

A Restricted Appraisal

of

A Mixed-Use Property

Located at

**1118 W. Sugar Cane Drive
Hidalgo County, Texas**

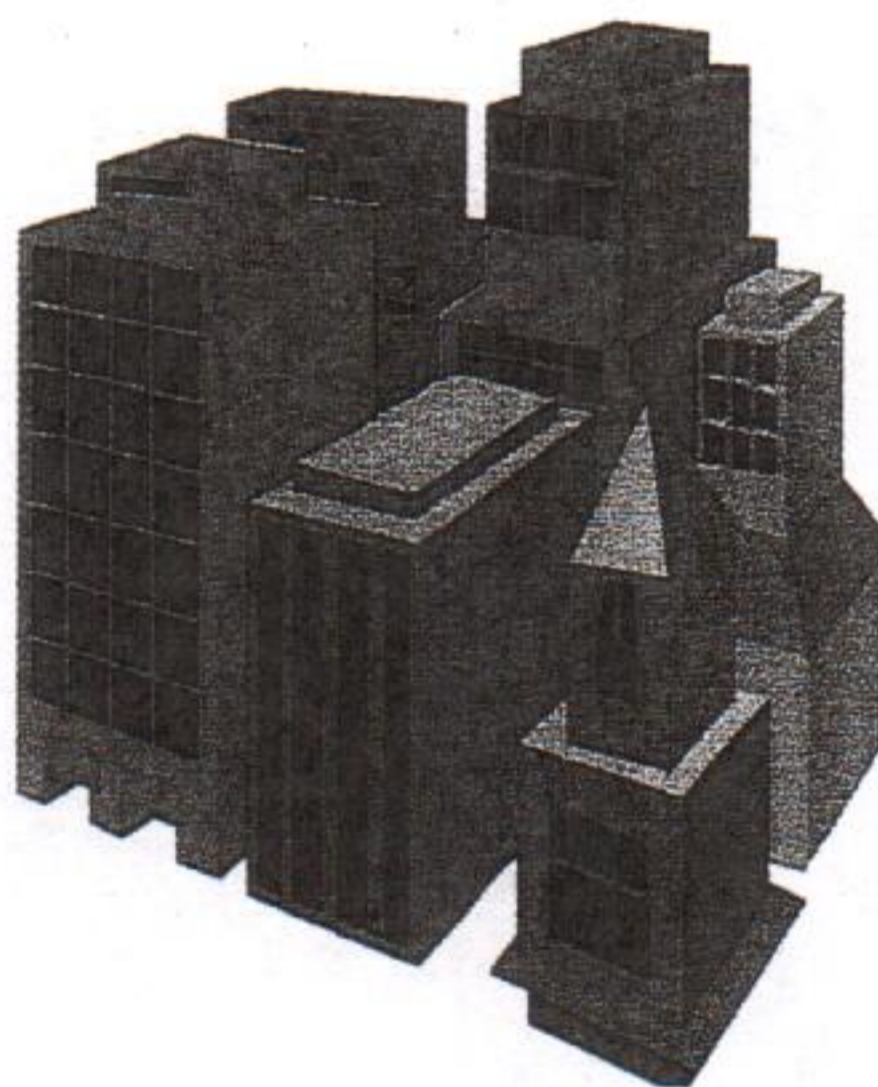
**Prepared for
Mr. Taurino Trujillo**

by

Scroggin Appraisal Services

Commercial & Residential Real Estate Appraisal

1124 Pecan Blvd., McAllen, TX 78501 (956) 668-7478 (956) 668-1728 FAX



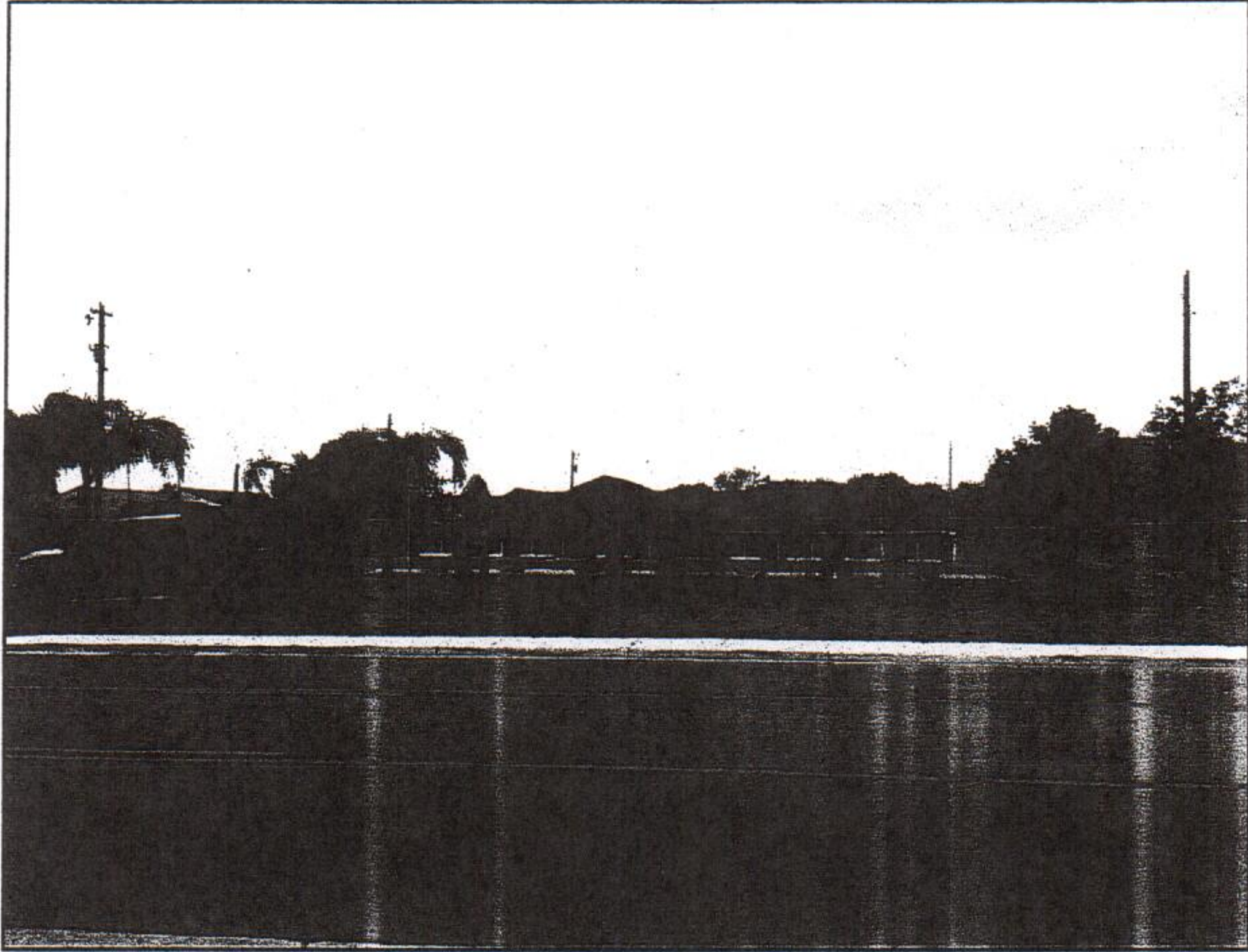
Clark Scroggin

Texas General Real Estate Appraiser Certification # TX-1327321-G

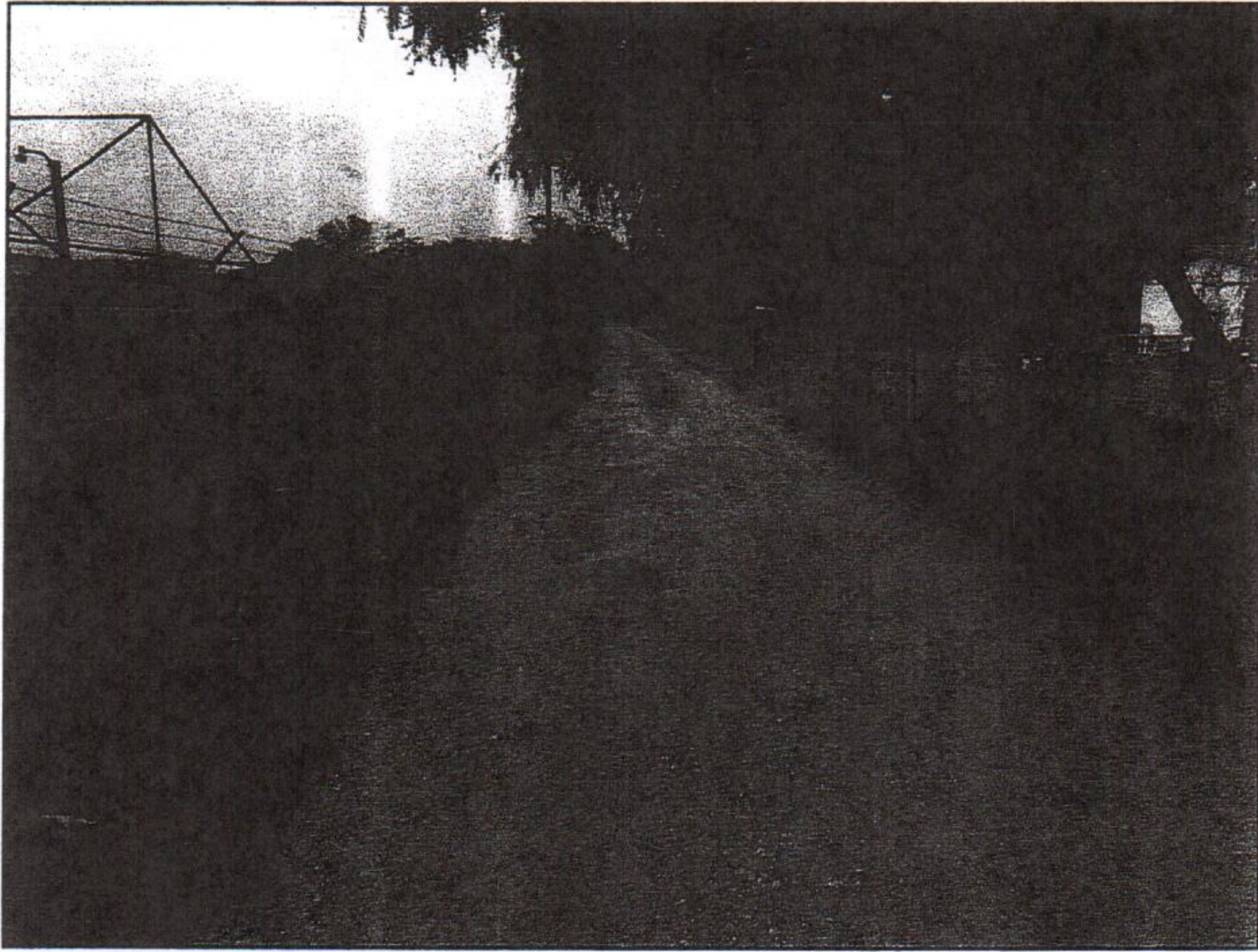
Effective Date of Appraisal

April 12, 2015

Photographs of the Subject Property



View from Sugar Cane Drive



Driveway

Photographs of the Subject Property



Front View- House

Scroggin Appraisal Services

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RESTRICTED APPRAISAL

Client (Intended User)- Mr. Taurino Trujillo
P.O. Box 462
Weslaco, TX 78599

Date of Report- April 24, 2016

Effective Date of Appraisal- April 12, 2016

Intended Use- Internal Evaluation

Marketing Time- 6-12 Months

Exposure Time- 6-12 Months

Subject Address- 1118 W. Sugar Cane Drive, Hidalgo County, Texas

Legal Description- *Triple R Subdivision, Lot 2, Hidalgo County, Texas*

Census Tract- 224.02

Property Interest Appraised- Fee Simple Estate

Purpose of the Appraisal- To opine a market value estimate of the subject property

Owner- Taurino Trujillo

Opinion of Market Value- **\$213,000**

The definition of market value used in this appraisal report is consistent with such definition appearing in a previous version of USPAP, and more precisely, the actual source is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institution Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990 and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the *Interagency Appraisal and Evaluation Guidelines*, dated October 27, 1994.

