

JURISDICTIONAL EXCEPTION

According to Uniform Standards of Professional Appraisal Practice (USPAP) Standards, the Jurisdictional Exception Rule states, "if any applicable law or regulation precludes compliance with any part of USPAP, only that part of USPAP becomes void for that assignment." Law includes constitutions, legislative and court-made laws, and administrative rules and ordinances. Regulations include rules or orders having legal force, issued by an administrative agency. To the extent USPAP Standards are contrary to Texas law applicable to the acquisition of property pursuant to Article 1, Section 17 of the Texas Constitution or United States Constitution - the applicable Texas law is deemed to supersede USPAP Standards. This report is performed consistent with Texas State law.

EFFECTIVE DATE OF VALUE OPINION

March 11, 2016. As such, the appraisal is retrospective and conforms to the guidelines set forth in the *Uniform Standards of Professional Appraisal Practice, 2018-2019 Edition*.

DATE OF THE REPORT

December 3, 2018

DATE OF INSPECTION

November 30, 2018

PRIOR SERVICES

Bolton Real Estate Consultants, Ltd. has not performed any services regarding the subject property within 3 years of accepting the assignment.

SCOPE OF WORK

The appraisal problem is to determine the market value of the ± 10.8815 acre subject property (Parcel 1) prior to the conveyance of ± 3.8688 acres; the market value of the ± 3.8688 acres conveyed (Parcel 2); and the market value of the remaining ± 7.0127 acres after the conveyance of ± 3.8688 acres, considering access to the taxiway easement (Parcel 3) and no access to the taxiway easement (Parcel 4). The following measures have been considered and/or utilized in the appraisal process, as follows:

- Review of documents pertaining to the subject including: Plaintiff's First Amended Petition, aerial photography, plats, topographical and flood plain maps, ownership documents, and easements regarding the subject property.
- Analyzed the economic, development, demographic and population trends of the subject's market area.
- Analyzed the Highest and Best Use of the subject considering the Physically Possible, Legally Permissible, Financially Feasible, and Maximally Productive use.
- Each of the three approaches to value was considered in estimating market value of the subject including the Cost Approach, the Sales Comparison Approach, and the Income Capitalization Approach. The Cost Approach was excluded from the analysis as the subject is vacant land with no improvements considered in the analysis. Similarly, the Income Capitalization Approach was excluded from the analysis as it is not considered applicable for the valuation of the vacant subject property. As the subject is vacant land, only the Land Sales Comparison Approach is utilized in the analysis.
- Comparable market data has been confirmed with at least one party to the transaction and/or their agent. Burnet and surrounding county deed and tax records for each of the sales were examined. The land sales were visually inspected by the appraiser.
- The appraisers had significant professional assistance from Sam C. Umstead with regards to subject and market data research, comparable sales analysis, and production of the report.
- For Parcel 4, a hypothetical condition was considered that connected the property to a taxiway easement through an adjacent parcel that is under a different fee ownership.

REPORT OPTION

This report is an Appraisal Report in accordance with Standards Rule 2-2(a) of the Uniform Standards of Appraisal Practice (2018-2019 Edition). As such, it represents sufficient information to enable the client and other intended users, as identified, to understand it properly. Additional information concerning the data, reasoning and analysis is retained in our file.

COMPETITIVE MARKET ANALYSIS

The value of the property being appraised is directly influenced by the social, economic, governmental and environmental forces in the vicinity of the subject property. Therefore, to conduct a thorough analysis, the appraiser must delineate the boundaries of the area of influence. Although physical boundaries may be drawn, the most important boundaries are those that identify factors influencing property value. According to The Appraisal of Real Estate, 14th Edition, copyright 2013, by the Appraisal Institute, the area of influence, commonly called a "Neighborhood," can be defined as "a group of complementary land uses." However, The Appraisal of Real Estate goes on to say that the term "Market Area" may be more useful than 'Neighborhood' or 'District' for several reasons:

- A market area can include neighborhoods, districts, and combinations of both.
- Understanding how real estate markets work is essential in almost every step of the valuation process. The term 'Market Area' - more than the term 'Neighborhood' or 'District' – refers to an area where market participants live and work. The term also refers to areas on which appraisers focus when analyzing value influences."

With respect to the primary value influence on the subject property, "Market Area" is most appropriate in this instance. To identify a Market Area's boundaries, an appraiser examines a subject property's surroundings. The investigation begins with the subject property and proceeds outward, identifying all relevant actual and potential influences on the property's value that can be attributed to the property's location. The appraiser extends the search far enough to encompass all the influences the market indicates will affect a property's value.

Market Area:	Properties located within or near the Spicewood Airport in Burnet County, Texas.
Location:	Located in southeastern Burnet County, TX, the subject is ±2.0 miles east of the community of Spicewood, ±11.50 miles southeast of the city of Marble Falls (largest city in Burnet Co.), and ±20.0 miles southeast of the city of Burnet (county seat). The subject is ±27.0 miles northwest of central Austin, ±1.55 miles west of the Burnet/Travis County line and ±0.65 miles south of Lake Travis.
Major Arterial Access/Proximity:	Fronts Piper Lane and Soda Creek Road in a gated community, with both roads having minimal traffic. The subject is ±2.25 miles northeast of State Highway 71 and ±10.50 miles east of U.S. Highway 281.

Population Trends:

Area	2010 Population	2016 Population	% Change	Source
1-Mile Ring	362	451	+24.59%	ESRI
3-Mile Ring	1,733	2,039	+17.66%	ESRI
5-Mile Ring	3,949	4,548	+15.17%	ESRI
Area	2010 Population	2016 Population	% Change	Source
Burnet County	42,750	46,243	+8.17%	U.S. Census

Economy Outlook:

The Spicewood area has seen a growing economy over recent years, with the Austin Board of Realtors indicating significantly increasing home prices and home sales from November 2014 to November 2015. Similarly, building permit data for single-family residences in Burnet County have shown increases in number of dwelling units and average value per dwelling unit over recent years per the Texas A&M Real Estate Center. A survey of rural land prices in the subject's region, also provided by the Texas A&M Real Estate Center, indicates increases in land prices nearly every year since 2012. The Burnet County employment rate has shown increases over recent years, further indicating a positive local economy.

Development Trends:

The subject surrounds the Windermere Airpark and the Spicewood Airport, with the airport runway being ± 275 feet to the east. The gated Airpark is considered highly built out with few vacant lots remaining. The multiple airport hangars adjoining the subject to the north and along the south side of Bonanza Circle and Mooney Circle have been all constructed since 2008. A lot across Piper Lane to the east was recently built with an airport hangar in 2016. Approximately 175 feet north of the subject and along Bonanza Circle are two individual hangars that were built in 2014. Adjacent to the south and along the north side of Sky King Drive is a hangar constructed in 2013. According to local brokers, there is a shortage of available hangar lots in the airport, with lots being in high demand.

Spicewood Airport:

The nearby Spicewood Airport (88R) was originally completed and opened in 1972. The airport features a 4,185' x 30' (later widened to 40' in 2017) asphalt runway and the airpark consists of over 75 hangars with 83 aircraft. Self-service fueling and aircraft maintenance and repair services are available at the field. The airport is privately owned and publicly used with a Spicewood Pilots Association utilized to support the airport. All lots within the airpark shall be used

for aviation use, as "No Owner shall occupy the property as a residence or use his Lot or building thereon, or permit the same or any part thereof to be occupied or used for any purpose other than as an aviation hangar for the Owner, his family, guest and tenants. No commercial activities of a non-aviation nature are permitted."⁵

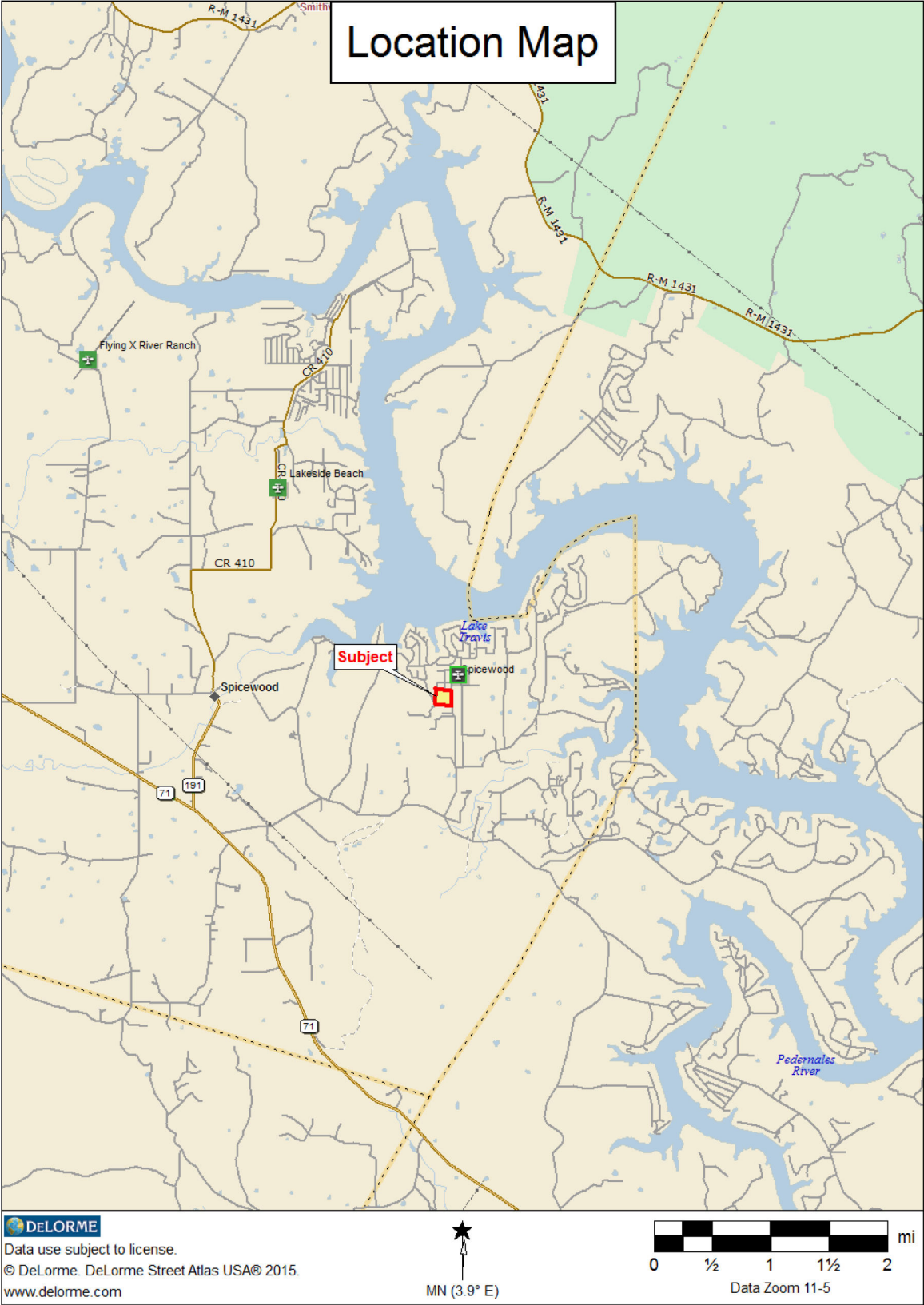
Adjacent uses to Subject:

North:	Airport hangars
South:	Airport hangars & lots
East:	Airport hangars
West:	Vacant land; Rural residences (The Ranch at Windermere residential subdivision)

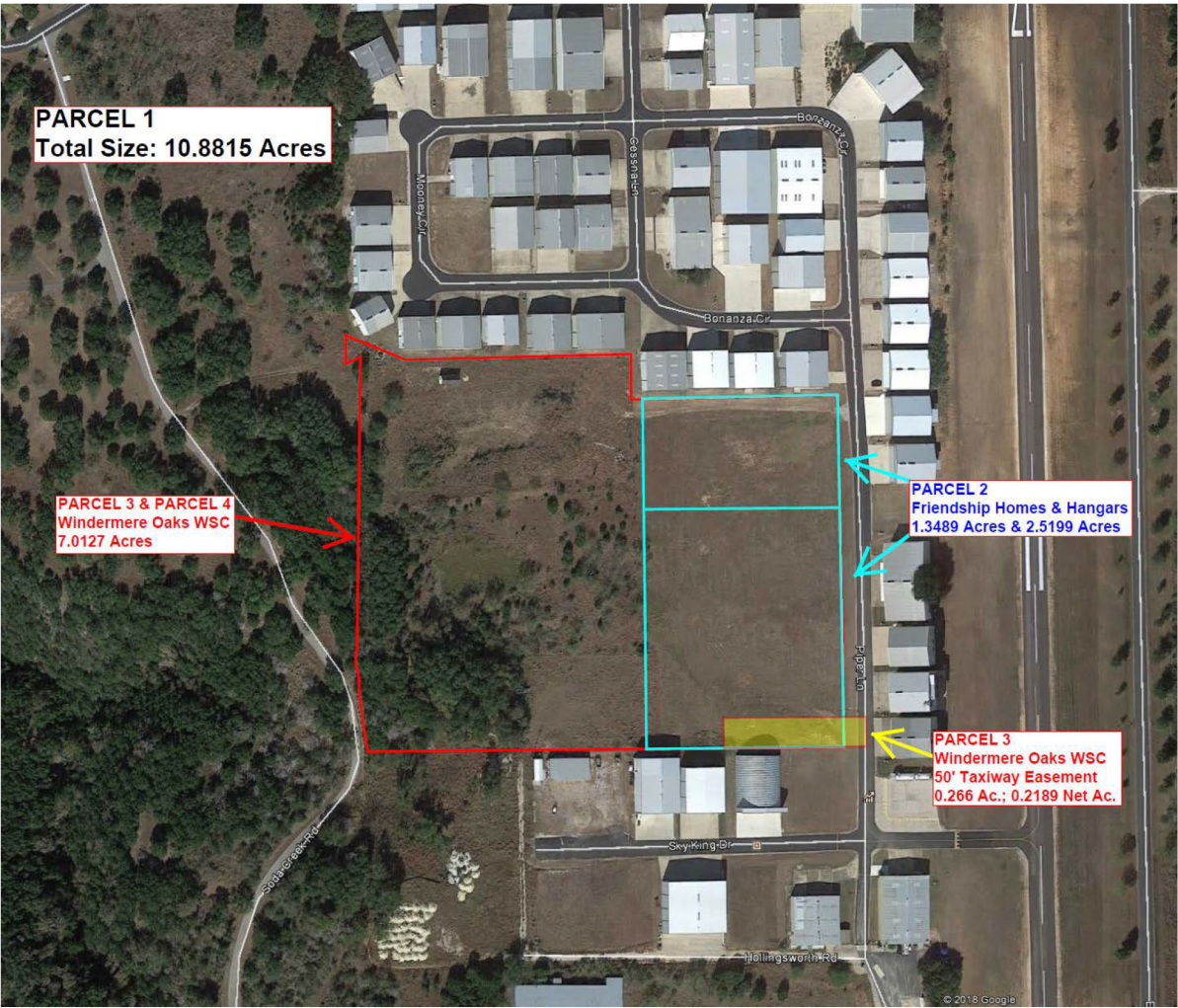
Conclusion

Demographics for Burnet County and in the immediate subject area have been increasing over recent years. There are a limited amount of available hangar lots in the Spicewood Airport, with local brokers indicating high demand considering the limited supply. In addition, land and home prices have been trending upwards and considering the proximity to the Austin-Round Rock Metropolitan Statistical Area, it is believed that the neighborhood area, along with Spicewood and Burnet County, are expected to exhibit continued positive growth in the foreseeable future.

