



**Agenda of Regular Meeting
The Board of Trustees
Lago Vista ISD**

A Regular Meeting of the Board of Trustees of Lago Vista ISD will be held February 16, 2009, beginning at 7:00 PM in the Board Room in Viking Hall, 8039 Bar K Ranch Road, Lago Vista, Texas 78645.

The subjects to be discussed or considered or upon which any formal action may be taken are as listed below. Items do not have to be taken in the order shown on this meeting notice.

1. Invocation
2. Welcome visitors/Recognition/Public participation
3. Call for May 2009 Trustee Election (TEC 11.159) 3
4. Discussion and possible action concerning upgrades for athletic facilities
5. Administrative contract renewals
6. Discussion and possible action regarding 2009-10 attendance calendar 5
7. Discussion and possible action regarding Vision Statement 6
8. Consideration of dates for Board training meeting and March regular meeting
9. Harris Interactive Survey update
10. Feasibility Study and Appraisal of 41 acre tract 7
11. Discussion and possible action concerning City of Lago Vista's proposal to purchase district property and other requests for consideration of district property purchase 116
12. Superintendent report
13. Minutes of previous meetings 119
14. Monthly Financial Report 121
15. Adjourn

If, during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting, the Board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Government Code, Chapter 551: 551.071-Consultation with attorney, 551.074-Personnel matters, Subchapters D and E. Before any closed meeting is convened, the presiding officer will publicly identify

the section or sections of the Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in open meeting.

Barbara Qualls, Ph.D.
Superintendent

Date



**ORDER OF ELECTION
LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

AN ELECTION IS HEREBY ORDERED TO BE HELD ON MAY 9, 2009 FOR THE PURPOSE OF:

ELECTING TWO (2) MEMBERS TO THE LAGO VISTA INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES. TERM OF OFFICE IS FOR THREE YEARS ENDING MAY, 2012 FOR TRUSTEE PLACE 6 AND TRUSTEE PLACE 7.

EARLY VOTING BY PERSONAL APPEARANCE WILL BE CONDUCTED BY THE TRAVIS COUNTY ELECTION OFFICER, AT PLACES AND LOCATIONS AS STATED IN THE TRAVIS COUNTY ELECTIONS EARLY VOTING GUIDE. EARLY VOTING BY DISTRICT RESIDENTS MAY BE CONDUCTED AT ANY TRAVIS COUNTY EARLY VOTING LOCATION AND ANY LOCATION EXCLUSIVELY DESIGNATED BY THE TRAVIS COUNTY ELECTION OFFICER FOR DISTRICT RESIDENTS.

APPLICATIONS FOR BALLOT BY MAIL SHALL BE MAILED TO:

TRAVIS COUNTY CLERK
ELECTIONS DIVISION
PO BOX 149325
AUSTIN, TX 78714

APPLICATIONS FOR BALLOT BY MAIL MUST BE RECEIVED NO LATER THAN THE CLOSE OF BUSINESS ON MAY 1, 2009.

ISSUED THIS THE 16th DAY OF FEBRUARY, 2009.

Barbara Qualls, Superintendent



**EL ORDEN DE ELECCIÓN
LAGO VISTA INDEPENDENT SCHOOL DISTRICT**

POR LA PRESENTE SE ORDENA QUE SE LLEVARA A CABO UNA ELECCION EL 9 DE MAYO, 2009 CON EL PROPOSITO DE:

ELEGIR a DOS (2) MIEMBROS A LA LAGO VISTA de TABLA INDEPENDIENTE del DISTRITO de la ESCUELA DE FIDEICOMISARIOS. EI TERMINO DE la OFICINA TERMINA DURANTE TRES AÑOS mayo, 2012 PARA el LUGAR de FIDEICOMISARIO 6 Y el LUGAR de FIDEICOMISARIO 7.

VOTANDO TEMPRANO POR ASPECTO SERA REALIZADO POR EL OFICIAL de la ELECCION de CONDADO de TRAVIS, EN LUGARES Y UBICACIONES COMO INDICADO EN LAS ELECCIONES de CONDADO de TRAVIS VOTANDO TEMPRANO la GUIA. VOTANDO TEMPRANO POR RESIDENTES de DISTRITO mayo ES REALIZADO EN CUALQUIER CONDADO de TRAVIS VOTANDO TEMPRANO la UBICACION Y CUALQUIER UBICACION EXCLUSIVAMENTE DESIGNADO POR EL OFICIAL de la ELECCION de CONDADO de TRAVIS PARA RESIDENTES de DISTRITO.

LAS SOLICITUDES PARA BOLETAS QUE SE VOTARAN EN AUSENCIA POR CORREO DEBERAN ENVIARSE A:

TRAVIS COUNTY CLERK
ELECTIONS DIVISION
PO BOX 149325
AUSTIN, TX 78714

LAS SOLICITUDES PARA BOLETAS QUE SE VOTARAN EN AUSENCIA POR CORREO DEBERAN RECIBIRSE PARA EL FIN DE LAS HORAS DE NEGOCIO EL 1 DE MAYO, 2009.

EMITIDA ESTE DIA 16th DE FEBRERO, 2009.

Barbara Qualls, el Supervisor

2009

August						2009
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					5

September						2009
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			27

October						2009
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31
		42 days in 1 st 9-wk period				27

November						2009
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

December						2009
	30	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		75

January						2010
				1	2	
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31	44 days in 2 nd 9 wk period				18	

Lago Vista ISD Draft C Calendar

Key Dates

First day of school Aug 25, 2009
 Last day, First Semester..... Jan 15
 First Day, Second Semester..... Jan. 19
 Last day of school..... June 4

Holidays

Labor Day September 7
 Columbus Day October 12
 Thanksgiving..... Nov. 23-27
 Winter Break..... Dec. 21-Jan. 1
 MLK Day Jan. 18
 Presidents Day February 15
 Spring Break..... March 15-19
 Good Friday..... April 2
 Bad Weather Makeup Day(1) Apr. 28
 Memorial/Bad Weather Day(2) May 31

Teacher Professional

Development/Student Holiday

Aug. 24, Oct. 12, Jan. 4, Feb 15
 Aug. 21, Jan 18 & June 5 Workdays

Tentative TAKS Dates

Oct. 20-23..... (exit retest)
 Mar. 2-5 Reading, ELA, Writing
 Math, Exit retest
 April 5-8..... Math (5, 8)
 April 26-30 Math, Reading,
 Science, Social Studies
 May 18-20..... Math (5,8 retest)
 June 29-30..... (3, 5, 8 retest)
 July 13-16..... exit retests
 **Weeks of May 3 -May 14 – AP tests

Calendar Key

- [- Start of Nine Weeks
 -] - End of Nine Weeks
 - 📅 - Early Release Day
 - 🟡 - Holidays
 - 🔴 - Testing
 - 🟣 - Teacher Workday/Student Holiday
 - 🟠 - Bad Weather Makeup Day
- 176 student days
 4 waiver days
 7 professional development days
 187 contract days
- 86 1st semester days
 90 2nd semester days

2010

February						2010
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27

March						2010
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			18

April						2010
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	27

May						2010
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					79

June						2010
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	43 days in 9 weeks		4

July						2010
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31



“LVISD equips students for the rigors of the 21st Century by preparing them for a global based digital economy. LVISD will be recognized as a leader in educational innovation through: technology, facilities, curriculum, volunteerism, and instruction.”

Our Students:

1. Are inquisitive, self-motivated, intellectual risk-takers capable of setting and meeting goals.
2. Are self-confident, responsible decision-makers who are accountable for their actions.
3. Have an understanding of personal strengths and weaknesses and make healthy lifestyle choices.
4. Transform their learning experience with technological, cultural, and global perspectives.
5. Are multilingual.
6. Are academically challenged to reach new heights and embrace lifelong learning.
7. Graduate prepared to meet the challenges of post-high school education and/or the workforce.

Our Learning Environment:

1. Provides quality instruction in a stimulating environment that meets the needs of diverse student populations.
2. Welcomes and encourages active communication and participation between and among campuses, parents, and students.
3. Stimulates effective collaboration among professional staff, parents, and students where all take responsibility for student learning.
4. Is positive, supportive, and safe for all students.
5. Provides high performing highly skilled staff qualified above minimum requirements that is dedicated to furthering their professional growth to meet a changing classroom demographic.
6. Effectively and seamlessly incorporates technology into student learning.
7. Consists of facilities that meet the needs of all students and provide the best opportunities to thrive and achieve their greatest potential.
8. Offers the most rigorous academic programs.

Our Community and District:

1. Inspire an increase in volunteerism, mentoring, and general participation in the school system by persons and businesses in the community with expertise in various areas.
2. Encourage LVISD students to be involved in and act as responsible members of the community.
3. Maintain consistent, open communication in a respectful manner with all stakeholders.
4. Effectively communicate to taxpayers and citizens so that they may understand and financially support the needs and goals of the district.
5. Maintain the continued financial stability of the district.

REAL ESTATE SUMMARY APPRAISAL

PROPERTY: 6.211 ACRES OF VACANT LAND

PROPERTY ADDRESS: PART OF A 41.211 ACRE TRACT, ON DAWN DRIVE, IN LAGO VISTA, TEXAS 78645

TCAD PARCEL: NOT ASSIGNED – PARENT # 171326 / 01-6777-0102-0000 41.211 ACRES

OWNER(S): LAGO VISTA INDEPENDENT SCHOOL DISTRICT

OWNER'S ADDRESS: PO BOX 4929, LAGO VISTA, TEXAS 78645



Appraisal Prepared For:

**Mr. Robert Zinglemann
Lago Vista Independent School District
PO Box 4929
Lago Vista, Texas 78645**

As Of:

January 26, 2009

Prepared By:

**Lone Star Appraisals & Realty, Inc.
Chris P. Griesbach, MAI
State Certified General Real Estate Appraiser**



LONE STAR APPRAISALS & REALTY, INC.

January 28, 2009

Mr. Robert Zinglemann
Lago Vista Independent School District
PO Box 4929
Lago Vista, Texas 78645

RE: Analysis and Valuation of the 6.211 acres located near Dawn Drive in the City of Lago Vista, Travis County, Texas 78645. LSAR File # 3047c.sh/cpg.

Dear Mr. Zingelmann:

Per your instructions, we have prepared an appraisal of the above referenced property. The appraisal has been presented herein in a summary format at your request. We have inspected the subject property described above and have completed a drive by of the comparable sales.

The subject property is a 6.211 acre tract of land which is part of a larger 41.211 acres tract of land located near Dawn Drive and Lohman Ford Road in the City of Lago Vista, Travis County, Texas. The subject property is vacant land with frontage on Dawn Drive. The subject property is located within the Extraterritorial Jurisdiction (ETJ) of the city of Lago Vista and therefore is not subject to zoning regulations and restrictions. The surrounding area has a mixture of residential and commercial developments. The purpose of this appraisal is to assist the client in establishing a purchase price and to assist the client in the decision making process of a possible sale of the subject property to the City of Lago Vista for expansion of the city's municipal buildings, including a new police station. This report was prepared in accordance with the assumptions and limiting conditions stated in this report and the report is intended to comply with the Uniform Standards of Professional Appraisal Practice (USPAP 2005) as promulgated by The Appraisal Foundation. At your request, we will provide you with an "as is" valuation estimate of the subject property.

An analysis was completed of the available sales comparable's from the subject's market area. The appraisers were able to confirm several sales which all sold within the past few years. The research and analyses necessary to furnish you with a market value recommendation for the subject property has been completed. Market Value is defined within the body of this report. Based upon investigation and analysis of the data, the following represents our estimate of market value as of January 26, 2009.

3214 GREAT VALLEY DRIVE CEDAR PARK, TEXAS 78613 (512) 331-7757 FAX (512) 331-5454

Market Value of:

6.211 acres of land, on Dawn Drive, in Lago Vista, Texas

THREE HUNDRED EIGHTY THOUSAND DOLLARS

(\$380,000)

The appraisers have made the assumption that the subject property could be annexed into the city and zoned for commercial development which would permit a commercial office use.

Your attention is directed to the following pages, which contain an analysis of the subject property in addition to information regarding the data utilized and the analysis of the appraiser in formulating the conclusions reported herein.

If you should have any questions or need additional information, please inform us of such. We appreciate the opportunity to be of service to you.

Respectfully submitted,

LONE STAR APPRAISALS & REALTY, INC.
Valuation Consultants



Chris P. Griesbach, MAI
Principal
State Certified (Texas)
TX-1321135-G

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Engagement Letter	

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Parcel Number(s):	Not Assigned – Parent # 171326 / 01-6777-0102-0000 41.211 ACRES
Subject Property Land Area:	6.211 Acres
Property Owner:	Lago Vista ISD School District
Location/Address:	The subject is located near Dawn Drive within the ETJ of the City of Lago Vista. The legal address is Lohman Ford Road, Lago Vista, Travis County, Texas 78645
Effective Date of Appraisal:	January 26, 2009
Property Rights Appraised	Fee Simple
Current Zoning:	None; Outside any municipality – Part of ETJ of the City of Lago Vista (see the zoning section for a more detailed discussion)
Assumptions:	The appraisers have made the assumption that the subject property could be annexed into the city and zoned for commercial development which would permit a commercial office use
Improvements:	The subject is unimproved vacant land and is being appraised “as vacant”
Highest and Best Use:	
As Vacant:	Hold for future development with a Commercial Neighborhood Office Use
As Improved:	Not Applicable; Vacant Land

SUMMARY OF VALUE

MARKET VALUE OF SUBJECT PROPERTY.....\$380,000

SUBJECT PHOTOGRAPHS



Overall Front View from Dawn Drive



Typical View of Site Interior



View of Ravine along Western Boundary



Typical View of Subject from Dawn Drive

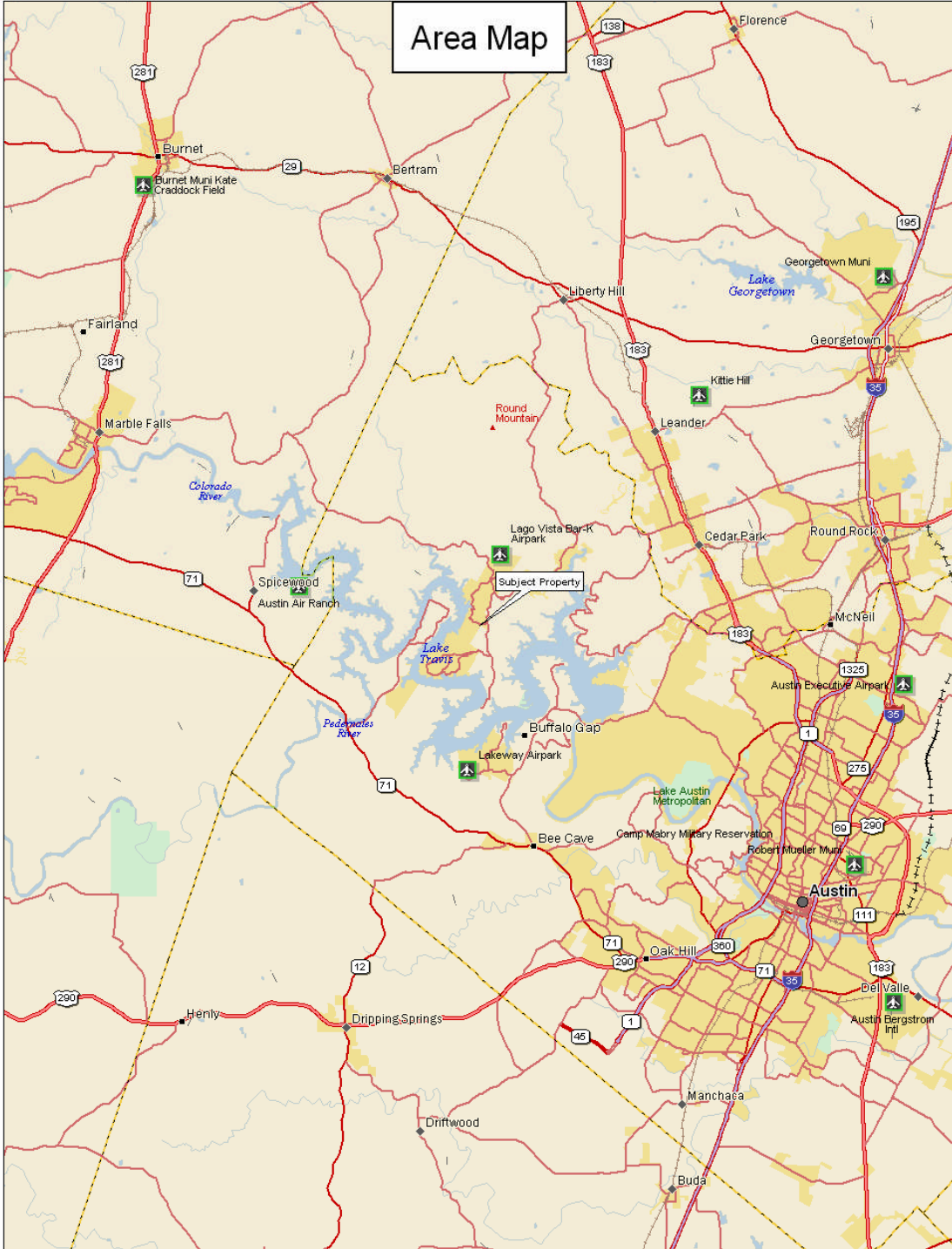


Typical Interior View of Site

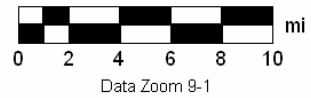


Typical Interior View of Site

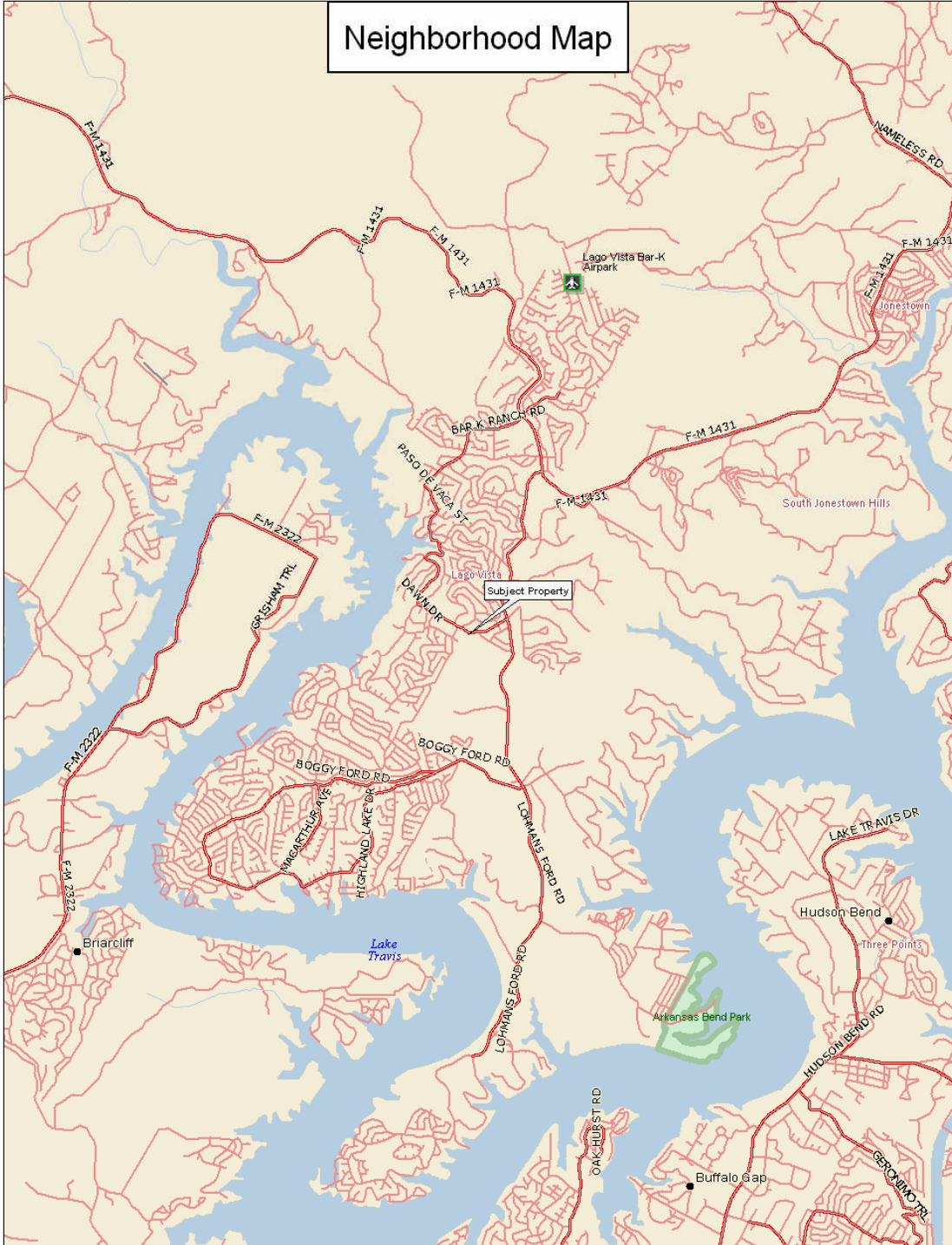
MAPS



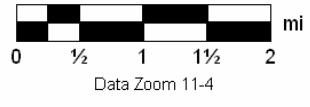
Data use subject to license.
© 2006 DeLorme, Street Atlas USA® 2007.
www.delorme.com



Neighborhood Map



Data use subject to license.
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www.delorme.com



PURPOSE AND FUNCTION OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the fee simple estate of the subject property and to assist the client in establishing a purchase price. The function of the report is to be used by the client only, Lago Vista Independent School District, in the decision making process of selling a tract of land.

MARKET VALUE DEFINED

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently and knowledgeably and assuming the price is not affected by undue stimulus." As defined by FDIC's final rule of FIRREA - 12 CFR Part 323.2.

Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a. buyer and seller are typically motivated;
- b. both parties are well informed or well advised, and each acting in what he considers his own best interest;
- c. * a reasonable time is allowed for exposure in the open market;**
- d. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- e. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

*** We have estimated this time period to be 6-12 months.**

HIGHEST AND BEST USE

Highest and best use is defined as; "The reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."¹ The appraisers have appropriately taken into consideration the uses that are physically possible, legally permissible, financially feasible, and maximally productive. A brief discussion of Highest and Best Use for the Subject Property will follow later within the appraisal.

¹ Appraisal Institute, The Appraisal of Real Estate, 10th Ed, (Chicago: Appraisal Institute, 1992), Pg 45.

NEIGHBORHOOD ANALYSIS

The purpose of the Neighborhood Analysis is to examine the patterns of urban growth, structure, and change that may affect property values.

