

CHAMBERS COUNTY APPRAISAL DISTRICT



2024 MASS APPRAISAL SUMMARY REPORT

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Identification of Subject: The property subject to this report is all real property and tangible personal property, unless specifically exempted, located within the boundaries of the Chambers County Appraisal District, hereinafter referred to as “CCAD” or “District”.

Effective Date of Appraisal: The effective date of this mass appraisal is January 1, 2024, unless otherwise specified as in the case of some inventories, which may qualify for appraisal as of September 1 in accordance with Section 23.12, Texas Property Tax Code.

Purpose and Intended Use of Appraisal: The purpose of this mass appraisal is to estimate the market value of all taxable property in an equitable and efficient manner for ad valorem tax purposes in accordance with the laws of the State of Texas.

Administrative Requirements: This mass appraisal is conducted in accordance with the reappraisal policy of CCAD and the methods and procedures described in the appraisal manual of the District. Furthermore, the District subscribes to the standards of The Appraisal Foundation known as the Uniform Standards of Professional Appraisal Practices.

LEGAL REQUIREMENTS

The Texas Constitution contains the laws that form the foundation for the Texas Property Tax Code. The Tax Code provides an annotated and cross-referenced version of the tax laws that govern property tax administration in Texas. The provisions contained in the Texas Constitution, the Texas Property Tax Code, related case law, and Attorney General’s opinions, serve as the primary sources of law that govern the activities of the CCAD. Further, in Texas, ad valorem tax administration is subject to all state, county, and municipal laws.

REAPPRAISAL

CCAD currently conducts annual reappraisals. All four independent school districts in the District are reappraised on at most a three year cycle. The revaluation process includes the physical inspection of properties and the updating of all necessary information on the properties. In addition, CCAD appraisers inspect all new construction each year.

APPRAISAL RESOURCES

The CCAD staff consists of the Chief Appraiser, Assistant Chief Appraiser, Assistant Chief Administrator, Appraisal Director, 5 appraisers, 2 deed managers, 1 exemption specialist, and 1 bookkeeper. CCAD currently employs 7 registered professional appraisers. At this time CCAD does not provide collection services; however, the CAD does provide technical support to the taxing units it serves.

CCAD appraisers are actively involved in the discovery, listing, and appraisal of all types of property. Properties are grouped by location, type, use, quality, and a variety of other quantitative data elements. A common set of data characteristics on each specific type of property is observed, listed, and collected during field inspections. Each appraiser is trained in the use of the Chambers County Appraisal District's appraisal manual, appraisal techniques, and methodology in the use of this information.

COMPUTER RESOURCES

Data is collected and is entered into laptops in the field. The appraisal records are maintained on a Dell Server. The primary storage media: data base servers. The District also employs the CD-ROM storage media on some projects. The CCAD appraisal software is a CAMA system (computer assisted mass appraisal). This system contains cost and depreciation schedules that utilize common data elements to assist in creating base values.

CCAD contracts with Pritchard and Abbott, Inc. for appraisal administration software. CCAD employs the use of a server based computer network with personal computers to form the CAD computer system. Further, the entire CCAD database is available to the public via the internet at www.chamberscad.org. This service provides instant access to individual property information including homestead, ownership, address, and some related appraisal data. This information includes square footage of living area, land size, year built, and a variety of other useful information.

MAPPING RESOURCES

CCAD maintains parcel data and maps for all of Chambers County. All files are stored on a server and ESRI is currently the operating software. The District uses Aerial Imagery provided by Google Earth and Connect Explorer (Pictometry), as well as NearMap. Imaging software (Google Earth, Connect Explorer, and NearMap) is available on all desktops. Appraisers and other staff members can perform virtual property inspections or reviews. The software's capability allows us to locate, identify and better understand taxable properties in our jurisdictions.

