



THE COUNTY OF GALVESTON

RUFUS G. CROWDER, CPPO CPPB
PURCHASING AGENT

GWEN MCLAREN, CPPB
ASST. PURCHASING AGENT

COUNTY COURTHOUSE
722 Moody (21st Street)
Fifth (5th) Floor
GALVESTON, TEXAS 77550
(409) 770-5371

February 17, 2016

RE: ADDENDUM #1
BID #B161010 Sale of 1.21 Acres of Land

To All Prospective Proposers,

The following information is being provided to aid in preparation of your proposal submittal(s):

ATTACHMENTS:

The attached Appraisal Report was omitted from the original bid packet.

Please send bid submittals to:
Galveston County Purchasing Agent
Attention: Rufus Crowder, CPPO CPPB
722 Moody (21st Street), Fifth (5th) Floor
Galveston, Texas 77550

As a reminder, all questions regarding this proposal must be submitted in writing to:

Rufus G. Crowder, CPPO CPPB
Galveston County Purchasing Agent,
722 Moody, Fifth (5th) Floor
Galveston, Texas 77550
Fax: (409) 621-7987
E-mail: rufus.crowder@co.galveston.tx.us

Please excuse us for any inconvenience that this may have caused.

Sincerely,

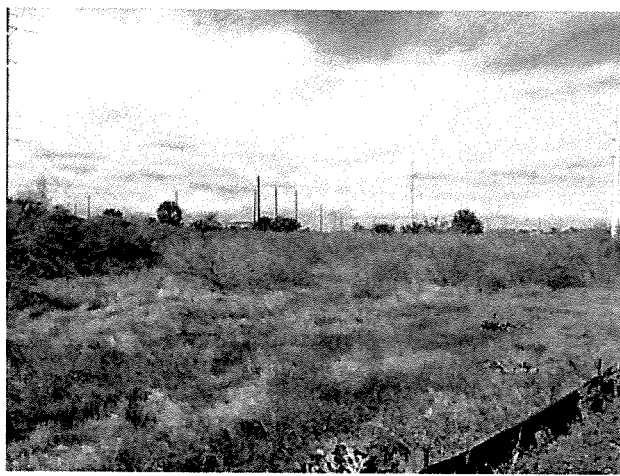
A handwritten signature in black ink, appearing to read "Rufus", followed by a long, sweeping horizontal line.

Rufus G. Crowder, CPPO CPPB
Purchasing Agent
Galveston County

APPRAISAL REPORT

ON

A TOTAL OF +-1.21 ACRES OF LAND
LOCATED ON THE NORTHEAST CORNER OF STEWART ROAD AND 13 MILE
ROAD, CITY OF GALVESTON
GALVESTON COUNTY, TEXAS'



FOR

MR. PAUL READY
GALVESTON COUNTY LEGAL DEPARTMENT
THE COUNTY OF GALVESTON
722 MOODY
GALVESTON, TEXAS 77550

DATE OF REPORT – JANUARY 25, 2016
EFFECTIVE DATE OF APPRAISAL – JANUARY 5, 2016
DATE OF INSPECTION- JANUARY 5, 2016

BY

R. C. CHUOKE & ASSOCIATES, INC.
P.O. BOX 1447
LEAGUE CITY, TEXAS 77574

R.C. Chuoke & Associates, Inc.

Appraisers & Consultants

P.O. Box 1447
League City, Texas 77574

Office- 281-338-9633
Fax- 281-338-9533

January 25, 2016

Mr. Paul Ready
Galveston Legal Department
Galveston County Courthouse
722 Moody, 5th Floor
Galveston, Texas 77550

RE: Appraisal report regarding the Market Value of a total of +-1.21 acres of land located on the northeast corner of Stewart Road and 13 Mile Road, City of Galveston, Galveston County, Texas.

Dear Sirs:

In accordance with your request, I have inspected the following described property for the purpose of estimating its current **Market Value as of the effective date of the appraisal in fee simple estate.**

BRIEF LEGAL DESCRIPTION OF PROPERTY

Known as 1.21 acres of land out of the Levi Jones and Edward Hall Survey, Abst. 121 and the Thomas J Chambers Survey, Abst 293, Galveston County, Texas.

We hereby certify that I have inspected the property described by way of a personal inspection and that all data gathered by my investigation is from sources believed reliable and true. At our client's request, the results of our investigation and analyses are being presented via an **Appraisal Report Format** as permitted by Standard 2-2(a). It has been our intention to conduct our appraisal and prepare

Galveston County Legal Department

this report in compliance with the Uniform Standards of Professional Practice ("USPAP") and the Appraisal Standards Board of the Appraisal Foundation. Since the subject property is a vacant tract of land the Cost Approach and Income Approaches were not used in this analysis.

This appraisal assignment is not based on any request for a minimum or specific valuation or the approval of any loan.

Competency Statement: The appraiser(s) is considered to meet the competency provision of the USPAP.

Intended Purposes/User: This appraisal report is intended to be used for estimating the market value of the subject property by the client for internal use. This appraisal is intended to be used **only** by the client/addressee for internal uses and is not intended to be used or relied upon by any other third party. The client and intended user is Galveston County only. Any other use or reliance of this report by an unauthorized third party is prohibited unless otherwise specified.

The estimated Market Value of the subject parcels as of January 5, 2016 (effective date of appraisal) is as follows:

\$160,000

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Chris Chuoke', written over a horizontal line.

Chris Chuoke, President
R.C. CHUOKE & ASSOCIATES, INC.

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SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

=====

Location NE Corner of Stewart Road & 13 Mile Road,
.....City of Galveston, Galveston County, Texas

Effective Date of AppraisalJanuary 5, 2016

Date of InspectionJanuary 5, 2016

Date of Report..... January 25, 2016

Purpose of Appraisal..... Estimate Market Value

Property Rights AppraisedFee Simple

Highest and Best Use (As – Vacant) Commercial Development

Site Data..... 1.21 Acres/52,708 Sq Ft

Flood Plain Data Zone A
..... (In 100 Year Flood Plain)

ZoningR-1 (SF Residential)

VALUE CONCLUSIONS

Direct Sales Approach

\$160,000

INTRODUCTION

CONTINGENT AND LIMITING CONDITIONS

- 1) The legal description furnished is correct.
- 2) The title to the property is good and marketable.
- 3) No responsibility for legal matters is assumed.
- 4) It is assumed that the property is free and clear of indebtedness of all taxes and assessments that have been paid.
- 5) Possession of this report does not carry with it the right of public nor may it, or any part thereof, be used by anyone but the applicant without the previous written consent of the appraiser.
- 6) Sketches and maps included in this report are to assist the reader to visualize the property, and responsibility is not assumed as to their accuracy as I have made no survey of the property.
- 7) No part of this appraisal shall be used in conjunction with any other appraisal, and all opinions expressed herein are invalid if so used.
- 8) We believe the information in this report to be reliable if furnished by others, but we assume no responsibility for its accuracy.
- 9) We are not required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless arrangements have been made previously.
- 10) Upon inspection of the subject property, no evidence of hazardous wastes was noted and, if hazardous wastes are found on the property, it may affect the value of the site. This appraisal has been made under the assumption that the subject property does not have potentially hazardous waste deposits.
- 11) Any lease, agreements or other written or verbal representations and/or communications and information received by the appraiser(s) have been reasonably relied upon in good faith but have not been analyzed for their legal implications. We urge and caution the user of this report to obtain legal counsel of his/her own choice to review the legal and factual matters, and to verify and analyze the underlying facts and merits of any investment decision in a reasonably prudent manner.
- 12) No soil or subsoil data or analysis based on engineering core borings or other tests were furnished to us. We have assumed that there are no subsoil defects present that would impair development of the land to its maximum permitted use or would render it more or less valuable. No

responsibility is assumed for engineering which might be required to discover such factors.

- 13) The projections of income, expenses, terminal values or future sales prices are not predictions of the future; rather, they are the best estimate of current market thinking of what the future trends will be. No warranty or representations is made that these projections will materialize. The real estate market is constantly changing. It is not the task of the appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future, and upon what assumptions the future investment decisions are based.
- 14) The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have NOT made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the ADA. It is possible that a detailed survey of the subject property would reveal that the subject property is not in compliance with the ADA.

Special Report Conditions, Appraiser's Liability & Limitations and Client Agreements.

The acceptance of this report and its use by the Client in any manner whatsoever or for any purpose is acknowledgement by the client that the designated recipient, participant or assignee has personally read the report and specifically agrees that the data herein is accurate to the best of the appraiser's ability. This report remains the personal property of the signer and may not be transmitted or relied on by any third party without the signer's written permission. It is agreed that the appraiser's responsibility does not extend to any third party under any circumstances whatsoever.

As an amendment to the Appraiser/Client agreement, the Client agrees to read the appraisal and agrees to notify the Appraisal firm of any objections, errors, omissions or invalid data herein within 15 days of receipt of this report and return all copies of report to appraiser for correction prior to any use whatsoever. Under no circumstances shall the Company's or any Appraiser's liability exceed the fee actually collected for this report and then only in case of a gross error(s) which would have materially affected the appraisal's value indication as of the date of the valuation. By acceptance of this report by the client, the client acknowledges the foregoing statements and also acknowledges that a value opinion is the product of the company which produces an opinion, not a provable fact. As a personal opinion, valuations may vary between appraisers based on the same facts. The client agrees that the signer(s) of this appraisal have done so solely as employee(s) of R.C. Chuoke & Associates and not individually.

BASIC ASSUMPTIONS

This analysis is subject to the following basic assumptions:

1. That the economy of the nation and the general subject market area (GALVESTON COUNTY) remain at approximately current levels or slightly improving.
2. That there will be no substantial change in federal, state or local tax or insurance rates which could adversely affect the cash position of the property.
3. It is assumed that there are no hidden or unapparent conditions of the property, sub soils or structures that would render it more or less valuable. No responsibility is assumed for such conditions or for engineering that may be required to discover such factors.
4. It is assumed that there is full compliance with all applicable federal, state and local governmental regulations and laws unless non-compliance is stated, defined and considered in the appraisal report.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the subject property for decision making purposes by the client/intended user which is County of Galveston.

EFFECTIVE DATE OF THIS APPRAISAL

The effective date of the appraisal is January 5, 2016.

DATE OF INSPECTION

The last inspection of the subject property was January 5, 2016.

DATE OF REPORT

The date of the appraisal report is January 25, 2016.

BRIEF LEGAL DESCRIPTION OF PROPERTY

Known as 1.21 acres of land out of the Levi Jones and Edward Hall Survey, Abst. 121 and the Thomas J Chambers Survey, Abst 293, Galveston County, Texas.

EXPOSURE TIME

Based on discussions with Realtors and a review of the available listings in the subject area versus the actual sold properties, an estimated exposure time of up to 12 months is anticipated.

INTEREST APPRAISED

Fee Simple Estate.

OWNERSHIP HISTORY OF SUBJECT

The County of Galveston reportedly owns the subject property, per the deed provided. No transfer of the subject property was noted for the past three (3) years. The subject property is not known to be currently listed for sale or reported to be under contract.

PERSONAL PROPERTY

No personal property was appraised as part of this analysis.

INSTRUCTIONS TO APPRAISAL FIRM

The instructions to the appraisal firm were to prepare an Appraisal Report in order to estimate the market value of the subject property as described.

