

Exterior-Only Inspection Residential Appraisal Report File # 131169

SUBJECT

CONTRACT

NEIGHBORHOOD

SITE

IMPROVEMENTS

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address	20416 Lakeshore Dr	City	Flint	State	TX	Zip Code	75762		
Borrower	Denton, Rebecca A.	Owner of Public Record	Denton, Rebecca A.	County	Smith				
Legal Description	Lots 87 & 88, Pine Trail Shores, Unit 4								
Assessor's Parcel #	1809500001400087000	Tax Year	2012	R.E. Taxes \$	2,092				
Neighborhood Name	Pine Trail Shores	Map Reference	SCAD 12550	Census Tract	0019.07				
Occupant	<input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant	Special Assessments \$	0	<input checked="" type="checkbox"/> PUD	HOA \$	100	<input checked="" type="checkbox"/> per year <input type="checkbox"/> per month		
Property Rights Appraised	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)								
Assignment Type	<input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input checked="" type="checkbox"/> Other (describe) Market value opinion- Additional collateral								
Lender/Client	Citizens 1st Bank	Address	P.O. Box 7640, Tyler, TX 75711						
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No									
Report data source(s) used, offering price(s), and date(s). DOM 6;Greater Tyler Association of Realtors MLS#10033001, Input date 05/16/2013. The subject is listed for \$129,900.									
I <input type="checkbox"/> did <input type="checkbox"/> did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.									
Contract Price \$ Date of Contract Is the property seller the owner of public record? <input type="checkbox"/> Yes <input type="checkbox"/> No Data Source(s)									
Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? <input type="checkbox"/> Yes <input type="checkbox"/> No									
If Yes, report the total dollar amount and describe the items to be paid.									
Note: Race and the racial composition of the neighborhood are not appraisal factors.									
Neighborhood Characteristics		One-Unit Housing Trends			One-Unit Housing		Present Land Use %		
Location	<input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit	80 %		
Built-Up	<input type="checkbox"/> Over 75% <input checked="" 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	%		
Growth	<input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time	<input type="checkbox"/> Under 3 mths <input type="checkbox"/> 3-6 mths <input checked="" type="checkbox"/> Over 6 mths	30	Low	5	Multi-Family %		
Neighborhood Boundaries		The subject property is bound to the north by Big Eddy Rd to the south by Hwy 155 to the east by Hwy.155 and to the west by Lake Palestine			300	High	40	Commercial %	
					75	Pred.	15	Other 20 %	
Neighborhood Description While having a Flint address, the subject is located in the Tyler ISD. The subject is located in a suburban resort addition in the southern portion of Smith county and in close proximity to Lake Palestine. There are site built and manufactured single family homes. The higher priced homes are located on waterfront lots. 20% other land use is vacant lots and common areas.									
Market Conditions (including support for the above conclusions) See the attached 1004MC form and text addenda. The subject has a higher than predominant value, but is not considered to be overbuilt for the neighborhood. The value is consistent with, or even on the lower end of the waterfront homes. There is a wide range of values in the neighborhood. The value is not considered to be a negative marketing factor.									
Dimensions	Irregular, See attached plat		Area	19,602 sf	Shape	Irregular		View	B;Wtr;cove
Specific Zoning Classification	None		Zoning Description	None/Subdivision Restrictions					
Zoning Compliance	<input type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input checked="" type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)								
Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe .									
Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements - Type		Public	Private	
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water	<input type="checkbox"/>	<input checked="" type="checkbox"/> Community	Street Asphalt	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Gas	<input type="checkbox"/>	<input type="checkbox"/> none	Sanitary Sewer	<input type="checkbox"/>	<input checked="" type="checkbox"/> on-site septic	Alley None	<input type="checkbox"/>	<input type="checkbox"/>	
FEMA Special Flood Hazard Area	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	FEMA Flood Zone	X	FEMA Map #	48423C0475C		FEMA Map Date	09/26/2008	
Are the utilities and off-site improvements typical for the market area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe									
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe									
There is an additional approximately 0.30 ac area towards the lake front that is controlled by the Upper Neches River authority (Lake Palestine), but used by and defined for the subject site. This is common along all waterfront properties on Lake Palestine. The subject is technically "waterfront" however it is on the end of a narrow cove with very limited water depth. SEE addenda for flood zone info.									
Source(s) Used for Physical Characteristics of Property <input type="checkbox"/> Appraisal Files <input checked="" type="checkbox"/> MLS <input checked="" type="checkbox"/> Assessment and Tax Records <input type="checkbox"/> Prior Inspection <input type="checkbox"/> Property Owner <input checked="" type="checkbox"/> Other (describe) Realtor/ interior mls photos									
Data Source for Gross Living Area				SCAD Tax records & MLS					
General Description		General Description		Heating/Cooling		Amenities		Car Storage	
Units	<input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab <input checked="" type="checkbox"/> Crawl Space	<input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB	<input type="checkbox"/> Fireplace(s) #	0	<input type="checkbox"/> None			
# of Stories	1	<input type="checkbox"/> Full Basement <input type="checkbox"/> Finished	<input type="checkbox"/> Radiant	<input type="checkbox"/> Woodstove(s) #	0	<input checked="" type="checkbox"/> Driveway	# of Cars	3	
Type	<input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	<input type="checkbox"/> Partial Basement <input type="checkbox"/> Finished	<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Patio/Deck	deck	Driveway Surface	asphalt		
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Exterior Walls	Siding	Fuel	electric	<input checked="" type="checkbox"/> Porch deck	<input type="checkbox"/> Garage	# of Cars	0	
Design (Style)	Rambler	Roof Surface	Composition	<input checked="" type="checkbox"/> Central Air Conditioning	<input type="checkbox"/> Pool	none	<input checked="" type="checkbox"/> Carport	# of Cars	
Year Built	1989	Gutters & Downspouts	Adq.overhang	<input type="checkbox"/> Individual	<input type="checkbox"/> Fence	none	<input type="checkbox"/> Attached	<input checked="" type="checkbox"/> Detached	
Effective Age (Yrs)	15	Window Type	Alum/avg	<input type="checkbox"/> Other	<input type="checkbox"/> Other	none	<input type="checkbox"/> Built-in		
Appliances	<input type="checkbox"/> Refrigerator <input checked="" type="checkbox"/> Range/Oven <input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Disposal <input type="checkbox"/> Microwave <input type="checkbox"/> Washer/Dryer <input checked="" type="checkbox"/> Other (describe)	assumed standard/typical							
Finished area above grade contains:	6 Rooms	3 Bedrooms	1.1 Bath(s)	1,776	Square Feet of Gross Living Area Above Grade				
Additional features (special energy efficient items, etc.) Two decks									
Describe the condition of the property and data source(s) (including apparent needed repairs, deterioration, renovations, remodeling, etc.). C3;The inspection of the subject property was limited to visual inspection from the street. The subject MLS listing has an expanded description of recent updating and numerous interior photos indicating a good level of cosmetic updating to the kitchen and baths and other paint and flooring. The HVAC system is reported to be updated within 2 years and the roof within 6 years. For purposes of this appraisal, it is assumed that the subject property is in similar condition as indicated in MLS listing. Some MLS interior photos will be included for reference.									
Are there any apparent physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No									
If Yes, describe.									
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe.									

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SALES COMPARISON APPROACH

There are 6 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 99,900 to \$ 200,000 .

