

APPRAISAL OF REAL PROPERTY

LOCATED AT

14016 S Rockhill Rd
Phoenix, AZ 85048
Lot 38 Mountain Park Ranch Unit 31 (MCR 336/30)

FOR

Arizona Mortgage Specialists
8747 S Priest Dr, Suite 101
Tempe, AZ 85284

AS OF

10/19/2015

BY

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Uniform Residential Appraisal Report

File # 15101308

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	14016 S Rockhill Rd	City	Phoenix	State	AZ	Zip Code	85048
Borrower	Stainton, Gregory	Owner of Public Record	Stainton, Gregory	County	Maricopa		
Legal Description	Lot 38 Mountain Park Ranch Unit 31 (MCR 336/30)						
Assessor's Parcel #	301-76-873	Tax Year	2015	R.E. Taxes \$	19,057		
Neighborhood Name	Canyon Reserve	Map Reference	Pg 164, ME / 167	Census Tract	1167.29		
Occupant	<input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant	Special Assessments \$	0	<input checked="" type="checkbox"/> PUD HOA \$	109	<input type="checkbox"/> per year <input checked="" 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 checked="" type="checkbox"/> Refinance Transaction <input type="checkbox"/> Other (describe)						
Lender/Client	Arizona Mortgage Specialists		Address 8747 S Priest Dr, Suite 101, Tempe, AZ 85284				
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).							ARMLS

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	<input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit	80 %
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)	2-4 Unit	0 %
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	150	Low 0	Multi-Family	3 %
Neighborhood Boundaries	North - South Mountain Park, East - 40th Street Alignment, South - Pecos Road, West - 19th Avenue Alignment.			2,500	High 35	Commercial	7 %
				400	Pred. 21	Other	10 %

Neighborhood Description **There are no apparent adverse factors which should affect the marketability of the subject property. The neighborhood is comprised of average to good quality single family homes in average to good maintenance. There is reasonable access to support facilities including schools, shopping, and employment centers.**

Market Conditions (including support for the above conclusions) **Public Record data and MLS statistics support stable values at present. Typical marketing time/exposure time is approximately 3 - 6 months. Financing is available from Conventional, FHA, and VA. See Attached FNMA Market Conditions Addendum (1004 MC). Other (10%) - is natural desert open space and park areas.**

SITE

Dimensions **Irregular - see plat map.** Area **6.89 ac** Shape **Irregular** View **B;Mtn;**

Specific Zoning Classification **R1-35** 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 **The subject's use as improved meets the 4 criteria of USPAP. It is legally allowable, physically possible, financially feasible, and maximally productive.**

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements - Type	Public	Private
Electricity	<input checked="" type="checkbox"/>		Water	<input checked="" type="checkbox"/>	Street	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Gas	<input type="checkbox"/>	<input checked="" type="checkbox"/> Propane	Sanitary Sewer	<input checked="" type="checkbox"/>	Alley	<input type="checkbox"/>	<input type="checkbox"/>

FEMA Special Flood Hazard Area Yes No FEMA Flood Zone **X500** FEMA Map # **04013C2685L** FEMA Map Date **10/16/2013**

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 _____

I have not checked the land records or recorded easements and have reported only apparent easements, encroachments, and other adverse conditions. No adverse conditions noted. The subject subdivision has private streets and a gated entrance that are maintained by the HOA. The subject is on an elevated hillside site with panoramic mountain views. See attached Additional Comments.

IMPROVEMENTS

General Description	Foundation	Exterior Description	materials/condition	Interior	materials/condition
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input checked="" type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls	Concrete-Avg	Floors	Trav/Wd/Lmstn-Gd
# of Stories 1.0	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	InsulatCncFrm-Avg	Walls	Drywall-Good
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area 0 sq.ft.	Roof Surface	Blt-up/Copper-Avg	Trim/Finish	Wood-Good
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish 0 %	Gutters & Downspouts	Scuppers-Avg	Bath Floor	Travert/Lmst-Good
Design (Style) Tuscan	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type	DI Pn/WdCsmt-Avg	Bath Wainscot	Tile/Trv/Lmstn-Gd
Year Built 2004	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated	No	Car Storage	<input type="checkbox"/> None
Effective Age (Yrs) 8	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens	Yes-Avg	<input checked="" type="checkbox"/> Driveway # of Cars 3	
Attic <input checked="" type="checkbox"/> None	Heating <input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities	<input type="checkbox"/> Woodstove(s) # 0	Driveway Surface	Concrete
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other Fuel Electric	<input checked="" type="checkbox"/> Fireplace(s) # 6	<input checked="" type="checkbox"/> Fence W.I.	<input checked="" type="checkbox"/> Garage # of Cars 3	
<input type="checkbox"/> Floor <input type="checkbox"/> Scuttle	Cooling <input checked="" type="checkbox"/> Central Air Conditioning	<input checked="" type="checkbox"/> Patio/Deck Cov	<input checked="" type="checkbox"/> Porch Cov Ent	<input type="checkbox"/> Carport # of Cars 0	
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Pool & Spa	<input type="checkbox"/> Other None	<input checked="" type="checkbox"/> Att. <input type="checkbox"/> Det. <input type="checkbox"/> Built-in	

Appliances Refrigerator Range/Oven Dishwasher Disposal Microwave Washer/Dryer Other (describe) _____

Finished area above grade contains: **11** Rooms **4** Bedrooms **4.3** Bath(s) **7,078** Square Feet of Gross Living Area Above Grade

Additional features (special energy efficient items, etc.) **See attached Additional Comments. The subject's exterior wall construction is insulating concrete forms.**

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.) **C3;No updates in the prior 15 years;The subject is in average to good overall condition. No inadequacies noted. All utilities were on and in working order at the time of inspection. The utilities for the subject property meet community standards, are adequate, in service and are accepted by area residents.**

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? Yes No If Yes, describe _____

