

APPRAISAL OF REAL PROPERTY

LOCATED AT:

10.85 acres Piper Lane
See Attached Survey
Spicewood, TX 78669

FOR:

Windermere Oaks Water Supply Corporation
424 Coventry Road
Spicewood, TX 78669

AS OF:

09/01/2015

BY:

Jim H. Hinton II
Advanced Properties
12400 Highway 71 West, Suite 350-224
Austin, TX 78738
512-264-7200
jhhl@texasdata.net

LAND APPRAISAL REPORT

Opinion Market Value

File No. Windermere Oaks Water

Appraisal Report

SUBJECT	Borrower <u>Not Applicable</u> Census Tract <u>9608.00</u> Map Reference <u>Burnet County Maps</u>																																																																																										
	Property Address <u>10.85 acres Piper Lane</u>																																																																																										
	City <u>Spicewood</u> County <u>Burnet</u> State <u>TX</u> Zip Code <u>78669</u>																																																																																										
	Legal Description <u>**See Attached Survey**</u>																																																																																										
NEIGHBORHOOD	Sale Price \$ _____ Date of Sale _____ Loan Term <u>N/App</u> yrs. Property Rights Appraised <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Leasehold <input type="checkbox"/> De Minimis PUD																																																																																										
	Actual Real Estate Taxes \$ _____ (yr) Loan charges to be paid by seller \$ <u>0</u> Other sales concessions <u>N/App</u>																																																																																										
	Lender/Client <u>Windermere Oaks Water Supply Corporation</u> Address <u>424 Coventry Road, Spicewood, TX 78669</u>																																																																																										
	Occupant <u>Vacant Land</u> Appraiser <u>Jim H. Hinton II</u> Instructions to Appraiser <u>OMV</u>																																																																																										
	Location <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Employment Stability <input type="checkbox"/> Good <input checked="" type="checkbox"/> Avg. <input type="checkbox"/> Fair <input type="checkbox"/> Poor																																																																																									
	Built Up <input type="checkbox"/> Over 75% <input checked="" type="checkbox"/> 25% to 75% <input type="checkbox"/> Under 25%	Convenience to Employment <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>																																																																																									
	Growth Rate <input type="checkbox"/> Fully Dev. <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Steady <input type="checkbox"/> Slow	Convenience to Shopping <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>																																																																																									
	Property Values <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	Convenience to Schools <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>																																																																																									
	Demand/Supply <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Oversupply	Adequacy of Public Transportation <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>																																																																																									
	Marketing Time <input type="checkbox"/> Under 3 Mos. <input checked="" type="checkbox"/> 4-6 Mos. <input type="checkbox"/> Over 6 Mos.	Recreational Facilities <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>																																																																																									
Present <input type="checkbox"/> 50% One-Unit <input type="checkbox"/> 0% 2-4 Unit <input type="checkbox"/> 0% Apts. <input type="checkbox"/> 5% Condo <input type="checkbox"/> 5% Commercial	Adequacy of Utilities <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>																																																																																										
Land Use <input type="checkbox"/> Industrial <input type="checkbox"/> Vacant <input checked="" type="checkbox"/> 45%	Property Compatibility <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>																																																																																										
Change in Present <input checked="" type="checkbox"/> Not Likely <input type="checkbox"/> Likely (*) <input type="checkbox"/> Taking Place (*)	Protection from Detrimental Conditions <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>																																																																																										
Land Use (*) From <u>Vacant Land</u> To _____	Police and Fire Protection <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>																																																																																										
Predominant Occupancy <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> 5% Vacant	General Appearance of Properties <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>																																																																																										
One-Unit Price Range \$ <u>30</u> to \$ <u>1000+</u> Predominant Value \$ <u>300</u>	Appeal to Market <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>																																																																																										
One-Unit Age Range <u>0</u> yrs. to <u>80</u> yrs. Predominant Age <u>10</u> yrs.																																																																																											
Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise) <u>The subject is located in proximity to schools, major employment, shopping, and recreational facilities. Presently all public utilities are readily available with sufficient capacity for future development. Access to Austin's Central Business District is provided by major traffic arteries. Considering the economic stability, the properties within the subject neighborhood boundaries should continue to prosper.</u>																																																																																											
Dimensions <u>Irregular (Unavailable)</u> = <u>+/- 10.85 acres</u> <input type="checkbox"/> Corner Lot																																																																																											
Zoning Classification <u>No Zoning</u> Present Improvements <input checked="" type="checkbox"/> Do <input type="checkbox"/> Do Not Conform to Zoning Regulations																																																																																											
Highest and Best Use <input checked="" type="checkbox"/> Present Use <input type="checkbox"/> Other (specify) _____																																																																																											
