

Uniform Residential Appraisal Report

File No. 12H227A1

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

SUBJECT

Property Address

City Henderson

State NV

Zip Code 89074

Borrower

Owner of Public Record

County Clark

Legal Description

Assessor's Parcel # 178-07-710-016

Tax Year 2012

R.E. Taxes \$ 4,317

Neighborhood Name - Green Valley - Henderson

Map Reference 76-B4

Census Tract 53.13

Occupant ☐ Owner ☐ Tenant ☒ Vacant

Special Assessments \$ 0

☒ PUD

HOA \$ 310

☐ per year

☒ per month

Property Rights Appraised ☒ Fee Simple ☐ Leasehold ☐ Other (describe)

Assignment Type ☐ Purchase Transaction ☐ Refinance Transaction ☒ Other (describe)

Short sale negotiations

Lender/Client

Address

Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal?

☒ Yes

☐ No

Report data source(s) used, offering price(s), and date(s).

This information was verified through either the builder, sales office, public records, real estate agent and/or the Greater Las Vegas Board of Realtors Multiple Listing Service.

CONTRACT

I ☐ did ☐ did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.

Contract Price \$

Date of Contract

Is the property seller the owner of public record?

☒ Yes

☐ No

Data Source(s) Public Records

Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower?

☐ Yes

☒ No

If Yes, report the total dollar amount and describe the items to be paid.

None reported

NEIGHBORHOOD

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics		One-Unit Housing Trends			One-Unit Housing		Present Land Use %	
Location	<input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit	90% %	
Built-Up	<input type="checkbox"/> Over 75% <input checked="" type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply	<input checked="" type="checkbox"/> Shortage <input type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$(000)	(yrs)	2-4 Unit	0% %	
Growth	<input type="checkbox"/> Rapid <input type="checkbox"/> Stable <input checked="" type="checkbox"/> Slow	Marketing Time	<input checked="" type="checkbox"/> Under 3 mths <input type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	400 Low	10	Multi-Family	5% %	
Neighborhood Boundaries	Warm Springs Road to the north, Green Valley Parkway to the east, Lake Mead Drive to the south, and Eastern Avenue to the west.			1000 High	20	Commercial	5% %	
				600 Pred.	15	Other	0% %	

Neighborhood Description

The Fountains is a residential community consisting of semi custom homes located in the city of Henderson. Buyers in this area are aware of distances to schools, local and regional shopping facilities as well as employment centers. The subject is located in a 24-hour man guard gated development with private streets and common area facilities.

Market Conditions (including support for the above conclusions)

Over the past several years, the metro area has declined per the Case-Shiller index. While REO and short sale activity dominate parts of the valley area, many neighborhoods and market segments are experiencing stable conditions. As provided, please refer to attached addendum comments, graphs and or tables if included.

SITE

Dimensions 130 x 165

Area .49 Acre (21344 SF)

Shape Rectangular

View Residential

Specific Zoning Classification RS-6

Zoning Description Single Family Residential

Zoning Compliance ☒ Legal ☐ Legal Nonconforming (Grandfathered Use) ☐ No Zoning ☐ Illegal (describe)

Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use?

☒ Yes

☐ No

If No, describe.

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements—Type	Public	Private
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water	<input checked="" type="checkbox"/>	Street Asphalt	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sanitary Sewer	<input checked="" type="checkbox"/>	Alley None	<input type="checkbox"/>	<input type="checkbox"/>

FEMA Special Flood Hazard Area ☐ Yes ☒ No

FEMA Flood Zone X

FEMA Map # 320005-2590F

FEMA Map Date 11/16/2011

Are the utilities and off-site improvements typical for the market area?

☒ Yes

☐ No

If No, describe.

Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)?

☐ Yes

☒ No

If Yes, describe.

The site is of typical size and shape for a property located within this development. No adverse site conditions were noted at the time of inspection.

