



Notice of Regular Meeting The Board of Trustees LVISD

A meeting of the Board of Trustees of Lago Vista ISD will be held on May 19, 2009, 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. Recognition of retiring staff members
4. Swearing in of new trustees
5. Special Education review
6. Proposed land sale
7. Upgrades for athletic facilities
8. Cheerleader program funding
9. Harris Interactive Survey
10. Minutes of previous meetings
11. Revenue projections
12. Budgeting process report
13. Monthly Financial report
14. Personnel: Assignment and employment
15. Superintendent evaluation
16. Reorganization of the Board
17. 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, 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



PAUL HORNSBY & COMPANY

REAL PROPERTY APPRAISERS AND CONSULTANTS

Paul Hornsby, MAI, SRA, CRE
James Warren, MAI
Eli Hanslik, MAI
Clifford Shaw
Jason Lee
Steve Bryant

Chris Hornsby
Lance Lawson
Stuart Morrow
Melany Adler
Cathy Thomas
Brian Gramling

April 13, 2009

Bill Angelo
City Manager
City of Lago Vista
PO Box 4727
Lago Vista, Texas 78645

Re: Appraisal of 6.1 Acres of Vacant Land located just south of Dawn Drive and west of Travis Drive, Lago Vista, Travis County, Texas.

Property Owner:	Lago Vista Independent School District
Appraisal District Parcel:	Part of 01-6777-0102-0000

Dear Mr. Angelo:

Pursuant to your request, we have undertaken an appraisal of the above-referenced property, the conclusions of which are set forth in this summary report. This report is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice (USPAP) for a summary appraisal report. As such, it presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop our opinion of value. Detailed supporting documentation concerning the data, reasoning, and analyses is retained in our file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated below. We are not responsible for unauthorized use of this report.

The purpose of the appraisal is to estimate the market value of the fee simple interest in the property. The intended use of this report is to assist the client in establishing a basis for acquisition of the subject property. The effective date of this appraisal is March 27, 2009.

Based on the analysis and data summarized herein, it is our opinion that the market value of the fee simple interest in the subject property is as follows:

MARKET VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
As Is	Fee Simple Interest	March 27, 2009	\$159,000

Compiled by Paul Hornsby and Co.

This letter of transmittal and the pages which follow constitute our report setting forth the data and analyses utilized in formulating the value opinion. We appreciate the opportunity to be of service to you and City of Lago Vista. Should you have any questions, or if we can be of further assistance, please contact our office.

We 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 are our personal, impartial, and 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 with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Paul Hornsby and Brian Gramling have made a personal inspection of the property that is the subject of this report.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- No one provided significant real property appraisal assistance to the person(s) signing this certification.
- As of the date of this report, Paul Hornsby has completed the continuing education program of the Appraisal Institute.

PAUL HORNSBY & COMPANY,

Paul Hornsby, MAI, SRA, CRE
Texas Certified Appraiser No. 1321761-G



Brian Gramling
Appraiser Trainee No. 1337681

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EXTRAORDINARY ASSUMPTIONS

1. It is assumed that the 10-foot strip of land separating the subject from Dawn Drive can be crossed by the roadway to be constructed along the southwest boundary.

ORDINARY ASSUMPTIONS

1. It is assumed that there are no easements or encroachments as of the effective date of this appraisal unless noted within the report.
 2. It is assumed that there are no hidden or unapparent conditions of the property, sub-soils, or structures which would render them more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover such factors.
 3. It is assumed that all necessary permits have been obtained and that there has been full compliance with all applicable federal, state, and local environmental regulations and laws unless non-compliance is stated, defined, and considered in the appraisal report.
 4. It is assumed that all applicable zoning and use regulations and restrictions are complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.
 5. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed. I have no knowledge of the existence of such materials on or in the property, and am not qualified to detect such substances. The presence of substances such as asbestos, radon gas, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimates are predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
 6. It is assumed that the property is free of any environmental issues, including endangered species or their habitat (i.e., caves) which might preclude development or otherwise affect the value of the property. No responsibility is assumed regarding the presence or absence of such features and the client is urged to retain an expert in these fields, if desired, as the appraiser is not qualified to discover such conditions.
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LIMITING CONDITIONS

1. The legal description furnished our firm is assumed to be correct. We assume no responsibility for matters legal in character, nor render any opinion as to the title, which is assumed to be good. The property has been appraised as if under responsible ownership and competent management.
2. We have made no survey and assume no responsibility in connection with such matters therefore, reference to a sketch, plat, diagram, or survey appearing in the report is only for the purpose of assisting the reader to visualize the property. The firm believes that the information contained in this report, although obtained from public record and other reliable sources and, where possible, carefully checked, is reliable, but assumes no responsibility for its accuracy.
3. The construction and condition of the property mentioned in the body of this report are based on observation and no engineering study has been made which could discover any possible latent defects. No certification as to any of the physical aspects could be given unless a proper engineering study is made.
4. We are not required to give testimony or attendance in court by reason of this appraisal with reference to the property in question, unless arrangements have been previously made.
5. Possession of this report or a copy thereof does not carry with it the right of publication. It may not be used for any purpose by anyone other than the addressee without the previous written consent of the appraiser(s).
6. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the author(s), particularly as to valuation and conclusions, the identity of the appraiser or firm with which they are connected, or any reference to the Appraisal Institute, the SRA, CRE or the MAI designation.

The appraisers' liability regarding the statements and conclusions reported herein is limited to the fee charged for the assignment.

SUMMARY OF IMPORTANT CONCLUSIONS

Property Name: 6.1 Acres of Vacant Land

Location: Just south of Dawn Drive and west of Travis Drive, Lago Vista, Travis County, Texas

Legal Description: Part of a 450.309 acre tract of land conveyed to F. Leland Stanford by deed recorded in Volume 10034, Page 21, Deed Records of Travis County, Texas

Assessor's Parcel Number: Part of 01-6777-0102-0000

Property Rights Appraised: Fee Simple Interest

Site Data:

Size: ±6.1000 acres (±265,716 SF)

Zoning: None; Lago Vista ETJ

Utilities: The subject has no utilities to the site. Water and wastewater are available by extension.

Shape: The site is basically triangular.

Easements: No adverse easements noted

Topography: The site is moderately sloping from northwest to southeast (950' peak elevation to 900' low elevation)

Flood Plain: According to available maps, none of the site is in the flood plain.

Watershed: N/A

Improvement Data:

Property Type: N/A (Vacant Land)

Highest and Best Use:

As If Vacant: The highest and best use is future multi-family residential development.

As Improved: N/A

Purpose of Appraisal: The purpose of the appraisal is to estimate the market value of the fee simple interest in the property in its as-is condition.

Effective Date of the Appraisal: March 27, 2009

Date of the Report: April 13, 2009

Value Conclusion:

MARKET VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
As Is	Fee Simple Interest	March 27, 2009	\$159,000

Compiled by Paul Hornsby and Co.



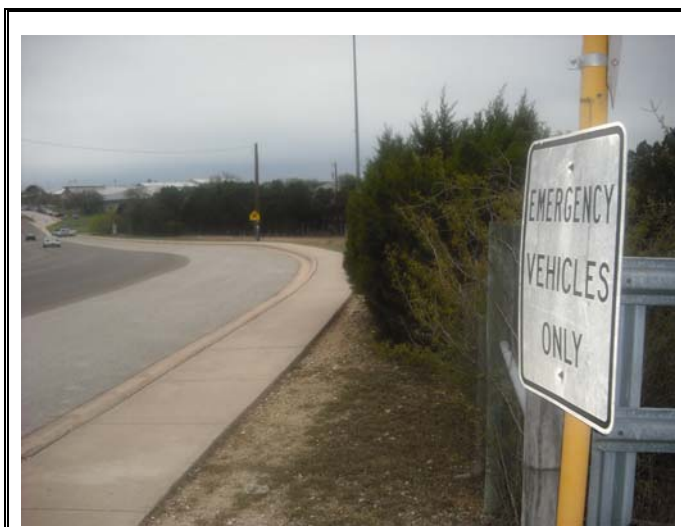
DESCRIPTIONS AND ANALYSES

SUBJECT PHOTOGRAPHS



Southwest view of subject property from Dawn Drive

Date of Photo: March 27, 2009



East view of Dawn Drive from northwest corner of property

Date of Photo: March 27, 2009



West view of 10-foot strip of land from northern edge of property

Date of Photo: March 27, 2009



East view of northern boundary from northwest corner of property

Date of Photo: March 27, 2009



West view of northeast corner of property from along northern boundary

Date of Photo: March 27, 2009



South view of northwest corner of property

Date of Photo: March 27, 2009



Southeast view of right of way clearing
along the west boundary of subject

Date of Photo: March 27, 2009



East view of subject interior

Date of Photo: March 27, 2009



Northeast view of subject interior

Date of Photo: March 27, 2009

EFFECTIVE DATE OF VALUE

March 27, 2009

PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to estimate the market value of the fee simple interest in the property.

CLIENT, INTENDED USE AND USERS OF THE APPRAISAL

Our client is the City of Lago Vista. The client is the sole intended user of the report. Use of this report by others is not intended. This report is intended only to assist the client in establishing a basis for acquisition of the subject property. This report is not intended for any other use.

PROPERTY RIGHTS APPRAISED

The property rights appraised are the fee simple interest in the property. Fee simple estate is an absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.¹

DEFINITION OF MARKET VALUE

"Market Value is the price which the property would bring when it is offered for sale by one who desires, but is not obliged to sell, and is bought by one who is under no necessity of buying it, taking into consideration all of the uses to which it is reasonably adaptable and for which it either is or in all reasonable probability will become available within the reasonable future."²

LEGAL DESCRIPTION

The following legal description was obtained from public records and is assumed to be correct. It has not been verified by legal counsel nor has an independent survey of the parcel been commissioned. Therefore, it is suggested that the legal description be verified before being used in a legal document or conveyance.

Part of a 450.309 acre tract of land conveyed to F. Leland Stanford by deed recorded in Volume 10034, Page 21, Deed Records of Travis County, Texas.

OWNER OF RECORD AND HISTORY/CURRENT LISTING OF THE PROPERTY

According to the Travis County Deed Records, ownership of the subject property is vested in Lago Vista Independent School District as recorded in Vol. 10470, Page 726 dated October 27, 1987. Consideration for this transaction was not disclosed.

¹ *The Appraisal of Real Estate, 13th Edition*, (Chicago: Appraisal Institute, 2008) p. 111.

² *City of Austin vs. Cannizzo, et.al.*, 267 S.W. 2d 808, 815 [1954].

AD VALOREM TAXES

<u>Jurisdiction</u>	<u>2008 Rate</u>
Travis County	\$0.412200
Lago Vista ISD	\$1.180000
Travis Co. Healthcare Dist.	\$0.067900
Travis Co. ESD No. 1	\$0.100000
<u>Total</u>	<u>\$1.760100</u>

Compiled by Paul Hornsby and Co.

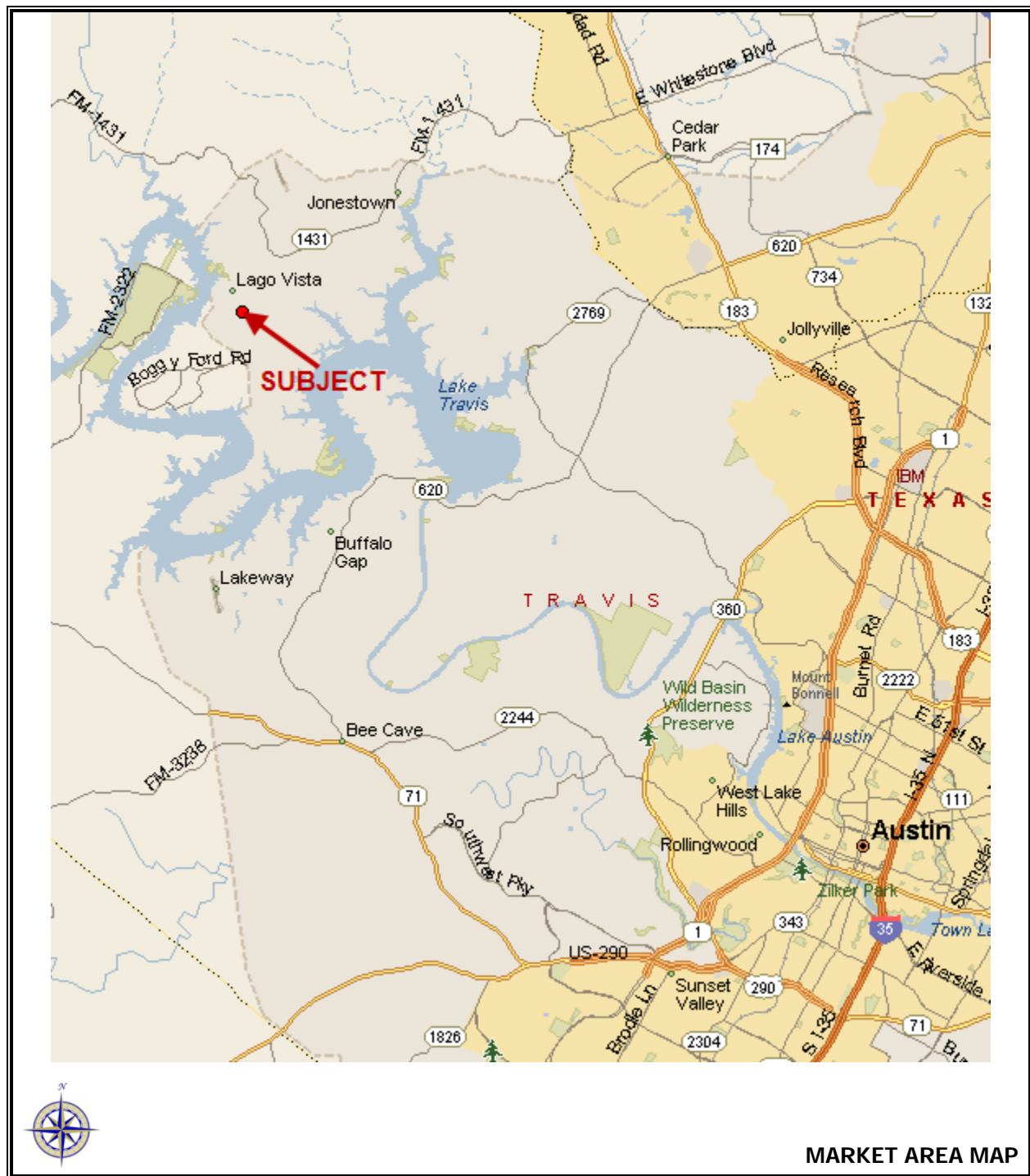
The subject property falls under the jurisdiction of the taxing authorities shown in the table above.

The 2008 assessment by the Travis Central Appraisal District is a total value of \$61,817 for the 42.211 acre parent tract (\$1,464/acre, \$0.03/SF). The subject tract is a 6.1 acre part of the 42.211 acre tract. According to the Travis County Tax office, no delinquent taxes are due.

SCOPE OF WORK

To complete the assignment, a number of steps were undertaken. The most salient of these are listed below.

- The property was inspected on-site on March 27, 2009.
- The neighborhood was inspected from numerous roads, and trends in residential and commercial development were noted.
- We reviewed documents specific to the subject property including the following:
 - deed records
 - tax plat
 - flood plain maps
 - a site study dated 4/2/09, prepared by Haynie Consulting, Inc.
 - due diligence report dated December 2008, prepared by PBS&J
- A highest and best use analysis was performed to determine the physically possible uses, legally permissible uses, financial feasibility and maximally productive use of the property.
- The three traditional valuation techniques were considered to estimate the value of the subject property. The Sales Comparison Approach was utilized. The Cost Approach and Income Capitalization Approach were not used because the subject property has no improvements.
- Sales were confirmed by research of county deed records, conversations with various real estate brokers active in the market, and review of published data from the Austin/Central Texas Realty Information Services (MLS). The time frame for our data search was from 2006 through the effective date. The geographic area of research included Travis County and Burnet County. The sale comparables were inspected from perimeter roadways, and data were confirmed with parties directly involved with the transactions (buyer, seller or brokers) or associates having special knowledge of the transactions.



MARKET AREA ANALYSIS

The subject property is located in far northwest Travis County in the Lago Vista area. The neighborhood boundaries are not well defined but can be generally described as Lake Travis to the south, the Travis/Burnet County line to the west and the Travis/Williamson County line to the north and east. The subject neighborhood is located about 35 miles northwest of Austin's Central Business District and approximately 15 miles west of Cedar Park.

Access/Roadways

The primary arterials are FM 1431 and Lohman Ford Road. FM 1431 is a four-lane, asphalt paved roadway which runs in an east-west direction from IH 35, just north of Round Rock, to the cities of Marble Falls and Kingsland. Lohman Ford Road is a four-lane and two-lane roadway that runs south from FM 1431 to Lake Travis, and provides access to Lago Vista, Point Venture, and other areas along the north shore of Lake Travis. There is a limited number of roadways in the general area, but they provide adequate access to the populated area within the neighborhood.

Development Stage/Land Uses

The immediate area has experienced steady growth over the past decade. The main attractions to the neighborhood are Lake Travis and the surrounding hill country. Lake Travis is part of a chain of six lakes created when the Colorado River was dammed in the early 1940s. It is the second largest of the Highland Lakes and is approximately 64 miles in length. Lake Travis is located in the Texas Hill Country and its shoreline abuts tree covered hills and limestone outcrops, that provide for exceptional views. It is one of the most popular lakes in Texas for water recreation and home sites and, more recently, for resort communities like The Hollows at North Shore.

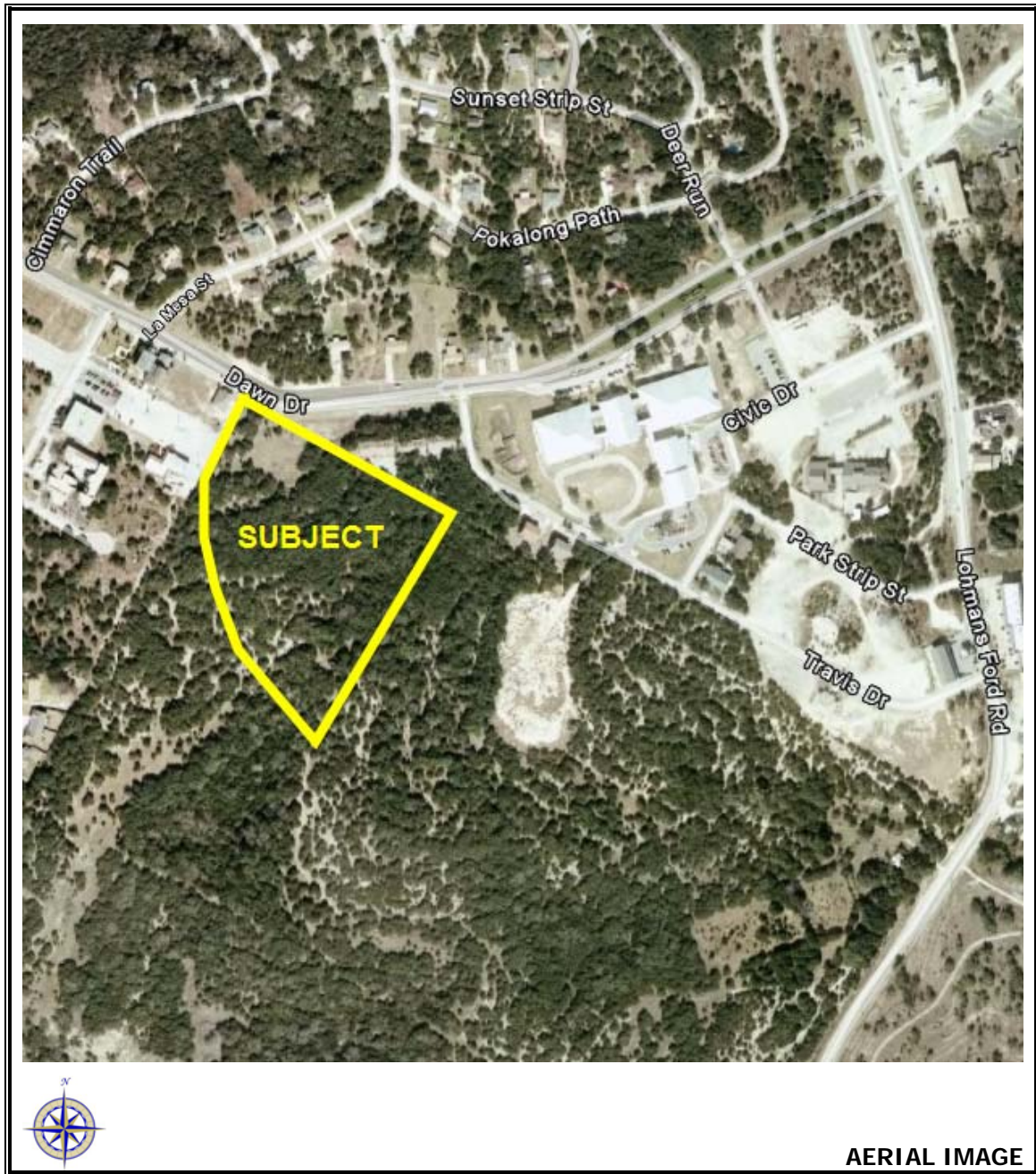
A large percentage of the neighborhood remains undeveloped. The terrain of the area is characterized as being Texas Hill Country. The area generally has moderate to steeply sloping terrain with heavy tree cover, being mostly cedar and oak. The terrain provides for excellent views of the lakes and hill country in many areas. The area has been designated as environmentally sensitive due to the presence of several endangered species and is within the boundaries of the Balcones Canyonland Plan (BCP). The Golden-Cheeked Warbler and the Black-Capped Vireo are two endangered species which have made portions of the neighborhood their nesting grounds. Both of the birds are protected as endangered species by the United States Fish and Wildlife Service. Many properties require environmental impact studies and approval from Fish and Wildlife or voluntary participation in the BCP prior to development.

Within the neighborhood, there is limited commercial development and no major employers. Most of the existing commercial development is located along FM 1431 and Lohman Ford Road. This area has seen some growth over recent years with a number of neighborhood services now addressed via local vendors and practitioners. However, there is a significant amount of new retail and office space available for lease with most major retailers located in the vicinity of U.S. Highway 183 and FM 1431 or U.S. Highway 183 and FM 620.