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 15 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 1,250,000 to \$ 2,545,000					
There are 13 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 1,185,000 to \$ 1,950,000					
FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3	
Address	14016 S Rockhill Rd Phoenix, AZ 85048	1710 E Tapestry Hts Phoenix, AZ 85048	20 E Oakwood Hills Dr Chandler, AZ 85248	12008 S Montezuma Ct Phoenix, AZ 85044	
Proximity to Subject		1.32 miles W	11.98 miles SE	1.36 miles NE	
Sale Price	\$	\$ 1,600,000	\$ 2,150,000	\$ 1,950,000	
Sale Price/Gross Liv. Area	\$ sq.ft.	\$ 301.89 sq.ft.	\$ 293.28 sq.ft.	\$ 260.00 sq.ft.	
Data Source(s)		ARMLS #5207676;DOM 13	ARMLS #5126568;DOM 100	ARMLS #5110672;DOM 531	
Verification Source(s)		Doc #15038566	Doc #14711834 / Historic Insp	Doc #15365958	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sales or Financing Concessions		ArmLth Conv;0		ArmLth Conv;0	
Date of Sale/Time		s01/15;c12/14		s05/15;c04/15	
Location	B;Gated;	B;Gated;		B;Gated Site;	0
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple	
Site	6.89 ac	1.14 ac	+100,000	1.14 ac	+100,000
View	B;Mtn;	B;Mtn;CtySky	0	B;Wtr;	0
Design (Style)	DT1.0;Tuscan	DT2.0;Spanish	0	DT2.0;Spanish	0
Quality of Construction	Q1	Q1		Q1	
Actual Age	11	9	0	14	0
Condition	C3	C3		C3	
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths		Total Bdrms. Baths	
Room Count	11 4 4.3	11 5 5.1	0	10 5 5.2	-5,000
Gross Living Area	7,078 sq.ft.	5,300 sq.ft.	+266,700	7,331 sq.ft.	-37,950
Basement & Finished Rooms Below Grade	0sf	0sf		700sf700sfin	-84,000
Functional Utility	Average	Average		Average	
Heating/Cooling	Central	Central		Central	
Energy Efficient Items	None	None		None	
Garage/Carport	3ga3dw	4ga4dw	-10,000	5ga5dw	-20,000
Porch/Patio/Deck	Extensive	Extensive		Extensive	
Features	Fireplace 6	Fireplace 4	+4,000	Fireplace 5	+2,000
Features	Pool/Spa	Pool/Spa		Pool/Spa	
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 360,700	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ -54,950
Adjusted Sale Price of Comparables		Net Adj. 22.5 % Gross Adj. 23.8 %	\$ 1,960,700	Net Adj. 2.6 % Gross Adj. 12.0 %	\$ 2,095,050
				Net Adj. 25.5 % Gross Adj. 25.5 %	\$ 2,000,700

SALES COMPARISON APPROACH

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) **Assessor's Records**

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) **Assessor's Records**

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

ITEM	SUBJECT	COMPARABLE SALE #1	COMPARABLE SALE #2	COMPARABLE SALE #3
Date of Prior Sale/Transfer		01/31/2014		
Price of Prior Sale/Transfer		\$1,598,000		
Data Source(s)	Assessor's Records	Assessor's Records	Assessor's Records	Assessor's Records
Effective Date of Data Source(s)	10/13/2015	10/21/2015	10/21/2015	10/21/2015

Analysis of prior sale or transfer history of the subject property and comparable sales **Prior sales of the subject within the past three years, and prior sales of the comparables within the 12 months prior to their current sale (if applicable) are noted above. Comparable 1's prior transfer was an arm's length sale.**

Summary of Sales Comparison Approach **See attached Additional Comments. The financing of all comparables have been determined from county records and is disclosed in the market grid. Seller concessions (if applicable) are derived from MLS records and are disclosed in the Concessions section of the market grid. Per definition of market value (Page 4) a dollar for dollar adjustment has not been made. The adjustment in the market grid approximates the market's reaction to the financing or concessions based on the appraiser's judgment. In the Subject's market area, seller concessions of three percent or less are typical and commonly paid by sellers with negligible market reaction; therefore, no adjustment is required for comparables with concessions of 3 points or less.**

Indicated Value by Sales Comparison Approach \$ **2,000,000**

Indicated Value by: Sales Comparison Approach \$ **2,000,000** Cost Approach (if developed) \$ **2,027,798** Income Approach (if developed) \$ **0**

The Sales Comparison Approach was relied upon to determine market value. The Cost Approach is subject to obsolescence factors, and as such, was used only as a check against the Sales Comparison Approach. The Income Approach is not considered applicable as the subject's market is not investor-oriented.

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 \$ **2,000,000**, as of **10/19/2015**, which is the date of inspection and the effective date of this appraisal.

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ADDITIONAL COMMENTS

EXPOSURE PERIOD:

The Exposure Period is developed by studying the sales of similar comparable residential properties with value ranges as identified in the Neighborhood section of this report, and discussions with individuals knowledgeable of current neighborhood trends in the subject area. Based on the Opinion of Market Value for the subject property, the exposure time for the subject property is 3 - 12 months. This is a typical marketing time for luxury custom homes in the subject's market segment.

DEFINITION OF INSPECTION:

The term "Inspection", as used in this report, is not the same level of inspection that is required for a "Professional Home Inspection". The appraiser does not fully inspect the electrical system, plumbing system, mechanical systems, foundation system, floor structure, or subfloor. The appraiser is not an expert in construction materials and the purpose of the appraisal is to make an economic evaluation of the subject property. If the client needs a more detailed inspection of the property, a home inspection, by a Professional Home Inspector, is suggested.

INTENDED USE, AND INTENDED USER OF THE APPRAISAL:

The Intended User of this appraisal report is the Lender/Client. 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 Definition of Market Value. No additional Intended Users are identified by the appraiser. **ADDITIONAL**

COMMENTS:

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

At the request of the client, this appraisal report has been prepared in compliance with Uniform Appraisal Dataset (UAD) of Fannie Mae and Freddie Mac. The UAD requires the appraiser to standardized responses that include specific formats, definitions, abbreviations, and acronyms. The appraiser attempted to obtain an adequate amount of information in the normal course of business regarding the subject and comparable properties. 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 data was generally obtained from third-party sources (ie. ARMLS). Consequently, this information should be considered an "estimate" unless otherwise noted by the appraiser.

This report was prepared in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice AND in accordance with the requirements of title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as amended (12 U.S.C. 331 et seq.), and any implementing regulations.

In accordance with USPAP, I have performed an appraisal on the property that is the subject of this report within the three year period immediately preceding acceptance of this assignment. The previous appraisal was performed in 2014.

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) **The subject's market value of the site was derived through analysis of historic sales and/or current listings of similar vacant sites from the subject's marketing area.**

COST APPROACH

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE = \$ 500,000
Source of cost data Marshall & Swift Exceptional Home Guide	DWELLING 7,078 Sq.Ft. @ \$ 250.00 = \$ 1,769,500
Quality rating from cost service III Effective date of cost data 2008	0 Sq.Ft. @ \$ = \$
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	CovPat/Pool/Spa = \$ 200,000
See attached building sketch for dimensions and area calculations.	Garage/Carport 1,173 Sq.Ft. @ \$ 50.00 = \$ 58,650
Cost approach was derived from Marshall and Swift and/or local builder costs. This cost approach is not intended for insurance purposes. Economic (external) obsolescence is noted as full depreciated construction costs are not recaptured in this market.	Total Estimate of Cost-New = \$ 2,028,150
	Less Physical Functional External
	Depreciation 270,352 350,000 = \$(620,352)
	Depreciated Cost of Improvements = \$ 1,407,798
	"As-is" Value of Site Improvements = \$ 120,000
Estimated Remaining Economic Life (HUD and VA only) 52 Years	INDICATED VALUE BY COST APPROACH = \$ 2,027,798

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. **Private Streets, Security Gate, Common Areas, Desertbelts and Perimeter Fencing.**

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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 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.

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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.