Elec. <input checked="" type="checkbox"/> Gas <input type="checkbox"/> Water <input checked="" type="checkbox"/> San. Sewer <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> Underground Elect. & Tel.																																																																																											
OFF SITE IMPROVEMENTS Street Access <input type="checkbox"/> Public <input checked="" type="checkbox"/> Private Surface <u>Asphalt</u> Maintenance <input type="checkbox"/> Public <input checked="" type="checkbox"/> Private <input type="checkbox"/> Storm Sewer <input type="checkbox"/> Curb/Gutter <input type="checkbox"/> Sidewalk <input type="checkbox"/> Street Lights																																																																																											
Topo <u>Level to gently rolling</u> Size <u>+/- 10.85 acres</u> Shape <u>Irregular</u> View <u>Hill Country</u> Drainage <u>Appears adequate</u> Is the property located in a FEMA Special Flood Hazard Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No																																																																																											
Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions) <u>No adverse easements or encroachments were noted in the improvements, on the site, or in the immediate vicinity of the subject. See attached certification and limiting conditions.</u>																																																																																											
The undersigned has recited the following recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.																																																																																											
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>ITEM</th> <th>SUBJECT PROPERTY</th> <th>COMPARABLE NO. 1</th> <th>COMPARABLE NO. 2</th> <th>COMPARABLE NO. 3</th> </tr> </thead> <tbody> <tr> <td>Address</td> <td>10.85 acres Piper Lane Spicewood, TX 78669</td> <td>355 Exeter Road Spicewood, TX 78669</td> <td>CR 414 Spicewood, TX 78669</td> <td>000 Hwy 71 Spicewood, TX 78669</td> </tr> <tr> <td>Proximity to Subject</td> <td></td> <td>0.44 miles SE</td> <td>0.58 miles SE</td> <td>2.69 miles SW</td> </tr> <tr> <td>Sales Price</td> <td>\$ _____</td> <td>\$ 178,958</td> <td>\$ 180,000</td> <td>\$ 210,000</td> </tr> <tr> <td>Price \$/Acre</td> <td>\$ _____</td> <td>\$ 17.896</td> <td>\$ 15,139</td> <td>\$ 16,055</td> </tr> <tr> <td>Data Source(s)</td> <td>Burnet CAD</td> <td>Provided Sale/BCAD</td> <td>Provided Sale/BCAD</td> <td>ABOR#7842660/DOM 269</td> </tr> <tr> <td>ITEM</td> <td>DESCRIPTION</td> <td>DESCRIPTION</td> <td>+(-)\$ Adjust.</td> <td>DESCRIPTION</td> <td>+(-)\$ Adjust.</td> </tr> <tr> <td>Date of Sale/Time Adj.</td> <td></td> <td>07/16/2015</td> <td></td> <td>01/12/2015</td> <td></td> </tr> <tr> <td>Location</td> <td>Spicewood</td> <td>Spicewood</td> <td></td> <td>Spicewood</td> <td></td> </tr> <tr> <td>Site/View</td> <td>+/- 10.85 acres</td> <td>+/- 10.0 ac</td> <td>+13,600</td> <td>+/- 11.89</td> <td>-16,640</td> </tr> <tr> <td>Water</td> <td>Available</td> <td>Available</td> <td></td> <td>Available</td> <td>-13.08 ac</td> </tr> <tr> <td>Septic</td> <td>Available</td> <td>Sep. Needed</td> <td>+7,500</td> <td>Sep. Needed</td> <td>+7,500</td> </tr> <tr> <td>Amenities</td> <td>Typical</td> <td>Typical</td> <td></td> <td>Typical</td> <td></td> </tr> <tr> <td>Sales or Financing Concessions</td> <td>0 N/App</td> <td>Undisclosed 0</td> <td></td> <td>Undisclosed 0</td> <td>Cash 0</td> </tr> <tr> <td>Net Adj. (Total)</td> <td></td> <td><input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 21,100</td> <td><input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -9,140</td> <td><input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -28,180</td> <td></td> </tr> <tr> <td>Indicated Value of Subject</td> <td></td> <td>Net 11.8 % Gross 11.8 % \$ 200,058</td> <td>Net 5.1 % Gross 13.4 % \$ 170,860</td> <td>Net 13.4 % Gross 20.6 % \$ 181,820</td> <td></td> </tr> </tbody> </table>		ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3	Address	10.85 acres Piper Lane Spicewood, TX 78669	355 Exeter Road Spicewood, TX 78669	CR 414 Spicewood, TX 78669	000 Hwy 71 Spicewood, TX 78669	Proximity to Subject		0.44 miles SE	0.58 miles SE	2.69 miles SW	Sales Price	\$ _____	\$ 178,958	\$ 180,000	\$ 210,000	Price \$/Acre	\$ _____	\$ 17.896	\$ 15,139	\$ 16,055	Data Source(s)	Burnet CAD	Provided Sale/BCAD	Provided Sale/BCAD	ABOR#7842660/DOM 269	ITEM	DESCRIPTION	DESCRIPTION	+(-)\$ Adjust.	DESCRIPTION	+(-)\$ Adjust.	Date of Sale/Time Adj.		07/16/2015		01/12/2015		Location	Spicewood	Spicewood		Spicewood		Site/View	+/- 10.85 acres	+/- 10.0 ac	+13,600	+/- 11.89	-16,640	Water	Available	Available		Available	-13.08 ac	Septic	Available	Sep. Needed	+7,500	Sep. Needed	+7,500	Amenities	Typical	Typical		Typical		Sales or Financing Concessions	0 N/App	Undisclosed 0		Undisclosed 0	Cash 0	Net Adj. (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 21,100	<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -9,140	<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -28,180		Indicated Value of Subject		Net 11.8 % Gross 11.8 % \$ 200,058	Net 5.1 % Gross 13.4 % \$ 170,860	Net 13.4 % Gross 20.6 % \$ 181,820	
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Comments and Conditions of Appraisal <u>See attached addenda</u>																																																																																											
Final Reconciliation <u>See attached addenda</u>																																																																																											
I (WE) ESTIMATE THE MARKET VALUE, AS PERMITTED BY THE SUBJECT PROPERTY AS OF <u>09/01/2014</u> TO BE \$ <u>185,000</u>																																																																																											
Appraiser <u>Jim H. Hinton II</u> Supervisory Appraiser (if applicable) _____																																																																																											
Date of Signature and Report <u>09/18/2015</u> Date of Signature _____																																																																																											
Title <u>Owner/Pres.</u> Title _____																																																																																											
State Certification # <u>TX-1324552-G</u> ST TX State Certification # _____ ST																																																																																											
Or State License # _____ ST Or State License # _____ ST																																																																																											
Expiration Date of State Certification or License <u>12/31/2016</u> Expiration Date of State Certification or License _____																																																																																											
Date of Inspection (if applicable) <u>09/01/2015</u> <input type="checkbox"/> Did <input type="checkbox"/> Did Not Inspect Property Date of Inspection _____																																																																																											

