

INVOICE

FROM:

Please make check payable to (Mr. Edgar A. Herrera)

Victory Appraisal Services
 PO Box 1722
 Edinburg, TX 78540-1722

Telephone Number: (956) 802-5508 Fax Number: (956) 627-0897

TO:

Jesus Bermudez
 1316 E Minnesota Rd
 San Juan, TX 78577

E-Mail:
 Telephone Number: Fax Number:
 Alternate Number:

| INVOICE NUMBER | |
|-----------------------|----------------|
| 80123-2015 | |
| DATES | |
| Invoice Date: | 08/24/2015 |
| Due Date: | |
| REFERENCE | |
| Internal Order #: | 80123-2015 |
| Lender Case #: | |
| Client File #: | |
| FHA/VA Case #: | |
| Main File # on form: | 80123-2015 |
| Other File # on form: | Jesus Bermudez |
| Federal Tax ID: | |
| Employer ID: | |

DESCRIPTION

Lender: Jesus Bermudez Client: Jesus Bermudez
 Purchaser/Borrower: N/A
 Property Address: 000 Minnesota Road
 City: San Juan State: TX Zip: 78589
 County: Hidalgo
 Legal Description: JOHN CLOSNER E449.44' N503.31'-4BLK 5.40AC

FEES **AMOUNT**

| | |
|----------------|--------|
| Land Appraisal | 800.00 |
| SUBTOTAL | |
| | 800.00 |

PAYMENTS **AMOUNT**

| | | | |
|------------------|-------|--------------|------------------|
| Check #: | Date: | Description: | |
| Check #: | Date: | Description: | |
| Check #: | Date: | Description: | |
| SUBTOTAL | | | 0 |
| TOTAL DUE | | | \$ 800.00 |

| | | | | | |
|------------------|--------------------|--------|----------|------------|-------------------|
| Borrower | N/A | | File No. | 80123-2015 | |
| Property Address | 000 Minnesota Road | | | | |
| City | San Juan | County | Hidalgo | State | TX Zip Code 78589 |
| Lender/Client | Jesus Bermudez | | | | |

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Appraiser Independence Certification

I do hereby certify, I have followed the appraiser independence safeguards in compliance with Appraisal Independence and any applicable state laws I may be required to comply with. This includes but is not limited to the following:

- I am currently licensed and/or certified by the state in which the property to be appraised is located. My license is the appropriate license for the appraisal assignment(s) and is reflected on the appraisal report.
- I certify that there have been no sanctions against me for any reason that would impair my ability to perform appraisals pursuant to the required guidelines.

I assert that no employee, director, officer, or agent of Jesus Bermudez, or any other third party acting as joint venture partner, independent contractor, appraisal management company, or partner on behalf of Jesus Bermudez, influenced, or attempted to influence the development, reporting, result, or review of my appraisal through coercion, extortion, collusion, compensation, inducement, intimidation, bribery, or in any other manner.

I further assert that Jesus Bermudez has never participated in any of the following prohibited behavior in our business relationship:

- 1) Withholding or threatening to withhold timely payment or partial payment for an appraisal report;
- 2) Withholding or threatening to withhold future business with me, or demoting or terminating or threatening to demote or terminate me;
- 3) Expressly or impliedly promising future business, promotions, or increased compensation for myself;
- 4) Conditioning the ordering of my appraisal report or the payment of my appraisal fee or salary or bonus on the opinion, conclusion, or valuation to be reached, or on a preliminary value estimate requested from me;
- 5) Requesting that I provide an estimated, predetermined, or desired valuation in an appraisal report prior to the completion of the appraisal report, or requesting that I provide estimated values or comparable sales at any time prior to my completion of an appraisal report;
- 6) Provided me an anticipated, estimated, encouraged, or desired value for a subject property or a proposed or target amount to be loaned to the borrower, except that a copy of the sales contract for purchase transactions may be provided;
- 7) Provided to me, or my appraisal company, or any entity or person related to me as appraiser, appraisal company, stock or other financial or non-financial benefits;
- 8) Any other act or practice that impairs or attempts to impair my independence, objectivity, or impartiality or violates law or regulation, including, but not limited to, the Truth in Lending Act (TILA) and Regulation Z, or the USPAP.



 Signature

Edgar A. Herrera

 Appraiser's Name

 State Title or Designation

08/24/2015

 Date

TX-1334716-R

 State License or Certification #

03/31/2017 TX

 Expiration Date of License or Certification State

000 Minnesota Road, San Juan, TX 78589

 Address of Property Appraised

Victory Appraisal Services
PO Box 1722
Edinburg, TX 78540-1722
(956) 802-5508

08/24/2015

Jesus Bermudez
1316 E Minnesota Rd
San Juan, TX 78577

Re: Property: 000 Minnesota Road
San Juan, TX 78589
Borrower: N/A
File No.: 80123-2015

Opinion of Value: \$ 230,000
Effective Date: 08/12/2015

In accordance with your request, we have appraised the above referenced property. The report of that appraisal is attached.

The purpose of the appraisal is to develop an opinion of market value for the property described in this appraisal report, as improved, in unencumbered fee simple title of ownership.

This report is based on a physical analysis of the site and improvements, a locational analysis of the neighborhood and city, and an economic analysis of the market for properties such as the subject.

The opinion of value reported above is as of the stated effective date and is contingent upon the certification and limiting conditions attached.

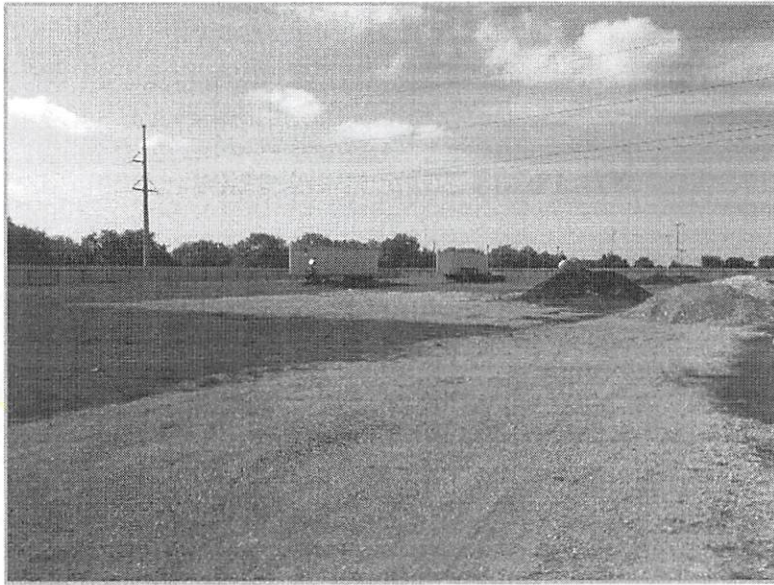
It has been a pleasure to assist you. Please do not hesitate to contact me or any of my staff if we can be of additional service to you.

Sincerely,



Edgar A. Herrera
License or Certification #: TX-1334716-R
State: TX Expires: 03/31/2017
victoryapp.services@yahoo.com

APPRAISAL OF REAL PROPERTY



LOCATED AT

000 Minnesota Road
San Juan, TX 78589
JOHN CLOSNER E449.44' N503.31'-4BLK 5.40AC

FOR

Jesus Bermudez
1316 E Minnesota Rd
San Juan, TX 78577

OPINION OF VALUE

230,000

AS OF

08/12/2015

BY

Edgar A. Herrera
Victory Appraisal Services
PO Box 1722
Edinburg, TX 78540-1722
(956) 802-5508
victoryapp.services@yahoo.com

Borrower N/A File No. 80123-2015
 Property Address 000 Minnesota Road
 City San Juan County Hidalgo State TX Zip Code 78589
 Lender/Client Jesus Bermudez

APPRAISAL AND REPORT IDENTIFICATION

This Report is one of the following types:

- Appraisal Report (A written report prepared under Standards Rule 2-2(a), pursuant to the Scope of Work, as disclosed elsewhere in this report.)
- Restricted Appraisal Report (A written report prepared under Standards Rule 2-2(b), pursuant to the Scope of Work, as disclosed elsewhere in this report, restricted to the stated intended use by the specified client or intended user.)

Comments on Standards Rule 2-3

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 and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- Unless otherwise indicated, I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- Unless otherwise indicated, I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification (if there are exceptions, the name of each individual providing significant real property appraisal assistance is stated elsewhere in this report).

Comments on Appraisal and Report Identification

Note any USPAP related issues requiring disclosure and any State mandated requirements:

See attached addenda.

