



Appraisal Report - Limited Scope Desktop Appraisal With Interior Inspection

Property Summary

| | | | | | |
|--------------------|--|----------------------------------|-------------------------------|---------------------|--------------------|
| Subject Property: | 2224 Shady Creek Drive (Street) | Richardson (City) | TX (State) | 75080 (Zip Code) | Dallas (County) |
| Client Ref 1: | reasfasf567 | Effective Date: | 03/21/2018 | | |
| Client Ref 2: | | Valuation Analysis Completed By: | Fake Appraiser | | |
| Client Ref 3: | | Inspection Completed By: | Broker *FakeNE* | | |
| Borrower 1: | | Owner of Record: | Mcgarry Tiffany P & Stephen G | | |
| Borrower 2: | | | | | |
| APN: | 42-02450-015-032-0000 | | | | |
| Legal Description: | Canyon Creek 3rd Inst Blk 15 Lot 32 Int201200331747 Dd11012012 Co-dc 0245001503200 3cr02450015 | | | | |

Appraised Value

Current Market Value:

360,000

Effective Value Date:

03/21/2018

Inspection Date:

03/21/2018





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|-------------------|---|-------------------------------------|------------------------------|------------------------------------|-----------------------------------|

Subject Sale and Listing History (Last 3 years)

| | | | | |
|--|----|------------------|----------------------|--------------|
| Is subject currently listed? | No | List Date: _____ | List Price: \$ _____ | DOM: _____ |
| Has subject been listed in past 12 months? | No | List Date: _____ | List Price: \$ _____ | DOM: _____ |
| | | List Date: _____ | List Price: \$ _____ | DOM: _____ |
| | | List Date: _____ | List Price: \$ _____ | DOM: _____ |
| Has Subject been sold in previous 3 years? | No | Sale Date: _____ | Sale Price: \$ _____ | Buyer: _____ |
| | | Sale Date: _____ | Sale Price: \$ _____ | Buyer: _____ |
| | | Sale Date: _____ | Sale Price: \$ _____ | Buyer: _____ |

Subject Characteristics

| | | | | |
|------------------------|--|--------------------------|------------------------|------------------|
| General | Subject Property Type: | Single Family Detached | Construction Quality: | Q4 |
| | Subject Property Style: | 2 Story | Condition of Subject: | C4 |
| | Year Built: | 1966 | Lot Size: | Typical for Area |
| | Occupancy: | Owner | Site Value: | \$ 80,000 |
| | Visible Fire Damage: | No | Repairs Recommended: | No |
| | Visible Water or Flood Damage: | No | Estimated Repair Cost: | \$ 0 |
| | Conforms to Neighborhood: | Yes | Assessed Value: | \$ 329,540 |
| Zoning Compliance: | Legal | Real Estate Taxes: | \$ 5,698 | |
| Zoning Classification: | Z272 | Census Tract: | 0192.10 | |
| Zoning Description: | Single Family Residential | | | |
| Interior | Floors (materials/ condition): | Wd/Cpt/CT / Average | Refrigerator: | Yes |
| | Walls (materials/ condition): | Drywall / Average | Range/Oven: | Yes |
| | Trim/Finish (materials/ condition): | Wood / Average | Dishwasher: | Yes |
| | Bath Floor (materials/ condition): | Tile / Average | Disposal: | Yes |
| | Bath Wainscot (materials/ condition): | Tile / Average | Microwave: | Yes |
| | Heating/ Fuel: | FAU Central / Gas | Washer/Dryer: | No |
| | Cooling: | FAU Central | Other: | N/A |
| Attic | Attic: | Yes | Fireplace: | 1 |
| | Attic Finished: | No | Patio/Deck: | Yes |
| | Attic Heated: | No | Porch: | Yes |
| | Attic Access: | Scuttle | Pool: | No |
| | | | Woodstove: | No |
| Exterior | Foundation Walls (materials/ condition): | Concrete / Average | Electricity: | Public |
| | Exterior Walls (materials/ condition): | Brick,Wood / Average | Gas: | Public |
| | Roof Surface (materials/ condition): | Composition / Average | Water: | Public |
| | Window Type (materials/ condition): | DP Alum Slider / Average | Sanitary Sewer: | Public |
| | | | Street: | Public |
| Foundation | Basement Area/ % Finished: | 0 / 0 | Street Type: | Concrete |
| | Basement Outside Access: | N/A | Alley: | Public |
| | Sump Pump: | N/A | Alley Type: | Concrete |
| | Evidence of Infestation: | No | Garage/ # of Cars: | Attached / 2 |
| | Evidence of Dampness: | No | Carport/ # of Cars: | No / 0 |
| | Evidence of Settlement: | No | | |
| | | | | |

| | | | | |
|-------------------------------------|---------|------------|-------------|---|
| Finished Area Above Grade Contains: | 7 Rooms | 3 Bedrooms | 2.1 Bath(s) | 1962 Square Feet of Gross Living Area Above Grade |
| Finished Area Below Grade Contains: | 0 Rooms | 0 Bedrooms | 0 Bath(s) | 0 Square Feet of Finished Area Below Grade |

Subject Comments: See Attached Addendum

Subject Condition/ Marketability Comments: There were no adverse market conditions noted for the subject's neighborhood at the time of this appraisal. Information concerning the subject's market was obtained from the North Texas Real Estate Information Services MLS

Neighborhood / Market Characteristics

| | | | |
|---------------------------------|---------------------------|---------------------------------|----|
| Location: | Suburban | Nearby Powerlines: | No |
| Built Up: | Over 75% | Nearby Railroad: | No |
| Growth: | Stable | Nearby Highway: | No |
| Gated Community: | No | Nearby Commercial Property: | No |
| Average Marketing Time in Area: | 30-60 days | Located Under Flight Path: | No |
| Nearby Properties for Sale: | 1 | Near Waste Management Facility: | No |
| Market Trend (past 12 months): | Stable | Nearby Signs of Vandalism: | No |
| Predominant Neighborhood Value: | \$ 360,000 | | |
| Neighborhood Value Range: | \$ 90,000 to \$ 1,700,000 | | |

Neighborhood Comments: See Attached Addendum



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Comparables Grid

| ITEM | SUBJECT | COMPARABLE SALE NO. 1 | | | COMPARABLE SALE NO. 2 | | | COMPARABLE SALE NO. 3 | | |
|---------------------------------------|----------------------|--|--------------------|--|--|--------------------|--|--|--------------------|--|
| 2224 Shady Creek Drive | | 513 Arrowhead Drive | | | 503 Cap Rock Drive | | | 2300 Flat Creek Drive | | |
| Address | Richardson, TX 75080 | Richardson, TX 75080 | | | Richardson, TX 75080 | | | Richardson, TX 75080 | | |
| Proximity to Subject | | 0.4 miles SE | | | 0.41 miles SE | | | 0.08 miles NW | | |
| Sale Price | \$ 0 | \$ 354,500 | | | \$ 390,000 | | | \$ 385,000 | | |
| Sale Price/GLA | \$ 0.00 sq. ft. | \$ 178.77sq. ft. | | | \$ 207.89sq. ft. | | | \$ 201.04sq. ft. | | |
| Date of Sale | | 03/01/2018 | | | 11/01/2017 | | | 10/01/2017 | | |
| Data Source | MLS | NTREIS #13767204;DOM 16 | | | NTREIS #13690410;DOM 38 | | | NTREIS #13630331;DOM 36 | | |
| Verification Source(s) | Tax Records | Dallas County Tax Records | | | Dallas County Tax Records | | | Dallas County Tax Records | | |
| VALUE ADJUSTMENTS | DESCRIPTION | DESCRIPTION | +(-) \$ Adjustment | | DESCRIPTION | +(-) \$ Adjustment | | DESCRIPTION | +(-) \$ Adjustment | |
| Sales Concessions | None | None | | | None | | | None | | |
| Financing Concessions | N/A | N/A | | | N/A | | | N/A | | |
| Location | Suburban | Suburban | | | Suburban | | | Suburban | | |
| Leasehold/Fee Simple | Fee Simple | Fee Simple | | | Fee Simple | | | Fee Simple | | |
| Site | 8,050 sf | 7,841 sf | 0 | | 7,841 sf | 0 | | 9,148 sf | 0 | |
| View | Residential | Residential | | | Residential | | | Residential | | |
| Design (Style) | 2 Story | Ranch | 0 | | 2 Story | | | Ranch | 0 | |
| Quality of Construction | Q4 | Q4 | | | Q4 | | | Q4 | | |
| Actual Age | 52 | 53 | 0 | | 53 | 0 | | 48 | 0 | |
| Condition | C4 | C4 | | | C3 | -25,000 | | C3 | -25,000 | |
| Above Grade | Total Bdrms. Baths | Total Bdrms. Baths | | | Total Bdrms. Baths | | | Total Bdrms. Baths | | |
| Room Count | 7 3 2.1 | 7 3 2 | 5,000 | | 7 4 3 | -5,000 | | 7 4 2 | 5,000 | |
| Above Grade GLA | 1,962 sq. ft. | 1,983 sq. ft. | | | 1,876 sq. ft. | | | 1,915 sq. ft. | | |
| Basement & Finished Rooms Below Grade | 0sf0sf 0rm0br0.0ba | 0sf0sf 0rm0br0.0ba | | | 0sf0sf 0rm0br0.0ba | | | 0sf0sf 0rm0br0.0ba | | |
| Functional Utility | Typical Utility | Typical Utility | | | Typical Utility | | | Typical Utility | | |
| Heating/Cooling | FAU Central, FA | FWA/FAU Centr | | | FWA/FAU Centr | | | FWA/FAU Centr | | |
| Energy Efficient Items | None | None | | | None | | | None | | |
| Garage | Attached #2 | Attached #2 | | | Attached #2 | | | Attached #2 | | |
| Carport | 0 | 0 | | | 0 | | | 0 | | |
| Porch/Patio/Deck | C.Porch/Patio | C.Porch/Patio | | | C.Porch/Patio | | | C.Porch/Patio | | |
| Additional Adjustments | 1 F/P | 1 F/P | | | 0 F/P | 500 | | 1 F/P | | |
| Net Adjustment (Total) | | <input checked="" type="checkbox"/> + <input type="checkbox"/> - | \$ 5,000 | | <input type="checkbox"/> + <input checked="" type="checkbox"/> - | \$ 29,500 | | <input type="checkbox"/> + <input checked="" type="checkbox"/> - | \$ 20,000 | |
| Adjusted Sale Price of Comparables | | Net Adj. 1.4 % Gross Adj. 1.4 % | \$ 359,500 | | Net Adj. -7.6 % Gross Adj. 7.8 % | \$ 360,500 | | Net Adj. -5.2 % Gross Adj. 7.8 % | \$ 365,000 | |

