

TAX ABATEMENT AGREEMENT

C 74744
2012-0465

This **TAX ABATEMENT AGREEMENT** ("Agreement") is made by and between the **CITY OF HOUSTON, TEXAS**, a municipal corporation and home-rule city ("City"), and **BVSW GARDEN OAKS, L.P.**, a Texas limited partnership authorized to transact business in the State of Texas ("Owner"). The City and the Owner may be referred to singularly as "Party" and collectively as the "Parties." Capitalized terms have the meanings defined in the first section of this Agreement.

WITNESSETH:

WHEREAS, the encouragement of new and existing development and investment in the City is paramount to the City's continued economic development; and

WHEREAS, in accordance with the requirements of Section 44-127(a)-(c) of the Code of Ordinances of the City of Houston, Texas ("Code"), the Owner desires to renovate, modernize, and redevelop a "residential facility" as defined in Section 44-121 of the Code ("Facility") to be used and occupied as multi-family housing accommodations by residential tenants; and

WHEREAS, in accordance with Section 44-123 of the Code, the Owner filed a written application for tax abatement dated March 14, 2012 and has been working with the City regarding the subject Real Property since June 15, 2011; and

WHEREAS, the City Council finds that it is reasonably likely that Owner, if granted the tax abatement described in this Agreement, will rehabilitate, renovate and modernize the existing, deteriorated, substandard structures in the BVSW Garden Oaks, L.P. Tax Abatement Reinvestment Zone ("Zone") which will benefit property in the Zone and contribute to the economic development of the City; and

WHEREAS, the City Council finds that the Improvements (as defined below) are practical and are of benefit to the area within the Zone and to the City; and

WHEREAS, the City Council finds that there will be no substantial potential adverse effect on the provision of City services or on the tax base caused by this Agreement; and

WHEREAS, the Owner has represented that the Improvements will be designed, constructed and installed in the Facility according to all applicable federal, state, and local environmental regulations; and

WHEREAS, the City Council finds that the terms of this Agreement meet the applicable requirements of Chapter 44, Article IV, of the Code;

NOW, THEREFORE, for and in consideration of the premises and mutual promises stated herein, the Parties agree as follows:

1. Definitions

As used in this Agreement, the following capitalized terms shall have the meanings assigned to them below, unless otherwise defined or the context clearly requires otherwise.

"Abated Property" means improvements to the following types of property made subsequent to this Agreement: buildings, structures, fixed machinery and equipment, site improvements, office space and related fixed improvements necessary to the renovation, modernization, and habitability of the Facility, and tangible personable property.

"Abatement Period" means the ten (10) year time period that begins on the Effective Date of Abatement.

"Agreement" means this Tax Abatement Agreement between the City of Houston and BVSW Garden Oaks, L.P.

"Agreement Effective Date" means the date upon which the City Controller countersigns this Agreement.

"Base Year Value" means One Million One Hundred One Thousand Six Hundred and no/100 Dollars (\$1,101,600.00) which is the sum of the appraised value of all taxable property in the Zone as of January 1, 2012, plus the agreed upon value of all taxable property constructed or installed in the Zone after January 1, 2012, but before the Agreement Effective Date.

"Chapter 44" means Article IV, Tax Abatement, of the Code, as amended.

"City" means the City of Houston, Texas.

"City Council" means the City Council of the City of Houston, Texas.

"Department" means the City's Office of the Mayor, Economic Development or its successor.

"Director" means the Chief Development Officer of the Department or his or her designee, or any person who may be designated in writing by the Mayor to perform the

functions delegated to the Director in this Agreement, but only for so long as the designations remain in effect.

"Effective Date of Abatement" means the earlier of either (i) the January 1st immediately following the date that the last certificate of occupancy for the Improvements is issued by the City or (ii) January 1, 2014.

"EXHIBIT 1" attached to this Agreement and made a part hereof includes a legal description and a map of the Zone.

"EXHIBIT 2" attached to this Agreement and made a part hereof lists the street addresses and the respective HCAD tax account numbers of the taxable property currently and to be located in the Zone.

"EXHIBIT 3" attached to this Agreement and made a part hereof describes the Abated Property.

"EXHIBIT 4" attached to this Agreement and made a part hereof includes financial information, e.g. a project summary and economic impact analysis, related to the Abated Property.

"HCAD" means the Harris County Appraisal District.

"Improvements" means buildings, structures, fixed machinery and equipment, site improvements, office space and related fixed improvements necessary to the operation and administration of the Facility, and tangible personal property that is developed, constructed, or installed in the Zone by or on behalf of the Owner subsequent to the Agreement Effective Date.

"Ordinance" means City Ordinance No. 2012- 464 adopted on May 16, 2012¹ creating the Zone.

"Other basic industry facility," as that term is defined in Section 44-121 of the Code, means buildings and structures, including fixed machinery and equipment not elsewhere described, that meet the economic development objectives of the general policy stated in Section 44-120 of the Code.

"Owner" means the abatement recipient, BVSW Garden Oaks, L.P., a Texas limited partnership authorized to transact business in the State of Texas, which owns or will own the real and/or personal property against which the ad valorem taxes levied will be partially abated pursuant to Chapter 44 of the Code.

¹ City Secretary to insert ordinance number and date adopted by City Council.

"Permanent employee" means an individual who works for, and is an employee of, either the Owner, an affiliate of the Owner, or a third party management company engaged to manage the property on behalf of the Owner, and who works a minimum of thirty-five (35) hours in a seven-day period, and reports to work in the Zone, excluding any contract employee, seasonal employee, or part-time employee.

"Real Property" means the land in the Zone and all improvements existing prior to the Agreement Effective Date, which land is or will be owned by the Owner. The Real Property is more specifically described on EXHIBIT 1.

"Tax Code" means the Texas Tax Code, as amended.

"Zone" means the BVSU Garden Oaks, L.P. Tax Abatement Reinvestment Zone, which is more particularly described in Exhibit "B" of the Ordinance.

2. Authorization

This Agreement is authorized by Chapter 44, Article IV of the Code, which establishes the property tax abatement program for properties in designated reinvestment zones, and by the Ordinance.

3. Property

The street addresses and HCAD tax account numbers of the Real Property and the Improvements are listed on EXHIBIT 2.

4. Representations and Warranties

(a) The Owner represents that it owns or will own the Real Property. In the event that the Owner does not own the Real Property on the Agreement Effective Date, the Owner agrees to acquire the Real Property not later than May 1, 2012. The Owner further agrees that if it fails to acquire the Real Property by May 1, 2012 (to be evidenced by a deed or other conveyance to Owner that is filed for record in the Office of the County Clerk of Harris County, Texas), this Agreement shall automatically be null, void and of no further force or effect.

(b) The Owner represents that the execution and delivery of this Agreement has been duly authorized by all requisite actions of its partners that are necessary for it to have force and effect and that the person signing this Agreement on behalf of the Owner has been and is authorized to do so.

(c) The Owner represents and warrants that the construction, installation or renovation of the Improvements described in EXHIBIT 3 will begin after the Agreement

Effective Date. The Owner represents that the Real Property is comprised of approximately 5.3409 acres of land.

(d) The Owner represents that, to the best of its knowledge, no interest in the Real Property or the Improvements is held or leased by a member of the City Council or a member of the City's Planning Commission.

(e) The Owner represents and warrants that it will invest a minimum of Eight Million Dollars (\$8,000,000.00) in constructing, installing and renovating the Improvements in the Zone by the Effective Date of Abatement.

(f) The Owner represents and warrants that by the Effective Date of Abatement, the Owner will employ, and will continue to employ throughout the Abatement Period, at least two (2) Permanent Employees in the Zone whose employment position on the Effective Date of Agreement does not exist.

(g) The Owner represents that developing, constructing, installing, and renovating the Improvements in the Zone are necessary because the existing Facility is in a state of deterioration and disrepair, was closed down by the City in 2007, and since that time has become an eyesore and a magnet for vagrants and vandals.

(h) The Owner represents and warrants that it will develop the Facility as described in EXHIBIT 4.

(i) The Owner represents and warrants that the Improvements will be constructed, installed, developed, and renovated in accordance with all applicable federal, state, and local environmental laws and regulations.

5. Terms of the Agreement

(a) The Owner shall cause the Improvements to be developed, constructed, installed, and renovated substantially in conformity with the description, plans, and specifications described in EXHIBIT 3 and applicable provisions of the City of Houston Building Code ("Building Code"). In case of any conflict between EXHIBIT 3 and the Building Code, the Building Code shall prevail. In addition, during the Abatement Period, the Owner shall comply with Chapter 42 of the Code, if applicable (platting regulations), and all other laws and regulations applicable to the construction and installation of the Improvements.

(b) Upon substantial completion of the construction, installation, and renovation of the Improvements, the Facility shall be used for the proposed uses specified in this paragraph during the Abatement Period; provided, however, the Director may approve a change from those proposed uses, if the Director determines

that the change is consistent with Chapter 44 and with the City's general purpose of encouraging development or redevelopment of the Zone during the Abatement Period. The proposed use of the Facility (unless the Director approves a change in use) is to renovate, develop, upgrade, and expand the existing 136 units of deteriorated, vacant apartment property into 166 units of upscale multi-family housing accommodations.

(c) The Owner shall maintain the Improvements in good repair and condition during the Abatement Period.

(d) The Owner shall allow City employees, and/or designated representatives, full access to the property (subject to the terms of then existing leases with tenants) in the Zone, both during and after the expiration or termination of the term of this Agreement, for the purpose of inspecting the Improvements to ensure that the Facility and Improvements are completed, installed, renovated, and maintained in accordance with the terms of this Agreement. All inspections will be made only after giving the Owner at least twenty-four (24) hours' advance notice, and will be conducted during normal business hours in such manner as to not unreasonably interfere with the construction, redevelopment and/or operation of the Facility. All inspections will be made with one (1) or more representatives of the Owner and in accordance with the Owner's safety and security procedures. The above shall not act as a limitation on the City's ability to otherwise perform any inspections or to otherwise enter the Facility pursuant to the Code, the Building Code, or otherwise.

(e) The Owner shall provide and cause its affiliates to provide City employees, and/or designated representatives, full access to all records related to the Agreement and necessary for the purpose of determining, by audit or otherwise, that the Owner is and has been in full compliance with this Agreement. Any such inspection and audit shall be made only after giving the Owner at least 24 hours' advance notice, and will be conducted during normal business hours in such a manner as to not unreasonably interfere with the construction, redevelopment and/or operation of the Facility. Documents and materials provided by the Owner or its affiliates to the City in connection with any audit or other inspections under this Agreement which contain information that is, or which themselves are, confidential or proprietary to Owner shall not be removed from the Facility nor shall the information contained in them be used or disclosed by the City other than for the sole purpose of determining the Owner's compliance with the terms and conditions of this Agreement, unless disclosure is otherwise required by state or federal law.

In the event that the City receives any request for information pursuant to the Texas Public Information Act or similar provision of federal law, the City agrees to promptly give the Owner notice of that request. If the Owner, for itself or one or more of

its affiliates, advises the City that it believes that the right of the City to withhold said information from disclosure is allowed by the Texas Public Information Act or other applicable state or federal statute, rule or regulation, the City agrees to withhold the information or to immediately request an opinion from the Texas Attorney General or other appropriate public official with authority under law to render such decision on the right of the City to withhold said information. If the decision rendered is to the effect that disclosure is not required to be made, then the City agrees to withhold disclosure of said information unless thereafter authorized by the Owner to be disclosed. The City agrees that during any period after request but before the rendering of a decision by the Texas Attorney General or other appropriate public official regarding the obligation of the City to make disclosure of information deemed confidential, proprietary or both by the Owner, it will not disclose the requested information unless ordered to do so by a court of competent jurisdiction.

(f) This Agreement or an abstract of this Agreement may be recorded in the Real Property Records of Harris County, Texas, will run with the land, and may be assigned to a new owner with the written consent of the Director, which consent shall not be unreasonably withheld. If the proposed assignee is an affiliated entity of the Owner, then the Director may consent to an assignment if the Owner is in compliance with all terms of this Agreement. Any assignment of this Agreement shall not relieve the Owner of continuing liability under this Agreement unless specifically agreed to in a writing signed by both the Director and the City Attorney. Any assignment shall provide that the assignee shall irrevocably and unconditionally assume all the duties and obligations of the Owner upon the same terms and conditions as set out in the Agreement. Any assignment of this Agreement shall be to an entity that contemplates the same improvements or repairs to the property in the Zone, except to the extent such improvements or repairs have been completed. No assignment shall be approved if either the Owner or the assignee is indebted to the City for ad valorem taxes or other obligations.

