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Appraisal Report

A Proposed 210’ X 210’ Foot Tract of Land to Be Acquired for a Lift Station

South side of Mangana-Hein Road East of US Highway 83, Webb County, Texas

Effective Date
March 1, 2026

Date of Appraisal
May 18, 2026

Prepared for
Webb County
1110 Victoria Street Ste. #201
Laredo, Texas 78040

Prepared by
George Jaime Salazar II
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May 18, 2026

Webb County
1110 Victoria Street Ste.,#201
Laredo, Texas 78040

RE: Being 1.01 of One Acre (44,100 square feet), Being out of a called 178.76-acre tract of described in a deed to Bland E. Chamberlain, Ernest F. Chamberlain, Gail A. Chamberlain and Raul Leal, as recorded in Volume 5554, Page 244, Official Records, Webb County, Texas all being out of the Eugenio Sanchez Grant, being Porcion 42, Abstract No. 285, in Webb County, Texas.

Dear Sirs,

In accordance with your request, we are pleased to present an appraisal report of the above referenced property.

I have made a careful and detailed study of all factors pertinent to the opinion of value. The accompanying report contains the result of our investigation and analysis and sets forth any extraordinary assumptions or hypothetical conditions.

In our opinion, the "As Is" Market Value of the Fee Simple Interest in the subject property described above as of March 1, 2026, is:

Total Compensation
Forty Thousand Four Hundred Dollars
$40,400

The market exposure time preceding March 1, 2026, would have been 9-12 months and the estimated marketing time as of March 1, 2026, is 9-12 months.

We trust this report satisfies the conditions of your request. Please call on us if any item is not clear or if further explanation of any point in this report would be helpful.

This appraisal report complies with the Uniform Standards of Professional Appraisal Practice, as promulgated by the Appraisal Standards Board of the Appraisal Foundation and comply with Standards of Professional Practice and Code of Ethics of the Appraisal Institute, as well as all reporting requirements of the client, Webb County., as well requirements set forth by State of Texas for right of way acquisitions.

This appraisal report meets the requirements set forth under Standards Rule 2-2 (a) of the Uniform Standards of Professional Practice for an Appraisal Report.

This letter is intended to transmit the attached appraisal report which sets forth the identification of the property, the assumptions and limiting conditions, pertinent facts with reference to the area and the subject property, comparable data, the results of the investigations and analysis, and the reasoning to the conclusions of set forth.

Thank you for the confidence placed in us by virtue of this assignment and for the opportunity of providing our appraisal services to you.

Sincerely,

George Jaime Salazar II
Certified Appraiser TX-1338209-CG

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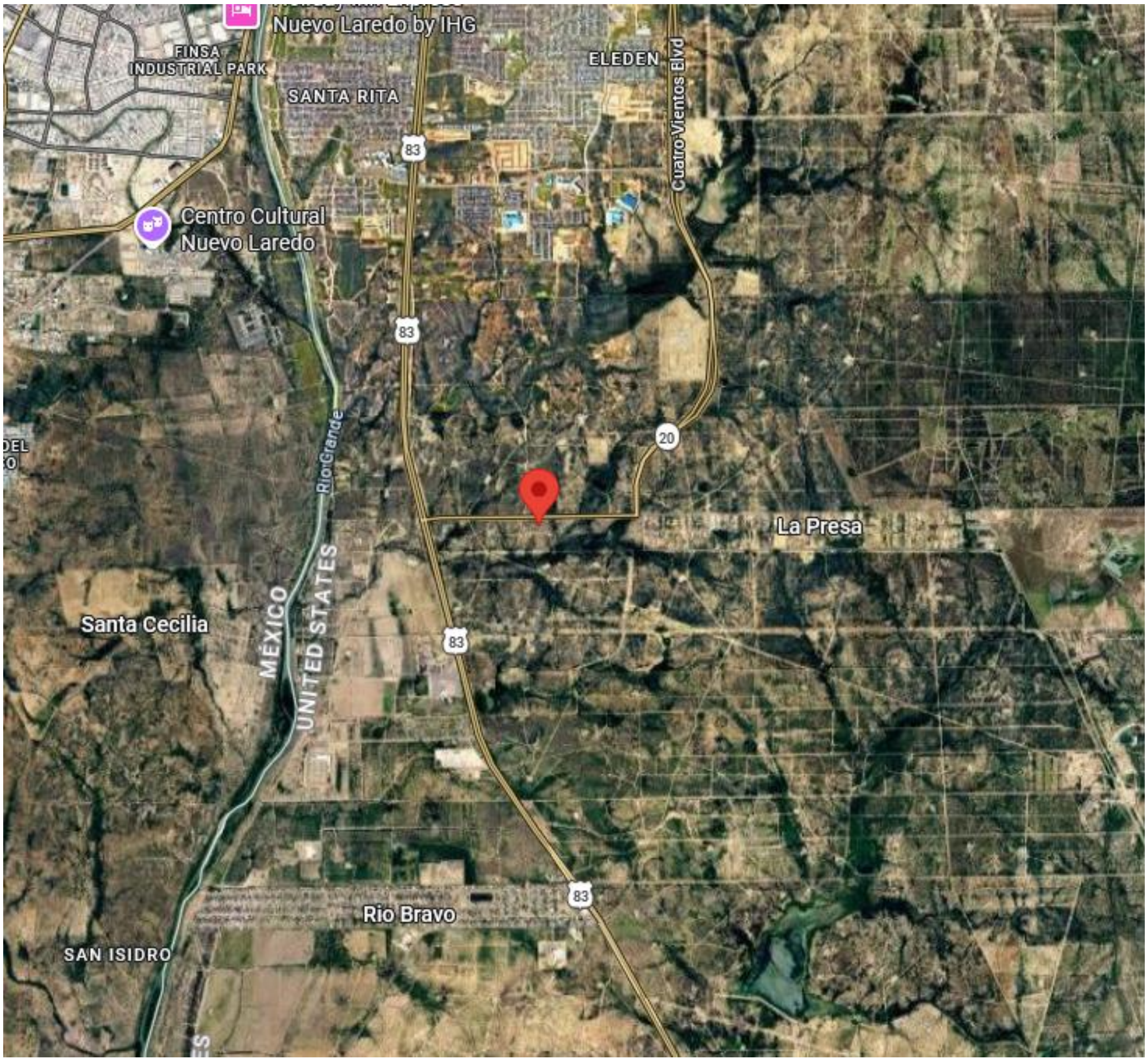
PROPERTY LOCATION



EXECUTIVE SUMMARY

Subject	A Proposed 210' X 210' Foot Tract of Land to Be Acquired for a Lift Station
Address	South side of Mangana-Hein Road East of US Highway 83, Webb County, Texas
Legal Description (Economic Unit)	1.01 acres (44,100 square feet) out of Abst 285, Por 42, Eugenio Sanchez Undivided Interest in 178.3695 acres (Part to Be Acquired)
Intended User(s)	Webb County
Intended Use	Proposed Acquistion
Values Concluded	Fee Simple Estate
Effective Date of Report	March 1, 2026
Report Date	May 18, 2026
Owner of Public Record	Ernest Frederick Chamberlain, et al
Most Probable Purchaser	End User
Hypothetical Condition	A hypothetical condition is a condition contrary to know fact on the date of appraisal and is defined as: A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis. None
Extraordinary Assumption	Is "an assignment -specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions" None
Highest & Best Use	
"As Vacant"	The highest and best use "as vacant" is for single family residential development as warranted by demand
"As Improved"	N/A

The appraiser has considered access damages in accordance with Section 21.042(d) of the Texas Property Code, as amended by SB18 of the Texas 82nd Regular Legislative Session and finds as follows:

1. Is there a denial of direct access on this parcel? no (yes or no)
2. If so, is the denial of direct access material? not applicable (yes, no, or not applicable)
3. The lack of any access denial or the material impairment of direct access on or off the remaining property affects the market value of the remaining property in the sum of $0.

COMPETENCY PROVISION

The Competency Provision of the Uniform Standards of Professional Practice requires that the appraiser properly identify the appraisal problem to be addressed and have the knowledge and experience that will be required to complete the assignment competently. George J. Salazar II is a State Certified General Real Estate Appraiser. He has been in real estate appraising industry in the Rio Grande Valley of Texas since 2005. As such, he does possess the knowledge and experience to complete an appraisal of the type of property appraised in this report. Additionally, he has reviewed the subject area and has an understanding of the demographics, costs, sales, rentals, and data germane to the appraisal of real property in the Rio Grande Valley area. Reference may be made to the Qualifications of the Appraiser which is included in this report. References, in addition to those provided, are available upon request.

IDENTIFICATION OF THE PROPERTY

Property Name	A Proposed 210’ X 210’ Foot Tract of Land to Be Acquired for a Lift Station
Address	South side of Mangana-Hein Road East of US Highway 83, Webb County, Texas
Property Description (Whole/Economic Unit)	The subject property consists of 178.3695 acres south of the City of Laredo in Webb County Texas. The property has good frontage along the south side of Mangana-Hein Road and the east side of US Highway 83. Potable water, electrical service. Sanitary sewer is via septic systems. Drainage is considered adequate. Topography is generally level. No adverse easements or encroachments are known to exist. All easements and right of ways are considered typical.
County	Webb County
Assessor's Parcel Number	395095 / 900-90421-003
Legal Description	1.01 acres (44,100 square feet) out of Abst 285, Por 42, Eugenio Sanchez Undivided Interest in 178.3695 acres (Part to Be Acquired)
Site Area Part to Be Acquired	1.01 acres (44,100 square feet) (Part to Be Acquired) 210' feet X 210' feet. This parcel has adquate frontage and depth and is sufficent size for encomonic use. For this appraisal the appraiser will itilze 1.01 acres (44,100 square feet) as the base unit of comparison in this appraisal report.
Census Tract	N/A
Zoning	R-1 Single Family Residential
Flood Information	Flood Zone "X", Fema Map Panel No. 48479C1390C dated 4/2/2008

TRANSFER & LISTING HISTORY, CONTRACTS, & LEASE AGREEMENTS

Transfer History

The subject property is currently owned in an undivided interest and has been in excess of three years as per Webb County Records. Ownership percentages are as follows: Alice Gallegher Keys 4.69%, Frederick E. Gallegher 4.69%, Michael W. Gallegher 4.69%, Blanca E. Chamberlain 44.92%, Gail Chamberlain-Leal 13.67%, Ernest F. Chamberlain 13.67% and Raul Leal 13.67%.

There have been no additional known transfers involving the subject property within the three-year period preceding the effective date of report.

Listing History

As per the Laredo Association of Realtors Multiple Listing Service, the subject property is not currently listed for sale.

Contract

There are no contracts for sale, offerings, and or options involving the subject property known to the appraiser.

Lease Agreements

The appraiser is unaware of any encumbering leases involving the subject property.

ASSESSMENT & TAX DATA

Real estate taxes in the state and this jurisdiction represent ad valorem taxes, meaning a tax applied in proportion to value. The real estate taxes for an individual property are determined by multiplying the assessed value by the composite rate, which is expressed as a percentage.

A Proposed 210' X 210' Foot Tract of Land to Be Acquired for a Lift Station					
South side of Mangana-Hein Road East of US Highway 83, Webb County, Texas					
Property ID # 395095					
Geographic ID #900-90421-003					
Entity	Tax Rate	Land Value	Improved Value	Total Value	Taxes
Webb County	0.382500	$2,515,902	$0	$2,515,902	$9,623.33
United ISD	0.721655	$2,515,902	$0	$2,515,902	$18,156.13
Total	**1.104155**	$2,515,902	$0	**$2,515,902**	$27,779.46

PURPOSE OF THE APPRISAL

The purpose of the appraisal is to develop an opinion of the market value as is, pertaining to the fee simple interest in the property for the calculation of the proposed lift station of the part to be acquired and for the determination (if any) of the damages (diminution) of market value to the remainder, before and after the acquisition as of the effective date of the appraisal, March 1, 2026. The date of the report is May 18, 2026. The appraisal is valid only as of the stated effective date or dates.

