COMPLETE APPRAISAL IN A SUMMARY REPORT

OF

6.99 ACRES SITUATED IN THE MORGAN RECTOR LEAGUE, ASTRACT 46, COLLEGE STATION, BRAZOS COUNTY, TEXAS

FOR

KENNY COTTON'S, LLC
5541 BEAR LANE, SUITE 111
CORPUS CHRISTI, TEXAS 78405

BY

JOHN M. HAMILTON INCORPORATED
3131 BRIARCREST DRIVE, SUITE 111
BRYAN, TEXAS 77802-3052

AS

OF

DECEMBER 7, 2004

JOHN M. HAMILTON INCORPORATED
REAL ESTATE APPRAISERS AND CONSULTANTS

JOHN M. HAMILTON, MAI
JHAMILTON@JMH-PEI.COM

MICHAEL J. FLEMING
MFLEMING@JMH-PEI.COM

December 8, 2004

Kenny Cotton's, LLC
5541 Bear Lane, Suite 111
Corpus Christi, Texas 78405

Reference: 6.99 acres situated in the Morgan Rector League, Abstract 46, College Station, Brazos County, Texas.

Dear Mr. Cotten:

As requested, we have inspected and appraised the above referenced property as of December 7, 2004. As you have requested, this report has been prepared in a summary format.

As of December 7, 2004, it is our opinion that the indicated market value of this property is as follows:

SEVEN HUNDRED SIXTY THOUSAND DOLLARS

($760,000.00)

MARKET VALUE DEFINED

"Market value", as used herein, is defined by the Appraisal Institute as, "The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress."

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

a) buyer and seller are typically motivated;
b) both parties are well informed or well advised, and each acting in what they consider their own best interest; c) a reasonable time is allowed for exposure in the open market;
d) payment is made in cash or its equivalent;
e) financing, if any, is on terms generally available in the community at the specified date and typical for the property type in its locale; and
f) the price represents a normal consideration for the property sold unaffected by special financing amounts and/or terms, services, fees, costs, or credits incurred in the transaction.

3131 BRIARCREST DRIVE, SUITE 111
(979) 268-0200 • FAX (979) 731-8809
BRYAN, TX 77802

SCOPE OF THE APPRAISAL

To arrive at an estimate of market value for properties, the appraiser must determine the typical purchaser who would be interested in that particular type of property. Market value is loosely defined as the most probable price in terms of money which a property should bring in a competitive and open market for a reasonable time, and this price depends upon the typical purchaser's reaction to the various supply and demand factors which affect the property being appraised. Of significant importance are properties which are in competition with the subject. All of this information must be derived from the market.

The scope of the evaluation and valuation of the subject includes: a personal inspection of the subject property and its environs; review of surveys as available; research into market activity; review of market operating standards; research into investor motivations and activities; and analysis of the above.

At the request of the client, this report has been prepared in a summary format. This report is prepared in accordance with the Uniform Standards of Professional Appraisal Practice under the Departure Provision and Standard 2 as revised and accepted on January 1, 2001. Based on the revised standards, this report falls under the category of a summarized complete appraisal report. As a summarized report, vital information for forming a valid and accurate opinion of value has been presented herein in a summarized format, but, the specific details have been retained in the files of John M. Hamilton Incorporated. As such, this report may not be fully understood by third parties without of review of the file material.

The subject whole property involves a 6.99 acre vacant tract of land. The Sales Comparison Approach to value is considered to be the most reliable method of estimating values for tracts of the subject's type; therefore, it is the approach which was utilized in our analysis.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to provide our opinion of the current market value of the legally described property in fee simple interest.

INTENDED USE OF THE REPORT

This appraisal is intended to assist the client, Mr. Kenny Cotton, in the evaluation of the subject property for one possible investment purposes.

DATE OF THE VALUE ESTIMATE

The effective data of this appraisal is December 7, 2004, and the date of the report is December 8, 2004.

SALES HISTORY

According to the information available to our office, the subject property sold from Baptist Church Loan Corp. to Kenny Cotton's, LLC for $608,969.00 or $2.00 per square foot on September 27, 2004. However, the buyer was responsible for all closing expenses, including all real estate taxes, title policy, real estate broker's commission and all other expenses, which would indicate a sales price of $718,399.15 or $2.39 per square foot. (A copy of this contract is located in the Addenda of this report).

