

**REAL ESTATE APPRAISAL**

**Prepared For:**

CITY BANK  
120 E. MAIN STREET  
FORNEY, TEXAS 75126

**Property Appraised:**

23730 I-20 (SERVICE ROAD)  
WILLS POINT, TX 75169

**Prepared By:**

NAN RITER  
RITER GROUP APPRAISALS  
P.O. BOX 699, 204 W. BROAD ST  
FORNEY, TEXAS 75126



# City Bank Forney

120 East Main  
P. O. Box 5  
Forney, Texas 75126  
Phone (972) 564-3921  
Fax (972) 564-3367

**Jim Goldston**  
Branch President

April 9, 2002

Nan Riter  
P.O. Box 699  
Forney, TX 75126

Dear Mrs. Riter:

Please consider this as our request for an appraisal on the following described real estate property. The specific information relating to the engagement is as follows:

Property Type: Commercial Property.

Size: approximately 4.92 acres with improvements

Location: 23730 I-20 Service road, Wills Point, Texas 75169

Appraisal Purpose: Determine value for collateral purposes.

Appraisal Type: Summary Report

Your Quoted Price:

Delivery Date: ASAP

Deliver To: Jim Goldston  
City Bank of Forney  
P.O. Box 5  
Forney, Texas 75126

Contact: Jim B. G Goldston (972/564-3921 wk.)

Feel free to call me if you have any questions.

Sincerely,

Jim B. Goldston  
Branch President

# RESTRICTED APPRAISAL REPORT

File No. 2000020

Restriction on Use of this Appraisal: This is a Restricted Appraisal Report as defined and permitted by the Uniform Standards of Professional Appraisal Practice (USPAP). This Restricted Appraisal Report is intended for use only by the client for the stated use. The client understands the limited utility of the Restricted Appraisal Report and its limited application to only the specified use. This report cannot be properly understood without additional information contained in the appraiser's work file. Use by anyone other than the client is prohibited.

## CLIENT AND PROPERTY IDENTIFICATION

Client **CITY BANK**  
Client's Address **120 E. MAIN, FORNEY, TEXAS 75126**

### Identification of Property being Appraised

Address **23730 I-20 (SERVICE ROAD)** City **WILLS POINT** St **TX** Zip **75169**  
 Legal Description **LOT 3 OF THE CHERRY SPRINGS, VAN ZANDT COUNTY, 4.92 ACRES**  
 Property Survey (See Attached)  
 Property Sketch (See Attached) **SEE ATTACHED SKETCH OF VALUED STRUCTURES ON PROPERTY**

### Statement of the Real Property Interest being Appraised

Fee Simple  Leasehold  Other

## APPRAISAL APPROACH

### Statement of Purpose of Appraisal

To estimate the market value of the subject property.  
 To estimate

### Statement of Intended Use of Appraisal

**APPRAISAL IS TO BE USED BY THE BANK FOR LOAN COLLATERAL PURPOSES**

### Statement of the Appraisal Procedures followed

This is a Complete Appraisal assignment. All of the procedures of the Valuation Process as required by the Uniform Standards of Professional Appraisal Practice (USPAP) specific guidelines for a Complete Appraisal were performed. This Restricted Appraisal Report is made based on client instructions.

This is a Limited Appraisal assignment. All of the procedures of the Valuation Process as required by the Uniform Standards of Professional Appraisal Practice (USPAP) specific guidelines for a Complete Appraisal were performed except for those departures permitted by USPAP and requested by the client. The client understands the limitations of this appraisal and agrees that the performance of this Limited Appraisal is appropriate. Departures from the USPAP specific guidelines are identified and explained in this Restricted Appraisal Report or in the addenda of this report.

### Statement of All Assumptions and Limiting Conditions that Affect the Analyses, Opinion, and Conclusion

A statement of typical or ordinary assumptions and limiting conditions is attached to this report.  
 Extraordinary assumptions or limiting conditions are disclosed with statements of each opinion and value conclusion that is affected.

Description of the Extent of the Process of Collecting, Confirmation and Reporting Data **THE SUBJECT PROPERTY WAS PHYSICALLY INSPECTED, SALES DATA WAS COLLECTED VIA THE MULTIPLE LISTING SERVICE, AND SALES COMPS WERE VISUALLY INSPECTED. ADDITIONAL INFORMATION WAS OBTAINED FROM PUBLIC TAX RECORDS.**

Statement of the Exclusion of any of the Usual Approaches to Value **THE INCOME AND COST APPROACHES TO VALUE WERE NOT DEEMED NECESSARY OR REQUESTED BY THE CLIENT. PER CLIENT INSTRUCTIONS, THIS REPORT IS LIMITED IN NATURE.**

## VALUE CONCLUSIONS

### Statement of the Appraiser's Opinion of the Highest and Best Use of Subject Property

Present Use  Other

### Statement of Definition of the Value to be Estimated

A definition of value being estimated is attached to this report.  
 A definition of value estimated is

### Statement of Value Conclusions

Cost Approach \$ N/A  
Income Approach \$ N/A  
Sales Comparison Approach \$ 85,200  
Reconciliation **THE SUBJECT'S VALUE WAS DETERMINED USING THE SALES COMPARISON APPROACH TO VALUE. SEE ATTACHED SALES GRID AND COMMENTS.**  
Estimated Value as of the Date of Appraisal **4/17/2002** is \$ **85,200**

### Supporting Documentation

Supporting documentation for this appraisal is maintained on file by the appraiser. The file is available for inspection by the client, such third parties as may be authorized by due process of law, and as required by USPAP Guidelines.

