	Adequate lighting and plumbing, small kitchen, some extras	Forced air	1,026.72	5.96	95.38
	Low-cost	Brick, block, tilt-up panels, bearing walls, wood joists, little trim	Painted walls, acoustic tile or drywall ceilings, asphalt tile	Minimum recreation lighting and plumbing	Space heaters	718.41	4.17	66.74
D	Good	Steel or Glulam frame and joists, brick veneer, glass, best stucco	Plaster or drywall, acoustic tile, hardwood or vinyl, stage	Good fluorescent fixtures, good plumbing, kitchen	Package A.C.	1,358.88	7.89	126.24
	Average	Wood frame or pipe columns, good stucco or siding with some trim	Plaster or drywall, acoustic tile, vinyl, carpet or hardwood, small stage area	Adequate lighting and plumbing, small kitchen, some extras	Forced air	970.14	5.63	90.13
	Low-cost	Wood frame, stucco or siding, little ornamentation	Drywall, acoustic tile, asphalt tile, some carpet	Minimum recreation lighting and plumbing	Space heaters	675.39	3.92	62.75
D POLE	Cheap	Light frame, stucco or siding, very plain	Concrete floor, some vinyl composition, minimal finish	Minimum lighting and plumbing	Space heaters	520.99	3.03	48.40
	Average	Pole frame, insulated metal panels, some ornamentation	Drywall, acoustic tile, vinyl comp., carpet or hardwood, small stage area	Adequate lighting and plumbing, small kitchen, some extras	Forced air	875.67	5.08	81.35
	Low-cost	Pole frame, metal panels, finished inside, insulated, little trim	Painted walls, acoustic tile or drywall ceilings, asphalt tile, some carpet	Minimum recreation lighting and plumbing	Space heaters	622.36	3.61	57.82
S	Cheap	Pole frame, metal siding, partly finished interior, some insulation	Concrete floor, some vinyl composition, minimal finish	Minimum lighting and plumbing	Space heaters	490.89	2.85	45.60
	Good	Pre-engineered, good sandwich panels, some brick or stone trim	Plaster or drywall, acoustic tile, hardwood or vinyl, stage	Good fluorescent fixtures, good plumbing, kitchen	Package A.C.	1,288.53	7.48	119.71
	Average	Pre-engineered, sandwich panels, some ornamentation	Drywall, acoustic tile, vinyl comp., carpet or hardwood, small stage area	Adequate lighting and plumbing, small kitchen, some extras	Forced air	921.71	5.35	85.63
S	Low-cost	Pre-engineered, finished interior, insulated, little trim	Painted walls, acoustic tile or drywall ceilings, asphalt tile, some carpet	Minimum recreation lighting and plumbing	Space heaters	642.14	3.73	59.66
	Cheap	Pre-engineered, partly finished interior, some insulation	Concrete floor, some vinyl composition, minimal finish	Minimum lighting and plumbing	Space heaters	496.86	2.88	46.16

RELIGIOUS BUILDINGS: FOYERS / NARTHEXES (517)

A-B	Excellent	Fine masonry and doors, special architecture and trim	Finest plaster and wood detail, carpeting, marble, vinyl tile	Special lighting, good sound system and plumbing	Warm and cool air (zoned)	\$2,772.49	\$16.10	\$257.57
	Good	Stone, good curtain walls, good entrance and trim	Ornamental plaster and detail, marble, carpeting, vinyl tile	Good lighting, sound system, good plumbing	Warm and cool air (zoned)	2,125.45	12.34	197.46
	Average	Concrete, metal and glass, small entry, stone trim	Drywall, some ornamentation, terrazzo, vinyl tile, carpeting	Adequate lighting and plumbing, sound system	Package A.C.	1,577.47	9.16	146.55
CDS	Excellent	Fine masonry and doors, special architecture and trim	Finest plaster and fine wood detail, carpeting, marble, vinyl tile	Special lighting, good sound system and plumbing	Warm and cool air (zoned)	2,251.39	13.07	209.16
	Good	Masonry veneer or brick, stone trim, good entrance and architecture	Good plaster and detail, vinyl tile, carpeting, terrazzo	Good lighting and plumbing, sound system	Warm and cool air (zoned)	1,691.54	9.82	157.15
	Average	Good siding or block, stone trim, small entry	Drywall, vinyl composition tile, little ornamental detail	Adequate lighting and plumbing, low-cost sound	Package A.C.	1,225.00	7.11	113.81
Low-cost	Low-cost siding or block, very plain	Painted masonry or drywall, plywood trim, asphalt tile, very plain	Minimum lighting and sound	Forced air	879.48	5.11	81.71	

NOTE: Fireplaces, porches, balconies, and kitchen equipment are not included. For other refinement notes, see bottom of Page 11.

SPRINKLERS – Systems are not included. Costs should be added from Page 25.

ELEVATORS AND HANDICAPPED LIFTS – See Page 24.

CALCULATOR METHOD

RELIGIOUS BUILDINGS: CHURCH EDUCATIONAL WINGS (173)

CLASS	TYPE	EXTERIOR WALLS	INTERIOR FINISH	LIGHTING, PLUMBING AND MECHANICAL	HEAT	Sq. M.	COST Cu. Ft.	Sq. Ft.
A	Good	Brick, concrete or metal panels, formed concrete	Plaster or drywall, acoustic tile, hardwood or carpet	Good lighting and plumbing, some extra features, library room	Warm and cool air (zoned)	\$1,624.24	\$9.43	\$150.90
	Average	Brick, precast concrete, block, very plain	Low-cost finishes, acoustic tile, hardwood or vinyl composition	Adequate classroom lighting and plumbing, few extras, rehearsal rm.	Package A.C.	1,259.55	7.31	117.02
B	Good	Brick, concrete or metal panels, formed concrete	Plaster or drywall, acoustic tile, hardwood or carpet	Good lighting and plumbing, some extra features, library room	Warm and cool air (zoned)	1,574.09	9.14	146.24
	Average	Brick, precast concrete, block, very plain	Low-cost finishes, acoustic tile, hardwood or vinyl composition	Adequate classroom lighting and plumbing, few extras, rehearsal rm.	Package A.C.	1,219.77	7.08	113.32
C	Excellent	Steel columns, web or bar joists, ornamental block or face brick	Plaster or drywall, acoustic tile, hardwood or carpet	Good fluorescent fixtures, good plumbing, extra features, library	Warm and cool air (zoned)	1,609.43	9.34	149.52
	Good	Steel frame or bearing walls, brick, block or concrete, some trim	Plaster or drywall, acoustic tile, vinyl composition or hardwood	Adequate classroom lighting and plumbing, rehearsal room	Package A.C.	1,246.84	7.24	115.83
	Average	Brick, block, tilt-up panels, bearing walls, wood joists, little trim	Painted walls, acoustic tile or drywall ceilings, asphalt tile	Adequate meeting room lighting and plumbing	Forced air	960.08	5.57	89.19
	Low-cost	Cheap block, tilt-up, light roof	Low-cost finishes, no partitions, asphalt tile	Minimum code	Wall furnace	727.51	4.22	67.59
D	Excellent	Steel or Glulam frame and joists, brick veneer, glass, best stucco	Plaster or drywall, acoustic tile, hardwood or carpet	Good fluorescent fixtures and plumbing, extra features, library	Warm and cool air (zoned)	1,545.26	8.97	143.56
	Good	Wood frame or pipe columns, good stucco or siding with some trim	Plaster or drywall, acoustic tile, vinyl composition or hardwood	Adequate classroom lighting and plumbing, rehearsal room	Package A.C.	1,186.61	6.89	110.24
	Average	Wood frame, stucco or siding, little ornamentation	Drywall, acoustic tile, asphalt tile, linoleum or wood floors	Adequate meeting room lighting and plumbing	Forced air	905.02	5.25	84.08
	Low-cost	Low-cost stucco or siding	Low-cost finishes, no partitions, asphalt tile	Minimum code	Wall furnace	678.17	3.94	63.00
D POLE	Average	Pole frame, good metal panels, finished inside, little trim	Painted walls, acoustic tile or drywall ceilings, asphalt tile	Adequate meeting room lighting and plumbing	Forced air	848.69	4.93	78.85
	Low-cost	Pole frame, metal siding	Low-cost finishes, no partitions, acoustic tile, asphalt tile	Minimum code	Wall furnace	629.38	3.65	58.47
S	Good	Pre-engineered, sandwich panels, some trim	Drywall, acoustic tile, vinyl composition	Adequate classroom lighting and plumbing, rehearsal room	Package A.C.	1,156.97	6.72	107.49
	Average	Pre-engineered, finished interior, insulation	Painted walls, acoustic tile or drywall ceilings, asphalt tile	Adequate meeting room lighting and plumbing	Forced air	874.41	5.08	81.23
	Low-cost	Light steel frame, siding	Low-cost finishes, no partitions, acoustic tile, asphalt tile	Minimum code	Wall furnace	648.47	3.77	60.24

NOTE: For religious or private schools, restrooms, portable classrooms, etc., see Section 18.

MULTI-STORY BUILDINGS

Add .5% (1/2%) for each story over three, above ground, to all base costs including basements, but excluding mezzanines.

CANOPIES

Large shelter or walkway canopies see Page 25, or they may be computed from the Segregated costs, Section 46, or from Unit-in-Place costs.

PARKING ROOFS

For load-bearing parking roofs, add \$5.85 per square foot (\$62.97 per square meter).

Access ramps cost \$20.90 to \$36.00 per square foot (\$224.97 to \$387.50 per square meter).

ELEVATORS AND HANDICAP LIFTS

Elevator costs based on square footage of building area are not available in this section. Assembly buildings may have only one elevator and/or handicap lift regardless of size, where a normal range or area served is not feasible for low-rise applications. Costs should be added as lump sums from Page 24.

BALCONIES

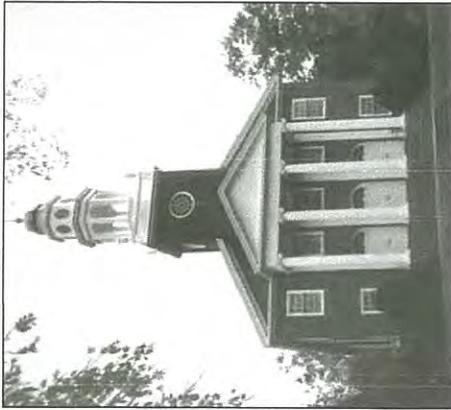
Exterior balconies see Page 25, or they may be computed from the Segregated or Unit-in-Place costs.

BASEMENTS

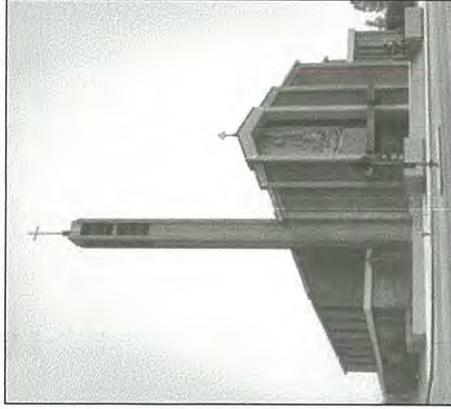
Basement costs are found on Page 8.

SPRINKLERS

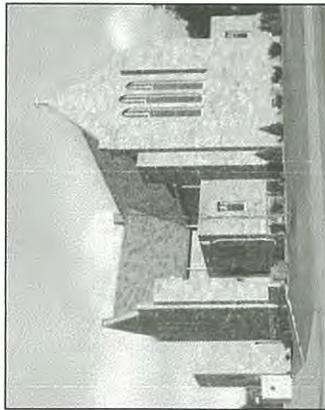
Sprinkler systems are not included. Costs should be added from Page 25.



6. GOOD CLASS C



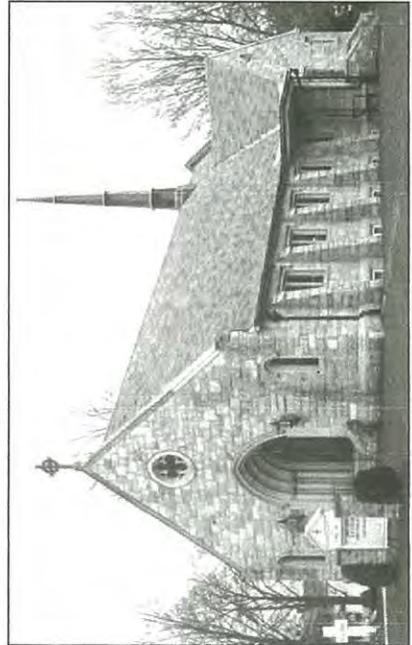
7. GOOD CLASS C



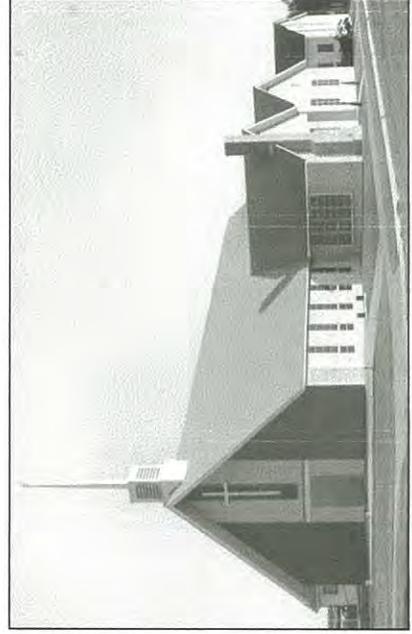
8. GOOD CLASS C



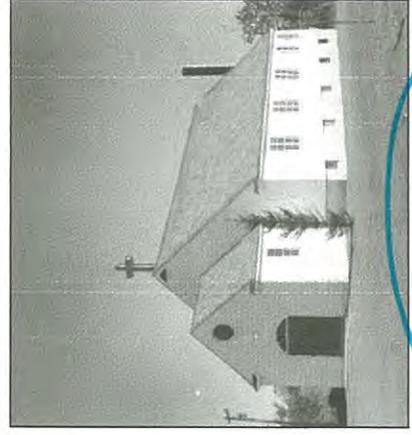
9. GOOD CLASS C



10. GOOD CLASS C



11. AVERAGE CLASS C



12. AVERAGE CLASS D

HOW TO USE ILLUSTRATIONS

These illustrations attempt to show the quality and construction class of the various buildings as the appraiser would be able to determine them from an observation of the exteriors.

Many buildings will require more than a casual exterior view to determine the construction class. Class A or B will have the columns and other framing covered so the class must be established from plans, from a search for an exposed portion, or a study of column sizes combined with experience. A Class C may follow the framing of a Class A or B very closely, with deviations only in floor and roof construction and fire resistance.

Qualities may vary in buildings which are structurally similar, by reason of the interior finish. The costs listed are actually midpoints of cost ranges. Two identical buildings built on adjoining properties by the same contractor will not have exactly the same cost except coincidentally. Only a thorough inspection by the appraiser or estimator of all items affecting quality, and the use of his experience and judgment will give him correct answers.

GENERAL: Churches, often because of extreme architectural styles, have a wide variation in costs and often are difficult to classify. In classification according to quality and construction, it should be remembered that the Good Class A and B and the Excellent Class C are often similar in exterior appearance, and the Good Class C is often similar to the Average Class A or B.

1 & 4. The Excellent Class A or B church is frequently a stone masonry edifice with ornate architecture and a great deal of interior finish. No. 1 is an older church, which lacks modern mechanical components, but structurally is very high cost. A sound reproduction cost would best be developed by use of the Segregated Method.

2. The Good Class A or B will have less costly walls, trim and stained glass.

3 & 5. These Excellent Class C churches are very representative of the churches in this cost range.

