

**APPRAISAL OF**



A Single Family Residence

**LOCATED AT:**

2195 Cresta Road  
Edwards, CO 81632

**FOR:**

Citiwide Mortgage Corporation  
30012 Ivy Glen Drive Suite 230  
Laguna Niguel, CA 92677

**BORROWER:**

Scott Cliver

**AS OF:**

April 15, 2011

**APPRAISED VALUE:**

10,000,000

**BY:**

James P. Trudeau  
CR 40003314

James P Trudeau  
Advanced Appraisal Solutions, LLC

File No. 2195 Cresta

April 19, 2011

Citiwide Mortgage Corporation  
30012 Ivy Glen Drive Suite 230  
Laguna Niguel, CA 92677

File Number: 2195 Cresta

In accordance with your request, I have appraised the real property at:

2195 Cresta Road  
Edwards, CO 81632

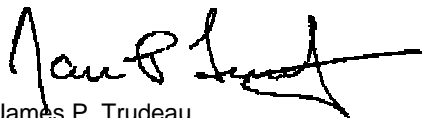
The purpose of this appraisal is to develop an opinion of the market value of the subject property, as improved. The property rights appraised are the fee simple interest in the site and improvements.

In my opinion, the market value of the property as of April 15, 2011 is:

\$10,000,000  
Ten Million Dollars

The attached report contains the description, analysis and supportive data for the conclusions, final opinion of value, descriptive photographs, limiting conditions and appropriate certifications.

Respectfully Submitted,



James P. Trudeau  
CR 40003314

Summary Appraisal Report

Uniform Residential Appraisal Report

File No. 2195 Cresta

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 **2195 Cresta Road** City **Edwards** State **CO** Zip Code **81632**  
 Borrower **Scott Cliver** Owner of Public Record **Cliver Development Inc.** County **Eagle**  
 Legal Description **Lot 9, Arrowhead at Vail Subdivision, Filing 27**  
 Assessor's Parcel # **2105-152-01-013, S/N R052017** Tax Year **2010** R.E. Taxes \$ **49,306.88**  
 Neighborhood Name **Arrowhead** Map Reference **Edwards** Census Tract **5**  
 Occupant  Owner  Tenant  Vacant Special Assessments \$ **0.00**  PUD HOA \$ **1,400.00**  per year  per month  
 Property Rights Appraised  Fee Simple  Leasehold  Other (describe)  
 Assignment Type  Purchase Transaction  Refinance Transaction  Other (describe)  
 Lender/Client **Citiwide Mortgage Corporation** Address **30012 Ivy Glen Drive Suite 230, Laguna Niguel, CA 92677**  
 Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal?  Yes  No  
 Report data source(s) used, offering price(s), and date(s). **MLS# 320413 listed for \$10,995,000 after 370 Days on Market. Subject was originally listed for \$14,500,00 upon completion of construction.**

I  did  did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.  
 Contract Price \$ \_\_\_\_\_ Date of Contract \_\_\_\_\_ Is the property seller the owner of public record?  Yes  No Data Source(s) \_\_\_\_\_  
 Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower?  Yes  No  
 If Yes, report the total dollar amount and describe the items to be paid. \_\_\_\_\_

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

Neighborhood Characteristics			One-Unit Housing Trends			One-Unit Housing		Present Land Use %				
Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	PRICE	AGE	One-Unit	80% %	
Built-Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	\$(000)	(yrs)	2-4 Unit	15% %	
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	5,567	Low	New	Multi-Family	%
Neighborhood Boundaries	<b>Arrowhead lies between Avon on the East and Edwards on the west with national forest otherwise surrounding. The locale is bisected by the Interstate 70 corridor and</b>						12,700	High	20	Commercial	5% %	%
Neighborhood Description	<b>the Eagle river. Primary appeal lies in the locational access to nearby destination resorts of Vail, Beaver Creek and Bachelor Gulch which is attached to the Arrowhead ski area. Central to the immediate development is the Country Club of the Rockies which creates strong year around recreational appeal. The gated access community continues to be marketed in the upper end market segment with many properties offering either golf frontage or ski in and out access. Demand remains good despite national economic turmoil as the exclusive upper end market segment of this locale offers limited expansion beyond existing development in a ski and golf central development with gated access.</b>											

