LPA

APPRAISAL REPORT

VACANT LAND

3802 Farm to Market 1889,
Corpus Christi, Nueces County, Texas 78410

CLIENT

CITY OF CORPUS CHRISTI TEXAS
INCORPORATED
1852

February 12, 2025

Bobby C. Harraid, Jr.
The City of Corpus Christi
Property & Land Acquisition Manager
1201 Leopard Street, 78401
Corpus Christi, Texas 78469-9277

VACANT LAND
3802 Farm to Market 1889,
Corpus Christi, Nueces County, Texas 78410

In accordance with your request and authorization, we have completed an Appraisal Report of the captioned property for the purpose of developing an opinion of the market value of the subject property. It is our intent to comply with 12 CFR, Subpart C - Subsection 34.42(g), Department of the Treasury, Office of the Comptroller of the Currency, as well as the Uniform Standards of Professional Appraisal Practice (USPAP) and FIRREA.

It should be noted that the undersigned have experience in appraising properties considered similar to the subject, in the subject market area, and therefore comply with the Competency Rule as outlined in USPAP.

The following report, plus the Addenda, sets forth our findings and conclusions. Maps, plats and photographs that are considered essential to explain the reasoning followed in making the appraisal have been included and the conclusions are expressed therein. Also, no hazardous materials or waste were noted upon inspection of the subject property. Please refer to the Basic Assumptions and Limiting Conditions section of this report.

USPAP Standards Rule 1-2(h) states that an appraiser must identify the scope of work necessary to complete an assignment. The scope of work is acceptable when it is consistent with: (1) the expectations of participants in the market for the same or similar appraisal services; and (2) what the appraiser's peers' actions would be in performing the same or similar assignment in compliance with USPAP. In the case of the subject property, both of these USPAP criteria have been met.

NOTEWORTHY POINTS

- The subject of the report is a vacant tract of land consisting of 1.29-acres (56,236 SF).
- The subject property has been listed on the market since June 2022, for $899,776 ($16.00/SF) by Lynann Pinkham with Cravey Real Estate (361.288.3102). The listing price is considered to be above market in order to allow room for negotiations. The subject is not currently under contract of sale.
- It is noted that the Sales Approach was utilized for this report. The omission of the Cost and Income Approaches to value is not considered to, in any way, reduce the reliability of the value conclusions herein. The Cost Approach was not considered applicable due to the lack of improvements located on the subject site. The Income Approach was not considered to be applicable given the subject is a non-income producing property.

The appraisal, subject to the assumptions and limiting conditions as expressed herein and conducted according to the Uniform Standards of Professional Appraisal Practice, led us to develop the opinion of market value of:

VALUE CONCLUSION			
Status	Interest	Date	Value
As Is	Fee Simple	January 31, 2025	$590,000

Support and explanation for our value conclusion is explained in detail in the contents of the attached report. It has been a pleasure to assist you, and if we can be of service to you in the future, please let us know.

Lowery Property Advisors, LLC

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SALIENT DATA

GENERAL

Dates of Valuation	January 31, 2025 "As Is"
Date of Inspection	January 31, 2025
Property Rights	Fee Simple

SITE

Location	East line of Farm to Market 1889, south of Northwest Boulevard. The address associated with the subject is 3802 Farm to Market 1889, Corpus Christi, Texas 78410.
Site Description	The subject site consists of 1.29-acres (56,236 SF) that is generally rectangular in shape with generally level topography. No flood plain is noted. Reader is referred to the *Site Description* section for further details.
Legal Description	Lot 24, Block 2, Nueces River Irrigation Park, an Addition to the City of Corpus Christi, Nueces County, Texas.
Zoning	"CG - 2" – General Commercial District; Deed Restrictions

IMPROVEMENTS

General Description	None.

HIGHEST & BEST USE

As Vacant	Commercial development.

SUBJECT PHOTOS

AERIAL

INTRODUCTION

This is an Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. Supporting documentation concerning the data, reasoning and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated below. The appraiser is not responsible for unauthorized use of this report. Furthermore, as agreed upon with the client prior to the preparation of this appraisal, this is an appraisal as set forth by USPAP.

TYPE OF VALUE

The value definition employed in this report is *Market Value* as defined in 12 CFR - Part 34.42 (FIRREA), Department of the Treasury, Office of the Comptroller of the Currency.

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

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

Intended Use	Purchasing decisions
Intended User	City of Corpus Christi and assigns
Client	City of Corpus Christi
Interest Valued	Fee Simple
Date of Valuation	January 31, 2025 “As Is”
Date of Inspection	January 31, 2025
Date of Report	February 12, 2025

SCOPE OF WORK

The scope of the assignment relates to the extent and manner in which research is conducted, data is gathered, and analysis is applied. In preparing this appraisal, the appraisers did the following:

- Inspected the subject property.
- Searched the applicable market area for comparable market data. We utilized multiple sources including but not limited to: *Costar, LoopNet*, area brokers, local MLS, as well as our proprietary database.
- Interviewed landowners and local brokers familiar with the subject area and considered their insight of the current market and transactions;
- Obtained information from surrounding counties and area jurisdictions regarding zoning, taxes, property history, flood plain, utilities, etc.
- It is noted that the Sales Approach was utilized for this report. The omission of the Cost and Income Approaches to value is not considered to, in any way, reduce the reliability of the value conclusions herein. The Cost Approach was not considered applicable due to the lack of improvements located on the subject site. The Income Approach was not considered to be applicable given the subject is a non-income producing property. The inclusion or exclusion of approaches to value was determined by LPA and not our client.
- To develop the opinion of value, the appraiser performed an appraisal process, as defined by the Uniform Standards of Professional Appraisal Practice.

Extraordinary Assumptions & Hypothetical Conditions

It is emphasized that per USPAP, "*the use of extraordinary assumptions and or hypothetical conditions may have affected assignment results." These terms are defined as follows:*

Extraordinary Assumption, "an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions." This report is made with the following extraordinary assumption(s):

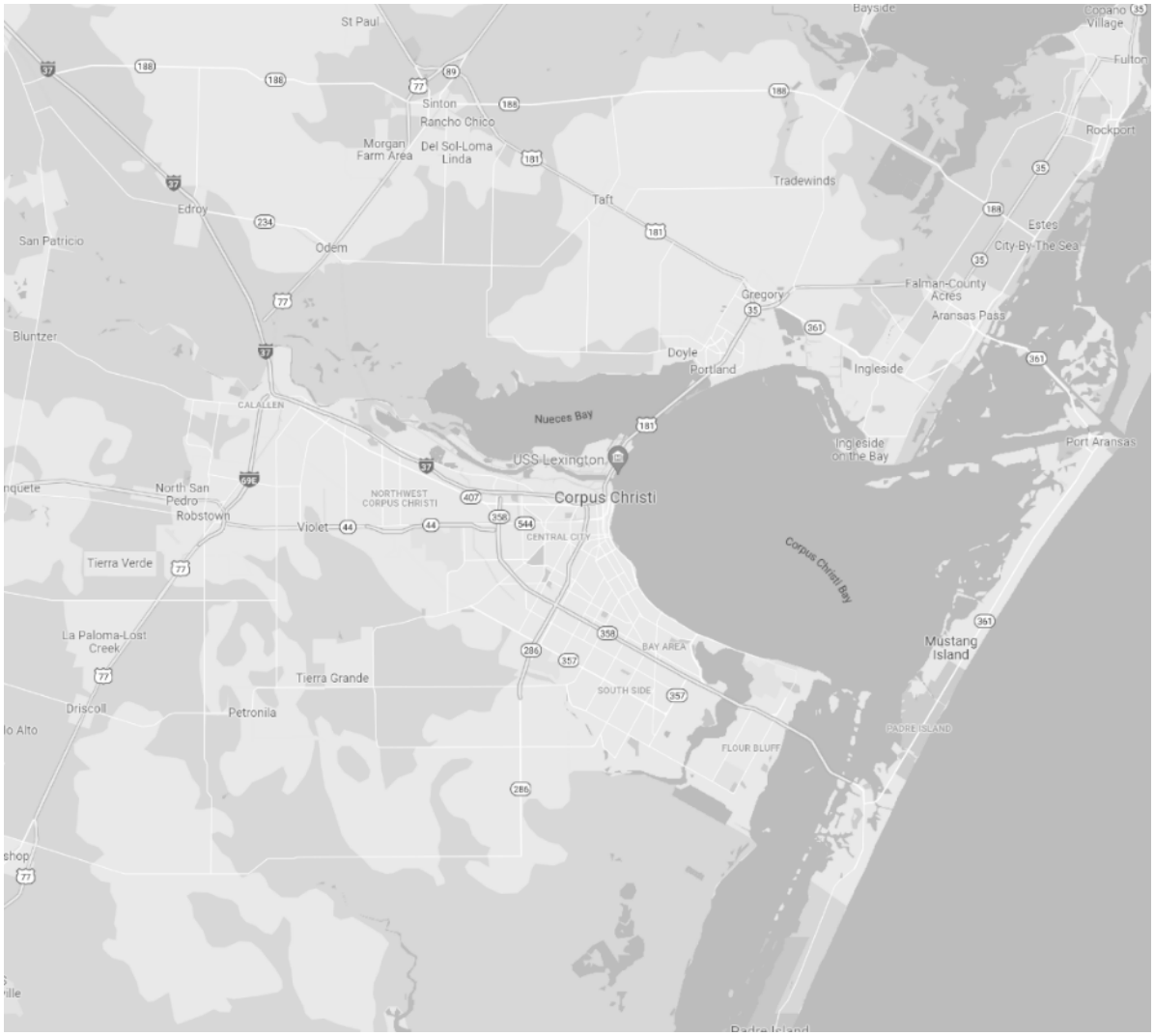
- **None.**

Hypothetical Condition, "a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis." This report is made with the following hypothetical condition(s):

- **None.**

REGIONAL

The subject is located in the Corpus Christi Metropolitan Statistical Area (MSA) which is located on the Texas Gulf Coast, approximately midway between Houston and the Mexican border. It is 200 miles southwest of Houston, 200 miles south of Austin, 130 miles southeast of San Antonio and 130 miles north of the Mexican border. The MSA covers three counties – Aransas, Nueces, and San Patricio.



DEMOGRAPHICS

According to Esri, the 2021 population estimate of the Corpus Christi Metropolitan Area is 442,600, making it the 7th largest metropolitan area in the Texas. Based on that estimate, the area gained approximately 5,300 new residents between 2020 and 2021. The main industries of the area include military, oil production, shipping, and construction. Leisure and hospitality industries are also important to the area, as the coast attracts many tourists.

ECONOMICS

Corpus Christi MSA

Corpus Christi's economy has paused in recent months, with job growth slowing nearly to a halt. Professional services and government have been especially weak, declining since August. However, core manufacturing is advancing a bit faster than most other industries. The unemployment rate has been relatively steady in the range of 4.5%, more than 0.5 percentage point higher than the national rate. The labor force has stopped rising in recent months after gaining earlier in 2023, but it remains above where it was in early 2020. Housing market data have been mixed.

Manufacturing was weak in 2023, but the chances of a rebound in 2024 are beginning to improve. Petrochemical refining as well as equipment and supplies related to drilling makes up the bulk of local production. From the peak in March 2022 through mid-2023, oil prices fell by approximately $50 per barrel, setting in motion a decline in Texas' active drill rigs throughout 2023. The subsequent price gyrations only added to uncertainty, further subduing exploration. On the positive side, exploration companies have been able to boost production of existing wells via improvements in productivity. The forecast is for West Texas Intermediate to rise back into the mid-$80 per barrel range this year, the expectation is that once companies are confident prices will remain elevated, the industry will revive. Separately, in early 2023, Tesla began constructing a lithium-refining facility near Corpus Christi that will support the production of batteries for electric vehicles. The company projects that the plant will be operational in 2024, initially resulting in a few hundred permanent jobs. In the meantime, the facility's construction is adding an additional 500 or more jobs.

The logistics industry should continue the recovery that began toward the end of 2023 following a decline through most of the year. One factor behind the recovery is that the Port of Corpus Christi Ship Channel is working on an expansion after receiving federal funding at the end of 2022. Completion is expected this year, resulting in a wider and deeper port better able to accommodate rising export flows of energy and agricultural products. Further, Cheniere is planning a 12 million-ton per year expansion of its local natural gas liquefaction facility. A driver of this activity has been Russia's invasion of Ukraine, which led European and other natural gas importers to seek alternative sources of supply. As a result, in 2022, the U.S. became the world's second-largest exporter after Qatar.

Residential construction rebounded modestly from its sharp contraction in 2022, but still-elevated mortgage rates will limit further gains in 2024. After house prices fell in the first half of 2023, prices have begun to rise moderately. But demographics will curb gains in housing in the longer term. In particular, there has been no population growth in recent years. One reason is that because the number of high-wage jobs is only half the national share, out-migration occurs as workers search for better jobs elsewhere. Another constraint is that the number of adults with a bachelor's degree is only two-thirds the national share, limiting the metro area's attractiveness for employers considering relocation.

Strengths

- Port of Corpus Christi expansions lead to growth in exports.
- Rising demand for LNG boosts the distribution industry.

Weaknesses

- Lack of well-paying jobs accelerates outmigration as residents relocate to larger metro areas such as Dallas and Houston.
- Uncertainty surrounding oil prices causes oil companies to hold back on investment.

2019	2020	2021	2022	2023	INDICATORS	2024	2025	2026	2027	2028
26.8	25.5	27.7	26.8	27.3	Gross metro product (C12$ bil)	28.2	28.8	29.6	30.4	31.3
0.4	-5.1	8.5	-3.0	1.8	% change	3.2	2.2	2.6	2.9	3.0
193.9	181.3	183.9	190.3	194.8	Total employment (ths)	197.5	199.5	201.0	202.4	203.9
0.3	-6.5	1.4	3.5	2.4	% change	1.4	1.0	0.8	0.7	0.7
4.3	9.1	7.1	4.9	4.5	Unemployment rate (%)	4.2	4.2	4.2	4.1	4.1
6.0	4.7	10.5	2.2	6.7	Personal income growth (%)	4.4	4.4	4.4	4.5	4.5
55.5	57.3	58.9	61.4	64.0	Median household income ($ ths)	66.1	68.3	70.7	73.3	75.9
445.7	446.0	447.8	451.4	455.1	Population (ths)	458.2	460.9	463.5	466.1	468.6
-0.2	0.1	0.4	0.8	0.8	% change	0.7	0.6	0.6	0.6	0.6
-2.5	-0.6	1.7	3.2	2.6	Net migration (ths)	1.9	1.7	1.6	1.7	1.8
1842.0	1819.0	2423.0	2092.0	1894.4	Single-family permits (#)	1377.1	1484.9	1600.5	1599.4	1571.2
214.0	277.0	366.0	5.0	67.8	Multifamily permits (#)	451.0	442.0	472.4	494.0	484.1
3.0	4.6	12.0	14.3	3.0	FHFA house price (1995Q1=100)	1.4	-0.9	-0.1	1.1	2.1

Moody's Analytics

MAJOR ATTRACTIONS

Corpus Christi is a popular tourist destination because of its mild climate and location. It is the most frequented vacation destination in Texas with 10.61 million annual visitors. Most visitors are the traditional summer beach visitors and "Winter Texans" which pump an estimated $1.35 billion annually into the local economy.

Corpus Christi convention activity is focused in the area at the north end of Shoreline Boulevard near the Harbor Bridge. The American Bank Center Convention Center events support a number of hotels in the downtown Bay Front area. The center (located at 1901 N. Shoreline Boulevard – north of IH 37 and east of US 181) opened in late 2004 and features a 2,526-seat auditorium, a sports arena seating 10,500 and meeting and exhibition space. The sports arena is home to Corpus Christi's Ice-rays hockey team and the Texas A&M – Corpus Christi University basketball teams. Whataburger Field is home to the Corpus Christi Hooks, the Double-A affiliate of the Houston Astros.

TRANSPORTATION

Corpus Christi International Airport

The Corpus Christi International airport serves the coastal bend of Texas. The four airlines that serve CCIA are American, Southwest, and United Airlines. These airlines provide direct flights to both airports in Houston as well as in Dallas.

Port of Corpus Christi

The Intracoastal Waterway and the Port of Corpus Christi make Corpus Christi a major transportation and bulk cargo center. The port is the 8th largest in the nation in terms of annual tonnage and is located mid-way along the Texas coast on the Gulf of Mexico (approximately 150 miles north of the United States/Mexico border) just north of IH 37 and the Central Business District (CBD). Low-cost barge transportation is available on this 1,177-mile waterway that links Corpus Christi with 9,812 miles of commercially navigable waterways in the mid-continent regions of the Mississippi River and its tributary systems as well as 2,500 miles of waterway along the Gulf of Mexico.