⁵ Declaration of Covenants, Conditions and Restrictions of Windermere Airpark, Burnet County, Texas (Vol. 805, Pg. 54, Real Property Records of Burnet County, TX)



DESCRIPTION OF THE SUBJECT



Source: Google Earth

Site Description

Location:	West side of Piper Lane and east side of Soda Creek Road, surrounding the Windermere Airpark and the Spicewood Airport, Burnet County, Texas.
Tract Size:	Parcel 1: ±10.8815 acres (473,998 SF) Parcel 2: ±3.8688 acres (168,525 SF) Parcel 3: ±7.0127 acres (305,473 SF) Parcel 4: ±7.0127 acres (305,473 SF)
Shape:	Generally rectangular

Improvements:	None of contributory value	
Topography:	Generally level	
Frontage/Access:	Piper Lane:	±544.60 LF (Parcel's 1 & 2)
	Soda Creek Road:	±107.00 LF (Parcel's 1, 3 & 4)
Flood Plain:	The subject is located in FEMA Flood Zone X, an area of minimal flood hazard.	
Utilities:	Public water and sewer (Windermere Oaks WSC), electricity, and telephone	
Zoning/Land Use Controls:	None	
Easements/Reservations:	Typical utility easements; 50-foot wide access/taxiway easement connecting to Piper Lane (#201209136, O.P.R.B.C.T.) that is 0.266 of an acre in size (±0.2189 net acres as ±0.0471 of an acre is located in the Piper Lane right-of-way); Ingress/egress easement along west side of Piper Lane (Vol. 870, Pg. 698, O.P.R.B.C.T.)	

PROPERTY HISTORY

The subject has been under the ownership of Windermere Oaks Water Supply Corporation (WSC) for a period over three years prior to the effective date of the appraisal. On March 11, 2016 (the effective date of the appraisal), Windermere Oaks WSC conveyed a 2.5199 acre tract to Friendship Homes & Hangars, LLC, by Warranty Deed with Vendor's Lien, Document No. 201602256, and also conveyed a 1.3489 acre tract to Friendship Homes & Hangars, LLC, by Warranty Deed, Document No. 201604126, Official Public Records of Burnet County, Texas.

According to the Plaintiff's First Amended Petition, the Windermere Oaks WSC 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 petition further states that "the Board also gave the Board member a right-of-first refusal for the purchase of even more WOWSC property." Details regarding the conveyance can be found in the petition, which is quoted as follows: "The minutes include the following entry of action on a subject that was not included on the meeting agenda:

Out of Executive Session at 11:30 AM. Pat Mulligan made a motion to accept a proposal from Friendship Homes and Hangars to purchase 4 acres of land at the old

WWTP to net \$200,000.00 to the Windermere Oaks Water Supply Corporation to be used to reduce the outstanding loan from the new waste water treatment plant.”

The subject property has not been actively marketed within the three years preceding the effective date of the report.

LEGAL DESCRIPTION

The subject can be legally described as follows:

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

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

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

Parcel 4: ± 7.0127 acres situated out of the Maria Salinas Survey No. 17, Abstract No. 776, Burnet County, Texas

TAXES & ASSESSMENT DATA

The subject properties are assessed and taxed in Burnet County, Texas. As such, the following summarizes tax and assessment data for the subject tracts provided by the Burnet County Appraisal District:

<i>Burnet County Parcel ID:</i>	<i>56117, 62330, 56161</i>
Owner of Record:	Windermere Oaks Water Supply Corporation
Reported Size:	7.2787 Acres
2016 Improvement Non-Homesite Value:	\$15,619.00
2016 Land Non-Homesite Value:	\$252,107.00
2016 Market Value:	\$267,726.00
2016 Assessed Value:	\$267,726.00
2016 Combined Tax Rate:	1.786000 per \$100 of Valuation
2016 Total Tax due:	\$11,917.33 w/ Exemptions \$32,345.71 w/out Exemptions

<i>Burnet County Parcel ID:</i>	<i>109810, 109811</i>
Owner of Record:	Friendship Homes & Hangars LLC
Reported Size:	3.8688 Acres
2016 Land Non-Homesite Value:	\$135,409.00
2016 Market Value:	\$135,409.00
2016 Assessed Value:	\$135,409.00
2016 Combined Tax Rate:	1.786000 per \$100 of Valuation
2016 Total Tax due:	\$1,949.27 w/ Exemptions \$2,418.41 w/out Exemptions



Source: Burnet County Appraisal District; Overlays done using Adobe Acrobat

EXPOSURE TIME

According to the Uniform Standards of Appraisal Practice (2018-2019 Edition), Exposure Time is defined as the “estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of appraisal.”

The known days on the market for airport hangar lot sales utilized in our analysis ranged from approximately 151 days to ± 769 days. Discussions with the listing agent for the property that was on the market for 769 days indicated that the property had trouble selling due to the sellers thinking the property was worth well more than what the market had shown. Excluding the sale that was on the market for 769 days, the days on the market for the remaining sales ranged from ± 151 to ± 374 . Based on market data, together with discussions with various market participants, we consider a reasonable exposure time to be approximately 6 to 12 months for airport lot sales. The known days on the market for rural residential/recreational sales ranged from 7 to 88 days. Based on market data, together with discussions with various market participants, we consider a reasonable exposure time to be approximately 3 to 6 months for rural residential/recreational sales.

HIGHEST AND BEST USE ANALYSIS

Highest and best use is defined as "The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity."⁶

HIGHEST AND BEST USE – AS VACANT – PARCEL'S 1, 2 & 3

Legally Permissible

The subject property is located in southern Burnet County and is not located within the bounds of a municipality and is not subject to zoning regulations. There are no known restrictive covenants that would limit enjoyment of the land. The property is subject to typical utility easements, a taxiway easement and an ingress/egress easement. Considering the above, virtually any use would be considered legally permissible for the subject as long as it does not interfere with the easements mentioned above.

Physically Possible

The subject consists of a total of ± 10.8815 acres (Parcel 1), with ± 3.8688 acres conveyed (Parcel 2) and ± 7.0127 acres remaining (Parcel 3) after the conveyance. The 10.8815 acre tract has frontage and access along Piper Lane and Soda Creek Road, with the 3.8688 acre tract having frontage and access along Piper Lane and the 7.0127 acre tract having frontage and access along Soda Creek Road and access to Piper Lane via a 50-foot wide taxiway easement. The subject tracts are generally rectangular and functional in shape. The topography is considered generally level and the whole property is situated outside a FEMA high risk flood hazard area. The subject property has access to public water and sewer from the Windermere Oaks Water Supply Corporation (WSC). The eastern portion of the tract is primarily open land, with the southwestern portion consisting of wooded areas. The size of the subject tracts along with the access along Piper Lane and additional frontage along Soda Creek Road (for the 10.8815 acre and 7.0127 acre tracts) make the subject properties amenable for division into smaller tracts. Considering the physical characteristics, numerous uses are considered physically possible on the subject parcels.

Financially Feasible

The subject surrounds the Windermere Airpark and the Spicewood Airport, with the $\pm 4,000$ foot runway being ± 275 feet to the east. The gated Airpark is considered highly built out with few vacant lots remaining. The multiple airport hangars adjoining the subject to the north and along the south side of Bonanza Circle and Mooney Circle have been all constructed since 2008. Local

⁶The Dictionary of Real Estate Appraisal, Appraisal Institute, 4th Edition

brokers have indicated that there has been a limited amount of hangar lots in the Spicewood Airport. The immediate area, including the area from a 1-, 3- and 5-mile radius of the subject, as well as Burnet County and the nearby community of Spicewood, each have seen increasing demographics with the subject area benefitting from its close proximity to the City of Austin. As previously mentioned, the subject benefits from having access to public water and sewer. The subject's physical characteristics; including large size, functional shape and access from Piper Lane, makes the subject properties attractive for the division into multiple independent tracts or lots. Furthermore, the estimated cost to divide that tracts into a multiple user site would be considered to be insubstantial in consideration of the market value of the property. Considering the adjacent and surrounding uses being airport hangar properties, with the subject tracts having access to the runway, the division into smaller airport hangar lots is considered to be financially feasible for the three subject parcels.

Maximally Productive

The adjacent and surrounding uses primarily consist of numerous individual airport hangars that are part of the Windermere Airpark and Spicewood Airport. Considering the access to public utilities and access to the nearby runway, along with other physical characteristics, the maximally productive and highest and best use of the subject properties (Parcel's 1, 2 & 3), as vacant, is for the division into multiple smaller airport hangar lots.

HIGHEST AND BEST USE – AS IMPROVED – PARCEL'S 1, 2 & 3

The subject property is not improved and therefore the highest and best use, as improved, is not applicable.

HIGHEST AND BEST USE – AS VACANT – PARCEL 4

Legally Permissible

The subject property, called Parcel 4, is located in southern Burnet County and is not located within the bounds of a municipality and is not subject to zoning regulations. There are no known restrictive covenants that would limit enjoyment of the land. The property is subject to typical utility easements. Considering the above, virtually any use would be considered legally permissible for the subject as long as it does not interfere with the typical utility easements.

Physically Possible

Subject Parcel 4 is ±7.0127 acres in size with frontage and access solely along the east side of Soda Creek Road. The tract is generally rectangular and functional in shape. The topography is considered generally level and the tract is situated outside a high risk flood hazard area. The subject property has access to public water and sewer from the Windermere Oaks Water Supply

Corporation (WSC). The northern portion of the tract is primarily open land, with the southern portion consisting of wooded areas. Considering the physical characteristics, numerous uses are considered physically possible on the subject property.

Financially Feasible

The subject surrounds the Windermere Airpark and Spicewood Airport, with the $\pm 4,000$ foot runway being ± 600 feet to the east. Though in close proximity to the airport, the subject does not have access to the runway. Furthermore, access to the property is from numerous residential streets to the north, with Soda Creek Road reaching a dead end approximately 0.35 miles southwest of the property. Considering the subject's access, a commercial, industrial or use associated with the airport is not likely. The immediate area, including the area from a 1-, 3- and 5-mile radius of the subject, as well as Burnet County and the nearby community of Spicewood each have seen increasing demographics with the subject area benefitting from its close proximity to the City of Austin. Properties located along Soda Creek Road and near the subject include ranchette lots situated in The Ranch at Windermere Oaks subdivision, a deed restricted subdivision for residential and recreational use. As previously mentioned, the subject benefits from having access to public utilities. Considering the access and surrounding uses along Soda Creek Road, use for rural recreational/residential purposes is considered to be financially feasible for the subject site.

Maximally Productive

The 7.0127 acre subject property is large in size and functional in shape with frontage and access along Soda Creek Road. The adjacent and surrounding uses along Soda Creek Road consist of numerous rural ranchette lots that are part of The Ranch at Windermere Oaks subdivision. Considering that there is no access to the nearby airport and considering the access and surrounding uses along Soda Creek Road, the maximally productive and highest and best use of the subject (Parcel 4) is for rural residential/recreational use.

HIGHEST AND BEST USE – AS IMPROVED – PARCEL 4

The subject property is not improved and therefore the highest and best use, as improved, is not applicable.

APPRAISAL METHODOLOGY

This is an Appraisal Report that is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of USPAP. As such, this report presents only summary discussion of the data, reasoning, and analysis that were used in the appraisal process to develop our opinion of value. Additional documentation concerning the data, reasoning and analysis is retained in our file.

The three traditional appraisal approaches to value are the Cost Approach, Sales Comparison Approach, and Income Capitalization Approach. They are described, as follows:

The Cost Approach is indicated by the current cost to construct a replacement for the improvements, less the amount of depreciation from all causes evident in the improvements, plus the value of the land.