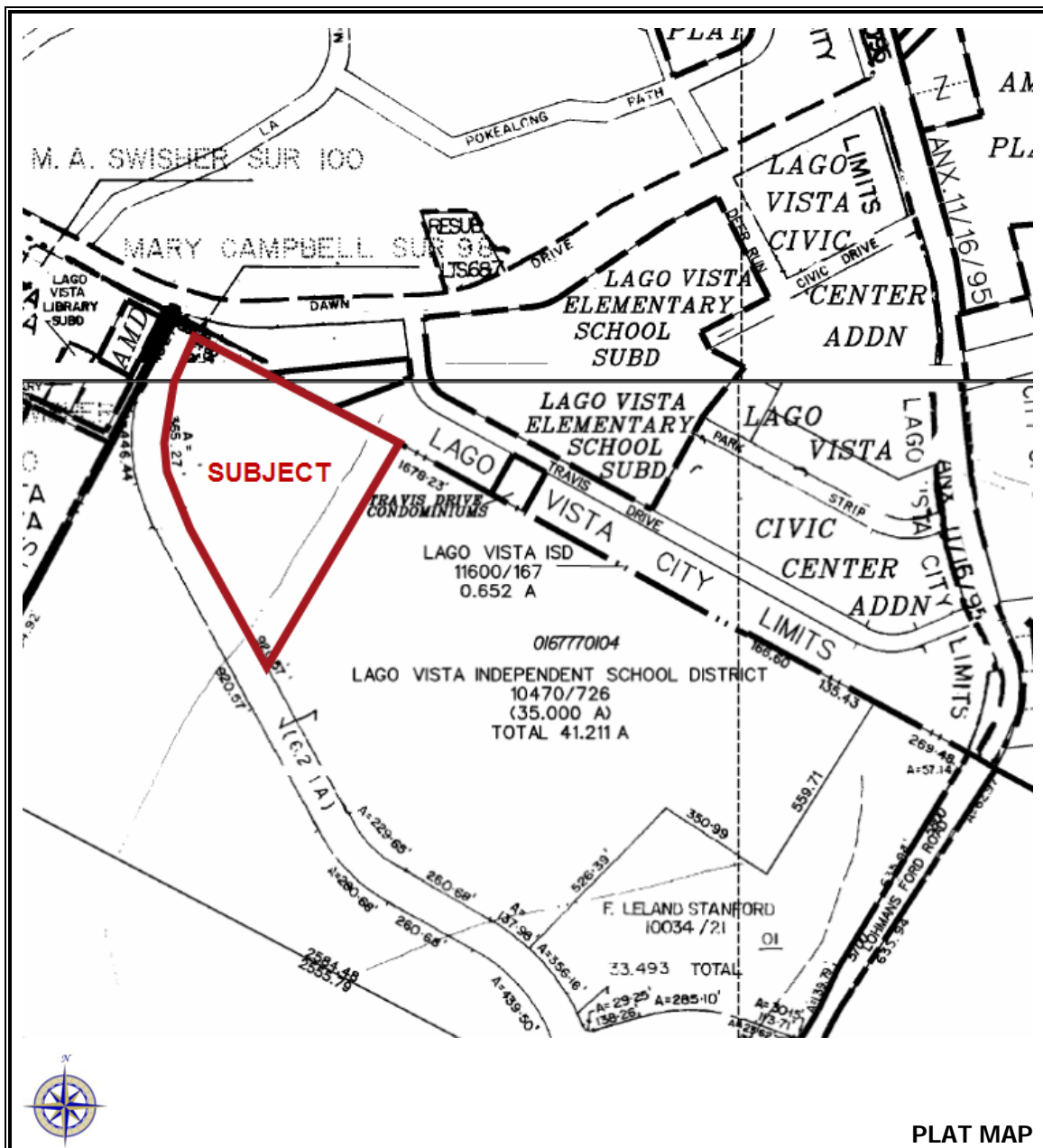
Utilities to the neighborhood are available from several sources. Electricity is generally provided by Pedernales Electric Coop. Water is available from the City of Lago Vista and from Jonestown, but their service area and capacity are limited. Most residences outside of these communities generally use private wells and some are allowed to pump water out of Lake Travis. There is some private wastewater service in the area, primarily in the Lago Vista area, but most residences utilize private septic systems. The lack of adequate water and wastewater capacity and service has historically slowed development. The City of Lago Vista has been taking steps to service the area to a greater extent. Capacity is not so much an issue as is infrastructure cost which has hindered development.

Until mid-2008, the north shore of Lake Travis, and the City of Lago Vista in particular, had experienced a steady stream of development activity since 2005 with developments like Waterford Lake Travis and The Hollows at North Shore (532 units and 376 acres of single-family, multi-family and commercial) posting healthy lot sales. More than 5,800 single family, condominium and multi-family units have been in various stages of planning and development over the past several years, including The Majestics (Proposed): 8.91 acres duplex condos (74 units), 1.45 acres C-1 zoning; Vista Villas: 62 condos on 12 acres; and Shoreline Ranch: 568 units of single-family and multi-family with golf courses and lake services.

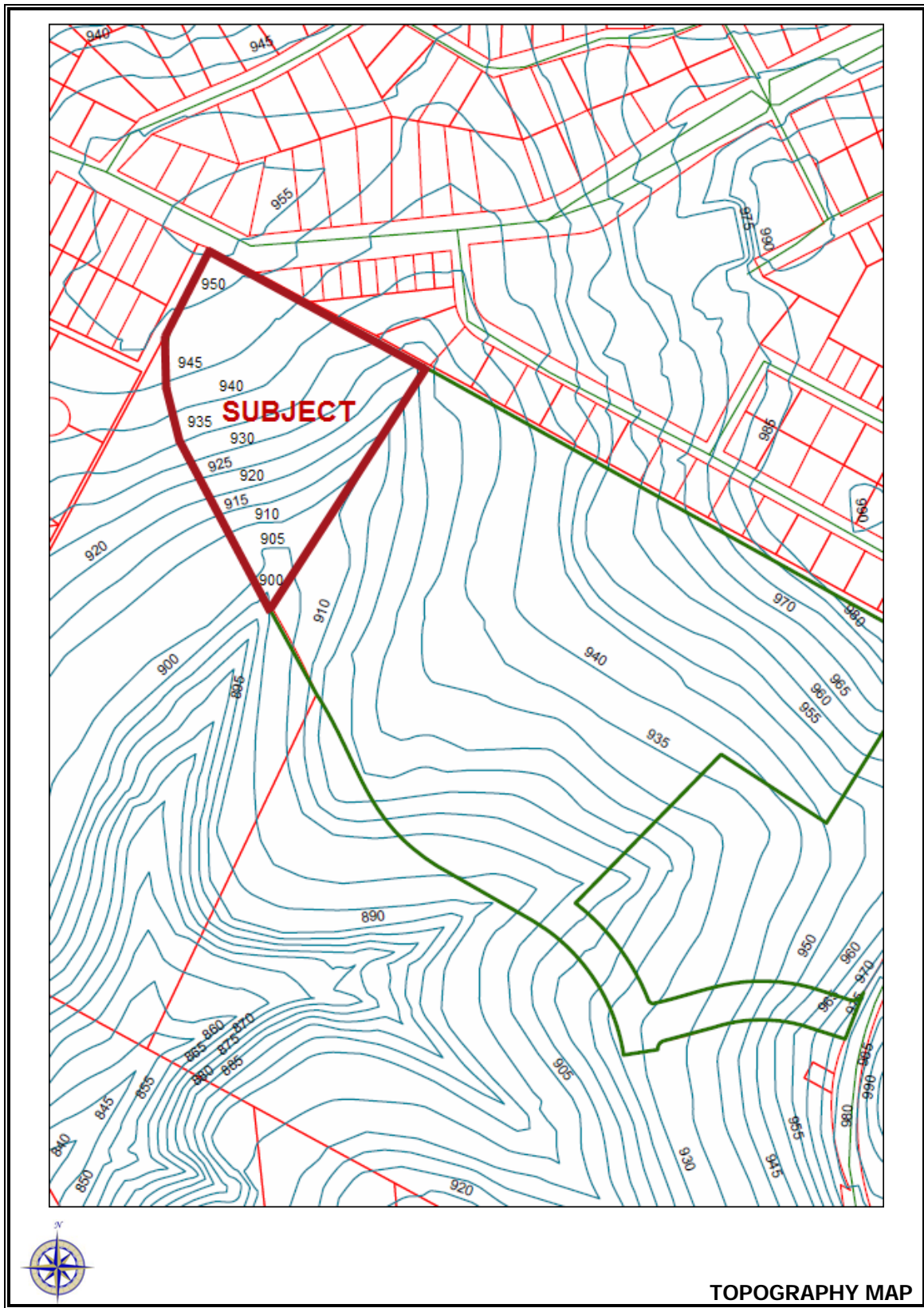
In recent months, however, most projects are reportedly either on hold or in some cases for sale and/or facing foreclosure. Keegan's Crossing, a proposed 151-unit duplex project on 27.15 acres adjacent to the subject, has recently been foreclosed. For the most part, the tight financial markets, very low levels of lot sales and concern over the future, broader economy have slowed the market to a halt. Most developers who can afford to hold are of the wait- and- see mindset with the idea that perhaps within the next year they will take another look at feasibility.

SITE DESCRIPTION AND ANALYSIS

Source: Austin GIS



Source: TCAD



Source: ArcView

Location:	Just south of Dawn Drive and west of Travis Drive, Lago Vista, Travis County, Texas
Map Reference:	Mapsco Map Page 429-P
Gross Site Area:	±6.1000 acres (±265,716 SF)
Shape:	The site is basically triangular.
Frontage and Roadway Design:	<p>The subject property does not have direct access to any public roads. There is a 10-foot strip of land separating the property at its northern border from Dawn Drive. Ownership of this strip is unclear. The PBS&J Due Diligence Report indicates the strip to be owned by Lago Vista ISD. City of Lago Vista representatives stated the strip may be owned by the city.</p> <p>There is also a future right of way along the western portion of the property that has been rough-cleared. Per the Haynie Consulting report, this roadway would have to be built with a 4-lane configuration due to the neighboring school which generates high traffic with the pick-up and delivery of students.</p>
Subsoil Conditions and Drainage:	An engineering study to determine the soil and subsoil conditions was not provided. The soil and subsoil conditions are assumed to be typical of those found in this area. We are not qualified to render an opinion as to the quality of the soils or feasibility for development. Upon inspection of the subject and surrounding improvements, soil conditions appear adequate to support development of the subject property with adequate engineering. The opinions of value stated herein are contingent upon the soils providing a stable base for improvements.
Topography:	The site is moderately sloping from northwest to southeast. The peak elevation is 950' and the low elevation is 900'.
Flood Plain:	According to flood hazard map 48453C0205H for the City of Lago Vista, Travis County, Texas dated September 26, 2008 published by the Federal Emergency Management Agency (FEMA), the site is within Zone X, an area determined to be outside the 100-year flood plain.

Environmental/Toxic Waste: We were not provided an environmental site assessment for the subject, and we did not observe during our inspection any evidence of recognized environmental conditions such as hazardous waste and/or toxic materials. We have no knowledge of the existence of any such substances on the property; however, we are not qualified to detect hazardous waste and/or toxic materials. An expert in these fields should be consulted for opinions on these matters. The appraisal is predicated on the assumption that no environmental hazards or special resources exist within or on the subject property.

The PBS&J Due Diligence Report indicates the subject to be within Zone 2 area of the BCP (unconfirmed habitat for the Golden Cheek Warbler). Additional studies would have to be undertaken and fees paid prior to development.

Utilities: The subject has no utilities to the site. Water and wastewater are available by extension. Per the Haynie Consulting report, water service will require a minimum of a 12-inch line to accommodate the fire flow for a public use building such as the school adjacent to the property. Wastewater is projected to be available in 12 to 18 months. According to Haynie, the tie-in will require an over-sizing of The Hollows 6-inch line to an 8-inch line at the intersection of Dawn Drive and the future roadway.

Future development will dictate the ultimate source of water and wastewater. For example, the existing 8" water line in Dawn Drive may be sufficient for some uses, subject to capacity availability. The City also has plans to construct the noted 12" line in Dawn Drive, if and when funding is available. Existing wastewater force mains may also be sufficient for some uses.

Political Boundaries: City of Lago Vista ETJ, Travis County, State of Texas

Zoning: None; Lago Vista ETJ.

School District Lago Vista ISD

Public Services: The site is within the extra-territorial jurisdiction of the City of Lago Vista. Upon development, annexation would be expected, and the site would be provided all municipal services, including police, fire, and garbage collection.

Land Use Restrictions: We were not provided a title policy. A search of the Travis County Deed Records did not reveal any adverse restrictions. We are not aware of any known deed restrictions, either public or private, that would limit the utilization of the subject property; however this statement should not be taken as a guarantee or warranty that no such restrictions exist. Deed and title examination by a competent attorney is recommended should any questions arise regarding restrictions. We have assumed no adverse restrictions exist.

Easements/Encumbrances:	Public records and our inspection did not indicate any adverse easements.		
Encroachments:	Encroachments were not noted and it is assumed that the site is free and clear of the same.		
Adjacent Properties:	North:	10-foot strip of land separating the subject from Dawn Drive	
	South:	Vacant land	
	East:	Several multi-family lots separating the subject from Travis Drive	
	West:	Narrow strip of land owned by Lago Vista ISD that is restricted for a future roadway (Vol. 10470, Pg. 726, Travis County Deed Records).	
Improvements:	N/A		

HIGHEST AND BEST USE ANALYSIS**AS IF VACANT****Physically Possible**

The subject's location, accessibility, and physical characteristics were discussed in the *Market Area Analysis* and *Site Description and Analysis* sections of this report. The site is moderately sloping with intermittently dense tree cover. The site is land-locked without direct access to existing public roads. Therefore, roadway infrastructure would have to be constructed prior to development. Utility sources would also have to be clarified.

Legally Permissible

The evaluation criteria for legally permissible uses focused on development standards for properties within the city limits and ETJ, and any encumbrances, restrictions, and/or easements. As mentioned, the subject is not zoned because it is in the City of Lago Vista ETJ. For the subject to receive water and wastewater, it would have to be annexed into the city, at which time the city would determine its zoning. City officials report that if the subject is approved for annexation, it would most likely receive single-family or multi-family residential zoning.

Financially Feasible

The financial feasibility of a specific property is market driven, and it is influenced by economic conditions. Given the lack of development financing and the national and local market softness, development is infeasible at the present. Haynie Consulting, Inc., estimated that the cost would be \$2,169,050 to extend roads, water and wastewater to the subject property, exacerbating the current infeasibility. Therefore, a holding period would be necessary until the market strengthens and feasibility returns.

Maximally Productive

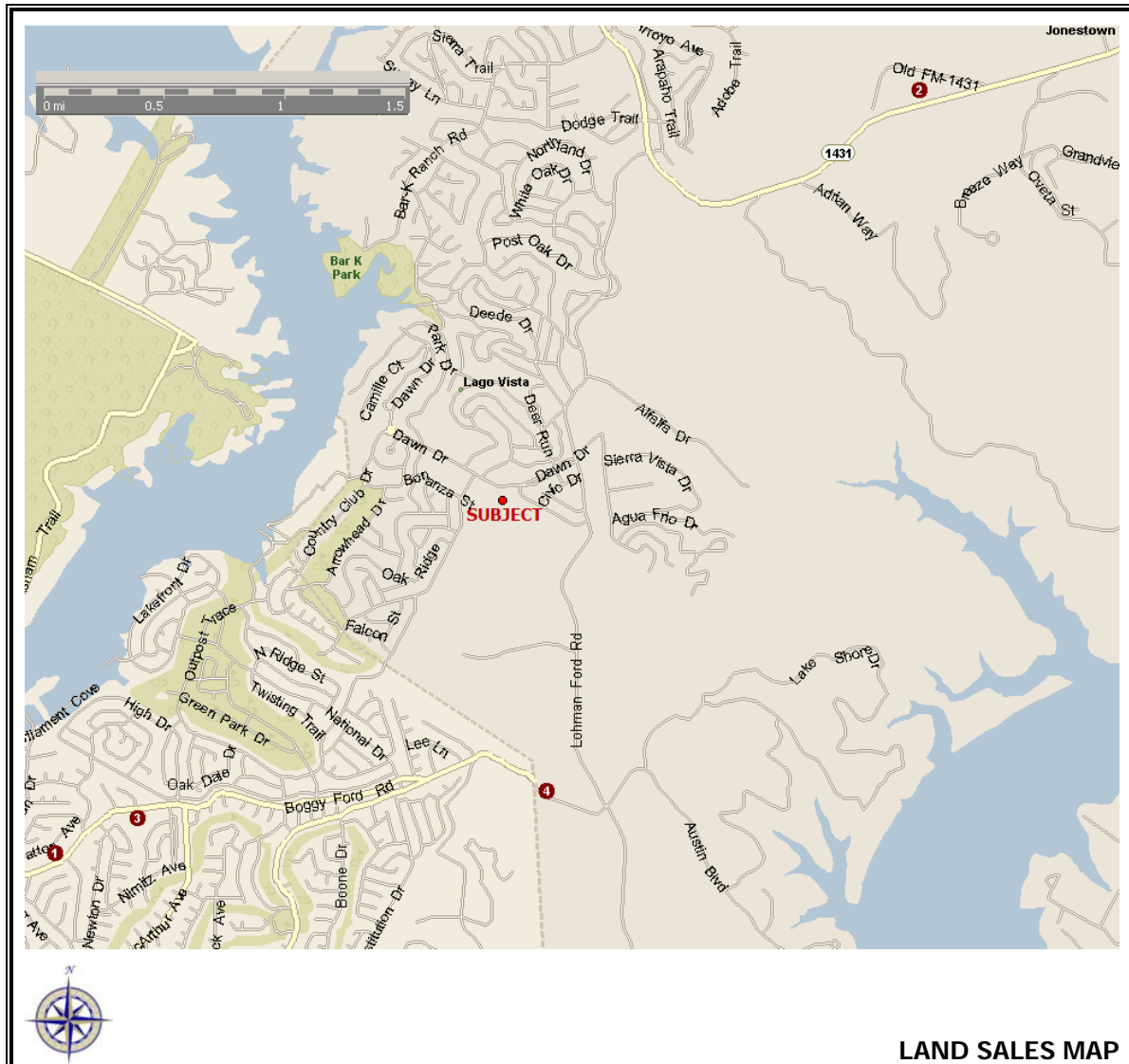
The final consideration is that the highest and best use be maximally productive. Traffic patterns, demographics and the concentration of city services (public schools, city hall) and light retail make this area desirable for future residential development. Such use represents the maximally profitable use of the site.

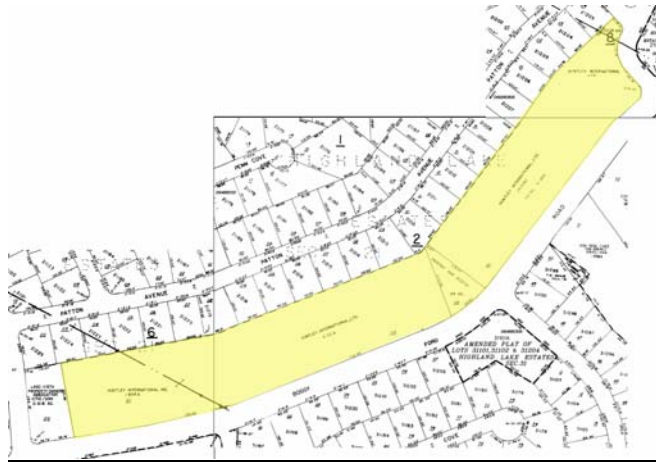
Conclusion, as if vacant

Considering all of the factors which influence highest and best use, it is our opinion that the highest and best use of the site is for future multi-family residential use as market conditions warrant. The site characteristics would indicate condominium or townhouse development as most probable.

VALUATION OF THE PROPERTY

Site Valuation

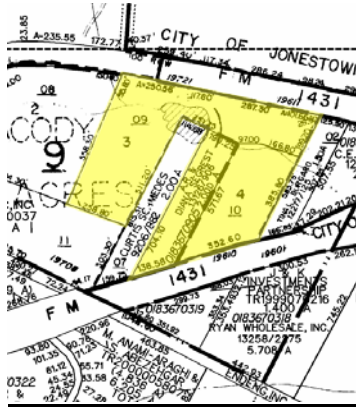


LAND SALE 1

Location: 21406 Boggy Ford Rd, Lago Vista, Travis County, TX
 Date of Sale: October 22, 2007
 Recording Data: Warranty Deed 2007195793, Travis County, TX
 Legal Description: 10.3612 acres of land, more or less, of out of the H. & O.B. Railroad Company Survey No. 35, the L.W. Simpson Survey No. 610, and the George Johnson Survey No. 535, in Travis County, TX
 Parcel IDs: 01-6488-0201-0000, 0202-0000, 0203-0000 and 01-6490-0601-0000
 Grantor: Huntley International, Ltd.
 Grantee: Kellywood, Inc.
 Size: 10.3612 Acres (451,344 SF)
 Consideration: \$535,000
 Price/SF: \$1.19/SF
 Terms: Cash to seller
 Zoning: C-1 (Professional, Business Office, Low Density Retail), but could rezone to R-4: Multi-family Residential (Apartments, Townhouses and cottages)
 Topography: Sloping with Hill Country and lake views
 Shape: Irregular
 Utilities: All available to site
 Flood Plain: None
 Confirmation: Gene Hammonds, Grantee/Grantee representative, 512-422-1152
 Deed Reviewed: 3/09, BKG

Comments: Currently listed for \$1.99/SF

LAND SALE 2



Location: 19624 FM 1431, Jonestown, Travis County, TX

Date of Sale: September 18, 2007

Recording Data: Warranty Deed 2007176354, Travis County, TX

Legal Description: Being 10.61 Acres, more or less, of land out of the Dallas & Wichita Railroad Company Survey No. 105, Abstract No. 249, as situated in Travis County, TX

Parcel IDs: 01-8367-0905-0000, 01-8367-0907, 01-8367-0909 and 01-8367-0910

Grantor: Beck Real Estate Holdings, LP

Grantee: Hammonds Texas Investments, LLC

Size: 10.61 Acres (462,172 SF)

Consideration: \$280,000

Price/SF: \$0.61/SF

Terms: Cash to seller

Zoning: None (Jonestown ETJ)

Topography: Hilly with steep drop-off from highway down to property

Shape: Irregular

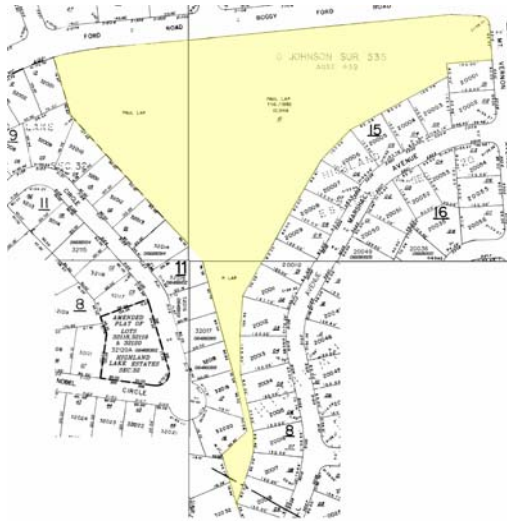
Utilities: Water and septic in place at time of sale

Flood Plain: Roughly 15% of tract in flood plain (northern edge of property)

Confirmation: Gene Hammonds, Grantee/Grantee representative, 512-422-1152

Deed Reviewed: 3/09, BKG

Comments: Grantee also bought adjacent 2 AC on same day from different grantor for \$0.51/SF. Office/laundry room included, but primarily a land sale.

LAND SALE 3

Location: 21050 Boggy Ford Rd, Lago Vista, Travis County, TX
 Date of Sale: July 10, 2007
 Recording Data: Warranty Deed 2007132561, Travis County, TX
 Legal Description: 10.146 acres out of the George Johnson Survey No. 535 and 0.068 acres out of the L.W. Simpson Survey No. 610 in Travis County, TX
 Parcel IDs: 01-6686-1510-0000
 Grantor: Monique Lap-Carmeni, Alexander Paul Lap, Angelique Marie-Luce Lap
 Grantee: Doug Casey
 Size: 10.214 Acres (444,922 SF)
 Consideration: \$350,000
 Price/SF: \$0.79/SF
 Terms: Cash to seller
 Zoning: R-4: Multi-family Residential (Apartments, Townhouses and cottages)
 Topography: Sloping with Hill Country and lake views
 Shape: Irregular
 Utilities: All available to site
 Flood Plain: None
 Confirmation: MLS #6001943
 Deed Reviewed: 3/09, BKG
 Comments: Preliminary study shows site's ability to accommodate 200 units.