This is the same definition that appears under Regulation "Y", Section 225.62 (g) of Title XI of FIRREA.

Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.42, Definitions (g).

Determination of Scope of Work

The effective date of the appraiser's opinions and conclusions is stated earlier in this report. The subject of this assignment and its relevant characteristics and assignment conditions (extraordinary assumptions, hypothetical conditions, or other conditions that affect the scope of work) are expressed herein. There are no unusual property or assignment conditions which would affect the scope of work of this assignment. The subject property is a mixed-use property (residential/commercial) with surplus land. Based on the intended use of the appraisal and the non-complexity of the subject property a credible opinion of value can be rendered utilizing the sales comparison approach only. The cost and income approach are applicable but are not necessary to render a credible opinion of value.

Disclosure of Scope of Work Undertaken

The appraiser has determined that a credible opinion of value can be rendered utilizing the sales comparison approach only. The appraiser has identified the characteristics of the subject property that are relevant to the type and definition of value and intended use of the appraisal. This has been accomplished by examining appraisal district records, the subdivision plat map, applicable zoning maps and regulations, and a search of deed records. The appraiser has also made a physical exterior inspection of the subject. The appraiser has not measured the subject buildings and has relied on HCAD records for building size and year built. The appraiser has researched appraisal district records as well as on-line deed records in search of any prior sales of the subject in the past 3 years, and reported such findings. The appraiser has made the necessary research to determine the highest and best use of the subject property. This research includes, but is not necessarily limited to, zoning regulations, economic trends, supply and demand analysis. In development of the sales comparison approach, the appraiser has researched comparable sales/active listings. This research includes a thorough search of the MLS for active listings and closed sales within a reasonable time frame in the subject area.