### Report Attachments

Sales Comp. Approach  Limited Appraisal Disclosure  Comparable Photos  Property Survey  
 Cost Approach  Definition of Value & Cert.  Location Map  Environmental Addendum  
 Income Approach  Subject Photos  Property Sketch  **FLOOD MAP**

The analyses, opinions and conclusions used to prepare this Restricted Appraisal Report were developed in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of The Appraisal Standards Committee of the Appraisal Foundation.

### APPRAISER

Signature *Nan Ritter*  
Name **NAN RITTER**  
Date Report Signed **4/18/02**  
 Did  Did not inspect subject property.  
Cert./Lic.# **TX 1322983 L** St **TX** Exp: **4/30/02**

### SUPERVISORY APPRAISER

Signature *Walter Ritter*  
Name **WALTER RITTER**  
Date Report Signed **4/18/02**  
 Did  Did not inspect subject property.  
Cert./Lic.# **TX 1322762 R** St **TX** Exp: **3/31/04**

Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Employment Stability	Good	Avg	Fair	Poor
Build Up	<input type="checkbox"/> Over 75%	<input checked="" type="checkbox"/> 25% to 75%	<input type="checkbox"/> Under 25%	Convenience to Employment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Growth Rate	<input type="checkbox"/> Fully Dev.	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Steady	Convenience to Shopping	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	Convenience to Schools	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	Adequacy of Public Transportation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marketing Time	<input type="checkbox"/> Under 3 Mos.	<input checked="" type="checkbox"/> 4-6 Mos.	<input type="checkbox"/> Over 6 Mos.	Recreational Facilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Present Land Use	15 % Family	1 % 2-4 Family	% Apts.	Adequacy of Utilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	% Industrial	70 % Vacant	% Condo	Property Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Change in Present Land Use	<input checked="" type="checkbox"/> Not Likely	<input type="checkbox"/> Likely (*)	<input type="checkbox"/> Taking Place (*)	Protection from Dammental Conditions	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				Police and Fire Protection	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				General Appearance of Properties	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				Appeal to Market	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise) **THE SUBJECT IS LOCATED OFF OF A HIGHLY TRAVERSED INTERSTATE WITH GOOD VISIBILITY. ADEQUATE POLICE AND FIRE PROTECTION ARE AVAILABLE VIA VAN ZANDT COUNTY SHERIFF'S DEPT AND AREA VOLUNTEER FIRE DEPARTMENTS RESPECTIVELY.**

Dimensions **PLAT NOT PROVIDED** - 4.92 Sq. Ft. or Ac36  Corner Lot

Zoning classification **COMMERCIAL USE/UNZONED** Present Improvements  do  do not conform to zoning regulations

Highest and best use:  Present use  Other (specify)

Public <input checked="" type="checkbox"/>	Other (Describe)	OFF SITE IMPROVEMENTS	Topo
Electric <input checked="" type="checkbox"/>		Street Access: <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private	<b>SLIGHT SLOPE TO NE</b>
Gas <input type="checkbox"/>	<b>LIQ PETRO</b>	Surface: <b>ASPHALT</b>	Size <b>4.92 ACRES</b>
Water <input type="checkbox"/>	<b>WELL</b>	Maintenance: <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private	Shape <b>RECTANGULAR</b>
San. Sewer <input type="checkbox"/>	<b>SEPTIC</b>	<input type="checkbox"/> Storm Sewer <input type="checkbox"/> Curb/Gutter	View <b>AVERAGE</b>
<input type="checkbox"/> Underground Elct. & Tel.		<input type="checkbox"/> Sidewalk <input type="checkbox"/> Street Lights	Drainage <b>APPEARS ADEQUATE</b>

Is the property located in a HUD identified Special Flood Hazard Area?  No  Yes

Comments (favorable or unfavorable including any apparent adverse easements, encroachments or other adverse conditions) **APPARENT EASEMENT WAS ELECTRICITY SERVICE. NO VISIBLE ENCROACHMENTS OR PROTRUSIONS WERE IDENTIFIED. NO ADVERSE ENVIRONMENTAL CONDITIONS WERE OBSERVED. TITLE POLICY AND SURVEY ARE RECOMMENDED.**

The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment, reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to, or more favorable than, the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to, or less favorable than, the subject property, a plus (+) adjustment is made, thus increasing the indicated value of the subject.

ITEM	Subject Property	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	23730 I-20 WILLS POINT CANTON, TX 75103	25111 STATE HWY 64 CANTON, TX 75103	990 W. HWY 243 CANTON, TX 75103	24997 STATE HWY 64 CANTON, TX 75103
Proximity to Subj.		9.2 MILES SE	8 MILES SE	9 MILES SE
Sales Price		\$ 65,000	\$ 39,500	\$ 47,000
Price				
Data Source	OBSERV/TAX	MLS#9256476/TAX	MLS#9395178/TAX	MLS#9185700/TAX
Date of Sale and Time Adjustment	DESCRIPTION	DESCRIPTION +(-) Adjustment	DESCRIPTION +(-) Adjustment	DESCRIPTION +(-) Adjustment
Location	AVERAGE	GOOD -6500	AVG	GOOD -4700
Site/View	4.92 AC/AVG	2.84 AC/AVG +12500	1.5 AC/AVG +20500	2.253 AC/AVG +24400
BLD SIZE	3,900 SF	1,050 SF +14250	NONE +19500	1,800 SF +10500
QUAL/CON	FAIR/FAIR	FAIR/FAIR	NONE	FAIR/FAIR
ADDL BLD	320 SF	NONE +1600	NONE +1600	NONE +1600
STG/FEN	3 STG/FENCE	NONE +3000	NONE +3000	NONE +3000
Sales or Financing	CASH	CONV	CONV	CONV
Concessions	NONE KNOWN	NONE KNOWN	NONE KNOWN	NONE KNOWN
Net Ad. (Total)	<input checked="" type="checkbox"/> Plus <input type="checkbox"/> Minus \$ 24,850	<input checked="" type="checkbox"/> Plus <input type="checkbox"/> Minus \$ 44,600	<input checked="" type="checkbox"/> Plus <input type="checkbox"/> Minus \$ 34,800	
Indicated Value of Subject	\$ 89,850	\$ 84,100	\$ 81,800	