The Texas Department of Transportation

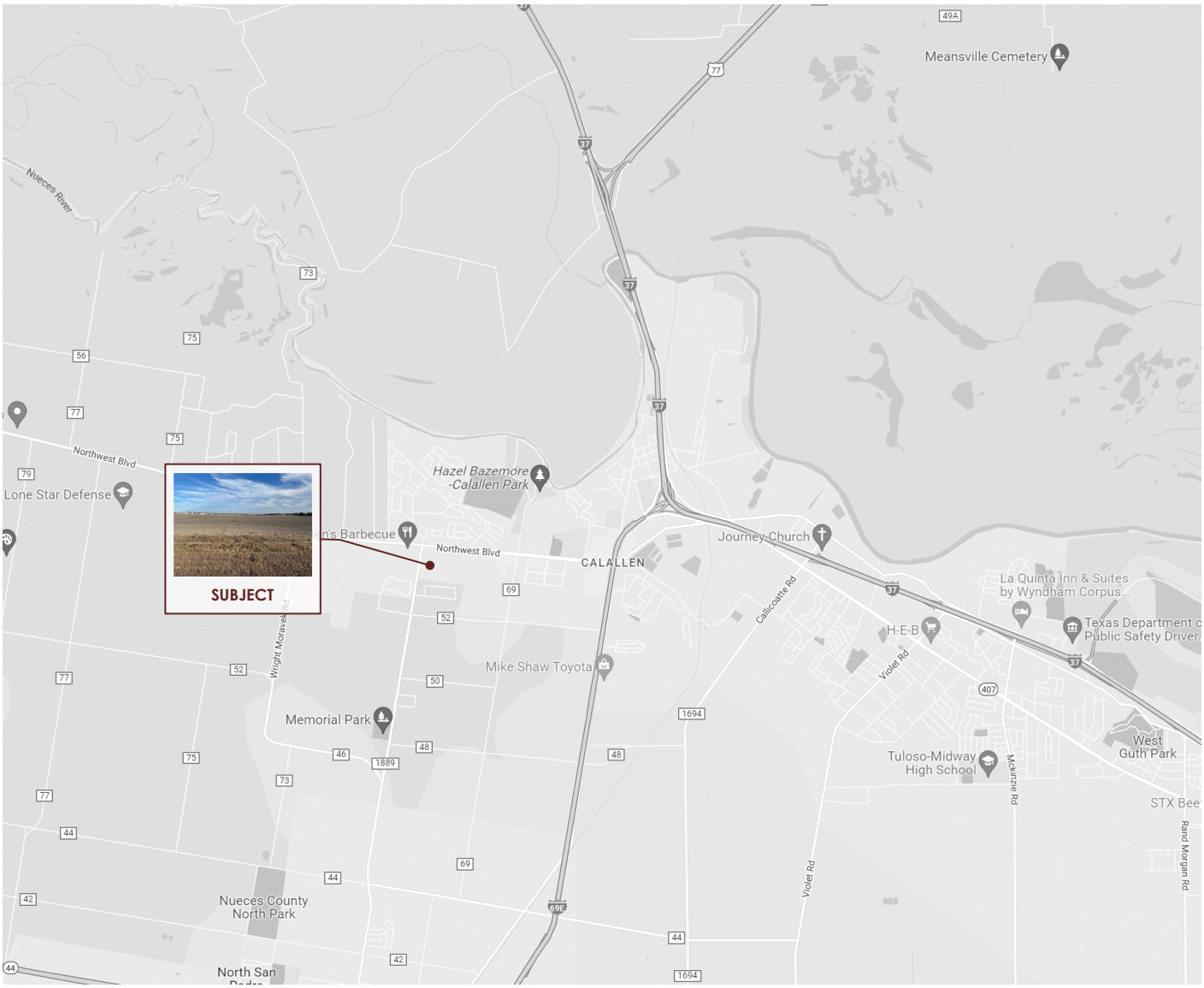
The main thoroughfares that serve the area are I-37, which provides easy access to San Antonio, State Highway 35, which connects the area to Houston, and US Highway 77, which connects the area to the Rio Grande Valley. Other important roadways include State Highways 358 and 361, which connect the city to Padre Island.

CONCLUSION

Corpus Christi will improve slowly in 2024 as the energy and distribution industries recover. Longer term, weak population growth and other structural factors will constrain growth.

NEIGHBORHOOD

A neighborhood is typically a segment of a community, city or town which is a homogeneous grouping of individuals, buildings or business enterprises within the larger community. A neighborhood has three stages of life and possibly a fourth. They are (1) integration (the development stage), (2) equilibrium (the static stage), (3) disintegration (the declining or decaying stage), and possibly (4) a redevelopment or rejuvenation state or period and continuance of the neighborhood life cycle.



LOCATION

The subject property is located in the City of Corpus Christi, Nueces County, Texas. The subject neighborhood is best defined by use patterns, as well as the location of major thoroughfares and natural boundaries. Neighborhood boundaries are generally defined as the land area within North Beach and by the Corpus Christi Bay and Corpus Christi ship channel to the north, Corpus Christi Bay to the east, McGee Beach to the south, and State Highway 286 to the west.

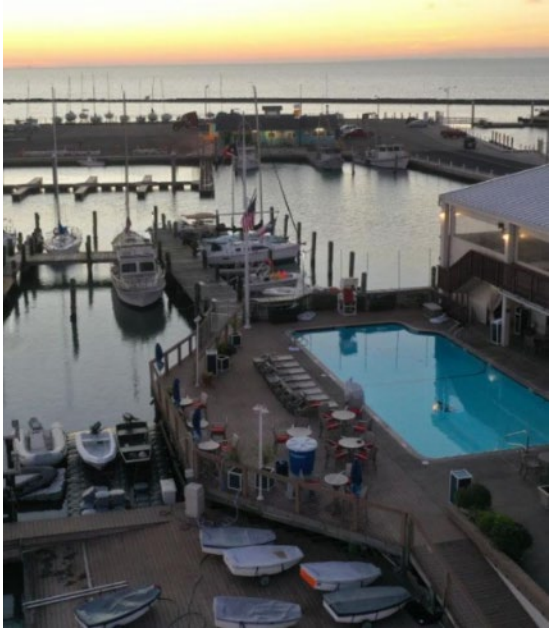
GENERAL INFO

Corpus Christi is a coastal city in the South Texas region, which is 130 miles southeast of San Antonio. Corpus Christi has a population of 327,423 people with a median age of 35.7 and a median household income of $57,387. Between 2016 and 2021 the population of Corpus Christi grew from 325,734 to 327,423, a 0.52% increase and its median household income grew from $54,344 to $57,387, a 5.60% increase. This city is home to a number of popular destinations for both tourist and residents. Most of the local economy is driven by tourism and the oil and petrochemicals industry. The city's location provides opportunities for water sports and nature tourism. Some of the most visited attractions are located on North Beach, where the Texas State Aquarium and the USS Lexington Museum on the Bay are located. The Port of Corpus Christi, which is the fifth largest U.S. Port and deepest inshore port on the Gulf of Mexico, handles mostly oil and agricultural products. Corpus Christi is home to several institutions of higher learning such as Texas A&M University-Corpus Christi, De Mar College, and numerous vocational schools. The city has six school districts which provide primary and secondary education for residents. The market area is a combination of vacant land, single-family residential, retail, multifamily, office and industrial uses. Retail/commercial development is primarily located along major thoroughfares such as SH 358 (South Padre Island Drive). Residential uses are located on secondary thoroughfares.

CORPUS CHRISTI DOWNTOWN

Corpus Christi's Downtown/Bayfront area has great hotels, some of the city's finest dining options, a marina and museums. The Marina Arts District in downtown features excellent eateries, art, original music and festivals. The Sports, Entertainment and Arts District (SEA District) is located at the southern edge of the Corpus Christi Ship Channel. The SEA District includes the Museum of South Texas, the Corpus Christi Museum of Science and History, Concrete Street Amphitheater and Hurricane Alley Waterpark. Whataburger Field, home to the Corpus Christi Hooks (Double-A affiliate of the Houston Astros), is also located in the SEA District. McGee Beach is located on the downtown seawall and offers a beach that is perfect for children and fishing along the jetties.

The Mirador de la Flor is located on the Corpus Christi Bayfront Seawall which is located at the Peoples Street T-Head and is popular among tourists. Selena Quintanilla Perez was an acclaimed Tejano singer born in Corpus Christi whose life and music touched the community and many people around the world. The life size-bronze statue was sculpted by H.W. "Buddy" Tatum, a well-known Corpus Christi artist.



Established in 1923, the Corpus Christi Yacht Club is located in Downtown Corpus Christi along Coopers Alley. The two-story private club is equipped with a full-service restaurant/bar and outdoor pool which hosts various events such as weddings, luncheons, and social gatherings. The Yacht Club regularly hosts regattas and offers a learn-to-sail program to both members and non-members between ages 6-18. This allows students to learn about water safety, rigging techniques, sailing skills, knots, and weather before venturing outside of the club's marina by the end of season.

NAVAL AIR STATION CORPUS CHISTI

NAS Corpus Christi was commissioned on March 12, 1941 after a board found that a lack of training facilities capable of meeting an emergency demand for pilots constituted a grave situation. NAS CC provided intermediate flight training in World War II, training naval pilots to fly SNJ, SNV, SNB, OS2U, PBY, and N3N airplanes. In 1944 it was the largest naval aviation training facility in the world. The facility covered 20,000 acres, had 997 hangars, shops, barracks, warehouse and accessory buildings. Today, Training Air Wing FOUR produces approximately 400 newly qualified aviators each year via the "Maritime Pipeline" for shore-based US Navy, US Marine Corps and US Coast Guard fixed—wing jet and turboprop aircraft. Training Air Wing FOUR consists of four squadrons which handle training in the T-6B Texan II, a single engine turboprop aircraft and advanced training in the twin engine T-44C Pegasus aircraft. NAS Corpus Christi is also home to the Corpus Christi Army Depot, the largest helicopter repair facility in the world.

In 2017, Frazier started planning Lighthouse Pointe, a $25 million project at the tip of North Beach on the west side of U.S. Highway 181, across from the subject property. The complex will feature 159 luxury one, two, and tree-bedroom apartment units, eight townhomes, a marina, spa, restaurant, chapel and a 136-foot Texas lighthouse.

ACCESS

Access to the subject neighborhood is considered good due to its close proximity to U.S. Highway 181 to the west. U.S. Highway 181 originates in downtown Corpus Christi and connects Corpus Christi to Portland and extends far northwest to San Antonio. Interstate 37 is to the south of the subject which provides a direct link to both Interstate Highway 35 and Interstate Highway 10 in San Antonio. Interstate 69E / US Highway 77 connects the city to Brownsville to the south and Victoria and Waco to the north. Texas State Highway 44 is a main thoroughfare that connects Corpus Christi to Laredo and the western part of South Texas by way of Interstate 69W / US Highway 59, Interstate 35, and US Highway 83. The inner-city public transportation is provided by Corpus Christi Regional Transportation Authority with its bus route. Other primary thoroughfares include Highway 286 (Crosstown Expressway) and Highway 358 (South Padre Island Drive).

UTILITIES

The majority of the city of Corpus Christi is adequately served by all the typical utilities, including water, sewer, electric service, natural gas, septic and public telephone. Major utility companies servicing the neighborhood include the City of Corpus Christi and TXU Electric Company.

NUISANCES & HAZARDS

Nuisances and hazards are limited in the subject neighborhood. Vibration, smoke, smog, odors and intense noise are basically related to vehicular traffic along the major thoroughfares. As in any area, traffic density poses problems ranging from congestion to noise. These problems are not severe and are a natural part of most communities.

LIFE CYCLE

Each neighborhood has a unique and dynamic quality all its own, given man's unique imagination, design and development of an area. This quality is described as a "life cycle," which is identified in *The Appraisal of Real Estate* as evolving through the following four stages.

Growth	Neighborhood gains public favor and acceptance
Stability	Equilibrium without marked gains or losses
Decline	Diminishing demand
Revitalization	Renewal, modernization and increasing demand

Overall, the subject neighborhood appears to be in the ***stability*** period of its life cycle. Land prices have increased. The immediate area is a well-established area within the city of Corpus Christi and is considered to be approximately 70% developed. Properties appear to range in age from new to over 50 years.

CONCLUSION

The subject neighborhood is located in the Calallen area of Corpus Christi, Nueces County, Texas. Demand for virtually all types of real estate in this area has been mostly stable in recent years. The future growth of the neighborhood relies heavily upon the strength of the economy and the overall strength of the real estate market within the entire Corpus Christi area. The subject property displays good locational attributes in the defined neighborhood and should benefit from any positive economic conditions experienced by the immediate area.

DEMOGRAPHICS

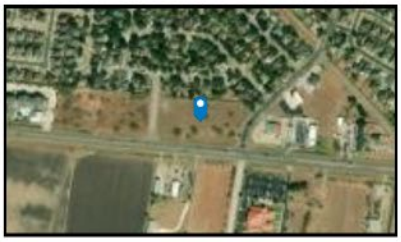
The following pages summarize data generated by the STDB.

esri
THE SCIENCE OF WHERE®

Site Map

14600-14698 Northwest Blvd
14600-14698 Northwest Blvd, Corpus Christi, Texas, 78410
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 27.85834
Longitude: -97.65166



Demographic and Income Profile

14600-14698 Northwest Blvd
14600-14698 Northwest Blvd, Corpus Christi, Texas, 78410
Ring: 5 mile radius

Prepared by Esri
Latitude: 27.85834
Longitude: -97.65166

Summary	Census 2010	Census 2020	2024	2029
Population	34,827	35,335	35,537	35,483
Households	11,829	12,374	12,711	13,046
Families	9,194	9,146	9,150	9,330
Average Household Size	2.92	2.84	2.78	2.71
Owner Occupied Housing Units	8,240	8,330	8,780	9,323
Renter Occupied Housing Units	3,589	4,044	3,931	3,723
Median Age	35.2	37.4	38.1	38.6

Trends: 2024-2029 Annual Rate	Area	State	National
Population	-0.03%	1.09%	0.38%
Households	0.52%	1.36%	0.64%
Families	0.39%	1.26%	0.56%
Owner HHs	1.21%	1.82%	0.97%
Median Household Income	3.02%	2.65%	2.95%

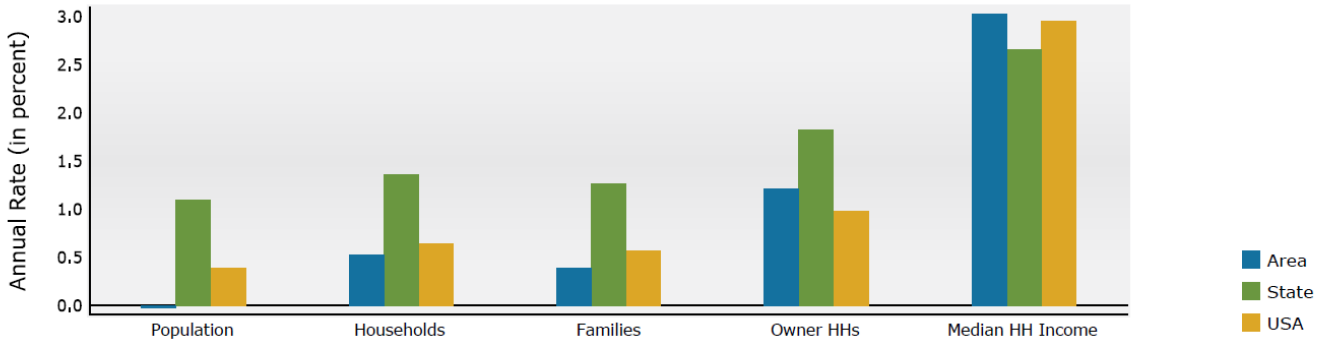
	2024		2029	
Households by Income	Number	Percent	Number	Percent
<$15,000	1,102	8.7%	958	7.3%
$15,000 - $24,999	814	6.4%	630	4.8%
$25,000 - $34,999	916	7.2%	783	6.0%
$35,000 - $49,999	1,045	8.2%	891	6.8%
$50,000 - $74,999	2,685	21.1%	2,555	19.6%
$75,000 - $99,999	1,621	12.8%	1,681	12.9%
$100,000 - $149,999	2,082	16.4%	2,347	18.0%
$150,000 - $199,999	1,275	10.0%	1,751	13.4%
$200,000+	1,171	9.2%	1,451	11.1%
Median Household Income	$72,278		$83,871	
Average Household Income	$100,517		$116,723	
Per Capita Income	$36,068		$43,062	