ESTIMATED REASONABLE EXPOSURE TIME

According to the information available to our office, the subject property is not currently listed for sale. However, after considering the subject property's physical and locational characteristics, as well as the current market trends in the area, it appears that a reasonable exposure time to bring about a sale of the property would be +/-6 to 12 months.

CONTINGENT AND LIMITING CONDITIONS

This appraisal is subject to the following limiting conditions.

The legal descriptions furnished are assumed to be correct. We assume no responsibility for matters legal in character, nor do we render any opinion as to the title, which is assumed to be good. Any existing liens and encumbrances have been disregarded and the property appraised as though free and clear under responsible ownership and competent management.
We have made no survey and assume no responsibility in connection with such matters. We believe to be reliable the information identified in this report as being furnished by others, but we assume no responsibility for its accuracy. The construction and condition of any improvements mentioned in the body of this report are based on observation, and no engineering study has been made which would discover any latent defects. No certification as to any of the physical aspects could be given unless a proper engineering study were made.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraisers have no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraisers, however, are not qualified to test such substances or conditions.

If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

We are not required to give testimony or attendance in court by reason of this appraisal with reference to the property in question unless arrangements have been made previously therefore.

Possession of this report or a copy thereof does not carry with it the right of publication. It may not be used for any purpose by anyone other than the addressee without the previous written consent of the appraiser.

Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the author, particularly as to valuation conclusions, the identity of the appraiser or firm with which he is connected, or any reference to the Appraisal Institute or the MAI designation.

NEIGHBORHOOD DATA

NEIGHBORHOOD BOUNDARIES:

North:	Harvey Road
South:	Rock Prairie Road
East:	The easterly boundary for the City of College Station
West:	Texas Avenue (State Highway 6)

ACCESSIBILITY:	The subject neighborhood is provided with good accessibility via the various roadways which either traverse or form the boundaries of the area.
LOCATION:	Eastern sector of the City of College Station
MAJOR THOROUGHFARES:	Harvey Road, Rock Prairie Road, Harvey Mitchell Parkway (F.M. 2818), Earl Rudder Freeway and Texas Avenue (SH-6).
ACCESSIBILITY:	The subject neighborhood is provided with good accessibility via the various roadways which either traverse or form the boundaries of the area.
DISTANCE FROM CENTRAL BUSINESS DISTRICT:	The City of College Station does not have a centralized business district; however, the majority of the commercial developments within the neighborhood are situated along the major thoroughfares.

PREDOMINANT TYPES OF LAND USE:	Single family residential and multi-family residential(apartments, fourplexes and duplexes), with supportive commercial along the major roadways
SCHOOLS:	The subject neighborhood is situated within the College Station Independence School District, which provides educational facilities for kindergarten to twelfth grade. Additionally, the campus for Texas A&M University is also located within the College Station area.
ZONING:	The subject neighborhood is situated within the City of College Station, which enforces zoning regulations upon properties within its boundaries.
RESTRICTIONS:	Per applicable building codes, deed restrictions, right-of-way and easement of record.
RELATIONSHIP TO GROWTH PATTERN OF CITY:	The City of College Station is currently growing in a south to southeasterly direction.
NEW DEVELOPMENTS IN AREA:	There is a new dentist office building that is almost completed located off of the easterly line of the Earl Rudder Freeway within the Emerald Plaza Development. The subject neighborhood has experienced commercial developments, as well as some of the multi-family and single family residential developments which have occurred within the recent past. The major commercial developments which have occurred within the neighborhood include the Wolf Pen Plaza Retail Center, which wraps the immediate northeasterly corner of Texas Avenue and Holleman Drive. The P. David Romei – The Arts Council of Brazos Valley Building was recently constructed on the northeasterly corner of Dartmouth Street and Colgate Drive.

NEW DEVELOPMENTS WITHIN THE AREA: (Cont'd)

Houston-based developers, Glenn Hart and Bill Mathers are in the processing of constructing a 40,000 square foot recreational ice rink on the southerly line of Holleman and the northerly line of Richards Street. An office building (Ellison Professional Building) was recently constructed on the southerly line of Holleman Drive, just west of Dartmouth Street. There is a future retail center proposed to be construction on the southwesterly corner of Holleman drive and Dartmouth Street. There is a new residential subdivision called Krenek Tap Crossing located on the northwesterly corner of Dartmouth and Krenek Tap Road. The City of College Station is possibly planning on building a new City Center - City Hall/Municipal Building and a new Police Station on the southerly line of Krenek Tap Road in the near future. There is a Notice To Public Sign- Proposed Elderly Multi-Family Residential Rental Community located on the northeasterly corner of Dartmouth and Krenek Tap Road. There is a Holiday Inn, which is currently under construction on the southerly like of Southwest Parkway, just west of the Earl Rudder Freeway. A Cavender's Boot City was recently opened on the southwesterly corner of the Earl Rudder Freeway and Holleman Drive. Additionally, an Olive Garden Restaurant is being constructed on the westerly line of Earl Rudder Freeway within the Gateway Development.

