

Waldrep Real Estate Services

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APPRAISAL REPORT

Prepared for Joshua Kesselman

Parcel Adjacent to 5664 N. Homestead Lane
Paradise Valley, AZ 85253

As of October 2, 2019

APPRAISAL REPORT

Introduction

Identification of Subject Property

The subject property consists of a right of way that is the west ten feet parcel and is currently part of the right of way for Homestead Lane in the Town of Paradise Valley. It is located adjacent to the property at 5664 North Homestead Lane, Paradise Valley AZ. The subject property (the ten foot parcel) is approximately 1486 feet north of Stanford Drive on the west side of Homestead Lane. The adjacent property (5664 N. Homestead Lane) has the tax parcel of 170-03-026C. It is proposed to merge the subject property and the property located at 5664 North Homestead Lane. The legal description of the subject property will be provided in the report.

Scope of the Appraisal

The scope of the appraisal included:

1. An inspection of the subject property.
2. Verification of the current zoning and current permitted uses from the Town of Paradise Valley. See the report for further discussion regarding permitting.
3. Conversations with market participants, including real estate brokers and others regarding the market activity in the area.
4. Examination and analysis of the market in the subject property's area using the data developed by the appraiser as well as other secondary sources of information.
5. Primary data collection, including listings, pending sales and sales of similar vacant properties relevant to the subject property.
6. Application of the relevant approaches to value based on the Highest and Best Use of the subject property and availability of pertinent market data.
7. This appraisal report has an effective date of October 02, 2019. The Date of the inspection was October 02, 2019.

Intended Users

Mr. Joshua Kesselman, his legal counsel, other parties involved with the acquisition of the right of way as well as representatives from the Town of Paradise Valley

Purpose and Intended Use of the Appraisal

The purpose of this appraisal is to estimate the current "AS IS" Market Value in the Fee Simple Interest of the subject property with the effective date of October 02, 2019. The intended use is to provide the client a basis for the negotiation and acquisition of the right of way from the Town of Paradise Valley as described in the report.

Property Rights Appraised – Fee Simple Estate

The appraisal includes all rights inherent in and accruing to the owner by virtue of a Fee Simple Estate. The valuation figure rendered herein is based the assumption that the property is held in fee simple estate.

Fee Simple Estate is defined as:

Absolute ownership unencumbered by any other interest or estate subject to only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

The Dictionary of Real Estate, Appraisal Institute, Fourth Edition, 2002.

Purpose of the Appraisal

The purpose of this appraisal is to estimate the current "Market Value" of the subject property in Fee Simple Estate as of the date of valuation. The appraisal includes all rights inherent in accruing to the owner by virtue of a Fee Simple Estate. The valuation figure rendered herein is based upon the assumption that the property is held in fee simple estate. Market Value is defined as "the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the Buyer & 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:

- A. Buyer and seller are typically motivated.
- B. Both parties are well informed or well advised and each acting in what he considers his own best interest.
- C. A reasonable time is allowed for exposure in the open market.
- D. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- E. 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.

This definition is taken from the glossary of the USPAP 2000 Edition of the Appraisal Foundation.

Subject Property Ownership History

A preliminary title report was not provided. The public records indicate the Town of Paradise Valley as the current owner. The staff of the Town of Paradise Valley has acknowledged the ownership of the right of way. No recent sales or transfers in the last three years were noted for the subject property.

Current listing and pending sale

Subject property is not currently listed for sale.

Definition of Exposure Time

Exposure is defined as the estimated 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.

In this appraisal report, No exposure time is estimated as the acquisition is a specific transfer of ownership and not as a marketable property.

Marketing Time

Reasonable Marketing Time is defined as:

The estimated amount of time it might take to sell a property interest in real estate at the estimated market level during the period immediately after the effective date of appraisal.

No marketing time for this property as this a specific transfer of ownership and not a marketable property.

Effective Date of Valuation and Date of Report

Date of Valuation: October 02, 2019

Date of Inspection: October 02, 2019

Date of Report: October 02, 2019

Definition of Market Value “ AS IS”

Market Value “AS IS” on the appraisal date means an estimate of the market value of a property in the condition observed upon inspection as it physically and legally exists.

The appraiser has applied a hypothetical condition as of the date of the appraisal. Further discussion is provided in the report under the valuation process section.

The valuation process and Highest and Best Use will be further defined in the report.

Environmental Hazards

Based upon the physical inspection by the appraiser, no evidence of hazardous material or substances was noted. The appraiser assumes no past use of the property would create an environmental adverse condition. The appraiser assumes the property would be marketable “as is” and would meet lender guidelines in terms of environmental studies completed. The client did not supply a Phase 1 environmental study.

Zoning

The subject property is zoned R-43 Single Family Residential by the Town of Paradise Valley. The residential zoning would permit one residence per 43,000 gross square feet lot area.

