



NATIONAL APPRAISAL PARTNERS, LLP

COMMERCIAL REAL ESTATE APPRAISAL
AND CONSULTING SERVICES

TEXAS

HOUSTON

3203 Edloe Street
Houston, Texas 77027
713.463.8761

AUSTIN

808 B East 46th Street
Austin, Texas 78751
512.650.6598

DALLAS/FORT WORTH

1910 Pacific Avenue, Suite 13750
Dallas, Texas 75201
214.205.3622

SAN ANTONIO

7272 Wurzbach Road, Suite 1001
San Antonio, Texas 78240
210.488.1735

WACO

5006 Lakeland Circle, Suite 107
Waco, Texas 76710
254.233.9839

WISCONSIN

MADISON

2801 International Lane, Suite 104
Madison, Wisconsin 53704
608.371.1805

WWW.NAPLLP.COM

**APPRAISAL OF THE
PUERTO BELLA TOWNHOMES**

LOCATED AT

**611, 611B, 615, 615B AND 619 WEST AVENUE A
PORT ARANSAS, NUECES COUNTY, TEXAS 78373**

(BORROWER: J BAR HOLDINGS, LLC)

**DATE OF VALUE
"As Is": MAY 28, 2025**

**DATE OF REPORT
JUNE 10, 2025**

**DATE OF INSPECTION
MAY 28, 2025**

PREPARED FOR

**STELLAR BANK
13909 EAST FREEWAY
HOUSTON, TEXAS 77015**

PREPARED BY

NATIONAL APPRAISAL PARTNERS, LLP

NAP LLP FILE #: 25-782



NATIONAL APPRAISAL PARTNERS, LLP

June 10, 2025

Mr. Bill Hendrix
Stellar Bank
13909 East Freeway
Houston, Texas 77015

Re: Appraisal of the Puerto Bella townhomes located at 611, 611B, 615, 615B and 619 West Avenue A, Port Aransas, Nueces County, Texas 78373 - (Borrower: J Bar Holdings, LLC)

Dear Mr. Hendrix,

At your request we have appraised the above referenced property. The purpose of this appraisal is to provide an estimate of the fair market value of the fee simple interest of the above referenced property "As Is" as of the date of inspection, or May 28, 2025, the orderly liquidation value of the above referenced property "As Is" as of the date of inspection, or May 28, 2025 and the forced liquidation value of the above referenced property "As Is" as of the date of inspection, or May 28, 2025.

The subject of this appraisal is a residential townhome project (under construction – approximately 95% complete) with three units (two of which contain an ancillary dwelling unit) containing a total of 6,302 square feet of gross building area on 10,224 square feet or 0.235 acres of land. A detailed description of the property is included in the Site and Improvements Analysis sections of this report.

The intended use of this appraisal is for loan underwriting purposes and-or credit decisions by Stellar Bank and-or participants. We have performed appraisal services regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.

Our valuation was prepared in conformance with the Uniform Standards of Professional Appraisal Practice ("USPAP") of The Appraisal Foundation, and with regulations adopted by the Department of the Treasury, Office of the Comptroller of the Currency, required under Title XI of the Financial Institution Reform, Recovery, and Enforcement Act of 1989. This appraisal was also prepared in conformance with the Appraisal Requirements of Stellar Bank. This Appraisal Report is the written result of our findings and analysis. These opinions are to be used solely for the purposes stated

above and are subject to the accompanying definition of fair market value and Statement of General Assumptions and Limiting Conditions.

Extraordinary Assumptions (the use of which might have affected the assignment results herein):

1. The subject property is currently under construction (approximately 95% complete). We have relied on a property inspection report provided by the client regarding the remaining construction items and estimated cost to complete (see Addenda). We assume this information is accurate.

Hypothetical Conditions (the use of which might have affected the assignment results herein):

1. There are no Hypothetical Conditions for this appraisal.

Based on the investigation described in this report, the fair market value of the fee simple interest of the subject property "As Is" as of the date of inspection, or May 28, 2025, is as follows:

FOUR MILLION FIVE HUNDRED SIXTY THOUSAND DOLLARS
\$4,560,000

Based on the investigation described in this report, the orderly liquidation value of the subject property "As Is" as of the date of inspection, or May 28, 2025, is as follows:

THREE MILLION SIX HUNDRED FIFTY THOUSAND DOLLARS
\$3,650,000

Based on the investigation described in this report, the forced liquidation value of the subject property "As Is" as of the date of inspection, or May 28, 2025, is as follows:

THREE MILLION ONE HUNDRED NINETY THOUSAND DOLLARS
\$3,190,000

Mr. Bill Hendrix
June 10, 2025
Page iii

We appreciate the opportunity to perform this service for Stellar Bank.

Sincerely,

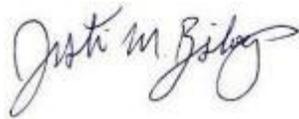
NATIONAL APPRAISAL PARTNERS, LLP



Thomas A. Stark, MAI, Partner
State Certified General Real Estate Appraiser
TX-1325319-G
tstark@napllp.com



Bryan S. Miller, MAI, CCIM, Partner
State Certified General Real Estate Appraiser
TX-1328184-G
bmiller@napllp.com



Justin M. Bishop
State Certified General Real Estate Appraiser
TX-1380401-G
jbishop@napllp.com



Jolee Aylesworth
State Certified General Real Estate Appraiser
TX-1324211-G
jaylesworth@napllp.com



Christian Kitchen
State Certified General Real Estate Appraiser
TX-1381380-G
ckitchen@napllp.com

Attachments

EXECUTIVE SUMMARY

Property Identification

Property Appraised: Puerto Bella Townhomes

Address: 611, 611B, 615, 615B and 619 West Avenue A
Port Aransas, Nueces County, Texas 78373

Location: SW/S West Avenue A, approximately 120 feet northwest of
Sixth Street

Date of Inspection: May 28, 2025

Date of Value
"As Is": May 28, 2025

Interest Appraised: Fee Simple

Property Data

Year Completed: 2025

Year Renovated: N/A

Remaining Economic Life: 55 Years

Total Number of Buildings: 1

Total Number of Units: 3 (plus 2 accessory dwelling units)

Gross Building Area (GBA):

Unit 611 & 611B:	2,262 SF (5 bed/5 bath)
Unit 615 & 615B:	2,262 SF (5 bed/5 bath)
Unit 619:	1,778 SF (4 bed/4 bath)
<u>Total:</u>	<u>6,302 SF</u>

Construction Type: Concrete And Stucco

Land Area: 10,224 Square Feet
0.235 Acres

Highest and Best Use

Site As If Vacant: Residential development

Property As Improved: Completion and use as townhome development (as
planned)

Marketing/Exposure Time: Six months or less

EXECUTIVE SUMMARY

Income Approach Assumptions

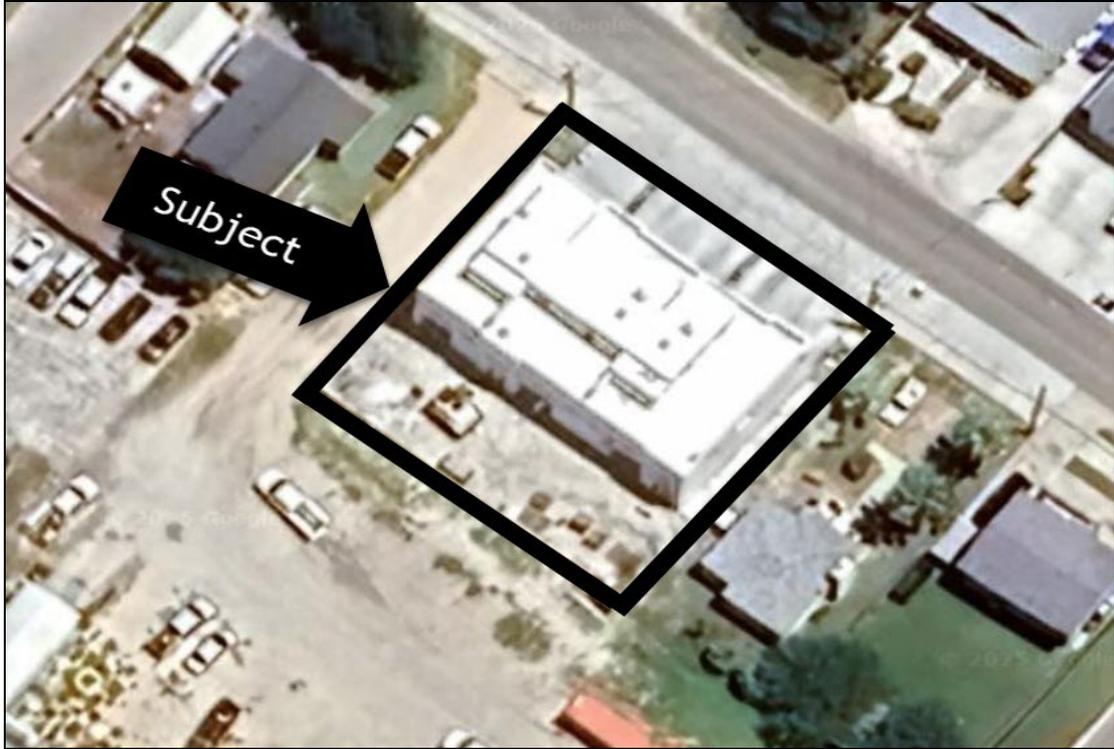
Overall Capitalization Rate:	5.50%
Estimated Market Rent (1 Bed/1 Bath):	\$1,800 (per month)
Estimated Market Rent (4 Bed/4 Bath):	\$3,800 (per month)
Stabilized Vacancy Rate:	9.0%
Collection Loss:	1.0%

Value Indications

	<u>Aggregate</u>	<u>Per Square Foot</u>
Fair Market Value		
Cost Approach:	\$3,210,000	\$509.36
Sales Comparison Approach:	\$4,560,000	\$723.58
Income Capitalization Approach:	\$1,820,000	\$288.80

Value Indications

	<u>Aggregate</u>	<u>Per Square Foot</u>
Final Value Estimates		
Fair Market Value	\$4,560,000	\$723.58
Orderly Liquidation Value	\$3,650,000	\$579.18
Forced Liquidation Value	\$3,190,000	\$506.19
Insurable Replacement Cost Estimate:	\$1,715,192	\$272.17



Aerial view of the subject property



Looking southeast along West Avenue A with the subject property on the right



Looking northwest along West Avenue A with the subject property on the left



Exterior view of the subject building



Interior view of the subject building



Interior view of the subject building



Interior view of the subject building



Interior view of the subject building



Interior view of the subject building



Interior view of the subject building



Interior view of the subject building



View of a swimming pool

TABLE OF CONTENTS

	<u>Page</u>
Letter of Transmittal	i
Executive Summary	iv
Subject Photographs.....	vi
Table of Contents	xii
 <u>SECTION I - SCOPE OF THE APPRAISAL</u>	
SCOPE OF WORK.....	1
DATE OF THE APPRAISAL.....	1
PURPOSE AND INTENDED USE OF THE APPRAISAL.....	1
PROPERTY RIGHTS APPRAISED	1
DEFINITION OF FAIR MARKET VALUE	2
 <u>SECTION II – GENERAL DATA</u>	
PROPERTY IDENTIFICATION	3
OWNERSHIP HISTORY OF THE PROPERTY	3
EXPOSURE/MARKETING PERIOD.....	3
AREA ANALYSIS.....	4
NEIGHBORHOOD ANALYSIS.....	9
SITE ANALYSIS	12
IMPROVEMENTS ANALYSIS	17
APARTMENT MARKET STUDY	34
 <u>SECTION III - HIGHEST AND BEST USE</u>	
SITE AS IF VACANT	37
PROPERTY AS IMPROVED.....	38
 <u>SECTION IV – COST APPROACH</u>	
LAND VALUATION.....	39
COMPARATIVE ANALYSIS.....	42
LAND VALUE CONCLUSION.....	43
REPLACEMENT COST NEW	44
ACCRUED DEPRECIATION.....	45
COST APPROACH CONCLUSION	47
 <u>SECTION V - SALES COMPARISON APPROACH – 4 BED/4 BATH UNIT</u>	
INTRODUCTION.....	48
COMPARATIVE ANALYSIS.....	51
SALES COMPARISON APPROACH CONCLUSION.....	52

	<u>Page</u>
 <u>SECTION VI - SALES COMPARISON APPROACH – 5 BED/5 BATH UNITS</u>	
INTRODUCTION.....	53
COMPARATIVE ANALYSIS.....	56
SALES COMPARISON APPROACH CONCLUSION.....	57
 <u>SECTION VII - SALES COMPARISON APPROACH – BULK SALE</u>	
	58
 <u>SECTION VIII - INCOME CAPITALIZATION APPROACH</u>	
INCOME ANALYSIS.....	60
EXPENSE ANALYSIS.....	65
DIRECT CAPITALIZATION METHOD.....	67
INCOME CAPITALIZATION APPROACH CONCLUSION	70
 <u>SECTION IX – LIQUIDATION VALUE ESTIMATES</u>	
	71
 <u>SECTION X - RECONCILIATION AND FINAL VALUE ESTIMATES</u>	
RECONCILIATION AND FINAL VALUE ESTIMATES.....	72
 <u>SECTION XI - CERTIFICATION, STATEMENT OF GENERAL ASSUMPTIONS AND LIMITING CONDITIONS</u>	
CERTIFICATION.....	73
STATEMENT OF GENERAL ASSUMPTIONS AND LIMITING CONDITIONS ...	74
 <u>SECTION XII - ADDENDA</u>	
Land Sale Write-ups	
Improved Sale Write-ups and Photographs – 4 Bed/4 Bath Units	
Improved Sale Write-ups and Photographs – 5 Bed/5 Bath Units	
Rent Comparable Write-ups and Photographs	
Apartment Expense Comparables Summary	
Inspection Report (Selected Pages)	
Insurable Replacement Cost Estimate	
Qualifications	
State Certifications	
Engagement Letter	

SCOPE OF THE APPRAISAL

Scope of Work

The scope of this appraisal involved the systematic research and analysis necessary to reach a value conclusion for the subject. The initial step was to inspect the subject property and the surrounding area. The extent of our inspection of the subject property included an inspection of the interior and the exterior of the building. After analyzing the macro environment, research was conducted relevant to the valuation process, including gathering comparable sales and listings, comparable rental data, expense data, real estate tax data and other pertinent information. We have completed the Cost, Sales Comparison and Income Capitalization Approaches to value for this appraisal. The scope of work defined herein is adequate to derive a credible value opinion of the subject property. This Appraisal Report is the written result of our findings and analysis.

Date of the Appraisal

The date of the fair market value of the fee simple interest of the subject property “As Is” is the date of inspection, or May 28, 2025. The date of the orderly and forced liquidation values of the above referenced property “As Is” is the date of inspection, or May 28, 2025. The date of this report is June 10, 2025.

Purpose and Intended Use of the Appraisal

The purpose of this appraisal is to estimate the fair market value of the fee simple interest of the subject property “As Is” and the orderly and forced liquidation values of the subject property “As Is”. The intended use of this appraisal is for loan underwriting purposes by Stellar Bank. This report is for the exclusive use of Stellar Bank, its affiliates, designates and assignees and no other party shall have any right to rely on any service provided by National Appraisal Partners, LLP without prior written consent. The client for this appraisal is Stellar Bank.

Property Rights Appraised

Fee simple interest, as used herein, is defined by *The Dictionary of Real Estate Appraisal*, Sixth Edition, as:

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.

Definition of Fair Market Value

The definition of fair market value for this appraisal, as defined by Stellar Bank, is as follows:

Fair Value is the cash price that might reasonably be anticipated in a current sale under all conditions requisite to a fair sale. A fair sale means that buyer and seller are each acting prudently, knowledgeably, and under no necessity to buy or sell - i.e., other than in a forced or liquidation sale. The appraiser should estimate the cash price that might be received upon exposure to the open market for a reasonable time, considering the property type and local market conditions. When a current sale is unlikely – i.e., when it is unlikely that the sale can be completed within 12 months – the appraiser must discount all cash flows generated by the property to obtain the estimate of fair market value. These cash flows include, but are not limited to, those arising from ownership, development, operation, and sale of the property. The discount applied shall reflect the appraiser’s judgment of what a prudent, knowledgeable, purchase under no necessity to buy would be willing to pay to purchase the property in a current sale.

GENERAL DATA

Property Identification

A brief legal description of the subject property is as follows:

0.235 acres, being Lots 1, 2 & 3, Block 1, Mustang Development, Nueces County, Texas.

The subject property is located along the southwest side of West Avenue A, approximately 120 feet northwest of Sixth Street in Port Aransas, Nueces County, Texas. The subject property address is 611, 611B, 615, 615B and 619 West Avenue A, Port Aransas, Nueces County, Texas 78373.

Ownership History of the Property

According to the Nueces County Appraisal District, the current owner of record for the subject property is J Bar Holdings, LLC. The property has been owned by J Bar Holdings, LLC and related entities controlled by Mr. Roy H. Acord since March 2010. The subject property is not currently being offered for sale nor are any sales currently pending. Based on our research, there have been no transactions involving the subject property over the past three years.

Exposure/Marketing Period

The comparable sales used in this appraisal and our interviews with local market participants indicate that the exposure/marketing period for properties similar to the subject is typically less than six months. Therefore, we estimate an exposure/marketing period of 12 months or less for the subject property.

Area Analysis

The subject property is located within the Corpus Christi Metropolitan Statistical Area (MSA). The Corpus Christi Metropolitan Statistical Area is a metropolitan area in south Texas that covers three counties: Aransas, Nueces and San Patricio. Corpus Christi is the eighth most populous city in the State of Texas.

Population

Corpus Christi MSA, State of Texas and United States population trends are presented on the table below.

Population Growth and Forecasts					
	2020	2024	Annual % Change	2029 Projection	Annual % Change
Corpus Christi MSA	445,763	449,712	0.22%	450,653	0.04%
Texas	29,145,505	30,857,478	1.47%	32,581,174	1.12%
United States	331,449,281	338,440,954	0.53%	344,873,411	0.38%

Source: STDB Online

The Corpus Christi MSA experienced moderate population growth from 2020 to 2024. The Corpus Christi MSA population growth rate trailed the state and the nation during the period. Population growth for the Corpus Christi MSA is projected to trail the state and the national growth rate between 2024 and 2029.

Income

The following table summarizes median household income for the Corpus Christi MSA, the State of Texas and the United States.

Median Household Income			
	2024	2029 Projection	Annual % Change
Corpus Christi MSA	\$64,422	\$74,972	3.28%
Texas	\$77,169	\$87,953	2.79%
United States	\$79,068	\$91,442	3.13%

Source: STDB Online

The median household income for the Corpus Christi MSA is lower than the State of Texas and the United States. Median household income growth for the Corpus Christi MSA is projected to exceed the State of Texas and the United States through 2029.

Employment

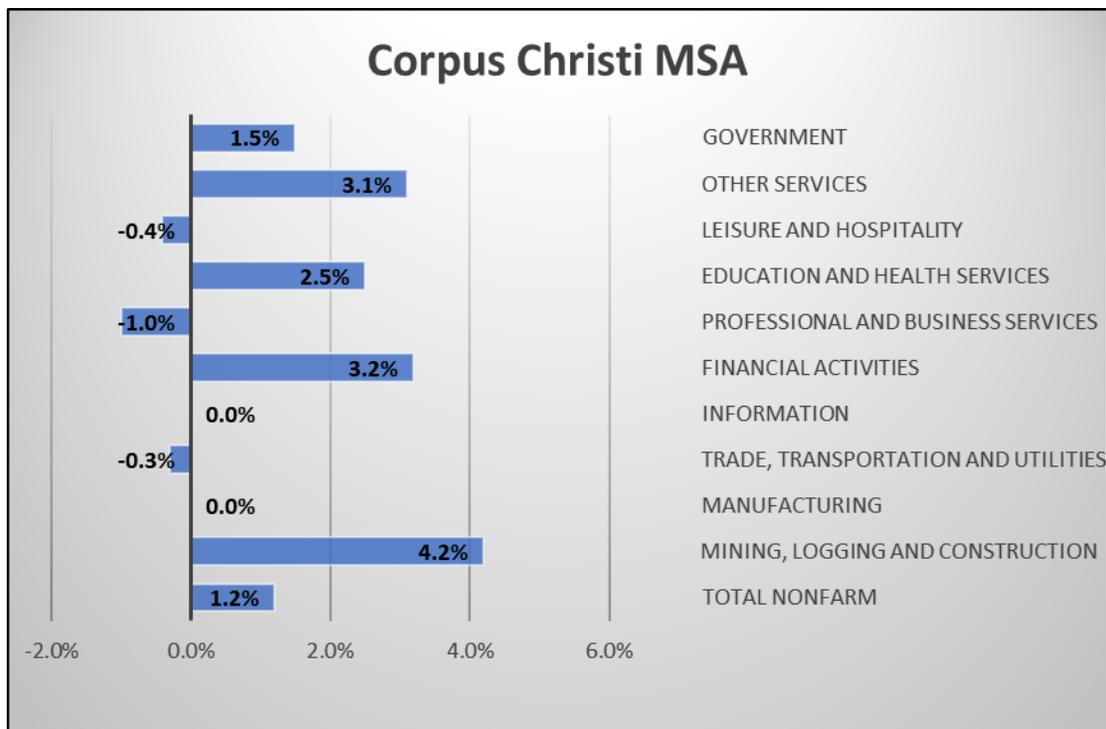
The following table summarizes historic employment levels for the Corpus Christi MSA and the State of Texas.

Employment				
	Corpus Christi MSA		Texas	
Year	Total	% Change	Total	% Change
2019	195,569	--	13,434,744	
2020	184,267	-5.8%	12,872,070	-4.2%
2021	188,024	2.0%	13,486,624	4.8%
2022	192,606	2.4%	14,093,906	4.5%
2023	198,724	3.2%	14,472,524	2.7%
2024 (Sep)	203,627	2.5%	14,920,058	3.1%

Source: Texas A&M Real Estate Center

Over the past four full years, employment growth in the Corpus Christi MSA has averaged 0.5% per year. The average employment growth for the State of Texas was 1.9% over the same period. As of September 2024, employment growth is positive for both the State of Texas and the Corpus Christi MSA.

The following chart outlines Corpus Christi MSA employment growth rates by industry sector over the past twelve months.



Source: U.S. Bureau of Labor Statistics September 2024

The largest employment growths in the Corpus Christi MSA occurred in the mining, logging and construction sector (4.2%), the financial activities sector (3.5%) and the other services sector (3.1%).

The professional and business services sector (-1.0%), the leisure and hospitality sector (-0.4%) and the trade, transportation and utilities sector (-0.3%) declined over the past twelve months.

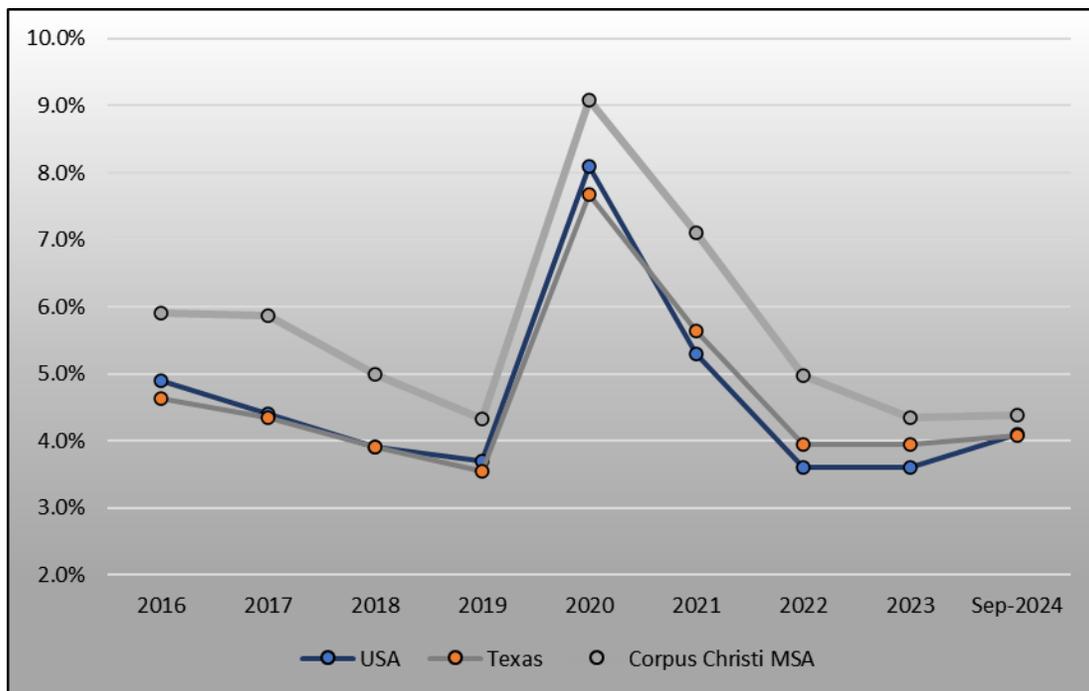
The following table lists the top five employers in the Corpus Christi MSA.

Top Five Employers	
Employer	# Local Employees
Naval Air Station Corpus Christi	5,525
Corpus Christi Independent School District	5,178
Christus Spohn Health System	5,144
H.E.B. Grocery Company	5,000
Corpus Christi Army Depot	3,541

Source: Corpus Christi Comprehensive Financial Report 2023

Unemployment

The following chart tracks unemployment rates for the Corpus Christi MSA, the State of Texas and the United States over the past eight years.



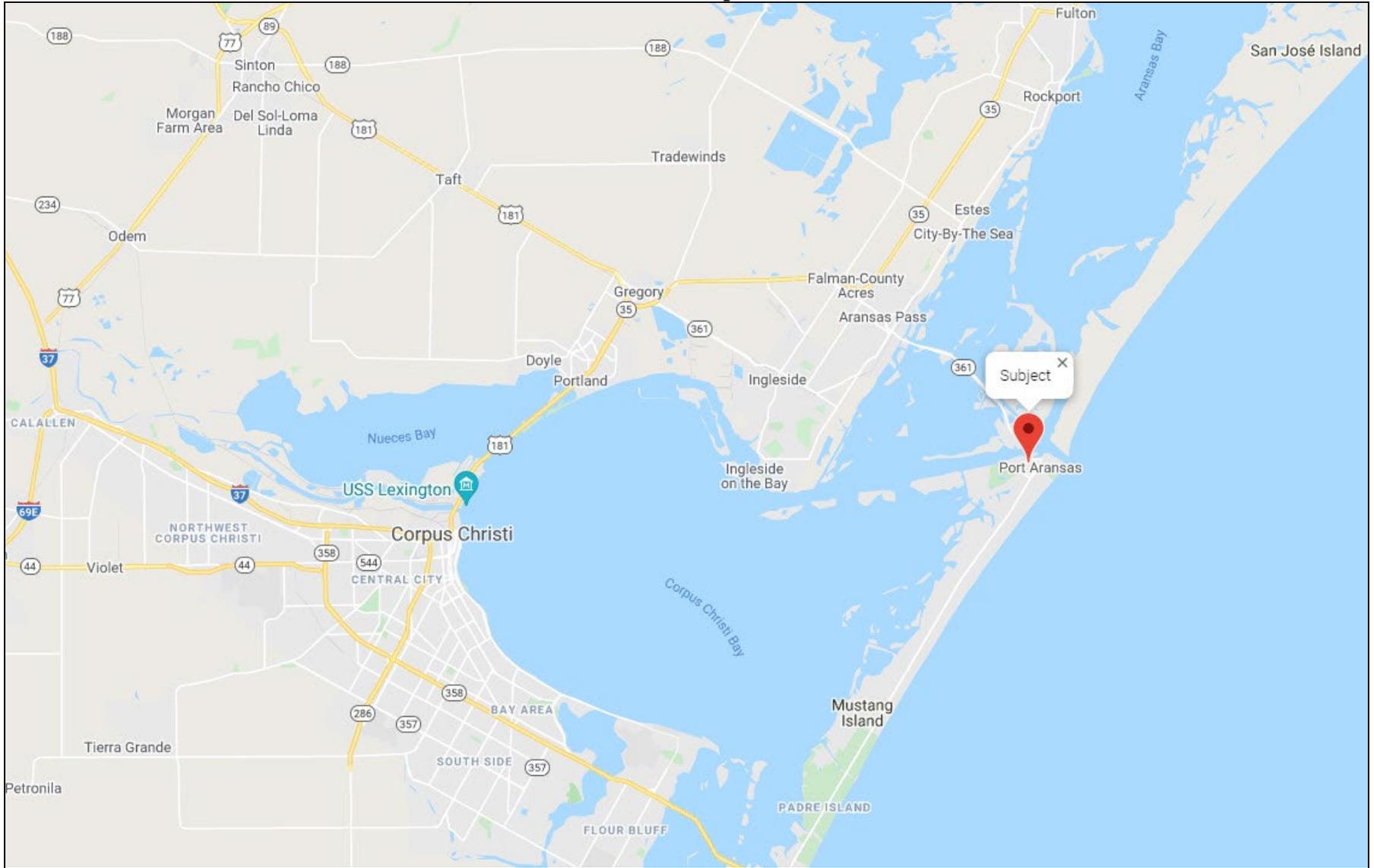
Source: Texas A&M Real Estate Center and U.S. Bureau of Labor Statistics September 2024

The Corpus Christi MSA unemployment rate declined between 2016 and 2019, increased in 2020, declined between 2020 and 2023 and has increased as of September 2024. The Corpus Christi MSA unemployment rate has been above both the State of Texas the United States over the past eight years. The unemployment rate significantly increased in 2020 due to the halt in the economy as a result of the coronavirus, COVID-19. However, unemployment rates started to decrease in May 2020 and have returned to pre-pandemic levels.

