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**SOAH DOCKET NO. 473-20-4071.WS
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RATEPAYERS APPEAL OF THE	§	BEFORE THE STATE OFFICE
DECISION BY WINDERMERE OAKS	§	
WATER SUPPLY CORPORATION TO	§	OF
CHANGE WATER AND SEWER	§	
RATES	§	ADMINISTRATIVE HEARINGS

**WINDERMERE OAKS WATER SUPPLY CORPORATION RESPONSE TO
RATEPAYERS' NINTH REQUEST FOR INFORMATION**

Windermere Oaks Water Supply Corporation (WOWSC) files this Response to the Ninth Request for Information (RFI) filed by Ratepayers. The discovery request was received by WOWSC on February 24, 2023; therefore, these responses are timely filed. Pursuant to 16 Tex. Admin. Code (TAC) § 22.144(c)(2)(F), these responses may be treated as if they were filed under oath.

Respectfully submitted,

**LLOYD GOSSELINK ROCHELLE
& TOWNSEND, P.C.**

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**ATTORNEYS FOR WINDERMERE OAKS
WATER SUPPLY CORPORATION**

CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on March 3, 2023, in accordance with the Order Suspending Rules, issued in Project No. 50664.



JAMIE MAULDIN

**SOAH DOCKET NO. 473-20-4071.WS
DOCKET NO. 50788**

WOWSC'S RESPONSE TO RATEPAYERS NINTH RFI

RATEPAYERS 9-1:

Reference Mike Nelson Supplemental Rebuttal Testimony, p. 8, line 5 – p. 11, line 2. Please produce all appraisals and other opinions of value that were prepared on or after January 1, 2018 and concern one or more of the properties listed below:

BCAD Prop. ID	Parcel Size
45556	0.2299
45557	0.2646
45575	0.4004
45779	0.1286
56117	0.266 ac.
56136	24 ac.
56161	4.027 ac.
62330	2.9857 ac.
65687	35.954 ac.

RESPONSE:

See Attachment Ratepayers 9-1.

Prepared by: Counsel
Sponsored by: Counsel



PAUL HORNSBY & COMPANY

APPRAISERS AND CONSULTANTS

Paul Hornsby, MAI, SRA
Eli Hanslik, MAI
Chris Hornsby, MAI
Melany Adler, MAI
Katie Daniewicz, MAI
Clifford Shaw, ASA
Matthew Cox, State Certified Appraiser

Justin Sims, Appraiser Trainee
Jason Thomas, Appraiser Trainee
Caitlin Warren, Appraiser Trainee
Jake Kane, Appraiser Trainee
Kim Hussey, Appraiser Trainee
Terri Bowden, Business Manager
Donette Kay & Cynthia Stevens, Administrative Support

May 13, 2019

Molly Mitchell
Almanza, Blackburn, Dickie & Mitchell, LLP
2301 S. Capital of Texas, Bldg. H
Austin, TX 78746

Re: Appraisal of the 3.8688 acre tract of land located at the west line of Piper Lane, north of Sky King Drive, Burnet County, Texas.

Property Owner:	Windermere Oaks Water Supply Corporation
Property Address:	West line of Piper Lane, north of Sky King Drive, Spicewood, Texas 78664
Appraisal District Parcel:	62330, 56117

Dear Ms. Mitchell:

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

The purpose of the appraisal is to estimate the market value of the fee simple estate of the subject property as of the effective date. The property is appraised in its as-is condition. The intended use of this report is for litigation. The effective date of this appraisal is December 19, 2015.

Based upon the data and analyses summarized in this report, it is our opinion that the market value of the fee simple interest in the subject property is as follows:

MARKET VALUE CONCLUSION

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value	Fee Simple Estate	December 19, 2015	\$221,000

Compiled by Paul Hornsby and Co.



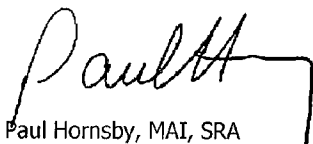
7600 N. Capital of Texas Highway • Suite B-210 • Austin, Texas 78731 • 512-477-6311

FHH 0257

PIPER LANE LAND**CERTIFICATE OF THE APPRAISERS**

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have not performed services as an appraiser or in any other capacity involving the subject within the three years prior to accepting this assignment.
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Paul Hornsby and Katie Daniewicz have made a personal inspection of the property that is the subject of this report.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- No one provided significant real property appraisal assistance to the persons signing this certification.
- As of the date of this report, Paul Hornsby and Katie Daniewicz have completed the continuing education program for Designated Members of the Appraisal Institute.

PAUL HORNSBY & COMPANY,


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



Katie Daniewicz
Texas Certified Appraiser No. 1380035-G



PIPER LANE LAND

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PIPER LANE LAND**ASSUMPTIONS AND LIMITING CONDITIONS****ORDINARY ASSUMPTIONS**

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

ASSIGNMENT SPECIFIC ASSUMPTIONS

- This is a retrospective appraisal, effective December 19, 2015. We have relied on aerial photographs of the subject taken prior to the effective date as well as a topographical map to determine the characteristics of the subject on the effective date. It is assumed that the subject's characteristics are as described here. Absent this assumption, the value opinions herein may be different.

LIMITING CONDITIONS

1. The legal description furnished our firm is assumed to be correct. We assume no responsibility for matters legal in character, nor render any opinion as to the title, which is assumed to be good. The property has been appraised as if under responsible ownership and competent management.
2. We have made no survey and assume no responsibility in connection with such matters therefore, reference to a sketch, plat, diagram, or survey appearing in the report is only for the purpose of assisting the reader to visualize the property. The firm believes that the information contained in this report, although obtained from public record and other reliable sources and, where possible, carefully checked, is reliable, but assumes no responsibility for its accuracy.
3. The construction and condition of the property mentioned in the body of this report are based on observation and no engineering study has been made which could discover any possible latent



PIPER LANE LAND**ASSUMPTIONS AND LIMITING CONDITIONS**

defects. No certification as to any of the physical aspects could be given unless a proper engineering study is made.

4. We are not required to give testimony or attendance in court by reason of this appraisal with reference to the property in question, unless arrangements have been previously made.
5. Possession of this report or a copy thereof does not carry with it the right of publication. It may not be used for any purpose by anyone other than the addressee without the previous written consent of the appraisers.
6. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the authors, particularly as to valuation and conclusions, the identity of the appraiser or firm with which they are connected, or any reference to the Appraisal Institute, the SRA, CRE or the MAI designation.
7. The appraisers' liability regarding the statements and conclusions reported herein is limited to the fee charged for the assignment.



PIPER LANE LAND

SUMMARY OF IMPORTANT CONCLUSIONS

SUMMARY OF IMPORTANT CONCLUSIONS

Property Name:	Piper Lane Land
Location:	West line of Piper Lane, north of Sky King Drive, Spicewood, Burnet County, Texas
Legal Description:	3.8688 acres out of the Maria Salinas Survey No. 17, Burnet County, Texas
Assessor's Parcel Number:	62330, 56117 (2015 parent tract)
Property Rights Appraised:	Fee Simple Estate
Site Data:	
Size:	3.8688 acres, 168,525 square feet
Zoning:	None
Utilities:	The site has all utilities available.
Shape:	The site is generally rectangular.
Easements:	Access easement, no other adverse easements noted.
Topography:	The site is generally level to slightly sloping.
Floodplain:	None of the site is in the floodplain.
Land Use Restrictions:	No adverse restrictions noted.
Highest and Best Use:	The highest and best use is airplane hangar development.
Purpose of Appraisal:	The purpose of the appraisal is to estimate the market value of the fee simple estate.
Effective Date of the Appraisal:	December 19, 2015
Date of the Report:	May 13, 2019
Market Value Estimate:	\$221,000



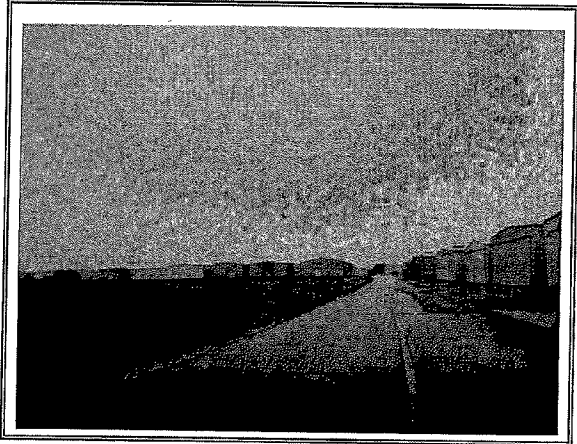
DESCRIPTIONS AND ANALYSES

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PIPER LANE LAND

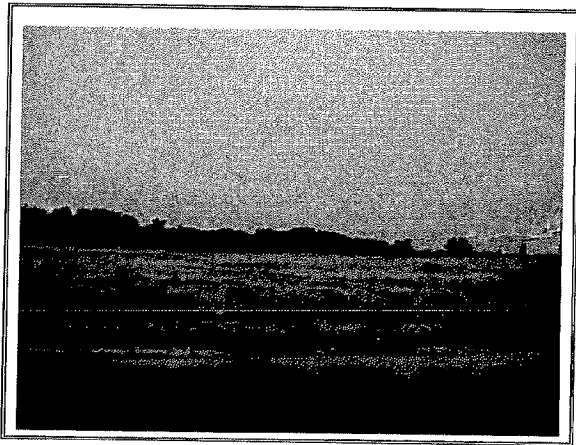
INTRODUCTION

SUBJECT PHOTOGRAPHS



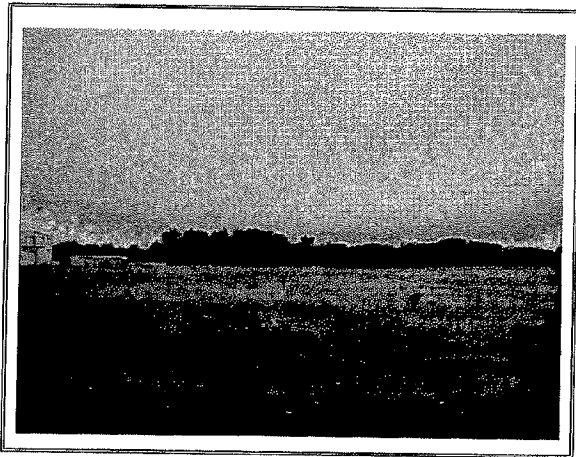
North along Piper Lane (subject on left)

Date of Photo: May 8, 2019



West at interior of subject

Date of Photo: May 8, 2019



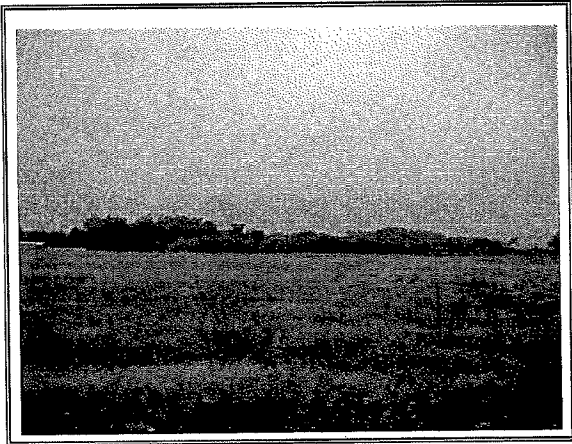
West at interior of subject

Date of Photo: May 8, 2019



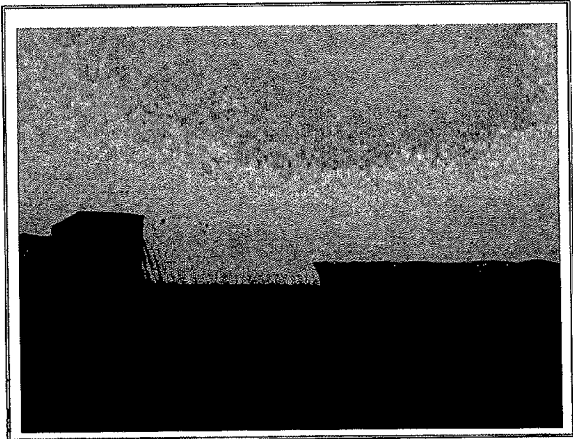
PIPER LANE LAND

INTRODUCTION



West at interior of property

Date of Photo: May 8, 2019



Northwest at adjacent properties

Date of Photo: May 8, 2019



East at runway from Hollingsworth Road

Date of Photo: May 8, 2019



PIPER LANE LAND**INTRODUCTION****EFFECTIVE DATE OF VALUE**

December 19, 2015.

PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to estimate the market value of the fee simple estate.

CLIENT, INTENDED USE AND USERS OF THE APPRAISAL

The client is Almanza, Blackburn, Dickie & Mitchell, LLP. The client is the sole intended user of the report, and use of this report by others is not intended. This report is intended for litigation. This report is not intended for any other use.

PROPERTY RIGHTS APPRAISED

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

DEFINITION OF MARKET VALUE

Market Value is defined as "the most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress".²

LEGAL DESCRIPTION

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

The subject site is legally described as a 3.8688 acres out of the Maria Salinas Survey No. 17, Burnet County, Texas.

OWNER OF RECORD AND HISTORY / CURRENT LISTING OF THE PROPERTY

According to the Burnet County Public Records, ownership of the property on the effective date was vested to Windermere Oaks Water Supply Corporation.

To our knowledge, there have been no conveyances of any other interests in the subject during the three years preceding the effective date of this appraisal.

¹ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute, 2010).

² Appraisal Institute, *The Appraisal of Real Estate*, 14th ed. (Chicago: Appraisal Institute, 2013), 58.



PIPER LANE LAND**INTRODUCTION**

This information is included to satisfy the requirements of USPAP. It is not intended as a guarantee to the chain of title, and a title search should be performed by a title company should a definitive abstract be desired.

AD VALOREM TAXES

The 2015 market value assessment by the Burnet Central Appraisal District for the 7.1205 acre parent tract was \$246,570, with an improvement value of \$0 and land value of \$246,570 (\$0.79/SF). The property was tax exempt.



PIPER LANE LAND**INTRODUCTION****SCOPE OF WORK**

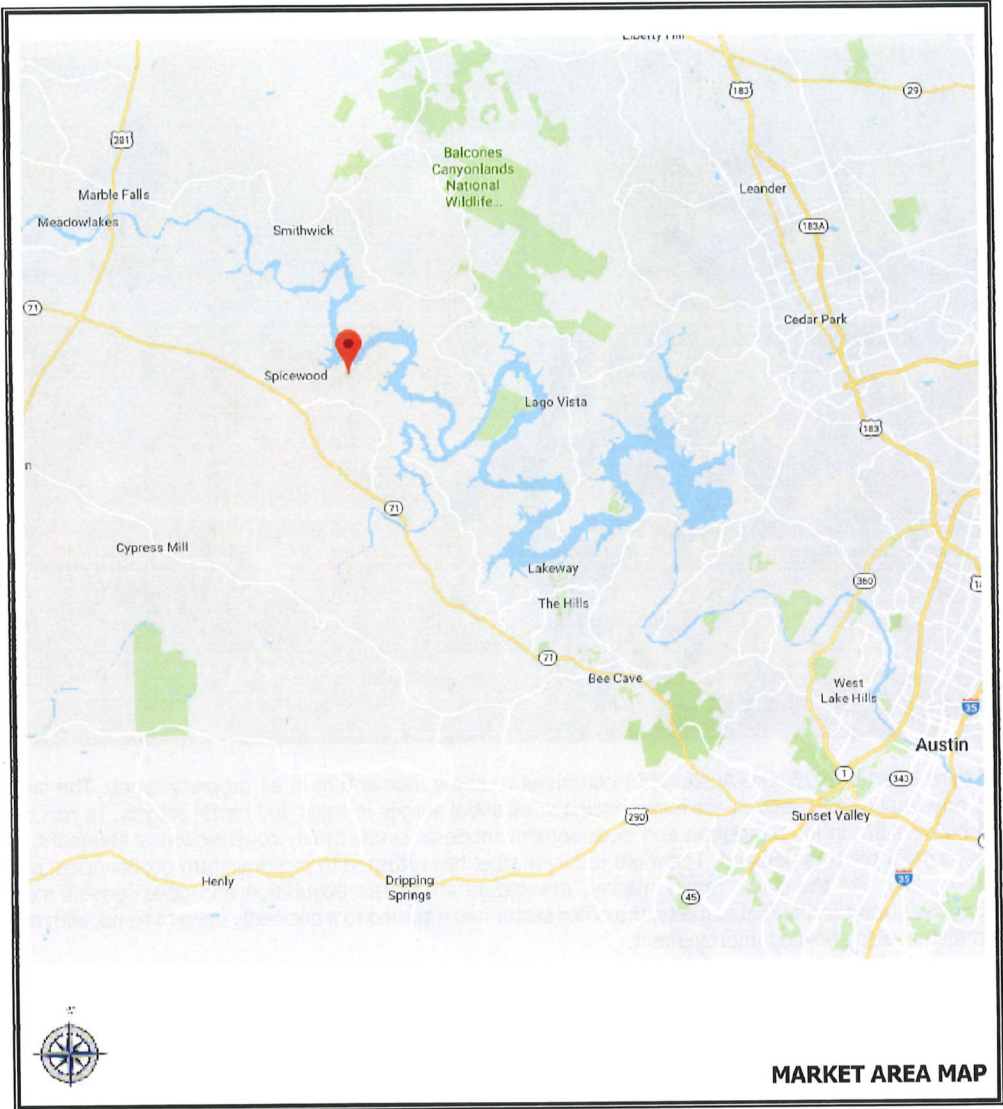
To complete the assignment, a number of steps were undertaken. The most salient of these are listed below.