Comparable Sale 1

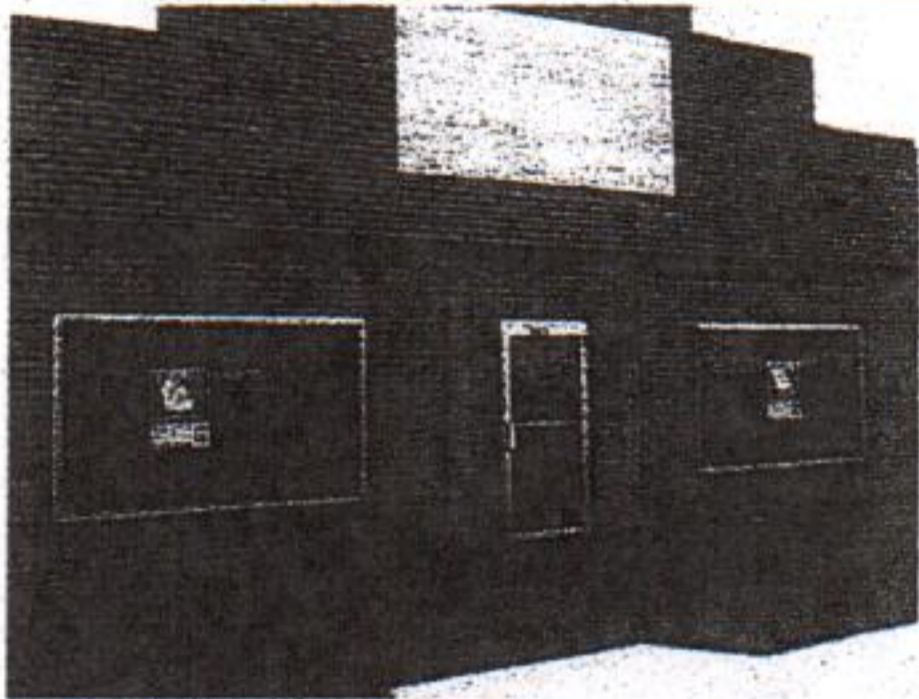
Navica MLS

4/24/16, 9:35 PM

MLS #: C154205S (Sold) List Price: \$149,000

933 Business 83 Weslaco, TX 78596

SOLD PRICE: \$149,000 **CLOSING DATE:** 5/1/2012 **FINANCING:** Conventional
SELLING OFFICE NAME: Cohrs Realty Group (#:163) **SELLING AGENT NAME:** Jim C. Williams (#:10)
SELLER CONCESSIONS: NONE **SELLER CONC TYP:** NONE **NON-REALTY ITEMS \$:** 0
NON ALLOWABLES: No **REPAIRS:** No **BUYER CLOSING COSTS/PREPAIDS:** No



PRESENT USE: None
EST SQFT: 1750
STORIES: 1
TTL # PARKING SPACES: 5
PARKING: Blacktop, Fenced
EST YEAR BUILT: 1965

UNIT/SUITE #: LOTS 1,2&3
AREA: Weslaco
SUBDIVISION: WEST HIGHWAY
COUNTY: Hidalgo
ZONING: B2

LOT DIMENSIONS: 75X150
GRID (E-#H-A): 312E3
BASE TAXES: 2228

LOT SQFT: 11250
TAX GEO ID : W3500-00-001-0001-00
TAX YEAR: 11

ACREAGE: 0

LOCATION: Strip Mall

GROUND: None

OFFICE SQFT: 0

WAREHOUSE SQFT: 0

RETAIL SQFT: 1750

OTHER BLDG SQFT: 0

CEILING HT (FT): 15

EXTERIOR SIDING: Brick, Concrete Block

WATER HEATER: No Water Heater

ROOF TYPE: Metal

FLOORS: Concrete

UTILITIES: Sewer

AMENITIES: Separate Electric Meters, Separate Water Meters

ENERGY FEATURES: None

SITE FEATURES: Restrooms-Private, Fire Plug

HVAC SYSTEM: None

ACCESS: US Highway, City Street

DIRECTIONS: ON BUS. 83 FIRST BLOCK WEST OF BORDER AVE. SOUTH SIDE AT CORNER OF PEARL ST. & WEST HIGHWAY 83

LEGAL DESCRIPTION: WEST HIGHWAY BLOCK 1, LOTS 1,2,3

REMARKS: STURDY BLOCK BUILDING WITH A METAL ROOF ON HIGH TRAFFIC BUS. 83. CORNER LOT IS FENCED, GREAT EXPOSURE. IDEAL FOR EQUIPMENT SALES & RENTALS. BUILDING SIZE IS 35'X50'.

AGENT REMARKS:

SELLER 1: EST. OF JOHN P. GUIN

SELLER 2: JANE GUIN BAILEY, EXECUTRIX

PRESENTLY LEASED: No

LEASE AMOUNT/PERIOD: N/A

EXPIRATION DATE:

ESCROW (USE \$ OR %): 2500

TITLE COMPANY (PREFERRED): VALLEY LAND

ESCROW (USE \$ OR %): 2500

CSO: 3

VAR COMM: No

AGREEMENT TYPE: Exclusive Right to Sell

POSSESSION: Closing and Funding

PROPOSED FINANCING: Cash, Conventional

SHOWING INSTRUCTIONS: Vacant

DOCUMENTS ON FILE: None

LIST DATE: **CONTRACT DATE:** 3/14/2012

ORIGINAL LIST PRICE: \$149,000

DAYS ON MARKET: 62

DISPLAY ON INTERNET: Yes

DISPLAY ADDRESS: Yes

ALLOW AVM: No

ALLOW COMMENTS: No

DESIGNATED BROKER LICENSE #:

LICENSED SUPERVISOR:

OFFICE NAME: Cohrs Realty Group (#:163)

LISTING AGENT: Jim C. Williams (#:10)