Legal Description

Subject property is located in northwest quarter Section 13 Township 2 North Range 3 East of the Gila and Salt River Base Meridian, according to Book 302 of Maps, page 13, records of Maricopa County, Arizona. The specific legal description has not been recorded. The subject property and the consolidation of the two properties would show the larger property and the right of way abandonment:

The legal description of subject property is displayed in the exhibit labeled Legal Description. The Legal Description of the combined parcels are displayed on the Site Maps shown in the report.

The adjacent larger property (5664 N. Homestead Lane) is also identified as Maricopa County Tax Parcel 170-03-026C. This may change upon approval of the abandonment.

Area and Neighborhood Description

As the client is familiar with the Town of Paradise Valley, the description is limited. Subject is located in “close in” northeast metro Phoenix in the Town of Paradise Valley. The neighborhood is developed with large luxury style residential properties which are typically 1 acre or more per the residential site. Area has some elevated areas with excellent views of Camelback and Mummy Mountains. There are five high quality resorts in the subject’s area. Area also has good access to downtown and the Camelback central corridor. The area has a milieu of affluence and prestige.

Description of Subject Property

Subject is vacant level parcel of land on the west side on North Homestead Lane and is a portion of the current right of way for North Homestead Road. It is assumed that any required releases by utilities has been addressed by the project engineer and does not impede the acquisition of the subject parcel.

The subject parcel is ten feet in width and has two lengths of 134.91feet and 131.21feet along the east boundary of the property located at 5664 N Homestead Lane. Per the survey, the total area is 1,331 square feet or .031 acre net; more or less.

The property has public utilities with water and sewer provided by the Town of Paradise valley. The sewer line is located in the street near the subject. It is assumed it will be connected with the new construction. Local companies provide other services, such as electric, telephone and internet services.

Highest & Best Use

Highest and Best Use is defined as "That reasonable and probable use that will support the highest present value, as defined, as of the effective date of the appraisal.

Alternatively, that use, from among reasonable comparable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible and which results in the highest land value.

The definition immediately above applies specifically to the highest and best use of land. It is to be recognized in cases where a site has existing improvements on it, the highest and best use may very well be determined to be different from the existing use. The existing use will continue however, unless and until land value in this highest and best use exceeds the total value of the property in its existing use.

Implied within these definitions is recognition of the contribution of that specific use to community environment or to community development goals in addition to wealth maximization of individual property owners. Also implied is the determination of highest and best use results from the appraiser's judgment and analytical skill, i.e., the use determined from analysis represents an opinion, not a fact to be found. In appraisal practice, the concept of highest and best use represents the premise upon which value is based. In the context of most probable selling price (market value) another appropriate term to reflect highest and best use would be the most probable use. In the context of investment value an alternative term would be most profitable use." (Byrl N. Boyce, Real Estate Appraisal Terminology)

The subject property is one parcel with approximately 1,331 square feet with R-43, residential zoning by the Town of Paradise Valley. The acquisition of the subject allows for added uses by the current owner for the adjacent parcel of 5664 N. Homestead Lane.

This would be the current Highest and Best Use of subject.

Valuation Process

As requested, an appraisal report is provided and the Direct Sales Comparison (or Market Approach) was utilized in this report. The valuation is consistent with the market in that most buyers are using the sales of similar properties to determine the market value of the property. The most recent sales were given the most weight, although current listings and pending sales and past sales in the area were noted in the overall market search for comparable market data. The valuation considers the analysis in terms of Overall Sales Price and Sales Price per Square Foot of lots.

Subject's valuation is required in order to assemble the subject property with the adjacent property (5664 N. Homestead Lane). The subject property is the right of way abandonment adjacent to 5664 N. Homestead Lane. The subject's size is a very small parcel and research and analysis would be very limited if considering the subject property alone. The report addresses the valuation considering the assemblage of the subject property and the adjacent parcel (5664 N. Homestead Lane). The overall size of the combined parcels is 87,487 square feet. The subject has 1,331 square feet and the adjacent parcel has 86,156 square feet per recent surveys.

The HYPOTHETICAL CONDITION is defined as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment, but is used for the purpose of analysis. In this case, the two parcels are not yet combined but are considered a single property for purposes of this report.

The subject, a right of way abandonment, is adjacent to the large property and is assumed to be part of the overall property after the approval by the Town of Paradise Valley. The new combined property at 5664 North Homestead Lane will consist of 2.008 acres.

The appraiser did review the market data for comparable lot sales. The sales had existing residences at the time of sale but were sold for land only. This was confirmed with MLS, brokers or buyers of the property. There is good demand for large residential lots with most properties being improved with new residences.

The comparable sales typically have older residences on them which are being razed and developed with new residences. No value was assigned to these older residences.

Direct Sales Comparison

The Direct Sales Comparison technique, that is commonly referred to as the Market Approach, is the analysis of similar sales, listings and pending sales as compared to the subject property and is used in estimating the current value of the subject.

