

# Uniform Residential Appraisal Report

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.

Property Address <b>98 Scott Blvd</b>	City <b>Mount Clemens</b>	State <b>MI</b>	Zip Code <b>48043</b>
Borrower <b>Rudalev Llc</b>	Owner of Public Record <b>Rudalev Llc</b>	County <b>Macomb</b>	
Legal Description <b>Scotts Addition Block 1 Lot 15 &amp; 1/2 Vac Alley Adj Rear</b>			
Assessor's Parcel # <b>05-11-11-256-031</b>	Tax Year <b>2016</b>	R.E. Taxes \$ <b>1,771</b>	
Neighborhood Name <b>Scotts Addition Block</b>	Map Reference <b>47664</b>	Census Tract <b>2451.00</b>	
Occupant <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant	Special Assessments \$ <b>0</b>	<input type="checkbox"/> PUD	HOA \$ <b>0</b> <input type="checkbox"/> per year <input type="checkbox"/> per month
Property Rights Appraised <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)			
Assignment Type <input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input checked="" type="checkbox"/> Other (describe) <b>Ascertain Market Value</b>			
Lender/Client <b>Colony American Finance</b>		Address <b>4 Park Plz, Suite 1950 Irvine, CA 92614</b>	
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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Report data source(s) used, offering price(s), and date(s). <b>PRD/City website/Regional multi listing service</b>			

I <input type="checkbox"/> did <input type="checkbox"/> 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? <input type="checkbox"/> Yes <input type="checkbox"/> 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? <input type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, report the total dollar amount and describe the items to be paid. _____

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

Neighborhood Characteristics	One-Unit Housing Trends	One-Unit Housing	Present Land Use %
Location <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE
Built-Up <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$(000)	(yrs)
Growth <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time <input type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	<b>25</b> Low	<b>20</b> Multi-Family
Neighborhood Boundaries <b>The boundaries are Hall Rd to the north, E Edsel Ford Fwy to the east, Cass Ave to the south and N Groesbeck Hwy to the west in an established residential area.</b>		<b>225</b> High	<b>105</b> Commercial
Neighborhood Description <b>Employment centers are nearby with easy access by local major freeways. The subject has access to local public and private schools, shopping malls and strip centers as well as recreational facilities. Zip code, county and township verified by the United States Postal service. NO oil lease on or part of the subject property, Oil lease not typical in this market area.</b>		<b>58</b> Pred.	<b>75</b> Other
Market Conditions (including support for the above conclusions) <b>Market condition and property values appear to be stable. Generally considered to be a sellers market both conventional and non-conventional financing is common. Sales concession are generally typical but not an influence on market values. The average sales to asking price is 90% - 105%.</b>			

Dimensions <b>30 X 157</b>	Area <b>4710 sf</b>	Shape <b>Rectangular</b>	View <b>N;Res;</b>
Specific Zoning Classification <b>R1-A</b>		Zoning Description <b>Single Family Residential</b>	
Zoning Compliance <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)			
Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe. _____			
Utilities	Public	Other (describe)	
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water
Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sanitary Sewer
			Off-site Improvements—Type
			Street <b>Concrete</b>
			Alley <b>None</b>
FEMA Special Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	FEMA Flood Zone <b>X</b>	FEMA Map # <b>26099C0332G</b>	FEMA Map Date <b>09/29/2006</b>
Are the utilities and off-site improvements typical for the market area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe. _____			
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe. _____			

GENERAL DESCRIPTION	FOUNDATION	EXTERIOR DESCRIPTION materials/condition	INTERIOR materials/condition
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls <b>Block/Avg</b>	Floors <b>Wood/Avg</b>
# of Stories <b>2</b>	<input checked="" type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls <b>Vinyl/Avg</b>	Walls <b>Drywall/Avg</b>
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area <b>528 sq. ft.</b>	Roof Surface <b>A/Shingle/Avg</b>	Trim/Finish <b>Wood/Avg</b>
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish <b>0 %</b>	Gutters & Downspouts <b>Aluminium/Avg</b>	Bath Floor <b>Ceramic/Avg</b>
Design (Style) <b>Colonial</b>	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type <b>Vinyl/Avg</b>	Bath Wainscot <b>Ceramic/Avg</b>
Year Built <b>1920</b>	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated <b>Yes/Avg</b>	Car Storage <input type="checkbox"/> None
Effective Age (Yrs) <b>30</b>	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens <b>Yes/Avg</b>	<input checked="" type="checkbox"/> Driveway # of Cars <b>2</b>
Attic <input type="checkbox"/> None	Heating <input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities <input type="checkbox"/> WoodStove(s) #0	Driveway Surface <b>Concrete</b>
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other Fuel <b>Gas</b>	<input type="checkbox"/> Fireplace(s) # <b>0</b>	<input checked="" type="checkbox"/> Fence <b>Wood</b>
<input type="checkbox"/> Floor <input checked="" type="checkbox"/> Scuttle	Cooling <input checked="" type="checkbox"/> Central Air Conditioning	<input checked="" type="checkbox"/> Patio/Deck <b>Wd</b>	<input checked="" type="checkbox"/> Porch <b>Concrete</b>
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input type="checkbox"/> Pool <b>None</b>	<input type="checkbox"/> Other <b>None</b>
Appliances <input type="checkbox"/> Refrigerator <input type="checkbox"/> Range/Oven <input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Disposal <input type="checkbox"/> Microwave <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe)			
Finished area above grade contains: <b>6</b> Rooms <b>3</b> Bedrooms <b>1.0</b> Bath(s) <b>1,078</b> Square Feet of Gross Living Area Above Grade			
Additional features (special energy efficient items, etc.) <b>Typical features and amenities for the subjects market area. Only items of real estate were considered in the estimated value of this report.</b>			
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.) <b>C4;No updates in the prior 15 years;At the time of inspection, the subject unit was maintained in average overall condition. Physical depreciation is based on the age/life method.</b>			
Inspection of site and surrounding area reveals no external obsolescence. Inspection of improvements reveals no functional obsolescence. All utilities (water, gas & electric) were on and check as working. The subjects effective age is lower then the actual age due to continual updating and maintenance.			
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe. _____			
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe. _____			

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There are **5** comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ **54,000** to \$ **90,000**  
 There are **7** comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ **55,000** to \$ **84,000**

SALES COMPARISON APPROACH

FEATURE	SUBJECT	COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
98 Scott Blvd Address	Mount Clemens, MI 48043	60 Clair St Mount Clemens, MI 48043		99 Ahrens St Mount Clemens, MI 48043		131 Gallup St Mount Clemens, MI 48043	
Proximity to Subject		0.21 miles NE		0.20 miles SW		0.31 miles SW	
Sale Price	\$	\$ 61,500		\$ 62,000		\$ 55,000	
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 55.91 sq. ft.		\$ 56.06 sq. ft.		\$ 44.57 sq. ft.	
Data Source(s)		Real #58031311339;DOM 0		Real #58031319681;DOM 7		Real #58031299858;DOM 1	
Verification Source(s)		Real, Assessor & PRD		Real, Assessor & PRD		Real, Assessor & PRD	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sale or Financing Concessions		ArmLth FHA;0		REO Cash;3720	-3,000	ArmLth Cash;0	
Date of Sale/Time		s03/17;c01/17		s05/17;c05/17		s08/16;c08/16	
Location	N;Res;	N;Res;		N;Res;		N;Res;	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	4710 sf	5227 sf	0	7405 sf	0	6970 sf	0
View	N;Res;	N;Res;		N;Res;		N;Res;	
Design (Style)	DT2;Colonial	DT1.5;Bungalow	0	DT1.5;Bungalow	0	DT1.5;Colonial	0
Quality of Construction	Q4	Q4		Q4		Q4	
Actual Age	97	67	0	97		113	0
Condition	C4	C4		C4		C4	
Above Grade Room Count	Total Bdrms Baths 6 3 1.0	Total Bdrms Baths 6 3 1.0		Total Bdrms Baths 6 2 1.0	0	Total Bdrms Baths 7 4 1.0	0
Gross Living Area	20.00 1,078 sq. ft.	1,100 sq. ft.	0	1,106 sq. ft.	0	1,234 sq. ft.	-3,000
Basement & Finished Rooms Below Grade	528sf0sfin	0sf	5,000	800sf0sfin	0	600sf0sfin	0
Functional Utility	Average	Average		Average		Average	
Heating/Cooling	Gfa/Central	Gfa/None	1,000	Gfa/None	1,000	Gfa/Central	
Energy Efficient Items	Insul Wind	Insul Wind		Insul Wind		Insul Wind	
Garage/Carport	2dw	2dw		2gd2dw	-2,000	2gd2dw	-2,000
Porch/Patio/Deck	Deck,Fence	Deck,Fence		Deck,Fence		Fence	500
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 6,000	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ 4,000	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ 4,500
Adjusted Sale Price of Comparables		Net Adj. 9.8% Gross Adj. 9.8%	\$ 67,500	Net Adj. -6.5% Gross Adj. 9.7%	\$ 58,000	Net Adj. -8.2% Gross Adj. 10.0%	\$ 50,500

