



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

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A Regular Meeting of the Board of Trustees of Lago Vista ISD will be held June 15, 2009, beginning at 7:00 PM in the Board Room in Viking Hall, 8039 Bar K Ranch Road, Lago Vista, Texas 78645.

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

1. Invocation
  2. Welcome visitors/Public participation
  3. Recognition of retiring Board member
  4. SLI convention
  5. Proposed land sale 3
  6. Upgrades for athletic facilities 135
  7. Budget amendment for athletic facilities 136
  8. Calendar for budget workshops 137
  9. Superintendent search
  10. Minutes of previous meetings 138
  11. Budgeting process report
  12. Monthly Financial report 143
  13. Employment of professional personnel
  14. Reorganization of the Board
  15. Adjourn
- 

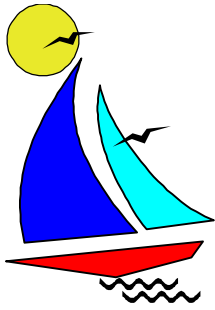
*If, during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting, the Board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Government Code, Chapter 551: 551.071-Consultation with attorney, 551.074-Personnel matters, Subchapters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

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Barbara Qualls, Ph.D.  
Superintendent

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Date



# ***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](http://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

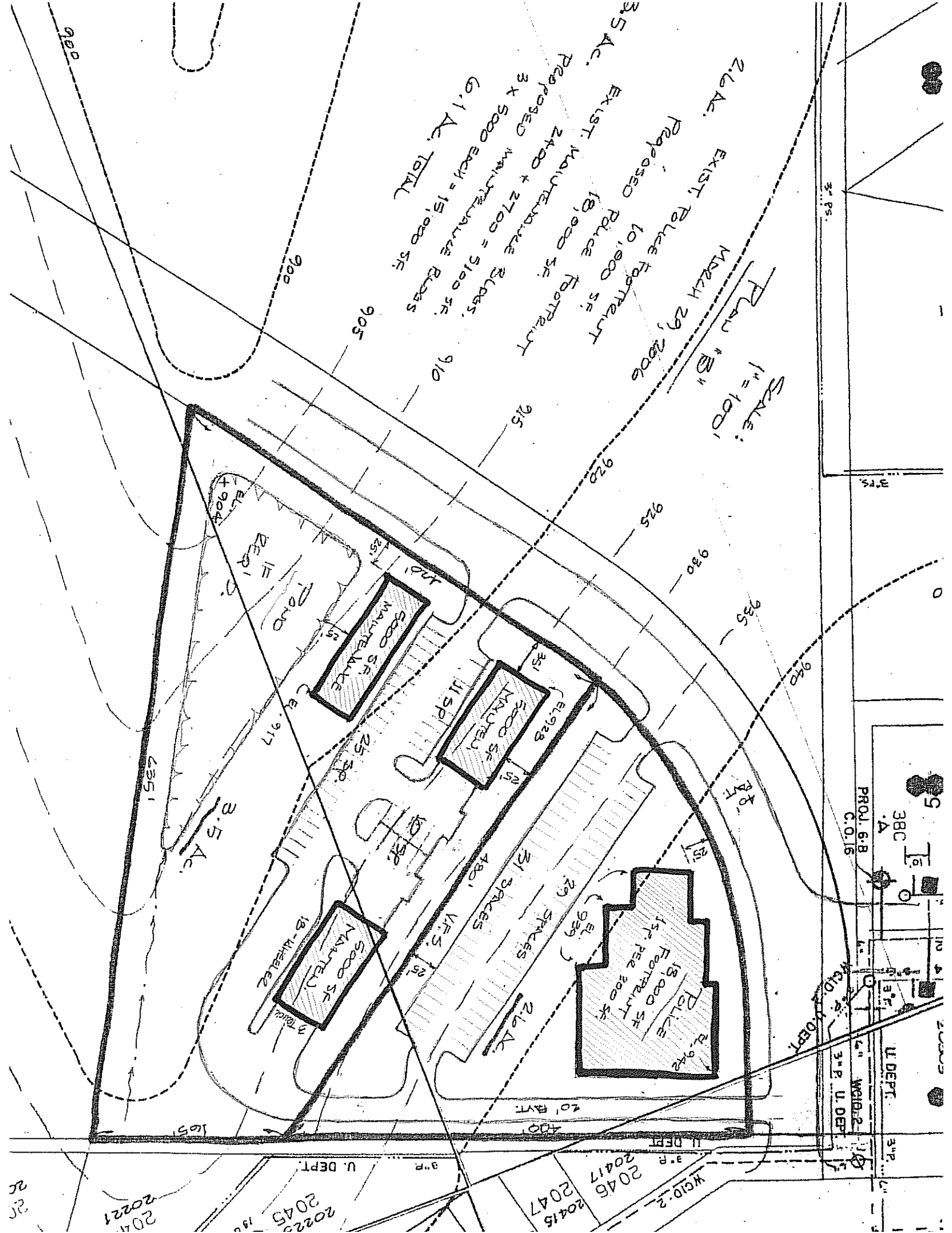
Attachment: Drawing of Property with Probable Layout

XC: Randy Kruger, Mayor  
Members of the City Council

SCALE:  
1" = 100'  
PLAN # B1

MARCH 29, 2006

2.6 Ac. EXIST POLICE FOOTPRINT  
Proposed POLICE FOOTPRINT 18,000 SF  
EXIST MAINTENANCE 3,000 SF  
Proposed MAINTENANCE 3,000 SF  
3 x 5000 SF = 15,000 SF  
6.1 Ac. TOTAL



## 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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## **ADDENDA**

Comparable Land Sales  
Property Information  
Engagement Letter



## SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Parcel Number(s):	Not Assigned – Parent # 171326 / 01-6777-0102-0000 41.211 ACRES
Subject Property Land Area:	6.211 Acres
Property Owner:	Lago Vista ISD School District
Location/Address:	The subject is located near Dawn Drive within the ETJ of the City of Lago Vista. The legal address is Lohman Ford Road, Lago Vista, Travis County, Texas 78645
Effective Date of Appraisal:	January 26, 2009
Property Rights Appraised	Fee Simple
Current Zoning:	None; Outside any municipality – Part of ETJ of the City of Lago Vista (see the zoning section for a more detailed discussion)
<b>Assumptions:</b>	<b>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</b>
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**

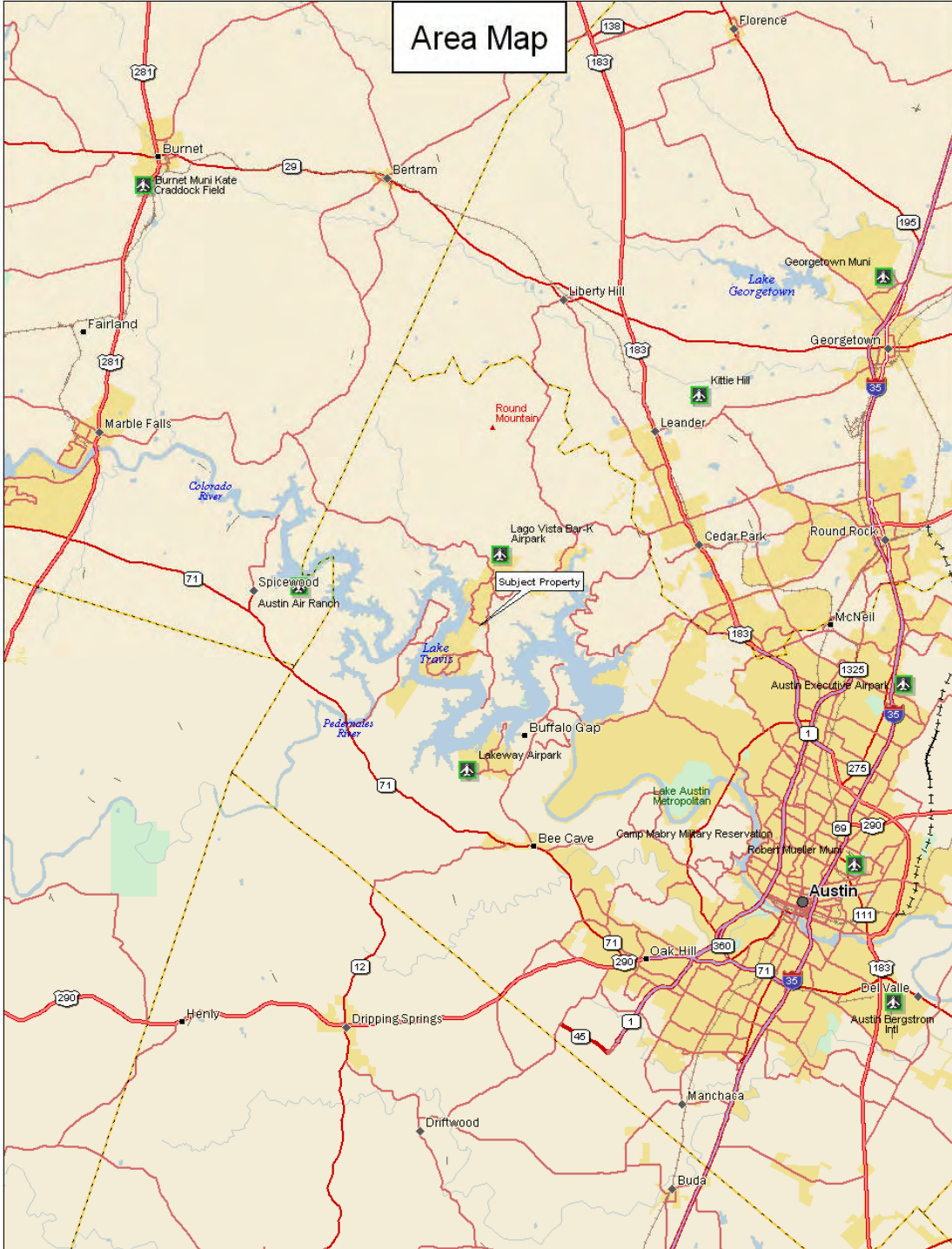


**Typical Interior View of Site**



**Typical Interior View of Site**

## **MAPS**

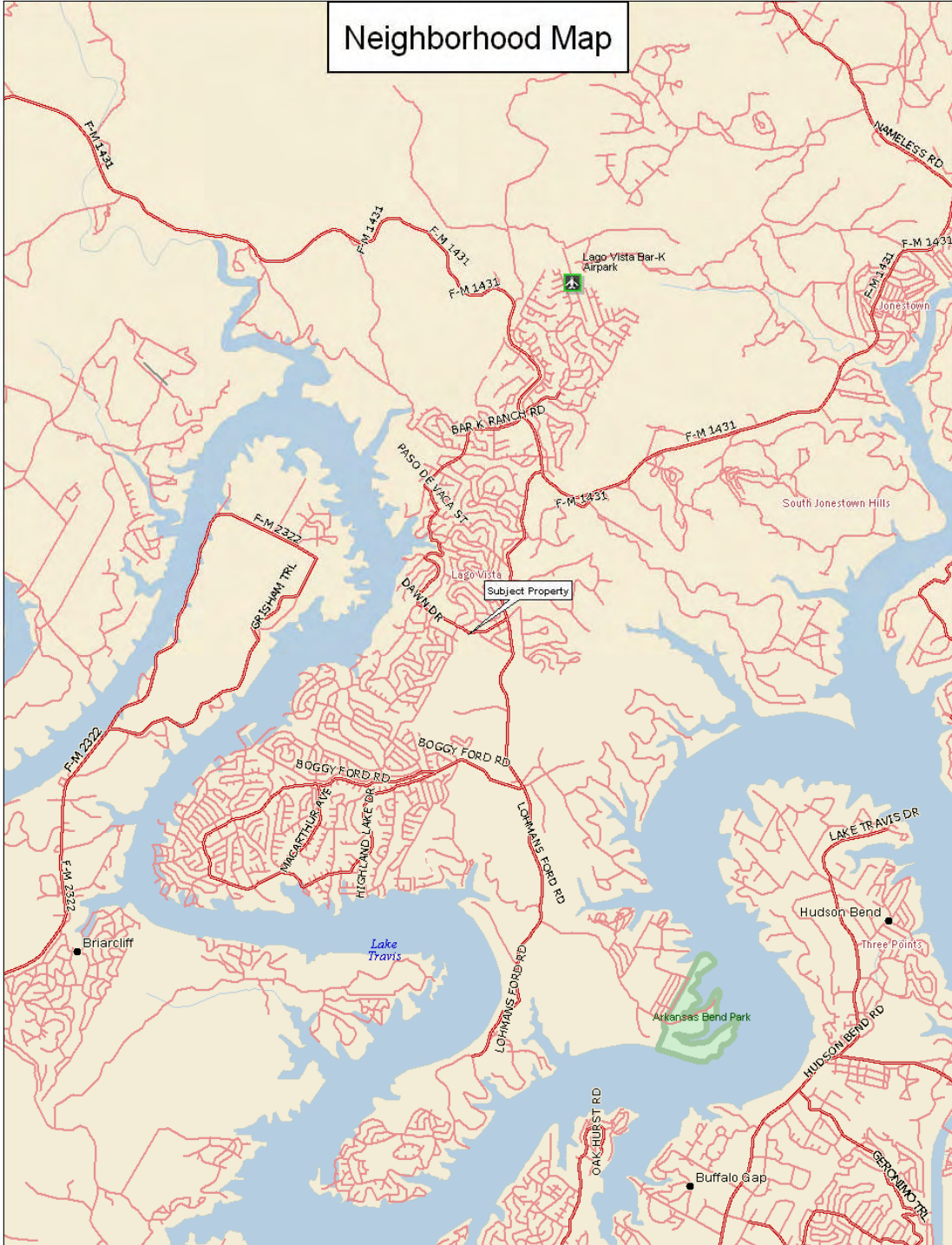


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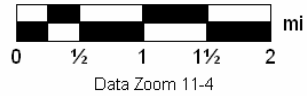