The subject's market area is defined as The Town of Paradise Valley. The most emphasis was given to the area between 32nd Street on the west, Invergordon Road on the east, McDonald Drive on the south, and Indian Bend Road on the north. The appraiser researched the public records, MLS, and past files to collect market data. This data, as well as market data collected during discussions with active real estate parties, was analyzed and the most pertinent data was selected for the valuation. Additional sales and listings were collected and considered in the preliminary analysis. From this research and analysis, five properties were selected as the best comparables. The market research indicated a large range for this type of property. These properties are described in the summary format below and each property is described and analyzed after the summary. A reconciliation of the comparable sales is provided following the description of each sale. The specific details for each transaction have been retained by the appraiser and will be provided upon request.

See summary chart below:

COMPARABLE LAND SALES

LOCATION	DATE OF SALE	SALES PRICE	LOT SIZE	SALES PRICE PER SQ FT
6145 E. Cactus Wren Rd Paradise Valley, AZ	April-18	\$1,830,000	86,913 sq ft	\$21.05
6051 E. Cactus Wren Rd Paradise Valley, AZ	November-18	\$2,445,000	87,305 sq ft	\$28.00
5824 N. 38th Place Paradise Valley, AZ	January-19	\$935,000	44,687 sq ft	\$20.92
4939 E. Mockingbird Lane Paradise Valley, AZ	June-19	\$1,300,000	90,169 sq ft	\$14.41
3656 E. Stanford Drive Paradise Valley, AZ	June-19	\$1,175,000	75,672 sq ft	\$15.52
<u>Subject</u> Parcel adjacent to 5664 E. Homestead Lane	October-19	N/A	1,331 sq ft	N/A
5664 E. Homestead Lane Paradise Valley, AZ	October-19	N/A	86,156 sq ft	N/A

Comparable Sale Analysis

The adjustment process of the comparable sales data is provided to indicate the analysis of the comparable sales in relation to the subject property. The comparable sales were reviewed for date of sale, general location, specific location, lot size, and view. The focus was on the major differences and is not intended to be all inclusive of any difference that may exist.

Each of the older sales was adjusted upward for the increase in sale price over the past year and limited supply of larger land sales. Each property was sold as if it was a vacant lot. Each property is located in central Paradise Valley except for Comparable #4 that is located in the north portion of Paradise Valley. Each property's lot has a mostly rectangular shape. Below is a description of the adjustments made for each comparable sale.

The comparable sales and the subject were considered on a sales price per square foot for the lot size. This is the unit of measure or value the market uses in discussing pricing. The final value is the sales price per square foot times the overall lot size.

Sale # 1

This property is located at 6145 E. Cactus Wren Road, Tax Parcel 169-37-027-C, approximately 3 1/2 miles northeast of the subject property. This property sold for \$1,830,000 or \$21.05 per square foot in April 2018. This property was an older residence with pool and guest house. The improvements were leveled. This property has an elevated site, excellent mountain views and has a corner location. This property was adjusted upward 10% for the date of sale. This sale has a corner location with superior access. This property has a superior view. Overall the sale was adjusted downward 25% after the date of sale because of the superior view and location. These adjustments indicate the value for the subject to be \$18.52 per square foot of lot.

Sale # 2

This property is located at 6051 East Cactus Wren Road, Tax Parcel 169-37-004, approximately 3 1/3 miles from the subject and very close to comparable Sale #1. This sale is located near Comparable Sale #1 with the same shape and size. This property sold for \$2,445,000 or \$ 28.00 per square foot. The listing identifies an older mid-century residence on the lot. This property has an elevated site, excellent mountain views and has a corner location. This property is adjusted upward 10 % for the increase in sale price over the past year. This property has superior views, superior access and corner location. This sale is adjusted downward 25% after the date of sale adjustment because of the superior view and location. The adjustments indicate the value for subject of \$24.64 per square foot. This is in the upper value level. The buyer indicated this property was purchased with the intent for a lot split. This request was denied by the Town of Paradise Valley.

Sale # 3

This property is located at 5842 N 38th Place, Tax Parcel 170-01-024. This property sold in January 2019 for \$935,000 or \$20.92 per square foot. This sale is located approximately ½ mile east of the subject. This sale has a corner location and had an older residence that was razed for new construction. The lot for this sale is smaller in size and has a superior view. This sale is adjusted downward 25% after date of sale adjustment.

Overall, this sale is adjusted downward for 25% for the lot size difference and view. This indicates the value for the subject is \$17.57 per square foot of lot area.

