

SMITH, KIRKPATRICK & KLAGER, LLC

REAL ESTATE APPRAISAL & CONSULTING
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December 7, 2018

Mr. Jonny F. Hipp, ScD, FACHE
Administrator/Chief Executive Officer
Nueces County Hospital District
555 North Carancahua, Suite 950
Corpus Christi, Texas 78401

re: Valuation of Memorial Medical Center Properties, Corpus Christi, Texas

Dear Mr. Hipp:

At your request, we have prepared Appraisal Reports pertaining to the above referenced properties. The purpose of this report is to provide an opinions of the Market Value of the properties as of October 1, 2018. The Intended Use of the report is to assist the client in asset valuation for property management purposes. The intended user is the Nueces County Hospital District or assigns.

As time is of the essence, this letter is delivered indicating the opinion(s) of value. The appraisals in our files are in a rough format at this time.

In our opinion, the **MOST PROBABLE MARKET VALUE** as described in the appraisal reports to follow are:

2500 Blk. Morgan Ave, Lot A, Block 1, Medical Center Subdivision

A +/-24,980 sq. ft. of one story multi-tenant medical offices on a +/-1.157 acre site was valued utilizing the Sales Comparison Approach to support an opinion of value of \$30 per sq. ft., or **\$750,000.**

2601 Hospital Blvd., Lot B, Block 1, Medical Center Subdivision

+/-54,263 sq. ft. of net rentable area in (2) two story multi-tenant medical office buildings on a +/-1.38 acre site was valued utilizing the Sales Comparison Approach to support an opinion of value of \$25.00 per sq. ft., or **\$1,360,000.**

2400 Blk. Morgan Ave., Block 2, Medical Center Subdivision

+/-51,982 sq. ft. of one story multi-tenant medical offices on a +/-2.82 acre site was valued utilizing the Sales Comparison Approach to support an opinion of value of \$20 per sq. ft. for the improvements, or **\$1,040,000.**

**The West +/-14.32 acres out of Block 3, Medical Center Subdivision and
Lots 1-12, Block 7, Tierra Alta Addition, (16.02 acre hospital site)**

As the improvements on the site are to be removed, the property was valued as vacant, under the *hypothetical condition* that the Subject Site is available for development as of the date of value. Comparable sales of undeveloped land were adjusted to reflect the amenities of the Subject Site, and support an opinion of value of **\$700,000**.

Lot 4, Block 2, Portmoor Addition (Nueces County Medical Examiner)

The property is under a 50 ground lease for \$1.00 per year, with 26 years remaining. The improvements revert to the owner of the land at the end of the lease. It is the opinion of the appraisers that the improvements will have exceeded their useful life and will not contribute to the value of the property in 2044. The estimated value of the site at the end of the lease was discounted to present value to provide a value of **\$30,000**.

Lots 1, 2, 3, 4, 5, 26, 27, & 28, Block 4, Tierra Alta Addition

1.29 acre site, zoned for multi-family and single family use, is currently a parking lot. The property was valued at \$1.45 per sq. ft., or \$81,000, plus a contributory value for the parking area of \$21,000, or a total value of **\$102,000**.

Sincerely,

A handwritten signature in black ink, reading "Adam Klager". The signature is written in a cursive, flowing style.

Adam Klager, Vice President
Certified General Real Estate Appraiser
Texas State Certificate TX-1324850-G