Uniform Residential Appraisal Report

File # TheMarc2684

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 410 Paula Rd | City McKinney | State TX | Zip Code 75069
Borrower N/A | Owner of Public Record Ponte Di Rialto LLC | County Collin
Legal Description Paulas Addition (cmc), Lot 11
Assessor's Parcel # R093100001101 | Tax Year 2018 | R.E. Taxes $ 3,720
Neighborhood Name Paulas Add | Map Reference 19124 | Census Tract 0307.02
Occupant ☐ Owner ☐ Tenant ☒ Vacant | Special Assessments $ 0 | ☐ PUD HOA $ 0 ☐ per year ☐ per month
Property Rights Appraised ☒ Fee Simple ☐ Leasehold ☐ Other (describe)
Assignment Type ☐ Purchase Transaction ☐ Refinance Transaction ☒ Other (describe) Ascertain market value
Lender/Client Ashley Smith | Address N/A
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). DOM 7; Subject was listed on 03/28/2019 for $355,000. The property is listed as Active; NTREIS MLS#14053705.

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)
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.

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 ☐ Urban ☒ Suburban ☐ Rural	Property Values ☐ Increasing ☒ Stable ☐ Declining	PRICE		AGE	One-Unit	70 %
Built-Up ☐ Over 75% ☒ 25-75% ☐ Under 25%	Demand/Supply ☐ Shortage ☒ In Balance ☐ Over Supply	$ (000)		(yrs)	2-4 Unit	5 %
Growth ☐ Rapid ☒ Stable ☐ Slow	Marketing Time ☒ Under 3 mths ☐ 3-6 mths ☐ Over 6 mths	75	Low	1	Multi-Family	5 %
		840	High	132	Commercial	20 %
		257	Pred.	54	Other	0 %

Neighborhood Boundaries North by Hwy 380, to the East by N McDonald St, to the South by West Virginia St, and to the West by US-75
Neighborhood Description See Attached Addendum
Market Conditions (including support for the above conclusions) See Attached Addendum

SITE

Dimensions 83x 131x 83x 124 | Area 10531 sf | Shape Generally Rectangular | View A;Hs of worship;
Specific Zoning Classification RS-120 | Zoning Description Single Family Residential
Zoning Compliance ☒ Legal ☐ Legal Nonconforming (Grandfathered Use) ☐ No Zoning ☐ Illegal (describe)
Is the highest and best use of 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	☒	☐	Water	☒	☐	Street Concrete	☒	☐
Gas	☒	☐	Sanitary Sewer	☒	☐	Alley None	☐	☐

FEMA Special Flood Hazard Area ☐ Yes ☒ No | FEMA Flood Zone X | FEMA Map # 48085C0260K | FEMA Map Date 06/07/2017
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
No significant adverse physical conditions observed which would have a detrimental effect on the marketability of properties within the neighborhood.There are no apparent adverse easements or encroachments upon inspection. A survey/title search with a flood stamp is recommended for proper and final determination of possible adverse factors.

IMPROVEMENTS

General Description	Foundation	Exterior Description materials/condition	Interior materials/condition
Units ☒ One ☐ One with Accessory Unit	☒ Concrete Slab ☐ Crawl Space	Foundation Walls Concrete/Avg	Floors Wood/Cpt/Tile/Gd
# of Stories 1	☐ Full Basement ☐ Partial Basement	Exterior Walls Brick/Siding/Avg	Walls Drywall/Good
Type ☒ Det. ☐ Att. ☐ S-Det./End Unit	Basement Area 0 sq.ft.	Roof Surface Composition/Avg	Trim/Finish Wood/Paint/Good
☒ Existing ☐ Proposed ☐ Under Const.	Basement Finish 0 %	Gutters & Downspouts Gutters/Avg	Bath Floor Tile/Good
Design (Style) Mid-Century Moderr	☐ Outside Entry/Exit ☐ Sump Pump	Window Type Double pane/Avg	Bath Wainscot Tile/Good
Year Built 1966	Evidence of ☐ Infestation	Storm Sash/Insulated Insulated/Avg	Car Storage ☒ None
Effective Age (Yrs) 15	☐ Dampness ☐ Settlement	Screens Yes/Avg	☐ Driveway # of Cars 0
Attic ☐ None	Heating ☒ FWA ☐ HWBB ☐ Radiant	Amenities ☐ Woodstove(s) # 0	Driveway Surface
☒ Drop Stair ☐ Stairs	☐ Other Fuel Gas	☐ Fireplace(s) # 0 ☒ Fence Wood	☐ Garage # of Cars 0
☐ Floor ☐ Scuttle	Cooling ☒ Central Air Conditioning	☒ Patio/Deck Deck ☒ Porch Porch	☐ Carport # of Cars 0
☐ Finished ☐ Heated	☐ Individual ☐ Other	☐ Pool None ☐ Other None	☐ Att. ☐ Det. ☐ Built-in

Appliances ☐ Refrigerator ☒ Range/Oven ☒ Dishwasher ☒ Disposal ☒ Microwave ☐ Washer/Dryer ☐ Other (describe)
Finished area **above** grade contains: 6 Rooms 3 Bedrooms 2.0 Bath(s) 1,925 Square Feet of Gross Living Area Above Grade
Additional features (special energy efficient items, etc.). The subject has features that are consistent with similar homes in the area.
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). C2;Kitchen-remodeled-less than one year ago;Bathrooms-remodeled-less than one year ago;See attached addendum
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? ☐ Yes ☒ No If Yes, describe
There were no physical deficiencies or adverse conditions readily observed.
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? ☒ Yes ☐ No If No, describe

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There are 7 comparable properties currently offered for sale in the subject neighborhood ranging in price from $ 249,000 to $ 355,000 .

There are 21 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from $ 151,000 to $ 345,000 .