The Sales Comparison approach is based on elements of direct comparison. Adjustments are made to the sale price of each comparable property to reflect the differences between the comparable and the subject property, including time, conditions of sale, and physical characteristics.

The Income Capitalization Approach is based on measuring the present value of the rental income of the subject property. Income streams and reversionary values are capitalized/discounted into a lump-sum value.

Each of the three approaches to value was considered in estimating market value of the subject including the Cost Approach, the Sales Comparison Approach, and the Income Capitalization Approach. The Cost Approach was excluded from the analysis as the subject is vacant land with no improvements considered in the analysis. Similarly, the Income Capitalization Approach was excluded from the analysis as it is not considered applicable for the valuation of the vacant subject property. As the subject is vacant land, only the Land Sales Comparison Approach is utilized in the analysis.

VALUATION OF THE SUBJECT PROPERTY

LAND SALES COMPARISON APPROACH

LAND SALES COMPARISON APPROACH

The Sales Comparison Approach is a process of comparing actual comparable property sales current contracts and current offerings. This approach to value is based upon the Principle of Substitution, which holds that “the value of property tends to be set by the cost of acquiring a substitute or alternative property of similar utility and desirability within a reasonable amount of time.” (The Appraisal of Real Estate, 14th Edition, page 379).

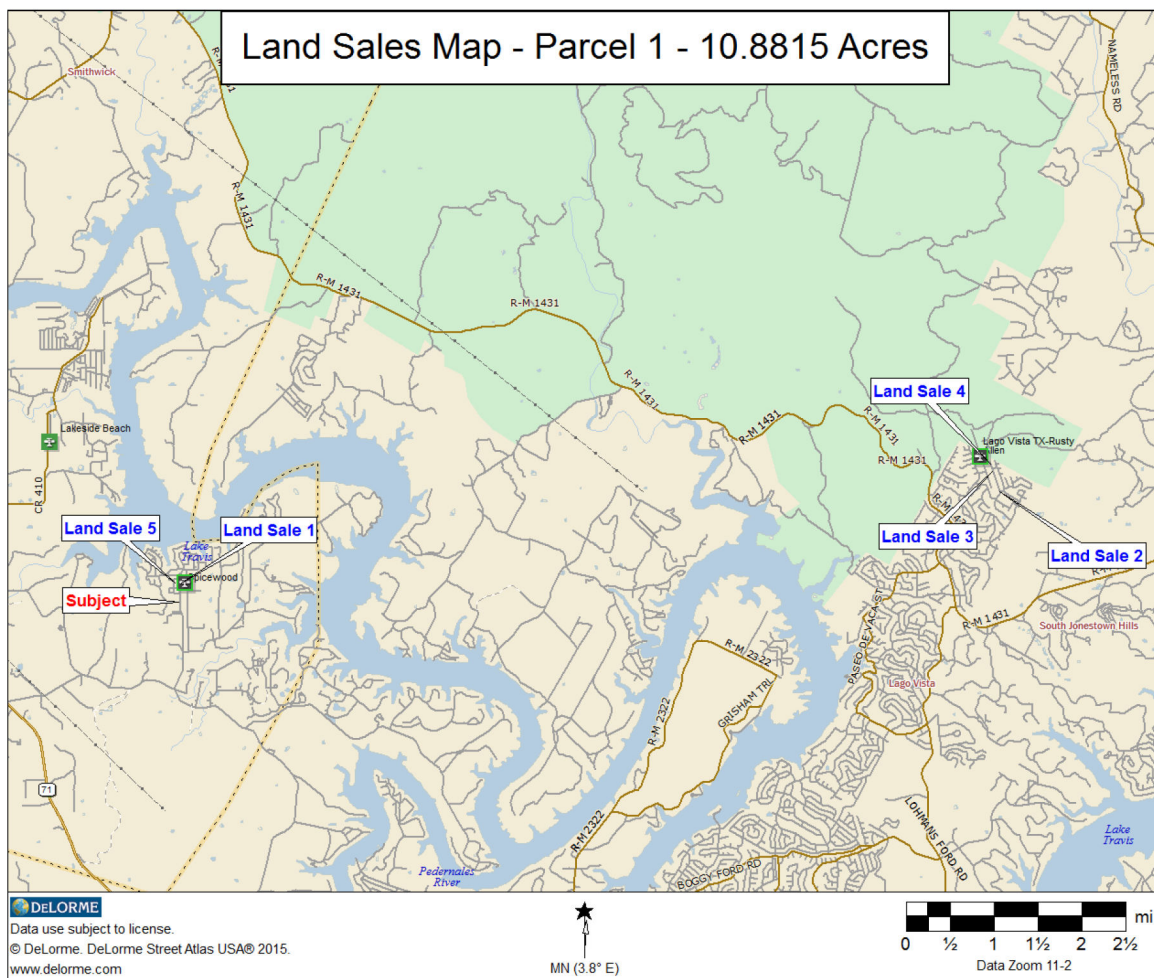
In essence, this principle states that a prudent purchaser will pay no more for a property than it would cost to acquire an equally desirable alternate property. The weakness of this approach is that there may be inadequate data in the market place. The strength of this approach is that it reflects actual market behavior of buyers and sellers under current market conditions.

Land Value Discussion

The Land Sales Comparison Approach is used to establish an opinion of value for the subject property considering the market value of the whole ± 10.8815 acre subject property (Parcel 1) prior to the conveyance of ± 3.8688 acres; the market value of the ± 3.8688 acres conveyed (Parcel 2); and the market value of the remaining ± 7.0127 acres after the conveyance of ± 3.8688 acres, considering access to the 50-foot wide taxiway easement (Parcel 3) and considering the loss of a 50-foot wide taxiway easement (Parcel 4). A summary of land sales considered, a map of their locations, and an analysis of the sales is as follows:

LAND SALES SUMMARY – PARCEL 1 - ±10.8815 ACRES

#	Date of Sale	Location	Size	Unit Price
1	09/09/2016	S of Airstrip Rd., E of Cessna Ln.	40,075 SF	\$5.84/SF
2	02/05/2016	W/c of Rolling Hills Trl. & Rawhide Trl.	46,191 SF	\$2.38/SF
3	01/22/2016	W/s of Rolling Hills Trl., S of Rustlers Way	15,000 SF	\$8.33/SF
4	12/19/2014	W/s of Rolling Hills Trl., N of Rustlers Way	12,023 SF	\$8.73/SF
5	02/12/2013	E/s of Cessna Ln., S of Airstrip Rd.	61,637 SF	\$2.92/SF
<hr/>				
Subject – P-1	-	W/s of Piper Ln., E/s of Soda Creek Rd.	473,998 SF	-



Land Sale 1

Date of Sale	09/09/2016
Address/Location	519 Airstrip Rd., Spicewood, TX; S of Airstrip Road, E of Cessna Lane, Burnet Co., TX
Grantor/ Grantee	Diana Hurry, et ux., et al. / Judith L. Carmichael
Document No.	201608706
Sales Price	\$274,000.00; \$234,000 (adjusted)
Site Size	0.920 acres; 40,075 SF
Sales Price/Unit	\$6.83/SF; \$5.84/SF (adjusted)
Zoning	Not zoned
Utilities	All available
Comments	This property is just west of the Spicewood Airport runway and featured a 1,770 SF, one-story residence built in 1977 (per BCAD) with an attached carport. The attached carport was demolished and a hangar was subsequently constructed after the sale. The selling agent did not have an estimate on the value of the improvements; however, the home was described as "dated". Considering an estimated depreciated value of the residence of \$50,000 and an estimated demolition costs after the sale of \$10,000 by utilizing <i>Marshall Valuation Service</i> , the sales price was adjusted \$40,000 from \$274,000 to \$234,000. The tract is subject to a 30-foot wide access easement.

Elements of Comparison	Adjustment	Reason for Adjustment
Conditions of Sale	0.00%	Similar
Market Conditions	0.00%	Similar
Location	0.00%	Similar
Size	-10.00%	Superior to account for the nominal cost & administration to divide subject
Other Physical Characteristics	0.00%	Similar
Overall Adjustment	-10.00%	
Adjusted Sales Price	\$5.26/SF	



Land Sale 2

Date of Sale	02/05/2016
Address/Location	9100 Rolling Hills Trail, Lago Vista, TX; W/c of Rolling Hills Trail & Rawhide Trail, Travis Co., TX
Grantor/ Grantee	Michael R. Jones & Gretchen Jones / James Awalt
Document No.	2016017166
Sales Price	\$110,000.00
Site Size	1.0604 acres; 46,191 SF
Sales Price/Unit	\$2.38/SF
Zoning	Not zoned
Utilities	All available
Comments	This tract consists of Lot 21 of the Lago Vista Bar-K Airport Subdivision and is situated at the very south end of the runway. All utilities are available to the site.

Elements of Comparison	Comparison	Reason for Comparison
Conditions of Sale	0.00%	Similar
Market Conditions	0.00%	Similar
Location	0.00%	Superior for Travis Co. location; Inferior for further prox./access to runway
Size	-10.00%	Superior to account for the nominal cost & administration to divide subject
Other Physical Characteristics	0.00%	Similar
Overall Adjustment	-10.00%	
Adjusted Sales Price	\$2.14/SF	



Land Sale 3

Date of Sale	01/22/2016
Address/Location	9310 Rolling Hills Trail, Lago Vista, TX; W/s of Rolling Hills Trl., S of Rustlers Way, Travis Co., TX
Grantor/ Grantee	Glenn Deitker, et ux. / Sharon Ward
Document No.	2016010123
Sales Price	\$125,000.00
Site Size	0.3444 acre; 15,000 SF
Sales Price/Unit	\$8.33/SF
Zoning	Not Zoned
Utilities	All available
Comments	Being Lot 9 of the Lago Vista Bar-K Airport Subdivision, this tract is rectangle in shape and is situated on the east side of the runway. All utilities are available to the site.

Elements of Comparison	Adjustment	Reason for Adjustment
Conditions of Sale	0.00%	Similar
Market Conditions	0.00%	Similar
Location	-5.00%	Superior for Travis Co. location; Sl. Inferior for further prox./access to runway
Size	-20.00%	Superior to account for the nominal cost & administration to divide subject
Other Physical Characteristics	0.00%	Similar
Overall Adjustment	-25.00%	
Adjusted Sales Price	\$6.25/SF	



Land Sale 4

Date of Sale	12/19/2014
Address/Location	9402 Rolling Hills Trail, Lago Vista, TX; W/s of Rolling Hills Trl., N of Rustlers Way, Travis Co., TX
Grantor/ Grantee	Richard Todd Whatley / Robert P. Smith
Document No.	2014188950
Sales Price	\$180,000.00
Site Size	0.276 acre; 12,023 SF
Sales Price/Unit	\$8.73/SF
Zoning	Not Zoned
Utilities	All available
Comments	Being Lot 3-A of the Lago Vista Bar-K Airport Subdivision, this tract is rectangle in shape and is situated on the east side of the runway. All utilities are available to the site. A 4,800 SF hangar which includes 960 SF of living quarters was subsequently constructed in 2016 (per TCAD).

Elements of Comparison	Adjustment	Reason for Adjustment
Conditions of Sale	0.00%	Similar
Market Conditions	+5.00%	Older date of sale (market conditions improving)
Location	-10.00%	Superior for Travis Co. location
Size	-20.00%	Superior to account for the nominal cost & administration to divide subject
Other Physical Characteristics	0.00%	Similar
Overall Adjustment	-25.00%	
Adjusted Sales Price	\$6.55/SF	



Land Sale 5

Date of Sale	02/12/2013
Address/Location	101 Cessna Lane, Spicewood, TX; , E/s of Cessna Lane, S of Airstrip Road, Burnet Co., TX
Grantor/ Grantee	Doris M. Van Trease / Tony Scott Martin
Document No.	201301359
Sales Price	\$180,000.00
Site Size	1.415 acres; 61,637 SF
Sales Price/Unit	\$2.92/SF
Zoning	Not zoned
Utilities	All available
Comments	This property is just west of the Spicewood Airport runway. Though not located in the Windermere Airpark, this property had access to the runway, had all underground utilities available and was unrestricted in use. The tract is subject to a 30-foot wide access easement. Subsequent to the sale, two airport hangars were constructed on the site.

Elements of Comparison	Adjustment	Reason for Adjustment
Conditions of Sale	0.00%	Similar
Market Conditions	+15.00%	Older date of sale (market conditions improving)
Location	0.00%	Similar
Size	-10.00%	Superior to account for the nominal cost & administration to divide subject
Other Physical Characteristics	0.00%	Similar
Overall Adjustment	+5.00%	
Adjusted Sales Price	\$3.07/SF	



LAND SALES RANKINGS

<i>Unadjusted Ranking</i>			
Land Sale	Date	Size (SF)	Price/SF
2	02/05/2016	46,191	\$2.38
5	02/12/2013	61,637	\$2.92
1	09/09/2016	40,075	\$5.84
3	01/22/2016	15,000	\$8.33
4	12/19/2014	12,023	\$8.73

<i>Adjusted Ranking – Parcel 1</i>			
Land Sale	Date	Size (SF)	Price/SF
2	02/05/2016	46,191	\$2.14
Subject - P-1	03/11/2016	473,998	\$2.75
5	02/12/2013	61,637	\$3.07
1	09/09/2016	40,075	\$5.26
3	01/22/2016	15,000	\$6.25
4	12/19/2014	12,023	\$6.55

Conclusions

The adjusted comparable sales range from \$2.14/SF to \$6.55/SF. Considering the larger size and the cost to divide and plat the tract into smaller, independent lots, the subject property would likely fall towards the lower end of the range of the adjusted comparable sales. After consideration of the relevant factors in the analysis of the comparable sales, the opinion of market value for the 473,998 SF (10.8815 acre) subject property (Parcel 1), as of March 11, 2016, is \$2.75 per SF or **\$1,300,000.00**; shown as follows:

$$\text{Parcel 1: } 473,998 \text{ SF} \times \$2.75/\text{SF} = \$1,303,495.00$$

Say: \$1,300,000.00

ADDITIONAL INFORMATION

The sales of vacant land in the Windermere Airpark are limited. We are aware of an active listing for a lot as well as an expired listing for a lot that ended up conveying on 10/21/2016. A 0.447 acre (19,471 SF) tract of land located at 100 Sky King Drive and adjacent to the south of the subject is currently listed for \$225,000 (\$11.56/SF). A 0.1749 acre (7,617 SF) tract located 125 Mooney Circle and ±130 feet north of the subject was listed for \$104,000 (\$13.65/SF) but expired in March of 2016. The lot sold on 10/21/2016 for an unknown sales price; however, the agent who listed the property prior to the expiration indicated that no broker was utilized in the deal and in her opinion, the property likely sold near the \$104,000 listing price. Considering that the above consists of listing prices, we did not utilize this information in the analysis; however, after considering downward adjustments for the listing price, the market conditions and size, the information is considered to generally support our conclusion of the market value of the subject property.