LAND SALE 4

Location: 19520 Boggy Ford Rd, Lago Vista, Travis County, TX

Date of Sale: September 22, 2006

Recording Data: Warranty Deed 2006185046, Travis County, TX

Legal Description: Approximately 5.219 acres of land, more or less, out of the M.F. Campbell Survey No. 98 and W.A. Cook Survey No. 100, situated in Travis County, Texas

Parcel IDs: 01-6777-0117-0000

Grantor: Albert Rocha and Beverly Pena

Grantee: Kyle Chaffee

Size: 5.219 Acres (227,340 SF)

Consideration: \$160,000

Price/SF: \$0.70/SF

Terms: Cash to seller

Zoning: None (Lago Vista ETJ)

Topography: Sloping with Hill Country and lake views

Shape: Irregular

Utilities: None (outside city limits)

Flood Plain: None

Confirmation: MLS #2652841

Deed Reviewed: 3/09, BKG

Comments: Can accommodate several building sites

The market data table below summarizes those transactions which are most comparable to the subject:

LAND SALES SUMMARY									
No.	Property Location	Transaction Type	Transaction Date	Zoning	Land Size	Utilities	Intended Use	Sale Price	Price per SF
1	21406 Boggy Ford Rd, Lago Vista	Sale	10/22/2007	C-1	10.361	All available	Commercial/Multi-Family	\$535,000	\$1.19
2	19624 FM 1431, Jonestown	Sale	9/18/2007	None (ETJ)	10.610	Water, Septic	RV Sites	\$280,000	\$0.61
3	21050 Boggy Ford Rd, Lago Vista	Sale	7/10/2007	Multi-family	10.214	All available	Townhomes	\$350,000	\$0.79
4	19520 Boggy Ford Rd, Lago Vista	Sale	9/22/2006	None (ETJ)	5.219	None	Multi-family	\$160,000	\$0.70
Subject just south of Dawn Drive and west of Travis Drive		---	---	None (ETJ)	6.100	no utilities to the site	---	---	---

Compiled by Paul Hornsby and Co.

In analyzing and comparing the market data to the subject property, each comparable was adjusted for dissimilar characteristics. Adjustments were applied as follows:

Conditions of Sale/Financing

The sales gathered for this appraisal reflected cash-to-seller transactions or those where the financing terms were reported to be at market. As such, no adjustments for cash equivalency were necessary. In addition, the sales reflected arm's length transactions. Therefore, no adjustments for conditions of sale were warranted.

Market Conditions

The transactions occurred between September 2006 and October 2007. According to area brokers and our analysis of retail land sales in this sub-market, the market has been stagnant since 2007, as evidenced by the lack of sales. As such, an upward adjustment for changing market conditions was only warranted for Sale #4 which occurred in 2006.

Location/Access

The respective locations of the sales were then considered. The subject is located within the City of Lago Vista with close proximity to the two main arterials in the city – FM 1431 and Lohman Ford Road. However, since the subject is "land locked" with no street access, its access is inferior to that of the sales. Haynie Consulting Inc. estimates a cost of \$639,700 to construct a road along the western edge of the subject property. This cost could possibly be reduced if only the subject's one-half of the roadway were funded, fewer lanes built, or the linear distance reduced. Given the uncertainty of the exact future expenditure, percentage adjustments were applied. Initially, all four comparable sales received downward adjustments of 10%. Sale #1 and #3 received an additional downward adjustment for being closer to Lake Travis in a more desirable residential neighborhood. Sale #4 received an additional downward adjustment for superior access to Lohman Ford Road and Sale #2 received an additional upward adjustment for being located in the City of Jonestown with limited surrounding residential uses.

Size

Typically, there is an inverse relationship between unit price and size, as larger properties generally sell for less per SF than smaller tracts. Sale #1, Sale #2 and Sale #3 are larger than the subject and received an upward adjustment.

Flood Plain/Topography

The subject tract is moderately sloping from northwest to southeast with none of the site encumbered by flood plain. Sale #2 has approximately 15% of its site in the flood plain, and an upward adjustment was necessary.

Zoning/Entitlements

The subject property is not zoned since it is in the City of Lago Vista ETJ. Considering surrounding development and the intended uses of these sales as multi-family sites, no adjustment for zoning is considered necessary.

Utilities

The subject property currently has no utilities to the site. Water and wastewater are available by extension at a significant cost, estimated by Haynie Consulting at \$839,290. Sale #1 and Sale #3 both have water and wastewater utilities available, so substantial downward adjustments were warranted. Sale #2 has water to the site, which warrants a smaller downward adjustment. The exact utility cost will not be known until development occurs. Therefore, percentage adjustments were applied.

Views

The subject property has Hill Country views. The only sale that does not have such views is Sale #2 which received an upward adjustment.

Shape

Sale #1 was adjusted downward for its significantly superior frontage ratio relative to its depth. The other sales were similar in this regard.

Conclusion of Land Sales Analysis

The adjustment process is summarized in the following grid.

ADJUSTMENT GRID					
	Subject	1	2	3	4
Transaction Type	---	Sale	Sale	Sale	Sale
Transaction Date	---	10/22/2007	9/18/2007	7/10/2007	9/22/2006
Zoning	None	C-1	None (ETJ)	Multi-family	None (ETJ)
Actual Sale Price	---	\$535,000	\$280,000	\$350,000	\$160,000
Size (acres)	6.1000	10.361	10.610	10.214	5.219
Unit Price		\$1.19	\$0.61	\$0.79	\$0.70
Property Rights		0%	0%	0%	0%
Terms of Sale/Financing		0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%
Market Conditions/Time		0%	0%	0%	+10%
Adjusted \$/SF		\$1.19	\$0.61	\$0.79	\$0.77
Location		-15%	-5%	-15%	-20%
Physical Characteristics					
Size		+5%	+5%	+5%	0%
Flood/Topography		0%	+5%	0%	0%
Zoning		0%	0%	0%	0%
Utilities		-15%	-10%	-15%	0%
Views		0%	+5%	0%	0%
Shape		-25%	0%	0%	0%
Net Location and					
Physical Characteristics Adjustment		-50%	0%	-25%	-20%
Indicated Unit Value		\$0.60	\$0.61	\$0.59	\$0.62

In estimating the fee simple value of the site via this approach, 4 sales were considered. These data were analyzed and adjusted, suggesting a value estimate for the subject property between \$0.59/SF and \$0.62/SF, with a mean of \$0.61/SF and a median of \$0.61/SF. With a reliance on the central tendency of this data, we have reconciled to a value of \$0.60/SF.

$$\pm 6.1000 \text{ AC (265,716 SF)} \times \$0.60/\text{SF} = \$ 159,430$$

$$\text{Rounded: } \$ 159,000$$

QUALIFICATIONS OF THE APPRAISERS

QUALIFICATIONS OF PAUL HORNSBY, MAI, SRA, CRE



Experience:	<p>Since 1980, Mr. Hornsby has been a practicing real estate appraiser with an office in Austin, Texas, specializing in the valuation of complex commercial properties and in support of litigation proceedings.</p> <p>Mr. Hornsby often serves in the capacity of expert witness in cases involving eminent domain, bankruptcy, civil litigation and ad valorem tax appeal. He is qualified as an appraisal expert in numerous county courts, state district courts, Federal District Court, U.S. Bankruptcy Court, and various commissioners' courts and appraisal district review boards. Mr. Hornsby has given over 300 depositions, testified in over 200 special commissioners hearings and appeared in over 100 jury and bench trials.</p> <p>In addition to real property appraisal, Mr. Hornsby provides counseling services relating to real estate, tangible personal property, and intangible assets. He is a partner in dh Business Advisors, a business valuation firm specializing in the valuation of businesses intangible assets, partnership interests, and machinery and equipment, and consulting for financial reporting and federal and local income tax purposes.</p>
Licenses and Designations:	<ul style="list-style-type: none"> ➤ MAI Designation - Appraisal Institute, Certificate No. 7305 ➤ SRA Designation - Appraisal Institute ➤ CRE Designation - The Counselors of Real Estate ➤ State Certified General Real Estate Appraiser #TX-1321761-G ➤ Texas Broker License #283369-05
Associations and Activities:	<ul style="list-style-type: none"> ➤ Past Chair, Central & South Texas Chapter, Counselors of Real Estate ➤ Past President, Director and Regional Committee Member-Austin Chapter of the Appraisal Institute ➤ Member, International Right of Way Association ➤ Member, American Association for the Advancement of Science ➤ Affiliate Member, Texas Association of Appraisal Districts ➤ Affiliate Member, Texas Association of Property Tax Professionals ➤ Instructor, Appraisal Institute- Standards of Professional Appraisal Practice ➤ Appraisal Qualifications Board (AOB) Certified USPAP Instructor ➤ REALTOR - National Association of Realtors
Education:	University of Texas at Austin, B.B.A. Degree in Finance, August 1977
Lectures and Publications:	<ul style="list-style-type: none"> ➤ Appraisal Values in an Unsettled Economy, Graves Dougherty Heaton & Moody – Banking & Real Estate Clients, October, 2008 ➤ Fee Simple Estate - How Many Sticks in the Bundle?, 22nd Annual Legal Seminar on Ad Valorem Taxation in San Antonio, 2008 ➤ Real Estate Appraisal Issues and Ethics, Eminent Domain for Attorneys in Texas, 2007 ➤ Contemporary Appraisal Issues, Central Texas Commercial Property Exchange, 2007 ➤ Capitalization Theory & Techniques, Chartered Financial Analysts, 2007 ➤ Material and Substantial Impairment of Access, CLE International, 2003 ➤ Fee Simple Versus Leased Fee Valuation: A Study of Appraisal Models, Downtown Austin Alliance, Institute of Real Estate Management, 2001 ➤ Regulatory Takings, International Right of Way Association, 2000 ➤ The Schmidt Opinion From the Appraiser's Perspective, Office of the Attorney General, State of Texas, 1993 ➤ Asbestos Abatement and Lead Paint: Effects on Real Estate Value, Texas Association of Appraisal Districts, 1992 ➤ The Endangered Species Act and Its Impact on Property Value, Texas Savings and Loan League, 1989 ➤ Valuation Theory, Real Estate Symposium, University of Texas, 1984

QUALIFICATIONS OF BRIAN GRAMLING

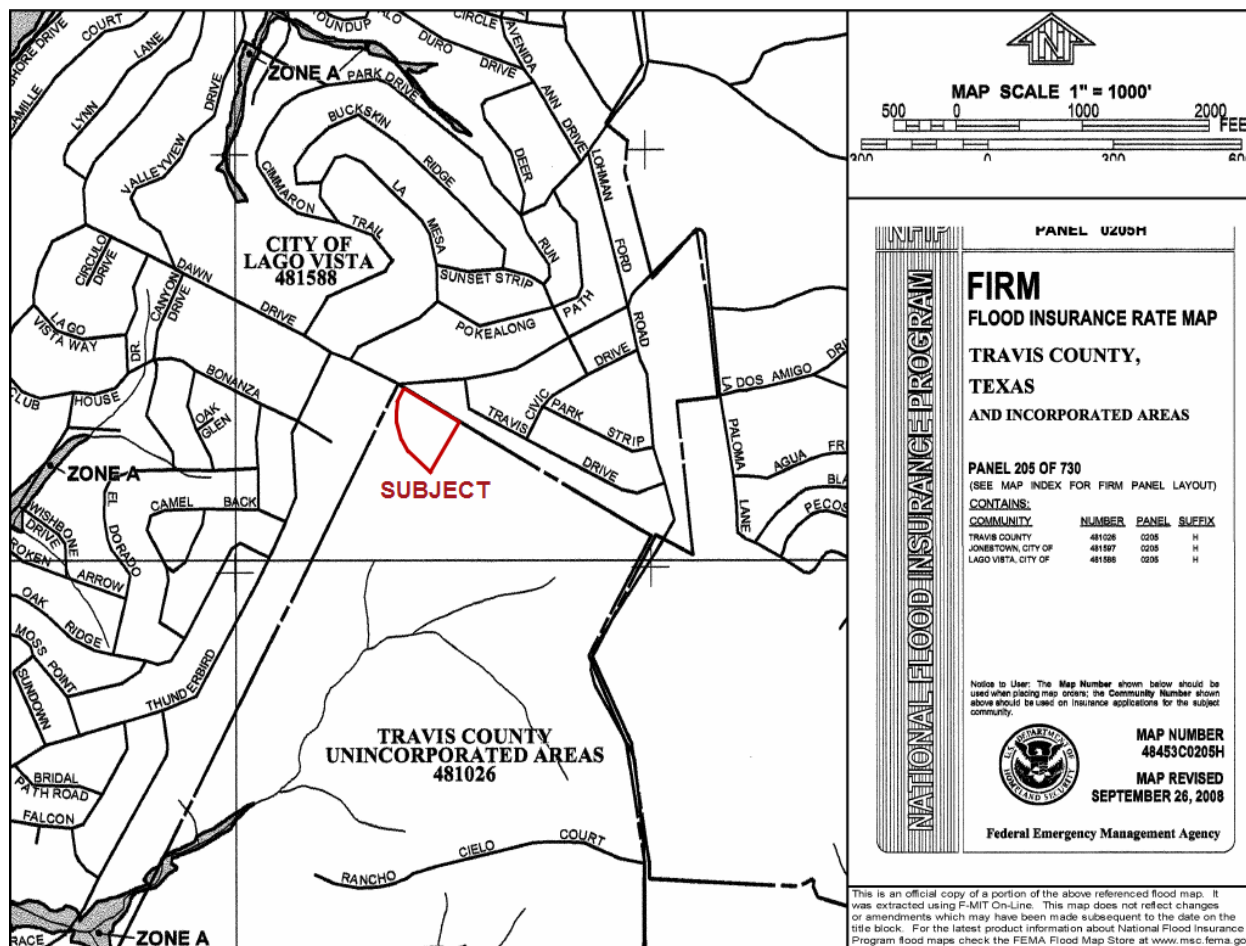
Experience:	<p>2009: Staff Appraiser - Paul Hornsby & Company, Austin, TX</p> <p>Appraisal and consultation involving numerous property types including vacant land, retail, office, residential, and condemnation.</p> <p>2007-2008: Staff Appraiser - Integra Realty Resources, Austin, TX</p> <p>Valuations were performed on various properties including apartment complexes, single and multi-tenanted industrial buildings, office buildings, mixed-use facilities and vacant land for different uses.</p> <p>Clients served included investment firms, law firms, lenders and both private and public agencies. Valuations were performed for condemnation purposes, estates, financing, equity participation and due diligence support. Valuations and market studies were undertaken on proposed, partially completed, renovated and existing structures.</p>
Licenses and Designations:	General Real Estate Appraiser Trainee #1337681
Associations and Activities:	Appraisal Institute Associate Member (2007 to present)
Education:	<p>Syracuse University – Syracuse, NY B.S. Degree in Communications, May 1996</p> <p><u>Education for Certification Requirements:</u> Apartment Appraisal: Concepts and Applications – Appraisal Institute Basic Appraisal Principles – Champions School of Real Estate Basic Appraisal Procedures – Champions School of Real Estate National USPAP – Champions School of Real Estate Appraisal Report Writing – Champions School of Real Estate</p> <p>Attended various seminars related to real estate and related topics.</p>
Professional Achievements:	Two-time Emmy Award winning television producer with ESPN “SportsCenter.”

ADDENDA

ZONING ETJ MAP



FLOOD MAP



04-29-7016

WARRANTY DEED

THE STATE OF TEXAS

X

COUNTY OF TRAVIS

X

15.00 INOX

2 10/30/87

.99-DOC#

36.93-CHK#

That I, F. LELAND STANFORD, owning, occupying and claiming other property as my homestead, of 9022 Balcones Club Drive, in the City of Austin, County of Travis and State of Texas, for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable cash consideration to the undersigned paid by the Grantee herein named, the receipt of which is hereby acknowledged and for which no lien, express or implied, is retained herein, has GRANTED, SOLD AND CONVEYED, and by these presents do GRANT, SELL AND CONVEY unto LAGO VISTA INDEPENDENT SCHOOL DISTRICT, of Post Office Box 4929, in the City of Lago Vista, the County of Travis and State of Texas, subject to the reservation hereinafter made, all of the following described real property in Travis County, Texas, to-wit:

TRACT 1:

35.000 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, Deed Records of Travis County, Texas and being more particularly described by metes and bounds in Exhibit "A" attached hereto and made a part hereof for all purposes.

TRACT 2 - ROADWAY RIGHT-OF-WAY TRACT:

6.212 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, Deed Records of Travis County, Texas and being more particularly described by metes and bounds in Exhibit "B" attached hereto and made a part hereof for all purposes.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging, unto the said grantee, its successors and assigns forever; and I do hereby bind myself, my heirs, legal representatives and assigns to WARRANT AND FOREVER DEFEND all and singular the said premises unto the said grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

There is hereby excepted and reserved unto Grantor, his heirs, legal representatives and assigns the free and uninterrupted use and a perpetual easement for ingress and egress for passing in, over, along and through the above referenced Tract 2 - Roadway Right-of-Way Tract for the purpose of providing roadway access to any and all other portions of Grantor's remaining land and for the benefit thereof as an easement appurtenant to the remainder of Grantor's land, and to use such Tract all times in common with Grantee, its successors and assigns. Said Tract 2 is conveyed by Grantor to Grantee for the purpose of constructing a roadway and to assure ingress and egress for Grantee to Tract 1 conveyed by Grantor to Grantee herein.

Any roadway constructed by Grantee, its successors and assigns on Tract 2 shall be constructed to City of Lago Vista, State of Texas and Travis County standards, as appropriate, without any road construction or other assessment upon, or contribution by Grantor or any of Grantor's heirs, legal representatives or assigns or any road construction or other assessment against any of the land adjoining Tract 2, belonging to such parties. Grantee expressly does not assume any obligation either to pay for such roadway itself or to state a date certain by which such roadway shall be constructed, the control of construction, financing and timing

REAL PROPERTY RECORDS
Travis County, Texas

6F7-1-12123

10470 0726

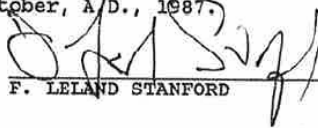


being entirely within Grantee's discretion. Such undertakings may be delegated or assigned, subject to the rights of Grantor herein reserved.

Unlimited ingress and egress access to Tract 2 before or after construction of the roadway shall be afforded to all of Grantor's remaining land, whether or not directly adjoining Tract 2 and to Grantor and any succeeding owners of all or any portion of Grantor's remaining land for present purposes or purposes which may come into being in the future by the development of any of Grantor's remaining land, being all land of Grantor described in the above deed recording reference, less the Tracts hereby conveyed.

By acceptance hereof, Grantee covenants and agrees to indemnify and hold Grantor, his heirs, legal representatives and assigns harmless from any and all costs, expenses, assessments or other financial obligations or undertakings whatsoever in connection with the construction of the road.

EXECUTED this 27 day of October, A/D., 1987.


F. LELAND STANFORD

STATE OF TEXAS

COUNTY OF TRAVIS

This instrument was acknowledged before me on 27th day of October, 1987 by F. LELAND STANFORD.





Notary Public, State of Texas
Notary's name (printed):
Bertha F. Morris
Notary's commission expires:
11-15-88

EXHIBIT A

FIELD NOTES FOR 35.000 ACRES

FIELD NOTES describing a 35.000 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 North line of the above mentioned 450.309 acre tract for the Northeast corner of this tract, from which iron pin the Northeast corner of the said 450.309 acre tract bears S 69° 11' 41" E 269.48 feet.

THENCE S 25° 30' 34" W 559.71 feet to an iron pin set for an ell corner of this tract.

THENCE N 64° 29' 26" W 350.99 feet to an iron pin set for an angle point of this tract.

THENCE S 35° 56' 47" W 526.39 feet to an iron pin set for the PC of a curve to the left, said curve having a radius of 581.00 feet and a central angle of 13° 36' 25".

THENCE with the arc of the said curve 137.98 feet, the long chord of which bears N 60° 51' 26" W 137.65 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 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 N 51° 24' 59" W 226.58 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 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 N 09° 20' 03" W 353.02 feet, to an iron pin set for the PT of the said curve.

THENCE N 16° 30' 12" E 124.14 feet to an iron pin set for the PC of a curve to the right, 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 N 63° 58' 02" E 22.11 feet, to an iron pin set on the South line of the above mentioned Lago Vista, Inc. tract and the North line of the said 450.309 acre tract for the PT of the said curve.

THENCE with the South line of the said Lago Vista, Inc. tract and the North line of the said 450.309 acre tract the following three (3) courses:

- (1) S 68° 34' 08" E 1678.23 feet to an iron pin found
- (2) S 68° 59' 37" E 266.60 feet to an iron pin found
- (3) S 69° 11' 47" E 135.43 feet to the POINT OF BEGINNING containing 35.000 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.

HAYNIE KALLMAN AND GRAY, INC.



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

10-6-87
Date
Job No. 1082-1999-6

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' 08" E with the South line of the said Lago Vista, Inc. tract and the north line of the said 450.309 acre tract 106.68 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' 06" 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' 50".

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 83° 47' 29".

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.