SITE DATA:

LEGAL DESCRIPTION:	6.99 acres situated in the Morgan Rector League, Abstract 46, College Station, Brazos County, Texas.
LOCATION:	The subject property is located southerly line of Harvey Mitchell Parkway (F.M. 2818), just west of the Earl Rudder Freeway.
LAND AREA:	6.99 acres or 304,484 square feet
SHAPE:	Basically rectangular

TOPOGRAPHY:	Level
DRAINAGE:	Based upon a physical inspection, drainage appears to be adequate.
STREET TYPE:	Harvey Mitchell Parkway (F.M. 2818) is four-lane, asphalt paved roadway with center turn lane, concrete curbs/gutters, streetlights and sidewalks.
FRONTAGE:	+/- 447 feet of frontage on Harvey Mitchell Parkway (F.M. 2818)
UTILITIES:	All public utilities available at the site.
EASEMENTS:	Typical utility easements
ZONING:	C-1, General Commercial District
CURRENT USE:	Vacant land
RESTRICTIONS:	The subject site has no known restrictions which are considered to adversely affect its marketability.
TAXES:	The subject property is within the taxing jurisdictions of the City of College Station, the College Station Independent School District, and Brazos County. These entities have a 2004 total tax rate of $2.7065 per $100.00 of valuation. The Brazos County Appraisal District currently carries the subject property as a 6.99 acre parcel which has an assessed market value of $279,600.00. This value indicates current annual taxes of $7,567.37.
FLOOD PLAIN:	According to the Flood Insurance Rate Map #48041C0144 C, dated July 2, 1992, none of the subject property appears to be located within an identified flood hazard area.
SOIL & SUBSOIL CONDITIONS:	Based upon a physical inspection, the soils appear to be typical of properties in the area and adequate to support the existing development. However, a soil or subsoil survey was not supplied to our office, nor is the responsibility for such taken.

ADJACENT LOTS/IMPROVEMENTS

North:	Vacant land across Harvey Mitchell Parkway (F.M. 2818)
South:	Vacant land
East:	Vacant land
West:	Vacant land and single family residence

ANALYSIS/CONCLUSIONS: The subject property's location with frontage on Harvey Mitchell Parkway (F.M. 2818) is considered to provide it with good overall locational attributes. After considering the favorable market acceptance which properties within this area have received in the past, it appears reasonable to assume that the subject property could be expected to receive favorable market demand.

HIGHEST AND BEST USE

According to the Appraisal Institute in The Appraisal of Real Estate (12th Edition), highest and best use may be defined as, "The use, from among reasonably probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible, and that results in the highest present land value." The crucial elements of this definition suggest that the highest and best use must be, "(1) physically possible, (2) legally permissible, (3) financially feasible, and (4) maximally productive." The four criteria are applied in sequential order. Potential uses are narrowed through the consideration of each criteria, so that by the time the last criteria is applied, only a single use is indicated. A property often will have numerous uses which are physically possible; a lesser number which are both physically possible and legally permissible; fewer still which are physically possible, legally permissible and financially feasible, and only a single use which meets all four criteria.

After considering the physical and economical characteristics of the subject site, along with the predominant land uses within the area, it is our opinion that the current highest and best use of the subject property is speculative in nature with future development potential for a commercial/ retail use, as the area continues to develop.

SUMMARY OF ANALYSIS AND VALUATION

Sales Comparison Approach:

To provide our opinion of the current market value of the subject property the Sales Comparison Approach to value was utilized. In this approach, the deed records were searched for sales involving properties considered comparable to the subject site and indicative of market trends for such properties. These sales were compared directly to the subject property, so as to estimate from this comparison, its indicated current market value. It should be noted at this point that the market data included herein does not represent a complete inventory of real estate activity in the area, but are those properties which are considered to be most similar to the subject. The most commonly used method in valuing commercial development land is on a price per square foot basis, therefore, this was the method utilized in our analysis. As has previously been noted, the subject property is located within a developing portion of the City of College Station within which there have been few recent sales of commercial tracts. Therefore, it was necessary to expand our market research to include sales of as similarly as possible tracts that are located within the City of College Station. Nevertheless, the data utilized in this analysis is considered to be the best available and to be indicative of current market trends for properties of the subject's type. **A detailed description of the sales utilized can be reviewed in the Addenda of this report.**