Dimensions **Irregular** Area **1.05 Ac** Shape **Irregular** View **VryGd forested**  
 Specific Zoning Classification **R-1** Zoning Description **Single Family Residence**  
 Zoning Compliance  Legal  Legal Nonconforming (Grandfathered Use)  No Zoning  Illegal (describe)  
 Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use?  Yes  No If No, describe. \_\_\_\_\_  
 Utilities Public Other (describe) Public Other (describe) Off-site Improvements—Type Public Private  
 Electricity   Water   Street **Asphalt**    
 Gas   Sanitary Sewer   Alley **none**    
 FEMA Special Flood Hazard Area  Yes  No FEMA Flood Zone **X** FEMA Map # **08037C-0438D** FEMA Map Date **12/4/2007**  
 Are the utilities and off-site improvements typical for the market area?  Yes  No If No, describe. \_\_\_\_\_  
 Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)?  Yes  No If Yes, describe. **Site is typical of adjoining skier access for those in this section of Arrowhead which creates primary appeal for the alpine locale. Situated in an Aspen grove, views are primarily south and rated as very good noting premium sites typically offer southern view exposure. No adverse conditions are known or apparent, and no hazard ID is known to apply.**

GENERAL DESCRIPTION		FOUNDATION		EXTERIOR DESCRIPTION materials/condition		INTERIOR materials/condition	
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input checked="" type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls	<b>Concrete/Gd</b>	Floors	<b>Wd-Cpt-stn/New</b>		
# of Stories <b>4</b>	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	<b>Fr-Stuc-Rock/VGd</b>	Walls	<b>HndTrwlDry/New</b>		
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area <b>None</b> sq. ft.	Roof Surface	<b>Wood Shake/Gd</b>	Trim/Finish	<b>Alder/New</b>		
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish <b>None</b> %	Gutters & Downspouts	<b>Copper/VGd</b>	Bath Floor	<b>Mrbl-Stn/New</b>		
Design (Style) <b>Conv Mtn SFR</b>	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type	<b>Clad Thermal/VGd</b>	Bath Wainscot	<b>Mrbl-Stn/New</b>		
Year Built <b>2008</b>	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated	<b>Yes-yes/Gd</b>	Car Storage	<input type="checkbox"/> None		
Effective Age (Yrs) <b>1</b>	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens	<b>yes/Gd</b>	<input checked="" type="checkbox"/> Driveway # of Cars <b>4</b>			
Attic <input checked="" type="checkbox"/> None	Heating <input type="checkbox"/> FWA <input type="checkbox"/> HWBB <input checked="" type="checkbox"/> Radiant	Amenities	<input type="checkbox"/> WoodStove(s) #	Driveway Surface	<b>asphalt</b>		
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other Fuel <b>Gas</b>	<input checked="" type="checkbox"/> Fireplace(s) # <b>7</b>	<input type="checkbox"/> Fence	<input checked="" type="checkbox"/> Garage # of Cars <b>3</b>			
<input type="checkbox"/> Floor <input type="checkbox"/> Scuttle	Cooling <input checked="" type="checkbox"/> Central Air Conditioning	<input checked="" type="checkbox"/> Patio/Deck <b>mltpl</b>	<input checked="" type="checkbox"/> Porch <b>entry</b>	<input type="checkbox"/> Carport # of Cars			
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Pool	<input checked="" type="checkbox"/> Other <b>Hot Tb</b>	<input type="checkbox"/> Att. <input type="checkbox"/> Det. <input checked="" type="checkbox"/> Built-in			
Appliances <b>2</b> Refrigerator <b>2</b> Range/Oven <b>2</b> Dishwasher <b>3</b> Disposal <b>2</b> Microwave <b>2</b> Washer/Dryer <input checked="" type="checkbox"/> Other (describe) <b>high quality built in appliances</b>							
Finished area above grade contains: <b>14</b> Rooms <b>7</b> Bedrooms <b>8.5+</b> Bath(s) <b>13,983</b> Square Feet of Gross Living Area Above Grade							
Additional features (special energy efficient items, etc.) <b>High E Boilers (4), in-floor radiant, CAC, Integrated plaster, built in audio/visual/security. Multi level food prep/service, 2 wet bars, 2 mud rooms, ski room, elevator, leviton lighting instrumentation. See attached.</b>							
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.) <b>The subject property was noted to be complete with a new, reduced effective age assigned a high level of maintenance on new construction in an excellent quality of build. The floor plan exhibits adequate traffic flow and space utilization with no functional inadequacies observed.</b>							