INTENDED PURPOSE/INTENDED USE/INTENDED USER

This appraisal report is NOT intended to be used for estimating collateral worth for loan underwriting by federally insured financial institutions. It is intended to be used **only** by the client/intended user for estimating the current market value of the subject property for decision making purposes. The client & intended user is Galveston County only. Any other use or reliance of this report by the borrower or any other unauthorized third party is strictly prohibited unless otherwise specified.

MARKET VALUE

In this report, **Market Value** is defined as “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 the definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under condition whereby:

- (a) buyer and seller are typically motivated;
- (b) both parties are well informed or well advised, and each acting in what they consider their best interest;
- (c) a reasonable time is allowed for exposure in the market;
- (d) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (e) the price represents a normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”¹

¹ Office of the Comptroller of the Currency’s Real Estate Rule, 12 CFR Part 34, effective August 24, 1990

STATEMENT OF ENVIRONMENTAL CONDITION

Upon the routine inspection of the subject property, no evidence of any hazardous wastes or detrimental environmental conditions was noted; however, if hazardous wastes are found on the subject property, it may affect the value of the site and we suggest that the client obtain the services of a qualified expert to determine the status of the situation. This appraisal has been made under the assumption that the subject property does NOT have any potential hazardous waste deposits. It is possible that tests and inspections made by a qualified hazardous substance and environmental expert would reveal the existence of hazardous materials that the appraiser is not qualified to detect.

PREFACE

An appraisal is a type of investigation into the law of probabilities with respect to real estate valuation. Through the appraiser's experience, training and integrity, we are able to project the past activities of buyers in the marketplace into a forecast of real estate value. In reaching a conclusion, comparison of properties often involves adjustments due to the individuality and uniqueness of each property. Transactions involving real estate are often influenced by sentiment, bias, specific needs, politics, familiarity, lack of understanding, and other conditions not considered to be impartial to the appraiser.

An appraisal cannot be guaranteed, nor can it be proven. The opinion can, however, be substantiated and the final opinion is the result of a thorough, professional analysis of a vast quantity of physical and economic data. An appraisal must not be considered absolute, but should be used as a basis of negotiation between concerned parties, whatever their interest.

With the preceding in mind, the reader's attention is invited to the following report which points out the facts and reasoning leading to the final estimate of value.

SCOPE OF THIS APPRAISAL

The Uniform Standards of Professional Appraisal Practice, promulgated by *The Appraisal Foundation*, "Scope of Work Rule"² requires the appraiser:

1. identify the problem to be solved;
2. determine and perform the scope of work necessary to develop credible assignment results; and
3. disclose the scope of work in the report.

The problem to be solved in this assignment is to assist the client in forming an opinion as to the fee simple, market value of the subject property. The subject of this assignment is an unimproved +-1.21 acre tract of land located on the northeast corner of Stewart Road and 13 Mile Road, in the City of Galveston, Galveston County, Texas.

The appraisal development, reporting process and scope of this appraisal is as follows:

1. Make an inspection of the subject property. Investigate the physical data on the subject property provided by our onsite inspection, any data or surveys provided by the client and data provided by the County Appraisal District records.
2. Consider onsite improvements, if any, and in this case, the subject is considered to be unimproved.
3. Review comparable sale service documents such as MLS, Loopnet, etc., and have discussions with active real estate agents and other knowledgeable individuals in the subject neighborhood with reference to sales and market activity/trends in the subject neighborhood.
4. Analyze the Highest and Best Use of the subject property "as though Vacant" and "as Improved."
5. Develop an opinion of the property using the applicable appraisal methods to arrive at a credible value indication. In the case of the subject property, the Direct Sales Approach to value was considered applicable and utilized in this report. The Cost Approach and Income Approach were omitted since the subject property is an unimproved tract of land.

² *Uniform Standards of Professional Appraisal Practice*.

6. Research the market for relevant sales data, comparing the findings to the subject property in the formation of a value opinion by the Sales Comparison Approach-Land.
7. Reconcile the data developed above to arrive at a credible opinion as to the market value of the subject property, as of the effective date of this appraisal with an exposure time to the market as developed herein.
8. Report the findings to the client in an Appraisal Report format in compliance with the Uniform Standards of Professional Appraisal Practice.

HOUSTON AREA ANALYSIS

Analysis of the market area in which a particular property is located is an essential part of every appraisal. The subject property's market area is considered to be the Houston-Galveston-Brazoria Consolidated Metropolitan Statistical Area (CMSA) which consists of the city of Houston, Harris, Brazoria, Chambers, Fort Bend, Galveston, Liberty, Montgomery and Waller Counties. The total land area consists of approximately 8,800 square miles.

Topography. The topography of the area is generally flat, ranging from sea level to 310 feet in altitude. The southern portion of the area is prairie with few trees, while the northern portion of the area is heavily wooded. There are no natural barriers or topographical features which adversely affect any type of building conditions.

Soil and Subsoil Conditions. This area's soil and subsoil conditions are adequate for all types of construction as evidenced by the existing improvements in the area. The exception consists of limited areas in the vicinity of the Houston Ship Channel, which are currently experiencing subsidence.

Climate. The climate of Houston/Galveston is mild with temperatures ranging from 44 degrees to 88 degrees. The average annual rainfall is 43 inches and humidity ranges from 60 percent to 91 percent throughout the year. Prevailing winds are from the Gulf of Mexico and are moderate. Pollution is a factor due to the City's industry and heavy traffic flow.

Medical Facilities. Houston is known for its Medical Center . The Medical Center, as it is commonly termed, is one of the largest medical facilities in the world and includes M. D. Anderson, a cancer research and treatment center, and Texas Children's Hospital. Located in Galveston is the University of Texas Medical Center which employs thousands of employees. There is a medical school located in the complex under the University of Texas system. The complex encompasses approximately 2.5 square miles on the east end of Galveston Island. It was damaged in Hurricane Ike but was rebuilt and continues to expand.

Cultural and Entertainment Facilities. Library facilities in the area include the Houston Public Library System with numerous branches and bookmobiles. Nearly every major religion is represented in Houston by various churches and synagogues.

Convention facilities in Houston include: Toyota Center, Reliant Stadium complex and Jones Hall, Wortham and Hobby Centers. Additionally, there is the George R. Brown Convention Center. Adjacent to the Reliant Stadium which is a football stadium is the original Astrodome facility. Houston has many municipal parks and playgrounds, municipal golf courses, municipal swimming pools, softball and regulation baseball fields, tennis courts, and community recreation centers. Other cultural activities in the area include music, theater, ballet, and museums.

Economic Base. The Houston SMSA has a multiple industry-based economy to include: natural resources, manufacturing, marketing, merchandising, banking, research and development, oceanography, agribusiness, and the space industry. Natural resources in the area include: oil and gas, forest products, sulphur, lime, magnesium, barite, bromine, cement, clays, gypsum, perlite, sand and gravel, salt, shell, and vermiculite. United States petrochemical production is highly concentrated in the Houston-Gulf Coast region which has the majority of the Nation's basic petrochemical manufacturing capacity and a large capacity for first stage derivatives.

The Houston/Galveston area is one of the top-ranking industrial marketing centers in the Southwest. Other phases of the city's wholesale distribution facilities have expanded rapidly in scope of service and variety of inventory.

Oceanography related industries are growing in the Houston SMSA. The majority of the nations offshore operators have offices in the Houston/ Galveston area. There are three major universities, Rice, Houston, and Texas A & M, which are involved in oceanographic research. Major areas in research and development

are the Texas Medical Center and the Johnson Space Center, which controls the space program research, astronaut training program, and the space shuttle program.

The Houston CMSA is a major agribusiness center. Houston lies near the center of the Coastal Prairie, an area including 20 counties with generally flat topography and fertile soil. This area produces the majority of the rice grown in Texas. The Houston/Galveston area is the leading producer of agricultural chemicals, fertilizers, and insecticides. A large percentage of the export tonnage of the Port of Houston is agricultural commodities.

Transportation. The transportation system of the Houston CMSA includes the Port of Houston, the Intracoastal Waterway, air transportation, railroads, freeways, motor freight lines, bus transportation, and oil and gas transmission. The Port of Houston is the third largest seaport in the United States. It is first in terms of total foreign tonnage and is eighth worldwide in total tonnage. The Houston Ship Channel connects the Port and the City of Houston with the Gulf of Mexico. This channel is a 50-mile-long inland waterway. The Port of Galveston is also an important economic factor to the local economy.

The Intracoastal Waterway provides the Houston CMSA with low-cost barge transportation. This 1,777-mile waterway links Houston with 9,812 miles of commercially navigable waterways in the mid-continent regions of the Mississippi River and its tributaries, and with some 2,500 miles of waterways in the Gulf South. Some 8,410 miles of these waterways provide at least 9-foot draft.

Houston is a major air transportation center with numerous lines providing international, domestic, and commuter service. Houston Intercontinental Airport became operational in June of 1969. It is situated on 8,000 acres and located about 16 miles north of the Houston Central Business District between Interstate Highway 45 and U. S. Highway 59.

The Houston/Galveston area is also served by adequate railroad line service which reaches all major points of the city including the major industrial areas and the Port.

The freeway system is designated in Harris/Galveston County by the Texas Highway Commission. It radiates from the Houston Central Business District, and 3 concentric loops. The first loop is an elevated system circling the Central Business District. The second loop, Beltway 8, was recently completed and circles the city at a radius of approximately 12 miles. This loop is a controlled-access tollway in most areas.

Future plans include the Grand Parkway, a third loop at a 25-30 mile radius from downtown Houston, encircling the city for 170 miles. The Hardy Toll Road is a 21.6 mile roadway which extends from Loop 610 North to the Harris County line. This thoroughfare is located in the corridor between Interstate Highway 45 and U.S. Highway 59. Additionally, there are various common-carrier truck lines, oilfield equipment haulers, tank truck lines, household carriers, and local delivery trucking firms in the area.