Data Zoom 9-1

# Neighborhood Map

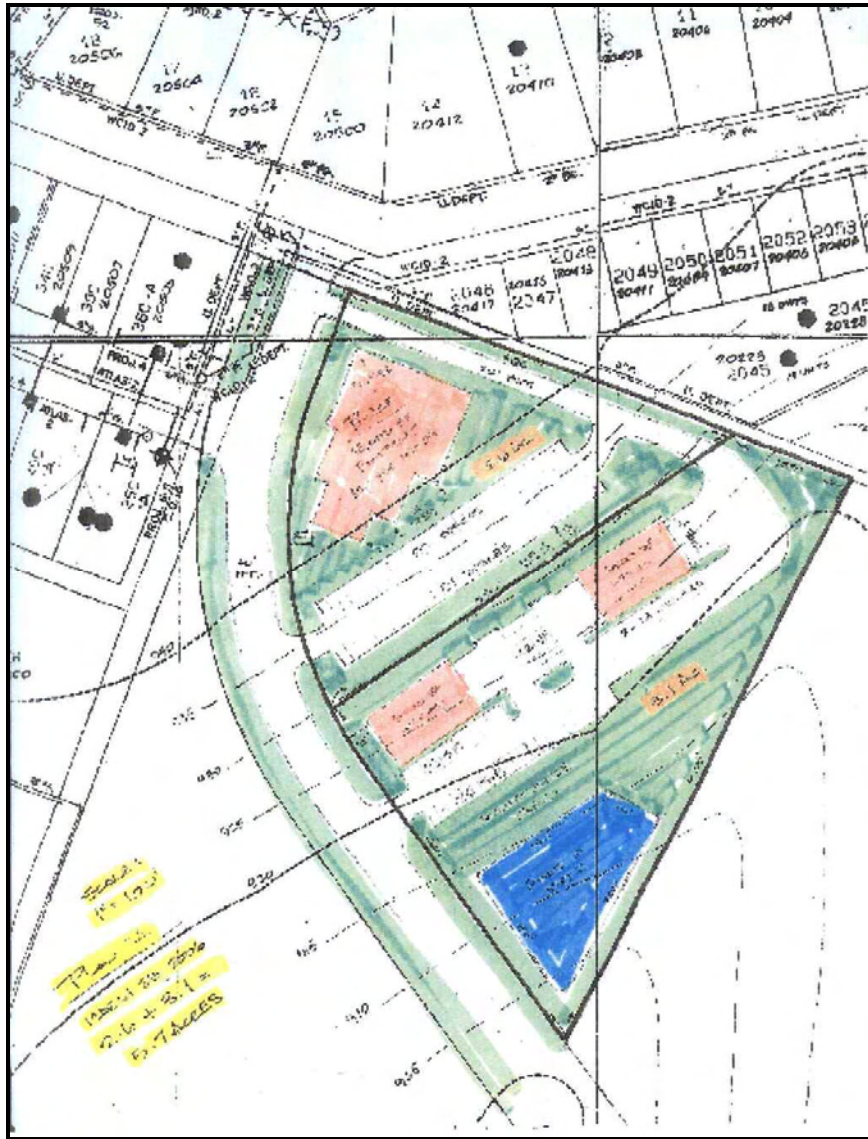


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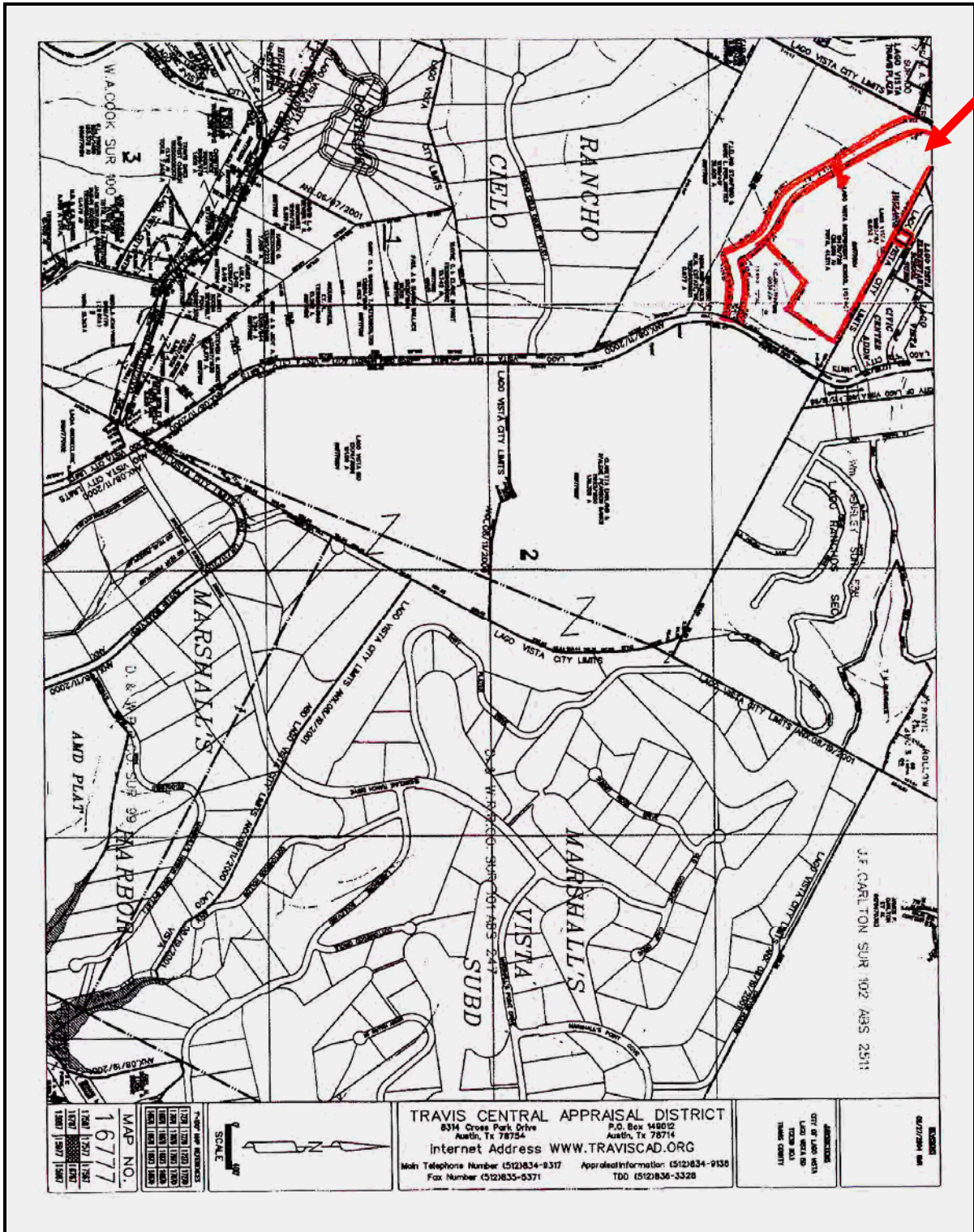




# Plat Map of Subject Tract of Land



# Plat Map of Parent Tract of Land



# Flood Map

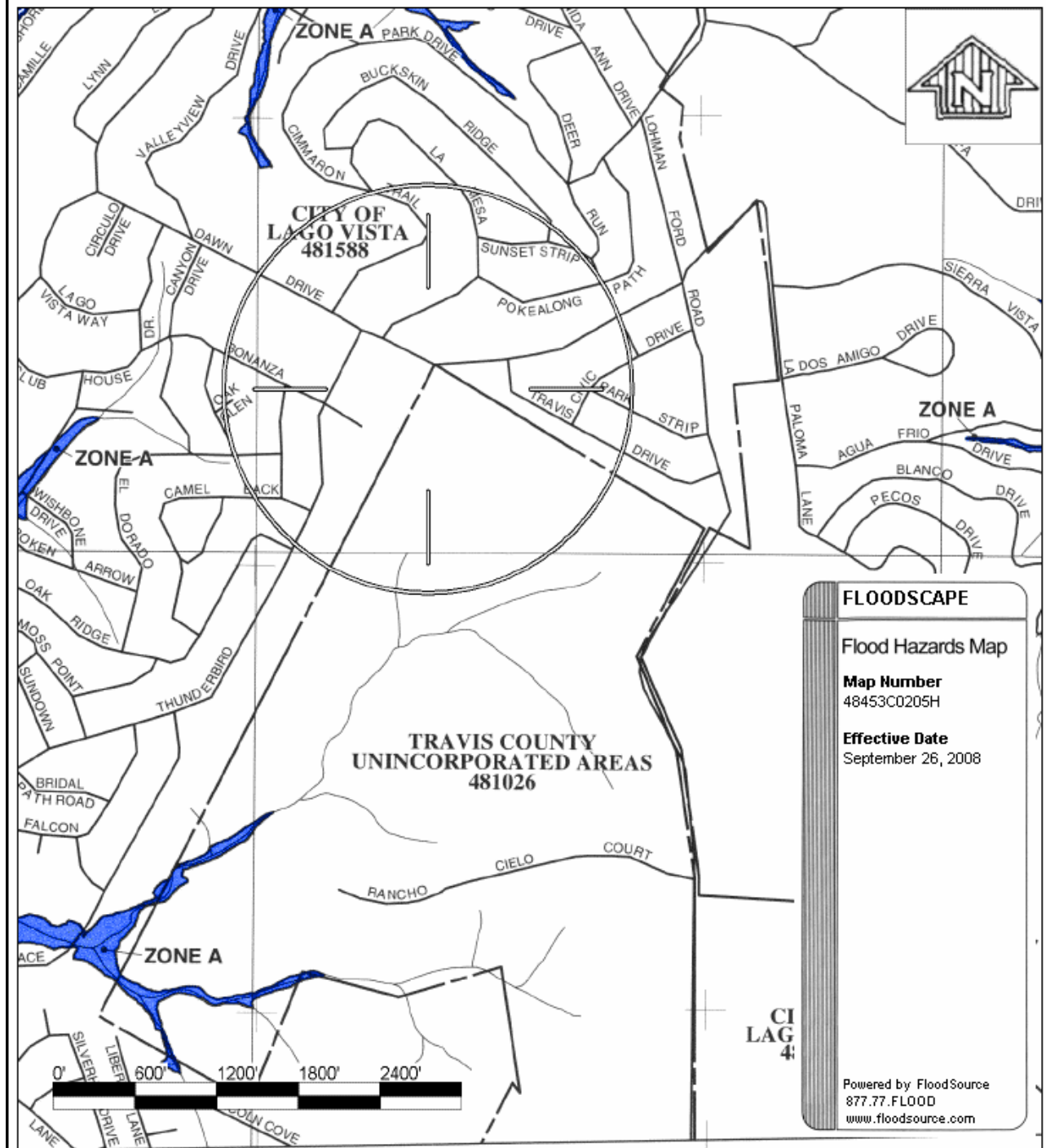


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## Prepared for:

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

Lago Vista, TX 78645



© 1999-2009 SourceProse and/or FloodSource Corporations. All rights reserved. Patents 6,831,326 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."<sup>1</sup> 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.

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<sup>1</sup> 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
<b>Price/Per SF</b>	<b>\$ 1.06</b>	<b>\$ 2.30</b>	<b>\$ 4.29</b>	<b>\$ 3.68</b>	
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	
<b>Net Percent Adjustment</b>	<b>18.8%</b>	<b>-37.9%</b>	<b>-51.0%</b>	<b>-56.6%</b>	
<b>Net Adjustment</b>	<b>\$ 0.17</b>	<b>\$ (0.89)</b>	<b>\$ (2.42)</b>	<b>\$ (2.28)</b>	
<b>Adjusted Price</b>	<b>\$ 1.22</b>	<b>\$ 1.41</b>	<b>\$ 1.87</b>	<b>\$ 1.40</b>	

#### Price/Rentable Area Comparison

#### Indicated Subject Value

Number of Comps .....	<b>4</b>	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.....	\$ <b>380,000</b>

## **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 mortgage.

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 its representative of any error, omission, or invalid data herein within fifteen (15) days of receipt and return the report along with all copies to LONE STAR APPRAISALS & REALTY, INC. for correction prior to any use whatsoever.