Demographic and Income Profile

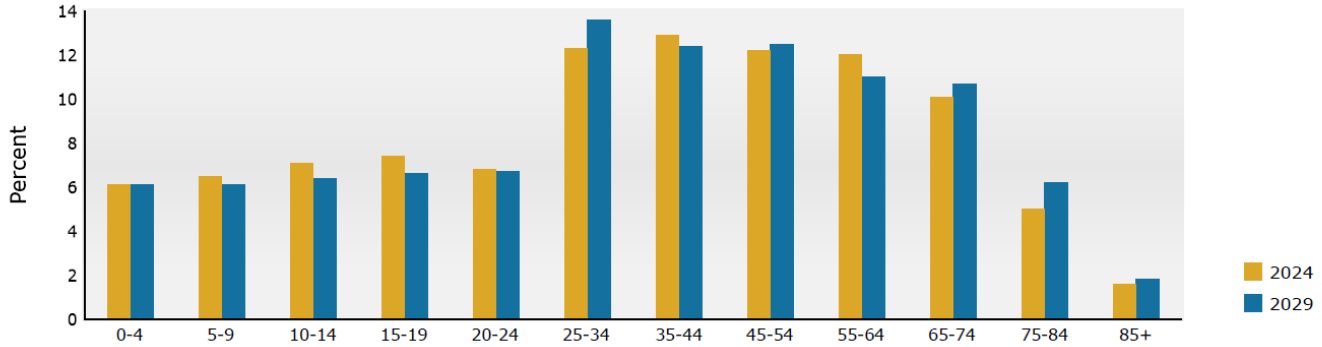
14600-14698 Northwest Blvd
14600-14698 Northwest Blvd, Corpus Christi, Texas, 78410
Ring: 5 mile radius

Prepared by Esri
Latitude: 27.85834
Longitude: -97.65166

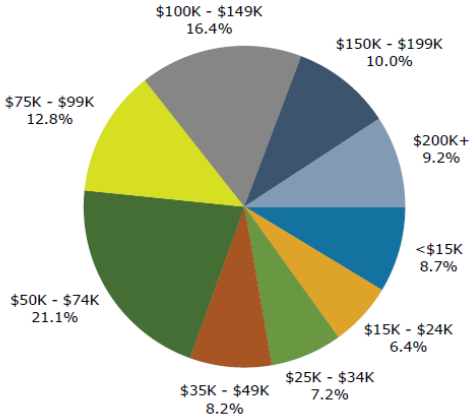
Trends 2024-2029



Population by Age



2024 Household Income



ECONOMIC UPDATE

LPA is committed to monitoring the current economic environment. The following section analyzes several current economic factors such as the lingering effects of COVID-19, inflation, gas prices, supply chain issues, unemployment, etc. and the effects on commercial real estate.

COVID-19

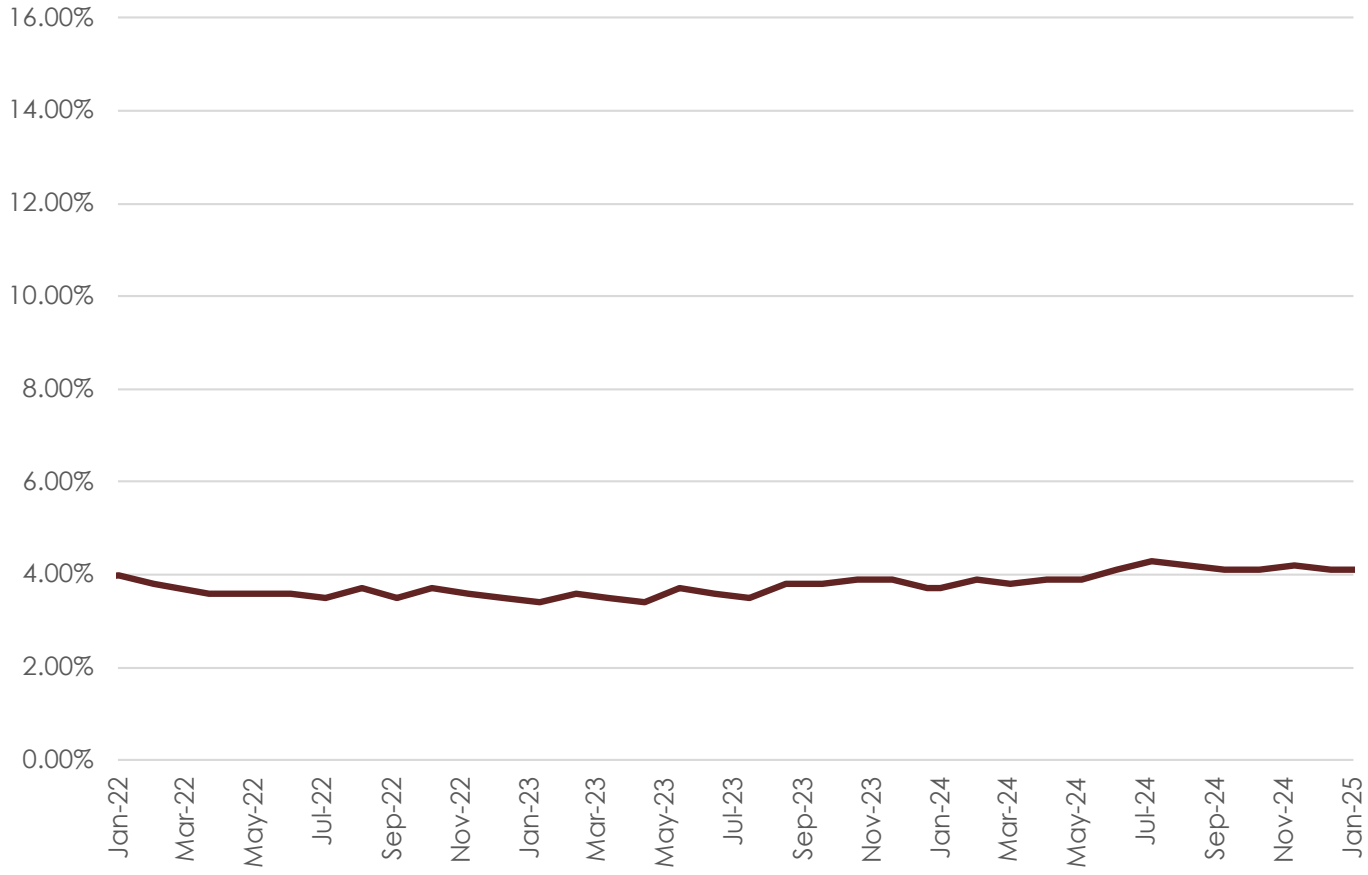
As COVID-19 began in 2020, unemployment reached a high of 14.7%. GDP declined 34% in Q2 2020, The CARES Act, enacted shortly after the beginning of COVID, was a shot in the arm of the U.S. economy. Throughout 2020 and as we entered 2021, the economy began to ease slightly. In 2021 the U.S. began offering four vaccines: Johnson & Johnson, Pfizer, Moderna, and Novavax. Although riddled with supply chain problems and closing businesses, the unemployment rate continuously decreased to 4% where it stands as of May 2024. The U.S. government enacted various monetary and fiscal policies to assist the economy, such as $377 billion in emergency grants and loans for small businesses and decreasing the federal fund rate. Outlined below is a timeline of important events in the history of the pandemic.

Jan 2020	The first instance of the coronavirus is seen in the U.S.
Mar 2020	The World Health Organization declares COVID-19 a worldwide pandemic.
Mar 2020	President Trump signs a $2 Trillion economic stimulus bill.
Feb 2021	Pfizer, Moderna, and Johnson & Johnson vaccine all approved for emergency use.
Mar 2021	Congress passes the American Rescue Plan, the largest stimulus bill to date.
Mar 2022	The Federal Reserve raised interest rates for the first time since 2018 in order to combat rapid inflation.
May 2023	COVID-19 Public Health Emergency officially ended May 11th in the U.S.
Mar 2024	FDA working towards annual COVID 19 shot, similar to annual Flu shot.
Dec 2024	CDC expects similar or even lower number of COVID-19 infections for the fall-winter season

UNEMPLOYMENT

The COVID-19 pandemic accelerated already emerging trends in slow labor force growth and higher demand for skilled labor. The number of jobless claims skyrocketed in March 2020, when the pandemic officially began, with official unemployment numbers reaching 23.1 million or 14.7%. Unemployment has steadily declined over the following months, with the unemployment rate as of July 2023 recorded at 3.5%, which is back to pre-pandemic levels. In 2022, US employers added a total of 4.5 million new jobs, which is the second strongest year in the past 40 years after 2021. The majority of the new jobs were led by the leisure and hospitality industry as well as professional and business services. Despite the low unemployment rate and job creations, industries are still having problems being understaffed as people used COVID-19 to change jobs and careers, leaving holes in the industries they've left behind. Career changes and the need to work remotely have led to a worker shortage, especially in the food service and hospitality industries. The chart below shows the monthly unemployment rate since January 2022.

UNEMPLOYMENT RATE



Federal Reserve Bank of St. Louis

INFLATION

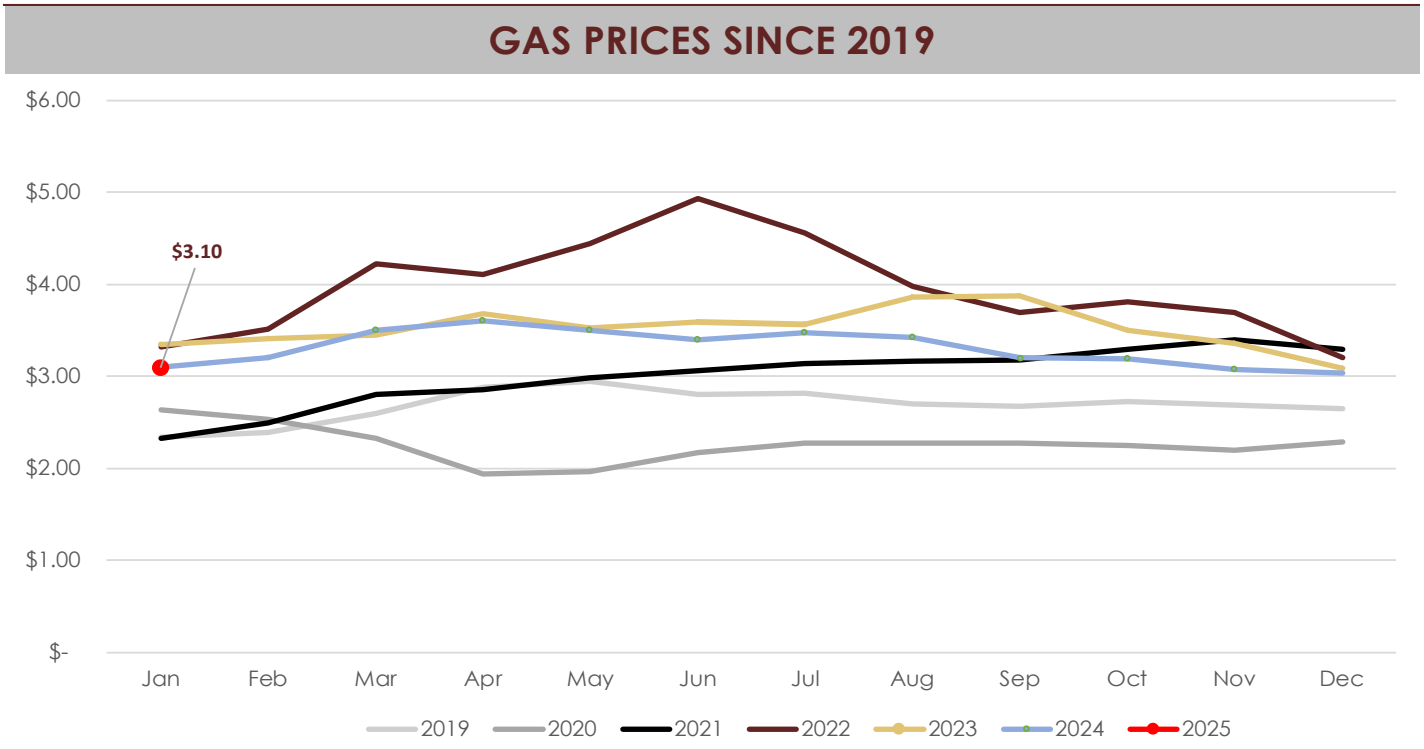
Inflation has hit the United States hard since the beginning of 2021. Inflation is the rate of increase in prices over a given period of time. The most common form of measurement is the Consumer Price Index (CPI). This measures the percentage change in price over a "basket" of goods and services in households. According to the U.S Bureau of Labor Statistics, the annual inflation rate in the U.S. has slowed more than expected to 3.2% in July 2023 from an over 40-year high of 9.1% in June 2022. The below chart using data from the U.S. Bureau of Statistics shows the inflation rate over the last 40 years and the increase of inflation in the U.S. since April 2020, and the start of the COVID-19 pandemic.

INFLATION SINCE 1982

U.S. Bureau of Statistics

GAS PRICES

Since the beginning of 2022, the national average has remained above the 3 years prior and indicates a downward trend. Prices dropped 32 cents in July, and 79 cents in August. After a historic 98-day streak of falling gas prices, the average rose a penny near the end of September. The longest streak was 115 days in 2014-2015. There are several complicated, important factors involved in the increase and decrease in gas prices over the last several months. The following chart shows the national average gas price per gallon of the prior 4 years.



U.S. Energy Information Administration

The sharp increase can be contributed to the Russia/Ukraine war as Russia is the 2nd largest exporter of oil in the world. Since beginning in February 2022, the Russia/Ukraine conflict has caused Russia to become heavily sanctioned, playing an important factor in the increase of gas prices. Although the U.S. is the world's leading gasoline producer, production has decreased since late 2019. Additionally, refineries closing at the beginning of COVID-19 have led to a decrease in operating oil refineries leading to higher demand than supply. Refineries increase their rates when demand is higher than supply due to the need of the product and the increased willingness of people to pay for that product.

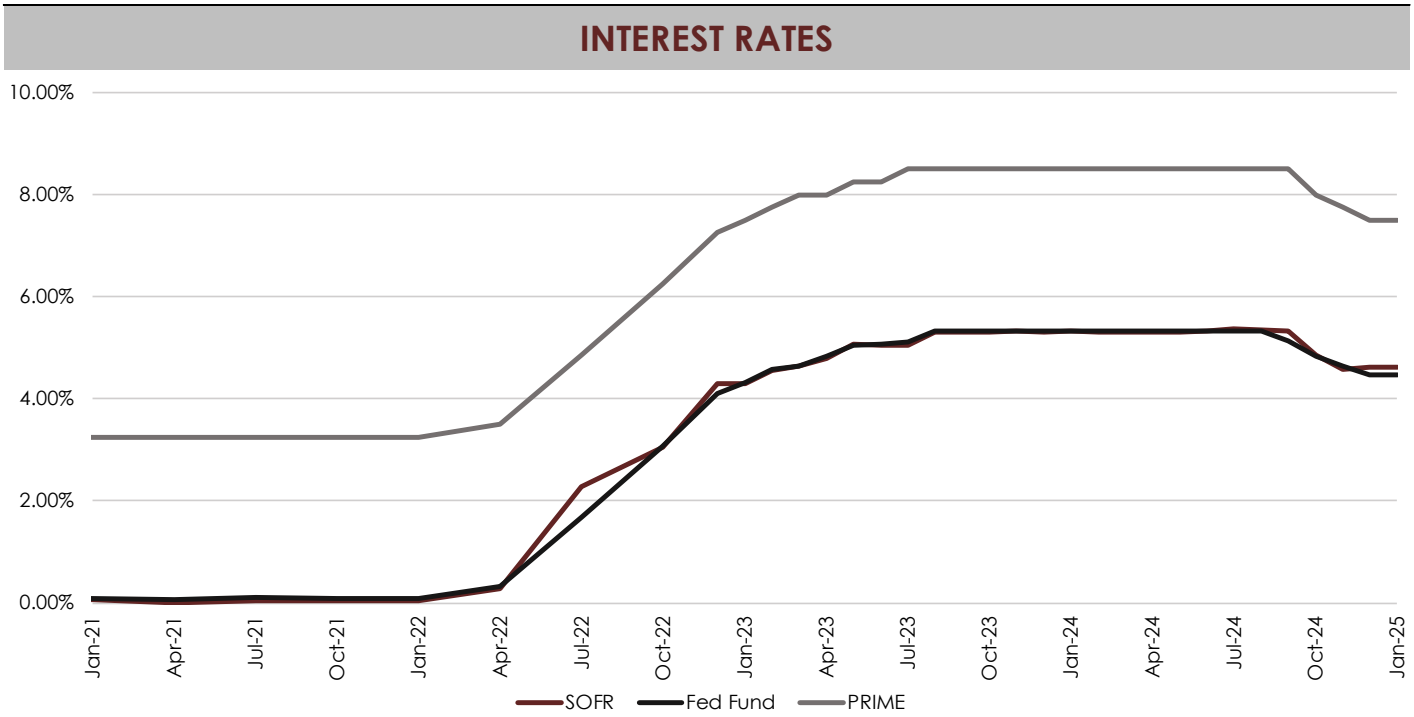
Some reasons for the sharp decrease in gas prices involve panic over inflation driving down prices, people driving less due to the high gas prices, and the Biden administration's release of emergency oil from the national stockpile.