Comments The comps provided in this report are all located within the subject's immediate market area and within 1/2 mile of the subject. All comps closed within 6 months of the effective date of the appraisal report. Comp 2 & 3 were adjusted for condition due to extensive updates to the kitchen and baths including granite counter tops, fixtures, appliances and cabinetry. No age adjustment, no design adjustment, no quality adjustments. No GLA adjustment was warranted as all comps are within 100 square feet. No bedroom adjustments were found to be warranted within this market area. A \$5000 per half bath adjustment was made for differences in bath count. All line, net, and gross adjustments are within typically acceptable guidelines. The adjustments with this report were determined based on paired sales analysis of recent sales within this market area; as well as discussions with local realtors and this appraiser's extensive knowledge and expertise of the market area. All adjustments are considered reasonable and supported.

Reconciliation Property Rights Appraised - Fee Simple

Appraiser researched 12 month transaction history of the comparables finding NO SOME information relevant to the current valuation as follows:

SUMMARY OF SALES COMPARISON (MARKET) APPROACH AND RECONCILIATION OF VALUE CONCLUSION:
 The final opinion of market value has been bracketed by the unadjusted and the adjusted sales price of the comps provided. The unadjusted sales price of the comps is within the preferred 15% range. The adjusted sales price range is within the preferred range. Most consideration when determining the final market value estimate is based on Comp 1 due to most recent closing date and most similar condition.

Conclusion

This appraisal is made as-is, 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 as follows:
 Based on my review of a recent third-party interior inspection of the subject property at a minimum; my defined scope of work; the attached certification with statement of assumptions and limiting conditions; my opinion of the market value(as defined herein) of the real property that is the subject of this report is \$ 360,000 as of 03/21/2018 which is the date of the third party inspection and the effective date of this appraisal.
 Value based on an exposure time of 0 to 120 days.



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Limiting Conditions

HVI (Hybrid Valuation) Appraisal Report (USPAP 2-2) The HVI is an Appraisal Report that is completed by a state licensed or certified appraiser who researches and analyzes local data sources and a third party exterior and interior inspection report in order to develop a market value opinion with a current effective date for the described intended use.

Lender/Client Is the intended user. Any additional intended users are noted in the report by the appraiser.

INTENDED USE: The Intended Use of this appraisal report is for financing transaction with a Federally Related Transaction. This appraisal report is not intended for any other use.

PURPOSE OF REPORT: The purpose of this appraisal report is for the appraiser to develop an opinion of market value as of a current effective date for the described intended use.

DEFINITION OF MARKET VALUE: The most probable price that 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: buyer and seller are typically motivated; both parties are well informed or well advised, and each acting in what he or she considers his/her own best interest; a reasonable time is allowed for exposure in the open market; payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and 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. Source: OCC 12 CFR 34.42

SCOPE OF WORK: In preparing this appraisal, I: - Read an exterior and interior inspection report for observable subject features. - Researched subject's current neighborhood, market trends and distressed transactions to determine their impact on the subject marketability and current value. - Did not inspect the interior or exterior of the subject property or comparable properties, but instead relied upon secondary data sources for verification of relevant characteristics. - Identified and verified subject characteristics from a reliable data source such as MLS, AVM, County/City records, GIS, and online data sources. - Researched comparable sales and listings from reliable data source(s) such as MLS, AVM, County/City records, etc. - Verified subject prior transfers and current/recent listing history and provided findings within the appraisal report. - Analyzed comparables that were similar to the subject and provided support for adjustments, conclusions, and data exceeding customary guidelines or conditions. - Clearly stated additional assumptions that pertained to this assignment and stated opinions and conclusions about the subject. - Researched and developed the Sales Comparison Approach. The cost and income approaches have been omitted from this appraisal assignment due to not necessary for credible results. - Determined the highest and best use of the subject is its current use. If an additional/alternative HBU was found during the research of this assignment it is disclosed in the text addendum. - Performed an analysis of exposure time as related to the amount of time the subject would spend on the market to bring a hypothetical sale as of the effective date of my opinion of market value. - Developed a market value opinion and provided information that was used in developing my conclusion. - Explained my reconciliation analysis that included support for conclusions and which method, analysis, or comparables were given most consideration. - Provided state specific jurisdictional disclosures as required including my full license number assigned to me by my state appraisal licensing board.

ASSIGNMENT CONDITIONS AND EXTRAORDINARY ASSUMPTIONS: The appraiser will not be responsible for matters of a legal nature that affect the subject property. 2. The appraiser assumes 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 fee simple ownership. 3. The appraiser will not give testimony or appear in court unless specific arrangements to do so have been made beforehand within the scope of this assignment. 4. The appraiser has not made an exterior or interior inspection of the subject property. The appraiser makes the extraordinary assumption that there are no adverse conditions associated with the improvements or the subject's site. Unless otherwise stated in the report, the appraiser has no knowledge of any hidden or apparent conditions of the property or adverse environmental conditions present in or around the improvements, on the site or in the immediate vicinity that would make the property more or less valuable, and has assumed that there are no such conditions. The appraiser makes no guarantees or warranties, express or implied, regarding the condition of the property. This appraiser makes the extraordinary assumption that the subject is adequately maintained, livable, and marketable and assumes the subject has no adverse conditions or functional/exterior obsolescence that would impact the results of this assignment, unless otherwise noted in the report. 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 construction, environmental hazards, sink-holes, soil, testing, surveys, plats, engineering, etc., the appraisal report may not be considered an environmental assessment or home inspection. 5. Unless otherwise noted in the appraisal report, the highest and best use of the subject as currently improved is its current residential use. It is assumed a typical buyer would a) keep using the improvements the way they currently exist; b) make no major modifications to the way the subject currently exists and c) would not demolish the existing improvements to obtain a vacant site. Although some alterations and updating is considered typical by market participants, the highest and best use analysis found no uses (physically possible, legally permissible, and financially feasible) that would bring a significantly higher economic return to the owner(s) of the rights to the land. 6. Unless otherwise noted in the appraisal report, the Sales Comparison Approach is the most reliable method for developing an opinion of market value for the subject property and this approach has been solely applied in this valuation assignment. The Cost and Income Approaches are considered less reliable valuation methods for residential properties like the subject due to buyer reliance on comparisons and are commonly omitted in similar desktop assignments by the appraiser's peers. Although considered, the cost and income approaches to value have been omitted from this assignment as they are not reliable or necessary for credible results. 7. The appraiser based the information, estimates, and opinions that were expressed in the appraisal report on information developed from sources that he or she considers and assumes reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items or data that were furnished by other parties. No sales contract was provided. 8. The appraiser will not disclose confidential information provided by the client or the assignment results except as provided for in the Uniform Standards of Professional Appraisal Practice. 9. The value opinion of this report is after the inspection report effective date. An extraordinary assumption has been employed that the subject remains in the same condition as depicted in the exterior and interior inspection report provided. If it is discovered that the subject's condition is no longer as observed or described in the inspection report provided, or the report if found to be false or otherwise inaccurate, the appraisal assignment results may be affected. 10. The Scope of Work identified in this report is a critical and material factor which influences the final market value opinion. The Appraiser assumes no responsibility for any use or to any user not identified in the report by the appraiser at the time of the acceptance of the assignment. A party receiving a copy of this appraisal report from the client as a consequence to disclosure requirements does not become an intended user of this appraisal report per USPAP, unless they were specifically identified at the time of the assignment as an additional intended user. 11. This appraiser is making the extraordinary assumption that the data reports provided and generated were accurate at the time produced. If data is found to be false or otherwise inaccurate, the resulting opinions and conclusions of this report could be affected. 12. The appraiser is not an environmental expert, soil expert or an insect, home or engineering inspector. The lender is advised to obtain such experts if their collateral decision is based on verification of such services or potential hazards. If it is discovered that any assumptions, extraordinary assumptions, or hypothetical conditions are found to be false or otherwise inaccurate, the assignment results may be affected. 13. The value opinion of this report is as of the date the property was inspected. An extraordinary assumption has been employed that the subject remains in the same condition as depicted in the exterior and interior inspection report provided. If it is discovered that the subjects condition is no longer as observed and described in the inspection report provided, or the report if found to be false or otherwise inaccurate, the appraisal assignment results may be affected.

