INVOICE

INVOICE NUMBER
0806106
DATE
6/26/2008

REFERENCE

Internal Order #: 0806106
Lender Case #:
Client File #:
Main File # on form: 0806106
Other File # on form:
Federal Tax ID: 20-8046140
Employer ID:

TO:
Jeff Schneider
Grayson County Commissioners
100 West Houston Street
Sherman, TX 75090

Telephone Number: (903) 813-4259 **Fax Number:** (903) 893-5207
Alternate Number: **E-Mail:** schneiderj@co.grayson.tx.us

DESCRIPTION

Lender: Grayson County Commissioners **Client:** Grayson County Commissioners
Purchaser/Borrower: Grayson County
Property Address: NWC Hwy 82 & Baker
City: Sherman
County: Grayson **State:** TX **Zip:** 75090
Legal Description: 68.547 acres and 19.20 acres out of the Samuel M. McGlothlin Survey, Abst 0811 and 5.87 acres out of the Reuben Hendrix Sur

FEES	AMOUNT
Appraisal	500.00
SUBTOTAL	500.00

PAYMENTS			AMOUNT
Check #:	**Date:**	**Description:**	
Check #:	**Date:**	**Description:**	
Check #:	**Date:**	**Description:**	
		SUBTOTAL	
		TOTAL DUE	$ 500.00

Please Return This Portion With Your Payment

FROM:
Jeff Schneider
Grayson County Commissioners
100 West Houston Street
Sherman, TX 75090

Telephone Number: (903) 813-4259 **Fax Number:** (903) 893-5207
Alternate Number: **E-Mail:** schneiderj@co.grayson.tx.us

AMOUNT DUE: $ 500.00
AMOUNT ENCLOSED: $ _____

INVOICE NUMBER
0806106
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REFERENCE

Internal Order #: 0806106
Lender Case #:
Client File #:
Main File # on form: 0806106
Other File # on form:
Federal Tax ID: 20-8046140
Employer ID:

TO:
Larry G. Long
Appraisals North Texas, L.L.C. DBA Long & Associates
305 West Woodard Street
Suite 203
Denison, TX 75020

Form **W-9**
(Rev. October 2007)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give form to the requester. Do not send to the IRS.

Print or type See Specific Instructions on page 2.

Name (as shown on your income tax return)
Larry G. Long

Business name, if different from above
Appraisals North Texas, LLC DBA Long & Associates

Check appropriate box: ☐ Individual/Sole proprietor ☐ Corporation ☐ Partnership
☒ Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ► P
☐ Other (see instructions) ►

☐ Exempt payee

Address (number, street, and apt. or suite no.)
305 West Woodard Street - Suite 203

City, state, and ZIP code
Denison, Texas 75020

Requester's name and address (optional)
Grayson County Commissioners
100 W Houston
Sherman, Texas 75090

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number

or

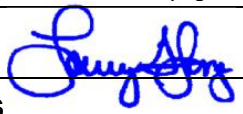
Employer identification number
2 0 - 8 0 4 6 1 4 0

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to a individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here — **Signature of U.S. person** ►  **Date** ► June 26, 2008

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.

2. The treaty article addressing the income.

3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.

4. The type and amount of income that qualifies for the exemption from tax.

5. Sufficient facts to justify the exemption from tax under the the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,

2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

Limited liability company (LLC). Check the "Limited liability company" box only and enter the appropriate code for the tax classification ("D" for disregarded entity, "C" for corporation, "P" for partnership) in the space provided.

For a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Regulations section 301.7701-3, enter the owner's name on the "Name" line. Enter the LLC's name on the "Business name" line.

For an LLC classified as a partnership or a corporation, enter the LLC's name on the "Name" line and any business, trade, or DBA name on the "Business name" line.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

Note. You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),

2. The United States or any of its agencies or instrumentalities,

3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,

4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or

5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,

7. A foreign central bank of issue,

8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,

9. A futures commission merchant registered with the Commodity Futures Trading Commission,

10. A real estate investment trust,

11. An entity registered at all times during the tax year under the Investment Company Act of 1940,

12. A common trust fund operated by a bank under section 584(a),

13. A financial institution,

14. A middleman known in the investment community as a nominee or custodian, or

15. A trust exempt from tax under section 664 or described in in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

IF the payment is for . . .	**THEN the payment is exempt for . . .**
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over $600 required to be reported and direct sales over $5,000 [1]	Generally, exempt payees 1 through 7 [2]

[1] See Form 1099-MISC, Miscellaneous Income, and its instructions.

[2] However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at *www.ssa.gov*. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at *www.irs.gov/businesses* and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting *www.irs.gov* or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: *A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.*

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt payees, see *Exempt Payee* on page 2.

Signature requirements. Complete the certification as indicated in 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor [2]
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee [1]
b. So-called trust account that is not a legal or valid trust under state law	The actual owner [1]
5. Sole proprietorship or disregarded entity owned by an individual	The owner [3]
For this type of account:	**Give name and EIN of:**
6. Disregarded entity not owned by an individual	The owner
7. A valid trust, estate, or pension trust	Legal entity [4]
8. Corporate or LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

[1] List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

[2] Circle the minor's name and furnish the minor's SSN.

[3] You must show your individual name and you may also enter your business or "DBA" name on the second name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

[4] List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

Call the IRS at 1-800-829-1040 if you think your identity has been used inappropriately for tax purposes.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to *phishing@irs.gov*. You may also report misuse of the IRS name, logo, or other IRS personal property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at *www.consumer.gov/idtheft* or 1-877-IDTHEFT(438-4338).

Visit the IRS website at *www.irs.gov* to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA, or Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. possessions to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.

Owner	Christopher Bancroft					File No.	0806106
Property Address	NWC Hwy 82 & Baker						
City	Sherman	County	Grayson	State	TX	Zip Code	75090
Client	Grayson County Commissioners						

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Larry G. Long
Appraisals North Texas, L.L.C. dba Long & Associates
305 West Woodard Street #203
Denison, Texas 75020

6/26/2008

Grayson County Commissioners
100 West Houston Street
Sherman, TX 75090

Re: Property: NWC Hwy 82 & Baker
Sherman, TX 75090
Borrower: Grayson County
File No.: 0806106

In accordance with your request, we have appraised the above referenced property. The report of that appraisal is attached.

The purpose of this appraisal is to estimate the market value of the property described in this appraisal report, as improved, in unencumbered fee simple title of ownership.

This report is based on a physical analysis of the site and improvements, a locational analysis of the neighborhood and city, and an economic analysis of the market for properties such as the subject. The appraisal was developed and the report was prepared in accordance with the Uniform Standards of Professional Appraisal Practice.

The value conclusions reported are as of the effective date stated in the body of the report and contingent upon the certification and limiting conditions attached.

It has been a pleasure to assist you. Please do not hesitate to contact me or any of my staff if we can be of additional service to you.

Sincerely,

Larry G. Long
State Certified General TX 1320424-G
Appraisals North Texas, L.L.C dba.Long & Associates

LAND APPRAISAL SUMMARY REPORT

File No.: 0806106

SUBJECT

Property Address: NWC Hwy 82 & Baker | City: Sherman | State: TX | Zip Code: 75090

County: Grayson | Legal Description: 68.547 acres and 19.20 acres out of the Samuel M. McGlothlin Survey, Abst 0811 and 5.87 acres out of the Reuben Hendrix Survey #504, Grayson County, Texas (see attached legal descriptions).

Assessor's Parcel #: 118-0811011 & S020-050400101 | Tax Year: 2008 | R.E. Taxes: $ 474.22 | Special Assessments: $ 0.00

Market Area Name: Sherman | Map Reference: 43300 | Census Tract: 48181-0014.00

Current Owner of Record: Christopher Bancroft | Borrower (if applicable): Grayson County

Project Type (if applicable): ☐ PUD ☐ De Minimis PUD ☐ Other (describe) | HOA: $ ☐ per year ☐ per month

Are there any existing improvements to the property? ☒ No ☐ Yes | If Yes, indicate current occupancy: ☐ Owner ☐ Tenant ☐ Vacant ☐ Not habitable

If Yes, give a brief description:

ASSIGNMENT

The purpose of this appraisal is to develop an opinion of: ☒ Market Value (as defined), or ☐ other type of value (describe)

This report reflects the following value (if not Current, see comments): ☒ Current (the Inspection Date is the Effective Date) ☐ Retrospective ☐ Prospective

Property Rights Appraised: ☒ Fee Simple ☐ Leasehold ☐ Leased Fee ☐ Other (describe)

Intended Use: Possible use by Grayson County

Intended User(s) (by name or type): Grayson County Commissioners

Client: Grayson County Commissioners | Address: 100 West Houston Street, Sherman, TX 75090

Appraiser: Larry G. Long | Address: 305 W. Woodard St, Suite 203, Denison, TX 75020-3136

MARKET AREA DESCRIPTION

Characteristics			
Location:	☒ Urban	☐ Suburban	☐ Rural
Built up:	☐ Over 75%	☒ 25-75%	☐ Under 25%
Growth rate:	☐ Rapid	☒ Stable	☐ Slow
Property values:	☐ Increasing	☒ Stable	☐ Declining
Demand/supply:	☐ Shortage	☒ In Balance	☐ Over Supply
Marketing time:	☐ Under 3 Mos.	☐ 3-6 Mos.	☒ Over 6 Mos.