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property?  Yes  No If Yes, describe. \_\_\_\_\_  
 Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)?  Yes  No If No, describe. **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.**

Summary Appraisal Report

Uniform Residential Appraisal Report

File No. 2195 Cresta

There are 15 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 6,250,000 to \$ 13,800,000

There are 9 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 5,567,000 to \$ 12,700,000

FEATURE	SUBJECT	COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
2195 Cresta Road Address Edwards/Arrowhead		3791 DayBreak Ridge Road Avon/Bachelor Gulch		202 Holden Road Avon/Beaver Creek		156 Elkhorn Road Avon/Bachelor Gulch	
Proximity to Subject		3/4 Mile east		1 mile east		1 Mile east	
Sale Price	\$	\$ 10,300,000		\$ 9,000,000		\$ 8,900,000	
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 965.96 sq. ft.		\$ 837.60 sq. ft.		\$ 841.85 sq. ft.	
Data Source(s)	Public Records	MLS #V321294		MLS# V319775		MLS# V320019	
Verification Source(s)	Inspection	Public Records		Public Records		Public Record	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sale or Financing		Cash Equiv		Cash Equiv		Cash Equiv.	
Concessions	370 DOM	206 DOM		382 DOM		416 DOM	
Date of Sale/Time		01/20/2011		12/29/2010		02/14/2011	
Location	Arrowhead	Bachelor Gulch		Arrowhead		Bachelor Gulch	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	1.05 Ac/VryGd	1.78 Ac/VryGd		1.12/VryGd		2.22 Ac/VryGd	
View	VryGd forested	VryGd forested		VryGd forested		VryGd forested	
Design (Style)	Conv Mtn SFR	Conv Mtn SFR		Conv Mtn SFR		Mtn Ldg SFR/VG	
Quality of Construction	Excellent	Excellent		Excellent		Excellent	
Actual Age	2008	2006		2005		2002	
Condition	Good	Good		Good		Good	
Above Grade	Total Bdrms Baths	Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths	
Room Count	14 7 8.5+	14 7 8.5		14 7 8.5		12 6 7.5	+20,000
Gross Living Area	250 13,983 sq. ft.	10,663 sq. ft.	+830,000	10,745 sq. ft.	+810,000	10,572 sq. ft.	+853,000
Basement & Finished Rooms Below Grade	None	None		None		None	
Functional Utility	Good	Good		Good		Good	
Heating/Cooling	Radiant C/Air	Radiant C/Air		Radiant C/Air		Radiant Gas Ht	
Energy Efficient Items	Low E/Plate gls	Low E & Plate Gl		Low E/Plate GlS		Low E/Plate gls	
Garage/Carport	3 Car Garage	3 Car Garage		3 Car Garage		3 Car Garage	
Porch/Patio/Deck	Pool/spa-Steam	Pool/spa-Steam		None	+100,000	None	+100,000
Fireplace	7 F/P	7 F/P		7 F/P		5 F/P	+10,000
Appliances	Very Good	Very Good		Very Good		Very Good	
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 830,000	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 910,000	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 983,000
Adjusted Sale Price of Comparables		Net Adj. 8.1% % Gross Adj. 8.1% %	\$ 11,130,000	Net Adj. 10.1% % Gross Adj. 10.1% %	\$ 9,910,000	Net Adj. 11.0% % Gross Adj. 11.0% %	\$ 9,883,000

SALES COMPARISON APPROACH

did  did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research  did  did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data source(s) Public Record