Uniform Residential Appraisal Report

File # 15101308

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

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

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

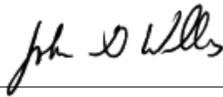
24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation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

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

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

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

APPRAISER

Signature 
Name **John Willis**
Company Name **Norris Property Consultants, Inc.**
Company Address **2701 E Osborn Rd, #102**
Phoenix, AZ 85016
Telephone Number **(602) 279-4113**
Email Address **jwillis@appraisenpc.com**
Date of Signature and Report **10/21/2015**
Effective Date of Appraisal **10/19/2015**
State Certification # **20486**
or State License # _____
or Other (describe) _____ State # _____
State **AZ**
Expiration Date of Certification or License **04/30/2017**

ADDRESS OF PROPERTY APPRAISED

14016 S Rockhill Rd
Phoenix, AZ 85048
APPRAISED VALUE OF SUBJECT PROPERTY \$ **2,000,000**

LENDER/CLIENT

Name **SharperLending**
Company Name **Arizona Mortgage Specialists**
Company Address **8747 S Priest Dr, Suite 101, Tempe, AZ**
85284
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 _____

Supplemental Addendum

File No. 15101308

Borrower	Stainton, Gregory						
Property Address	14016 S Rockhill Rd						
City	Phoenix	County	Maricopa	State	AZ	Zip Code	85048
Lender/Client	Arizona Mortgage Specialists						

• URAR: Neighborhood - Description

Within the subject neighborhood, several pocket subdivisions of good quality luxury homes exist. It should be noted that although these pocket subdivisions are dispersed some distance from each other throughout the neighborhood, they are considered the same overall market. Luxury home buyers and real estate agents consider all of these subdivisions when making buying and selling decisions. The subject subdivision is one such subdivision commonly known as Canyon Reserve. The subdivision has private streets and a gated entrance.

The subject's market value is over the neighborhood predominant value. Contributing factors to this include the good quality construction, site improvements, square footage and location of the home. This is typical of homes of the subject's nature throughout the subdivision and neighborhood, having no significant effect on marketability.

Within the neighborhood, the subject's luxury home market segment has an over-supply of homes on the market; however, the neighborhood as a whole has approximately 4 - 5 months of supply (per MLS records). Therefore, the neighborhood section on page 1 of the report reflects In Balance.

• URAR: Site - Conditions or External Factors

The subject site is 6.89 acres per county records. It is a hillside site that allows for panoramic mountain views on multiple sides of the house. Much of the site is a hillside preserve area that must remain natural desert open space.

• URAR: Improvements - Additional Features

Natural desert landscape with watering system and lighting
Natural stone veneer on the exterior of the home
Radiused covered front patio with finished concrete patios
Rock waterfall and water feature at the front entry
Epoxy floors, storage area and built-in cabinets in the garage
Water purification system
Decorative wrought iron railings and fencing
Wood casement, metal clad dual pane window and door package
Extensive covered patios
Wood tongue and groove ceilings at the patios
Travertine floors, two sided fireplace and dining area at the covered patio off the family room
Stone fireplace surround and built-in seating
Custom pebble-tec play pool with finished concrete decking and rock waterfall
Separate spa with rock waterfall
Main covered patio with built-in barbecue and bar area
Granite counters and built in refrigerator at the bar area
Volume ceilings with wood beam ceiling treatments
Gas fireplace with carved canterra surround
Butler's pantry with built-in cabinets and granite counters
Custom cabinet package with granite slab counters and decorative tile backsplash
Upgraded stainless steel appliances including a built-in refrigerator/freezer, Viking gas range, and ice maker
Pot filler faucet at the range
Kitchen island with utility sink
Built-in breakfast bar
Upgraded flooring including travertine and hard wood
Ceiling fans
Walk-in wet bar with granite slab counters, beverage cooler, hammered copper sink
Upgraded plumbing and light fixtures
Carved wood vanity, granite counter, hammered copper sink and decorative travertine wainscot in the powder room
Theater room with projection TV and surround sound
Solid alder interior door and trim package
En-suite baths at all secondary bedrooms with stone slab counters
Custom built-ins in the walk-in closets
Built-in cabinets and utility sink in the laundry
Structured wiring with security system, home automation, stereo pre-wire with built-in speakers
Sitting area in the master suite
Limestone floors and wainscot in the master bath
Dual vanities with limestone slab counters
Walk-in closet in the master suite with custom built-ins

Per the county assessors, the subject property is 5951 sq. ft, however, the floorplan in county records is not the subject property. It is a totally different floorplan. Due to the unique nature of the subject floorplan (see sketch), builder's plans were utilized to obtain the exterior dimensions of the subject property. The subject's livable square footage is based on the exterior dimensions from the builder's floorplan. Due to the hillside location, extensive radiuses and arches associated with the floorplan, this was deemed the most accurate source available for the subject property.

The subject's exterior walls are constructed with insulating concrete forms. There does not appear to be any market differentiation noted between this type of construction and conventionally framed houses in the subject's market segment.

• URAR: Sales Comparison Analysis - Summary of Sales Comparison Approach

All comparables are located in the subject's marketing area. Comparable 5 is located in the subject subdivision.

The subject is located in a gated custom home subdivision. Within the subject neighborhood, there are several subdivisions containing custom homes of similar appeal to the subject. They are typically small developments that are dispersed sporadically throughout the neighborhood some distance from each other. They are intermingled with tract home subdivisions of inferior appeal. Due to the dispersed nature of competing developments, as well as the limited

Supplemental Addendum

File No. 15101308

Borrower	Stanton, Gregory						
Property Address	14016 S Rockhill Rd						
City	Phoenix	County	Maricopa	State	AZ	Zip Code	85048
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number of comparable sales of similar size and quality to the subject, it was necessary to utilize comparables over one mile in distance and that sold over six months prior to the effective date of this appraisal. This is typical when appraising homes of the subject's size and quality in the area, having no adverse affect on the report.

The subject and comparables 1, 2, 5 and 6 are located in gated custom home subdivisions of similar appeal. Comparable 3 has a private gated and perimeter fenced site, offsetting any adjustment. Comparable 4 is located in a non-gated area. It also fronts to a neighborhood feeder street, some negative traffic influence noted. These factors necessitated a \$75,000 upward Location adjustment.

The subject is located on a 6.89 acre hillside site. Much of the subject site is hillside preserve area, and can not be developed. Comparables 5 and 6 of this report are similar to the subject as they are multi-acre parcels with large hillside preserve areas. There were no adjustments deemed necessary for the differences in site size for these comparables. Comparables 1 - 4 are situated on significantly smaller sites. The subject's surplus land has minor contributory value as it provides a buffer area from other homes as well as unobstructed hillside views. As such, a \$100,000 upward adjustment was warranted to comparables 1 - 4. Based on a paired sales analysis with the active listings, this adjustment was deemed reasonable and appropriate. The surplus land has only minor contributory value as it can not be developed or utilized.

The subject and comparable 5 are situated hillside sites with panoramic mountain views. Comparable 1 is an elevated site with mountain and city light views; however, there is another house behind comparable 1 it on the adjacent site. Comparable 1's overall mountain and city light views are considered similar in value to the subject, with no adjustment deemed necessary. Comparable 2 has premium lake views, with no adjustment deemed necessary. Comparable 3 is in close proximity to the mountain preserve, but not directly adjacent to it. It's views are significantly inferior to the subject, necessitating a \$100,000 upward adjustment. Comparable 4 backs to a small area of natural desert open space with some views; however, these views are significantly inferior to the subject. This comparable received a \$100,000 upward View adjustment. Comparable 6 is more elevated than the subject. Along with premium mountain views this comparable has panoramic city light views that are superior to the subject. This comparable received a \$100,000 downward View adjustment.

