CAMP CENTRAL APPRAISAL DISTRICT

BIENNIAL REAPPRAISAL PLAN FOR

TAX YEARS 2023 & 2024

PUBLIC HEARING
ADOPTED BY THE BOARD OF DIRECTORS
ON
JULY 21, 2022

Plan adopted by resolution after a public hearing was held in accordance with 6.05(i) of the Texas Property Tax Code
Amended on September 21, 2023

Amendment to:
Camp Central Appraisal District
Biennial Reappraisal Plan Tax Years 2023-2024

On September 21, 2023, the Board of Directors met at a regular monthly meeting and approved the attached changes/additions to the 2023-2024 Camp Central Appraisal District Reappraisal Plan.

This amendment approved and signed by:

Dated this 21st day of September, 2023.

Chairman

ATTEST:

Secretary

HOMESTEAD SURVEY PROCEDURES

SB 1801 Effective 9/1/2023

SB 1801 amends Section 11.43 of the Property Tax Code. Section 11.43(h-1) requires the chief appraiser of an appraisal district to develop a program for the periodic review of each residence homestead exemption granted by the district under Section 11.13 to confirm that the recipient of the exemptions still qualifies for the exemption. The program must require the chief appraiser to review each residence homestead exemption at lease once every five tax years. The program may provide for the review to take place in phases, with a portion of the exemption reviewed in each tax year.

First tax year of the 5-year program will be 2024.

Year 1 – Region 2
Year 2 – Region 3
Year 3 – Region 1 Subdivisions
Year 4 – Region 1 Abstracts/Surveys
Year 5 – Region 1 Pittsburg City

Each year the following steps will be completed for all residence homesteads according to the 5-year schedule listed above.
The following monitors were developed in PACS Appraisal to provide the targeted list for each year:

*Region 1 HS Props By Abstract Code Exclude Subdv
*Region HS Props By Region
*Region Pittsburg City HS Props by Region
*Region Subdivision HS Props By Region Exclude SCP

1) Initial mailing of homestead survey-September 1st (60 days)
   All returned surveys with current driver's license will be processed. (marked off list, information checked, and scanned in PACS Appraisal system)

2) No response to initial mailing: 2nd notice mailed-November 1st (30 days)
   Notice mailed certified stating if survey not returned within 30 days the exemption will be removed for current tax year.

3) All returned surveys with current driver's license will be processed. (marked off list, information checked, and scanned in PACS Appraisal system)

4) No response after January 1st: the exemption(s) will be removed and coded for Canceled/Reduced Exemption Notice (Sec. 25.193) in April.

2024 Calendar of Events

Phase	Begin	Complete
Administration/Planning	September 2023	June 2024
Training:		
Certifications/CE's	Ongoing	Ongoing
in-house training	Ongoing	Ongoing
conference/workshops	Ongoing	Ongoing
Data Collection/Discovery:		
Collect deeds, mechanic liens, building permits, assumed name filings etc.	January 2024	March 2024
Mail Homestead Survey (SB 1801)	August 2023	January 2024
HSSUR-Year 1-Region 2	January 2024	March 2024
Mail HS/Ag/Timber appls (Reset)	January 2024	March 2024
Updates/Reapps/WL Annual Rpts.	January 2024	March 2024
Mail Annual Exemption Appls.	August 2023	January 2024
Mail Manufactured Home Letters		
Mail Renditions:		
Business PP/Real	January 2024	April 2024
Mail Income Surveys	October 2023	October 2023
Sales Data Gathered	Continuous	Continuous
Mail Sale Surveys	Continuous	Continuous
Field Inspections	Sept. 2023	March 2024
Data Entry	October 2023	March 2024
On-going Mapping		
Deed research for metes and bounds in continuing process of unmapped properties and split-outs	Continuous	Continuous
Valuation Analysis/Processing		
Ratio studies, schedule building/adjustment/ testing and determining need for modifiers	January 2024	March 2024
Review	March 2024	March/April 2024
Pilot studies/testing	April 2024	May 2024
Notification (25.19, 25.192, 25.193)	May 2024	May 2024
Submission of records to ARB	June 2024	June 2024
Hearings		July 2024
Certification of Values		

TABLE OF CONTENTS

Code of Ethics

It is the strict policy of this Appraisal District to adhere to the following code of ethics.

(1) I will be guided by the principal that property taxation should be fair and uniform, and I will apply all laws, rules, methods, and procedures in a uniform manner to all taxpayers.
(2) I will not accept anything of value from any party other than my employer unless acceptance of something is totally unrelated to my performance and duties as an appraiser, assessor or collector.
(3) I will not use information received in connection with my duties as an appraiser, assessor or collector for my own purposes or for my own gain, unless such information can be known by ordinary means to any ordinary citizen.
(4) I will not accept an assignment for which it is expected by any party that I will report a predetermined appraised value or report such predetermined values.
(5) I will not speak or act in a manner or engage in any practice that is dishonest, fraudulent, deceptive or in violation of law or generally accepted standards or morality.
(6) I will uphold the honor and dignity of the property tax profession.
(7) I will not communicate a report or assignment results known by me to be misleading or fraudulent & I will not knowingly permit an employee or other person to communicate a report or assignment results that are misleading or fraudulent.

Executive Summary/Scope of Responsibility-Work

Camp Central Appraisal District is a political subdivision of the State of Texas established January 1, 1980. This reappraisal plan and report required by S.B. 1652 is generated to provide the citizens of Camp County a better understanding of the district's procedures, responsibilities, activities, results and effects of those activities. The ultimate goal is to obtain an effective and positive result when analyzed by the Property Tax Division of the Comptroller's Office with the annual Property Value Ratio Study Report. This report establishes the position of equity and uniformity for the appraisal district in the property categories tested.

Camp Central Appraisal District is governed by a Board of Directors appointed by the taxing entities. The Board of Directors hires the Chief Appraiser as administrator of the appraisal district. The Property Tax Code is the governor of the legal, statutory, and administrative requirements of the appraisal district.

The appraisal district is required to appraise all property in its district boundaries for the purpose of local property taxation at market value as of January 1 except as otherwise provided by Sec. 23 of the tax code. According to the Texas Property Tax Code "market

value" is defined as the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

- exposed for sale in the open market with a reasonable time for the seller to find a buyer
- both the seller and buyer know all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use, and;
- both seller and buyer seek to maximize their gains, and neither is in a position to take advantage of the needs of the other

Various types of property exemptions/special appraisal are determined by the appraisal district office such as homestead exemptions, charitable or religious exemptions, partial-absolute exemptions and agricultural/timber/wildlife productivity valuation.

Appraisals are generated with computer assisted mass appraisal programs using recognized appraisal techniques and methods. We compare our data to data gathered from recent cost guides and market sales data. The district follows the standards of the International Association of Assessing Officers (IAAO) regarding its appraisal practices and procedures and subscribes to the standards known as the Uniform Standards of Professional Appraisal Practice (USPAP) to the extent they are applicable. USPAP Standards 5 & 6 apply to mass appraisals regardless of the purpose or use of such appraisals. Standard 5 covers the development of a mass appraisal assignment. Standard 6 covers the reporting of a mass appraisal assignment. These standards are directed toward the substantive aspects of developing and communicating competent analyses, opinions, and conclusions in the mass appraisal of properties, whether real property or personal property.

The purpose and requirement for the written reappraisal plan and periodic reappraisal resulted from the passage of S.B. 1652 which amended the Tax code as follows:

The Written Plan

According to Section 6.05 of the Tax Code subsection (i):

"To ensure adherence with generally accepted appraisal practices, the Board of directors of an appraisal district shall develop biennially a written plan for the periodic reappraisal of all property within the boundaries of the district according to the requirements of Section 25.18 and shall hold a public hearing to consider the proposed plan. Not later than the 10th day before the date of the hearing, the secretary of the board shall deliver to the presiding officer of the governing body of each taxing unit participating in the district a written notice of the date, time and place of the hearing. Not later than September 15th, of each even numbered year, the board shall complete its hearings, make amendments, and by resolution finally approve the plan. Copies of the approved plan shall be distributed to the presiding officer of the governing body of each taxing unit participating in the district and to the comptroller within 60 days of the approval date."

The Plan for Periodic Reappraisal

Section 25.18 of the Tax code (a) and (b) implements the following:

(a) "Each appraisal office shall implement the plan for periodic reappraisal of property approved by the board of directors under Section 6.05 (i).
(b) The plan shall provide for the following reappraisal activities for all real and personal property in the district at least once every three years:
    (1) Identifying properties to be appraised through physical inspection or by other reliable means of identification, including deeds or other legal documentation, aerial photographs, land-based photographs, surveys, maps and property sketches;
    (2) Identifying and updating relevant characteristics of each property in the appraisal records;
    (3) Defining market areas in the district;
    (4) Identifying property characteristics that affect property value in each market area
        (A) The location and market area of the property;
        (B) Physical attributes of the property such as size, age, and condition;
        (C) Legal and economic attributes; and
        (D) Easements, covenants, leases, reservations, contracts, declarations, special assessments, ordinances, or legal restrictions;
    (5) Developing an appraisal model that reflects the relationship among the property characteristics affecting value in each market area and determine the contribution of individual property characteristics:
    (6) Applying the conclusions reflected in the model to the characteristics of the properties being appraised; and
    (7) reviewing the appraisal results to determine value."

In addition to periodic reappraisals, all personal property accounts are visited on an annual basis, open-space, timber and wildlife agricultural valuations are also calculated on an annual basis. Ratio analysis are conducted to define reappraisals in all market areas of the district defined on page 18 of this plan. Camp CAD consists of one school district, Pittsburg ISD, and a very small portion of Gilmer ISD.

Revaluation Decision Pertaining to Reappraisal Cycle

The Camp Central Appraisal District makes the determination as to the timing of all re-evaluation on an annual basis. This determination will dictate the reappraisal of all property located in the CAD or determine re-appraisal of areas or categories of property located within the CAD such as subdivisions, geographical areas, rural areas, commercial areas, residential, vacant lots, etc. The district has been divided into three regions to ensure the CAD reinspects and reevaluates properties as required by the Property Tax Code on a three-year cycle. The district's appraisers are subject to the provisions of the

Property Taxation Professional Certification Act and must be duly registered with the Texas Department of Licensing and Regulation. The endorsement validates the action taken on each property reappraisal. Any property that has not been reappraised in the previous two years or in the above determination of the 2023-2024 reappraisal will fall into the category of annual determination of reevaluation by region.

The reappraisal plan for Camp Central Appraisal District is as follows:

Scope of Work

1. identify and define the work, incorporate the application of proven and professionally acceptable techniques and procedures;
2. provide for the compilation of complete and accurate data and the processing of that data into an indication of value approximating the prices being paid in the marketplace; the development of credible results;
3. provide the necessary standardization measures and quality controls essential to promoting and maintaining uniformity throughout the jurisdiction;
4. provide the appropriate production controls necessary to execute each phase of the operation in accordance with a carefully planned budget and work schedule, and
5. provide techniques especially designed to streamline each phase of the operation, eliminating functions, and reducing the complexities inherent in the appraisal process to more simplified but equally effective procedures.
6. Disclose the scope of work in a report. The report should include sufficient information to allow intended users to understand the scope of work.

PERFORMANCE/MONITORING ANALYSIS
QUALITY CONTROL

As procedure has dictated and has occurred in years past, 2023 and 2024 appraisal years will be analyzed with ratio studies from the previous year's values along with the Comptroller's Property Value Study report to determine appraisal accuracy and appraisal uniformity overall with the use of additional market data gathered within and representing each of the state property reporting categories.
In conjunction with the ratio study and the property value study the mean, median, and weighted mean ratios are calculated for properties in each reporting category to measure the level of appraisal accuracy. The mean ratio is calculated in each market area to indicate the level of appraisal accuracy by property reporting category. In 2023 and 2024 this analysis will be used to develop the starting point for establishing the level of accuracy on the appraisal performance. The testing result will be an indicator of which properties will need to be addressed with a change and which properties will not need a change. This result can indicate a negative or positive increase or decrease in value.
All ratio calculations are in compliance with the Standard on Ratio Studies from the International Association of Assessing Officers.

Model testing, Quality Control and Correlation are the final steps in the appraisal process. Model testing is done to determine the final changes for current year's final values. Quality control reviews all properties after the final values have been determined. Correlation is the process of comparing all three value methods as a test of market value. All of these are completed before the final values are implemented. Specifications are typical components of each individual class. These components are the "specifications" of its model. The specifications are reviewed each year from Marshall/Swift, local ratio studies and local builders/contractors. As newly constructed homes are inspected, the differences are noted so that a review of model specifications can be done. Calibration involves reviewing and measuring all variables that affect the market value. After all variables are analyzed, the model is calibrated. Final Value Implementation of changes is applied to the model to achieve market value. This process is done after final approval from Chief Appraiser. Final value implementation consists of schedule changes, neighborhood changes and individual property changes. Quality control and assurance measures produced by Camp CAD and Capitol Appraisal Group depend on the quality of the data from which they are generated. Therefore, all data collected is tested in a systematic manner throughout the entire appraisal process.

The Chief Appraiser will review work throughout the entire appraisal process, reviewing work for conformity to appraisal standards. The Chief Appraiser and Senior Appraiser will conduct spot reviews of work throughout the appraisal process for potential errors. Camp CAD runs a number of verification reports through PACS software. The software allows for a wide variety of user generated reports as well as those written by the vendor. The following are some of the more frequently used reports by Camp CAD:

- •Exception Reports – assessed value, improvement value, land value, mobile home value and personal property value.
- •Gain/Loss Reports
- •Homestead Cap Verification Reports
- •Limitation on the absence from Homestead
- •Multiple Homestead Reports
- •Mismatched Personal Property/Entity Report
- •Recalculation Error Report

Camp CAD software also allows "user rights", the Chief Appraiser is the Administrator of those rights. The Chief Appraiser and Senior Appraiser only have the right to change schedules, create schedules, change class or depreciation, etc.

The Camp CAD contracts with Capitol Appraisal Group for the appraisal and valuation of oil and gas leases, communication properties, public utilities, and industrial properties. In addition to Capitol Appraisal Group's performance tests and quality controls, Camp CAD will monitor the work as well. The Chief Appraiser will monitor the contractor's work to ensure progress according to the reappraisal plan. The Chief Appraiser receives periodic update reports from the appraisers throughout the appraisal and review process. The Chief Appraiser is notified, and a part of, all settlement/wavier agreements. Capitol Appraisal Group appears before the ARB in June/July and gives an annual report with supporting documentation. Once Capitol submits the electronic file, and it has been imported for the current year, the Chief Appraiser will run all data verification reports before beginning the certification process.

ANALYSIS OF AVAILABLE RESOURCES

Data, maps, information systems support, existing practices, budget, and employee staffing are all major components required to assist in accomplishing final results necessary to ensure the appraisal district is conforming with the IAAO and USPAP standards and practices when appraising all categories of property.

The ultimate goal is to have the proper employees in key positions with the experience, knowledge and certification required to perform the duties that are expected of them. The Board of Directors and the Chief Appraiser are responsible for the administrative functions, direct and control the business support functions related to human resources, budget, finance, records management, purchasing, fixed assets, facilities, and postal services. The Chief Appraiser is responsible for the planning, organizing, staffing, and coordinating the district operations. This is performed with the assistance, guidance, and authority of the Board of Directors. The appraisal department or appraisers are responsible for the valuation of all property within the boundaries of Camp CAD. These categories of property include commercial, residential, business personal, mineral, utilities, and industrial. The district's appraisers are subject to the certification requirements adopted by the Texas Department of Licensing and Regulation which are subject to the provisions of the Property Taxation Professional Certification Act. Support Functions include record maintenance, information coordination, formal and informal property protest hearings, and many other citizen contacts.

Education

The appraisal district's staff consists of 6 employees with the following classifications:
Chief Appraiser/Administrator (executive level administration) – 1
Technicians or appraisers – 2
Administrative support – 3

All TDLR licensed personnel are required to receive additional training of a minimum of 30 hours of continuing education units every two years in order to continue working as a TDLR licensed employee. Failure to comply with this requirement will result in a revoked license and possible termination from the appraisal district. Appraisers will accomplish the cycle of real property re-inspection and personal property on-site review for the 2023-2024 time period. The appraiser's longevity of employment with the Appraisal district can be a positive effect on accomplishing the goals of reappraisal. Appraiser's familiarity with the county is a must to accomplish this demandingly large task.

Mapping

The Camp Central Appraisal District is responsible for establishing and maintaining approximately 22,000 property accounts. The data that comprises the 22,000 property accounts include property characteristics, ownership, and absolute or partial exemption information.

The GIS mapping system maintains parcel lines, split outs and various layers of data and aerial photography. The district's website allows a broad range of information available for public access, including information on individual appraisals, property characteristics, certified values, and exemption applications and forms. Aerial photography is especially helpful in determining the productive use of agricultural and timber lands. The GIS mapping system is maintained by BIS Consulting. They are responsible for ownership and spit-out updates and mapping properties according to the metes and bounds of deeds and resurveys. Aerial photography will be updated every two years using the information provided the US Geological Department and Google Maps. The Appraisal District last purchased high resolution aerials flown in December of 2011, then again in 2017 through Eagleview for the Pictometry mapping system.

In February of 2017 the Appraisal District contracted with Eagleview Pictometry for services of Pictometry Connect and ChangeFinder. New aerial maps will be an added layer in intervals of two-year periods. Pictometry mapping is integrated with our GIS mapping system for ownership, property identification numbers and split outs.

In June of 2018 Google Maps became available as an added layer. BIS Consulting added those layers to our interactive map.

Camp CAD was scheduled for high resolution aerials to be flown in the winter months of 2019-2020 through the contract agreement with Eagleview/Pictometry. Above normal amounts of rain received caused a delay in the flight scheduled. A re-scheduled flight is planned for the fall/winter months of 2020-2021.
In January of 2021 the delayed flight of high resolution aerials were flown. The project was completed, and a new interval layer was added. The next scheduled flight will be in January 2024.

Information system enables the district to maintain and continuously add additional data concerning the 22,000 accounts in the district. The server data base is a Dell Power Edge T630 with software support from Harris Computer-True Automation. The user base is networked to the mainframe using Windows 10 applications. True Automation programmers are updated on all applicable law changes and are continuously updating the software requirements that functions our reporting process. The district contracts with BIS for all technical support for the district's mainframe server and workstations. Annual budget requirements for the following year are presented to the Appraisal District Board of Directors by June 15th of the current year. The BOD must adopt the budget by September 15th of the current year and provide all participating entities with a copy.

REAPPRAISAL DECISION

Overview

The Camp Central Appraisal District, by policy adopted by the Board of Directors and Chief Appraiser, reappraises approximately one-third of all property in the district every year. A breakdown of the areas to be reappraised is made using regional boundaries.

Using regions as an area, accounts are totaled within each region. Regions are divided as follows: Region 1-All property accounts located around Lake Bob Sandlin and within the city limits of Pittsburg-Region 1 is the district's most populated region with 5,431 accounts. Region 2-All property accounts located in the northern part of the county-north of Highway 11 consisting of 3,219 accounts. Region 3-All property accounts located in the southern part of the county-south of Highway 11 consisting of 3,159 accounts. Only certain regions are appraised in a given year. In any given appraisal year, the Chief Appraiser reserves the right to modify the schedule, if in-house ratio studies, natural disasters or other information deem reappraisal is necessary out of turn; while still ensuring adherence to the overall 3-year cycle.

Example:

Year A:	Region 1
Year B:	Region 2
Year C:	Region 3

Reappraisal Year Activities

The goal for valuation of all property is to appraise all taxable property at "fair market value." The Property Tax Code defines Fair Market value as the price at which a property would transfer for cash or its equivalent under prevailing market conditions if: exposed for sale in the open market with a reasonable time for the seller to find a purchaser; both the seller and the purchaser know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use; and both the seller and purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.

1. Performance Analysis- the equalized values from the previous tax year will be analyzed with ratio studies to determine the appraisal accuracy & appraisal uniformity overall and by the market area with property reporting categories. Ratio studies will be conducted in compliance with the current Standard on Ratio Studies of the International Association of Assessing Officers (IAAO).

2. Analysis of Available Resources- Staffing and budget requirements for tax year 2023 are detailed in the 2023 budget, as adopted by the board of directors. Staffing and budget requirements for the tax year 2024 will be addressed in the 2024 budget to be adopted by the board of directors in accordance with Section 6.06 of the Property Tax Code.

   The Board of Directors of Camp CAD will contract Mineral, Industrial, Utilities & related Personal Property appraisals for the 2023-2024 appraisal years with Capitol Appraisal Group.

   Planning and Organization- A calendar of events with critical completion dates will be prepared for each area. This calendar will identify key events for appraisal, mapping and records, administrative and information systems. A

calendar is prepared for tax years 2023-2024. Goals for field activities will be established and incorporated in the planning and scheduling process.

3. Mass Appraisal System- Computer Assisted Mass Appraisal (CAMA) system revisions are completed by the Information Systems Software Provider. System revisions and procedures are performed by the Provider. The Camp County Appraisal District contracts with the firm Harris Computer (True Automation) for these services.

4. Identifying and updating relevant characteristics- Field and office procedures will be reviewed and revised as required for data collection. Activities scheduled for each appraisal year include new construction, demolition, remodeling, reinspection of certain market areas as needed, periodic reinspection of the universe of properties, and field or office verification of sales data and property characteristics. Reinspection of properties is to be completed using physical inspection or by other reliable means of identification, including deeds or other legal documentation, aerial photographs/Pictometry and/or GIS mapping, land-based photographs, surveys, maps, and property sketches.

5. Pilot Study of Tax Year- new and/or revised mass appraisal models are tested each year. Ratio studies, by market area, are conducted on proposed values each year. Proposed values in each category are tested for accuracy and reliability in selected market areas.

6. Valuation by Tax Year- using market analysis of comparable sales and locally tested cost data, valuation models are specified and calibrated in compliance with supplement standards from the International Association of Assessing Officers (IAAO) and the Uniform Standards of Professional Appraisal Practice (USPAP). The calculated values are tested for accuracy and uniformity using ratio studies.

7. Mass Appraisal Report- each appraisal year the Texas Property Tax Code requires Mass Appraisal Report to be prepared and certified by the Chief Appraiser at the conclusion of the appraisal phase of the ad valorem tax calendar. The Mass Appraisal Report is completed in compliance with Standard Rule 6-8 of USPAP. The signed certification by the Chief Appraiser is compliant with Standard Rule 6-9 of USPAP. This written reappraisal plan is attached to the report by reference.

8. Value Defense- the Appraisal District has the burden of proof regarding protests related to appraisal or market value as well as unequal appraisals. Inspection and/or disclosure of evidence and materials will comply with Section 41.461 Property Tax Code.

A re-appraisal year for an area is a complete appraisal of all properties in the district. In the areas of non-reappraisal years, staff will pick up new construction and remodeling, adjust changes in property characteristics that affect value and adjust previous year

values. Appraisal District staff will monitor sales and building classifications (i.e. land, improvements) to reflect current market conditions in this county.

PLANNING AND ORGANIZATION

A calendar of events, with target completion dates, have been prepared and made a part of this document. The calendars only reflect the most relevant events that relate to the appraisal segment of the property tax administration.
The calendar contains critical completion dates prepared for each major work area.
This calendar identifies all key events for appraisal, clerical, and information systems. A separate calendar is prepared for tax years 2023 and 2024.

TAX YEAR 2023
Complete re-appraisal of Region 1
Mailing new homestead and ag/timber applications update letters to new owners (Reset)
Mailing requests for updated homestead and ag/timber applications when needed
Mailing of all annual applications-wildlife updates, misc. exemptions, special inventory declarations annually
Ownership changes and mapping metes and bounds by deed research/GIS maintenance and updating Pictometry mapping system.
Split outs as deeds warrant
Mailing sales surveys to both buyer and seller
Mailing income surveys to all income producing properties (apartments, offices, mini-storages, hotels, etc.)

TAX YEAR 2024
Complete re-appraisal of Region 2
Mailing new homestead and ag/timber applications to new owners (Reset)
Mailing requests for updated homestead/ag/timber applications when needed
Homestead Survey-HSSUR-Year 1-Region 2 Survey letters sent to all HS accounts.
Mailing of all annual applications-wildlife updates, misc. exemptions, special inventory declarations annually
Ownership changes and mapping metes and bounds by deed research/GIS maintenance and updating Pictometry mapping system.
Split outs as deeds warrant
Mailing sales surveys to both buyer and seller
Mailing income surveys to all income producing properties (apartments, offices, mini storages, hotels, etc.)

2023 Calendar of Events

Phase	Begin	Complete
Administration/Planning	September 2022	June 2023
Training:		
Certifications/CE's	Ongoing	Ongoing
in-house training	Ongoing	Ongoing
conference/workshops	Ongoing	Ongoing
Data Collection/Discovery:		
Collect deeds, mechanic liens, building permits, assumed name filings etc.	January 2023	April 2023
Mail Homestead Exemption Appl. Updates/Reapps	January 2023	April 2023
Mail Annual Exemption Appls.	January 2023	April 2023
Mail Ag/Timber/Wildlife Appl.	January 2023	April 2023
Updates/Reapps/Annual Reports	January 2023	April 2023
Mail Manufactured Home Letters	August 2022	January 2023
Mail Renditions:		
Business PP/Real	January 2023	April 2023
Mail income surveys	October 2022	October 2022
Sales Date Gathered	Continuous	Continuous
Mail sale surveys	Continuous	Continuous
Field Inspections	Sept. 2022	March/April 2023
Data Entry	October 2022	April 2023
On-going Mapping		
Deed research for metes and bounds in continuing process of unmapped properties and split-outs	Continuous	Continuous
Valuation Analysis/Processing		
Ratio studies, schedule building/adjustment/ testing and determining need for modifiers	January 2023	April 2023
Review		
Pilot studies/testing	April 2023	April/May 2023
Notification	April 2023	May 2023
Submission of records to ARB	April 2023	May 2023
Hearings	June 2023	July 2023
Certification of Values		July 2023

2024 Calendar of Events

Phase	Begin	Complete
Administration/Planning	September 2023	June 2024
Training:		
Certifications/CE's	Ongoing	Ongoing
in-house training	Ongoing	Ongoing
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Data Collection/Discovery:		
Collect deeds, mechanic liens, building permits, assumed name filings etc.	January 2024	March 2024
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Notification	April 2024	May 2024
(25.19, 25.192, 25.193)		
Submission of records to ARB	May 2024	May 2024
Hearings	June 2024	June 2024
Certification of Values		July 2024

*Throughout both years: Enter sales data as it becomes available from returned buyer/seller surveys and other confidential sources, data entry for new/updated improvements and changes noted by appraisers, make ownership changes as deeds are available, enter/remove exemptions and special use valuation for accounts as they are qualified. Mail residence homestead exemptions applications to new owners as they are identified by the CAD. Continue to research metes and bounds by which to map and identify property in the county to add to our GIS mapping system. Map spilt outs as deeds are received throughout the year. The appraisal staff is responsible for collecting and maintaining property characteristic data for classification, valuation, and other purposes. Accurate valuation of real and personal property by any method requires a comprehensive physical description of personal property, land and building characteristics. The Chief Appraiser and appraisal staff are responsible for administering, planning and coordinating all activities involving data collection and maintenance of all commercial, residential and personal property types located within the boundaries of Camp County and the jurisdictions of the appraisal district. The data collection effort involves the field inspection of real and personal property accounts, as well as entry of all data collected into the existing information system. The goal is to field inspect residential and commercial property in the district every 3 years by region, each region containing approximately 7,400 parcels, and business personal property every year.

Staff Providing Significant Mass Appraisal Assistance

Jan Tinsley, RPA, RTA, CTA, CCA, CSTA	Chief Appraiser
Glenda Olivares, RPA, RTA	Deputy Chief Appraiser
BIS Consulting, Hector Gomez	GIS Mapping Maintenance
Gregg Davis, RPA	Industrial, Utilities, Railroad Appraiser Capitol Appraisal Group
Cathy Jackson, RPA	Commercial Appraiser Capitol Appraisal Group
BIS Consulting	Website/E-Protest Interactive On-Line Map
Eagleview, Stephen Ross	Pictometry Mapping

By May 15th, or as soon thereafter as practicable, the chief appraiser and each appraiser engaged in listing and appraising property shall sign a submission affidavit to the ARB which states:

> "I, Jan Tinsley (Chief Appraiser/Appraiser) for Camp Central Appraisal District solemnly swear that I have made Or caused to be made a diligent inquiry to ascertain all property in the district subject to appraisal by me and that I have included in the records all property that I am aware of at an appraised value as required by law."

Mass Appraisal System

Real Property Valuation

Revisions to cost models, income models and market models are specified, updated and tested each year.
Cost schedules are tested with market data (sales) to ensure the appraisal district is in compliance with the Texas Property Tax Code, Section 23.011. Replacement cost new tables as well as depreciation tables are tested for accuracy and uniformity using ration study tools and compares with cost data form recognized industry leaders such as ***Marshall & Swift*** and NADA
Land tables are updated using current market data (sales) and then tested with ratio study tools. Value modifiers are developed for property categories by market area and tested on a pilot basis with ratio study tools.

Personal Property Valuation

Density schedules are updated using ***Marshall & Swift*** valuation guide. Valuation procedures are reviewed and modified as needed and tested.

Notice Processing

25.19 appraisal notice forms are reviewed and edited for updates. Updates include the latest copy of Comptroller's Taxpayers Rights, Remedies and Responsibilities in English and Spanish. Camp CAD will mail all notices for all categories of property by April 1st (or as soon thereafter as practicable) with the exception of business pp which will be mailed on May 15th (or as soon thereafter as practicable).

Hearing Process

Scheduling of informal and formal ARB hearings are continually reviewed and updated as required. Standards of documentation are reviewed and amended as required. The appraisal district hearing documentation is reviewed and updated to reflect the current valuation process. Production of documentation is tested and compliance with HB 201 is insured. Camp CAD utilizes an automated informal and formal hearing schedule and appeals process that begins with the mailing of notices in April and May and continues until all appeals are heard.

Camp County Appraisal Review Board holds a public hearing and adopts hearing procedures annually. Hearing procedures will adhere and not conflict with the Comptroller's Model Procedures. The ARB adheres to all education and training requirements annually.
Camp County Appraisal Review Board held a public hearing and adopted procedures on March 2, 2023.

_____, 2024.

The Appraisal Process

With the aid of the Camp Central Appraisal District calendar the field appraisal staff is responsible for discovering, inspecting, calculating, and evaluating property characteristics of all real and personal property. The goal is to correctly identify and update all characteristics of property in Camp County and to allocate those characteristics to our models developed as comparables to generate on a mass scale the correct market value for every property located within the appraisal district authority. This process will begin in August/September of each year and have a targeted completion date of March 1 with May 15 the target date for personal property of each year. The months of June, July are set aside to complete formal and informal hearings of the equalization phase of the appraisal calendar.

Properties will be identified through physical inspection, or other reliable means including deeds or other legal documentation, digital mapping, aerial photographs, land-based photographs, surveys, maps, and property sketches. Characteristics of each property will be updated in the appraisal records.

Valuation Approach

Market areas will be defined by:

- location and economic attributes
- Physical attributes of properties such as size, age, condition
- Easements, covenants, leases, special assessments, ordinances, or legal restrictions

Land Analysis:
The analysis of land is conducted prior to neighborhood sales analysis. The land-to-property component is based on available market sales for comparable and competing land under similar usage. A comparison and analysis of comparable land sales is conducted based on land characteristics found to influence market value of land located in a neighborhood or area. The appraisers use abstraction and allocation methods to insure that estimated land values reflect the land's market value to overall property value.

Area Analysis:
Regional economic forces such as demographic patterns, regional location factors, employment and income patterns, general trends in real property prices and rents, interest rates trends, availability of vacant land, and construction trends and costs are collected

from private vendors, contractors, and public sources to provide the appraiser with a current economic outlook on the real estate market.

Neighborhood and Market Analysis:
Physical, economic, governmental, and social forces influence property value. These effects are used to identify, classify, and stratify comparable properties into smaller subsets for more accurate appraisals of neighborhoods. Residential valuation and neighborhood analysis are conducted on various market areas within each of the political entities known as Independent School Districts (ISD). Market sales analysis forms the basis of estimating market activity and the level of supply and demand affecting the market within a market area or neighborhood. The effect of these market forces is interpreted by the appraiser into an indication of market price ranges.
The first step in neighborhood analysis is the identification of a group of properties that share certain common traits.