IMPROVEMENTS

GENERAL DESCRIPTION		FOUNDATION		EXTERIOR DESCRIPTION		INTERIOR	
				materials/condition		materials/condition	
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit		<input checked="" type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space		Foundation Walls	Concrete/Avg	Floors	Cpt/Tile/Avg
# of Stories 2		<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement		Exterior Walls	Stucco/Avg	Walls	Drywall/Avg
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit		Basement Area 0 sq. ft.		Roof Surface	Tile/Avg	Trim/Finish	Wood/Avg
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.		Basement Finish 0 %		Gutters & Downspouts	Yes/Avg	Bath Floor	Tile/Avg
Design (Style) Mediterranean		<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump		Window Type	Insulated/Avg	Bath Wainscot	Tile/Avg
Year Built 1990		Evidence of <input type="checkbox"/> Infestation		Storm Sash/Insulated	None	Car Storage	<input type="checkbox"/> None
Effective Age (Yrs) 20		<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement		Screens	Yes/Avg	<input checked="" type="checkbox"/> Driveway	# of Cars 2
Attic <input type="checkbox"/> None		Heating <input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant		Amenities <input type="checkbox"/> WoodStove(s) #0		Driveway Surface	Concrete
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs		<input type="checkbox"/> Other Fuel Gas		<input checked="" type="checkbox"/> Fireplace(s) # 3	<input checked="" type="checkbox"/> Fence Fence	<input checked="" type="checkbox"/> Garage	# of Cars 2
<input type="checkbox"/> Floor <input checked="" type="checkbox"/> Scuttle		Cooling <input checked="" type="checkbox"/> Central Air Conditioning		<input checked="" type="checkbox"/> Patio/Deck Patio	<input checked="" type="checkbox"/> Porch Yes	<input type="checkbox"/> Carport	# of Cars 0
<input type="checkbox"/> Finished <input type="checkbox"/> Heated		<input type="checkbox"/> Individual <input type="checkbox"/> Other		<input checked="" type="checkbox"/> Pool Yes	<input checked="" type="checkbox"/> Other Spa	<input type="checkbox"/> Att.	<input type="checkbox"/> Det. <input checked="" type="checkbox"/> Built-in
Appliances <input checked="" type="checkbox"/> Refrigerator <input checked="" type="checkbox"/> Range/Oven <input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Disposal <input checked="" type="checkbox"/> Microwave <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe)							
Finished area above grade contains:		10 Rooms	5 Bedrooms	3.5 Bath(s)	5,556	Square Feet of Gross Living Area Above Grade	
Additional features (special energy efficient items, etc.).		See comments in addendum under Improvement Description for further detail.					
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). The subject is in overall average condition. It may be impacted by external obsolescence due to current market conditions in the Las Vegas Valley. Refer to the Expanded Comments on Key Factors Influencing Housing and Trends - External Obsolescence. No significant functional obsolescence noted. See addendum for further information.							
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property?							
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe.							
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)?							
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe.							

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There are 9 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 515,000 to \$ 799,900 .
There are 7 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 500,000 to \$ 738,500 .

