



APPRAISAL REPORT

VACANT LAND

SWC of Laguna Shores Road and Hustlin Hornet Drive
Corpus Christi, Nueces County, Texas



Effective Date of Value: May 7, 2021

Appraisers: Mario Caro, MAI, AI-GRS, SR/WA and Anthony DiMare

CLIENT



June 15, 2021

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



VACANT LAND

SWC of Laguna Shores Road and Hustlin Hornet Drive
Corpus Christi, Nueces County, Texas

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 the Uniform Appraisal Standards for Federal Land Acquisitions (“Yellow Book”) and the Uniform Standards of Professional Appraisal Practice (USPAP).

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.

This letter is accompanied by the following report, plus the Addendum, which 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 appraisal of the subject property consists of the fee simple interest of 22.2427 acres of land (968,868 SF) as of May 7, 2021. Approximately 95% of the property is in the V22, Velocity Hazard (EL 12), an area of 100-year coastal flood with velocity (wave action), and +/- 5% of the property is in Zone B, an area inside the 500-year flood plain.
- The subject is not currently under contract for sale.
- The Cost, Sales and Income Approaches were all considered, but only the Sales Approach (land only) was utilized. It is noted and emphasized that the omission of the Cost, Sales (as improved) and Income Approaches are not considered to, in any way, reduce the credibility of the value conclusion herein. These approaches were omitted due to the lack of improvements on the site and the subject being a non-income producing tract of land.
- **COVID-19 continues to impact the economy and commercial real estate. LPA is working diligently to capture and analyze current market data to reliably quantify impacts on real property values. We are conducting interviews with market participants as well as relying on available survey data in order to support our conclusions regarding COVID-19.**



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

VALUE CONCLUSIONS			
Status	Interest	Date	Value
As Is	Fee Simple	May 7, 2021	\$355,000

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

A handwritten signature in blue ink that reads "Mario Caro".

MARIO CARO, MAI, AI-GRS, SR/WA
Texas State Certified General Real Estate Appraiser
Certificate No. TX1334889-G
mario@lowerypa.com

A handwritten signature in blue ink that reads "Anthony Dimare".

ANTHONY DIMARE
Texas State Certified General Real Estate Appraiser
Certificate No. TX1381001-G
adimare@lowerypa.com



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GENERAL

Effective Date of Value	May 7, 2021 "As Is"
Date of Inspection	May 7, 2021
Property Rights Appraised	Fee Simple

SITE DESCRIPTION

Location	The subject is located at the southwest corner of Laguna Shores Road and Hustlin Hornet Drive, with a small portion of the property located on the southeast side of Laguna Shores Road, fronting the Laguna Madre. There is no physical address associated with the subject property as of the effective date of this appraisal. The subject is located in the city limits of Corpus Christi.
Site Description	Per the provided survey, the subject property totals 22.2427 acres (968,868 SF). It should be noted, 21.1767 acres is located on the northwest side of Laguna Shores Road and 1.066 acres is located on the southeast side of Laguna Shores Road, fronting the Laguna Madre. The 1.066-acre portion facing the Laguna Madre is non-contiguous from the primary 21.767 acres; however, given the tests "Larger Parcel" (unity of ownership, unity of use, contiguity), the property is appraised as a whole 22.2427 acre tract. The subject is irregular in shape and displays relatively level topography. Approximately 95% of the property is in the V22, Velocity Hazard (EL 12), an area of 100-year coastal flood with velocity (wave action), and +/- 5% of the property is in Zone B, an area inside the 500-year flood plain. Reader is referred to the <i>Site Description</i> section for further details.
Legal Description	Being 22.2427 acres of land out of the Flour Bluff and Encinal Farm and Garden Tracts, located in the Ramonde Ynojosa Survey, Abstract No. 411, City of Corpus Christi, Nueces County, Texas
Utilities	All available, water and sewer by extension only
Zoning	RM-1 – Multifamily 1 District CR-1 – Resort Commercial (Bayfront) District IH – Heavy Industrial District

IMPROVEMENTS

General Description	None
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HIGHEST & BEST USE

As Vacant

Interim recreational use (1-2 years) and/or future speculative development, subject to utility extension and significant architectural and engineering to support improvement(s).

VALUE CONCLUSIONS

Sales Comparison Approach	\$355,000
Final Opinion of Value	\$355,000





SUBJECT PHOTOS

Photographed by: Mario Caro on May 7, 2021



1. Hustlin Hornet Drive viewing south



2. Southern portion of subject viewing southwest



3. Southern portion of subject viewing north



4. Southern portion of subject viewing northeast



5. Central portion of subject viewing east



6. Central portion of subject viewing northeast



Photographed by: Mario Caro on May 7, 2021



7. Hustlin Hornet Drive viewing southwest



8. Laguna Shores Road viewing east at 1.066-acre, non-contiguous portion



9. From eastern-most portion viewing west at 1.066-acre, non-contiguous portion



10. Debra Lane, viewing southwest, subject on left



11. Laguna Shores Road, viewing southwest, subject on right and left



12. Hustlin Hornet Drive, viewing southeast, subject on right



AERIAL





INTRODUCTION

This is an Appraisal Report, which is intended to comply with the reporting requirements set forth under the sixth edition of the *Uniform Appraisal Standards for Federal Land Acquisitions* and 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 Yellow Book and USPAP.

Per the survey plat provided, the whole property consists of five, un-platted tracts of land totaling 22.2427 acres. The 1.066-acre portion facing the Laguna Madre is non-contiguous from the primary 21.767 acres. Given the property's unity of ownership, unity of use as vacant land, similar physical attributes of the tracts (see Flood Zone section), and its contiguity/proximity, the "Larger Parcel" is determined to be the whole 22.2427-acre tract.

TYPE OF VALUE

The value definition employed in this report is *Market Value*, as established by US Supreme Court cases and as cited in the *Uniform Appraisal Standards for Federal Land Acquisitions* as follows:

Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of value, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither compelled to buy or sell, giving due consideration to all available economic uses of the property.

Intended Use	Provide an opinion of total compensation due to the property owner as a result of the direct acquisition (voluntary purchase) described herein.
Intended User	City of Corpus Christi and the Texas General Land Office
Client	City of Corpus Christi
Property Rights	Fee Simple
Date of Value	May 7, 2021 "As Is"
Date of Inspection	May 7, 2021
Date of Report	June 15, 2021
Property Owner Contact	Ms. Tracy Duncan (512) 750-6805 provided permission to view the subject property unaccompanied.





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. The geographical area researched included the Corpus Christi metro region and specifically the Flour Bluff area. The time frame researched was the last 3 years from the date of report.
- Interviewed landowners and local brokers familiar with the subject area and considered their insight of the current market and transactions. Local real estate brokers with intimate knowledge of the subject property and the surrounding area were interviewed to gain insight on recent market transactions, as well as the current state of market activity and demand for similar properties in this market. Brokers interviewed included: Cliff Atnip (Cobb, Lundquist & Atnip), Burris McRee (Gulftex Properties), Mark Adame (Joe Adame & Associates), Gene Guernsey (Gene Guernsey & Associates) and Al Benavides (TexStar Realty), among others.
- Obtained information from surrounding counties and area jurisdictions regarding zoning, taxes, property history, flood plain, utilities, etc. Extensive discussions were had with the City of Corpus Christi's Coastal Protection Manager, Kathleen Chapa, regarding flood plain and velocity hazard requirements.
- Developed an opinion of market value via use of the Sales Approach. The inclusion or exclusion of approaches to value was determined by LPA and not our client.
- Developed an opinion of market value via the Sales Approach, land only. The Income Approach and Cost Approach to value are not utilized for this report as they are not deemed necessary for credible assignment results. The Cost Approach was not considered to be applicable considering the subject does not display any vertical improvements. The Income Approach was not considered to be applicable as the subject is a non-income producing vacant tract of land. The omission of the Income Approach and Cost Approaches to value is not considered to, in any way, reduce the reliability of the value conclusions herein. 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

Jurisdictional Exceptions

Certain departures from Standard 1 were invoked due to the Jurisdictional Exception of the Uniform Standards of Professional Appraisal Practice (USPAP). A Jurisdictional Exception is “an assignment condition established by applicable law or regulation, which precludes an appraiser from complying with a part of USPAP.” (Source: USPAP 2020-2021 Edition, Page 4).

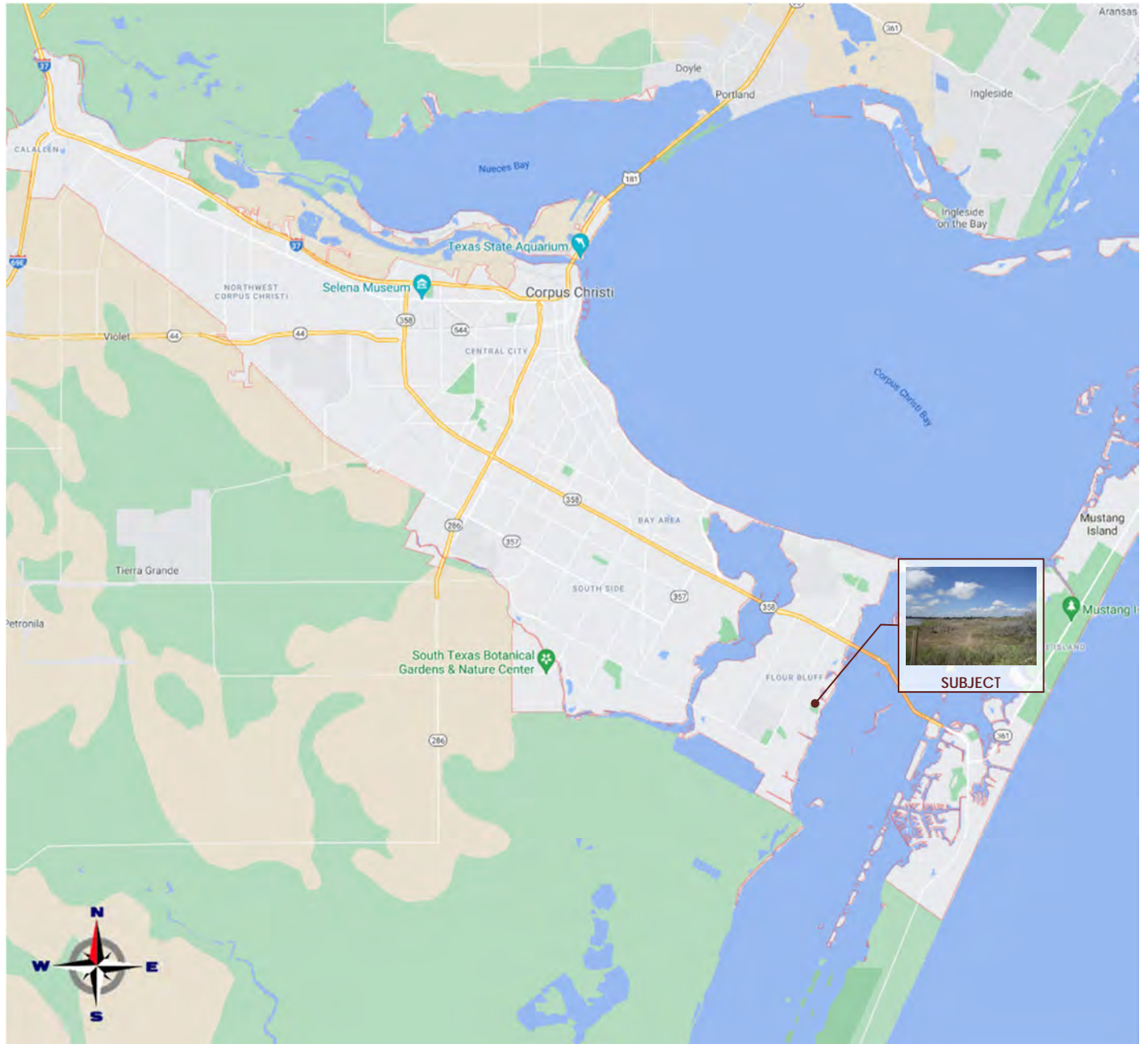
- According to USPAP Standard Rule 1-2(c), when Exposure Time is a component of the definition for the value opinion being developed, an appraiser must develop an opinion of reasonable exposure time linked to the value opinion. As Exposure Time is not a component of the federal definition of market value, a Jurisdictional Exception to the USPAP rule relating to Exposure Time applies.
- The Jurisdictional Exception applies to Standard Rule 1-4(f), which states that “when analyzing anticipated public or private improvements, located on or off the site, an appraiser must analyze the effect on value, if any, of such anticipated improvements to the extent they are reflected in market actions.” In the appraisal of property under federal law, the valuation must disregard any government project influence on a property’s market value once it is within the scope of the government’s project. This rule only applies to changes in value attributable to the government’s project, and disregards changes in value due to other factors.





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 by the Corpus Christi Bay to the north, The John F. Kennedy Memorial Causeway to the east, The Gulf of Mexico to the west and Whitecap Boulevard to the south.

GENERAL INFORMATION

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 325,734 people with a median age of 35.1 and a median household income of \$54,344. Between 2015 and 2016 the population of Corpus Christi grew from 324,082 to 325,734, a 0.51% increase and its median household income grew from \$51,255 to \$54,344, a 6.03% 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. Schlitterbahn Riverpark and Resort is located on the southeastern portion of Corpus Christi and offers a unique vacation destination with over a mile of rivers which can be accessed by 16 beaches, all interconnected with each other. The resort also includes a full-service restaurant and a golf course, offering amenities and activities for all ages. 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, Saint Leo University-Corpus Christi 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.



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.

ACCESS

Access to the subject neighborhood is considered good due to its proximity to Interstate Highway 37 and US Highway 77 / Interstate Highway 69E. North of the subject site is Interstate 37 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. However, the subject property does not have access to the city of Corpus Christi public water or public sewer. 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 Flour Bluff community 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. Based on research of land sales in the subject neighborhood and discussions with local real estate brokers, land market values in the Corpus Christi area have increased at a rate of approximately **5.0%/year** and are expected to continue to increase at a similar rate for the foreseeable future.





