



Valbridge
PROPERTY ADVISORS

Appraisal Report

Trans American Aquaculture
16455 F.M. 1847
Rio Hondo, Cameron County, Texas 78583

Report Date: July 15, 2019



FOR:

Midwest Regional Bank
Mr. Ryan Lile
SBA Loan Processing Officer
363 Festus Centre Drive
Festus, Missouri 63028

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Valbridge File Number:
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July 15, 2019

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Senior Managing Director
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Mr. Ryan Lile
SBA Loan Processing Officer
Midwest Regional Bank
363 Festus Centre Drive
Festus, Missouri 63028

RE: Appraisal Report
Trans American Aquaculture
16455 F.M. 1847
Rio Hondo, Cameron County, Texas 78583

Dear Mr. Lile:

In accordance with your request, we have performed an appraisal of the above referenced property. This appraisal report sets forth the pertinent data gathered, the techniques employed, and the reasoning leading to our value opinions. This letter of transmittal is not valid if separated from the appraisal report.

The subject property, as referenced above, is located at 16455 F.M. 1847 in Rio Hondo, Cameron County, Texas. The subject is further identified as Assessor's Parcel Numbers (APNs) 166,969, 166992 and 385446. The subject is a 1,879.947-acre tract of land which is currently being used as a shrimp hatchery. The subject property is improved with a hatchery, a rearing barn and a nursery warehouse barn along with various site improvements which include 157 holding ponds of various sizes.

All items of non-realty are excluded from this analysis. The opinion of market value developed herein is inclusive of real estate and FF&E. The value of the going concern or intangible assets are not addresses in this appraisal. The value of the FF&E is allocated herein.

We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA); and the requirements of our client as we understand them.

The client in this assignment is Midwest Regional Bank and the intended user of this report is Midwest Regional Bank and no others. The intended use is for loan underwriting and/or credit decisions by Bank and no other use. The value opinions reported herein are subject to the definitions, assumptions and limiting conditions, and certification contained in this report.

Aaron Tunnell, an associate of Valbridge Property Advisors | San Antonio, provided significant assistance with regard to site visit, research, data collection, confirmation of sales and leases, and final report preparation.

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are subject to the General Assumptions and Limiting Conditions contained in the report. The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions which might have affected the assignment results:

Extraordinary Assumptions:

- None

Hypothetical Conditions:

- None

Based on the analysis contained in the following report, our value conclusions are summarized as follows:

VALUE CONCLUSION

Component	As Is
Value Type	Market Value
Property Rights Appraised	Fee Simple
Effective Date of Value	June 20, 2019
Value Conclusion	\$7,240,000
	\$3,850 per acre

Respectfully submitted,
Valbridge Property Advisors | San Antonio



Paul P. Grafe, MAI, CCIM
Senior Managing Director
State Certified General
Real Estate Appraiser
TX-1320847-G

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Summary of Salient Facts

Property Identification

Property Name	Trans American Aquaculture
Property Address	16455 F.M. 1847 Rio Hondo, Cameron County, Texas 78583
Latitude & Longitude	26.183811, -97.271930
Tax Parcel Numbers	166969, 166992 & 385446
Property Owner(s)	Trans American Aquaculture, LLC

Site

Zoning	Outside City Limits (OCL)
FEMA Flood Map No.	48061C0175F
Flood Zone	Zone X
Primary Gross Land Area	1,879.947 acres

Existing Improvements

Property Use	Aquaculture
Occupancy Type	Owner-occupied
Gross Building Area (GBA)	19,647 sf
Hatchery	4,704 sf
Rearing Barn	6,943 sf
Nursery Warehouse	8,000 sf
Number of Buildings	3
Number of Stories	1
Year Built	1995, 2018 & 2018
Condition	Average (Warehouse); Good (Hatchery & Rearing)
Construction Class	Class - S (Work Buildings) per Marshall Valuation Services
Construction Quality	Steel Frame (Work Buildings); Wood Frame (Warehouse)

Valuation Opinions

Highest & Best Use - As Vacant	Aquaculture development as warranted by demand
Highest & Best Use - As Improved	Continued aquaculture/shrimp hatchery use
Reasonable Exposure Time	18 months
Reasonable Marketing Time	18 months

VALUE CONCLUSIONS

Component	As Is
Value Type	Market Value
Property Rights Appraised	Fee Simple
Effective Date of Value	June 20, 2019
Value Conclusion	\$7,240,000
	<u>\$3,850 per acre</u>

Our findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions which might have affected the assignment results:

Extraordinary Assumptions:

- None

Hypothetical Conditions:

- None

Aerial and Front Views

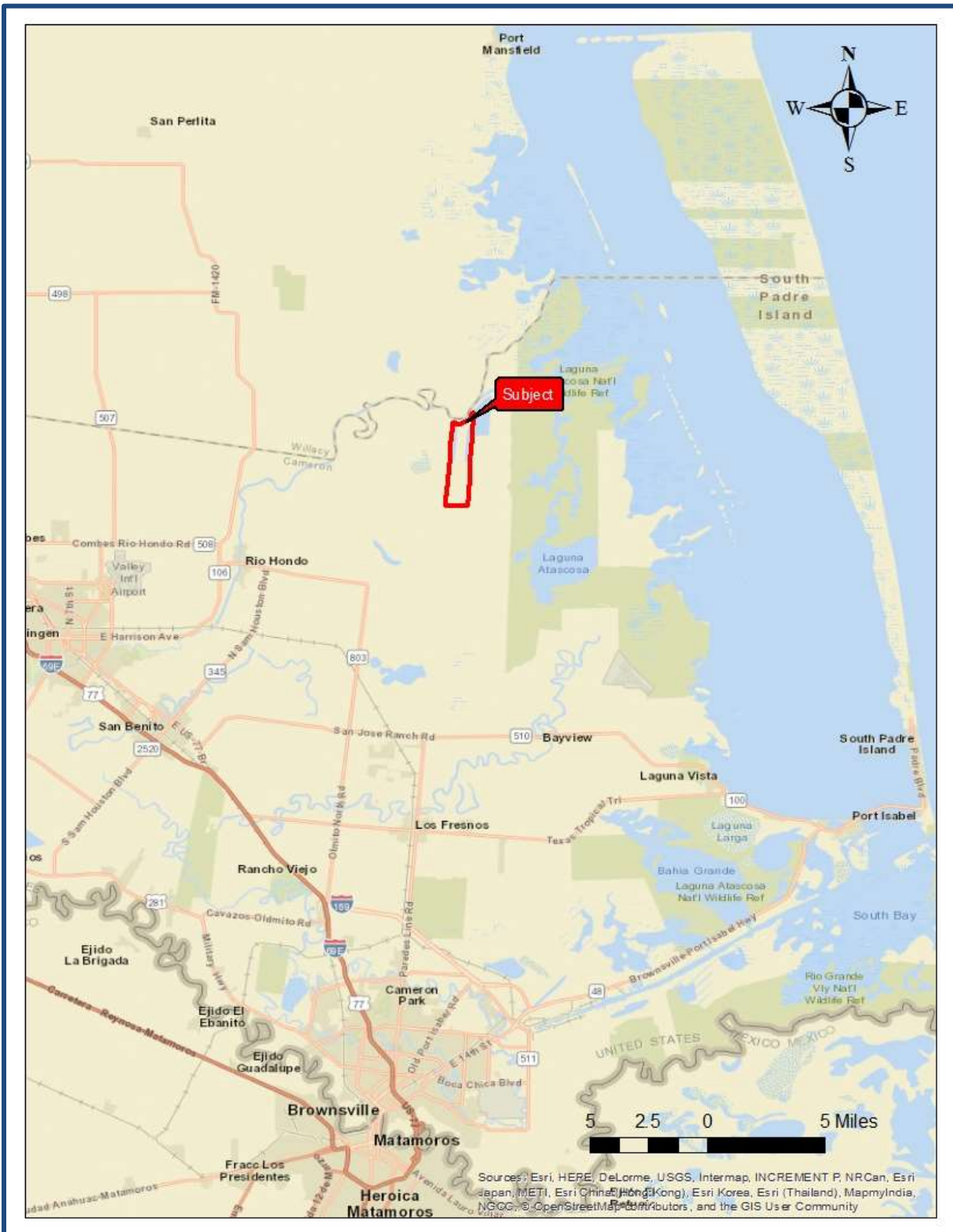
AERIAL VIEW



HATCHERY VIEW



Location Map



Introduction

Client and Intended Users of the Appraisal

The client in this assignment is Midwest Regional Bank and the intended user of this report is Midwest Regional Bank and no others.

Intended Use of the Appraisal

The intended use of this report is loan underwriting and/or credit decisions by Midwest Regional Bank and no other use.

Real Estate Identification

The subject property, as referenced above, is located at 16455 F.M. 1847 in Rio Hondo, Cameron County, Texas. The subject is further identified as Assessor's Parcel Numbers (APNs) 166969, 166992 and 385446. The subject is a 1,879.947-acre tract of land which is currently being used as a shrimp hatchery. The subject property is improved with a hatchery, a rearing barn and nursery warehouse along with various site improvements which include 140 holding ponds of various sizes, concrete holding tanks, pump station, etc.

Legal Description

The subject property is legally described as: 1,879,947 acres out of the Espiritu Santo Grant and the J. S. De La Garza Survey, Abstract No. 2 in Cameron County, Texas.

Use of Real Estate as of the Effective Date of Value

As of the effective date of value, the subject was an aquaculture (shrimp hatchery) property.

Use of Real Estate as Reflected in this Appraisal

Same as above.

Ownership of the Property

According to Cameron County Records, title to the subject property is vested in Trans American Aquaculture, LLC.

History of the Property

Ownership of the subject property has changed within the past three years. The current owner acquired the subject property on June 15, 2017 for a reported consideration of \$6,000,000. The grantor was King's Aqua Farm, LLC according to Cameron County Official Public Records. The transaction was recorded in Volume 22675, Page 186, Cameron County Deed Records. Since the acquisition of the subject property, the current owners have embarked on a property improvement program including vegetation clearing and land preparation in numerous aquaculture ponds, repairing/replacing underground piping, construction of the hatchery and rearing buildings, etc. Reportedly, approximately \$1,300,000 has been spent since acquisition. When appropriate, we have considered and analyzed the known history of the subject in the development of our opinions and conclusions.

Listings/Offers/Contracts

To the knowledge of the appraiser, the subject is not currently listed for sale or under contract. To the knowledge of the appraiser, there have been no offers to purchase the appraised property.

Type and Definition of Value

The appraisal problem (the term "Purpose of Appraisal" has been retired from appraisal terminology) is to develop an opinion of the market value of the subject property. "Market Value," as used in this appraisal, is defined as "the most probable price that 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:

- *Buyer and seller are typically motivated.*
- *Both parties are well informed or well advised, each acting in what they consider their own best interests;*
- *A reasonable time is allowed for exposure in the open market;*
- *Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- *The price represents the normal consideration for the property sold unaffected by special or creative financing or sale concessions granted by anyone associated with the sale."*¹

The value conclusions apply to the value of the subject property under the market conditions presumed on the effective date(s) of value.

Please refer to the Glossary in the Addenda section for additional definitions of terms used in this report.

Valuation Scenarios, Property Rights Appraised, and Effective Dates of Value

Per the scope of our assignment we developed opinions of value for the subject property under the following scenarios of value:

Valuation Scenario	Effective Date of Value
As Is Market Value of the Fee Simple Interest	June 20, 2019

All items of non-realty are excluded from this analysis. The opinion of market value developed herein is inclusive of real estate and FF&E. The value of the going concern or intangible assets are not addresses in this appraisal. The value of the FF&E is allocated herein.

We completed an appraisal inspection of the subject property on June 20, 2019.

¹ Source: Code of Federal Regulations, Title 12, Banks and Banking, Part 722.2-Definitions

Date of Report

The date of this report is July 15, 2019, which is the same as the date of the letter of transmittal.

List of Items Requested but Not Provided

- None

Assumptions and Conditions of the Appraisal

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are subject to the General Assumptions and Limiting Conditions contained in the report. The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions which might have affected the assignment results:

Extraordinary Assumptions

- None

Hypothetical Conditions

- None

Scope of Work

The elements addressed in the Scope of Work are (1) the extent to which the subject property is identified, (2) the extent to which the subject property is inspected, (3) the type and extent of data researched, (4) the type and extent of analysis applied, (5) the type of appraisal report prepared, and (6) the inclusion or exclusion of items of non-realty in the development of the value opinion. These items are discussed as below.

Extent to Which the Property Was Identified

The three components of the property identification are summarized as follows:

- Legal Characteristics - The subject was legally identified via county appraisal district records and deed records.
- Economic Characteristics - Economic characteristics of the subject property were identified via a search of data sources and public records, field surveys, and interviews with multiple knowledgeable real estate brokers and professionals in the area was conducted to obtain and verify relevant financial and economic data, as well as a comparison to properties with similar locational and physical characteristics.
- Physical Characteristics - The subject was physically identified via a full inspection which was performed on June 20, 2019. Additionally, the appraiser toured the market area to determine the physical and economic characteristics of the region.

Extent to Which the Property Was Inspected

We inspected the subject on June 20, 2019.

Type and Extent of Data Researched

We researched and analyzed: (1) market area data, (2) property-specific market data, (3) zoning and land-use data, and (4) current data on comparable listings and transactions. We also interviewed people familiar with the subject market/property type.

Type and Extent of Analysis Applied (Valuation Methodology)

We observed surrounding land use trends, the condition of any improvements, demand for the subject property, and relevant legal limitations in concluding a highest and best use. We then valued the subject based on that highest and best use conclusion.

Appraisers develop an opinion of property value with specific appraisal procedures that reflect three distinct methods of data analysis: the cost approach, sales comparison approach, and income capitalization approach. One or more of these approaches are used in all estimations of value.

- Cost Approach - In the cost approach, the value indication reflects the sum of current depreciated replacement or reproduction cost, land value, and an appropriate entrepreneurial incentive or profit.

- Sales Comparison Approach - In the sales comparison approach, value is indicated by recent sales and/or listings of comparable properties in the market, with the appraiser analyzing the impact of material differences in both economic and physical elements between the subject and the comparables.
- Income Capitalization Approach - In the income capitalization approach, value is indicated by the capitalization of anticipated future income. There are two types of capitalization: direct capitalization and yield capitalization, more commonly known as discounted cash flow (DCF) analysis.

All of the above approaches to value were considered. We assessed the availability of data and applicability of each approach to value within the context of the characteristics of the subject property and the needs and requirements of the client. Based on this assessment, we relied upon the Sales Comparison Approach (land only). The Cost Approach has been utilized in a modified format to estimate the contributory value of the above standard improvements. Due to the unique nature of the subject property, owner occupancy, and income generation related to the business enterprise and not the real estate, the Income Capitalization Approach has not been conducted. Further discussion of the extent of our analysis and the methodology of each approach is provided later in the respective valuation sections.

Appraisal Conformity and Report Type

We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA); and the requirements of our client as we understand them. This is an Appraisal Report as defined by the Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2a.

Personal Property/FF&E

All items of non-realty are excluded from this analysis. The opinion of market value developed herein is inclusive of real estate and FF&E. The value of the going concern or intangible assets are not addresses in this appraisal.

Brownsville – Harlingen MSA Analysis

REGIONAL MAP



Introduction/Boundaries

The Brownsville-Harlingen Metropolitan Statistical Area (MSA) is at the southernmost tip of Texas. The MSA is bordered by Mexico to the south, the McAllen MSA to the west and the Gulf of Mexico to the east. Corpus Christi lies approximately 150 miles to the north. According to the U.S. Census Bureau, the MSA was the 28th fastest growing area in the country and 5th fastest growing area in the state between 1990 and 2000. Brownsville, the largest city in the county, serves as the county seat of Cameron County. Cameron County includes the cities of Harlingen and Brownsville, as well as 10 smaller cities and rural areas. It is located in the Rio Grande Valley of southern Texas, just north of the Republic of Mexico and the City of Matamoros.

Cameron County is the southernmost county located in the State of Texas. As of 2010 Census, its population was 406,220. The County Seat of Cameron County is Brownsville. The county has a total area of 1,276 miles of which 891 square miles is land and 386 square miles is water. Major highways in Cameron County include Interstate 2, Interstate 69 E., U.S. Highway 77, U.S. Highway 83, U.S. Highway 281, etc. Adjacent counties and municipalities include Willacy County to the north, Hidalgo County to the west, Matamoros Municipality, Tamaulipas Mexico to the south. The county borders the Gulf of Mexico to the east.

Major cities located in Cameron County include Brownsville, Harlingen, La Feria, Los Fresnos, Palm Valley, Port Isabel, Rio Hondo and San Benito. Smaller municipalities in Cameron County include Bay View, Laguna Vista, South Padre Island, Santa Rosa, Los Indios, etc.