Conclusion

Overall, the outlook for the Corpus Christi MSA is cautiously optimistic. High inflation and rising interest rates will affect the Corpus Christi MSA's economy. Longer term, average population growth, and strong employment and household income growth levels are projected to continue.

Area Map



Neighborhood Analysis

Neighborhood Defined/Location

The subject property is located in Port Aransas, Texas. The neighborhood is roughly bound by Aransas Pass to the north, Cut-Off Road and Avenue G to the south, The Gulf of Mexico to the east and Redfish Bay to the west. The neighborhood includes portions of unincorporated Nueces County and portions of the City of Port Aransas. The neighborhood is located approximately 20 miles northwest of the Corpus Christi Central Business District.

Predominant Development/Stage of Development

The neighborhood includes a mixture of retail/commercial, industrial and residential development. The neighborhood also includes tracts of vacant land. Retail/commercial development in the neighborhood includes hotels, retail centers, restaurants and freestanding retail buildings. Retail/commercial development is concentrated along the primary roadways in the neighborhood such as Cut-Off Road, Allister Street (State Highway 361), Station Street, Cotter Avenue, Beach Street, Avenue C and Avenue G. Residential development is scattered throughout the neighborhood, predominantly along secondary thoroughfares. Industrial development is located along primary and secondary roadways in the subject neighborhood. Overall, the subject neighborhood is established, with new development and redevelopment occurring.

Port Aransas is located at the northern tip of Mustang Island, a Gulf Coast barrier island. The island is 18 miles long and is traversed north-south by State Highway 361 which connects the island to the Live Oak Peninsula to the north (via ferry) and Padre Island to the south (via bridge). Mustang Island State Park encompasses the entire southern third of the island, including 3,955 acres and 5 miles of beach. The area is a popular tourist destination known for its family-friendly public beaches and a variety of related marine recreation such as swimming, boating, sailing, fishing and birding. Port Aransas features a variety of locally-owned shops, bars, restaurants and lodging facilities which see a steady stream of visitors year-round due to the generally mild climate of the Texas Gulf Coast. Mustang Island is part of the larger Corpus Christi Metropolitan Statistical Area which reports over 6.6 million tourists annually, sustaining 13,500 local jobs and providing a \$24.3 million annual economic benefit. Nature-based tourism accounts for approximately 42% of total visitor activity in the region.

Accessibility

Primary north/south roadways in the subject neighborhood include Cut-Off Road, Allister Street (State Highway 361) and Station Street. Primary east/west roadways in the subject neighborhood include Cotter Avenue, Beach Street, Avenue C and Avenue G. Overall, the accessibility of the neighborhood is good.

Immediate Vicinity

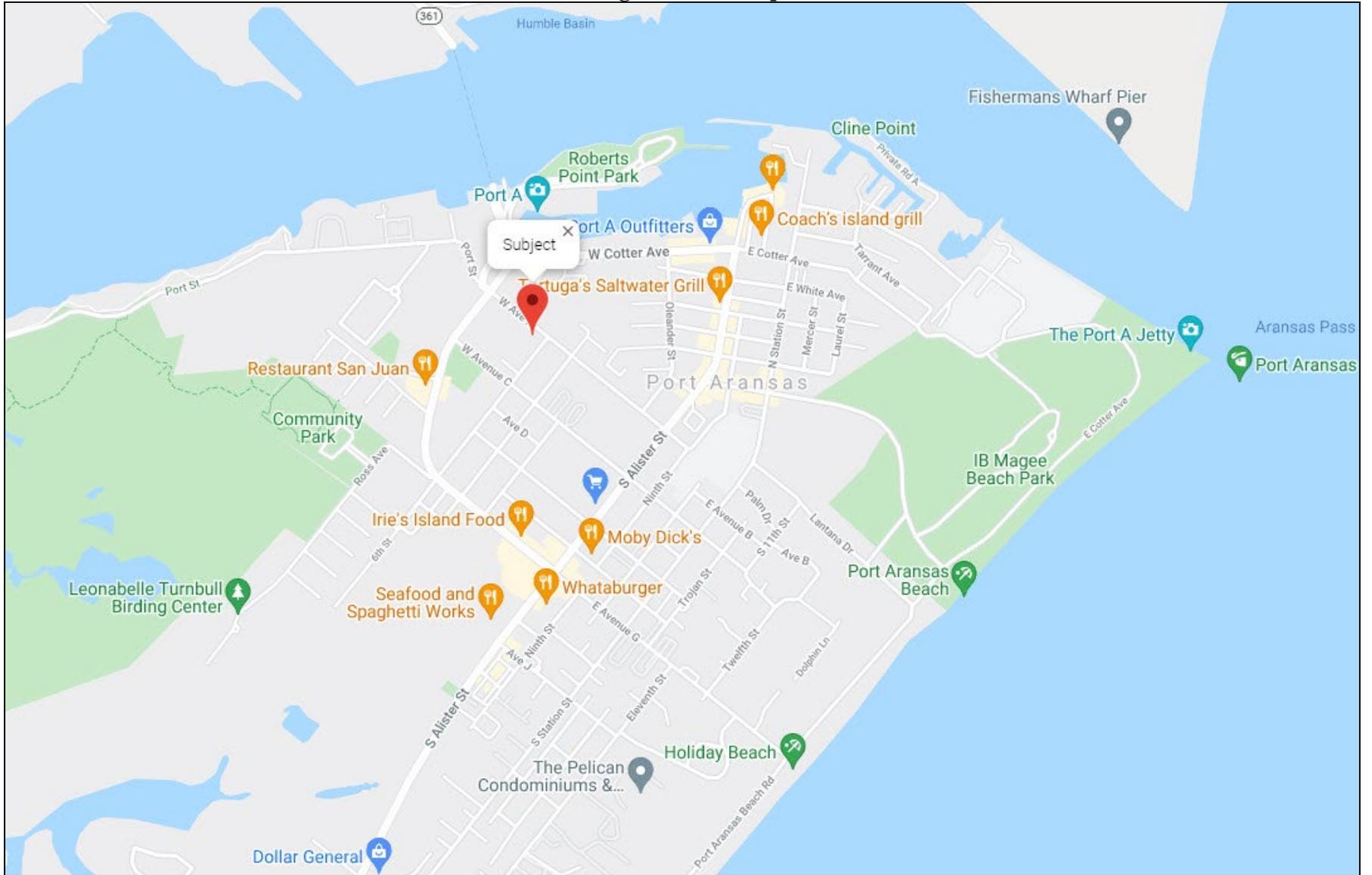
The immediate vicinity of the subject property includes a mixture of retail/commercial and residential development, and tracts of vacant land. The following chart outlines land uses adjacent to the subject site.

North:	Single Family Residences, Vacant Land, Bay Quest Gift Shop
South:	City of Port Aransas Maintenance Facility, Heritage Land Condominiums, Single Family Residences
East:	Single Family Residences, Sixth Street, Single Family Residences
West:	City of Port Aransas Maintenance Facility, City of Port Aransas Police Station, Michies Self Storage Facility

Conclusion

The subject neighborhood includes primarily a mixture of retail/commercial, industrial and residential development and tracts of vacant land. Overall, the subject neighborhood is established with new development and redevelopment occurring. The neighborhood has good access to other portions of the Corpus Christi Area. The outlook for the neighborhood is optimistic. A neighborhood map follows.

Neighborhood Map



Site Analysis

The following is a description of the physical characteristics of the subject site. A survey, a plat map and a flood plain map of the subject site follow this site analysis section.

Location

The subject site is located along the southwest side of West Avenue A, approximately 120 feet northwest of Sixth Street in Port Aransas, Nueces County, Texas. The subject property address is 611, 611B, 615, 615B and 619 West Avenue A, Port Aransas, Nueces County, Texas 78373.

Size/Shape

The subject site contains 0.235 acres or 10,224 square feet of land area and is rectangular in shape.

Accessibility/Frontage

The site has 100 feet of frontage along the southwest side of West Avenue A. West Avenue A is a two-lane, two way asphalt paved secondary roadway with open ditch drainage in the vicinity of the subject. Overall, the access/frontage of the site is average.

Topography

The subject site is basically level and at the grade of the adjacent roadway.

Flood Plain

According to FEMA Map Community Panel Number 48355C0380G dated October 13, 2022, the subject is located in flood zone AE, within the flood plain. Considering the development occurring on similarly flood plain affected sites nearby, the flood plain location of the subject site does not appear to be a major impediment to development.

Zoning

The subject site is located within the city limits of Port Aransas and is zoned R-2 (Medium Density Residential) which allows for single family and multi-family residential development (up to four units per lot), as well as nightly vacation rentals. The subject development is a conforming use under this designation.

Utilities and Services

Water, sewer and natural gas services are provided to the site by the City of Port Aransas. Electricity is provided to the site by various providers.

Easements and Encroachments

The site has typical utility easements which do not appear to impact the development potential of the site.

Environmental Considerations

During our inspection we did not notice any obvious environmental hazards associated with the subject site. However, we are not qualified to detect such hazards and the valuation herein assumes that the site is free and clear of any environmental problems.

Conclusion

The subject site is located along the southwest side of West Avenue A, approximately 120 feet northwest of Sixth Street in Port Aransas, Nueces County, Texas. The size and shape of the site are well suited for development. The access/frontage of the site is average. All public utilities are available to the subject site. Overall, the development potential of the subject site is good. A survey, a plat map and a flood plain map of the subject site follow.



300 yards

Google Map data ©2023 Imagery ©2023 CNES / Airbus, Maxar Technologies, Texas General Land Office, USDA/FPAC/GEO

MAP DATA	MAP LEGEND	
FEMA Special Flood Hazard Area: Yes	Areas inundated by 500-year flooding	Protected Areas
Map Number: 48355C0380G	Areas inundated by 100-year flooding	Floodway
Zone: AE	Velocity Hazard	Subject Area
Map Date: October 13, 2022		
FIPS: 48355		

Powered by CoreLogic®

Improvements Analysis

The subject of this appraisal is a residential townhome project (under construction – approximately 95% complete) containing three units (two of which contain an ancillary dwelling unit) with a total of 14,990 square feet of gross building. The building is projected to be completed in 2025. The building will include the following unit mix (based on information provided by the developer).

Subject Unit Mix		
Unit #	Br-Ba	Sq. Ft.
611 & 611B ⁽¹⁾	5/5	2,262
615 & 615B ⁽¹⁾	5/5	2,262
619	4/4	1,778
Total:		6,302
<i>⁽¹⁾ Includes a 4 bed/4 bath primary dwelling unit containing 1,682 square feet and a 1 bed/1 bath accessory dwelling unit containing 580 square feet.</i>		

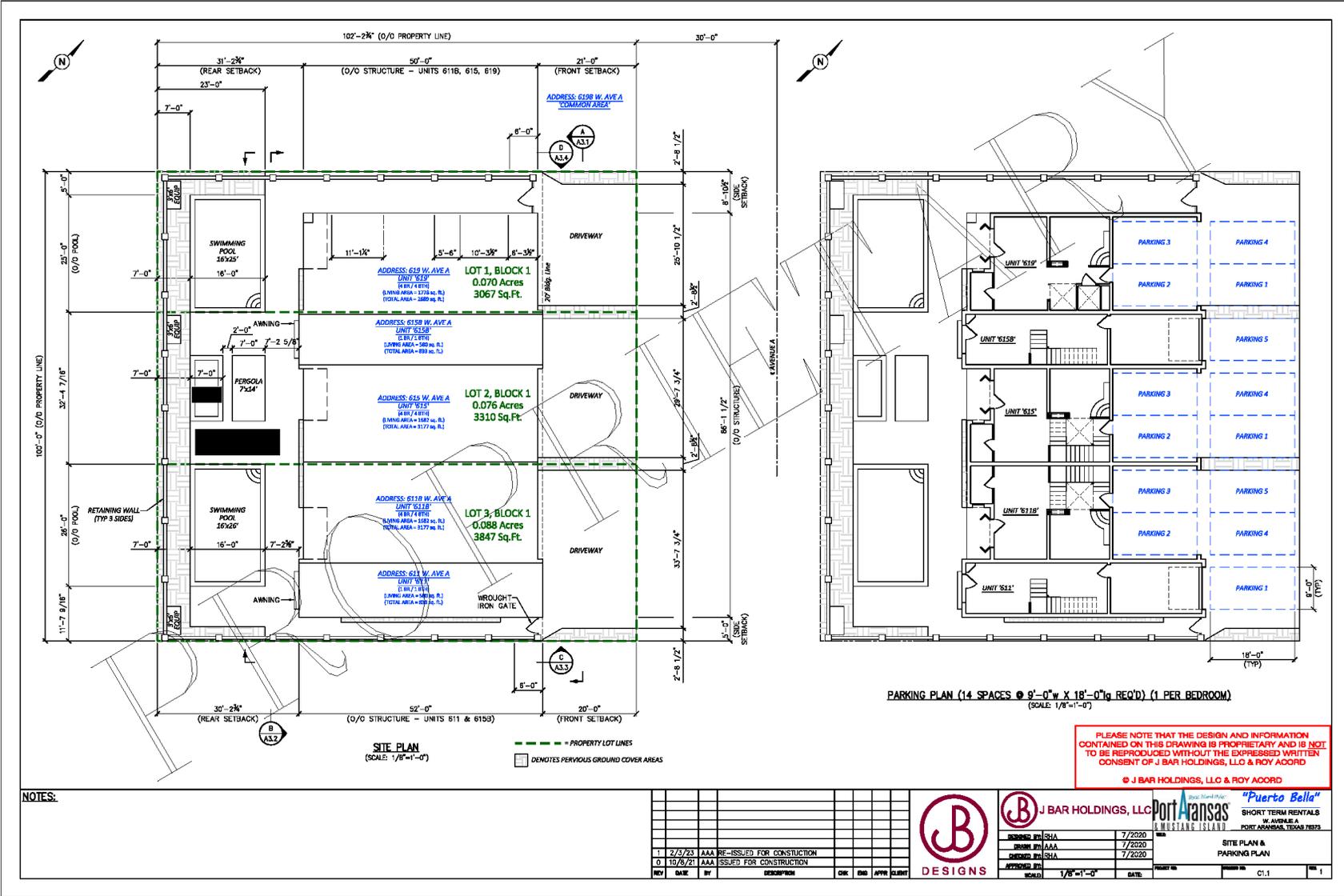
Selected pages from the subject building plans and an Ad Valorem Tax Schedule exhibit are included after this improvements analysis section. The following outline provides a description of the physical characteristics of the subject improvements (based on information provided by the developer).

<u>Type:</u>	Townhomes
<u>Number of Buildings:</u>	One
<u>Year Built:</u>	2025
<u>Year Renovated:</u>	N/A
<u>Size:</u>	14,990 square feet of gross building
<u>Number of Units:</u>	Three units (plus two ancillary dwelling units)
<u>Land-to-Building Ratio:</u>	1.62 to 1
<u>Foundation:</u>	Concrete slab
<u>Floors:</u>	The units will include bamboo and travertine tile floors.
<u>Walls:</u>	The exterior walls will be stucco over reinforced concrete. The interior walls of the units will be painted sheetrock.
<u>Windows:</u>	The units will include primarily single hung, double pane windows with exterior shutters. The interior of the units will contain mini-blinds.

<u>Doors:</u>	Each unit will include metal and sliding glass entry doors. Interior doors in the units will be wood.
<u>Roof:</u>	The building will have a flat TPO roof.
<u>HVAC:</u>	Each unit will have a separate HVAC system.
<u>Kitchens:</u>	The kitchens will have granite countertops with a stainless-steel sink and a ceramic tile backsplash. Each unit will include a refrigerator, an oven, a garbage disposal, a dishwasher and a microwave. All of the appliances will be electric. Each unit will include an electric water heater.
<u>Bathrooms:</u>	Each bathroom will include either a stand-alone shower or a combination bathtub/shower with a ceramic tiled wainscot. The bathroom countertops will be granite with ceramic sinks.
<u>Additional Unit Amenities:</u>	Each unit will include ceiling fans, smoke detectors and a washer and dryer. The buildings will include fire sprinklers.
<u>Project Amenities:</u>	Project amenities will include roof top patios with awnings, balconies, garages, a picnic area, two swimming pools, a hot tub and an outdoor shower.
<u>Site Improvements:</u>	The subject site improvements will include concrete paving, landscaping, wood fencing and wrought iron gates. There will be adequate paved area for parking on the site (14 spaces, for a parking ratio of one space per bedroom).

Conclusion

The subject improvements will be typical of good quality residential townhomes which will be in excellent condition "As Complete". Overall, it appears the property will conform to other uses in the subject neighborhood. Selected pages from the subject building plans and an Ad Valorem Tax Schedule exhibit follow.



NOTES:

REV	DATE	BY	DESCRIPTION	CHK	ENG	APPR	DATE
1	2/3/23	AAA	RE-ISSUED FOR CONSTRUCTION				7/2020
0	10/6/21	AAA	ISSUED FOR CONSTRUCTION				7/2020

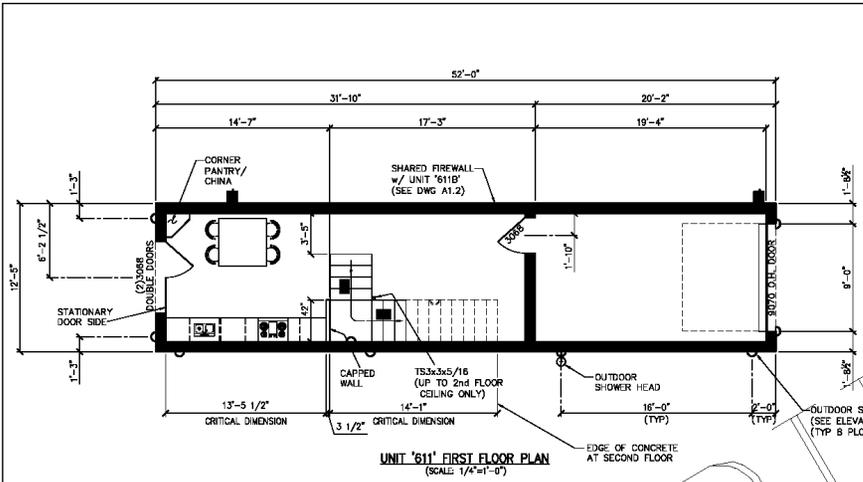


J BAR HOLDINGS, LLC
DESIGNS

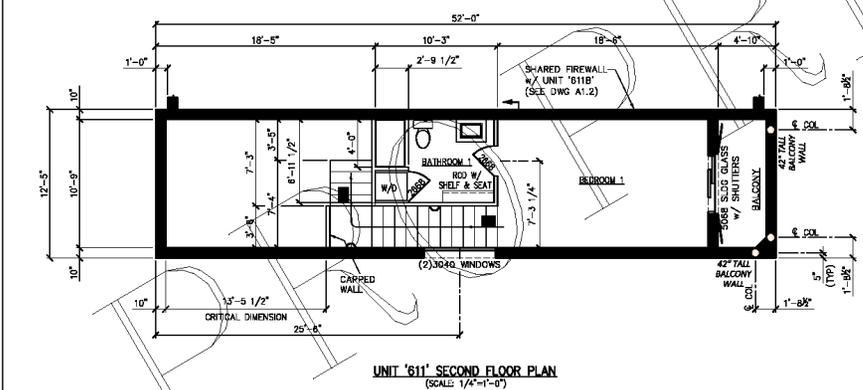
Port Aransas
"Puerto Bella"
SHORT TERM RENTALS
W. AVENUE A
PORT ARANSAS, TEXAS 78373

SITE PLAN & PARKING PLAN

PROJECT NO. [] SHEET NO. C1.1 OF 1



UNIT '611' FIRST FLOOR PLAN
(SCALE: 1/4"=1'-0")



UNIT '611' SECOND FLOOR PLAN
(SCALE: 1/4"=1'-0")

■ DENOTES 10" KCF BLOCK WALL

PLEASE NOTE THAT THE DESIGN AND INFORMATION CONTAINED ON THIS DRAWING IS PROPRIETARY AND IS NOT TO BE REPRODUCED WITHOUT THE EXPRESSED WRITTEN CONSENT OF J BAR HOLDINGS, L.L.C. & ROY ACORD
© J BAR HOLDINGS, L.L.C. & ROY ACORD

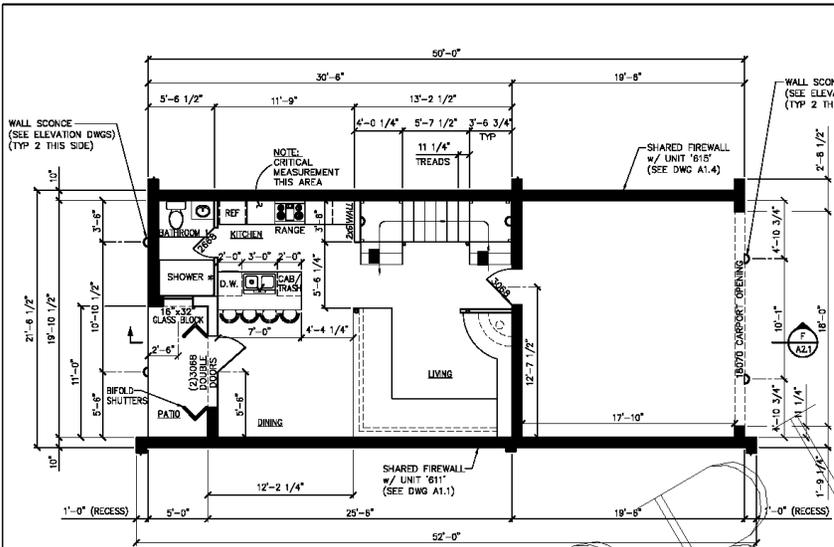
NOTES:

REV	DATE	BY	DESCRIPTION	CHK	ENG	APPR	CLIENT
4	12/24/22	AAA	RE-ISSUED FOR CONSTRUCTION				
3	11/22/22	AAA	RE-ISSUED FOR CONSTRUCTION				
2	10/26/22	AAA	RE-ISSUED FOR CONSTRUCTION				
1	9/9/22	AAA	RE-ISSUED FOR CONSTRUCTION				
0	10/8/21	AAA	ISSUED FOR CONSTRUCTION				

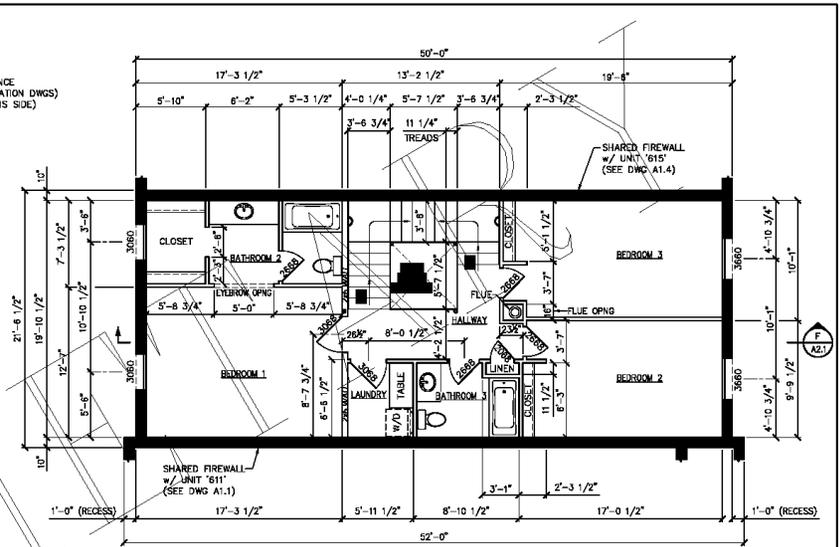


J BAR HOLDINGS, L.L.C.
DESIGNS

Puerto Bella
 SHORT TERM RENTALS
 14 AVENUE A
 PORT ANTONIO, TEXAS 78372
 UNIT '611'
 FIRST & SECOND FLOOR PLANS
 SCALE: 1/4"=1'-0"
 DATE: 7/2022
 SHEET NO: A1.1
 OF 4



UNIT '611B' FIRST FLOOR PLAN
SCALE: 1/4"=1'-0"



UNIT '611B' SECOND FLOOR PLAN
SCALE: 1/4"=1'-0"

■ DENOTES 10" ICF BLOCK WALL

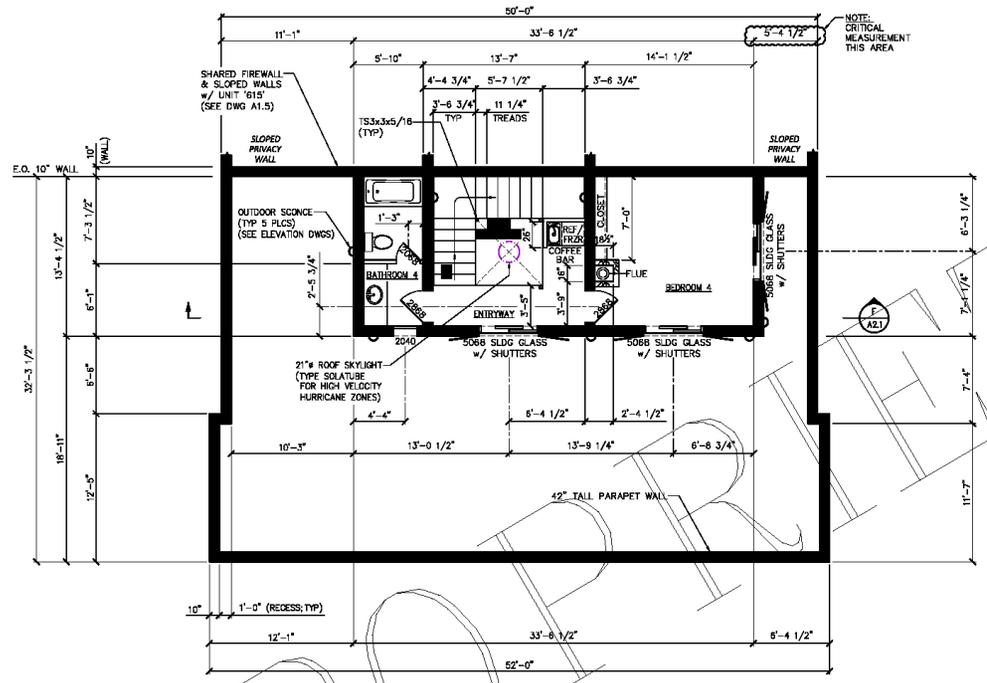
PLEASE NOTE THAT THE DESIGN AND INFORMATION CONTAINED ON THIS DRAWING IS PROPRIETARY AND IS NOT TO BE REPRODUCED WITHOUT THE EXPRESSED WRITTEN CONSENT OF J BAR HOLDINGS, LLO & ROY ACCORD
© J BAR HOLDINGS, LLO & ROY ACCORD

NOTES:

REV	DATE	BY	DESCRIPTION	CHK	APP	DATE
4	12/24/22	AAA	RE-ISSUED FOR CONSTRUCTION			
3	11/22/22	AAA	RE-ISSUED FOR CONSTRUCTION			
2	10/30/22	AAA	RE-ISSUED FOR CONSTRUCTION			
1	9/8/22	AAA	RE-ISSUED FOR CONSTRUCTION			
0	10/6/21	AAA	ISSUED FOR CONSTRUCTION			



J BAR HOLDINGS, LLO & ROY ACCORD
 Puerto Bellas
 SHORT TERM RENTALS
 W. AVENUE A
 PORT ANARAS, TEXAS 78372
 UNIT 611B
 FIRST & SECOND FLOOR PLANS
 SCALE: 1/4"=1'-0"
 DATE: 7/2020
 DRAWN BY: SHIA
 CHECKED BY: AAA
 APPROVED BY: SHIA
 PROJECT NO: A1.2
 SHEET NO: 4



UNIT '611B' THIRD FLOOR PLAN
(SCALE: 1/4"=1'-0")

■ DENOTES 10" KC BLOCK WALL

NOTES:

PLEASE NOTE THAT THE DESIGN AND INFORMATION CONTAINED ON THIS DRAWING IS PROPRIETARY AND IS NOT TO BE REPRODUCED WITHOUT THE EXPRESSED WRITTEN CONSENT OF J BAR HOLDINGS, LLC & ROY ACORD
© J BAR HOLDINGS, LLC & ROY ACORD

REV	DATE	BY	DESCRIPTION	CHK	APP	CLIENT
3	12/24/22	AAA	RE-ISSUED FOR CONSTRUCTION			
2	11/22/22	AAA	RE-ISSUED FOR CONSTRUCTION			
1	9/8/22	AAA	RE-ISSUED FOR CONSTRUCTION			
0	10/8/21	AAA	ISSUED FOR CONSTRUCTION			

