

**Appraisal Report of a Neighborhood Park
(Aurora Park)**

Property Location:

Aurora Valley Drive (North Side),
East of Dillon Avenue
North of Donna, Texas 78537

Prepared For:

Mr. Jaime Gonzalez, CPA, RML0
RHODES ENTERPRISES, INC.
200 South 10th Street
McAllen, Texas 78501

Date of Report:

October 11, 2016

Aguirre & Patterson, Inc.

Real Estate Appraisal & Consulting Services

Aguirre & Patterson, Inc.

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October 11, 2016

Mr. Jaime Gonzalez, CPA, RMLO
RHODES ENTERPRISES, INC.
200 South 10th Street
McAllen, Texas 78501

RE: An appraisal report of a neighborhood park (Aurora Park) situated along the north side of Aurora Valley Drive, east of Dillon Road, north of Donna, Texas 78537.

Dear Mr. Gonzalez:

In accordance with your request, we submit an appraisal report of the above referenced property, which is legally described on Page 10 of the attached report. The property was inspected on October 6, 2016.

The intended use of the appraisal is to provide the appraisers' opinion of the market value estimate of the subject property as of the effective date indicated in the appraisal and according to the definitions contained in the written report and subject to the Underlying Assumptions and Limiting Conditions contained herein. This appraisal is intended to conform to the generally accepted appraisal standards as evidenced by the Uniform Standards of Professional Appraisal Practice.

As a result of the appraisal and analysis, it is the appraisers' opinion that the market value of the subject including contributory value of site improvements, as of October 6, 2016, is estimated to be as follows:

NINE HUNDRED AND FIFTEEN THOUSAND DOLLARS
(\$915,000.00)

Based upon the appraisers' analysis of past events assuming a competitive and open market, the appraisers estimate a reasonable marketing period for this type of property at the market value estimated in this report to not exceed twelve to eighteen months.

Based upon the appraisers' analysis of past events assuming a competitive and open market, the appraisers estimate a reasonable exposure period for this type of property at the market value estimated in this report would not have exceeded twelve to eighteen months.

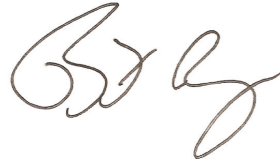
Rhodes Enterprises, Inc.
October 11, 2016
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The supporting data and the analysis and conclusions upon which this value is based are contained in the accompanying report.

Respectfully submitted,



Joe Patterson, MAI, SRA
President, TX-1321595-G



Brian K. Payne
Associate, TX-1336847-G

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CERTIFICATION

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

- ✓ The statements of fact contained in this report are true and correct.
- ✓ The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- ✓ 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.
- ✓ 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 to 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*.
- ✓ I have made a personal inspection of the property that is the subject of this report.
- ✓ No one provided significant real property appraisal assistance to the persons signing this certification.
- ✓ 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 & Standards of Professional Appraisal Practice of the Appraisal Institute.
- ✓ The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- ✓ As of the date of this report, Joe W. Patterson, MAI, SRA has completed the continuing education program of the Appraisal Institute.



Joe Patterson, MAI, SRA
TX-1321595-G

___ Did ___ Did Not Physically
Inspect the Property



Brian K. Payne
TX-1336847-G

X Did ___ Did Not Physically
Inspect the Property

SUMMARY OF IMPORTANT DATA

TYPE PROPERTY: Neighborhood park (Aurora Park)

LOCATION: Aurora Valley Drive (north side), east of Dillon Road, north of Donna, Texas 78537

DESCRIPTION: The subject property is two slightly irregular shaped corner tracts. Tract A has approximately 6.008 acres and sits at the northwest corner of Aurora Valley Drive and Bella Vista. Tract B is 5.935 acres and sits at the northeast corner of Aurora Valley Drive and Bella Vista. Therefore, total site area is 11.943 acres. The subject is currently utilized as a neighborhood park. Site improvements include steel pavilion with two restrooms and storage room, asphalt paved parking lot, perimeter fencing, sports fields, underground irrigation, and exterior lighting. Easements appear complimentary including typical utility, irrigation and road right-of-way. Municipal water and sewer are available and connected. Electrical, telephone, internet and natural gas service are available from several providers. The Hidalgo County Sheriff's Department is responsible for police protection.

ZONING: None.

DATE OF INSPECTION/EFFECTIVE DATE OF MKT. VALUE ESTIMATE.....October 6, 2016

ESTIMATE OF MARKET VALUE INCLUDING CONTRIBUTORY VALUE OF SITE IMPS.....\$915,000.00

DATE OF REPORT.....October 11, 2016

PRESENT USE: As of the effective date, the subject is a vacant land tract being utilized as a neighborhood park. The appraisers' value estimate reflects the present use.

MARKETING PERIOD: With adequate advertising, exposure and aggressive marketing, the appraisers estimate the marketing period not to exceed twelve to eighteen months. This is based primarily on marketing data presented in the Multiple Listing Service and the appraisers' knowledge of this particular submarket.

EXPOSURE PERIOD: Based upon the appraisers' analysis of past events assuming a competitive and open market, the appraisers estimate a reasonable exposure period for this type of property at the market value estimated in this report would not have exceeded twelve to eighteen months.

TAXES: The subject real estate is currently assessed as land only by the Hidalgo County Appraisal District for \$182,083.00 with combined tax rate of \$2.4175 per \$100.00 (Geographic ID Nos. A6457-04-000-000A-00 and A6457-04-000-000B-00). The annual "as is" tax burden for the subject is estimated to be \$4,401.86, which appears reasonable.

OWNERSHIP HISTORY: According to the information provided, the current owner of record is Rhodes ML, Ltd. who has owned the subject in excess of three years. The subject is not currently listed for sale. No further information is known by the appraisers.

SUMMARY OF IMPORTANT DATA (continued)

TERMS: Typical terms would be 10% to 30% down; 5% to 8% interest rate; amortized over a period of 15 to 30 years; term of 3 to 30 years.

PERTINENT INFORMATION: All pertinent information was provided to the appraisers.

MARKET TRENDS: Signs of recent sales activity and increased lending indicate that the local real estate market is slowly recovering from a stagnant economic climate. This trend of slow recovery is expected to continue through 2016.

STATEMENT OF COMPLIANCE: This appraisal is intended to conform to generally accepted appraisal standards as evidenced by the Uniform Standards of Professional Appraisal Practice.

STATEMENT OF COMPETENCY: The appraisers have a total of over 60 years' experience in the real estate appraisal business, which includes the appraisal of similar projects; therefore, have attained the necessary knowledge and experience to competently complete this assignment (See Qualifications).

CONTINGENCY PROVISION: The appraisers certify that their compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event. Furthermore, this appraisal assignment is not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

DISCOUNTING PROCESS: The discounting process is only considered applicable when: 1) the subject is proposed construction and it is estimated that the construction will take over six months to complete; 2) the subject is partially leased and the absorption period is estimated to be more than six months; 3) the subject is being leased at other than market rent; or 4) the subject is a large project with several unsold units. The discounting process not deemed necessary in the valuation of the subject property.

FLOOD DESIGNATION: The appraisers are not experts in determining the flood zone designation for the subject. No responsibility is assumed on our part for accurately determining the subject's flood zone. If an official survey or flood designation certificate is not provided, the appraisers estimate flood designation based on available FEMA flood maps and/or recorded subdivision maps. Because some of the information may be inconclusive, the appraisers' opinion of value is predicated on the assumption that the flood zone indicated herein is correct. According to FIRM Panel No. 480334 0425 C, revised November 16, 1982, the subject is located within flood zone "C", which is not a special flood hazard area requiring additional insurance.

CENSUS TRACT: According to the U.S. Geological Survey Department, the subject is located in Census Tract 235.15, Hidalgo County.

INCOME PROPERTY PROVISION: Not applicable; the subject of this appraisal is primarily vacant land. Vacant land is not typically held for its income producing potential.

SUMMARY OF IMPORTANT DATA (continued)

PERSONAL PROPERTY: This appraisal does not include personal property or furniture, fixtures, and equipment (FF&E).

DATA SOURCES: Sources used in investigating comparable sales and rental data include local multiple listing services, lenders, realtors, deed records, builders, developers, title companies, individuals and other appraisers.

STATEMENT CONCERNING DISABILITIES ACT: The Americans with Disabilities Act ("ADA") became effective January 26, 1992. The appraisers have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the appraisers have no direct evidence relating to this issue, possible noncompliance with the requirements of ADA in estimating the value of the property has not been considered.

ENVIRONMENTAL DISCLAIMER: No apparent environmental hazards were observed during the onsite inspection. However, the appraisers are not qualified to detect the existence of or cost to cure environmental contamination. The value estimated in this report is predicated on the assumption that no such condition exists.

PROPERTY INSPECTION DISCLAIMER: The appraisers are not licensed property inspectors. An inspection conducted by an appraiser is not the equivalent of an inspection by an inspection professional such as a structural engineer or a licensed property inspector. The extent of the appraiser's inspection process is an aspect of the scope of work, and may vary based on assignment conditions and the intended use of the assignment results. The appraiser's inspection is limited to those things readily observable without the use of special testing or equipment. The Appraiser has inspected as far as possible, by observation, the improvements and land; however, it was not possible to personally observe conditions beneath the soil or other hidden components. No representations are made herein as to these matters unless specifically stated and considered in the report.

PREFACE

An appraisal is a type of research into the laws of probabilities with respect to real estate transactions. The Insurance Industry can reliably predict that out of so many exposures a certain number of losses will occur. They, of course, cannot predict the exact insured on which this loss will fall. The appraiser can predict the general real estate market with much greater certainty than he can the value of a specific piece of property.

The appraiser who estimates market value of a particular property is merely stating his opinion of what such property most likely will bring in dollars if it is exposed for sale on the open market allowing a reasonable time for buyers to inspect and investigate before making their offers.

Through the appraiser's education, training, experience, and integrity he is able to relate how sellers and buyers have acted in the past into a forecast of how they most likely will act to the particular property in question. Because each particular property is different and unique, he must by necessity make adjustments in making comparisons to arrive at his final conclusions.

An appraisal does not necessarily set the price to be paid. It should be used to form a basis of negotiation between owner and prospective purchaser or between lender and borrower or between condemnor and condemnee.

This appraisal is not guaranteed. It cannot be proven. If the property brings the estimated value herein, or if a mortgage is predicated thereon, or if a settlement is made as a result of such estimated value, it merely means the parties concerned agreed with the appraiser. The parties may disagree and this does not disprove the estimated value. It merely means a difference of opinion.

Prices paid and awards made often reflect sentiment, compassion, sympathy, bias, politics, personal interest, specific needs, lack of understanding and other factors not considered by the impartial appraiser. The final opinion of value is the result of a professional opinion and analysis of a considerable quantity of physical and economic facts. The methods used in the analysis are explained in the appraisal report. The reader is invited to draw his own conclusions in the event of a difference of interpretation of the facts within the report.

This appraisal is made subject to certain basic assumptions, definitions and limiting conditions. These should be read by the reviewer.