6 – 10. These churches are a representative sampling of the Good Class C cost range in various styles and exterior finishes.

11 – 12. These Average-quality churches are typical of neighborhood or small town churches with simple designs and moderate fenestration and stained glass. Number 11 would appear to fit at the high side of the range, while Number 12 would be at the lower end.

Houston Archaeological & Historical Commission

February 26, 2015

HPO File No. 150201

ITEM B.2

1918-1920 Hickory Street

Landmark: Mallalieu United Methodist

Church and Parsonage

ATTACHMENT B

REAL ESTATE CONTRACTS



**TEXAS ASSOCIATION OF REALTORS®
COMMERCIAL CONTRACT - IMPROVED 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: Mallalieu United Methodist Church

Address: 8311 Quail Crest Drive, Missouri City, TX 78489
 Phone: (832) 370-3099 E-mail: _____
 Fax: _____ Other: _____

Buyer: Tom Bersek or Assign

Address: _____
 Phone: _____ E-mail: _____
 Fax: _____ Other: _____

2. PROPERTY:

A. "Property" means that real property situated in Harris County, Texas at 1920 Hickory St, 1918 Hickory & 1320 Shearn St. Houston, Tx, 77007

(address) and that is legally described on the attached Exhibit _____ or as follows:

- 1.) 1920 Hickory St. PT LT.7 BLK.268 BAKER NSBB Subd.
- 2.) 1918 Hickory St. PT LT.7 BLK.268 BAKER NSBB Subd
- 3.) 1320 Shearn St. LOTS 5&6 BLK.268 BAKER NSBB

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

- (1) all buildings, improvements, and fixtures;
- (2) all rights, privileges, and appurtenances pertaining to the Property, including Seller's right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights-of-way;
- (3) Seller's interest in all leases, rents, and security deposits for all or part of the Property;
- (4) Seller's interest in all licenses and permits related to the Property;
- (5) Seller's interest in all third party warranties or guaranties, if transferable, relating to the Property or any fixtures;
- (6) Seller's interest in any trade names, if transferable, used in connection with the Property; and
- (7) all Seller's tangible personal property located on the Property that is used in connection with the Property's operations except: _____

Any personal property not included in the sale must be removed by Seller prior to closing.

*(Describe any exceptions, reservations, or restrictions in Paragraph 12 or an addendum.)
 (If mineral rights are to be reserved an appropriate addendum should be attached.)
 (If the Property is a condominium, attach Commercial Contract Condominium Addendum (TAR-1930).)*

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

A. Cash portion payable by Buyer at closing\$	<u>680,000.00</u>
B. Sum of all financing described in Paragraph 4\$	_____
C. Sales price (sum of 3A and 3B)\$	<u>680,000.00</u>

(TAR-1801) 4-1-14

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

Page 1 of 14

Daniel & Associates, 15614 S. Post Oak Houston, TX 77053
 Phone: 281-652-6192

Fax: 281.438.4444

Elizabeth Johnson

1920 HICKORY (

4. FINANCING: Buyer will finance the portion of the sales price under Paragraph 3B as follows:

- A. Third Party Financing: One or more third party loans in the total amount of \$ -0- . 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 \$ -0-
- C. Seller Financing: The delivery of a promissory note and deed of trust from Buyer to Seller under the terms of the attached Commercial Contract Financing Addendum (TAR-1931) in the amount of \$ -0-

5. EARNEST MONEY:

- A. Not later than 3 days after the effective date, Buyer must deposit \$ 5,000.00 as earnest money with Providence Title (title company) at 8505 Technology Forest Pl. # 301 Woodland (address) David Stevens (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 \$ -0- 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, SURVEY, AND UCC SEARCH:

- A. Title Policy:
 - Buyer Buyer 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 _____ 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.



[Handwritten signatures]

B. Survey: Within 30 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/ACSM 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 0- (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/ACSM 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, at Seller's expense, will obtain a new or updated survey acceptable to the title company and deliver the acceptable survey to Buyer and the title company within 20 days after Seller receives notice 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 Seller to deliver an acceptable survey within the time required. Buyer will reimburse Seller _____ (insert amount) of the cost of the new or updated survey at closing, if closing occurs.

C. UCC Search:

- (1) Within _____ days after the effective date, Seller, at Seller's expense, will furnish Buyer a Uniform Commercial Code (UCC) search prepared by a reporting service and dated after the effective date. The search must identify documents that are on file with the Texas Secretary of State and the county where the Property is located that relate to all personal property on the Property and show, as debtor, Seller and all other owners of the personal property in the last 5 years.
- (2) Buyer does not require Seller to furnish a UCC search.

D. Buyer's Objections to the Commitment, Survey, and UCC Search:

- (1) Within 30 days after Buyer receives the commitment, copies of the documents evidencing the title exceptions, any required survey, and any required UCC search, Buyer may object 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 to the real or personal property described in Paragraph 2 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 Paragraph 6B(1) applies, Buyer is deemed to receive the survey on the earlier of: (i) the date Buyer actually receives the survey; or (ii) 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 6D 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: Seller, is selling property in "AS IS" Condition with all it's faults. Buyer at Buyer expense may conduct any test they wish

B. Feasibility Period: Buyer may terminate this contract for any reason within 30 days after the effective date (feasibility period) by providing Seller written notice of termination. (Check only one box.)

(1) If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer less \$ 1,500.00 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.

(2) 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 timely pay the independent consideration, Buyer will not have the right to terminate under this Paragraph 7B.

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) Seller, at Seller's expense, will turn on all utilities necessary for Buyer to make inspections, studies, or assessments.

(3) 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.

(4) 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 _____ days after the effective date, Seller will deliver to Buyer: (Check all that apply.)

[Signature] and Buyer [Signature]

- (2) any circumstances under any lease that entitle the tenant to terminate the lease or seek any offsets or damages;
- (3) any non-occupancy of the leased premises by a tenant;
- (4) any advance sums paid by a tenant under any lease;
- (5) any concessions, bonuses, free rents, rebates, brokerage commissions, or other matters that affect any lease; and
- (6) 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 -0- days after the effective date, Seller will deliver to Buyer estoppel certificates signed not earlier than -0- 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: <u>Daniel & Associates</u>	Cooperating Broker: <u>Daniel & Associates</u>
<u>Lou Von Daniel - Broker</u>	<u>Lou Von Daniel - Broker</u>
Agent: <u>Elizabeth Johnson</u>	Agent: <u>Elizabeth Johnson</u>
Address: <u>15416 S. Post Oak</u>	Address: <u>15614 S. Post Oak</u>
<u>Houston, Tx. 77053</u>	<u>Houston</u>
Phone & Fax: <u>(281) 438-4444</u> <u>(281) 438-2919</u>	Phone & Fax: <u>(281) 438-4444</u> <u>(216) 438-2919</u>
E-mail: <u>[REDACTED]</u>	E-mail: <u>[REDACTED]</u>
License No.: <u>0364110</u>	License No.: <u>0364110</u>

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: 5.000 % of the sales price.

Cooperating Broker a total cash fee of: 5.000 % 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.

NOTICE: Chapter 62, Texas Property Code, authorizes a broker to secure an earned commission with a lien against the Property.

- C. The parties may not amend this Paragraph 9 without the written consent of the brokers affected by the amendment.

10. CLOSING:

- A. The date of the closing of the sale (closing date) will be on or before the later of:
- (1) _____ days after the expiration of the feasibility period.
 - Oct 15, 2014 (specific date).
 - Will be extended if necessary to remove church from Historic Preserva.
 - (2) 7 days after objections made under Paragraph 6D have been cured or waived.
- B. If either party fails to close by the closing date, the non-defaulting party may exercise the remedies in Paragraph 15.
- C. At closing, Seller will execute and deliver to Buyer, at Seller's expense, a general special warranty deed. The deed must include a vendor's lien if any part of the sales price is financed. The deed must convey good and indefeasible title to the Property and show no exceptions other than those permitted under Paragraph 6 or other provisions of this contract. Seller must convey the Property:
- (1) with no liens, assessments, or Uniform Commercial Code or other security interests against the Property which will not be satisfied out of the sales price, unless securing loans Buyer assumes;
 - (2) without any assumed loans in default; and
 - (3) with no persons in possession of any part of the Property as lessees, tenants at sufferance, or trespassers except tenants under the written leases assigned to Buyer under this contract.
- D. At closing, Seller, at Seller's expense, will also deliver to Buyer:
- (1) tax statements showing no delinquent taxes on the Property;
 - (2) a bill of sale with warranties to title conveying title, free and clear of all liens, to any personal property defined as part of the Property in Paragraph 2 or sold under this contract;
 - (3) an assignment of all leases to or on the Property;
 - (4) to the extent that the following items are assignable, an assignment to Buyer of the following items as they relate to the Property or its operations:
 - (a) licenses and permits;
 - (b) maintenance, management, and other contracts; and
 - (c) warranties and guaranties;
 - (5) a rent roll current on the day of the closing certified by Seller as true and correct;
 - (6) evidence that the person executing this contract is legally capable and authorized to bind Seller;
 - (7) an affidavit acceptable to the title company stating that Seller is not a foreign person or, if Seller is a foreign person, a written authorization for the title company to: (i) withhold from Seller's proceeds an amount sufficient to comply applicable tax law; and (ii) deliver the amount to the Internal Revenue Service together with appropriate tax forms; and
 - (8) any notices, statements, certificates, affidavits, releases, and other documents required by this contract, the commitment, or law necessary for the closing of the sale and the issuance of the title policy, all of which must be completed and executed by Seller as necessary.
- E. At closing, Buyer will:
- (1) pay the sales price in good funds acceptable to the title company;
 - (2) deliver evidence that the person executing this contract is legally capable and authorized to bind Buyer;
 - (3) sign and send to each tenant in the Property a written statement that:
 - (a) acknowledges Buyer has received and is responsible for the tenant's security deposit; and
 - (b) specifies the exact dollar amount of the security deposit;

[Handwritten signatures]

- (4) sign an assumption of all leases then in effect; and
- (5) execute and deliver any notices, statements, certificates, or other documents required by this contract or law necessary to close the sale.

F. Unless the parties agree otherwise, the closing documents will be as found in the basic forms in the current edition of the State Bar of Texas Real Estate Forms Manual without any additional clauses.

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.)

1. Seller reservation to reserve mineral rights (seller to keep mineral rights)
2. Mallaleu United Methodist Church has been placed on Harris CO. Historical List

The Closing Date shall be extended for as long as is necessary to remove the property's historical site designation at all jurisdictional levels, including city, county, state and/or national levels. Buyer will assist Seller as necessary to remove the designation.

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 and any bill of sale;
 - (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 fees of any deed of trust;
 - (3) recording fees for the deed and any deed of trust;
 - (4) premiums for flood and hazard insurance as may be required by Buyer's lender;
 - (5) one-half of any escrow fee; and
 - (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 changes the use of the Property before closing or if a denial of a special valuation on the Property claimed by Seller results in the assessment of additional taxes, penalties, or interest (assessments) for periods before closing, the assessments will be the obligation of 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.

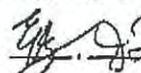
C. Rent and Security Deposits: At closing, Seller will tender to Buyer all security deposits and the following advance payments received by Seller for periods after closing: prepaid expenses, advance rental payments, and other advance payments paid by tenants. Rents prorated to one party but received 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(4) 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. CASUALTY LOSS AND CONDEMNATION:

- A. If any part of the Property is damaged or destroyed by fire or other casualty after the effective date, Seller must restore the Property to its previous condition as soon as reasonably possible and not later than the closing date. If, without fault, Seller is unable to do so, Buyer may:

 and Buyer 

- (1) terminate this contract and the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer;
- (2) extend the time for performance up to 15 days and closing will be extended as necessary; or
- (3) accept at closing: (i) the Property in its damaged condition; (ii) an assignment of any insurance proceeds Seller is entitled to receive along with the insurer's consent to the assignment; and (iii) a credit to the sales price in the amount of any unpaid deductible under the policy for the loss.

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

- (1) 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 under Paragraph 7B(1), will be refunded to Buyer; or
- (2) appear and defend the condemnation proceedings and any award will, at Buyer's election, belong to: (a) Seller and the sales price will be reduced by the same amount; or (b) 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 liquidated damages in an amount equal to the sum of: (i) three times the amount of the earnest money; (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

Commercial Contract - Improved Property concerning

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 material physical defects in the improvements on the Property; or
 - (11) any condition on the Property that violates any law or ordinance.

(Describe any exceptions to (1)-(11) 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.

Commercial Contract - Improved Property concerning

D. Addenda which are part of this contract are: (Check all that apply.)

- (1) Property Description Exhibit identified in Paragraph 2;
- (2) Commercial Contract Condominium Addendum (TAR-1930);
- (3) Commercial Contract Financing Addendum (TAR-1931);
- (4) Commercial Property Condition Statement (TAR-1408);
- (5) Commercial Contract Addendum for Special Provisions (TAR-1940);
- (6) Addendum for Seller's Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (TAR-1906);
- (7) Notice to Purchaser of Real Property in a Water District (MUD);
- (8) Addendum for Coastal Area Property (TAR-1915);
- (9) Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TAR-1916);
- (10) Information About Brokerage Services (TAR-2501); and
- (11) _____

(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 of Buyer's obligations 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 receives 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, Texas Natural Resources Code, requires a notice regarding coastal area property to be included as part of this contract.

[Handwritten initials] and Buyer *[Handwritten initials]*

Commercial Contract - Improved Property concerning

- 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.
- 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. If apartments or other residential units are on the Property and the units were built before 1978, federal law requires a lead-based paint and hazard disclosure statement to be made part of this contract.
- H. Section 1958.154, Occupations Code requires Seller to provide Buyer a copy of any mold remediation certificate issued for the Property during the 5 years preceding the date the Seller sells the Property.
- I. 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.

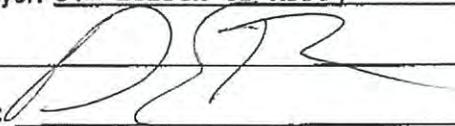
26. **CONTRACT AS OFFER:** The execution of this contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts the offer by 5:00 p.m., in the time zone in which the Property is located, on August 18, 2014, the offer will lapse and become null and void.

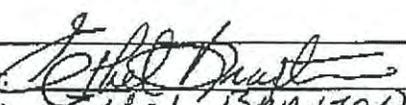
READ THIS CONTRACT CAREFULLY. The brokers and agents make no representation or recommendation as to the legal sufficiency, legal effect, or tax consequences of this document or transaction. **CONSULT** your attorney **BEFORE** signing.

Seller: Mallalieu United Methodist Church

Buyer: Tom Barseh or Assign

By: _____

By: 

By (signature): 
Printed Name: Ethel Broughton
Title: Secretary / Pastor Parish Chairman

By (signature): David Swens, Attorney-in-Fact
Printed Name: _____
Title: _____

By: _____

By: _____

By (signature): James Turner
Printed Name: JAMES TURNER
Title: TRUSTEE

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

AGREEMENT BETWEEN BROKERS

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

Principal Broker agrees to pay Daniel & Associates (Cooperating Broker) a fee when the Principal Broker's fee is received. The fee to be paid to Cooperating Broker will be:

- \$ _____, or
- 5.000 % 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: _____ Cooperating Broker: _____

By: _____ By: _____

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: 8-12-14 (effective date);
 A. the contract on this day _____ (effective date);
 B. earnest money in the amount of \$ _____ in the form of _____
on _____.