APPRAISER'S CERTIFICATION (USPAP St 2-3) The appraiser certifies, to the best of their 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, impartial, and unbiased professional analyses, opinions and conclusions. 3. I have no present or prospective interest in the property that is the subject of the report, and no personal interest with respect to the parties involved. 4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment. 5. My engagement in this assignment was not contingent upon developing or reporting predetermined results. 6. My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in this appraisal report or from its use. 7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. 8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice. 9. I have not made a personal inspection of the property which is the subject of this report. 10. Unless otherwise noted, no one provided significant real property appraisal assistance to the person signing this certification. If any individuals did provide significant real property appraisal assistance they are identified here along with a summary of the extent of the assistance provided in the report. 11. Unless otherwise noted in this report, I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this assignment within the 3-year period immediately preceding acceptance of this assignment. 12. COLLATERAL INTELLIGENCE LLC dba ATI Valuations is the Appraisal Management Company who engaged my services for this assignment.

APPRAISAL INDEPENDENCE REQUIREMENTS (AIR) This Certifies that the above referenced appraisal report was completed in compliance with the Appraiser Independence Requirements (AIR) and the USPAP standards. The undersigned appraiser(s) responsible for preparing the above referenced appraisal report hereby certify that the report was completed and the opinion of value developed in accordance with USPAP standards, and at no time did any employee, director, officer, or agent of the lender or any third party acting as joint venture partner, independent contractor, appraisal company, appraisal management company or partnering on behalf of the lender, influence or attempt to influence the development, reporting, result or review of the report. The appraiser(s) further certify, I (we) are currently licensed and/or certified by the state in which the property to be appraised is located, and that there have been no sanctions against me (us) for any reason that would impair my ability to perform appraisals. The undersigned certifies the appraisal report is in compliance with the Appraisal Independence provisions.

Appraiser Signature:

Appraiser Name:

Fake Appraiser

Signature Date:

03/30/2018

Effective Value Date:

03/21/2018

License #:

A.123456

License State:

TX

License Expiration Date:

01/01/2025

Phone Number:

555 555 1234



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Uniform Appraisal Dataset (UAD) Definitions

Condition Ratings and Definitions

C1 The improvements have been very recently constructed and have not previously been occupied. The entire structure and all components are new and the dwelling features no physical depreciation.*

*Note: Newly constructed improvements that feature recycled materials and/or components can be considered new dwellings provided that the dwelling is placed on a 100% new foundation and the recycled materials and the recycled components have been rehabilitated/re-manufactured into like-new condition. Recently constructed improvements that have not been previously occupied are not considered "new" if they have any significant physical depreciation (i.e., newly constructed dwellings that have been vacant for an extended period of time without adequate maintenance or upkeep).

C2 The improvements feature no deferred maintenance, little or no physical depreciation, and require no repairs. Virtually all building components are new or have been recently repaired, refinished, or rehabilitated. All outdated components and finishes have been updated and/or replaced with components that meet current standards. Dwellings in this category either are almost new or have been recently completely renovated and are similar in condition to new construction.

C3 The improvements are well maintained and feature limited physical depreciation due to normal wear and tear. Some components, but not every major building component, may be updated or recently rehabilitated. The structure has been well maintained.

C4 The improvements feature some minor deferred maintenance and physical deterioration due to normal wear and tear. The dwelling has been adequately maintained and requires only minimal repairs to building components/mechanical systems and cosmetic repairs. All major building components have been adequately maintained and are functionally adequate.

C5 The improvements feature obvious deferred maintenance and are in need of some significant repairs. Some building components need repairs, rehabilitation, or updating. The functional utility and overall livability is somewhat diminished due to condition, but the dwelling remains useable and functional as a residence.

C6 The improvements have substantial damage or deferred maintenance with deficiencies or defects that are severe enough to affect the safety, soundness, or structural integrity of the improvements. The improvements are in need of substantial repairs and rehabilitation, including many or most major components.

Quality Ratings and Definitions

Q1 Dwellings with this quality rating are usually unique structures that are individually designed by an architect for a specified user. Such residences typically are constructed from detailed architectural plans and specifications and feature an exceptionally high level of workmanship and exceptionally high-grade materials throughout the interior and exterior of the structure. The design features exceptionally high-quality exterior refinements and ornamentation, and exceptionally high-quality interior refinements. The workmanship, materials, and finishes throughout the dwelling are of exceptionally high quality.

Q2 Dwellings with this quality rating are often custom designed for construction on an individual property owner's site. However, dwellings in this quality grade are also found in high-quality tract developments featuring residences constructed from individual plans or from highly modified or upgraded plans. The design features detailed, high-quality exterior ornamentation, high-quality interior refinements, and detail. The workmanship, materials, and finishes throughout the dwelling are generally of high or very high quality.

Q3 Dwellings with this quality rating are residences of higher quality built from individual or readily available designer plans in above-standard residential tract developments or on an individual property owner's site. The design includes significant exterior ornamentation and interiors that are well finished. The workmanship exceeds acceptable standards and many materials and finishes throughout the dwelling have been upgraded from "stock" standards.

Q4 Dwellings with this quality rating meet or exceed the requirements of applicable building codes. Standard or modified standard building plans are utilized and the design includes adequate fenestration and some exterior ornamentation and interior refinements. Materials, workmanship, finish, and equipment are of stock or builder grade and may feature some upgrades.

Q5 Dwellings with this quality rating feature economy of construction and basic functionality as main considerations. Such dwellings feature a plain design using readily available or basic floor plans featuring minimal fenestration and basic finishes with minimal exterior ornamentation and limited interior detail. These dwellings meet minimum building codes and are constructed with inexpensive, stock materials with limited refinements and upgrades.

Q6 Dwellings with this quality rating are of basic quality and lower cost; some may not be suitable for year-round occupancy. Such dwellings are often built with simple plans or without plans, often utilizing the lowest quality building materials. Such dwellings are often built or expanded by persons who are professionally unskilled or possess only minimal construction skills. Electrical, plumbing, and other mechanical systems and equipment may be minimal or non-existent. Older dwellings may feature one or more substandard or non-conforming additions to the original structure.

ADDENDUM

| | |
|--|--------------------------------------|
| Borrower: | File No.: EOR20180329-5841138-2-VIV8 |
| Property Address: 2224 Shady Creek Drive | Case No.: |
| City: Richardson | State: TX Zip: 75080 |
| Lender: | |

Beginning Addendum

AMC Information

AMC Fee \$\$\$\$. Fee paid to Appraiser: No fee paid as appraiser is a staff appraiser AMC Registration: TX2000171.

Appraiser Independence Comments

No employee, director, officer or agent of the lender, or any other third party acting as a joint venture partner, independent contractor, appraisal management company, or partner in behalf of the lender has influenced or attempted to influence the development, reporting, result or review of this assignment through coercion, extortion, collusion, compensation, instruction, inducement, intimidation, bribery or in any other manner. I have not been contacted by anyone other than the intended user (lender/client as identified on the first page of the report), borrower or designated contact to make an appointment to enter the property. I agree to immediately report any unauthorized contacts either personally by phone or electronically to partner management.

Prior Services Comments

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.

Reasonable Exposure Time

USPAP defines Exposure Time as the estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consumption of a sale at market value on the effective date of the appraisal.

My opinion of reasonable exposure time for the subject property at the market value stated in this report is: less than 30 days.

Subject Property Comments

The site dimensions and total site area were obtained through public records as the survey was not available to this appraiser. Please rely on the survey for verification of the site dimensions and total site area. The flood map information was obtained from the FEMA Map Service Center. The subject's Gross Living Area was based on the field inspector's measurements at the time of the field inspection. Please note that the GLA shown in this appraisal might differ from what is shown in public records. The sketch has been provided in this report as verification of GLA. Per the field inspection, No repairs are needed. The following updates were reported based on the field inspection: New Roof 2015 Replaced Electrical panel 2012 Radiant Barrier in the attic 2010 Kitchen cabinets and countertops replaced 2010 New Windows throughout 2010 Plantation Shutters 2010 Bamboo wood floor 2010

MLS Comments

The local multiple listing service that was used for information utilized in this appraisal was the North Texas Real Estate Information Services MLS, also known as the NTRIS MLS. There may be differences between the data obtained from the MLS and the data reported in the public records. For the purpose of this report, the data obtained in the NTRIS MLS, is considered to be the most accurate unless otherwise noted within this report.

Quality and Condition Ratings Comments

The quality and condition ratings shown for the subject property and comparable sales were based on the definitions provided in this appraisal. Information concerning quality and condition for the comparable properties was verified from the sources stated in this appraisal. This appraiser has no knowledge as to any quality and condition ratings that might have been shown for these properties in appraisals performed by other appraisers.

Photograph Comments All comp photographs provided are supplemental photographs and were obtained from NTRIS MLS.

Sales Comparison Comments

The comps provided in this report are all located within the subject's immediate market area and within 1/2 mile of the subject. All comps closed within 6 months of the effective date of the appraisal report. Comp 2 & 3 were adjusted for condition due to extensive updates to the kitchen and baths including granite counter tops, fixtures, appliances and cabinetry. No age adjustment, no design adjustment, no quality adjustments. No GLA adjustment was warranted as all comps are within 100 square feet. No bedroom adjustments were found to be warranted within this market area. A \$5000 per half bath adjustment was made for differences in bath count. All line, net, and gross adjustments are within typically acceptable guidelines. The adjustments with this report were determined based on paired sales analysis of recent sales within this market area; as well as discussions with local realtors and this appraiser's extensive knowledge and expertise of the market area. All adjustments are considered reasonable and supported.

Reconciliation Comments

The final opinion of market value has been bracketed by the unadjusted and the adjusted sales price of the comps provided. The unadjusted sales price of the comps is within the preferred 15% range. The adjusted sales price range is within the preferred range. Most consideration when determining the final market value estimate is based on Comp 1 due to most recent closing date and most similar condition.

Subject Comments

C4;Kitchen-updated-six to ten years ago;Bathrooms-not updated;The subject property was found to be in well maintained condition based on the field inspection. The roof was replaced in 2015, the kitchen cabinets and countertops updated in 2010, new windows in 2010 and new bamboo flooring in 2010. No adverse conditions were noted.