(g) Not later than January 1st of each year during the Abatement Period, the Owner shall submit to the Director a sworn statement of the number of Permanent Employees, contract employees, and part-time employees of the Owner, its affiliates, or third party management company engaged to manage the property on behalf of the Owner, as of the immediately preceding December 1st, who report to work in the Zone. The employee count submitted shall correspond to the employee count reported by the Owner, affiliate of the Owner, or third party management company engaged to manage the property on behalf of the Owner in its "Employer's Quarterly Report" to the Texas Workforce Commission. The employee count submitted by the Owner shall be used to determine abatement eligibility for that year and be subject to audit, if requested by the Director, pursuant to the provisions of Code Section 44-133(b). The Owner, if

requested by the Director, shall have an independent audit prepared of the employment/employee count documentation and shall submit the audit to the Director for use in complying with the requirements of Code Section 44-133(b). Not later than March 31st of each year during the Abatement Period, the Director shall certify to the Chief Appraiser of HCAD whether the Owner is in compliance with the employment requirements of this Agreement.

(h) This Agreement may be amended at any time upon the mutual written consent of all Parties hereto subject to approval by the City Council.

(i) Not later than April 15th or such other date as required by HCAD of each year during the Abatement Period, the Owner shall file the appropriate form with HCAD to qualify for the tax abatement granted under this Agreement for that year.

(j) Contract employees and part-time employees may be used to comply with the Owner's contractual obligation to create/retain jobs on a full-time equivalency basis for any number of jobs; provided that full-time equivalent jobs shall only be used to satisfy the Owner's contractual obligation if the Owner maintains a minimum of two (2) permanent employees who work within the Zone.

(k) Commencing January 1, 2013, and on or before January 1st of each subsequent year during the Abatement Period, the chief financial officer, or equivalent, of the Owner shall provide the Director a sworn statement that the Owner is and has been in compliance with all provisions of this Agreement in the prior year.

(l) A chief financial officer, or equivalent, of the Owner who cannot make the sworn statement required by paragraph (k) above on any January 1st shall provide the Director with a written statement identifying any provision of the Agreement with which the Owner is not or has not been in full compliance.

(m) Failure by the chief financial officer, or equivalent, of the Owner to timely provide the Director with either the sworn statement required by paragraph (k) above or the written statement required by paragraph (l) above will result in automatic default under this Agreement for which no notice of default or opportunity to cure shall be required.

(n) The Owner shall have the option and right at any time during the Abatement Period, to give the City written notice (a "Termination Notice") that the Owner has elected to terminate this Agreement and its right to tax abatement on the Improvements effective as of the year in which the Termination Notice is given by the Owner; provided, however, at the time the Termination Notice is given by the Owner, no event of default shall exist which has not been cured. Upon the giving of a Termination

Notice by the Owner and subject to the proviso of the preceding sentence, this Agreement and all rights and obligations of the Parties shall cease and terminate and the Owner shall not be entitled to any tax abatement pursuant to this Agreement for the year in which the Termination Notice is given by the Owner and for all years remaining in the Abatement Period.

6. Tax Abatement

(a) The Base Year Value is One Million One Hundred One Thousand Six Hundred Dollars (\$1,101,600.00).

(b) The estimated value to be abated is \$25,552 per year for 10 years for a total of \$255,520.

(c) In consideration of the Owner's commitment to invest at least Eight Million Dollars (\$8,000,000.00) in the Improvements in the Zone, the City agrees to grant the Owner a fifty percent (50%) abatement of the ad valorem taxes on the Improvements in the Zone during the Abatement Period. In addition, the abatement of the ad valorem taxes granted by this Agreement is specifically subject to the rights of the holders of outstanding bonds of the City as of the effective date of this Agreement. The Abatement Period begins on the January 1st following the Effective Date of Abatement). In no case shall the Abatement Period, inclusive of the construction period, exceed ten (10) years from the Effective Date of Abatement.

(c) From the Agreement Effective Date to the Effective Date of Abatement, ad valorem taxes levied on ineligible property, as that term is defined in Section 44-127(e) of the Code, including the Real Property, shall be fully payable.

(d) From the Effective Date of Abatement to the end of the Abatement Period:

(1) Ad valorem taxes levied on "ineligible property," as that term is defined in Section 44-127(e) of the Code, including the Real Property, shall be fully payable.

(2) Ad valorem taxes levied on the Base Year Value of "eligible property," as that term is defined in Section 44-127(d) of the Code, shall be fully payable.

(3) Fifty percent (50%) of the ad valorem taxes levied on the Improvements, as determined each year, shall be fully payable.

(e) The City shall enter into only one tax abatement agreement for the Facility described in this Agreement during the existence of the Zone.

7. Default and Recapture

(a) Events of Default

The Owner shall be in default under this Agreement if any of the following occur at any time from the Agreement Effective Date until the expiration of the Abatement Period or such earlier date on which this Agreement may otherwise expire or otherwise be terminated:

(1) The Facility is completed and is occupied, but subsequently is wholly vacated or abandoned for any reason other than the occurrence of a fire, explosion, or other casualty or accident or natural disaster;

(2) The Owner fails to comply timely with job creation, investment or payment requirements stated in this Agreement;

(3) The Owner fails to comply timely with any material term of this Agreement;

(4) The Owner fails to file any required report or statement or to give any required notice pursuant to this Agreement; or

(5) Employees or designated representatives of the City determine pursuant to an inspection under Section 44-132 of the Code that the Owner has not complied with this Agreement.

(b) Notice

(1) If the Director determines that an event of default has occurred, the Director shall notify the Owner in writing at the address stated in the Agreement, and if the condition of default is not cured within thirty (30) days from the date of the notice, then the City may take any one or more of the following actions set forth in Section 7(d) of this Agreement; provided, however, that the City shall only be required to give a thirty (30) day notice of default for failure to comply with job creation or investment requirements. The Owner's failure to comply with job creation or investment requirements is an "incurable default." Within such thirty (30) day notice period, the Owner shall be entitled to question the accuracy of the City's determination of the incurable default but shall not be entitled to cure the default. After the thirty (30) day notice period, if the City concludes that its determination of the incurable default is correct ("noticed incurable default"), then the City shall be entitled to pursue any one or more of the remedies set forth in Section 7(d) of this Agreement.

(2) If the Owner is in default under Section 7(a) of this Agreement, the Owner shall notify the City within thirty (30) days of the default and if the default is one that can

be cured hereunder (and is not an incurable default), the default shall be cured within thirty (30) days following the date of the notice of default. If the Owner fails to cure the curable default within such thirty (30) day period, then the City may pursue any one or more of the remedies listed in Section 7(d) of this Agreement.

(c) Cure

(1) In curing an event of default based on any of the items set forth in Section 7(a) of this Agreement, and assuming the event of default is curable and is not an incurable default, the Owner shall provide sufficient evidence to the Director that the default has been cured within thirty (30) days following the date of the notice of default. Sufficient evidence shall include the providing of the information not timely provided and/or providing evidence of the completion of the act(s) not timely performed. The City shall have the right to ask for additional information to confirm the adequate cure of any default.

(d) City Remedies for Default

(1) In the event of a noticed incurable default or a curable default which has not been cured after notice and an opportunity to cure was given, no tax abatement shall be allowed for the calendar year in which the default occurs (and thereafter) and the City shall have the right to pursue any one or more of the following remedies: terminate the Agreement; terminate the Owner's right to any future abatement under the Agreement without terminating the Agreement; pursue any and all remedies allowed under the Agreement; and pursue any and all remedies allowed under Texas law.

(2) In addition to the foregoing, in the event of a noticed incurable default or a curable default which has not been cured after notice and an opportunity to cure has been given, the City, in its sole discretion, may recover all or any part of the taxes abated at any time under the Agreement. The Owner shall pay to the City all such previously abated taxes within thirty (30) days of the City's written demand therefor. Any taxes or economic incentive not paid timely shall bear interest at the rate of twelve percent (12%) annually.

(3) Notwithstanding the foregoing, the Director and the City Attorney are hereby authorized to negotiate and enter into amendments and revisions to the Agreements under which there are noticed incurable defaults or curable defaults which have not been cured after notice and opportunity to cure has been given. In the foregoing circumstances, the Parties are also authorized to negotiate and enter into any other and further agreements they determine best protect the City's interests.

(e) The City's right and authority to pursue any default and to recover abated taxes granted under this Section 7 shall survive the amendment, revision, expiration, or termination of this Agreement.

8. Administration

(a) The Chief Appraiser of HCAD shall annually determine the taxable value of the Improvements listed in EXHIBIT 3, which consist of the real and personal property comprising the Zone. Each year, the Owner shall furnish the City with any additional information applicable to the tax abatement that may be necessary for the administration of the abatement granted under this Agreement. Once the taxable values of the real and personal property comprising the Improvements have been established, the Chief Appraiser of HCAD shall notify the eligible jurisdictions of the amount of the assessment.

(b) Upon substantial completion of construction, installation, or renovation of the Improvements, the Director shall annually evaluate the Facility to ensure compliance with this Agreement and prepare a report of any violations of this Agreement.

9. Compliance with Applicable Government Regulations

Except as specifically provided herein, nothing in this Agreement shall be construed to alter or affect the obligation of the Owner to comply with any ordinance, rule or regulation of the City, or the laws and regulations of the State of Texas and the United States.

10. Merger

The Parties agree that this Agreement contains all of the terms and conditions of the understanding of the Parties relating to the subject matter hereof. All prior negotiations, discussions, correspondence, and preliminary understandings between the Parties and others relating hereto are superseded by this Agreement.

11. Notices

All notices shall be in writing and unless hand-delivered, shall be sent by U.S. Mail certified, return receipt requested. Unless otherwise provided in this Agreement, all notices shall be delivered to the following addresses:

To the Owner: BVSW Garden Oaks, L.P.
Attn: Steve May, Principal
8117 Preston Road, Suite 300
Dallas, TX 75225

with copies to: Mr. David L. Pratt
Kane Russell Coleman & Logan PC
1601 Elm Street, Suite 3700
Dallas, TX 75201

To the City: Chief Development Officer
Office of the Mayor
901 Bagby, 4th Floor
Houston, Texas 77002

Each Party may designate a different address by giving the other Party written notice ten (10) days in advance of such designation.

[Execution page follows]

This Agreement has been executed by the Parties in multiple originals, each having full force and effect.