A neighborhood is defined as:

"a portion of a larger community, in which there is a homogeneous grouping of inhabitants, buildings, or business enterprises. Inhabitants of a neighborhood usually have a more than casual community of interest. Neighborhood boundaries may consist of well-defined natural or man-made barriers, or they may be more or less well-defined by a distinct change in land use or in the character of the inhabitants." (*Real Estate Appraisal Terminology*, 1981)

Boundaries

The designation of neighborhood boundaries is based upon the appraiser's evaluation of physical and man-made influences affecting the relative values, desirability, and trends in properties surrounding the subject property.

The subject property is located near the south side of Dawn Drive. Its boundaries may be described as:

Travis County line to the North
Lake Travis to the South
Nameless Road to the East
Lake Travis to the West

This boundary description is supported by similar social, economic, governmental, and environmental forces which influence property values in this neighborhood.

Predominant Land Use

The subject is located in the central portion of the ETJ of the City of Lago Vista. The area is predominantly developed with scattered retail and neighborhood businesses along primary arteries (FM 1431 and Lohman Ford Road) and moderately expensive to high end single family homes on secondary arteries. The recent construction of the Super-S shopping center including, Ace Hardware, CVS Pharmacy and the Lago Vista Village Shopping Center, have stimulated growth in the area. Utility services include electricity, water, waste water, cable TV and telephone services throughout the area. The City of Lago Vista supplies water and wastewater services. The terrain of the neighborhood is rolling and slopping, typical of the Hill Country in Central Texas. Overall, the neighborhood is suburban in nature with a growing residential base, which has been stimulated by the arrival of the community's first full service grocery store. The residences of the Lago Vista neighborhood have good access to employment, schools and shopping via FM 1431 to the east in the Cedar Park-Leander area and FM 1431 to the west to the Marble Falls area.

SITE ANALYSIS – 6.211 Acres in Lago Vista, Texas

The subject property is located near the south side of Dawn Drive outside (ETJ) the City of Lago Vista in the northeastern portion of Travis County, Texas. The subject property is legally described as follows: “6.211 acres, part of the 41.211 acres, out of the MF Campbell Survey, outside the City of Lago Vista, Travis County, Texas.”

Topography:

Judging from a visual inspection, the site appears to have a level to slightly sloping topography. According to the Flood Insurance Rate Map Number 48453C0205H, dated September 26, 2008, from the Federal Emergency Management Agency (FEMA), the subject does not appear to have any flood hazard area. The subject property appears to have adequate drainage and is suitable for commercial development.

Soil and Sub-Soil Conditions:

The appraisers were furnished with a brief description of the soil type for the subject property:

According to the National Resources Conservation Service Web Soil Survey 2.1, the tract is identified as BID, Brackett-Rock outcrop complex. The Brackett soils occupy gently sloping undulating to rolling topography generally on benches 100 to 500 feet wide that are separated by outcrops of the underlying limestone and marl, with 1 to 12% slopes. They are shallow, well-drained soils with a gravelly surface layer. A soil map and unit description are included in Exhibit 13.

We do not express an opinion as to the quality of the soil. Based on surrounding developments and current improvements in the area, it would appear the soil is suitable for development. However, the appraisers recommend that a professional engineering report addressing soil stability, toxic waste, and hazardous materials be completed prior to encumbrance, transfer of ownership, or further development.

Utilities and Services:

In describing utility availability, the subject site has water, waste water, gas, electricity and telephone services available at the street. Water and waste water services are provided by the City of Lago Vista. Gas services are provided by Texas Gas Service and electric service is provided by Pedernales Electric Cooperative. The appraisers are of the opinion that the utilities are adequate to support a variety of commercial developments such as an office use.

Streets, Curbs, Sidewalks, Access:

The subject property is located near Dawn Drive in the ETJ of the City of Lago Vista. Dawn Drive is a asphalt paved primary neighborhood artery with two lanes in each direction. Portions of Dawn Drive have curbs, sidewalks and open drainage. The property appears to be adequate for commercial development. Overall, access, exposure and visibility would be considered to be average.

Zoning, Restrictions:

The subject property is located outside the city limits of Lago Vista with no zoning designations or restrictions, however, the site is located within the city's ETJ. The subject property is located within close proximity to existing City of Lago Vista improvements as well as a elementary school operated by the Lago Vista Independent School District. **This appraisal assumes that the subject property could be developed with a similar use as found in the surrounding area, that being, a retail and/or office use. This appraisal and the resultant market value estimate, assumes that the site could be annexed into the city and zoned for commercial development and that there are no adverse easements, encroachments, and/or deed restrictions that would adversely impact the subject property.**

Ownership History

A search of the Official Travis County Appraisal District Records revealed that the subject property is owned by Lago Vista ISD School District. A title commitment was not supplied to the appraisers, so an official chain of ownership could not be established. The subject property was last conveyed on October 27, 1997. No other sales, transactions or conveyances were noted for the subject property within the required three year search period. The subject property is not being marketed for sale nor is it under a contract agreement that the appraisers have been made aware of. As has been previously stated in this appraisal report, the appraisers are appraising the fee simple interest of the subject site, as vacant.

Travis County Assessment and Tax Data:

The subject property does not have a taxing parcel number. The parent tax parcel is under the jurisdiction of the following taxing entities: Travis County (0.412200), Lago Vista Independent School District (1.180000), Travis County Healthcare District (0.067900) and Travis County ESD No. 1 (0.100000). The subject's parent tax parcel is assessed at \$61,817 with a tax rate of \$1.760100 per \$100 valuation. The appraisers utilized the same tax rate and estimated the taxes of the 6.211 acre parcel based on the parent tax parcel information. Therefore, the total tax liability is estimated to be \$163.98 based on an assessed value is \$9,316.69 for the subject property. The assessed value is based on the "market" assessed value of the subject for the 2008 tax year.

HIGHEST AND BEST USE

The appraisers will now discuss the Highest and Best Use of the Subject "As Vacant"

Highest and Best Use - "As Vacant"

Legally Permissible

Legal restrictions as they apply to the subject are both public zoning ordinances and private deed restrictions. This is the appraiser's first step in the highest and best use since it can narrow down the uses which could be built on a particular site. If a particular use is not legally permissible then the use is only speculative since it would require a zoning change or variance etc.

The subject site is located outside the municipality of the City of Lago Vista with no zoning designations or restrictions. As has been previously discussed in the zoning section of this report, the appraisers has assumed that the site could be annexed into the city and the zoning for the subject site could support a retail and/or office use. The site is capable of supporting several different types of commercial development. Given the location, the frontage, and the surrounding uses, the subject site could be developed with a office use or any other suitable neighborhood commercial use allowed by the ETJ zoning authority. There are no known deed restrictions that would limit the use of the site.

Physically Possible

The Physically Possible constraint imposed on the subject property is dictated by the physical aspects of the site itself. In general, the larger the site, the greater it's potential to achieve the economies of scale and flexibility in development.

The subject property is basically an irregular shaped site, which contains 6.211 acres of land area. The topography of the site is basically slopping and rolling terrain. There are no noticeable erosion patterns or significant terrain problems that would affect the utility of the site. The property would physically support a variety of commercial uses. The surrounding developments in the subject's immediate area are commercial office and retail land uses. Overall, the size, shape, location, utilities, exposure, access and frontage of the subject tract, appears to be suitable for commercial neighborhood office development.

Financially Feasible

In order for a property to be financially feasible it must be able to generate an income stream which will support the debt service and operating expenses, as well as provide a reasonable return to the equity dollars invested. In order to satisfy this constraint, the

use must produce an acceptable income, or return, in comparison to the operating expenses, financial expenses, and capital amortization.

The subject site consists of a site with an irregular shape and an interior site configuration. The location and access to Dawn Drive and the surrounding properties is more suited for a neighborhood commercial office use. Similar commercial uses exist in the surrounding area within close proximity to the subject site. Based on the market rental rates, occupancy rates, and absorption rates, it is our opinion that the site as vacant could ultimately be developed with a neighborhood commercial office use. Future development of the subject site as a neighborhood commercial office development appears to be the highest and best use and most probable use. However, it is the appraiser's opinion, that due to the slowdown in the Austin area market, that development of the site is not financially feasible at this time.

Maximally Productive

At this point we have concluded that, as vacant, the subject site is legally and physically suited for commercial neighborhood office development or use, but not financially feasible at this time. Thus, the maximally productive use and the highest and best use, as vacant, would be to hold the subject site for future development with a commercial neighborhood office use.

Highest and Best Use - Conclusion

The subject property is being appraised as a vacant tract of land with an irregular shape and an interior configuration outside the City of Lago Vista. It is reasonable to assume that an investor would purchase the site for future office development. A commercial use of the subject site as a neighborhood office development is the most probable use. Consequently, it is our opinion that the subject site should be held for future development with a neighborhood office use as demand appears to support such use in the area.

ANALYSIS AND VALUATION OF THE WHOLE PROPERTY

The appraisers estimated the market value of the subject property by the Sales Comparison Approach. The underlying premise of this approach is that a prudent purchaser would pay no more for a property than the cost of acquiring an equally desirable substitute site in the open market. Several sales were available within the immediate area which provided good market support for the subject property.

Your attention is now directed to the adjustment grid which presents the adjustments required to the comparable land sales in estimating the market value of the subject property. An analysis follows the adjustment grid which explains the adjustments applied to each of the comparable sales. In addition, a detailed write-up of each of the comparable sales utilized has been included within the addenda of this report.

Land Sales Adjustment Grid

6.211 acres near Dawn Drive, Lago Vista, Texas

Subject	Sale 1	Sale 2	Sale 3	Sale 4	
Name	6.211 acres in Lago Vista	6.89 acres in Lago Vista	5.03 acres in Lago Vista	1.47 acres in Lago Vista	0.78 acres in Lago Vista
Address	Near Dawn Drive	5500 Lohman Ford Road	4712 Lohman Ford Rd	8017 Bronco Lane	Lohman Ford Rd & Northland
City	Lago Vista	Lago Vista	Lago Vista	Lago Vista	Lago Vista
State	TX	TX	TX	TX	TX
Contract/Sale Date	NA	4/13/2007	10/29/2007	4/5/2007	4/24/2007
Sale Price	NA	\$ 317,600	\$ 502,900	\$ 275,000	\$ 125,000
Land Area (SF)	270,551	300,128	219,107	64,033	33,977
Land Area (Acres)	6.211	6.890	5.030	1.470	0.780
Price/Per SF		\$ 1.06	\$ 2.30	\$ 4.29	\$ 3.68
Property Rights Conveyed					
Percent Adjustment		0.0%	0.0%	0.0%	0.0%
Dollar Adjustment		\$ -	\$ -	\$ -	\$ -
Adjusted Price		\$ 1.06	\$ 2.30	\$ 4.29	\$ 3.68
Financing Terms					
Percent Adjustment		0.0%	0.0%	0.0%	0.0%
Dollar Adjustment		\$ -	\$ -	\$ -	\$ -
Adjusted Price		\$ 1.06	\$ 2.30	\$ 4.29	\$ 3.68
Conditions of Sale					
Percent Adjustment		25.0%	0.0%	0.0%	0.0%
Dollar Adjustment		\$ 0.26	\$ -	\$ -	\$ -
Adjusted Price		\$ 1.32	\$ 2.30	\$ 4.29	\$ 3.68
Time/Market Conditions					
Appraisal Date	1/26/2009				
Months Elapsed	-----	8.77	2.13	9.03	8.40
Annual % Adj.	12.00%				
Percent Adjustment		8.8%	2.1%	9.0%	8.4%
Dollar Adjustment		\$ 0.12	\$ 0.05	\$ 0.39	\$ 0.31
Adjusted Price		\$ 1.44	\$ 2.34	\$ 4.68	\$ 3.99
Adjustment For					
Location		-5%	-15%	-35%	-25%
Zoning - Use		0%	0%	0%	0%
Physical Characteristics					
Size		0%	0%	-25%	-35%
Shape		0%	0%	0%	0%
Topography		0%	-20%	0%	0%
Utilities		0%	0%	0%	0%
Flood Hazard		0%	0%	0%	0%
Corner & Frontage		-10%	-5%	0%	-5%
Percent Adjustment		-15.0%	-40.0%	-60.0%	-65.0%
Dollar Adjustment		\$ (0.22)	\$ (0.94)	\$ (2.81)	\$ (2.59)
Adjusted Price		\$ 1.22	\$ 1.41	\$ 1.87	\$ 1.40
Net Percent Adjustment		18.8%	-37.9%	-51.0%	-56.6%
Net Adjustment		\$ 0.17	\$ (0.89)	\$ (2.42)	\$ (2.28)
Adjusted Price		\$ 1.22	\$ 1.41	\$ 1.87	\$ 1.40

Price/Rentable Area Comparison

Indicated Subject Value

Number of Comps	4	Land Area (SF).....	270,551
Maximum.....	\$ 1.87	Indicated Subject Value Per SF.....	\$ 1.40
Mean (avg.).....	\$ 1.47	Indicated Subject Value.....	\$ 378,772
Minimum.....	\$ 1.22	Indicated Value Rounded To.....	\$ 380,000

LAND SALES ANALYSIS

The four most comparable vacant land sales are presented in an adjustment grid form on the preceding page. These sales are appropriately adjusted for differences in location, zoning/land use, size/shape, utilities, flood hazard, and corner/frontage. An explanation of the adjustments follows below. Additional listings were reviewed by the appraisers and have been retained within the appraiser's files. The listings were utilized by the appraisers only to establish or set the upper limits of market value. The following chart summarizes the comparable land sales:

COMPARABLE LAND SALES SUMMARY TABLE

No.	Location	Sale Date	Price	Size in SF	Price/ SF
1.	5500 Lohman Ford Road	04/13/2007	\$317,600	300,128	\$1.06
2.	4712 Lohman Ford Road	10/29/2007	\$502,900	219,107	\$2.30
3.	8017 Bronco Lane	04/05/2007	\$275,000	64,033	\$4.29
4.	20601 Northland Drive	04/24/2007	\$125,000	33,977	\$3.68

ADJUSTMENTS TO COMPARABLE'S

Conditions of Sale and Financing: On comparable sale one, the buyer reportedly paid approximately 25% below market for the tract of land because it was purchased with an adjoining 26.20 acres tract of land. No other adjustments were deemed necessary to any of the other comparables for financing, or condition of the sale.

Market Condition: Based on an analysis of the real estate market of both raw land and improved properties, the appraisers have estimated the changes in the market for land and improved properties. A review of comparable sales in the subject area indicates that market values increased from January of 2005 to January 2008. For purposes of this report we have selected twelve percent per year or 1% per month for the increases in property values for this time period. From January 2008 to the present, market values have been stable. The sales comparables were adjusted accordingly for time.

Location Adjustment: The subject property is located on a primary neighborhood artery within the City of Cedar Park. All of the comparable sales have superior locations as compared to the subject, thus they were adjusted downward accordingly.

Zoning Adjustment: All of the comparable sales utilized have similar zoning designations and/or uses. It is the opinion of the appraisers that the comparable sales did not warrant an adjustment for zoning or use.

Size and Shape Adjustment: The size of acreage tracts and lots does have an impact on its sale price. Smaller sized tracts typically sell for more per square foot or acre, while larger tracts typically sell for less per square foot or acre. Comparable sales one

and two are similar in size to the subject, thus no adjustment for size was necessary. Comparable sales three and four are smaller than the subject site, thus they were adjusted downward accordingly for size. The comparable sales have a variety of site shapes, however, it is the opinion of the appraisers that no adjustment for shape was necessary.

Utilities Adjustment: The subject is serviced with water, sewer, gas, telephone and electrical services. All of the comparable sales have similar utility availability. No adjustments to the comparable sales were necessary for utilities.

Flood Hazard: According to a review of the subject plat map and a FEMA flood plain map, the subject does not appear to be in the 100 year flood plain. None of the comparable sales appear to be located in a flood hazard area, thus no adjustment was warranted for flood hazard. The subject property and the sales comparables do not have flood hazard issues.

Corner & Frontage: The subject property has an interior site configuration with average road frontage. Comparable sales one, two and four have either corner lot configurations or superior frontage, thus they were adjusted downward. Comparable sale three has similar frontage and lot configuration as the subject property, thus no adjustment was warranted.

VALUATION CONCLUSION

The appraisers analyzed all of the vacant land sales which had occurred in the subject's competing marketplace. Of the four closed sales, all were considered to be reliable comparables to the subject. The sales comparables have an adjusted price range from \$1.22/SF to \$1.87/SF. The mean or average indicated value was \$1.47/SF. In estimating a final value conclusion for the subject, comparable sales one and two were felt to be the best sales and they received twice as much weight in the final analysis as comparable sales three and four. The indicated price per square foot concluded by the appraisers is \$1.40/SF. Therefore, the following calculations can be made:

\$1.40 Per Square Foot x 270,551 Square Feet = \$378,772 | Rounded to \$380,000

Based on the valuation analysis of the 6.211 acres of vacant land, the appraisers have estimated the market value to be as follows:

THREE HUNDRED EIGHTY THOUSAND DOLLARS

(\$380,000)

CERTIFICATE AND FINAL VALUE ESTIMATE

CERTIFICATION: We hereby certify:

That as of **January 26, 2009**, it is my opinion the market value of the subject property herein described is **\$380,000** and is based upon my independent appraisal and the exercise of my professional judgment; That I personally inspected the property herein appraised; That to the best of my knowledge and belief, the statements contained herein are true and the information upon which the opinions expressed therein are based is correct, subject to limiting conditions set forth in this summary appraisal;

This appraisal is made in conformance with appropriate State laws, regulations and policies applicable to appraisal for the acquisition of whole properties; That neither our employment nor our compensation for making this appraisal are in any way connected upon the values reported herein;

That we have no direct or indirect present or future personal interest in such property or in any way benefit from the acquisition of such property appraised;

The appraisal was made and the appraisal report prepared in conformity with the Uniform Appraisal Standards of Appraisal Practice. The analysis and conclusion were prepared by Mr. Chris P. Griesbach.

The appraisal was made and the appraisal report prepared in conformity with the Appraisal Foundation's Uniform Standards for Professional Appraisal Practice.

The undersigned do hereby certify that, to the best of our knowledge and belief:

-The statements of fact contained in this report are true and correct.

-The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is our personal, unbiased professional analyses, opinions, and conclusions.

-We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.

-Mr. Steven R. Hamlin provided significant real estate appraisal professional assistance to the person signing this certification.

-Our compensation is not contingent on an action or event resulting from the analysis, opinions, or conclusions in, or the use of, this report.

-Mr. Chris P. Griesbach and Mr. Steven R. Hamlin made a personal inspection of the

property that is the subject of this report.

-Our analysis, opinions, and conclusions were developed, and this report has been prepared in accordance to the standards and reporting requirements of the Appraisal Institute, the American Society of Appraisers, and the Federal Home Loan Bank Board.

-The Texas Real Estate Appraiser Certification Committee regulates the State Certification of Texas Real Estate Appraisers. Under this program Mr. Chris P. Griesbach is currently certified through November 30, 2011.

-Mr. Griesbach is currently certified with the Appraisal Institute continuing education program.

-"The appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan".

Respectfully submitted,

LONE STAR APPRAISALS & REALTY, INC.
Valuation Consultants



Chris P. Griesbach, MAI
Principal
State Certified (Texas)
TX-1321135-G

LIMITING CONDITIONS AND ASSUMPTIONS

1. Limit of Liability

The liability of LONE STAR APPRAISALS & REALTY, INC. and employees is limited to the fee collected. There is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The Appraisers assume no responsibility for any costs incurred to discover or correct any deficiencies present in the property.

2. Copies, Publication, Distribution, Use and Ownership of Report

Possession of this report or any copy thereof does not carry with it the right of publication, nor may it be used for other than its intended use; the physical report(s) remain the property of LONE STAR APPRAISALS & REALTY, INC. for the use of the client, the fee being for the analytical services only.

The Bylaws and Regulations of the Appraisal Institute require each Member and Candidate to control the use and distribution of each appraisal report signed by such Member or Candidate; except as hereinafter provided, the client may distribute copies of this appraisal report in its entirety to such third parties as he may select; however, selected portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of this appraisal report. Neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations, news, sales or other media for public communication without the prior written consent of LONE STAR APPRAISALS & REALTY, INC.

3. Confidentiality

This appraisal is to be used only in its entirety and no part is to be used without the whole report. All conclusions and opinions concerning the analysis are set forth in the report, which were prepared by the Appraiser(s) whose signature(s) appear on the appraisal report, unless indicated as "Review Appraiser." No change of any item in the report shall be made by anyone other than the Appraiser and/or officer of the firm. The Appraiser and firm shall have no responsibility if any such unauthorized change is made.

4. Trade Secrets

This appraisal was obtained from LONE STAR APPRAISALS & REALTY, INC. or related companies and/or its individuals or related independent contractors and consists of "trade secrets and commercial or financial information" which is privileged and confidential and exempt from disclosure under 5 U.S.C. 552 (b)(4). Notify the

appraiser(s) signing the report or an officer of LONE STAR APPRAISALS & REALTY, INC. of any request to reproduce this appraisal in whole or part.

5. Information Used

No responsibility is assumed for accuracy or information furnished by or from others, the client, his designee, or public records. We are not liable for such information or the work of possible subcontractors. Be advised that some of the people associated with LONE STAR APPRAISALS & REALTY, INC., and possibly signing the report, are independent contractors. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction, or from affidavit or other sources thought reasonable; all are considered appropriate for inclusion to the best of our factual judgment and knowledge. An impractical and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering and market-related information. It is suggested that the client consider independent verification within these categories as a prerequisite to any transaction involving sale, lease, or other significant commitment of subject property, and that such verification be performed by the appropriate specialists.

6. Testimony, Consultation, Completion of Contract for Appraisal Services

The total fee is payable upon fulfillment/completion of the contract for appraisal, consultation or analytical service. The appraiser(s) or those assisting in preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal, in full or in part, nor engage in post appraisal consultation with client or third parties except under separate and special arrangement and at an additional fee. If testimony or deposition is required because of any subpoena, the client shall be responsible for any additional time, fees, and charges regardless of issuing party.

7. Exhibits

The sketches and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photos, if any, are included for the same purpose. Site plans are not surveys unless shown from separate surveyor.

8. Legal, Engineering, Financial, Structural, or Mechanical Nature Hidden Components, Soil

No responsibility is assumed for matters legal in character or nature, nor matters of survey, nor of any architectural, structural, mechanical, or engineering nature. No opinion is rendered as to the title, which is presumed to be good and merchantable. The property is appraised as if free and clear, unless otherwise stated in particular parts of the report.

The legal description is assumed to be correct as used in this report as furnished by the client, his designee, or as derived by the appraisers.

Please note that no advice is given regarding mechanical equipment or structural integrity or adequacy, nor soils and potential for settlement, drainage, and such (seek assistance from qualified architect and/or engineer) nor matters concerning liens, title status, and legal marketability (seek legal assistance), and such. The lender and owner should inspect the property before any disbursement of funds; further, it is likely that the lender or owner may wish to require mechanical or structural inspections by a qualified and licensed contractor, civil or structural engineer, architect, or other expert.