PREMISES OF THE APPRAISAL

Identification of the Property

The subject property is situated along the north side of Aurora Valley Drive, east of Dillon Road, north of Donna, Texas 78537. The legal description as provided by the client is as follows:

A tract of land containing 6.008 acres situated in Hidalgo County, Texas, being all of Tract "A", Aurora Valley Phase 4 Subdivision, according to the plat thereof recorded in Instrument Number 2658607, Hidalgo County Map Records, said 6.008 acre tract also being more particularly described in the Addendum of this report (see Exhibit "A").

A tract of land containing 5.935 acres situated in Hidalgo County, Texas, being all of Tract "B", Aurora Valley Phase 4 Subdivision, according to the plat thereof recorded in Instrument Number 2658607, Hidalgo County Map Records, said 5.935 acre tract also being more particularly described in the Addendum of this report (see Exhibit "A").

Property Rights Appraised

This appraisal requires that the ownership of the subject property include all rights to title that may be legally owned. Such ownership is termed "fee simple" and said ownership is the property rights appraised in this report, excluding oil, gas and other mineral rights and subject to easements of record.

Intended Use of the Appraisal

The intended use of this appraisal is for counseling purposes.

Intended User of the Appraisal

The intended user of the appraisal is Rhodes Enterprises, Inc. and/or assigns.

Scope of the Appraisal

The appraisers performed an appraisal report of the subject property for Rhodes Enterprises, Inc. as our client in compliance with the minimum reporting requirements set forth in Standards Rule 2-2(a) of the current 2016-2017 Edition of the Uniform Standards of Professional Appraisal Practice (USPAP) for an appraisal report. The appraisers physically inspected the subject property on October 6, 2016, which included photographs of the subject property and access streets; analyze subject property data such as demographics, supply and demand, property size, location, and zoning; and performed a highest and best use analysis of the subject property. Two

PREMISES OF THE APPRAISAL (continued)

approaches to value were found to be relevant to the assignment, the Sales Comparison Approach (vacant land) and the Cost Approach (site improvements). This approach includes research and analysis of comparable land sales, construction costs, depreciation, and profit. The data was analyzed and correlated and the conclusions and opinion of market value presented.

Market Value Defined

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. 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:

1. Buyer and seller are typically motivated.
2. Both parties are well informed or well advised, and acting in what they consider their best interests.
3. A reasonable time is allowed for exposure in the open market.
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto.
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

¹ The Office of the Comptroller of Currency 12 C.F.R., Part 34, Subpart C-1 Appraisals 34-42 Definition (g); and, the Code of Federal Regulations, Title 12, Chapter III, Subchapter B, Sect. 323.2(g)

LIMITING CONDITIONS AND ASSUMPTIONS

By this notice, all persons and firms reviewing, utilizing or relying on this report in any manner bind themselves to accept these assumptions and limiting conditions. Do not use this report if you do not so accept. These conditions are a part of the appraisal report, they are a preface to any certification, definition, fact or analysis, and are intended to establish as a matter of record that the appraiser's function is to provide a present market value indication for the subject property based upon the appraiser's observations as to the subject property and real estate market. This appraisal report is an economic study to estimate value as defined in it. It is not an engineering, construction, legal or architectural study nor survey and expertise in these areas, among others, is not implied.

1. LIMIT OF LIABILITY:

The liability of the Patterson firm and employees and affiliated independent contractors is limited to the client only and to the fee actually received by appraiser (total per appraisal). Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The Appraiser is in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and/or legally. In the case of limited partnerships or syndication offerings or stock offerings in real estate, client agrees that in case of lawsuit (brought by lender, partner or part owner in any form of ownership, tenant, or any other party), any and all awards, settlements of any type in such suit, regardless of outcome, client will hold Appraiser completely harmless in any such action.

2. COPIES, PUBLICATION, DISTRIBUTION, USE OF REPORT:

Possession of this report or any copy thereof does not carry with it the right of publication, nor may it be used for other than its intended use; the physical report(s) remain the property of the Appraiser for the use of the client, the fee being for the analytical services only.

The Bylaws and Regulations of the American Institute of Real Estate Appraisers of the National Association of Realtors require each Member and Candidate to control the use and distribution of each appraisal report signed by such Member or Candidate; except as hereinafter provided, the client may distribute copies of this appraisal report in its entirety to such third parties as he may select; however, selected portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of this appraisal report. Neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations, news, sales or other media for public communication without the prior written consent of appraiser. (See last item following this list for client agreement-consent).

3. CONFIDENTIALITY:

This appraisal is to be used only in its entirety and no part is to be used without the whole report. All conclusions and opinions concerning the analysis as set forth in the report were prepared by the Appraiser(s) whose signature(s) appear on the appraisal report, unless indicated as "Review Appraiser". No change of any item in the report shall be made by anyone other than the Appraiser and/or officer of the firm. The appraiser and firm shall have no responsibility if any such unauthorized change is made.

LIMITING CONDITIONS AND ASSUMPTIONS (continued)

The Appraiser may not divulge the material (evaluation) contents of the report, analytical findings or conclusions, or give a copy of the report to anyone other than the client or his designee as specified in writing except as may be required by the American Institute of Real Estate Appraisers or the Society of Real Estate Appraisers as they may request in confidence for ethics enforcement, or by a court of law or body with the power of subpoena.

4. TRADE SECRETS:

This appraisal was obtained from Aguirre and Patterson, Inc. or related companies and/or its individuals or related independent contractors and consists of "trade secrets and commercial or financial information" which is privileged and confidential and exempted from disclosure under 5 U.S.C. 552 (b) (4). Notify the Appraiser(s) signing report or an officer of Aguirre and Patterson, Inc., of any request to reproduce this appraisal in whole or part.

5. INFORMATION USED:

No responsibility is assumed for accuracy of information furnished by work of or work by others, the client, his designee, or public records. We are not liable for such information as the work of possible subcontractors. Be advised that some of the people associated with Aguirre and Patterson, Inc. and possibly signing the report are independent contractors. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit or other source thought reasonable; all are considered appropriate for inclusion to the best of our factual judgment and knowledge. An impractical and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering and market-related information. It is suggested that the client consider independent verification as a prerequisite to any transaction involving sale, lease, or other significant commitment of funds to the subject property.

6. TESTIMONY, CONSULTATION, COMPLETION OF CONTRACT FOR APPRAISAL SERVICE:

The contract for appraisal, consultation or analytical service is fulfilled, and the total fee is payable upon completion of the report. The Appraiser(s) or those assisting in preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal, in full or in part, nor engage in post appraisal consultation with client or third parties except under separate and special arrangement and at additional fee. If testimony or deposition is required because of any subpoena, the client shall be responsible for any additional time, fees, and charges regardless of issuing party.

7. EXHIBITS:

The sketches and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photos, if any, are included for the same purpose as of the date of the photos. Site plans are not surveys unless shown from separate surveyor.

8. LEGAL, ENGINEERING, FINANCIAL, STRUCTURAL, OR MECHANICAL NATURE HIDDEN COMPONENTS, SOIL:

The appraiser and/or firm have no responsibility for matters legal in character or nature, nor of any architectural, structural, mechanical, or engineering nature. No opinion is rendered as to the title, which is presumed to be good and merchantable. The property is appraised as if free and clear, unless otherwise stated in particular parts of the report. The legal description is assumed to

LIMITING CONDITIONS AND ASSUMPTIONS (continued)

be correct as used in this report as furnished by the client, his designee, or as derived by the Appraiser.

Please note that no advice is given regarding mechanical equipment or structural integrity or adequacy, nor soils and potential for settlement, drainage, and such (seek assistance from qualified architect and/or engineer) nor matters concerning liens, title status, and legal marketability (seek legal assistance), and such. The lender or owner may wish to require mechanical or structural inspections by qualified and licensed contractor, civil or structural engineer, architect, or other expert.

The Appraiser has inspected as far as possible, by observation, the land and the improvements; however, it was not possible to personally observe conditions beneath the soil or hidden structural, or other components. We have not critically inspected mechanical components within the improvements and no representations are made herein as to these matters unless specifically stated and considered in the report. The value estimate considers there being no such conditions that would cause a loss of value. The land or the soil of the area being appraised appears firm, however, subsidence in the area is unknown. The Appraiser(s) do not warrant against this condition or occurrence of problems arising from soil conditions.

The appraisal is based on there being no hidden, unapparent, or apparent conditions of the property site, subsoil, or structures or toxic materials, which would render it more or less valuable. The appraiser and firm have no responsibility for any such conditions or for any expertise of engineering to discover them. All mechanical components are assumed to be in operable condition and status standard for properties of the subject type. Conditions of heating, cooling, ventilating, electrical and plumbing equipment is considered to be commensurate with the conditions of the balance of the improvements unless otherwise stated. No judgment may be made by us as to adequacy of insulation, type of insulation, or energy efficiency of the improvements or equipment, which is assumed standard for subject age and type.

If the Appraiser has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranties are made concerning obtaining the above mentioned items.

The Appraiser has no responsibility for any costs or consequences arising due to the need, or the lack of need for flood hazard insurance. An Agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.

9. LEGALITY OF USE:

The appraisal is based on the premise that, there is full compliance with all applicable federal, state and local environmental regulations and laws unless otherwise stated in the report; further, that all applicable zoning, building, use regulations and restrictions of all types have been complied with unless otherwise stated in the report; further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value estimate.

LIMITING CONDITIONS AND ASSUMPTIONS (continued)

10. COMPONENT VALUES:

The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.

11. AUXILIARY AND RELATED STUDIES:

No environmental or impact studies, special market study or analysis, highest and best use analysis study or feasibility study has been requested or made unless otherwise specified in an agreement for services or in the report.

12. DOLLAR VALUES, PURCHASING POWER:

The market value estimated, and the costs used, are as of the date of the estimate of value. All dollar amounts are based on the purchasing power and price of the dollar as of the date of the value estimate.

13. INCLUSIONS:

Furnishings and equipment or personal property of business operations except as specifically indicated and typically considered as part of real estate, have been disregarded with only the real estate being considered in the value estimate unless otherwise stated. In some property types, business and real estate interests and values are combined.

14. PROPOSED IMPROVEMENTS, CONDITIONED VALUE:

Improvements proposed, if any, on or off-site, as well as any repairs required are considered, for purposes of this appraisal to be completed in good and workmanlike manner according to information submitted and/or considered by the appraisers. In cases of proposed construction, the appraisal is subject to change upon inspection of property after construction is completed. This estimate of market value is as of the date shown, as proposed, as if completed and operating at levels shown and projected.

15. VALUE CHANGE, DYNAMIC MARKET, INFLUENCES, ALTERATION OF ESTIMATE BY APPRAISER:

The estimated market value, which is defined in the report, is subject to change with market changes over time; value is highly related to exposure, time, promotional effort, terms, motivation, and conditions surrounding the offering. The value estimate considers the productivity and relative attractiveness of the property physically and economically in the marketplace.