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

10-6-87
Date
Job No. 1082-1999-6

FILED

1987 OCT 29 PM 2:31

COURT CLERK
TRAVIS COUNTY, TEXAS

*Return to:
Travis Little Co.*

STATE OF TEXAS COUNTY OF TRAVIS
I hereby certify that this instrument was FILED on
the date and at the time hereinafter shown by me, and
was duly RECORDED, in the Volume and Page of the
Public Records of Travis County, Texas, on

OCT 29 1987



Carol A. Berman
COUNTY CLERK
TRAVIS COUNTY, TEXAS

Exhibit B
Page 3 of 3

10470 0732

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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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

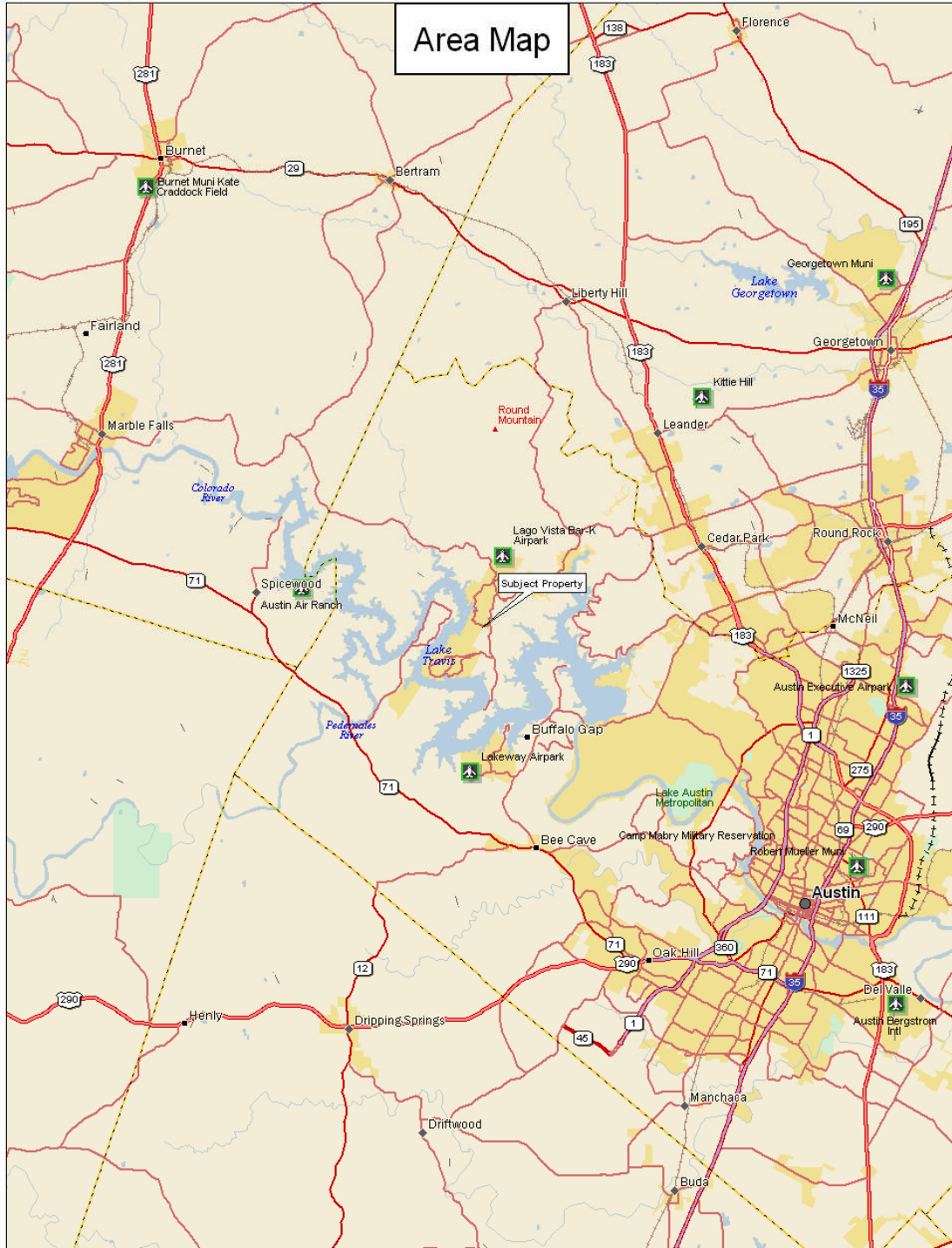


Lohman Ford Road Street Scene - Subject on Right



Lohman Ford Road Street Scene – Subject on Left

MAPS



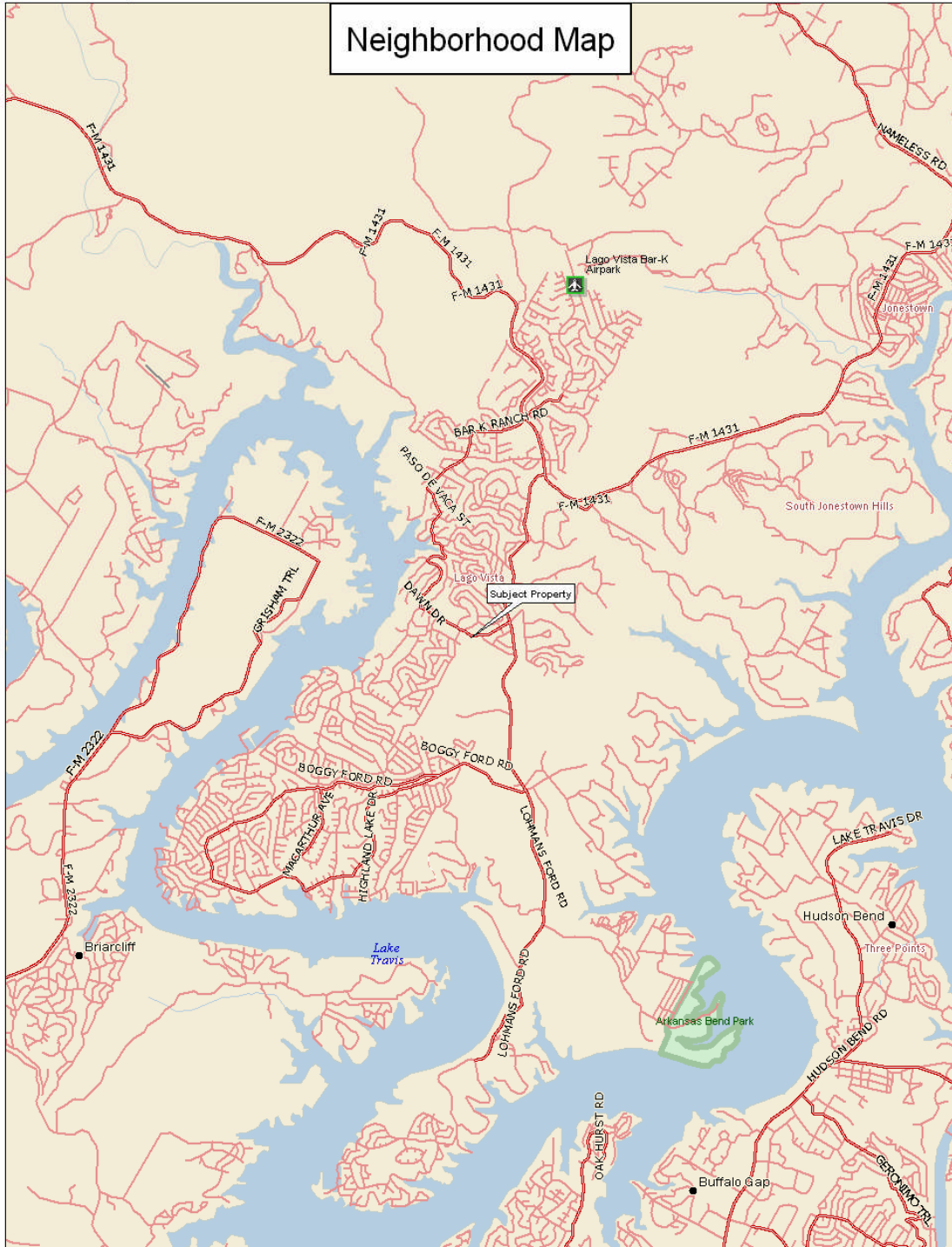
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PURPOSE AND FUNCTION OF THE APPRAISAL

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	Land Area (AC).....	41.211
Maximum.....	\$ 31,345	Indicated Subject Value Per AC.....	\$ 22,900
Mean (avg.).....	\$ 22,859	Indicated Subject Value.....	\$ 943,732
Minimum.....	\$ 19,744	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:

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

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:

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

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

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:

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

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

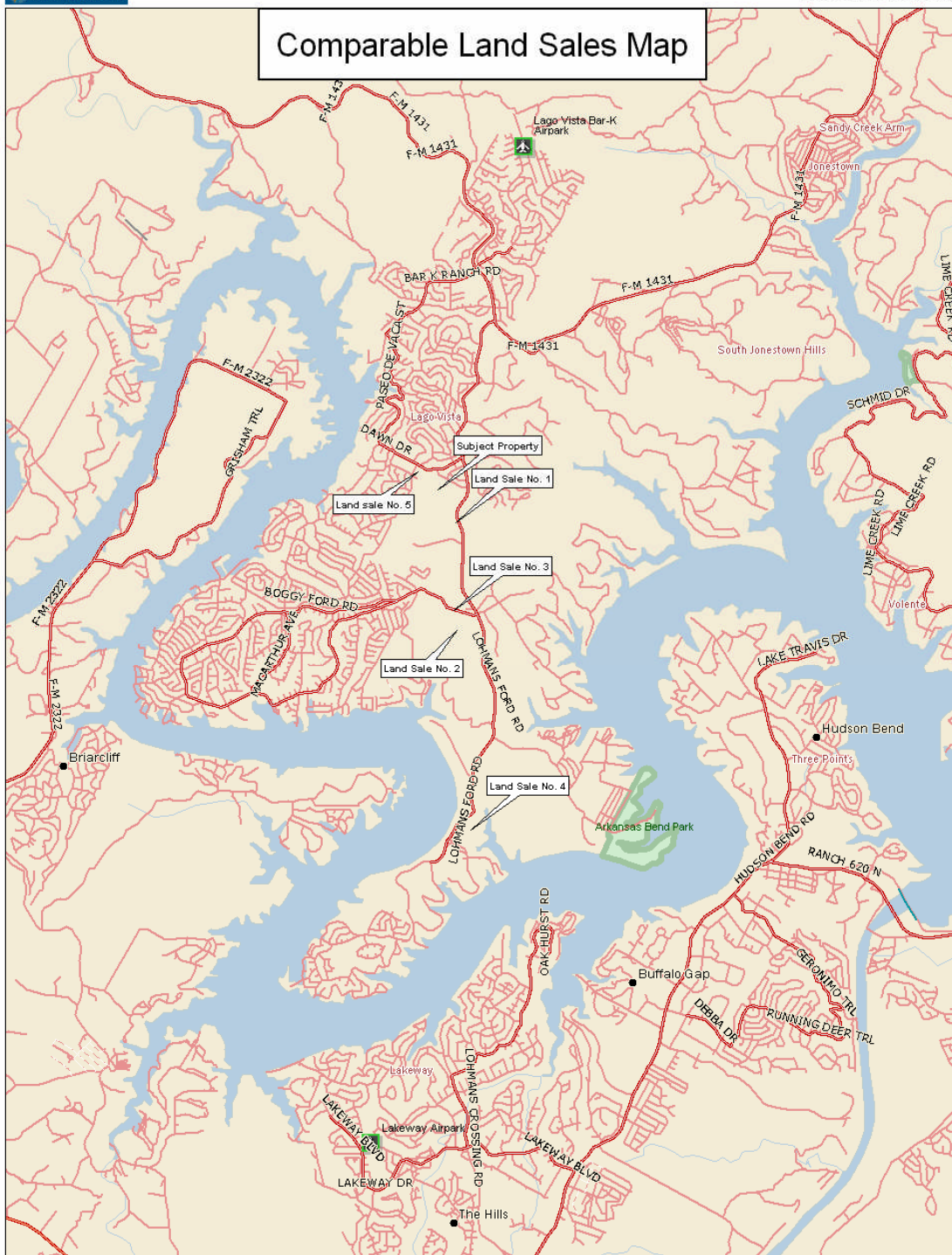
Lago Vista Independent School District - 41.211 Acres
Near Dawn Drive & Lohman Ford Road
Lago Vista, Texas 78645

ADDENDA

**Comparable Land Sales
Property Information
Engagement Document**

COMPARABLE LAND SALES

Comparable Land Sales Map



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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	Slopping
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	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	1,785,151

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:

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: 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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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

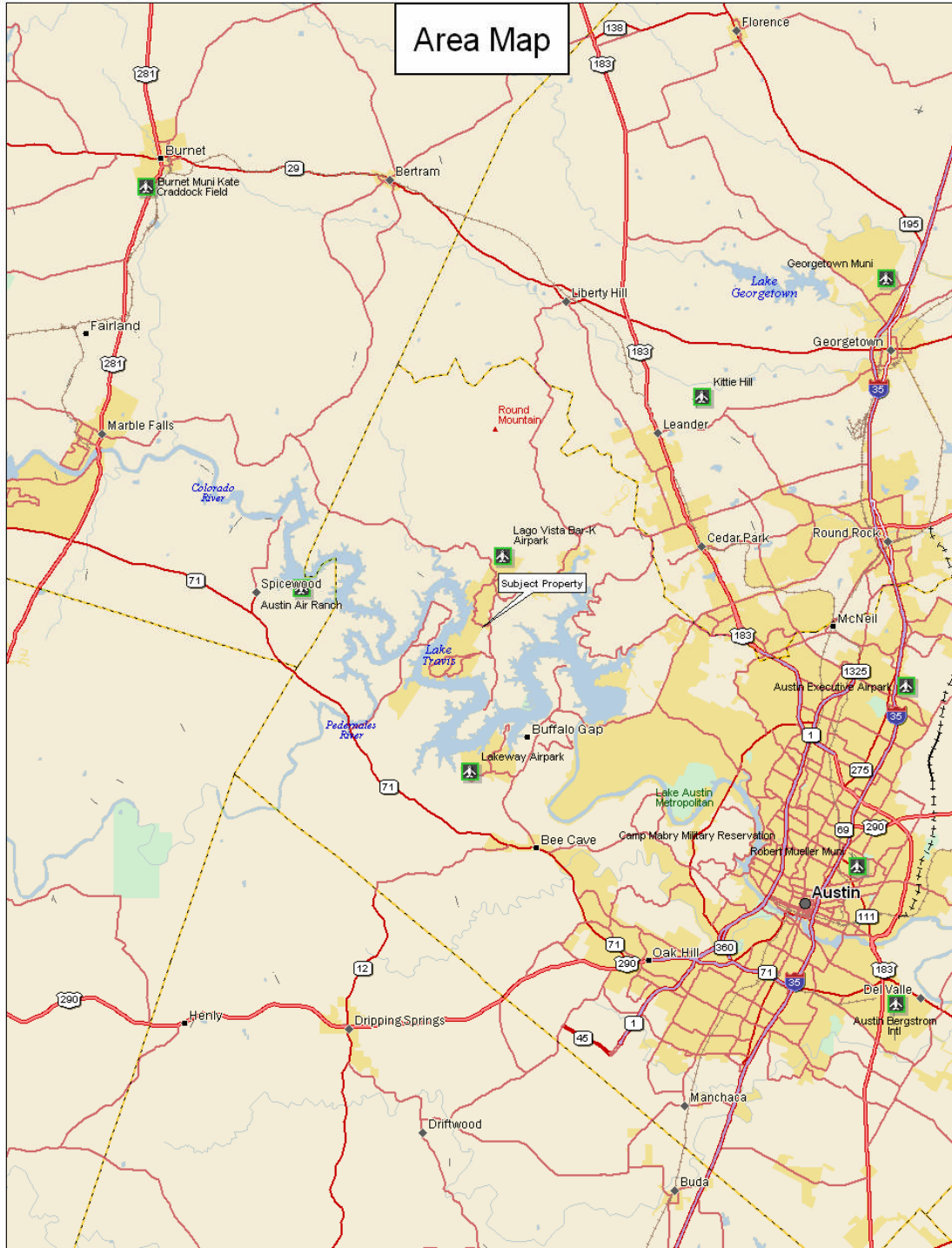


Typical Interior View of Site



Typical Interior View of Site

MAPS



Data use subject to license.

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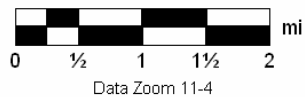
www.delorme.com



Data Zoom 9-1

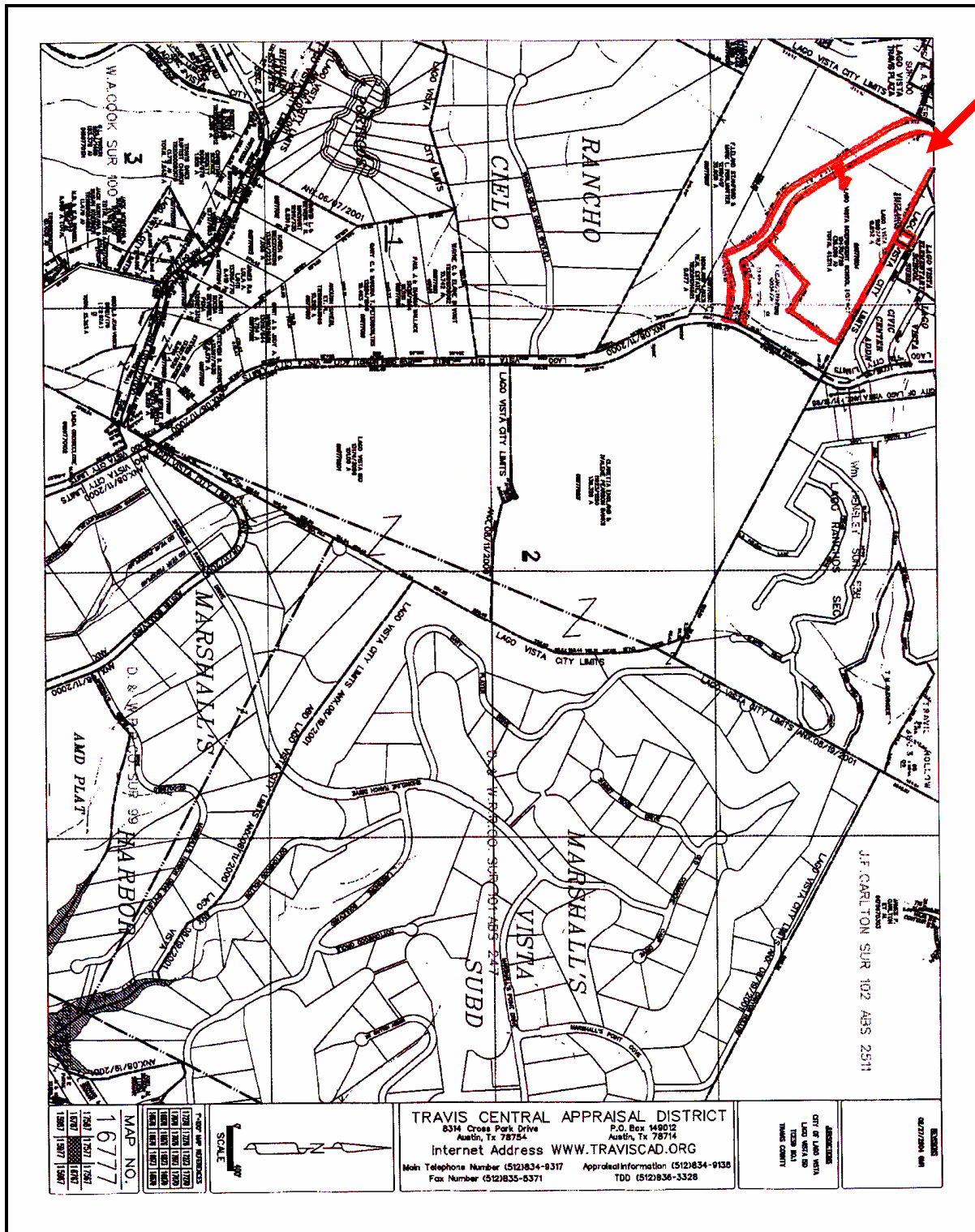
A detailed neighborhood map of the Lago Vista area. The map shows a network of roads including F.M. 1431, F.M. 2322, F.M. 2323, Bar-K Ranch Rd, Paso de Vaca St, Dawn Dr, Boggy Ford Rd, Lohmans Ford Rd, Oak Hurst Rd, and Gerding Trl. Key landmarks include Lago Vista Bar-K Airport, Lago Vista, and the 'Subject Property' located near Lago Vista. Other nearby locations are Brarcliff, Buffalo Gap, Arkansas Bend Park, Hudson Bend, Three Points, and South Jonestown Hills. The map also shows the intersection of F.M. 1431 and F.M. 2322, and the intersection of F.M. 1431 and F.M. 2323.

www.delorme.com



[illegible]

Plat Map of Parent Tract of Land



© 1999-2009 SourceProse and/or FloodSource Corporations. All rights reserved. Patents 6,631,326 and 6,678,615. Other patents pending. For Info: info@floodsource.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:

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

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

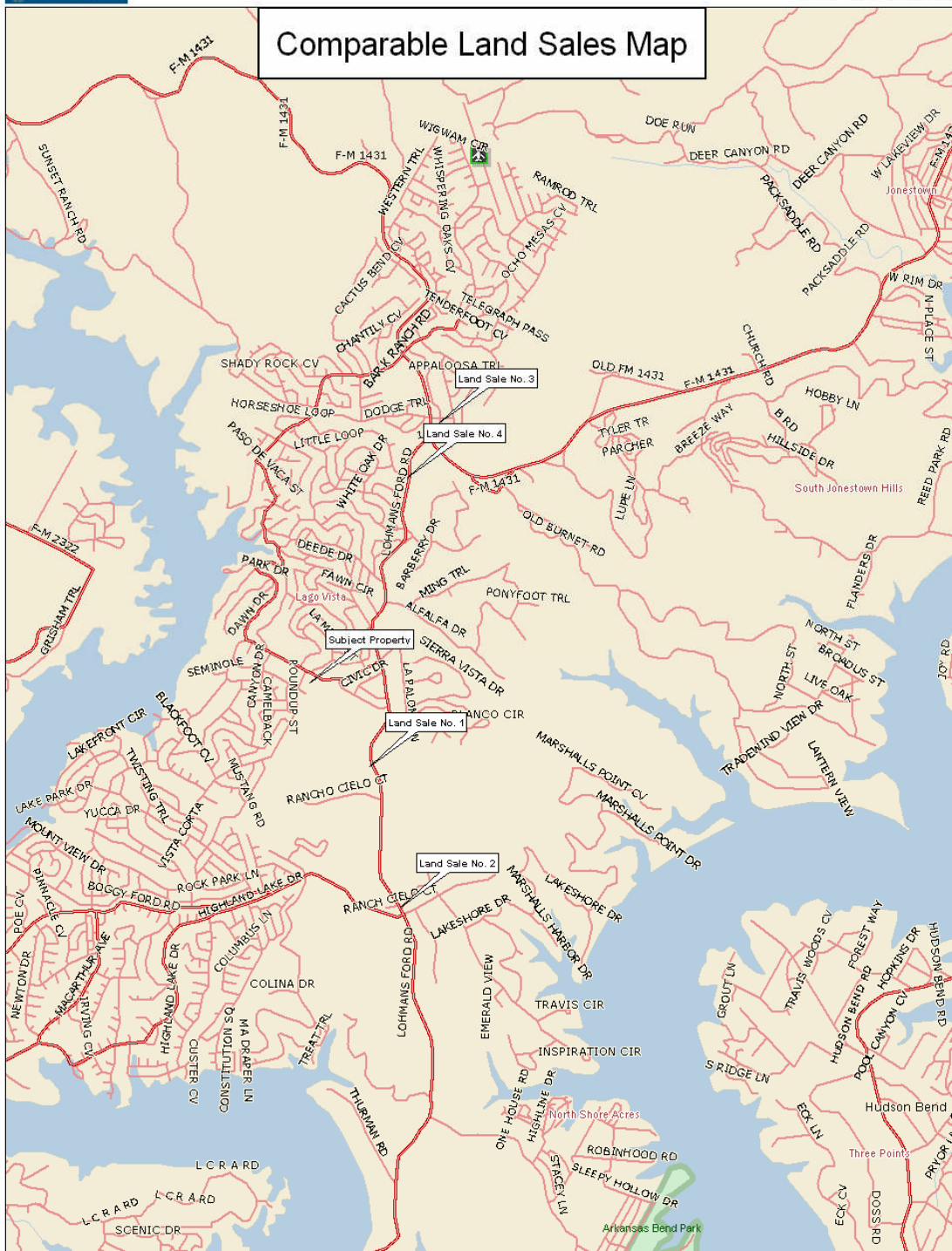
Lago Vista Independent School District - 6.211 Acres
Near Dawn Drive
Lago Vista, Texas 78645

ADDENDA

**Comparable Land Sales
Property Information
Engagement Document**

COMPARABLE LAND SALES

Comparable Land Sales Map



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www.delorme.com



Data Zoom 12-0

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 98 CAMPBELL M F ACR 41.211	Deed Page	00726				
		Exemptions	TOT				
		Freeze Exempt	F				
		ARB Protest	F				
		Agent Code	0				
		Land Acres	41.2110				
		Block					
		Tract or Lot					
		Docket No.					
		Abstract Code	A0189				
		Neighborhood Code	SEXMP				
Value Information		2008 Certified					
Land Value	61,817.00						
Improvement Value	0.00						
AG Value	0.00						
AG Productivity Value	0.00						
Timber Value	0.00						
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	
18	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	SPFB 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' 08" 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 02° 17' 32".

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' 49".

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.