BVSW GARDEN OAKS, L.P.,
a Texas limited partnership

By: BVSW Garden Oaks GP, LLC,
a Texas limited liability company,
its general partner

By: Bridgeview Real Estate LLC,
a Texas limited liability company,
its manager

By: MayCo Realty, LLC,
a Texas limited liability company,
its manager

By: Steven D. May
Steven D. May, Manager

ATTEST:

By: Reid Beucler

Name: Reid Beucler

Title: _____

CITY OF HOUSTON, TEXAS

Annise D. Parker
Mayor Mark D. Appel

ATTEST/SEAL:

Christa Russell
City Secretary

COUNTERSIGNED:

Ronald C. Shaw
City Controller Ch. B. Shaw

DATE COUNTERSIGNED:

5-23-12

APPROVED:

[Signature]
Chief Development Officer,
Office of the Mayor

APPROVED AS TO FORM:

Donna Capps
Assistant City Attorney
L.D. File No. 0341200024001

EXHIBIT 1

LEGAL DESCRIPTION OF PROPERTY

A TRACT OR PARCEL CONTAINING 5.3409 ACRES OR 232,648 SQUARE FEET OF LAND SITUATED IN THE S.W. ALLEN SURVEY, ABSTRACT NO. 94, HARRIS COUNTY, TEXAS, BEING ALL OF GARDEN OAKS CONDOMINIUM AS RECORDED UNDER FILM CODE NO. 202128 OF THE HARRIS COUNTY CONDOMINIUM RECORDS, WITH SAID 5.3409 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 5/8" IRON ROD FOUND ON THE SOUTHERLY LINE OF A CALLED 57 FOOT WIDE STRIP CONVEYED TO HOUSTON LIGHTING AND POWER COMPANY, AS RECORDED UNDER VOLUME 1041, PAGE 577 OF THE HARRIS COUNTY DEED RECORDS, MARKING THE COMMON NORTHERLY CORNER OF SAID GARDEN OAKS CONDOMINIUM AND BLOCK 1 OF GARDEN OAKS COURT, MAP OR PLAT THEREOF RECORDED UNDER FILM CODE NO. 534125 OF THE HARRIS COUNTY MAP RECORDS, FOR THE NORTHWESTERLY CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE SOUTH 88 DEG. 10 MIN. 53 SEC. EAST ALONG THE COMMON LINE OF SAID GARDEN OAKS CONDOMINIUM AND SAID 57 FOOT WIDE STRIP, A DISTANCE OF 537.92 FEET TO A CAPPED 1/2" IRON ROD "STAMPED LANDTECH" FOUND ON THE WESTERLY RIGHT-OF-WAY LINE OF NORTH SHEPHERD DRIVE (WIDTH VARIES) MARKING THE NORTHEASTERLY CORNER OF SAID GARDEN OAKS CONDOMINIUM AND THE HEREIN DESCRIBED TRACT;

THENCE SOUTH 09 DEG. 09 MIN. 26 SEC. EAST ALONG SAID WESTERLY RIGHT-OF-WAY LINE OF NORTH SHEPHERD DRIVE, A DISTANCE OF 110.43 FEET TO A 5/8" IRON ROD FOUND MARKING AN ANGLE POINT;

THENCE SOUTH 06 DEG. 44 MIN. 19 SEC. EAST CONTINUING ALONG SAID WESTERLY RIGHT-OF-WAY LINE OF NORTH SHEPHERD DRIVE, A DISTANCE OF 89.90 FEET TO A CAPPED 5/8" IRON ROD "STAMPED WINDROSE LAND SERVICES" SET MARKING AN ANGLE POINT;

THENCE SOUTH 00 DEG. 25 MIN. 08 SEC. EAST CONTINUING ALONG SAID WESTERLY RIGHT-OF-WAY LINE OF NORTH SHEPHERD DRIVE, A DISTANCE OF 62.19 FEET TO A 5/8" IRON ROD FOUND MARKING THE COMMON EASTERLY CORNER OF SAID GARDEN OAKS CONDOMINIUM AND UNRESTRICTED RESERVE "A" OF CARTER'S GROVE APARTMENTS, MAP OR PLAT THEREOF RECORDED UNDER VOLUME 185, PAGE 124 OF THE HARRIS COUNTY MAP RECORDS FOR A SOUTHEASTERLY CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE SOUTH 89 DEG. 53 MIN. 02 SEC. WEST ALONG THE COMMON LINE OF SAID GARDEN OAKS CONDOMINIUM AND SAID UNRESTRICTED RESERVE "A", A DISTANCE OF 302.82 FEET TO A 1/2" IRON ROD FOUND MARKING A COMMON CORNER OF SAID GARDEN OAKS CONDOMINIUM AND SAID UNRESTRICTED RESERVE "A", FOR AN INTERIOR CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE SOUTH 00 DEG. 04 MIN. 50 SEC. WEST CONTINUING ALONG THE COMMON LINE OF SAID GARDEN OAKS CONDOMINIUM AND SAID UNRESTRICTED RESERVE "A", A DISTANCE OF 209.45 FEET TO A CAPPED 5/8" IRON ROD "STAMPED WINDROSE LAND SERVICES" SET ON THE NORTHERLY RIGHT-OF-WAY LINE OF WEST 34TH STREET (80' WIDTH) MARKING THE COMMON SOUTHERLY CORNER OF SAID GARDEN OAKS CONDOMINIUM AND SAID UNRESTRICTED RESERVE "A", FOR A SOUTHEASTERLY CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE NORTH 89 DEG. 59 MIN. 33 SEC. WEST ALONG SAID NORTHERLY RIGHT-OF-WAY LINE OF WEST 34TH STREET, A DISTANCE OF 383.18 FEET TO A CAPPED 5/8" IRON ROD "STAMPED WINDROSE LAND SERVICES" SET MARKING THE COMMON SOUTHERLY CORNER OF SAID GARDEN OAKS CONDOMINIUM AND RESERVE "C" OF SAID GARDEN OAKS COURT, FOR THE SOUTHWESTERLY CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE NORTH 00 DEG. 00 MIN. 27 SEC. EAST ALONG THE COMMON LINE OF SAID GARDEN OAKS CONDOMINIUM AND SAID GARDEN OAKS COURT, A DISTANCE OF 232.00 FEET TO A 5/8" IRON ROD FOUND MARKING A COMMON CORNER OF SAID GARDEN OAKS CONDOMINIUM AND LOT 5 OF SAID BLOCK 1, FOR A NORTHWESTERLY CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE SOUTH 89 DEG. 59 MIN. 33 SEC. EAST CONTINUING ALONG THE COMMON LINE OF SAID GARDEN OAKS CONDOMINIUM AND SAID GARDEN OAKS COURT, A DISTANCE OF 120.00 FEET TO A CAPPED 5/8" IRON ROD "STAMPED WINDROSE LAND SERVICES" SET MARKING A COMMON CORNER OF SAID GARDEN OAKS CONDOMINIUM AND LOT 10 OF SAID BLOCK 1, FOR AN INTERIOR CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE NORTH 00 DEG. 00 MIN. 27 SEC. EAST CONTINUING ALONG THE COMMON LINE OF SAID GARDEN OAKS CONDOMINIUM AND SAID GARDEN OAKS COURT, A DISTANCE OF 255.59 FEET TO THE PLACE OF BEGINNING AND CONTAINING 5.3409 ACRES OR 232,648 SQUARE FEET OF LAND, AS SHOWN ON JOB NO. 48531WC, PREPARED BY WINDROSE LAND SERVICES INC.

EXHIBIT 2

Tax Account Number

Street Address

See attached list

3405 N. Shepherd Drive, Houston, TX 77018

Wednesday, April 25, 2012



Account Number | Address | Owner Name | ? |
 13-Digit Number | search

En Español

REAL PROPERTY : RECORDS SEARCH [TAX YEAR: 2012]

Your search for property address : 3405 N SHEPHERD in tax year 2012 returned 136 record(s).

ACCOUNT INFORMATION

Account Number	Owner Name	Property Address	Zip	Impr Sq Ft	Market Value	Appraised Value
1304360010001	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 101	77018	845	Pending	Pending
1304360010002	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 102	77018	845	Pending	Pending
1304360010003	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 103	77018	880	Pending	Pending
1304360010004	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 104	77018	880	Pending	Pending
1304360010005	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 105	77018	880	Pending	Pending
1304360010006	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 106	77018	880	Pending	Pending
1304360010007	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 107	77018	845	Pending	Pending
1304360010008	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 108	77018	845	Pending	Pending
1304360020001	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 201	77018	845	Pending	Pending
1304360020002	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 202	77018	845	Pending	Pending
1304360020003	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 203	77018	880	Pending	Pending
1304360020004	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 204	77018	880	Pending	Pending
1304360020005	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 205	77018	880	Pending	Pending
1304360020006	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 206	77018	880	Pending	Pending
1304360020007	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 207	77018	845	Pending	Pending
1304360020008	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 208	77018	845	Pending	Pending
1304360030001	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 301	77018	1,000	Pending	Pending
1304360030002	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 302	77018	1,000	Pending	Pending
1304360030003	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 303	77018	1,150	Pending	Pending

1304360030004	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 304	77018	1,150	Pending	Pending
1304360030005	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 305	77018	1,150	Pending	Pending
1304360030006	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 306	77018	1,150	Pending	Pending
1304360030007	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 307	77018	1,000	Pending	Pending
1304360030008	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 308	77018	1,000	Pending	Pending
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1304360040002	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 402	77018	1,000	Pending	Pending
1304360040003	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 403	77018	1,150	Pending	Pending
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1304360040005	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 405	77018	1,150	Pending	Pending
1304360040006	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 406	77018	1,150	Pending	Pending
1304360040007	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 407	77018	1,000	Pending	Pending
1304360040008	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 408	77018	1,000	Pending	Pending
1304360050001	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 501	77018	1,000	Pending	Pending
1304360050002	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 502	77018	1,000	Pending	Pending
1304360050003	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 503	77018	1,150	Pending	Pending
1304360050004	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 504	77018	1,150	Pending	Pending
1304360050005	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 505	77018	1,150	Pending	Pending
1304360050006	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 506	77018	1,150	Pending	Pending
1304360050007	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 507	77018	1,000	Pending	Pending
1304360050008	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 508	77018	1,000	Pending	Pending
1304360060001	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 601	77018	1,000	Pending	Pending
1304360060002	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 602	77018	1,000	Pending	Pending
1304360060003	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 603	77018	1,150	Pending	Pending
1304360060004	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 604	77018	1,150	Pending	Pending
1304360060005	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 605	77018	1,150	Pending	Pending
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		607		
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		608		
1304360070001	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 1,000	Pending	Pending
		701		
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		702		
1304360070003	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 1,150	Pending	Pending
		703		
1304360070004	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 1,150	Pending	Pending
		704		
1304360070005	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 1,150	Pending	Pending
		705		
1304360070006	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 1,150	Pending	Pending
		706		
1304360070007	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 1,000	Pending	Pending
		707		
1304360070008	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 1,000	Pending	Pending
		708		
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		801		
1304360080002	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 1,000	Pending	Pending
		802		
1304360080003	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 1,150	Pending	Pending
		803		
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		804		
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		805		
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		806		
1304360080007	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 1,000	Pending	Pending
		807		
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		808		
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		901		
1304360090002	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 845	Pending	Pending
		902		
1304360090003	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 880	Pending	Pending
		903		
1304360090004	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 880	Pending	Pending
		904		
1304360090005	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 880	Pending	Pending
		905		
1304360090006	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 880	Pending	Pending
		906		
1304360090007	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 845	Pending	Pending
		907		
1304360090008	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 845	Pending	Pending
		908		
1304360100001	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 845	Pending	Pending
		1001		

1304360100002	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 1002	845	Pending	Pending
1304360100003	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 1003	880	Pending	Pending
1304360100004	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 1004	880	Pending	Pending
1304360100005	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 1005	880	Pending	Pending
1304360100006	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 1006	880	Pending	Pending
1304360100007	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 1007	845	Pending	Pending
1304360100008	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 1008	845	Pending	Pending
1304360110001	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 1101	1,000	Pending	Pending
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1304360110006	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 1106	1,150	Pending	Pending
1304360110007	GARDEN OAKS INVESTOR GROUP LLC	3405 N SHEPHERD DR # 77018 1107	1,000	Pending	Pending
1304360110008	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 1108	1,000	Pending	Pending
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1304360120005	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 1205	595	Pending	Pending
1304360120006	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 1206	595	Pending	Pending
1304360120007	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 1207	595	Pending	Pending
1304360120008	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 1208	595	Pending	Pending
1304360120009	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 1209	595	Pending	Pending
1304360120010	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 1210	595	Pending	Pending
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1304360120012	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 1212	595	Pending	Pending

1212

1304360120013	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 1213	77018	845	Pending	Pending
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1304360130004	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 1304	77018	1,150	Pending	Pending
1304360130005	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 1305	77018	1,150	Pending	Pending
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1304360150006	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 1506	77018	1,150	Pending	Pending
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1304360160004	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 1604	880	Pending	Pending
1304360160005	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 1605	880	Pending	Pending
1304360160006	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 1606	880	Pending	Pending
1304360160007	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 1607	845	Pending	Pending
1304360160008	BVSW GARDEN OAKS LP	3405 N SHEPHERD DR # 77018 1608	845	Pending	Pending

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EXHIBIT 3

ABATED PROPERTY

The "Improvements" as that term is defined in the Tax Abatement Agreement to which this EXHIBIT 3 is attached, is composed of two groups of property and together they constitute the "Abated Property" referenced therein. All construction and installation of these properties will be completed by February 1, 2013, subject to force majeure. The proposed use of the Improvements/Abated Property is for a "residential facility," as defined in Section 44-121 of the Code of Ordinances of the City of Houston, Texas.

EXHIBIT 4

PROJECT SUMMARY AND ECONOMIC IMPACT ANALYSIS

BVSW GARDEN OAKS L.P.