DEMOGRAPHICS

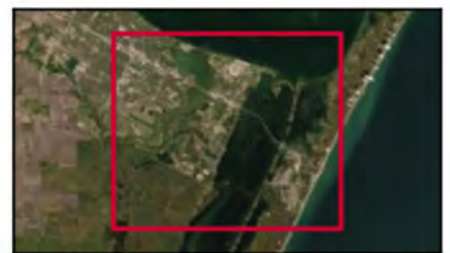
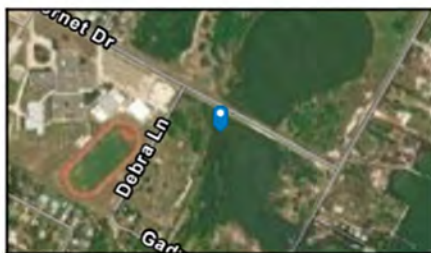
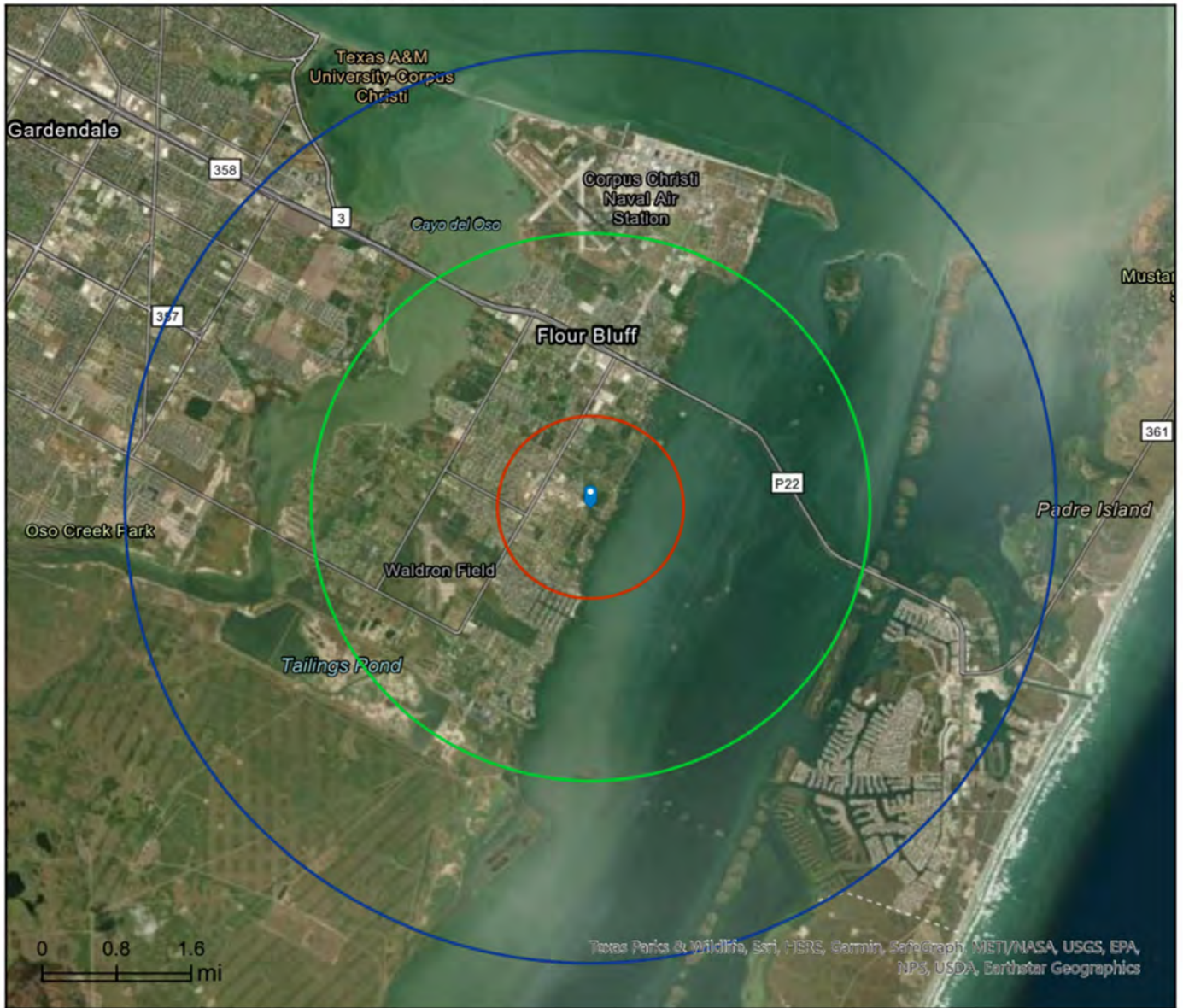
The following pages summarize data generated by the STDR



Site Map

SWC of Hustlin Hornet Drive and Laguna Shores Road
701 Hustlin Hornet Dr Corpus Christi, Texas, 78418
Rings: 1, 3, 5 mile radii

Prepared by Esri
Latitude: 27.64430
Longitude: -97.28694





Demographic and Income Profile

SWC of Hustlin Hornet Drive and Laguna Shores Road
Corpus Christi, Texas, 78418

Ring: 3 mile radius

Prepared by Esri

Latitude: 27.64430

Longitude: -97.28694

Summary	Census 2010	2020	2025			
Population	20,657	21,592	22,078			
Households	7,847	8,180	8,345			
Families	5,376	5,560	5,659			
Average Household Size	2.63	2.64	2.64			
Owner Occupied Housing Units	4,880	5,064	5,155			
Renter Occupied Housing Units	2,967	3,116	3,190			
Median Age	37.1	38.3	38.6			
Trends: 2020-2025 Annual Rate	Area	State	National			
Population	0.45%	1.54%	0.72%			
Households	0.40%	1.51%	0.72%			
Families	0.35%	1.47%	0.64%			
Owner HHS	0.36%	1.53%	0.72%			
Median Household Income	1.34%	1.43%	1.60%			
Households by Income	2020		2025			
	Number	Percent	Number	Percent		
<\$15,000	936	11.4%	892	10.7%		
\$15,000 - \$24,999	739	9.0%	674	8.1%		
\$25,000 - \$34,999	781	9.5%	760	9.1%		
\$35,000 - \$49,999	1,265	15.5%	1,217	14.6%		
\$50,000 - \$74,999	1,464	17.9%	1,481	17.7%		
\$75,000 - \$99,999	967	11.8%	1,019	12.2%		
\$100,000 - \$149,999	1,362	16.7%	1,520	18.2%		
\$150,000 - \$199,999	341	4.2%	403	4.8%		
\$200,000+	323	3.9%	379	4.5%		
Median Household Income	\$54,586		\$58,354			
Average Household Income	\$73,531		\$80,849			
Per Capita Income	\$27,882		\$30,588			
Population by Age	Census 2010		2020		2025	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	1,351	6.5%	1,299	6.0%	1,344	6.1%
5 - 9	1,463	7.1%	1,329	6.2%	1,371	6.2%
10 - 14	1,597	7.7%	1,390	6.4%	1,432	6.5%
15 - 19	1,588	7.7%	1,346	6.2%	1,326	6.0%
20 - 24	1,205	5.8%	1,358	6.3%	1,189	5.4%
25 - 34	2,622	12.7%	3,140	14.5%	3,312	15.0%
35 - 44	2,536	12.3%	2,624	12.2%	2,873	13.0%
45 - 54	3,472	16.8%	2,586	12.0%	2,493	11.3%
55 - 64	2,684	13.0%	3,201	14.8%	2,769	12.5%
65 - 74	1,337	6.5%	2,214	10.3%	2,551	11.6%
75 - 84	637	3.1%	848	3.9%	1,136	5.1%
85+	166	0.8%	256	1.2%	282	1.3%



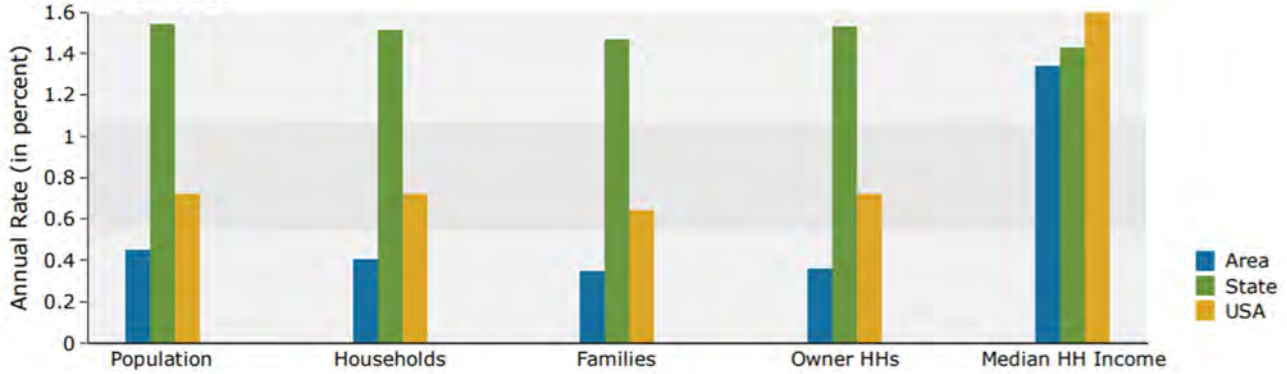


Demographic and Income Profile

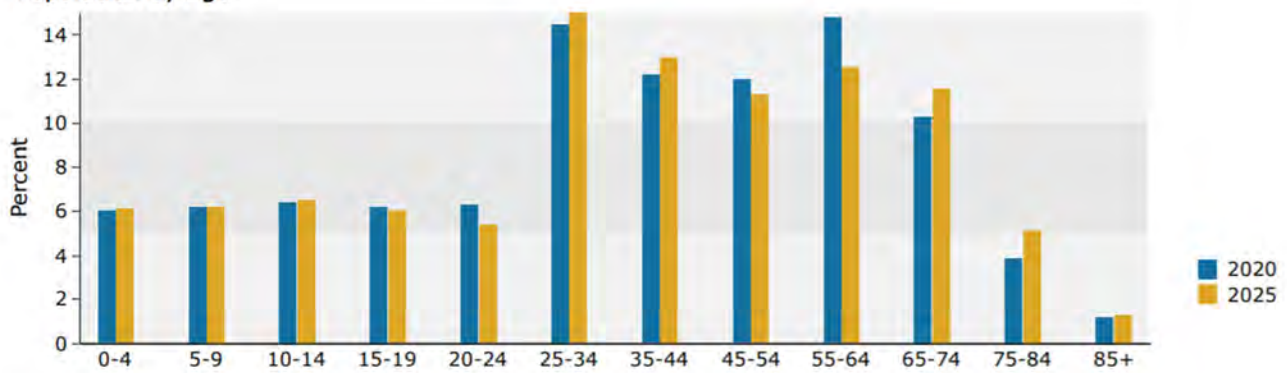
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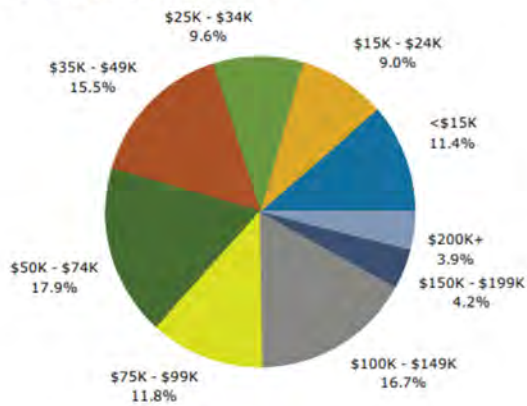
Trends 2020-2025



Population by Age



2020 Household Income



2020 Population by Race



COVID-19

The COVID-19 pandemic continues to impact the economy and commercial real estate. LPA is working diligently to capture and analyze current market data to reliably quantify impacts on real property values. Outlined below is a timeline of important events in the history of the pandemic, as well as sentiment from leading experts regarding the current condition of commercial real estate and the recovery of the economy. As the situation evolves, LPA is committed to monitoring current events and how they affect the commercial real estate market.

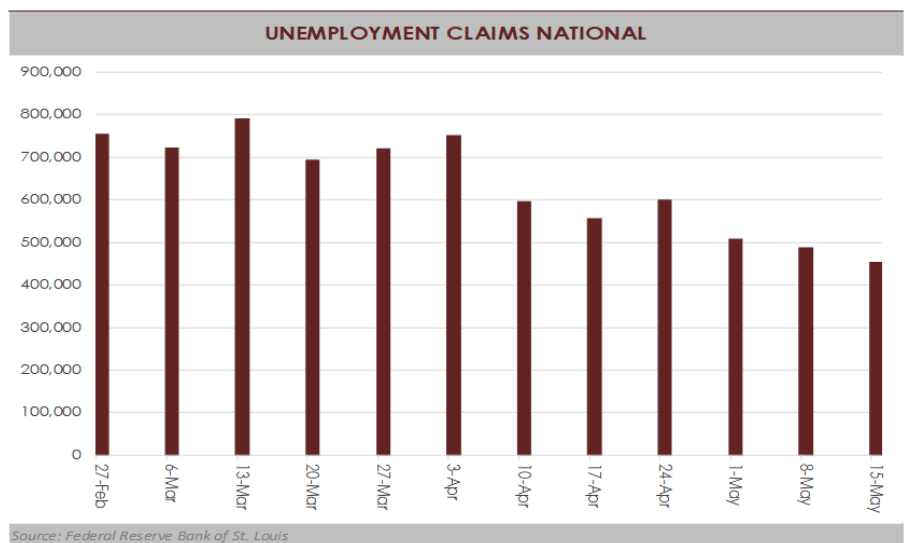
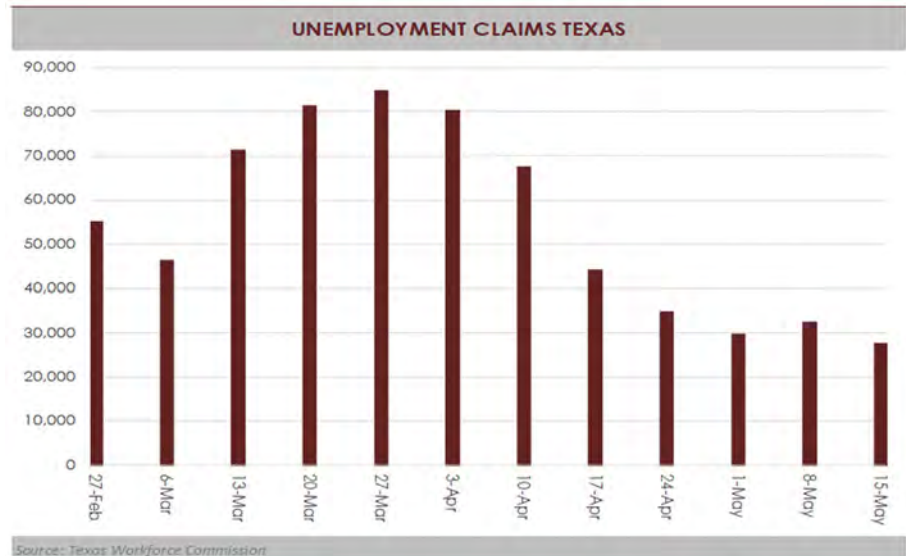
Jan 21	The first instance of the coronavirus is seen in the U.S.
Mar 11	The World Health Organization declares COVID-19 a worldwide pandemic.
Mar 27	President Trump signs a \$2 Trillion economic stimulus bill.
May 26	All 50 states had begun some form of reopening procedure.
Dec 11	The FDA approves use of the Pfizer-BioNTech vaccine.
Dec 18	THE FDA approves use of the Moderna vaccine.
Dec 21	Congress passes a new \$900 Billion stimulus package, the first since March 2020.
Feb 27	The FDA approves emergency use of the Johnson & Johnson vaccine.
Mar 3	Governor Abbott declares that all restrictions in Texas will be lifted starting March 10.
Mar 10	Congress passes the American Rescue Plan, the largest stimulus bill to date.
Mar 23	Texas announces that all adults will be eligible for the vaccine beginning March 29.
May 4	Pfizer announces it will seek clearance to vaccinate children ages 2 through 11.
May 14	CDC updates guidelines, stating that fully vaccinated people do not have to wear a mask or socially distance.