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) **MLS, Assessor & PRD.**

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) **MLS, Assessor & PRD.**

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

ITEM	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
Date of Prior Sale/Transfer			08/19/2016	
Price of Prior Sale/Transfer			72000	
Data Source(s)	Real, Assessor & PRD	Real, Assessor & PRD	Real, Assessor & PRD	Real, Assessor & PRD
Effective Date of Data Source(s)	05/31/2017	05/31/2017	05/31/2017	05/31/2017

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

The subject's property has not been sold within the last 36 months or listed in the last 12 months.

Prior sales of the comparable properties also occurred more than one year ago unless noted below grid.

All sales verified closed by local multi-list services.

Summary of Sales Comparison Approach. **See Attached Addendum**

Indicated Value by Sales Comparison Approach \$ **58,000**

Indicated Value by: Sales Comparison Approach \$58,000 Cost Approach (if developed) \$ 86,600 Income Approach (if developed) \$ 0

The high quality of the data used in the sales comparison approach demonstrates its viability as the best value indicator, The cost approach to value was not developed.

RECONCILIATION

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: \_\_\_\_\_

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 \$ **58,000** as of **05/31/2017**, which is the date of inspection and the effective date of this appraisal.

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ADDITIONAL COMMENTS

COST APPROACH

INCOME

PUD INFORMATION

### 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) **Limited vacant land sales in the area with comparable size lots in existing subdivisions, therefore sale data taken from land sales on the MLS that are considered to be most similar to the subject property. Value can also be taken from assessor's records.**

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE ..... = \$			17,500
Source of cost data <b>localbuilder.net</b>	Dwelling	1,078 Sq. Ft. @ \$	75.00	= \$ 80,850
Quality rating from cost service <b>Average</b> Effective date of cost data <b>06/04/2017</b>	Bsmt: 528	Sq. Ft. @ \$	25.00	= \$ 13,200
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	<b>Add'l Amenities</b>			5,000
<b>Cost figures developed from local builders and Verified by appraisers files and local cost data. Physical depreciation is based on age/life method. Estimated Remaining Economic Life is 55 years. Not required by Fannie Mae.</b>	Garage/Carport	Sq. Ft. @ \$		= \$
	Total Estimate of Cost-New			99,050
	Less 85 Physical	Functional	External	
	Depreciation	34,958		= \$ ( 34,958)
	Depreciated Cost of Improvements			= \$ 64,092
	"As-is" Value of Site Improvements			= \$ 5,000
Estimated Remaining Economic Life (HUD and VA only) <b>55 Years</b>	INDICATED VALUE BY COST APPROACH			= \$ 86,600

### 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) \_\_\_\_\_

### PROJECT INFORMATION FOR PUDs (if applicable)

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

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

Legal name of project \_\_\_\_\_

Total number of phases \_\_\_\_\_ Total number of units \_\_\_\_\_ Total number of units sold \_\_\_\_\_

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

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

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

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

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

Describe common elements and recreational facilities. \_\_\_\_\_

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

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

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

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

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

**DEFINITION OF MARKET VALUE:** The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions\* granted by anyone associated with the sale.

\*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

**STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS:** The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

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**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).

# Uniform Residential Appraisal Report

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

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

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

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

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

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

**APPRAISER**

Signature   
 Name Bradley E. Tarnopol  
 Company Name Appraisal Experts of Michigan  
 Company Address 4 Parklane Blvd Ste. 350  
Dearborn, MI 48126  
 Telephone Number 313-582-3400  
 Email Address info@appraisalexpertsmi.com  
 Date of Signature and Report 06/06/2017  
 Effective Date of Appraisal 05/31/2017  
 State Certification # \_\_\_\_\_  
 or State License # 1201068739  
 or Other (describe) \_\_\_\_\_ State # \_\_\_\_\_  
 State MI  
 Expiration Date of Certification or License 07/31/2017

ADDRESS OF PROPERTY APPRAISED  
98 Scott Blvd  
Mount Clemens, MI 48043

APPRAISED VALUE OF SUBJECT PROPERTY \$ 58,000

LENDER/CLIENT  
 Name Appraisal Nation  
 Company Name Colony American Finance  
 Company Address 4 Park Plz, Suite 1950  
Irvine, CA 92614  
 Email Address \_\_\_\_\_

**SUPERVISORY APPRAISER (ONLY IF REQUIRED)**

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

SUBJECT PROPERTY  
 Did not inspect subject property  
 Did inspect exterior of subject property from street  
 Date of Inspection \_\_\_\_\_  
 Did inspect interior and exterior of subject property  
 Date of Inspection \_\_\_\_\_

COMPARABLE SALES  
 Did not inspect exterior of comparable sales from street  
 Did inspect exterior of comparable sales from street  
 Date of Inspection \_\_\_\_\_



# Uniform Appraisal Dataset 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.

*\*Note: The improvements represent a relatively new property that is well maintained with no deferred maintenance and little or no physical depreciation, or an older property that has been recently completely renovated.*

**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.

*\*Note: The improvement is in its first-cycle of replacing short-lived building components (appliances, floor coverings, HVAC, etc.) and is being well maintained. Its estimated effective age is less than its actual age. It also may reflect a property in which the majority of short-lived building components have been replaced but not to the level of a complete renovation.*

**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.

*\*Note: The estimated effective age may be close to or equal to its actual age. It reflects a property in which some of the short-lived building components have been replaced, and some short-lived building components are at or near the end of their physical life expectancy; however, they still function adequately. Most minor repairs have been addressed on an ongoing basis resulting in an adequately maintained property.*

**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.

*\*Note: Some significant repairs are needed to the improvements due to the lack of adequate maintenance. It reflects a property in which many of its short-lived building components are at the end of or have exceeded their physical life expectancy but remain functional.*

**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.

*\*Note: Substantial repairs are needed to the improvements due to the lack of adequate maintenance or property damage. It reflects a property with conditions severe enough to affect the safety, soundness, or structural integrity of the improvements.*

## 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.

## Definitions of Not Updated, Updated, and Remodeled

### Not Updated

**Little or no updating or modernization. This description includes, but is not limited to, new homes.**

Residential properties of fifteen years of age or less often reflect an original condition with no updating, if no major components have been replaced or updated. Those over fifteen years of age are also considered not updated if the appliances, fixtures, and finishes are predominantly dated. An area that is 'Not Updated' may still be well maintained and fully functional, and this rating does not necessarily imply deferred maintenance or physical /functional deterioration.

### Updated

**The area of the home has been modified to meet current market expectations. These modifications are limited in terms of both scope and cost.**

An updated area of the home should have an improved look and feel, or functional utility. Changes that constitute updates include refurbishment and/or replacing components to meet existing market expectations. Updates do not include significant alterations to the existing structure.

### Remodeled

**Significant finish and/or structural changes have been made that increase utility and appeal through complete replacement and/or expansion.**

A remodeled area reflects fundamental changes that include multiple alterations. These alterations may include some or all of the following: replacement of a major component (cabinet(s), bathtub, or bathroom tile), relocation of plumbing/gas fixtures/appliances, significant structural alterations (relocating walls, and/or the addition of square footage). This would include a complete gutting and rebuild.

## Explanation of Bathroom Count

The number of full and half baths is reported by separating the two values by a period. The full bath is represented to the left of the period. The half bath count is represented to the right of the period. Three-quarter baths are to be counted as a full bath in all cases. Quarter baths (baths that feature only toilet) are not to be included in the bathroom count.