PREPARED FOR:

City of Houston

Finance Department – Economic Development

CONTACTS:

Steve May, Principal

Reid Beucler, Principal

(214) 477-7877

Garden Oaks



City of Houston – Tax Abatement Request Business Plan

Providing Tax Incentives for the Renovation of a 166 Unit Multifamily Property

Garden Oaks Apartments | 3405 N. Shepherd Drive | Houston, TX 77018

Presented by

Bridgeview Real Estate, LLC
8117 Preston Rd., Suite 300, Dallas, Texas 75225

CONFIDENTIAL FACT STATEMENT AND DISCLAIMER

This is a confidential Offering Memorandum ("Memorandum") intended solely for your limited use and benefit in determining the projects eligibility for tax incentives for the acquisition and renovation of Garden Oaks Apartments located in Houston, Texas.

This memorandum was prepared by Bridgeview Real Estate, LLC ("Bridgeview") and has been reviewed by representatives of the investment Sponsor for the acquisition and subsequent renovation of the Subject apartment community. It contains select information pertaining to the Property and does not purport to be all-inclusive or to contain all the information the City of Houston may desire. It should be noted that all financial projections are provided for general reference purposes only in that they are based on assumptions relating to competition, the general economy, and other factors beyond the control of the Sponsor and, therefore, are subject to material variation. Additional information and an opportunity to inspect the Property will be made available to the City should there be an interest.

Bridgeview expressly reserve the right, at its sole discretion, to reject any or all expressions of interest with any entity at any time with or without notice. In this Memorandum, certain documents, including architectural drawings, construction costs and other materials are described in summary form. The summaries do not purport to be a complete nor, necessarily, accurate descriptions of the full agreements involved, nor do they purport to constitute a legal analysis of the provisions of the documents.

The terms and conditions stated in this section will relate to all of the sections of the Memorandum as if stated independently therein.

CONTACT INFORMATION

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Reid Beucler

(214) 477-7877 reidb@bridgeviewre.com

(214) 228-8844

Executive Summary

TRANSACTION OVERVIEW
PROPERTY HISTORY
PROPERTY RENOVATION SUMMARY
MULTIFAMILY INVESTMENT ANALYSIS
PRINCIPAL / GENERAL CONTRACTOR BIOS

Property Information

PROPERTY DESCRIPTION
SITE PLAN
UNIT FLOOR PLANS
AERIAL / MAP
PHOTOS

Market Information

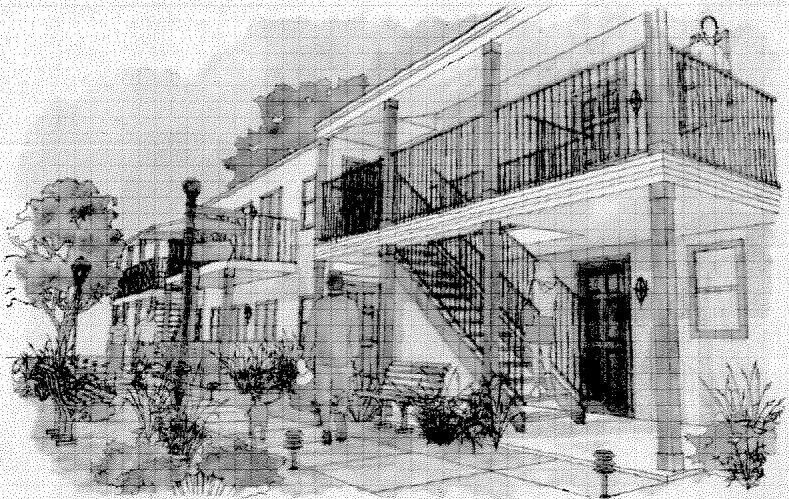
LOCATION OVERVIEW

Financial Analysis

RENOVATION BUDGET
MULTIFAMILY ANALYSIS

TRANSACTION OVERVIEW

- Bridgeview Real Estate, LLC ("Bridgeview") seeks a ten-year, fifty percent (50%) abatement of the increase in the ad valorem real estate taxes resulting from the acquisition and renovation of a failed condominium project and the conversion of the Project back into a rental multifamily property. The Property, known as Garden Oaks Condominiums (the "Property", the "Project" or "Garden Oaks"), which is currently unoccupied, is located in the Garden Oaks subdivision of Houston, Texas; just north of the Heights and northwest of downtown.
- Garden Oaks, previously known as Carter's Grove, is a 136-unit garden style apartment complex located at the intersection of Shepherd Drive and 34th Street, just north of the 610 Loop. The Property was built in 1971 on a 5.33 acre site and includes 16 wood frame two story residential buildings with 135,492 square feet of gross leasable area. The complex has a mix of 1, 2 and 3 bedrooms with the heaviest concentration in 2 & 3 bedroom floor plans.
- The Property was previously purchased by Right Place Properties ("Right Place"), a Phoenix boutique developer and real-estate brokerage firm ("Right Place"), in early 2008 for \$3,700,000 with the intent to renovate and sell the units over the next 24 months. Shortly after purchasing the Property, the economy and subsequently the real estate markets collapsed. The downturn along with other poorly structured and timed deals forced Right Place to close its doors in early 2009. Not long after closing, Right Place defaulted on payments to the investors and all work ceased. Since then, no work has been done on the property.
- Bridgeview closed on all 136 units and common area (the entire property) on January 13th, 2012 and is currently finishing demolition and clearing the site for construction. After demolition, Bridgeview will collapse the condominium structure and begin renovating the units, which is estimated to take eight to twelve months. During the renovation, two units at the front of the property will be converted into a leasing office and workout facility, and thirty-two of the large 3 Bedroom units will be converted into sixty-four 1 Bedroom units; consequently all discussions going forward will include 166 units. In addition to the leasing office, the boiler-room on the west side of the property will be expanded to include the boiler and a maintenance shop.
- The renovation is projected to cost \$5,700,000 (\$34,545/unit) and will include taking the project down to the studs and replacing all interiors including insulation, plumbing (where not already replaced), wiring, sheetrock, cabinets and fixtures as well as all exteriors not already renovated. Additionally, the balconies will be demolished and refitted with more modern stairs and smaller balconies. Six buildings were previously re-sided and the total project has already received new roofs, a new boiler (needs second boiler) and had 50% of the parking resurfaced.
- After the renovation, Garden Oaks will be positioned to compete with un-renovated early 1980's to late 1990's era projects in the West Inner Loop Submarket while trailing the 2000's era product in rents by 10% to 20%. Accordingly, the chart included on page 6 below showing the unit mix and rental rates prepared by Bridgeview and as validated by Greystar (the nation's largest multifamily management company), illustrates that the property would currently rent for \$1.22/SF.



PROPERTY HISTORY

- Garden Oaks is located at 3405 North Shepherd Drive in Houston Texas. The site is just west of the intersection of Shepherd and 34th Street with convenient access to the North 610 Loop as well as Interstate 45, Allen Parkway and Memorial Parkway. The Project is the conversion of a garden style apartment complex built in 1971 that was previously known as Carter's Grove.
- The Property has historically had a troubled past, but due to recent urban revitalization and gentrification of the area, the property is now located in a desirable neighborhood with convenient access to major Houston employment centers such as Downtown, the Galleria, Memorial City, Greenspoint and the Houston Medical Center.

- Garden Oaks was purchased in 2008 by Right Place Properties using a unique investment strategy to capitalize the transaction, which has allowed Bridgeview to put the property under contract at a below market price. Instead of contributing equity upfront and getting a loan from a financial institution to finance the rest of the project, Right Place borrowed from individual, fixed-income investors (primarily middle-class and wealthy retirees) on a unit by unit basis. Based on marketing materials obtained by Bridgeview, Investors in the Garden Oaks Condominium project funded more than \$10,000,000; however, Bridgeview estimates that only a fraction of the funds were used to purchase and do minimal renovations on the property.
- Because of the financial and real estate crisis, Right Place defaulted on the loans, and the investors were forced to band together and foreclose out their individual units, which resulted in a heavily fractured ownership structure. It is this fractured ownership, which Bridgeview has helped consolidate into one entity that essentially made this an off market transaction as no one else was willing to consider purchasing the property or aiding the investors to extricate themselves from their difficult predicament.

PROPERTY RENOVATION SUMMARY

- The Property includes 16 two-story, wood framed buildings with 136,880 square feet of saleable / leasable area and has large mature oak trees throughout the site. The property originally contained 136 units of which only 8 were 1 Bedroom units and 48 were 2 Bedroom units; the remaining 80 units were all 3 Bedroom units. However, during the renovation, 20 – 2 Bedroom units will be converted into 1 Bedrooms with Studies; 39 – small 3 Bedroom units will be converted into 2 Bedroom units with Studies (or large master bedrooms); and 32 of the large 3 Bedroom units will be converted into 64 – 1 Bedroom units. One of the 2 Bedroom units will be converted into an office at the front of the property and a second will be converted into a workout facility (right behind the office). The conversions will result in an increase of 30 units or 166 total units with 134,933 of leasable square feet as shown below.

Old Unit Mix	Unit Type	No. of Units	S.F.	Total S.F.	New Unit Mix	Unit Type*	No. of Units	S.F.	Total S.F.
1 BR / 1 BA	A	8	591	4,728	1 BR / 1 BA	1A	8	591	4,728
2 BR / 1.5 BA	D	20	869	17,380	1 BR / 1.5 BA Study	1D	20	869	17,380
2 BR / 1 BA	B	8	839	6,712	2 BR / 1 BA	2A	7	839	5,873
2 BR / 1.5 BA	C	20	873	17,460	Workout Facility	WORK			
					2 BR / 1.5 BA	2B	20	873	17,460
					Office	OFF			
3 BR / 2 BA	E	40	1,108	44,320	2 BR / 2 BA	2C	9	1,108	9,972
					2 BR / 2 BA Study	2D	30	1,108	33,240
					1 BR / 1 BA	1B	32	591	18,912
3 BR / 2 BA	F	40	1,157	46,280	1 BR / 1 BA	1C	32	566	18,112
					3 BR / 2 BA	3A	8	1,157	9,256
Total/Average:		136	1,006	136,880	Total/Average:		166	813	134,933

- The exterior renovation will include re-siding 10 buildings (6 already re-sided) with new hardy plank exteriors; sealing and painting areas with brick siding; installing one new boiler in the boiler room behind the pool and finishing the installation of the second boiler along with expanding the room to include a maintenance shop, fitness center, restrooms and outdoor community patio; resurfacing half the parking not already resurfaced; installing 80 carports and striping the remaining parking (148 uncovered spaces); replacing the existing pool with a new resort style pool; finishing the exterior fence and installing new ingress and egress controlled access points; installing a landscape sprinkler system; and upgrading the landscaping.
- The property's interiors, which have spacious closets and large windows, will be renovated with granite counter tops, black appliances (or stainless steel if cost effective), faux wood flooring in main areas of the first floor, carpet in the main areas of the second floor, tile/slate floors in bathrooms and kitchens, two inch faux wood blinds, and upscale carpeting in the bedrooms. All sheet rock, insulation, air conditioning ducts and electrical will be replaced and brought up to code. The plumbing installed by the previous owner will be inspected and used with the remaining unplumbed units being brought up to similar standards. The attached budget details the costs of the renovation budget.

MULTIFAMILY INVESTMENT ANALYSIS

- As previously mentioned, the subject Property is located in a revitalized area of Houston and is expected to offer an affordable alternative to higher priced units in the urban core of Houston. Accordingly, Bridgeview worked with

Greystar Company's property management group to analyze the subject property, its submarket and to come up with a pro forma using current rent comparables and their wealth of experience and historical data regarding operating expenses, which resulted in the attached Bridgeview pro forma.