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

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

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

## **QUALIFICATIONS OF CHRIS P. GRIESBACH, MAI**

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

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

A partial resume of specific qualification is outlined below:

### ***Professional Education***

Real Estate courses from the University of Texas:

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

Other courses:

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



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

### ***Professional Organizations Courses and Exams Completed***

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

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

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

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

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

### ***Professional Memberships***

#### Appraisal Institute (MAI):

Member - Appraisal Institute  
Member Number - 9200

#### American Society of Appraisers (ASA):

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

#### International Right of Way Association (IRWA):

Member - IRWA Chapter #74  
Member Number - 07443683

#### Austin Board of Realtors:

Member - Designated Realtor  
Member Number - 10263

***Seminars Attended***

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

***Professional Certification***

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

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

**DISCLOSURE**

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



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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:

<b>Course</b>	<b>Provider</b>	<b>Date</b>
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**

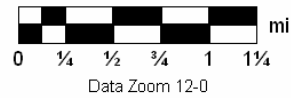
### **Comparable Land Sales Property Information Engagement Document**

## **COMPARABLE LAND SALES**

# Comparable Land Sales Map



Data use subject to license.  
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www.delorme.com



**COMPARABLE LAND SALES SUMMARY TABLE**

<b>No.</b>	<b>Location</b>	<b>Sale Date</b>	<b>Price</b>	<b>Size in SF</b>	<b>Price/ SF</b>
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

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

### Sale Data

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

<b>Sale Price</b>	\$317,600
<b>Adjusted Price</b>	\$317,600

### Land Data

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

### Land Size Information

<b>Gross Land Size</b>	6.890 Acres or 300,128 SF
<b>Useable Land Size</b>	6.890 Acres or 300,128 SF , 100.00%

### Indicators

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

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

#### Sale Data

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

<b>Sale Price</b>	\$275,000
<b>Adjusted Price</b>	\$275,000

#### Land Data

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

#### Land Size Information

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

#### Indicators

<b>Sale Price/Gross Acre</b>	\$187,075
<b>Sale Price/Gross SF</b>	\$4.29
<b>Sale Price/Useable Acre</b>	\$187,075
<b>Sale Price/Useable SF</b>	\$4.29
<b>Sale Price/Front Foot</b>	\$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					
<b>Owner's Name</b> LAGO VISTA I S D SCHOOL DISTRICT		<b>Property Details</b>					
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				
		Land Acres	41.2110				
		Block					
		Tract or Lot					
		Docket No.					
		Abstract Code	A0189				
		Neighborhood Code	SEXMP				
<b>Value Information</b>		<b>2008 Certified</b>					
Land Value		81,817.00					
Improvement Value		0.00					
AG Value		0.00					
AG Productivity Value		0.00					
Timber Value		0.00					
Timber Productivity Value		0.00					
Assessed Value		81,817.00					
10% Cap Value		0.00					
Total Value		81,817.00					
Data up to date as of 2008-11-26							
<b>Value By Jurisdiction</b>							
Entity Code	Entity Name	2007 Tax Rate	Assessed Value	Taxable Value	Market Value	Appraised Value	
0A	TRAVIS CENTRAL APP DIST		81,817.00	0.00	61,817.00	61,817.00	
03	TRAVIS COUNTY	0.412200	81,817.00	0.00	61,817.00	61,817.00	
16	LAGO VISTA ISD	1.180000	81,817.00	0.00	61,817.00	61,817.00	
2J	TRAVIS CO HEALTHCARE DIST	0.067900	81,817.00	0.00	61,817.00	61,817.00	
41	TRAVIS CO ESD NO 1	0.100000	81,817.00	0.00	61,817.00	61,817.00	
<b>Improvement Information</b>							
Improvement ID	State Category	Description					
<b>Segment Information</b>							
Imp ID	Seg ID	Type Code	Description	Class	Effective Year Built	Area	
Total Living Area						0	
<b>Land Information</b>							
Land ID	Type Code	SPTB Code	Homesite	Size-Acres	Front	Depth	Size-Sqft
445765	LAND	D2	F	41.211	0	0	1,795,151

EXHIBIT B

FIELD NOTES FOR 6.211 ACRES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Exhibit B  
Page 2 of 3

10470 0731



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

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

HAYNIE KALLMAN AND GRAY, INC.



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

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

FILED

1987 OCT 29 PM 2:31

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

STATE OF TEXAS COUNTY OF TRAVIS  
I hereby certify that this instrument was FILED on  
the date and at the place indicated herein by me and  
was duly RECORDED in the public records of the  
proper RECORDS of Travis County, Texas on

OCT 29 1987



Exhibit B  
Page 3 of 3

19870 0702

**ENGAGEMENT DOCUMENT**



**LONE STAR APPRAISALS & REALTY, INC.**

January 21, 2009

Client: Robert Zingelmann – Lago Vista ISD

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

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

Fee Quotes:

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

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

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

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

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

## REAL ESTATE SUMMARY APPRAISAL

**PROPERTY:** 41.211 ACRES OF VACANT LAND

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

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

**OWNER(S):** LAGO VISTA ISD SCHOOL DISTRICT

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



**Appraisal Prepared For:**

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

**As Of:**

**January 26, 2009**

**Prepared By:**

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



## **LONE STAR APPRAISALS & REALTY, INC.**

January 30, 2009

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

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

Dear Mr. Zingelmann:

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

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

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

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

**Market Values of:**

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

**NINE HUNDRED FORTY-FIVE THOUSAND DOLLARS**

**(\$945,000)**

**35.00 acres of land – Remainder without 6.211 acres**

**SIX HUNDRED EIGHTY THOUSAND DOLLARS**

**(\$680,000)**

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

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

Respectfully submitted,

LONE STAR APPRAISALS & REALTY, INC.  
Valuation Consultants



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

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## **ADDENDA**

Comparable Land Sales	
Property Information	
Engagement Letter	

## **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**

<b>MARKET VALUE OF SUBJECT PROPERTY (41.211 Acres) .....</b>	<b>\$945,000</b>
<b>MARKET VALUE OF 35.00 ACRES OF LAND -</b>	
<b>REMAINDER – 41.211 Acres less 6.211 Acres.....</b>	<b>\$680,000</b>



**SUBJECT PHOTOGRAPHS**



**Overall View from Lohman Ford Road**



**Typical View of Site**



**Typical Interior Site View**



**Typical Interior Site View**

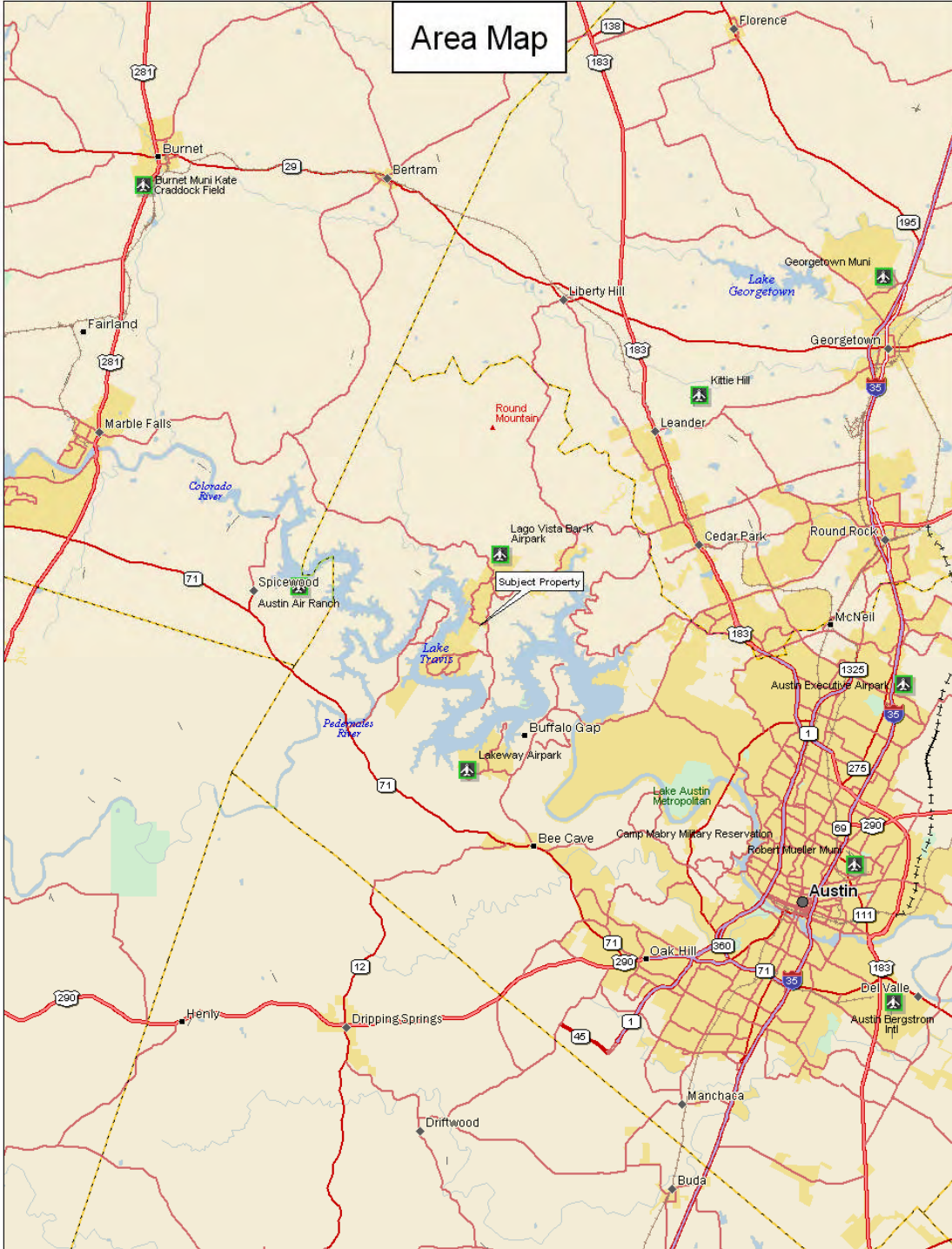


**Lohman Ford Road Street Scene - Subject on Right**

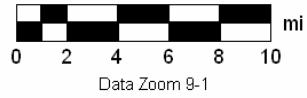


**Lohman Ford Road Street Scene – Subject on Left**

## **MAPS**

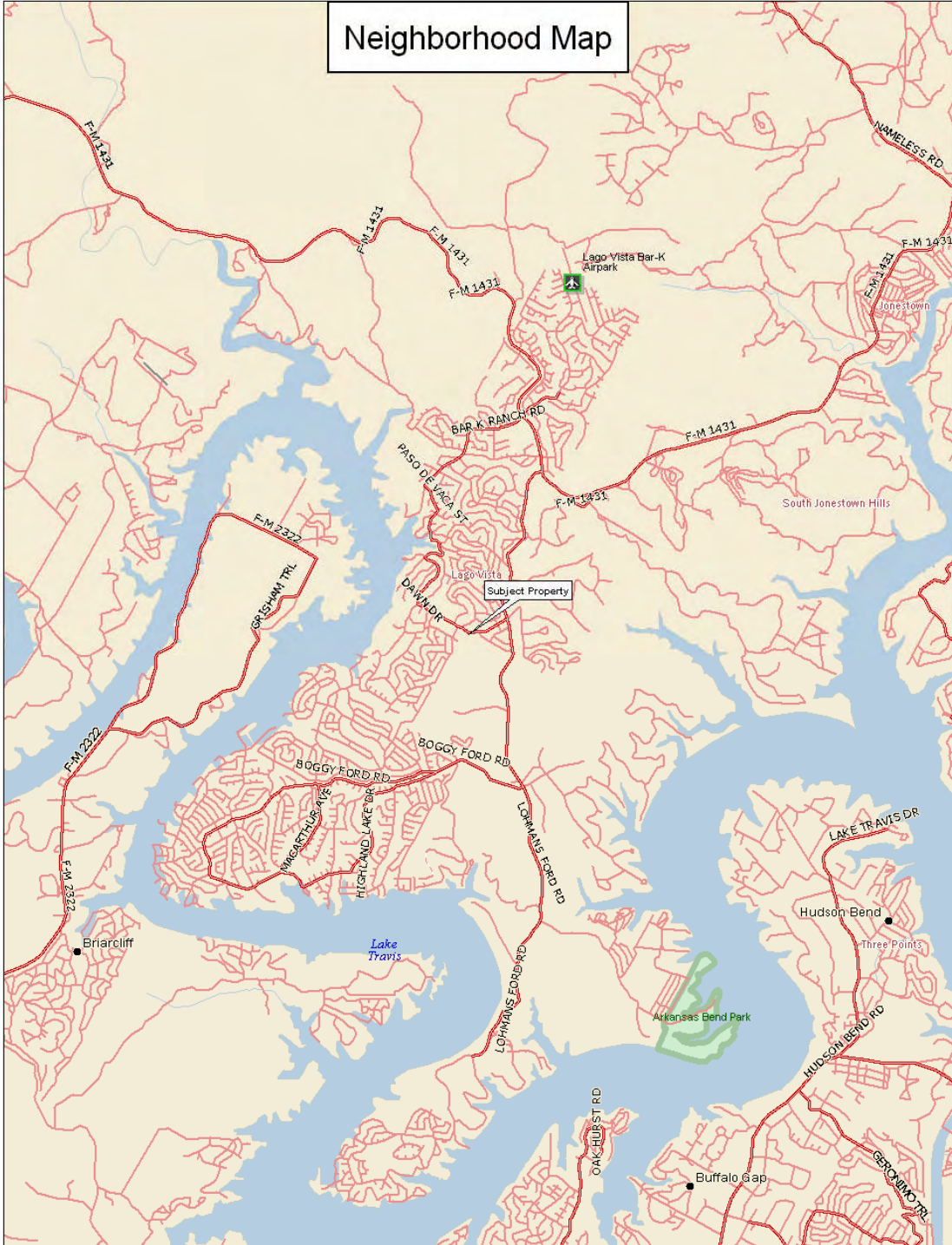


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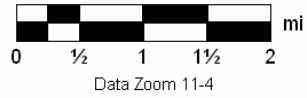


