



Center City Tax Increment Reinvestment Zone #1 Board of Directors

Regular Meeting Agenda

January 5, 2026

5:00 PM

Amarillo City Hall, Council Chambers

623 S. Johnson, Third Floor

Amarillo, Texas 79101

1. Call to Order

2. Discussion Items

2.A. Presentation and discussion on Center City Tax Increment Reinvestment Zone Number 1, including its history, goals, and performance to-date.

2.B. Presentation and discussion on proposed Herring Hotel project and incentive request by Herring Hotel Partners, LLC.

3. Public Comment Citizens who desire to address the Center City Tax Increment Reinvestment Zone #1 Board with regard to matters on the agenda or having to do with TIRZ #1 policies, programs, or services will be received at this time. Each speaker will be limited to three minutes. The Board may not discuss items not on this agenda, but may respond with factual, established policy information, or refer to staff. The Board may choose to place the item on a future agenda. (Texas Attorney General Opinion JC-0169.)

4. Regular Meeting Items

4.A. Consider Approval - Center City Tax Increment Reinvestment Zone #1 Developer Agreement with Herring Hotel Partners, LLC.

This item considers approval of a Tax Increment Reinvestment Zone (TIRZ) #1 developer agreement with Herring Hotel Partners, LLC regarding a project to renovate an existing historic structure into a hotel located at 311 SE 3rd Ave. The agreement is for 100% annual reimbursement of ad valorem taxes for ten (10) years and a one-time grant not to exceed \$900,000 for facade and infrastructure improvements. The payment of these incentives is contingent upon no less than \$90MM in private investment, project completion, and other obligations. The agreement also includes reimbursing the City in the amount of \$244,000 for

disposing of Federal interest on City-owned property committed to the project by the City of Amarillo.

4.B. Consider Approval - Execution of an Agreement for Hotel Market Study

This item considers authorizing staff to execute an agreement with LW Hospitality Advisors to perform a hotel market study on the downtown Amarillo, TX Market in an amount of \$17,500 plus expenses.

5. Discuss Next Meeting Date and Items for Future Agendas

6. Adjourn

Please note: The Center City Tax Increment Reinvestment Zone #1 Board may take up items out of the order shown on any Agenda. The Center City Tax Increment Reinvestment Zone #1 Board reserves the right to discuss all or part of any item in an executive session at any time during a meeting or work session, as necessary and allowed by state law. Votes or final decisions are made only in open Regular or Special meetings, not in either a work session or executive session.

Amarillo City Hall is accessible to individuals with disabilities through its main entry on the west side (623 South Johnson Street) of the building at the main entrance. Access ramps leading to the main entry are located to the north and south of the main entry. Parking spaces for individuals with disabilities are available in the west parking lot. City Hall is equipped with restroom facilities, communications equipment, and elevators that are accessible. Individuals with disabilities who require special accommodations, or a sign language interpreter must contact the City Secretary's Office 48 hours prior to meeting time by telephoning 378-3013 or the City TDD number at 378-4229.

Posted this 29th day of December 2025

**DEVELOPER AGREEMENT
TAX INCREMENT REINVESTMENT ZONE NO. 1,
CITY OF AMARILLO, TEXAS**

This DEVELOPER AGREEMENT ("Agreement") is entered into by and between the **TAX INCREMENT REINVESTMENT ZONE NUMBER ONE, CITY OF AMARILLO, TEXAS** (the "Zone"), by and through its administrative board appointed in accordance with Chapter 311 of the Texas Tax Code (the "Act") to oversee the administration of the Zone, a reinvestment zone designated by ordinance of the City of Amarillo, Texas ("City") in accordance with the Act, and Herring Hotel Partners, LLC ("Developer").

The Zone and Developer hereby agree that the following statements are true and correct and constitute the basis upon which the Zone and Developer have entered into this Agreement:

WHEREAS, on December 19, 2006, the City Council approved Ordinance No. 7012 establishing Tax Increment Reinvestment Zone Number One, City of Amarillo, Texas, (the "Zone") in accordance with the Tax Increment Financing Act, as amended (V.T.C.A., Tax Code, Chapter 311) to promote development and redevelopment in the area through the use of tax increment financing;

WHEREAS, on November 13, 2007, pursuant to Ordinance No. 7076, the CITY did approve Tax Increment Financing Reinvestment Zone Number One, City of Amarillo, Texas, Project and Financing Plan (the "Plan") and certain amendments to Ordinance No. 7012;

WHEREAS, on December 13, 2022, the City Council approved Ordinance No. 8032, amending the termination date of the zone to December 31, 2056 and the City's participation to fifty percent (50%) from 2036 until the termination of the zone;

WHEREAS, pursuant to the Plan, certain tax revenues will flow into a fund to be administered by the Zone, known as the Tax Increment Fund (TIF); also, the Zone may receive other gifts, grants or other revenue to be accounted for separately from the TIF but used only for duly approved authorized purposes of the Zone;

WHEREAS, pursuant to Section 311.010 of the Act and the provisions of City Ordinance No. 7012, as amended, City has delegated to the Zone the powers necessary for the implementation of the Plan, which includes the power to enter into agreements for the construction of both private and public improvements that accomplish or enhance one of these four goals: 1) Convention hotel, 2) Urban residential development, 3) Office/Commercial/Retail development, or 4) Ballpark/Family entertainment venues;

WHEREAS, the Zone and City recognize the importance of its continued role in local economic development, including incentives under Chapter 380, Texas Local Government Code;

WHEREAS, Developer owns or controls certain property located within the Zone, and has requested reimbursement for constructing certain improvements pursuant to the Plan; and,

WHEREAS, Developer's proposed hotel development project (the "Project") was approved for TIRZ participation by the Amarillo City Council on _____;

NOW THEREFORE, in consideration of the mutual covenants and obligations herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Section 1. Site

Developer has acquired fee simple title to certain real property (the "Property"), which is within the city limits of Amarillo and the boundaries of the Zone. The Property is specifically described in Exhibit A. The Herring Hotel, located at 311 SE 3rd Avenue, was constructed in 1927 by Cornelius Herring. The 14 story, historic hotel is one of the last remaining examples of high-rise construction from the mid-1920s oil boom years of the City.