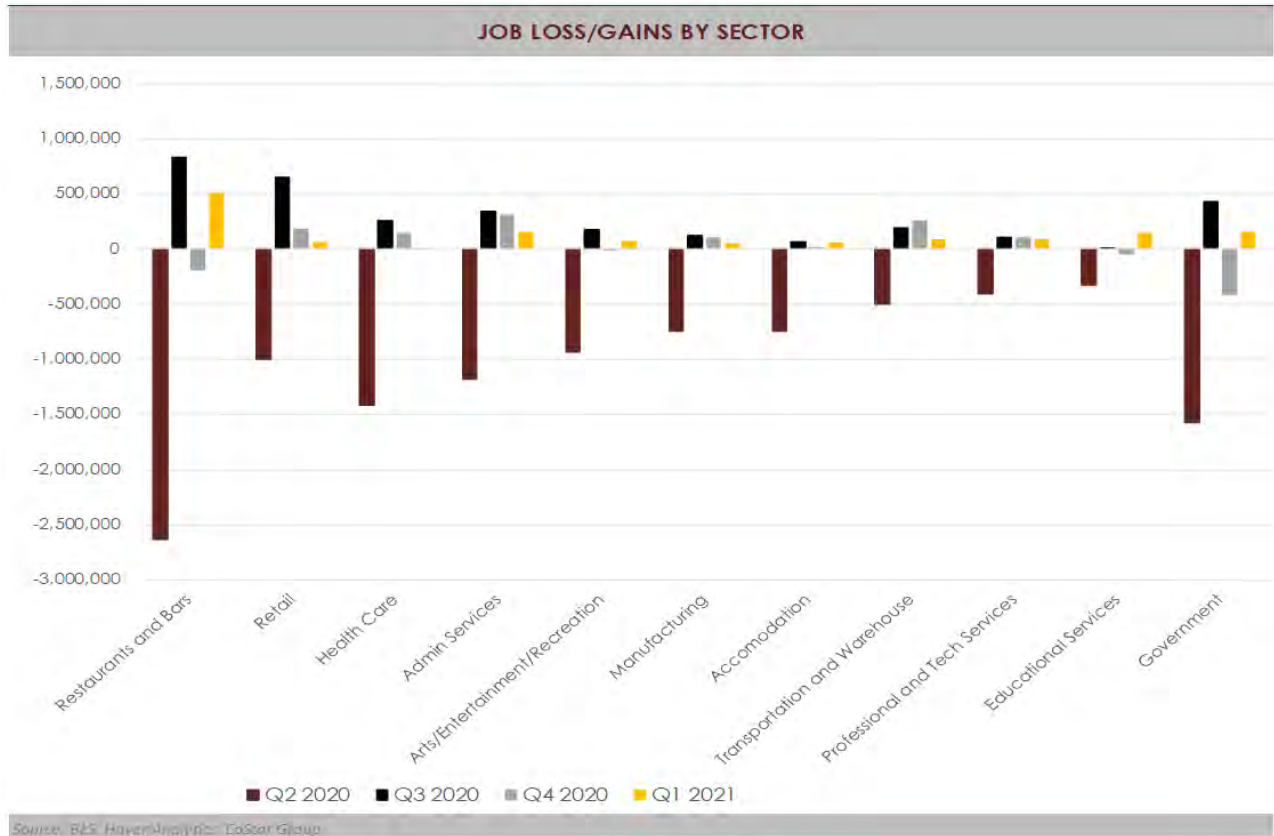


UNEMPLOYMENT

Employment figures are paramount in analyzing trends in the market. The COVID-19 pandemic has strongly affected the employment status in numerous non-essential and essential industries. As stay-at-home orders began, employment in sectors such as retail and food service sharply declined. The graphs to the right show the weekly number of jobless claims on the national and state level. The number of jobless claims skyrocketed in March, when the pandemic officially began, with official unemployment numbers reaching 23.1 million or 14.7%. Unemployment steadily declined over the following months, with January reaching a rate of 6.3% or 10.1 million people without jobs. While this is an improvement, the number is still well above pre-pandemic levels as many of the hardest hit industries are still affected by restrictions.



COVID-19 affected virtually all industries in a negative way. Of the 31 major employment sectors defined by the Bureau of Labor Statistics, 27 set a single-month record for job loss in March. Only utilities, telecom, and other information sectors and the federal government did not shed jobs at a record pace. As mentioned previously, the food service and retail sectors bore the brunt of the negative effects, as these industries are most affected by occupancy restrictions and social distancing guidelines. Virtually all industries have seen net improvement as time has progressed, but climbing case numbers at the end of 2020 slowed the pace of growth as reopening procedures were paused across the country. The chart below shows the quarterly job loss/gain by industry.



POLICY RESPONSE

While the foremost consideration during the pandemic is public health policy, virtually all local, state, and federal governments enacted some sort of monetary and fiscal policy to ease the burden the virus is putting on economies at all levels.

Monetary Policy

The U.S. Federal Reserve initiated a ‘whatever it takes’ approach to monetary and banking policy at the onset of the pandemic. While many actions were taken, the most substantial steps have been to decrease interest rates and begin measures of quantitative easing. The Fed has decreased the federal funds rate by 1.5% since March 3. This rate serves as a benchmark for other short- and long-term rates, and is aimed at lowering rates on mortgages, auto, and home equity loans. These rates will remain low until the Fed sees minimum improvement in labor market conditions. Quantitative Easing refers to the Fed purchasing trillions of dollars in securities in order to restore smooth market functioning so that credit can continue to flow. In terms of its correlation to real estate, the Fed has encouraged banks to continue to function by direct lending, as well as temporarily relaxing regulatory requirements. The Fed has also instituted many of the same tools used in the great recession in 2008.



Fiscal Policy

The table below shows the extent of stimulus the federal government has enacted thus far, with the most significant being the CARES Act. On March 26, 2020, the U.S. Senate passed this approximately \$2 Trillion coronavirus response bill, which included an estimated \$560 billion to individuals by way of stimulus checks and extra unemployment benefits, \$377 billion in emergency grants and loan relief for small businesses, \$500 billion in employment relief for large corporations, including airlines, and \$150 billion to state and local governments in form of direct aid.

COVID-19 LEGISLATION	Families First Coronavirus Response Act March 18, 2020	Coronavirus Aid, Relief, and Economic Security Act (CARES Act) March 27, 2020	Paycheck Protection Program and Health Care Enhancement Act April 24, 2020	Consolidated Appropriations Act December 21, 2020	American Rescue Plan Act March 10, 2021
Economic Support for Small Businesses	X	\$377 Billion	\$383 Billion	\$325 Billion	\$59 Billion
Financial Assistance to Large Companies	X	\$500 Billion*	X	X	X
Tax Incentives	\$105 Billion	\$263 Billion	X	X	\$143 Billion
Health Aid Spending	\$59 Billion	\$145 Billion	\$100 Billion	\$54 Billion	\$123 Billion
Payments to Taxpayers	X	\$292 Billion	X	\$166 Billion	\$410 Billion
Unemployment Insurance	\$5 Billion	\$268 Billion	X	\$120 Billion	\$246 Billion
Aid to State, Local, and Territorial Governments	X	\$150 Billion	X	X	\$360 Billion
Other	\$24 Billion	\$228 Billion	X	\$235 Billion	\$547 Billion
Total Cost	\$192 Billion	\$1,721 Billion	\$483 Billion	\$900 Billion	\$1,900 Billion

After nine months without any new stimulus, a new package was passed by the House and the Senate in December 2020 that totaled \$900 Billion, approximately half of the total amount of the CARES Act. Shortly thereafter, a \$1.9 trillion dollar bill named the *American Rescue Plan* passed on March 10, 2020. The bill includes \$1,400 in stimulus checks to taxpayers earning less than \$80,000/year, \$300 in extra unemployment checks, aid to small businesses in the form of refunding the Paycheck Protection Program, and \$123 Billion in health-aid spending. This bill is the largest bill passed in relation to the pandemic to date.



PROPERTY TYPES

The commercial real estate industry is segmented, meaning that different geographic areas and property types react to economic conditions in various ways. This has proven to be true as it related to COVID-19. Below are descriptions of the major property types and how they specifically are being affected by the virus.

Multi Family

Although the multifamily sector is traditionally seen as a resilient property type, different sectors of apartments have. It is noted that federal stimulus and increased personal savings have kept vacancy and rent loss lower than predicted. Demand has been focused on suburban markets, as they offer more space at a lower price. This is due to work location trending more towards the home than the office. Consequently, urban markets have seen a substantial drop in demand.

Industrial

The industrial sector has been one of the least affected property types through the pandemic. While activity and leasing slowed given restrictions, increased space needs from the e-commerce sector has placed upward pressure on the demand for quality industrial space. Exceptions to this have included markets dependent on energy, buildings leased to small/non-credit tenants, and properties located in secondary markets.

Retail

The retail sector is among the hardest hit property types. While the emergence of e-commerce was already shifting space needs for producers, the pandemic has caused this shift to accelerate even further. However, the pandemic has not doomed all traditional retail, as many retailers have adjusted to the pandemic. Store retailers have remained stronger than previously hoped, as personal savings and retail spending has increased through the pandemic. Sporting goods, home improvement, and grocery stores have been strengths. However, service-oriented retail such as restaurants and clothing stores are still experiencing strain. As the vaccines continue to progress through society, pent-up demand should improve these businesses.

Office

Many office landlords are feeling the effects of COVID-19. As unemployment increased and economic activity dropped, demand for office space in the short term decreased. This weak demand has increased vacancies, put downward pressure on rents, increased concessions, and slowed lease-up of vacant space. While demand has increased as the economy has recovered, the work from home phenomenon has gained popularity and technology has made it easier to accomplish. This will likely lead to a more permanent demand for office space even as the virus disappears.



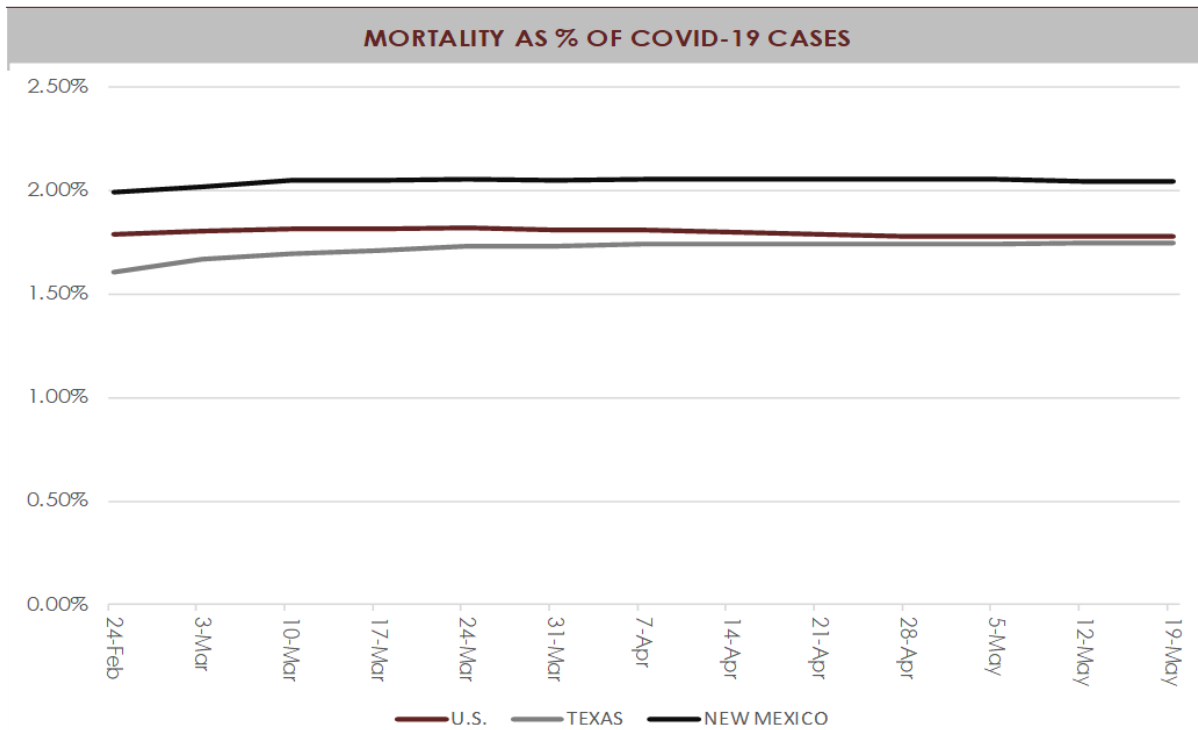


Hospitality

Hotels remain the hardest-hit property type to date. As travel restrictions have been placed, hotel rooms have been empty. While the impacts have been felt heavily in all classes of lodging, the damage is proportionate. Most current hotel occupancy is coming from the economy class, as those who are travelling are opting to stay at less expensive, limited-service hotels. Luxury hotels that rely on group and convention demand have been the most heavily affected. According to STR and Tourism Economics, the U.S. Hotel Industry is projected to report a 50.5% decline in RevPAR in 2020.

RECOVERY

According to economists at the CoStar Group, the U.S. GDP declined 34% in Q2, but rebounded 35% in Q3. While this signifies recovery, this does not tell the whole story. As mentioned previously, the U.S. has only recovered approximately half of the jobs lost after the initial 22 million loss suffered at the initial onset of the pandemic. At this rate, employment is not expected to return to pre-pandemic levels until the end of 2022. The biggest threats to overall recovery are surging cases and lack of additional fiscal support from governments. While the economy is growing, the pace of recovery is likely to be slow and protracted like that of the Great Recession.



Source: Esri ArcGis, Texas Department of State Health Services, New Mexico Dept. of Health

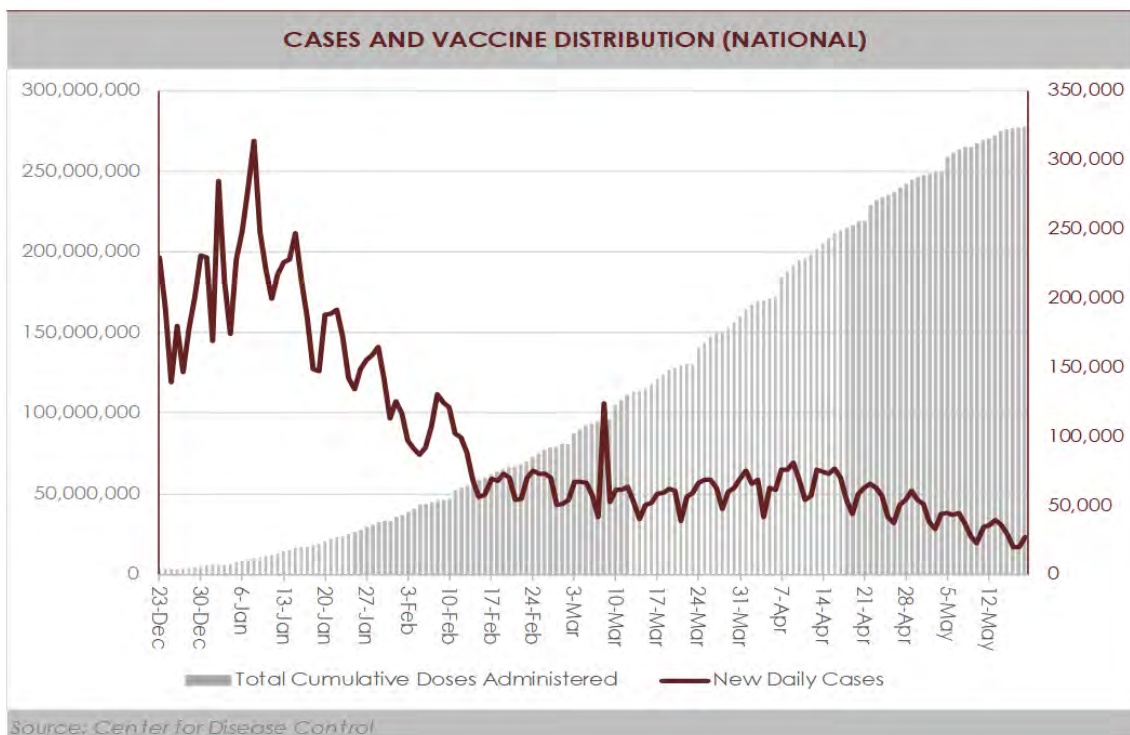




The chart above shows the mortality rate as a percentage of the total cases while comparing Texas, New Mexico, and the United States as a whole. While the mortality rate was steady to declining for most of the country in the second half of 2020, cases began rising sharply in November. Cases peaked at record high levels in early January but have since declined more than 30% into February. Even so, this increase has led to an uptick in mortality as seen in the chart. However, the emergence of effective vaccines will hopefully begin to decrease case count and mortality as 2021 progresses.