Comments on Market Data: **ALTHOUGH THE SALES DATES ON COMPS 1 & 3 ARE OLDER THAN DESIRED AND THE NET/GROSS ADJUSTMENTS ON ALL 3 COMPS ARE LARGER THAN DESIRED, THE SALES UTILIZED WERE THE BEST AVAILABLE. SEE ATTACHED ADDENDUM FOR MORE COMMENTS.**

Comments and Conditions of Appraisal: **THIS APPRAISAL IS MADE AS-IS AND IS NOT SUBJECT TO ANY REQUIREMENTS. PER THE CLIENT'S REQUEST, THIS APPRAISAL IS LIMITED, BUT IT IS CONSIDERED TO RENDER A REASONABLE PROPERTY VALUE.**

Final Reconciliation: **APPROXIMATELY EQUAL WEIGHT WAS GIVEN TO EACH COMPARABLE SALE IN DETERMINING THE SUBJECT'S VALUE. THE INCOME AND COST APPROACHES TO VALUE WERE NOT UTILIZED IN THE ANALYSIS.**

I ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF 4/17 2002 to be \$ 85,200

SUPPLEMENTAL ADDENDUM	
Borrower	N/A
Property Address	23730 I-20 (SERVICE ROAD)
City	WILLS POINT
State	TX
Lender/Client	CITY BANK, 120 E. MAIN, FORNEY, TEXAS 75126
County	
Zip Code	75169

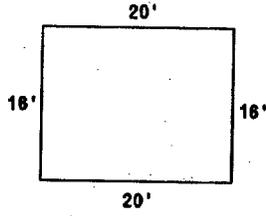
ADDITIONAL COMMENTS:

SALES COMPARISON ADJUSTMENTS - COMPARABLE SALES 1 AND 3 WERE NEGATIVELY ADJUSTED FOR THEIR SUPERIOR LOCATIONS (CLOSE PROXIMITY TO DOWNTOWN CANTON'S TRADES DAY AREA) AS COMPARED TO THE SUBJECT'S LOCATION ON A SERVICE ROAD WITH GOOD VISIBILITY AND TRAFFIC FLOW BUT LIMITED ACCESS. SITES WERE VARIOUSLY ADJUSTED ACCORDING TO THEIR INDIVIDUAL SIZES AND CHARACTERISTICS AS COMPARED TO THE SUBJECT. ADJUSTMENTS FOR MAIN BUILDING SIZE, ADDL BUILDINGS, STORAGE, AND FENCE WERE DEEMED NECESSARY AND REASONABLE.

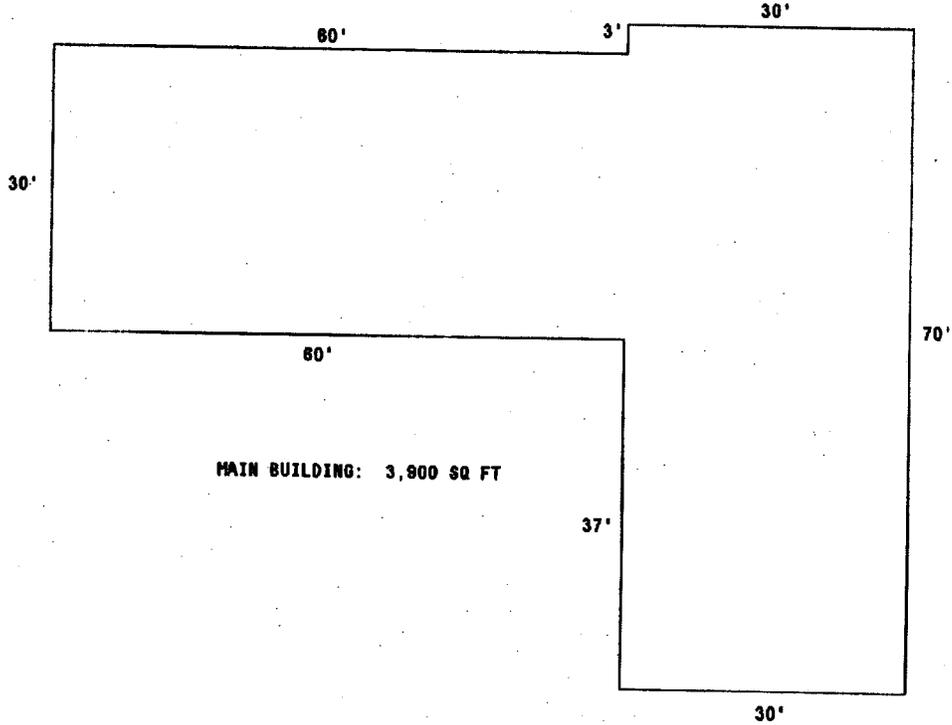
1000020

SKETCH ADDENDUM

Borrower **N/A**  
Property Address **23730 I-20 (SERVICE ROAD)**  
City **WILLS POINT** County \_\_\_\_\_  
State **TX** Zip Code **75169**  
Lender/Client **CITY BANK, 120 E. MAIN, FORNEY, TEXAS 75126**



