

**THE CARLINGFORD**; 6425 S. Gessner, Houston, TX 77036  
**Opinion of Value** 04/21/08 ID: 1944

Type: C  
 KM: 530E

Southwest  
[carlmontlouis.xls](http://carlmontlouis.xls)

THIS ANALYSIS ASSUMES A PURCHASE PRICE OF		\$16,138,000
NUMBER OF UNITS:	810	LOAN:
EQUITY % OF PRICE:	100.00%	EQUITY:
LAND (ACRES):	20.52	PRICE/UNIT:
SQ FT OF UNITS:	589,458	PRICE/SQ FT OF BLDG:
LOAN CONSTANT:	6.30	OPERATING COSTS:

	ACTUAL	SCHEDULE	PROFORMA
<b>INCOME</b>			
RENT RATE		0.652	0.710
RENT		4,615,200	5,022,182
LAUNDRY/MISC/ELEC		202,500	253,125
GROSS SCHEDULED		4,817,700	5,275,307
VACANCY RATE		39.9%	12.0%
VACANCY LOSS		1,921,299	633,037
GROSS EFFECTIVE INC.	2,776,740	2,896,401	4,642,270
EXPENSES/FT: \$4.34	2,560,332	2,560,332	2,922,428
EXPENSES/UNIT: \$3,161			
NET OPERATING INCOME	216,408	336,069	1,719,842
<b>Note that Broker projects \$4.96/ft for Proforma operating expenses.</b>			
<b>DEBT SERVICE</b>			
NET SPENDABLE	216,408	336,069	1,719,842
CAP RATE:	1.34%	2.08%	8.00%
CASH ON CASH:	1.34%	2.08%	8.00%

Occupancy shown is actual in the case of "Schedule" and economic in the case of "Proforma"

Cap rate shown for "proforma" is based on Price + Carry + Rehab + Entrepreneurial Profit (see page 5).

*Note: ACTUAL shown above is actual collections annualized less the actual operating expenses; SCHEDULE shows the scheduled, or street, rent less current vacancy; PROFORMA assumes a 9% rent increase at 88% economic occupancy and estimated expenses. No representations are made regarding required city inspections and environmental issues. Note: the Capital Expenditure shown here is \$250 per unit per year and it is included in the operating expenses above.*

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Rent Schedule: as of 3/08

Rent Schedule • Rent Data • Property Profile							
# OF UNITS	TYPE	SIZE/SQ. FT.	RENTS	RENTS/SF	TOTAL RENTS		
216	1br-1ba	612	\$420	0.686	\$90,720		
120	1br-1ba	615	\$435	0.707	\$52,200		
108	1br-1ba	660	\$445	0.674	\$48,060		
126	1br-1ba	695	\$450	0.647	\$56,700		
168	2br-1ba	887	\$545	0.614	\$91,560		
72	2br-2ba	1,050	\$630	0.600	\$45,360		
<b>TOTAL UNITS</b>		<b>TOTAL SQ FT</b>		<b>TOTAL RENT</b>			
<b>810</b>		<b>589,458</b>		<b>\$384,600</b>			
AVG RENT/SQ FT		AVG UNIT SIZE		AVG RENT/UNIT			
\$0.652		728		\$475			
CURRENT OCCUP		as of 3/26/08		COLLECTIONS			
60%		March 2008		\$231,395			
AMENITIES		CONSTRUCTION		MORTGAGE			
X	Access Gates	X	Life Safety	Age:	1976	Mtg Bal:	All Cash
X	Alarms	X	Mini Blinds	Elec Meter:	Indiv	Amort Pd:	
X	Cable Ready	X	Patios/Balconies	A/C Type:	HVAC	P & I:	
X	Ceiling Fans	X	Perimeter Fence	Water Meter:	RUBS	Type:	
X	Club House		Playground	Wiring:	Copper	Assumable:	
	Covered Parking	3	Pools	Roof:	Pitch	M Escrow:	
	Elevator		Spa/Hot Tub/Jacuzzi	Paving:	Concrete	Due Date:	
	Fitness Center		Sports Courts	Materials:	Brick/Wood	Int Rate:	
	Fireplaces		Storage	# of Stories:	2 & 3	Yield Maint:	
	Internet Access		W/D Connections	Parking:	1152	Origination Date:	
3	Laundry Rooms			Buildings:	27	Transfer Fee:	
				Units/Acre:	39	Tax Rate/\$100	\$2.58871
<b>COMMENTS:</b>		2007 Tax Assessment:		\$16,842,279	Tax ID:		1033260000001;2;3
<p><b>RECENT FORECLOSURE.</b> 810 units at the corner of Town Park@Gessner. Blue collar profile. Lowest rents in the area. Property needs extensive rehab due to deferred maintenance including roofs, boilers, wood replacement, railings, appliances, carpet, sinks and tubs. The exterior landscaping needs sprucing up but is viable. The leasing office is in poor condition. Broker estimates that a \$3k/unit rehab is needed. (Please Verify!) There are 4 down units. There are 9 FEMA tenants . Occupancy has dropped due to previous owner's neglect, but has historically maintained occupancy in the high 90% range. The property has excellent visibility and good curb appeal (from the street the deferred maintenance is not apparent). Requires a new loan - owner will not finance!</p>							