There are 6 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 99,900 to \$ 200,000 .

FEATURE	SUBJECT	COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3		
Address	20416 Lakeshore Dr Flint, TX 75762	17414 Lakeview Dr Flint, TX 75762			22867 Lakeside Dr Flint, TX 75762			22550 Shady Trl Flint, TX 75762		
Proximity to Subject		0.09 miles NW			2.52 miles S			2.29 miles S		
Sale Price	\$		\$	165,000		\$	185,000		\$	185,000
Sale Price/Gross Liv. Area	\$	sq.ft.	\$	81.36 sq.ft.		\$	94.29 sq.ft.		\$	92.50 sq.ft.
Data Source(s)		GTAR #10012025;DOM 383			GTAR #10024025;DOM 28			GTAR #10019735;DOM 56		
Verification Source(s)		Coldwell Banker United			Appraisal files/sketch for GLA			Cornerstone Brokerage		
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+	(-) \$ Adjustment	DESCRIPTION	+	(-) \$ Adjustment	DESCRIPTION	+	(-) \$ Adjustment
Sales or Financing Concessions		ArmLth Cash;0			ArmLth Conv;0			ArmLth Conv;0		
Date of Sale/Time		s07/12;c06/12			s09/12;c08/12			s06/12;c04/12		
Location	B;WtrFr;	B;WtrFr;			B;WtrFr;			B;WtrFr;		
Leasehold/Fee Simple	Fee Simple	Fee Simple			Fee Simple			Fee Simple		
Site	19,602 sf	15,246 sf		0	7200 sf		0	31,363 sf		0
View	B;Wtr;cove	B;Wtr;cove			B;Wtr;open		-20,000	B;Wtr;open		-20,000
Design (Style)	Rambler	Rambler			Rambler			Rambler		
Quality of Construction	Q4	Q4			Q3		-9,810	Q4		
Actual Age	24	29		0	34		0	21		0
Condition	C3	C3			C3			C3		
Above Grade Room Count	Total Bdrms. Baths	Total Bdrms. Baths			Total Bdrms. Baths			Total Bdrms. Baths		
	6 3 1.1	6 3 2.0		-1,500	6 3 2.0		-1,500	6 3 2.0		-1,500
Gross Living Area	1,776 sq.ft.	2,028 sq.ft.		-10,080	1,962 sq.ft.		-7,440	2,000 sq.ft.		-8,960
Basement & Finished Rooms Below Grade	0sf	0sf			0sf			0sf		
Functional Utility	Average	Average			Average			Average		
Heating/Cooling	Central	Central			Central			Central		
Energy Efficient Items	None	None			None			None		
Garage/Carport	Carport 2	Garage 1		0	None		+3,000	Carport 2		
Porch/Patio/Deck	Porch, deck	Porch, deck			Porch, Patio		0	Porch, deck		
Fireplace/etc.	No Fireplace	No Fireplace			No Fireplace			Fireplace		-1,500
Fence,sprinkler	None	Fence		-1,500	None			Fence,sprink.		-3,000
Other	None	Boathse -2		-6,000	Boathouse 1		-3,000	Boat slip		-1,500
Net Adjustment (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$	-19,080	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$	-38,750	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$	-36,460
Adjusted Sale Price of Comparables		Net Adj. 11.6 % Gross Adj. 11.6 %	\$	145,920	Net Adj. 20.9 % Gross Adj. 24.2 %	\$	146,250	Net Adj. 19.7 % Gross Adj. 19.7 %	\$	148,540
I <input checked="" type="checkbox"/> did <input type="checkbox"/> did not research the sale or transfer history of the subject property and comparable sales. If not, explain										
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.										
Data Source(s) MLS/appraisal district and appraisers files										
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.										
Data Source(s) MLS/appraisal district and appraisers files										
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										
Price of Prior Sale/Transfer										
Data Source(s)	gtarMLS/SCAD/files			gtarMLS/SCAD/files		gtarMLS/SCAD/files		gtarMLS/SCAD/files		
Effective Date of Data Source(s)	05/22/2013			05/22/2013		05/22/2013		05/22/2013		
Analysis of prior sale or transfer history of the subject property and comparable sales After researching the sales history for the subject over the past 36 months, and the comparables for the year prior to the sale date, no other transactions were discovered.										
Summary of Sales Comparison Approach All of the comparables utilized in this report were considered in estimating the final value for the subject property. As required by Fannie Mae, Freddie Mac, HUD, VA and others, this appraisal report includes attachments, exhibits, maps, and other addenda necessary (and often critical) for the client and or intended user to recognize the scope of work and development of the value opinion. It is recommended that the client review the report in it's entirety prior to using the value opinion in a business, investment or underwriting decision. See additional comments and attached addenda.										
Indicated Value by Sales Comparison Approach \$ 146,000										

RECONCILIATION

Indicated Value by: Sales Comparison Approach \$ 146,000 Cost Approach (if developed) \$ 147,240 Income Approach (if developed) \$

The sales comparison and cost approaches to value were considered; however, the sales comparison approach is considered the best indicator of the market value for the subject property.

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 visual inspection of the exterior areas of the subject property from at least the street, 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 \$ 146,000 , as of 05/20/2013 , which is the date of inspection and the effective date of this appraisal.

Freddie Mac Form 2055 March 2005

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Fannie Mae Form 2055 March 2005

Form 2055UAD — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE

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ADDITIONAL COMMENTS

Sales comparison additional comments:

Market data is limited for similar size and age waterfront homes on Lake Palestine. All of the comparables provided are reasonably similar quality homes in similar PUD neighborhoods on the shores of Lake Palestine. All of the comps come from similar neighborhoods with a wide range of values and some manufactured housing. The subject is on a narrow cove with limited water depth and that is a significant value factor in waterfront properties. Site size is not typically a significant factor if the site supports the improvements and adequate room for services, as most of these waterfront sites have additional land that is dedicated for use by the site along the shores of the lake. Although the site sizes vary significantly they are considered to be reasonably similar in value from a site size standpoint. However comps 2,3 and 4 are located on waterfront sites on more open water with greater views and water depth. Comp 1 is on a similar narrow cove like the subject, although there is apparently enough depth for a boathouse (although depth appears currently too low for launch). The site for comp 1 is considered reasonably similar to the subject and the style is similar and although over 6 months from closing it is the best available comparable.

Although actual ages vary these provided sales all have some level of updating reasonably similar to that of the subject and effective ages are considered to be similar. The effective ages of the comparables were estimated by information obtained through conversations with realtors, Multiple Listing Service, and previous appraisals reports. This information is assumed to be accurate and deemed reliable.

Some of the sales are located further away than desired; however, they are all considered to exhibit similar market influence due to their location in similar neighborhoods on the shores of Lake Palestine and all are on waterfront lots.

The boathouse and other additional feature adjustments were somewhat subjective; however, they were considered to best reflect the contributory value of each improvement and reflect the typical buyers perception of the improvements. The gross and net adjustments are larger than desired; however, they were necessary to best reflect the contributory value of each improvement. The large gross and net adjustments were due to the necessary age, size, and site adjustments. Comps 2 and 3 have net adjustments exceeding 15%, mostly due to the greater than 10% view adjustment for open water site location.