ADDITIONAL WOOD BUILDING: 320 SQ FT



MAIN BUILDING: 3,900 SQ FT

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# Photograph Addendum

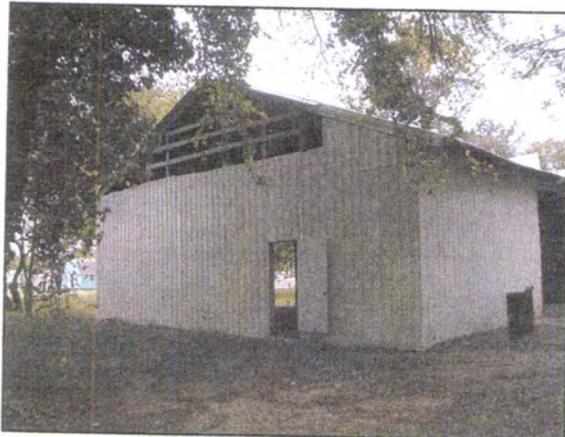
Borrower N/A	
Property Address 23730 I-20 (SERVICE ROAD)	
City WILLS POINT	County
State TX	Zip Code 75169
Lender/Client CITY BANK	Lender's Address 120 E. MAIN STREET, FORNEY, TX 75126
Appraiser NAN RITER	Appraiser's Address P. O. BOX 699, 204 W. BROAD, FORNEY, TX 75126



SUBJECT FRONT VIEW  
 MAIN BUILDING (WHITE METAL)  
 WITH ADDITIONAL WOOD  
 BUILDING TO THE RIGHT



STORAGE BUILDINGS ON SUBJECT  
 PROPERTY



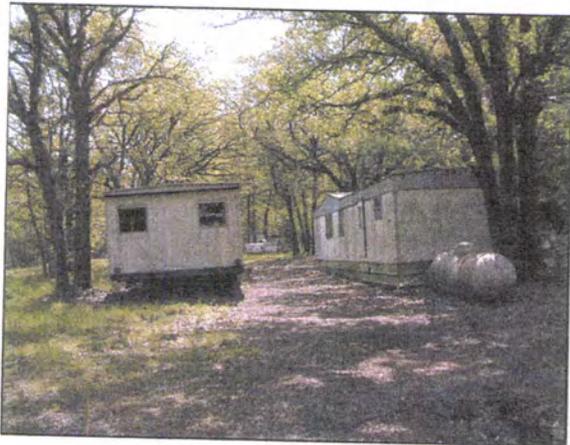
STRUCTURE ON PROPERTY IN  
 POOR CONDITION AND GIVEN NO  
 VALUE

# Photograph Addendum

Borrower	
Property Address 23730 I-20 (SERVICE ROAD)	
City WILLS POINT	County
State TX	Zip Code 75169
Lender/Client CITY BANK	Lender's Address 120 E. MAIN STREET, FORNEY, TX 75126
Appraiser NAN RITER	Appraiser's Address P. O. BOX 699, 204 W. BROAD, FORNEY, TX 75126



OLD MOBILE HOME IN POOR  
CONDITION ON PROPERTY GIVEN  
NO VALUE



TWO ADDITIONAL MOBILE HOMES  
IN POOR CONDITION ON  
PROPERTY GIVE NO VALUE

# Photograph Addendum

Borrower N/A	
Property Address 23730 I-20 (SERVICE ROAD)	
City WILLS POINT	County
State TX	Zip Code 75169
Lender/Client CITY BANK, 120 E. MAIN, FORNEY	Lender's Address 120 E. MAIN STREET, FORNEY, TX 75126
Appraiser NAN RITER	Appraiser's Address P. O. BOX 699, 204 W. BROAD, FORNEY, TX 75126



### Comparable 1

25111 STATE HWY 64  
 CANTON, TX 75102  
 COMMERCIAL PROPERTY



### Comparable 2

990 W. HWY 243  
 CANTON, TX 75103  
 COMMERCIAL LAND



### Comparable 3

24997 STATE HWY 64  
 CANTON, TX 75103  
 PER REALTOR, NEW OWNER  
 TOTALLY REMODELED AFTER  
 PURCHASE - ORIGINALLY IN  
 FAIR CONDITION.  
 COMMERCIAL PROPERTY