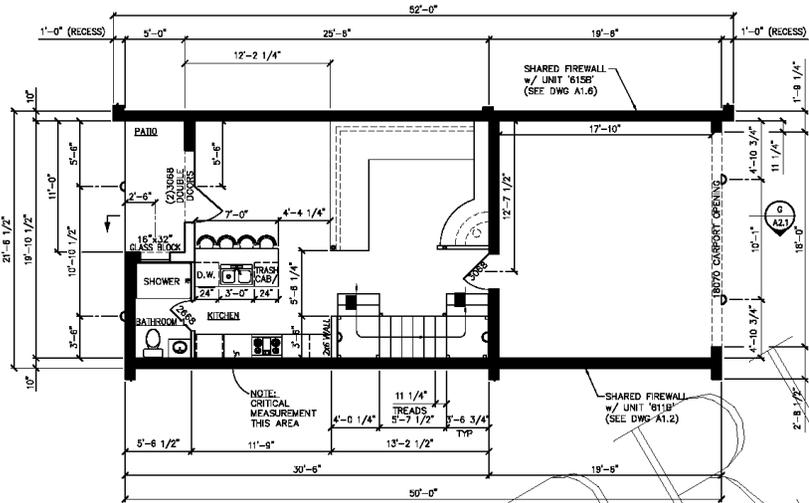


J BAR HOLDINGS, LLC
DESIGNS

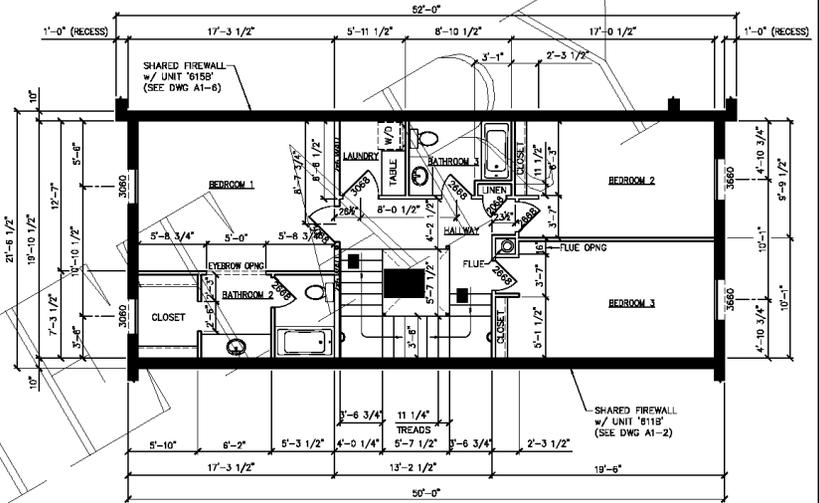
Puerto Bella
 SHORT TERM RENTALS
 10 AVENUE A
 PORT ARANSAS, TEXAS 78373

UNIT '611B'
 THIRD FLOOR PLAN

SCALE: 1/4"=1'-0" DATE: 7/2020
 PROJECT NO: A1.3 SHEET NO: 3



UNIT '615' FIRST FLOOR PLAN
(SCALE: 1/4"=1'-0")



UNIT '615' SECOND FLOOR PLAN
(SCALE: 1/4"=1'-0")

■ DENOTES 10" KC BLOCK WALL

NOTES:

REV	DATE	BY	DESCRIPTION	CHK	APP	CLIENT
4	12/24/22	AAA	RE-ISSUED FOR CONSTRUCTION			
3	11/22/22	AAA	RE-ISSUED FOR CONSTRUCTION			
2	10/30/22	AAA	RE-ISSUED FOR CONSTRUCTION			
1	9/8/22	AAA	RE-ISSUED FOR CONSTRUCTION			
0	10/8/21	AAA	ISSUED FOR CONSTRUCTION			



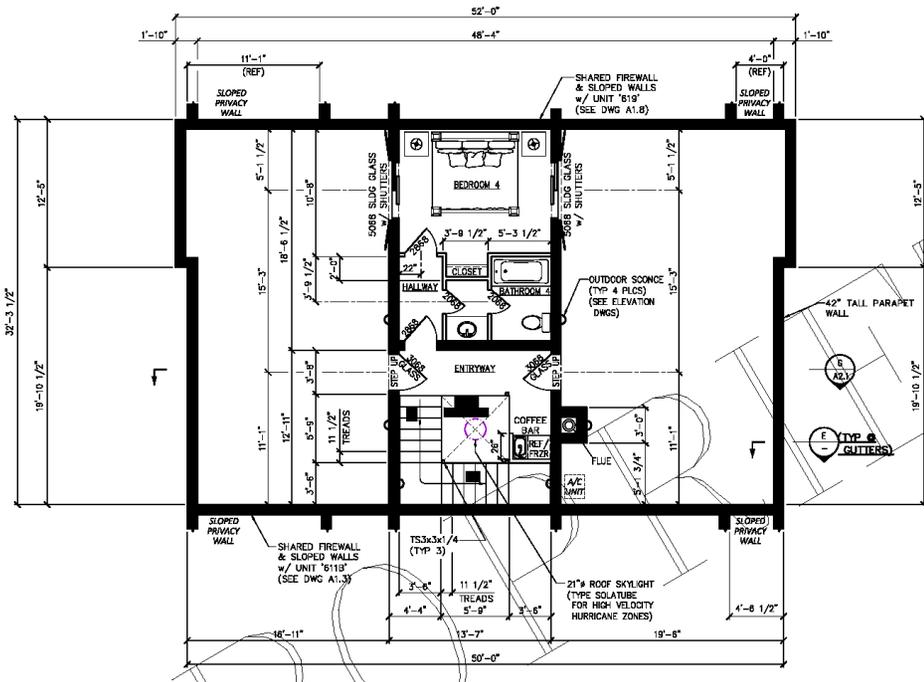
J BAR HOLDINGS, LLC
DESIGNS

PLEASE NOTE THAT THE DESIGN AND INFORMATION CONTAINED ON THIS DRAWING IS PROPRIETARY AND IS NOT TO BE REPRODUCED WITHOUT THE EXPRESSED WRITTEN CONSENT OF J BAR HOLDINGS, LLC & ROY ACORD
© J BAR HOLDINGS, LLC & ROY ACORD

Port **Arkansas** Mustang Island
"Puerto Bella"
SHORT TERM RENTALS
W. AVENUE A
PORT ARKANSAS, TEXAS 78372

UNIT '615'
FIRST & SECOND FLOOR PLANS

DATE: 7/2020
SCALE: 1/4"=1'-0"



UNIT '615' THIRD FLOOR PLAN
SCALE: 1/4"=1'-0"

■ DENOTES 10" ICF BLOCK WALL

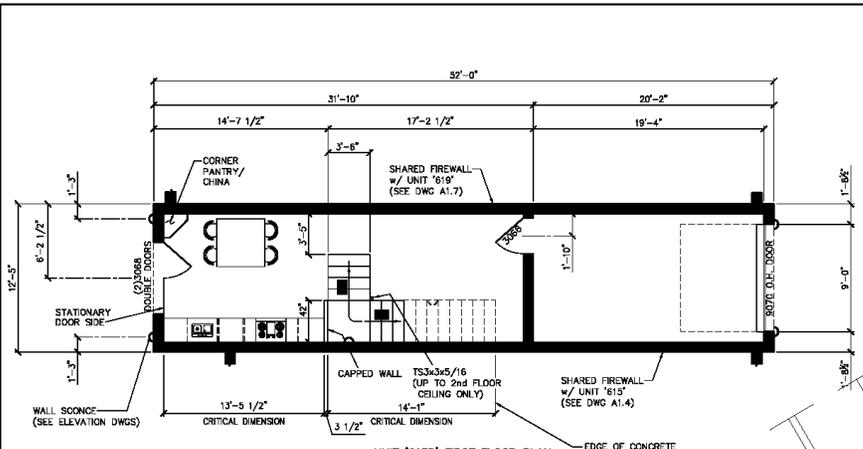
PLEASE NOTE THAT THE DESIGN AND INFORMATION CONTAINED ON THIS DRAWING IS PROPRIETARY AND IS NOT TO BE REPRODUCED WITHOUT THE EXPRESSED WRITTEN CONSENT OF J BAR HOLDINGS, LLO & ROY ACCORD
© J BAR HOLDINGS, LLO & ROY ACCORD

NOTES:

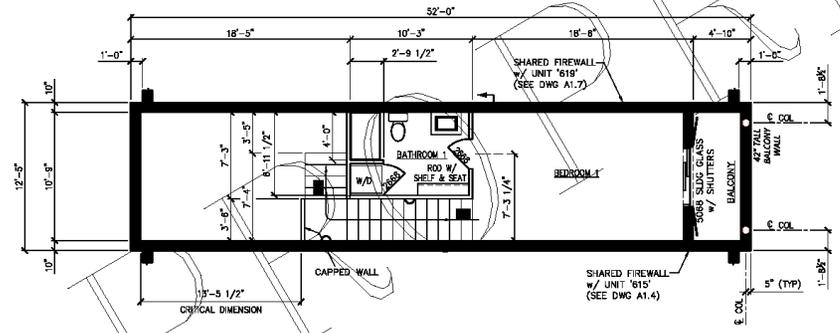
REV	DATE	BY	DESCRIPTION	CHK	ENG	APPR	CLIENT
3	02/24/22	AAA	RE-ISSUED FOR CONSTRUCTION				
2	10/22/22	AAA	RE-ISSUED FOR CONSTRUCTION				
1	9/8/22	AAA	RE-ISSUED FOR CONSTRUCTION				
0	10/6/21	AAA	ISSUED FOR CONSTRUCTION				



J BAR HOLDINGS, LLO & ROY ACCORD
 Puerto Bellas
 SHORT TERM RENTALS
 W. AVENUE A
 PORT ARANSAS, TEXAS 78373
 UNIT '615'
 THIRD FLOOR PLAN
 SCALE: 1/4"=1'-0" DATE: 02/24/22 DRAWN BY: [blank] CHECKED BY: [blank] APPR: [blank] SHEET NO: A1.5 OF 3



UNIT '615B' FIRST FLOOR PLAN
(SCALE: 1/4"=1'-0")



UNIT '615B' SECOND FLOOR PLAN
(SCALE: 1/4"=1'-0")

■ DENOTES 10" ICF BLOCK WALL

NOTES:

PLEASE NOTE THAT THE DESIGN AND INFORMATION CONTAINED ON THIS DRAWING IS PROPRIETARY AND IS NOT TO BE REPRODUCED WITHOUT THE EXPRESSED WRITTEN CONSENT OF J BAR HOLDINGS, LLC & ROY ACCORD
© J BAR HOLDINGS, LLC & ROY ACCORD

REV	DATE	BY	DESCRIPTION	CHK	ENG	APPR	CLIENT
4	12/24/22	AAA	RE-ISSUED FOR CONSTRUCTION				
3	11/22/22	AAA	RE-ISSUED FOR CONSTRUCTION				
2	10/30/22	AAA	RE-ISSUED FOR CONSTRUCTION				
1	9/8/22	AAA	RE-ISSUED FOR CONSTRUCTION				
0	10/6/21	AAA	ISSUED FOR CONSTRUCTION				

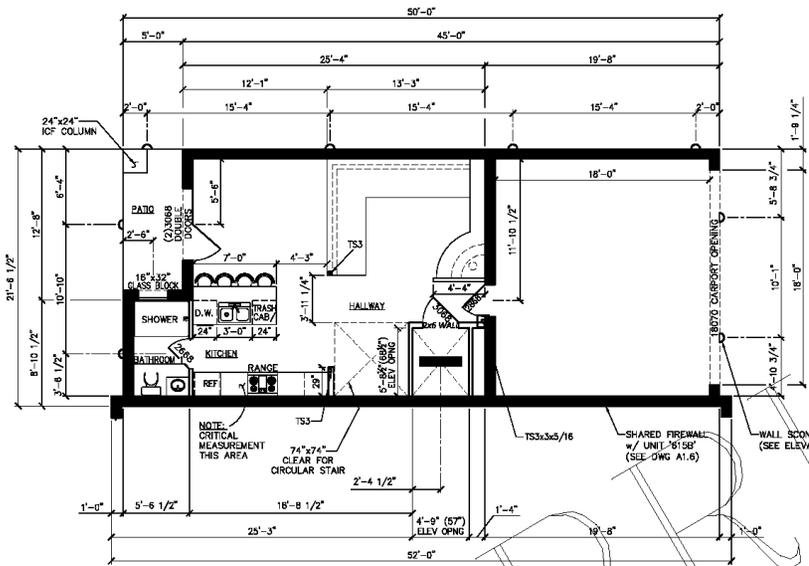


J BAR HOLDINGS, LLC
DESIGNS

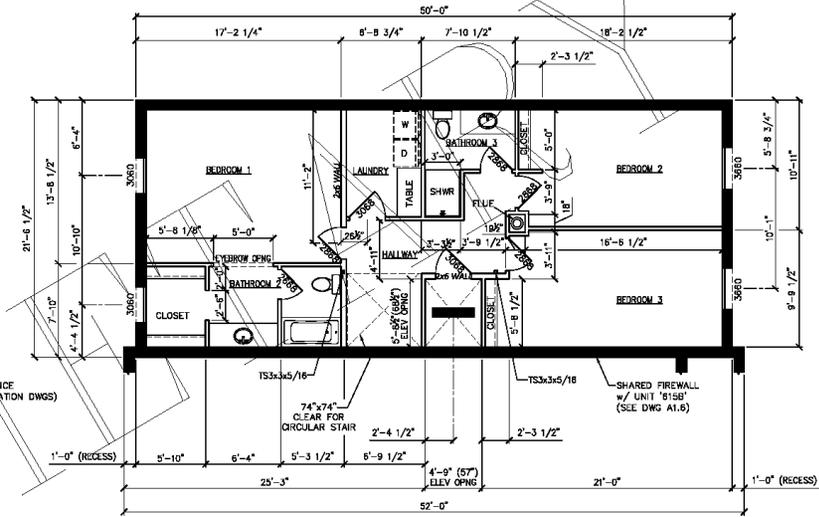
PortAransas
SHORT TERM RENTALS
"Puerto Bella"
W. AVENUE A
PORT ARANSAS, TEXAS 78373

UNIT 615B
FIRST & SECOND FLOOR PLANS

SCALE: 1/4"=1'-0" DATE: PROJECT NO: SHEET NO: A1.6 OF 4



UNIT '619' FIRST FLOOR PLAN
(SCALE: 1/4"=1'-0")



UNIT '619' SECOND FLOOR PLAN
(SCALE: 1/4"=1'-0")

■ DENOTES 10" ICF BLOCK WALL

NOTES:

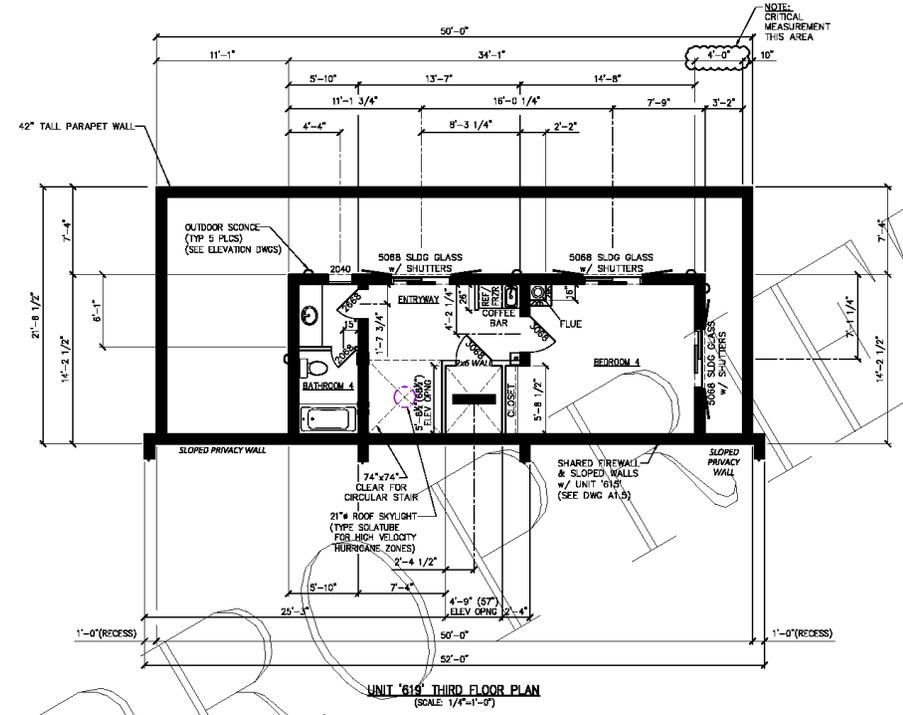
PLEASE NOTE THAT THE DESIGN AND INFORMATION CONTAINED ON THIS DRAWING IS PROPRIETARY AND IS NOT TO BE REPRODUCED WITHOUT THE EXPRESSED WRITTEN CONSENT OF J BAR HOLDINGS, LLO & ROY ACCORD
© J BAR HOLDINGS, LLO & ROY ACCORD

REV	DATE	BY	DESCRIPTION	CHK	ENR	APPR	CLIENT
4	12/24/22	AAA	RE-ISSUED FOR CONSTRUCTION				
3	11/22/22	AAA	RE-ISSUED FOR CONSTRUCTION				
2	10/30/22	AAA	RE-ISSUED FOR CONSTRUCTION				
1	9/8/22	AAA	RE-ISSUED FOR CONSTRUCTION				
0	10/6/21	AAA	ISSUED FOR CONSTRUCTION				



J BAR HOLDINGS, LLO & ROY ACCORD
DESIGNS

Port Aransas
"Puerto Bella"
SHORT TERM RENTALS
W. AVENUE A
PORT ARANSAS, TEXAS 78373
UNIT '619'
FIRST & SECOND FLOOR PLANS
SCALE: 1/4"=1'-0"
DATE: 7/2020
PROJECT NO: A1.7
SHEET NO: 4



UNIT 619 THIRD FLOOR PLAN
SCALE 1/4"=1'-0"

■ DENOTES 10" C.F. BLOCK WALL

PLEASE NOTE THAT THE DESIGN AND INFORMATION CONTAINED ON THIS DRAWING IS PROPRIETARY AND IS NOT TO BE REPRODUCED WITHOUT THE EXPRESSED WRITTEN CONSENT OF J BAR HOLDINGS, L.L.C. & ROY ACCORD
© J BAR HOLDINGS, L.L.C. & ROY ACCORD

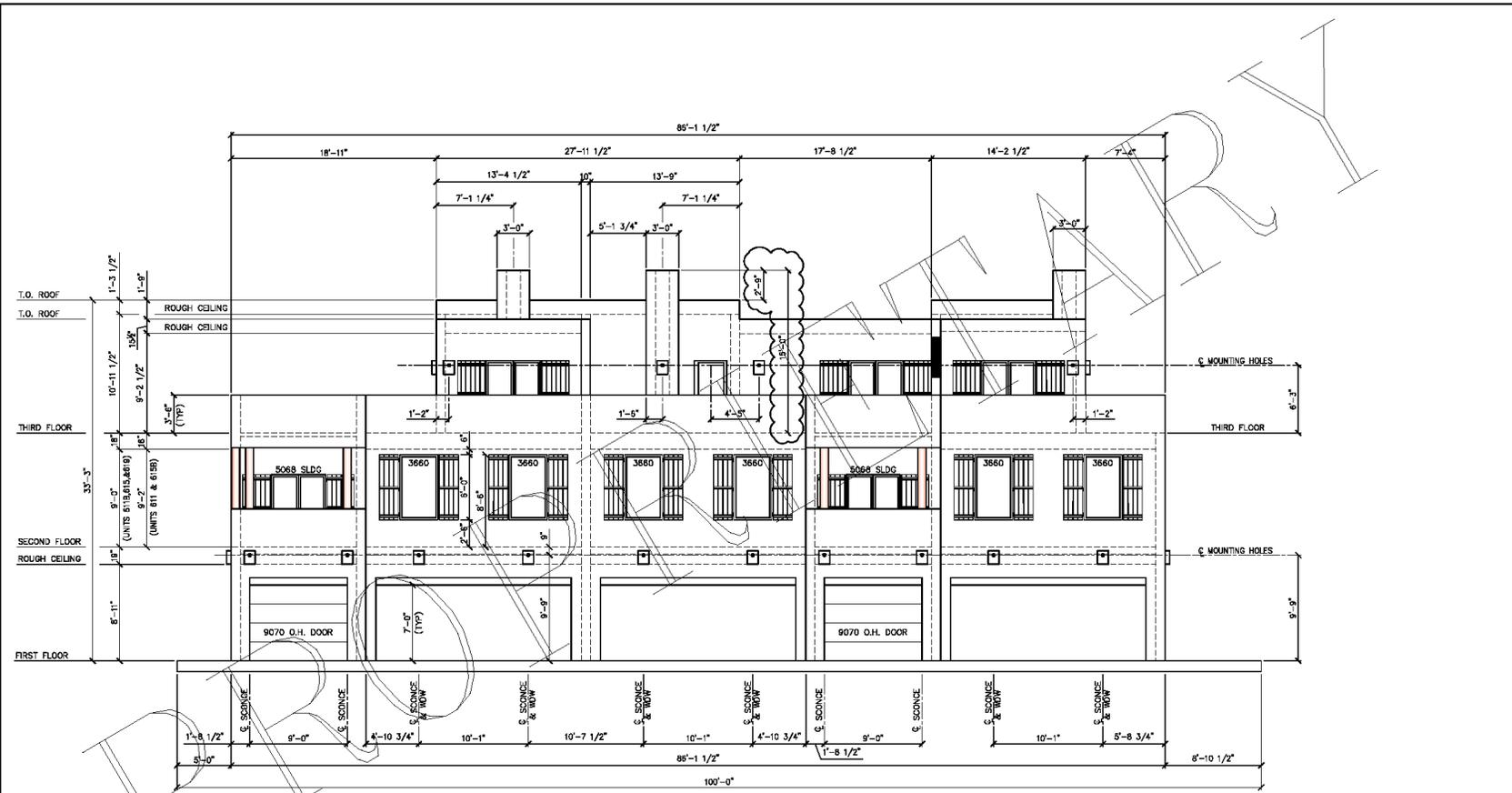
NOTES:

REV	DATE	BY	DESCRIPTION	CHK	ENR	APPR	CLIENT
3	02/24/22	AAA	RE-ISSUED FOR CONSTRUCTION				
2	10/22/22	AAA	RE-ISSUED FOR CONSTRUCTION				
1	9/8/22	AAA	RE-ISSUED FOR CONSTRUCTION				
0	10/6/21	AAA	ISSUED FOR CONSTRUCTION				



J BAR HOLDINGS, L.L.C.
 DESIGNED BY: SHIA
 CHECKED BY: AAA
 APPROVED BY: SHIA
 SCALE: 1/4"=1'-0"

Port Aransas
 Puerto Bella®
 SHORT TERM RENTALS
 W. AVENUE A
 PORT ARANSAS, TEXAS 78373
 UNIT 619
 THIRD FLOOR PLAN
 SHEET NO. A1.8 OF 3



VIEW
SCALE 1/4"=1'-0"

PLEASE NOTE THAT THE DESIGN AND INFORMATION CONTAINED ON THIS DRAWING IS PROPRIETARY AND IS NOT TO BE REPRODUCED WITHOUT THE EXPRESSED WRITTEN CONSENT OF J BAR HOLDINGS, LLC & ROY ACORD
© J BAR HOLDINGS, LLC & ROY ACORD

NOTES:

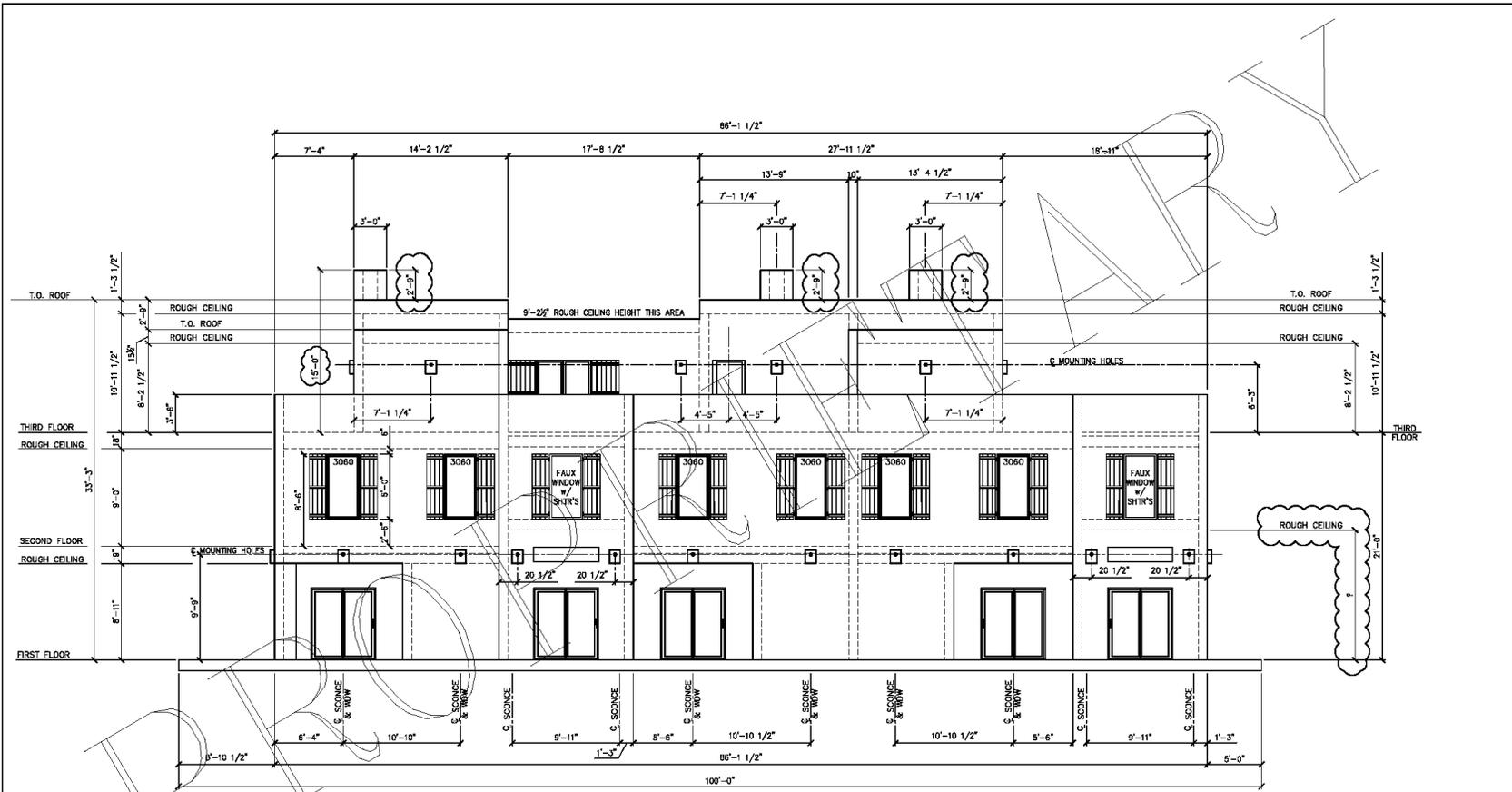
REV	DATE	BY	DESCRIPTION	CHK	ENG	APP	CLIENT
2	12/19/22	AAA	RE-ISSUED FOR CONSTRUCTION				
1	9/8/22	AAA	RE-ISSUED FOR CONSTRUCTION				
0	10/6/21	AAA	ISSUED FOR CONSTRUCTION				



J BAR HOLDINGS, LLC
ROY ACORD

Port Aransas
Mustang Island
"Puerto Bella"
SHORT TERM RENTALS
W. AVENUE A
PORT ARANSAS, TEXAS 78373

ELEVATION
FRONT VIEW 'A'



VIEW B
SCALE 1/4"=1'-0" C1.1

PLEASE NOTE THAT THE DESIGN AND INFORMATION CONTAINED ON THIS DRAWING IS PROPRIETARY AND IS NOT TO BE REPRODUCED WITHOUT THE EXPRESSED WRITTEN CONSENT OF J BAR HOLDINGS, LLC & ROY ACORD
© J BAR HOLDINGS, LLC & ROY ACORD

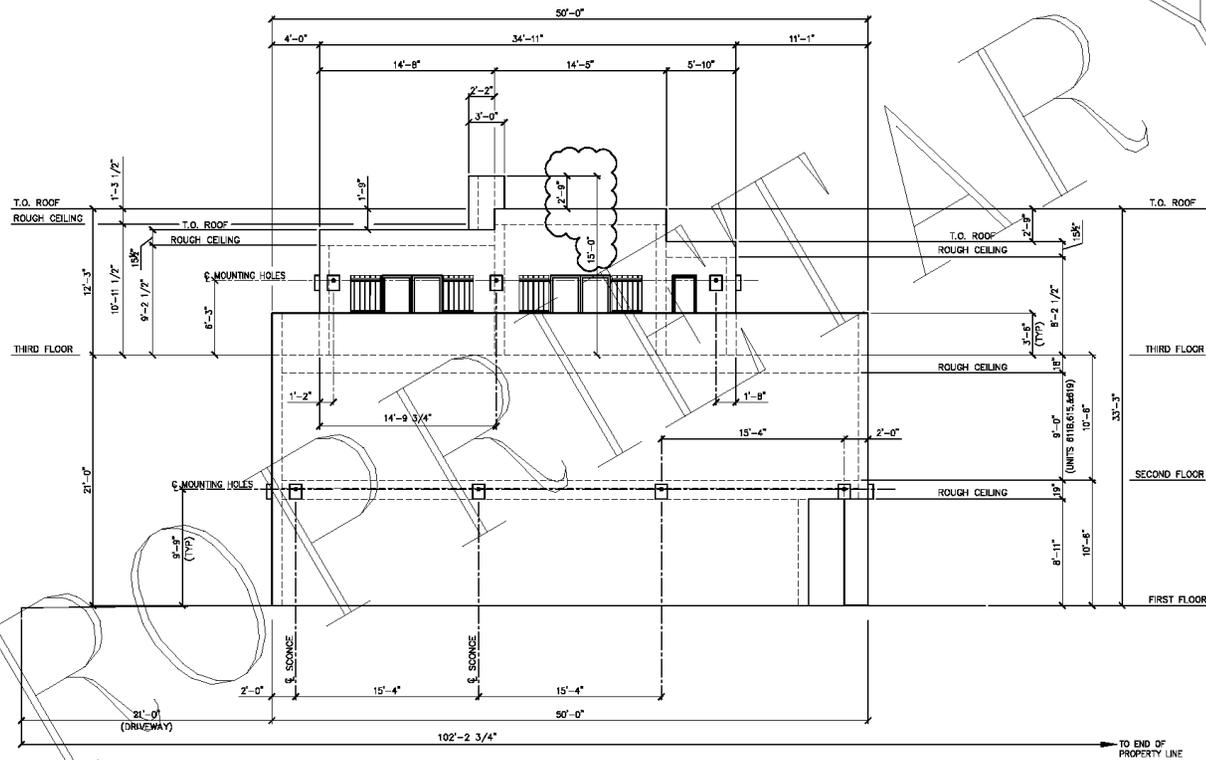
NOTES:

REV	DATE	BY	DESCRIPTION	CHK	ENG	APP	CLIENT
2	12/19/22	AAA	RE-ISSUED FOR CONSTRUCTION				
1	9/8/22	AAA	RE-ISSUED FOR CONSTRUCTION				
0	10/6/21	AAA	ISSUED FOR CONSTRUCTION				



J BAR HOLDINGS, LLC
 Puerto Anansas
 SHORT TERM RENTALS
 MUSTANG ISLAND
 W. AVENUE A
 PORT ANANAS, TEXAS 78373

DESIGNED BY	DATE	ELEVATION
SHA	7/2020	BACKYARD VIEW 'B'
AAA	7/2020	
SHA	7/2020	



VIEW D
SCALE 1/4"=1'-0"

PLEASE NOTE THAT THE DESIGN AND INFORMATION CONTAINED ON THIS DRAWING IS PROPRIETARY AND IS NOT TO BE REPRODUCED WITHOUT THE EXPRESSED WRITTEN CONSENT OF J BAR HOLDINGS, LLO & ROY ACORD
© J BAR HOLDINGS, LLO & ROY ACORD

NOTES:

REV	DATE	BY	DESCRIPTION	CHK	ENR	APPV	CLIENT
2	12/18/22	AAA	RE-ISSUED FOR CONSTRUCTION				
1	9/8/22	AAA	RE-ISSUED FOR CONSTRUCTION				
0	10/6/21	AAA	ISSUED FOR CONSTRUCTION				



J BAR HOLDINGS, LLO & ROY ACORD
 Port Aransas
 "Puerto Bella"
 SHORT TERM RENTALS
 W. AVENUE A
 PORT ARANSAS, TEXAS 78373
 ELEVATION
 SIDE VIEW 'D'
 SCALE: 1/4"=1'-0" DATE: PROJECT NO: SHEET NO: A3.4 SHEET 2



AD VALOREM TAX SCHEDULE

Property Address: 611, 611B, 615, 615B and 619 West Avenue A
 Port Aransas, Nueces County, Texas 78373

Owner: J Bar Holdings, LLC

Account Number: 597842, 597841, 597840

Land size (per NCAD)⁽¹⁾: 0.235 Acs.