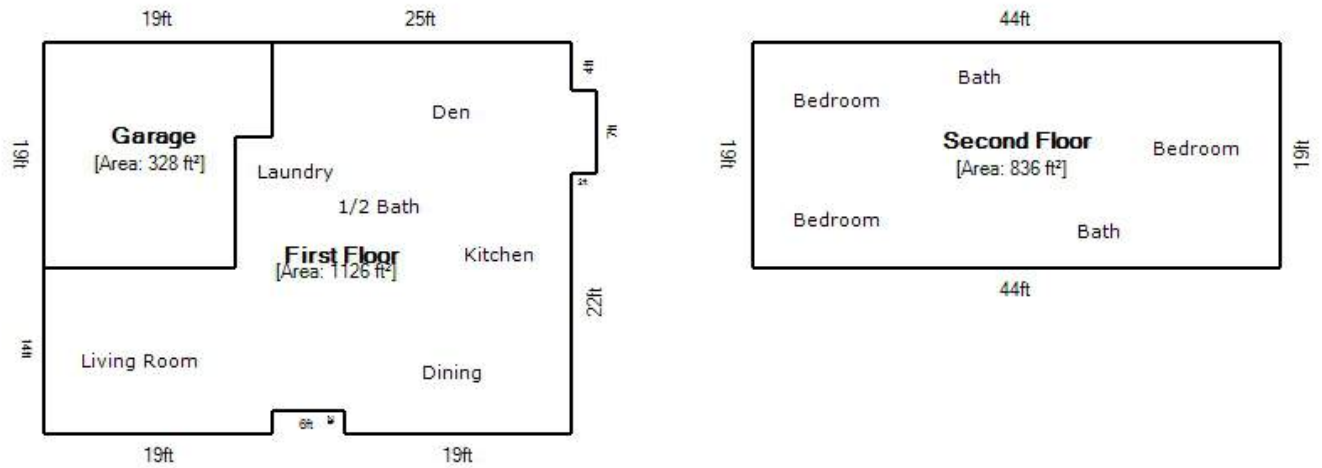
Neighborhood Commentary

No adversities were associated with the subject's neighborhood at the time of the appraisal inspection. The neighborhood is made up predominantly of single family residential properties. The subject's neighborhood has adequate access to schools, shopping, and employment centers. Commercial land use includes the golf course.

FLOORPLAN SKETCH

Borrower: File No.: EOR20180329-5841138-2-VIV8
 Property Address: 2224 Shady Creek Drive Case No.:
 City: Richardson State: TX Zip: 75080
 Lender:

Sketch



14 ft

| Living Area | | Area Calculation | | | |
|-------------------------------------|----------------------------|------------------|----------------|--------|----------------------------------|
| First Floor | 1125.99 ft ² | First Floor | | | x 1.00 = 1125.99 ft ² |
| Second Floor | 835.99 ft ² | □ | 2ft x 7ft | 1.00 = | 14.00 ft ² |
| Nonliving Area | | □ | 19ft x 14ft | 1.00 = | 266.00 ft ² |
| Garage | 328.00 ft ² | □ | 11ft x 3ft | 1.00 = | 33.00 ft ² |
| | | Δ | 36.36ft x 19ft | 0.43 = | 294.50 ft ² |
| | | □ | 6ft x 31ft | 1.00 = | 186.00 ft ² |
| | | Δ | 31ft x 36.36ft | 0.26 = | 294.50 ft ² |
| | | □ | 2ft x 19ft | 1.00 = | 38.00 ft ² |
| | | Second Floor | | | x 1.00 = 835.99 ft ² |
| Total Living Area (rounded): | 1962 ft² | □ | 19ft x 44ft | 1.00 = | 835.99 ft ² |



SUBJECT PROPERTY PHOTO ADDENDUM

Property Summary

| | | | | | |
|-------------------|------------------------------------|--------------------------|-----------------|---------------------|--------------------|
| Subject Property: | 2224 Shady Creek Drive (Street) | Richardson (City) | TX (State) | 75080 (Zip Code) | Dallas (County) |
| Client Ref 1: | reasfasf567 | Borrower 1: | | | |
| Client Ref 2: | | Borrower 2: | | | |
| Client Ref 3: | | Inspection Date: | 03/21/2018 | | |
| | | Inspection Completed By: | Broker *FakeNE* | | |

Subject Photos



Subject Front



Subject Address Verification



Subject Side 1



SUBJECT PROPERTY PHOTO ADDENDUM

Property Summary

| | | | | | |
|-------------------|------------------------------------|--------------------------|-----------------|---------------------|--------------------|
| Subject Property: | 2224 Shady Creek Drive (Street) | Richardson (City) | TX (State) | 75080 (Zip Code) | Dallas (County) |
| Client Ref 1: | reasfasf567 | Borrower 1: | _____ | | |
| Client Ref 2: | _____ | Borrower 2: | _____ | | |
| Client Ref 3: | _____ | Inspection Date: | 03/21/2018 | | |
| | | Inspection Completed By: | Broker *FakeNE* | | |

Subject Photos



Subject Side 2



Subject Street 1



Subject Street 2



SUBJECT PROPERTY PHOTO ADDENDUM

Property Summary

| | | | | | |
|-------------------|------------------------------------|----------------------|---------------|---------------------|--------------------|
| Subject Property: | 2224 Shady Creek Drive (Street) | Richardson (City) | TX (State) | 75080 (Zip Code) | Dallas (County) |
| Client Ref 1: | reasfasf567 | Borrower 1: | | | |
| Client Ref 2: | | Borrower 2: | | | |
| Client Ref 3: | | | | | |

Interior Photos



Comment:
Kitchen



Comment:
Kitchen



Comment:
Formal Dining Room



SUBJECT PROPERTY PHOTO ADDENDUM

Property Summary

| | | | | | |
|-------------------|------------------------------------|----------------------|---------------|---------------------|--------------------|
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| Client Ref 1: | reasfasf567 | Borrower 1: | | | |
| Client Ref 2: | | Borrower 2: | | | |
| Client Ref 3: | | | | | |

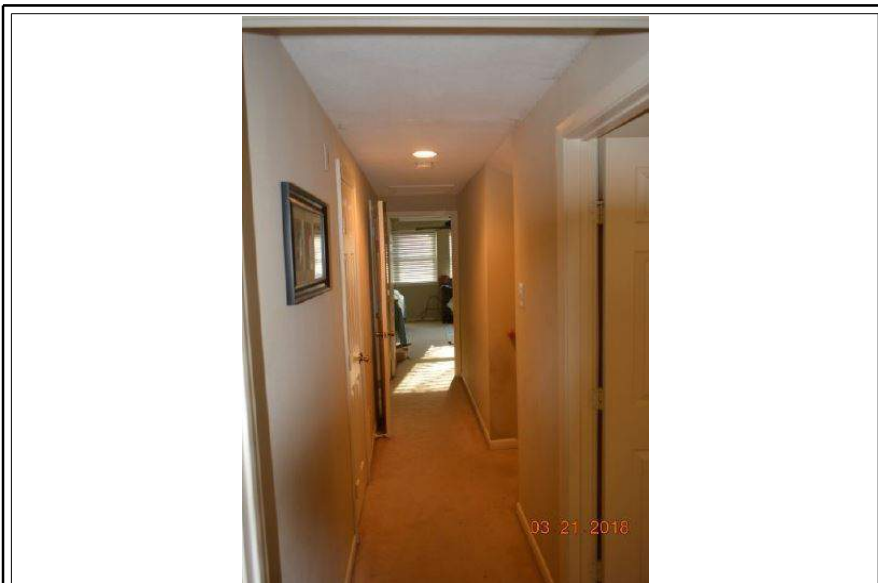
Interior Photos



Comment:
Den/Family Room



Comment:
Formal Living Room



Comment:
Hall



SUBJECT PROPERTY PHOTO ADDENDUM

Property Summary

| | | | | | |
|-------------------|------------------------------------|----------------------|---------------|---------------------|--------------------|
| Subject Property: | 2224 Shady Creek Drive (Street) | Richardson (City) | TX (State) | 75080 (Zip Code) | Dallas (County) |
| Client Ref 1: | reasfasf567 | Borrower 1: | | | |
| Client Ref 2: | | Borrower 2: | | | |
| Client Ref 3: | | | | | |

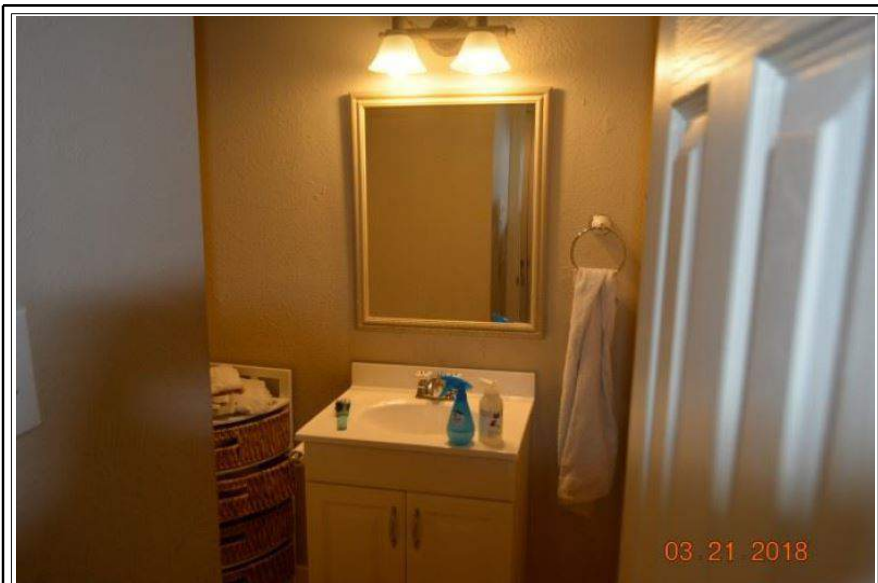
Interior Photos



Comment:
Laundry



Comment:
Laundry



Comment:
1/2 Bath



SUBJECT PROPERTY PHOTO ADDENDUM

Property Summary

| | | | | | |
|-------------------|------------------------------------|----------------------|---------------|---------------------|--------------------|
| Subject Property: | 2224 Shady Creek Drive (Street) | Richardson (City) | TX (State) | 75080 (Zip Code) | Dallas (County) |
| Client Ref 1: | reasfasf567 | Borrower 1: | | | |
| Client Ref 2: | | Borrower 2: | | | |
| Client Ref 3: | | | | | |