## ADDENDUM

Borrower: Rudalev Llc

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City: Mount Clemens

State: MI

Zip: 48043

Lender: Colony American Finance

Condition Rating is determined to my best judgement and could be viewed by another appraiser differently.

The appraisal problem did not warrant an intensive highest and best use study. Given the nature of the subject real estate, my conclusion of highest and best use was based on logic and observed evidence.

In this appraisal assignment, I viewed the exterior of the subject improvements in order to gather information about the physical characteristics of the subject improvements that are relevant to the valuation problem.

I used information from county records, owner's comments, assessor's records, multiple listing service data to identify the characteristics of the subject property that are relevant to the valuation problem.

### **Comments on Sales Comparison**

Comparable Search and Results See Attached Addendum

The appraiser has attempted to display comparable sales that closed within the past 90 days, within one mile, bracketing GLA and room count, within 20% of the predominate for the neighborhood market, and similar in style of living to the subject. All available comparables have been reviewed and reconciled within the researched range listed at the top of page #2 of the report. The comparable properties selected are considered the best available and most comparable, therefore included and reconciled within this appraisal report. All adjustments made for comparable dissimilarities are market derived according to FNMA guidelines. Comparable adjustments are made as warranted when market research deems verifiable, justifiable and credible.

The sales and active sales utilized in this report are located within the same area as the subject and are considered comparable in general features such as location, utility, quality of construction and property appeal. All comparables provide a good competitive similarity to the subject and were considered in the value. After a thorough search of the Subject property's general market area, the appraiser utilized similar sales from nearby competing properties to complete this analysis. All comparable sales are similar and proximate. All were considered to be the best sales available at the time of this analysis.

When making comparisons with subject and applying adjustments, only those building, land and location characteristics having a material impact on value are addressed. This appraisal is based on a broad, overall comparison between the subject and the comparable sales.

The comparables used are considered to be the best available and the most representative of the subject's surrounding market.

In view of the above facts including a thorough search of the multiple listing service and with the lack of better market data currently available, this appraiser feels that the most pertinent data was selected for comparative purposes.

Actual concessions noted on the MLS listing ticket were used in this report from the pending date, not the closed date. The dollar amount for decline and list to sale price may have been rounded off. The list to sell ratio was derived from the actual sales used in this report and not taken from the 1004 MC as this data can be skewed with very low and/or very high sales and listings.

The Appraiser is aware of the lenders specific guidelines concerning time and distance of comparable data. Every effort has been made not only to remain compliant with those guidelines, but also to utilize sales that would be considered an equal substitution to the subject property. All relevant sales were carefully analyzed and the closed sales presented in the sales comparison approach to value were determined to be the best available and most representative of the subject.

All sales are located on competing street locations within the community and the same school district.

All comparables are located in close proximity to the subject, reflecting the typical range for the market area and school district. All comparables sales reflect homes of similar quality, location and square footage.

Differences in gross living area were adjusted at \$20.00 per square foot.

No lot size adjustment was necessary due to front footage having more value than overall lot square footage.

Room count adjustments reflect bath variance at the rate of \$4,000 per full bath and \$2,000

per half bath. Differences in number of bedrooms was reflected in the GLA adjustment. When the GLA is the same, more bedrooms usually equates to smaller rooms which offsets the number, no additional adjustments were made for quantity.

No adjustment made for style as this is considered an individual buyer preference with no apathy towards subject value or marketability.

### **Comp #2 was given the most weight due to most similarities overall, low gross & net adjustments.**

The appraiser enters a zero (0) in the grid of the Sales Comparison Approach to indicate to the reader that the particular item, which varies from the subject property, has been recognized and that no adjustment is deemed applicable. The differential is considered to be of no value, or may be of an offsetting value with another item, or no adjustment was applicable for reasons otherwise noted.

Adjustments to the comparables on the sales grid were calculated using quantitative data (paired sales) wherever possible. Some features of the subject requiring adjustment were determined using data accumulated from the appraiser's data base, peer discussions, education, and typical market reaction observed through the appraiser's familiarity with the market. While the real estate market typically acknowledges certain adjustments and elements of comparison, the market is not sufficiently refined to suggest the percentages or dollar amounts are precise even though they were treated as such. All adjustments made on the grid are per current & historical market data, buyers reaction to similar amenities, conversations with local real estate agents & by pairing superior & inferior influences studied variations for notable market features.

Exposure Time - A reasonable exposure time for the subject property at the opinion of value indicated is estimated to be 0-180 days and was derived using the current absorption rate along with the days on the market for sales in the area

## ADDENDUM

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including the sales used in this report.

### Extra Comments

Requirements for compliance with Michigan Law and the Uniform Standards of Professional Appraisal Practice (USPAP):

In compliance with the law, the following narrative has been prepared by this appraiser to assist the client and intended user(s) to understand and properly apply the use of this appraisal report in accordance with its stated intended use to produce a credible appraisal report.

The law dictates that appraisers are required to be licensed and are regulated by the State of Michigan, Department of Licensing and Regulatory Affairs, P.O. Box 30018, Lansing, MI 48909-7504. This appraiser has completed the requirements of prelicensure and continuing education programs and is currently licensed as a Certified Residential Real Estate Appraiser. A copy of this appraiser's license, resume and errors & omissions insurance has been included in this appraisal report.

This appraiser's workfile is available when required by state enforcement agencies or due process of law at appraiser's physical address found on appraiser's license. Appraiser's workfile is available for a period of at least five (5) years after preparation and/or at least two (2) years after final disposition of any judicial proceedings, in which this appraiser provides testimony related to this assignment, whichever period expires last.

This report is subject to the requirements of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) and was performed in accordance to those requirements. This report is also intended to meet the requirements of Uniform Standards of Professional Appraisal Practice (USPAP).

The Form of Certification has been approved by The Appraisal Foundation, located at 1029 Vermont Avenue, N. W., Suite 900, Washington D.C., 20005-3517. The Appraisal Foundation is authorized by Congress as the Source of Appraisal Standards and Appraiser Qualifications. This approval can be found in the Statement on Appraisal Standards Number 8 (SMT-8) on Electronic Transmissions of Reports.

This section regarding signed certification reads as follows:

Any software program used to electronically transfer a report must provide, at minimum, a digital signature security feature for

all appraisers signing a report. The appraiser(s) should ensure the signature(s) are protected and that only the appraiser(s) maintain control of the signature. This control may be maintained by password (e.g. PIN numbers), hardware devices (e.g. secure cards) or other means. Electronically affixing a signature to a report carries the same level of authenticity as an ink signature on a paper copy report.

-Appraisal Standards Board, Adopted 07/18/95, Effective 01/01/96

The signatures on this appraisal are digital signatures, which are computer generated and printed on the report. The appraisal was electronically transmitted. This appraiser's signature is secured with a password, which only this appraiser has access to. No unauthorized modifications were made on this appraisal.

### USPAP Report Option: ( if appropriate)

This appraiser has reported this assignment under the option of a 'Summary Appraisal Report', unless stated otherwise to the contrary within the 'Conditions of Appraisal' in this report.

### Client and Intended User:

Client: The party or parties who engage (by employment or contract), an appraiser in a specific assignment. The client may be an individual, group, or entity, and may engage and communicate with the appraiser directly through an agent. The intended user of this appraisal report is the lender / client. In the case of FHA loans, the client would also be HUD/FHA. No additional intended users are identified by the appraiser. This report contains sufficient information to enable the lender / client to understand the report. Any other party receiving a copy of this report for any reason is not an intended user; nor does receiving a copy of this report result in an appraiser-client relationship. Use of this report by any other party(ies) is not intended by the appraiser. These terms are referenced in this form as appropriate according to the law. These terms may only be extended to the degree that the law will accommodate.

### Intended Use:

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, reporting requirements, and definition of market value.

### Type and Definition of Value:

This appraisal report is stating a market value for the Subject Property that is consistent with the requirements of federal law (12 CFR, Part 34) and consistent with the definition given within the FNMA form.

### Highest and Best Use (defined):

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are

legal permissibility, physical possibility, financial feasibility, and maximum productivity.

Based on this appraiser's personal knowledge of the area and research that has recently been done for properties in this

ADDENDUM

Borrower: Rudalev Llc	File No.: 170598SC103	
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Lender: Colony American Finance		

market, along with this appraiser's first-hand knowledge of Subject Property, this appraiser has determined that the zoning designation as noted reflects its current highest and best use.