VACCINES

Full recovery of the economy can only happen with containment of the virus. To accomplish this, multiple vaccines have been in development since the virus was first seen in early 2020. As of February, three vaccines are currently approved by for “emergency use” in the U.S., with more to be announced in the coming months. Emergency use means that the FDA allows for widespread use of the vaccines as long as the public benefits. Consequently, public administration has begun in the U.S. and across the world. While roll-out plans differ from state to state, the most common starting point has been to make doses available to people over 65 years old and/or with pre-existing conditions. Most states are currently in this phase, but as production and delivery of the doses becomes more efficient, new phases can begin. With this, the country can hopefully make meaningful progress towards herd immunity. The below chart shows the cumulative number of vaccines as compared to new daily cases of the virus across the country.





The three vaccines currently being administered across the country were developed by pharmaceutical companies *Pfizer-BioNTech*, *Moderna*, and *Johnson and Johnson*. Pfizer and Moderna vaccines are similar in that each requires 2 doses weeks apart, while Johnson and Johnson only requires one dose. The first two were approved in mid-December and have been administered in greater numbers each day, while the third was approved in late February. Researchers have determined that currently, these vaccines are over 90% effective in protecting people from the virus. The emergence of new variants of the virus may lessen effectiveness, but this rate is still far above more common vaccines such as the flu. *AstraZeneca* is also developing a vaccine that is effective in combating the virus, but has not yet been approved for use in the U.S.

CURRENT VACCINES	MODERNA	PFIZER	JOHNSON & JOHNSON	ASTRAZENECA
Number of Doses	2	2	1	2
Weeks Between Doses	4	3	N/A	Up to 12
Date of Emergency Approval	Dec 18 2020	Dec 11 2020	Feb 27 2021	Pending
Efficacy Rate	94.5%	95%	72%	62%

CONCLUSION

The COVID-19 pandemic was unprecedented, and therefore ever changing. The commercial real estate industry has responded in various ways. In many of the heavily affected sectors, rent relief has been requested and deals are being put on hold. The overwhelming sentiment is that market participants are taking a ‘wait and see’ approach regarding their next steps. As mentioned previously, 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 CHARACTERISTICS

Location

The subject is located at the southwest corner of Laguna Shores Road and Hustlin Hornet Drive, with a small non-contiguous portion of the property located on the southeast side of Laguna Shores Road, fronting the Laguna Madre. There is no physical address associated with the subject property as of the effective date of this appraisal. The subject is located in the city limits of Corpus Christi.

Legal Description

Being 22.2427 acres of land out of the Flour Bluff and Encinal Farm and Garden Tracts, located in the Ramonde Ynojosa Survey, Abstract No. 411, City of Corpus Christi, Nueces County, Texas.

Use & Surrounding Uses

The subject has historically been undeveloped, vacant land and is surrounded by undeveloped land to the north, east, and southwest and residential uses to the south, east and west. The Duncan Cemetery and Flour Bluff Intermediate School are located adjacent to west of the property and The Redhead Pond Wildlife Management Area is adjacent to the southwest.

Size / Configuration / Larger Parcel

Per the provided survey, the subject property totals 22.2427 acres (968,868 SF) in size. The subject is irregular in shape and displays relatively level topography. Per the survey plat provided and included following this section, the whole property consists of five, un-platted tracts of land totaling 22.2427 acres. The 1.066-acre portion facing the Laguna Madre is non-contiguous from the primary 21.767 acres. Given the property's unity of ownership, unity of use as vacant land, similar physical attributes of the tracts (see Flood Zone section), and its contiguity/proximity, the "Larger Parcel" is determined to be the whole 22.2427-acre tract.

Flood Zone

According to the existing FEMA Flood Insurance Rate Map 485464 0169 C, dated July 18, 1985, approximately 95% of the property is in **Zone V22, Velocity Hazard (Base Flood Elevation 12)**, an area of 100-year coastal flood with velocity (wave action), and +/- 5% of the property is in **Zone B**, an area within the 500-year flood plain and **Zone A18, Flood Hazard**. The proposed FEMA flood map 48355C0545G, bearing a **preliminary date** of October 23, 2015, indicates that approximately 95% of the subject is located within **Zone VE, Velocity Hazard (Base Flood Elevation 11)** and **Zone AE (BFE 8, BFE 9 and BFE 10)**, areas within the 1% annual chance of flood. Approximately 5% of the tract, the northern portion of the site, is within Zone X, an area within the 0.2% annual chance of flood.





New development in the velocity hazard flood area must abide by specific provisions and guidelines enforced by the City of Corpus Christi to achieve approval. According to the Floodplain and Coastal Protection Manager, Kathleen Chapa, and the City of Corpus Christi's Velocity Hazard Flood Plain Requirements (Ordinance update April 16, 2021), all new construction must be located landward of the reach of mean high tide, the bottom of the lowest structure (cross member) must be elevated to one foot above the base flood elevation, and the pile or column foundation and structure attached to the foundation must be anchored to resist flotation, collapse, or lateral movement due to the effects of wind and water. **It should be noted that 95% of the subject property exhibits a Zone V22 Base Flood Elevation (BFE) which ranges from 10-12 feet; therefore, construction on the entirety of the structure (excluding pilings) would have to be built up 11-13 feet to meet the requirements of Corpus Christi's city ordinance (Base Flood Elevation, plus 12 inches above BFE).** Application for a development permit must be presented to the floodplain administrator with the following required information: *The lowest floor elevation of all new and substantially improved structures, elevation in relation to mean level to which any non-residential structure shall be floodproofed, a certificate from a professional engineer or architect confirming the construction is in accordance with any and all provisions, and a description of the extent to which any watercourse or natural drainage will be altered or relocated as a result of the proposed development.*

In addition to the height requirements, additional building requirement must be met in the V22 hazard zone, including, but not limited to: breakaway walls, elevated plumbing connections, flood vents and no backfill during construction. Approval or denial of a development permit by the floodplain administrator may be based on all the provisions as well as many other relevant factors. Given the development of properties within the velocity hazard flood area and the significant height buildup and construction requirements, it is reasonable to conclude that development within this area is only possible with significant additional land architectural and engineering to build up the improvements a total of 13 foot above surface level and an approved permit from the City of Corpus Christi.

Frontage / Accessibility

According to the provided survey, the subject has 1,069.80 feet of frontage along the southwest side of Hustlin Hornet Drive, 755.98 feet of frontage along the northwest side of Laguna Shores Road, and 308.11 feet of frontage along the southeast side of Debra Lane. Gadwell Street traverses the southern portion of the property in a general northwest/southeast direction but is not a paved street and does not extend to Laguna Shores Road. The subject possesses good exposure and access to Laguna Shores Road, a primary thoroughfare, and Hustlin Hornet Drive and Debra Lane, both of which are secondary traffic carriers in the area.

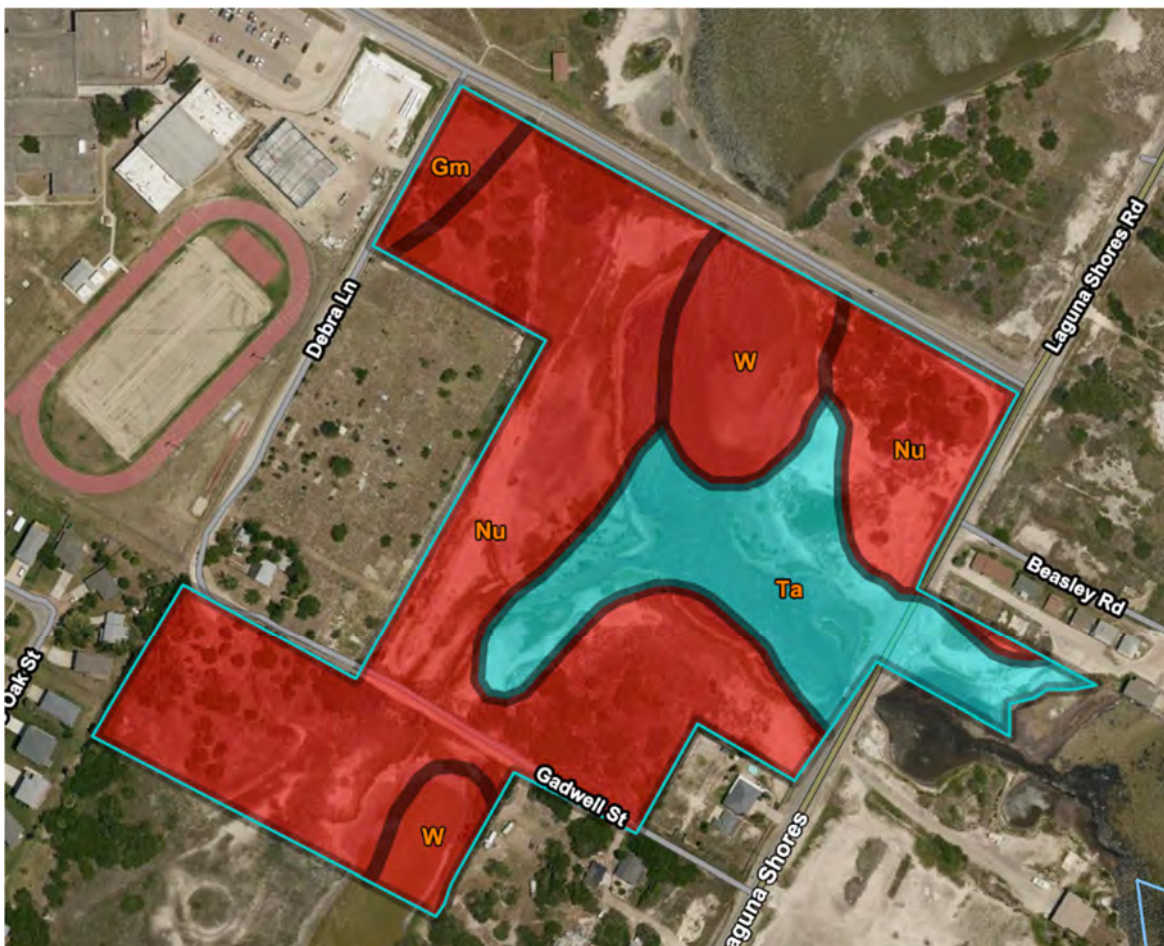


Utilities

Public water and sewer service are available to the subject, but only by extension and would be provided by the subject's municipality. According to real estate broker, Al Benavides, who is active in the Flour Bluff area, Haas-Anderson Construction, Ltd. is performing a water/sewer utility improvement project that will extend along Laguna Shores Road from Hustlin Hornets Drive to Caribbean Drive to the south. Mr. Benavides indicates the project is expected to be completed by February 2022. According to city officials, this is a developer driven project, and these utilities will be sufficient for development in the area. In addition, the city provides 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

Although the load-bearing capacity of the subject soils are beyond the scope of this appraisal, according to the USDA's Natural Resources Conservation Service interactive soil survey map, the majority of the subject (64.5%) consists of Nueces Fine Sand. The balance of the tract is Tidal Flats, Occasionally Pondered (20.4%), Water (12.3%), and Galveston and Mustang Fine Sands, Occasionally Flooded (2.8%). "Occasional" means that ponding occurs, on average, more than once in 2 years. The chance of ponding is more than 50% in any year. Please refer to the map below.





LEGAL CHARACTERISTICS

Zoning / Restrictions

The majority of the subject property is zoned "RM-1", Multifamily 1 District, "IH", Heavy Industrial and "CR-1", Resort Commercial (Bayfront) District. The northeast property corner of the property is zoned IH, Heavy Industrial District. The purpose of the Multifamily (RM-1) District is to provide a variety of housing types at multifamily densities. Housing types may take the form of single-family detached, zero lot line, traditional semi-attached, two-family, townhouse or apartment units. These zoning districts are used in areas having convenient access to collector and arterial streets, and nearby civic and commercial uses, as well as employment opportunities. The Multifamily Districts are appropriate adjacent to nonresidential districts and only shall be developed in conventional subdivisions. Examples of permitted uses in this district include single-family detached houses, townhomes, apartments, cottage housing development, community homes, educational use facilities, and places of worship, among others. The purpose of the Resort Commercial District is to provide for a wide variety of commercial activity such as tourist, water-oriented, retail commercial and indoor or outdoor amusement uses which reflect the character of a resort area. Emphasis is placed on establishing scenic and/or pedestrian corridors, walking and bike paths, amenities, and public open spaces. Examples of permitted uses within this district include townhouses, multifamily dwellings, community services, medical facility uses, places of worship, commercial parking uses, office uses, bicycle or watercraft rentals, and auto rentals, among others. The purpose of the Heavy Industrial District is to provide for industrial operations for all types that may be noxious or offensive due to odors, smoke, dust, noise, fumes or vibrations. This zoning district is intended to serve the entire community and is not appropriate adjacent to a residential zoning district. Examples of permitted uses within this district include government facility uses, crematoriums, restaurant uses, retail sales and services, self-storages, warehouses, wholesale trade, and waste services, among others. Outlined below are the dimensional standards for the Multifamily Districts, Commercial Districts, and Industrial Districts.



Multifamily Districts	RM-1	RM-2	RM-3	RM-AT		
				PI/MI*/North Beach (1-2 Fam)	1-2 Fam	3+ Fam
Max. Density (units/acre)	22	30	36	18	9	60
Min. Open Space (% site area)	35%	30%	30%	25%	25%	10%
Min. Lot Area (sq. ft.)	6,000	6,000	6,000	5,000	10,000	10,000
Min. Lot Width (ft.)	50	50	50	50	85	85
Min. Yards (ft.)						
Street	20	20	20	20	20	20
Street (corner)	15	15	15	10	15	15
Side (1 fam & 2 fam)	5	5	5	5	5	
Side (3+ fam)	10 ¹	10 ¹	10 ²			10 ²
Rear	10 ¹	10 ¹	10 ²	5	5	10 ²
Min. Building Separation (ft.)	10	10	10			10
Max. Height (ft.) and comply with Section 4.2.8.C., 4.2.8.D., and 4.2.8.E.	45	60	60	See Section 4.2.8.C., 4.2.8.D., and 4.2.8.E.		

