

R.C. Chuoke & Associates, Inc.

Appraisers & Consultants

P.O. Box 1447
League City, Texas 77574

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

May 2, 2015

City of League City
Engineering Department
303 East Main Street
League City, Texas 77573

RE: Restricted Appraisal report on the estimated Market Value of a proposed 30 foot wide temporary operations/access easement rights regarding a +-1.751 acre tract of land over and across a +-244.491 gross acre tract of land situated in League City, Galveston County, Texas. (Property Owner- T.B. Campbell).

Dear Sirs:

I have inspected the following described property by way of a limited physical inspection for the purpose of estimating its current Market Value of a proposed 30 foot wide temporary operations/access easement as of March 6, 2015 (date of last inspection) as described in attachment to addenda.

At our client's request, the results of our investigation and analyses are presented via a Restricted Appraisal Report Format as permitted by Standard 2-2(b). A file memorandum is maintained in our office for review. The subject property was last inspected on March 6, 2015 via a limited inspection from the property line. I did not make a personal onsite inspection of each of the tracts of land described per discussion with the client. The scope of this report included a limited inspection of the property and researching and analyzing the comparable land sales via the Direct Sales Approach.

I hereby certify that I have inspected the property described, by way of a "LIMITED INSPECTION" from the property line and that all data gathered by my investigation is from sources believed reliable and true.

According to Standards Rule 2-2(b) a Restricted Appraisal Report should have these minimum requirements:

- Describe the extent of the process, collecting, confirming and reporting data.
- State all assumptions and limiting conditions that effect the analyses, opinions and conclusions.
- State the appraisal procedures followed, state the value conclusion and reference the existence of specific file information in support of the conclusion.
- State the appraiser's opinion of highest and best use of the real estate, when such an opinion is necessary and appropriate.
- State the exclusion of any of the usual valuation approaches.
- Contain a prominent use restriction that limits reliance on the report to the client and warns that the report cannot be understood properly without additional information in the work file of the appraiser.
- Include a signed certification in accordance with Standards Rule 2-3.

Scope of Report. Per agreement with the client, the scope of this report was limited to a restricted appraisal format. The methodology of the analysis included the Direct Sales Approach. The Income Approach to value and the Replacement Cost Approach to value were not used in this analysis. The obtained and reviewed the current comparable land sales and compared the data to the subject property, making adjustments for any differences where applicable. The appraiser relied on the GCAD and client data for the parent tract's site size. A survey was not available. The subject of this analysis is a proposed 30 foot wide operations/access easement which is to be used in conjunction with the operations of a new roadway. In terms of data collection, the appraiser reviewed office data files, MLS sales data, and Central Appraisal District data, as well as having conversations with knowledgeable brokers in the local market area. It should clearly be understood that this restricted letter appraisal only constitutes a "summary" statement of the market value and that it does not presume

to be the complete analysis of the subject property nor the complete appraisal and it may not be properly understood without all of the file data located in the appraiser's office.

Brief Area/Neighborhood Data. The subject property located in the city limits of League City, in NE Galveston County approximately 25-30 miles SE of the Downtown Houston Business District. The single family houses generally range in price from \$75,000 to over \$1 million and have an age range of between new and 75+ years. These single family homes are typically wood frame homes with brick veneer over concrete slab foundations. The majority of the single family detached homes are owner occupied. The existing commercial development also typically are situated along such major roadways as the Gulf Freeway (IH-45), State Highway 3, State Highway 96, and F.M. 518. The neighborhood is considered to be in the growth stage at the present time with the general area being considered to be approximately 65-75% built-up. New construction is evident in most types of properties.