This property is offered by Thomas B. Wilkinson, IV of KET Enterprises Incorporated, 2425 W. Loop South, Suite 340, Houston, TX 77027, tel 713-355-4646; fax 713-355-4331; email [twilk4@ketent.com](mailto:twilk4@ketent.com) and is based on sources deemed to be reliable. Sale is subject to withdrawal without any notice. Prospects should verify all the information contained here. The Broker does not make any warranties about the information in this marketing package.

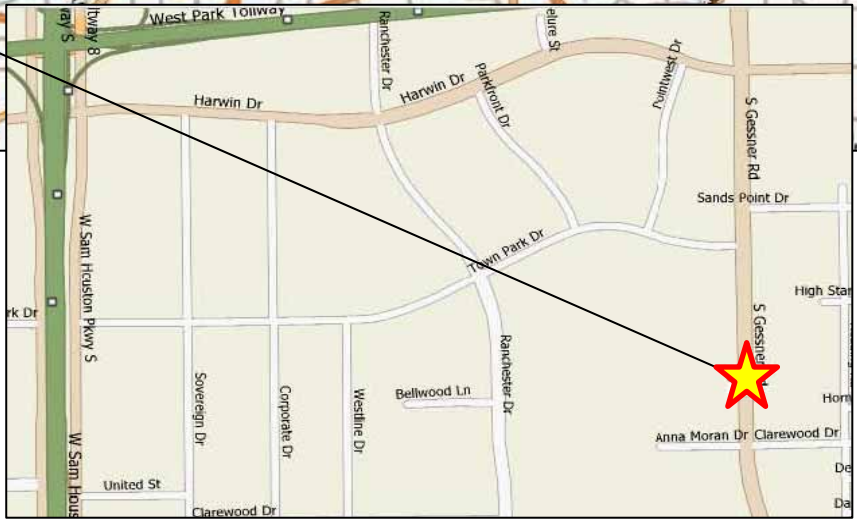


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Map • Directions • Rent Comps



**Directions:** Take I-59 to Westpark exit. Follow feeder road to Westpark. Turn left on Gessner. The Carlingford project will be on the east side of Gessner at Town Park. Note that three apartment projects (Carlingford, St.Louis and Claremont) have been combined into the Carlingford Apartments.



Rent Comps as of 3/08

Source for Rent Comps: O'ConnorData

Property:	Units	Age	Unit Size	Rent/Ft	Rent/Mo	Condition	Occ
<b>The Carlingford, 6425 S. Gessner</b>	<b>810</b>	<b>1976</b>	<b>728</b>	<b>0.652</b>	<b>\$475</b>	<b>Fair</b>	<b>60%</b>
Rock Springs, 9000 Town Park	256	1976	803	0.610	\$490	Fair	90%
The Fountain, 7255 Corporate	308	1978	754	0.700	\$528	Good	90%
6200 Gessner, 8701 Town Park	659	1979	742	0.760	\$564	Good	90%
Sands Point, 8300 Sands Point	495	1979	806	0.710	\$572	Good	94%
Cambridge Court, 6500 S Gessner	226	1977	901	0.650	\$586	Good	89%
Boca Springs, 3777 S Gessner	296	1977	760	0.850	\$646	Good	90%

Comments: Please do not visit the property or disturb the staff without an appointment made through the broker.