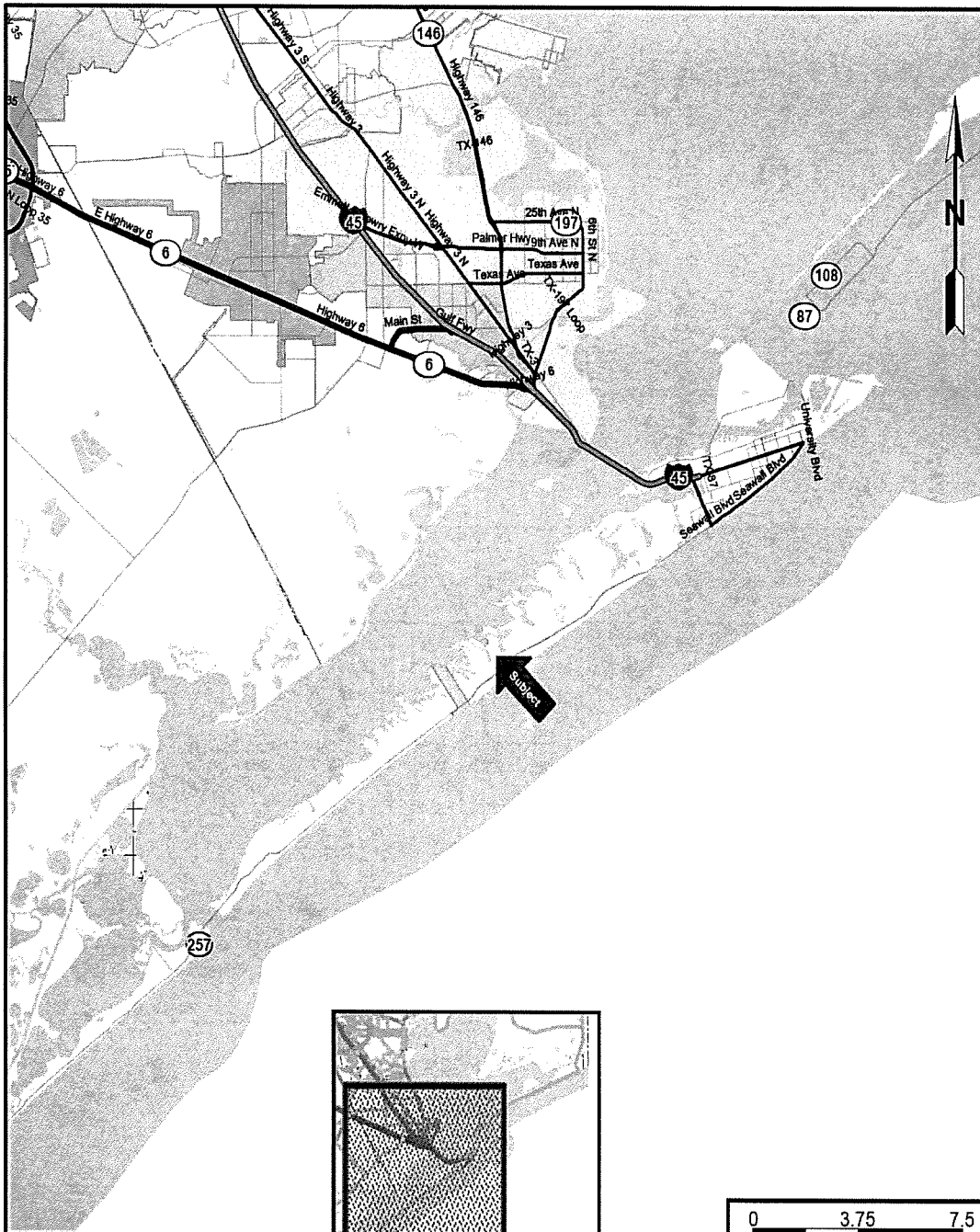
The city-owned Metropolitan Transit Authority provides local transit service with a fleet of buses daily, plus contract buses for Park & Ride Service, operating over a large route system. The Park & Ride system with parking lots designed to ease traffic congestion by offering rapid service for high-volume carriers to the Central Business District. The Houston/Galveston area is one of the nation's most important oil and gas transmission centers. One-half of the nation's major pipeline companies which transport natural gas are found in Houston. Many have their headquarters here and maintain major operating divisions in Houston operating the various natural gas and petrochemical pipelines.

Public Service and Utilities. Electrical power for Houston and the surrounding 560 square mile section of the Central Gulf Coast Area of Texas is served by Reliant Energy Company and Centerpoint Power Company, an investor-owned Texas utility company with its main offices located in Houston. Reliant provides natural gas for the Houston area. Western Union Telegraph

serves the area and telephone service is provided by SBC and Verizon Telephone Company.

Taxes. In the Houston CMSA there are no state, local, personal, or corporate income taxes. The only taxes generally applied to all types of Texas businesses are ad valorem taxes, corporate fees, and annual corporation franchise taxes. Certain businesses pay gross- receipt taxes, occupational taxes, and other taxes depending upon the nature of their operation.

Conclusions. Houston's recovery and subsequent expansion represent not a return of upstream energy jobs, but growth in energy-independent industries. The city has become a major center of applied technology -- the engineering and medical management skills needed to use high technology. Many of Houston's new jobs are white-collar. Overall, the Houston area should remain more stable than the nation as a whole however.



Subject: 1.21 Acres- Stewart Road

CAUTION:

The location of property arrows shown on this map are approximate only. Inaccuracies may exist on map such as missing, incorrectly drawn, or incorrectly addressed streets. Please report any such inaccuracy to MapPro, Inc. so that appropriate corrections can be made.

Prepared by RC Chuoke @ Associates, Inc using MapPro Service. MapPro Inc., PO Box 37427, Houston, TX 77237 1-866-3MAPPRO.

Area Map

NEIGHBORHOOD DATA

A neighborhood is defined in *The Dictionary of Real Estate Appraisal*, by the American Institute of Real Estate Appraisal of the National Association of Realtors as follows:

"A group of complementary land uses."

Neighborhoods may be devoted to such uses as residential, commercial, industrial, agricultural and civic activities or a mixture of these uses. Analysis of the neighborhood in which a particular property is located is important due to the fact that the various economic, social, political, and physical forces which affect that neighborhood also directly affect individual properties within it.

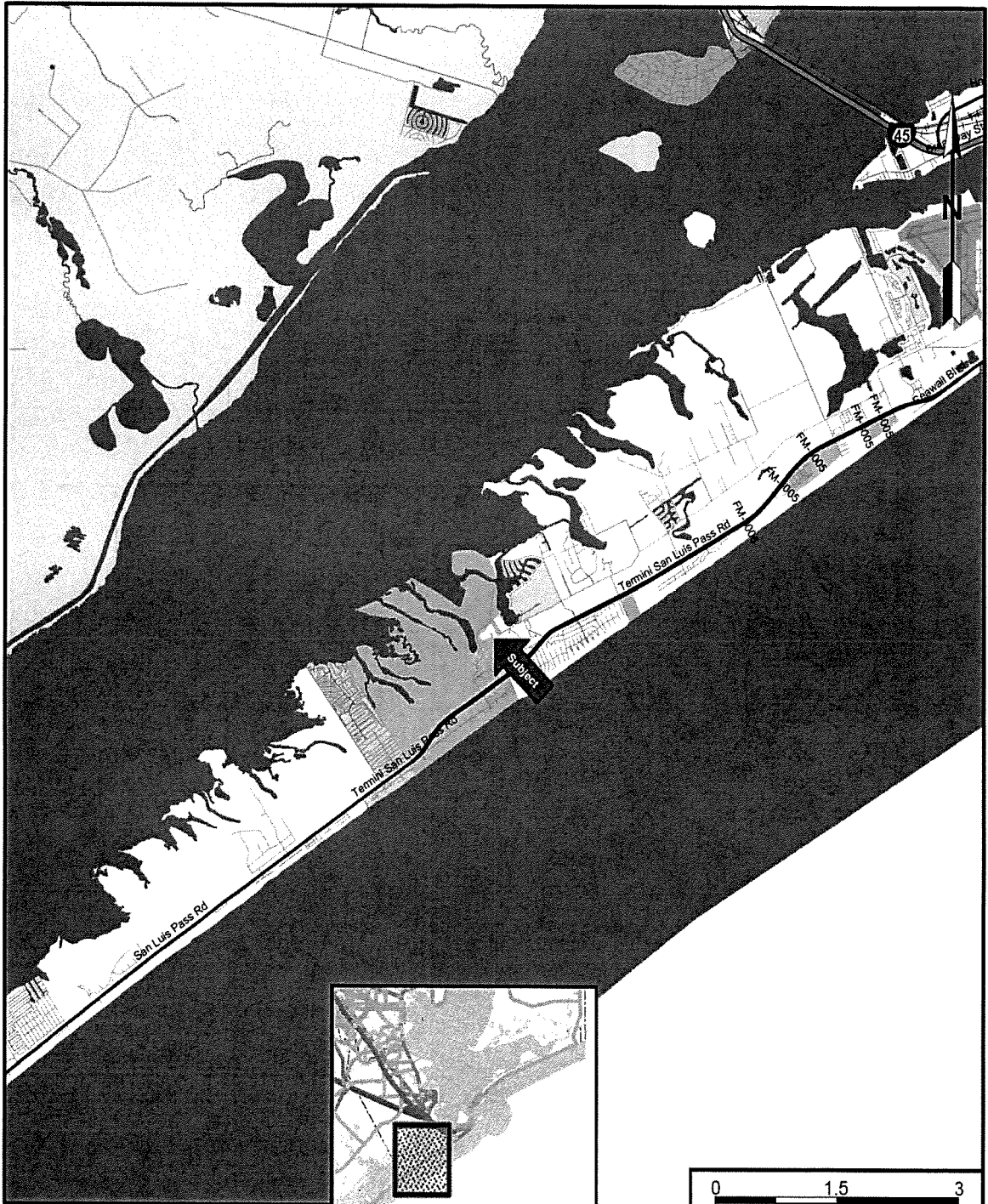
Delineation. The subject neighborhood is located in the incorporated area of Galveston in southern Galveston County. General access to the area is provided by IH-45 South (Gulf Freeway). For the purposes of this report, the neighborhood is defined as being bounded on the north, east and west by Galveston Bay and the Gulf of Mexico to the south.

Major Traffic Carriers. Major roadways in the area include IH-45 South (aka Broadway), 61st Street, 25th Street, Seawall Blvd., and FM 3005 and Stewart Road. The area is crisscrossed with numerous interior collector streets.

Stage of Development. The subject area is mixed use in nature, with single-family and multi-family dwellings, commercial and industrial properties. There are retail/commercial properties along the major roadways. The single-family homes are located in the interior areas. Single-family detached homes have varying values and age ranges, depending on location. There are also apartment complexes in the area, primarily being located on the major streets in the area. The commercial usage ranges from small, freestanding retail and office facilities to neighborhood shopping centers. There are also light industrial properties. There are generally utilities to most points in the sector of the neighborhood.

Galveston is subject to zoning ordinances. Galveston Island was devastated in fall of 2008 by Hurricane Ike and has been in recovery since then. Development has been slow but steady in most areas with some new construction evident. Overall, the subject property is considered to be in the stable stage of development with certain areas undergoing revitalization and growth.

Political Jurisdictions. The subject property lies within the city limits of Galveston. The area is provided with police and fire service from the City of Galveston.



Subject: 1.21 Acres- Stewart Road

CAUTION:

The location of property arrows shown on this map are approximate only. Inaccuracies may exist on map such as missing, incorrectly drawn, or incorrectly addressed streets. Please report any such inaccuracy to MapPro, Inc. so that appropriate corrections can be made.

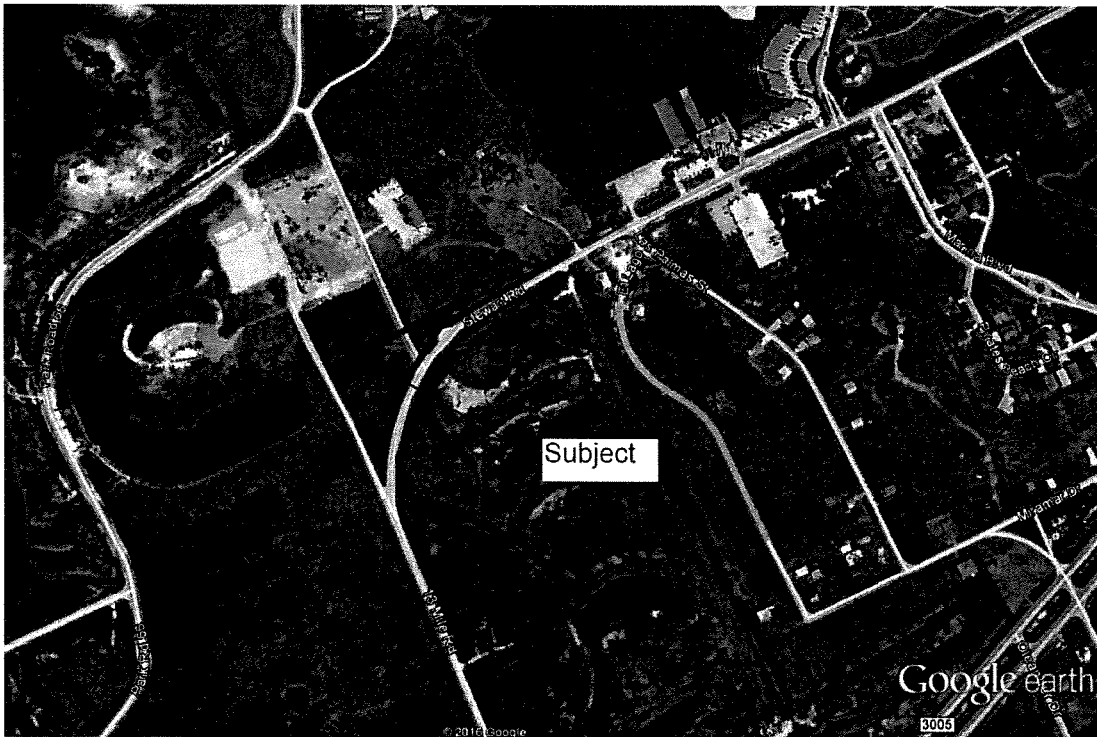
Prepared by RC Chuoke @ Associates, Inc using MapPro Service. MapPro Inc., PO Box 37427, Houston, TX 77237 1-866-3MAPPRO.

