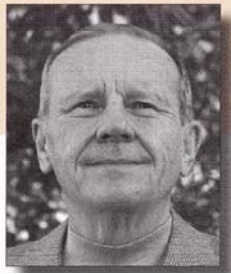


Q & A ON TOPIC:

March 2009



MASTER-PLANNED COMMUNITIES

Leon Heron, managing partner of Corpus Development, discusses Live Oak Preserve, his company's planned 1,255-acre project outside of Corpus Christi, Texas.

Live Oak Preserve is a master-planned community that will be located in the Corpus Christi suburb of Ingleside, Texas. The 1,255-acre project will feature an 18-hole golf course surrounded by up to 3,000 residential units and a 300,000-square-foot town center, which will include restaurants, boutique retail, professional offices and some residential units, as well as function as a gathering place for golfers as they play out their rounds. Subsequent phases of the project could even include a marina component, but those plans have yet to be approved. One of the most interesting aspects of Live Oak Preserve is that it is the first master-planned community licensed by the NFL Alumni, a group of retired pro football players affiliated with the National Football League.

Texas Real Estate Business caught up with the project's developer, Leon Heron of Corpus Development, to ask about this partnership and what it means for the development of Live Oak Preserve.

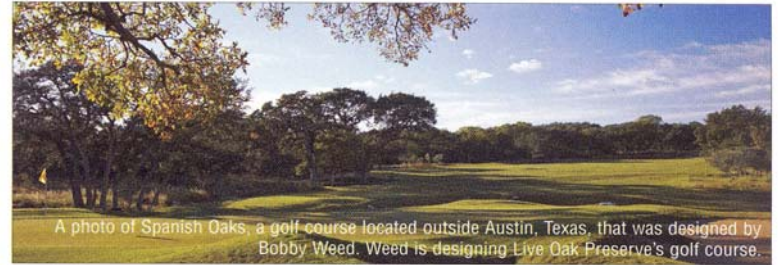
TREB: What is the current status of Live Oak Preserve?

Heron: We have some private funding we're discussing with a couple of different sources to replace previous

commitments affected by the economic downturn and, hopefully, those will come to fruition soon. We could literally start construction within 6 days of funding and, once under way, it would take 14 to 18 months for the golf course to be built and about the same time for the infrastructure to be put into place for Phase I. The project would take 7 to 9 years to be built out and could be sold out within 10 to 15 years.

TREB: How did you first come up with the idea for the project? Why did you select Ingleside, Texas, for the location?

Heron: In late 2003 or early 2004, the NFL Alumni came to me and asked if I would be interested in doing an NFL Alumni-branded community on an approximately 2,000-acre tract of land I owned just north of Tampa. Unfortunately, I had already entered into an agreement to sell that tract, but I knew of a tract of land located in the Corpus Christi area from my time working there for Kiewit Contractors. I had a friend that had been asking me for years to do something with it, so the light bulb came on and I asked him if that tract of land was still available. He said it was, so then I started my due diligence.



I then engaged the NFLA in the idea of building the community in South Texas. At first, they didn't say no but they didn't say yes, because their original idea was to build it in Florida. Ultimately, we brought Frank Krauser, who is the president and CEO of the NFLA, to the Ingleside site and he fell in love with it. He stood on the beach there at the Intercoastal Waterway and said he could envision this project.

TREB: How does the licensing agreement with the NFLA work?

Heron: It is a marketing agreement that allows us to tag the NFL brand on the project. There is not another one of these in the United States. There are a lot of NFL fans around, and it allows us another vehicle to market this development.

TREB: How do you think this partnership with the NFLA is going to benefit the project?

Heron: Part of this agreement is that some of the NFL's older players have the opportunity to come here and live at a small discount. Also, a number of them conceivably will be employed with us in a marketing effort. The state of Texas has the third largest number of alumni members living in the state. So, you have a lot of alumni members and retired players who live in the state of Texas, and clearly, we want to try to play to those folks.

From the non-alumni side, the partnership gives us something that no one else can have, and to a certain segment of the population — those being people who are pretty avid football fans — it would have a big impact. And for non-football fans, we will be marketing to them, as well. Our golf course has 6.5 miles of jogging, walking and bike paths that are not for carts. So people that want to be in tune with nature and the environment should find Live Oak Preserve a good place to live.

TREB: What is your ultimate goal with Live Oak Preserve?

Heron: What's really important is that we create a sustainable development that is priced toward mid-America, and that's what I liked about the Corpus Christi area. We wanted to be sustainable and we want it to be a great place to live. We also want it to contribute back to the community. As part of our agreement with the NFL, we are committed to contribute no less than \$100,000 a year to charitable organizations that we and the NFL Alumni agree on. We want it to be something that we're proud of; I want it to be something that my children and grandchildren are proud of. □