FEATURE		SUBJECT		COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
Address									
Proximity to Subject				0.23 miles NW		0.10 miles NW		0.12 miles NE	
Sale Price		\$		\$ 590,000		\$ 500,000		\$ 650,000	
Sale Price/Gross Liv. Area		\$ 0.00 sq. ft.		\$ 123.74 sq. ft.		\$ 106.52 sq. ft.		\$ 105.95 sq. ft.	
Data Source(s)				20120222-2273		20120110-1648		20111123-1025	
Verification Source(s)				MLS-Files-Public Records		MLS-Public Records		MLS-Files-County Records	
VALUE ADJUSTMENTS		DESCRIPTION		DESCRIPTION		DESCRIPTION		DESCRIPTION	
				+(-) \$ Adjustment		+(-) \$ Adjustment		+(-) \$ Adjustment	
Sale or Financing				CASH		CASH		CONV	
Concessions								None	
Date of Sale/Time				02/22/2012		01/10/2012		11/23/2011	
Location		Gd/Grd Gated		Gd/Grd Gtd		Gd/Grd Gtd		Gd/Grd Gated	
Leasehold/Fee Simple		Fee Simple		Fee Simple		Fee Simple		Fee Simple	
Site		.49 Acre/Interior		.35 Acr/Interior		.46 Acr/Interior		.48 Acr/Corner	
View		Residential		Residential		Residential		Residential	
Design (Style)		Mediterranean		Mediterranean		Mediterranean		Mediterranean	
Quality of Construction		Stucco/Tile		Stucco/Tile		Stucco/Tile		Stucco/Tile	
Actual Age		1990		1993		1993		1990	
Condition		Avg-Owner		Avg-Owner		Avg-Owner		Avg-Owner	
				-25,000		-25,000		-25,000	
Above Grade		Total	Bdrms	Baths	Total	Bdrms	Baths	Total	Bdrms
Room Count		10	5	3.5	12	5	3.5	11	5
Gross Living Area		50	5,556	sq. ft.	4,768	sq. ft.	39,000	4,694	sq. ft.
Basement & Finished		None		767 Sq. Ft.		None		None	
Rooms Below Grade				-38,000					
Functional Utility		Average		Average		Average		Average	
Heating/Cooling		Central		Central		Central		Central	
Energy Efficient Items		Standard		Standard		Standard		Standard	
Garage/Carport		2-Garage		4 Car Garage		3-Garage		5-Garage	
Porch/Patio/Deck		L/S,C/Pat/Deck		L/S, C/Patio		L/S, C/Patio		L/S, Pat/Deck	
Swim Features		Pool/Spa		Pool/Spa		None		Pool/Spa	
Net Adjustment (Total)				<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ 38,000		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 3,000		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ 114,000	
Adjusted Sale Price				Net Adj. -6.4%		Net Adj. 0.6%		Net Adj. -17.5%	
of Comparables				Gross Adj. 19.7%		Gross Adj. 16.6%		Gross Adj. 17.5%	
				\$ 552,000		\$ 503,000		\$ 536,000	

I ☒ did ☐ did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research ☐ did ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data source(s)

My research ☒ did ☐ did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data source(s) Multiple Listing Service, Public Records

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
Date of Prior Sale/Transfer				
Price of Prior Sale/Transfer				
Data Source(s)	Public Records	Public Records	Public Records	Public Records
Effective Date of Data Source(s)	09/01/2012	09/01/2012	09/01/2012	09/01/2012

Analysis of prior sale or transfer history of the subject property and comparable sales Prior sales or transfers may or may not represent typical market transactions and/or past market values. If any prior sales or transfers that fall within reporting guidelines are noted within this report, every reasonable effort has been made to accurately analyze the applicable data used. This was done to comply with underwriter guidelines implemented to ensure the safety of homebuyers and lenders from predatory flipping schemes or questionable transactions.

Summary of Sales Comparison Approach. In consideration of the above market transactions, current market conditions, including other sales and listings in the area, greatest consideration is placed on the Sales Comparison Approach to Value. The final opinion of value for the subject property is correlated at \$500,000. The \$90 package price per square foot of living area includes land plus improvements and is below the range as indicated by the comparables in this report. The comparable closed transactions indicate a package price from \$105 to \$123. The subject's package price is not supported by the unadjusted sale price divided by gross living area of the comparables utilized in this report due to the deferred maintenance and the fact that the swim features need to be removed from the rear yard and then filled in and landscaped.

Indicated Value by Sales Comparison Approach \$ 500,000

Indicated Value by: Sales Comparison Approach \$500,000 Cost Approach (if developed) \$ 0 Income Approach (if developed) \$ 0

Greatest consideration is placed on the sales comparison approach, which best reflects the behaviors of buyers and sellers in the marketplace for vacant land transactions.

This appraisal is made ☒ "as is," ☐ subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, ☐ subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or ☐ subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: Per the client's request the property is being appraised in it "as is" condition.

Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 500,000 as of 08/29/2012 , which is the date of inspection and the effective date of this appraisal.

ADDITIONAL COMMENTS

Important - Please Read - The client should review this report in its entirety to gain a full awareness of the subject property, its market environment and to account for identified issues in their business decisions. This appraisal report includes; comments, observations, exhibits, maps and addenda that are necessary for the reader to comprehend the relevant characteristics of the subject property. The "Clarification of Scope of Work" provides specifics as to the development of the appraisal along with exceptions that may have been necessary to complete a credible report. The Housing Market Analysis addendum provides an overview of the market area, economic and demographic indicators, trends and market summary.