SALES COMPARISON APPROACH

FEATURE	SUBJECT	COMPARABLE SALE # 1		COMPARABLE SALE # 2		COMPARABLE SALE # 3	
Address	410 Paula Rd McKinney, TX 75069	1712 Oak St McKinney, TX 75069		302 Brook Ln McKinney, TX 75069		613 N Kentucky St McKinney, TX 75069	
Proximity to Subject		1.04 miles NE		0.23 miles S		1.03 miles E	
Sale Price	$		$ 304,900		$ 315,000		$ 322,500
Sale Price/Gross Liv. Area	$ sq.ft.	$ 203.54 sq.ft.		$ 149.36 sq.ft.		$ 194.75 sq.ft.	
Data Source(s)		NTREIS#14004114;DOM 7		NTREIS#13971839;DOM 57		NTREIS#13766277;DOM 47	
Verification Source(s)		Realist/Exterior Inspection		Realist/Exterior Inspection		Realist/Exterior Inspection	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) $ Adjustment	DESCRIPTION	+(-) $ Adjustment	DESCRIPTION	+(-) $ Adjustment
Sales or Financing Concessions		ArmLth Conv;0		ArmLth Conv;2500		ArmLth Conv;0	
Date of Sale/Time		s03/19;c01/19		s02/19;c01/19		s04/18;c03/18	
Location	N;Res;	N;Res;		N;Res;		N;Res;	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	10531 sf	10261 sf	0	13862 sf	-6,662	6403 sf	+8,256
View	A;Hs of worship;	A;Commercial;	0	N;Res;	-15,750	N;Res;	-16,125
Design (Style)	DT1;Modern	DT1;Trad	0	DT1;Trad	0	DT1;Trad	0
Quality of Construction	Q3	Q3		Q3		Q3	
Actual Age	53	49	0	57	0	62	0
Condition	C2	C2		C3	+50,000	C2	
Above Grade Room Count (Total / Bdrms. / Baths)	6 / 3 / 2.0	7 / 3 / 2.0	0	8 / 3 / 2.0	0	7 / 4 / 2.0	0
Gross Living Area	1,925 sq.ft.	1,498 sq.ft.	+25,600	2,109 sq.ft.	-11,000	1,656 sq.ft.	+16,100
Basement & Finished Rooms Below Grade	0sf	0sf		0sf		0sf	
Functional Utility	Average	Average		Average		Average	
Heating/Cooling	FWA/CAC	FWA/CAC		FWA/CAC		FWA/CAC	
Energy Efficient Items	None	None		None		None	
Garage/Carport	None	2gd2dw	-5,000	2cp2dw	-2,500	None	
Porch/Patio/Deck	Patio/Deck	Porch	+5,000	Patio/Deck		Porch/Deck	0
Pool/Spa	None	None		None		None	
Net Adjustment (Total)		☒ + ☐ -	$ 25,600	☒ + ☐ -	$ 14,088	☒ + ☐ -	$ 8,231
Adjusted Sale Price of Comparables		Net Adj. 8.4 % Gross Adj. 11.7 %	$ 330,500	Net Adj. 4.5 % Gross Adj. 27.3 %	$ 329,088	Net Adj. 2.6 % Gross Adj. 12.6 %	$ 330,731

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) NTREIS MLS/Realist

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) NTREIS MLS/Realist

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 #1	COMPARABLE SALE #2	COMPARABLE SALE #3
Date of Prior Sale/Transfer	06/21/2018			
Price of Prior Sale/Transfer	$0			
Data Source(s)	NTREIS/Realist	NTREIS/Realist	NTREIS/Realist	NTREIS/Realist
Effective Date of Data Source(s)	04/04/2019	04/04/2019	04/04/2019	04/04/2019

Analysis of prior sale or transfer history of the subject property and comparable sales Based on research of local market data sources such as Matrix MLS, which is the most credible source for local appraisers, and review of County Property Tax Records - appraiser found that the subject property has sold within the past three (3) years. The comparables have not transferred title within one year from their respective last date of sale reported in this appraisal. Texas is a non-disclosure state, meaning real property sale's prices are not typically disclosed on public records. The subject transferred from Myers the Hm Buyers of Dallas to Ponte Di Rialto LLC on 06/21/2018; sales price unknown as it was not listed on MLS.

Summary of Sales Comparison Approach See Attached Addendum

Indicated Value by Sales Comparison Approach $ 330,000

RECONCILIATION

Indicated Value by: Sales Comparison Approach $ 330,000 **Cost Approach (if developed) $** **Income Approach (if developed) $**

See attached addendum

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: This report should not be considered valid without all attached addendum including all pages before and after the URAR form.

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 $ 330,000 **, as of** 04/04/2019 **, which is the date of inspection and the effective date of this appraisal.**

ADDITIONAL COMMENTS

INTENDED USE/USER: The Intended User of this appraisal report is for Ashley Smith. The Intended Use is to evaluate the property that is the subject of this appraisal for a mortgage finance transaction, subject to the stated Scope of Work, purpose of the appraisal, reporting requirements of this appraisal report form, and the Definition of Market Value. No additional intended Users are identified by the appraiser. The borrower is not an intended user.

PURPOSE OF REPORT: The purpose of this appraisal was to provide an opinion of market value of the subject property (as defined in this report), on behalf of the our client or the appraisal company facilitating the assignment for the referenced client, as the intended user of this report. The only function of this appraisal is to assist the client mentioned in this report in evaluating the subject property for lending purposes. The use of this report by anyone other than the intended user(s), for the intended use, is strictly prohibited.

APPRAISER INDEPENDENCE CERTIFICATION:
I hereby certify, I have followed the appraiser independence safeguards in compliance with Appraisal Independence and any applicable state laws I may be required to comply with. This includes but is not limited to the following: I am currently licensed and/or certified by the state in which the property to be appraised is located. My license is the appropriate license for the appraisal assignments and is reflected in the appraisal report. I certify that there have been no sanctions against me for any reason that would impair my ability to perform appraisals under the required guidelines. This appraiser completed this assignment with no influence on value (written or verbal) from any party connected with this assignment as referenced in the signed certification located on page 5 of the URAR (Items 16 and 18) and in compliance with Appraiser Independence Requirements (AIR) effective April 1, 2011.

I further assert that the intended user has never participated in any of the following prohibited behavior in our business relationship: Withholding or threatening to withhold timely payment or partial payment for an appraisal report, withholding or threatening to withhold future business with me, denoting, terminating or threatening to demote or terminate me, expressly or implicitly promising future business, promotions, or increased compensation for myself, conditioning the ordering of my appraisal report or the payment of my appraisal fee or salary or bonus on the opinion, conclusion, or valuation to be reached, or on a preliminary value estimate requested from me, requesting that I provide an estimated, predetermined, or desired valuation in an appraisal report prior to the completion of the appraisal report, or requesting that I provide estimated values or comparable sales at any time prior to my completion of an appraisal report. Provided me an anticipated, estimated, encouraged, or desired value for a subject property or proposed or target amount to be loaned to the borrower, except that a copy of the sales contract for purchase transactions may be provided, provided to me, my appraisal company, or any entity or person related to me as an appraiser, appraisal company, stock or other financial or non-financial benefits. Any other act or practice that impairs or attempts to impair my independence, objectivity, or impartiality or violates law or regulation, including, but not limited to, the Truth in Lending Act (TILA) and Regulation Z, or the USPAP.

I performed this appraisal in accordance with the requirements of Title XI of the Financial Institution Reform, Recovery and Enforcement Act of 1989, (12 U.S.C.3331 et seq.), and any implementing regulations

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 ☐ REPRODUCTION OR ☐ REPLACEMENT COST NEW	OPINION OF SITE VALUE =$
Source of cost data	DWELLING Sq.Ft. @ $ =$
Quality rating from cost service Effective date of cost data	Sq.Ft. @ $ =$
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	=$
	Garage/Carport Sq.Ft. @ $ =$
	Total Estimate of Cost-New =$
	Less Physical Functional External
	Depreciation =$( )
	Depreciated Cost of Improvements =$
	"As-is" Value of Site Improvements =$
Estimated Remaining Economic Life (HUD and VA only) Years	**INDICATED VALUE BY COST APPROACH =$**

INCOME

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent $ X Gross Rent Multiplier = $ 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 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
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.