The Appraisers have inspected as far as possible, by observation, the land and the improvements; however, it was not possible to personally observe conditions beneath the soil, hidden structurally, or other components. We have not critically inspected mechanical components within the improvements and no representations are made herein as to these matters unless specifically stated and considered in the report. The value estimate considers there being no such conditions that would cause a loss of value. The land or the soil of the area being appraised appears firm, however subsidence in the area is unknown. The appraiser(s) do not warrant against this condition or occurrence of problems arising from soil conditions.

The appraisal is based on there being no hidden, unapparent, or apparent conditions of the property site, subsoil, or structures or toxic materials which would render it more or less valuable. No responsibility is assumed for any such conditions or for any expertise or engineering to discover them. All mechanical components are assumed to be in operable condition and status standard for properties of the subject type. Conditions of heating, cooling, ventilating, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. No judgment is made as to adequacy of insulation, type of insulation, or energy efficiency of the improvements or equipment.

If the Appraisers have 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 warranties are made concerning obtaining the above mentioned items.

The Appraisers assume 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.

9. Legality of Use

The appraisal is based on the premise that there is full compliance with all applicable federal, state and local environmental regulations and laws unless otherwise stated in the report; further, that all applicable zoning, building, and use regulations and restrictions for all types have been complied with unless otherwise stated in the report; further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority (local, state, federal and/or private entity or organization) have been or can be obtained or renewed for any use considered in the value estimate.

10. Component Value

The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.

11. Auxiliary and Related Studies

No environmental or impact study, special market study or analysis, highest and best use analysis study or feasibility study has been requested or made unless otherwise specified in an agreement for services or in the report. The appraisers reserve the unlimited right to alter, amend, revise, or rescind any of the statements, findings, opinions, values, estimates, or conclusions upon any subsequent such study, analysis, previous study, factual information as to market or subject, or analysis subsequently becoming known to him.

12. Dollar Value, Purchasing Power

The market value estimated, and the costs used, are as of the date of the estimate of value. All dollar amounts are based on the purchasing power and price of the dollar as of the date of the value estimate.

13. Inclusions

Furnishings and equipment, personal property, or business operations except as specifically indicated and typically considered as a part of real estate, have been disregarded with only the real estate being considered in the value estimate unless otherwise stated. In some property types, business and real estate interests and values are combined.

14. Proposed Improvements, Conditioned Value

Improvements proposed, if any, on or off-site, as well as any repairs required are considered, for purposes of this appraisal, to be completed in a good and workmanlike

manner according to information submitted and/or considered by the appraisers. In cases of proposed construction, the appraisal is subject to change upon inspection of property after construction is completed. This estimate of market value is, as of the date shown, proposed as if completed and operating at levels shown and projected.

15. Value Change, Dynamic Market, Influences

The estimated market value is subject to change with market changes over time; value is highly related to exposure, time, promotional effort, terms, motivation, and conditions surrounding the offering. The value estimate considers the productivity and relative attractiveness of the property physically and economically in the marketplace.

In cases of appraisals involving the capitalization of income benefits, the estimate of market value, investment value, or value in use is a reflection of such benefits and appraiser's interpretation of income and yields and other factors derived from general and specific client and market information. Such estimates are as of the date of the estimate of value; they are thus subject to change as the market and value is naturally dynamic.

The "Estimate of Value" in the appraisal report is not based in whole or in part upon the race, color, or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.

The Appraisers reserve the right to alter the opinion of value on the basis of any information withheld or not discovered in the original normal course of a diligent investigation.

16. Management of the Property

It is assumed that the property which is the subject of this report will be under prudent and competent ownership and management; neither inefficient nor super-efficient.

17. Professional Fees

The fee for this appraisal or study is for the analytical services rendered and not for the time spent on the physical report itself. The physical report(s) remains the property of LONE STAR APPRAISALS & REALTY, INC. under all circumstances.

18. Authenticity

The authentic copies of this report have a light blue cover with a dark blue type seal utilizing the LONE STAR APPRAISALS & REALTY, INC. logo. Any copy that does not have the above is unauthorized and may have been altered. Please contact LONE STAR APPRAISALS & REALTY, INC. if there is any question regarding authenticity of this report.

19. Insulation and Toxic Materials

Unless otherwise stated in this report, the appraiser(s) signing this report has no knowledge concerning the presence or absence of toxic materials and/or urea-formaldehyde foam insulation in existing improvements; if such is present the value of the property may be adversely affected and re-appraisal at additional cost necessary to estimate the effects of such.

20. Right To Alter Market Value

The appraisers and/or officers of LONE STAR APPRAISALS & REALTY, INC. reserve the right to alter statements, analysis, conclusion or any value estimate in the appraisal if there becomes known to us facts pertinent to the appraisal process which were unknown to us when the report was finished.

21. SPECIAL CONDITIONS: The appraisers made the assumption that the subject property was free and clear of any environmental nuisances which might affect the market value of the property. The appraisers are not environmental experts and thus they have not rendered an opinion as to the presence or absence of any environmental hazards.

22. Americans With Disabilities Act (ADA)

The reader should note that the owner may be subject to additional financial expenditures in accordance with the Americans With Disabilities Act (ADA), a Federal law codified at 42 USC Section 12101, et seq. Among other requirements of the ADA that could apply to this property, Title III of the ADA requires owners and tenants of "public accommodations" to remove barriers to access by disabled persons and provide auxiliary aids and services for hearing, vision, or speech impaired persons. The compliance deadline for businesses with more than 25 employees was January 26, 1992 and companies with fewer than 10 employees had until January 26, 1993. It should be noted that churches and private clubs are exempt from the requirements of this Act. The regulations under Title II of the ADA are codified at 28 CFR part 36.

The reader should also note that the appraisers are not qualified experts as to the subject's compliance, or noncompliance, under the ADA. In recognition of this law's recent enactment, some of the requirements may be subject to interpretation. However, a very significant factor is that the Act contains no "grandfather" clause for older buildings. The standards for existing buildings are less than those for new construction but the buildings must be made accessible to the extent that this is readily achievable.

"Readily achievable" is open for interpretation by the Department of Justice and involves considerations of cost, size of company, number of employees and the financial ability of the owner. More is expected from those with greater financial ability, while undue hardship for others may be considered. In that the owner's financial

capability is the primary consideration with respect to compliance, the real estate appraiser cannot determine, nor should he or she be requested to determine, building compliance.

Compliance determination rests with the Department of Justice which recognizes that immediate and full compliance is unattainable for existing buildings. Owners, however, are well-advised to have an accessibility plan in place to show a "good faith" effort for adhering to the law.

Lending institutions need to recognize and address ADA as it affects properties used as collateral for loans. In a foreclosure situation, the bank as the new owner of a property usually has more financial capability than the bankrupt former owner, and may be made liable for more stringent handicap accessibility.

Real estate appraisers should inform their clients of major barriers to access noted during physical inspection. Since the first priority is getting the handicapped person through the door, those items should be noted first. The next priority is providing access to service areas. The third priority is making the restrooms accessible, followed by the rest of the facility.

In conclusion, the ADA requires places of public accommodation and employment to be equally accessible to all people, and it will have long lasting and far reaching effects on real estate. The client is strongly urged to retain the services of a qualified independent expert concerning the interpretation and application of the ADA and to determine the subject's status. The value reported herein is subject to revision, should it later be determined that additional expenditures are required to comply with this Act.

23. ACCEPTANCE OF, AND/OR USE OF, THIS APPRAISAL REPORT
CONSTITUTES ACCEPTANCE OF THE ABOVE CONDITIONS.

**SPECIAL REPORT CONDITIONS, APPRAISER'S
LIABILITY LIMITATIONS AND CLIENT AGREEMENTS**

The acceptance of this report and its use by the client in any manner whatsoever or for any purpose is acknowledgment by him that this report is a satisfactory professional product, and that he has personally read the report, and specifically agrees that the data herein is accurate to the best of the appraisers' ability.

The report remains the personal property of the signer and may not be transmitted to a third party without the signer's written permission. Permission is granted to transmit to a third party mortgagee.

LONE STAR APPRAISALS & REALTY, INC. and/or the individual signatories personal responsibility does not extend to a third party under any circumstance whatsoever.

As a part of the Appraiser-Client employment agreement, the client agrees to notify LONE STAR APPRAISALS & REALTY, INC. or it's representative of any error, omission, or invalid data herein within fifteen (15) days of receipt and return the report along with all copies to LONE STAR APPRAISALS & REALTY, INC. for correction prior to any use whatsoever.

UNDER NO CIRCUMSTANCES shall LONE STAR APPRAISALS & REALTY, INC. or individual signatories liability exceed the fee actually collected for this report, and then only in case of a gross error which would have materially affected the appraiser's value opinion as of the date of the valuation.

Thus, by acceptance of this report, you acknowledge that a value opinion is the product of a professionally trained mind but nevertheless is an opinion only; and not a provable fact. As a personal opinion, valuation may vary between appraisers based on the same facts.

Thus, LONE STAR APPRAISALS & REALTY, INC. and individual signatories warrant only that the value conclusion is his best opinion estimate as of the exact day of valuation.

QUALIFICATIONS OF CHRIS P. GRIESBACH, MAI

Chris P. Griesbach graduated from the University of Texas-Austin with a Bachelor of Business Administration degree with his majors being in Real Estate and General Business. He has been active in real estate since 1981 and his experience includes residential and commercial real estate appraising, property management, real estate development, investments, and brokerage. Chris is currently an active member with the Appraisal Institute (MAI), a member of the International Right of Way Association (IRWA), a designated realtor member with the Austin Board of Realtors, a member of the Austin Multiple Listing Service, and a licensed Real Estate Broker in Texas. Additionally, Mr. Chris P. Griesbach is a State Certified General Real Estate Appraiser in the State of Texas. His Certificate Number is: TX-1321135-G.

Chris is an approved appraiser for the State Department of Highways and Public Transportation, the City of Austin, the City of Cedar Park, City of Leander, City of Georgetown, City of Kyle, The Lower Colorado River Authority, The Federal Deposit Insurance Corporation (FDIC), as well as numerous other private and public municipalities, mortgage companies, and banking institutions. His appraisal experience includes commercial, residential, industrial, office, retail, farm and ranch, mixed-use subdivisions, raw land, and special purpose properties such as restaurants, hotels, postal facilities, and cold storage facilities. Chris has specialized in the Eminent Domain field since 1988 and has extensive experience appraising partial acquisitions for right of way and easements. Additionally, Chris has extensive experience valuing whole property acquisitions for such uses as libraries, police stations, detention ponds, lift stations, and other uses. His appraisal experience is extensive being that he has been an active real estate appraiser from 1983 to the present. Chris is the Principal owner of *LONE STAR APPRAISALS & REALTY, INC.*

A partial resume of specific qualification is outlined below:

Professional Education

Real Estate courses from the University of Texas:

- Introduction to Real Estate
- Real Estate Appraisal Theory & Methods
- Real Estate Finance
- Real Estate Law
- Real Estate Investments & Feasibility Analysis
- Real Estate Finance & Syndication

Other courses:

- Technical Report Writing
- Business Finance & Integrative Finance
- Business Law
- Tax Accounting & Fundamentals of Financial Accounting (1 & 2)

Finance - Money, Banking and Economic Conditions
Finance - Savings Institutions

Professional Organizations Courses and Exams Completed

Course 1400N - USPAP Update - Standards and Ethics for Professionals (AI)
Course - Rates and Ratios - Making Sense of GIM's, OAR's, and DCF's (AI)
Course 1A-1/8-1 Real Estate Appraisal Principles (AI formerly AIREA)
Course 1-A-2 Basic Valuation Procedures (AIREA)
Course 1B-A Capitalization Theory & Tech Part A (AIREA)
Course 1B-B Capitalization Theory & Tech Part B (AIREA)
Course 2-1 Case Studies in Real Estate Valuation (AIREA)
Course 2-2 Valuation Analysis and Report Writing (AIREA)
Course 2-3 Standards of Professional Practice (AIREA)
Course 1-1 The Principles of Appraisal Practice and Code of Ethics (AIREA)

Demo: Chris has successfully completed and received a passing grade on his Demonstration Report as required by the Appraisal Institute for the MAI designation in 1991.

Comprehensive Exam Chris has successfully completed and received a passing grade on the comprehensive exam offered by the Appraisal Institute for the MAI designation in 1991.

Exp. Credits Chris has completed all five years of experience credits as required for the MAI designation in 1991.

Exam State Certification Exam "General Real Estate Appraiser"
(Texas Real Estate Commission)

Professional Memberships

Appraisal Institute (MAI):

Member - Appraisal Institute
Member Number - 9200

American Society of Appraisers (ASA):

Senior Member - American Society of Appraisers (Real Property-Urban)
Member Number - 3270

International Right of Way Association (IRWA):

Member - IRWA Chapter #74
Member Number - 07443683

Austin Board of Realtors:

Member - Designated Realtor
Member Number - 10263

Seminars Attended

Eminent Domain - Laws & Legal Aspects
National Uniform Standards of Professional Appraisal Practice
Legal Aspects of Easements
Current Eminent Domain Issues
Environmental Issues in Real Estate - Maxim Engineers, Inc.
An Overview of the Role of the Federal Home Loan Bank Board
A Guide to the Federal Home Loan Bank Board
Non-Residential Report Writing
Comprehensive Appraisal Workshop
Eminent Domain Compensation Seminar
Property Management/Leasing
ADA - Real Estate
The Law, Money, and You
Real Estate Insurance
Understanding Real Estate Laws
The New Uniform Residential Appraisals
Rates and Ratios; Making sense of GIM's, OAR's, and DCF's
USPAP Update - Standards and Ethics for Professionals
Current Legal Issues in Right of Way
Legislative Issues Impacting Texas Appraisers
Legal Issues - Real Estate
Appraisal Review
Eminent Domain Seminar - IRWA
Market Analysis & Using the site to do Business
National USPAP - Appraisal Institute
On-line Strategies for Real Estate Appraisers
Environmental Hazards in Real Estate

Professional Certification

Member - Appraisals Institute; Member Number - 9200
Texas Real Estate Brokers License #343653-19
Member - Austin Board of Realtors #10263

Texas Real Estate Appraiser Licensing and Certification Board
State Certified - General Real Estate Appraiser
Certification Number: TX-1321135-G
Certification Expiration Date: November 30, 2009

DISCLOSURE

Disclosure of the contents of this report is governed by the By-Laws and Regulations of The American Society of Appraisers, The Appraisal Institute, and the International Right of Way Association. Neither all nor any part of the contents of this report, especially any conclusions as to value, the identity of the appraiser or the firm with which he is connected, or any reference to The Appraisal Institute, the RM or MAI designations, shall be disseminated to the public through the advertising media, public relations media, news media, sales media or any other public means of communication without the prior written consent and approval of the undersigned.



Chris P. Griesbach, MAI
President - Lone Star Appraisals & Realty, Inc.

STATEMENT OF CERTIFICATION STATUS

The Appraisal Institute conducts a mandatory program of continuing education for its designated members. Member MAI's who meet the minimum standards of this program are awarded periodic education certifications." I am currently certified under this program through December 31, 2011.

The Texas Real Estate Appraiser Certification Committee regulates the State Certification of Texas Real Estate Appraisers. Under this program I am currently certified through November 30, 2009.

QUALIFICATIONS OF STEVEN R. HAMLIN

Steven Hamlin has extensive experience in appraising all types of commercial properties including retail, office, office/condominiums, multifamily, industrial, and special purpose properties. Steven most recently has been hired on to work at Lone Star Appraisals & Realty, Inc. as a commercial appraiser. Lone Star Appraisals & Realty, Inc., is a full service real estate appraisal and consulting firm in Austin, Texas. The company was founded in 1988 by Chris Griesbach, MAI. Steven presently has his Trainees license with the State of Texas; however, he will have his general license in less than a year.

PROFESSIONAL EDUCATION

University of California Santa Barbara, Graduated 6/77 - Bachelor of Arts Degree
Buena High School, Ventura, California, Graduated 6/66 – College Preparation

Professional and Technical Courses:

Course	Provider	Date
Law of Agency	Champion's School of Real Estate	October 1997
Principles of Real Estate I	Champion's School of Real Estate	October 1997
Psychology of Marketing	Champion's School of Real Estate	November 1997
Uniform Standards of Professional Appraisal Practice	Appraisal Institute	January 2005
Basic Appraisal Principles	Appraisal Institute	February 2005
Basic Appraisal Procedures	Appraisal Institute	March 2005
Uniform Standards of Professional Appraisal Practice	The Columbia Institute	January, 2007
Residential Appraiser Site Evaluation & Cost Approach	The Columbia Institute	February 2007
Residential Market Analysis & Highest and Best Use	The Columbia Institute	March 2007
Basic Appraisal Procedures, No. 932	The Columbia Institute	March 2008

EMPLOYMENT HISTORY

Lone Star Appraisals & Realty, Inc: 6/07 to Present - Commercial Real Estate Appraisal
J. L. Vick and Company: 11/04 to 6/07 – Commercial, Residential and Land Appraisal
Austin Value Outlet: 7/03 to 10/04 – Operated a wholesale internet commerce business
Northrop Grumman: 8/00 to 7/03 – Marketed IT enterprise solutions and services
PI Corporation: 8/99 to 8/00 – Sales and Marketing IT Manager
PC2000: 10/98 to 7/99 – Director of Marketing and Sales of IT reseller products
The Bluegreen Company: 1/98 to 10/98 – Sold acreage properties in new developments

Lago Vista Independent School District - 6.211 Acres
Near Dawn Drive
Lago Vista, Texas 78645

ADDENDA

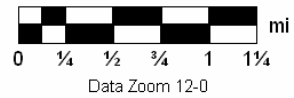
**Comparable Land Sales
Property Information
Engagement Document**

COMPARABLE LAND SALES

Comparable Land Sales Map



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COMPARABLE LAND SALES SUMMARY TABLE

No.	Location	Sale Date	Price	Size in SF	Price/ SF
1.	5500 Lohman Ford Road	04/13/2007	\$317,600	300,128	\$1.06
2.	4712 Lohman Ford Road	10/29/2007	\$502,900	219,107	\$2.30
3.	8017 Bronco Lane	04/05/2007	\$275,000	64,033	\$4.29
4.	20601 Northland Drive	04/24/2007	\$125,000	33,977	\$3.68

Land Sale No. 1

Property Identification

Record ID	507
Property Type	Land, Commercial
Property Name	6.89 acres in Lago Vista
Address	5500 Lohman Ford Road, Lago Vista, Travis County, Texas 78645
Tax ID	764791

Sale Data

Grantor	Splash Investments
Grantee	Keith Joseph Kelly
Sale Date	April 13, 2007
Deed Book/Page	2007131344
Property Rights	Fee simple
Marketing Time	< 12 months
Conditions of Sale	Normal market
Financing	Cash to seller
Verification	Coldwell Banker; 512 619-8121, January 29, 2009; Other sources: Comps, deed, tax records, Confirmed by Steve Hamlin

Sale Price	\$317,600
Adjusted Price	\$317,600

Land Data

Zoning	ETJ - None
Topography	Sloping and rolling
Utilities	All available at street
Shape	Irregular
Landscaping	Vacant land
Rail Service	None
Flood Info	None Known

Land Size Information

Gross Land Size	6.890 Acres or 300,128 SF
Useable Land Size	6.890 Acres or 300,128 SF , 100.00%

Indicators

Sale Price/Gross Acre	\$46,096
Sale Price/Gross SF	\$1.06
Sale Price/Useable Acre	\$46,096
Sale Price/Useable SF	\$1.06

Remarks

This land purchase was part of a larger sale involving the adjacent 26.20 acres tract of land. It was determined that the sale price was \$317,600. The intention of the buyer was to develop a retail pad site subdivision.

Land Sale No. 2

Property Identification

Record ID	304
Property Type	Land, Commercial
Property Name	Commercial Land
Address	4712 Lohman Ford Road, Lago Vista, Travis County, Texas 78645
Tax ID	375870
User 1	5.029 Acres out of the M F Campbell Survey No. 98, Abstract 189
User 2	AKA Lot 28, Rancho Cielo

Sale Data

Grantor	John & Selma Berlet & Melanie Isiyel
Grantee	Silvertex Investments Ltd
Sale Date	October 29, 2007
Deed Book/Page	2007199257
Property Rights	Fee Simple
Marketing Time	32 Days
Conditions of Sale	Normal Market
Financing	Cash to Seller
Verification	Laura Ivy Schultz, Phol Brown; 512-263-2001, May 05, 2008; Other sources: MLS #5584364, Tax Records, Deed Records, Confirmed by Steve Hamlin

Sale Price	\$502,900
Adjusted Price	\$502,900

Land Data

Zoning	ETJ - None
Topography	Level to sloping
Utilities	All Public Available
Shape	Irregular
Landscaping	Vacant land
Rail Service	None
Flood Info	None Known

Land Size Information

Gross Land Size	5.030 Acres or 219,107 SF
Useable Land Size	5.030 Acres or 219,107 SF , 100.00%

Indicators

Sale Price/Gross Acre	\$99,980
Sale Price/Gross SF	\$2.30
Sale Price/Useable Acre	\$99,980
Sale Price/Useable SF	\$2.30

Remarks

Corner Lot

Land Sale No. 3

Property Identification

Record ID	303
Property Type	Land, Commercial
Property Name	Commercial Land
Address	8017 Bronco Lane, Lago Vista, Travis County, Texas 78645
Tax ID	728594
User 1	Lot 1, Bar-K Ranches, Section 18, Resub Lot 18005-B of Resub of Lot 18005

Sale Data

Grantor	BGM Holdings LLC
Grantee	Min-Fei Yi, Chuan C. Ma & DongQing Zhang
Sale Date	April 05, 2007
Deed Book/Page	2007064539
Property Rights	Fee Simple
Marketing Time	187
Conditions of Sale	Normal Market
Financing	Cash to Seller
Verification	Gene Hammonds, Highland Lake Real Estate; 512-267-7772, May 05, 2008; Other sources: MLS #1208219, Tax Records, Deed Records, Confirmed by Steve Hamlin

Sale Price	\$275,000
Adjusted Price	\$275,000

Land Data

Zoning	Commercial
Topography	Sloping
Utilities	All Public Available
Shape	Basically rectangular
Landscaping	Vacant land
Rail Service	None
Flood Info	None Known

Land Size Information

Gross Land Size	1.470 Acres or 64,033 SF
Useable Land Size	1.470 Acres or 64,033 SF , 100.00%
Front Footage	150 ft Total Frontage: 150 ft Bronco Lane

Indicators

Sale Price/Gross Acre	\$187,075
Sale Price/Gross SF	\$4.29
Sale Price/Useable Acre	\$187,075
Sale Price/Useable SF	\$4.29
Sale Price/Front Foot	\$1,833

Remarks

Site preparation completed with shared driveway.