APPRAISER:



Signature: _____

Name: Edgar A. Herrera

State Certification #: TX-1334716-R

or State License #: _____

State: TX Expiration Date of Certification or License: 03/31/2017

Date of Signature and Report: 08/24/2015

Effective Date of Appraisal: 08/12/2015

Inspection of Subject: None Interior and Exterior Exterior-Only

Date of Inspection (if applicable): 08/12/2015

SUPERVISORY or CO-APPRAISER (if applicable):

Signature: _____

Name: _____

State Certification #: _____

or State License #: _____

State: _____ Expiration Date of Certification or License: _____

Date of Signature: _____

Inspection of Subject: None Interior and Exterior Exterior-Only

Date of Inspection (if applicable): _____

LAND APPRAISAL REPORT

File No.: **Jesus Bermudez**
80123-2015

Property Address: **000 Minnesota Road** City: **San Juan** State: **TX** Zip Code: **78589**
 County: **Hidalgo** Legal Description: **JOHN CLOSNER E449.44' N503.31'-4BLK 5.40AC**

Assessor's Parcel #: **J5700-00-006-0004-04** Tax Year: **2015** R.E. Taxes: \$ **1,495** Special Assessments: \$ **0**
 Market Area Name: **JOHN CLOSNER** Map Reference: **32580** Census Tract: **0220.01**
 Current Owner of Record: **Jesus A. Bermudez & Blanca E. Lopez** Borrower (if applicable): **N/A**
 Project Type (if applicable): PUD De Minimis PUD Other (describe) HOA: \$ **0** per year per month
 Are there any existing improvements to the property? No Yes If Yes, indicate current occupancy: Owner Tenant Vacant Not habitable
 If Yes, give a brief description:

The purpose of this appraisal is to develop an opinion of: Market Value (as defined), or other type of value (describe)
 This report reflects the following value (if not current, see comments): Current (the Inspection Date is the Effective Date) Retrospective Prospective
 Property Rights Appraised: Fee Simple Leasehold Leased Fee Other (describe)
 Intended Use: **The appraisal is intended for use by the owner for decision making purposes. The appraisal is NOT intended for use in a mortgage finance transaction.**
 Intended User(s) (by name or type): **The intended user of this appraisal report is the client.**

Client: **Jesus Bermudez** Address: **1316 E Minnesota Rd, San Juan, TX 78577**
 Appraiser: **Edgar A. Herrera** Address: **PO Box 1722, Edinburg, TX 78540-1722**

| Characteristics | | | Predominant Occupancy | | One-Unit Housing | | Present Land Use | | Change in Land Use | |
|------------------|---------------------------------------|--|--------------------------------------|--|------------------|---------|-------------------|------|-------------------------------------|--|
| Location: | <input type="checkbox"/> Urban | <input checked="" type="checkbox"/> Suburban | <input type="checkbox"/> Rural | | PRICE | AGE | One-Unit | 45 % | <input type="checkbox"/> Not Likely | |
| Built up: | <input type="checkbox"/> Over 75% | <input checked="" type="checkbox"/> 25-75% | <input type="checkbox"/> Under 25% | | \$(000) | (yrs) | 2-4 Unit | 3 % | <input type="checkbox"/> Likely * | <input checked="" type="checkbox"/> In Process * |
| Growth rate: | <input type="checkbox"/> Rapid | <input checked="" type="checkbox"/> Stable | <input type="checkbox"/> Slow | <input checked="" type="checkbox"/> Owner 65 | 35 | Low 0 | Multi-Unit | 2 % | * To: Residential to | |
| Property values: | <input type="checkbox"/> Increasing | <input checked="" type="checkbox"/> Stable | <input type="checkbox"/> Declining | <input type="checkbox"/> Tenant 10 | 180 | High 60 | Comm ¹ | 10 % | Commercial | |
| Demand/supply: | <input type="checkbox"/> Shortage | <input checked="" type="checkbox"/> In Balance | <input type="checkbox"/> Over Supply | <input checked="" type="checkbox"/> Vacant (>5%) | 60-90 | Prod 35 | Vacant | 40 % | | |
| Marketing time: | <input type="checkbox"/> Under 3 Mos. | <input checked="" type="checkbox"/> 3-6 Mos. | <input type="checkbox"/> Over 6 Mos. | 25 | | | | | | |

| Factors Affecting Marketability | | | | | |
|--|--------------------------|-------------------------------------|-------------------------------------|--------------------------|--------------------------|
| Item | Good | Average | Fair | Poor | N/A |
| Employment Stability | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Convenience to Employment | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Convenience to Shopping | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Convenience to Schools | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Adequacy of Public Transportation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Recreational Facilities | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Adequacy of Utilities | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Property Compatibility | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Protection from Detrimental Conditions | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Police and Fire Protection | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| General Appearance of Properties | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Appeal to Market | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Market Area Comments: **For the 3rd quarter, 2015, the average marketing time for single family residential properties in the PSJA area is 133 days. For the same period the average sale-to-list price is 95.5% (McAllen Assn. of Realtors, 08/15/05). Interest rates are near 6.0% with 0 to 2 points charged to the buyer. According to local marketing statistics, the subject's market appears stable.**

Dimensions: **Undisclosed/No plat map available.** Site Area: **5.4 ac**
 Zoning Classification: **No Zoning (County)** Description: **No Zoning**
 Do present improvements comply with existing zoning requirements? Yes No No Improvements
 Uses allowed under current zoning: **No Zoning**

Are CC&Rs applicable? Yes No Unknown Have the documents been reviewed? Yes No Ground Rent (if applicable) \$ **/**
 Comments:
 Highest & Best Use as improved: Present use, or Other use (explain)
 Actual Use as of Effective Date: **No Zoning** Use as appraised in this report: **No Zoning**
 Summary of Highest & Best Use: **The subject currently has no zoning. As per the Hidalgo County Planning and Zoning Department, the subject lends itself to residential, multi-family and commercial purposes. The current owner would have to talk to the Planning Department and verify what would be allowable (956-318-2840).**

| Utilities | Public | Other | Provider/Description | Off-site Improvements | Type | Public | Private | Frontage | Adequate |
|----------------|-------------------------------------|--------------------------|----------------------|-----------------------|------------|-------------------------------------|--------------------------|------------|------------------|
| Electricity | <input type="checkbox"/> | <input type="checkbox"/> | None | Street | Asphalt | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Topography | Level |
| Gas | <input type="checkbox"/> | <input type="checkbox"/> | None | Width | N/A | | | Size | Typical |
| Water | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | Surface | Asphalt | | | Shape | Rectangular |
| Sanitary Sewer | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | Curbs/Gutter | None | <input type="checkbox"/> | <input type="checkbox"/> | Drainage | Appears Adequate |
| Storm Sewer | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | Sidewalk | None | <input type="checkbox"/> | <input type="checkbox"/> | View | Residential |
| Telephone | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | Street Lights | None | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Multimedia | <input type="checkbox"/> | <input type="checkbox"/> | | Alley | Dirt/Grass | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | |

Other site elements: Inside Lot Corner Lot Cul de Sac Underground Utilities Other (describe)
 FEMA Spec1 Flood Hazard Area Yes No FEMA Flood Zone **B** FEMA Map # **4803340425C** FEMA Map Date **11/16/1982**
 Site Comments: **A current survey and title policy are recommended for any final determination of adverse easements, encroachments, or special assessments and flood designation; none were noted during visual inspections that would negatively affect the property value. Easements are for typical utility services. No adverse conditions are noted, subject to survey and title search. The subject does have an aluminum perimeter fence with a wrought iron gate improvement.**

HCAD Property Details Sheet Page #1

Hidalgo CAD - Property Details

http://propaccess.hidalgoad.org/clientdb/Property.aspx?prop_id=199901

Hidalgo CAD

Property Search Results > 199901 BERMUDEZ JESUS A & JAIME & BLANCA E LOPEZ for Year 2015

Property

Account
 Property ID: 199901 Legal Description: JOHN CLOSNER E449.44' N503.31'-4BLK 5.40AC
 Geographic ID: J5700-00-006-0004-04 Agent Code:
 Type: Real
 Property Use Code:
 Property Use Description:

Location
 Address: MINNESOTA RD Mapsco:
 TX Map ID:
 Neighborhood:
 Neighborhood CD:

Owner
 Name: BERMUDEZ JESUS A & JAIME & BLANCA E LOPEZ Owner ID: 1052241
 Mailing Address: 1316 E MINNESOTA RD % Ownership: 100.0000000000%
 PHARR, TX 78577
 Exemptions:

Values

| | | | |
|---------------------------------------|---|----------|-----------------------|
| (+) Improvement Homesite Value: | + | \$0 | |
| (+) Improvement Non-Homesite Value: | + | \$0 | |
| (+) Land Homesite Value: | + | \$0 | |
| (+) Land Non-Homesite Value: | + | \$64,800 | Ag / Timber Use Value |
| (+) Agricultural Market Valuation: | + | \$0 | \$0 |
| (+) Timber Market Valuation: | + | \$0 | \$0 |
| ----- | | | |
| (=) Market Value: | = | \$64,800 | |
| (-) Ag or Timber Use Value Reduction: | - | \$0 | |
| ----- | | | |
| (=) Appraised Value: | = | \$64,800 | |
| (-) HS Cap: | - | \$0 | |
| ----- | | | |
| (=) Assessed Value: | = | \$64,800 | |