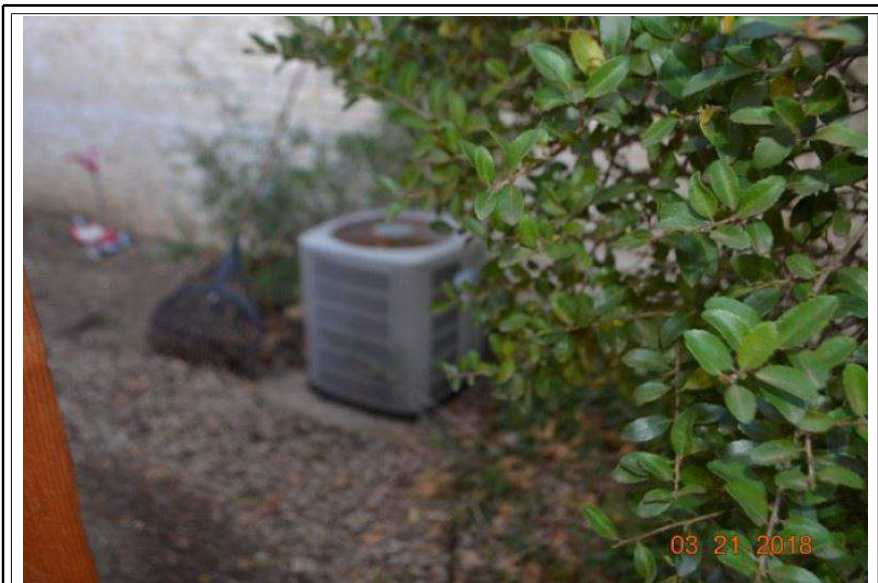
Interior Photos



Comment:
Mechanical



Comment:
Electrical



Comment:
A/C



SUBJECT PROPERTY PHOTO ADDENDUM

Property Summary

| | | | | | |
|-------------------|------------------------------------|----------------------|---------------|---------------------|--------------------|
| Subject Property: | 2224 Shady Creek Drive (Street) | Richardson (City) | TX (State) | 75080 (Zip Code) | Dallas (County) |
| Client Ref 1: | reasfasf567 | | Borrower 1: | | |
| Client Ref 2: | | | Borrower 2: | | |
| Client Ref 3: | | | | | |

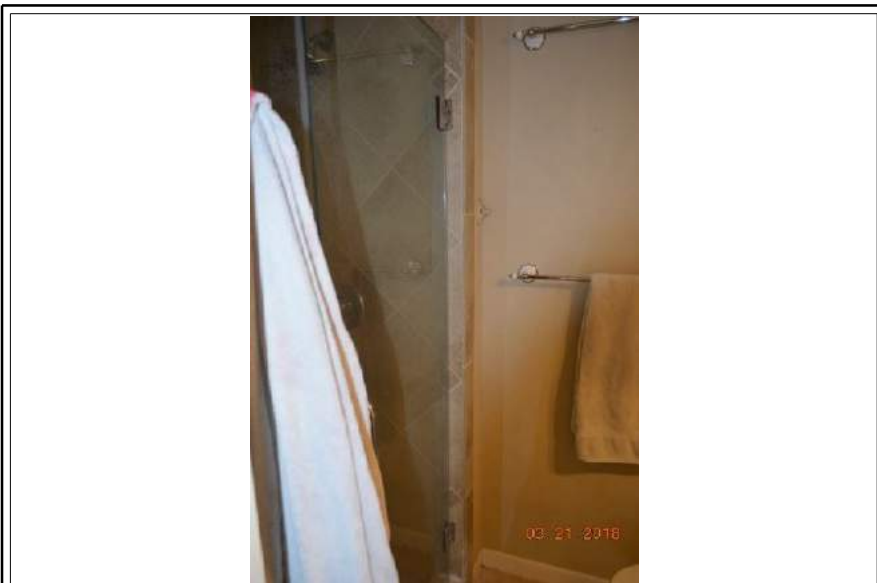
Interior Photos



Comment:
Master Bedroom



Comment:
Master Bath



Comment:
Master Bath



SUBJECT PROPERTY PHOTO ADDENDUM

Property Summary

| | | | | | |
|-------------------|------------------------------------|----------------------|---------------|---------------------|--------------------|
| Subject Property: | 2224 Shady Creek Drive (Street) | Richardson (City) | TX (State) | 75080 (Zip Code) | Dallas (County) |
| Client Ref 1: | reasfasf567 | Borrower 1: | | | |
| Client Ref 2: | | Borrower 2: | | | |
| Client Ref 3: | | | | | |

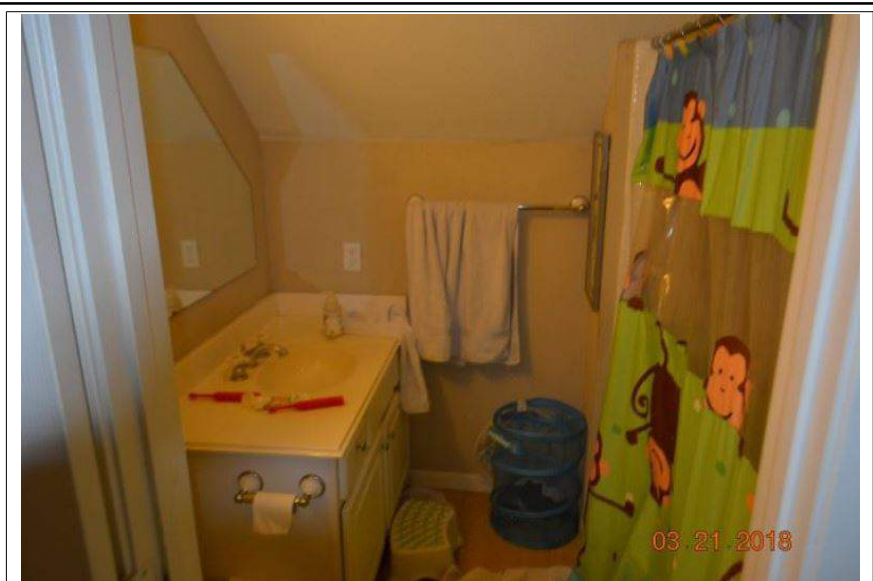
Interior Photos



Comment:
Bedroom



Comment:
Bedroom



Comment:
Guest Bath



SUBJECT PROPERTY PHOTO ADDENDUM

Property Summary

| | | | | | |
|-------------------|------------------------------------|----------------------|---------------|---------------------|--------------------|
| Subject Property: | 2224 Shady Creek Drive (Street) | Richardson (City) | TX (State) | 75080 (Zip Code) | Dallas (County) |
| Client Ref 1: | reasfasf567 | Borrower 1: | | | |
| Client Ref 2: | | Borrower 2: | | | |
| Client Ref 3: | | | | | |

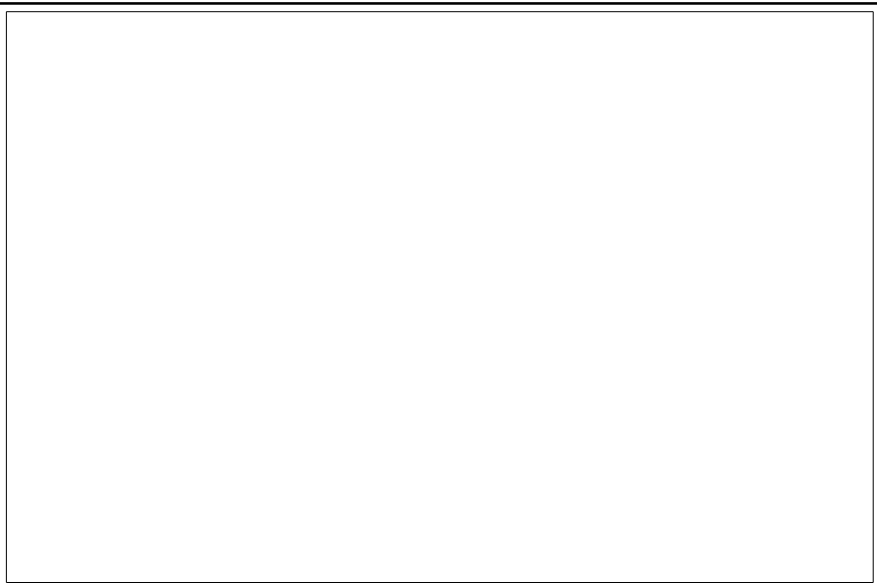
Interior Photos



Comment:
Garage



Comment:
Backyard



Comment:



COMPARABLE PROPERTY PHOTO ADDENDUM

Property Summary

| | | | | | |
|-------------------|------------------------------------|--------------------------|-----------------|---------------------|--------------------|
| Subject Property: | 2224 Shady Creek Drive (Street) | Richardson (City) | TX (State) | 75080 (Zip Code) | Dallas (County) |
| Client Ref 1: | reasfasf567 | Borrower 1: | | | |
| Client Ref 2: | | Borrower 2: | | | |
| Client Ref 3: | | Inspection Date: | 03/21/2018 | | |
| | | Inspection Completed By: | Broker *FakeNE* | | |

Sales Comparable Photos



COMPARABLE SALE #1

513 Arrowhead Drive
Richardson, TX 75080
Sale Date: 03/01/2018
Sale Price: \$ 354,500



COMPARABLE SALE #2

503 Cap Rock Drive
Richardson, TX 75080
Sale Date: 11/01/2017
Sale Price: \$ 390,000



COMPARABLE SALE #3

2300 Flat Creek Drive
Richardson, TX 75080
Sale Date: 10/01/2017
Sale Price: \$ 385,000



SUBJECT PROPERTY LOCATION MAP ADDENDUM

Property Summary

| | | | | | |
|-------------------|------------------------------------|----------------------|---------------|---------------------|--------------------|
| Subject Property: | 2224 Shady Creek Drive (Street) | Richardson (City) | TX (State) | 75080 (Zip Code) | Dallas (County) |
| Client Ref 1: | reasfasf567 | Borrower 1: | | | |
| Client Ref 2: | | Borrower 2: | | | |
| Client Ref 3: | | | | | |

Comparable Map





SUBJECT PROPERTY AERIAL MAP ADDENDUM

Property Summary

| | | | | | |
|-------------------|------------------------------------|----------------------|---------------|---------------------|--------------------|
| Subject Property: | 2224 Shady Creek Drive (Street) | Richardson (City) | TX (State) | 75080 (Zip Code) | Dallas (County) |
| Client Ref 1: | reasfasf567 | Borrower 1: | | | |
| Client Ref 2: | | Borrower 2: | | | |
| Client Ref 3: | | | | | |

Subject Aerial Map





Collateral Intelligence, LLC d.b.a. ATI Valuations
 11 Huron Drive Suite 202
 Natick, MA 01760
 508.655.0342 (Phone)
 508.655.0319 (fax)

AMC License State:
 AMC License Number:
 AMC License Expiration:

Engagement Letter for Independent Appraisal Services

Log In: <https://login.salesforce.com>

ACCEPT DECLINE

To:

This Service Level Agreement sets forth the terms and conditions under which all Appraisal Independent Contractors will perform appraisal assignments for ATI Valuations, and the compensation received by you as an independent contractor for services performed on behalf of ATI Valuations. A copy of this agreement indicating your acceptance is to be retained in your work file. Any additional intended users provided by the client will be indicated within this engagement letter. The client indicated on the engagement letter will be the "lender/client" identified by the appraiser on the completed Hybrid Valuation Interior (HVI).

Order Information/ HVI Desktop Appraisal Requirements

| | |
|-------------------------------|---|
| Scope of Work: | The scope of this assignment is for the appraiser to (1) analyze a third party inspection report as a tool for subject data, (2) research and analyze subject and comparable data for the described intended use, and (3) reconcile and communicate an opinion of value for the subject property. |
| Loan Number: | |
| Order Number: | |
| Appraisal Purpose: | The Purpose of the HVI appraisal report is for the appraiser to develop an opinion of market value as of a current effective date (date on for the described intended use. |
| Intended Use: | The Intended Use of this appraisal report is to assist the client in evaluating the subject used as collateral for a lending underwriting decision. |
| Intended User: | The Client indicated below is the intended user of this appraisal report. |
| Subject Property Address: | |
| Client Name on the Appraisal: | |
| Appraisal Contractor Fee: | |

| | |
|------------------------------------|--|
| Due Date: | |
| Loan Purpose: | |
| Borrower(s) Name on the Appraisal: | |
| Borrower 1: | |
| Borrower 2: | |
| Client's Fee: | |

ATI Valuations Key Contact Information

| | | |
|-----------------------------------|-----------------------------|--|
| Vendor Management | (402) 778-4149 | vendormanagement@ativaluations.com |
| Quality Control | (402) 778-4166 | qualitycontrol@ativaluations.com |
| Appraiser Independence/Compliance | (508) 655-0342 ext. 5341044 | compliance@ativaluations.com |

Order Acceptance Requirements

Communicate any delays, concerns or issues to a vendor manager immediately and update your queue.

| | |
|---------------------|---|
| Deliver Report | Log in to https://login.salesforce.com |
| Revisions | Revisions are due back within 3 hours of the request |
| MLS | MLS is required for this assignment. If MLS is not available in your market, another reliable local data source. |
| License Appraiser | You must be certified or licensed as an appraiser in the subject state. |
| Certified Appraiser | You must be a Certified Appraiser if the value is in question at over \$1M, complex, or atypical per FIRREA 1113. |

- STOP AND NOTIFY VENDOR MANAGEMENT if:

- Appraiser is not competent in this market or the assignment falls outside the appraiser's scope of practice.
 - The subject address must be changed (other than County change). Or, if the subject is a log home, mobile or manufactured home, is multi-unit, vacant land, Agricultural zoning and use (income producing), Agricultural Zoning and has an Outbuilding (except for detached garages), Income Restricted, A-Frame, over 5 acres, commercial, or mixed use.
 - If you are under investigation for any state or trade association discipline or have not reported any prior state or trade association discipline to ATIV, you must report if you are on the OFAC list or any other terrorist watch list, the Fannie Mae AQM (100% review) list of Freddie Mac exclusionary list.
 - The appraiser does not have reliable data source(s) for the subject's market and no comparables can be located to complete the assignment.
 - Appraiser cannot verify the subject's relevant characteristics.
 - If there is any family relationship between the appraiser and any current employee(s) of the lender or its affiliates, American Title, or ATI Valuations.
 - Federal regulations do not permit an appraiser to appraise any property in which the appraiser has an interest, direct or indirect, financial or otherwise in the property or transaction.
- Appraiser is responsible for maintaining their appraisal work-file as per USPAP Record Keeping.
 - You must be licensed as an appraiser in the subject state and have MLS or other local and reliable data sources in order to complete this assignment.
 - You must be a certified appraiser for certain assignments, as stated above.
 - The appraiser will not accept the assignment in the event the appraiser is not competent, including geographic competence or the assignment falls outside the appraiser's scope of practice.
 - To complete the report, please log in to <https://login.salesforce.com>
 - After appraisal submission, any quality assurance revisions will be completed within 3 hours to ensure timely completion to the client by the indicated client due date. Any appraisal revision questions are to be directed to qualitycontrol@ativaluations.com.
 - After appraisal completion, any client appraisal related request should be completed within 3 hours. If you are unable to resubmit the revision request within 3 hours, please contact the quality control department with an estimated time of when the revisions will be received.
 - The appraiser will not accept the assignment if certain issues present themselves making it so the appraiser cannot produce credible results. Please communicate any such concerns to your workflow coordinator immediately and update your queue.
 - In the event you as the appraiser are not paid promptly for your completed order, or if you believe ATIV may have violated state laws or regulations or any legal requirements you will report the issue immediately to the Appraisal Independence/Compliance team using the contact information above.
 - You are aware that a misrepresentation of competency is or may make you subject to mandatory reporting requirements. (TX sec.1104.160 in the AMC act). Other states may have similar requirements.
 - Federal regulations do not permit an appraiser to appraise any property in which the appraiser has an interest, direct or indirect, financial or otherwise in the property or transaction. Please contact your workflow coordinator if you have a current or prospective interest in the subject so the order can be reassigned.

Standard 2-1(b): *appraisal reports must contain sufficient information to enable the client and intended user of the appraisal to understand the report properly.*

By the appraiser's acceptance of this order and completion of this assignment, the appraiser agrees that he or she has the requisite license level, education, expertise, and experience to competently complete this assignment. The appraiser also agrees that he or she

has familiarity with the specific type of property, market conditions, complexity, ownership interest, geographic area, analytic method and applicable state and federal laws, regulations and guidelines.

Required Exhibits & Disclosures

| | |
|--|---|
| Subject's Property Record | All land associated with the subject's address and APN#s must be considered in the appraisal assignment. |
| Comparable Photos | Include MLS photos of each comparable sale/listing utilized within the report. Client requires a comparable front photo of all comps utilized on the HVI grid. |
| Subject Photos | <p>Exterior Inspection photos should be clear, descriptive, showing the front, left/right sides, rear, address and street scenes both directions. Interior Inspection photos should include a photo of each room as well as any required repairs. Please contact our vendor coordinator if any of the required photos are not include within the inspection report.</p> <p>If there are outbuildings included in the tax records, a photo is required.</p> |
| Location Map | The Location map must show the subject, all comparable sales/listings and rental comps (if applicable). A key showing which comp is which must be provided on the same page for the reader of the report. It is recommended to include the Distance and Direction within the Location map (Example 1.02 Miles NW). |
| Aerial Map | Explain in the report any external obsolescence that directly impacts the subject property or that is readily observable on the aerial photo, however, that does not directly impact the subject property. |
| ADDITIONAL REQUIRED EXHIBITS AND DISCLOSURES | |
| State Required Disclosures | <ul style="list-style-type: none"> • Appraiser to disclose the ATIV AMC License number for states with enacted AMC Act registration requirements; (see below). • Appraiser to disclose the fee paid within the report. • All license numbers must be provided in full on the appraisal report; (no license abbreviations or missing letters, etc.). • See below for additional required disclosures per state. • The Appraiser must conform to all identified state signing and disclosure requirements. Click HERE for identified state requirements. |
| Text Addendum | <ul style="list-style-type: none"> • Text Addendum must be attached to the appraisal report (not uploaded separately) and completed. • Information on addendum: expanded scope of work, state specific disclosures, additional extraordinary assumptions, reasonable exposure time, CMA data, listings, Liquidation Value Definition, liquidation exposure time, and definition source (when requested by client), additional comparables/listings, and additional commentary or data as necessary for credible results. See SR 2-2(a)(v) |

| | |
|----------------------------------|---|
| Individuals Providing Assistance | <ul style="list-style-type: none"> • When a signing appraiser has relied on work done by appraisers and others, the signing appraiser is required to have a reasonable basis for believing that those individuals are competent. <i>Standard 2-3 (comments)</i> • The names of individuals providing significant real property appraisal assistance must be disclosed as required in accordance with <i>Standards Rule 2-2(a)(vii)</i>, in the certification. • The engaged appraiser must inspect the subject and the report must indicate inspection by the engaged appraiser. • The additional certification page must be signed by the signing appraiser and contain the correct certification language. The additional signed certification page must be uploaded in the appraisal report that is submitted to the client. |
|----------------------------------|---|