Predominant Occupancy	
☒ Owner	85
☐ Tenant	
☒ Vacant (0-5%)	
☐ Vacant (>5%)	

One-Unit Housing	PRICE $(000)	AGE (yrs)
Low	40	5
High	100+	70+
Pred	70+	40

Present Land Use	
One-Unit	65 %
2-4 Unit	%
Multi-Unit	2 %
Comm'l	5 %
Vac/Public	28 %
	%

Change in Land Use	
☒ Not Likely	
☐ Likely *	☐ In Process *
* To:	

Factors Affecting Marketability

Item	Good	Average	Fair	Poor	N/A	Item	Good	Average	Fair	Poor	N/A
Employment Stability	☐	☒	☐	☐	☐	Adequacy of Utilities	☐	☒	☐	☐	☐
Convenience to Employment	☐	☒	☐	☐	☐	Property Compatibility	☐	☒	☐	☐	☐
Convenience to Shopping	☐	☒	☐	☐	☐	Protection from Detrimental Conditions	☐	☒	☐	☐	☐
Convenience to Schools	☐	☒	☐	☐	☐	Police and Fire Protection	☐	☒	☐	☐	☐
Adequacy of Public Transportation	☐	☒	☐	☐	☐	General Appearance of Properties	☐	☒	☐	☐	☐
Recreational Facilities	☐	☒	☐	☐	☐	Appeal to Market	☐	☒	☐	☐	☐

Market Area Comments: The market involving acreage tracts has been active during the past several years. Marketing times are typically between 6 and 12 months are acreage tracts (60 to 200 acres) that are competitive priced. The number of foreclosure has increased during the prior 24 months, but mostly involve residential loans which are dated since the early 2000s. Typically larger tracts are not available which have city water and sewer services readily available, such as the subject, with most comparable tracts located out side the city limits.

SITE DESCRIPTION

Dimensions: See attached field notes | Site Area: 93.62 Acres

Zoning Classification: R-1 District, M-1 District, and C-2 District | Description: 5.87 acre tract zoned R-1 (1 or 2 family), portion of 87.75 acres north of Hwy 82 zoned M-1 District (Light Manufacturing) and portion south is zoned C-2 District (General Commercial)

Do present improvements comply with existing zoning requirements? ☐ Yes ☐ No ☒ No Improvements

Uses allowed under current zoning: R-1 District permits one or two-family residential uses (5.87 acres), the M-1 District permits light manufacturing uses. Per the City of Sherman the southern portion (south of Highway 82) is zoned C-2 District which is intended for general commercial uses. Per the attached flood map and the Grayson Appraisal District Map, a portion of the southern portion is located within the flood hazard.

Are CC&Rs applicable? ☐ Yes ☒ No ☐ Unknown | Have the documents been reviewed? ☐ Yes ☐ No | Ground Rent (if applicable) $ ____/____

Comments:

Highest & Best Use as improved: ☐ Present use, or ☒ Other use (explain) Light manufacturing and general commercial uses.

Actual Use as of Effective Date: Agricultural | Use as appraised in this report: Light Manufacturing/general commercial uses

Summary of Highest & Best Use: Overall the subject tract (North of Highway 82) is suitable for most light manufacturing uses as permitted by its M-1 District Zoning, including the small triangular 5.87 acre tract. The acreage located south of Highway 82 is zoned C-2 District, but its access is limited from Highway 82, except along its service road (east bound traffic).

Utilities	Public	Other	Provider/Description
Electricity	☒	☐	Texas Utilities
Gas	☒	☐	Available
Water	☒	☐	City - Available
Sanitary Sewer	☒	☐	City - Available
Storm Sewer	☐	☒	Open Ditches
Telephone	☒	☐	Available
Multimedia	☐	☐	

Off-site Improvements	Type	Public	Private
Street	Hwy 82 service/City Streets	☒	☐
Width	Four lanes		
Surface	Asphalt/AVerage		
Curb/Gutter	Open Drainage ditches	☒	☐
Sidewalk	None	☐	☐
Street Lights	None	☐	☐
Alley	None	☐	☐

Frontage	Hwy 82, Baker and Graystone
Topography	Level to sloping
Size	87.75 acres
Shape	Irregular/See attached Tax Map
Drainage	Appears adequate
View	Hwy 82/Commercial/SFRs/Pasture

Other site elements: ☐ Inside Lot ☒ Corner Lot ☐ Cul de Sac ☐ Underground Utilities ☐ Other (describe)

FEMA Spec'l Flood Hazard Area ☒ Yes ☐ No | FEMA Flood Zone X | FEMA Map # 48181C0135E | FEMA Map Date 7/17/1995

Site Comments: If appears by the attached flood map that a portion of the southern tract (south of Highway 82) is located within the flood hazard. The northern portion of the subject property, per attached floor map, is not located within the flood hazard. The northern portion of the subject tract enjoys frontage along Highway 82 service road (west bound), along the east property line by Baker Road, along its north property line by Graystone Road and is bordered on the east by rail road right-of way (which is located just east of Frisco Road). The northern portion of the subject site is mostly level to gently sloping. Per the city, water and sanitary sewer services are available to the subject site. The appraiser was not provided with a survey of the subject site and has completed the appraisal under the assumption that no adverse easement(s) or encroachments affect the marketability nor market value of the subject property.

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3/2007

LAND APPRAISAL SUMMARY REPORT

File No.: 0806106

TRANSFER HISTORY

My research ☐ did ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s): Grayson County Appraisal District (GCAD) and MLS

1st Prior Subject Sale/Transfer	Analysis of sale/transfer history and/or any current agreement of sale/listing: Per the Grayson County Appraisal District (GCAD), no reported transfers nor sales were reported during the prior 3 years.
Date: 10/18/1991	
Price: Not disclosed	
Source(s): MLS/GCAD	
2nd Prior Subject Sale/Transfer	
Date: 6/12/1985	
Price: Not disclosed	
Source(s): MLS/GCAD	

SALES COMPARISON APPROACH

FEATURE	SUBJECT PROPERTY	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
Address	NWC Hwy 82 & Baker Sherman, TX 75090	NEC Hwy 82 & Baker Sherman, TX 75090		Corner of Hwy 82 & Mayes Road Sherman, TX 75090		Corner of Hwy 82 & Old Southmayd Sherman, TX 75092	
Proximity to Subject		0.20 miles E		2.61 miles E		10.90 miles W	
Sale Price	$ TBD		$ 1,125,000		$ 587,293		$ 1,137,711
Price/ Acre	$	$ 4,945.49		$ 6,000.13		$ 6,100.00	
Data Source(s)	Client/Inspection	MLS10761957/Hud1/Butch Fife		MLS10941489/Exterior Inspection		MLS10800046/Exterior Inspection	
Verification Source(s)	ApprDist/MLS	ApprDist/MLS/Exterior Inspection		Keller Williams Realty/GCAD		RE/MAX Select/GCAD	
VALUE ADJUSTMENT	DESCRIPTION	DESCRIPTION	+(-) $ Adjust	DESCRIPTION	+(-) $ Adjust	DESCRIPTION	+(-) $ Adjust
Sales or Financing Concessions	Conventional Cash Equiv	Conventional Seller 0%		Cash Sale Seller 0%		Cash to Grantor Seller 0%	
Date of Sale/Time	6/25/2008	11/28/2007		5/20/2008		6/18/2007	
Rights Appraised	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Location	Urban (East Hwy 75)	Suburban (East)		Rural (East)	+1,800	Rural (West Hwy 75)	
Site Area (in Acres)	93.62	227.48	+1,500	97.88		186.51	+1,000
Bldg Improvements:	None	SFR	-220	None		None	
Utilities:	City Wtr/Sewer	Water to SFR/Only	+1,500	No City Wtr/Sewer	+1,800	No City Wtr/Sewer	+1,800
Topography:	Level to sloping	Level to sloping		Level to sloping		Sloping/Creek/Flood	+900
Other Improvements:	None	None		None		None	
Frontage:	Hwy 82/2-Public St	Hwy 82/Inferior	+1,500	Hwy 82/Mayes		Hwy 82/Southmayd	
Net Adjustment (Total, in $)		☒ + ☐ −	$ 973,614	☒ + ☐ −	$ 352,368	☒ + ☐ −	$ 690,087
Net Adjustment (Total, in $ / Acre)		Net 86.5 %	($ 4280 /Acre)	Net 60.0 %	($ 3600 /Acre)	Net 60.7 %	($ 3700 /Acre)
Adjusted Sale Price (in $ / Acre)		Gross 95.4 %	$ 9,225.49	Gross 60.0 %	$ 9,600.13	Gross 60.7 %	$ 9,800.00

Summary of Sales Comparison Approach: All three comparable sales enjoy frontage along Highway 82, with Sales 2 and 3 having frontage along both sides of Highway 82, similar to the subject property. Sale 2 is the most similar in size (acreage) and is the most recently closed sale. Sales 1 and 2 were adjusted upward for differences in size, with the market indicating that larger tracts have a tendency to command a smaller per unit price that smaller tract. Sale 1 was adjusted downward for the estimated contributory value of the single family residence. All three sales lacked the available city water and sewer services of the subject and were adjusted upward. Sale 3 had approximately 30 acres located within the flood hazard and was adjusted upward. The three sales had an indicated adjusted mean of $9,541.87 rounded to $9,500 per acre, which appears to be a reasonable assumption for the subject property. Thus, $9,500 per acre times 93.62 acres = $889,390 rounded to $889,000.