In cases of appraisals involving the capitalization of income benefits the estimate of market value or investment value or value in use is a reflection of such benefits and Appraiser's interpretation of income and yields and other factors derived from general and specific client and market information. Such estimates are as of the date of the estimate of value; they are thus subject to change as the market and value is naturally dynamic.

The "Estimate of Market Value" in the appraisal report is not based on whole or in part upon the race, color or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.

LIMITING CONDITIONS AND ASSUMPTIONS (continued)

The appraisal report and value estimate is subject to change if physical or legal entity or financing is different than that envisioned in this report.

16. MANAGEMENT OF THE PROPERTY:

It is assumed that the property which is the subject of this report will be under prudent and competent ownership and management; neither inefficient nor super-efficient.

17. CONTINUING EDUCATION CURRENT:

The Appraisal Institute conducts a voluntary program of continuing education for its designated members; MAI and SRA Designates who meet the minimum standards of this program are awarded periodic educational certification and; MAI(s) signing the report is/are currently under this program.

18. FEE:

The fee for this appraisal or study is for the service rendered and not for the time spent on the physical report or the physical report itself. Amount or payment of fee for services is not contingent on any result, approval amount or other estimates or statements.

19. INSULATION AND TOXIC MATERIALS:

In this appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of the building, such as the presence of urea-formaldehyde foam insulation, and/or the existence of toxic material or waste, or other environmental hazards, which may or may not be present on the property, has not been considered. The appraiser is not qualified to detect such substances. We urge the user of this report to retain an expert in this field if desired. If such is present, the value of the property may be adversely affected and, therefore, must be reappraised at additional cost.

20. REVIEW:

Unless otherwise noted herein, named review Appraiser of/from Aguirre and Patterson, Inc. has reviewed the report only as to general appropriateness of technique and format, and has not necessarily inspected the subject or market comparable properties.

21. CHANGES, MODIFICATIONS:

The Appraisers and/or officers of Aguirre and Patterson, Inc., reserve the right to alter statements, analysis, conclusions or any value estimate in the appraisal if there becomes known to us facts pertinent to the appraisal process, which were unknown to us, when the report was finished.

22. FHLBB REGULATIONS:

Federal Home Loan Bank Board has special requirement for appraisals to be used by Savings and Loan Associations for some types of loans; this appraisal is not intended to be used for such unless specifically stated otherwise in the report. Any additional research, analysis, and report writing may be undertaken at a later date upon client request at additional fee for time and costs.

23. AFTER TAX ANALYSIS AND/OR VALUATION:

Any "after" tax income or investment analysis and resultant measures of return on investment are intended to reflect only possible and general market considerations, whether as part of estimating value or estimating possible returns on investment at an assumed value or price paid; note that the

LIMITING CONDITIONS AND ASSUMPTIONS (continued)

Appraiser(s) does not claim expertise in tax matters and advises client and any other using the appraisal to seek competent tax advice as the Appraiser is in no way to be considered a tax advisor or investment advisor.

24. ACCEPTANCE OF, AND/OR USE OF, THIS APPRAISAL REPORT BY CLIENT OR ANY THIRD PARTY CONSTITUTES ACCEPTANCE OF THE ABOVE CONDITIONS. APPRAISER LIABILITY EXTENDS ONLY TO STATED CLIENT, NOT SUBSEQUENT PARTIES OR USERS OF ANY TYPE, and the total liability of appraiser and firm is limited to the amount of fee received by Appraiser.

DONNA CITY ANALYSIS

General Overview

The City of Donna is located in Hidalgo County, which is part of the Lower Rio Grande Valley of Texas. The city is located halfway between Brownsville and Rio Grande City on U.S. Highway 83. Donna enjoys all the same natural resources, physical attributes, agricultural and commercial trends that the rest of the Lower Rio Grande Valley experiences.

Population Data & Growth Statistics

According to the 2010 U.S. Census Bureau, the population of Donna was 15,798, which is a growth of approximately 7.0 percent from the 2000 population of 14,768. This growth is behind that of Hidalgo County as a whole, which expanded from 569,463 people in 2000 to 774,769 as of 2010, an increase of 36.1%. Hidalgo County leads the valley in overall population growth.

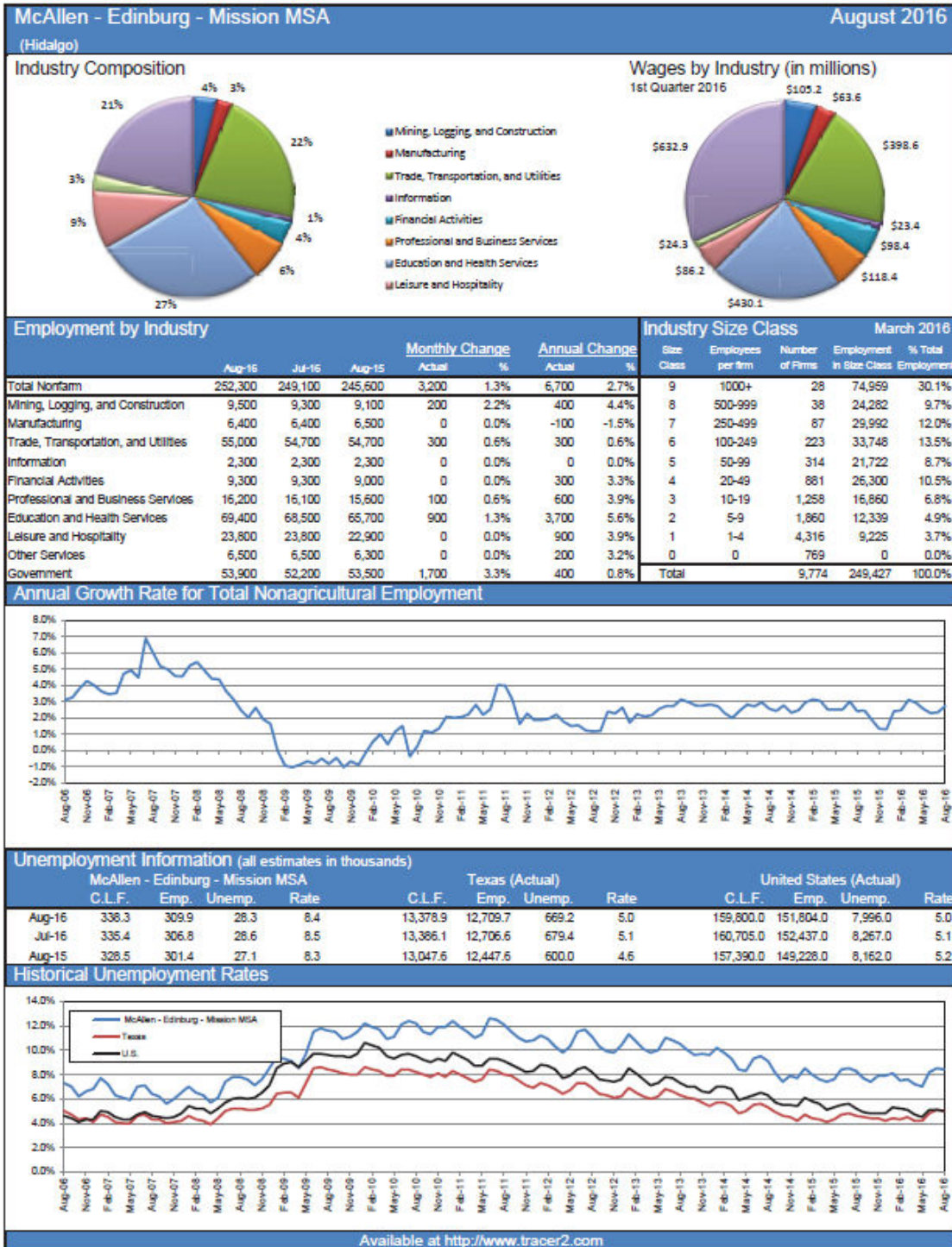
Employment Activity & Sources

Donna obtains its primary sources of income from farming, agricultural related activities and tourism, primarily during the winter months. The main crops are winter and summer vegetables, cotton, grain, sugar cane, and citrus. The major employers of the city are government related, including the local school system, produce and citrus shippers, and canning plants.

Unemployment figures are not available for the City of Donna. The rate of unemployment for Hidalgo County, according to the Texas Employment Commission as of August 2016 was 8.4%, which is considerably higher than the State of Texas rate of 5.0% for the same period.

In general, unemployment rates for Hidalgo County have traditionally been higher than the state average. Donna lies in the McAllen-Edinburg-Mission MSA. The following information from the Texas Workforce Commission Labor Market provides a snapshot of the economic activity and progress in the area:

CITY OF DONNA ANALYSIS (continued)



DONNA CITY ANALYSIS (continued)

Transportation

U.S. Expressway 83 and U.S. Business Highway 83 are the two major highways serving Donna. U.S. Business 83 runs east and west through the business section of town and connects with Weslaco to the east and Alamo to the west. U.S. Expressway 83 allows easy and quick access to other Valley towns. Recently, U.S. Expressway 83 became Interstate Highway 2. Streets inside the city limits of Donna are paved and maintained by the city.

City Government & Public Utilities

Donna's city government is formed with a mayor and city commissioners, all of which are elected at large. A city manager, which is a non-elected official, provides the day-to-day leadership of the city government. The City of Donna is the supplier of city water and sewer services, and Southern Union Gas Company is the gas supplier and distributor for the area. Electrical and telephone services are readily available from several different suppliers.

Summary

In review, the City of Donna should continue to prosper and grow in relation to the county as a whole. Current growth statistics demonstrate the largest increasing population for the mid Valley area. The City may soon receive bridge revenues from a new international bridge connecting Donna with the City of Rio Bravo in Tamaulipas, Mexico. The population of Rio Bravo is estimated to be between 150,000 and 200,000 people. All of these factors indicate a growing community and a generally favorable financial picture.