The sales comparison approach is based upon the principle of substitution which typifies the buyers ability to review substitute properties for the subject property. One current listing was provided. This listing is considered to have similar marketability. DOM was provided for each sale and are in the range of marketing times stated in the subject neighborhood section of the report. The most recent and comparable sales were utilized; however, some comparable sales within 90 days were not available for comparison. While there are other sales with closing dates within the past 90 days, they were not comparable to the subject due to location, size, quality and/or amenities. Using sales that are dissimilar to the subject in order to meet any time or closing date requirements is considered to be unethical. The most comparable sales to the subject must be used in the market approach. While the comparables may not meet all lender requirements, they do meet Fannie Mae guidelines. After researching the local market, these sales were considered to be the best indicators of value for the subject property.

COST APPROACH

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) The estimated value for the site was derived from recent land sales in the subject or competing areas. This information was obtained from the local MLS system and appraisal files.

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE..... = \$ 40,000		
Source of cost data M&S wft/ lcl builders	DWELLING	1,776 Sq.Ft. @ \$ 70.00	= \$ 124,320
Quality rating from cost service Avg Effective date of cost data 05/2013	Sq.Ft. @ \$ = \$		
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	Porch, deck	= \$ 4,000	
Cost estimates obtained from Marshall Valuation Service and/ or local builders estimates. Site value derived from competing type land sales in similar areas. See sketch addendum for square footage calculations.	Garage/Carport	400 Sq.Ft. @ \$ 10.00	= \$ 4,000
	Total Estimate of Cost-New		= \$ 132,320
	Less Physical	Functional	External
Remaining economic life estimates based on competing properties in the market area. See addenda.	Depreciation	33,080	= \$(33,080)
	Depreciated Cost of Improvements		= \$ 99,240
	"As-is" Value of Site Improvements		= \$ 8,000
Estimated Remaining Economic Life (HUD and VA only) 45 Years	INDICATED VALUE BY COST APPROACH		= \$ 147,240

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) Not developed due to predominantly owner occupied properties in the subject neighborhood. See attached addenda.

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(s)

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

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

Describe common elements and recreational facilities. See neighborhood description

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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 visual inspection of the exterior areas of the subject property from at least the street, (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.

The appraiser must be able to obtain adequate information about the physical characteristics (including, but not limited to, condition, room count, gross living area, etc.) of the subject property from the exterior-only inspection and reliable public and/or private sources to perform this appraisal. The appraiser should use the same type of data sources that he or she uses for comparable sales such as, but not limited to, multiple listing services, tax and assessment records, prior inspections, appraisal files, information provided by the property owner, etc.

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 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.
3. 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.
4. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
5. 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 visual inspection of the exterior areas of the subject property from at least the street. 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.

Exterior-Only Inspection Residential Appraisal Report File # 131169

20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.
21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).
22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.
23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.
24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.
25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

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

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

APPRAISER

Signature 
Name Andrew Mark Ehrman
Company Name Appraisal Associates
Company Address P. O. Box 8970
Tyler, TX 75711
Telephone Number (903) 561-3200
Email Address andy@appraisal-associates.com
Date of Signature and Report 05/22/2013
Effective Date of Appraisal 05/20/2013
State Certification # 1337859
or State License # _____
or Other (describe) _____ State # _____
State TX
Expiration Date of Certification or License 04/30/2014

ADDRESS OF PROPERTY APPRAISED
20416 Lakeshore Dr
Flint, TX 75762
APPRAISED VALUE OF SUBJECT PROPERTY \$ 146,000
LENDER/CLIENT
Name No AMC
Company Name Citizens 1st Bank
Company Address P.O. Box 7640, Tyler, TX 75711
Email Address kcrawley@citizens1stbank.com

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 exterior of subject property
☐ Did inspect exterior of subject property from street
Date of Inspection _____

COMPARABLE SALES

- ☐ Did not inspect exterior of comparable sales from street
☐ Did inspect exterior of comparable sales from street
Date of Inspection _____

UNIFORM APPRAISAL DATASET (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.

Text Addendum

File No. 131169

Borrower/Client	Denton, Rebecca A.				
Property Address	20416 Lakeshore Dr				
City	Flint	County	Smith	State	TX
				Zip Code	75762
Lender	Citizens 1st Bank				

SCOPE OF APPRAISAL

In the appraisal of this property the appraiser completed the following steps and analysis: Inspection of the property and the immediate surrounding area. Gathered information from various public authorities regarding specifics of the property. Gathered comparable data for use in valuing the land, improved property, and income analysis. Estimated the reproduction cost new of improvements and the various forms of depreciation. Analyzed the data collected from the market in the various techniques and approaches to value. Utilized the cost, market and income approaches (unless otherwise stated) in determining separate value estimates. Reconciled the results of the individual approaches into a final value estimate. This report is a summary appraisal report prepared under standards Rule 2-2(B) of a complete appraisal defined under standards rule 1 of the USPAP as requested by the lender who is also the intended user. Supporting data is retained in the appraiser's file. This is a Summary Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation that is not provided with the report concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated in the report. The appraiser is not responsible for unauthorized use of this report.

NEIGHBORHOOD DESCRIPTION

The subject area is comprised with various age and size brick and frame homes as well as manufactured homes scattered throughout. There are a few new 2-4 family dwellings. Homes are situated on interior, water view, and water front lots with the most expensive homes being on the water front and water view lots. Most homes appear to be maintained, however there are some manufactured homes in the neighborhood that have deferred maintenance. Residences in the subject's immediate area appear to be maintained. The subject is located in the Tyler ISD and schools are located approximately 10-15 minutes away. Local support facilities are easily accessed due to the subjects close proximity to several major traffic arteries. Employment centers, major shopping and other supporting facilities are located in Tyler, approximately 20-25 minutes away. There has been growth the Lake Palestine area with the addition of a Brookshires grocery store and satellite medical facilities and several new residential developments. There has been some new construction in the subject neighborhood over the past few years. New construction demonstrates the vitality for the area. Due to the various age, size, and style homes in the area, the neighborhood reflects a wide range of values. There is an HOA with mandatory dues. The dues are accessed on a per lot basis each year. There is a community pool. Dues are not excessive for the amenities being offered.

Tyler/Smith County is centrally strategically located just 90 miles east of Dallas and 90 miles west of Shreveport. According to Texas A&M Real Estate Center, Tyler ranked third nationally on a list of the "best small places for businesses and careers" as recently as 2003. According to published reports, Tyler was recently named to one of the ten best cities in which to retire. In fact, the East Texas Council of Governments has qualified Tyler as the first Certified Retirement City in Texas. Tyler is the ranked 16th in the nation for cost of living in Retirement Places Rated. Tyler ranks high in the Forbes Magazine/Milken Institutes "Best Places to do business". The city and surrounding areas have seen upward growth over the past several years. The Tyler area has four major medical facilities including Trinity Mother Frances, UT Tyler Health Center, and East Texas Medical Center. Tyler has three major higher learning institutions including Tyler Junior College, University of Texas @ Tyler, and Texas College. The Tyler/Smith County area has over ten employers who employee over 1,000 people each. The city of Tyler is known for its Rose Festival and Azalea District Tour which attracts thousands of tourist each year. Also the 2005 HGTV Dream Home was constructed on Lake Tyler. Based upon an article published on 02/18/2011 in the Tyler Morning New, Smith County's population rose to 209,714, a 20 percent increase from 174,706 a decade ago.