> **A "neighborhood" is defined as the largest geographical grouping of properties where the property's physical, economic, governmental, and social forces are generally similar and uniform.**

Once a neighborhood has been identified, the next step is to define the boundaries. This process is known as "delineation". Part of the neighborhood analysis is the consideration of discernible patterns of growth that influence the neighborhood's individual market.

Camp County Market Areas Indentified

Camp County is experiencing a stage of growth economically in both residential property and commercial property. According to the United States Census Bureau, Camp County has grown an estimate of 28% since 1990 when the population was 9,904. According to the most recent census conducted in 2020, the population was recorded as 12,464 residents living within the boundaries of Camp County. It does not factor in the numerous people who have established the county as a second home.

Camp County's market area consists of one Independent School District that encompasses the whole county. Within the market area there are subsets that may be characterized as being in a stage of **growth, stability, or decline**. The growth period is a time of development and construction.
The two property types experiencing a high volume of growth and development in the county are commercial and residential waterfront properties. Pittsburg City's 75-acre annexation of commercially zoned property along Highway 271 north has warranted growth and economic development. Waterfront properties around Lake Bob Sandlin are in the growth and development phase and a direct influence on the market in the area. Property has been purchased and developed into platted subdivisions, with several new subdivisions developed within the last 24 months. The appraisal district has identified and divided Camp County into over 30 "neighborhoods". A "neighborhood" is defined as "an area, which contains complimentary land uses and has similar value influences within a geographic location". Often a neighborhood has the same boundaries as a subdivision, but in some cases a neighborhood may encompass several subdivisions, or a subdivision may contain several neighborhoods. Once the neighborhood has been identified, the district develops a neighborhood profile for each area. The profile

describes the boundaries, influences affecting values in the neighborhood, and identifies benchmark properties. A **benchmark property** is made up of characteristics common to all properties in a class. The different characteristics of property help identify "neighborhoods" such as waterfront vacant lots, water view vacant lots, subdivided residential properties with amenities located in gated communities, residential properties located in subdivisions alone. Influences such as location, physical attributes (size, age, and condition), legal and economic attributes, easements, covenants, leases, reservations, contracts, declarations, special assessments, ordinances, legal restrictions, waterfront/water view all further drive these market areas. Lake subdivisions such as Cherokee Point, Cherokee Peninsula, Hills Point, Paradise Village, Meadowlake, Camp Branch, Haven Point and others have become their own market areas, each with unique features, amenities, and characteristics. Eagle Shores Phase I, West Shores, Paradise Shores, Emerald Shores, Lazy Acres, South Shores, and Bluffs on Caddo Cove are the newest subdivisions developed for new construction. This market area is driven by outside influences such as retirement and summer/weekend recreation. Another driving influence is supply and demand, the number of desirable waterfront/water view properties for sale compared to the number of people wanting to buy lake properties.
Areas in Pittsburg City are experiencing growth as well. Subdivisions such as Legacy, Dogwood Trails, Kentwood, Cedar Hill, Princedale, Pecan Heights, Meadow Creek, and Tupelo Grove all are defined as market areas based on their unique characteristics. These market areas are mostly driven by location and economic attributes. There are also several new subdivisions in the county that are also market areas, such as Koser Brothers, Hickory Hills and Walker Creek that are a driving market force as well.
The county is divided into 3 Regions: Region 1 consists of properties defined by the appraisal district as "lake area" properties and properties within the city limits of Pittsburg. Region 2 consists of the northern part of Camp County, with the exception of the "lake area'. Region 3 consists of properties in the southern part of the county. Region 1 is the most populated residential and commercial of the three regions. Regions 2 and 3 are more rural land with some residential.

Production standards for field activities and results are tested on a quarterly basis with the use of sales data gathered through buyer and seller questionnaires/surveys mailed by the appraisal district, verbal contact with the citizens of Camp County, confirmation of sales activity in warranty deeds or county clerk recorded documents and other confidential sources. Just as with the annual Property Value Study performed by the Comptroller's Property Tax Division, the use of sales and recognized auditing and sampling techniques are used to determine the level and uniformity of property tax appraisal in this district. This process utilizes statistical analysis of sold properties (sales ratio) and appraisals of unsold properties (appraisal ratios) as a basis for assessment ratio reporting. The reported measures include the median level of appraisal, coefficient of dispersion (COD), the percentage of properties within 10% of the median, the percentage of properties within 25% of the median and price-related differential (PDR) for properties overall and by state category. The ratio study includes stratified samples to improve sample representation for measuring uniformity.

True Automation software programming division provides updates of all program calculation adjustments, forms, and computer form revisions that are dictated in legislative sessions or changes in the law. Management assists with the scheduling and processing of these updates in order to be time effective for use in the appraisal process.

The mass appraisal process is accomplished by using model calibration. Model calibration involves the process of periodically adjusting the mass appraisal formula, tables, and schedules to reflect current local market conditions. The basic structure of a mass appraisal model can be valid over an extended period of time, with trending factors utilized for updating the data to current market conditions. If the adjustment process becomes too involved, the model calibration technique can mandate new model specifications or a revised model structure. Many times, this occurs when new construction materials or cost and style develops into an additional class of property.

Cost Approach

Cost schedules will be updated with market data (sales) to ensure that the appraisal district is in compliance with Texas Property Tax Code, Sec. 23.011 (4) requirement of being within 10% of a generally accepted cost data source. Cost models are typically developed based on the Marshall & Swift Valuation Service. Cost models reflect replacement cost new of all improvements. Because a national cost service is used as a basis for the cost models, location modifiers are necessary to adjust these base costs specifically for various types of improvements.

Accrued depreciation is the measured loss of value against replacement cost new taken from all forms of physical deterioration, functional and economic obsolescence. Estimates of accrued depreciation are calculated for improvements with a range of variable years of a 70-year expected life based on observed conditions with consideration of actual age. Effective and actual ages are noted in our computer assisted mass appraisal system. Effective age estimates are based on the utility of the improvements relative to the scale of its total economic life and its competitive position in the marketplace. Effective age estimates are considered and reflected based on five levels of observed condition.

A depreciation override can be used if the condition or effective age of a property varies from the norm by appropriately noting the physical condition and functional utility ratings on the property data characteristics. These adjustments can be developed via ratio studies or other market analysis and are tied to specific condition adequacy or deficiency, property type or location. Renovating/remodeling is prominent in Camp County's market and therefore, the effective year is much different than the actual year in our continued upswing in Region 1 market areas.

Estimating accrued depreciation and deducting that from the estimated replacement cost new of improvements indicates the estimated contributory value of the improvements. Adding land value, as if vacant, to the contributory value to the improvements indicates a property value by the cost approach.

Sales Comparison Approach (Market Approach)
Similar properties recently sold in the current market are analyzed and compared with the property being appraised. Sales data is run by market area, adjustments are made for differences in such factors as time of sale, location, type, age and condition of improvements. Land tables are updated using current market data (sales). Results are then tested with ratio study tools. Value modifiers are developed for property categories by market area and tested with ratio study tools.

Income Approach
Income, expense, and occupancy data are useful tools in producing an income approach to value. The income approach is typically used to value property viewed as "income producing" such as duplexes, apartment buildings, storage facilities. The difficulty in gathering this important data has not afforded this district the ability to use this approach on a consistent nor widespread basis. The district will continue to consider this approach to value as information permits. The income approach is used on the special appraisal process for the agricultural and timber properties. The data gathered and used in this type of appraisal is downloaded directly from the Comptroller and is data they have gathered from Texas A&M University which in turn has gathered information from timber mills and suppliers.

Productivity Valuation
Capitalization process used in the income approach on agricultural and timber properties is a direct rate provided by Sec. 23.53 and Sec. 23.74 of the Property Tax Code.

Personal Property
Personal property valuation cost schedules are developed by analyzing cost data from property owner renditions, hearings, state schedules, and published cost guides. The cost schedules are reviewed as necessary to conform to changing market conditions. Most of the information used by the district is generated to the district from the owner in a form of a rendition. Each new year's rendition is compared to the last year to verify additions or deletions and to get a better understanding of what the property should exist at the business. The present value factor is used as an express calculation in the cost approach. The present value factor is applied to historical cost as follows:

MARKET VALUE ESTIMATE=PVF X HISTORICAL COST

Historical cost is normally supplied to the CAD via the completed rendition form from the owner of the business. The mass appraisal PVF schedule is used to ensure that estimated values are uniform and consistent and reflect current economic pressures of supply and demand.

DATA COLLECTION REQUIREMENTS

Activities scheduled for each tax year include new construction, demolition, remodeling, reinspection of problematic market areas, and reinspection of the universe of properties on a specific cycle. The specific cycle will be determined annually after appropriate documentation on sales activity, replacement cost new data, and or any other economic catalyst that affects a sufficient number of properties that indicate a complete reappraisal is necessary. The final result accomplished with every property being reappraised by law at least once in every three years.
The principal source of data collection on new construction and remodeling are generated by building permits and mechanic liens filed with the city and the county. A field effort of driving the county also generates a constant watchful eye on any new construction or additions that may be added to the property. With the addition of the web connection, property owners themselves are generating and filtering information to the CAD about the property description of their individual property.

When data surveys included in the buyer/seller questionnaire are returned, they are helpful in identifying characteristics needed to correctly appraise property. They also give to the CAD crucial current sales data. Identifying these characteristics with the sales information aides in the model calibration of properties included in that class or category, and identifies problematic areas. Quality of data is emphasized as the goal and responsibility of each appraiser. Sales information is verified by sources such as new owners, buyers/sellers, local realtors, other confidential sources, and the comptroller's sales letter survey/PVS. Realtors Listings found on-line are a good source for data characteristics.

Field appraisers perform field activities to ensure the data they have entered into the computer-based system has been maintained and is correct. Data updates and file modification for property descriptions and input accuracy is conducted as the responsibility of the field appraiser.

Texas Railroad Commission and division orders are the source for our mineral appraisals.

Personal Property rendition forms and inspections are the sources of data for commercial property inventories, furniture and fixtures and machinery and equipment. Assumed names filed with county also, generate additional check points for new business personal property. The CAD also purchases a commercial vehicle registration listing annually from *Just Texas,* which is another valuable source of data.

PILOT STUDY BY TAX YEAR

The **International Association of Assessing Officers, Standard on Mass Appraisal** of Real Property **specifies** that the universe of **properties should be reinspected** on a cycle of **3 years**. This reinspection **includes** the **remeasurement** of **at least two sides** of each improved property.

Sales ratio studies are conducted each tax year by category and market areas. Actual test results are compared with anticipated results and those models not performing satisfactorily are refined and retested. These procedures used for model specification and model calibration are in compliance with Uniform Standards of Professional Appraisal Practice, and Standard Rule 5 & 6.

VALUATION BY TAX YEAR

Calculation of preliminary values enables the district to use the market analysis of comparable sales and gathered cost data to ensure that the ratio study performed in each category of property, neighborhood, and defined market areas generates an acceptable ratio in each segment of property or grouped segment of properties. Properties in selected market areas are updated in non-reappraisal years as well as in re-appraisal years if the ratio results reflect the need for a change. Therefore, the need for re-appraisal year is made on an annual basis and determined by market areas. Every property is reappraised at least once in every three years. A change may or may not occur depending on the cost data gathered, sales information gathered, or other pertinent information pertaining to the individual property or property characteristics.

SPECIAL INVENTORY RESIDENTIAL PROPERTY

Cost approach to value is the most common usage in this category of property. Developers have the same benefits and rights as individuals with other types of inventories in which they are entitled to have their property grouped as if it were to be sold as a whole. This method is based on the use of cost or market, whichever is the lowest.
Sales approach is not used until the developer sales the property and the category changes to a category other than inventory.

Income approach to value is not used on this property because it is not income producing.

MULTIFAMILY RESIDENTIAL PROPERTY

Due to the limited number of sale activity in this type of property, it is not feasible to use the sales comparison approach to value.
The cost approach would be used to as a comparison to the income approach which would be the best approach to value considering the evidence of income and expense information for properties of this type in this county. The inability to collect income and expense information makes this the reliable approach for this county.

Income approach is not feasible because of the inability to receive documented evidence on true income and expense information in this subject area.

COMMERCIAL REAL PROPERTY

Sales comparison approach to value is a limited resource and is not a reliable approach for this group of property. Sales data may or may not include a documented value for goodwill without this measure the sales approach may generate a distorted value. The infrequency of sales activity limits the measure in this approach.

Cost approach to value is the most reliable approach to market for this type of property in this county.
Income approach is not used as this approach is for income producing properties.

VACANT REAL PROPERTY

Sales comparison approach is the best approach for this type of property and is the most common used approach for this type of property.

Cost approach is not feasible.

Income approach could be used only on those properties that were generating a rental income. This is not the most common used approach in this type of property.

INDUSTRIAL REAL PROPERTY
CAPITOL APPRAISAL GROUP PLAN

UTILITIES
CAPITOL APPRAISAL GROUP PLAN

MINERAL INTEREST
CAPITOL APPRAISAL GROUP PLAN

SPECIAL VALUATION PROPERTIES

Sales comparison approach is not used in this type of appraisal. This property is appraised based on its ability to generate income.

Cost approach is not used on this type of property. There is no effective or feasible way to use a cost approach on this type of property.
Income approach is the correct approach used on this type of property because it is an income producing property and is based on the land's ability to generate income.

Cost approach to value is the most reliable approach with the aide of renditions that are prepared by the owner giving the historical cost of the items and with the use of indexing the historical value to generate an in use current value.

Income approach is not used as the personal property is not normally used nor produces rental income.

INDUSTRIAL TANGIBLE PERSONAL PROPERTY
CAPITOL APPRASIAL GROUP PLAN

THE MASS APPRAISAL REPORT

The definition of report is any communication, written or oral, of an appraisal or appraisal review that is transmitted to the client, or a party authorized by the client upon completion of an assignment.
The appraisal of a large number of real and personal properties as a group within an established period of time using standardized procedures and subjecting the resulting appraisals to statistical testing is the definition of mass appraisal.
The mass appraisal report is a report prepared and certified by the Chief Appraiser at the conclusion of the appraisal phase of the ad valorem tax calendar. Since the majority of ad valorem real property taxation in Camp County is accomplished using mass appraisal techniques, the general standard for appraisal should reflect compliance with USPAP Standard 6. The signed certification is compliant with the Standard Rule 6-3 of USPAP. This written reappraisal plan is attached to the Mass Appraisal report by reference.

The scope of work for a mass appraisal includes the following:

1. Identifying properties to be appraised
2. Defining market areas
3. Identifying characteristics that affect the market value
4. developing a benchmark property that reflects the relationship of characteristics affecting value
5. calibrating the benchmark
6. calculate the conclusion of the property being appraised
7. reviewing the mass appraisal results

The purpose of the mass appraisal completed by Camp Central Appraisal District is to estimate fair market value for ad valorem tax purposes. These values are used by the taxing jurisdictions in the county. Ad valorem equates to tax based on value and maintains a consistent appraisal date of January 1 of each year with the exception of some inventories.

Appraisals completed by the appraisal district office are subject to the following assumptions and limiting conditions:

1. Title to the property is assumed to be good and marketable and the legal description correct.
2. All existing liens, mortgages, or other encumbrances have been disregarded and the property is appraised as through free and clear, under responsible ownership and competent management.
3. All sketches in the appraisal documents are intended to be visual aids and should not be construed as surveys or engineering report unless otherwise specified.

4. All information in the appraisal documents has been obtained by member of the appraisal district staff or other reliable sources.
5. The opinion of value for each property applies to land and improvements. The value of trade fixtures, furnishings and other equipment has not been included with the value of the real estate.
6. The appraisals were prepared exclusively for ad valorem tax purposes.
7. The appraisers developing these appraisals are not required to give testimony or attendance in court by reason of the appraisal, unless directed by, employed by and provided legal counsel by the Camp Central Appraisal District.
8. Subsurface rights (minerals and oil) were not considered in making the appraisals.
9. The appraisers have inspected, as far as possible, by observation, the land and the improvements, however, it is not possible to personally observe conditions beneath the soil or hidden structural components within the improvements. No representation of this matter is made unless specifically detailed by the owner or approval for inside inspection by the owner.
10. The values generated by the appraisal district are reviewed bi-annually by the Property Tax Division of Comptroller of Public Accounts in order to finalize a Value Study every two years for the purpose of the use in TEA state funding calculation in the school district budget.

It must be noted that no re-appraisal program, regardless of how skillfully administered, can ever be expected to be error free. The correction of errors can best be assisted by giving the taxpayer an opportunity to question the value placed upon his individual property and the opportunity to produce evidence that the value is incorrect or inequitable. Errors will be brought to light and taking corrective action will serve to further the objectives of the program.

CERTIFICATION STATEMENT;

"I, Jan Tinsley, Chief Appraiser for the Camp Central Appraisal District, solemnly swear that I have made or caused to be made a diligent inquiry and search to ascertain all property in the district subject to appraisal by me, and that I have included in the records all property that I am aware of at an appraised value which, to the best of my knowledge and belief, was determined as required by law."

Jan Tinsley
Jan Tinsley
Chief Appraiser

_____
Date

VALUE DEFENSE

In addition to ratio review using sales data, cost data from generally accepted sources, original cost, effective age versus actual age, net operating income (when available, this one source that is very limited) and appraiser review, taxpayers are afforded an

opportunity to review the appraised values and supporting documentation with the generation of appraisal notices in April or May of each year. This process then begins what is known as the equalization phase.

Sec. 25.19 appraisal notice forms are reviewed and edited for updates and changes by appraisal district management. Included in the notice is the public notice of protest and appeal procedures as required by Sec. 41.70 of the Property Tax Code.

The equalization phase begins with the scheduling of formal or informal hearings. The appraisal district appraisers meet individually with the property owners to fulfill the informal process and make justified adjustments to property values. After due diligence in trying to inform the citizen of the changes that have occurred with their individual properties it may become necessary to schedule a formal hearing with the ARB. All standards, documentations, and procedures are reviewed to assure compliance with HB 201 producing documents to the taxpayer 14 days prior to their formal hearing or meeting with the Appraisal Review Board.

A group of citizens from Camp County are appointed by the Camp County District Judge to form the Appraisal Review Board. Their purpose is to listen to the concerns, complaints and evidence of the property owner in trying to determine the correct value of the property. This process is the second phase with the first phase being an informal review between the appraiser and the citizen. According to Section 41.445, the CAD shall hold an informal conference with each property owner who files a protest with the ARB and requests an informal conference. If the first phase does not accomplish a pleasing result for the property owner, then he or she has the opportunity to appear before the Appraisal Review Board. After the final determination of the Appraisal Review board the citizen can complete an application for binding arbitration if: 1) $450-the property qualifies as the owner's residence homestead under Tax Code Section 11.13, and the appraised or market value, as applicable, of the property is $500,000 or less, as determined by the CAD for the most recent tax year or $550-for property other than property already described (HS); and 2) the protest was filed under Tax Code Section 41.41(a)(c). A property owner can also file a lawsuit in district court appealing the ARB determination, or appeal to *State Office of Administrative Hearings (SOAH).*

Residential property defense mechanisms will include sales of comparable properties, replacement cost new less depreciation, cost guide information, similar properties with similar appraisals, effective age utility, full listing of characteristics of each property on an appraisal card as they were known at the time of appraisal, pictures, maps with location, and deeds of trust or ownership deeds.

Special inventory residential property defense mechanisms will include the real property rendition generated to the appraisal district by the property owner.

Multifamily residential property defense mechanisms will include sales of comparable properties, replacement cost new less depreciation, similar properties with similar appraisals, effective age utility, full listing of characteristics of each property on an

appraisal card as they were known at the time of appraisal, pictures, location maps, and deeds of trust or ownership deeds.

Commercial real property defense mechanism will include sales of comparable properties, replacement cost new less depreciation, similar properties with similar appraisals, effective age utility, full listing of characteristics of each property on appraisal card as they were known at the time of the appraisal, pictures, cost guide information, location maps, and deeds of trust or ownership deeds.
Vacant real property evidence will consist of sales comparables when available, location maps, deeds of trust or ownership deeds, and land schedules that reflect value uniformity.

Industrial real property, industrial tangible personal property, utilities, and mineral interest refer to Capitol Appraisal Group's reappraisal plan. (Attached)
Business tangible personal property evidence will be generated from the personal property rendition form completed by the business owner and calculations obtained from various professional sources such Marshall & Swift Valuation Service.

COMPUTER FORMULAS AND MODELS

Basic model for Real Property:

MV = IV + LV

MV = Market Value
IV = Improvement or structure value
LV = Land Value

Expanded model:

MV = [(IUNIT X ISIZE) + OR - ADDATIVES X % GOOD X INF] + [(LUNIT X LSIZE) X LNF]
MV = MARKET VALUE
IUNIT = REPLACEMENT COST NEW PER SQ FT
ISIZE = IMPROVEMENT SQ FT LIVING AREA
ADDATIVES = IMPROVEMENT AMENITIES CONTRIBUTORY VALUES
%GOOD = ALLOWED OR ALLOWABLE DEPRECIATION
INAF = IMPORVEMENT NEIGHBORHOOD FACTOR IF MEASUREABLE
LUNIT = LAND VALUE FROM SCHEDULES
LSIZE = LAND PARCEL PER SQ FT, ACREAGE OR FRONT FOOTAGE
LNAF = LAND NEIGHBORHOOD FACTOR IF MEASUREABLE

Basic model for personal property:

MV = PVF X HC X DF

MV = MARKET VALUE

PVF=PRESENT VALUE FACTOR
HC=HISTORICAL COST
DF=DEPRECIATION FACTOR

Camp Central Appraisal District
Resolution to Adopt
2023-2024 Reappraisal Plan

Whereas, according to Section 25.18(c) and Section 6.05 (i) of the Texas Property Tax Code, the Board of Directors of an Appraisal District shall develop biennially a written plan for the periodic reappraisal of all property within the boundaries of the district according to the requirements of Section 25.18 (c) and Section 6.05 (i) shall hold a public hearing to consider the proposed plan.

Therefore, on this 21 day of July 2022 the Board of Directors of Camp Central Appraisal District does approve and adopt the attached reappraisal plan for the years 2023 and 2024.

Alan Brison, Chairman

Jeff Kilburn, Secretary

George French

John Livingston

Greg Miller

CAPITOL APPRAISAL GROUP
REAPPRAISAL PLAN

Document 1

Value Defense Procedures for Informal Meetings and Formal Hearings

Industrial Real Property

Informal hearings are conducted by phone, mail, or in person by Capitol Appraisal Group appraisers. Appraisers may present sales data or data specific to the property in defense of our values. Income, expense and capitalization data are reviewed and presented if available. If the taxpayer wishes to pursue a dispute further, the appraiser guides them through the initial phase of the formal protest procedures.

When taxpayers are scheduled for formal hearings they receive an ARB procedures pamphlet and a copy of *Taxpayer's Rights, Remedies, and Responsibilities* published by the State Comptroller's Office. If protest hearing evidence is requested, the appraisal district has 14 days prior to the protest hearing to respond with characteristics and values of comparable properties regarding value disputes. Any income and expense information derived from the market is accumulated and developed into charts containing general data. No confidential income, expense or other information received from taxpayers on specific accounts will be released. Equity evidence is generated by Capitol using programs and tools it has developed to compare other properties to the subject property. Applicable appraisal reports and research data applicable to the property are also included in this packet.

Utilities

Informal hearings are conducted by phone, mail, or in person by Capitol Appraisal Group appraisers. Appraisers may present sales data or data specific to the property in defense of our values. Income, expense and unit appraisal data (when applicable) are reviewed and presented if available. If the taxpayer wishes to pursue a dispute further, the appraiser guides them through the initial phase of the formal protest procedures.

When taxpayers are scheduled for formal hearings they receive an ARB procedures pamphlet and a copy of *Taxpayer's Rights, Remedies, and Responsibilities* published by the State Comptroller's Office. If protest hearing evidence is requested, the appraisal district has 14 days prior to the protest hearing to respond with characteristics and values of comparable properties regarding value disputes. No confidential income, expense or other information received from taxpayers on specific accounts will be released. Equity evidence is generated by Capitol using programs and tools it has developed to compare other properties to the subject property. Applicable appraisal reports and research data applicable to the property are also included in this packet.

Oil and Gas Property

Informal hearings are conducted by phone, mail, or in person by Capitol Appraisal Group appraisers. Mineral operators and third party agents with the proper fiduciary in place may also view the parameters used in the appraisal of their oil and gas properties on Capitol's web site at www.cagi.com. Other taxpayers with an interest in a mineral lease may request a copy of their appraisals at the same web site. Appraisers may present recent production data and sales prices to compare with the actual income received by the taxpayer in defense of our values. Income, expense and capital expense data are reviewed and presented if available. If the taxpayer wishes to pursue a dispute further, the appraiser guides them through the initial phase of the formal protest procedures.

When taxpayers are scheduled for formal hearings they receive an ARB procedures pamphlet and a copy of *Taxpayer's Rights, Remedies, and Responsibilities* published by the State Comptroller's Office. Since oil and gas leases have multiple owners, all owners who pursue a formal protest on the same property will be scheduled at the same time for a hearing. If protest hearing evidence is requested, the appraisal district has 14 days prior to the protest hearing to respond with characteristics and values of comparable properties regarding value disputes. No confidential income, expense or other information received from taxpayers on specific accounts will be released. Capitol uses its MINARB procedure to generate copies of the appraisal reports and product pricing data for the current and prior tax years. These reports are also included in this packet.

Industrial Personal Property

Informal hearings are conducted by phone, mail, or in person by Capitol Appraisal Group appraisers. Appraisers may present general data specific to the property in defense of our values. Renditions other than that of the subject property will not be released. If the taxpayer wishes to pursue a dispute further, the appraiser guides them through the initial phase of the formal protest procedures.

When taxpayers are scheduled for formal hearings they receive an ARB procedures pamphlet and a copy of *Taxpayer's Rights, Remedies, and Responsibilities* published by the State Comptroller's Office. If protest hearing evidence is requested, the appraisal district has 14 days prior to the protest hearing to respond with characteristics and values of comparable properties regarding value disputes. Capitol provides copies of appraisal reports generated by its Industrial Personal Property System for inclusion in the packet. As previously stated, no confidential renditions of competing properties will be provided as evidence.

Client Plan

In the event that the client's value defense plan differs with the plan of Capitol Appraisal Group, the client's plan will be followed and supersedes the provisions of the Capitol Appraisal plan.

Value Defense Procedures for ARB Hearings

Industrial Real Property

If the taxpayer wishes to pursue a dispute beyond informal proceedings, the appraiser guides him through the initial phase of the formal protest procedures.

When taxpayers are scheduled for formal hearings they receive an ARB procedures pamphlet and a copy of *Taxpayer's Rights, Remedies, and Responsibilities* published by the State Comptroller's Office. If protest hearing evidence is requested, the appraisal district has 14 days prior to the protest hearing to respond with characteristics and values of comparable properties regarding value disputes. Any income and expense information derived from the market is accumulated and developed into charts containing general data. No confidential income, expense or other information received from taxpayers on specific accounts will be released. Equity evidence is generated by Capitol using programs and tools it has developed to compare other properties to the subject property. Applicable appraisal reports and research data applicable to the property are also included in this packet.

Utilities

If the taxpayer wishes to pursue a dispute beyond informal proceedings, the appraiser guides him through the initial phase of the formal protest procedures.

When taxpayers are scheduled for formal hearings they receive an ARB procedures pamphlet and a copy of *Taxpayer's Rights, Remedies, and Responsibilities* published by the State Comptroller's Office. If protest hearing evidence is requested, the appraisal district has 14 days prior to the protest hearing to respond with characteristics and values of comparable properties regarding value disputes. No confidential income, expense or other information received from taxpayers on specific accounts will be released. Equity evidence is generated by Capitol using programs and tools it has developed to compare other properties to the subject property. Applicable appraisal reports and research data applicable to the property are also included in this packet.

Oil and Gas Property

If the taxpayer wishes to pursue a dispute beyond informal proceedings, the appraiser guides him through the initial phase of the formal protest procedures.

When taxpayers are scheduled for formal hearings they receive an ARB procedures pamphlet and a copy of *Taxpayer's Rights, Remedies, and Responsibilities* published by the State Comptroller's Office. Since oil and gas leases have multiple owners, all owners who pursue a formal protest on the same property will be scheduled at the same time for a hearing. If protest hearing evidence is requested, the appraisal district has 14 days prior to the protest hearing to respond with characteristics and values of comparable properties regarding value disputes. No confidential income, expense or other information received from taxpayers on specific accounts will be released. Capitol uses its MINARB procedure to generate copies of the appraisal reports and product pricing data for the current and prior tax years. These reports are also included in this packet.

Industrial Personal Property

If the taxpayer wishes to pursue a dispute beyond informal proceedings, the appraiser guides him through the initial phase of the formal protest procedures.

When taxpayers are scheduled for formal hearings they receive an ARB procedures pamphlet and a copy of *Taxpayer's Rights, Remedies, and Responsibilities* published by the State Comptroller's Office. If protest hearing evidence is requested, the appraisal district has 14 days prior to the protest hearing to respond with characteristics and values of comparable properties regarding value disputes. Capitol provides copies of appraisal reports generated by its Industrial Personal Property System for inclusion in the packet. As previously stated, no confidential renditions of competing properties will be provided as evidence.

Client Plan

In the event that the client's value defense plan differs with the plan of Capitol Appraisal Group, the client's plan will be followed and supersedes the provisions of the Capitol Appraisal plan.

Capitol Appraisal Group, LLC
Formal and Informal Procedures

It is the Capitol Appraisal policy to follow the formal and informal procedures as established by each individual client. Those policies will supercede the below referenced general practices used by this company if there is a conflict.

Informal

Informal meetings with agents or taxpayers/owners on utility properties occur either on the telephone or in the offices of Capitol Appraisal if requested by the agent or owner. This procedure may also take place upon filing of a protest and is useful to finalize issues such as allocations and ownership.

Formal Meetings

Formal meetings with agents or taxpayers/owners take place at the physical location as directed by the appraisal district. Discussions with the agents or taxpayer/owners may take place prior to the scheduled meeting time with the Appraisal Review Board. A deadline for timely action is dictated by the appraisal district. Prior to the deadline and in the absence of the agent or taxpayer/owner being physically present there may be telephone conversations to discuss the protested issues. Failure to resolve the protested issue(s) and no representation by the agent or taxpayer/owner will result in the recommendation to affirm the noticed value and "no show" the agent or taxpayer/owner.

Affidavits used for evidence are presented to the Appraisal Review Board as scheduled by the appraisal district.