Neighborhood Map

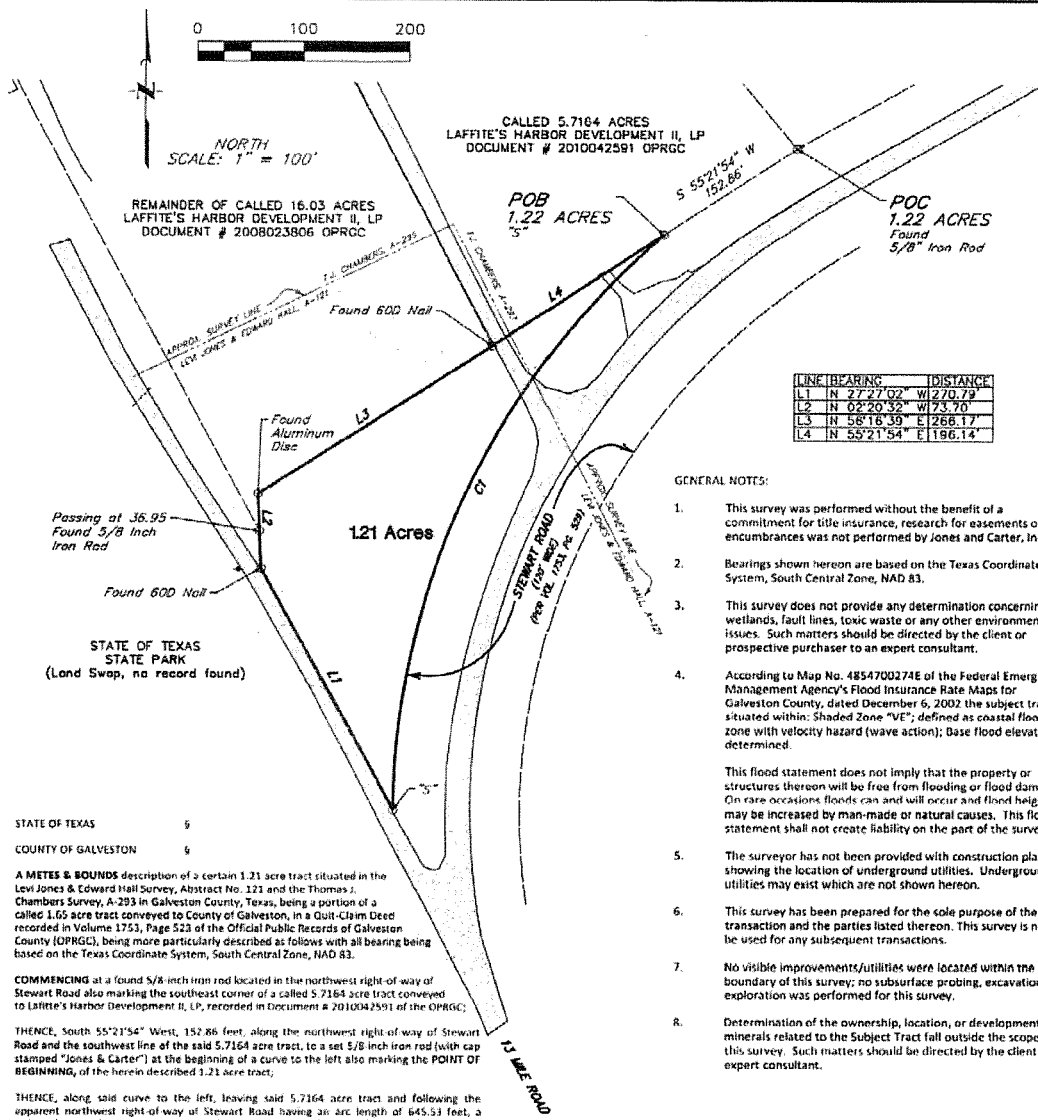
SITE DATA

The overall subject property consists of a +-1.21 acre or 52,708 square foot tract of land located on the northeast corner of Stewart Road and 13 Mile Road in the city limits of Galveston, Texas per the survey provided. The shape of the subject property appears to be generally triangular per the survey. The subject property is located in the 100 year flood plain and has access to public utilities. The subject property is reported to be zoned R-1 by the City of Galveston, which is defined as a general single family detached residential district with complementary civic, recreational and intuitional uses. No deed restrictions were reported.

This tract has reasonable visibility and access from its 645.53 feet of frontage on Stewart Road and 270.70 feet of frontage on 13 Mile Road on its western line.



Aerial Map of Subject



LINK	BEARING	DISTANCE
L1	N 27°27'02" W	270.79
L2	N 02°20'32" W	73.70
L3	N 58°16'39" E	266.17
L4	N 55°21'54" E	196.14

- GENERAL NOTES:**
- This survey was performed without the benefit of a commitment for title insurance, research for easements or encumbrances was not performed by Jones and Carter, Inc.
 - Bearings shown hereon are based on the Texas Coordinate System, South Central Zone, NAD 83.
 - This survey does not provide any determination concerning wetlands, fault lines, toxic waste or any other environmental issues. Such matters should be directed by the client or prospective purchaser to an expert consultant.
 - According to Map No. 4854700274E of the Federal Emergency Management Agency's Flood Insurance Rate Maps for Galveston County, dated December 6, 2002 the subject tract is situated within: Shaded Zone "VE", defined as coastal flood zone with velocity hazard (wave action); Base flood elevations determined.
- This flood statement does not imply that the property or structures thereon will be free from flooding or flood damage. On rare occasions floods can and will occur and flood heights may be increased by man-made or natural causes. This flood statement shall not create liability on the part of the surveyor.
- The surveyor has not been provided with construction plans showing the location of underground utilities. Underground utilities may exist which are not shown hereon.
 - This survey has been prepared for the sole purpose of the transaction and the parties listed thereon. This survey is not to be used for any subsequent transactions.
 - No visible improvements/utilities were located within the boundary of this survey; no subsurface probing, excavation or exploration was performed for this survey.
 - Determination of the ownership, location, or development of minerals related to the Subject Tract fall outside the scope of this survey. Such matters should be directed by the client to an expert consultant.

CURVE	ARC LENGTH	RADIUS	DELTA ANGLE	CHORD BEARING	CHORD LENGTH
C1	645.53	781.39	147°20'01"	S 23°58'38" W	627.33

STATE OF TEXAS §
COUNTY OF GALVESTON §

A METES & BOUNDS description of a certain 1.21 acre tract situated in the Levi Jones & Edward Hall Survey, Abstract No. 121 and the Thomas J. Chambers Survey, A-293 in Galveston County, Texas, being a portion of a called 1.65 acre tract conveyed to County of Galveston, in a Quit-Claim Deed recorded in Volume 1753, Page 523 of the Official Public Records of Galveston County (OPRGC), being more particularly described as follows with all bearing being based on the Texas Coordinate System, South Central Zone, NAD 83:

COMMENCING at a found 5/8-inch iron rod located in the northwest right-of-way of Stewart Road also marking the southeast corner of a called 5.7164 acre tract conveyed to Laffite's Harbor Development II, LP, recorded in Document # 2010042591 of the OPRGC;

THENCE, South 55°21'54" West, 152.86 feet, along the northwest right-of-way of Stewart Road and the southwest line of the said 5.7164 acre tract, to a set 5/8-inch iron rod (with cap stamped "Jones & Carter") at the beginning of a curve to the left also marking the **POINT OF BEGINNING**, of the herein described 1.21 acre tract;

THENCE, along said curve to the left, leaving said 5.7164 acre tract and following the apparent northwest right-of-way of Stewart Road having an arc length of 645.53 feet, a radius of 781.39 feet, an interior angle of 147°20'01", a chord bearing of South 23°58'38" West and a chord distance of 627.33 feet, to a set 5/8-inch iron rod (with cap stamped "Jones & Carter") in a northeast line of a called 10.9132 acre tract conveyed to State of Texas State Park (Land Swap, no record found);

THENCE, North 27°27'02" West, 270.79 feet, along said northeast line of the said 10.9132 acre tract to a found 60D nail at an interior corner of the said 10.9132 acre tract;

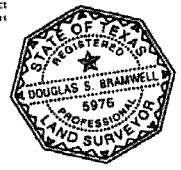
THENCE, North 02°20'32" West, passing at 36.95 found 5/8-inch iron rod at an east corner of said 10.9132 acre tract, continuing in all a total distance of 73.70 feet to a found aluminum disc;

THENCE, North 58°16'39" East, 266.17 feet, to a found 60D nail at the east corner of a remainder of a called 16.03 acre tract conveyed to Laffite's Harbor Development II, LP, recorded in Document # 2008023806 of the OPRGC; and the south corner of aforementioned 5.7164 acre tract;

THENCE, North 55°21'54" East, 196.14 feet along the southeast line of said 5.7164 acre tract to the **POINT OF BEGINNING**, CONTAINING 1.21 acre of land in Galveston County, Texas, as shown on Drawing No. 1199 filed in the offices of Jones & Carter in Bryan, Texas.