MARKET CONDITIONS

See the 1004 MC addendum.
In an article published in the local paper on 05/17/2013, the following information was reported:
BY CASEY MURPHYcmurphy@tylerpaper.com

Tyler-area home sales skyrocketed last month by 14.23 percent, compared to the same time a year ago. There were 289 houses sold in April, compared to 253 units sold here the year before. Last month's sales were a 3.02 percent decrease from the month before. "The Tyler Real Estate market continues to improve," said Lorri Loggins, Realtor and broker/owner of Cornerstone Brokerage LLC and president of the Greater Tyler Association of Realtors. Land and rural properties outside of Tyler are moving slower, but properties in the city are selling at a faster pace, she said. Last month's median price of \$142,000 was a 10.078 percent jump from the \$129,000 seen here a year ago. April's prices were a 0.959 percent decline from the March, when the median price was \$143,375. Ms. Loggins said the area has a 10.8 month's supply of inventory on the market. That is up from March, when it stood at 10.4 months, and 10 months seen in February and January. Home inventory is how long, based on the past year's sales rate, it would take to clear out existing inventory, with no more homes introduced into the market. Ricky Casey, Tyler Area Builders Association member and president of Casey Homes, said the housing numbers mirror an improving trend for new home construction in the Tyler area. "The number of homes we have under construction right now is a huge increase from the last couple of years," he said. "How deep this pool of customers is and how long it will last? Time will tell."

In an article published on 01/06/2013 in the local paper, the following information was reported: Building permit activity decreased by 22.7 percent in value but increased by 3.45 percent for the number issued for the year, according to a trend report produced by the Tyler Economic Development Council. The Tyler area's office occupancy rate decreased from 87 percent to 86 percent for 2012, but the office lease rate increased by 1.26 percent over the last year. Property values increased by 1.43 percent for the year compared to 2011, and the property tax rate of \$2.077 within the city of Tyler was a 1.3 cent decrease per \$100 valuation, according to the report.

This article was published in the local paper on 01/30/2013

Tyler earns top 10 ranking By CASEY?MURPHY cmurphy@tylerpaper.com
Tyler was ranked in the top 10 "Best Performing Small Cities" by the Milken Institute. Jumping up 11 spots from last, Tyler posed a "solid improvement," the report, found at www.milkeninstitute.com, states. "The gain resulted from higher short-term employment and wage growth and better performance in the technology sector. Service industries and public agencies are the cornerstones of the local economy."

Text Addendum

File No. 131169

Borrower/Client	Denton, Rebecca A.				
Property Address	20416 Lakeshore Dr				
City	Flint	County	Smith	State	TX Zip Code 75762
Lender	Citizens 1st Bank				

The Milken Institute, an independent economic think tank based in California, released its annual list of Best Performing Cities for 2012. The index surveyed the nation’s 200 large and 179 smaller metropolitan areas and looks at job growth, salary growth and the number of high-tech industries in the area to determine its rankings. Six of the small cities in last year’s Top 10 stayed there in the latest rankings. Logan, Utah, claimed first place again, followed by Morgantown, W.Va., which moved up from third last year. Texas held four of the Top 10 slots. Tyler came in at No. 9, jumping from No. 20 in 2011, while Longview ranked sixth, up from ninth last year. Odessa and Midland ranked fourth and eighth, respectively. Tom Mullins, president and chief executive officer of the Tyler Economic Development Council, said Tyler generally ranks in the top 50 of the annual study. The report listed Tyler’s assets as it being the health care hub of East Texas, its diversified economy anchored by service and public sectors and its high growth in telecommunications. The city’s liabilities were that its manufacturing industry is shrinking due to relocations, the report states. Because of its three primary regional hospitals within Tyler, along with numerous supporting facilities and specialty hospitals, it is the medical hub of East Texas, according to the report. Health care services and government represent 35.1 percent of local employment between them, adding more than 4,000 jobs from 2006 to 2011. Until recently, rebounding retail and expanding energy contributed to job growth as well, the report states. As the population of Tyler rises, demand for health care and retail goods will likely continue to increase.

In an article published in the local paper on 10/05/2012 the following information was provided:
City of Tyler to be named ‘Community of the Year’ Tyler’s efforts to plan ahead seem to be turning heads.
City leaders expect Friday to receive the Community of the Year award from the American Association of Planners – Texas Chapter during the group’s annual conference in Fort Worth. The awards program recognizes individuals, organizations and communities for outstanding contributions to planning for Texas’ growth. Tyler is being recognized for its Industry Growth Initiative plan, launched in 2010 as a cooperative effort between city leaders and several community boards, officials said. The 84-page Industry Growth Initiative, commissioned and funded by members of the mayor’s Leadership Roundtable, contains strategic, innovative tactics to create higher paying jobs, economic growth, job creation and a higher standard of living. Strategies outlined in the report focus on higher education, health care and bio-med, tourism, arts and entertainment, energy, retirement, infrastructure and transportation.

Website names Tyler 2nd best city to retire, behind Clarksville, Tennessee By BRIAN PEARSON
bpearson@tylerpaper.com

The Tyler area's visibility as a retirement community got a boost earlier this month thanks to a national website. The website greatplacetoretire.com recently ranked Tyler as the nation's No. 2 community in which to retire, second only to Clarksville, Tenn.
A GREAT PLACE The site touts itself as a clearinghouse to help retirees find places to plant their residential roots and provide “complete data on popular retirement cities and towns in the U.S.” The only other Texas city to make the list was Georgetown, which came in at No. 6. That town has been a growing retirement area thanks in part to the development of Sun City Georgetown starting in the mid-1990s. Tyler distinguished itself with its home price appreciation, population growth, water quality, medical care and diversity. The site described the climate as “warm and humid,” with the area known for its lakes and rivers. Other factors the site listed as ranking factors included air quality, taxes, crime statistics, manmade and natural hazard risks, family income and nearest large city.
DEEP IMPACT The Tyler Economic Development Council, working with the Texas Comptroller of Public Accounts, in a 2011 analysis detailed the spending habits of seniors in the Tyler area. The analysis noted that the average household of seniors between ages 55 and 64 spends \$49,819 annually, while the spending is \$40,166 for households of seniors 65 to 74 years old and \$28,477 for the age group beyond 75. The study also noted a spike in the Tyler metropolitan statistical area's senior population from 2001 to 2010. The senior population grew to 53,692 in 2010, up from 41,442 in 2001. Seniors composed 26 percent of the area's population in 2010, up from 23 percent nine years earlier.

EXPOSURE TIME

“In order to assure that intended users understand the context in which the opinion of value is developed, the Board has adopted revisions to make it a clear requirement that reasonable exposure time must be reported in all assignments in which an opinion of reasonable exposure time must be developed. As clarified in the 2012-13 edition of USPAP, exposure time must be developed ‘When exposure time is a component of the definition for the value opinion being developed.’”
The indication of exposure time may be stated as a range, and may be based on one or more of the following:
· Statistical information about days on market;
· Information gathered from sales verification; or
· Interviews with market participants.
The estimated exposure time for the subject is 3-6 months based on available data.