Sale #4

This comparable sale is located at 4939 E Mockingbird Lane, Tax Parcel 168-73-003G. This property is located 4 miles north of the subject and sold for \$1,300,000 on June 2019 or \$14.41 per square foot. This is a recent sale and no date of sale adjustment needed. This property has an older ranch residence with limited upgrades and amenities. This property has a slightly inferior general location with lesser quality residences surrounding the parcel as well as distance to the downtown area. The specific location is inferior due to the traffic on E. Mockingbird Lane and proximity to a traffic light. This property was adjusted upward for the location differences. These factors result in the comparable adjusted upward 20% per square foot. This indicates a value of \$ 18.01 per square foot for the lot.

Sale #5

This comparable sale is a recent comparable sale closing in June 2019. The addresses are 3654 E. Stanford Drive, Tax Parcel 170-07-007 and 5500 N. Camino del Contento, Tax Parcel 170-07-013. This property is located ¼ mile east of the subject. This property has an older residence but sold for the land value. This sale consists of two tax parcels and a corner location with two street addresses. This property sold for \$1,175,000 or \$15.52 per square foot of lot area. Overall, this property is very similar with a 5% downward adjustment for the view and corner. Overall, the sale was adjusted downward 5% indicating a value of \$ 14.78 per square foot of lot.

The appraiser has inspected each property and retained the sales data collected for each sale as well as a map of each parcel. The information and details are available upon request.

Summary of Direct Sales Analysis

The comparables sales had a range of sale prices per square foot of \$14.41 - \$28.00. The adjusted range in value of the comparables is \$14.78 - \$ 24.64. The most similar comparable sale is Comparable # 5 which has an adjusted value of \$14.78 per square foot. This sale was by a long term owner and may be at the lower end of the market. Subject has an estimated range in value per square foot of \$15.00 - \$18.00. The subject property has 1,331 square feet. This indicates a total estimated value of \$ \$19,965 – \$23,958.

Summary and Reconciliation

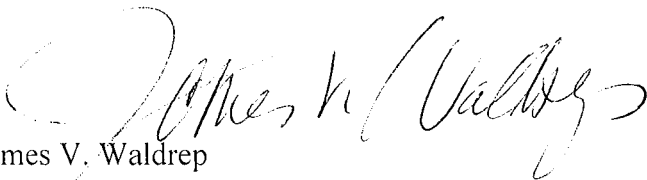
The subject property has been analyzed using the Direct Sales Comparison. The subject property was valued in terms of sales price per square foot of lot area. The residential lots were considered for date of sale, size, view, corner location and lot sizes.

The valuation considers the current market data, the potential for the subject property and the current supply and demand. The current market factors indicated the upper range of adjusted value per square foot for the subject supported by other sales.

Based on the current market data and current market conditions, the subject property with an area of 1,331 square feet has an estimated market value on a Fee Simple Estate basis as of the valuation date, October 02, 2019 of:

TWENTY TWO THOUSAND DOLLARS
\$ 22,000

Respectfully,



James V. Waldrep
Certified General Appraiser
Arizona Certificate #30267

Date: 10/07/19

Borrower

Property Address 5664 N. Homestead Lane

City Paradise Valley

County

State AZ

Zip Code

85253

Lender/Client

Address

EXHIBIT 'B'
LEGAL DESCRIPTION
RIGHT OF WAY IS ABANDONMENT

BEING THE WEST 10 FEET OF HOMESTEAD LANE ADJACENT TO
SUBJECT PROPERTY AS SHOWN IN EXHIBIT 'C' HEREIN.

MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERLY PROPERTY CORNER;

THENCE NORTH 00°00'00" WEST, A DISTANCE OF 134.91 FEET;

THENCE SOUTH 70°00'00" EAST, A DISTANCE OF 10.64 FEET;

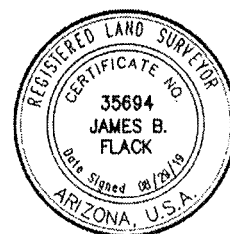
THENCE SOUTH 00°00'00" EAST, A DISTANCE OF 131.21 FEET;

THENCE SOUTH 89°39'00" WEST, A DISTANCE OF 10.00 FEET; TO
THE TRUE **POINT OF BEGINNING**.

CONTAINING 1,331 S.F (0.031 AC.) NET; MORE OR LESS.