**Additional Scope of Work:**

At the request of the client, this appraisal report has been prepared in compliance with the Uniform Appraisal Dataset (UAD) from Fannie Mae and Freddie Mac. The UAD requires the appraiser to use standardized responses that include specific formats, definitions, abbreviations and acronym. This appraiser attempted to obtain an adequate amount of information in the normal course of business regarding the Subject and its comparables. Some of the standardized responses required by the UAD, especially those in which the appraiser has not had the opportunity to verify personally or measure, could mistakenly imply greater precision and reliability in the data than is factually correct or typical in the normal course of business. Examples include condition and quality ratings as well as comparable sales and listing data. Not every element of the Subject Property was viewable and comparable property data was generally obtained from third-party sources including MLS, assessment records, agents, etc.

1a. Inspection (Includes) - This appraiser's inspection of the Subject Property focuses on the following: to confirm the geographic location of the Subject Property; to confirm the approximate square footage of the site and the dwelling as well as attached/detached improvements; to confirm its internal and external amenities; to consider different types of depreciation (when applicable) and their affect (if any) on value and/or marketability; to photograph the Subject Property; to consider the overall quality of construction of the Subject Property's improvements.

1b. Inspection (Does Not Include) - This appraiser is not qualified to perform an overall structural inspection of the Subject Property. As part of FHA and Conventional inspections, certain tests of the mechanical systems are performed on the Subject Property. The furnace/boiler is checked for warm air/plumbing leaks, the plumbing is checked for water pressure, leaks in the piping and water heater and electrical is checked in all rooms. It is recommended that the client/intended user of this report obtain the services of qualified professionals to perform test above and beyond what this appraiser checks.

1c. Inspection (Photographs) - This appraiser is required to take photographs of the front, street scene, sides and rear of the Subject Property. In most cases, the client/intended user may require interior photographs for interior/exterior property inspections. Some digital images in this report may be from MLS Image and/or Appraiser's Personal Library. The Subject Property was inspected and photographed on the date indicated. The comparables were also inspected but only from the road, unless otherwise stated.

1d. Sources of information - ( if appropriate) The appraiser has obtained and utilized information from the appropriate township, city or county records. In addition, this appraiser also utilized information from REALCOMP online MLS, BS&A Assessment Website, Access Oakland, Realist and Public Records Data. Information obtained or provided by the aforementioned sources is deemed to be reliable. This appraiser may gather information through the parties of the transaction for the Subject Property and/or comparable(s) if information, is not available by other sources.

2. 1 mile rule - This appraiser has researched sales within 1 mile of the Subject Property. If a minimum of three comparable sales were not available within one mile, this appraiser then searched beyond one mile. The section of this report called 'Comments on Sales Comparison' will summarize if any comparable(s) exceeds a 1 mile distance from the Subject Property.

3. 6 months rule - This appraiser has viewed sales within the past 6 months (based on the 'as of' (effective) date stated within this report). If a minimum of three comparable sales were not found by the initial search, this appraiser then expanded the search criteria up to 12 months and beyond as deemed appropriate. The section of this report called 'Comments on Sales Comparison' will summarize if any comparable(s) exceeds 6 months old (based on the 'as of' (effective) date stated within this report).

4. Title issues – this appraiser is typically not provided with a copy of a title report or commitment of title insurance; therefore, the appraiser has relied upon information available via the multi-list, BS&A on-line data services, Access Oakland, and the city/township assessor to confirm the owner of the property. This appraiser is not a qualified title examiner; therefore, it is recommended that the client/intended user obtain proper title information from a qualified title expert or title company as to the identification of the owner of record.

5. The appraiser reserves the right to inform any future potential client of any prior assignment or services regarding the Subject Property, or any part thereof, in accordance with the provisions required within the Ethics Section of USPAP 2010-11. Such notification will be of the fact that a previous assignment was preformed within the past 36 months. It shall not includespecifics or details of the analysis or the results of any conclusions drawn from such analysis. This appraiser has prepared this appraisal in full compliance with the Dodd-Frank non-influence code and has not performed, participated in, or been associated with any activity in violation of the Code.

SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: Rudalev Llc	File No.: 170598SC103	
Property Address: 98 Scott Blvd	Case No.:	
City: Mount Clemens	State: MI	Zip: 48043
Lender: Colony American Finance		

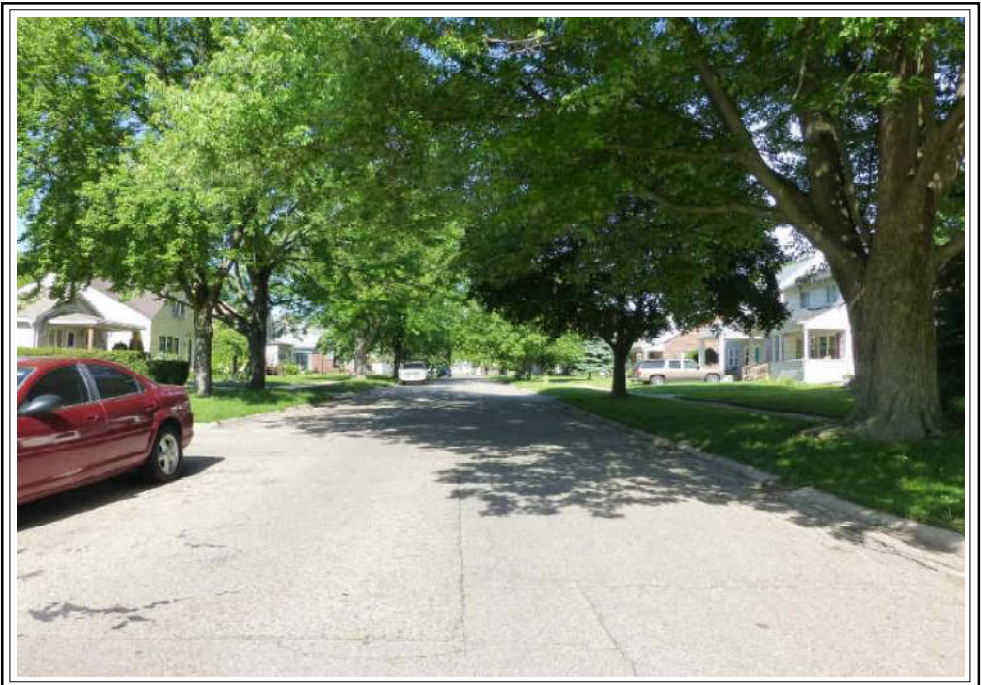


**FRONT VIEW OF  
SUBJECT PROPERTY**

Appraised Date: May 31, 2017  
Appraised Value: \$ 58,000



**REAR VIEW OF  
SUBJECT PROPERTY**



**STREET SCENE**

Borrower: Rudalev Llc  
Property Address: 98 Scott Blvd  
City: Mount Clemens  
Lender: Colony American Finance

File No.: 170598SC103  
Case No.:  
State: MI Zip: 48043



Side View



Side View



Address verification



Across the Street view



Street Scene other Direction  
The subject is on the Left side in the photo



Living Room

Borrower: Rudalev Llc  
Property Address: 98 Scott Blvd  
City: Mount Clemens  
Lender: Colony American Finance