Definition of Market Value

Market value is defined as:

"*Market Value is the price which the property would bring when it is offered for sale by one who desires, but is not obligated to sell, and is bought by one who is under no necessity of buying it, taking into consideration all of the uses to which it is reasonably adaptable and for which it either is or in all reasonable probability will become available within the reasonable future.*" City of Austin v. Cannizzo, 267 S.W.2d 808 (Tex. 1954)

Definition of Property Rights Appraised

The property rights appraised in this report are of the fee simple estate interest on an "as is" basis. Fee simple estate is defined as follows:

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. *Source*: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 14th ed. (Chicago: Appraisal Institute, 2015)

The subject property is a vacant tract of land. Therefore, the fee simple estate interest has been considered in the valuation of the subject property on an "as is" basis. The property is assumed to be under competent ownership and management; financial liens and encumbrances are disregarded.

Intended Use and User

The intended use of the appraisal is for possible acquisition subject property for public utility improvement project. The client and intended user are Webb County. The appraisal is not intended for any other use or user. No party or parties may use or rely on the information, opinions, and conclusions contained in this report.

Applicable Requirements

This appraisal is intended to conform to the requirements of the following:
Uniform Standards of Professional Appraisal Practice (USPAP); Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.

Scope of Work

Scope of Work defined: Scope of Work is defined as the type and extent of research and analysis in an assignment.

The Scope of Work Rule requires an appraiser to complete the following three elements in performing and communicating the results of an appraisal:

- Identify the problem to be solved
- Determine and perform the scope of work necessary to develop credible
- assignment results, and
- Disclose the scope of work in the report.

Scope of work includes, but is not limited to the following considerations:
- The extent to which the property is identified,
- The extent to which tangible property is inspected,
- The type and extent of data researched, and

- The type and extent of analysis applied to arrive at opinions and conclusion.

Report Type: This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses.

Property Identification: The subject has been identified by the legal description and the assessors' parcel number.

Inspection: A limited inspection from the public right of way has been made.

Market Area and Analysis of Market Conditions: A complete analysis of market conditions has been made. The appraiser maintains and has access to comprehensive databases for this market area and has reviewed the market for sales and listings relevant to this analysis.

Highest and Best Use Analysis: A complete “as vacant” highest and best use analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded.

Type of Value: Market Value

Valuation Analyses

The typical valuation of real property includes the consideration of the Cost Approach, the Sales Comparison Approach, and the Income Capitalization Approach. A brief synopsis of each of the three valuation approaches is as follows:

The Cost Approach is a valuation approach whereas the appraiser(s) derive a value by estimating the current cost to construct a reproduction of or replacement for the existing structure inclusive of entrepreneurial incentive, deducting for all forms of depreciation and adding the estimated land value. Reproduction cost is the cost of construction, at current prices, an exact duplicate, or replica, using the same materials, construction standards, design, layout and quality of workmanship and embodying all of the deficiencies, super adequacies and obsolescence of the subject property. Replacement cost is the cost of construction, at current prices, a property that has utility equivalent to the property being appraised but built with modern materials and according to current standards, design, and layout.

The Income Approach is a valuation approach by which the appraiser(s) derive a value indication for income-producing property by converting anticipated benefits (cash flows and reversions) into property value. This approach involves either a direct capitalization method or a discounted cash flow analysis. Direct capitalization is a method used to convert a single year's income expectancy into an indication of value by dividing the net income by a market abstracted overall rate. The discounted cash flow analysis is a set of procedures in which the quantity, variability, timing and duration of periodic income, as well as the quantity and timing of reversions, are specified and discounted to present value at a market derived yield rate.

The Sales Comparison Approach is a valuation approach by which the appraiser(s) derive a value indication by comparing the property being appraised to similar properties. The application involves applying appropriate units of comparison and estimating adjustments, based on elements of comparison, to the sale prices of the comparable sales and-or listing.

The appraiser will utilize the direct sales comparison approach for the valuation of the subject property. The cost approach is not considered applicable based on the property being vacant land. The income approach was also omitted due to the property being vacant land. The most reliable method of valuing vacant land is the sales comparison approach to value. It is the appraiser's opinion that credible value opinion can be produced utilizing only the sales comparison approach only.

Partial Acquisition Methodology

The method of valuation involved in this project is set forth when the governmental retained right of eminent domain is utilized. The State of Texas permits the acquisition of private property for public use (eminent domain), but it requires that any such acquisition entitles the owner just compensation and that it shall be by due process of the law. To determine total just compensation to the owner-of record, the valuation of the part to be acquired and the remainder shall be analyzed. Upon completion of the fee simple determination of the market value, a discount shall apply to the land to be acquired. Once this is applied, a final determination of value, including any diminution or damages, shall be calculated. Damages are determined by the appraiser upon review of the remainder market value.

Extraordinary Assumptions

An Extraordinary Assumption is defined as “an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis”. **There are no extraordinary assumptions associated with this report.**

Hypothetical Conditions

A Hypothetical Condition is defined as “that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis”. **There are no hypothetical conditions associated with this report.**

MARKET AREA ANALYSIS

Laredo, Texas | Webb County | Western Hemisphere's Leading Land Port

SECTION 1: PURPOSE AND SCOPE OF ANALYSIS

1.1 Purpose of this Report

This Market Area Analysis has been prepared to support appraisal and valuation activities within the City of Laredo, Texas, Webb County, and the Laredo–Webb County metropolitan statistical area. Laredo occupies a position of extraordinary economic significance that sets it apart from every other market analyzed in this South Texas appraisal series: it is the Western Hemisphere's leading land port, the #1 port among all U.S. border crossings by trade value, and one of the top three U.S. ports of entry overall — handling $353.94 billion in international trade in 2025 alone and accounting for approximately 40% of all U.S.–Mexico trade and 22% of total USMCA commerce. One out of every four commercial trucks crossing any U.S. border does so through Laredo.

Data has been compiled as of May 2026 from the Laredo Economic Development Corporation (LEDC), the City of Laredo, the Texas Comptroller's Office, the U.S. Census Bureau, World Population Review, DataUSA, Redfin, Zillow, CBRE, the Federal Reserve Bank of Dallas, the Texas Real Estate Research Center (TRERC), ProTexas Industry, and COSTEP (Council for South Texas Economic Progress).

1.2 Scope of Analysis

This report addresses the following market components:

- Demographic and population trends — Laredo's population of approximately 264,142 (2026, WPR) makes it the 11th most populated city in Texas; median age of 29.9 years is among the youngest of any major Texas city
- Port Laredo — $353.94 billion in 2025 trade (+4.4% YoY); #1 land port in the U.S. and Western Hemisphere; #3 among all 450+ U.S. airports, seaports, and border crossings; 40% of all U.S.–Mexico trade; 5.5 million truck crossings per year; 213,008 rail cars in 2025; Texas Comptroller found port trade generated 1.1 million net Texas jobs and $135.2 billion in state GDP (2024)
- The $10–15 billion industrial warehouse investment pipeline driven by nearshoring — the single most significant near-term commercial real estate catalyst in Laredo's modern history
- Four international bridges and one railway bridge connecting Laredo to Nuevo Laredo, Tamaulipas — the binational 'Los Dos Laredos' metropolitan identity
- LEDC — 'Data City' initiative; MileOne co-working and incubator; Pathways for Trade symposium; International Business Assistance Center (IBAC)

- Residential real estate market — Redfin median $234K (Jan 2026, -8.3% YoY); Zillow ZHVI $213,075 (+5.7% YoY); ACS median $193,500 (DataUSA 2024); data source reconciliation and appraisal methodology guidance
- Commercial and industrial real estate — warehouse/distribution sector driven by trade volume; backhaul market economics; industrial park ecosystem
- Texas A&M International University (TAMIU) and Laredo College as workforce development anchors
- Environmental and risk factors including trade policy tariff exposure as the primary economic risk
- Appraisal implications and market outlook through 2027 and beyond

SECTION 2: AREA DESCRIPTION AND LOCATION

2.1 Geographic Overview

Laredo is the county seat of Webb County, located in southwestern Texas on the Rio Grande, directly across from Nuevo Laredo, Tamaulipas, Mexico. The city is situated at the intersection of Interstate 35 — the primary north-south corridor connecting Laredo to San Antonio, Austin, Dallas, and points north — and the U.S. 59/I-69E corridor providing east-west connectivity. The city covers approximately 161.76 square miles and anchors a metropolitan statistical area encompassing all of Webb County.

Laredo was founded in 1755 by Captain Tomas Sanchez under Spanish colonial rule as San Agustin de Laredo — the last settlement established by Jose de Escandon in the colony of Nuevo Santander. It briefly served as the capital of the Republic of the Rio Grande in 1840 before joining Texas upon U.S. annexation in 1845. This 270-year history of cross-border commerce, bilingual identity, and binational economic integration is not historical background — it is the functional DNA of a city whose entire modern economic identity is built on its position as the primary gateway between the U.S. and Mexican economies.

The binational metropolitan concept of 'Los Dos Laredos' — the two Laredos — encompasses both Laredo, TX and Nuevo Laredo, Tamaulipas as a single integrated economic region. The combined population of the binational metropolitan area is estimated at over 700,000 people, making it one of the largest binational metropolitan regions on the U.S.–Mexico border.

Geographic Attribute	Detail
County	Webb County, Texas — county seat
MSA	Laredo, TX Metropolitan Statistical Area (Webb County)
Founded	1755 by Captain Tomas Sanchez; capital of Republic of the Rio Grande (1840); joined Texas 1845
Sister City	Nuevo Laredo, Tamaulipas, Mexico — 'Los Dos Laredos' binational metro

City Area	~161.76 square miles
Texas City Rank	11th most populated city in Texas (~264,142, WPR 2026)
International Bridges	Four vehicular/pedestrian bridges + one railway bridge to Nuevo Laredo
Primary Highway	Interstate 35 — direct north-south corridor to San Antonio (150 mi), Austin, Dallas
Secondary Highways	U.S. 59 / I-69E; U.S. 83; U.S. 281
Airport	Laredo International Airport (LRD) — USMCA gateway for air cargo; 616M lbs air cargo (2025)
Rail	Kansas City Southern Railway (KCSR) / KCS de Mexico (KCSM) — owns Laredo International Railroad Bridge; interchange with BNSF and Union Pacific
Distance to San Antonio	~150 miles north via I-35
Distance to Monterrey, Mexico	~140 miles south — major manufacturing hub; 2-hour drive
Distance to McAllen / RGV	~120 miles east
Distance to Eagle Pass	~65 miles northwest — emerging secondary border crossing
Binational Metro Population	~700,000+ (Laredo + Nuevo Laredo combined)
Time Zone	Central Time (CT)

2.2 The Four International Bridges

Laredo's four international bridges and one railway bridge are the physical infrastructure of the Western Hemisphere's leading land port. Each bridge serves a specific traffic function and together they create an integrated crossing network capable of handling the extraordinary daily volume of trade, freight, and personal vehicle movement that defines Laredo's economy:

- World Trade Bridge — primary commercial truck crossing; purpose-built for NAFTA/USMCA freight traffic; handles the vast majority of the 5.5 million annual truck crossings; dedicated truck-only operations minimizing congestion from personal vehicle traffic
- Colombia Solidarity Bridge (Colombia-Solidarity International Bridge) — secondary commercial crossing located approximately 20 miles northwest of downtown Laredo; designed to relieve pressure on the World Trade Bridge for northbound cargo
- Gateway to the Americas International Bridge (Bridge I) — oldest bridge; handles pedestrian, personal vehicle, and bus traffic; downtown Laredo location
- Juarez-Lincoln International Bridge (Bridge II) — high-volume pedestrian and personal vehicle crossing; primary crossing for Nuevo Laredo shoppers visiting Laredo
- Laredo International Railroad Bridge — owned and operated by Kansas City Southern Railway; connects the KCSR and KCS de Mexico networks; enables direct rail freight

between Mexican manufacturing centers and U.S. distribution hubs; 213,008 rail cars crossed in 2025

SECTION 3: POPULATION AND DEMOGRAPHICS

3.1 Population Trends

Laredo's population trajectory presents a nuanced picture. World Population Review projects 264,142 residents in 2026 — up 3.38% since the 2020 Census (255,495) at a 0.55% annual growth rate — while the Cubit/ACS-based projection shows 257,010 with a -0.1% annual rate consistent with a -0.6% change from 2019 to 2024. The MacroTrends metro area population reached 344,000 in 2025 (+1.18% YoY), suggesting that Webb County-wide growth continues even as the city's rate moderates. Regardless of source, Laredo remains Texas's 11th most populated city, the dominant urban center of the Webb County/Laredo MSA, and a major metro by any South Texas measure.