Table 4.5.3 Residential Development (Commercial Zoning Districts)

COMMERCIAL DISTRICTS	CN-1	CN-2	ON	CR-1	CR-2	CR-3	CG-2	CI	CBD
Max. Density (units/acre)	37	15 ¹	37		44		37		
Min Lot Area (sq. ft.)	6,000	6,000	6,000	6,000	6,000		6,000		
Min. Lot Width (ft.)	50	50	50	50	50	50	50		
Min. Yards (ft.)									
Street (front)	20	20	20	20	20	10 ²	20	0	0
Street (corner)	15	15	15	15	15	15	15	0	0
Side (single)	10	0 ³	10	10	10	0	10	0 ³	0
Side (total)	20	0 ³	20	20	20	0	20	0 ³	0
Rear	10	0 ⁴	10	10	10	0	10	0 ³	0
Side and Rear, adjacent to residential use	See Section 4.2.8.C								
Min. Open Space	30%	25%	30%	25%	25%		30%		
Max Height (ft.)	35	36 ⁵	45						

Table 4.6.3 Nonresidential Use (Industrial District)

INDUSTRIAL DISTRICTS	IL	IH
Min Lot Area (sq. ft.)		
Min. Lot Width (ft.)		
Min. Yards (ft.)		
Street	20	20
Street (corner)	20	20
Side (single)	0	0
Side (total)	0	0
Rear	0	0
Side and rear, abutting res. district	40	40
Max Height (ft.)	See Section 4.2.8.C	



Easements / Encroachments

The subject site is encumbered by typical utility easements to include the follow:

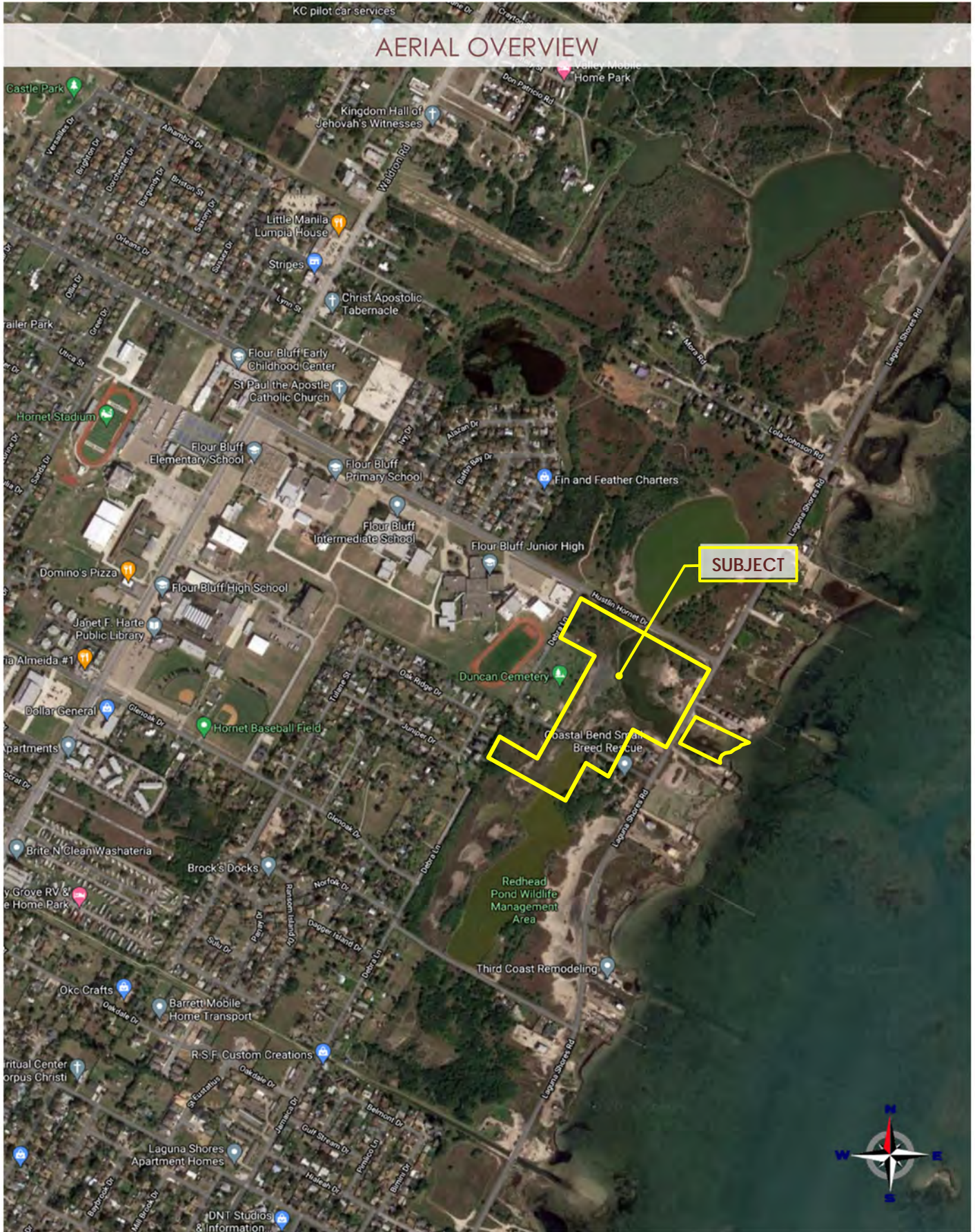
- a 20' drainage easement and an adjacent 10' drainage easement which traverse the southern portion of the tract; and
- a 10' utility easement extending along the southwest property boundary.

Due to the general location of these easements, they are not considered detrimental toward development and/or the site's overall marketability. Reader is referred to the Survey to follow. No other detrimental easements and/or encroachments were noted upon physical inspection of the subject. It should be noted, however, that if an updated survey map, or a registered surveyor indicates that adverse easements 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.

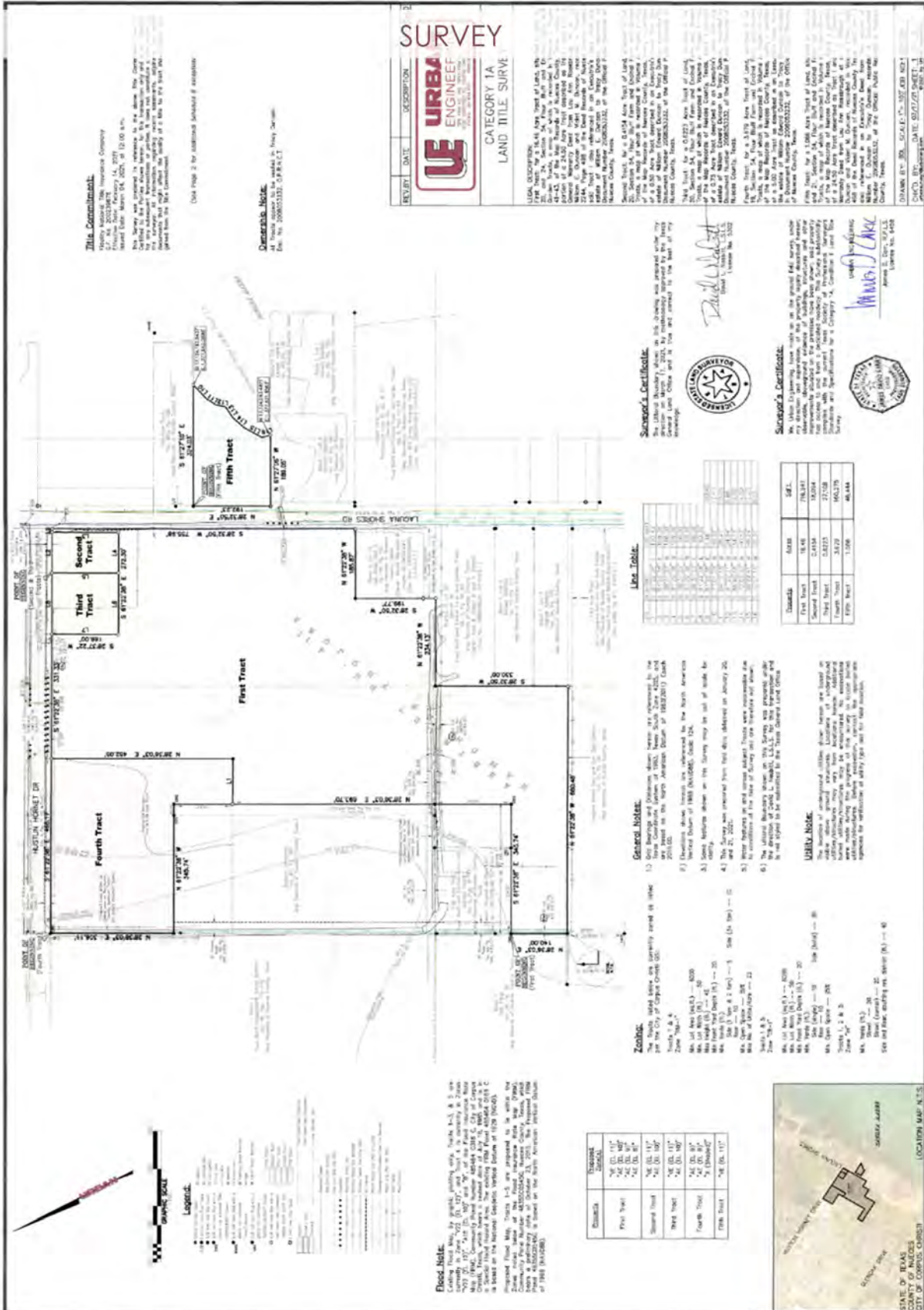
CONCLUSION

Given the physical and legal characteristics, the subject site is capable of being developed with a variety of speculative uses.