File No.: 170598SC103  
Case No.:  
State: MI Zip: 48043



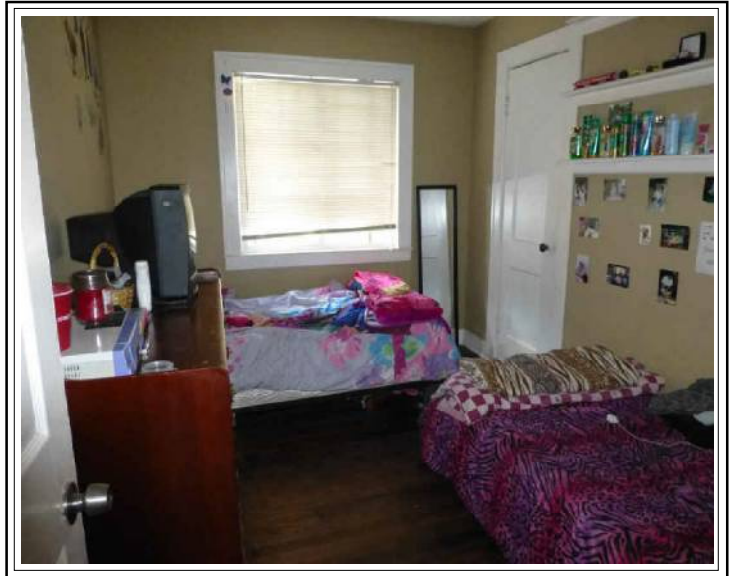
Dining Room



Kitchen



Bathroom



Bedroom



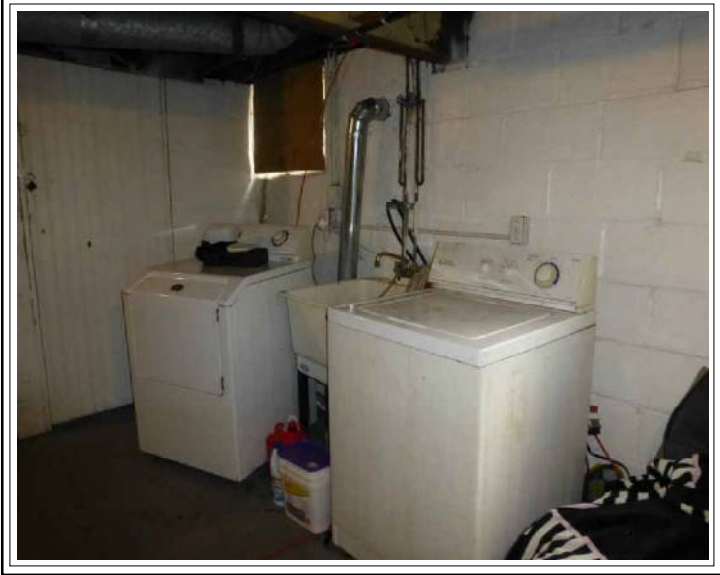
Bedroom



Bedroom

Borrower: Rudalev Llc  
Property Address: 98 Scott Blvd  
City: Mount Clemens  
Lender: Colony American Finance

File No.: 170598SC103  
Case No.:  
State: MI Zip: 48043



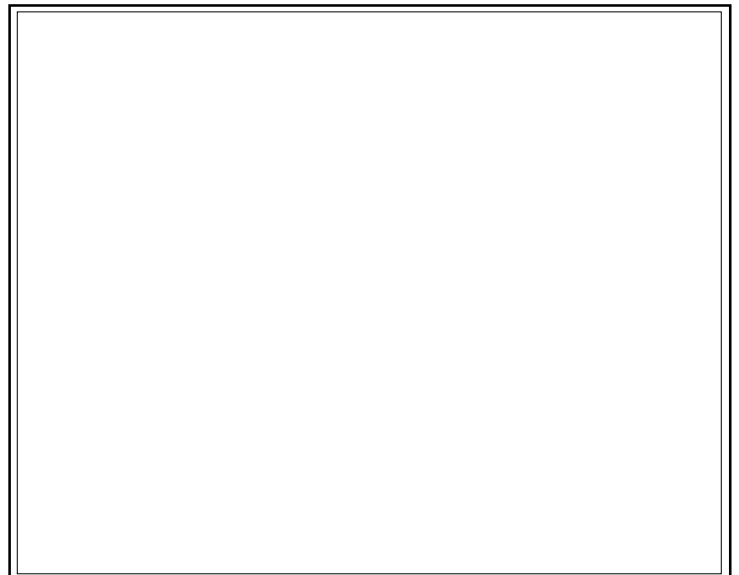
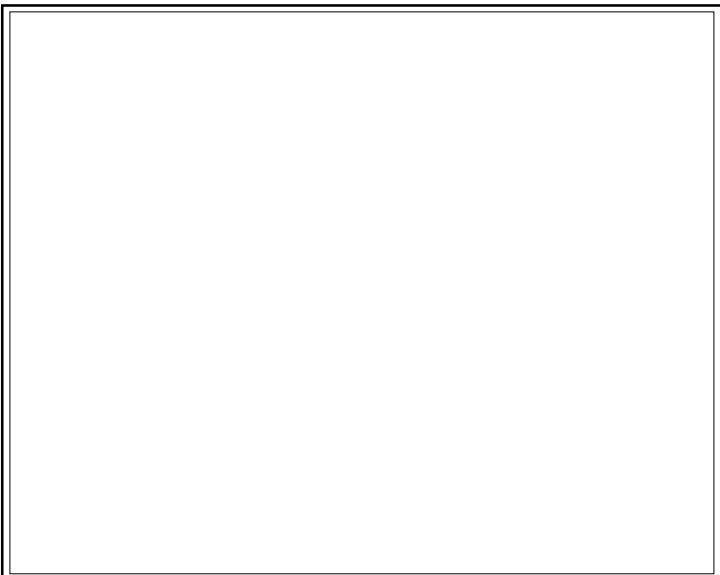
Basement Laundry Area



Newer HVAC



Newer Water Heater





COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: Rudalev Llc	File No.: 170598SC103
Property Address: 98 Scott Blvd	Case No.:
City: Mount Clemens	State: MI Zip: 48043
Lender: Colony American Finance	



COMPARABLE SALE #1

60 Clair St  
Mount Clemens, MI 48043  
Sale Date: s03/17;c01/17  
Sale Price: \$ 61,500



COMPARABLE SALE #2

99 Ahrens St  
Mount Clemens, MI 48043  
Sale Date: s05/17;c05/17  
Sale Price: \$ 62,000



COMPARABLE SALE #3

131 Gallup St  
Mount Clemens, MI 48043  
Sale Date: s08/16;c08/16  
Sale Price: \$ 55,000

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: Rudalev Llc	File No.: 170598SC103	
Property Address: 98 Scott Blvd	Case No.:	
City: Mount Clemens	State: MI	Zip: 48043
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COMPARABLE SALE #4