Population Growth and Statistics

According to the 2010 Bureau of the Census, Cameron County has an estimated 2010 population of 406,220. This compares to a 2000 population of 335,227, exhibiting a compounded growth rate of 2.23% per year. The Brownsville-Harlingen MSA has an estimated 2017 population of 435,665 people. Brownsville's population has increased 2.1% per year from 2000 through 2010 with future projected growth at 1.0% annual percent change between 2017 through 2022. The Brownsville-Harlingen MSA population is projected to be 456,403 in 2022.

POPULATION GROWTH

Area	2000	2010	Annual % Change 2000 - 10	Estimated 2017	Projected 2022	Annual % Change 2017 - 22
United States of America	281,421,906	308,745,538	1.0%	327,514,334	341,323,594	0.8%
Texas	20,851,820	25,145,561	2.1%	28,296,099	30,737,777	1.7%
Brownsville-Harlingen MSA	335,227	406,220	2.1%	435,665	456,403	1.0%
Cameron County	335,227	406,220	2.1%	435,665	456,403	1.0%
City of Brownsville	143,103	175,023	2.2%	188,159	196,815	0.9%

Source: Site-to-Do-Business (STDB Online)

The population within a 50-mile radius of Brownsville is over 800,000 and an additional approximate 1.2 million people reside along the northeast Tamaulipas, Mexico border. Brownsville, like most areas of the Rio Grande Valley region has experiencing rapid growth. The Brownsville-Harlingen MSA has over 125,000 households with the median age of 31.4 and an average household size of 3.81 people. The unemployment rate in the Brownsville – Harlingen MSA was approximately 6.0% as of 2017.

Median Household Income

Total median household income for the region is presented in the following table. Overall, the subject's MSA and city have a 0.2-0.3% lag of annual percent change when compared to the state and country with the estimated annual household income for Brownsville-Harlingen MSA well below the state and country. From this information we can conclude the gap will continue to grow based on the slower income growth year over year.

Area	Estimated 2017	Projected 2022	Annual % Change 2017 - 22
United States of America	\$56,124	\$62,316	2.2%
Texas	\$56,247	\$62,805	2.3%
Brownsville-Harlingen MSA	\$36,878	\$40,646	2.0%
Cameron County	\$36,878	\$40,646	2.0%
City of Brownsville	\$35,715	\$39,028	1.9%

Source: Site-to-Do-Business (STDB Online)

Employment

According to the Site to Do Business, 54.6% of the civilian labor force in the Brownsville-Harlingen MSA is in the service industry with retail trade (11.90%) having the second highest percent of employment of all indicated industries in the chart below.

EMPLOYMENT BY SECTOR – BROWNSVILLE-HARLINGEN MSA

Industry	2017 Estimate	Percent of Employment
Agriculture/Mining	3,886	2.50%
Construction	11,347	7.30%
Manufacturing	7,305	4.70%
Wholesale trade	3,886	2.50%
Retail trade	18,497	11.90%
Transportation/Utilities	8,238	5.30%
Information	2,332	1.50%
Finance/Insurance/Real Estate Services	6,684	4.30%
Services	84,868	54.60%
Public Administration	8,394	5.40%
Total	155,436	100.0%

Source: Site-to-Do-Business (STDB Online)

Unemployment

The following table exhibits current and past unemployment rates as obtained from the Bureau of Labor Statistics.

Area	YE 2010	YE 2011	YE 2012	YE 2013	YE 2014	YE 2015	YE 2016	2017 YTD
United States of America	9.3%	8.5%	7.9%	6.7%	5.6%	5.0%	4.7%	4.1%
Texas	7.2%	6.4%	5.7%	4.5%	4.5%	4.8%	3.9%	3.9%
Brownsville-Harlingen, TX Metr	10.6%	10.0%	9.0%	7.2%	6.8%	7.4%	6.0%	6.0%
Cameron County	10.6%	10.0%	9.0%	7.2%	6.8%	7.4%	6.0%	6.0%
City of Brownsville	10.2%	9.5%	9.0%	7.3%	6.9%	8.1%	6.1%	6.1%

Source: Bureau of Labor Statistics - Year End - National & State Seasonally Adjusted

Economic Factors

Cameron County remains among the leading agricultural producing counties in the State of Texas, essentially from the following products: cash crops such as cotton, grain, sorghum, corn, sugar cane, cabbage, onions, bell peppers, sweet corn, tomatoes, carrots, citrus; livestock including cattle and dairy products, hogs, poultry and horses. Approximately 455,000 of the 570,000 acres of land in the county are dedicated to ranching and farming. In addition, major businesses include retail and wholesale trade, food processing, international shipping, other agribusinesses, tourism, mineral operations and a diversified industrial base. In the last decade, Cameron County leaders have worked toward a more diversified economic base for the area.

The top ten employers located in Brownsville are as follows:

Brownsville's Top Ten Employers		
Rank	Employer	Sector
1	Brownsville Independent School District	Education
2	AMFELS	Manufacturing
3	University of Texas at Brownsville	Education
4	Cameron County	Government
5	Wal-Mart	Retail
6	City of Brownsville	Government
7	Convergis Corp	Call Center
8	H-E-B Food Stores	Retail
9	Valley Regional Medical Center	Medical
10	Valley Baptist Medical Center	Medical

The shrimping industry contributes an average of \$60 million dollars per year into Brownsville's economy, and indirectly contributes to the creation of thousands of jobs throughout the community. Home to over 190 shrimp boats, the shrimp harvest at the Port of Brownsville places Brownsville fifth highest overall in the United States. The Port of Brownsville offers services vital to the fishing industry and is also a major industrial complex.

Brownsville offers a strong medical industry presence with the Brownsville Medical Center and the Valley Regional Medical Center. The new Valley Regional Medical Center in the north portion of Brownsville has spurred much of the growth in the area.

Brownsville is a major manufacturing market due to its border location, access to major markets, abundant labor force, low operating costs and abundant land and industrial sites. Major industrial employers in the area include ANFELS, TriCo Technologies, Levi Strauss, Ft. Brown Manufacturing, Rich SeaPak, Johnson International Materials, and the Norton Company. Additionally, a number of major manufacturers are in Matamoros, Mexico.

Space X has broken ground on a private space launch facility east of Brownsville on the Gulf Coast. The Space X facility is projected to employ 7,500 to 100 full time workers in the early years with up to 150 full time employees/contractors by 2019. In 2014, Space X acquired additional land near Boca Chica where they consolidated into a subdivision labeled "Mars Crossing".

The Brownsville-Harlingen MSA has continued to be active over the last several years with low vacancies and new development. The retail and industrial markets are positively affected by four border crossings located in Brownsville-Harlingen MSA. The border crossings include:

- B & M International Bridge: This bridge is the oldest bridge of the four crossings and is the only bridge owned by a private company.
- Gateway International Bridge: This bridge is the first bridge in Mexico with permission to import and export merchandise.
- Free Trade International Bridge: This bridge is utilized for transporting merchandising and goods, which diminishes the traffic inside the city.
- Veterans International Bridge: This bridge began operation on April 30, 1999. This bridge is the newest of the four bridges. This bridge is built adjacent to the old Free Trade International Bridge and is made of concrete with four-lanes with a concrete divider in the center as well as a separate pedestrian sidewalk.

The City of Brownsville is positively affected by truck, rail, vehicle and pedestrian traffic into the city.

Climate

The mean annual temperature for Cameron County is 74 degrees. Low means occur in January and December at about 61 degrees, with high means of 85 degrees occurring during the months of June, July and August. The average humidity is between 58% and 75%. The annual rainfall is generally slightly more than 23 inches.

Transportation

Air transportation for Cameron County includes the Rio Grande Valley Airport in Harlingen and Brownsville International Airport. Harlingen continues to lead the Valley in airport boardings, with approximately one-half of all the total Valley boardings. Bus service is provided by Continental Trailways and Valley Transit Bus Company. Truck transportation is also one of the primary transportation options in the area due to U.S. Highway 77, which connects to Brownsville with the

western city limits of Harlingen and points north. In addition, Missouri Pacific Railroad maintains daily rail service in and out of the county.

The Cameron County Regional Mobility Authority (CCRMA), in partnership with the Texas Department of Transportation (TxDOT) and the Federal Highway Administration (FHWA), is proposing a transportation project providing a second access point to and from South Padre Island. The development of the South Padre Island 2nd Access Project started several years ago with the initiation of an environmental process that included a series of public and stakeholder meetings to gather valued input and identify issues important to the community.

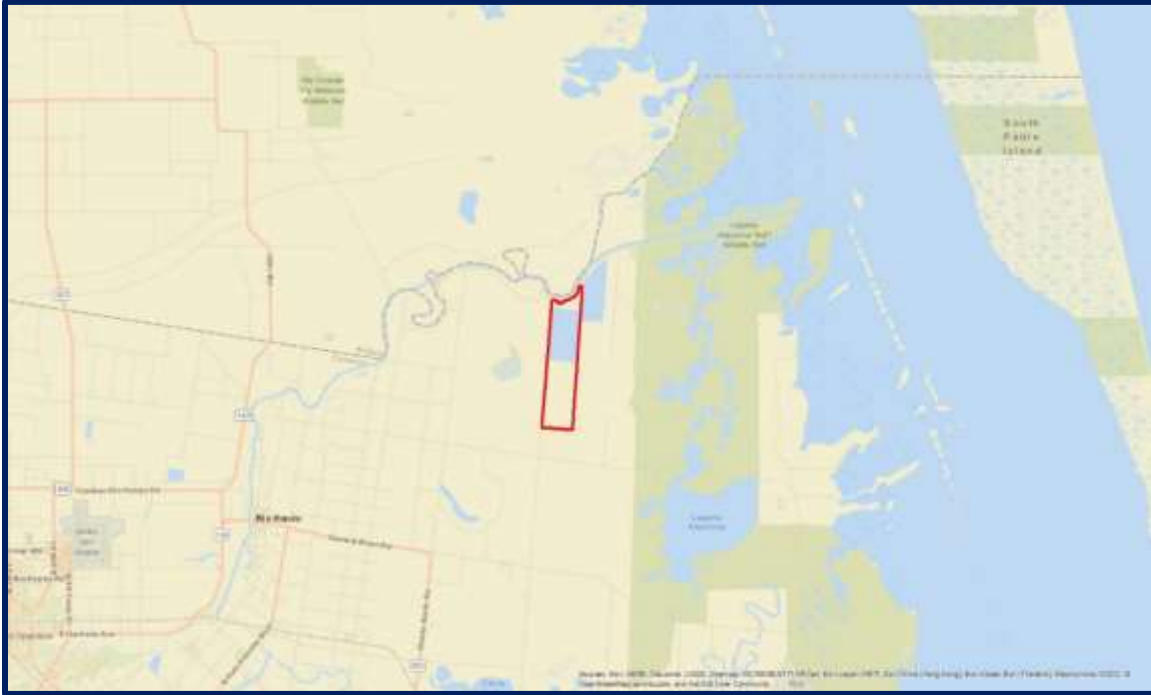
The second access will consist of three major components; the mainland roadway, the Laguna Madre crossing bridge, and the island roadway. The route under consideration includes a four-lane road crossing across Laguna Madre with about 8 miles of tolled lanes. The total length of the second access will be about 17.6 miles. At the moment, the final environmental clearance is estimated to be approved by the summer of 2016 by the Federal Highway Administration (FHWA). Upon approval of the environmental clearance, construction can be expected to commence in 2017 or 2018. The proposed causeway is to tie into F.M. 510 and F.M. 106 at the intersection of F.M. 510 and Buena Vista Road. At land fall the roadway will parallel Holly beach road as it extends westward from the Laguna Madre.

Conclusion

In summary, continued efforts by local authorities to diversify the economic base of Cameron County are having a positive impact on growth and development of the area. Also, the North American Free Trade Agreement between the United States, Mexico and Canada has enhanced trade in Brownsville and Cameron County.

City and Neighborhood Analysis

NEIGHBORHOOD MAP



Overview

The subject property is located along the east side of F.M. 1847 in northeastern Cameron County just south of F.M. 2925 and the Arroyo River. The area surrounding the appraised property includes primarily rural recreation, agricultural and aquaculture properties with residential development located along F.M. 2925.

Neighborhood Location and Boundaries

The appraised property is located approximately 14 miles northeast of Rio Hondo. The subject neighborhood includes primarily the northeastern portion of Cameron County and southeastern portion of Willacy County. Immediate neighborhood boundaries include F.M. 106 to the south, F.M. 2925 and the Arroyo River to the north, F.M. 2925 to the west and the Laguna Atascosa National Wildlife Refuge the east.

Transportation Access

Major traffic arteries in the general vicinity of the subject property include State Highway 345 and U.S. Highway 77 near Rio Hondo. Secondary traffic arteries in the immediate vicinity of the appraised property include F.M. 2925 and F.M. 1847.

Neighborhood Land Use

Properties in the immediate vicinity of the subject include coastal grazing, recreational and agricultural properties to the west, single-family residential development to the north, aquaculture and vacant land to the east, and vacant land to the south. The Laguna Atascosa National Wildlife Refuge is located less than one mile east of the appraised property.

Conclusions

The appraised property is located along the east side of F.M. 1847, in proximity to F.M. 2925 and the Arroyo River in northeastern Cameron County. Surrounding land uses are primarily agricultural in nature with some larger recreational ranches and aquaculture operations. The outlook for the immediate market area is considered stable.

Site Description

The subject site is located along the east side of F.M. 1847; south of F.M. 2925, approximately 14 miles northeast of Rio Hondo, Texas. The characteristics of the site are summarized as follows:

Site Characteristics

Location:	16455 F.M. 1847, Rio Hondo, Cameron County, Texas 78583
Gross Land Area:	1,879.947 Acres or 81,890,491 SF
Usable Land Area:	1,879.947 Acres or 81,890,491 SF
Usable Land %:	100.0%
Shape:	Generally rectangular
Topography:	Generally level
Drainage:	Adequate for intended use
Grade:	Above street grade
Utilities:	Electric, water, and septic
Off-Site Improvements:	Typical county road infrastructure
Interior or Corner:	Interior
Signalized Intersection:	No traffic signal at, or near, the site
Excess Land:	None
Surplus Land:	None

Street Frontage / Access

Frontage Road	Primary
Street Name:	F.M. 1847
Street Type:	County maintained, paved road
Frontage (Linear Ft.):	18,480
Number of Curb Cuts:	2

Additional Access

Alley Access:	No
Water or Port Access:	No
Rail Access:	No

Flood Zone Data

Flood Map Panel/Number:	48061C0175F
Flood Map Date:	2-16-2018
Flood Zone:	Zone A & Zone X
Site Area in Flood:	5.00%

Other Site Conditions

Soil Type:	As per the National Resources Conservation Soil Survey, soils include Willamar fine sandy loam (WM), Latina sandy clay loam (LK) and Lomalta clay (LM). The appraiser has not been provided a soil or subsoil survey of the appraised property. This appraisal is based on the assumption that there are no soil or subsoil characteristics, including any sort of environmental contamination, which would adversely impact the site. If environmental contamination is present, the value conclusions contained herein may change.
Environmental Issues:	To the knowledge of the appraiser, there are no known environmental issues that adversely affect the value of the appraised site.
Easements/Encroachments:	To the knowledge of the appraiser, there are no known easements or encroachments that adversely affect the value of the appraised site.
Wetlands Classification:	No portion of the property is identified as freshwater wetlands according to U.S. Fish and Wildlife Service maps. The holding ponds are classified as PUBK, Palustrine Unconsolidated Bottom Artificially Flooded. The holding tanks are essentially man-made impoundments supplied and controlled by a pump system, diversion ditches, berms, etc. Please refer to the <i>Wetlands Map</i> on the following pages for more detailed information.