Property Data. The subject tract consist of a proposed 30 foot wide operations/access easement containing +-1.751 acres (74,052 square feet) to be acquired out of a +-244.491 gross acre tract of land located west of the Gulf Freeway and south of F.M. 518 (West Main) near the existing subdivisions of Countryside. See addenda for a copy of the site map for a rendering of these individual parcels. The parent tract site size was provided by the client and the Galveston County Appraisal District data and are subject to verification by a current survey. It is assumed that there are no adverse environmental problems located on the subject property. As previously mentioned the subject of this report consists of a proposed 30 foot wide temporary operations/access road easement which is situated on the south end of the overall parent tract of subject property. The parent tract of the subject property basically consists of an unimproved 244.491 gross acre tract which consists of the undeveloped portion of the West Oaks Subdivision. The site is assumed to have access from the adjacent subdivision(s) off of F.M. 518. The overall parent tract is currently zoned for SFR-50 by the City of League City.

Highest & Best Use. The Highest & Best Use of the subject property (which is a 30 foot wide temporary access roadway) is for a temporary operations easement or for use in conjunction with the adjacent property.

Date of Report:	May 2, 2015
Effective Date of Appraisal:	March 6, 2015
Date of Inspection:	March 6, 2015

Intended Purposes/User. This report is not intended to be a self-contained or a complete appraisal report and cannot be properly understood without the file data located in the appraiser's office. Further it is NOT intended to be used for estimating collateral worth for loan underwriting by federally insured financial institutions and this appraisal is intended to be used only by the named client/addressee for internal use in obtaining an access easement. The client is the City of League City only. Any other use or reliance of this report by any third party is strictly prohibited.

Estimated Exposure and Marketing Time. The estimated exposure time and marketing time are 12 months.

Property History. The subject property is not reported to be under contract nor is it listed for sale. No other sale of the subject property has taken place over the past 36 months per CAD data.

Market Data: Comparable land sales of larger adjacent or other properties in the subject neighborhood appear to have unit value range of between \$18,000 to over \$45,000 per acre depending on various aspects such as location, size/shape, access, utility availability, surface control, etc. **After a review of the comparable land sales an estimated market value of \$34,000 per acre was considered reasonable for the overall parent tract. The methodology of this analysis was to estimate the market value of the subject (30 foot wide temporary operations easement) based on a unit value of \$34,000 per acre and an annual rate of return of 10% for the estimated value of the temporary operations easement. Therefore the estimated market value in terms of an "annual" rate would be calculated as follows:**

Estimated Value of Temporary Operations/Access Easement:

\$34,000 per Acre X 10% = \$3,400 per Acre

\$3,400 per Acre X 1.70 Acres = \$5,950.00 - Annually (rounded)

Respectfully Submitted,



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

MARKET VALUE DEFINED

“Market Value” is defined as "The most probable price in terms of money 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:

- Buyer and Seller are typically motivated.
- Both parties are well informed or well advised and each acting in what they consider their own best interest.
- A reasonable amount of time is allowed for exposure in the open market.
- Payment is made in cash in U.S. dollars or in terms of financial arrangements comparable thereto;
- 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.

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.

Chris Chuoke has made a limited personal inspection of the property from the property line, that is the subject of this report.

A handwritten signature in black ink, appearing to read 'C Chuoke', is written over a light-colored rectangular stamp or watermark.

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

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 were 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. (Permission is granted to a participating bank). 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 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 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 officer's of the company and not individually.