128 Clair St  
Mount Clemens, MI 48043  
Sale Date: s10/16;c10/16  
Sale Price: \$ 55,000



COMPARABLE SALE #5

259 North Ave  
Mount Clemens, MI 48043  
Sale Date: s10/16;c10/16  
Sale Price: \$ 70,000



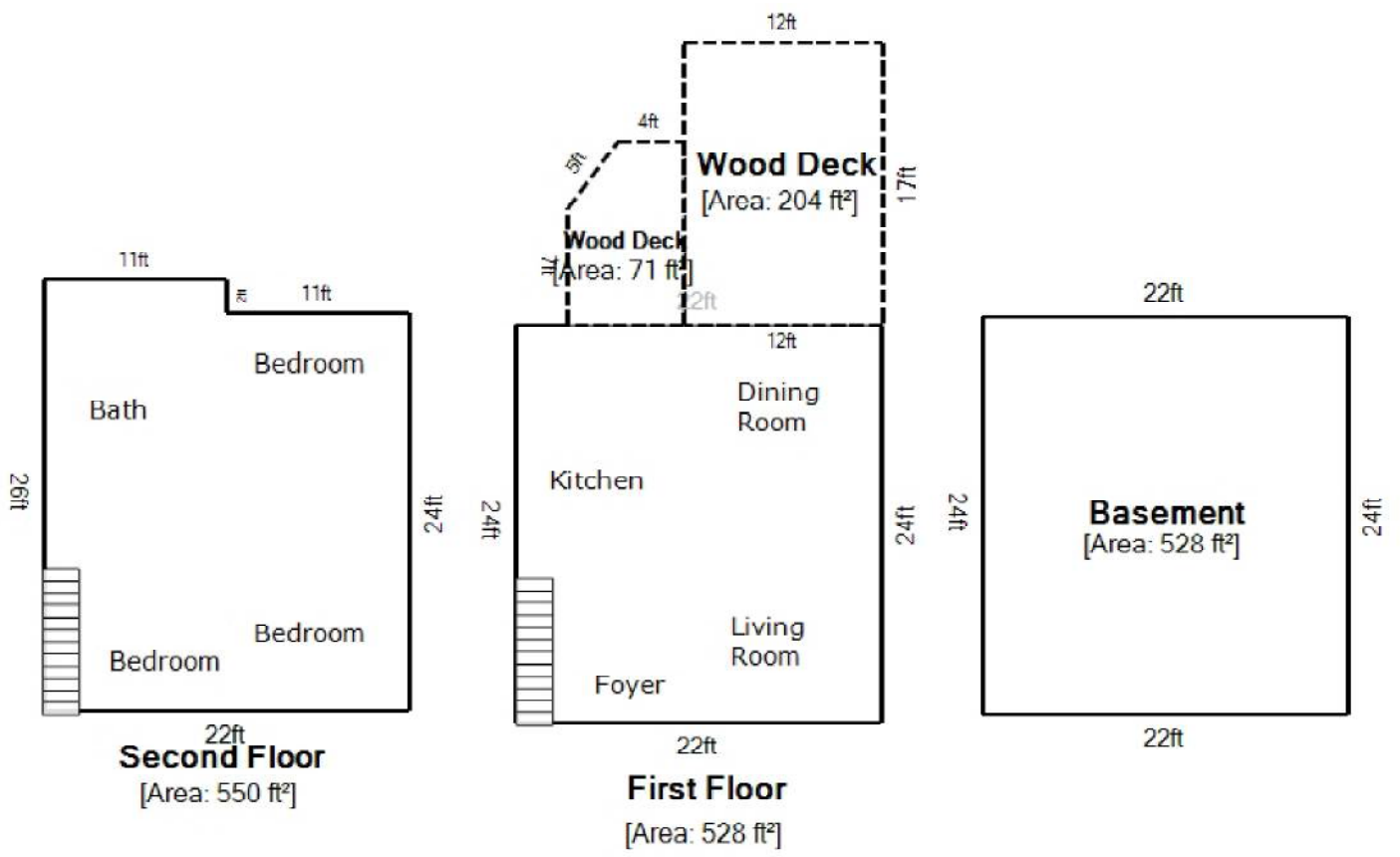
COMPARABLE SALE #6

114 Huron Ave  
Mount Clemens, MI 48043  
Sale Date: s08/16;c08/16  
Sale Price: \$ 78,000

FLOORPLAN SKETCH

Borrower: Rudalev Llc	File No.: 170598SC103
Property Address: 98 Scott Blvd	Case No.:
City: Mount Clemens	State: MI Zip: 48043
Lender: Colony American Finance	

Sketch

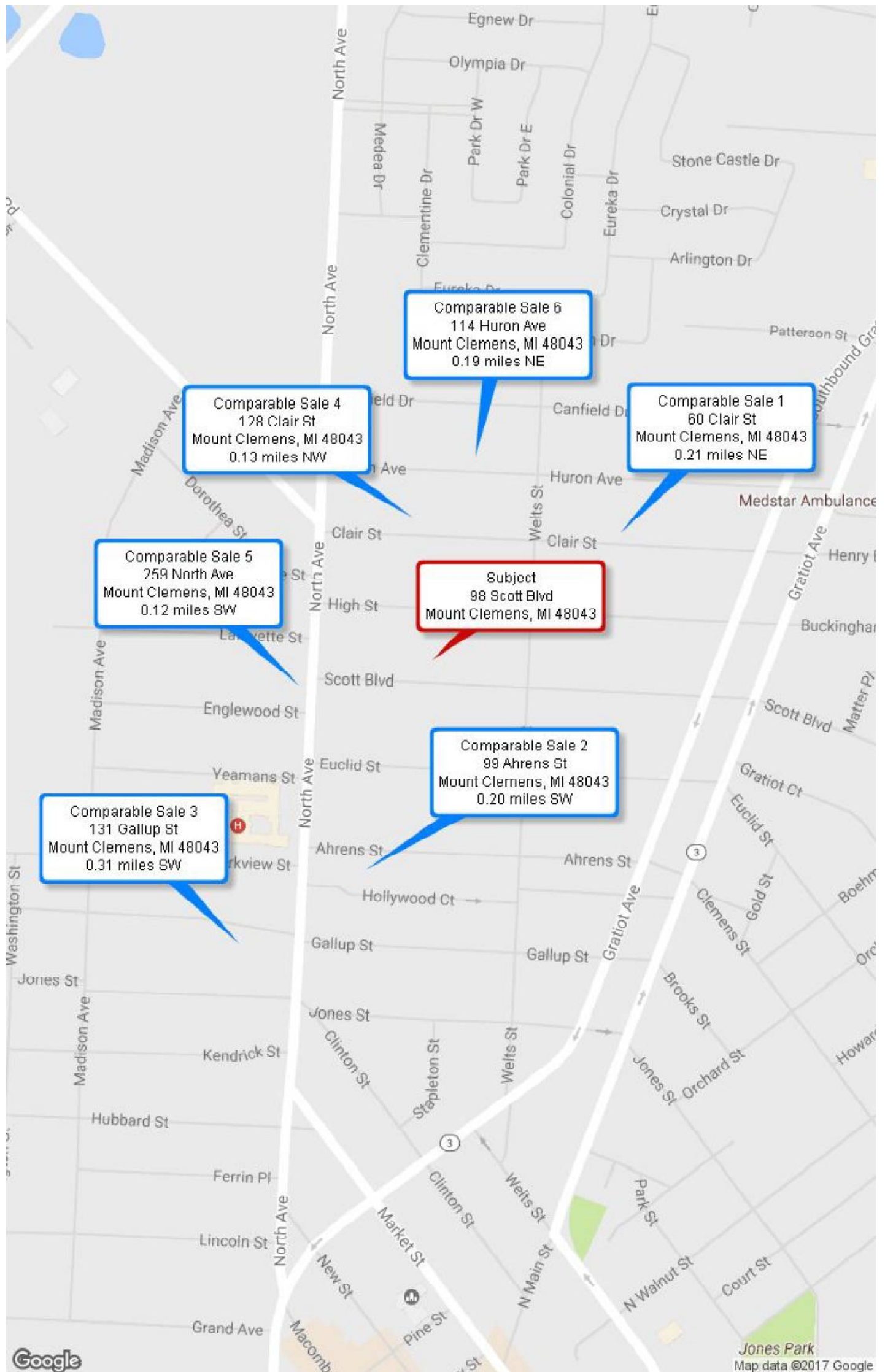


Living Area		Area Calculation			
First Floor	528 ft <sup>2</sup>	First Floor			x 1.00 = 528 ft <sup>2</sup>
Second Floor	550.00 ft <sup>2</sup>		24ft x 22ft x	1.00 =	528 ft <sup>2</sup>
<b>Nonliving Area</b>		<b>Second Floor</b>			
Wood Deck	204 ft <sup>2</sup>		2ft x 11ft x	1.00 =	22 ft <sup>2</sup>
Wood Deck	71.00 ft <sup>2</sup>		24ft x 22ft x	1.00 =	528 ft <sup>2</sup>
Basement	528.00 ft <sup>2</sup>				
<b>Total Living Area (rounded):</b>	<b>1078 ft<sup>2</sup></b>				

LOCATION MAP

Borrower: Rudalev Llc  
Property Address: 98 Scott Blvd  
City: Mount Clemens  
Lender: Colony American Finance

