

VALLEY LAKE RANCH
2,245+/- ACRES
FANNIN & GRAYSON COUNTY, TEXAS
\$24,500,000



1,080+/- SURFACE ACRES OF WATER

VALLEY LAKE RANCH

FANNIN & GRAYSON COUNTY, TEXAS | 2,245+/- ACRES



PROPERTY DESCRIPTION: Valley Lake Ranch consists of 2,245+/- acres including a MASSIVE, PRIVATE LAKE yielding approximately 1,080+/- surface acres (at max capacity) of pristine water at normal elevation including 15,000 acre feet of adjudicated impoundment rights. Set amongst scenic rolling terrain immediately south of the Red River Basin, this very unique property combines heavily wooded oak and elm forests, clear rights of way, notable elevation change, excellent build sites, a proven fishery with desirable lake level consistency and amazing water clarity. Raw land and expansive water combine to form a recreational oasis and blank canvas that is virtually impossible to duplicate.

PURCHASE OFFER CRITERION: Seller has requested that all offers for purchase of the property: (a) be submitted by no later than 5:00 p.m. (CST) on October 12, 2018; (b) be submitted on the form of Purchase Contract that is included in this property information packet; (c) state that the offer remains in effect until 5:00 p.m. (CST) on October 19, 2018; and (d) be accompanied by either: (i) a letter of financial capabilities from a banking institution on bank letter head verifying that the Purchaser has available cash and/or a line of credit in an amount in excess of the offer amount; or (ii) a copy of a

bank statement confirming that the Purchaser has available cash in an amount in excess of the offer amount.

LOCATION: Valley Lake Ranch is located on the county line between Fannin & Grayson Counties ~15 miles east of Sherman, Texas, 10 miles east of Bonham, TX, and 70 miles north of Dallas, Texas. Paved road frontage in two locations insure reliable access.

FANNIN & GRAYSON COUNTY INFORMATION: Fannin and Grayson Counties are located in Northeast Texas adjacent to the Oklahoma border. Bonham and Sherman, the respective county seats, are located a convenient fifty to sixty miles north/northeast of Dallas. . The topography is variable including with ranges of moderately rolling hills, creek drainages and pinch points throughout the area. General elevations in Fannin and Grayson Counties range from ~500 to ~700 feet above sea level. The average annual rainfall is approximately forty-three inches. The predominate water drainage basins are the Red River and Bois D' Arc Creek. Natural tree cover consists primarily of oak, hickory, ash, walnut, pecan, cottonwood, elm, cedar and Bois D' Arc trees.

All information is deemed reliable, but is not warranted by Hortenstine Ranch Company, LLC. All information is subject to change without prior notice.



VALLEY LAKE RANCH

FANNIN & GRAYSON COUNTY, TEXAS | 2,245+/- ACRES

AIRPORTS: There are multiple airports with convenient proximity to Valley Lake Ranch, including an airstrip on the property. The landing strip on the ranch is found on a peninsula abutting the lake, measuring approximately 2,771' long and 30' wide. The airstrip is not currently registered with the FAA and would require updates to make it operational.

Located 22 miles West of Valley Lake Ranch gate, North Texas Regional Airport / Perrin Field (KGYI) is a full service, city-owned airport located east of Sherman and Denison. Grayson County's airport has four (4) runways, measuring up to approximately 9000' long by 150' wide.

Jones Field Airport in Bonham, TX is a public airport located ~12 miles east of the Valley Lake Ranch gate. Two airstrips are located there, measuring up to approximately 4000' long by 75' wide.

Dallas-Fort Worth International Airport is a full service, international airport located 76 miles SW of Valley Lake Ranch.

HOSPITALS: Red River Regional Hospital is located in Bonham, TX, ~14 miles east of the Valley Lake Ranch gate.

Baylor Scott and White Hospital in Sherman, TX is located a convenient ~14 miles west of the ranch via Highway 82.