Gross Bldg. size (per NCAD)⁽¹⁾: 8,045 Sq.Ft.

Net Rentable Area: 8,045 Sq.Ft.

Number of Units: 5 Units

	2024	2025 ⁽²⁾
Tax Assessment		
Land	\$608,093	\$608,093
Improvements	<u>\$1,741,907</u>	<u>\$1,894,116</u>
Total	\$2,350,000	\$2,502,209
Total PSF	\$292.11	\$311.03
Total per Unit	\$470,000	\$500,442

Tax Rates (\$ per \$100 of assessed value)

Jurisdiction:		
City of Port Aransas	\$0.191962	\$0.191962
Nueces County	\$0.262373	\$0.262373
Farm to Market Road	\$0.003159	\$0.003159
Port Aransas ISD	\$0.738921	\$0.738921
Hospital District	<u>\$0.089240</u>	<u>\$0.089240</u>
Combined tax rate:	\$1.285655	\$1.285655

Total Tax Payments⁽³⁾

Jurisdiction:		
City of Port Aransas	\$4,511	\$4,803
Nueces County	\$6,166	\$6,565
Farm to Market Road	\$74	\$79
Port Aransas ISD	\$17,365	\$18,489
Hospital District	<u>\$2,097</u>	<u>\$2,233</u>
Total	\$30,213	\$32,169
Total Per Unit	<u>\$6,043</u>	<u>\$6,434</u>

Notes:

⁽¹⁾ Nueces County Appraisal District recorded size.

⁽²⁾ The 2025 tax rates are not available as of the date of this report. We have used the 2024 tax rates in our estimate.

⁽³⁾ There are no delinquent taxes reported for the subject property.

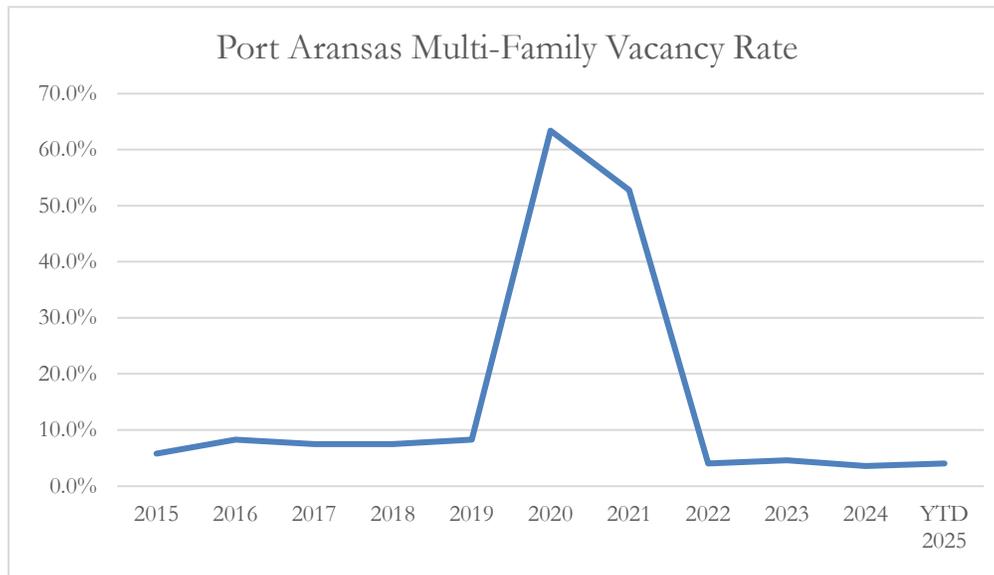
Apartment Market Study

The following market data is taken from *CoStar Property Data* for the multi-family market in Port Aransas as of June 2025.

Overview

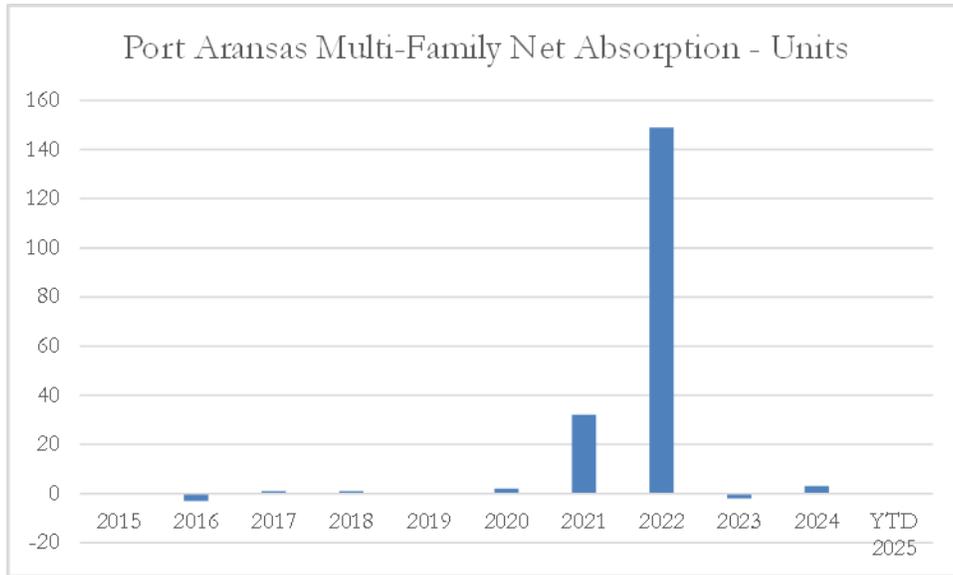
Port Aransas currently has 316 multi-family units. There is currently no space under construction. The last delivery to the market was 183 units delivered in 2019.

Vacancy



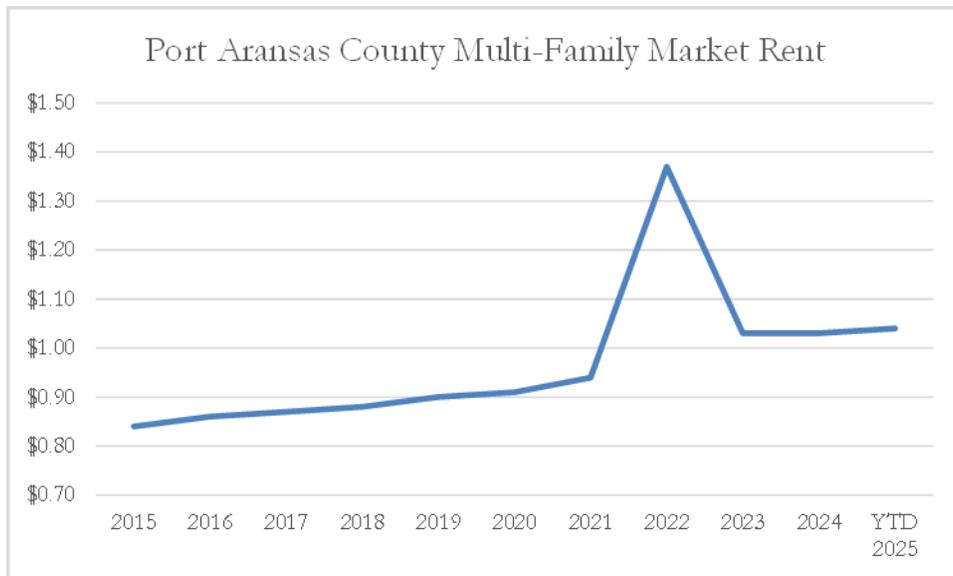
Port Aransas's multi-family market has a current vacancy rate of 4.0%, up from 3.6% in 2024. The vacancy rate for Port Aransas has remained below 10% for the last ten years, except for 2020 and 2021. These vacancy rates were high most likely due to the economic impact of COVID-19.

Absorption



The Port Aransas multi-family market has experienced positive net absorption for six of the past ten full years. As of June 2025, multi-family net absorption was 0 square feet.

Rental Rates



Asking rents increased slightly over the past year to the current asking rate of \$1.04 per square foot per year. The current rental rate of \$1.04 per square foot per year is 1.0% above the 2024 rental rate of \$1.03 per square foot per year. Asking rents were generally increasing between 2015 and 2022 before falling in 2022 then increasing again in 2023 and 2024.

Conclusion

The Port Aransas multi-family market has remained relatively stable during 2025. The multi-family vacancy rate rose to 4.0%. Year to date net absorption was 0 units. Quoted rental rates increased slightly over the past year, ending at \$1.04 per square foot per year as of June 2025. Overall, the Port Aransas multi-family market is expected to remain stable over the near term.

HIGHEST AND BEST USE

The uses to which a property can be put affect its value. This is recognized by the concept of highest and best use, generally understood to mean:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and which results in the highest value. These four factors influence the developability and the marketability/value of property:

- ⇒ Legal permissibility (zoning, deed restrictions, building codes, etc.)
- ⇒ Physical possibility (size, shape, frontage, utilities, etc.)
- ⇒ Financial feasibility (demand to support development)
- ⇒ Maximum productivity

Two separate analyses are performed to develop an opinion of highest and best use: first, an examination of the site as vacant and available for development and second, an examination of the existing improvements and an investigation of their contribution to the value of the property. For an existing improved property, as long as the value of the property as improved is greater than the value of the vacant site less demolition costs, the highest and best use is the use as improved. Once the value of the vacant land exceeds the value of the improved property, the highest and best use becomes the use of the land as vacant.

Site as if Vacant

Legally Permissible

The subject site is located within the city limits of Port Aransas and is zoned R-2 (Medium Density Residential) which allows for single family and multi-family residential development (up to four units per lot), as well as nightly vacation rentals. There do not appear to be any adverse restrictions which would limit the development of the subject site.

Physically Possible

The subject site contains 0.235 acres or 10,224 square feet of land area. The site is rectangular in shape, with frontage along a secondary neighborhood roadway. All utilities are available to the site. Based on our interviews with local brokers and investors, physically possible (and likely) uses include most types of residential development.

Financially Feasible/Maximally Productive

During our inspection, we noted new residential development occurring in the subject neighborhood. Rental rates and occupancy levels appear to support new residential development on the subject site. According to local brokers and developers, residential development is financially feasible in the subject neighborhood. Based on this analysis, the highest and best use of the subject site as if vacant is for residential development.

Property as Improved

The subject site includes a 14,990 square foot townhome project and related site improvements (under construction – approximately 95% complete). The proposed improvements are physically possible and legally permissible on the subject site. Based on a comparison of the Cost Approach to the Sales Comparison Approach herein, the subject development is financially feasible and appears to be the maximally productive use of the subject site. Therefore, the highest and best use of the property as improved is for completion and use as a townhome development (as planned).

COST APPROACH

This approach is based on the principle of substitution which assumes that a prudent purchaser will not ordinarily pay more for a property than the cost of producing a substitute of similar utility. A value indication is derived by estimating the cost of acquiring a comparable site and constructing comparable improvements and then by making allowances for the age and the inadequacies of the existing improvements. This approach requires the appraiser to estimate the following items:

- Site value, as if the site were vacant and available for development
- Replacement cost new of the improvements
- Accrued depreciation of the improvements, measured by the following:
 - Physical deterioration
 - Functional obsolescence
 - External obsolescence

The replacement cost new of the improvements, less any accrued depreciation, is added to the site value to arrive at a value indication.

Land Valuation

The Sales Comparison Approach is used to estimate the fair market value of the subject site as if vacant. In order to apply the Sales Comparison Approach to the subject site, we have researched and analyzed recent land sales and listings in and around the subject neighborhood. We contacted individuals having knowledge of the transaction details and discussed each sale to the fullest extent possible. We also interviewed local brokers, investors and developers regarding current trends in land prices and development in and around the subject neighborhood.

The most pertinent sales to analyze the subject are summarized on the following Land Sales Summary and Adjustment Grid, which is followed by a location map of the sales. A detailed write-up of each sale can be found in the Addenda.

LAND SALES SUMMARY AND ADJUSTMENT GRID

<u>MARKET DATA</u>	<u>SUBJECT</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
Location	SW/S West Avenue A, approximately 120 feet northwest of Sixth Street	NW/S Eleventh Street, 150.22 feet southwest of East Avenue G	SW/C North Station Street and Brown Street	E/C East Avenue F and South Station Street	N/S White Avenue, 340 feet west of White Avenue
City	Port Aransas	Port Aransas	Port Aransas	Port Aransas	Port Aransas
Date of Sale		May/25	Jun/24	Dec/23	May/23
Size (Ac.)	0.235 Acs.	0.344 Acs.	0.126 Acs.	0.458 Acs.	0.253 Acs.
Size (SF)	10,224 SF	15,005	5,502	19,963	11,000
Sale Price		\$1,125,000	\$285,900	\$1,275,000	\$700,000
Sale Price Per Sq. Ft.		\$74.98	\$51.96	\$63.87	\$63.64
Proposed Development	Puerto Bella Townhomes	Speculation	Single-Family	Restaurant	Single-Family
Sale Price Per Sq. Ft.	--	\$74.98	\$51.96	\$63.87	\$63.64

COMPARATIVE ANALYSIS

<u>MULTIPLIED ADJUSTMENTS</u>	<u>0.0 years</u>	<u>0.9 years</u>	<u>1.4 years</u>	<u>2.0 years</u>
Elapsed Time (Years)	0.0 years	0.9 years	1.4 years	2.0 years
Market Conditions/Time Adjustment	0.0%	0.0%	0.0%	0.0%
Conditions of Sale Adjustment	0.0%	0.0%	0.0%	0.0%
Req. Cond/Time Adj. Price PSF	\$74.98	\$51.96	\$63.87	\$63.64
<u>ADDED ADJUSTMENTS</u>				
Location Adjustment	0%	0%	0%	0%
Physical Characteristics:				
Size Adjustment/Sq. Ft. Basis	0%	-5%	5%	0%
Shape/Depth	0%	0%	0%	0%
Topography	0%	0%	0%	0%
Flood Plain	-10%	0%	0%	0%
Utilities	0%	0%	0%	0%
Zoning	-10%	0%	-10%	-10%
Total Adjustment	-20%	-5%	-5%	-10%
Adjusted Price/Sq. Ft.	\$59.98	\$49.36	\$60.68	\$57.28

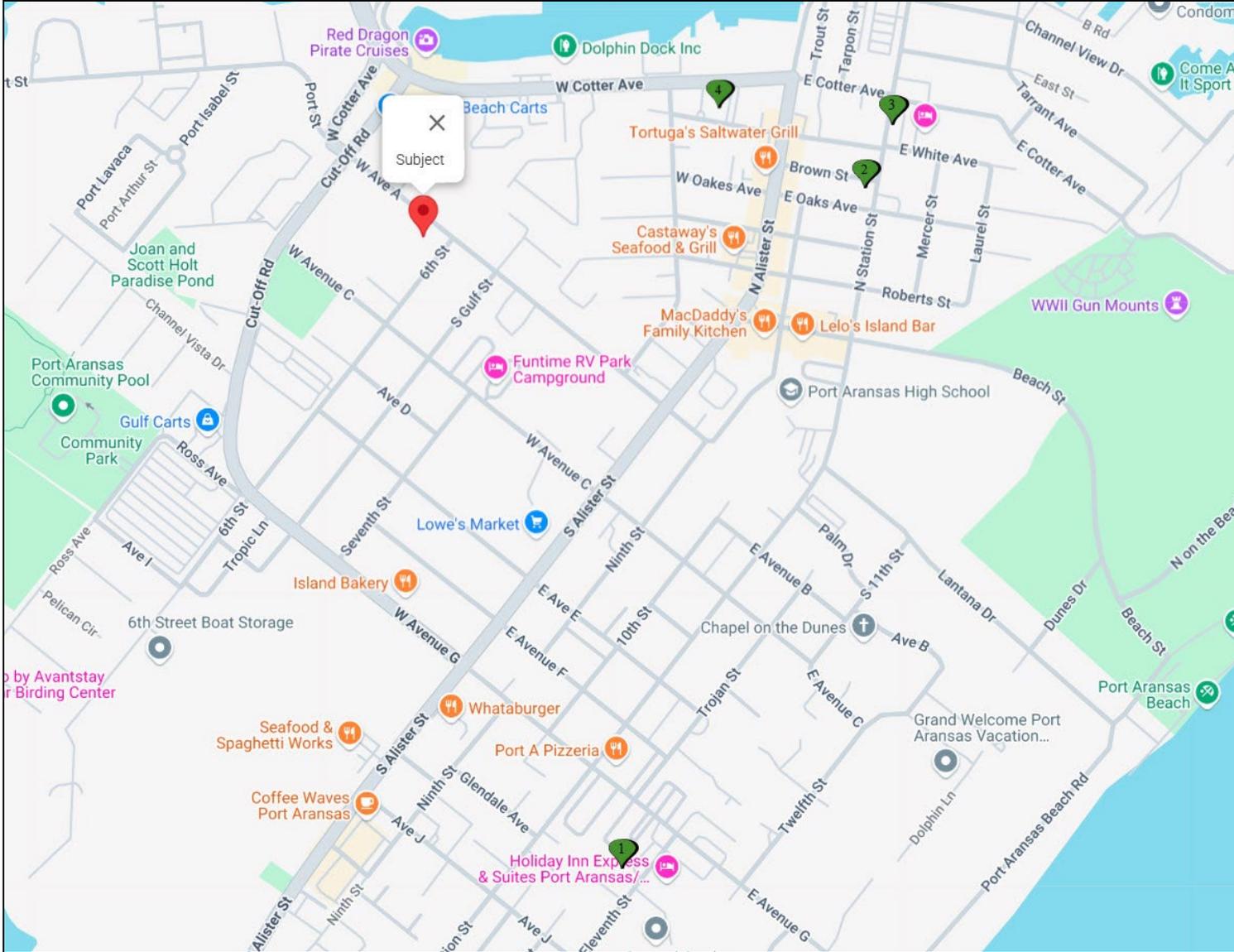
PSF METHOD	Low:	\$49.36
	High:	\$60.68
	Mean:	\$56.83
	Median:	\$58.63

INDICATED VALUE ESTIMATE			
\$57.00	X	10,224	= \$582,768

Indicated Market Value of Subject Site (Rounded): **\$580,000**

Notes:

Land Sales Map



Comparative Analysis

For this analysis, we compared the sales to the subject and adjusted them for differences in market conditions (time), conditions of sale, location and various physical characteristics. The adjusted prices for the sales were then reconciled into a final value indication for this approach.

Our analysis includes four sales. The sales range in date of sale from May 2023 to May 2025. The sales range in size from 0.126 to 0.458 acres. The unadjusted prices of the sales range from \$51.96 to \$74.98 per square foot.

Market Conditions

For this adjustment, we considered changes in the demand for land, recent and proposed development, the availability of financing, and economic conditions at the local level. Based on our discussions with market participants and a comparison of the sales, land prices in the subject neighborhood have remained level over the past few years. Therefore, we have not adjusted the sales for market conditions.

Conditions of Sale

An adjustment is warranted for conditions of sale when a transaction involves atypical motivations that affect the price of a property. All of the sales were reported to be typical arm's length transactions and were not adjusted for this characteristic.

Location

Location adjustments are necessary when the locations of the comparable properties are different than the subject. All of the comparables are similar to the subject site with respect to location. Therefore, adjustments were not applied to the comparables for this characteristic.

Size

The size of a property will usually affect its per unit sale price. An inverse relationship typically exists between the size of a property and its sale price per square foot. The larger the size of a property, the smaller the per unit price, and vice versa, assuming all other variables are constant. The subject site contains 0.235 acres, while the comparables range in size from 0.126 to 0.458 acres. Sale 2 was adjusted downward due to its smaller size as compared to the subject. Sale 3 was adjusted upward due to its larger size as compared to the subject. The adjustment applied is 5% per doubling/halving in size and is based on a comparison of the sales and our conversations with local brokers and investors. The remaining comparables are similar to the subject with respect to size and were not adjusted for this characteristic.

Shape/Depth

The shape/depth characteristics of a property can affect its sale price. All of the comparables have shape/depth characteristics that would not influence the developability of the site, similar to the subject. Therefore, adjustments were not applied to the comparables for this characteristic.

Topography

The overall price of a property will generally be negatively impacted if additional investment is required to level the site. All of the comparables are similar to the subject with respect to topography. Therefore, topography adjustments were not applied to the comparables.

Flood Plain

The overall price of a site can be impacted if a portion of the site is located within the flood plain. The subject site is located inside of the flood plain. Sale 1 is outside of the flood plain and was adjusted downward for this characteristic. All of the remaining comparables are located inside of the flood plain. Therefore, flood plain adjustments were not applied to these comparables.

Utilities

Access to utilities can have an impact on the sale price of a site. The subject site has access to all utilities. All of the comparables had access to all utilities at the time of the sale. Therefore, adjustments were not applied to the comparables for this characteristic.

Zoning

Zoning can have effect on the sale price of a site. Sales 1, 3 and 4 are superior to the subject with respect to zoning and were adjusted downward for this characteristic. Sale 2 is similar to the subject with respect to zoning. Therefore, adjustments for zoning differences were not applied to this comparable.

Land Value Conclusion

The adjusted sale prices of the comparable land sales range from \$49.36 to \$60.68 per square foot. The mean of the sales is \$56.83 per square foot and the median is \$58.63 per square foot. We have relied equally on all of the sales in our reconciliation. Based on this analysis, the fair market value of the fee simple interest of the subject site as of the date of inspection, or May 28, 2025, is estimated as follows:

10,224 square feet	X	\$57.00 per square foot	=	\$582,768
		Rounded	=	\$580,000

Replacement Cost New

The replacement cost new is the estimated cost to construct, at prices as of the effective appraisal date, a building with utility equivalent to the building being appraised using modern materials, current standards, design and layout. We researched *Marshall Valuation Service*, published by Marshall & Swift, to estimate the replacement cost new of the subject property. The discussion which follows summarizes our analysis.

We quantified components of construction and building services and then applied a unit cost to develop the construction cost of the building(s) as of the date of valuation. After applying height, perimeter, current cost and local area multipliers, a base price per square foot was obtained. We also utilized *Marshall Valuation Service* to estimate the replacement cost new of the site and other improvements.

Indirect (soft) Costs

Indirect costs have been estimated at 10% based on our interviews with market participants and soft costs reported for similar facilities.

Cost Reconciliation

We compared the construction cost provided by the developer to our replacement cost estimate of the subject property obtained from the *Marshall Valuation Service*. This analysis is summarized on the following chart.

Summary of Cost Estimates		
Cost Source	Aggregate Total Cost ⁽¹⁾	Cost Per Square Foot
<i>Marshall Valuation Service</i>	\$2,427,472	\$385.19
Developer's Budget ⁽²⁾	\$2,557,878	\$405.88

⁽¹⁾ Excludes entrepreneurial profit and land.

⁽²⁾ Based on information provided by the developer for a prior appraisal of the subject property.

The developer's estimate is 5.1% higher than the *Marshall Valuation Service* estimate. We have used the *Marshall Valuation Service* estimate in our analysis.

Entrepreneurial Profit

Entrepreneurial profit accounts for a developer's expectation to receive a return above actual development costs. Based on our interviews with developers of similar properties, a 10% entrepreneurial profit is applied.

Accrued Depreciation

Physical Depreciation

Physical depreciation as a result of age and wear can be divided into curable and incurable categories. Curable physical depreciation refers to items in need of repair (deferred maintenance) as of the date of the inspection. Incurable physical depreciation refers to items of depreciation that cannot be practically or economically corrected. Since the subject improvements are new (under construction), the effective age and physical (both curable and incurable) depreciation is zero.

Functional Obsolescence

Functional obsolescence is any loss in value resulting from inappropriate architectural design, construction, or layout. Based on our inspection of the subject improvements no functional obsolescence was noted.

External Obsolescence

External obsolescence, usually not curable, is a loss resulting from causes outside property boundaries that are not accounted for in land value. No external obsolescence was identified for the subject property.

A Cost Approach Summary follows.

COST APPROACH SUMMARY
611, 611B, 615, 615B and 619 West Avenue A
Port Aransas, Nueces County, Texas 78373

COST APPROACH PARAMETERS

<u>Effective Age of Improvements⁽¹⁾</u>		<u>Adjustment Factors/Multipliers⁽²⁾</u>	
Building	0 Years	<u>Building</u>	
Site Improvements	0 Years	Story Height Multiplier	1.000
<u>Estimated Life of Improvements⁽²⁾</u>		Number of Stories	1.000
Building	55 Years	Perimeter Multiplier	1.086
Site Improvements	15 Years	Local Multiplier	0.900
		Current Cost Multiplier	<u>1.000</u>
		Total Adjustment Factor	0.977

Marshall Valuation Classification	Cost Estimate PSF ⁽²⁾	Total Adj. Factor	Adjusted Cost (PSF)	Subject Area (SF) ⁽³⁾	Undepreciated Replacement Cost
Residences Tropical Housing Class C, Type Good (Section 12, Page 30)	\$230.00	0.977	\$224.71	6,302	\$1,416,122
Balconies/Patios Exterior Balconies Type Good (Section 12, Page 38)	\$120.25	0.977	\$117.48	2,913	\$342,219
Garages Residential Garages Class C, Type Good (Section 12, Page 35)	\$101.00	0.977	\$98.68	1,494	\$147,428

RCNLD SCHEDULE AND CONCLUSION

Direct Building Costs	\$1,905,769
Site Improvements Cost ^(2, 3)	
Concrete Driveways/Sidewalks	\$20,500
Swimming Pools	\$157,000
Pool Deck	\$8,924
Outdoor Shower	\$2,500
Landscaping	\$27,100
Fencing and Gates	<u>\$85,000</u>
Total Site Improvements Costs	\$301,024
Total Direct Costs	\$2,206,793
Plus Indirect Costs @ 10%	\$220,679
Total Replacement Cost New Before Land, Profit	\$2,427,472
Less Depreciation	
Physical Curable	\$0
Physical Incurable - Primary Structures	\$0
Physical Incurable - Site Improvements	\$0
Functional Obsolescence	\$0
External Obsolescence	<u>\$0</u>
Total Depreciation	\$0
Depreciated Replacement Cost	\$2,427,472
Plus Entrepreneurial Profit @ 10%	\$242,747
	<u>\$2,670,219</u>
Plus Land Value	\$580,000
	\$3,250,219
Indicated Market Value "As Complete" Via Cost Approach:	ROUNDED: \$3,250,000
	\$515.71 per square foot
Less Cost to Complete: ⁽⁴⁾	<u>(\$35,108)</u>
	\$3,214,892
Indicated Market Value "As Is" Via Cost Approach:	ROUNDED: \$3,210,000
	\$509.36 per square foot

Notes:

- ⁽¹⁾ Based on the actual age of the improvements and their current condition.
⁽²⁾ Source - *Marshall Valuation Service*.
⁽³⁾ Based on information provided by the developer.
⁽⁴⁾ See Subject Inspection Report in Addenda (includes 10% entrepreneurial profit.)