Title company: _____

By: _____

Assigned file number (GF#): 220001213



David Stevens
Escrow Officer and Fee Attorney

8505 Technology Forest Place, Ste. 301
The Woodlands, TX 77381
www.ProTitleTx.com

Phone: 281-305-4800
Direct: 281-305-4803



TEXAS ASSOCIATION OF REALTORS®
COMMERCIAL REAL ESTATE LISTING AGREEMENT
EXCLUSIVE RIGHT TO SELL

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: The parties to this agreement (this Listing) are:

Seller: Mallalieu United Methodist Church

Address: 1819 Hickory St.

City, State, Zip: Houston, TX, 77007

Phone: (832) 642-4030

Fax: _____

E-Mail: _____

Broker: Daniel & Associates

Elizabeth Johnson-Stipe

Address: 15614 S. Post Oak

City, State, Zip: Houston, Tx, 77053

Phone: (281) 438-4444

Fax: (281) 438-2919

E-Mail: _____

Seller appoints Broker as Seller's sole and exclusive real estate agent and grants to Broker the exclusive right to sell the Property.

2. PROPERTY:

A. "Property" means the following real property in Texas:

Address: 1918 Hickory St. & 1920 Hickory St.

City: Houston County: Harris Zip: 77007

Legal Description (Identify exhibit if described on attachment): PT Lt. 17 268

Baker NSBB & PT Lt 7 Blk 268 Baker NSSBB

B. Except as otherwise provided in this Listing, Broker is to market the Property together with:

- (1) all buildings, improvements, and fixtures;
- (2) all rights, privileges, and appurtenances pertaining to the Property, including Seller's right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, easements and rights-of-way;
- (3) Seller's interest in all leases, rents, and security deposits for all or part of the Property;
- (4) Seller's interest in all licenses and permits related to the Property;
- (5) Seller's interest in all third party warranties or guaranties, if transferable, relating to the Property or any fixtures;
- (6) Seller's interest in any trade names, if transferable, used in connection with the Property; and
- (7) all Seller's tangible personal property located on the Property that is used in connection with the Property's operations except: _____

(Describe any exceptions, reservations, or restrictions in Special Provisions or an addendum. If the Property is a condominium, attach Condominium Addendum to Listing (TAR-1401).)

3. LISTING PRICE:

A. Seller instructs Broker to market the Property at the following gross sales price: \$ 1,000,000
(Listing Price).

B. Seller agrees to sell the Property for the Listing Price or any other price acceptable to Seller. Seller will pay all typical closing costs charged to sellers of commercial real estate in Texas (seller's typical closing costs are those set forth in the commercial contract forms published by the Texas Association of REALTORS®) except _____

4. TERM:

A. This Listing begins on November 13, 2013 and ends at 11:59 p.m. on November 30, 2014. Seller may terminate this Listing on notice to Broker any time after _____

B. If Seller enters into a binding written contract to sell the Property before the date this Listing begins and the contract is binding on the date this Listing begins, this Listing will not commence and will be void.

5. BROKER'S FEE:

A. Fee: When earned and payable, Seller will pay Broker a fee of:

(1) 10.000 % of the sales price.

(2) _____

B. Earned: Broker's fee is earned when any one of the following occurs during this Listing:

- (1) Seller sells, exchanges, agrees to sell, or agrees to exchange all or part of the Property to anyone at any price on any terms;
- (2) Broker individually or in cooperation with another broker procures a buyer ready, willing, and able to buy all or part of the Property at the Listing Price or at any other price acceptable to Seller;
- (3) Seller grants or agrees to grant to another person an option to purchase all or part of the Property;
- (4) Seller transfers or agrees to transfer all or part of Seller's interest (stock or shares) in any entity that holds title to all or part of the Property for the purpose of conveying all or part of the Property to another person; or
- (5) Seller breaches this Listing.

C. Payable: Once earned, Broker's fee is payable either during this Listing or after it ends at the earlier of:

- (1) the closing and funding of any sale or exchange of all or part of the Property;
- (2) Seller's refusal to sell the Property after Broker's Fee has been earned;
- (3) Seller's breach of this Listing; or
- (4) at such time as otherwise set forth in this Listing.

Broker's fee is not payable if a sale of the Property does not close or fund as a result of: (i) Seller's failure, without fault of Seller, to deliver to a buyer a deed or a title policy as required by the contract to sell; (ii) loss of ownership due to foreclosure or other legal proceeding; or (iii) Seller's failure to restore the Property, as a result of a casualty loss, to its previous condition by the closing date set forth in a contract for the sale of the Property.

D. Other Fees:

(1) Lease of Property: If, during this Listing, Broker procures a tenant to lease all or part of the Property and Seller agrees to lease all or part of the Property to the tenant, Seller will pay Broker at the time

the lease is executed the fee described below. If, during the term of the lease, the tenant agrees to purchase all or part of the Property, Seller will pay Broker the fee specified in Paragraph 5A in addition to the amount described below.

- (a) _____ % of all base rents to be paid over the term of the lease and the same percentage of the following items to be paid over the term of the lease: expense reimbursements; and _____
- (b) _____

(2) Breach by Buyer Under Contract: If Seller collects earnest money, the sales price, or damages by suit, compromise, settlement or otherwise from a buyer who breaches a contract for the sale of all or part of the Property entered into during this Listing, Seller will pay Broker, after deducting attorney's fees and collection expenses, an amount equal to the lesser of one-half of the amount collected after deductions or the amount of the Broker's Fee stated in Paragraph 5A. Any amount paid under this Paragraph 5D(2) is in addition to any amount that Broker may be entitled to receive for subsequently selling the Property.

(3) Service Providers: If Broker refers Seller or a prospective buyer or tenant to a service provider (e.g., mover, cable company, telecommunications provider, utility, or contractor) Broker may receive a fee from the service provider for the referral. Any referral fee Broker receives under this Paragraph 5D(3) is in addition to any other compensation Broker may receive under this Listing.

(4) Transaction Fees and/or Reimbursable Expenses: _____

E. Protection Period:

- (1) "Protection period" means that time starting the day after this Listing ends and continuing for _____ days.
- (2) Not later than 10 days after this Listing ends Broker may send Seller written notice specifying the names of persons whose attention Broker has called to the Property during this Listing. If Seller agrees to sell or lease all or part of the Property during the protection period to a person named in the notice or to a relative or business associate of a person named in the notice, Seller will pay Broker, upon the closing of the sale or upon execution of the lease, the amount Broker would have been entitled to receive if this Listing were still in effect.
- (3) "Person" means any person in any capacity whether an individual or entity. "Sell" means any transfer of any interest in the Property whether by agreement or option.
- (4) This Paragraph 5E survives termination of this Listing.

F. County: All amounts payable to Broker are to be paid in cash in _____ County, Texas.

G. Escrow Authorization: Seller authorizes, and Broker may so instruct, any escrow or closing agent authorized to close a transaction for the purchase or acquisition of the Property to collect and disburse to Broker all amounts payable to Broker under this Listing.

NOTICE: Under Chapter 62, Texas Property Code, Broker is entitled to claim a lien against the Property to secure payment of an earned commission.

3. EXCLUSIONS:

A. Under a prior listing agreement Seller is obligated to pay another Texas licensed broker a fee if Seller sells or leases all or part of the Property before _____ to any of the following persons: _____ (named exclusions).

B. If Seller enters into a contract to sell or lease all or part of the Property to a named exclusion before the date specified in Paragraph 6A, Seller will not be obligated to pay Broker the fees under Paragraph 5 of this Listing, but Seller will pay Broker, upon the closing of the sale or upon execution of the lease, a fee equal to:

- (1) _____ % of the sales price if Seller sells the Property;
- (2) _____ % of all base rents to be paid over the term of the lease if Seller leases the Property and the same percentage of the following items to be paid over the term of the lease: expense reimbursements; _____ ; and
- (3) _____

C. If Seller enters into a contract to sell or lease all or part of the Property to a named exclusion, Broker will will not assist Seller in negotiating and closing the sale or lease to the named exclusion.

7. ACCESS TO THE PROPERTY: Authorizing access to the Property means giving permission to another person to enter the Property, disclosing security codes necessary to enter the Property to such person, and lending a key to the Property to such person. To facilitate the showing and sale of the Property, Seller instructs Broker and Broker's associates to: (i) access the Property at reasonable times; (ii) authorize other brokers, inspectors, appraisers, lenders, engineers, surveyors, and repair persons to enter the Property at reasonable times; and (iii) duplicate keys to facilitate convenient and efficient showings.

3. COOPERATION WITH OTHER BROKERS: Broker will allow other brokers to show the Property to prospective buyers. If the other broker procures a buyer who purchases the Property, Broker will offer to pay the other broker a portion of Broker's fee under Paragraph 5.

3. INTERMEDIARY: (Check A or B only.)

A. Intermediary Status: Broker may show the Property to interested prospective buyers or tenants who Broker represents. If a prospect who Broker represents offers to buy or lease the Property, Seller authorizes Broker to act as an intermediary and Broker will notify Seller that Broker will service the parties in accordance with one of the following alternatives.

- (1) If a prospect who Broker represents is serviced by an associate other than the associate servicing Seller under this Listing, Broker may notify Seller that Broker will: (a) appoint the associate then servicing Seller to communicate with, carry out instructions of, and provide opinions and advice during negotiations to Seller; and (b) appoint the associate then servicing the prospect to the prospect for the same purpose.
- (2) If a prospect who Broker represents is serviced by the same associate who is servicing Seller, Broker may notify Seller that Broker will: (a) appoint another associate to communicate with, carry out instructions of, and provide opinions and advice during negotiations to the prospect; and (b) appoint the associate servicing the Seller under this Listing to the Seller for the same purpose.
- (3) Broker may notify Seller that Broker will make no appointments as described under this Paragraph 9A and, in such an event, the associate servicing the parties will act solely as Broker's intermediary representative, who may facilitate the transaction but will not render opinions or advice during negotiations to either party.

B. No Intermediary Status: Seller agrees that Broker will not show the Property to prospects who Broker represents.

Notice: If Broker acts as an intermediary under Paragraph 9A, Broker and Broker's associates:

- ◆ may not disclose to the prospect that Seller will accept a price less than the asking price unless otherwise instructed in a separate writing by Seller;
- ◆ may not disclose to Seller that the prospect will pay a price greater than the price submitted in a written offer to Seller unless otherwise instructed in a separate writing by the prospect;
- ◆ may not disclose any confidential information or any information Seller or the prospect specifically instructs Broker in writing not to disclose unless otherwise instructed in a separate writing by the respective party or required to disclose the information by the Real Estate License Act or a court order or if the information materially relates to the condition of the property;
- ◆ may not treat a party to the transaction dishonestly; and
- ◆ may not violate the Real Estate License Act.

10. CONFIDENTIAL INFORMATION: During this Listing or after it ends, Broker may not knowingly disclose information obtained in confidence from Seller except as authorized by Seller or required by law. Broker may not disclose to Seller any information obtained in confidence regarding any other person Broker represents or may have represented except as required by law.

11. BROKER'S AUTHORITY:

- A. Broker will use reasonable efforts and act diligently to market the Property for sale, procure a buyer, and negotiate the sale of the Property.
- B. In addition to other authority granted by this Listing, Broker may:
- (1) advertise the Property by means and methods as Broker determines is appropriate in any media, including but not limited to:
 - (a) placing a "For Sale" sign or similar marketing sign on the Property; and
 - (b) creating and placing information about the Property (including interior and exterior photographs or videos):
 - (i) on the Internet on Broker's website and on other websites as Broker determines;
 - (ii) in any advertisements whether in print or electronic media; and
 - (iii) into listing services that may publicize the information on the Internet or by other means;
 - (2) reproduce, display, and distribute information about the Property, including the information described under Paragraph 11B(1), for the purposes of marketing the Property;
 - (3) furnish comparative marketing and sales information about other properties to prospects;
 - (4) disseminate information about the Property to other Brokers and prospects, including applicable disclosures, notices, or other information that Seller is required to make under law or a contract;
 - (5) obtain information from any holder of any note secured by a lien on the Property;
 - (6) accept, in trust, any earnest money, option fee, security deposit, or other money related to the purchase or lease of the Property and deliver such money for deposit in accordance with a contract for the sale or lease of the Property;
 - (7) disclose the sales price and terms of a sale or a lease to other brokers, appraisers, other real estate professionals, and any listing services into which information about the Property is placed;
 - (8) place information about this Listing and a transaction for the Property on an electronic platform (an electronic platform is typically an Internet-based system where professionals related to the transaction, such as title companies and lenders, may receive, view, and input information); and
 - (9) advertise that Broker "sold" or "leased" the Property after the closing of a sale or execution of a lease of the Property in which Broker was involved.

NOTICE: Any submission of information to a listing service must be made in accordance with listing service's rules.

- C. Broker is not authorized to execute any document in the name of or on behalf of Seller concerning the Property.
- D. Photographs, videos, and compilations of information submitted to a listing service are the property of the listing service for all purposes.

12. REPRESENTATIONS:

- A. Except as provided otherwise in this Listing, Seller represents that:
- (1) Seller has fee simple title to and peaceable possession of the Property and all its improvements and fixtures thereon, unless rented, and the legal capacity to convey the Property;
 - (2) Seller is not bound by a listing agreement with another broker for the sale, exchange, or lease of the Property that is or will be in effect during this Listing;
 - (3) no person or entity has any right to purchase, lease, or acquire the Property by an option, right of refusal, or other agreement;
 - (4) there are no delinquencies or defaults under any deed of trust, mortgage, or other encumbrance on the Property;
 - (5) the Property is not subject to the jurisdiction of any court;
 - (6) Seller owns sufficient intellectual property rights in any materials which Seller provides to Broker related to the Property (for example, brochures, photographs, drawings, or articles) to permit Broker to reproduce and distribute such materials for the purposes of marketing the Property or for other purposes related to this agreement; and
 - (7) all information relating to the Property Seller provides to Broker is true and correct to the best of Seller's knowledge.
- B. Seller and Broker must disclose any known material defect in the Property to a prospective buyer. *(Check only one box.)*
- (1) Seller is not aware of any material defects to the Property except as stated in the attached Property Condition Statement. Seller authorizes Broker to furnish prospective buyers and other brokers with a copy of the Property Condition Statement.
- (2) Except as otherwise provided in this Listing, Seller is not aware of:
- (a) any subsurface: structures, pits, wastes, springs, or improvements;
 - (b) any pending or threatened litigation, condemnation, or assessment affecting the Property;
 - (c) any environmental hazards or conditions that materially affect the Property;
 - (d) whether the Property is or has ever been used for the storage or disposal of hazardous materials or toxic waste, a dump site or landfill, or any underground tanks or containers;
 - (e) 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 have ever existed on the Property;
 - (f) any wetlands, as defined by federal or state law or regulation, on the Property;
 - (g) any threatened or endangered species or their habitat on the Property;
 - (h) any present or past infestation of wood-destroying insects in the Property's improvements;
 - (i) any contemplated material changes to the Property or surrounding area that would materially and detrimentally affect the ordinary use of the Property;
 - (j) any material physical defects in the improvements on the Property; or
 - (k) any condition on the Property that violates any law or ordinance.

(List any exceptions to (a)-(k) in Special Provisions or an addendum.)