Section 2. Project & Financing

Developer proposes to invest a minimum of \$90 million to develop approximately 217,000 square feet of existing structure into an approximately 200-room hotel with rooftop bar and lounge, outdoor pool with courtyard, event/meeting space and full-service restaurant of the quality generally associated with a nationally recognized upper-upscale (as defined by STR Global or comparable hospitality industry classification) boutique hotel brand such as Marriot (Tribute Portfolio), Hilton (Curio), IHG (Kimpton), or another brand of comparable quality reasonably acceptable to the City or similar (the "Private Improvements"), which are more particularly described in Exhibit B.

Developer understands and agrees that the cost of the Private Improvements associated with the Project shall be funded by and through Developer's own capital or other financing means arranged and obtained by Developer. Further, the TIF payments made to Developer pursuant to

this Agreement are not intended to reimburse Developer for all of its costs incurred in connection with performing its obligations under this Agreement. TIF reimbursements are performance-based and contingent upon completion and compliance with all Agreement terms.

In addition, Zone shall reimburse City an amount not to exceed Two Hundred Forty-Four Thousand Dollars (\$244,000) for the purpose of enabling the City to satisfy and clear the federal interest encumbering certain real property owned by the City that was previously designated for Amarillo City Transit use and acquired or improved in part with assistance from the Federal Transit Administration (FTA).

Section 3. TIF Participation: partial reimbursement of tax increment

Subject to all limitations and conditions precedent contained in this Agreement and the attached exhibits, Zone agrees to provide: annual reimbursement to Developer of one-hundred percent (100%) reimbursement of the annual ad valorem tax increment (defined below) from participating taxing entities that is generated by the Property's ad valorem tax revenue for a term not to exceed ten (10) years after the terms stated herein. In addition, the Zone agrees to provide a one-time reimbursement (as a grant) to Developer, in an amount not to exceed \$900,000, payable after certificate of occupancy for infrastructure and façade improvements, which reimbursement will be made upon Developer's submission of paid invoices and evidence reasonably satisfactory to the Zone that such improvements have been completed. The Reimbursement is contingent upon: (i) a building permit issued within fifteen (15) months of City Council approval of this Agreement; (ii) certificate of occupancy received within three (3) years of building permit issuance; and (iii) acceptable streetscape be installed in accordance with Downtown Amarillo Urban Design Standards specified in the attached Exhibit C.

Reimbursements will start on the second fully valued tax year following project completion. The term "tax increment" means the difference in tax revenue on the Property between the year in which the City approved this Agreement and January 1 of each subsequent year during the term of this Agreement.

Unless explicitly provided differently in an exhibit attached hereto, all qualifying grants, loans, reimbursements and any other financial payment to Developer under this Agreement shall be made in annual installments no later than June 30 of each year, provided all information demonstrating current taxes have been paid on the Property and that any other prerequisites stated in this Agreement have been satisfied.

During each fiscal year for the term of this Agreement, payment of the annual installment to Developer shall have priority for reimbursement over all other Zone expenditures subject only to (i) preexisting debt service and (ii) any pre-existing annual expenditures required to be made pursuant to other Developer Agreements prior in time to this Agreement.

Zone also reserves the right, when payments come into the Tax Increment Fund, to prepay all or any portion of the total amount to be reimbursed under this Agreement at any given time. If City in its sole discretion issues Tax Increment Funds Bonds to pay for previous and future projects, Zone may fully reimburse Developer from bond proceeds received, the existing unpaid balance plus accrued interest under this Agreement, and under any other outstanding developer agreements within the Zone.

Section 4. Reimbursement Limited to TIF Fund

Developer understands and agrees that any and all payments, obligations, grants, loans, reimbursements and any other form of financial obligation imposed on the Zone by this Agreement ("Reimbursement") shall be made solely from then-currently available revenues in the TIF Fund and subject to pre-existing commitments and all other terms of this Agreement and applicable laws. In the event that there is not sufficient revenue in the TIF Fund to timely pay Developer any part of the Reimbursement, the Zone will pay Developer such portion of the Reimbursement that may be available at the time. The balance of any due but unpaid Reimbursement shall be carried forward without interest and paid by the Zone in the first year in which there is sufficient revenue in the TIF to pay such balance. Developer agrees that it will not look to other funds of the Zone, bonds or funds of the City, or any property of the Zone or City for all or any portion of the Reimbursement, except as may otherwise be expressly approved by the Amarillo City Council. Upon termination of the Zone on December 31, 2056, as provided by Ordinance No. 8032 or such other date as may be specified in a subsequent ordinance adopted in accordance with Section 311.017 of the Act, any portion of the Reimbursement that has not been paid due to the unavailability of revenue in the TIF Fund or due to Developer's failure to meet any precondition under this Agreement for receipt of the Reimbursement shall no longer be considered Project Costs of the Zone, and any obligation of the Zone to pay Developer any remaining balance of the Reimbursement shall automatically expire.

Section 5. Term

Notwithstanding Section 7, the term of this Agreement shall begin upon the effective date and end upon the earlier of: (a) the complete performance of all obligations and conditions precedent by parties to this Agreement; (b) expiration of ten years after commencement of reimbursements and after ten annual reimbursements are paid to the Developer; or (c) the expiration of the term of the Zone. Section 8 shall survive termination of this Agreement.

Section 6. Exhibits

The parties agree that each and every exhibit that is mentioned in and attached to this Agreement is a material part of this Agreement and each such exhibit is by this reference, incorporated into this agreement for all purposes as thought set forth verbatim here.

Section 7. Extension of Deadlines

In addition to any extensions permitted under Section 8 (Force Majeure), Developer and City each have the one-time right to extend any deadline set forth herein for a period of up to 180 days for the convenience of such party, such right to be exercised by written notice to the other party on or before such deadline to be extended.