- As of the end of the first quarter of 2011, Houston's apartment market fundamentals continue to improve as new supply levels thin out and jobs come back. While demand did not return to the robust levels seen in the second and third quarters of 2010, Houston absorbed enough apartments in the first three months of 2011 to replace the relatively modest number of units vacated in late 2010. And with new apartment delivery volumes dwindling just as jobs are starting to come back, in big numbers, occupancy and rental rates made up some lost ground, which helped revenues improve more than 4.0% annually. While the increase is moving in the right direction, the improvements are still not enough to offset the big losses seen in 2009; and which still leave Houston with one of the nation's lowest occupancy rates. The return of job growth has been the big driver in apartment demand as Houston led the nation with 46,300 jobs created in Calendar 2010. For the year ended February 2011, jobs created increased to 50,700.
- Looking at the specifics, metro Houston absorbed 2,050 apartments during the January-March 2011 time frame. This quarterly demand along with the previous nine months resulted in an impressive 15,470 units, one of the biggest totals seen since 2005 and 2006 (when hurricane evacuees drove up the demand). Most of Houston's net apartment absorption during the 1st quarter of 2011 was at the top of the market in properties built since 2000, particularly in brand new completions moving through initial lease-up. Inventory constructed since 2000 absorbed roughly 1,600 units during the quarter and 11,200 units in the 12 month period ending in March.
- Most of Houston's submarkets recorded positive demand in the 1st quarter and during the year-ending March 2011. Houston's absorption leaders on a quarterly and annual basis were the West Inner Loop, Katy/Southwest Houston and the Champions area. The subject property is located between the West Inner Loop and the Champions Area submarkets with all of its comparable properties located in the West Inner Loop submarket.
- The West Inner Loop submarket continues to outperform the other Houston Submarkets with demand of more than 4,330 units for the quarter ended March 2011. Leasing activity over the past year was especially robust in the large block of 2000's-era units. Bridgeview plans to offer leases 10% to 20% lower than this segment of the submarket, which is expected to continue seeing rising rents that will ultimately benefit Garden Oaks. The West Inner Loop submarket is currently 93.6% occupied and is project to increase to 95.6% over the next year. The submarket's strongest 1st quarter occupancy rate was in the 1990's era units (Garden Oaks' comparables after renovation) which had an occupancy rate of 95%.
- Bridgeview projects that the Property with a high end renovation such as the subject would garner current monthly rents of at least \$1.22/SF based on analysis of the submarket as supported by Greystar's independent analysis which showed a comparable subset of properties with monthly rents of \$1.30/SF to \$1.50/SF. The unit mix and rents shown below include only 166 units as one of the 1,108 square foot units will be converted into a leasing office and one of the 839 square foot, 2-bedroom units will be converted into a work out facility.

Unit Description	Unit Type	No. of Units	S.F.	Total S.F.	Projected Market Rent	Monthly Mkt. Rent	Annual Mkt. Rent	Rent / SF
1 BR / 1 BA	1A	8	591	4,728	\$750	\$6,000	\$72,000	\$1.27
1 BR / 1 BA	1B	32	591	18,912	\$750	\$24,000	\$288,000	\$1.27
1 BR / 1 BA	1C	32	566	18,112	\$730	\$23,360	\$280,320	\$1.29
1 BR / 1 BA Study	1D	20	869	17,380	\$1,075	\$21,500	\$258,000	\$1.24
2 BR / 1 BA	2A	8	839	6,712	\$1,025	\$8,200	\$98,400	\$1.22
2 BR / 1.5 BA	2B	20	873	17,460	\$1,075	\$21,500	\$258,000	\$1.23
2 BR / 2 BA	2C	9	1,108	9,972	\$1,250	\$11,250	\$135,000	\$1.13
2 BR / 2 BA Study	2D	29	1,108	32,132	\$1,300	\$37,700	\$452,400	\$1.17
3 BR / 2 BA	3A	8	1,157	9,256	\$1,350	\$10,800	\$129,600	\$1.17
Total/Average:		166	811	134,664	\$990	\$164,310	\$1,971,720	\$1.22

- The following chart compares Garden Oak's rents to its primary competitor's rents. As can be seen from the chart below, rents have materially increased in just the last 3 months in all properties further justifying Bridgeview's current underwriting.

Garden Oaks Apartments

Comp Study as of April 1 and August 16

Property Name	Year Built / Renovated	8/16/11 Occupied	# Units	Avg. SF	APRIL 1, 2011 MARKET		EFFECTIVE	
					Rent	Rent/SF	Rent	Rent/SF
Gardens	1983 / 2007	94%	246	578	\$ 644	\$ 1.11	\$ 601	\$ 1.04
GARDEN OAKS	1971	0%	166	811	\$ 990	\$ 1.22	\$ 923	\$ 1.14
Grove at White Oak	1985 / 2005	94%	156	731	\$ 997	\$ 1.36	\$ 937	\$ 1.28
Crossing at White Oak	2002	92%	186	874	\$ 1,096	\$ 1.25	\$ 1,069	\$ 1.22
Stonewood	2002 / 2007	99%	252	786	\$ 1,061	\$ 1.35	\$ 1,042	\$ 1.33
Retreat at City Park	2002	94%	308	836	\$ 1,184	\$ 1.42	\$ 1,093	\$ 1.31
TOTAL / AVERAGES			1,314	768	\$ 1,000	\$ 1.30	\$ 944	\$ 1.23

AUGUST 16, 2011			
MARKET		EFFECTIVE	
Rent	Rent/SF	Rent	Rent/SF
\$ 644	\$ 1.11	\$ 627	\$ 1.08
\$ 990	\$ 1.22	\$ 923	\$ 1.14
\$ 981	\$ 1.34	\$ 981	\$ 1.34
\$ 1,181	\$ 1.35	\$ 1,181	\$ 1.35
\$ 1,082	\$ 1.38	\$ 1,082	\$ 1.38
\$ 1,257	\$ 1.50	\$ 1,257	\$ 1.50
\$ 1,031	\$ 1.34	\$ 1,009	\$ 1.31

Property Name	Year	Type	# Units	SF	MARKET		EFFECTIVE	
					Rent	Rent/SF	Rent	Rent/SF
Gardens	1983 / 2007	Eff	60	408	\$ 540	\$ 1.32	\$ 532	\$ 1.30
Gardens	1983 / 2007	1/1	96	500	\$ 595	\$ 1.19	\$ 520	\$ 1.04
Gardens	1983 / 2007	1/1	36	614	\$ 685	\$ 1.12	\$ 677	\$ 1.10
GARDEN OAKS	1971	1/1	30	566	\$ 730	\$ 1.29	\$ 680	\$ 1.20
GARDEN OAKS	1971	1/1	38	582	\$ 750	\$ 1.29	\$ 700	\$ 1.20
Grove at White Oak	1985 / 2005	1/1	24	600	\$ 825	\$ 1.38	\$ 784	\$ 1.31
Stonewood	2002 / 2007	1/1	60	572	\$ 924	\$ 1.62	\$ 861	\$ 1.51
Grove at White Oak	1985 / 2005	1/1 - L	28	770	\$ 974	\$ 1.26	\$ 893	\$ 1.16
Grove at White Oak	1985 / 2005	1/1 - S	52	700	\$ 949	\$ 1.36	\$ 974	\$ 1.39
Stonewood	2002 / 2007	1/1	48	643	\$ 975	\$ 1.52	\$ 990	\$ 1.54
GARDEN OAKS	1971	1/1 - S	8	869	\$ 1,025	\$ 1.18	\$ 960	\$ 1.10
Stonewood	2002 / 2007	1/1	36	733	\$ 996	\$ 1.36	\$ 1,016	\$ 1.39
Retreat at City Park	2002	1/1	48	626	\$ 975	\$ 1.56	\$ 890	\$ 1.42
Retreat at City Park	2002	1/1	72	641	\$ 1,000	\$ 1.56	\$ 925	\$ 1.44
Crossing at White Oak	2002	1/1	66	667	\$ 925	\$ 1.39	\$ 885	\$ 1.33
Crossing at White Oak	2002	1/1	24	790	\$ 1,020	\$ 1.29	\$ 960	\$ 1.22
Crossing at White Oak	2002	1/1	24	826	\$ 1,055	\$ 1.28	\$ 1,055	\$ 1.28
Crossing at White Oak	2002	1/1 - S	24	966	\$ 1,135	\$ 1.17	\$ 1,135	\$ 1.17
Retreat at City Park	2002	1/1	72	860	\$ 1,200	\$ 1.40	\$ 1,115	\$ 1.30
Retreat at City Park	2002	1/1	9	804	\$ 1,300	\$ 1.62	\$ 1,115	\$ 1.39
TOTAL / AVERAGES		1/1	855	650	\$ 892	\$ 1.37	\$ 848	\$ 1.30

AUGUST 16, 2011			
MARKET		EFFECTIVE	
Rent	Rent/SF	Rent	Rent/SF
\$ 540	\$ 1.32	\$ 523	\$ 1.28
\$ 595	\$ 1.19	\$ 578	\$ 1.16
\$ 685	\$ 1.12	\$ 668	\$ 1.09
\$ 730	\$ 1.29	\$ 680	\$ 1.20
\$ 750	\$ 1.29	\$ 700	\$ 1.20
\$ 849	\$ 1.42	\$ 849	\$ 1.42
\$ 908	\$ 1.59	\$ 908	\$ 1.59
\$ 942	\$ 1.22	\$ 942	\$ 1.22
\$ 944	\$ 1.35	\$ 944	\$ 1.35
\$ 944	\$ 1.47	\$ 944	\$ 1.47
\$ 1,025	\$ 1.18	\$ 960	\$ 1.10
\$ 1,013	\$ 1.38	\$ 1,013	\$ 1.38
\$ 1,025	\$ 1.64	\$ 1,025	\$ 1.64
\$ 1,050	\$ 1.64	\$ 1,050	\$ 1.64
\$ 1,093	\$ 1.64	\$ 1,093	\$ 1.64
\$ 1,103	\$ 1.40	\$ 1,103	\$ 1.40
\$ 1,120	\$ 1.36	\$ 1,120	\$ 1.36
\$ 1,158	\$ 1.20	\$ 1,158	\$ 1.20
\$ 1,250	\$ 1.45	\$ 1,250	\$ 1.45
\$ 1,350	\$ 1.68	\$ 1,350	\$ 1.68
\$ 918	\$ 1.41	\$ 910	\$ 1.40

Property Name	Year	Type	# Units	SF	MARKET		EFFECTIVE	
					Rent	Rent/SF	Rent	Rent/SF
Gardens	1983 / 2007	2/2	42	860	\$ 805	\$ 0.94	\$ 750	\$ 0.87
Gardens	1983 / 2007	2/2	12	961	\$ 860	\$ 0.89	\$ 852	\$ 0.89
GARDEN OAKS	1971	2/1	8	839	\$ 1,025	\$ 1.22	\$ 960	\$ 1.14
GARDEN OAKS	1971	2/1.5	20	873	\$ 1,075	\$ 1.23	\$ 1,000	\$ 1.15
Grove at White Oak	1985 / 2005	2/2	52	800	\$ 1,138	\$ 1.42	\$ 993	\$ 1.24
GARDEN OAKS	1971	2/2	9	1,108	\$ 1,250	\$ 1.13	\$ 1,170	\$ 1.06
Stonewood	2002 / 2007	2/1 - S	24	911	\$ 1,179	\$ 1.29	\$ 1,179	\$ 1.29
GARDEN OAKS	1971	2/2 - S	30	1,108	\$ 1,300	\$ 1.17	\$ 1,210	\$ 1.09
Crossing at White Oak	2002	2/2	12	1,123	\$ 1,295	\$ 1.15	\$ 1,295	\$ 1.15
Stonewood	2002 / 2007	2/2	48	981	\$ 1,201	\$ 1.22	\$ 1,134	\$ 1.16
Crossing at White Oak	2002	2/2	24	1,138	\$ 1,320	\$ 1.16	\$ 1,320	\$ 1.16
Stonewood	2002 / 2007	2/2	36	1,040	\$ 1,202	\$ 1.16	\$ 1,225	\$ 1.18
Retreat at City Park	2002	2/2	96	1,035	\$ 1,335	\$ 1.29	\$ 1,235	\$ 1.19
Retreat at City Park	2002	2/2	9	1,102	\$ 1,700	\$ 1.54	\$ 1,600	\$ 1.45
TOTAL / AVERAGES		2/2	422	979	\$ 1,192	\$ 1.22	\$ 1,125	\$ 1.15