Data Zoom 9-1

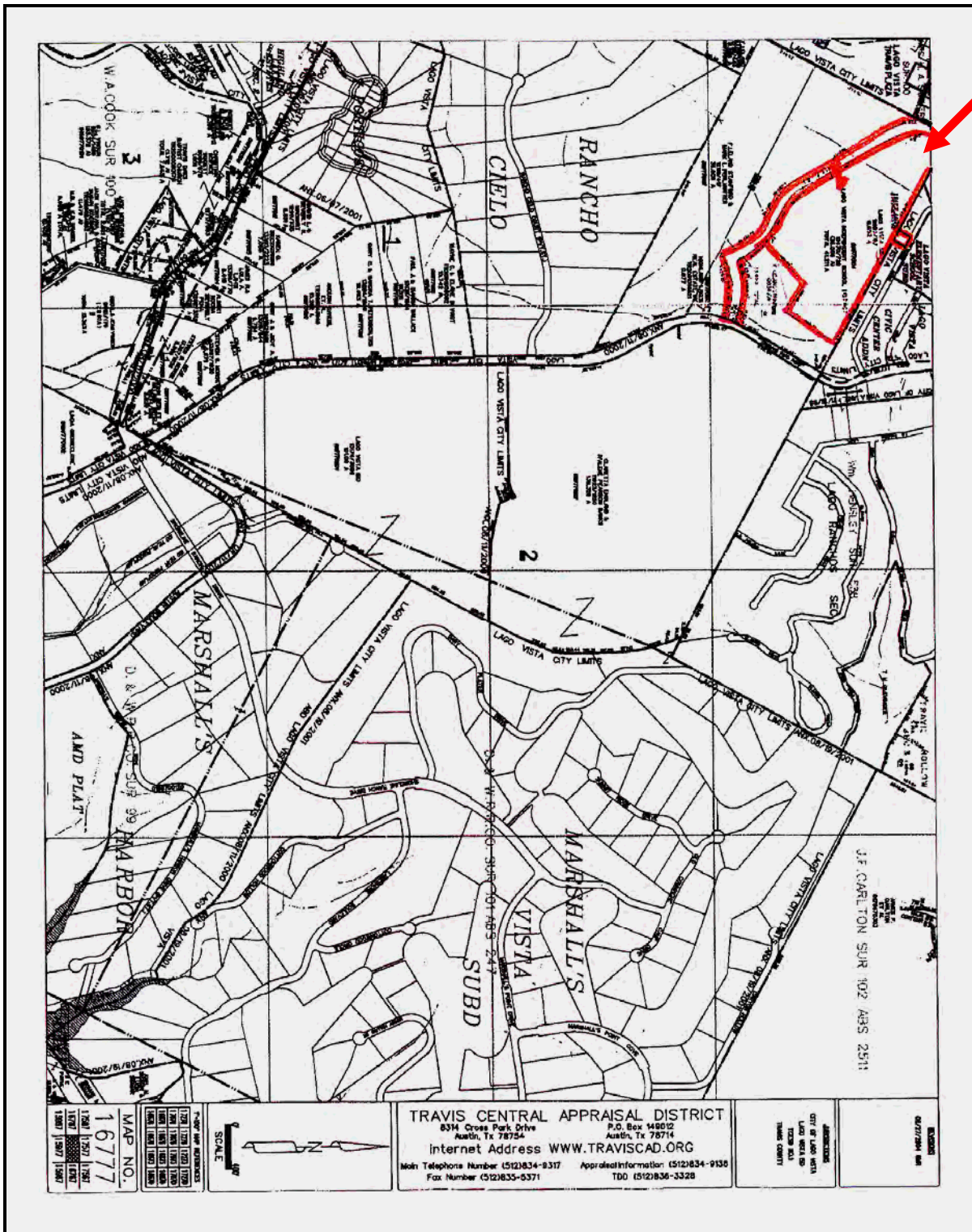
# Neighborhood Map



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 www.delorme.com



# Plat Map



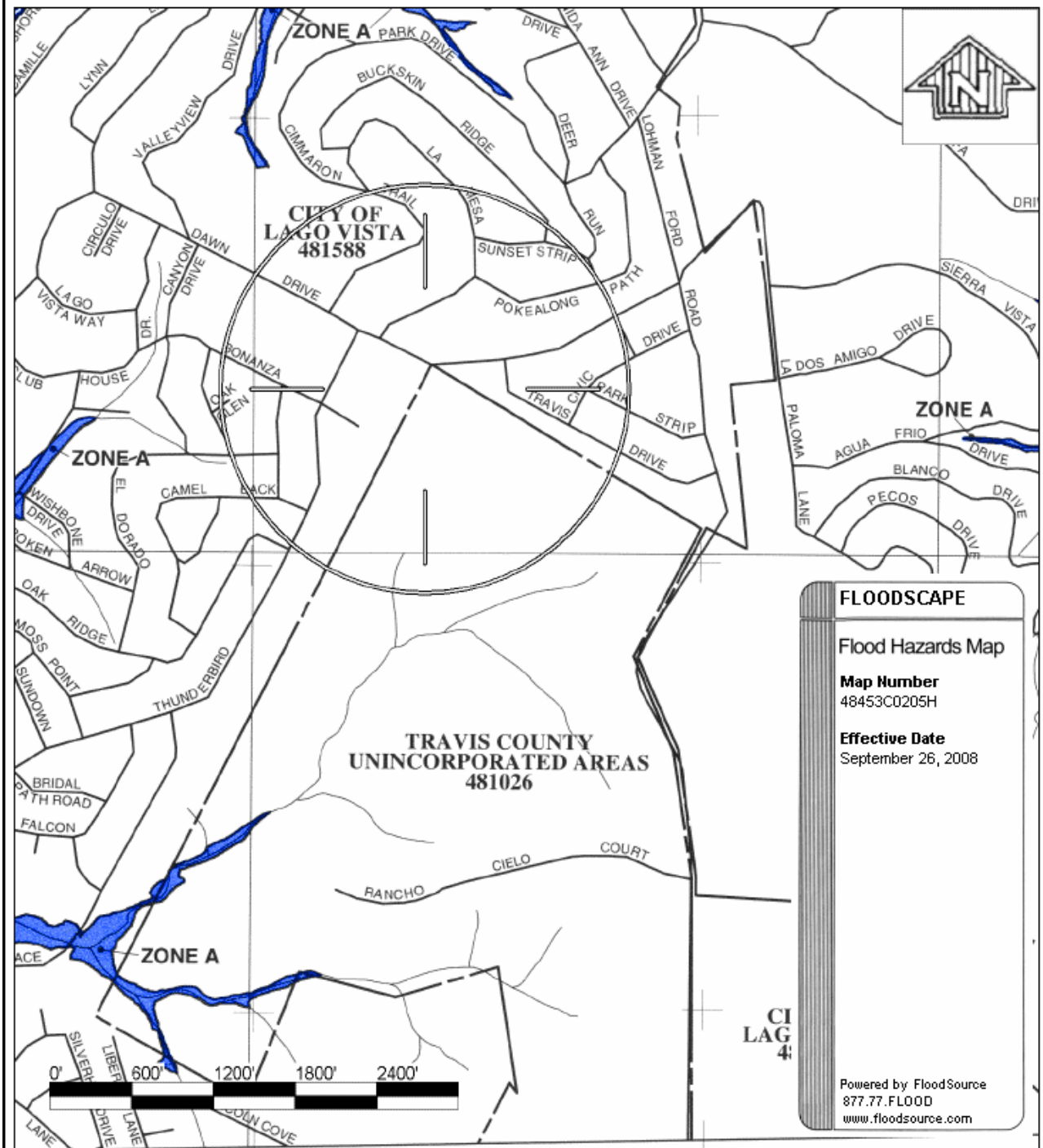
**TRAVIS CENTRAL APPRAISAL DISTRICT**  
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# Flood Map

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**Prepared for:**  
Lone Star Appraisals & Realty, Inc. (512) 331-7757  
Lago Vista, TX 78645



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## **PURPOSE AND FUNCTION OF THE APPRAISAL**

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

## **MARKET VALUE DEFINED**

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

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

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

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

## **HIGHEST AND BEST USE**

Highest and best use is defined as; "The reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."<sup>1</sup> 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.

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<sup>1</sup> 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
<b>Price/Per Acre</b>		<b>\$ 20,038</b>	<b>\$ 29,391</b>	<b>\$ 14,513</b>	<b>\$ 22,063</b>	<b>\$ 46,096</b>
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
<b>Net Percent Adjustment</b>		<b>8.8%</b>	<b>-11.7%</b>	<b>33.3%</b>	<b>15.8%</b>	<b>-16.2%</b>
<b>Net Adjustment</b>		<b>\$ 1,763.36</b>	<b>\$ (5,052.39)</b>	<b>\$ 5,231.13</b>	<b>\$ 3,486.03</b>	<b>\$ (14,750.65)</b>
<b>Adjusted Price</b>		<b>\$ 21,802</b>	<b>\$ 24,339</b>	<b>\$ 19,744</b>	<b>\$ 25,550</b>	<b>\$ 31,345</b>

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:

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

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

**NINE HUNDRED FORTY-FIVE THOUSAND DOLLARS**

**(\$945,000)**

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

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

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

## **CERTIFICATE AND FINAL VALUE ESTIMATE**

### **CERTIFICATION: We hereby certify:**

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

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

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

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

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

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

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

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

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

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

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

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

property that is the subject of this report.

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

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

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

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

Respectfully submitted,

LONE STAR APPRAISALS & REALTY, INC.  
Valuation Consultants



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

## **LIMITING CONDITIONS AND ASSUMPTIONS**

### 1. Limit of Liability

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

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

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

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

### 3. Confidentiality

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

### 4. Trade Secrets

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



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

#### 5. Information Used

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

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

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

#### 7. Exhibits

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

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

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

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

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

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

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

If the Appraisers have not been supplied with a termite inspection, survey, or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same, or for any deficiencies discovered before or after they are obtained. No representation or warranties are made concerning obtaining the above mentioned items.

The Appraisers assume no responsibility for any costs or consequences arising due to the need, or the lack of need for flood hazard insurance. An Agent for The Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.

#### 9. Legality of Use

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

#### 10. Component Value

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

#### 11. Auxiliary and Related Studies

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

#### 12. Dollar Value, Purchasing Power

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

#### 13. Inclusions

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

#### 14. Proposed Improvements, Conditioned Value

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

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

#### 15. Value Change, Dynamic Market, Influences

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

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

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

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

#### 16. Management of the Property

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

#### 17. Professional Fees

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

#### 18. Authenticity

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

#### 19. Insulation and Toxic Materials

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

#### 20. Right To Alter Market Value

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

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

#### 22. Americans With Disabilities Act (ADA)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **QUALIFICATIONS OF CHRIS P. GRIESBACH, MAI**

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

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

A partial resume of specific qualification is outlined below:

### ***Professional Education***

Real Estate courses from the University of Texas:

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

Other courses:

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



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

### ***Professional Organizations Courses and Exams Completed***

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

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

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

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

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

### ***Professional Memberships***

#### Appraisal Institute (MAI):

Member - Appraisal Institute  
Member Number - 9200

#### American Society of Appraisers (ASA):

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

#### International Right of Way Association (IRWA):

Member - IRWA Chapter #74  
Member Number - 07443683

#### Austin Board of Realtors:

Member - Designated Realtor  
Member Number - 10263

### ***Seminars Attended***

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

### ***Professional Certification***

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

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

### **DISCLOSURE**

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



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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:

<b>Course</b>	<b>Provider</b>	<b>Date</b>
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

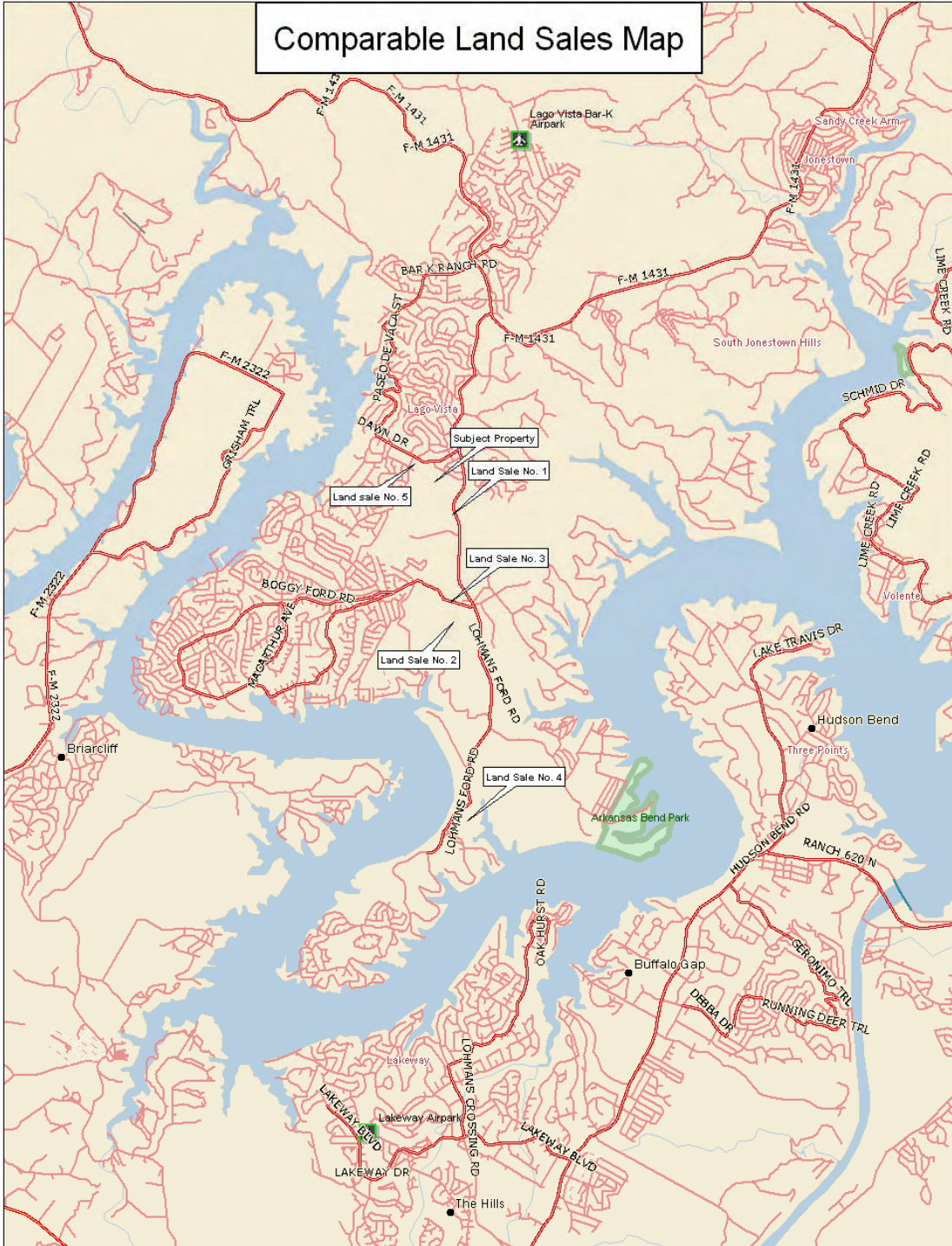
Lago Vista Independent School District - 41.211 Acres  
Near Dawn Drive & Lohman Ford Road  
Lago Vista, Texas 78645