SUBMARKET ANALYSIS

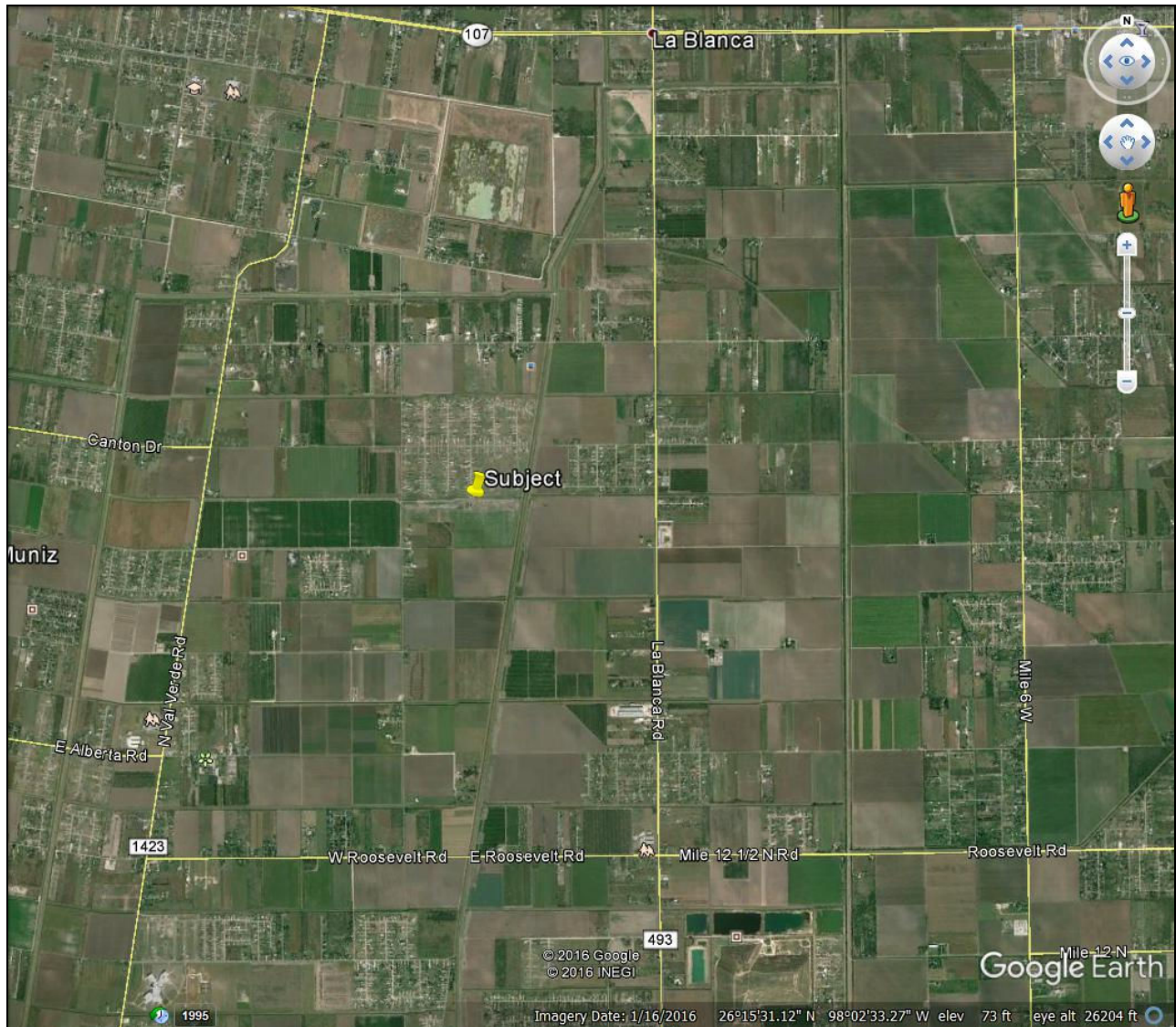
According to the Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Third Edition, a submarket is a division of a total market that reflects the preferences of a particular set of buyers and sellers. The submarket is considered to be bound by SH 107 on the north, Mile 6 West Road on the east, Roosevelt Road on the south and Val Verde Road on the west. The submarket lies in the semi-rural area north of Donna and Weslaco in eastern Hidalgo County, Texas.

FM 493 bisects the submarket and serves as a primary north/south artery for the City of Donna in the southern portion of the submarket. SH 107 extends eastward from Edinburg serving as a primary east/west thoroughfare for the submarket and connecting the smaller towns along its' path such as La Blanca, Edcouch, Elsa and Santa Rosa. Mile 6 West Road is a secondary north/south artery for the submarket. To the south, Mile 6 West Road becomes Westgate Drive in the City of Weslaco. Roosevelt Road serves the submarket as a secondary east/west feeder that runs concurrently with Mile 12 ½ North Road. Val Verde Road, a secondary north/south corridor, provides access to Donna south of the submarket. A network of paved feeders provides additional access to and through the submarket.

The submarket is characterized by commercial development in the northern portion of the submarket, near the intersection of SH 107. To the south, the land use pattern becomes more commercial in nature in close proximity to the Expressway. This commercial development is backed by residential development and vacant land. Much of the vacant land within the submarket is currently utilized for agriculture purposes. Common agricultural uses in the submarket include CRP tracts, grass pastures, row-crops and citrus orchards. The area is approximately 10-15% built up.

The market decline witnessed in 2009 appears to have reduced new development; however, the decline appears to have leveled off and there is improving activity within the submarket area. Market indicators are for continued growth and positive demand resulting from continued population growth. Current market indicators are for continued growth and activity for the remainder of 2016 and beyond.

SUBMARKET MAP



NOTE: Dated image. Not taken at time of inspection.

SITE ANALYSIS

The subject is comprised of two slightly irregular shaped adjacent corner tracts situated along the north side of Aurora Valley Drive, east of Dillon Road, north of Donna, Texas 78537. The two tracts combine to form a neighborhood park known locally as Aurora Park. According to information provided by the client, Tract "A" has 6.008 acres and sits at the northwest corner of Aurora Valley Drive and Bella Vista. Tract "B" lies at the northeast corner of Aurora Valley Drive and Bella Vista enjoying approximately 5.935 acres. Therefore total site area is 11.943 acres. There are open irrigation canals along the north and east boundaries of the subject site. Easements appear complimentary including typical road, utility, and irrigation right-of-way.

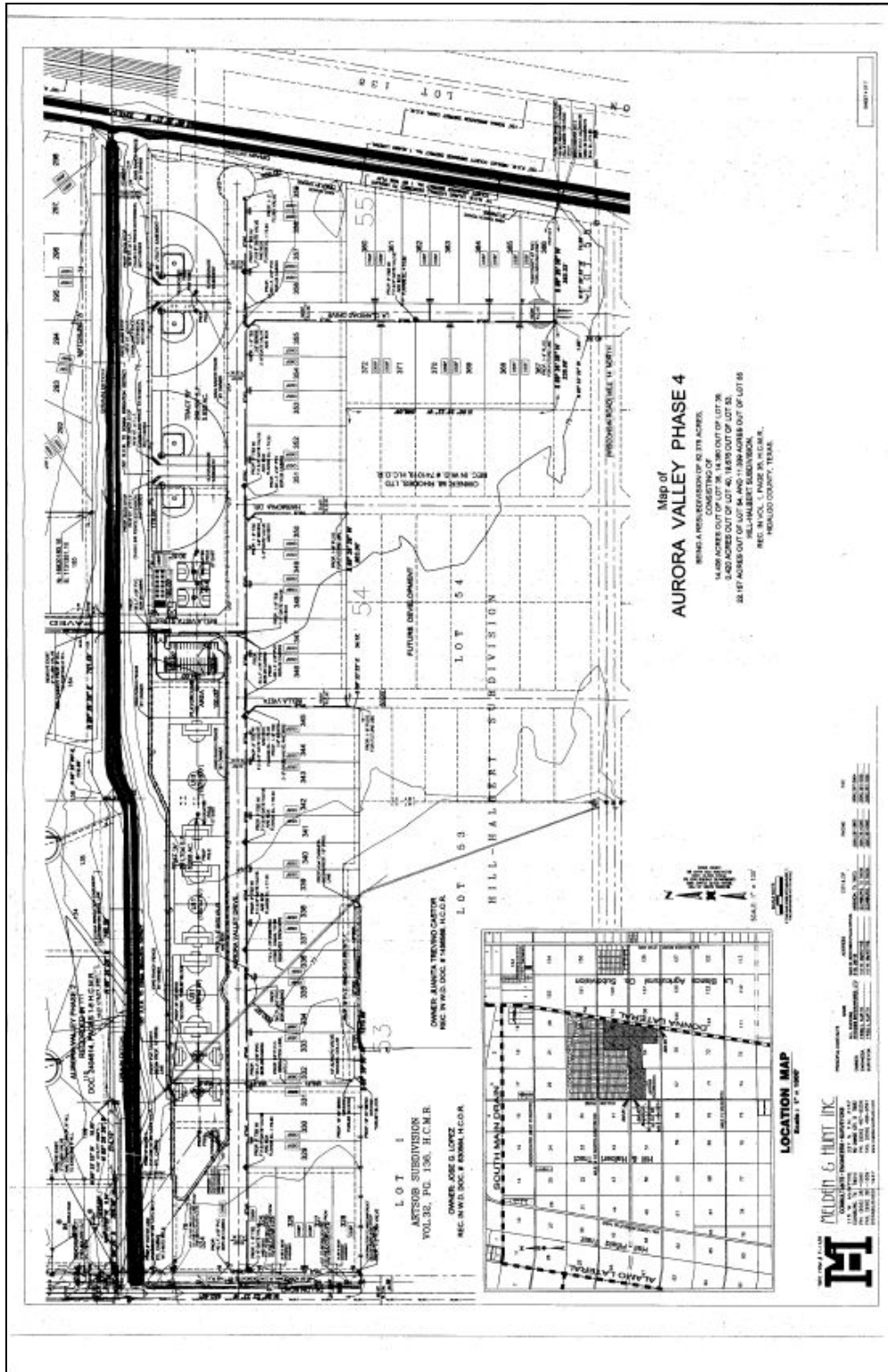
The subject is not bound by zoning restrictions. The surrounding land use pattern Aurora Valley Drive is primarily single-family residential in nature including finished homes and vacant residential lots awaiting future development. There are no known deed restrictions pertaining to site development. We have performed no survey, legal or engineering analysis of the property. It is assumed that the legal description and area computations furnished are accurate.

The subject is currently vacant land that appears basically level and planted in grass. There is a set of overhead power lines that traverse the entire subject east/west. There is a steel pavilion located at the northwest corner of Tract "B" with a concrete slab foundation. The majority of the pavilion is open with concrete picnic tables. Two concrete block restrooms and a storage room lie at the west end of the pavilion. Other site improvements include 5' chain link perimeter fence with access gates, underground irrigation, asphalt paved parking lot, and exterior lighting. The green area will be used for sports fields including the following; four (4) baseball/softball fields; two (2) basketball courts; five (5) soccer fields; and a playground area.