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

12-4-87
Date
Job No. 1N82-1999-6

FILED

1987 OCT 29 PM 2:31

*Return to:
Haynie Kallman & Co.*

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

OCT 29 1987



Haynie Kallman
COUNTY CLERK
TRAVIS COUNTY, TEXAS

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:

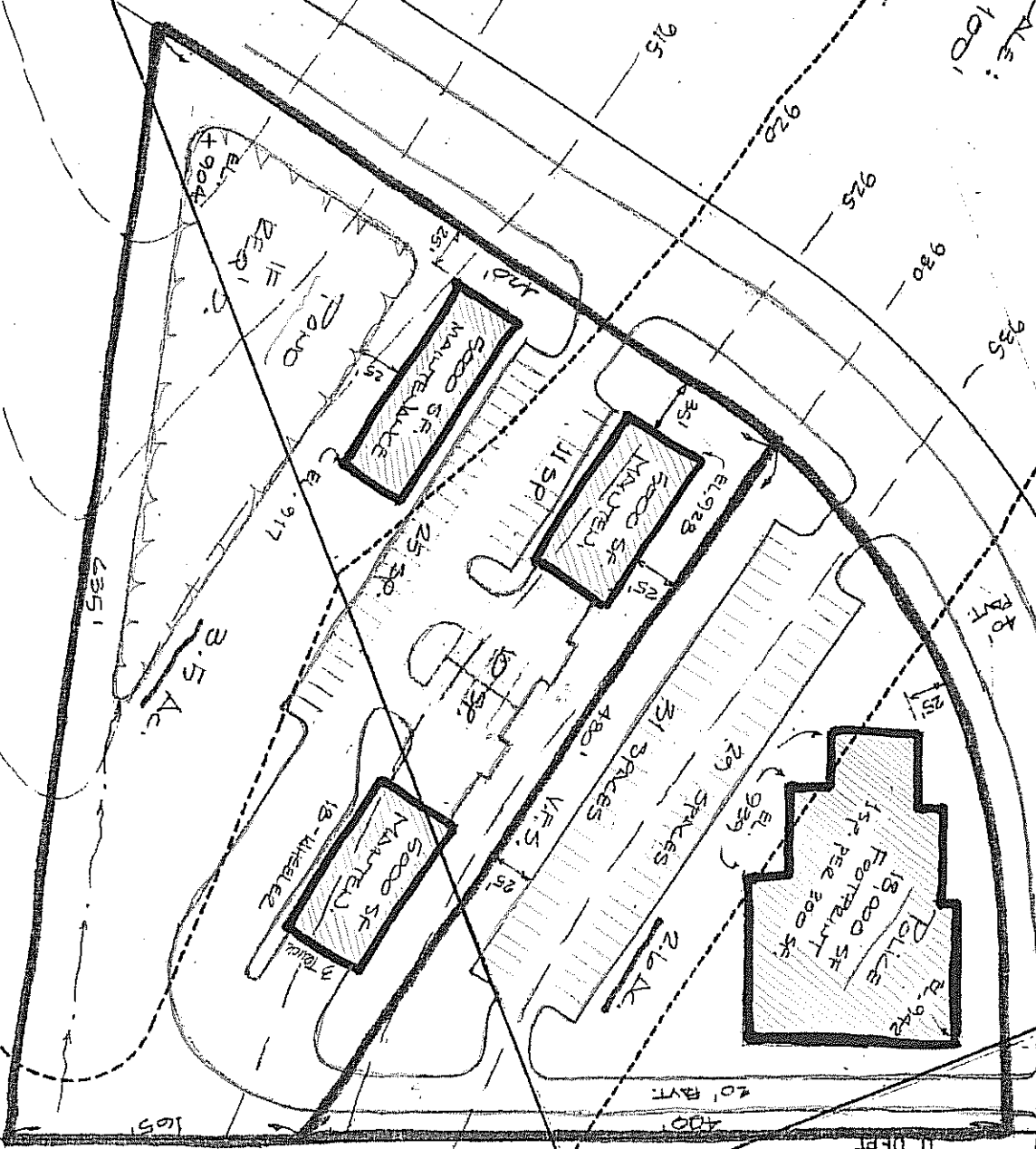
Date: 1/21/09

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

2.6 Ac. EXIST. Police Footprint
 18,000 SF
 PROPOSED Police Footprint
 10,000 SF
 3.5 Ac. EXIST. Maintenance Bldg.
 2400 + 2700 = 5100 SF
 3 x 5000 each = 15,000 SF
 6.1 Ac. TOTAL
 18,000 SF

SCALE:
 1" = 100'
 PLAN "B"



38C
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 PROJ. 6:B
 C.O. 16

W/O 100' R/W

U. DEPT.
 3" P. U. DEPT.
 W/O 100' R/W

W/O 100' R/W
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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

*PO Box 4727, Lago Vista, Texas 78645 ❖ (512) 267-1155 ❖ Fax (512) 267-7070
❖ 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

LAGO VISTA HIGH SCHOOL VISITORS BLEACHERS ADDITION

PREPARED FOR

LAGO VISTA I.S.D.

BARBARA QUALLS, Ph.D., Superintendent

LVISD Board of Trustees

Place 1 - Laura Vincent

Place 2 - Jerrell Roque

Place 3 - David Baker, Vice-President

Place 4 - Tom Rugel

Place 5 - Mike Wells

Place 6 - David Scott, President

Place 7 - Tami Hood, Secretary



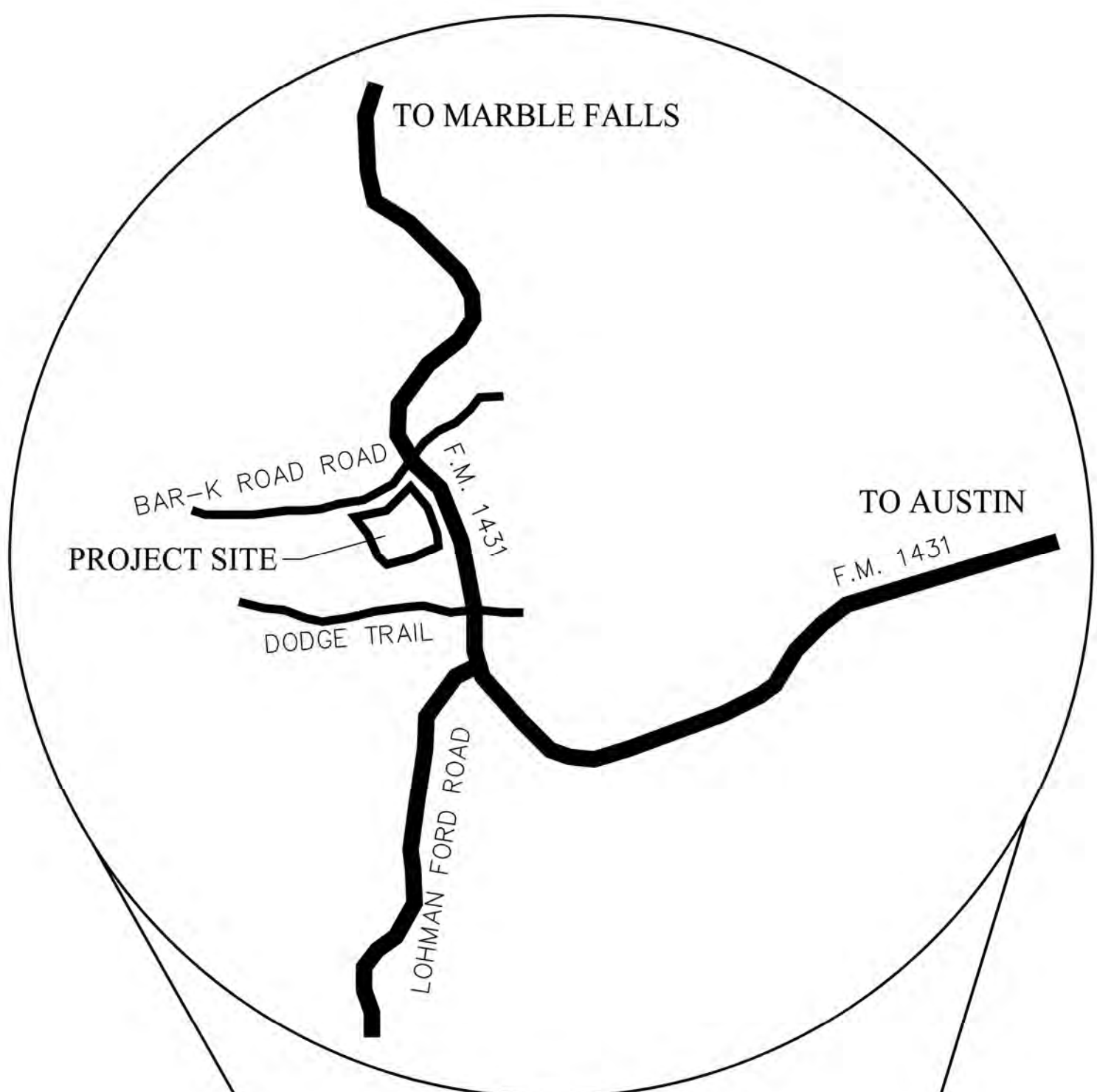
INDEX OF DRAWINGS

#	DESCRIPTION
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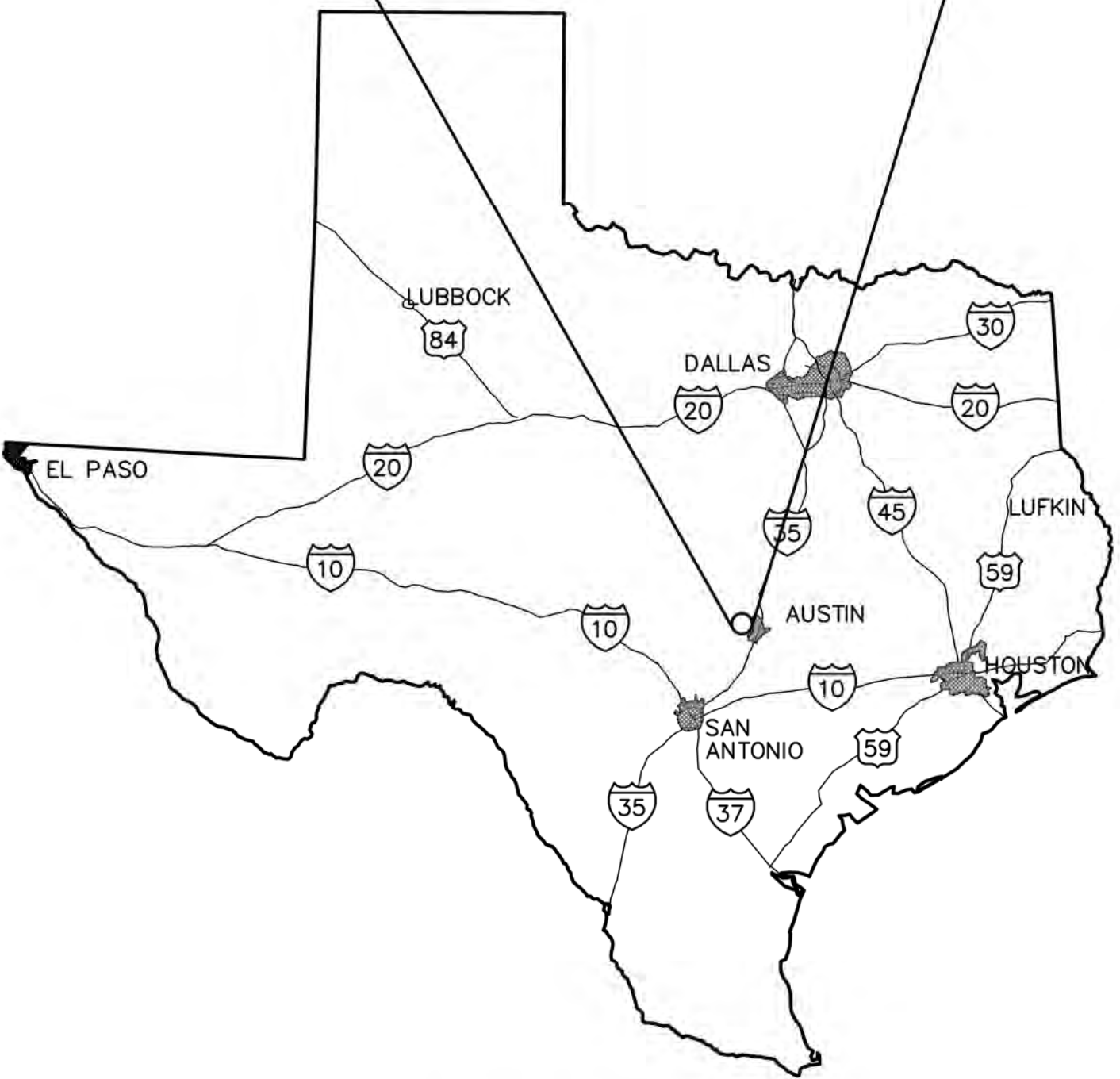
TS	TITLE SHEET
1	DEMOLITION PLAN
2	OVERALL SITE PLAN
3	SITE PLAN
4	GRADING PLAN
5	PAVING PLAN
6	DETAILS SHEETS

GENERAL NOTES

1. IT SHALL BE THE CONTRACTOR'S RESPONSIBILITY TO INSURE THAT ALL WORK IS PROPERLY LOCATED AS REQUIRED BY THE DRAWINGS, SPECIFICATIONS, AND/OR SITE CONDITIONS, OR THE BEST PRACTICE OF THE TRADES INVOLVED.
2. DRAWINGS MAY BE SCALED FOR LOCATIONS, SIZES, AND LIMITS WHERE OTHERWISE NOT SHOWN OR DIMENSIONED. LARGER SCALE DRAWINGS SHALL TAKE PRECEDENCE OVER SMALLER SCALE DRAWINGS UNLESS OTHERWISE DIRECTED BY ENGINEER.
3. SPECIFICATIONS GOVERN MATERIAL REQUIREMENTS AND SPECIAL REQUIREMENT FOR INSTALLATION PROCEDURES. IT SHALL BE THE CONTRACTOR'S RESPONSIBILITY TO PROVIDE THE INFORMATION SHOWN ON THE SPECIFICATIONS (BUT NOT CALLED FOR ON THE DRAWINGS) TO HIS SUBCONTRACTOR'S AND WORKMEN SO THAT THE ITEMS CALLED FOR IN THE SPECIFICATIONS CAN BE ACCOMPLISHED.
4. COMPENSATION FOR ANY ITEM OF WORK DESCRIBED IN THE CONTRACT DOCUMENTS (I.E. DRAWINGS AND SPECIFICATIONS) AND/OR REQUIRED FOR COMPLETED FUNCTIONAL CONSTRUCTION ITEM, BUT NOT LISTED SEPARATELY IN THE BID SCHEDULE, SHALL BE INCLUDED IN THE PAYMENT FOR THE ITEM OF WORK TO WHICH THE ACCOMPLISHMENT MAKES IT SUBSIDIARY.
5. QUANTITIES GIVEN IN THE CONTRACT DOCUMENTS ARE APPROXIMATE AND IN NO WAY LIMIT THE OBLIGATION OF THE CONTRACTOR TO FULFILL THE INTENT OF THE DRAWINGS AND SPECIFICATIONS IN REGARD TO CONSTRUCTING COMPLETE AND USABLE FACILITIES.
6. TESTS CALLED FOR IN THE SPECIFICATIONS AND NOT OTHERWISE DESIGNATED, SHALL BE PERFORMED AT THE REQUEST OF THE ENGINEER AND AT THE OWNER'S EXPENSE. HOWEVER, CONTRACTOR IS OBLIGATED TO ASSIST BY MAKING AVAILABLE THE AREAS AND/OR MATERIALS TO BE TESTED.
7. IT SHALL BE THE CONTRACTORS RESPONSIBILITY TO PROVIDE HIS OR HER OWN TEMPORARY ELECTRICAL POWER FOR THE CONSTRUCTION EFFORT.
8. METHODS AND MATERIALS USED IN CONSTRUCTION OF THE IMPROVEMENTS HEREIN SHALL CONFORM TO THE PERTINENT SPECIFICATIONS, CODES, BEST PRACTICES OF THE TRADE INVOLVED, ETC. AND SHALL BE CERTIFIED TO SO CONFORM WHEN REQUESTED BY THE ENGINEER AND/OR HIS REPRESENTATIVE.
9. AFTER LAYOUT AN ESTABLISHMENT OF CONSTRUCTION LIMITS BUT PRIOR TO THE COMMENCEMENT OF THE CONSTRUCTION EFFORT, THE ENGINEER SHALL BE NOTIFIED TO REVIEW LAYOUT AND MAKE ANY NECESSARY ADJUSTMENTS.
10. STEEL REINFORCEMENT FOR REINFORCED CONCRETE SHALL BE DEFORMED BARS OF BILLET OR RAIL STEEL GRADE 60 CONFORMING TO A.S.T.M. A615, A616, AND A617 SPECIFICATIONS. UNLESS OTHERWISE NOTED, DIMENSIONS RELATIVE TO PLACEMENT OF REINFORCING STEEL ARE GIVEN TO OUTSIDE SURFACES.
11. "BRAND" NAMES ARE USED TO REFLECT STYLE AND/OR QUALITY CHARACTERISTICS ONLY, AND ARE NOT INTENDED TO BE RESTRICTIVE OF OTHER "EQUAL" PRODUCTS. "EQUAL" PRODUCTS SHALL BE APPROVED BY THE ENGINEER.
12. CONTRACTOR SHALL BE AWARE THAT OTHER PIPING EXISTS ON SITE AND NOT SHOWN AS A PART OF THIS CONTRACT MAY EXIST AND ARE TO REMAIN. IT IS THE CONTRACTOR'S RESPONSIBILITY TO PREVENT DAMAGE TO SAID PIPES, AND IF DAMAGE OCCURS, CONTRACTOR SHALL REPAIR SAID DAMAGE AT NO ADDITIONAL COST TO OWNER.
13. CONCRETE FOR CONCRETE STRUCTURES SHALL BE 6 SACK PORTLAND CEMENT PER CUBIC YARD, 3600 PSI 28 DAY STRENGTH
14. CONTRACTOR TO OBTAIN ALL NECESSARY PERMITS FOR CITY OF LAGO VISTA PRIOR TO COMMENCING ANY WORK ON SITE.



VICINITY MAP
CITY OF LAGO VISTA

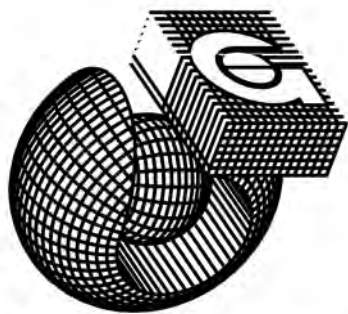


LOCATION MAP
STATE OF TEXAS

Gil Engineering Associates, Inc.

CONSULTING ENGINEERS - SURVEYORS
PLANNERS - DESIGNERS

506 E. Braker Lane, Austin Texas 78753 (512)835-4203



DATE: 05/14/09

DRAWN:

CHECKED:

PROJECT TITLE: LAGO VISTA I.S.D. HIGH SCHOOL
LAGO VISTA HIGH SCHOOL
8039 BAR-K ROAD
LAGO VISTA TX, 78645

SHEET TITLE: TITLE SHEET

REVISION

SHEET NUMBER

TS

OF 7



AREA LEGEND

EXISTING DIRT ROAD

REMOVED EXISTING TREES

Gil Engineering Associates, Inc.
CONSULTING ENGINEERS – SURVEYORS
PLANNERS – DESIGNERS
506 E. Braker Lane, Austin Texas 78753 (512)835-4203

DATE: 05/14/09

DRAWN: [blank]
CHECKED: [blank]

PROJECT TITLE: LAGO VISTA I.S.D. SCHOOL
LAGO VISTA HIGH SCHOOL
8039 BARK TRAIL ROAD
LAGO VISTA TX, 78645

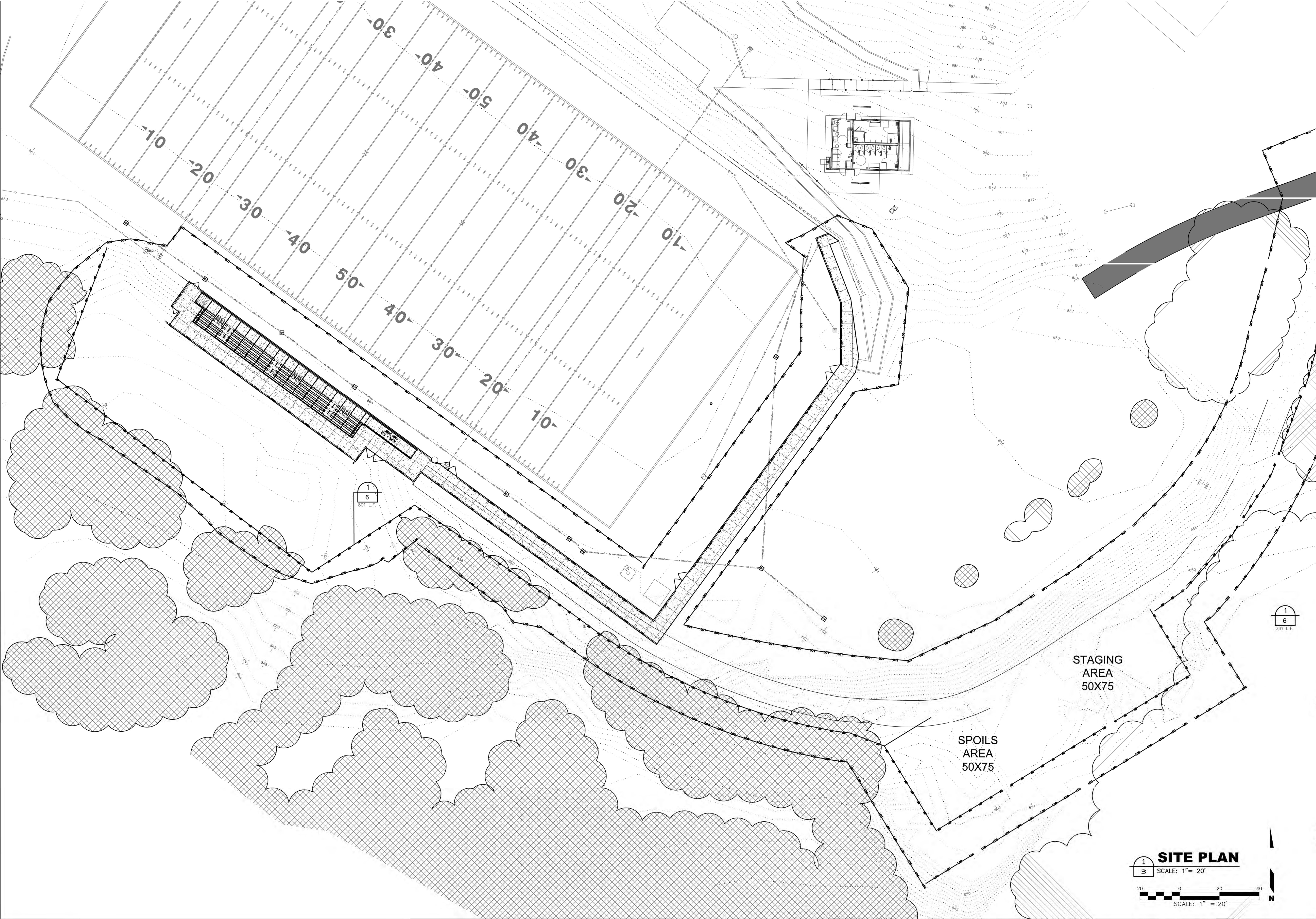
SHEET TITLE: DEMOLITION PLAN

REVISION

SHEET NUMBER

1

OF 7



1
3

SITE PLAN

SCALE: 1" = 20'

200 0 200 400

SCALE: 1" = 20'

1
6

281 L.F.

1
6

801 L.F.

DATE: 05/14/09

DRAWN: [blank]

CHECKED: [blank]

PROJECT TITLE: LAGO VISTA I.S.D. SCHOOL
LAGO VISTA HIGH SCHOOL
LAGO BLANK TRAIL ROAD
LAGO VISTA TX, 78645

SHEET TITLE: SITE PLAN

REVISION

SHEET NUMBER

3

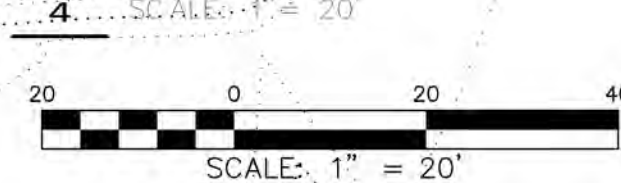
OF 7



Gil Engineering Associates, Inc.
CONSULTING ENGINEERS - SURVEYORS
PLANNERS - DESIGNERS
506 E. Braker Lane, Austin Texas : 8753 (512)835-4203



GRADING PLAN



Gil Engineering Associates, Inc.
CONSULTING ENGINEERS – SURVEYORS
PLANNERS – DESIGNERS
506 E. Braker Lane, Austin Texas 78753 (512)835-4203

DATE: 05/14/09
PROJECT TITLE: LAGO VISTA I.S.D. SCHOOL
LAGO VISTA HIGH SCHOOL
8039 BARK TRAIL ROAD
LAGO VISTA TX, 78645
SHEET TITLE: GRADING PLAN

REVISION

SHEET NUMBER

4

OF 7



1

5

PAVING PLAN

20

0

20

40

SCALE: 1" = 20'

DATE: 05/14/09

DRAWN: [blank]

CHECKED: [blank]

PROJECT TITLE: LAGO VISTA I.S.D. SCHOOL
LAGO VISTA HIGH SCHOOL
8039 BARK TRAIL ROAD
LAGO VISTA TX, 78645

SHEET TITLE: PAVING PLAN

REVISION

SHEET NUMBER

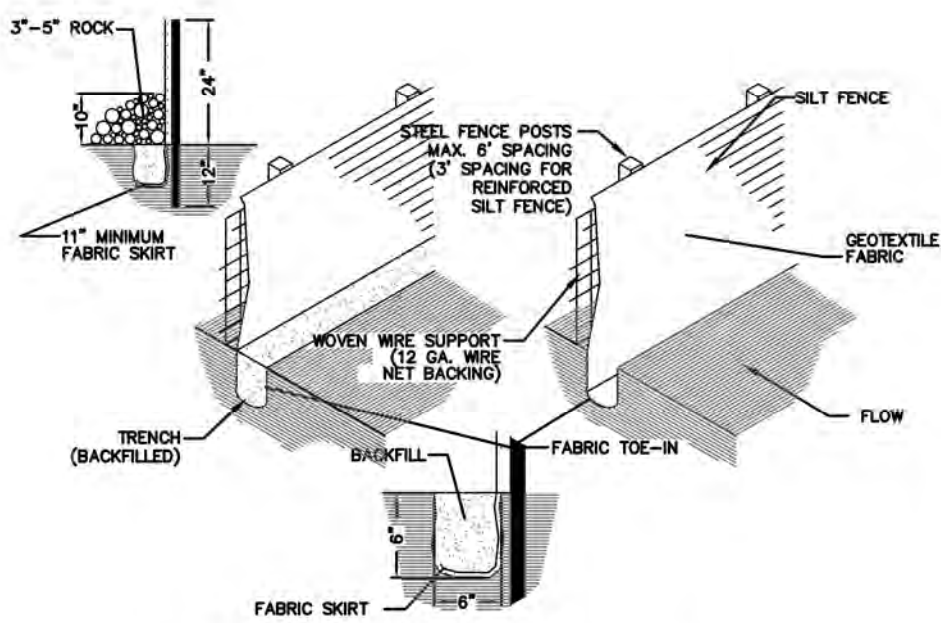
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OF 7

Gil Engineering Associates, Inc.