PUD

PROJECT INFORMATION FOR PUDs (if applicable) ☐ The Subject is part of a Planned Unit Development.

Legal Name of Project:

Describe common elements and recreational facilities:

RECONCILIATION

Indicated Value by: Sales Comparison Approach $ 889,000 **or $** 9,500 **per Acre**

Final Reconciliation: The subject site has no building improvements, thus the cost approach was not developed. Comparable sites are not typically leased in the market place, thus the income approach was not developed. The direct sales approach, in the opinion of the appraiser, best measures the market.

This appraisal is made ☐ "as is", or ☒ subject to the following conditions: Appraiser is not aware of all the prior uses of the subject site and would recommend a PHase 1 Environmental Audit. The appraiser was not provided a survey of the subject property and has completed the appraiser under the assumption that no adverse easements (including utility) affect the market value or marketability of the subject property.

☒ This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.

Based upon an inspection of the subject property, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: $ 889,000 , as of: June 25, 2008 , which is the effective date of this appraisal.

If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.

ATTACH.

A true and complete copy of this report contains 21 pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report, which contains the following attached exhibits:

☒ Scope of Work ☒ Limiting cond./Certifications ☒ Narrative Addendum ☒ Location Map(s) ☒ Flood Addendum ☐ Additional Sales ☒ Photo Addenda ☒ Parcel Map ☐ Hypothetical Conditions ☒ Extraordinary Assumptions ☐

SIGNATURES

Client Contact: Jeff Schneider | Client Name: Grayson County Commissioners

E-Mail: schneiderj@co.grayson.tx.us | Address: 100 West Houston Street, Sherman, TX 75090

APPRAISER

Appraiser Name: Larry G. Long

Company: Appraisals North Texas, LLC DBA Long & Associates

Phone: (903) 463-7152 Fax: (469) 519-2485

E-Mail: larryglong@appraisalsnorthtexas.com

Date of Report (Signature): June 26, 2008

License or Certification #: TX 1320424-G State: TX

Designation:

Expiration Date of License or Certification: 4/30/2009

Inspection of Subject: ☒ Did Inspect ☐ Did Not Inspect (Desktop)

Date of Inspection: June 25, 2008

SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)

Supervisory or Co-Appraiser Name:

Company:

Phone: Fax:

E-Mail:

Date of Report (Signature):

License or Certification #: State:

Designation:

Expiration Date of License or Certification:

Inspection of Subject: ☐ Did Inspect ☐ Did Not Inspect

Date of Inspection:

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Assumptions, Limiting Conditions & Scope of Work

File No.: 0806106

Property Address:	NWC Hwy 82 & Baker	City: Sherman	State: TX	Zip Code: 75090	
Client:	Grayson County Commissioners	Address:	100 West Houston Street, Sherman, TX 75090		
Appraiser:	Larry G. Long	Address:	305 W. Woodard St, Suite 203, Denison, TX 75020-3136		

STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

— The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.

— The appraiser may have provided a plat and/or parcel map in the appraisal report to assist the reader in visualizing the lot size, shape, and/or orientation. The appraiser has not made a survey of the subject property.

— If so indicated, the appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.

— The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.

— The appraiser has noted in the appraisal report any adverse conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property, or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property, or adverse environmental conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.

— The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.

— The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.

— An appraiser's client is the party (or parties) who engage an appraiser in a specific assignment. Any other party acquiring this report from the client does not become a party to the appraiser-client relationship. Any persons receiving this appraisal report because of disclosure requirements applicable to the appraiser's client do not become intended users of this report unless specifically identified by the client at the time of the assignment.

— The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public, through advertising, public relations, news, sales, or by means of any other media, or by its inclusion in a private or public database. Possession of this report or any copy thereof does not carry with it the right of publication.

— Forecasts of effective demand for the highest and best use or the best fitting and most appropriate use were based on the best available data concerning the market and are subject to conditions of economic uncertainty about the future.

The Scope of Work is the type and extent of research and analyses performed in an appraisal assignment that is required to produce credible assignment results, given the nature of the appraisal problem, the specific requirements of the intended user(s) and the intended use of the appraisal report. Reliance upon this report, regardless of how acquired, by any party or for any use, other than those specified in this report by the Appraiser, is prohibited. The Opinion of Value that is the conclusion of this report is credible only within the context of the Scope of Work, Effective Date, the Date of Report, the Intended User(s), the Intended Use, the stated Assumptions and Limiting Conditions, any Hypothetical Conditions and/or Extraordinary Assumptions, and the Type of Value, as defined herein. The appraiser, appraisal firm, and related parties assume no obligation, liability, or accountability, and will not be responsible for any unauthorized use of this report or its conclusions.

Additional Comments (Scope of Work, Extraordinary Assumptions, Hypothetical Conditions, etc.):

GPLAND

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Certifications & Definitions

File No.: 0806106

Property Address: NWC Hwy 82 & Baker City: Sherman State: TX Zip Code: 75090
Client: Grayson County Commissioners Address: 100 West Houston Street, Sherman, TX 75090
Appraiser: Larry G. Long Address: 305 W. Woodard St, Suite 203, Denison, TX 75020-3136

APPRAISER'S CERTIFICATION

I certify that, to the best of my knowledge and belief:
— The statements of fact contained in this report are true and correct.
— The credibility of this report, for the stated use by the stated user(s), of the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
— I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
— I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
— My engagement in this assignment was not contingent upon developing or reporting predetermined results.
— My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
— My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
— I did not base, either partially or completely, my analysis and/or the opinion of value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property, or of the present owners or occupants of the properties in the vicinity of the subject property.
— Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
— Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification.

Additional Certifications:

DEFINITION OF MARKET VALUE *:

Market value means 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 and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:
1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

***** This definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.

SIGNATURES

Client Contact: Jeff Schneider Client Name: Grayson County Commissioners
E-Mail: schneiderj@co.grayson.tx.us Address: 100 West Houston Street, Sherman, TX 75090

APPRAISER

Appraiser Name: Larry G. Long
Company: Appraisals North Texas, LLC DBA Long & Associates
Phone: (903) 463-7152 Fax: (469) 519-2485
E-Mail: larryglong@appraisalsnorthtexas.com
Date Report Signed: June 26, 2008
License or Certification #: TX 1320424-G State: TX
Designation:
Expiration Date of License or Certification: 4/30/2009
Inspection of Subject: ☒ Did Inspect ☐ Did Not Inspect (Desktop)
Date of Inspection: June 25, 2008

SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)

Supervisory or Co-Appraiser Name:
Company:
Phone: Fax:
E-Mail:
Date Report Signed:
License or Certification #: State:
Designation:
Expiration Date of License or Certification:
Inspection of Subject: ☐ Did Inspect ☐ Did Not Inspect
Date of Inspection:

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Scope of Work and Appraisal Addendum

File No. 0806106

Owner	Christopher Bancroft						
Property Address	NWC Hwy 82 & Baker						
City	Sherman	County	Grayson	State	TX	Zip Code	75090
Client	Grayson County Commissioners						

SCOPE OF WORK
Unimproved (Land) Mortgage Finance Transaction

INTENDED USER/INTENDED USE: The Intended User of this appraisal report is the named Client. The Intended Use is to evaluate the property that is the subject of this appraisal for internal management by the client in the possible purchase of the subject property, subject to the stated Scope of Work, purpose of the appraisal, reporting requirements of this appraisal form, and Definition of Market Value. No additional Intended Users are identified by the appraiser.

DEFINITION OF MARKET VALUE: Source: Fannie Mae Form 1004B 6-93. See Page 1 of 2.

EFFECTIVE DATE: The date of the property inspection is the Effective Date of the Appraisal.

RELEVANT CHARACTERISTICS: The Relevant Characteristics of the subject property are those attributes (on and off site) that define the quality, quantity, condition and functionality features of the subject property as would be interpreted by the typical owner of the same or similar type property.

EXTERORDINARY ASSUMPTIONS / HYPOTHETICAL CONDITIONS: The appraiser is not aware of all the prior uses of the subject property and would recommend a current Phase I environmental audit of the subject tract. The appraiser was not provided with a copy of a survey of the subject site and thus relied upon information obtained from old legal description and from information obtained from the Grayson County Appraisal District (GCAD) to complete this appraisal assignment. Thus, if the site area (acreage) is smaller or larger than the size assumed or if any adverse easements or encroachment exist, then the indicated market value may be subject to change.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal form, including the definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the and exterior areas (and interior of any improvements) of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

The preceding Scope of Work has been expanded to reflect the additional research and analysis necessary due to the complexity of the appraisal assignment. This expanded Scope of Work is specific to the subject property of this appraisal assignment.