Supplemental Certification: The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. 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 and Standards of Professional Appraisal Practice of the Appraisal Institute. As of the date of this report, I, [REDACTED], have completed the continuing education program of the Appraisal Institute.

Supplemental Certification: In compliance with the ethics rule of USPAP, I hereby certify that I have no past, current or prospective interest in the subject property or parties involved, and have not performed any services regarding the subject property within the 3-year period immediately preceding acceptance of this assignment, as an appraiser or any other capacity.

COST APPROACH

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value)

ESTIMATED	<input type="checkbox"/> REPRODUCTION OR	<input type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE..... = \$	
Source of cost data			Dwelling	5,556 Sq. Ft. @ \$ = \$ 0
Quality rating from cost service	Effective date of cost data		Sq. Ft. @ \$ = \$	
Comments on Cost Approach (gross living area calculations, depreciation, etc.)				
In this assignment the cost approach is not included due to the inherent difficulties in estimating the replacement cost new in today's market as well as accrued depreciation and loss in value due to all types of obsolescence.			Garage/Carport	642 Sq. Ft. @ \$ = \$ 0
			Total Estimate of Cost-New = \$ 0	
			Less	0 Physical Functional External = \$ (0)
			Depreciation = \$ 0	
			Depreciated Cost of Improvements = \$	
			"As-is" Value of Site Improvements = \$	
Estimated Remaining Economic Life (HUD and VA only)			40 Years	INDICATED VALUE BY COST APPROACH..... = \$ 0

INCOME

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$ 0 X Gross Rent Multiplier 0 = \$ 0 Indicated Value by Income Approach

Summary of Income Approach (including support for market rent and GRM)

PUD INFORMATION

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? ☐ Yes ☒ No Unit type(s) ☒ Detached ☐ Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal name of project

Total number of phases Total number of units Total number of units sold

Total number of units rented Total number of units for sale Data source(s)

Was the project created by the conversion of an existing building(s) into a PUD? ☐ Yes ☐ No If Yes, date of conversion.

Does the project contain any multi-dwelling units? ☐ Yes ☐ No Data source(s)

Are the units, common elements, and recreation facilities complete? ☐ Yes ☐ No If No, describe the status of completion.

Are the common elements leased to or by the Homeowners' Association? ☐ Yes ☐ No If Yes, describe the rental terms and options.

Describe common elements and recreational facilities. Gated entrance, private streets, perimeter fencing, park, etc.

This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit; including a unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

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 or she considers his or her 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 ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following 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, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader 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 this appraisal report whether any portion of 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, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, 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 research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. 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, this appraisal report must not be considered as an environmental assessment of the property.
6. 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 the completion, repairs, or alterations of the subject property will be performed in a professional manner.

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of 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 at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of 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 opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, 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 or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in 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 this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.
21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.




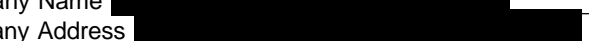
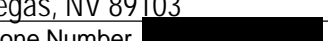
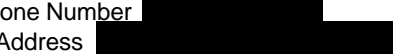

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

- 1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
- 2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
- 3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
- 4. This appraisal report complies 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 at the time this appraisal report was prepared.
- 5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature 
Name 
Company Name 
Company Address 
Las Vegas, NV 89103
Telephone Number 
Email Address 
Date of Signature and Report 09/07/2012
Effective Date of Appraisal 08/29/2012
State Certification # 
or State License # _____
or Other (describe) _____ State # _____
State NV
Expiration Date of Certification or License 05/31/2013

ADDRESS OF PROPERTY APPRAISED



APPRAISED VALUE OF SUBJECT PROPERTY \$ 500,000

LENDER/CLIENT

Name NO AMC
Company Name 
Company Address 
Email Address _____

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
Name _____
Company Name _____
Company Address _____
Telephone Number _____
Email Address _____
Date of Signature _____
State Certification # _____
or State License # _____
State _____
Expiration Date of Certification or License _____