HIGHEST AND BEST USE

The procedure utilized in this report to estimate the highest and best use of the subject site was to consider, in sequence, the site's possible uses, its legal uses, its feasible uses and finally, the maximum productive use. Data collected and analyzed for use in the neighborhood analysis and particularly the site analysis, was useful in arriving at the final conclusion. Upon considering the uses that are physically possible, legally permissible, financially feasible and maximally productive, it is my opinion that the highest and best use of the subject if vacant, is for single family uses. As currently improved, the highest and best use is for a single family dwellings.

SITE CONDITIONS

The flood zone designation for the subject is generated from the appraisers software with the subject "arrow" being on the improvements. It appears however from a provided flood zone overlay map that a small portion of the subject site is in flood zone. see attached map. It is assumed the improvements are not located in a flood zone. According to the available flood hazard maps, the subject is not located in a flood hazard area (see attached map). This value stated in this appraisal is based on the assumption that the subject is not located in any flood hazard areas. If at a later date, it is discovered that the subject or a portion of the subject is located in a flood hazard area, the value stated in this report is subject to change. It should be understood that there are areas of limited detail on the flood hazard maps that are not warranted by the appraiser. A survey was not provided to the appraiser.
The FEMA flood hazard information was based upon the National flood insurance program (NFIP) community status book and FEMA maps. It should be noted that the available FEMA flood maps include areas of limited study and do not appear to be fully reliable. The appraiser does not warrant the accuracy of the flood maps and only assumes that the information provided in them is correct.

Text Addendum

File No. 131169

Borrower/Client	Denton, Rebecca A.				
Property Address	20416 Lakeshore Dr				
City	Flint	County	Smith	State	TX Zip Code 75762
Lender	Citizens 1st Bank				

PROPERTY CONDITION

The subject appears to be in average condition and well maintained from exterior only inspection. The subject has undergone significant cosmetic updating as described in MLS listing of the subject copied below. The interior photos available on MLS also show a good level of updating and good cosmetic appeal on the interior and the updates are assumed to be as described and above average.

From MLS listing of the subject: "Totally updated waterfront home on a channel at Lake Palestine. Home offers 3 bedrooms and 1.5 bathrooms. Awesome kitchen with granite countertops, new appliances, tumbled marble backsplash, updated light fixtures, oversized breakfast bar and tons and tons of cabinet space. Large utility area with pantry that leads out to a raised deck to enjoy your morning coffee. Open living and dining area with crown molding and new flooring. Both bathrooms have been completely updated with new toilets, porcelain tile floors, decorator vanity and pedestal sink, large walk in closet and nice light fixtures. Heat pump replaced 2 years ago, roof 6 years ago and fresh paint in and out over the past few years. Septic is 10 years old. Wonderful outdoor spaces include 2 decks and a covered front porch. Nice landscaping, under house storage and a 2 car carport on 2 waterfront lots. Located in a home only section of subdivision that offers private boat ramps, playground area and pool.

CONDITIONS OF APPRAISAL

The appraiser has not inspected mechanical components and no representations are made herein as to these matters unless specifically stated and considered in the report. The value estimate considers there being no such conditions that would cause a loss of value. The appraisal is based on there being no hidden, unapparent or apparent conditions of the property site, subsoil or structure which would render it more or less valuable. No responsibility is assumed for any such condition for any expertise or engineering to discover them. All mechanical components are assumed to be in operable condition and status standard for properties of this subject type. The condition of heating, cooling, ventilation, electrical and plumbing equipment are also assumed to be in operable condition. Unless stated, no judgement is made as to the adequacy of insulation, type of insulation, or energy efficiency of the improvements or equipment.

COST APPROACH COMMENTS

The Cost Approach is given little weight due to the margin of error in calculating accrued physical depreciation. There is additional difficulty involved in any property with functional or economic obsolescence. For these reasons, the Cost Approach is given little weight in the Final Reconciliation. The cost approach has only been developed by the appraiser as an analysis to support their opinion of the property's market value. Use of this data, in whole or part, for other purposes is not intended by the appraiser. Nothing set forth in the appraisal should be relied upon for the purposes of determining the amount or type of insurance coverage to be placed on the subject property. The appraiser assumes no liability for and does not guarantee that any insurable value estimate inferred from this report will result in the subject property being fully insured for any loss that may be sustained. Further, the cost approach may not be a reliable indication of replacement or reproduction cost for any date other than the effective date of this appraisal.

INCOME APPROACH COMMENTS

The income approach was not applicable due to the predominance of owner occupants in the subject neighborhood. Due to the lack of essential data necessary for the income approach, it was not considered in the appraisal of the subject property.

EXTRA ADDITIONAL COMMENTS

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.

Home inspections are recommended in all real estate transactions involving existing improvements.

The information identified in this report as being furnished by others is believed to be reliable, but no responsibility for its accuracy is assumed. Information, estimates, and opinions furnished to the appraiser and contained in this report were obtained from sources considered reliable and believed to be true and correct. However, the appraiser can assume no responsibility for accuracy of such items furnished to the appraiser. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without written consent and approval of the appraiser.

The address reported on the appraisal form is according to US Postal Service records as required by UAD format. The title company reports the city or county address and the title report may or may not match to USPS records.

DEFINITION OF INSPECTION

The appraisal report is not considered to be a home inspection report. 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, foundations systems, or floor structure. 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 then a home inspection by such a professional is recommended. Such detailed inspection is beyond the scope and expertise of the appraiser. The appraiser has included in the report only those elements that he personally viewed as needing correction in the analysis. If the existence of conditions other than what are addressed in this report are of concern to the client, the client is urged to obtain a home inspection.

THREE YEARS SALE HISTORY

The appraiser has complied with Standards Rule 1-5B and 2-2B requiring the appraiser to analyze and report all sales of the subject property that occurred within the prior 36 months of the effective date of this appraisal. If the information was available to the appraiser, it is reported in this report. ***The state of Texas is a non disclosure state regarding real estate transactions. The appraiser had to rely on brokers, property managers, grantors and grantees along with other parties familiar with the transaction. The appraisers results are limited by the accuracy of the information supplied by the aforementioned individuals.**

Borrower/Client	Denton, Rebecca A.			File No.	131169
Property Address	20416 Lakeshore Dr				
City	Flint	County	Smith	State	TX
Lender	Citizens 1st Bank				
Zip Code	75762				

APPRAISAL AND REPORT IDENTIFICATION

This Appraisal Report is one of the following types:

☐ Self Contained

(A written report prepared under Standards Rule 2-2(a) , pursuant to the Scope of Work, as disclosed elsewhere in this report.)

☒ Summary

(A written report prepared under Standards Rule 2-2(b) , pursuant to the Scope of Work, as disclosed elsewhere in this report.)

☐ Restricted Use

(A written report prepared under Standards Rule 2-2(c) , pursuant to the Scope of Work, as disclosed elsewhere in this report, restricted to the stated intended use by the specified client or intended user.)

Comments on Standards Rule 2-3

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

— The statements of fact contained in this report are true and correct.

— The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

— Unless otherwise indicated, I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.

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

— I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.

— My engagement in this assignment was not contingent upon developing or reporting predetermined results.

— My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

— My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.

— Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.

— Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification (if there are exceptions, the name of each individual providing significant real property appraisal assistance is stated elsewhere in this report).