Land Sale 1

Date of Sale	09/09/2016
Address/Location	519 Airstrip Rd., Spicewood, TX; S of Airstrip Road, E of Cessna Lane, Burnet Co., TX
Grantor/ Grantee	Diana Hurry, et ux., et al. / Judith L. Carmichael
Document No.	201608706
Sales Price	\$274,000.00; \$234,000 (adjusted)
Site Size	0.920 acres; 40,075 SF
Sales Price/Unit	\$6.83/SF; \$5.84/SF (adjusted)
Zoning	Not zoned
Utilities	All available
Comments	This property is just west of the Spicewood Airport runway and featured a 1,770 SF, one-story residence built in 1977 (per BCAD) with an attached carport. The attached carport was demolished and a hangar was subsequently constructed after the sale. The selling agent did not have an estimate on the value of the improvements; however, the home was described as "dated". Considering an estimated depreciated value of the residence of \$50,000 and an estimated demolition costs after the sale of \$10,000 by utilizing <i>Marshall Valuation Service</i> , the sales price was adjusted \$40,000 from \$274,000 to \$234,000. The tract is subject to a 30-foot wide access easement.

Elements of Comparison	Adjustment	Reason for Adjustment
Conditions of Sale	0.00%	Similar
Market Conditions	0.00%	Similar
Location	0.00%	Similar
Size	-5.00%	Superior to account for the nominal cost & administration to divide subject
Other Physical Characteristics	0.00%	Similar
Overall Adjustment	-5.00%	
Adjusted Sales Price	\$5.55/SF	



Land Sale 2

Date of Sale	02/05/2016
Address/Location	9100 Rolling Hills Trail, Lago Vista, TX; W/c of Rolling Hills Trail & Rawhide Trail, Travis Co., TX
Grantor/ Grantee	Michael R. Jones & Gretchen Jones / James Awalt
Document No.	2016017166
Sales Price	\$110,000.00
Site Size	1.0604 acres; 46,191 SF
Sales Price/Unit	\$2.38/SF
Zoning	Not zoned
Utilities	All available
Comments	This tract consists of Lot 21 of the Lago Vista Bar-K Airport Subdivision and is situated at the very south end of the runway. All utilities are available to the site.

Elements of Comparison	Comparison	Reason for Comparison
Conditions of Sale	0.00%	Similar
Market Conditions	0.00%	Similar
Location	0.00%	Superior for Travis Co. location; Inferior for further prox./access to runway
Size	-5.00%	Superior to account for the nominal cost & administration to divide subject
Other Physical Characteristics	0.00%	Similar
Overall Adjustment	-5.00%	
Adjusted Sales Price	\$2.26/SF	



Land Sale 3

Date of Sale	01/22/2016
Address/Location	9310 Rolling Hills Trail, Lago Vista, TX; W/s of Rolling Hills Trl., S of Rustlers Way, Travis Co., TX
Grantor/ Grantee	Glenn Deitker, et ux. / Sharon Ward
Document No.	2016010123
Sales Price	\$125,000.00
Site Size	0.3444 acre; 15,000 SF
Sales Price/Unit	\$8.33/SF
Zoning	Not Zoned
Utilities	All available
Comments	Being Lot 9 of the Lago Vista Bar-K Airport Subdivision, this tract is rectangle in shape and is situated on the east side of the runway. All utilities are available to the site.

Elements of Comparison	Adjustment	Reason for Adjustment
Conditions of Sale	0.00%	Similar
Market Conditions	0.00%	Similar
Location	-5.00%	Superior for Travis Co. location; Sl. Inferior for further prox./access to runway
Size	-10.00%	Superior to account for the nominal cost & administration to divide subject
Other Physical Characteristics	0.00%	Similar
Overall Adjustment	-15.00%	
Adjusted Sales Price	\$7.08/SF	



Land Sale 4

Date of Sale	12/19/2014
Address/Location	9402 Rolling Hills Trail, Lago Vista, TX; W/s of Rolling Hills Trl., N of Rustlers Way, Travis Co., TX
Grantor/ Grantee	Richard Todd Whatley / Robert P. Smith
Document No.	2014188950
Sales Price	\$180,000.00
Site Size	0.276 acre; 12,023 SF
Sales Price/Unit	\$8.73/SF
Zoning	Not Zoned
Utilities	All available
Comments	Being Lot 3-A of the Lago Vista Bar-K Airport Subdivision, this tract is rectangle in shape and is situated on the east side of the runway. All utilities are available to the site. A 4,800 SF hangar which includes 960 SF of living quarters was subsequently constructed in 2016 (per TCAD).

Elements of Comparison	Adjustment	Reason for Adjustment
Conditions of Sale	0.00%	Similar
Market Conditions	+5.00%	Older date of sale (market conditions improving)
Location	-10.00%	Superior for Travis Co. location
Size	-10.00%	Superior to account for the nominal cost & administration to divide subject
Other Physical Characteristics	0.00%	Similar
Overall Adjustment	-15.00%	
Adjusted Sales Price	\$7.42/SF	



Land Sale 5

Date of Sale	02/12/2013
Address/Location	101 Cessna Lane, Spicewood, TX; , E/s of Cessna Lane, S of Airstrip Road, Burnet Co., TX
Grantor/ Grantee	Doris M. Van Trease / Tony Scott Martin
Document No.	201301359
Sales Price	\$180,000.00
Site Size	1.415 acres; 61,637 SF
Sales Price/Unit	\$2.92/SF
Zoning	Not zoned
Utilities	All available
Comments	This property is just west of the Spicewood Airport runway. Though not located in the Windermere Airpark, this property had access to the runway, had all underground utilities available and was unrestricted in use. The tract is subject to a 30-foot wide access easement. Subsequent to the sale, two airport hangars were constructed on the site.

Elements of Comparison	Adjustment	Reason for Adjustment
Conditions of Sale	0.00%	Similar
Market Conditions	+15.00%	Older date of sale (market conditions improving)
Location	0.00%	Similar
Size	-5.00%	Similar to 58,758 SF subject; SI. Superior to 109,767 SF subject to account for the nominal cost & administration to divide subject
Other Physical Characteristics	0.00%	Similar
Overall Adjustment	+10.00%	
Adjusted Sales Price	\$3.21/SF	



LAND SALES RANKINGS

<i>Unadjusted Ranking</i>			
Land Sale	Date	Size (SF)	Price/SF
2	02/05/2016	46,191	\$2.38
5	02/12/2013	61,637	\$2.92
1	09/09/2016	40,075	\$5.84
3	01/22/2016	15,000	\$8.33
4	12/19/2014	12,023	\$8.73

<i>Adjusted Ranking – Parcel 2</i>			
Land Sale	Date	Size (SF)	Price/SF
2	02/05/2016	46,191	\$2.26
5	02/12/2013	61,637	\$3.21
Subject – P-2	03/11/2016	109,767	\$4.00
		58,758	\$4.50
1	09/09/2016	40,075	\$5.55
3	01/22/2016	15,000	\$7.08
4	12/19/2014	12,023	\$7.42

Conclusions

The adjusted comparable sales range from \$2.26/SF to \$7.42/SF. Considering the larger size and the cost to divide and plat the tract into smaller, independent lots, the subject property would likely fall towards the lower end to middle of the range of the adjusted comparable sales. The 3.8688 total acres consisted of two recorded deeds, which included a 1.3489 acre tract, legally described as Tract H1, with the other deed consisting of a 2.5199 acre tract, legally described as Tract H2. Considering the differences in size, Tract H1 is applied a higher per unit value considering its smaller size.

After consideration of the relevant factors in the analysis of the comparable sales, the opinion of market value for the 58,758 SF (1.3489 acre) subject property, as of March 11, 2016, is \$4.50 per SF or **\$264,411.00**; and the market value for the 109,767 SF (2.5199 acre) subject property, as of March 11, 2016, is \$4.00 per SF or **\$439,068.00**; totaling **\$700,000.00** (rounded) for Parcel 2 and calculated as follows:

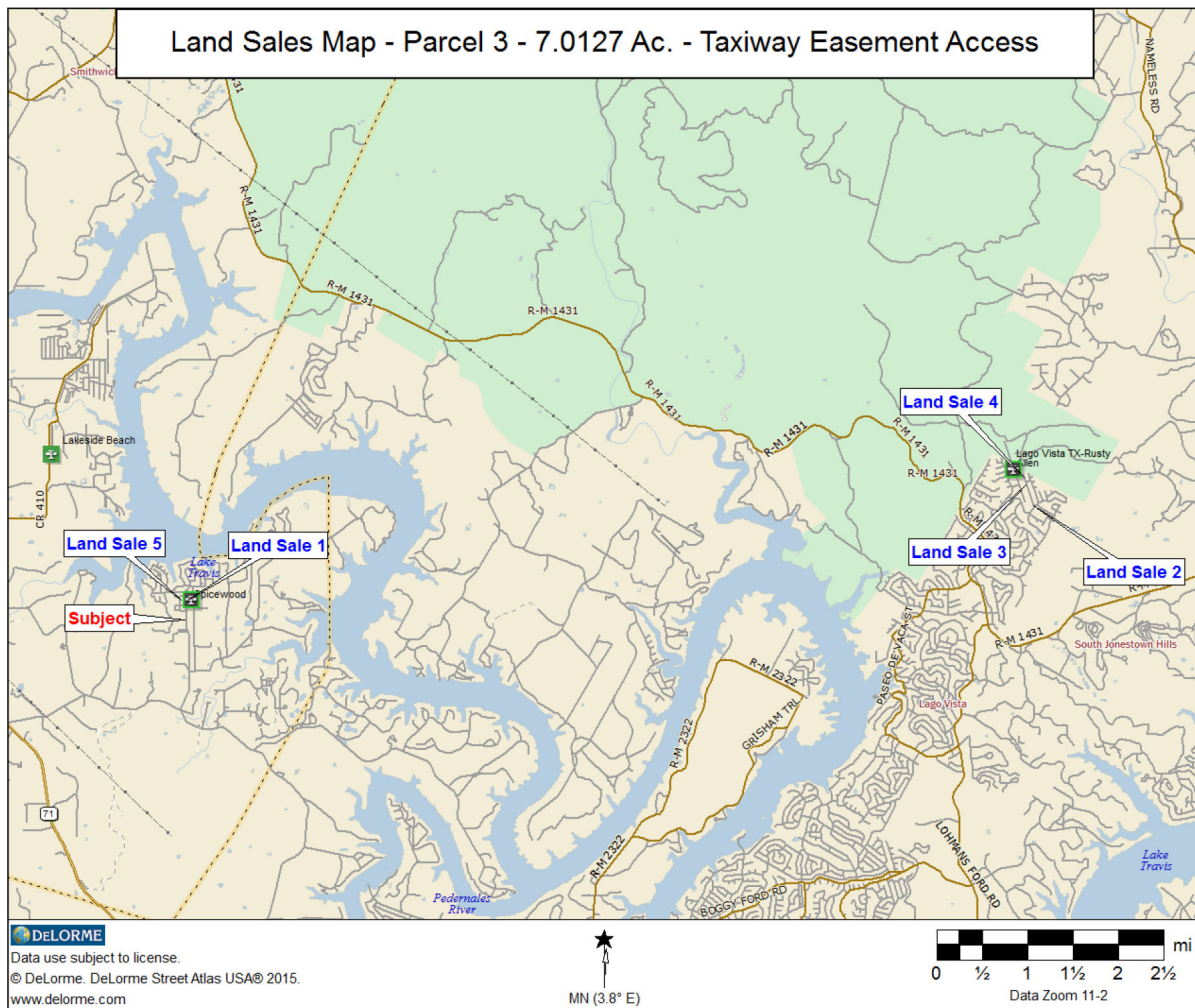
Parcel 2:	58,758 SF	x	\$4.50/SF	=	\$264,411.00
Parcel 2:	109,767 SF	x	\$4.00/SF	=	<u>\$439,068.00</u>
Total Market Value of 3.8688 Ac. (Parcel 2):					\$703,479.00
Say:					\$700,000.00

ADDITIONAL INFORMATION

The sales of vacant land in the Windermere Airpark are limited. We are aware of an active listing for a lot as well as an expired listing for a lot that ended up conveying on 10/21/2016. A 0.447 acre (19,471 SF) tract of land located at 100 Sky King Drive and adjacent to the south of the subject is currently listed for \$225,000 (\$11.56/SF). A 0.1749 acre (7,617 SF) tract located 125 Mooney Circle and ±130 feet north of the subject was listed for \$104,000 (\$13.65/SF) but expired in March of 2016. The lot sold on 10/21/2016 for an unknown sales price; however, the agent who listed the property prior to the expiration indicated that no broker was utilized in the deal and in her opinion, the property likely sold near the \$104,000 listing price. Considering that the above consists of listing prices, we did not utilize this information in the analysis; however, after considering downward adjustments for the listing price, the market conditions and size, the information is considered to generally support our conclusion of the market value of the subject property.