**ADDENDA**

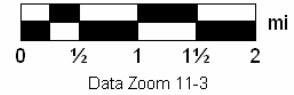
**Comparable Land Sales  
Property Information  
Engagement Document**

## **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

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

### Sale Data

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

<b>Sale Price</b>	\$8,500,000
<b>Cash Equivalent</b>	\$8,500,000
<b>Adjusted Price</b>	\$8,500,000

### Land Data

<b>Topography</b>	Steep Slope
<b>Utilities</b>	All Available
<b>Shape</b>	Irregular

### Land Size Information

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

### Indicators

<b>Sale Price/Gross Acre</b>	\$29,391
<b>Sale Price/Gross SF</b>	\$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

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

#### Sale Data

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

<b>Sale Price</b>	\$4,200,000
<b>Adjusted Price</b>	\$4,200,000

#### Land Data

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

#### Land Size Information

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

#### Indicators

<b>Sale Price/Gross Acre</b>	\$14,513
<b>Sale Price/Gross SF</b>	\$0.33
<b>Sale Price/Useable Acre</b>	\$14,513
<b>Sale Price/Useable SF</b>	\$0.33
<b>Sale Price/Front Foot</b>	\$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

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

### Sale Data

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

<b>Sale Price</b>	\$317,600
<b>Adjusted Price</b>	\$317,600

### Land Data

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

### Land Size Information

<b>Gross Land Size</b>	6.890 Acres or 300,128 SF
<b>Useable Land Size</b>	6.890 Acres or 300,128 SF , 100.00%

### Indicators

<b>Sale Price/Gross Acre</b>	\$46,096
<b>Sale Price/Gross SF</b>	\$1.06
<b>Sale Price/Useable Acre</b>	\$46,096
<b>Sale Price/Useable SF</b>	\$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					
<b>Owner's Name</b> LAGO VISTA I S D SCHOOL DISTRICT		<b>Property Details</b>					
Mailing Address	PO BOX 4929 LAGO VISTA, TX 78645-0009	Dead Date	10271987				
Location	LOHMAN FORD RD 78645	Dead Volume	10470				
Legal	ABS 189 SUR 88 CAMPBELL M F ACR 41.211	Dead Page	00726				
		Exemptions	TOT				
		Freeze Exempt	F				
		ARB Protest	F				
		Agent Code	0				
		Land Acres	41.2110				
		Block					
		Tract or Lot					
		Docket No.					
		Abstract Code	A0189				
		Neighborhood Code	SEXMP				
<b>Value Information</b>		<b>2008 Certified</b>					
Land Value		81,817.00					
Improvement Value		0.00					
AG Value		0.00					
AG Productivity Value		0.00					
Timber Value		0.00					
Timber Productivity Value		0.00					
Assessed Value		81,817.00					
10% Cap Value		0.00					
Total Value		81,817.00					
Data up to date as of 2008-11-26							
<b>Value By Jurisdiction</b>							
Entity Code	Entity Name	2007 Tax Rate	Assessed Value	Taxable Value	Market Value	Appraised Value	
0A	TRAVIS CENTRAL APP DIST		81,817.00	0.00	81,817.00	81,817.00	
03	TRAVIS COUNTY	0.412200	81,817.00	0.00	81,817.00	81,817.00	
16	LAGO VISTA ISD	1.180000	81,817.00	0.00	81,817.00	81,817.00	
2J	TRAVIS CO HEALTHCARE DIST	0.067900	81,817.00	0.00	81,817.00	81,817.00	
41	TRAVIS CO ESD NO 1	0.100000	81,817.00	0.00	81,817.00	81,817.00	
<b>Improvement Information</b>							
Improvement ID	State Category	Description					
<b>Segment Information</b>							
Imp ID	Seg ID	Type Code	Description	Class	Effective Year Built	Area	
Total Living Area						0	
<b>Land Information</b>							
Land ID	Type Code	SPTB Code	Homesite	Size-Acres	Front	Depth	Size-Sqft
445765	LAND	D2	F	41.211	0	0	1,785,151

**ENGAGEMENT DOCUMENT**





**LONE STAR APPRAISALS & REALTY, INC.**

January 21, 2009

Client: Robert Zingelmann – Lago Vista ISD

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

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

Fee Quotes:

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

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

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

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

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



## **LONE STAR APPRAISALS & REALTY, INC.**

May 18, 2009

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

Re: Review of Appraisals prepared by Lone Star Appraisals and Realty dated January 26, 2009 and Paul Hornsby and Company dated April 13, 2009 of the vacant 6.211 acres of land situated on Dawn Drive, Lago Vista, Texas.

Dear Mr. Zinglemann:

At your instructions, I have reviewed the appraisals of the subject property and have prepared an informal desk review along with an opinion of value. The following is the summary of my conclusions.

In my opinion the value of the Lone Star report would be significantly different if comparables one, three and four used within the Hornsby report were available. The comparables were not found and confirmed by us and therefore they were not utilized. It is my opinion that the adjustments to the comparables within the Hornsby report are very aggressive and some are unsupported.

A few points are location. The Lago Vista Market has one primary arterial FM 1431. One secondary arterial known as Lohmans Ford Road. Two connecting neighborhood arterials known as Dawn Drive and Boggy Ford Road are two of the connecting arterials. Boggy Ford is located approximately 1.5 miles south of Dawn Drive. Both roadways provide access to surrounding residential developments located along Lake Travis. Sales one, three, and four within this report were adjusted downward 15 percent for superior location. It is my opinion that there is no market evidence to show a negative adjustment, certainly not 15 percent. Sale comparable two within the Hornsby report has two sides road frontage along the primary arterial of FM 1431 and was only adjusted downwards by 5 percent. If one sale within this grid should have been adjusted downwards 15 percent it would be comparable two. Traffic counts along FM 1431 are far superior to that of Dawn Drive.

I believe that comparable sales one, three, and four in the Hornsby report and comparable sale one within the Lone Star report would provide the most reasonable indication of market value. The following is an adjustment sales grid and analysis of the subject property.

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

Donnie L. Smith  
Senior Appraiser  
State Certified (Texas)  
TX-1338244-G

**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	10.361 Acres	10.610 Acres	5.219 Acres
Address	Near Dawn Drive	5500 Lohman Ford Road	21406 Boggy Ford Road	21050 Boggy Ford Road	19520 Boggy Ford Road
City	Lago Vista	Lago Vista	Lago Vista	Lago Vista	Lago Vista
State	Texas	Texas	Texas	Texas	Texas
Contract/Sale Date	NA	4/13/2007	10/22/2007	7/10/2007	9/26/2006
Sale Price	NA	\$ 317,600	\$ 535,000	\$ 350,000	\$ 160,000
Land Area (SF)	270,551	300,128	451,325	444,922	227,340
Land Area (Acres)	6.211	6.890	10.361	10.214	5.219
<b>Price/Per SF</b>		<b>\$ 1.06</b>	<b>\$ 1.19</b>	<b>\$ 0.79</b>	<b>\$ 0.70</b>
Property Rights Conveyed		Fee Simple	Fee Simple	Fee Simple	Fee Simple
Percent Adjustment		0.0%	0.0%	0.0%	0.0%
Adjusted Price		\$ 1.06	\$ 1.19	\$ 0.79	\$ 0.70
Financing Terms		Cash to Seller	Cash to Seller	Cash to Seller	Cash to Seller
Percent Adjustment		0.0%	0.0%	0.0%	0.0%
Adjusted Price		\$ 1.06	\$ 1.19	\$ 0.79	\$ 0.70
Conditions of Sale		Normal Market	Normal Market	Normal Market	Normal Market
Percent Adjustment		25.0%	0.0%	0.0%	0.0%
Adjusted Price		\$ 1.32	\$ 1.19	\$ 0.79	\$ 0.70
Time/Market Conditions					
Appraisal Date	5/15/2009	4/13/2007	10/22/2007	7/10/2007	9/26/2006
Months Elapsed	-----	8.77	2.37	5.83	15.40
Annual % Adj.	12.00%				
Percent Adjustment		8.8%	2.4%	5.8%	15.4%
Dollar Adjustment		\$ 0.12	\$ 0.03	\$ 0.05	\$ 0.11
Adjusted Price		\$ 1.44	\$ 1.21	\$ 0.83	\$ 0.81
Adjustment For					
Location		-10%	0%	0%	0%
Zoning - Use		0%	0%	0%	0%
Physical Characteristics					
Size		0%	5%	5%	0%
Shape		0%	0%	0%	0%
Topography		0%	0%	0%	0%
Utilities		-10%	-10%	-10%	0%
Flood Hazard		0%	0%	0%	0%
Corner & Frontage		-15%	-15%	0%	0%
Percent Adjustment		-35.0%	-20.0%	-5.0%	0.0%
Dollar Adjustment		\$ (0.50)	\$ (0.24)	\$ (0.04)	\$ -
Adjusted Price		\$ 0.94	\$ 0.97	\$ 0.79	\$ 0.81
<b>Adjusted Price</b>		<b>\$ 0.94</b>	<b>\$ 0.97</b>	<b>\$ 0.79</b>	<b>\$ 0.81</b>
<b>ce/Rentable Area Comparison</b>		<b>Indicated Subject Value</b>			
Number of Comps .....	<b>4</b>	Land Area (SF).....	270,551		
Maximum.....	\$ 0.97	Indicated Subject Value Per SF.....	\$ <b>0.90</b>		
Mean (avg.).....	\$ 0.88	Indicated Subject Value.....	\$ 243,496		
Minimum.....	\$ 0.79	Indicated Value Rounded To.....	\$ <b>243,500</b>		

**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 connecting neighborhood arterial within the Lago Vista market area. Sale comparable one is located on a secondary arterial with superior exposure, thus warranted a downward adjustment. Sales two, three and four are located along a similar roadway with similar access and exposure.

**Zoning Adjustment:** All of the comparable sales utilized have similar 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. It does have according to the City capacity issues regarding water which could negatively affect the development potential of this tract. Therefore sales one, two and three warranted a negative adjustment. Sale comparable four does not have water services, thus no adjustments were required.

**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 and two has either corner lot configurations or superior frontage, thus they were adjusted downward. Comparable sales three and four have 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 \$0.79/SF to \$0.97/SF. The mean or average indicated value was \$0.88/SF which was rounded to \$0.90/SF. Therefore, the following calculations can be made:

**\$0.90 Per Square Foot x 270,551 Square Feet = \$243,496 | Rounded to \$243,500**

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

**TWO HUNDRED FORTY THREE THOUSAND FIVE HUNDRED DOLLARS**

**(\$243,500)**

**CERTIFICATE AND FINAL VALUE ESTIMATE**

CERTIFICATION: I hereby certify:

That as of **May 5, 2009**, it is our opinion the market value of the subject property is **\$243,500**. The valuation is based upon our 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 Donnie L. Smith and 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.

-My engagement in this assignment was not contingent upon or reporting predetermined results.

-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.

-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. Donnie L. Smith 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, 2009.

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

-The Texas Real Estate Appraiser Certification Committee regulates the State Certification of Texas Real Estate Appraisers. Under this program Mr. Donnie L. Smith is currently certified through November 30, 2010.

-"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

Donnie L. Smith  
Senior Appraiser  
State Certified (Texas)  
TX-1338244-G



## **LIMITING CONDITIONS AND ASSUMPTIONS**

### **1. Limit of Liability**

The liability of LONE STAR APPRAISALS AND 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 AND 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 AND 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 AND 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 AND 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 AND 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 is 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 nor 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 AND 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. The appraisers of LONE STAR APPRAISALS AND REALTY, INC. understand that a professional has conducted an environmental site assessment of the subject property and that the report found the site to be clean. However, the appraisers have not been supplied with a copy of the environmental assessment report.