- The property was inspected on site on May 8, 2019.
- The neighborhood was inspected from numerous roads, and trends in residential and commercial development were noted.
- Documents specific to the subject were reviewed, including the following:
 - deed records
 - surveys of the property
 - topographical map of the property
 - tax plat
 - FEMA flood plain map
 - aerial photographs
 - plat maps
 - ownership and easement reports through the Burnet County Public Records
 - Defendant Friendship Homes & Hangars, LLC's Original Answer and Request for Disclosure
- A highest and best use analysis was performed to determine the physically possible uses, legally permissible uses, financial feasibility and maximally productive use of the property.
- Consideration of the Three Approaches - The three traditional valuation techniques were considered to estimate the value of the subject property. The sales comparison approach (land only) was used to value the subject. As the subject is vacant land, the cost, income capitalization, and sales comparison (improved) approaches were not applicable.
- Land sales data was confirmed through research of the Burnet and Travis County Deed Records, conversations with real estate brokers, the Austin Board of REALTORS MLXchange (Multiple Listing Service), CoStar Group (subscription internet real estate sales data), and a review of our database. The time frame for our data search was from 2013 through 2016. The geographical area searched consisted Burnet County and Travis County. The sales were inspected from perimeter roadways and data was confirmed with parties directly involved with the transactions (buyer, seller or brokers).



PIPER LANE LAND

INTRODUCTION



PIPER LANE LAND**MARKET AREA ANALYSIS****MARKET AREA ANALYSIS**

As of third quarter 2015, the Austin MSA continues to show momentum in all property types. The single family and multi-family sectors are experiencing substantial surges in sales and rental activity. In reaction, home builders are in lot-acquisition and development mode as single family construction is abundant, yet unable to meet pent-up demand. The multi-family market has returned to pre-downturn occupancies, rents are rising, and, like the single family market, developers are in site acquisition and development mode. Tracking the strong residential markets, the office sector has returned to a decidedly upward trend, with retail and industrial also showing improvement.

Employment

The following tables show employment statistics and changes in the Austin MSA. The employment gains show improvement beginning in 2010.

	Changes From Previous Year							
	2007	2008	2009	2010	2011	2012	2013	2014
Total Civilian Employment	1.0%	0.4%	0.3%	1.3%	4.9%	4.7%	5.1%	1.8%
Non-agricultural employment	4.2%	1.6%	-3.1%	1.5%	3.7%	5.4%	5.1%	5.0%



PIPER LANE LAND**MARKET AREA ANALYSIS**

	Year End 2014	3rd Q 2014	2nd Q 2015	3rd Q 2015	Trailing Year Change	YTD Change	Quarterly Change
Total Civilian Employment	1,016,800	990,400	1,021,700	1,018,600	2.8%	0.2%	-0.3%
Non-agricultural employment	928,800	902,400	949,600	948,500	5.1%	2.1%	-0.1%
Unemployment	3.4%	4.2%	3.3%	3.3%			

Summary

With a trailing year 5.1% non-agricultural employment growth, Austin continues to fare better than most cities in the nation and continues to strengthen after the recession. As in most up-cycles, single and multi-family development have led the recovery, with the office, retail and industrial markets also reflecting improvement.

Spicewood Airport

The property is within the Spicewood Airport. Spicewood Airport is a privately-owned airport for public use. The airport features two runways (4,300 feet total) located approximately 270 feet east of the subject. There are approximately 83 aircraft based at the airport. Other nearby airports include Lago Vista Rusty Allen Airport, Lakeway Airpark, Burnet Municipal Airport-Kate Craddock Field, Georgetown Municipal Airport, and Austin-Bergstrom International Airport.



PIPER LANE LAND

DESCRIPTIONS AND ANALYSES



PIPER LANE LAND

DESCRIPTIONS AND ANALYSES



PIPER LANE LAND

DESCRIPTIONS AND ANALYSES



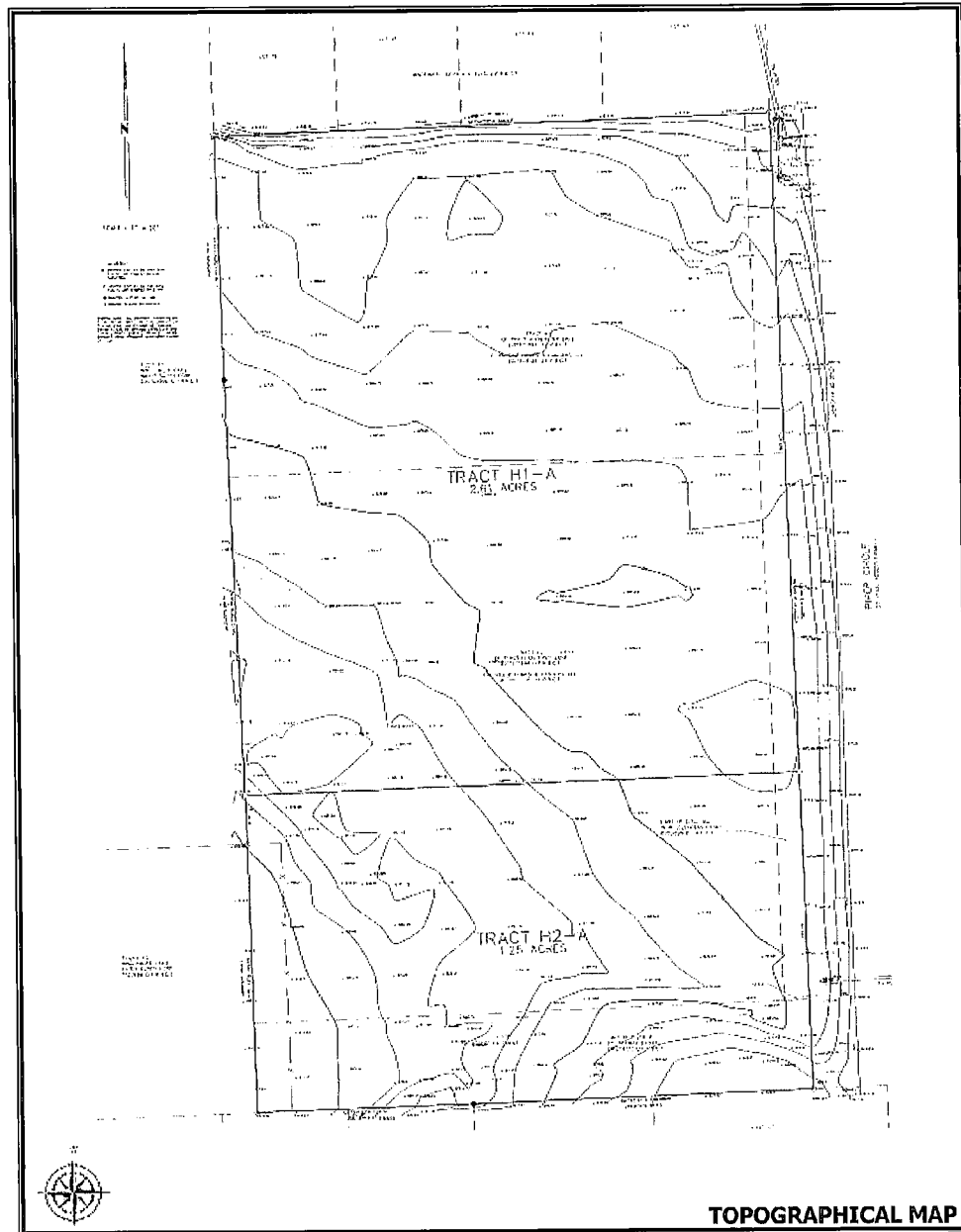
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PIPER LANE LAND

DESCRIPTIONS AND ANALYSES



Paul Hornsby and Company

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PIPER LANE LAND**DESCRIPTIONS AND ANALYSES**

Location:	West line of Piper Lane, north of Sky King Drive, Spicewood, Burnet County, Texas.
Gross Site Area:	3.8688 acres; 168,525 square feet
Shape:	The site is generally rectangular.
Frontage and Roadway Design:	±545 feet Piper Lane is a two-lane, asphalt paved roadway
Access/Visibility:	Accessible via Piper Lane with adequate visibility from this roadway.
Subsoil Conditions and Drainage:	An engineering study to determine the soil and subsoil conditions was not provided. The soil and subsoil conditions are assumed to be typical of those found in this area. We are not qualified to render an opinion as to the quality of the soils or feasibility for development. Upon inspection of the subject and surrounding improvements, soil conditions appear adequate to support development of the subject property with adequate engineering. The opinions of value stated herein are contingent upon the soils providing a stable base for improvements.
Topography/Drainage:	The site is generally level to slightly sloping. Drainage appears to be adequate. Based on the topographical map of the property, approximately three feet of fill is needed to raise the property to the grade of Piper Lane.
Flood Plain:	According to flood hazard map 48053C0705F for Burnet County, Texas dated March 15, 2012 published by the Federal Emergency Management Agency (FEMA), none of the site is within the 100-year floodplain.
Environmental/Toxic Waste:	We did not observe evidence of recognized environmental conditions such as hazardous waste and/or toxic materials during our inspection. We have no knowledge of the existence of any such substances on the property; however, we are not qualified to detect hazardous waste and/or toxic materials. An expert in these fields should be consulted for opinions and resolutions on these matters. The appraisal is predicated on the assumption that no environmental hazards or special resources exist within or on the site.
Utilities:	The site has all utilities available.
Political Boundaries:	Burnet County, State of Texas
Zoning/Entitlements:	None.
School District	Marble Falls ISD
Public Services:	The site is within the jurisdiction of Burnet County and is provided all municipal services, including EMS, police, and fire protection services.



PIPER LANE LAND**DESCRIPTIONS AND ANALYSES**

Land Use Restrictions:	Public records and our inspection did not indicate any adverse restrictions. There is a 50' access easement running along the south line of the property.	
Easements and Encumbrances:	Public records and our inspection did not indicate any adverse easements. Normal public utility easements are assumed.	
Encroachments:	No adverse encroachments were noted. It is assumed that the site is free of encroachments.	
Adjacent Properties:	North:	Airplane hangars
	South:	Airplane hangars/vacant land
	East:	Piper Lane followed by airplane hangars/vacant land
	West:	Vacant land
Improvements:	None.	



PIPER LANE LAND**DESCRIPTIONS AND ANALYSES****HIGHEST AND BEST USE ANALYSIS**

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value.³

AS IF VACANT

Based on the information presented in the preceding sections of this report, the following analysis considers each of the factors of highest and best use in relation to the subject property. The most pertinent elements are summarized below.

- The subject is located within the Spicewood Airport.
- Adjacent uses consist mainly of airplane hangars.
- Water and wastewater are available.
- The subject is not located within the flood plain.
- The subject has no adverse easements. There is a 50' access easement running along the south line of the property.
- The subject is located slightly below grade of Piper Lane. Based on the topographical map of the property, approximately three feet of fill is needed to raise the property to the grade of Piper Lane.
- Location and access are adequate for hangar use.
- The subject is not zoned.

Considering all pertinent factors, it is our opinion that the highest and best use of the subject is for airplane hangar development after the topographical issues have been resolved by the addition of fill.

³ *The Appraisal of Real Estate, 14th Edition*, (Chicago: Appraisal Institute, 2013) p. 333.



VALUATION OF THE PROPERTY

FHH 0279

PIPER LANE LAND

THE SALES COMPARISON APPROACH

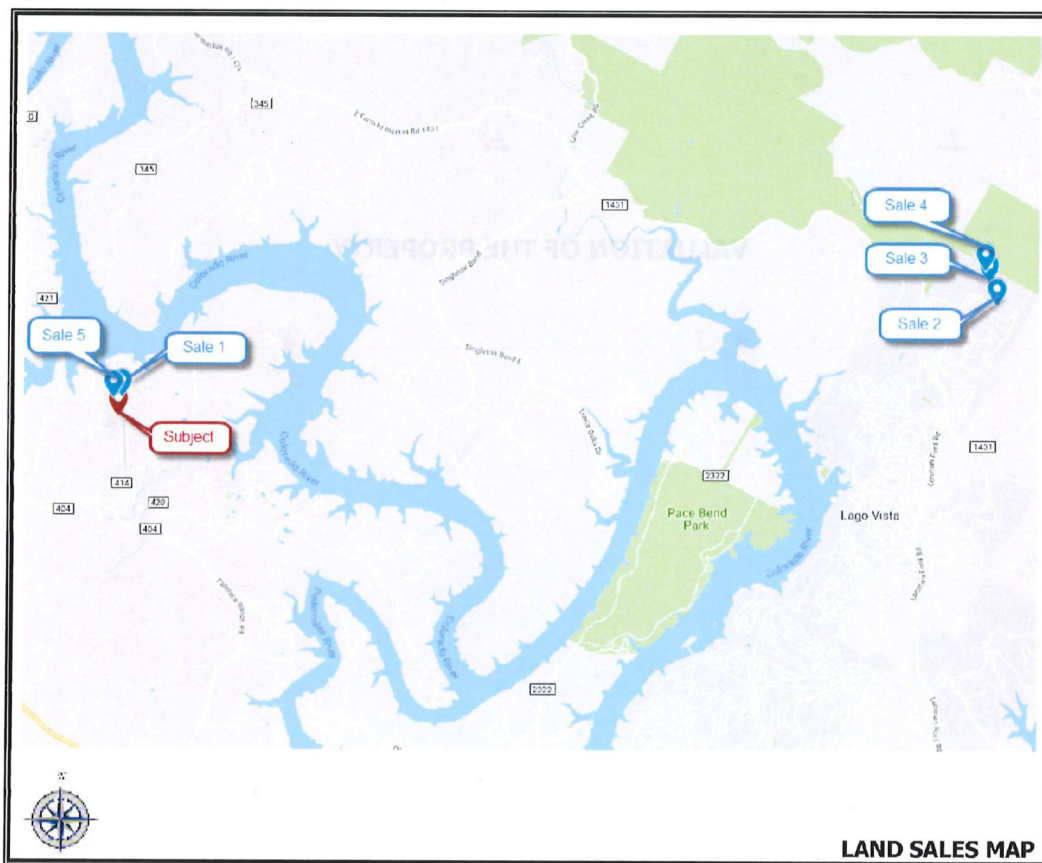
THE SALES COMPARISON APPROACH

Site Valuation

The sales comparison approach is used to estimate the value of the property. In this approach, a number of land sales are gathered, and the most comparable are presented for comparison. Since properties are never identical, the comparable sales must be adjusted to the subject for differences in market conditions, location, and physical characteristics.

As previously discussed, the highest and best use of the subject is airplane hangar development after the topographical issues have been resolved by the addition of fill. We searched for sales with similar highest and best uses as the subject; however, sales of such properties are rare. The properties utilized in our analysis were purchased for hangar use and are considered to be the most comparable sales to the subject.

We researched the competing market for sites that had sold or were under contract. Our search for comparables included Burnet and Travis County deed records, the Austin MLS system, CoStar, conversations with local brokers and property owners, and a review of our databases. The following pages include summaries, discussions, and analyses of the sales considered most comparable.



PIPER LANE LAND

THE SALES COMPARISON APPROACH

Land Sale No. 1



Property Identification

Record ID	4554
Property Type	Land
Address	519 Airstrip Road, Spicewood, Burnet County, Texas 78669
Location	SL of Airstrip Road, E of Cessna Lane
Tax ID	56144
Longitude, Latitude	W-98.121920, N30.478050
MSA	Austin-Round Rock-San Marcos

Sale Data

Grantor	Diana Hurry, James D. Hurry and Rhonda S. Shirey
Grantee	Judith L. Carmichael
Sale Date	September 09, 2016
Deed Book/Page	201608706
Financing	Cash to seller
Verification	Glenn Ross; 512-791-5349, May 09, 2019; Other sources: MLS #5184825, Confirmed by KAD

Sale Price	\$274,000
Cash Equivalent	\$274,000

Land Data

Zoning	None
Topography	Generally level
Utilities	All available
Shape	Rectangular
Flood Info	None
Improvements	SFR
Current/Intended Use	Airplane hangar



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PIPER LANE LAND**THE SALES COMPARISON APPROACH****Land Sale No. 1 (Cont.)****Land Size Information**

Gross Land Size 0.920 Acres or 40,075 SF
Front Footage Airstrip Road;

Indicators

Sale Price/Gross Acre \$297,826
Sale Price/Gross SF \$6.84

Legal Description

Being a 0.920 acre tract of land out of the Maria Catalina Salinas Survey No. 17, Abstract No. 776, Burnet County, Texas

Remarks

The property is located within Spicewood Airport, just west of the runway. The site was improved with a single-family residence and a carport. The buyer demolished the carport and constructed a hangar. There is a thirty-foot access easement encumbering the property.