AUGUST 16, 2011			
MARKET		EFFECTIVE	
Rent	Rent/SF	Rent	Rent/SF
\$ 805	\$ 0.94	\$ 788	\$ 0.92
\$ 860	\$ 0.89	\$ 843	\$ 0.88
\$ 1,025	\$ 1.22	\$ 960	\$ 1.14
\$ 1,075	\$ 1.23	\$ 1,000	\$ 1.15
\$ 1,100	\$ 1.38	\$ 1,100	\$ 1.38
\$ 1,250	\$ 1.13	\$ 1,170	\$ 1.06
\$ 1,192	\$ 1.31	\$ 1,192	\$ 1.31
\$ 1,300	\$ 1.17	\$ 1,210	\$ 1.09
\$ 1,226	\$ 1.09	\$ 1,226	\$ 1.09
\$ 1,242	\$ 1.27	\$ 1,242	\$ 1.27
\$ 1,283	\$ 1.13	\$ 1,283	\$ 1.13
\$ 1,337	\$ 1.29	\$ 1,337	\$ 1.29
\$ 1,385	\$ 1.34	\$ 1,385	\$ 1.34
\$ 1,850	\$ 1.68	\$ 1,850	\$ 1.68
\$ 1,215	\$ 1.24	\$ 1,200	\$ 1.23

Property Name	Year	Type	# Units	SF	MARKET		EFFECTIVE	
					Rent	Rent/SF	Rent	Rent/SF
GARDEN OAKS	1971	3/2	10	1,157	\$ 1,350	\$ 1.17	\$ 1,260	\$ 1.09
Crossing at White Oak	2002	3/2	12	1,320	\$ 1,545	\$ 1.17	\$ 1,470	\$ 1.11
Retreat at City Park	2002	3/2	2	1,395	\$ 2,100	\$ 1.51	\$ 2,100	\$ 1.51
TOTAL / AVERAGES		3/2	24	1,258	\$ 1,510	\$ 1.20	\$ 1,435	\$ 1.14

AUGUST 16, 2011			
MARKET		EFFECTIVE	
Rent	Rent/SF	Rent	Rent/SF
\$ 1,350	\$ 1.17	\$ 1,260	\$ 1.09
\$ 1,744	\$ 1.32	\$ 1,744	\$ 1.32
\$ 2,250	\$ 1.61	\$ 2,250	\$ 1.61
\$ 1,622	\$ 1.29	\$ 1,585	\$ 1.26

PRINCIPAL BIOGRAPHIES

- The project will be managed and overseen by Bridgeview Real Estate, LLC and its principals, Mr. Steve May and Mr. Reid Beucler. Providing guidance and local oversight will be Anmark Development Inc. and its principal, Mr. Mark Anawaty. Stillwater Capital will raise the equity and provide construction management and or General Contractor services for the project. Biographies on the principals are below.

- Steve May** – *Principal* – As President of MayCo Realty (“MayCo”), Mr. May has been actively working on distressed real estate transactions over the past two years. During this time, Mr. May has worked on the acquisition of a busted condo deal and a multifamily portfolio in Austin, Texas and has consulted on several bankruptcy cases. Mr. May also founded EM Real Estate Enterprises (“EMREE”) with another partner to concentrate on the acquisition of single-tenant, credit lease transactions. To date, EMREE has bought more than \$15,000,000 in single tenant retail properties and hopes to purchase another \$5,000,000 in the next two quarters.

Prior to starting Bridgeview and EMREE, Mr. May was commercial real estate lender with over ten years of structured and project finance experience with over \$2.5 billion in total transaction volume. Through his years as a real estate lender, Mr. May has developed significant experience in retail, industrial and multifamily construction and investment. Furthermore, his experience in lending and vast contacts in the banking community has helped garner preferential financing terms for both Bridgeview and EMREE.

Bridgeview Real Estate is a new entity recently established by Mr. May and Mr. Beucler to pursue the subject transaction as well as new multifamily investments and development opportunities. Mr. May & Mr. Beucler have a working relationship that dates back approximately 5 years, with Mr. May providing construction loan financing for \$100 Million of ground up multifamily developments for Mr. Beucler’s affiliated entities.

- Reid Beucler** – *Principal* – Mr. Beucler as President of BP Midway Investments, LLC and Principal of Beucler Properties, LP, currently oversees the daily operations of both companies’ real estate investment and development activities. Over the past 10 years, Mr. Beucler oversaw the development of projects with a market capitalization in excess of \$500 Million, which included almost 4,000 multifamily units with a development cost of nearly \$300 Million. Beucler Properties currently has over \$200 Million in assets under management. Mr. Beucler has been an integral part of the company’s success through his expertise in managing relationships with investment partners, bankers, general contractors and the company’s development partners. Among the key financial partners he has worked with are: Prudential Real Estate Investors, ING Clarion, Phoenix Capital Partners, L&B Realty Advisors, Key Bank Real Estate Capital, Bank of America, Wachovia Bank and JP Morgan Chase.

Throughout his career he has developed substantial expertise in all facets of the real estate industry. Mr. Beucler has overseen the planning and development of new projects including arranging project finance and equity capital. He has also been involved in the on-going management of real estate properties including both property management at the local level and asset management from a portfolio perspective. Mr. Beucler has expertise in the following real estate categories: Multifamily, Senior Living, Retail, Hospitality, Industrial, Self Storage and Healthcare.

As mentioned above, Bridgeview Real Estate is the new entity established by Mr. Beucler and Mr. May to pursue new multifamily joint venture opportunities.

- Mark Anawaty** – *Principal* – Mr. Anawaty has been active in residential and commercial real estate for the past 30 years. His background includes large-scale merger and acquisitions, strategic positioning, start-ups, marketing, operations, asset integration and capital-raising. As the firm’s first Chief Operating Officer, Mr. Anawaty repositioned Midway Companies, a 40-year old industrial developer, into a full-service development company with projects valued at over \$750 million. In an off-market transaction, he solely sourced and negotiated the firm’s strategic acquisition of the one million square foot Town and Country mall, now the site of the \$500 million mixed-use development known as CityCentre, at Sam Houston Toll road and Interstate 10. While at Midway, he timely disposed of a \$30 million, 1,100 acre residential development ahead of the downturn.

He recently completed acquisition and demolition of a 168-unit garden apartment involving relocation of existing tenants and abatement procedures during the demolition. He is also proud of his past involvement in the renovation of a downtown Houston landmark, the Kirby Mansion which was used as the City’s hosting venue for the Economic Summit of Industrialized Nations.

In the past, he has served as the Mayoral appointee to the Memorial City TIRZ 17 and as the County-judge appointee to the Harris County Health Facilities Development Corp., responsible for over \$1.5 billion in financing facilities for the Texas Medical Center.

- **Aaron Sherman** – Principal – Aaron Sherman co-founded Stillwater Capital, a fully integrated, private real estate investment company with experience in sourcing, underwriting, developing, acquiring and managing a broad spectrum of real estate products.

Previously, Mr. Sherman was with Hillwood Development Company where he was a member of the team responsible for Hillwood's multi-billion dollar Victory Park development. At Hillwood, Mr. Sherman was directly involved in the underwriting, structuring, capital raising, development and management of all vertical development following the American Airlines Center. Prior to his work on the Victory Park project, Mr. Sherman was part of Hillwood Investments, the opportunistic investing arm of Hillwood. During Mr. Sherman's tenure at Hillwood Investments, he participated in both the acquisition and disposition of real estate assets of various property types, including residential, hotel, office and industrial. Sherman holds a BS in Engineering from Texas A&M University.

- **Robert Elliott** – Principal – Robert C. Elliott co-founded Stillwater Capital to pursue alternative investments and development opportunities in real estate. Since then, he has managed over \$45M in real estate acquisitions and developments with SWC. His in-depth experience across many real estate disciplines enables the company to successfully pursue diverse opportunities and to react to changing business environments as they occur.

Prior to founding SWC, Elliott was an Investment Client Executive with MCI where he drove top-line growth through new client acquisition and expansion. Robert was recognized as a four time President's Club winner and was ranked on multiple occasions in the Top 10 during his tenure at MCI. He received a Bachelor's Degree in Marketing from Texas A&M University.

- **Rich Coady** – Principal – Rich Coady is a Partner of Stillwater Capital where he focuses on the implementation of investment strategies and oversees ongoing management of current investments. Prior to joining Stillwater, Coady spent seven years as a professional football player in the NFL. He played in two Super Bowls, winning one with the St. Louis Rams in 2000. Coady is a graduate of Texas A&M, where he was a two time 1st Team All-Big XII Safety and a member of the 1998 Big XII Championship Team. In 1998, Coady was named the Texas A&M male Academic Athlete of the year. Coady holds Bachelor's Degree in Business Management.
- Additional information to be provided upon request.

PROPERTY DESCRIPTION

Location: 3405 North Shepherd Dr., Houston, TX 77018

Total Units: 166 Units (one of the 136 units will be converted into the leasing office; one will be converted into a fitness center and thirty-two 3 Bedroom units will be split into two 1 Bedroom units)

Rentable Square Footage: 136,880 total square feet; 134,933 of leasable square feet

Average Unit Size: 811 square feet

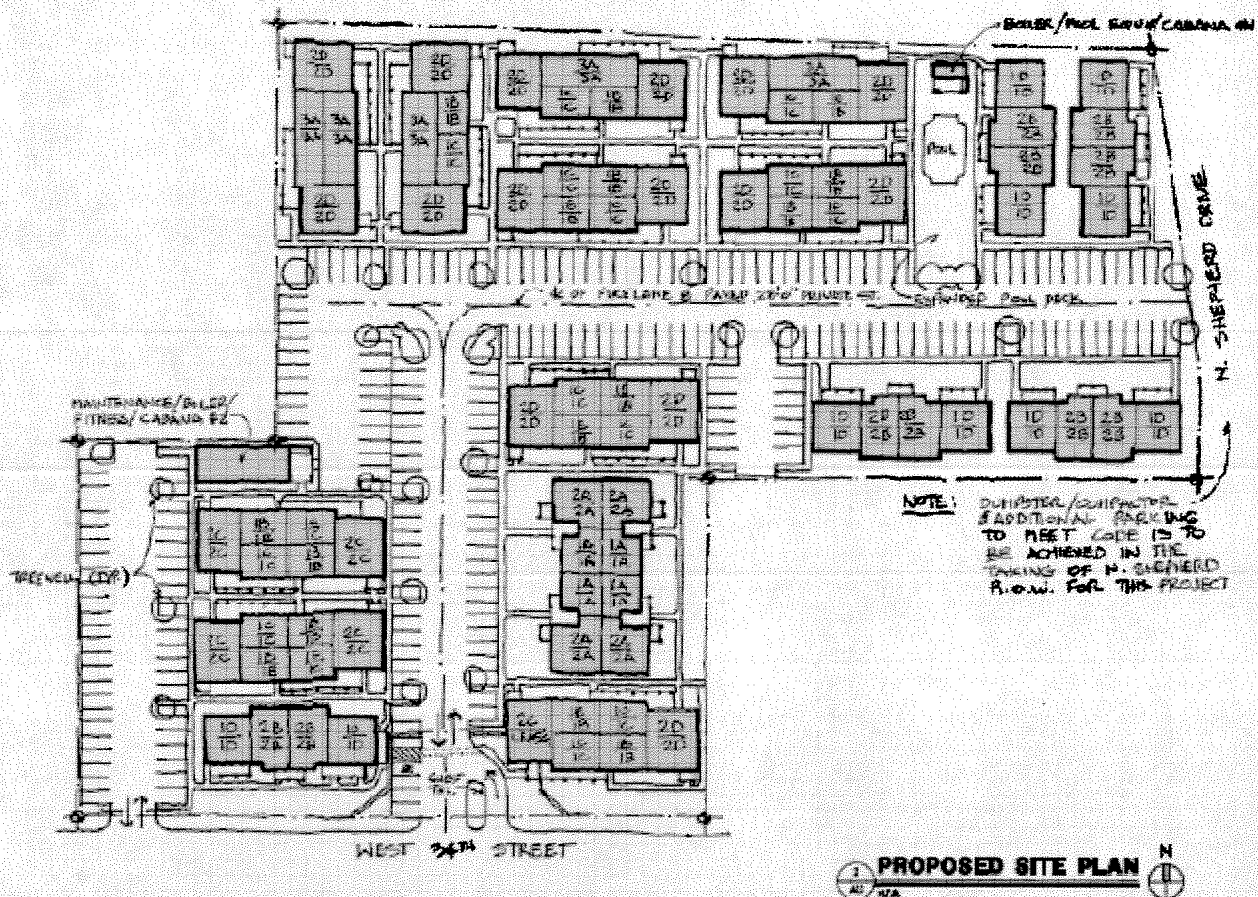
Year Built / Renovation: 1971 / 2011

Site: 5.339 acres

Parking Spaces: 80 covered parking spaces (reserved car ports) and 148 uncovered parking spaces.