INTEREST RATES

Prime Rate is individually determined by banks and often used as a reference rate (also known as the base rate) for several types of loans. Examples of the types of loans using this rate include credit card loans and small business loans. The prime rate is used by banks to lend to consumers and are fixed and typically do not change over extended periods of time.

Secured Overnight Financing Rate is a benchmark interest rate that institutions utilize for business and consumer loans. The Secured Overnight Financing Rate (SOFR) is the dominant benchmark rate after the US LIBOR panels ended on June 30, 2023. Unlike its predecessor, SOFR incorporates actual lending transaction data amongst institutions making it a more reliable source.

Federal Funds Rate is set by the Federal Open Market Committee (FOMC). This rate is the target at which excess reserves are lent and borrowed amongst commercial banks overnight. This rate influences short-term rates on credit cards and consumer loans as well as piquing investors' interest by impacting the stock market.



FedPrimeRate

To combat higher than average inflation, rates began increasing in early 2022. However, in September 2024, federal interest rates were cut by 50 basis points for the first time in four years. A second cut of 25 basis points followed in November 2024, and a third cut of 25 basis points was implemented in December 2024, reflecting a strategic shift in monetary policy aimed at easing financial pressures. Interest rates and capitalization rates typically move in tandem. The increased cost of capital often exerts upward pressure on capitalization rates, which can, but does not always, lead to market softening. LPA remains committed to monitoring and analyzing the ongoing impact of these rate adjustments on commercial real estate markets

BANKING

Silicon Valley Bank became the 2nd largest bank collapse in U.S. history at the time (until First Republic Bank's collapse a month later) on March 10th, 2023. After the largest bank run in U.S. history, SVB was seized by the Federal Deposit Insurance Corporation (FDIC), and then sold to First Citizens Bancshares.

Signature Bank became the 3rd largest bank collapse in U.S. history at the time, following SVB's collapse days prior. Unable to bounce back from the combination of the crypto exchange FTX's collapse and SVB's collapse, Signature experiences a bank run and ultimately collapses.

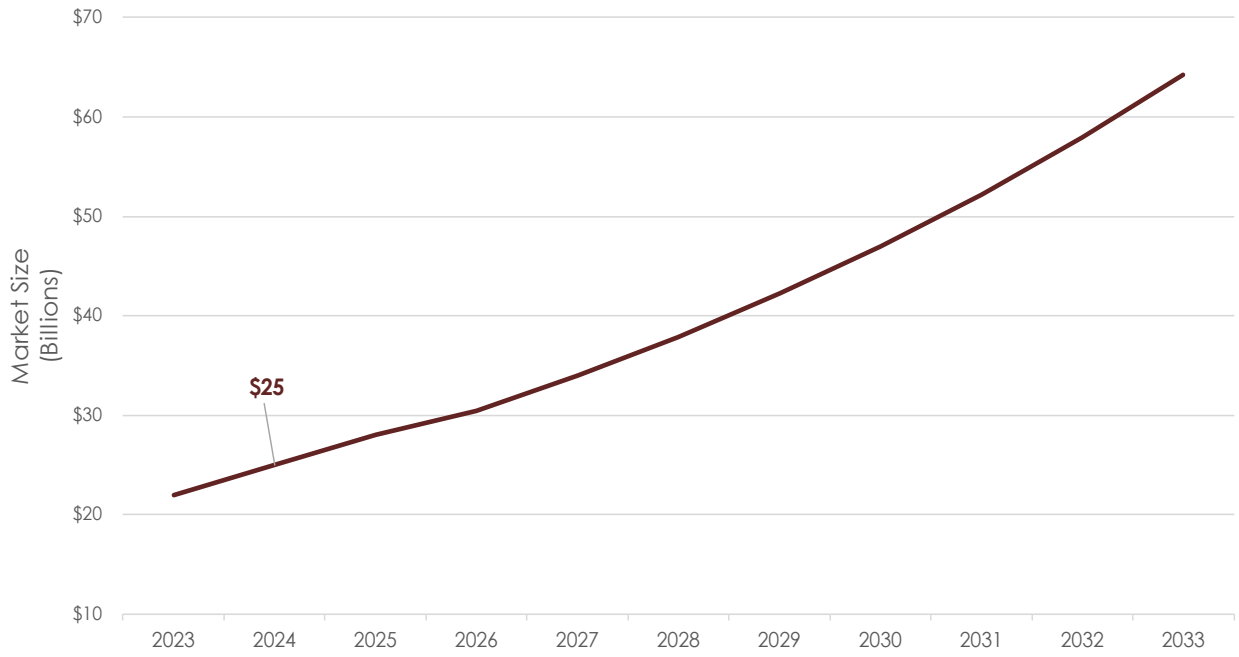
First Republic Bank is currently the 2nd largest bank failure in U.S. history, despite the banking industry's best efforts to save it. The almost $100 Billion dollars pumped into First Republic wasn't enough to prevent them from selling assets, ultimately being seized and sold.

Mar 8 2023	Silicon Valley Bank creates panic after announcing it sold $21 billion in securities at a loss.
Mar 9 2023	Silicon Valley Bank clients withdraw $42 billion, creating the largest bank run in U.S. history.
Mar 10 2023	As Silicon Valley Bank officially collapses, Signature Bank experiences a multi-billion dollar bank run.
Mar 11 2023	The 11 largest U.S. banks give First Republic Bank $30 billion while JPMorgan Chase gives $70 billion.
Mar 12 2023	Signature Bank is seized by the FDIC and assets sent to Signature Bridge Bank during the bidding process.
Mar 19 2023	Signature Bridge Bank is bought by New York Community Bank and put under the Flagstar Bank subsidiary.
Apr 28 2023	FDIC seizes control of First Republic Bank after it begins selling assets at a loss, causing stock to drop.
May 1 2023	First Republic Bank is officially closed and sold to JPMorgan Chase.
Aug 2 2023	Heartland Tri-State Bank officially becomes Dream State Bank after closing Friday, July 28th.
Jan 31 2024	New York Community Bancorp (NYCB) is now experiencing trouble as stocks fell 46% and lost $252 million.
May 1 2024	Fulton Bank assumes control of Republic First Bank after failed talks with investors over funding.

EMERGING TECHNOLOGY

Technological advancements in proptech are transforming commercial real estate operations and influencing property valuations. Smart buildings, equipped with Internet of Things (IoT) and automation, enhance energy efficiency, security, and occupant comfort, increasing their market value. These attributes are highly valued, leading to higher valuations. Proptech solutions create operational efficiencies, reducing costs and errors, and streamlining property management. These efficiencies improve financial performance, making properties more attractive to investors. By automating tasks, these technologies reduce costs and errors, leading to better financial performance and, consequently, higher property valuations.

U.S. SMART BUILDING MARKET SIZE



Precedence Research

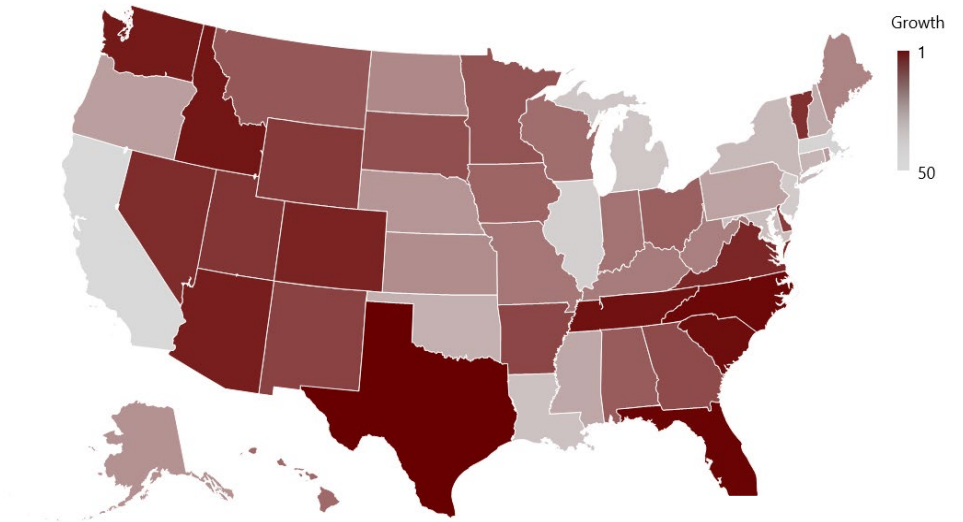
The U.S. smart building market is poised for substantial growth, driven by technological advancements and strategic investments. Key details include:

- 2023 Market Size: Reached USD 21.69 billion.
- 2033 Projection: Expected to grow to USD 64.21 billion.
- Growth Rate: Anticipated CAGR of 11.39% from 2024 to 2033.
- Regional Share: North America captured a 34.11% revenue share in 2023.

RELOCATION TRENDS

Relocation trends between states in the US significantly impact the commercial real estate sector. Population influxes in states like Texas and Florida boost demand for office spaces, retail outlets, and residential developments, leading to higher property values and rental rates. Consequently, developers and investors capitalize on these opportunities by initiating new construction projects or refurbishing existing properties to meet rising demand. States with population outflows, like New York and California, face challenges in the commercial real estate market as dynamics in office, retail, and industrial real estate rapidly evolve.

U.S. RELOCATION TRENDS 2024



U-Haul Growth Index

Office Sector — As companies relocate or downsize, vacancies rise, reducing rental rates and property values. Landlords must innovate leasing strategies or reposition assets to attract and retain tenants.

Retail Sector — Retail real estate growth is slow due to declining population and consumer spending. Property owners need creative approaches to maintain occupancy and attract tenants.

Industrial Sector — Demand for logistics facilities is growing as e-commerce and population increase. Areas with significant population growth are seeing more investment in industrial real estate to support logistics infrastructure.

CONCLUSION

The current economic environment is ever changing. LPA is working diligently to capture and analyze current market data to reliably quantify impacts on real property values, national and regional. As the situation evolves, LPA is committed to monitoring current events and how they impact the commercial real estate market.

SITE DESCRIPTION

PHYSICAL

Location

East line of Farm to Market 1889, south of Northwest Boulevard. The address associated with the subject is 3802 Farm to Market 1889, Corpus Christi, Texas 78410.

Size / Configuration / Flood Zone

The subject site consists of 1.29-acres (56,236 SF) that is generally rectangular in shape with generally level topography. No flood plain is noted.

Legal Description

Lot 24, Block 2, Nueces River Irrigation Park, an Addition to the City of Corpus Christi, Nueces County, Texas.

Frontage / Accessibility

The subject's site is considered to possess adequate access to the traffic carrier, which is a secondary traffic carrier for the area and is in good overall condition. **It is noted that the subject will not have direct access to the traffic carrier. Access will be permitted through an access easement/shared drive with the adjacent properties according to the provided documents herein.**

Utilities

Public water services and sewer services are provided by the local service districts. According to local officials, these utilities are sufficient for the development in the area. In addition, the local officials provide fire and police protection along with garbage pick-up. Electrical and natural gas are provided by the region's typical providers. At the present time, all utilities appear to be sufficient for area development patterns.

Soils

The site's soil appears such that its load-bearing capacity does not restrict the construction of ordinary structural improvements. No evidence to the contrary was noted during our physical inspection of the site.

LEGAL

Zoning / Restrictions

As mentioned previously, the subject property is zoned "CG-2" – General Commercial District by the city of Corpus Christi. The subject's zoning provides for a wide variety of commercial activity such sale of convenience goods and personal services that primarily benefit nearby residential areas. Typical uses associated with this zoning district are small restaurants, retail, and professional offices. The following excerpt from the city's Unified Development Code displays the permitted uses within the subject's zoning:

COMMERCIAL DISTRICTS												
P = Permitted Use; L = Subject to Limitations; SUE = Special Use Exception; SP = Special Permit; [blank cell] = Not Permitted	CN-1	CN-2	ON	CR-1	CR-2	CR-3	CG-1	CG-2	CI	CBD	BP	Standards
Commercial Uses												
Commercial Parking Uses [5.1.4.A]	P	P	P	P	P	P	P	P	P	P	P	
Indoor Recreation Uses [5.1.4.B] except:	P	P	SP	P	P	P	P	P	P	P	P	
---Bar, tavern or pub				L	L	L	L	L	L	L	L	5.2.7
--- Smoking Lounge				P	P	P	P	P	P	P	P	
---Sexually oriented business	See Section 4.6.2											
Office Uses [5.1.4.C]	P	P	P	P	P	P	P	P	P	P	P	
Outdoor Recreation Uses [5.1.4.D] except:	SP	SP		P	P	P	P	P	P	SP	P	
Commercial amphitheater				SP	SP	SP	SP	SP	SP	SP	SP	
Overnight Accommodation Uses except:	P	P	P	P	P	P	P	P	P	P	P	
---Bed and breakfast home	L	L	L	L	L	L	L	L		L		5.2.8
---Recreational Vehicle Park					L	L	L	L	L	L	L	6.1.2
---Truck stop w/ overnight accommodations					L	L	L	L	L	L	L	4.6.2
Restaurant Uses [5.1.4.F]	L	L	L	P	P	P	P	P	P	P	P	5.2.11
Retail Sales and Service Uses, sales- and service-oriented [5.1.4.G] Includes personal service uses except:	P	P	L	P	P	P	P	P	P	P	P	5.2.12
Game Processing	L	L		L	L	L	L	L	L	L	P	5.2.25
Retail Sales and Service Uses, repair-oriented[5.1.4.G]	P	P	L	P	P	P	P	P	P	P	P	5.2.13
Farmers market	SP	SP		L	L	L	L	L	L	L	L	5.2.9
Self-Service Storage Uses [5.1.4.I] except:					L		L	L	L	L	P	5.2.14
---Boat and RV storage					L		L	L	L		P	5.2.14
Vehicle Sales and Service Uses except:							P	P	P	P	P	
---Auto rental				P	P	P	P	P	P	P	P	
---Car wash, hand-operated				L	L	L	P	P	P	L	P	5.2.21
---Car Wash, Automated	L	L		L	L	L	P	P	P	L	P	5.2.21
---Bicycle or watercraft rental				P	P	P	P	P	P	P	P	
---Fuel sales	L	L		L	L	L	L	L	L	L	L	5.2.10
---Vehicle service, heavy												
---Vehicle service, limited	L	L		L	L	L	P	P	P	P	P	5.2.15
Water-Oriented Uses [5.1.4.J]				P	P	P	P	P	P	P	P	

Additionally, the subject property is under deed restrictions that include use and improvements size restrictions. Some of which include prohibiting the subject from grocery sales, to-go/fast food restaurants, pharmacy sales, fuel sales, and other specific restrictions as listed in the excerpt on the following pages.