Land Sale No. 4

Property Identification

Record ID	302
Property Type	Land, Commercial
Property Name	Commercial Land
Address	20601 Northland Drive, Lago Vista, Travis County, Texas 78645
Tax ID	180293
User 1	Lot 1296, Less E. 25 Ft Strip AV Lago Vista Estates Section 6

Sale Data

Grantor	Santiago & Anayansi Torres Gonzales
Grantee	Lake Enterprises Inc
Sale Date	April 24, 2007
Deed Book/Page	2007074185
Property Rights	Fee Simple
Conditions of Sale	Normal Market
Financing	Cash to Seller
Verification	Alan Carlson; 512-267-6726, May 05, 2008; Other sources: Settlement Statement, Tax Records, Deed Records, Confirmed by Steve Hamlin

Sale Price	\$125,000
Adjusted Price	\$125,000

Land Data

Zoning	Commercial
Topography	Sloping
Utilities	All available at street
Shape	Basically rectangular
Landscaping	Vacant land
Rail Service	None
Flood Info	None known

Land Size Information

Gross Land Size	0.780 Acres or 33,977 SF
Useable Land Size	0.780 Acres or 33,977 SF , 100.00%
Front Footage	135 ft Northland;221 ft Lohman Ford Road

Indicators

Sale Price/Gross Acre	\$160,256
Sale Price/Gross SF	\$3.68
Sale Price/Useable Acre	\$160,256
Sale Price/Useable SF	\$3.68

Remarks

Corner Lot.

PROPERTY INFORMATION

TaxNetUSA: Travis County		Property ID Number: 171326 Ref ID2 Number: 01677701020000					
Owner's Name LAGO VISTA I S D SCHOOL DISTRICT		Property Details					
Mailing Address	PO BOX 4929 LAGO VISTA, TX 78645-0009	Deed Date	10271987				
Location	LOHMAN FORD RD 78645	Deed Volume	10470				
Legal	ABS 189 SUR 88 CAMPBELL M F ACR 41.211	Deed Page	00726				
		Exemptions	TOT				
		Freeze Exempt	F				
		ARB Protest	F				
		Agent Code	0				
Value Information	2008 Certified	Land Acres	41.2110				
Land Value	61,817.00	Block					
Improvement Value	0.00	Tract or Lot					
AG Value	0.00	Docket No.					
AG Productivity Value	0.00	Abstract Code	A0189				
Timber Value	0.00	Neighborhood Code	SEXMP				
Timber Productivity Value	0.00						
Assessed Value	61,817.00						
10% Cap Value	0.00						
Total Value	61,817.00						
		Data up to date as of 2008-11-26					
Value By Jurisdiction							
Entity Code	Entity Name	2007 Tax Rate	Assessed Value	Taxable Value	Market Value	Appraised Value	
0A	TRAVIS CENTRAL APP DIST		61,817.00	0.00	61,817.00	61,817.00	
03	TRAVIS COUNTY	0.412200	61,817.00	0.00	61,817.00	61,817.00	
16	LAGO VISTA ISD	1.180000	61,817.00	0.00	61,817.00	61,817.00	
2J	TRAVIS CO HEALTHCARE DIST	0.067900	61,817.00	0.00	61,817.00	61,817.00	
41	TRAVIS CO ESD NO 1	0.100000	61,817.00	0.00	61,817.00	61,817.00	
Improvement Information							
Improvement ID	State Category	Description					
Segment Information							
Imp ID	Seg ID	Type Code	Description	Class	Effective Year Built	Area	
						Total Living Area 0	
Land Information							
Land ID	Type Code	SPTB Code	Homesite	Size-Acres	Front	Depth	Size-Sqft
445765	LAND	D2	F	41.211	0	0	1,795,151

EXHIBIT B

FIELD NOTES FOR 6.211 ACRES

FIELD NOTES describing a 6.211 acre tract of land in the Mary Campbell Survey No. 98, Travis County, Texas being part of a 450.309 acre tract of land conveyed to F. Leland Stanford by deed recorded in Volume 10034, Page 21 of the Deed Records of Travis County, Texas and being more particularly described by metes and bounds as follows:

BEGINNING at an iron pin set on the South line of a tract of land conveyed to Lago Vista, Inc. by deed recorded in Volume 1974, Page 35 of the above mentioned Deed Records, on the East line of Lago Vista Travis Plaza, recorded in Book 39, Page 50 of the Plat Records of Travis County, Texas, for the Northwest corner of the above mentioned 450.309 acre tract and the Northwest corner of this tract.

THENCE S 68° 34' 06" E with the South line of the said Lago Vista, Inc. tract and the north line of the said 450.309 acre tract 186.63 feet to an iron pin set for the PC of a curve to the left, said curve having a radius of 15.00 feet and a central angle of 94° 55' 39".

THENCE with the arc of the said curve 24.85 feet, the long chord of which bears S 63° 58' 02" W 22.11 feet, to an iron pin set for the PT of the said curve.

THENCE S 16° 30' 12" W 124.14 feet to an iron pin set for the PC of a curve to the left, said curve having a radius of 405.00 feet and a central angle of 51° 40' 31".

THENCE with the arc of the said curve 365.27 feet, the long chord of which bears S 09° 20' 03" E 353.02 feet, to an iron pin set for the PT of the said curve.

THENCE S 35° 10' 18" E 920.57 feet to an iron pin set for the PC of a curve to the left, said curve having a radius of 405.00 feet and a central angle of 32° 29' 20".

THENCE with the arc of the said curve 229.65 feet, the long chord of which bears S 51° 24' 59" E 226.58 feet, to an iron pin set for the PT of the said curve.

THENCE S 67° 39' 38" E 260.68 feet to an iron pin set for the PC of a curve to the right, said curve having a radius of 581.00 feet and a central angle of 38° 52' 05".

THENCE with the arc of the said curve 394.14 feet, the long chord of which bears S 48° 13' 35" E 386.62 feet, to an iron pin set for the PT of the said curve and the PC of a curve to the left, said curve having a radius of 20.00 feet and a central angle of 83° 47' 28".

THENCE with the arc of the said curve 29.25 feet, the long chord of which bears S 70° 41' 11" E 26.71 feet, to an iron pin set for the PT of the said curve.

THENCE N 67° 25' 00" E 138.26 feet to an iron pin set for the PC of a curve to the right, said curve having a radius of 495.00 feet and a central angle of 33° 00' 00".

THENCE with the arc of the said curve 285.10 feet, the long chord of which bears N 83° 55' 00" E 281.18 feet, to an iron pin set for the PT of the said curve.

THENCE S 79° 35' 00" E 113.71 feet to an iron pin set for the PC of a curve to the left, said curve having a radius of 20.00 feet and a central angle of 86° 21' 48".

THENCE with the arc of the said curve 30.15 feet, the long chord of which bears N 57° 14' 08" E 27.37 feet, to an iron pin set on the proposed curving West right-of-way line of Lohmann Crossing Road for the PT of the said curve and the PC of a curve to the left, said curve having a radius of 1004.73 feet and a central angle of 01° 20' 56".

THENCE with the arc of the said curve 23.62 feet, the sub-chord of which bears S 13° 22' 47" W 23.62 feet, to an iron pin set in the intersection of the proposed curving West right-of-way line of Lohmann Crossing Road and the existing West right-of-way line of Lohmann Crossing Road, on the East line of the said 450.309 acre tract for the PT of the said curve.

THENCE S 25° 25' 32" W with the existing West right-of-way line of Lohmann Crossing Road 36.20 feet to an iron pin set for the PC of a curve to the left, said curve having a radius of 374.83 feet and a central angle of 07° 49' 16".

THENCE with the said existing right-of-way and the arc of the said curve 51.17 feet, the sub-chord of which bears S 21° 30' 53" W 51.13 feet, to an iron pin set for the PT of the said curve.

THENCE N 79° 35' 00" W 113.23 feet to an iron pin set for the PC of a curve to the left, said curve having a radius of 405.00 feet and a central angle of 33° 00' 00".

THENCE with the arc of the said curve 233.26 feet, the long chord of which bears S 83° 55' 00" W 230.05 feet, to an iron pin set for the PT of the said curve.

THENCE S 67° 25' 00" W 138.26 feet to an iron pin set for the PC of a curve to the left, said curve having a radius of 20.00 feet and a central angle of 00° 17' 20".

THENCE with the arc of the said curve 29.25 feet, the long chord of which bears S 25° 31' 22" W 26.71 feet, to an iron pin set for the PT of the said curve.

THENCE S 73° 37' 31" W 90.00 feet to an iron pin set for the PC of a curve to the left, said curve having a radius of 491.00 feet and a central angle of 51° 17' 09".

THENCE with the arc of the said curve 439.50 feet, the long chord of which bears N 42° 01' 03" W 424.97 feet, to an iron pin set for the PT of the said curve.

THENCE N 67° 39' 38" W 260.68 feet to an iron pin set for the PC of a curve to the right, said curve having a radius of 495.00 feet and a central angle of 32° 29' 20".

THENCE with the arc of the said curve 280.68 feet, the long chord of which bears N 51° 24' 59" W 276.94 feet, to an iron pin set for the PT of the said curve.

THENCE N 35° 10' 18" W 920.57 feet to an iron pin set for the PC of a curve to the right, said curve having a radius of 495.00 feet and a central angle of 51° 40' 31".

THENCE with the arc of the said curve 446.44 feet, the long chord of which bears N 09° 20' 03" W 431.46 feet, to an iron pin set for the PT of the said curve.

Exhibit B
Page 2 of 3

10470 0731

THENCE N 16° 30' 12" E 148.24 feet to the POINT OF BEGINNING containing 6.211 acres of land more or less.

I, Jay D. Becker, A REGISTERED PUBLIC SURVEYOR, do hereby certify that these field notes accurately represent the results of an on-the-ground survey made under my direction and supervision on the 4th day of September, 1987. All corners located are as shown. The property described herein is correct and has no visible discrepancies, protrusions, encroachments, easements, conflicts in boundary, overlapping of improvements, roads in place, nor shortages in area except as shown. This tract has access to and from a dedicated roadway.

HAYNIE KALLMAN AND GRAY, INC.



J. D. Becker
Jay D. Becker
Registered Public Surveyor No. 4443

12-6-87
Date
Job No. 1182-1999-6

FILED

1987 OCT 29 PM 2:31

*Return to:
Haynie Kallman & Gray, Inc.*

STATE OF TEXAS COUNTY OF TRAVIS
I hereby certify that this instrument was FILED on the date and at the place indicated by me and was duly RECORDED in the Public Record Page of the PUBLIC RECORDS of Travis County, Texas on

OCT 29 1987

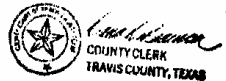


Exhibit B
Page 3 of 3

19870 0702

ENGAGEMENT DOCUMENT



LONE STAR APPRAISALS & REALTY, INC.

January 21, 2009

Client: Robert Zingelmann – Lago Vista ISD

Clients Address: P.O Box 4929
Lago Vista, Texas 78645-0009
robert_zingelma@lagovista.tred.net
512-267-8301

This document is to serve as an engagement letter for real estate appraisal services. Lone Star Appraisals & Realty, Inc. hereby agrees to prepare two narrative summary reports of the properties listed below for a total fee of \$3,500. The reports will be due no later than ten business days from the date of engagement. The fee will be billed to the client upon completion of the appraisal reports and will be due within 15 days.

Fee Quotes:

Property	Summary Appraisals
Tax ID 171326 – 41.211 Acres (And remainder +/- 35 acres)	\$ 1,900
6.2 acres out of the 41.211 Acres	\$ 1,600
Total Fee for two appraisals	\$ 3,500

We will prepare 15 original copies of the two report and the reports will be addressed to:

All Terms are accepted by client: Barbara Deal Date: 1/21/09

If you have any questions please give us a call. Please sign, date, and return to our office.

Chris P. Griesbach, MAI, Broker
Lone Star Appraisals & Realty, Inc.
3214 Great Valley Drive
Cedar Park, Texas 78613
(512) 331-7757 Office
(512) 331-5454 Fax
(512) 426-0087 Mobile
cgriesbach@austin.rr.com

REAL ESTATE SUMMARY APPRAISAL

PROPERTY: 41.211 ACRES OF VACANT LAND

PROPERTY ADDRESS: DAWN DRIVE AND LOHMAN FORD ROAD, LAGO VISTA, TEXAS 78645

TCAD PARCEL: 171326 / 01-6777-0102-0000

OWNER(S): LAGO VISTA ISD SCHOOL DISTRICT

OWNER'S ADDRESS: PO BOX 4929, LAGO VISTA, TEXAS 78645



Appraisal Prepared For:

**Mr. Robert Zinglemann
Lago Vista Independent School District
PO Box 4929
Lago Vista, Texas 78645**

As Of:

January 26, 2009

Prepared By:

**Lone Star Appraisals & Realty, Inc.
Chris P. Griesbach, MAI
State Certified General Real Estate Appraiser**



LONE STAR APPRAISALS & REALTY, INC.

January 30, 2009

Mr. Robert Zinglemann
Lago Vista Independent School District
PO Box 4929
Lago Vista, Texas 78645

RE: Analysis and Valuation of the 41.211 acres located near Dawn Drive and Lohman Ford Road in the City of Lago Vista, Travis County, Texas 78645. LSAR File # 3046c.sh/cpg.

Dear Mr. Zingelmann:

Per your instructions, we have prepared an appraisal of the above referenced property. The appraisal has been presented herein in a summary format at your request. We have inspected the subject property described above and have completed a drive by of the comparable sales.

The subject property is a 41.211 acre tract of land which is located near Dawn Drive and Lohman Ford Road in the City of Lago Vista, Travis County, Texas. The subject property is vacant land with frontage on Dawn Drive and Lohman Ford Road. The subject property is not located within the City of Lago Vista and therefore is not subject to zoning restrictions, however, it is located in the Extraterritorial Jurisdiction (ETJ) of the City of Lago Vista and subject to the city's development guidelines. The surrounding area has a mixture of residential and commercial developments. The purpose of this appraisal is to assist the client in establishing a purchase price and in the decision making process of possible sale of the subject property to the City of Lago Vista for expansion of the city's municipal buildings, including a new police station. This report was prepared in accordance with the assumptions and limiting conditions stated in this report and the report is intended to comply with the Uniform Standards of Professional Appraisal Practice (USPAP 2005) as promulgated by The Appraisal Foundation. At your request, we will provide you with an "as is" valuation estimate of the subject property.

An analysis was completed of the available sales comparable's from the subject's market area. The appraisers were able to confirm several sales which all sold within the past few years. The research and analyses necessary to furnish you with a market value recommendation for the subject property has been completed. Market Value is defined within the body of this report. Based upon investigation and analysis of the data, the following represents our estimate of market value as of January 26, 2009.

3214 GREAT VALLEY DRIVE CEDAR PARK, TEXAS 78613 (512) 331-7757 FAX (512) 331-5454

Market Values of:

41.211 acres of land, Near Dawn Drive and Lohman Ford Road, Lago Vista, Texas

NINE HUNDRED FORTY-FIVE THOUSAND DOLLARS

(\$945,000)

35.00 acres of land – Remainder without 6.211 acres

SIX HUNDRED EIGHTY THOUSAND DOLLARS

(\$680,000)

Your attention is directed to the following pages, which contain an analysis of the subject property in addition to information regarding the data utilized and the analysis of the appraiser in formulating the conclusions reported herein.

If you should have any questions or need additional information, please inform us of such. We appreciate the opportunity to be of service to you.

Respectfully submitted,

LONE STAR APPRAISALS & REALTY, INC.
Valuation Consultants



Chris P. Griesbach, MAI
Principal
State Certified (Texas)
TX-1321135-G

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ADDENDA

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SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Parcel Number(s): 171326 / 01-6777-0102-0000

Subject Property Land Area: 41.211 Acres

Property Owner: Lago Vista ISD School District

Location/Address: The subject is located near Dawn Drive and Lohman Ford Road within the ETJ of the City of Lago Vista. The legal address is Lohman Ford Road, Lago Vista, Travis County, Texas 78645

Effective Date of Appraisal: January 26, 2009

Property Rights Appraised: Fee Simple

Current Zoning: None; Outside any municipality – Part of ETJ of the City of Lago Vista (see the zoning section for a more detailed discussion)

Improvements: The subject is unimproved vacant land and is being appraised “as vacant”

Highest and Best Use:

As Vacant: Hold for future development with a Residential Use

As Improved: Not Applicable; Vacant Land

SUMMARY OF VALUE

MARKET VALUE OF SUBJECT PROPERTY (41.211 Acres)\$945,000

MARKET VALUE OF 35.00 ACRES OF LAND -

REMAINDER – 41.211 Acres less 6.211 Acres.....\$680,000

SUBJECT PHOTOGRAPHS



Overall View from Lohman Ford Road



Typical View of Site



Typical Interior Site View



Typical Interior Site View

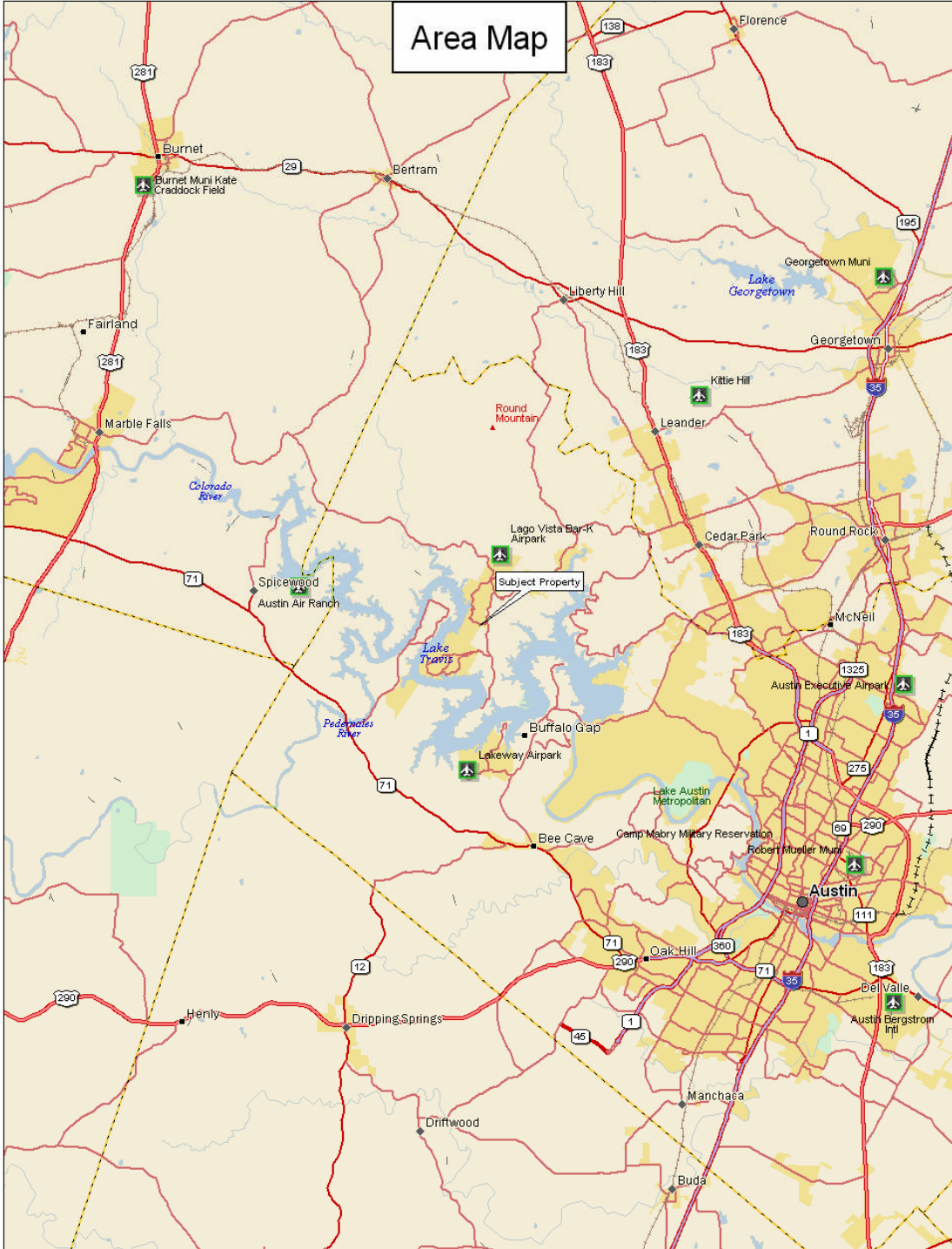


Lohman Ford Road Street Scene - Subject on Right

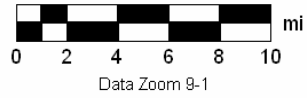


Lohman Ford Road Street Scene – Subject on Left

MAPS



Data use subject to license.
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www.delorme.com



Flood Map

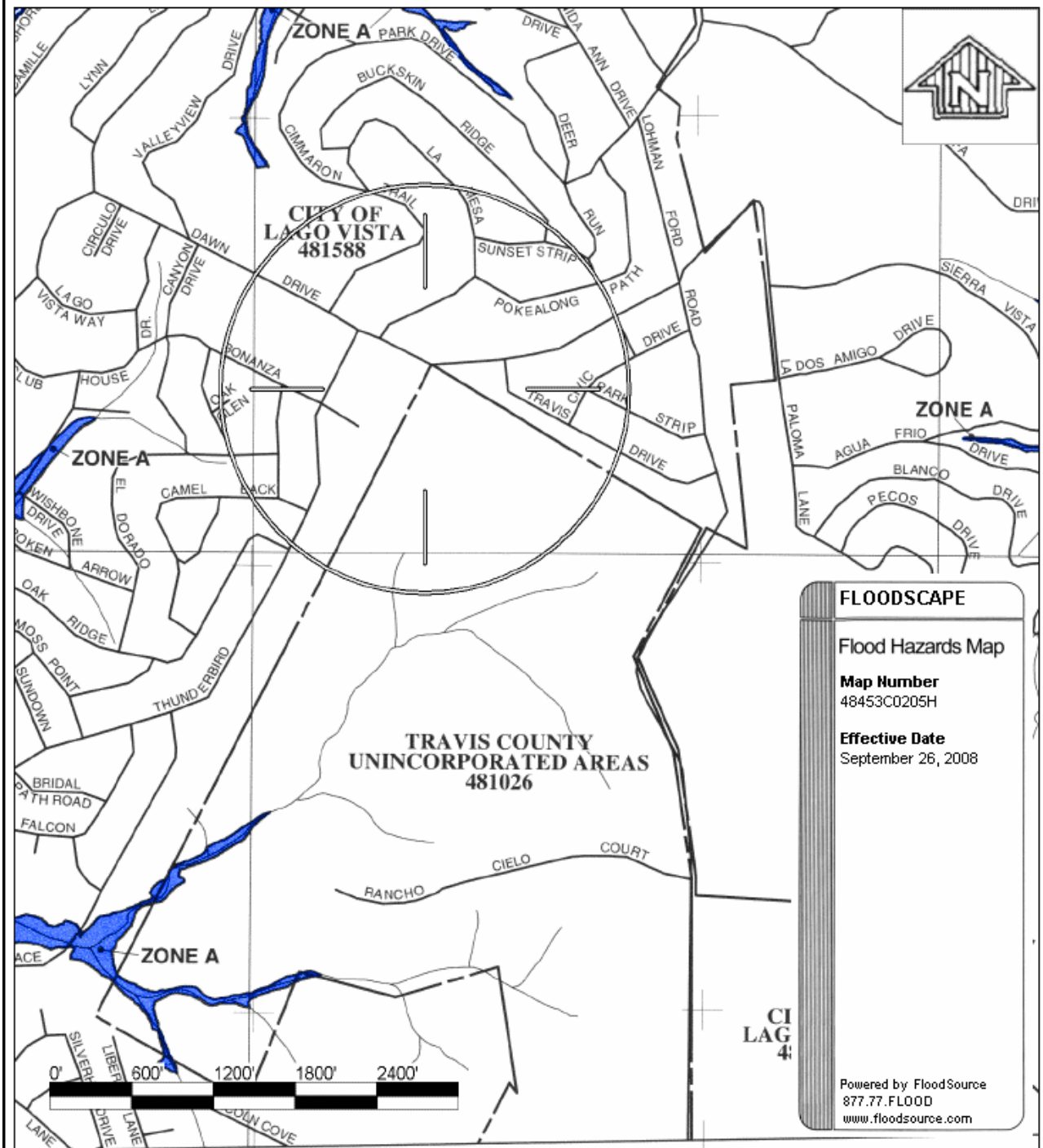


www.interflood.com • 1-800-252-6633

Prepared for:

Lone Star Appraisals & Realty, Inc. (512) 331-7757

Lago Vista, TX 78645



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PURPOSE AND FUNCTION OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the fee simple estate of the subject property and to assist the client in the determination of a selling price. The function of the report is to assist the client, Lago Vista Independent School District, in land purchase and selling decisions.