INFORMATION SOURCES

CCAD appraisal staff and administration collect data on local and regional economic forces that may affect value. Locational forces are carefully observed as we find location to be the most significant factor in determining the market value of property in our geographic area. General trends in employment, interest rates, availability of vacant land, and new construction trends are closely monitored. CCAD obtains information from local realtors, mail surveys, brokers, appraisers, and a variety of other sources, such as Marshall & Swift.

THE DATABASE

The CCAD database was constructed from property data obtained originally for Chambers County in 1981. Data received was on-site field-inspected and revised to create the foundation for our current database. Since the inception of the CCAD, this data-base has been continually updated to recognize the current status of the property records. A variety of programs designed to discover changes that may occur to data elements are maintained. Property inspections or drive-outs occur as the result of information gathered during various forms of analysis. Building permits, field review, renditions, reports of value, local news publications, tax offices, and the public are but a few of the sources of information considered by staff analysts during discovery phase of the appraisal process.

Data collection in the field requires preparation of maps, computer-generated appraisal cards, and coordination of staff. Properties are grouped by type, location, and neighborhood prior to the start of the fieldwork. Texas Property Tax Assistance Division (PTAD) property types include Residential, Multi-Family, Commercial, Industrial, Farm and Ranch, Vacant Land and Acreage, Oil, Gas and Mineral, Utilities, Business Personal Property, and other Special Inventory types.

Properties are also grouped by location within each of our four school districts. Within each school district are neighborhoods, defined by the IAAO as the environment of a subject property that has a direct and immediate effect on value. The neighborhood concept is used in the grouping of all taxable property located in CCAD with the exception of some special use properties.

APPROACHES TO VALUE

Value occurs in many different forms. Numerous and varied forces and influences combine to create, sustain, or destroy value. The appraiser must define the type of value sought in order to compile and analyze all relevant data, giving due consideration to all factors which may influence value. The appraisal is simply an opinion of value and the accuracy and validity of the opinion can be measured against the supporting evidence from which it was derived along with its accuracy against the actual behavior of the market. An appraiser must adequately and fully obtain, document, and then interpret the evidence into a final estimate of value.

Appraising real property is an exercise in reasoning. It is a discipline and, like any discipline, it is founded on fundamental economic and social principles. From these principles evolve certain premises which, when applied to the valuation of property, serve to explain the reaction of the market. This section concerns itself with those concepts and principles basic to the property valuation process. One cannot overstate the necessity of having a workable understanding of them.

The processing of data into a conclusion of value generally takes the form of three recognized approaches to value: the Cost, Market, and Income Approaches to Value. Underlying each approach is the principle that the justifiable price of a property is no more than the cost of acquiring and/or reproducing an equally desirable substitute property. The use of one or all three approaches in the valuation of a property is determined by the quantity, quality, and accuracy of the data available to the appraiser.

The Cost Approach to Value

The Cost Approach to Value is an appraisal analysis that is based on the economic principle of substitution that suggests that an informed purchaser would not pay more for a property than the cost of reproducing a substitute property with the same utility. The Cost Approach involves estimating the cost of the improvements new less all forms of depreciation (physical, functional, economic) plus the value of the site. If an improvement has no accrued depreciation, then and only then is cost equal to value.

Steps in the Cost Approach include:

1. Estimate the value of the site as if vacant.
2. Estimate reproduction or replacement cost new of the improvements.
3. Estimate accrued depreciation.
4. Deduct the accrued depreciation from the reproduction (or replacement) cost new to obtain an estimate of the present worth of the improvements.
5. Add the present worth to the site value to obtain the indicated value. The significance of the Cost Approach lies in its extent of application – it is the one approach that can be used on all types of properties. The cost approach is a starting point for appraisers and therefore a very effective “yardstick” in any equalization program for ad valorem taxes. Its widest application is in the appraisal of properties where the lack of adequate market and income data preclude the reasonable application of the other two approaches to value.

Reproduction Cost – is the cost to construct an exact duplicate at current prices.

Replacement Cost – is the cost to construct a building of equal utility to the building being appraised but with modern materials and according to current standards.