SCHOOL DISTRICT: Bells ISD (Grayson County) and Savoy ISD (Fannin County)



VALLEY DAM AND VALLEY LAKE RESERVOIR: An expansive and impressive body of water, Valley Lake (also known as Brushy Creek Reservoir) is an off-channel reservoir. The lake has a storage capacity of 15,000 acre-feet at normal (Conservation) pool with a maximum storage capacity being 26,500 at the top of the dam. The lake encompasses a surface area capacity of 1,080+/- acres at the normal elevation of 611 feet above mean sea level. A drainage basin consisting of approximately 8 square miles of land contributes water to feed Valley Lake. Maximum depth located thus far is estimated to be 38 feet using standard consumer boat mounted depth finders. Based on aerial imagery from February 1995 through March 2014, the average water surface acreage was 992.6 +/- acres with an average of ~22.35 miles of lake frontage. Based on the same aerial imagery, it is estimated that the lake fluctuated between ~933 surface acres and ~1,016 surface acres.

VALLEY LAKE DAM HISTORY: Valley Dam, which forms Valley Lake, was authorized by the State of Texas in 1959. Construction of the dam was completed in 1961 to provide a cooling water reservoir for the operation of the Valley Steam Electric Station. A Certificate of Adjudication authorized an impoundment of up to 15,000 acre feet of water. The plant has been decommissioned and deconstructed. Valley Dam is a 2,770' long homogeneous earth fill embankment with a maximum height of 55 feet above the original streambed. The impressive and well-engineered dam looks west at sunset, providing amazing views off of Valley Lake.



All information is deemed reliable, but is not warranted by Hortenstine Ranch Company, LLC. All information is subject to change without prior notice.



VALLEY LAKE RANCH

FANNIN & GRAYSON COUNTY, TEXAS | 2,245+/- ACRES

DAM REPORT: Freese and Nichols, Inc. conducted a dam inspection on September 26, 2017, and provided an updated report in December, 2017 for Valley Lake Dam.

Dam Project Description- Valley Dam was authorized by the State of Texas, Permit No. 1939 in 1959. A Certificate of Adjudication authorized an impoundment of up to 15,000 acre-feet of water for industrial purposes. Construction of the dam was completed in 1961 to provide a cooling water reservoir for operation of the Valley Steam Electric Station. The power plant has been decommissioned and demolished.

Valley Dam is a 2,770-foot long homogeneous earth fill embankment with a maximum height of 55 feet above the original streambed. The crest of the dam is at elevation 617.5 feet. The upstream slope is 3H:1V with an 8-foot-wide berm at elevation 600 feet. The upstream slope is protected by 24-inch rock riprap from the berm to the crest. The downstream slope is 2.5H:1V with grass slope protection and a 12-foot-wide berm at elevation 590 feet. Seepage control within the embankment is provided by an 18-inch thick sand blanket drain that intersects the toe of the embankment on the downstream slope. The downstream slope has a longitudinal concrete-lined flume (v-ditch) on the berm to collect surface runoff from the upper portion of the slope. Flow in the longitudinal flume is conveyed to the toe of the embankment via four transverse concrete-lined flumes. No instrumentation or survey monitoring programs exist for Valley Dam.

The low flow outlet, made operational as of May 2018, consists of an 18-inch diameter gate valve controlled concrete pipe with an upstream invert elevation of 605.75 feet and is located at Station 21+00, near the right abutment of the embankment. The discharge area is protected with a concrete V-shaped channel.

The service spillway is a 200-foot wide, concrete-lined channel located in the right abutment with a crest elevation of 611 feet. Two lines of baffle blocks provide energy dissipation at the end of the concrete-lined channel, approximately 50 feet downstream from the crest. The service spillway is separated at its left side by natural topography from the right abutment of the main embankment. There is no emergency spillway at Valley Dam. In Texas, the TCEQ is the regulatory agency responsible for the administration of State dam safety laws. Dams are classified according to the size of the dam and the potential for loss of human life and property damage downstream from the dam in the event of a breach of the dam. The size classification of small, intermediate, or large is based on the storage in the reservoir and

the height of the embankment. Intermediate size dams are those with maximum storage between 1,000 and 50,000 acre-feet and/or a maximum height between 40 and 100 feet. Valley Dam, which has a maximum height of 55 feet and maximum storage of 26,500 acre-feet at the top of the dam, is an intermediate size dam. The hazard classification can be low, significant or high. A high hazard dam is usually located where failure can cause serious damage to agricultural, industrial, and commercial facilities, important public utilities, main highways, and railroads. TCEQ criteria define a high hazard structure as one which could potentially impact three or more residential structures, or result in probable loss of seven or more lives. The area downstream of Valley Dam is primarily agricultural land in the floodplain of Brushy Creek and the Red River. There are, however, more than three homes located along Farm to Market (FM) Road 1753 near Brushy Creek about 3.6 miles downstream of the dam, and numerous houses further downstream in the Red River floodplain. The FM 1752 and FM 1753 bridges over Brushy Creek would also be overtopped in the event of a breach of the dam. Valley Dam is therefore classified as a high hazard dam.