1000020

MAP ADDRESS

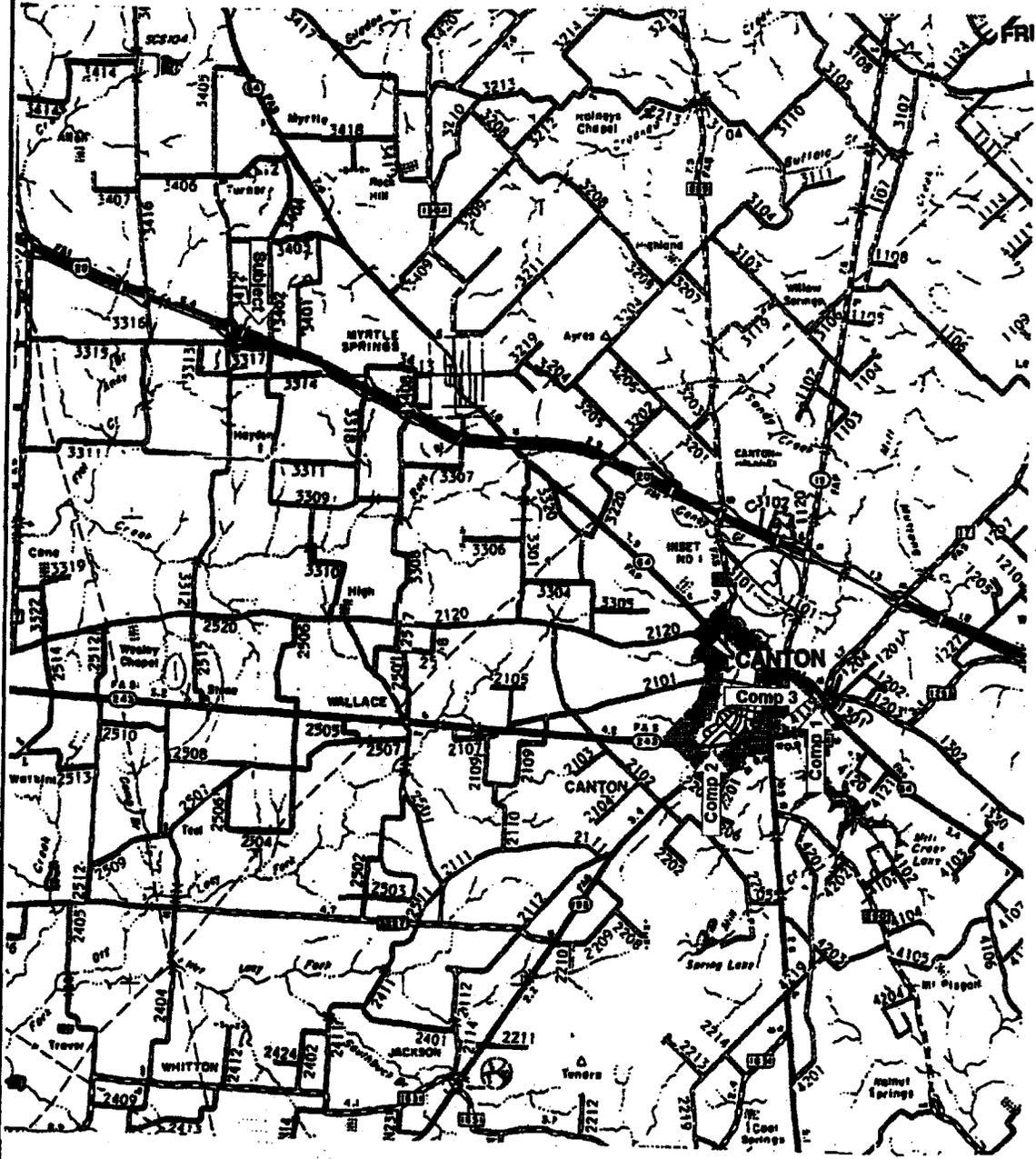
Borrower **N/A**

Property Address **23730 I-20 (SERVICE ROAD)**

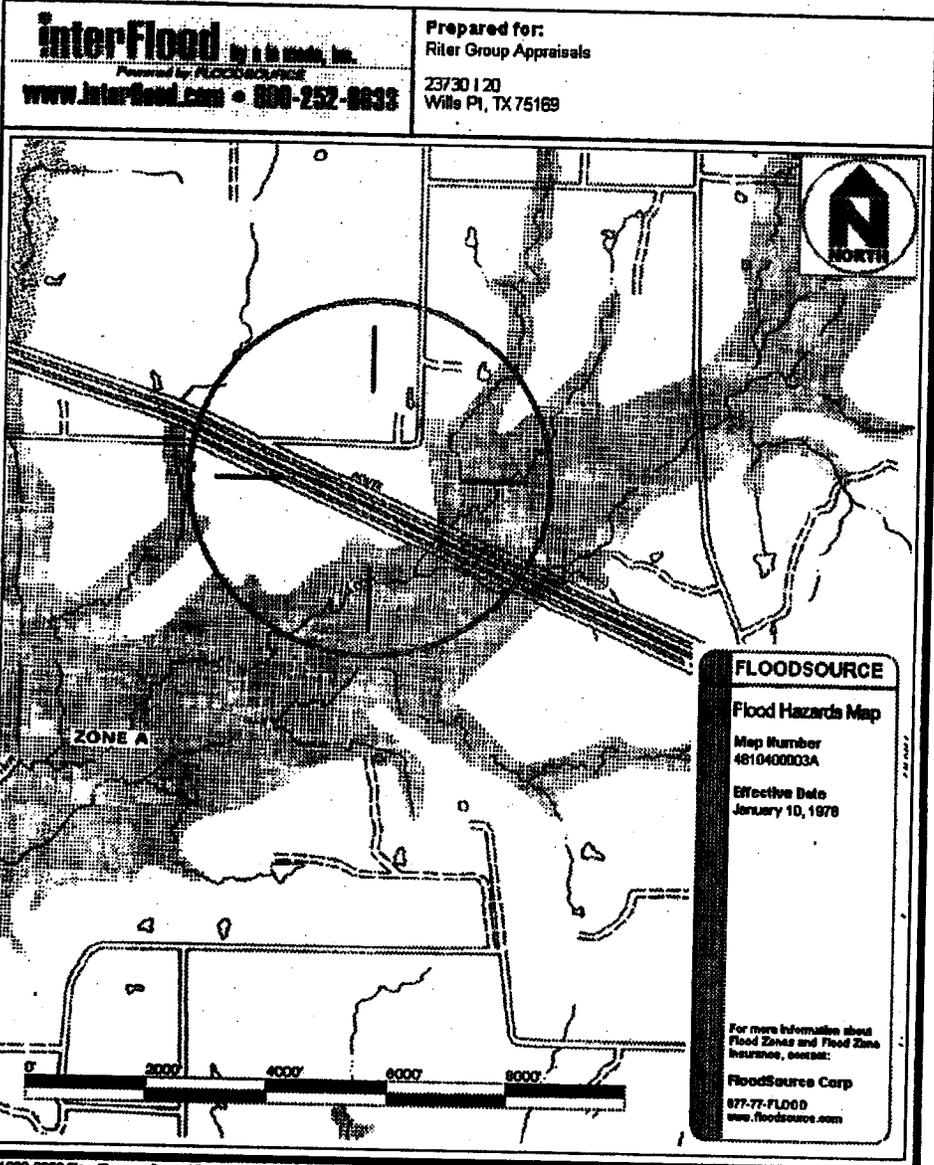
City **WILLS POINT** County \_\_\_\_\_

State **TX** Zip Code **75169**

Lender/Client **CITY BANK, 120 E. MAIN, FORNEY, TEXAS 75126**



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# Limited Appraisal Departure Disclosure

File No.

1000029

This Limited Appraisal Departure Disclosure is part of a Limited Appraisal made according to the binding requirements and specific guidelines of the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation. The USPAP permits departures from some sections of the USPAP that are classified as specific guidelines. The USPAP places the burden of proof on the appraiser to decide before accepting an assignment which calls for something less than, or different from, the work that would otherwise be required by USPAP specific guidelines, to determine that the appraisal is not so limited as to mislead or confuse the client or other intended users of the report. The appraiser must advise the client that a Limited Appraisal may not be as reliable as a Complete Appraisal, and that the report will clearly identify and explain the departures. The client must agree that the performance of a Limited Appraisal would be appropriate.

I am satisfied that the Limited Appraisal I performed is not so limited as to mislead or confuse the client or other disclosed intended users of the report. I have indicated below those USPAP specific guidelines from which I have departed. I have prominently disclosed in the appraisal report that this is a Limited Appraisal and that I have not performed all of the items of the appraisal process for a Complete Appraisal, and that a Limited Appraisal may be less reliable than a Complete Appraisal.

### INDICATE DEPARTURES AND EXPLAIN BELOW:

- Standard Rule 1-2 (a) "adequately identify the real estate, identify the real property interest, consider the intended use of the appraisal, consider the extent of the data collection process, identify any special limiting conditions, and identify the effective date of the appraisal."
- Standard Rule 1-2 (b) "define the value being considered; if the value to be estimated is market value, the appraiser must clearly indicate whether the estimate is the most probable price: (i) in terms of cash or (ii) in terms of financial arrangements equivalent to cash; or (iii) in such other terms as may be precisely defined. If an estimate of value is based on sub market financing or financing with unusual conditions or incentives, the terms of such financing must be clearly set forth, their contributions to or negative influence on value must be described and estimated, and the market data supporting the valuation estimate must be described and explained."
- Standard Rule 1-2 (c) "consider easements, restrictions, encumbrances, leases, reservations, covenants, contracts, declarations, special assessments, ordinances, or other items of a similar nature."
- Standard Rule 1-2 (d) "consider whether an appraised fractional interest, physical segment, or partial holding contributes pro rata on the value of the whole."