The Market Approach to Value

The Market Approach to Value is an appraisal analysis that involves the compiling of sales and offerings of properties that are comparable to the property being appraised. The sales and listings are then adjusted for differences and a value range obtained. The Market Approach is reliable to the extent that the properties are comparable and the appraiser's judgment of property adjustments are sound. The procedure for utilizing this approach is essentially the same for all types of property with the only difference being the elements of comparison.

The significance of the Market Approach lies in its ability to produce estimates of value that directly reflect the attitude of the market. Application is contingent upon the availability of comparable sales, and therefore finds its widest range in the appraisal of vacant land and residential properties.

The Income Approach to Value

The Income Approach to Value is an appraisal technique that measures the present worth of the future benefits of a property by capitalization of the net income stream over the remaining economic life of the property.

The Income Approach involves making an estimate of "effective gross income" which is derived by deducting vacancy and collection losses from the estimated economic rent, as evidenced by comparable properties. Operating expenses, taxes and insurance, and reserves for replacements are deducted from the effective gross income. The resultant net income is capitalized into an indication of value. The Income Approach obviously has its basic application in the appraisal of properties universally bought and sold for their ability to generate and maintain an income stream. The effectiveness of the approach lies in the appraiser's ability to relate to the changing economic environment and to analyze income yields in terms of their relative quality and durability.

In theory, the market value of a property should be equal to the present value of its future income. The simplest capitalization formula is $V = I/R$ (present value of the property = annual net income expected in the future divided by the rate [interest, risk, or discount rates]). For an asset that declines in value over time, the appropriate capitalization formula is $V = (I/R) [1 - 1/(I + R)^N]$ where N equals the number of years that the asset will be in use. The resultant capitalization rate is the hoped for or expected rate of return. It is the rate necessary to attract capital to the investment.

Section 23.012 of the Texas Property Tax Code (effective January 1, 2004) requires the Chief Appraiser, when using the income approach, to:

1. Analyze available comparable rental data or the potential earnings capacity of the property, or both, to estimate the gross income potential of the property;

2. Analyze available comparable operating expense data to estimate the operating expenses of the property;
3. Analyze available comparable data to estimate rates of capitalization or rates of discount; and
4. Base projections of future rent or income potential and expenses on reasonably clear and appropriate evidence.
5. In developing income and expense statements and cash-flow projections, the Chief Appraiser shall consider: (1) historical information and trends; (2) current supply and demand factors affecting those trends; and (3) anticipated events such as competition from other similar properties under construction.

VALUATION PROCESS

All taxable properties in the district are valued by the aforementioned cost schedule using a comparative unit method. All Chambers CAD schedules were developed in house and are periodically modified to reflect the current market. The cost schedules are tested against commonly accepted sources of building cost information, such as Marshall & Swift, to determine accuracy. Cost estimates are also compared to analysis of the local market to determine level of appraisal.

RESIDENTIAL MARKET ANALYSIS

Market analysis is performed throughout the year. Both general and specific data are collected and analyzed. There are a number of economic principles that relate to the market value of property. The principle of supply and demand is an important economic principle that must be considered by appraisers. There are a number of others including economic trends, national, regional, and local trends that affect the value of properties located in our various tax jurisdictions. An awareness of physical, economic, governmental, and social forces is essential in understanding, analyzing, and identifying local trends that affect the real estate market.

DATA COLLECTION

Field and office procedures are reviewed and revised as required for data collection. Activities scheduled for each tax year include new construction, demolition, remodeling, re-inspection of problematic market areas, and re-inspection of the universe of properties on a two-year rotation. The International Association of Assessing Officer's standard on mass appraisal of real property specifies that the universe of properties should be re-inspected on a cycle of 4-6 years.