Comparable 5 is situated in the subject subdivision. There is a For Sale sign in front of the house. The property is currently an Exclusive Listing with the Agent. The home was previously in ARMLS System and is currently a cancelled listing for \$2,300,000. The list price and DOM from this listing have been utilized in the market grid. Per phone conversation with the listing agent, the home was taken out of the MLS system during the summer months. She said that it is available for sale, and that she is getting ready to put it back in the MLS system this fall. The home was utilized as an active listing in this report due to its proximity and similar site when compared to the subject.

Comparable 6 has extensive custom wood beam ceiling treatments that are more elaborate than the subject. It also has superior interior and exterior details and upgrades. As such, a \$100,000 downward adjustment for superior upgrades was warranted to comparable 6.

Comparable 3 is a significantly older home than the subject, warranting an upward Age adjustment. The subject and all other comparables are homes of similar vintage with similar effective ages. There were no Age or Condition adjustments deemed necessary to these comparables.

Any substantive differences between the subject and comparables have been adequately accounted for in the above grade / below grade square footage and bath adjustments. There were no additional adjustments deemed necessary for the differences in bedrooms.

Comparable 1 is more than 20% smaller than the subject in livable square footage; however, it was utilized as it is among the more recent, relevant sales of similar quality and appeal to the subject in its immediate neighborhood.

Comparable 2 closed escrow on 10/28/2014 which is within 12 months of the effective date of this report.

Luxury custom homes such as the subject property are not a homogeneous property type. They have significant differences in terms of size, views, amenities and floorplan configurations (basements etc..). In addition, there are a very limited number of sales of similar quality and appeal to the subject. As such, it was necessary to utilize the most relevant comparables available and adjust them for the differences. Due to these adjustments (primarily differences in square footage, site size and/or views), it was necessary to make greater than normal Net, Gross and Line adjustments throughout the report. This is typical when appraising homes of the subject's nature and location having no adverse effect on the report.

Comparables 5 and 6 are active listings. The list price of the homes are disclosed on the market grid. A 4% adjustment was made to comparables 5 and 6 to reflect a difference between list price and potential sales price of the properties. This adjustment was made in the Date of Sale/Time line of the market grid. The discount was derived from the 1004 MC data from the subject's market segment over the past year.

The subject's market value is over the neighborhood predominant value. Contributing factors to this include the subject's size, quality and upgrades. This is typical of homes of the subject's nature throughout both the subdivision and neighborhood, having no significant effect on marketability.

There is no market differentiation noted between single and multi-level homes in the subject's market area.

All comparables given weight and consideration in the final opinion of market value.

• URAR: Cost Approach Comments

The Cost Approach is developed by using a cost service, such as Marshall and Swift. It is not the actual cost of a specific project. Marshall and Swift data was utilized in developing the cost approach for this report. Marshall and Swift includes indirect costs such as entrepreneurial profit within their cost calculations.

Market Conditions Addendum to the Appraisal Report

File No. 15101308

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 **14016 S Rockhill Rd** City **Phoenix** State **AZ** ZIP Code **85048**

Borrower **Stainton, Gregory**

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)	7	3	3	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)	1.17	1.00	1.00	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Comparable Active Listings	22	15	15	<input checked="" type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Housing Supply (Total Listings/Ab.Rate)	18.8	15.0	15.0	<input checked="" type="checkbox"/> Declining	<input 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	1,364,000	1,385,000	1,235,000	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Sales Days on Market	127	260	116	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Comparable List Price	1,560,000	1,595,000	1,525,000	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Listings Days on Market	263	189	185	<input checked="" type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale Price as % of List Price	92	94	96	<input checked="" type="checkbox"/> Increasing	<input 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.). **Seller concessions are typical for the market area (0% to 3% of the purchase price), which is a stable trend.**

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).

REO sales and/or short sales are not a factor in the Subject's market area. The following percentages indicate the percent of listings in the subject's market segment within the defined period which were or are REO properties: 7-12 months ago (9.1%), 4-6 months ago (11.1%), and 0-3 months ago (10.5%).

Cite data sources for above information. **County Assessor's Records and Multiple Listing data of all competing sales over the past year in the defined market area noted on page 1 of this report. Quarterly price per square foot utilized in market analysis: 10-12 months (\$247), 7-9 months (\$235), 4-6 months (\$242) & 0-3 months (\$266).*****

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.

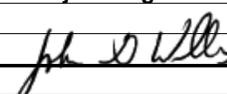
With-in the Subject's market area (noted on page 1) based on MLS market data, there is insufficient data for an accurate trend analysis for the subject's market segment. The neighborhood as a whole has also remained relatively stable over the past several quarters on a price per square foot basis. The subject's market segment of luxury custom homes has insufficient data to develop an accurate trend analysis; therefore, the information for the neighborhood as a whole has been relied on to establish the rationale for considering the neighborhood stable. Appraiser's Inventory Analysis, Median Sale and List Price, DOM and other observations in this addendum are based on the data source identified above, which the appraiser generally believes to be a reliable source of market data. However, the appraiser cannot verify all of the information in that data source and cannot guarantee the accuracy of such data or conclusions based thereon. The appraiser cannot guarantee future market conditions affecting the subject property.