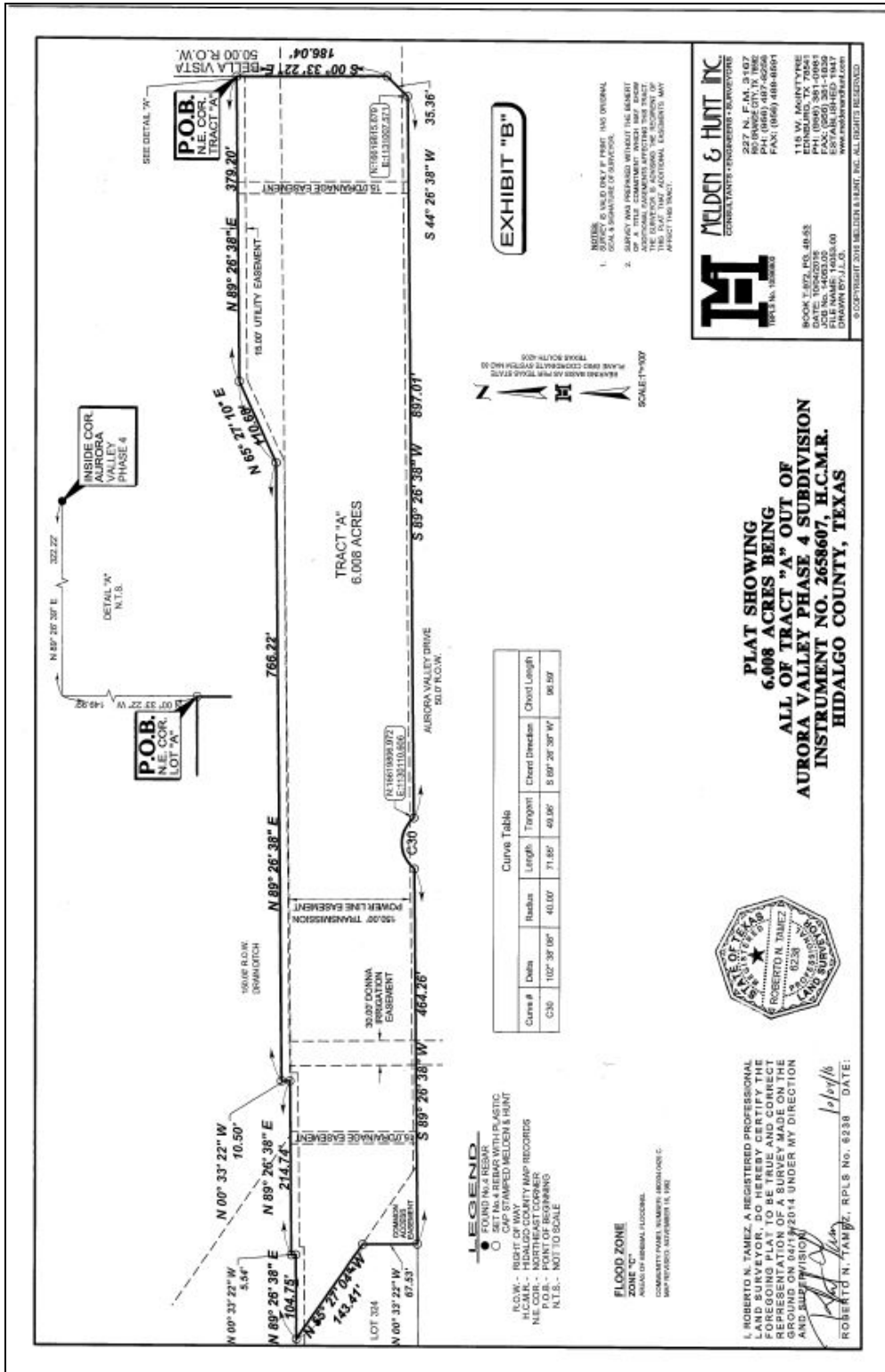
The subject site has good access and exposure from Aurora Valley Drive and Bella Vista, which are asphalt paved, undivided feeder at the subject site. Surface drainage appears good and the subject is basically level. Municipal water and sanitary sewer are available and connected to the site. Electrical, natural gas, and telephone service are available from several suppliers. The Hidalgo County Sherriff's Department provides police protection.

Soil conditions appear favorable with no apparent hazards or nuisances, which would adversely affect marketability. The overall tract appears to be generally level. According to FIRM #480334 0425 C, dated November 16, 1982, the subject appears to be located within Flood Zone "C", which is not a FEMA special flood hazard area requiring additional insurance. The census tract is 235.15, map reference Hidalgo County.

SUBDIVISION PLAT



SURVEY – TRACT “A”



SUBJECT FLOOD MAP



SUBJECT PHOTOGRAPHS

Looking west across Tract "A"



Looking east across Tract "B"



Pavilion



SUBJECT PHOTOGRAPHS (continued)

Parking lot



Looking east along Aurora Valley Drive, subject on left



Looking south along Bella Vista, Tract "A" on right and Tract "B" on left



ANALYSIS AND STATEMENT OF HIGHEST AND BEST USE

Definition and Scope

Highest and best use may be defined as "the reasonable and probable legal use of vacant land or an improved property that is physically possible, appropriately supported, and financially feasible and that results in the highest value."² The theoretical focus of highest and best use analysis is on the potential uses of the land as though vacant. In practice, however, the contributory value of the existing improvements and any possible alteration of those improvements are also important in determining highest and best use and, by extension, in developing an opinion of the market value of the property.

The first definition applies specifically to the highest and best use of land or site as though vacant. It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may very well be determined to be different from the existing use. The existing use may represent an interim use, which begins with the land value for the new highest and best use and adds the contributory value of the current improvements until the new highest and best use can be achieved.

An additional implication is that the determination of highest and best use results from the appraiser's judgment and analytical skill. The use determined from analysis represents an opinion, not a fact to be found. In appraisal practice the concept of highest and best use represents the premise upon which value is based.

The first type of highest and best use - highest and best use of land or a site as though vacant - assumes that a parcel of land is vacant or that it can be made vacant through the demolition of any improvements. The question to be answered in the analysis of this type of highest and best use is; if the land is (or was) vacant, what use should be made of it? That is, what type of building or other improvements (if any) should be constructed on the land? When a property's highest and best use can reasonably be forecast to change in the near future, the prevailing highest and best use is considered an interim use. For instance, the highest and best use of a farm in the path of urban growth would be interim use as a farm, with its future highest and best use as a potential residential subdivision. In certain cases, an appraiser's conclusion is that the highest and best use of a parcel of land is to be held vacant until price appreciates.

² Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, 2010, Page 93

ANALYSIS AND STATEMENT OF HIGHEST AND BEST USE (continued)

The second type of highest and best use - highest and best use of a property as improved - pertains to the use that should be made of the property, as it exists. Should a 30-year-old hotel building be maintained as it is, renovated, expanded, partly demolished, or any combination of these? Or should it be replaced with a use different in type or intensity? The use that maximizes the investment property's net operating income (NOI) on a long-term basis is its highest and best use.

Application

Highest and best use analysis builds on the conclusions of market/marketability analysis. The analysis of the land as though vacant focuses on alternative uses, with the appraiser testing each reasonably probable use for 1) legally permissibility 2) physically possibility, 3) financially feasibility, and 4) maximally productivity. In contrast, the appraiser applies the four tests in the analysis of the property as improved, but the focus is not on alternative uses but on three possibilities: continuation of the existing use, modification of the existing use, or demolition and redevelopment of the land. These criteria should usually be considered sequentially; it makes no difference that a use is financially feasible if it is physically impossible to construct an improvement or if such a use is not legally permitted. Only when there is a reasonable possibility that one of the prior unacceptable conditions can be changed is it appropriate to proceed with the analysis.³

1) Legally Permissible: There is no known deed or contractual restriction. The subject is not bound by zoning restrictions. The surrounding land use pattern includes residential development.

2) Physically Possible: The subject contains approximately 11.943 acres of site area. This size provides adequate space for residential use. The site has good access and exposure via Aurora Valley Drive and Bella Vista. The subject is generally level and there are no readily observable detrimental topography or sub-soil conditions. Municipal water and sanitary sewer are connected to the site. Police and fire protection are provided by the Hidalgo County Sheriff's Department. Telephone service, internet service, natural gas, and electrical service are available in the immediate area from several providers. Easements appear complimentary including typical road, utility and irrigation right-of-way.

³ Appraisal Institute, *The Appraisal of Real Estate*, Thirteenth Edition, 2008,

ANALYSIS AND STATEMENT OF HIGHEST AND BEST USE (continued)

3) Financially Feasible: All of the uses considered physically possible and legally permissible are also considered financially feasible. The amount of net income, which can be produced, should exceed the combined operating expenses, financial expenses, and capital amortization. Based on the previous criteria, residential use is expected to produce positive returns and is regarded as financially feasible.

4) Maximally Productive: Among the financially feasible uses, the use that provides the highest rate of return, or value, is the highest and best use. The appraisers estimate the maximally productive use of the site is residential use.

Highest & Best Use - As Vacant and As Improved

Based upon the preceding discussion, the appraisers estimate that the highest and best use of the entire subject site "as vacant" and "as improved" is for residential use.

APPRAISAL PROCESS

An appraisal is an estimate of value; it is an opinion of value. Its accuracy depends on the basic competence and integrity of the appraiser and on the soundness and skill by which he processes the data. The professional appraiser seeks current facts and seeks to be practical. The appraiser's opinion must be without bias. As with other types of "markets" the real property appraiser does not make the market, but rather interprets the market.

The three classic approaches to value, namely the Cost Approach, the Income Approach, and the Sales Comparison Approach, each discussed separately below, are all comparative approaches in that the basic data comes from direct comparisons in the market, indirect comparisons in the market, and/or the appraiser's judgment which is based on market experience.

In the Cost Approach, the cost to reproduce the property at the date of the appraisal, less an appropriate allowance for depreciation (physical deterioration, functional obsolescence, and economic obsolescence) is made by market comparisons of cost and depreciation. When the value of the land is added, a good measure of the overall property value is realized. This approach is used to estimate the contributory value of site improvements.

In the Income Approach, the projected operating experience is estimated from comparable market data. Gross rental schedules, vacancy and collection losses, fixed expenses, operating expenses, and reserves are estimated and result in an estimate of net income. This net income is converted to an estimate of value by a capitalization process. The capitalization rate (interest rate and recapture rate) is based on demonstrated rates found in the market. The method and technique of capitalization is determined by the nature of the property in the market. Vacant land is seldom purchased or sold for its' income producing potential; therefore, the Income Approach is not considered applicable in this appraisal.

In the Sales Comparison Approach, the subject property is compared to sales of similar properties. The sales are analyzed to bring out similar characteristics to common denominators. Such common denominators may include number of units, number of rooms, square feet, front feet or a gross rent multiplier. Where necessary, adjustments are made to allow for differences of date of sale, location, size of property, and other factors. This is a viable method of valuation for primarily vacant land tracts.

SALES COMPARISON APPROACH

Definition and Scope

“In the sales comparison approach, the appraiser develops an opinion of value by analyzing closed sales, listings, or pending sales of properties that are similar to the subject property. The comparative techniques of analysis applied in the sales comparison approach are fundamental to the valuation process. Estates of market rent, expenses, land value, cost, depreciation, or other value parameters may be derived in the other approaches to value using comparative techniques. Similarly, conclusions derived in the other approaches are often analyzed in the sales comparison approach to estimate the adjustments to be made to the sale prices of comparable properties.

