

FOR:

Ms. Misti Abernathy
First National Bank of Hughes Springs
P.O. Box 188
Hughes Springs, TX 75656

APPRAISAL OF:

The Existing Patriot Rental & Investments, LLC Mobile Home Community
Located at 5801 Curtis Black Road,
Hallsville, Harrison County, Texas
(Patriot Rental & Investments, LLC)

BY:

Thieman and Associates, Inc.
1100 Stone Road, Suite 101
Kilgore, Texas 75662

EFFECTIVE DATE OF APPRAISAL:

July 5, 2017



THIEMAN AND ASSOCIATES, INC.

1100 STONE ROAD, SUITE 101
KILGORE, TEXAS 75662
903-983-2589

1601 JUDSON ROAD
LONGVIEW, TEXAS 75601
903-758-8910

FAX 903-984-0739 EMAIL EDTHIEMAN@AOL.COM

July 16, 2017

Ms. Misti Abernathy
First National Bank of Hughes Springs
P.O. Box 188
Hughes Springs, TX 75656

Ref: The Existing Patriot Rental & Investments, LLC Mobile Home Community,
located at 5801 Curtis Black Road, Hallsville, Harrison County, Texas
(Patriot Rental & Investments, LLC)

Dear Ms. Abernathy:

As requested, we have inspected the above referenced property, reviewed the cost and income and expense data provided, made an investigation of the market, gathered the necessary data, and have formed an opinion of market value of the fee simple interest in the subject property "As Is and Stabilized".

The purpose of this appraisal is to form an opinion of the Market Value, as defined by the 2010 Interagency Appraisal and Evaluation Guidelines consistent with part 323.2 (g) of FDIC Rules and Regulations and 12 CFR 34.42 (g) issued by the Office of the Comptroller of the Currency. This appraisal has been prepared in compliance with the Uniform Standards of Professional Appraisal Standards Board (USPAP) of the Appraisal Foundation as adopted by FIRREA.

Market Value is 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 that the price is not affected by undue stimulus.

We certify that we have no interest, present or proposed, in the subject property, that the value estimates contained in the forthcoming report have been reached after investigation, analysis and study of pertinent data, and that our fee is in no way contingent upon the value reached. This appraisal is made subject to our current contingent and limiting conditions.

REAL ESTATE APPRAISERS AND CONSULTANTS

Ms. Misti Abernathy
First National Bank of Hughes Springs

July 16, 2017

Therefore, after completing our analysis of the subject property, as reflected in the attached report, it is our opinion that the market value of the whole subject property "As Is and Stabilized", is:

FINAL MARKET VALUE OPINION/WHOLE PROPERTY/AS IS & STABILIZED
One Million Eight Hundred Thousand Dollars
\$1,800,000 RND

The subject is a new facility, and as of the date of this appraisal report the subject had nine of the subject sixteen mobile home units rented, and is estimated to stabilize at a 90% occupancy within 60 days. Considering this short stabilization period, do further discounting is necessary.

The estimated marketing time for the subject property is within 12 months, if readily marketable and actively marketed.

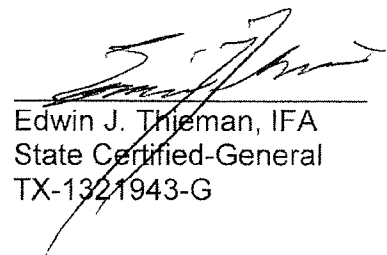
This letter is in transmittal of the attached report, which reflects the basis of our reasoning for the final value estimate.

While the mobile homes could be removed from the property, they are attached to the pad sites and are inherent in the operational rental aspect of this property, and are thus being considered to be real property, including the appliances in the subject rental units.