**BOUNDARY SURVEY
OF
COUNTY OF GALVESTON TRACT**

BEING
1.21 OF ACRES
OUT OF THE
**LEVI JONES & EDWARD HALL, A-121
THOMAS J. CHAMBERS, A-293**
GALVESTON COUNTY, TEXAS
MAY 2015



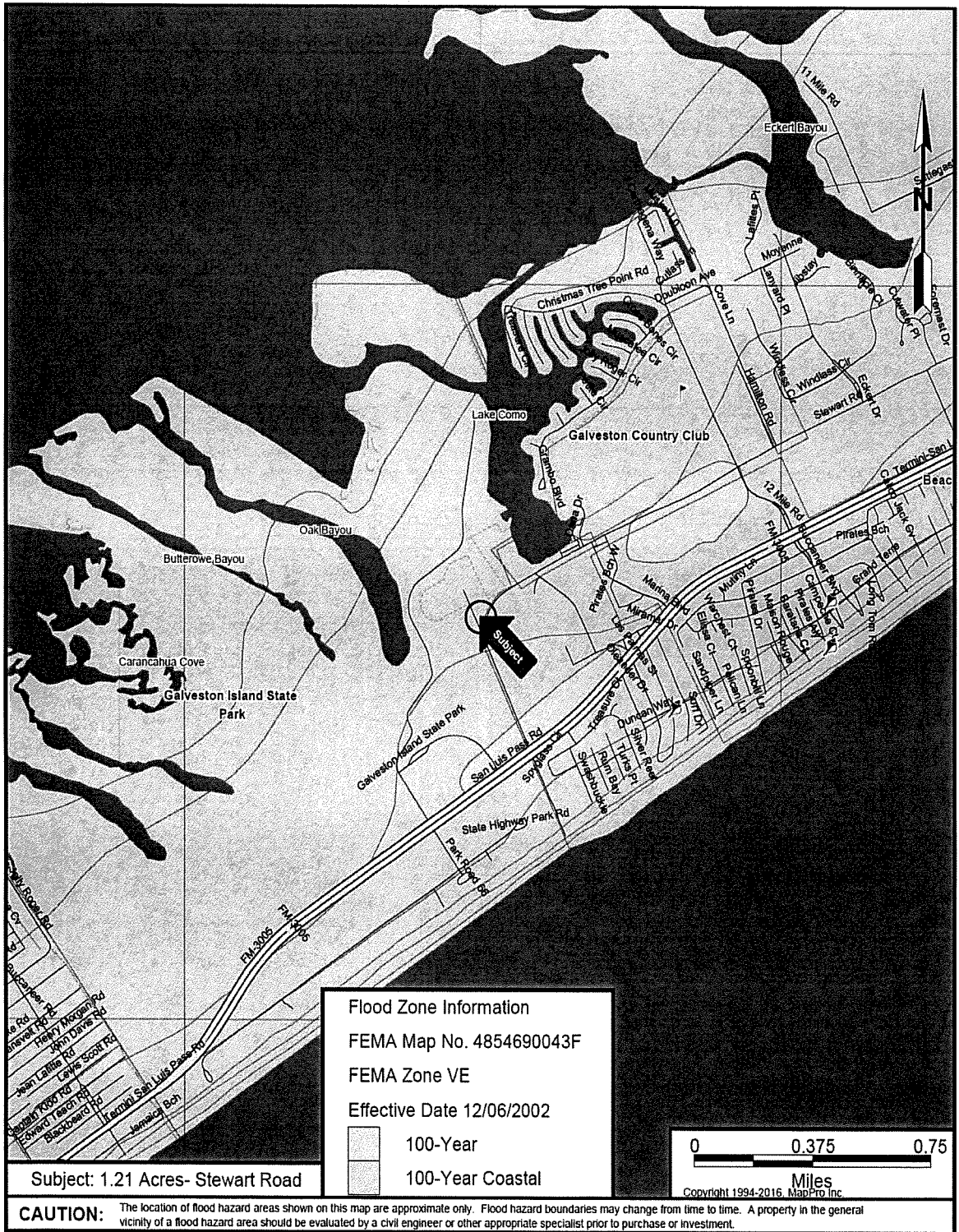
JC JONES & CARTER, INC.
ENGINEERS • PLANNERS • SURVEYORS
1716 Briarwood Drive, Suite 160
Bryan, Texas 77802-2776
(979) 731-8000 www.jonescarter.com
FORM No. 10048107

Subject to the General Notes shown:
To: Laffite's Harbor Development II, LP
We, Jones & Carter Inc., acting by and through Douglas S. Bramwell, a Registered Professional Land Surveyor, hereby certify that this survey substantially complies with the Texas Board of Professional Land Surveyor's Minimum Standards.

Surveyed: May 18, 2015

Douglas S. Bramwell
Douglas S. Bramwell 5/21/2015
Registered Professional Land Surveyor
No. 5976

Survey of Subject



Flood Map of Subject

FRONT VIEW OF SUBJECT LOOKING FROM STEWART ROAD



REAR VIEW OF SUBJECT LOOKING EAST

TYPICAL STREET SCENE LOOKING EAST ON STEWART ROAD



TYPICAL STREET SCENE LOOKING WEEST ON STEWART ROAD

HIGHEST AND BEST USE
“AS VACANT”

In accordance with standard accepted appraisal practice, a property must be appraised in terms of its Highest and Best Use. According to the *Dictionary of Real Estate Appraisal* by the American Institute of Real Estate Appraisers, Highest and Best Use is defined as:

- 1. The reasonable and probable use that supports the highest present value of vacant land or improved property, as defined, as of the date of the appraisal.**
- 2. The reasonably probable and legal use of land or sites as though vacant, found to be physically possible, appropriately supported, financially feasible, and that results in the highest present land value.**
- 3. The most profitable use.**

The procedure used in this report to estimate the Highest and Best Use of the subject property was to consider, in sequence, the subject's probable use, its legal use, its profitable use, and finally, the optimum or Highest and Best Use. Data collected and analyzed for purposes of a Neighborhood Analysis, and particularly the Site Data, was useful in arriving at a final decision. Because the use of land can be limited by the presence of improvements, Highest and Best Use is determined for (a) the land or site as though vacant and available to be put to its Highest and Best Use, and (b) the property as improved.

PROBABLE USE. Relative location, size, terrain, plottage and utility availability are generally considered the most important factors in determining the uses to which land may be developed. The size of a tract is important for determination of probable uses because some small tracts, due to limited size, can reach their optimum use only as part of an assemblage of several tracts. Large tracts, on the other hand, are not as restricted by size and have a much wider range of probable uses. The overall subject property contains 1.21 acres or 52,708 square feet of land area. A tract's topography and subsoil conditions are

also important considerations in determining its probable uses. If a site's topography or subsoil conditions make utilization restrictive and costly, the site's potential future use is adversely affected. As mentioned previously in the Site and Improvement section of this report, based on our personal inspection, the subject tract is located in a designated flood hazard area. However, this is typical of most tracts situated on Galveston Island. Currently, public utilities are reported available from the City of Galveston in adequate capacity to develop the subject property for most anticipated uses. A need for capacity beyond the available service is not anticipated in the short term.

LEGAL USE. Private (deed) restrictions, zoning regulations, building codes, historic district controls, and environmental regulations can often preclude a possible Highest and Best Use. The subject property *appears* to be zoned R-1 by the City of Galveston which is defined as a general single family detached residential district with complementary civic, recreational and intuitional uses. No deed restrictions were reported.

PROFITABLE USE. From a financial standpoint, any property use which is expected to produce a positive rate of return is regarded as being profitable. Factors that dictate which property uses are sufficiently profitable include those which determine the probable and legal uses, as well as other important factors, such as the shape, frontage, location of the tract, access to the tract, adjacent property uses (in the interest of conformity), and the general neighborhood characteristics. These factors, along with pertinent market (and commerce) information, help determine what return could be expected from alternative property uses. The subject property is located in a neighborhood that provides a good commercial and supporting residential environment with adequate access to services, major thoroughfares and transportation facilities in this area. Further, the neighborhood development trend has established residential and commercial patterns with commercial uses on the major thoroughfares. There presently is new construction and revitalization evident in the general area of Galveston. In our opinion, the most profitable use for this property "As Vacant"

is for future commercial development.

SUMMARY. The Highest and Best Use of the subject property “**As Vacant**” is considered to be for residential or mixed use development.

THE COST APPROACH

The Cost Approach is also called the summation approach to estimating value. In this approach, the most probable current cost of reproducing all improvements to a property is estimated. This estimate of cost new is subtracted from accrued depreciation. Physical deterioration and obsolescence account for accrued depreciation, with the most significant component of physical deterioration usually being the limited economic life of structures. After depreciation is subtracted from cost new, the resulting depreciated value is added to site value, as previously developed. Reproduction cost estimates may be developed from comparison to newly constructed local buildings or from available cost estimation services.

Depreciation, physical deterioration, and functional or economic obsolescence, may be curable or incurable. Curable items are those conditions which a prudent purchaser would anticipate correcting upon purchase of a property whereas incurable items maintain sufficient value not to warrant correcting as of the date of appraisal. The Cost Approach to value estimate is valid if the land value estimate is sound, if reproduction costs have been accurately estimated, and if the estimate of depreciation is correct. Estimation of this latter factor is not subject to precise determination and largely depends upon the experience and judgment of the appraiser. The older a property and the more accrued depreciation, the less reliable the Cost Approach is generally believed to be.

THE COST APPROACH WAS NOT USED IN THIS ANALYSIS.

INCOME APPROACH

The Income Stream is analyzed by way of several methods as follows:

1. Obtain actual rent schedules for the property being appraised as well as the comparable properties in the area, then derive the gross rental data as well as projected gross income expectancy.
2. Appraiser obtains and analyzes the actual occupancy data for the subject property and for the comparable properties in the area. Then a projected occupancy rate is estimated for the subject property which is deducted from the gross income to arrive at an adjusted gross income estimate.
3. Appraiser obtains and analyzes expense data such as taxes, insurance, utilities, and other pertinent costs for the property being appraised and other comparable properties in the area. An expense estimate is derived for the property which is deducted from the adjusted gross income to derive a net income estimate.
4. Appraiser selects the appropriate capitalization rate.
5. Using capitalization rate, appraiser derives estimated market value by way of net income.

THE INCOME APPROACH WAS NOT USED IN THIS ANALYSIS

DIRECT SALES COMPARISON APPROACH

The Direct Sales Comparison Approach is the method of estimating Market Value by making direct comparisons of the subject property with similar properties that sold recently under normal sales conditions. Adjustments are often made to sales to enhance comparability, for such factors as date of sale, terms of financing, size, age, condition, construction, appeal and site. This approach applies the principle of substitution in that a prudent purchaser would pay no more for a real property than the cost of acquiring an equally desirable substitute on the open market. Therefore, sales and/or listings of properties with comparable location, characteristics and/or future earning capabilities would influence a prudent purchaser by offering alternative investments. This is the only approach which directly reflects the balance of supply and demand in actual trading in the market place.

Units of comparison employed in the market are used to compare the comparable sales directly to the subject. Assuming reliable sales information to be available, this method is often recommended above all others.

A unit of comparison is the value derived by dividing the sale price of the similar properties by the square foot, room, unit or other unit of comparison, depending upon property type. The unit of measure was the price per square foot of land area.

COMPARABLE LAND SALES

LAND SALE 1.

LOCATION: Located on the northwest corner of FM 3005 and 7 Mile Road.

DATE OF SALE: November 5, 2014

GRANTOR: Walter P. and Amy H. Lott

GRANTEE: Thu M. Lam

RECORDING: 2014066554

SIZE: 0.6887 Acres/30,013 Sq.Ft.

SALE PRICE: \$150,000 or \$5.00 PSF

TERMS: Cash to Seller

REMARKS: All utilities available. Rectangular-shaped site is located on the northwest corner of FM 3005 and 7 Mile Road. The site is zoned Commercial District by the City of Galveston and is located in Zone VE of the 100 year flood plain. The site has 130' on FM 3005 and 123.61' on 7 Mile Road, as well as 70.71' at the immediate corner on an angle.

LAND SALE 2.

LOCATION: North line of FM 3005 and the east line of 7 1/2 Mile Road just east of 8 Mile Road.

DATE OF SALE: June 13, 2014

GRANTOR: Kelly Wilson

GRANTEE: Debra Lichtenfeldt

RECORDING: 2014035089

SIZE: 1.587 Acres or 68,900 Sq.Ft.