Documents 9A-J

Contractor's Appraisal Documentation Delivered to the CAD

Note: Appraisal formats subject to change

Industrial

Unit Pipeline	**9A**
Investor-owned Electric	**9B**
Investor-owned telephone8	**9C**
Electric Coop	**9D**
Telephone Coop	**9E**
Plant Summary	**9F**

Oil and Gas

Oil lease #1	**9G**
Oil lease #2	**9H**
Gas Property #1	**9I**
Gas Property #2	**9J**

2010

DOCUMENT 9A

SAMPLE PIPELINE COMPANY

UNIT APPRAISAL

10/5/2010

INCOME APPROACH

YEAR	AFTER TAX NOI	NET PLANT IN SERVICE		NOI / AVG of prev yr and current yr NPIS
2004	18,111,707	84,791,838		
2005	18,726,411	497,538,026		0.0643
2006	56,177,093	535,687,803		0.1087
2007	66,740,951	851,292,542		0.0962
2008	84,283,848	1,236,732,019		0.0807
2009	146,430,277	1,820,553,365	1.472067786	0.0958

PROJECTIONS OF NOI

MOST RECENT YEAR			146,430,277
FIVE YEAR AVERAGE			74,471,716
FIVE YEAR WEIGHTED AVERAGE			93,372,682
TREND ON 3 YR RETURN ON NPIS		0.0907	165,117,335
LINEAR REGRESSION ON NOI	CORR. COEFF. =	0.96	159,526,062
LIN. REGRESS. ON NOI/NPIS	CORR. COEFF. =	0.98	200,947,084

PROJECTED TYPICAL NET OPERATING INCOME	120,000,000
NET INCOME ATTRIBUTABLE TO CWIP (SEE P. 3)	24,277,319
TOTAL NET INCOME TO CAPITALIZE	144,277,319
CAPITALIZATION RATE	0.1085
VALUE INDICATED BY INCOME APPROACH	1,329,202,314

NET INCOME ATTRIBUTABLE TO CONSTRUCTION WORK IN PROGRESS NOT IN THE RATE BASE

TOTAL CONSTRUCTION WORK IN PROGRESS			364,645,300
CONSTRUCTION WORK IN PROGRESS IN RATE BASE			0
CONSTRUCTION WORK IN PROGRESS NOT IN RATE BASE			364,645,300
DISCOUNTED FOR 3	YEAR(S) AT A RATE OF :	0.1085	267,677,257
PROJECTED NET INCOME FROM CWIP			24,277,319

COST APPROACH

UTILITY PLANT	1,904,925,695
CONSTRUCTION WORK IN PROGRESS	364,645,300
TOTAL UTILITY PLANT	2,269,570,995
ACCUMULATED DEPRECIATION AND AMORTIZATION	93,270,899
NET UTILITY PLANT	2,176,300,096
GAS STORED - BASE GAS	0
SYSTEM BALANCING GAS	0
GAS STORED UNDERGROUND - NON-CURRENT	0
GAS STORED - SYSTEM GAS	0
GAS STORED - CURRENT	7,453,749
PLANT MATERIAL AND OPERATING SUPPLIES & STORES EXPENSE UNDISTRIBUTED	1,444,820
NET BOOK VALUE	2,185,198,664
ECONOMIC OBSOLESCENCE (SEE BELOW)	874,079,466
VALUE INDICATED BY COST APPROACH	1,311,119,199

CALCULATION OF ECONOMIC OBSOLESCENCE

HISTORICAL RATE OF RETURN (5 YEAR AVG.)	0.0907
CURRENT DESIRED RATE OF RETURN	0.1085
INDICATED FRACTION NON-OBSOLESCENT	0.8356
MOST RECENT RATE OF RETURN	0.0958
CURRENT DESIRED RATE OF RETURN	0.1085
INDICATED FRACTION NON-OBSOLESCENT	0.8825
PROJECTED RATE OF RETURN	0.0659
CURRENT DESIRED RATE OF RETURN	0.1085
INDICATED FRACTION NON-OBSOLESCENT	0.6073
APPRAISER'S OPINION OF FRACTION NON-OBSOLESCENT	0.6000
FRACTION OBSOLETE	0.4000
ECONOMIC OBSOLESCENCE	874,079,466

CORRELATION

INCOME INDICATOR OF VALUE	1,329,202,314
COST INDICATOR OF VALUE	1,311,119,199
CORRELATED UNIT VALUE	**1,315,000,000**
MARKET VALUE /ORIGINAL COST	0.5771
MARKET VALUE/NET BOOK VALUE	0.6018
REPLACEMENT COST NEW OF SOFTWARE	0
MARKET VALUE OF SOFTWARE	0
MARKET VALUE TO ALLOCATE	1,315,000,000
MARKET VALUE /ORIGINAL COST (EXCLUDING SOFTWARE)	0.5771
MARKET VALUE/NET BOOK VALUE (EXCLUDING SOFTWARE)	0.6018

ALLOCATION

PLANT IN SERVICE

NET PLANT IN SERVICE	1,811,654,796
NET BOOK VALUE	2,185,198,664
PERCENT TO PLANT IN SERVICE	0.8291
CORRELATED UNIT VALUE	1,315,000,000
PERCENT TO NET UTILITY PLANT	0.8291
UNIT VALUE OF PLANT IN SERVICE	1,090,210,284

TEXAS PLANT IN SERVICE

	TEXAS	TOTAL CO.	% TO TEXAS
NET PLT IN SRVC	1,811,654,796	1,811,654,796	1.0000
GRS PLT IN SRVC	1,904,925,695	1,904,925,695	1.0000
CONCLUSION			1.0000

UNIT VALUE OF PLANT IN SERVICE	1,090,210,284
PERCENT TO TEXAS	1.0000
UNIT VALUE OF TEXAS PLANT IN SERVICE	1,090,210,284

TEXAS GATHERING & TRANSMISSION PIPE

	TEXAS PIPE	TEXAS PLANT IN SERVICE	% TO PIPE
NET INVESTMENT	1,343,744,175	1,811,654,796	0.7417
GROSS INVESTMENT	1,397,895,771	1,904,925,695	0.7338
		CONCLUSION	0.7378

UNIT VALUE OF TEXAS PLANT IN SERVICE	1,090,210,284
% TO PIPE	0.7378
UNIT VALUE OF TEXAS PIPE	804,332,157
REPLACEMENT COST NEW LESS DEPRECIATION OF TEXAS PIPE	970,647,820
CORRELATED MARKET VALUE OF TEXAS PIPE	**800,000,000**
PTD's SCHEDULE 1 VALUE OF TEXAS PIPE	640,872,407
RATIO OF CORRELATED VALUE TO SCHEDULE VALUE (ENS)	1.2483

2010

DOCUMENT 9B

SAMPLE ELECTRIC IOU COMPANY

UNIT APPRAISAL

Appraiser

INCOME APPROACH

YEAR	NET OPERATING INCOME*	NET PLANT IN SERVICE*		NOI/NPIS OF PRV. YR. & CURRENT YR.
2004	68,027,209	685,658,796		
2005	61,265,796	706,760,852	1.030776	0.0894
2006	56,814,104	685,850,642	0.970414	0.0804
2007	32,745,832	732,197,728	1.067576	0.0477
2008	50,477,347	749,480,314	1.023604	0.0689
2009	46,565,398	824,721,310	1.100391	0.0621

*INCLUDES M&S AND STORED GAS.

PROJECTIONS OF NOI

MOST RECENT YEAR			46,565,398
THREE YEAR AVERGAE			43,262,859
FIVE YEAR AVERAGE			49,573,695
THREE YEAR WEIGHTED AVERGAE			45,566,120
FIVE YEAR WEIGHTED AVERAGE			47,191,192
FIVE YR. AVG. RETURN ON NPIS		0.0697	57,492,045
LINEAR REGRESSION ON NOI	CORR. COEFF. =	(0.71)	38,852,429
LIN. REGRESS. ON NOI/NPIS	CORR. COEFF. =	(0.00)	49,560,383

PROJECTED TYPICAL NET OPERATING INCOME	48,000,000
NET INCOME ATTRIBUTABLE TO CWIP (SEE P. 3)	2,258,138
TOTAL NET INCOME TO CAPITALIZE	50,258,138
CAPITALIZATION RATE	0.0994
VALUE INDICATED BY INCOME APPROACH	505,450,487

NET INCOME ATTRIBUTABLE TO
CONSTRUCTION WORK IN
PROGRESS
NOT IN THE RATE BASE

TOTAL CONSTRUCTION WORK IN PROGRESS				82,283,128
CONSTRUCTION WORK IN PROGRESS - MAINTENANCE				46,669,321
CONSTRUCTION WORK IN PROGRESS NOT IN RATE BASE				35,613,807
DISCOUNTED FOR	1	YEAR(S) AT A RATE OF :	0.0994	32,392,904
PROJECTED NET INCOME FROM CWIP				2,258,138

COST APPROACH

UTILITY PLANT	1,357,257,700
CONSTRUCTION WORK IN PROGRESS	82,283,128
TOTAL UTILITY PLANT	1,439,540,828
NET NUCLEAR FUEL	0
ACCUMULATED DEPRECIATION AND AMORTIZATION	552,521,228
NET UTILITY PLANT	887,019,600
MERCHANDISE	0
FUEL STOCK	9,645,377
PLANT MATERIAL AND OPERATING SUPPLIES	10,339,461
LIQUIFIED NATURAL GAS HELD FOR PROCESSING	0
NET BOOK VALUE	907,004,438
ECONOMIC OBSOLESCENCE (SEE BELOW)	380,941,864
VALUE INDICATED BY COST APPROACH	526,062,574

CALCULATION OF ECONOMIC OBSOLESCENCE

HISTORICAL RATE OF RETURN (5 YEAR AVG.)	0.0697
CURRENT DESIRED RATE OF RETURN	0.0994
INDICATED FRACTION NON-OBSOLESCENT	0.7011
MOST RECENT RATE OF RETURN	0.0621
CURRENT DESIRED RATE OF RETURN	0.0994
INDICATED FRACTION NON-OBSOLESCENT	0.6248
PROJECTED RATE OF RETURN	0.0582
CURRENT DESIRED RATE OF RETURN	0.0994
INDICATED FRACTION NON-OBSOLESCENT	0.5853
APPRAISER'S OPINION OF FRACTION NON-OBSOLESCENT	0.5800
FRACTION OBSOLETE	0.4200
ECONOMIC OBSOLESCENCE	380,941,864

STOCK AND DEBT APPROACH

EQUITY	
NO. SHARES	403,554,634
$ / SHARE	30.26
EQUITY VALUE	12,211,563,225
PERCENT TO COMPANY	0.0816
ALLOCATED EQUITY VALUE	995,860,423
LONG -TERM DEBT	368,964,682
TOTAL STOCK AND DEBT VALUE	1,364,825,105

CORRELATION

INCOME INDICATOR OF VALUE	505,450,487
COST INDICATOR OF VALUE	526,062,574
STOCK & DEBT INDICATOR OF VALUE	1,364,825,105
DISCOUNTED CASH FLOW INDICATOR OF VALUE	591,713,506
APPRAISER'S OPINION OF MARKET VALUE	510,000,000
MARKET VALUE /ORIGINAL COST	0.3494
MARKET VALUE/NET BOOK VALUE	0.5623
TOTAL VALUE OF TRANSMISSION AND DISTRIBUTION	343,397,389

ALLOCATION

ORIGINAL COST OF DIST. SYSTEM INCL. INVEST IN GENERAL PLANT	624,524,151
ORIGINAL COST OF TRANSMISSION SYSTEM	411,838,471
ORIGINAL COST OF PRODUCTION PLANT	295,065,069
ORIGINAL COST OF INTANGIBLE PLANT	22,895,904
TOTAL ORIGINAL COST	1,354,323,595

DISTRIBUTION PLANT

ORIGINAL COST OF DIST. SYSTEM INCL. INVEST IN GENERAL PLANT	624,524,151
ORIG. COST OF LAND AND LAND RIGHTS	1,103,824
ORIG. COST OF STRUCTURES AND IMPROVEMENTS	111,337
ORIG. COST OF STATION EQUIPMENT	74,929,157
ORIG. COST OF LAND AND LAND RIGHTS IN GENERAL PLANT	1,876,687
ORIG. COST OF STRUCTURES AND IMPROVEMENTS IN GENERAL PLANT	24,144,259
ORIGINAL COST OF INTANGIBLES	387,073
DIST. PLANT EXCL. SUBSTATIONS AND LAND	521,971,814
MARKET VALUE/ ORIGINAL COST	0.3494
MARKET VALUE OF DIST. EXCL. SUSTATIONS AND LAND	182,391,876
TOTAL METERS	192,937
MARKET VALUE PER METER	945

TRANSMISSION PLANT

ORIGINAL COST OF TRANSMISSION SYSTEM	411,838,471
ORIG. COST OF LAND AND LAND RIGHTS	11,235,765
ORIG. OF STRUCTURES AND IMPROVEMENTS	1,365,537
ORIG. COST OF STATION EQUIPMENT	189,158,884
ORIG. COST OF LAND AND LAND RIGHTS IN GENERAL PLANT	570,685
ORIG. COST OF STRUCTURES AND IMPROVEMENTS IN GENERAL PLANT	7,342,067
ORIGINAL COST OF INTANGIBLES	6,962,453
TRANS. PLANT EXCL. SUBSTATIONS AND LAND	195,203,080
MARKET VALUE/ ORIGINAL COST	0.3494
MARKET VALUE OF TRANS. EXCL. SUBSTATIONS AND LAND	68,209,538

	LINE TYPE	ORIG. COST	M.V./O.C.	MARKET VALUE	NO. MILES	MKT. VAL. PER MILE
	69 KV	73,552,521	0.3494	25,701,354	2,619.35	9,812
	138 KV	81,868,172	0.3494	28,607,080	1,458.78	19,610
	345 KV	39,801,908	0.3494	13,907,925	222.53	62,499
	115 KV	0	0.3494	0	0.00	0
	161 KV	0	0.3494	0	0.00	0
TOTALS		195,222,601		68,216,359	4,300.66	

SUBSTATIONS

ORIGINAL COST DIST. SUBSTATIONS	75,040,494
ORIGINAL COST TRANS. SUBSTATIONS	190,524,421
TOTAL ORIGINAL COST OF SUBSTATIONS	265,564,915
MARKET VALUE/ ORIGINAL COST	0.3494
MARKET VALUE OF SUBSTATIONS	92,795,975
TOTAL SUBSTATION KVA CAPACITY	9,279,606
VALUE PER KVA	10.00
Total T & D Value	343,397,389

* ACKNOWLEDGEMENT OF NEW VALUE FOR AD VREM TAXATION *

THE ABOVE LISTED NEW VALUES ARE RECOMMENDED BY TAP PRAISER FOR THE DISTRICT AND ACCEPTED BY THE AGENT/OWNER FOR THEXPAYER AS 2008 VALUES. THE AGENT/OWNER HEREBY WITHDRAWS PROTEST AND WAIVTHE RIGHT TO FURTHER NOTIFICATION OF VALUES.

TO BE VALID THIS SIGN-OFF MUST BE EXECUTED AND RRNED TO CAPITOL BY MIDNIGHT PRIOR TO YOUR ARB HEARING.

DISTRICT	CAPITOL	TAXPAYER/AGENT	BRA
Date	Date	Date	Date

APPENDIX A

DISCOUNTED CASH FLOW 2010

ASSUMPTIONS:

FIT RATE : 0.35000
DISC RATE: 0.09943
GROWTH RA 0.04355

NOI	46,565,398
Income Taxes - Federal (409.1)	10,992,511
EBFIT (NOI + INCOME TAXES)	57,557,909
Interest on Long-Term Debt (427)	19,501,675
Depreciation Expense (403)	42,404,799
UTILITY PLANT	1,357,257,700
Capital Expenditures %	3.00%
Capital Expenditures	40,717,731

(000'S)

	2009	2010	2011
EBFIT (LESS DEPREC)	57,558	60,064	62,680
INTEREST	19,502	19,502	19,502
EARN. BF. TAX	38,056	40,563	43,179
FED INC TAX	(13,320)	(14,197)	(15,112)
NET INC AFTER FIT	24,737	26,366	28,066
INTEREST	(19,502)	(19,502)	(19,502)
DEPREC	42,405	42,405	42,405
CAP EXP	(40,718)	(40,718)	(40,718)
CASH FLOW	45,925	47,555	49,255
DISC FACT	0.95371	0.86746	0.78900
P.W.	43,799	41,251	38,862

	2012	2013	2014
EBFIT (LESS DEPREC)	65,410	68,258	71,231
INTEREST	19,502	19,502	19,502
EARN. BF. TAX	45,908	48,757	51,729
FED INC TAX	(16,068)	(17,065)	(18,105)
NET INC AFTER FIT	29,840	31,692	33,624
INTEREST	(19,502)	(19,502)	(19,502)
DEPREC	42,405	42,405	42,405
CAP EXP	(40,718)	(40,718)	(40,718)
CASH FLOW	51,029	52,881	54,813
DISC FACT	0.71765	0.65274	0.59371
P.W.	36,621	34,517	32,543

CAPITOL APPRAISAL GROUP, LLC

	2015	2016	2017
EBFIT (LESS DEPREC)	74,333	77,570	80,948
INTEREST	19,502	19,502	19,502
EARN. BF. TAX	54,831	58,068	61,447
FED INC TAX	(19,191)	(20,324)	(21,506)
NET INC AFTER FIT	35,640	37,745	39,940
INTEREST	(19,502)	(19,502)	(19,502)
DEPREC	42,405	42,405	42,405
CAP EXP	(40,718)	(40,718)	(40,718)
CASH FLOW	56,829	58,933	61,129
DISC FACT	0.54001	0.49117	0.44675
P.W.	30,689	28,947	27,310

	2018
EARN. BF. TAX	84,473
INTEREST	19,502
EARN. BF. TAX	64,972
FED INC TAX	(22,740)
NET INC AFTER FIT	42,232
INTEREST	(19,502)
DEPREC	42,405
CAP EXP	(40,718)
CASH FLOW	63,420
DISC FACT	0.40635
P.W.	25,771

	RVRSN	TOTAL PW
EBFIT (LESS DEPREC)		
INTEREST		
EARN. BF. TAX		
FED INC TAX		
NET INC AFTER FIT		
INTEREST		
DEPREC		
CAP EXP		
CASH FLOW	618,690	
DISC FACT	0.40635	
P.W.	251,404	$ 591,714

SAMPLE TELEPHONE COMPANY

DOCUMENT 9C

1/1/10 APPRAISAL

Appraiser

CAPITOL APPRAISAL GROUP, LLC

INCOME APPROACH

	ADJUSTED NOI excludes Pension Gains & Equip Sales		NPIS		NOI/NPIS
2004	27,609,661		213,294,189		0.129444
2005	31,403,708	114%	198,144,756		0.158489
2006	31,663,733	101%	181,767,566	92%	0.174199
2007	30,279,656	96%	166,977,937	92%	0.181339
2008	34,468,837	114%	152,788,425	92%	0.225598
2009	40,010,863	116%	136,460,682	89%	0.293204
		144.92%			

1.	Prior Year	40,010,863		40,010,863
2.	Simple 3 Year Average	34,919,785		34,919,785
				31,777,005
3.	Weighted 3 Year Average	219,249,919		36,541,653
		34,007,885		
4.	Adjusted Weighted 3 Year Average	34,047,670		34,391,486
		34,053,193		
5.	Linear Regression on NOI		0.81	39,571,184
6.	Linear Regression on NOI/NPIS		(0.81)	37,606,141
7.	Typical Return on Plant			39,582,694
8	Linear regression on NOI vs. Access Lines		(0.85)	38,158,859
PROJECTION less allowance for equipment sales:				35,000,000
INCOME ATTRIBUTED TO CWIP				0
Total Income to be Capitalized				35,000,000

INCOME APPROACH

	SUBSCRIBER ACCESS LINES	
20043	167,000	
2005	162,000	97%
2006	156,489	97%
2007	151,717	97%
2008	147,248	97%
2009	139,353	95%
		83.44%

Market Value Estimate -- Income Approach

	Projection		Cap. Rate		Market Value	
Tangible NOI	27,465,176	/	0.1146	=	239,718,500	
Less V. S.	5,706,117	/	0.1146	=	49,803,501	0.16
Less DSL	1,828,707	/	0.1146	=	15,961,115	
System NOI	35,000,000	/	0.1146	=	305,483,115	

COST APPROACH

Plant in Service	$566,897,345
Construction WIP	2,998,765
Non-Op Plant	
Subtotal	569,896,110
Miscellaneous Physical Property	0
Materials and Supplies	643,038
Total Operating Property	570,539,148
Less Depreciation Reserve:	
Depreciation & Amortization Reserve	430,436,663
Amortization Reserve	0
Depreciation Reserve	0
Total Depreciation Reserves & Plant Adjustments	430,436,663
NET BOOK	140,102,485
LESS: Software @ Net	0
INDICATED OBSOLESCENCE	150,000,000
COST APPROACH INDICATOR (INCLUDING INTANGIBLES)	290,102,485
Other Intangibles (trade name from D&T Appraisal)	9,300,000
Work Force	5,000,000
Buildings	24,099,934
COST APPROACH (EXCLUDING INTANGIBLES)	251,702,551

FINAL VALUE ESTIMATE

Income Approach Estimate (Excluding Intangibles)	$239,718,500
Cost Approach Estimate (Excluding Intangibles)	251,702,551
AUS RCNLD STUDY	$240,679,972
Income Approach System (Include Intangibles)	$305,483,115
Cost Approach (Including Intangibles)	290,102,485

After careful consideration of this information, the total system value of SAMPLE COMPANY A excluding intangibles is as follows:

FINAL VALUE ESTIMATE	$240,000,000
FINAL VALUE ESTIMATE SYSTEM (Including Intangibles)	$305,483,115
MARKET VALUE TO COST	42.07%
MARKET VALUE TO NB	171.30%

* ACKNOWLEDGEMENT OF NEW VALUE FOR AD VALO REM TAXATION *
THE ABOVE LISTED NEW VALUES ARE RECOMMENDED BY THE APPRAISER FOR THE
DISTRICT AND ACCEPTED BY THE AGENT/OWNER FOR THEXTA PAYER AS 2010 VALUES.
THE AGENT/OWNER HEREBY WITHDRAWS PROTEST AND WAIVES THE RIGHT TO FURTHER

NOTIFICATION OF VALUES.
TO BE VALID THIS SIGN-OFF MUST BE EXECUTED AND RETU
RNED TO CAPITOL

BY MIDNIGHT PRIOR TO YOUR ARB HEARING.

District	Capitol	Taxpayer/Agent	ARB
Date	Date	Date	Date

ALLOCATION

(A)	Total System Value		$240,000,000
(B)	Texas Utility Plant in Service	$566,897,345	
(C)	System Gross Utility Plant	$566,897,345	
(D)	Texas Apportionment Factor (B)/(C)		100.00%
(E)	Texas Net Utility Plant	$140,102,485	
(F)	System Net Utility Plant	$140,102,485	
(G)	Texas Apportionment Factor (E)/(F)		100.00%
(H)	Average Apportionment Factor [(D)+(G)]/2		100.00%
(I)	Texas Value (H) * Total Market Value		$240,000,000
(J)			
(K)	Buildings & Land		$24,099,934
(L)	Total Land and Buildings (J)+(K)		$24,099,934
(M)	Original Cost		$570,539,148
(N)	Percentage Attributable to Land and Buildings (L)/(M)		4.22%
	Other Intangibles (trade name from D&T Appraisal)		9,300,000
	Work Force		5,000,000
	Value to Allocate [(I)-(I*N)]		$215,562,248
	Total Rendered Value		171,000,000
	ratio of Value to Allocate to Rendered Value		1.2606
	Ratio of Value to Allocate to Original cost		0.3782

NET OPERATING INCOME ATTRIBUTED TO CONSTRUCTION WORK IN PROGRESS

(A) Total Construction work in progress	$2,998,765
Less:	
(B) Short term plant in rate base	$0
(C) Modernization - Long term plant replacing plant in rate base	$2,998,765
(D) Construction Work in Progress not in rate base	$0
(E) Capitalization Rate	11.46%
(F) Present value of (D) discounted for one period at capitalization rate	$0
(G) Net operating income attributed to construction work in progress adjusted for 80% market penetration	$0

COST APPROACH OBSOLESCENCE

(A)	Total Net Plant In Service	$136,460,682
(B)	Required Rate of Return	11.46%
(C)	Prior 3 Year's Net Operating Income - Avg.	34,919,785
(D)	Required Net Operating Income (A)*(B)	$15,634,657
(E)	Income Shortfall (D)-(C)	($19,285,128)
(F)	Capitalization Rate	11.46%
(G)	Indicated Obsolescence	($168,322,312)

Method 2

(A)	Projected Net Operating Income	35,000,000
(B)	Total Net Plant In Service	$136,460,682
(C)	Rate of Return (A) / (B)	25.65%
(D)	Expected Rate of Return (Capitalization Rate)	11.46%
(E)	Percent Good (C)/(D)	223.86%
(F)	Percent Obsolescence Equals (100.00%) - (E)	-123.86%
(G)	Total Economic Obsolescence (B)*(F)	($169,022,433)
	SAY	(150,000,000)

Capital Charge - the annual return required on all corporate assets used in the
production of the economic income associated with the subject intangible asset.

Net Plant In Service	Cost of Capital		Required Return
144,624,554	11.46%	=	$16,570,014

Vertical Svces Revenue (VS NOI / co. exp ratio)	Total Operating Revenues	Percent of VS Revenue
14,428,016	172,550,486	8.36%

Allocated Capital Charge on Supporting Assets	$1,385,522
Estimated Vertical Services NOI	7,091,639
Vertical Services NOI Less Capital Charge	$5,706,117

2010

DOCUMENT 9D

SAMPLE ELECTRIC COOP, COMPANY

UNIT APPRAISAL

Unit # 000

Appraiser

DATA YEAR: 2010

INCOME APPROACH

YEAR	NET OPERATING INCOME	NOI GROWTH	NET PLANT IN SERVICE	NPIS GROWTH	NOI/NPIS NOI - CURR YR NPIS - PRV YR
2004	4,625,201		81,787,622		
2005	5,661,681	0.2241	85,798,675	0.0490	0.0692
2006	4,748,314	-0.1613	92,154,509	0.0741	0.0553
2007	4,460,508	-0.0606	100,759,381	0.0934	0.0484
2008	4,928,287	0.1049	109,974,664	0.0915	0.0489
2009	4,458,440	-0.0953	115,898,957	0.0539	0.0405

MOST RECENT YEAR			4,458,440
THREE YEAR AVERAGE			4,615,745
FIVE YEAR AVERAGE			4,851,446
THREE YEAR WEIGHTED AVERAGE			4,615,400
FIVE YEAR WEIGHTED AVERAGE			4,703,012
FIVE YR. AVG. RETURN ON NPIS		0.0525	6,082,869
LIN. REGRESS. ON NOI	CORR. COEFF. =	(0.39)	4,183,493
LIN. REGRESS. ON NOI/NPIS	CORR. COEFF. =	(0.62)	4,261,525

PROJECTED TYPICAL NET OPERATING INCOME	3,700,000
NET INCOME ATTRIBUTABLE TO CWIP (SEE BELOW)	0
TOTAL NET INCOME TO CAPITALIZE	3,700,000
CAPITALIZATION RATE	0.1398
VALUE INDICATED BY INCOME APPROACH	26,460,653

INCOME ATTRIBUTABLE TO CONSTRUCTION WORK IN PROGRESS

CONSTRUCTION WORK IN PROGRESS			2009		0
DISCOUNTED AT:	0.1398	FOR	1	YEAR(S)	0
PROJECTED NET INCOME FROM CWIP					0

COST APPROACH

TOTAL UTILITY PLANT IN SERVICE (C1)	146,384,363
CONSTRUCTION WORK IN PROGRESS (C2)	0
TOTAL UTILITY PLANT	146,384,363
DEPRECIATION (C4)	30,485,407
NET UTILITY PLANT	115,898,957
MATERIALS & SUPPLIES (C21)	179,002
NET INVESTMENT	115,719,955
ECONOMIC OBSOLESCENCE (SEE BELOW)	89,821,691
COST APPROACH INDICATOR OF VALUE	25,898,263

CALCULATION OF ECONOMIC OBSOLESCENCE

HISTORICAL RATE OF RETURN (5 YEAR AVG.)	0.0525
CURRENT DESIRED RATE OF RETURN	0.1398
INDICATED FRACTION NON-OBSOLESCENT	0.3753
MOST RECENT RATE OF RETURN	0.0405
CURRENT DESIRED RATE OF RETURN	0.1398
INDICATED FRACTION NON-OBSOLESCENT	0.2899
PROJECTED RATE OF RETURN	0.0319
CURRENT DESIRED RATE OF RETURN	0.1398
INDICATED FRACTION NON-OBSOLESCENT	0.2283
APPRAISER'S OPINION OF FRACTION NON-OBSOLESCENT	0.2250
FRACTION OBSOLETE	0.7750
ECONOMIC OBSOLESCENCE	89,821,691

CORRELATION

INCOME APPROACH INDICATOR OF VALUE	$26,460,653
COST APPROACH INDICATOR OF VALUE	$25,898,263
APPRAISER'S OPINION OF MARKET VALUE	$26,000,000

MARKET VALUE/ ORIGINAL COST	0.1776
MARKET VALUE/ NET BOOK VALUE	0.2243

* ACKNOWLEDGEMENT OF NEW VALUE FOR AD VALOREM TAXATION *** *

THE ABOVE LISTED NEW VALUES ARE RECOMMENDED BY THE APPRAISER FOR THE DISTRICT AND ACCEPTED BY THE AGENT/OWNER FOR THE TAXPAYER AS 2010 VALUES. THE AGENT/OWNER HEREBY WITHDRAWS PROTEST AND WAIVES THE RIGHT TO FURTHER NOTIFICATION OF VALUES.

TO BE VALID THIS SIGN-OFF MUST BE EXECUTED AND RETURNED TO CAPITOL BY MIDNIGHT PRIOR TO YOUR ARB HEARING.