Respectfully submitted,



Hugh Michael Means
State Certified-General
TX-1326504-G



Edwin J. Thieman, IFA
State Certified-General
TX-1321943-G

TABLE OF CONTENTS

<u>INTRODUCTION</u>	<u>PAGE NO.</u>
Title Page	1.
Letter of Transmittal	2.
Table of Contents	4.
Summary of Important Facts and Conclusions	6.
Description of the Process (Scope)	8.
Extraordinary Assumptions and Hypothetical Conditions	10.
Marketing Time/Exposure Time	11.
Scope of Work Rule	12.
Purpose of the Appraisal/Appraisal Assignment	16.
Intended Use and Intended User of the Appraisal Report	16.
Significant Appraisal Dates	16.
Property Rights Appraised	17.
Definition of Market Value	18.
Statement of Competence	19.
Compliance	20.
<u>FACTUAL DESCRIPTIONS</u>	
Identification of the Property	23.
Property History	24.
Statement of Ownership	24.
<u>DESCRIPTION, ANALYSIS, AND VALUE CONCLUSIONS</u>	
Regional & City Data	26.
Neighborhood Analysis	39.
Site Data and Analysis	44.
Improvement Data and Analysis	50.
<u>ANALYSIS OF DATA AND OPINIONS OF THE APPRAISER</u>	
Highest and Best Use	55.
The Valuation Approach	59.
Market Approach to Value - Land Only	63.
Land Sales Analysis	70.
Cost Approach Analysis	76.
Cost Approach Schedule	83.
Direct Sales Comparison Approach - Whole Property	84.
Improved Market Data Analysis	94.
Income Approach	103.
Reconciliation and Final Value Estimate	121.
Certificate of Value	126.
Assumptions and Limiting Conditions	130.
Qualifications of the Appraisers	134.

ADDENDA

Subject Photographs
Exhibits

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Location:	The subject is located just +/- 4 miles northeast of the City of Longview, southeast of the FM 2208 corridor, south of Noonday Road, on Curtis Black Road. The subject is located on the west side of Curtis Black Road, with a physical address given as 5801 Curtis Black Road, Hallsville, in Harrison County, Texas.
Property Identification:	The new Patriot Rental & Investments, LLC mobile home community. A 16 unit very good quality mobile home rental development. Includes 16 new park owned mobile homes.
Owner of Record:	Patriot Rental & Investments, LLC
Tenants:	Individual residential tenants, rent roll not provided.
Intended User of Report:	First National Bank of Hughes Springs, and/or Assigns/Associates
Purpose of Appraisal/ Appraisal Assignment:	Form an Opinion of the Market Value of the Subject Real Estate "As Is and Stabilized"
Property Right Appraised:	Fee Simple Estate
Land Size:	+/- 4.187 Acres
Zoning Classification:	No zoning applicable.
Highest & Best Use: (As If Vacant)	Residential Development
Highest & Best Use: (As Improved)	Existing Multi-Family Residential Rental Development
Improvement Description:	The improvements consist of a new residential development for mobile homes. It consists of 16 mobile home sites, full utility service to each site, concrete streets, walks, carports for each site, a metal shop, good lighting, landscaping, fencing, gates, etc. The mobile homes are all 2017 model homes, and consists of (8) 14X72 units

with 3 bedroom/2 baths each, and (8) 28X56 units with 3 bedrooms/2 baths each. While the mobile homes could be removed from the property, they are attached to the pad sites and are inherent in the operational rental aspect of this property, are thus being considered to be as real property, including the appliances in the subject rental units.

See improvement description section.

Lease Up Period:

The subject is a new facility, and as of the date of this appraisal report the subject had nine of the subject sixteen mobile home units rented, and is estimated to stabilize at a 90% occupancy within 60 days. Considering this short stabilization period, no further discounting is necessary.

Flood Plain:

None

Utilities:

Private well water, Upshur Rural Electric Service (individual meters), commercial residential septic system.

Opinions of Value

Land Value Estimate/As Vacant:	\$ 95,000 RND
Cost Approach Value:	\$1,900,000 As Is
Market Approach Value:	\$1,750,000 As Is & Stabilized
Income Approach Value:	\$1,800,000 As Is & Stabilized
Final Value Estimate:	\$1,800,000 As Is & Stabilized

Personal Property/FF&E:

None Included. While the mobile homes could be removed from the property, they are attached to the pad sites and are inherent in the operational rental aspect of this property, are thus being considered to be as real property, including the appliances in the subject rental units.

Marketing Period:

Within 12 Months (1 Year)

Effective Date of Value:

July 5, 2017

Date of Report:

July 16, 2017