A complete visual inspection of the exterior areas of the subject property has been preformed and was limited to those areas readily assessable and visible during the inspection of the site. The purpose of this inspection was to catalog the salient attributes of the subject property. The complete visual inspection has been performed at the level as would typically be performed by a competent real estate appraiser (as defined by my appraisal peers for the Grayson County market).

The appraiser represents the complete visual inspection, as defined, as appropriate to determine the quality, quantity, functionality and condition of the subject property at the time of inspection and for the specified Appraisal Purpose(s) only**. <u>The complete visual inspection found in this appraisal report is not considered as a substitute for a property inspection performed by a licensed real property inspector or registered engineer and should not be utilized by any party (Intended User or Others) in lieu of a property inspection performed by a licensed real property inspector or engineer.</u>** These observations were made for this appraisal assignment are not intended to provide any prediction or forecast as to the future functionality, appropriateness, longevity or suitability of the subject property

Signature		Signature	
Name	Larry G. Long	Name	
Date Signed	June 26, 2008	Date Signed	
State Certification #	TX 1320424-G State TX	State Certification #	State
Or State License #	State	Or State License #	State

Scope of Work and Appraisal Addendum

File No. 0806106

Owner	Christopher Bancroft						
Property Address	NWC Hwy 82 & Baker						
City	Sherman	County	Grayson	State	TX	Zip Code	75090
Client	Grayson County Commissioners						

except in the context of the specific Appraisal Purpose(s).

Inspection of the subject neighborhood, adverse off-site influences and comparable properties was conducted from the public street only (unless otherwise stated in the report) and was therefore limited in nature and may not discover all factors that may impact the value of the subject property.

The inspections have been supplemented with any other data or information discovered during the course of my research and deemed reliable by the appraiser. The intensity of the inspections/observations was performed at the level as would typically be performed by my appraisal peers in the Grayson County market.

Should the Intended User or others using this appraisal or appraisal report desire any determination with regard to the subject property for purposes other than so stated above, they are directed to engage the services of an appropriate real estate professional.

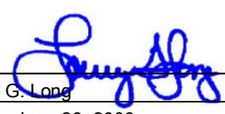
In my sole judgment: all research, analysis, conclusions, verifications, confirmations and/or due diligence conducted as part of this appraisal process were performed to the degree considered as appropriate for a real estate appraiser to facilitate the intended use/purpose of the client (as defined by my appraisal peers for the Grayson County market). The appraiser claims no specific or specialized training, education or experience with regards to matters pertaining to zoning, legal, environmental or construction nature, but rather does claim expertise in the generalized nature of real estate as considered appropriate for a real estate appraiser and for appraisal purposes (as defined by the appraisal peers in the Grayson County market).

Any observations, statement or conclusions I have made in the report with regard to matters of zoning, legal, environmental or construction nature, are made in the context of my expertise as a real estate appraiser and for **APPRAISAL PURPOSE(S)** only. These observations, statements or conclusions should not be relied on by the Intended User or others who may use this appraisal or appraisal report for any other purpose, use or in any other context other than for **APPRAISAL PURPOSE(S).** Such observations or statements are of a generalized nature and are not represented to be complete or exhaustive. Should the Intended User or others using this appraisal or appraisal report desire more exacting determinations with regard to the subject property for purposes other than that stated above, they are directed to engage the services of an appropriate real estate professional.

All observations, statements or conclusions with regard to any improvement(s), including, but not limited to, physical deficiencies affecting functional use, included in this appraisal report were based on my inspection and research **as interpreted by me and based on my level of expertise as disclosed above.** For this appraisal and/or appraisal report physical deficiencies are items that would affect the utilization or functionality for the purpose(s) the typical owner of the same or similar property would envision.

As part of this appraisal process, I have:

1. inspected and cataloged the salient attributes of the subject property as described above;
2. investigated appropriate market data for utilization in the direct sales comparison approach to value, and if appropriate the cost and income approaches to value. The appraiser's investigations included research of public records of the Grayson County Appraisal District, computerized private databases, etc. Search parameters included dates of sales, location, age, gross living area, site characteristics, property type, and distance from the subject property. The appraiser expanded his search area until the appraiser has either sufficient data (in the appraiser's opinion) to estimate market value or until the appraiser believed that the appraiser has reasonably exhausted the available pool of data. Researched sales data was viewed, and if found to be appropriate, efforts were made to verify the data with persons directly involved in the

Signature		Signature	
Name	Larry G. Long	Name	
Date Signed	June 26, 2008	Date Signed	
State Certification #	TX 1320424-G State TX	State Certification #	State
Or State License #	State	Or State License #	State

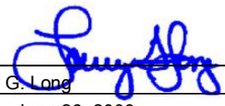
Scope of Work and Appraisal Addendum

File No. 0806106

Owner	Christopher Bancroft						
Property Address	NWC Hwy 82 & Baker						
City	Sherman	County	Grayson	State	TX	Zip Code	75090
Client	Grayson County Commissioners						

transactions such as buyers, sellers, real estate brokers and/or agents and or data sources such as multiple listing services (MLS). At the appraiser's discretion some data may have been used without further verification if, in the appraiser's opinion, the data appeared correct. In addition, the appraiser considered any appropriate listings found through observation during he appraiser's data collection process. Appraiser has reported only the data deemed to be pertinent to the valuation problem;

3. investigated and analyzed any pertinent easements or restrictions on the fee simple ownership of the subject property. It was the client's responsibility to provide the appraiser with any current or previous (prior 12 months) agreement of sale, survey or title report. If such documentation was not made available to the appraiser upon request, appraiser relied on the inspection as described above and identified only any readily apparent easements or restrictions;
4. analyzed the data found and reached conclusions regarding the market value, as defined in the appraisal report of the subject property as of the effective date using appropriate valuation approach(es) identified above;
5. completed the appraisal report in compliance with appraiser's interpretation of the Uniform Standards of professional Appraisal Practice (USPAP) as promulgated by The Appraisal Foundation.
6. the appraiser is not qualified to ascertaining the existence of any toxic waste or other contaminations (such as mold) that may be present either on or off-site. Appraiser has; however, reported any indications of toxic waste or contaminants observed if they are readily apparent during the appraiser's visual inspection (as described above). The appraiser cautions the user of the appraisal and/or appraisal report, that the appraiser is not an expert in such matters and that the appraiser may overlook contamination that might be readily apparent to others.
7. prepared an appraisal report which included photographs of the subject property, descriptions of the subject neighborhood, the site, any improvement(s) on the subject site, a description of the zoning (for appraisal purposes), a highest and best use analysis, a summary of the comparable sales used in the appraiser's valuation, a reconciliation and value conclusion. In addition, the appraiser has included a location map illustrating the comparable sales and their location to the subject property and other data deemed by the appraiser to be relevant to the report. The appraiser has maintained a "work file" containing pertinent data and analysis included and not included in the report.

Signature		Signature	
Name	Larry G. Long	Name	
Date Signed	June 26, 2008	Date Signed	
State Certification #	TX 1320424-G State TX	State Certification #	State
Or State License #	State	Or State License #	State

Subject Photo Page

Owner	Christopher Bancroft						
Property Address	NWC Hwy 82 & Baker						
City	Sherman	County	Grayson	State	TX	Zip Code	75090
Client	Grayson County Commissioners						

Hwy 82 Frontage

NWC Hwy 82 & Baker

Sales Price	TBD
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	Urban (East Hwy 75)
View	
Site	93.62
Quality	
Age	

Baker - Looking North

Subject Site from Baker

Subject Photo Page

Owner	Christopher Bancroft						
Property Address	NWC Hwy 82 & Baker						
City	Sherman	County	Grayson	State	TX	Zip Code	75090
Client	Grayson County Commissioners						