Population Metric	Data
2020 Census Population	255,495
2022 Estimate (DataUSA)	~258,000
2023 Estimate (DataUSA)	~258,000
2026 Projected Population (WPR)	264,142 (+3.38% since 2020; +0.55%/yr)
2026 Projected Population (Cubit/ACS)	257,010 (-0.1%/yr; -0.6% total 2019–2024)
Laredo–Webb County MSA Population	~272,823 (FRED/Federal Reserve, Jan 2024)
Metro Area Population (MacroTrends 2025)	344,000 (+1.18% YoY)
Binational Metropolitan Population	~700,000+ (Laredo + Nuevo Laredo)
Texas City Rank	11th most populated city in Texas
Adults (18+)	177,082
Senior Population (65+)	25,820 (~9.8% — younger profile than state average)
Median Age	29.9 years (29.0 male / 30.8 female) — one of the youngest major Texas cities
Total Housing Units (DataUSA 2024)	~80,365+ (estimated)
Homeownership Rate (DataUSA 2024)	64.1%

3.2 Demographic Profile

Laredo's demographic profile is shaped by its deep Spanish colonial heritage, its binational identity, and its status as a major port city. The city is one of the most predominantly Hispanic communities of any major U.S. metro — approximately 96% of residents identify as Hispanic or Latino — reflecting the continuous cultural continuity from the city's 1755 founding through the present. The young median age of 29.9 years is among the lowest of any Texas city of comparable size, reflecting high birth rates and a young family demographic that sustains long-term housing and services demand.

Demographic Indicator	Laredo Data
Median Age	29.9 years (29.0 male / 30.8 female) — youngest major city profile in Texas
Hispanic or Latino Population	~95.6%–96% — among the highest of any major U.S. city
Largest Ethnic Group (DataUSA)	Two Races Including Other (Hispanic) — 172,000 residents
Non-Hispanic White	~2.8%
Foreign-Born Population (DataUSA 2024)	25.1% (~64,700 people) — a significant binational community
U.S. Citizens (DataUSA)	83.3% — reflects substantial non-citizen population from Mexico
Median Household Income (WPR 2026)	$63,915
Average Per Capita Income (WPR)	$38,408
Median Property Value (DataUSA 2024)	$193,500
Homeownership Rate (DataUSA 2024)	64.1%
Poverty Rate (WPR)	20.88%
Population Under Age 18	~32.2% — very high youth share
Unemployment Rate (Point2Homes)	Low (trade sector provides broad employment base)
Average Commute Time	21.6 minutes
Average Car Ownership	2 cars per household
Primary Languages	Spanish and English — deeply bilingual; Spanish dominant in many contexts
Military Veterans (DataUSA)	Gulf War (2001-) largest cohort at 1.62x national average — reflects federal employment presence
Top Universities	Texas A&M International University (TAMIU); Laredo College

SECTION 4: ECONOMIC CONDITIONS AND EMPLOYMENT

4.1 Port Laredo — The Western Hemisphere's Leading Land Port

Port Laredo is the defining economic reality of Laredo and the foundation upon which every other market dynamic must be understood. No other city in this South Texas appraisal series — not McAllen, not Brownsville, not Pharr — approaches the trade dominance that Laredo commands. The numbers are extraordinary in scope and significance:

Port Laredo Metric	Data
Total Trade (2025)	$353.94 billion — +$14.94 billion (+4.4%) over 2024
Laredo Customs District Trade (2025)	$481.8 billion (includes all federal jurisdiction ports in region)
Global Ranking	#3 among all 450+ U.S. ports of entry (airports, seaports, border crossings combined)
Land Port Ranking	#1 in U.S. and Western Hemisphere — leading all land-based ports by trade value
USMCA Commerce Rank	#1 — handles 22% of total USMCA trade
Share of U.S.–Mexico Trade	~40% of all bilateral U.S.–Mexico trade passes through Port Laredo
U.S.–Mexico Border Truck Share	1 in 4 commercial trucks crossing any U.S. border does so through Laredo
Annual Truck Crossings	5.5 million commercial truck crossings per year
Annual Rail Cars (2025)	213,008 rail cars crossed through Port Laredo from Mexico
Air Cargo (2025)	616,478,325 pounds of air cargo via Laredo International Airport
Monthly Trade (Jan 2025)	$27.9 billion — +10.87% YoY with Mexico
Top Import Commodities	Motor vehicle parts ($2.10B/month); Computers ($3.37B); Passenger vehicles; Cell phones
Top Export Commodities	Machinery and mechanical appliances ($22.5B/yr); Vehicle parts ($18.6B); Electrical machinery ($18.5B)
Trade Growth Since 2003	+324% total — from ~$80B to $339.7B+ in 2024; accelerating
Texas Comptroller Economic Impact (2024)	1.1 million net Texas jobs; $135.2 billion contribution to Texas GDP
Texas Land Port Share	62% of all Texas land port trade passes through Laredo

Share of Texas International Trade	Approximately 31% of Texas's total $1+ trillion in international trade (2024)

4.2 The Nearshoring Industrial Investment Wave

The nearshoring of manufacturing from Asia to Mexico — driven by USMCA protections, lower labor costs relative to Asia, shorter supply chains, and U.S. corporate risk diversification — has created a manufacturing boom in Monterrey and other northern Mexico cities that is approximately two hours south of Laredo. This manufacturing surge is translating directly into dramatically increased cross-border freight volumes and an industrial real estate boom in Laredo that is unlike anything in the city's history.

The LEDC has projected $10 to $15 billion in industrial warehouse investment in Laredo over the next decade driven specifically by nearshoring. CBRE has documented the structural supply-demand mismatch: warehouse inventory in Laredo was approximately 36 to 40 million square feet as recently as 2018, and freight volumes have grown approximately 80% over the five years since then. This mismatch has triggered a wave of institutional capital investment in speculative warehouse and distribution development along Laredo's industrial corridors.

Nearshoring Metric	Data
Projected Industrial Warehouse Investment	$10–$15 billion over next decade (LEDC projection)
Trade Volume Growth (5 Years)	~80% expansion in freight volume since 2018 (CBRE/BTS data)
Warehouse Inventory (Est. 2018 Base)	36–40 million square feet
Monterrey to Laredo Distance	~140 miles / 2-hour drive — primary manufacturing-to-port corridor
Coahuila Manufacturing Route	70% of Coahuila state's exports route through Laredo
Laredo Trade Reach	8 million+ people within 250-mile radius
Backhaul Market Advantage	More product from northern U.S./Canada returning to Mexico than arriving as U.S. final destinations — reduces shipping costs and supports warehousing demand
Key Nearshoring Sectors	Automotive manufacturing; electronics; pharmaceutical; aerospace components
LEDC Vision (ProTexas Industry, Nov 2025)	'Data City' initiative — data centers, AI, advanced manufacturing anchored by four aquifers and local power generation
Industrial Labor Force (CBRE)	4,261 warehouse/distribution workers; forecast to grow 11% over next decade
Average Warehouse Worker Wage	$15.17/hour (non-supervisory)
Texas Enterprise Fund Availability	Discretionary cash grants for qualifying new industrial projects

4.3 LEDC — Economic Development Strategy

The Laredo Economic Development Corporation (LEDC) is a private non-profit organization that serves as the primary private-sector point of contact for business attraction and expansion in Laredo, Webb County, and the Nuevo Laredo binational region. Its programs and strategic priorities include:

- Pathways for Trade Symposium — 32nd annual event hosted August 27–28, 2025; brings together trade, logistics, and manufacturing stakeholders from across North America and internationally
- Port-Laredo Global Trade Summit '26 — scheduled July 13–14, 2026; international focus on USMCA developments, nearshoring, operational compliance, and logistics; underscores Laredo's growing status as a global trade conference destination
- MileOne — Laredo's first co-working space and small business incubator, located in Downtown Laredo; International Business Assistance Center (IBAC) program supports foreign companies entering the U.S. market through Laredo
- 'Data City' Initiative — LEDC's long-term vision to leverage Laredo's four aquifers and infrastructure for data center, AI, and advanced manufacturing investment, diversifying the economy beyond pure logistics
- Diversification Strategy — LEDC leadership has explicitly noted that 'diversification is as critical as growth'; short-term objectives focus on strengthening distribution and manufacturing while long-term plans target high-tech investment
- International promotion — LEDC promotes Laredo, Webb County, and Nuevo Laredo as a unified 'Los Dos Laredos' investment destination for global manufacturers and logistics operators

4.4 Key Industry Sectors

Industry Sector	Relative Strength	Key Notes
International Trade / Logistics	Dominant	$353.94B in 2025 trade; 5.5M annual truck crossings; #1 land port globally
Warehousing / Distribution	Very High	$10–15B investment pipeline; 80% freight volume growth in 5 years; backhaul market advantage
Customs Brokerage / Freight Forwarding	Very High	Thousands of jobs in trade facilitation; essential to port operations
Advanced Manufacturing (Regional)	Very High	Monterrey manufacturing base 140 miles south; automotive, electronics, pharma

Government / Federal Employment	High	CBP; DHS; federal courts; U.S. Army Reserve; significant federal workforce
Healthcare / Social Assistance	High	Laredo Medical Center; Doctor's Hospital; growing healthcare sector
Retail / Cross-Border Commerce	High	Nuevo Laredo shoppers; cross-border consumer traffic; national retailer presence
Education / Higher Ed	High	TAMIU (1,974 degrees/yr); Laredo College (1,913 degrees/yr)
Technology / AI (Emerging)	Emerging	LEDC 'Data City' initiative; blockchain + supply chain vision
Oil and Gas (Regional)	Moderate	Webb County Eagle Ford Shale access; regional energy sector

SECTION 5: RESIDENTIAL REAL ESTATE MARKET

5.1 Market Overview and Data Source Reconciliation

Laredo's residential real estate market presents a significant spread in reported values across data sources — a pattern consistent with markets that have experienced both pandemic-era appreciation and post-peak price adjustment while also being underrepresented in national AVM (automated valuation model) databases due to their border market characteristics. Appraisers must reconcile across sources rather than relying on any single benchmark.