My research  did  did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data source(s) Public Record

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

ITEM	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
Date of Prior Sale/Transfer	11/1/2005	3/6/2006	9/16/2006	1/12/2004
Price of Prior Sale/Transfer	\$2,020,000	\$9,400,000	\$5,500,000	\$9,000,000
Data Source(s)	Public Record	Public Record	Public Record	Public Record
Effective Date of Data Source(s)	Current	Current	Current	Current

Analysis of prior sale or transfer history of the subject property and comparable sales Prior sale of the subject is vacant site in a peak demand period. current assessed value of the subject is \$2.3 million taken from an 18 month period ending in June of 2009. The resale history of the comparable data set supports market stability through a national recession period.

Summary of Sales Comparison Approach. All comparable data (ie. GLA, room counts, year of build etc..) is obtained from involved parties, County Assessor and/or local MLS/Realtor. When possible, building plans and specifications and/or prior inspection data are reviewed as well. While deemed accurate and reliable, these figures are not guaranteed. The subject offers a skier access site which is best represented in Sale 2 and Comparable listing #6 with #6 also featuring the pool/spa features best. The subject is a large scale sfr which has some competitive builds throughout the ski area, but no sales in the past twenty four months of similar size was observed. The resultant price per square foot indication in at the lower end of the indicated range for this reason. Noted in the sales data is a number of high quality, custom home sales that are recent (within 90 days) that reflects a continued demand for this upper end market segment and subsequent price stability.

Indicated Value by Sales Comparison Approach \$ 10,000,000

Indicated Value by: Sales Comparison Approach \$10,000,000 Cost Approach (if developed) \$ 10,000,000 Income Approach (if developed) \$ 0

The sales comparison approach is the most reliable indicator of value in the local residential marketplace. The cost approach has secondary reliability. The income capitalization approach, although considered, has no reliable basis for application.

RECONCILIATION

This appraisal is made  "as is,"  subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed,  subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or  subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: None. Appraisal is made on an as-is basis, but assumes that no adverse easements or encroachments exist.

Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 10,000,000 as of 4/15/2011, which is the date of inspection and the effective date of this appraisal.

# Uniform Residential Appraisal Report

File No. 2195 Cresta

ADDITIONAL COMMENTS

My Comparable Search resulted in 4 competitive sales of the 9 sales in the last 12 months. The sales cited within this report are thought to best portray the subject's quality and size, location, and custom nature, while differing from the subject in some respects, and therefore requiring dollar adjustments, though they are considered the most similar and indicative available. Primary emphasis was placed on year of site and location with build quality and overall size in support. A very strong supporting indication of value lies in the indicated price per square foot of the data set with the subject well represented in the middle of the indicated range. The subject is best represented through comparable #1 and #2 noting the subject improvements remain one of the larger

**Comments on Adjustments to Sales:**

Please note the following criteria utilized for the adjustments in the sales comparison approach:

-Location, site/view adjustments are derived primarily from respective site sales reflecting underlying land value in observing orientation differences and their paired sales difference with respect to land, view orientation and view quality. It should be noted that each of these features is dependant on one another as the local market remains unable to demonstrate the differences between these. Site size is rarely a factor for adjustment, but rather the site's utility and/or its view orientation and view quality reflect primarily on underlying land value components.

-Quality of Construction adjustments are based on observation of varying construction types, taking into consideration estimated cost differences and workmanship, together with cost-to-cure approximations, conversations with involved parties regarding effect of differing quality on purchase prices.

- Age/condition characteristics are combined under one adjustment, with consideration given to each property's relative actual and effective ages. Typical condition adjustments for properties in average condition are estimated at about 1.5% per year, reflecting a total estimated life of about 65 years in a straight line/life analysis. Properties differing in their effective ages are assigned greater or lesser amounts of adjustments based on their relative condition, together with consideration of cost to cure estimation, if appropriate.

- Differences in square footage were adjusted at \$250 per square foot in this report, which is indicative of the sensitivity that this marketplace is presently tending to exhibit in consideration of the subjects quality and appeal. The relative close groupings of the indicated values after accounting for the other variables provides secondary support to this rate.