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 the 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 Alecia G Martinez

Signature Alecia G. Martinez
Name Alecia G Martinez
Company Name The Marc, LLC
Company Address 1338 Clear Creek Dr
Lewisville, TX 75067
Telephone Number 817-933-4343
Email Address alecia@themarc-co.com
Date of Signature and Report 04/09/2019
Effective Date of Appraisal 04/04/2019
State Certification # 1336821
or State License #
or Other (describe) State #
State TX
Expiration Date of Certification or License 03/31/2021

ADDRESS OF PROPERTY APPRAISED
410 Paula Rd
McKinney, TX 75069

APPRAISED VALUE OF SUBJECT PROPERTY $ 330,000

LENDER/CLIENT
Name No AMC
Company Name Ashley Smith
Company Address N/A

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

Subject Photo Page

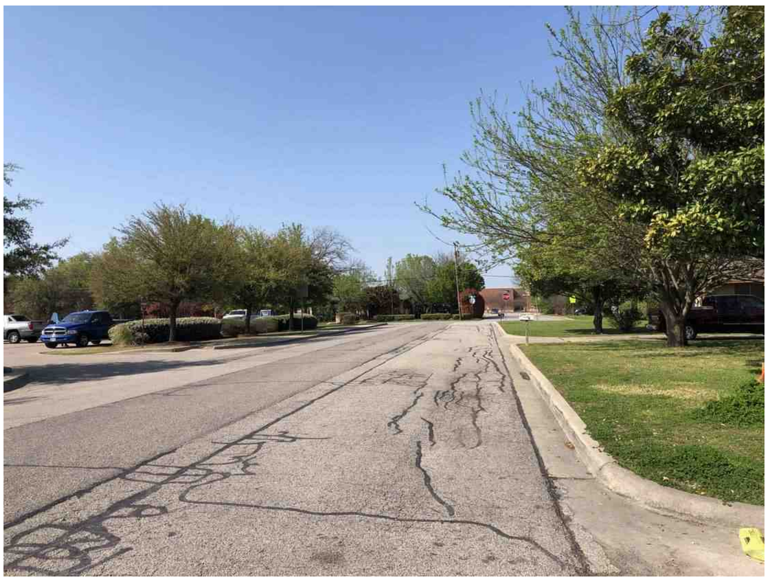
Borrower/Client	N/A						
Property Address	410 Paula Rd						
City	McKinney	County	Collin	State	TX	Zip Code	75069
Lender							

Subject Front

410 Paula Rd

Sales Price	
Gross Living Area	1,925
Total Rooms	6
Total Bedrooms	3
Total Bathrooms	2.0
Location	N;Res;
View	A;Hs of worship;
Site	10531 sf
Quality	Q3
Age	53

Subject Rear



Subject Street

Interior Photos

Borrower/Client	N/A						
Property Address	410 Paula Rd						
City	McKinney	County	Collin	State	TX	Zip Code	75069
Lender							

Hs of Worship

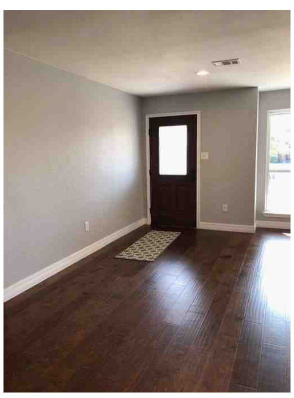
Alt Street View

Side View

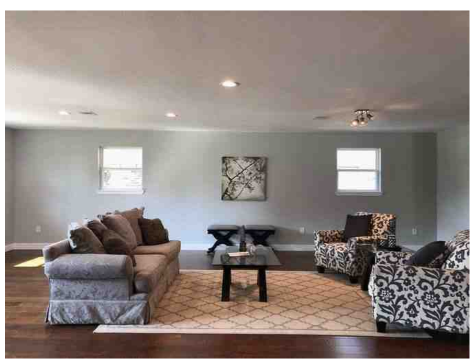
Side View

Storage

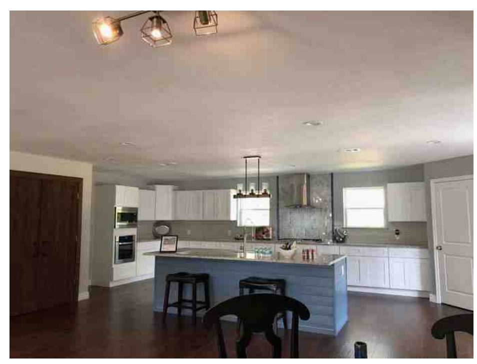
Patio/Deck



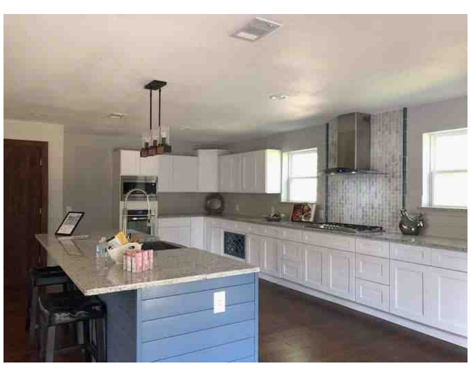
Foyer



Living

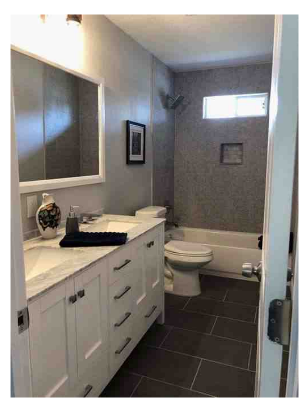


Kitchen



Kitchen

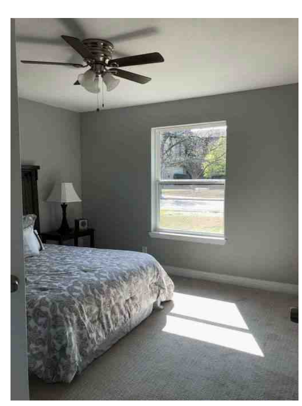
Laundry



Bathroom 1

Bedroom 1

Bedroom 2



Master Bedroom

Interior Photos

Borrower/Client	N/A						
Property Address	410 Paula Rd						
City	McKinney	County	Collin	State	TX	Zip Code	75069
Lender							

Master Bathroom

Front Porch

Comparable Photo Page

Borrower/Client	N/A						
Property Address	410 Paula Rd						
City	McKinney	County	Collin	State	TX	Zip Code	75069
Lender							

Comparable 1

1712 Oak St

Prox. to Subject	1.04 miles NE
Sale Price	304,900
Gross Living Area	1,498
Total Rooms	7
Total Bedrooms	3
Total Bathrooms	2.0
Location	N;Res;
View	A;Commercial;
Site	10261 sf
Quality	Q3
Age	49

Comparable 2

302 Brook Ln

Prox. to Subject	0.23 miles S
Sale Price	315,000
Gross Living Area	2,109
Total Rooms	8
Total Bedrooms	3
Total Bathrooms	2.0
Location	N;Res;
View	N;Res;
Site	13862 sf
Quality	Q3
Age	57