ARTICLE 4
Restrictive Covenants

4.1 **Grocery Use Restrictions**. No portion of the Developer Land will be leased, occupied or used, directly or indirectly, for the purpose of or in connection with the conduct of a food store business or food department, or for the storage, display, operation or sale of (i) edible groceries, including but not limited to meats, poultry, seafood, produce, frozen foods, dairy products, bakery products, wine, malt, alcoholic or nonalcoholic beverages, and any other items of food and beverage, (ii) health and beauty products, including but not limited to hair products and supplies, cosmetics, skin and body products, vitamins, herbs, and nutritional supplements, (iii) pet food and supplies, (iv) greeting cards, gift wrapping supplies, and party products, (v) baby apparel, supplies, and furniture, (vi) tobacco products, (vii) lawn and garden products, barbeque grills and related equipment and supplies, (viii) fresh flowers, plants, floral supplies and products, (ix) non-prescription pharmaceuticals, (x) cellular phone(s) and related devices, cellular phone accessories, and/or cellular phone services, or any of them, (xi) prescription pharmaceuticals or other products which are required by law to be dispensed by a registered pharmacist, (xii) gasoline or other fuel for vehicles, or (xiii) check cashing, payday loan(s) or paycheck advance(s)(the items listed in (i) through (x) above being collectively referred to as the "**Restricted Items**"); provided, however, the following uses shall be permitted as exceptions to the foregoing restriction:

(a) the "Incidental Sale" (as defined below) of Restricted Items (except fresh meat, poultry, seafood and produce) by a store whose principal business is not a food store; the term "Incidental Sale" of Restricted Items being defined to mean that the sale of (i) any one of the Restricted Items shall not exceed ten percent (10%) of gross sales by such store, or (ii) more than one of the Restricted Items shall not exceed thirty percent (30%) of gross sales by such store in the aggregate;

(b) the operation of one specialty ice cream store, gelato store or frozen yogurt store on each of the Developer Parcel and the Developer Adjacent Land, provided that the Floor Area of such store shall not exceed 2,000 square feet, and further provided that any such store shall not be located closer than 100 feet from the HEB Parcel;

(c) the operation of one specialty tobacco store selling tobacco and related products, including without limitation that currently operated as "Humidor", but not a store whose principal business is the discount sale of tobacco products. One such store may be located on each of the Developer Parcel and the Developer Adjacent Land; provided that (i) the total Floor Area of any such specialty tobacco store shall not exceed 3,000 square feet, and (ii) any such store shall not be located closer than 200 feet from the HEB Parcel;

(d) the operation of one specialty coffee store on each of the Developer Parcel and the Developer Adjacent Land, including without limitation that currently operated as "Starbucks", provided that (i) the total Floor Area of any such a specialty coffee store shall not exceed 3,000 square feet, (ii) any such store shall not be located closer than 200 feet from the HEB Parcel and (iii) any such store on the Developer Parcel shall not have a drive-thru without HEB's prior written approval, which approval shall not be unreasonably withheld. Notwithstanding the foregoing, a specialty coffee store with a drive-thru on Retail 2, Pad 2, or Pad 3 shall be permitted so long as (a) with respect to Pad 2, such drive-thru and related queuing is situated on the west side of any building constructed on Pad 2, and (b) with respect to Pad 3, such drive-thru and related queuing is situated on the east side of any building constructed on Pad 3;

(e) the operation of restaurants as follows:

(1) one or more restaurants whose principal business is the sale of prepared food for on-premises consumption, provided that (i) no restaurant whose sale of prepared food for off-premises consumption exceeds thirty percent (30%) of any such restaurant's total gross sales may be located on the Developer Land, (ii) no restaurants shall be located in the "No Restaurant Area" situated on Retail 1 as depicted on the Site Plan (the "**No Restaurant Area**"), (iii) no individual restaurant located on each of Retail 1 or Retail 2 of the Developer Parcel situated outside of the No Restaurant Area shall exceed 2,700 square feet of Floor Area and the aggregate square footage of all restaurants located on Building 1 and Building 2 of the Developer Parcel shall not exceed 5,000 square feet of Floor Area, (iv) no restaurant(s) shall be located on Pad 1 on the Developer Parcel, as depicted on the Site Plan, (v) the Floor Area of all restaurant(s) located on Pad 2 on the Developer Parcel, as depicted on the Site Plan, shall not exceed 6,500 square feet of Floor Area, individually or in the aggregate, (vi) the Floor Area of all restaurants located on Pad 3 as depicted on the Site Plan, shall not exceed 6,500 square feet of Floor Area, individually or in the aggregate, and (vii) the aggregate Floor Area of all restaurants on the Developer Parcel shall not exceed 17,000 square feet;

(2) notwithstanding subparagraph 4.1(e)(1)(ii) above, one take-out or delivery pizza restaurant on each of the Developer Parcel and the Developer Adjacent Land, including without limitation such as that currently operated by "Domino's" or "Papa John's"; provided that any such take-out or delivery pizza restaurant shall not be located closer than 100 feet from the HEB Parcel;

(3) notwithstanding subparagraph 4.1(e)(1)(ii) above, one sandwich shop on each of the Developer Parcel and the Developer Adjacent Land, including without limitation such as that currently operated as a "Subway" or "Quizno's"; provided that any such sandwich shop shall not be located closer than 100 feet from the HEB Parcel;

(4) one fast food restaurant including without limitation McDonald's, Sonic or Wendy's, on each of Pad 2 and Pad 3, subject to the limitations set forth in paragraph 4.2(e)(1) above;

(5) Notwithstanding the foregoing, (i) no restaurant permitted hereunder shall have gross sales from the sale of alcoholic beverages exceeding twenty percent (20%) (except that the sale of alcoholic beverages on Pad 2 and Pad 3 may be up to thirty percent (30%)); (ii) the operation of a meals-to-go business including without limitation that currently operated as "Eatzi's", "Luby's Meals-to-Go", and "Dean and Deluca's" is expressly prohibited and shall not be permitted on the Developer Land; and (iii) the operation of a cafeteria including without limitation that currently operated as "Luby's" shall not be permitted;

(f) the operation of one diet or weight control specialty store including without limitation "WeightWatchers" on each of the Developer Parcel and the Developer Adjacent Land;

(g) the sale of baby apparel, shoes, supplies and/or furniture (i) by one or more stores including without limitation that currently operated as "Beall's", "Marshall's", or "Kohl's" whose primary business is not the sale of baby apparel, supplies or furniture, or (ii) by no more than one baby boutique on each of the Developer Parcel and the Developer Adjacent Land selling baby apparel or furniture (but not supplies) provided that the total Floor Area of each such boutique shall not exceed 2,500 square feet, and that any such boutique shall not be located closer than 200 feet from the HEB Parcel (except that, with respect to the Developer Adjacent Land, at least 100 feet from the HEB Parcel);

(h) the sale of lawn and garden products, barbeque grills and related equipment and supplies by a hardware store such as that currently operated as "Ace Hardware", "Tru Value" or "Sears Hardware", provided that the total Floor Area of any such store located on the Developer Parcel or the Developer Adjacent Land devoted to the sale or display of barbeque grills and related equipment and supplies shall not exceed the lesser of (i) five percent (5%) of the Floor Area of such store's premises (excluding aisles) or (ii) 300 square feet (excluding aisles); and, the sale of lawn and garden products, barbeque grills and related equipment and supplies by a home improvement discount center such as that currently operated as "Home Depot" or "Lowes", provided that, no such store may be located closer than 200 feet from the HEB Parcel (except that, with respect to the Developer Adjacent Land, such store shall not be closer than 100 feet from the HEB Parcel);

(i) the operation of one specialty book store, including without limitation "Barnes & Noble", provided that, no such store may be located closer than 200 feet from the HEB Parcel (except that, with respect to the Developer Adjacent Land, such store shall not be closer than 100 feet from the HEB Parcel);

(j) notwithstanding subparagraph 4.1(e)(1)(ii) above, the operation of one specialty non-alcoholic beverage store, including without limitation that currently operated as "Smoothie King" or "Jamba Juice" on each of the Developer Parcel and the Developer Adjacent Land, provided that such store shall not be located closer than 100 feet from the HEB Parcel;

(k) the operation of one donut, bagel or kolache store on each of the Developer Parcel and the Developer Adjacent Land, provided that the Floor Area of each such store shall not exceed 1,500 square feet and each such store shall be at least 200 feet from the HEB Parcel;

(l) the operation of one nail salon and one hair salon on each of the Developer Parcel and the Developer Adjacent Land, provided that the Floor Area of each such nail salon and hair salon shall not exceed 2,500 square feet;

(m) the operation of one spa on each of the Developer Parcel and the Developer Adjacent Land, provided that the Floor Area of each such spa shall not exceed 4,000 square feet;

(n) the operation of one liquor store on each of the Developer Parcel and the Developer Adjacent Land, provided that the aggregate Floor Area of such stores shall not exceed 2,700 square feet, the total Floor Area devoted to the sale and/or display of wine or wine products shall not exceed five hundred (500) square feet and any such store shall be located at least 300 feet from the HEB Parcel;

(o) the operation of one outdoor furniture store such as "Chair King" on each of the Developer Parcel and the Developer Adjacent Land, provided that such store shall not be located closer than 200 feet from the HEB Parcel;

(p) the operation of one cellular phone store such as "AT&T" on each of the Developer Parcel and the Developer Adjacent Land; and

(q) the operation of one (1) check cashing, payday loan or paycheck advance store on the Developer Adjacent Land.

The stores permitted under subparagraphs 4.2(a) through 4.2(q) above shall not have a common door or be operated as a common enterprise.

In addition to the foregoing restrictions, no store on the Developer Parcel or Developer Adjacent Land occupying more than 23,000 square feet of Floor Area and primarily engaged in the sale of office products and supplies (such as that currently operated as "Office Depot" or "Office Max"), and no store on the Developer Parcel or Developer Adjacent Land occupying more than 31,000 square feet of Floor Area and primarily engaged in the sale of consumer electronics equipment and supplies (such as that currently operated as a "Conn's" or "Best Buy") may be situated closer than 200 feet from the HEB Parcel (except that, with respect to the Developer Adjacent Land, such store shall not be situated closer than 100 feet from the HEB Parcel). Furthermore, in no event shall the Developer Parcel or the Developer Adjacent Land be leased, occupied or used, directly or indirectly, for the operation of a car wash.

4.2 **Prohibited Office, Other Uses**. No Owner will permit the use of any portion of its respective Parcel for any purpose other than retail, office and service establishments common to first-class shopping centers of comparable size located in the Market Area. Notwithstanding the foregoing, each Party agrees that (i) office use shall not exceed fifteen percent (15%) of the buildings constructed on its respective Parcel in the Shopping Center; provided, however that office use for doctor's offices and emergency clinics may be up to thirty percent (30%) of the buildings constructed on the Developer Parcel so long as such offices are not situated closer than 100 feet from the HEB Parcel, and provided further that any such use does not exceed 3,500 square feet of Floor Area if situated within Retail 1 or on Pad 1; and (ii) multi-family residential use shall be permitted on the Developer Adjacent Land. Service establishments shall include, but not be limited to, the business of financial institutions, investment, real estate, and insurance offices, cleaners, barber and beauty shops, shoe repair shops, optical stores and optician offices, and travel agencies.

No use or operation will be made, conducted or permitted on or with respect to all or any part of the Shopping Center or the Developer Land, which is obnoxious to or out of harmony with the development or operation of the HEB Building, including, but not limited to, any of the following uses (collectively, the "**Prohibited Uses**"): any nuisance; any noxious use; any use which violates Governmental Requirements applicable to the Shopping Center or the Developer Land; the primary use of any Building as a warehouse; an assembly hall; any distillation operations; a telecommunications tower; a mobile home or trailer park; the drilling for and/or removal of subsurface substances; a kennel or veterinary clinic where animals are kept overnight (except that the foregoing will not prohibit a veterinary clinic or veterinary hospital without overnight boarding of animals); a school (except that the foregoing will not prohibit instructional classes on the HEB Parcel); a church; an assembly hall; a museum; a pawn shop; a movie theatre; a game room or an amusement arcade or amusement park; a skating rink; a pool hall or billiard parlor; a bowling alley; a dancehall; a saloon, cocktail lounge, nightclub or bar (for purposes hereof, a bar shall include a restaurant which derives more than the gross sales from the sale of alcoholic beverages permitted above); a mortuary or funeral home; an automobile body and repair shop; a flea market; or an adult book store or store selling sexually explicit material. Notwithstanding the above, the primary use of any Building as a warehouse and an automobile body and repair shop shall be permitted uses on the Developer Adjacent Land; provided that any automobile body and repair shop shall not be situated on Lot 24.

4.3 **Run with the Land**. These covenants shall run with the land hereby restricted throughout the term (as described in paragraph 9.10) of this Agreement. The covenants set forth in paragraph 4.1 shall inure to the benefit of HEB, and HEB shall have the sole right to enforce, release or waive such covenants. In no event shall the restrictive covenants affecting the Developer Land set forth in paragraph 4.1 be binding upon HEB in connection with HEB's use of the Developer Land as permitted hereunder, or in the event that HEB ever becomes the Owner or Occupant of all or any part of the Developer Land. The covenants set forth in paragraph 4.2 shall inure to the benefit of HEB and Developer, and shall not be waived or released without the consent of each of HEB and Developer.

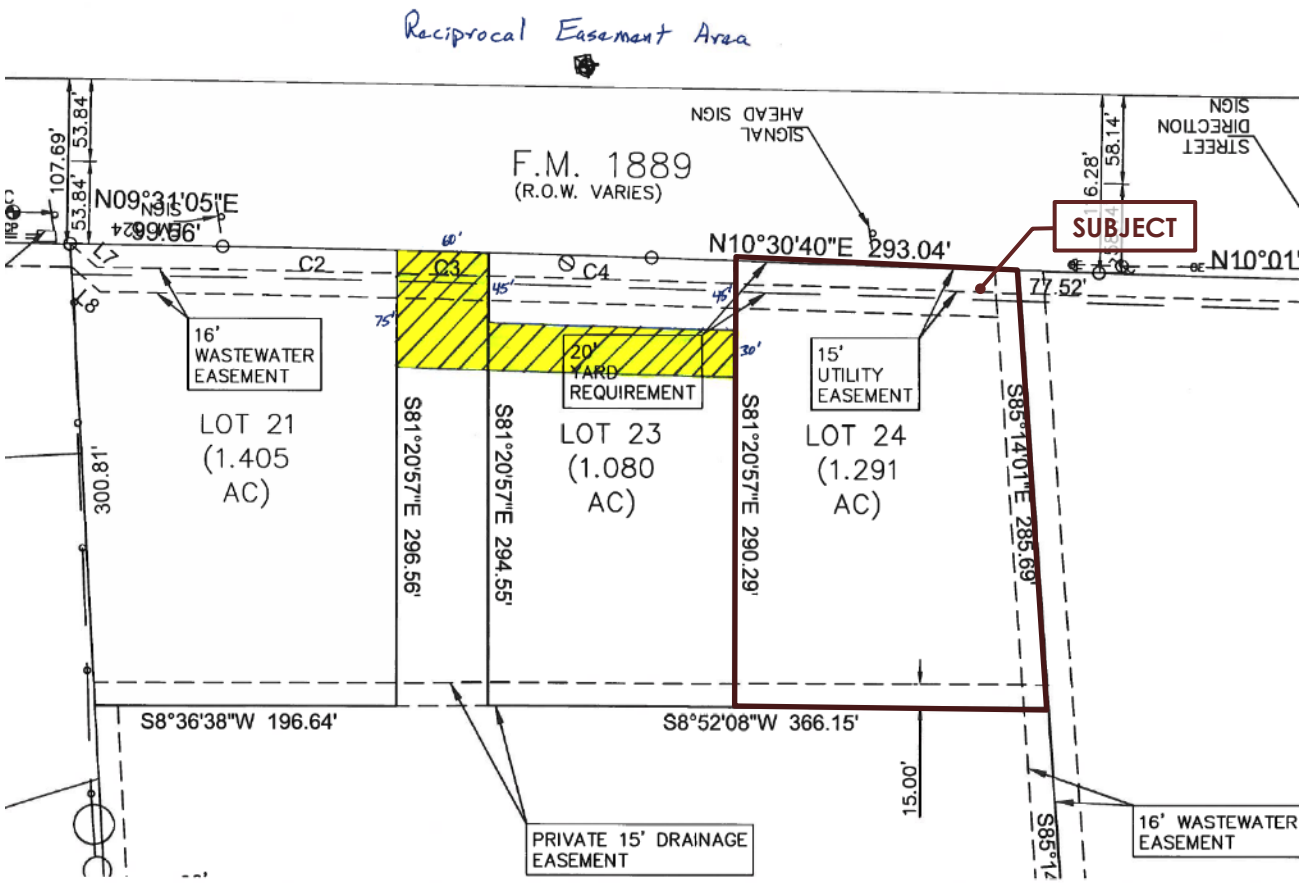
ARTICLE 5
Easements

5.1 **Reciprocal Access Easements/Access Drives**. HEB hereby GRANTS, SELLS and CONVEYS unto Developer, for the benefit of Developer as owner of the Developer Land and the Permittees of the Developer Land, a non-exclusive perpetual easement for ingress and egress by vehicular and pedestrian traffic, but not parking, upon, over and across the Access Drives situated on the HEB Parcel from time to time, such easement to be used in common with HEB and its Permittees. Developer hereby GRANTS, SELLS and CONVEYS unto HEB, for the benefit of HEB and its Permittees, a non-exclusive perpetual easement for ingress and egress by vehicular and pedestrian traffic, but not parking, upon, over and across the Access Drives situated on the Developer Parcel, such easement to be used in common with Developer and its Permittees. All of the foregoing easements are hereinafter collectively referred to as the "**Access Easements**." Each Owner agrees that, except as depicted on the Site Plan, no barrier, fence, curb, wall, ditch, barricade or other structure or obstacle which would unreasonably interfere with, impede, slow or in any way prevent vehicular and pedestrian traffic from passing thereon, will be created or allowed to exist on the Access Easements, provided that HEB and/or Developer shall have the right, at any time, to erect a fence along the common boundary line of the HEB Parcel and the Developer Adjacent Land.