DISTRICT	CAPITOL	TAXPAYER/AGENT	ARB
DATE	DATE	DATE	DATE

ALLOCATION

DISTRIBUTION PLANT

ORIGINAL COST OF DISTRIBUTION SYSTEM (E14E)	122,565,286
ORIGINAL COST OF LAND AND LAND RIGHTS (E1E)	123,409
ORIGINAL COST OF STRUCTURES AND IMPROVEMENTS (E2E)	916,416
ORIGINAL COST OF STATION EQUIPMENT (E3E)	11,720,471
DIST. PLANT EXCL. SUBSTATIONS AND LAND	109,804,991
MARKET VALUE/ ORIGINAL COST	0.1776
MARKET VALUE OF DIST. EXCL. SUBSTATIONS AND LAND	19,502,969

TYPE	MARKET VALUE	NO. UNITS		MKT VAL/UNIT
METERS	19,502,969	31,056	(R10L)	$628
MI. OF LINE	19,502,969	4,217	(B6B+B7B)	$4,625

TRANSMISSION PLANT

ORIGINAL COST OF TRANSMISSION SYSTEM (E33E)	11,818,671
ORIGINAL COST OF LAND & LAND RIGHTS (E26E)	16,336
ORIGINAL COST OF STRUCTURES AND IMPROVEMENTS (E27E)	170,820
ORIGINAL COST OF STATION EQUIPMENT (E28E)	4,458,909
TRANS. PLANT EXCL. SUBSTATIONS AND LAND	7,172,606
MARKET VALUE/ ORIGINAL COST	0.1776
MARKET VALUE OF TRANS. EXCL. SUBSTATIONS AND LAND	1,273,960
MILES OF TRANSMISSION LINE (B5B)	104
MARKET VALUE PER MILE OF LINE	$12,281

SUBSTATIONS

ORIGINAL COST OF SUBSTATIONS - DIST.	12,636,887
ORIGINAL COST OF SUBSTATIONS - TRANS.	4,629,729
ORIGINAL COST OF SUBSTATIONS - TOTAL	17,266,616
MARKET VALUE/ ORIGINAL COST	0.1776
MARKET VALUE OF SUBSTATIONS	3,066,803
TOTAL SUBSTATION KVA CAPACITY	269,025
MARKET VALUE PER KVA	$11

CAP RATE

	COST OF EQUITY	
MODIFIED DCF - DIVIDEND YIELD	Ke = (Div/P) + G	0.1630
DIVIDEN / PRICE = ((CASH PATRONAGE + REDEMPTIONS) / TOTAL PATRONAGE CAPITAL)		0.1571
GROWTH RATE = [1 - (CASH PATRONAGE / NET INCOME)]* (NET INCOME / PATRONAGE CAPITAL)		-0.0570
GROWTH RATE - GROWTH OF NPIS		0.0724
GROWTH RATE - GROWTH OF NOI		0.0023
CALCULATED GROWTH RATE		0.0059
CASH PATRONAGE		7,000,090
REDEMPTIONS		0
TOTAL PATRONAGE CAPITAL		44,570,184
NET INCOME		4,458,440
MODIFIED DCF - EARNINGS	Ke = (E/P) + G	0.1059
NET INCOME		4,458,440
TOTAL PATRONAGE CAPITAL		44,570,184
CALCULATED GROWTH RATE		0.0059
BUILD UP METHOD	Ke = Rf + Rp + SIZE PREMIUM	0.1570
RISK FREE RATE (TREASURY)		0.0400
EQUITY RISK PREMIUM (PRATT / WASATA)		0.0550
SIZE PREMIUM (IBBITSONS)		0.0620
MODIFIED CAPM	Ke = Rf + (b * ERP)	0.1391
RISK FREE RATE (TREASURY)		0.0400
EQUITY RISK PREMIUM (PRATT / WASATA)		0.0550
BETA (SEE BELOW)		1.8024
BETA		
RETURN ON ASSETS		0.0525
S & P AVERAGE RETURN ON ASSETS		0.0946
CALCULATED BETA		1.8024
AVERAGE COST OF EQUITY		0.1413
OPINION OF COST OF EQUITY		0.1413
	COST OF DEBT	
ELECTRIC UTILITY BOND		0.0818
COST OF DEBT		0.0818

CAPITAL STRUCTURE

TOTAL DEBT	61,388,492
TOTAL ASSETS	133,029,617
PERCENT DEBT	0.4615
PERCENT EQUITY	0.5385

WEIGHTED COST OF CAPITAL

	CAPITAL STRUCTURE	COST	WEIGHTED COST	FLOTATION COST	ADJ WEIGHTED COST
EQUITY	0.5385	0.1413	0.0761	0.0360	0.0789
DEBT	0.4615	0.0818	0.0377	0.0150	0.0383
					0 .1173

2010

DOCUMENT 9E

SAMPLE TELEPHONE COOP COMPANY

APPRAISAL

UNIT # 000

Appraiser

DATA YEAR: 2010

INCOME APPROACH

NOI PROJECTION NO. 1		
NET OPERATING REVENUES (B7B)	2009	$3,585,327
NET OPERATING REVENUES (B7B)	2008	$3,606,611
NET OPERATING REVENUES (B7B)	2007	$3,263,862
PROJECTED NET OPERATING REVENUES		$3,485,267
TYPICAL INVESTOR-OWNED TELEPHONE CO. EXPENSE RATIO		0.8100
PROJECTED EXPENSES		$2,823,066
PROJECTED NOI BASED ON TYPICAL INVESTOR-OWNED EXP. RATIO		$662,201
NOI PROJECTION NO. 2		
NET PLANT IN SERVICE 2010		$7,324,320
TYPICAL INVESTOR-OWNED TEL. CO. RETURN RATE ON NPIS		0.1010
PROJECTED NOI BASED ON INVESTOR-OWNED RETURN RATE		$739,756
NOI PROJECTION NO. 3		
NET OPERATING REVENUES (B7B)	2010	$3,585,327
TOTAL OPERATION & MAINTENANCE EXPENSE (B14B)		$2,873,408
TOTAL OPERATING TAXES (B20B)		$74,428
NET OPERATING INCOME BEFORE FED. INCOME TAXES	2010	$637,491
NET OPERATING INCOME BEFORE FED. INCOME TAXES	2009	$861,211
NET OPERATING INCOME BEFORE FED. INCOME TAXES	2008	$1,848,531
PROJECTED NOI BEFORE FEDERAL INCOME TAXES		$1,354,871
PROJECTED EFFECTIVE FEDERAL INCOME TAX RATE		0.00
PROJECTED NOI AFTER FEDERAL INCOME TAXES		$1,354,871

INCOME PROJECTIONS

NOI PROJECTION NO. 1	$739,756
NOI PROJECTION NO. 2	$739,756
NOI PROJECTION NO. 3	$1,354,871
APPRAISER'S OPINION	$900,000
INCOME ATTRIBUTABLE TO CWIP (SEE BELOW)	$0
TOTAL INCOME TO CAPITALIZE	$900,000
CAPITALIZATION RATE	0.1322
INCOME APPROACH INDICATOR OF VALUE	$6,807,893

INCOME ATTRIBUTABLE TO CONSTRUCTION WORK IN PROGRESS

CONSTRUCTION WORK IN PROGRESS				2010	$0
DISCOUNTED AT:	0.1322	FOR	1	YEAR(S)	$0
TYPICAL INVESTOR-OWNED ELECTRIC CO. RETURN RATE ON NPIS					0.1010
PROJECTED NET INCOME FROM CWIP					$0

COST APPROACH

TELECOMMUNICATIONS PLANT-IN-SERVICE (A20)	$12,539,923
PROPERTY HELD FOR FUTURE USE (A21)	$0
CONSTRUCTION WORK IN PROGRESS (A22)	$0
TOTAL UTILITY PLANT	$12,539,923
DEPRECIATION (A24)	$5,215,603
NET UTILITY PLANT	$7,324,320
MATERIALS AND SUPPLIES (A7+A8)	$200,601
NET INVESTMENT	$7,524,921
PERCENT NON-OBSOLETE (SEE BELOW)	0.9000
COST APPROACH INDICATOR OF VALUE	$6,772,429

CALCULATION OF ECONOMIC OBSOLESCENCE

RETURN RATE BASED ON NOI PROJECTION NO. 1	0.1010
CURRENT DESIRED RATE OF RETURN	0.1322
INDICATED FRACTION NON-OBSOLETE	0.7640
RETURN RATE BASED ON NOI PROJECTION NO. 2	0.1010
CURRENT DESIRED RATE OF RETURN	0.1322
INDICATED FRACTION NON-OBSOLETE	0.7640
RETURN RATE BASED ON NOI PROJECTION NO. 3	0.1850
CURRENT DESIRED RATE OF RETURN	0.1322
INDICATED FRACTION NON-OBSOLETE	1.3993
RETURN RATE BASED ON PROJECTED NOI	0.1229
CURRENT DESIRED RATE OF RETURN	0.1322
INDICATED FRACTION NON-OBSOLETE	0.9295
CO-OP'S NET PLANT / ORIG COST	0.5841
TYPICAL I.O.U. NET PLANT / ORIG COST	0.6230
CO-OP'S IOU-ADJUSTED NET PLANT / ORIG COST	0.9375
TYPICAL I.O.U. NET PLANT / MARKET VALUE	0.8250
CO-OP'S I.O.U.-ADJUSTED FRACTION NON-OBSOLETE	0.7735
TYPICAL INVESTOR-OWNED ELECTRIC PERCENT NON-OBSOLETE	0.8250
COMPTROLLER'S PERCENT NON-OBSOLETE PRIOR YEAR	1.1375
APPRAISER'S OPINION OF FRACTION NON-OBSOLESCENT	0.9000

CORRELATION

INCOME APPROACH INDICATOR OF VALUE	$6,807,893
COST APPROACH INDICATOR OF VALUE	$6,772,429
APPRAISER'S OPINION OF MARKET VALUE	$6,800,000
MARKET VALUE/ ORIGINAL COST	0.5337
MARKET VALUE/ NET BOOK VALUE	0.9037

CAPITOL APPRAISAL GROUP

ALLOCATION

CENTRAL OFFICE EQUIPMENT

ORIGINAL COST OF CENTRAL OFFICE SWITCHING (D2E)	$1,193,274
ORIG. COST OF OPERATOR SYSTEMS (D3E)	$0
ORIG. COST OF CENTRAL OFFICE TRANSMISSION (D4E)	$683,810
ORIGINAL COST OF CENTRAL OFFICE EQUIPMENT	$1,877,084
ALLOCATED CWIP	$0
TOTAL ORIGINAL COST	$1,877,084
MARKET VALUE/ ORIGINAL COST	0.5337
MARKET VALUE OF CENTRAL OFFICE EQUIPMENT	$1,001,856
NO. CENTRAL OFFICE EQUIPMENT ACCESS LINES (GET+GFT)	2,907
VALUE PER COE ACCESS LINE	$345

MAIN STATIONS

ORIGINAL COST OF INFOR ORIG/TERM ASSETS (D5E)	$0
ORIG. COST OF CABLE & WIRE FACILITIES (D6E)	$10,380,881
ORIGINAL COST OF OTHER TANGIBLE ASSETS (D7E)	$0
TOTAL OUTSIDE PLANT ORIGINAL COST	$10,380,881
ALLOCATED CWIP	$0
TOTAL ORIGINAL COST	$10,380,881
MARKET VALUE/ ORIGINAL COST	0.5337
MARKET VALUE OF OUTSIDE PLANT	$5,540,588
TOTAL NO. MAIN STATIONS (C4C)	2,907
MARKET VALUE PER MAIN STATION	$1,906

Document 9F

V A L U A T I O N O P I N I O N

2010 PRELIMINARY REPORT

OF

FACILITIES AT

ABC LARGE INDUSTRIY COMPANY

V A L U A T I O N S U M M A R Y

REALTY IMPROVEMENTS	17,389,600
PERSONAL PROPERTY	17,623,800
TOTAL PRESENT WORTH, EXCLUDING LAND	35,013,400

CERTIFICATION: THIS APPRAISAL IS INTENDED TO REFLECT THE FAIR MARKET VALUE OF THE REALTY IMPROVEMENTS AND PERSONAL PROPERTY FOR SUBJECT PROPERTY, EXCLUDING LAND, AS OF JANUARY 1, 2010. THIS OPINION IS TO BE USED BY OUR CLIENT, TEXAS APPRAISAL DISTRICT, ITS CHIEF APPRAISER AND A.R.B., IN THEIR CONSIDERATIONS OF MARKET VALUE FOR PURPOSES OF AD VALOREM TAXATION. OWNERSHIP AND SITUS ARE NOT ASSURED.

APPRAISED BY:

APPRAISER, ENGR.
CAPITOL APPRAISAL GROUP, LLC

PRINTED: 10/08/10 12:04:10

ABC LARGE INDUSTRIY COMPANY
2010 PRELIMINARY REPORT

REALTY IMPROVEMENTS VALUATION SUMMARY

CATEGORY	REPLACEMENT COST	VALUATION FACTOR	PRESENT WORTH
1. PROCESS GROUP	49,590,000	.194	9,598,100
2. UTILITIES	19,340,100	.183	3,539,500
3. RECEIVING, SHIPPING, AND STORAGE	6,942,600	.182	1,261,400
4. SERVICE FACILITIES.	11,681,200	.184	2,144,400
5. GENERAL BUILDINGS	4,408,000	.192	846,200
6. OFF SITE FACILITIES			
7. RESEARCH AND DEVELOPMENT			
SUB-TOTAL	91,961,900		17,389,600
8. CONSTR. IN PROGRESS			
9. OUT OF SERVICE	22,040,000	.000	
10. NEW UNITS			
SUB-TOTAL	22,040,000		
IMPROVEMENTS TOTAL	114,001,900		17,389,600

PRINTED: 10/08/10 12:04:10

ABC LARGE INDUSTRIY COMPANY
2010 PRELIMINARY REPORT

PERSONAL PROPERTY VALUATION SUMMARY

CATEGORY	REPLACEMENT COST	VALUATION FACTOR	PRESENT WORTH
1. AUTOS & TRUCKS	2,360,000	.430	1,014,800
2. FF&E	250,000	.485	121,300
3. COMPUTERS	150,000	.143	21,500
4. SUPPLIES & PARTS	1,026,000	.750	769,500
5. MOB MACH/TOOLS	327,800	.600	196,700
6. INVENTORY	15,500,000	1.000	15,500,000
PERSONAL PROPERTY	19,613,800		17,623,800

PRINTED: 10/08/10 12:04:10

ABC LARGE INDUSTRIY COMPANY
2010 PRELIMINARY REPORT

THE OPERABLE FACILITY HAS A SERVICE LIFE OF 27.8 YEARS AND THE DOLLAR AVERAGE REMAINING LIFE IS 1.1 YEARS THE ESTIMATED INTEREST RATE FOR AN INVESTMENT IN THIS TYPE OF PLANT IS 8.6%. NORMALLY, A PLANT IN THIS RANGE OF INVESTMENT WOULD BE LOCATED ON A SITE VALUED AT $ 8,110,000.

VALUATION SUMMARY

TYPE VALUE	VALUE	CONSIDERATION
REPLACEMENT	114,001,900	
PHYSICAL	39,900,600	74,101,300
FUNCTIONAL	21,733,500	18,167,100
LOC & EXT OBSO	17,389,600	4,343,900

THE PERSONAL PROPERTY INDEXES FOR THIS PLANT ARE:

	CLASSIFICATION	I	B	F
1.	AUTOS & TRUCKS	2.3600	1,000.0000	.4300
2.	FF&E	.2500	1,000.0000	.4850
3.	COMPUTERS	.1500	1,000.0000	.1430
4.	SUPPLIES & PARTS	1.2000	.7500	.7500
5.	MOB MACH/TOOLS	1.1500	.2500	.6000
6.	INVENTORY	15.5000	1,000.0000	1.0000
	PROCESS UNITS	20.0000	20.0000	.0000
	OVERALL PLANT FACTORS	123-999	1.0000	1.1020
				.8000

DOCUMENT 9G

OIL LSE Sample #1-Smaller

MAP111 — CAPITOL APPRAISAL GROUP, INC. — PAGE 1
10/06/10 13.55
DETAILED MINERAL APPRAISAL
INCOME APPROACH: DNCF TECHNIQUE

CLIENT: 777 SAMPLE COUNTY APPR DIST RRC: 99 777011 WELL: PRIMARY PRODUCT: OIL APPRAISAL AS OF: 10/01/01

FIELD (RES): 99999 999 COUNTY: 777
IND OPERATOR: 999999 NOMINATOR NOT REQUIRED / SWR 3
LEASE NAME: A E SMITH COMMENT: SAMPLE OIL LSE #1-SWL MODIFICATION USER: CHAR

HISTORICAL PRODUCTION:

DATE OF FIRST PRODUCTION: 41/10/01

RAILROAD COMMISSION PRODUCTION

DATE	OIL (BBL)	GAS (MCF)	WATER(E)-B/D	%WC-WT	FLOW	LIFT	WELLS
PRIOR	1123821	162					
1999	16133					6	6
2000	14603					6	6
2001	13668					6	6
2002	10161					6	6
2003	9016					5	5
2004	7720					5	5
2005	8922					5	5
2006	9071					5	5
2007	11892					5	5
2008	13024					5	5
JAN	949					5	5
FEB	673					5	5
MAR	1115					5	5
APR	1063					5	5
MAY	1003					5	5
JUN	936					5	5
JUL	841					6	6
AUG	577					6	6
SEP	791					6	6
OCT	924					7	7
NOV	855					7	7
DEC	1400					7	7
2009	11127					7	7
TOTAL	1249158	162					

PROJECTION PARAMETERS:

PROJECTION DATE:	11/01/01	LIMIT DATE:	00/00/00
ANNUAL OIL PRODUCTION:	11127	OIL RESERVE LIMIT:	
ANNUAL GAS PRODUCTION:		GAS RESERVE LIMIT:	
NUMBER OF PRODUCING WELLS:	7	NUMBER OF INJECTION WELLS:	1

DECLINE PARAMETERS:

	CALCULATED PARAMETERS OIL	CALCULATED PARAMETERS GAS	P	APPRAISER PARAMETERS START-RATE	DECL-%	N-FACT	MOS
DATE:	07/07/01	07/07/01	O	45.0	25.00		12
DAILY-A:	30.5		B		15.00		
DECL-%:	35.53	35.53					
N-FACT:							

SECONDARY PRODUCT RATIO: SECONDARY PRODUCT RATIO:

CLIENT: 777 SAMPLE COUNTY APPR DIST RRC: 99 777011 WELL: PRIMARY PRODUCT: OIL APPRAISAL AS OF: 10/01/01

FIELD (RES): 99999 999 COUNTY: 777 MODIFICATION DATE:
IND OPERATOR: 999999 NOMINATOR NOT REQUIRED / SWR 3 MODIFICATION TIME:
LEASE NAME: A E SMITH COMMENT: SAMPLE OIL LSE #1-SML MODIFICATION USER: CHAR

ECONOMIC PARAMETERS:

OIL PRICE:	94.09	PRODUCING WELLS:	7	BASE DISCOUNT RATE:	1.1300
OIL GRAVITY:	28.0	INJECTION WELLS:	1	AD VALOREM TAX BURDEN:	2.00
OIL GRAVITY ADJUSTMENT:		DEPTH:	2600	ECONOMIC LIFE:	19
GAS PRICE:	10.04	OPERATING COST ($/WELL):	6378	P-TO-I (7/8-1/8):	4.7 4.8
GAS PRICE PARITY:	1.00	*** SECTION 22.27 RESTRICTION ***		PAYOUT (7/8-1/8):	4.7 4.8
		EQUIPMENT COST ($/WELL):	8269	R/P RATIO (OIL-GAS):	6.0

CASH FLOW ANALYSIS:

START DATE	PRODUCTION OIL (BBL)	PRODUCTION GAS (MCF)	PRODUCT PRICES OIL	PRODUCT PRICES NET	PRODUCT PRICES GAS	PRODUCT PRICES NET	7/8 REVENUE(M$) OIL	7/8 REVENUE(M$) GAS	OP COST(M$) DIRECT	OP COST(M$) CAP EXP	UNDISC INCOME 7/8(M$)	UNDISC INCOME 1/8(M$)	DISCOUNTED INCOME 7/8($)	DISCOUNTED INCOME 1/8($)
10/01/01	14275		35.19	33.57	6.06	5.61	419		45		375	60	349376	55858
11/01/01	11372		40.69	38.82	6.61	6.11	386		42		344	55	278830	44746
12/01/01	9669		50.59	48.26	7.49	6.93	408		42		366	58	257938	41128
13/01/01	8239		65.98	62.94	9.26	7.64	454		45		409	65	250900	39744
14/01/01	6984		74.70	71.34	9.36	8.66	436		46		390	62	207980	33205
15/01/01	5938		83.57	79.73	10.46	9.68	414		47		367	59	170153	27437
16/01/01	5045		92.37	88.12	10.94	10.12	389		49		340	56	137204	22403
17/01/01	4301		101.61	96.94	11.24	10.40	365		50		315	52	110322	18270
18/01/01	3645		105.67	100.81	11.53	10.67	322		52		270	46	82274	14002
19/01/01	3097		108.84	103.83	11.81	10.92	281		53		228	40	60487	10655
20/01/01	2635		111.56	106.43	12.09	11.18	245		55		191	35	43937	8080
21/01/01	2245		113.79	108.56	12.36	11.43	213		56		157	30	31436	6106
22/01/01	1902		114.93	109.64	12.62	11.67	182		58		124	26	21675	4543
23/01/01	1617		116.08	110.74	12.87	11.90	157		60		97	22	14676	3392
24/01/01	1374		117.24	111.85	13.11	12.13	134		62		73	19	9598	2532
25/01/01	1173		118.41	112.96	13.34	12.34	116		63		52	17	6010	1898
26/01/01	993		119.59	114.09	13.56	12.54	99		65		34	14	3361	1411
27/01/01	844		120.79	115.23	13.77	12.74	85		67		18	12	1537	1053
28/01/01	718		122.00	116.39	13.97	12.92	73		69		4	10	282	787
	86056		<====== SUB-TOTAL ======>				5180		1027		4153	740	2038026	337250
	86066		<====== TOTAL ======>				5180		1027		4153	740	2038026	337250
							EQUIPMENT ADJUSTMENT:				58		3793	
							VALUE AT BASE DISCOUNT RATE:						2041819	337250
							VALUE AT MAF ADJUSTMENT:		94/90				1919309	317015
		IN PLACE	DAILY AVG				SECTION 23.175 VALUE:						1764393	288734
	7/8 $/BBL:	23.43	44810				TOTAL APPRAISED VALUE:						1764393	288734
	7/8 $/MCF:													
	7/8 $/BOE:	23.43	44810				AVERAGE ANNUAL ROR:			20		20		

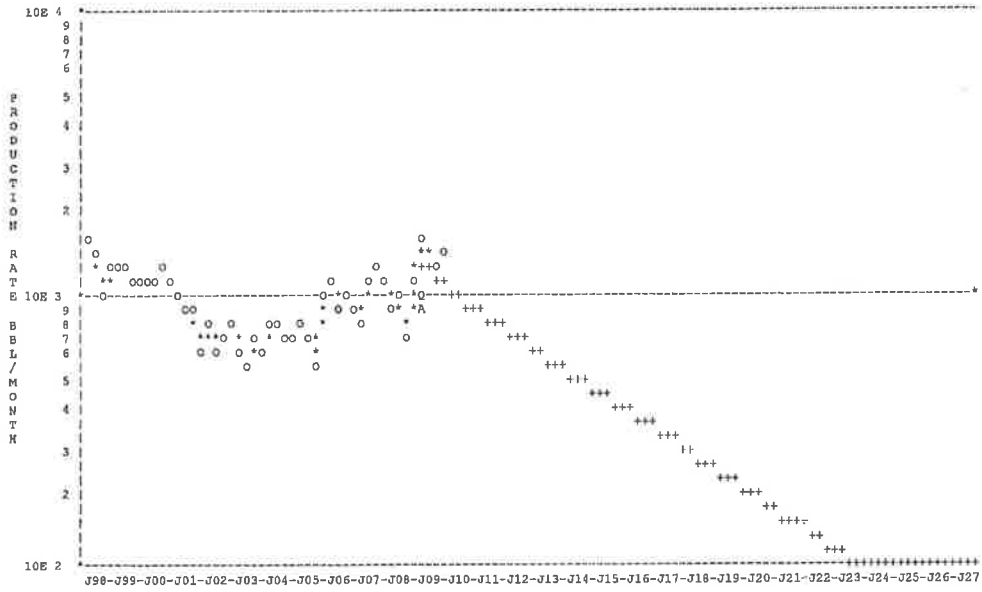
DIVISION ORDER TOTAL WORKING INTEREST & VALUE: .825000 1648900
*** SECTION 22.27 RESTRICTION ***

JURISDICTIONS: SAMPLE COUNTY 1.0000
SAMPLE ISD 1.0000

CLIENT: 777 SAMPLE COUNTY APPR DIST RRC: 99 777011 WELL: PRIMARY PRODUCT: OIL APPRAISAL AS OF: 10/01/01

FIELD (RES): 99999 999 COUNTY: 777 MODIFICATION DATE:
IND OPERATOR: 999999 NOMINATOR NOT REQUIRED / SWR 3 MODIFICATION TIME:
LEASE NAME: A E SMITH COMMENT: SAMPLE OIL LSE #1-SML MODIFICATION USER: CHAR

DATE	OIL(BBL)	GAS(MCF)	WLS	-- 2009 MONTHLY PRODUCTION --			CALC DECLINE:	OIL	GAS	-- 2010 MONTHLY PRODUCTION --			
PRIOR	1123621	162		MON	OIL(BBL)	GAS(MCF)	WLS	DATE:	07/07/01	07/07/01	MON	OIL(BBL)	GAS(MCF)	WLS
1999	16133		6	JAN	949		5	DAILY-A:	30.5		JAN	1544		7
2000	14603		6	FEB	673		5	DECL-%:	35.53	35.53	FEB	1484		7
2001	13668		6	MAR	1115		5	N-FACT:			MAR	1478		7
2002	10161		6	APR	1063		5	----- APPRAISER DECLINE ------			APR	1296		7
2003	9016		5	MAY	1003		5	P START-RATE DECL-% N-FACT MOS			MAY	1326		7
2004	7720		5	JUN	936		5	O 45.0 25.00 12			JUN	1227		7
2005	8922		5	JUL	841		6	B 15.00			JUL	1267		7
2006	9071		5	AUG	577		6				AUG	1268		7
2007	11892		5	SEP	791		6				SEP	1352		7
2008	13024		5	OCT	924		7				OCT	1440		7
2009	11127		7	NOV	855		7				NOV			
2010	13682			DEC	1400		7				DEC			



C A P I T O L A P P R A I S A L G R O U P , I N C .
DETAILED MINERAL APPRAISAL
INCOME APPROACH: DNCF TECHNIQUE

CLIENT: 777 SAMPLE COUNTY APPR DIST RRC: 99 777011 WELL: PRIMARY PRODUCT: OIL APPRAISAL AS OF: 10/01/01

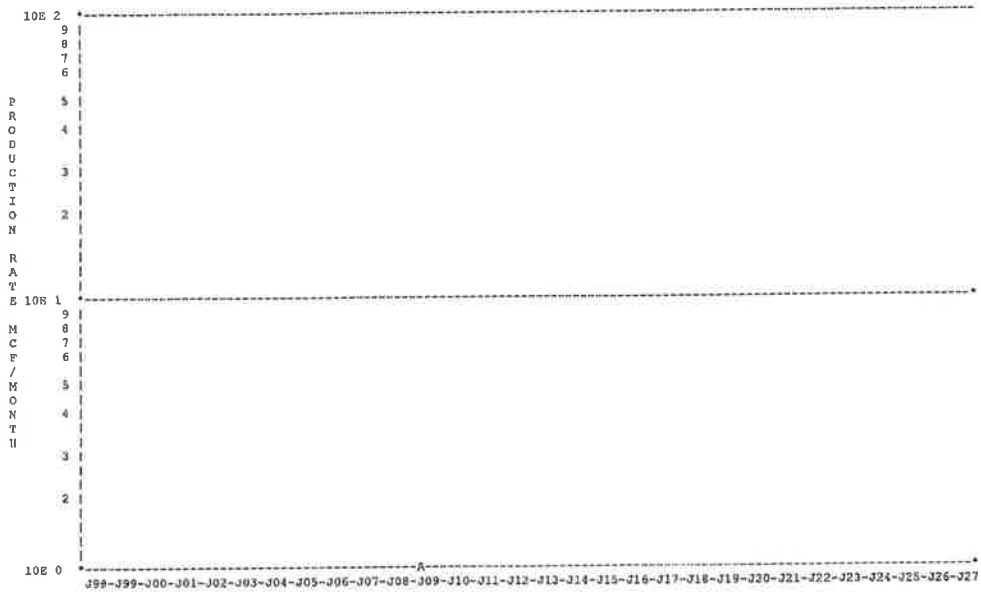
FIELD (RES): 99999 999 COUNTY: 777 MODIFICATION DATE:
IND OPERATOR: 999999 NOMINATOR NOT REQUIRED / SWR 3 MODIFICATION TIME:
LEASE NAME: A E SMITH COMMENT: SAMPLE OIL LSE #1-SML MODIFICATION USER: CHAR

DATE	OIL(BBL)	GAS(MCF)	WLS
PRIOR	1123021	162	
1999	16133		6
2000	14603		6
2001	13668		6
2002	10161		6
2003	9016		5
2004	7720		5
2005	8922		5
2006	9071		5
2007	11892		5
2008	13024		5
2009	11127		7
2010	13682		

-- 2009 MONTHLY PRODUCTION -- MON	OIL(BBL)	GAS(MCF)	WLS
JAN	949		5
FEB	673		5
MAR	1115		5
APR	1063		5
MAY	1003		5
JUN	936		5
JUL	841		6
AUG	577		6
SEP	791		6
OCT	924		7
NOV	855		7
DEC	1400		7

CALC DECLINE: OIL GAS
DATE: 07/07/01 07/07/01
DAILY-A: 30.5
DECL-%: 35.53 35.53
N-FACT:
----- APPRAISER DECLINE ------
P START-RATE DECL-% N-FACT MOS
O 45.0 25.00 12
B 15.00

-- 2010 MONTHLY PRODUCTION -- MON	OIL(BBL)	GAS(MCF)	WLS
JAN	1544		7
FEB	1484		7
MAR	1478		7
APR	1296		7
MAY	1326		7
JUN	1227		7
JUL	1267		7
AUG	1268		7
SEP	1352		7
OCT	1440		7
NOV			
DEC			



DOCUMENT 9H

OIL LSE Sample #2-Larger

MAP111 C A P I T O L A P P R A I S A L G R O U P , I N C . PAGE 1
10/06/10 13.55 DETAILED MINERAL APPRAISAL
INCOME APPROACH: DNCF TECHNIQUE

CLIENT: 777 SAMPLE COUNTY APPR DIST RRC: 99 777002 WELL: PRIMARY PRODUCT: OIL APPRAISAL AS OF: 10/01/01

FIELD (RES): 99999 999 COUNTY: 777 MODIFICATION DATE:
IND OPERATOR: 999999 NOMINATOR NOT REQUIRED / SWR 3 MODIFICATION TIME:
LEASE NAME: HUGH KELKER COMMENT: OIL SAMPLE #2 --LG MODIFICATION USER: CHAR

HISTORICAL PRODUCTION:

DATE OF FIRST PRODUCTION: 48/06/01

DATE	OIL (BBL)	GAS (MCF)	WATER(E)-B/D	%WC-WT	FLOW	LIFT	WELLS
PRIOR	16008540	3803197					
1999	46797	24076	94965	67	1	4	5
2000	32629	12793	77798	70	1	5	6
2001	31256	13091	33968	52	1	5	6
2002	28777	12535	31046	52	1	5	6
2003	26339	12354	24472	48	1	5	6
2004	27390	13510	31046	53	1	5	6
2005	28852	13754	33238	54	1	5	6
2006	29559	12400	23741	45	1	5	6
2007	20790	11571	1461	7	1	5	6
2008	22477	11550	2557	10	1	5	6
JAN	1694	969			1	5	6
FEB	1541	861			1	5	6
MAR	1566	809			1	5	6
APR	1504	931			1	5	6
MAY	2439	1565			1	5	6
JUN	1875	1169	3	1	1	5	6
JUL	1815	972	8	1	1	5	6
AUG	1932	1214			1	5	6
SEP	1999	740	69	2	1	5	6
OCT	2133	668	13	1	1	5	6
NOV	2446	1210			1	5	6
DEC	3162	1751			1	5	6
2009	24106	12759	33968	58	1	5	6
TOTAL	16327512	3953590					

PROJECTION PARAMETERS:

PROJECTION DATE: 11/01/01 LIMIT DATE: 00/00/00
ANNUAL OIL PRODUCTION: 24106 OIL RESERVE LIMIT:
ANNUAL GAS PRODUCTION: 12759 GAS RESERVE LIMIT:
NUMBER OF PRODUCING WELLS: 6 NUMBER OF INJECTION WELLS:

DECLINE PARAMETERS:

----CALCULATED PARAMETERS----			-----APPRAISER PARAMETERS-----			
	OIL	GAS	P	START-RATE	DECL-%	N-FACT MOS
DATE:	98/01/01	98/01/01	0	75.0	6.00	
DAILY-A:	66.0	34.9				
DECL-%:	6.06	6.06				
N-FACT:						

SECONDARY PRODUCT RATIO: 529 SECONDARY PRODUCT RATIO:

CLIENT: 777 SAMPLE COUNTY APPR DIST RRC: 99 777002 WELL: PRIMARY PRODUCT: OIL APPRAISAL AS OF: 10/01/01

FIELD (RES): 99999 999 COUNTY: 777 MODIFICATION DATE:
IND OPERATOR: 999999 NOMINATOR NOT REQUIRED / SWR 3 MODIFICATION TIME:
LEASE NAME: HUGH KELKER COMMENT: OIL SAMPLE #2 --LG MODIFICATION USER: CHAR

ECONOMIC PARAMETERS:

OIL PRICE:	94.09	PRODUCING WELLS:	6	BASE DISCOUNT RATE:	1.1300
OIL GRAVITY:	43.0	INJECTION WELLS:		AD VALOREM TAX BURDEN:	2.00
OIL GRAVITY ADJUSTMENT:		DEPTH:	8545	ECONOMIC LIFE:	42
GAS PRICE:	10.04	OPERATING COST ($/WELL):	15076	P-TO-I (7/8-1/8):	8.0 7.8
GAS PRICE PARITY:	1.00	*** SECTION 22.27 RESTRICTION ***		PAYOUT (7/8-1/8):	5.0 5.0
		EQUIPMENT COST ($/WELL):	14095	R/P RATIO (OIL-GAS):	15.4 15.3

CASH FLOW ANALYSIS:

START DATE	PRODUCTION OIL (BBL)	PRODUCTION GAS (MCF)	PRODUCT PRICES OIL	PRODUCT PRICES NET	PRODUCT PRICES GAS	PRODUCT PRICES NET	7/8 REVENUE(M$) OIL	7/8 REVENUE(M$) GAS	OP COST(M$) DIRECT	OP COST(M$) CAP EXP	UNDISC INCOME 7/8(M$)	UNDISC INCOME 1/8(M$)	DISCOUNTED INCOME 7/8($)	DISCOUNTED INCOME 1/8($)
10/01/01	26546	12349	35.19	33.57	6.06	5.61	780	61	90		750	120	699302	111950
11/01/01	24954	11601	40.69	38.82	6.61	6.11	848	62	86		824	130	667928	105372
12/01/01	23458	10898	50.59	48.26	7.49	6.93	991	66	86		971	151	684464	106436
13/01/01	22110	10266	65.98	62.94	8.26	7.64	1218	69	90		1196	184	733343	112666
14/01/01	20726	9617	74.78	71.34	9.36	8.66	1294	73	93		1274	195	679092	104091
15/01/01	19484	9032	83.57	79.73	10.46	9.68	1359	77	96		1340	205	621275	95094
16/01/01	18316	8487	92.37	88.12	10.94	10.12	1412	75	99		1389	212	559896	85663
17/01/01	17263	7995	101.61	96.94	11.24	10.40	1464	73	102		1435	220	503230	76976
18/01/01	16181	7489	105.67	100.81	11.53	10.67	1427	70	105		1393	214	424524	65202
19/01/01	15213	7037	108.84	103.83	11.81	10.92	1382	67	108		1342	207	355631	54884
20/01/01	14299	6610	111.56	106.43	12.09	11.18	1332	65	111		1285	199	296263	45977
21/01/01	13477	6226	113.79	108.56	12.36	11.43	1280	62	114		1228	192	246164	38439
22/01/01	12634	5831	114.93	109.64	12.62	11.67	1212	60	118		1154	182	201108	31661
23/01/01	11877	5479	116.08	110.74	12.87	11.90	1151	57	121		1087	173	164689	26152
24/01/01	11165	5148	117.24	111.85	13.11	12.13	1093	55	125		1022	164	134748	21601
25/01/01	10522	4848	118.41	112.96	13.34	12.34	1040	52	129		964	156	110439	17883
26/01/01	9863	4543	119.59	114.09	13.56	12.54	985	50	133		902	148	89881	14727
27/01/01	9272	4267	120.79	115.23	13.77	12.74	935	48	136		846	140	73304	12162
28/01/01	8716	4009	122.00	116.39	13.97	12.92	889	45	141		792	133	59707	10043
29/01/01	8215	3775	123.22	117.55	14.16	13.10	845	43	145		743	127	48712	8314
	314291	145507	<====== SUB-TOTAL ======>				22934	1228	2226		21937	3452	7353700	1145293
	95511	43638	<====== REMAINING ======>				10773	553	4554		6772	1610	196637	38698
	409802	189145	<====== TOTAL ======>				33707	1782	6780		28709	5070	7550337	1183991
							EQUIPMENT ADJUSTMENT:				85		223	
							VALUE AT BASE DISCOUNT RATE:						7550560	1183991
							VALUE AT MAF ADJUSTMENT:			00/00			7550560	1183991
							SECTION 23.175 VALUE:						6026555	940986
							TOTAL APPRAISED VALUE:						6026555	940986
							AVERAGE ANNUAL POR:			20		20		