MAIL ADDRESS 1: P.O. Box 698

AGENT EMAIL: CRGOffice@aol.com

MAIL CITY: Donna

CONTACT #: (956) 975-1985

MAIL STATE: TX

LICENSE NUMBER: 0269285

MAIL ZIP CODE: 78537

MAIN: (956) 464-7355

FAX: (956) 464-3841

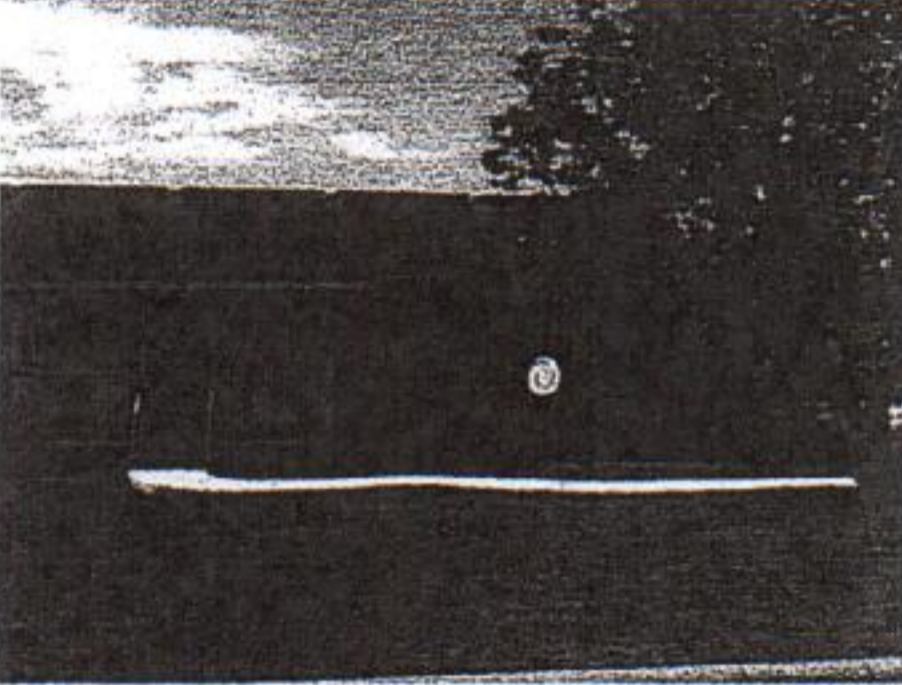
Listing information provided by Greater McAllen Association of REALTORS MLS.
Information is deemed to be reliable but is not guaranteed.

Comparable Sale 3

Navica MLS 4/24/16, 9:35 PM

MLS #: C157745S (Sold) List Price: \$150,000 **1411 W 18th Street Weslaco, TX 78596**

SOLD PRICE: \$120,000	CLOSING DATE: 12/10/2012	FINANCING: Other
SELLING OFFICE NAME: Davis Real Estate - Weslaco (#:159)	SELLER CONC TYP: Closing Costs	SELLING AGENT NAME: Flo Lasater - DR (#:3)
SELLER CONCESSIONS: Yes	REPAIRS: Yes	NON-REALTY ITEMS \$: 0
NON ALLOWABLES: No	BUYER CLOSING COSTS/PREPAIDS: Yes	

	PRESENT USE: Daycare	UNIT/SUITE #:
	EST SQFT: 1898	AREA: Weslaco
	# STORIES: 0	SUBDIVISION: West Tract
	TTL # PARKING SPACES: 10	COUNTY: Hidalgo
	PARKING: Blacktop, Dirt	ZONING: A1
EST YEAR BUILT: 1985		

LOT DIMENSIONS: 0	LOT SQFT: 38332.8	ACREAGE: 0.88
GRID (E-#H#A#): 312E6	TAX GEO ID : W3800-00732-0000-60	
BASE TAXES: 3152	TAX YEAR: 12	

LOCATION: Free Standing	FOUNDATIONS: Sidewalks, Other
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OFFICE SQFT: 1898	WAREHOUSE SQFT: 1160	RETAIL SQFT: 1898
OTHER BLDG SQFT: 1160		CEILING HT (FT): 8

EXTERIOR SIDING: Brick, Wood	WATER HEATER: Electric
ROOF TYPE: Shingle	FLOORS: Wall/Wall Carpet, Tile, Other
UTILITIES: Septic, Other	AMENITIES: Pole Sign
ENERGY FEATURES: None	SITE FEATURES: Other
HVAC SYSTEM: Central, Electric	ACCESS: City Street, Paved Road

DIRECTIONS: From Expressway 83 go south on Westgate to 18th St, turn right on 18th St., property is south side of 18th St. across street from Harlen Block Sports Complex.