13. SELLER'S ADDITIONAL PROMISES: Seller agrees to:

- A. cooperate with Broker to facilitate the showing and marketing of the Property;
- B. not negotiate with any prospective buyer who may contact Seller directly, but refer all prospective buyers to Broker;
- C. not enter into a listing agreement with another Broker for the sale or exchange of the Property to become effective during this Listing;

- D. not enter into a listing agreement for the lease of all or part of the Property with another broker to become effective during this Listing without Broker's written permission;
- E. provide Broker with copies of the following, if any, relating to the Property: a current rent roll, all leases including any amendments, architectural plans and drawings, renderings, survey, a current operating statement, environmental inspection reports, engineering reports, and other relevant information that Broker may request during this Listing;
- F. advise Broker of any tenants moving in or out of the Property;
- G. complete any disclosures or notices required by law or a contract to sell the Property;
- H. amend any applicable notices and disclosures if any material change occurs during this Listing; and
- I. at Seller's expense, remove from the Property all:
 - (1) "For Sale" (or similarly worded) signs other than Broker's signs;
 - (2) "For Lease" (or similarly worded) signs from the Property unless the Property is listed for lease with another broker; and
 - (3) "For Information" (or similarly worded) signs other than Broker's signs.

14. LIMITATION OF LIABILITY:

- A. If the Property is or becomes vacant during this Listing, Seller must notify Seller's casualty insurance company and request a "vacancy clause" to cover the Property. Broker is not responsible for the security of the Property nor for inspecting the Property on any periodic basis.
- B. Broker is not responsible or liable in any manner for personal injury to any person or for loss or damage to any person's real or personal property resulting from any act or omission not caused by Broker, including but not limited to injuries or losses caused by:
 - (1) other brokers, inspectors, appraisers, lenders, contractors, surveyors, engineers, and other persons who are authorized to access the Property;
 - (2) acts of third parties (for example, vandalism or theft);
 - (3) freezing or broken water pipes;
 - (4) a dangerous condition on the Property; and
 - (5) the Property's non-compliance with any law or ordinance.
- C. Seller agrees to indemnify and hold Broker and Broker's associates harmless from any damages, costs, attorney's fees, and expenses:
 - (1) that arise from Seller's failure to disclose any material information about the Property;
 - (2) that are caused by Seller giving incorrect information to Broker, other brokers, or prospects;
 - (3) that arise from any claim for misuse of intellectual property in any materials or information that Seller provided to Broker related to the Property or this agreement; or
 - (4) that are otherwise caused by Seller or Seller's negligence.

15. SPECIAL PROVISIONS:

- 6. **DEFAULT:** If Seller breaches this Listing, Seller is in default and will be liable to Broker for the amount of Broker's fee specified in Paragraph 5A and any other fees Broker is entitled to receive under this Listing. If a sales price is not determinable in the event of any exchange or breach of this Listing, the Listing Price will be the sales price for the purpose of calculating Broker's fee. If Broker breaches this Listing, Broker is in default and Seller may exercise any remedy at law.
- 7. **MEDIATION:** The parties agree to negotiate in good faith in an effort to resolve any dispute that may arise between the parties. If the dispute cannot be resolved by negotiation, the parties will submit the dispute to mediation. The parties to the dispute will choose a mutually acceptable mediator and will share the costs of mediation equally.
- 8. **ATTORNEY'S FEES:** If Seller or Broker is a prevailing party in any legal proceeding brought as a result of a dispute under this Listing or any transaction related to or contemplated by this Listing, such party may recover from the non-prevailing party all costs of such proceeding and reasonable attorney's fees.
- 9. **ADDENDA:** Addenda or information that are part of this Listing are:
 - A. Information About Brokerage Services
 - B. Property Description Exhibit identified in Paragraph 2
 - C. Condominium Addendum to Listing (TAR-1401)
 - D. Commercial Property Condition Statement (TAR-1408)
 - E. Information About On-Site Sewer Facility(TAR-1407)
 - F. Information about Special Flood Hazard Areas (TAR-1414)
 - G. _____

10. **AGREEMENT OF THE PARTIES:**

- A. Entire Agreement: This Listing is the entire agreement of the parties and may not be changed except by written agreement.
- B. Assignability: Neither party may assign this Listing without the written consent of the other party.
- C. Binding Effect: Seller's obligations to pay Broker an earned fee is binding upon Seller and Seller's heirs, administrators, executors, successors, and permitted assigns.
- D. Joint and Several: All Sellers executing this Listing are jointly and severally liable for the performance of all its terms.
- E. Governing Law: Texas law governs the interpretation, validity, performance, and enforcement of this Listing.
- F. Severability: If a court finds any clause in this Listing invalid or unenforceable, the remainder of this Listing will not be affected and all other provisions of this Listing will remain valid and enforceable.
- G. Partial Sales or Leases: If Seller sells or leases part of the Property before the date this Listing ends, this Listing will continue for the remaining part of the Property through the term of this Listing.
- H. Notices: Notices between the parties must be in writing and are effective when sent to the receiving party's address, fax, or e-mail specified in Paragraph 1.

1. **ADDITIONAL NOTICES:**

- A. **Broker's fees or the sharing of fees between brokers are not fixed, controlled, recommended, suggested, or maintained by the Texas Association of REALTORS®, its local affiliates, or any listing service. Broker's fees are negotiable.**

- B. The Property must be made available to all persons without regard to race, color, religion, national origin, sex, disability, or familial status. Local ordinances may provide for additional protected classes (e.g., creed, status as a student, marital status, sexual orientation, or age).
- C. If the Property contains a residential dwelling built before 1978, federal law requires the Seller to: (1) provide the buyer with the promulgated lead hazard information pamphlet (TAR-2511); and (2) disclose the presence of any known lead-based paint or lead-based paint hazards.
- D. Broker cannot give legal advice. This is a legally binding agreement. READ IT CAREFULLY. If you do not understand the effect of this Listing, consult your attorney BEFORE signing.

Seller: Mallalieu United Methodist Church

Broker:

By: _____

Broker / Company Name: Daniel & Associates

By (signature): *Ethel Bratton*
 Printed Name: ETHEL BRATTON
 Title: PASTOR PARISH CHAIRMAN Date: 11-20-13

License No. 083483

By (signature): *Elizabeth Johnson-Stipe*
 Printed Name: Elizabeth Johnson-Stipe
 Title: _____ License No. 083483
 Date: 11/13/2013

By: _____

By (signature): *James Turner*
 Printed Name: JAMES TURNER
 Title: Trustee Date: 11/20/13



Texas law requires all real estate licensees to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

Information About Brokerage Services

Before working with a real estate broker, you should know that the duties of a broker depend on whom the broker represents. If you are a prospective seller or landlord (owner) or a prospective buyer or tenant (buyer), you should know that the broker who lists the property for sale or lease is the owner's agent. A broker who acts as a subagent represents the owner in cooperation with the listing broker. A broker who acts as a buyer's agent represents the buyer. A broker may act as an intermediary between the parties if the parties consent in writing. A broker can assist you in locating a property, preparing a contract or lease, or obtaining financing without representing you. A broker is obligated by law to treat you honestly.

IF THE BROKER REPRESENTS THE OWNER:

The broker becomes the owner's agent by entering into an agreement with the owner, usually through a written - listing agreement, or by agreeing to act as a subagent by accepting an offer of subagency from the listing broker. A subagent may work in a different real estate office. A listing broker or subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first. The buyer should not tell the owner's agent anything the buyer would not want the owner to know because an owner's agent must disclose to the owner any material information known to the agent.

IF THE BROKER REPRESENTS THE BUYER:

The broker becomes the buyer's agent by entering into an agreement to represent the buyer, usually through a written buyer representation agreement. A buyer's agent can assist the owner but does not represent the owner and must place the interests of the buyer first. The owner should not tell a buyer's agent anything the owner would not want the buyer to know because a buyer's agent must disclose to the buyer any material information known to the agent.

IF THE BROKER ACTS AS AN INTERMEDIARY:

A broker may act as an intermediary between the parties if the broker complies with The Texas Real Estate License Act. The broker must obtain the written consent of each party to the transaction to act as an

intermediary. The written consent must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. The broker is required to treat each party honestly and fairly and to comply with The Texas Real Estate License Act. A broker who acts as an intermediary in a transaction:

- (1) shall treat all parties honestly;
- (2) may not disclose that the owner will accept a price less than the asking price unless authorized in writing to do so by the owner;
- (3) may not disclose that the buyer will pay a price greater than the price submitted in a written offer unless authorized in writing to do so by the buyer; and
- (4) may not disclose any confidential information or any information that a party specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by The Texas Real Estate License Act or a court order or if the information materially relates to the condition of the property.

With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under The Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under that Act and associated with the broker to communicate with and carry out instructions of the other party.

If you choose to have a broker represent you, you should enter into a written agreement with the broker that clearly establishes the broker's obligations and your obligations. The agreement should state how and by whom the broker will be paid. You have the right to choose the type of representation, if any, you wish to receive. Your payment of a fee to a broker does not necessarily establish that the broker represents you. If you have any questions regarding the duties and responsibilities of the broker, you should resolve those questions before proceeding.

Real estate licensee asks that you acknowledge receipt of this information about brokerage services for the licensee's records.

Elizabeth Johnson

11/20/13

Buyer, Seller, Landlord or Tenant

Date

Texas Real Estate Brokers and Salespersons are licensed and regulated by the Texas Real Estate Commission (TREC). If you have a question or complaint regarding a real estate licensee, you should contact TREC at P.O. Box 12188, Austin, Texas 78711-2188, 512-936-3000 (<http://www.trec.texas.gov>)

TREC No. OP-K



SELLER'S DISCLOSURE OF PROPERTY CONDITION

CONCERNING THE PROPERTY AT 1918 Hickory Houston Tx.
(Street Address and City)

THIS NOTICE IS A DISCLOSURE OF SELLER'S KNOWLEDGE OF THE CONDITION OF THE PROPERTY AS OF THE DATE SIGNED BY SELLER AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE PURCHASER MAY WISH TO OBTAIN. IT IS NOT A WARRANTY OF ANY KIND BY SELLER OR SELLER'S AGENTS.

Seller is is not occupying the Property. If unoccupied, how long since Seller has occupied the Property? _____

1. The Property has the items checked below [Write Yes (Y), No (N), or Unknown (U)]:

- Range
- Dishwasher
- Washer/Dryer Hookups
- Security System
- TV Antenna
- Ceiling Fan(s)
- Central A/C
- Plumbing System
- Patio/Decking
- Pool
- Pool Equipment
- Fireplace(s) & Chimney (Woodburning)
- Natural Gas Lines
- Liquid Propane Gas:
- Garage: Attached
- Garage Door Opener(s):
- Water Heater:
- Water Supply: City
- Roof Type: _____
- Oven
- Trash Compactor
- Window Screens
- Fire Detection Equipment
- Smoke Detector
- Smoke Detector-Hearing Impaired
- Carbon Monoxide Alarm
- Emergency Escape Ladder(s)
- Cable TV Wiring
- Attic Fan(s)
- Central Heating
- Septic System
- Outdoor Grill
- Sauna
- Pool Heater
- LP Community (Captive)
- Not Attached
- Electronic
- Gas
- Well MUD
- Microwave
- Disposal
- Rain Gutters
- Intercom System
- Satellite Dish
- Exhaust Fan(s)
- Wall/Window Air Conditioning
- Public Sewer System
- Fences
- Spa Hot Tub
- Automatic Lawn Sprinkler System
- Fireplace(s) & Chimney (Mock)
- Gas Fixtures
- LP on Property
- Carport
- Control(s)
- Electric
- Co-op

Age: _____ (approx)

Are you (Seller) aware of any of the above items that are not in working condition, that have known defects or that are in need of repair? Yes No Unknown If yes, then describe. (Attach additional sheets if necessary): _____

TREC No. OP-H

2. Does the property have working smoke detectors installed in accordance with the smoke detector requirements of Chapter 766, Health and Safety Code? Yes No Unknown If the answer to this question is no or unknown, explain. (Attach additional sheets if necessary): _____

* Chapter 766 of the Health and Safety Code requires one-family or two-family dwellings to have working smoke detectors installed in accordance with the requirements of the building code in effect in the area in which the dwelling is located, including performance, location, and power source requirements. If you do not know the building code requirements in effect in your area, you may check unknown above or contact your local building official for more information. A buyer may require a seller to install smoke detectors for the hearing impaired if: (1) the buyer or a member of the buyer's family who will reside in the dwelling is hearing impaired; (2) the buyer gives the seller written evidence of the hearing impairment from a licensed physician; and (3) within 10 days after the effective date, the buyer makes a written request for the seller to install smoke detectors for the hearing impaired and specifies the locations for the installation. The parties may agree who will bear the cost of installing the smoke detectors and which brand of smoke detectors to install.

3. Are you (Seller) aware of any known defects/malfunctions in any of the following? Write Yes (Y) if you are aware, write No (N) if you are not aware.

- | | | |
|---|--|--|
| <input type="checkbox"/> Interior Walls | <input checked="" type="checkbox"/> Ceilings | <input type="checkbox"/> Floors |
| <input type="checkbox"/> Exterior Walls | <input type="checkbox"/> Doors | <input type="checkbox"/> Windows |
| <input type="checkbox"/> Roof | <input type="checkbox"/> Foundation/Slab(s) | <input type="checkbox"/> Basement |
| <input type="checkbox"/> Walls/Fences | <input type="checkbox"/> Driveways | <input type="checkbox"/> Sidewalks |
| <input type="checkbox"/> Plumbing Sewers/Septics | <input type="checkbox"/> Electrical Systems | <input type="checkbox"/> Lighting Fixtures |
| <input type="checkbox"/> Other Structural Components (Describe) _____ | | |

If the answer to any of the above is yes, explain. (Attach additional sheets if necessary): BREAK IN ROOF FELL DOWN A LITTLE

4. Are you (Seller) aware of any of the following conditions? Write Yes (Y) if you are aware, write No (N) if you are not aware.

- | | |
|---|---|
| <input type="checkbox"/> Active Termites (includes wood destroying insects) | <input type="checkbox"/> Previous Structural or Roof Repair |
| <input type="checkbox"/> Termite or Wood Rot Damage Needing Repair | <input type="checkbox"/> Hazardous or Toxic Waste |
| <input type="checkbox"/> Previous Termite Damage | <input type="checkbox"/> Asbestos Components |
| <input type="checkbox"/> Previous Termite Treatment | <input type="checkbox"/> Urea-formaldehyde Insulation |
| <input type="checkbox"/> Previous Flooding | <input type="checkbox"/> Radon Gas |
| <input type="checkbox"/> Improper Drainage | <input type="checkbox"/> Lead Based Paint |
| <input type="checkbox"/> Water Penetration | <input type="checkbox"/> Aluminum Wiring |
| <input type="checkbox"/> Located in 100-Year Floodplain | <input type="checkbox"/> Previous Fires |
| <input type="checkbox"/> Present Flood Insurance Coverage | <input type="checkbox"/> Unplatted Easements |

Houston Archaeological & Historical Commission

February 26, 2015

HPO File No. 150201

ITEM B.2

1918-1920 Hickory Street

Landmark: Mallalieu United Methodist

Church and Parsonage

ATTACHMENT C

PROPERTY INSPECTION REPORT

Arsenal Inspection Services

Property Inspection Report



1920 Hickory St, Houston, Texas 77007
Inspection prepared for: Tom Bersch
Date of Inspection: 9/24/2014 Time: 11:00
Age of Home: Unknown Size: 1750 sq ft

Inspector: Abner Brown Jr.
TREC License #20495
2319 Cobbdale Lane, Houston, TX 77014
Phone: 713.501.3134

Email: [REDACTED]

PROPERTY INSPECTION REPORT

Prepared For: Tom Bersch
 (Name of Client)

Concerning: 1920 Hickory St, Houston Texas, 77007
 (Address or Other Identification of Inspected Property)

By: Abner Brown Jr., TREC License #20495 9/24/2014
 (Name and License Number of Inspector) (Date)

 (Name and License Number of Sponsoring Inspector)

PURPOSE, LIMITATIONS AND INSPECTOR / CLIENT RESPONSIBILITIES

This property inspection report may include an inspection agreement (contract), addenda, and other information related to property conditions. If any item or comment is unclear, you should ask the inspector to clarify the findings. It is important that you carefully read ALL of this information.