LAND SALES SUMMARY – PARCEL 3 - ±7.0127 ACRES – TAXIWAY EASEMENT ACCESS

#	Date of Sale	Location	Size	Unit Price
1	09/09/2016	S of Airstrip Rd., E of Cessna Ln.	40,075 SF	\$5.84/SF
2	02/05/2016	W/c of Rolling Hills Trl. & Rawhide Trl.	46,191 SF	\$2.38/SF
3	01/22/2016	W/s of Rolling Hills Trl., S of Rustlers Way	15,000 SF	\$8.33/SF
4	12/19/2014	W/s of Rolling Hills Trl., N of Rustlers Way	12,023 SF	\$8.73/SF
5	02/12/2013	E/s of Cessna Ln., S of Airstrip Rd.	61,637 SF	\$2.92/SF
Subject – P-3		W of Piper Ln. (taxiway easement), E/s of Soda Creek Rd.	305,473 SF	-



Land Sale 1

Date of Sale	09/09/2016
Address/Location	519 Airstrip Rd., Spicewood, TX; S of Airstrip Road, E of Cessna Lane, Burnet Co., TX
Grantor/ Grantee	Diana Hurry, et ux., et al. / Judith L. Carmichael
Document No.	201608706
Sales Price	\$274,000.00; \$234,000 (adjusted)
Site Size	0.920 acres; 40,075 SF
Sales Price/Unit	\$6.83/SF; \$5.84/SF (adjusted)
Zoning	Not zoned
Utilities	All available
Comments	This property is just west of the Spicewood Airport runway and featured a 1,770 SF, one-story residence built in 1977 (per BCAD) with an attached carport. The attached carport was demolished and a hangar was subsequently constructed after the sale. The selling agent did not have an estimate on the value of the improvements; however, the home was described as "dated". Considering an estimated depreciated value of the residence of \$50,000 and an estimated demolition costs after the sale of \$10,000 by utilizing <i>Marshall Valuation Service</i> , the sales price was adjusted \$40,000 from \$274,000 to \$234,000. The tract is subject to a 30-foot wide access easement.

Elements of Comparison	Adjustment	Reason for Adjustment
Conditions of Sale	0.00%	Similar
Market Conditions	0.00%	Similar
Location	0.00%	Similar
Size	-10.00%	Superior to account for the nominal cost & administration to divide subject
Other Physical Characteristics	0.00%	Similar
Overall Adjustment	-10.00%	
Adjusted Sales Price	\$5.26/SF	



Land Sale 2

Date of Sale	02/05/2016
Address/Location	9100 Rolling Hills Trail, Lago Vista, TX; W/c of Rolling Hills Trail & Rawhide Trail, Travis Co., TX
Grantor/ Grantee	Michael R. Jones & Gretchen Jones / James Awalt
Document No.	2016017166
Sales Price	\$110,000.00
Site Size	1.0604 acres; 46,191 SF
Sales Price/Unit	\$2.38/SF
Zoning	Not zoned
Utilities	All available
Comments	This tract consists of Lot 21 of the Lago Vista Bar-K Airport Subdivision and is situated at the very south end of the runway. All utilities are available to the site.

Elements of Comparison	Comparison	Reason for Comparison
Conditions of Sale	0.00%	Similar
Market Conditions	0.00%	Similar
Location	0.00%	Superior for Travis Co. location; Inferior for further prox./access to runway
Size	-10.00%	Superior to account for the nominal cost & administration to divide subject
Other Physical Characteristics	0.00%	Similar
Overall Adjustment	-10.00%	
Adjusted Sales Price	\$2.14/SF	



Land Sale 3

Date of Sale	01/22/2016
Address/Location	9310 Rolling Hills Trail, Lago Vista, TX; W/s of Rolling Hills Trl., S of Rustlers Way, Travis Co., TX
Grantor/ Grantee	Glenn Deitker, et ux. / Sharon Ward
Document No.	2016010123
Sales Price	\$125,000.00
Site Size	0.3444 acre; 15,000 SF
Sales Price/Unit	\$8.33/SF
Zoning	Not Zoned
Utilities	All available
Comments	Being Lot 9 of the Lago Vista Bar-K Airport Subdivision, this tract is rectangle in shape and is situated on the east side of the runway. All utilities are available to the site.

Elements of Comparison	Adjustment	Reason for Adjustment
Conditions of Sale	0.00%	Similar
Market Conditions	0.00%	Similar
Location	-5.00%	Superior for Travis Co. location; Sl. Inferior for further prox./access to runway
Size	-20.00%	Superior to account for the nominal cost & administration to divide subject
Other Physical Characteristics	0.00%	Similar
Overall Adjustment	-25.00%	
Adjusted Sales Price	\$6.25/SF	



Land Sale 4

Date of Sale	12/19/2014
Address/Location	9402 Rolling Hills Trail, Lago Vista, TX; W/s of Rolling Hills Trl., N of Rustlers Way, Travis Co., TX
Grantor/ Grantee	Richard Todd Whatley / Robert P. Smith
Document No.	2014188950
Sales Price	\$180,000.00
Site Size	0.276 acre; 12,023 SF
Sales Price/Unit	\$8.73/SF
Zoning	Not Zoned
Utilities	All available
Comments	Being Lot 3-A of the Lago Vista Bar-K Airport Subdivision, this tract is rectangle in shape and is situated on the east side of the runway. All utilities are available to the site. A 4,800 SF hangar which includes 960 SF of living quarters was subsequently constructed in 2016 (per TCAD).

Elements of Comparison	Adjustment	Reason for Adjustment
Conditions of Sale	0.00%	Similar
Market Conditions	+5.00%	Older date of sale (market conditions improving)
Location	-10.00%	Superior for Travis Co. location
Size	-20.00%	Superior to account for the nominal cost & administration to divide subject
Other Physical Characteristics	0.00%	Similar
Overall Adjustment	-25.00%	
Adjusted Sales Price	\$6.55/SF	



Land Sale 5

Date of Sale	02/12/2013
Address/Location	101 Cessna Lane, Spicewood, TX; , E/s of Cessna Lane, S of Airstrip Road, Burnet Co., TX
Grantor/ Grantee	Doris M. Van Trease / Tony Scott Martin
Document No.	201301359
Sales Price	\$180,000.00
Site Size	1.415 acres; 61,637 SF
Sales Price/Unit	\$2.92/SF
Zoning	Not zoned
Utilities	All available
Comments	This property is just west of the Spicewood Airport runway. Though not located in the Windermere Airpark, this property had access to the runway, had all underground utilities available and was unrestricted in use. The tract is subject to a 30-foot wide access easement. Subsequent to the sale, two airport hangars were constructed on the site.

Elements of Comparison	Adjustment	Reason for Adjustment
Conditions of Sale	0.00%	Similar
Market Conditions	+15.00%	Older date of sale (market conditions improving)
Location	0.00%	Similar
Size	-10.00%	Superior to account for the nominal cost & administration to divide subject
Other Physical Characteristics	0.00%	Similar
Overall Adjustment	+5.00%	
Adjusted Sales Price	\$3.07/SF	



LAND SALES RANKINGS

<i>Unadjusted Ranking</i>			
Land Sale	Date	Size (SF)	Price/SF
2	02/05/2016	46,191	\$2.38
5	02/12/2013	61,637	\$2.92
1	09/09/2016	40,075	\$5.84
3	01/22/2016	15,000	\$8.33
4	12/19/2014	12,023	\$8.73

<i>Adjusted Ranking – Parcel 3</i>			
Land Sale	Date	Size (SF)	Price/SF
2	02/05/2016	46,191	\$2.14
Subject – P-3	03/11/2016	305,473	\$2.50
5	02/12/2013	61,637	\$3.07
1	09/09/2016	40,075	\$5.26
3	01/22/2016	15,000	\$6.25
4	12/19/2014	12,023	\$6.55

Conclusions

The adjusted comparable sales range from \$2.14/SF to \$6.55/SF. Considering the larger size and the cost to divide and plat the tract into smaller, independent lots, as well as considering the access via easement with no direct public road frontage near the runway, the subject property would likely fall towards the lower end of the range of the adjusted comparable sales. When comparing this 7.0127 acre subject tract (Parcel 3) with the 10.8815 acre tract previously valued (Parcel 1), the differences consist of size and public road frontage (access). Though not considered a significant factor impacting the market value, Parcel 3 is considered inferior to Parcel 1 due to not having public road frontage and fee owned access to the airport runway. Conversely, Parcel 3 is slightly superior to Parcel 1 in size, as smaller properties typically sell for a higher price per unit in comparison to larger properties. Overall, Parcel 3 is considered slightly inferior to Parcel 1 due to its inferior frontage and access.

After consideration of the relevant factors in the analysis of the comparable sales, the opinion of market value for the 305,473 SF (7.0127 acre) subject property (Parcel 3) considering access via the 50-foot wide taxiway easement connecting to Piper Lane, as of March 11, 2016, is \$2.50 per SF or **\$760,000.00**; shown as follows:

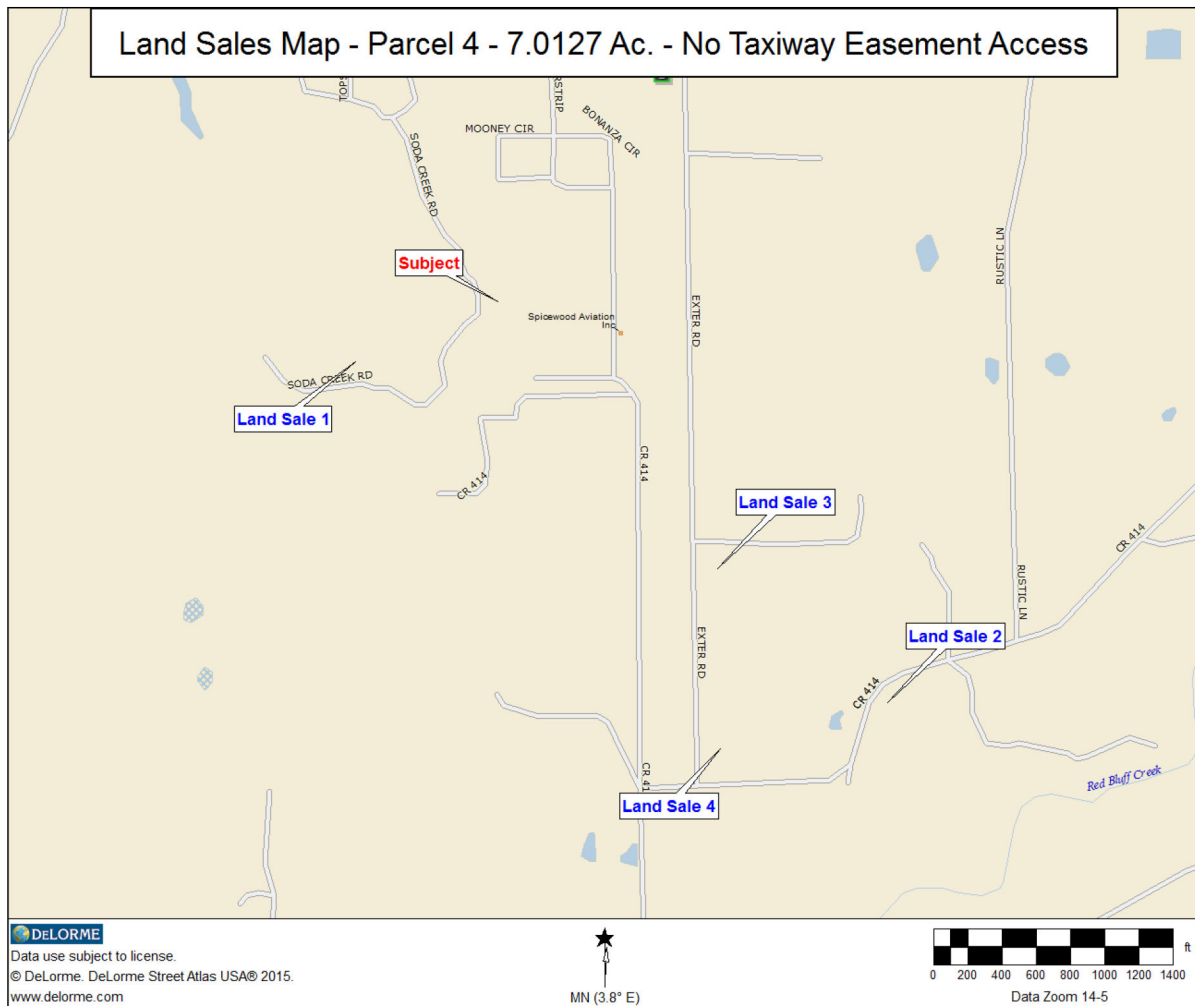
Parcel 3: 305,473 SF x \$2.50/SF = \$763,683.00
Say: \$760,000.00

ADDITIONAL INFORMATION

The sales of vacant land in the Windermere Airpark are limited. We are aware of an active listing for a lot as well as an expired listing for a lot that ended up conveying on 10/21/2016. A 0.447 acre (19,471 SF) tract of land located at 100 Sky King Drive and adjacent to the south of the subject is currently listed for \$225,000 (\$11.56/SF). A 0.1749 acre (7,617 SF) tract located 125 Mooney Circle and ±130 feet north of the subject was listed for \$104,000 (\$13.65/SF) but expired in March of 2016. The lot sold on 10/21/2016 for an unknown sales price; however, the agent who listed the property prior to the expiration indicated that no broker was utilized in the deal and in her opinion, the property likely sold near the \$104,000 listing price. Considering that the above consists of listing prices, we did not utilize this information in the analysis; however, after considering downward adjustments for the listing price, the market conditions and size, the information is considered to generally support our conclusion of the market value of the subject property.