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

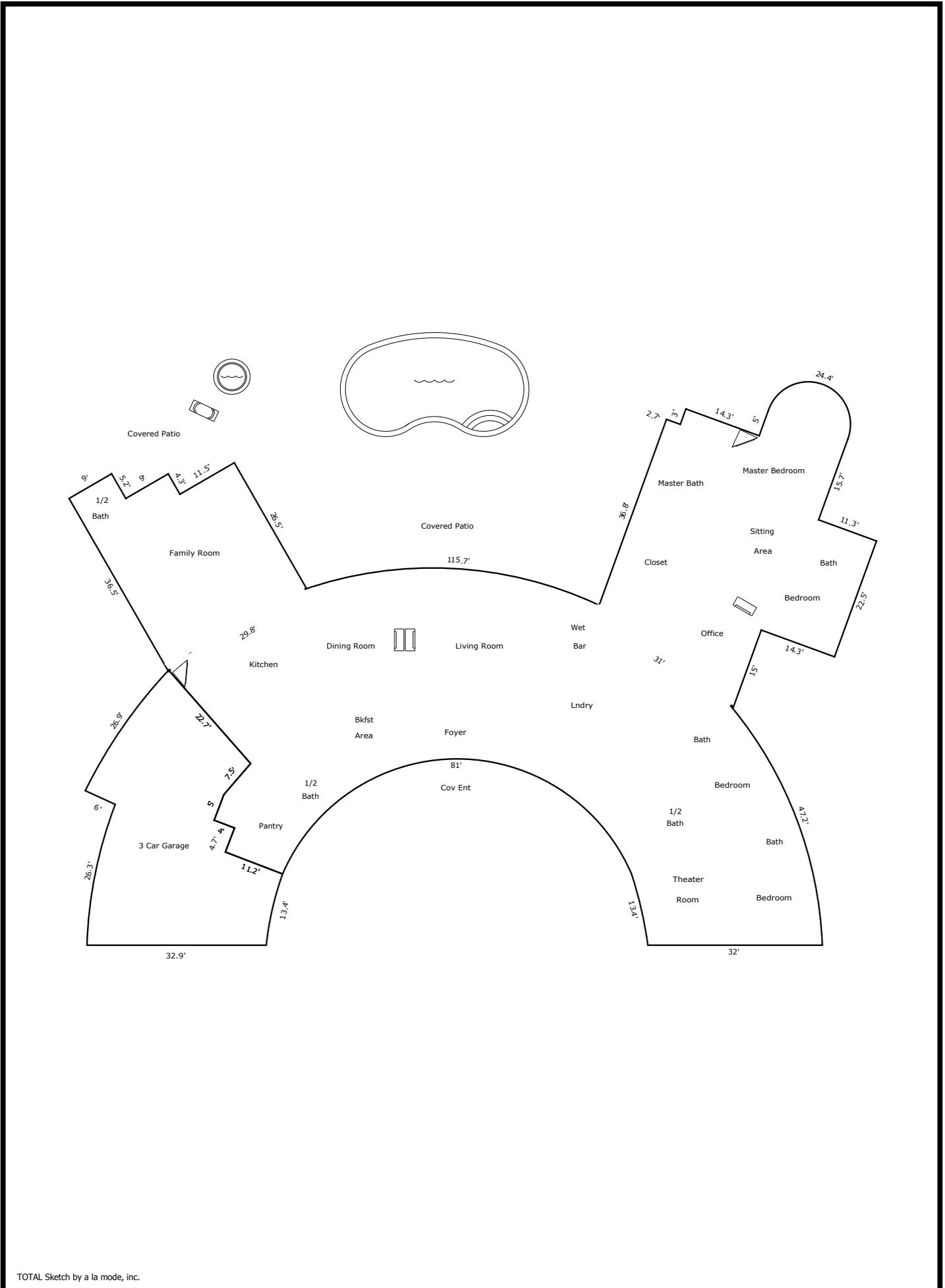
Are foreclosure sales (REO sales) a factor in the project? Yes No If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties. *****The appraiser also performed an analysis on the entire neighborhood. For Multiple Listing data of all single family home sales over the past year in the defined market area noted on page 1 of this report, the quarterly price per square foot utilized in market analysis: 10-12 months (\$149), 7-9 months (\$149), 4-6 months (\$153) & 0-3 months (\$153). For the neighborhood as a whole, there is a 4 - 5 month supply of homes on the market. This is considered In Balance, as indicated on page 1 of the appraisal.**

Summarize the above trends and address the impact on the subject unit and project. **The median price within the subject's market segment reflects a slight decline over the past year. However, median price (as required in this form) does not adequately account for differences in the properties that are selling in each quarter. As such, the appraiser also analyzes price per square foot. The same MLS data that shows a decline in median price also shows a more stable market when analyzed on a price per square foot. The appraiser also performed a price per square foot analysis for the neighborhood as a whole. Based upon this more thorough analysis, the appraiser considers the subject neighborhood to be stable. This is indicated on page one of the appraisal.**

Signature 	Signature
Appraiser Name John Willis	Supervisory Appraiser Name
Company Name Norris Property Consultants, Inc.	Company Name
Company Address 2701 E Osborn Rd, #102, Phoenix, AZ 85016	Company Address
State License/Certification # 20486 State AZ	State License/Certification # State
Email Address jwillis@appraisencp.com	Email Address

Building Sketch (Page - 1)

Borrower	Stainton, Gregory						
Property Address	14016 S Rockhill Rd						
City	Phoenix	County	Maricopa	State	AZ	Zip Code	85048
Lender/Client	Arizona Mortgage Specialists						



TOTAL Sketch by a la mode, inc.

Building Sketch (Page - 2)

Borrower	Stainton, Gregory						
Property Address	14016 S Rockhill Rd						
City	Phoenix	County	Maricopa	State	AZ	Zip Code	85048
Lender/Client	Arizona Mortgage Specialists						

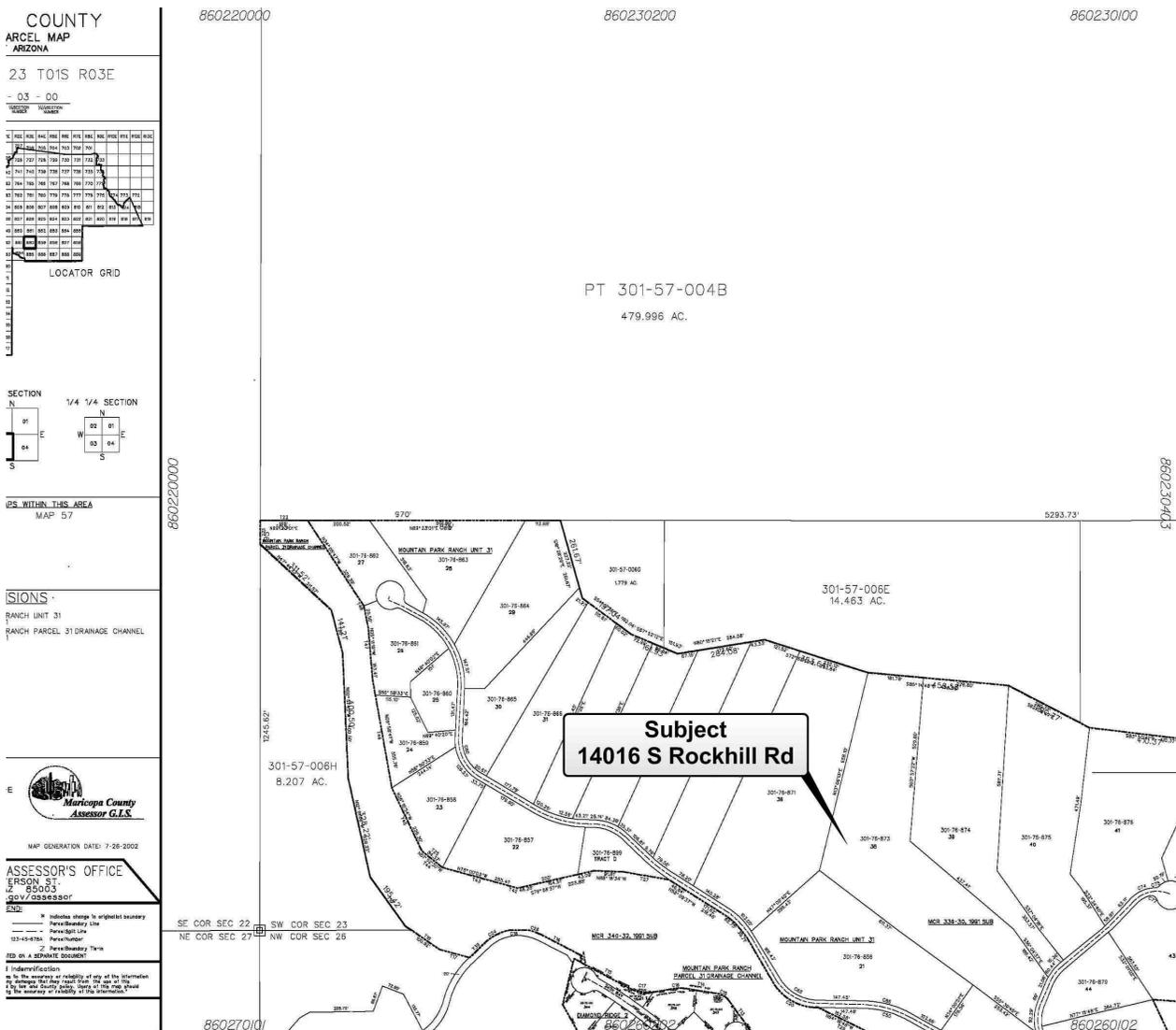
TOTAL Sketch by a la mode, inc.