New construction field and office review procedures are identified and revised as required. Field production standards are established and procedures for monitoring tested. Source of building permits is confirmed and system input procedures are identified. Process of verifying demolition of improvements is specified. Market areas with extensive improvement remodeling are identified, verified and field activities scheduled to updated property characteristic data. Updates to valuation procedures are tested with ratio studies before finalized in the valuation modeling.

Real property market areas, by property classification, are tested for: low or high protest volumes; low or high sales ratios; or high coefficient of dispersion. Market areas that fail any or all these tests are determined to be problematic. Field reviews are scheduled to verify and/or correct property characteristic data. Additional sales data is researched and verified. Sales information must be verified and property characteristic data contemporaneous with the date of sale captured. The sales ratio tools require that the property that sold must equal the property appraised in order that statistical analysis results will be valid.

BASIC MEASURING PROCEDURES

In any reappraisal the foundation for the initial cost approach is the improvement sketch. Appraisers are trained in the following way: 1) Neatly draw an outline in the space provided on your field worksheet. 2) Draw the improvement with the front of the structure toward you, or as it faces the street. 3) Draw the improvement in approximate proportion to its size. Second floor drawings are drawn separate from the main level and noted appropriately.

Appraisers are trained to measure completely around the structure. When entered into the CAMA system any closure area found is adjusted to calculate the correct square footage of the structure. Appraisers start measuring at one corner of the structure; they are required to label areas accurately while in the field. Often used residential building terms and roof shapes are shown in the CCAD appraisal manual. The CCAD appraisal manual goes into greater detail in this important training task.

DEPRECIATION

CCAD uses a typical ½% per year depreciation on all residential properties for normal depreciation. The appraiser is to determine if the structure needs more than normal depreciation (or less), in such case the appraiser will adjust accordingly. Improvements are depreciated based on effective age and not straight line depreciation that reflects the actual age.

Once the necessary data has been entered to the CAMA system, a computer driven mass appraisal cost system is activated and a base cost of replacement cost new, less depreciation is calculated. As such, the record is prepared for statistical analysis.

FIELD REVIEW

During all phases of the appraisal operation, analysis reveals properties that do not fit the necessary tolerance of the statistical profile. As such, the need arises for additional field inspection. As properties are identified, they are sorted, grouped, and prepared for additional field inspection to check for the accuracy of the data elements currently listed on the records. This process is ongoing throughout the year. At all times during the appraisal phase appraisers review subjective data, such as quality of construction, condition, and all projected forms of obsolescence.

HIGHEST AND BEST USE ANALYSIS

In considering the fair market value of taxable property, CCAD employs the principle of highest and best use analysis. Highest and best use analysis is the first step in the district appraisers' economic analysis. Highest and best use is defined as the most profitable use at a specific time. For the purpose of ad valorem property taxation in Texas, the specific time is January 1 of each calendar year. The highest and best use must be legal, physically possible, and financially feasible. CCAD appraisers generally consider that the current use of the property is most likely its highest and best use. In certain types of property, local zoning and deed restrictions often determine highest and best use. However, in areas of transition, it may be necessary for the analyst to more carefully consider the concept of highest and best use. Highest and best use may not be the present use of the property when the agents of production are not in alignment (i.e. land, labor, capital and management), then highest and best use of the property may not currently exist.

NEIGHBORHOOD ANALYSIS

Initially, property is considered based on its location within particular boundaries. The most common boundary used to define location is the school district boundary. In all types of property, valuation analysis and neighborhood analysis are conducted on school districts. The IAAO defines a neighborhood as the environment of a subject property that has a direct and immediate effect on value. For our purposes, the neighborhood boundary is the environment of the subject property. The neighborhood concept is used in the grouping of all taxable property located in CCAD with the exception of some special use properties.

