

Restricted
REAL ESTATE EVALUATION REPORT

Russell
File No. 14C11009

This is an all purpose form designed to be used to make a Real Estate Evaluation Report as defined by the Federal Reserve Board and other federal agencies for transactions which do not require a real estate appraisal.

BORROWER/SUBJECT PROPERTY INFORMATION

Borrower N/A	Census Tract 7908.00	Type of Property <input type="checkbox"/> Residential <input type="checkbox"/> Condo/PUD <input type="checkbox"/> Small income <input type="checkbox"/> Income <input checked="" type="checkbox"/> Commercial <input type="checkbox"/> Industrial <input type="checkbox"/> Special Purpose <input type="checkbox"/> Retail <input type="checkbox"/> Other _____
Property Address 1220 Sam Houston Ave		
City Huntsville County Walker	State TX Zip Code 77340	
Preparer Malcolm W. Willey	Company Name Alliance Realty Advisors	
Address 3828 W. Davis, Suite 314, Conroe, TX 77304		
Telephone No. 936-756-1717	SS# or ID#	
Lender/Client George Russell		

AREA AND NEIGHBORHOOD DESCRIPTION AND ANALYSIS

Area Description **The subject is located within Huntsville city limits, in an area of primarily commercial use properties.**

Neighborhood Description **Downtown Huntsville, subject is located just south of Highway 30.**

Property Values **Stable** Demand/Supply **In balance**

Marketing Time **3-12 months** Growth Rate **Stable**

Neighborhood Land Uses **Residential, Commercial, Public**

Neighborhood Trend and Probable Changes **Stable trends have been observed in this area.**

Price Range for Similar Type Property (Per Unit or Per Sq. Ft.) **\$15.83/SF - \$305.78/SF ~ Median \$101.36/SF**

Comments on the significant factors in the area and neighborhood that affect the value and marketability of the subject property. (Note: Race or racial composition is not considered to be a significant evaluation factor) **Market activity in this area is slow but stable. Value-related factors in this area include proximity to Highway 30 and street frontage/parking. No adverse conditions noted.**

SITE DESCRIPTION AND ANALYSIS

Site Dimensions and Area **No survey provided / 36,600 SF per CAD**

Zoning Classification and Compliance **D: Downtown**

Highest and Best Use **Commercial**

Utilities **All public**

Site Improvements and Characteristics **3125 SF commercial building, 1750 SF commercial building**

Easements, Encroachments, Special Assessments **No adverse easements or encroachments noted, however no survey was provided.**

FEMA Flood Zone **X** FEMA Map No. **48471C 0360D** FEMA Special Flood Hazard Area **No**

Known or apparent environmental hazards in area, neighborhood or on site **None known.**

Assessment **No special assessments noted** Taxes **\$3,637.15** Association Fees **None noted**

Comments **This is an improved commercial lot. The improvements were built circa 1950 per CAD records.**

DESCRIPTION OF SUBJECT PROPERTY IMPROVEMENTS

General Description and Use **Freestanding retail**

Size and Shape **4875 SF**

Age and Condition **64+/-**

Exterior Walls and Roof **Brick / Metal**

Interior Description **N/A**

Comments (favorable or unfavorable, including needed repairs, deferred maintenance, known or apparent environmental hazards) **No adverse environmental hazards are known in this area.**