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Income • Expense

**INCOME**

March 2008 \$231,395  
Annualized Income \$2,776,740

**EXPENSES - Estimated**

Est Expenses 2008 \$2,357,832  
Capital @ \$250/unit \$202,500  
Total Expenses \$2,560,332  
NOI: \$216,408

Expenses/ft \$4.34

March 2008 \$231,395  
Avg Mo 2007  
Jan 2008  
Feb 2008  
March 2008 \$231,395  
Est April 2008 \$225,000  
May 2008  
June 2008  
July 2008  
August 2008  
Sept 2008  
Oct 2008  
Nov 2008  
Dec 2008

Note: Laundry/Misc Income \$202,500

The property was foreclosed in Feb, 2008 and historical operating statements are not available.  
March income is actual per current management.



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Sales Comparables • Proforma Budget

Valuation based on the Sales Comparables Approach

Sorted by price / sq ft

Property	Address	Units	Sq Ft	Age	Price	Price/Unit	Price/Sq. Ft.	Sold Date
Edgewood*	5909 Ranchester	386	280,000	1977	\$8,675,000	\$22,474	\$30.98	10/1/06
Crescent Oaks	6718 DeMoss	429	376,858	1966	\$11,800,000	\$27,506	\$31.31	11/20/06
The Victorian*	9400 Coventry Square	172	125,408	1983	\$4,100,000	\$23,837	\$32.69	12/1/07
Hamilton Park	6300 Ranchester	326	230,752	1978	\$7,975,000	\$24,463	\$34.56	5/1/06
Rubicon*	7302 Corporate	302	237,576	1981	\$8,250,000	\$27,318	\$34.73	8/5/07
Sands Point Cove	8600 Sands Point	142	102,014	1977	\$3,600,000	\$25,352	\$35.29	6/15/07
Averages		293	225,435	1977	\$7,400,000	\$25,270	\$32.83	

This indicates a sales value based on per Sq. Ft. values of: \$19,349,239

\* = Sold by KET

Valuation based on the Income Approach

Stabilized NOI:	\$1,719,842
Capped at 8.% (Stabilized Value)	\$21,498,027
Less rehab/upgrades @ \$4,000/unit	\$3,240,000
Less entrepreneurial @ \$2,000/unit	\$1,620,000
Less carry to stabilization	\$500,000
Value based on the Income Approach (As-Is):	\$16,138,027
Average of the Sales Comp valuation and the Income Approach is:	\$17,743,633