ADDENDA

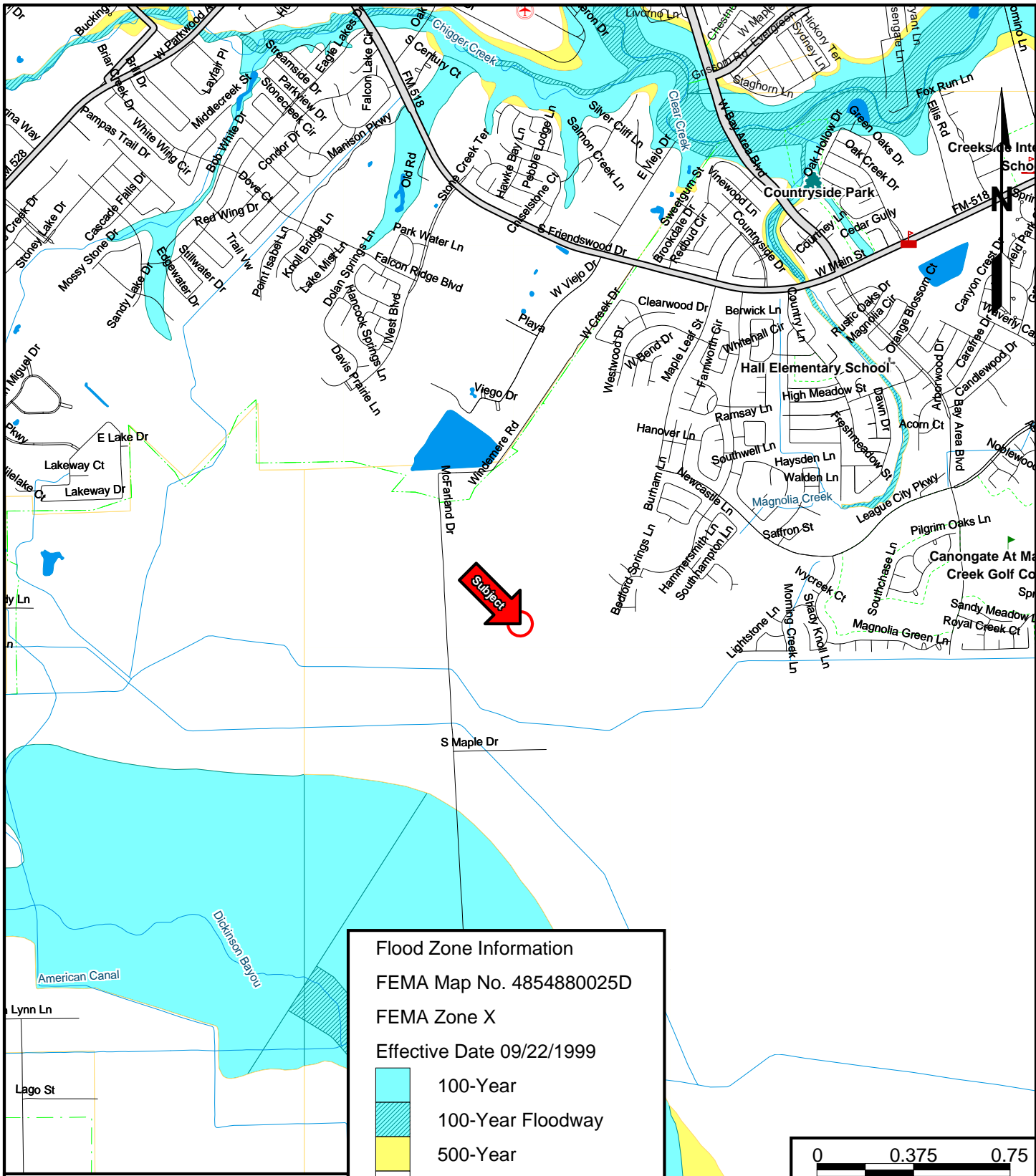
AERIAL



Google earth



FLOOD PLAIN MAP



Subject: Brittany Bay Blvd

CAUTION: The location of flood hazard areas shown on this map are approximate only. Flood hazard boundaries may change from time to time. A property in the general vicinity of a flood hazard area should be evaluated by a civil engineer or other appropriate specialist prior to purchase or investment.

LEGAL DESCRIPTION

EXHIBIT "A"
30 FOOT WIDE TEMPORARY ACCESS EASEMENT

Being 1.75 acres (76,301 square feet) of land situated in the **L.&G.N.R.R. CO. SURVEY NO. 3, BLOCK 1, ABSTRACT NUMBER 614**, Galveston County, Texas, and being out of and a part of that certain called 244.491 (Tract D) of land conveyed to West Oak Development, Ltd. by instrument recorded under Clerk's File Number 9645591 in the Official Public Records of Real Property in Galveston County, Texas, the centerline of said 1.75 acres (30 foot wide access easement) being more particularly described by metes and bounds as follows:

BEARINGS ARE LAMBERT GRID BEARINGS AND REFER TO THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE 4204. ALL DISTANCES ARE SURFACE AND MAY BE CONVERTED TO GRID BY APPLYING THE COMBINED SCALE FACTOR 0.99986939.