This inspection is subject to the rules ("Rules") of the Texas Real Estate Commission ("TREC"), which can be found at www.trec.texas.gov.

The TREC Standards of Practice (Sections 535.227-535.233 of the Rules) are the minimum standards for inspections by TREC licensed inspectors. An inspection addresses only those components and conditions that are present, visible, and accessible at the time of the inspection. While there may be other parts, components or systems present, only those items specifically noted as being inspected were inspected. The inspector is NOT required to turn on decommissioned equipment, systems, utility services or apply an open flame or light a pilot to operate any appliance. The inspector is NOT required to climb over obstacles, move furnishings or stored items. The inspection report may address issues that are code-based or may refer to a particular code; however, this is NOT a code compliance inspection and does NOT verify compliance with manufacturer's installation instructions. The inspection does NOT imply insurability or warrantability of the structure or its components. Although some safety issues may be addressed in this report, this inspection is NOT a safety/code inspection, and the inspector is NOT required to identify all potential hazards.

In this report, the inspector shall indicate, by checking the appropriate boxes on the form, whether each item was inspected, not inspected, not present or deficient and explain the findings in the corresponding section in the body of the report form. The inspector must check the Deficient (D) box if a condition exists that adversely and materially affects the performance of a system or component or constitutes a hazard to life, limb or property as specified by the TREC Standards of Practice. General deficiencies include inoperability, material distress, water penetration, damage, deterioration, missing components, and unsuitable installation. Comments may be provided by the inspector whether or not an item is deemed deficient. The inspector is not required to prioritize or emphasize the importance of one deficiency over another.

Some items reported may be considered life-safety upgrades to the property. For more information, refer to Texas Real Estate Consumer Notice Concerning Recognized Hazards or Deficiencies below.

THIS PROPERTY INSPECTION IS NOT A TECHNICALLY EXHAUSTIVE INSPECTION OF THE STRUCTURE, SYSTEMS OR COMPONENTS. The inspection may not reveal all deficiencies. A real estate inspection helps to reduce some of the risk involved in purchasing a home, but it cannot eliminate these risks, nor can the inspection anticipate future events or changes in performance due to changes in use or occupancy. It is recommended that you obtain as much information as is available about this property, including any seller's disclosures, previous inspection reports, engineering reports, building/remodeling permits, and reports performed for or by relocation companies, municipal inspection departments, lenders, insurers, and appraisers. You should also attempt to determine whether repairs, renovation, remodeling, additions, or other such activities have taken place at this property. It is not the inspector's responsibility to confirm that information obtained from these sources is complete or accurate or that this inspection is consistent with the opinions expressed in previous or future reports.

ITEMS IDENTIFIED IN THE REPORT DO NOT OBLIGATE ANY PARTY TO MAKE REPAIRS OR TAKE OTHER ACTIONS, NOR IS THE PURCHASER REQUIRED TO REQUEST THAT THE SELLER TAKE ANY ACTION. When a deficiency is reported, it is the client's responsibility to obtain further evaluations and/or cost estimates from qualified service professionals. Any such follow-up should take place prior to the expiration of any time limitations such as option periods.

Promulgated by the Texas Real Estate Commission (TREC) P.O. Box 12188, Austin, TX 78711-2188 (512) 936-3000
(<http://www.trec.texas.gov>).

Evaluations by qualified tradesmen may lead to the discovery of additional deficiencies which may involve additional repair costs. Failure to address deficiencies or comments noted in this report may lead to further damage of the structure or systems and add to the original repair costs. The inspector is not required to provide follow-up services to verify that proper repairs have been made.

Property conditions change with time and use. For example, mechanical devices can fail at any time, plumbing gaskets and seals may crack if the appliance or plumbing fixture is not used often, roof leaks can occur at any time regardless of the apparent condition of the roof, and the performance of the structure and the systems may change due to changes in use or occupancy, effects of weather, etc. These changes or repairs made to the structure after the inspection may render information contained herein obsolete or invalid. This report is provided for the specific benefit of the client named above and is based on observations at the time of the inspection. If you did not hire the inspector yourself, reliance on this report may provide incomplete or outdated information. Repairs, professional opinions or additional inspection reports may affect the meaning of the information in this report. It is recommended that you hire a licensed inspector to perform an inspection to meet your specific needs and to provide you with current information concerning this property.

TEXAS REAL ESTATE CONSUMER NOTICE CONCERNING HAZARDS OR DEFICIENCIES

Each year, Texans sustain property damage and are injured by accidents in the home. While some accidents may not be avoidable, many other accidents, injuries, and deaths may be avoided through the identification and repair of certain hazardous conditions.

Examples of such hazards include:

- malfunctioning, improperly installed, or missing ground fault circuit protection (GFCI) devices for electrical receptacles in garages, bathrooms, kitchens, and exterior areas;
- malfunctioning arc fault protection (AFCI) devices;
- ordinary glass in locations where modern construction techniques call for safety glass;
- malfunctioning or lack of fire safety features such as smoke alarms, fire-rated doors in certain locations, and functional emergency escape and rescue openings in bedrooms;
- malfunctioning carbon monoxide alarms;
- excessive spacing between balusters on stairways and porches;
- improperly installed appliances;
- improperly installed or defective safety devices; and
- lack of electrical bonding and grounding.

To ensure that consumers are informed of hazards such as these, the Texas Real Estate Commission (TREC) has adopted Standards of Practice requiring licensed inspectors to report these conditions as "deficient" when performing an inspection for a buyer or seller, if they can be reasonably determined.

These conditions may not have violated building codes or common practices at the time of the construction of the home, or they may have been "grandfathered" because they were present prior to the adoption of codes prohibiting such conditions. While the TREC Standards of Practice do not require inspectors to perform a code compliance inspection, TREC considers the potential for injury or property loss from the hazards addressed in the Standards of Practice to be significant enough to warrant this notice.

Contract forms developed by TREC for use by its real estate licensees also inform the buyer of the right to have the home inspected and can provide an option clause permitting the buyer to terminate the contract within a specified time. Neither the Standards of Practice nor the TREC contract forms require a seller to remedy conditions revealed by an inspection. The decision to correct a hazard or any deficiency identified in an inspection report is left to the parties to the contract for the sale or purchase of the home.

INFORMATION INCLUDED UNDER "ADDITIONAL INFORMATION PROVIDED BY INSPECTOR", OR PROVIDED AS AN ATTACHMENT WITH THE STANDARD FORM, IS NOT REQUIRED BY THE COMMISSION AND MAY CONTAIN CONTRACTUAL TERMS BETWEEN THE INSPECTOR AND YOU, AS THE CLIENT. THE COMMISSION DOES NOT REGULATE CONTRACTUAL TERMS BETWEEN PARTIES. IF YOU DO NOT UNDERSTAND THE EFFECT OF ANY CONTRACTUAL TERM CONTAINED IN THIS SECTION OR ANY ATTACHMENTS, CONSULT AN ATTORNEY.

ADDITIONAL INFORMATION PROVIDED BY INSPECTOR

"Items not specifically noted as "inspected" in the following report are not covered by the report and should not be assumed to be good, bad, performing the function for which they were intended or in need of repair by the lack of notation. No verbal statements by the inspector are to be considered a
REI 7-4 (04/2014)

part of the inspection or of this report. It is again emphasized that this is a limited visual inspection made in a limited amount of time. Some defects may not be apparent during the time of the inspection. This is not intended to be an exhaustive evaluation of the structure, nor is it intended to be a total list of defects, existing or potential. If the house is occupied at the time of the inspection, it is possible that visible defects may have been concealed or covered by furniture, fixtures, appliances and/or clothing, etc. Once the owner/occupant vacates the property, any visible defect that becomes apparent should be reported to you via an updated seller's disclosure form."

"The photographs included in this report are intended to be used to illustrate some, but not all, of the defects and to clarify the text information in the report. All photographs taken at the subject property may not be included in the report. The photographs are not intended to be all inclusive or to describe all conditions noted on the property."

"NOTE: No environmental inspections of any kind were performed during this inspection. Even if comments are made regarding certain aspects or issues, inspections and/or any determination of the presence or possible dangers of materials organisms or microbial organisms including, but not limited to asbestos, lead, formaldehyde, mildew, molds, fungi, etc. are specifically excluded from the inspection and from this report. If you have any concerns over the presence or possible future growth of any of these type items, you should, as part of your due diligence, have the environmental inspections of your choice performed on the house prior to closing."

"INSPECTIONS OF GAS LINES AND/OR SYSTEMS OR FOR THE PRESENCE OF ASBESTOS, LEAD PAINT, PRODUCTS CONTAINING LEAD, RADON GAS OR OTHER ENVIRONMENTAL HAZARDS, INCLUDING MOLDS, MILDEWS OR FUNGI, ARE SPECIFICALLY EXCLUDED"

Orientation Directions: All directional references in the report as to right, left, front, back/rear are from a front view perspective of the home.

I=Inspected

NI=Not Inspected

NP=Not Present

D=Deficient

I	NI	NP	D
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I. STRUCTURAL SYSTEMS

I=Inspected

NI=Not Inspected

NP=Not Present

D=Deficient

I NI NP D

A. Foundations

Type of Foundation(s):

- Crawlspace Foundation(pier and beam)

Comments:

All deficient items in need of attention are listed in RED, items noted for information listed in BLACK. Deficiencies of note requiring special attention are preceded and followed by asterisks. All findings are as of the date and time of the inspection. Property conditions change with time and use.

Items noted during the visual inspection that require comment, are in need of repair, adjustment, restoration, continuation of the due diligence process and/or servicing or items noted for information include but are not limited to:

Foundation comments: (pier and beam)

Homes built on a pier & beam construction may have heating ductwork, plumbing, gas, and electrical lines running beneath the home in a crawl space. Clearance of at least 18" is required to inspect a crawl space and the area is required to be dry at time of the inspection.

Because some structural movement is tolerated in the Houston area, evaluation of foundation performance is, largely, subjective. Expansive soil conditions are common in this area and can adversely affect the performance of a foundation. Geological evaluations are beyond the scope of this inspection. A professional Structural Geo-Tech Engineer should be consulted prior to closing if client is concerned by conditions listed in this report.

Our evaluation of the foundation is a visual review and represents the opinion of the inspector based on his personal experience with similar homes. The inspection does not predict or guarantee future performance. Inspectors do not have access to information on how the home was constructed or if an engineered analysis of the underlying soils was performed. If more information is required on the type of soil in correlation to the type of foundation or future stability of the foundation, then the services of a Professional Structural Geo-Tech engineer would be required.

Could not fully inspect the crawlspace of the foundation due to an adequate access or clearance to the crawlspace. Access should be at least 18 inches we only have nine available.

From the inspectors vantage point, there appears to be radical shifting of the piers supporting the beams for the foundation of the structure causing significant movement and damage to the walls of exterior interior of the structure

Termite shields missing between piers and the beams

After examining the failure of the wall systems, unlevel interior floors along with the shifting of piers underneath the structure, it is the inspectors opinion that the foundation does not appear to be performing as intended. The inspector recommends contacting a structural engineer to evaluate as the inspector believes that the structure is possibly unsafe for usage.

I=Inspected

NI=Not Inspected

NP=Not Present

D=Deficient

I	NI	NP	D
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Could not fully inspect the crawlspace of the foundation due to an adequate access or clearance to the crawlspace. Access should be at least 18 inches we only have nine available.



From the inspectors vantage point, there appears to be radical shifting of the piers supporting the beams for the foundation of the structure causing significant movement and damage to the walls of exterior interior of the structure



Piers appear to be shifting



Termite shields missing between piers and the beams

I=Inspected

NI=Not Inspected

NP=Not Present

D=Deficient

I	NI	NP	D
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Piers appear to be shifting



Piers appear to be shifting



Flooring is not level



Flooring is not level

I=Inspected NI=Not Inspected NP=Not Present D=Deficient

I	NI	NP	D
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B. Grading and Drainage

Comments:

All deficient items in need of attention are listed in RED, items noted for information listed in BLACK. Deficiencies of note requiring special attention are preceded and followed by asterisks. All findings are as of the date and time of the inspection. Property conditions change with time and use.

Items noted during the visual inspection that require comment, are in need of repair, adjustment, restoration, continuation of the due diligence process and/or servicing or items noted for information include but are not limited to:

Information Notes: With slab foundations, the soil should be kept at 4 inches below the brickledge, 6 inches for siding. The final grade should slope away from the house at a rate of 6 inches in ten feet. Inadequate clearance can allow water to enter through the weep holes causing interior damages. Please note that grading and drainage was examined around the foundation perimeter only. Grading and drainage at other areas of the property are not included within the scope of this inspection. Proper clearance will also help in detecting wood destroying insects if they try to enter from a visible point outside the home. High soil around a home is conducive for wood destroying insects. Extensive vegetation next to the home or growing on the home can promote moisture damage and wood deterioration to the siding and structure. It is recommended to keep all vegetation away from the home to allow for proper ventilation between the home and vegetation.

Vegetation too close to structure.

Excessive vegetation growing on the sides of the structure, this vegetation contains moisture that can damage the structure

Recommend contacting a landscaping specialist to evaluate the improvement of grading and drainage

I=Inspected

NI=Not Inspected

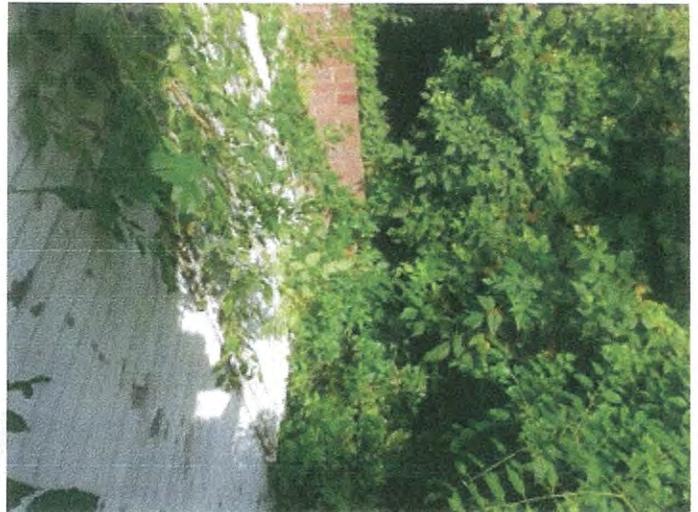
NP=Not Present

D=Deficient

I	NI	NP	D
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Excessive vegetation growing on the sides of the structure, this vegetation contains moisture that can damage the structure



Excessive vegetation growing on the sides of the structure, this vegetation contains moisture that can damage the structure



Vegetation too close to structure.



Vegetation too close to structure.

I=Inspected

NI=Not Inspected

NP=Not Present

D=Deficient

I	NI	NP	D
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Excessive vegetation in the yard

I=Inspected

NI=Not Inspected

NP=Not Present

D=Deficient

I	NI	NP	D
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<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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C. Roof Covering Materials

Type(s) of Roof Covering:
 • Composition shingles noted.
 Viewed From:
 • Roof
 • Ladder
 • Ground with Binoculars
 Comments:

All deficient items in need of attention are listed in RED, items noted for information listed in BLACK. Deficiencies of note requiring special attention are preceded and followed by asterisks. All findings are as of the date and time of the inspection. Property conditions change with time and use.