	IN PLACE	DAILY AVG
7/8 $/BBL:	15.87	96710
7/8 $/MCF:	2.03	11011
7/8 $/BOE:	15.57	95013

DIVISION ORDER TOTAL WORKING INTEREST & VALUE: .825000 5650160
*** SECTION 22.27 RESTRICTION ***

JURISDICTIONS:
SAMPLE COUNTY 1.0000
SAMPLE ISD 1.0000

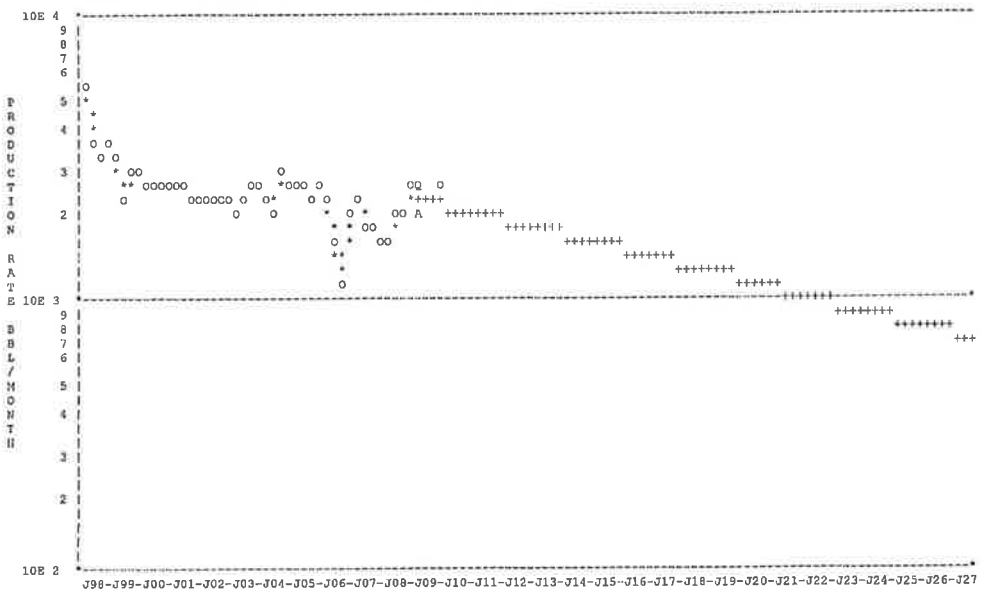
CLIENT: 777 SAMPLE COUNTY APPR DIST RRC: 99 777002 WELL: PRIMARY PRODUCT: OIL APPRAISAL AS OF: 10/01/01

FIELD (RES): 99999 999 COUNTY: 777 MODIFICATION DATE:
IND OPERATOR: 999999 NOMINATOR NOT REQUIRED / SWR 3 MODIFICATION TIME:
LEASE NAME: HUGH KELKER COMMENT: OIL SAMPLE #2 --LG MODIFICATION USER: CHAR

DATE	OIL(BBL)	GAS(MCF)	WLS	-- 2009 MONTHLY PRODUCTION -- MON	OIL(BBL)	GAS(MCF)	WLS
PRIOR	16008540	3803197		JAN	1694	869	6
1999	46797	24076	5	FEB	1541	861	6
2000	32629	12793	6	MAR	1566	809	6
2001	31256	13091	6	APR	1504	931	6
2002	28777	12535	6	MAY	2439	1565	6
2003	26339	12354	6	JUN	1875	1169	6
2004	27390	13510	6	JUL	1815	972	6
2005	28052	13754	6	AUG	1932	1214	6
2006	29559	12400	6	SEP	1999	740	6
2007	20790	11571	6	OCT	2133	668	6
2008	22477	11550	6	NOV	2446	1210	6
2009	24106	12759	6	DEC	3162	1751	6
2010	23694	13896					

CALC DECLINE: OIL GAS
DATE: 98/01/01 98/01/01
DAILY-A: 66.0 34.9
DECL-%: 6.06 6.06
N-FACT:
------ APPRAISER DECLINE ------
P START-RATE DECL-% N-FACT MOS
O 75.0 6.00

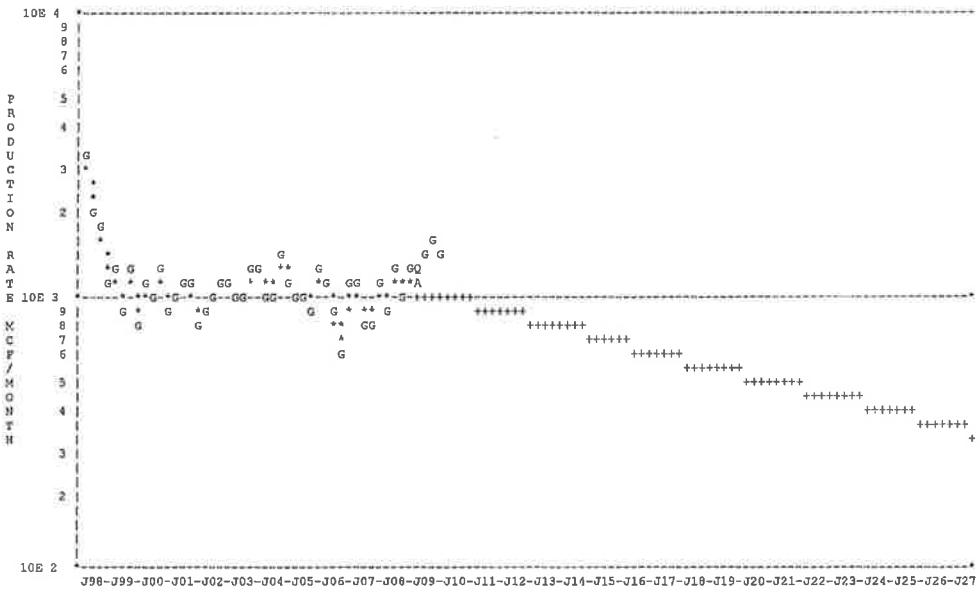
-- 2010 MONTHLY PRODUCTION -- MON	OIL(BBL)	GAS(MCF)	WLS
JAN	2029	1655	6
FEB	2199	1328	6
MAR	2309	787	6
APR	2623	1438	6
MAY	2364	1359	6
JUN	2114	1269	6
JUL	2271	1723	6
AUG	2336	1439	6
SEP	2120	1495	6
OCT	2539	1403	6
NOV			
DEC			



CLIENT: 777 SAMPLE COUNTY APPR DIST RRC: 99 777002 WELL: PRIMARY PRODUCT: OIL APPRAISAL AS OF: 10/01/01

FIELD (RES): 99999 999 COUNTY: 777 MODIFICATION DATE:
IND OPERATOR: 999999 NOMINATOR NOT REQUIRED / SWR 3 MODIFICATION TIME:
LEASE NAME: HUGH KELKER COMMENT: OIL SAMPLE #2 --LG MODIFICATION USER: CHAR

DATE	OIL(BBL)	GAS(MCF)	WLS	-- 2009 MONTHLY PRODUCTION --				CALC DECLINE:	OIL	GAS	-- 2010 MONTHLY PRODUCTION --			
PRIOR	16000540	3803197		MON	OIL(BBL)	GAS(MCF)	WLS	DATE:	98/01/01	98/01/01	MON	OIL(BBL)	GAS(MCF)	WLS
1999	46797	24076	5	JAN	1694	869	6	DAILY-A:	66.0	34.9	JAN	2829	1655	6
2000	32629	12793	6	FEB	1541	861	6	DECL-%:	6.06	6.06	FEB	2189	1328	6
2001	31256	13091	6	MAR	1566	809	6	N-FACT:			MAR	2309	787	6
2002	28777	12535	6	APR	1504	931	6	----- APPRAISER DECLINE ------			APR	2623	1438	6
2003	26339	12354	6	MAY	2439	1565	6	P START-RATE DECL-% N-FACT MOS			MAY	2364	1359	6
2004	27390	13510	6	JUN	1875	1169	6	O 75.0 6.00			JUN	2114	1269	6
2005	28852	13754	6	JUL	1815	972	6				JUL	2271	1723	6
2006	29559	12400	6	AUG	1932	1214	6				AUG	2336	1439	6
2007	20790	11571	6	SEP	1999	740	6				SEP	2120	1495	6
2008	22477	11550	6	OCT	2133	668	6				OCT	2539	1403	6
2009	24106	12759	6	NOV	2446	1210	6				NOV			
2010	23694	13896		DEC	3162	1751	6				DEC			



DOCUMENT 9I

GAS LSE Sample #1-Smaller

MAP111 C A P I T O L A P P R A I S A L G R O U P , I N C . PAGE 1
10/06/10 13.53 DETAILED MINERAL APPRAISAL
INCOME APPROACH: DNCF TECHNIQUE

CLIENT: 777 SAMPLE COUNTY APPR DIST RRC: 99 777004 WELL: PRIMARY PRODUCT: GAS APPRAISAL AS OF: 10/01/01

FIELD (RES): 99999 999 COUNTY: 777 MODIFICATION DATE:
IND OPERATOR: 999999 NOMINATOR NOT REQUIRED / SWR 3 MODIFICATION TIME:
LEASE NAME: LAZY LINDA COMMENT: SAMPLE GAS LSE-SML MODIFICATION USER: CHAR

HISTORICAL PRODUCTION:

DATE OF FIRST PRODUCTION: 86/12/01

----------RAILROAD COMMISSION PRODUCTION----------

DATE	OIL (BBL)	GAS (MCF)	WATER (B/D)	FTP	FLOW	LIFT	WELLS
PRIOR	90202	14147992					
1999	1476	378102	12	900	1		1
2000	6717	1139201	30	950	1		1
2001	6618	1218292	30	550	1		1
2002	6678	1138126	40	380	1		1
2003	5675	935663	29	252	1		1
2004	4269	795303	51	240	1		1
2005	2876	601597	40	250	1		1
2006	2231	598200	56	100	1		1
2007	1349	477221		140	1		1
2008	1223	472678	37	80	1		1
JAN	22	29304			1		1
FEB	197	36798			1		1
MAR	156	38188			1		1
APR	292	39689			1		1
MAY	84	40934			1		1
JUN	167	36969			1		1
JUL	162	42031			1		1
AUG	134	29926			1		1
SEP	90	10870			1		1
OCT							
NOV	63	12018	13	60	1		1
DEC	228	47049			1		1
2009	1595	363776	13	60	1		1
TOTAL	138909	22266151					

PROJECTION PARAMETERS:

PROJECTION DATE: 11/01/01 LIMIT DATE: 00/00/00
ANNUAL OIL PRODUCTION: 1595 OIL RESERVE LIMIT:
ANNUAL GAS PRODUCTION: 363776 GAS RESERVE LIMIT: 1750000
NUMBER OF PRODUCING WELLS: 1 NUMBER OF INJECTION WELLS:

DECLINE PARAMETERS:

----CALCULATED PARAMETERS-----			-----APPRAISER PARAMETERS-----			
	OIL	GAS	P	START-RATE	DECL-%	N-FACT MOS
DATE:	00/01/01	00/01/01	G	1250.0	15.00	
DAILY-A:	4.8	1086.5				
DECL-%:	14.07	14.07				
N-FACT:						

SECONDARY PRODUCT RATIO: 4 SECONDARY PRODUCT RATIO:

CLIENT: 777 SAMPLE COUNTY APPR DIST RRC: 99 777004 WELL: PRIMARY PRODUCT: GAS APPRAISAL AS OF: 10/01/01

FIELD (RES): 99999 999 COUNTY: 777 MODIFICATION DATE:
IND OPERATOR: 999999 NOMINATOR NOT REQUIRED / SWR 3 MODIFICATION TIME:
LEASE NAME: LAZY LINDA COMMENT: SAMPLE GAS L3E-SML MODIFICATION USER: CHAR

ECONOMIC PARAMETERS:		PRODUCING WELLS:	1	BASE DISCOUNT RATE:	1.1300
OIL PRICE:	106.29	INJECTION WELLS:		AD VALOREM TAX BURDEN:	2.00
OIL GRAVITY:	51.0	DEPTH:	11000	ECONOMIC LIFE:	7
OIL GRAVITY ADJUSTMENT:		OPERATING COST ($/WELL):	20285	P-TO-I (7/8-1/8):	3.5 3.5
GAS PRICE:	10.00	*** SECTION 22.27 RESTRICTION ***		PAYOUT (7/8-1/8):	3.8 3.8
GAS PRICE PARITY:	1.00	EQUIPMENT COST ($/WELL):	7832	R/P RATIO (OIL-GAS):	4.7 4.5

CASH FLOW ANALYSIS:

START DATE	PRODUCTION OIL (BBL)	PRODUCTION GAS (MCF)	PRODUCT PRICES OIL	PRODUCT PRICES NET	PRODUCT PRICES GAS	PRODUCT PRICES NET	7/8 REVENUE(M$) OIL	7/8 REVENUE(M$) GAS	OP COST(M$) DIRECT	OP COST(M$) CAP EXP	UNDISC INCOME 7/8(M$)	UNDISC INCOME 1/8(M$)	DISCOUNTED INCOME 7/8($)	DISCOUNTED INCOME 1/8($)
10/01/01	1625	421127	39.75	37.92	6.04	5.59	54	2060	20		2093	302	1952171	281584
11/01/01	1396	357998	45.97	43.86	6.59	6.10	54	1911	19		1945	281	1577245	227553
12/01/01	1200	304332	57.16	54.53	7.47	6.91	57	1840	19		1878	271	1324229	191118
13/01/01	1035	259364	74.55	71.12	8.24	7.62	64	1729	20		1773	256	1087387	157113
14/01/01	888	219831	01.19	80.60	9.34	8.64	63	1662	21		1704	246	908352	131352
15/01/01	762	186877	94.43	90.09	10.44	9.66	60	1580	21		1618	234	750219	108596
16/01/01	656	158864	104.37	99.57	10.92	10.10	57	1404	22		1439	209	580130	84150
	7562	1908393	<===== SUB-TOTAL ====>				409	12185	143		12451	1799	8179733	1181466
	7562	1908393	<===== TOTAL ====>				409	12185	143		12451	1799	8179733	1181466
							EQUIPMENT ADJUSTMENT:				8		2763	
							VALUE AT BASE DISCOUNT RATE:						8182496	1181466
							VALUE AT MAF ADJUSTMENT:			90/90			7364247	1063319
							SECTION 23.175 VALUE:						7424498	1071908
							TOTAL APPRAISED VALUE:						7364247	1063319
							AVERAGE ANNUAL NOR:				20	20		

	IN PLACE	DAILY AVG
7/8 $/BBL:	34.69	54658
7/8 $/MCF:	4.27	6523
7/8 $/BOE:	28.37	43340

DIVISION ORDER TOTAL WORKING INTEREST & VALUE: .825000 6938920
*** SECTION 22.27 RESTRICTION ***

JURISDICTIONS:	SAMPLE COUNTY	1.0000
	SAMPLE ISD	1.0000

CLIENT: 777 SAMPLE COUNTY APPR DIST RRC: 99 777004 WELL: PRIMARY PRODUCT: GAS APPRAISAL AS OF: 10/01/01

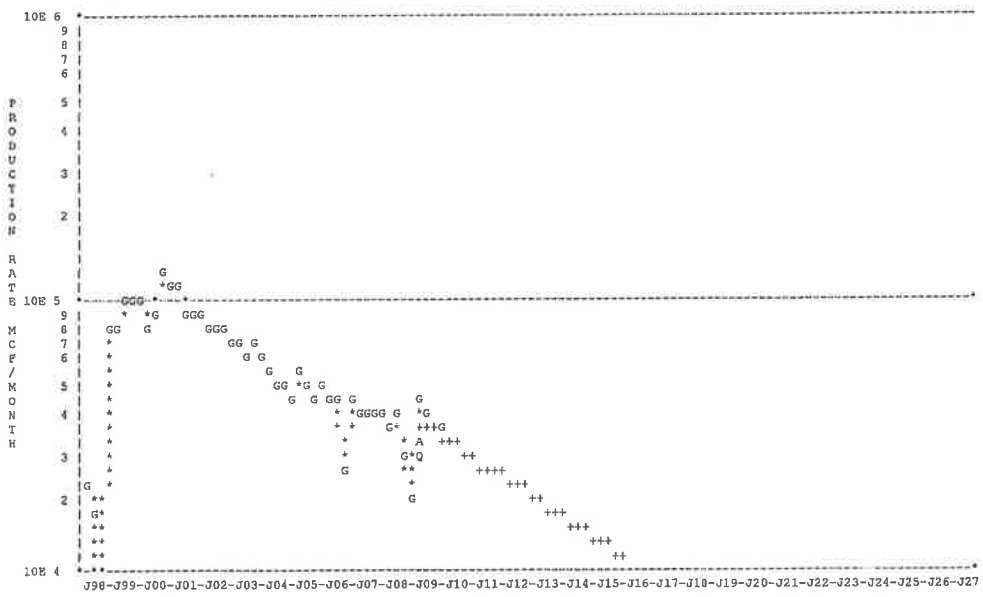
FIELD (RES): 99999 999 COUNTY: 777 MODIFICATION DATE:
IND OPERATOR: 999999 NOMINATOR NOT REQUIRED / SWR 3 MODIFICATION TIME:
LEASE NAME: LAZY LINDA COMMENT: SAMPLE GAS LSE-SML MODIFICATION USER: CHAR

DATE	OIL(BBL)	GAS(MCF)	WLS
PRIOR	98202	14147992	
1999	1476	378102	1
2000	6717	1139201	1
2001	6618	1218292	1
2002	6670	1138126	1
2003	5675	935663	1
2004	4269	795303	1
2005	2876	601597	1
2006	2231	598200	1
2007	1349	477221	1
2008	1223	472678	1
2009	1595	363776	1
2010	1255	393635	

-- 2009 MONTHLY PRODUCTION --			
MON	OIL(BBL)	GAS(MCF)	WLS
JAN	22	29304	1
FEB	197	36798	1
MAR	156	38180	1
APR	292	39689	1
MAY	84	40934	1
JUN	167	36969	1
JUL	162	42031	1
AUG	134	29926	1
SEP	90	10870	1
OCT			
NOV	63	12018	1
DEC	228	47049	1

CALC DECLINE:	OIL	GAS
DATE:	00/01/01	00/01/01
DAILY-A:	4.8	1086.5
DECL-%:	14.07	14.07
N-FACT:		
----- APPRAISER DECLINE ------		
P START-RATE	DECL-%	N-FACT MOS
G 1250.0	15.00	
GRL:	1750000	

-- 2010 MONTHLY PRODUCTION --			
MON	OIL(BBL)	GAS(MCF)	WLS
JAN	227	46713	1
FEB	145	39738	1
MAR	32	42709	1
APR	167	40399	1
MAY	78	37741	1
JUN	159	40099	1
JUL	83	37813	1
AUG	141	37367	1
SEP	98	35619	1
OCT	125	35437	1
NOV			
DEC			



CLIENT: 777 SAMPLE COUNTY APPR DIST RRC: 99 777004 WELL: PRIMARY PRODUCT: GAS APPRAISAL AS OF: 10/01/01

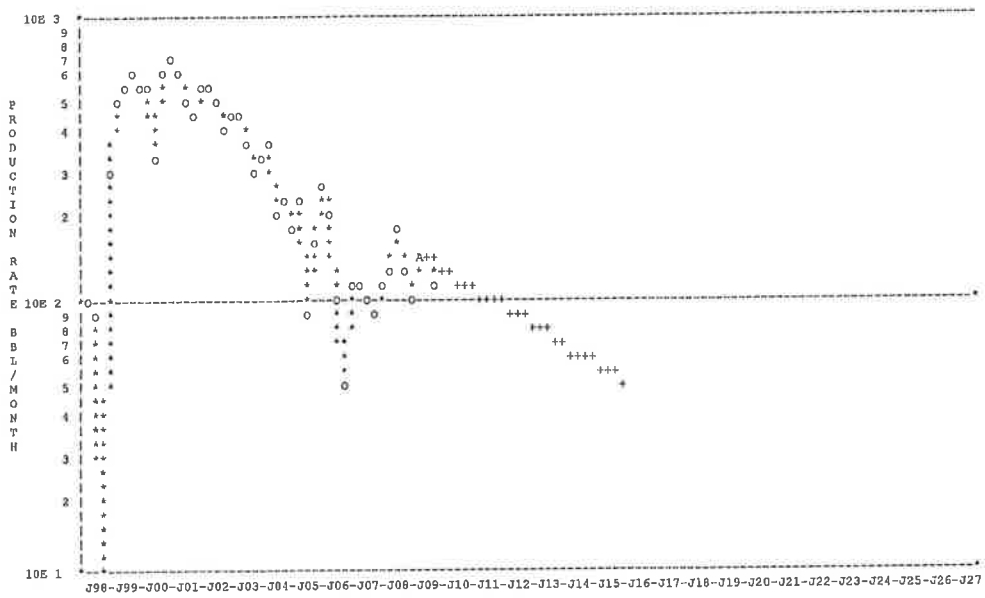
FIELD (RES): 99999 999 COUNTY: 777 MODIFICATION DATE:
IND OPERATOR: 999999 NOMINATOR NOT REQUIRED / SWR 3 MODIFICATION TIME:
LEASE NAME: LAZY LINDA COMMENT: SAMPLE GAS LSE-SML MODIFICATION USER: CHAR

DATE	OIL(BBL)	GAS(MCF)	WLS
PRIOR	98202	14147992	
1999	1476	378102	1
2000	6717	1139201	1
2001	6618	1218292	1
2002	6678	1138126	1
2003	5675	935663	1
2004	4269	795303	1
2005	2876	601597	1
2006	2231	598200	1
2007	1349	477221	1
2008	1223	472678	1
2009	1595	363776	1
2010	1255	393635	

-- 2009 MONTHLY PRODUCTION -- MON	OIL(BBL)	GAS(MCF)	WLS
JAN	22	29304	1
FEB	197	36798	1
MAR	156	38180	1
APR	292	39689	1
MAY	84	40934	1
JUN	167	36969	1
JUL	162	42031	1
AUG	134	29926	1
SEP	90	10870	1
OCT			
NOV	63	12018	1
DEC	228	47049	1

CALC DECLINE:	OIL	GAS
DATE:	00/01/01	00/01/01
DAILY-A:	4.0	1086.5
DECL-%:	14.07	14.07
N-FACT:		
----- APPRAISER DECLINE ------		
P START-RATE DECL-% N-FACT MOS		
G 1250.0 15.00		
GRL:		1750000

-- 2010 MONTHLY PRODUCTION -- MON	OIL(BBL)	GAS(MCF)	WLS
JAN	227	46713	1
FEB	145	39738	1
MAR	32	42709	1
APR	167	40399	1
MAY	70	37741	1
JUN	159	40099	1
JUL	83	37813	1
AUG	141	37367	1
SEP	98	35619	1
OCT	125	35437	1
NOV			
DEC			



DOCUMENT 9J

GAS LSE Sample #2-Larger

MAP111 C A P I T O L A P P R A I S A L G R O U P , I N C . PAGE 1
10/06/10 13.55 DETAILED MINERAL APPRAISAL
INCOME APPROACH: DNCF TECHNIQUE

CLIENT: 777 SAMPLE COUNTY APPR DIST RRC: 99 777003 WELL: PRIMARY PRODUCT: GAS APPRAISAL AS OF: 10/01/01

FIELD (RES): 99999 999 COUNTY: 777 MODIFICATION DATE:
IND OPERATOR: 999999 NOMINATOR NOT REQUIRED / SWR 3 MODIFICATION TIME:
LEASE NAME: FLYING ARROW COMMENT: SAMPLE GAS LSE --LG MODIFICATION USER: CHAR

HISTORICAL PRODUCTION:

DATE OF FIRST PRODUCTION: 86/06/01

DATE	OIL (BBL)	GAS (MCF)	WATER (B/D)	FTP	FLOW	LIFT	WELLS
PRIOR	253	33236764					
1999		1599264	23	322	1		1
2000	2	1380913	28	288	1		1
2001		1201564	39	306	1		1
2002		758541	14	263	1		1
2003		023634	14	300	1		1
2004	4	591383	11	300	1		1
2005		200666	2	300	1		1
2006		192861	2	300	1		1
2007		183998	3	300	1		1
2008		177500	1	320	1		1
JAN		14132			1		1
FEB		15285			1		1
MAR		14972			1		1
APR		15605			1		1
MAY		12575	3	830	1		1
JUN		11876			1		1
JUL		12207			1		1
AUG		12153			1		1
SEP		10424			1		1
OCT		12252			1		1
NOV		11985			1		1
DEC		11254			1		1
2009		154720	3	830	1		1
TOTAL	259	40581808					

PROJECTION PARAMETERS:

PROJECTION DATE: 11/01/01 LIMIT DATE: 00/00/00
ANNUAL OIL PRODUCTION: OIL RESERVE LIMIT:
ANNUAL GAS PRODUCTION: 154720 GAS RESERVE LIMIT:
NUMBER OF PRODUCING WELLS: 1 NUMBER OF INJECTION WELLS:

DECLINE PARAMETERS:

----CALCULATED PARAMETERS-----			-----APPRAISER PARAMETERS-----			
	OIL	GAS	P	START-RATE	DECL-%	N-FACT MOS
DATE:	98/01/01	98/01/01	G	400.0	15.00	
DAILY-A:		423.6				
DECL-%:	23.39	23.39				
N-FACT:						

SECONDARY PRODUCT RATIO: SECONDARY PRODUCT RATIO:

CAPITOL APPRAISAL GROUP, INC.
DETAILED MINERAL APPRAISAL
INCOME APPROACH: DNCF TECHNIQUE

CLIENT: 777 SAMPLE COUNTY APPR DIST RRC: 99 777003 WELL: PRIMARY PRODUCT: GAS APPRAISAL AS OF: 10/01/01

FIELD (RES): 99999 999
IND OPERATOR: 999999 NOMINATOR NOT REQUIRED / SWR 3
LEASE NAME: FLYING ARROW

COUNTY: 777

COMMENT: SAMPLE GAS LSE --LG

MODIFICATION DATE:
MODIFICATION TIME:
MODIFICATION USER: CHAR

ECONOMIC PARAMETERS:

OIL PRICE:	96.27
OIL GRAVITY:	40.0
OIL GRAVITY ADJUSTMENT:	
GAS PRICE:	7.10
GAS PRICE PARITY:	1.00

PRODUCING WELLS:	1
INJECTION WELLS:	
DEPTH:	15200
OPERATING COST ($/WELL):	13082
*** SECTION 22.27 RESTRICTION ***	
EQUIPMENT COST ($/WELL):	6547

BASE DISCOUNT RATE:	1.1300
AD VALOREM TAX BURDEN:	2.00
ECONOMIC LIFE:	24
P-TO-I (7/0-1/8):	4.1 4.1
PAYOUT (7/8-1/8):	4.5 4.6
R/P RATIO (OIL-GAS):	6.5

CASH FLOW ANALYSIS:

START DATE	PRODUCTION OIL (BBL)	PRODUCTION GAS (MCF)	PRODUCT PRICES OIL	PRODUCT PRICES NET	PRODUCT PRICES GAS	PRODUCT PRICES NET	7/8 REVENUE(M$) OIL	7/8 REVENUE(M$) GAS	OP COST(M$) DIRECT	OP COST(M$) CAP EXP	UNDISC INCOME 7/8(M$)	UNDISC INCOME 1/8(M$)	DISCOUNTED INCOME 7/8($)	DISCOUNTED INCOME 1/8($)
10/01/01		134761	36.00	34.34	4.29	3.97		468	13		455	67	424331	62361
11/01/01		114559	41.63	39.72	4.68	4.33		434	12		422	62	341870	50278
12/01/01		97385	51.76	49.30	5.30	4.90		418	12		405	60	285646	42058
13/01/01		82996	67.51	64.40	5.85	5.41		393	13		380	56	232890	34413
14/01/01		70346	76.51	72.99	6.63	6.13		377	13		364	54	194006	28739
15/01/01		59802	85.51	81.58	7.41	6.85		358	14		345	51	159761	23740
16/01/01		50836	94.51	90.16	7.75	7.17		319	14		305	46	122829	18368
17/01/01		43324	103.96	99.18	7.96	7.36		279	15		264	40	92661	13973
18/01/01		36721	108.12	103.15	8.17	7.56		243	15		228	35	69436	10578
19/01/01		31217	111.36	106.24	8.37	7.74		211	16		196	30	51911	8006
20/01/01		26537	114.14	108.89	8.57	7.93		184	16		168	26	38744	6063
21/01/01		22614	116.42	111.06	8.76	8.10		160	17		144	23	28812	4589
22/01/01		19169	117.58	112.17	8.94	8.27		139	17		122	20	21209	3454
23/01/01		16296	118.76	113.30	9.12	8.44		120	18		103	17	15582	2606
24/01/01		13852	119.95	114.43	9.29	8.59		104	18		86	15	11341	1960
25/01/01		11905	121.15	115.58	9.45	8.74		90	19		72	13	8214	1478
26/01/01		10006	122.36	116.73	9.61	8.89		79	19		59	11	5847	1100
27/01/01		8505	123.58	117.90	9.76	9.03		67	20		47	10	4113	832
28/01/01		7232	124.82	119.08	9.90	9.16		58	20		38	8	2836	624
29/01/01		6163	126.07	120.27	10.04	9.29		50	21		29	7	1911	469
		864126	<======	SUB-TOTAL	======>			4552	322		4230	650	2113950	315697
		16657	<======	REMAINING	======>			139	90		49	20	2487	955
		880783	<======	TOTAL	======>			4691	412		4279	670	2116437	316652
							EQUIPMENT ADJUSTMENT:				7		213	
							VALUE AT BASE DISCOUNT RATE:						2116650	316652
							VALUE AT MAF ADJUSTMENT:			90/97			2053151	307152
							SECTION 23.175 VALUE:						1846443	275009
							TOTAL APPRAISED VALUE:						1946443	275009
							AVERAGE ANNUAL ROR:			19		19		

	IN PLACE	DAILY AVG
7/8 $/BBL:		
7/8 $/MCF:	2.40	5276
7/8 $/BOE:	20.13	44315

DIVISION ORDER TOTAL WORKING INTEREST & VALUE: .825000 1736440
*** SECTION 22.27 RESTRICTION ***

JURISDICTIONS:		
	SAMPLE COUNTY	1.0000
	SAMPLE ISD	1.0000

CLIENT: 777 SAMPLE COUNTY APPR DIST RRC: 99 777003 WELL: PRIMARY PRODUCT: GAS APPRAISAL AS OF: 10/01/01

FIELD (RES): 99999 999 COUNTY: 777 MODIFICATION DATE:
IND OPERATOR: 999999 NOMINATOR NOT REQUIRED / SWR 3 MODIFICATION TIME:
LEASE NAME: FLYING ARROW COMMENT: SAMPLE GAS LSE --LG MODIFICATION USER: CHAR

