

DESCRIPTION OF IMPROVEMENTS

The subject property is improved with a 13,248 square foot light industrial building. The building has been well maintained and is good condition. The improvements are described as follows:

GENERAL

Use:	Light industrial
Year Built:	2005
Stories:	1
Size:	13,248 square feet
Dimensions:	60' x 212'
Climate Controlled Area:	6,888 sq. ft., (52% of total building area)
Land to Building Ratio:	5.2 to 1

CONSTRUCTION DETAIL

Foundation:	Reinforced concrete slab
Framing:	Steel
Floors:	Concrete
Exterior Walls:	Metallic panels, stone façade along east side
Overhead Doors:	5 roll-up
Roof:	Metallic, pitched
Clear Height:	14'
Lighting:	Fluorescent
Electrical:	Adequate, assumed to meet building code
Heating/Cooling:	Office/assembly/showroom areas

INTERIOR DETAIL - Office

Floors:	Carpet, exposed concrete
Ceilings/Lighting:	Acoustical tile, fluorescent lighting
Wall coverings:	Sheetrock
Plumbing:	Adequate, 4 restrooms

SECONDARY IMPROVEMENTS

Concrete paving:	± 25,000 square feet
Covered area:	1,575 square feet

COMMENTS:

The subject improvements consist of a metallic light industrial building containing a total of 13,248 square feet. The east portion of the building (5,968 sq. ft.) is climate-controlled and consists of offices, showroom/sales area, open work/assembly area, production room, and

inventory room. These areas, other than the offices, have exposed concrete floors, are insulated and have an acoustical tile ceiling. The offices and showroom are carpeted. New office space has been added to the west end of the building, containing approximately 920 square feet. This area includes 380 square feet on the second floor. The new office area consists of two offices, kitchen, and full bath. Fluorescent lighting serves the building. The warehouse is insulated, has 14-foot clear heights, and five overhead doors. One overhead door serves the assembly area. There is a 35' x 45' covered storage area adjacent to the west wall of the building. This area has a concrete slab, electrical power, and an insulated roof. The site contains 68,750 square feet of land, resulting in a land to building ratio of 5.2 to 1.

The building was constructed in 2005, expanded in 2023, and has been well maintained. The overall condition is considered good. The subject's estimated effective age is 12 years and the economic life of the building is estimated to be 45 years. Thus, physical depreciation is estimated to be 27% (12/45). The secondary improvements are in good condition and are depreciated 25%. The subject appears to be adequately designed and is acceptable within the market; therefore, no functional obsolescence is present. External obsolescence is the diminished utility of a structure due to negative influences emanating from outside the building and is usually incurable on the part of the owner. External obsolescence can be caused by a variety of factors - e.g., neighborhood decline; the property's location within the community, state or region; or local market conditions. The subject does not suffer from this form of depreciation.

No professional opinion regarding the building's compliance of ADA standards has been provided; however, our appraised value assumes that the building is in compliance. Since we have no specific information relating to this issue, nor are we qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject property.

REAL ESTATE TAXES

The subject property is located within the following tax jurisdictions: Harris County, Cypress Fairbanks Independent School District, and Lone Star College. According to HCAD, the subject is currently assessed under account number 064-015-000-0480 with a total 2022 assessed value of \$834,308, of which \$268,155 is attributed to the land and \$566,153 to the improvements. The assessment attributed to the improvements equates to approximately \$45.00 per square foot and does not include the recent addition. Applying a \$45.00 per square foot assessment to the addition will result in an assessment of \$623,753 for the improvements and a total assessment of \$891,908. The following table summarizes the tax rates along with the tax liability of each taxing authority.

Taxing Authority	2022 Tax Rate	2022 Taxable Value	Estimate of Taxes
Harris County	0.535480	\$891,908	\$4,776
Cy-Fair ISD	1.294800	\$891,908	\$11,548
Lone Star College	0.107800	\$891,908	\$961
Total	1.938080		\$17,286

*Numbers may not add as displayed due to rounding.

To calculate the subject's annual tax liability, the assessed value is divided by 100 and then multiplied by the total tax rate of \$1.93808. Below is a summary of the process used to calculate the annual tax liability.

$$\begin{array}{rcl}
 \frac{\text{Assessed Value}}{\$891,908} & \div & 100 = \frac{\text{Indicated Multiplier}}{\$8,919} \\
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 \frac{\text{Multiplier}}{\$8,919} & \times & \frac{\text{2022 Tax Rate}}{1.93808} = \frac{\text{Tax Liability}}{\$17,286}
 \end{array}$$