Taxing Jurisdiction

Owner: BERMUDEZ JESUS A & JAIME & BLANCA E LOPEZ
 % Ownership: 100.0000000000%
 Total Value: \$64,800

| Entity Description | Tax Rate | Appraised Value | Taxable Value | Estimated Tax |
|------------------------------------|-----------------|-----------------|---------------|-------------------|
| CAD APPRAISAL DISTRICT | 0.000000 | \$64,800 | \$64,800 | \$0.00 |
| DR1 DRAINAGE DISTRICT #1 | 0.005700 | \$64,800 | \$64,800 | \$62.01 |
| FD4 EMS DIST #04 | 0.027200 | \$64,800 | \$64,800 | \$17.83 |
| GHD HIDALGO COUNTY | 0.500000 | \$64,800 | \$64,800 | \$362.32 |
| JCC SOUTH TEXAS COLLEGE | 0.185000 | \$64,800 | \$64,800 | \$119.86 |
| R18 ROAD DIST 18 | 0.000000 | \$64,800 | \$64,800 | \$0.00 |
| SPA PSJA ISD | 1.359200 | \$64,800 | \$64,800 | \$860.76 |
| SST SOUTH TEXAS SCHOOL | 0.049200 | \$64,800 | \$64,800 | \$31.86 |
| Total Tax Rate: | 2.308300 | | | |
| Taxes w/Current Exemptions: | | | | \$1,494.48 |
| Taxes w/o Exemptions: | | | | \$1,494.48 |

Improvement / Building

No improvements exist for this property.

HCAD Property Details Sheet Page #2

Hidalgo CAD - Property Details

http://propaccess.hidalgoad.org/clientdb/Property.aspx?prop_id=199901

Land

| # | Type | Description | Acres | Sqft | EFF Front | EFF Depth | Market Value | Prod. Value |
|---|------|-------------|--------|-----------|-----------|-----------|--------------|-------------|
| 1 | AC | ACREAGE | 5.4000 | 235224.00 | 0.00 | 0.00 | \$84,800 | \$0 |

Roll Value History

| Year | Improvements | Land Market | Ag Valuation | Appraised | HS Cap | Assessed |
|------|--------------|-------------|--------------|-----------|--------|--------------|
| 2016 | | N/A | N/A | N/A | N/A | N/A |
| 2015 | | \$0 | \$84,800 | 0 | 84,800 | \$0 \$84,800 |
| 2014 | | \$0 | \$84,800 | 0 | 84,800 | \$0 \$84,800 |
| 2013 | | \$0 | \$51,300 | 0 | 51,300 | \$0 \$51,300 |

Deed History - (Last 3 Deed Transactions)

| # | Deed Date | Type | Description | Grantor | Grantee | Volume | Page | Deed Number |
|---|------------------------|------|----------------------------|------------------|------------------|--------|------|-------------|
| 1 | 5/20/2015 12:00:00 AM | W/OV | WARRANTY DEED/VENDORS LIEN | DE LEON JOSE | BERMUDEZ JESUS | | | 2613210 |
| 2 | 12/19/2013 12:00:00 AM | SWD | SPEC. W/D | SOLIDA ADMINISTI | DE LEON JOSE | | | 2470848 |
| 3 | 11/28/2011 12:00:00 AM | SWD | SPEC. W/D | INTER NATIONAL E | SCLIDA ADMINISTI | | | 2158188 |

Tax Due

Property Tax Information as of 08/24/2015

Amount Due if Paid on: ~~7/28~~

| Year | Taxing Jurisdiction | Taxable Value | Base Tax | Base Taxes Paid | Base Tax Due | Discount / Penalty & Interest | Attorney Fees | Amount Due |
|------|---------------------|---------------|----------|-----------------|--------------|-------------------------------|---------------|------------|
|------|---------------------|---------------|----------|-----------------|--------------|-------------------------------|---------------|------------|

NOTE: Penalty & Interest accrues every month on the unpaid tax and is added to the balance. Attorney fees may also increase your tax liability if not paid by July 1. If you plan to submit payment on a future date, make sure you enter the date and RECALCULATE to obtain the correct total amount due.

Questions Please Call (956) 381-8466

Website version: 1.2.2.2

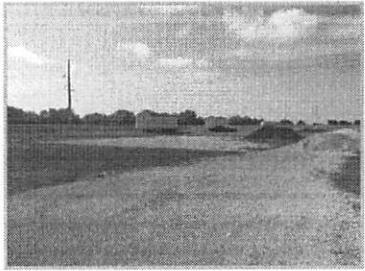
Database last updated on: 8/23/2015 11:47 PM

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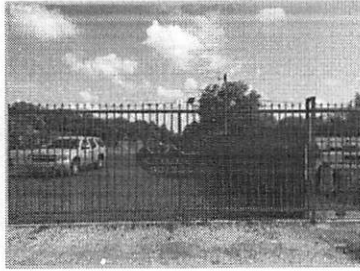
This site only supports Internet Explorer 6+, Netscape 7+ and Firefox 1.5+.

Subject Photos

| | | | | | |
|------------------|--------------------|--------|---------|-------|-------------------|
| Borrower | N/A | | | | |
| Property Address | 000 Minnesota Road | | | | |
| City | San Juan | County | Hidalgo | State | TX Zip Code 78589 |
| Lender/Client | Jesus Bermudez | | | | |



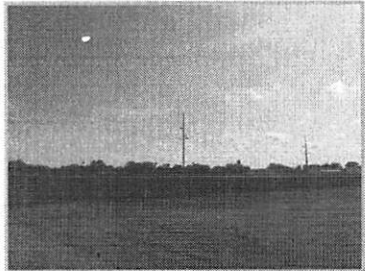
Subject Front



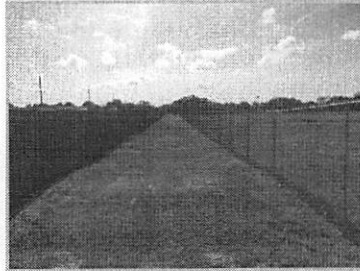
Subject Gate



Subject Easment/Road



Subject Fence



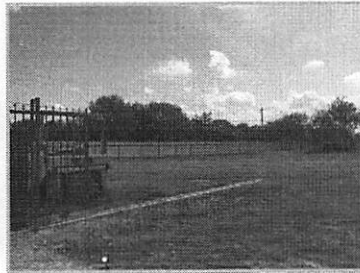
Subject Fence



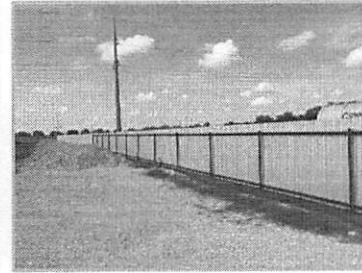
Subject Street View West



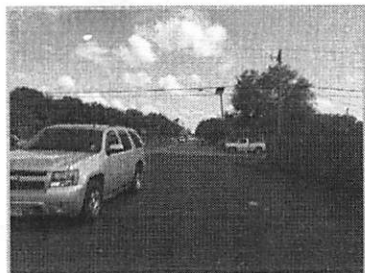
Subject Street View East



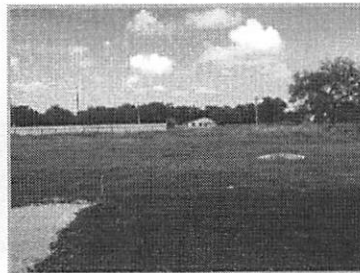
Subject Fence



Subject Fence



Subject Street View



Subject



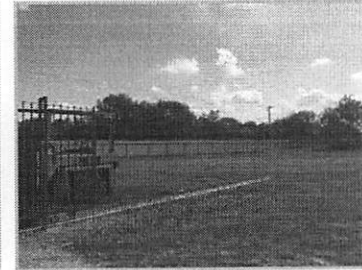
Subject



View From Subject Front



Subject



Subject

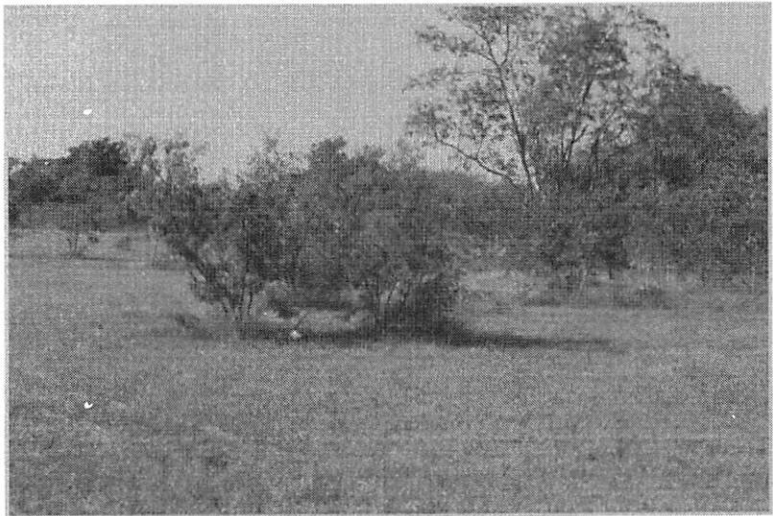
Comparable Photo Page

| | | | | | |
|------------------|--------------------|--------|---------|-------|-------------------|
| Borrower | N/A | | | | |
| Property Address | 000 Minnesota Road | | | | |
| City | San Juan | County | Hidalgo | State | TX Zip Code 78589 |
| Lender/Client | Jesus Bermudez | | | | |