SALE PRICE: \$162,500 or \$2.36 PSF

TERMS: Cash to Seller

REMARKS: This property had 255 feet on FM 3005 and 204.71 feet on 7 1/2 Mile Road. The property is irregular shaped. The property is zoned Commercial District by the City of Galveston and is located in Zone VE of the 100 year flood plain. The property reportedly has all utilities in place. The buyer owns the adjacent Café Michael Burger business on Lot 26. Utilities available. The asking price was \$249,500 (\$3.62/SF) and was on the market for 341 days when sold.

LAND SALE 3.

LOCATION: Located on the north line of FM 3005 on the West End and extends to a depth ranging from 207'-210'.

DATE OF SALE: December 2, 2014

GRANTOR: Ronald and Dora Gustafson

GRANTEE: Rickey J. Fox

RECORDING: 2014068418

SIZE: 0.957 Acres or 41,687 SF

SALE PRICE: \$195,000 or \$4.68 PSF

TERMS: Cash to Seller

REMARKS: Utilities available. This is a rectangular-shaped site. The site is zoned Planned Development District by the City of Galveston and is located in Zone VE of the 100 year flood plain. The buyer has a rental business on the West End of the Island and plans to build his new shop/office here. The site had a good amount of dirt fill on it when sold. The seller owns an adjacent RV park facility.

LAND SALE 4.

LOCATION: East and west lines of El Lago Road and is +/- 425' south of Stewart Road across from the Stewart Mansion property. Galveston, Texas.

DATE OF SALE: December 15, 2009

GRANTOR: Kahala Development Co.

GRANTEE: Richard and Linda Denson

RECORDING: 2009068369

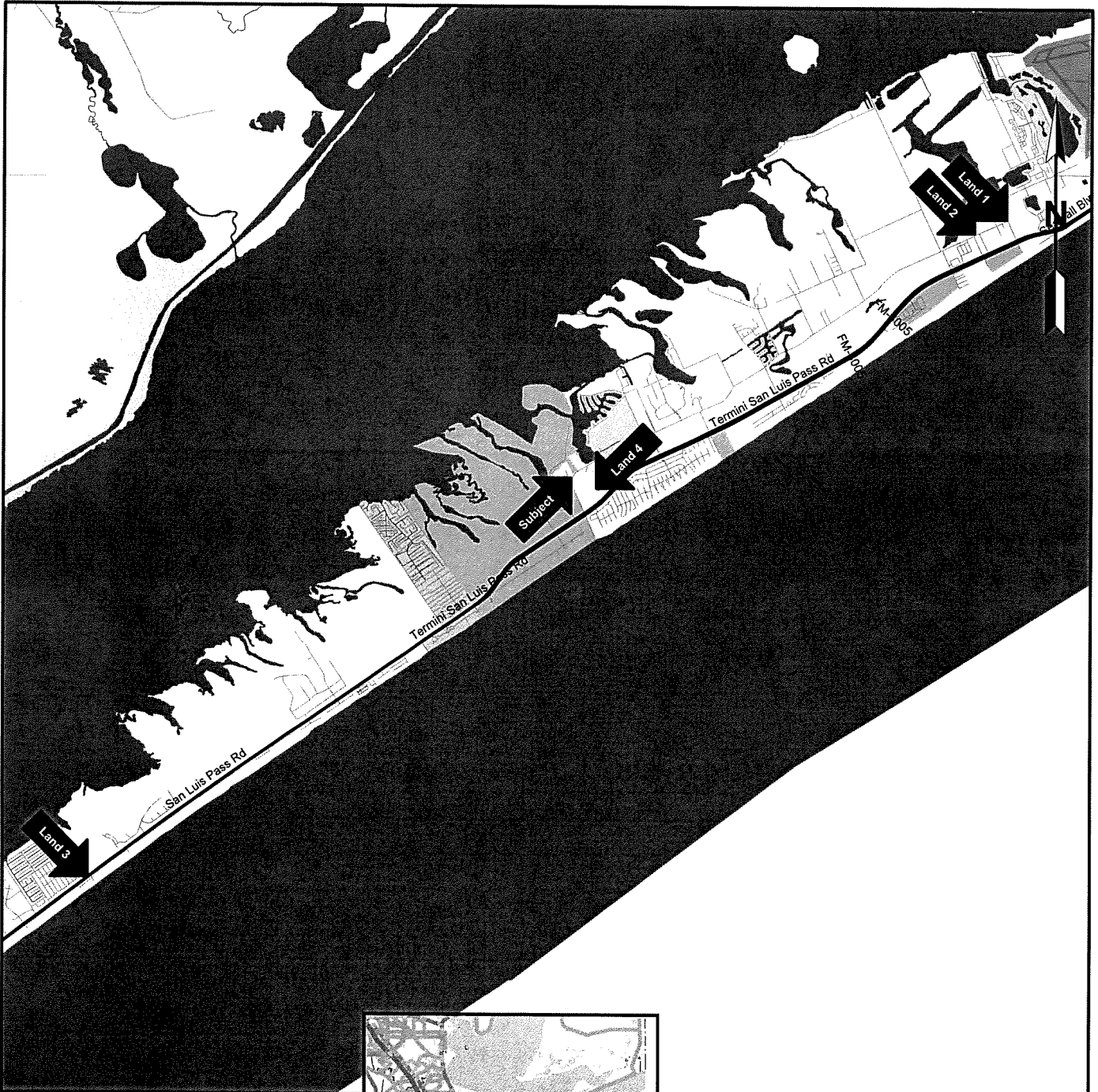
SIZE: 4.569 acres/199,057 Sq.Ft.

SALE PRICE: \$230,000 or \$1.16 PSF

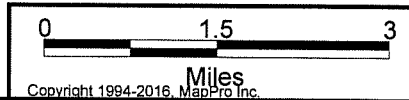
TERMS: Cash to Seller

REMARKS:

All utilities available. Irregular shaped property has frontage on the east and west lines of El Lago Road and is +/-425' south of Stewart Road across from the Stewart Mansion property. This tract is actually 2 severed sites divided by El Lago Road. The site is located within Zone VE of the 100 year flood plain and is zoned 1F-2 Residence District by the City of Galveston. The property is platted as 23 residential lots with sizes ranging from 1,655 SF to 9,757 SF with an average size of 8,653 SF. All of the lots are "dry" and do not have water frontage. The buyers own numerous rental properties on the Island and are described as local investors with future plans to possibly build rental homes on the lots.



- Subject: 1.21 Acres- Stewart Road
- Land 1: FM 3007 & 7 Mile Rd
- Land 2: FM 3005
- Land 3: 21506 San Luis Pass Rd
- Land 4: El Lago Road



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CAUTION:

The location of property arrows shown on this map are approximate only. Inaccuracies may exist on map such as missing, incorrectly drawn, or incorrectly addressed streets. Please report any such inaccuracy to MapPro, Inc. so that appropriate corrections can be made.

Prepared by RC Chuoke @ Associates, Inc using MapPro Service. MapPro Inc., PO Box 37427, Houston, TX 77237 1-866-3MAPPRO.

DISCUSSION ON LAND VALUE

The subject's competing market place was researched and those available land sales and listings in the subject's market area in order to compare against the subject property. The land sales used were all considered commercial properties which were located on generally similar locations when compared to the subject tracts. The following discussion on the adjustments to the land sales follow for the subject property.

Sale 1 is located on the northwest corner of FM 3005 and 7 Mile Road in Galveston in a superior location when compared to the subject's location of Stewart Road. The sale was adjusted downward for same. The sale was given a negative size adjustment for having a smaller site size then the subject property. The sale was given a negative corner /access adjustment for having a superior side street when compared to the subject property which does not have a thru street.

Sale 2 is located on the northeast corner of FM 3005 and 7 1/2 Mile Road in a superior location when compared to the subject's location and the sale was given a negative adjustment accordingly. The sale had a generally similar size as the subject property but was given a negative corner/access adjustment similar to Sale 1.

Sale 3 is located on the north line of FM 3005 in a superior location when compared to the subject's location and the sale was adjusted downward. The sale had a smaller size when compared to the subject and was given a negative size adjustment. The sale was an interior tract and inferior to the subject's corner location and was given a positive corner/access adjustment accordingly.

Sale 4 is located on the east and west sides of Lago Road just south of FM 3005 in an inferior location when compared to the subject's location. The sale was adjusted upward for an inferior location. The sale had a larger size than the subject property and was given a positive site size adjustment. The sale is considered an interior

tract and was given a negative corner/access adjustment when compared to the subject's corner location. This sale was given a positive time adjustment for having a sale date in 2009.

Before any adjustments, the land sales had a unit values between \$1.16 PSF to \$4.68 PSF, depending on various aspects such as location, site size/shape, access, etc. After adjustments, the unit value range of the adjusted land sales was indicated between \$2.00 PSF to \$4.21 PSF and a mean of \$3.02 PSF. The final value indicator of \$3.00 PSF was used in this analysis.

In conclusion, the estimated market values for the subject tract is as follows:

$$1.21 \text{ Acres}/52,708 \text{ SF X } \$3.00 \text{ PSF} = \$160,000\text{- Rounded}$$

ADJUSTMENT GRID - LAND

Sale #	1	2	3	4	Subject
Address	NWC of FM 2005 & 7 Mile Rd	FM 2005 & 7 /12 Mile Rd	North line of 3005	South line of Stewart Road	Stewart Road & 13 Mile Rd
Date of Sale	Nov-04	Jun-14	Dec-14	Dec-09	
Size Acre	0.689	1.587	0.957	4.569	1.210
Size (SF)	30,013	68,900	41,687	199,057	52,708
Sale Price	\$150,000	\$162,500	\$195,000	\$230,000	
(Acre)	\$217,802	\$102,394	\$203,762	\$50,339	
(\$/SF)	\$5.00	\$2.36	\$4.68	\$1.16	
Financing	0%	0%	0%	0%	
Condition of Sale	0%	0%	0%	0%	
Adj. Cash Sale Price	\$0	\$0	\$0	\$0	
Time	0%	0%	0%	10%	
Time Adj. Sale Price	\$5.00	\$2.36	\$4.68	\$1.27	
Size	-10%	0%	-10%	30%	
Location	-10%	-10%	-10%	25%	
Shape/utility	0%	0%	0%	0%	
Utilities	0%	0%	0%	0%	
Floodplain	0%	0%	0%	0%	
Corner/Access	-5%	-5%	10%	10%	
Net Adjmts.	-25%	-15%	-10%	65%	
Gross Adjmts.	25%	15%	30%	75%	
Adj Price PSF	\$3.75	\$2.00	\$4.21	\$2.10	
Mean:				\$3.02	
Indicated Market Value:				\$3.00 psf	

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RECONCILIATION OF APPROACHES

As discussed in the Appraisal Process section of this report, there are three traditional approaches to value. The Replacement Cost Approach and Income Approach were not used in this analysis since the subject property was unimproved land. Only the Direct Sales Approach was used to value the subject tracts since they involve only unimproved land.

The strength of the Direct Sales Approach is that it attempts to directly measure the actions of the buyers and sellers in the marketplace. Its weakness is that no two properties are alike and the process of making adjustments is a sometimes difficult and inexact process. In order to utilize the Direct Sales Approach, land in the subject neighborhood of Galveston analyzed. This market data was adjusted for size, location, date of sale, corner influence, utility, and size. Additionally, those sales which were considered to be the most comparable to the subject property were identified and compared, one-on-one, to the subject.

In conclusion, the estimated market values of the subject tracts as of January 5, 2016 via the Direct Sales Approach is as follows:

\$160,000

APPRAISER'S CERTIFICATION

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

That the statements of fact contained in this report are true and correct.

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

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

We have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.

Our engagement in this assignment was not contingent upon developing or reporting predetermined results.