Graystone Rd - West

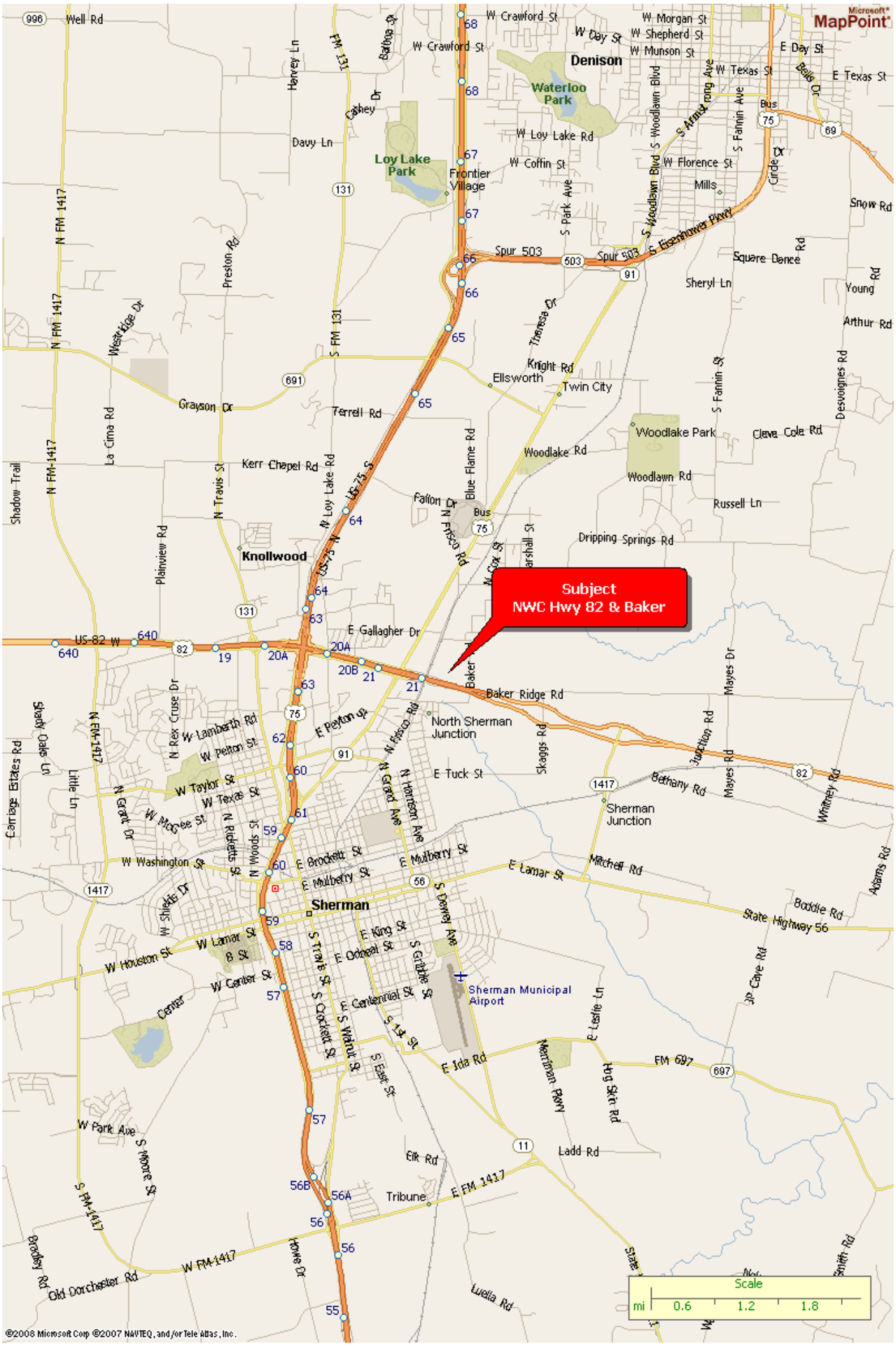
NWC Hwy 82 & Baker
Sales Price TBD
Gross Living Area
Total Rooms
Total Bedrooms
Total Bathrooms
Location Urban (East Hwy 75)
View
Site 93.62
Quality
Age

Graystone - East

Subject Site From Graystone

Subject Location Map

Owner	Christopher Bancroft						
Property Address	NWC Hwy 82 & Baker						
City	Sherman	County	Grayson	State	TX	Zip Code	75090
Client	Grayson County Commissioners						

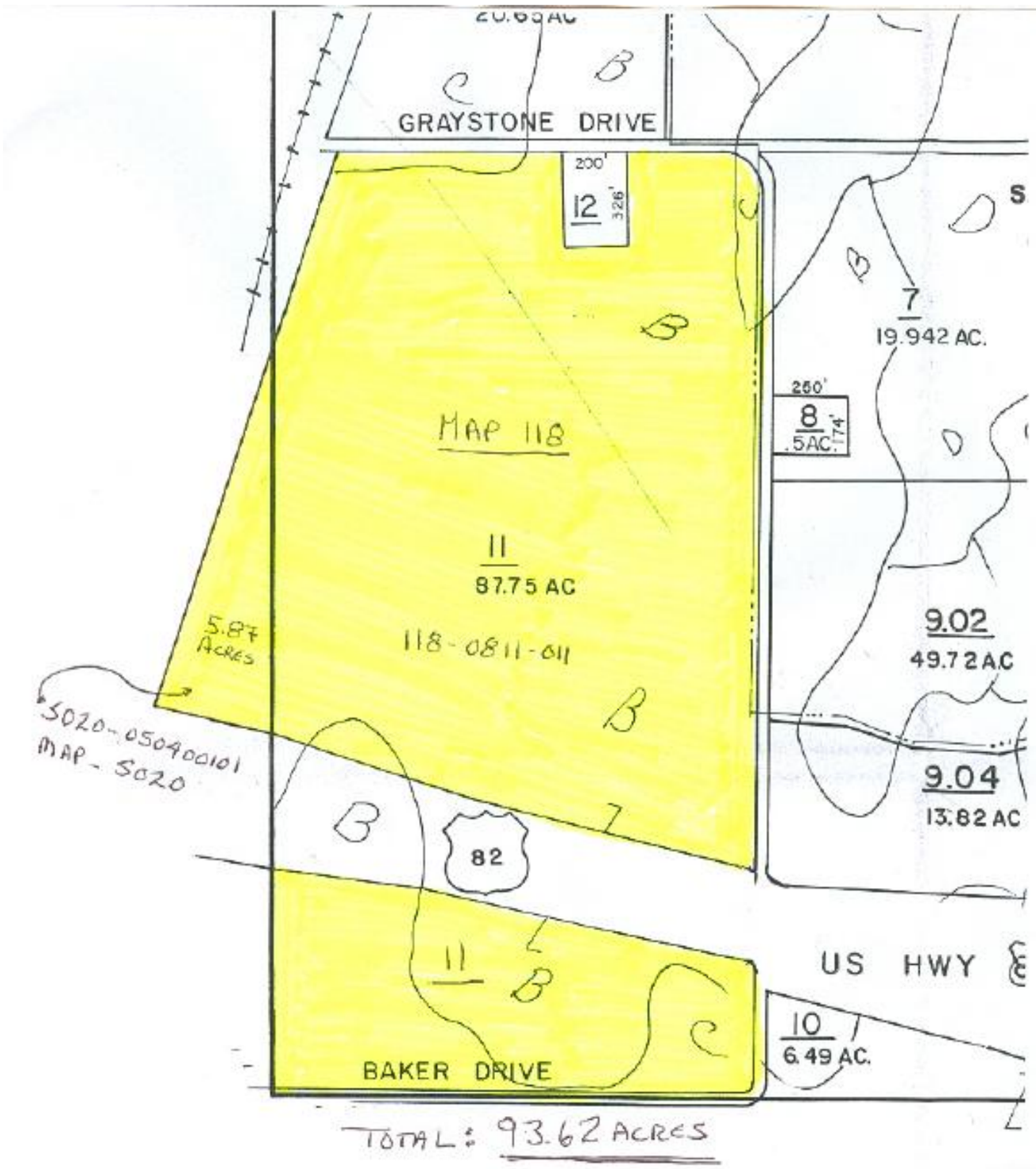


Subject Aerial Map

Owner	Christopher Bancroft						
Property Address	NWC Hwy 82 & Baker						
City	Sherman	County	Grayson	State	TX	Zip Code	75090
Client	Grayson County Commissioners						