**Due to the absence of a survey and a title report, the appraiser made the assumption that the sizes were correct and that no adverse easements existed on the subject properties.**

## **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 has 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 acknowledgement 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 its 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 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 Kyle, the City of Georgetown, Hays County, Williamson County, and The Lower Colorado River Authority, as well as numerous mortgage and banking institutions. His appraisal experience includes commercial, residential, industrial, office, 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/or easements of all types. Chris also has extensive experience valuing whole property acquisitions for libraries, police stations, detention ponds, lift stations, and other uses. Additionally, Chris regularly performs both appraisals and equity analysis for taxing authorities for tax protests or lawsuits. 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

**(updated 2/2008)**

### ***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):

Former Senior Member - American Society of Appraisers (Real Property-Urban)  
Member Number – 3270 (Presently Non Active Member)

**Professional Memberships (Continued):**

International Right of Way Association (IRWA):

Member - IRWA Chapter #74  
Member Number - 07443683

Austin Board of Realtors:

Member - Designated Realtor  
Member Number - 10263

**Seminars Attended**

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

**Professional Certification**

Member - Appraisals Institute; Member Number - 9200

Texas Real Estate Brokers License #343653-19

Member - Austin Board of Realtors #10263

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

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, or The American Society of Appraisers, the ASA designation, 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 DONNIE L. SMITH**

Donnie has extensive experience in appraising all types of commercial properties including retail, office, office/condominiums, multifamily, industrial, and special purpose properties. Donnie 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 real estate appraisal and consulting firm in Austin, Texas. Donnie presently has his Trainees license with the State of Texas; however, he has his general license in one month. Mr. Donnie L. Smith is a State Certified General Real Estate Appraiser in the State of Texas. His Certificate Number is: TX-1338244-G.

**EDUCATION**Formal:

Georgetown High School, Georgetown, Texas - Graduated 5/91 - General

Professional and Technical Courses (Successfully Completed):

<b>Course</b>	<b>Provider</b>	<b>Date</b>
Principles of Real Estate 0111	Austin Institute of Real Estate	March 1998
Laws of Contracts 1200	Austin Institute of Real Estate	March 1998
Real Estate Math 0611	Austin Institute of Real Estate	May 1998
Laws of Agency	Austin Institute of Real Estate	June 1998
Property Management/Leasing 0811	Austin Institute of Real Estate	September 1998
Basic Income Capitalization 310	Appraisal Institute	February 2001
Uniform Standards of Professional Appraisal Practice	Appraisal Institute	March 2001
Appraisal Procedures 120	Appraisal Institute	April 2001
Uniform Standards of Professional Appraisal Practice	Appraisal Institute	March 2001
Appraisal Principles 110	Appraisal Institute	May 2001
Uniform Standards of Professional Appraisal Practice	Appraisal Institute	September 2005
Advanced Applications 550	Appraisal Institute	October 2005
Appraisal Procedures 120	Columbia Institute	November 2006
Uniform Standards of Professional Appraisal Practice	Columbia Institute	September 2006
Appraisal Principles 110	Columbia Institute	October 2007

**EMPLOYMENT HISTORY**

Motorola Semiconductor Products Sector: 6/91 to 11/02, Process Engineering Technician

J. L. Vick and Company: 4/99 to 04/07 Commercial, Residential and Land Appraisal

Lone Star Appraisals & Realty, Inc.: 04/07 to Present. Commercial, Industrial, and Land Appraisal

## Stadium Upgrade – Bleacher Project

Bids for the proposed bleacher projects were opened Tuesday afternoon, June 2, 2009. There were two bidders, with a very wide difference in their bids. The high bid was Wayne Barnes, low bid and recommendation for acceptance is Wolff Construction. The primary reason for the difference is that Wolff Construction has the capacity to handle the majority of the job with minimal subcontracting.

There are two parts to the proposal. Part One involves installation of additional seating on the home side on the concrete pad that is already in place. That price includes the product itself, installation, and ADA-complaint ramps. The bleacher seating would be purchased through the Buy Board Purchasing Co-Op. The price is **\$40,000**.

Part Two is for seating capacity on the visitor side and is considerably more involved and that's where the bids come into play. The basic bid is for the work site – site preparation and construction of the pad. Wayne Barnes' bid was \$188,800. Wolff Construction's bid was \$99,555. 'Site work' includes excavation, ADA-compliant sidewalk, fencing, and concrete pad. The list below contains other items that are necessary for the project.

Site Work	\$99,555.00
Bleachers	\$30,000.00 (also purchased through the Buy Board Purchasing Co-Op)
Contingency	\$35,000.00 (runoff water control/retention pond, if needed)
Engineering Cost	\$ 8,500.00
Permit Fees	\$ 2,650.00
<b>Total</b>	<b>\$175,705.00</b>

The contingency is based on the possibility that the city engineer will determine that a retention pond is needed. Absent a retention pond, an earth berm may be constructed and can be done for minimal financial impact. A statement concerning requirements from the city engineer should be available next week.

<b>Part One – additional seating on home side</b>	<b>\$ 40,000</b>
<b>Part Two – seating on visitors' side</b>	<b>\$175,705</b>
<b><i>TOTAL</i></b>	<b><i>\$215,705</i></b>

<b>Lago Vista ISD</b>					
<b>Budget Amendments</b>					
<b>2008-2009</b>					
<b>AMENDMENT #2</b>					
<b>Fund 199</b>					
<b>Account Code</b>	<b>Description</b>	<b>Budget</b>	<b>Amendment</b>	<b>Amended Budget</b>	
199-81-6629-01-999-999000	Bleacher Project	0.00	215,705.00	215,705.00	Increase
199-00-3700-00-000-900000	Budgetary Fund Balance	448,312.00	215,705.00	664,017.00	Increase

**Lago Vista ISD  
Budget Calendar  
2009-2010**

**DRAFT**

- |   |             |
|---|-------------|
| 1. Central Administration discusses budget process: calendar, assumptions, staffing formulas and staffing guideline.  | 3/4 - 3/5   |
| 2. Board reviews/discusses budget process: calendar and assumptions   | 3/9         |
| 3. Central Administration meets with Campus Administration and Directors to review budget process: calendar, assumptions, staffing, and discuss potential District budget priorities.   | 3/31        |
| 4. Campuses/departments begin submitting budget requests to campus principals.  | 4/1         |
| 5. Administration updates Board on revised budget process and on potential legislation impact.  | 4/20        |
| 6. Central Office compiles budget   | 4/7 - 8/14  |
| 7. Travis Central Appraisal District provides preliminary values to District  | 5/1         |
| 8. Administration updates Board on budget process   | 5/18        |
| 9. Board discusses preliminary Revenue Budget.  | 6/15        |
| 10. Board discusses preliminary Expenditures Budget   | 7/20        |
| 11. Travis County Appraisal District certifies appraisal values.  | 7/24        |
| 12. Using more refined budget forecasts, the Superintendent completes the recommended budget which is based on conservative projections, preserves an adequate fund balance, and includes the budget recommendations aligned with the Board Goals and Priorities. | 7/31- 8/10  |
| 13. Notice of budget and tax rate is published.   | 8/6         |
| 14. Budget workshops Revenue, Expenditures, and TBD   | 8/12 - 8/14 |
| 15. Board conducts legally required public hearing on proposed budget   | 8/17        |
| 16. Board adopts budget, and tax rate.  | 8/17        |



**Lago Vista Independent School District  
Special Board Meeting  
June 5, 2009**

The Board of Trustees of Lago Vista Independent School District met in special session at 5:00 PM on June 5, 2009 at the Administration Building of Lago Vista ISD in Lago Vista, Texas.

Mr. Scott called the meeting to order at 5:05 PM.

Members Present	David Scott, President David Baker, Vice-President Mike Carr Tom Rugel Jerrell Roque Laura Vincent Mike Wells (arrived at 5:20 PM)
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Also Present:	Barbara Qualls, Superintendent Sandy Apperley, Assistant Superintendent Robert Zingelmann, Director of Finance
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**Closed session**

At 5:05 PM, Mr. Scott announced that the board would go into closed session to discuss employment of professional personnel as allowed by Texas Government Code, Sections 551.001 et al.

**Open session**

The board reconvened in open session at 5:10 PM.

Ms. Vincent moved to accept the administration's recommendation that Leticia Saba and Andrew Stehn be hired on one year probationary contracts and that Laura Patschke's contract be increased to 12 months with her promotion reassignment to head band director. The motion was seconded by Mr. Carr. Motion and passed 6-0. The board took no further action as a result of discussion in closed session.

**Consideration and Action Items**

Discussion and consideration of bid proposal(s) for bleacher project/stadium upgrade: The Superintendent presented information concerning the bleacher project/stadium upgrade. Questions and discussion followed. Ms. Vincent moved to accept the two parts of the proposal as presented. Mr. Baker seconded the motion. Motion passed on a 6-1 roll call vote with the following voting aye: Ms. Vincent, Mr. Wells, Mr. Roque, Mr. Baker, Mr. Rugel, and Mr. Scott. Mr. Carr voted no.

**Adjourn**

There being no further business, Mr. Scott adjourned the meeting at 5:35 PM

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David Scott, President

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Sandy Apperley

**Lago Vista Independent School District  
Special Board Meeting  
June 1, 2009**

The Board of Trustees of Lago Vista Independent School District met in special session at 5:00 PM on June 1, 2009 in the Board Room at Viking Hall of Lago Vista ISD in Lago Vista, Texas.

Mr. Scott called the meeting to order at 5:05 PM and led the Pledge of Allegiance to the United States flag and the Pledge to the Texas flag.

Members Present	David Scott, President Mike Carr Jerrell Roque Tom Rugel Laura Vincent Mike Wells
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Members Absent	David Baker, Vice-President
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Also Present:	Barbara Qualls, Superintendent
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Butch Felkner, executive director of Executive Search Services at the Texas Association of School Boards presented a program on the process for Superintendent Search with discussion and Q&A.

**Adjourn**

There being no further business, Mr. Scott adjourned the meeting at 6:30 PM

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David Scott, President

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Sandy Apperley

## Minutes of Regular Meeting

### The Board of Trustees Lago Vista ISD

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A Regular meeting of the Board of Trustees of Lago Vista ISD was held May 19, 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  
    Jerrell Roque  
    Tom Rugel  
    Laura Vincent  
    Mike Wells  
    Mike Carr (sworn in at 7:18 PM)

Members Absent:                      Tami Hood, Secretary  
    David Baker, Vice-President

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

Invocation: Mr. Scott called the meeting to order at 7:00 PM, and led the Pledge of Allegiance and the Pledge to the Texas flag.

2. Welcome visitors/Recognition/Public participation: At 7:03 PM the president opened the floor for citizen comments according to the district's policy for public participation in board meetings. Two citizens spoke. The president closed public forum at 7:08 PM. Following the special education presentation, the Superintendent introduced the high school principal. The principal introduced Coach Rogers, who introduced Joseph Anderson who placed 12<sup>th</sup> in the recent state golf tournament. Ms.Larkin introduced Megan Mumford and Duncan Hall, winners of the state 2A Cross X debate competition.
3. Recognition of retiring staff members: The Superintendent recognized retiring staff members: Kay Geocker and Paul Bixler.
4. Swearing in of new trustees: Tyra Becker administered the Oath of Office to Mr. Carr and Mr. Scott. Immediately following the swearing in, Mr. Carr took his seat at the board table.

5. Special Education review: Stephanie Blanck presented her evaluation of the Lago Vista ISD special education program. Ms. Blanck's report reviewed the existing program and made recommendations to move the program from "good to great or exemplary." Questions and discussion followed.
6. Proposed land sale: The Superintendent reported that staff has continued to meet with city representatives concerning the city's request to purchase property currently owned by the district. The district asked the initial appraiser for a reappraisal at the request of the city. Questions and discussion followed. The appraisal will be shared with the city.

Board recessed at 8:35 for 10 minutes.

7. Upgrades for athletic facilities: Additional information, gathered by the Superintendent and the Director of Finance, was shared with the board. Options were presented. Questions and discussion followed. Mike Wells moved that the board move forward with securing bids for a stadium expansion with the understanding that the process in no way requires the board to award a bid. Mr. Roque seconded the motion. Motion passed 6-0.
8. Cheerleader program funding: Ms. Vincent moved to accept the administration's recommendation to partially fund the cheerleading program at Lago Vista Middle School and Lago Vista High School. Mr. Wells seconded the motion. Questions and discussion followed. Motion passed 6-0. A copy of the proposal is included with the minutes.
9. Harris Interactive Survey update: The Superintendent reported that district staff has continued to become more familiar with the data collected from the survey. The administration recommends that the district contract with the Harris Interactive Survey to conduct the Advanced Strategy Lab. The board requests that the Harris Group provide examples of the products produced by the ASL, the written comments provided as part of the survey, and anticipated additional costs to conduct the follow-up activities for the survey.
10. Minutes of previous meetings: The minutes of the April 20, 2009 regular meeting and May 4, 2009 special meeting were approved (as corrected if needed). Ms. Vincent moved to accept the minutes. Mr. Roque seconded the motion. The motion was adopted 5-0 with Mike Carr abstaining
11. Revenue projections: The Superintendent reported on the finance bill currently before the House of Representatives and the federal stimulus money. Questions and discussion followed. The Director of Finance provided an update on revenue projections for school year 2009-2010.

Ms. Vincent moved to extend past 10:00. Motion was seconded by Mr. Carr. Motion passed 6-0.

12. Budgeting process report: The Director of Finance presented an update on the budgeting process for SY 09-10. Expenditure requests have been received from campuses and departments.
13. 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. Wells. The motion was adopted 6-0.
14. Personnel: Assignment and employment: At 10:25 PM, Mr. Scott announced that the board would go into closed session to discuss employment of professional personnel as allowed by Texas Government Code, Sections 551.001 et seq.

**Open session**

The board reconvened in open session at 10:55.

Mr. Wells moved to accept the administration's recommendation that Christina Pasak be offered a one year probationary contract. The motion was seconded by Mr. Roque. Motion passed 6-0.