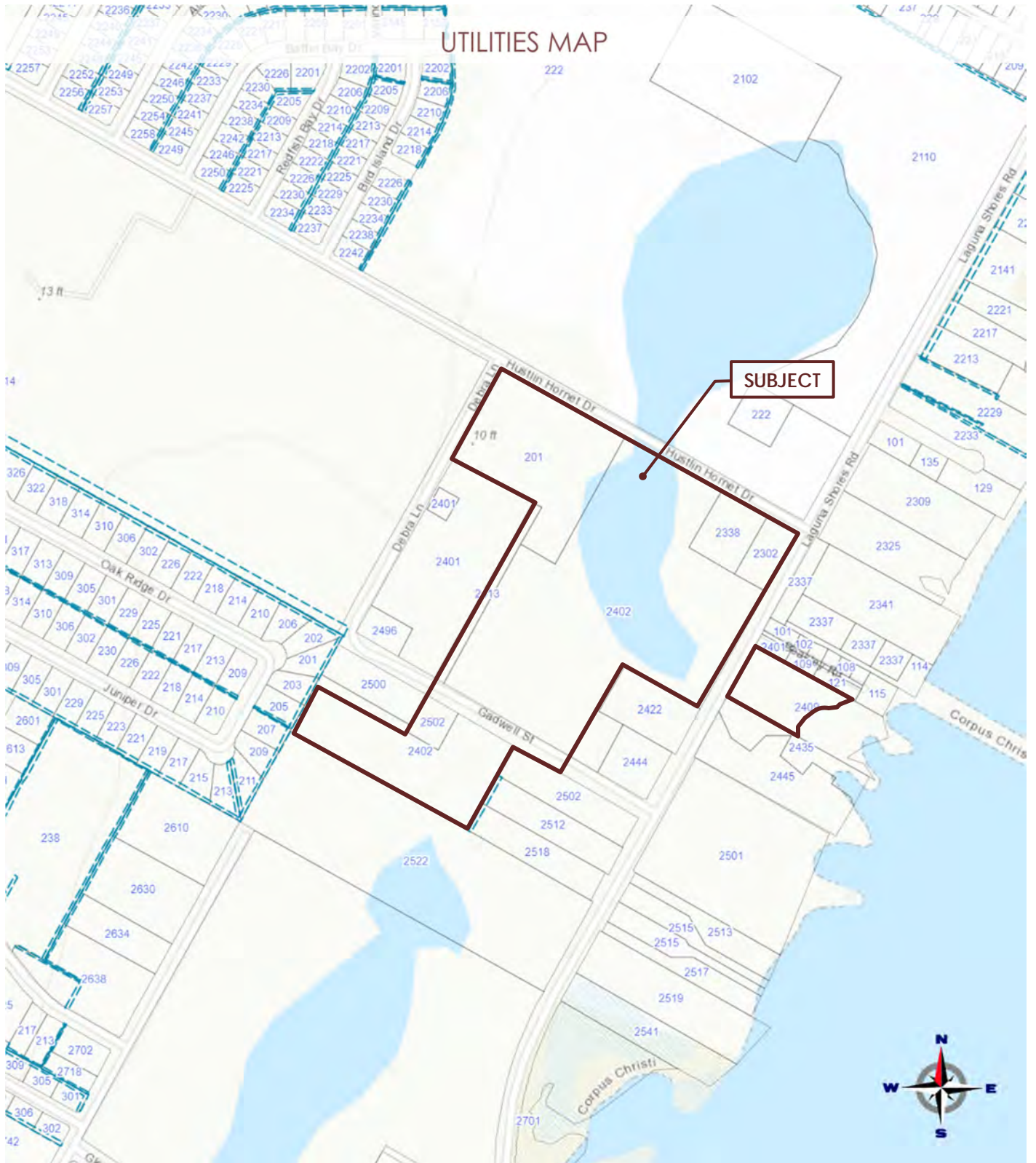








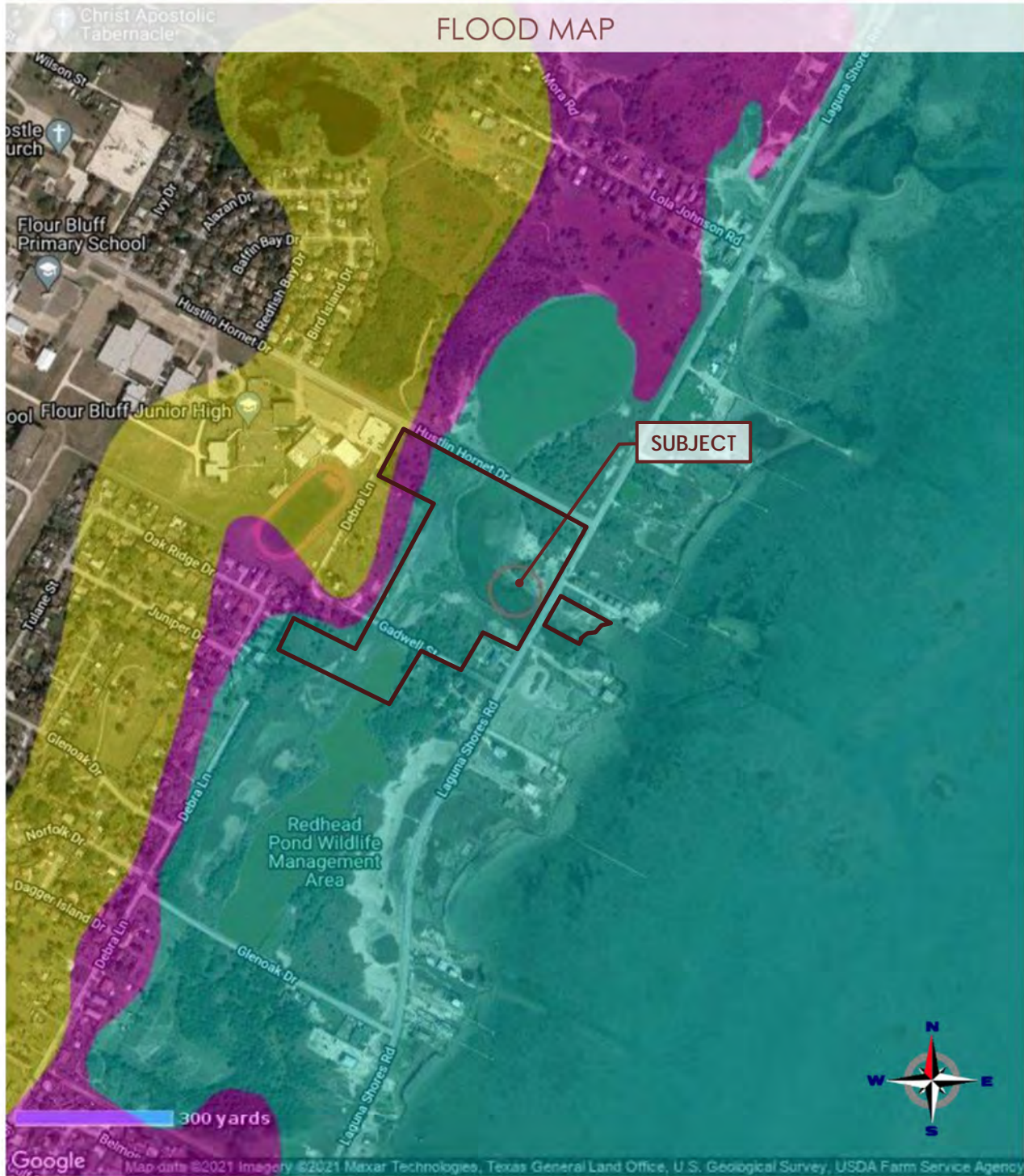
UTILITIES MAP





InterFlood by a la mode

Prepared for: Lowery Property Advisors, LLC
Corpus Christi, TX



MAP DATA

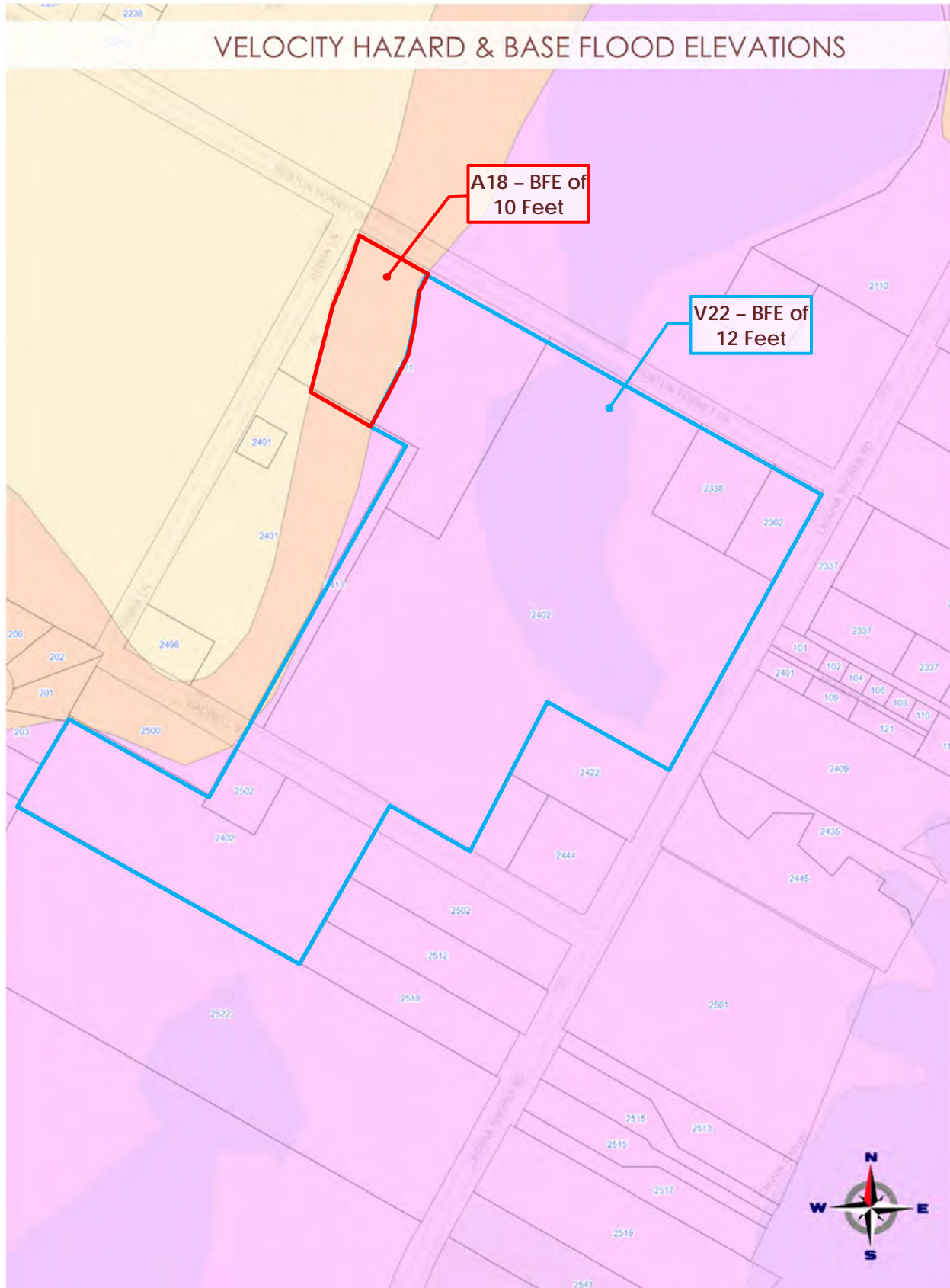
FEMA Special Flood Hazard Area: **Yes**
 Map Number: **4854640318C**
 Zone: **V22**
 Map Date: **July 18, 1985**
 FIPS: **48355**

MAP LEGEND

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

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Flood Hazard Area Effective

A
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A9
AE
AH
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V13
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V15
V16
V17
V18
V20
V21
V22
V23
VE
X
X500
<all other values>



PROPERTY HISTORY

Ownership of the subject property is currently vested in *Tracy Duncan* as evidenced by the Nueces County Executrix's Deed Document No. 2008053232 and has been under the same ownership since November 14, 2008. Tracy Duncan was the Independent Executrix of the Estate of William Edward Duncan. The subject has been under the same ownership for an excess of ten (10) years prior to the effective date of this report. Tracy Duncan acquired the property from the Estate of William Edward Duncan on November 14, 2008. This transaction was not an arm's length as it was Executrix's Deed between family members. The subject is not currently under contract or leased and there are no known offers as of the effective date of this report.

No further history was uncovered.





REAL ESTATE TAXES

The subject property is located in 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 United Independent School District and Webb County.

The subjects current tax assessment displays a market value of \$159,327 or \$6,818/Acre, which is considered *favorable* based on the opinion of market value herein. It is noted, the subject property identified by the tax accounts consists of 23.3699 acres; however, a small portion of Tax #233073 and Tax #233074 is not included in the provided survey and is not part of the subject whole property in this appraisal report.

Current subject taxes are detailed as follows:

PROPERTY TAX CALCULATION			
Account #'s: 233068, 233077, 233078, 543378, and a portion of 233073 and 233074			
Authority	Assessed Value	Rate / \$100	Tax Liability
City	\$159,327	\$0.6462640	\$1,030
County	\$159,327	\$0.7419070	\$1,182
School	\$159,327	\$1.0664000	\$1,699
		\$1.6108400	\$3,911





HIGHEST & BEST USE

The US Supreme Court in 1934 defined highest and best use as the "highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future." Taken further, the Court explained that a property's highest and best use must be considered "not necessarily as the measure of value, but to the full extent that the prospect of demand for such use affects the market value while the property is privately held." *Olson, 292 U.S. at 255; cf. Kerr v. S. Park Comm'rs, 117 (U.S. 379, 386) (1886).*

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

Legally Permissible

As mentioned previously, the subject property is in the City of Corpus Christi. The majority of the property is zoned "RM-1", Multifamily 1 District, "IH", Heavy Industrial, and "CR-1", Resort Commercial (Bayfront) District. Other than zoning, no private deed restrictions were uncovered during a normal investigation, which would 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 do not inherently limit potential uses, as a variety of multifamily, commercial resort and industrial uses are allowed in these zoning classifications.

Physically Possible

The subject is located at the southwest corner of Laguna Shores Road and Hustlin Hornet Drive and consists of 22.2427 acres (968,868 SF), with a small, non-contiguous portion of the property located on the southeast side of Laguna Shores Road, fronting the Laguna Madre. The subject is irregular in shape and displays relatively level topography. Approximately 95% of the property is in **Zone V22, Velocity Hazard (BFE 12)**, an area of 100-year coastal flood with velocity (wave action), and +/- 5% of the property is in **Zone B**, an area within the 500-year flood plain and **Zone A18, Flood Hazard**. The *proposed* FEMA flood map indicates that approximately 95% of the subject is located within **Zone VE, Velocity Hazard (BFE 11)** and **Zone AE (BFE 8, BFE 9 and BFE 10)**, areas within the 1% annual chance of flood. Approximately 5% of the tract, the northern portion of the site, is within Zone X, an area within the 0.2% annual chance of flood. New development in the velocity hazard flood area must abide by specific provisions and guidelines enforced by the City of Corpus Christi to achieve approval. According to the Floodplain and Coastal Protection Manager, Kathleen Chapa, and the City of Corpus Christi's Velocity Hazard Flood Plain Requirements (ordinance update April 16, 2021, all new construction must be located landward of the reach of mean high tide, the bottom of the lowest structure (cross member) must be elevated to 12 inches above the base flood elevation, and the pile or column foundation and structure attached to the foundation must be anchored to resist flotation, collapse, or lateral movement due to the effects of wind and water. **It should be noted that 95% of the subject property exhibits a Zone V22 Base Flood Elevation (BFE) which ranges from 10-12 feet; therefore, construction on the entirety of the structure (excluding pilings) would have to be built up 13 feet to meet the requirements of Corpus Christi's city ordinance (Base Flood Elevation, plus 12 inches above BFE).** Given the development of properties within the velocity hazard flood area and the significant height buildup and construction requirements, it is reasonable to conclude that development within this area is possible only with significant architectural and engineering to build up the improvements a total of 13 foot above Base Flood Elevation and an approved permit from the City of Corpus Christi.





In addition to the height requirements, additional building requirement must be met in the V22 hazard zone, including, but not limited to: breakaway walls, elevated plumbing connections, flood vents and no backfill during construction.

The majority of the subject soil composition (64.5%) consists of Nueces Fine Sand. The balance of the tract is Tidal Flats, Occasionally Ponded (20.4%), Water (12.3%), and Galveston and Mustang Fine Sands, Occasionally Flooded (2.8%). While potential development is not precluded, structures of significant scale would likely be limited. Public water and sewer service are available to the subject by extension and are provided by the subject's municipality. The subject possesses adequate access to Laguna Shores Road, a primary thoroughfare, and to Hustlin Hornet Drive and Debra Lane, both of which are secondary traffic carriers. Access to the subject's neighborhood is considered average due to its location near area 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. The property has access to utilities, but only by extension. According to real estate broker, Al Benavides, Haas-Anderson Construction, Ltd. is performing a water/sewer utility improvement project that will extend along Laguna Shores Road from Hustlin Hornets Drive to Caribbean Drive to the south. Mr. Benavides indicates the project is expected to be completed by February 2022. According to city officials, this is a developer driven project, and these utilities will be sufficient for development in the area. Development at the subject site is not likely immediately feasible until the utilities are fully extended. Based on the subject's physical characteristics and the principle of conformity, the subject would most likely be interim recreational use (1-2 years) and future speculative development, subject to utility extension and significant land planning and engineering for improvement(s).





Financially Feasible & Maximally Productive

The prior consideration of physically possible uses and legally permissible does not significantly narrow the use of the subject property. The subject is surrounded by undeveloped vacant land to the north, east, and southwest and residential uses to the south, east and west. The Duncan Cemetery and Flour Bluff Intermediate School are located adjacent to west of the property and The Redhead Pond Wildlife Management Area is adjacent to the southwest. The property has access to utilities, but only by extension. Based on market data presented in this report, it appears that development at the subject site is not likely immediately feasible, until infrastructure investment is made to achieve and abide by the provisions of development in the flood hazard area and utilities are fully extended. After considering legal, physical and financial alternatives, it is our opinion that the highest and best use of the subject, as if vacant, is for interim recreational use (1-2 years) and some form of future speculative development, subject to utility extension and significant architectural and engineering to support improvement(s).

The most probable user/buyer for the subject property is most likely an investor, speculator or developer.