COMMENCING at an iron rod with cap stamped 'GeoSurv' set for the Northwest corner of Maple Leaf Drive, a 100 foot wide right-of-way easement recorded under Clerk's File Number 8801085, same being a point in the South line of Brittany Bay Boulevard, a called 100 foot wide right-of-way easement recorded under Clerk's File Number 8801083, all in the Official Public Records of Real Property in Galveston County, Texas;

THENCE S 08°48'11" W, along the Northwesterly line of said Maple Leaf Drive, a distance of 140.00 feet to the point for curvature of a tangent curve to the right, said curve having a radius of 2950.00 feet and a central angle of 41°31'45";

THENCE Southwesterly, along the Northwesterly line of said Maple Leaf Drive and the arc of said tangent curve to the right, a distance of 2138.22 feet, the chord of which bears S 29°34'04" W, 2091.72 feet, to a point for tangency;

THENCE S 50°19'56" W, along the Northwesterly line of said Maple Leaf Drive, a distance of 352.28 feet to the point for curvature of a tangent curve to the left having a radius of 3250.00 feet and a central angle of 23°07'08";

THENCE Southwesterly, along the Northwesterly line of said Maple Leaf Drive and the arc of said curve to the left, a distance of 1311.37 feet, the chord of which bears S 38°46'22" W, 1302.49 feet, to the **POINT OF BEGINNING** and the most Easterly terminus of the herein described centerline;

THENCE N 54°34'43" W, a distance of 223.35 feet to a point for curvature of a tangent curve to the left, said curve having a radius of 125.00 feet and a central angle of 37°20'55";

THENCE Northwesterly, along the arc of said curve to the left, a distance of 81.48 feet, the chord of which bears N 73°15'11" W, 80.05 feet, to a point for tangency;

THENCE S 88°04'21" W, a distance of 380.57 feet to a point for curvature of a tangent curve to the left having a radius of 80.00 feet and a central angle of 85°56'35";

THENCE Southwesterly, along the arc of said curve to the left, an arc distance of 120.00 feet, the chord of which bears S 45°06'04" W, 109.06 feet, to a point for tangency;

THENCE S 02°07'46" W, a distance of 335.80 feet to a point for curvature of a tangent curve to the right having a radius of 235.00 feet and a central angle of 69°10'55";

THENCE Southwesterly, along the arc of said curve to the right, an arc distance of 283.75 feet, the chord of which bears S 36°43'14" W, 266.83 feet, to a point for compound curvature of a tangent curve having a radius of 155.00 feet and a central angle of 64°16'07";

THENCE Northwesterly, along the arc of said curve to the right, an arc distance of 173.86 feet, the chord of which bears N 76°33'15" W, 164.89 feet to a point for reverse curvature of a tangent curve having a radius of 150.00 feet and a central angle of 32°43'54";

THENCE Northwesterly, along the arc of said curve to the left, an arc distance of 85.69 feet, the chord of which bears N 60°47'08" W, 84.53 feet, to a point for reverse curvature of a tangent curve having a radius of 1,025.00 feet and a central angle of 09°36'15";

THENCE Northwesterly, along the arc of said curve to the right, an arc distance of 171.81 feet, the chord of which bears N 72°20'57" W, 171.61 feet, to a point for reverse curvature of a tangent curve having a radius of 1,025.00 feet and a central angle of 09°34'06";

THENCE Northwesterly, along the arc of said curve to the left, an arc distance of 171.17 feet, the chord of which bears N 72°19'53" W, 170.97 feet, to a point for reverse curvature of a tangent curve having a radius of 1,025.00 feet and a central angle of 13°40'10";

THENCE Northwesterly, along the arc of said curve to the right, an arc distance of 244.54 feet, the chord of which bears N 70°16'51" W, 243.96 feet, to a point for reverse curvature of a tangent curve having a radius of 115.00 feet and a central angle of 52°28'14";

THENCE Westerly, along the arc of said curve to the left, an arc distance of 105.31 feet, the chord of which bears N 89°40'52" W, 101.67 feet to a point for tangency;

THENCE S 64°05'01" W, a distance of 165.99 feet to the most Southwesterly terminus of the herein described centerline.