Section 8. Force Majeure

It is expressly understood and agreed by the Parties that, if the performance of any obligations hereunder is delayed by reason of a Force Majeure Event, the Party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such obligation or requirement shall be extended for a period of time equal to the period such Party was delayed. A "Force Majeure Event" means any event or occurrence that is not within the control of such Party or its Affiliates and prevents a Party or its Affiliates from performing its obligations under this Agreement, including without limitation, any act of God, war, terrorism or the imminent threat thereof, insurrection, civil commotion, riots, labor disputes, strikes, lockouts, embargoes, hurricanes or named windstorms, unusual weather, fire, casualty, disruption to local, national or international transport services or exceptional or abnormal lack of availability of construction materials/supplies, epidemics, quarantine, any other public health restrictions, or public health advisories of a Party hereto, any action, inaction, order, ruling moratorium, regulation, statute, condition or other decision of any governmental agency having jurisdiction over the Party, over the Project or over a Party's operations. For the avoidance of doubt, no Party shall be deemed to be in Default under this Agreement during the pendency of a Force Majeure Event, and any applicable notice, performance, or cure period shall be tolled for the duration of such Force Majeure Event.

Section 9. Indemnity

DEVELOPER AGREES TO DEFEND, INDEMNIFY AND HOLD THE ZONE, THE BOARD, THE CITY AND THEIR RESPECTIVE OFFICERS, AGENTS AND EMPLOYEES, ASSIGNS AND SUCCESSORS, HARMLESS AGAINST ANY AND ALL CLAIMS, DEMANDS, LAWSUITS, JUDGMENTS, COSTS AND EXPENSES, INTEREST, AND ATTORNEY FEES FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE (INCLUDING LOSS) OR OTHER HARM FOR WHICH RECOVERY OF DAMAGES IS SOUGHT TO THE EXTENT CAUSED BY DEVELOPER'S BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT, OR BY ANY NEGLIGENT ACT OR OMISSION OF DEVELOPER, ITS OFFICERS, AGENTS, ASSOCIATES, EMPLOYEES, CONTRACTORS OR SUBCONTRACTORS IN THE PERFORMANCE OF THIS AGREEMENT; EXCEPT THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL NOT APPLY TO ANY LIABILITY RESULTING FROM THE SOLE NEGLIGENCE OR WILFUL MISCONDUCT OF THE ZONE, BOARD OR CITY OR THEIR RESPECTIVE OFFICERS, AGENTS, EMPLOYEES OR CONTRACTORS, AND IN THE EVENT OF JOINT AND CONCURRENT NEGLIGENCE OF BOTH DEVELOPER AND ZONE, RESPONSIBILITY, IF ANY, SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS. HOWEVER, NOTHING IN THIS SECTION WAIVES ANY IMMUNITY OR OTHER DEFENSE AVAILABLE TO THE ZONE, BOARD OR CITY UNDER TEXAS OR FEDERAL LAW. DEVELOPER'S INDEMNITY OBLIGATIONS HEREUNDER SHALL BE LIMITED TO THE AMOUNT OF COVERAGE REQUIRED TO BE CARRIED UNDER THIS AGREEMENT OR ACTUALLY AVAILABLE UNDER DEVELOPER'S APPLICABLE INSURANCE POLICIES, WHICHEVER IS GREATER. DEVELOPER SHALL MAINTAIN ALL REQUIRED INSURANCE THROUGHOUT THE TERM OF THIS AGREEMENT AND SHALL PROVIDE CERTIFICATES OF INSURANCE TO THE CITY ANNUALLY AND UPON REQUEST.

Section 10. M/WBE Goals

In satisfaction of the Zone's obligations under Section 311.0101 of the Act, Developer shall make a good faith effort to comply with City's policy regarding participation of business enterprises eligible as small, minority, or women-owned business enterprises in subcontracting any of the construction performed on the Project, provided that the failure to meet any numerical target within this section shall not, in and of itself, constitute a default hereunder. Upon Developer's request, City shall provide Developer with access to the list of companies that qualify as such a business enterprise. Developer shall: (i) maintain records showing its contracts, supply agreements, and service agreements with such Business Enterprises, as well as its efforts to identify and award contracts to such Business Enterprises; and, (ii) provide a report to the Zone annually during construction, in a manner reasonably prescribed by the Board, documenting its efforts to comply with this paragraph.

Section 11. Events of Default & Remedies

A default shall exist if either party fails to perform or observe any material covenant contained in this Agreement, including exhibits, which is not otherwise excused under the terms of this Agreement, and such failure continues beyond any applicable cure period provided herein. The non-defaulting party shall immediately notify the defaulting party in writing upon becoming aware of any change in the existence of any condition or event that would constitute a default or, with the giving of notice or passage of time, or both,

would constitute a default under this Agreement. Such notice shall specify the nature and the period of existence thereof and what action, if any, the non-defaulting party requires or proposes to require with respect to curing the default.

If a default shall occur and continue, after thirty (30) days' notice to cure default, the non-defaulting party may, at its option, pursue any and all remedies it may be entitled to, at law or in equity, in accordance with Texas law, without the necessity of further notice to or demand upon the defaulting party. The Zone shall not, however, pursue remedies for as long as Developer proceeds in good faith and with due diligence to remedy and correct the default, provided that Developer has commenced to cure such default within the 30 days following notice.

Section 12. Venue and Governing Law

This Agreement is performable in Potter County, Texas and venue of any action arising out of this Agreement shall be exclusively in Potter County. This Agreement shall be governed and construed in accordance with the Charter, ordinances, and resolutions of the City of Amarillo, applicable federal and state laws (collectively, the "Applicable Laws"). Any violation of Applicable Laws in any material respect by Developer which remains uncured following notice of such violation and opportunity to cure same pursuant to Section 10 shall constitute a default of this Agreement. To the extent permitted by law, the law of the state of Texas shall apply without regard to applicable principles of conflicts of law, and the parties submit to the jurisdiction of the state and federal courts in Amarillo, Potter County, Texas.

Section 13. Notices

Any notice required by this Agreement shall be deemed to be properly served if deposited in the U.S. mail by certified letter, return receipt requested, addressed to the recipient at the recipient's address shown below, subject to the right of either party to designate a different address by notice given in the manner just described.

If intended for Zone, to:

Tax Increment Reinvestment Zone No. 1
c/o City of Amarillo Planning and Development
Services Department
808 S. Buchanan
Amarillo TX 79101
Fax: 806/378-9388

If intended for Developer, to:

Herring Hotel Partners, LLC
2813 Parker Street
Amarillo, TX 79109
Phone/Fax:

Copy to:

Office of the City Attorney
623 S. Johnson
Amarillo, Texas 79101
Fax: 806/378-3018

Copy to:

Same as Developer

Section 14. Severability

In case any one or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect by a court or agency of competent jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other remaining provisions hereof and this Agreement shall remain in full force and effect and be construed as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.