Items noted during the visual inspection that require comment, are in need of repair, adjustment, restoration, continuation of the due diligence process and/or servicing or items noted for information include but are not limited to:

- Flashing is bent
- Flashing is lifting
- Flashing rusted
- Lifting at seams
- Roof is weathered
- Shingles lifting
- Broken shingles
- Deteriorated shingles
- Areas of the roof have been patched.
- Deteriorated soffits
- Deteriorated fascia boards
- Awning for the main entrance to the structure is severely damaged and appears to be only held in place by the gutter that is strapped to the stairway/entrance ramp to the main entrance.
- B vent for the heating system does not extend high enough above the roof covering of the structure

I=Inspected

NI=Not Inspected

NP=Not Present

D=Deficient

I	NI	NP	D
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Flashing is lifting



Deteriorated fascia boards



Lifting at seams



Deteriorated shingles

I=Inspected

NI=Not Inspected

NP=Not Present

D=Deficient

I	NI	NP	D
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Areas of the roof have been patched.



Deteriorated shingles



Flashing is lifting



B vent for the heating system does not extend high enough above the roof covering of the structure

I=Inspected

NI=Not Inspected

NP=Not Present

D=Deficient

I	NI	NP	D
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B vent for the heating system does not extend high enough above the roof covering of the structure

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	D. Roof Structure and Attics
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Viewed From:

- Attic

Approximate Average Depth of Insulation:

- Batt Insulation Present
- No vertical insulation present in the attic

Comments:

All deficient items in need of attention are listed in RED, items noted for information listed in BLACK. Deficiencies of note requiring special attention are preceded and followed by asterisks. All findings are as of the date and time of the inspection. Property conditions change with time and use.

Items noted during the visual inspection that require comment, are in need of repair, adjustment, restoration, continuation of the due diligence process and/or servicing or items noted for information include but are not limited to:

Ridgeboard is smaller than the rafters attached to it, recommend adding an extension to support the rafters for the roof.

There is some evidence pointing to the rafters slightly twisting and rotating due to lack of support from a smaller ridgeboard

Roof decking appears damaged in certain areas

Ladder for attic access is damaged.

I=Inspected

NI=Not Inspected

NP=Not Present

D=Deficient

I	NI	NP	D
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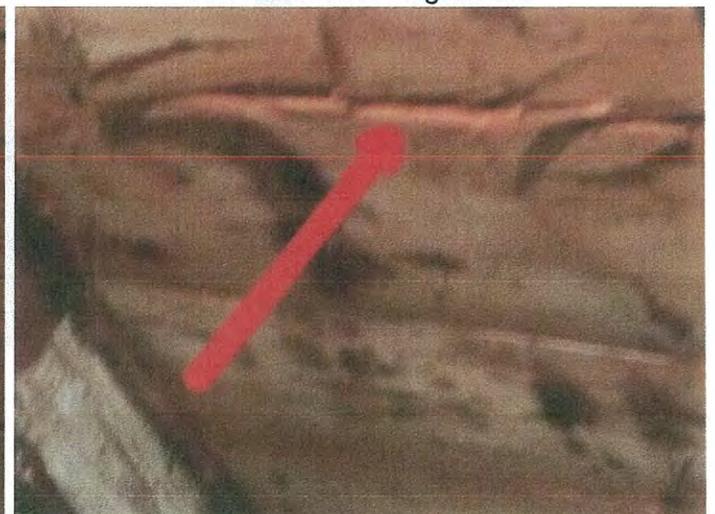
Ridgeboard is smaller than the rafters attached to it, recommend adding an extension to support the rafters for the roof.



There is some evidence pointing to the rafters slightly twisting and rotating due to lack of support from a smaller ridgeboard



Roof decking appears damaged in certain areas, could be insect related.



Roof decking appears damaged in certain areas

I=Inspected

NI=Not Inspected

NP=Not Present

D=Deficient

I	NI	NP	D
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Roof decking appears damaged in certain areas



Ladder for attic access is damaged.

I=Inspected

NI=Not Inspected

NP=Not Present

D=Deficient

I NI NP D

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	E. Walls (Interior and Exterior)
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Wall Materials:

- Exterior walls are made of wood
- Interior walls are made of Drywall
- Interior walls are made of paneling

Comments:

All deficient items in need of attention are listed in RED, items noted for information listed in BLACK. Deficiencies of note requiring special attention are preceded and followed by asterisks. All findings are as of the date and time of the inspection. Property conditions change with time and use.

Items noted during the visual inspection that require comment, are in need of repair, adjustment, restoration, continuation of the due diligence process and/or servicing or items noted for information include but are not limited to:

Observed the presence of an organic fungal growth, mold like in appearance, recommend further investigation by a qualified state licensed Mold Assessment Consultant.

Exterior walls are deteriorated in some places, most likely due to moisture and in some cases possible insect damage.

Damaged exterior panels to the siding, appears to be moisture related.

Panels of the exterior siding are missing

Some panels on the exterior siding are loose and can allow moisture to penetrate the inside of the structure

A section of siding is missing and the structures only protected by the vapor barrier placed to prevent water from entering the structure

Large cracks in the interior walls

Walls are separating at the corners due to significant movement of the structure

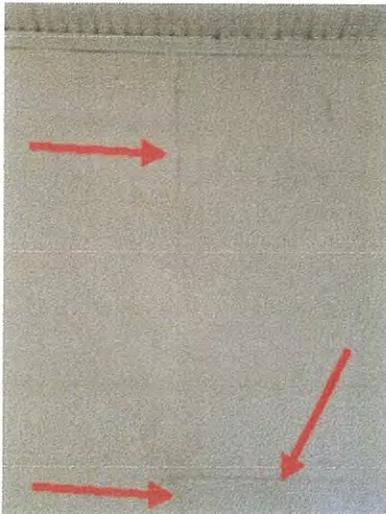
I=Inspected

NI=Not Inspected

NP=Not Present

D=Deficient

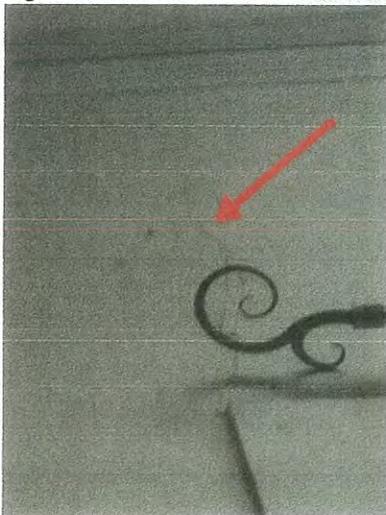
I	NI	NP	D
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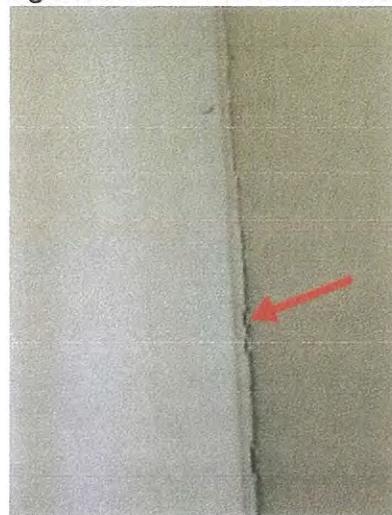
Large cracks in the interior walls



Large cracks in the interior walls



Large cracks in the interior walls



Walls are separating at the corners due to significant movement of the structure

I=Inspected

NI=Not Inspected

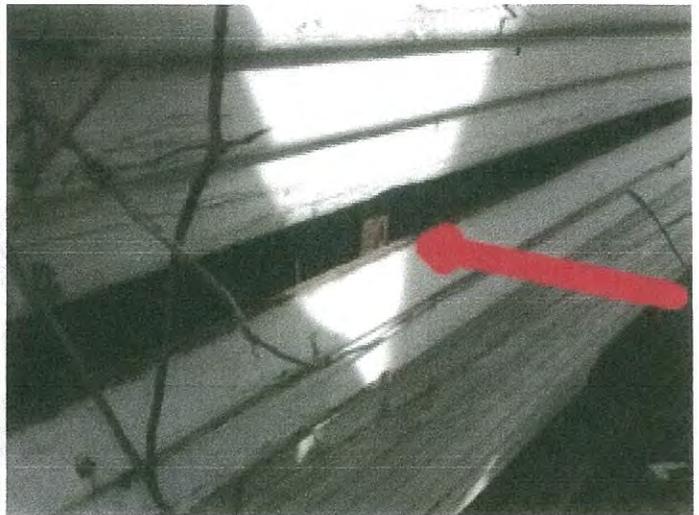
NP=Not Present

D=Deficient

I	NI	NP	D
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Damaged exterior panels to the siding, appears to be moisture related.



Panels of the exterior siding are missing



Exterior walls are deteriorated in some places, most likely due to moisture and in some cases possible insect damage.



Some panels on the exterior siding are loose and can allow moisture to penetrate the inside of the structure

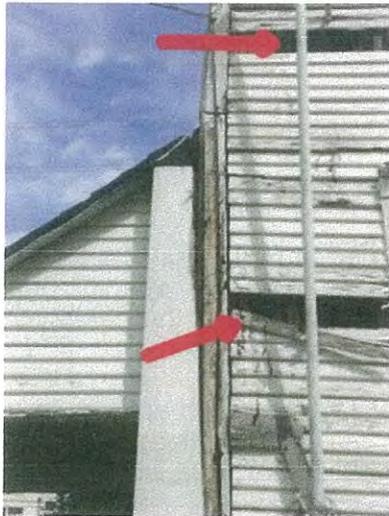
I=Inspected

NI=Not Inspected

NP=Not Present

D=Deficient

I	NI	NP	D
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Panels of the exterior siding are missing



A section of siding is missing and the structures only protected by the vapor barrier placed to prevent water from entering the structure



Observed the presence of an organic fungal growth, mold like in appearance, recommend further investigation by a qualified state licensed Mold Assessment Consultant.



Observed the presence of an organic fungal growth, mold like in appearance, recommend further investigation by a qualified state licensed Mold Assessment Consultant.

I=Inspected

NI=Not Inspected

NP=Not Present

D=Deficient

I	NI	NP	D
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<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	F. Ceilings and Floors
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Ceiling & Floor Materials:

- Ceiling is made of drywall
- Ceiling has tile squares on it

Comments:

All deficient items in need of attention are listed in RED, items noted for information listed in BLACK. Deficiencies of note requiring special attention are preceded and followed by asterisks. All findings are as of the date and time of the inspection. Property conditions change with time and use.

Items noted during the visual inspection that require comment, are in need of repair, adjustment, restoration, continuation of the due diligence process and/or servicing or items noted for information include but are not limited to:

Observed the presence of an organic fungal growth, mold like in appearance, recommend further investigation by a qualified state licensed Mold Assessment Consultant.

Large areas of the ceiling in the main area of the structure have collapsed

Sections of drywall and all area have caved in due to moisture

Floors are not level. Indicates possible movement of the foundation.



Observed the presence of an organic fungal growth, mold like in appearance, recommend further investigation by a qualified state licensed Mold Assessment Consultant.



Observed the presence of an organic fungal growth, mold like in appearance, recommend further investigation by a qualified state licensed Mold Assessment Consultant.

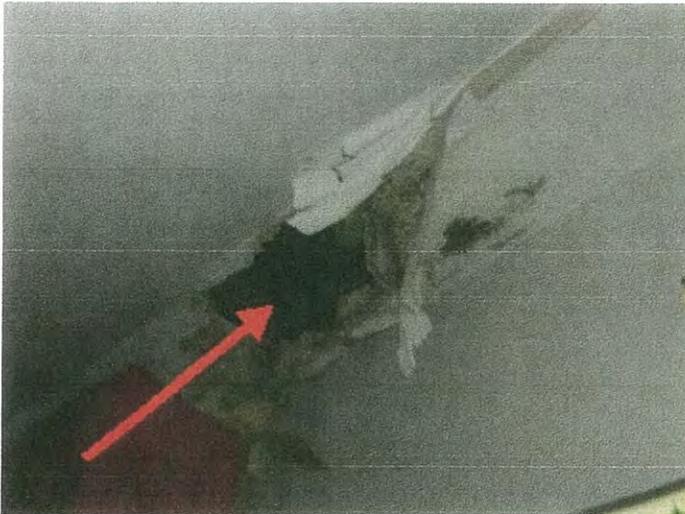
I=Inspected

NI=Not Inspected

NP=Not Present

D=Deficient

I	NI	NP	D
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Sections of drywall and all area have caved in due to moisture



Large areas of the ceiling in the main area of the structure have collapsed



Large areas of the ceiling in the main area of the structure have collapsed



Floors are not level. Indicates possible movement of the foundation.

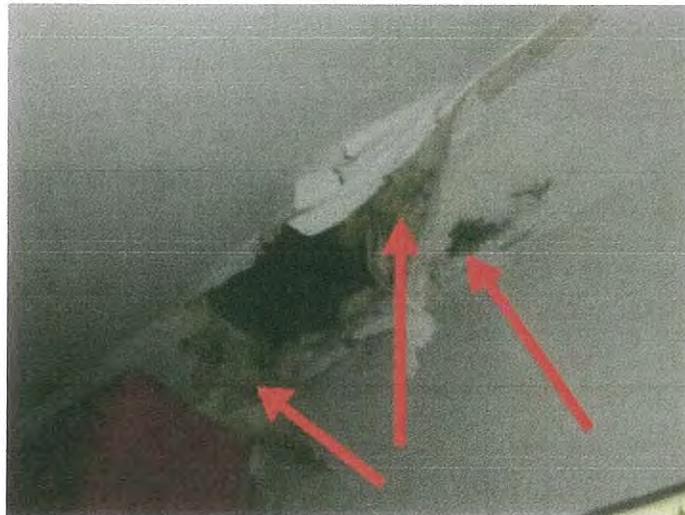
I=Inspected

NI=Not Inspected

NP=Not Present

D=Deficient

I	NI	NP	D
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Observed the presence of an organic fungal growth, mold like in appearance, recommend further investigation by a qualified state licensed Mold Assessment Consultant.

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	G. Doors (Interior & Exterior)
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Comments:

All deficient items in need of attention are listed in RED, items noted for information listed in BLACK. Deficiencies of note requiring special attention are preceded and followed by asterisks. All findings are as of the date and time of the inspection. Property conditions change with time and use.

Items noted during the visual inspection that require comment, are in need of repair, adjustment, restoration, continuation of the due diligence process and/or servicing or items noted for information include but are not limited to:

Main entrance doors to the main interior area of the structure do not close properly

Door to the office area gets hung on the floor area from where the foundation has shifted

Rear exterior door does not close properly

I=Inspected

NI=Not Inspected

NP=Not Present

D=Deficient

I	NI	NP	D
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Main entrance doors to the main interior area of the structure do not close properly



Door to the office area gets hung on the floor area from where the foundation has shifted



Rear exterior door does not close properly

I=Inspected

NI=Not Inspected

NP=Not Present

D=Deficient

I	NI	NP	D
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<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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H. Windows

Window Types:

- Stationary style windows
- Windows are made of wood

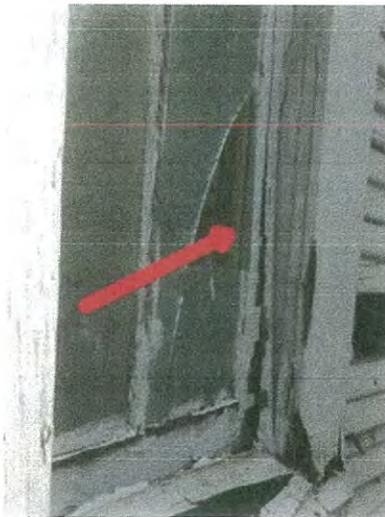
Comments:

All deficient items in need of attention are listed in RED, items noted for information listed in BLACK. Deficiencies of note requiring special attention are preceded and followed by asterisks. All findings are as of the date and time of the inspection. Property conditions change with time and use.