5.2 **Access Drives**. The Parties have agreed on and approved the general location of the Access Drives; provided, however that the exact location of the Access Drives may be situated at any location within the applicable Access Zone. The following terms, provisions and conditions apply to the Access Drives:

(a) The Access Drives shall be designed and constructed in accordance with the then applicable Governmental Requirements and the terms, provisions and conditions of this Agreement. The Access Drives located on the HEB Parcel shall be maintained by the Owner of the HEB Parcel as a part of the Common Areas pursuant to Section 5.8 of this Agreement and the portion of the Developer Access Drive located on the Developer Parcel shall be maintained by the Owner of the Developer Parcel as part of the Common Areas pursuant to Section 5.8 of this Agreement.

(b) Nothing herein shall prohibit the Owner of the HEB Parcel or Developer Parcel, at its own cost, from relocating or making adjustments to the location of an Access Drive on its Parcel so long as the location remains within the Access Zone depicted on the Site Plan. In the event the Owner of the HEB Parcel or Developer Parcel elects to relocate the Access Drive located on its Parcel in accordance with the immediately preceding sentence, the Owner relocating the Access Drive shall construct and open the newly relocated portion of the Access Drive to vehicular traffic before closing the existing portion of the Access Drive subject to relocation. Under no circumstances shall relocation of an Access Drive result in any temporary or permanent closure of the Access Drive unless alternate reasonable access is provided.



Lastly, the subject will not display direct access to the traffic carrier. Access will be permitted through an access easement/shared drive with the adjacent properties according to the provided documents above. The subject is a legal, conforming use.

Easements / Encroachments

The subject site is encumbered by typical utility easements. Due to the general location of these easements, they are not considered detrimental toward development and/or the site's overall marketability. No other detrimental easements and/or encroachments were noted upon physical inspection of the subject tract. It should be noted, however, that if a current survey map determines that adverse easement exist, these factors might impact the market value and/or the marketability of the subject property. Therefore, it is assumed that no easements and/or encroachments exist, which would adversely affect the marketability or desirability of the site.

CONCLUSION

Given the physical and legal characteristics, the subject site is capable of being developed with numerous commercial uses.

PLAT

514886
619745
SUBJECT
514878
619746
514877
514876
380502
374977
374976
374978
374975
374979
374974
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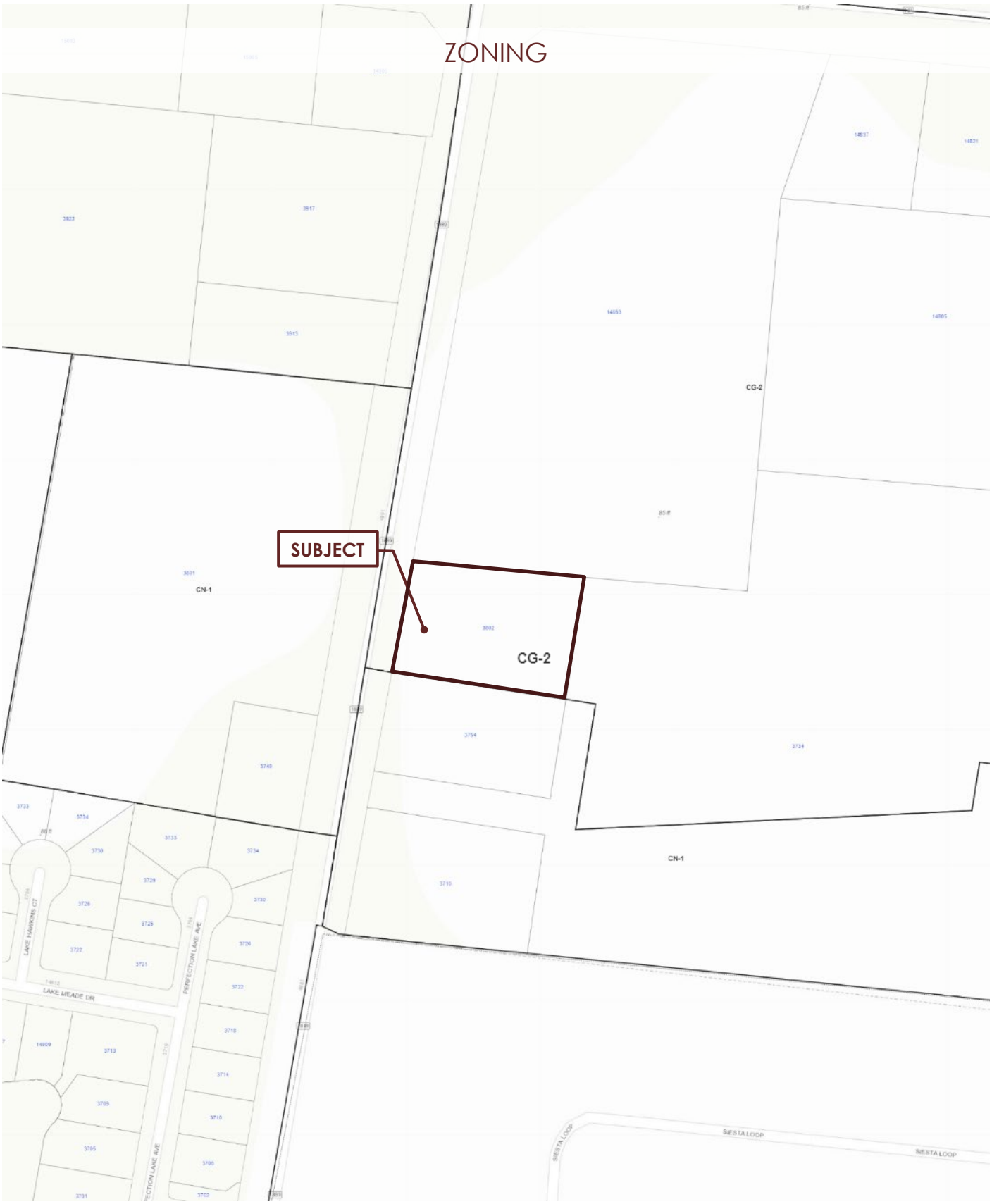
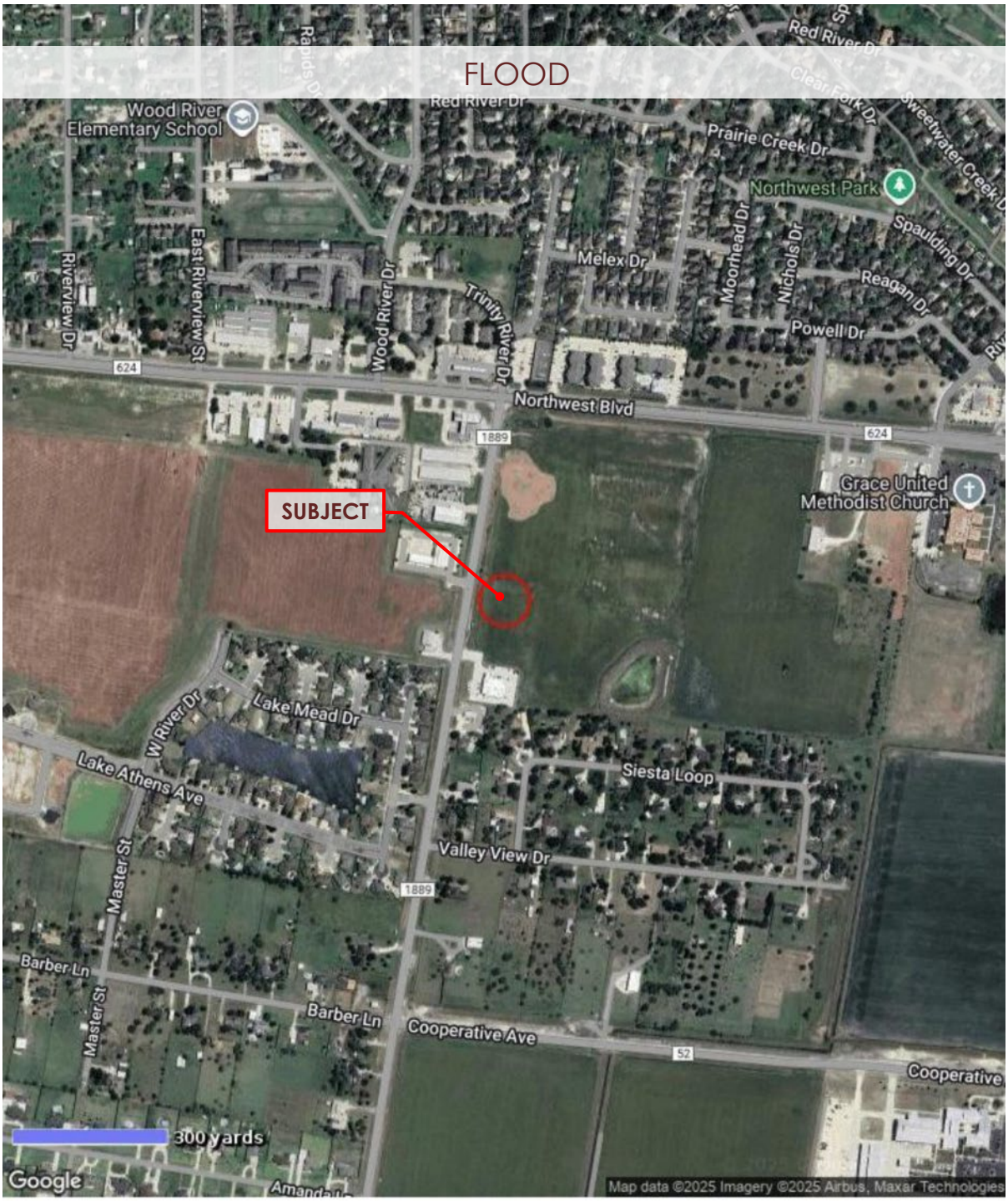
5041

ZONING


SUBJECT
CG-2
CN-1
CG-2
CN-1
LAKE HAWKINS CT
LAKE MEADE DR
PERFECTION LANE AVE
SIESTA LOOP
SIESTA LOOP
SIESTA LOOP

FLOOD



MAP DATA

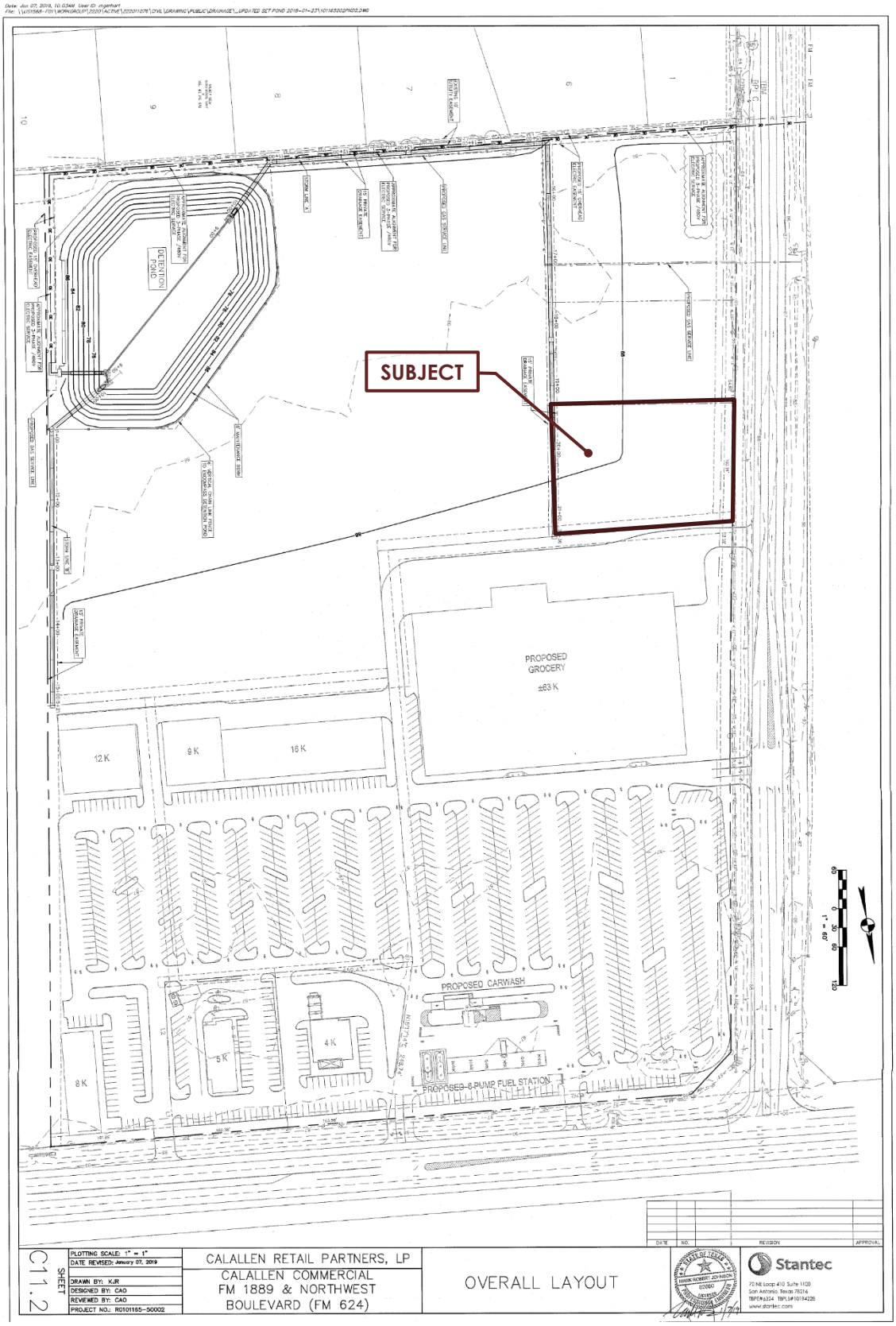
FEMA Special Flood Hazard Area: **No**
Map Number: **48355C0260G**
Zone: **X**
Map Date: **October 13, 2022**
FIPS: **48355**

MAP LEGEND

Powered by CoreLogic®

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

OVERALL SITE PLAN



PROPERTY HISTORY

Ownership of the subject property is currently vested in *Calallen Retail Partners, LP* as evidenced by the county deed records.

The subject property has been listed on the market since June 2022, for $899,776 ($16.00/SF) by Lynann Pinkham with Cravey Real Estate (361.288.3102). The listing price is considered to be above market in order to allow room for negotiations.

No other transactions related to the subject have occurred within three years prior to the date of this appraisal. No further history for the subject property was uncovered. The following is the subject's tax card.

Property ID: 514878 For Year 2025

Property Details

Account		
Property ID:	514878	**Geographic ID:** 5874-0002-0240
Type:	R	**Zoning:** AG-OPEN LAND
Property Use:		
Location		
Situs Address:	3802 FM 1889 CORPUS CHRISTI, TX 78410	
Map ID:	R-176	**Mapsco:**
Legal Description:	NUECES RIVER IRRIGATION PK BLK 2 LOT 24	
Abstract/Subdivision:	S5874	
Neighborhood:	(S5874) NUECES RIVER IRR PARK	
Owner		
Owner ID:	666600	
Name:	CALALLEN RETAIL PARTNERS LP	
Agent:	6	
Mailing Address:	9901 McPherson Rd Ste 201 Laredo, TX 78045-6399	
% Ownership:	100.0%	
Exemptions:	For privacy reasons not all exemptions are shown online.	