Section 15. Counterparts & Signatures

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument. This Agreement may be executed in multiple originals. This Agreement may be executed and delivered by facsimile, portable document format (PDF), or other electronic means, including digital or electronic signatures (such as DocuSign or other similar platforms), and any such executed counterpart shall be deemed an original and equally admissible as an original ink-signed copy.

Section 16. Captions and Recitals

The captions to the various clauses of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement. The Recitals are a part of this Agreement.

Section 17. Successors and Assigns

The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto. Provided, however, Developer shall not assign this Agreement without prior Zone approval, which approval shall not be unreasonably withheld. Notwithstanding the foregoing, written approval of the Zone shall not be required for an assignment to an Affiliate of Developer. "Affiliate of Developer" as used herein, includes any parent, sister, partner, joint venturer, or subsidiary entity of Developer; any entity in which Developer is a major shareholder, owns an equity interest, or is a joint venturer or partner (whether general or limited), the Developer's financial institution, or any special-purpose entity created for purposes of financing the Project that is controlled by Developer, its principals, or any Affiliate, including any master

tenant or lessee entity created in connection with a federal or state historic tax credit transaction in which Developer or its Affiliate will serve as project sponsor and controlling party.

Section 18. Limited Rights and Non-waiver

This agreement is intended only to establish the rights and obligations as between the Parties hereto and it creates no right, expectation, benefit or obligation for or toward any other person or entity. Nothing stated or omitted from this Agreement shall be construed as a waiver of any defense, affirmative defense, or immunity available to the Zone or the City and their respective officials, directors, members, employees, agents, assigns, successors.

Section 19. Confidentiality

Any nonpublic financial, payroll, or proprietary information, including, without limitation, proprietary information relating to Developer’s financing arrangements, investor admission documents, and historic tax credit transaction structures, provided by Developer to the Zone or City pursuant to this Agreement shall be used solely for purposes of administering this Agreement and confirming compliance herewith, and shall be kept confidential to the fullest extent permitted by law, subject to applicable disclosure obligations under the Texas Public Information Act.

Section 20. Entire Agreement

This Agreement embodies the complete agreement of the parties hereto, superseding all oral or written previous and contemporary agreements between the parties and relating to matters in this Agreement, and except as otherwise provided herein cannot be modified without written agreement of the parties to be attached to and made a part of this Agreement.

EXECUTED as of the dates shown below so as to be effective for all purposes as of the last date upon which all persons and parties for whom a blank is provided have signed (the "effective date").

TAX INCREMENT REINVESTMENT ZONE
CITY OF AMARILO, TEXAS

HERRING HOTEL NUMBER ONE,
PARTNERS, LLC

By: _____
Dean Frigo Date

By: _____
Todd Harmon, Date
Managing Partner

CITY OF AMARILLO, TEXAS

APPROVED AS TO FORM FOR CITY
& ZONE

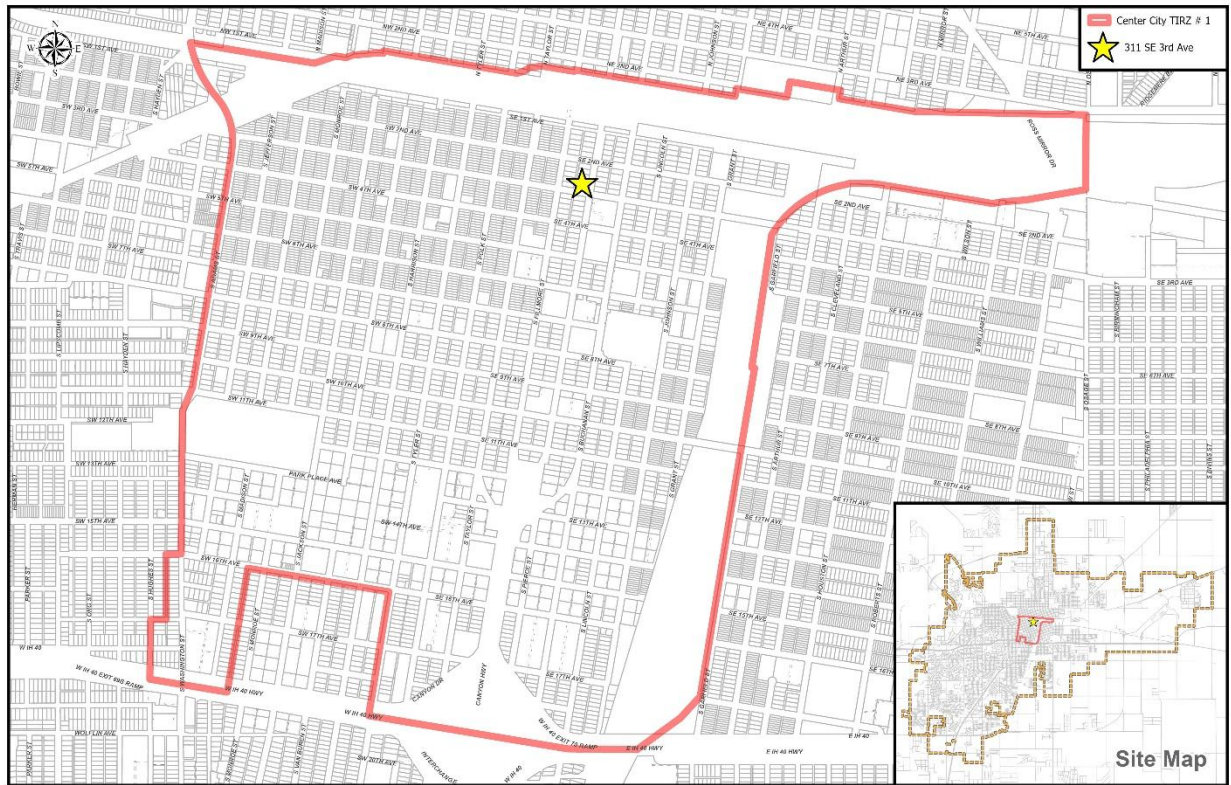
By: _____
Grayson Path Date
City Manager

By: _____
Bryan McWilliams Date
City Attorney

Attachments that are part of this Agreement:

- Exhibit A Site description & map
- Exhibit B Private Property Improvement
- Exhibit C Streetscape Standards

Exhibit A
Site Description and Map



Site Legal Description
Herring Hotel, commonly known as 311 SE 3rd Ave., Amarillo, TX 79101
and legally described as follows:

LOTS	1-5
BLOCK	26
ADDITION	Glidden and Sanborn
CITY	Amarillo, TX
COUNTY	Potter County, TX

EXHIBIT B
PRIVATE PROPERTY IMPROVEMENTS

SECTION 1. IMPROVEMENTS TO BE CONSTRUCTED

Developer promises to construct the following improvements to the Property described in Exhibit A:

Business/Land Use	~217,000 ft ² existing structure redeveloped into an approximately 200-room hotel generally associated with a nationally recognized upper-upscale boutique hotel brand
Other Improvements	Rooftop bar and lounge, outdoor pool with courtyard, event/meeting space, and full-service restaurant
Streetscape and Façade Improvements	Façade and streetscape improvements will adhere to the City's Downtown Amarillo Urban Design Standards (DAUDS) as codified in the Amarillo Code of Ordinances § 4-10-121. Project must receive a Certificate of Appropriateness from the Board of Review for Landmarks and Historic Districts and Downtown Design.

SECTION 2. FINANCIAL ANALYSIS

The proposed TIF assistance will encourage and support the Project and is consistent with the goals of the Zone and public purpose to diversify the economy, eliminate underemployment in the zone, develop or expand business, and commercial activity in the TIRZ. Making grants and rebating tax increments will serve those ends.

In order to make Developer's proposed development viable, Developer has requested that the Zone reimburse Developer for certain costs incurred per § 311.010 of the Texas Tax Code and Chapter 380 of the Texas Local Government Code.

SECTION 3. DEVELOPER'S OBLIGATIONS

As conditions precedent to the Zone making any payment from the TIF to Developer, the Developer must:

- Secure not less than \$90MM in private investment for the Project on the Property.
- Comply with all terms, conditions, and obligations of this Exhibit B and the Agreement to which it is attached.
- Commence construction on or before the expiration of 15 months following execution of the Agreement, which means both obtaining a building permit and being actively engaged in building activities.
- Obtain a Certificate of Occupancy for the building on or before the expiration of three (3) years of building permit issuance.
- Anticipate the first reimbursement no earlier than June 2029. There will be no reimbursement until a Certificate of Occupancy is issued, all taxes on Property are paid to current, and all other conditions of this exhibit and the Agreement are satisfied. Developer acknowledges that any anticipated reimbursement date is estimative only and not a commitment by the Zone.

EXHIBIT C
STREETSCAPE STANDARDS

See: [2019-12-30-DAUDS-Clean Fin.pdf](#) Downtown Amarillo Urban Design Standards, as adopted 2010 and amended 2014 and 2020. Division 3 – Downtown Urban Design Overlay District within Sec. 4-10 Zoning.



December 23, 2025

Mr. Drew Brassfield
Assistant Director of Planning
City of Amarillo on behalf of TIRZ #1
E: drew.brassfield@amarillo.gov

RE: Professional Services Agreement - Downtown Amarillo Hotel Market Study
Amarillo, TX

Dear Mr. Brassfield,

Pursuant to your request, we are pleased to submit this proposal for the services of LW Hospitality Advisors to perform a Downtown Amarillo Hotel Market Study. This letter sets forth a description of the objectives and scope of the assignment, along with the methodology to be employed, an estimate of the time requirements, a schedule of professional fees, our Terms and Conditions (“Exhibit A”), and Assumptions & Limiting Conditions (“Exhibit B”).

Parties to this Agreement

The undersigned, LW Hospitality Advisors LLC or its designated affiliates LW-GA, LLC, LWBA, LLC, and Performance Hospitality Advisors, LLC (at all times herein “LWHA”) and **City of Amarillo, TX** (at all times herein “Client”).

Intended Use and Intended Users

Intended User: City of Amarillo/Center City TIRZ #1
Intended Use: Publicly Available Market Study for those interested in developing a hotel in TIRZ #1
Report Addressee: City of Amarillo/Center City TIRZ #1

The Client agrees that there are no other Intended Users or Intended Use of our work.

Objective and Scope of Services

The objective of this assignment is to perform a Market Study on the Downtown Amarillo, TX Market. This Market Study is being commissioned to assist the City of Amarillo and Center City TIRZ #1 in evaluating downtown economic conditions, planning infrastructure and redevelopment initiatives, assessing the feasibility of future public improvements or incentives, and making informed policy decisions. Any benefit to private parties is incidental to these public purposes.

LWHA will analyze the market conditions and assess market forces, demand trends, and any external factors that may affect future hotel operations in the subject market area. In addition, LWHA will evaluate the potential attainable demand levels and estimate its future financial performance.

Engagement Approach

To meet the assignment objectives, LWHA proposes the following scope of work.

Fieldwork, Analysis, Hotel Market Study

LWHA will:

- discuss with representatives of the Client any known plans for hotel developments downtown including the operating strategy and any planned improvements, etc.;
- complete a site visit of the downtown Amarillo in order to better understand the location and surrounding neighborhood;
- assemble and analyze key economic and demographic data pertaining to the immediate market area and the regional market area to estimate the future growth potential of lodging demand;
- if relevant, interview representatives of local and state economic agencies and other related organizations such as the Convention and Visitors Bureau, Chamber of Commerce and Economic Development Agency to determine patterns of growth, stability or decline in the proposed Hotel's market area. These interviews would address major economic development projects in the market that may impact lodging demand including office, retail, residential, recreational, transportation, and other facilities;
- identify and interview potential demand generators pertaining to the local hotel market, in an effort to understand their needs and desires concerning the hotel market; specifically what types of hotel products are currently being used and what are the strengths and weaknesses of those products;
- assess the subject's surrounding market to identify major known external factors that may positively or negatively affect the future lodging demand for the development of hotels in downtown Amarillo;
- research select existing competitive hotels to evaluate the present quality level, mix and scope of facilities, and physical condition. Interview representatives of key competitive hotels regarding market trends and their individual hotel operations, including demand segmentation, historical performance, market positioning and any proposed improvements and/or renovations;
- investigate, to the extent such information is available, any planned hotel additions or expansions in the immediate and surrounding areas to determine each development's progress, anticipated size, type, class, chain affiliation, facilities and timing, plus an assessment of each project's likelihood of completion;
- analyze the historical and current lodging demand for the competitive set and estimate future changes in market demand based on factors studied in the market analysis;
- prepare a Comprehensive Written Hotel Economic Market Study report concluding as to whether it is feasible to build a hotel in the downtown Amarillo, TX market.