According to State criteria, as an intermediate size, high hazard dam Valley Dam is required to pass 88 percent of the Probable Maximum Flood (PMF). As determined by the probable maximum flood study and breach analysis completed by Freese and Nichols, Inc. in 2005, Valley Dam passes 100 percent of the PMF event, and is thus hydraulically adequate in its current condition.

A full Freese & Nichols, Inc. report, dated December 2017, containing specific details concerning maintenance and repair recommendations can be made available to prequalified Buyers upon request.



All information is deemed reliable, but is not warranted by Hortenstine Ranch Company, LLC. All information is subject to change without prior notice.



VALLEY LAKE RANCH

FANNIN & GRAYSON COUNTY, TEXAS | 2,245+/- ACRES

TERRAIN: Topography at Valley Lake Ranch is impressive with over 100 feet of elevation change. The high point of ~671 feet above mean sea level is found in the southeast corner of the property, and a low point of ~566 feet is found in the northeast corner. The property is mostly treed with sporadic native pastureland desirable for grazing cattle. The landscape lends itself well to recreational land. Highly desirable building sites exist around much of the lake as sunsets and sunrises are truly remarkable from many points overlooking this impressive body of water.

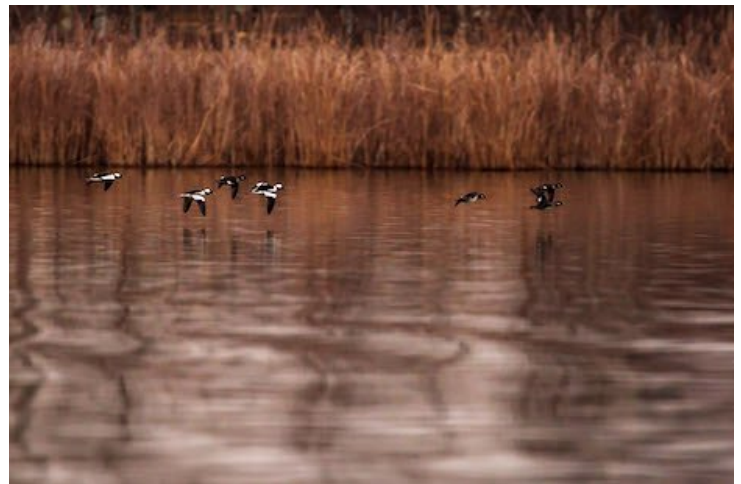
ADDITIONAL WATER SOURCES: There are 3 earthen water wells located on the property. The Neches River Basin aquifer is found below Valley Lake Ranch.

A rural water line runs into the approximate center of the ranch from County Road 1752.

Brushy creek flows from the northeast corner of the property into Valley Lake.

WILDLIFE: Valley Lake Ranch is home to Whitetail deer, feral hogs, Bald Eagles, dove, Rio Grande Turkey, bobcats, coyotes and of course, waterfowl. Since its inception in 1961, migratory waterfowl have utilized Valley Lake as a wintering ground during peak migration. Features including a major body of water in the central flyway, coupled with natural wetlands in close proximity to the Red River, attract migratory waterfowl populations during peak migration.

FISHERIES: Valley Lake has proven to be a prolific fishery. Our team fished Valley Lake for 3 days and 6 fishermen caught over 300 Largemouth Bass. Notable fish caught included seven fish over 8 lbs., 4 fish over 7 lbs and 40+ fish between 5-7 lbs. This natural fishery will serve as a solid foundation primed for the next owner to introduce a fish management program capable of contending with the list of renowned and legendary North Texas Bass Fisheries. Additional species of fish caught by the HRC team include Sand Bass, Crappie, Drum and Channel Catfish.



All information is deemed reliable, but is not warranted by Hortenstine Ranch Company, LLC. All information is subject to change without prior notice.