Comparable 3

613 N Kentucky St

Prox. to Subject	1.03 miles E
Sale Price	322,500
Gross Living Area	1,656
Total Rooms	7
Total Bedrooms	4
Total Bathrooms	2.0
Location	N;Res;
View	N;Res;
Site	6403 sf
Quality	Q3
Age	62

Uniform Residential Appraisal Report

File # TheMarc2684

SALES COMPARISON APPROACH

FEATURE	SUBJECT	COMPARABLE SALE # 4		COMPARABLE SALE # 5		COMPARABLE SALE # 6	
Address	410 Paula Rd McKinney, TX 75069	1711 Oak St McKinney, TX 75069		314 Paula Rd McKinney, TX 75069			
Proximity to Subject		1.01 miles NE		0.12 miles S			
Sale Price	$		$ 319,000		$ 270,000		$
Sale Price/Gross Liv. Area	$ sq.ft.	$ 204.88 sq.ft.		$ 120.64 sq.ft.		$ sq.ft.	
Data Source(s)		NTREIS#13976570;DOM 84		NTREIS#13902458;DOM 28			
Verification Source(s)		Realist/Exterior Inspection		Realist/Exterior Inspection			
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) $ Adjustment	DESCRIPTION	+(-) $ Adjustment	DESCRIPTION	+(-) $ Adjustment
Sales or Financing Concessions		ArmLth Conv;0		ArmLth Cash;0			
Date of Sale/Time		s03/19;c02/19		s09/18;c08/18			
Location	N;Res;	N;Res;		N;Res;			
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple			
Site	10531 sf	14482 sf	-7,902	13199 sf	-5,176		
View	A;Hs of worship;	N;Res;	-15,995	A;Commercial;	0		
Design (Style)	DT1;Modern	DT1;Modern		DT1;Ranch	0		
Quality of Construction	Q3	Q3		Q3			
Actual Age	53	49	0	56	0		
Condition	C2	C2		C4	+100,000		
Above Grade Room Count (Total / Bdrms. / Baths)	6 / 3 / 2.0	6 / 3 / 2.1	-3,000	9 / 4 / 3.0	-6,000	Total / Bdrms. / Baths	
Gross Living Area	1,925 sq.ft.	1,557 sq.ft.	+22,100	2,238 sq.ft.	-18,800	sq.ft.	
Basement & Finished Rooms Below Grade	0sf	0sf		0sf			
Functional Utility	Average	Average		Average			
Heating/Cooling	FWA/CAC	FWA/CAC		CAC	0		
Energy Efficient Items	None	None		None			
Garage/Carport	None	2ga2dw	-5,000	2ga2dw	-5,000		
Porch/Patio/Deck	Patio/Deck	Porch	+5,000	Porch/Patio	0		
Pool/Spa	None	None		None			
Net Adjustment (Total)		☐ + ☒ -	$ -4,797	☒ + ☐ -	$ 65,024	☐ + ☐ -	$
Adjusted Sale Price of Comparables		Net Adj. 1.5 % Gross Adj. 18.5 %	$ 314,203	Net Adj. 24.1 % Gross Adj. 50.0 %	$ 335,024	Net Adj. % Gross Adj. %	$

SALE HISTORY

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 # 4	COMPARABLE SALE # 5	COMPARABLE SALE # 6
Date of Prior Sale/Transfer	06/21/2018			
Price of Prior Sale/Transfer	$0			
Data Source(s)	NTREIS/Realist	NTREIS/Realist	NTREIS/Realist	
Effective Date of Data Source(s)	04/04/2019	04/04/2019	04/04/2019	

Analysis of prior sale or transfer history of the subject property and comparable sales

ANALYSIS / COMMENTS

Analysis/Comments

Comparable Photo Page

Borrower/Client	N/A						
Property Address	410 Paula Rd						
City	McKinney	County	Collin	State	TX	Zip Code	75069
Lender							

Comparable 4

1711 Oak St

Prox. to Subject	1.01 miles NE
Sale Price	319,000
Gross Living Area	1,557
Total Rooms	6
Total Bedrooms	3
Total Bathrooms	2.1
Location	N;Res;
View	N;Res;
Site	14482 sf
Quality	Q3
Age	49

Comparable 5

314 Paula Rd

Prox. to Subject	0.12 miles S
Sale Price	270,000
Gross Living Area	2,238
Total Rooms	9
Total Bedrooms	4
Total Bathrooms	3.0
Location	N;Res;
View	A;Commercial;
Site	13199 sf
Quality	Q3
Age	56

Comparable 6

Prox. to Subject	
Sale Price	
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	
View	
Site	
Quality	
Age	

Supplemental Addendum

File No. TheMarc2684

Borrower/Client	N/A						
Property Address	410 Paula Rd						
City	McKinney	County	Collin	State	TX	Zip Code	75069
Lender							

• <u>URAR: Neighborhood - Description</u>
The subject property is located in McKinney. Access to the area is considered averate . This area has received good market acceptance in the recent past with this trend anticipated to continue in the near future. The area has average access to business and retail services. The area is served by the McKinney ISD. Marketability and appeal of the properties in the neighborhood are good. Shopping and recreational facilities, access to employment, schools, fire protection, garbage removal, street maintenance, protection from detrimental conditions and utility availability are adequate and acceptable. Other land use is public, vacant land, easement, park etc.

• <u>URAR: Improvements - Condition of the Property</u>
The subject has been adequately maintained with no obvious signs of deferred maintenance or needed repairs. The utilities were on and functioning at the time of the appraisal. This is an appraisal report completed for the purpose of providing and opinion of market value and should not be substituted or relied upon for a home inspection as the appraiser is not a licensed home inspector. Smoke detectors were noted; however, they were not tested. CO detectors and strapped water heaters are not required per local law

<u>SITE AND TAXES</u>
The subject's site size dimensions are reported based on Realist/Assessor data and are considered approximate. Please rely on a Professional survey. The subject is a legally permissible use based on current zoning. The lot size, shape and land-to-building ratio allow the present structure and indicate a good utilization of the improvements. Based on current market conditions, the existing structure as a single family residence is its financially feasible and maximally productive use. The highest and best use, as if vacant, would be to construct a single family residence.

The valuation and tax rates in the area appear reasonable per Texas laws.

MARKET VALUE
The definition of market value which was provided on the FNMA form 1004, was derived from the FNMA form and/or 12 C.F.R.