Residential Market Metric	Current Data / Source
Redfin Median Sale Price (Jan 2026)	$234,000 (-8.3% YoY) — 50 homes sold; down from 59 prior year
Redfin Avg Days on Market (Jan 2026)	96 days (improved from 101 days prior year)
Redfin Homes Sold (Jan 2026)	50 (down from 59 — declining volume; buyer-favorable market
Zillow Home Value Index / ZHVI (2026)	$213,075 (+5.7% YoY) — broader universe of all homes; ZHVI tracks all homes, not just sold
ACS Median Property Value (DataUSA 2024)	$193,500 — self-reported ACS estimate; typically lags MLS by 1–3 years
Steadily Market Report (Oct 2025)	$185,000 median; $250,000 median listing — price stabilization signal
Average Property Value (Steadily)	$305,000 — reflects higher-priced new construction skewing the average

DataUSA Median Property Value (2024)	$193,500 — ACS-based; consistent with rural/border market lag
Median Rent (Oct 2025 estimate)	$1,250/month
Homeownership Rate (DataUSA 2024)	64.1% — above national average; reflects family-oriented community
vs. Texas Statewide Median (Mar 2026)	$341,800 — Laredo priced approximately 31–44% below state average
vs. National Median (Mar 2026)	$341,800 — Laredo priced approximately 31–44% below national median
Zillow Forecast Direction	Walletinvestor: modest long-term increase; +4.7% over 5 years from current base
30-Year Mortgage Rate (May 2026)	~6.2%; TRERC 2026 forecast assumes easing to 5%–5.6% by year-end
Property Tax (Average Owner)	~$2,100/year — reflects modestly priced housing stock
Active Listings (Redfin estimate)	Meaningful inventory; buyer-favorable conditions persist

5.2 Data Source Reconciliation — Appraisal Methodology

The range from $185,000 (Steadily stabilization estimate) to $234,000 (Redfin MLS median) reflects key methodological differences that appraisers must understand:

- Redfin MLS-sourced closed sale data ($234,000 median, Jan 2026, -8.3% YoY) reflects actual arms-length closed transactions from the Laredo MLS — the most current and most transaction-relevant data source; the -8.3% YoY decline on 50 sales is a meaningful signal of market softening relative to the prior year's pace, though the modest sample still requires interpretation
- Zillow ZHVI ($213,075 +5.7% YoY) represents an automated valuation model averaging all homes — not just sold properties — and is calibrated to the full housing stock including older, lower-value properties; the positive YoY direction from Zillow alongside Redfin's negative YoY suggests a market where overall home values are recovering modestly while the most recently sold (higher-priced) properties are correcting from prior period peaks
- ACS median property value ($193,500) is a self-reported respondent estimate from a household survey; it is typically the most conservative figure, lagging market conditions by 1–3 years, and should not be used as a current market value benchmark in appraisal reports
- For appraisal purposes, the Redfin MLS-based closed sale data ($234,000 median, Jan 2026) provides the most reliable current comparable basis; time adjustments should account for the -8.3% YoY direction using paired sales analysis rather than applying the full percentage as a mechanical adjustment

5.3 Market Characterization

Laredo's residential market as of early 2026 is best characterized as buyer-favorable and price-softening from recent peaks. The combination of declining transaction volume (50 vs. 59 YoY), an 8.3% median price decline (Redfin), and extended days on market (96 days, up from 101 the prior year — now improving) suggests a market where sellers must price competitively and buyers retain meaningful negotiating leverage.

This residential market softening is occurring against the backdrop of Laredo's extraordinary commercial and industrial economic strength — an important divergence. The trade economy and industrial real estate market are booming; the residential market is undergoing a price correction. This pattern reflects the fact that the industrial and logistics boom primarily benefits businesses and property investors rather than immediately translating into broad-based household income gains for Laredo's general population. The city's median household income of $63,915 and 20.88% poverty rate remain constraints on residential purchasing power even as billions of dollars in trade flow through the city daily.

SECTION 6: COMMERCIAL AND INDUSTRIAL REAL ESTATE

6.1 Industrial / Warehouse Market — The Dominant Commercial Segment

Laredo's industrial and warehouse real estate market is the most dynamic commercial real estate segment in the city and one of the most active industrial markets in all of South Texas. Driven entirely by the nearshoring-fueled growth in cross-border freight volumes, the industrial market has experienced a sustained wave of speculative and build-to-suit development that has added millions of square feet to the city's logistics and distribution infrastructure.

Lee and Associates has described Laredo as having a 'backhaul market' advantage — meaning there is more product returning from northern U.S. cities to Mexico than arriving in Laredo as a final U.S. destination. This creates an asymmetric freight economics dynamic where southbound (empty or return-cargo) truck rates are cheaper than northbound, making Laredo a cost-competitive warehousing and distribution hub for importers compared to more established Texas distribution markets like Dallas-Fort Worth or Houston. Industrial park development has accelerated to accommodate this demand, with new facilities specifically designed for cross-border trade operations including high dock-door ratios and abundant outdoor storage for temporary customs holding.

6.2 Industrial Market Key Data Points

Industrial Market Metric	Data
Projected Investment (10-Year)	$10–$15 billion in industrial warehouse development (LEDC)
Freight Volume Growth (5 Years)	~80% increase in trade-related freight volumes
Warehouse Labor Force	4,261 warehouse/distribution workers; +11% growth projected over next decade (CBRE)

Average Warehouse Worker Wage	$15.17/hour non-supervisory — competitive for South Texas market
Trade Reach	8 million+ people within 250-mile radius of Laredo
Backhaul Economics	More product returning to Mexico than arriving as U.S. final destinations — reduces per-mile costs for industrial operators
Recent Development Examples	Vidal Cantu Industrial Center — 213,781 sq ft; Menlo Equities and Axis development; high dock-door ratio; outdoor storage
Key Industrial Parks	Multiple established industrial parks on I-35 corridor with cross-border trade orientation
Texas Enterprise Fund	Available for qualifying major industrial projects; discretionary cash grants
Vacancy Trend	Low and declining; speculative bulk warehouse and distribution projects under construction to meet demand
Eagle Pass Competition	Emerging alternative; currently at < 30% capacity; Coahuila manufacturers redirecting some volume; Laredo's dominance intact

6.3 Retail and Commercial Real Estate

Laredo's retail market serves both the domestic Laredo consumer base and the substantial cross-border shopping traffic from Nuevo Laredo. Mexican nationals — particularly from Monterrey and across Tamaulipas — have historically shopped in Laredo for U.S.-brand goods, appliances, electronics, and clothing, creating a cross-border retail economy analogous to the McAllen retail dynamics documented elsewhere in this series. Laredo's retail corridors include established shopping centers and national anchor tenants on the San Dario Avenue and US-59 corridors, as well as the historic San Bernardo Avenue downtown commercial district.

The LEDC's MileOne co-working and incubator facility in Downtown Laredo represents an emerging office and innovation real estate segment targeted at logistics technology startups, customs brokerage firms, and international businesses establishing U.S. market footholds through Laredo's International Business Assistance Center program.

SECTION 7: STRENGTHS, OPPORTUNITIES, AND RISK FACTORS

7.1 Market Strengths

- #1 land port in the U.S. and Western Hemisphere — $353.94 billion in 2025 trade; 40% of all U.S.–Mexico bilateral trade; a structurally irreplaceable geographic and infrastructure asset

- 324% trade growth since 2003 — the Port of Laredo has tripled in economic scale over two decades; the growth trajectory is sustained and accelerating under nearshoring tailwinds
- $10–15 billion industrial warehouse investment pipeline — the most significant near-term commercial real estate investment catalyst in the city's modern history; driven by structural nearshoring forces that will persist for decades
- 1 in 4 U.S.-border commercial trucks crosses through Laredo — an inescapable market position in North American freight logistics that no competitor can replicate without matching Laredo's infrastructure, workforce, and institutional depth
- Texas Comptroller finding: trade through Port Laredo generated 1.1 million net Texas jobs and $135.2 billion in state GDP in 2024 — the single port's economic multiplier effect is larger than most Texas cities' entire economies
- USMCA-protected trade platform — Laredo's trade volume is explicitly protected by the USMCA framework governing automotive, agricultural, manufacturing, and energy trade between the U.S., Mexico, and Canada
- Rail connectivity — Kansas City Southern/KCSM rail bridge provides direct rail access to Monterrey, Veracruz, Tampico, Lazaro Cardenas, and Mexico City manufacturing and export hubs
- Four aquifer water security — Laredo's four aquifers provide long-term water supply that is a competitive advantage for data center, manufacturing, and industrial users who require reliable water access
- Young median age (29.9 years) — among the youngest of any major Texas city; a large, growing working-age population pipeline for logistics, customs, and manufacturing employment
- 64.1% homeownership rate — above national average; stable family-oriented residential community with established owner-occupant demand
- Texas A&M International University (TAMIU) and Laredo College — combined 4,000+ degrees annually; growing workforce pipeline for logistics, business, and technology sectors
- LEDC 'Data City' vision — positions Laredo for technology diversification beyond pure trade; data centers, AI, and advanced manufacturing represent the next economic layer above the logistics foundation
- No Texas state corporate or personal income tax — consistent statewide competitive advantage amplified in Laredo by the city's unique trade infrastructure

7.2 Market Opportunities

- Industrial real estate development — the $10–15 billion warehouse investment pipeline requires speculative and build-to-suit industrial product; opportunities exist along I-35, the Colombia bridge corridor, and the World Trade Bridge industrial park district for investors and developers who can deliver cross-border-trade-optimized product
- Customs brokerage and freight forwarding expansion — the 5.5 million annual truck crossings require a corresponding ecosystem of customs brokers, freight forwarders, freight consolidators, compliance consultants, and trade finance providers; Laredo is the natural concentration point for these businesses

- 'Data City' technology investment — LEDC's vision of leveraging four aquifers and planned power infrastructure to attract data centers, AI facilities, and advanced manufacturing aligns with national site selection trends driven by AI compute demand; Laredo's water security and land availability are genuine competitive advantages
- Residential value recovery — as the industrial economy expands and wages rise for Laredo's growing workforce, residential demand should strengthen; the current -8.3% Redfin price trend creates a potential entry point for residential investors at a market trough before the industrial employment multiplier generates broader household income growth
- Healthcare real estate expansion — the young, growing population, high poverty rate, and historically limited access to specialty healthcare create demand for medical office buildings, specialty clinics, and ancillary health services investment
- Workforce housing — the industrial boom will create demand for workforce housing serving the 4,261+ warehouse workers and the additional thousands employed in customs, freight, and logistics; rental and affordable homeownership product in the $150,000–$220,000 range represents a structurally supported demand segment
- Cross-border business services — as nearshoring accelerates and more international manufacturers operate through Laredo, demand for legal, accounting, trade compliance, customs bond, and banking services creates opportunity for professional service firms establishing Laredo offices

7.3 Risk Factors and Constraints

- U.S.–Mexico Trade Policy Concentration Risk — CRITICAL: Laredo's economy is more deeply concentrated in a single trade relationship (U.S.–Mexico bilateral trade) than any other market in this appraisal series. Tariff escalation, trade policy disputes, USMCA renegotiation, or border security restrictions that meaningfully reduce cross-border freight volumes would have an immediate and severe impact on Laredo's economy, employment, commercial real estate demand, and residential values. This is the single most significant risk factor for any Laredo property investment and must be disclosed as material market information in every commercial and industrial appraisal.
- Residential Price Softening: The Redfin -8.3% YoY decline (Jan 2026) on 50 sales represents meaningful price correction from prior period peaks. While the industrial economy is booming, residential market fundamentals — including declining transaction volume and extended days on market — reflect a buyer-favorable environment where seller expectations must be calibrated to current evidence rather than peak-cycle comps.
- Income and Poverty Constraints: Despite the city's extraordinary trade economy, the median household income of $63,915 and 20.88% poverty rate reflect the reality that the benefits of $353 billion in annual trade are not broadly distributed across Laredo's household income spectrum. Much of the trade value is captured by corporations headquartered elsewhere; local warehouse workers at $15.17/hour do not capture proportionate income from the city's dominant trade role.
- Infrastructure Capacity — Trade Volume vs. Infrastructure Gap: Nearshoring has grown freight volumes approximately 80% over five years while warehouse and drayage capacity has lagged. Bridge crossing wait times, road infrastructure on the approaches to the World Trade Bridge, and inland transportation capacity represent bottlenecks that

affect operational efficiency for industrial tenants and cost structures for logistics operators.