VALLEY LAKE RANCH

FANNIN & GRAYSON COUNTY, TEXAS | 2,245+/- ACRES

RECREATION: Water depths at Valley Lake range from highs up to approximately 38 feet and all depths in between that and the shoreline. Multiple coves, inlets, and creek channels compliment open water to create a spectacular, broad recreational offering. In addition to sport fishing and hunting, Valley Lake lends well to jet skiing, water skiing, sail boating, scuba diving, and general motor boating. Kayaking and float fishing can be excellent in the coves and inlets on the lake.

Noted Whitetail deer populations, tree cover, topography and natural forbs provide ample opportunity for bow hunting. Fertile soils and sub soils on the property may yield high quality improved wildlife food plots to supplement natural forage components and/or cultivated crops to benefit migratory bird hunting.

FENCING: The perimeter of Valley Lake Ranch is fenced. Fencing is in fair to good condition

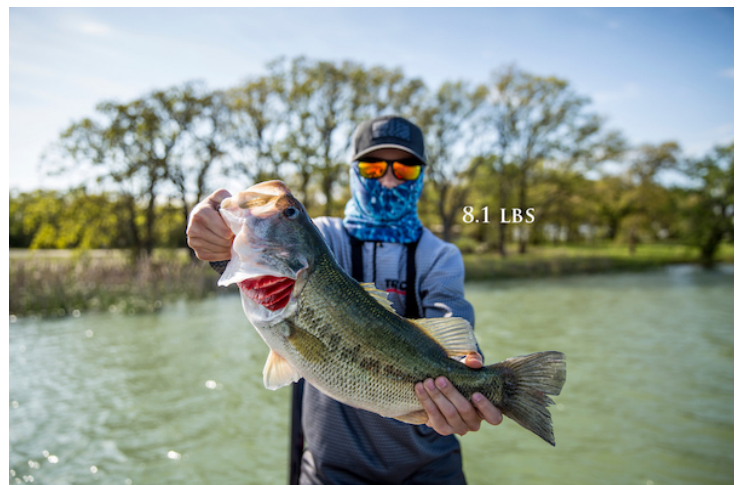
ELECTRICITY: Residential electricity runs into the property and is available at multiple points on or near the boundary of the ranch.

MINERALS: Surface only.

LEASES: The property is currently leased for grazing.

TAXES: Annual property taxes for 2017 are in the process of being verified. Some of the property carries an Agriculture Exemption.

BUYERS & BROKERS: Buyer's Broker must be present for all showings. Buyers should notify Listing Broker at first contact that they are represented by a cooperating real estate Broker prior to touring the property. We welcome the opportunity to work with other real estate Brokers and their Agents, who are active and currently licensed in the state of Texas.



All information is deemed reliable, but is not warranted by Hortenstine Ranch Company, LLC. All information is subject to change without prior notice.



VALLEY LAKE RANCH

FANNIN & GRAYSON COUNTY, TEXAS | 2,245+/- ACRES

COMMENTS: Exemplifying the real estate term "relative scarcity," Valley Lake Ranch is an unprecedented opportunity to own an expansive, private lake in the heart of North Texas. Proximity to the two major metropolitan areas encompassing Dallas and Fort Worth, prove this ranch a fantastic investment and recreational ranch owning opportunity, while the natural fishery represents a phenomenal experience for the angler at heart!

Please also note our listing entitled Lake Creek Ranch for an additional large water offering. Seller to consider joint offers submitted for both Valley Lake Ranch and Lake Creek Ranch.

PRICE: \$24,500,000

CONTACT:

Hortenstine Ranch Company, LLC (Broker)
10711 Preston Road, Suite 240
Dallas, TX 75230
214.361.9191 office
214.361.2095 fax
www.hrcranch.com