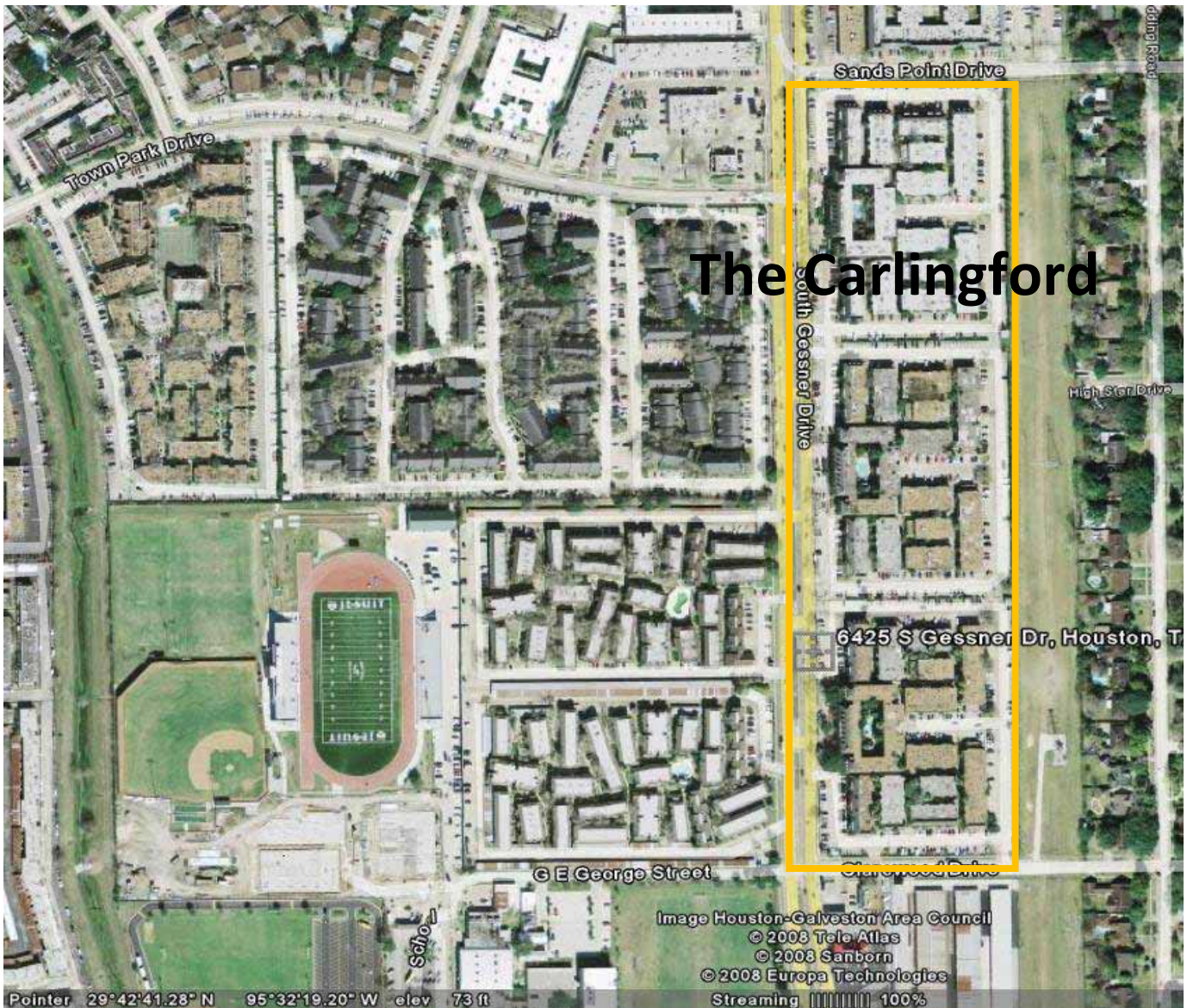
Proforma Budget			*Actuals
	/Unit	/Ft	/unit
Payroll	900	1.24	
G&A	100	0.14	
Marketing	100	0.14	
R&M	450	0.62	
Mgt-3%	172	0.24	
Security	75		
Taxes	536	0.74	
Insurance	300	0.41	
Reserves	250	0.34	
Utilities	800	1.10	
Total:	\$3,683	\$4.96	

All prospective purchasers should verify the rehab/upgrades.

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**Disclaimer • Aerial View**

The information contained in this Memorandum reflects material from sources deemed to be reliable, including data such as operating statements, rent rolls, etc. provided by the owner. Notwithstanding, the Broker does not make any warranties about the information in this marketing package. Every prospective purchaser should independently verify the information contained in the memorandum and should rely on his or her accountants and attorneys for tax and legal advice. This offering is "as-is", "where-is" and is subject to withdrawal without any notice. Purchaser is encouraged to do full due diligence on the information presented. Specific inquiries and/or verifications will have to be supplied by the owner and are available upon request. Rates of return vary daily.



Approved by the Texas Real Estate Commission for Voluntary Use

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

**B**efore 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.

Buyer, Seller, Landlord or Tenant

Date

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