Adjacent Land Uses

North:	Single-family residential development
South:	Vacant land
East:	Aquaculture development & vacant land
West:	Vacant land

Site Ratings

Access:	Good
Visibility:	Good

Zoning Designation

Zoning Jurisdiction:	None
Zoning Classification:	OCL, Outside City Limits
Permitted Uses:	A wide variety of uses that are allowed within the Cameron County subdivision regulations

Analysis/Comments on Site

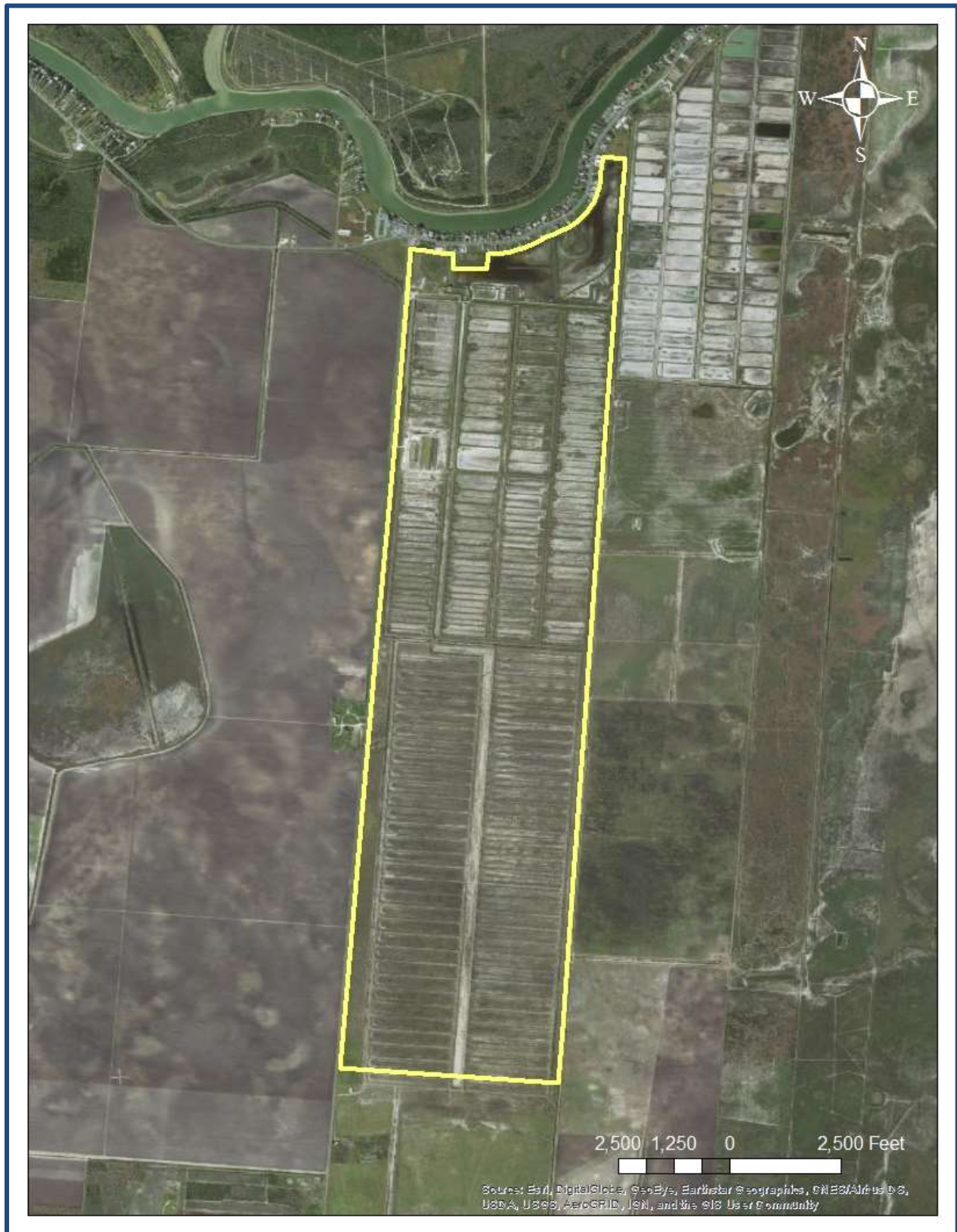
The subject property includes approximately 1,879.947 acres of land. The property is generally rectangular in shape and exhibits generally level terrain with a combination of aquaculture ponds and native rangeland. The appraised property includes 63 ten-acre holding ponds and 94 five-acre holding ponds for a total of 1,100 surface acres (when full). The ponds are separated by earthen berms/roads that allow access to each of the ponds. The ponds are interconnected by extensive piping and drainage systems which connect to a pump station, central canal and various drainage canals. The pump station includes six high volume pumps powered by two diesel engines. As of the effective date of appraisal, approximately 40% of the holding ponds are in production. The property was essentially abandoned for 10 years before it was purchased by Trans American Aquaculture. The current owners have embarked on a property improvement program including removal of regrowth vegetation in the holding ponds, site work/land preparation, etc. Certain holding ponds have been cleared of regrowth vegetation while the remaining ponds are in need of "clean up". It is understood each five-acre pond can produce 5,000-6,000 pounds of shrimp annually and each ten-acre pond can produce up to 10,000 pounds annually. Under optimal conditions and when every holding pond is in production, it is estimated the farm can produce 1.1 million pounds of shrimp annually.

The property has access to electricity and community water service, and a septic system. According to FEMA, approximately 5.00% of the appraised property is in the 100-year floodplain. The floodplain acreage is in the far northern quadrant associated with the nearby Arroyo Colorado River; the majority of the property is "built-up" and located outside of the 100-year floodplain.

The appraised property includes permitting from the TCEQ which authorizes the diversion of 4,931 acre-feet of water per year at a maximum diversion rate of 38,000 gallons per minute. The TCEQ also addresses the amount of affluent that can be discharged from the property; however, according to the property owner, the property is a recirculation farm with no discharge. The appraised property also includes an Exotic Species permit from Texas Parks & Wildlife that authorizes the possession, import, sell, purchase and transport of Pacific white shrimp, Blue tilapia, Nile Tilapia, Mozambique Tilapia and Hybrid Tilapia. Copies of the Exotic Species Permit #TRF 06017-618, Texas Department of Agriculture Aquaculture License and TCEQ Water Right No. 13594 permits are included in the *Addenda* of this appraisal report.

In conclusion, the appraised property is a highly efficient and sizable aquaculture development. The hatchery and rearing buildings were recently constructed and are in good condition. Approximately 40% of the holding ponds are in currently in production and site work/land preparation throughout the remaining holding ponds is ongoing. The property has a high level of infrastructure including extensive underground piping, numerous berms/roads providing access to every pond, extensive drainage canals, a large pump station, etc.

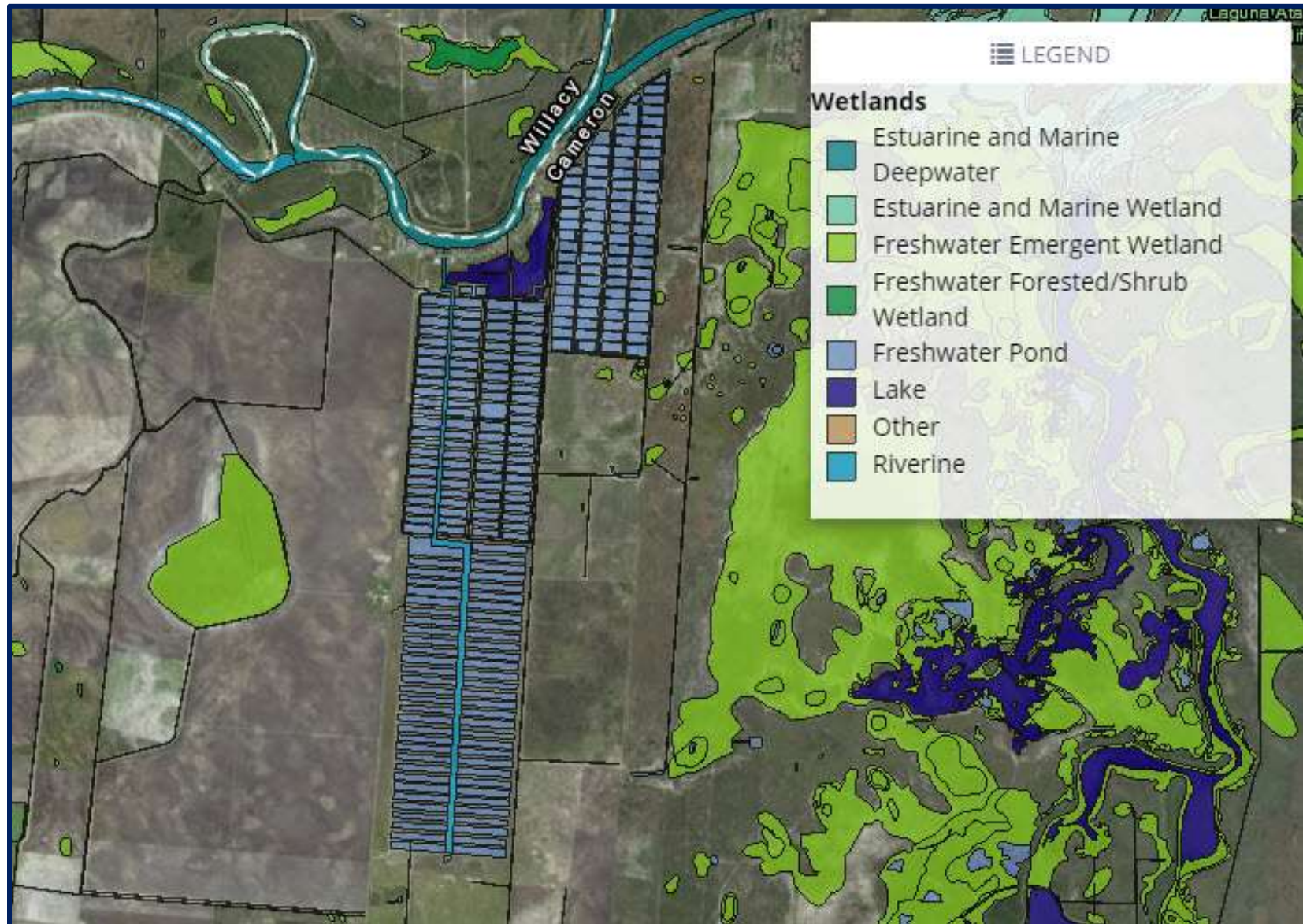
AERIAL PHOTOGRAPH



TOPOGRAPHIC MAP



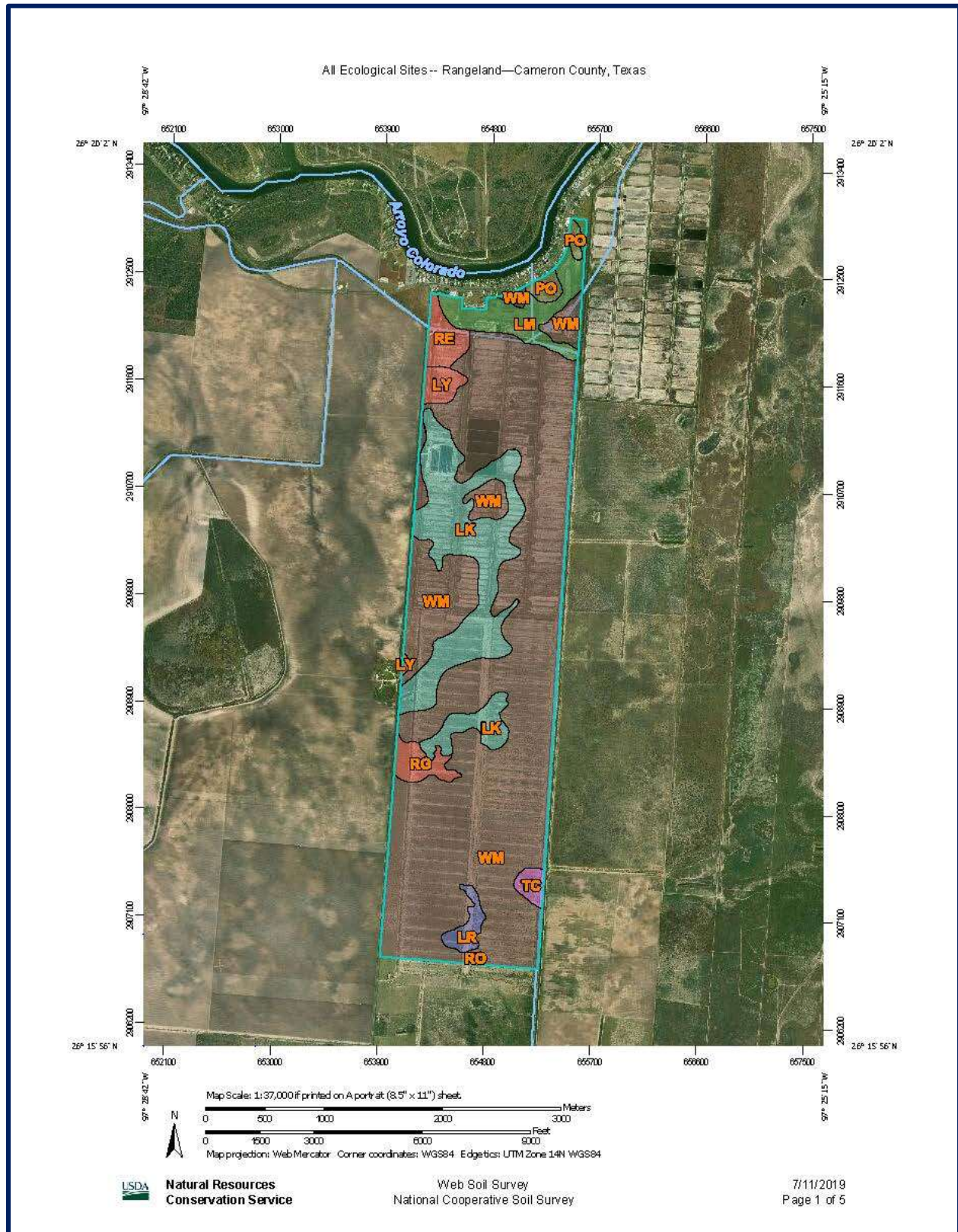
WETLANDS MAP



FLOODPLAIN MAP



NRCS SOIL MAP



NRCS SOILS MAP – MAP UNIT LEGEND

All Ecological Sites – Rangeland—Cameron County, Texas

All Ecological Sites — Rangeland

Map unit symbol	Map unit name	Component name (percent)	Ecological site	Acres in AOI	Percent of AOI
LK	Latina sandy clay loam, 0 to 1 percent slopes, occasionally ponded, rarely flooded	Latina (85%)	R150BY651TX — Salt Flat 25-35" PZ	302.0	16.3%
		Lomalta (5%)	R150BY652TX — Salt Marsh 25-35" PZ		
		Willamar (5%)	R150BY655TX — SANDY COASTAL FLAT 25-35" PZ		
		Porfirio (2%)	R150BY551TX — Salty Prairie 26-48" PZ		
		Saucel (2%)	R150BY651TX — Salt Flat 25-35" PZ		
		Sejita (1%)	R150BY651TX — Salt Flat 25-35" PZ		
LM	Lomalta clay, 0 to 1 percent slopes, occasionally ponded	Lomalta (85%)	R150BY652TX — Salt Marsh 25-35" PZ	92.2	5.0%
		Benito (5%)			
		Sejita (5%)			
		Willamar (5%)			
LR	Lozano fine sandy loam	Lozano (85%)	R083DY024TX — Tight Sandy Loam	22.1	1.2%
		Lyford (5%)	R083DY025TX — Clay Loam		
		Willacy (5%)			
		Deifina (4%)			
		Unnamed (1%)			
LY	Lyford sandy clay loam	Lyford (85%)	R083DY025TX — Clay Loam	24.1	1.3%
		Lozano (5%)			
		Raymondville (5%)	R083DY025TX — Clay Loam		
		Hidalgo (4%)			
		Unnamed (1%)			

All Ecological Sites -- Rangeland--Cameron County, Texas

Map unit symbol	Map unit name	Component name (percent)	Ecological site	Acres in AOI	Percent of AOI
PO	Point Isabel clay loam, 1 to 5 percent slopes, rarely flooded	Point Isabel (90%)	R150BY647TX — COASTAL RIDGE 25-35" PZ	20.2	1.1%
		Lomalta (5%)	R150BY652TX — Salt Marsh 25-35" PZ		
		Sejita (3%)	R150BY651TX — Salt Flat 25-35" PZ		
		Barrada (2%)	R150BY716TX — Wind Tidal Flat 25-35" PZ		
RE	Raymondville clay loam	Raymondville (85%)	R083DY025TX — Clay Loam	33.9	1.8%
		Hidalgo (5%)			
		Racombe (5%)	R083DY025TX — Clay Loam		
		Willacy (5%)			
RG	Raymondville clay loam, saline	Raymondville (90%)	R083DY025TX — Clay Loam	31.0	1.7%
		Racombe (5%)	R083DY025TX — Clay Loam		
		Raymondville, clay loam (5%)	R083DY025TX — Clay Loam		
RO	Rio clay loam, ponded	Rio (90%)	R083DY007TX — Lakebed	1.8	0.1%
		Racombe (4%)	R083DY025TX — Clay Loam		
		Tiicano (3%)			
		Willacy (3%)			
TC	Tiicano clay, 0 to 1 percent slopes, occasionally ponded	Tiicano (85%)	R083DY007TX — Lakebed	15.3	0.8%
		Rio (10%)	R083DY007TX — Lakebed		
		Racombe (5%)	R083DY025TX — Clay Loam		
WM	Willamar fine sandy loam, 0 to 1 percent slopes	Willamar (85%)	R150BY655TX — SANDY COASTAL FLAT 25-35" PZ	1,310.9	70.7%
		Latina (5%)	R150BY651TX — Salt Flat 25-35" PZ		
		Lozano (5%)	R083DY024TX — Tight Sandy Loam		
		Lyford (5%)	R083DY025TX — Clay Loam		

All Ecological Sites -- Rangeland--Cameron County, Texas

Map unit symbol	Map unit name	Component name (percent)	Ecological site	Acres in AOI	Percent of AOI
Totals for Area of Interest				1,853.6	100.0%

Above Standard Improvements

Improvement Characteristics

Property Type:	Agricultural
Property Subtype:	Aquaculture
Occupancy Type:	Owner-occupied
Number of Buildings:	Three
Number of Stories	One
Construction Class:	Class – S (hatchery, rearing buildings), Class – D (nursery warehouse) per Marshall Valuation Service
Construction Quality:	Good
Gross Building Area (GBA):	19,647 SF
Nursery Warehouse:	8,000 SF
Rearing Bldg.:	6,943 SF
Hatchery:	4,704 SF

Age / Life

Year Built:	1995, 2018, & 2018
Yr. Blt./Renovated Comments:	The hatchery and rearing buildings were completed in 2018. The nursery warehouse was completed circa 1995 with limited renovations during its lifetime.
Condition:	Average (warehouse); Good (hatchery & rearing)
Actual Age:	1 to 25 years

Structural Characteristics

Foundation:	Concrete slab foundation
Building Frame:	Steel (Hatchery/Rearing Barn); Wood (Warehouse)
Exterior Walls:	Metal (Hatchery/Rearing); Corrugated Metal (Warehouse)
Roof Type / Material:	Metal (Hatchery/Rearing); Corrugated Metal (Warehouse)

Mechanical Systems

Electrical:	Assumed adequate and typical for intended use
Plumbing:	Assumed adequate and typical for intended use
Heating:	N/A
Air Conditioning:	N/A

Site Improvements

Site Improvements:	Minimal gravel paving, perimeter fencing, etc.
Landscaping:	Limited

Analysis/Comments on Improvements

The appraised property is one of few aquaculture developments to include an indoor hatchery, larval rearing building and nursery warehouse. The hatchery building includes approximately 4,704 square feet configured with a hatching room, spawning room, laboratory/feed room and brood tank room. The hatchery is metal frame constructed with metal exterior walls, metal roof and concrete slab foundation. The hatching room includes 24 hatching tanks equipped with filtration systems. Adjacent to the hatching room is a spawning room with 27 elevated tanks. The laboratory/feed room has stainless steel shelves, storage racks and tables. Adjacent to the laboratory/feed room is a brood tank room with sixteen brood tanks. The hatchery structure is insulated and in good condition.