Comparable 1

0 N Raul Longoria
 Proximity 1.05 miles S
 Sale Price 178,000
 GLA
 Total Rooms
 Total Bedrms
 Total Bathrms
 Location Suburban
 View
 Site 4.68
 Quality
 Age



Comparable 2

410 E Ferguson St
 Proximity 2.34 miles SW
 Sale Price 250,000
 GLA
 Total Rooms
 Total Bedrms
 Total Bathrms
 Location Suburban
 View
 Site 5
 Quality
 Age



Comparable 3

2600 N Raul Longoria Rd
 Proximity 1.12 miles S
 Sale Price 250,000
 GLA
 Total Rooms
 Total Bedrms
 Total Bathrms
 Location Suburban
 View
 Site 4.52
 Quality
 Age

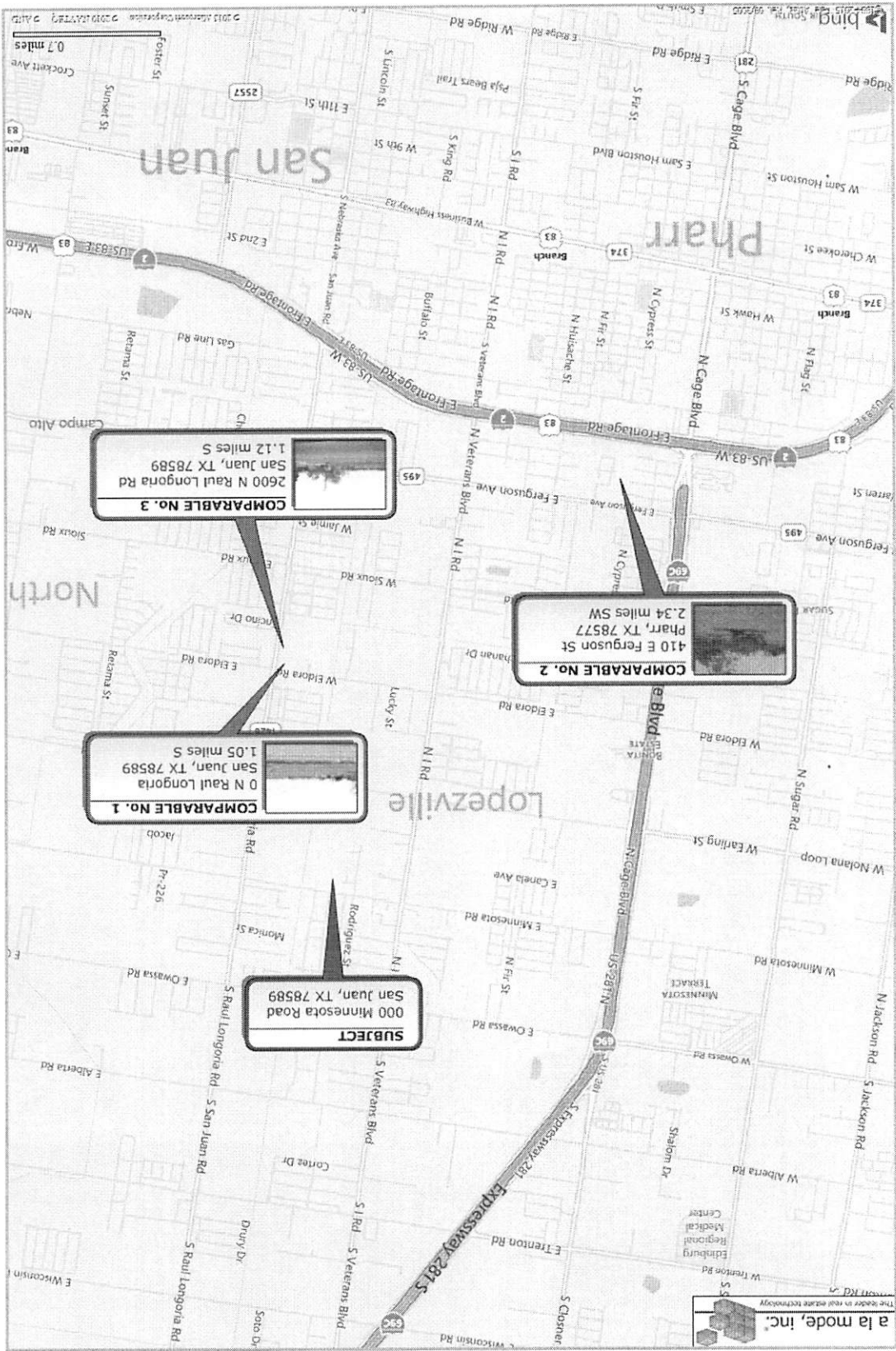
Aerial Map

| | | | | | |
|------------------|--------------------|--------|---------|-------|-------------------|
| Borrower | N/A | | | | |
| Property Address | 000 Minnesota Road | | | | |
| City | San Juan | County | Hidalgo | State | TX Zip Code 78589 |
| Lender/Client | Jesus Bermudez | | | | |



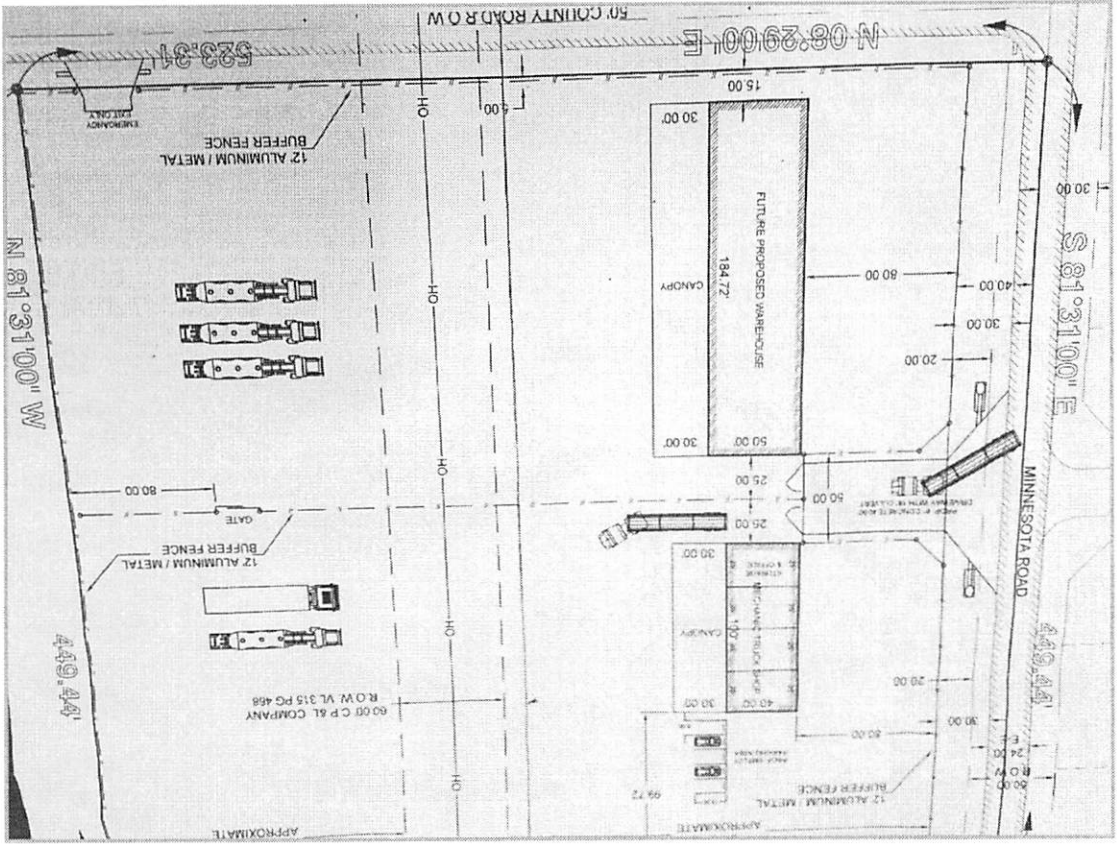
Comparable Sales Map

| | |
|------------------|--------------------|
| Borrower | N/A |
| Property Address | 000 Minnesota Road |
| City | San Juan |
| County | Hidalgo |
| State | TX |
| Zip Code | 78589 |
| Lender/Client | Jesus Bermudez |