SCOPE OF WORK
The scope of this appraisal was to inspect the subject market area and subject property (unless otherwise stated in this report). To also collect, analyze, confirm, and report pertinent data into a final value estimate of market value (as defined in this report) for the subject property. The collection, analyzing, confirming, and reporting of the data utilized in this report included, but was not limited to: inspecting the interior, exterior, and site of the subject property, measuring the subject residence, sketching the interior floor plan, noting interior rooms, closets, water heater, A/C, heater, appliances, utilities, quality of construction, condition, etc....additionally appraiser inspected the neighborhood and drove by and photographed the comparables and used them in the report when feasible. These comparables were also researched on MLS, tax records, and often times, verbally through a real estate agent. In arriving at an estimated market value for the subject property, the appraiser has analyzed (as applicable) past sales and current offerings of available properties in the area which were felt to be similar to the subject. In addition, consultations with brokers and builders active in the area further support the estimated market value for the subject property. The information, estimates, and opinions furnished to the appraiser and contained within this report were obtained from sources deemed reliable and believed to be true and correct. This appraisal was completed based upon the Uniform Standards of Professional Appraisal Practice (U.S.P.A.P.), as promulgated by the appraisal foundation.

<u>Highest and best use</u>
It is the appraiser's opinion that the subject's highest and best use "as is". This was determined after considering those uses, which are physically possible, legally permissible, financially feasible, and maximally productive. This is due to the subject's current zoning, surrounding properties, its design, and its present use and as configured, both physical and functional.

<u>Predominant Value</u>
Although the subject's appraised value is different from the predominant value of the neighborhood, it is not considered an under improvement or an over improvement for the area. The definition of predominant value as used in this appraisal is "the most frequent (mode) price found in a market area". From this definition, it follows that a large number of homes, both higher priced or lower priced than the predominant value, will be found in the neighborhood.

Due to the subject's renovated condition, the Comps unadjusted sale prices do not bracket the market value. However, the salient features are bracketed providing support for the appraiser's adjustments. The most recent closed comparables that were competitive to the subject were used. In order to provide a sale with no other purpose than to bracket the market value a sale more distant, more dated, and/or less comparable to the subject would be required reducing the credibility and reliability of the appraisal report. It is the appraiser's opinion that the Comps are most representative of the subject that were available at the time of the appraisal and provided good support for the appraisal value with no negative impact on the appraisal conclusion observed due to the lack of a Comp with a sale price which brackets the upper end of the appraisal value.

<u>Property Values</u>
The one-unit housing trends in the neighborhood section on page one of this report are reported based on the criteria as described. The appraiser recognizes that there is no set industry standard on exactly what constitutes a stable, increasing or decreasing market. Furthermore, many clients and appraisers have varying understandings and definitions for the categories indicated in the market trends section of page one. The appraiser notes that real estate markets are rarely ever actually stable, and rarely do they ever fit the most pre-conceived notions regarding value trends in relation to supply and marketing times. In other words, real estate markets around the world are constantly in flux, and the local market trends are no exception. For example, the appraiser commonly notes that the local market might show an over supply with less than 90 days marketing time, or declining values coupled with an undersupply. The appraiser's goal is to report the trends based on factual data while realizing that the data can and often does contain contra-indicative information. The appraiser has provided the data figures so that the client can determine their own trends should their definitions or understanding of value trends, marketing times, or supply/demand differ from the appraiser's guidelines for trend information.

<u>Demand/supply</u>
The appraiser realizes that there are various industry understandings and definitions for what determines the equilibrium in the supply/demand curve for residential single family real estate in a local market area. For clarification purposes, the appraiser considers the ratio of current number of months of supply versus a 12 month period of all single family properties located in the neighborhood boundaries indicated on page one. The reason that the appraiser chooses to consider a 12 month period is to be consistent with the same time period chosen for the property value trends. Furthermore, it is not feasible to determine the actual current demand, as doing so would require an accurate count of all potential buyers in the subject neighborhood boundaries as of the effective date of the appraisal. It is assumed that demand will continue at the same rate as it has over the prior 12

Borrower/Client	N/A						
Property Address	410 Paula Rd						
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Lender							

months. To determine the number of months supply indicated on page one in the market consistent with Fannie Mae 1004MC Market Conditions addenda. In doing so, the appraiser has taken the number of sales over the prior quarter divided by 4 (the number of months in a quarter). This gives the appraiser a current absorption rate. The number of current active listings of all the properties within the neighborhood boundaries is then divided by the absorption rate. The result is an indication of the number of months of supply currently on the market. The appraiser then divides the number of months supply by 12 to determine the ratio of months of supply to 12 months of demand.

CLARIFICATION OF ITEM 2 CERTIFICATION STATEMENT
An appraiser's inspection is a data gathering task for comparative analyzes only. The term/phrase "complete visual inspection" means a non-intrusive, visual observation of readily accessible areas on the effective date of the appraisal. No warranty is given to the condition or continued functional operation of the mechanical, electrical, plumbing or any other systems in the dwelling beyond the effective date of the appraisal.

Any statement, comment, or conclusion made about the structural integrity is not a warranted fact, but an observation limited to the purview of my visual observation. For justified fact about the structural integrity unless otherwise stated the user of the appraisal should have the improvement inspected by a licensed structural engineer or similar professional whose job is to determine structural integrity.

CLARIFICATION OF ITEM 7 CERTIFICATION STATEMENT
My primary data source was the NTREIS MLS. The Dodd-Frank Act and Fannie Mae's Appraiser Independence Requirements (AIR) was enacted to prevent unreasonable expectations of appraisers who have already provided credible support for their conclusion of value. Unless there is data that was not available to me at the time of research for the appraisal on the effective date, I will not be influenced or coerced into performing additional analysis of sales that are deemed less comparable for the purpose of producing an influence or change to the value credibly developed.

In the event sales not chosen (i.e. those deselected by me in the final selection process) are asked to be analyzed by the client, such as additional research, will be subject to additional charges for the additional research, analysis, and communication. Such fees will be relative to the amount of additional information required and should be discussed with the client to ensure that they are prepared to pay any additional fees. If the client's request is based on data obtained from the same MLS system where there are no additional sales comparable to the subject that was not already researched, selected or disqualified at the time of the appraisal, such consideration of the same data researched would be an additional charge to the client for these added analyses.

CLARIFICATION OF ITEM 10 CERTIFICATION STATEMENT
I attempted to adhere fully to the requirements set forth in Certification Item 10 and believe the sources used provided credible information, but strict adherence was not possible in the normal course of business. In the State of Texas and local jurisdiction, the non-disclosure status of law prevents me from any published non-interested party data other than that which is printed through the private source of Multiple Listing Service (MLS).

CLARIFICATION OF ITEM 14 CERTIFICATION STATEMENT
The users and others who are choosing to rely on this appraisal report need to be aware of the limitations of the included 1004MC Form. This form only views transactions over a 12-month period, which makes each column a seasonal conclusion. As a consequence, the outcomes may vary from the one-unit housing trends reported in the Neighborhood Section and may not be consistent. Those circumstances will be further explained on the 1004MC Form where seasonal anomalies are addressed. Further, the comments about concessions are based on that data which is available to me through the primary data source. Inconsistencies exist in the reporting of concessions which impacts my conclusions and may be impacted to the degree concessions were not forthright by all of the MLS reporting members.

The information contained herein regarding the environmental conditions are not to be construed as a warranted fact. This information was the result of the non-intrusive physical observation and data gathered from the EPA website. For a warranted fact about environmental conditions, the Intended User(s) of this appraisal report must seek from environmental professional's facts such as can be found from testing done in Phase II environmental reporting. I have made no environmental tests on the subject property.