Reasonable Exposure Time

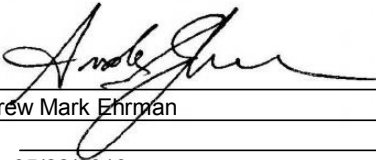
My Opinion of Reasonable Exposure Time for the subject property at the market value stated in this report is: 3-6 months

Comments on Appraisal and Report Identification

Note any USPAP-related issues requiring disclosure and any state mandated requirements:

I, Andrew Ehrman, performed no (or the specified) other services, as an appraiser or in any other capacity, regarding the property that is the subject of the work under review within the three-year period immediately preceding acceptance of this assignment.

APPRAISER:

Signature: 

Name: Andrew Mark Ehrman

Designation:

Date Signed: 05/22/2013

State Certification #: 1337859

or State License #:

State: TX

Expiration Date of Certification or License: 04/30/2014

Effective Date of Appraisal: 05/20/2013

SUPERVISORY APPRAISER (only if required):

Signature:

Name:

Designation:

Date Signed:

State Certification #:

or State License #:

State:

Expiration Date of Certification or License:

Supervisory Appraiser inspection of Subject Property:

☐ Did Not

☐ Exterior-only from street

☐ Interior and Exterior

Certification

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

ANDREW MARK EHRMAN
2003-B PATRIDGE DR
TYLER, TX 75701

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

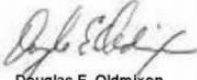
Inquiry as to the status of this license may be made to:

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

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

Number#: **TX 1337859 R**
Issued: **04/16/2012** Expires: **04/30/2014**
Appraiser: **ANDREW MARK EHRMAN**

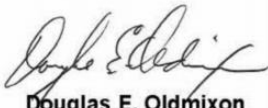
Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Texas Occupations Code, Chapter 1103, is authorized to use this title, Certified Residential Real Estate Appraiser.


Douglas E. Oldmixon
Commissioner

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

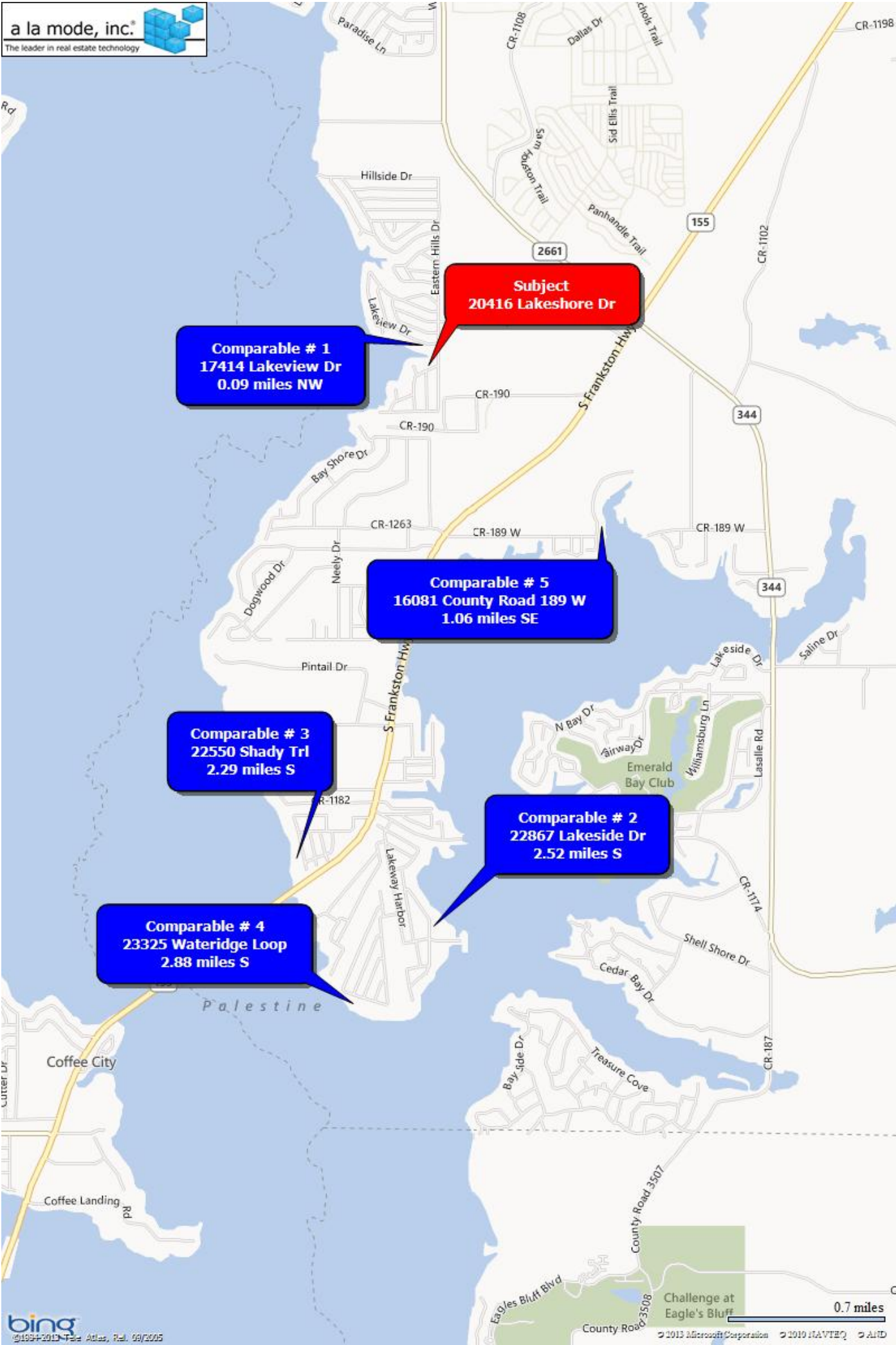
Number: **TX 1337859 R**
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Appraiser: **ANDREW MARK EHRMAN**

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Douglas E. Oldmixon
Commissioner

Location Map

Borrower/Client	Denton, Rebecca A.			
Property Address	20416 Lakeshore Dr			
City	Flint	County	Smith	State TX Zip Code 75762
Lender	Citizens 1st Bank			



Flood Map

Borrower/Client	Denton, Rebecca A.			
Property Address	20416 Lakeshore Dr			
City	Flint	County	Smith	State TX Zip Code 75762
Lender	Citizens 1st Bank			