CONSULTING ENGINEERS - SURVEYORS
PLANNERS - DESIGNERS

506 E. Braker Lane, Austin Texas 78753 (512)835-4203



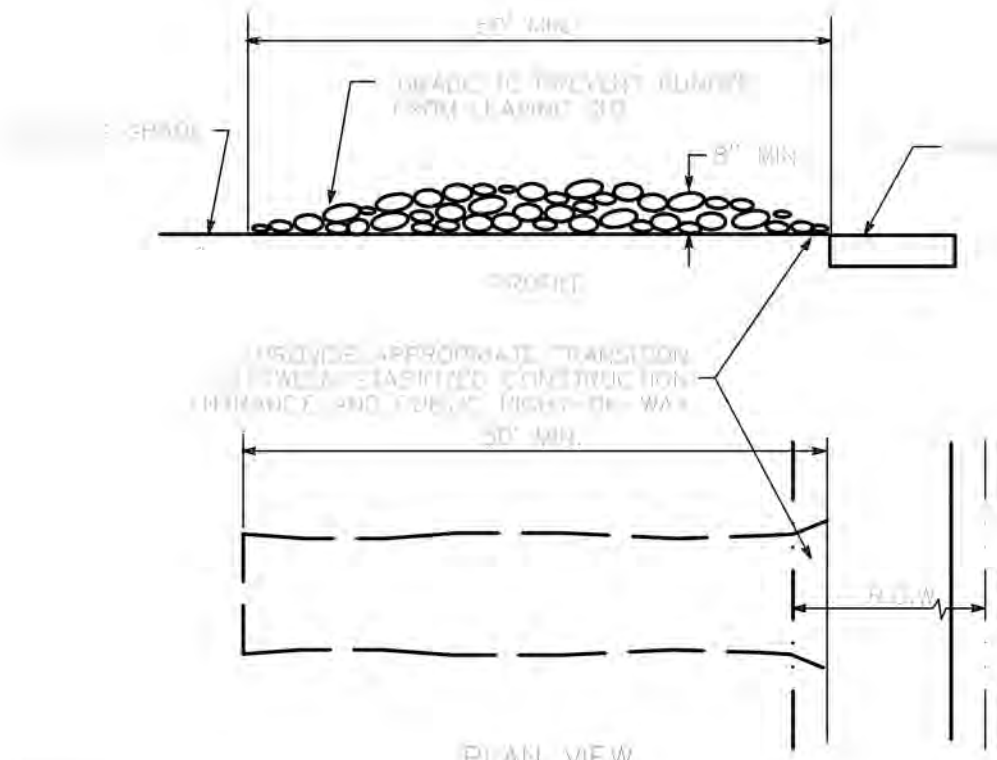
SILT FENCE GENERAL NOTES

1. STEEL POSTS WHICH SUPPORT THE SILT FENCE SHALL BE INSTALLED ON A SLIGHT ANGLE TOWARD THE ANTICIPATED RUNOFF SOURCE. POST MUST BE EMBEDDED A MINIMUM OF ONE FOOT.
2. THE TOP OF THE SILT FENCE SHALL BE TRENCHED IN WITH A SPACE OR MECHANICAL TRENCH, SO THAT THE DOWN-SIDE FACE OF THE TRENCH IS FLAT AND PERPENDICULAR TO THE LINE OF FENCE.
3. THE TRENCH SHOULD BE A MINIMUM OF 8 INCHES DEEP AND 8 INCHES WIDE TO ALLOW FOR THE SILT FENCE TO BE Laid IN THE GROUND AND BACKFILLED WITH COMPACTED MATERIAL.
4. SILT FENCE SHOULD BE SECURELY FASTENED TO EACH STEEL SUPPORT POST ON TO WOVEN WIRE WHICH IS IN TURN ATTACHED TO THE STEEL FENCE POST.
5. INSPECTION SHALL BE MADE WEEKLY OR AFTER EACH RAINFALL EVENT AND REPAIR OR REINFORCEMENT OF LOW POINTS SHALL BE MADE PROMPTLY AS NEEDED.
6. SILT FENCE SHALL BE REMOVED WHEN THE SITE IS COMPLETELY STABILIZED, SO AS NOT TO BLOCK OR IMPERF STORM FLOW OR DRAINAGE. ACCUMULATED SILT SHALL BE DISPOSED OF AS IN NO. 7 BELOW.
7. ACCUMULATED SILT SHALL BE REMOVED WHEN IT REACHES A DEPTH OF 8 INCHES. THE SILT SHALL BE DISPOSED OF IN AN APPROVED SITE AND IN SUCH A MANNER AS TO NOT CONTRIBUTE TO ADDITIONAL EROSION.

— SF — SF — SF — SF — SF —

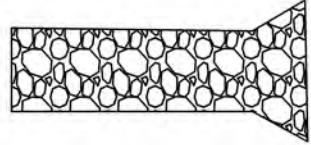
SILT FENCE

1/6 NOT TO SCALE



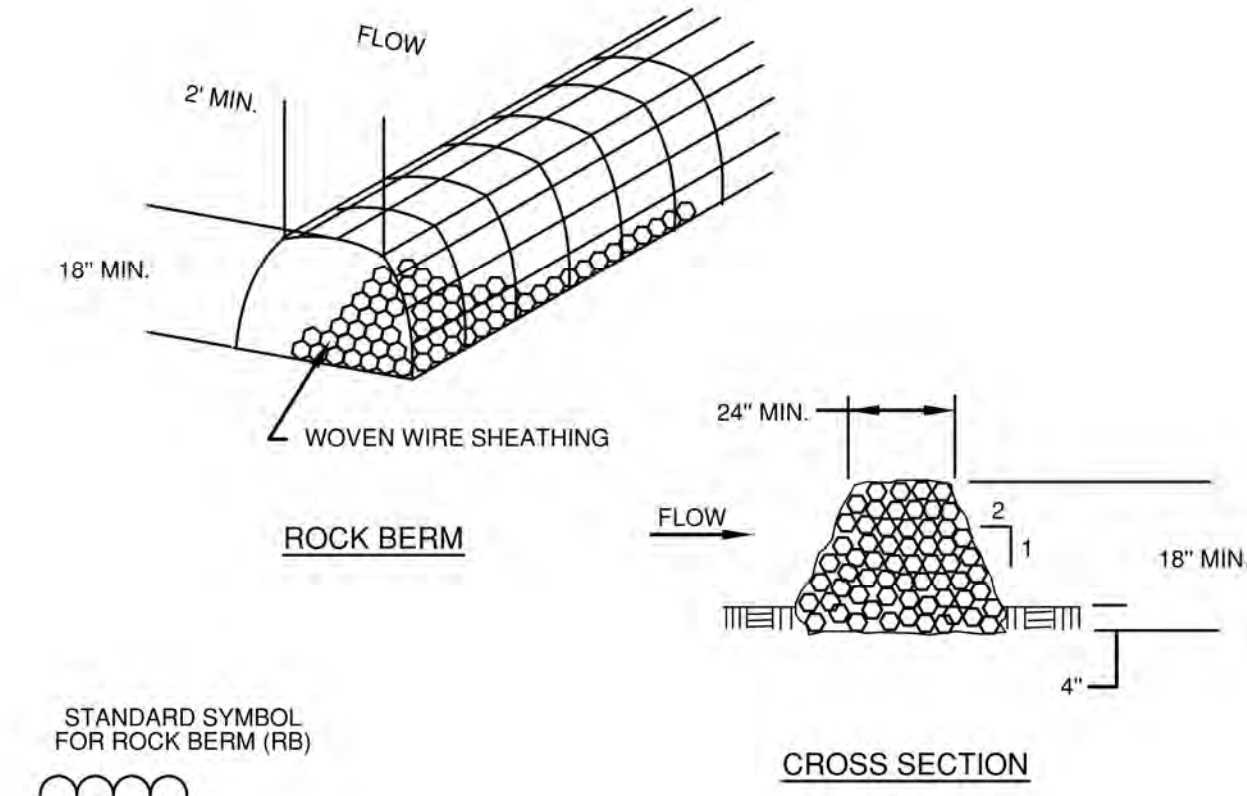
NOTES:

1. SPRING GREE- 3" - 5" OPEN GRADED ROCK, LAYING AS DIRECTED BUT NOT LESS THAN 6" THICKNESS. (NOT LESS THAN 6" INCHES).
2. WIDTH: NOT LESS THAN FULL WIDTH OF ALL POINTS OF IMPULSES/ IMPULSES.
3. WASHING - WHEN NECESSARY, WHEELS SHALL BE CLEANED TO REMOVE SEDIMENT PRIOR TO ENTRANCE ONTO PUBLIC ROADWAY. WHEN WASHING IS REQUIRED, IT SHALL BE DONE ON AN AREA STABILIZED WITH CRUSHED STONE WHICH DRAINS INTO AN APPROVED TRAP OR SEDIMENT BASIN. ALL SEDIMENT SHALL BE PREVENTED FROM ENTERING ANY STORM DRAIN, DITCH OR WATERCOURSE USING APPROVED METHODS.
4. MAINTENANCE - THE ENTRANCE SHALL BE MAINTAINED IN A CONDITION WHICH WILL PREVENT TRACKING OR FLOWING OF SEDIMENT ONTO PUBLIC ROADWAY. THIS MAY REQUIRE PERIODIC TOP DRESSING WITH ADDITIONAL STONE CONDITIONS DEMAND, AND REPAIR AND CLEAN OUT OF ANY MEASURES USED TO TRAP SEDIMENT. ALL SEDIMENTS SPILLED, DROPPED, WASHED OR TRACKED ONTO PUBLIC ROADWAY MUST BE REMOVED IMMEDIATELY.
5. DRAINAGE - ENTRANCE MUST BE PROPERLY GRADED OR INCORPORATE A DRAINAGE SWALE TO PREVENT RUNOFF FROM LEAVING THE CONSTRUCTION SITE.



STABILIZED CONSTRUCTION ENTRANCE

2/6 NOT TO SCALE



NOTES:

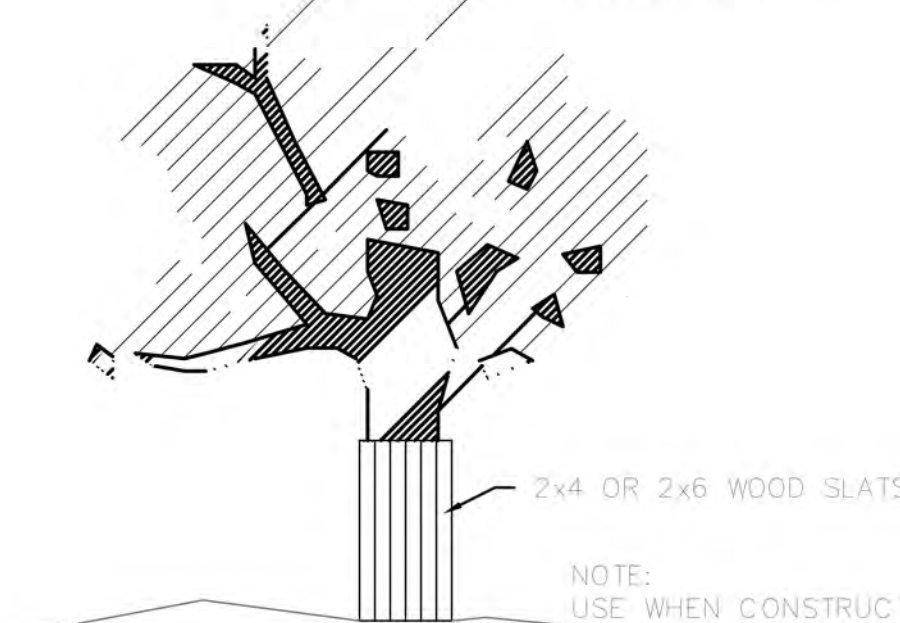
1. USE ONLY OPEN GRADED ROCK 4" to 6" DIAMETER FOR STREAM FLOW CONDITIONS. USE OPEN GRADED ROCK 3" to 5" DIAMETER FOR OTHER CONDITIONS.
2. THE ROCK BERM SHALL BE SECURED WITH A WOVEN WIRE SHEATHING HAVING MAXIMUM 1" OPENING AND MINIMUM WIRE DIAMETER OF 20 GAUGE. ROCK BERMS IN CHANNEL APPLICATIONS SHALL BE ANCHORED FIRMLY INTO THE SUBSTRATE A MINIMUM OF 6" WITH T-POSTS OR WITH #5 OR #6 REBAR, WITH MAXIMUM SPACING APART OF 48" ON CENTER.
3. THE ROCK BERM SHALL BE INSPECTED WEEKLY OR AFTER EACH RAIN, AND THE STONE AND/OR FABRIC CORE-WOVEN SHEATHING SHALL BE REPLACED WHEN THE STRUCTURE CEASES TO FUNCTION AS INTENDED, DUE TO SILT ACCUMULATION AMONG THE ROCKS, WASHOUT, CONSTRUCTION TRAFFIC DAMAGE, ETC.
4. WHEN SILT REACHES A DEPTH EQUAL TO ONE-THIRD THE HEIGHT OF THE BERM OR 6", WHICHEVER IS LESS, THE SILT SHALL BE REMOVED AND DISPOSED OF ON AN APPROVED SITE AND IN A MANNER THAT WILL NOT CREATE A SILTATION PROBLEM.
5. DAILY INSPECTION SHALL BE MADE ON SEVERE-SERVICE ROCK BERMS; SILT SHALL BE REMOVED WHEN ACCUMULATION REACHES 6".
6. WHEN THE SITE IS COMPLETELY STABILIZED, THE BERM AND ACCUMULATED SILT SHALL BE REMOVED AND DISPOSED OF IN AN APPROVED MANNER.

ROCK BERM

3/6 NOT TO SCALE



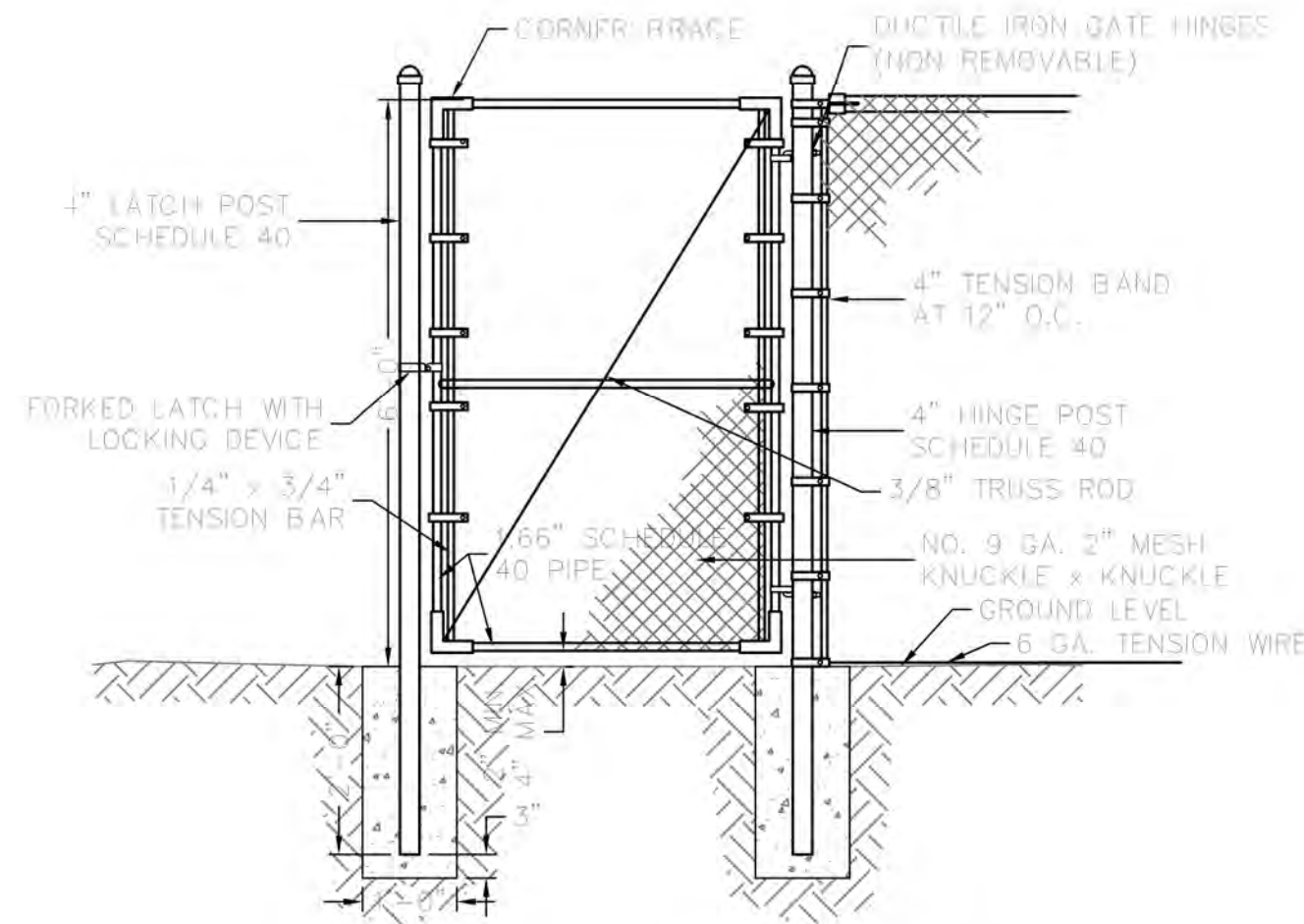
NOTE:
USE IN ALL CASES EXCEPT WHERE CONSTRUCTION IS CLOSER THAN 4'



NOTE:
USE WHEN CONSTRUCTION IS CLOSER THAN 4' FROM THE TREE
PROTECT THE TREE TO A HEIGHT OF 8' OR TO THE LIMITS OF THE LOWER BRANCHING