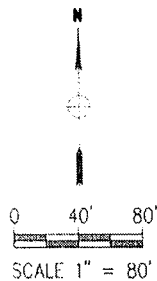
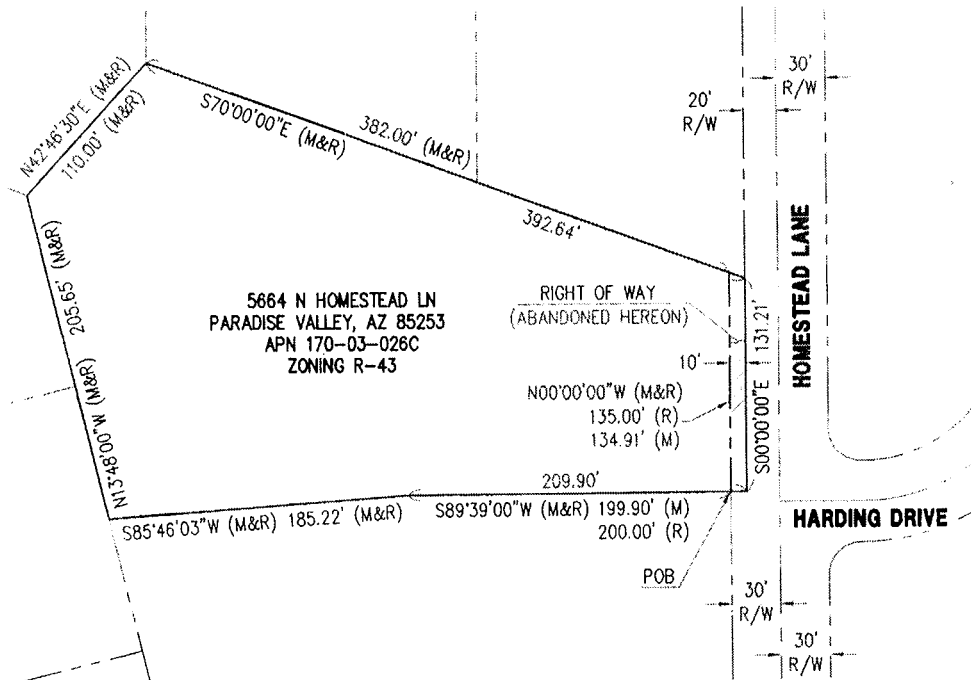
P 602 889 1984 | F 602 889 0501
8808 N CENTRAL AVE., SUITE 288
PHOENIX, AZ 85020
PHOENIX@LDGENG.COM



PAGE 2 OF 3

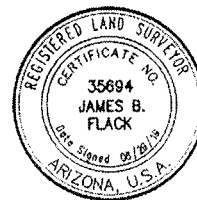
Borrower				
Property Address	5664 N. Homestead Lane			
City	Paradise Valley	County	State	AZ
			Zip Code	85253
Lender/Client	Address			

EXHIBIT 'C'
RIGHT OF WAY ABANDONMENT



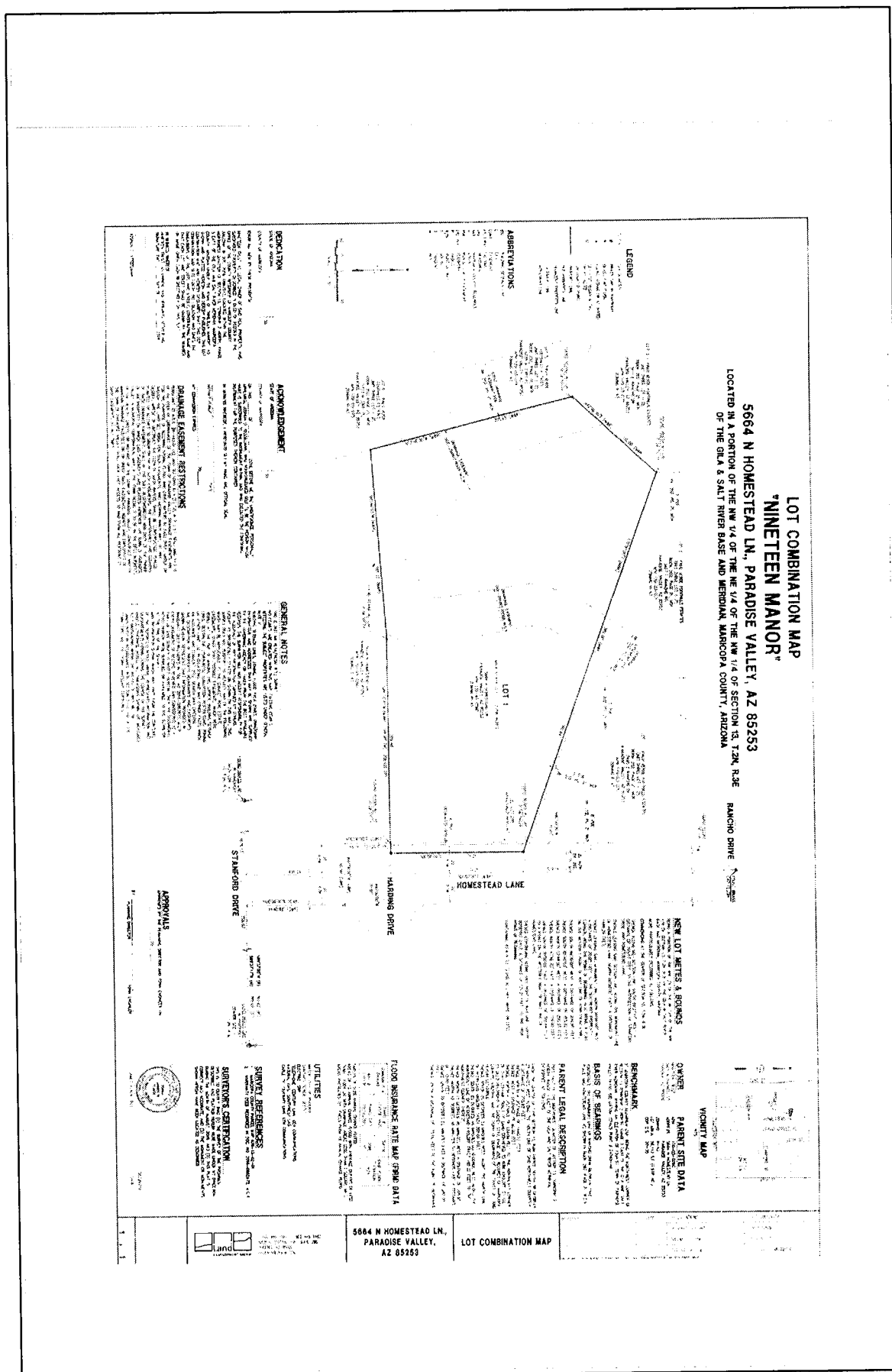
ALL EASEMENT VALUES ARE CALCULATED,
ALL OTHER VALUES ARE BASED ON RECORD
INFORMATION.