General Text Addenda

File No. Windermere Oaks Water

Borrower/Client	Not Applicable			
Property Address	10.85 acres Piper Lane			
City	Spicewood	County	Burnet	State TX Zip Code 78669
Lender	Windermere Oaks Water Supply Corporation			

• Scope of this Appraisal:

The scope of the appraisal is the formulation of the most current applicable data in relation to the subject property and the market value estimate. The verified collected data is processed through the basic applicable approaches or methods (ie: Cost Approach, Income Approach and Direct Sales Comparison Approach). The selected comparable data are adjusted to the subject property. The adjustment process is detailed within the appropriate sections of the appraisal report. The verification process may be primary or secondary type verification of facts.

• Intended Use:

This report was prepared for the client for an opinion of market value. As noted throughout the report, this report is intended for use in a mortgage finance transaction. This report is not intended for use in a mortgage finance transaction. As this is a pre typed government form this information can not be deleted. This report is not intended for use by a borrower or any other use or for any other client or borrower.

Development of the Reporting Process:

This is a Summary Appraisal Report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation that is not provided with the report concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of the discussion contained in this report is specific to the needs of the client and for the intended use stated in the report. The appraiser is not responsible for unauthorized use of this report.

To develop the opinion of value, the appraiser performed a complete appraisal process, as defined by the Uniform Standards of Professional Appraisal Practice.

• Appraisal Standards:

The contents of this report and the analysis presented herein comply with and meet all applicable FIRREA regulations and guideline requirements. The appraisal complies with the standards for appraisals set forth by the Texas Appraisers Licensing and Certification Board and the Texas Real Estate Commission. As of the date of this report, Jimmy H. Hinton, II has completed the requirements under the continuing education program for both of these entities.

• Flood Plain Information:

According to conversations with a representative of FEMA (Federal Emergency Management Agency) there was no data available for the area of the subject property other than the flood plain map provided herein. For the purposes of this report the subject property is not considered to be encumbered by flood hazard area.

• Subject and Comparables Sales and Listing History:

No listing history of the subject property or previous sale of the subject was identified. No previous sale of the comparables were noted unless otherwise indicated.

• Sales Comparison Approach:

A search of the local MLS indicated minimal similar sales in the subject area. Considering the size, site, and location associated with the subject, this was not unexpected. As such, our search parameters have been expanded to include those properties in the subject market area and dated sales. The sales utilized herein are considered to be overall most similar to the subject. Additional comparables have been included to further support the estimated value opinion herein.

General Text Addenda

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The site sizes of the subject property and the comparables were noted to be somewhat different. Adjustments for the site take into account numerous characteristics. These include water frontage, water front location, size, location, view, tree cover, buildable area, etc. No quantifiable analysis could be found with which to determine the differences in all of these separate characteristics. As such, the site adjustments herein are based on the estimated overall contributory value of the sites and supported via a pairing of the adjusted values of the sales. The adjustments for these characteristics have been applied in the site box within the adjustment grid.

• Final Reconciliation:

When adequate comparable sales data exists, the Sales Comparison Approach is the best indicator of value and was given the most weight. The Cost and Income Approach are most accurate with improved properties.

• Extraordinary Assumptions and Hypothetical Conditions:

A portion of the subject property was previously utilized as a water treatment plant for the local community sewer. These improvements have reportedly been removed and the pond has been filled. This report is made with the hypothetical condition there are no environmental hazards associated with the removal of the water treatment facility and associated accessories and none currently exist. A qualified remediation specialist is recommended to ascertain the extent of the contamination, if any, associated with the subject property and surrounding properties.

Conversations with a local agent indicated the property would probably need to be raised to develop the sites. This appraisal does not take into account any potential fill that may be needed to develop the subject site.

Supplemental Addendum

File No. Windermere Oaks Water

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• Highest and Best Use Analysis:

In the site section of the URAR, a Highest and Best Use conclusion was reported. The highest and best use is that reasonable and probable use that supports the highest present value as defined as of the effective date of the appraisal report. Alternately, it is that use, from among reasonably probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible, and which results in highest land value. In addition to legally conforming utilization, the site lends itself to single family residential use as improved. An Extraordinary Assumption is utilized with regard to the subject being in compliance with any deed restrictions, zoning and covenants.

• Valuation Methodology:

The valuation of the residential property utilizes three approaches to value. The three approaches are 1) the Cost Approach, 2) the Sales Comparison Analysis, 3) the Income Approach. Data relevant to each of the approaches is developed and analyzed to produce a value from each of the approaches. Each of the approaches utilizes data that is gathered from the market place. Items of both similarity and dissimilarity in comparable properties are analyzed and adjustments are made for the differences. Finally, the three indicators of value developed by the approaches are correlated with reference to the quality and quantity of data available and analyzed along with the applicability or suitability of the approaches to produce the appraiser's final opinion of value. The Cost approach is attempted by the appraiser as an analysis to support their opinion of the property's market value. Because there is insufficient market evidence to credibly support the site value/derivation of total appreciation, the cost approach is not given any consideration in the appraiser's final analysis. Use of this data, in whole or in part, for other purposes is not intended by the appraiser. Nothing set forth in the appraisal should be relied upon for the purpose of determining the amount or type of insurance coverage to be placed on the subject property. The appraiser assumes no liability for and does not guarantee that any insurable value estimate inferred from this report will result in the subject property being fully insured for any loss that may be sustained. The appraiser recommends that an insurance professional be consulted. Further, the cost approach may not be a reliable indication of replacement or reproduction cost for any data other than the effective date of this appraisal due to changing costs of labor and materials and due to changing building codes and government regulations and requirements. The Income Approach is not applicable to this assignment.

• Extraordinary Assumptions:

This appraisal is subject to the following conditions and/or assumptions (others may be included in this report). This information is being provided in an effort to provide full disclosure of the conditions under which this appraisal was completed.

Extraordinary Assumption is defined by USPAP as "an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions."

The standard scope of appraisal practice does not require the appraiser to investigate the legality of the construction of the original subject structures. The appraiser did not investigate the legality of the original construction of the improvements and the appraiser presumes that the original structure was built with any and all required building permits. If the structure pre-dates the building permit process, then the appraiser assumes that the appropriate authority currently acknowledges the structure. This appraiser utilizes an Extraordinary Assumption that existing improvements had appropriate building permits obtained.

This appraiser did not investigate the subject, nor the comparable sales, to form an opinion is 1) a death may have occurred at the properties or 2) if any prior criminal acts have been committed at the properties. This appraiser has no knowledge of any such occurrences or acts, nor was the appraiser informed by any third party regarding such occurrences or acts. This type of appraisal utilizes an Extraordinary Assumption with regard to deaths and criminal acts that may have occurred. This type of investigation is beyond the standard scope of appraisal practice.

The appraiser did not conduct an investigation into "Megan's Law" (which was passed by congress in 1996, said law governs sex offender registration and community notification) as it relates to the subject, the immediate market area of the subject and the comparable sales. This type of investigation is beyond the standard scope of appraisal practice and normal appraisal business practices.