HVI Form Sections

| | |
|------------------------------|---|
| PROPERTY SUMMARY | |
| Effective Date | The effective date of the 3 rd party inspection is auto-populated in this space upon submission. |
| Inspection Completed By | The name of the 3 rd party inspection agent is auto-populated in this space. |
| AERIAL MAP PHOTO | |
| Aerial Map | The aerial map pre-populates from the Inspection report however, you have the ability to zoom in or out. Check for positive and negative subject influences. Zoom in on any red-flags observed and comment for the reader. |
| SUBJECT SALE HISTORY | |
| Sale History | <p>Comment on subject's transfer history within the past 36 months (if none found, state for the reader of the report).</p> <p>If subject transfer within 36 months, explain any increase or decrease in value in the comment section.</p> <p>Analyze the subjects listing history within the previous 12 months as is required by USPAP.</p> |
| SUBJECT CHARACTERISTICS | |
| 3 rd Party Report | Verify all pre-populated data on your appraisal report. |

| | |
|--------------------------|--|
| | <p>The appraiser will be provided a third party inspection report that will PRE-POPULATE some subject characteristic data in this section.</p> <p>The appraiser may use this data as a tool if the appraiser verifies and agrees with its conclusions.</p> <p>The appraiser is the market expert however, and must revise any of the prepopulated data and checkboxes on the form.</p> |
| All APN #s | <p>All APN #'s included on the subjects' deed are required on the appraisal report and are to be included in the valuation of the subject property.</p> <p>All land associated with the subject's address and APN's must be considered in the appraisal assignment.</p> |
| Zoning | <p>Specific zoning must be disclosed with an explanation of what the zoning means, (Ex: R-1 = Single Family residence, 10,000sf minimum) and a comment indicating if subject meets current zoning, is grandfathered, non-conforming, etc.</p> |
| YES Answers | <p>ALL yes answers must be explained directly below identified section 3</p> <p>In the Subject Characteristics & Neighborhood/Market Characteristics sections, the "Yes" drop downs should only be used if there is a positive or negative impact as a result of the external feature or condition item being noted to exist. If there are external influences visible on the aerial map or within the subjects' market area that are neutral (no positive or negative impact) a comment is required to cite the existence and explain that there is no impact to the subjects' value.</p> |
| Highest and Best Use | <p>HBU is assumed its current use unless there is evidence to the contrary.</p> <p>If HBU is not as improved, appraiser must provide detailed HBU analysis for the reader of the report.</p> |
| SUBJECT REPAIRS | |
| If Subject needs Repairs | <p>If repairs are noted involving health, safety, or structural integrity of the subject, an itemized Cost to Cure estimate is required with a separate cost for each item.</p> <p>Landscaping, trash and minor/cosmetic repairs that are not necessary for health, safety, and structural integrity need not be considered; however comment on their exclusion and if any repairs contributed to the condition rating of the subject.</p> <p>Any repairs indicated by the third party inspection report should be documented through photos to be considered reliable in the HVI assignment. If noted within the report or photos but not warranted, comment.</p> |
| SUBJECT COMMENTS | |
| Subject Characteristics | <p>In this section comment on if the subject conforms in design, size, site, and construction.</p> <p>Comment if the subject is typical for the market and within the neighborhood range.</p> <p>If the subject improvements represent an over or under improvement, comment.</p> |

| | |
|---------------------------------|---|
| | Make sure to verify the subject's total tax assessed value to ensure it was populated correctly. |
| Subject Marketability | <p>Comment on the subject's condition, repairs (if any), and impact on marketability on the open market.</p> <p>Comment on any YES answers.</p> <p>Comment on zoning.</p> <p>Verify all pre-populated information.</p> <p>State any extraordinary assumptions and hypothetical conditions that may otherwise impact conclusions.</p> |
| NEIGHBORHOOD / MARKET CONDITION | |
| Neighborhood Characteristics | <p>Any pre-populated information MUST be confirmed by you in your appraisal report</p> <p>Location must be accurately described as either urban, suburban, or rural</p> <p>Average marketing time for area is based on the appraisers CMA analysis of comparables within the neighborhood</p> |
| YES Answers | <p>ALL yes answers must be explained directly below identified section</p> <p>In the Subject Characteristics & Neighborhood/Market Characteristics sections, the "Yes" drop downs should only be used if there is a positive or negative impact as a result of the external feature or condition item being noted to exist. If there are external influences visible on the aerial map or within the subjects' market area that are neutral (no positive or negative impact) a comment is required to cite the existence and explain that there is no impact to the subjects' value.</p> |
| Neighborhood Comments | <p>The client requires explanation for market percentage rate above 3% when increasing/decreasing indicated.</p> <p>Explain increasing/declining trends, over/under supply, or marketing times over 6 mo.</p> <p>Explain prevalence of REO/SS in the neighborhood and impact on marketing time, buyers, sales, etc.</p> <p>State if subject is reasonable proximate to shopping/schools/employment and if comparables have similar amenities and features.</p> <p>Time adjustments are required for sales over 3 months in an increasing or declining market. If no adjustment is utilized (or necessary) a specific comment is required to explain why time adjustment is not necessary.</p> |
| Predominant Value Ranges | <p>State neighborhood price range (low to high).</p> <p>State predominant price that falls within the neighborhood price range.</p> <p>Comment if subject is above or below the predominant price by more than 25% and if the subject is an under or over improvement.</p> <p>Comment if subject is not within the neighborhood price range and why; does the subject conform?</p> |

SALES COMPARISON

Comparable Sales

Include a minimum of three comparable sales within the subject's neighborhood that closed within the past 12 months.

Provide data and verification sources (and MLS #'s when available).

Include amenities on the Grid for the subject and comparables; if no adjustments warranted comment.

Comment on comps that are dated over 90 days, distant, and that are located outside the subject's neighborhood and why an expanded search was necessary.

Comment on the use of REO/SS sales and if they are prevalent in the subjects neighborhood and how this impacted value.

Comment on any sales over 90 days within an increasing / decreasing market and if time adjustments were warranted or not, and why.

Each adjustment must be supported with commentary and / or data. If there is a difference in rating, site size, etc. and you are not making an adjustment you must provide data and commentary supporting your choice of a zero adjustment.

Detailed explanation is required for adjustments involving Location, View, Quality, Age, and Condition. Detailed explanation is also required for differences between the subject and comparables when making a \$0 adjustment. Be sure and use terms the homeowner can understand.

Follow Fannie Mae guidelines on gross living area and basement living area for the subject and comparables. Provide detailed commentary on any deviations.

A Comment is required if adjustments exceed 10% Line Item, 15% Net or 25% Gross.

Comment required if Predominant value is different from the value conclusion by more than 25%.

Comment required if comparable GLA differs from the subject by more than 25%.

Comment required is site value exceeds 30% of the subjects' market value.

Comment required if adjusted value exceeds 10% or unadjusted value exceeds 20%

A comment is required if any of the subjects relevant characteristics are not bracketed including but not limited to: Site, Age, View, Quality Rating, Condition Rating, Style, Total Room Count, Bed/Bath Count, GLA, Basement sf (finished and unfinished), Heating/Cooling, Garage and Additional subject features (Detached buildings/Garages, pools etc.).

CLIENT GUIDELINES ON COMPARABLES

Comp Age

Please comment if COMPARABLE AGE noted on the grid is as of the date of comparable sale OR the effective date of the appraisal report.

Basement Grid Calculations

Due to the limitations of the HVI Grid, only certain Basement Data can be entered in the two lines provided. It is up to the appraiser what data and what adjustments should be applied as you are the expert in your market. The client does request that you explain how the basement data was calculated and how adjustments were derived.