PIPER LANE LAND

THE SALES COMPARISON APPROACH

Land Sale No. 2



Property Identification

Record ID	4555
Property Type	Land
Address	9100 Rolling Hills Trail, Lago Vista, Travis County, Texas 78645
Location	SWC of Rolling Hills Trail and Rawhide Trail
Tax ID	184775
Longitude, Latitude	W-97.966190, N30.492590
MSA	Austin-Round Rock-San Marcos

Sale Data

Grantor	Michael R. Jones and Gretchen Jones
Grantee	James Awalt
Sale Date	February 05, 2016
Deed Book/Page	2016017166
Financing	Cash to seller
Verification	Don Barthlow; 512-633-6877, May 10, 2019; Other sources: MLS #9480589, Confirmed by KAD

Sale Price	\$110,000
Cash Equivalent	\$110,000



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PIPER LANE LAND**THE SALES COMPARISON APPROACH****Land Sale No. 2 (Cont.)****Land Data**

Zoning	None
Topography	Generally level to sloping
Utilities	All available
Shape	Irregular
Flood Info	None
Current/Intended Use	Airplane hangar

Land Size Information

Gross Land Size	1.060 Acres or 46,191 SF
Front Footage	Rolling Hills Trail; Rawhide Trail;

Indicators

Sale Price/Gross Acre	\$103,734
Sale Price/Gross SF	\$2.38

Legal Description

Lot 21, Lago Vista Bar-K Airport Subdivision, Travis County, Texas

Remarks

The property is within the Lago Vista Rusty Allen Airport. The property has sloping topography and sits below grade of the airport taxiway.



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PIPER LANE LAND

THE SALES COMPARISON APPROACH

Land Sale No. 3



Property Identification

Record ID	4556
Property Type	Land
Address	9310 Rolling Hills Trail, Texas
Location	WL of Rolling Hills Trail, S of Rustlers Way
Tax ID	184763
Longitude, Latitude	W-97.967520, N30.496160
MSA	Austin-Round Rock-San Marcos

Sale Data

Grantor	Glenn Deitiker and Allison Deitiker
Grantee	Sharon Ward
Sale Date	January 22, 2016
Deed Book/Page	2016010123
Financing	Cash to seller
Verification	Don Barthlow; 512-633-6877, May 10, 2019; Other sources: MLS #6133220, Confirmed by KAD

Sale Price	\$125,000
Cash Equivalent	\$125,000



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PIPER LANE LAND**THE SALES COMPARISON APPROACH****Land Sale No. 3 (Cont.)****Land Data**

Zoning	None
Topography	Generally level
Utilities	All available
Shape	Rectangular
Flood Info	None
Current/Intended Use	Airplane hangar

Land Size Information

Gross Land Size	0.344 Acres or 15,000 SF
Front Footage	Rolling Hills Trail;

Indicators

Sale Price/Gross Acre	\$363,000
Sale Price/Gross SF	\$8.33

Legal Description

Lot 9, Lago Vista Bar-K Airport Subdivision, Travis County, Texas

Remarks

The property is within the Lago Vista Rusty Allen Airport.



PIPER LANE LAND**THE SALES COMPARISON APPROACH****Land Sale No. 4****Property Identification**

Record ID	4557
Property Type	Land
Address	9402 Rolling Hills Trail, Lago Vista, Travis County, Texas 78645
Location	WL of Rolling Hills Trail, N of Rustlers Way
Tax ID	718819
Longitude, Latitude	W-97.968130, N30.497910
MSA	Austin-Round Rock-San Marcos

Sale Data

Grantor	Richard Todd Whatley
Grantee	Robert P. Smith
Sale Date	December 19, 2014
Deed Book/Page	2014188950
Financing	Cash to seller
Verification	Don Barthlow; 512-633-6877, May 10, 2019; Other sources: MLS #1586279, Confirmed by KAD

Sale Price	\$105,000
Cash Equivalent	\$105,000



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FHH 0287

PIPER LANE LAND**THE SALES COMPARISON APPROACH****Land Sale No. 4 (Cont.)****Land Data**

Zoning	None
Topography	Generally level
Utilities	All available
Shape	Rectangular
Flood Info	None
Current/Intended Use	Airplane hangar

Land Size Information

Gross Land Size	0.276 Acres or 12,006 SF
Front Footage	80 ft Rolling Hills Trail;

Indicators

Sale Price/Gross Acre	\$380,960
Sale Price/Gross SF	\$8.75

Legal Description

Lot 3-A, Resubdivision of Lot 3, Lago Vista Bar-K Airport Subdivision, Travis County, Texas

Remarks

The property is within the Lago Vista Rusty Allen Airport. A hangar was subsequently constructed on the property.



THE SALES COMPARISON APPROACH



Cash Equivalent

\$180,000

PIPER LANE LAND**THE SALES COMPARISON APPROACH****Land Sale No. 5 (Cont.)****Land Data**

Zoning	None
Topography	Generally level
Utilities	All available
Shape	Rectangular
Flood Info	None
Current/Intended Use	Airplane hangars

Land Size Information

Gross Land Size	1.415 Acres or 61,637 SF
Front Footage	Cessna Lane;

Indicators

Sale Price/Gross Acre	\$127,208
Sale Price/Gross SF	\$2.92

Legal Description

Being a 1.415 acre tract of land, more or less, out of the Maria Catalina Salinas Survey No. 7, Abstract No. 776, Burnet County, Texas.

Remarks

The property is located within Spicewood Airport. The site had 1.415 acres of usable area. The sale included an additional 1.874 acres of non-usable common area. There is a thirty-foot access easement encumbering the property. Two hangars were subsequently constructed on the site.



PIPER LANE LAND**THE SALES COMPARISON APPROACH**

The table below summarizes those transactions most comparable to the subject:

LAND SALES SUMMARY									
No.	Property Location	Transaction Type	Transaction Date	Zoning	Land Size	Utilities	Intended Use	Sale Price	Price per SF
1	519 Airstrip Road	Sale	9/9/2016	None	0.920	All available	Hangar	\$274,000	\$6.84
2	9100 Rolling Hills Trail	Sale	2/5/2016	None	1.060	All available	Hangar	\$110,000	\$2.38
3	9310 Rolling Hills Trail	Sale	1/22/2016	None	0.344	All available	Hangar	\$125,000	\$8.33
4	9402 Rolling Hills Trail	Sale	12/19/2014	None	0.276	All available	Hangar	\$105,000	\$8.75
5	101 Cessna Lane	Sale	2/12/2013	None	1.415	All available	Hangars	\$180,000	\$2.92
Subject	West line of Piper Lane, north of Sky King Drive	NA	NA	None	3.869	all utilities available	NA	NA	NA

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

Conditions of Sale/Financing

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

Market Conditions

The transactions occurred between February 2013 and September 2016. An analysis of the comparable sales indicated that an adjustment for market conditions was unwarranted.

Location/Access

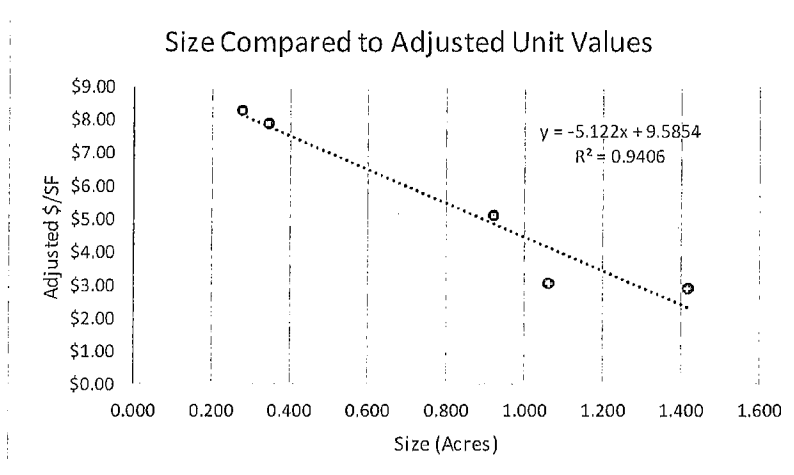
The subject is located on the west line of Piper Lane, north of Sky King Drive within the Spicewood Airport.

Sales 1 and 5 are also located within the Spicewood Airport and did not require adjustments. Sales 2-4 are located within the Lago Vista Rusty Allen Airport. These sales are slightly superior for their location in Lago Vista and have been adjusted downward.

Size

Typically, there is an inverse relationship between unit price and size, as larger properties generally sell for less per SF than smaller tracts. All of the sales are smaller than the subject. To derive an appropriate adjustment for size, the adjusted unit values of the sales (prior to an adjustment for size) were plotted with their sizes. The graph is shown below.



PIPER LANE LAND**THE SALES COMPARISON APPROACH**

The resulting trendline indicates a strong inverse correlation between unit value and size. Based on the percent increase in unit value for differences in size, an approximate adjustment of 20% per doubling was applied.

Flood Plain/Topography

The subject tract is below grade of Piper Lane with no flood plain; however, an adjustment for the subject's topography is applied at the end of our analysis, outside of the grid.

Sales 1, 3, 4, and 5 do not have flood plain and have generally level topography. No adjustments are warranted for these sales.

Sale 2 has sloping topography and is located below grade of the taxiway. Sale 2 is inferior to the subject (after the addition of fill) and was adjusted upward.

Zoning/Entitlements

The subject and the sales are not zoned and an adjustment was not required.

Easements

The subject and Sales 1 and 5 are subject to access easements. An analysis of the comparable sales indicated that an adjustment for access easements was unwarranted.

Utilities

The subject property has all utilities available. Like the subject, the sales have all utilities available. They are similar and no adjustment is warranted.

Improvements

Sale 1 was improved with a single-family residence and a carport (which was subsequently demolished). Sale 1 is superior for the residence. Considering the contributory value of the residence as well as the cost to demolish the carport, Sale 1 was adjusted downward.

PIPER LANE LAND**THE SALES COMPARISON APPROACH****MARKET VALUE CONCLUSION**

The following table summarizes the adjustments.

ADJUSTMENT GRID						
	Subject	1	2	3	4	5
Transaction Type	---	Sale	Sale	Sale	Sale	Sale
Transaction Date	---	9/9/2016	2/5/2016	1/22/2016	12/19/2014	2/12/2013
Zoning	None	None	None	None	None	None
Actual Sale Price	---	\$274,000	\$110,000	\$125,000	\$105,000	\$180,000
Size of each lot (acres)	3.869	0.920	1.060	0.344	0.276	1.415
Unit Price		\$6.84	\$2.38	\$8.33	\$8.75	\$2.92
Property Rights		0%	0%	0%	0%	0%
Terms of Sale/Financing		0%	0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%	0%
Market Conditions		0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted \$/SF		\$6.84	\$2.38	\$8.33	\$8.75	\$2.92
Location/Access		0%	-5%	-5%	-5%	0%
Size		-40%	-30%	-70%	-70%	-25%
Flood/Topography		0%	+35%	0%	0%	0%
Zoning/Entitlements		0%	0%	0%	0%	0%
Utilities		0%	0%	0%	0%	0%
Improvements		-25%	0%	0%	0%	0%
Net Adjustment		-65%	0%	-75%	-75%	-25%
Indicated Unit Value		\$2.39	\$2.38	\$2.08	\$2.19	\$2.19

Conclusion of Land Sales Analysis

The indicated value range is \$2.08 per square foot to \$2.39 per square foot. The five indicators have a mean of \$2.25 per square foot and a median of \$2.19 per square foot. Recognizing the central tendency, a unit value of \$2.20 per square foot is reconciled for the subject property after the addition of fill.

To estimate the cost of the fill, I have utilized the *Marshall Valuation Service* as my primary data source.

Soft costs and contingency were estimated at 5% of RCN. Entrepreneurial incentive is estimated to be 10% of total RCN. The following chart demonstrates the individual unit estimate for the replacement cost new.

Type of Improvement	MVS Reference	Base Range	Current Cost Multiplier	Local Cost Multiplier	Entrepren. Incent.	Adjusted range	Reconciled Cost Estimate	Unit
Fill	Section 51 Page 2	\$6.12 \$10.30	0.99	0.84	1.15	\$5.85 \$9.85	\$8.00	CY

Compiled by Paul Hornsby and Co.

The cost to add fill to the property is shown below. We estimate approximately three feet of fill is needed to raise the property to the grade of Piper Lane, making it functional for hangar use.

Fill Cost	
Cubic feet	505,575
Cubic yards	18,725
Cost	\$8
Total	\$149,800

The indicated value is as follows.



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PIPER LANE LAND**THE SALES COMPARISON APPROACH**

Value After Fill Added	3.869 AC	168,525	x \$2.20/SF =	\$370,755
Less Cost of Fill				\$149,800
Total				\$220,955
			Rounded	\$221,000



PIPER LANE LAND**THE SALES COMPARISON APPROACH****MARKET VALUE CONCLUSION**

The following illustrates the value of the ±3.869 acres:

MARKET VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value	Fee Simple Estate	December 19, 2015	\$221,000

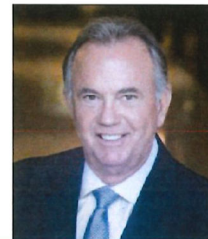
Based on our review of recent sales transactions and our analysis of supply and demand in the local market, it is our opinion that the probable exposure time for the subject is 12 months.



QUALIFICATIONS OF THE APPRAISERS

FHH 0296

QUALIFICATIONS OF PAUL HORNSBY, MAI, SRA

QUALIFICATIONS OF PAUL HORNSBY, MAI, SRA


Experience: Since 1980, Mr. Hornsby has been a practicing real estate appraiser with an office in Austin, Texas, specializing in the valuation of complex properties and in support of litigation proceedings. Mr. Hornsby also serves as an arbitrator in real estate disputes.

Mr. Hornsby often serves in the capacity of expert witness in cases involving eminent domain, bankruptcy, general commercial litigation and ad valorem tax appeal. He is qualified as an appraisal expert in numerous county courts, state district courts, Federal District Court, U.S. Bankruptcy Court, and various commissioners' courts and appraisal district review boards. Mr. Hornsby has testified over 700 times in depositions, special commissioner's hearings and trials.

In addition to real property appraisal, Mr. Hornsby provides counseling services and separation of real estate, tangible personal property, and intangible assets. He is the owner of ph Business Advisors, a business valuation firm specializing in the appraisal of business enterprises, partnership interests, and the allocation of tangible and intangible assets. Land planning services are provided by our sister company, alterra design group (www.alterradesigngroup.com) and brokerage services by Hornsby Realty (www.hornsby-realty.com).