LAND SALES SUMMARY – PARCEL 4 - ±7.0127 AC. – NO TAXIWAY EASEMENT ACCESS

#	Date of Sale	Location	Size	Unit Price
1	07/01/2016	N/s & W/s of Soda Creek Rd., S of Topspin Dr.	9.448 Ac.	\$20,110/Ac.
2	02/04/2016	SE/s of CR 414, W of Rustic Ln.	6.080 Ac.	\$20,048/Ac.
3	07/16/2015	E/s of Exeter Rd., N of CR 414	10.000 Ac.	\$17,896/Ac.
4	06/30/2015	Wraps NE/c of Exeter Rd. & CR 414	11.879 Ac.	\$15,153/Ac.
<hr/>				
Subject – P-4	-	E/s of Soda Creek Rd., W of Piper Ln.	7.0127 Ac.	-



Land Sale 1

Date of Sale	07/01/2016
Address/Location	7 Soda Creek Rd., Spicewood, TX; N/s & W/s of Soda Creek Rd., S of Topspin Dr., Burnet Co., TX
Grantor/ Grantee	Kevin L. Jackson & Mary Jackson / Paul W. Holubets
Document No.	201606220
Sales Price	\$190,000.00
Site Size	9.448 acres
Sales Price/Unit	\$20,110/acre
Zoning	Not zoned
Utilities	Water, electricity
Comments	This property consists of Tract 7 of The Ranch at Windermere subdivision and also consists of an undivided 1/12 interest in Lot 50 of Windermere Oaks subdivision. The tract is rolling and heavily wooded with creek frontage. The tract is subject to deed restrictions and is just west of the Spicewood Airport.

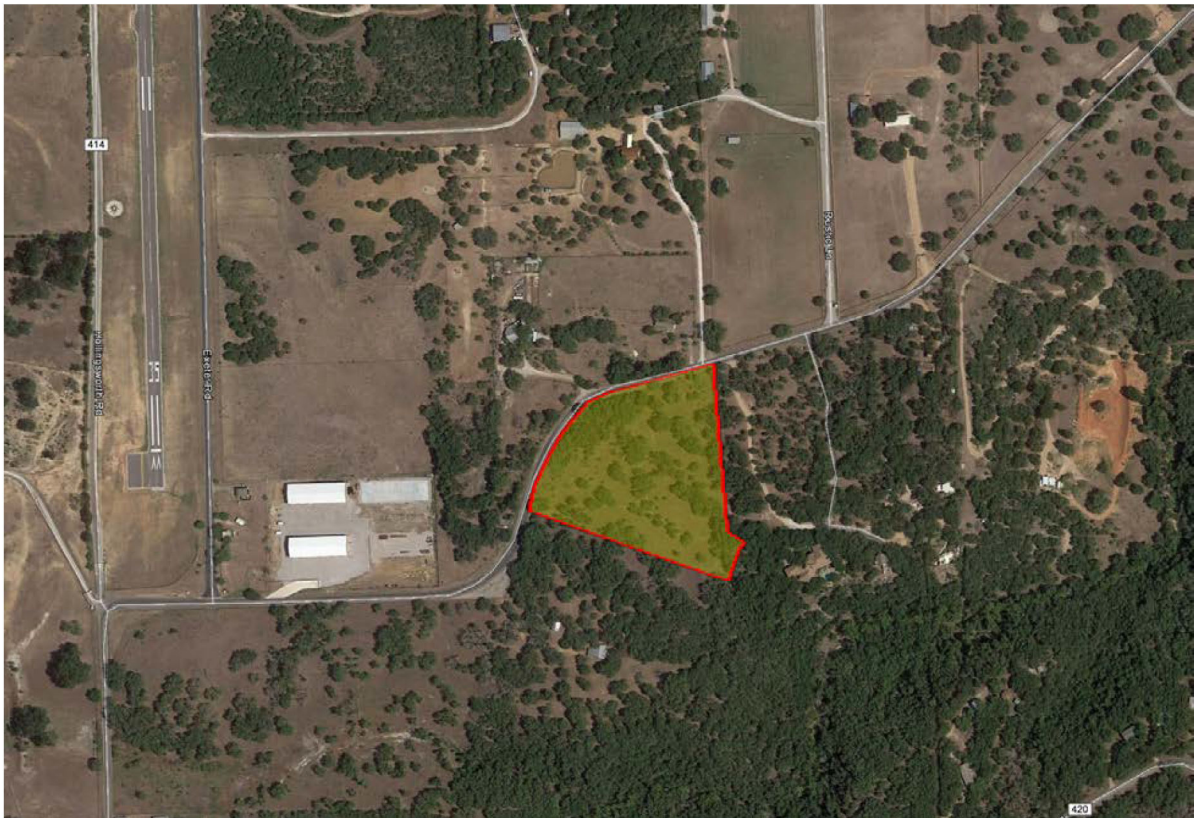
Elements of Comparison	Adjustment	Reason for Adjustment
Conditions of Sale	0.00%	Similar
Market Conditions	0.00%	Similar
Location	-5.00%	Sl. Superior for further proximity to airport
Size	0.00%	Similar
Other Physical Characteristics	-5.00%	Inferior for sewer access (+5); Superior for water/recreational feat. (-10)
Overall Adjustment	-10.00%	
Adjusted Sales Price	\$18,099/Acre	



Land Sale 2

Date of Sale	02/04/2016
Address/Location	880 CR 414, Spicewood, TX; SE/s of CR 414, W of Rustic Ln., Burnet Co., TX
Grantor/ Grantee	Paul Mead & Cindy Eve Mead / Madigan Homes, Inc.
Document No.	201601180
Sales Price	\$121,893.00
Site Size	6.080 acres
Sales Price/Unit	\$20,048/acre
Zoning	Not Zoned
Utilities	Electricity
Comments	Located a short distance to the east of the south end of the Spicewood Airport runway, this property is unrestricted and is wooded with oaks and cedar and has two live creeks traversing the property. The tract did not have access to public water at the time of sale. This property later sold on 09/09/2016 for \$210,000 according to MLS.

Elements of Comparison	Comparison	Reason for Comparison
Conditions of Sale	0.00%	Similar
Market Conditions	0.00%	Similar
Location	-20.00%	Superior for further proximity to airpark & access
Size	0.00%	Similar
Other Physical Characteristics	0.00%	Inferior for water & sewer (+10); Superior for water/recreational feat. (-10)
Overall Adjustment	-20.00%	
Adjusted Sales Price	\$16,038/Acre	



Land Sale 3

Date of Sale	07/16/2015
Address/Location	355 Exeter Road, Spicewood, TX; E/s of Exeter Rd., N of CR 414, Burnet Co., TX
Grantor/ Grantee	Andrew T. McKinney, IV & Isabell T. McKinney / Kirk L. Covington
Document No.	201505937
Sales Price	\$178,958.00
Site Size	10.000 acres
Sales Price/Unit	\$17,896/acre
Zoning	Not Zoned
Utilities	Water, electricity
Comments	This tract is rectangular in shape with a mix of open and wooded areas and is subject to a 50-foot wide roadway easement for ingress/egress. Across Exeter Road to the west is the Spicewood Airport runway. Prior to this sale, the Grantee purchased the adjoining 11.879 acres to the south on 06/30/2015 for \$15,153/acre.

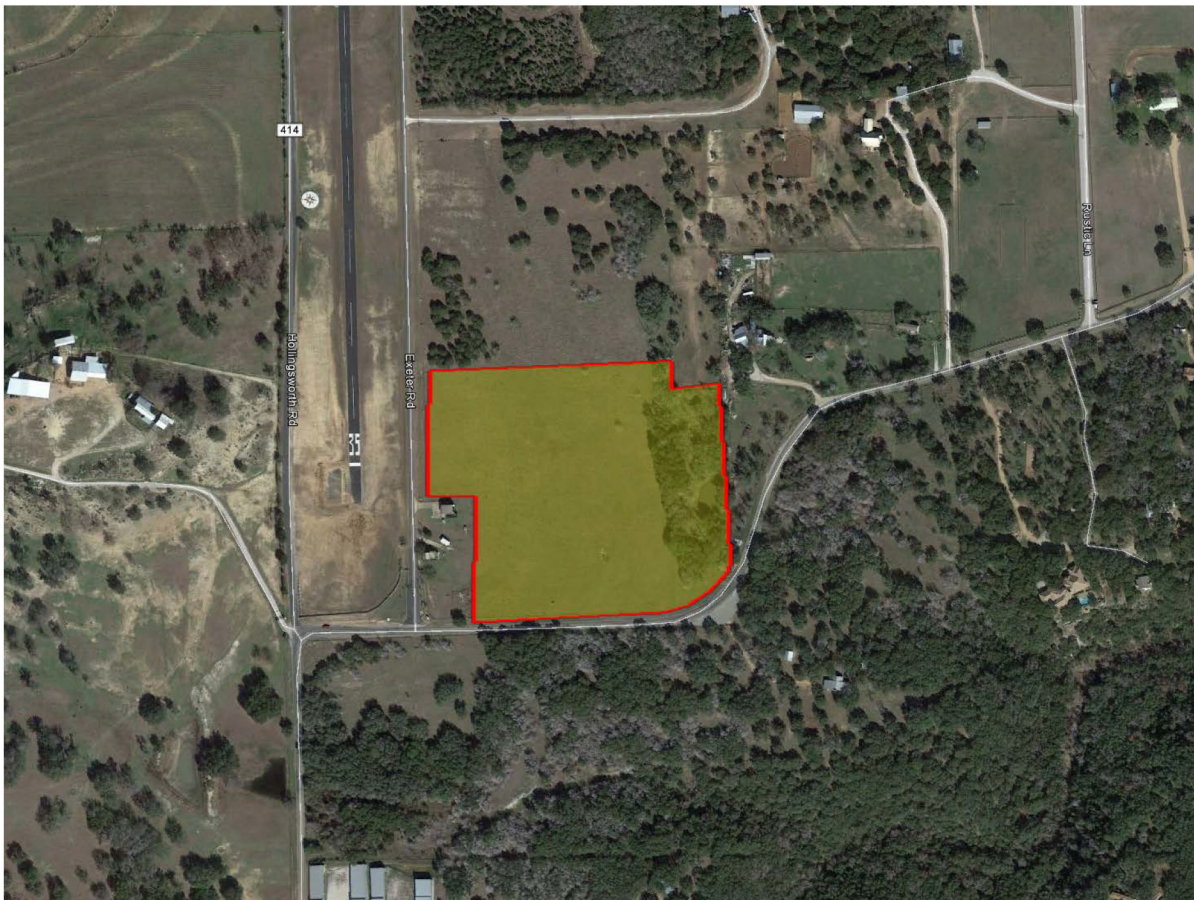
Elements of Comparison	Adjustment	Reason for Adjustment
Conditions of Sale	0.00%	Similar
Market Conditions	0.00%	Similar
Location	-10.00%	Superior for easier/more direct access
Size	0.00%	Similar
Other Physical Characteristics	+5.00%	Inferior for sewer access (+5)
Overall Adjustment	-5.00%	
Adjusted Sales Price	\$17,001/Acre	



Land Sale 4

Date of Sale	06/30/2015
Address/Location	655 CR 414, Spicewood, TX; Wraps NE/c of CR 414 & Exeter Rd., Burnet Co., TX
Grantor/ Grantee	David L. Chapman & Laurie A. Chapman / Kirk L. Covington
Document No.	201505431
Sales Price	\$180,000.00
Site Size	11.879 acres
Sales Price/Unit	\$15,153/acre
Zoning	Not zoned
Utilities	Water, Electricity
Comments	This tract is primarily open land with the exception of the very eastern portion, which is wooded. Across Exeter Road to the west is the Spicewood Airport runway. The buyer subsequently purchased the adjacent 10.000 acres to the north on 07/16/2015 for \$17,896/Acre (Land Sale 3). This 11.879 acre tract later conveyed to Bus Hangars LLC on 12/20/2016 for an unknown sales price. The new owner constructed hangars near the CR 414 frontage in 2017.