- Eagle Pass as Emerging Competition: Eagle Pass — approximately 65 miles northwest of Laredo — is gaining traction as a secondary border crossing with Empire Industrial Park under development and Coahuila manufacturers beginning to redirect some volume. While Eagle Pass is currently below 30% capacity and Laredo's dominance is intact, the emergence of viable alternatives could moderate Laredo's market share of U.S.–Mexico freight over the medium term.
- Data Source Divergence in Residential Market: The $40,000+ spread between the ACS median ($193,500) and Redfin MLS median ($234,000) requires careful source selection in appraisal reports. Appraisers must use MLS-sourced closed sales data as their primary comparable basis; applying ACS values as market benchmarks will produce unsupportable conclusions.
- Flood and Environmental Risk: Laredo's location on the Rio Grande creates flood exposure, particularly during periods of heavy rainfall and Gulf Coast hurricane activity that can trigger upstream flooding. Every subject property must be evaluated for current FEMA flood zone designation.
- Extreme Heat: South Texas climate projections show significant increases in extreme heat days over the next 30 years, with long-term implications for energy costs, outdoor worker productivity, and infrastructure demands for industrial and commercial properties.

SECTION 8: MARKET OUTLOOK AND APPRAISAL IMPLICATIONS

8.1 Short-Term Outlook (2026–2027)

The near-term outlook for Laredo is strongly positive for commercial and industrial real estate and cautiously stable for residential. The 4.4% YoY growth in port trade volume to $353.94 billion in 2025 shows no sign of structural reversal under USMCA; nearshoring-driven manufacturing expansion in Monterrey will continue generating northbound freight demand through 2026 and 2027. The LEDC's $10–15 billion industrial warehouse investment projection will begin materializing in concrete project completions and new lease activity along the I-35 and Colombia bridge industrial corridors.

The residential market is expected to stabilize in 2026 as mortgage rates ease toward the 5%–5.6% range projected by TRERC for year-end, improving affordability at Laredo's price point and gradually restoring buyer confidence. Transaction volume is expected to modestly recover from the January 2026 pace of 50 sales per month as rate improvement removes the most acute affordability friction. However, Laredo's residential market will remain buyer-favorable throughout 2026 given existing inventory levels.

8.2 Medium-Term Outlook (2027–2030)

The medium-term trajectory for Laredo is defined by three converging forces: the continued maturation of the nearshoring industrial wave (which will deepen Laredo's logistics infrastructure and employment base over the next 3–5 years), the LEDC's technology diversification strategy (which will determine whether Laredo can add a 'Data City' high-tech layer to its existing logistics foundation), and the gradual translation of industrial employment growth into broader household income improvement that supports residential market appreciation.

Trade volumes are projected to continue growing as U.S.–Mexico bilateral trade expanded 3.9% in 2025 to reach $872.8 billion, with nearshoring commitments from automotive, electronics, and pharmaceutical manufacturers ensuring sustained freight growth through 2026 and beyond. Population is expected to approach 270,000–280,000 by 2030, maintaining Laredo's position as a major Texas metro and sustaining demand for healthcare, education, retail, and residential real estate.

8.3 Appraisal Implications

- Trade Policy Risk Disclosure — MANDATORY for Industrial and Commercial: Every commercial and industrial property appraisal in Laredo must address U.S.–Mexico trade policy as a material risk factor. The city's extraordinary concentration of economic activity in bilateral U.S.–Mexico trade means that tariff escalation or trade disruption would have immediate, material, and quantifiable impact on industrial real estate demand, lease rates, occupancy, and cap rates. This disclosure is not optional background — it is a documented, ongoing policy risk that affects market participant expectations.
- Data Source Reconciliation — Residential: Appraisers must use MLS-sourced closed sales data as their primary comparable basis ($234,000 Redfin median, Jan 2026). ACS-reported values ($193,500) should not be cited as current market benchmarks. The Zillow ZHVI ($213,075 +5.7%) provides useful directional context for the full housing stock. Time adjustments should be calibrated to paired sales analysis given the -8.3% Redfin YoY direction — but appraisers should investigate whether this reflects compositional shifts (fewer higher-priced sales in January vs. prior year) before applying a full mechanical adjustment.
- Industrial Property Income Approach: For warehouse and distribution properties, market rents should be derived from Laredo industrial comparable leases — not from Dallas-Fort Worth or Houston benchmarks, which reflect different supply-demand conditions. Vacancy rate assumptions should reflect current Laredo industrial market conditions (low vacancy due to demand surge); cap rate derivation should explicitly account for the trade policy concentration risk as a premium above general industrial market rates.
- Nearshoring Pipeline as Context, Not Assumption: The $10–15 billion LEDC warehouse investment projection is directional market context, not a confirmed development program. Appraisers should acknowledge the pipeline's significance for market direction while limiting value conclusions to current market evidence. Land values along industrial corridors may already reflect some development expectation premium; appraisers should investigate whether buyer behavior in the comparable land sales pool is pricing in pipeline expectations.
- Residential Market Area: Laredo has sufficient transaction volume (50 monthly closings, Jan 2026) to support city-specific market area definitions for standard residential assignments. For higher-value or specialty properties, comparables from Laredo's established neighborhoods (Del Mar, Laredo Hills, Plantation) may need to be supplemented by Webb County rural comparables for acreage properties.
- Flood Zone Evaluation: Every subject property must be evaluated for current FEMA flood zone designation. Laredo's Rio Grande location creates material flood exposure for

properties in low-lying areas near the river; SFHA designations carry insurance cost implications affecting value and financing.

- Commercial Cross-Border Retail Income Approach: For retail properties benefiting from cross-border shopper traffic, achievable rents and occupancy assumptions should reflect the vulnerability of Mexican consumer demand to peso devaluation, tariff changes, and border crossing friction — factors that can reduce cross-border shopping volumes rapidly and materially. Conservative income assumptions are warranted for retail properties whose demand is significantly dependent on cross-border traffic.
- TAMIU and Laredo College Proximity: For multifamily and residential properties near Texas A&M International University (TAMIU) on Del Mar Boulevard, student housing demand represents a distinct market segment with different vacancy patterns, lease structures, and tenant profiles than the general residential market; comparable selection should reflect this distinction.

SECTION 9: CERTIFICATION AND SOURCES

9.1 Data Sources

This Market Area Analysis was compiled using the following primary and secondary sources:

- Laredo Economic Development Corporation (LEDC) — International Trade Profile; About LEDC; MileOne Program; Pathways for Trade Symposium (laredoedc.org)
- COSTEP / Rio South Texas Region — Port Laredo Ranks as the 3rd Largest Port of Entry in the U.S. (March 5, 2026; riosouthtexasregion.com)
- PRNewswire — Port Laredo Records $353.94 Billion in 2025 Trade (March 2, 2026)
- Texas Comptroller of Public Accounts — Port of Entry: Laredo (2024 Trade Data; $135.2B GDP; 1.1M jobs; comptroller.texas.gov)
- ProTexas Industry — Laredo EDC: 'Data City' Project to Power Economic Diversification and Tech Growth (November 2025); Growing Infrastructure and Logistics Strength Position Laredo (April 2026)
- Lee and Associates Houston — Laredo, Texas: The World's Largest Port, A Supply Chain Powerhouse (February 2026)
- CBRE Research — Emerging Industrial Markets: Laredo, Texas (Q4 2022)
- Air Rio Bravo / Hub Intelligence — Laredo Logistics: U.S.–Mexico Border Trade Corridor (March 2026)
- SGL USA — The Port of Laredo, TX: A Gateway Shaping International Trade (March 2025)
- Jackson Walker — William Hornberger Appointed to LEDC Board; $10–15B Nearshoring Investment Projection (March 2025)
- U.S. Census Bureau — 2020 Decennial Census; American Community Survey (ACS) 5-Year Estimates (2024); QuickFacts: Laredo city, Texas
- World Population Review — Laredo, Texas Population 2026 (April 9, 2026)
- Texas-Demographics.com — Laredo Demographics (2023/2024 ACS)

- DataUSA — Laredo, TX Profile: Population, Economy, Demographics (2024)
- MacroTrends — Laredo Metro Area Population 1950–2026
- FRED / Federal Reserve Bank of St. Louis — Resident Population in Laredo, TX (MSA) (2024)
- Redfin — Laredo, TX Housing Market (January 2026); Texas Housing Market (March 2026)
- Zillow — Laredo, TX Home Values (2026)
- Steadily — Laredo Real Estate Market Overview 2026 (January 2026)
- ManageCasa — Texas Housing Market 2026 Guide (March 2026)
- Texas Real Estate Research Center (TRERC) — 2026 Texas Real Estate Forecast; Texas Economic Outlook March 2026
- Prodensa — The Impact of Nearshoring on the Industrial Real Estate Market in Mexico and Texas (January 2025)

9.2 Analyst Certification

The analyst certifies that, to the best of their 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 the personal, impartial, and unbiased professional analyses, opinions, and conclusions of the analyst.