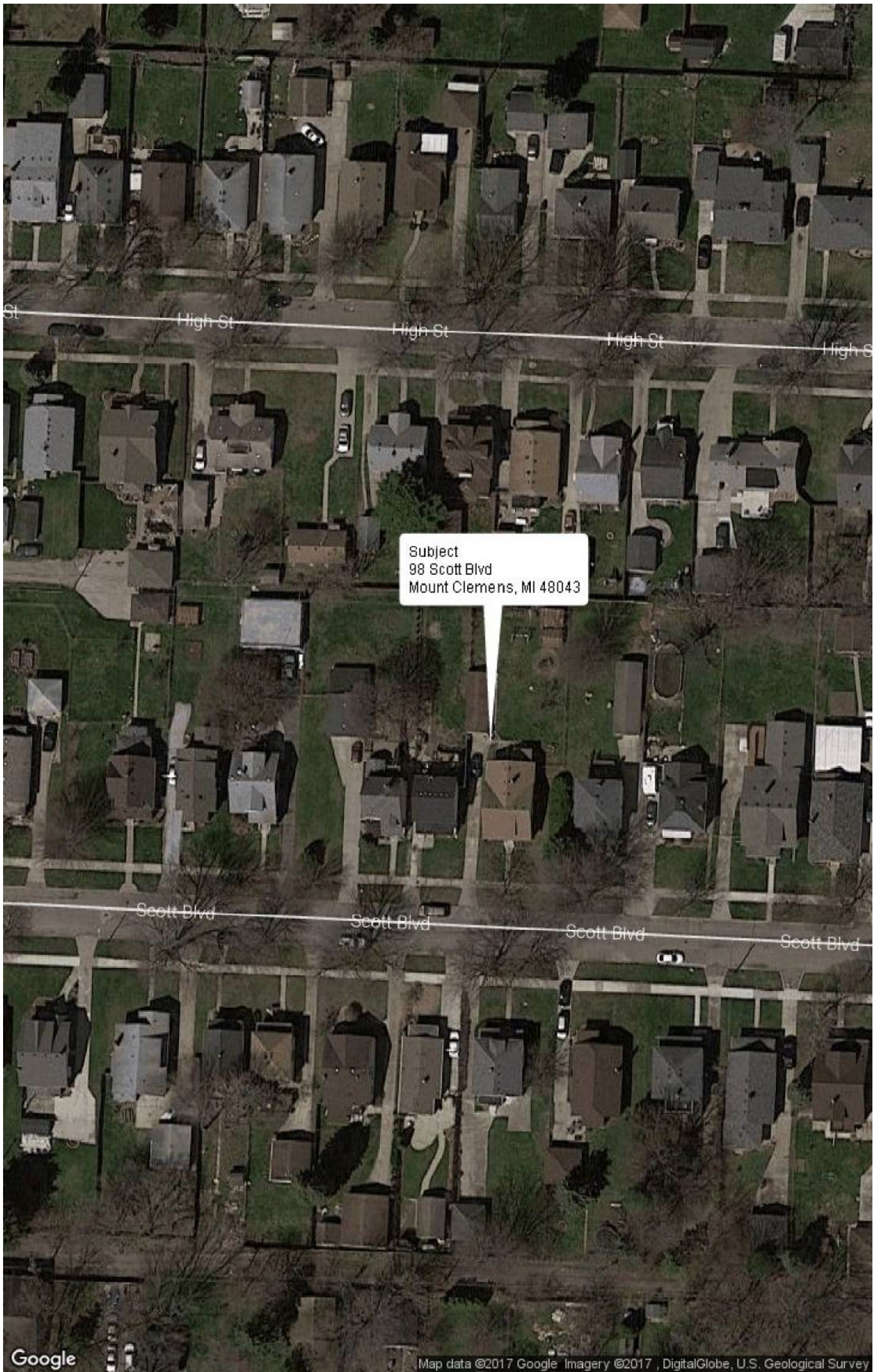
File No.: 170598SC103  
Case No.:  
State: MI  
Zip: 48043



AERIAL MAP

Borrower: Rudalev Llc  
Property Address: 98 Scott Blvd  
City: Mount Clemens  
Lender: Colony American Finance

File No.: 170598SC103  
Case No.:  
State: MI Zip: 48043



Market Conditions Addendum to the Appraisal Report

File No. 170598SC103

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 **98 Scott Blvd** City **Mount Clemens** State **MI** Zip Code **48043**

Borrower **Rudalev Llc**

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

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)	4	1	2	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)	0.7	0.3	0.7	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Comparable Active Listings	0	0	5	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Housing Supply (Total Listings/Ab.Rate)	0.0	0.0	7.1	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale & List Price, DOM, Sale/List %	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Median Comparable Sale Price	71,000	58,900	63,000	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Sales Days on Market	92	104	99	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Comparable List Price	0	0	70,000	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Listings Days on Market	0	0	120	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale Price as % of List Price	92.0%	96.0%	94.0%	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Seller-(developer, builder, etc.)paid financial assistance prevalent?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.).  
**Sellers are offering sales or financing concessions up to 6%.**

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).

Cite data sources for above information. MLS & PRD.

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 subject's marketing area, there appears to be a normal amount of properties listed for sale on the multiple listing service. This does not appear to have an adverse affect on value. A slow real estate market and high foreclosure rates in Metro Detroit were external factors that are not presently affecting value or marketability at the time this appraisal was conducted. There appears to be a very limited amount of REO properties listed for sale, REO properties are not driving the market in this area. This does not appear to have an adverse affect on value which does indicate an area of stable values. Financing guidelines appear to be tightening in this market with lenders restricting the guidelines for obtaining credit. Multi-list indicates a list/sale/ratio of 85-105% and typical marketing times of 0-181 days. With this market, sellers are offering sales or financing concessions.**

If the subject is a unit in a condominium or cooperative project, complete the following:

Project Name:

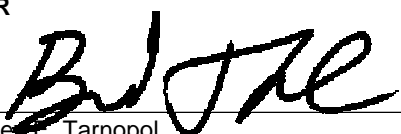
Subject Project Data	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Active Comparable Listings				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Unit Supply (Total Listings/Ab. Rate)				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing

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

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

**APPRAISER**

**SUPERVISORY APPRAISER (ONLY IF REQUIRED)**

Signature   
 Name Bradley E. Tarnopol  
 Company Name Appraisal Experts of Michigan  
 Company Address 4 Parklane Blvd Ste. 350  
Dearborn, MI 48126  
 State License/Certification # 1201068739 State MI  
 Email Address info@appraisalexpertsmi.com

Signature \_\_\_\_\_  
 Name \_\_\_\_\_  
 Company Name \_\_\_\_\_  
 Company Address \_\_\_\_\_  
 State License/Certification # \_\_\_\_\_ State \_\_\_\_\_  
 Email Address \_\_\_\_\_

MARKET RESEARCH & ANALYSIS

CONDO/CO-OP PROJECTS

APPRAISER

USPAP ADDENDUM

Borrower: Rudalev Llc  
 Property Address: 98 Scott Blvd  
 City: Mount Clemens County: Macomb State: MI Zip Code: 48043  
 Lender: Colony American Finance

APPRAISAL AND REPORT IDENTIFICATION

This report was prepared under the following USPAP reporting option:

**Appraisal Report** A written report prepared under Standards Rule 2-2(a).  
 **Restricted Appraisal Report** A written report prepared under Standards Rule 2-2(b).

**Reasonable Exposure Time**  
 My opinion of a reasonable exposure time for the subject property at the market value stated in this report is: 0 to 180

**Definition of Exposure Time**  
 The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. (Appraisal Standards Board of The Appraisal Foundation, Statement on Appraisal Standards No. 6, " Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions"). Effective 1/1/2012 the appraiser must include the results of the exposure time analysis in the appraisal report.

**Additional Certifications**


I have performed **NO** services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

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

**Additional Comments**

The Intended Users of this appraisal report are the client and any intended users identified by the client at the time of engagement who have been specifically named along with the client and are the only intended users of this valuation report. Other parties who choose to rely on this report, including those that receive the report through established processes of disclosure or regulation, are not intended users of this report. While the appraiser recognizes that other parties may choose to rely on this report, see item 23 of attached certification, the appraiser does not intend use of the report by these parties, and to avoid misleading them, they are hereby notified that they are neither the client nor intended user(s) in the development of the assignment results.

The subject property is located 14 miles from my office. This assignment requires geographic competency as part of the scope of work. I have spent sufficient time in the subjects market and understand the nuances of the local market and the supply and demand factors relating to the specific property type and the location involved. Such understanding will not be imparted solely from a consideration of specific data such as demographics, costs, sales and rentals. The necessary understanding of local market conditions provides the bridge between a sale and a comparable sale or a rental and a comparable rental.