Elements of Comparison	Adjustment	Reason for Adjustment
Conditions of Sale	0.00%	Similar
Market Conditions	0.00%	Similar
Location	-10.00%	Superior for easier/more direct access
Size	+5.00%	Larger properties typically sell for a higher price per unit
Other Physical Characteristics	+5.00%	Inferior for sewer access (+5)
Overall Adjustment	0.00%	
Adjusted Sales Price	\$15,153/Acre	



LAND SALES RANKINGS

Unadjusted Ranking			
Land Sale	Date	Size (Ac.)	Price/Ac.
4	06/30/2015	11.879	\$15,153
3	07/16/2015	10.000	\$17,896
2	02/04/2016	6.080	\$20,048
1	07/01/2016	9.448	\$20,110

Adjusted Ranking – Parcel 4			
Land Sale	Date	Size (Ac.)	Price/Ac.
4	06/30/2015	11.879	\$15,153
2	02/04/2016	6.080	\$16,038
Subject – P-4	03/11/2016	7.0127	\$17,000
3	07/16/2015	10.000	\$17,001
1	07/01/2016	9.448	\$18,099

Conclusions

The adjusted comparable sales range from \$15,153/acre to \$18,099/acre. Considering the size, access to public utilities and tree cover but its location along Soda Creek Road with proximity to the Spicewood Airport but no access to the runway, the subject property would likely fall towards the middle of the range of the adjusted comparable sales. After consideration of the relevant factors in the analysis of the comparable sales, the opinion of market value for the 7.0127 acre subject property (Parcel 4) considering no access to the taxiway easement, as of March 11, 2016, is \$17,000 per acre or **\$120,000.00**; shown as follows:

$$\text{Parcel 4: } 7.0127 \text{ acres} \times \$17,000/\text{ac.} = \$119,216.00$$

Say: \$120,000.00

VALUE CONCLUSIONS*As of March 11, 2016*

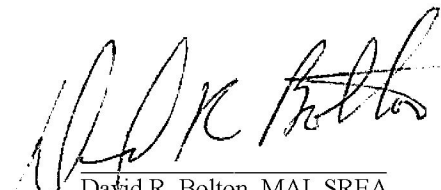
Market Value of the ±10.8815 Acre Tract (Parcel 1):	\$1,300,000.00
Market Value of the ±3.8688 Acre Tract (Parcel 2):	\$ 700,000.00
Market Value of the ±7.0127 Acre Tract – Taxiway Easement Access (Parcel 3):	\$ 760,000.00
Market Value of the ±7.0127 Acre Tract – No Taxiway Easement Access (Parcel 4):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

Certification


I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My 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 opinion of value, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, The Code of Professional Ethics and the Standards of Professional Appraisal Practice of Appraisal Institute.
- I have made a personal inspection of the property that is the subject of this report.
- Sam C. Umstead, Appraiser Trainee (TX-1338013) provided significant real property assistance to the person signing the report with assistance including market data research, comparable sales analysis, and production of the report.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, David R. Bolton and R. Chance Bolton have completed the requirements of the continuing education program of the Appraisal Institute.
- I have performed no other services, as an appraiser or in any other capacity, regarding the property that the subject of the work under review within the three-year period immediately preceding acceptance of this assignment.

No changes of any item of the appraisal report shall be made by anyone other than the appraisers, and the appraisers shall have no responsibility for any such unauthorized changes.



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



R. Chance Bolton
TX-1380325-G



DAVID R. BOLTON, MAI, SREA

Qualifications

David R. Bolton is an independent real estate appraiser and consultant with the office of Bolton Real Estate Consultants, Ltd. (www.bolton-realestate.com) located at **3103 Bee Caves Road, Suite 225, Austin, Texas 78746**. He has been actively engaged in the real estate appraisal profession since 1964 with extensive experience in appraising most type properties including vacant commercial land, farms, ranches, special purpose properties, industrial, environmentally sensitive properties, environmentally contaminated properties, shopping centers, hotel/motels, mixed use developments, office buildings, improved commercial properties, automobile dealerships, condominiums, apartments, rights of way for pipelines, utilities, and roadway improvements. Appraisal related experience in highest and best use studies, marketing analysis, and review of realty portfolios.

A partial resume of his qualifications is outlined as follows:

- MAI - The Appraisal Institute
- SREA - The Appraisal Institute
- Real Estate Broker - State of Texas (Inactive)
- B.B.A. degree from Sam Houston State University
- Qualified in Federal District and Bankruptcy Courts, County and State District Courts, Arbitration Hearings and Special Commissioner's Hearings
- Forty-five (45) years' experience testifying as an expert witness in the valuation of real property
- State Certified - General Real Estate Appraiser (TX-1320117-G)

The Texas Appraisal Licensing and Certification Board (TALCB) require that Certified General Appraisers must complete 28 hours of mandatory Appraisal Continuing Education (ACE) in order to be eligible for renewal of their license. Mr. Bolton is certified under this program. Additionally, the Appraisal Institute conducts a voluntary program of continuing education for its designated members. Individuals who meet the minimum standards of this program are awarded periodic educational certification. Mr. Bolton is certified under this program.

APPRAISAL ASSOCIATIONS

- Past National Chairman, Professional Practice Division, - Appraisal Institute
- Past National Chairman, Prof. Practice Committee - Society of Real Estate Appraisers
- Past Vice Governor, Board of Governor's - Society of Real Estate Appraisers
- Past President, Houston Chapter - American Institute of Real Estate Appraisers
- Past President, Houston Chapter - Society of Real Estate Appraisers
- Past National Chairman, Young Advisory Council - Society of Real Estate Appraisers
- Past Regional Member, Review & Counseling Division - Appraisal Institute



R. CHANCE BOLTON

APPRAISAL QUALIFICATIONS

EXPERIENCE

R. Chance Bolton is the Managing Partner of Bolton Real Estate Consultants, Ltd and Owner/Broker of Bolton Real Estate Services located at 3103 Bee Cave Road, Suite 225, Austin, Texas 78746. He has been with the firm since 2003. He is a Texas Certified General Real Estate Appraiser and a Texas Licensed Real Estate Broker. He oversees appraisal assignments throughout Texas involving vacant land, farm and ranch, industrial, office, retail and special use real estate valuation. As a Real Estate Broker, he represents sellers and buyers in the disposition and acquisition of commercial real estate.

EDUCATION

Business Bachelor of Arts (BBA) degree in Entrepreneurship from the University of Houston

Completion of fundamental, advanced and continuing education coursework focusing on real estate appraisal and brokerage, includes:

15-Hour National USPAP Course	Principles of Real Estate I & II
Appraisal Principles	Law of Contracts
Appraisal Procedures	Law of Agency
Basic Income Capitalization	Principles of Commercial Real Estate
Appraising Convenience Stores	Commercial Sales & Exchanges
Sales Comparison Approach	Real Estate Brokerage
Income Approach I & II	Insider's Guide to Commercial Real Estate
Report Writing & Case Studies	TREC Legal Update MCE
Market Analysis & Highest and Best Use	TREC Ethics MCE
Business Practices & Ethics	Broker Responsibility
Real Estate Finance Statistics & Valuation Modeling	
Site Valuation & Cost Approach	
Advanced Market Analysis & Highest and Best Use	
Quantitative Analysis	
USPAP Update	
Advanced Income Capitalization	
Advanced Concepts & Case Studies	

ACCREDITATIONS

Texas General Certified Real Estate Appraiser (License # TX-1380325-G)

Texas Licensed Real Estate Broker (License #576982)

FAA certified small Unmanned Aircraft System (sVAS)-v Remote Pilot

ORGANIZATIONS/ASSOCIATIONS

Texas Appraiser Licensing & Certification Board (TALCB) – Board Member (2016-2022)

Appraisal Institute – Candidate for Designation

Lake Travis Education Foundation – Board Member (2013-2016)

State Bar of Texas – Law Focused Education Committee Member (2013-2016)

United States Navy Veteran

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

WOWSC'S RESPONSE TO RATEPAYERS NINTH RFI

RATEPAYERS 9-2:

Reference Mike Nelson Supplemental Rebuttal Testimony, p. 8, line 5 – p. 11, line 2. Please identify all real property interests (exclusive of the ownership interests identified in Ratepayers' 9-1) owned by Windermere as of January 1, 2018 and 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 so identified

RESPONSE:

WOWSC owns a Seventy-Five Foot access easement over "Tract H2 as shown by plat recorded in Clerk's Document No. 201601994, Official Public Records of Burnet County, Texas." See highlighted language in Attachment Ratepayers 9-2.

This is an easement interest and, therefore, there are no related appraisals or other opinions value.

Prepared by: Counsel
Sponsored by: Counsel

201911766
ELECTRONICALLY RECORDED
Official Public Records
11/1/2019 8:17 AM



Janet Parker

Janet Parker, County Clerk
Burnet County, TX

Pages: 5 COR Fee: \$ 42.00

Subject Correction
Deed

CORRECTION WARRANTY DEED WITH VENDOR'S LIEN

Notice of confidentiality rights: If you are a natural person, you may remove or strike any or all of the following information from any instrument that transfers an interest in real property before it is filed for record in the public records: your Social Security number or your driver's license number.

Date: Effective March 14, 2016

Grantor: Windermere Oaks Water Supply Corporation, a Texas corporation

Grantor's Mailing Address: 424 Coventry Rd, Spicewood, Burnet County, Texas 78669

Grantee: Friendship Homes & Hangars, LLC a Texas limited liability company

Grantee's Mailing Address: 205 Coventry Rd, Spicewood, Burnet County, Texas 78669

Consideration: \$20,000.00 cash earnest money and a \$200,000 promissory note payable to the order of Anne McClure Whidden Trust, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged.

Property (including any improvements thereon):

Tract 1: Being **Tract H2**, of Tract H on Piper Lane, a subdivision in Burnet County, Texas according to the Plat recorded in Clerk's Document No. 201601994, Official Public Records of Burnet County, Texas

Tract 2: Being a **.51 acre** tract identified on Exhibit "A" hereto.

Reservations from and Exceptions to Conveyance and Warranty: This conveyance, however, is made and accepted subject to:

1. The Property shall not be used for any type of helicopter use.
2. Grantor retains a Fifty Foot access easement over and across the West Property Line of Tract H2 as shown by plat recorded in Clerk's Document No. 201601994, Official Public Records of Burnet County, Texas and scope and uses of which are further detailed in that certain Non-exclusive Access Easement of even date.
3. Any and all restrictions, encumbrances, easements, covenants and conditions, if any, relating to the hereinabove described property as the same are filed for record in the County Clerk's Office of Burnet County, Texas.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging, unto the said Grantee, Grantee's heirs, executors, administrators, successors and/or assigns to WARRANTY AND FOREVER DEFEND all and singular the said premises unto the said Grantee, Grantee's heirs, executors,

HOR0215

administrators, successors and/or assigns, against every person whomsoever claiming or to claim the same or any part thereof.

It is expressly agreed that the Vendor's Lien, as well as superior title in and to the above described premises, is retained against the above described property, premises and improvements until the above described note and all interest thereon are fully paid according to the face, tenor, effect and reading thereof, when this Deed shall become absolute. That ANNE MCCLURE WHIDDEN TRUST ("Lender") at the instance and request of the Grantee herein, having advanced and paid in cash to the Grantor herein that portion of the purchase price of the herein described property as is evidenced by the hereinabove described Note, the Vendor's Lien, together with the superior title to said property is retained herein for the benefit of said Lender and the same are hereby TRANSFERRED and ASSIGNED to said Lender, its successors and assigns.

NOTE CONCERNING CORRECTION: This deed is being filed as a correction deed to correct and clarify certain information and to substitute for the Warranty Deed with Vendor's Lien originally recorded at Clerk's Document No. 201602256, Official Public Records of Burnet County, Texas. The following information is being corrected: the consideration paid, the addition of Tract 2 (which was inadvertently left out of the original conveyance) and a clarification of the Reservations from and Exceptions to Conveyance and Warranty. Other than the stated corrections no substantive changes were made in the Warranty Deed with Vendor's Lien as originally recorded, this correction deed shall supersede the original document and this correction deed relates back to the effective date of the Warranty Deed with Vendor's Lien originally executed on March 11, 2016 and recorded on March 14, 2016.

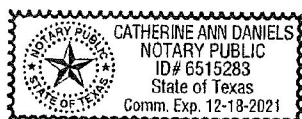
When the context requires, singular nouns and pronouns include the plural.

Joseph J. F. H.
Windermere Oaks Water Supply Corporation
By: Joseph J. F. H.
Its: President

STATE OF TEXAS §

COUNTY OF TRAVIS §

The foregoing instrument was acknowledged before me this 31st day of OCTOBER, 2019 by JOSEPH J. F. H., as president of the Windermere Oaks Water Supply Corporation, a Texas corporation.



Catherine Ann Daniels
Notary Public – State of Texas

HOR0216

Approved and acknowledged by Grantee and vendor's lien assignee:



Friendship Homes & Hangars, LLC

By: Dana J. Martin

Its: Manager



Anne McClure Whidden Trust

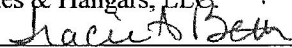
By: ANNE MCCLURE WHIDDEN

Its: TRUSTEE

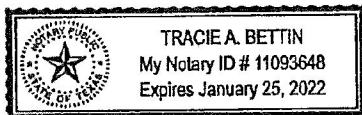
STATE OF TEXAS §

COUNTY OF BURNET §
TRAVIS §

The foregoing instrument was acknowledged before me this 29th day of October, 2019
 by Dana J. Martin, its Manager of Friendship Homes & Hangars, LLC.



Notary Public – State of Texas



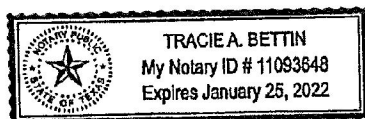
STATE OF TEXAS §

COUNTY OF BURNET §
TRAVIS §

The foregoing instrument was acknowledged before me this 29th day of October, 2019
 by Anne McClure Whidden, as Trustee of the Anne McClure Whidden Trust.