Area Calculations Summary

Living Area	Calculation Details	
First Floor	879.8 Sq ft	$9 \times 5.2 = 46.8$ $18 \times 4.3 = 77.4$ $29.5 \times 26.5 = 781.8$ $0.5 \times 29.5 \times 0.5 = 7.4$ Negative Arc = 33.5
First Floor	1779.5 Sq ft	$0.5 \times 5 \times 0 = 0$ $5 \times 15.5 = 77.5$ $29.8 \times 3 = 89.4$ $32.5 \times 7.7 = 250.2$ $43.8 \times 22.5 = 985.5$ $29.5 \times 6.6 = 194.7$ $0.5 \times 29.5 \times 8.4 = 123.9$ Arc = 95.1 Negative Arc = 36.9
First Floor	4418.8 Sq ft	$0.5 \times 16.7 \times 20.1 = 168.2$ $0.5 \times 2.6 \times 7 = 9$ $5 \times 2.6 = 12.8$ $0.5 \times 1.4 \times 0.4 = 0.3$ $28.8 \times 1.4 = 41.3$ $0.5 \times 11.2 \times 3.4 = 19.3$ $33.9 \times 11.2 = 381.2$ $0.5 \times 59.8 \times 22.8 = 681.3$ $0.5 \times 59.8 \times 18.3 = 548$ $59.8 \times 14.6 = 872.1$ $0.5 \times 9.7 \times 6.5 = 31.5$ $0.5 \times 6.5 \times 2 = 6.5$ $32.9 \times 6.5 = 214$ $0.5 \times 1.4 \times 0.9 = 0.6$ $0.5 \times 1 \times 0.9 = 0.5$ $43.6 \times 0.9 = 40.5$ $0.5 \times 44.9 \times 29.9 = 671.9$ Arc = 1573.4 Arc = 118 Negative Arc = 2.7 Negative Arc = 969
Total Living Area (Rounded):	7078 Sq ft	
Non-living Area		
3 Car Garage	1173 Sq ft	$0.5 \times 32.7 \times 11.7 = 191.4$ $30.9 \times 13.2 = 407.9$ $0.5 \times 2.2 \times 13.2 = 14.5$ $0.5 \times 1.8 \times 13.2 = 12.1$ $21.8 \times 0.9 = 20.5$ $0.5 \times 0.2 \times 0.9 = 0.1$ $22 \times 0.4 = 8.3$ $0.5 \times 6 \times 0.4 = 1.1$ $27.2 \times 3.4 = 91.9$ $0.5 \times 3.4 \times 0.8 = 1.4$ $5 \times 21.9 = 109.6$ $0.5 \times 5 \times 1.2 = 3.1$ $7 \times 20.2 = 142.1$ $0.5 \times 7 \times 2.6 = 9$ $0.5 \times 7 \times 1.8 = 6.2$ $0.5 \times 22.7 \times 10.6 = 120.2$ Arc = 17.9 Arc = 19.3 Negative Arc = 3.6

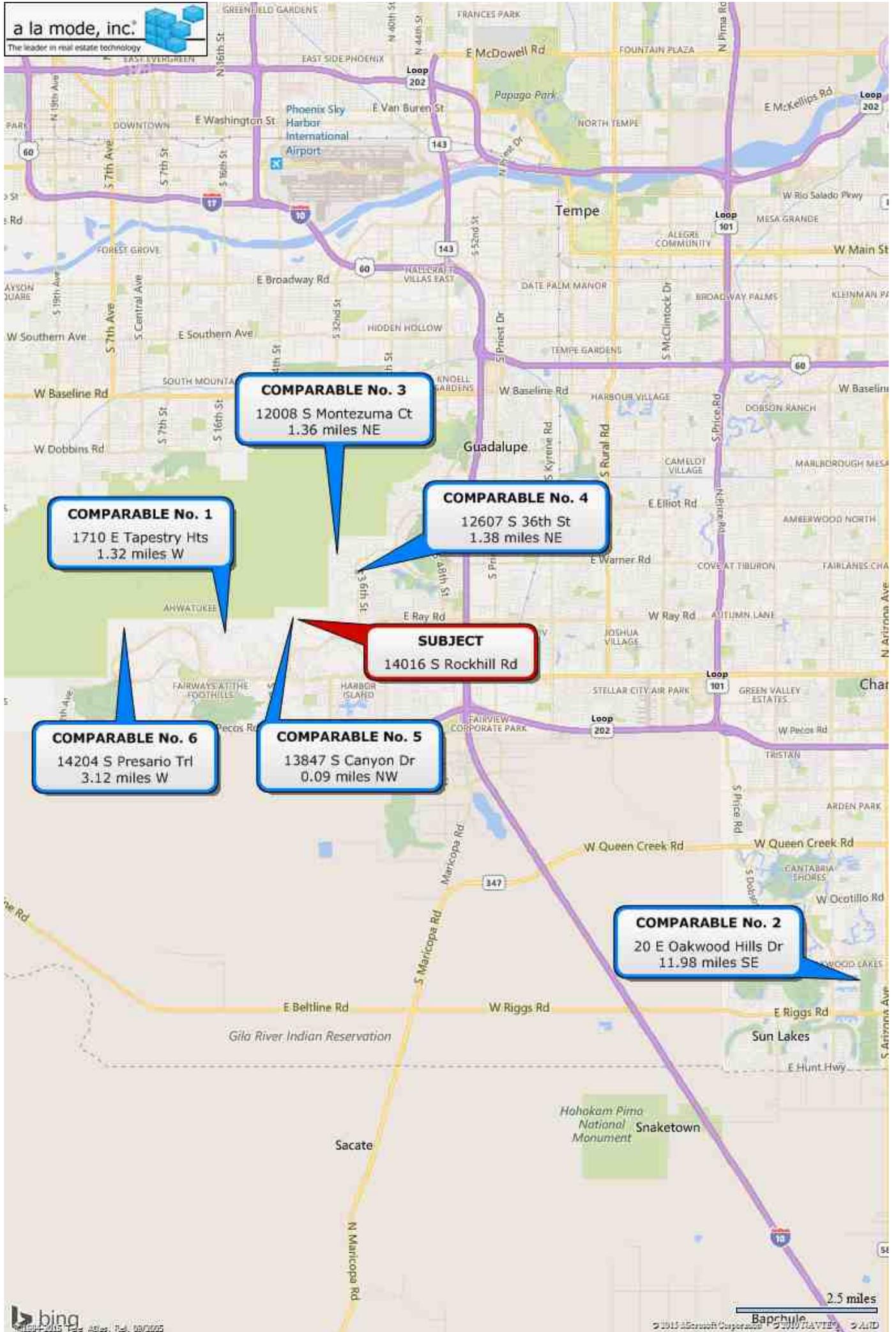
Plat Map

Borrower	Stanton, Gregory		
Property Address	14016 S Rockhill Rd		
City	Phoenix	County Maricopa	State AZ Zip Code 85048
Lender/Client	Arizona Mortgage Specialists		