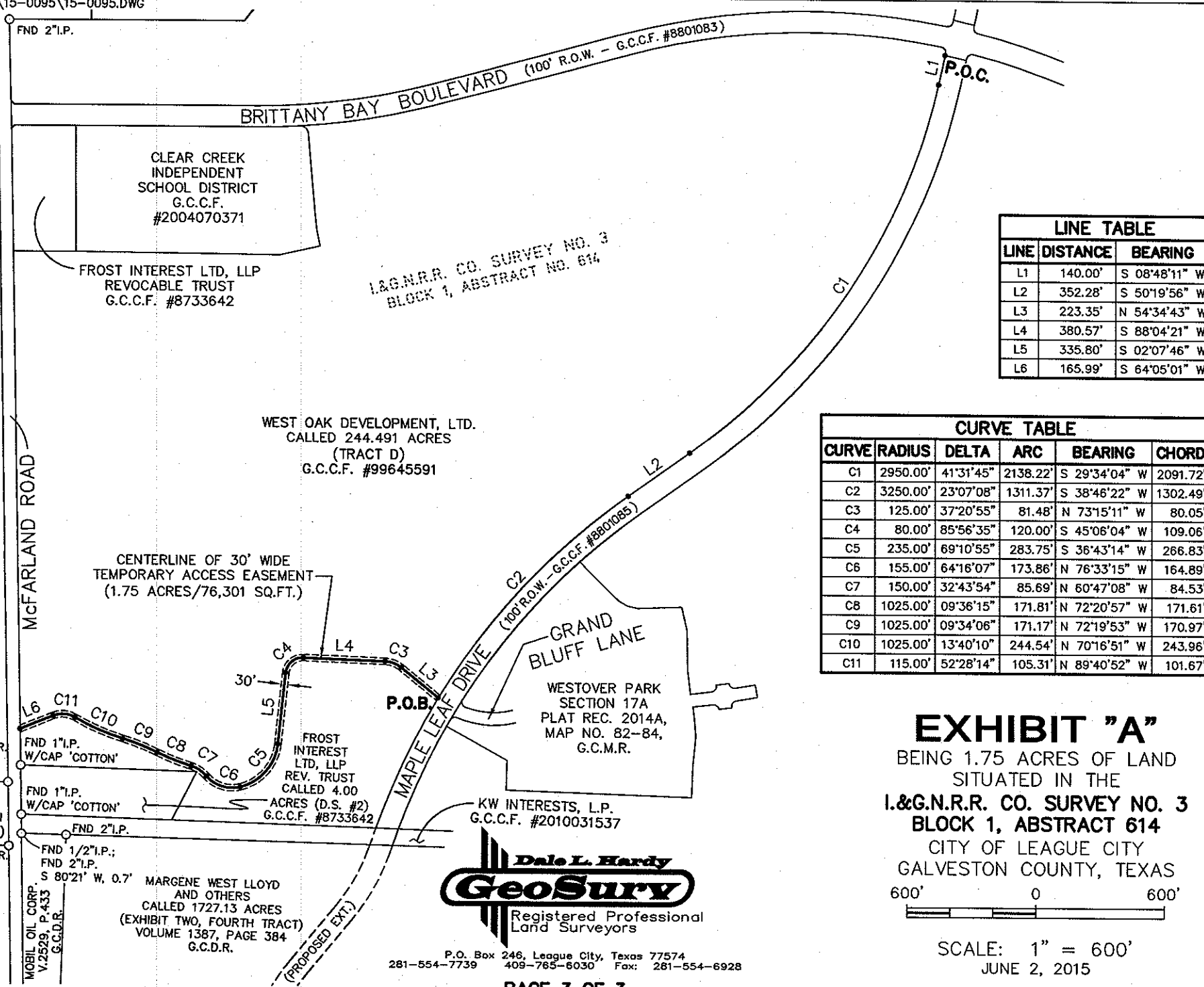
NOTE: THIS PROPERTY DESCRIPTION HAS BEEN PREPARED BASED ON AN ACTUAL SURVEY MADE ON THE GROUND AND UNDER THE DIRECTION OF DALE L. HARDY, REGISTERED PROFESSIONAL LAND SURVEYOR 4847, DATED JANUARY AND FEBRUARY 2010, AND TO WHICH REFERENCE IS HEREBY MADE.