Timing

Due Date: 30-45 days from execution of the engagement letter.

The assignment process will initiate upon your signing this letter authorizing LWHA to proceed and returning it to us with the requested property specific data.

Expenses

Expenses: All expenses to be reimbursed by Client.

Professional Fees

Total Fees: \$17,500

Fees are due and payable upon receipt of invoice, in accordance with City of Amarillo payment policies and applicable Texas law.

Please provide written confirmation of an electronic transfer when payment is made. Wiring instructions are as follows:

Flagstar Bank
Routing # 026013576
LWHA Account# 1504838214

Please include the invoice number when remitting any payments.

Payment of any fee(s) is/are not contingent on an outcome of the market study, a loan closing, or any other prearranged condition. It is our normal policy to provide a draft copy of our report for your review. Upon your approval of this draft, we will commence preparation of the final report, which will be delivered to you when our invoice for services has been paid in full. The final report will be delivered in electronic format.

In the event after commencing the assignment it becomes necessary to alter the parameters of the study, such as the property description; assumed date(s); financial, management, or ownership structure; or any other factor which could change the final conclusions, LWHA will be entitled to charge an additional fee based upon our current per-diem rates and the time required to incorporate the necessary changes into our analysis and report. In addition, the estimate of timing will be extended by an amount equal to the added work. In advance of commencing any additional work as outlined above, Client will be notified in writing with a request to confirm the agreed upon scope of additional work and additional fee.

Additional fees will also be charged on an hourly basis for any work which exceeds the scope of this proposal, including performing additional research, analysis and/or alternate scenarios; reviewing other studies and documents related to the property; telephone calls and/or meetings with any party which we believe goes beyond the time generally expended during the course of an assignment of this nature; and attending out-of-town meetings.

Hourly rates of professional staff are as follows: Senior Executives - \$900; Senior Managing Director/Managing Director - \$750; Director - \$650; Senior Vice President - \$600; Vice President - \$550; Senior Associate/Associate - \$475. Any meeting or presentation not previously agreed to as being part of this assignment which requires any LWHA professional to travel out of the New York Metropolitan Area will be charged at a minimum per-diem rate of \$5,000. Hourly and per-diem rates will be charged at the rate in effect at the time that they occur, with travel billed at half time.

Notwithstanding the fee payment schedule set forth above, if at any time while performing this assignment it becomes necessary to suspend work for a period of thirty (30) days or more, then LWHA will be entitled to bill for the portion of the assignment completed up to the suspension (less any retainer paid) at its current per-diem rates.

Conditions Regarding Use of LWHA's Report and Work Product

The overall definition and scope of the work to be performed, and its adequacy in addressing Client's needs, is the responsibility of Client. Client shall perform all management functions and make all management decisions in connection with LWHA's services, and shall assign a competent individual to oversee LWHA's services. Client is responsible for ensuring that all information LWHA may reasonably require is provided on a timely basis and is accurate and complete. Client shall also notify LWHA if it subsequently learns that the information provided is incorrect or inaccurate or otherwise should not be relied upon.

LWHA's services outlined in this engagement letter will be based upon research, knowledge of the industry, and other data and sources available to us. Information provided by Client or others will be accepted without audit or verification and will be assumed to be correct. The paucity of publicly available information shall not be construed as failure of LWHA to deliver the required work product under this engagement.

The findings may contain financial information, estimates or opinions that represent the consultants' view of reasonable expectations at a particular point in time. However, such information, estimates or opinions will not be offered as predictions or as assurances that the particular level of income or profit will be achieved, or that events will occur. Actual results achieved during the period covered by the financial analyses will vary and the variations may be material.

Client acknowledges and agrees that even with LWHA's research expertise, the amount of publicly available information on the topics discussed herein will ultimately determine the amount of information LWHA can report on the topics.

Client understands and acknowledges that the inability to secure meetings with competitors and industry participants, due to factors outside LWHA's control such as current economic conditions, companies' current financial situation, companies' current strategic priorities, or timing considerations, should not be construed as LWHA's failure to perform the scope of work described in this engagement letter.

Recognizing that LWHA's role is advisory, and in partial consideration for the services to be provided hereunder, to the extent permitted under Texas law, Client agrees to indemnify LWHA and its partners, principals, directors, officers, members, affiliates, agents and/or employees (LWHA and each such person being an "Indemnified Party") pursuant to the provisions set forth in Sections 16, 17, and 18 of the attached Terms and Conditions.

LWHA makes no representations or warranties regarding the accuracy of the conclusions. LWHA's services shall remain subject to each of the conditions, limitations and assumptions stated therein.

Distribution of LWHA's report will be governed by the terms set forth in Section 15 of the attached Assumptions and Limiting Conditions.

Client acknowledges that any opinions and conclusions expressed by LWHA professionals during this assignment are representations made as employees and not as individuals. LWHA's responsibility is limited to Client, and use of LWHA's product by third parties shall be solely at the risk of Client and/or third parties.

If LWHA or any of its employees receives a subpoena or other judicial command to produce documents or to provide testimony involving this assignment in connection with a lawsuit or proceeding, LWHA notify

Client of LWHA's receipt of same. However, if LWHA is not a party to these proceedings, Client agrees to compensate LWHA and/or its affiliate for the professional time and reimburse LWHA for the actual expense that it incurs in responding to any such subpoena or judicial command, including attorneys' fees, if any, as such expenses are incurred. LWHA will be compensated at the then prevailing hourly rates of the personnel responding to the subpoena or command for testimony. Client specifically authorizes LWHA to disclose information relating to this assignment, including information which may be considered confidential, to third persons as reasonably necessary to LWHA's response to or defense of threatened or actual legal or regulatory actions. This paragraph shall be null and void if such subpoena or judicial command is a result of LWHA's negligence or willful misconduct.