-Individual bedroom and/or bath count adjustment is not readily available through data analysis and paired or paired derivation of sales. The custom nature of individual homes throughout this locale continues to place emphasis on individual features through price per square foot indications, which is typical of resort and upper end market segments in this resort locale. Minor bath count adjustments are reflected as a result.

While it is my intention to provide analysis which fully conforms to accepted guidelines with respect to comparable and adjustment criteria when ever possible, the nature of the local marketplace often does not permit strict adherence to all such guidelines. I recognize that each of the sales cited may exceed typical loan underwriting guidelines in terms of individual net, gross and line item adjustments, especially those for site/view and size. It should be pointed ot that this is a common occurrence in this marketplace, where differences in size, quality, condition, location, etc. often vary substantially from property to property, while at the same time maintaining a level of common appeal. In spite of these adjustments, which are considered to be clearly called for and well supported, the data is considered to be very similar in appeal, adequately reliable, the best available, and good indicators of subject value.

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) Site value is based on both extraction from various improved sales, along with analysis of sales of vacant similar sites, if available. Marshall & Swift does not support high value custom quality in this market segment. Builder reproduction cost from competing project and the subject represented significant supporting cost indications.

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE .....	= \$	1,500,000
Source of cost data <u>office file data</u>	Dwelling	13,983 Sq. Ft. @ \$ 590.00 .....	= \$ 8,249,970
Quality rating from cost service <u>Excllent</u> Effective date of cost data <u>Current</u>		Sq. Ft. @ \$ .....	= \$
Comments on Cost Approach (gross living area calculations, depreciation, etc.)			
<u>See attached floor plan sketch for square footage data; physical depreciation, if any, is based on age / life calculation, under a straight-line loss premise, and is approximate. No forms of functional or external depreciation are observed or anticipated.</u>	Garage/Carport	1,023 Sq. Ft. @ \$ 170.00 .....	= \$ 173,910
	Total Estimate of Cost-New		= \$ 8,423,880
	Less	65 Physical Functional External	
	Depreciation	1% = \$ (	84,239)
	Depreciated Cost of Improvements . (Rounded)		= \$ 8,340,000
	"As-is" Value of Site Improvements .		= \$ 160,000
Estimated Remaining Economic Life (HUD and VA only) <u>64</u> Years	INDICATED VALUE BY COST APPROACH .....	= \$	10,000,000

INCOME

**INCOME APPROACH TO VALUE (not required by Fannie Mae)**

Estimated Monthly Market Rent \$ \_\_\_\_\_ X Gross Rent Multiplier \_\_\_\_\_ = \$ \_\_\_\_\_ Indicated Value by Income Approach

Summary of Income Approach (including support for market rent and GRM) \_\_\_\_\_

PUD INFORMATION

**PROJECT INFORMATION FOR PUDs (if applicable)**

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

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

Legal name of project Arrowhead

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

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

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

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

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

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

Describe common elements and recreational facilities. Road access.

## Uniform Residential Appraisal Report

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

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

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

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

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

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

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

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

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

## Uniform Residential Appraisal Report

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

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.
21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

Uniform Residential Appraisal Report

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

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

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

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

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

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

APPRAISER

Signature [Handwritten Signature]
Name James P. Trudeau
Company Name Advanced Appraisal Solutions, LLC.
Company Address P.O. Box 3033
Vail, CO 81658
Telephone Number 970 390-0961
Email Address jim@valueconsult.net
Date of Signature and Report 4/19/2011
Effective Date of Appraisal 4/15/2011
State Certification # CR 40003314
or State License #
or Other (describe) State #
State CO
Expiration Date of Certification or License 12/31/2013

ADDRESS OF PROPERTY APPRAISED
2195 Cresta Road
Edwards, CO 81632

APPRAISED VALUE OF SUBJECT PROPERTY \$ 10,000,000

LENDER/CLIENT
Name
Company Name Citiwide Mortgage Corporation
Company Address 30012 Ivy Glen Drive Suite 230
Laguna Niguel, CA 92677
Email Address