REAL ESTATE TAXES

The subject property is located in the city of Corpus Christi, Nueces County, Texas and is taxed based on values established by the county tax assessors. The tax rates are applied to the assessed value of the subject property, and the taxes for the subject property are then estimated. The taxes are estimated per $100 of assessed value. This property is subject to taxes for the city of Corpus Christi, Nueces County, and Calallen Independent School District.

The subject property currently displays an assessment of **$393,652 ($7.00/SF)**, which is considered favorable based on the value conclusion herein. **It is noted that the subject is currently under an agriculture exemption and displays an agricultural use assessment of $621. However, given the subjects highest and best use the in-place market assessment is utilized herein.**

Current taxes for the subject are estimated as follows:

PROPERTY TAX CALCULATION			
Acct #: 514878			
Authority	Assessed Value	Rate / $100	Tax Liability
City	$393,652	$0.599774	$2,361
County	$393,652	$0.716512	$2,821
School	$393,652	$1.040300	$4,095
		$2.356586	$9,277

There were no reported delinquent taxes for the subject property, according to information provided by the Nueces County Tax Assessor-Collector.

HIGHEST & BEST USE

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

The four criteria the highest and best use must meet are:

	PHYSICALLY POSSIBLE		LEGALLY PERMISSIBLE
1	What uses of the site in question are physically possible?	2	What uses are permitted by zoning and deed restrictions?
	FINANCIALLY FEASIBLE		**MAXIMALLY PRODUCTIVE**
3	Which possible and permissible uses will produce a net return to the owner of the site?	4	Among the financially feasible uses that are physically possible and legally permissible, which use will produce the highest net return or the highest present worth?

There are two types of highest and best use studies. The first is the highest and best use of the land or site as though vacant. The second is the highest and best use of the property as improved. The highest and best use of land or a site as though vacant assumes that the parcel is vacant or can be made vacant by demolishing any improvements. The question to be answered in this analysis is: If the land is, or were vacant, what use should be made of it?

The highest and best use of a property as improved pertains to the use that should be made of an improved property in light of its improvements. Should it be maintained as it is, or be renovated, expanded, demolished, or partly demolished? Should it be replaced with a different type or intensity of use, or should it be held as an interim use? The improvements should be retained as long as they have some value and the return from the property exceeds the return that would be realized by a new use, after deducting the costs of demolishing the old building and constructing a new one.

HIGHEST & BEST USE – AS IF VACANT

Physically Possible

The subject consists of 1.29-acres (56,236 SF) that is generally rectangular in shape with generally level topography. No flood plain is noted. **It is noted that the subject will not have direct access to the traffic carrier. Access will be permitted through an access easement/shared drive with the adjacent properties according to the provided documents herein.** The address associated with the subject is 3802 Farm to Market 1889, Corpus Christi, Texas 78410. Accessibility to the site is via curb cuts along the traffic carrier. Overall, access is considered average. The property has all necessary utilities in place and is relatively level in regard to topography. The site is primarily surrounded by commercial and residential uses. Access to the subject's neighborhood is considered good due to its location near primary traffic carriers.

The principle of conformity is an important consideration in determining the physically possible uses of a site. Conformity is the appraisal principle that holds that real property value is created and sustained when the characteristics of a property conform to the demands of its market. The styles and uses of the properties in an area may conform for several reasons, including economic pressures; the shared preferences of owners for certain types of structures, amenities, services; and the enforcement of uniform standards by zoning ordinances.

Based on the subject's physical characteristics and the principle of conformity, the subject would most likely be developed with commercial use.

Legally Permissible

As mentioned previously, the subject property is zoned "CG-2" – General Commercial District by the city of Corpus Christi. This zoning provides for a uniform set of standards for development, including parking and building setbacks. **The subject is also under deed restriction which include the restrictions of certain uses and sales of products as detailed in the Site Description Section herein, these restrictions further limit the potential uses of the subject site.** Nonetheless, a title policy is strongly suggested in order to guarantee the absence of adverse restrictions. No other legal restrictions or covenants were found to be imposed on the subject property at the time of the appraisal, which would further restrict its development. The site's zoning requirements support the physical indication that the subject's most probable use, as if vacant, would be for commercial use.

Financially Feasible & Maximally Productive

The prior consideration of physically possible uses and legally permissible does not significantly narrow the use of the subject property. Based on market data presented in this report, it appears that commercial development is likely feasible. After considering legal, physical, and financial alternatives, it is our opinion that the highest and best use of the as if vacant is for commercial development.

LAND VALUATION

The principles of real estate appraisal are basic to the sales comparison approach; however, one of the most important is the principle of substitution. "As applied to the sales comparison approach, the principle of substitution holds that the value of a property tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability."

The sales comparison approach is a method of estimating market value whereby a subject property is compared with comparable properties that have sold recently. One premise of the sales comparison approach is that the market will determine a price for the property being appraised in the same manner that it determines the prices of comparable, competitive properties. Essentially, the sales comparison approach is a systematic procedure for carrying out comparative shopping. As applied to real estate, the comparison is applied to the unique characteristics of the economic good that cause real estate prices to vary.

COMP MAP

COMPARABLE 1

LOCATION

Address / Location	14837 Northwest Boulevard, Corpus Christi, Texas

PHYSICAL DESCRIPTION

Size (acres)	1.99
Size (SF)	86,684
Zoning	CG-2 & Deed Restrictions
Shape	Generally Rectangular
Topography	Generally level
Utilities	Available

SALES DATA

Date of Sale	February 4, 2025
Sales Price	$913,649
Price Per Acre	**$459,120**
Price Per SF	**$10.54**

Grantor:	Calallen Retail Partners, LP
Grantee:	Wings N More Realty, Inc
Recording	2025004369
Confirmation	Confidential

COMMENTS

The property is located along the south line of Northwest Boulevard, east of Farm to Market 1889. No flood plain is noted. The property was purchased to develop a Wings & More Restaurant. **It is noted the property is subject to use and improvement restrictions. These restrictions limit/prohibit the sale of groceries, fuel, pharmacy products, and place minimum development restrictions such as size and appearances. According to the confirmation source the proposed use for a restaurant met all the use restrictions that are in place.**

COMPARABLE 2

LOCATION

Address / Location	NWC of NW Blvd & River Hill Rd, Corpus Christi, Texas

PHYSICAL DESCRIPTION

Size (acres)	3.95
Size (SF)	172,092
Zoning	CN-1 & CN-2
Shape	Generally Rectangular
Topography	Generally level
Utilities	Available

SALES DATA

Date of Sale	January 21, 2025
Sales Price	$1,600,000
Price Per Acre	**$405,063**
Price Per SF	**$9.30**

Grantor:	Goodwill Industries of South Texas
Grantee:	Rick's Homes LLC
Recording	2025002425
Confirmation	Confidential

COMMENTS

The property is located along the northwest corner of Northwest Boulevard and River Hill Road. No flood plain is noted. The property was purchased for future commercial development.

COMPARABLE 3

LOCATION

Address / Location	14454 Northwest Boulevard, Corpus Christi, Texas

PHYSICAL DESCRIPTION

Size (acres)	1.62
Size (SF)	70,437
Zoning	CN-1 Neighborhood Commercial RS-6 Single Family Residential
Shape	Irregular
Topography	Generally level
Utilities	Available

SALES DATA

Date of Sale	October 6, 2023
Sales Price	$525,000
Price Per Acre	**$324,675**
Price Per SF	**$7.45**

Grantor:	Neil & Joye Douglas
Grantee:	Gary Cook
Recording	2023037446
Confirmation	Broker

COMMENTS

The property is located along the north line of Northwest Boulevard and the southwest line of Riverwood Drive, east of River Hill Drive. No flood plain is noted. The property displays split zoning with the south portion being zoned for commercial and the north portion being zoned for residential use. The property was purchased for mixed use development.
Matthew Cravey 361.221.1915.

COMPARABLE 4

LOCATION

Address / Location	14601 Northwest Boulevard, Corpus Christi, Texas

PHYSICAL DESCRIPTION

Size (acres)	1.11
Size (SF)	48,352
Zoning	CG-2 General Commercial
Shape	Rectangular
Topography	Generally level
Utilities	Available

SALES DATA

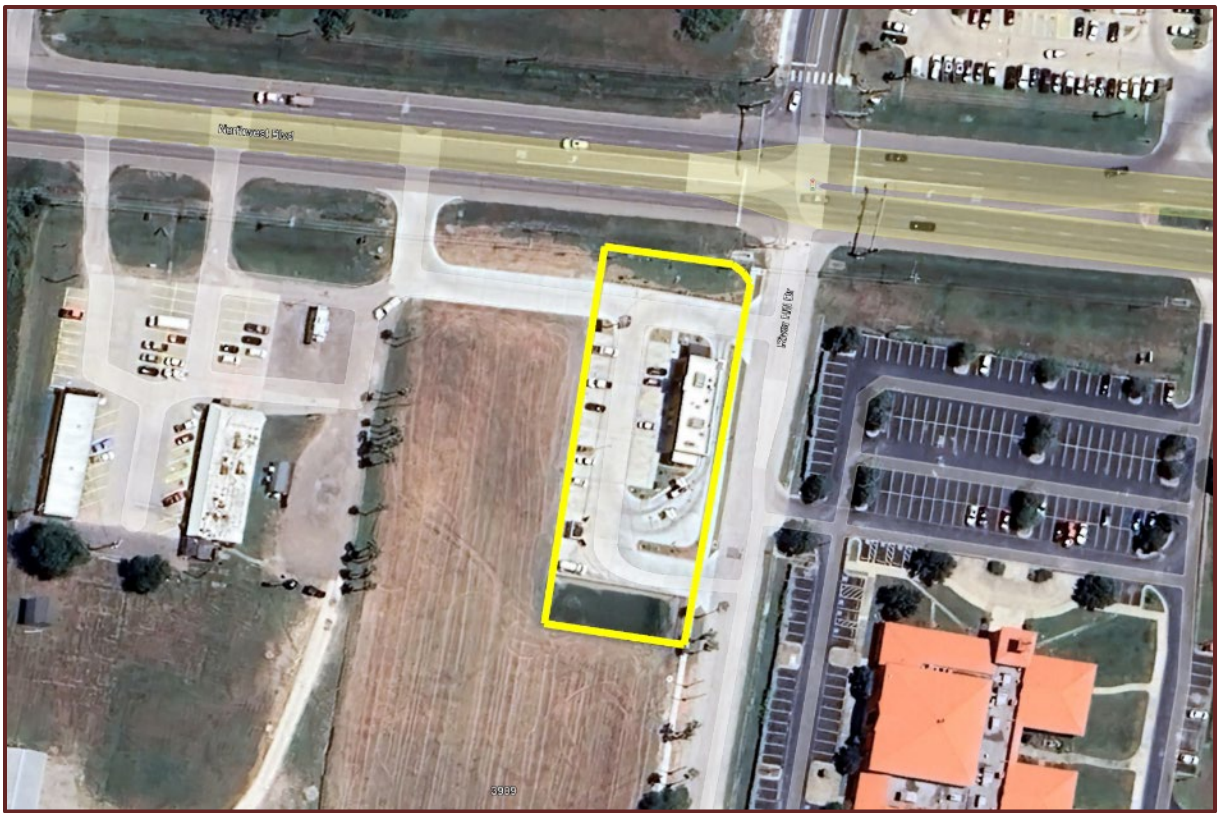
Date of Sale	July 28, 2023
Sales Price	$628,576
Price Per Acre	**$566,285**
Price Per SF	**$13.00**

Grantor:	IHS Consultants, LP
Grantee:	Cotton Conady, LLC
Recording	2023028148
Confirmation	Broker

COMMENTS

The property is located on the south line of Northwest Boulevard, west of River Hill Drive. No flood plain is noted. Subsequesnt to the sale a Joe Cottons BBQ was constructed on the site.
Mark Adame 361.813.7245

COMPARABLE 5



LOCATION

Address / Location	14601 Northwest Boulevard, Corpus Christi, Texas

PHYSICAL DESCRIPTION

Size (acres)	0.84
Size (SF)	36,425
Zoning	CG-2 General Commercial
Shape	Rectangular
Topography	Generally level
Utilities	Available

SALES DATA

Date of Sale	February 23, 2022
Sales Price	$414,250
Price Per Acre	**$493,155**
Price Per SF	**$11.37**

Grantor:	IHS Consultants, LP
Grantee:	ETX Bell Properties, LLC
Recording	2022008917
Confirmation	Broker

COMMENTS

The property is located on the southwest corner of Northwest Boulevard and River Hill Drive. No flood plain is noted. The property sold for $364,250 or $10.00/SF, however, subsequent to the sale the buyer spent $50,000 to run utilities under the road to the site. As such, we have utilized a sales price of $414,250. Subsequesnt to the sale a Taco Bell was constructed on the site.
Mark Adame 361.813.7245

COMPARABLE 6

LOCATION

Address / Location	15005 Northwest Boulevard, Corpus Christi, Texas

PHYSICAL DESCRIPTION

Size (acres)	0.92
Size (SF)	39,994
Zoning	CG-2
Shape	Generally Rectangular
Topography	Generally level
Utilities	Available

SALES DATA

Date of Sale	January 5, 2022
Sales Price	$485,000
Price Per Acre	**$527,174**
Price Per SF	**$12.13**

Grantor:	Astromatic Car Wash, LP
Grantee:	Gulf Coast Federal Credit Union
Recording	2022000590
Confirmation	Confidential

COMMENTS

The property is located along the south line of Northwest Boulevard, west of Farm to Market 1889. No flood plain is noted. The property was purchased for development of a bank branch.

IMPROVED SALES SUMMARY

The market data included in this analysis is considered to be the best available in today's market and to be indicative of current market trends. The following factors were analyzed in determining a final market value for the subject property, via the sales price per square foot method of valuation.

Property Rights

The adjustment for property rights conveyed recognizes that differences in legal interest or estate between the subject and the comparable properties may occur. In this analysis, all the sales occurred in fee simple title. With respect to this factor, no adjustments were indicated.

Financing

Financing terms are significant, since cash or financing often influences the consideration paid for a particular property. The transaction price of one property may differ from that of an identical property due to different financing arrangements. All the sales data utilized herein were based on cash to the seller or terms considered to be cash equivalent, therefore, no adjustments for this factor were warranted. It is important to analyze the sales according to cash equivalency, as we are estimating the current market value of the subject property.

Conditions of Sale

Adjustments for conditions of sale typically reflect the motivations of the buyer and the seller. For example, a buyer may pay more than market value for a property located adjacent to one already owned for assemblage purposes or additional parking. Conversely, a sale may be transacted at below market value because the seller needs cash in a hurry. A financial, business, or family relationship between the parties may also affect the price of the property. When non-market conditions of sale are detected in a transaction, the sale must be adjusted accordingly. With respect to this factor, no adjustments are indicated.

Market Conditions

Each of the previous sales have been given consideration for the lapse of time between the date of sale and the effective date of this appraisal (market condition). The available market data was analyzed in an attempt to extract an adjustment for this factor. With respect to this factor, no adjustments are indicated.

Location

The locational attributes considered to have primary influence within the subject area include frontage on and accessibility to major traffic arteries, visibility or exposure to major streams of traffic, and proximity to existing development. With respect to this factor, Comparables 1, 2, 4, 5, and 6 indicate downward adjustment for having superior access along a superior traffic carrier. Comparable 3 displays access along a superior traffic carrier, but this factor is offset by its limited frontage/visibility, thus no adjustment is displayed.

Size

Size is a factor that must be considered when comparing vacant land sales. Typically, but not always, larger tracts sell for a lower unit value. Therefore, when making comparisons on a per unit basis, such as price per unit, the larger tracts tend to be adjusted upward and the smaller tracts tend to be adjusted downward to accurately reflect the differences. With respect to this factor, materially larger tracts of land were adjusted upward accordingly, and materially smaller tracts of land were adjusted downward accordingly.

Physical Features

The overall site characteristics of each sale have been compared to the subject site. These include traits such as drainage, site preparation expense, topography, and configuration. Configuration, if irregular, may limit development. With respect to this factor, Comparable 3 indicates an upward adjustment for its inferior shape/configuration and limited frontage. Comparables 4 indicates a downward adjustment as it was improved with an access drive at the time of the sale.

Utilities

The availability of public utilities such as water, electric power and sanitary sewer service have an impact on property values since the non-availability of such utilities could restrict the overall development and/or potential use of an individual site. Therefore, when analyzing vacant land, it is important to determine whether or not public utilities are available. If they are not available, the appraiser must examine to what extreme a potential developer would have to go in gaining access to such services. With respect to this factor, no adjustments were indicated.