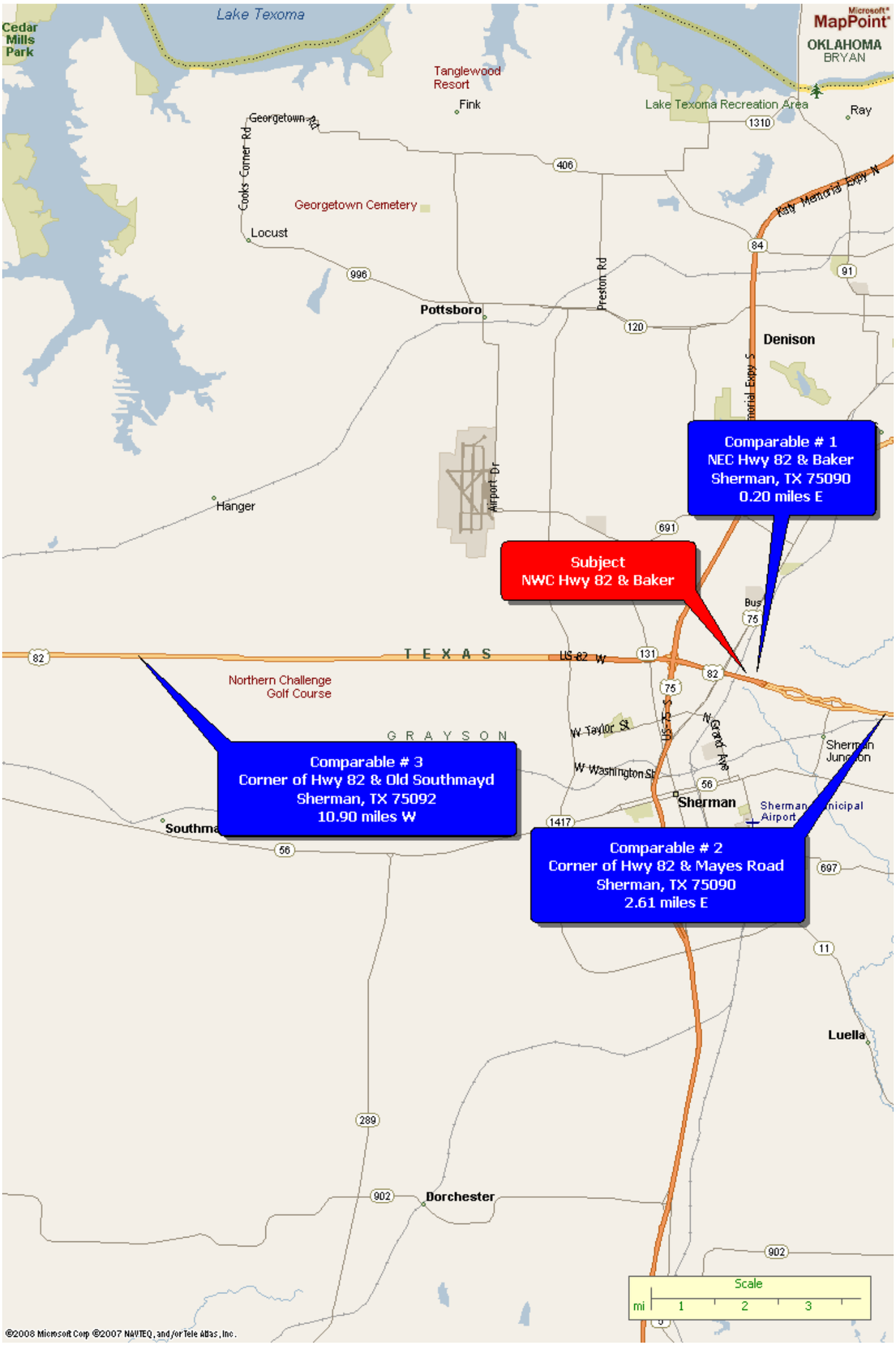
Tax Map

Owner	Christopher Bancroft						
Property Address	NWC Hwy 82 & Baker						
City	Sherman	County	Grayson	State	TX	Zip Code	75090
Client	Grayson County Commissioners						



Comparable Sales Map

Owner	Christopher Bancroft						
Property Address	NWC Hwy 82 & Baker						
City	Sherman	County	Grayson	State	TX	Zip Code	75090
Client	Grayson County Commissioners						



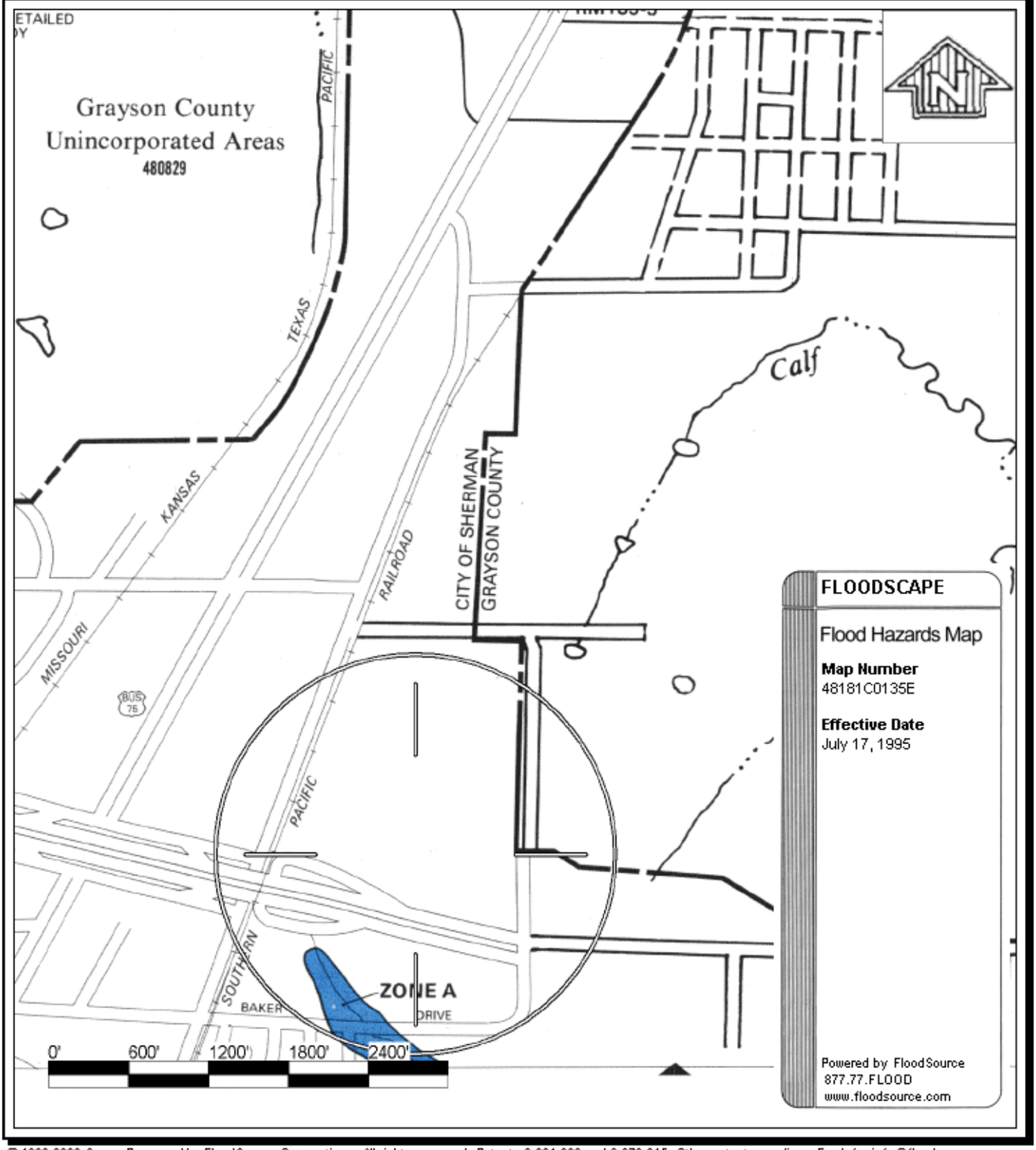
Flood Map

Owner	Christopher Bancroft						
Property Address	NWC Hwy 82 & Baker						
City	Sherman	County	Grayson	State	TX	Zip Code	75090
Client	Grayson County Commissioners						

InterFlood by a la mode
www.interflood.com • 1-800-252-6633

Prepared for:
Long & Associates

NWC Hwy 82 & Baker
Sherman, TX 75090



© 1999-2008 SourceProse and/or FloodSource Corporations. All rights reserved. Patents 6,631,326 and 6,678,615. Other patents pending. For Info: info@floodsource.com.

Legal Description - Page 1

Owner	Christopher Bancroft						
Property Address	NWC Hwy 82 & Baker						
City	Sherman	County	Grayson	State	TX	Zip Code	75090
Client	Grayson County Commissioners						

LEGAL DESCRIPTION

Situated in the County of Grayson, State of Texas out of the Samuel McGlothlin Survey, Abstract No. 811, and being all of a tract of land described as Tract No. 1 in a deed to Lattimore Materials Company, a Texas Corporation, as shown in Volume 1668, Page 62 of the Deed Records of Grayson County, Texas and also being all of a 1.5 acre tract of land conveyed to Lattimore Materials Company as shown in Volume 1667, Page 346 of the said Deed Records, and being more particularly described by metes and bounds as follows, to-wit:

BEGINNING at the intersection of the North right-of-way line of U.S. Highway 82, with the centerline of a public road, said point being the Southeast corner of Tract No. 1;

THENCE in a Westerly direction with the North right-of-way line of U. S. Highway 82, the following calls and distances:

North 74 deg. 31 min. 12 sec. West, a distance of 28.33 feet;
South 73 deg. 58 min. 00 sec. West, a distance of 143.20 feet to the beginning of a curve to the left having a radius of 11,609.16 feet and a central angle of 00 deg. 51 min. 00 sec.;
Thence in a Northwesterly direction with the curve to the left a distance of 172.22 feet to the end of the curve;
North 75 deg. 41 min. 00 sec. West, a distance of 674.65 feet;
North 69 deg. 34 min. 00 sec. West, a distance of 505.78 feet to the intersection of an old fence line to a ½ inch rod found for the Southwest corner of Tract 1;

THENCE North 01 deg. 16 min. 27 sec. East along the old fence line a distance of 1,458.70 feet to the intersection of the East right-of-way line of the M & T C Railway Co. right-of-way;

THENCE North 21 deg. 24 min. 00 sec. East with the East right-of-way line of the railroad, a distance of 395.45 feet to a ½ inch rod found at the centerline intersection of a public road at the Northwest corner of Tract No. 1;

THENCE South 89 deg. 00 min. 37 sec. East with the centerline of the road a distance of 726.60 feet to a railroad spike found at the Northwest corner of the 1.5 acre tract;

THENCE South 89 deg. 20 min. 54 sec. East continuing with the centerline of the road, a distance of 613.47 feet to a railroad spike found at the centerline intersection of a public road to the South, said spike being the Northeast corner of Tract No. 1;

THENCE South 01 deg. 27 min. 42 sec. West with the centerline of the public road a distance of 1,056.54 feet to a railroad spike found at an angle in the road;

THENCE South 01 deg. 34 min. 58 sec. West, continuing with the centerline of the road a distance of 1,106.46 feet to the place of beginning and containing 68.547 acres of land.