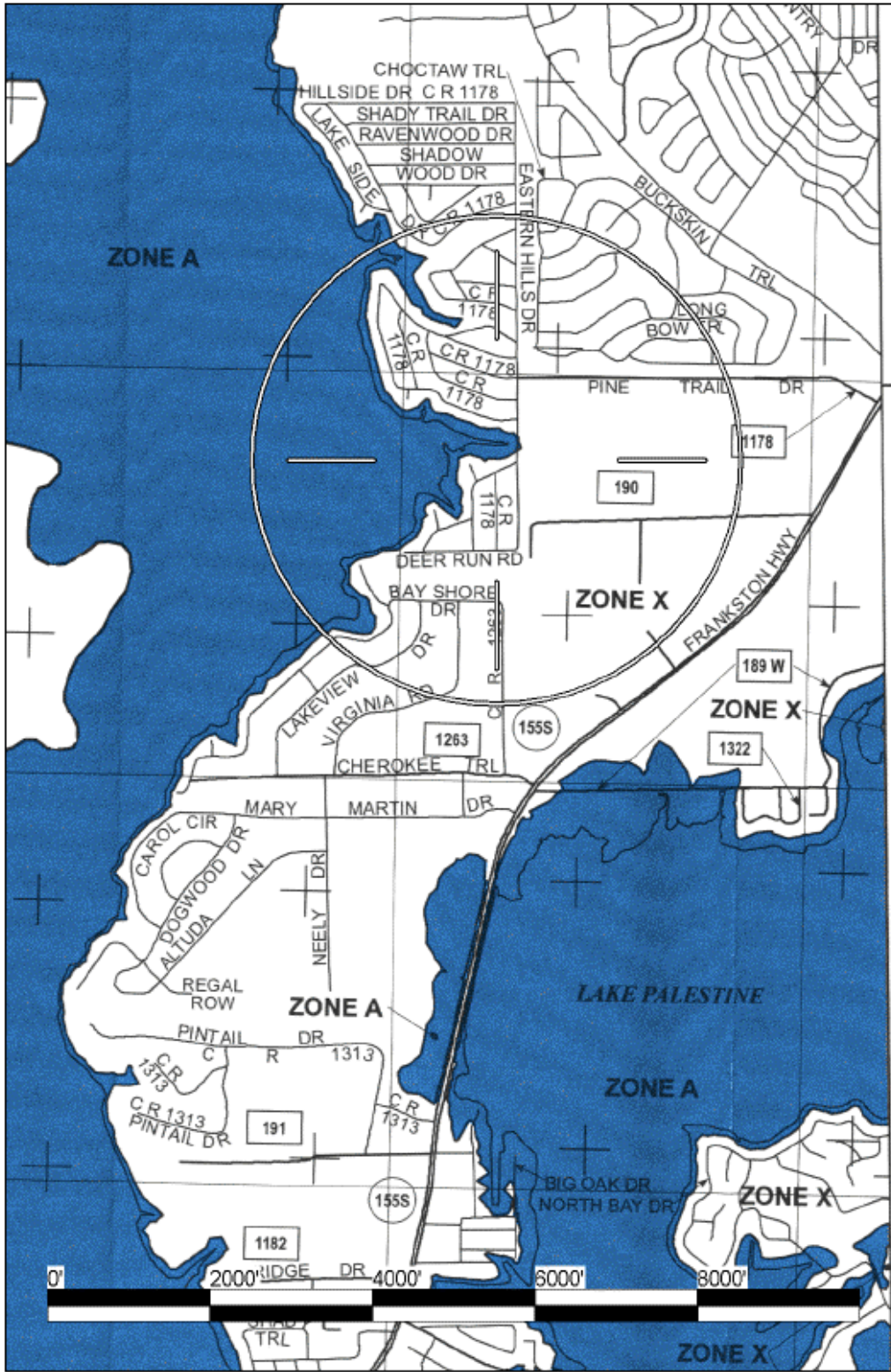
InterFlood


by a la mode

www.interflood.com • 1-800-252-6633

Prepared for:
Appraisal Associates

20416 Lakeshore Dr
Flint, TX 75762



FLOODSCAPE

Flood Hazards Map

Map Number
48423C0475C

Effective Date
September 26, 2008

Powered by FloodSource
877.77.FLOOD
www.floodsource.com

© 1999-2012 SourceProse and/or FloodSource Corporations. All rights reserved. Patents 6,631,326 and 6,678,615. Other patents pending. For Info: info@floodsource.com.

Flood Map

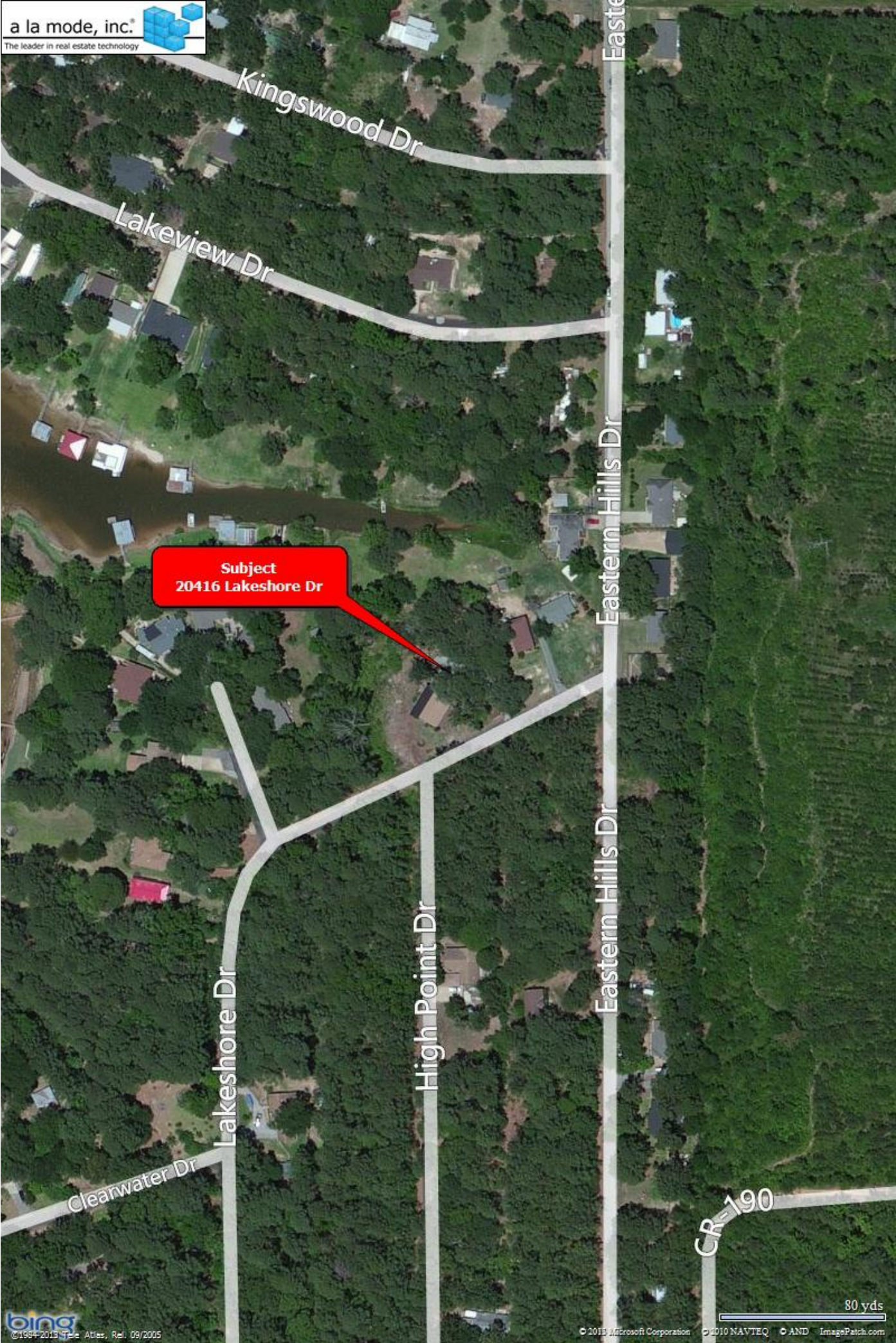
Borrower/Client	Denton, Rebecca A.				
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Flood zone overlay map from the appraisal district website. It shows the improvements and the fact that the flood zone appears to hit a portion of the deeded site. Map not guaranteed.