- Standard Rule 1-2 (e) "identify and consider the effect on value of any personal property, trade fixture or intangible items that are not real property but are included in the appraisal."
- Standard Rule 1-3 (a) "consider the effect on use and the value of the following factors: existing land use regulations, reasonably probable modifications of such land uses regulations, economic demand, the physical adaptability of the real estate, neighborhood trends, and the highest and best use of the real estate."
- Standard Rule 1-3 (b) "recognize that land is appraised as though vacant and available for development to its highest and best use and that the appraisal of improvements is based on their actual contribution to the site."
- Standard Rule 1-4 (a) "value the site by an appropriate appraisal method or technique."
- Standard Rule 1-4 (b) "collect, verify, analyze, and reconcile: (i) such comparable cost data as are available to estimate the cost new of the improvements (if any); (ii) such comparable data as are available to estimate the difference between cost new and the present worth of the improvements (scored depreciation); (iii) such comparable sales data, adequately identified and described, as are available to indicate a value conclusion; (iv) such comparable operating expense data as are available to estimate the operating expenses of the property being appraised; (v) such comparable operating data as are available to estimate the operating expenses of the property being appraised; (vi) such comparable data as are available to estimate rates of capitalization and/or rates of discount."
- Standard Rule 1-4 (c) "base projections of future rent and expenses on reasonably clear and appropriate evidence."
- Standard Rule 1-4 (d) "when estimating the value of a leased fee estate or a leasehold estate, consider and analyze the effect on value, if any, of the terms and conditions of the lease(s)."
- Standard Rule 1-4 (e) "consider and analyze the effect on value, if any, of the assemblage of the various estates or component parts of a property and refrain from estimating the value of the whole solely by adding together the individual values of the various estates or component parts."
- Standard Rule 1-4 (f) "consider and analyze the effect on the value, if any, of anticipated public or private improvements, located on or off the site, to the extent that market actions reflect such anticipated improvements as of the effective appraisal date."
- Standard Rule 1-4 (g) "identify and consider the appropriate procedures and market information required to perform the appraisal, including all physical, functional, and external market factors as they may affect the appraisal."
- Standard Rule 1-4 (h) "appraise proposed improvements only after examining and having available for future examination: (i) plans, specifications, or other documentation sufficient to identify the scope and character of the proposed improvements; (ii) evidence indicating the probable time of completion of the proposed improvements; and (iii) reasonable clear and appropriate evidence supporting development costs, anticipated earnings, occupancy projections, and the anticipated competition at the time of completion."
- Standard Rule 1-4 (i) "all pertinent information in items (a) through (h) above shall be used in the development of an appraisal."