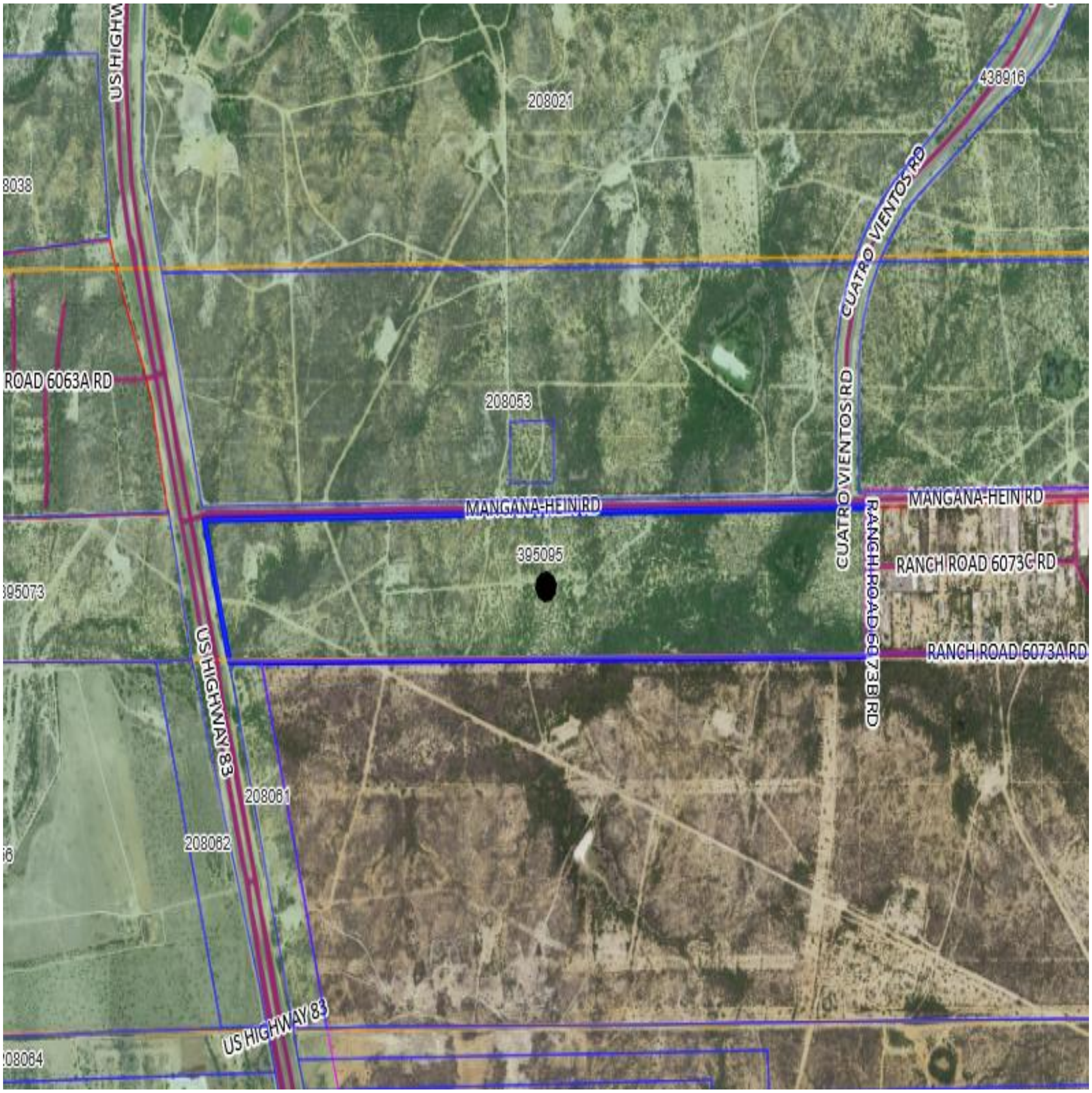
This report has been prepared for appraisal support purposes only and should not be used for any other purpose without the express written consent of the preparing party. Market conditions are subject to change and this analysis reflects conditions as of the report date. Trade policy is the single most material external risk factor for Laredo real estate values; appraisers using this report are specifically cautioned to monitor U.S.–Mexico trade policy developments and to disclose trade policy risk as a material market condition in every commercial and industrial appraisal report covering property within the Laredo market area.

SITE ANALYSIS

Land Description	
Land Area (Acres / Sq. Ft.)	1.01 acres (44,100 square feet) (Part to Be Acquired) 210' feet X 210' feet. This parcel has adquate frontage and depth and is sufficent size for encomonic use. For this appraisal the appraiser will itilze 1.01 acres (44,100 square feet) as the base unit of comparison in this appraisal report.
Source of Land Area	Webb County Appraisal District, Survey
Primary Street Frontage	Mangana-Hein Road
Depth	Adequate
Shape	Rectangular
Corner Lot	No
Topography	Generally Level
View	Average
Access	Mangana-Hein Road
Drainage	Adequate
Site Visibility	Adequate
Street Lighting	None
Sidewalks	None
Curb and Gutter	None
Landscaping	None
Soil Conditions	Adequate
Environmental Hazards	None noted at the time of inspection
Encumberance / Easements	No adverse easements or encroachments were noted at the time inspection.
Flood Area Panel Number	48479C1390C
Date	4/2/2008
Flood Zone	X
Flood Zone Comments	Inside the 100 year flood plain and does not require flood insurance
Area in Flood Zone	No

Zoning: Other Regulations	
Zoning Jurisdiction	City of Laredo, Webb County
Zoning Designation	R-1 Single Family Residential
Legally Conforming	N/A
Zoning Change Likely	No
Permitted Uses	Single Family Residential
Other Land Use Regulations	No
Utilities	
Adequacy of Utilities	Average
Electricity	Available
Water	Available
Sewer	Septic
Natural Gas	None
Comments	We are not experts in the interpretation of zoning ordinance. An appropriately qualified land use attorney should be engaged if determination of compliance with zoning is required. Exact dimensions could not be confirmed as no on ground survey was provided to the appraiser.

AERIAL VIEW



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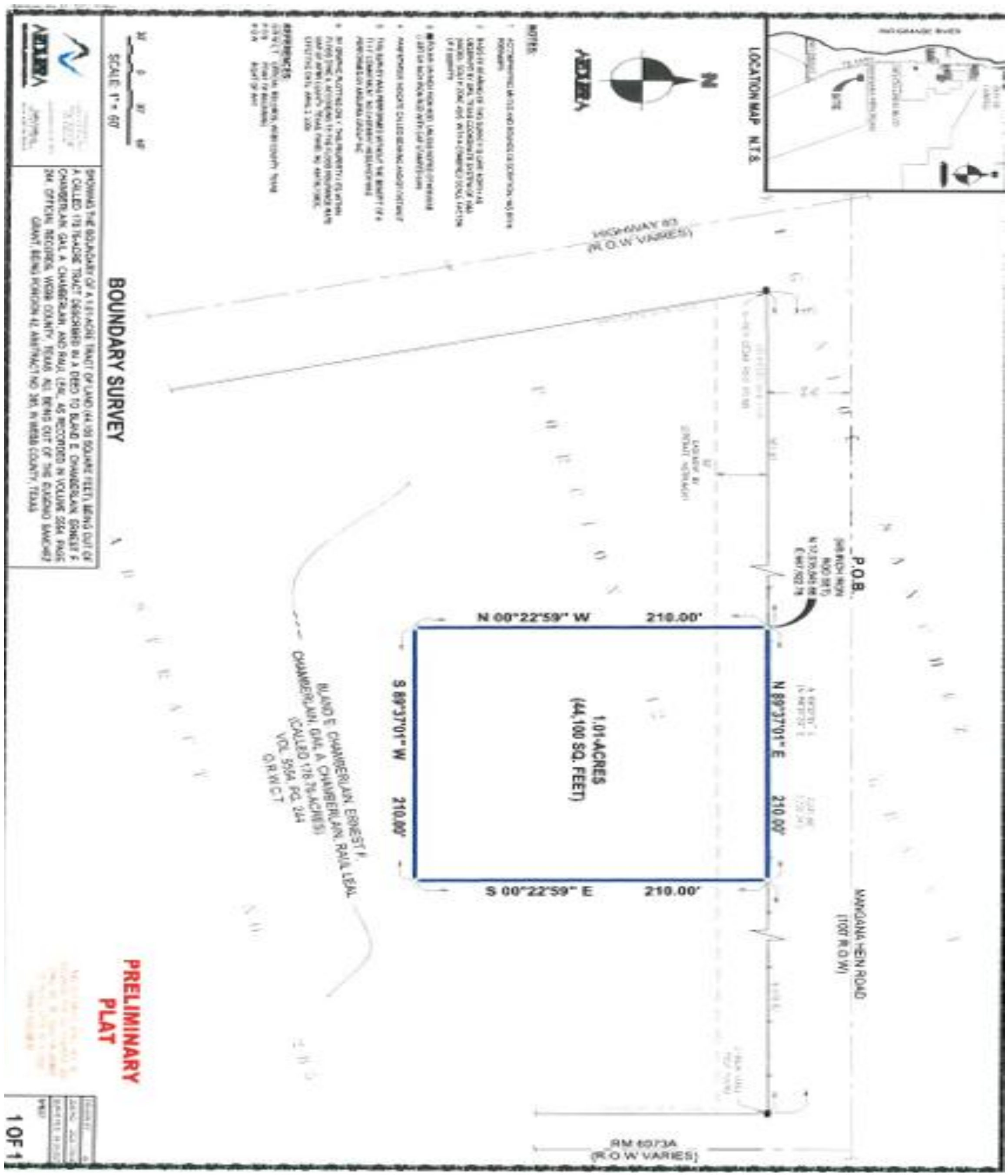
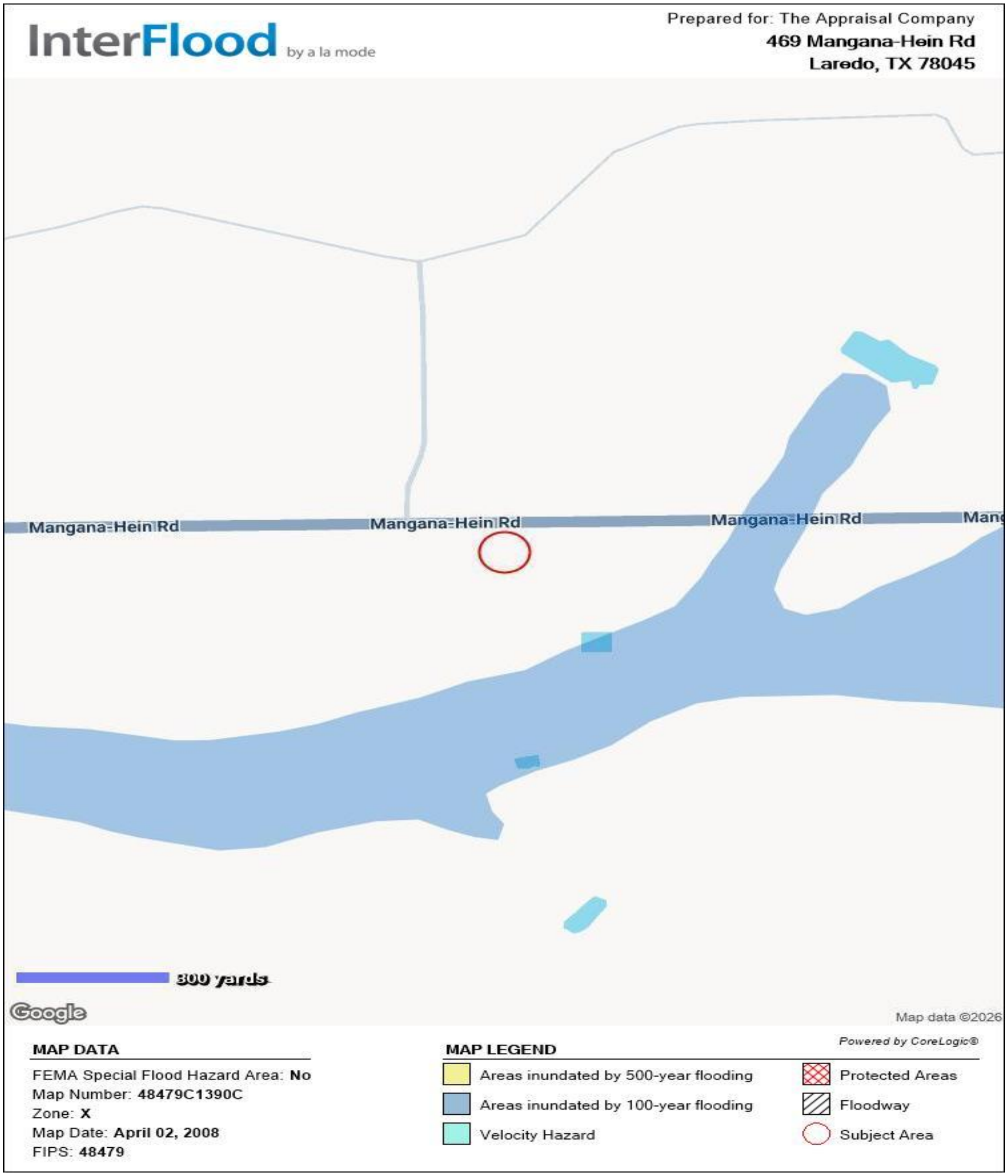
SURVEY PART TO BE ACQUIRED



CITY OF LAREDO PLANNING AND ZONING MAP

FLOOD MAP


InterFlood by a la mode
Prepared for: The Appraisal Company
469 Mangana-Hein Rd
Laredo, TX 78045
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Mangana-Hein Rd
300 yards
Google
Map data ©2026
Powered by CoreLogic®
MAP DATA
FEMA Special Flood Hazard Area: No
Map Number: 48479C1390C
Zone: X
Map Date: April 02, 2008
FIPS: 48479
MAP LEGEND
Areas inundated by 500-year flooding
Areas inundated by 100-year flooding
Velocity Hazard
Protected Areas
Floodway
Subject Area

HIGHEST & BEST USE

Before a property can be valued, an opinion of highest and best use must be developed for the subject site, both as if vacant, and as improved or proposed. By definition, the highest and best use must be:

- Physically possible.
- Legally permissible under the zoning regulations and other restrictions that apply to the site.
- Financially feasible.
- Maximally productive, i.e., capable of producing the highest

As Vacant

Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses.