CLARIFICATION OF ITEM 21 CERTIFICATION STATEMENT
The parties identified in this item are given disclosure privileges of distribution rights. These distribution privileges are not equal nor should be construed as being the same privilege as an "Intended User". Only the client named herein has the privilege of being identified as the "Intended Users." I am not obligated nor will I discuss this Appraisal Report with any of the entities listed in this section unless they have been specifically identified by me at the time of the assignment as an Intended User with similar privileges as the client regarding direct communication rights.

ENVIRONMENTAL DISCLAIMER
The market value opinion provided is based on the assumption that the subject property is not negatively affected by the existence of hazardous substances, mold, or other detrimental environmental conditions. I am not an expert in the identification of hazardous substances, mold, or other detrimental environmental conditions. My routine observations and inquiries about the subject property did not develop any information that indicated any apparent significant hazardous substances or detrimental conditions, which would affect the property negatively. It is possible that tests and inspections made by a qualified hazardous substance and environmental expert would reveal the existence of hazardous substances and/or detrimental conditions, on or in reasonable proximity to the property, that would negatively affect its value or marketability.

ESTIMATE OF GROSS LIVING AREA

The measurements and sketch contained herein are for this appraisal when comparing the subject to the comparable sales in the Sales Comparison Analysis. The sketch herein is not an architectural rendering of the subject improvements and is not to be considered as such. I am not a licensed architect. The gross living area addressed herein is based on physical measurements taken by me utilizing the American National Standards Institute (ANSI) protocol adopted by the National Homebuilder's Association (NHA) for measuring square footage. The Gross Living Area stated in the report may or may not agree with Gross Living Area published by the tax assessor, the NTREIS MLS, or the builder for the subject or the comparable sales. The square footage estimate noted herein for the subject calculated from physical measurements taken by me for this assignment only. I do not guarantee the accuracy of this square footage ESTIMATE, and it should not be relied upon by anyone for any other use.

Supplemental Addendum

File No. TheMarc2684

Borrower/Client	N/A						
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Lender							

The estimated GLA stated in this report is derived from the appraiser's measurement. Thus, it is considered the most accurate and reliable metric for GLA. Any variance of the GLA in this report with public records, Zillow or any other online resource is considered immaterial.

Per the appraiser's measurements, the subject has 1925 square feet of living area, whereas Tax Records reports 1815 square feet of living area. The difference of 110 square feet is considered typical due to differences in measurement style and rounding. American National Standards Institute (ANSI) was followed as closely as possible. The ANSI standard bases floor area calculations on the exterior dimensions of the building at each floor level, and includes all interior walls and voids. "Finished area" is defined as "an enclosed area in a house suitable for year-round use, embodying walls, floors and ceilings that are similar to the rest of the house." However, please keep in mind that the sketch is not an architectural rendering of the subject dwelling and is not to be considered as such as the appraiser is not an architect nor a surveyor.

COMPARABLE SEARCH AND SELECTION
The comparables were selected to obtain current market sales, contract offerings, and current active listings of properties that were the most similar to the subject property. All data was obtained from the Multiple Listing Service. Parameters for the comparable search included the date of sale, proximity to the subject, lot size, age, condition of the improvements, quality of construction, gross living area, bedroom and bath count, parking facilities. No value parameters are included in the initial search which is designed to let the market determine the market value and not the preconceived value of the appraiser. Once the initial research was completed the appraiser picked out the most similar comparables that would provide bracketing for GLA, bath, bedroom and total room counts to maintain paired analysis.

Search parameters include:

The search criteria for the One-Unit Trends as reported on page 1 are as follows: Defined neighborhood boundaries for all Single Family residences that have sold in the prior 12 months.

The search criteria for comparable properties as reported on page 2 and the 1004MC are as follows: Defined neighborhood boundaries for Single Family residences which were between 1400 and 2200 square feet of living area built between the years of 1956-1976.

In order to obtain sufficient market data to utilize in the 1004MC, a fairly wide range of sales and listings are needed to identify market trends. The sales and listings on top of page 2 correlate with the data in the 1004MC. Therefore, the numbers on the top of page 2 may not necessarily represent true comparables. The search criteria for this data is noted above, and often is restricted by only style, living area and age. There are several other factors in determining a true comparable property, including but not limited to quality, condition, room counts, lot size and exterior features. Those sales and listings provided in the grid represent the most similar and relevant comparable properties for the subject property.

It is noted that properties in Pending status and builder sales are not counted in the active listings category nor the closed sales category at the top of page 2 and the 1004MC. However, Pending sales are still researched and may be provided in the grid.

Summary of the Sales Comparison Approach

The GLA adjustment was derived by applying sensitivity analysis technique with additional verification provided by applying paired sales and regression means.. Square footage adjustments were included herein and consideration for differences in the number of bedrooms is considered to have been included in the square footage adjustments. Actual age is not considered a significant element of value. Instead, condition incorporates the actual effective age of the properties. Any age adjustments are generally incorporated into the condition adjustment, if warranted. The Comps were adjusted for differences in condition and updating as indicated by MLS photos and comments. Site size adjustment derived using median sales price for land sales within a 2 mile radius of the subject that sold within the past 365 days. View adjustments derived using paired sales analysis. Due to a lack of additional relevant sales within the subject’s subdivision it was necessary to provide sales with adjustments that exceed preferred line, net and gross adjustments. However, according to the Fannie Mae Selling Guide (B4-1.3-09: Adjustments to Comparable Sales (12/16/2014), "Fannie Mae does not have specific limitations or guidelines associated with net or gross adjustments. The number and/or amount of the dollar adjustments must not be the sole determinant in the acceptability of a comparable. Ideally, the best and most appropriate comparable would require no adjustment; however this is rarely the case as typically no two properties or transaction details are identical. The appraiser’s adjustments must reflect the market’s reaction (that is, market based adjustments) to the difference in the properties."

Due to the subject's renovated condition, it was necessary to include sales that sold over 6 months ago.