Cost Approach Conclusion

Based on the previous analysis, we estimate the fair market value of the fee simple interest of the subject property “As Is” as of May 28, 2025 via the Cost Approach as follows:

\$3,210,000

SALES COMPARISON APPROACH – 4 BED/4 BATH UNIT

Introduction

In order to apply the Sales Comparison Approach to the subject property we have researched and analyzed recent sales and listings of similar properties in Port Aransas. We contacted individuals having knowledge of the transaction details and discussed the sales to the fullest extent possible. The most pertinent sales to analyze the subject are summarized on the exhibit following this introduction. The units of comparison were adjusted for cash equivalency, rent loss, deferred maintenance and rehabilitation costs where applicable. A detailed write-up of each sale can be found in the Addenda.

Investors indicate that they rely on the sale price per square foot method to analyze similar properties. For the sale price per square foot method, we compared the sales to the subject property and adjusted their sale price per square foot for differences in market conditions (time), conditions of sale, location and various physical characteristics. The adjusted prices for the sales were then reconciled into a final value indication via this approach.

An Improved Sales Summary and Adjustment Grid follows which outlines the terms and characteristics of the sales as well as the adjustments we applied to each sale. An Improved Sales Map also follows.

IMPROVED SALES SUMMARY AND ADJUSTMENT GRID - 4 BED/4 BATH

MARKET DATA	SUBJECT	1	2	3	Current Listing
Property Name	Puerto Bella Townhomes	West Avenue A Single-Family Residence	Sea Breeze Lane Single-Family Residence	North Station Street Townhouse	South Gulf Street Single-Family Residence
Address	619 West Avenue A	616 West Avenue A	624 Sea Breeze Lane	410 North Station Street Unit B	114 South Gulf Street
City	Port Aransas	Port Aransas	Port Aransas	Port Aransas	Port Aransas
Year Built	2025	1975	2017	2021	2015
Year Renovated	N/A	2021	N/A	N/A	N/A
Unit Size	1,778	2,672	1,981	1,821	1,100
Bed/Bath	4/4	5/4	4/4	5/4	3/2
Type of Construction	Concrete And Stucco	Fiber Cement Siding	Fiber Cement Siding	Fiber Cement Siding	Fiber Cement Siding
Sale Date	--	03/31/25	09/18/23	07/26/23	06/05/25
Sale Price	--	\$1,600,000	\$1,220,000	\$1,190,000	\$715,000
Price Per Sq. Ft.	--	\$598.80	\$615.85	\$653.49	\$650.00

COMPARATIVE ANALYSIS

MULTIPLIED ADJUSTMENTS				
Elapsed Time (Years)		0.2 years	1.7 years	1.8 years
Market Conditions/Time Adjustment		0.0%	0.0%	0.0%
Conditions of Sale Adjustment		0.0%	0.0%	0.0%
Req. Cond/Time Adj. Price Per Unit		\$598.80	\$615.85	\$653.49
ADDED ADJUSTMENTS				
Location		0%	0%	0%
Size		5%	0%	0%
Bed/Bath		-5%	0%	-5%
Age/Condition		15%	0%	0%
Quality of Construction		5%	5%	5%
Physical Characteristics		5%	0%	0%
Total Adjustment		25%	5%	0%
Adjusted Price/Unit		\$748.50	\$646.64	\$653.49

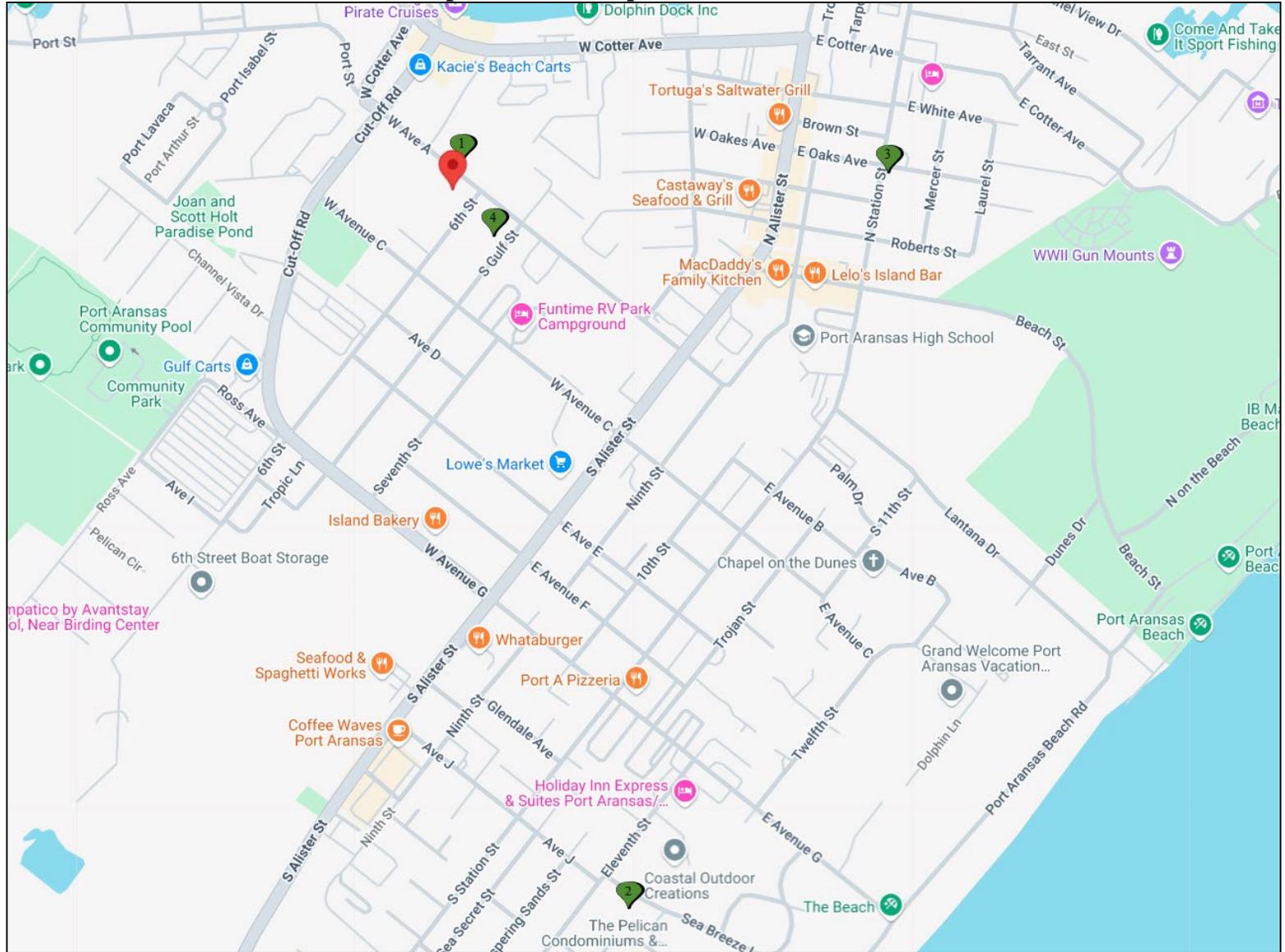
PER UNIT METHOD⁽¹⁾	Low:	\$646.64
	High:	\$748.50
	Mean:	\$682.88
	Median:	\$653.49

INDICATED VALUE ESTIMATE

Unit 619	\$675.00	X	1,778	=	\$1,200,150
Indicated Market Value "As Complete" Via Sales Comparison Approach (Rounded):					\$1,200,000

Notes:
⁽¹⁾Excludes the current listing.

Improved Sales Map – 4 Bed/4 Bath Unit



Comparative Analysis

For this analysis, we compared the sales to the subject and adjusted them for differences in market conditions (time), conditions of sale, location and various physical characteristics. The adjusted prices for the sales were then reconciled into a final value indication for this approach.

Our analysis includes four sales. The sales range in date of sale from July 2023 to June 2025 and in size from 1,821 to 2,672 square feet. The sales range in unadjusted sale price from \$598.80 to \$653.49 per square foot. The current listing contains 1,100 square feet and has an unadjusted asking price of \$650.00 per square foot.

Market Conditions

The comparable sales occurred between July 2023 and June 2025. Local brokers and investors indicate that prices for similar properties have remained level over the past few years. Therefore, we have not applied an adjustment for market conditions.

Conditions of Sale

An adjustment is warranted for conditions of sale when a transaction involves atypical motivations that affect the price of a property. All of the sales were reported to be typical arm's length transactions and were not adjusted for this characteristic. Listings generally sell for less than their asking price. Therefore, the current listing was adjusted downward for conditions of sale.

Location

Location adjustments are necessary when the locations of the comparable properties are different than the subject. The sales are similar to the subject with respect to location and were not adjusted for this characteristic.

Size

The size of a property will usually affect its per unit sale price. An inverse relationship typically exists between the size of a property and its sale price per square foot. The larger the size of a property, the smaller the per unit price, and vice versa, assuming all other variables are constant. The subject 4 bed/4 bath unit contains 1,778 square feet of gross building area. The comparables range in size from 1,100 to 2,672 square feet of gross building area. Sale 1 is larger than the subject and was adjusted upward for this characteristic. Sale 4 is smaller than the subject and was adjusted downward for this characteristic. The adjustment applied is 10% per doubling/halving in size. All of the remaining comparables are similar to the subject with respect to size and were not adjusted for this characteristic.

Bed/Bath

The number of bedrooms and bathrooms at a property will usually affect its per unit sale price. The current listing contains fewer bedrooms/bathrooms than the subject and was adjusted upward for this inferior characteristic. Sales 1 and 3 contain more bedrooms/bathrooms than the subject and were adjusted downward for this superior characteristic. Sale 2 is similar to the subject with respect to the number of bedrooms/bathrooms and were not adjusted for this characteristic.

Age/Condition

The subject property is projected to be completed in 2025 and will be in excellent condition “As Complete”. Sale 1 and the current listing are inferior to the subject with respect to age/condition and were adjusted upward for this characteristic. The remaining comparables are similar to the subject with respect to age/condition and were not adjusted for this characteristic.

Quality of Construction

Different qualities of construction may affect the sale price of a property. All of the comparables are inferior to the subject with respect to quality of construction and were adjusted upward for this characteristic.

Physical Characteristics

This adjustment compares the overall physical amenities of the sales to the subject property. Sale 1 is inferior to the subject with respect to physical characteristics (no swimming pool) and was adjusted upward for this characteristic. All of the remaining comparables are similar to the subject with respect to physical characteristics and were not adjusted for this characteristic.

Sales Comparison Approach Conclusion – 4 Bed/4 Bath Unit

The adjusted sale prices of the comparable improved sales range from \$646.64 to \$748.50 per square foot. The mean of the data is \$682.88 per square foot, and the median is \$653.49 per square foot. We have relied equally on all of the comparables in our reconciliation. Considering the above data, we estimate the fair market value of the fee simple interest of the subject property “As Complete” via the Sales Comparison Approach as follows:

Unit 619	1,778 square feet	X \$675.00 per square foot =	\$1,200,150
“As Complete” (Unit 619) Rounded:			\$1,200,000

SALES COMPARISON APPROACH – 5 BED/5 BATH UNITS

Introduction

In order to apply the Sales Comparison Approach to the subject property we have researched and analyzed recent sales and listings of similar properties in Port Aransas. We contacted individuals having knowledge of the transaction details and discussed the sales to the fullest extent possible. The most pertinent sales to analyze the subject are summarized on the exhibit following this introduction. The units of comparison were adjusted for cash equivalency, rent loss, deferred maintenance and rehabilitation costs where applicable. A detailed write-up of each sale can be found in the Addenda.

Investors indicate that they rely on the sale price per square foot method to analyze similar properties. For the sale price per square foot method, we compared the sales to the subject property and adjusted their sale price per square foot for differences in market conditions (time), conditions of sale, location and various physical characteristics. The adjusted prices for the sales were then reconciled into a final value indication via this approach.

Based on our research and our conversations with representatives from the City of Port Aransas, it appears the accessory dwelling units at the subject property would not be able to be sold off separately from the primary dwelling units. Therefore, we have considered the property to contain three sellable units (one 4 bedroom/4 bathroom unit containing 1,778 square feet and two 5 bedroom/5 bathroom units containing 2,262 square feet each).

An Improved Sales Summary and Adjustment Grid follows which outlines the terms and characteristics of the sales as well as the adjustments we applied to each sale. An Improved Sales Map also follows.

IMPROVED SALES SUMMARY AND ADJUSTMENT GRID - 5 BED/5 BATH

<u>MARKET DATA</u>	<u>SUBJECT</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>Current Listing</u> <u>4</u>
Property Name	Puerto Bella Townhomes	West Avenue A Single-Family Residence	Sea Breeze Lane Single-Family Residence	North Station Street Townhouse	South Gulf Street Single-Family Residence
Address	611 & 611B and 615 & 615B West Avenue A	616 West Avenue A	624 Sea Breeze Lane	410 North Station Street Unit B	114 South Gulf Street
City	Port Aransas	Port Aransas	Port Aransas	Port Aransas	Port Aransas
Year Built	2025	1975	2017	2021	2015
Year Renovated	N/A	2021	N/A	N/A	N/A
Unit Size ⁽¹⁾	2,262	2,672	1,981	1,821	1,100
Bed/Bath ⁽¹⁾	5/5	5/4	4/4	5/4	3/2
Type of Construction	Concrete And Stucco	Fiber Cement Siding	Fiber Cement Siding	Fiber Cement Siding	Fiber Cement Siding
Sale Date	--	03/31/25	09/18/23	07/26/23	06/05/25
Sale Price	--	\$1,600,000	\$1,220,000	\$1,190,000	\$715,000
Price Per Sq. Ft.	--	\$598.80	\$615.85	\$653.49	\$650.00

COMPARATIVE ANALYSIS

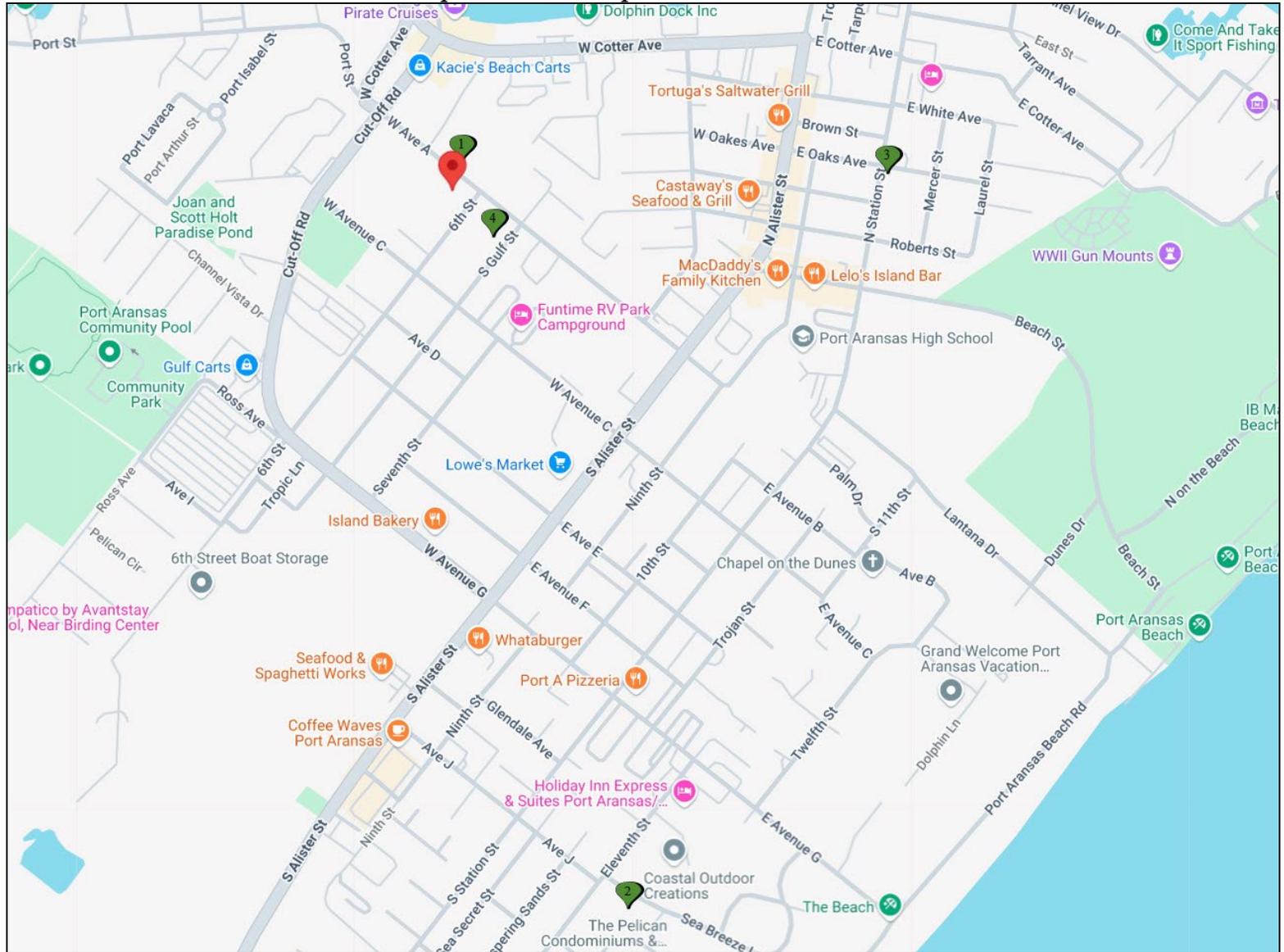
<u>MULTIPLIED ADJUSTMENTS</u>	<u>0.2 years</u>	<u>1.7 years</u>	<u>1.8 years</u>	<u>0.0 years</u>
Elapsed Time (Years)	0.2 years	1.7 years	1.8 years	0.0 years
Market Conditions/Time Adjustment	0.6%	5.1%	5.4%	-5.0%
Conditions of Sale Adjustment	0.0%	0.0%	0.0%	0.0%
Coq. Cond/Time Adj. Price Per Unit	\$602.39	\$647.26	\$688.78	\$617.50
ADDED ADJUSTMENTS				
Location	0%	0%	0%	0%
Size	0%	0%	0%	-10%
Bed/Bath	0%	5%	0%	10%
Age/Condition	15%	0%	0%	5%
Quality of Construction	5%	5%	5%	5%
Physical Characteristics	10%	5%	5%	5%
Total Adjustment	30%	15%	10%	15%
Adjusted Price/Unit	\$783.11	\$744.35	\$757.66	\$710.13

PER UNIT METHOD⁽²⁾	Low:	\$744.35
	High:	\$783.11
	Mean:	\$761.71
	Median:	\$757.66

INDICATED VALUE ESTIMATE				
Unit 611 & 611B	\$750.00	X	2,262	= \$1,696,500
Indicated Market Value "As Complete" Via Sales Comparison Approach (Rounded):				\$1,700,000
Unit 615 & 615B	\$750.00	X	2,262	= \$1,696,500
Indicated Market Value "As Complete" Via Sales Comparison Approach (Rounded):				\$1,700,000

Notes:
⁽¹⁾ Includes a 4 bed/4 bath primary dwelling unit containing 1,682 square feet and a 1 bed/1 bath accessory dwelling unit containing 580 square feet.
⁽²⁾ Excludes the current listing.

Improved Sales Map – 5 Bed/5 Bath Units



Comparative Analysis

For this analysis, we compared the sales to the subject and adjusted them for differences in market conditions (time), conditions of sale, location and various physical characteristics. The adjusted prices for the sales were then reconciled into a final value indication for this approach.

Our analysis includes four sales. The sales range in date of sale from July 2023 to June 2025 and in size from 1,821 to 2,672 square feet. The sales range in unadjusted sale price from \$598.80 to \$653.49 per square foot. The current listing contains 1,100 square feet and has an unadjusted asking price of \$650.00 per square foot.

Market Conditions

The comparable sales occurred between July 2023 and June 2025. Local brokers and investors indicate that prices for similar properties have remained level over the past few years. Therefore, we have not applied an adjustment for market conditions.

Conditions of Sale

An adjustment is warranted for conditions of sale when a transaction involves atypical motivations that affect the price of a property. All of the sales were reported to be typical arm's length transactions and were not adjusted for this characteristic. Listings generally sell for less than their asking price. Therefore, the current listing was adjusted downward for conditions of sale.

Location

Location adjustments are necessary when the locations of the comparable properties are different than the subject. The sales are similar to the subject with respect to location and were not adjusted for this characteristic.

Size

The size of a property will usually affect its per unit sale price. An inverse relationship typically exists between the size of a property and its sale price per square foot. The larger the size of a property, the smaller the per unit price, and vice versa, assuming all other variables are constant. The subject 5 bed/5 bath units contain 2,262 square feet of gross building area. The comparables range in size from 1,100 to 2,672 square feet of gross building area. Sale 4 is smaller than the subject and was adjusted downward for this characteristic. The adjustment applied is 10% per doubling/halving in size. All of the remaining comparables are similar to the subject with respect to size and were not adjusted for this characteristic.

Bed/Bath

The number of bedrooms and bathrooms at a property will usually affect its per unit sale price. Sale 2 and the current listing contain fewer bedrooms/bathrooms than the subject and were adjusted upward for this inferior characteristic. The remaining comparables are similar to the subject with respect to the number of bedrooms/bathrooms and were not adjusted for this characteristic.

Age/Condition

The subject property is projected to be completed in 2025 and will be in excellent condition “As Complete”. Sale 1 and the current listing are inferior to the subject with respect to age/condition and were adjusted upward for this characteristic. The remaining comparables are similar to the subject with respect to age/condition and were not adjusted for this characteristic.

Quality of Construction

Different qualities of construction may affect the sale price of a property. All of the comparables are inferior to the subject with respect to quality of construction and were adjusted upward for this characteristic.

Physical Characteristics

This adjustment compares the overall physical amenities of the sales to the subject property. All of the comparables are inferior to the subject with respect to physical characteristics (no swimming pool and/or no accessory dwelling units) and were adjusted upward for this characteristic.

Sales Comparison Approach Conclusion – 5 Bed/5 Bath Unit

The adjusted sale prices of the comparable improved sales range from \$744.35 to \$783.11 per square foot. The mean of the data is \$761.71 per square foot, and the median is \$757.66 per square foot. We have relied equally on all of the comparables in our reconciliation. Considering the above data, we estimate the fair market value of the fee simple interest of the subject property “As Complete” via the Sales Comparison Approach as follows:

Unit 611 & 611B	2,262 square feet	X \$750.00 per square foot =	\$1,696,500
“As Complete” (Unit 611) Rounded:			\$1,700,000
Unit 615 & 615B	2,262 square feet	X \$750.00 per square foot =	\$1,696,500
“As Complete” (Unit 615) Rounded:			\$1,700,000

SALES COMPARISON APPROACH – BULK SALE

The subject property “As Complete” will include a residential townhome project containing three units (two of which will contain an ancillary dwelling unit). In addition to estimating the fair market value of the fee simple interest of each unit individually, we have estimated the fair market value of the fee simple interest of the subject property as if all the units were sold together (bulk sale). Based on our research and our interviews with market participants, a reasonable exposure/marketing period would likely be six months or less given the high demand for similar properties in the subject market. It is probable that a single investor would purchase all three of the subject units together then operate them as a single economic unit, likely as short-term/nightly vacation rentals. Demand for similar vacation rental properties in the Port Aransas area has increase significantly in the wake of COVID-19 as many families are seeking socially-distanced vacations closer to home rather than trips requiring hotel stays or extensive travel.

Based on our conversations with local brokers and investors, a price discount is not expected for a bulk sale of the property given that there are only three units. Given the high demand for similar properties in the subject market and the relatively brief exposure/marketing period required, we have not deducted any holding or marketing costs in our analysis. Based on this data, we have estimated the fair market value of the fee simple interest of the subject property “As Is” as follows:

“As Complete” (Unit 619) Rounded:	\$1,200,000
“As Complete” (Unit 611) Rounded:	\$1,700,000
“As Complete” (Unit 615) Rounded:	<u>\$1,700,000</u>
Equals:	\$4,600,000
Less Cost to Complete: ⁽¹⁾	<u>(\$35,108)</u>
Equals:	\$4,564,892
“As Is” Rounded:	\$4,560,000

⁽¹⁾See Subject Inspection Report in Addenda (includes 10% entrepreneurial profit.)

INCOME CAPITALIZATION APPROACH

The Income Capitalization Approach is based on the premise that value is created by the expectation of future benefits. We estimated the present value of those benefits to derive an indication of the amount that a prudent, informed purchaser/investor would pay for the right to receive them as of the date of value.

This approach requires an estimate of the net operating income (NOI) of a property. The estimated NOI is then converted to a value indication by use of either the direct capitalization method or a discounted cash flow analysis.

Direct capitalization uses a single year's stabilized NOI as a basis for a value indication by dividing the income by an overall capitalization rate. The rate chosen accounts for a recapture of the investment by the investor and should reflect all factors that influence the value of the property, such as tenant quality, property condition, neighborhood change, market trends, interest rates and inflation. The rate may be extracted from local market transactions or, when transaction evidence is lacking, obtained from published trade sources and/or primary research with market participants.

A discounted cash flow analysis focuses on the operating cash flows expected from the property and the proceeds of a hypothetical sale at the end of a holding period (the reversion). The cash flows and reversion are discounted to their present values using a market derived discount rate and are added together to obtain a value indication. Because benefits to be received in the future are worth less than the same benefits received in the present, this method weights income in the early years more heavily than the income and the sale proceeds to be received later. The strength of the discounted cash flow analysis is its ability to recognize variations in projected net income, such as those caused by inflation, stepped leases, neighborhood change, or tenant turnover. Its weakness is that it requires many judgments regarding the actions of likely buyers and sellers of the property in the future.

In most situations, both methods yield similar results. The discounted cash flow analysis is typically more appropriate for the analysis of investment properties with multiple or long term leases, particularly leases with cancellation clauses or renewal options. It is especially useful for multi-tenant properties in volatile markets. The direct capitalization method is normally more appropriate for properties with relatively stable operating histories and expectations.

Based upon our conversations with market participants active in the sale and acquisition of properties similar to the subject, the direct capitalization method is most commonly used. Therefore, we have applied the direct capitalization method to estimate the fair market value of the fee simple interest of the subject property via the Income Capitalization Approach.

Considering that the accessory dwelling units at the subject property could be leased individually apart from the primary dwelling units, we have considered the property to contain five rentable units (two 1 bedroom/1 bathroom units containing 580 square feet each and three 4 bedroom/4 bathroom units containing an average of 1,714 square feet each).

Income Analysis

Market Rent Analysis

The following describes the data, analysis and rationale behind our estimate of market rent for the subject property. A detailed write-up of each rent comparable and a location map can be found in the Addenda. The following paragraphs outline the adjustments made to the rent comparables.

Size

The size of an apartment unit will typically affect its monthly rental rate. An inverse relationship typically exists between the size of an apartment unit and its rental rate per square foot. The larger the size of the unit, the smaller the per square foot rate, and vice versa, assuming all other variables are constant. When significant variances existed, we adjusted the rent comparable upward when the comparable unit is larger than the subject unit and downward when the unit is smaller than the subject unit. These adjustments are based on a comparison of the rental rates and our conversations with leasing agents at the subject property and the comparables.

Location

Location adjustments are necessary when the locations of the comparable properties are different than the subject. Rent Comparables 1, 2 and 4 are inferior to the subject with respect to location and were adjusted upward for this characteristic. Rent Comparable 3 is similar to the subject property with respect to location. Therefore, adjustments were not applied to this comparable for this characteristic.

Age/Condition

The subject property is projected to be completed in 2025 will be in excellent condition “As Complete”. Rent Comparable 3 is inferior to the subject with respect to age/condition and was adjusted upward for this characteristic. The remaining comparables are similar to the subject with respect to age/condition and were not adjusted for this characteristic.

Bed/Bath

The units with the most similar bedroom and bathroom characteristics were used to compare the individual subject units. However, in some cases the most comparable sized units at a comparable property resulted in a difference in the number of bedrooms or bathrooms as compared to the subject units. In those cases, we adjusted the rent comparable downward when the comparable unit included an additional bedroom or bathroom as compared to the subject unit and upward when the comparable unit excluded an additional bedroom or bathroom as compared to the subject unit. These adjustments are based on a comparison of the rental rates of various units at the subject and rent comparables, and our interviews with leasing agents.

Amenities

Different levels of amenities may affect the rental rates at an apartment complex. All of the comparables are inferior to the subject with respect to amenities (no access to swimming pool) and were adjusted upward for this characteristic.

Utilities

Apartment rents can vary based on who is responsible for utilities. At the subject property, the landlord is responsible for all utilities expenses. At Rent Comparables 2 and 4, the tenant is responsible for all utilities expenses. Therefore, these comparables were adjusted upward for this characteristic. The remaining comparables are similar to the subject with respect to utilities. Therefore, no adjustments were required for this characteristic.

The following pages include adjustment grids for each of the floor plans at the subject property. Following the adjustment grids is a Subject Rent Schedules Exhibit summarizing the current rent roll (in place rents) and our market rent estimate for the subject property.

RENT ADJUSTMENT GRID - 1 BD/1 BA (580 SF Avg.)