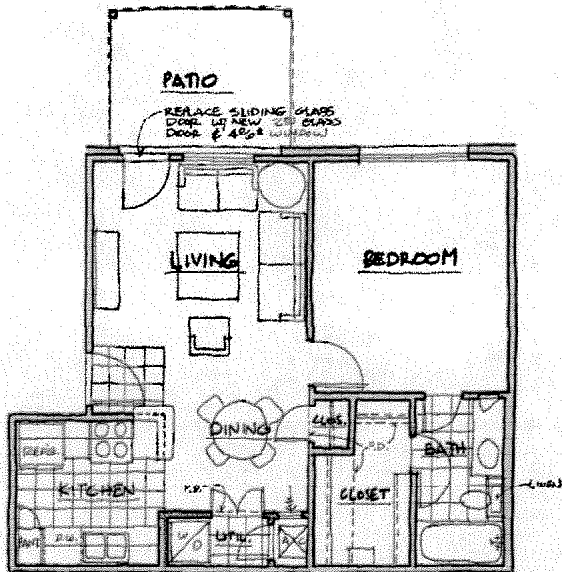
Photos: See Photos section below.

SITE PLAN

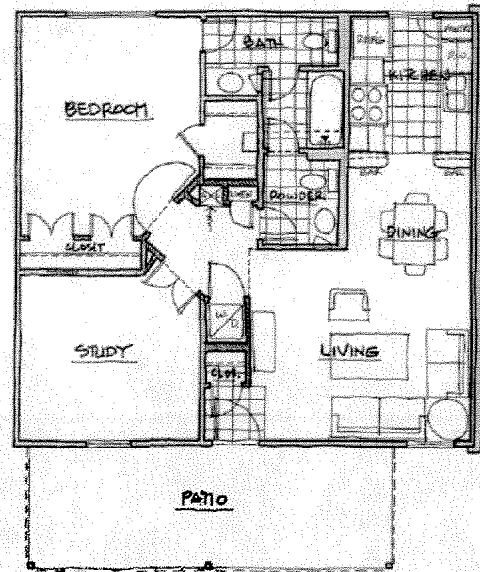


UNIT FLOOR PLANS

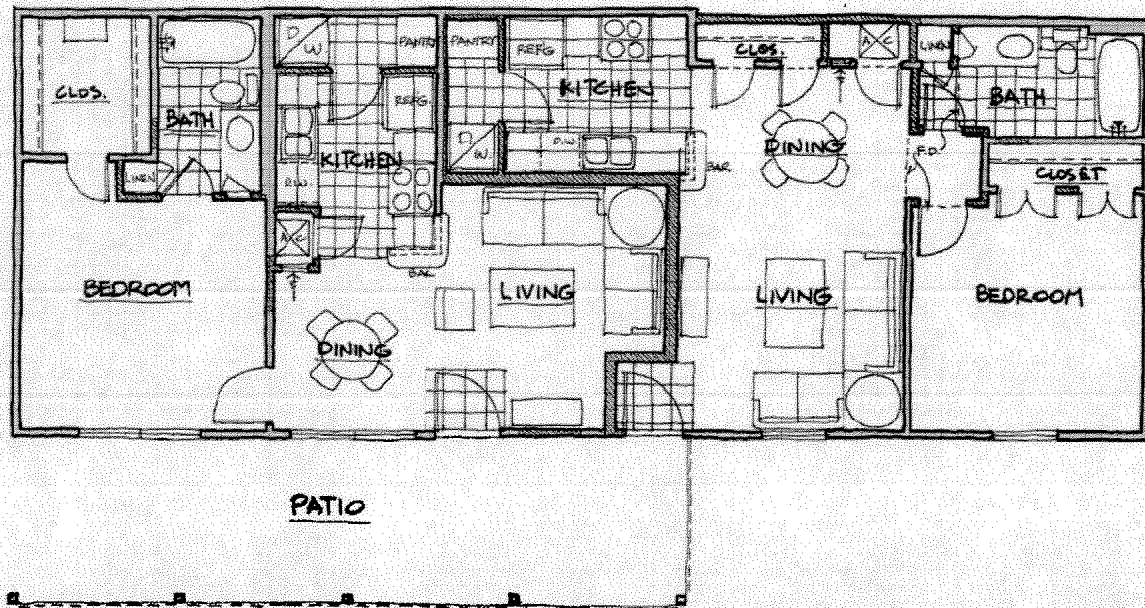
Unit 1A



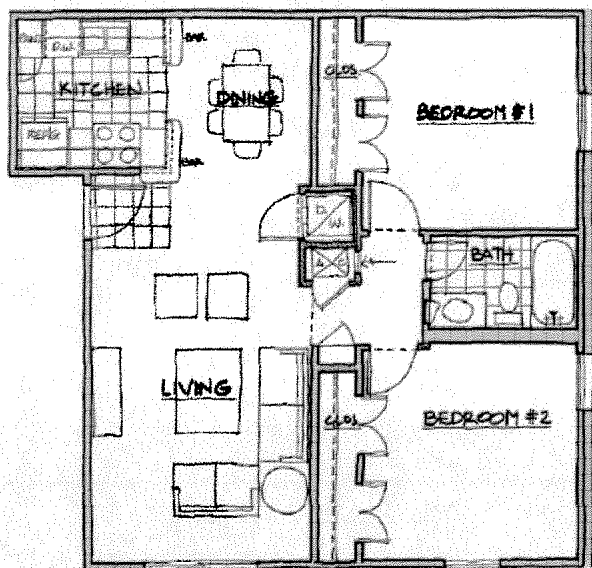
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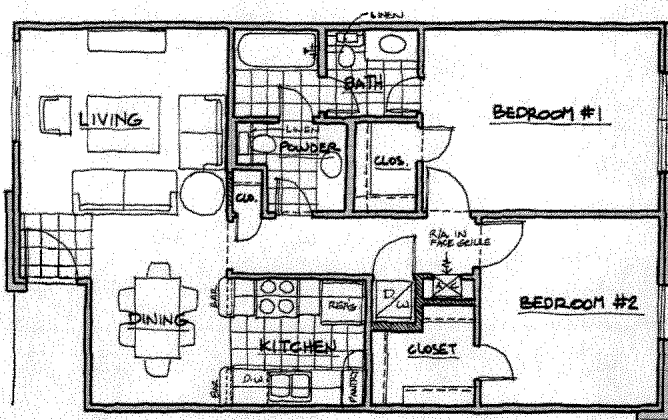
Unit 1B & Unit 1C



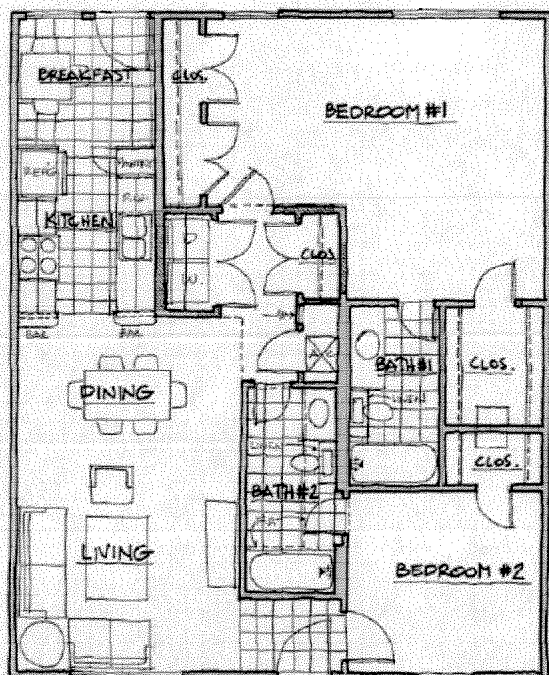
Unit 2A



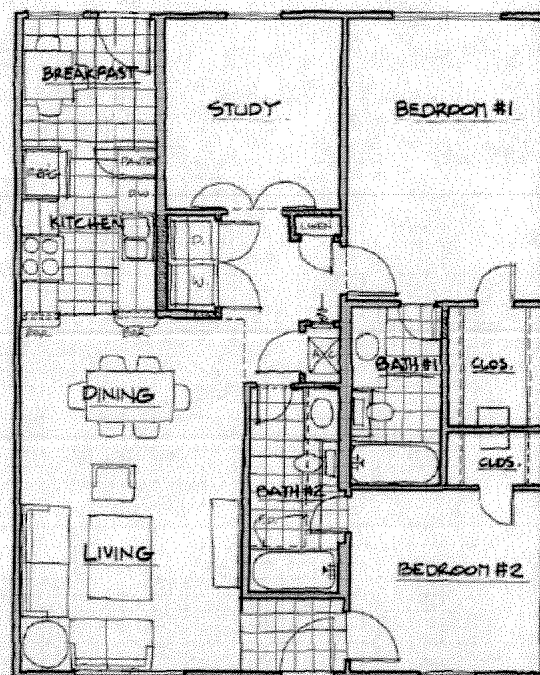
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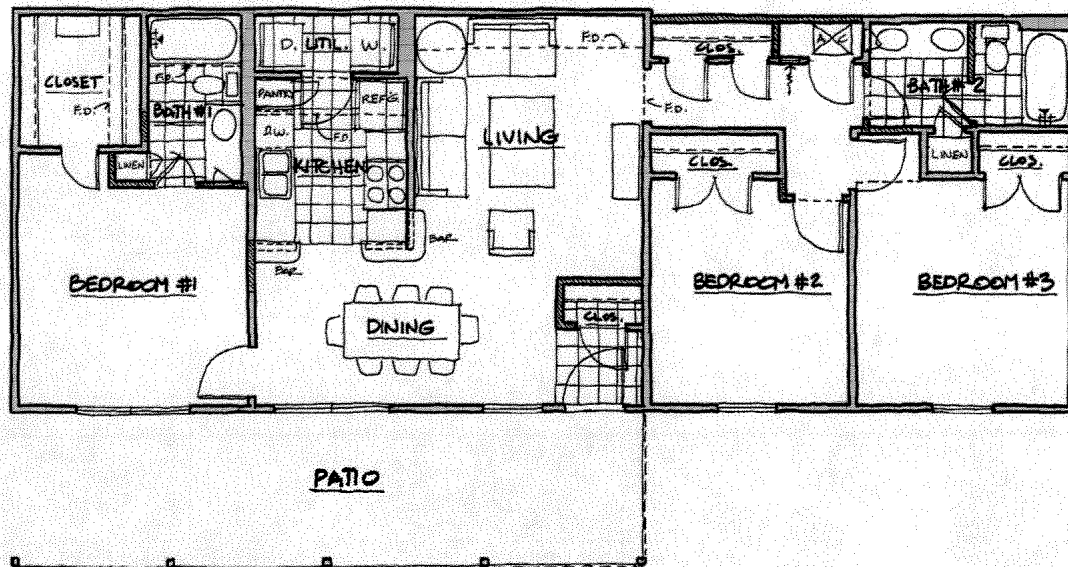
Unit 2C