Legally Permissible

The subject property is situated in an area zoned R-1 which is a single-family residential designation. Development requires approval from the City of Laredo Planning Department and or Webb County Planning Department. Permitted uses include single family residential development. To our knowledge, there are no legal restrictions such as easements or deed restrictions that would effectively limit the use of the property.

Financially Feasible

Based on our analysis of the market, there is currently demand for commercial and residential use in the subject property area. It appears that a newly developed residential subdivision on the site would have a value commensurate with its cost. Therefore, single family residential use is financially feasible as demand warrants.

Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than single family residential use. Accordingly, it is our opinion that single family residential use, developed to the normal market density level permitted by the city/county planning department, is the maximally productive use of the property.

Conclusion

Development for single family phase subdivision use is the only use that meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the subject property as if vacant is for single family residential development, before and after the acquisition.

VALUATION METHODOLGY

Appraisers usually consider three approaches to estimating the market value of real property. These are the cost approach, sales comparison approach and the income capitalization approach.

The **cost approach** assumes that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the improvements being appraised are relatively new and represent the highest and best use of the land or when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

The **sales comparison approach** assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with the same utility. This approach is especially appropriate when an active market provides sufficient reliable data. The sales comparison approach is less reliable in an inactive market or when estimating the value of properties for which no directly comparable sales data is available. The sales comparison approach is often relied upon for owner-user properties.

The **income capitalization approach** reflects the market's perception of a relationship between a property's potential income and its market value. This approach converts the anticipated net income from ownership of a property into a value indication through capitalization. The primary methods are direct capitalization and discounted cash flow analysis, with one or both methods applied, as appropriate. This approach is widely used in appraising income-producing properties. Reconciliation of the various indications into a conclusion of value is based on an evaluation of the quantity and quality of available data in each approach and the applicability of each approach to the property type.

SALES COMPARISON APPROACH

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

• The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.

• The most pertinent data is further analyzed, and the quality of the transaction is

• determined.

• The most meaningful unit of value for the subject property is determined.

• Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.

• The value indication of each comparable sale is analyzed, and the data reconciled for a final indication of value via the Sales Comparison Approach.

The applicability of this approach is based upon the assemblage of similar market sales and offering for comparison to the subject. Considerations for such factors as terms of the transaction, changes in market conditions, as well as physical characteristics, including location, size, utilities, zoning, etc all significant to the subject property. Any adjustments to the sale price of market sales to provide indications of market value for the subject must be derived from the market; therefore, the actions of typical buyers and sellers are reflected in the comparison process. Preferably, all properties are in the same competitive area as the property being appraised or in an area, which has very similar characteristics.

The primary unit of comparison used for this type of property is the Sale Price per acre, which is common in this approach. The Sale Price per acre is obtained by dividing the sale price by the acres. This is a reliable unit of comparison assuming a high degree of comparability.

To apply the sales comparison approach, we searched for sale transactions within the following parameters:

- Property Type: Vacant Parcels of Land
- Location: Webb County, Texas
- Acre Range: 1 Acres – 5 Acres
- Age/Quality: Average
- Transaction Date: July 2025 – May 2026

SUMMARY OF COMPARABLE SALES

Comparable	Address	Date	Acre	Corner
Verification	**City**	**Price**	**Price Per Acre**	**Flood Zone**
Subject	South side of Mangana-Hein Road East of US Highway 83	-	1.01	Interior
-	Webb County, Texas	-	-	"X" Flood Zone
1	Flores Road	12/3/2025	1.00	Interior
2025-4085	Webb County, Texas	$40,000.00	$40,000.00	"X" Flood Zone
2	Ranch Road	7/18/2025	1.29	Interior
2025-1827	Webb County, Texas	$39,000.00	$30,232.56	"X" Flood Zone
3	116 Los Arcos Road	8/27/2025	1.00	Interior
2025-3095	Webb County, Texas	$36,000.00	$36,000.00	"X" Flood Zone

COMPARABLE LAND SALE #1

Property Identification:

Property Type:	Vacant Land
Address/Location:	Flores Road, Laredo, Texas
Legal Description/Property ID/Geographic ID:	ABST 2292 SUR 1990 TM RY CO 1.0 AC TRACT 36 PUEBLO East, Webb County, Texas / 203151 / 900-22921-092

Sale Data:

Grantor:	Jaques Martinez
Grantee:	Melissa Odette Guerra
Sale Date:	12/03/2025
Recording Data:	12/03/2025
Financing:	Conventional
Status:	Sold
Verification:	MLS#2025-4085 Webb County Deed Records#1574566
Sales Price:	$40,000

Land Data:

Zoning / Highest & Best Use:	None
Topography:	Level
Utilities:	Water
Dimensions:	Unknown
Shape:	Rectangular
Flood Zone:	“X” Flood Zone
Frontage:	South Side of Flores Road

Land Size Information:

Land Area:	1 Acre

Indicators:

Sales Price / Acre:	$40,000.00

COMPARABLE LAND SALE #2

Property Identification:

Property Type:	Vacant Land
Address/Location:	Ranch Road, Laredo, Texas
Legal Description/Property ID/Geographic ID:	SE PT OF TR 25 LA PRESA 1.29 ACS LESS & EXCEPT 0.24 ACS ROW DEDICATION, Webb County, Texas / 802220 / 912-0042-253

Sale Data:

Grantor:	Raul Neri
Grantee:	ON-Track Welding & Fab LLC
Sale Date:	07/18/2025
Recording Data:	07/18/2025
Financing:	Conventional
Status:	Sold
Verification:	MLS#2025-1827 Webb County Deed Records#1562918
Sales Price:	$39,000

Land Data:

Zoning / Highest & Best Use:	None
Topography:	Level
Utilities:	None
Dimensions:	Unknown
Shape:	Rectangular
Flood Zone:	"X" Flood Zone
Frontage:	North Side of Ranch Road

Land Size Information:

Land Area:	1.29 Acre

Indicators:

Sales Price / Acre:	$30,232.56

COMPARABLE LAND SALE #3

Property Identification:

Property Type:	Vacant Land
Address/Location:	116 Los Arcos Road, Laredo, Texas
Legal Description/Property ID/Geographic ID:	Lot 116 Ranchitos Los Arcos, Webb County, Texas / 227079 / 961-10000-116

Sale Data:

Grantor:	Javier Acosta
Grantee:	Eduardo Villarreal
Sale Date:	08/27/2025
Recording Data:	08/27/2025
Financing:	Conventional
Status:	Sold
Verification:	MLS#2025-3095 Webb County Deed Records#1566279
Sales Price:	$36,000

Land Data:

Zoning / Highest & Best Use:	None
Topography:	Level
Utilities:	Water
Dimensions:	Unknown
Shape:	Rectangular
Flood Zone:	“X” Flood Zone
Frontage:	South Side of Los Arcos Road

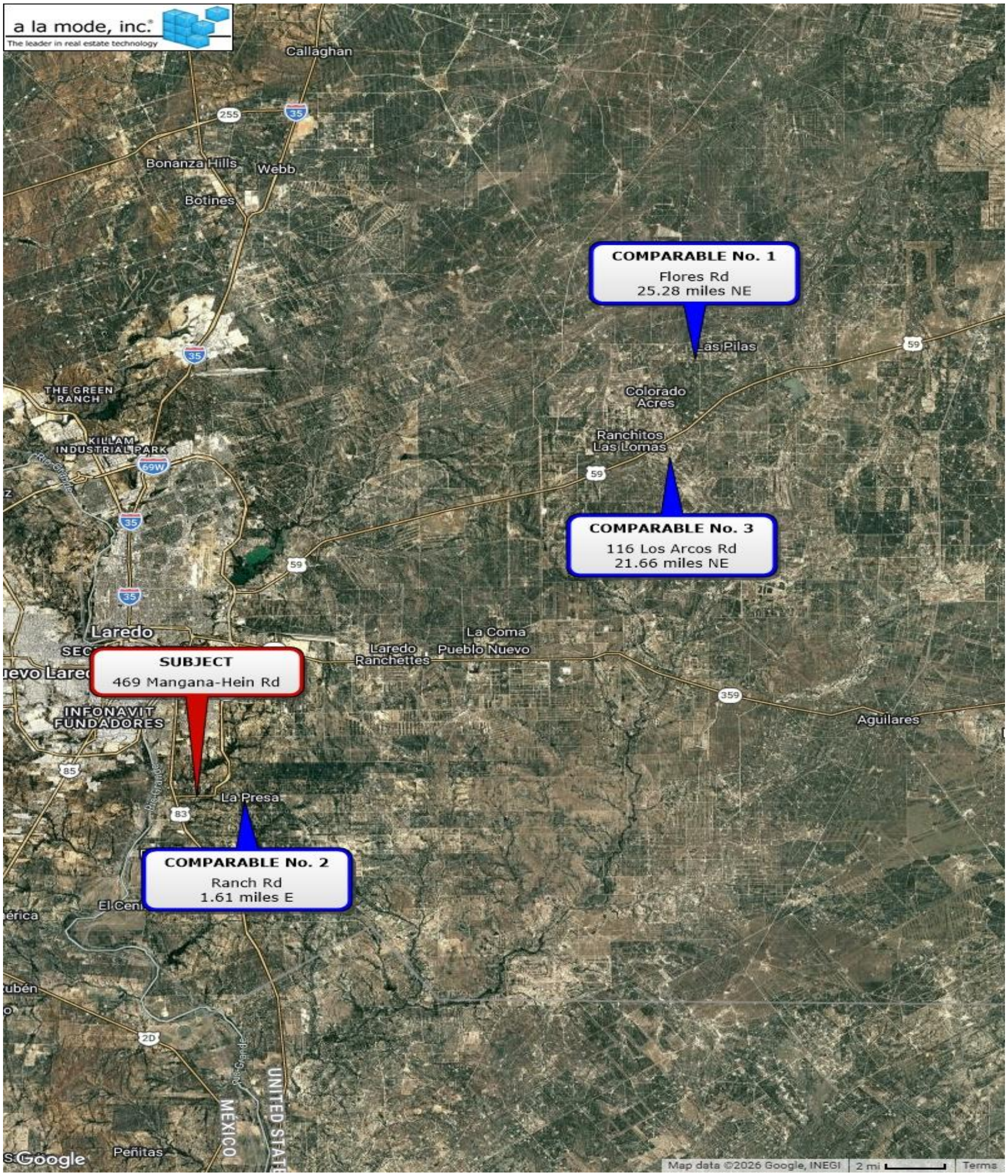
Land Size Information:

Land Area:	1 Acre

Indicators:

Sales Price / Acre:	$36,000.00

COMPARABLE SALES MAP



ADJUSTMENTS

Sales Analysis:
When comparing the improved sales to the subject property, the unit of comparison assigned greatest consideration is the sale price per acre. The following narrative summarizes the adjustments applied to each of the Comparable Sales.