In regards to the adjustments, these are based on paired data set analysis, market extraction, contributory value, and Information disclosed to the appraiser by brokers active within the immediate area, and past experience. Furthermore, according to the 12th Edition of the Appraisal of Real Estate, the adjustments utilized in the comparable sales analysis are market derived, but the appraiser should also exercise judgment. Sales that are similar in all but one respect can be analyzed to isolate how that one difference affects price; however, an appraiser cannot expect the sales data to reveal the effect of a single characteristic in all situations. Although paired data set is a theoretically sound method, it is sometimes impractical because only a narrow sampling of sufficiently similar properties may be available. Thus, it is difficult to quantify adjustment consideration attributable to the other variables present. Therefore, the appraiser's estimated value is considered reasonable and accurate.Furthermore, the applicable adjustments are theoretically sound, consistently applied, and market derived adjustments are based upon the Principle of Diminishing Returns. This phenomenon is an economic principle which states that when successive increments of one or more factors of production are added to fixed amounts of the other factors there is a resulting enhancement of income (in dollars, benefits, or amenities), initially at an increasing rate to a point of maximum return and then decreasing until eventually, the increment to value becomes increasingly less than the value of the added factor (or factors). Adjustments in the sales grid on page 2 are made for significant, measurable differences between the comparable property and the subject property. While there might be many actual differences, adjustments are made only for differences that are significant enough that a typical buyer would notice them and find them significant enough that they would offer more or less for the property as a result. Any adjustments provided are based on market data/paired sales analysis/sensitivity. Not all adjustments in the Sales Comparison Approach can be directly extracted or supported by the available market data with a high degree of accuracy. Some adjustments have an element of subjectivity and professional judgment which the appraiser has applied based on prior observations of the reactions of typical/knowledgeable buyers' and sellers' in the market place. These adjustments are then refined using sensitivity analysis within the grid and tested for reasonableness with the selected comparables. This method is a standard and well accepted practice within the appraisal industry. Ideally, the best and most appropriate comparable would require no adjustment; however this is rarely the case as typically no two properties or transaction details are identical. The appraiser's adjustments reflect the market's reaction (that is, market based adjustments) to

Supplemental Addendum

File No. TheMarc2684

Borrower/Client	N/A						
Property Address	410 Paula Rd						
City	McKinney	County	Collin	State	TX	Zip Code	75069
Lender							

the difference in the properties. Fannie Mae no longer has specific limitations or guidelines associated with net or gross adjustments. The number and/or amount of the dollar adjustments must not be the sole determinant in the acceptability of a comparable.

RECONCILIATION AND FINAL VALUE CONCLUSION

All Sold comparables are located within the subject market segment, and with the proper adjustment, would be considered reasonable substitutes for the subject property by potential buyers in the market. The sales comparison approach best reflects the interaction of buyers and sellers in the present market. The sales comparison approach is considered the most reliable and was given the most weight.

The income approach was not developed or considered relevant due to insufficient rental market data.

Because of the age of the subject's improvements, the cost approach is not a reliable indicator of value and is not applicable in this report.

The final value opinion does not simply represent the average or median of the different value indications derived or the highest value indicator from a single sold comparable or active/pending. No mechanical formula is used to select one indication over the others. The final reconciliation relies on the proper application of appraisal methods and the appraiser's judgment and experience and market support. Value is not the same as price.

The final market value was derived by giving consideration to all Comp(s) due to their proximity to the subject, recent sale dates and overall similarity to the subject. Greatest consideration is given to Comps 1, 2 and 3 for their recent sale date and/or similar condition. The most recent closed comparables that were competitive to the subject were used. All closed comparables were arm's length transactions unless otherwise noted. Non-realty items are not included in the final estimate of value.

Market Conditions Addendum to the Appraisal Report

File No. TheMarc2684

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 410 Paula Rd | City McKinney | State TX | ZIP Code 75069

Borrower N/A

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.

MARKET RESEARCH & ANALYSIS

Inventory Analysis	Prior 7–12 Months	Prior 4–6 Months	Current – 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)	12	2	7	☐ Increasing	☒ Stable	☐ Declining
Absorption Rate (Total Sales/Months)	2.00	0.67	2.33	☐ Increasing	☒ Stable	☐ Declining
Total # of Comparable Active Listings	3	6	7	☐ Declining	☒ Stable	☐ Increasing
Months of Housing Supply (Total Listings/Ab.Rate)	1.5	9.0	3.0	☐ Declining	☒ Stable	☐ 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	$249,500	$259,542	$257,235	☐ Increasing	☒ Stable	☐ Declining
Median Comparable Sales Days on Market	11.5	50	9	☐ Declining	☒ Stable	☐ Increasing
Median Comparable List Price	$254,000	$284,000	$295,000	☐ Increasing	☒ Stable	☐ Declining
Median Comparable Listings Days on Market	70	38	55	☐ Declining	☒ Stable	☐ Increasing
Median Sale Price as % of List Price	97.44	91.66	98.94	☐ Increasing	☒ Stable	☐ Declining
Seller-(developer, builder, etc.)paid financial assistance prevalent?	☒ Yes	☐ No		☐ Declining	☐ Stable	☒ 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.). The NTREIS Listings MLS indicates there were 21 closed sales during the past 12 months and 3 of those sales contained seller concessions which is 14% of the total transactions in this market area. Prior Months 7-12: 12 Sales; 1 with concessions; 8% of sales for this period. 4-6: 2 Sales; 0 with concessions; 0% of sales for this period. 0-3: 7 Sales; 2 with concessions; 29% of sales for this period. The concessions ranged between $2,500 and $7,250. The median concession amount is $7,235.

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).

The NTREIS Listings MLS indicates there were 21 closed sales during the past 12 months and 1 of those sales were either foreclosures or short sales which is 5% of the total transactions in this market area. Prior Months 7-12: 12 Sales; 0 foreclosures or short sales; 0% of sales for this period. 4-6: 2 Sales; 0 foreclosures or short sales; 0% of sales for this period. 0-3: 7 Sales; 1 foreclosures or short sales; 14% of sales for this period.

Cite data sources for above information. The NTREIS Listings MLS was the data source used to complete the Market Conditions Addendum.
Effective Date: Thursday, April 4, 2019

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.

In the Inventory Analysis section of the market conditions addendum report, the "Overall Trend" conclusion was based on analyzing three columns, the "prior 7-12 months", "prior 4-6 months" and "current 3 months" in order to determine the market status. As in the case with the "median comparable sale price", which is the basis of support to the Property Values Factor in the One Unit Housing Trends, it is the appraiser's conclusion based on the data analyzed in the defined market area, which included residential property types and uses conclude that the property values are stable.

CONDO/CO-OP PROJECTS

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)				☐ Increasing	☐ Stable	☐ Declining
Absorption Rate (Total Sales/Months)				☐ Increasing	☐ Stable	☐ Declining
Total # of Active Comparable Listings				☐ Declining	☐ Stable	☐ Increasing
Months of Unit Supply (Total Listings/Ab.Rate)				☐ Declining	☐ Stable	☐ 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 Alecia G Martinez	Signature
Appraiser Name Alecia G Martinez	Supervisory Appraiser Name
Company Name The Marc, LLC	Company Name
Company Address 1338 Clear Creek Dr, Lewisville, TX 75067	Company Address
State License/Certification # 1336821 State TX	State License/Certification # State
Email Address alecia@themarc-co.com	Email Address

USPAP ADDENDUM

File No. TheMarc2684

Borrower	N/A
Property Address	410 Paula Rd
City	McKinney County Collin State TX Zip Code 75069
Lender	Ashley Smith

This report was prepared under the following USPAP reporting option:

- [x] Appraisal Report — This report was prepared in accordance with USPAP Standards Rule 2-2(a).
- [ ] Restricted Appraisal Report — This report was prepared in accordance with USPAP Standards Rule 2-2(b).

REPORT OPTION: This is an appraisal report.