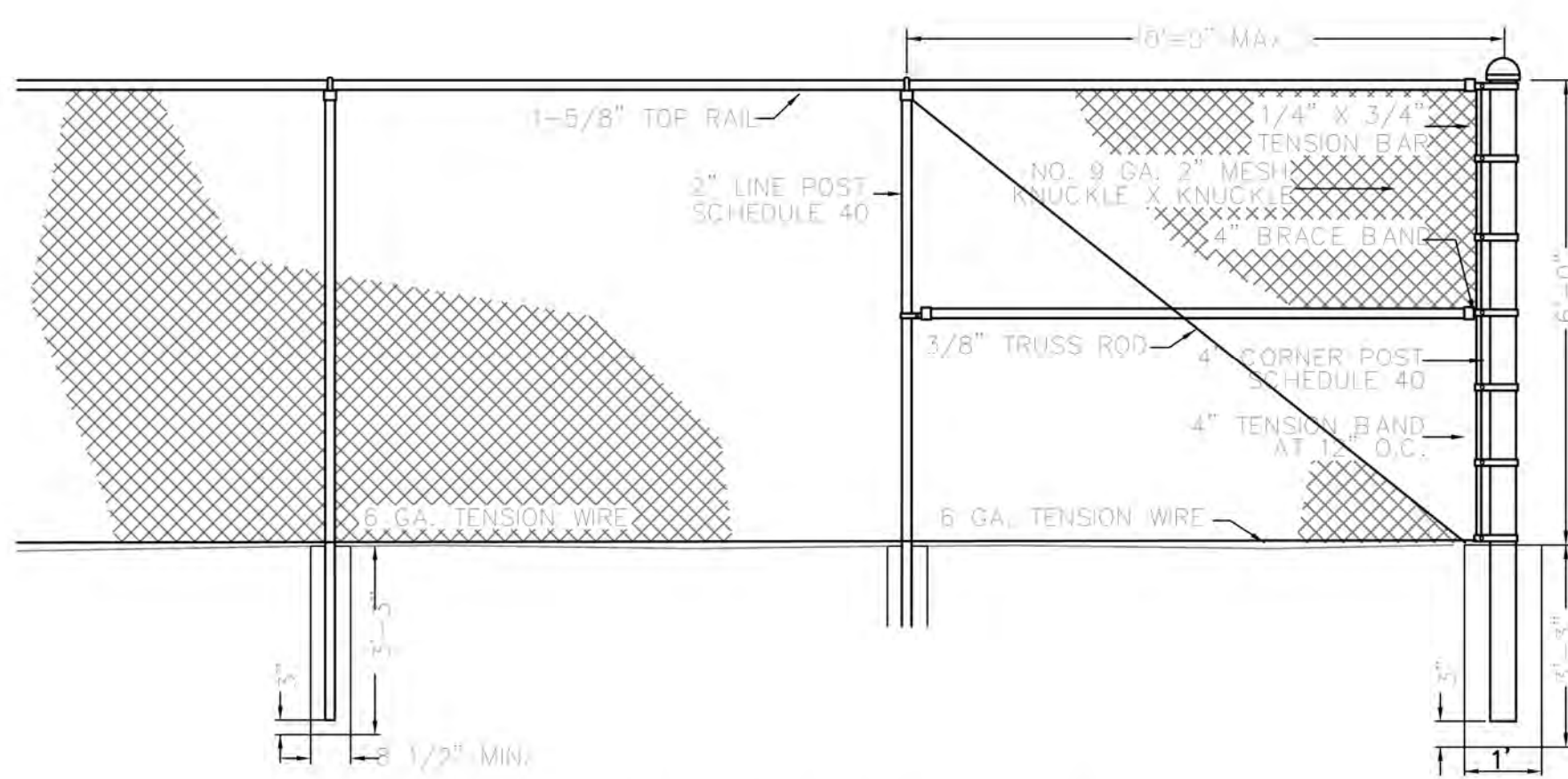
TREE PROTECTION

4/6 NOT TO SCALE



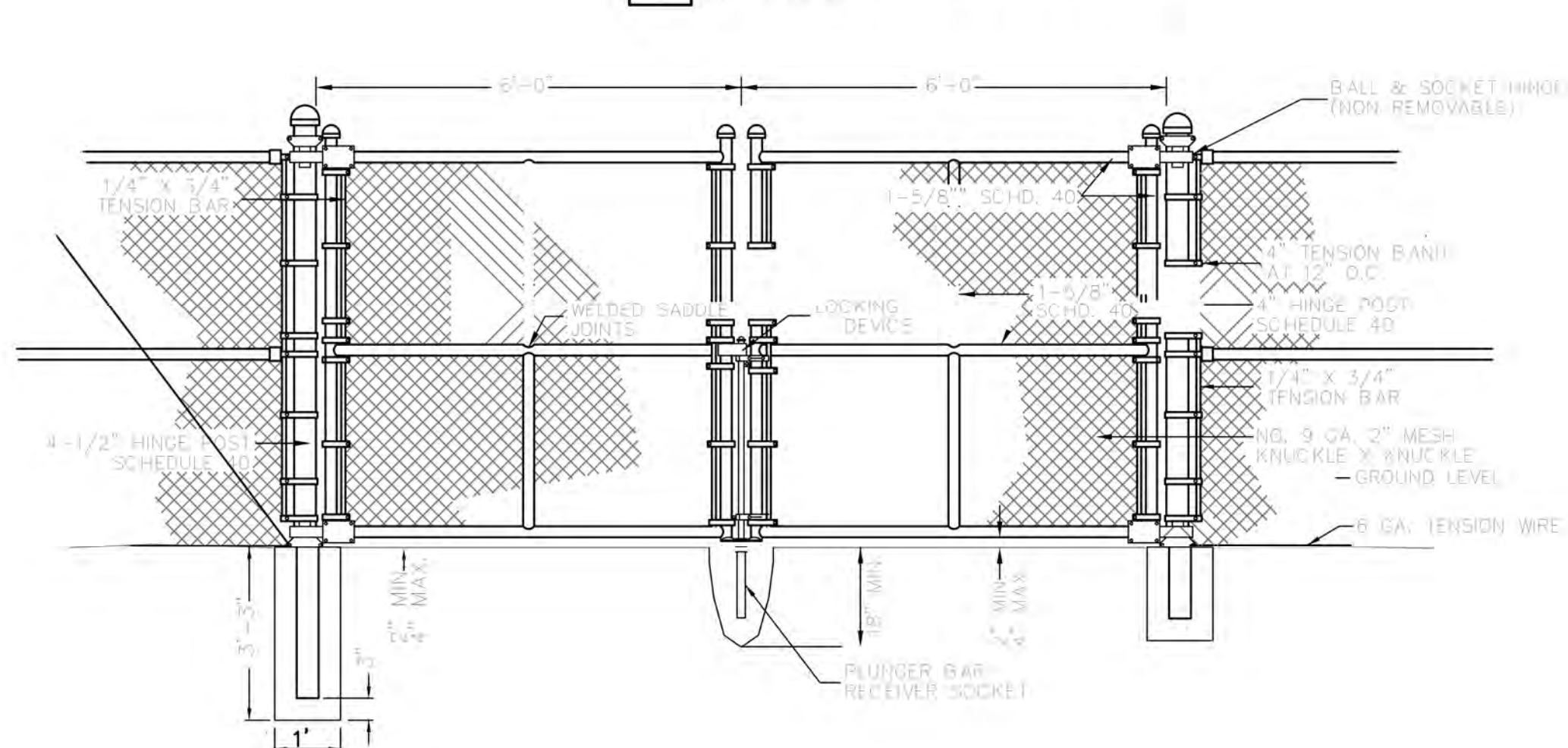
6' HIGH X 4' GATE

5/6 NOT TO SCALE



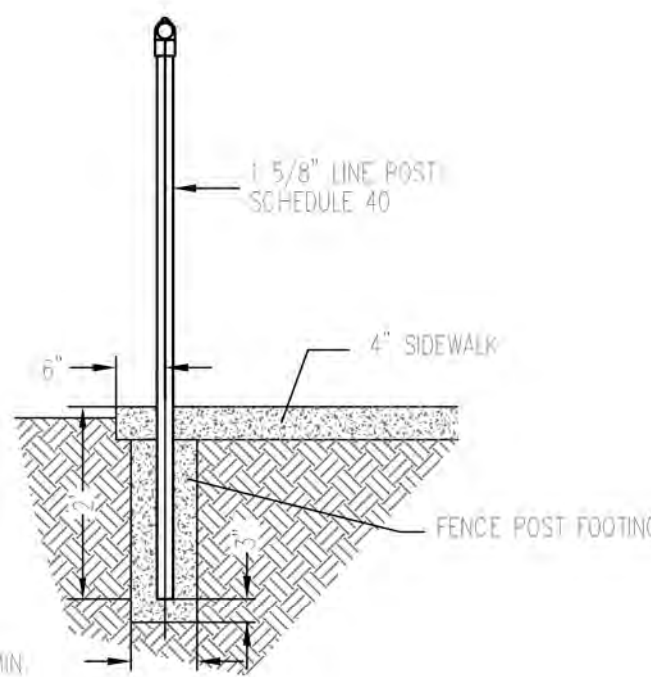
6' FENCE DETAIL

6/6 NOT TO SCALE



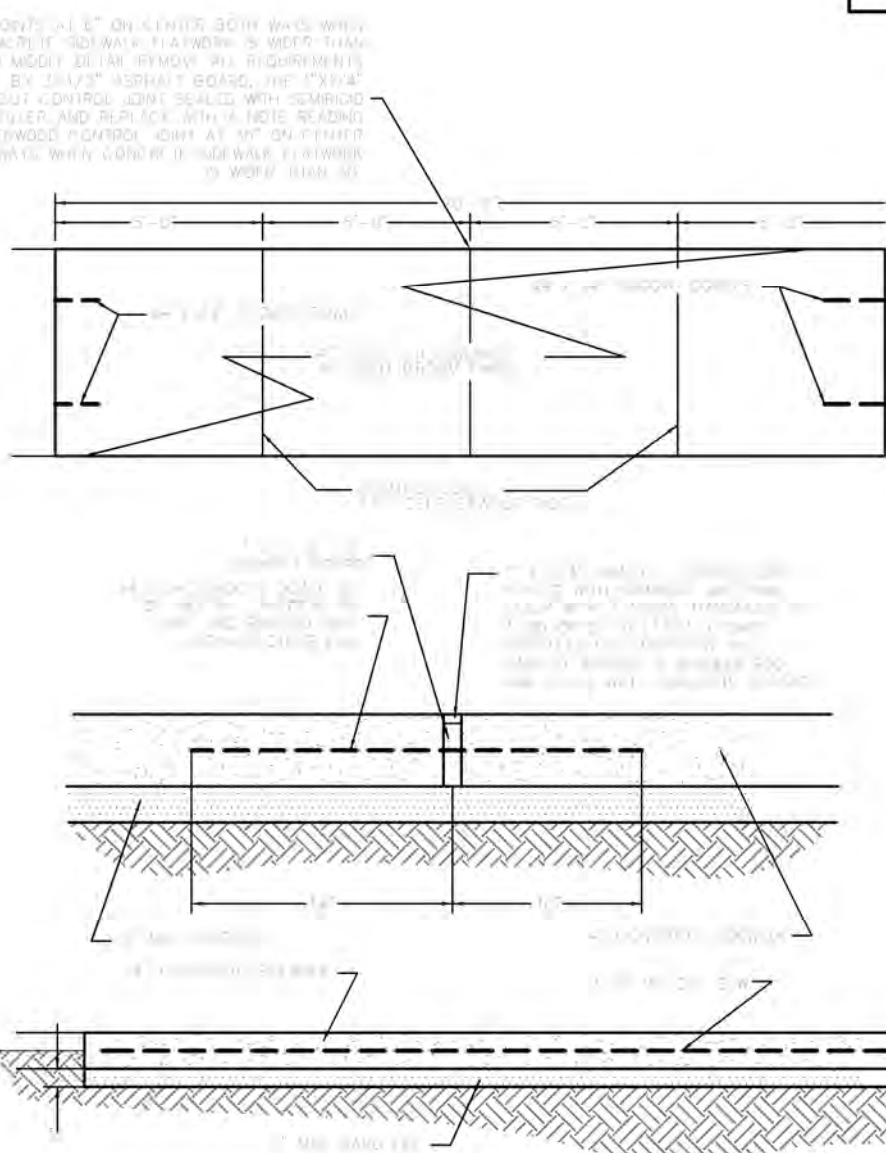
12' GATE 6' FENCE

7/6 NOT TO SCALE



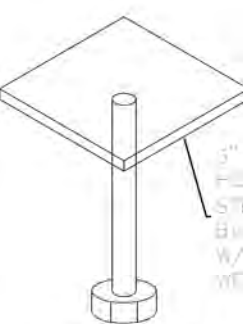
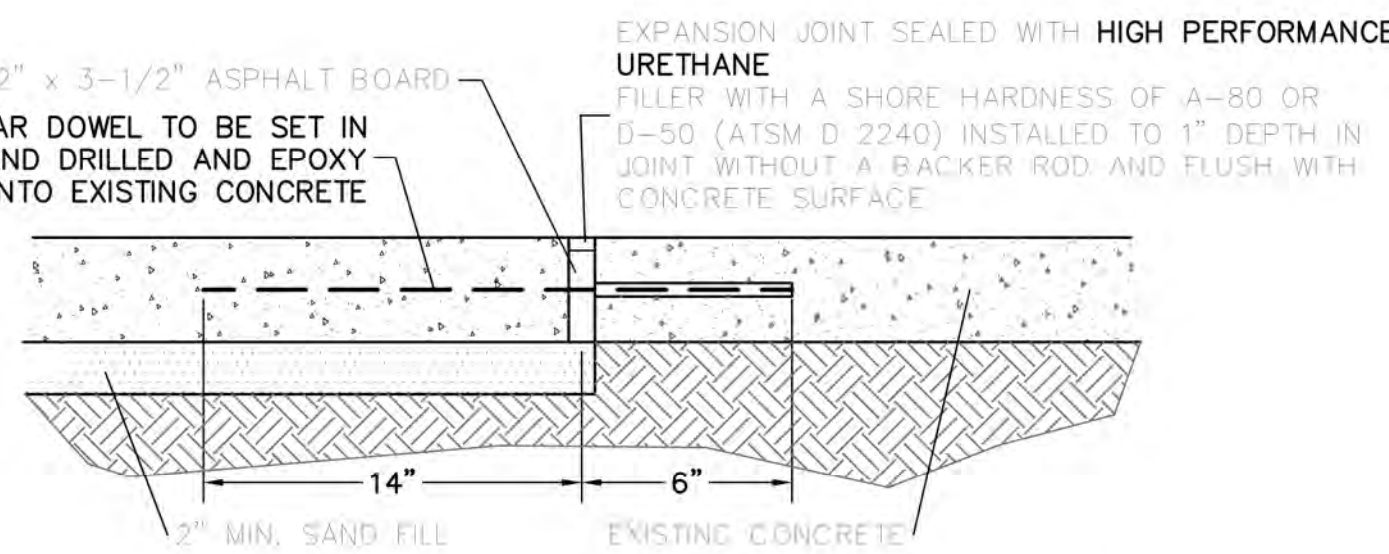
FENCE ON SIDEWALK

8/6 NOT TO SCALE



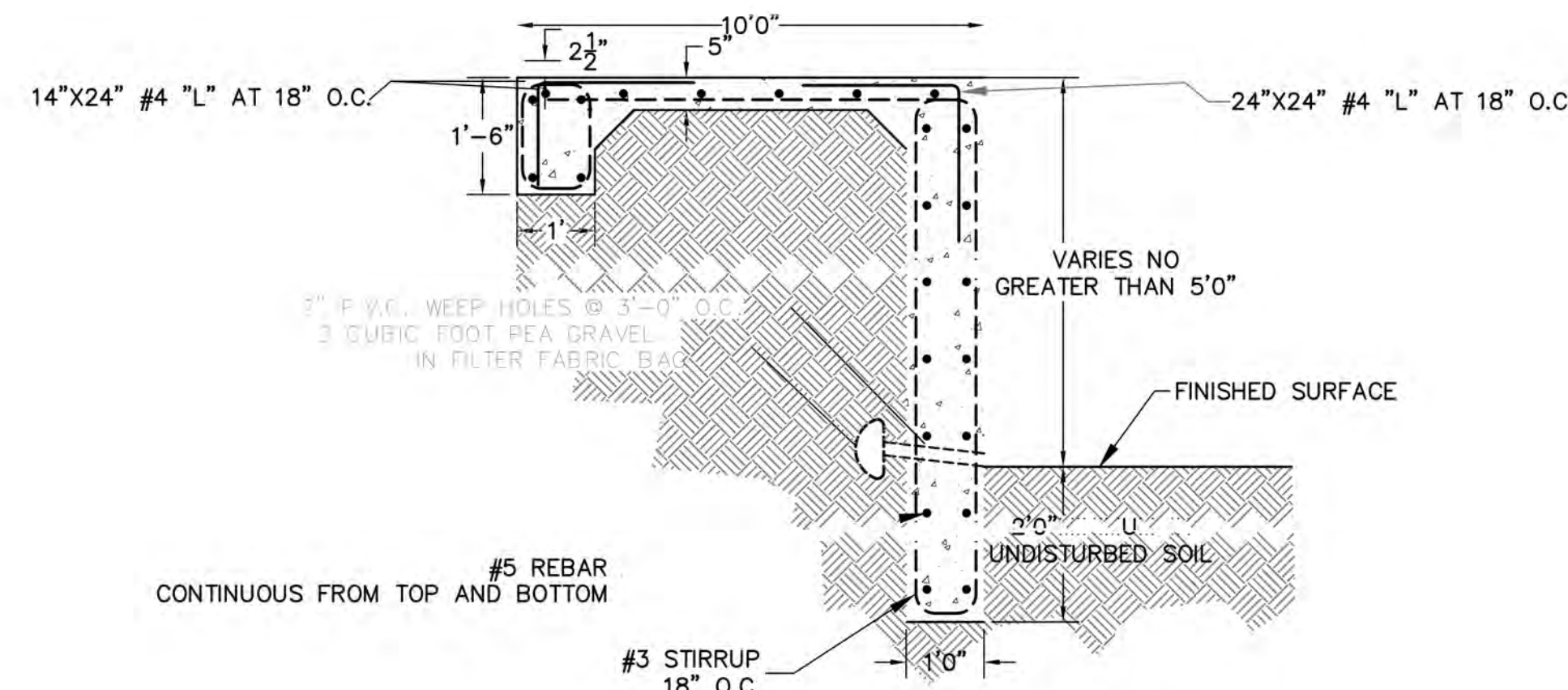
SIDEWALK TO EXISTING CONCRETE

10/6 NOT TO SCALE



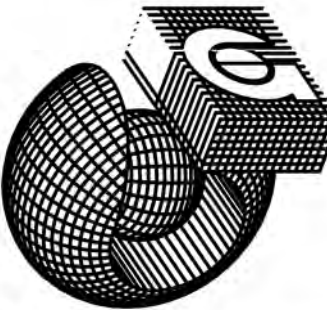
SLEEVE MARKER

11/6 NOT TO SCALE



RAISED SIDEWALK DETAIL

12/6 NOT TO SCALE



Minutes of Regular Meeting

The Board of Trustees Lago Vista ISD

A Regular meeting of the Board of Trustees of Lago Vista ISD was held April 20, 2009, beginning at 7:00 PM in the Board Room in Viking Hall, 8039 Bar K Ranch Road, Lago Vista, Texas 78645.

Members Present David Scott, President
 David Baker, Vice-President
 Tom Rugel
 Jerrell Roque
 Laura Vincent
 Mike Wells

Members Absent: Tami Hood

Also Present: Barbara Qualls, Superintendent
 Sandy Apperley, Assistant Superintendent
 Robert Zingelmann, Director of Finance
 Donna Larkin, High School Principal
 Beth Mohler, Intermediate Elementary School Principal
 Heather Stoner, Primary Elementary School Principal
 Steve Elder, Secondary Assistant Principal
 Valerie Guerra, Director of Special Education

1. Mr. Scott called the meeting to order at 7:05 PM, and led the Pledge of Allegiance, and the Pledge to the Texas flag.
2. Welcome visitors/Recognition/Public participation: The Superintendent introduced the elementary and middle school Destination Imagination teams and their coaches. At 7:15 PM the president opened the floor for citizen comment according to the district's policy for public participation in board meetings. Five citizens spoke. The president closed public forum at 7:24 PM.
3. Special Education review update: Laura Vincent and Valerie Guerra updated board members on the hiring of Stephanie Blanck as a consultant to conduct a review of the district Special Education program. A public meeting for parents of Special Education students is scheduled for April 23, 2009. Discussion took place.
4. Food Services contract: Ms. Vincent moved to accept the administration's recommendation that the contract for food services be awarded to Sodexo for school year 2009-2010. Mr. Baker seconded the motion. Motion passed 6-0.
5. Upgrades for athletic facilities: Information gathered by administration was reported by the Superintendent. A civil engineer will develop the design.
6. Cancellation of May Election: Ms. Vincent moved to accept the administration's recommendation that the board approve the Certification of Unopposed Candidates and the Order of Cancellation. Mr. Wells seconded the motion. Motion passed 6-0.

7. Policy Update 84: The superintendent presented the LEGAL and LOCAL policy changes as recommended by TASB Policy Service. Discussion followed. Ms. Vincent moved to accept Update 84 as presented. Mr. Wells seconded the motion. Motion passed 6-0.
8. Expedited Waiver request in regard to 2009-2010 attendance calendar: Mr. Roque moved to approve the request for expedited waivers for school year 2009-2010. Ms. Vincent seconded the motion. Motion passed 6-0.
9. Report on projected cheer expenditures: The high school principal presented an overview of costs for high school cheerleaders. Discussion and questions followed. The board requests that the administration prepare recommendations concerning funding of some aspects of cheerleading at the secondary level.
10. Harris Interactive Survey update: The Superintendent reported that representatives from the Harris Group recommend that as an immediate next step, the District become very familiar with the data collected at the campus and the District level. Following that, the Harris Groups recommends that the District contract with them to complete the Advanced Strategy Lab (ASL). The cost would be approximately \$8,000 to \$10,000. Discussion followed.
11. Minutes of previous meetings: The minutes of the March 9, 2009 regular meeting were approved as written and the March 26, 2009 special meeting was approved as corrected. Ms. Vincent moved to accept the minutes. Mr. Wells seconded the motion. The motion was adopted unanimously 6-0.
12. Revenue projections: The Superintendent reported on legislative action regarding school funding and the status of the federal stimulus bill. The Director of Finance reported on local revenue streams. Questions and discussion followed.
13. Budgeting process report: The Director of Finance provided an update on the budget process.
14. Bank depository resolution: Mr. Wells moved to accept the administration's recommendation that the depository contract with Security State Bank and Trust be extended for an additional two years from 09-01-2009 through 08-31-2011. Mr. Baker seconded the motion. Motion passed 6-0.
Mr. Roque moved to extend the meeting past 10:00 PM. Mr. Wells seconded the motion. Motion passed 6-0.
15. Budget amendment: Mr. Wells moved to accept the budget amendment as presented by the administration. Ms. Vincent seconded the motion. Motion passed 6-0.
16. Monthly Financial Report: The Director of Finance presented the district's monthly financial summary. Ms. Vincent moved to accept the financial report. The motion was seconded by Mr. Roque. The motion was adopted 6-0.

17. Closed session pursuant to Government Code section 551.074. Discussion of administrative staff assignments and duties and the formative evaluation of the Superintendent: At 10:13 PM, Mr. Scott announced that the board would go into closed session.

Open session

The board reconvened in open session at 11:48 PM. No action was taken as a result of closed session.

18. Adjourn: There being no further business, Mr. Scott adjourned the meeting at 11:50 PM

David Scott, President

Sandy Apperley

**Lago Vista Independent School District
Special Board Meeting
May 4, 2009**

The Board of Trustees of Lago Vista Independent School District met in special session at 5:00 PM on May 4, 2009 in the Johnson Room at K-Oaks Club House, 7000 Bar-K Ranch Road in Lago Vista, Texas.

Mr. Scott called the meeting to order at 5:02 PM, and led the Pledge of Allegiance and the Pledge to the Texas flag.

Members Present

David Scott, President
David Baker, Vice-President
Tami Hood, Secretary
Tom Rugel
Jerrell Roque
Laura Vincent
Mike Wells

Also Present:

Barbara Qualls, Superintendent
Sandy Apperley, Assistant Superintendent
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
Valerie Guerra, Director of Special Education

Closed session

At 5:04 PM, Mr. Scott announced that the board would go into closed session pursuant to Government Code 551.074 to discuss hiring of professional staff.

Open session

The board reconvened in open session at 6:00 PM.

Ms. Vincent moved to accept the recommendation of the administration that Tracy Wancho be offered a 1 year probationary contract, with extended days, for school year 2009-2010. The motion was seconded by Mr. Wells. Motion passed 7-0.

Ms. Hood moved to accept the recommendation of the administration that Bethany Pickard be offered a 1 year probationary contract for school year 2009-2010. The motion was seconded by Ms. Vincent. Motion passed 7-0.

Mr. Wells moved to accept the recommendation of the administration that Trisha Upchurch be offered a 2 year Administrator contract, with 226 days per contract year. The motion was seconded by Mr. Roque. Motion passed 7-0.