The larval rearing building includes approximately 6,943 square feet and is essentially one large room. The structure is steel frame constructed with metal walls, metal roof and concrete slab foundation. The rearing building has twelve concrete tanks that are poly-lined and equipped with water filtration systems. The rearing building also has a substantial sub-floor drainage system and fluorescent lighting. The rearing building is insulated and is in good condition.

There are six sizable stainless steel water treatment tanks adjacent to the hatchery and rearing buildings that are equipped with extensive water filtration systems and water storage tanks. There are two large rearing and maturation reservoirs immediately east of the hatchery building that are poly-lined and equipped with water filtration and aeration systems.

The nursery warehouse includes approximately 8,000 square feet and is located in the northern quadrant of the appraised property. The warehouse is wood frame constructed with corrugated metal walls and roof and concrete slab foundation. The warehouse is essentially one large room with sixteen covered maturation tanks. The warehouse was constructed in the mid-1990s and is in average condition. There are sixteen concrete-sided tanks adjacent to the warehouse utilized for genetic testing. The concrete tanks each include 3,250 square feet and are equipped with water aeration systems. In addition, there are twelve concrete tanks with earthen bottoms that each include 7,500 square feet and are similarly equipped with water aeration systems.

Subject Photos



F.M. 1847 frontage as seen facing north; the appraised property is to the right.



View of pump station in the north quadrant.



View looking south at the main canal with holding ponds on both sides.



View of five acre holding pond in the central quadrant.

Additional photos are included in the Addenda

Assessment and Tax Data

Assessed Values and Property Taxes

The subject's assessed values, applicable tax rates and total taxes, including direct assessments, are shown in the following table:

Ad Valorem Tax Schedule	
Tax Parcel Numbers: 166969, 166992 and 385446	
Cameron County	Actual
Year	2019
Appraised Value	
Land:	\$2,360,847
Improvements:	\$322,563
Total:	\$2,683,410
Per Acre:	\$1,427
Assessment Ratios	
Land:	56%
Improvements:	100%
Assessed Value	
Land:	\$1,314,309
Improvements:	\$322,563
Total:	\$1,636,872
Tax Rate	\$1.9378920
Millage Rate	per \$100
Tax Expense	
Total:	\$31,721.81
Per Acre:	\$16.87

Conclusions

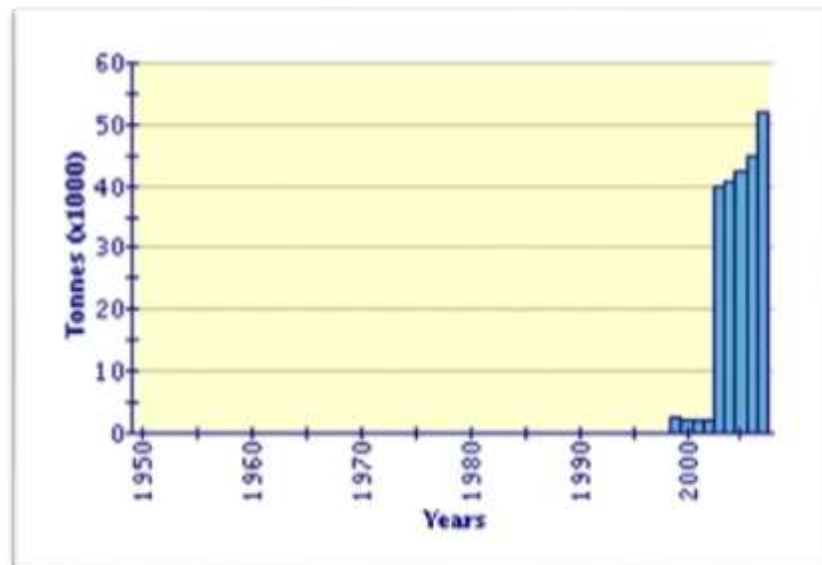
The assessed value of the land is \$2,360,847. The property qualifies for an agricultural exemption. The Ag Exemption reduction is \$1,046,538. As such, the taxable assessed value for the land is \$1,209,792. The assessed value of the improvements is \$322,563. The total assessed value of the subject property is \$1,636,872. When applying the total assessed value of the subject property to the appropriate tax rate of \$1.937892 per \$100, the annual tax liability is \$31,721.81 or \$16.87 per acre.

Aquaculture Market Overview

Overview

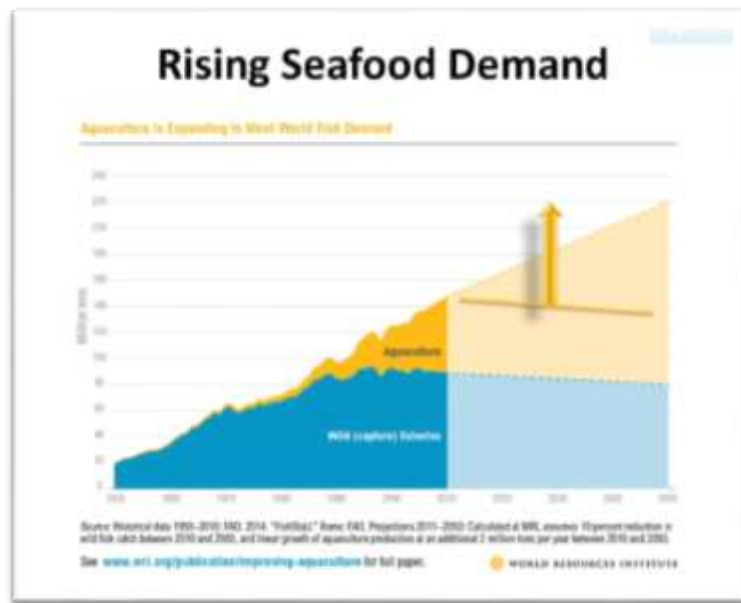
According to the most recent figures from the Texas Aquaculture Association, the 2017 Texas aquaculture production for the 5-top species in the state is estimated to be 30 million pounds, worth approximately \$60 million, generating an estimated \$360 million dollars per annum of economic impact on the state's economy when job, feed, and other economic benefits are included.

The five top aquaculture crops in Texas in 2017 are as follows: 1) catfish farms which include approximately 39 to 42 farms, totaling 2,450 to 2,475 acres and approximately 22 million pounds (estimated \$26.95 million); 2) marine shrimp farms which include approximately 10 farms, totaling 990 aces and approximately 2.96 million pounds (estimated \$8.23 million); 3) hybrid striped bass farms which include approximately 5 farms totaling 1,900 acres and approximately 2.65 million pounds (estimated \$9 million); 4) redfish farms which include approximately 5 farms totaling 1,100 acres and approximately 2.3 million pounds (estimated \$6.9 to 7.3 million). As shown below, according to Global Aquaculture Production, red fish production has greatly increased over the past decade.



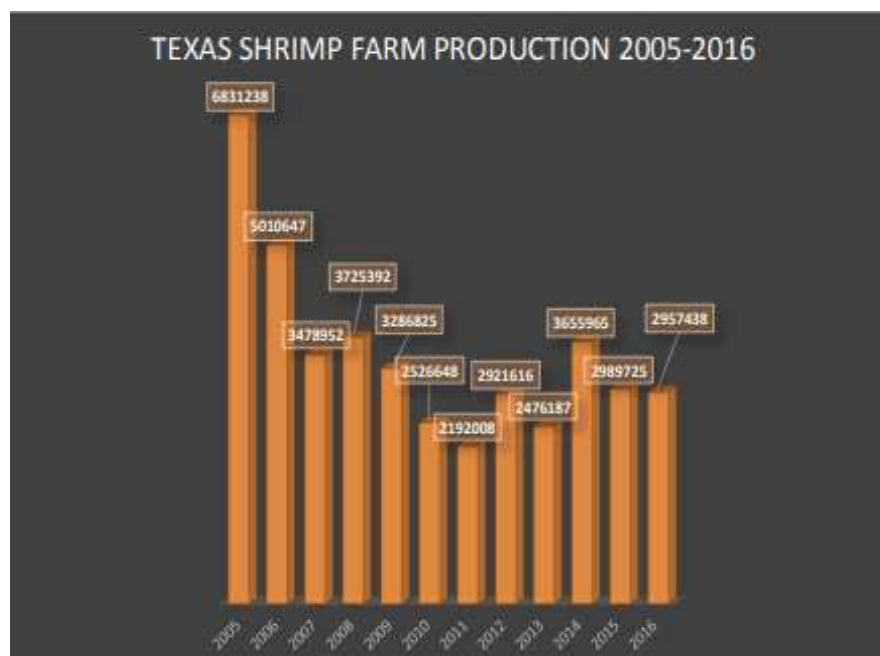
Production Details

Over the last 25 years, the Texas marine shrimp aquaculture industry has produced 104,018,335 pounds of shrimp with a farm-gate value of over \$270 million contributing an estimated \$1.65 billion to the Texas economy. In 2016, approximately 2.9 million pounds of shrimp were produced on 10 farms with a market value of approximately \$8.3 million. The 2016 survival rate was 43% with an average farm-gate price of \$2.80 per pound. According to Texas Parks & Wildlife, more advanced aquaculture farms with indoor nurseries typically experience a higher survival rate. Raised with high standards and constant control, farm-raised shrimp are an excellent choice of seafood for consumers.



Historical Trends of Shrimp Production in Texas

Pacific White Shrimp production peaked in Texas in 2003 setting a state record at 9 million pounds produced worth an estimated \$18 million farm-gate. In 2004, the Taura Syndrome Virus (TSV) caused a significant drop in production and pricing; however, the virus has not been found in the state since 2005. Shrimp aquaculture production declined from 2005 through 2010 and leveled off around 2.2 million pounds annually in 2011. Since 2012, Texas shrimp production has average nearly 3 million pounds annually through 2016 recorded data. Texas shrimp farm production from 2005 through 2016 is illustrated in the chart below.



Highest and Best Use

The Highest and Best Use of a property is the use that is legally permissible, physically possible, and financially feasible which results in the highest value. An opinion of the highest and best use results from consideration of the criteria noted above under the market conditions or likely conditions as of the effective date of value. Determination of highest and best use results from the judgment and analytical skills of the appraiser. It represents an opinion, not a fact. In appraisal practice, the concept of highest and best use represents the premise upon which value is based.

Analysis of Highest and Best Use As If Vacant

The primary determinants of the highest and best use of the property as if vacant are the issues of (1) Legal permissibility, (2) Physical possibility, (3) Financial feasibility, and (4) Maximum productivity.

Legally Permissible

The appraised property is in Cameron County, outside of any city limits. The property is not limited by any deed restrictions to the appraisers' knowledge. There are no known historic district controls, or burdensome building codes, that adversely affect the use of the appraised property. The subject property is subject to Cameron County subdivision regulations.

Physically Possible

The physical attributes of the property, when the 157 ponds are considered, allow for a limited number of potential uses. Elements such as size, shape, availability of utilities, known hazards (flood, environmental, etc.), and other potential influences are described in the Site Description and have been considered. There are no items of a physical nature that would materially limit appropriate and likely development.

The appraised property is located along the east side of F.M. 1847, approximately 14 miles northeast of Rio Hondo. The subject property includes approximately 1,879.947 acres of land. The property is generally rectangular in shape and exhibits generally level terrain with a combination of aquaculture ponds and native rangeland. The appraised property includes 157 holding ponds of varying sizes with a total of approximately 1,100 surface acres of water. The ponds are separated by earthen berms/roads that allow access to each of the ponds.

The property has access to electricity and community water service and is improved with a septic system. According to FEMA, approximately 5% of the property is in the 100-year floodplain. According to U.S. Fish and Wildlife Maps, no portion of the subject property has been designated as wetlands.

Financially Feasible

From a financial standpoint, any property use which is expected to produce a positive rate of return is regarded as being feasible. In analyzing the most feasible use of the land, the appraisers have considered the factors discussed above. Given the appraised property's physically possible and legally permissible characteristics, the property can continue to accommodate agricultural uses.

Maximally Productive

Among the financially feasible uses, the use that results in the highest value (the maximally productive use) is the highest and best use. Considering these factors, the maximally productive use as though vacant is for agriculture/aquaculture development as warranted by demand use.

Conclusion of Highest and Best Use As If Vacant

The conclusion of the highest and best use as if vacant is for agriculture/aquaculture development as warranted by demand use.

Analysis of Highest and Best Use as Improved

In determining the highest and best use of the property as improved, the focus is on three possibilities for the property: (1) continuation of the existing use, (2) modification of the existing use, or (3) demolition and redevelopment of the land.

The subject property is improved with approximately 19,647 square feet of gross building area which is allocated between 3 buildings. The improvements include a hatchery, rearing building and nursery warehouse. The hatchery and rearing building were recently constructed and completed in 2018. The nursery warehouse is of older construction, circa 1995. The existing improvements support an active shrimp farm/hatchery operation. The above standard improvements have contributory value above the value of the underlying land.

As previously discussed, the subject property includes approximately 1,879.947 acres of land. The property is generally rectangular in shape and exhibits generally level terrain with a combination of aquaculture ponds and native rangeland. The appraised property includes 157 holding ponds of varying sizes with approximately 1,100 total surface acres. The ponds are separated by earthen berms/roads that allow access to each of the ponds. It is understood each five-acre pond can produce 5,000-6,000 pounds of shrimp annually and each ten-acre pond can produce up to 10,000 pounds annually. Under optimal conditions and when every holding pond is in production, it is estimated the farm can produce 1.1 million pounds of shrimp annually.

Conclusion of Highest and Best Use As Improved

The highest and best use of the subject property, as improved, is continued aquaculture/shrimp hatchery use.

Most Probable Buyer

As of the date of value, the most probable buyer of the subject property is an owner-occupant.

Land Valuation

Methodology

Site Value is most often estimated using the sales comparison approach. This approach develops an indication of market value by analyzing closed sales, listings, or pending sales of properties similar to the subject, focusing on the difference between the subject and the comparables using all appropriate elements of comparison. This approach is based on the principles of supply and demand, balance, externalities, and substitution, or the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership.

Unit of Comparison

The unit of comparison depends on land use economics and how buyers and sellers use the property. The unit of comparison in this analysis is per gross acre.

Elements of Comparison

Elements of comparison are the characteristics or attributes of properties and transactions that cause the prices of real estate to vary. The primary elements of comparison considered in sales comparison analysis are as follows: (1) property rights conveyed, (2) financing terms, (3) conditions of sale, (4) expenditures made immediately after purchase, (5) market conditions, (6) location, and (7) physical characteristics.

Comparable Sales Data

To obtain and verify comparable sales of vacant land properties, we conducted a search of public records, field surveys, interviews with knowledgeable real estate professionals in the area, and a review of our internal database.