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

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

SUBJECT PROPERTY
[ ] Did not inspect subject property
[ ] Did inspect exterior of subject property from street
Date of Inspection
[ ] Did inspect interior and exterior of subject property
Date of Inspection

COMPARABLE SALES
[ ] Did not inspect exterior of comparable sales from street
[ ] Did inspect exterior of comparable sales from street
Date of Inspection





ADDENDUM

Borrower: Scott Cliver

File No.: 2195 Cresta

Property Address: 2195 Cresta Road

Case No.:

City: Edwards

State: CO

Zip: 81632

Lender: Citiwide Mortgage Corporation

ADDENDUM TO THE APPRAISAL OF:

Lot 9  
Arrowhead at Vail Subdivision, Filing 27  
2195 Cresta Road  
Eagle County, Colorado

The purpose of this appraisal is:

< to estimate the market value, as defined, of the subject property, as-is, in fee simple estate, as of an effective date of April 15, 2011.

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. The understood function of the appraisal is solely to provide a basis for mortgage lending purposes with regard to the subject property.

Extent of Appraisal Process:

The assignment of the final value estimate to the subject property includes a physical inspection of the subject premises, and an examination of market factors, transactions, trends and other pertinent data that may have an influence on the property. Sales and other information utilized are gathered from public record and other sources considered to be reliable, confirmed whenever possible with involved parties. Market factors and forces are weighed, their influences on the subject property determined, and their indications reconciled into a final value estimation.

The intended use of this report is for federally related mortgage loan purposes and is made to be in conformance with the guidelines as set forth by Title XI of the Federal Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), the requirements of the Uniform Standards of Professional Appraisal Practices (USPAP), and the Standards of Professional Practice of the Appraisal Institute. This appraisal is being presented within FNMA 1004, which, by definition, makes it a "Summary Appraisal Report" in conformance with USPAP standards rule 2-2(b).

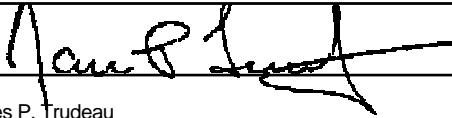
Prohibited Influences:

The appraisal assignment was not based upon a requested minimum valuation, specific valuation, or approval of a loan. Neither employment nor compensation are contingent upon the reporting of a pre-determined value, a direction of the value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

Market Area and Trends

The Arrowhead at Vail Subdivision was platted and initially marketed in 1984, and consists primarily of gated residential development around the Country Club of the Rockies with several multi-family tracts at the base of the adjoining Arrowhead public ski area. About 95% of the development has undergone improvement, with

Appraiser:



Supervisory Appraiser:

Name: James P. Trudeau

Name:

ADDENDUM

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growth ongoing due to continued strong demand in both primary & 2<sup>nd</sup> homes for a limited supply resort environment. Arrowhead's primary appeal lies in the "Country Club of the Rockies" private golf course within the gated subdivision, featuring a Jack Nicklaus-designed golf course, several tennis courts, a large pool with spa and a clubhouse/restaurant amenity. Golfing's popularity with increasing traffic on local courses has provided a unique niche for Arrowhead, appealing to 2<sup>nd</sup> home owners and retiree's desiring a private golf facility and a secure residential enclave which incorporates skier access to the Beaver Creek Resort via the adjoining Arrowhead and Bachelor Gulch ski areas. Arrowhead has defined itself exclusively to the upper end market segment as a result.

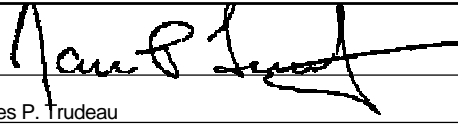
The golf course remains strictly private, with purchase of memberships limited to qualifying subdivision property owners. This, along with skier access, has continued to provide a catalyst for real estate sales as these amenities are somewhat unique for a subdivision of this size, and account for the high level of appeal the resort locale has exhibited since its inception. Golf membership has stabilized and reflects little added value for mountain side residences such as the subject. All comparables represent similar amenities in the mountainside locale and no individual golf adjustment is warranted.