P 602 889 1984 | F 602 889 0501
8808 N CENTRAL AVE., SUITE 288
PHOENIX, AZ 85020
PHOENIX@LDGENG.COM



PAGE 3 OF 3

Borrower					
Property Address	5664 N. Homestead Lane				
City	Paradise Valley	County		State	AZ
				Zip Code	85253
Lender/Client	Address				



Waldrep Real Estate Services, PC
SUBJECT PHOTO ADDENDUM

File No.
Case No.

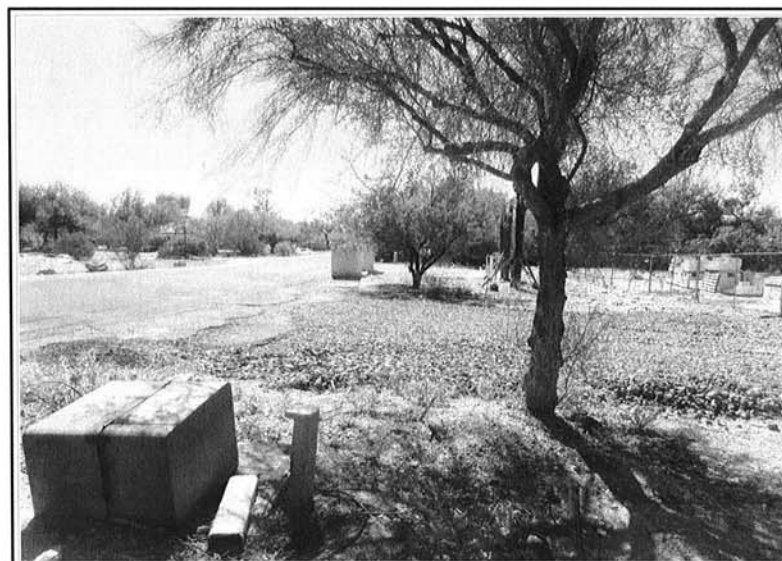
Borrower					
Property Address		5664 N. Homestead Lane			
City	Paradise Valley	County	State	AZ	Zip Code 85253
Lender/Client	Address				



Street View of Homestead Lane
Subject on the left, looking North



Subject Parcel looking North

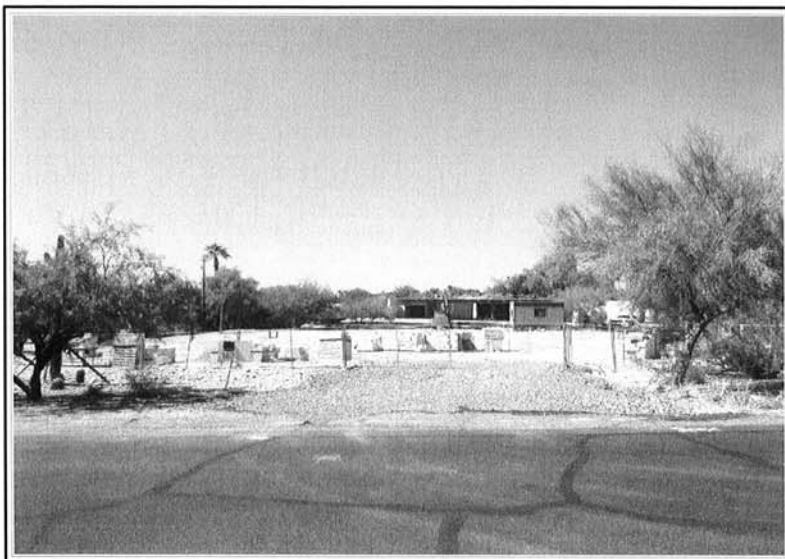


Subject parcel looking South

Waldrep Real Estate Services, PC
SUBJECT PHOTO ADDENDUM

File No.
Case No.