We included five sales in our analysis, as these sales were judged to be the most comparable to develop an indication of market value for the subject property. The following is a table summarizing each sale comparable and a map illustrating the location of each in relation to the subject. Details of each comparable follow the location map.

Land Sales Summary

Comp. No.	Date of Sale	Gross Acres	Location		Sales Price	
					Actual	Per Acre
1	June-17	1,879.947	16455 F.M. 1847	Rio Hondo, Texas	\$6,000,000	\$3,192
2	October-16	176.550	CR 391 at Robbins Slough	Palacios, Texas	\$508,604	\$2,881
3	June-16	229.540	Easement Off F.M. 524	Brazoria, Texas	\$597,952	\$2,605
4	September-15	842.152	3602 F.M. 524	Brazoria, Texas	\$2,861,985	\$3,398
5	August-15	250.555	5100 F.M. 3280	Palacios, Texas	\$1,100,000	\$4,390
6	February-13	171.132	1201 Copano Retreat Rd.	Rockport, Texas	\$675,000	\$3,944

COMPARABLE SALES MAP



LAND COMPARABLE NO. 1



Property Identification

Property/Sale ID	10943383/1411552
Property Type	Land
Property Name	King's Aqua Farm
Address	16455 FM 1847
City, State Zip	Rio Hondo, Texas 78583
County	Cameron
MSA	Brownsville-Harlingen-San Benito
Additional Location Info:	Approximately 14 miles northeast of Rio Hondo

Transaction Data

Sale Status	Closed
Grantor	King's Aqua Farm, LLC
Grantee	Trans American Aquaculture, LLC
Sale Date	June 15, 2017
Sale Price	\$6,000,000
\$/Acre	\$3,192
\$/SF	\$.07
Deed Vol./Page	22675/186
Property Rights	Fee Simple
Financing	Conventional
Conditions of Sale	Arm's Length

Property Description

Land Acres	1,879.947
Land SF	81,890,491
Primary Frontage Name	East side of FM 1847
Rail	No
Visibility	Good
Access	Good
Shape	Generally Rectangular
Topography	Generally Level

Landscaping	See Remarks
Fencing	Partial standard height
Minerals	Owned minerals conveyed
Utilities	Water and electricity on site
In Flood Plain	Yes
Flood Zone	Zone A & Zone X
Flood Map Number	48061C0175F
Flood Map Effective Date	02-16-2018
Zoning Code	OCL
Zoning Classification	Outside City Limits
Easements/Encumbrances	No
Encumbrances Desc	None Adverse

Additional Information

Property Remarks: The property is improved with an 8,000 SF metal building with the estimated contributory value of \$35,000 or \$19 per acre. The property is a former shrimp farm and fish hatchery constructed in the early 1990s. The property includes approximately 1,879.947 acres of land that is a combination of mostly aquaculture ponds and native pasture. Utilities include community water service and electricity. There are 63 ten-acre aquaculture ponds and 94 five-acre ponds which total approximately 1,100 surface acres when full. The ponds are separated by earthen berms/roads that provide access to each pond. The property has a high level of aquaculture infrastructure including extensive underground piping, water aeration systems, drainage systems, a large pump station, etc. The pump station is located in the north quadrant and has six high volume pumps powered by two diesel engines. The main canal "runs" north to south through the entire property with the aquaculture ponds situated on either side. There are two concrete bridges crossing the main canal. In addition, there are 28 concrete tanks ranging from 3,750 SF to 7,500 SF in size in the north quadrant. Each of the concrete tanks have a water aeration system. The former owner ceased operations in 2008 and the property has essentially been abandoned. The majority of the aquaculture ponds are dry and have a modest cover of regrowth vegetation. Overall, the property is in poor condition. Portions of the property have older standard height perimeter fencing. The 1,879.947 acres is not impacted by any adverse easements and/or encumbrances. According to FEMA, approximately 5% of the property in the far north quadrant is in the 100-year floodplain; however, the majority of the property is "built-up" and outside of any flood prone areas.

Legal Description: 1,879.947 acres out of the Espiritu Santo Grant and the J.S. De La Garza Survey, Abstract No. 2 in Cameron County, Texas

LAND COMPARABLE NO. 2



Property Identification

Property/Sale ID	60972/22043
Property Type	Water Related
Property Name	Saha Fish Farm
Address	SE Corner of CR 391 and CR 3209
City, State Zip	Palacios, Texas 77465
County	Matagorda
Map/Grid	526M
Map Latitude	28.732344
Map Longitude	-96.078678
Tax ID	11517
Additional Location Info:	Approximately 10 miles east of Palacios

Transaction Data

Sale Status	Closed
Grantor	SAHA John Byron & Amanda Kay
Grantee	Vongontard Chris & Laurie
Sale Date	October 26, 2016
Sale Price	\$508,604
\$/Acre	\$2,881
\$/SF	\$.07
Deed Vol./Page	2016/5936
Days on Market	30
Property Rights	Fee Simple
Conditions of Sale	Arm's Length

Property Description

Land Acres	176.550
Land SF	7,690,518
Primary Frontage (Feet)	2,650.00

Primary Frontage Name	CR 391
Secondary Frontage (Feet)	2,950.00
Secondary Frontage Name	CR 3209
Visibility	Good
Access	Good
Shape	Rectangular
Topography	Generally level
Utilities	Water & electric
In Flood Plain	No
Flood Zone	N/A
Flood Map Number	4854890550C
Flood Map Effective Date	03-18-1985
Zoning Code	OCL
Zoning Classification	Outside City Limits
Easements/Encumbrances	Unknown

Additional Information

Property Remarks: The property is improved with a 2,000 SF metal building with 800 SF of finished office space with the estimated contributory value of \$40,000 or \$225 per acre. The 176.55 acres has level terrain that is a combination of mostly aquaculture ponds and native pasture. There are 12 ponds totaling approximately 115 surface acres. Each pond is rectangular in shape with an approx. depth of 8 feet and leveled pond bottoms to insure property drainage and constant water level throughout. Irrigation water is transported to inlet into each individual pond via 12-inch underground irrigation system. There is access to a LCRA canal and several water wells for adding water to the ponds. There is a field in the back with brush and trees that attracts deer, hogs, and dove. Prior to aquaculture operation started in 2006, land was open and used for crop production of rice.

Legal Description: J T Criswell/Robbins Ranch Abstract 20 West Division 176.55 acres Trace 12 of Matagorda county property records.

LAND COMPARABLE NO. 3



Property Identification

Property/Sale ID	56753/18464
Property Type	Land
Property Name	Thomas Fish Farm
City, State Zip	Texas
County	Brazoria
Map Latitude	29.123052
Map Longitude	-95.811637
Additional Location Info	Approximately 13 miles west of West Columbia

Transaction Data

Sale Status	Closed
Grantor	Mark C. Thomas
Grantee	Acreage Enterprises of Texas LLC
Sale Date	June 6, 2016
Sale Price	\$597,952
\$/Acre	\$2,605
\$/SF	\$.06
Deed Vol./Page	Doc. No. 201602630
Property Rights	Fee Simple
Financing	Cash to Seller
Conditions of Sale	Arm's Length

Property Description

Land Acres	229.540
Land SF	9,998,762
Primary Frontage Name	Easement from CR 488
Visibility	Fair
Access	Easement
Shape	Irregular
Topography	Generally level
Utilities	Electricity

In Flood Plain	No
Flood Zone	Zone X
Flood Map Number	48481C0625F
Flood Map Effective Date	12-21-2017
Zoning Code	OCL
Zoning Classification	Outside City Limits
Easements/Encumbrances	None Adverse

Additional Information

Property Remarks:	The property is vacant land void of structural improvements. The 229.54 acres has level terrain that is a combination of mostly aquaculture ponds and native pasture. There are 20 aquaculture ponds totaling approximately 129 surface acres. There is a levee system throughout the property with good tree cover between the ponds. The property is supplied water by irrigation wells with piped water to the ponds.
Legal Description:	229.54 acre out of the Joseph White League, A-112, and the Daniel McNeel League, A-88, Brazoria County, Texas

LAND COMPARABLE NO. 4



Property Identification

Property/Sale ID	56766/18477
Property Type	Land
Address	3602 FM 524
City, State Zip	Texas
County	Brazoria
Map Latitude	29.124634
Map Longitude	-95.794823
Tax ID	161843, 659504, 157370
Additional Location Info	

Transaction Data

Sale Status	Closed
Grantor	Chris Jordan
Grantee	Ironwood Holdings
Sale Date	September 5, 2015
Sale Price	\$2,861,985
\$/Acre	\$3,398
\$/SF	\$.08
Property Rights	Surface Only
Financing	Conventional
Conditions of Sale	Arm's Length

Property Description

Land Acres	842.152
Land SF	36,684,141
Primary Frontage Name	FM 524
Visibility	Average
Access	Good
Shape	Irregular
Topography	Generally level
Minerals	Surface only
Utilities	Electricity

In Flood Plain	Yes
Zoning Code	OCL
Easements/Encumbrances	No

Additional Information

Property Remarks:	The property is improved with a 6,500 SF metal building with finished living area, enclosed and open storage areas and a lean-to with the estimated contributory value of \$200,000 or \$237 per acre. The 842.152 acres has level terrain that is a combination of mostly open/improved pasture and aquaculture ponds. There are 23 ponds totaling approximately 223 surface acres. There is one water well equipped with an electric pump and one water well equipped with a diesel powered pump. According to FEMA, the entire property is located within the 100-year floodplain. The 842.152 acres is not impacted by any adverse easements and/or encumbrances.
Legal Description:	842.152-acres out of the Daniel McNeel Survey, Abstract No. 88, the J.F. Perry & E.M. Austin Survey, Abstract No. 112, and the Joseph White Survey, Abstract No. 136, Brazoria County, Texas

LAND COMPARABLE NO. 5



Property Identification

Property/Sale ID	60992/22063
Property Type	Land
Property Name	Trans American Aquaculture
Address	5100 Farm-to-Market 3280
City, State Zip	Palacios, Texas 77465
County	Matagorda
Map Latitude	28.645066
Map Longitude	-96.322368
Tax ID	17675, 19040, 22392, 74631, 74632
Additional Location Info	Approximately 7.5 miles southwest of Palacios

Transaction Data

Sale Status	Closed
Grantor	Khanh H. Vu, Thuy Vu, Tom Thanh Vu & Hahn Hong Vu
Grantee	Gulf States Aquaculture, LLC
Sale Date	August 12, 2015
Sale Price	\$1,100,000
\$/Acre	\$4,390
\$/SF	\$.10
Deed Vol./Page	Doc. No. 2015-4844
Property Rights	Owned minerals conveyed.
Financing	Conventional
Conditions of Sale	Arm's Length

Property Description

Land Acres	250.555
Land SF	10,914,175
Primary Frontage (Feet)	3,500.00
Primary Frontage Name	County maintained, paved road
Third Frontage (Feet)	F.M. 3280
Usable Land Acres	250.55500

Usable Land Area (SF)	10,914,176
Visibility	Good
Access	Good
Shape	Irregular
Topography	Generally level
Utilities	Electric, water well, and septic
Flood Map Number	48239C0600D
Flood Map Effective Date	09-17-2014
Zoning Code	OCL
Zoning Classification	Outside City Limits
Encumbrances Desc	40-foot wide utility easement

Additional Information

Property Remarks: The property is vacant land void of structural improvements with measurable contributory value. The 250.555 acres has level terrain that is a combination of mostly native pasture and aquaculture ponds. There are 30 ponds totaling approximately 112.50 surface acres. The property has an extensive levee system with earthen berms/roads between each pond. The property has an irrigation water well and extensive underground piped water to each pond. According to FEMA, the entire property is located within the 100-year floodplain. The 250.555 acres is not impacted by any adverse easements and/or encumbrances.

Legal Description: 842.152-acres out of the Daniel McNeel Survey, Abstract No. 88, the J.F. Perry & E.M. Austin Survey, Abstract No. 112, and the Joseph White Survey, Abstract No. 136, Brazoria County, Texas

LAND COMPARABLE NO. 6



Property Identification

Property/Sale ID	9179/8389
Property Type	Land
Property Name	Port Bay Point Land
Address	1201 Copano Retreat Road
City, State Zip	Rockport, Texas
County	Aransas
Plat Book/Map Number	1/50
Additional Location Info:	Terminus of Copano Retreat Road

Transaction Data

Sale Status	Closed
Grantor	Port Bay Point, LP
Grantee	Global Blue Technologies - Cameron, LLC
Sale Date	February 14, 2013
Sale Price	\$675,000
\$/Acre	\$3,944
\$/SF	\$.09
Deed Vol./Page	327956
Property Rights	Fee Simple (Surface Only)
Financing	Cash to Seller
Conditions of Sale	Arm's Length

Property Description

Land Acres	171.132
Land SF	7,454,510
Primary Frontage (Feet)	60.00
Primary Frontage Name	Copano Retreat Road
Secondary Frontage (Feet)	1,175.00
Secondary Frontage Name	Swan Lake
Visibility	Average
Access	Average

Shape	Irregular
Topography	Generally level
Minerals	None Conveyed
Utilities	Electric, Telephone, Well
In Flood Plain	Yes
Flood Map Number	(100%)
Zoning Code	OCL

Additional Information

Property Remarks:	The property is improved with an older metal barn, car/boat port and small storage shed with no measurable contributory value. The property was a former shrimp farm and is a combination of open mars, native pasture and aquaculture ponds. There are six pond totaling approximately 17 surface acres. The property has three water wells, two septic systems and a 2.5-acre surface pond. According to FEMA, the entire property is in the 100-year floodplain with 10% to 15% being in zone V13, with the remaining being designated Zone AE which designates flooding potential from wave action. The property has frontage along Swan Lake and Copano/Port Bay. The property is at the end of a county maintained gravel road and effectively has 60' feet of frontage. The property is encumbered by an access easement that serves a 10.25-acre tract located along the northwest boundary.
Legal Description:	Out of Tract 1, of the Welhausen and Driscoll's Sixth Subdivision of the Taft Farm Lands, Plat Record Volume 1, Page 50, Aransas County, Texas.

Land Sales Comparison Analysis

When necessary, adjustments were made for differences in various elements of comparison, including property rights conveyed, financing terms, conditions of sale, expenditures made immediately after purchase, market conditions, location, and other physical characteristics. If the element in comparison is considered superior to that of the subject, we applied a negative adjustment. Conversely, a positive adjustment was applied if inferior. A summary of the elements of comparison follows.

Transaction Adjustments

Transaction adjustments include (1) real property rights conveyed, (2) financing terms, (3) conditions of sale, and (4) expenditures made immediately after purchase. These items, which are applied prior to the market conditions and property adjustments, are discussed as follows:

Real Property Rights Conveyed

Real property rights conveyed influence sale prices and must be considered when analyzing a sale comparable. The appraised value and sale comparables all reflect the fee simple interest with no adjustments required.

Financing Terms

The transaction price of one property may differ from that of an identical property due to different financial arrangements. Sales involving financing terms that are not at or near market terms require adjustments for cash equivalency to reflect typical market terms. A cash equivalency procedure discounts the atypical mortgage terms to provide an indication of value at cash equivalent terms. All five of the sale comparables involved typical market terms by which the sellers received cash or its equivalent and the buyers paid cash or tendered typical down payments and obtained conventional financing at market terms for the balance. Therefore, no adjustments are warranted.

Conditions of Sale

When the conditions of sale are atypical, the result may be a price that is higher or lower than that of a normal transaction. Adjustments for conditions of sale usually reflect the motivations of either a buyer or a seller who is under duress to complete the transaction. Another more typical condition of sale involves the downward adjustment required to a comparable property's for-sale listing price, which usually reflects the upper limit of value. The sale comparables do not indicate any condition of sale adjustments were warranted for atypical conditions or for-sale listings.

Above Standard Improvements

The above standard improvements of the subject property are considered separately and valued in the Cost Approach which follows this section. Comparable Sale No. 1 conveyed with an estimated total contributory value of improvements of approximately \$35,000 or \$19 per acre. Comparable Sale No. 2 conveyed with an estimated total contributory value of improvements of approximately \$40,000 or \$225 per acre. Comparable Sale No. 4 conveyed with an estimated total contributory value of approximately \$200,000 or \$237 per acre. The estimated contributory value of the improvements were derived from discussions with brokers who were a party to the respective transaction, owners, appraisal district records, etc. Comparable Sale Nos. 3, 5 and 6 transacted void of improvements which contributed value to the underlying land; therefore, no adjustments are warranted.

Market Conditions Adjustment

Market conditions change over time because of inflation, deflation, fluctuations in supply and demand, or other factors. Changing market conditions may create a need for adjustment to comparable sale transactions completed during periods of dissimilar market conditions.