MARKET VALUE DEFINED

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently and knowledgeably and assuming the price is not affected by undue stimulus." As defined by FDIC's final rule of FIRREA - 12 CFR Part 323.2.

Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a. buyer and seller are typically motivated;
- b. both parties are well informed or well advised, and each acting in what he considers his own best interest;
- c. * a reasonable time is allowed for exposure in the open market;**
- d. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- e. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

*** We have estimated this time period to be 6-12 months.**

HIGHEST AND BEST USE

Highest and best use is defined as; "The reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."¹ The appraisers have appropriately taken into consideration the uses that are physically possible, legally permissible, financially feasible, and maximally productive. A brief discussion of Highest and Best Use for the Subject Property will follow later within the appraisal.

¹ Appraisal Institute, The Appraisal of Real Estate, 10th Ed, (Chicago: Appraisal Institute, 1992), Pg 45.

NEIGHBORHOOD ANALYSIS

The purpose of the Neighborhood Analysis is to examine the patterns of urban growth, structure, and change that may affect property values.

A neighborhood is defined as:

"a portion of a larger community, in which there is a homogeneous grouping of inhabitants, buildings, or business enterprises. Inhabitants of a neighborhood usually have a more than casual community of interest. Neighborhood boundaries may consist of well-defined natural or man-made barriers, or they may be more or less well-defined by a distinct change in land use or in the character of the inhabitants." (*Real Estate Appraisal Terminology*, 1981)

Boundaries

The designation of neighborhood boundaries is based upon the appraiser's evaluation of physical and man-made influences affecting the relative values, desirability, and trends in properties surrounding the subject property.

The subject property is located near the south side of Dawn Drive. Its boundaries may be described as:

Travis County line to the North
Lake Travis to the South
Nameless Road to the East
Lake Travis to the West

This boundary description is supported by similar social, economic, governmental, and environmental forces which influence property values in this neighborhood.

Predominant Land Use

The subject is located in the central portion of the ETJ of the City of Lago Vista. The area is predominantly developed with scattered retail and neighborhood businesses along primary arteries (FM 1431 and Lohman Ford Road) and moderately expensive to high end single family homes on secondary arteries. The recent construction of the Super-S shopping center including, Ace Hardware, CVS Pharmacy and the Lago Vista Village Shopping Center, have stimulated growth in the area. Utility services include electricity, water, waste water, cable TV and telephone services throughout the area. The City of Lago Vista supplies water and wastewater services. The terrain of the neighborhood is rolling and sloping, typical of the Hill Country in Central Texas. Overall, the neighborhood is suburban in nature with a growing residential base, which has been stimulated by the arrival of the community's first full service grocery store. The residences of the Lago Vista neighborhood have good access to employment, schools and shopping via FM 1431 to the east in the Cedar Park-Leander area and FM 1431 to the west to the Marble Falls area.

SITE ANALYSIS – 41.211 Acres in Lago Vista, Texas

The subject property is located near the south side of Dawn Drive and the west side of Lohman Ford Road outside (ETJ) the City of Lago Vista in the northeastern portion of Travis County, Texas. The subject property is legally described as follows: “41.211 acres, out of the MF Campbell Survey, outside the City of Lago Vista, Travis County, Texas.”

Topography:

Judging from a visual inspection, the site appears to have a level to slightly sloping topography. According to the Flood Insurance Rate Map Number 48453C0205H, dated September 26, 2008, from the Federal Emergency Management Agency (FEMA), the subject does not appear to have any flood hazard area. The subject property appears to have adequate drainage and is suitable for commercial development.

Soil and Sub-Soil Conditions:

The appraisers were furnished with a brief description of the soil type for the subject property:

According to the National Resources Conservation Service Web Soil Survey 2.1, the tract is identified as BID, Brackett-Rock outcrop complex. The Brackett soils occupy gently sloping undulating to rolling topography generally on benches 100 to 500 feet wide that are separated by outcrops of the underlying limestone and marl, with 1 to 12% slopes. They are shallow, well-drained soils with a gravelly surface layer. A soil map and unit description are included in Exhibit 13.

We do not express an opinion as to the quality of the soil. Based on surrounding developments and current improvements in the area, it would appear the soil is suitable for development. However, the appraisers recommend that a professional engineering report addressing soil stability, toxic waste, and hazardous materials be completed prior to encumbrance, transfer of ownership, or further development.

Utilities and Services:

In describing utility availability, the subject site has water, waste water, gas, electricity and telephone services available at the street. Water and waste water services are provided by the City of Lago Vista. Gas services are provided by Texas Gas Service and electric service is provided by Pedernales Electric Cooperative. The appraisers are of the opinion that the utilities are adequate to support a variety of residential or commercial developments.

Streets, Curbs, Sidewalks, Access:

The subject property is located near Dawn Drive and Lohman Ford Road in the ETJ of the City of Lago Vista. Dawn Drive and Lohman Ford Road are asphalt paved primary neighborhood arteries with two lanes in each direction. Portions of Dawn Drive and Lohman Ford Road have curbs, sidewalks and open drainage. However, the portions of the highways near the subject property have no curbs or sidewalks with open drainage. The property appears to be adequate for residential and commercial development. Overall, access, exposure and visibility would be considered to be average.

Zoning, Restrictions:

The subject property is located outside the city limits of Lago Vista with no zoning designations or restrictions, however, the site is located within the city's ETJ. The subject property is located within close proximity to existing City of Lago Vista improvements as well as an elementary school operated by the Lago Vista Independent School District. **This appraisal assumes that the subject property could be developed with a similar use as found in the surrounding area, that being, a residential or multi family residential use. This appraisal and the resultant market value estimate, assumes that the site could be annexed into the city and zoned for a multifamily or residential development and that there are no adverse easements, encroachments, and/or deed restrictions that would adversely impact the subject property.**

Ownership History

A search of the Official Travis County Appraisal District Records revealed that the subject property is owned by Lago Vista ISD School District. A title commitment was not supplied to the appraisers, so an official chain of ownership could not be established. The subject property was reportedly last conveyed on October 27, 1997. No other sales, transactions or conveyances were noted for the subject property within the required three year search period. The subject property is not being marketed for sale nor is it under a contract agreement that the appraisers have been made aware of. As has been previously stated in this appraisal report, the appraisers are appraising the fee simple interest of the subject site, as vacant.

Travis County Assessment and Tax Data:

The subject property does not have a taxing parcel number. The parent tax parcel is under the jurisdiction of the following taxing entities: Travis County (0.412200), Lago Vista Independent School District (1.180000), Travis County Healthcare District (0.067900) and Travis County ESD No. 1 (0.100000). The subject's parent tax parcel is assessed at \$61,817 with a tax rate of \$1.760100 per \$100 valuation. The appraisers utilized the same tax rate and estimated the taxes of the 41.211 acre parcel based on

an assessed value of \$61,817. Therefore, the total tax liability is estimated to be \$1,088 based on an assessed value is \$61,817 for the subject property. The assessed value is based on the "market" assessed value of the subject for the 2008 tax year.

HIGHEST AND BEST USE

The appraisers will now discuss the Highest and Best Use of the Subject "As Vacant"

Highest and Best Use - "As Vacant"

Legally Permissible

Legal restrictions as they apply to the subject are both public zoning ordinances and private deed restrictions. This is the appraiser's first step in the highest and best use since it can narrow down the uses which could be built on a particular site. If a particular use is not legally permissible then the use is only speculative since it would require a zoning change or variance etc.

The subject site is located outside the municipality of the City of Lago Vista with no zoning designations or restrictions. As has been previously discussed in the zoning section of this report, the appraisers has assumed that the site could be annexed into the city and the zoning for the subject site could support a residential or multi family residential use. The site is capable of supporting several different types of residential or multifamily developments. Given the location, the frontage, and the surrounding uses, the subject site could be developed with a residential use or any other suitable neighborhood residential or commercial use allowed by the ETJ zoning authority. There are no known deed restrictions that would limit the use of the site.

Physically Possible

The Physically Possible constraint imposed on the subject property is dictated by the physical aspects of the site itself. In general, the larger the site, the greater it's potential to achieve the economies of scale and flexibility in development.

The subject property is basically an irregular shaped site, which contains 41.211 acres of land area and has sloping and rolling terrain. There are no noticeable erosion patterns or significant terrain problems that would affect the utility of the site. The property would physically support a variety of residential or commercial uses. The surrounding developments in the subject's immediate area are residential, commercial office and retail land uses. Overall, the size, shape, location, utilities, exposure, access and frontage of the subject tract, appears to be suitable for residential development.

Financially Feasible

In order for a property to be financially feasible it must be able to generate an income stream which will support the debt service and operating expenses, as well as provide a reasonable return to the equity dollars invested. In order to satisfy this constraint, the use must produce an acceptable income, or return, in comparison to the operating

expenses, financial expenses, and capital amortization.

The subject site consists of a site with an irregular shape and an interior site configuration. The location and access to Dawn Drive, Lohman Ford Road and the surrounding properties is more suited for a residential use. Similar residential uses exist in the surrounding area within close proximity to the subject site. Based on the market rental rates, occupancy rates, and absorption rates, it is our opinion that the site as vacant could ultimately be developed with a residential use. Future development of the subject site as a residential development appears to be the highest and best use and most probable use. However, it is the appraiser's opinion, that due to the slowdown in the Austin area market, that development of the site is not financially feasible at this time.

Maximally Productive

At this point we have concluded that, as vacant, the subject site is legally and physically suited for residential use, but not financially feasible at this time. Thus, the maximally productive use and the highest and best use, as vacant, would be to hold the subject site for future development with a residential use.

Highest and Best Use - Conclusion

The subject property is being appraised as a vacant tract of land with an irregular shape and an interior configuration outside the City of Lago Vista. It is reasonable to assume that an investor would purchase the site for future residential development. A residential use of the subject site as a residential development is the most probable use. Consequently, it is our opinion that the subject site should be held for future development with a residential use as demand appears to support such use in the area.

ANALYSIS AND VALUATION OF THE WHOLE PROPERTY

The appraisers estimated the market value of the subject property by the Sales Comparison Approach. The underlying premise of this approach is that a prudent purchaser would pay no more for a property than the cost of acquiring an equally desirable substitute site in the open market. Several sales were available within the immediate area which provided good market support for the subject property.

Your attention is now directed to the adjustment grid which presents the adjustments required to the comparable land sales in estimating the market value of the subject property. An analysis follows the adjustment grid which explains the adjustments applied to each of the comparable sales. In addition, a detailed write-up of each of the comparable sales utilized has been included within the addenda of this report.

Land Sales Adjustment Grid

41.211 acres near Dawn Drive & Lohman Ford Road, Lago Vista, Texas

Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	
Name	41.211 acres in Lago Vista	26.20 acres in Lago Vista	289.200 acres in Lago Vista	289.400 acres in Lago Vista	315.00 acres in Lago Vista	6.89 acres in Lago Vista
Address	Near Dawn Drive & Lohman Ford Rd	5500 Lohman Ford Rd	Boggy Ford Rd	19517 Boggy Ford Rd	Lohman Ford Rd	5500 Lohman Ford Road
City	Lago Vista	Lago Vista	Lago Vista	Lago Vista	Lago Vista	Lago Vista
State	TX	TX	TX	TX	TX	TX
Contract/Sale Date	NA	4/13/2007	7/1/2006	6/30/2006	9/15/2006	4/13/2007
Sale Price	NA	\$ 525,000	\$ 8,500,000	\$ 4,200,000	\$ 6,950,000	\$ 317,600
Land Area (SF)	1,795,151	1,141,272	12,597,552	12,606,264	13,721,400	300,128
Land Area (Acres)	41.211	26.200	289.200	289.400	315.000	6.890
Price/Per Acre		\$ 20,038	\$ 29,391	\$ 14,513	\$ 22,063	\$ 46,096
Property Rights Conveyed						
Percent Adjustment		0.0%	0.0%	0.0%	0.0%	0.0%
Dollar Adjustment		-	-	-	-	-
Adjusted Price		\$ 20,038	\$ 29,391	\$ 14,513	\$ 22,063	\$ 46,096
Financing Terms						
Percent Adjustment		0.0%	0.0%	0.0%	0.0%	0.0%
Dollar Adjustment		-	-	-	-	-
Adjusted Price		\$ 20,038	\$ 29,391	\$ 14,513	\$ 22,063	\$ 46,096
Conditions of Sale						
Percent Adjustment		0.0%	0.0%	0.0%	0.0%	25.0%
Dollar Adjustment		-	-	-	-	11,523.95
Adjusted Price		\$ 20,038	\$ 29,391	\$ 14,513	\$ 22,063	\$ 57,620
Time/Market Conditions						
Appraisal Date	1/26/2009					
Months Elapsed	-----	8.77	18.30	18.33	15.77	8.77
Annual % Adj.	12.00%					
Percent Adjustment		8.8%	18.3%	18.3%	15.8%	8.8%
Dollar Adjustment		\$ 1,763.36	\$ 5,378.63	\$ 2,655.84	\$ 3,486.03	\$ 5,070.54
Adjusted Price		\$ 21,802	\$ 34,770	\$ 17,169	\$ 25,550	\$ 62,690
Adjustment For						
Location		0%	-10%	-10%	0%	-5%
Zoning - Use		0%	0%	0%	0%	0%
Physical Characteristics						
Size		-5%	15%	15%	15%	-25%
Shape		0%	0%	0%	0%	0%
Topography		0%	0%	0%	0%	0%
Utilities		0%	0%	10%	10%	0%
Flood Hazard		0%	0%	0%	0%	0%
Corner & Frontage		5%	0%	0%	0%	-20%
Other		0%	-35%	0%	-25%	0%
Percent Adjustment		0.0%	-30.0%	15.0%	0.0%	-50.0%
Dollar Adjustment		-	(10,431.02)	2,575.29	-	(31,345.14)
Adjusted Price		\$ 21,801.53	\$ 24,339.04	\$ 19,743.92	\$ 25,549.52	\$ 31,345.14
Net Percent Adjustment		8.8%	-11.7%	33.3%	15.8%	-16.2%
Net Adjustment		\$ 1,763.36	\$ (5,052.39)	\$ 5,231.13	\$ 3,486.03	\$ (14,750.65)
Adjusted Price		\$ 21,802	\$ 24,339	\$ 19,744	\$ 25,550	\$ 31,345

Price/Rentable Area Comparison	Indicated Subject Value
Number of Comps	4
Maximum.....	\$ 31,345
Mean (avg.).....	\$ 22,859
Minimum.....	\$ 19,744
Land Area (AC).....	41.211
Indicated Subject Value Per AC.....	\$ 22,900
Indicated Subject Value.....	\$ 943,732
Indicated Value Rounded To.....	\$ 945,000

LAND SALES ANALYSIS

The five most comparable vacant land sales are presented in an adjustment grid form on the preceding page. These sales are appropriately adjusted for differences in location, zoning/land use, size/shape, utilities, flood hazard, and corner/frontage. An explanation of the adjustments follows below. Additional listings were reviewed by the appraisers and have been retained within the appraiser's files. The listings were utilized by the appraisers only to establish or set the upper limits of market value. The following chart summarizes the comparable land sales:

COMPARABLE LAND SALES SUMMARY TABLE

No.	Location	Sale Date	Price	Size in Acres	Price / Acre
1.	5500 Lohman Ford Road	04/13/2007	\$525,000	26.200	\$20,038
2.	Boggy Ford Rd, west of Lohman Rd	07/01/2006	\$8,500,000	289.200	\$29,391
3.	19517 Boggy Ford Rd	06/30/2006	\$4,200,000	289.400	\$14,513
4.	Lohman Ford Road	09/15/2006	\$6,950,000	315.000	\$22,063
5.	5500 Lohman Ford Road	04/13/2007	\$317,600	6.89	\$46,096

ADJUSTMENTS TO COMPARABLE'S

Conditions of Sale and Financing: No adjustment was deemed necessary to any of the comparables for financing, or condition of the sale.

Market Condition: Based on an analysis of the real estate market of both raw land and improved properties, the appraisers have estimated the changes in the market for land and improved properties. A review of comparable sales in the subject area indicates that market values increased from January of 2005 to January 2008. For purposes of this report we have selected twelve percent per year or 1% per month for the increases in property values for this time period. From January 2008 to the present, market values have been stable. The sales comparables were adjusted accordingly for time.

Location Adjustment: The subject property is located near two primary neighborhood arteries in the City of Lago Vista. Comparable sales one and four have similar locations as the subject, thus no adjustment was warranted. Comparable sales two, three and five have superior locations as compared to the subject, thus they were adjusted downward accordingly.

Zoning Adjustment: All of the comparable sales utilized have similar zoning designations and/or uses. It is the opinion of the appraisers that the comparable sales did not warrant an adjustment for zoning or use.

Size and Shape Adjustment: The size of acreage tracts and lots does have an impact on its sale price. Smaller sized tracts typically sell for more per square foot or acre,

while larger tracts typically sell for less per square foot or acre. Comparable sales one and five are smaller than the subject site, thus they were adjusted downward for size. Comparable sales two, three and four are larger than the subject, thus they were adjusted upward accordingly for size. The comparable sales have a variety of shapes, however, it is the opinion of the appraisers that no adjustment for shape was necessary.

Utilities Adjustment: The subject is serviced with water, sewer, gas, telephone and electrical services. Comparable sales one and two have similar utility availability, thus no adjustment was necessary. Comparable sales three and four have inferior utility availability, thus they were adjusted upward accordingly.

Flood Hazard: According to a review of the subject plat map and a FEMA flood plain map, the subject does not appear to be in the 100 year flood plain. None of the comparable sales appear to be located in a flood hazard area, thus no adjustment was warranted for flood hazard. The subject property and the sales comparables do not have flood hazard issues.

Corner & Frontage: The subject property has an interior site configuration with average road frontage. Comparable sale one has inferior frontage as compared to the subject, thus it was adjusted upward. Comparable sale five has superior frontage as compared to the subject, thus it was adjusted downward. The remaining comparable sales are similar to the subject site, thus no adjustment was warranted.

Other: The subject property is vacant land without improvements. Comparable sale two is a planned residential development site with entitlements, pre-development and development costs. The market typically recognizes these expenditures reflected in the purchase price. Therefore, comparable sale two was adjusted downward for these planning costs. Comparable sale four has lake frontage and lake views, thus it was adjusted downward.

VALUATION CONCLUSION

The appraisers analyzed all of the vacant land sales which had occurred in the subject's competing marketplace. Of the five closed sales, all were considered to be reliable comparables to the subject. The sales comparables have an adjusted price range from \$19,744 per acre to \$31,345 per acre. The mean or average indicated value was \$22,859 per acre. Comparable sale one is the best comparable primarily due to the close proximity in location to the subject. In estimating a final value conclusion for the subject, three times more weight was placed on comparable sale one than was placed on the remainder of the adjusted sales. The indicated price per acre concluded by the appraisers is \$22,900 per acre. Therefore, the following calculations can be made:

$$\mathbf{\$22,900 \text{ Per Acre} \times 41.211 \text{ Acres} = \$943,732 \mid \text{Rounded to } \$945,000}$$

Based on the valuation analysis of the 41.211 acres of vacant land, the appraisers have estimated the market value to be as follows:

NINE HUNDRED FORTY-FIVE THOUSAND DOLLARS

(\$945,000)

The subject property is a 41.211 acre site which contains a 6.211 acre site that is being considered for purchase by another party. The client has requested the appraisers to value the remainder as if the 6.211 acre site was not part of the 41.211 acre site. The appraisers are of the opinion that the remainder, 35 acres, would have a value that is 15% less as a 35 acre tract as it would as a 41.211 acre tract. The remainder has reduced access and although a future roadway is planned that would increase access, the appraisers are estimating the "as is" market value and the roadway does not exist today. In addition, the 6.211 acre site being removed from the whole has the only direct access and frontage on Dawn Drive plus the land is adjacent to existing commercial and residential developments. If the 6.211 acre tract was sold off the value of the remainder tract would be \$19,465 per acre. Therefore, the following calculations can be made:

$$41.211 \text{ Acres} - 6.211 \text{ Acres} = 35.00 \text{ Acres}$$

$$\mathbf{\$19,465 \text{ Per Acre} \times 35.00 \text{ Acres} = \$681,275 \mid \text{Rounded to } \$680,000}$$

CERTIFICATE AND FINAL VALUE ESTIMATE

CERTIFICATION: We hereby certify:

That as of **January 26, 2009**, it is my opinion the market value of the subject property herein described is **\$945,000** and is based upon my independent appraisal and the exercise of my professional judgment; That I personally inspected the property herein appraised; That to the best of my knowledge and belief, the statements contained herein are true and the information upon which the opinions expressed therein are based is correct, subject to limiting conditions set forth in this summary appraisal;

This appraisal is made in conformance with appropriate State laws, regulations and policies applicable to appraisal for the acquisition of whole properties; That neither our employment nor our compensation for making this appraisal are in any way connected upon the values reported herein;

That we have no direct or indirect present or future personal interest in such property or in any way benefit from the acquisition of such property appraised;

The appraisal was made and the appraisal report prepared in conformity with the Uniform Appraisal Standards of Appraisal Practice. The analysis and conclusion were prepared by Mr. Chris P. Griesbach.

The appraisal was made and the appraisal report prepared in conformity with the Appraisal Foundation's Uniform Standards for Professional Appraisal Practice.