LEGAL DESCRIPTION: West Tract N212.07'-W205.40FT 732 1 AC GR, 0.88 AC Net

REMARKS: Daycare is fully equipped & ready for business! Warehouse is approx. 1160 sq ft - 2 offices; 1/2 bath & storage. Furniture & play equipment convey with sale.

AGENT REMARKS: Call LO/LA for CBS Code

SELLER 1: Vasquez, Serafin	LEASE AMOUNT/PERIOD: 0	EXPIRATION DATE: 12/31/2013
SELLER 2: Vasquez, Angeles	TITLE COMPANY (PREFERRED): Valleyh Land	
PRESENTLY LEASED: No	CSO: 3.00	VAR COMM: No
ESCROW (USE \$ OR %): 2500		
ESCROW (USE \$ OR %): 2500		
AGREEMENT TYPE: Exclusive Right to Sell	POSSESSION: Closing and Funding	
PROPOSED FINANCING: Cash, Conventional		
SHOWING INSTRUCTIONS: Lockbox, Show Anytime		
DOCUMENTS ON FILE: None		

LIST DATE:	CONTRACT DATE:	ORIGINAL LIST PRICE: \$150,000	DAYS ON MARKET: 144
DISPLAY ON INTERNET: Yes	DISPLAY ADDRESS: Yes	ALLOW AVM: Yes	ALLOW COMMENTS: Yes
DESIGNATED BROKER LICENSE #:		LICENSED SUPERVISOR:	

OFFICE NAME: Davis Real Estate - Weslaco (#:159)	LISTING AGENT: Flo Lasater - DR (#:3)
MAIL ADDRESS 1: 2290 W. Pike Blvd.	AGENT EMAIL: flasater@davisrealestate.com
MAIL CITY: Weslaco	CONTACT #: (956) 451-4571
MAIL STATE: TX	LICENSE NUMBER: 0453055
MAIL ZIP CODE: 78596	
MAIN: (956) 968-4571	
FAX: (956) 968-4574	

Listing information provided by Greater McAllen Association of REALTORS MLS.
Information is deemed to be reliable but is not guaranteed.

http://www.navicams.net/247/Search/results.asp?action=expanded&sear...&contact_id=&mlsn_filter=&return_action=search&cma_id=&totalistcnt= Page 1 of 1

Limiting Conditions and Assumptions-

- 1) No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
- 2) The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
- 3) Responsible ownership and competent property management are assumed.
- 4) The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
- 5) All engineering is assumed to be correct. The plot plans and illustrative material in the report are included only to assist the reader in visualizing the property.
- 6) It is assumed that there are no hidden or unknown conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
- 7) It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
- 8) It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.
- 9) It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in the report is based.
- 10) It is assumed that the utilization of the land and improvements is within the boundaries of property lines of the property described and that there is no encroachment or trespass unless noted in the report.
- 11) The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
- 12) Possession of the report, or a copy thereof, does not carry with it the right of publication.
- 13) The appraiser, by reason of the appraisal, is not required give further consultation, testimony, or be in attendance in court with 1 previously been made.
- 14) Neither all nor any part of the contents of the report shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval of the appraiser.
- 15) Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the subject property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

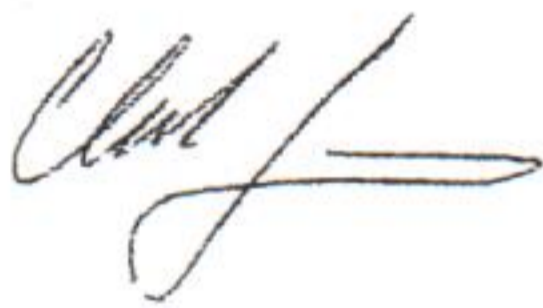
CERTIFICATION: I certify that, to the best of my knowledge and belief:

- Clark Scroggin has made a personal inspection of the property that is the subject of this report.
- 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 I have no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved.
- 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, the occurrence of a subsequent event directly related to the intended use of this appraisal, or approval of a loan.
- My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Uniform Standards of Professional Practice.
- As of the date of this report, Clark Scroggin is in compliance with the Texas Appraiser Licensing and Certification Board.
- The intended user of this report is limited solely to the identified client. This is a Restricted Appraisal Report and the rationale for how the appraiser arrived at the opinions and conclusions set forth in the report may not be understood properly without additional information in the appraiser's workfile.
- Unless otherwise noted, no one provided significant real property appraisal assistance to the person signing this certification. If any individuals did provide significant real property appraisal assistance they are identified here along with a summary of the extent of the assistance provided in the report.
- 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.
- The effective date of this appraisal is April 12, 2016.

\$213,000
(Two Hundred Thirteen Thousand Dollars)

Should you have any comments or concerns regarding this appraisal report, please do not hesitate to contact us. Thank you for the opportunity to be of service to you.

Scroggin Appraisal Services



Clark Scroggin
Texas General Real Estate Appraiser Certification # TX-1327321-G

April 24, 2016
Date Signed

Employment History

Appraiser: Scroggin Appraisal Services, 1992- Present
Appraiser: Tenenbaum & Associates, Inc., 1987- 1994
Appraiser: Dallas Central Appraisal District, 1986- 1987

Summary of Appraisal Experience

<u>Property Types Appraised</u>	<u>Special Use Properties</u>	<u>States Worked</u>
Office Buildings	Health Clubs	Alaska
Medical Office Buildings	Racquetball Clubs	Arizona
Retail	Country Clubs	California
Shopping Centers	Tennis Clubs	Colorado
Apartments	Automotive Showrooms	Connecticut
Multi-Family Residential	Automotive Centers	Delaware
Single-Family Residential	Nursing Homes	D.C.
Warehouses	Mini-Warehouses	Iowa
Industrial Buildings	Grain Elevators	Kansas
Main Banks	Lumber Yards	Maine
Branch Banks	Television Studios	Maryland
Hotels	Cinemas	Massachusetts
Motels	Day Care Centers	Minnesota
Restaurants	Fast Food Restaurants	Missouri
Garages	Farm Buildings	Montana
Vacant Land	Truck Terminals	Nebraska
Condominiums	Parking Structures	Nevada
Residential Subdivisions	Greenhouses	New Hampshire
Convenience Stores	Skating Rinks	New Mexico
Residential Condominiums	Recreational Centers	North Dakota
Office Condominiums	Churches	Oregon
	Horse Stables	Pennsylvania
	Night Clubs	South Dakota
	Car Wash Building	Texas
	Mobile Home Parks	Utah
	Recreational Vehicle Parks	Virginia
	Ranch Land	Washington

You may wish to laminate the pocket identification card to preserve it.

CLARK C SCROGGIN
1124 PECAN AVE
MCALLEN, TX 78501

The person named on the reverse is licensed by the Texas Appraiser Licensing and Certification Board.

Inquiry as to the status of this license may be made to:

Texas Appraiser Licensing and Certification Board
P.O. Box 12188
Austin, Tx 78711-2188
www.talcb.texas.gov
(512) 936-3001
Fax:(512) 936-3899

Texas Appraiser Licensing and Certification Board
P.O. Box 12188 Austin, Texas 78711-2188
Certified General Real Estate Appraiser
Number#: TX 1327321 G
Issued: 04/22/2015 Expires: 04/30/2017
Appraiser: CLARK C SCROGGIN

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
Douglas E. Oldmixon
Commissioner

Texas Appraiser Licensing and Certification Board
P.O. Box 12188 Austin, Texas 78711-2188
Certified General Real Estate Appraiser
Number: TX 1327321 G
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