Consulting assignments are accepted with the understanding that there is no obligation to furnish services after completion of the original assignment. If the need for subsequent service related to a consulting assignment (such as an appraisal, updates, conferences, reprints or copy service) is contemplated, special arrangements acceptable to LWHA are to be made in advance. The assignment assumes market conditions as observed as of the current date of LWHA's research stated in the letter of transmittal of our written report. These market conditions are believed to be correct; however, the consultants assume no liability should market conditions materially change because of unusual or unforeseen circumstances.

Client acknowledges and agrees that LWHA may from time to time be engaged in providing services to others, which are similar to those to be provided to Client hereunder. Client further agrees that such activities shall not in and of themselves create any presumption that LWHA's obligations under this Agreement have not been honored.

The attached Terms and Conditions (Exhibit A) and Specific Property Data Request (Exhibit B) are deemed a part of this agreement as though set forth in full herein. In addition to all other terms and conditions of this agreement, LWHA and Client agree that LWHA's services under this agreement and Appraisal report, and any use of the Appraisal report are subject to the statements, limiting conditions and other terms set forth in the Appraisal report. LWHA's standard statements, limiting conditions and terms are attached to this agreement as Exhibit C and incorporated herein. LWHA may determine additional conditions and terms affecting the Appraisal during performance of the assignment which may be identified in the report.

Engagement Acceptance

If you are in agreement with the conditions regarding the use of LWHA's work product, please sign the enclosed copy of this letter and return it to LWHA. Acceptance of this engagement letter is subject to LWHA's normal client acceptance procedures. A final invoice will be submitted upon the completion of our draft report and is payable upon presentation.

We appreciate this opportunity to be of service to you on this assignment. If you have additional questions, please contact us.

Sincerely,

LW Hospitality Advisors, LLC



Evan Weiss
Co-Founder, COO
(212) 300-6684 x102
evan.weiss@lwhadvisors.com

Agreed and Accepted

For: **City of Amarillo, Texas on behalf of Center City TIRZ #1**

Signature

Date

Name

Title

Phone Number

Email Address

Exhibit A: Terms and Conditions

The report prepared by LW Hospitality Advisors LLC or its designated affiliate LW-GA LLC or LW-FL LLC (at all times herein "LWHA") and all of its work in connection with this assignment is subject to the limiting conditions and all other terms stated in the report. Any use of LWHA's work by any party, regardless of whether such use is authorized or intended by LWHA, constitutes acceptance of all such limiting conditions and terms.

1. These Terms and Conditions, between LWHA and the Client for whom the referenced appraisal service will be performed, shall be deemed a part of such Agreement as though set forth in full therein. The Agreement shall be governed by the laws of the State of Texas.
2. Client is defined as the party signing the Agreement and shall be responsible for payment of the fees stipulated in the Agreement. Payment of the fee is not contingent upon any predetermined value or on an action or event resulting from the analyses, opinions, conclusions, or use of the consulting/appraisal report.
3. If LWHA is requested to give court testimony, an additional fee will be charged on an hourly basis at our then-prevailing hourly rate. The hourly billings pertain to court preparation, waiting and travel time, document review and preparation (excludes appraisal report) and all meetings related to court testimony.
4. In the event Client requests additional services beyond the purpose stated in the Agreement, and such services are approved in advance by way of written mutual consent of the Parties, Client agrees to pay an additional charge for such services, plus reimbursement of expenses, whether or not the completed report has been delivered to Client at the time of the request.
5. It is understood that the Client has the right to cancel this assignment at any time prior to delivery of the completed report. In such event, the Client is obligated only for the pro-rated share of the fee based upon the work completed and expenses incurred through and including the date of cancellation.
6. Hard copies of the consulting/appraisal report are available at a cost of \$250 per original color copy and \$100 per photocopy (black and white), plus shipping cost of \$30 per report.
7. If payment for professional fees and out-of-pocket research, travel, and related expenses is not received within sixty (60) days of the billing date, LWHA reserves the right to suspend all work until payment is made and apply a service charge of 1.5 percent per month or fraction thereof to the total unpaid sum. It is further agreed that in the event legal action becomes necessary to enforce collection of bills rendered, you will be responsible for all collection costs, including, but not limited to, court costs and reasonable legal fees. It is understood that LWHA may extend the time for payment on any part of billings rendered without affecting the understanding outlined above.
8. LWHA assumes that there are no major or significant items that would require the expertise of a professional building contractor or engineer. If such items need to be considered in LWHA's study, such services are to be provided by others at a cost which is not a part of the fee proposal.
9. Client acknowledges that LWHA is being retained hereunder as an independent contractor to perform the services described herein and nothing in this Agreement shall be deemed to create any other relationship between Client and LWHA. This assignment shall be deemed concluded and the services hereunder completed upon delivery to Client of the consulting/appraisal report discussed herein and LWHA's receipt of Client's full payment of all fees due under the Agreement.

10. All statements of fact in the report which are used as the basis of the LWHA's analyses, opinions, and conclusions will be true and correct to the best of the LWHA's knowledge and belief. LWHA does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Subject Property furnished to LWHA by Client.
11. LWHA shall have no responsibility for legal matters, questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The report will not constitute a survey of the property analyzed.
12. Client shall provide LWHA with such materials with respect to the Assignment as are reasonably requested by LWHA and in the possession or under the control of Client. Client shall provide LWHA with sufficient access to the Subject Property to be analyzed and hereby grants permission for entry, unless discussed in advance to the contrary.
13. The data gathered in the course of the assignment (except data furnished by Client) prepared pursuant to the Agreement are, and will remain, the property of LWHA. The report will be property of the Client. With respect to data provided by Client, LWHA shall not violate the confidential nature of the consultant-client relationship by improperly disclosing any confidential information furnished to LWHA. Notwithstanding the foregoing, LWHA is authorized by Client to disclose all or any portion of the report and the related data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable LWHA to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect or as required by applicable law or court order. Provided however, City may disclose confidential information in response to a subpoena or order of a court or other competent legal authority pursuant to applicable Texas law and shall promptly notify LWHA when a request or order for disclosure is received.
14. Unless specifically noted in the Appraisal, we will not be taking into consideration the possibility of the existence of asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (hazardous material), or the cost of encapsulation or removal thereof. Further, LWHA understands that there is no major or significant deferred maintenance in the property which would require the expertise of a professional cost estimator or contractor. If such repairs are needed, the estimates are to be prepared by others, and are not a part of this fee proposal.
NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED AS A WAIVER OF ANY GOVERNMENTAL IMMUNITY OR DEFENSES TO WHICH THE CITY IS ENTITLED UNDER TEXAS LAW. TO THE EXTENT PERMITTED BY LAW, THE TOTAL LIABILITY OF LWHA TO THE CITY FOR DIRECT DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT SHALL NOT EXCEED THE TOTAL AMOUNT PAID OR PAYABLE TO LWHA UNDER THIS AGREEMENT; PROVIDED, THAT THIS LIMITATION SHALL NOT APPLY TO DAMAGES ARISING FROM LWHA'S FRAUD OR WILFUL MISCONDUCT.
15. Client acknowledges that any opinions, recommendations, and conclusions expressed during this assignment will be rendered by the staff of LWHA, acting solely as employees and not as individuals. Any responsibility of LWHA is limited to Client, and use of our product by third parties shall be solely at the risk of Client and/or third parties.
16. The study described in this proposal will be made subject to certain Assumptions and Limiting Conditions as set forth in Exhibit C attached to the Agreement. If in the sole opinion of LWHA it becomes necessary to add additional assumptions and limiting conditions in order to properly characterize and represent our conclusions, these additional assumptions and limiting conditions will become a part of LWHA's final report.