The undersigned do hereby certify that, to the best of our knowledge and belief:

-The statements of fact contained in this report are true and correct.

-The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is our personal, unbiased professional analyses, opinions, and conclusions.

-We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.

-Mr. Steven R. Hamlin provided significant real estate appraisal professional assistance to the person signing this certification.

-Our compensation is not contingent on an action or event resulting from the analysis, opinions, or conclusions in, or the use of, this report.

-Mr. Chris P. Griesbach and Mr. Steven R. Hamlin made a personal inspection of the

property that is the subject of this report.

-Our analysis, opinions, and conclusions were developed, and this report has been prepared in accordance to the standards and reporting requirements of the Appraisal Institute, the American Society of Appraisers, and the Federal Home Loan Bank Board.

-The Texas Real Estate Appraiser Certification Committee regulates the State Certification of Texas Real Estate Appraisers. Under this program Mr. Chris P. Griesbach is currently certified through November 30, 2011.

-Mr. Griesbach is currently certified with the Appraisal Institute continuing education program.

-"The appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan".

Respectfully submitted,

LONE STAR APPRAISALS & REALTY, INC.
Valuation Consultants



Chris P. Griesbach, MAI
Principal
State Certified (Texas)
TX-1321135-G

LIMITING CONDITIONS AND ASSUMPTIONS

1. Limit of Liability

The liability of LONE STAR APPRAISALS & REALTY, INC. and employees is limited to the fee collected. There is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The Appraisers assume no responsibility for any costs incurred to discover or correct any deficiencies present in the property.

2. Copies, Publication, Distribution, Use and Ownership of Report

Possession of this report or any copy thereof does not carry with it the right of publication, nor may it be used for other than its intended use; the physical report(s) remain the property of LONE STAR APPRAISALS & REALTY, INC. for the use of the client, the fee being for the analytical services only.

The Bylaws and Regulations of the Appraisal Institute require each Member and Candidate to control the use and distribution of each appraisal report signed by such Member or Candidate; except as hereinafter provided, the client may distribute copies of this appraisal report in its entirety to such third parties as he may select; however, selected portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of this appraisal report. Neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations, news, sales or other media for public communication without the prior written consent of LONE STAR APPRAISALS & REALTY, INC.

3. Confidentiality

This appraisal is to be used only in its entirety and no part is to be used without the whole report. All conclusions and opinions concerning the analysis are set forth in the report, which were prepared by the Appraiser(s) whose signature(s) appear on the appraisal report, unless indicated as "Review Appraiser." No change of any item in the report shall be made by anyone other than the Appraiser and/or officer of the firm. The Appraiser and firm shall have no responsibility if any such unauthorized change is made.

4. Trade Secrets

This appraisal was obtained from LONE STAR APPRAISALS & REALTY, INC. or related companies and/or its individuals or related independent contractors and consists of "trade secrets and commercial or financial information" which is privileged and confidential and exempt from disclosure under 5 U.S.C. 552 (b)(4). Notify the

appraiser(s) signing the report or an officer of LONE STAR APPRAISALS & REALTY, INC. of any request to reproduce this appraisal in whole or part.

5. Information Used

No responsibility is assumed for accuracy or information furnished by or from others, the client, his designee, or public records. We are not liable for such information or the work of possible subcontractors. Be advised that some of the people associated with LONE STAR APPRAISALS & REALTY, INC., and possibly signing the report, are independent contractors. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction, or from affidavit or other sources thought reasonable; all are considered appropriate for inclusion to the best of our factual judgment and knowledge. An impractical and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering and market-related information. It is suggested that the client consider independent verification within these categories as a prerequisite to any transaction involving sale, lease, or other significant commitment of subject property, and that such verification be performed by the appropriate specialists.

6. Testimony, Consultation, Completion of Contract for Appraisal Services

The total fee is payable upon fulfillment/completion of the contract for appraisal, consultation or analytical service. The appraiser(s) or those assisting in preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal, in full or in part, nor engage in post appraisal consultation with client or third parties except under separate and special arrangement and at an additional fee. If testimony or deposition is required because of any subpoena, the client shall be responsible for any additional time, fees, and charges regardless of issuing party.

7. Exhibits

The sketches and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photos, if any, are included for the same purpose. Site plans are not surveys unless shown from separate surveyor.

8. Legal, Engineering, Financial, Structural, or Mechanical Nature Hidden Components, Soil

No responsibility is assumed for matters legal in character or nature, nor matters of survey, nor of any architectural, structural, mechanical, or engineering nature. No opinion is rendered as to the title, which is presumed to be good and merchantable. The property is appraised as if free and clear, unless otherwise stated in particular parts of the report.

The legal description is assumed to be correct as used in this report as furnished by the client, his designee, or as derived by the appraisers.

Please note that no advice is given regarding mechanical equipment or structural integrity or adequacy, nor soils and potential for settlement, drainage, and such (seek assistance from qualified architect and/or engineer) nor matters concerning liens, title status, and legal marketability (seek legal assistance), and such. The lender and owner should inspect the property before any disbursement of funds; further, it is likely that the lender or owner may wish to require mechanical or structural inspections by a qualified and licensed contractor, civil or structural engineer, architect, or other expert.

The Appraisers have inspected as far as possible, by observation, the land and the improvements; however, it was not possible to personally observe conditions beneath the soil, hidden structurally, or other components. We have not critically inspected mechanical components within the improvements and no representations are made herein as to these matters unless specifically stated and considered in the report. The value estimate considers there being no such conditions that would cause a loss of value. The land or the soil of the area being appraised appears firm, however subsidence in the area is unknown. The appraiser(s) do not warrant against this condition or occurrence of problems arising from soil conditions.

The appraisal is based on there being no hidden, unapparent, or apparent conditions of the property site, subsoil, or structures or toxic materials which would render it more or less valuable. No responsibility is assumed for any such conditions or for any expertise or engineering to discover them. All mechanical components are assumed to be in operable condition and status standard for properties of the subject type. Conditions of heating, cooling, ventilating, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. No judgment is made as to adequacy of insulation, type of insulation, or energy efficiency of the improvements or equipment.

If the Appraisers have 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 warranties are made concerning obtaining the above mentioned items.

The Appraisers assume 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.

9. Legality of Use

The appraisal is based on the premise that there is full compliance with all applicable federal, state and local environmental regulations and laws unless otherwise stated in the report; further, that all applicable zoning, building, and use regulations and restrictions for all types have been complied with unless otherwise stated in the report; further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority (local, state, federal and/or private entity or organization) have been or can be obtained or renewed for any use considered in the value estimate.

10. Component Value

The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.

11. Auxiliary and Related Studies

No environmental or impact study, special market study or analysis, highest and best use analysis study or feasibility study has been requested or made unless otherwise specified in an agreement for services or in the report. The appraisers reserve the unlimited right to alter, amend, revise, or rescind any of the statements, findings, opinions, values, estimates, or conclusions upon any subsequent such study, analysis, previous study, factual information as to market or subject, or analysis subsequently becoming known to him.

12. Dollar Value, Purchasing Power

The market value estimated, and the costs used, are as of the date of the estimate of value. All dollar amounts are based on the purchasing power and price of the dollar as of the date of the value estimate.

13. Inclusions

Furnishings and equipment, personal property, or business operations except as specifically indicated and typically considered as a part of real estate, have been disregarded with only the real estate being considered in the value estimate unless otherwise stated. In some property types, business and real estate interests and values are combined.

14. Proposed Improvements, Conditioned Value

Improvements proposed, if any, on or off-site, as well as any repairs required are considered, for purposes of this appraisal, to be completed in a good and workmanlike

manner according to information submitted and/or considered by the appraisers. In cases of proposed construction, the appraisal is subject to change upon inspection of property after construction is completed. This estimate of market value is, as of the date shown, proposed as if completed and operating at levels shown and projected.

15. Value Change, Dynamic Market, Influences

The estimated market value is subject to change with market changes over time; value is highly related to exposure, time, promotional effort, terms, motivation, and conditions surrounding the offering. The value estimate considers the productivity and relative attractiveness of the property physically and economically in the marketplace.

In cases of appraisals involving the capitalization of income benefits, the estimate of market value, investment value, or value in use is a reflection of such benefits and appraiser's interpretation of income and yields and other factors derived from general and specific client and market information. Such estimates are as of the date of the estimate of value; they are thus subject to change as the market and value is naturally dynamic.

The "Estimate of Value" in the appraisal report is not based in whole or in part upon the race, color, or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.

The Appraisers reserve the right to alter the opinion of value on the basis of any information withheld or not discovered in the original normal course of a diligent investigation.

16. Management of the Property

It is assumed that the property which is the subject of this report will be under prudent and competent ownership and management; neither inefficient nor super-efficient.

17. Professional Fees

The fee for this appraisal or study is for the analytical services rendered and not for the time spent on the physical report itself. The physical report(s) remains the property of LONE STAR APPRAISALS & REALTY, INC. under all circumstances.

18. Authenticity

The authentic copies of this report have a light blue cover with a dark blue type seal utilizing the LONE STAR APPRAISALS & REALTY, INC. logo. Any copy that does not have the above is unauthorized and may have been altered. Please contact LONE STAR APPRAISALS & REALTY, INC. if there is any question regarding authenticity of this report.

19. Insulation and Toxic Materials

Unless otherwise stated in this report, the appraiser(s) signing this report has no knowledge concerning the presence or absence of toxic materials and/or urea-formaldehyde foam insulation in existing improvements; if such is present the value of the property may be adversely affected and re-appraisal at additional cost necessary to estimate the effects of such.

20. Right To Alter Market Value

The appraisers and/or officers of LONE STAR APPRAISALS & REALTY, INC. reserve the right to alter statements, analysis, conclusion or any value estimate in the appraisal if there becomes known to us facts pertinent to the appraisal process which were unknown to us when the report was finished.

21. SPECIAL CONDITIONS: The appraisers made the assumption that the subject property was free and clear of any environmental nuisances which might affect the market value of the property. The appraisers are not environmental experts and thus they have not rendered an opinion as to the presence or absence of any environmental hazards.

22. Americans With Disabilities Act (ADA)

The reader should note that the owner may be subject to additional financial expenditures in accordance with the Americans With Disabilities Act (ADA), a Federal law codified at 42 USC Section 12101, et seq. Among other requirements of the ADA that could apply to this property, Title III of the ADA requires owners and tenants of "public accommodations" to remove barriers to access by disabled persons and provide auxiliary aids and services for hearing, vision, or speech impaired persons. The compliance deadline for businesses with more than 25 employees was January 26, 1992 and companies with fewer than 10 employees had until January 26, 1993. It should be noted that churches and private clubs are exempt from the requirements of this Act. The regulations under Title II of the ADA are codified at 28 CFR part 36.

The reader should also note that the appraisers are not qualified experts as to the subject's compliance, or noncompliance, under the ADA. In recognition of this law's recent enactment, some of the requirements may be subject to interpretation. However, a very significant factor is that the Act contains no "grandfather" clause for older buildings. The standards for existing buildings are less than those for new construction but the buildings must be made accessible to the extent that this is readily achievable.

"Readily achievable" is open for interpretation by the Department of Justice and involves considerations of cost, size of company, number of employees and the financial ability of the owner. More is expected from those with greater financial ability, while undue hardship for others may be considered. In that the owner's financial

capability is the primary consideration with respect to compliance, the real estate appraiser cannot determine, nor should he or she be requested to determine, building compliance.

Compliance determination rests with the Department of Justice which recognizes that immediate and full compliance is unattainable for existing buildings. Owners, however, are well-advised to have an accessibility plan in place to show a "good faith" effort for adhering to the law.

Lending institutions need to recognize and address ADA as it affects properties used as collateral for loans. In a foreclosure situation, the bank as the new owner of a property usually has more financial capability than the bankrupt former owner, and may be made liable for more stringent handicap accessibility.

Real estate appraisers should inform their clients of major barriers to access noted during physical inspection. Since the first priority is getting the handicapped person through the door, those items should be noted first. The next priority is providing access to service areas. The third priority is making the restrooms accessible, followed by the rest of the facility.

In conclusion, the ADA requires places of public accommodation and employment to be equally accessible to all people, and it will have long lasting and far reaching effects on real estate. The client is strongly urged to retain the services of a qualified independent expert concerning the interpretation and application of the ADA and to determine the subject's status. The value reported herein is subject to revision, should it later be determined that additional expenditures are required to comply with this Act.

23. ACCEPTANCE OF, AND/OR USE OF, THIS APPRAISAL REPORT
CONSTITUTES ACCEPTANCE OF THE ABOVE CONDITIONS.

**SPECIAL REPORT CONDITIONS, APPRAISER'S
LIABILITY LIMITATIONS AND CLIENT AGREEMENTS**

The acceptance of this report and its use by the client in any manner whatsoever or for any purpose is acknowledgment by him that this report is a satisfactory professional product, and that he has personally read the report, and specifically agrees that the data herein is accurate to the best of the appraisers' ability.

The report remains the personal property of the signer and may not be transmitted to a third party without the signer's written permission. Permission is granted to transmit to a third party mortgagee.

LONE STAR APPRAISALS & REALTY, INC. and/or the individual signatories personal responsibility does not extend to a third party under any circumstance whatsoever.

As a part of the Appraiser-Client employment agreement, the client agrees to notify LONE STAR APPRAISALS & REALTY, INC. or it's representative of any error, omission, or invalid data herein within fifteen (15) days of receipt and return the report along with all copies to LONE STAR APPRAISALS & REALTY, INC. for correction prior to any use whatsoever.

UNDER NO CIRCUMSTANCES shall LONE STAR APPRAISALS & REALTY, INC. or individual signatories liability exceed the fee actually collected for this report, and then only in case of a gross error which would have materially affected the appraiser's value opinion as of the date of the valuation.

Thus, by acceptance of this report, you acknowledge that a value opinion is the product of a professionally trained mind but nevertheless is an opinion only; and not a provable fact. As a personal opinion, valuation may vary between appraisers based on the same facts.

Thus, LONE STAR APPRAISALS & REALTY, INC. and individual signatories warrant only that the value conclusion is his best opinion estimate as of the exact day of valuation.

QUALIFICATIONS OF CHRIS P. GRIESBACH, MAI

Chris P. Griesbach graduated from the University of Texas-Austin with a Bachelor of Business Administration degree with his majors being in Real Estate and General Business. He has been active in real estate since 1981 and his experience includes residential and commercial real estate appraising, property management, real estate development, investments, and brokerage. Chris is currently an active member with the Appraisal Institute (MAI), a member of the International Right of Way Association (IRWA), a designated realtor member with the Austin Board of Realtors, a member of the Austin Multiple Listing Service, and a licensed Real Estate Broker in Texas. Additionally, Mr. Chris P. Griesbach is a State Certified General Real Estate Appraiser in the State of Texas. His Certificate Number is: TX-1321135-G.

Chris is an approved appraiser for the State Department of Highways and Public Transportation, the City of Austin, the City of Cedar Park, City of Leander, City of Georgetown, City of Kyle, The Lower Colorado River Authority, The Federal Deposit Insurance Corporation (FDIC), as well as numerous other private and public municipalities, mortgage companies, and banking institutions. His appraisal experience includes commercial, residential, industrial, office, retail, farm and ranch, mixed-use subdivisions, raw land, and special purpose properties such as restaurants, hotels, postal facilities, and cold storage facilities. Chris has specialized in the Eminent Domain field since 1988 and has extensive experience appraising partial acquisitions for right of way and easements. Additionally, Chris has extensive experience valuing whole property acquisitions for such uses as libraries, police stations, detention ponds, lift stations, and other uses. His appraisal experience is extensive being that he has been an active real estate appraiser from 1983 to the present. Chris is the Principal owner of *LONE STAR APPRAISALS & REALTY, INC.*

A partial resume of specific qualification is outlined below:

Professional Education

Real Estate courses from the University of Texas:

- Introduction to Real Estate
- Real Estate Appraisal Theory & Methods
- Real Estate Finance
- Real Estate Law
- Real Estate Investments & Feasibility Analysis
- Real Estate Finance & Syndication

Other courses:

- Technical Report Writing
- Business Finance & Integrative Finance
- Business Law
- Tax Accounting & Fundamentals of Financial Accounting (1 & 2)

Finance - Money, Banking and Economic Conditions
Finance - Savings Institutions

Professional Organizations Courses and Exams Completed

Course 1400N - USPAP Update - Standards and Ethics for Professionals (AI)
Course - Rates and Ratios - Making Sense of GIM's, OAR's, and DCF's (AI)
Course 1A-1/8-1 Real Estate Appraisal Principles (AI formerly AIREA)
Course 1-A-2 Basic Valuation Procedures (AIREA)
Course 1B-A Capitalization Theory & Tech Part A (AIREA)
Course 1B-B Capitalization Theory & Tech Part B (AIREA)
Course 2-1 Case Studies in Real Estate Valuation (AIREA)
Course 2-2 Valuation Analysis and Report Writing (AIREA)
Course 2-3 Standards of Professional Practice (AIREA)
Course 1-1 The Principles of Appraisal Practice and Code of Ethics (AIREA)

Demo: Chris has successfully completed and received a passing grade on his Demonstration Report as required by the Appraisal Institute for the MAI designation in 1991.

Comprehensive Exam Chris has successfully completed and received a passing grade on the comprehensive exam offered by the Appraisal Institute for the MAI designation in 1991.

Exp. Credits Chris has completed all five years of experience credits as required for the MAI designation in 1991.

Exam State Certification Exam "General Real Estate Appraiser"
(Texas Real Estate Commission)

Professional Memberships

Appraisal Institute (MAI):

Member - Appraisal Institute
Member Number - 9200

American Society of Appraisers (ASA):

Senior Member - American Society of Appraisers (Real Property-Urban)
Member Number - 3270

International Right of Way Association (IRWA):

Member - IRWA Chapter #74
Member Number - 07443683

Austin Board of Realtors:

Member - Designated Realtor
Member Number - 10263

Seminars Attended

Eminent Domain - Laws & Legal Aspects
National Uniform Standards of Professional Appraisal Practice
Legal Aspects of Easements
Current Eminent Domain Issues
Environmental Issues in Real Estate - Maxim Engineers, Inc.
An Overview of the Role of the Federal Home Loan Bank Board
A Guide to the Federal Home Loan Bank Board
Non-Residential Report Writing
Comprehensive Appraisal Workshop
Eminent Domain Compensation Seminar
Property Management/Leasing
ADA - Real Estate
The Law, Money, and You
Real Estate Insurance
Understanding Real Estate Laws
The New Uniform Residential Appraisals
Rates and Ratios; Making sense of GIM's, OAR's, and DCF's
USPAP Update - Standards and Ethics for Professionals
Current Legal Issues in Right of Way
Legislative Issues Impacting Texas Appraisers
Legal Issues - Real Estate
Appraisal Review
Eminent Domain Seminar - IRWA
Market Analysis & Using the site to do Business
National USPAP - Appraisal Institute
On-line Strategies for Real Estate Appraisers
Environmental Hazards in Real Estate

Professional Certification

Member - Appraisals Institute; Member Number - 9200
Texas Real Estate Brokers License #343653-19
Member - Austin Board of Realtors #10263

Texas Real Estate Appraiser Licensing and Certification Board
State Certified - General Real Estate Appraiser
Certification Number: TX-1321135-G
Certification Expiration Date: November 30, 2009

DISCLOSURE

Disclosure of the contents of this report is governed by the By-Laws and Regulations of The American Society of Appraisers, The Appraisal Institute, and the International Right of Way Association. Neither all nor any part of the contents of this report, especially any conclusions as to value, the identity of the appraiser or the firm with which he is connected, or any reference to The Appraisal Institute, the RM or MAI designations, shall be disseminated to the public through the advertising media, public relations media, news media, sales media or any other public means of communication without the prior written consent and approval of the undersigned.



Chris P. Griesbach, MAI
President - Lone Star Appraisals & Realty, Inc.

STATEMENT OF CERTIFICATION STATUS

The Appraisal Institute conducts a mandatory program of continuing education for its designated members. Member MAI's who meet the minimum standards of this program are awarded periodic education certifications." I am currently certified under this program through December 31, 2011.

The Texas Real Estate Appraiser Certification Committee regulates the State Certification of Texas Real Estate Appraisers. Under this program I am currently certified through November 30, 2009.

QUALIFICATIONS OF STEVEN R. HAMLIN

Steven Hamlin has extensive experience in appraising all types of commercial properties including retail, office, office/condominiums, multifamily, industrial, and special purpose properties. Steven most recently has been hired on to work at Lone Star Appraisals & Realty, Inc. as a commercial appraiser. Lone Star Appraisals & Realty, Inc., is a full service real estate appraisal and consulting firm in Austin, Texas. The company was founded in 1988 by Chris Griesbach, MAI. Steven presently has his Trainees license with the State of Texas; however, he will have his general license in less than a year.