Site Map

| | |
|------------------|--------------------|
| Borrower | N/A |
| Property Address | 000 Minnesota Road |
| City | San Juan |
| County | Hidalgo |
| State | TX |
| Zip Code | 78589 |
| Lender/Client | Jesus Bermudez |



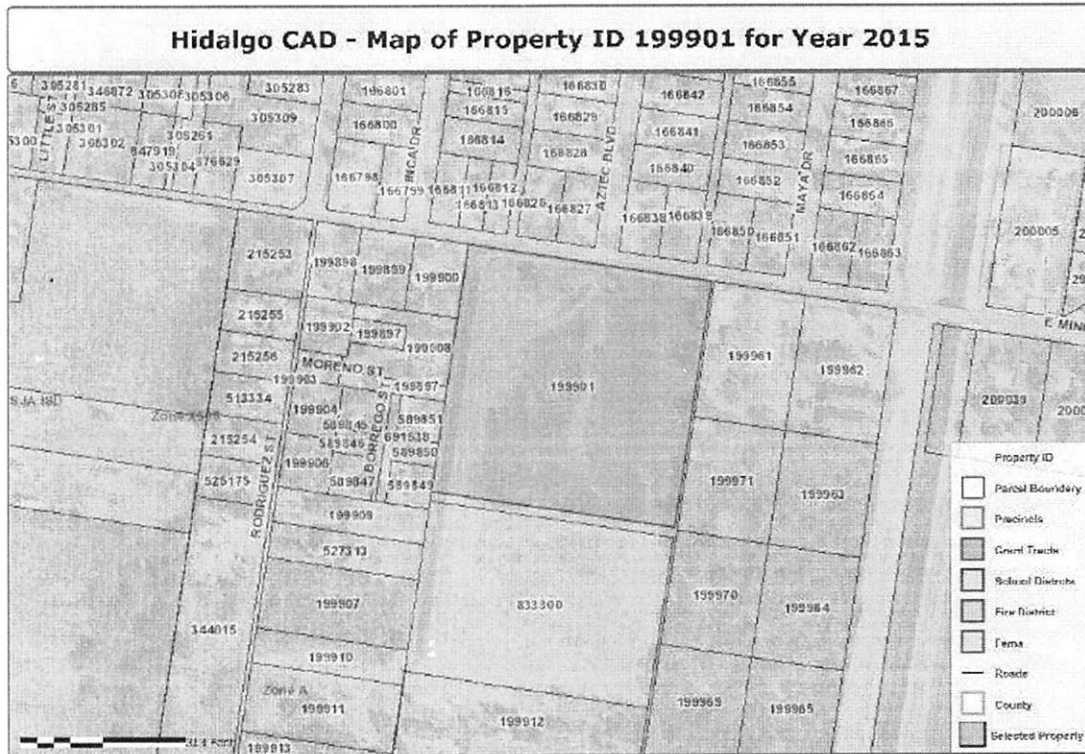
Flood Map

| | | | |
|------------------|--------------------|----------|---------|
| Borrower | N/A | | |
| Property Address | 000 Minnesota Road | | |
| City | San Juan | County | Hidalgo |
| State | TX | Zip Code | 78589 |
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Tax Assessor's Map

| | | | | |
|------------------|--------------------|--------|---------|-------------------------|
| Borrower | N/A | | | |
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| City | San Juan | County | Hidalgo | State TX Zip Code 78589 |
| Lender/Client | Jesus Bermudez | | | |



| Property Details | |
|------------------|--|
| Account | Property ID: 199901 Geo ID: J5700-00-006-0004-04 Type: Real |
| | Legal Description: JOHN CLOSNER E449.44' N503.31'-4BLK 5.40AC |
| Location | Situs Address: MINNESOTA RD TX Neighborhood: Mapsc: Jurisdictions: FD4, SST, DRI, JCC, GHD, SPA, R18, CAD |
| Owner | Owner Name: BERMUDEZ JESUS A & JAIME & BLANCA E LOPEZ Mailing Address: , 1316 E MINNESOTA RD, PHARR, TX 78577 |
| Property | Appraised Value: \$64800 |

<http://propaccess.hidalgoad.org/Map/View/Map/1/199901/2015>

PropertyACCESS LPS

Disclaimer: This product is for informational purposes only and may not have been prepared for or be suitable for legal or surveying purposes. It does not represent an opinion of the provider and is provided only for informational purposes. The provider is not responsible for any errors or omissions in this product.

Appraiser License

Texas Appraiser Licensing and Certification Board
P.O. Box 12188 Austin, Texas 78711-2188
Certified Residential Real Estate Appraiser

Number: **TX 1334716 R**
Issued: **03/12/2015** Expires: **03/31/2017**
Appraiser: **EDGAR ALFREDO HERRERA**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Texas Occupations Code, Chapter 1103, is authorized to use this title, Certified Residential Real Estate Appraiser.


Douglas E. Oldmixon
Commissioner

PRIVACY NOTICE

Pursuant to the Gramm-Leach-Bliley Act of 1999, effective July 1, 2001, Appraisers, along with all providers of personal financial services are now required by federal law to inform their clients of the policies of the firm with regard to the privacy of client nonpublic personal information. As professionals, we understand that your privacy is very important to you and are pleased to provide you with this information.

Types of Nonpublic Personal Information We Collect

In the course of performing appraisals, we may collect what is known as "nonpublic personal information" about you. This information is used to facilitate the services that we provide to you and may include the information provided to us by you directly or received by us from others with your authorization.

Parties to Whom We Disclose Information

We do not disclose any nonpublic personal information obtained in the course of our engagement with our clients to nonaffiliated third parties, except as necessary or as required by law. By way of example, a necessary disclosure would be to our employees, and in certain situations, to unrelated third party consultants who need to know that information to assist us in providing appraisal services to you. All of our employees and any third party consultants we employ are informed that any information they see as part of an appraisal assignment is to be maintained in strict confidence within the firm. A disclosure required by law would be a disclosure by us that is ordered by a court of competent jurisdiction with regard to a legal action to which you are a party.

Confidentiality and Security

We will retain records relating to professional services that we have provided to you for a reasonable time so that we are better able to assist you with your needs. In order to protect your nonpublic personal information from unauthorized access by third parties, we maintain physical, electronic and procedural safeguards that comply with our professional standards to insure the security and integrity of your information. Please feel free to call us any time if you have any questions about the confidentiality of the information that you provide to us.

APPRAISER DISCLOSURE STATEMENT

Jesus Bermudez
File No. 80123-2015

Name of Appraiser: Edgar A. Herrera

Class of Certification/Licensure: Certified General
 Certified Residential
 Licensed Residential
 Temporary General Licensed

Certification/Licensure Number: TX-1334716-R

Certification/Licensure State: TX Expires: 03/31/2017

Scope: This Report is within the scope of my Certification or License
 is not within the scope of my Certification or License

Service Provided By: Disinterested & Unbiased Third Party
 Interested & Biased Third Party
 Interested Third Party on Contingent Fee Basis

Signature of person preparing and reporting the Appraisal:



This form must be included in conjunction with all appraisal assignments or specialized services performed by a state-certified or state-licensed real estate appraiser.

Supplemental Addendum

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|------------------|--------------------|--------|---------|-------|----|----------|-------|
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Primary Source of Data:

The appraiser's primary source of data is from the local MLS. The appraiser's research of the terms of sale are limited by the constraints of MLS members who believe it is detrimental to report transaction types and financing terms. Due to the lack of cooperation and inconsistent reporting by local MLS members, there is an expected margin of error in the analysis. This appraiser cannot force the data to be shared, nor can the appraiser be held accountable for that information that was not available.

This appraiser completed this assignment with no influence on value (written or verbal) from any party connected with this assignment as referenced in the signed certification located on page 5 of the URAR (Items 16 and 18). To this appraiser's knowledge and only to the extent to which this appraiser would know (from the appraisal receiving end), the subject appraisal is in compliance with the Fannie Mae/Freddie Mac Appraiser Independence Requirements (AIR), Appraiser Independence Safeguards (I). Requirements such as Acceptability of Subsequent Appraisals (II), Borrower Receipt of Appraisal (III), Appraiser Engagement (IV), Use of Reports (V), Transfer of Appraisals (VI), Referrals of Appraisal Misconduct (VII), and Compliance (VIII) are requirements that are unknown to this appraiser. This appraiser is not related to the owner of the subject property, and if this is a purchase, not related to the buyer either.