Departure Explanations 1-4(a): Three separate land comps were not used to determine the subject's site value excluding improvements, however the comparable sales utilized are believed to be good indications of the subject's value as a whole when adjusted for differences.

1-4(b): The Income and Cost Approaches to value were not utilized in this appraisal. Due to the availability of adequate comparable sale data and the client's request for a limited appraisal, the Income and Cost Approaches were not deemed necessary to determine a reasonable subject value.

1-4(c): See 1-4(b)

1-4(i): See 1-4(a,b,c) for explanations of any information excluded from this appraisal

**RESTRICTED APPRAISAL REPORT**

File No.

1800020

**Definition of Market Value  
Ordinary Assumptions and Limiting Conditions  
Certification**

**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 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 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.

**ORDINARY ASSUMPTIONS AND LIMITING 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. If the appraiser has provided a sketch in the appraisal report, the sketch shows approximate dimensions and is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. If 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 that the subject site is (or is not) located in an identified Special Flood Hazard Area, as 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 required to do so by a court.
5. The appraiser has noted in the appraisal report any significant 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.
6. 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.
7. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
8. 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.
9. I have agreed to enter into this assignment as requested by the client named in the report for the use specified by the client which is stated in the report, which calls for things that are different from the work that would otherwise be required by the specific guidelines of the USPAP. The client has agreed that the performance of this limited appraisal service is appropriate for their intended use.

Other: **APPRAISER IS NOT AWARE OF THE USAGE HISTORY OF THE SUBJECT PROPERTY AND THEREFORE CANNOT CERTIFY AS TO ANY ENVIRONMENTAL CONCERNS.**

**CERTIFICATION**

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
3. I have no (or the specified) present or prospective interest in this property that is the subject of this report, and I have no (or the specified) personal interest or bias with respect to the parties involved.
4. My 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.
5. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Practice.
6. I have (or have not) as indicated on the report made a personal inspection of the property that is the subject of this report. If more than one person has signed the report, each person has indicated on the report whether they did or did not make an inspection of the appraisal property.
7. Unless otherwise indicated below, no one provided me with significant professional assistance in the completion of this appraisal assignment.

**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, and am taking full responsibility for the appraisal and the appraisal report.

**APPRAISER**

Signature

Name **NAN RITER**

Date Report Signed **4/18/2002**

Did  Did Not Inspect Subject Property

Cert./Lic.# **TX 1322983 L** St **TX** Exp: **4/30/02**

**SUPERVISORY APPRAISER**

Signature

*Walter Riter*

Name **WALTER RITER**

Date Report Signed **4/18/2002**

Did  Did Not Inspect Subject Property

Cert./Lic.# **TX 1322762 R** St **TX** Exp: **3/31/04**



**TEXAS APPRAISER LICENSING AND CERTIFICATION BOARD**

*BE IT KNOWN THAT*

**NAN MARIE RITER**

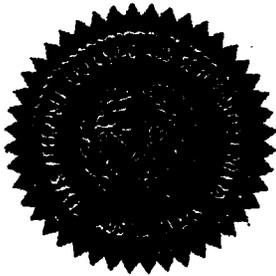
**HAVING PROVIDED SATISFACTORY EVIDENCE OF THE QUALIFICATIONS REQUIRED BY  
THE TEXAS APPRAISER LICENSING AND CERTIFICATION ACT,  
ARTICLE 6573a.2, VERNON'S TEXAS CIVIL STATUTES,  
IS AUTHORIZED TO USE THE TITLE  
STATE LICENSED  
REAL ESTATE APPRAISER**

Number: TX-1322983-L

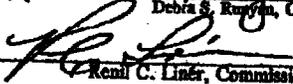
Date of Issue: May 3, 2000

Date of Expiration: April 30, 2002

*In Witness Whereof*



  
\_\_\_\_\_  
Debra S. Runyan, Chair

  
\_\_\_\_\_  
Kent C. Liner, Commissioner

Debra S. Runyan, Chair  
Benjamin E. Barnett  
L. W. (Wayne) Mayo

James M. Synatzske, Vice-Chair  
David Gloier  
Robert A. Seale, Jr.