PREPARED
BY

DALE L. HARDY / GEOSURV, LLC
REGISTERED PROFESSIONAL LAND SURVEYORS
P.O. BOX 246, LEAGUE CITY, TEXAS 77574
PH 281-554-7739 FAX 281-554-6928 E-MAIL: dhardy@geosurvllc.com

FAFN\2015\15-0095\15-0095.DOC

SURVEY



MOHAMED J. JAVADI
& KAZEM KHONSARI
G.C.C.F. #9432458

MCFARLAND ROAD

CLEAR CREEK
INDEPENDENT
SCHOOL DISTRICT
G.C.C.F.
#2004070371

FROST INTEREST LTD, LLP
REVOCABLE TRUST
G.C.C.F. #8733642

I.&G.N.R.R. CO. SURVEY NO. 3
BLOCK 1, ABSTRACT NO. 614

WEST OAK DEVELOPMENT, LTD.
CALLED 244.491 ACRES
(TRACT D)
G.C.C.F. #99645591

CENTERLINE OF 30' WIDE
TEMPORARY ACCESS EASEMENT
(1.75 ACRES/76,301 SQ.FT.)

GRAND
BLUFF LANE

WESTOVER PARK
SECTION 17A
PLAT REC. 2014A,
MAP NO. 82-84,
G.C.M.R.

KW INTERESTS, L.P.
G.C.C.F. #2010031537

MARGENE WEST LLOYD
AND OTHERS
CALLED 1727.13 ACRES
(EXHIBIT TWO, FOURTH TRACT)
VOLUME 1387, PAGE 384
G.C.D.R.

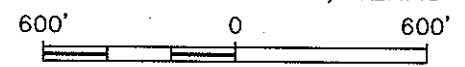


P.O. Box 246, League City, Texas 77574
281-554-7739 409-765-6030 Fax: 281-554-6928

LINE TABLE		
LINE	DISTANCE	BEARING
L1	140.00'	S 08°48'11" W
L2	352.28'	S 50°19'56" W
L3	223.35'	N 54°34'43" W
L4	380.57'	S 88°04'21" W
L5	335.80'	S 02°07'46" W
L6	165.99'	S 64°05'01" W

CURVE TABLE					
CURVE	RADIUS	DELTA	ARC	BEARING	CHORD
C1	2950.00'	41°31'45"	2138.22'	S 29°34'04" W	2091.72'
C2	3250.00'	23°07'08"	1311.37'	S 38°46'22" W	1302.49'
C3	125.00'	37°20'55"	81.48'	N 73°15'11" W	80.05'
C4	80.00'	85°56'35"	120.00'	S 45°06'04" W	109.06'
C5	235.00'	69°10'55"	283.75'	S 36°43'14" W	266.83'
C6	155.00'	64°16'07"	173.86'	N 76°33'15" W	164.89'
C7	150.00'	32°43'54"	85.69'	N 60°47'08" W	84.53'
C8	1025.00'	09°36'15"	171.81'	N 72°20'57" W	171.61'
C9	1025.00'	09°34'06"	171.17'	N 72°19'53" W	170.97'
C10	1025.00'	13°40'10"	244.54'	N 70°16'51" W	243.96'
C11	115.00'	52°28'14"	105.31'	N 89°40'52" W	101.67'

EXHIBIT "A"
BEING 1.75 ACRES OF LAND
SITUATED IN THE
I.&G.N.R.R. CO. SURVEY NO. 3
BLOCK 1, ABSTRACT 614
CITY OF LEAGUE CITY
GALVESTON COUNTY, TEXAS



SCALE: 1" = 600'
JUNE 2, 2015

APPRAISAL DISTRICT DATA

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