DATE	OIL(BBL)	GAS(MCF)	WLS
PRIOR	253	33236764	
1999		1599264	1
2000	2	1380913	1
2001		1201564	1
2002		758541	1
2003		823634	1
2004	4	591383	1
2005		280666	1
2006		192861	1
2007		183990	1
2008		177500	1
2009		154720	1
2010		112017	

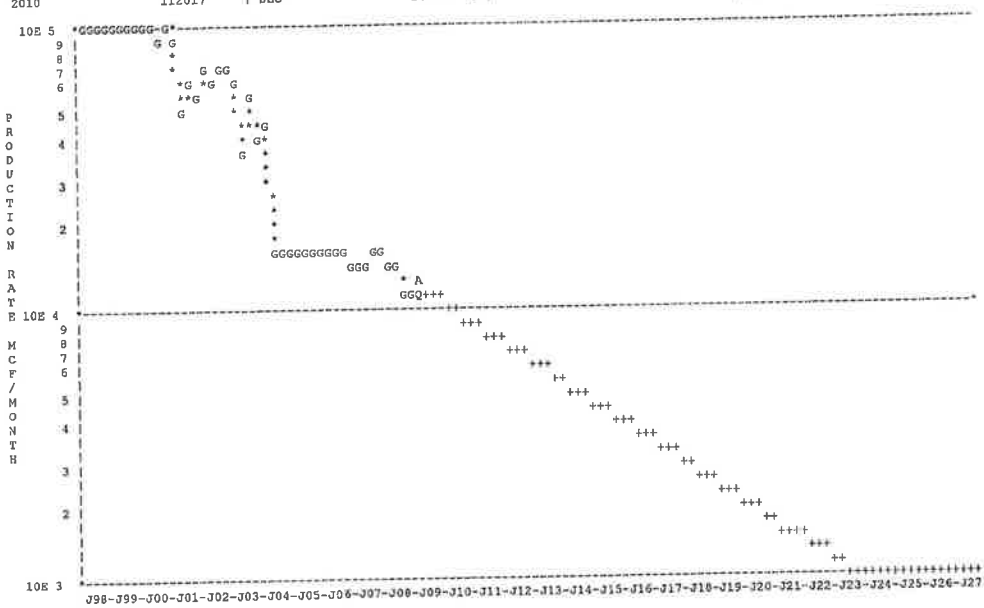
-- 2009 MONTHLY PRODUCTION --			
MON	OIL(BBL)	GAS(MCF)	WLS
JAN		14132	1
FEB		15285	1
MAR		14972	1
APR		15605	1
MAY		12575	1
JUN		11876	1
JUL		12207	1
AUG		12153	1
SEP		10424	1
OCT		12252	1
NOV		11985	1
DEC		11254	1

CALC DECLINE:	OIL	GAS
DATE:	98/01/01	98/01/01
DAILY-A:		423.6
DECL-%:	23.39	23.39
N-FACT:		

----- APPRAISER DECLINS ------

P	START-RATE	DECL-%	N-FACT	MOS
G	400.0	15.00		

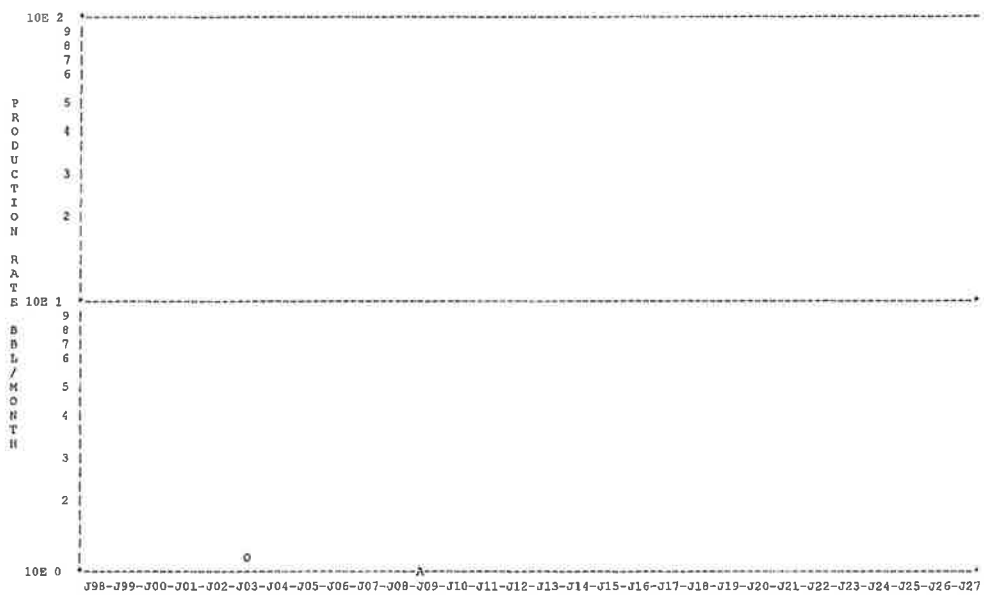
-- 2010 MONTHLY PRODUCTION --		
MON	OIL(BBL)	GAS(MCF) WLS
JAN		11602 1
FEB		10651 1
MAR		11644 1
APR		10865 1
MAY		11379 1
JUN		11028 1
JUL		11516 1
AUG		10856 1
SEP		11283 1
OCT		11193 1
NOV		
DEC		



CLIENT: 777 SAMPLE COUNTY APPR DIST RRC: 99 777003 WELL: PRIMARY PRODUCT: GAS APPRAISAL AS OF: 10/01/01

FIELD (RES): 99999 999 COUNTY: 777 MODIFICATION DATE:
IND OPERATOR: 999999 NOMINATOR NOT REQUIRED / SWR 3 MODIFICATION TIME:
LEASE NAME: FLYING ARROW COMMENT: SAMPLE GAS LSE --LG MODIFICATION USER: CHAR

DATE	OIL(BBL)	GAS(MCF)	WLS	-- 2009 MONTHLY PRODUCTION --			CALC DECLINE:	OIL	GAS	-- 2010 MONTHLY PRODUCTION --			
PRIOR	253	33236764		MON	OIL(BBL)	GAS(MCF)	WLS	DATE:	98/01/01	98/01/01	MON	OIL(BBL)	GAS(MCF)	WLS
1999		1599264	1	JAN		14132	1	DAILY-A:		423.6	JAN		11602	1
2000	2	1380913	1	FEB		15285	1	DECL-%:	23.39	23.39	FEB		10651	1
2001		1201564	1	MAR		14972	1	N-FACT:			MAR		11644	1
2002		758541	1	APR		15605	1	------ APPRAISER DECLINE ------			APR		10665	1
2003		823634	1	MAY		12575	1	P START-RATE DECL-% N-FACT MOS			MAY		11379	1
2004	4	591383	1	JUN		11876	1	G 400.0 15.00			JUN		11028	1
2005		280666	1	JUL		12207	1				JUL		11516	1
2006		192861	1	AUG		12153	1				AUG		10856	1
2007		183998	1	SEP		10424	1				SEP		11283	1
2008		177500	1	OCT		12252	1				OCT		11193	1
2009		154720	1	NOV		11985	1				NOV			
2010		112017		DEC		11254	1				DEC			



3 Copy of Reappraisal Plan Provided by Contractor

See four files in Operating Procedures folder
Reappraisal Plan subfolder

Document 8

Procedure for CAD Verification of Services
Provided by Appraisal Contractor

1. Verify lists of properties provided by the contractor agree with CAD's lists.

2. Verify appropriate methods of appraisal are used for each type of property [market, cost, income].

    a. Inquire if there has been any change in agreed appraisal methodology or application.
    b. Any variations from USPAP guidelines shall be documented and reviewed the following year.

3. Verify that complete and correct data resources, including market data, are used appropriately for each type of property.

    a. Inquire if there are added or deleted sources.
    b. If so, document reason for change and track affected properties.

4. Verify that contractor follows laws and statues applicable for all properties being appraised, including rendition compliance.

    a. Verify that Property Tax Code [P. T. C.] 1.04 (7) is met for all relevant properties such that both the appraisal approach and its conclusions meet the definition of fair market value.
    b. For minerals verify compliance with P. T. C 23.175 for mineral properties:
        - Use of Comptroller's Manual for Discounting Oil and Gas Income
        - Use of average product prices for the year prior to Jan 1

5. Verify agreed scheduling of:

    a. Preliminary appraisal report summarizing progress in completing the year's appraisals.
    b. Mail dates:
        - Notices of Appraisal
        - Last date to file a protest
        - ARB meeting dates
    c. Compilation of Certified Estimate of Value in accordance with P. T. C. 26.01 (e)
    d. copies of all appraisal and supporting data in agreed format

6. Verify timely receipt and correct format of following information:
    a. Value
        - preliminary appraised value
        - preliminary appraisal roll
        - certified roll including all documentation
    b. Reports
        - new property listing
        - list of renditions
        - protests and waives of protest
        - pending protest list
        - value change report

5 Contractor's procedures for appraising oil and gas property

See in Appraisal Standards folder
Property Appraisal Manuals subfolder
Procs for appraisal of Oil&Gas file

6 Contractor's procedures for identifying new property

Industrial Real Property
Industrial properties are identified as part of the appraiser's physical inspection process each year and through submitted data by the property owner. The appraiser may also refer to legal documents, photography and other descriptive items.

Industrial Personal Property
Through inspection the appraiser identifies personal property to be appraised. The appraiser begins with properties from the previous tax year and identifies new properties from visual identification and/or publications, newspaper articles, or information obtained through the interview of property owners. The appraiser may also refer to other documents, both public and confidential, to assist in identification of these properties. Such documents might include, but are not limited to, the previous year's appraisal roll, vehicle listing services and private directories.

Utility, Railroad and Pipeline Property
Utility, railroad and pipeline properties that are susceptible to inspection are identified by inspection. The appraiser may also refer to other documents, both public and confidential, to assist in the identification of these properties.

Oil and Gas Property
As subsurface mineral properties lie within the earth, they cannot be physically identified by inspection like other real property. However, the inability to directly inspect does not appreciably affect the ability to identify and appraise these properties. To identify new properties, CAG obtains monthly oil and gas lease information from the Railroad Commission of Texas [RRC] to compare against oil and gas properties already identified. The situs of new properties is determined using plats and W-2/G-1 records from the RRC, as well as CAG's in-house map resources.

Procedure for Evaluating Results of Contractor's Property Discovery for all property other than Oil and Gas

1. Review renditions and compare to appraisal roll.
2. Review local news articles.
3. Have chief appraiser or another appraiser ride with contract personnel during inspection process.
4. Meet with contract personnel and go over any discrepancies.
5. Stay aware of what is going on in the area and meet with contractor about new projects.
6. Review contractor's appraisal roll and discuss any discrepancies.

Procedure for Evaluating Results of Contractor's Oil and Gas Property Discovery

1. Obtain a list from the Texas Railroad Commission of all new leases currently producing in the CAD.
2. Choose a sample of leases or if time permits list all new leases producing on January 1st. of current tax year.
3. Check to see if the lease was completed prior to January 1st or producing before January 1st of current tax year.
4. Compare to list of new leases currently producing or completed prior to January 1st of current tax year. If discrepancies exist contact contractor to discover why lease may be left off tax rolls. Some reasons may include but are not limited to: incorrect RRC reporting data, lease being listed under its permit number on current tax roll, or lease being currently listed under a prior RRC lease number.
5. If contractor has accounted for all new production and leases, the CAD has complied with the MAP requirement.

Document 5

CAD Procedure for Identifying New Utility Properties and Producing Wells

Appraisal of industrial properties is limited to those properties indicated in the contract with the appraisal district unless the appraisal district requests the appraisal of other properties. Newly discovered properties will be discussed with the appraisal district to confirm they are to be appraised by Capitol Appraisal.

Utility, Railroad and Pipeline Property

Utility, railroad and pipeline properties that are susceptible to inspection are identified by inspection. The appraiser may also refer to other documents, both public and also confidential to assist in identification of these properties.

Oil and Gas Property

As subsurface mineral properties lie within the earth, they cannot be physically identified by inspection like other real property. However, the inability to directly inspect does not appreciably affect the ability to identify and appraise these properties. To identify new properties, CAG uses the following procedure:

1. Obtain a list from the Texas Railroad Commission of all leases currently producing or permitted in the CAD. Obtain permit plat for leases contained within the county.
2. Obtain a list of leases currently producing or permitted in neighboring counties with common borders and map relative location of leases to county's border. Obtain permit plat to determine if leases may have lease boundaries extending into county.
3. Using plats of leases with partial or all lease boundaries within the county, create a list of potential additional property to be added to the appraisal roll.
4. Compare list of potential leases with all currently producing leases in the CAD on January 1st. of current tax year to determine any lease duplication.
5. Check to see if the lease was completed prior to January 1st or producing before January 1st of current tax year.
6. If lease has not previously been added to the CAD's appraisal roll, do so and obtain ownership.

Document 6B

Industrial Personal Property
Mass Appraisal Procedure and Timeline

Although valuation is set for either January 1 of the tax year of September 1 of the previous calendar year prior to the current tax year, the appraisal process begins in September of the previous year and continues through August of the tax year.

September 1 of previous year to March 31 of the current tax year

Discovery and listing. This includes physical inspection of existing properties to appraise and discovery of potential new properties to appraise. New potential properties are reported to the appraisal district to determine if Capitol Appraisal will value the property for the current tax year.

April 1 until complete

Appraisal of properties both market value and taxable value. Deadlines for completion of appraisals and sending out value notices are based upon individual deadlines set by the appropriate appraisal district. Every effort is made to appraise every property timely so that values can be included in certification. Properties not included in certification are reported to the appraisal district and the appraisal process continues until final value is reached. Supplementing the tax roll with those properties is based upon the timeline established by the appraisal district.

July 25

Appraisal roll is certified. Every effort is made to ensure all properties have a final valuation by this date. Exceptions may include properties with late renditions, extensions, or other allowable justifications which preclude final valuation by July 25.

July 26 to August 31

Review current tax year methods and procedures, and begin general property classification research for the next tax year. Special reports for the appraisal districts are created at this time as requested.

Document 6A

Industrial Real Property
Mass Appraisal Procedure and Timeline

Although valuation is set for either January 1 of the tax year of September 1 of the previous calendar year prior to the current tax year, the appraisal process begins in September of the previous year and continues through August of the tax year.

September 1 of previous year to March 31 of the current tax year

Discovery and listing. This includes physical inspection of existing properties to appraise and discovery of potential new properties to appraise. New potential properties are reported to the appraisal district to determine if Capitol Appraisal will value the property for the current tax year.

April 1 until complete

Appraisal of properties both market value and taxable value. Deadlines for completion of appraisals and sending out value notices are based upon individual deadlines set by the appropriate appraisal district. Every effort is made to appraise every property timely so that values can be included in certification. Properties not included in certification are reported to the appraisal district and the appraisal process continues until final value is reached. Supplementing the tax roll with those properties is based upon the timeline established by the appraisal district.

July 25

Appraisal roll is certified. Every effort is made to ensure all properties have a final valuation by this date. Exceptions may include properties with late renditions, extensions, or other allowable justifications which preclude final valuation by July 25.

July 26 to August 31

Review current tax year methods and procedures, and begin general property classification research for the next tax year. Special reports for the appraisal districts are created at this time as requested.

Document 6D

Oil and Gas
Mass Appraisal Procedures and Timeline

Capitol Appraisal Group, LLC (CAGL) contracts with Appraisal Districts and other governmental entities to appraise all oil and gas subsurface, producing, mineral interests within the purview of the law.

October-December:

SEC 10(k) data gathered for use in discount rate study.

A base discount rate is developed using the Securities and Exchange Commission (SEC) 10k Standard Measure of Value, before Federal Income Tax (BFIT), for a grouping of Exploration and Production (E&P) companies, and then matching their 10k Standard Measure of Value (BFIT), reserves and costs, through a discounted cash flow (DCF) technique. This reserve and cost match is used with Section 23.175 pricing directives to determine a discount rate necessary to equal the stock and debt value of the companies, as of January 1 for a given tax year. This analysis is calibrated with a WACC for the same companies that are used in the stock and debt analysis. Management determines an appropriate base discount rate to be used.

January:

Discount rate study finalized

November-March:

The appraiser commences the annual appraisal cycle with identification of new property and determination of situs.

"Minerals in place" and an estate or interest in the same, are classified by the state of Texas as real property. They cannot be physically identified by inspection like other real property. However, the inability to directly inspect does not appreciably affect the ability to identify and appraise these minerals in place and estates or interests in the same. CAGL obtains monthly oil and gas lease production information from the Railroad Commission of Texas [RRC] and compares it to existing oil and gas properties already identified and appraised. New properties are identified in this process by comparing existing data to new information obtained from the RRC.

The appraiser determines the validity of new properties and then determines the situs of these new properties by obtaining plats, W-2/G-1 records obtained from the RRC, and using in-house mapping resources.

January-March:

Appraisers begin entering detailed new property information.

Along with RRC lease specific information, the appraiser enters the lease's legal description, its situs, and detailed lease information obtained from the RRC. This process of discovery and entry into the appraisal system continues year round to identify assessable properties that are obtained because of delays in the RRC reporting system.

February:

Comptroller's 23.175 pricing data and market condition factors are obtained and incorporated into the appraisal system.

February-April:

Properties are appraised and values are posted on the CAG web site for clients, operators and agents to review and submit information.

Appraiser(s) access production declines for leases to be appraised. Based on the appraiser's decline rate analysis and review of previous year's appraisal parameters and current Comptroller pricing data, the estimated value for the current appraisal year is determined.

Preliminary appraised values are available from the CAG web site www.cagi.com following appraiser and supervisor review.

April-May:

Preliminary appraisals reviewed.

Appraisers review operating expenses, product prices, new or revised information about production submitted by operators and agents before Notifications of Value are mailed to taxpayers.

May-July:

Notified values formally & informally reviewed.

Appraisers work with taxpayers following Notification of Value and continue to review information submitted by royalty owners, operators and agents. The ARB process is part of this review

Document 6C

Utility, Railroad and Pipeline Property Mass Appraisal Procedure and Timeline

Although valuation is set for either January 1 of the tax year of September 1 of the previous calendar year prior to the current tax year, the appraisal process begins in September of the previous year and continues through August of the tax year.

September 1 of previous year to March 31 of the current tax year

Research and capitalization rate development. For properties valued via the income approach data is obtained and analyzed for calculation of a capitalization rate appropriate to a specific property type.

October to December

Submission of appraisals to the Property Tax Assistance Division PTAD) of the Comptroller's office and preparation of value defense for any properties included in their ratio study. Defense documentation and appraisal analysis of the PTAD appraisal is prepared and submitted to the appraisal district or the representative of the taxing jurisdictions whichever is appropriate.

April 1 until complete

Appraisal of properties both market value and taxable value. Deadlines for completion of appraisals and sending out notice of value are based upon individual deadlines set by the appropriate appraisal district. Every effort is made to appraise every property timely so that values can be included in certification. Properties not included in certification are reported to the appraisal district and the appraisal process continues until final value is reached. Supplementing the tax roll with those properties is based upon the timeline established by the appraisal district.

July 25

Appraisal roll is certified. Every effort is made to ensure all properties have a final valuation by this date. Exceptions may include properties with late renditions, extensions, or other allowable justifications which preclude final valuation by July 25.

July 26 to August 31

Review current tax year methods and procedures, and begin general property classification research for the next tax year. Special reports for the appraisal districts are created at this time as requested.

Document 3B

2023-2024

CAD Plan for Periodic Reappraisal of Industrial Personal Property

Subsections (a) and (b), Section 25.18, Tax Code:

(a) CAD shall implement the plan for periodic reappraisal of property approved by the board of directors under Section 6.05 (i).

(b) The plan provides for annual reappraisal of all industrial personal property appraised by the CAD. The CAD has a professional services contract with Capitol Appraisal Group, LLC (CAGL) to appraise these properties for the CAD.

(1) Identifying properties to be appraised: Appraisal of properties is limited to those indicated in the contract with the appraisal district, unless additionally requested by the appraisal district. Newly discovered properties will be discussed with the appraisal district to confirm they are to be appraised by Capitol Appraisal. Through inspection the appraiser identifies personal property to be appraised. The appraiser begins with properties from the previous tax year and identifies new properties from visual identification and/or publications, newspaper articles, or information obtained through the interview of property owners. The appraiser may also refer to other documents, both public and also confidential, to assist in identification of these properties. Such documents might include but are not limited to the previous year's appraisal roll, vehicle listing services and private directories.

(2) Identifying and updating relevant characteristics of each property in the appraisal records: Data identifying and updating relevant characteristics of the subject properties are collected as part of the inspection process through directories and listing services as well as through later submissions by the property owner, sometimes including confidential rendition. These data are verified through previously existing records and through public reports.

(3) Defining market areas in the district: Market areas for industrial personal property are generally either regional or national in scope. Published price sources are used to help define market areas.

(4) Developing an appraisal approach that reflects the relationship among property characteristics affecting value and determines the contribution of individual property characteristics. Personal property is appraised using replacement/reproduction cost new less depreciation models. Income approach models are used when economic and/or subject property income is available, and a market data model is used when appropriate market sales information is a available.

(5) Comparison and Review: The appraiser reconciles multiple models by considering the model that best addresses the individual characteristics of the subject property. Year-to year property value

changes for the subject property are examined using computer-assisted statistical review. Periodic reassignment of properties among appraisers or the review of appraisals by a more experienced appraiser also contributes to the review process.

Document 3D

2023-2024

CAD Plan for Periodic Reappraisal

of Oil and Gas Property

In accordance with Section 25.18 of the Tax Code:

(a) CAD shall implement the plan for periodic reappraisal of property as approved by the board of directors under Section 6.05 (i).

(b) The plan provides for annual reappraisal of all oil and gas property appraised by the CAD. The CAD has a professional services contract with Capitol Appraisal Group, LLC (CAGL) to appraise these properties for the CAD.

(1) Identification of new property and its situs. As subsurface mineral properties lie within the earth, they cannot be physically identified by inspection like other real property. However, the inability to directly inspect does not appreciably affect the ability to identify and appraise these properties. To identify new properties, CAGL obtains monthly oil and gas lease information from the Railroad Commission of Texas [RRC] to compare against oil and gas properties already identified. The situs of new properties is determined using plats and W-2/G-1 records from the RRC, as well as CAGL's in-house map resources.

(2) Identifying and updating relevant characteristics of all oil and gas properties to be appraised. Relevant characteristics necessary to estimate value of remaining oil or gas reserves are production volume and pattern, product prices, expenses borne by the operator of the property, and the rate at which the anticipated future income should be discounted to incorporate future risk. CAGL obtains information to update these characteristics annually from regulatory agencies such as the RRC, the Comptroller of Public Accounts, submissions from property owners and operators, as well as from published investment reports, licensed data services, service for fee organizations and through comparable properties, when available.

(3) Defining market areas in the district and identifying property characteristics that affect property value in each market area. Oil and gas markets are regional, national and international. Therefore they respond to market forces beyond defined market boundaries as observed among more typical real properties.

(4) Developing an appraisal approach that best reflects the relationship among property characteristics affecting value and best determines the contribution of individual property characteristics. Among the three approaches to value (cost, income and market), the income approach to value is most commonly used in the oil and gas industry. Through use of the discounted cash flow technique in particular, the appraiser is able to bring together relevant characteristics of production volume and pattern, product prices, operating expenses and discount rate to determine an estimate of appraised value of an oil or gas property.

(5) Comparison and Review. Use of the income approach is the first step in determining an estimate of market value. After that the appraiser reviews the estimated market value compared to its previous certified value and also compares it to industry expected payouts and income indicators. The appraiser examines the model's value with its previous year's actual income, expecting value to typically vary within in a range of 2-5 times actual annual income, provided all appropriate income factors have been correctly identified. Finally, periodic reassignment of properties among appraisers and review of appraisals by a more experienced appraiser further expand the review process.

Document 3A

2023-2024

CAD Plan for Periodic Reappraisal of Industrial Real Property

Subsections (a) and (b), Section 25.18, Tax Code:

(a) CAD shall implement the plan for periodic reappraisal of property approved by the board of directors under Section 6.05 (i).

(b) The plan provides for annual reappraisal of selected industrial property appraised by the CAD. The CAD has a professional services contract with Capitol Appraisal Group, LLC (CAGL) to appraise these properties for the CAD.

(1) Identifying properties to be appraised: Appraisal of properties is limited to those indicated in the contract with the appraisal district, unless additionally requested by the appraisal district. Newly discovered properties will be discussed with the appraisal district to confirm they are to be appraised by Capitol Appraisal. Industrial properties are identified as part of the appraiser's physical inspection process each year and through submitted data by the property owner. The appraiser may also refer to legal documents, photography and other descriptive items.

(2) Identifying and updating relevant characteristics of each property in the appraisal records: The appraiser identifies and updates relevant characteristics through the inspection process. Confidential rendition, assets lists and other confidential data also provide additional information. Subject property data is verified through previously existing records and through published reports.

(3) Defining market areas in the district: Market areas for industrial properties tend to be regional, national and sometimes international. Published information such as prices, financial analysis and investor services reports are used to help define market area.

(4) Developing an appraisal approach that reflects the relationship among property characteristics affecting value and determines the contribution of individual property characteristics: Among the three approaches to value (cost, income and market), industrial properties are most commonly appraised using replacement/reproduction cost new less depreciation models because of readily available cost information. If sufficient income or market data are available, those appraisal models may also be used.

(5) Comparison and Review: The appraiser considers results that best address the individual characteristics of the subject property and that are based on the most reliable data when multiple models are used. Year-to year property value changes for the subject property are examined using computer-assisted statistical review. Periodic reassignment of properties among appraisers or the review of appraisals by a more experienced appraiser also contributes to the review process.

Document 3C

2023-2024

CAD Plan for Periodic Reappraisal of

Utility, Railroad and Pipeline Property

Subsections (a) and (b), Section 25.18, Tax Code:

(a) CAD shall implement the plan for periodic reappraisal of property approved by the board of directors under Section 6.05 (i).

(b) The plan provides for annual reappraisal of all utility, railroad and pipeline property appraised by the CAD. The CAD has a professional services contract with Capitol Appraisal Group, LLC (CAGL) to appraise these properties for the CAD.

(1) Identifying properties to be appraised: Appraisal of properties is limited to those indicated in the contract with the appraisal district, unless additionally requested by the appraisal district. Newly discovered properties will be discussed with the appraisal district to confirm they are to be appraised by Capitol Appraisal. Utility, railroad and pipeline properties that are susceptible to inspection are identified by inspection. The appraiser may also refer to other documents, both public and also confidential to assist in identification of these properties. Due to the varied nature of utility, railroad, and pipeline properties there is no standard data collection form or manual. New permitting documents on record with the Railroad Commission of Texas provide a source to identify potential new pipeline projects but does not provide indication if the project was actually started, completed, or a distinct location of the proposed project. Every effort is made to discover new utility, railroad, and pipeline properties through personal observation combined with permitting documents.

(2) Identifying and updating relevant characteristics of each property in the appraisal records: The appraiser identifies and updates relevant characteristics through data collected as part of the inspection process and through later submissions by the property owner, sometimes including confidential rendition. Additional data are obtained through public sources, regulatory reports and through analysis of comparable properties.

(3) Defining market areas in the district: Market areas for utility, railroad and pipeline property tend to be regional or national in scope. Financial analyst and investor services reports are used to help define market areas.

(4) Developing an appraisal approach that reflects the relationship among property characteristics affecting value and determines the contribution of individual property characteristics: For all three types of property, the appraiser must first form an opinion of highest and best use. Among the three approaches to value (cost, income and market),

pipeline value is calculated using a replacement/reproduction cost new less depreciation model [RCNLD]. In addition to the RCNLD indicator, a unit value model may also be used if appropriate data are available. Utility and railroad property are appraised in a manner similar to pipeline except that the RCNLD model is not used.

(5) Comparison and Review: The appraiser considers results that best address the individual characteristics of the subject property when multiple models are used. Year-to year property value changes for the subject property are examined using computer-assisted statistical review. Periodic reassignment of properties among appraisers or the review of appraisals by a more experienced appraiser also contributes to the review process. These types of property are also subject to review by the Property Tax Division of the Texas Comptroller's Office through their annual Property Value Study.

Calibration Models

BUSINESS PERSONAL PROPERTY

APPRAISED BY CAPITOL APPRAISAL GROUP

Review and Testing

Field review of appraisals is performed through the regular inspection of subject properties. The periodic reassignment of properties among appraisers or the review of appraisals by an experienced appraiser also contributes to the review process. A computer-assisted statistical review of property value changes is also conducted.

Appraisal-to-sales ratios are the preferred method for measuring performance and are used when possible. However sales for some types of personal property are very infrequent. Furthermore, many market transactions occur for multiple sites and include both real and personal property, tangible and intangible, making analysis difficult and subjective. Performance is also measured through comparison with valid single-property appraisals submitted for staff review. Lastly, Capitol Appraisal Group's industrial appraisal methods and procedures for real and personal property are subject to review by the Property Tax Division of the Texas Comptroller's office. The Comptroller's review as well as appraisal-to-sale ratios and comparisons with single-property appraisals indicate the validity of the models and the calibration techniques employed. Commercial personal property appraised by Capitol Appraisal Group, LLC is not subject to a methods and procedures review however it is included in the Property Tax Division's annual ratio study with satisfactory results.

Calibration Models

INDUSTRIAL PROPERTY

APPRAISED BY CAPITOL APPRAISAL GROUP

Review and Testing

Field review of appraisals is performed through the regular inspection of subject properties. The periodic reassignment of properties among appraisers or the review of appraisals by an experienced appraiser also contributes to the review process. A computer-assisted statistical review of property value changes is also conducted.

Appraisal-to-sales ratios are the preferred method for measuring performance, however sales are very infrequent. Furthermore, market transactions normally occur for multiple sites and include both real and personal property, tangible and intangible, making analysis difficult and subjective. Performance is also measured through comparison with valid single-property appraisals submitted for staff review. Lastly, Capitol Appraisal Group's industrial appraisal methods and procedures are subject to review by the Property Tax Division of the Texas Comptroller's office. The Comptroller's review as well as comparisons with single-property appraisals indicate the validity of the models and the calibration techniques employed.

Calibration Models

OIL AND GAS RESERVES

CAPITOL APPRAISAL GROUP

Review and Testing

Each year we review the estimated market value for each mineral property appraised according to its year-to-year value change and also to industry expected payouts and income indicators. We also examine income projected to be received with the previous year's income and test that income against the lease's appraised value. Market value for income producing properties is a multiple of its monthly or annual income. Our experience through the years indicates that values typically vary within in a range of 2-5 times income, provided all appropriate income factors have been appropriately identified. Periodic reassignment of properties among appraisers and review of appraisals by a more experienced appraiser also contribute to the review process.

Application of appraisal-to-sales ratios is another method for measuring performance. However, single property sales or sales of interest(s) within a property remain difficult to obtain due Texas' disclosure laws. Furthermore many market transactions are normally for multiple properties in multiple areas and include both real and personal property, tangible and intangible. We access licensed databases providing statistical data for company and property sales to compare our efforts. We also measure our performance through comparison of valid single-property market transactions, if any, that are submitted for staff review. Lastly, Capitol Appraisal's mineral appraisal values are subject to review each year in the Property Value Study conducted by the Property Tax Division of the Texas Comptroller of Public Accounts. The Property Tax Division's review as well as comparisons to industry transactions and to single-property market value sales (when available), indicate the validity of the models, techniques and assumptions used.

Calibration Models

UTILITY, RAILROAD, AND PIPELINE PROPERTIES

APPRAISED BY CAPITOL APPRAISAL GROUP

Review and Testing

Field review of appraisals is performed through the regular inspection of subject properties. The periodic reassignment of properties among appraisers or the review of appraisals by an experienced appraiser also contributes to the review process. A computer-assisted statistical review of property value changes is also conducted.

Appraisal to sales ratios are the preferred method for measuring performance, however sales are very infrequent. Furthermore, market transactions normally occur for multiple sites and include both real and personal property, tangible and intangible, making analysis difficult and subjective. Performance is also measured through comparison with valid single-property appraisals submitted for staff review. Appraisal results are tested annually by the Property Tax Division of the Texas Comptroller's Office. The Comptroller's review as well as comparisons with single-property appraisals indicate the validity of the models as well as the calibration techniques employed.