PROFESSIONAL EDUCATION

University of California Santa Barbara, Graduated 6/77 - Bachelor of Arts Degree
Buena High School, Ventura, California, Graduated 6/66 – College Preparation

Professional and Technical Courses:

Course	Provider	Date
Law of Agency	Champion's School of Real Estate	October 1997
Principles of Real Estate I	Champion's School of Real Estate	October 1997
Psychology of Marketing	Champion's School of Real Estate	November 1997
Uniform Standards of Professional Appraisal Practice	Appraisal Institute	January 2005
Basic Appraisal Principles	Appraisal Institute	February 2005
Basic Appraisal Procedures	Appraisal Institute	March 2005
Uniform Standards of Professional Appraisal Practice	The Columbia Institute	January, 2007
Residential Appraiser Site Evaluation & Cost Approach	The Columbia Institute	February 2007
Residential Market Analysis & Highest and Best Use	The Columbia Institute	March 2007
Basic Appraisal Procedures, No. 932	The Columbia Institute	March 2008

EMPLOYMENT HISTORY

Lone Star Appraisals & Realty, Inc: 6/07 to Present - Commercial Real Estate Appraisal
J. L. Vick and Company: 11/04 to 6/07 – Commercial, Residential and Land Appraisal
Austin Value Outlet: 7/03 to 10/04 – Operated a wholesale internet commerce business
Northrop Grumman: 8/00 to 7/03 – Marketed IT enterprise solutions and services
PI Corporation: 8/99 to 8/00 – Sales and Marketing IT Manager
PC2000: 10/98 to 7/99 – Director of Marketing and Sales of IT reseller products
The Bluegreen Company: 1/98 to 10/98 – Sold acreage properties in new developments

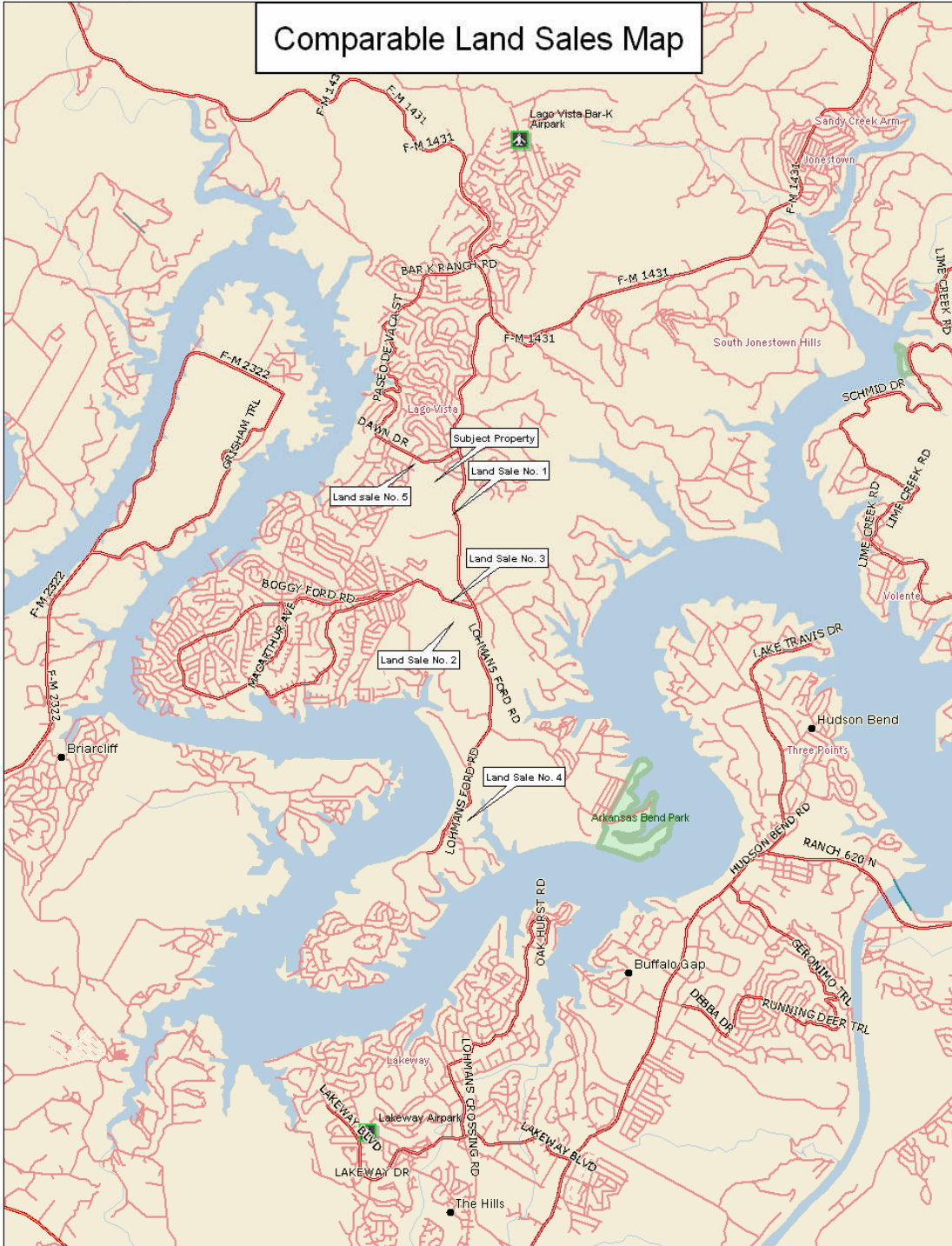
Lago Vista Independent School District - 41.211 Acres
Near Dawn Drive & Lohman Ford Road
Lago Vista, Texas 78645

ADDENDA

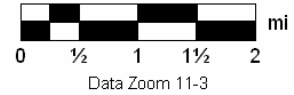
**Comparable Land Sales
Property Information
Engagement Document**

COMPARABLE LAND SALES

Comparable Land Sales Map



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Data Zoom 11-3

COMPARABLE LAND SALES SUMMARY TABLE

No.	Location	Sale Date	Price	Size in Acres	Price / Acre
1.	5500 Lohman Ford Road	04/13/2007	\$525,000	26.200	\$20,038
2.	Boggy Ford Rd, west of Lohman Rd	07/01/2006	\$8,500,000	289.200	\$29,391
3.	19517 Boggy Ford Rd	06/30/2006	\$4,200,000	289.400	\$14,513
4.	Lohman Ford Road	09/15/2006	\$6,950,000	315.000	\$22,063
5.	5500 Lohman Ford Road	04/13/2007	\$317,600	6.89	\$46,096

Land Sale No. 1

Property Identification

Record ID 506
Property Type Land, Residential
Property Name 26.20 acres in Lago Vista
Address 5500 Lohman Ford Road, Lago Vista, Travis County, Texas 78645
Tax ID 360863

Sale Data

Grantor Splash Investments
Grantee Keith Joseph Kelly
Sale Date April 13, 2007
Deed Book/Page 2007131344
Property Rights Fee simple
Marketing Time < 12 months
Conditions of Sale Normal market
Financing Cash to seller
Verification Coldwell Banker; 512 619-8121, January 29, 2009; Other sources:
Comps, deed, tax records, Confirmed by Steve Hamlin

Sale Price \$842,600
Downward Adjustment \$317,600 6.89 acre parcel
Adjusted Price \$525,000

Land Data

Zoning ETJ - None
Topography Slopping and rolling
Utilities All available at street
Shape Irregular
Landscaping Native - vacant land
Rail Service None
Flood Info None known

Land Size Information

Gross Land Size 26.200 Acres or 1,141,272 SF
Useable Land Size 26.200 Acres or 1,141,272 SF , 100.00%

Indicators

Sale Price/Gross Acre \$20,038 Adjusted
Sale Price/Gross SF \$0.46 Adjusted
Sale Price/Useable Acre \$20,038 Adjusted
Sale Price/Useable SF \$0.46 Adjusted

Remarks

The subject property was purchased with a 6.89 acres tract of land for a total of \$842,600 for both tracts. The selling price of the 41.211 acres was determined to be \$525,000.

Land Sale No. 2

Property Identification

Record ID	382
Property Type	Commercial Land
Property Name	Cox Hollow Development
Address	South side of Boggy Ford Road, west of Lohman Road, Lago Vista, Travis County, Texas 78645
Tax ID	157952

Sale Data

Grantor	G.L. Vinson/Legacy Partners, Inc.
Grantee	Travis Meadows LP
Sale Date	July 01, 2006
Deed Book/Page	2006125524&5
Conditions of Sale	Cash to Seller
Verification	Contract; July 26, 2008; Confirmed by Jurgen Sass

Sale Price	\$8,500,000
Cash Equivalent	\$8,500,000
Adjusted Price	\$8,500,000

Land Data

Topography	Steep Slope
Utilities	All Available
Shape	Irregular

Land Size Information

Gross Land Size	289.200 Acres or 12,597,552 SF
Front Footage	South Side of Boggy Ford Road;North Side of Cox Hollow Cove on Lake Travis

Indicators

Sale Price/Gross Acre	\$29,391
Sale Price/Gross SF	\$0.67

Remarks

This acquisition involves a 289-acre tract located adjacent to the Lago Vista City limits. The site is irregular shaped and contains steep topography providing for scenic views throughout. The site has frontage along the lake. It is planned for residential development with three lot sizes consisting of 50', 75' and 100' lots. Additionally, there is a planned 13.37 acre commercial tract. Development costs including entitlements, development and pre-development costs are estimated a \$11,186,781 (\$0.85/SG.) or approximately \$37,165 per lot.

Land Sale No. 3

Property Identification

Record ID	412
Property Type	Land, Agricultural
Property Name	289.40 acres in Lago Vista
Address	19517 Boggy Ford, Lago Vista, Travis County, Texas 78645
Tax ID	171343

Sale Data

Grantor	Legacy Partners, Inc.
Grantee	Travis Meadow LP
Sale Date	June 30, 2006
Deed Book/Page	2006125525
Property Rights	Fee simple
Marketing Time	< 6 months
Conditions of Sale	Normal Market
Financing	Cash to seller
Verification	Johnie Gary; 512 267-9933, August 29, 2008; Other sources: Comps, deed, tax records, Confirmed by Steve Hamlin

Sale Price	\$4,200,000
Adjusted Price	\$4,200,000

Land Data

Zoning	Agricultural
Topography	Sloping
Utilities	Electric, phone
Shape	Irregular
Landscaping	Native
Rail Service	None
Flood Info	None known

Land Size Information

Gross Land Size	289.400 Acres or 12,606,264 SF
Useable Land Size	289.400 Acres or 12,606,264 SF , 100.00%
Front Footage	3000 ft Total Frontage: 3000 ft Waterfront frontage

Indicators

Sale Price/Gross Acre	\$14,513
Sale Price/Gross SF	\$0.33
Sale Price/Useable Acre	\$14,513
Sale Price/Useable SF	\$0.33
Sale Price/Front Foot	\$1,400

Remarks

Property has a log cabin, barn, auxiliary building, ponds and a spring fed creek. Native oak and cedar trees.

Land Sale No. 4

Property Identification

Record ID 387
Property Type Commercial Land
Property Name Lohman Ford Road
Address Lohman Ford Road, Lago Vista, Travis County, Texas
Tax ID 153477

Sale Data

Grantor Lake Travis Group II, Ltd.
Grantee WYA The Fall @ Lake Travis
Sale Date September 15, 2006
Deed Book/Page 2007092935
Conditions of Sale Market Conditions
Financing Cash to Seller
Verification MLS, BCAD, ; August 06, 2008; Confirmed by Jurgen Sass

Sale Price \$6,950,000
Cash Equivalent \$6,950,000
Adjusted Price \$6,950,000

Land Data

Topography Varies
Utilities Telephone and Electric
Shape Irregular
Flood Info None Known

Land Size Information

Gross Land Size 315.000 Acres or 13,721,400 SF

Indicators

Sale Price/Gross Acre \$22,063
Sale Price/Gross SF \$0.51

Remarks

Limited frontage on Lake Travis, with good views of lake and hills.

Land Sale No. 5

Property Identification

Record ID	507
Property Type	Land, Commercial
Property Name	6.89 acres in Lago Vista
Address	5500 Lohman Ford Road, Lago Vista, Travis County, Texas 78645
Tax ID	764791

Sale Data

Grantor	Splash Investments
Grantee	Keith Joseph Kelly
Sale Date	April 13, 2007
Deed Book/Page	2007131344
Property Rights	Fee simple
Marketing Time	< 12 months
Conditions of Sale	Normal market
Financing	Cash to seller
Verification	Coldwell Banker; 512 619-8121, January 29, 2009; Other sources: Comps, deed, tax records, Confirmed by Steve Hamlin

Sale Price	\$317,600
Adjusted Price	\$317,600

Land Data

Zoning	ETJ - None
Topography	Sloping and rolling
Utilities	All available at street
Shape	Irregular
Landscaping	Vacant land
Rail Service	None
Flood Info	None Known

Land Size Information

Gross Land Size	6.890 Acres or 300,128 SF
Useable Land Size	6.890 Acres or 300,128 SF , 100.00%

Indicators

Sale Price/Gross Acre	\$46,096
Sale Price/Gross SF	\$1.06
Sale Price/Useable Acre	\$46,096
Sale Price/Useable SF	\$1.06

Remarks

This land purchase was part of a larger sale involving the adjacent 26.20 acres tract of land. It was determined that the sale price was \$317,600. The intention of the buyer was to develop a retail pad site subdivision.

PROPERTY INFORMATION

TaxNetUSA: Travis County		Property ID Number: 171326 Ref ID2 Number: 01677701020000					
Owner's Name LAGO VISTA I S D SCHOOL DISTRICT		Property Details					
Mailing Address	PO BOX 4929 LAGO VISTA, TX 78645-0009	Dead Date	10271987				
Location	LOHMAN FORD RD 78645	Dead Volume	10470				
Legal	ABS 189 SUR 88 CAMPBELL M F ACR 41.211	Dead Page	00726				
		Exemptions	TOT				
		Freeze Exempt	F				
		ARB Protest	F				
		Agent Code	0				
Value Information	2008 Certified	Land Acres	41.2110				
Land Value	81,817.00	Block					
Improvement Value	0.00	Tract or Lot					
AG Value	0.00	Docket No.					
AG Productivity Value	0.00	Abstract Code	A0189				
Timber Value	0.00	Neighborhood Code	SEXMP				
Timber Productivity Value	0.00						
Assessed Value	81,817.00						
10% Cap Value	0.00						
Total Value	81,817.00						
		Data up to date as of 2008-11-26					
Value By Jurisdiction							
Entity Code	Entity Name	2007 Tax Rate	Assessed Value	Taxable Value	Market Value	Appraised Value	
0A	TRAVIS CENTRAL APP DIST		81,817.00	0.00	81,817.00	81,817.00	
03	TRAVIS COUNTY	0.412200	81,817.00	0.00	81,817.00	81,817.00	
16	LAGO VISTA ISD	1.180000	81,817.00	0.00	81,817.00	81,817.00	
2J	TRAVIS CO HEALTHCARE DIST	0.067900	81,817.00	0.00	81,817.00	81,817.00	
41	TRAVIS CO ESD NO 1	0.100000	81,817.00	0.00	81,817.00	81,817.00	
Improvement Information							
Improvement ID	State Category	Description					
Segment Information							
Imp ID	Seg ID	Type Code	Description	Class	Effective Year Built	Area	
						Total Living Area 0	
Land Information							
Land ID	Type Code	SPTB Code	Homesite	Size-Acres	Front	Depth	Size-Sqft
445765	LAND	D2	F	41.211	0	0	1,785,151

ENGAGEMENT DOCUMENT



LONE STAR APPRAISALS & REALTY, INC.

January 21, 2009

Client: Robert Zingelmann – Lago Vista ISD

Clients Address: P.O Box 4929
Lago Vista, Texas 78645-0009
robert_zingelma@lagovista.txd.net
512-267-8301

This document is to serve as an engagement letter for real estate appraisal services. Lone Star Appraisals & Realty, Inc. hereby agrees to prepare two narrative summary reports of the properties listed below for a total fee of \$3,500. The reports will be due no later than ten business days from the date of engagement. The fee will be billed to the client upon completion of the appraisal reports and will be due within 15 days.

Fee Quotes:

Property	Summary Appraisals
Tax ID 171326 – 41.211 Acres (And remainder +/- 35 acres)	\$ 1,900
6.2 acres out of the 41.211 Acres	\$ 1,600
Total Fee for two appraisals	\$ 3,500

We will prepare 15 original copies of the two report and the reports will be addressed to:

All Terms are accepted by client: Barbara Dead Date: 1/21/09

If you have any questions please give us a call. Please sign, date, and return to our office.

Chris P. Griesbach, MAI, Broker
Lone Star Appraisals & Realty, Inc.
3214 Great Valley Drive
Cedar Park, Texas 78613
(512) 331-7757 Office
(512) 331-5454 Fax
(512) 426-0087 Mobile
cgriesbach@austin.rr.com



City of Lago Vista, Texas

October 19, 2008

Dr. Barbara A. Qualls
Superintendent
Lago Vista Independent School District

Lago Vista, Texas 78645

VIA: Email and Regular Mail

Dear Barbara:

The Lago Vista City Council has requested that I submit a formal written request to the School Board through your office regarding the City desire to acquire approximately 5 acres of property that is currently owned by Lago Vista Independent School District. The property that the City desires to acquire is a 4.5 to 6.5 acre tract of land which is currently part of 34 acre tract of property owned by the District off of Travis Drive. The portion that the City wishes to acquire is located near the east end of the City Hall/Library Parking Lot as depicted in the attached drawing. This tract is separated from Travis Drive by the Lazy Hollows Town Homes, at least one other apartment complex and is separated from the remainder of the 34 acre tract by a large ravine and densely vegetated area.

The intended use of the property by the City will be for the construction and operation of a new Police Department Office Building, a Public Works Office Building and Shop along with related parking and facilities. As currently conceived that initial phase of the Police Building will be approximately 7,500 square feet in size with expansion capabilities up to 18,000 square feet. The Police Building will be located on the north eastern portion of the property with direct access and visibility to Dawn Drive and the City Hall/Library Parking Lot. The Public Works Offices will be located to the rear of the Police Building and will be buffered on three sides by the existing ravine and rather dense areas of vegetation. While there has been no real commitment from the City or the Travis County Emergency Services District there has been some discussion that the Police Building may be built to accommodate the relocation of one of the area ambulances and Emergency Service personnel to that location.

The benefits of this property to the City are many. First and foremost, the property will provide a new home for the Lago Vista Police Department that is larger and much more

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❖ Website: www.lago-vista.org*

appropriate for the operation. Secondly, the property is more centrally located than the Police Department's current location and will provide for reduced response times to almost all areas of the City. Thirdly, the location of the property will allow the City to house most of its functional departments into one centralized area that will add to operational efficiencies and be more convenient for our citizens. Lastly, the property in question provides for room for growth and will meet the needs of the citizens for many years to come. In terms of benefits to the School District and the surrounding community, the location of the Police Department at this location will obviously heighten security in the vicinity of the Lago Vista Elementary School and surrounding area.

Per our previous discussions on this matter, the City is in the position to fund the acquisition of the property based on market value on a cash basis, through some exchange for extension of utility services and/or tap fees for future District projects or through a combination of either option. The City can be very flexible with regard to the method of compensation that the District would opt to pursue should an agreement be reached regarding the sale of the property.

Your consideration of this request is appreciated. Please let me know if you have any questions or comments with regard to this matter as we will be happy to provide you with any additional information and make a formal presentation to you and the members of the School Board.

Sincerely,

Bill Angelo, City Manager

Attachment: Drawing of Property with Probable Layout

XC: Randy Kruger, Mayor
Members of the City Council

**Minutes of Regular Meeting
January 19, 2009
The Board of Trustees
Lago Vista ISD**

A regular meeting of the Board of Trustees of Lago Vista ISD was held January 19, 2009, beginning at 7:00 PM in the Board Room in Viking Hall, 8039 Bar K Ranch Road, Lago Vista, Texas 78645. Mr. Scott called the meeting to order at 7:02 PM.

Members Present

David Scott, President
David Baker, Vice-President
Tami Hood, Secretary
Tom Rugel
Jerrell Roque
Laura Vincent
Mike Wells (left the meeting at 10:25 PM)

Also Present:

Barbara Qualls, Superintendent
Sandy Apperley, Assistant Superintendent
Robert Zingelmann, Director of Finance
Donna Larkin, High School Principal
Paul Bixler, Middle School Principal
Beth Mohler, Intermediate Elementary School Principal
Heather Stoner, Primary Elementary School Principal
Steve Elder, Secondary Assistant Principal
Peggy Matthews, Director of Instructional Technology
Sheryl Doyal, Director of Technology
Alan Haire, Athletic Director

1. Invocation: Mr. Scott led the Pledge of Allegiance, the Pledge to the Texas flag and a moment of silence.
2. Welcome visitors/Public participation: The Superintendent introduced Julia Riccicar, sponsor of the District FFA Chapter. Ms. Riccicar introduced three of the eleven students who recently competed at the Travis County Youth Show. The students reported to the board on their recent accomplishments. Zero citizens signed up to speak during the citizen participation portion of the board meeting.
3. School Board Appreciation Month: The Superintendent read a proclamation from the Honorable Rick Perry, Governor of Texas recognizing the contribution of school board members. Third grade students distributed certifications of appreciation and student made gifts to board members.
4. Technology Plan – implementation and update: District and campus staff provided an update on technology integration in the District. Questions and discussion followed.
5. Facilities Upgrade and Improvement-Concession Stand and Restrooms: The superintendent reported that the project is finished.

6. Discussion and possible action regarding Vision Statement: The board president recommended that the board hold a board training that would focus on facilities planning. The training would meet the requirement that the board hold a team building meeting each year. The board president asked that board members suggest possible topics to be presented by the administration at the next board meeting.
 7. Harris Interactive Survey update: The Superintendent reported that responses from the community are low and a breakdown of how responses fall into categories was not available. Harris has begun work on the extrapolation of the data.
 8. Feasibility Study and Appraisal of 37 acre tract: The Director of Finance reported that the appraisal was not completed because the board tabled the action last month. Questions and discussion followed. The board president directed the Superintendent to secure an appraisal of the five acres tract requested by the city.
 9. Discussion and possible action concerning City of Lago Vista's proposal to purchase district property and other requests for consideration of district property purchase: Questions and discussion about the sequence of steps to be followed once the appraisal is completed took place.
- The board took a break at 8:55 PM and returned at 9:01 PM
10. Closed session for discussion of personnel matters, including the duties of Superintendent, administrators, and teachers: At 9:02PM, Mr. Scott announced that the board would go into closed session to discuss personnel matters as allowed by Texas Government Code, Sections 551.001 et seq.

Open session

The board reconvened in open session at 10:25 PM. Mr. Wells left the meeting. Ms. Vincent moved to extend past 10:00 PM. Mr. Rugel seconded the motion. Motion passed 6-0.

The board took no action as a result of discussions in closed session.

11. Superintendent report: The Superintendent reported on recent events in the District.
12. Minutes of previous meetings: The minutes of the December regular meeting were approved. Ms. Vincent moved to accept the minutes. Mr. Roque seconded the motion. The motion was adopted 6-0.
13. Monthly Financial report: The Director of Finance presented the district's monthly financial summary. Mr. Roque moved to accept the financial report. The motion was seconded by Ms. Vincent. The motion was adopted 6-0
14. Adjourn: Ms. Hood moved to adjourn the meeting. Ms. Vincent seconded the motion. Motion passed 6-0.
There being no further business, Mr. Scott adjourned the meeting at 10:50.