The effective date of value is June 20, 2019. The comparable sales utilized indicated a range of date of transaction from February 2013 to May 2017. The land market along the Gulf Coast of Texas has seen a marginal steady increase in value over the past several years. Comparable Sale Nos. 1, 2 and 3 are considered to have transacted in current market conditions; as such, no adjustments are warranted. Comparable Sale Nos. 4, 5 and 6 are considered somewhat dated transactions; therefore, upward adjustments are applied.

Property Adjustments

Property adjustments are usually expressed quantitatively as percentages or dollar amounts that reflect the differences in value attributable to the various characteristics of the property. In some instances, however, qualitative adjustments are used. These adjustments are based on locational and physical characteristics and are applied after transaction and market conditions adjustments.

Location

Location adjustments may be required when the locational characteristics of a comparable are different from those of the subject. These characteristics can include general neighborhood characteristics, freeway accessibility, street exposure, corner- versus interior-lot location, neighboring properties, view amenities, and other factors.

The subject site is located along the east side of 1847 approximately 14 miles northeast of Rio Hondo, Texas. The subject property benefits from its proximity to the Arroyo Colorado River. Comparable Sale No. 1 is the most recent sale of the subject property; as such, no adjustment is warranted. Comparable Sale Nos. 2, 3, and 4 are in areas removed from navigable waterways and exhibit inferior locational characteristics in comparison to the appraised property; therefore, upward adjustments are applied. Comparable Sale No. 5 is located southwest of Palacios with direct frontage along Matagorda Bay/Turtle Bay. Comparable Sale No. 5 has a superior location in comparison to the appraised property due to the proximity to Port O'Connor; as such, a downward adjustment is applied. Comparable Sale No. 6 is in the Rockport-Fulton area with direct frontage along Copano Bay. Comparable Sale No. 6 has a superior location in comparison to the appraised property due to the proximity to Rockport-Fulton; a downward adjustment is applied.

Size

The size adjustment addresses variance in the physical size of the comparables and that of the subject, as a larger parcel typically commands a lower price per unit than a smaller parcel. This inverse relationship is due, in part, to the principle of "economies of scale."

The subject site consists of 1,879.947 acres of gross land area. Comparable Sale No. 1 is the previous sale of the subject property; no adjustment is warranted. Comparable Sale Nos. 2, 3, 4, 5 and 6 exhibit smaller property sizes ranging from 171.132 acres to 842.152 acres; downward size adjustments are warranted for the sale properties.

Access/Frontage

The subject property features approximately 3.50 miles of frontage along the east side of F.M. 1847. Comparable Sale No. 1 is the previous sale of the subject property; no adjustment is warranted. Sale Nos. 2, 4, 5 and 6 generally have similar access along various asphalt paved roads; however, the comparable sales have inferior road frontage. In our opinion, modest upward road frontage adjustments are warranted. Sale No. 3 has inferior easement access off County Road 488; an upward access/frontage adjustment is applied.

Infrastructure

The subject property features generally level with a combination of 140 aquaculture ponds, 28 concrete constructed tanks, extensive underground piping, numerous earthen berms/interior roads, concrete bridges, etc. The property has a large pump station with six high volume pumps powered by two diesel engines connected to an extensive central canal and drainage system. Comparable Sale No. 1 is the previous sale of the subject property. Since the time of purchase, the current owners have updated and renovated the infrastructure of the property; as such, an upward adjustment is applied. Each of the comparable sales has adequate aquaculture infrastructure; however, the infrastructure of sale properties are generally inferior when compared to the subject property. In our opinion, upward infrastructure adjustments are warranted.

Surface Water Area

The appraised property includes approximately 1,100 acres of surface water, or approximately 60% of the gross land area. The comparable sales utilized include a range of surface water area from 17 to 223 acres. Due to the large size of the subject, the appraisers have considered the ratio of surface water to the gross land area. Comparable Sale Nos. 1, 2 and 3 have similar ratios of surface water; as such, no adjustments are warranted. Comparable Sale Nos. 4, 5 and 6 have inferior ratios of surface water; upward adjustments are applied.

Easements/Encumbrances

To the knowledge of the appraisers, the subject property is not impacted by any adverse easements and/or encumbrances. Comparable Sale Nos. 1, 2, 3, 4 and 5 are similarly not encumbered; no adjustments are warranted. Sale No. 5 is bisected by an access easement in favor of a neighboring landowner; an upward adjustment is applied.

Summary of Adjustments

Presented on the following page is a summary of the adjustments made to the sale comparables. As noted earlier, these quantitative adjustments were based on our market research, best judgment, and experience in the appraisal of similar properties.

LAND SALES ADJUSTMENT GRID

Trans American Aquaculture													
Sale No.		1	Adj.	2	Adj.	3	Adj.	4	Adj.	5	Adj.	6	Adj.
Ranch	Subject Property	King's Aqua Farm		Saha Fish Farm		Thomas Fish Farm		Ironwood		Gulf States Aquaculture		Port Bay Point	
Sale Price		\$6,000,000		\$508,604		\$597,952		\$2,861,985		\$1,100,000		\$675,000	
Price/Acre		\$3,192		\$2,881		\$2,605		\$3,398		\$4,390		\$3,944	
Property Rights Conveyed	N/A	Fee Simple.	\$0	Fee Simple.	\$0	Cash to seller; arm's length.	\$0	Cash to seller; arm's length.	\$0	Cash to seller; arm's length.	\$0	Cash to seller; arm's length.	\$0
Financing Terms	N/A	Cash to Seller.	\$0	Cash to Seller.	\$0	Cash to Seller.	\$0	Cash to Seller.	\$0	Cash to Seller.	\$0	Cash to Seller.	\$0
Conditons of Sale	N/A	Arm's Length.	\$0	Arm's Length	\$0	Arm's Length	\$0	Arm's Length	\$0	Arm's Length	\$0	Arm's Length	\$0
Improvements	Considered in the Cost Approach.	Nursery Warehouse; ECV \$35,000 or \$19 per acre	(\$19)	Metal barn; ECV \$40,000 or \$225 per acre	(\$225)	None.	\$0	Metal barn with office and finished living area; ECV \$200,000 or \$237 per acre	(\$237)	None.	\$0	None of Value.	\$0
Date of Sale		May-17	\$0	Oct-16	\$0	Jun-16	\$0	Sep-15	\$102	Aug-15	\$132	Feb-13	\$197
ADJUSTED PRICE/ ACRE			\$3,173		\$2,656		\$2,605		\$3,263		\$4,522		\$4,142
Adjustments													
Size	1,879.947	1,879.947	0%	176.550	-17.5%	229.540	-15%	842.152	-7.5%	250.555	-15%	171.132	-17.5%
Location	Cameron County; approx. 14.0 miles northeast of Rio Hondo	Cameron County; approx. 14.0 miles northeast of Rio Hondo	0%	Matagorda County; approx. 17.5 miles east of Palacios	20%	Brazoria County; approx. 12.5 miles west of West Columbia	20%	Brazoria County; approx. 19 miles SW of Angleton	10%	Matagorda County; approx. 12 miles SW of Palacios	-10%	Aransas County; approx. 13.5 miles west of Rockport	-10%
Access/ Road Frontage	3.5 miles along east side of F.M. 1847	3.5 miles along east side of F.M. 1847	0%	2,675 ft. along south side of CR 391	5%	Easement off CR 488	10%	SW side of F.M. 524	5%	3,865 ft. along east side of FM 3280	5%	Terminus of Copano Retreat Road	5%
Surface Water Area (Ratio)	1,100 acres (60%)	1,100 acres (60%)	0%	115 acres (65%)	0%	129 acres (56%)	0%	223 acres (26%)	5%	112.50 acres (45%)	5%	17 acres (10%)	10%
Infrastructure	Generally level terrain; combination of 140 aquaculture ponds and native pasture, concrete tanks, large intake canal with pump station, extensive underground piping, earthen interior roads, etc.	Generally level terrain; combination of 140 aquaculture ponds and native pasture, concrete tanks, large intake canal with pump station, extensive underground piping, earthen interior roads, etc.	10%	Generally level terrain; combination of 12 aquaculture ponds and native pasture; LCRA intake canal; earthen interior roads, etc.	10%	Generally level terrain; combination of 20 aquaculture ponds and native pasture; levee system, earthen interior roads, etc.	10%	Generally level terrain; combination of primarily open pasture, native pasture and 23 aquaculture ponds, earthen interior roads, etc.	10%	Generally level terrain with a combination of 30 aquaculture ponds and native pasture; levee system; underground piping; earthen interior roads, etc.	5%	Generally level terrain; combination of primarily open marsh land, partial native pasture and 6 aquaculture ponds, underground piping, earthen interior roads, etc.	5%
Easements/ Encumbrances	None Adverse.	None Adverse.	0%	None Adverse.	0%	None Adverse.	0%	None Adverse.	0%	None Adverse.	0%	Access easement in favor of neighbor.	5%
Total Adjustments			10%		18%		25%		23%		-10%		-3%
INDICATED VALUE /ACRE			\$3,490		\$3,121		\$3,256		\$3,998		\$4,070		\$4,038
Minimum		\$3,121											
Maximum		\$4,070											
Average		\$3,662											
Concluded		\$3,650											
Value		\$6,861,807											
Rounded		\$6,860,000											

Conclusion

From the market data available, we used five land sales in competitive market areas which were adjusted based on pertinent elements of comparison. The adjusted prices for these sales ranged from \$3,121 to \$4,070 per acre, with an average of \$3,662 per acre. All six sales are considered meaningful indicators of value; however, Comparable Sale No. 1 was given the most weight in the reconciliation process as it is the recent sale of the appraised property.

Based on the adjusted prices and the most comparable sale, a unit value for the subject property is likely slightly below the average of the adjusted range, or \$3,650 per acre. This indicates an as is market value of **\$6,860,000**.

Based on this analysis, the land value indication is summarized as follows:

Land Value Indication			
Reasonable Adjusted Comparable Range			
1,879.947 acres	x	\$3,121 per acre =	\$5,867,315
1,879.947 acres	x	\$4,070 per acre =	\$7,651,384
Market Value Opinion			
1,879.947 acres	x	\$3,650 per acre =	\$6,860,000

Cost Approach

The subject property is improved with a nursery warehouse, hatchery building and rearing building that offer contributory value above the value of the underlying land component. The Cost Approach is used in a modified format to estimate the contributory value of the improvements based on the estimated replacement cost to construct the improvements less depreciation. The estimated replacement cost new is based on data provided in the *Marshall & Swift Valuation Service Handbook*. Additionally, the actual costs of the improvements and remodeling costs by the owner are considered herein.

Based on the analysis presented, the subject property improvements are estimated to contribute \$380,000 (rounded) of value to the property above the underlying land or \$202 per acre (rounded).

The following cost schedule provides the estimated replacement cost estimates for the improvements less physical depreciation. In our opinion, the improvements do not suffer from additional depreciation in the form of external and/or functional obsolescence.

TransAmerican Aquaculture (Contributory Value of the Improvements)				
Replacement Cost New of the Above Standard Improvements				
Nursery Warehouse	8,000 sf x	\$12.00 /sf	\$	96,000
Less: Physical Depreciation	25/40	63.0%	\$	(60,480)
DRCN			\$	35,520
Hatchery Building	4,704 sf x	\$28.00 /sf	\$	131,712
Less: Physical Depreciation	2/40	5.0%	\$	(6,586)
DRCN			\$	125,126
Rearing Building	6,943 sf x	\$32.00 /sf	\$	222,176
Less: Physical Depreciation	1/40	2.5%	\$	(5,554)
DRCN			\$	216,622
Contributory Value of the Improvements (Rounded)			\$	380,000
Plus: Market Value of Underlying 1,879.947 Acres of Land			\$	6,860,000
Total Market Value by the Cost Approach			\$	7,240,000

When the estimated market value of the underlying 1,879.947 acres of land is added to the contributory value of the above standard improvements, the estimated market value of the subject property by the Cost Approach is \$7,240,000.

Valuation Summary

The indicated value and our concluded market value for the subject property are summarized in the following table:

Value Indications	
Approach to Value	As Is
Land Only - Sales Comparison	\$6,860,000
Cost	\$7,240,000
Sales Comparison	Not Developed
Income Capitalization	Not Developed
Value Conclusions	
Component	As Is
Value Type	Market Value
Property Rights Appraised	Fee Simple
Effective Date of Value	June 20, 2019
Value Conclusion	\$7,240,000
	\$3,850 per acre

Given the availability and reliability of data within the Cost Approach, we gave this approach sole weight in arriving at our final value conclusions. Furthermore, unique properties such as the subject property primarily rely upon the methods employed by the Cost Approach.

Exposure Time and Marketing Periods

Based on statistical information about days on market, escrow length, and marketing times gathered through national investor surveys, sales verification, and interviews of market participants, marketing and exposure time estimates of 18 months and 18 months, respectively, are considered reasonable and appropriate for the subject property.

General Assumptions and Limiting Conditions

This appraisal is subject to the following limiting conditions:

1. The legal description – if furnished to us – is assumed to be correct.
2. No responsibility is assumed for legal matters, questions of survey or title, soil or subsoil conditions, engineering, availability or capacity of utilities, or other similar technical matters. The appraisal does not constitute a survey of the property appraised. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management unless otherwise noted.
3. Unless otherwise noted, the appraisal will value the property as though free of contamination. Valbridge Property Advisors | Valbridge Property Advisors | San Antonio will conduct no hazardous materials or contamination inspection of any kind. It is recommended that the client hire an expert if the presence of hazardous materials or contamination poses any concern.
4. The stamps and/or consideration placed on deeds used to indicate sales are in correct relationship to the actual dollar amount of the transaction.
5. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.
6. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, unless previous arrangements have been made.
7. Unless expressly specified in the engagement letter, the fee for this appraisal does not include the attendance or giving of testimony by Appraiser at any court, regulatory, or other proceedings, or any conferences or other work in preparation for such proceeding. If any partner or employee of Valbridge Property Advisors | Valbridge Property Advisors | San Antonio is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment, client shall compensate Appraiser for the time spent by the partner or employee in appearing and/or testifying and in preparing to testify according to the Appraiser's then current hourly rate plus reimbursement of expenses.
8. The values for land and/or improvements, as contained in this report, are constituent parts of the total value reported and neither is (or are) to be used in making a summation appraisal of a combination of values created by another appraiser. Either is invalidated if so used.

9. The dates of value to which the opinions expressed in this report apply are set forth in this report. We assume no responsibility for economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and anticipated short-term supply and demand factors and are subject to change with future conditions.
10. The sketches, maps, plats and exhibits in this report are included to assist the reader in visualizing the property. The appraiser has made no survey of the property and assumed no responsibility in connection with such matters.
11. The information, estimates and opinions, which were obtained from sources outside of this office, are considered reliable. However, no liability for them can be assumed by the appraiser.
12. Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organization or the firm with which the appraisers are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval.
13. No claim is intended to be expressed for matters of expertise that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers. We claim no expertise in areas such as, but not limited to, legal, survey, structural, environmental, pest control, mechanical, etc.
14. This appraisal was prepared for the sole and exclusive use of the client for the function outlined herein. Any party who is not the client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of Valbridge Property Advisors | Valbridge Property Advisors | San Antonio and Client. The Client shall not include partners, affiliates, or relatives of the party addressed herein. The appraiser assumes no obligation, liability or accountability to any third party.
15. Distribution of this report is at the sole discretion of the client, but third-parties not listed as an intended user on the face of the appraisal or the engagement letter may not rely upon the contents of the appraisal. In no event shall client give a third-party a partial copy of the appraisal report. We will make no distribution of the report without the specific direction of the client.
16. This appraisal shall be used only for the function outlined herein, unless expressly authorized by Valbridge Property Advisors | Valbridge Property Advisors | San Antonio.

17. This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.
18. Unless otherwise noted in the body of this report, this appraisal assumes that the subject property does not fall within the areas where mandatory flood insurance is effective. Unless otherwise noted, we have not completed nor have we contracted to have completed an investigation to identify and/or quantify the presence of non-tidal wetland conditions on the subject property. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
19. The flood maps are not site specific. We are not qualified to confirm the location of the subject property in relation to flood hazard areas based on the FEMA Flood Insurance Rate Maps or other surveying techniques. It is recommended that the client obtain a confirmation of the subject property's flood zone classification from a licensed surveyor.
20. If the appraisal is for mortgage loan purposes 1) we assume satisfactory completion of improvements if construction is not complete, 2) no consideration has been given for rent loss during rent-up unless noted in the body of this report, and 3) occupancy at levels consistent with our "Income and Expense Projection" are anticipated.
21. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
22. Our inspection included an observation of the land and improvements thereon only. It was not possible to observe conditions beneath the soil or hidden structural components within the improvements. We inspected the buildings involved, and reported damage (if any) by termites, dry rot, wet rot, or other infestations as a matter of information, and no guarantee of the amount or degree of damage (if any) is implied. Condition of heating, cooling, ventilation, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. Should the client have concerns in these areas, it is the client's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise to make such inspections and assumes no responsibility for these items.
23. This appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. It is assumed that all required licenses, consents, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value conclusion contained in this report is based unless specifically stated to the contrary.