SUBJECT PROPERTY

- ☐ Did not inspect subject property
- ☐ Did inspect exterior of subject property from street
Date of Inspection _____
- ☐ Did inspect interior and exterior of subject property
Date of Inspection _____

COMPARABLE SALES

- ☐ Did not inspect exterior of comparable sales from street
- ☐ Did inspect exterior of comparable sales from street
Date of Inspection _____

Uniform Residential Appraisal Report

File No. **12H227A1**[illegible]

Market Conditions Addendum to the Appraisal Report

File No. 12H227A1

The purpose of this addendum is to provide the lender/client with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood. This is a required addendum for all appraisal reports with an effective date on or after April 1, 2009.

Property Address

City Henderson

State NV

Zip Code 89074

Borrower

Instructions: The appraiser must use the information required on this form as the basis for his/her conclusions, and must provide support for those conclusions, regarding housing trends and overall market conditions as reported in the Neighborhood section of the appraisal report form. The appraiser must fill in all the information to the extent it is available and reliable and must provide analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. It is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include the data in the analysis. If data sources provide the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

Inventory Analysis	Prior 7–12 Months	Prior 4–6 Months	Current – 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)	4	2	1	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)	0.67	0.67	0.33	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining
Total # of Comparable Active Listings	6	10	9	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Increasing
Months of Housing Supply (Total Listings/Ab.Rate)	9.00	15.00	27.00	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Increasing
Median Sale & List Price, DOM, Sale/List %	Prior 7–12 Months	Prior 4–6 Months	Current – 3 Months	Overall Trend		
Median Comparable Sale Price	575,972	664,250	685,000	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Sales Days on Market	25	94	359	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Increasing
Median Comparable List Price	687,500	672,500	695,000	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Listings Days on Market	257	178	38	<input checked="" type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale Price as % of List Price	92.61%	95.16%	94.48%	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Seller-(developer, builder, etc.)paid financial assistance prevalent? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.). Sales concessions are typical in the Las Vegas market. Most sellers and builders generally offer between 0% to 3%. Concessions over 3% are considered excessive and are adjusted dollar for dollar in the Sales Comparison Approach.The total number of comparables trend settled is calculated by comparing and contrasting quarterly time periods. The larger 7-12 month period requires its output to be divided by 2 in order to provide output for analysis based on equal measures of time.

Are foreclosure sales (REO sales) a factor in the market? ☒ Yes ☐ No If yes, explain (including the trends in listings and sales of foreclosed properties). Given the distance parameters used within this report and analysis, there are REOs (and short sales) considered competitive to the subject for property type. Foreclosure sales and listings have been stable for the past six months and in my opinion they should remain so into the foreseeable future. For overall general market activity regarding REO's, please refer to the OBSERVATIONS AND CONCLUSIONS section in the main addendum of this report.

Cite data sources for above information. MLS and Public Records.

Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions. As stated in the guidelines for the development of the 1004MC, the results can be meaningful when there are a sufficient number of "competitive to the subject property" sales to represent the collective market action. Contrary to this, when there is insufficient data, the results can be inconclusive (or unreliable). In addition, where the physical property characteristics, expanded market areas, and or buyer/seller motivations are dissimilar, the results are often far less reliable. In the subject's case, one or more of the foregoing apply and fall outside of the stated development guidelines, thus, statistical conclusions reported here are not necessarily representative of the collective market actions observed for properties like the subject. Any risk management and underwriting decisions should consider the limitations of the 1004MC along with current and shifting economic conditions in the market.

If the subject is a unit in a condominium or cooperative project , complete the following:				Project Name:		
Subject Project Data	Prior 7–12 Months	Prior 4–6 Months	Current – 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Active Comparable Listings				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Unit Supply (Total Listings/Ab. Rate)				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Are foreclosure sales (REO sales) a factor in the project? ☐ Yes ☐ No If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties.

Summarize the above trends and address the impact on the subject unit and project.