VALUE ANALYSIS

History (sales, listings, offers) **None noted**

Cost Approach Summary (see attached sheet if applicable) \$ **N/A**

Income Approach Summary (see attached sheet if applicable) \$ **N/A**

ITEM	SUBJECT	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
Address	1220 Sam Houston Huntsville	1215 15th Street Huntsville		3010 Old Houston Road Huntsville		211 Hwy 190 Huntsville	
Proximity to Subject		0.25 Miles SE		2 Miles SE		0.85 Miles East	
Sales Price	\$ N/A	\$ 375,000		\$ 117,500		\$ 115,000	
Price per SF	\$	\$ 76.97		\$ 40.05		\$ 63.89	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+ (-) \$ Adjustment	DESCRIPTION	+ (-) \$ Adjustment	DESCRIPTION	+ (-) \$ Adjustment
Date of Sale/Time	N/A	08/19/2013		07/11/2014		09/10/2013	
Location	Huntsville	Huntsville		Huntsville		Huntsville	
Age	64+/-	75+/-		36+/-		35+/-	
Condition	Average	Very Good	-38.50	Good	-10.00	Good	-16.00
Size	4875 SF	4872 SF	0	2934 SF	-4.00	1800 SF	-12.75
Site Size	36,600 SF	32,550 SF	0	12,632 SF	0	14,898 SF	0
Conditions of Sale		Cash to Seller		Cash to Seller		Cash to Seller	
Special Financing		None		None		None	
Toatal Adjustments		<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ 39	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ 14	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ 29
Indicated Value of Subject			\$ 38.47		\$ 26.05		\$ 35.14

Sales Comparison Indicated Value \$ **146,000** ESTIMATED MARKET VALUE \$ **146,000** as of **December 15, 2014**

Reconciliation and General Comments (attach additional sheets as needed) **Sale 1 is the most proximate, however it is given limited weight due to the difference in quality/condition. Sales 2 and 3 are given weight due to their more similar quality/condition. The sales used reflect the most recent, similar, and proximate data currently available. The final value estimate is for 4875 SF x \$30.00/SF = \$146,250 SAY \$146,000. No inspection was made, at the request of the Client.**

I certify that, to the best of my knowledge and belief: The statements of fact contained in the evaluation are true and correct, the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal unbiased professional analysis and conclusions. I have no (or specified) present or prospective interest in the property that is the subject of this evaluation, and I have no (or specified) personal interest with respect to the parties involved. My compensation is not contingent upon 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 I have (unless otherwise indicated) made a personal inspection of the property that is the subject of this evaluation. No one provided significant professional assistance to the person signing this evaluation unless it is so indicated.

My analysis, opinions, and conclusions were developed, and this evaluation has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practices.

Preparer Malcolm W. Willey	Additional Preparer/Co-Signer
Signature	Supervisor
Property Inspection: December 15, 2014	Property Inspection:
Date Report Signed 12/26/2014 <input type="checkbox"/> Interior <input type="checkbox"/> Exterior	Date Report Signed <input type="checkbox"/> Interior <input type="checkbox"/> Exterior
Attachments: <input type="checkbox"/> Sketch of Property <input checked="" type="checkbox"/> Value Definition & Assumptions <input type="checkbox"/> Photographs <input checked="" type="checkbox"/> Location Map	<input type="checkbox"/> Environmental Addendum # of Attached Sheets 5
<input type="checkbox"/> Cost Approach <input type="checkbox"/> Income Approach	

ADDENDUM

Borrower: N/A	File No.: 14C11009
Property Address: 1220 Sam Houston Ave	Case No.: Russell
City: Huntsville	State: TX Zip: 77340
Lender: George Russell	

Additional Comments

SCOPE OF THE APPRAISAL: This is a Restricted Appraisal Report intended to comply with the reported requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Restricted Appraisal Report. As such, it does not present discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The appraiser is not responsible for unauthorized use of this report. The sales comparison approach is considered the most reliable method for this assignment, and has been developed. The cost and income approaches are not applicable to this assignment, and have not been developed.

PURPOSE OF THE APPRAISAL: To conclude the market value of the above referenced property.

INTENDED USE/USER OF REPORT: For the sole purpose of assisting the Client and their representatives with asset valuation.

PROPERTY INTEREST APPRAISED: Fee simple estate.

Highest & Best Use:

The subject is located in an area of mixed uses, and is zoned for several potential uses. Based upon current market conditions, the highest and best use is concluded to be a commercial use.

Sales/Listing History

No prior sales or transfers in ownership have been noted or reported for the subject within the past 36 months, per MLS/CAD. No prior sales were noted for the comparables within the past 12 months of their respective close dates, per MLS.