Date of Appraisal: 5/28/2025

Rent Comparable #	1	2	3	4
	Nautilus Single-Family Residence	Aransas Channel Single-Family Residence	West Avenue C Apartment Unit	Nautilus Single-Family Residence
Comparable Bed/Bath	3/3.5	4/3	1/1	4/2
Size	1380 sf	3251 sf	574 sf	1650 sf
Rent	\$2,800	\$5,000	\$1,650	\$3,100
Rent/SF	\$2.03	\$1.54	\$2.87	\$1.88
Adjustments:				
Size	10%	30%	0%	10%
Location	5%	5%	0%	5%
Age/Condition	0%	0%	5%	0%
Bed/Bath	-10%	-15%	0%	-15%
Amenities	5%	5%	5%	5%
Utilities	0%	10%	0%	10%
Total Adj.	10%	35%	10%	15%
Adj. \$/SF	\$2.23	\$2.08	\$3.16	\$2.16

Subject's Estimate \$1,800 \$3.10
--

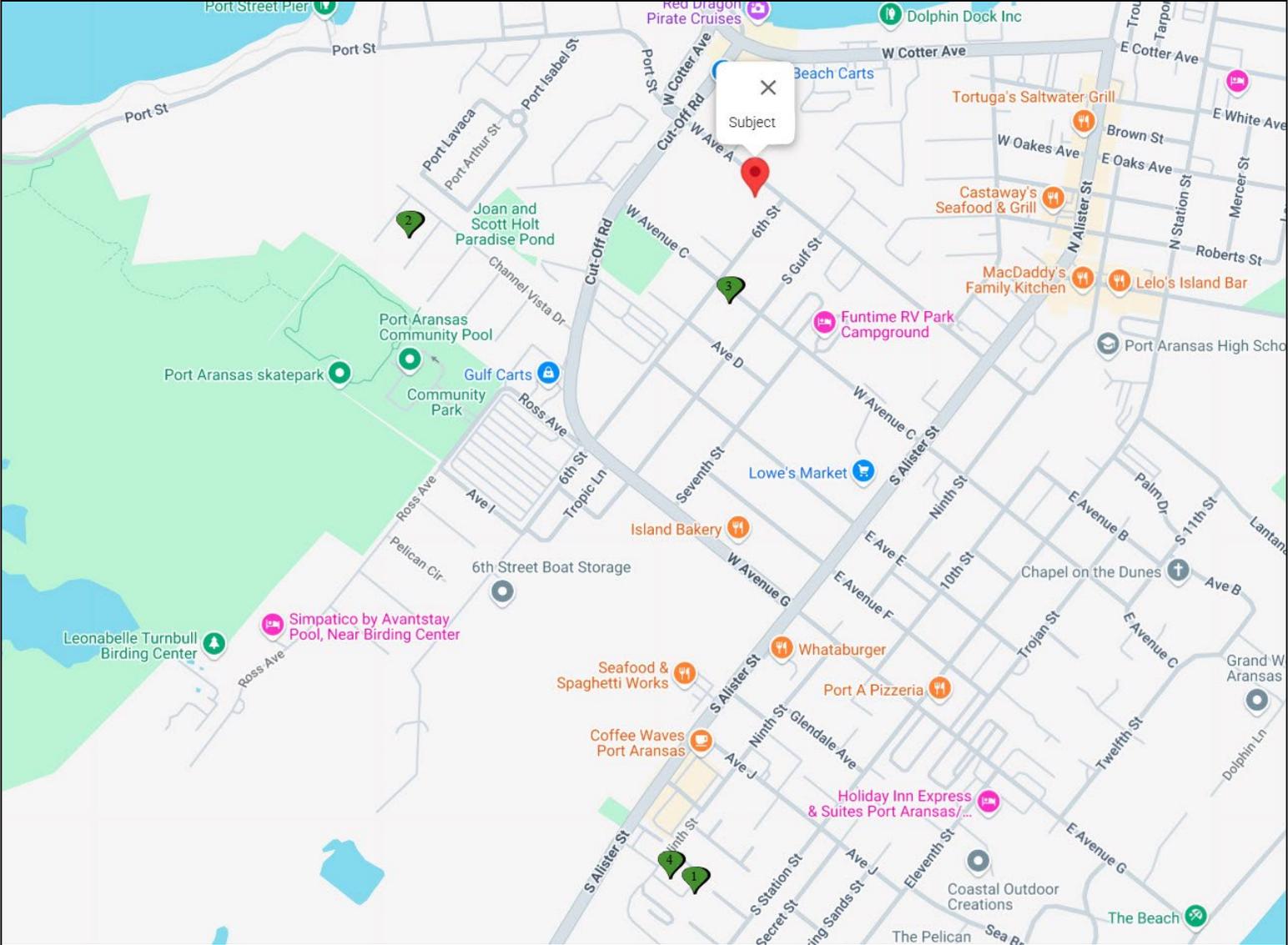
RENT ADJUSTMENT GRID - 4 BD/4 BA (1,714 SF Avg.)

Date of Appraisal: 5/28/2025

Rent Comparable #	1	2	4
	Nautilus Single-Family Residence	Aransas Channel Single-Family Residence	Nautilus Single-Family Residence
Comparable Bed/Bath	3/3.5	4/3	4/2
Size	1380 sf	3251 sf	1650 sf
Rent	\$2,800	\$5,000	\$3,100
Rent/SF	\$2.03	\$1.54	\$1.88
Adjustments:			
Size	0%	15%	0%
Location	5%	5%	5%
Age/Condition	0%	0%	0%
Bed/Bath	5%	0%	0%
Amenities	5%	5%	5%
Utilities	0%	10%	10%
Total Adj.	15%	35%	20%
Adj. \$/SF	\$2.33	\$2.08	\$2.26

Subject's Estimate \$3,800 \$2.22
--

Rent Comparables Map



SUBJECT RENT SCHEDULES EXHIBIT

Market Rent Schedule ⁽²⁾

No. of Units	Br-Ba	Avg. Size Sq. Ft.	Monthly Rent	Rent Per Sq. Ft.	Total Sq. Ft.	Total Rent
2	1/1	580	\$1,800	\$3.10	1,160	\$3,600
<u>3</u>	4/4	1,714	\$3,800	\$2.22	<u>5,142</u>	<u>\$11,400</u>
5					6,302	\$15,000

Average Rent Per Sq. Ft.: \$2.38

Notes:
⁽¹⁾ Market rents are effective rates and include rent concessions.

Considering the above analysis, we estimate market rent for the subject property at \$2.38 per square foot per month. Our market rent estimate is supported by the rent comparables which indicate an average rate ranging from \$1.88 to \$2.87 per square foot.

Ancillary Income

Ancillary income is income which is supplemental to that derived from the rental of apartment units. For the subject property this includes application fees, forfeited deposits and other miscellaneous income. Based on our experience with similar properties, we estimate ancillary income at \$100 per unit for the pro forma year.

Vacancy and Collection Loss

To arrive at net operating income (NOI), an allowance for vacancy and collection loss must be deducted from potential gross income to arrive at effective gross income. As of June 2025, the overall Port Aransas apartment market had an 4.0% vacancy rate. Investors indicate that they apply vacancy and collection loss allowances in the 5% to 15% range for similar properties. Based on the above data, we project a vacancy and collection loss allowance of 10.0% (9.0% vacancy and 1.0% collection loss) for the subject property.

Expense Analysis

Expense projections for the subject property were not provided to the appraisers. In order to estimate operating expenses for the property, we have analyzed operating expenses for similar multi-family properties (see Apartment Expense Comparables exhibit in Addenda). The operating expenses for the subject property have been estimated as follows.

Property Taxes

The subject property is currently assessed for \$2,502,209, or \$311.03 per square foot (based on the Nueces County Appraisal District reported size of 8,045 square feet). This assessment appears to be reasonable based on tax comparable data. The rent comparables we analyzed indicate assessments in the \$263.35 to \$375.89 per square foot range. Based on the current assessed value of \$2,502,209, and the current tax rate of \$1.285655 per \$100 of assessed value, we have estimated property taxes for the subject property of \$33,780, or \$6,756 per unit. Because the property is not finished, we have estimated an extra 5% increase in property taxes. This estimate appears reasonable based on the tax comparable data.

Insurance

The expense comparables range from \$631 to \$1,750 per unit, with an average of \$1,032 per unit. Based on the data, we estimate this expense at \$1,000 per unit, consistent with the average of the expense comparables and reasonable considering the subject's location in a coastal area.

Management

Based on our interviews with local brokers and our review of operating statements for similar apartment complexes in the area, we estimate this expense at 3.0% of effective gross income.

Electricity

The landlord is responsible for all of the utilities expenses at the subject property. The expense comparables range from \$0 to \$219 per unit, with an average of \$55 per unit. Based on the data, we estimate this expense at \$1,200 per unit, which is above the range of the expense comparables but is reasonable considering the landlord is responsible for all of the electricity expenses.

Gas

There is no gas at the subject property. Therefore, we have not estimated a gas expense for the subject property.

Water/Sewer

The landlord is responsible for all of the utilities expenses at the subject property. The expense comparables range from \$20 to \$1,148 per unit, with an average of \$678 per unit. Based on the data, we estimate this expense at \$675 per unit, consistent with the average of the expense comparables and reasonable considering the landlord is responsible for all of the water expenses.

Trash Removal

The expense comparables range from \$0 to \$118 per unit, with an average of \$22 per unit. Based on the data, we estimate this expense at \$100 per unit, within the range of the expense comparables and reasonable considering the characteristics of the subject property.

Payroll & Taxes

Considering the small size of the subject property, it is not necessary to hire employees. Therefore, we did not estimate a payroll and taxes expense for the subject.

Repairs and Maintenance

The expense comparables range from \$274 to \$1,312 per unit, with an average of \$634 per unit. Based on the data, we estimate this expense at \$650 per unit, consistent with the average of the expense comparables.

Marketing/Administration

The expense comparables range from \$0 to \$544 per unit, with an average of \$244 per unit. Based on the data, we estimate this expense at \$200 per unit, within the range of the expense comparables and reasonable considering the characteristics of the subject property.

Supplies and Services

The expense comparables range from \$0 to \$1,145 per unit, with an average of \$235 per unit. Based on the data, we estimate this expense at \$225 per unit, within the range of the expense comparables, and reasonable considering the quality and characteristics of the subject property.

Reserves for Replacement

Based on our interviews with market participants, a reserve for replacement allowance is typically deducted for similar properties ranging from \$100 to \$300 per unit. Considering the quality and condition of the subject property, we estimate a reserve for replacement allowance of \$200 per unit for the subject property.

Total Operating Expenses

Our estimate of the subject property's Year 1 operating expense (excluding reserves) totals \$11,781 per unit. Based on the expense comparables, which range from \$3,675 to \$9,782 per unit, our expense estimate is above the range but appears reasonable considering the quality and characteristics of the subject property.

Direct Capitalization Method

After projecting the income and expenses for the property, the next step in the valuation process is to capitalize the net operating income into an estimate of value. The selected overall capitalization rate ("OAR") covers return both on and of capital. It is the overall rate of return an investor expects based on a single year's net operating income.

Overall Capitalization Rate Analysis

Overall capitalization rates can generally be inferred from market transactions if there are sufficient comparable sales for which information is available. Results are best when the data are numerous and reliable, income and expenses are estimated on the same basis for all the properties involved, and the properties have similar physical and economic characteristics. We have analyzed overall capitalization rates extracted from recent sales of similar properties. These sales were selected based on their overall comparability to the subject with respect to tenancy, location and other physical characteristics. These sales are outlined in the following chart.

Date of Sale	Address	OAR
1/12/2024	13165 Snow Lane, Willis, TX	3.78%
6/30/2023	2308 53 rd Street, Galveston, TX	5.94%
5/30/2023	315 Harrison Boulevard, Aransas Pass, TX	5.17%
9/27/2022	621 Moody Avenue, Galveston, TX	6.55%
8/1/2022	621 Robinson Street, Corpus Christi, TX	6.24%

These sales indicate overall capitalization rates ranging from 3.78% to 6.55%, with an average of 5.54%.

The *PwC Real Estate Investor Survey 1st Quarter 2025* indicates an overall capitalization rate range from 4.00% to 6.25%, with an average of 5.25% for the national apartment market (institutional grade properties). Based on the *PwC Real Estate Investor Survey 1st Quarter 2025* (the most recent noninstitutional rates available), the rates for non-institutional grade properties are 25 basis points higher on average.

Local brokers and investors reported that a reasonable overall capitalization rate for the subject property would be in the 5.00% to 6.00% range, considering the location, tenancy and physical characteristics of the property.

Weighing all of the above factors together, and considering the location and physical characteristics of the subject property as well as current conditions in the local market, we have used an overall capitalization rate of 5.50% for the subject property. A Direct Capitalization Analysis Exhibit follows.

INCOME APPROACH SUMMARY - DIRECT CAPITALIZATION ANALYSIS EXHIBIT

Potential Gross Rental Revenue	\$15,000	x	12	Months	\$180,000
Ancillary Revenue	\$100 Per Unit Per Year				<u>\$500</u>
Total Potential Gross Income					\$180,500
Vacancy & Collection Loss Allowance	10.0%				<u>(\$18,050)</u>
Effective Gross Revenue					\$162,450
Less Expenses					
	Property Taxes	\$6,756 Per Unit			\$33,780
	Insurance	\$1,000 Per Unit			\$5,000
	Management @ 3.0%	\$975 Per Unit			\$4,874
	Electricity	\$1,200 Per Unit			\$6,000
	Gas	\$0 Per Unit			\$0
	Water/Sewer	\$675 Per Unit			\$3,375
	Trash Removal	\$100 Per Unit			\$500
	Payroll & Taxes	\$0 Per Unit			\$0
	Repairs & Maintenance	\$650 Per Unit			\$3,250
	Supplies & Services	\$225 Per Unit			\$1,125
	Marketing/Administration	\$200 Per Unit			\$1,000
Total Expenses Before Reserves		\$11,781 Per Unit			<u>(\$58,904)</u>
Plus Reserves		\$200 Per Unit			<u>(\$1,000)</u>
Net Operating Income		\$20,509 Per Unit			\$102,546
Divided by Capitalization Rate					<u>5.50%</u>
Equals					\$1,864,473
Indicated Market Value "As Complete" Via Direct Capitalization Method:				Rounded, Per Unit	\$1,860,000 \$372,000
Less Cost to Complete: ⁽¹⁾					<u>(\$35,108)</u> \$1,824,892
Indicated Market Value "As Is" Via Direct Capitalization Method:				Rounded, Per Unit	\$1,820,000 \$364,000

Notes:

⁽¹⁾ See Subject Inspection Report in Addenda (includes 10% entrepreneurial profit).

Income Capitalization Approach Conclusion

Based on the previous analysis, we estimate the fair market value of the fee simple interest of the subject property “As Is” as of May 28, 2025 via the Income Capitalization Approach as follows:

\$1,820,000

LIQUIDATION VALUE ESTIMATES

In addition to our estimate of Fair Market Value, we have also estimated the Orderly Liquidation Value and the Forced Liquidation Value of the subject property in accordance with the requirements of Stellar Bank. According to Stellar Bank, Orderly Liquidation Value considers a 120-day marketing time and Forced Liquidation Value considers a 60-day marketing time. We have discussed the possibility of a limited marketing time with brokers active in the Corpus Christi area and regional markets. Based on these discussions, we have estimated that the typical marketing time for a property such as the subject in the local market is 12 months or less. In the event that the time frame is shortened to 120 days or 60 days, the sale price of the property will likely be below the Fair Market Value, had the property received a reasonable exposure time on the open market.

Based on our discussions with local brokers and investors, it appears that a forced sale of the subject within a 120-day period would likely be 15% to 25% less than the estimated Fair Market Value (given full market exposure). Based on our discussions with market participants, we estimate the Orderly Liquidation Value of the subject property as follows:

Estimated Fair Market Value "As Is"	\$4,560,000
Less; Discount due to reduced marketing time (20%)	<u>(\$912,000)</u>
120-Day Liquidation Value	\$3,648,000
Rounded	\$3,650,000
PSF	\$579.18

Based on our discussions with local brokers and investors, it appears that a forced sale of the subject within a 60-day period would likely be 25% to 35% less than the estimated Fair Market Value (given full market exposure). Based on our discussions with market participants, we estimate the Forced Liquidation Value of the subject property as follows:

Estimated Fair Market Value "As Is"	\$4,560,000
Less; Discount due to reduced marketing time (30%)	<u>(\$1,368,000)</u>
60-Day Liquidation Value	\$3,192,000
Rounded	\$3,190,000
PSF	\$506.19

RECONCILIATION AND FINAL VALUE ESTIMATES

For this appraisal, we used the Cost, Sales Comparison and Income Capitalization Approaches to estimate the fair market value of the fee simple interest of the subject property. We considered and evaluated the alternative value indications, weighing the relative significance, applicability and defensibility of each approach. Our value conclusion for each approach to value is as follows.

“As Is”

Cost Approach: \$3,210,000
Sales Comparison Approach: \$4,560,000
Income Capitalization Approach: \$1,820,000

Based on our discussions with brokers and investors active in this market, investors typically give primary consideration to the Sales Comparison Approach, with secondary reliance placed on the Cost and Income Capitalization Approaches in making an investment decision for similar properties. Therefore, we have given primary emphasis to the Sales Comparison Approach and secondary emphasis to the Cost and Income Capitalization Approaches in our reconciliation.

Based on the investigation described in this report, the fair market value of the fee simple interest of the subject property “As Is” as of the date of inspection, or May 28, 2025, is as follows:

FOUR MILLION FIVE HUNDRED SIXTY THOUSAND DOLLARS
\$4,560,000

Based on the investigation described in this report, the orderly liquidation value of the subject property “As Is” as of the date of inspection, or May 28, 2025, is as follows:

THREE MILLION SIX HUNDRED FIFTY THOUSAND DOLLARS
\$3,650,000

Based on the investigation described in this report, the forced liquidation value of the subject property “As Is” as of the date of inspection, or May 28, 2025, is as follows:

THREE MILLION ONE HUNDRED NINETY THOUSAND DOLLARS
\$3,190,000

CERTIFICATION

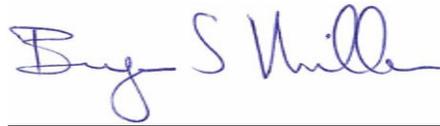
I certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have performed appraisal services, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- This Appraisal Assignment was not based on a request minimal valuation, a specific valuation or the approval of a loan.
- My 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.
- My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the *Uniform Standards of Professional Appraisal Practice*.
- Jolee G. Aylesworth made a personal inspection of the property that is the subject of this report. Thomas A. Stark, Bryan S. Miller, Justin M. Bishop and Christian Kitchen did not make a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the people signing this certification.
- 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 and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Thomas A. Stark and Bryan S. Miller have completed the continuing education program for Designated Members of the Appraisal Institute.
- As of the date of this report, Justin M. Bishop has completed the Standards and Ethics Education Requirements for Candidates of the Appraisal Institute.
- Thomas A. Stark, Bryan S. Miller, Jolee G. Aylesworth, Justin M. Bishop and Christian Kitchen currently hold an appropriate state certification allowing the performance of real estate appraisals in connection with federally related transactions in the state in which the subject property is located.

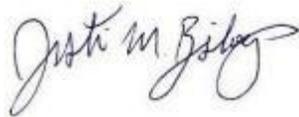
Respectfully submitted,



Thomas A. Stark, MAI, Partner
State Certified General Real Estate Appraiser
TX-1325319-G
tstark@napllp.com



Bryan S. Miller, MAI, CCIM, Partner
State Certified General Real Estate Appraiser
TX-1328184-G
bmiller@napllp.com



Justin M. Bishop
State Certified General Real Estate Appraiser
TX-1380401-G
jbishop@napllp.com



Jolee Aylesworth
State Certified General Real Estate Appraiser
TX-1324211-G
jaylesworth@napllp.com



Christian Kitchen
State Certified General Real Estate Appraiser
TX-1381380-G
ckitchen@napllp.com

STATEMENT OF GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions and limiting conditions.

General

1. No investigation has been made of, and no responsibility is assumed for, the legal description of the property being valued or for legal matters, including title or encumbrances. Title to the property is assumed to be good and marketable unless otherwise stated. The property is further assumed to be free and clear of any or all liens, easements or encumbrances unless otherwise stated.
2. Information furnished by others, upon which all or portions of this report are based, is believed to be reliable, but has not been verified in all cases. No warranty is given as to the accuracy of such information.
3. It is assumed that all required licenses, certificates of occupancy, consents or other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
4. Full compliance with the applicable federal, state and local zoning, use, environmental and similar laws and regulations is assumed, unless otherwise stated.
5. No responsibility is taken for changes in market conditions, and no obligation is assumed to revise this report to reflect events or conditions which occur subsequent to the date hereof.
6. The value estimates herein are predicated on the financial structure prevailing as of the date of this report.
7. Responsible ownership and competent property management are assumed.
8. The allocation, if any, in this report of the total value between components of the property applies only to the program of utilization stated in this report. The separate values for any components may not be applicable for any other purpose and must not be used in conjunction with any other appraisal.
9. Areas and dimensions of the property were obtained from sources believed to be reliable. Maps or sketches, if included in this report, are only to assist the reader in visualizing the property; and no responsibility is assumed for their accuracy. No independent surveys were conducted.
10. It is assumed 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.
11. No soil analysis or geological studies were ordered or made in conjunction with this report, nor was an investigation made of any water, oil, gas, coal or other subsurface mineral and use rights or conditions.

12. Neither National Appraisal Partners LLP nor any individual signing or associated with this report shall be required by reason of this report to give further consultation, provide testimony or appear in court or at other legal proceedings unless specified arrangements therefore have been made.
13. Neither this report nor any portions thereof (including without limitation any conclusions as to value, the identity of National Appraisal Partners LLP or any individuals signing or associated with this report, or the professional associations or organizations with which they are affiliated) shall be disseminated to third parties, without the prior written consent and approval of National Appraisal Partners LLP.
14. The date of analysis on which the conclusion and opinion expressed in this report apply is set forth in the letter of transmittal. Our value opinion is based on the purchasing power of the United States' dollar as of this date.
15. We are not qualified to investigate or test for the presence of toxic materials or substances. Unless otherwise stated in this report, no hazardous material, which may or may not be present on or near the property, was observed. We have no knowledge of the existence of such materials on or in the property; however, we are not qualified to detect such substances. The presence of potentially hazardous substances, such as asbestos, urea-formaldehyde foam insulation, or industrial wastes, may affect the value of the property. The value conclusions herein are predicated on the assumption that there is no such material on, in, or near the property that would cause 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 should retain an expert in this field if further information is desired.
16. We have not attempted to measure the potential impact on value of recent enforcement of wetlands legislation. Certain areas of the subject site may be dry and developable, while others may contain reclaimable and/or non-reclaimable wetland areas. We are not qualified to make such judgments and recommend retaining an expert in this field, if desired. Our value conclusions are predicated on there being no wetlands impact.
17. We did not make any observations or interpretations on compliance with the Americans With Disabilities Act. We are not experts in this field and are not qualified to make such determinations. Our value estimate is predicated upon the property owner(s) bearing no costs for compliance.

Extraordinary Assumptions (the use of which might have affected the assignment results herein):

1. The subject property is currently under construction (approximately 95% complete). We have relied on a property inspection report provided by the client regarding the remaining construction items and estimated cost to complete (see Addenda). We assume this information is accurate.

Hypothetical Conditions (the use of which might have affected the assignment results herein):

1. There are no Hypothetical Conditions for this appraisal.

ADDENDA

LAND SALE WRITE-UPS

Comparable 1

IDENTIFICATION

Location NW/S Eleventh Street, 150.22 feet southwest of East Avenue G

Address 700 Block of Eleventh Street

City Port Aransas

County Nueces

State Texas (TX)

Source Confidential

Name/Company/Phone Confidential



PHYSICAL DATA

Property Type Land

Land Area 15,005 SF 0.34 Acre

Shape Rectangular

Access Frontage 150 FF - Eleventh Street

Zoning/Deed Restrictions C-2

Intended Use Speculation

Floodplain Yes No

Improvements Yes No

Signalization Yes No

Easements/Encroachments Yes No

Corner Parcel Yes No

Utilities All Available Septic Water
 None Gas Sewer
 Water Well Electric Phone

TRANSACTION DATA

Sale Date 5/15/2025

Sale Price \$1,125,000 \$74.98/SF \$3,265,911/Acre

Adjusted Sale Price \$1,125,000 \$74.98/SF \$3,265,911/Acre

Grantor Fifth Quarter Investments LLC

Grantee Miguels Holdings LLC

Financing Terms Cash to seller

Recording Data 2025017373

Marketing Time N/A

Type of Buyer Owner-occupant

Property Rights Fee Simple

Conditions of Sale Arms Length

LEGAL DESCRIPTION

0.344 acres, being Foxfire Subdivision, Block 1, Lots 3R through 5R, Nueces County, Texas

REMARKS

The property is being purchased by the adjacent restaurant owner for extra parking and future expansion. The site is located outside of the flood plain.

Comparable 2

NATIONAL APPRAISAL PARTNERS, LLP

Sale Contract Offer Listing NAP # 49633

IDENTIFICATION

Location SW/C North Station Street and Brown Street
Address 437 North Station Street
City Port Aransas
County Nueces
State Texas (TX)
Source Seller's broker
Name/Company/Phone Dana Stone/Realty Executives/361-244-2515



PHYSICAL DATA

Property Type Land
Land Area 5,502 SF 0.13 Acre
Shape Rectangular
Access Frontage 65 FF - North Station Street
55 FF - Brown Street
Zoning/
Deed Restrictions R-1 (Single-Family)
Intended Use Single-Family
Floodplain Yes No
Improvements Yes No
Signalization Yes No
Easements/Encroachments Yes No
Corner Parcel Yes No
Utilities All Available Septic Water
 None Gas Sewer
 Water Well Electric Phone

TRANSACTION DATA

Sale Date 6/28/2024
Sale Price \$285,900 \$51.96/SF \$2,263,505/Acre
Adjusted Sale Price \$285,900 \$51.96/SF \$2,263,505/Acre
Grantor Michael Griffin
Grantee Joseph Gonzales
Financing Terms Cash to seller
Recording Data 2024022561
Marketing Time Less than 12 months
Type of Buyer Owner-occupant
Property Rights Fee Simple
Conditions of Sale Arms Length

LEGAL DESCRIPTION

0.126 acres, being Lots 4 and 5, Block 2, Ed White Survey, Nueces County, Texas

REMARKS

The property is 100% in the flood plain.

Comparable 3

IDENTIFICATION

Location E/C East Avenue F and South Station Street

Address 602 & 610 Station Street South

City Port Aransas

County Nueces

State Texas (TX)

Source Seller's broker

Name/Company/Phone Jillian Gainey/Port Aransas Realty/361-749-4000



PHYSICAL DATA

Property Type Land

Land Area 19,963 SF 0.46 Acre

Shape Rectangular

Access Frontage 135 FF - East Avenue F
170 FF - South Station Street

Zoning/Deed Restrictions C-2

Intended Use Restaurant

Floodplain Yes No

Improvements Yes No

Signalization Yes No

Easements/Encroachments Yes No

Corner Parcel Yes No

Utilities All Available Septic Water
 None Gas Sewer
 Water Well Electric Phone

TRANSACTION DATA

Sale Date 12/18/2023

Sale Price \$1,275,000 \$63.87/SF \$2,782,097/Acre

Adjusted Sale Price \$1,275,000 \$63.87/SF \$2,782,097/Acre

Grantor Jack Kidd

Grantee Port A Pizza LLC

Financing Terms Cash to seller

Recording Data 2023045735

Marketing Time Less than 12 months

Type of Buyer Owner-occupant

Property Rights Fee Simple

Conditions of Sale Arms Length

LEGAL DESCRIPTION

0.458 acres, being Aransas Holding Co Subdivision C, Lots 15-20, Block 75, Nueces County, Texas

REMARKS

The site is located entirely in the flood plain.

Comparable 4

IDENTIFICATION

Location N/S White Avenue, 340 feet west of White Avenue

Address 136 & 144 West White Avenue

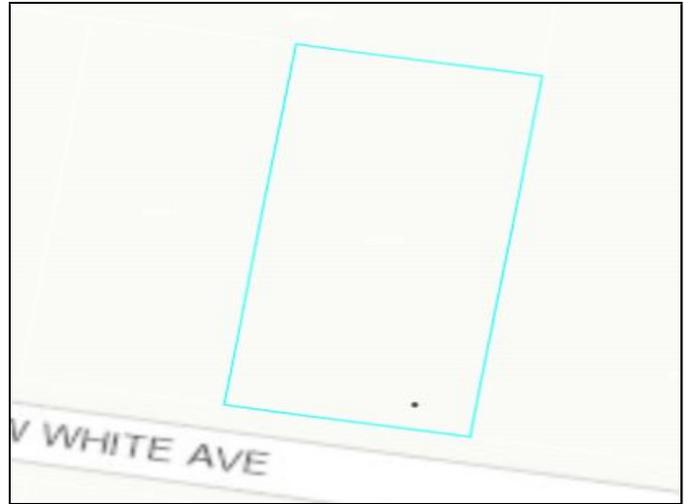
City Port Aransas

County Nueces

State Texas (TX)

Source Seller's broker

Name/Company/Phone Tara Hogan/Mark Grosse Real Estate/361-749-6603



PHYSICAL DATA

Property Type Land

Land Area 11,000 SF 0.25 Acre

Shape Rectangular

Access Frontage 100 FF - West White Avenue

Zoning/Deed Restrictions C-2

Intended Use Single-Family

Floodplain Yes No

Improvements Yes No

Signalization Yes No

Easements/Encroachments Yes No

Corner Parcel Yes No

Utilities All Available Septic Water
 None Gas Sewer
 Water Well Electric Phone

TRANSACTION DATA

Sale Date 5/25/2023

Sale Price \$700,000 \$63.64/SF \$2,772,000/Acre

Adjusted Sale Price \$700,000 \$63.64/SF \$2,772,000/Acre

Grantor SVMHC LP

Grantee Fifth Quarter Investments LLC

Financing Terms Cash to seller

Recording Data 2023019270

Marketing Time Less than 12 months

Type of Buyer Owner-occupant

Property Rights Fee Simple

Conditions of Sale Arms Length

LEGAL DESCRIPTION

0.253 acres, being Lots 18 & 19, Block 2, J. E. Cotter Survey, Nueces County, Texas

REMARKS

The buyer purchased the site for development of two single-family residences.