Supplemental Addendum

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This appraiser noticed no posting of code violations at the subject property nor was the appraiser informed by any third party of any such violations. This appraiser did not conduct an investigation to determine if a notice of pendency of action relative to a code violation has been recorded against the subject property by the local code enforcement agency relative to violations of Health and Safety Codes and/or applicable sections of the code of Civil Procedure. This type of investigation is beyond the scope of appraisal practice. The appraiser is not a building contractor or a qualified home inspector. The appraiser's expertise is in determining value only. The appraiser is not qualified to observe or report on physical items that are not easily visible. Any parties to this transaction having concerns regarding structural, mechanical, infestation, contamination or other issues about the subject property are urged to consult an expert in the appropriate field. While others "may rely" on the report, they should not rely on it to disclose condition and defects. This appraiser utilizes the Extraordinary Assumption that the subject property is similar and conducive to other properties within the subject's market area with regard to the items listed above.

Unless otherwise noted, an Extraordinary Assumption is utilized with regard to the site dimensions and area stated herein as the appraiser may not have been furnished with a plat or survey of the subject site. If available, the subject site size was acquired from information provided by the agent and/or included in the local MLS. If possible in the normal course of business, this information was confirmed with the local appraisal district, however, the site dimensions may not have been readily available and, unless otherwise noted, a survey was not provided.

An Extraordinary Assumption is utilized in that all data obtained from realtors regarding the comparable sales submitted herein is accurate and all sales are arms-length transaction unless otherwise noted.

• Liens or Encumbrances:

Any liens or encumbrances which may exist on the effective date of this appraisal have been disregarded and the property has been appraised as through free and clear unless otherwise specified in the appraisal report.

• Effective Date of Value and Purchasing Power:

The effective date to which the opinions and conclusions expressed in this report apply is set forth in the attached report. Furthermore, the dollar amount of value opinion reported herein is based on the purchasing power of the American dollar existing on the effective date of the value opinion. The appraiser presumes there are no hidden or unapparent property conditions, subsoil or structure, which could render the subject property more or less valuable than comparable properties. Also, the appraiser assumes no responsibility for such conditions or for engineering that might be required to discover such items.

• Information Sources:

The appraiser believes the sources used provided credible information, however, strict adherence was not possible in the normal course of business. In this state and local jurisdiction, the non-disclosure status of law prevents the appraiser from any published non-interested party data other than that which is printed through the private source of Multiple Listing service (MLS).

• Environmental Conditions:

The information contained herein regarding the environmental conditions are not to be construed as a warranted fact. This information was the result of the non-intrusive physical observation and data gathered from the EPA website. For a warranted fact about environmental conditions, the Intended User(s) of this appraisal report must seek from environmental professionals facts such as can be found from testing done in Phase II environmental reporting. The appraiser has made no environmental tests on the subject property.

Main File No. Windermere Oaks Water

Supplemental Addendum

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• Report Uses:

The borrower is not an Intended user of this appraisal report as implied by this statement of disclosure. This item is disclosing to the borrower as required under the Equal Opportunity Act as amended in 1991, their right to receive a copy of the appraisal report. In the event the borrower chooses to take that report to another lender to obtain financing the appraiser makes it known that they have neither obligation nor privilege to discuss the appraisal with another lender or with the borrower. Any action taken by the borrower or another lender in the use of this appraisal report does not constitute an appraiser-client privilege or relationship under any circumstances.

• Disaster Area Comments:

Conversations with the local authorities (i.e: city, county and state) indicated the subject property is not located in a disaster area. Additionally, a physical inspection on the improvements did not indicate any damage from a natural disaster. ***This report is made with the extraordinary assumption the subject is not located in a disaster area and no damage is present due to a natural disaster.*** The appraiser only performed a visual inspection of the assessable areas of the property herein and the appraiser cannot be relied upon to disclose conditions and/or other defects in the property. No warranty of the appraised property is given or implied. No liability is assumed for the structural or mechanical systems/elements of the property. A qualified expert is recommend for a more in depth structural analysis.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgement.

STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower, the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

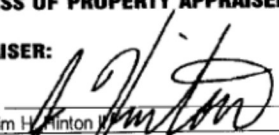
1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

My digital signature is a true and authentic representation of my original signature, and it is password protected.

SUPERVISORY APPRAISER'S CERTIFICATION: If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

ADDRESS OF PROPERTY APPRAISED: 10.85 acres Piper Lane, Spicewood, TX 78669

APPRAISER:

Signature: 
 Name: Jim H. Hinton
 Date Signed: 09/18/2015
 State Certification #: TX-1324552-G
 or State License #:
 State: TX
 Expiration Date of Certification or License: 12/31/2016

SUPERVISORY APPRAISER (only if required):

Signature: _____
 Name: _____
 Date Signed: _____
 State Certification #: _____
 or State License #: _____
 State: _____
 Expiration Date of Certification or License: _____

Did Did Not Inspect Property

Main File No. Windermere Oaks Water

Borrower/Client	Not Applicable	File No. Windermere Oaks Water		
Property Address	10.85 acres Piper Lane			
City	Spicewood	County	Burnet	State TX Zip Code 78669
Lender	Windermere Oaks Water Supply Corporation			

APPRAISAL AND REPORT IDENTIFICATION

This Report is one of the following types:

- Appraisal Report** (A written report prepared under Standards Rule 2-2(a), pursuant to the Scope of Work, as disclosed elsewhere in this report.)
- Restricted Appraisal Report** (A written report prepared under Standards Rule 2-2(b), pursuant to the Scope of Work, as disclosed elsewhere in this report, restricted to the stated intended use by the specified client or intended user.)

Comments on Standards Rule 2-3

I certify that, to the best of my 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 my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- Unless otherwise indicated, 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.
- Unless otherwise indicated, I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or 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 value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification (if there are exceptions, the name of each individual providing significant real property appraisal assistance is stated elsewhere in this report).