Zoning/Use

Adjustments for zoning typically recognize the different densities and restrictions of different zoning classifications, as well as use potential, and directly relates these differences between the comparable sales and the subject property. The zoning classifications and/or use potential for the sales utilized are deemed similar to that of the subject. With respect to this factor, Comparables 2, 4, 5, and 6 indicate downward adjustments as they are not subject to deed restrictions. Comparable 3 is not subject to deed restrictions but displays split zoning that does not permit higher density uses; thus, no adjustment is displayed.

CONCLUSION

In the final analysis of the subject property, similar weight was given to all of the sales. The following is the adjustment table with the concluded value of the Sales Approach.

	SUBJECT	1	2	3	4	5	6
Date	**Current**	Feb-25	Jan-25	Oct-23	Jul-23	Feb-22	Jan-22
Sale Price		$913,649	$1,600,000	$525,000	$628,576	$414,250	$485,000
SIZE - SF	**56,236**	86,684	172,092	70,437	48,352	36,425	39,994
Unit Price ($ / SF)		**$10.54**	**$9.30**	**$7.45**	**$13.00**	**$11.37**	**$12.13**
TRANSACTION ADJUSTMENTS							
Property Rights	**Fee Simple**	Similar 0% $10.54	Similar 0% $9.30	Similar 0% $7.45	Similar 0% $13.00	Similar 0% $11.37	Similar 0% $12.13
Financing Terms	**Cash**	Similar 0% $10.54	Similar 0% $9.30	Similar 0% $7.45	Similar 0% $13.00	Similar 0% $11.37	Similar 0% $12.13
Conditions of Sale	**Arm's Length**	Similar 0% $10.54	Similar 0% $9.30	Similar 0% $7.45	Similar 0% $13.00	Similar 0% $11.37	Similar 0% $12.13
Market Conditions	**Current**	Feb-25 0% $10.54	Jan-25 0% $9.30	Oct-23 0% $7.45	Jul-23 0% $13.00	Feb-22 0% $11.37	Jan-22 0% $12.13
PROPERTY ADJUSTMENTS							
Location	**Average**	Superior -5%	Superior -5%	Similar 0%	Superior -5%	Superior -5%	Superior -5%
Size - SF	**56,236**	86,684 5%	172,092 20%	70,437 5%	48,352 0%	36,425 -3%	39,994 -3%
Physical Features	**Average**	Similar 0%	Similar 0%	Inferior 30%	Superior -10%	Similar 0%	Similar 0%
Utilities	**Available**	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Zoning	**CG-2 & Deed Restrictions**	Similar 0%	Superior -5%	Similar 0%	Superior -5%	Superior -5%	Superior -5%
Total Adjustment		*0%*	*10%*	*35%*	*-20%*	*-13%*	*-13%*
Adjusted $ / SF		**$10.54**	**$10.23**	**$10.06**	**$10.40**	**$9.89**	**$10.55**
Adjusted Mean $ / SF							**$10.28**
With primary weight placed on the most recent sale data; A value at the higher end of the range is well supported.						Concluded Unit Value	**$10.50**
Land Size (SF)						**SIZE - SF**	**56,236**
Value Indication							**$590,478**
Concluded Value - "As Is"							**$590,000**

RECONCILIATION

In the preceding sections of this report, an indication of value based upon separate appraisal approaches or techniques has been developed by processing data considered applicable and significant to each approach with respect to the subject. As a result, the following opinions of value were developed:

SALES APPROACH **$ 590,000**

The quality and quantity of market and cost data utilized was considered good and a credible opinion of value was indicated via the Sales Approach. Given that it was the only approach utilized herein, it is given full weight.

This appraisal, subject to the assumptions and limiting conditions as expressed herein and conducted according to the Uniform Standards of Professional Appraisal Practice, led us to the opinion that the subject property has a market value of:

VALUE CONCLUSION			
Status	Interest	Date	Value
As Is	Fee Simple	January 31, 2025	$590,000

MARKETING / EXPOSURE TIME

Consideration has been given to a reasonable estimated exposure and marketing period estimate for the subject property.

Exposure Time as it relates to the subject is utilized in establishing market value. The Comment to Standards Rule 1-2 (c) of USPAP states that when estimating market value, the appraiser should be specific as to the estimate of exposure time linked to the value estimate.

Reasonable exposure time is one of a series of conditions in most market value definitions. Exposure time is always presumed to precede the effective date of the appraisal. Exposure time may be defined as follows: the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

Marketing Time is a function of various factors including, prevailing market conditions, the price of the product being marketed, the competitive position of the property in the market, and the amount and quality of marketing effort allocated to the property. It is strongly emphasized that the appraisers have no control of the aforementioned factors, nor can the appraisers anticipate or predict any of them. Therefore, it assumed that the property would receive an adequate marketing effort.

Therefore, an estimated marketing time of +/- **12 months** and the estimated exposure time of +/- **12 months** is considered reasonable.

ASSUMPTIONS & LIMITING CONDITIONS

"Report" signifies the appraisal or consulting report and its conclusions, to which these Assumptions and Limiting Conditions are annexed. "Property" signifies the subject of the Report.

"LPA" means Lowery Property Advisors, LLC, or its subsidiary that issued the Report.

"Appraiser(s)" means the employee(s) of LPA who prepared and signed the Report.

The Report has been made subject to the following assumptions and limiting conditions:

- Unless otherwise specifically noted in the body of the report, it is assumed that the title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. LPA is not aware of any title defects nor has it been advised of any representations relative to the condition of the title. LPA has not reviewed any documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of the title. Insurance against financial loss resulting in claims that may arise out of defects in the subject's title should be sought from a reputable title company which specializes in real property.

- Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property was not observed by the appraisers. LPA has no knowledge of the existence of such materials on or in the property. LPA, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would constitute a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired. LPA has inspected as thoroughly as possible by observation. However, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specially considered in the appraisal.

- The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.

- Responsible ownership and competent property management are assumed.

- The information furnished by others is believed to be reliable. However, LPA gives no warranty for its accuracy.

- LPA assumes that all engineering is correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.

- If provided, the estimated insurable value is included at the request of the client and has not been performed by a qualified insurance agent or risk management underwriter. The cost estimate should not be solely relied upon for insurable value purposes. The appraisers are not familiar with the definition of insurable value from the actual insurance provider, the local government underwriting regulations, or the types of insurance coverage available. LPA has followed traditional appraisal standards to develop a reasonable calculation based upon industry practices and industry accepted publications such as the Marshall Valuation Service handbook. Actual construction costs can vary greatly from this estimate. These factors can impact cost estimates and are beyond the scope of the intended use of this appraisal. The appraisers are not cost experts in cost estimating for insurance purposes.

- LPA assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.

- It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the Appraisal Report.

- All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless a nonconformity has been stated, defined, and considered in the Appraisal Report.

- Required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization are assumed to have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

- The utilization of the land and improvements is assumed to be within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

- All information, comments and conclusions pertaining to subject and other properties described represent the opinion of the appraiser formed after a personal examination of each.

- The appraiser has no interest, present or prospective, in the subject property.

- Sketches in this report are included to assist the reader in visualizing the property.

- LPA assumes that there are no hidden or unapparent conditions of the appraised property, which would render it more or less valuable. Furthermore, the appraisers assume that there are no potentially harmful asbestos or other materials and/or site contaminants in, on, or near soil, subsoil, or structure of the appraised property and that there has been no disposal, discharge, leakage, or spillage of pollutants or contaminant which would render it more or less valuable, whether or not these materials or contaminants are apparent or hidden and unapparent.

- No responsibility is assumed by the appraisers for these conditions. In addition, no responsibility is assumed by LPA for the cost of engineering and/or laboratory studies which might be required to discover such materials or contaminants. And no such engineering or laboratory studies have been ordered for the appraised property.

- Disclosure by the appraiser of the contents of this Appraisal Report is subject to review in accordance with the by-laws and regulations of The Appraisal Institute.

- The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

- Possession of this report, or a copy thereof, does not carry with it the right of publication, unless prior arrangements have been made.

- The appraiser, by reason of this appraisal, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

- Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval of the appraiser.

- This appraisal was made in accordance with the Code of Professional Ethics and Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Foundation and the Appraisal Institute.

- Acceptance of and/or use of this report constitutes acceptance of all assumptions and limiting conditions stipulated.

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

- Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this Appraisal Report. Unless otherwise stated, it is also assumed that there are no air or developments rights of value that may be transferred.

- By use of this Appraisal Report, each party that uses this Appraisal Report agrees to be bound by all of the Assumptions and Limiting Conditions, Hypothetical Conditions and Extraordinary Assumptions stated herein.

CERTIFICATION

We certify to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and is our personal, impartial and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the State of Texas.
- Jeffrey K. Walters made a personal inspection of the property that is the subject of this report; Mario Caro, MAI, AI-GRS, SR/WA and Brent Elliott, MAI, AI-GRS did not make a personal inspection of the subject property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person(s) signing this certification.
- This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
- As of the date of this report, Mario Caro, MAI, AI-GRS, SR/WA and Brent Elliott, MAI, AI-GRS have completed the continuing education program for Designated Members of the Appraisal Institute. Moreover, the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- As of the date of this report, Jeffrey K. Walters has completed the Standards and Ethics Education Requirements for Candidates of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- We **have not** provided services as an appraiser or in any other capacity regarding the property that is the subject of this report within a three-year period immediately preceding acceptance of this assignment.

MARIO CARO, MAI, AI-GRS, SR/WA
Certificate No. TX1334889-G

BRENT ELLIOTT, MAI, AI-GRS
Certificate No. TX1380674-G

JEFFREY K. WALTERS
Certificate No. TX1380924-G

ADDENDUM

MARIO CARO, MAI, AI-GRS, SR/WA

SAN ANTONIO OFFICE

100 NE Loop 410 #1350
San Antonio, Texas 78216

direct 210.528.1491
mario@lowerypa.com

EXPERIENCE

Mario Caro has served as Senior Managing Director of LPA San Antonio since 2016. LPA is a commercial appraisal and consulting firm completing a wide range of projects throughout the southwest. Property types include, but are not limited to office, retail, industrial, multi-family, mixed-use, self-storage, hotel/motel, car washes, vacant land, daycare, subdivisions, and special use.

Mario began his appraisal career in 2001 with a regional appraisal company in Houston and specialized in right-of-way and eminent domain appraisal on public and private projects nationwide. In 2005, he returned to his hometown in San Antonio and joined a boutique appraisal firm providing right-of-way and commercial valuation. After 10 years, he transitioned to a global real estate firm where he developed their Texas right-of-way /litigation support practice and appraised commercial properties for lending purposes.

Mario has over 20 years of experience appraising for litigation and legal support matters in both federal and state courts. Numerous clients, including public agencies, attorneys, title companies, and lenders nationwide have relied on his expertise in an appraiser and review appraiser capacity. Mario has provided expert witness testimony and support on a variety of property types for public transportation, utility and recreational corridors, and drainage facilities.

PROFESSIONAL ASSOCIATIONS

- Appraisal Institute
  - Designated Member (MAI, AI-GRS)
  - 3rd Director, Region VIII
  - President 2022, South Texas Chapter
  - First and Second Vice President 2021 & 2020, South Texas Chapter
  - Treasurer 2019, South Texas
  - Secretary 2018, South Texas
  - National Nominating Committee Alternate 2023, Region VIII
  - Regional Rep 2020-2021, South Texas
  - Education Chair 2020, South Texas
  - Alternate Regional Rep 2014-2019, South Texas Chapter
  - Candidate Guidance Chair 2014-2019, South Texas Chapter
- International Right-of-Way Association
  - Designated Member (SR/WA, R/W-AC)
  - President 2022-2023, South Texas
  - Vice President 2021-2022, South Texas
  - Treasurer 2020-2021, South Texas
  - Secretary 2019-2020, South Texas
  - Activities Chair 2012-2013, South Texas

LICENSES

Texas General Appraiser
1334889-G

New Mexico General Appr.
REA-2023-0077

EDUCATION

BS – Texas A&M University – Agribusiness

Coursework for MAI designation

Coursework for SR/WA designation

Coursework for AI-GRS designation

Coursework for R/W-AC designation

TALCB
TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Certified General Real Estate Appraiser

Appraiser: **MARIO ANTONIO CARO**
License #: **TX 1334889 G** License Expires: **05/31/2025**

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

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz
Commissioner

BRENT ELLIOTT, MAI, AI-GRS

HOUSTON OFFICE

920 Memorial City Way
Suite 750
Houston, Texas 77024

cell 281.407.6485
ofc 713.338.2557 x 501
brent@lowerypa.com

APPRAISAL / REAL ESTATE EXPERIENCE

December 2012 to Present; Senior Managing Director at LPA - Houston

Types of properties appraised include: office, retail, industrial, multi-family, mixed-use developments, hotels, self-storage, car washes, ranchland, restaurants, subdivisions, vacant land, and other types of commercial properties as well as appraisal reviews for USPAP compliance.

June 2011 – December 2012; Real Estate Appraisal Administrator at Southwest Securities, FSB

Managed appraisal review function for loan underwriting including administrating RFP process for obtaining appraisals through AMC's, invoice processing, Standard 3 appraisal reviews, and reporting to bank officers. Performed internal compliance reviews of appraisals to ensure compliance with bank regulations

EDUCATION

BS Urban and Regional Sciences - Texas A&M University

MS Land Development – Texas A&M University

Successfully completed the following all requirements for designation including the General Comprehensive Examination, the Demonstration of Knowledge, the Specialized Experience Review, and all required general and advanced courses offered by the Appraisal Institute:

- Basic Appraisal Principles
- Basic Appraisal Procedures
- Uniform Standards of Professional Appraisal Practice
- Real Estate Finance, Statistics, and Valuation Modeling
- Business Practices and Ethics
- General Appraiser Income Capitalization Approach - I
- General Appraiser Income Capitalization Approach – II
- General Appraiser Sales Comparison Approach
- General Appraiser Cost Approach & Site Analysis
- General Appraiser Report Writing and Case Studies
- General Appraiser Market Analysis and Highest and Best Use
- Quantitative Analysis
- Advanced Income Capitalization
- Advanced Concepts and Case Studies
- Advanced Market Analysis and Highest & Best Use
- General Demonstration Report Writing
- Review Theory – General

LICENSES

Texas General Appraiser
1380674-G

Louisiana General Appraiser
G4369

New Mexico General Appraiser
License No. REA-2024-0023

Georgia Certified General Real Property Appraiser # 442663

TALCB
TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Certified General Real Estate Appraiser

Appraiser: **Brent P Elliott**
License #: **TX 1380674 G** License Expires: **12/31/2026**

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

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz
Executive Director

JEFFREY K. WALTERS

CORPUS CHRISTI OFFICE

500 North Shoreline Boulevard,
Corpus Christi, Texas 78401

direct 361.232.4700
jeff@lowerypa.com

EXPERIENCE

March 2020 to Present; Director at Lowery Property Advisors, LLC

August 2016 to February 2020; Certified Appraiser at Allen, Williford & Seale Inc.

Types of properties appraised include: office, retail, industrial, agricultural, mixed-use developments, restaurants, hotels, marinas, day cares, subdivisions, apartments, car washes, land, and other types of special use commercial properties, partial acquisitions and eminent domain/condemnation related appraisals.

EDUCATION

BBA – Finance, Economics Minor – Texas A&M University 2016

Successfully completed the following courses offered by The Appraisal Institute and McKissock:

- Basic Appraisal Principles
- Basic Appraisal Procedures
- Uniform Standards of Professional Appraisal Practice
- Real Estate Finance, Statistics, and Valuation Modeling
- General Appraiser Income Capitalization Approach – I
- General Appraiser Income Capitalization Approach – II
- General Appraiser Sales Comparison Approach
- General Appraiser Site Valuation and Cost Approach
- General Appraiser Report Writing and Case Studies
- General Appraiser Market Analysis and Highest and Best Use
- Expert Witness Testimony
- Commercial Appraisal Review
- Appraisal of Assisted Living Facilities
- Appraisal of Industrial and Flex Buildings

Other applicable courses:

- Real Estate Decision Making – Texas A&M
- Real Estate Finance – Texas A&M
- Real Estate Investment Analysis – Texas A&M

PROFESSIONAL ASSOCIATIONS

- Appraisal Institute – South Texas Chapter
- IRWA – San Antonio Chapter / Corpus Christi Founding Member

LICENSES

Texas General Appraiser
1380924-G

Oklahoma General Appraiser
13497CGA

TALCB
TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Certified General Real Estate Appraiser

Appraiser: **Jeffrey Kyle Walters**
License #: **TX 1380924 G** License Expires: **09/30/2025**

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

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz
Commissioner