IMPROVED SALE WRITE-UPS AND PHOTOGRAPHS – 4 BED/4 BATH UNITS

Comparable 1

IDENTIFICATION

Sale Contract Offer Listing NAP # 49634

Property Name West Avenue A Single-Family Residence
Location N/S West Avenue A, 180 feet west of 6th Street
Address 616 West Avenue A
City Port Aransas
County Nueces
State Texas (TX)
Source Seller's broker
Name/Company/Phone Kim Erwin/KW Coastal/361-949-8282



PHYSICAL DATA

Property Type Single-Family Residence
Building Type Owner Occupied
Year Completed/Renovated 1975 / 2021
Construction Type Fiber Cement Siding
Condition at Sale Good
Land Area .27 Acres
Land-to-Building Ratio 4.40 to 1
Building Footprint 2,672 SF
Number of Stories 1
Number of Buildings 1
Gross Building Area 2,672 SF
Net Livable Area 2,672 SF
Parking Type Surface only
Number of Parking Spaces 2
Ratio of Parking Spaces .75 spaces/1,000 sf NLA

INCOME AND EXPENSE DATA

Occupancy at Sale	0.0%		
Stabilized Occupancy	0.0%		
Source:		<u>Past Year's Actual</u>	<u>PSF</u>
Potential Gross Income ⁽¹⁾		\$0	\$0.00
Vacancy & Collection Loss	0.0%	<u>\$0</u>	<u>\$0.00</u>
Effective Gross Income		\$0	\$0.00
Operating Expenses ⁽²⁾		<u>\$0</u>	<u>\$0.00</u>
Net Operating Income		\$0	\$0.00

⁽¹⁾ Income estimate includes base rent, escalations and misc. sources of revenue
⁽²⁾ are included in expense estimate

Tenants N/A

TRANSACTION DATA

Sale Date 3/31/2025
Sale Price \$1,600,000
Adjusted Sale Price \$1,600,000
Grantor KLE Island Investments, LLC
Grantee N/A - Sale Too Recent
Financing Terms Cash to seller
Recording Data N/A - Sale Too Recent
Marketing Time Less than 12 months
Type of Buyer Owner-occupant
Property Rights Fee Simple
Conditions of Sale Arms Length

UNITS OF COMPARISON

Sale Price PSF	\$598.80
EGIM	0.0
Overall Capitalization Rate	0.00%
Operating Expense Ratio/NIR	0.0% /

REMARKS

The property includes 5 bedrooms and 4 bathrooms. The renovation included new flooring, updating the kitchen and updating the bedrooms.

Comparable 2

IDENTIFICATION

Property Name Sea Breeze Lane Single-Family Residence
Location S/S Sea Breeze Lane, 240 feet east of Eleventh Street
Address 624 Sea Breeze Lane
City Port Aransas
County Nueces
State Texas (TX)
Source Seller's broker
Name/Company/Phone Tara Hogan/Mark Grosse RE/361-749-6603

Sale Contract Offer Listing NAP # 49635



PHYSICAL DATA

Property Type Single-Family Residence
Building Type Owner Occupied
Year Completed/Renovated 2017 / N/A
Construction Type Fiber Cement Siding
Condition at Sale Very Good
Land Area .13 Acres
Land-to-Building Ratio 5.72 to 1
Building Footprint 990 SF
Number of Stories 2
Number of Buildings 1
Gross Building Area 1,981 SF
Net Livable Area 1,981 SF
Parking Type Garage and surface
Number of Parking Spaces 3
Ratio of Parking Spaces 1.51 spaces/1,000 sf NLA

INCOME AND EXPENSE DATA

Occupancy at Sale		0.0%	
Stabilized Occupancy		0.0%	
	Source:	<u>Past Year's Actual</u>	<u>PSF</u>
Potential Gross Income ⁽¹⁾		\$0	\$0.00
Vacancy & Collection Loss	0.0%	<u>\$0</u>	<u>\$0.00</u>
Effective Gross Income		\$0	\$0.00
Operating Expenses ⁽²⁾		<u>\$0</u>	<u>\$0.00</u>
Net Operating Income		\$0	\$0.00

⁽¹⁾ Income estimate includes base rent, escalations and misc. sources of revenue
⁽²⁾ are included in expense estimate

Tenants N/A

TRANSACTION DATA

Sale Date 9/18/2023
Sale Price \$1,220,000
Adjusted Sale Price \$1,220,000
Grantor Steven Edwards
Grantee Wesley Miller
Financing Terms Cash to seller
Recording Data 2023034940
Marketing Time Less than 12 months
Type of Buyer Owner-occupant
Property Rights Fee Simple
Conditions of Sale Arms Length

UNITS OF COMPARISON

Sale Price PSF	\$615.85
EGIM	0.0
Overall Capitalization Rate	0.00%
Operating Expense Ratio/NIR	0.0% /

REMARKS

The property has 4 bedrooms and 4 bathrooms. The property also has a pool and a 1 car garage.

Comparable 3

IDENTIFICATION

Sale Contract Offer Listing NAP # 49636

Property Name	North Station Street Townhouse
Location	SE/C North Station Street and East Oaks Avenue
Address	410 North Station Street Unit B
City	Port Aransas
County	Nueces
State	Texas (TX)
Source	Seller's broker
Name/Company/Phone	Tara Hogan/Mark Grosse RE/361-749-6603



PHYSICAL DATA

Property Type	Single-Family Residence
Building Type	Owner Occupied
Year Completed/Renovated	2021 / N/A
Construction Type	Fiber Cement Siding
Condition at Sale	Excellent
Land Area	.08 Acres
Land-to-Building Ratio	5.74 to 1
Building Footprint	607 SF
Number of Stories	3
Number of Buildings	1
Gross Building Area	1,821 SF
Net Livable Area	1,821 SF
Parking Type	Garage and surface
Number of Parking Spaces	4
Ratio of Parking Spaces	2.2 spaces/1,000 sf NLA

INCOME AND EXPENSE DATA

Occupancy at Sale		0.0%	
Stabilized Occupancy		0.0%	
Source:		<u>Past Year's Actual</u>	<u>PSF</u>
Potential Gross Income ⁽¹⁾		\$0	\$0.00
Vacancy & Collection Loss	0.0%	<u>\$0</u>	<u>\$0.00</u>
Effective Gross Income		\$0	\$0.00
Operating Expenses ⁽²⁾		<u>\$0</u>	<u>\$0.00</u>
Net Operating Income		\$0	\$0.00
<i>⁽¹⁾ Income estimate includes base rent, escalations and misc. sources of revenue</i>			
<i>⁽²⁾ are included in expense estimate</i>			
Tenants	N/A		

TRANSACTION DATA

Sale Date	7/26/2023
Sale Price	\$1,190,000
Adjusted Sale Price	\$1,190,000
Grantor	Marsha Dayton
Grantee	Marie Freemyer
Financing Terms	Cash to seller
Recording Data	2023027478
Marketing Time	Less than 12 months
Type of Buyer	Owner-occupant
Property Rights	Fee Simple
Conditions of Sale	Arms Length

UNITS OF COMPARISON

Sale Price PSF	\$653.49
EGIM	0.0
Overall Capitalization Rate	0.00%
Operating Expense Ratio/NIR	0.0% /

REMARKS

The property is a detached townhome with 5 bedrooms and 4 bathrooms. The property has a pool and rooftop deck.

Comparable 4

IDENTIFICATION

Sale Contract Offer Listing NAP # 49637

Property Name South Gulf Street Single-Family Residence
 Location W/S South Gulf Street, 130 feet south of West Avenue A
 Address 114 South Gulf Street
 City Port Aransas
 County Nueces
 State Texas (TX)
 Source Seller's broker
 Name/Company/Phone Ryan Caldwell/KW Coastal/361-225-7900



PHYSICAL DATA

Property Type Single-Family Residence
 Building Type Owner Occupied
 Year Completed/Renovated 2015 / N/A
 Construction Type Fiber Cement Siding
 Condition at Sale Very Good
 Land Area .17 Acres
 Land-to-Building Ratio 6.73 to 1
 Building Footprint 1,100 SF
 Number of Stories 1
 Number of Buildings 1
 Gross Building Area 1,100 SF
 Net Livable Area 1,100 SF
 Parking Type Surface only
 Number of Parking Spaces 4
 Ratio of Parking Spaces 3.64 spaces/1,000 sf NLA

INCOME AND EXPENSE DATA

Occupancy at Sale		0.0%	
Stabilized Occupancy		0.0%	
	Source:	<u>Past Year's Actual</u>	<u>PSF</u>
Potential Gross Income ⁽¹⁾		\$0	\$0.00
Vacancy & Collection Loss	0.0%	<u>\$0</u>	<u>\$0.00</u>
Effective Gross Income		\$0	\$0.00
Operating Expenses ⁽²⁾		<u>\$0</u>	<u>\$0.00</u>
Net Operating Income		\$0	\$0.00

⁽¹⁾ Income estimate includes base rent, escalations and misc. sources of revenue
⁽²⁾ are included in expense estimate

Tenants N/A

TRANSACTION DATA

Sale Date 6/5/2025
 Sale Price \$715,000
 Adjusted Sale Price \$715,000
 Grantor Matthew Amerman
 Grantee N/A - Current Listing
 Financing Terms Cash to seller
 Recording Data N/A - Current Listing
 Marketing Time 4 months
 Type of Buyer Owner-occupant
 Property Rights Fee Simple
 Conditions of Sale Arms Length

UNITS OF COMPARISON

Sale Price PSF	\$650.00
EGIM	0.0
Overall Capitalization Rate	0.00%
Operating Expense Ratio/NIR	0.0% /

REMARKS

The property has 3 bedrooms and 2 bathrooms. The property has a pool.

IMPROVED SALE WRITE-UPS AND PHOTOGRAPHS – 5 BED/5 BATH UNITS

Comparable 1

IDENTIFICATION

Sale Contract Offer Listing NAP # 49634

Property Name West Avenue A Single-Family Residence
Location N/S West Avenue A, 180 feet west of 6th Street
Address 616 West Avenue A
City Port Aransas
County Nueces
State Texas (TX)
Source Seller's broker
Name/Company/Phone Kim Erwin/KW Coastal/361-949-8282



PHYSICAL DATA

Property Type Single-Family Residence
Building Type Owner Occupied
Year Completed/Renovated 1975 / 2021
Construction Type Fiber Cement Siding
Condition at Sale Good
Land Area .27 Acres
Land-to-Building Ratio 4.40 to 1
Building Footprint 2,672 SF
Number of Stories 1
Number of Buildings 1
Gross Building Area 2,672 SF
Net Livable Area 2,672 SF
Parking Type Surface only
Number of Parking Spaces 2
Ratio of Parking Spaces .75 spaces/1,000 sf NLA

INCOME AND EXPENSE DATA

Occupancy at Sale		0.0%	
Stabilized Occupancy		0.0%	
	Source:	<u>Past Year's Actual</u>	<u>PSF</u>
Potential Gross Income ⁽¹⁾		\$0	\$0.00
Vacancy & Collection Loss	0.0%	<u>\$0</u>	<u>\$0.00</u>
Effective Gross Income		\$0	\$0.00
Operating Expenses ⁽²⁾		<u>\$0</u>	<u>\$0.00</u>
Net Operating Income		\$0	\$0.00

⁽¹⁾ Income estimate includes base rent, escalations and misc. sources of revenue

⁽²⁾ are included in expense estimate

Tenants N/A

TRANSACTION DATA

Sale Date 3/31/2025
Sale Price \$1,600,000
Adjusted Sale Price \$1,600,000
Grantor KLE Island Investments, LLC
Grantee N/A - Sale Too Recent
Financing Terms Cash to seller
Recording Data N/A - Sale Too Recent
Marketing Time Less than 12 months
Type of Buyer Owner-occupant
Property Rights Fee Simple
Conditions of Sale Arms Length

UNITS OF COMPARISON

Sale Price PSF	\$598.80
EGIM	0.0
Overall Capitalization Rate	0.00%
Operating Expense Ratio/NIR	0.0% /

REMARKS

The property includes 5 bedrooms and 4 bathrooms. The renovation included new flooring, updating the kitchen and updating the bedrooms.

Comparable 2

IDENTIFICATION

Property Name Sea Breeze Lane Single-Family Residence
Location S/S Sea Breeze Lane, 240 feet east of Eleventh Street
Address 624 Sea Breeze Lane
City Port Aransas
County Nueces
State Texas (TX)
Source Seller's broker
Name/Company/Phone Tara Hogan/Mark Grosse RE/361-749-6603

Sale Contract Offer Listing NAP # 49635



PHYSICAL DATA

Property Type Single-Family Residence
Building Type Owner Occupied
Year Completed/Renovated 2017 / N/A
Construction Type Fiber Cement Siding
Condition at Sale Very Good
Land Area .13 Acres
Land-to-Building Ratio 5.72 to 1
Building Footprint 990 SF
Number of Stories 2
Number of Buildings 1
Gross Building Area 1,981 SF
Net Livable Area 1,981 SF
Parking Type Garage and surface
Number of Parking Spaces 3
Ratio of Parking Spaces 1.51 spaces/1,000 sf NLA

INCOME AND EXPENSE DATA

Occupancy at Sale		0.0%	
Stabilized Occupancy		0.0%	
	Source:	<u>Past Year's Actual</u>	<u>PSF</u>
Potential Gross Income ⁽¹⁾		\$0	\$0.00
Vacancy & Collection Loss	0.0%	<u>\$0</u>	<u>\$0.00</u>
Effective Gross Income		\$0	\$0.00
Operating Expenses ⁽²⁾		<u>\$0</u>	<u>\$0.00</u>
Net Operating Income		\$0	\$0.00

⁽¹⁾ Income estimate includes base rent, escalations and misc. sources of revenue
⁽²⁾ are included in expense estimate

Tenants N/A

TRANSACTION DATA

Sale Date 9/18/2023
Sale Price \$1,220,000
Adjusted Sale Price \$1,220,000
Grantor Steven Edwards
Grantee Wesley Miller
Financing Terms Cash to seller
Recording Data 2023034940
Marketing Time Less than 12 months
Type of Buyer Owner-occupant
Property Rights Fee Simple
Conditions of Sale Arms Length

UNITS OF COMPARISON

Sale Price PSF	\$615.85
EGIM	0.0
Overall Capitalization Rate	0.00%
Operating Expense Ratio/NIR	0.0% /

REMARKS

The property has 4 bedrooms and 4 bathrooms. The property also has a pool and a 1 car garage.

Comparable 3

IDENTIFICATION

Sale Contract Offer Listing NAP # 49636

Property Name	North Station Street Townhouse
Location	SE/C North Station Street and East Oaks Avenue
Address	410 North Station Street Unit B
City	Port Aransas
County	Nueces
State	Texas (TX)
Source	Seller's broker
Name/Company/Phone	Tara Hogan/Mark Grosse RE/361-749-6603



PHYSICAL DATA

Property Type	Single-Family Residence
Building Type	Owner Occupied
Year Completed/Renovated	2021 / N/A
Construction Type	Fiber Cement Siding
Condition at Sale	Excellent
Land Area	.08 Acres
Land-to-Building Ratio	5.74 to 1
Building Footprint	607 SF
Number of Stories	3
Number of Buildings	1
Gross Building Area	1,821 SF
Net Livable Area	1,821 SF
Parking Type	Garage and surface
Number of Parking Spaces	4
Ratio of Parking Spaces	2.2 spaces/1,000 sf NLA

INCOME AND EXPENSE DATA

Occupancy at Sale		0.0%	
Stabilized Occupancy		0.0%	
Source:		<u>Past Year's Actual</u>	<u>PSF</u>
Potential Gross Income ⁽¹⁾		\$0	\$0.00
Vacancy & Collection Loss	0.0%	<u>\$0</u>	<u>\$0.00</u>
Effective Gross Income		\$0	\$0.00
Operating Expenses ⁽²⁾		<u>\$0</u>	<u>\$0.00</u>
Net Operating Income		\$0	\$0.00

⁽¹⁾ Income estimate includes base rent, escalations and misc. sources of revenue
⁽²⁾ are included in expense estimate

Tenants N/A

TRANSACTION DATA

Sale Date	7/26/2023
Sale Price	\$1,190,000
Adjusted Sale Price	\$1,190,000
Grantor	Marsha Dayton
Grantee	Marie Freemyer
Financing Terms	Cash to seller
Recording Data	2023027478
Marketing Time	Less than 12 months
Type of Buyer	Owner-occupant
Property Rights	Fee Simple
Conditions of Sale	Arms Length

UNITS OF COMPARISON

Sale Price PSF	\$653.49
EGIM	0.0
Overall Capitalization Rate	0.00%
Operating Expense Ratio/NIR	0.0% /

REMARKS

The property is a detached townhome with 5 bedrooms and 4 bathrooms. The property has a pool and rooftop deck.

Comparable 4

IDENTIFICATION

Sale Contract Offer Listing NAP # 49637

Property Name South Gulf Street Single-Family Residence
 Location W/S South Gulf Street, 130 feet south of West Avenue A
 Address 114 South Gulf Street
 City Port Aransas
 County Nueces
 State Texas (TX)
 Source Seller's broker
 Name/Company/Phone Ryan Caldwell/KW Coastal/361-225-7900



PHYSICAL DATA

Property Type Single-Family Residence
 Building Type Owner Occupied
 Year Completed/Renovated 2015 / N/A
 Construction Type Fiber Cement Siding
 Condition at Sale Very Good
 Land Area .17 Acres
 Land-to-Building Ratio 6.73 to 1
 Building Footprint 1,100 SF
 Number of Stories 1
 Number of Buildings 1
 Gross Building Area 1,100 SF
 Net Livable Area 1,100 SF
 Parking Type Surface only
 Number of Parking Spaces 4
 Ratio of Parking Spaces 3.64 spaces/1,000 sf NLA

INCOME AND EXPENSE DATA

Occupancy at Sale		0.0%	
Stabilized Occupancy		0.0%	
	Source:	<u>Past Year's Actual</u>	<u>PSF</u>
Potential Gross Income ⁽¹⁾		\$0	\$0.00
Vacancy & Collection Loss	0.0%	<u>\$0</u>	<u>\$0.00</u>
Effective Gross Income		\$0	\$0.00
Operating Expenses ⁽²⁾		<u>\$0</u>	<u>\$0.00</u>
Net Operating Income		\$0	\$0.00

⁽¹⁾ Income estimate includes base rent, escalations and misc. sources of revenue
⁽²⁾ are included in expense estimate

Tenants N/A

TRANSACTION DATA

Sale Date 6/5/2025
 Sale Price \$715,000
 Adjusted Sale Price \$715,000
 Grantor Matthew Amerman
 Grantee N/A - Current Listing
 Financing Terms Cash to seller
 Recording Data N/A - Current Listing
 Marketing Time 4 months
 Type of Buyer Owner-occupant
 Property Rights Fee Simple
 Conditions of Sale Arms Length

UNITS OF COMPARISON

Sale Price PSF	\$650.00
EGIM	0.0
Overall Capitalization Rate	0.00%
Operating Expense Ratio/NIR	0.0% /

REMARKS

The property has 3 bedrooms and 2 bathrooms. The property has a pool.

RENT COMPARABLE WRITE-UPS AND PHOTOGRAPHS

Comparable 1

IDENTIFICATION

Property Name Nautilus Single-Family Residence

Location W/S Nautilus, 235 feet east of Ninth Street

Address 236 Nautilus

City Port Aransas

County/State Nueces/Texas (TX)

Name/Company/Phone Daniel LaBruzzo/361-727-6507



PHYSICAL DATA

Property Type Single-Family Residence

Building Type Owner Occupied

Year Completed/Renovated 2023 / N/A

Construction Type Fiber Cement Siding

Overall Condition Excellent

Land Area 0.045 Acres

Land-to-Building Ratio 2.84 to 1

Building Footprint 690 SF

Number of Stories 2

Number of Buildings 1

Gross Building Area 1,380 SF

Net Livable Area 1,380 SF

Parking Type Covered

Ratio of Parking Spaces 2 spaces/1,000 SF NLA

Utilities Landlord pays all

Amenities Covered Carport

QUOTED RENTAL DATA

Occupancy 100.0%

Typical Lease Term 1 Year

LEASE DATA

Quoted/Signed 5/11/2025

Net Livable Area (SF) 1,380

Bedroom/Bathroom 3/3.5

Rent (Mo) 2800

Rent PSF ?

Lease Term 1 Year

REMARKS

Short term-rentals are not allowed at the property.

Comparable 2

IDENTIFICATION

Property Name Aransas Channel Single-Family Residence
Location W/S Aransas Channel, 185 feet south of Channel Vista Drive
Address 518 Aransas Channel
City Port Aransas
County/State Nueces/Texas (TX)
Name/Company/Phone Katherine Miller/Bluefin/214-927-9044



PHYSICAL DATA

Property Type Single-Family Residence
Building Type Owner Occupied
Year Completed/Renovated 2020 / N/A
Construction Type Fiber Cement Siding
Overall Condition Very Good
Land Area 0.116 Acres
Land-to-Building Ratio 4.67 to 1
Building Footprint 1,083 SF
Number of Stories 3
Number of Buildings 1
Gross Building Area 3,251 SF
Net Livable Area 3,251 SF
Parking Type Garage and surface
Ratio of Parking Spaces 4 spaces/1,000 SF NLA

Utilities Tenant pays all.

Amenities Attached 2-car garage, patio

QUOTED RENTAL DATA

Occupancy 100.0%
Typical Lease Term 1 Year

LEASE DATA

Quoted/Signed 3/6/2025
Net Livable Area (SF) 3,251
Bedroom/Bathroom 4/3
Rent (Mo) 5000
Rent PSF ?
Lease Term 1 Year

REMARKS

The property includes an elevator.

Comparable 3

IDENTIFICATION

Property Name West Avenue C Apartment Unit

Location S/S West Avenue C, 150 feet west of South Gulf Street

Address 515 West Avenue C Unit A

City Port Aransas

County/State Nueces/Texas (TX)

Name/Company/Phone Marnie Pate/Coldwell/361-460-0250



PHYSICAL DATA

Property Type Single-Family Residence

Building Type Owner Occupied

Year Completed/Renovated 2014 / N/A

Construction Type Fiber Cement Siding

Overall Condition Good

Land Area 0 Acres

Land-to-Building Ratio ? to 1

Building Footprint 0 SF

Number of Stories 2

Number of Buildings 1

Gross Building Area 574 SF

Net Livable Area 574 SF

Parking Type Street

Ratio of Parking Spaces 1 spaces/1,000 SF NLA

Utilities Landlord pays electric, water and sewer

Amenities N/A

QUOTED RENTAL DATA

Occupancy 100.0%

Typical Lease Term 1 Year

LEASE DATA

Quoted/Signed 1/25/2025

Net Livable Area (SF) 574

Bedroom/Bathroom 1/1

Rent (Mo) 1650

Rent PSF ?

Lease Term 1 Year

REMARKS

The space is for an apartment unit above the garage.

Comparable 4

IDENTIFICATION

Property Name	Nautilus Single-Family Residence
Location	N/S Nautilus, 95 feet east of Ninth Street
Address	209 Nautilus
City	Port Aransas
County/State	Nueces/Texas (TX)
Name/Company/Phone	Denise Fay/Alamo Group/361-945-5238



PHYSICAL DATA

Property Type	Single-Family Residence
Building Type	Owner Occupied
Year Completed/Renovated	2022 / N/A
Construction Type	Fiber Cement Siding
Overall Condition	Excellent
Land Area	0.05 Acres
Land-to-Building Ratio	2.64 to 1
Building Footprint	825 SF
Number of Stories	2
Number of Buildings	1
Gross Building Area	1,650 SF
Net Livable Area	1,650 SF
Parking Type	Surface and Covered
Ratio of Parking Spaces	2 spaces/1,000 SF NLA

Utilities Tenant pays all.

Amenities N/A

QUOTED RENTAL DATA

Occupancy	100.0%
Typical Lease Term	1 Year

LEASE DATA

Quoted/Signed	For lease
Net Livable Area (SF)	1,650
Bedroom/Bathroom	4/2
Rent (Mo)	3100
Rent PSF	?
Lease Term	1 Year

REMARKS

The property does not allow short-term rentals.

APARTMENT EXPENSE COMPARABLES SUMMARY

Apartment Expense Comparables Summary

No.	Months		YOY	Units	Avg. Size	Occup.	Taxes	Ins.	Mngt.	Elect.	Gas	Water/		Supply/			Misc.	Reserves	TOTAL
	Annual.	Year										Sewer	Trash	Payroll	Maint.	Service			
AE4178	12	2023	2022	24	995	0%	\$2,725	\$650	\$672			\$715		\$750		\$36		\$5,548	
AE4220	12	2024	2023	21	687	0%	\$3,810	\$785	\$927			\$330		\$330				\$6,181	
AE4286	12	2024	1970/20	14	700	97%	\$2,375	\$988	\$525			\$988	\$1,301	\$728		\$520	\$250	\$7,676	
AE4322	12	2023	2023	12	829	100%	\$4,000	\$800				\$1,000		\$400				\$6,200	
AE4359	12	2024	2014	18	1,258	100%	\$2,811	\$1,750	\$784	\$219		\$658	\$1,000	\$700	\$1,145	\$375		\$340	\$9,782
AE4370	12	2023	2022	84	795	94%	\$277	\$770	\$329	\$137		\$276	\$80	\$962	\$274	\$21	\$544	\$4	\$3,675
AE4385	12	2023	2002	95	1,375	92%	\$2,144	\$631	\$447	\$38		\$20		\$764	\$799	\$204	\$256	\$5,303	
AE4425	12	2023	2010	6	1,276	100%	\$2,117	\$1,348				\$963		\$1,312				\$5,740	
AE4430	12	2023	4967	66	794	70%	\$1,108	\$1,565	\$430	\$102	\$96	\$1,148	\$118	\$1,524	\$446	\$153	\$518		\$7,207

Per Unit	Taxes	Ins.	Mngt.	Elect.	Gas	Water/		Payroll	Maint.	Supply/		Misc.	Reserves	TOTAL
						Sewer	Trash			Service	Admin			
Minimum	\$277	\$631	\$0	\$0	\$0	\$20	\$0	\$0	\$274	\$0	\$0	\$0	\$0	\$3,675
Average	\$2,374	\$1,032	\$457	\$55	\$11	\$678	\$22	\$532	\$634	\$235	\$244	\$29	\$66	\$6,368
Maximum	\$4,000	\$1,750	\$927	\$219	\$96	\$1,148	\$118	\$1,524	\$1,312	\$1,145	\$544	\$256	\$340	\$9,782

INSPECTION REPORT (SELECTED PAGES

ENGINEERING CONSULTING &
PROPERTY INSPECTION

JDSI



P.O. Box 6156 – Kingwood, TX 77325

frontoffice@jdsitx.com ■ 281.852.3647 ■ www.jdsitx.com

Stellar Bank
13909 East Freeway
Houston, TX 77015

September 19, 2024

Attn: Appraisal Department
Re: Application for Payment #10
J Bar Holdings LLC
Project: 611, 611B, 615, 615B, 619 W. Ave. A – Port Aransas, TX

Appraisal Department:

At your request, JDSI performed an inspection of the project referenced above on September 19, 2024. Information similar to AIA G702 and G703 documents were provided.

The intent of this report is to provide information pertaining to the work completed, including procurement of materials, at the time of inspection. Based on the status of the project, JDSI will then recommend for or against allocation of funds requested. Stellar Bank has provided the draw information. JDSI has reviewed all documents. The table shown below is a summary of the report. A description of each item along with photo documentation, when available, is provided after the table.