Comments on Appraisal and Report Identification

Note any USPAP related issues requiring disclosure and any State mandated requirements:

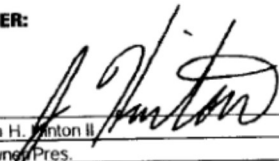
The estimated marketing and exposure time is the same as the indicated time period so stated in the neighborhood section of this appraisal report.

My digital signature is a true and authentic representation of my original signature, and it is password protected. This appraisal is not an inspection report and should not be relied upon to report the condition of the property being appraised. No warranty of the appraised property is given or implied. No liability is assumed for the structural or mechanical systems/elements of the property.

A portion of the subject property was previously utilized as a water treatment plant for the local community sewer. These improvements have reportedly been removed and the pond has been filled. This report is made with the hypothetical condition there are no environmental hazards associated with the removal of the water treatment facility and associated accessories and none currently exist. A qualified remediation specialist is recommended to ascertain the extent of the contamination, if any, associated with the subject property and surrounding properties.

Conversations with a local agent indicated the property would probably need to be raised to develop the sites. This appraisal does not take into account any potential fill that may be needed to develop the subject site.

APPRAISER:

Signature: 

Name: Jim H. Winton II
Owner/Pres.

State Certification #: TX-1324552-G
or State License #:

State: TX Expiration Date of Certification or License: 12/31/2016

Date of Signature and Report: 09/18/2015

Effective Date of Appraisal: 09/01/2014

Inspection of Subject: None Interior and Exterior Exterior-Only

Date of Inspection (if applicable): 09/01/2015

SUPERVISORY or CO-APPRAISER (if applicable):