APPRAISER

Signature

Name

Company Name

Company Address

Las Vegas, NV 89103

State License/Certification #

State NV

Email Address

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature

Name

Company Name

Company Address

State License/Certification #

State

Email Address

MARKET RESEARCH & ANALYSIS

CONDO/CO-OP PROJECTS

APPRAISER

Borrower:							
Property Address:							
City:	Henderson	County:	Clark	State:	NV	Zip Code:	89074
Lender:							

Reasonable Exposure Time


My opinion of a reasonable exposure time for the subject property at the market value stated in this report is: 3-6 months

Exposure / Marketing Time: Exposure time is defined as the "estimated length of time the interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal." The exposure time of a subject is determined based on the analysis of statistical information, i.e., days on market and/or information gathered through sales verification, interviews of market participants, etc. For purposes of this analysis, the subject's exposure time is considered similar to our estimate of 'marketing time'. Marketing time is defined as the "reasonable amount of time it might take to sell a property interest in real estate at the estimated market value level during the period immediately after the effective date of an appraisal." Due to uncertainty over future economic conditions, any forecast of marketing time estimated and stated herein would not be based on what might typically be considered reliable future indicators. For this reason, the estimate of marketing time for the subject is based solely on analysis of past information gathered as of the effective date of this assignment. Exposure and marketing times will often be similar for any given property. As such, the method employed to determine marketing time for the subject is considered reliable and appropriate. There are, however, exceptions when exposure and marketing times will differ, i.e., after a natural disaster like a major flood or a firestorm. During times such as these, exposure and marketing times may differ considerably.

Additional Certifications

- ☒ 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** performed services, as an appraiser or in another capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. Those services are described in the comments below.

Additional Comments

APPRAISER:	SUPERVISORY APPRAISER (only if required):
Signature: 	Signature: _____
Name: _____	Name: _____
Date Signed: 09/07/2012	Date Signed: _____
State Certification #: _____	State Certification #: _____
or State License #: _____	or State License #: _____
or Other (describe): _____ State #: _____	State: _____
State: NV	Expiration Date of Certification or License: _____
Expiration Date of Certification or License: 05/31/2013	Supervisory Appraiser inspection of Subject Property:
Effective Date of Appraisal: 08/29/2012	<input type="checkbox"/> Did Not <input type="checkbox"/> Exterior-only from street <input type="checkbox"/> Interior and Exterior

SUPPLEMENTAL REAL ESTATE OWNED APPRAISAL ADDENDUM

File No.: 12H227A1

Property Address			City	Henderson	State	NV	Zip Code	89074
Legal Description						County	Clark	
Is the subject property currently listed?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Current List Price: \$	799,900	Agent:	Sandra Beard		
Listing Company/Address/Phone:								

COMPETING LISTINGS

ITEM	SUBJECT			LISTING #1			LISTING #2			LISTING #3		
Address	[REDACTED] Henderson											
Proximity to Subj./Location												
Original List Price												
Current List Price	799,900											
Last Price Revision Date												
Days-on-Market												
Site/View												
Design (Style)												
Age												
Condition												
Above Grade Room Count	Tot: 10	B-rms: 5	Ba: 3.5	Tot:	B-rms:	Ba:	Tot:	B-rms:	Ba:	Tot:	B-rms:	Ba:
Approx. Gross Living Area	5,556 sq.ft.			sq.ft.			sq.ft.			sq.ft.		
Basement Area												
Car Storage												
Other (special / financing concessions, amenities, etc.)												

Describe the value-related differences between the subject property and the competing listings (including financing, terms, condition, location, appeal, deferred maintenance, utility, style, view, days-on-market, and other amenities). In addition, comment on supply and demand, marketing times, sale-to-list price ratios, REO and new construction activity, and other factors associated with, and/or influenced by, current listings in the subject neighborhood.

Presently, there is an under supply of homes in most areas throughout the city. However, there are some issues with the subject property regarding the fact that it had swim features which has been filled in partially with dirt and is considered to be an eye sore. Presently new construction activity in the Las Vegas Valley is increasing due to the limited available supply of resale homes. Bank owned, foreclosures and short sales make up the majority of our present market.