Licenses Designations:	and	<ul style="list-style-type: none"> ➤ MAI Designation - Appraisal Institute, Certificate No. 7305 ➤ SRA Designation - Appraisal Institute ➤ State Certified General Real Estate Appraiser #TX-1321761-G ➤ Texas Broker License #283369-05
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Associations Activities:	and	<ul style="list-style-type: none"> ➤ Board Member, Foundation Appraisers Coalition of Texas ➤ Mentor, Texas Appraiser Licensing and Certification Board ➤ Arbitrator in real estate disputes ➤ Affiliate Member, Texas Association of Appraisal Districts ➤ Instructor, Appraisal Institute – Uniform Standards of Professional Appraisal Practice and Business Practices and Ethics ➤ Appraisal Qualifications Board (AQB) Certified USPAP Instructor ➤ REALTOR - National Association of Realtors
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Education:	University of Texas at Austin, B.B.A. Degree in Finance, August 1977
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QUALIFICATIONS OF PAUL HORNSBY, MAI, SRA

Lectures Publications:	and	<ul style="list-style-type: none"> ➤ National Media Corp & Acme Partnership v. City of Austin, IRWA/AI Joint Meeting, 2018 ➤ Choosing & Valuing an Economic Unit, IRWA/AI Joint Meeting, 2017 ➤ Shedding Light on Dark Store Theory, Metropolitan Council of Appraisal Districts, 2017 ➤ Intangible Assets in Eminent Domain, Eminent Domain Conference, 2017 ➤ Sale, Sale, What's in a Sale!, Ad Valorem Tax Seminar, 2016 ➤ Fee (It Really Is) Simple; Texas Association of Appraisal Districts Conference, 2015 ➤ Separating Tangible & Intangible Asset Values in a Texas Refinery: A Case Study; Appraisal Institute, 2014 ➤ Transmission Lines: Acquisition, Valuation and Condemnation, Austin Chapter of the Appraisal Institute and IRWA Chapter 74, 2012 ➤ Responding to Daubert Challenges, Eminent Domain Conference, CLE® International, 2011 ➤ Equality and Uniformity-Commercial Properties, Appraisal Review Board, Travis Central Appraisal District, May 2009 ➤ Appraisal Values in an Unsettled Economy, Graves Dougherty Hearon & Moody – Banking & Real Estate Clients, October 2008 ➤ Fee Simple Estate - How Many Sticks in the Bundle?, 22nd Annual Legal Seminar on Ad Valorem Taxation in San Antonio, 2008 ➤ Real Estate Appraisal Issues and Ethics, Eminent Domain for Attorneys in Texas, 2007 ➤ Contemporary Appraisal Issues, Central Texas Commercial Property Exchange, 2007 ➤ Capitalization Theory & Techniques, Chartered Financial Analysts, 2007 ➤ Material and Substantial Impairment of Access, CLE® International, 2003 ➤ Fee Simple Versus Leased Fee Valuation: A Study of Appraisal Models, Downtown Austin Alliance, Institute of Real Estate Management, 2001 ➤ Regulatory Takings, International Right of Way Association, 2000 ➤ The Schmidt Opinion from the Appraiser's Perspective, Office of the Attorney General, State of Texas, 1993 ➤ Asbestos Abatement and Lead Paint: Effects on Real Estate Value, Texas Association of Appraisal Districts, 1992 ➤ The Endangered Species Act and Its Impact on Property Value, Texas Savings and Loan League, 1989 ➤ Valuation Theory, Real Estate Symposium, University of Texas, 1984
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QUALIFICATIONS OF KATHERINE A. DANIEWICZ, MAI**QUALIFICATIONS OF KATHERINE A. DANIEWICZ, MAI**

Experience: Ms. Daniewicz has been practicing real estate appraisal since 2005 in Austin, Texas. Commercial real estate experience includes appraisals for:

- Lending
- Litigation
- Eminent domain
- Ad valorem tax appeal

Appraisal experience includes market analysis and research of various commercial property types, including:

- Vacant land
- Multi-family
- Single and multi-tenant commercial/retail buildings
- Gas stations/convenience stores
- Industrial facilities
- Single and multi-tenant office buildings
- Self-storage facilities
- As well as other non-residential property types, such as religious facilities and schools

In addition, analysis and research has been completed on various properties for fee and easement acquisitions in eminent domain. Ms. Daniewicz has been an appraiser at Paul Hornsby and Company since 2012.

Licenses and Designations: ➤ MAI Designation - Appraisal Institute, Account No. 515534
 ➤ State Certified General Real Estate Appraiser # TX-1380035-G

Associations and Activities: ➤ Member of the Appraisal Institute and Austin Chapter of the Appraisal Institute
 ➤ Treasurer, Appraisal Institute, Austin Chapter
 ➤ Education Chair, Appraisal Institute, Austin Chapter

Right-of-Way Projects: ➤ The Grand Parkway (SH 99), Harris/Montgomery County
 ➤ Interstate Highway 35 expansion, multiple counties along IH-35 corridor
 ➤ State Highway 121/State Highway 183 (Airport Freeway) expansion, Dallas/Tarrant County
 ➤ State Highway 71/FM 973 expansion, Travis County
 ➤ US Highway 183 expansion, Travis County
 ➤ US Highway 77 expansion, Nueces County
 ➤ State Loop 20 expansion, Webb County

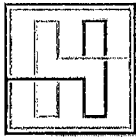
Education: ➤ Bachelor of Arts, The University of Texas at Austin



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APPRAISERS AND CONSULTANTS

Paul Hornsby, MAI, SRA
Chris Hornsby, MAI, Principal
Eli Hanslik, MAI
Melany Adler, MAI
Katie Daniewicz, MAI
Clifford Shaw, ASA
Justin Sims, Analyst

Jason Thomas, Analyst
Jake Kane, Analyst
Kim Hussey, Analyst
Lindsey Berry, Analyst
Tanner Cole, Analyst
Terri Bowden Nolker, Business Manager
Cynthia Stevens, Administrative Support
Michelle McLaughlin, Administrative Support

May 3, 2021

Molly Mitchell
Almanza, Blackburn, Dickie & Mitchell, LLP
2301 S. Capital of Texas, Bldg. H
Austin, TX 78746

Re: Appraisal of the 4.3839 acre tract of land located on the west line of Piper Lane and including the Piper Lane right of way, Burnet County, Texas.

Property Owner:	Windermere Oaks Water Supply Corporation
Property Address:	West line of Piper Lane and including the Piper Lane right of way, north of Sky King Drive
Appraisal District Parcel:	62330, 56117

Dear Ms. Mitchell:

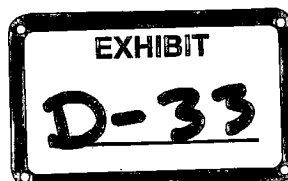
Pursuant to your request, we have undertaken an appraisal of the above-referenced property, the conclusions of which are set forth in this appraisal report. This report is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional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

The purpose of the appraisal is to estimate the market value of the fee simple interest in the subject property as of the effective date. The property is appraised in its as-is condition. The intended use of this report is for litigation. The effective date of this appraisal is December 19, 2015.

Based upon the data and analyses summarized in this report, it is our opinion that the market value of the subject property is as follows:

MARKET VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value	Fee Simple Estate	December 19, 2015	\$221,000

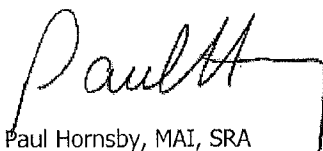
Compiled by Paul Hornsby and Co.



PIPER LANE LAND**CERTIFICATE OF THE APPRAISERS**

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have performed services as an appraiser involving the subject within the three years prior to accepting this assignment in a report dated May 13, 2019.
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Paul Hornsby and Katie Daniewicz have made a personal inspection of the property that is the subject of this report.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- No one provided significant real property appraisal assistance to the persons signing this certification.
- As of the date of this report, Paul Hornsby and Katie Daniewicz have completed the continuing education program for Designated Members of the Appraisal Institute.

PAUL HORNSBY & COMPANY,


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



Katie Daniewicz, MAI
Texas Certified Appraiser No. 1380035-G



PIPER LANE LAND**TABLE OF CONTENTS****TABLE OF CONTENTS**

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PIPER LANE LAND**ASSUMPTIONS AND LIMITING CONDITIONS****ORDINARY ASSUMPTIONS**

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

ASSIGNMENT SPECIFIC ASSUMPTIONS

- This is a retrospective appraisal, effective December 19, 2015. We have relied on aerial photographs of the subject taken prior to the effective date as well as a topographical map to determine the characteristics of the subject on the effective date. It is assumed that the subject's characteristics are as described here. Absent this assumption, the value opinions herein may be different.

HYPOTHETICAL CONDITIONS

- We have valued the subject under the hypothetical condition that there is a 50' access easement along the south line of the property. As of the effective date, this easement had not yet been granted although approximately 0.264 acre of this easement area was encumbered with a 50' taxiway easement as shown in the deed recorded in Document 201209136. The easement was granted to Windermere Oaks Water Supply Corporation on October 29, 2019 as recorded in Document 201911769 for the purpose of gaining vehicular and aircraft access from Piper Lane to the Grantee's property. The easement was a condition of the sale of the subject on March 11, 2016, and the property was under contract on the effective date. Absent this condition, our value opinions could change.



PIPER LANE LAND**ASSUMPTIONS AND LIMITING CONDITIONS****LIMITING CONDITIONS**

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



PIPER LANE LAND**SUMMARY OF IMPORTANT CONCLUSIONS****SUMMARY OF IMPORTANT CONCLUSIONS**

Property Name:	Piper Lane Land
Location:	West line of Piper Lane and including the Piper Lane right of way, north of Sky King Drive, Spicewood, Burnet County, Texas
Legal Description:	4.3839 acres out of the Maria Salinas Survey No. 17, Burnet County, Texas
Assessor's Parcel Number:	62330, 56117 (2015 parent tract)
Property Rights Appraised:	Fee Simple Estate
Site Data:	
Gross Site Area:	4.3839 acres, 190,963 square feet
Net Site Area:	3.8688 acres; 168,525 square feet located outside of Piper Lane
Zoning:	None
Utilities:	The site has all utilities available.
Shape:	The site is generally rectangular.
Easements:	Access easements including the Piper Lane right of way.
Topography:	The site is generally level to slightly sloping.
Floodplain:	None of the site is in the floodplain.
Land Use Restrictions:	No adverse restrictions noted.
Highest and Best Use:	The highest and best use is airplane hangar development.
Purpose of Appraisal:	The purpose of the appraisal is to estimate the market value of the fee simple interest in the subject as encumbered by existing easements
Effective Date of the Appraisal:	December 19, 2015
Date of the Report:	May 3, 2021
Market Value Estimate:	\$221,000



DESCRIPTIONS AND ANALYSES

PIPER LANE LAND

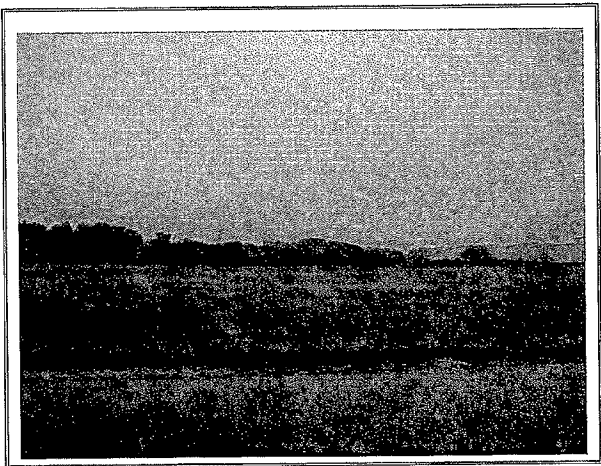
INTRODUCTION

SUBJECT PHOTOGRAPHS



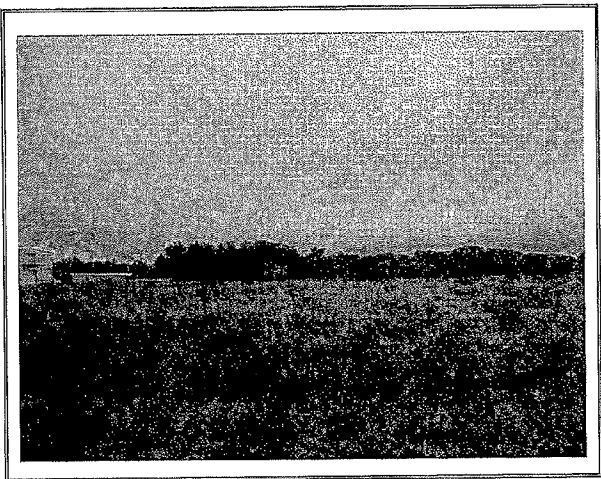
North along Piper Lane (subject on left)

Date of Photo: May 8, 2019



West at interior of subject

Date of Photo: May 8, 2019



West at interior of subject

Date of Photo: May 8, 2019

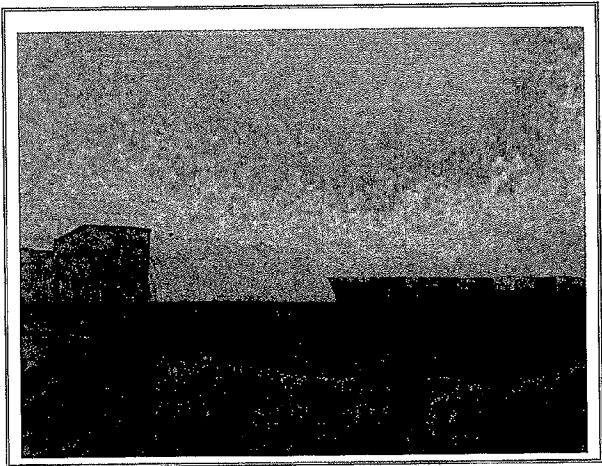
PIPER LANE LAND

INTRODUCTION



West at interior of property

Date of Photo: May 8, 2019



Northwest at adjacent properties

Date of Photo: May 8, 2019



East at runway from Hollingsworth Road

Date of Photo: May 8, 2019



PIPER LANE LAND**INTRODUCTION****EFFECTIVE DATE OF VALUE**

December 19, 2015.

PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to estimate the market value.

CLIENT, INTENDED USE AND USERS OF THE APPRAISAL

The client is Almanza, Blackburn, Dickie & Mitchell, LLP. The client is the sole intended user of the report, and use of this report by others is not intended. This report is intended for litigation. This report is not intended for any other use.

PROPERTY RIGHTS APPRAISED

The property rights appraised are the fee simple estate in the property.

Fee simple estate is "absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."¹

DEFINITION OF MARKET VALUE

Market Value is defined as "the most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress".²

LEGAL DESCRIPTION

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

The subject site is legally described as a 4.3839 acres out of the Maria Salinas Survey No. 17, Burnet County, Texas.

OWNER OF RECORD AND HISTORY/CURRENT LISTING OF THE PROPERTY

According to the Burnet County Public Records, ownership of the property on the effective date was vested to Windermere Oaks Water Supply Corporation.

As of the effective date, the subject was under contract for \$203,000 with an anticipated closing date of February 29, 2016. Based on our value estimate, the contract price was approximately 8% under market value.

¹ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015), 90.
² Appraisal Institute, *The Appraisal of Real Estate*, 15th ed. (Chicago: Appraisal Institute, 2020), 48.



PIPER LANE LAND**INTRODUCTION**

To our knowledge, there have been no conveyances of any other interests in the subject during the three years preceding the effective date of this appraisal.

This information is included to satisfy the requirements of USPAP. It is not intended as a guarantee to the chain of title, and a title search should be performed by a title company should a definitive abstract be desired.

AD VALOREM TAXES

The 2015 market value assessment by the Burnet Central Appraisal District for the 7.1205 acre parent tract was \$246,570, with an improvement value of \$0 and land value of \$246,570 (\$0.79/SF). The property was tax exempt.



PIPER LANE LAND**INTRODUCTION****SCOPE OF WORK**

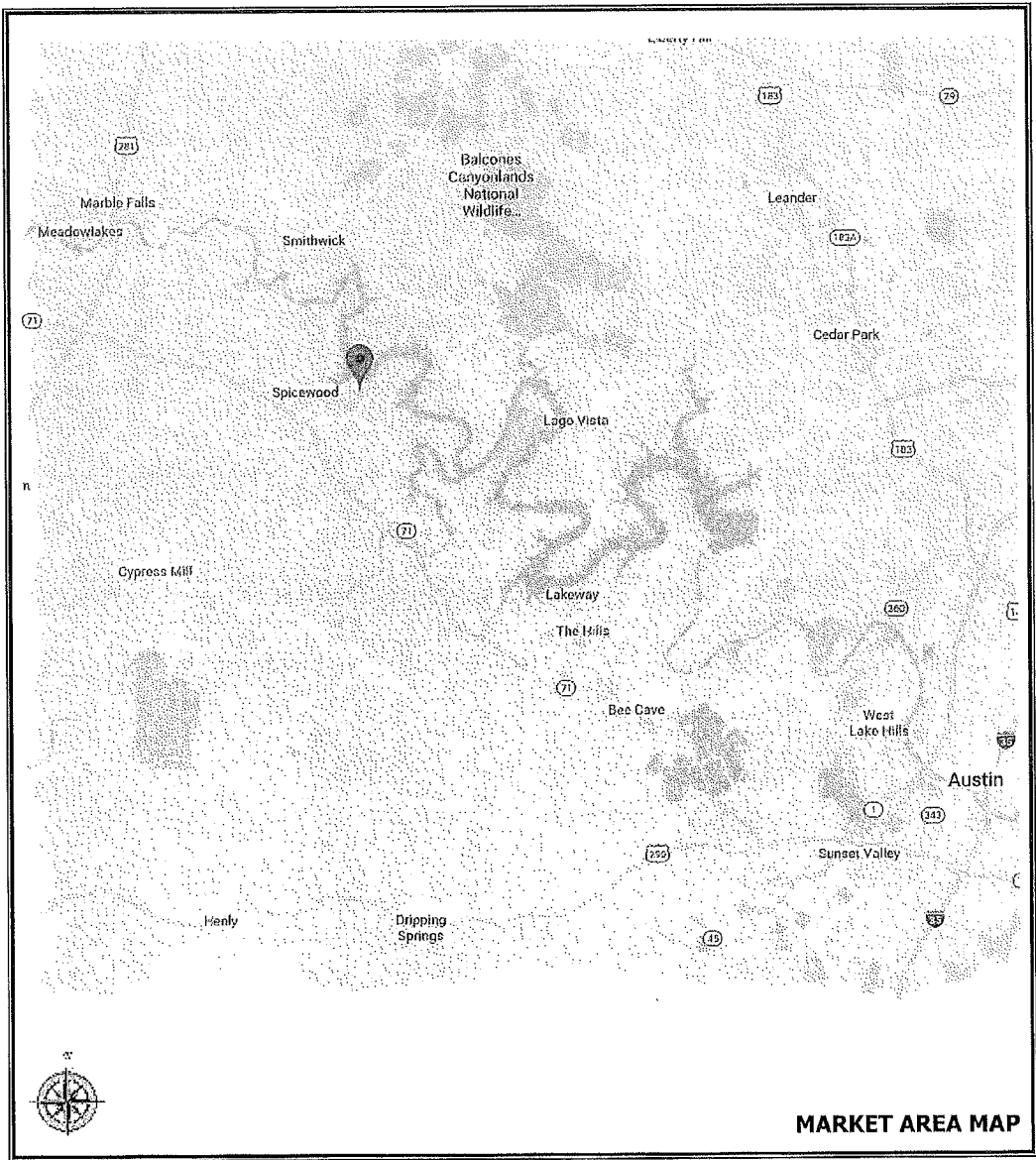
To complete the assignment, a number of steps were undertaken. The most salient of these are listed below.