I, Marshall Sartin, Registered Public Surveyor, hereby certify that a survey was made on the ground on the property legally described hereon, that it is correct, and that there are no visible discrepancies, conflicts, shortages in area, boundary line conflicts, encroachments, overlapping of improvements, easements or rights-of-way, except as shown on the plat herewith, and that the plat herewith is a true, correct, and accurate representation of the property described hereinabove.

Marshall Sartin, R.P.S.
February 22, 1985

STATE OF TEXAS
MARSHALL SARTIN
3694
REGISTERED PUBLIC SURVEYOR

SARTIN & ASSOCIATES
SURVEYING COMPANY
P. O. BOX 1843
226 W. HOUSTON ST.
SHERMAN, TX. 75090

EXHIBIT 1

Legal Description - Page 2

Owner	Christopher Bancroft				
Property Address	NWC Hwy 82 & Baker				
City	Sherman	County Grayson	State TX	Zip Code 75090	
Client	Grayson County Commissioners				

JUN-03-2008 14:18 FROM:BUTCH FIFE REALTORS 9038934765 TO:14695192485 P.3/4

LEGAL DESCRIPTION

Situated in the County of Grayson, State of Texas, out of the Samuel McGlothlin Survey, Abstract No. 811, and being all of a tract of land described as Tract No. 2 in a deed to Lattimore Materials Company, a Texas Corporation, as shown in Volume 1668, Page 62 of the Deed Records of Grayson County, Texas, and being more particularly described by metes and bounds as follows, to-wit:

BEGINNING at a ½ inch iron rod found at the Southeast corner of Tract No. 2 in the centerline intersection of public roads and being in the South line of the Samuel McGlothlin Survey;

THENCE North 88 deg. 37 min. 39 sec. West with the centerline of the road, a distance of 1,464.81 feet to a railroad spike set at the intersection of an old fence line and the Southwest corner of the McGlothlin Survey;

THENCE North 01 deg. 49 min. 31 sec. East along an old fence line a distance of 705.05 feet to the intersection of the South right-of-way line of U.S. Highway 82;

THENCE in an Easterly direction with the South right-of-way line of the highway, the following calls and distances:

South 81 deg. 48 min. 00 sec. East, a distance of 414.16 feet;
South 75 deg. 41 min. 00 sec. East, a distance of 674.65 feet to the beginning of a curve to the right, having a radius of 11,309.16 feet and a central angle of 01 deg. 23 min. 59 sec.;
Thence in a Southeasterly direction with the curve, a distance of 276.28 feet;
South 42 deg. 38 min. 00 sec. East, a distance of 144.20 feet;
South 73 deg. 35 min. 24 sec. East, 22.29 feet to the intersection of the centerline of the public road at the Northeast corner of Tract No. 2;

THENCE South 01 deg. 19 min. 04 sec. West with the centerline of the public road, a distance of 330.00 feet to the place of beginning and containing 19.20 acres of land.

I, Marshall Sartin, Registered Public Surveyor, hereby certify that a survey was made on the ground on the property legally described hereon, that it is correct, and that there are no visible discrepancies, conflicts, shortages in area, boundary line conflicts, encroachments, overlapping of improvements, easements or rights-of-way, except as shown on the plat herewith, and that the plat herewith is a true, correct, and accurate representation of the property described hereinabove.

Marshall Sartin, R.P.S.
February 22, 1985

STATE OF TEXAS
MARSHALL SARTIN
3694
REGISTERED PUBLIC SURVEYOR

SARTIN & ASSOCIATES
SURVEYING COMPANY
P. O. BOX 1843
226 W. HOUSTON ST.
SHERMAN, TX 75090

Legal Description - Page 3

Owner	Christopher Bancroft						
Property Address	NWC Hwy 82 & Baker						
City	Sherman	County	Grayson	State	TX	Zip Code	75090
Client	Grayson County Commissioners						

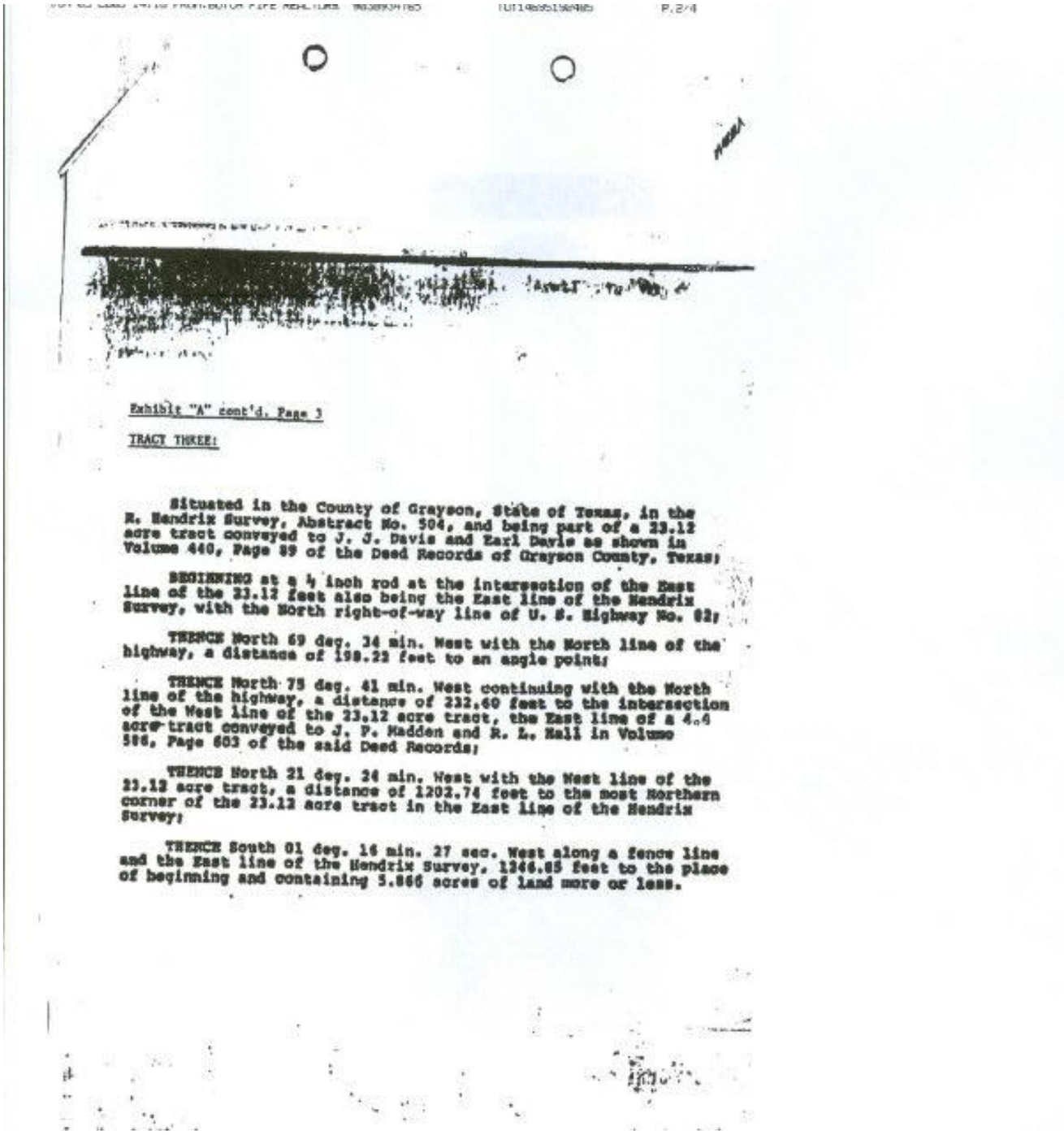


Exhibit "A" cont'd. Page 3

TRACT THREE:

Situated in the County of Grayson, State of Texas, in the R. Hendrix Survey, Abstract No. 504, and being part of a 23.12 acre tract conveyed to J. J. Davis and Earl Davis as shown in Volume 440, Page 89 of the Deed Records of Grayson County, Texas;

BEGINNING at a ½ inch rod at the intersection of the East line of the 23.12 feet also being the East line of the Hendrix Survey, with the North right-of-way line of U. S. Highway No. 82;

THENCE North 69 deg. 34 min. West with the North line of the highway, a distance of 198.23 feet to an angle point;

THENCE North 75 deg. 41 min. West continuing with the North line of the highway, a distance of 232.60 feet to the intersection of the West line of the 23.12 acre tract, the East line of a 4.4 acre tract conveyed to J. P. Madden and R. L. Hall in Volume 586, Page 603 of the said Deed Records;

THENCE North 21 deg. 24 min. West with the West line of the 23.12 acre tract, a distance of 1202.74 feet to the most Northern corner of the 23.12 acre tract in the East line of the Hendrix Survey;

THENCE South 01 deg. 16 min. 27 sec. West along a fence line and the East line of the Hendrix Survey, 1346.85 feet to the place of beginning and containing 5.866 acres of land more or less.