Jacqueline G. Humphrey, Secretary  
Eduardo A. Lopez  
Angie V. White

**NAN RITER - RESUME  
RITER GROUP APPRAISALS  
P. O. BOX 699  
204 W. BROAD STREET  
FORNEY, TEXAS 75126  
PH: (972) 564-3332 FAX: (972) 564-5757**

**EDUCATION:**

**BBA - MARKETING w/ EMPHASIS IN REAL ESTATE FINANCING - TEXAS A & M UNIVERSITY,  
COLLEGE STATION, TEXAS - GRADUATED DEC. 1984**

**GRADUATE OF THE SCHOOL OF MORTGAGE BANKING w/ DISTINCTION - WASHINGTON, DC**

**NUMEROUS REAL ESTATE SALES, APPRAISAL, FINANCING, MORTGAGE UNDERWRITING AND  
INFORMATION SYSTEMS (COMPUTER) COURSES**

**LICENSES:**

**TEXAS REAL ESTATE SALESMANS LICENSE #0319907  
TEXAS APPRAISAL LICENSE #TX-1322893-L**

**WORK EXPERIENCE:**

**FEBRUARY 1985 - JANUARY 2002**

**FEDERAL NATIONAL MORTGAGE ASSOCIATION  
ASSISTANT SALES REPRESENTATIVE - 1 YEAR  
INCOME PROPERTY SPECIALIST - 2 YEARS  
LENDER OPERATIONS SPECIALIST - 3 YEARS  
APPRAISAL ANALYST - 8 YEARS  
MANAGEMENT INFORMATION SYSTEMS ANALYST - 3 YEARS**

**FEBRUARY 2002 - PRESENT**

**RITER GROUP REAL ESTATE SALES AND APPRAISALS  
REAL ESTATE APPRAISER  
SALES ASSOCIATE**



**TEXAS APPRAISER LICENSING AND CERTIFICATION BOARD**

*BE IT KNOWN THAT*

**WALTER VENNER RITER**

*HAVING PROVIDED SATISFACTORY EVIDENCE OF THE QUALIFICATIONS REQUIRED BY  
THE TEXAS APPRAISER LICENSING AND CERTIFICATION ACT,  
ARTICLE 6573a. 2, VERNON'S TEXAS CIVIL STATUTES,  
IS AUTHORIZED TO USE THE TITLE*

**STATE CERTIFIED  
RESIDENTIAL REAL ESTATE APPRAISER**

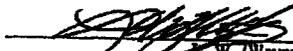
**Number: TX-1322762-R**

**Date of Issue: March 28, 2002**

**Date of Expiration: March 31, 2004**

*In Witness Whereof*



  
\_\_\_\_\_  
L. W. (Wayne) Mayo, Chair

  
\_\_\_\_\_  
Renil C. Liner, Commissioner

L. W. (Wayne) Mayo, Chair  
Benjamin E. Barnett  
Debra S. Runyan

James M. Synatzske, Vice-Chair  
Patrick H. Cordero, Jr.  
William A. Foulk, Jr.

Dona S. Scurry, Secretary  
Douglas Oldmixon  
Elroy Carson

**WALTER RITER - SUMMARY OF QUALIFICATIONS  
RITER GROUP APPRAISALS  
P. O. BOX 699  
FORNEY, TEXAS 75126  
(972) 564-3332**

**EDUCATION:**

PRINCIPLES AND PRACTICES, REAL ESTATE APPRAISAL, EASTFIELD COLLEGE  
BASIC APPRAISING, UNIVERSITY OF TEXAS AT ARLINGTON  
RESIDENTIAL COST APPROACH, LINCOLN GRADUATE CENTER  
PRINCIPLE OF REAL ESTATE APPRAISING, NATIONAL ASSOCIATION OF INDEPENDENT APPRAISERS  
MANY ADDITIONAL HOURS OF CONTINUING EDUCATION FOR APPRAISAL CERTIFICATION RENEWAL

**AFFILIATIONS:**

MRA DESIGNATION, NATIONAL ASSOCIATION OF MASTER APPRAISERS  
MEMBER, NATIONAL ASSOCIATION OF REALTORS  
MEMBER, DALLAS MULTIPLE LISTING SERVICE  
MEMBER, KAUFMAN-VAN ZANDT BOARD OF REALTORS  
MEMBER, TEXAS ASSOCIATION OF REALTORS  
TEXAS REAL ESTATE BROKER LICENSE #188831  
TEXAS AUCTIONER LICENSE #6529  
TEXAS APPRAISAL CERTIFICATION TX #1322762

**EXPERIENCE:**

FORMER FHA FEE APPRAISER - 14 YEARS  
REAL ESTATE SALES - 27 YEARS  
DESIGNATED BROKER - 23 YEARS  
LICENSED TEXAS APPRAISER - 9 YEARS

**CLIENTS:**

AMERICAN NATIONAL BANK  
401 PINSON ROAD  
FORNEY, TX. 75126 (972-564-3820)

FIRST STATE BANK  
917 MILITARY PARKWAY  
MESQUITE, TX. 75149 (972-285-6311)

CITY BANK  
P.O. BOX 5  
FORNEY, TX. 75126 (972-564-3921)

RELIANCE MORTGAGE  
8222 DOUGLAS, STE 390  
DALLAS, TX. 75225 (972-360-9000)

TOWN BANK  
P.O. BOX 870729  
MESQUITE, TX. 75187-0729 (972-285-8000)

E-TRADE MORTGAGE  
7755 CENTER AVE #100  
HUNTINGTON BEACH, CA 82647 (714-889-3611)

MEGAMERICA dba AMERICAN HOME LOANS  
24800 L-45 NORTH #240  
SPRING, TX 77386 (281-681-0700)

OTHERS UPON REQUEST