- The property was inspected on site on May 8, 2019.
- The neighborhood was inspected from numerous roads, and trends in residential and commercial development were noted.
- Documents specific to the subject were reviewed, including the following:
 - deed records
 - surveys of the property
 - topographical map of the property
 - tax plat
 - FEMA flood plain map
 - aerial photographs
 - subdivision plats
 - ownership and easement reports through the Burnet County Public Records
 - Defendant Friendship Homes & Hangars, LLC's Original Answer and Request for Disclosure
 - Unimproved Property Contract regarding the subject, dated December 19, 2015
- A highest and best use analysis was performed to determine the physically possible uses, legally permissible uses, financial feasibility and maximally productive use of the property.
- Consideration of the Three Approaches - The three traditional valuation techniques were considered to estimate the value of the subject property. The sales comparison approach (land only) was used to value the subject. As the subject is vacant land, the cost, income capitalization, and sales comparison (improved) approaches were not applicable.
- Land sales data was confirmed through research of the Burnet and Travis County Deed Records, conversations with real estate brokers, the Austin Board of REALTORS MLXchange (Multiple Listing Service), CoStar Group (subscription internet real estate sales data), and a review of our database. The time frame for our data search was from 2013 through 2016. The geographical area searched consisted Burnet County and Travis County. The sales were inspected from perimeter roadways and data was confirmed with parties directly involved with the transactions (buyer, seller or brokers).



PIPER LANE LAND

INTRODUCTION



PIPER LANE LAND**MARKET AREA ANALYSIS****MARKET AREA ANALYSIS**

As of third quarter 2015, the Austin MSA continues to show momentum in all property types. The single family and multi-family sectors are experiencing substantial surges in sales and rental activity. In reaction, home builders are in lot-acquisition and development mode as single family construction is abundant, yet unable to meet pent-up demand. The multi-family market has returned to pre-downturn occupancies, rents are rising, and, like the single family market, developers are in site acquisition and development mode. Tracking the strong residential markets, the office sector has returned to a decidedly upward trend, with retail and industrial also showing improvement.

Employment

The following tables show employment statistics and changes in the Austin MSA. The employment gains show improvement beginning in 2010.

	Changes From Previous Year							
	2007	2008	2009	2010	2011	2012	2013	2014
Total Civilian Employment	1.0%	0.4%	0.3%	1.3%	4.9%	4.7%	5.1%	1.8%
Non-agriculatural employment	4.2%	1.6%	-3.1%	1.5%	3.7%	5.4%	5.1%	5.0%

PIPER LANE LAND**MARKET AREA ANALYSIS**

	Year End 2014	3rd Q 2014	2nd Q 2015	3rd Q 2015	Trailing Year Change	YTD Change	Quarterly Change
Total Civilian Employment	1,016,800	990,400	1,021,700	1,018,600	2.8%	0.2%	-0.3%
Non-agricultural employment	928,800	902,400	949,600	948,500	5.1%	2.1%	-0.1%
Unemployment	3.4%	4.2%	3.3%	3.3%			

Summary

With a trailing year 5.1% non-agricultural employment growth, Austin continues to fare better than most cities in the nation and continues to strengthen after the recession. As in most up-cycles, single and multi-family development have led the recovery, with the office, retail and industrial markets also reflecting improvement.

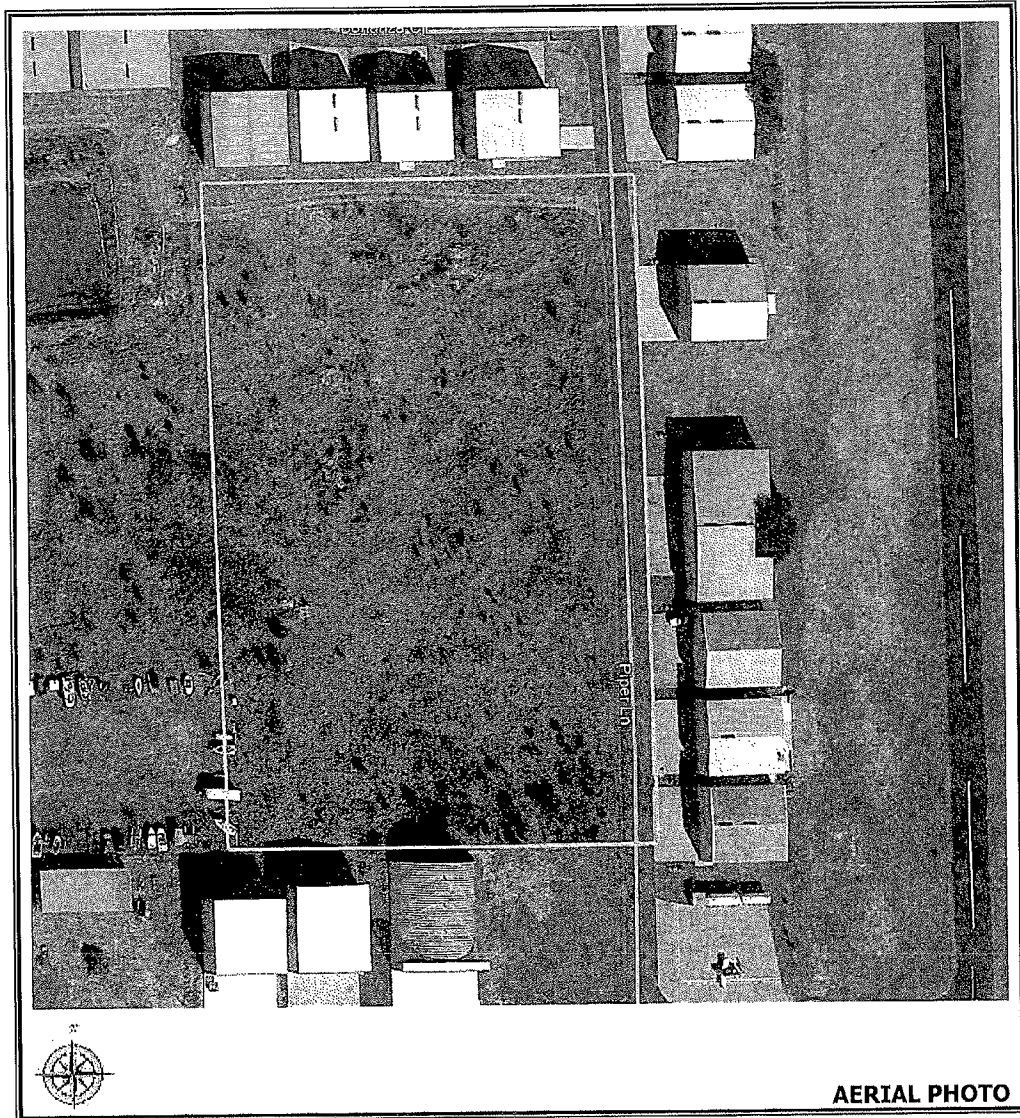
Spicewood Airport

The property is within the Spicewood Airport. Spicewood Airport is a privately-owned airport for public use. The airport features two runways (4,300 feet total) located approximately 270 feet east of the subject. There are approximately 83 aircraft based at the airport. Other nearby airports include Lago Vista Rusty Allen Airport, Lakeway Airpark, Burnet Municipal Airport-Kate Craddock Field, Georgetown Municipal Airport, and Austin-Bergstrom International Airport.