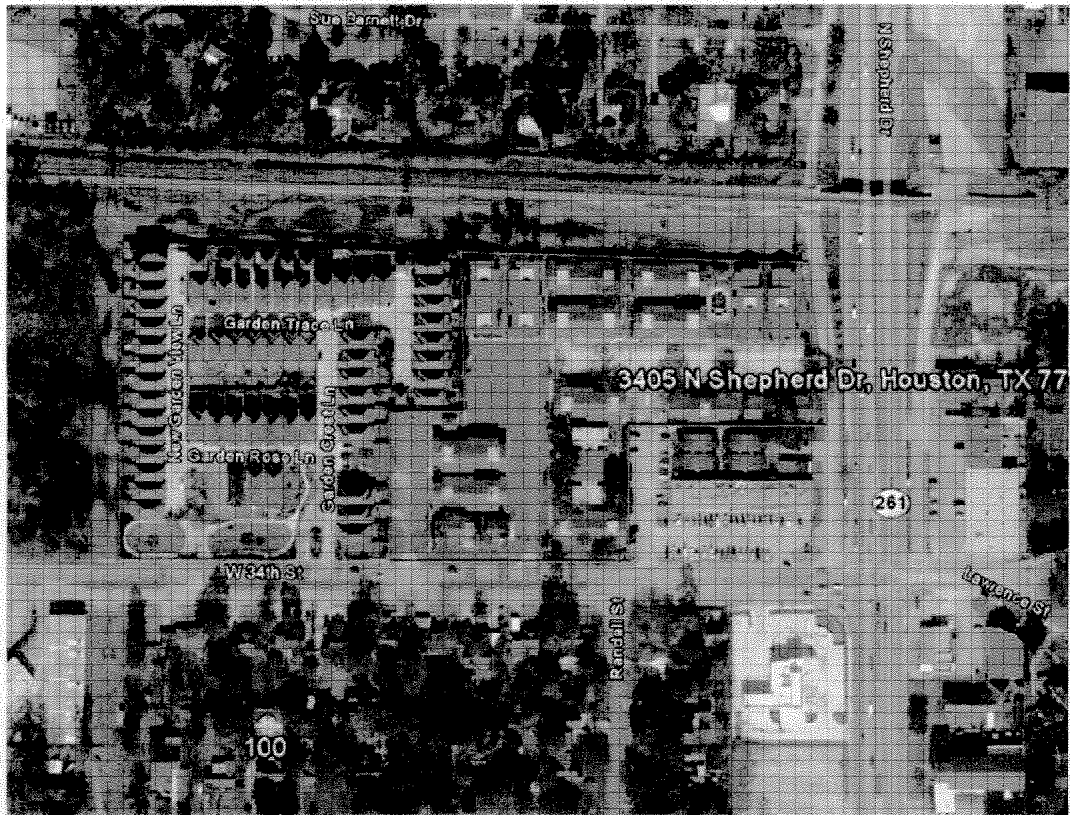
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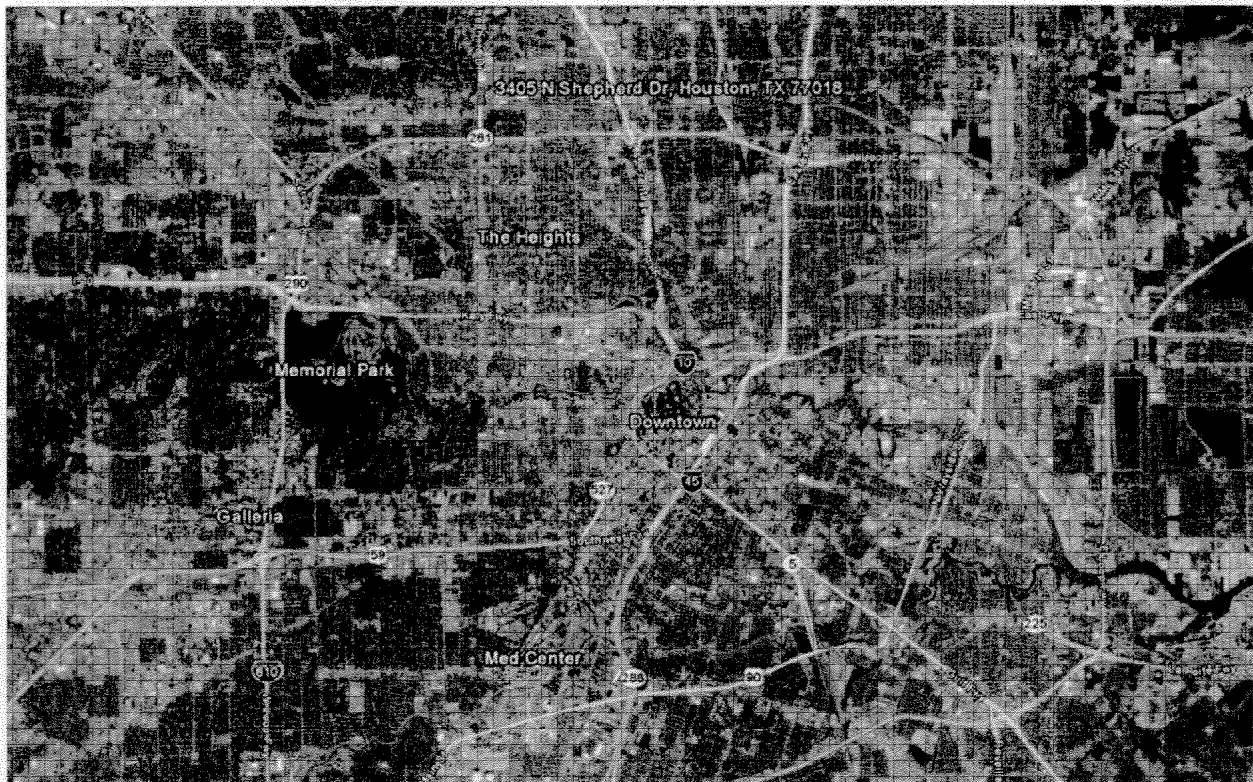
Unit 3A



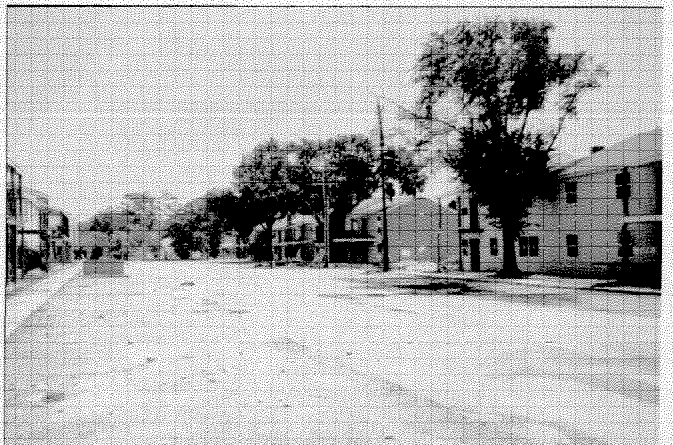
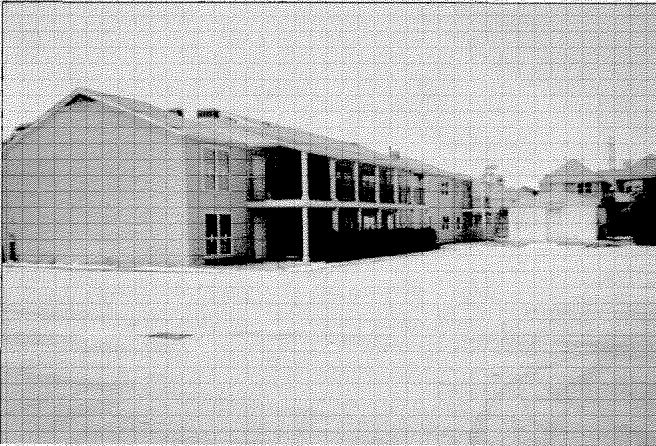
AERIAL



MAP



PHOTOS



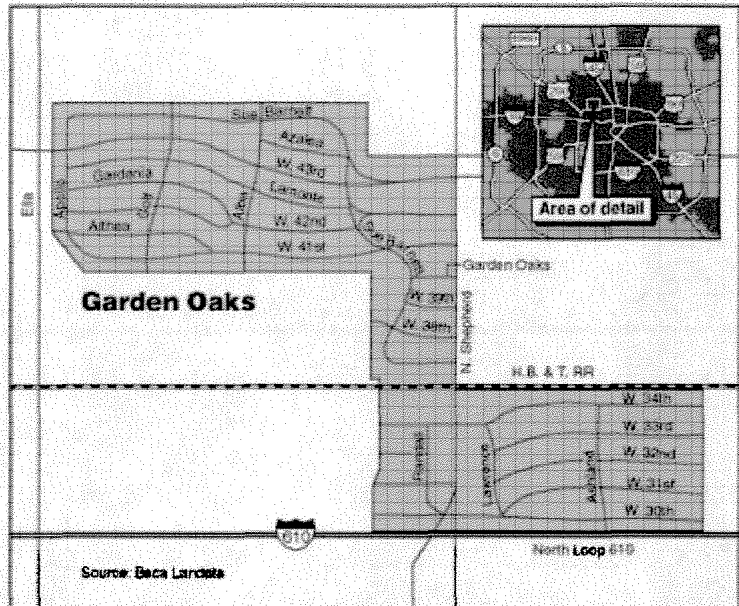
LOCATION OVERVIEW

GARDEN OAKS is known for its large lots, towering pines and a beautiful location just north of the 610 loop with rambling, curved streets. Many residents move within the subdivision, renovating instead of building new homes when they need more space. The civic club hosts a house tour each year to showcase properties that have been renovated. Renovation of vintage homes is the mode of operation in Garden Oaks.

Located north of Houston Heights and close to the retail and office/industrial buildings by Shepherd and North Loop 610, Garden Oaks was developed by E.L. Crain in 1937. The lack of curbs, gutters and sidewalks adds to the country feel of this close-in community. Lots sizes are nearly double those in Houston Heights (average lot size in Garden Oaks is 11,800 square feet as compared to 6,600 square feet in The Heights).

These large lots offer plenty of room for additions that sometimes double the space of the neighborhood's 1,100-square-foot bungalows. Additionally, some cottages with high-pitched roofs feature attics that have been converted into master suites.

The Garden Oaks community has great appeal to those who like the peaceful feel of an established, historic neighborhood, but who also want to be close to Houston's vibrant Inner Loop action.



2009 Facts

Single Family Properties	1,404
Average Bedrooms	2.70
Median Lot Square Ft.	11,832
Median Year Built	1942
Med. Appraised Value	\$256,439
Average Baths	1.60
Median Square Ft.	1,630
Median Price / SF	\$170.21
County	Harris
Zip Code	77018

Garden Oaks Apartments**Budget**

	<u>Total</u>
RENOVATION EXPENSE	
Hard Costs	5,450,000
Contingency/General Conditions (4.6%)	<u>250,000</u>
TOTAL RENOVATION COSTS	\$5,700,000
SOFT COSTS	
Financing Fee to Lender	71,750
Monthly Engineering Reports	6,000
Refundable Developer Expenses (travel, FedEx, lodging, etc.)	20,000
Architectural - Site Plan, Floor Plans	30,000
Survey/Plat	5,000
Title Costs	50,000
Seller Legal / Closing Costs	75,000
Borrower / Lender Legal	50,000
Operating Expenses	50,000
Third Party Reports	20,000
Developer Real Estate Taxes	100,000
Insurance Expense - (property, liab., flood, officers)	45,000
Equity Fee	150,000
Developer Fee (Bridgeview)	200,000
City Consultant	20,000
Contingency	<u>20,000</u>
TOTAL SOFT COSTS	\$912,750
MARKETING COSTS	
Public Relations	10,000
1 Models FF&E	30,000
Advertising Agency and Materials	15,000
Contingency	<u>7,250</u>
TOTAL MARKETING COSTS	\$62,250
INTEREST RESERVE	500,000
TOTAL COSTS & EXPENSES	\$7,175,000
Acquisition Price	\$2,725,000
Total Costs	\$9,900,000

Garden Oaks Apartments

<i>Currency in USD</i>		
CASH FLOW PROJECTION		
		<u>Pro Forma</u>
Units		166
Average Rent / SF / Month		\$1.22
Average Effective Rent / SF / Month		\$1.14
Average Concessions in Weeks		3
Average Total Rentable Area		134,664
Average Physical Occupancy		93.0%
Average Economic Occupancy		84.3%
Market Gross Potential Rent		1,971,720
Loss to Lease		(19,717)
Adj Gross Potential Rent		1,952,003
Concessions		(113,753)
Credit Loss		(39,040)
Vacancy Loss		(138,020)
Net Rental Income		1,661,189
Recoveries & Other Income		124,500
Effective Gross Income		1,785,689
Less:		
Taxes	(1,204)	(199,877)
Insurance	(350)	(58,100)
Utilities	(800)	(132,800)
R&M	(900)	(149,400)
G&A	(250)	(41,500)
Mgt Fee	(377)	(62,499)
Advertising	(220)	(36,520)
Payroll	(1,300)	(215,800)
Total Expenses	(5,401)	(896,496)
NOI		889,193
Standard Reserves		(49,800)
NOI After Reserves		839,393