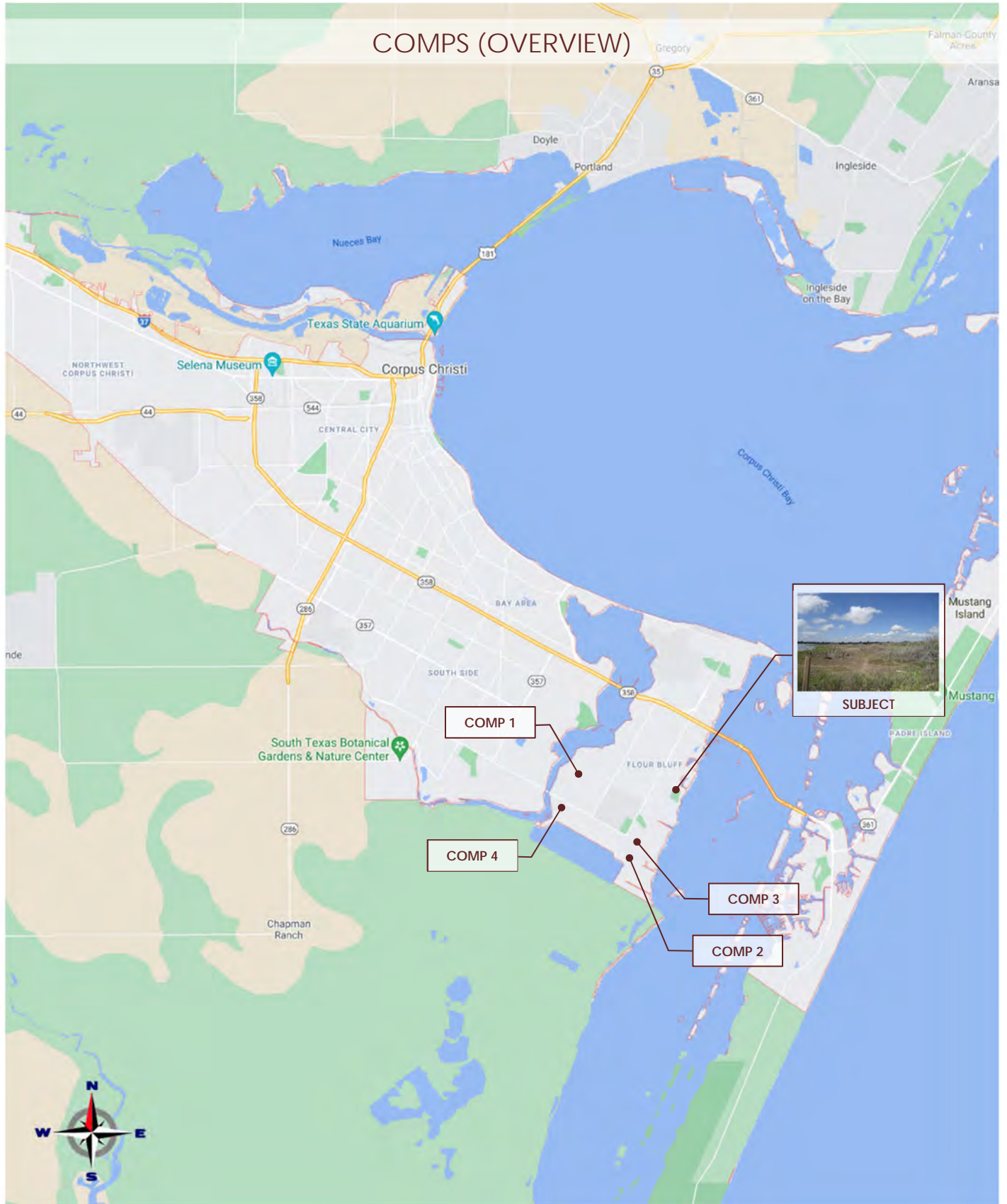


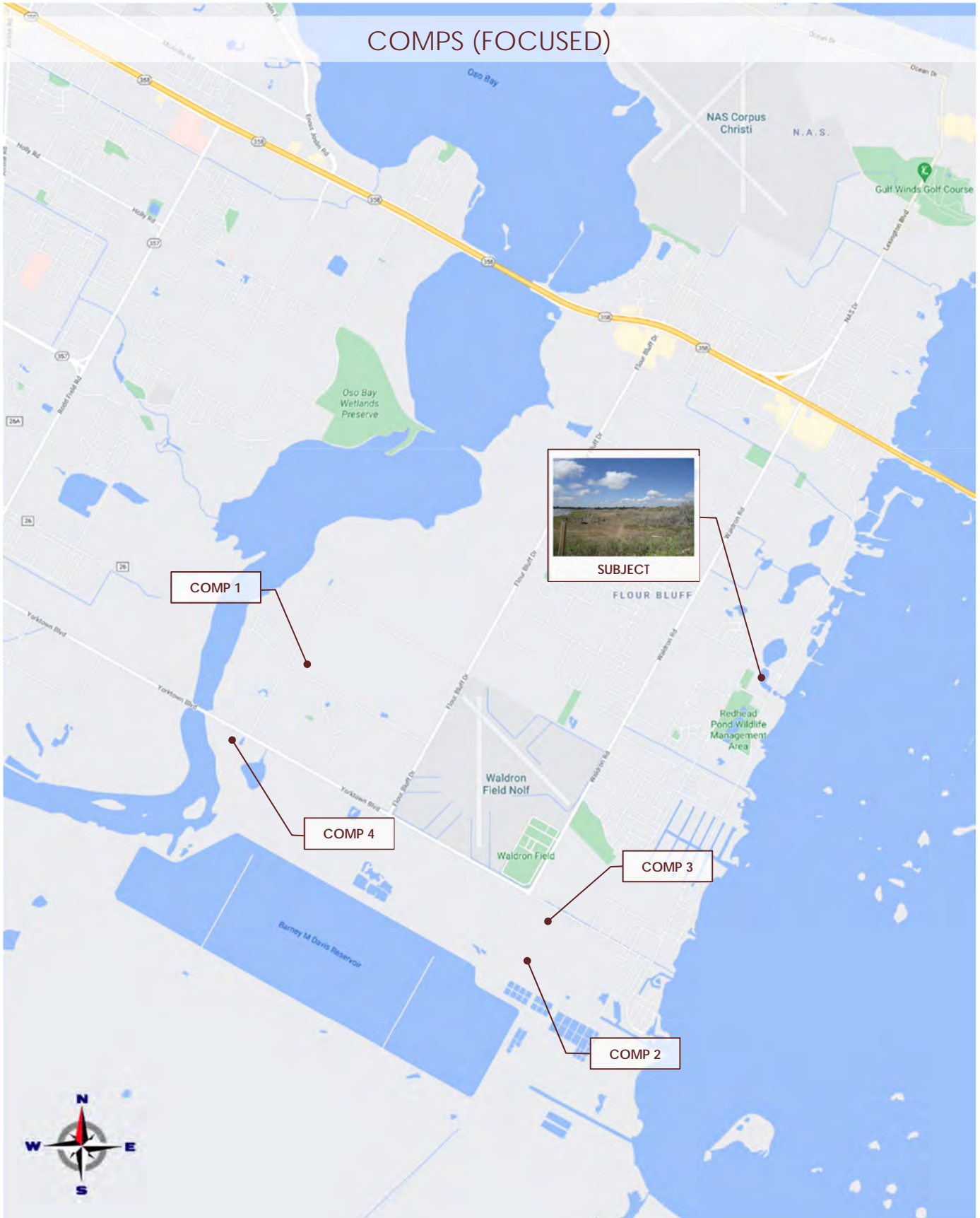


LAND VALUATION

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.







COMPARABLE 1



LOCATION		SALES DATA	
Address / Location	2002 Ramfield Road, Corpus Christi, Texas	Date of Sale	Pending
		Sale Price	\$1,150,000
		Price Per Acre	\$31,944
		Price Per SF	\$0.73
PHYSICAL DATA		Grantor	Urban James
Size (acres)	36.000	Grantee	Pending
Size (SF)	1,568,160	Recording	Pending
Zoning	FR - Farm Rural	Confirmation	Broker
Shape	Irregular		
Topography	Generally level to gently rolling		
Utilities	All Available, by extension		
COMMENTS			
<p>The property is located at the northeast corner of Ramfield Road and Roscher Road. Approximately 25% of the property is located in Zone X, an area inside the 500-year flood plain. According to the broker, the property is under contract for slightly below but very close to the list of \$1,175,000; thus, we have identified a sales price of \$1,150,000. Public water and public sewer are available by extension. The broker indicated the property was purchased to develop a rural residential subdivision. Broker: Gene Guernsey (361) 960-7653</p>			



COMPARABLE 2



LOCATION

Address / Location 4121 Waldron Road, Corpus Christi, Texas

PHYSICAL DATA

Size (acres) 55.363
Size (SF) 2,411,612
Zoning FR - Farm-Rural
Shape Irregular
Topography Generally level to gently rolling
Utilities All Available

SALES DATA

Date of Sale May 7, 2021
Sale Price \$950,000
Price Per Acre \$17,159
Price Per SF \$0.39

Grantor The Corpus Christi Riding Center, Inc.
Grantee Lundquist Family Real Estate, LLC
Recording 2021023284
Confirmation Broker

COMMENTS

The property is located on the southeast side of Waldron Road, southwest of Yorktown Boulevard. The property is located outside of the flood plain. Approximately 25% of the eastern portion of the property is in a designated wetlands area. The broker indicated the property sold for a discounted price due to the area within the designated wetlands. The property was purchased for rural residential and recreational purposes and to develop three residences, one for the parents and one for each of their kids.
 Broker: Roberta Bates (361) 815-1720





COMPARABLE 3



LOCATION

Address / Location 557 Yorktown Boulevard,
Corpus Christi, Texas

SALES DATA

Date of Sale	March 25, 2021
Sale Price	\$601,400
Price Per Acre	\$60,140
Price Per SF	\$1.38

PHYSICAL DATA

Size (acres) 10.000
Size (SF) 435,600
Zoning RS-6 - Single-Family 6
Shape Square
Topography Generally level
Utilities All available, by extension

Grantor	Hui Fang Huang Su and Tsung-Chow Su
Grantee	MVR Construction Company
Recording	2021014156
Confirmation	Broker

COMMENTS

The property is located on the southwest side of Yorktown Boulevard, southeast of Waldron Road. The property is located entirely outside the flood plain. Public water and public sewer are available by extension. The property is surrounded by vacant land and rural residential uses.
 Broker: Beverly Dirks (361) 244-0290





COMPARABLE 4



LOCATION		SALES DATA	
Address / Location	2323 Yorktown Boulevard, Corpus Christi, Texas	Date of Sale	August 30, 2019
		Sale Price	\$340,000
		Price Per Acre	\$34,729
		Price Per SF	\$0.80
PHYSICAL DATA		Grantor	Charokee Michael Molina and Cheyenne Marie Belew, Trustees
Size (acres)	9.79	Grantee	The Mostaghasi Investment Trust
Size (SF)	426,452	Recording	2019037587
Zoning	None	Confirmation	Broker
Shape	Generally rectangular		
Topography	Generally level to gently rolling		
Utilities	Electric, Well		
COMMENTS			
<p>The property is located on the southwest side of Yorktown Boulevard, across from Roscher Road. Oso Bay forms the south property line. The property is entirely located within the Zone A13 flood hazard area which has some building requirements but is further away from wave action than the V22 hazard area. The property is, however, within a Base Flood Elevation of 11 feet, which would require construction on pilings and the lowest cross member to be built 12 feet above the BFE. Source: Brion Hunsaker (361) 815-8461</p>			





LAND SALES SUMMARY

The market data utilized for the basis of this analysis is considered the best available and indicative of current market trends for undeveloped land in the subject market area. Components that affect the sale price of improved land are numerous, but the most prominent are property rights conveyed, terms, conditions of sale, market conditions, size, location, physical features, zoning and public utility availability.

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 and therefore, no adjustments were made.

Financing Terms

The adjustment for cash equivalency takes into account the fact that the transaction price of the comparable property may not be equal to its cash equivalent price. All the sales utilized in this analysis were cash to seller transactions or transactions involving market financing, and no adjustment for cash equivalency was necessary.

Conditions of Sale

Adjustments for conditions of sale are intended to recognize motivations of the buyer and the seller that are unique to ordinary market conditions. All of the comparable market data utilized herein were arm's length transactions. With respect to this factor, no adjustments were warranted.

Market Conditions

The transactions occurred between August 2019 and May 2021, with Comparable 1 currently under contract. 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. **It should be noted that recent market conditions related to COVID-19 are having an impact on real estate values for certain property types. We have included some comparable sales that transacted either during or before the onset of the COVID-19 pandemic. The table below illustrates survey results provided by market participants across the region and their perspective on impacts of real estate values due to the pandemic.**





COVID-19 MARKET SURVEY			
Date Surveyed	Company	Property Type	% Impact on Values
May 20, 2020	Cobb Lundquist & Atnip	Land	0.00%
August 25, 2020	Garron Dean & Associates	Land	0.00%
March 19, 2021	Joe Adame & Associates	Land	0.00%
April 8, 2021	Gulftex Properties	Land	0.00%
Average			0.00%

Three of the four sales occurred since the pandemic; however, the market participants interviewed indicated that land values have not been negatively impacted during the COVID-19 pandemic. In fact, some positive market appreciation is being realized since widespread access to vaccines are now available. Comparables 1 and 2 are considered current indicators of market conditions and no adjustment is warranted. Comparables 3 and 4 have been adjusted upward to reflect improving market conditions since their time of sale.

Location

Differences in value occur due to varying degrees of accessibility, exposure and surrounding development to a site. Access is often determined by corner locations, natural barriers, ease of entrance on and off of major thoroughfares, etc. Surrounding development also plays an important part of locational influences for a property. With respect to this factor, Comparables 1 – 4 are considered similar to the subject as they are all located within close proximity to the subject (Four Bluff area); thus, no adjustments are warranted.

Size

Size is a factor that must be considered when comparing improved 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. Approximately 95% of the property is in the Zone V22, Velocity Hazard (BFE 12 feet), an area of 100-year coastal flood with velocity (wave action), and +/- 5% of the property is in Zone B, an area inside the 500-year flood plain (BFE 10 feet). Conversations with area brokers and the Floodplain and Coastal Protection Manager, Kathleen Chapa, indicate that the Velocity Flood Hazard area has a significant impact on development potential. The City of Corpus Christi enforces strict provisions and guidelines to be met by the landowner for development approval in the velocity flood hazard area. The majority of the subject soil composition (64.5%) consists of Nueces Fine Sand. The balance of the tract is Tidal Flats, Occasionally Pondered (20.4%), Water (12.3%), and Galveston and Mustang Fine Sands, Occasionally Flooded (2.8%). While potential development is not precluded, structures of significant scale would likely be limited. With respect to this factor, Comparables 1 and 3 are adjusted downwards significantly for their lack of the flood plain and ponding. It should be noted, approximately 15% of Comparable 1 is located in Zone X (500-year flood plain), but this does not limit the development potential of the property. Comparable 2 is located outside of the flood plain, but the broker indicated the property sold for a discounted price due to approximately 25% of the eastern portion of the property being located in designated wetlands; thus, a lesser downward adjustment is applied to Comparable 2 than to Comparables 1 and 3. Comparable 4 is entirely located within a Base Flood Elevation of 11 feet, Zone A13. Construction in BFE 11 would require a minimum height of 12 feet above surface level; however, building requirements in Zone A13 are less stringent than in the V22, Velocity Hazard area. Although Comparable 4 is further away from the flood action, a lesser downward adjustment is applied to Comparable 4 relative to Comparables 1 and 3 as they lack these development requirements.

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 improved land, it is important to determine whether or not public utilities are available. As previously mentioned, all utilities are available to the site, but only by extension. Development at the subject site is not likely immediately feasible until the utilities are fully extended, anticipated for February 2022. With respect to this factor, Comparable 2 is adjusted downward for its immediate access to public water and sewer. Comparable 4 is adjusted downward for its water well.

Frontage / Accessibility

Adjustments for frontage, visibility, and accessibility are recognized when making adjustments as properties with superior road frontage command a premium in price, compared to those with limited to no visibility and/or difficulty of accessibility. Comparables 1 - 4 are located along similar traffic carriers with similar frontage/accessibility; thus, no adjustments are applied.





QUANTITATIVE VS. QUALITATIVE ADJUSTMENTS

The two most common methods for adjusting comparable sales for differences in financial and physical characteristics relative to the subject property are through quantitative and/or qualitative adjustments. As described in *Uniform Appraisal Standards for Federal Land Acquisitions*, "Quantitative adjustment is appropriate when there are adequate market data to reliably quantify the effect of a sale characteristic in terms of a percentage or dollar amount." Differences in sales prices which can be adequately isolated and extracted from comparable sales, for which reliable numerical adjustments can be developed, are best reflected with quantitative adjustments. Conversely, where the market data does not lend itself to support a quantitative adjustment, qualitative adjustments may be the most appropriate method. Qualitative analysis can be particularly useful in the appraisal of property with unique physical features, such as land use restrictions, environmental lands, and atypical easements or encumbrances.

In the case of the subject property, the immediate area (Flour Bluff) and broader area (greater Corpus Christi) were researched and interviews were conducted with active market participants in search for the most comparable data. Approximately 95% of the subject is located within the V22, Velocity Hazard (BFE 12), an area of 100-year coastal flood velocity (wave action). Given the lack of adequate comparable market data (only Comparable 4 was 100% within Zone A13, BFE 11), this analysis has utilized qualitative adjustments in the analysis of the subject property. A legend is presented below which summarizes the extent of the "+" (inferior) and "-" (superior) adjustments which were used in analysis of the subject property.

QUALITATIVE ADJUSTMENTS		
Adjustment	Explanation	Relative to Subject
+ or -	Slight or Minor difference	+ inferior - superior
++ or --	Moderate difference	
+++ or ---	Significant difference	
++++ or ----	Major difference	
=	Similar	



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 opinion of value of the subject via the Sales Approach.