Exhibit B: Assumptions and Limiting Conditions

The report prepared by LW Hospitality Advisors LLC or its designated affiliate LW-GA LLC or LW-FL LLC (“LWHA”) and all of its work in connection with this assignment is subject to the limiting conditions and all other terms stated in the report. Any use of LWHA’s work by any party, regardless of whether such use is authorized or intended by LWHA, constitutes acceptance of all such limiting conditions and terms.

1. Unless otherwise specifically noted in the report, it is assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. LWHA is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. Further, LWHA assumes no private deed restrictions, limiting the use of the subject property in any way. LWHA, however, has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject’s title should be sought from a qualified title company that issues or insures title to real property.
2. Unless otherwise specifically noted in the report, it is assumed: that the existing improvements on the property or properties being studied are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; and that the property or properties have been engineered in such a manner that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. LWHA professionals are not engineers and are not competent to judge matters of an engineering nature. LWHA has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of LWHA by ownership or management; LWHA inspected less than 100% of the entire interior and exterior portions of the improvements; and LWHA was not furnished any engineering studies by the owners or by the party requesting this appraisal. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported by engineering consultants, LWHA reserves the right to amend the appraisal conclusions reported herein.
3. Unless otherwise stated in the report, the existence of hazardous material, which may or may not be present on the property, was not observed by the LWHA. LWHA has no knowledge of the existence of such materials on or in the property. LWHA, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
4. Unless otherwise stated in the report, we were not given a soil report to review. However, we assume that the soil’s load-bearing capacity is sufficient to support existing and/or proposed structure(s). We have inspected, as thoroughly as possible by observation, the land; however, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the study.

5. The report assumes (a) responsible ownership and competent management of the subject property; (b) there are no hidden or unapparent conditions of the subject property, subsoil or structures that render the subject property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them); (c) full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and considered in the report; and (d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the opinion(s) contained in the report is/are based.
6. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the report unless otherwise stated. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon the information submitted to LWHA. This report may be subject to amendment upon re-inspection of the subject subsequent to repairs, modifications, alterations and completed new construction. Any estimate of market value is as of the date indicated based upon the information, conditions and projected levels of operation.
7. It is assumed that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise specifically noted in the LWHA report. Unless otherwise specifically noted in the LWHA report, LWHA has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, LWHA reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the client should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify LWHA of any questions or errors.
8. The date to which any of the conclusions and opinions expressed in this report apply, is set forth in the report. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This LWHA report is based on market conditions existing as of the date of this appraisal. Under the terms of the engagement, LWHA will have no obligation to revise this report to reflect events or conditions which occur subsequent to the date of the appraisal. It is not LWHA's task to predict or in any way warrant the conditions of a future real estate market. LWHA can only reflect what the investment community, as of the date of the report, envisages for the future in terms of rental rates, expenses, and supply and demand. However, LWHA will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.
9. Unless otherwise noted in the report, it is assumed that there are no mineral deposits or subsurface rights of value involved in this appraisal, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
10. LWHA is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.
11. The opinion(s) and/or conclusion(s), which may be defined within the body of this report, is/are subject to change with market fluctuations over time. The value opinion(s) and/or conclusion(s), consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.
12. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. LWHA does not warrant these

forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of LWHA

13. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of LWHA to buy, sell, or hold the properties at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
14. Also, unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.
15. This study may not be duplicated in whole or in part without the specific written consent of LWHA nor may this report or copies hereof be transmitted to third parties without said consent, which consent LWHA reserves the right to deny. Exempt from this restriction is duplication for the internal use of the client-addressee and/or transmission to attorneys, accountants, or advisors of the client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom this appraisal was prepared, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without the express written consent of LWHA which consent LWHA reserves the right to deny. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to purchase the property or to make a "sale" or "offer for sale" of any "security", as such terms are defined and used in the Securities Act of 1933, as amended. Any third party, not covered by the exemptions herein, who may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this property. LWHA shall have no accountability or responsibility to any such third party. Nothing in this Agreement shall be construed to limit the City's obligations under the Texas Public Information Act, and the City may disclose the report as required by law.
16. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.
17. No opinion is intended to be expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate consultants and/or appraisers. Values and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis has been made known to LWHA unless otherwise stated within the body of the report. If LWHA has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. LWHA assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
18. The forecasted income referred to in the report may be based in whole or in part on lease summaries provided by the owner or third parties. The report assumes no responsibility for the authenticity or completeness of lease information provided by others. LWHA recommends that legal advice be obtained regarding the interpretation of lease provisions and the contractual rights of parties.
19. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Consultant nor LWHA assumes responsibility for any situation arising out of the Client's failure to become

familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.

20. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.
21. The Americans with Disabilities Act (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, LWHA has not made a specific compliance survey and analysis of this property to determine whether it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the value estimated herein. Since LWHA has no specific information relating to this issue, nor is LWHA qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in formulating opinion(s) and/or conclusion(s) of the subject.