Reasonable Exposure Time

My opinion of a reasonable exposure time for the subject property at the market value stated in this report is: 0-90 days

I confirm that if an opinion of reasonable exposure time has been developed in compliance with Standards Rule 1-2 the opinion has been stated in this report that i am currently uploading in accordance with USPAP Standards Rule 2-2 (a) (v)". *

Additional Certifications

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

- [x] I have NOT performed 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.

- The statements of fact contained in this report are true and correct.
- 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.
- Unless otherwise indicated, I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 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.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification (if there are exceptions, the name of each individual providing significant real property appraisal assistance is stated elsewhere in this report).

Additional Comments

The appraiser notes that there are different ways to calculate the number of days on market. For example, there is a number of cumulative days on market, days on market since last price change, days on market of current listing, days on MLS, etc. Also, there is the possibility that a property was listed for sale by owner or by a non-MLS agent prior to the current reachable listing. Some listings are listed at an unrealistic high asking price and eventually expire or get withdrawn with no contract or sale taking place. In a effort to calculate. In an effort to calculate the most meaningful number of days on the market, the appraiser considers the number of days on market for SOLD properties as of the most current listing. Furthermore, this number is readily available from the local MLS service and represents the number of days required to bring a contract from the listing date of the most current listing. The appraiser reminds the reader that other prior listings may have occurred which might give a longer indication of days on market. However, the appraiser assumes that in many cases prior listings that went expired or withdrawn were either priced too high, or not actually marketed professionally. By considering the time period of the listing that actually brought a sales agreement, the appraiser considers that the asking price was realistic and that the property was marketed professionally. The number of days on the market indicated in the neighborhood section of page one represents the number of days that a listing was active prior to going to pending. For reasons noted, this number of days on market excludes prior listings that expired or were withdrawn. The appraiser also notes that some listings were actually For Sale By Owner (FSBO) for some the period prior to being offered to an agent for a one time showing. These types of listing are generally not prevalent and should not have a significant impact on the median number of days on the market. However, due to MLS limitations, these listings are included in the appraiser's computation of days on market. The marketing time trend indicated in the neighborhood section of page one is based on the median number of days on market as described. The median number of days on market is indicated in the market conditions summary under the same heading. The appraiser reminds the reader that the marketing time trend is based on this number. Again, the appraiser reminds the reader that the marketing time trend is based on a single number (median number of DOM). However, the actual marketing times do vary substantially over the total spectrum of sales and marketing time indication on page one may not necessarily be reflective of the actual time required to effectively market and sell the subject property.

APPRAISER:

Signature: Alecia G. Martinez
Name: Alecia G Martinez
Date Signed: 04/09/2019
State Certification #: 1336821
or State License #:
State: TX
Expiration Date of Certification or License: 03/31/2021
Effective Date of Appraisal: 04/04/2019

SUPERVISORY APPRAISER: (only if required)

Signature:
Name:
Date Signed:
State Certification #:
or State License #:
State:
Expiration Date of Certification or License:
Supervisory Appraiser Inspection of Subject Property:
- [ ] Did Not
- [ ] Exterior-only from Street
- [ ] Interior and Exterior

LEXINGTON INSURANCE COMPANY

WILMINGTON, DELAWARE

Administrative Offices – 99 High Street, Floor 23, Boston, Massachusetts 02110-23110

Certificate Number:	**015291458-00**
This Certificate forms a part of Master Policy Number:	**018389876-06**
Renewal of Master Policy Number :	**018389876-04**

YOUR RISK PURCHASING GROUP MASTER POLICY IS A CLAIMS MADE POLICY.
READ THE ATTACHED MASTER POLICY CAREFULLY

THE AMERICAN ACADEMY OF STATE CERTIFIED APPRAISERS

CERTIFICATE DECLARATIONS

1. Name and Address of Certificate Holder:
The Marc, LLC and
Alecia G. Martinez
1336 Clear Creek Drive
Lewisville TX 75067

2. Certificate Period: **Effective Date:** **08/16/18** **to Expiration Date:** **08/16/19**
12:01 a.m. Local Time at the Address of the Insured.

2a. Retroactive Date: **08/09/16**
12:01 a.m. Local Time at the Address of the Insured.

3. Limit of Liability:
$ 500,000 each claim
$ 1,000,000 aggregate limit

4. Deductible: **$1,000 each claim**

5. Professional Covered Services insured by this policy are: REAL ESTATE APPRAISAL SERVICES

6. Advance Certificate Holder Premium: **$ 1,075**

7. Minimum Earned Premium: **25% or** **$ 269**

Forms and Endorsements:
PRG 3512 (12/15) Real Estate Appraisers Professional Liability Coverage Form, PRG 4020 (12/17) Addendum to the Declarations, PRG 3935 (2/16) Premises Liability Coverage Amendatory Endorsement, 89644 (6/13) Economic Sanctions Endorsement, 91222 (09/16) Policyholder Notice, 118477 (03/15) Policyholder Notice, 119914 (10/16) Recording and Distribution of Material or Information In Violation of Law Exclusion Endorsement, PRG 3150 (10/05) Real Estate Appraisers Professional Liability Insurance Declarations

Additional Endorsements applicable to this Certificate only:
None

Agency Name and Address:
INTERCORP, INC.
1438-F West Main Street
Ephrata, PA 17522-1345

IT IS HEREBY UNDERSTOOD AND AGREED THAT THE CERTIFICATE HOLDER AGREES TO ALL TERMS AND CONDITIONS AS SET FORTH IN THE ATTACHED MASTER POLICY.

THIS POLICY IS ISSUED BY YOUR RISK PURCHASING GROUP INSURER WHICH MAY NOT BE SUBJECT TO ALL OF THE INSURANCE LAWS AND REGULATIONS OF YOUR STATE. STATE INSURANCE INSOLVENCY GUARANTY FUNDS ARE NOT AVAILABLE FOR YOUR RISK PURCHASING GROUP INSURER.

Allen D Barry IV

County: Denton

Authorized Representative OR
Countersignature (in states where applicable)

Date: August 17, 2018

PRG 3152 (10/05)

License

ALECIA GAIL MARTINEZ
308\ LILY LANE
LEWISVILLE, TX 75057

You may wish to laminate the pocket identification card to preserve it.

The person named on the reverse is licensed by the Texas Appraiser Licensing and Certification Board.

Inquiry as to the status of this license may be made to:

Texas Appraiser Licensing and Certification Board
P.O. Box 12188
Austin, Tx 78711-2188
www.talcb.texas.gov
(512) 936-3001
Fax:(512) 936-3899

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

Number#: **TX 1336821 R**

Issued: **03/27/2019** Expires: **03/31/2021**

Appraiser: **ALECIA GAIL MARTINEZ**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Texas Occupations Code, Chapter 1103, is authorized to use this title, Certified Residential Real Estate Appraiser.

Douglas E. Oldmixon
Commissioner

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

Number: **TX 1336821 R**

Issued: **03/27/2019** Expires: **03/31/2021**

Appraiser: **ALECIA GAIL MARTINEZ**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Texas Occupations Code, Chapter 1103, is authorized to use this title, Certified Residential Real Estate Appraiser.

Douglas E. Oldmixon
Commissioner