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

15. Item postponed until special meeting to be held on May 27, 2009 at 6:00 PM.
16. Reorganization of the Board: Item postponed until later date.
17. Adjourn: There being no further business, Mr. Scott adjourned the meeting at 11:00 PM

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David Scott, President

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Sandy Apperley

Lago Vista ISD

Statement of Revenues and Expenditures - General Fund

As of May 31, 2009

75.0% Of Fiscal Year

	CURRENT YEAR			PRIOR YEAR		% OF ACTUAL TOTAL	PR Amend Budget	
	BUDGET	ACTUAL	BALANCE	% OF BUDGET	CUMULATIVE ACTUAL			
<b>REVENUES</b>								
5710 LOCAL TAX REVENUES	\$ 12,851,525	\$ 12,590,091	\$ 261,434	97.97%	\$ 11,370,908	97.60%	\$ 11,651,005	
57XX OTHER LOCAL REVENUES	\$ 382,000	\$ 117,826	\$ 264,174	30.84%	\$ 367,062	112.21%	\$ 327,120	
58XX STATE PROG. REVENUES	\$ 4,058,556	\$ 3,345,520	\$ 713,036	82.43%	\$ 3,010,697	83.36%	\$ 3,611,566	
59XX FED PROG. REVENUES		\$ -	\$ -		\$ -			
<b>TOTAL REVENUE</b>	<b>\$ 17,292,081</b>	<b>\$ 16,053,437</b>	<b>\$ 1,238,644</b>	<b>92.84%</b>	<b>\$ 14,748,667</b>	<b>94.61%</b>	<b>\$ 15,589,691</b>	
<b>EXPENDITURES</b>								
11 INSTRUCTION	\$ 7,102,535	\$ 5,018,112	\$ 2,084,423	70.65%	\$ 4,388,228	66.86%	\$ 6,563,255	
12 LIBRARY	\$ 179,673	\$ 156,632	\$ 23,041	87.18%	\$ 133,735	75.52%	\$ 177,097	
13 STAFF DEVELOPMENT	\$ 127,544	\$ 92,100	\$ 35,444	72.21%	\$ 76,451	62.00%	\$ 123,305	
21 INST ADMINISTRATION	\$ 89,192	\$ 62,607	\$ 26,585	70.19%	\$ 67,576	75.92%	\$ 89,008	
23 SCHOOL ADMINISTRATION	\$ 661,273	\$ 506,921	\$ 154,352	76.66%	\$ 477,378	72.83%	\$ 655,457	
31 GUID AND COUNSELING	\$ 324,544	\$ 207,689	\$ 116,855	63.99%	\$ 217,521	68.71%	\$ 316,587	
33 HEALTH SERVICES	\$ 106,180	\$ 77,975	\$ 28,205	73.44%	\$ 74,676	69.25%	\$ 107,828	
34 PUPIL TRANSP - REGULAR	\$ 452,577	\$ 354,097	\$ 98,480	78.24%	\$ 335,272	79.45%	\$ 422,000	
36 CO-CURRICULAR ACT	\$ 420,574	\$ 373,840	\$ 46,734	88.89%	\$ 320,524	87.21%	\$ 367,549	
41 GEN ADMINISTRATION	\$ 568,648	\$ 392,145	\$ 176,503	68.96%	\$ 481,013	82.86%	\$ 580,518	
51 PLANT MAINT & OPERATION	\$ 1,221,511	\$ 913,540	\$ 307,971	74.79%	\$ 880,856	67.95%	\$ 1,296,259	
52 SECURITY	\$ 39,200	\$ 29,310	\$ 9,890	74.77%	\$ 21,752	71.32%	\$ 30,500	
53 DATA PROCESSING	\$ 19,750	\$ 9,499	\$ 10,251	48.10%	\$ 86,858	96.36%	\$ 90,142	
61 COMMUNITY SERVICE	\$ 13,345	\$ 10,426	\$ 2,919	78.13%	\$ 79,760		\$ -	
81 CONSTRUCTION	\$ 448,312	\$ 352,948	\$ 95,364	78.73%	\$ 19,873	4.43%	\$ 448,312	
91 STUDENT ATTENDANCE CR	\$ 5,890,533	\$ 3,326,988	\$ 2,563,545	56.48%	\$ 2,445,861	53.09%	\$ 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	
<b>TOTAL EXPENDITURES</b>	<b>\$ 17,740,391</b>	<b>\$ 11,941,527</b>	<b>\$ 5,798,864</b>	<b>67.31%</b>	<b>\$ 10,107,334</b>	<b>63.24%</b>	<b>\$15,983,395</b>	
1200 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES - FY 2007-2008	\$ 4,111,910					\$ 331,751		
3000 BEG FUND BAL 9/1/08	\$ 5,198,715					\$ 4,866,964		
3000 END FUND BAL 8/31/09	\$ 9,310,625					\$ 5,198,715		
3510 RESERVED FUND BAL	\$ 338,056							
3600 UNRESERVED FUND BAL	\$ 8,972,569							

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

2008-2009 Original Tax Levy	\$ 14,757,820.63
Delinquent Taxes as of 8/31/2008	<u>1,633,156.68</u>
Total Receivables for 2007-08	\$ 16,390,977.31
Current Year Adjustments	(211,344.68)
Prior Year Adjustments	<u>(515,261.23)</u>
Adjusted Receivables	\$ 15,664,371.40
Total Net Collections To Date (Less P&I)	<b>\$ 13,973,343.58</b>
Outstanding Receivables as of: 05/31/2009	<u>\$ 1,691,027.82</u>

2008-2009 Original Tax Levy	\$ 14,757,820.63
Current Year Adjustments	(211,344.68)
Net Levy	<u>\$ 14,546,475.95</u>

Taxes Collected:	
Maintenance-Current Tax	<b>\$ 12,188,567.47</b>
Debt Service-Current Tax	<b>1,640,768.70</b>
Total Current Tax Levy Collected	<b>\$ 13,829,336.17</b>

Percentage of Current Tax Levy Collected	95.07%	Prior Year	94.11%
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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	\$ 12,210,891.00	\$ 8,793.00	99.93%	97.90%	\$ 11,024,338.00	\$ 10,792,479.00
M & O - Prior Year Tax	\$ 348,993.00	\$ 191,575.00	\$ 157,418.00	54.89%	96.31%	\$ 346,667.00	\$ 333,887.00
M & O - P & I	\$ 262,848.00	\$ 127,618.00	\$ 135,230.00	48.55%	84.69%	\$ 260,000.00	\$ 220,185.00
<b>Sub-total</b>	<b>\$ 12,831,525.00</b>	<b>\$ 12,530,084.00</b>	<b>\$ 301,441.00</b>	<b>97.65%</b>	<b>97.55%</b>	<b>\$ 11,631,005.00</b>	<b>\$ 11,346,551.00</b>
I & S - Current Tax	\$ 1,645,848.00	\$ 1,643,773.00	\$ 2,075.00	99.87%	98.43%	\$ 1,683,098.34	\$ 1,656,670.00
I & S - Prior Year Tax	\$ 47,458.00	\$ 19,635.00	\$ 27,823.00	41.37%	85.65%	\$ 55,865.11	\$ 47,851.00
I & S - P & I	\$ 35,593.00	\$ 17,179.00	\$ 18,414.00	48.27%	80.01%	\$ 41,421.07	\$ 33,139.00
<b>Sub Total</b>	<b>\$ 1,728,899.00</b>	<b>\$ 1,680,587.00</b>	<b>\$ 48,312.00</b>	<b>97.21%</b>	<b>97.60%</b>	<b>\$ 1,780,384.52</b>	<b>\$ 1,737,660.00</b>
<b>Total Collections</b>	<b>\$ 14,560,424.00</b>	<b>\$ 14,210,671.00</b>	<b>\$ 349,753.00</b>	<b>97.60%</b>	<b>97.56%</b>	<b>\$ 13,411,389.52</b>	<b>\$ 13,084,211.00</b>

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

**MONEY MARKET ACCOUNTS**

	<b>Balance</b>	<b>Interest Earned for the Month</b>	<b>APY</b>	<b>April 09 APY</b>
<b>TEXPOOL</b>				
General Fund	\$ 92,027.70	\$ 33.84	0.43%	0.48%
I&S	\$ 184.84	\$ 0.05	0.43%	0.48%

**LONESTAR INVESTMENT POOL**

General Fund - Liquidity Fund	\$ 1,041.01	\$ 58.00	0.66%	0.76%
General Fund - Liquidity Corp Fund	\$ 9,151,810.94	\$ 5,542.68	0.66%	0.76%
I&S - Liquidity Corporate Fund	\$ 2,106,535.19	\$ 1,170.83	0.66%	0.76%
Capital Projects - Liquidity Corp Fund	\$ 199,718.53	\$ 111.57	0.66%	0.76%

**CASH**

Sweep Account	\$ 41,935.39	\$ 37.77	0.25%	0.14%
General Fund	\$ 64,925.23	\$ 20.06	0.25%	0.14%
Capital Projects	\$ 1.00	\$ -	0.25%	0.14%
CP Sweep	\$ 49,764.70	\$ 19.76	0.25%	0.14%
Interest and Sinking	\$ 234.32	\$ 0.09	0.25%	0.14%
Total Cash in Bank	<u>\$156,860.64</u>			

**Total Investment Balance**

General Fund	\$ 9,351,740.27
I&S	\$ 2,106,954.35
Capital Projects	\$ 249,484.23
Total	\$11,708,178.85

<b>Interest Earned</b>	<b>LSIP</b>	<b>TexPool</b>	<b>Bank</b>	<b>Total</b>
General Fund	\$ 5,600.68	\$ 33.84	\$ 57.83	\$ 5,692.35
I&S	\$ 1,170.83	\$ 0.05	\$ 0.09	\$ 1,170.97
Capital Projects	\$ 131.33		\$ 19.76	\$ 151.09
Total				<u><u>\$ 7,014.41</u></u>



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

	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	-186,646.30	-12,590,091.10	261,433.90	97.97%
5730 - TUITION _FEES FROM PATRONS	3,000.00	.00	.00	3,000.00	.00%
5740 - INTEREST, RENT, MISC REVENUE	357,500.00	-6,476.85	-90,729.39	266,770.61	25.38%
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%
<b>Total REVENUE-LOCAL &amp; INTERMED</b>	<b>13,233,525.00</b>	<b>-193,123.15</b>	<b>-12,707,916.66</b>	<b>525,608.34</b>	<b>96.03%</b>
5800 - STATE PROGRAM REVENUES					
5810 - PER CAPITA-FOUNDATION REV	3,631,900.00	-30,886.00	-3,024,481.24	607,418.76	83.28%
5820 - STATE PROGRAM REVENUES	.00	.00	-1,359.37	-1,359.37	.00%
5830 - TRS ON-BEHALF	426,656.00	-36,423.25	-319,679.63	106,976.37	74.93%
<b>Total STATE PROGRAM REVENUES</b>	<b>4,058,556.00</b>	<b>-67,309.25</b>	<b>-3,345,520.24</b>	<b>713,035.76</b>	<b>82.43%</b>
<b>Total Revenue Local-State-Federal</b>	<b>17,292,081.00</b>	<b>-260,432.40</b>	<b>-16,053,436.90</b>	<b>1,238,644.10</b>	<b>92.84%</b>