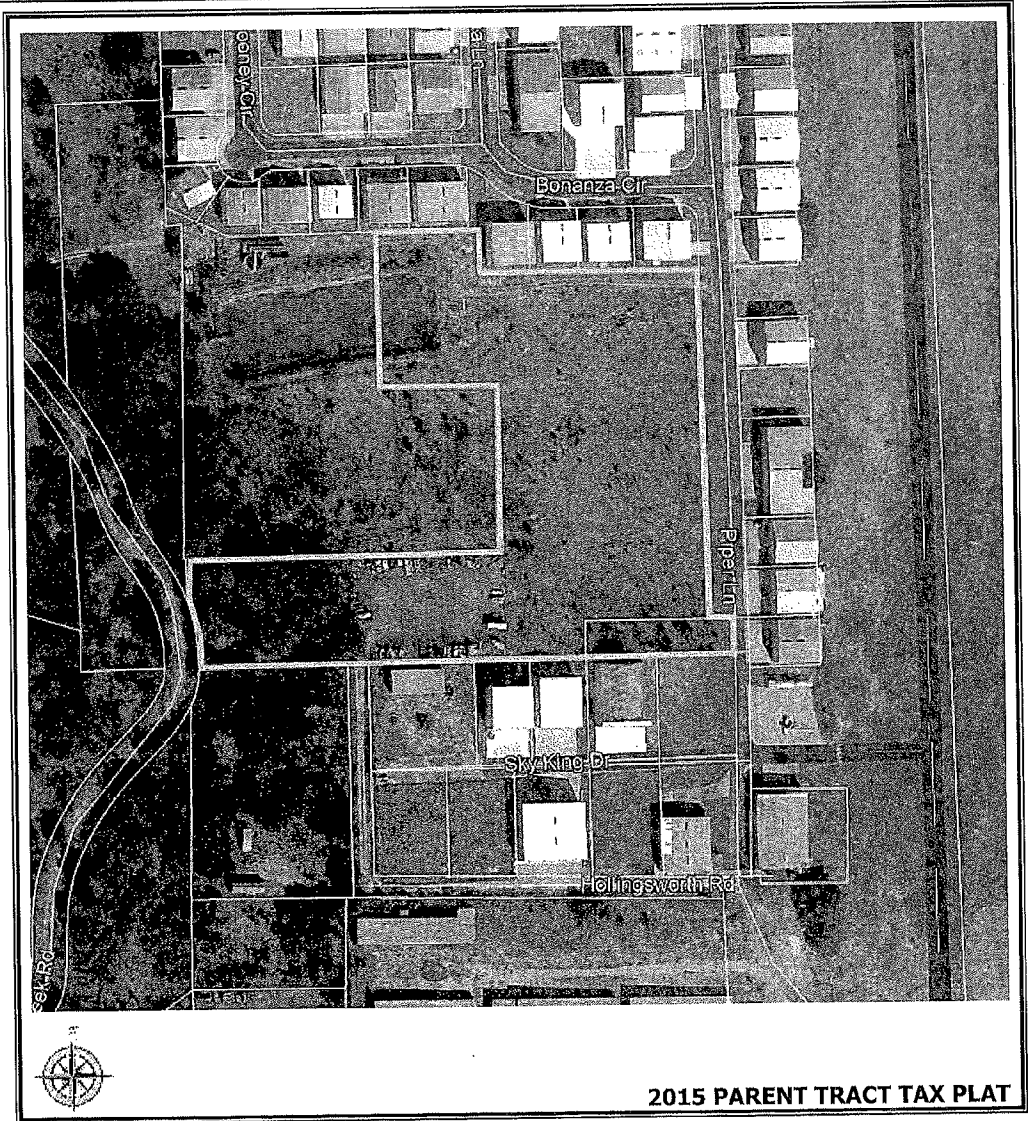
PIPER LANE LAND

DESCRIPTIONS AND ANALYSES



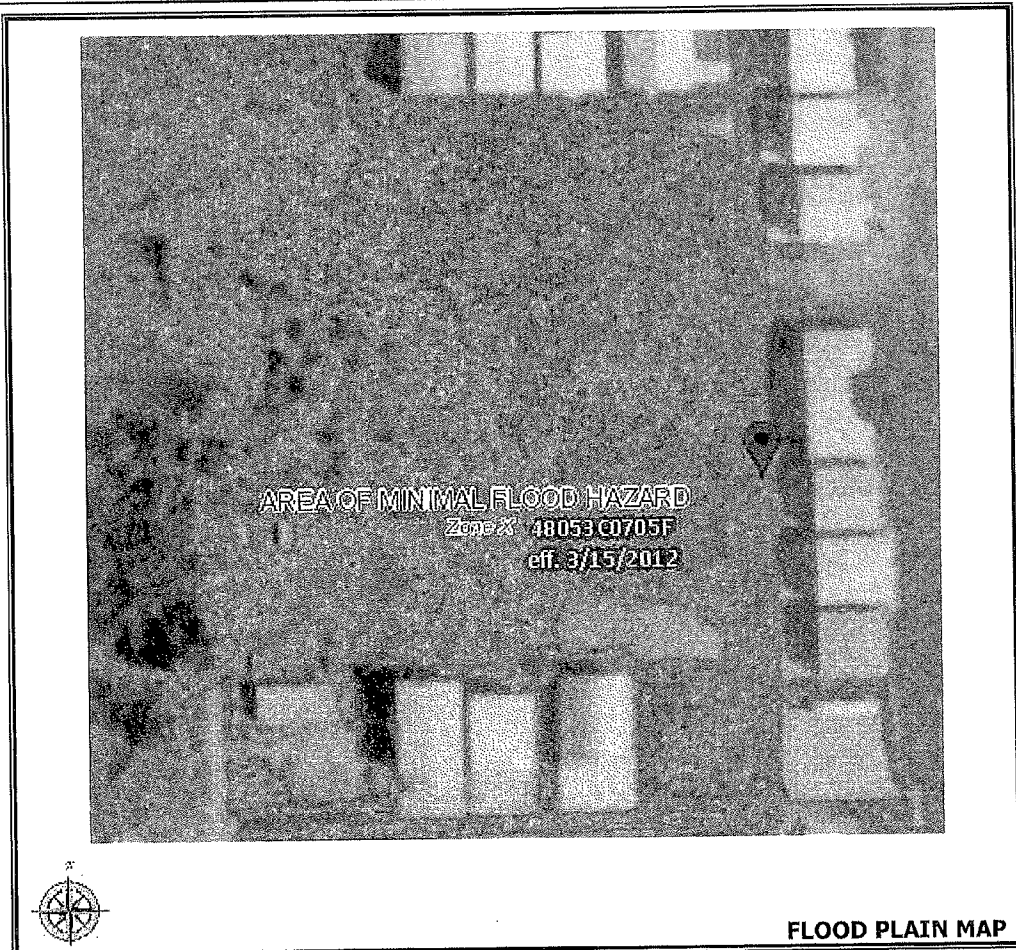
PIPER LANE LAND

DESCRIPTIONS AND ANALYSES



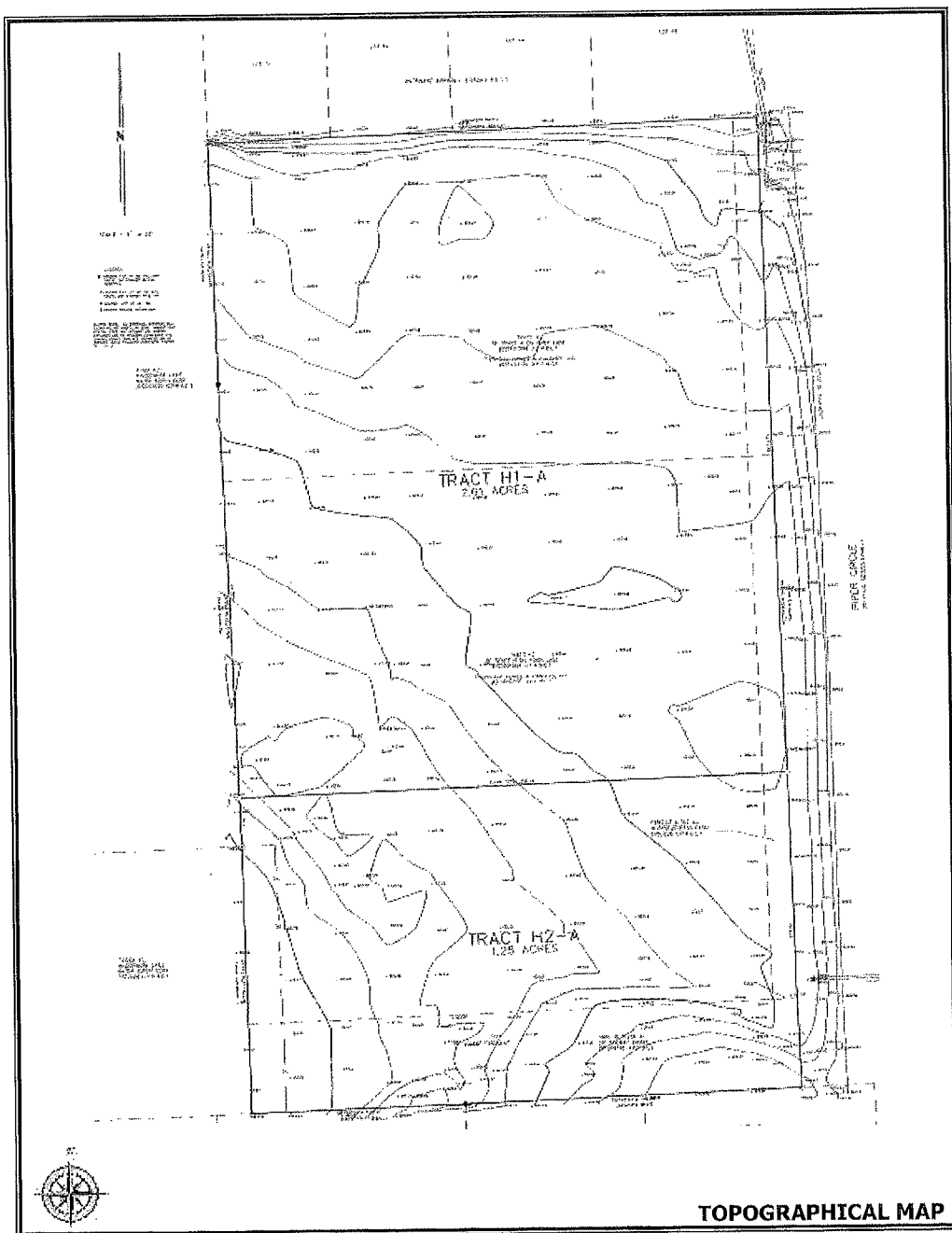
DESCRIPTIONS AND ANALYSES



PIPER LANE LAND**DESCRIPTIONS AND ANALYSES**

PIPER LANE LAND

DESCRIPTIONS AND ANALYSES



PIPER LANE LAND**DESCRIPTIONS AND ANALYSES**

Location:	West line of Piper Lane and including the Piper Lane right of way, north of Sky King Drive, Spicewood, Burnet County, Texas.	
Gross Site Area:	4.3839 acres; 190,963 square feet	
Net Site Area:	3.8688 acres; 168,525 square feet located outside of Piper Lane	
Shape:	The site is generally rectangular.	
Frontage and Roadway Design:	±545 feet	Piper Lane is a two-lane, asphalt paved roadway
Access/Visibility:	Accessible via Piper Lane with adequate visibility from this roadway.	
Subsoil Conditions and Drainage:	An engineering study to determine the soil and subsoil conditions was not provided. The soil and subsoil conditions are assumed to be typical of those found in this area. We are not qualified to render an opinion as to the quality of the soils or feasibility for development. Upon inspection of the subject and surrounding improvements, soil conditions appear adequate to support development of the subject property with adequate engineering. The opinions of value stated herein are contingent upon the soils providing a stable base for improvements.	
Topography/Drainage:	The site is generally level to slightly sloping. Drainage appears to be adequate. Based on the topographical map of the property, approximately three feet of fill is needed to raise the property to the grade of Piper Lane.	
Flood Plain:	According to flood hazard map 48053C0705F for Burnet County, Texas dated March 15, 2012 published by the Federal Emergency Management Agency (FEMA), none of the site is within the 100-year floodplain.	
Environmental/Toxic Waste:	We did not observe evidence of recognized environmental conditions such as hazardous waste and/or toxic materials during our inspection. We have no knowledge of the existence of any such substances on the property; however, we are not qualified to detect hazardous waste and/or toxic materials. An expert in these fields should be consulted for opinions and resolutions on these matters. The appraisal is predicated on the assumption that no environmental hazards or special resources exist within or on the site.	
Utilities:	The site has all utilities available.	
Political Boundaries:	Burnet County, State of Texas	
Zoning/Entitlements:	None.	
School District	Marble Falls ISD	



PIPER LANE LAND**DESCRIPTIONS AND ANALYSES**

Public Services:	The site is within the jurisdiction of Burnet County and is provided all municipal services, including EMS, police, and fire protection services.
Land Use Restrictions:	Public records and our inspection did not indicate any adverse restrictions.
Easements and Encumbrances:	<p>A 50' access easement extends along the south line of the property. This is a perpetual easement granted to Windermere Oaks Water Supply Corporation on October 29, 2019 as recorded in Document 201911769 for the purpose of gaining vehicular and aircraft access from Piper Lane to the Grantee's property. Approximately 0.264 acre of this easement area was previously encumbered with a 50' taxiway easement as shown in the deed recorded in Document 201209136.</p> <p>A 55' access easement (improved with Piper Lane) extends along the east line of the property. This is a perpetual easement granted to Spicewood Aviation, Inc. and Windermere Airpark, L.L.C. on August 11, 1999 as recorded in Volume 870, Page 698. The easement shall be used for the following purposes: a. ingress and egress of all pedestrians and vehicles, b. the taxiing, ingress, egress and parking of airplanes and c. maintenance of all improvement in existence on the date this agreement is signed.</p> <p>The access easements encumber approximately 23% of the subject. The access easements outside of Piper Lane encumber approximately 13% of the net site area.</p> <p>Public records and our inspection did not indicate any additional adverse easements. Normal public utility easements are assumed.</p>
Encroachments:	No adverse encroachments were noted. It is assumed that the site is free of encroachments.
Adjacent Properties:	<p>North: Airplane hangars</p> <p>South: Airplane hangars/vacant land</p> <p>East: Airplane hangars/vacant land</p> <p>West: Vacant land</p>
Improvements:	None.



PIPER LANE LAND**DESCRIPTIONS AND ANALYSES****HIGHEST AND BEST USE ANALYSIS**

Highest and best use is defined as "The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity."³

AS IF VACANT

Based on the information presented in the preceding sections of this report, the following analysis considers each of the factors of highest and best use in relation to the subject property. The most pertinent elements are summarized below.

- The subject is located within the Spicewood Airport.
- Adjacent uses consist mainly of airplane hangars.
- Water and wastewater are available.
- The subject is not located within the flood plain.
- There is a 50' access easement running along the south line of the property and a 55' access easement running along the east line of the property (including Piper Lane). The access easements encumber approximately 23% of the subject. The access easements outside of Piper Lane encumber approximately 13% of the net site area. The subject has no other adverse easements.
- The net site area is located slightly below grade of Piper Lane. Based on the topographical map of the property, approximately three feet of fill is needed to raise the property to the grade of Piper Lane.
- Location and access are adequate for hangar use.
- The subject is not zoned.

Considering all pertinent factors, it is our opinion that the highest and best use of the subject is for airplane hangar development after the topographical issues have been resolved by the addition of fill.

³ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015), 109.



VALUATION OF THE PROPERTY

PIPER LANE LAND

THE SALES COMPARISON APPROACH

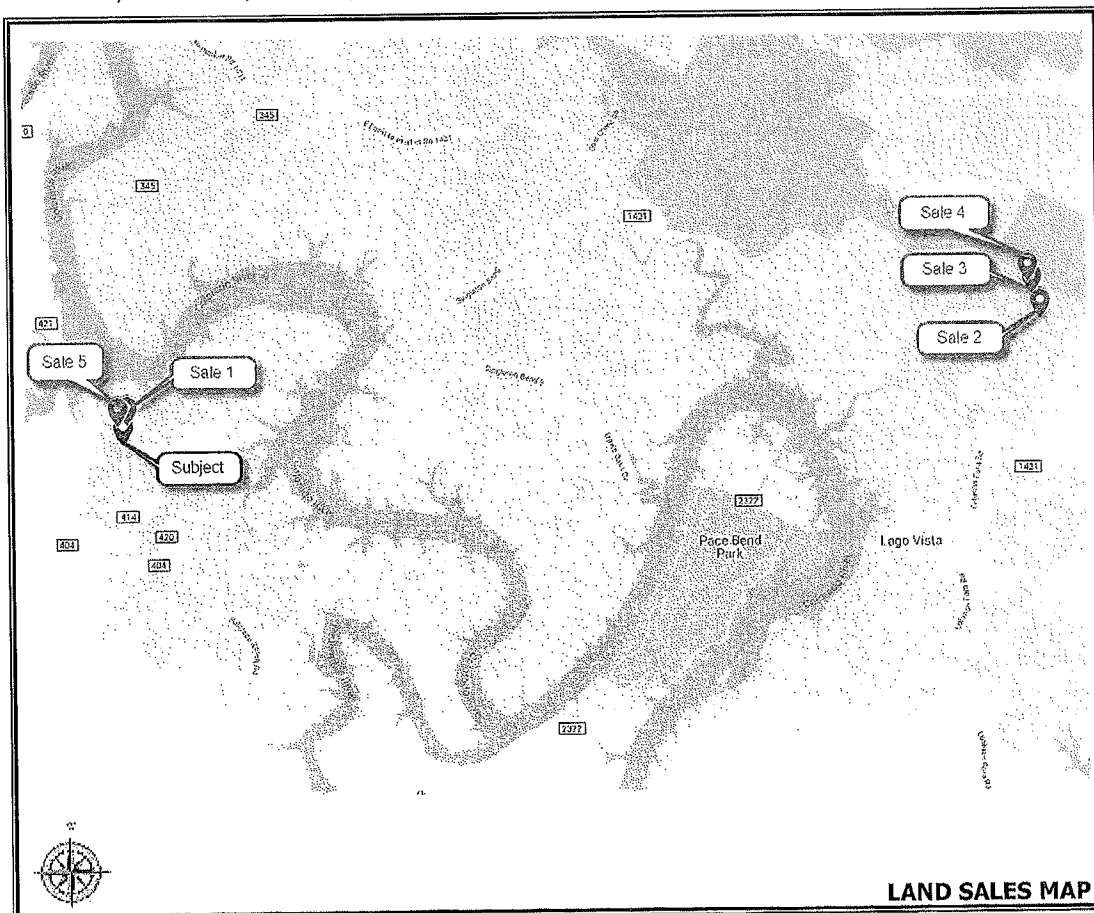
THE SALES COMPARISON APPROACH

Site Valuation

The sales comparison approach is used to estimate the value of the property. In this approach, a number of land sales are gathered, and the most comparable are presented for comparison. Since properties are never identical, the comparable sales must be adjusted to the subject for differences in market conditions, location, and physical characteristics.

As previously discussed, the highest and best use of the subject is airplane hangar development after the topographical issues have been resolved by the addition of fill. We searched for sales with similar highest and best uses as the subject; however, sales of such properties are rare. The properties utilized in our analysis were purchased for hangar use and are considered to be the most comparable sales to the subject.

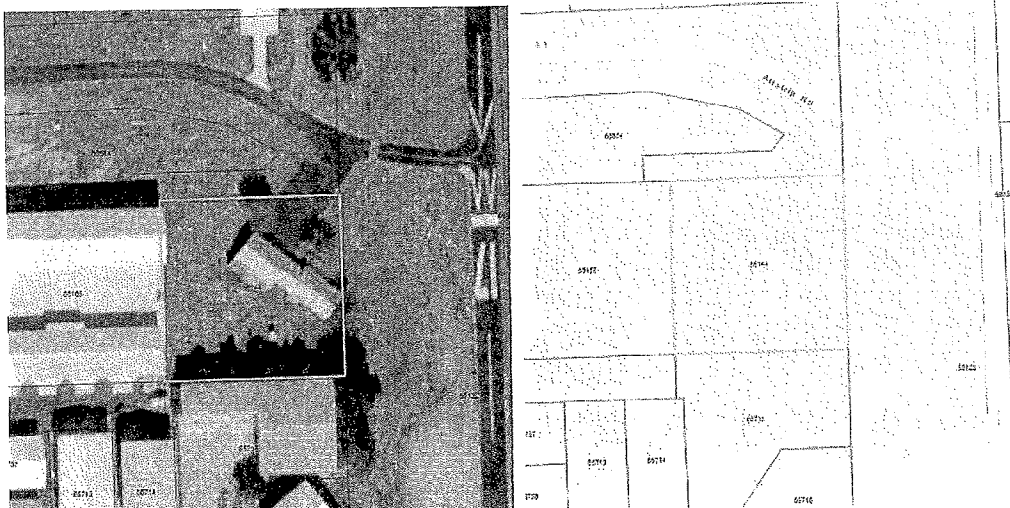
We researched the competing market for sites that had sold or were under contract. Our search for comparables included Burnet and Travis County deed records, the Austin MLS system, CoStar, conversations with local brokers and property owners, and a review of our databases. The following pages include summaries, discussions, and analyses of the sales considered most comparable.



PIPER LANE LAND

THE SALES COMPARISON APPROACH

Land Sale No. 1



Property Identification

Record ID	4554
Property Type	Land
Address	519 Airstrip Road, Spicewood, Burnet County, Texas 78669
Location	SL of Airstrip Road, E of Cessna Lane
Tax ID	56144
Longitude, Latitude	W-98.121920, N30.478050
MSA	Austin-Round Rock-San Marcos

Sale Data

Grantor	Diana Hurry, James D. Hurry and Rhonda S. Shirey
Grantee	Judith L. Carmichael
Sale Date	September 09, 2016
Deed Book/Page	201608706
Financing	Cash to seller
Verification	Glenn Ross; 512-791-5349, May 09, 2019; Other sources: MLS #5184825, Confirmed by KAD

Sale Price	\$274,000
Cash Equivalent	\$274,000

Land Data

Zoning	None
Topography	Generally level
Utilities	All available
Shape	Rectangular
Flood Info	None
Improvements	SFR
Current/Intended Use	Airplane hangar



PIPER LANE LAND**THE SALES COMPARISON APPROACH****Land Sale No. 1 (Cont.)****Land Size Information**

Gross Land Size 0.920 Acres or 40,075 SF
Front Footage Airstrip Road;

Indicators

Sale Price/Gross Acre \$297,826
Sale Price/Gross SF \$6.84

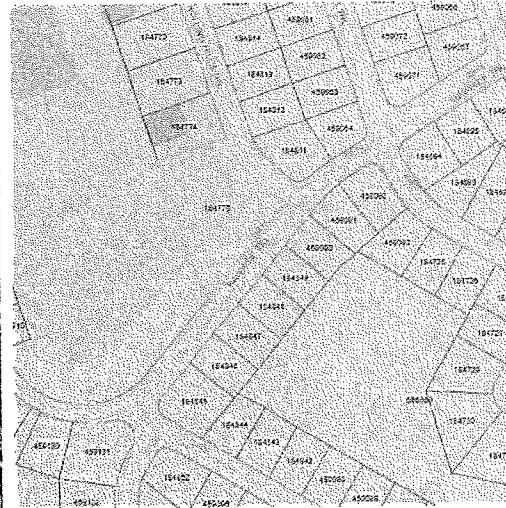
Legal Description

Being a 0.920-acre tract of land out of the Maria Catalina Salinas Survey No. 17, Abstract No. 776, Burnet County, Texas

Remarks

The property is located within Spicewood Airport, just west of the runway. The site was improved with a single-family residence and a carport. The buyer demolished the carport and constructed a hangar. There is a thirty-foot access easement that conveyed with the property but is not included in the 0.92-acre land size.



PIPER LANE LAND**THE SALES COMPARISON APPROACH****Land Sale No. 2****Property Identification**

Record ID	4555
Property Type	Land
Address	9100 Rolling Hills Trail, Lago Vista, Travis County, Texas 78645
Location	SWC of Rolling Hills Trail and Rawhide Trail
Tax ID	184775
Longitude, Latitude	W-97.966190, N30.492590
MSA	Austin-Round Rock-San Marcos

Sale Data

Grantor	Michael R. Jones and Gretchen Jones
Grantee	James Awalt
Sale Date	February 05, 2016
Deed Book/Page	2016017166
Financing	Cash to seller
Verification	Don Barthlow; 512-633-6877, May 10, 2019; Other sources: MLS #9480589, Confirmed by KAD

Sale Price	\$110,000
Cash Equivalent	\$110,000



PIPER LANE LAND**THE SALES COMPARISON APPROACH****Land Sale No. 2 (Cont.)****Land Data**

Zoning	None
Topography	Generally level to sloping
Utilities	All available
Shape	Irregular
Flood Info	None
Current/Intended Use	Airplane hangar

Land Size Information

Gross Land Size	1.060 Acres or 46,191 SF
Front Footage	Rolling Hills Trail; Rawhide Trail;

Indicators

Sale Price/Gross Acre	\$103,734
Sale Price/Gross SF	\$2.38

Legal Description

Lot 21, Lago Vista Bar-K Airport Subdivision, Travis County, Texas

Remarks

The property is within the Lago Vista Rusty Allen Airport. The property has sloping topography and sits below grade of the airport taxiway.