Zoning District:

No Zoning

Description:

No Zoning

Data bases utilized:

Greater McAllen Association of Realtors Multiple Listing Service/RGV Shared

Purpose:

The purpose of this appraisal is to estimate the market value in the fee simple estate interest of the subject property as of the effective date of the appraisal. The effective date of appraisal is August 12, 2015.

Highest and Best Use:

The highest and best use for the subject property was evaluated during this appraisal process. It has been determined to be for use as a single-family residence based on surrounding infrastructure and the improvements present on the site, as the improvements contribute substantial to the subject property's value.

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| Lender/Client | Jesus Bermudez | | | | | | |

Exposure Period:

Based upon the appraisers' knowledge of current market conditions supported by past comparable sales and listings, the appraisers estimate that a reasonable exposure period would not exceed 6 months.

Marketing Period:

With adequate advertising, exposure and aggressive marketing, the appraisers estimate a reasonable marketing period to exceed 6 months. This is based primarily on marketing data presented in the Multiple Listing Service and the appraisers' knowledge of this particular sub-market.

Easement/Encroachments:

The appraiser was not furnished a survey of the site prior to the site inspection. During the visual observation of the subject site, no apparent adverse easements nor adverse encroachments were observed. No warranties are made as to the lack of adverse easements or encroachments. It is recommended that a survey of the site done by a licensed land surveyor be used to determine evidence of or absence of any adverse easements or encroachments.

Flood Zone:

The appraiser relied on FEMA flood maps, delivered through an electronic data delivery system, in order to determine the flood designation of the subject reflected on the report, however, the appraiser is not qualified to perform a flood certification and it is recommended that the exact zone in which the site is located be identified and defined by a professional engineer.

Environmental Concerns:

The existence of hazardous substances, including without limitation to asbestos, polychlorinated biphenyl, petroleum leakage, lead based paint, molds or agricultural chemicals, which may or may not be present on the subject property, or other environmental conditions, were not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser's inspection of the site and if applicable the improvements. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified nor licensed to test such substances or conditions. If the presence of such substances or environmental conditions may affect the value of the property, the value estimate is predicated on the assumption that there is no such condition on 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 the same.

Environmental Disclaimer:

The opinion of market value expressed herein is based upon the assumption that the property is not negatively affected by the existence of hazardous or detrimental environmental conditions. The appraiser is not an environmental expert. The appraisers routine inspection did not reveal any apparent hazardous

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substances or detrimental conditions which would affect the property.

Appraiser Liability:

The appraisers liability extends only to the stated client, not to subsequent parties or users of any type and the total liability of the appraisers and/or firm of Victory Appraisal Services is limited to the amount of the fee received by the appraiser for this report. The submission of this appraisal does not include the requirement of publication, court testimony or court appearance. Special arrangements will have to be made for this purpose, including fees and time frames.

SIGNIFICANT APPRAISAL ASSISTANCE:

I recognize that significant appraisal assistance was provided by the county appraisal district and tax assessment office. In calculating and rendering an opinion of site value for the subject, I relied upon assessed values of surrounding properties rendered by the county. These values were applied to an allocation/ratio method in order to obtain an opinion of site value for the subject.

SCOPE OF WORK:

The Scope of Work is part of the appraisal process and is a preliminary decision made by me in communication with the Client in terms of how the appraisal should be conducted. It requires, in part, an identification of the intended users and the function of the appraisal (how it is to be used) so that sufficient analysis, methodology and communication can be made to those who rely on the appraisal to make necessary decisions. The Uniform Standards of Professional Appraisal Practice (USPAP) defines Intended User as "the client and any other party as identified, by name or by type, as users of the appraisal, appraisal review, or appraisal consulting report by me on the basis of communication with the client at the time of the assignment." Although there are those that may choose to rely on the appraisal report, they are NOT identified as Intended Users of this appraisal report. Included in the Scope of Work decision and communication is the need of sufficient information gathered and analyzed to develop and report a credible opinion of value.

In order to satisfy the Uniform Standards of Professional Appraisal Practice (USPAP) requirements, a preliminary search of available resources and data is made to determine market trends, influences, location, and other significant factors pertinent to the subject property. Then, the subject site and improvements are personally examined, including both the exterior and interior of the subject dwelling via a non-intrusive physical observation, measuring the improvements – utilizing plans provided by the builder or client - in order to obtain an approximate square footage, and taking sufficient photographs to adequately characterize the property appraised. This examination is intended to reveal the condition of the various components of the subject property that would be typically identified by an informed prospective buyer. I am not a licensed property inspector, nor a building inspector, termite/dry rot inspector, or a licensed building contractor. The reported condition used to base a comparative analysis and develop a Highest and Best Use conclusion, is to be relied upon for judging the integrity, condition, or remaining life of any individual component(s) of the subject property. Any obvious, readily observable defects in the subject property will be noted in this written

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Summary Appraisal Report and appropriately considered in the final value conclusion. My intent is to value the subject property in consideration of its defined observed condition as of the effective date of the appraisal. The value opinion is contingent upon the existence of no defects that a typical buyer would not detect; and if such defects do exist, they are appropriately corrected and/or treated. When required inspections and/or repairs are made as contingencies to the final value opinion, they are made solely to bring the subject property to a condition that will make it acceptable to Fannie Mae and Freddie Mac guidelines.

Extent of research into physical, functional and economic factors that could affect the property include, but not limited to, flood maps, plat maps, zoning, and Builderscost.net to obtain an opinion of Quality ratings. All general data pertinent to the subject property that was not obtained from my personal examination of the subject was obtained from sources believed to be reliable (i.e. government entities, title companies, etc.). Conclusions reported herein were based on data gathered, analyzed and considered reasonably available. At the time of the assignment, I was asked to perform an appraisal in accordance with Fannie Mae guidelines. There were no additional lender requirements over and beyond that of the Fannie Mae protocol. All sales data obtained is from sources believed to be reliable (i.e. Multiple Listing Services, my work files, realtors, assessor's offices, tax offices, buyer and sellers, other appraisers, etc.). Sales are verified with at least two sources to an extent that the sales price and nuances of the market area identified in accordance with the definition of Market Value found on Fannie Mae Form 1004 contained herein. All sales are visually examined from the street. The subject's history was researched for the past three years from the effective date of the appraisal and findings are reported herein. The type and extent of analysis applied to arrive at opinions or conclusions include a Sales Comparison Analysis, Cost Approach, Market Conditions Analysis, and highest and best use with each being addressed herein. Certain approaches were given more weight consideration than others in the final reconciliation (see comments below regarding approaches to value).

VALUATION METHODOLOGY:

The valuation of residential property utilizes three approaches to value. The three approaches are: 1) The Cost Approach, 2) The Sales Comparison Analysis, 3) The Income Approach. Data relevant to each of the approaches is developed and analyzed to produce a value from each of the approaches. Each of the approaches utilizes data that is gathered from the market place. Items of both similarity and dissimilarity in comparable properties are analyzed and adjustments are made for the differences. Finally, the three indicators of value developed by the approaches are correlated with reference to the quality and quantity of data available and analyzed along with the applicability or suitability of the approaches to produce my final opinion of value in accordance with USPAP Standards Rule 1-6. See Comment Addendum for discussions regarding each approach to value. As previously stated herein, I determined that the Cost Approach is not applicable to the assignment due to the age of the improvements, nor is it necessary in order to develop a credible assignment results. The "cost new" of a property is not typically part of the decision making process of a buyer desiring a property similar in age to that of the subject. The Income Approach is not applicable to this assignment. See Comment

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Addendum for discussions regarding each approach to value.

SOURCE FOR DEFINITION OF MARKET VALUE:**Fannie Mae:**

SOURCE FOR DEFINITION OF MARKET VALUE: The source of the definition of market value is obtained in Fannie Mae Guide (04/01/2009) Section B4-1.2-03. The definition of market value is contained in Fannie Mae Form 1004.

Freddie Mac:

SOURCE FOR DEFINITION OF MARKET VALUE: The source of the definition of market value is obtained in Freddie Mac Guidelines, Single-Family Seller/Service Guide, Chapter 44. The definition of market value is contained herein on this Fannie Mae Form 1004.

USDA:

SOURCE FOR DEFINITION OF MARKET VALUE: The source of the definition of market value is obtained in HUD Handbook 4150.2 Paragraph 4-1A as required by USDA. See attached definition of market value contained in Fannie Mae Form 1004.

FHA:

SOURCE FOR DEFINITION OF MARKET VALUE: The source of the definition of market value is obtained in HUD Handbook 4150.2 Paragraph 4-1A. See attached definition of market value contained in Fannie Mae Form 1004.