Prior Services

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.

Exposure Time

The subjects estimated exposure time is considered to be between 3-12 months.

Extraordinary Assumptions

The value estimate herein is based on the premise that the condition of the improvements is average with no detrimental conditions present. Use of an extraordinary assumption can affect the results of the assignment if found to be inaccurate.

DEFINITION OF MARKET VALUE: 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, 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 each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (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.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the Appraiser's judgment.

STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.


APPRAISERS CERTIFICATION: The Appraiser certifies and agrees that:

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

SUPERVISORY APPRAISER'S CERTIFICATION: If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

ADDRESS OF PROPERTY APPRAISED: 1220 Sam Houston Ave, Huntsville

APPRAISER:

Signature: 
Name: Malcolm W. Willey
Date Signed: 12/26/2014
State Certification #: 1329116-G
or State License #: TX
State: TX
Expiration Date of Certification or License: 12/31/2015

SUPERVISORY APPRAISER (only if required)

Signature: _____
Name: _____
Date Signed: _____
State Certification #: _____
or State License #: _____
State: _____
Expiration Date of Certification or License: _____

Did Did Not Inspect Property

LOCATION MAP

Borrower: N/A
Property Address: 1220 Sam Houston Ave
City: Huntsville
Lender: George Russell

File No.: 14C11009
Case No.: Russell
State: TX
Zip: 77340



 Data use subject to license.
© DeLorme. DeLorme Street Atlas USA© 2014.
www.delorme.com

★
↑
MN (2.8° E)

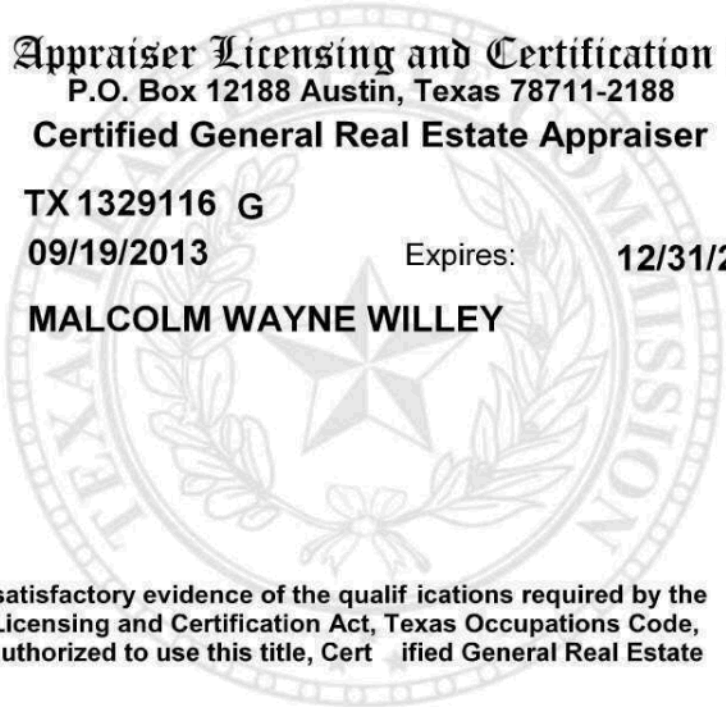

0 800 1600 2400 3200 4000 ft
Data Zoom 13-0

Appraiser Certification

Borrower: N/A	File No.: 14C11009	
Property Address: 1220 Sam Houston Ave	Case No.: Russell	
City: Huntsville	State: TX	Zip: 77340
Lender: George Russell		

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

Number: **TX 1329116 G**
Issued: **09/19/2013** Expires: **12/31/2015**
Appraiser: **MALCOLM WAYNE WILLEY**



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

Subject CAD Record

Borrower: N/A	File No.: 14C11009
Property Address: 1220 Sam Houston Ave	Case No.: Russell
City: Huntsville	State: TX
Lender: George Russell	Zip: 77340