	SUBJECT	1	2	3	4
Date	Current	Pending	May-21	Mar-21	Aug-19
Sale Price		\$1,150,000	\$950,000	\$601,400	\$340,000
SIZE - Acre	22.2427	36.00	55.363	10.00	9.79
Unit Price (\$ / Acre)		\$31,944	\$17,159	\$60,140	\$34,729

TRANSACTION ADJUSTMENTS

Property Rights		Similar = \$31,944	Similar = \$17,159	Similar = \$60,140	Similar = \$34,729
Financing Terms	Cash	Similar = \$31,944	Similar = \$17,159	Similar = \$60,140	Similar = \$34,729
Conditions of Sale	Arm's Length	Similar = \$31,944	Similar = \$17,159	Similar = \$60,140	Similar = \$34,729
Market Conditions	Current	Pending Similar =	May-21 Similar =	Mar-21 Inferior =	Aug-19 Inferior +

PROPERTY ADJUSTMENTS

Location	Average	Similar =	Similar =	Similar =	Similar =
Size - Acre	22.2427	36.00 +	55.36 +	10.00 -	9.79 -
Physical Features	95% Velocity Hazard Flood Area; 5% Zone B	Superior ---	Superior ---	Superior ---	Superior --
Utilities	By Extension; Electricity	Similar =	Superior -	Similar =	Similar =
Frontage / Accessibility	Adequate	Similar =	Similar =	Similar =	Similar =
<i>Total Adjustment</i>		---	---	----	---

Range of Unadjusted Prices **\$31,944 - \$60,140**

Unadjusted Mean \$ / Acre **\$36,000**

A value significantly below the unadjusted mean is considered justified given the significant Velocity Flood Hazard area present on the subject (95%); however, primary weight was placed on Comparables 1, 2 & 4 for other similar physical characteristics and/or lesser net qualitative adjustments.

Concluded Unit Value **\$16,000**

Land Size (Acres) **22.2427**

Value Indication **\$355,883**





RECONCILIATION

This appraisal, subject to the assumptions and limiting conditions as expressed herein and conducted according to the *Uniform Appraisal Standards for Federal Land Acquisitions* (Yellow Book) and the *Uniform Standards of Professional Appraisal Practice* (USPAP), led us to the opinion that the subject property has a market value of:

VALUE CONCLUSIONS			
Status	Interest	Date	Value
As Is	Fee Simple	May 7, 2021	\$355,000





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, however, is not qualified to detect such substances. The presence of substances such as antimony (lustrous gray metalloid), 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 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 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.
- The appraisal was developed and the appraisal report was prepared in conformity with the Uniform Appraisal Standards for Federal Land Acquisitions.
- The appraisal was developed and the appraisal report prepared in conformance with the Appraisal Standards Board's *Uniform Standards of Professional Appraisal Practice* and complies with USPAP's Jurisdictional Exception Rule when invoked by Section 1.2.7.2 of the *Uniform Appraisal Standards for Federal Land Acquisitions*.
- 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.
- Mario Caro, MAI, AI-GRS, SR/WA made a personal inspection of the property that is the subject of this report and was granted permission by Ms. Tracey Duncan, the property owner, to view the property unaccompanied. Anthony DiMare did not make a personal inspection of the subject property.
- 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 has 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.
- 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 any 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.

Subject Market Value as of May 7, 2021: \$355,000

MARIO CARO, MAI, AI-GRS, SR/WA
Certificate No. TX-1334889-G

ANTHONY DIMARE
Certificate No. TX1381001-G





ADDENDUM



Real Estate Appraisal Contract

Project No. 18024A – Laguna Shores Rd, Caribbean to Hustlin' Hornet;
18025A – Mediterranean to Wyndale; 18026A – Graham to SPID

This contract is between the **City of Christi, Texas**, a Texas home-rule municipal corporation ("City"), P. O. Box 9277, Corpus Christi, Texas 78469-9277 acting through its duly authorized City Manager or designee and **Lowery Property Advisors, LLC**, ("Appraiser") of 105 Decker Court, Suite 1000, Irving, Texas 75062 for the preparation of one Real Estate Appraisal report for real property acquisition purposes by the City in connection with Project No. 18024A – Laguna Shores Rd, Caribbean to Hustlin' Hornet; 18025A – Mediterranean to Wyndale; 18026A – Graham to SPID

NOW THEREFORE, the City and the Appraiser agrees as follows:

A. The Appraiser agrees to the following:

(1) Submit a bound copy of the appraisal report to the City of Corpus Christi with Appraiser's invoice. The appraisal will contain a summary letter indicating the market value determined in the report. Include in the addendum all maps, photographs, market data and other pertinent data which affect the final market value.

- a. Prepare one complete, summary appraisal report in narrative format containing the market value (as defined in USPAP) for Fee Simple rights, excluding any oil, gas, and mineral interests, to the 22.243 acre of land described and shown on **Exhibit A**.

In developing and reporting the appraisal, the appraiser must abide by the most current edition of the Uniform Standards of Professional Appraisal Practice (USPAP). The report must show all applicable approaches to value.

(2) The Appraiser will submit appraisal reports to the City within 45 days after receipt of authorization to proceed (Notice to Proceed). The City reserves the right to add, amend and revise the number of parcels, if necessary, at an additional fee agreed upon between the City and the Appraiser.

(3) The Appraiser agrees to share information on comparable sales in the area in a cooperative manner with other appraisers appraising in the area for the City.

(4) The Appraiser agrees to consult with the City Property and Land Acquisition Division Manager to discuss the appraisal prior to completion and shall submit the report to Property and Land Acquisition Division, P. O. Box 9277, (City Hall - 1201 Leopard Street, 3rd Floor), Corpus Christi, Texas 78469-9277 upon completion.

(5) SCOPE OF WORK: See the Appraisers Fee proposal attached as **Exhibit B** for Scope of Work. It is further agreed that appraisal information concerning the property assigned for appraisal services, whether contained in or within the appraisal report to the City or not, is to be treated as confidential and a breach of such confidence by the Appraiser, except on written authorization by the City Manager or upon proper order of the Court, is a material breach of this contract.

(6) If there are separately held interests in any parcel of real property to be acquired (such as easements, leaseholds, tenant-owned improvements, agricultural crops, life estates, etc.) the appraisal must include an apportionment of the total just compensation to each separately held





interest to be acquired. **Acquisition will not include oil, gas, or mineral rights.**

(7) The Appraiser will comply with all Federal, State and Local laws and ordinances applicable to the work.

(8) In the appraisal report, the Appraiser will include the Appraiser's technical qualifications, general appraisal experience, specific experience in appraising properties of the type involved in this project, the courts in which Appraiser has testified as an expert witness and any other information relating to professional qualifications.

(9) In agreeing to the terms of this contract, the Appraiser hereby certifies that Appraiser does not have any interest (including that of real estate broker or agent), direct or indirect, present or prospective, in any parcel(s) described in this contract or any other interest, whether or not in connection with said parcel(s), which would conflict in any manner or degree with the performance of the services and submission of impartial reports, and has not employed and will not employ, in connection with the services to be furnished hereunder, any person having any such interest, and until such parcel(s) is (are) acquired by the City or excluded from its project. The Appraiser and any employees of the Appraiser, so long as they are employed by the Appraiser, will not acquire any such interest and will not, for their own account or for other than the City, negotiate for any of said parcel(s), perform services in connection with said parcel(s), or testify voluntarily as a witness in a condemnation or other proceeding with respect to such parcel(s).

(10) The Appraiser shall not assign, transfer or delegate any of Appraiser's obligations or duties of this contract to any other person without prior written consent of the City Manager except for routine duties delegated to personnel of the Appraiser's staff.

(11) **INDEMNIFICATION**

Appraiser agrees to indemnify, save harmless and defend the City of Corpus Christi, its agents and employees against and hold it harmless from any and all lawsuits, claims, demands, liabilities, losses and expenses, including court costs and attorneys' fees, due to activities of Appraiser, its agents or employees, including without limitation, any injury to any person, any death at any time resulting from such injury or any damage to any property, which may arise or which may be alleged to have arisen out of or in connection with the work covered by this contract. The foregoing indemnity shall apply except if such injury, death or damage is caused by the sole negligence of the City of Corpus Christi, its agents or employees.

B. Appraiser acknowledges that acquisition of the property shown in **Exhibit A** will be with funds provided through a grant from the Texas General Land Office ("GLO") providing Gulf of Mexico Energy Security Act of 2006 ("GOMESA") funding made available to the State of Texas and awarded under the Texas Coastal Management Program ("CMP"), and therefore, Appraiser agrees to the terms and conditions in **Exhibit C**.

C. The City agrees to provide the following to the Appraiser:

- (1) Furnish copies of any available survey data for the parcel.
- (2) Furnish copies of any available title reports for the parcel.
- (3) Provide information on comparables, if any, available to the City.
- (4) Other data as indicated in the appraiser's proposal letter (**Exhibit B**).





D. Fee: In consideration of work to be performed by the Appraiser herein and in accordance with the appraiser's written proposal attached as **Exhibit B**, the City agrees to pay Appraiser the total sum of

E. Payment: Payment for the appraisal report is to be made upon completion of the total assignment, submittal of invoice and correction of any errors.

F. Termination: The City reserves the right to terminate this contract with or without cause at any time. Termination may include the entire contract or may include only selected parcels that the City desires to delete. In either case, the City agrees to pay Appraiser only for the work completed at the time of termination.

CITY OF CORPUS CHRISTI

Digitally signed by Jeff Edmonds
Date: 2021.04.21 09:15:23 -05'00'

Jeff H. Edmonds, P.E. (Date)
Director of Engineering Services

LOWERY PROPERTY ADVISORS, LLC

4/20/2021

Mario Caro, MAI, AI-GRS, SR/WA (Date)
mario@lowerypa.com

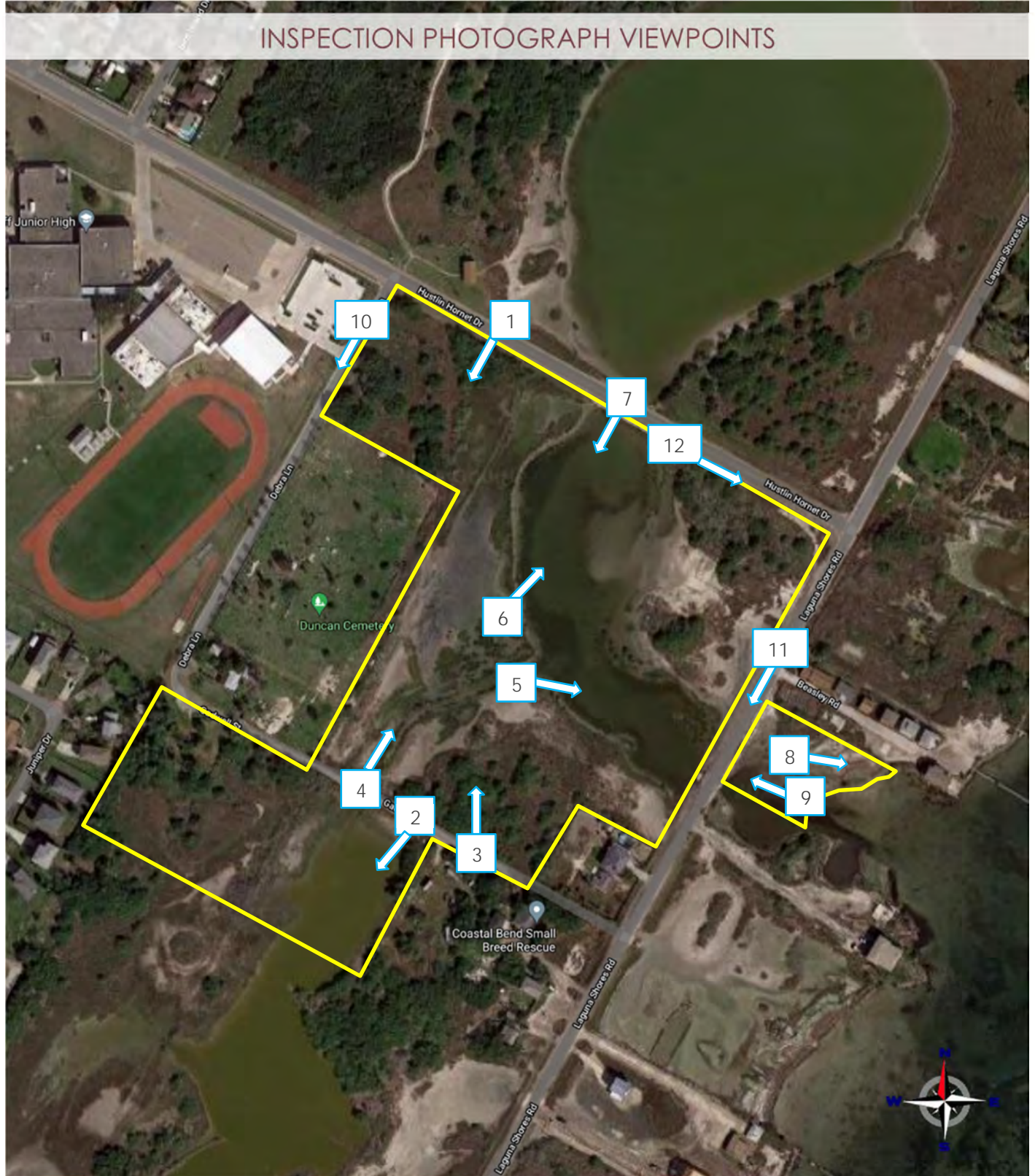
APPROVED AS TO FORM:

2021.04.21
08:15:47 -05'00'

Legal Department (Date)

FUNDING SOURCE:







SAN ANTONIO

100 NE Loop 410 #1350
San Antonio, TX 78216

direct 210.528.1491
mario@lowerypa.com

EXPERIENCE

Mario Caro has served as 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, carwash, 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 moved to the largest global real estate valuation firm and appraised high-profile commercial properties in addition to initializing their right-of-way practice.

Mario has 20 years' 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
 - MAI and AI-GRS designations
 - First and Second Vice President 2021 & 2020, South Texas Chapter
 - Treasurer 2019, South Texas
 - Secretary 2018, South Texas
 - Regional Rep 2020-2021, South Texas
 - Education Chair 2020, South Texas
 - Board of Directors 2014-2017, South Texas Chapter
 - Alternate Regional Rep 2014-2019, South Texas Chapter
 - Candidate Guidance Chair 2014-Present, South Texas Chapter
- International Right-of-Way Association
 - Designated Member (SR/WA)
 - Treasurer 2020-2021, South Texas
 - Secretary 2019-2020, South Texas
 - Activities Chair 2012-2013, South Texas

LICENSES

Texas General Appr.
TX 1334889 G

Louisiana General Appr.
G4402

EDUCATION

BS – Texas A&M University – Agribusiness

Coursework for MAI designation

Coursework for SR/WA designation

Coursework for AI-GRS designation



ANTHONY DIMARE



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adimare@lowerypa.com

APPRAISAL / REAL ESTATE EXPERIENCE

November 2020 to Present; Senior Associate at Lowery Property Advisors
September 2015 to November 2020; Certified Appraiser at Allen, Williford, & Seale, Inc.
Types of properties appraised include: eminent domain/condemnation, partial acquisitions, agricultural, commercial, industrial, and vacant land appraisals.

EDUCATION

BBA Supply Chain Management – Texas A&M University, 2015

Successfully completed the following courses administered by the Appraisal Institute and McKissock Appraisal Education:

- Basic Appraisal Principles
- Basic Appraisal Procedures
- Uniform Standards of Professional Appraisal Practice
- Texas Supervisor-Trainee Course
- Real Estate Finance, Statistics, and Valuation Modeling
- General Appraiser Income Capitalization Approach – I
- General Appraiser Income Capitalization Approach – II
- General Appraiser Market Analysis and Highest and Best Use
- General Appraiser Report Writing and Case Studies
- General Appraiser Sales Comparison Approach
- General Appraiser Site Valuation and Cost Approach
- Commercial Appraisal Review
- Expert Witness for Commercial Appraisers

LICENSES

Texas General Appraiser
1381001-G



**Certified General
Real Estate Appraiser**

Appraiser: **Anthony William DiMare**
License #: **TX 1381001 G**

License Expires: **06/30/2022**

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