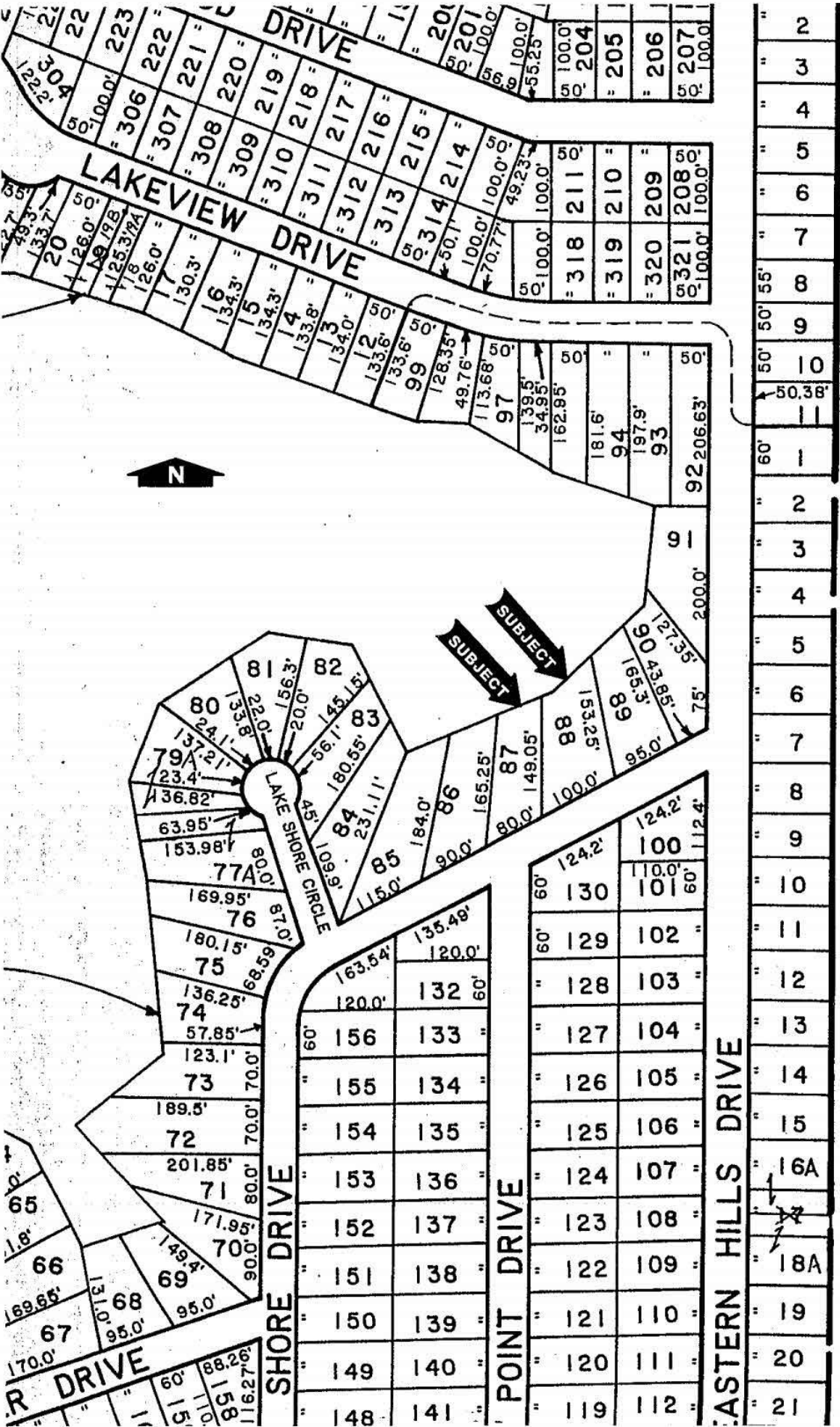


Aerial Map

Borrower/Client	Denton, Rebecca A.				
Property Address	20416 Lakeshore Dr				
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				Zip Code	75762
Lender	Citizens 1st Bank				



Site Map



Generic Map

Borrower/Client	Denton, Rebecca A.			
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Showing platted lot and additional land to the lake frontage used by the subject.



Subject Photo Page

Borrower/Client	Denton, Rebecca A.				
Property Address	20416 Lakeshore Dr				
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				Zip Code	75762
Lender	Citizens 1st Bank				



Subject Front

20416 Lakeshore Dr
Sales Price
Gross Living Area 1,776
Total Rooms 6
Total Bedrooms 3
Total Bathrooms 1.1
Location B;WtrFr;
View B;Wtr;cove
Site 19,602 sf
Quality Q4
Age 24

Subject Rear



Subject Street

Photograph Addendum

Borrower/Client	Denton, Rebecca A.				
Property Address	20416 Lakeshore Dr				
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Lender	Citizens 1st Bank				



Side view



Side view



waterfrontage from MLS photo

see additional photos next page

Interior Photograph Addendum (From current MLS listing)

Borrower/Client	Denton, Rebecca A.			
Property Address	20416 Lakeshore Dr			
City	Flint	County	Smith	State TX Zip Code 75762
Lender	Citizens 1st Bank			



side/ carport



kitchen



living



bath



bath alt view



half bath

Comparable Photo Page

Borrower/Client	Denton, Rebecca A.				
Property Address	20416 Lakeshore Dr				
City	Flint	County	Smith	State	TX
				Zip Code	75762
Lender	Citizens 1st Bank				



Comparable 1

17414 Lakeview Dr	
Prox. to Subject	0.09 miles NW
Sales Price	165,000
Gross Living Area	2,028
Total Rooms	6
Total Bedrooms	3
Total Bathrooms	2.0
Location	B;WtrFr;
View	B;Wtr;cove
Site	15,246 sf
Quality	Q4
Age	29



Comparable 2

22867 Lakeside Dr	
Prox. to Subject	2.52 miles S
Sales Price	185,000
Gross Living Area	1,962
Total Rooms	6
Total Bedrooms	3
Total Bathrooms	2.0
Location	B;WtrFr;
View	B;Wtr;open
Site	7200 sf
Quality	Q3
Age	34



Comparable 3

22550 Shady Trl	
Prox. to Subject	2.29 miles S
Sales Price	185,000
Gross Living Area	2,000
Total Rooms	6
Total Bedrooms	3
Total Bathrooms	2.0
Location	B;WtrFr;
View	B;Wtr;open
Site	31,363 sf
Quality	Q4
Age	21

Comparable Photo Page

Borrower/Client	Denton, Rebecca A.				
Property Address	20416 Lakeshore Dr				
City	Flint	County	Smith	State	TX
				Zip Code	75762
Lender	Citizens 1st Bank				



Comparable 4

23325 Wateridge Loop	
Prox. to Subject	2.88 miles S
Sales Price	137,500
Gross Living Area	1,718
Total Rooms	5
Total Bedrooms	2
Total Bathrooms	2.0
Location	B;WtrFr;
View	B;Wtr;open
Site	24,500 sf
Quality	Q4
Age	16



Comparable 5

16081 County Road 189 W	
Prox. to Subject	1.06 miles SE
Sales Price	158,000
Gross Living Area	1,638
Total Rooms	6
Total Bedrooms	2
Total Bathrooms	1.1
Location	B;WtrFr;
View	B;Wtr;cove
Site	9,583 sf
Quality	Q4
Age	19

Comparable 6

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