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

	Budget	Encumbrance YTD	Expenditure YTD	Current Expenditure	Balance	Percent Expended
6000 - EXPENDITURES						
11 - INSTRUCTION						
6100 - PAYROLL COSTS	-6,441,769.34	.00	4,558,969.04	555,919.92	-1,882,800.30	70.77%
6200 - PURCHASE_CONTRACTED SVS	-145,184.00	1,645.58	155,394.42	10,016.22	11,856.00	107.03%
6300 - SUPPLIES AND MATERIALS	-449,060.00	41,918.13	267,020.82	13,902.41	-140,121.05	59.46%
6400 - OTHER OPERATING EXPENSES	-42,747.00	5,948.38	12,831.75	2,584.85	-23,966.87	30.02%
6600 - CPTL OUTLY LAND BLDG_EQUIP	-23,775.00	.00	23,896.66	.00	121.66	100.51%
<b>Total Function 11 INSTRUCTION</b>	<b>-7,102,535.34</b>	<b>49,512.09</b>	<b>5,018,112.69</b>	<b>582,423.40</b>	<b>-2,034,910.56</b>	<b>70.65%</b>
12 - LIBRARY						
6100 - PAYROLL COSTS	-138,911.00	.00	120,445.07	13,725.61	-18,465.93	86.71%
6200 - PURCHASE_CONTRACTED SVS	-6,912.00	249.00	6,401.83	178.20	-261.17	92.62%
6300 - SUPPLIES AND MATERIALS	-32,900.00	2,682.15	29,458.62	8,651.87	-759.23	89.54%
6400 - OTHER OPERATING EXPENSES	-950.00	45.00	326.71	.00	-578.29	34.39%
<b>Total Function 12 LIBRARY</b>	<b>-179,673.00</b>	<b>2,976.15</b>	<b>156,632.23</b>	<b>22,555.68</b>	<b>-20,064.62</b>	<b>87.18%</b>
13 - CURRICULUM						
6100 - PAYROLL COSTS	-80,580.00	.00	53,676.88	5,963.76	-26,903.12	66.61%
6200 - PURCHASE_CONTRACTED SVS	-9,000.00	.00	6,513.16	.00	-2,486.84	72.37%
6300 - SUPPLIES AND MATERIALS	-3,000.00	48.85	2,794.17	.00	-156.98	93.14%
6400 - OTHER OPERATING EXPENSES	-34,964.00	1,168.15	29,115.85	1,366.00	-4,680.00	83.27%
<b>Total Function 13 CURRICULUM</b>	<b>-127,544.00</b>	<b>1,217.00</b>	<b>92,100.06</b>	<b>7,329.76</b>	<b>-34,226.94</b>	<b>72.21%</b>
21 - INSTRUCTIONAL ADMINISTRATION						
6100 - PAYROLL COSTS	-84,992.00	.00	59,403.08	6,870.83	-25,588.92	69.89%
6200 - PURCHASE_CONTRACTED SVS	-1,500.00	.00	1,759.80	.00	259.80	117.32%
6300 - SUPPLIES AND MATERIALS	-1,500.00	.00	1,024.31	.00	-475.69	68.29%
6400 - OTHER OPERATING EXPENSES	-1,200.00	100.00	420.00	.00	-680.00	35.00%
<b>Total Function 21 INSTRUCTIONAL ADMINISTRATION</b>	<b>-89,192.00</b>	<b>100.00</b>	<b>62,607.19</b>	<b>6,870.83</b>	<b>-26,484.81</b>	<b>70.19%</b>
23 - CAMPUS ADMINISTRATION						
6100 - PAYROLL COSTS	-643,373.00	.00	497,891.29	55,388.86	-145,481.71	77.39%
6200 - PURCHASE_CONTRACTED SVS	-1,000.00	.00	.00	.00	-1,000.00	.00%
6300 - SUPPLIES AND MATERIALS	-11,900.00	352.67	5,746.22	1,243.33	-5,801.11	48.29%
6400 - OTHER OPERATING EXPENSES	-5,000.00	60.40	3,283.61	730.06	-1,655.99	65.67%
<b>Total Function 23 CAMPUS ADMINISTRATION</b>	<b>-661,273.00</b>	<b>413.07</b>	<b>506,921.12</b>	<b>57,362.25</b>	<b>-153,938.81</b>	<b>76.66%</b>
31 - GUIDANCE AND COUNSELING SVS						
6100 - PAYROLL COSTS	-305,699.00	.00	200,052.47	24,106.55	-105,646.53	65.44%
6200 - PURCHASE_CONTRACTED SVS	-1,450.00	.00	1,750.00	.00	300.00	120.69%
6300 - SUPPLIES AND MATERIALS	-9,245.00	.00	4,775.27	119.10	-4,469.73	51.65%
6400 - OTHER OPERATING EXPENSES	-8,150.00	3,806.12	1,111.45	191.45	-3,232.43	13.64%
<b>Total Function 31 GUIDANCE AND COUNSELING SVS</b>	<b>-324,544.00</b>	<b>3,806.12</b>	<b>207,689.19</b>	<b>24,417.10</b>	<b>-113,048.69</b>	<b>63.99%</b>
33 - HEALTH SERVICES						
6100 - PAYROLL COSTS	-103,880.00	.00	76,952.96	8,743.32	-26,927.04	74.08%
6300 - SUPPLIES AND MATERIALS	-2,300.00	.00	1,022.90	.00	-1,277.10	44.47%
<b>Total Function 33 HEALTH SERVICES</b>	<b>-106,180.00</b>	<b>.00</b>	<b>77,975.86</b>	<b>8,743.32</b>	<b>-28,204.14</b>	<b>73.44%</b>
34 - PUPIL TRANSPORTATION-REGULAR						
6200 - PURCHASE_CONTRACTED SVS	-452,577.66	.00	354,097.79	45,189.81	-98,479.87	78.24%
<b>Total Function 34 PUPIL TRANSPORTATION-REGULAR</b>	<b>-452,577.66</b>	<b>.00</b>	<b>354,097.79</b>	<b>45,189.81</b>	<b>-98,479.87</b>	<b>78.24%</b>
36 - CO-CURRICULAR ACTIVITIES						
6100 - PAYROLL COSTS	-157,759.00	.00	115,643.41	7,911.84	-42,115.59	73.30%
6200 - PURCHASE_CONTRACTED SVS	-66,841.00	.00	63,412.44	478.99	-3,428.56	94.87%
6300 - SUPPLIES AND MATERIALS	-83,800.00	744.00	84,667.62	-1,513.53	1,611.62	101.04%
6400 - OTHER OPERATING EXPENSES	-95,174.00	313.92	95,178.72	3,565.84	318.64	100.00%
6600 - CPTL OUTLY LAND BLDG_EQUIP	-17,000.00	.00	14,938.00	.00	-2,062.00	87.87%
<b>Total Function 36 CO-CURRICULAR ACTIVITIES</b>	<b>-420,574.00</b>	<b>1,057.92</b>	<b>373,840.19</b>	<b>10,443.14</b>	<b>-45,675.89</b>	<b>88.89%</b>
41 - GENERAL ADMINISTRATION						

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

	Budget	Encumbrance YTD	Expenditure YTD	Current Expenditure	Balance	Percent Expended
6000 - EXPENDITURES						
41 - GENERAL ADMINISTRATION						
6100 - PAYROLL COSTS	-348,298.49	.00	266,350.91	29,307.64	-81,947.58	76.47%
6200 - PURCHASE .CONTRACTED SVS	-185,350.00	2,392.74	103,884.93	2,357.28	-79,072.33	56.05%
6300 - SUPPLIES AND MATERIALS	-10,500.00	1,570.75	2,136.83	51.50	-6,792.42	20.35%
6400 - OTHER OPERATING EXPENSES	-24,500.00	1,574.68	19,773.09	1,070.21	-3,152.23	80.71%
<b>Total Function 41 GENERAL ADMINISTRATION</b>	<b>-568,648.49</b>	<b>5,538.17</b>	<b>392,145.76</b>	<b>32,786.63</b>	<b>-170,964.56</b>	<b>68.96%</b>
51 - PLANT MAINTENANCE & OPERATION						
6100 - PAYROLL COSTS	-192,677.00	.00	138,857.19	15,617.69	-53,819.81	72.07%
6200 - PURCHASE .CONTRACTED SVS	-878,834.51	90,612.10	634,173.75	35,939.05	-154,048.66	72.16%
6300 - SUPPLIES AND MATERIALS	-70,000.00	1.00	49,569.93	14,621.43	-20,429.07	70.81%
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	990.00	38,948.00	.00	9,938.00	129.83%
<b>Total Function 51 PLANT MAINTENANCE &amp; OPE</b>	<b>-1,230,311.51</b>	<b>91,603.10</b>	<b>913,540.87</b>	<b>66,178.17</b>	<b>-225,167.54</b>	<b>74.25%</b>
52 - SECURITY						
6200 - PURCHASE .CONTRACTED SVS	-39,200.00	.00	29,310.11	210.00	-9,889.89	74.77%
<b>Total Function 52 SECURITY</b>	<b>-39,200.00</b>	<b>.00</b>	<b>29,310.11</b>	<b>210.00</b>	<b>-9,889.89</b>	<b>74.77%</b>
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	.00	-4,570.19	8.60%
6400 - OTHER OPERATING EXPENSES	-3,000.00	.00	320.00	.00	-2,680.00	10.67%
<b>Total Function 53 DATA PROCESSING</b>	<b>-19,750.00</b>	<b>.00</b>	<b>9,499.81</b>	<b>.00</b>	<b>-10,250.19</b>	<b>48.10%</b>
61 - COMMUNITY SERVICES						
6100 - PAYROLL COSTS	-13,345.00	.00	10,426.90	1,585.99	-2,918.10	78.13%
<b>Total Function 61 COMMUNITY SERVICES</b>	<b>-13,345.00</b>	<b>.00</b>	<b>10,426.90</b>	<b>1,585.99</b>	<b>-2,918.10</b>	<b>78.13%</b>
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%
<b>Total Function 81 CAPITAL PROJECTS</b>	<b>-448,312.00</b>	<b>.00</b>	<b>352,948.32</b>	<b>.00</b>	<b>-95,363.68</b>	<b>78.73%</b>
91 - CHAPTER 41 PAYMENT						
6200 - PURCHASE .CONTRACTED SVS	-5,890,533.00	.00	3,326,988.00	831,747.00	-2,563,545.00	56.48%
<b>Total Function 91 CHAPTER 41 PAYMENT</b>	<b>-5,890,533.00</b>	<b>.00</b>	<b>3,326,988.00</b>	<b>831,747.00</b>	<b>-2,563,545.00</b>	<b>56.48%</b>
99 - PAYMENT TO OTHER GOVERN ENT						
6200 - PURCHASE .CONTRACTED SVS	-75,000.00	.00	56,698.09	.00	-18,301.91	75.60%
<b>Total Function 99 PAYMENT TO OTHER GOVER</b>	<b>-75,000.00</b>	<b>.00</b>	<b>56,698.09</b>	<b>.00</b>	<b>-18,301.91</b>	<b>75.60%</b>
8000 - OTHER USES						
00 - DISTRICT WIDE						
8900 - OTHER USES-TRANSFERS OUT	.00	.00	.00	.00	.00	.00%
<b>Total Function 00 DISTRICT WIDE</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>.00%</b>
<b>Total Expenditures</b>	<b>-17,749,193.00</b>	<b>156,223.62</b>	<b>11,941,534.18</b>	<b>1,697,843.08</b>	<b>-5,651,435.20</b>	<b>67.28%</b>

	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	-32,550.97	-299,593.74	2,811.26	99.07%
<b>Total REVENUE-LOCAL &amp; INTERMED</b>	<b>302,405.00</b>	<b>-32,550.97</b>	<b>-299,687.40</b>	<b>2,717.60</b>	<b>99.10%</b>
5800 - STATE PROGRAM REVENUES					
5820 - STATE PROGRAM REVENUES	2,800.00	.00	-3,100.00	-300.00	110.71%
<b>Total STATE PROGRAM REVENUES</b>	<b>2,800.00</b>	<b>.00</b>	<b>-3,100.00</b>	<b>-300.00</b>	<b>110.71%</b>
5900 - FEDERAL PROGRAM REVENUES					
5920 - OBJECT DESCR FOR 5920	152,829.00	-19,025.00	-134,013.00	18,816.00	87.69%
<b>Total FEDERAL PROGRAM REVENUES</b>	<b>152,829.00</b>	<b>-19,025.00</b>	<b>-134,013.00</b>	<b>18,816.00</b>	<b>87.69%</b>
<b>Total Revenue Local-State-Federal</b>	<b>458,034.00</b>	<b>-51,575.97</b>	<b>-436,800.40</b>	<b>21,233.60</b>	<b>95.36%</b>

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

	Budget	Encumbrance YTD	Expenditure YTD	Current Expenditure	Balance	Percent Expended
6000 - EXPENDITURES						
35 - FOOD SERVICES						
6100 - PAYROLL COSTS	.00	.00	3,379.72	402.44	3,379.72	.00%
6200 - PURCHASE CONTRACTED SVS	-212,520.00	.00	156,948.12	40,381.47	-55,571.88	73.85%
6300 - SUPPLIES AND MATERIALS	-245,514.00	.00	236,687.48	55,978.87	-8,826.52	96.40%
<b>Total Function 35 FOOD SERVICES</b>	<b>-458,034.00</b>	<b>.00</b>	<b>397,015.32</b>	<b>96,762.78</b>	<b>-61,018.68</b>	<b>86.68%</b>
<b>Total Expenditures</b>	<b>-458,034.00</b>	<b>.00</b>	<b>397,015.32</b>	<b>96,762.78</b>	<b>-61,018.68</b>	<b>86.68%</b>

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

	Estimated Revenue (Budget)	Revenue Realized Current	Revenue Realized To Date	Revenue Balance	Percent Realized
5000 - RECEIPTS					
5700 - REVENUE-LOCAL & INTERMED					
5710 - LOCAL REAL-PROPERTY TAXES	1,728,899.00	-24,852.16	-1,680,588.02	48,310.98	97.21%
5740 - INTEREST, RENT, MISC REVENUE	28,141.76	-1,170.97	-11,677.84	16,463.92	41.50%
<b>Total REVENUE-LOCAL &amp; INTERMED</b>	<b>1,757,040.76</b>	<b>-26,023.13</b>	<b>-1,692,265.86</b>	<b>64,774.90</b>	<b>96.31%</b>
<b>Total Revenue Local-State-Federal</b>	<b>1,757,040.76</b>	<b>-26,023.13</b>	<b>-1,692,265.86</b>	<b>64,774.90</b>	<b>96.31%</b>

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

	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%
<b>Total Function 71 DEBT SERVICES</b>	<b>-1,804,003.76</b>	<b>.00</b>	<b>228,901.88</b>	<b>.00</b>	<b>-1,575,101.88</b>	<b>12.69%</b>
<b>Total Expenditures</b>	<b>-1,804,003.76</b>	<b>.00</b>	<b>228,901.88</b>	<b>.00</b>	<b>-1,575,101.88</b>	<b>12.69%</b>

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

	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	-131.33	-2,344.70	-2,344.70	.00%
<b>Total REVENUE-LOCAL &amp; INTERMED</b>	<b>.00</b>	<b>-131.33</b>	<b>-2,344.70</b>	<b>-2,344.70</b>	<b>.00%</b>
7000 - OTHER RESOURCES-NON-OPERATING					
7900 - OTHER RESOURCES/TRANSFER IN					
7910 - OTHER RESOURCES	.00	.00	.00	.00	.00%
<b>Total OTHER RESOURCES/TRANSFER IN</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>.00%</b>
<b>Total Revenue Local-State-Federal</b>	<b>.00</b>	<b>-131.33</b>	<b>-2,344.70</b>	<b>-2,344.70</b>	<b>.00%</b>
<b>End of Report</b>					