Our compensation for completing this assignment was 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.

The reported analyses, opinions and conclusions were developed and this report has been prepared, in conformity with the requirements of Uniform Standards of Professional Practice ("USPAP").

No other persons provided significant real property appraisal assistance to the persons signing this certification.

The appraiser(s) have made a personal inspection of the property that is the subject of this report.

We have not previously appraised the subject property for the previous 36 months from the date of this analysis.

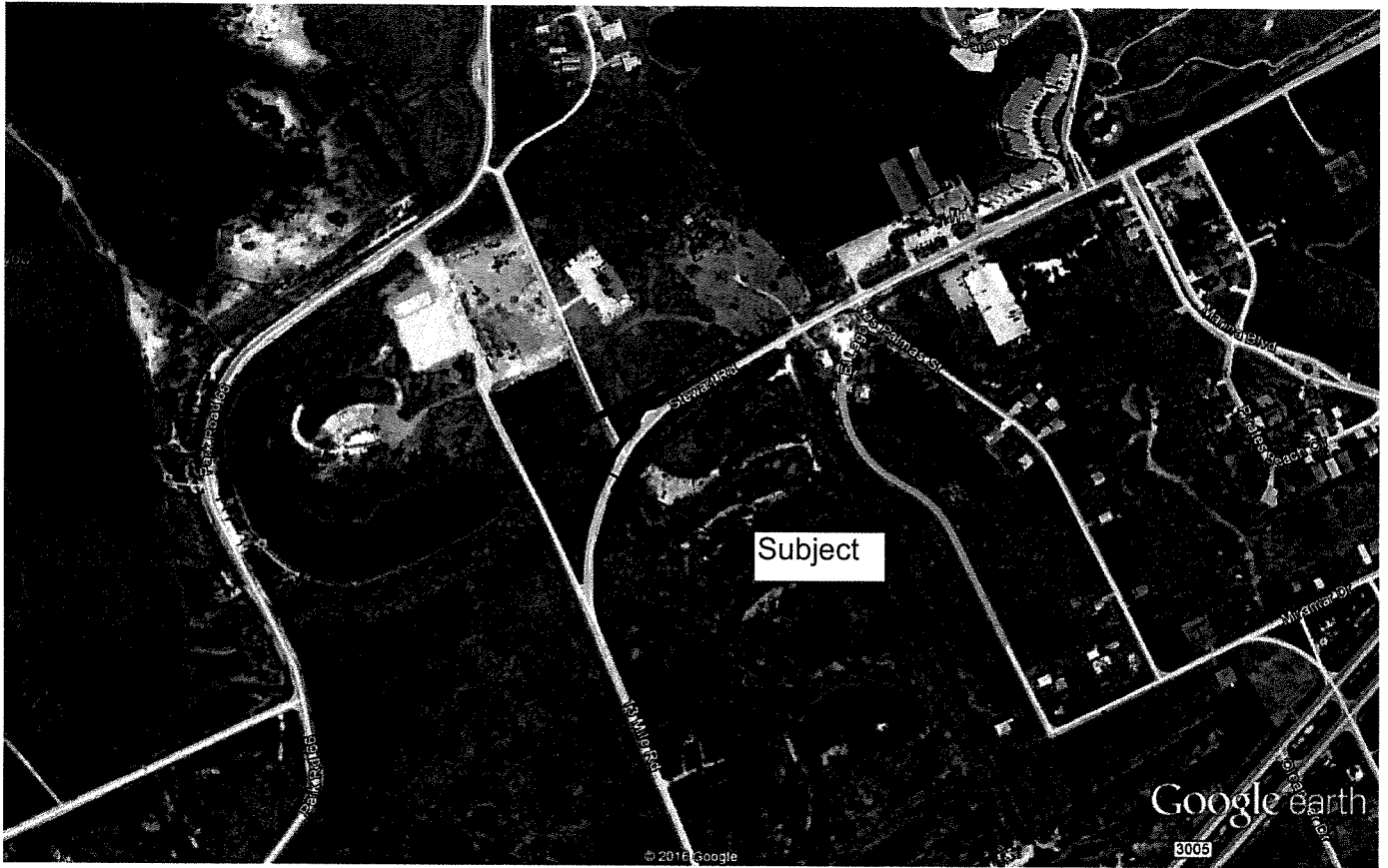


Chris Chuoke, President
STATE CERTIFIED GENERAL
REAL ESTATE APPRAISER, TX-1321347-G

ADDENDA

FLOOD PLAIN MAP

AERIAL

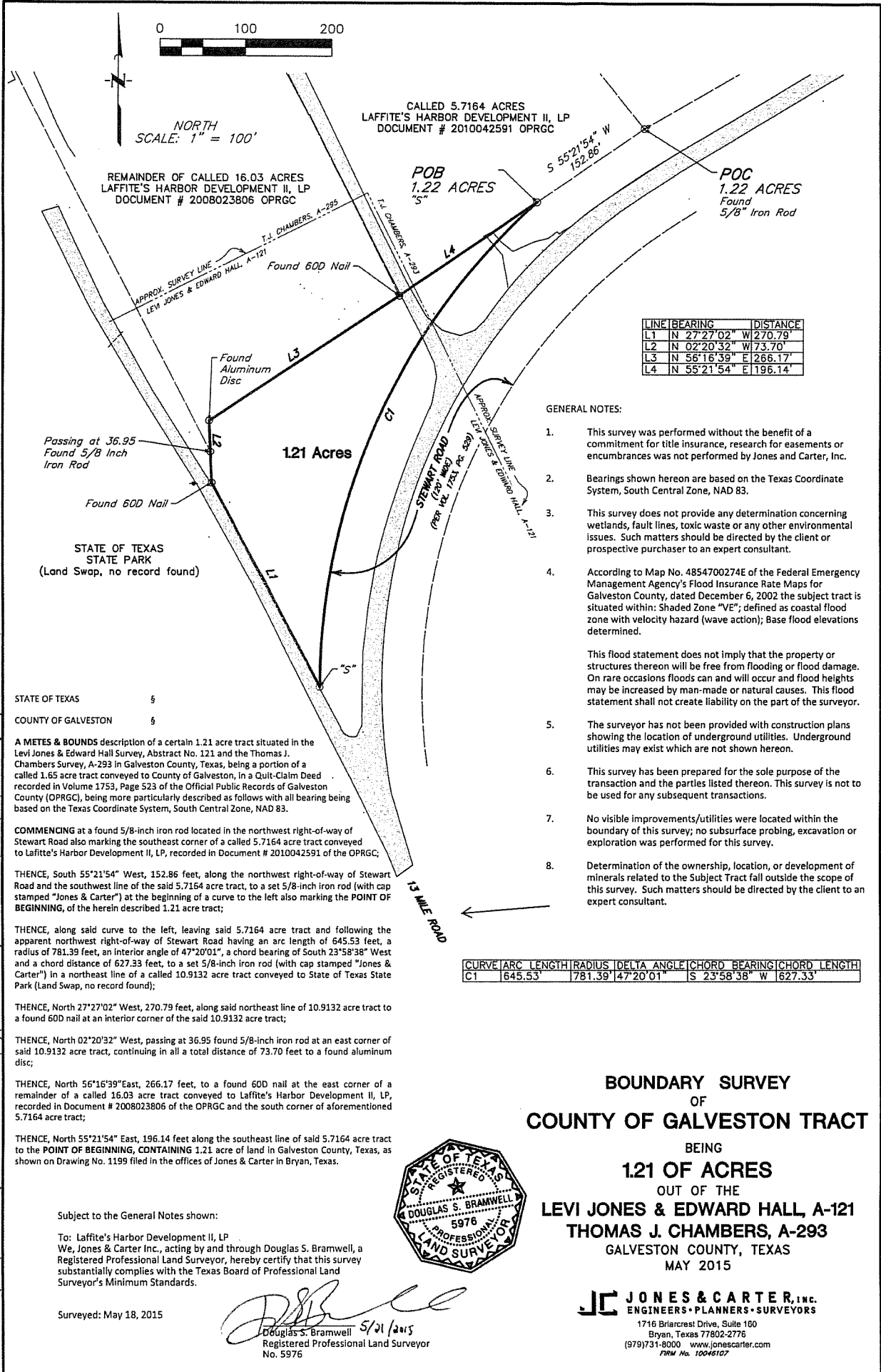


Google earth



SURVEY

S:\0--ob\12105 Stoneherge Real Estate Investment Company\12105-0001-00. Bxside at Waterman's SURVEY\DWG\DWG 1199.dwg May 21, 2015 - 12:30pm WRE



CALLED 5.7164 ACRES
LAFFITE'S HARBOR DEVELOPMENT II, LP
DOCUMENT # 2010042591 OPRGC

REMAINDER OF CALLED 16.03 ACRES
LAFFITE'S HARBOR DEVELOPMENT II, LP
DOCUMENT # 2008023806 OPRGC

POB
1.22 ACRES
"S"

POC
1.22 ACRES
Found
5/8" Iron Rod

LINE	BEARING	DISTANCE
L1	N 27°27'02" W	270.79'
L2	N 02°20'32" W	73.70'
L3	N 56°16'39" E	266.17'
L4	N 55°21'54" E	196.14'

GENERAL NOTES:

1. This survey was performed without the benefit of a commitment for title insurance, research for easements or encumbrances was not performed by Jones and Carter, Inc.
2. Bearings shown hereon are based on the Texas Coordinate System, South Central Zone, NAD 83.
3. This survey does not provide any determination concerning wetlands, fault lines, toxic waste or any other environmental issues. Such matters should be directed by the client or prospective purchaser to an expert consultant.
4. According to Map No. 4854700274E of the Federal Emergency Management Agency's Flood Insurance Rate Maps for Galveston County, dated December 6, 2002 the subject tract is situated within: Shaded Zone "VE", defined as coastal flood zone with velocity hazard (wave action); Base flood elevations determined.

This flood statement does not imply that the property or structures thereon will be free from flooding or flood damage. On rare occasions floods can and will occur and flood heights may be increased by man-made or natural causes. This flood statement shall not create liability on the part of the surveyor.
5. The surveyor has not been provided with construction plans showing the location of underground utilities. Underground utilities may exist which are not shown hereon.
6. This survey has been prepared for the sole purpose of the transaction and the parties listed thereon. This survey is not to be used for any subsequent transactions.
7. No visible improvements/utilities were located within the boundary of this survey; no subsurface probing, excavation or exploration was performed for this survey.
8. Determination of the ownership, location, or development of minerals related to the Subject Tract fall outside the scope of this survey. Such matters should be directed by the client to an expert consultant.

STATE OF TEXAS §
COUNTY OF GALVESTON §

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THENCE, South 55°21'54" West, 152.86 feet, along the northwest right-of-way of Stewart Road and the southwest line of the said 5.7164 acre tract, to a set 5/8-inch iron rod (with cap stamped "Jones & Carter") at the beginning of a curve to the left also marking the POINT OF BEGINNING, of the herein described 1.21 acre tract;

THENCE, along said curve to the left, leaving said 5.7164 acre tract and following the apparent northwest right-of-way of Stewart Road having an arc length of 645.53 feet, a radius of 781.39 feet, an interior angle of 47°20'01", a chord bearing of South 23°58'38" West and a chord distance of 627.33 feet, to a set 5/8-inch iron rod (with cap stamped "Jones & Carter") in a northeast line of a called 10.9132 acre tract conveyed to State of Texas State Park (Land Swap, no record found);

THENCE, North 27°27'02" West, 270.79 feet, along said northeast line of 10.9132 acre tract to a found 60D nail at an interior corner of the said 10.9132 acre tract;

THENCE, North 02°20'32" West, passing at 36.95 found 5/8-inch iron rod at an east corner of said 10.9132 acre tract, continuing in all a total distance of 73.70 feet to a found aluminum disc;

THENCE, North 56°16'39" East, 266.17 feet, to a found 60D nail at the east corner of a remainder of a called 16.03 acre tract conveyed to Laffite's Harbor Development II, LP, recorded in Document # 2008023806 of the OPRGC and the south corner of aforementioned 5.7164 acre tract;

THENCE, North 55°21'54" East, 196.14 feet along the southeast line of said 5.7164 acre tract to the POINT OF BEGINNING, CONTAINING 1.21 acre of land in Galveston County, Texas, as shown on Drawing No. 1199 filed in the offices of Jones & Carter in Bryan, Texas.