Items noted during the visual inspection that require comment, are in need of repair, adjustment, restoration, continuation of the due diligence process and/or servicing or items noted for information include but are not limited to:

Broken Window(s)

Frames around some windows are severely deteriorated due to moisture penetration



Broken Window(s)



Broken Window(s)

I=Inspected

NI=Not Inspected

NP=Not Present

D=Deficient

I	NI	NP	D
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Broken Window(s)



Frames around some windows are severely deteriorated due to moisture penetration

I. Stairways (Interior & Exterior)

Comments:

J. Fireplaces and Chimneys

Locations:
Types:
Comments:

K. Porches, Balconies, Decks, and Carports

Comments:

L. Other

Materials:
Comments:

II. ELECTRICAL SYSTEMS

A. Service Entrance and Panels

Panel Locations:
Materials & Amp Rating:
Comments:

Not inspected per clients request

I=Inspected NI=Not Inspected NP=Not Present D=Deficient

I	NI	NP	D
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<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	B. Branch Circuits, Connected Devices, and Fixtures
--------------------------	-------------------------------------	-------------------------------------	--------------------------	---

Type of Wiring:
Comments:

Not inspected per clients request

III. HEATING, VENTILATION AND AIR CONDITIONING SYSTEMS

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	A. Heating Equipment
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Type of Systems:
Energy Sources:
Comments:

Not inspected per clients request

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	B. Cooling Equipment
--------------------------	-------------------------------------	-------------------------------------	--------------------------	----------------------

Type of Systems:
Comments:

Not inspected per clients request

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	C. Duct Systems, Chases, and Vents
-------------------------------------	--------------------------	--------------------------	-------------------------------------	------------------------------------

Comments:

All deficient items in need of attention are listed in RED, items noted for information listed in BLACK. Deficiencies of note requiring special attention are preceded and followed by asterisks. All findings are as of the date and time of the inspection. Property conditions change with time and use.

Items noted during the visual inspection that require comment, are in need of repair, adjustment, restoration, continuation of the due diligence process and/or servicing or items noted for information include but are not limited to:

Cooling and heat are supplied by a duct system. Ducts are a source of indoor air quality contamination and should be cleaned periodical as an investment in your personal environmental hygiene. Environmental evaluations are beyond the scope of this inspection, if you are concerned with the indoor air quality, we recommend contacting a member of the American Society of Industrial Hygienist to perform air quality testing.

Duct system is damaged

I=Inspected

NI=Not Inspected

NP=Not Present

D=Deficient

I	NI	NP	D
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Duct system is damaged

IV. PLUMBING SYSTEMS

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	A. Plumbing Supply, Distribution System and Fixtures
--------------------------	-------------------------------------	-------------------------------------	--------------------------	--

Location of Water Meter:
 Location of Main Water Supply Valve:
 Comments:

Not inspected per clients request

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	B. Drains, Wastes, and Vents
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Comments:

Not inspected per clients request

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	C. Water Heating Equipment
--------------------------	-------------------------------------	-------------------------------------	--------------------------	----------------------------

Energy Source:
 Capacity:
 Comments:

Not inspected per clients request

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	D. Hydro-Massage Therapy Equipment
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Comments:

I=Inspected NI=Not Inspected NP=Not Present D=Deficient

I	NI	NP	D
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<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	E. Other
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Materials:
Comments:

V. APPLIANCES

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	A. Dishwashers
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Comments:

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	B. Food Waste Disposers
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Comments:

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	C. Range Hood and Exhaust Systems
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Comments:

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	D. Ranges, Cooktops, and Ovens
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Comments:

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	E. Microwave Ovens
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Comments:

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	F. Mechanical Exhaust Vents and Bathroom Heaters
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Comments:

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	G. Garage Door Operators
--------------------------	-------------------------------------	-------------------------------------	--------------------------	--------------------------

Door Type:
Comments:

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	H. Dryer Exhaust Systems
--------------------------	-------------------------------------	-------------------------------------	--------------------------	--------------------------

Comments:

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	I. Other
--------------------------	-------------------------------------	-------------------------------------	--------------------------	----------

Observations:

Report Summary

STRUCTURAL SYSTEMS		
Page 6 Item: A	Foundations	<p>Could not fully inspect the crawlspace of the foundation due to an adequate access or clearance to the crawlspace. Access should be at least 18 inches we only have nine available.</p> <p>From the inspectors vantage point, there appears to be radical shifting of the piers supporting the beams for the foundation of the structure causing significant movement and damage to the walls of exterior interior of the structure</p> <p>Termite shields missing between piers and the beams</p> <p>After examining the failure of the wall systems, unlevel interior floors along with the shifting of piers underneath the structure, it is the inspectors opinion that the foundation does not appear to be performing as intended. The inspector recommends contacting a structural engineer to evaluate as the inspector believes that the structure is possibly unsafe for usage.</p>
Page 8 Item: B	Grading and Drainage	<p>Vegetation too close to structure.</p> <p>Excessive vegetation growing on the sides of the structure, this vegetation contains moisture that can damage the structure</p> <p>Recommend contacting a landscaping specialist to evaluate the improvement of grading and drainage</p>

Page 11 Item: C	Roof Covering Materials	<p>Flashing is bent</p> <p>Flashing is lifting</p> <p>Flashing rusted</p> <p>Lifting at seams</p> <p>Roof is weathered</p> <p>Shingles lifting</p> <p>Broken shingles</p> <p>Deteriorated shingles</p> <p>Areas of the roof have been patched.</p> <p>Deteriorated soffits</p> <p>Deteriorated fascia boards</p> <p>Awning for the main entrance to the structure is severely damaged and appears to be only held in place by the gutter that is strapped to the stairway/entrance ramp to the main entrance.</p> <p>B vent for the heating system does not extend high enough above the roof covering of the structure</p>
Page 14 Item: D	Roof Structure and Attics	<p>Ridgeboard is smaller than the rafters attached to it, recommend adding an extension to support the rafters for the roof.</p> <p>There is some evidence pointing to the rafters slightly twisting and rotating due to lack of support from a smaller ridgeboard</p> <p>Roof decking appears damaged in certain areas</p> <p>Ladder for attic access is damaged.</p>

Page 17 Item: E	Walls (Interior and Exterior)	<p>Observed the presence of an organic fungal growth, mold like in appearance, recommend further investigation by a qualified state licensed Mold Assessment Consultant.</p> <p>Exterior walls are deteriorated in some places, most likely due to moisture and in some cases possible insect damage.</p> <p>Damaged exterior panels to the siding, appears to be moisture related.</p> <p>Panels of the exterior siding are missing</p> <p>Some panels on the exterior siding are loose and can allow moisture to penetrate the inside of the structure</p> <p>A section of siding is missing and the structures only protected by the vapor barrier placed to prevent water from entering the structure</p> <p>Large cracks in the interior walls</p> <p>Walls are separating at the corners due to significant movement of the structure</p>
Page 21 Item: F	Ceilings and Floors	<p>Observed the presence of an organic fungal growth, mold like in appearance, recommend further investigation by a qualified state licensed Mold Assessment Consultant.</p> <p>Large areas of the ceiling in the main area of the structure have collapsed</p> <p>Sections of drywall and all area have caved in due to moisture</p> <p>Floors are not level. Indicates possible movement of the foundation.</p>
Page 23 Item: G	Doors (Interior & Exterior)	<p>Main entrance doors to the main interior area of the structure do not close properly</p> <p>Door to the office area gets hung on the floor area from where the foundation has shifted</p> <p>Rear exterior door does not close properly</p>
Page 25 Item: H	Windows	<p>Broken Window(s)</p> <p>Frames around some windows are severely deteriorated due to moisture penetration</p>
HEATING, VENTILATION AND AIR CONDITIONING SYSTEMS		
Page 27 Item: C	Duct Systems, Chases, and Vents	Duct system is damaged

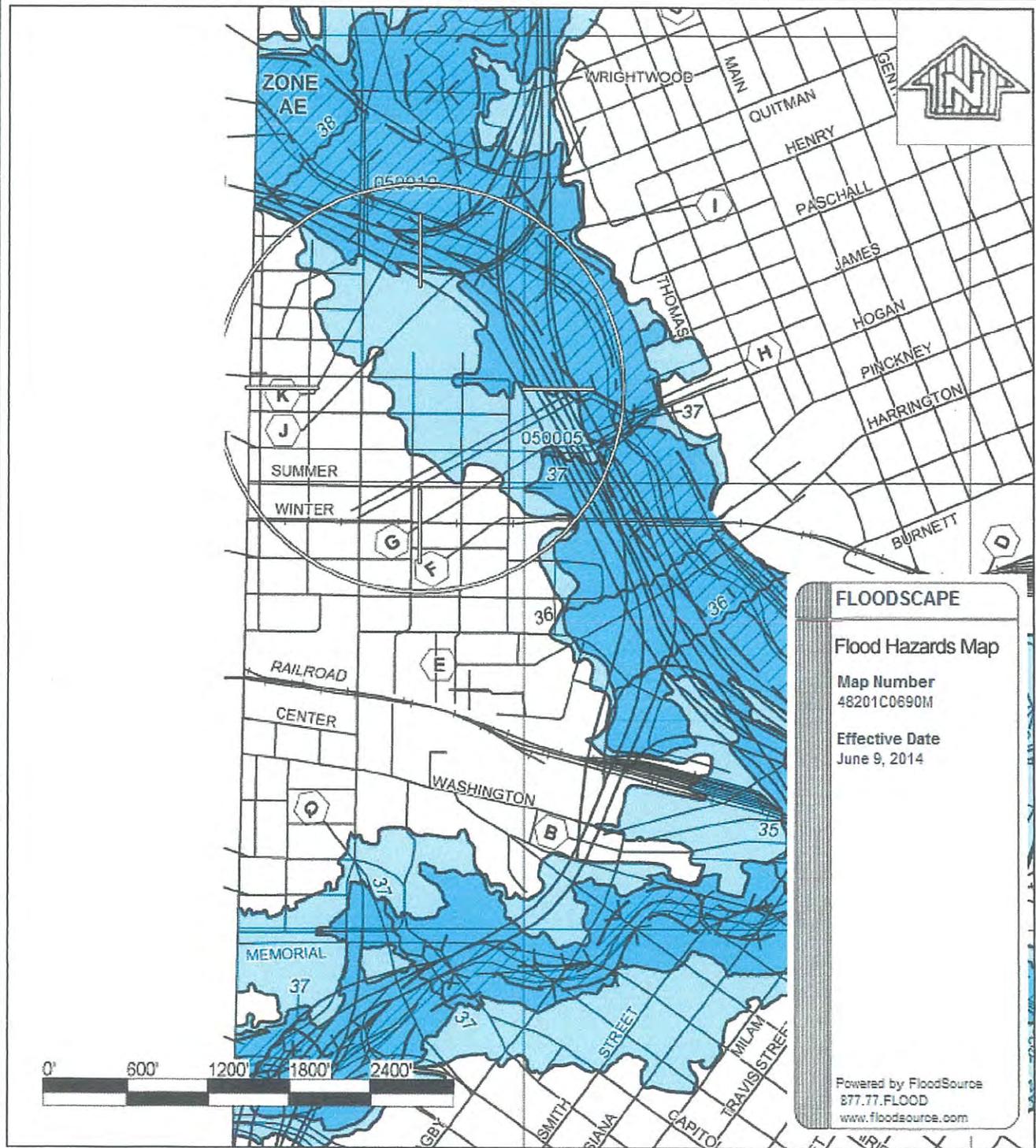
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Prepared for:

1918 Hickory St
Houston, TX 77007-4134



Houston Archaeological & Historical Commission

February 26, 2015

HPO File No. 150201

ITEM B.2

1918-1920 Hickory Street

Landmark: Mallalieu United Methodist

Church and Parsonage

ATTACHMENT D

LANDMARK REPORT

LANDMARK DESIGNATION REPORT

LANDMARK NAME: Mallalieu United Methodist Church and Parsonage (formerly First Ward Methodist Episcopal Church)

Owner: Mallalieu United Methodist Church

APPLICANT: Mallalieu United Methodist Church, Stephen Williams

LOCATION: 1918-1920 Hickory Street – First Ward

HEARING NOTICE: Apr-22-2003

AGENDA ITEM: I

HPO FILE NO.: 03L107

DATE ACCEPTED: Apr-01-2003

HAHC HEARING: May-22-2003

PC HEARING: Jun-12-03

SITE INFORMATION

Lot 6 and 7, Block 268, W. R. Baker Addition, NSBB, City of Houston, Harris County, Texas. The buildings on the site include a one-story, wood-frame church building (1918 Hickory) and a one-story, wood-frame parsonage (1920 Hickory).

TYPE OF APPROVAL REQUESTED: Landmark Designation

HISTORY AND SIGNIFICANCE:

The present wood-frame church building, known as Mallalieu United Methodist Church, was built in 1926. The church was originally called First Ward Methodist Episcopal (M. E.) Church, being established in the First Ward on June 23, 1885. In 1900 the church was renamed Mallalieu Episcopal Church in honor of Bishop Willard Francis Mallalieu, who served as Bishop of New Orleans. The building was reconstructed after being destroyed during the 1900 Galveston Hurricane that damaged much of Houston as well. The church was deemed a “colored denomination” of the Methodist Episcopal Church in 1915. When the building became too small for the growing number of worshippers, it was replaced in 1926 with the present building. It is interesting that most of the building materials for the construction of the new church came from Camp Logan. Camp Logan, a large U.S. Army training facility during World War I, was located in present-day Memorial Park. When the camp was eventually closed, some of the buildings were relocated to adjacent neighborhoods while others were dismantled and the building materials were used in construction elsewhere, including at Mallalieu Church. The church building and parsonage are significant because they house one of the earliest Methodist Episcopal Church congregations for Blacks in Houston. Also the church building is significant because of its unique design, being constructed in the shape of a plus “+” sign with the flat-roofed bell and pedestrian entry tower being situated at its southwest corner.

Mallalieu United Methodist Church is located in the First Ward, one of the four original wards created in 1840 (ending in 1912) by the City of Houston to manage municipal representation. According to the 1870 Census 488 whites, mostly Italians, and 250 African-Americans were living in First Ward, that number being the smallest Black population of any of the wards. It is located in a neighborhood that contains a large concentration of mid to late-19th century buildings and some early 20th century buildings. Most of the houses in the area are modest, one-story frame cottages. However, there are a few large Victorian-era homes found also in the neighborhood as well as some early 20th century commercial buildings fronting Houston Avenue. As the 20th century progressed, new housing reflected changes in architectural styles. Bungalows were built among the Victorian-era homes, but the essential character of the neighborhood did not change. During World War II, many of the houses were converted from family ownership to mostly tenant rentals, resulting in high absentee land ownership and decline in maintenance. Today, there is an apparent interest in the restoration of these homes once again to single-family ownership.

CITY OF HOUSTON

Archaeological & Historical Commission

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There are two divisions of Black congregations of the Methodist Church. The first division includes the African Methodist Episcopal Church (AME) and Colored Methodist Episcopal Church (CME). The second includes the Methodist Episcopal Church where their congregations are Black.