Appraiser Qualifications File No. 0806106

Owner	Christopher Bancroft						
Property Address	NWC Hwy 82 & Baker						
City	Sherman	County	Grayson	State	TX	Zip Code	75090
Client	Grayson County Commissioners						

QUALIFICATIONS OF LARRY G. LONG

Larry G. Long has been an independent real estate fee appraiser since 1973. Larry G. Long was a licensed real estate appraiser in the State of Texas (Broker License Number 155933) from 1973 till 1995 and has been State Certified General Real Estate Appraiser in the State of Texas since April 15, 1991. I have completed assignments of numerous types of real estate for governmental agencies, attorneys, corporations, lenders, and individuals, and has qualified in the State of Texas and Federal Courts as an expert witness on real estate valuations.

Education:

Attended Denison Senior High School
Graduate of The International School of Bangkok, Thailand
Attended the University of Oklahoma, Norman, Oklahoma
Attended Grayson County College, Sherman, Texas.
Graduate of REALTORS Institute of Texas, G.R.I. (#1983).
N.A.I.F.A. Course 1.1 Principles of Real Estate Appraisal.
N.A.I.F.A. Course 1a Income Property Appraising
N.A.I.F.A. Course 1b Income Property Appraising
N.A.I.F.A. Course 1.5C Appraising Small Income Properties
N.A.I.F.A. Course 2.0 Financial Analysis of Income Properties
N.A.I.F.A. Course 4.7 Basic Residential H.U.D. Appraising Requirements
N.A.I.F.A. Course 4.9 H.U.D. Review Appraising
N.A.I.F.A. Course 5.0 Uniform Standards of Professional Practice
N.A.I.F.A. 5.0A National USPAP Update (2006)
N.A.I.F.A. Course 5.2 Fair Lending Requirements: The effect on real estate appraisal and report writing
N.A.I.F.A Course 9.7N FannieMae Property and Appraisal Guidelines
N.A.I.F.A. Course 15.7A Valuing Undivided Fractional Interest
N.A.I.F.A. Course 16.0A Understanding Legal Descriptions
A.I.R.E.A. Real Estate Appraisal Principle Exam 1A1
A.I.R.E.A. Scope of Work
Agent Campus - Home Inspection
Agent Campus – Environmental Hazards
Agent Campus – Asset Management
360 Training – Estimating the Gross Living Area (ANSI)
Leonard – Hawes Real Estate School How to Prepare the New URAR Form

Instructor at Grayson County College from 1979 – 1985, 1988, 1992, 1994, and 1996; in real estate including Real Estate Appraisal.

Various real estate appraisal seminars; including Marshall Swift Valuation Service and construction courses.

Memberships:

State certified General Real Estate appraiser (Texas); Certificate Number: TX-1320424-G, expires April 30, 2009.

Member of the Greater Texoma Board of REALTORS and the North Texas Real Estate Information Systems, Inc. Served as President (1975), vice President (1974 and 1984), Secretary – Treasurer (1992), Board of Directors (1976), and REALTOR of the year (1979). Member of the Texas Association of REALTORS: Served as Vice Chairman of the Financial Procedures Committee (1981) and as Chairman (1982), TAR Director 1980 – 1984).

Member of the National Association of REALTORS

Appraiser Qualifications

File No. 0806106

Owner	Christopher Bancroft						
Property Address	NWC Hwy 82 & Baker						
City	Sherman	County	Grayson	State	TX	Zip Code	75090
Client	Grayson County Commissioners						

QUALIFICATIONS OF LARRY G. LONG, CONTINUED

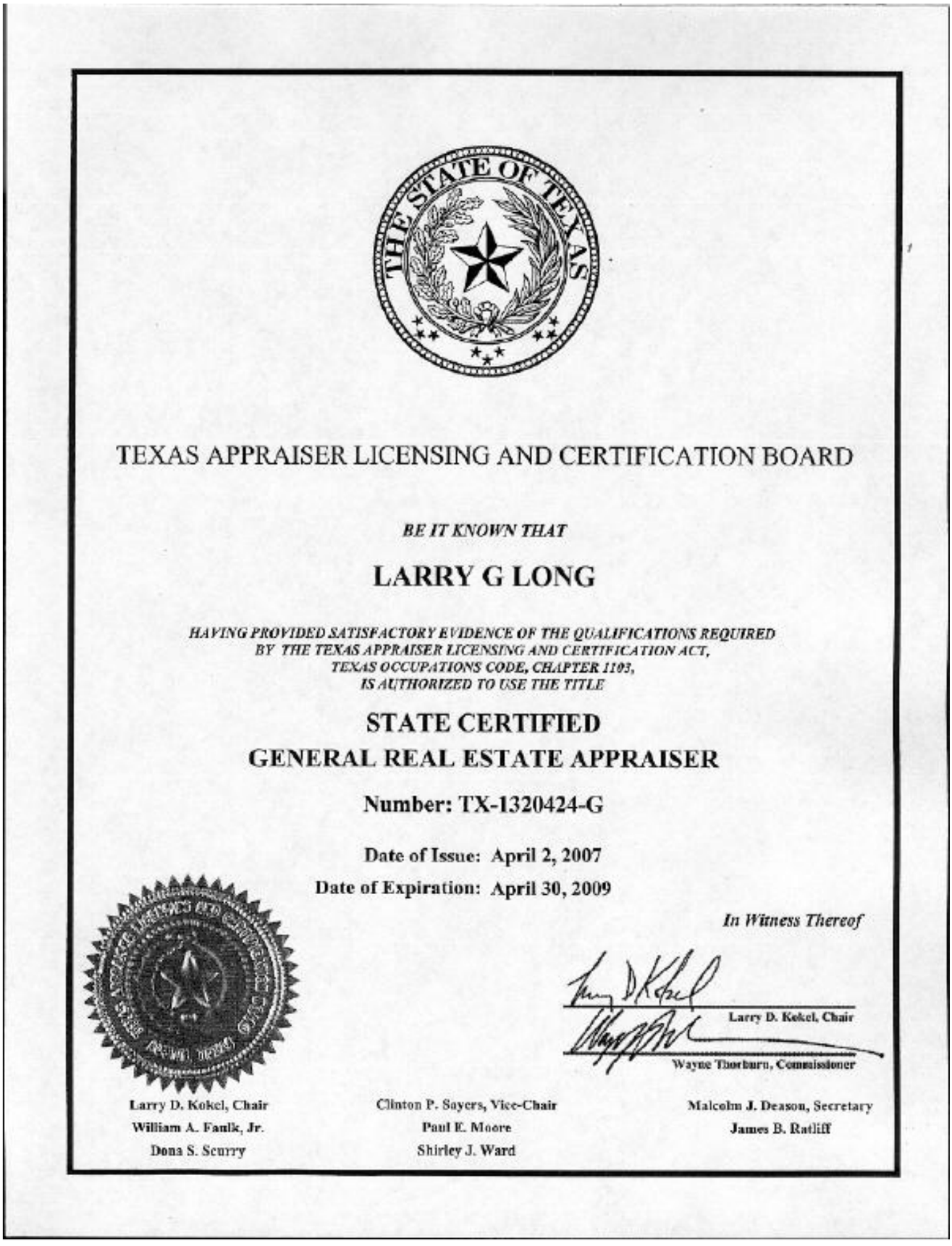
Partial List of Clients Served:

Texas Highway Department (TexDot)
Veterans Administration (0152)
FDIC
Federal National Mortgage Association (Dallas)
Freddie Mac Southwest Regional Office
City of Denison
City of Pottsboro
Texoma Medical Center
Wilson N. Jones Medical Center
Grayson County
Landmark Bank
American Bank of Texas
View Point Bank
First United Bank
First Ag Credit
Country Wide Mortgage
CTX Mortgage
Community Credit Union
Altair Global Relocation
Fidelity Valuation Services
W.R. Starkey Mortgage
Great Plains National Bank
Alco
Prudential Relocation
Indy Mac Mortgage
WHR Group
North Texas Financial
Mortgage It
Gateway National Bank
Dana Capital
Colonial National Mortgage
Wells Fargo Bank, NA

Numerous individuals, attorneys and accountants.

State Certification

Owner	Christopher Bancroft				
Property Address	NWC Hwy 82 & Baker				
City	Sherman	County Grayson	State TX	Zip Code 75090	
Client	Grayson County Commissioners				



THE STATE OF TEXAS

TEXAS APPRAISER LICENSING AND CERTIFICATION BOARD

BE IT KNOWN THAT

LARRY G LONG

HAVING PROVIDED SATISFACTORY EVIDENCE OF THE QUALIFICATIONS REQUIRED BY THE TEXAS APPRAISER LICENSING AND CERTIFICATION ACT, TEXAS OCCUPATIONS CODE, CHAPTER 1103, IS AUTHORIZED TO USE THE TITLE

STATE CERTIFIED

GENERAL REAL ESTATE APPRAISER

Number: TX-1320424-G

Date of Issue: April 2, 2007

Date of Expiration: April 30, 2009

In Witness Thereof

Larry D. Kokel, Chair

Wayne Thorburn, Commissioner

Larry D. Kokel, Chair
William A. Faulk, Jr.
Dona S. Scurry

Clinton P. Sayers, Vice-Chair
Paul E. Moore
Shirley J. Ward

Malcolm J. Deason, Secretary
James B. Ratliff