LAND ANALYSIS

Residential land valuation analysis is conducted prior to neighborhood sales analysis. The value of the land component to the property is estimated based on available market sales for comparable and competing land under similar usage. A comparison and analysis of comparable land sales are conducted based on a comparison of land characteristics found to influence the market price of land located in the neighborhood. A computerized land table file stores the land information required to consistently value individual parcels within neighborhoods given known land characteristics. Specific land influences are considered, where necessary, and depending on neighborhood and individual lot or tract characteristics, to adjust parcels outside the neighborhood norm for such factors as access, view, shape, size, and topography. The appraisers use abstraction and allocation methods to insure that estimated land values best reflect the contributory market value of the land to the overall property value.

APPRAISAL OF RURAL LAND

This section provides general guidelines to assist appraisers in the market valuation of rural lands. Appraised values based on market valuation must be established for all taxable land in each taxing jurisdiction, regardless of whether the land qualified, or would qualify for productivity valuation under either Article VIII, Section 1-d or Section 1-d-1 of the Texas Constitution. Market values so determined must be submitted to the Appraisal Review Board for determination of protests for all taxable land in each jurisdiction, including land that qualifies for productivity valuation. In addition, appraised values based on market valuation must be retained for land receiving productivity valuation for rollback purposes.

The rural land market can best be understood by dividing it into three distinct types of markets--the production, investment, and consumptive land markets---each based on the principal factor which influences value. Discussion of these market influences and common examples of each are presented below.

The Production Land Market

The principle factor influencing value of rural land in the production land market is the income potential associated with agricultural production. In the production land market, land values will reflect the productive capacity of soils, the availability of irrigation water, and the topographic features which influence the ability of a producer to use the land for agricultural purposes. Most areas of the Texas High Plains are still dominated by production-market influences.

The Investment Land Market

The principal factor influencing the market value of rural land in the investment land market is the appreciation potential of land investments. The investment land market is not composed strictly of speculators who purchase land with the intent to make a quick profit by resale, but also includes individuals who purchase land for conversion into subdivisions or for other types of development. In addition, the investment land market includes individuals who purchase land as a means of preserving their capital for a later use, or as a hedge against inflation. Although investment-market influences exist in all areas of the state, they are the principal market influences in suburban areas.

The Consumptive Land Market

The principal factor influencing the market value of rural land in the consumptive land market is the satisfaction that land ownership provides. The consumptive land market is often characterized by the purchase of small tracts of land to be used for recreational purposes. For instance, an individual who lives in a city or town may purchase a 10 acre tract of land in a rural area to visit on weekends with his family. Generally, the value of land located within 200 miles of major population centers is most heavily affected by consumption market influences.

The most distinctive features of the rural land market are that all three types of market influences, in combination with supply, establish market values. For this reason, it is important that the appraiser be knowledgeable of the key factors that influence value and of the relative influence each of these factors has upon value when establishing procedures for the valuation of rural land in a jurisdiction.

Analysis of the Local Market

From a practical standpoint, using a fee-appraisal approach to appraise each individual tract of land in a jurisdiction is not possible. Fee appraisers make detailed appraisals of individual parcels by obtaining comparable sales of other land in the jurisdiction and adjusting each comparable sale to the subject property to estimate the value of the subject property. In this way, fee appraisers allow market transactions that have occurred regarding other properties to define the market value of the subject property. Common types of adjustments made by fee appraisers to comparables in estimating market values of subject properties include adjustments for date of sale, for size of tract, for productivity factors, for improvement value, and for special amenities.

County appraisal district appraisers must also use market transactions to define factors that influence rural land values in their jurisdictions. However, unlike fee appraisers, these appraisers cannot compare each tract individually to each market transaction identified to make adjustments because of the volume of properties to be appraised. Appraisal office appraisers must, therefore, incorporate the factors indicated by market transactions into general standards or schedules of value. Such schedules are normally comprised of per acre prices that will be multiplied by the number of acres in an individual tract to develop an estimate of the value of the tract. Schedules of this kind should be divided into as many categories or classes as are necessary to reasonably reflect market values when applied to individual tracts of land found in the jurisdiction.