LAND:

SOURCE FOR DEFINITION OF MARKET VALUE: The source of the definition of market value is obtained in 12 C.F.R. 34.42 (g). See attached definition of market value contained herein.

NCUA:

SOURCE FOR DEFINITION OF MARKET VALUE: The source of the definition of market value is obtained in 12 CFR 722.2(f). See attached definition of market value contained herein.

Land Value – Allocation/Ratio Method (When Applicable):

Page 3 of URAR- In that the State of Texas is a non-disclosure state, data regarding land sales is extremely limited. I was not able to identify any vacant land sales from within the subject development or the immediate surrounding area. Due to the lack of any vacant land sales, I utilized the Allocation/Ratio Method to assign land value. Similar sites within the development with similar sized improvements have an allocation ratio range of 21.02% to 26.90% with a mean ratio of 24.42%, a median of 25.04%, and a mode of 25.04%. Reconcile allocation ratio of 25% (result rounded).

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ASSUMPTIONS and EXTRAORDINARY ASSUMPTIONS:

This appraisal is subject to the following conditions and/or assumptions (others may be included in this report). This information is being provided in an effort to provide full disclosure of the conditions under which this appraisal was completed. Extraordinary assumption is defined by USPAP as "an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions." The standard scope of appraisal practice does not require me to investigate the legality of the construction of the original subject structures. I did not investigate the legality of the proposed construction of the improvements and I presume that the structure to be built has any and all required building permits. Concerned properties should contact the owner regarding this matter. I did not investigate the subject, nor the comparable sales, to form an opinion regarding 1) a death may have occurred at the properties or 2) if any prior criminal acts have been committed at the properties. I have no knowledge of any such occurrences or acts, nor was I informed by any third party regarding such occurrences or acts. An extraordinary assumption is utilized with regard to any deaths and/or criminal acts that may have occurred. This type of investigation is beyond the standard scope of appraisal practice.

I did not conduct an investigation into "Megan's Law" (which was passed by Congress in 1996, said law governs sex offender registration and community notification) as it relates to the subject, the immediate market area of the subject and the comparable sales. This type of investigation is beyond the standard scope of appraisal practice and normal appraisal business practices. I did not notice any posting of code violations at the subject property, nor was I informed by any third party of any such violations. I did not conduct an investigation to determine if a notice of pendency of action relative to a code violation has been recorded against the subject property by the local code enforcement agency relative to violations of Health and Safety Codes and/or applicable sections of the Code of Civil Procedure. This type of investigation is beyond the scope of appraisal practice. I am not a building contractor or a qualified home inspector. My expertise is in determining value only. I am not qualified to observe or report on physical items that are not easily visible. Any parties to this transaction having concerns regarding structural, mechanical, infestation, contamination or other issues about the subject property are urged to consult an expert in the appropriate field. While others "may rely" on the report, they should not rely on it to disclose condition and defects. An extraordinary assumption is utilized that the subject property is similar and conducive to other properties within the subject's market area with regards to the items listed above.

An extraordinary assumption is utilized in that all data obtained from realtors regarding the comparable sales submitted herein is accurate. If found to be false, my opinions and conclusions could be affected.

ALLOCATION METHOD (WHEN APPLICABLE):

The Allocation method is not commonly used, but if a newly constructed home is built on a site that was purchased recently, it can be effective. The Allocation method can be applied as a percentage or proportion of the total value of an improved property. For a comparable improved sale, either the land or building

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portion must be determined. If the house is relatively new, estimating the cost of improvements and dividing the costs by the sales price of the house will give you the percentage of the improvements to the purchase price of the comparable. The allocation method is not as reliable to apply on an older house because estimating accrued depreciation is too subjective. If new developments are being constructed nearby, consultation with the developers is helpful if the developers can provide the building costs associated with the houses being sold. This includes site improvements, such as landscaping, driveway, open patios, and swimming pools. For example, a relatively new house sells for \$300,000 and you determine the cost of the building improvements and site improvements to be \$200,000. The improvements represent 66.7 percent of the overall purchase price. That leaves 33.3 percent attributable to the land. If houses that are recently sold nearby the subject property range from \$270,000 to \$320,000 and are overall similar to the subject improvements (land-to-building ratio, age/condition and extra features), applying the 33 percent would indicate a land value ranging from \$89,900 to \$106,600, rounded. While an allocation as a ratio of land to total sale price indicates a ratio of one to three in this example (land portion is \$100,000/total sale price \$300,000), it is easier to apply the allocation method as a percentage of land to total sale price.

EXTRACTION METHOD (WHEN APPLICABLE):

In a nutshell, site value is the difference between the sale price of a property and the contributory value of its improvements. So how do you determine the contributory value of the improvements? There are several ways to do this. The contributory value of the improvements is the same as the depreciated value of the improvements as observed in the market. In other words, it can be construed as cost new, less the accrued depreciation. Accrued depreciation is calculated as the effective age divided by the total economic life of the improvements. When valuing the subject property the appraiser calculates the effective age by an onsite visit to the property and observes any physical deterioration in order to arrive at the effective age. However, the appraiser does not have the luxury of visiting the interior of a comparable sale or even walking around the outside of the comparable sale that is a good candidate for the site value by the abstraction method. But if the property is listed on the Multiple Listing Service, there is a possibility that there are photographs of the interior and exterior of the property. Therefore, the proper procedure would be for the appraiser to calculate the replacement cost new of the improvements first and then subtract the depreciated value (contributory value) of the improvements. But what about the site improvements such as the swimming pool, driveway, landscaping, etc? That too has to be subtracted from the replacement cost new of the improvements. Where do you get your replacement cost figures? There are several sources. One is Marshall & Swift (also referred to as Marshall Valuation Service). The other is Building-Cost.net. Another method, though one that is not supportable, is to obtain the Property Assessor's estimate of the depreciated value of the improvements of a recently closed sale. The land value would be the sales price less the property assessor's estimate of the depreciated value of the improvements. I indicate that this is not supportable because an owner can have their property assessment successfully appealed resulting in a reduction in the improvement portion of the assessment while another recently sold house may not have had their property assessment appealed, resulting in no reduction. Assessments are based on the mass appraisal system and not looked at

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individually.

Example as follows:

Property Address

100 Prospect Drive
230 Albondigas Ave.

Date of Sale

August 2012

September 2012

Sale Price (A)

\$450,000

\$375,000

Replacement Cost New

\$275,000*

\$250,000*

Less: Depreciation of Improvements

\$68,750**

\$83,250***

Depreciated Value of Improvements (B)

\$206,250

\$166,750

Site Value (A less B)

\$243,750

\$208,250

Site Size

15,000 sq. ft.

12,000 sq. ft.

Site Value per Sq. Ft.

\$16.25

\$17.35

* Based on Building-Cost.net

** Based on an Effective Age of 15 years and a Total Economic Life of 60 years

(15/60 =

25%)

*** Based on an Effective Age of 20 years and a Total Economic Life of 60 years

(20/60 = 33.3%).

Data bases utilized:

All comps are the most recent activity discovered of homes considered overall similar to the subject from within the subject's immediate and greater market areas. Extensive research was conducted in the GMAR MLS and tax records via HCAD with the comparables utilized being considered to be the best available and overall most representative of the subject's market.

Best sales utilized:

The comparable sales presented within this report are considered to be the best available to this appraiser at the time for comparison to the subject. Comparable sales information is based on MLS and/or local government records. All comparable sales have been verified as closed by the MLS and/or governmental records, unless otherwise noted. All adjustments are market derived and are at

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market direction.

Reconciliation of Approaches on Form:

The direct market approach is given all emphasis. The cost approach is not developed per client instructions. The income approach is not given emphasis due to the data being considered inconclusive.

PHYSICAL ADDRESS: Regardless of any existing title or survey, the UAD requires that the address for the subject match that which is provided by the United States Postal Service. Per Fannie Mae/Freddie Mac, HUD/FHA, and VA guidelines, the appraisal's subject property address must match the address provided by the USPS in order to be UAD/UCDP compliant. Verification of the address can be found at www.usps.com. Any request to change the address will make the report non-compliant with UAD and may result in the report being unacceptable for delivery to the Secondary Market.

GRID ADJUSTMENTS MADE ON DIFFERENCES: Appraising is an art in which appraisers apply their observations, judgments and experience to the analysis and interpretation of data extracted from the marketplace in order to arrive at grid adjustments in the Sales Comparison Analysis. Subject appraisal falls within these acceptable professional appraisal parameters.