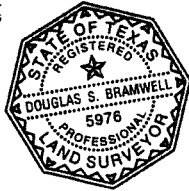
CURVE	ARC LENGTH	RADIUS	DELTA ANGLE	CHORD BEARING	CHORD LENGTH
C1	645.53'	781.39'	47°20'01"	S 23°58'38" W	627.33'

Subject to the General Notes shown:

To: Laffite's Harbor Development II, LP
We, Jones & Carter Inc., acting by and through Douglas S. Bramwell, a Registered Professional Land Surveyor, hereby certify that this survey substantially complies with the Texas Board of Professional Land Surveyor's Minimum Standards.

Surveyed: May 18, 2015

Douglas S. Bramwell
5/21/2015
Douglas S. Bramwell
Registered Professional Land Surveyor
No. 5976



**BOUNDARY SURVEY
OF
COUNTY OF GALVESTON TRACT**

BEING
1.21 OF ACRES
OUT OF THE
**LEVI JONES & EDWARD HALL, A-121
THOMAS J. CHAMBERS, A-293**
GALVESTON COUNTY, TEXAS
MAY 2015

JC JONES & CARTER, INC.
ENGINEERS • PLANNERS • SURVEYORS
1716 Briarcrest Drive, Suite 100
Bryan, Texas 77802-2776
(979)731-8000 www.jonescarter.com
FORM No. 10046107

LEGAL DESCRIPTION

County of Galveston
1.21 acres

Levi Jones & Edward Hall Survey
Abstract No. 121
Thomas J. Chambers A-293

STATE OF TEXAS §

COUNTY OF GALVESTON §

A **METES & BOUNDS** description of a certain 1.21 acre tract situated in the Levi Jones & Edward Hall Survey, Abstract No. 121 and the Thomas J. Chambers Survey, A-293 in Galveston County, Texas, being a portion of a called 1.65 acre tract conveyed to County of Galveston, in a Quit-Claim Deed recorded in Volume 1753, Page 523 of the Official Public Records of Galveston County (OPRGC), being more particularly described as follows with all bearing being based on the Texas Coordinate System, South Central Zone, NAD 83.

COMMENCING at a found 5/8-inch iron rod located in the northwest right-of-way of Stewart Road also marking the southeast corner of a called 5.7164 acre tract conveyed to Lafitte's Harbor Development II, LP, recorded in Document # 2010042591 of the OPRGC;

THENCE, South 55°21'54" West, 152.86 feet, along the northwest right-of-way of Stewart Road and the southwest line of the said 5.7164 acre tract, to a set 5/8-inch iron rod (with cap stamped "Jones & Carter") at the beginning of a curve to the left also marking the **POINT OF BEGINNING**, of the herein described 1.21 acre tract;

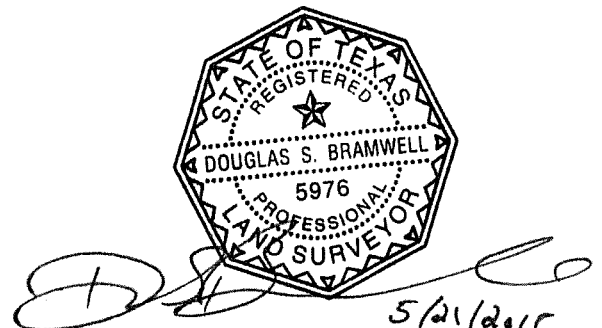
THENCE, along said curve to the left, leaving said 5.7164 acre tract and following the apparent northwest right-of-way of Stewart Road having an arc length of 645.53 feet, a radius of 781.39 feet, an interior angle of 47°20'01", a chord bearing of South 23°58'38" West and a chord distance of 627.33 feet, to a set 5/8-inch iron rod (with cap stamped "Jones & Carter") in a northeast line of a called 10.9132 acre tract conveyed to State of Texas State Park (Land Swap, no record found);

THENCE, North 27°27'02" West, 270.79 feet, along said northeast line of 10.9132 acre tract to a found 60D nail at an interior corner of the said 10.9132 acre tract;

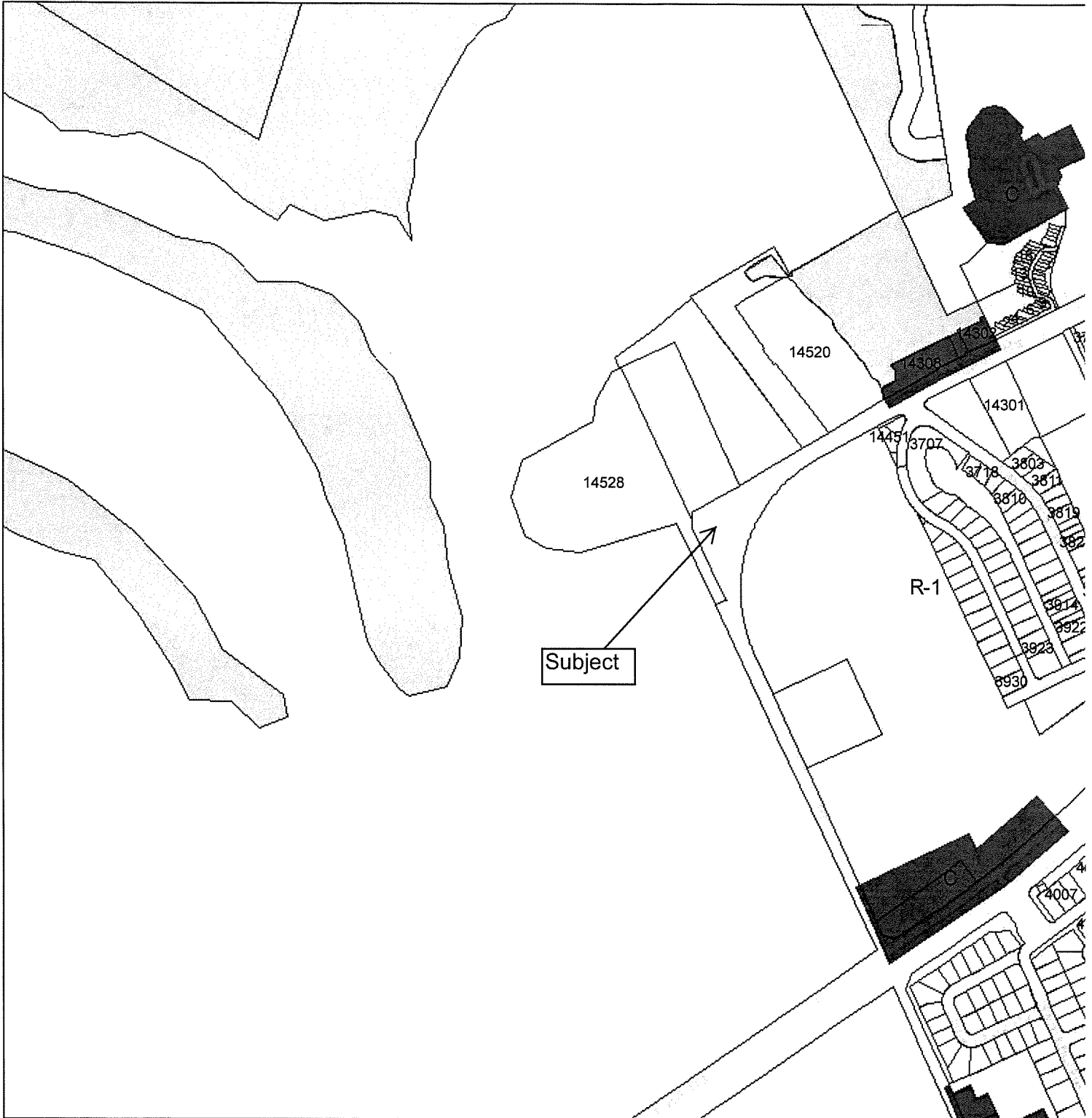
THENCE, North 02°20'32" West, passing at 36.95 found 5/8-inch iron rod at an east corner of said 10.9132 acre tract, continuing in all a total distance of 73.70 feet to a found aluminum disc;

THENCE, North 56°16'39" East, 266.17 feet, to a found 60D nail at the east corner of a remainder of a called 16.03 acre tract conveyed to Laffite's Harbor Development II, LP, recorded in Document # 2008023806 of the OPRGC and the south corner of aforementioned 5.7164 acre tract;

THENCE, North 55°21'54" East, 196.14 feet along the southeast line of said 5.7164 acre tract to the **POINT OF BEGINNING, CONTAINING** 1.21 acre of land in Galveston County, Texas, as shown on Drawing No. 1199 filed in the offices of Jones & Carter in Bryan, Texas.



ZONING



January 28, 2016

2015Zoning

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RES/REC

QUALIFICATIONS OF APPRAISER

CHRIS CHUOKE

Chris Chuoke has been engaged in the real estate appraisal profession since 1978, he is currently president of R.C. Chuoke & Associates, Inc. The scope of work has included real estate appraisals, real estate sales, and development. Experience in real estate appraisals include light industrial properties, commercial, retail, office buildings, some special purpose properties as well as single family houses, duplexes, and condominium/townhouse units and apartments. Additionally there is experience in right of way appraisals and condemnation. Listed below are some of the clients served:

CORPORATE

Pollo Loco Restaurants
Exxon/Mobil Land Management
Exxon Pipeline Company
South Shore Harbour Development
Pizza Inns, Inc.
Outboard Marine Corp. (OMC)
Rockwell Space Operations, Inc.
CAE-Link Corporation
Nisseki Chemical

BANKS

Moody National Bank
Bank of America
Sterling Bank
Union Planters Bank
1st Choice Bank
Texas First Bank
Amegy Bank
First Community Bank
Texas Coastal Bank
Frost National Bank
Hometown Bank
State Bank of Texas
Bank of Texas
Liberty Savings Bank
Mainland Bank-Texas City

RELOCATION

Fidelity Relocation Services
Cendant Relocation
GMAC Relocation
Executive Relocation

GOVERNMENTAL

City of La Porte
Galveston County
City of Kemah
City of League City
City of Webster
City of Seabrook
SBA
City of El Lago
University of Houston-C Lake
City of Friendswood

MORTGAGE COMPANIES

Countrywide Funding
Federal Home Loan Mortgage
North American Mortgage
Chase Manhattan Mortgage

EDUCATION

Bachelor of Business Administration, 1977, University of Houston at Clear Lake

PROFESSIONAL AFFILIATIONS

Texas Real Estate Brokers License, 1977, #216958
Certified Texas Real Estate Appraisers # TX- 1321347-G
Texas Associations of Realtors
National Association of Realtors
Bay Area Board of Realtors