SALES ANALYSIS

The Assistant Chief Appraiser gathers the sales information. CCAD receives sales primarily from buyer and seller questionnaires, or local Real Estate Appraisers. The district was able to use a service called Redfin for a couple of years to collect additional sales data or confirm reported sales; they have since removed sales prices and now only offer last list price for properties in Chambers County. Chambers CAD purchased sales from Transunion in 2024. Sales are reviewed for validity and in some cases field inspected for data accuracy. All sales are keypunched into our CAMA system. The sales are classified to recognize their appropriate status and source. The sales ratio analysis and associated individual property review is conducted on a year-round basis. As stated above, properties that do not fit a homogeneous statistical profile are set aside for review.

Ratio studies are performed by Property Class, School District, and Neighborhoods to identify areas in need of reappraisal.

OFFICE AUDIT

The sales ratio analysis and associated individual property value audit or review are conducted in the office on a year-round basis. As stated above, properties that do not fit homogenous statistical profile are set aside for review by the Asst Chief Appraiser. In all classes of property, a number of different reports are generated on our computer to provide information on statistical measures, i.e. percent of increase, increase from prior year, percent of change to land value, percent of change to improvement value, etc. This type of information along with the other forms of analysis described in this report often helps locate areas or property types in need of reappraisal.

MARKET ADJUSTMENT

The Ratio Study Procedures provide accurate information regarding the level of appraisal of the various classes and categories of properties. For the purpose of valuing residential property, the CAD approach to value is described by the IAAO as a hybrid cost-sales comparison approach. This commonly accepted mass appraisal technique considers local influences not always accounted for in the cost approach. The following equation explains this theory: $MV = MA (RCN-D) + LV$.

Where MV equates to market value, MA equals market adjustment, RCN-D is the replacement cost new of the dwelling, less depreciation, and LV is the estimate of land value based on highest and best use. Market value equals market adjustment times RCNLD + land.

In areas where the sales ratio indicates that the property located within a given neighborhood is not being appraised at the legally permissible level of appraisal, the market adjustment process described in the previous paragraph is conducted. Base cost estimates are compared to sales and a ratio is derived.

The ratio is divided into a target ratio, and a neighborhood adjustment factor is determined. Each homogenous parcel in that given neighborhood is programmatically adjusted according to the factor derived from the process. This adjustment factor is keypunched to a computer program and each parcel is adjusted programmatically. Ongoing neighborhood analysis and delineation ensures the accuracy of this process.

COMMERCIAL PROPERTY VALUATION

The CCAD uses all three approaches to value when possible valuing income-producing properties. The primary approach used to initiate the valuation process is the cost approach to value. Marshall & Swift's Marshall Valuation Services is a reference we use to get cost estimates for building costs. The CAD then applies local modifiers and current cost multipliers to the indicated cost per square foot in order to get a final price per square foot for the local area. We then test that price per square foot less depreciation in the market to see if it comparable to the local market when available.

The income and expense data of these types of properties is gathered and evaluated. When appropriate, the income approach to value is used. Information from a variety of sources is obtained and detailed analysis is undertaken. When possible, the appraiser uses the technique of direct capitalization to derive the income approach to value.

The field inspection, valuation review, and performance analysis described throughout this report, apply to commercial as well as other types of properties. When available, the appraiser also uses sales comparison approach to determine the fair market value of income-producing properties. When using the cost approach, however, it is sometimes necessary for the appraiser to utilize the unit in place, quantity survey, or historical cost method to derive accurate cost estimates.

PERSONAL PROPERTY VALUATION

All income-producing business personal property located within district boundaries is subject to tax. Business-use vehicles are also listed in the appraisal records and subject to ad valorem taxation. Personal property schedules are used to value business furniture, fixtures, equipment, and inventory. Additionally, personal property values are obtained by some other sources.

Business owners are required by Texas law to render their business personal property each year. The appraiser considers rendered values during the appropriate phase of valuation analysis. Rendered values are often used as a basis for the CAD value if the value rendered is reasonable for the type of business and within acceptable ranges when compared to the district's personal property schedules. Should the property owner choose not to render the property, or if the rendered amount does not fit acceptable ranges, then the district will appraise the property based on the district's schedules.