Signature: _____

Name: _____

State Certification #: _____
or State License #: _____

State: _____ Expiration Date of Certification or License: _____

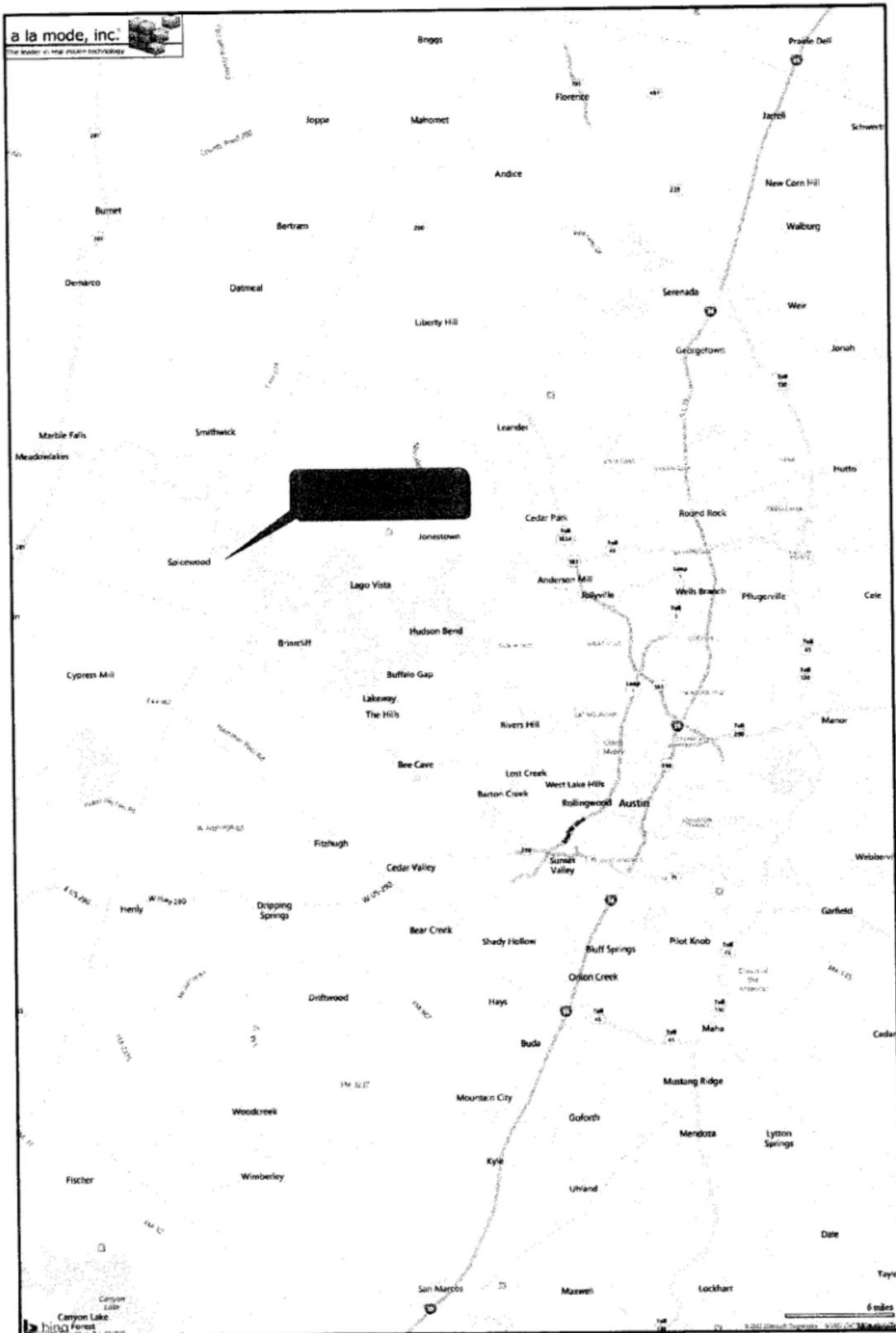
Date of Signature: _____

Inspection of Subject: None Interior and Exterior Exterior-Only

Date of Inspection (if applicable): _____

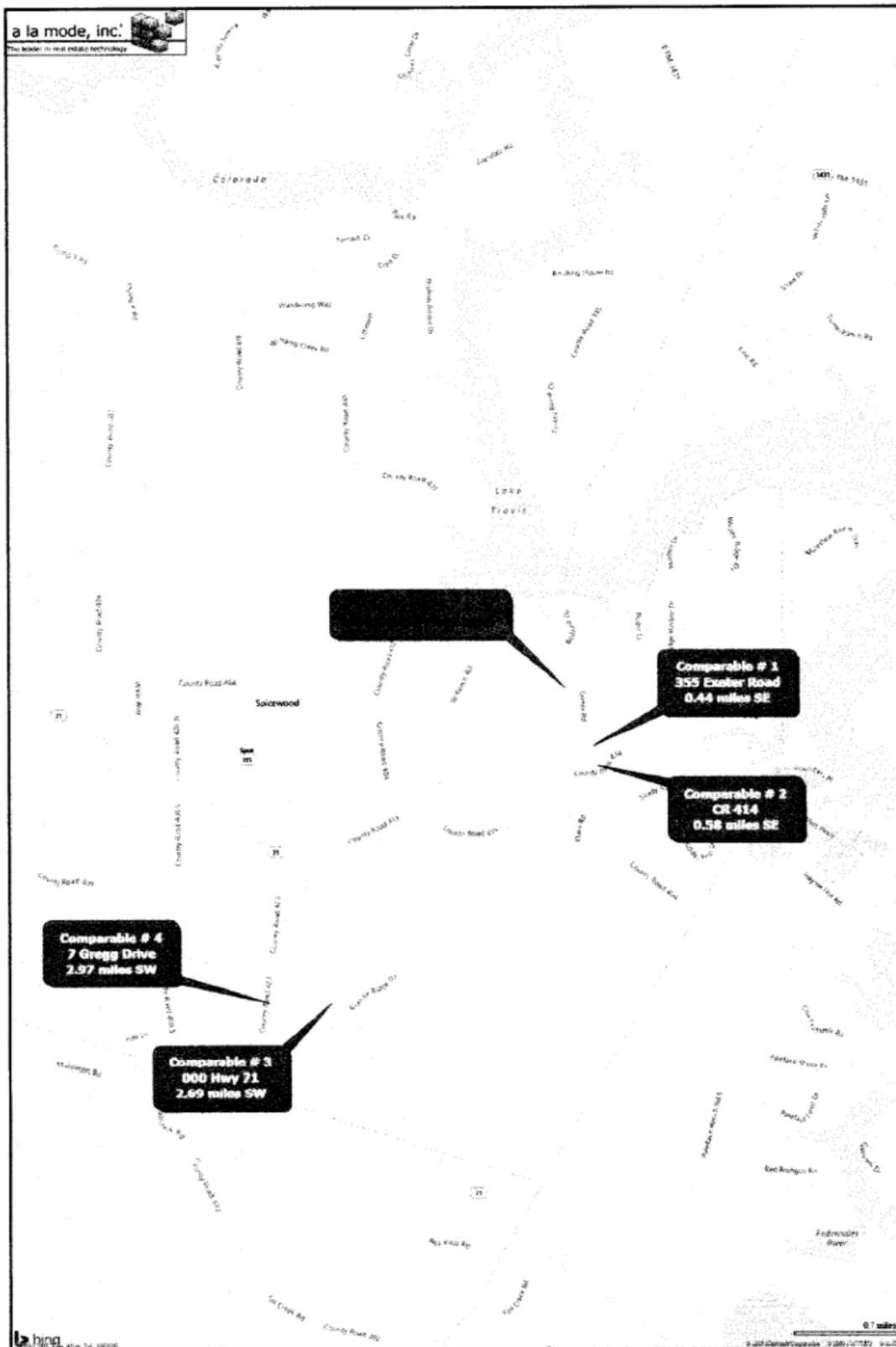
Location Map

Borrower/Client	Not Applicable						
Property Address	10.85 acres Piper Lane						
City	Spicewood	County	Burnet	State	TX	Zip Code	78669
Lender	Windermere Oaks Water Supply Corporation						



Comparable Sales Map

Borrower/Client	Not Applicable		
Property Address	10.85 acres Piper Lane		
City	Spicewood	County	Burnet
Lander	Windermere Oaks Water Supply Corporation	State	TX
		Zip Code	78669



Aerial Map

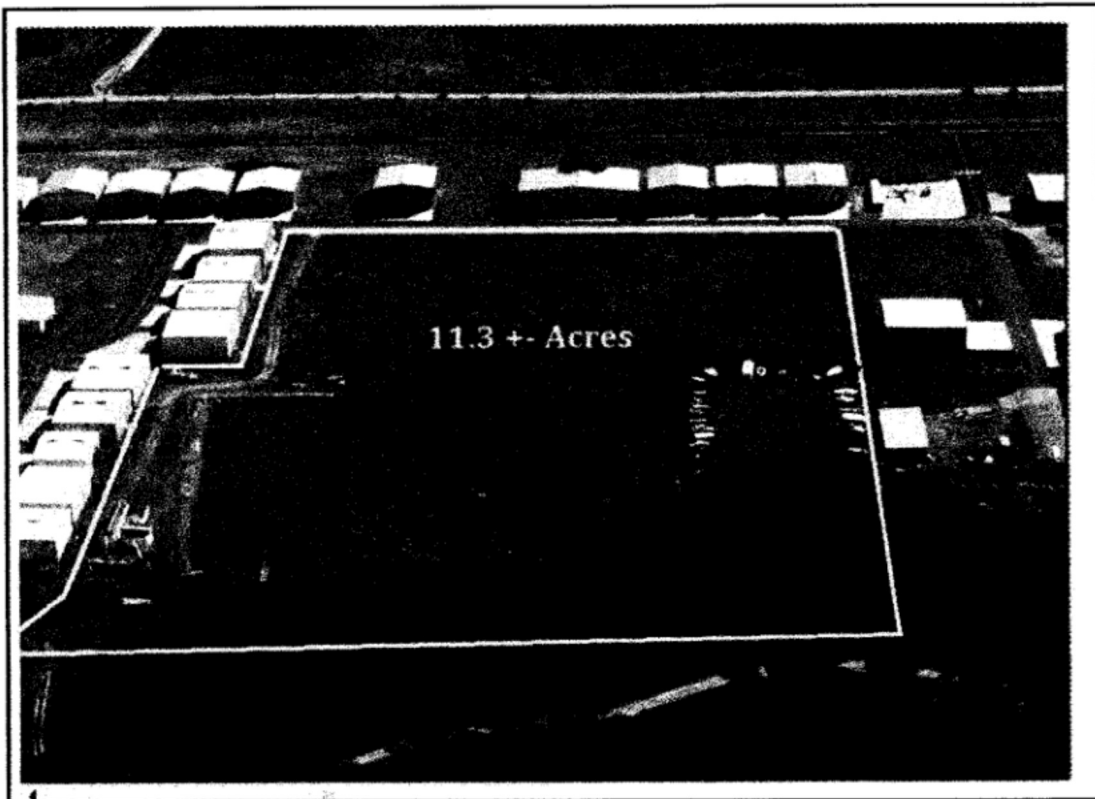
Borrower/Client	Not Applicable			
Property Address	10.85 acres Piper Lane			
City	Spicewood	County	Burnet	State TX Zip Code 78669
Lender	Windermere Oaks Water Supply Corporation			