- Comparable Sale No. 1 represents an arm's length/conventional transaction that occurred in December 2025. This comparable sale was adjusted for location and utilities. The comparable property is in an inferior location and was adjusted upward by 15%. The comparable property has water on the property therefore a downward adjustment of 5% was made. After adjustments the per unit value is $44,000 per acre.

- Comparable Sale No. 2 represents an arm's length/conventional transaction that occurred in July 2025. This comparable sale was adjusted for location. The comparable property is in an inferior location and was adjusted upward by 10%. After adjustments the per unit value is $33,255.81 per acre.

- Comparable Sale No. 3 represents an arm's length/ conventional transaction that occurred in August 2025. This comparable sale was adjusted for location and utilities. The comparable property is in an inferior location and was adjusted upward by 15%. The comparable property has water on the property therefore a downward adjustment of 5% was made. After adjustments the per unit value is $39,600 per acre.

Market Data Array Grid - Vacant Land				
Element	**Subject**	**Sale 1**	**Sale 2**	**Sale 3**
Location	**South side of Mangana-Hein Road East of US Highway 83**	**Flores Road**	**Ranch Road**	**116 Los Arcos Road**
Location	**Webb County, Texas**	**Webb County, Texas**	**Webb County, Texas**	**Webb County, Texas**
Date of Sale	**-**	**12/3/2025**	**7/18/2025**	**8/27/2025**
Sale Price	N/A	$40,000	$39,000	$36,000
Sales Price / Acre	N/A	$40,000.00	$30,232.56	$36,000.00
Real property rights		Fee Simple	Fee Simple	Fee Simple
Adjustment	N/A	0.00%	0.00%	0.00%
Financing		Conventional	Conventional	Conventional
Adjustment	N/A	0.00%	0.00%	0.00%
Conditions of sale		Arms Length	Arms Length	Arms Length
Adjustment	N/A	0.00%	0.00%	0.00%
Expenditures		N/A	N/A	N/A
after purchase				
Adjustment	N/A	0.00%	0.00%	0.00%
Market conditions		N/A	N/A	N/A
Adjustment	N/A	0.00%	0.00%	0.00%
Total % Adjustment	N/A	0.00%	0.00%	0.00%
Total $ Adjustment	N/A	$0.00	$0.00	$0.00
Adjusted Price	**N/A**	**$40,000.00**	**$30,232.56**	**$36,000.00**
Location	Suburban	Suburban	Suburban	Suburban
Adjustment	N/A	15.00%	10.00%	15.00%
Site Area (Acre)	1.01	1.00	1.29	1.00
Adjustment	N/A	0.00%	0.00%	0.00%
Corner Influence	Interior	Interior	Interior	Interior
Adjustment	N/A	0.00%	0.00%	0.00%
Zoning / H&B Use	Residential	Residential	Residential	Residential
Adjustment	N/A	0.00%	0.00%	0.00%
Utilities	None	Water Only	None	Water Only
Adjustment	N/A	-5.00%	0.00%	-5.00%
Flood Zone	"X" Flood Zone	"X" Flood Zone	"X" Flood Zone	"X" Flood Zone
Adjustment	N/A	0.00%	0.00%	0.00%
Easements	None	None	None	None
Adjustment	N/A	0.00%	0.00%	0.00%
Frontage	Adequate	Similar	Similar	Similar
Adjustment	N/A	0.00%	0.00%	0.00%
Amenities	None	None	None	None
Adjustment	N/A	0.00%	0.00%	0.00%
Total net adjustment	N/A	10.00%	10.00%	10.00%
Total $ net adjustment	N/A	$4,000.00	$3,023.26	$3,600.00
Indicated Value / Acre	**N/A**	**$44,000.00**	**$33,255.81**	**$39,600.00**
Mean Value	**$38,951.94**			
Standard Deviation	**$5,401.33**			

CORRELATION OF SALES COMPARISON APPROACH
WHOLE PROPERTY

The sales comparison approach utilized three comparable sales. All comparable sales were from the Laredo area. With equal weight being given to all comparable sales a per acre value of $40,000 per acre is used to determine a final value opinion by the Sales Comparison Approach. The value indications are developed as follow.

Value Ranges & Reconciled Fee Simple Estate Value				
Number of Comps:	3	Unadjusted	Adjusted	% Δ
	Low:	$30,232.56	$33,255.81	10.00%
	High:	$40,000.00	$44,000.00	10.00%
	Average:	$35,410.85	$38,951.94	10.00%
	Median:	$36,000.00	$39,600.00	10.00%
Reconciled Value/Acre Value:			$40,000	
Subject Size:			1.010	
Indicated Fee Value:			$40,400	
Reconciled Final Value:			**$40,400**	
Forty Thousand Four Hundred Dollars				

PART TO BE ACQUIRED VALUE

The part to be acquired will consist of a 210’ X 210” sanitary sewer lift station. The proposed take will be situated on the south side of Mangana-Hein Road of the whole property as indicated by the survey provided. The part to be acquired does constitute an economic unit by itself and therefore, shall be value on a standalone analysis. This is consistent with the subject property’s overall highest and best use as mentioned in this report. This area shall be purchased as the simple real estate fee shall be transferred to the entity offering for the purpose of constructing a lift station. Therefore, the part to be acquired will be valued at 100% of the fee simple market value.

DIMINUTION OF MARKET VALUE

The diminution of market value refers to the damage assessed due to the fee simple area being acquired. Based on the area to be acquired, the remainder shall not be affected in an adverse way that indicates any further diminution or damages beyond the compensation indicated for the area to be acquired.

TOTAL COMPENSATION

Forty Thousand Four Hundred Dollars
$40,400

CERTIFICATION

I certify that, to the best of my 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 no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of 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.
- 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 *Uniform Standards of Professional Practice*.
- I have not made a personal inspection of the property that is the subject of this report.

- No one provided significant real property appraisal assistance to the person 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 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, *George J. Salazar II* has completed the Standards and Ethics Education Requirements for Practicing Affiliates of the Appraisal Institute.

George Jaime Salazar II
Certified General Appraiser TX-1338209-CG

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1) The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent
management and is available for its highest and best use.
2) There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3) There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4) The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5) The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6) The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal and any other work product related to this engagement are subject to the following
limiting conditions, except as otherwise noted in the report:

1) An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2) The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3) No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4) No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value

opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.

5) Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6) We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7) No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
8) We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.
9) The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
10) Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal

Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.

11) Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.

12) Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.

13) If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.

14) Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.

15) The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.

16) The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.

17) The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.

18) The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues and render no opinion regarding compliance of the subject with ADA regulations. In as much as compliance matches each owner's financial ability with the cost to cure the nonconforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.

19) The appraisal report is prepared for the exclusive benefit of you, your subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.

20) No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. Appraisal Haus shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.

21) The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.

22) We are not a building or environmental inspector. Appraisal Haus does not guarantee that the subject property is free of defects or environmental problems.

23) The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.

24) Appraisal Haus is an independently owned and operated company. The parties hereto agree that Appraisal Haus shall not be liable for any claim arising out of or relating to any appraisal report or any information or opinions contained therein as such appraisal report is the sole and exclusive responsibility of Appraisal Haus. In addition, it is expressly agreed that in any action which may be brought against the Integra Parties arising out of, relating to, or in any way pertaining to the engagement letter, the appraisal reports or any related work product, Appraisal Haus shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further expressly agreed that the collective liability of Appraisal Haus in any such action shall not exceed the fees paid for the preparation of the assignment (unless the appraisal was fraudulent or prepared with intentional misconduct). It is expressly agreed that the fees charged herein are in reliance upon the foregoing limitations of liability.

25) Appraisal Haus is an independently owned and operated company, which has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).

26) The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.

27) All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

VALUATION LIMITATIONS DUE TO ENVIRONMENTAL HAZARDS

SPECIAL NOTE BY APPRAISERS:

In recent years the federal government has issued more than 70,000 pages of environmental laws and regulations. The most far-reaching federal environmental law is the Comprehensive Environmental Response, Compensation, and Liability Act of 1980. (CERCLA). Under CERCLA the adjudication of liability is strict, joint, several, and retroactive. The Superfund Amendments and Reauthorization Act (SARA) in 1986 addressed the matter of the so-called "innocent" purchaser. SARA specifies that "all appropriate inquiry into the previous ownership and uses of the property" must have been undertaken to establish that the defendant had no reason to know of the presence of hazardous substances. Because the potential liability for a contaminated site is so far-reaching, some buyers, sellers, and lending institutions have routinely begun to commission environmental property assessments, before executing a sale or a loan agreement. **Source:** The Appraisal of Real Estate, 15th Edition.

In the course of the appraisal, the appraiser did not make an on-site inspection of the property. No specific property research has been addressed to historic uses of the site. At the time of inspection, no adverse environmental conditions were noted. The appraiser has not tested or estimated costs for testing nor the cost to remedy the existence of hazardous conditions or substances such as agricultural chemicals, asbestos, petroleum leakage, or any other hazardous substances or materials. The value estimated herein is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such hazardous condition, nor for any expertise or engineering knowledge required to detect them. If any hazardous substances or materials are to be considered, the value estimated herein is deemed null and void. No environmental hazards were noted at the time of inspection.

AMERICANS WITH DISABILITIES ACT

Congress passed the Americans with Disabilities Act of 1990 (ADA) as a civil rights law. All of the deadlines for compliance of this law have passed. The ADA regulates the removal of barriers affecting the disabled in employment, public services, public accommodations and services operated by private entities, telecommunications and miscellaneous areas. The Department of Justice enforces this law through injunctive relief, civil suits and fines.

Real estate is covered in the public accommodations section of this law. According to the Title III(D)(1): "Generally, public accommodations or commercial facilities designed and constructed for first occupancy after January 26, 1993, must be designed and constructed so that they are readily accessible to and usable by disabled individuals, unless structurally impracticable..." This portion of the law affects new buildings.

Older buildings are affected by Title III(E)(1): "When a place of public accommodation or a commercial facility (or part of such a place or facility) is altered in a manner affecting usability of all or part of the facility after January 26, 1992, the altered portion must, to the maximum extent feasible, be made readily accessible to and usable by individuals with disabilities including those who use wheelchairs." This provision means that buildings constructed before 1993 can be subject to provisions of the ADA if substantial internal modification, reconfiguration or remodeling is performed.

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

HISTORICAL SIGNIFICANCE

We are unaware of the subject property having any historical significance. Should this condition be discovered, we reserve the right to amend our conclusions and final value opinion in this report.

NATURAL/RECREATIONAL VALUE

We are unaware of the subject property containing any natural or recreational value which would affect its final value opinion. Should any of these conditions be discovered on the subject property or in the general area, we reserve the right to amend our conclusions and final value opinion in this report.

CULTURAL/SCIENTIFIC VALUE

We are unaware of the subject property having any cultural or scientific value. Should any of these conditions be discovered, we reserve the right to amend our conclusions and final value opinion in this report.

CERTIFICATION

TALCB

TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Certified General Real Estate Appraiser

Appraiser: GEORGE JAIME SALAZAR

License #: 1338209-CG **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