Location Map

Borrower	Stainton, Gregory						
Property Address	14016 S Rockhill Rd						
City	Phoenix	County	Maricopa	State	AZ	Zip Code	85048
Lender/Client	Arizona Mortgage Specialists						

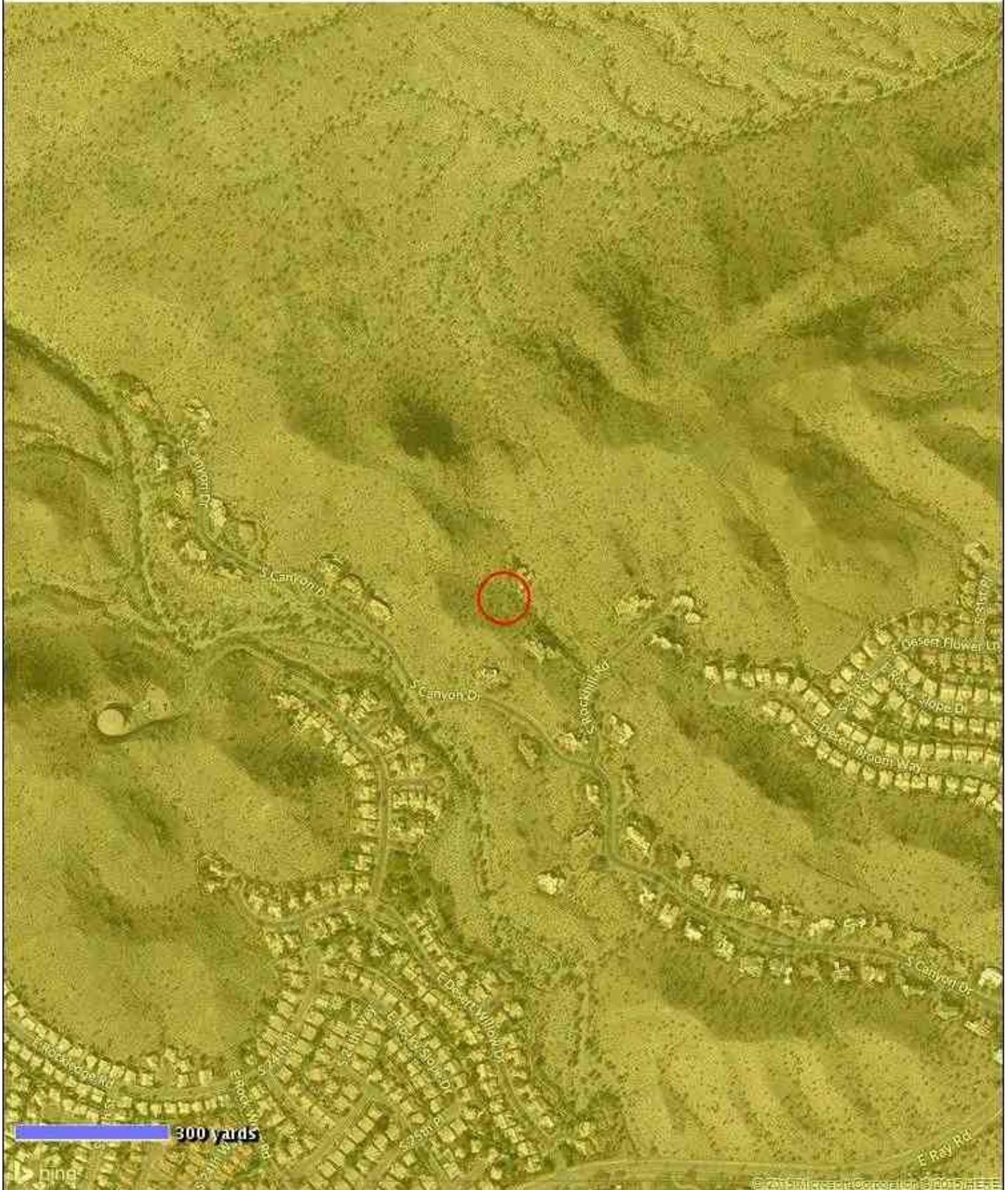


Flood Map

Borrower	Stainton, Gregory						
Property Address	14016 S Rockhill Rd						
City	Phoenix	County	Maricopa	State	AZ	Zip Code	85048
Lender/Client	Arizona Mortgage Specialists						

InterFlood by a la mode

Prepared for: Norris Property Consultants
14016 S Rockhill Rd
Phoenix, AZ 85048



MAP DATA

FEMA Special Flood Hazard Area: **No**
 Map Number: **04013C2685L**
 Zone: **X500**
 Map Date: **October 16, 2013**
 FIPS: **04013**

MAP LEGEND

- | | |
|--|--|
| <ul style="list-style-type: none"> Areas inundated by 500-year flooding Areas inundated by 100-year flooding Velocity Hazard | <ul style="list-style-type: none"> Protected Areas Floodway Subject Area |
|--|--|

Powered by CoreLogic®

Subject Photo Page

Borrower	Stainton, Gregory						
Property Address	14016 S Rockhill Rd						
City	Phoenix	County	Maricopa	State	AZ	Zip Code	85048
Lender/Client	Arizona Mortgage Specialists						



Subject Front

14016 S Rockhill Rd

Sales Price

Gross Living Area **7,078**

Total Rooms **11**

Total Bedrooms **4**

Total Bathrooms **4.3**

Location **B;Gated;**

View **B;Mtn;**

Site **6.89 ac**

Quality **Q1**

Age **11**



Subject Rear



Subject Street

Interior Photos

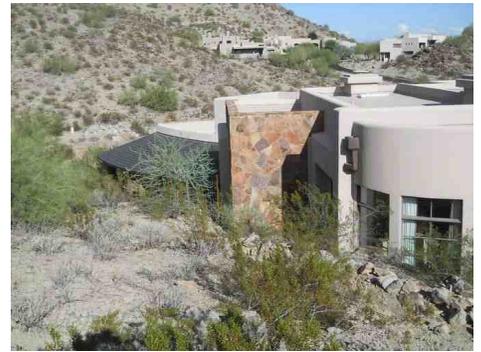
Borrower	Stainton, Gregory						
Property Address	14016 S Rockhill Rd						
City	Phoenix	County	Maricopa	State	AZ	Zip Code	85048
Lender/Client	Arizona Mortgage Specialists						



street opposite



side view



side view



front view



front entry



water feature



view



view



patio area



patio area



view



view



spa



pool



patio area

Interior Photos

Borrower	Stainton, Gregory						
Property Address	14016 S Rockhill Rd						
City	Phoenix	County	Maricopa	State	AZ	Zip Code	85048
Lender/Client	Arizona Mortgage Specialists						



living room



dining room



breakfast area



wet bar



theater room



bedroom



bath



bedroom



bath



bedroom



bath



office



powder room



powder room



powder room

Interior Photos

Borrower	Stainton, Gregory						
Property Address	14016 S Rockhill Rd						
City	Phoenix	County	Maricopa	State	AZ	Zip Code	85048
Lender/Client	Arizona Mortgage Specialists						



master bedroom



master bedroom



sitting area



master bath



master bath



kitchen



kitchen



family room



family room

Comparable Photo Page

Borrower	Stainton, Gregory						
Property Address	14016 S Rockhill Rd						
City	Phoenix	County	Maricopa	State	AZ	Zip Code	85048
Lender/Client	Arizona Mortgage Specialists						