Document 7B

MASS APPRAISAL REPORT

BUSINESS PERSONAL PROPERTY

APPRAISED BY CAPITOL APPRAISAL GROUP

2023-2024

Overview

This type of property consists of tangible personal property owned by a business or individual for the purpose of producing an income. The Uniform Standards of Professional Appraisal practice define personal property as "identifiable portable and tangible objects which are considered by the general public as being "personal," e.g. furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment; all property that is not classified as real estate.". The Texas Property Tax Code (Sec. 1.04(5)) defines tangible personal property as "...personal property that can be seen, weighed, measured, felt, or otherwise perceived by the senses but does not include a document or other perceptible object that constitutes evidence of a valuable interest, claim, or right and has negligible or no intrinsic value." The Texas Property Tax Code (Sec. 1.04(4)) defines personal property as "...property that is not real property."

Capitol Appraisal Group, LLC is contracted to reappraise this type of property according to the scope of work in the normal course of business of the client consistent with the Uniform Standards of Professional Appraisal Practice guidelines. The completed appraisals are all retrospective in nature. The purpose of the appraisals is to estimate market value as of January 1 in accordance with the definition of market value established in the Texas Property Tax Code (Sec. 1.04). "Market value" means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

A. exposed for sale in the open market with a reasonable time for the seller to find a purchaser;
B. both the seller and the purchaser know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use; and
C. both the seller and purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.

A separate definition of the value of inventory is found in the Texas Property Tax Code (Sec. 23.12(a)), "...the market value of an inventory is the price for which it would sell as a unit to a purchaser who would continue the business." Additionally, some inventories may qualify for appraisal as of September 1 in accordance with the provisions of Texas Property Tax Code Section 23.12(f).

The effective date of the appraisals is January 1 of the year for which this report is submitted unless the property owner or agent has applied for and been granted September 1 inventory valuation as allowed by Section 23.12(f) of the Texas Property Tax Code. The date of this report is April 20 of the tax year for which it is submitted.

The client for the mass appraisal is the Texas appraisal district named on the last page of this report. The intended users of this report are the client and the property owners of the client appraisal district.

The appraisal results will be used as the tax base upon which a property tax will be levied. A listing of the personal property appraised by Capitol Appraisal Group, LLC for the appraisal district is available at the appraisal district office. Personal property is normally re-inspected annually.

Documents relevant to an understanding of these appraisals include the confidential rendition, if any, filed with the appraisal district by the owner or agent of the property; other reports described in the Texas Property tax Code; asset lists and other confidential data supplied by the owner or agent; Property Assessment Valuation published by the International Association of Assessing Officers and adopted by the Texas Comptroller of Public Accounts; and Engineering Valuation and Depreciation by Marston, Winfrey, and Hempstead; and the Texas Property Tax Code.

Capitol's personal property appraisal staff includes licensed engineers as well as experienced appraisers who are knowledgeable in all three approaches to value. Personal property appraisal staff stays abreast of current trends affecting personal property through review of published materials, attendance at conferences, course work, and continuing education. All personal property appraisers are registered with the Texas Board of Tax Professional Examiners.

Assumptions and Limiting Conditions

All appraisals are subject to the following assumptions and limiting conditions:

1. Title to the property is assumed to be good and marketable and the legal description correct.
2. No responsibility for legal matters is assumed. All existing liens, mortgages, or other encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.
3. The appraisers developing these appraisals are not Requested to give testimony or attendance in court by reason of the appraisals, unless directed by, employed by, and provided legal counsel by the Appraisal District.
4. The appraisers do not necessarily inspect every property every year.
5. All sketches on the appraisal documents are intended to be visual aids and should not be construed as surveys or engineering reports unless otherwise specified.
6. All information in the appraisal documents has been obtained by members of Capitol Appraisal Group's staff or by other reliable sources.
7. The appraisals were prepared exclusively for ad valorem tax purposes. As such some valuation formulas may be required by the property tax code as opposed to generally accepted appraisal practices.

Data Collection and Validation

Data on the subject properties are collected as part of the inspection process and through later submissions by the property owner. Submitted data may be on a rendition form or in other modes which require confidentiality. Subject property data is verified through previously existing records and through published reports. Additional data are obtained and verified through published sources, regulatory reports, and through analysis of comparable properties. Due to the multitude of personal property types there is no standard data collection form or manual.

Valuation Approach and Analysis

Personal property is appraised using replacement/reproduction cost new less depreciation models. Replacement costs are estimated from published sources, other publicly available information, and comparable properties. Reproduction costs are based on actual investment in the subject or comparable properties. Depreciation is calculated on the age/life method using typical economic lives and depreciation rates based on published sources, market evidence, and the experience of knowledgeable appraisers. Adjustments for functional and economic obsolescence may be made if utilization and income data for the subject property justify such.

Income Approach models (direct capitalization and discounted cash flow) are also used when economic and/or subject property income information is available. Capitalization and discount rates are based on published capital costs for the industry of the subject property. A value estimate derived from an income approach model in which the operating income of a business was capitalized must be reduced by the value of any real property in order to arrive at the value of the operating personal property. A market data model based on typical selling prices per item or unit of capacity is also used when appropriate market sales information is available. In the case of some personal property types, such as licensed vehicles, market data from published pricing guides is used to construct a market value model. In other cases, models are based on sales information available through published sources or through private sources.

Because cost information is the most readily available type of data, the cost approach model is always considered and used. If sufficient data is available either of both of the other two models may also be considered and used. The market data and income approach models may need to be reduced by the value of the land in order to arrive at a value of improvements and personal property.

Model calibration in the cost approach involves the selection of the appropriate service life for each type or class of property. Further calibration can occur through the use of utilization or through-put data provided by the owner or agent. Income approach calibration involves the selection of the cost of capital or discount rate appropriate to the type of property being appraised as well as adjusting the projected income stream to reflect the individual characteristics of the subject property. Model calibration in the market data approach involves adjusting sales prices of comparable properties to reflect the individual characteristics of the subject property.

The mathematical form of each model is described below.

Cost Approach

RCN
-PD
-FO
-EO
=Cost Indicator of Value

Where:
RCN = Replacement or Reproduction Cost New
PD = Physical Depreciation
FO = Functional Obsolescence
EO = Economic Obsolescence

Income Approach

PGR
-VCL
-FE
-VE
NOI

NOI/R = Income Indicator of Value

Where:
PGR = Potential Gross Rent
VCL = Vacancy and Collection Loss
FE = Fixed Expenses
VE = Variable Expenses

R = Discount Rate or Cost of Capital

A variation of the income model is:

NOI for year 1 x DF for year 1 = PW of year 1 NOI
NOI for year n x DF for year n = PW of year n NOI
Net Reversion x DF for year n = PW of Reversion
Sum of PW's for all years 1 - n = Income Indicator of Value

Where:
NOI = Net Operating Income
DF = Discount Factor
PW = Present Worth
n = Last year of holding period

Market Data Approach

ASPCP/U = PU
PU x SU = Market Data Indicator of Value

Where:
ASPCP = Adjusted Sales Price of Comparable Property
U = Unit of comparison
ASPU = Adjusted Sales Price per Unit of comparison
SU = Subject Property's number of Units of comparison

In reconciling multiple model results for a property the appraiser considers the model results that best address the individual characteristics of the subject property and that are based on the most reliable data while maintaining equalization among like properties. Final results for each property may be found on the appraisal district's appraisal roll.

Highest and best use analysis of personal property is based on the likelihood of the continued use of the personal property in its current and/or intended use. An appraiser's identification of a property's highest and best use is always a statement of opinion, never a statement of fact.

Review and Testing

Field review of appraisals is performed through the regular inspection of subject properties. The periodic reassignment of properties among appraisers or the review of appraisals by an experienced appraiser also contributes to the review process. A computer-assisted statistical review of property value changes is also conducted.

Appraisal-to-sales ratios are the preferred method for measuring performance and are used when possible. However sales for some types of personal property are very infrequent. Furthermore, many market transactions occur for multiple sites and include both real and personal property, tangible and intangible, making analysis difficult and subjective. Performance is also measured through comparison with valid single-property appraisals submitted for staff review. Lastly, Capitol Appraisal Group's industrial appraisal methods and procedures for real and personal property are subject to review by the Property Tax Division of the Texas Comptroller's office. The Comptroller's review as well as appraisal-to-sale ratios and comparisons with single-property appraisals indicate the validity of the models and the calibration techniques employed. Commercial personal property appraised by Capitol Appraisal Group, LLC is not subject to a methods and procedures review however it is included in the Property Tax Division's annual ratio study with satisfactory results.

Document 7A

MASS APPRAISAL REPORT

INDUSTRIAL PROPERTY

APPRAISED BY CAPITOL APPRAISAL GROUP

2023-2024

Overview

This type of property consists of processing facilities and related personal property. Capitol Appraisal Group, LLC is contracted to reappraise this type of property according to the scope of work in the normal course of business of the client consistent with the Uniform Standards of Professional Appraisal Practice guidelines. The completed appraisals are all retrospective in nature. The purpose of the appraisals is to estimate market value as of January 1 in accordance with the definition of market value established in the Texas Property Tax Code (Sec. 1.04). "Market value" means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

A. exposed for sale in the open market with a reasonable time for the seller to find a purchaser;
B. both the seller and the purchaser know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use; and
C. both the seller and purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.

The effective date of the appraisals is January 1 of the year for which this report is submitted unless the property owner or agent has applied for and been granted September 1 inventory valuation as allowed by Section 23.12(f) of the Texas Property Tax Code. The date of this report is April 20 of the tax year for which it is submitted.

The client for the mass appraisal is the Texas appraisal district named on the last page of this report. The intended users of this report are the client and the property owners of the client appraisal district.

The appraisal results will be used as the tax base upon which a property tax will be levied. The properties are appraised in fee simple in conformance with the Texas Property Tax Code Sec. 25.06. This is a jurisdictional exception to the Standards Rule 6-5 © Comment of the Uniform Standards of Professional Appraisal Practice 2008. A listing of the industrial properties appraised by Capitol Appraisal Group, LLC for the appraisal district is available at the appraisal district office. Industrial properties are normally re-inspected annually.

Documents relevant to an understanding of these appraisals include the confidential rendition, if any, filed with the appraisal district by the owner or agent of the property; other reports described in the Texas Property Tax Code; asset lists and other confidential data supplied by the owner or agent; the General Appraisal Manual adopted by the Texas Comptroller of Public Accounts; Property Assessment Valuation published by the International Association of Assessing Officers and adopted by the Texas Comptroller of Public Accounts; and Engineering Valuation and Depreciation by Marston, Winfrey, and Hempstead; and the Texas Property Tax Code.

Capitol's industrial appraisal staff includes licensed engineers as well as experienced appraisers who are knowledgeable in all three approaches to value. Industrial appraisal staff stays abreast of

current trends affecting industrial properties through review of published materials, attendance at conferences, course work, and continuing education. All industrial appraisers are registered with the Texas Board of Tax Professional Examiners.

Assumptions and Limiting Conditions

All appraisals are subject to the following assumptions and limiting conditions:

1. Title to the property is assumed to be good and marketable and the legal description correct.
2. No responsibility for legal matters is assumed. All existing liens, mortgages, or other encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.
3. The appraisers developing these appraisals are not requested to give testimony or attendance in court by reason of the appraisals, unless directed by, employed by, and provided legal counsel by the Appraisal District.
4. The appraisers do not necessarily inspect every property every year.
5. All sketches on the appraisal documents are intended to be visual aids and should not be construed as surveys or engineering reports unless otherwise specified.
6. All information in the appraisal documents has been obtained by members of Capitol Appraisal Group's staff or by other reliable sources.
7. The appraisals were prepared exclusively for ad valorem tax purposes. As such some valuation formulas may be required by the property tax code as opposed to generally accepted appraisal practices.
8. The appraisers have inspected as far as possible, by observation, the improvements being appraised, however, it is not possible to personally observe conditions beneath the soil or hidden structural components within the improvements. Therefore no representations are made as to these matters unless specifically considered in an individual appraisal.

Data Collection and Validation

Data on the subject properties is collected as part of the inspection process and through later submissions by the property owner. Submitted data may be on a rendition form or in other modes which require confidentiality. Subject property data is verified through previously existing records and through published reports. Additional data are obtained and verified through published sources, regulatory reports, and through analysis of comparable properties, if any. Due to the unique nature of many industrial properties there is no standard data collection form or manual.

Valuation Approach and Analysis

Industrial properties are appraised using replacement/reproduction cost new less depreciation models. Replacement costs are estimated from published sources, other publicly available information, and comparable properties. Reproduction costs are based on actual investment in the subject or comparable properties adjusted for typical changes in cost over time. Depreciation is calculated on the age/life method using typical economic lives and depreciation rates based on published sources, market evidence, and the experience of knowledgeable appraisers. Adjustments for functional and economic obsolescence may be made if utilization and income data for the subject property justify such. Income Approach models (direct capitalization and discounted cash flow) are also used when economic and/or subject property income information is available. Capitalization and discount rates are based on published capital costs for the industry of the subject property. A market data model based on typical selling prices per unit of capacity is also used when appropriate market sales information is available.

Because cost information is the most readily available type of data, the cost approach model is always considered and used. If sufficient data is available either of both of the other two models

may also be considered and used. The market data and income approach models may need to be reduced by the value of the land in order to arrive at a value of improvements and personal property.

Model calibration in the cost approach involves the selection of the appropriate service life for each type or class of property. Further calibration can occur through the use of utilization or through-put data provided by the owner or agent. Income approach calibration involves the selection of the cost of capital or discount rate appropriate to the type of property being appraised as well as adjusting the projected income stream to reflect the individual characteristics of the subject property. Model calibration in the market data approach involves adjusting sales prices of comparable properties to reflect the individual characteristics of the subject property.

The mathematical form of each model is described below.

Cost Approach

RCN
-PD
-FO
-EO
=Cost Indicator of Value

Where:
RCN = Replacement or Reproduction Cost New
PD = Physical Depreciation
FO = Functional Obsolescence
EO = Economic Obsolescence

Income Approach

PGR
-VCL
-FE
-VE
NOI

NOI/R = Income Indicator of Value

Where:
NOI = Net Operating Income
PGR = Potential Gross Rent
VCL = Vacancy and Collection Loss
FE = Fixed Expenses
VE = Variable Expenses
R = Discount Rate or Cost of Capital

A variation of the income model is:

NOI for year 1 x DF for year 1 = PW of year 1 NOI
NOI for year n x DF for year n = PW of year n NOI
Net Reversion x DF for year n = PW of Reversion
Sum of PW's for all years 1 - n = Income Indicator of Value

Where:
DF = Discount Factor
PW = Present Worth
n = Last year of holding period

Market Data Approach

ASPCP/U = PU
PU x SU = Market Data Indicator of Value

Where:
ASPCP = Adjusted Sales Price of Comparable Property
U = Unit of comparison
PU = Price per Unit of comparison
ASPU = Adjusted Sales Price per Unit of comparison
SU = Subject Property's number of Units of comparison

In reconciling multiple model results for a property the appraiser considers the model results that best address the individual characteristics of the subject property and that are based on the most reliable data while maintaining equalization among like properties. Final results for each property may be found on the appraisal district's appraisal roll.

Land valuation for industrial properties is the responsibility of appraisal district staff as is the highest and best use analysis of the site. Sites are analyzed for highest and best use as though they were vacant. Highest and best use analysis of the improvements is based on the likelihood of the continued use of the improvements in their current and/or intended use. An appraiser's identification of a property's highest and best use is always a statement of opinion, never a statement of fact.

Review and Testing

Field review of appraisals is performed through the regular inspection of subject properties. The periodic reassignment of properties among appraisers or the review of appraisals by an experienced appraiser also contributes to the review process. A computer-assisted statistical review of property value changes is also conducted.

Appraisal-to-sales ratios are the preferred method for measuring performance, however sales are very infrequent. Furthermore, market transactions normally occur for multiple sites and include both real and personal property, tangible and intangible, making analysis difficult and subjective. Performance is also measured through comparison with valid single-property appraisals submitted for staff review. Lastly, Capitol Appraisal Group's industrial appraisal methods and procedures are subject to review by the Property Tax Division of the Texas Comptroller's office. The Comptroller's review as well as comparisons with single-property appraisals indicate the validity of the models and the calibration techniques employed.

Document 7D

MASS APPRAISAL REPORT

OIL AND GAS RESERVES

CAPITOL APPRAISAL GROUP

2023-2024

Overview

Capitol Appraisal Group, LLC (CAGL) contracts with Appraisal Districts and other governmental entities to appraise all oil & gas subsurface, producing, mineral interests within the purview of the entity. The contractual purpose is to estimate market value as defined in Section 1.04 of the Texas Property Tax Code as of January 1 of each year and report these values to the entity. The results of our work are used as part of the tax base upon which property taxes are levied. Each mineral interest is listed on the appraisal roll separately from other interests in the minerals-in-place in conformance with the Texas Property Tax Code Sec. 25.12. Subsurface mineral rights are not susceptible to physical inspection. This condition creates the need to invoke the **Departure Provision** as Requested by the 2003 edition of the Uniform Standards of Professional Appraisal Practice Standards Rule 6-7 (f). However, the inability to physically examine the sub-surface mineral rights does not appreciably affect the appraisal process or the quality of the results.

Assumptions and Limiting Factors

All appraisals are subject to the following:

1. Title to the property is assumed to be good and marketable and the ownership interest and legal description is assumed to be correct.
2. No responsibility for legal matters is assumed. Properties are appraised as if free and clear of any encumbrance and operated under responsible ownership and competent management.
3. Not every property is inspected every year.
4. All information in the appraisal documents has been obtained by Capitol Appraisal Group's employees or through other reliable sources.
5. The appraisals were prepared exclusively for ad valorem tax purposes. As such some valuation formulas may be required by the property tax code as opposed to generally accepted appraisal practices.

Data Collection

Data on the properties appraised are collected from regulatory agencies, such as the Texas Railroad Commission and the Texas Comptroller of Public Accounts, from submissions by the property operator or owner(s), or from other sources. **Submitted data from operators, taxpayers and/or their agents on the appraised properties are considered "rendition statements" and, as such, are confidential data, subject to Sec. 22.27 of the Texas Property Tax Code.** Additional data are obtained through published sources, regulatory reports, public investment reports, licensed data services, service for fee organizations and through comparable properties, if any. The state of Texas is a non-disclosure state and thus many forms of information, pertinent to the value of the properties, are not available to the appraiser.

Valuation and Analysis

The Income Method of Appraisal, as described in Section 23.012 of the Texas Property Tax Code, is the principal appraisal method used. The Market Data Comparison Method of Appraisal (section 23.013) and the Cost Method of Appraisal (section 23.011) are considered. Industry averages of reserve replacement cost and acquisition cost are used for comparative purposes. The non-disclosure nature of the laws of Texas makes market data comparison unreliable. However, if within the scope of Capitol's work assignment market sales disclosures on interests are available, then those data is considered. The nearly exclusive reliance on the income approach, using the discounted cash flow (DCF) technique adjusted for specific property risk and market conditions, is typical of the oil and gas industry. Fee for service organizations are used for survey data with respect to price expectations and discount rates, and licensed data services are used for Industry indicators detailing costs, income, acquisitions costs in dollars per barrel of oil equivalent ($/BOE), finding and development costs ($/BOE) and reserve replacement costs ($/BOE) for over 100 E&P companies.

Due to the demands of Section 23.175 of the Texas Property Tax Code and the Texas Constitution, Capitol Appraisal Group, LLC takes great care to not appraise properties in excess of their fair market value. We analyze a segment of the Petroleum Producing E&P market, determining the impact on their stock and debt value of the pricing requirements of Sec. 23.175 and also the pricing that could be reasonably anticipated from the market. Capitol Appraisal Group LLC's opinion of oil and gas prices is guided by the market's anticipation of those prices through the futures market, oil and gas stock prices and oil and gas industry indexes. A base discount rate is developed using the Securities and Exchange Commission (SEC) 10k Standard Measure of Value, Before Federal Income Tax (BFIT), for a grouping of 20 Exploration and Production (E&P) companies, and then matching their 10k Standard Measure of Value (BFIT), reserves and costs, through a discounted cash flow (DCF) technique. This reserve and cost match is used with Capitol's developed pricing scenario and Section 23.175 pricing directives to determine a discount rate necessary to equal the stock and debt value of the companies, as of January 1 for a given tax year.

The Weighted Average Cost of Capital (WACC) technique is also performed for a subset of these companies grouped according to the Petroleum Producing Industry Exploration and Production companies used in the *The Valueline Investment Survey.* These separate pricing scenarios and the resulting discount rates derived from using the aforementioned stock and debt techniques are applied to the universe of oil and gas properties we appraise. In seeking to avoid appraising any oil and gas property **above** its fair cash market value, Capitol Appraisal employs a market adjustment factor (MAF) to its base discount rate in order to apply property specific risk(s). These factors, which create a wide range of discount rates for the properties that Capitol appraises, are necessary to equitably evaluate disparate leases with respect to remaining reserves, price and costs. By performing two DCF income approach appraisals on each property, Capitol Appraisal provides clients with our opinion of market value, while always endeavoring to guard against appraising a mineral lease at greater than its fair cash market value. [A **jurisdictional exception** to the Discounted Cash Flow technique, as this process is described in the Statement on Appraisal Standards #2, 2003 edition of the Uniform Standards of Professional Appraisal Practice, must be taken. Section 23.175(a) of the Texas Property Tax Code both specifies the directives concerning oil and gas pricing that appraisal districts in Texas must follow and also that each appraisal district must adhere to procedure and methodology contained in manuals developed by the Property Tax Division (PTD) of the Texas Comptroller of Public Accounts. Because adherence to this Property Tax Code directive, without discretion, can result in values greater than fair cash market value, we must express caution.]

The resulting oil and gas lease value is then allocated to each owner on the lease based upon his fractional mineral ownership interest. Royalty and working interests have different impacts on their respective values, since only working interests bear the costs of lease operation. Therefore royalty

mineral interest owner's values are allocated from 100% of the appraised royalty value of the lease, according to their fractional royalty interest, while the working interest owner's value(s) are allocated from 100% of the determined working interest value of the lease, according to their fractional working interest.

Review and Testing

Each year we review the estimated market value for each mineral property appraised according to its year-to-year value change and also to industry expected payouts and income indicators. We also examine income projected to be received with the previous year's income and test that income against the lease's appraised value. Market value for income producing properties is a multiple of its monthly or annual income. Our experience through the years indicates that values typically vary within in a range of 2-5 times income, provided all appropriate income factors have been appropriately identified. Periodic reassignment of properties among appraisers and review of appraisals by a more experienced appraiser also contribute to the review process.

Application of appraisal-to-sales ratios is another method for measuring performance. However, single property sales or sales of interest(s) within a property remain difficult to obtain due Texas' disclosure laws. Furthermore many market transactions are normally for multiple properties in multiple areas and include both real and personal property, tangible and intangible. We access licensed databases providing statistical data for company and property sales to compare our efforts. We also measure our performance through comparison of valid single-property market transactions, if any, that are submitted for staff review. Lastly, Capitol Appraisal's mineral appraisal values are subject to review each year in the Property Value Study conducted by the Property Tax Division of the Texas Comptroller of Public Accounts. The Property Tax Division's review as well as comparisons to industry transactions and to single-property market value sales (when available), indicate the validity of the models, techniques and assumptions used.

Document 7C

MASS APPRAISAL REPORT

UTILITY, RAILROAD, AND PIPELINE PROPERTIES

APPRAISED BY CAPITOL APPRAISAL GROUP

2023-2024

Overview

This type of property consists of operating property, excluding land, owned by utility, railroad, and pipeline companies, and related personal property and improvements. Capitol Appraisal Group, LLC is contracted to reappraise this type of property according to the scope of work in the normal course of business of the client consistent with the Uniform Standards of Professional Appraisal Practice guidelines. The completed appraisals are all retrospective in nature. The purpose of the appraisals is to estimate market value as of January 1 in accordance with the definition of market value established in the Texas Property Tax Code (Sec. 1.04). "Market value" means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

A. exposed for sale in the open market with a reasonable time for the seller to find a purchaser;
B. both the seller and the purchaser know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use; and
C. both the seller and purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.

The effective date of the appraisals is January 1 of the year for which this report is submitted unless the property owner or agent has applied for and been granted September 1 inventory valuation as allowed by Section 23.12(f) of the Texas Property Tax Code. The date of this report is April 20 of the tax year for which it is submitted.

The client for the mass appraisal is the Texas appraisal district named on the last page of this report. The intended users of this report are the client and the property owners of the client appraisal district

The appraisal results will be used as the tax base upon which a property tax will be levied. The properties are appraised in fee simple in conformance with the Texas Property Tax Code Sec. 25.06. This is a jurisdictional exception to Standards Rule 6-5 (c) comment of the Uniform Standards of Professional Appraisal Practice 2008. A listing of the utility, railroad, and pipeline properties appraised by Capitol Appraisal Group, LLC for the appraisal district is available at the appraisal district office. Such utility, railroad, and pipeline properties that are susceptible to inspection (e.g. compressor stations, pump stations, buildings, and power plants) are normally re-inspected at least every three years.

Capitol's utility, railroad, and pipeline appraisal staff includes licensed engineers as well as experienced appraisers who are knowledgeable in all three approaches to value. The appraisal staff stays abreast of current trends affecting utility, railroad, and pipeline properties through review of published materials, attendance at conferences, course work, and continuing education. All appraisers are registered with the Texas Board of Tax Professional Examiners.

Assumptions and Limiting Conditions

All appraisals are subject to the following assumptions and limiting conditions:

1. Title to the property is assumed to be good and marketable and the legal description correct.
2. No responsibility for legal matters is assumed. All existing liens, mortgages, or other encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.
3. The appraisers developing these appraisals are not Requested to give testimony or attendance in court by reason of the appraisals, unless directed by, employed by, and provided legal counsel by the Appraisal District.
4. The appraisers do not necessarily inspect every property every year.
5. All sketches on the appraisal documents are intended to be visual aids and should not be construed as surveys or engineering reports unless otherwise specified.
6. All information in the appraisal documents has been obtained by members of Capitol Appraisal Group's staff or by other reliable sources.
7. The appraisals were prepared exclusively for ad valorem tax purposes. As such some valuation formulas may be required by the property tax code as opposed to generally accepted appraisal practices.
8. The appraisers have inspected as far as possible, by observation, the improvements being appraised, however, it is not possible to personally observe conditions beneath the soil or hidden structural components within the improvements. Therefore no representations are made as to these matters unless specifically considered in an individual appraisal.

Data Collection and Validation

Data on the subject properties is collected as part of the inspection process and through later submissions by the property owner. Submitted data may be on a rendition form or in other modes which require confidentiality. Subject property data is verified through previously existing records and through published reports. Additional data are obtained and verified through published sources, regulatory reports, and through analysis of comparable properties. Due to the varied nature of utility, railroad, and pipeline properties there is no standard data collection form or manual.

Valuation Approach and Analysis

For all pipelines a value is calculated using a Replacement Cost New Less Depreciation (RCNLD) model. This involves first calculating the cost of building a new pipeline of equal utility using current prices. The Replacement Cost New (RCN) is a function of location, length, diameter, and composition. Depreciation is then subtracted from RCN to produce the final value estimate. Depreciation is defined as the loss of value resulting from any cause. The three common forms of depreciation are physical, functional, and economic. Physical depreciation is accounted for on the basis of the age of the subject pipeline. Functional and economic obsolescence (depreciation) can be estimated through the use of survivor curves or other normative techniques. Specific calculations to estimate abnormal functional and/or economic obsolescence can be made on the basis of the typical utilization of the subject pipeline.

After deductions from RCN have been made for all three forms of depreciation the remainder is the RCNLD or cost approach model indicator of value.

In addition to the RCNLD indicator, a unit value model may also be used for those pipelines for which appropriate income statements and balance sheets are also available. Generally, this model is used for those pipelines that by regulation are considered to be common carriers. The unit value model must be calculated for the entire pipeline system.

The unit value model typically involves an income approach to value and a rate base cost approach. The income approach is based on a projection of expected future typical net operating income (NOI). The projected NOI is discounted to a present worth using a current cost of capital that is both typical of the industry and reflective of the risks inherent in the subject property. The unit value model cost approach is typically an estimation of the current rate base of the subject pipeline (total investment less book depreciation allowed under the current form of regulation). An additional calculation is made to detect and estimate economic obsolescence. Any economic obsolescence is deducted from the rate base cost less book depreciation to achieve a final cost indicator. The unit value model may also include a stock and debt approach in lieu of a market data approach. The stock and debt approach involves finding the total value of the owner's liabilities (equity and debt) and assuming that they are equal to the value of the assets. The two (or three, if the stock and debt approach is included) unit value indicators are then reconciled into a final unit appraisal model indicator of value. The unit value must then be reconciled with the RCNLD model indicator of value for the entire pipeline system being appraised. The final correlated value of the system can then be allocated among the various components of the system to determine the tax roll value for each pipeline segment.

Utility and railroad properties are appraised in a manner similar to pipeline except the RCNLD model is not used. For all three types of property (utility, railroad, and pipeline) the appraiser must first form an opinion of highest and best use. If the highest and best use of the operating property is the current use under current regulation, the unit value model is considered highly appropriate. If the highest and best use is something different, then the RCNLD model may be more appropriate.

Compressor stations, pump stations, improvements, and related facilities are appraised using a replacement cost new less depreciation model.

Model calibration in the RCNLD model involves the selection of the appropriate service life for each type or class of property. Further calibration can occur through the use of utilization or through-put data provided by the owner or agent. Model calibration in the unit value cost approach involves the selection of the appropriate items to include in the rate base calculation and selection of the best measure of obsolescence, if any. Income approach calibration involves the selection of the cost of capital or discount rate appropriate to the type of property being appraised as well as adjusting the projected income stream to reflect the individual characteristics of the subject property. Model calibration in the stock and debt approach involves allocating sales prices of debt and equity to reflect the contribution to value of the operating property of the subject company.

The mathematical form of each model is described below.

RCNLD Approach

RCN
-PD
-FO
-EO
=RCNLD Indicator of Value

Where:
RCN = Replacement or Reproduction Cost New
PD = Physical Depreciation
FO = Functional Obsolescence
EO = Economic Obsolescence

Unit Cost Approach

OC

-AD
-EO
=Unit Cost Approach Indicator of Value

Where:
OC = Original Cost
AD = Allowed Depreciation
EO = Economic Obsolescence

Unit Income Approach

PGR
-VCL
-FE
-VE
NOI

NOI/R = Income Indicator of Value

Where:
PGR = Potential Gross Rent
VCL = Vacancy and Collection Loss
FE = Fixed Expenses
VE = Variable Expenses
R = Discount Rate or Cost of Capital

A variation of the income model is:

NOI for year 1 x DF for year 1 = PW of year 1 NOI
NOI for year n x DF for year n = PW of year n NOI
Net Reversion x DF for year n = PW of Reversion
Sum of PW's for all years 1 - n = Income Indicator of Value

Where:
NOI = Net Operating Income
DF = Discount Factor
PW = Present Worth
n = Last year of holding period

Stock and Debt Approach

MVE
+MVD
=Market Value of Assets

Where:
MVE = Market value of Equity
MVD = Market value of Debt

In reconciling multiple model results for a property the appraiser considers the model results that best address the individual characteristics of the subject property while maintaining equalization among like properties. Final results for each property may be found on the appraisal district's appraisal roll.

Land valuation for utility and pipeline properties is the responsibility of appraisal district staff as is the highest and best use analysis of the site. Sites are analyzed for highest and best use as though they were vacant. Highest and best use analysis of the improvements is based on the likelihood of the continued use of the improvements in their current and/or intended use. Railroad corridor land is included in the appraisal of the operating property. The highest and best use of railroad corridor land is presumed to be as operating property. An appraiser's identification of a property's highest and best use is always a statement of opinion, never a statement of fact.

The rate-base cost approach, stock and debt approach, and income approach models must be reduced by the value of the land in order to arrive at a value of improvements, personal property, and other operating property.

Review and Testing

Field review of appraisals is performed through the regular inspection of subject properties. The periodic reassignment of properties among appraisers or the review of appraisals by an experienced appraiser also contributes to the review process. A computer-assisted statistical review of property value changes is also conducted.

Appraisal to sales ratios are the preferred method for measuring performance, however sales are very infrequent. Furthermore, market transactions normally occur for multiple sites and include both real and personal property, tangible and intangible, making analysis difficult and subjective. Performance is also measured through comparison with valid single-property appraisals submitted for staff review. Appraisal results are tested annually by the Property Tax Division of the Texas Comptroller's Office. The Comptroller's review as well as comparisons with single-property appraisals indicate the validity of the models as well as the calibration techniques employed.