PIPER LANE LAND**THE SALES COMPARISON APPROACH****Land Sale No. 3****Property Identification**

Record ID	4556
Property Type	Land
Address	9310 Rolling Hills Trail, Texas
Location	WL of Rolling Hills Trail, S of Rustlers Way
Tax ID	184763
Longitude, Latitude	W-97.967520, N30.496160
MSA	Austin-Round Rock-San Marcos

Sale Data

Grantor	Glenn Deitiker and Allison Deitiker
Grantee	Sharon Ward
Sale Date	January 22, 2016
Deed Book/Page	2016010123
Financing	Cash to seller
Verification	Don Barthlow; 512-633-6877, May 10, 2019; Other sources: MLS #6133220, Confirmed by KAD

Sale Price	\$125,000
Cash Equivalent	\$125,000



PIPER LANE LAND**THE SALES COMPARISON APPROACH****Land Sale No. 3 (Cont.)****Land Data**

Zoning	None
Topography	Generally level
Utilities	All available
Shape	Rectangular
Flood Info	None
Current/Intended Use	Airplane hangar

Land Size Information

Gross Land Size	0.344 Acres or 15,000 SF
Front Footage	Rolling Hills Trail;

Indicators

Sale Price/Gross Acre	\$363,000
Sale Price/Gross SF	\$8.33

Legal Description

Lot 9, Lago Vista Bar-K Airport Subdivision, Travis County, Texas

Remarks

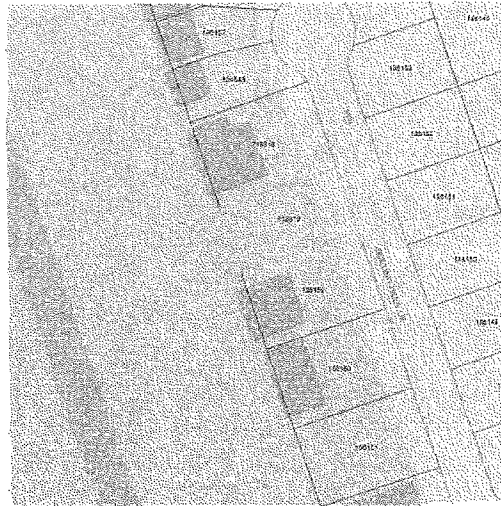
The property is within the Lago Vista Rusty Allen Airport.



PIPER LANE LAND

THE SALES COMPARISON APPROACH

Land Sale No. 4



Property Identification

Record ID	4557
Property Type	Land
Address	9402 Rolling Hills Trail, Lago Vista, Travis County, Texas 78645
Location	WL of Rolling Hills Trail, N of Rustlers Way
Tax ID	718819
Longitude, Latitude	W-97.968130, N30.497910
MSA	Austin-Round Rock-San Marcos

Sale Data

Grantor	Richard Todd Whatley
Grantee	Robert P. Smith
Sale Date	December 19, 2014
Deed Book/Page	2014188950
Financing	Cash to seller
Verification	Don Barthlow; 512-633-6877, May 10, 2019; Other sources: MLS #1586279, Confirmed by KAD

Sale Price	\$105,000
Cash Equivalent	\$105,000



PIPER LANE LAND**THE SALES COMPARISON APPROACH****Land Sale No. 4 (Cont.)****Land Data**

Zoning	None
Topography	Generally level
Utilities	All available
Shape	Rectangular
Flood Info	None
Current/Intended Use	Airplane hangar

Land Size Information

Gross Land Size	0.276 Acres or 12,006 SF
Front Footage	80 ft Rolling Hills Trail;

Indicators

Sale Price/Gross Acre	\$380,960
Sale Price/Gross SF	\$8.75

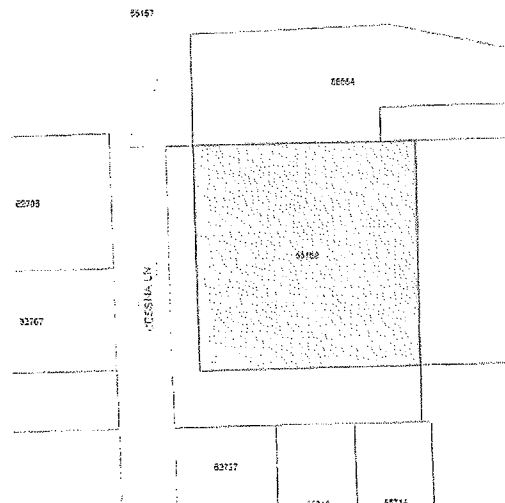
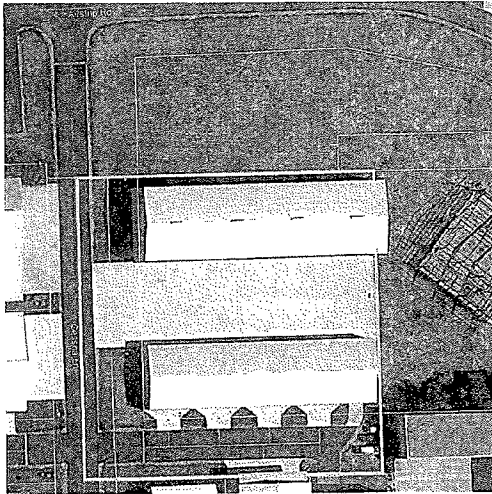
Legal Description

Lot 3-A, Resubdivision of Lot 3, Lago Vista Bar-K Airport Subdivision, Travis County, Texas

Remarks

The property is within the Lago Vista Rusty Allen Airport. A hangar was subsequently constructed on the property.



PIPER LANE LAND**THE SALES COMPARISON APPROACH****Land Sale No. 5**

PIPER LANE LAND**THE SALES COMPARISON APPROACH****Land Sale No. 5 (Cont.)****Land Data**

Zoning	None
Topography	Generally level
Utilities	All available
Shape	Rectangular
Flood Info	None
Current/Intended Use	Airplane hangars

Land Size Information

Gross Land Size	1.415 Acres or 61,637 SF
Front Footage	Cessna Lane;

Indicators

Sale Price/Gross Acre	\$127,208
Sale Price/Gross SF	\$2.92

Legal Description

Being a 1.415 acre tract of land, more or less, out of the Maria Catalina Salinas Survey No. 7, Abstract No. 776, Burnet County, Texas

Remarks

The property is located within Spicewood Airport. The site had 1.415 acres of usable area. The sale included an additional 1.874 acres of non-usable common area and a thirty-foot access easement that are not included in the 1.415-acre land size. However, approximately 5% of the 1.415 acres is located within Cessna Lane. Two hangars were subsequently constructed on the site.



PIPER LANE LAND**THE SALES COMPARISON APPROACH**

The table below summarizes those transactions most comparable to the subject:

LAND SALES SUMMARY									
No.	Property Location	Transaction Type	Transaction Date	Zoning	Land Size	Utilities	Intended Use	Sale Price	Price per SF
1	519 Airstrip Road	Sale	9/9/2016	None	0.920	All available	Hangar	\$274,000	\$6.84
2	9100 Rolling Hills Trail	Sale	2/5/2016	None	1.060	All available	Hangar	\$110,000	\$2.38
3	9310 Rolling Hills Trail	Sale	1/22/2016	None	0.344	All available	Hangar	\$125,000	\$8.33
4	9402 Rolling Hills Trail	Sale	12/19/2014	None	0.276	All available	Hangar	\$105,000	\$8.75
5	101 Cessna Lane	Sale	2/12/2013	None	1.415	All available	Hangars	\$180,000	\$2.92
Subject	West line of Piper Lane and including the Piper Lane right of way, north of Sky King Drive	NA	NA	None	4.384	all utilities available	NA	NA	NA

The subject contains a total of 4.3839 acres. Approximately 0.5151 acre of the site is encumbered with Piper Lane, resulting in a net land area of 3.8688 acres. The net site area has been used in the adjustments below. The land within Piper Lane will be valued outside of the grid.

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

Conditions of Sale/Financing

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

Market Conditions

The transactions occurred between February 2013 and September 2016. An analysis of the comparable sales indicated that an adjustment for market conditions was unwarranted.

Location/Access

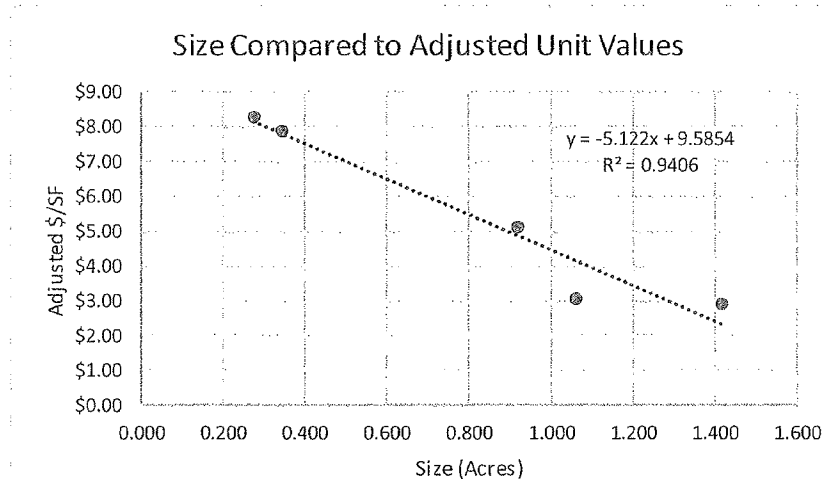
The subject is located on the west line of Piper Lane and including the Piper Lane right of way, north of Sky King Drive within the Spicewood Airport.

Sales 1 and 5 are also located within the Spicewood Airport and did not require adjustments. Sales 2-4 are located within the Lago Vista Rusty Allen Airport. These sales are slightly superior for their location in Lago Vista and have been adjusted downward.

Size

Typically, there is an inverse relationship between unit price and size, as larger properties generally sell for less per SF than smaller tracts. All of the sales are smaller than the subject. To derive an appropriate adjustment for size, the adjusted unit values of the sales (prior to an adjustment for size) were plotted with their sizes. The graph is shown below.



PIPER LANE LAND**THE SALES COMPARISON APPROACH**

The resulting trendline indicates a strong inverse correlation between unit value and size. Based on the percent increase in unit value for differences in size, an approximate adjustment of 20% per doubling was applied.

Flood Plain/Topography

The subject tract is below grade of Piper Lane with no flood plain; however, an adjustment for the subject's topography is applied at the end of our analysis, outside of the grid.

Sales 1, 3, 4, and 5 do not have flood plain and have generally level topography. No adjustments are warranted for these sales.

Sale 2 has sloping topography and is located below grade of the taxiway. Sale 2 is inferior to the subject (after the addition of fill) and was adjusted upward.

Zoning/Entitlements

The subject and the sales are not zoned and an adjustment was not required.

Easements

The portion of the subject outside Piper Lane is encumbered with access easements that encumber approximately 13% of the net site area. Sales 1 and 5 are subject to access easements although their net land sizes were used. However, approximately 5% of the net area of Sale 5 was located within Cessna Lane. Based on the small percentage of the net site encumbered by access easements and an analysis of Sale 5, an adjustment for access easements on the net site area was unwarranted.

Utilities

The subject property has all utilities available. Like the subject, the sales have all utilities available. They are similar and no adjustment is warranted.

Improvements

Sale 1 was improved with a single-family residence and a carport (which was subsequently demolished). Sale 1 is superior for the residence. Considering the contributory value of the residence as well as the cost to demolish the carport, Sale 1 was adjusted downward.



PIPER LANE LAND**THE SALES COMPARISON APPROACH****MARKET VALUE CONCLUSION**

The following table summarizes the adjustments.

ADJUSTMENT GRID						
	Subject	1	2	3	4	5
Transaction Type	---	Sale	Sale	Sale	Sale	Sale
Transaction Date	---	9/9/2016	2/5/2016	1/22/2016	12/19/2014	2/12/2013
Zoning	None	None	None	None	None	None
Actual Sale Price	---	\$274,000	\$110,000	\$125,000	\$105,000	\$180,000
Size of each lot (acres)	4.384	0.920	1.060	0.344	0.276	1.415
Unit Price		\$6.84	\$2.38	\$8.33	\$8.75	\$2.92
Property Rights		0%	0%	0%	0%	0%
Terms of Sale/Financing		0%	0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%	0%
Market Conditions		0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted \$/SF		\$6.84	\$2.38	\$8.33	\$8.75	\$2.92
Location/Access		0%	-5%	-5%	-5%	0%
Size		-40%	-30%	-70%	-70%	-25%
Flood/Topography		0%	+35%	0%	0%	0%
Zoning/Entitlements		0%	0%	0%	0%	0%
Utilities		0%	0%	0%	0%	0%
Improvements		-25%	0%	0%	0%	0%
Net Adjustment		-65%	0%	-75%	-75%	-25%
Indicated Unit Value		\$2.39	\$2.38	\$2.08	\$2.19	\$2.19

Conclusion of Land Sales Analysis

The indicated value range is \$2.08 per square foot to \$2.39 per square foot. The five indicators have a mean of \$2.25 per square foot and a median of \$2.19 per square foot. Recognizing the central tendency, a unit value of \$2.20 per square foot is reconciled for the net site area after the addition of fill.

To estimate the cost of the fill, I have utilized the *Marshall Valuation Service* as my primary data source.

Soft costs and contingency were estimated at 5% of RCN. Entrepreneurial incentive is estimated to be 10% of total RCN. The following chart demonstrates the individual unit estimate for the replacement cost new.

Type of Improvement	MVS Reference	Base Range	Current Cost Multiplier	Local Cost Multiplier	Entrepren. Incent.	Adjusted range	Reconciled Cost Estimate	Unit
Fill	Section 51 Page 2	\$6.12 \$10.30	0.99	0.84	1.15	\$5.85 \$9.85	\$8.00	CY

Compiled by Paul Hornsby and Co.

The cost to add fill to the property is shown below. We estimate approximately three feet of fill is needed to raise the net site area to the grade of Piper Lane, making it functional for hangar use.

Fill Cost	
Cubic feet	505,575
Cubic yards	18,725
Cost	\$8
Total	\$149,800



PIPER LANE LAND**THE SALES COMPARISON APPROACH**

As previously noted, approximately 0.5151 acre (22,438 SF) of the subject is located within Piper Lane. Considering the location within the roadway and the access rights of others in this area, this area is valued at \$0, which is the typical input for a public roadway. The indicated value is as follows.

Net Area Value After Fill Added	3.869 AC	168,525	x \$2.20/SF =	\$370,755
Land Value Within Piper Lane	0.515 AC	22,438	x \$0.00/SF =	\$0
Less Cost of Fill				\$149,800
Total				\$220,955
			Rounded	\$221,000



PIPER LANE LAND**THE SALES COMPARISON APPROACH****MARKET VALUE CONCLUSION**

The following illustrates the value of the ±4.384 acres:

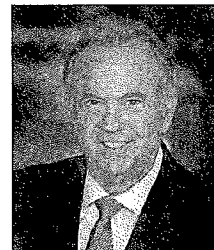
MARKET VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value	Fee Simple Estate	December 19, 2015	\$221,000

Based on our review of recent sales transactions and our analysis of supply and demand in the local market, it is our opinion that the probable exposure time for the subject is 12 months.



QUALIFICATIONS OF THE APPRAISERS

QUALIFICATIONS OF PAUL HORNSBY, MAI, SRA

QUALIFICATIONS OF PAUL HORNSBY, MAI, SRA


Experience: Since 1980, Mr. Hornsby has been a practicing real estate appraiser with an office in Austin, Texas, specializing in the valuation of complex properties and in support of litigation proceedings. Mr. Hornsby also serves as an arbitrator in real estate disputes.

Mr. Hornsby often serves in the capacity of expert witness in cases involving eminent domain, bankruptcy, general commercial litigation and ad valorem tax appeal. He is qualified as an appraisal expert in numerous county courts, state district courts, Federal District Court, U.S. Bankruptcy Court, United States Tax Court and various commissioners' courts and appraisal district review boards. Mr. Hornsby has testified over 800 times in depositions, special commissioner's hearings and trials.

In addition to real property appraisal, Mr. Hornsby provides counseling services and separation of real estate, tangible personal property, and intangible assets. He is the owner of ph Business Advisors, a business valuation firm specializing in the appraisal of business enterprises, partnership interests, and the allocation of tangible and intangible assets. Land planning services are provided by our sister company, Alterra Design Group. Real estate brokerage is provided by Hornsby Realty (www.hornsby-realty.com).