24. When possible, we have relied upon building measurements provided by the client, owner, or associated agents of these parties. In the absence of a detailed rent roll, reliable public records, or "as-built" plans provided to us, we have relied upon our own measurements of the subject improvements. We follow typical appraisal industry methods; however, we recognize that some factors may limit our ability to obtain accurate measurements including, but not limited to, property access on the day of inspection, basements, fenced/gated areas, grade elevations, greenery/shrubbery, uneven surfaces, multiple story structures, obtuse or acute wall angles, immobile obstructions, etc. Professional building area measurements of the quality, level of detail, or accuracy of professional measurement services are beyond the scope of this appraisal assignment.
25. We have attempted to reconcile sources of data discovered or provided during the appraisal process, including assessment department data. Ultimately, the measurements that are deemed by us to be the most accurate and/or reliable are used within this report. While the measurements and any accompanying sketches are considered to be reasonably accurate and reliable, we cannot guarantee their accuracy. Should the client desire a greater level of measuring detail, they are urged to retain the measurement services of a qualified professional (space planner, architect or building engineer). We reserve the right to use an alternative source of building size and amend the analysis, narrative and concluded values (at additional cost) should this alternative measurement source reflect or reveal substantial differences with the measurements used within the report.
26. In the absence of being provided with a detailed land survey, we have used assessment department data to ascertain the physical dimensions and acreage of the property. Should a survey prove this information to be inaccurate, we reserve the right to amend this appraisal (at additional cost) if substantial differences are discovered.
27. If only preliminary plans and specifications were available for use in the preparation of this appraisal, then this appraisal is subject to a review of the final plans and specifications when available (at additional cost) and we reserve the right to amend this appraisal if substantial differences are discovered.
28. Unless otherwise stated in this report, the value conclusion is predicated on the assumption that the property is free of contamination, environmental impairment or hazardous materials. Unless otherwise stated, the existence of hazardous material was not observed by the appraiser and the appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required for discovery. The client is urged to retain an expert in this field, if desired.

29. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey of the property to determine if it is in conformity with the various requirements of the ADA. It is possible that a compliance survey of the property, together with an analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in developing an opinion of value.
30. This appraisal applies to the land and building improvements only. The value of trade fixtures, furnishings, and other equipment, or subsurface rights (minerals, gas, and oil) were not considered in this appraisal unless specifically stated to the contrary.
31. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated, unless specifically stated to the contrary.
32. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute prediction of future operating results. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance.
33. Any estimate of insurable value, if included within the scope of work and presented herein, is based upon figures developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage. This analysis should not be relied upon to determine insurance coverage and we make no warranties regarding the accuracy of this estimate.
34. The data gathered in the course of this assignment (except data furnished by the Client) shall remain the property of the Appraiser. The appraiser will not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished to the appraiser. Notwithstanding the foregoing, the Appraiser is authorized by the client to disclose all or any portion of the appraisal and related appraisal data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable the appraiser to comply with the Bylaws and Regulations of such Institute now or hereafter in effect.

35. You and Valbridge Property Advisors | Valbridge Property Advisors | San Antonio both agree that any dispute over matters in excess of \$5,000 will be submitted for resolution by arbitration. This includes fee disputes and any claim of malpractice. The arbitrator shall be mutually selected. If Valbridge Property Advisors | Valbridge Property Advisors | San Antonio and the client cannot agree on the arbitrator, the presiding head of the Local County Mediation & Arbitration panel shall select the arbitrator. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, by agreeing to binding arbitration, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury. In the event that the client, or any other party, makes a claim against Valbridge Property Advisors | San Antonio or any of its employees in connections with or in any way relating to this assignment, the maximum damages recoverable by such claimant shall be the amount actually received by Valbridge Property Advisors | Valbridge Property Advisors | San Antonio for this assignment, and under no circumstances shall any claim for consequential damages be made.
36. Valbridge Property Advisors | Valbridge Property Advisors | San Antonio shall have no obligation, liability, or accountability to any third party. Any party who is not the "client" or intended user identified on the face of the appraisal or in the engagement letter is not entitled to rely upon the contents of the appraisal without the express written consent of Valbridge Property Advisors | Valbridge Property Advisors | San Antonio. "Client" shall not include partners, affiliates, or relatives of the party named in the engagement letter. Client shall hold Valbridge Property Advisors | Valbridge Property Advisors | San Antonio and its employees harmless in the event of any lawsuit brought by any third party, lender, partner, or part-owner in any form of ownership or any other party as a result of this assignment. The client also agrees that in case of lawsuit arising from or in any way involving these appraisal services, client will hold Valbridge Property Advisors | Valbridge Property Advisors | San Antonio harmless from and against any liability, loss, cost, or expense incurred or suffered by Valbridge Property Advisors | Valbridge Property Advisors | San Antonio in such action, regardless of its outcome.
37. The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by Valbridge Property Advisors | San Antonio. Neither Valbridge Property Advisors, Inc., nor any of its affiliates has been engaged to provide this report. Valbridge Property Advisors, Inc. does not provide valuation services, and has taken no part in the preparation of this report.
38. If any claim is filed against any of Valbridge Property Advisors, Inc., a Florida Corporation, its affiliates, officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, except only for direct compensatory damages, and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide this report.

39. This report and any associated work files may be subject to evaluation by Valbridge Property Advisors, Inc., or its affiliates, for quality control purposes.
40. Acceptance and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and limiting conditions.

Certification – Brett E. Weatherbie, MAI

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

1. The statements of fact contained in this report are true and correct.
2. 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.
3. 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.
4. The undersigned Brett E. Weatherbie has not performed any services regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. 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 value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. Brett E. Weatherbie, MAI and Christopher Swisher made a personal inspection of the property that is the subject of this report.
10. Christopher Swisher provided significant real property appraisal assistance to the person signing this certification, unless otherwise noted.
11. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, I, Brett E. Weatherbie, MAI had completed the continuing education program for Designated Members of the Appraisal Institute.



Brett E. Weatherbie, MAI
Senior Managing Director
State Certified General
Real Estate Appraiser
TX-1337354-G

Addenda

Subject Photos

Engagement Letter

Environmental Checklist

Glossary

Qualifications

- Paul Grafe, MAI, CCIM– Senior Managing Director
- Aaron Tunnell – Associate Appraiser

Information on Valbridge Property Advisors

Office Locations

Subject Photographs



Interior view of the nursery warehouse with covered maturation tanks.



View of concrete tanks near the nursery warehouse.



Exterior view of the hatchery building in the west quadrant.



View of the brood tank room of the hatchery.



Exterior view of the rearing building.



Interior view of the rearing building.

Subject Photographs



View of site work in typical holding ponds that are not yet in production.



View of typical holding ponds in need of "clean up".

Engagement Letter



May 29, 2019

Paul P. Grafe, MAI CCIM
Valbridge Property Advisors
9901 IH-10 West, Suite 1035
San Antonio, TX 78230

Re: One commercial appraisal for:
16455 FM 1947
Rio Hondo, TX 78583

Dear Paul,

In reference to our previous discussion, this letter will confirm your employment to appraise the fee simple interest in the above-referenced properties.

The purpose of the appraisal is to estimate the "as-is" & "as-completed" market value of the property. I assume that all of the appraisers or associates who sign the appraisal report have inspected the subject property, the neighborhood, and the comparable market data, and have read all the leases (if any) relating to the property.

If this is a construction appraisal, the appraiser understands that after construction is completed, they must inspect the property and submit a statement to Midwest Regional Bank indicating that the building was built with only minor deviations (if any) from the plans and specifications upon which the original estimate of value was based.

It is my understanding that your fee will not exceed \$5,000 for the appraisal. I would appreciate your verbal opinion being communicated to me at the earliest possible time with delivery of your completed Appraisal Report no later than June 26, 2019.

The relationship between an appraiser and Midwest Regional Bank is considered to be confidential and all appraisers engaged by Midwest Regional Bank are expected to follow Midwest Regional Bank's "no comment" rule with the news media or anyone outside the Midwest Regional Bank organization.

Your report is intended for the exclusive use of Midwest Regional Bank. The contents of the appraisal, the purpose of the report and the value estimate should not be revealed to anyone other

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www.mwrbank.com



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than Midwest Regional Bank or their designee. Please submit two signed copies of your report, with photographs of the subject property, and two copies of your statement to my attention.

I would suggest that you contact me or the site contact for any information necessary to appraise this property. (Site Contact information will be provided) If you need further clarification or other assistance, please do not hesitate to contact me at your convenience.

Please comply with the standards that are taken directly from the Code of Federal Regulations (12 CFR 34). In completing your appraisal, you must certify to the bank that you have complied with these standards. To comply with this requirement you must specify on the form the page in the appraisal where each of the standards is contained and execute the Appraisal Standards form. This form must be included with and made a part of your appraisal report.

Sincerely,

Ryan Lile
SBA Loan Processing Officer
Midwest Regional Bank
363 Festus Centre Drive
Festus, MO 63028
Office: 636-232-2657
Fax: 636-232-2658
rlile@mwregionalbank.com

363 Festus Centre Drive
www.mwrbank.com

• Festus, MO 63028



• (636) 937-5351

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Texas Department of Agriculture – Aquaculture License



345

TEXAS DEPARTMENT OF AGRICULTURE COMMISSIONER SID MILLER P. O. BOX 12847 AUSTIN, TX 78711-2847 (877) LIC-AGRI (877-542-2474) For the hearing impaired: (800) 735-2989 TDD (800) 735-2988 VOICE www.tda.state.tx.us		
AQUACULTURE LICENSE		
This is to certify that the person listed below is licensed to operate a fish farm or cultured fish processing plant in accordance with Texas Agriculture Code Chapter 134.		
TRANS AMERICAN AQUA FARM 16455 FM 1847 RIO HONDO TX 78583		Client Name: TRANS AMERICAN AQUACULTURE LLC TDA Client No: 00577529
LICENSE NO: 0763111	LICENSE TYPE: FISH FARM FACILITY	
Effective Date: May 31, 2019	Expiration Date: May 31, 2021	

MUST HAVE COPY OF LICENSE IN VEHICLE

THIS LICENSE IS NON-TRANSFERABLE

TCEQ – Water Right No. 13594

Jon Niemann, *Chairman*
Emily Lindley, *Commissioner*
Toby Baker, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

March 27, 2019

Mr. Cesar Granda
Trans American Aquaculture, LLC
5129 Bellerive Bend Dr.
College Station, Texas 77845

RE: Trans American Aquaculture, LLC
WRPERM 13594
CN605381102, RN110723764
Water Right No. 13594 for Exempt Mariculture Activities
Texas Water Code § 11.1421, Not Requiring Notice
Arroyo Colorado River, Nueces-Rio Grande Coastal Basin
Cameron County

Dear Mr. Granda:

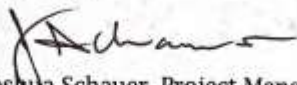
This acknowledges receipt, on March 7, 2019, of the referenced application.

The *Exempt Mariculture Operation* application for Trans American Aquaculture, LLC has been accepted for filing. The application meets the filing requirements of 30 Texas Administrative Code § 297.24.

Please note that for correspondence and reporting purposes this exempt mariculture activity is being identified as Water Right No. 13594, authorizing diversion of 4,931 acre-feet of water per year, at a maximum diversion rate of a 84.63 cfs (38,000 gpm), from a point located at Latitude 26.323686°N, Longitude 97.451688°W in Cameron County.

If you have any questions concerning the application, please contact me at Joshua.schauer@tceq.texas.gov or by telephone at (512) 239-1371.

Sincerely,



Joshua Schauer, Project Manager
Water Rights Permitting Team
Water Rights Permitting & Availability Section

cc: Jose Luna, South Texas Watermaster

P.O. Box 13087 • Austin, Texas 78711-3087 • 512-239-1000 • tceq.texas.gov

How is our customer service? tceq.texas.gov/customersurvey
printed on recycled paper

Glossary

Definitions are taken from The Dictionary of Real Estate Appraisal, 6th Edition (Dictionary), the Uniform Standards of Professional Appraisal Practice (USPAP), and Building Owners and Managers Association International (BOMA).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. (Dictionary)

Amortization

The process of retiring a debt or recovering a capital investment, typically through scheduled, systematic repayment of the principal; a program of periodic contributions to a sinking fund or debt retirement fund. (Dictionary)

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Dictionary)

Base Rent

The minimum rent stipulated in a lease. (Dictionary)

Base Year

The year on which escalation clauses in a lease are based. (Dictionary)

Building Common Area

In office buildings, the areas of the building that provide services to building tenants but which are not included in the office area or store area of any specific tenant. These areas may include, but shall not be limited to, main and auxiliary lobbies, atrium spaces at the level of the finished floor, concierge areas or security desks, conference rooms, lounges or vending areas, food service facilities, health or fitness centers, daycare facilities, locker or shower facilities, mail rooms, fire control rooms, fully enclosed courtyards outside the exterior walls, and building core and service areas such as fully enclosed mechanical or equipment rooms. Specifically excluded from building common area are floor common areas, parking space, portions of loading docks outside the building penetrations. (BOMA)

Building

The sum of all floor rentable areas. Floor rentable area is the result of subtracting from the gross measured area of a floor the major vertical penetrations on that same floor. It is generally fixed for the life of the building and is rarely affected by changes in corridor size or configuration. (BOMA)

Certificate of Occupancy (COO)

A formal written acknowledgment by an appropriate unit of local government that a new construction or

renovation project is at the stage where it meets applicable health and safety codes and is ready for commercial or residential occupancy. (Dictionary)

Common Area Maintenance (CAM)

The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property. (Dictionary)

The amount of money charged to tenants for their shares of maintaining a [shopping] center's common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenance, snow removal, security and upkeep. (ICSC – International Council of Shopping Centers, 4th Ed.)

Condominium

A multiunit structure, or a unit within such a structure, with a condominium form of ownership. (Dictionary)

Conservation Easement

An interest in real estate restricting future land use to preservation, conservation, wildlife habitat, or some combination of those uses. A conservation easement may permit farming, timber harvesting, or other uses of a rural nature as well as some types of conservation-oriented development to continue, subject to the easement. (Dictionary)

Contributory Value

A type of value that reflects the amount a property or component of a property contributes to the value of another asset or to the property as a whole.

The change in the value of a property as a whole, whether positive or negative, resulting from the addition or deletion of a property component. Also called deprival value in some countries. (Dictionary)

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service (DCR = NOI/Im), which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR)*. A larger *DCR* typically indicates a greater ability for a property to withstand a reduction of income, providing an improved safety margin for a lender. (Dictionary)

Deed Restriction

A provision written into a deed that limits the use of land. Deed restrictions usually remain in effect when title passes to subsequent owners. (Dictionary)

Depreciation

- 1) In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date.
- 2) In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques. (Dictionary)

Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

- Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
- The property is subjected to market conditions prevailing as of the date of valuation;
- Both the buyer and seller are acting prudently and knowledgeably;
- The seller is under compulsion to sell;
- The buyer is typically motivated;
- Both parties are acting in what they consider to be their best interests;
- An adequate marketing effort will be made during the exposure time;
- Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto; and
- 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. (Dictionary)

Easement

The right to use another's land for a stated purpose. (Dictionary)

EIFS

Exterior Insulation Finishing System. This is a type of exterior wall cladding system. Sometimes referred to as dry-vit.

Effective Date

- 1) The date on which the appraisal or review opinion applies. (SVP)
- 2) In a lease document, the date upon which the lease goes into effect. (Dictionary)

Effective Gross Income (EGI)

The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. (Dictionary)

Effective Rent

Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord. (TIs). (Dictionary)

EPDM

Ethylene Propylene Diene Monomer Rubber. A type of synthetic rubber typically used for roof coverings. (Dictionary)

Escalation Clause

A clause in an agreement that provides for the adjustment of a price or rent based on some event or index. e.g., a provision to increase rent if operating expenses increase; also called *escalator clause*, *expense recovery clause* or *stop clause*. (Dictionary)

Estoppel Certificate

A signed statement by a party (such as a tenant or a mortgagee) certifying, for another's benefit, that certain facts are correct, such as that a lease exists, that there are no defaults, and that rent is paid to a certain date. (Black's) In real estate, a buyer of rental property typically requests estoppel certificates from existing tenants. Sometimes referred to as an *estoppel letter*. (Dictionary)

Excess Land

Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. (Dictionary)

Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties. (Dictionary)

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying operating expenses above a stated level or amount. (Dictionary)

Exposure Time

- 1) The time a property remains on the market.
- 2) The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market. (Dictionary)

Extraordinary Assumption

An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2016-2017 ed.)

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. (Dictionary)

Floor Common Area

In an office building, the areas on a floor such as washrooms, janitorial closets, electrical rooms, telephone rooms, mechanical rooms, elevator lobbies, and public corridors which are available primarily for the use of tenants on that floor. (BOMA)

Full Service (Gross) Lease

A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called a *full service lease*. (Dictionary)

Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory. (Dictionary)

Going-Concern Value

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern* or *market value of the total assets of the business*. (Dictionary)

Gross Building Area (GBA)

- 1) Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and

basements if and when typically included in the market area of the type of property involved.