MARKET DATA	DATE OF SALE	LOCATION	SIZE/ ACRES	PRICE/ SQ. FT.
Subject	N/A	Southerly line of Harvey Mitchell Parkway (F.M. 2818), just west of the Earl Rudder Freeway, College Station, Texas	6.99	N/A
One	Jan. 2002	Southerly line of Southwest Pkwy., just west of the Earl Rudder Freeway, College Station, Texas	3.24	$2.82
Two	Dec. 2003	Southeasterly corner of the Earl Rudder Freeway and North Forest Parkway, College Station, Texas	5.221	$3.41
Three	Feb. 2004	Northwesterly corner of Earl Rudder Freeway Bypass Road and Ponderosa Dr., College Station, Texas	4.58	$4.30
Four	April 2004	Southerly line of Holleman Dr. and the northerly line of Richards St., just east of Dartmouth Drive, College Station, Texas	1.383	$2.26
Five	Current Listing	Southerly line of Harvey Mitchell Parkway (F.M. 2818), near the intersection of Texas Avenue and Harvey Mitchell Parkway, College Station, Texas	6.94	$4.35
Six	Current Listing	Westerly line of Texas Avenue and the northerly line of Morgans Lane, just south of Harvey Mitchell Parkway (F.M. 2818), College Station, Texas	3.72	$5.00
Seven	Current Listing	Northerly line of Harvey Mitchell Parkway, just down from the subject property, College Station, Texas	4.8	$2.87

As can be seen, the sales price per square foot for these sales ranges from $2.26 to $4.30 per square foot. The mean is $3.20 per square foot and the median is $3.12 square foot. Market Data Numbers Five, Six and Seven are all current listings located within the subject property's general area. This wide range is considered to exemplify the diversity of the available market data. The limited sales with the subject property's immediate neighborhood made it necessary to expand our market research area to include sales of as similar as possible properties that are located within competing portions of the area. Even after expanding our research area, the limited sales of similar properties which have occurred in the past +/- three years made it necessary to utilize sales with diverse physical and locational characteristics. Nevertheless, the data utilized within this analysis is considered to be the best available and to be indicative of current trends for tracts of the subject's type.

The available market data has been compared to the subject and adjustments were made where necessary for the various physical and locational differences. In order to assume our market comparisons, the market data was also examined for property rights conveyed, financing, conditions of sales and overall market conditions or time.

In deriving the appropriate adjustments for differences in location and physical characteristics, the concept of matched pairs was employed. Due to the uniqueness of every property, some adjustments were required, and each adjustment was tempered by the judgment of the appraiser taking into account any and all stratification within the market.

Overall, the primary adjustments made to the market data in comparison with the subject property were for size, location, and physical characteristics. Therefore, considering the size and location of the subject parcel, as well as the current economic and physical characteristics of the neighborhood, it is our opinion that the current market value of the subject tract, as if vacant, is $2.50 per square foot or as follows:

6.99 acres		
304,484 Sq. Ft. @ $2.50 per Sq. Ft. =		$761,210.00
	SAY	**$760,000.00**

CERTIFICATION AND FINAL VALUE ESTIMATE

The undersigned does hereby certify that, except as otherwise noted in this appraisal report:

We have no present or contemplated future interest in the real estate that is the subject of this appraisal report.

We have no personal interest or bias with respect to the subject matter of this appraisal report or the parties involved.

To the best of our knowledge and belief, the statements of fact contained in this appraisal report upon which the analysis, opinions, and conclusions expressed herein are based, are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions, and conclusions.

Our compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.

The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.

We certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

No one other than the undersigned prepared the analyses, conclusions, and opinions concerning real estate that are set forth in this appraisal report. As of the date of this report, John M. Hamilton has completed the requirements of the continuing education program of the Appraisal Institute.

It is the intent of this appraisal report to be in compliance with the guidelines as specified by the client.

John M. Hamilton made a personal inspection of the property which is the subject of this appraisal report on December 7, 2004.

The value opinion contained herein is effective as of December 7, 2004.

$760,000.00

JOHN M. HAMILTON INCORPORATED

John M Hamilton

John M. Hamilton, MAI
TX-1322674-G