Comparable 1

1710 E Tapestry Hts	
Prox. to Subject	1.32 miles W
Sale Price	1,600,000
Gross Living Area	5,300
Total Rooms	11
Total Bedrooms	5
Total Bathrooms	5.1
Location	B;Gated;
View	B;Mtn;CtySky
Site	1.14 ac
Quality	Q1
Age	9



Comparable 2

20 E Oakwood Hills Dr	
Prox. to Subject	11.98 miles SE
Sale Price	2,150,000
Gross Living Area	7,331
Total Rooms	10
Total Bedrooms	5
Total Bathrooms	5.2
Location	B;Gated;
View	B;Wtr;
Site	1.14 ac
Quality	Q1
Age	14



Comparable 3

12008 S Montezuma Ct	
Prox. to Subject	1.36 miles NE
Sale Price	1,950,000
Gross Living Area	7,500
Total Rooms	11
Total Bedrooms	5
Total Bathrooms	6.1
Location	B;Gated Site;
View	B;Mtn;Inf View
Site	1.37 ac
Quality	Q1
Age	25

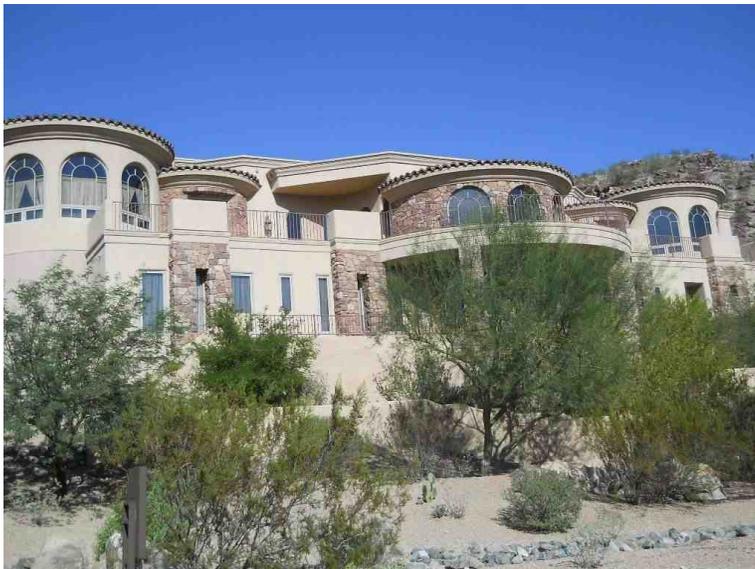
Comparable Photo Page

Borrower	Stainton, Gregory						
Property Address	14016 S Rockhill Rd						
City	Phoenix	County	Maricopa	State	AZ	Zip Code	85048
Lender/Client	Arizona Mortgage Specialists						



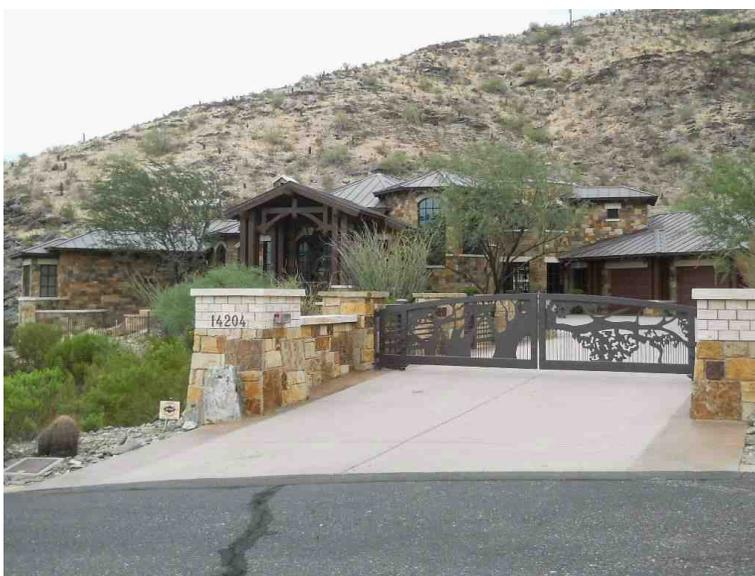
Comparable 4

12607 S 36th St	
Prox. to Subject	1.38 miles NE
Sale Price	1,625,000
Gross Living Area	7,150
Total Rooms	14
Total Bedrooms	8
Total Bathrooms	6.1
Location	A;Res;BsyRd
View	B;D-blit;Inf View
Site	1.23 ac
Quality	Q1
Age	9



Comparable 5

13847 S Canyon Dr	
Prox. to Subject	0.09 miles NW
Sale Price	2,300,000
Gross Living Area	8,105
Total Rooms	14
Total Bedrooms	6
Total Bathrooms	8.1
Location	B;Gated;
View	B;Mtn;
Site	5.89 ac
Quality	Q1
Age	7



Comparable 6

14204 S Presario Trl	
Prox. to Subject	3.12 miles W
Sale Price	2,545,000
Gross Living Area	7,213
Total Rooms	10
Total Bedrooms	4
Total Bathrooms	5.1
Location	B;Gated;
View	B;Mtn;CtySky
Site	6.91 ac
Quality	Q1
Age	7

UNIFORM APPRAISAL DATASET (UAD) DEFINITIONS ADDENDUM

(Source: Fannie Mae UAD Appendix D: UAD Field-Specific Standardization Requirements)

Condition Ratings and Definitions

C1

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

Note: Newly constructed improvements that feature recycled or previously used materials and/or components can be considered new dwellings provided that the dwelling is placed on a 100 percent new foundation and the recycled materials and the recycled components have been rehabilitated/remanufactured into like-new condition. Improvements that have not been previously occupied are not considered "new" if they have any significant physical depreciation (that is, 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 are either 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 residence 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.

UNIFORM APPRAISAL DATASET (UAD) DEFINITIONS ADDENDUM

(Source: Fannie Mae UAD Appendix D: UAD Field-Specific Standardization Requirements)

Quality Ratings and Definitions (continued)

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

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

Example:

3.2 indicates three full baths and two half baths.

CERTIFICATION

STATE OF ARIZONA
BOARD OF APPRAISAL

BE IT KNOWN THAT

JOHN G. WILLIS

HAS MET ALL THE REQUIREMENTS AS A

Certified Residential Real Estate Appraiser

In accordance with Arizona Revised Statutes and on authority of the Board of Appraisal, State of Arizona.

This registration shall remain evidence thereof unless or until the same is suspended, revoked or expires in accordance with provisions of law.

CERTIFICATE NUMBER

20486

EXPIRATION DATE

April 30, 2017

In witness whereof the Arizona Board of Appraisal caused to be signed by the Chair of the Board and the Executive Director

[Signature]
Chair, Board of Appraisal 4-7-2015
Date Issued

[Signature]
Executive Director of the Board of Appraisal 4-7-2015
Date Issued

SHALL REMAIN PROPERTY OF ARIZONA BOARD OF APPRAISAL.