PROCEDURES FOR RATIO STUDIES

A ratio study is designed to evaluate appraisal performance through a comparison of appraised or assessed values for tax purposes with estimates of market value based on sales prices, and tested by measures of central tendency. The district will adhere to the IAAO standards on ratio studies.

ASSUMPTIONS AND LIMITING CONDITIONS

The District has taken reasonable steps to secure adequate funding; however fiscal restraints do impact the mass appraisal process. Limited resources and personnel are available to perform the appraisals; therefore, it is not possible to physically inspect every property included on the appraisal roll. When physical inspections were conducted on

real property, they were generally performed with exterior review only. It is assumed that the interior conditions are consistent with the exterior condition. When physical inspections were made for the valuation of personal property, inspections were made of the entire facility if allowed by the owner or management of the business.

The mass appraisal has been made under the following additional assumptions and limiting conditions:

- It is assumed that the title to the properties is good and merchantable.
- No liability is assumed for matters of a legal nature.
- Assumptions made in the report are based on the best knowledge and judgment of the appraiser and are believed to be typical of the market.
- All properties are appraised as if free and clear of any or all liens or encumbrances, unless otherwise stated.
- Existence of hazardous materials or other adverse environmental conditions are not considered, unless otherwise indicated.
- Any drawings, photographs, plan, or plats are assumed to be correct and are included solely to assist in visualizing the property.
- It is assumed that there is full compliance with all applicable federal, state, and local regulations and laws, unless otherwise noted.
- No responsibility is assumed for hidden or unapparent conditions in the property that may affect its value.
- It is assumed that all required licenses, certificates of occupancy, consents or other administrative authority from local, state or federal governments can be obtained or renewed for any use on which the value estimate contained in this report is based.
- A specific survey and analysis of properties to determine compliance with the provisions of the Americans with Disabilities Act has been performed and possible non-compliance has not been considered in valuing these properties.
- While it is believed all information included in the appraisal is correct and accurate; the appraiser does not guarantee such.

This report may not be used for any purpose or by any person other than the party to which it is addressed without the written permission of the Chambers County Appraisal District.

Certification:

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

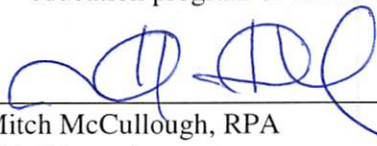
- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, are my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the properties that are the subject of this report, except for those properties that are personally owned, and I have no personal interest with respect to the parties involved.
- I have no bias with respect to any property that is subject of this report or to the parties involved with this assignment.
- My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have not made a personal inspection of the property that is the subject of this report.
- The appraisal staff provided significant professional assistance to the persons signing this report for Chambers County Appraisal District as well as one appraisal service contractor. The appraisal services contractor is currently Capitol Appraisal Group, Inc. This appraisal firm estimates value for complex industrial properties, utilities and mineral interests located within the county.

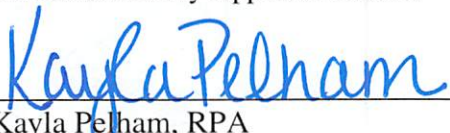
The following staff appraisers provided significant assistance in the valuation of real property and personal property within Chambers County.

Natalie Whatley, RPA
Mayra Olveda, RPA
Amy Lofton, RPA
Azalyn Morgan
Jessica Granger
Alexandra Kontominas, RPA

The appraisal assignment only pertains to appraising properties for ad valorem taxes.

As of the date of this report we have completed the requirements under the continuing education program of the State Property Tax Code.


 Mitch McCullough, RPA
 Chief Appraiser
 Chambers County Appraisal District


 Kayla Pelham, RPA
 Assistant Chief Appraiser
 Chambers County Appraisal District