Main File No. Windermere Oaks Water

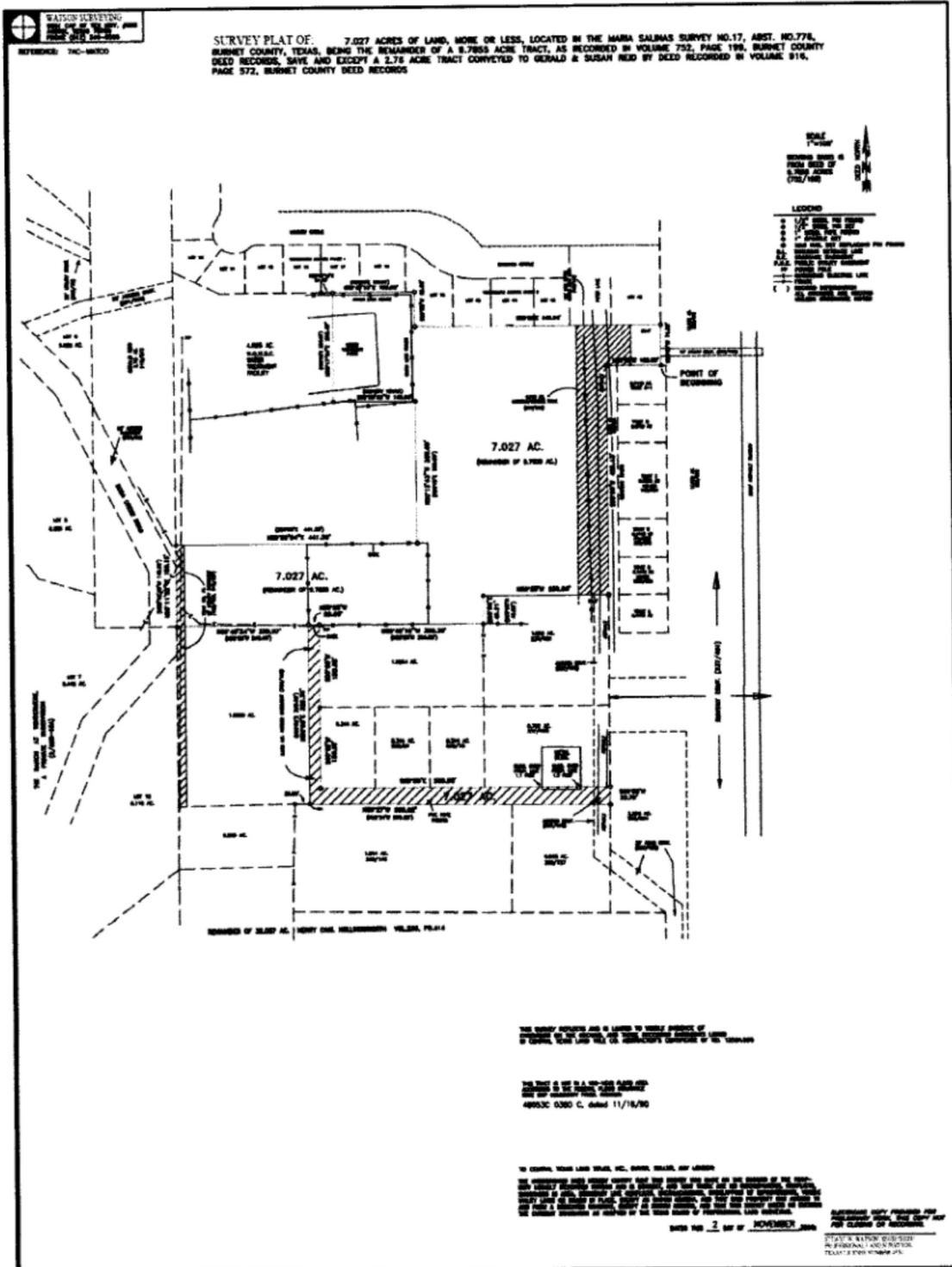
Provided Aerial

Borrower/Client	Not Applicable						
Property Address	10.85 acres Piper Lane						
City	Spicewood	County	Burnet	State	TX	Zip Code	78669
Lender	Windermere Oaks Water Supply Corporation						



Provided Survey

Borrower/Client	Not Applicable			
Property Address	10.85 acres Piper Lane			
City	Spicewood	County	Burnet	State TX Zip Code 78669
Lender	Windermere Oaks Water Supply Corporation			



Main File No. Windermere Oaks Water

Flood Map

Borrower/Client	Not Applicable				
Property Address	10.85 acres Piper Lane				
City	Spicewood	County	Burnet	State	TX Zip Code 78669
Lender	Windermere Oaks Water Supply Corporation				

InterFlood by a la mode

Prepared for: Advanced Properties

Spicewood, TX 78669



MAP DATA

FEMA Special Flood Hazard Area: No
Map Number: **48053C0705F**
Zone: **X**
Map Date: **March 15, 2012**
FIPS: **48053**

MAP LEGEND

- | | |
|--------------------------------------|-----------------|
| Areas inundated by 500-year flooding | Protected Areas |
| Areas inundated by 100-year flooding | Floodway |
| Velocity Hazard | Subject Area |