“In the sales comparison approach, an opinion of market value is developed by comparing properties similar to the subject property that have recently sold, are listed for sale, or are under contract (i.e., for which purchase offers and a deposit have been recently submitted). A major premise of the sales comparison approach is that an opinion of market value of a property can be supported by studying the market’s reaction to comparable and competitive properties.”⁴

Steps in Applying the Sales Comparison Approach

In order to establish an indication of market value for the subject property, an orderly process takes place allowing the appraiser to carefully analyze the data gathered and form this data into an indication of market value for the property being appraised. This analysis follows a logical sequence whereby:

1. The appraiser finds properties similar to the subject for which sales, listings, contracts are available.
2. Comparable sales are qualified by the appraiser when he confirms the price, terms, motivation, or authenticity of each comparable.
3. Each comparable is then compared to the subject property giving consideration to the time of sale, location influences, and physical characteristics.
4. Each comparable is then evaluated and adjusted as being more, less, or equal in value to the subject property, based on each of the three broad classifications mentioned in Paragraph #3.

⁴ Appraisal Institute, *The Appraisal of Real Estate*, Thirteenth Edition, 2008, Pg. 297.

SALES COMPARISON APPROACH (continued)

5. After comparing the comparable sales to the subject property and making adjustments for any major dissimilarities, each comparable will then indicate a probable selling price. From these indicated values a final value estimate will be correlated.

Comparable Data

In selecting the comparable sales, the appraiser must identify comparable sales that have the same highest and best use as the subject; the comparable sales should be the most recent and similar to the subject; and, the data must be verified as "arms-length" transactions. The following data are considered the most recent and comparable "arms-length" transactions that are available to the appraisers:

SALES COMPARISON APPROACH (continued)

Land Comparable #1

Type Property: Speculative development land tract

Location: FM 2812 (north side), east of US Expressway 281, north of Edinburg, Texas

Date of Sale: April 2015

Consideration: \$200,000.00

Financing: Cash to Seller

Unit Price: \$14,631.00 per acre

Description: An irregular shaped inside tract of vacant land last used for agriculture purposes (citrus orchard); site dimensions not provided, approximately 13.67 net acres of site area; not bound by zoning, highest and best use estimated to be speculation for future residential development while utilizing for agricultural purposes consistent with the surrounding land use pattern; vacant land at time of sale; does not appear to be located in a special flood zone; originally listed for \$200,000.00, approximately 62 days on market.

Legal Description: 14.34 acres gross, more or less, out of Lots 4 and 5, Block 2, Santa Cruz Gardens No. 2 Subdivision, Hidalgo County, Texas.

Grantor: Charles H. Keilers

Grantee: GARCO, Ltd.

Confirmation: Agent (Navica MLS #247182789)

Recording: Document Number 2605499, Hidalgo County Deed Records

SALES COMPARISON APPROACH (continued)

Land Comparable #2

Type Property: Speculative development land tract

Location: Southwest corner of Val Verde Road and Canton Road, north of Donna, Texas

Date of Sale: March 2015

Consideration: \$510,000.00

Financing: Conventional

Unit Price: \$14,003.00 per acre

Description: An irregular shaped corner tract of vacant land last used for agriculture purposes (citrus orchard); site dimensions not provided, approximately 36.42 net acres of site area; not bound by zoning, highest and best use estimated to be speculation for future residential development while utilizing for agricultural purposes consistent with the surrounding land use pattern; vacant land at time of sale; does not appear to be located in a special flood zone; originally listed for \$800,000.00, approximately 302 days on market.

Legal Description: 36.421 acres net, more or less, out of Block 45, Hall Fifield Subdivision, Hidalgo County, Texas.

Grantor: Interstate & Dillon Partnership

Grantee: RHTJ Properties, Ltd.

Confirmation: Agent (Navica MLS #247174929)

Recording: Document Number 2594545, Hidalgo County Deed Records

SALES COMPARISON APPROACH (continued)

Land Comparable #3

Type Property: Speculative development land tract

Location: Southwest corner of Cesar Chavez Road and Mile 17 North Road, east of Edinburg, Texas

Date of Sale: May 2015

Consideration: \$157,500.00

Financing: Cash to Seller

Unit Price: \$18,863.00 per acre

Description: A basically rectangular shaped corner tract of vacant land last used for agriculture purposes (citrus orchard); 290' x 1,270', approximately 8.43 net acres of site area; not bound by zoning, highest and best use estimated to be speculation for future residential development while utilizing for agricultural purposes consistent with the surrounding land use pattern; vacant land at time of sale; does not appear to be located in a special flood zone; originally listed for \$179,000.00, approximately 465 days on market.

Legal Description: The North ½ of the North ½ of Block 250, Texas Mexican Railway Company's Subdivision, Hidalgo County, Texas.

Grantor: Hilario Nino, Jr.

Grantee: GARCO, Ltd.

Confirmation: Agent (Navica MLS #247172228)

Recording: Document Number 2608353, Hidalgo County Deed Records

SALES COMPARISON APPROACH (continued)

Land Comparable #4

Type Property: Speculative development land tract

Location: Mile 4 ½ West Road (east side), north of Sugar Cane Drive, north of Weslaco, Texas

Date of Sale: Active Listing

Consideration: \$100,000.00

Financing: Not Applicable

Unit Price: \$22,173.00 per acre

Description: A rectangular shaped inside tract of vacant land last used for agriculture purposes (citrus orchard/row crops); 165' x 1,191', approximately 4.51 net acres of site area; not bound by zoning, highest and best use estimated to be speculation for future residential development while utilizing for agricultural purposes consistent with the surrounding land use pattern; does not appear to be located in a special flood zone; originally listed for \$100,000.00, approximately 210 days on market.

Legal Description: The North 165 feet of the South 330 feet Excluding 100' x 165' of Farm Tract 92 AKA Tract 2, West Tract Subdivision, Hidalgo County, Texas.

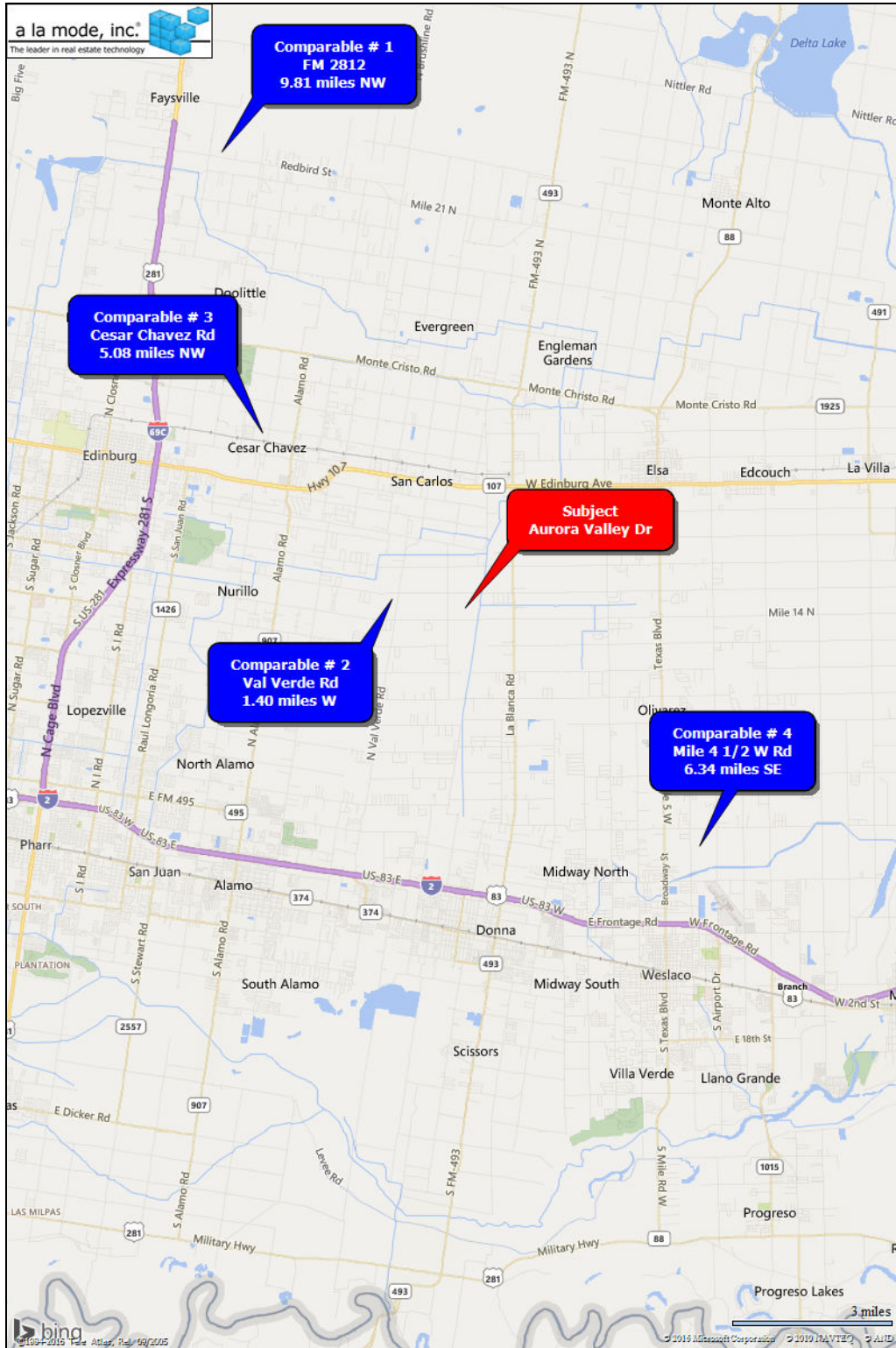
Grantor: Francisco Gomez

Grantee: Not Applicable

Confirmation: Agent (Navica MLS #247192402)

Recording: Not Applicable

COMPARABLE SALES MAP



SALES COMPARISON APPROACH (continued)

Comparable Adjustment Grid

Adjustment	Subject	Comp 1	Comp 2	Comp 3	Comp 4
Sale Price		\$200,000	\$510,000	\$157,500	\$100,000
Price/Acre		\$14,631	\$14,003	\$18,683	\$22,173
Financing Terms		Cash 0%	Conv 0%	Cash 0%	NA 0%
Conditions of Sale		Arms Length 0%	Arms Length 0%	Arms Length 0%	Arms Length 0%
Market Conditions		Apr-15 0%	Mar-15 0%	May-15 0%	Active 0%
Adjusted Price/Acre		\$14,631	\$14,003	\$18,683	\$22,173
Location	Aurora Valley Donna	FM 2812 Edinburg 0%	Val Verde Rd Donna 0%	Cesar Chavez Edinburg 0%	Mile 4 1/2 Weslaco 0%
Total Area	11.943	13.67 0%	36.42 15%	8.43 -5%	4.51 -10%
Utilities	Avail	Avail 0%	Avail 0%	Avail 0%	Avail 0%
Use	Park	Res/Ag 0%	Res/Ag 0%	Res/Ag 0%	Res/Ag 0%
Net Adjustments		0%	15%	-5%	-10%
Adj. Value per Acre		\$14,631	\$16,104	\$17,749	\$19,956

Adjusted Range: \$14,631.00 to \$19,956.00 per acre.