MASS APPRAISAL REPORT

BUSINESS PERSONAL PROPERTY

APPRAISED BY CAPITOL APPRAISAL GROUP

2023-2024

Overview

This type of property consists of tangible personal property owned by a business or individual for the purpose of producing an income. The Uniform Standards of Professional Appraisal practice define personal property as "identifiable portable and tangible objects which are considered by the general public as being "personal," e.g. furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment; all property that is not classified as real estate.". The Texas Property Tax Code (Sec. 1.04(5)) defines tangible personal property as "...personal property that can be seen, weighed, measured, felt, or otherwise perceived by the senses but does not include a document or other perceptible object that constitutes evidence of a valuable interest, claim, or right and has negligible or no intrinsic value." The Texas Property Tax Code (Sec. 1.04(4)) defines personal property as "...property that is not real property."

Capitol Appraisal Group, Inc. is contracted to reappraise this type of property according to the scope of work in the normal course of business of the client consistent with the Uniform Standards of Professional Appraisal Practice guidelines. The completed appraisals are all retrospective in nature. The purpose of the appraisals is to estimate market value as of January 1 in accordance with the definition of market value established in the Texas Property Tax Code (Sec. 1.04). "Market value" means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

A. exposed for sale in the open market with a reasonable time for the seller to find a purchaser;
B. both the seller and the purchaser know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use; and
C. both the seller and purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.

A separate definition of the value of inventory is found in the Texas Property Tax Code (Sec. 23.12(a)), "...the market value of an inventory is the price for which it would sell as a unit to a purchaser who would continue the business." Additionally, some inventories may qualify for appraisal as of September 1 in accordance with the provisions of Texas Property Tax Code Section 23.12(f).

The effective date of the appraisals is January 1 of the year for which this report is submitted unless the property owner or agent has applied for and been granted September 1 inventory valuation as allowed by Section 23.12(f) of the Texas Property Tax Code. The date of this report is April 20 of the tax year for which it is submitted.

The client for the mass appraisal is the Texas appraisal district named on the last page of this report. The intended users of this report are the client and the property owners of the client appraisal district.

The appraisal results will be used as the tax base upon which a property tax will be levied. A listing of the personal property appraised by Capitol Appraisal Group, Inc. for the appraisal district is available at the appraisal district office. Personal property is normally re-inspected annually.

Documents relevant to an understanding of these appraisals include the confidential rendition, if any, filed with the appraisal district by the owner or agent of the property; other reports described in the Texas Property tax Code; asset lists and other confidential data supplied by the owner or agent; Property Assessment Valuation published by the International Association of Assessing Officers and adopted by the Texas Comptroller of Public Accounts; and Engineering Valuation and Depreciation by Marston, Winfrey, and Hempstead; and the Texas Property Tax Code.

Capitol's personal property appraisal staff includes licensed engineers as well as experienced appraisers who are knowledgeable in all three approaches to value. Personal property appraisal staff stays abreast of current trends affecting personal property through review of published materials, attendance at conferences, course work, and continuing education. All personal property appraisers are registered with the Texas Board of Tax Professional Examiners.

Assumptions and Limiting Conditions

All appraisals are subject to the following assumptions and limiting conditions:

1. Title to the property is assumed to be good and marketable and the legal description correct.
2. No responsibility for legal matters is assumed. All existing liens, mortgages, or other encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.
3. The appraisers developing these appraisals are not Requested to give testimony or attendance in court by reason of the appraisals, unless directed by, employed by, and provided legal counsel by the Appraisal District.
4. The appraisers do not necessarily inspect every property every year.
5. All sketches on the appraisal documents are intended to be visual aids and should not be construed as surveys or engineering reports unless otherwise specified.
6. All information in the appraisal documents has been obtained by members of Capitol Appraisal Group's staff or by other reliable sources.
7. The appraisals were prepared exclusively for ad valorem tax purposes.

Data Collection and Validation

Data on the subject properties are collected as part of the inspection process and through later submissions by the property owner. Submitted data may be on a rendition form or in other modes which require confidentiality. Subject property data is verified through previously existing records and through published reports. Additional data are obtained and verified through published sources, regulatory reports, and through analysis of comparable properties. Due to the multitude of personal property types there is no standard data collection form or manual.

Valuation Approach and Analysis

Personal property is appraised using replacement/reproduction cost new less depreciation models. Replacement costs are estimated from published sources, other publicly available information, and comparable properties. Reproduction costs are based on actual investment in the subject or comparable properties. Depreciation is calculated on the age/life method using typical economic lives and depreciation rates based on published sources, market evidence, and the experience of knowledgeable appraisers. Adjustments for functional and economic obsolescence may be made if utilization and income data for the subject property justify such. Income Approach models (direct capitalization and discounted cash flow) are also used when economic and/or subject property income information is available. Capitalization and discount rates are based on published capital costs for the industry of the subject property. A value

estimate derived from an income approach model in which the operating income of a business was capitalized must be reduced by the value of any real property in order to arrive at the value of the operating personal property. A market data model based on typical selling prices per item or unit of capacity is also used when appropriate market sales information is available. In the case of some personal property types, such as licensed vehicles, market data from published pricing guides is used to construct a market value model. In other cases, models are based on sales information available through published sources or through private sources.

Because cost information is the most readily available type of data, the cost approach model is always considered and used. If sufficient data is available either of both of the other two models may also be considered and used. The market data and income approach models may need to be reduced by the value of the land in order to arrive at a value of improvements and personal property.

Model calibration in the cost approach involves the selection of the appropriate service life for each type or class of property. Further calibration can occur through the use of utilization or through-put data provided by the owner or agent. Income approach calibration involves the selection of the cost of capital or discount rate appropriate to the type of property being appraised as well as adjusting the projected income stream to reflect the individual characteristics of the subject property. Model calibration in the market data approach involves adjusting sales prices of comparable properties to reflect the individual characteristics of the subject property.

The mathematical form of each model is described below.

Cost Approach

RCN
-PD
-FO
-EO
=Cost Indicator of Value

Where:
RCN = Replacement or Reproduction Cost New
PD = Physical Depreciation
FO = Functional Obsolescence
EO = Economic Obsolescence

Income Approach

PGR
-VCL
-FE
-VE
NOI

NOI/R = Income Indicator of Value

Where:
PGR = Potential Gross Rent
VCL = Vacancy and Collection Loss
FE = Fixed Expenses
VE = Variable Expenses
R = Discount Rate or Cost of Capital

A variation of the income model is:

NOI for year 1 x DF for year 1 = PW of year 1 NOI
NOI for year n x DF for year n = PW of year n NOI
Net Reversion x DF for year n = PW of Reversion
Sum of PW's for all years 1 - n = Income Indicator of Value

Where:
NOI = Net Operating Income
DF = Discount Factor
PW = Present Worth
n = Last year of holding period

Market Data Approach

ASPCP/U = PU
PU x SU = Market Data Indicator of Value

Where:
ASPCP = Adjusted Sales Price of Comparable Property
U = Unit of comparison
ASPU = Adjusted Sales Price per Unit of comparison
SU = Subject Property's number of Units of comparison

In reconciling multiple model results for a property the appraiser considers the model results that best address the individual characteristics of the subject property and that are based on the most reliable data while maintaining equalization among like properties. Final results for each property may be found on the appraisal district's appraisal roll.

Highest and best use analysis of personal property is based on the likelihood of the continued use of the personal property in its current and/or intended use. An appraiser's identification of a property's highest and best use is always a statement of opinion, never a statement of fact.

Review and Testing

Field review of appraisals is performed through the regular inspection of subject properties. The periodic reassignment of properties among appraisers or the review of appraisals by an experienced appraiser also contributes to the review process. A computer-assisted statistical review of property value changes is also conducted.

Appraisal-to-sales ratios are the preferred method for measuring performance and are used when possible. However sales for some types of personal property are very infrequent. Furthermore, many market transactions occur for multiple sites and include both real and personal property, tangible and intangible, making analysis difficult and subjective. Performance is also measured through comparison with valid single-property appraisals submitted for staff review. Lastly, Capitol Appraisal Group's industrial appraisal methods and procedures for real and personal property are subject to review by the Property Tax Division of the Texas Comptroller's office. The Comptroller's review as well as appraisal-to-sale ratios and comparisons with single-property appraisals indicate the validity of the models and the calibration techniques employed. Commercial personal property appraised by Capitol Appraisal Group, Inc. is not subject to a methods and procedures review however it is included in the Property Tax Division's annual ratio study with satisfactory results.

MASS APPRAISAL REPORT

OIL AND GAS RESERVES

APPRAISED BY CAPITOL APPRAISAL GROUP

2023-2024

Overview

Capitol Appraisal Group, LLC. (CAGI) contracts with Appraisal Districts and other governmental entities to appraise all oil & gas subsurface, producing, mineral interests within the purview of the entity. The contractual purpose is to estimate market value as defined in Section 1.04 of the Texas Property Tax Code as of January 1 of each year and report these values to the entity. The results of our work are used as part of the tax base upon which property taxes are levied. Each mineral interest is listed on the appraisal roll separately from other interests in the minerals-in-place in conformance with the Texas Property Tax Code Sec. 25.12. Subsurface mineral rights are not susceptible to physical inspection. This condition creates the need to invoke the **Departure Provision** as Requested by the 2003 edition of the Uniform Standards of Professional Appraisal Practice Standards Rule 6-7 (f). However, the inability to physically examine the sub-surface mineral rights does not appreciably affect the appraisal process or the quality of the results.

Assumptions and Limiting Factors

All appraisals are subject to the following:

1. Title to the property is assumed to be good and marketable and the ownership interest and legal description is assumed to be correct.
2. No responsibility for legal matters is assumed. Properties are appraised as if free and clear of any encumbrance and operated under responsible ownership and competent management.
3. Not every property is inspected every year.
4. All information in the appraisal documents has been obtained by Capitol Appraisal Group's employees or through other reliable sources.
5. The appraisals were prepared exclusively for ad valorem tax purposes

Data Collection

Data on the properties appraised are collected from regulatory agencies, such as the Texas Railroad Commission and the Texas Comptroller of Public Accounts, from submissions by the property operator or owner(s), or from other sources. **Submitted data from operators, taxpayers and/or their agents on the appraised properties are considered "rendition statements" and, as such, are confidential data, subject to Sec. 22.27 of the Texas Property Tax Code.** Additional data are obtained through published sources, regulatory reports, public investment reports, licensed data services, service for fee organizations and through comparable properties, if any. The state of Texas is a non-disclosure state and thus many forms of information, pertinent to the value of the properties, are not available to the appraiser.

Valuation and Analysis

The Income Method of Appraisal, as described in Section 23.012 of the Texas Property Tax Code, is the principal appraisal method used. The Market Data Comparison Method of Appraisal (section 23.013) and the Cost Method of Appraisal (section 23.011) are considered. Industry averages of reserve replacement cost and acquisition cost are used for comparative purposes. The non-disclosure nature of the laws of Texas makes market data comparison unreliable. However, if within the scope of Capitol's work assignment market sales disclosures on interests are available, then those data is considered. The nearly exclusive reliance on the income approach, using the discounted cash flow (DCF) technique adjusted for specific property risk and market conditions, is typical of the oil and gas industry. Fee for service organizations are used for survey data with respect to price expectations and discount rates, and licensed data services are used for Industry indicators detailing costs, income, acquisitions costs in dollars per barrel of oil equivalent ($/BOE), finding and development costs ($/BOE) and reserve replacement costs ($/BOE) for over 100 E&P companies.

Due to the demands of Section 23.175 of the Texas Property Tax Code and the Texas Constitution, Capitol Appraisal Group, Inc. takes great care to not appraise properties in excess of their fair market value. We analyze a segment of the Petroleum Producing E&P market, determining the impact on their stock and debt value of the pricing requirements of Sec. 23.175 and also the pricing that could be reasonably anticipated from the market. Capitol Appraisal Group Inc.'s opinion of oil and gas prices is guided by the market's anticipation of those prices through the futures market, oil and gas stock prices and oil and gas industry indexes. A base discount rate is developed using the Securities and Exchange Commission (SEC) 10k Standard Measure of Value, Before Federal Income Tax (BFIT), for a grouping of 20 Exploration and Production (E&P) companies, and then matching their 10k Standard Measure of Value (BFIT), reserves and costs, through a discounted cash flow (DCF) technique. This reserve and cost match is used with Capitol's developed pricing scenario and Section 23.175 pricing directives to determine a discount rate necessary to equal the stock and debt value of the companies, as of January 1 for a given tax year.

The Weighted Average Cost of Capital (WACC) technique is also performed for a subset of these companies grouped according to the Petroleum Producing Industry Exploration and Production companies used in the *The Valueline Investment Survey*. These separate pricing scenarios and the resulting discount rates derived from using the aforementioned stock and debt techniques are applied to the universe of oil and gas properties we appraise. In seeking to avoid appraising any oil and gas property **above** its fair cash market value, Capitol Appraisal employs a market adjustment factor (MAF) to its base discount rate in order to apply property specific risk(s). These factors, which create a wide range of discount rates for the properties that Capitol appraises, are necessary to equitably evaluate disparate leases with respect to remaining reserves, price and costs. By performing two DCF income approach appraisals on each property, Capitol Appraisal provides clients with our opinion of market value, while always endeavoring to guard against appraising a mineral lease at greater than its fair cash market value. [A **jurisdictional exception** to the Discounted Cash Flow technique, as this process is described in the Statement on Appraisal Standards #2, 2003 edition of the Uniform Standards of Professional Appraisal Practice, must be taken. Section 23.175(a) of the Texas Property Tax Code both specifies the directives concerning oil and gas pricing that appraisal districts in Texas must follow and also that each appraisal district must adhere to procedure and methodology contained in manuals developed by the Property Tax Division (PTD) of the Texas Comptroller of Public Accounts. Because adherence to this Property Tax Code directive, without discretion, can result in values greater than fair cash market value, we must express caution.]

The resulting oil and gas lease value is then allocated to each owner on the lease based upon his fractional mineral ownership interest. Royalty and working interests have different impacts on their respective values, since only working interests bear the costs of lease operation. Therefore royalty mineral interest owner's values are allocated from 100% of the appraised royalty value of

the lease, according to their fractional royalty interest, while the working interest owner's value(s) are allocated from 100% of the determined working interest value of the lease, according to their fractional working interest.

Review and Testing

Each year we review the estimated market value for each mineral property appraised according to its year-to-year value change and also to industry expected payouts and income indicators. We also examine income projected to be received with the previous year's income and test that income against the lease's appraised value. Market value for income producing properties is a multiple of its monthly or annual income. Our experience through the years indicates that values typically vary within in a range of 2-5 times income, provided all appropriate income factors have been appropriately identified. Periodic reassignment of properties among appraisers and review of appraisals by a more experienced appraiser also contribute to the review process.

Application of appraisal-to-sales ratios is another method for measuring performance. However, single property sales or sales of interest(s) within a property remain difficult to obtain due Texas' disclosure laws. Furthermore many market transactions are normally for multiple properties in multiple areas and include both real and personal property, tangible and intangible. We access licensed databases providing statistical data for company and property sales to compare our efforts. We also measure our performance through comparison of valid single-property market transactions, if any, that are submitted for staff review. Lastly, Capitol Appraisal's mineral appraisal values are subject to review each year in the Property Value Study conducted by the Property Tax Division of the Texas Comptroller of Public Accounts. The Property Tax Division's review as well as comparisons to industry transactions and to single-property market value sales (when available), indicate the validity of the models, techniques and assumptions used.

MASS APPRAISAL REPORT

UTILITY, RAILROAD, AND PIPELINE PROPERTIES

APPRAISED BY CAPITOL APPRAISAL GROUP, INC.

Overview

This type of property consists of operating property, excluding land, owned by utility, railroad, and pipeline companies, and related personal property and improvements. Capitol Appraisal Group, Inc. is contracted to reappraise this type of property according to the scope of work in the normal course of business of the client consistent with the Uniform Standards of Professional Appraisal Practice guidelines. The completed appraisals are all retrospective in nature. The purpose of the appraisals is to estimate market value as of January 1 in accordance with the definition of market value established in the Texas Property Tax Code (Sec. 1.04). "Market value" means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

A. exposed for sale in the open market with a reasonable time for the seller to find a purchaser;
B. both the seller and the purchaser know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use; and
C. both the seller and purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.

The effective date of the appraisals is January 1 of the year for which this report is submitted unless the property owner or agent has applied for and been granted September 1 inventory valuation as allowed by Section 23.12(f) of the Texas Property Tax Code. The date of this report is April 20 of the tax year for which it is submitted.

The client for the mass appraisal is the Texas appraisal district named on the last page of this report. The intended users of this report are the client and the property owners of the client appraisal district

The appraisal results will be used as the tax base upon which a property tax will be levied. The properties are appraised in fee simple in conformance with the Texas Property Tax Code Sec. 25.06. This is a jurisdictional exception to Standards Rule 6-5 (c) comment of the Uniform Standards of Professional Appraisal Practice 2008. A listing of the utility, railroad, and pipeline properties appraised by Capitol Appraisal Group, Inc. for the appraisal district is available at the appraisal district office. Such utility, railroad, and pipeline properties that are susceptible to inspection (e.g. compressor stations, pump stations, buildings, and power plants) are normally re-inspected at least every three years.

Capitol's utility, railroad, and pipeline appraisal staff includes licensed engineers as well as experienced appraisers who are knowledgeable in all three approaches to value. The appraisal staff stays abreast of current trends affecting utility, railroad, and pipeline properties through review of published materials, attendance at conferences, course work, and continuing education. All appraisers are registered with the Texas Board of Tax Professional Examiners.

Assumptions and Limiting Conditions

All appraisals are subject to the following assumptions and limiting conditions:

1. Title to the property is assumed to be good and marketable and the legal description correct.
2. No responsibility for legal matters is assumed. All existing liens, mortgages, or other encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.
3. The appraisers developing these appraisals are not Requested to give testimony or attendance in court by reason of the appraisals, unless directed by, employed by, and provided legal counsel by the Appraisal District.
4. The appraisers do not necessarily inspect every property every year.
5. All sketches on the appraisal documents are intended to be visual aids and should not be construed as surveys or engineering reports unless otherwise specified.
6. All information in the appraisal documents has been obtained by members of Capitol Appraisal Group's staff or by other reliable sources.
7. The appraisals were prepared exclusively for ad valorem tax purposes.
8. The appraisers have inspected as far as possible, by observation, the improvements being appraised, however, it is not possible to personally observe conditions beneath the soil or hidden structural components within the improvements. Therefore no representations are made as to these matters unless specifically considered in an individual appraisal.

Data Collection and Validation

Data on the subject properties is collected as part of the inspection process and through later submissions by the property owner. Submitted data may be on a rendition form or in other modes which require confidentiality. Subject property data is verified through previously existing records and through published reports. Additional data are obtained and verified through published sources, regulatory reports, and through analysis of comparable properties. Due to the varied nature of utility, railroad, and pipeline properties there is no standard data collection form or manual.

Valuation Approach and Analysis

For all pipelines a value is calculated using a Replacement Cost New Less Depreciation (RCNLD) model. This involves first calculating the cost of building a new pipeline of equal utility using current prices. The Replacement Cost New (RCN) is a function of location, length, diameter, and composition. Depreciation is then subtracted from RCN to produce the final value estimate. Depreciation is defined as the loss of value resulting from any cause. The three common forms of depreciation are physical, functional, and economic. Physical depreciation is accounted for on the basis of the age of the subject pipeline. Functional and economic obsolescence (depreciation) can be estimated through the use of survivor curves or other normative techniques. Specific calculations to estimate abnormal functional and/or economic obsolescence can be made on the basis of the typical utilization of the subject pipeline.

After deductions from RCN have been made for all three forms of depreciation the remainder is the RCNLD or cost approach model indicator of value.

In addition to the RCNLD indicator, a unit value model may also be used for those pipelines for which appropriate income statements and balance sheets are also available. Generally, this model is used for those pipelines that by regulation are considered to be common carriers. The unit value model must be calculated for the entire pipeline system.

The unit value model typically involves an income approach to value and a rate base cost approach. The income approach is based on a projection of expected future typical net operating income (NOI). The projected NOI is discounted to a present worth using a current cost of capital that is both typical of the industry and reflective of the risks inherent in the subject property. The unit value model cost approach is typically an estimation of the current rate base of the subject pipeline (total investment less book depreciation allowed under the current form of regulation). An additional calculation is made to detect and estimate economic obsolescence. Any economic obsolescence is deducted from the rate base cost less book depreciation to achieve a final cost indicator. The unit value model may also include a stock and debt approach in lieu of a market data approach. The stock and debt approach involves finding the total value of the owner's liabilities (equity and debt) and assuming that they are equal to the value of the assets. The two (or three, if the stock and debt approach is included) unit value indicators are then reconciled into a final unit appraisal model indicator of value. The unit value must then be reconciled with the RCNLD model indicator of value for the entire pipeline system being appraised. The final correlated value of the system can then be allocated among the various components of the system to determine the tax roll value for each pipeline segment.

Utility and railroad properties are appraised in a manner similar to pipeline except the RCNLD model is not used. For all three types of property (utility, railroad, and pipeline) the appraiser must first form an opinion of highest and best use. If the highest and best use of the operating property is the current use under current regulation, the unit value model is considered highly appropriate. If the highest and best use is something different, then the RCNLD model may be more appropriate.

Compressor stations, pump stations, improvements, and related facilities are appraised using a replacement cost new less depreciation model.

Model calibration in the RCNLD model involves the selection of the appropriate service life for each type or class of property. Further calibration can occur through the use of utilization or through-put data provided by the owner or agent. Model calibration in the unit value cost approach involves the selection of the appropriate items to include in the rate base calculation and selection of the best measure of obsolescence, if any. Income approach calibration involves the selection of the cost of capital or discount rate appropriate to the type of property being appraised as well as adjusting the projected income stream to reflect the individual characteristics of the subject property. Model calibration in the stock and debt approach involves allocating sales prices of debt and equity to reflect the contribution to value of the operating property of the subject company.

The mathematical form of each model is described below.

RCNLD Approach

RCN
-PD
-FO
-EO
=RCNLD Indicator of Value

Where:
RCN = Replacement or Reproduction Cost New
PD = Physical Depreciation
FO = Functional Obsolescence
EO = Economic Obsolescence

Unit Cost Approach

OC
-AD
-EO
=Unit Cost Approach Indicator of Value

Where:
OC = Original Cost
AD = Allowed Depreciation
EO = Economic Obsolescence

Unit Income Approach

PGR
-VCL
-FE
-VE
NOI

NOI/R = Income Indicator of Value

Where:
PGR = Potential Gross Rent
VCL = Vacancy and Collection Loss
FE = Fixed Expenses
VE = Variable Expenses
R = Discount Rate or Cost of Capital

A variation of the income model is:

NOI for year 1 x DF for year 1 = PW of year 1 NOI
NOI for year n x DF for year n = PW of year n NOI
Net Reversion x DF for year n = PW of Reversion
Sum of PW's for all years 1 - n = Income Indicator of Value

Where:
NOI = Net Operating Income
DF = Discount Factor
PW = Present Worth
n = Last year of holding period

Stock and Debt Approach

MVE
+MVD
=Market Value of Assets

Where:
MVE = Market value of Equity
MVD = Market value of Debt

In reconciling multiple model results for a property the appraiser considers the model results that best address the individual characteristics of the subject property while maintaining equalization among like properties. Final results for each property may be found on the appraisal district's appraisal roll.

Land valuation for utility and pipeline properties is the responsibility of appraisal district staff as is the highest and best use analysis of the site. Sites are analyzed for highest and best use as though they were vacant. Highest and best use analysis of the improvements is based on the likelihood of the continued use of the improvements in their current and/or intended use. Railroad corridor land is included in the appraisal of the operating property. The highest and best use of railroad corridor land is presumed to be as operating property. An appraiser's identification of a property's highest and best use is always a statement of opinion, never a statement of fact.

The rate-base cost approach, stock and debt approach, and income approach models must be reduced by the value of the land in order to arrive at a value of improvements, personal property, and other operating property.

Review and Testing

Field review of appraisals is performed through the regular inspection of subject properties. The periodic reassignment of properties among appraisers or the review of appraisals by an experienced appraiser also contributes to the review process. A computer-assisted statistical review of property value changes is also conducted.

Appraisal to sales ratios are the preferred method for measuring performance, however sales are very infrequent. Furthermore, market transactions normally occur for multiple sites and include both real and personal property, tangible and intangible, making analysis difficult and subjective. Performance is also measured through comparison with valid single-property appraisals submitted for staff review. Appraisal results are tested annually by the Property Tax Division of the Texas Comptroller's Office. The Comptroller's review as well as comparisons with single-property appraisals indicate the validity of the models as well as the calibration techniques employed.

MASS APPRAISAL REPORT

INDUSTRIAL PROPERTY

APPRAISED BY CAPITOL APPRAISAL GROUP

2023-2024

Overview

This type of property consists of processing facilities and related personal property. Capitol Appraisal Group, Inc. is contracted to reappraise this type of property according to the scope of work in the normal course of business of the client consistent with the Uniform Standards of Professional Appraisal Practice guidelines. The completed appraisals are all retrospective in nature. The purpose of the appraisals is to estimate market value as of January 1 in accordance with the definition of market value established in the Texas Property Tax Code (Sec. 1.04). "Market value" means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

A. exposed for sale in the open market with a reasonable time for the seller to find a purchaser;
B. both the seller and the purchaser know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use; and
C. both the seller and purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.

The effective date of the appraisals is January 1 of the year for which this report is submitted unless the property owner or agent has applied for and been granted September 1 inventory valuation as allowed by Section 23.12(f) of the Texas Property Tax Code. The date of this report is April 20 of the tax year for which it is submitted.

The client for the mass appraisal is the Texas appraisal district named on the last page of this report. The intended users of this report are the client and the property owners of the client appraisal district.

The appraisal results will be used as the tax base upon which a property tax will be levied. The properties are appraised in fee simple in conformance with the Texas Property Tax Code Sec. 25.06. This is a jurisdictional exception to the Standards Rule 6-5 © Comment of the Uniform Standards of Professional Appraisal Practice 2008. A listing of the industrial properties appraised by Capitol Appraisal Group, Inc. for the appraisal district is available at the appraisal district office. Industrial properties are normally re-inspected annually.

Documents relevant to an understanding of these appraisals include the confidential rendition, if any, filed with the appraisal district by the owner or agent of the property; other reports described in the Texas Property Tax Code; asset lists and other confidential data supplied by the owner or agent; the General Appraisal Manual adopted by the Texas Comptroller of Public Accounts; Property Assessment Valuation published by the International Association of Assessing Officers and adopted by the Texas Comptroller of Public Accounts; and Engineering Valuation and Depreciation by Marston, Winfrey, and Hempstead; and the Texas Property Tax Code.

Capitol's industrial appraisal staff includes licensed engineers as well as experienced appraisers who are knowledgeable in all three approaches to value. Industrial appraisal staff stays abreast

of current trends affecting industrial properties through review of published materials, attendance at conferences, course work, and continuing education. All industrial appraisers are registered with the Texas Board of Tax Professional Examiners.

Assumptions and Limiting Conditions

All appraisals are subject to the following assumptions and limiting conditions:

1. Title to the property is assumed to be good and marketable and the legal description correct.
2. No responsibility for legal matters is assumed. All existing liens, mortgages, or other encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.
3. The appraisers developing these appraisals are not requested to give testimony or attendance in court by reason of the appraisals, unless directed by, employed by, and provided legal counsel by the Appraisal District.
4. The appraisers do not necessarily inspect every property every year.
5. All sketches on the appraisal documents are intended to be visual aids and should not be construed as surveys or engineering reports unless otherwise specified.
6. All information in the appraisal documents has been obtained by members of Capitol Appraisal Group's staff or by other reliable sources.
7. The appraisals were prepared exclusively for ad valorem tax purposes.
8. The appraisers have inspected as far as possible, by observation, the improvements being appraised, however, it is not possible to personally observe conditions beneath the soil or hidden structural components within the improvements. Therefore no representations are made as to these matters unless specifically considered in an individual appraisal.

Data Collection and Validation

Data on the subject properties is collected as part of the inspection process and through later submissions by the property owner. Submitted data may be on a rendition form or in other modes which require confidentiality. Subject property data is verified through previously existing records and through published reports. Additional data are obtained and verified through published sources, regulatory reports, and through analysis of comparable properties, if any. Due to the unique nature of many industrial properties there is no standard data collection form or manual.

Valuation Approach and Analysis

Industrial properties are appraised using replacement/reproduction cost new less depreciation models. Replacement costs are estimated from published sources, other publicly available information, and comparable properties. Reproduction costs are based on actual investment in the subject or comparable properties adjusted for typical changes in cost over time. Depreciation is calculated on the age/life method using typical economic lives and depreciation rates based on published sources, market evidence, and the experience of knowledgeable appraisers. Adjustments for functional and economic obsolescence may be made if utilization and income data for the subject property justify such. Income Approach models (direct capitalization and discounted cash flow) are also used when economic and/or subject property income information is available. Capitalization and discount rates are based on published capital costs for the industry of the subject property. A market data model based on typical selling prices per unit of capacity is also used when appropriate market sales information is available.

Because cost information is the most readily available type of data, the cost approach model is always considered and used. If sufficient data is available either of both of the other two models may also be considered and used. The market data and income approach models may need to

be reduced by the value of the land in order to arrive at a value of improvements and personal property.

Model calibration in the cost approach involves the selection of the appropriate service life for each type or class of property. Further calibration can occur through the use of utilization or through-put data provided by the owner or agent. Income approach calibration involves the selection of the cost of capital or discount rate appropriate to the type of property being appraised as well as adjusting the projected income stream to reflect the individual characteristics of the subject property. Model calibration in the market data approach involves adjusting sales prices of comparable properties to reflect the individual characteristics of the subject property.

The mathematical form of each model is described below.

Cost Approach

RCN
-PD
-FO
-EO
=Cost Indicator of Value

Where:
RCN = Replacement or Reproduction Cost New
PD = Physical Depreciation
FO = Functional Obsolescence
EO = Economic Obsolescence

Income Approach

PGR
-VCL
-FE
-VE
NOI

NOI/R = Income Indicator of Value

Where:
NOI = Net Operating Income
PGR = Potential Gross Rent
VCL = Vacancy and Collection Loss
FE = Fixed Expenses
VE = Variable Expenses
R = Discount Rate or Cost of Capital

A variation of the income model is:

NOI for year 1 x DF for year 1 = PW of year 1 NOI
NOI for year n x DF for year n = PW of year n NOI
Net Reversion x DF for year n = PW of Reversion
Sum of PW's for all years 1 - n = Income Indicator of Value

Where:
DF = Discount Factor
PW = Present Worth
n = Last year of holding period

Market Data Approach

ASPCP/U = PU
PU x SU = Market Data Indicator of Value

Where:
ASPCP = Adjusted Sales Price of Comparable Property
U = Unit of comparison
PU = Price per Unit of comparison
ASPU = Adjusted Sales Price per Unit of comparison
SU = Subject Property's number of Units of comparison

In reconciling multiple model results for a property the appraiser considers the model results that best address the individual characteristics of the subject property and that are based on the most reliable data while maintaining equalization among like properties. Final results for each property may be found on the appraisal district's appraisal roll.

Land valuation for industrial properties is the responsibility of appraisal district staff as is the highest and best use analysis of the site. Sites are analyzed for highest and best use as though they were vacant. Highest and best use analysis of the improvements is based on the likelihood of the continued use of the improvements in their current and/or intended use. An appraiser's identification of a property's highest and best use is always a statement of opinion, never a statement of fact.

Review and Testing

Field review of appraisals is performed through the regular inspection of subject properties. The periodic reassignment of properties among appraisers or the review of appraisals by an experienced appraiser also contributes to the review process. A computer-assisted statistical review of property value changes is also conducted.

Appraisal-to-sales ratios are the preferred method for measuring performance, however sales are very infrequent. Furthermore, market transactions normally occur for multiple sites and include both real and personal property, tangible and intangible, making analysis difficult and subjective. Performance is also measured through comparison with valid single-property appraisals submitted for staff review. Lastly, Capitol Appraisal Group's industrial appraisal methods and procedures are subject to review by the Property Tax Division of the Texas Comptroller's office. The Comptroller's review as well as comparisons with single-property appraisals indicate the validity of the models and the calibration techniques employed.