Powered by CoreLogic®

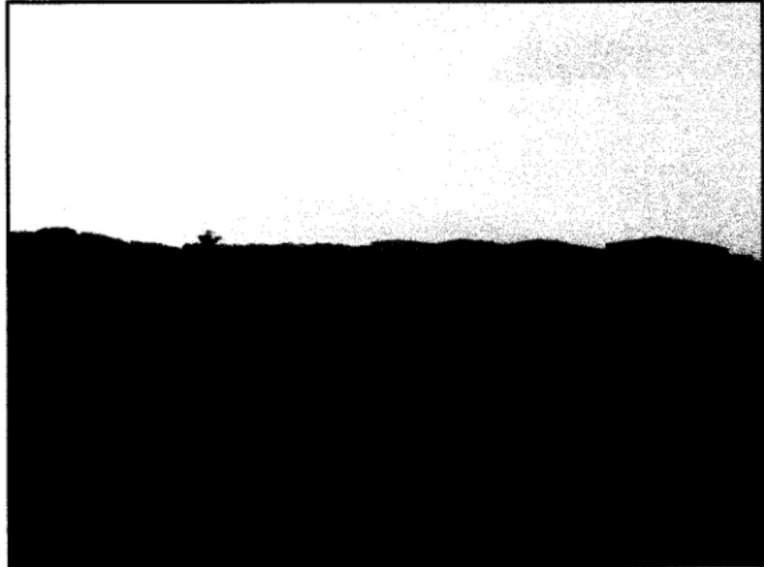
Subject Photo Page

Borrower/Client	Not Applicable						
Property Address	10.85 acres Piper Lane						
City	Spicewood	County	Burnet	State	TX	Zip Code	78669
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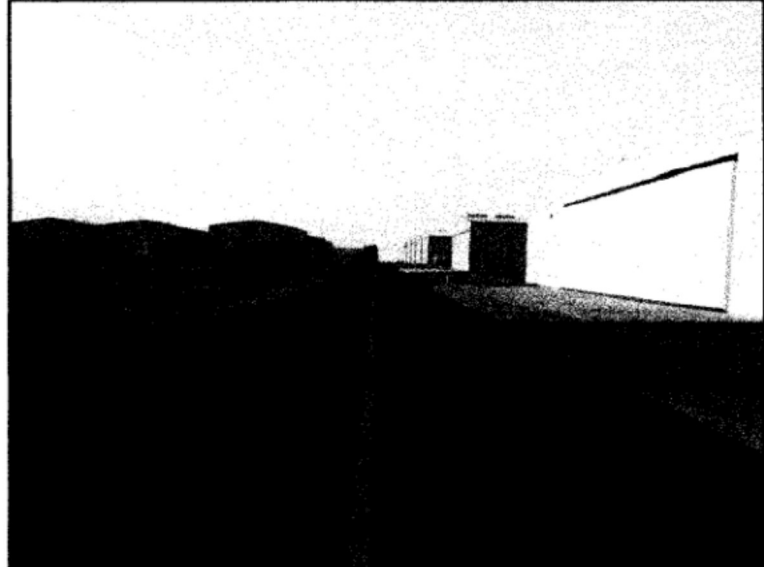


Subject

10.85 acres Piper Lane
Sales Price
GLA
Total Rooms
Total Bedrms
Total Bathrms
Location Spicewood
View
Site +/- 10.85 acres
Quality
Age



Subject



Subject Street

"WinTOTAL" appraisal software by a la mode, inc. — 1- File No. Windermere Oaks Water

Borrower/Client	Not Applicable			
Property Address	10.85 acres Piper Lane			
City	Spicewood	County	Burnet	State TX Zip Code 78669
Lender	Windermere Oaks Water Supply Corporation			

PROFESSIONAL EXPERIENCE:

- **September 1991 to Present — Principal of Advanced Properties, Broker, Appraiser**
 - Coordinated the residential appraisals of Advanced Properties. Responsibilities included residential reports, reviews, billing, and applicable software.
 - Acquisition and sales of real estate in the Central Texas area.
 - Sales and marketing of manufactured housing, site location and setup. Coordinated the residential appraisals of appraisal firms. Responsibilities included residential reports, reviews and applicable software.
 - Contracted with several commercial and residential appraisal firms and was responsible for the completion of overflow appraisals work. Contracts included single and multi-tenant commercial/retail buildings, shopping centers, restaurants, mini-storage facilities, apartment complexes, condominiums, multi-tenant office buildings, vacant land, rural land, single family residences, duplexes, townhouses, etc.
- **February 1990 to September 1991 — Staff Appraiser, L. H. Decovic and Associates**
- **July 1988 to February 1990 — Instructor, Champions School Of Real Estate**
- **January 1986 to February 1990 — Staff Appraiser, ARC and Reed & Reed Associates**

EDUCATION:

- **BBA Degree General Business, Sam Houston State University, 1985**
- **Successful completion of the following post-graduate construction and real estate courses:**
 - Foundation Types; Electrical and HVAC; Structural; Roof Types and Repair; Appliances; Pools, Spas and Equipment; Solar Heating Equipment; Commercial Cost Analysis; Residential Cost Analysis; Commercial Appraisal; Principals of Appraisal; Farm and Land Appraisal; Residential Appraisal; Principals of Appraisal Review.
 - Residential Appraisal Software -- WinTotal and MCS
 - Word Processing Software -- Microsoft Word and Word Perfect

PROFESSIONAL LICENSES:

- **Texas Certified General Real Estate Appraiser #TX-1324552-G**
- **Texas Real Estate Brokers License #0370853**
- **FHA Approved #TX-1324552-G**
- **HUD Lender Selection Roster #TX-1324552-G**
- **Formerly held Real Estate Inspection License: Texas Real Estate Commission and Type IV Adjusters License, Fire, Allied Lines and Inland Marine.**

Main File No. Windermere Oaks Water

Texas Appraiser's Certification

Borrower/Client	Not Applicable			
Property Address	10.85 acres Piper Lane			
City	Spicewood	County	Burnet	State TX Zip Code 78669
Lender	Windermere Oaks Water Supply Corporation			

Texas Appraiser Licensing and Certification Board

P.O. Box 12188 Austin, Texas 78711-2188

Certified General Real Estate Appraiser

Number: **TX 1324552 G**

Issued: **12/09/2014** Expires: **12/31/2016**

Appraiser: **JIMMY HOUSTON HINTON II**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Texas Occupations Code, Chapter 1103, is authorized to use this title, Certified General Real Estate Appraiser.


Douglas E. Oldrixon
Commissioner