The African Methodist Episcopal Church (AME) grew out of a protest by Richard Allen against racial discrimination in St. George's Methodist Episcopal Church, Philadelphia, in 1787. Rather than suffer indignities in that white-controlled church, Allen formed a separate black congregation. In 1816 he organized several black Methodist congregations into a new denomination called the African Methodist Episcopal Church. In the tense times leading to the Civil War, the AME Church was not permitted to operate in Texas, or in most other parts of the slaveholding South.

The Methodist Church reported approximately 7,500 black congregants in 1860, the largest number of recorded members of any other communion. After the Civil War, most Black churchgoers became Baptist. Northern whites controlled the Methodist Episcopal Church and aggressively and successfully pursued Black members.

The first African Methodist Episcopal Church missionary in Texas, M. M. Clark, arrived in Galveston in 1866, after the surrender of the Confederacy and the end of slavery. Like African Methodist missionaries elsewhere in the former slave states, Clark wanted to organize black Methodists. Although Texas had had no AME congregations previously, many black Methodists had worshipped in the Methodist churches of their masters. Clark intended to bring them into the AME Church and to recruit others to Methodism. The congregations he and other missionaries organized were originally supervised by Bishop Jabez P. Campbell from New Orleans. Through its relationship with the Freeman's Bureau, however, the Methodist Episcopal Church was able to secure ownership of church buildings, a valuable asset in the Methodist competition for Black adherents who owned little property.

A meeting to organize an annual conference of the AME Church in Texas took place in Galveston, probably in 1867. (Administrative and doctrinal matters for the church as a whole are attended to in general conferences held every four years. Annual conferences handle church affairs within states.) Another conference of the Methodist Episcopal Church leaders met at Trinity Church in Houston in 1867 and organized the Texas Conference. On October 22, 1868, the first AME Texas conference met in Galveston, presided over by Bishop James A. Shorter. Among those present were the early leaders of African Methodism in Texas, Houston Reedy, Steven Patton, Emmanuel Hammitt, and Johnson Reed. The conference claimed 3,000 members and probationers that year, and membership grew steadily though not spectacularly afterward. By 1871 the Conference claimed 7,934 Black members and fifty-one ministers.

In many ways the churches aided the former slaves' social progress. During the years immediately after emancipation, Black Texans sought to satisfy their hunger for education. Many churches conducted their own schools, both Sunday schools and secular schools, for the benefit of children as well as adults. At a time when business opportunities for African-Americans were still limited, the churches also taught their members how to raise and sometimes how to manage money. The Texas Conference of the AME Church founded Paul Quinn College in the Metropolitan AME Church in Austin in 1872. The school was later moved to Waco. In addition to its religious functions, the African Methodist Church has helped blacks maintain a sense of community and provided them with a place to express their demands for civil rights. The West Texas Conference was organized in 1875 and the Central Texas Conference was organized in 1883.

African-American churches in Texas grew steadily through the late 19th and early 20th centuries. When the census bureau counted churches in 1890, the Baptist state convention tallied 111,138. The African Methodist Episcopal Church showed 23,392 members and the African Methodist Episcopal Zion Church had 6,927. The Colored Methodist Episcopal Church with 14,895 adherents in 1890, was the third largest Black church in the state. From the 1890s through the early decades of the 20th century, increasing numbers of Blacks abandoned farm tenancy for jobs and new lives in the city where they experienced urban churches where pastors were college or seminary trained.

CITY OF HOUSTON

Archaeological & Historical Commission

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First Ward Methodist Episcopal Church (not affiliated with the AME or CME Church, but a white congregation) was established in Houston in the First Ward on June 23, 1885. Their first pastor, Reverend I. D. Rose, was assigned to the church during the Conference of November 26, 1885 held in Houston by Bishop R. S. Foster. Reverend C. C. Minnegan served as secretary. The church purchased a lot in First Ward soon after the conference according to a deed filed in 1886. In the early years of the Methodist Episcopal Texas Conference most member churches were located within a triangle formed by Galveston, Bryan, and San Antonio. By 1890 Methodist Episcopal membership in Texas had reached 23,000, and the church had four conferences.

In 1900 First Ward Methodist Episcopal changed its name to Mallalieu Episcopal Church, and Reverend J. T. Lindsay was its first pastor. The church was renamed in honor of Bishop Willard Francis Mallalieu (1828-1911), who served nine years as Bishop in New Orleans before retiring in 1904. During the 1900 Hurricane that struck Galveston and Houston, the church building was destroyed. After the conference met in Marshall, Texas it was decided to rebuild Mallalieu.

Bishop Mallalieu was born in Sutton, Worcester County, Massachusetts on December 11, 1828. He graduated from Wesleyan University in 1857. He received the Methodist Episcopal Church and joined in the New England Conference in 1858. He received his D. D. from East Tennessee Wesleyan University in Athens. In 1882 he was the presiding elder in the Boston District. He was elected Bishop in 1884, and was the Presiding Bishop of the Texas Conference in 1897 and 1902, retiring soon thereafter in 1904. With more than 20 years of service, he was a highly esteemed pastor and preacher.

The pastors of Mallalieu who followed Reverend Lindsay were: Rev. S. W. Johnson, S. A. Pryor, Louis H. Barnett, J. F. Barnes. According to *The Red Book*, page 120 Mallalieu Church was first listed as a Black congregation with R. H. Warren as Pastor in 1915. The church was listed as "Colored" under the name Mallalieu Chapel M. E. (Methodist Episcopal) Church. Pastor Warren was followed by F. T. Lee and Reverend Wardoff.

During World War I, the church served the members and people of the First Ward through those trying times. In 1924 the Conference sent Rev. F. D. Mayes to Mallalieu and immediate plans began to build a new church building. Rev. Mayes served as pastor from 1924 to 1927.

By 1926 the Methodist Episcopal Conference had reached 34,000 members, ranking second to Baptists among Black churchgoers. In that year they held nine conferences. Also in that year, the present day chapel of Mallalieu was built in 1926 under the guidance of the trustees, including Gilbert Hicks, George Archer, L. J. Ambrister, Willis Luster, A. A. Smith, Eli Wilson and Carrie Teague. On March 9, 1926 the church took out three loans totaling \$3,900 from the Jones Lumber Company, Houston, to pay for the construction costs. It is interesting that most of the building materials for the construction of the new church came from Camp Logan. Camp Logan, a large U.S. Army training facility during World War I, was located in present-day Memorial Park. When the camp was eventually closed, some of the buildings were relocated to adjacent neighborhoods while others were dismantled and the building materials were used in construction elsewhere, including at Mallalieu Church. According to personal interviews, lumber and other supplies were hauled away from Camp Logan in mule drawn wagons to the site of the new church to be built at 1918 Hickory. After construction, Mallalieu M. E. Church was listed in the 1926 Houston City Directory under "colored" denominations, with its Pastor Rev. F. D. Mayes residing next door at 1920 Hickory Street, the current parsonage.

Camp Logan was created initially as an emergency U. S. Army training center in World War I. The site was originally a National Guard camp just beyond the western city limits of Houston. Construction of the center began on July 24, 1917. In the Houston Race Riot of 1917, some of the Black soldiers quartered at Camp Logan had a confrontation with Houston Police resulting in a riot on August 23 and the declaration of martial law in Houston. Later, the camp was used for hospitalization of wounded men in 1918. At the close of the war the site, including more than 1,000 acres, was acquired by William C. Hogg and his brother, Mike, who donated it to the City of Houston. Today, the site is known as Memorial Park, the city's largest recreational area.

CITY OF HOUSTON

Archaeological & Historical Commission

Planning and Development Department

Mallalieu Chapel was constructed on a raised, brick pier and beam foundation and was constructed and clad with wood, 117 siding (teardrop). Its design is in the form of a plus “+” sign with four gable roofs facing each direction (north, south, east and west) intersecting in the center. A large wooden bell and pedestrian entry tower, with a flat roof, was constructed at the southwest corner of the church. The church was built to seat 100 people (sanctuary running north to south) with the pulpit, choir loft and pastor’s study placed at the north end. The construction was done by the trustees under the design and coordination of Gilbert Hicks, a trustee and teamster, who worked at the Houston and Texas Central Railroad. Mr. Hicks was a resident of First Ward and lived on Summer Street. He was instrumental in providing many jobs for minority laborers in the community, through contracts with local businesses and homeowners. He learned the building trade from his father, who had worked for many Houston businessmen including Ben Riesner, whose former property is now the site for the headquarters for the Houston Police Department and Municipal Court Complex on Riesner Street.

The parsonage located to the north of the church was constructed in the Bungalow style, with its front porch partially inset under the main gable front roof. The house features unusual, double beveled clapboard wood siding and is raised upon brick piers.

The pastors following Rev. Mayes included Rev. L. B. Allen (1928-1929), Allen M. Harris (1930) and F. T. Lee (1931-1932), W. L. McDonald (1933), S. A. Jones (1934-1935) and C. T. Wardah (1936-1940).

Mallalieu Church continued to serve the members and the community throughout the years of the Great Depression, filling many voids in the lives of the families in the First Ward. In 1939 the Methodist Episcopal Church completed a long sought merger with the Methodist Episcopal Church South. At issue between groups had been the status of African-Americans. Bowing to Southerner’s demands for a segregated church, the Methodist Episcopal Church organized a separate Black organization called the Central Jurisdiction. All of the denomination’s Black conferences from every part of the country, including the Texas Conference and the West Texas Conference, were included in the Central Jurisdiction. For the first time, Blacks elected their own bishops, but they reported to the Central Jurisdiction rather than an integrated general conference. However, many remained unsatisfied with that outcome and the church lost much of its influence among Black Texans as a consequence of the merger. It was during this time in 1939 under the tenure of Rev. Wardah that Mallalieu officially became Mallalieu Methodist following the Methodist Union. In 1941 the conference sent Rev. R. H. White to Mallalieu Church where he served as pastor until 1943. Rev. White sponsored a program featuring the “Wings Over Jordan Singers” and was successful with the proceeds in paying off the remaining mortgage on the church.

Following Pastor White were: W. L. Robertson (1944-45), C. H. Peyton (1946-1947), H. J. Johnson (1948-1949), Richard H. Robinson (1950), W. L. Robertson (1951-1954), R. H. White (reappointed in 1955), Isaiah Davis (1956-58), George Brannon (1959-63) and C. J. Mayberry (1964-68). In 1968, amid the civil rights movement, the conference abandoned the detested Central Jurisdiction (created in 1939) while meeting in Dallas, and the Conference joined with two other Methodist organizations to form the United Methodist Church and did away with its policy of racial segregation. Moreover the church responded to demands from the Blacks for hymnals and instructional materials that included Black contributions to focus on issues related to African-American history and culture.

Rev. Mayberry was followed by Rev. Samuel Jenkins who served in 1969. In 1970 Rev. F. W. Logan was sent to Mallalieu by the Conference. Rev. Logan served as pastor from 1970-1983, being the longest pastoral tenure in its history.

Rev. Logan was the nephew of Rev. Wade H. Logan, D. D., a Houston resident and one of the founders of many of the colored Episcopal churches here. His uncle had invited Rev. Logan to live in Houston and thus was influenced by his uncle to attend Wiley College in Marshall, Texas. It was there that he began his ministry and came to serve the Texas Conference as Treasurer for twenty years. After retirement Rev. Logan and his wife,

CITY OF HOUSTON

Archaeological & Historical Commission

Planning and Development Department

Rachel, came to Houston to serve Mallalieu where he was instrumental in creating many ministries, while educating the congregation on being members of the United Methodists. Rev. Logan died in August 1983.

Pastor Logan was followed by Rev. C. K. Hayes (1984-1986). In 1987 the Conference sent Rev. Michael Pradia to Mallalieu where he quickly began to expand the horizons of the church. Rev. Pradia is credited for the Mallalieu Shalom Zone Ministry, which continues today to bring health care to the community at no cost. During his tenure, the parsonage was rehabilitated and converted to a multi-purpose center to serve many of the church ministries, especially that of the children. In 1997 the adjacent lots to the south were purchased for a parking lot and children's playground. Rev. Pradia assisted local law enforcement in reclaiming City of Houston Summer Street Park away from drug and gang activity. He helped Mallalieu in partnership with other churches in the conference to start a program to feed and clothe the homeless during Thanksgiving and Christmas. He also organized the collection and donating of toys, clothing and school supplies, and health fairs and tutoring for the children of the community. Today, his Friday Night Kids Program is well known throughout the Conference. Rev. Pradia has received many letters of appreciation from local dignitaries, including Mayor Katherine Whitmire, who proclaimed Sunday, November 12, 1989 as Mallalieu United Methodist Church 104th Anniversary Celebration Day. Rev. Pradia was followed by Rev. C. McCall (1999-2000).

In June 2001 the Conference assigned Rev. Edcell Blake to Mallalieu Church. Rev. Blake continues to carry on the mission of all previous pastors before him. Under his tenure, the congregation feels that the church has prospered and its future has never been brighter. Today, Mallalieu is the only remaining Methodist Church providing ministries to the Black congregation in First Ward.

RESTORATION HISTORY/CURRENT CONDITION:

Mallalieu United Methodist Church has undergone a few changes since its original construction. In the mid 1990s an enclosed, hall corridor was constructed between the church and the parsonage which is not noticeable from the street. The enclosed corridor, incorporating the rear porch of the parsonage, was constructed with wood, clapboard siding and a gable roof that connects with the church at the rear (northeast corner) and does not impact the architectural significance of either building. Also, a simple, metal 23' pyramid steeple was attached to the original, flat roofed entry tower in 1997. The steeple houses the original church bell. The original paired, wood horizontal paneled front doors have been replaced with similar paired, wood doors. A small wooden awning now shades the paired entry doors. A few of the original wood sash, double hung windows with 2/2 lights have been replaced with plate glass insets in the original window openings, although most of the original windows remain in place. The original wood, porch post support column for the parsonage porch has been replaced with another type of wood post. All of the changes that have been made to the two buildings are compatible as well as reversible and do not impact the architectural significance of the buildings.

CITY OF HOUSTON

Archaeological & Historical Commission

Planning and Development Department

APPROVAL CRITERIA FOR LANDMARK DESIGNATION:

Sec. 33-224. Criteria for designation of a Landmark.

(a) The HAHC and the commission, in making recommendations with respect to designation, and the city council, in making a designation, shall consider one or more of the following criteria, as appropriate for the type of designation:

S NA

S - satisfies NA - not applicable

- (1) Whether the building, structure, object, site or area possesses character, interest or value as a visible reminder of the development, heritage, and cultural and ethnic diversity of the city, state, or nation;
- (2) Whether the building, structure, object, site or area is the location of a significant local, state or national event;
- (3) Whether the building, structure, object, site or area is identified with a person who, or group or event that, contributed significantly to the cultural or historical development of the city, state, or nation;
- (4) Whether the building or structure or the buildings or structures within the area exemplify a particular architectural style or building type important to the city;
- (5) Whether the building or structure or the buildings or structures within the area are the best remaining examples of an architectural style or building type in a neighborhood;
- (6) Whether the building, structure, object or site or the buildings, structures, objects or sites within the area are identified as the work of a person or group whose work has influenced the heritage of the city, state, or nation;
- (7) Whether specific evidence exists that unique archaeological resources are present;
- (8) Whether the building, structure, object or site has value as a significant element of community sentiment or public pride.

STAFF RECOMMENDATION:

That the Houston Planning Commission accept the recommendation of the Houston Archaeological and Historical Commission and recommends landmark designation of Mallalieu United Methodist Church and Parsonage to the City Council.

CITY OF HOUSTON

Archaeological & Historical Commission

Planning and Development Department

Site Location Map
Mallalieu United Methodist Church
1918 Hickory Street
Not to Scale