Describe positive and negative factors that affect the marketability and value of properties in the subject subdivision, and specifically the subject property. Discuss current economic trends -- employment, increasing/decreasing property values, supply and demand, and/or seasonal marketing factors.

The subject's market area is located in the Fountains which is a 24-hour guard gated community with excellent street landscaping, community park, perimeter fencing and private streets.

Provide an itemized list of repairs recommended to bring the property into marketable condition. Cost estimates should be based on reliable published cost sources and/or local cost resources. The appraiser is not an expert in the field of building construction and actual costs may vary from those provided. Repair costs and opinions reported herein are subject to future revision based on new repair estimates and evaluations by a licensed building contractor.

REPAIR ITEM	ESTIMATED COST
Remove swim feature or fill in, remove debris and re-landscape rear yard	\$ 20,000
Repair and re-stucco side blockwall fencing	\$ 3,000
Repaint wrought iron gates	\$ 2,000
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
TOTAL ESTIMATED COST OF RECOMMENDED REPAIRS	\$ 25,000

List any recommended inspections (code compliance, structural, environmental, etc.). Provide an explanation why the inspection is recommended, and comment on the affect on marketability and value. When no inspections are recommended, provide a statement to that effect.

Recommended inspection for the partially converted garage by the city of Henderson in order to correct the square footage and have this issue corrected.

List the number of days-on-market for the comparable sales used in the appraisal report: Comparable #1: 617 DOM; Comparable #2: 4 DOM; Comparable #3: 4 DOM.
 Comments: Comparable #4-98; Comparable #5-200; Comparable #6-363

In addition to the "AS-IS" market value estimated on the attached appraisal report, which is based on a reasonable market exposure time determined by current market conditions and described in the Neighborhood Section of the report, the following value estimates for the subject are required. Note: The difference between the "AS IS" and "AS-REPAIRED" value should approximate the market's reaction to the needed repairs, not necessarily the dollar-for-dollar cost to place the subject in marketable condition.

"AS-IS" estimate of market value based on a reasonable market exposure time as rendered in the attached appraisal report	\$	500,000
"AS-REPAIRED" estimate of market value based on a reasonable market exposure time	\$	525,000
"AS-IS" estimate of market value based on a client-imposed restricted market exposure time of <u>90</u> days (not to exceed 120 days)	\$	500,000
"AS-REPAIRED" estimate of market value based on a client-imposed restricted market exposure time of <u>90</u> days (not to exceed 120 days)	\$	525,000

APPRAISER:		SUPERVISORY APPRAISER (ONLY IF REQUIRED):	
Signature		Signature	
Name		Name	
Date Report Signed	09/07/2012	Date Report Signed	
State Certification #		State Certification #	
Or State License #		Or State License #	
	State NV		State

SUBJECT PROPERTY PHOTO ADDENDUM

File No. 12H227A1



**FRONT VIEW OF
SUBJECT PROPERTY**

Appraised Date: August 29, 2012



**REAR VIEW OF
SUBJECT PROPERTY**



STREET SCENE



COMPARABLE SALE #1

[REDACTED]
Henderson, NV 89074
Sale Date: 02/22/2012
Sale Price: \$ 590,000



COMPARABLE SALE #2

[REDACTED]
Henderson, NV 89074
Sale Date: 01/10/2012
Sale Price: \$ 500,000



COMPARABLE SALE #3

[REDACTED]
Henderson, NV 89074
Sale Date: 11/23/2011
Sale Price: \$ 650,000



COMPARABLE SALE #4

[REDACTED]
Henderson, NV 89074
Sale Date: Est COE 10/12
Sale Price: \$ 625,000



COMPARABLE SALE #5

[REDACTED]
Henderson, NV 89074
Sale Date: Est COE 09/12
Sale Price: \$ 525,000



COMPARABLE SALE #6

[REDACTED]
Henderson, NV 89074
Sale Date: LISTING 15%
Sale Price: \$ 599,800

Interior



Interior



Interior



Interior



Interior



Interior



Interior



Interior



Interior



Interior



Interior



Interior



Interior



Interior



Interior





Interior



Interior



Rear

Rear



A/C Unit