Item Number		Description of Work/Material	Total Requested	Retention	Net Requested	% Requested This Period	% Requested Overall	JDSI Recommendation
14	General Expenses	Temp Construction Utilities	\$ 1,500.00	\$ -	\$ 1,500.00	16.7%	78.2%	Partial
15	General Expenses	Misc/Contingencies	\$ 1,237.36	\$ -	\$ 1,237.36	7.8%	100.0%	Approve
17	General Expenses	Construction cleans/Trash	\$ 1,082.81	\$ -	\$ 1,082.81	12.0%	100.0%	Partial
27	611 W Ave A	Electrical & Lighting	\$ 675.55	\$ -	\$ 675.55	7.9%	100.0%	Approve
44	611B W Ave A	Electrical & Lighting	\$ 2,350.57	\$ -	\$ 2,350.57	14.1%	100.0%	Approve
56	611B W Ave A	Kitchen Appliances	\$ 212.99	\$ -	\$ 212.99	100.0%	100.0%	Approve
62	615 W Ave A	Electrical & Lighting	\$ 1,502.74	\$ -	\$ 1,502.74	9.9%	100.0%	Approve
69	615 W Ave A	Handrail Cable Railing	\$ 1,140.00	\$ -	\$ 1,140.00	9.8%	100.0%	Approve
71	615 W Ave A	Stair Treads	\$ 2,040.38	\$ -	\$ 2,040.38	14.6%	100.0%	Approve
72	615 W Ave A	Kitchen Floating Shelves	\$ 751.45	\$ -	\$ 751.45	50.1%	100.0%	Approve
75	615 W Ave A	Countertops/Landings	\$ 3,283.00	\$ -	\$ 3,283.00	41.0%	100.0%	Approve
79	615B W Ave A	Electrical & Lighting	\$ 778.92	\$ -	\$ 778.92	9.1%	100.0%	Partial
80	615B W Ave A	Plumbing Labor & Fixtures	\$ 871.85	\$ -	\$ 871.85	8.3%	100.0%	Partial
84	615B W Ave A	Luggage/Rod/Ceiling Beams	\$ 1,497.66	\$ -	\$ 1,497.66	30.0%	100.0%	Approve
85	615B W Ave A	Interior Doors + Hardware	\$ 661.82	\$ -	\$ 661.82	26.5%	100.0%	Partial
86	615B W Ave A	Handrail/Cable Railing	\$ 1,600.00	\$ -	\$ 1,600.00	40.0%	100.0%	Approve
87	615B W Ave A	Stair Treads	\$ 1,531.66	\$ -	\$ 1,531.66	20.2%	100.0%	Approve
91	615B W Ave A	Countertops/Landings	\$ 1,099.75	\$ -	\$ 1,099.75	42.3%	100.0%	Approve
96	619 W Ave A	Electrical & Lighting	\$ 2,500.00	\$ -	\$ 2,500.00	14.6%	85.2%	Partial
101	619 W Ave A	Shower & Backsplash Tile & Labor	\$ 3,852.45	\$ -	\$ 3,852.45	54.3%	100.0%	Approve
102	619 W Ave A	Luggage/Rod/Ceiling Beams	\$ 1,140.69	\$ -	\$ 1,140.69	14.3%	100.0%	Approve
104	619 W Ave A	Interior Doors + Hardware	\$ 506.35	\$ -	\$ 506.35	5.4%	100.0%	Partial
107	619 W Ave A	Cabinets/Vanities	\$ 1,221.75	\$ -	\$ 1,221.75	81.5%	100.0%	Partial
109	619 W Ave A	Countertops	\$ 3,283.00	\$ -	\$ 3,283.00	41.0%	100.0%	Partial
SUM			\$ 36,322.75	\$ -	\$ 36,322.75			

Table 1

At the time of inspection, the weather was clear, and construction was ongoing. This project is 97.3% complete as requested by this draw.

GENERAL EXPENSES

TEMP CONSTRUCTION UTILITIES

Requesting an additional 16.7%. This is 78.2% of the full Scheduled Value. This is the fee for the electrical supply and water bills. The project is not yet complete and will continue to have these fees. JDSI therefore recommends partial approval of this request. New value is presented in the summary of this report.

MISC/CONTINGENCIES

Requesting an additional 7.8%. This is 100.0% of the full Scheduled Value. This is the fee for miscellaneous items for the project, such as small purchases at the local hardware store. JDSI therefore recommends partial approval of this request. The request for the additional 7.8% is justified. This item is recommended for approval.

CONSTRUCTION CLEANS/TRASH

Requesting an additional 12.0%. This is 100.0% of the Full Scheduled Value. This is the fee to maintain a clean job site. The project is not complete and will continue to have these fees. New value is presented in the summary of this report.

611 W AVE A

ELECTRICAL & LIGHTING

Requesting an additional 7.9%. This is 100.0% of the full Scheduled Value. All electrical work is complete in this unit. The request for the additional 7.9% is justified. This item is recommended for approval.

611B W AVE A

ELECTRICAL & LIGHTING

Requesting an additional 14.1%. This is 100.0% of the full Scheduled Value. All electrical work is complete in this area. The request for the additional 14.1% is justified. This item is recommended for approval.

KITCHEN APPLIANCES

Requesting 100.0% of the full Scheduled Value. The appliances are installed in this unit. The request for 100.0% is justified. This item is recommended for approval.

615 W AVE A

ELECTRICAL LIGHTING

Requesting an additional 9.9%. This is 100.0% of the full Scheduled Value. All electrical work is complete in this unit. The request for the additional 9.9% is justified. This item is recommended for approval.

HANDRAIL CABLE RAILING

Requesting an additional 9.8%. This is 100.0% of the full Scheduled Value. All cable for the stairs is installed. The request for the additional 9.8% is justified. This item is recommended for approval.

STAIR TREADS

Requesting an additional 14.6%. This is 100.0% of the full Scheduled Value. The stair treads are installed for this unit. The request for the additional 14.6% is justified. This item is recommended for approval.

KITCHEN FLOATING SHELVES

Requesting an additional 50.1%. This is 100.0% of the full Scheduled Value. These shelves are installed. The request for the additional 50.1% is justified. This item is recommended for approval.

COUNTERTOPS/LANDINGS

Requesting an additional 41.0%. This is 100.0% of the full Scheduled Value. All countertops and the stair landing are installed. The request for the additional 41.0% is justified. This item is recommended for approval.

615B W AVE A

ELECTRICAL & LIGHTING

Requesting an additional 9.1%. This is 100.0% of the full Scheduled Value. Small trim work is still lacking for this unit. JDSI therefore recommends partial approval for this request. A new value is presented in the summary of this report.

PLUMBING LABOR & FIXTURES

Requesting an additional 8.3%. This is 100.0% of the full Scheduled Value. Additional plumbing trim work is required for this unit. JDSI therefore recommends partial approval for this request. A new value is presented in the summary of this report.

LUGGAGE/ROD/CEILING BEAMS

Requesting an additional 30.0%. This is 100.0% of the full Scheduled Value. These items have been installed. The request for the additional 30.0% is justified. This item is recommended for approval.

INTERIOR DOORS + HARDWARE

Requesting an additional 26.5%. This is 100.0% of the full Scheduled Value. There are door handles and cabinet pulls that are not yet installed. JDSI therefore recommends partial approval for this request. A new value is presented in the summary of this report.

HANDRAIL/CABLE RAILING

Requesting an additional 40.0%. This is 100.0% of the full Scheduled Value. All handrails and cables are installed in this unit. The request for the additional 40.0% is justified. This item is recommended for approval.

STAIR TREADS

Requesting an additional 20.2%. This is 100.0% of the full Scheduled Value. All stair treads are installed in this unit. The request for the additional 20.2% is justified. This item is recommended for approval.

COUNTERTOPS/LANDINGS

Requesting an additional 42.3%. This is 100.0% of the full Scheduled Value. Countertops are installed in this unit. The request for the additional 42.3% is justified. This item is recommended for approval.

619 W AVE A

ELECTRICAL & LIGHTING

Requesting an additional 14.6%. This is 85.2% of the full Scheduled Value. Electrical trim work is still lacking for this unit. JDSI therefore recommends partial approval for this request. A new value is presented in the summary of this report.

SHOWER & BACKSPLASH TILE & LABOR

Requesting an additional 54.3%. This is 100.0% of the full Scheduled Value. All tile work is complete in this unit. The request for the additional 54.3% is justified. This item is recommended for approval.

LUGGAGE/ROD/CEILING BEAMS

Requesting an additional 14.3%. This is 100.0% of the full Scheduled Value. The rack and beams are installed. The request for the additional 14.3% is justified. This item is recommended for approval.

INTERIOR DOORS + HARDWARE

Requesting an additional 5.4%. This is 100.0% of the full Scheduled Value. Door hardware and cabinet pulls are still lacking in this unit. JDSI therefore recommends partial approval for this request. A new value is presented in the summary of this report.

SUMMARY

JDSI concurs with most of the requests in this request. However, work still remains. The table below provides the reduced values based on the conditions witnessed.

Item Number		Description of Work/Material	Total Requested	Retention	Net Requested	% Requested This Period	% Requested Overall	JDSI Recommendation
14	General Expenses	Temp Construction Utilities	\$ 1,000.00		\$ 1,000.00	11.1%	72.6%	New Value
15	General Expenses	Misc/Contingencies	\$ 1,237.36	\$ -	\$ 1,237.36	7.8%	100.0%	Approve
17	General Expenses	Construction cleans/Trash	\$ 750.00		\$ 750.00	8.3%	91.7%	New Value
27	611 W Ave A	Electrical & Lighting	\$ 675.55	\$ -	\$ 675.55	7.9%	100.0%	Approve
44	611B W Ave A	Electrical & Lighting	\$ 2,350.57	\$ -	\$ 2,350.57	14.1%	100.0%	Approve
56	611B W Ave A	Kitchen Appliances	\$ 212.99	\$ -	\$ 212.99	100.0%	100.0%	Approve
62	615 W Ave A	Electrical & Lighting	\$ 1,502.74	\$ -	\$ 1,502.74	9.9%	100.0%	Approve
69	615 W Ave A	Handrail Cable Railing	\$ 1,140.00	\$ -	\$ 1,140.00	9.8%	100.0%	Approve
71	615 W Ave A	Stair Treads	\$ 2,040.38	\$ -	\$ 2,040.38	14.6%	100.0%	Approve
72	615 W Ave A	Kitchen Floating Shelves	\$ 751.45	\$ -	\$ 751.45	50.1%	100.0%	Approve
75	615 W Ave A	Countertops/Landings	\$ 3,283.00	\$ -	\$ 3,283.00	41.0%	100.0%	Approve
79	615B W Ave A	Electrical & Lighting	\$ 250.00	\$ -	\$ 250.00	2.9%	97.1%	New Value
80	615B W Ave A	Plumbing Labor & Fixtures	\$ 650.00	\$ -	\$ 650.00	6.2%	93.8%	New Value
84	615B W Ave A	Luggage/Rod/Ceiling Beams	\$ 1,497.66	\$ -	\$ 1,497.66	30.0%	100.0%	Approve
85	615B W Ave A	Interior Doors + Hardware	\$ 500.00	\$ -	\$ 500.00	20.0%	80.0%	New Value
86	615B W Ave A	Handrail/Cable Railing	\$ 1,600.00	\$ -	\$ 1,600.00	40.0%	100.0%	Approve
87	615B W Ave A	Stair Treads	\$ 1,531.66	\$ -	\$ 1,531.66	20.2%	100.0%	Approve
91	615B W Ave A	Countertops/Landings	\$ 1,099.75	\$ -	\$ 1,099.75	42.3%	100.0%	Approve
96	619 W Ave A	Electrical & Lighting	\$ 1,500.00	\$ -	\$ 1,500.00	8.7%	76.4%	New Value
101	619 W Ave A	Shower & Backsplash Tile & Labor	\$ 3,852.45	\$ -	\$ 3,852.45	54.3%	100.0%	Approve
102	619 W Ave A	Luggage/Rod/Ceiling Beams	\$ 1,140.69	\$ -	\$ 1,140.69	14.3%	100.0%	Approve
104	619 W Ave A	Interior Doors + Hardware	\$ 250.00	\$ -	\$ 250.00	2.7%	93.6%	New Value
107	619 W Ave A	Cabinets/Vanities	\$ 600.00	\$ -	\$ 600.00	40.0%	60.0%	New Value
109	619 W Ave A	Countertops	\$ 2,500.00	\$ -	\$ 2,500.00	31.3%	68.8%	New Value
SUM			\$ 31,916.25	\$ -	\$ 31,916.25			

Table 2

If the bank agrees, JDSI recommends a distribution of \$31,916.25. This includes 0% retainage on all items. JDSI defers to the bank on the lack of retainage. JDSI used the AIA-G702 and G703 equivalent forms dated September 9, 2024, for preparation of this report.

Contact JDSI with any questions.

Regards,



James Deaver, PE
F-11512

INSURABLE REPLACEMENT COST ESTIMATE

Insurable Replacement Cost Estimate

PROPERTY NAME	Puerto Bella Condominiums
Street Address:	611, 611B, 615, 615B and 619 West Avenue A
City, County, State Zip Code	Port Aransas, Nueces County, Texas 78373
Borrower:	J Bar Holdings, LLC

Building #	1
Base Cost Per Square Foot (via <i>Marshall Valuation Service</i>)	\$309.53
Multiples	
Story Height	1.000
Number of Stories	1.000
Perimeter	1.086
Local	0.900
Current Cost	1.000
Total Adjustment Factor	0.977
Adjusted Cost Per Square Foot	\$302.41
Times Building Square Footage	6,302
Equals	\$1,905,769
Less Exclusions (10%)	<u>(\$190,577)</u>
Equals	\$1,715,192

Total Insurable Replacement Cost Estimate	\$1,715,192
--	--------------------

QUALIFICATIONS

Thomas A. Stark, MAI
Partner



Mr. Stark is a Partner in National Appraisal Partners, LLP. He focuses primarily on commercial real estate appraisals. Key clients include financial institutions, accounting firms, attorneys, corporations, developers, government entities and private investors.

Experience

Mr. Stark has been actively engaged in the real estate appraisal industry since 1988. In 1994, Mr. Stark joined the Houston Real Estate Valuation and Consulting Group of Arthur Andersen. After being promoted to Senior Manager, he transferred to Dallas to lead the Real Estate Valuation and Consulting Group for the Firm's Southwest Market Circle. In 2002, Mr. Stark co-founded National Appraisal Partners, LLP, a real estate appraisal and consulting firm. His experience includes appraisal, appraisal review, due diligence, and consulting engagements for various property types including office buildings, retail properties, industrial facilities, apartment complexes, gasoline stations/convenience stores, hotels, day care centers, car washes and many special-use properties. Mr. Stark began his real estate career in Palm Beach County, Florida.

Affiliations/Advisory Boards

Mr. Stark holds the MAI designation from the Appraisal Institute. He is the Past President of the Houston Chapter of the Appraisal Institute and has served on the Houston Chapter Board of Directors. He has served as a Regional Representative for the Houston Chapter, and has served on numerous national committees and boards including Public Relations, Communications, Public Affairs, Long-Range Planning, AI Holdings, the National Nominating Committee, the Appraisal Institute Relief Foundation and the Appraisal Institute Education Trust, among others. He served two years on the National Board of Directors for the Appraisal Institute as the Chair and Vice Chair of Region VIII, which includes Texas and New Mexico.

Mr. Stark is the past editor of the Regional Real Estate News, a publication of the Appraisal Institute. He has served on the Real Estate Valuation Services Advisory Board for one of the five largest banks in America. Mr. Stark is a State of Texas Certified General Real Estate Appraiser.

Education

Mr. Stark holds a Bachelor of Science Degree in Real Estate from Florida State University.

Bryan S. Miller, MAI, CCIM
Partner



Mr. Miller is a partner in National Appraisal Partners, LLP. He focuses on commercial real estate valuation and consulting projects. His clients include financial institutions, law firms, accounting firms, pension funds, asset managers, corporations, individuals and developers.

Experience

Mr. Miller has been active in the valuation of commercial real estate since 1995. Mr. Miller joined Arthur Andersen's Houston Real Estate Valuation and Consulting Group in 1997 and was promoted to manager in 1999. Mr. Miller co-founded National Appraisal Partners, LLP, an appraisal and consulting firm in 2002. His experience includes valuation and consulting for: retail, office, apartments, industrial buildings, subdivisions, auto dealerships, healthcare facilities, hotels/motels, tax credit properties, vacant land, ranches, mixed use developments, conservation easements and special purpose properties. In addition to valuation services, Bryan has performed a wide range of consulting services from feasibility analyses to portfolio disposition. His engagements have been a result of annual reporting, lending, estates and purchase price allocation.

Affiliations/Advisory Boards

Mr. Miller holds the MAI designation from the Appraisal Institute. Mr. Miller was a board member and regional representative of the Houston Chapter of the Appraisal Institute for several years. He was the 2008 Treasurer/Secretary and the 2009 Vice President of the Houston Chapter. He served as the 2010 President of the Houston Chapter. He also served as a committee member on the National University Relations Subcommittee for the Appraisal Institute. Mr. Miller is a CCIM. He was a committee member in 2012 and 2013 for the CCIM Houston Real Estate Forecast Competition. He was the 2013 CCIM Houston Chapter Vice President. He was the Partner's Committee Chair in 2013, 2014 and 2015. Mr. Miller is a State Certified General Real Estate Appraiser in Texas and Wisconsin.

Education

Mr. Miller holds a master's degree and a bachelor's degree from the University of Texas.

Jolee Aylesworth
Manager



Ms. Aylesworth is a Manager at National Appraisal Partners, LLP.

Experience

Ms. Aylesworth has been actively engaged in the real estate appraisal industry since 1988, when she was an eminent domain appraiser for the Texas Department of Transportation. From 1990 to 1994, Ms. Aylesworth was an Assistant Vice President in the appraisal department for First Heights Bank. Ms. Aylesworth returned to the Texas Department of Transportation from 1994 to 1996. In 1996, she joined the Houston Real Estate Valuation and Consulting Group of Arthur Andersen LLP. From 2002 from 2006, Ms. Aylesworth was a Senior Appraiser with Avail Consulting. She was with the Deloitte Valuation Group as a Senior Appraiser from 2006 to 2014. She joined National Appraisal Partners in 2015. Her experience includes appraisal and consulting engagements on a number of property types, including office buildings, retail properties, industrial facilities, gasoline stations/convenience stores, and special-use properties across the United States.

Affiliations/Advisory Boards

Ms. Aylesworth is a State Certified General Real Estate Appraiser in Texas. She is also an active member of Commercial Real Estate Women (CREW), Houston Association of Government Guaranteed Lenders (HAGGL) and Risk Management Association (RMA)

Education

Ms. Aylesworth holds a Bachelor of Science Degree in Agricultural Economics and a Master of Business Administration Degree from Texas A&M University.

Justin M. Bishop
Manager



Mr. Bishop is a manager at National Appraisal Partners, LLP. He focuses on commercial real estate valuation and consulting projects. His clients include financial institutions, law firms, accounting firms, pension funds, asset managers, corporations, individuals and developers.

Experience

Mr. Bishop has been active in the valuation of commercial real estate since 2011. Mr. Bishop joined National Appraisal Partners, LLP in 2011 and was promoted to manager in 2014. His experience includes valuation and consulting for: retail, office, apartments, industrial buildings, subdivisions, auto dealerships, healthcare facilities, hotels/motels, tax credit properties, vacant land, ranches, mixed use developments, conservation easements and special purpose properties. In addition to valuation services, Justin has performed a wide range of consulting services from feasibility analyses to portfolio disposition. His engagements have been a result of annual reporting, lending, estates and purchase price allocation.

Affiliations/Advisory Boards

Mr. Bishop is a State Certified General Real Estate Appraiser in Texas.

Education

Mr. Bishop holds a Bachelor of Business Administration Degree in Real Estate Finance and Development from the University of Texas at San Antonio.

Christian Kitchen
Senior Appraiser



Mr. Kitchen is a senior appraiser at National Appraisal Partners, LLP. He focuses on commercial real estate valuation and consulting projects. His clients include financial institutions, law firms, accounting firms, asset managers, corporations, private investors and developers.

Experience

Mr. Kitchen has been active in the valuation of commercial real estate since 2021. Mr. Kitchen joined National Appraisal Partners, LLP in 2021. His experience includes valuation and consulting for: retail, office, apartments, industrial buildings, subdivisions, auto dealerships, healthcare facilities, vacant land, ranches, mixed use developments, gasoline stations/convenience stores, day care centers, religious facilities and special purpose properties. In addition to valuation services, Christian has performed a wide range of consulting services from feasibility analyses to portfolio disposition. His engagements have been a result of annual reporting, lending and estates.

Affiliations/Advisory Boards

Mr. Kitchen is a State Certified General Real Estate Appraiser in Texas, Wisconsin and Minnesota.

Education

Mr. Kitchen holds a Bachelor of Arts Degree in Mathematical Economics from Colorado College and a Master of Science Degree in Finance from the University of Colorado at Boulder.

STATE CERTIFICATIONS



Certified General Real Estate Appraiser

Appraiser: **Thomas Andrew Stark**

License #: **TX 1325319 G**

License Expires: **01/31/2026**

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

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

Chelsea Buchholtz
Commissioner



Certified General Real Estate Appraiser

Appraiser: **Bryan Scott Miller**

License #: **TX 1328184 G**

License Expires: **10/31/2026**

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

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

Chelsea Buchholtz
Executive Director



Certified General Real Estate Appraiser

Appraiser: **Jolee Gay Aylesworth**

License #: **TX 1324211 G**

License Expires: **12/31/2026**

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

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

Chelsea Buchholtz
Executive Director



Certified General Real Estate Appraiser

Appraiser: **Justin Matthew Bishop**

License #: **TX 1380401 G**

License Expires: **12/31/2026**

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

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

Chelsea Buchholtz
Executive Director



Certified General Real Estate Appraiser

Appraiser: **Christian Kitchen**

License #: **TX 1381380 G**

License Expires: **11/30/2025**

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

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

Chelsea Buchholtz
Commissioner

ENGAGEMENT LETTER



Date: May 13, 2025

To: National Appraisal Partners, LLP
Bryan S. Miller & Thomas A. Stark
3203 Edloe Street, Houston, TX 77029
Phone: 713-463-8761
bmiller@napllp.com tstark@napllp.com

Appraisal Engagement Authorization

Consider this letter as authorization to prepare an appraisal report of the Value as indicated on the Appraisal Authorization Form under "Scope of Work" on the property described on the attached Appraisal Authorization Form.

This appraisal must comply with all provisions of 12 C.F.R., part 34 as amended.
(Stellar Bank engages only Licensed or Certified Appraisers)

Enclosed with this letter is an Appraisal Authorization Form and Appraiser Instructions for your reference. A signed copy of this letter plus the Appraisal Authorization Form and the Appraiser Instruction must be included in the final appraisal report.

The appraisal report will be reviewed in detail to ensure it meets all of the requirements of banking regulations and the Appraiser Instructions. Should the appraisal report not comply with these requirements, the report will be returned to you for additional work.

If you need additional information or are unable to comply with all of the requirements of this letter and the Appraiser Instructions, please contact the bank officer at the number shown on the Appraisal Authorization Form at the earliest opportunity.

The invoice for this appraisal report should be billed as follows:

Stellar Bank
Attn: Bill Hendrix
13909 East Freeway (I-10)
Houston, Texas 77015
Phone: 713-830-4796

If the attached Appraisal Authorization Form and Appraiser Instructions are accepted by you, please sign and return one copy of this letter and the aforementioned form and instructions to the below signed within 24 hours.

Final Fee: \$ As Awarded

Due Date: 06/10/2025

RE: 611, 611B, 615, 615B, 619 W Ave. A

File #: _____

By: 
Bill Hendrix / SVP


Appraiser's Signature

Appraisal Authorization Form

Bank: Stellar Bank
Officer: Bill Hendrix Phone: 713. 830-4796
Stellar Bank Contact Information: Appraisal Department Assistant
Phone: 713.830-4797 Fax: 713.330-4501
Property Address: 611, 611B, 615, 615B, 619 W Ave. A, Port Aransas, TX 78373
Legal Description: 0.235AC, being Lots 1, 2 & 3, Blk 1, Mustang Development - Nueces County

Property Type: Land Only Land & Improvements Land & Proposed Improvements
 Exterior Only SBA/CDC _____

Comments: Bank use only appraisal report for 3 townhomes situated on +/- .235 acres of land.

Borrower: J Bar Holdings LLC.
Contact: Kevin Thompson Phone: 281-325-5036 / Kevin.Thompson@Stellar.Bank

Scope of Work: Please prepare an appraisal report for land and improvements to determine market value. Please include all applicable approaches. ***Note: An insurable value is requested to determine replacement cost value (RCV) for the subject. Please provide Fair Market Value (FMV), Orderly Liquidation Value (OLV), Forced Liquidation Value (FLV) If you have any questions, please call Stellar Bank Appraisal Dept.

The following is a list of the items enclosed:

- | | | | |
|-------------------------------------|------------------------|-------------------------------------|-------------------------|
| <input type="checkbox"/> | Earnest Money Contract | <input checked="" type="checkbox"/> | Flood Certificate |
| <input type="checkbox"/> | Title Commitment | <input type="checkbox"/> | CAD |
| <input checked="" type="checkbox"/> | Survey | <input checked="" type="checkbox"/> | Other: <u>Tax Cert.</u> |
| <input type="checkbox"/> | Budget/Cost Sheet | <input type="checkbox"/> | Other: _____ |
| <input type="checkbox"/> | Building Plans | | |

Please send completed Appraisal reports to the following Emails:

Appraisal.Dept@Stellar.Bank

Appraisal Instructions

Any appraisal performed for Stellar Bank must, at a minimum, meet the requirements and standards in these instructions. The report will be reviewed in detail for compliance with these requirements and support of the value conclusion. If items in these instructions are not included in the report, it will be sent back for corrections.

1. The report must contain a certificate that the appraisal conforms to the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation.
2. The appraiser must disclose, in detail, any step taken by the appraiser that were necessary or appropriate to comply with the Competency Provision of USPAP. The report must include a list of the qualifications of the Appraiser(s) detailing and specific education and property type experience and any state license(s) or certification(s).
3. The following is the Market Value definition, as set forth in the Regulations, to be used in all appraisals except ORE:

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

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

4. The following is the Fair Value definition to be used for ORE properties only:

Fair Value is the cash price that might reasonably be anticipated in a current sale under all conditions requisite to a fair sale. A fair sale means that buyer and seller are each acting prudently, knowledgeably, and under no necessity to buy or sell - i.e., other than in a forced or liquidation sale. The appraiser should estimate the cash price that might be received upon exposure to the open market for a reasonable time, considering the property type and local market conditions. When a current sale is unlikely – i.e., when it is unlikely that the sale can be completed within 12 months – the appraiser must discount all cash flows generated by the property to obtain the estimate of fair market value. These cash flows include, but are not limited to, those arising from ownership, development, operation, and sale of the property. The discount applied shall reflect the appraiser's judgment of what a prudent, knowledgeable, purchase under no necessity to buy would be willing to pay to purchase the property in a current sale.

THESE DEFINITIONS MUST BE CITED IN THE TEXT OF THE REPORT

5. The appraisal must be presented in a written narrative format or on an appropriate form that satisfies all of the requirements in the instructions. It must be sufficiently descriptive to enable the reader to ascertain the estimated market value (fair value) and the rationale for the estimate. The appraisal must provide the detail and depth of analysis which reflects the complexity of the real estate being appraised.
6. The appraisal must analyze and report, in reasonable detail, any prior sales of the property being appraised that occurred within three years preceding that date of current appraisal.
7. The appraisal must analyze and report data on the current revenues, expenses, and vacancies for the property if it is, and will continue to be, income producing.
8. The appraisal must analyze and report a reasonable exposure period for the subject property. The exposure period disclosed must be supported and reasonable in light of the subject property's current condition and characteristics, current marketing conditions and availability of arms-length financing.
9. The appraisal must analyze and report on current market conditions and trends which will affect the projected income or the absorption period to the extent they affect the value of the subject property.
10. The appraisal must analyze and report any appropriate deductions and discounts for any proposed construction or any completed properties that are partially leased or leased at other than current market rents as of the date of the appraisal, or any tract developments with unsold units.
11. The appraisal must include in the certification required by the USPAP an additional statement that the appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
12. The appraisal must contain sufficient supporting documentation with all pertinent information reported so that the appraiser's logic, reasoning, judgment, and analysis in arriving at a conclusion indicate to the reader the reasonableness of the market value (fair value) reported. The appraisal must incorporate, by reference only, documents verified by the appraiser to be readily available to the reader. Studies by a third party should be verified to the extent that the study's assumptions or conclusions are used. In addition, the appraiser's acceptance or rejection of such study and its impact on value should be fully explained.
13. The appraiser must include a legal description of the real estate being appraised, in addition to the description required by the USPAP.
14. The appraiser must identify and separately value any personal property, fixtures, or intangible items that are not real property but are included in the appraisal and discuss the impact of their inclusion or exclusion on the estimate of market value (fair value).
15. The appraisal must follow a reasonable valuation method that addressed the direct sales comparison, income, and cost approaches to market value (fair value), reconcile these approaches and explain the elimination of each approach not used.
16. If information required or deemed pertinent to the completion of the appraisal is unavailable, that fact must be disclosed and explained in the appraisal.

17. The appraisal must identify the source of all information or data used and must fully explain the action taken to verify the reliability of the information or data of fully explain why no verification is necessary.
 18. The appraisal should reflect an estimate of value based on “as is – where is” condition as of the data of the appraisal. Where existing property will be improved, developed, remodeled, or otherwise materially altered, the appraisal must also reflect a prospective value based on the condition of the property upon completion on improvements per specific plans and specifications.
 19. Photographs of all improved sale and rent comparables should be included.
 20. The effective date of the appraisal should coincide with a recent date on which the property was physically inspected by the appraiser. However, if a valuation date other than the inspection date is used, the reason for using such other date should be fully explained in the appraisal report.
 21. For properties other than single family residential, the report must include a summary section which summarizes all important facts, assumptions and conclusions.
 22. The appraisal must utilize terminology and definitions in accordance with banking regulations and The Dictionary for Real Estate Appraisals, (6th Edition) 2015, by the Appraisal Institute or the most recent revision thereto.
 23. The appraisal report must include a copy of the Appraisal Authorization Form, Appraiser Instructions, and Letter of Authorization.
 24. Any report you prepare is solely for the internal use of this bank and will not be made available to persons other than those directly associated with the bank, except for regulatory authorities in the ordinary course of the law supervisory process, or as otherwise required by law.
- * #7, #9, & #10 are not applicable to (1-4) family residential properties.