Licenses and Designations:	and	<ul style="list-style-type: none"> ➤ MAI Designation - Appraisal Institute, Certificate No. 7305 ➤ SRA Designation - Appraisal Institute ➤ State Certified General Real Estate Appraiser #TX-1321761-G ➤ Texas Broker License #283369-05
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Associations and Activities:	and	<ul style="list-style-type: none"> ➤ Board Member, Foundation Appraisers Coalition of Texas ➤ Mentor, Texas Appraiser Licensing and Certification Board ➤ Arbitrator in real estate disputes ➤ Affiliate Member, Texas Association of Appraisal Districts ➤ Instructor, Appraisal Institute – Uniform Standards of Professional Appraisal Practice and Business Practices and Ethics ➤ Appraiser Qualifications Board (AQB) Certified USPAP Instructor ➤ REALTOR - National Association of Realtors
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Education:	University of Texas at Austin, B.B.A. Degree in Finance, August 1977
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Lectures and Publications:	and	<ul style="list-style-type: none"> ➤ 2021 CLE Conference, Sale – Leasebacks and Build-to-Suit Sales, April 2021 ➤ 2020 Eminent Domain Seminar, Chapter 74, Ground Leases in Eminent Domain, September 2020
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QUALIFICATIONS OF PAUL HORNSBY, MAI, SRA

- 2019 Eminent Domain Seminar, Chapter 74, Appraisal of Conservation Easements in Federal Court, September 2019
 - IRWA/AI Joint Meeting, Compensability, What's Legal and What's Questionable, 2019
 - CLE Eminent Domain, the Remainder Before...A Red-Headed Step Child, 2019
 - Intangible Assets in Eminent Domain, Transportation Symposium, 2019
 - National Media Corp & Acme Partnership v. City of Austin, IRWA/AI Joint Meeting, 2018
 - Choosing & Valuing an Economic Unit, IRWA/AI Joint Meeting, 2017
 - Shedding Light on Dark Store Theory, Metropolitan Council of Appraisal Districts (TAAD), 2017
 - Intangible Assets in Eminent Domain, Eminent Domain Conference, 2017
 - Sale, Sale, What's in a Sale!, Ad Valorem Tax Seminar, 2016
 - Fee (It Really Is) Simple; Texas Association of Appraisal Districts Conference, 2015
 - Separating Tangible & Intangible Asset Values in a Texas Refinery: A Case Study; Appraisal Institute, 2014
 - Transmission Lines: Acquisition, Valuation and Condemnation, Austin Chapter of the Appraisal Institute and IRWA Chapter 74, 2012
 - Responding to Daubert Challenges, Eminent Domain Conference, CLE® International, 2011
 - Equality and Uniformity-Commercial Properties, Appraisal Review Board, Travis Central Appraisal District, May 2009
 - Appraisal Values in an Unsettled Economy, Graves Dougherty Hearon & Moody – Banking & Real Estate Clients, October 2008
 - Fee Simple Estate - How Many Sticks in the Bundle?, 22nd Annual Legal Seminar on Ad Valorem Taxation in San Antonio, 2008
 - Real Estate Appraisal Issues and Ethics, Eminent Domain for Attorneys in Texas, 2007
 - Contemporary Appraisal Issues, Central Texas Commercial Property Exchange, 2007
 - Capitalization Theory & Techniques, Chartered Financial Analysts, 2007
 - Material and Substantial Impairment of Access, CLE® International, 2003
 - Fee Simple Versus Leased Fee Valuation: A Study of Appraisal Models, Downtown Austin Alliance, Institute of Real Estate Management, 2001
 - Regulatory Takings, International Right of Way Association, 2000
 - The Schmidt Opinion from the Appraiser's Perspective, Office of the Attorney General, State of Texas, 1993
 - Asbestos Abatement and Lead Paint: Effects on Real Estate Value, Texas Association of Appraisal Districts, 1992
-



QUALIFICATIONS OF PAUL HORNSBY, MAI, SRA

- The Endangered Species Act and Its Impact on Property Value, Texas Savings and Loan League, 1989
 - Valuation Theory, Real Estate Symposium, University of Texas, 1984
-



QUALIFICATIONS OF KATHERINE A. DANIEWICZ, MAI

QUALIFICATIONS OF KATHERINE A. DANIEWICZ, MAI


Experience: Ms. Daniewicz has been practicing real estate appraisal since 2005 in Austin, Texas. Commercial real estate experience includes appraisals for:

- Lending
- Litigation
- Eminent domain
- Ad valorem tax appeal

Appraisal experience includes market analysis and research of various commercial property types, including:

- Vacant land
- Multi-family
- Single and multi-tenant commercial/retail buildings
- Gas stations/convenience stores
- Industrial facilities
- Single and multi-tenant office buildings
- Self-storage facilities
- As well as other non-residential property types, such as religious facilities and schools

In addition, analysis and research has been completed on various properties for fee and easement acquisitions in eminent domain. Ms. Daniewicz has been an appraiser at Paul Hornsby and Company since 2012.

Licenses and Designations: ➤ MAI Designation - Appraisal Institute, Account No. 515534
 ➤ State Certified General Real Estate Appraiser # TX-1380035-G

Associations and Activities: ➤ Member of the Appraisal Institute and Austin Chapter of the Appraisal Institute
 ➤ Past Secretary, Treasurer, and Director, Appraisal Institute, Austin Chapter

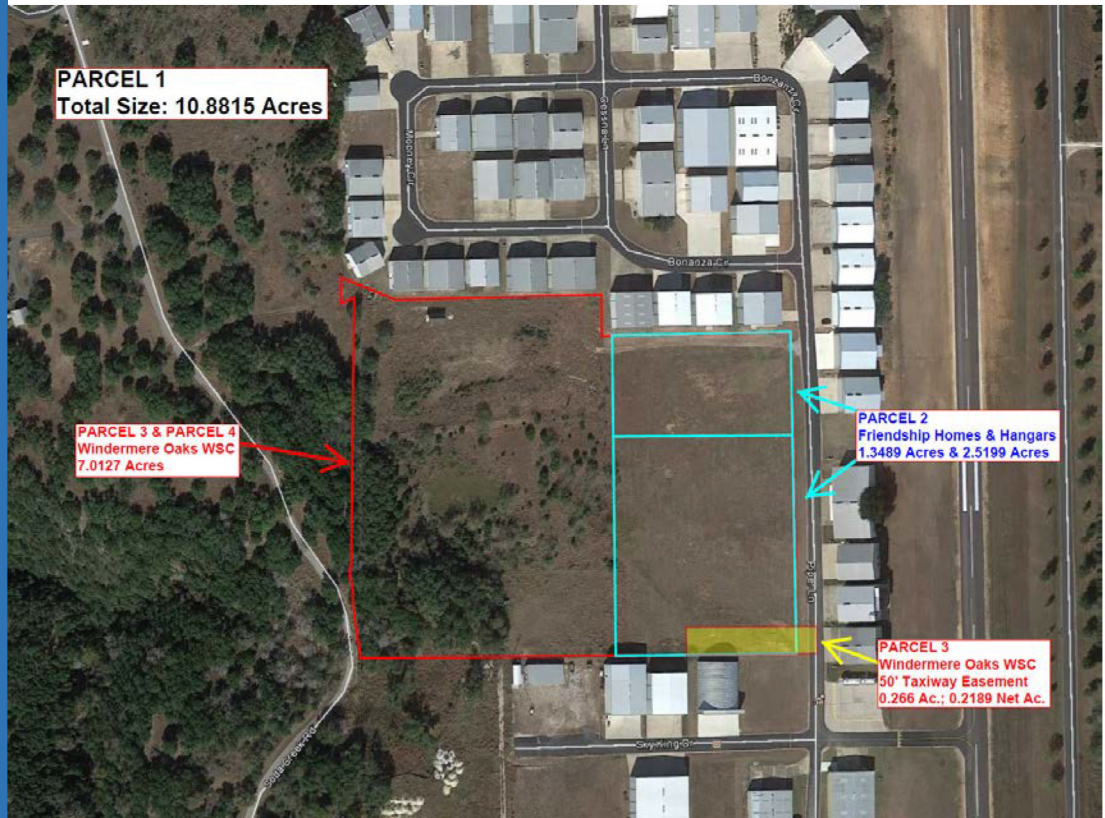
Right-of-Way Projects: ➤ The Grand Parkway (SH 99), Harris/Montgomery County
 ➤ Interstate Highway 35 expansion, multiple counties along IH-35 corridor
 ➤ State Highway 121/State Highway 183 (Airport Freeway) expansion, Dallas/Tarrant County
 ➤ State Highway 71/FM 973 expansion, Travis County
 ➤ US Highway 183 expansion, Travis County
 ➤ US Highway 77 expansion, Nueces County
 ➤ State Loop 20 expansion, Webb County

Education: ➤ Bachelor of Arts, The University of Texas at Austin





APPRAISAL REPORT



DECEMBER 3, 2018

APPRAISAL OF FOUR INDIVIDUAL PARCELS WHICH ARE LOCATED ALONG THE WEST SIDE OF PIPER LINE AND THE EAST SIDE OF SODA CREEK ROAD, BURNET COUNTY, TEXAS

PREPARED FOR:

Windermere Oaks Water Supply Corporation
Double F Hangar Operations, LLC
c/o Mr. Jose E. de la Fuente
Lloyd Gosselink Rochelle & Townsend, P.C.
816 Congress Avenue, Suite 1900
Austin, Texas 78701

BOLTON REAL ESTATE CONSULTANTS, LTD.
3103 BEE CAVE ROAD, SUITE 225, AUSTIN, TEXAS 78746 | 512-477-1597
WWW.BOLTON-REAL ESTATE.COM



December 3, 2018

Windermere Oaks Water Supply Corporation
 Double F Hangar Operations, LLC
 c/o Mr. Jose E. de la Fuente
 Lloyd Gosselink Rochelle & Townsend, P.C.
 816 Congress Avenue, Suite 1900
 Austin, Texas 78701

Re: Appraisal of four individual parcels which are located along the west side of Piper Lane and the east side of Soda Creek Road, Burnet County, Texas.

Dear Mr. de la Fuente:

As requested, we have inspected the above-referenced property and considered those factors which we deemed pertinent in arriving at an estimate of market value. We have been asked to determine the market value of the subject property considering the whole tract (± 10.8815 acres), prior to the conveyance of ± 3.8688 acres on March 11, 2016; the market value of the ± 3.8688 acres conveyed on March 11, 2016; and the market value of the remaining ± 7.0127 acres after the conveyance of ± 3.8688 acres, considering access and no access to a taxiway easement located off of Piper Lane. We have conducted a market study of real estate activity in the immediate vicinity of the subject property and analyzed sales, offerings, and other developments which have occurred in the market area. Market Value, as used in this report, is defined (and intended by the appraisers to reflect term of cash or cash equivalency) as being:

The most probable price, as of a specific date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under duress.¹

Based upon our investigation and analysis, it is our opinion that as of March 11, 2016 (Retrospective), the estimate of market value is as follows:

Opinion of Market Value of the ± 10.8815 Ac. Tract (Parcel 1):	\$1,300,000.00
Opinion of Market Value of the ± 3.8688 Ac. Tract (Parcel 2):	\$ 700,000.00
Opinion of Market Value of the ± 7.0127 Ac. Tract – Taxiway Easement Access (Parcel 3):	\$ 760,000.00
Opinion of Market Value of the ± 7.0127 Ac. Tract – No Taxiway Easement Access (Parcel 4):	\$ 120,000.00

Your attention is directed to the following data which, in part, forms the basis of our conclusions. Should you have any questions, please contact us.

Sincerely,

 A handwritten signature in black ink, appearing to read 'David R. Bolton', written over a horizontal line.

David R. Bolton, MAI, SREA
 TX-1320117-G

 A handwritten signature in black ink, appearing to read 'R. Chance Bolton', written over a horizontal line.

R. Chance Bolton
 TX-1380325-G

¹ Appraisal Institute, The Appraisal of Real Estate, 14th Edition, Page 58

APPRAISAL SUMMARY

Prepared By:	Bolton Real Estate Consultants, Ltd.
Property Owner:	Windermere Oaks Water Supply Corporation; Friendship Homes & Hangars, LLC
Client:	Windermere Oaks Water Supply Corporation; Double F Hangar Operations, LLC
Effective Date of Value:	March 11, 2016 (Retrospective)
Date of the Report:	December 3, 2018
Property Location:	West side of Piper Lane and east side of Soda Creek Road, surrounding the Spicewood Airport, in Burnet County, Texas.
Legal Description:	<p>Parcel 1: ±10.8815 acres situated out of the Maria Salinas Survey No. 17, Abstract No. 776, and also consisting of Tract H1 and H2, Tract H on Piper Lane Subdivision, Burnet County, Texas</p> <p>Parcel 2: ±3.8688 acres consisting of a ±1.3489 acre tract being Tract H1, and a ±2.5199 acre tract being Tract H2, Tract H on Piper Lane Subdivision, Burnet County, Texas</p> <p>Parcel 3: ±7.0127 acres situated out of the Maria Salinas Survey No. 17, Abstract No. 776, and a taxiway easement situated out of Tract H2, Tract H on Piper Lane Subdivision, Burnet County, Texas</p> <p>Parcel 4: ±7.0127 acres situated out of the Maria Salinas Survey No. 17, Abstract No. 776, Burnet County, Texas</p>
Tract Size:	<p>Parcel 1: ±10.8815 acres (473,998 SF)</p> <p>Parcel 2: ±3.8688 acres (168,525 SF)</p> <p>Parcel 3: ±7.0127 acres (305,473 SF)</p> <p>Parcel 4: ±7.0127 acres (305,473 SF)</p>
Improvements:	None of contributory value
Highest and Best Use:	As Vacant: Division of the property into multiple airport hangar lots (Parcel's 1, 2 & 3); Rural residential/recreational (Parcel 4)

IDENTIFICATION OF THE CLIENT

Windermere Oaks Water Supply Corporation
Double F Hanger Operations, LLC
c/o Mr. Jose E. de la Fuente
Lloyd Gosselink Rochelle & Townsend, P.C.
816 Congress Avenue, Suite 1900
Austin, Texas 78701

SUBJECT PROPERTY

The subject property is comprised of a total of ± 10.8815 acres that is located along the west side of Piper Lane and the east side of Soda Creek Road, adjoining the Spicewood Airport to the north, south and west, in Burnet County, Texas. We have been asked to estimate an opinion of market value of the entire 10.8815 acres, (Parcel 1), the market value of a total of ± 3.8688 acres conveyed in March of 2016 that is located along the west side of Piper Lane (Parcel 2), the market value of the remaining ± 7.0127 acres considering access to a taxiway easement off of Piper Lane (Parcel 3) and the market value of the remaining ± 7.0127 acres considering no access to the taxiway easement off of Piper Lane (Parcel 4).

INTENDED USERS

The intended user is Windermere Oaks Water Supply Corporation, Double F Hanger Operations, LLC, and/or their authorized agents, and to the extent necessary, the fact finders, judge and/or jury in the case. No other parties are intended users of this appraisal and no such parties should use or rely on this appraisal for any purpose.

INTENDED USE

The intended use of this appraisal report is for the presentation of our opinion of market value of the subject property associated with the lawsuit styled *Toma Integrity v. Windermere Oaks Water Supply Corporation; Cause No. 47531, filed in the 33rd District Court of Burnet County, Texas*. This report is not intended for any other use. The appraiser is not responsible for unauthorized use of this report.

INTEREST VALUED

Fee Simple Interest which is defined by The Appraisal of Real Estate, 14th Addition, as “absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.” This appraisal is made with the understanding that the present ownership of the property is subject to any easements or encroachments of record, current state laws, and local zoning/land use ordinances.

CONTINGENT AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions:

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
5. The visual exhibits and illustrative material in this report are included only to help the reader visualize the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
7. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
8. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a non conformity has been identified, described, and considered in the appraisal.
9. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private

entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in this report is based.

10. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
11. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The intended user is urged to retain an expert in this field, if desired.

PURPOSE OF THE ASSIGNMENT

According to the Plaintiff's First Amended Petition, the Windermere Oaks Water Supply Corporation (WOWSC) Board, "without any competitive bid process or advance public announcement of their intent, sold valuable property belonging to WOWSC to a business owned by one of the Board members." The purpose of the assignment is to determine the market value of the subject property considering the whole property prior to the conveyance, the market value of the property conveyed and the market value of the remaining property after the conveyance.

Market Value, as used in this report, is defined (and intended by the appraisers to reflect term of cash or cash equivalency) as being:

The most probable price, as of a specific date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under duress.²

EXTRAORDINARY ASSUMPTIONS

An Extraordinary Assumption is defined as "an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions."³

It is assumed that information considered in the appraisal report confirmed by outside sources is accurate. Should the data prove to be inaccurate, the value conclusions could be affected.

HYPOTHETICAL CONDITIONS

A Hypothetical Condition is defined as "a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of the analysis."⁴

We have made a hypothetical condition that Parcel 4 has access to a taxiway easement through an adjacent property, which is under a different fee ownership.

² Appraisal Institute, The Appraisal of Real Estate, 14th Edition, Page 58

³ The Appraisal Foundation, USPAP (2018-2019 Edition) [2018]

⁴ *ibid.*