Notary Public – State of Texas



HOR0217

Agreed to and approved by current owner of a portion of the Property:

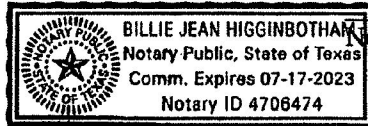
Johann Mair

Michael Mair

STATE OF TEXAS

COUNTY OF Galveston ~~TRAVIS~~

The foregoing instrument was acknowledged before me this 29 day of Oct, 2019
by Johann Mair

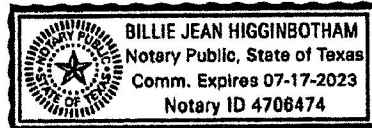


Billie Jean Higginbotham
Notary Public - State of Texas

STATE OF TEXAS

COUNTY OF Galveston ~~TRAVIS~~

The foregoing instrument was acknowledged before me this 29 day of Oct, 2019
by Michael Mair



Billie Jean Higginbotham
Notary Public - State of Texas

After recording, please return to:

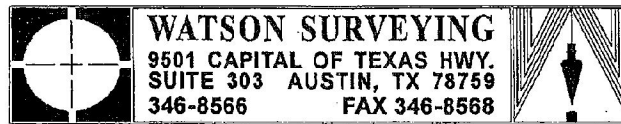
Molly Mitchell

Almanza, Blackburn, Dickie & Mitchell, LLP

2301 S. Capital of Texas Highway, Building H

Austin, Texas 78746

HOR0218



FIELD NOTES FOR 0.5151 ACRE OF LAND, OUT OF THE MARIA SALINAS SURVEY NO. 17, ABSTRACT NO. 776, IN BURNET COUNTY, TEXAS, BEING ALL OF THAT TRACT CALLED "PIPER LANE" ON THE SUBDIVISION PLAT "TRACT H ON PIPER LANE", RECORDED IN DOCUMENT NO. 201601994, BURNET COUNTY PLAT RECORDS, SAID 0.5151 ACRE BEING DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at A $\frac{1}{2}$ " steel pin with cap set at the northeast corner of Tract H1 of said plat, also the southeast corner of Lot 43, Windermere Airpark II, a subdivision recorded in Volume 2, Page 160A, Burnet County Plat Records, for the northwest corner hereof;

THENCE S89°55'E 41.17 feet through the ROW of Piper Lane, to a mag nail set at the mutual north corner of Lot 1, Tract G On Piper Lane, as recorded in Volume 752, Page 199, Burnet County Deed Records, and said "PIPER LANE" tract, for the northeast corner hereof;

THENCE S00°05'W 544.91 feet with the east line of said "PIPER LANE" tract, also the west line of said Lot 1, and the west line of a 2.296 acre tract recorded in Volume 220, Page 581, Burnet County Deed Records, to a mag nail set in asphalt, at the southeast corner of said "PIPER LANE" tract, for the southeast corner hereof;

THENCE S89°56'58"W 229.64 feet with the south line of said "PIPER LANE" tract, also the north line of a 0.447 acre tract recorded in Document No. 201205283, Burnet County Official Public Records, to a $\frac{1}{2}$ " steel pin with cap set for the southwest corner hereof;

THENCE N00°05'00"E 355.01 feet with the mutual line of Tract H2 and said "PIPER LANE" tract, to a $\frac{1}{2}$ " steel pin with cap set for point on line hereof;

THENCE N00°05'00"E 190.00 feet continuing on line with the mutual line of Tract H1 and said "PIPER LANE" tract, to the POINT OF BEGINNING, containing 0.5151 acre of land, more or less.

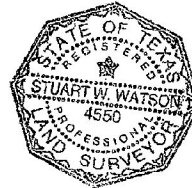
Bearing basis is from said plat (201601994)

See said plat survey map for more information.

Field notes prepared 15 February 2018 by:

Stuart Watson

Stuart Watson, RPLS 4550



HOR0219

**AMENDED, RESTATED, AND SUPERSEDING
AGREEMENT**

This Amended, Restated and Superseding Agreement ("Agreement") is made by, between, and among Windermere Oaks Water Supply Corporation (hereafter, "WOWSC" or "Seller"), Friendship Homes and Hangars, LLC (hereafter, "Friendship" or "Buyer"), and Dana Martin, to be effective on October 30, 2019.

RECITALS

1. Whereas, the parties entered into a certain Unimproved Property Contract regarding the sale of 4.3+/- acres on or about December 19, 2015, and an Addendum to Right of First Refusal Agreement on or about February 16, 2017, as well as other related documents thereto (collectively, "the Transaction");
2. Whereas, Dana Martin's affiliation with the Buyer, and her role in purchasing the property at issue, was disclosed to the WOWSC board verbally prior to the board's vote on the Transaction, and was known to the WOWSC board at the time of the October 26, 2019 open meeting of the board;
3. Whereas, the WOWSC board desired in 2015 to generate revenue for WOWSC in order to pay down significant debt, and specifically desired to do so by the sale of excess real property owned by WOWSC;
4. Whereas WOWSC had previously received a written offer to purchase the 4.3+/- acres and additional adjoining land for a price of \$175,000 in 2013;
5. Whereas in 2015 WOWSC board members performed additional due diligence to determine the value of the excess real property, including communications with a developer of airport property, a person affiliated with the aviation division of the Texas Department of Transportation, and a real estate agent in the Lakeway area with experience in the sale and marketing of airport property;
6. Whereas that due diligence informed said board members that the value per acre of the excess real property ranged from an estimated \$10,000 to \$30,000 per acre, and that valuation information was shared with the WOWSC board at a meeting prior to approving the Transaction;
7. Whereas, the WOWSC board is presently aware of two appraisals that indicate that the value of the larger WOWSC tract, which included the 4.3+/- acres at issue at the time of the Transaction ranged from \$185,000 to \$221,000;



8. Whereas, the WOWSC board is presently aware of two additional appraisals done in 2019 , one of which places a materially higher value on the tract including the 4.3+/- acres at the time of the Transaction;
9. Whereas the parties have agreed to amend, modify, and re-state certain terms of the Transaction to reflect the past and current intent of the parties, and to reflect a transaction that is fair and in the best interest of all parties, including WOWSC, and to otherwise affirm and ratify the terms of the Transaction;
10. Whereas the parties each desire to avoid the expense of additional litigation and legal disputes;
11. Whereas the parties desire to resolve such disputes without any admission of wrongdoing by any party;
12. Whereas, on or about October 26, 2019, at a properly noticed and posted public meeting of the WOWSC board, which posted agenda included an item for the consideration of this Agreement, the WOWSC board voted to enter into this Agreement, and based that decision on numerous factors reflected in the minutes of that meeting;
13. The parties hereby enter into this Agreement as follows:

TERMS OF AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and other good and valuable consideration, the parties to this Agreement agree as follows:

Article I

Recitals and Acknowledgment of Consideration:

1. Recitals: The parties agree that the recitals above, including any defined terms, are incorporated herein by reference for all purposes as if copied verbatim.
2. Acknowledgment of Consideration: the parties hereby acknowledge the delivery and recordation of those certain warranty deeds recorded at 101604126 and 201602256 in the Burnet County Real Property records from Seller to Buyer, acknowledge that Seller has delivered possession of all of the real property described in the Transaction, and acknowledge further all consideration already paid by Buyer to Seller relating to the Transaction, including but not limited to the purchase price of \$203,000 (\$200,000 net to WOWSC) pursuant to the Unimproved Property Contract. The parties

further acknowledge the payments, covenants, and promises described below as mutual consideration, and that the collective consideration described herein is mutual, sufficient, and fair.

Article II Amendments, Modifications, and Covenants:

1. Amendment of Easement: Buyer shall grant to seller a 50 foot non-exclusive access easement, including the rights to maintain, repair, and improve such easement, and enforce against encroachment, in substantially the form of that Non-Exclusive Access Easement Agreement and Restrictive Covenant attached hereto as Exhibit _____. Such easement shall be recorded. Buyer will also secure the grant of such easement from the current owners of a portion of the property at issue, Hans and Johannes Mair.
2. Setbacks: Buyer shall impose 25 foot setbacks on the northern boundary of the 50 foot access easement, to the extent allowed and approved by federal, state, and local authorities and laws. The intended functional result is a 25 foot taxiway with a 25 foot setback on either side.
3. Surrender of Right of First Refusal: Buyer agrees to waive and surrender any and all right of first refusal it has concerning the additional 7+/- acres owned by Seller in substantially the form of that Waiver of Right of First Refusal attached hereto as Exhibit _____. Such waiver shall be recorded.
4. Additional Conveyance: Seller shall convey to Buyer the additional .5151 acre Piper Lane tract that was included in the Transaction but was inadvertently omitted from the property description in the contemporaneous deed. Such conveyance shall be effectuated by execution of a Correction Warranty Deed with Vendor's Lien in substantially the form of the attached Exhibit _____. Such deed shall be recorded.
5. Additional Consideration: On behalf of Buyer, Stewart Title shall pay to WOWSC a) \$2,500 upon execution and recording of the transaction documents described in paragraphs 1-4 above, with such amount being subject to refund by WOWSC in the event that there is neither a dismissal with prejudice or a final judgment in Buyer's favor in *Rene Ffrench, et al v. Friendship Homes & Hangars, LLC, et al*, Cause No. 48292, in the 33rd Judicial District, Burnet County, Texas ("the Litigation") within one year of the effective date of this Agreement, and b) an additional \$17,500 to be payable upon dismissal with prejudice or the entry of a final judgment, neither of which is subject to appeal, in Buyer's favor in the Litigation. In the event that the case is dismissed and becomes non-appealable more than

one year from the effective date of this Agreement, the entire \$20,000 shall be payable upon such non-appealable dismissal. WOWSC may deem all such amounts to be additional consideration for the Transaction.

6. Complete Performance: This Agreement shall be completely performed upon performance of the transactions and obligations described in paragraphs 1-4 above, as well as the initial tender of \$2,500 described in paragraph 5 above. The remaining obligations of paragraph 5 shall survive, but shall only become due upon the occurrence/non-occurrence of the events described therein, and no other portion, obligation, or promise of this Agreement is contingent or in any way conditioned upon the potential future performance of such obligations

Article III Settlement Agreement and Releases

1. Settlement Agreement: The parties enter into this Agreement in part to compromise and settle disputed claims among and between them. By this Agreement, no party admits liability or wrongdoing, but rather enters into this Agreement in order to resolve and terminate certain disputes among and between them, to avoid expenses, and to provide finality.
2. Release of Claims by WOWSC: Upon performance of all obligations described in Article II, paragraphs 1-4, and payment of \$2,500 described in paragraph 5, WOWSC hereby releases, acquits and forever discharges Friendship Homes and Dana Martin, and their employees, affiliates, officers, directors, agents, employees, heirs, representatives, insurers (including Stewart Title Guaranty Company, and all of its affiliates), successors, assigns, executors, administrators and all persons, natural or corporate, in privity with any of them, from any disputes and differences or any cause of that were or could have been asserted in any legal action related to the Transaction, and/or these disputes and differences, and WOWSC hereby declares any causes of action and any potential causes of action arising from the Transaction fully satisfied, settled, released and discharged, and this agreement is specifically intended to cover all of WOWSC's claims, known or unknown, present or future, which were or could have been asserted against Friendship Homes and/or Dana Martin in connection with the Transaction in question. The specific remaining obligations of Article II, paragraph 5, and this Article III hereby survive this release of claims, and remain binding on the parties.
3. Release of Claims by Friendship and Dana Martin: Upon performance of all obligations described in Article II, paragraphs 1-4, Friendship and Dana Martin hereby release, acquit and forever discharge WOWSC and its past and present employees, affiliates, officers, directors, agents, employees, heirs, representatives, insurers, successors, assigns, executors, administrators and

all persons, natural or corporate, in privity with any of them, from any disputes and differences or any cause of that were or could have been asserted in any legal action related to the Transaction, and/or these disputes and differences, and Friendship and Dana Martin hereby declare any causes of action and any potential causes of action arising from the Transaction fully satisfied, settled, released and discharged, and this agreement is specifically intended to cover all of Friendship's and Dana Martin's claims, known or unknown, present or future, which were or could have been asserted against WOWSC in connection with the Transaction in question. The specific remaining obligations of Article II, paragraph 5, and this Article III hereby survive this release of claims, and remain binding on the parties.

4. Surviving Obligations: All obligations of this Agreement not performed contemporaneously herewith shall survive and remain enforceable.

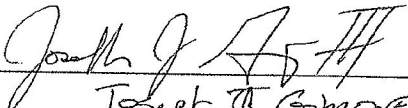
Article IV Miscellaneous

1. Effect of Agreement: Except as amended, modified, or superseded by this Agreement or the Exhibits hereto, the Transaction is hereby restated, ratified, and remains in full force and effect. To the extent necessary, all obligations of the parties pursuant to the Transaction are deemed performed/re-performed as of the date of this Agreement. As to the specific subject matter of this Agreement, this Agreement reflects the entire agreement of the parties.
2. Governing Law and Forum: This Agreement will be construed and interpreted in accordance with the law of the State of Texas and all obligations of the parties hereto will be performable in Burnet County. By executing this Agreement, each party hereto consents and submits to personal jurisdiction and venue consistent with the previous sentence.
3. No Oral Modification: This Agreement may not be modified or amended except by an agreement in writing signed by all of the parties to this Agreement.

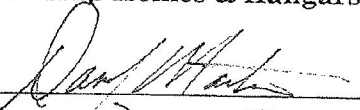
4. Counterpart Exception: This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute but one agreement. Delivery of signature via email in pdf format shall have the same effect as physical delivery of the paper document bearing the original signature.

AGREED:

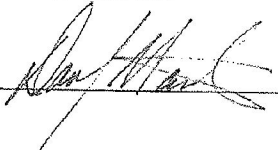
Windermere Oaks Water Supply Corporation

By: 
Name: Joseph J. GIMENEZ
Title: President

Friendship Homes & Hangars, LLC

By: 
Name: DANA J. MARTIN
Title: MANAGER

Dana Martin



RECEIPT OF PAYMENT

This instrument acknowledges Windermere Oaks Water Supply Corporation's receipt of payment in the amount of \$2,500.00 pursuant to a certain Amended, Restated, and Superseding Agreement effective on or about October 30, 2019.

By: Joseph J. Felt 10/31/19
Title: President

WOWSC000669