	Estimated Revenue (Budget)	Revenue Realized Current	Revenue Realized To Date	Revenue Balance	Percent Realized
5000 - RECEIPTS					
5700 - REVENUE-LOCAL & INTERMED					
5710 - LOCAL REAL-PROPERTY TAXES	12,851,525.00	-4,058,063.52	-10,281,850.30	2,569,674.70	80.00%
5730 - TUITION FEES FROM PATRONS	3,000.00	.00	.00	3,000.00	.00%
5740 - INTEREST, RENT, MISC REVENUE	357,500.00	-14,245.86	-57,182.92	300,317.08	16.00%
5750 - ATHLETIC ACTIIVTY REVENUE	21,000.00	-2,973.00	-21,719.29	-719.29	103.43%
5760 - OTHER REV FM LOCAL SOURCE	500.00	.00	.00	500.00	.00%
Total REVENUE-LOCAL & INTERMED	13,233,525.00	-4,075,282.38	-10,360,752.51	2,872,772.49	78.29%
5800 - STATE PROGRAM REVENUES					
5810 - PER CAPITA-FOUNDATION REV	3,631,900.00	.00	-2,906,592.24	725,307.76	80.03%
5820 - STATE PROGRAM REVENUES	.00	.00	-1,359.37	-1,359.37	.00%
5830 - TRS ON-BEHALF	426,656.00	-35,659.87	-175,056.43	251,599.57	41.03%
Total STATE PROGRAM REVENUES	4,058,556.00	-35,659.87	-3,083,008.04	975,547.96	75.96%
Total Revenue Local-State-Federal	17,292,081.00	-4,110,942.25	-13,443,760.55	3,848,320.45	77.75%

Board Report
 Comparison of Expenditures and Encumbrances to Budget
 Lago Vista ISD
 As of January

	Budget	Encumbrance YTD	Expenditure YTD	Current Expenditure	Balance	Percent Expended
6000 - EXPENDITURES						
11 - INSTRUCTION						
6100 - PAYROLL COSTS	-6,441,769.34	.00	2,389,964.90	522,406.14	-4,051,804.44	37.10%
6200 - PURCHASE .CONTRACTED SVS	-145,184.00	11,316.63	90,008.85	-2,420.26	-43,858.52	62.00%
6300 - SUPPLIES AND MATERIALS	-449,060.00	51,564.23	197,205.79	65,803.06	-200,289.98	43.92%
6400 - OTHER OPERATING EXPENSES	-42,747.00	296.16	6,835.34	1,487.13	-35,615.50	15.99%
6600 - CPTL OUTLY LAND BLDG .EQUIP	-23,775.00	1,145.45	22,451.21	.00	-178.34	94.43%
Total Function 11 INSTRUCTION	-7,102,535.34	64,322.47	2,706,466.09	587,276.07	-4,331,746.78	38.11%
12 - LIBRARY						
6100 - PAYROLL COSTS	-138,911.00	.00	64,916.52	13,624.23	-73,994.48	46.73%
6200 - PURCHASE .CONTRACTED SVS	-6,912.00	189.00	2,999.00	.00	-3,724.00	43.39%
6300 - SUPPLIES AND MATERIALS	-32,900.00	734.61	13,092.02	2,014.83	-19,073.37	39.79%
6400 - OTHER OPERATING EXPENSES	-950.00	.00	141.71	.00	-808.29	14.92%
Total Function 12 LIBRARY	-179,673.00	923.61	81,149.25	15,639.06	-97,600.14	45.16%
13 - CURRICULUM						
6100 - PAYROLL COSTS	-80,580.00	.00	29,821.84	5,963.76	-50,758.16	37.01%
6200 - PURCHASE .CONTRACTED SVS	-9,000.00	50.00	5,817.72	322.72	-3,132.28	64.64%
6300 - SUPPLIES AND MATERIALS	-3,000.00	.00	2,794.17	54.59	-205.83	93.14%
6400 - OTHER OPERATING EXPENSES	-34,964.00	2,268.00	23,717.85	607.20	-8,978.15	67.84%
Total Function 13 CURRICULUM	-127,544.00	2,318.00	62,151.58	6,948.27	-63,074.42	48.73%
21 - INSTRUCTIONAL ADMINISTRATION						
6100 - PAYROLL COSTS	-84,992.00	.00	32,204.76	6,420.22	-52,787.24	37.89%
6200 - PURCHASE .CONTRACTED SVS	-1,500.00	.00	449.80	7.00	-1,050.20	29.99%
6300 - SUPPLIES AND MATERIALS	-1,500.00	.00	625.21	356.67	-874.79	41.68%
6400 - OTHER OPERATING EXPENSES	-1,200.00	.00	310.00	310.00	-890.00	25.83%
Total Function 21 INSTRUCTIONAL ADMINISTRATION	-89,192.00	.00	33,589.77	7,093.89	-55,602.23	37.66%
23 - CAMPUS ADMINISTRATION						
6100 - PAYROLL COSTS	-643,373.00	.00	276,598.04	55,746.82	-366,774.96	42.99%
6200 - PURCHASE .CONTRACTED SVS	-1,000.00	.00	.00	.00	-1,000.00	.00%
6300 - SUPPLIES AND MATERIALS	-11,900.00	930.00	3,940.12	400.83	-7,029.88	33.11%
6400 - OTHER OPERATING EXPENSES	-5,000.00	430.00	2,538.95	.00	-2,031.05	50.78%
Total Function 23 CAMPUS ADMINISTRATION	-661,273.00	1,360.00	283,077.11	56,147.65	-376,835.89	42.81%
31 - GUIDANCE AND COUNSELING SVS						
6100 - PAYROLL COSTS	-305,699.00	.00	103,626.33	24,106.55	-202,072.67	33.90%
6200 - PURCHASE .CONTRACTED SVS	-1,450.00	.00	1,750.00	.00	300.00	120.69%
6300 - SUPPLIES AND MATERIALS	-9,245.00	273.42	3,258.16	200.43	-5,713.42	35.24%
6400 - OTHER OPERATING EXPENSES	-8,150.00	180.00	555.00	.00	-7,415.00	6.81%
Total Function 31 GUIDANCE AND COUNSELING SVS	-324,544.00	453.42	109,189.49	24,306.98	-214,901.09	33.64%
33 - HEALTH SERVICES						
6100 - PAYROLL COSTS	-103,880.00	.00	42,022.75	8,657.20	-61,857.25	40.45%
6300 - SUPPLIES AND MATERIALS	-2,300.00	.00	948.00	948.00	-1,352.00	41.22%
Total Function 33 HEALTH SERVICES	-106,180.00	.00	42,970.75	9,605.20	-63,209.25	40.47%
34 - PUPIL TRANSPORTATION-REGULAR						
6200 - PURCHASE .CONTRACTED SVS	-452,577.66	.00	186,068.82	74,194.16	-266,508.84	41.11%
Total Function 34 PUPIL TRANSPORTATION-REGULAR	-452,577.66	.00	186,068.82	74,194.16	-266,508.84	41.11%
36 - CO-CURRICULAR ACTIVITIES						
6100 - PAYROLL COSTS	-157,759.00	.00	73,880.49	14,585.28	-83,878.51	46.83%
6200 - PURCHASE .CONTRACTED SVS	-66,841.00	.00	50,880.62	7,054.37	-15,960.38	76.12%
6300 - SUPPLIES AND MATERIALS	-83,800.00	827.25	69,124.27	4,252.85	-13,848.48	82.49%
6400 - OTHER OPERATING EXPENSES	-95,174.00	2,519.00	45,628.40	10,633.98	-47,026.60	47.94%
6600 - CPTL OUTLY LAND BLDG .EQUIP	-17,000.00	4,442.75	28,266.25	8,885.50	15,709.00	166.27%
Total Function 36 CO-CURRICULAR ACTIVITIES	-420,574.00	7,789.00	267,780.03	45,411.98	-145,004.97	63.67%
41 - GENERAL ADMINISTRATION						

	Budget	Encumbrance YTD	Expenditure YTD	Current Expenditure	Balance	Percent Expended
6000 - EXPENDITURES						
41 - GENERAL ADMINISTRATION						
6100 - PAYROLL COSTS	-348,298.49	.00	148,610.45	29,476.83	-199,688.04	42.67%
6200 - PURCHASE CONTRACTED SVS	-185,350.00	4,477.90	104,694.70	15,648.19	-76,177.40	56.48%
6300 - SUPPLIES AND MATERIALS	-10,500.00	114.60	1,397.10	258.31	-8,988.30	13.31%
6400 - OTHER OPERATING EXPENSES	-24,500.00	1,212.00	13,887.66	1,654.09	-9,400.34	56.68%
Total Function 41 GENERAL ADMINISTRATION	-568,648.49	5,804.50	268,589.91	47,037.42	-294,254.08	47.23%
51 - PLANT MAINTENANCE & OPERATION						
6100 - PAYROLL COSTS	-192,677.00	.00	77,243.43	15,359.72	-115,433.57	40.09%
6200 - PURCHASE CONTRACTED SVS	-870,034.51	256,762.32	378,580.67	80,083.82	-234,691.52	43.51%
6300 - SUPPLIES AND MATERIALS	-70,000.00	368.93	24,925.14	4,346.36	-44,705.93	35.61%
6400 - OTHER OPERATING EXPENSES	-58,800.00	.00	51,992.00	.00	-6,808.00	88.42%
6600 - CPTL OUTLY LAND BLDG EQUIP	-30,000.00	.00	11,508.00	.00	-18,492.00	38.36%
Total Function 51 PLANT MAINTENANCE & OPE	-1,221,511.51	257,131.25	544,249.24	99,789.90	-420,131.02	44.56%
52 - SECURITY						
6200 - PURCHASE CONTRACTED SVS	-39,200.00	.00	20,395.89	10,275.57	-18,804.11	52.03%
Total Function 52 SECURITY	-39,200.00	.00	20,395.89	10,275.57	-18,804.11	52.03%
53 - DATA PROCESSING						
6200 - PURCHASE CONTRACTED SVS	-11,750.00	.00	8,750.00	.00	-3,000.00	74.47%
6300 - SUPPLIES AND MATERIALS	-5,000.00	79.19	.00	.00	-4,920.81	.00%
6400 - OTHER OPERATING EXPENSES	-3,000.00	.00	220.00	35.00	-2,780.00	7.33%
Total Function 53 DATA PROCESSING	-19,750.00	79.19	8,970.00	35.00	-10,700.81	45.42%
61 - COMMUNITY SERVICES						
6100 - PAYROLL COSTS	-13,345.00	.00	7,439.61	1,574.58	-5,905.39	55.75%
Total Function 61 COMMUNITY SERVICES	-13,345.00	.00	7,439.61	1,574.58	-5,905.39	55.75%
81 - CAPITAL PROJECTS						
6200 - PURCHASE CONTRACTED SVS	-26,500.00	.00	.00	.00	-26,500.00	.00%
6600 - CPTL OUTLY LAND BLDG EQUIP	-421,812.00	.00	352,948.32	30,677.95	-68,863.68	83.67%
Total Function 81 CAPITAL PROJECTS	-448,312.00	.00	352,948.32	30,677.95	-95,363.68	78.73%
91 - CHAPTER 41 PAYMENT						
6200 - PURCHASE CONTRACTED SVS	-5,890,533.00	.00	.00	.00	-5,890,533.00	.00%
Total Function 91 CHAPTER 41 PAYMENT	-5,890,533.00	.00	.00	.00	-5,890,533.00	.00%
99 - PAYMENT TO OTHER GOVERN ENT						
6200 - PURCHASE CONTRACTED SVS	-75,000.00	.00	19,537.61	.00	-55,462.39	26.05%
Total Function 99 PAYMENT TO OTHER GOVER	-75,000.00	.00	19,537.61	.00	-55,462.39	26.05%
8000 - OTHER USES						
00 - DISTRICT WIDE						
8900 - OTHER USES-TRANSFERS OUT	.00	.00	.00	.00	.00	.00%
Total Function 00 DISTRICT WIDE	.00	.00	.00	.00	.00	.00%
Total Expenditures	-17,740,393.00	340,181.44	4,994,573.47	1,016,013.68	-12,405,638.09	28.15%

	Estimated Revenue (Budget)	Revenue Realized Current	Revenue Realized To Date	Revenue Balance	Percent Realized
5000 - RECEIPTS					
5700 - REVENUE-LOCAL & INTERMED					
5750 - ATHLETIC ACTIIVTY REVENUE	302,405.00	-33,545.62	-163,512.21	138,892.79	54.07%
Total REVENUE-LOCAL & INTERMED	302,405.00	-33,545.62	-163,512.21	138,892.79	54.07%
5800 - STATE PROGRAM REVENUES					
5820 - STATE PROGRAM REVENUES	2,800.00	.00	.00	2,800.00	.00%
Total STATE PROGRAM REVENUES	2,800.00	.00	.00	2,800.00	.00%
5900 - FEDERAL PROGRAM REVENUES					
5920 - OBJECT DESCR FOR 5920	152,829.00	.00	-67,576.00	85,253.00	44.22%
Total FEDERAL PROGRAM REVENUES	152,829.00	.00	-67,576.00	85,253.00	44.22%
Total Revenue Local-State-Federal	458,034.00	-33,545.62	-231,088.21	226,945.79	50.45%

	Budget	Encumbrance YTD	Expenditure YTD	Current Expenditure	Balance	Percent Expended
6000 - EXPENDITURES						
35 - FOOD SERVICES						
6100 - PAYROLL COSTS	.00	.00	1,834.99	333.88	1,834.99	.00%
6200 - PURCHASE CONTRACTED SVS	-212,520.00	.00	78,970.59	18,735.45	-133,549.41	37.16%
6300 - SUPPLIES AND MATERIALS	-245,514.00	.00	122,865.98	24,267.78	-122,648.02	50.04%
Total Function 35 FOOD SERVICES	-458,034.00	.00	203,671.56	43,337.11	-254,362.44	44.47%
Total Expenditures	-458,034.00	.00	203,671.56	43,337.11	-254,362.44	44.47%

	Estimated Revenue (Budget)	Revenue Realized Current	Revenue Realized To Date	Revenue Balance	Percent Realized
5000 - RECEIPTS					
5700 - REVENUE-LOCAL & INTERMED					
5710 - LOCAL REAL-PROPERTY TAXES	1,728,899.00	-542,580.68	-1,375,721.06	353,177.94	79.57%
5740 - INTEREST, RENT, MISC REVENUE	28,141.76	-1,704.22	-6,282.59	21,859.17	22.32%
Total REVENUE-LOCAL & INTERMED	1,757,040.76	-544,284.90	-1,382,003.65	375,037.11	78.66%
Total Revenue Local-State-Federal	1,757,040.76	-544,284.90	-1,382,003.65	375,037.11	78.66%

	Budget	Encumbrance YTD	Expenditure YTD	Current Expenditure	Balance	Percent Expended
6000 - EXPENDITURES						
71 - DEBT SERVICES						
6200 - PURCHASE CONTRACTED SVS	-1,200.00	.00	.00	.00	-1,200.00	.00%
6500 - DEBT SERVICE	-1,802,803.76	.00	.00	.00	-1,802,803.76	.00%
Total Function 71 DEBT SERVICES	-1,804,003.76	.00	.00	.00	-1,804,003.76	.00%
Total Expenditures	-1,804,003.76	.00	.00	.00	-1,804,003.76	.00%
End of Report						

Lago Vista ISD

Statement of Revenues and Expenditures - General Fund

As of January 31, 2009

41.7% Of Fiscal Year

	CURRENT YEAR			% OF BUDGET	PRIOR YEAR		% OF ACTUAL TOTAL
	BUDGET	ACTUAL	BALANCE		CUMULATIVE ACTUAL		
REVENUES							
5710 LOCAL TAX REVENUES	\$ 12,851,525	\$ 10,281,850	\$ 2,569,675	80.00%	\$ 9,623,134		82.59%
57XX OTHER LOCAL REVENUES	\$ 382,000	\$ 78,902	\$ 303,098	20.65%	\$ 207,985		63.58%
58XX STATE PROG. REVENUES	\$ 4,058,556	\$ 3,083,008	\$ 975,548	75.96%	\$ 2,859,335		79.17%
59XX FED PROG. REVENUES		\$ -	\$ -		\$ -		
TOTAL REVENUE	\$ 17,292,081	\$ 13,443,760	\$ 3,848,321	77.75%	\$ 12,690,454		81.40%
EXPENDITURES							
11 INSTRUCTION	\$ 7,102,535	\$ 2,706,466	\$ 4,396,069	38.11%	\$ 2,368,665		36.09%
12 LIBRARY	\$ 179,673	\$ 81,149	\$ 98,524	45.16%	\$ 68,681		38.78%
13 STAFF DEVELOPMENT	\$ 127,544	\$ 62,151	\$ 65,393	48.73%	\$ 45,019		36.51%
21 INST ADMINISTRATION	\$ 89,192	\$ 33,589	\$ 55,603	37.66%	\$ 36,531		41.04%
23 SCHOOL ADMINISTRATION	\$ 661,273	\$ 283,077	\$ 378,196	42.81%	\$ 265,992		40.58%
31 GUID AND COUNSELING	\$ 324,544	\$ 109,189	\$ 215,355	33.64%	\$ 112,810		35.63%
33 HEALTH SERVICES	\$ 106,180	\$ 42,970	\$ 63,210	40.47%	\$ 40,273		37.35%
34 PUPIL TRANSP - REGULAR	\$ 452,577	\$ 186,068	\$ 266,509	41.11%	\$ 187,358		44.40%
36 CO-CURRICULAR ACT	\$ 420,574	\$ 267,780	\$ 152,794	63.67%	\$ 179,148		48.74%
41 GEN ADMINISTRATION	\$ 568,648	\$ 268,589	\$ 300,059	47.23%	\$ 280,801		48.37%
51 PLANT MAINT & OPERATION	\$ 1,221,511	\$ 544,249	\$ 677,262	44.56%	\$ 456,930		35.25%
52 SECURITY	\$ 39,200	\$ 20,395	\$ 18,805	52.03%	\$ 18,322		60.07%
53 DATA PROCESSING	\$ 19,750	\$ 8,970	\$ 10,780	45.42%	\$ 26,469		29.36%
61 COMMUNITY SERVICE	\$ 13,345	\$ 7,439	\$ 5,906	55.74%	\$ 53,000		
81 CONSTRUCTION	\$ 448,312	\$ 352,948	\$ 95,364	78.73%	\$ -		0.00%
91 STUDENT ATTENDANCE CR	\$ 5,890,533	\$ -	\$ 5,890,533	0.00%	\$ (110,226)		-2.39%
99 TRAVIS COUNTY APP	\$ 75,000	\$ 19,537	\$ 55,463	26.05%	\$ -		0.00%
0 TRANSFER OUT	\$ -	\$ -	\$ -	0.00%	\$ -		0.00%
TOTAL EXPENDITURES	\$ 17,740,391	\$ 4,994,566	\$ 12,745,825	28.15%	\$ 4,029,773		25.21%
1200 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES - FY 2007-2008	\$ 8,449,194						\$ 331,751
3000 BEG FUND BAL 9/1/08	\$ 5,198,715						\$ 4,866,964
3000 END FUND BAL 8/31/09	\$ 13,647,909						\$ 5,198,715
3510 RESERVED FUND BAL	\$ 338,056						
3600 UNRESERVED FUND BAL	\$ 13,309,853						

PR Amend
Budget

\$ 11,651,005
\$ 327,120
\$ 3,611,566

\$ 15,589,691

\$ 6,563,255
\$ 177,097
\$ 123,305
\$ 89,008
\$ 655,457
\$ 316,587
\$ 107,828
\$ 422,000
\$ 367,549
\$ 580,518
\$ 1,296,259
\$ 30,500
\$ 90,142
\$ -
\$ 448,312
\$ 4,607,000
\$ 70,610
\$ 37,968

\$15,983,395

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT
TAX COLLECTIONS REPORT
AS OF JANUARY 31, 2009**

2008-2009 Original Tax Levy	\$ 14,757,820.63
Delinquent Taxes as of 8/31/2008	1,633,156.68
Total Receivables for 2007-08	\$ 16,390,977.31
Current Year Adjustments	(116,494.55)
Prior Year Adjustments	(5,090.82)
Adjusted Receivables	\$ 16,269,391.94
Total Net Collections To Date (Less P&I)	\$ 11,492,422.50
Outstanding Receivables as of: 12/31/2008	\$ 4,776,969.44

2008-2009 Original Tax Levy	\$ 14,757,820.63
Current Year Adjustments	(116,494.55)
Net Levy	<u>\$ 14,641,326.08</u>

Taxes Collected:	
Maintenance-Current Tax	\$ 10,041,694.14
Debt Service-Current Tax	1,351,766.52
Total Current Tax Levy Collected	\$ 11,393,460.66

Percentage of Current Tax Levy Collected	77.82%	Prior Year 80.32%
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SUMMARY OF BUDGETED COLLECTIONS	BUDGETED	NET COLLECTED	BUDGETED VARIANCE	2008 - 2009 % OF BUDGET COLLECTED	2007 - 2008	Amended Budget
M & O - Current Tax	\$ 12,219,684.00	\$ 10,070,923.00	\$ 2,148,761.00	82.42%	83.73%	\$ 11,024,338.00
M & O - Prior Year Tax	\$ 348,993.00	\$ 143,060.00	\$ 205,933.00	40.99%	68.64%	\$ 346,667.00
M & O - P & I	\$ 262,848.00	\$ 35,288.00	\$ 227,560.00	13.43%	52.30%	\$ 260,000.00
Sub-total	\$ 12,831,525.00	\$ 10,249,271.00	\$ 2,582,254.00	79.88%	82.58%	\$ 11,631,005.00
I & S - Current Tax	\$ 1,645,848.00	\$ 1,357,866.00	\$ 287,982.00	82.50%	84.16%	\$ 1,683,098.34
I & S - Prior Year Tax	\$ 47,458.00	\$ 13,104.00	\$ 34,354.00	27.61%	59.24%	\$ 55,865.11
I & S - P & I	\$ 35,593.00	\$ 4,750.00	\$ 30,843.00	13.35%	48.73%	\$ 41,421.07
Sub Total	\$ 1,728,899.00	\$ 1,375,720.00	\$ 353,179.00	79.57%	82.55%	\$ 1,780,384.52
Total Collections	\$ 14,560,424.00	\$ 11,624,991.00	\$ 2,935,433.00	79.84%	82.57%	\$ 13,411,389.52

Collected

\$	9,230,424.00
\$	237,957.00
\$	135,977.00
\$	9,604,358.00
\$	1,416,430.00
\$	33,093.00
\$	20,184.00
\$	1,469,707.00
\$	11,074,065.00

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT
INVESTMENT SCHEDULE
AS OF JANUARY 31, 2009**

MONEY MARKET ACCOUNTS

TEXPOOL	Balance	Interest Earned for the Month	APY	DEC 08 APY
General Fund	\$ 91,896.05	\$ 74.32	0.95%	1.49%
I&S	\$ 187.71	\$ 0.17	0.95%	1.49%

LONESTAR INVESTMENT POOL

General Fund - Liquidity Fund	\$ 1,038.34	\$ 1.05	1.19%	1.49%
General Fund - Liquidity Corp Fund	\$12,692,777.01	\$ 11,589.35	1.21%	1.51%
I&S - Liquidity Corporate Fund	\$ 1,936,331.96	\$ 1,703.95	1.21%	1.51%
Capital Projects - Liquidity Corp Fund	\$ 199,197.21	\$ 204.17	1.21%	1.51%

CASH

Sweep Account	\$ 314,779.38	\$ 81.96	0.95%	0.32%
General Fund	\$ 75,796.06	\$ 21.12	0.50%	0.60%
Capital Projects	\$ 1.00	\$ -	0.50%	0.60%
CP Sweep	\$ 49,683.65	\$ 19.19	0.95%	0.32%
Interest and Sinking	\$ 233.94	\$ 0.10	0.50%	0.60%
Total Cash in Bank	<u>\$440,494.03</u>			

Total Investment Balance

General Fund	\$13,176,286.84
I&S	\$ 1,936,753.61
Capital Projects	\$ 248,881.86
Total	\$15,361,922.31

Interest Earned

	LSIP	TexPool	Bank	Total
General Fund	\$ 11,590.40	\$ 74.32	\$ 103.08	\$ 11,767.80
I&S	\$ 1,703.95	\$ 0.17	\$ 0.10	\$ 1,704.22
Capital Projects	\$ 7,944.66		\$ 19.19	\$ 7,963.85
Total				<u><u>\$ 21,435.87</u></u>