SALES COMPARISON APPROACH (continued)

Explanation of Adjustments

The comparable land sales presented represents the best available data. The appraisers searched extensively for sales of vacant land tracts being utilized as citrus orchards in the rural areas surrounding Donna. Three closed sales and an active listing were discovered as a result of that search. Financing terms are disclosed as conventional and cash to seller, which are considered typical financing terms for land sales in the market area so no adjustments are made. All of the comparable sales are understood to be "arm's length" transactions. The sales occurred in the in the past two years with no discernible change in sales prices in that time period.

The subject and Comparable Sale #2 front secondary feeders north of Donna. Comparable Sales #1 and #3 front secondary feeders east of Edinburg and Comparable #4 lies north of Weslaco. No adjustments are made for location. Size differences are based on the market phenomenon that smaller tracts typically command higher unit values (+/- 10% for doubling). The subject and comparable sales are considered similar in terms of usage (residential development). Therefore, no adjustments are made for usage. Adjustments are not based strictly on paired analysis but are rather tempered by the appraisers' knowledge of the subject market area.

Conclusion-Site Valuation

The three comparable sales presented produce the following adjusted values for the subject:

- Comparable #1 ----- \$14,631.00 per acre
- Comparable #2 ----- \$16,104.00 per acre
- Comparable #3 ----- \$17,749.00 per acre
- Comparable #4 ----- \$19,956.00 per acre

Greatest weight of consideration is accorded Comparable Sale #3 (most recent sale) with a unit value of \$17,750.00 per acre deemed reasonable (as rounded). The market value of the subject is developed below:

Subject:					
11.943	AC @	\$17,750.00	/ac =	\$	211,988.25

SALES COMPARISON APPROACH (continued)

Site Improvements

The subject is improved with a pavilion and site improvements including underground irrigation, fencing, exterior lighting, paved parking, etc. Cost figures were provided by the client and a summary is noted as follows:

Aurora Park Improvement Costs Thru 10/6/2016	
Category	Amount
Land--11.9ac @ \$17,500	\$ 209,002.50
Water, Sewer, Drainage & Paving Improvements	\$ 472,461.62
Park Improvements	\$ 186,770.44
Water Rights	\$ 17,550.00
MVEC lights	\$ 26,471.51
	\$ 912,256.07

The cost figures provided by the client were verified through Marshall's Valuation Service cost manual as well as conversations with local builders, developers, realtors, etc. Greatest weight is accorded the actual cost figures provided by the client.

The total market value estimate of the subject park is developed below:

Subject:					
	11.943	AC @	\$17,750.00	/ac =	\$ 211,988.25
				+	703,253.57
					\$ 915,241.82
			ROUNDED TO		\$ 915,000.00

CORRELATION

In appraising the type of site represented by the subject, the appraisers have determined that the Sales Comparison Approach is the only viable method of valuation. In the Sales Comparison Approach, market value is estimated by comparing the subject property to similar properties that have recently sold, are listed for sale, or are under contract (i.e., recently drawn up purchase offers accomplished by a cash equivalent deposit). A major premise of the Sales Comparison Approach is that the market value of a property is directly related to the prices of the comparable, competitive properties. Three comparable sales and an active listing are presented and after adjustments indicate a value of \$915,000.00, which includes contributory value of site improvements.

CERTIFICATE OF VALUE

It is the appraisers' opinion that the market value of the subject property, including contributory value of site improvements, as of October 6, 2016, is estimated as follows:

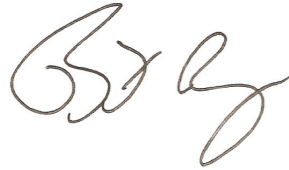
NINE HUNDRED AND FIFTEEN THOUSAND DOLLARS
(\$915,000.00)

Based upon the appraisers' analysis of past events assuming a competitive and open market, the appraisers estimate a reasonable marketing period for this type of property at the market value estimated in this report to not exceed twelve to eighteen months.

Based upon the appraisers' analysis of past events assuming a competitive and open market, the appraisers estimate a reasonable exposure period for this type of property at the market value estimated in this report would not have exceeded twelve to eighteen months.



Joe Patterson, MAI, SRA
President, TX-1321595-G



Brian K. Payne
Associate, TX-1336847-G

ADDENDUM

Texas Appraiser Licensing and Certification Board

P.O. Box 12188 Austin, Texas 78711-2188

Certified General Real Estate Appraiser

Number: **TX 1321595 G**

Issued: **12/22/2015**

Expires: **12/31/2017**

Appraiser: **JOSEPH WILLIAM PATTERSON III**

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 General Real Estate Appraiser.


Douglas E. Oldmixon
Commissioner

QUALIFICATIONS OF THE APPRAISER
JOSEPH W. PATTERSON, III

State Licensing and Certification

Licensed and certified by the State of Texas as a General Real Estate Appraiser: License Number TX-1321595-G (Date of Issue: December 22, 2015 and Date of Expiration: December 31, 2017)

Professional Designations

Member of Appraisal Institute with MAI and SRA Designations

Education

Bachelor of Business Administration from Baylor University, Waco, Texas

Graduate Study at Baylor University Law School, Waco, Texas

Continuing Education in Real Estate and Appraising at University of Houston, University of North Carolina, San Diego University, University of Colorado, University of Illinois, Mills College (Oakland), and University of Texas Pan American

Professional Affiliations

Member of the McAllen Board of Realtors

Member of the Texas Association of Realtors

Member of the National Association of Realtors

Professional Offices Held

President of Rotary Club of McAllen, Texas, Chapter #2076, 1996-1997

President of the Society of Real Estate Appraiser, Rio Grande Valley, Chapter #144 – 1983-1984

Board of Directors of the Society of Real Estate Appraiser, Waco, Texas, Chapter #145 – 1975-1977

Board of Directors of the Society of Real Estate Appraiser, Rio Grande Valley, Chapter #144 – 1976-1991

Board of Directors of the American Institute of Real Estate Appraisers, South Texas Chapter #29 – 1986-1991

Teaching Experience

Instructor for Real Estate Appraising and Real Estate Law at Hill Junior College, Hillsboro, Texas

Substitute Instructor for Real Estate Principle, Real Estate Law, Real Estate Finance, Real Estate Appraising and Business

Professional Experience

Joe Patterson began his appraisal experience in 1971 as an independent appraiser with Smith Real Estate Association in Waco, Texas for five years. He was also a staff appraiser for First Federal Savings and Loan Association in Waco, Texas for one year. He then associated himself with D.U. Buckner, a local MAI, for seven years as an independent fee appraiser. In 1986 he opened his own office, J.W. Patterson and Associates, and currently covers the Rio Grande Valley area from his McAllen office.

QUALIFICATIONS OF THE APPRAISER (continued)
JOSEPH W. PATTERSON III

As an appraiser for the past 44 years, he has worked on the following types of properties: single family residences, duplexes, apartments, manufacturing properties, shopping centers, discount houses and supermarkets, hospitals, hotels and motels, funeral homes, restaurants, developments, churches, schools, medical clinics, warehouses, banks, farms, ranches, bowling alleys, convention centers, grain elevators, gins, condominium projects, food processing plants, civilian airport facilities, and "FIRREA" affordable housing program. Other assignments include partial taking, eminent domain, easements, and partial interests.

Joe has also served as the guest speaker and lecturer for numerous local service clubs, professional organizations and schools, including University of Texas Pan American.

Recently Completed Course Studies

USPAP Update 2014/2015, No. 101, offered by the Columbia Institute, Austin, Texas, October 30, 2015

Real Estate Principals, offered by 003FreeMCEhours on line, February 19, 2015

TREC Ethics MCE, offered by 003FreeMCEhours on line, February 3, 2015

TREC Legal Update MCE, offered by 003FreeMCEhours on line, January 16, 2015

USPAP Update 2012/2013, No. 101, offered by the Columbia Institute, Austin, Texas, January 18, 2013

Appraising in a Depressed Market, No. 125, offered by the Columbia Institute, Austin, Texas, January 16, 2013

Interagency Rules of Banks and Credit Unions, No. 011, offered by the Columbia Institute, Austin, Texas, January 15, 2013

Write It Right, No 148, offered by the Columbia Institute, Austin, Texas, January 17, 2013

Online Appraisal Curriculum Overview – Residential, offered by the Appraisal Institute, January 14, 2013,

Online Business Practices and Ethics, offered by the Appraisal Institute, December 12, 2012

Report Writing-the UAD, No. 120, offered by the Columbia Institute, Harlingen, Texas, August 2, 2011

The Mortgage Loan System, No. 015, offered by the Columbia Institute, Harlingen, Texas, August 1, 2011

Practice of Appraisal Review – FHA Protocol, No. 145, offered by the Columbia Institute, Harlingen, Texas, February 2011

USPAP Update 2010-2011, No. 101, offered by the Columbia Institute, Harlingen, Texas, March 2011

USPAP Update No. 101, September 2009

Identifying Relevant Characteristics Course 019 – The Columbia Institute, Sept. 2009

FHA Today Course 114 – The Columbia Institute, March 2009

Fannie Mae Today Course 116 – The Columbia Institute, March 2009

Basic Appraisal Principles, The Appraisal Institute, North Texas Chapter, May 2007

Scope of Work and Appraiser Due Diligence, No. 36, The Columbia Institute, April 2007

USPAP Update No. 101, The Columbia Institute, April 2007

Fundamental of Appraisal Review No. 105, The Columbia Institute, April 2007

FHA, the URAR & the 1025 No. 104, The Columbia Institute, April 2007

Business Practices and Ethics, The Appraisal Institute, February 2007

QUALIFICATIONS OF THE APPRAISER (continued)
JOSEPH W. PATTERSON III

Uniform Standards of Professional Practice, USPAP Update, The Appraisal Institute, Houston Chapter, September 2005
Litigation Skills for this Appraiser, The Appraisal Institute Houston Chapter, Sept. 2005
Ethics & Special Purpose Properties, The Appraisal Institute, September 2005
Appraising from Blueprints and Specifications, The Appraisal Institute Online Continuing Education Program, Chicago, Illinois, February, 2005
Uniform Standards of Professional Practice, USPAP Update, The Appraisal Institute North Texas Chapter, June 2003
Small Hotel/Motel Valuation, the Appraisal Institute Online Continuing Education Program, Chicago, Illinois, November 2002
Appraisal Procedures, The Appraisal Institute, Daniels College of Business, Denver, Colorado, August, 2002
Techniques of Appraisal Review, The Columbia Institute, Course #108, October 2001
Residential Appraisal Update, The Columbia Institute, course #117, October 2001
Standards of Professional Practice, Part C, The Appraisal Institute, September 2001
GIS and Appraising, The Appraisal Institute, Austin, Texas, August, 1999
1999 FHA Appraisal Rules #119, The Columbia Institute, September 1999
Standards of Professional Practice, Part C, The Appraisal Institute, September 1999
Comprehensive Examination Prep, the Appraisal Institute, February 1998

Texas Appraiser Licensing and Certification Board

P.O. Box 12188 Austin, Texas 78711-2188
Certified General Real Estate Appraiser

Number: **TX 1336847 G**
Issued: **03/25/2015** Expires: **03/31/2017**
Appraiser: **BRIAN KEITH PAYNE**

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 General Real Estate Appraiser.