Property Details	
Account	
Property ID:	29751
Legal Description:	HUNTSVILLE TOWNSITE, BLOCK 4, LOT 9, ACRES .8402
Geographic ID:	4700-004-0-00900
Agent Code:	
Type:	Real
Location	
Address:	1220 SAM HOUSTON AVE TX
Map ID:	36
Owner	
Owner ID:	176400
Name:	RUSSELL GEORGE H & SUZANNE B
Mailing Address:	1401 19TH ST HUNTSVILLE, TX 77340
% Ownership:	100.0%
Exemptions:	No Exemptions

Property Values	
Improvement Homesite Value:	\$0
Improvement Non-Homesite Value:	\$63,500
Land Homesite Value:	\$0
Land Non-Homesite Value:	\$85,980
Agricultural Market Valuation:	\$0
Market Value:	\$149,480
Ag Use Value:	\$0
Appraised Value:	\$149,480
HS Cap:	\$0
Assessed Value:	\$149,480

DISCLAIMER: The Appraisal District makes no warranties or representations whatsoever regarding the quality, content, completeness, accuracy or adequacy of such information and data. Original records may differ from the information on this site and verification of information on source documents is recommended. Information relating to the current year should be considered a 'work in progress'. Prior year data is informational only and does not necessarily replicate the values certified to the tax office.

Subject CAD Record

Borrower: N/A	File No.: 14C11009
Property Address: 1220 Sam Houston Ave	Case No.: Russell
City: Huntsville	State: TX
Lender: George Russell	Zip: 77340

Property Taxing Jurisdiction						
Entity	Description	Tax Rate	Market Value	Taxable Value	Estimated Tax	Freeze Ceiling
CAD	WALKER CO APPRAISAL DISTRICT	0.000000	\$149,480	\$149,480	\$0.00	
HC	Huntsville City	0.410600	\$149,480	\$149,480	\$613.76	
HI	Huntsville ISD	1.210000	\$149,480	\$149,480	\$1,808.71	
WC	Walker County	0.658900	\$149,480	\$149,480	\$984.92	
WH	Walker County Hospital District	0.153700	\$149,480	\$149,480	\$229.75	
Total Tax Rate: 2.433200 Estimated Taxes With Exemptions: \$3,637.15 Estimated Taxes Without Exemptions: \$3,637.15						

Property Improvement - Building				
Type	Description	Class CD	Year Built	SQFT
Type: Commercial State Code: F1 Living Area: 3,125.00sqft Value: \$27,140				
CP2	COVERED PORCH 2	CB2		100.00
MA	MAIN AREA	CB2	1950	3,125.00
Type: Commercial State Code: F1 Living Area: 1,750.00sqft Value: \$36,360				
CP2	COVERED PORCH 2	CB2		100.00
MA	MAIN AREA	CB2		1,750.00

Property Land							
Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
CL	COMMERCIAL LOT	0.31	13,500.00	100.00	135.00	\$67,500	\$0
CL	COMMERCIAL LOT	0.53	23,100.00	0.00	0.00	\$18,480	\$0

Property Roll Value History							
Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed	
2015	NA	NA	NA	NA	NA	NA	NA
2014	\$63,500	\$85,980	\$0	\$149,480	\$0	\$149,480	
2013	\$52,590	\$85,980	\$0	\$138,570	\$0	\$138,570	
2012	\$42,040	\$85,980	\$0	\$128,020	\$0	\$128,020	
2011	\$39,940	\$85,980	\$0	\$125,920	\$0	\$125,920	
2010	\$42,040	\$85,980	\$0	\$128,020	\$0	\$128,020	
2009	\$42,040	\$103,880	\$0	\$145,920	\$0	\$145,920	
2008	\$43,240	\$81,900	\$0	\$125,140	\$0	\$125,140	
2007	\$47,440	\$22,500	\$0	\$69,940	\$0	\$69,940	

Property Deed History							
Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Number
1/1/1992	OT	Other	FDIC	RUSSELL GEORGE H & SUZANNE B	160	050	