- 2) Gross leasable area plus all common areas.
- 3) For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space. (Dictionary)

Gross Measured Area

The total area of a building enclosed by the dominant portion (the portion of the inside finished surface of the permanent outer building wall which is 50 percent or more of the vertical floor-to-ceiling dimension, at the given point being measured as one moves horizontally along the wall), excluding parking areas and loading docks (or portions of same) outside the building line. It is generally not used for leasing purposes and is calculated on a floor by floor basis. (BOMA)

Gross Up Method

A method of calculating variable operating expenses in income-producing properties when less than 100% occupancy is assumed. Expenses reimbursed based on the amount of occupied space, rather than on the total building area, are described as "grossed up." (Dictionary)

Gross Retail Sellout

The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions. Also called the *aggregate of the retail values*, *aggregate retail selling price* or *sum of the retail values*. (Dictionary)

Ground Lease

A lease that grants the right to use and occupy land. Improvements made by the ground lessee typically revert to the ground lessor at the end of the lease term. (Dictionary)

Ground Rent

The rent paid for the right to use and occupy land according to the terms of a ground lease; the portion of the total rent allocated to the underlying land. (Dictionary)

HVAC

Heating, ventilation, air conditioning (HVAC) system. A unit that regulates the temperature and distribution of heat and fresh air throughout a building. (Dictionary)

Highest and Best Use

- 1) The reasonably probable use of property that results in the highest value. The four criteria that the highest

and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

- 2) The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS)
- 3) [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions) (Dictionary)

Hypothetical Condition

- 1) A condition that is presumed to be true when it is known to be false. (SVP – Standards of Valuation Practice, effective January 1, 2015)
- 2) A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. **Comment:** Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2016-2017 ed.) (Dictionary)

Industrial Gross Lease

A type of modified gross lease of an industrial property in which the landlord and tenant share expenses. The landlord receives stipulated rent and is obligated to pay certain operating expenses, often structural maintenance, insurance and real property taxes, as specified in the lease. There are significant regional and local differences in the use of this term. (Dictionary)

Insurable Value

A type of value for insurance purposes. (Typically this includes replacement cost less basement excavation, foundation, underground piping and architect's fees). (Dictionary)

Investment Value

The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. (Dictionary)

Just Compensation

In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken. Just compensation should put the owner in as good a position pecuniarily as he or she would have been if the property had not been taken. (Dictionary)

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires. (Dictionary)

Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. (Dictionary)

Lessee (Tenant)

One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement. (Dictionary)

Lessor (Landlord)

One who conveys the rights of occupancy and use to others under a lease agreement. (Dictionary)

Liquidation Value

The most probable price that a specified interest in property should bring under the following conditions:

- Consummation of a sale within a short time period.
- The property is subjected to market conditions prevailing as of the date of valuation.
- Both the buyer and seller are acting prudently and knowledgeably.
- The seller is under extreme compulsion to sell.
- The buyer is typically motivated.
- Both parties are acting in what they consider to be their best interests.
- A normal marketing effort is not possible due to the brief exposure time.
- Payment will be made in cash in U.S. dollars (or the local currency) 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. (Dictionary)

Loan to Value Ratio (LTV)

The ratio between a mortgage loan and the value of the property pledged as security, usually expressed as a percentage. (Dictionary)

Major Vertical Penetrations

Stairs, elevator shafts, flues, pipe shafts, vertical ducts, and the like, and their enclosing walls. Atria, lightwells and

similar penetrations above the finished floor are included in this definition. Not included, however, are vertical penetrations built for the private use of a tenant occupying office areas on more than one floor. Structural columns, openings for vertical electric cable or telephone distribution, and openings for plumbing lines are not considered to be major vertical penetrations. (BOMA)

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations; term, concessions, renewal and purchase options and tenant improvements (TIs). (Dictionary)

Market Value

The most probable price that 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:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- 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.

(Dictionary)

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of the Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.) (Dictionary)

Master Lease

A lease in which the fee owner leases a part or the entire property to a single entity (the master lease) in return for

a stipulated rent. The master lessee then leases the property to multiple tenants. (Dictionary)

Modified Gross Lease

A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a *double net lease*, *net net lease*, *partial net lease*, or *semi-gross lease*. (Dictionary)

Operating Expense Ratio

The ratio of total operating expenses to effective gross income (TOE/EGI); the complement of the net income ratio, i.e., OER = 1 – NIR (Dictionary)

Option

A legal contract, typically purchased for a stated consideration, that permits but does not require the holder of the option (known as the *optionee*) to buy, sell, or lease real estate for a stipulated period of time in accordance with specified terms; a unilateral right to exercise a privilege. (Dictionary)

Partial Interest

Divided or undivided rights in real estate that represent less than the whole, i.e., a fractional interest such as a tenancy in common, easement, or life interest. (Dictionary)

Pass Through

A tenant's portion of operating expenses that may be composed of common area maintenance (CAM), real property taxes, property insurance, and any other expenses determined in the lease agreement to be paid by the tenant. (Dictionary)

Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. (Dictionary)

Prospective Future Value Upon Completion

A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an effective date that is subsequent to the date of the appraisal report. ... The prospective market value –as completed- reflects the property's market value as of the time that development is expected to be complete. (Dictionary)

Prospective Future Value Upon Stabilization

A prospective market value may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project. According to USPAP, an appraisal with a prospective market value reflects an effective date that is subsequent to the date of the appraisal report ...The prospective market value – as stabilized – reflects the property's market value as of the time the property is projected to achieve stabilized occupancy. For an income-producing property, stabilized occupancy is the occupancy level that a property is expected to achieve after the property is exposed to the market for lease over a reasonable period of time and at comparable terms and conditions to other similar properties. (Dictionary)

Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. (Dictionary)

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all of the deficiencies, superadequacies, and obsolescence of the subject building. (Dictionary)

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of

the type of value with this term is appropriate, e.g., "retrospective market value opinion." (Dictionary)

Sandwich Leasehold Estate

The interest held by the sandwich leaseholder when the property is subleased to another party; a type of leasehold estate. (Dictionary)

Sublease

An agreement in which the lessee in a prior lease conveys the right of use and occupancy of a property to another, the sublessee, for a specific period of time, which may or may not be coterminous with the underlying lease term. (Dictionary)

Subordination

A contractual arrangement in which a party with a claim to certain assets agrees to make his or her claim junior, or subordinate, to the claims of another party. (Dictionary)

Surplus Land

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. (Dictionary)

Triple Net (Net Net Net) Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called *NNN lease*, *net net net lease*, or *fully net lease*. (Dictionary)

(The market definition of a triple net lease varies; in some cases tenants pay for items such as roof repairs, parking lot repairs, and other similar items.)

Usable Area

The measured area of an office area, store area, or building common area on a floor. The total of all the usable areas for a floor shall equal floor usable area of that same floor. (BOMA)

Value-in-Use

The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually. (Dictionary)

Qualifications

Qualifications of Paul P. Grafe, MAI, CCIM
Senior Managing Director
Valbridge Property Advisors | San Antonio
pgrafe@valbridge.com



Education

- *Bachelor of Science Degree in Agricultural Economics* with a specialization in Real Estate – Texas A&M University; May 1985

Specialized Education

Received credit for the following courses sponsored by the Appraisal Institute, American Society of Farm Managers and Rural Appraisers, Commercial Investment Real Estate Institute and International Right-of-Way Association:

- Separating Real, Personal and Intangible Value, Appraisal Institute
- Standards of Professional Practice Part C
- Business Practices and Ethics
- Advanced Applications, Appraisal Institute
- Decision Analysis for Commercial Investment Real Estate (CI 301)
- Market Analysis for Commercial Real Estate (CI 201)
- Advanced Resource Appraisal (A-34)

Completed all core courses under the American Institute of Real Estate Appraisers required for the MAI designation, 1984-1988. During his education at Texas A&M University, he completed 18 hours of core real estate courses.

Designations/Certifications

- Accredited Member, Appraisal Institute, Certificate No. 8582, MAI; October 1990
- Member, Commercial Investment Real Estate Institute, Certificate No. 8330, CCIM; November 1998
- State Certified General Real Estate Appraiser; State of Texas; Certification No. TX-1320847-G; November 2017
- State Certified General Real Estate Appraiser; State of New Mexico; Certification No. 03585-G; November 2017.
- Texas Real Estate Broker; License No. 0354271; 1992

Experience

Presently and since 1985, Paul P. Grafe has been engaged in independent real estate fee appraisal and consultant work. Presently, he is Senior Managing Director of Valbridge Property Advisors | San Antonio, formerly known as Dugger, Canaday, Grafe, Inc. He has qualified as an expert witness and testified for real estate related matters in County, District, and Federal Courts.

Other business interests have included Alamo Fiesta Recreational Vehicle Resort, Boerne, Texas, and ranching registered Angora and Boer Goats. Mr. Grafe has served as an officer on the boards of a number of civic and education related organizations. He has been active in coaching youth sports and is involved with several FFA and 4-H programs.

Real Estate Specializations

Clients served include corporations, law firms, accounting firms, individuals, financial institutions, mortgage lenders, conduit lenders, governmental agencies, developers and estates.

- Mixed use developments
- Office
- Multi-family
- Retail
- Hotel
- Industrial
- Special purpose properties including: resort hotels and developments, retirement communities, nursing homes, golf courses, aircraft hangars, and micro processing facilities.
- Recreational and working ranches in Texas, Colorado and Wyoming
- Small grain farms
- Mushroom farms
- Fertilizer plants
- Nurseries

Paul has developed specializations in the appraisal of multi-family and retail properties as well as appraisal related to condemnation. Additionally, he developed a specialization in litigation valuation especially related to ad valorem tax and condemnation appraisal. In addition to valuation and counseling on real property, he has completed appraisals dealing with many types of equipment and rolling stock.

Generally, his trade area encompasses the State of Texas; however, Mr. Grafe has had the opportunity to complete a number of appraisals throughout the United States over the last fifteen years. These assignments varied in property type to include multi-family, credit leased properties (i.e., CVS Drugstores, Eckerd Drugstores, IHOP Restaurants, etc.), retail, office and industrial. Appraisals have been made in the states of Arkansas, California, Colorado, Indiana, Illinois, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Mississippi, New Mexico, New Hampshire, North Carolina, Oklahoma, Pennsylvania, South Carolina, and Wyoming. Appraisal assignments have also been completed in the Republic of Mexico and Puerto Rico. Appraisals in Mexico have been completed in the states of Tamaulipas, Guanajuato, Nuevo Leon, Mexico, Baja California, Chihuahua, and Sinaloa. The emphasis of these assignments has been industrial and resort properties.

From May 1985 to December 1988, Mr. Grafe was employed as an associate appraiser for Noble, Glen & Associates, Inc. From October 1984 to May 1985, he was employed part time for Brazosland Appraisals in Bryan, Texas as a residential market research intern.

Professional Affiliations

- Member, Appraisal Institute, Certificate No. 8582, MAI; October 1990
- Member, Commercial Investment Real Estate Institute, Certificate No. 8330, CCIM; November 1998
- President, San Antonio Chapter of the Appraisal Institute; 1999 Director, San Antonio Chapter of the Appraisal Institute; 1993-2000
- President, International Right-of-Way Association; 2001 Director, International Right-of-Way Association; 1997-2001
- Treasurer, Boerne Sunrise Rotary Club; 1997 Director, Boerne Sunrise Rotary Club; 1994-1997
- Member, Society of Texas A&M Real Estate Professionals

Seminars and Lectures

- Speaker - 27th Annual Legals Seminar on Ad Valorem Taxation; "How Do You Know I Know You Know What You Say You Know?" Expert Qualification and Disqualification Rules and Issues, 2013
- Scope of Work: Expanding Your Range of Services, 2006
- Speaker – International Right-of-Way Region 2 Seminar; "New Trends in the Appraisal Industry," 2005
- Real Estate Issues Seminar; International Right-of-Way Association Chapter 39; 1997-2011

PAUL PHILLIP GRAFE
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Qualifications of Aaron S. Tunnell
Associate Appraiser
Valbridge Property Advisors | San Antonio
atunnell@valbridge.com



Education

- *Bachelor of Arts, Communication Studies, Texas Tech University - 2012*

Specialized Education

Champion's School of Real Estate

- Basic Appraisal Principles
- Basic Appraisal Procedures
- Uniform Standards of Professional Appraisal Practice (USPAP)
- Site Valuation & Cost Approach
- Sales Comparison Approach
- Sales Income Approach

Appraisal Institute

- Report Writing and Case Studies
- Real Estate Finance and Statistics

American Society of Farm Managers and Rural Appraisers (ASFMRA)

- Uniform Standards of Federal Land Acquisitions
- Texas Hill Country Vineyard Valuation Seminar

Designations/Certifications

- Texas Appraiser Licensing and Certification Board; License No. TX-1341005-Trainee
- Texas Real Estate Sales Agent; License No. 645451

Experience

Presently and since May 2014, Aaron Tunnell has been employed by Valbridge Property Advisors | San Antonio, formerly Dugger, Canaday, Grafe, Inc. where he is currently recognized as an Associate Appraiser.

Real Estate Specializations

- Working, recreational and game managed ranches
- River, creek and lakefront properties
- Irrigated and dry farmland
- Vineyard & Winery
- Conservation easements
- Commercial acreage valuation in metropolitan areas; transition land

Professional Affiliations

- Associate Member, Appraisal Institute- Certificate No. 583798
- Member, Texas Tech Alumni Association

A San Antonio native, Aaron graduated from Winston Churchill High School in 2006. At Texas Tech University, he was a member of the Tech Waterski & Wakeboard competition team for four years.

You may wish to laminate the pocket identification card to preserve it.


AARON STERLING TUNNELL
7838 HUEBNER RD APT 8203
SAN ANTONIO, TX 78240

The person named on the reverse is authorized to conduct appraisals under direct supervision of the sponsoring appraiser(s) by the Texas Appraiser Licensing and Certification Board.

Inquiry as to the status of this license may be made to:

Texas Appraiser Licensing and Certification Board
P.O. Box 12188
Austin, TX 78711-2188
www.talcb.texas.gov
(512) 936-3001
Fax: (512) 936-3899

Texas Appraiser Licensing and Certification Board P.O. Box 12188 Austin, Texas 78711-2188	
Appraiser Trainee	
Authorization# TX 1341005	Trainee I.D. Number: 999994796
Issued: 04/10/2018	Expires: 11/30/2019
Trainee: AARON STERLING TUNNELL	
Supervisor: Paul Phillip Grafe	Certification #: TX 1320847 C
I.D. Number: 880354271	
<small>The Texas Appraiser Licensing and Certification Board authorizes the named person to act as an Appraiser Trainee under the supervision of the certified appraiser noted above, pursuant to Texas Occ. Code, Chapter 1103. An Appraiser Trainee may perform appraisals only under the direct supervision of the Trainee's supervisory appraiser(s) who signs the report and is responsible for the conduct of the Appraiser Trainee. An Appraiser Trainee may be supervised by one or more certified appraisers.</small>	
 Douglas E. Oldmixon Commissioner	

Texas Appraiser Licensing and Certification Board P.O. Box 12188 Austin, Texas 78711-2188	
Appraiser Trainee	
Authorization# TX 1341005	Trainee I.D. Number: 999994796
Issued: 04/10/2018	Expires: 11/30/2019
Trainee: AARON STERLING TUNNELL	
Supervisor: Paul Phillip Grafe	Certification #: TX 1320847 C
I.D. Number: 880354271	
<p>The Texas Appraiser Licensing and Certification Board authorizes the named person to act as an Appraiser Trainee under the supervision of the certified appraiser noted above, pursuant to Texas Occ. Code, Chapter 1103.</p> <p>An Appraiser Trainee may perform appraisals only under the direct supervision of the Trainee's supervisory appraiser(s) who signs the report and is responsible for the conduct of the Appraiser Trainee.</p> <p>An Appraiser Trainee may be supervised by one or more certified appraisers.</p>	
 Douglas E. Oldmixon Commissioner	

Company Information on Valbridge Property Advisors

- **Valbridge is the Largest, Independent, National, Commercial real estate valuation and advisory services firm in North America:**
 - Total number of MAIs (200 on staff)
 - Total number of office locations (70 across the U.S.)
 - Total number of staff (675 strong)
- **Valbridge covers the U.S. from coast to coast.**
- **Valbridge services all property types, including special-purpose properties.**
- **Valbridge provides independent valuation services. We are not owned by a brokerage firm or investment company.**
- **Every Valbridge office is led by a senior managing director who holds the MAI designation of the Appraisal Institute.**
- **Valbridge is owned by our local office leaders.**
- **Valbridge welcomes single-property assignments as well as portfolio, multi-market and other bulk-property engagements.**





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