This appraiser completed this assignment with no influence on value (written or verbal) from any party connected with this assignment as referenced in the signed certification located on page 5 of the URAR (Items 16 and 18). To this appraiser's knowledge and only to the extent to which this appraiser would know (from the appraisal receiving end), the subject appraisal is in compliance with the Fannie Mae/Freddie Mac Appraiser Independence Requirements (AIR), Appraiser Independence Safeguards (I). Requirements such as Acceptability of Subsequent Appraisals (II), Borrower Receipt of Appraisal (III), Appraiser Engagement (IV), Use of Reports (V), Transfer of Appraisals (VI), Referrals of Appraisal Misconduct (VII), and Compliance (VIII) are requirements that are unknown to this appraiser. This appraiser is not related to the owner of the subject property, and if this is a purchase, not related to the buyer.

VALUATION METHODOLOGY: The valuation of residential property utilizes three approaches to value. The three approaches are: 1) The Cost Approach, 2) The Sales Comparison Analysis, 3) The Income Approach. The Scope of Work decision made by me, in communication with the client, is based on the appropriateness of each approach to value and its necessity for credible assignment results. Relevant data is developed and analyzed to produce a value from each of the approaches performed. Data for each approach utilized is gathered from the market place. Items of both similarity and dissimilarity in comparable properties are analyzed and adjustments are made for the differences recognized in the market. Finally, the indicators of value developed are correlated with reference to the quality and quantity of data available and analyzed along with the applicability or suitability of the approaches used to produce the final opinion of value in accordance with USPAP Standards Rule 1-6.

ADDITIONAL FEES: This appraiser was assigned to appraise the subject property for either lending purposes or for an estimate of market value. This

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| Borrower | N/A | | | | | | |
| Property Address | 000 Minnesota Road | | | | | | |
| City | San Juan | County | Hidalgo | State | TX | Zip Code | 78589 |
| Lender/Client | Jesus Bermudez | | | | | | |

appraiser has performed the appraisal in accordance with the scope of work requested by the client and/or borrower. Additional fees may be imposed as an hourly fee on any future requests for additional services regarding this appraisal. This may include, but is not limited to court appearances, depositions, appearances for a subpoena, additional comparable searches, lender transfers, additional trip charges, etc.

APPRAISAL: As defined by USPAP, "the act or process of developing an opinion of value; an opinion of value." Comment: "An appraisal must be numerically expressed as a specific amount, as a range of numbers, or as a relationship (e.g. not more than, not less than) to a previous value opinion or numerical benchmark (e.g. assessed value, collateral value)."

APPRAISER: As defined by USPAP, "One who is expected to perform valuation services competently and in a manner that is independent, impartial, and objective." This appraiser is not a licensed home inspector, building inspector, plumber, roofer, electrician, structural engineer, exterminator, environmental inspector, etc. Any concerns regarding issues other than valuation services as an appraiser should contact a professional in that field.

SUBJECT PROPERTY: This appraiser makes no guarantees to the integrity of these said items and utilizes an extraordinary assumption that everything is in proper working condition with no structural, mechanical, or cosmetic issues unless otherwise noted in this report. If it is discovered later (by a professional in that respective field) that there are issues with the above referenced items, the value herein could be affected. If the subject is located within a municipality, legal permitting for additions, etc. was not performed as this is beyond the purview of an appraiser's task and statutory qualifications. If a survey was not provided for review, the site dimensions noted herein are an estimate in an effort to give the reader an idea as to the functionality/layout of the lot. If a survey shows a significant difference in dimensions, the value conclusion might be impacted. Furthermore, easements, underground pipelines (if any), encroachments, and flood determinations are not guaranteed as a survey may not have been provided. This appraiser utilizes a computer program for determining flood zones. This program does not indicate that the subject is in the flood zone; however, a survey should be conducted to determine. This appraiser makes no guarantees that the subject is either in or out of the flood zone.

ASSUMPTIONS and EXTRAORDINARY ASSUMPTIONS: Defined by USPAP as "an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions."

The standard scope of appraisal practice does not require me to investigate the legality of the construction of the original subject structures. I did not investigate the legality of the proposed construction of the improvements and I presume that the structure to be built has any and all required building permits. Concerned properties should contact the owner/builder regarding this matter.

I did not investigate the subject, nor the comparable sales, to form an opinion regarding 1) a death may have occurred at the properties or 2) if any prior criminal acts have been committed at the properties. I have no knowledge of any such occurrences or acts, nor was I informed by any third party regarding such

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occurrences or acts. An extraordinary assumption is utilized with regard to any deaths and/or criminal acts that may have occurred. This type of investigation is beyond the standard scope of appraisal practice.

I did not conduct an investigation into "Megan's Law" (which was passed by Congress in 1996, said law governs sex offender registration and community notification) as it relates to the subject, the immediate market area of the subject and the comparable sales. This type of investigation is beyond the standard scope of appraisal practice and normal appraisal business practices.

I did not notice any posting of code violations at the subject property, nor was I informed by any third party of any such violations. I did not conduct an investigation to determine if a notice of pendency of action relative to a code violation has been recorded against the subject property by the local code enforcement agency relative to violations of Health and Safety Codes and/or applicable sections of the Code of Civil Procedure. This type of investigation is beyond the scope of appraisal practice.

I am not an environmental inspector. An extraordinary assumption is utilized regarding the subject being safe, habitable, and having no environmental issues. Any concerns regarding environmental issues should contact a professional in that field.

I am not a surveyor. I have utilized computer models for flood zone determination. Any concerns with flood zone delineation should be discussed with a professional surveyor as the information obtained by me for the purpose of this appraisal may not be correct.

I am not a building contractor or a qualified home inspector. My expertise is in determining value only. I am not qualified to observe or report on physical items that are not easily visible. Any parties to this transaction having concerns regarding structural, mechanical, infestation, contamination or other issues about the subject property are urged to consult an expert in the appropriate field. While others "may rely" on the report, they should not rely on it to disclose condition and defects. An extraordinary assumption is utilized that the subject property is similar and conducive to other properties within the subject's market area with regards to the items listed above.

An extraordinary assumption is utilized in that all data obtained from real estate agents and Realtors regarding the comparable sales submitted herein is accurate. If found to be false, my opinions and conclusions could be affected.

REAL PROPERTY INTEREST APPRAISED: Real property includes the benefits and rights inherent in the ownership of physical real estate. Real property includes the bundle of rights that is inherent in the ownership of real estate. The bundle of rights theory maintains that ownership of a parcel of real estate may embrace many rights, such as the right to its possession, occupancy, and use; the right to enjoy; the right to improve; the right of exclusion; the right of disposition (right to sell in whole or in part, the right to bequeath, the right to lease), the benefits to be derived by occupancy and use of the real estate. The interest of the appraised real property is that of a Fee Simple absolute interest, a hypothetical condition. An absolute Fee Simple interest is without limitations to any particular class of heirs or restrictions, but subject to the limitations of police power, eminent domain, taxation and escheat. It is an inheritable estate. The actual interest is more liken to a Fee Simple Defeasible estate in that certain "absolute" rights of use are restricted based on the legal limitations of the zoning and deed covenants. Those defeasance on the "absolute" Fee Simple interest do not negatively affect the

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marketability or value of the subject as it is similar to ownership of surrounding residential properties in the market area.

ETHICS RULE: I recognize and accept my fiduciary relationship with the client, Jesus Bermudez, and complied with the defined requirements of said provision as mandated by USPAP (Uniform Standards of Professional Appraisal Practice). This report is intended for use only by the client identified herein. Use of this report by others is NOT intended. The intended use of this appraisal is for the client to evaluate the subject of this appraisal for decisions making purposes. Data included herein complies with the current appraisal standards of USPAP. This appraisal is for use by the client as identified herein only for the purpose mentioned above and no other. My appraisal was not performed for the purpose of determining insurable value and should not be relied upon as such. There are factors involved in insurable value that are not addressed by the Cost Approach (demolition, debris removal, etc.). This appraisal was performed for the purpose of rendering an opinion of current market value for the subject, and described within this report of the "Fee Simple" interest in the subject real property with improvements, as of August 12, 2015, (at approximately 10:42 a.m.), being the same as the effective date of the appraisal.

COMPETENCY RULE: The Competency Rule applies to factors such as, but not limited to, an appraiser's familiarity with a specific type of property, a market, a geographic area, or an analytical method. I have a working knowledge and experience with appraising properties similar to the subject, the market area, and all forms of analysis included herein to form a credible result. I am a Certified Residential Real Estate Appraiser in the State of Texas.

EXTRAORDINARY ASSUMPTIONS and HYPOTHETICAL CONDITIONS: I have used extraordinary assumptions and hypothetical conditions and referenced them throughout this report. The reader should be aware that the use of these extraordinary assumptions and hypothetical conditions might have affected the assignment results.

I am not a licensed home inspector, building inspector, plumber, roofer, electrician, structural engineer, exterminator, environmental inspector, etc. Any concerns regarding such issues should contact a professional in that field. I make no guarantees to the integrity of these said items and utilize an extraordinary assumption that such items are in proper working condition with no structural, mechanical, electrical, plumbing, issues unless otherwise noted in this report.