Cash McWhorter- Broker/Partner

469.222.4076 mobile
cash@hrcranch.com

Casey Berley- Broker- ALC

214.422.7253 mobile
casey@hrcranch.com

Blake Hortenstine- Broker/Partner

214.616.1305 mobile
blake@hrcranch.com



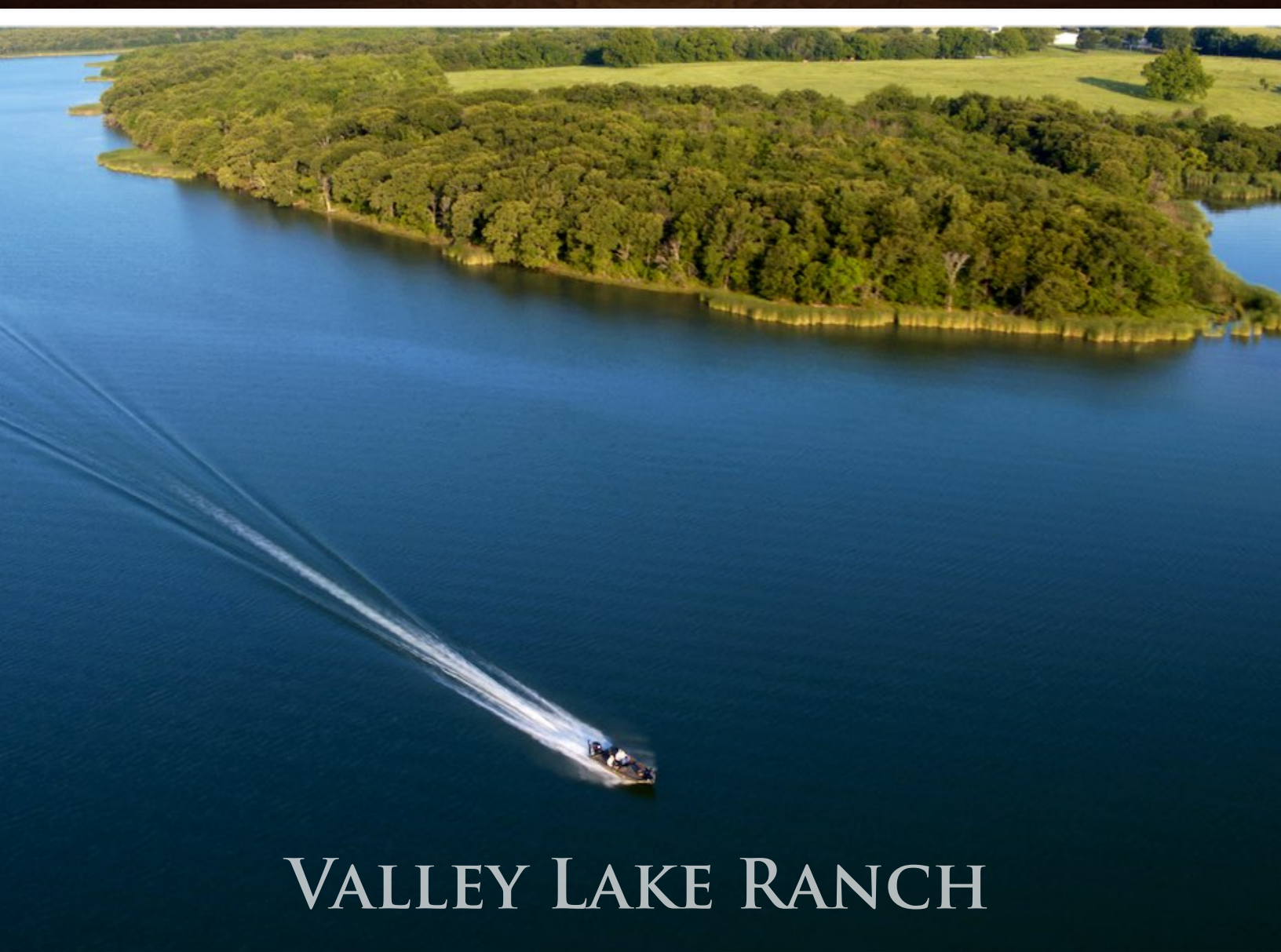
All information is deemed reliable, but is not warranted by Hortenstine Ranch Company, LLC. All information is subject to change without prior notice.



VALLEY LAKE RANCH

FANNIN & GRAYSON COUNTY, TEXAS | 2,245+/- ACRES





VALLEY LAKE RANCH

Hortenstine Ranch Company, LLC (Broker)

HRCranch.com

Office: (214) 361-9191

Fax: (214) 361-2095

Cash McWhorter- Broker/Partner

cash@hrcranch.com

Mobile: (469) 222-4076

Casey Berley- Broker- ALC

casey@hrcranch.com

Mobile: (214) 422-7253

Blake Hortenstine- Broker/Partner

blake@hrcranch.com

Mobile: (214) 616-1305