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

Adjourn

Ms. Hood moved to adjourn the meeting. Mr. Roque seconded the motion. Motion passed unanimously. There being no further business, Mr. Scott adjourned the meeting at 6:05 PM

David Scott, President

Sandy Apperley

Lago Vista ISD

Statement of Revenues and Expenditures - General Fund

As of April 30, 2009

66.7% Of Fiscal Year

		CURRENT YEAR			PRIOR YEAR		% OF ACTUAL TOTAL	PR Amend Budget
		BUDGET	ACTUAL	BALANCE	% OF BUDGET	CUMULATIVE ACTUAL		
REVENUES								
5710	LOCAL TAX REVENUES	\$ 12,851,525	\$ 12,403,444	\$ 448,081	96.51%	\$ 11,237,625	96.45%	\$ 11,651,005
57XX	OTHER LOCAL REVENUES	\$ 382,000	\$ 111,350	\$ 270,650	29.15%	\$ 336,832	102.97%	\$ 327,120
58XX	STATE PROG. REVENUES	\$ 4,058,556	\$ 3,278,210	\$ 780,346	80.77%	\$ 2,942,741	81.48%	\$ 3,611,566
59XX	FED PROG. REVENUES		\$ -	\$ -		\$ -		
TOTAL REVENUE		\$ 17,292,081	\$ 15,793,004	\$ 1,499,077	91.33%	\$ 14,517,198	93.12%	\$ 15,589,691
EXPENDITURES								
11	INSTRUCTION	\$ 7,102,535	\$ 4,435,689	\$ 2,666,846	62.45%	\$ 3,864,459	58.88%	\$ 6,563,255
12	LIBRARY	\$ 179,673	\$ 134,076	\$ 45,597	74.62%	\$ 112,415	63.48%	\$ 177,097
13	STAFF DEVELOPMENT	\$ 127,544	\$ 84,770	\$ 42,774	66.46%	\$ 67,932	55.09%	\$ 123,305
21	INST ADMINISTRATION	\$ 89,192	\$ 55,736	\$ 33,456	62.49%	\$ 60,168	67.60%	\$ 89,008
23	SCHOOL ADMINISTRATION	\$ 661,273	\$ 449,558	\$ 211,715	67.98%	\$ 424,585	64.78%	\$ 655,457
31	GUID AND COUNSELING	\$ 324,544	\$ 183,272	\$ 141,272	56.47%	\$ 189,837	59.96%	\$ 316,587
33	HEALTH SERVICES	\$ 106,180	\$ 69,232	\$ 36,948	65.20%	\$ 66,019	61.23%	\$ 107,828
34	PUPIL TRANSP - REGULAR	\$ 452,577	\$ 308,907	\$ 143,670	68.26%	\$ 335,272	79.45%	\$ 422,000
36	CO-CURRICULAR ACT	\$ 420,574	\$ 363,397	\$ 57,177	86.41%	\$ 295,436	80.38%	\$ 367,549
41	GEN ADMINISTRATION	\$ 568,648	\$ 359,359	\$ 209,289	63.20%	\$ 422,910	72.85%	\$ 580,518
51	PLANT MAINT & OPERATION	\$ 1,221,511	\$ 847,362	\$ 374,149	69.37%	\$ 809,739	62.47%	\$ 1,296,259
52	SECURITY	\$ 39,200	\$ 29,100	\$ 10,100	74.23%	\$ 21,752	71.32%	\$ 30,500
53	DATA PROCESSING	\$ 19,750	\$ 9,499	\$ 10,251	48.10%	\$ 76,382	84.74%	\$ 90,142
61	COMMUNITY SERVICE	\$ 13,345	\$ 8,840	\$ 4,505	66.24%	\$ 69,771		\$ -
81	CONSTRUCTION	\$ 448,312	\$ 352,948	\$ 95,364	78.73%	\$ 19,873	4.43%	\$ 448,312
91	STUDENT ATTENDANCE CR	\$ 5,890,533	\$ 2,495,241	\$ 3,395,292	42.36%	\$ 1,781,052	38.66%	\$ 4,607,000
99	TRAVIS COUNTY APP	\$ 75,000	\$ 56,698	\$ 18,302	75.60%	\$ -	0.00%	\$ 70,610
0	TRANSFER OUT	\$ -	\$ -	\$ -	0.00%	\$ -	0.00%	\$ 37,968
TOTAL EXPENDITURES		\$ 17,740,391	\$ 10,243,684	\$ 7,496,707	57.74%	\$ 8,617,602	53.92%	\$15,983,395
1200	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES - FY 2007-2008	\$ 5,549,320			EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES - FY 2007-2008		\$ 331,751	
3000	BEG FUND BAL 9/1/08	\$ 5,198,715			BEG FUND BAL 9/1/07		\$ 4,866,964	
3000	END FUND BAL 8/31/09	\$ 10,748,035			END FUND BAL 8/31/08		\$ 5,198,715	
3510	RESERVED FUND BAL	\$ 338,056						
3600	UNRESERVED FUND BAL	\$ 10,409,979						

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT
TAX COLLECTIONS REPORT
AS OF April 30, 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	(206,619.71)
Prior Year Adjustments	(515,261.23)
Adjusted Receivables	\$ 15,669,096.37
Total Net Collections To Date (Less P&I)	\$ 13,789,564.70
Outstanding Receivables as of: 03/31/2009	\$ 1,879,531.67

2008-2009 Original Tax Levy	\$ 14,757,820.63
Current Year Adjustments	(206,619.71)
Net Levy	\$ 14,551,200.92

Taxes Collected:	
Maintenance-Current Tax	\$ 12,025,568.01
Debt Service-Current Tax	1,618,826.48
Total Current Tax Levy Collected	\$ 13,644,394.49

Percentage of Current Tax Levy Collected	93.77%	Prior Year 93.45%
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SUMMARY OF BUDGETED COLLECTIONS	BUDGETED	NET COLLECTED	BUDGETED VARIANCE	2008 - 2009 % OF BUDGET COLLECTED	2007 - 2008	Amended Budget	Collected
M & O - Current Tax	\$ 12,219,684.00	\$ 12,056,705.90	\$ 162,978.10	98.67%	97.37%	\$ 11,024,338.00	\$ 10,734,684.23
M & O - Prior Year Tax	\$ 348,993.00	\$ 183,786.38	\$ 165,206.62	52.66%	81.37%	\$ 346,667.00	\$ 282,072.21
M & O - P & I	\$ 262,848.00	\$ 104,976.59	\$ 157,871.41	39.94%	75.78%	\$ 260,000.00	\$ 197,037.56
Sub-total	\$ 12,831,525.00	\$ 12,345,468.87	\$ 486,056.13	96.21%	96.41%	\$ 11,631,005.00	\$ 11,213,794.00
I & S - Current Tax	\$ 1,645,848.00	\$ 1,623,017.81	\$ 22,830.19	98.61%	97.90%	\$ 1,683,098.34	\$ 1,647,785.10
I & S - Prior Year Tax	\$ 47,458.00	\$ 18,586.59	\$ 28,871.41	39.16%	71.39%	\$ 55,865.11	\$ 39,880.42
I & S - P & I	\$ 35,593.00	\$ 14,131.46	\$ 21,461.54	39.70%	71.41%	\$ 41,421.07	\$ 29,578.23
Sub Total	\$ 1,728,899.00	\$ 1,655,735.86	\$ 73,163.14	95.77%	96.45%	\$ 1,780,384.52	\$ 1,717,243.75
Total Collections	\$ 14,560,424.00	\$ 14,001,204.73	\$ 559,219.27	96.16%	96.42%	\$ 13,411,389.52	\$ 12,931,037.75

**LAGO VISTA INDEPENDENT SCHOOL DISTRICT
INVESTMENT SCHEDULE
AS OF April 30, 2009**

MONEY MARKET ACCOUNTS

TEXPOOL	Balance	Interest Earned for the Month	APY	Mar 09 APY
General Fund	\$ 92,024.43	\$ 36.02	0.48%	0.58%
I&S	\$ 187.84	\$ 0.04	0.48%	0.58%

LONESTAR INVESTMENT POOL

General Fund - Liquidity Fund	\$ 1,040.43	\$ 0.65	0.76%	0.80%
General Fund - Liquidity Corp Fund	\$ 10,678,135.24	\$ 7,084.79	0.76%	0.83%
I&S - Liquidity Corporate Fund	\$ 2,081,437.62	\$ 1,289.37	0.76%	0.83%
Capital Projects - Liquidity Corp Fund	\$ 199,606.96	\$ 124.29	0.76%	0.83%

CASH

Sweep Account	\$ 25,042.04	\$ 42.04	0.14%	0.16%
General Fund	\$ 50,979.68	\$ 337.21	0.14%	0.16%
Capital Projects	\$ 1.00	\$ -	0.14%	0.16%
CP Sweep	\$ 49,744.94	\$ 20.44	0.14%	0.16%
Interest and Sinking	\$ 234.23	\$ 0.10	0.14%	0.16%
Total Cash in Bank	<u>\$126,001.89</u>			

Total Investment Balance

General Fund	\$10,847,221.82
I&S	\$ 2,081,859.69
Capital Projects	\$ 249,352.90
Total	\$13,178,434.41

Interest Earned	LSIP	TexPool	Bank	Total
General Fund	\$ 7,085.44	\$ 36.02	\$ 379.25	\$ 7,500.71
I&S	\$ 1,289.37	\$ 0.04	\$ 0.10	\$ 1,289.51
Capital Projects	\$ 144.73		\$ 20.44	\$ 165.17
Total				<u><u>\$ 8,955.39</u></u>

Date Run: 05-06-2009 10:26 AM
 Cnty Dist: 227-912
 199 / 9 GENERAL FUND

Board Report
 Comparison of Revenue to Budget
 Lago Vista ISD
 As of April

Program: FIN3050
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 File ID: C

	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	-195,471.56	-12,403,444.80	448,080.20	96.51%
5730 - TUITION _FEES FROM PATRONS	3,000.00	.00	.00	3,000.00	.00%
5740 - INTEREST, RENT, MISC REVENUE	357,500.00	-7,406.56	-84,252.54	273,247.46	23.57%
5750 - ATHLETIC ACTIIVTY REVENUE	21,000.00	.00	-27,096.17	-6,096.17	129.03%
5760 - OTHER REV FM LOCAL SOURCE	500.00	.00	.00	500.00	.00%
Total REVENUE-LOCAL & INTERMED	13,233,525.00	-202,878.12	-12,514,793.51	718,731.49	94.57%
5800 - STATE PROGRAM REVENUES					
5810 - PER CAPITA-FOUNDATION REV	3,631,900.00	-37,628.00	-2,993,595.24	638,304.76	82.43%
5820 - STATE PROGRAM REVENUES	.00	.00	-1,359.37	-1,359.37	.00%
5830 - TRS ON-BEHALF	426,656.00	-36,021.56	-283,256.38	143,399.62	66.39%
Total STATE PROGRAM REVENUES	4,058,556.00	-73,649.56	-3,278,210.99	780,345.01	80.77%
Total Revenue Local-State-Federal	17,292,081.00	-276,527.68	-15,793,004.50	1,499,076.50	91.33%

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

	Budget	Encumbrance YTD	Expenditure YTD	Current Expenditure	Balance	Percent Expended
6000 - EXPENDITURES						
11 - INSTRUCTION						
6100 - PAYROLL COSTS	-6,441,769.34	.00	4,003,049.12	529,628.17	-2,438,720.22	62.14%
6200 - PURCHASE .CONTRACTED SVS	-145,184.00	3,234.19	145,378.20	11,699.52	3,428.39	100.13%
6300 - SUPPLIES AND MATERIALS	-449,060.00	16,040.32	253,118.41	30,997.06	-179,901.27	56.37%
6400 - OTHER OPERATING EXPENSES	-42,747.00	4,204.90	10,246.90	1,615.69	-28,295.20	23.97%
6600 - CPTL OUTLY LAND BLDG .EQUIP	-23,775.00	.00	23,896.66	.00	121.66	100.51%
Total Function 11 INSTRUCTION	-7,102,535.34	23,479.41	4,435,689.29	573,940.44	-2,643,366.64	62.45%
12 - LIBRARY						
6100 - PAYROLL COSTS	-138,911.00	.00	106,719.46	13,913.95	-32,191.54	76.83%
6200 - PURCHASE .CONTRACTED SVS	-6,912.00	249.00	6,223.63	984.00	-439.37	90.04%
6300 - SUPPLIES AND MATERIALS	-32,900.00	7,231.34	20,806.75	3,823.64	-4,861.91	63.24%
6400 - OTHER OPERATING EXPENSES	-950.00	.00	326.71	.00	-623.29	34.39%
Total Function 12 LIBRARY	-179,673.00	7,480.34	134,076.55	18,721.59	-38,116.11	74.62%
13 - CURRICULUM						
6100 - PAYROLL COSTS	-80,580.00	.00	47,713.12	5,963.76	-32,866.88	59.21%
6200 - PURCHASE .CONTRACTED SVS	-9,000.00	.00	6,513.16	322.72	-2,486.84	72.37%
6300 - SUPPLIES AND MATERIALS	-3,000.00	.00	2,794.17	.00	-205.83	93.14%
6400 - OTHER OPERATING EXPENSES	-34,964.00	821.15	27,749.85	2,634.00	-6,393.00	79.37%
Total Function 13 CURRICULUM	-127,544.00	821.15	84,770.30	8,920.48	-41,952.55	66.46%
21 - INSTRUCTIONAL ADMINISTRATION						
6100 - PAYROLL COSTS	-84,992.00	.00	52,532.25	7,016.08	-32,459.75	61.81%
6200 - PURCHASE .CONTRACTED SVS	-1,500.00	.00	1,759.80	87.50	259.80	117.32%
6300 - SUPPLIES AND MATERIALS	-1,500.00	.00	1,024.31	28.74	-475.69	68.29%
6400 - OTHER OPERATING EXPENSES	-1,200.00	100.00	420.00	.00	-680.00	35.00%
Total Function 21 INSTRUCTIONAL ADMINISTRATION	-89,192.00	100.00	55,736.36	7,132.32	-33,355.64	62.49%
23 - CAMPUS ADMINISTRATION						
6100 - PAYROLL COSTS	-643,373.00	.00	442,502.43	54,849.08	-200,870.57	68.78%
6200 - PURCHASE .CONTRACTED SVS	-1,000.00	.00	.00	.00	-1,000.00	.00%
6300 - SUPPLIES AND MATERIALS	-11,900.00	930.99	4,502.89	146.19	-6,466.12	37.84%
6400 - OTHER OPERATING EXPENSES	-5,000.00	60.40	2,553.55	14.60	-2,386.05	51.07%
Total Function 23 CAMPUS ADMINISTRATION	-661,273.00	991.39	449,558.87	55,009.87	-210,722.74	67.98%
31 - GUIDANCE AND COUNSELING SVS						
6100 - PAYROLL COSTS	-305,699.00	.00	175,945.92	24,106.51	-129,753.08	57.56%
6200 - PURCHASE .CONTRACTED SVS	-1,450.00	.00	1,750.00	.00	300.00	120.69%
6300 - SUPPLIES AND MATERIALS	-9,245.00	.00	4,656.17	72.00	-4,588.83	50.36%
6400 - OTHER OPERATING EXPENSES	-8,150.00	3,806.12	920.00	.00	-3,423.88	11.29%
Total Function 31 GUIDANCE AND COUNSELING SVS	-324,544.00	3,806.12	183,272.09	24,178.51	-137,465.79	56.47%
33 - HEALTH SERVICES						
6100 - PAYROLL COSTS	-103,880.00	.00	68,209.64	8,657.19	-35,670.36	65.66%
6300 - SUPPLIES AND MATERIALS	-2,300.00	.00	1,022.90	74.90	-1,277.10	44.47%
Total Function 33 HEALTH SERVICES	-106,180.00	.00	69,232.54	8,732.09	-36,947.46	65.20%
34 - PUPIL TRANSPORTATION-REGULAR						
6200 - PURCHASE .CONTRACTED SVS	-452,577.66	.00	308,907.98	38,501.59	-143,669.68	68.26%
Total Function 34 PUPIL TRANSPORTATION-REGULAR	-452,577.66	.00	308,907.98	38,501.59	-143,669.68	68.26%
36 - CO-CURRICULAR ACTIVITIES						
6100 - PAYROLL COSTS	-157,759.00	.00	107,731.57	16,230.08	-50,027.43	68.29%
6200 - PURCHASE .CONTRACTED SVS	-66,841.00	.00	62,933.45	3,181.79	-3,907.55	94.15%
6300 - SUPPLIES AND MATERIALS	-83,800.00	.00	86,181.15	4,982.20	2,381.15	102.84%
6400 - OTHER OPERATING EXPENSES	-95,174.00	1,519.70	91,612.88	17,738.98	-2,041.42	96.26%
6600 - CPTL OUTLY LAND BLDG .EQUIP	-17,000.00	.00	14,938.00	.00	-2,062.00	87.87%
Total Function 36 CO-CURRICULAR ACTIVITIES	-420,574.00	1,519.70	363,397.05	42,133.05	-55,657.25	86.41%
41 - GENERAL ADMINISTRATION						

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

	Budget	Encumbrance YTD	Expenditure YTD	Current Expenditure	Balance	Percent Expended
6000 - EXPENDITURES						
41 - GENERAL ADMINISTRATION						
6100 - PAYROLL COSTS	-348,298.49	.00	237,043.27	29,575.33	-111,255.22	68.06%
6200 - PURCHASE .CONTRACTED SVS	-185,350.00	2,010.85	101,527.65	11,769.37	-81,811.50	54.78%
6300 - SUPPLIES AND MATERIALS	-10,500.00	.00	2,085.33	168.87	-8,414.67	19.86%
6400 - OTHER OPERATING EXPENSES	-24,500.00	245.00	18,702.88	1,053.32	-5,552.12	76.34%
Total Function 41 GENERAL ADMINISTRATION	-568,648.49	2,255.85	359,359.13	42,566.89	-207,033.51	63.20%
51 - PLANT MAINTENANCE & OPERATION						
6100 - PAYROLL COSTS	-192,677.00	.00	123,239.50	15,220.42	-69,437.50	63.96%
6200 - PURCHASE .CONTRACTED SVS	-878,834.51	96,285.87	598,234.70	42,037.92	-184,313.94	68.07%
6300 - SUPPLIES AND MATERIALS	-70,000.00	24.98	34,948.50	4,612.34	-35,026.52	49.93%
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	38,948.00	9,669.00	8,948.00	129.83%
Total Function 51 PLANT MAINTENANCE & OPE	-1,230,311.51	96,310.85	847,362.70	71,539.68	-286,637.96	68.87%
52 - SECURITY						
6200 - PURCHASE .CONTRACTED SVS	-39,200.00	.00	29,100.11	8,494.22	-10,099.89	74.23%
Total Function 52 SECURITY	-39,200.00	.00	29,100.11	8,494.22	-10,099.89	74.23%
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	.00	429.81	114.69	-4,570.19	8.60%
6400 - OTHER OPERATING EXPENSES	-3,000.00	.00	320.00	.00	-2,680.00	10.67%
Total Function 53 DATA PROCESSING	-19,750.00	.00	9,499.81	114.69	-10,250.19	48.10%
61 - COMMUNITY SERVICES						
6100 - PAYROLL COSTS	-13,345.00	.00	8,840.91	-1,752.01	-4,504.09	66.25%
Total Function 61 COMMUNITY SERVICES	-13,345.00	.00	8,840.91	-1,752.01	-4,504.09	66.25%
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	.00	-68,863.68	83.67%
Total Function 81 CAPITAL PROJECTS	-448,312.00	.00	352,948.32	.00	-95,363.68	78.73%
91 - CHAPTER 41 PAYMENT						
6200 - PURCHASE .CONTRACTED SVS	-5,890,533.00	.00	2,495,241.00	831,747.00	-3,395,292.00	42.36%
Total Function 91 CHAPTER 41 PAYMENT	-5,890,533.00	.00	2,495,241.00	831,747.00	-3,395,292.00	42.36%
99 - PAYMENT TO OTHER GOVERN ENT						
6200 - PURCHASE .CONTRACTED SVS	-75,000.00	.00	56,698.09	.00	-18,301.91	75.60%
Total Function 99 PAYMENT TO OTHER GOVER	-75,000.00	.00	56,698.09	.00	-18,301.91	75.60%
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	-17,749,193.00	136,764.81	10,243,691.10	1,729,980.41	-7,368,737.09	57.71%

	Estimated Revenue (Budget)	Revenue Realized Current	Revenue Realized To Date	Revenue Balance	Percent Realized
5000 - RECEIPTS					
5700 - REVENUE-LOCAL & INTERMED					
5740 - INTEREST, RENT, MISC REVENUE	.00	.00	-93.66	-93.66	.00%
5750 - ATHLETIC ACTIIVTY REVENUE	302,405.00	-38,552.69	-267,042.77	35,362.23	88.31%
Total REVENUE-LOCAL & INTERMED	302,405.00	-38,552.69	-267,136.43	35,268.57	88.34%
5800 - STATE PROGRAM REVENUES					
5820 - STATE PROGRAM REVENUES	2,800.00	.00	-3,100.00	-300.00	110.71%
Total STATE PROGRAM REVENUES	2,800.00	.00	-3,100.00	-300.00	110.71%
5900 - FEDERAL PROGRAM REVENUES					
5920 - OBJECT DESCR FOR 5920	152,829.00	-15,691.00	-114,988.00	37,841.00	75.24%
Total FEDERAL PROGRAM REVENUES	152,829.00	-15,691.00	-114,988.00	37,841.00	75.24%
Total Revenue Local-State-Federal	458,034.00	-54,243.69	-385,224.43	72,809.57	84.10%

Date Run: 05-06-2009 10:26 AM

Cnty Dist: 227-912

240 / 9 SCHOOL BRKFST & LUNCH PROGRAM

Board Report

Comparison of Expenditures and Encumbrances to Budget

Lago Vista ISD

As of April

Program: FIN3050

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	<u>Budget</u>	<u>Encumbrance YTD</u>	<u>Expenditure YTD</u>	<u>Current Expenditure</u>	<u>Balance</u>	<u>Percent Expended</u>
6000 - EXPENDITURES						
35 - FOOD SERVICES						
6100 - PAYROLL COSTS	.00	.00	2,977.28	425.82	2,977.28	.00%
6200 - PURCHASE CONTRACTED SVS	-212,520.00	.00	116,566.65	16,982.86	-95,953.35	54.85%
6300 - SUPPLIES AND MATERIALS	-245,514.00	.00	180,708.61	29,071.84	-64,805.39	73.60%
Total Function 35 FOOD SERVICES	-458,034.00	.00	300,252.54	46,480.52	-157,781.46	65.55%
Total Expenditures	-458,034.00	.00	300,252.54	46,480.52	-157,781.46	65.55%

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Cnty Dist: 227-912
599 / 9 DEBT SERVICE FUND

Board Report
Comparison of Revenue to Budget
Lago Vista ISD
As of April

Program: FIN3050
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	Estimated Revenue (Budget)	Revenue Realized Current	Revenue Realized To Date	Revenue Balance	Percent Realized
5000 - R E C E I P T S					
5700 - REVENUE-LOCAL & INTERMED					
5710 - LOCAL REAL-PROPERTY TAXES	1,728,899.00	-21,026.89	-1,655,735.86	73,163.14	95.77%
5740 - INTEREST, RENT, MISC REVENUE	28,141.76	-1,289.51	-10,506.87	17,634.89	37.34%
Total REVENUE-LOCAL & INTERMED	1,757,040.76	-22,316.40	-1,666,242.73	90,798.03	94.83%
Total Revenue Local-State-Federal	1,757,040.76	-22,316.40	-1,666,242.73	90,798.03	94.83%

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Cnty Dist: 227-912
599 / 9 DEBT SERVICE FUND

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

Program: FIN3050
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	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	228,901.88	.00	-1,573,901.88	12.70%
Total Function 71 DEBT SERVICES	-1,804,003.76	.00	228,901.88	.00	-1,575,101.88	12.69%
Total Expenditures	-1,804,003.76	.00	228,901.88	.00	-1,575,101.88	12.69%

Date Run: 05-06-2009 10:26 AM
Cnty Dist: 227-912
699 / 9 CAPITAL PROJECTS

Board Report
Comparison of Revenue to Budget
Lago Vista ISD
As of April

Program: FIN3050
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File ID: C

	Estimated Revenue (Budget)	Revenue Realized Current	Revenue Realized To Date	Revenue Balance	Percent Realized
5000 - R E C E I P T S					
5700 - REVENUE-LOCAL & INTERMED					
5740 - INTEREST, RENT, MISC REVENUE	.00	-144.73	-2,213.37	-2,213.37	.00%
Total REVENUE-LOCAL & INTERMED	.00	-144.73	-2,213.37	-2,213.37	.00%
7000 - OTHER RESOURCES-NON-OPERATING					
7900 - OTHER RESOURCES/TRANSFER IN					
7910 - OTHER RESOURCES	.00	.00	.00	.00	.00%
Total OTHER RESOURCES/TRANSFER IN	.00	.00	.00	.00	.00%
Total Revenue Local-State-Federal	.00	-144.73	-2,213.37	-2,213.37	.00%
End of Report					