Douglas E. Oldmixon
Commissioner

QUALIFICATIONS OF THE APPRAISER (continued)
BRIAN K. PAYNE

State Licensing and Certification

Licensed and certified by the State of Texas as a General Real Estate Appraiser: License Number TX-1336847-G (Date of Issue: March 25, 2015; Date of Expiration: March 31, 2017)

Education

Bachelor of Arts in Speech Communication with a Minor in Business Management from Texas A&M University, College Station, Texas: May 1997.

Continuing Education in Real Estate Appraising at the Appraisal Institute, the Lincoln Graduate Center, the Columbia Institute, Lon Morris College, and the University of Houston-Clear Lake.

Professional Experience

Brian Payne has been associated with Aguirre & Patterson, Inc. from November 2001 to the present. As an independent appraiser, Mr. Payne has gained valuable experience appraising various types of properties throughout the Rio Grande Valley. The following is a list of the types of properties Mr. Payne has appraised: manufacturing properties, shopping centers, supermarkets, hospitals, hotels and motels, restaurants, storage buildings, office buildings, nursing homes, gasoline stations, taverns, land developments, churches, schools, medical clinics, warehouses, banks, farms, ranches, convention centers, condominium projects, and food processing plants. Other assignments include partial taking, eminent domain, easements, and partial interests.

Recently Completed Course Studies

2014-2015 7-hour National USPAP Update Course, offered by McKissock, February 25, 2015

2-4 Family Finesse, offered by McKissock, February 4, 2015

REO and Foreclosures, offered by McKissock, September 18, 2014

Residential Appraisal Review, offered by McKissock, September 17, 2014

Introduction to Legal Descriptions, offered by McKissock, August 25, 2014

Even Odder – More Oddball Appraisals, offered by McKissock, March 21, 2013

Essential Elements of Disclosures and Disclaimers, offered by McKissock, March 7, 2013

Mold, Pollution and the Appraiser, offered by McKissock, March 6, 2013

Land and Site Valuation, offered by McKissock, March 5, 2013

2012-2013 7-Hour USPAP Update Course, offered by McKissock, February 26, 2013

Online Eminent Domain and Condemnation, offered by the Appraisal Institute, March 14, 2011

USPAP Update, No. 101 (2010/2011), offered by the Columbia Institute, March 1, 2011

Practice of Appraisal Review – FHA Protocol, No. 145, offered by the Columbia Institute, February 28, 2011

Online Cool Tools: New Technology for Real Estate Appraisers, offered by the Appraisal Institute, June 3, 2010

FHA, the URAR, & the 1025, No. 104, offered by the Columbia Institute, April 7, 2008

Survey of the Cost Approach, No. 106, offered by the Columbia Institute, April 8, 2008

Scope of Work & Appraiser Due Diligence, No. 036, offered by the Columbia Institute, October 1, 2007

USPAP Update, No. 101, offered by the Columbia Institute, October 2, 2007

Basic Appraisal Principles, offered by the Columbia Institute, January 19, 2007

Residential Report Writing and Case Studies, offered by the Columbia Institute, September 15, 2006

Farm & Land Appraisal, offered by the Lincoln Graduate Center, November 11, 2005

QUALIFICATIONS OF THE APPRAISER (continued)
BRIAN K. PAYNE

Investment Analysis for Appraisers, offered by Lon Morris College, April 4, 2005

Income Property Valuation II, offered by Lon Morris College, April 4, 2005

Income Property Valuation I, offered by Lon Morris College, March 8, 2005

Appraising Residential Properties, offered by Lon Morris College, March 24, 2004

Uniform Standards of Professional Appraiser Practice, USPAP Update, offered by
Computaught/Career Webschool, March 8, 2005

Real Estate Appraisal, offered by the University of Houston-Clear Lake, March 3, 2003

Uniform Standards of Professional Appraiser Practice, USPAP Update, offered by
Computaught/Career Webschool, March 19, 2003

EXHIBIT "A"

EXHIBIT "A"

October 4, 2018

**METES AND BOUNDS DESCRIPTION
6.008 ACRES BEING
ALL OF TRACT "A"
AURORA VALLEY PHASE 4 SUBDIVISION
HIDALGO COUNTY, TEXAS**

A tract of land containing 6.008 acres situated in Hidalgo County, Texas, being all of Tract "A", Aurora Valley Phase 4 Subdivision, according to the plat thereof recorded in Instrument Number 2658607, Hidalgo County Map Records, said 6.008 acres also being more particularly described as follows:

BEGINNING at a No. 4 rebar set on the Northeast corner of said Tract "A", for the Northeast corner of this herein described tract;

1. THENCE, S 00° 33' 22" E along the East line of said Tract "A", a distance of 186.04 feet to a No. 4 rebar set on the Northernmost Southeast corner of said Tract "A", for the Northernmost Southeast corner of this tract;
2. THENCE, S 44° 26' 38" W along a line of said Tract "A", a distance of 35.36 feet to a No. 4 rebar set [Northing: 16619815.679, Easting: 1131007.571] on the Southernmost Southeast corner of said Tract "A", for the Southernmost Southeast corner of this tract;
3. THENCE, S 89° 26' 38" W along a South line of said Tract "A", a distance of 897.01 feet to a No. 4 rebar set [Northing: 16619806.972, Easting: 1130110.606] on an outside corner of said Tract "A", for an outside corner of this tract;
4. THENCE, in a Southwesterly direction along a curve to the left, with a central angle of 102°38'08", a radius of 40.00 feet, an arc length of 71.65 feet, a tangent of 49.96 feet, and a chord that bears S 89° 26' 38" W a distance of 62.45 feet to a No. 4 rebar set on an outside corner of said Tract "A", for an outside corner of this tract;
5. THENCE, S 89° 26' 38" W along a South line of said Tract "A", a distance of 464.26 feet to a No. 4 rebar set on the Southwest corner of said Tract "A", for the Southwest corner of this tract;
6. THENCE, N 00° 33' 22" W along a West line of said Tract "A", a distance of 67.53 feet to a No. 4 rebar set on an inside corner of said Tract "A", for an inside corner of this tract;
7. THENCE, N 55° 27' 04" W along a West line of said Tract "A", a distance of 143.41 feet to a No. 4 rebar set on the Northwest corner of said Tract "A", for the Northwest corner of this tract;
8. THENCE, N 89° 26' 38" E along a North line of said Tract "A", a distance of 104.75 feet to a No. 4 rebar set on an inside corner of said Tract "A", for an inside corner of this tract;
9. THENCE, N 00° 33' 22" W along a line of said Tract "A", a distance of 5.54 feet to a No. 4 rebar set on an outside corner of said Tract "A", for an outside corner of this tract;
10. THENCE, N 89° 26' 38" E along a North line of said Tract "A", a distance of 214.74 feet to a No. 4 rebar set on an inside corner of said Tract "A", for an inside corner of this tract"

EXHIBIT "A" (continued)

11. THENCE, N 00° 33' 22" W along a line of said Tract "A", a distance of 10.50 feet to a No. 4 rebar set on an outside corner of said Tract "A", for an outside corner of this tract;
12. THENCE, N 89° 26' 38" E along a North line of said Tract "A", a distance of 766.22 feet to a No. 4 rebar set on an inside corner of said Tract "A", for an inside corner of this tract;
13. THENCE, N 65° 27' 10" E along a North line of said Tract "A", a distance of 110.68 feet to a No. 4 rebar set on an outside corner of said Tract "A", for an outside corner of this tract;
14. THENCE, N 89° 26' 38" E along a North line of said Tract "A", a distance of 379.20 feet to the POINT OF BEGINNING, and containing 6.008 acres of land, more or less.



I, ROBERTO N. TAMEZ, A REGISTERED PROFESSIONAL LAND SURVEYOR DO HEREBY AFFIRM THAT THIS METES AND BOUNDS DESCRIPTION REPRESENTS THE RESULTS OF A SURVEY MADE ON THE GROUND ON 04/18/2014 UNDER MY DIRECTION AND SUPERVISION.

 10/04/18
ROBERTO N. TAMEZ, R.P.L.S. #6238 DATE:

EXHIBIT "A" (continued)

EXHIBIT "A"

October 4, 2018

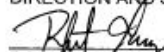
**METES AND BOUNDS DESCRIPTION
5.935 ACRES BEING
ALL OF TRACT "B"
AURORA VALLEY PHASE 4 SUBDIVISION
HIDALGO COUNTY, TEXAS**

A tract of land containing 5.935 acres situated in Hidalgo County, Texas, being all of Tract "B", Aurora Valley Phase 4 Subdivision, according to the plat thereof recorded in Instrument Number 2658607, Hidalgo County Map Records, said 5.935 acres also being more particularly described as follows:

BEGINNING at a No. 4 rebar set [Northing: 16620027.438, Easting: 1131080.519] on the Northwest corner of said Tract "B", for the Northwest corner of this herein described tract;

1. THENCE, N 89° 26' 38" E along the North line of said Tract "B", a distance of 1,249.84 feet to a No. 4 rebar set [Northing: 16620039.569, Easting: 1132330.300] on the Northeast corner of said Tract "B", for the Northeast corner of this tract;
2. THENCE, S 08° 39' 27" W along the East line of said Tract "B", a distance of 239.13 feet to a No. 4 rebar set on the Southeast corner of said Tract "B", for the Southeast corner of this tract;
3. THENCE, S 89° 26' 38" E along a South line of said Tract "B", a distance of 5.00 feet to a No. 4 rebar set on an outside corner of said Tract "B", for an outside corner of this tract;
4. THENCE, in a Northwesterly direction along a curve to the left, with a central angle of 150°00'00", a radius of 50.00 feet, an arc length of 130.90 feet, a tangent of 186.60 feet, and a chord that bears N 75° 33' 22" W a distance of 96.59 feet to a No. 4 rebar set on an outside corner of said Tract "B", for an outside corner of this tract;
5. THENCE, S 89° 26' 38" W along a South line of said Tract "B", a distance of 1,088.25 feet to a No. 4 rebar set on the Southernmost Southwest corner of said Tract "B", for the Southernmost Southwest corner of this tract;
6. THENCE, N 45° 33' 22" W along a line of said Tract "B", a distance of 35.36 feet to a No. 4 rebar set on the Northernmost Southwest corner of said Tract "B", for the Northernmost Southwest corner of this tract;
7. THENCE, N 00° 33' 22" W along the West line of said Tract "B", a distance of 186.04 feet to the POINT OF BEGINNING, and containing 5.935 acres of land, more or less.

I, ROBERTO N. TAMEZ, A REGISTERED PROFESSIONAL LAND SURVEYOR DO HEREBY AFFIRM THAT THIS METES AND BOUNDS DESCRIPTION REPRESENTS THE RESULTS OF A SURVEY MADE ON THE GROUND ON 04/18/214 UNDER MY DIRECTION AND SUPERVISION.


ROBERTO N. TAMEZ, R.P.L.S. #6238 DATE: 10/18/18