Borrower					
Property Address 5664 N. Homestead Lane					
City Paradise Valley		County	State	AZ	Zip Code 85253
Lender/Client			Address		



View of 5664 N. Homestead Lane



Additional view of subject
Looking South



Looking East from 5664 N. Homestead

Borrower

Property Address 5664 N. Homestead Lane

City Paradise Valley

County

State

AZ

Zip Code

85253

Lender/Client

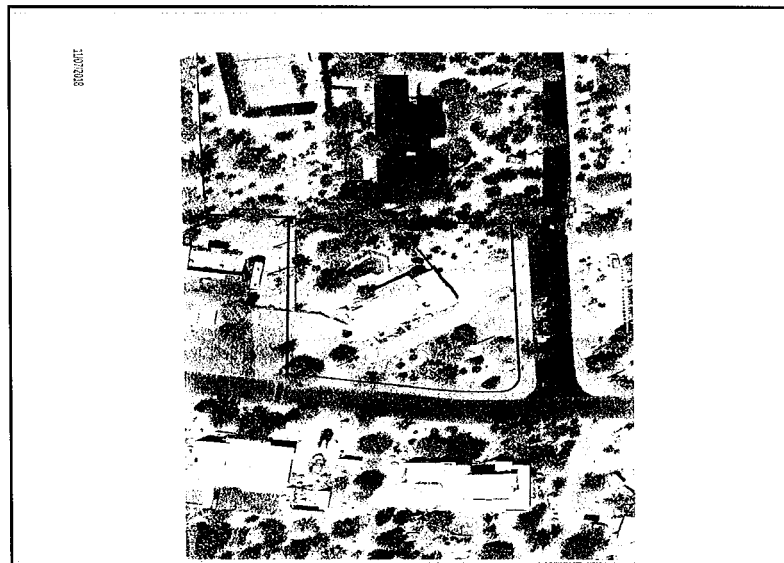
Address



COMPARABLE SALE # 1
6145 E. Cactus Wren Rd
Paradise Valley, AZ 85253



COMPARABLE SALE # 2
6051 E. Cactus Wren Rd
Paradise Valley, AZ 85253

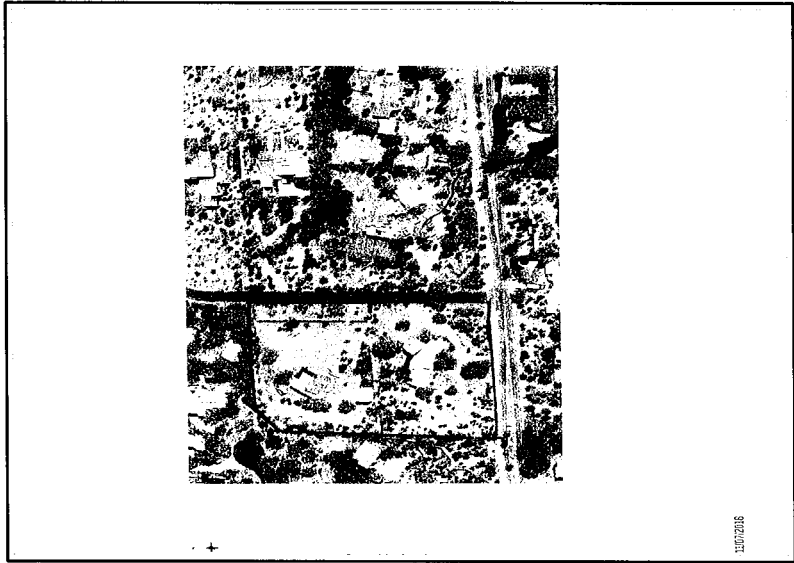


COMPARABLE SALE # 3
5824 N. 38th Place
Paradise Valley, AZ 85253

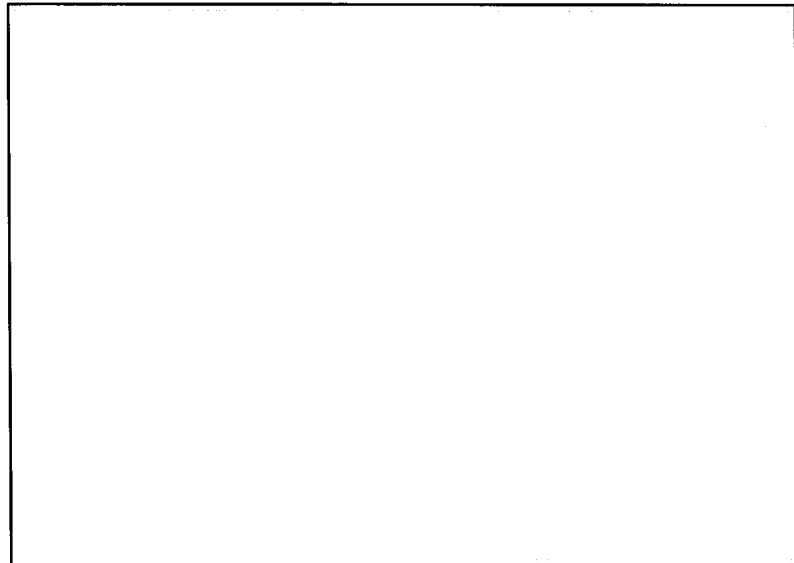
Borrower						
Property Address 5664 N. Homestead Lane						
City	Paradise Valley	County		State	AZ	Zip Code 85253
Lender/Client			Address			



COMPARABLE SALE # 4
4939 E. Mockingbird Lane
Paradise Valley, AZ 85253



COMPARABLE SALE # 5
3656 E. Stanford Drive
Paradise Valley, AZ 85253



COMPARABLE SALE # 6

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 considers his 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; 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 LIMITING CONDITIONS

CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following 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. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report 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 the appraisal report whether 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.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazard wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. 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, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. 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 completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgage or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

APPRAISER INDEPENDENCE CERTIFICATION

File No.

Case No.

I do hereby certify, I have followed the appraiser independence safeguards in compliance with Appraisal Independence and any applicable state laws I may be required to comply with. This includes but is not limited to the following:

- . I am currently licensed and/or certified by the state in which the property to be appraised is located. My license is the appropriate license for the appraisal assignment(s) and is reflected on the appraisal report
- . I certify that there have been no sanctions against me for any reason that would impair my ability to perform appraisal pursuant to the required guidelines.

In addition, the undersigned appraiser agrees that no one has influenced or attempted to influence the development, reporting, result, or review of this appraisal through coercion, extortion, collusion, compensation, inducement, intimidation, bribery or in any other manner including but not limited to:

1. withholding or threatening to withhold timely payment or partial payment for this appraisal report;
2. withholding or threatening to withhold future business;
3. expressly or implied promising future business, promotions, or increased compensation;
4. conditioning the ordering of the appraisal report or the payment of the appraisal fee on the opinion, conclusion, or valuation to be reached, or on a preliminary value estimate requesting;
5. requesting that the appraiser provide an estimated, predetermined, or desired valuation in this appraisal report prior to the completion of the appraisal report, or requesting that the appraiser provide estimated values or comparable sales at any time prior to the completion of this appraisal report;
6. providing to the appraiser an anticipated, estimated, encouraged, or desired value for the subject property or a proposed or target amount to be loaned to the borrower, except that a copy of the sales contract for purchase transactions may be provided;
7. providing the appraiser, or any entity or person related to the appraiser, any other financial or non-financial benefits;
8. Any other act or practice that impairs or attempts to impair my independence, objectively, or impartiality or violates law or regulation, including, but not limited to, the Truth in Lending Act (TILA) and Regulation Z, or the USPAP.

APPRAISER**SUPERVISOR**

Signature

Appraiser Name James V. WaldrepCompany Name Waldrep Real Estate Services, PCCompany Address 5713 N. 21st PlacePhoenix, AZ 85016Date of Signature 07/07/19State Certification # 30267

or State License # _____

or Other (describe) _____

State AZExpiration Date of Certification or License 08/31/2020

Signature _____

Name _____

Company Name _____

Company Address _____

Date of Signature _____

State Certification # _____

or State License # _____

State _____

Expiration Date of Certification or License _____

Borrower

Property Address 5664 N. Homestead Lane

City Paradise Valley

County

State AZ

Zip Code

85253

Lender/Client

Address

Department of Financial Institutions

State of Arizona

CGA - 30267

This document is evidence that:

JAMES V. WALDREP

has complied with the provisions of

Arizona Revised Statutes, relating to the establishment and operation of a:

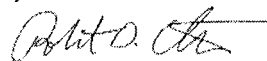
Certified General Real Estate Appraiser

and that the Superintendent of Financial Institutions of the State of Arizona has granted this license to transact the business of a:

Certified General Real Estate Appraiser**JAMES V. WALDREP**

This license is subject to the laws of Arizona and will remain in full force and effect until surrendered, revoked or suspended as provided by law.

Signed in the Superintendent's office at 100 North 15th Avenue, Suite 261, in the City of Phoenix, State of Arizona, this 29th day of August, 2018.



Robert D. Charlton
Superintendent

Expiration Date : **August 31, 2020**