<p><b>APPRAISER:</b></p> <p>Signature: <u></u>          Name: <u>Bradley E. Tarnopol</u>          Date Signed: <u>06/06/2017</u>          State Certification #: _____          or State License #: <u>1201068739</u>          or Other (describe): _____ State #: _____          State: <u>MI</u>          Expiration Date of Certification or License: <u>07/31/2017</u>          Effective Date of Appraisal: <u>05/31/2017</u></p>	<p><b>SUPERVISORY APPRAISER (only if required):</b></p> <p>Signature: _____          Name: _____          Date Signed: _____          State Certification #: _____          or State License #: _____          State: _____          Expiration Date of Certification or License: _____          Supervisory Appraiser inspection of Subject Property:  <input type="checkbox"/> Did Not    <input type="checkbox"/> Exterior-only from street    <input type="checkbox"/> Interior and Exterior</p>
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## Appraisal Nation, LLC

### DODD-FRANK ACT AND APPRAISER INDEPENDENCE REQUIREMENTS COMPLIANCE CERTIFICATE

In compliance with the Dodd-Frank Act and Appraiser Independence Requirements, Appraisal Nation LLC, an independent third party appraisal management company, certifies that the above referenced property appraisal report was completed in compliance with the Dodd-Frank Act as well as the Appraiser Independence Requirements and has met all of the following:

- All appraisers are licensed or certified by the state in which the subject property is located in.
- No predetermined estimate of value was provided to the appraiser. The only exception being for purchase transactions. A copy of the purchase contract is provided to the appraiser in accordance with USPAP standards rule 1-5a.
- The appraiser has had no contact with the client/lender, or in any way was influenced in any manner pertaining to the appraisal process of determining valuation of the subject property.
- With the exception of FHA appraisals, which require disclosure of appraisers name and license number to obtain FHA case number, lender/client was not allowed by Appraisal Nation to determine or discover the name of the appraiser engaged in an assignment until the final signed product was delivered.
- Appraiser selection was performed at the sole discretion of Appraisal Nation LLC's vendor management department utilizing criteria of: quality ranking, experience, performance, turn time, availability, proximity guidelines, and performance metrics.
- Appraisal Nation's vendor database is considered proprietary information and is never publicly disclosed.
- Appraisal Nation prohibits appraisers from communicating with the Lender Client and the borrower/property owner to obtain market and/or loan values.
- Appraisal Nation is not owned in whole or in part by any lender, broker, or correspondent lending institution. Appraisal Nation is an independent 3<sup>rd</sup> party.

To prevent fraud and alterations of reports, Appraisal Nation LLC maintains a copy of all original reports provided by the assigned independent appraiser on secure servers. A copy of any report including its compliance certificate can be provided to the original client, lender, successors or assignee. Please contact Appraisal Nation LLC to obtain this information.



Michael A. Tedesco, CEO  
Appraisal Nation, LLC



Appraisal Nation, LLC  
Tel. (866)735-0901

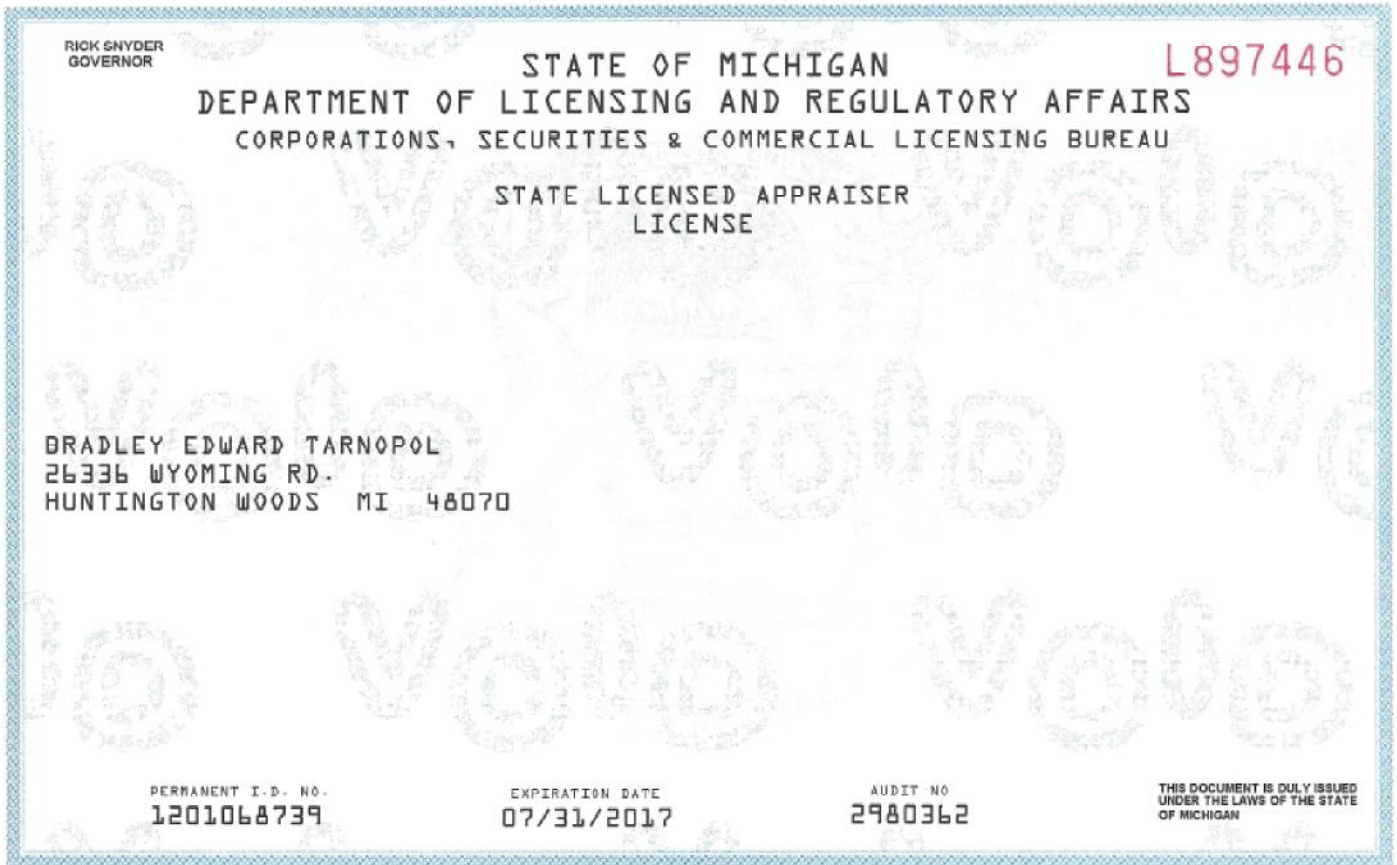
500 Gregson Dr Suite 120, Cary, NC 27511  
Fax (866) 227-1659

[www.appraisal-nation.com](http://www.appraisal-nation.com)



Borrower: Rudalev Llc  
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## NAVIGATORS INSURANCE COMPANY

**THIS IS BOTH A CLAIMS MADE AND REPORTED INSURANCE POLICY.**

**THIS POLICY APPLIES TO THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED AND REPORTED IN WRITING TO THE COMPANY DURING THE POLICY PERIOD.**

**PLEASE READ THIS POLICY CAREFULLY.**

### REAL ESTATE APPRAISERS ERRORS AND OMISSIONS INSURANCE POLICY DECLARATIONS

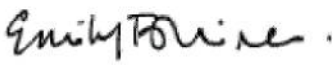
POLICY NUMBER: PH17RAL102536IV RENEWAL OF: PH16RAL102536IV

1. **NAMED INSURED:** Bradley Tarnopol
2. **ADDRESS:** 26336 Wyoming Rd.  
Huntington Woods, MI 48070
3. **POLICY PERIOD: FROM:** 07/13/2016 **TO:** 07/13/2017  
12:01 A.M. Standard Time at the address of the **Named Insured** as stated in Number 2 above.
4. **LIMITS OF LIABILITY:**
  - A. \$ 500,000 **Damages** Limit of Liability – Each **Claim**
  - B. \$ 500,000 **Claim Expenses** Limit of Liability – Each **Claim**
  - C. \$ 1,000,000 **Damages** Limit of Liability – Policy Aggregate
  - D. \$ 1,000,000 **Claim Expenses** Limit of Liability – Policy Aggregate
5. **DEDUCTIBLE (Inclusive of claim expenses):**
  - A. \$ 500 -          Each **Claim**
  - B. \$ 1,000 -          Aggregate
6. **PREMIUM:** \$ 925.00
7. **RETROACTIVE DATE:** 07/13/2007
8. **FORMS ATTACHED:** NAV RAL NIC PF (02/17) NAV RAL 300 MI (02 17)  
NAV RAL 008 (02 17) NAV RAL 002 (02 17)

**PROGRAM ADMINISTRATOR:** Herbert H. Landy Insurance Agency Inc.  
75 Second Ave Suite 410 Needham, MA 02494-2876

By Acceptance of this policy the Insured agrees that the statements in the Declarations and the Application and any attachments hereto are the Insured's agreements and representations and that this policy embodies all agreements existing between the Insured and the Company or any of its representatives relating to this insurance.

**IN WITNESS WHEREOF, we have caused this policy to be signed by our President and Secretary.**



[Emily Miner]  
Secretary



[Stanley A. Galanski]  
President