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| | EX: Line 1 = Full Finished (explain if adjusted for RR,FB); Line 2 = 1,000 sq. ft. (adjusted for difference between comps sq. ft.), explain if this is for total or finished sq. ft. as some market data sources only supply one or the other and some supply both. This is only an example. |
| Comparable Distance | A comment is required when customary comparable search parameters are expanded; (i.e. rural over 5 miles, suburban over 3 mile and urban over 1 mile.) |
| Accessory Unit | Appraiser to comment on buyer acceptance of accessory unit and if the unit conforms to the subject's neighborhood; (i.e. in-law suite, second kitchen, accessory apt, etc.). Provide at least one comparable with a similar unit to support conclusions and adjustment(s). Comment on if unit has a legal/illegal use and if the subject can be rebuilt as-is if destroyed (per current zoning, etc.). |
| Rural Markets | Comment required when search parameters have to be expanded to find 3 comparable sales within the previous 12 months. |
| Acreage | Include ALL acreage in the report and final opinion of value. If there are animals on the property the appraiser must verify if the subject is a farm/income producing property. If not income producing, the appraiser must state "not working farm" within the Text Addendum. Call your workflow coordinator if income producing and stop work immediately. |
| Amenities required on Grid | The client requires comparable and subject amenities to be listed on the Grid. This would include, but is not limited to, pools, pool-houses, barns, outbuildings, workshops, detached accessory units, horse facilities, stalls, detached garages, etc. |
| THREE YEAR SUBJECT AND COMP SALE HISTORY | |
| Sale History | Check the BOX if there has been any transfer history for the subject in the past three years. For comparable provide a minimum of one year sales history from the date of comparable sale. State history underneath checkbox. If more room is needed, state data in the addendum. |
| RECONCILIATION SECTION | |
| Comment | Provide a reconciliation statement in this section. If more room is needed continue in the text addendum. Reconciliation comments specific to the assignment must be provided that include which comparable(s) was given most consideration and why. Exposure time must be provided as a component of the market value definition. |
| TEXT ADDENDUM REQUIRED | |

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| Land Value Estimate | <p>The Allocation Method is acceptable when land sales are not available. Allocation based on tax assessment ration is not a recognized method or technique and is not acceptable.</p> <p>Comment on if land value estimate is above 30% of total market value and if this is customary within the subject's neighborhood.</p> |
| Comments Required | <p>Comments are required in each field.</p> <p>Make sure to provide explanations in each field for the subject, neighborhood, market, reconciliation and at the bottom of each grid column.</p> <p>Blank fields will be returned for appraiser comments.</p> <p>Unacceptable Fair Lending issues, such as subjective commentary for the subject, comparable or neighborhood characteristic will be returned for revision.</p> <p>Boilerplate comments will be returned for specific support and rationale pertaining to the assignment.</p> |
| PUD Requirements | <p>If the subject is located within a PUD, PDR, Gated, Townhome or Age Restricted Community a comment is required citing the Project name and the HOA dues and Frequency (Example XYZ Management Co - \$35.00 per month).</p> <p>If the HOA dues are taken from the MLS, a comment is required to cite MLS as the source.</p> |
| Process | |
| Process Commitment | <p>In the event you as the appraiser are not paid promptly for your completed order, or if you believe ATIV may have violated state laws or regulations or any legal requirements you will report the issue immediately to the Appraisal Independence/Compliance team using the contact information above.</p> <p>You are aware that a misrepresentation of competency is or may make you subject to mandatory reporting requirements (TX sec.1104.160 in the AMC act). Other states may have similar requirements.</p> <p>The engaged appraiser named in this letter must complete and sign the report as the primary appraiser.</p> |

ATI Valuations Panel Policy and Appraiser Independence

Appraisers are selected based on experience, quality, and compliancy, and are trained on ATIV procedures independently with absolutely no client interaction. ATI Valuations independent appraisers may be placed in a probationary status at any time for a cause. During the probationary period all work given a quality review by our quality assurance department to ensure all reports were completed in accordance with USPAP, client, and FannieMae standards and guidelines. The quality assurance department scores each report per the ATIV Quality Score System to ensure appropriate documentation. Thereafter, appraisal reports are quality controlled and also randomly selected for audit reviews on a quarterly basis. The audit reviews are performed to ensure appraisals were completed in accordance with USPAP and are credible with supportive industry methodology. Appraisers that display an inability to consistently deliver credible, USPAP/FannieMae compliant reports and that do not follow the SLA requirements are given written notice with a specified period to respond to the notice. An appraiser is only removed from our active panel in accordance with the Dodd-Frank Act and individual state regulations. We always notify the appraiser in writing of the reasons why they are being removed from the panel and identify the conduct or violation that brought ATIV to its decision. We also provide our appraiser's with an

opportunity to respond in writing to the formal notification prior to removing them from our approved panel list and notifying the applicable state board (when appropriate).

Collateral Intelligence, dba ATI Valuations staff will never (1) Communicate comparables, estimate of value with orders, a predetermined result, estimate of value, a loan amount, range of value, or loan-to-value ratio to an appraiser, agent, or person performing a valuation or appraisal, (2) Specify comparables, rentals, or listings for the subject property (3) Provide a direction in assignment results that favor the cause of the client or intended user (4) Fail to compensate a person as per their state requirements, unless otherwise noted in writing (5) Express or imply a subsequent event directly relating to appraiser's performance, such as reciprocal licenses (6) Exclude a person from consideration for future engagement because a property's reported market value does not meet a specified threshold or because they specified they required more time for credible results.

Collateral Intelligence, dba ATI Valuations staff will, however, be able to: 1) Request the appraiser consider additional, appropriate property information, including the consideration of additional comparable properties to support an appraisal. 2) Request the appraiser provide further detail, substantiation, or explanation for the appraiser's value conclusion. 3) Request the appraiser correct errors in the report. 4) Forward any similar requests from the client to the appraiser for consideration and comment in the appraisal; any resolutions that come about from this process at the client's request will be communicated back to the client in writing.

If you feel at any time that your independence is being threatened, you can contact the compliance hotline (anonymously) at (508) 655 0342 Ext 5341044..

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| Appraiser agrees to comply with the following Special Instructions | |
| Certification | Each appraisal must include your signed certification to the USPAP standard applicable to the assignment. |
| Contract Requirements | All appraisal services must conform to the requirements stated in this engagement letter, including the requirements in the edition of USPAP for the work under review, as well as state and federal licensing and appraisal laws and regulations. |
| Employee Appraiser | All employee appraisers should disclose in the report that they are employees and did not receive a separate fee for this assignment. All employee appraisers are responsible for maintaining their work-file as per USPAP requirements, obtaining E&O insurance and reviewing individual state laws. ATIV does not engage any Employee Appraisers who have connections to or are employed by the client's institution. Any Appraiser who receives an order that could have any potential conflict of interest with the Appraiser is mandated to report the conflict immediately so the order will be reassigned. |
| Contractor Appraiser | AS a contractor appraiser this agreement does not create any other business or professional relationship. Appraiser is not an employee of ATI Valuations (ATIV). ATIV does not engage any Independent Contract Appraisers who have connections to or are employed by the client's institution. Any Appraiser who receives an order that could have any potential conflict of interest with the Appraiser is mandated to report the conflict immediately so the order will be reassigned. |
| Appraiser is licensed or certified and in good standing | Appraiser is licensed or certified, as required by the most recent state and federal law(s), to legally perform appraisal services for properties subject to each specific Appraisal Engagement Letter and at the federally mandated value, complexity and atypical definition. Appraiser is also in good standing with each regulatory body in which Appraiser is licensed. Appraiser will provide copy of such licenses and all renewals to ATI Valuations to demonstrate continuous legal and good standing. Appraiser will maintain legal standing during the entire term of this agreement, to include all revisions of said assignment, and will advise of any investigation or proceeding relating to said license/certification. If Appraiser becomes aware of any information that may disqualify Appraiser as a member of the ATI Valuations approved appraiser panel, the Appraiser will notify the office immediately. |
| Appraiser is Competent to | The appraiser is competent to perform this assignment. This means the appraiser has spent an adequate amount of time in this market to be geographically competent; has the requisite knowledge and expertise about local market trends, |

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| Accept this Assignment | subject's property type, subject's form of ownership, the intended use, necessary analytical methods, and specific laws and regulations that may pertain to this assignment. |
| Compliance Requirements | All appraisals completed by the Appraiser must be compliant with the Dodd-Frank Act, Interagency Appraisal and Evaluation Guidelines, Lender/Client Conditions and applicable State Appraisal and AMC Act Laws. In addition, the appraisal must conform to secondary market guidelines when applicable, including but not limited to FannieMae, FreddieMac, HUD, VA and USDA. All appraisals must meet ATI Valuations appraisal QC and service standards. |
| Gramm-Leach-Bliley Act ("GLBA") | GLBA went into effect on July 1, 2001. To facilitate our ability to demonstrate compliance with the privacy requirements of GLBA, we ask that you agree to the GLBA and ensure the following, which will apply to all data provided to you by ATI Valuations and its Lender/Clients. Service Provider hereby agrees that, except as may be reasonably necessary in the ordinary course of business (or law) to carry out the activities to be performed by Service Provider under its agreement(s) with ATI Valuations and its Lender/Clients or as may be required by law or legal process, it will not disclose any Customer Information to any third party other than affiliates of Service Provider or Client engaging appraiser. |
| Fair Lending regulations, guidelines and USPAP AO 16 | <p>Fair Housing laws preclude the use of certain specific information or supported conclusions related to protected groups. Accordingly, an appraiser should be knowledgeable about the laws that affect the subject property of an assignment. USPAP AO-16 covers this topic in depth and the Conduct section of the Ethics Rule states in part, <u>An appraiser must not use or rely on unsupported conclusions relating to characteristics or an unsupported conclusion that homogeneity of such characteristics is necessary to maximize value.</u></p> <p>This assignment requires appraisers to fully comply with all Fair Lending regulations, guidelines and USPAP. The valuation of a property or neighborhood, including comparable properties, cannot be influenced in any way by prohibited factors including: race, religion, national origin, sex, marital or family status, age or handicap.</p> |
| Scope of Work | The Clients requirements for the scope of work in an appraisal as defined by USPAP require the appraiser to determine the appropriate Scope of Work. You are expected to understand the Scope of Work rule defined by USPAP and review those requirements. Your acceptance of this assignment signifies that you have done so and that you agree to comply with the scope of work requirements. |

I certify that I am a state licensed or certified appraiser and have the requisite license level and knowledge required to perform a professional quality appraisal for the specific geographic location and property type mentioned in this engagement letter. I also have the requisite knowledge about, and access to, the necessary and appropriate data sources for the area in which the appraisal assignment is located.