Of course, the gated access of Arrowhead and its public skier access to the Beaver Creek resort via the Bachelor Gulch ski area enhance market appeal as well, in that, alternative to golfing, creating a year round appeal. Over the last decade, strong national economic viability has enhanced 2<sup>nd</sup> home demand as Denver's proximity to the east, and subsequent Interstate and regional air transportation access also enhance an "Urban Exodus" for recreational access which has lead to Arrowhead's rapid growth in its upper end market segment. As the national economy experienced decline, the subject locale fell into a state of decline as well, but in the last 12 months has demonstrated price stability through consistent sales volume of this upper end market segment which is supported through the successive sales analysis of the data set herein.

Purchase of golf club memberships at Arrowhead are restricted to owners of those properties which have the right "attached." There are some properties in Arrowhead that do not carry the right to apply to purchase a membership, with those owners required to be placed on a waiting list for any available memberships. As a result, due to the popularity of the facility, a premium is being paid for those properties in Arrowhead, from vacant lots to condo or single family, which have "attached" to them golf membership eligibility, and those without are being penalized in the market in both days on market and pricing. Analysis of recent sales involving properties that do and do not possess the option serve to suggest a premium of \$150,000 at present.

Note: The subject property of this appraisal is not reported to possess the golf membership option, and is being valued without the option.

Topography within most of the existing subdivision is relatively level, with only those lots along the extreme southern and western aspect sloping, either down towards the Eagle River, or up towards the ski mountain. Public utilities present include electricity, telephone, natural gas, cable television, and water/sewer, all underground. Roads within Arrowhead are considered to be private, with maintenance accomplished via a reported \$875 per year property assessment.

Appraiser:   
Name: James P. Trudeau

Supervisory Appraiser: \_\_\_\_\_  
Name: \_\_\_\_\_

ADDENDUM

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None of the subdivision is known to lie within any typically identified hazard zone, including flood, rock-fall, debris flow, or avalanche.

Supply / Demand Synopsis:

Demand:

There have been 9 sales of excellent quality large scale single family dwellings (and 2 pending contracts) in Arrowhead within the past 12 months, ranging from \$7,550,000 to \$11,000,000. There were 6 sales in 2010 and none in 2009.

Supply:

There are currently 15 large scale excellent quality single family properties listed for sale in skier access areas of Arrowhead, Bachelor Gulch and Beaver Creek, ranging from \$7,800,000 to \$11,995,000. Demand continues to rebound in a stable supply at present, which in turn is expected to propagate a continuation of the current stable market scenario.

Subject Property:

Site:

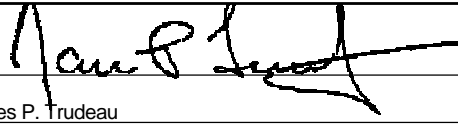
The subject site contains 1.05 acres of area, according to official plat, and is positioned along the south side of the upper most portions of Cresta Road as it ends up the hill in a skier access setting. The site has ski in/out access, and has good elevated wooded views to the south. The site has a sloping topography and appears more or less typical for those along this part of Filing 27, with no adverse site conditions known to exist, although neither soils reports nor other geo-technical data was available for review. No hazard identification of any kind is known to apply to the subject site.

Improvements:

The custom excellent quality subject property improvements consist of a frame and partial log-constructed single family residential structure containing about 13,900 sf. (sf calculated directly from building plans and inspection) of living area on 4 levels, with 7 bedrooms 8-1/2 baths. Of this area, a space of about 60 sf is designated to an indoor grotto and pool/spa. Also present are expansive living, dining, kitchen & recreation rooms. The dwelling is of a rustic mountain style that is common to and popular in Arrowhead, Beaver Creek & Bachelor Gulch, with use of many natural exterior materials, including logs / timbers, extensive native rock facades, wood siding & wood shake roofing, with use of open wood beams, columns & accents. The subject is observed to be of a generally very good to excellent quality that is generally commensurate with other newer, better homes of the proximal area, with use of good to top quality materials, fixtures, equipment and workmanship.

Special features include:

- < expansive vaulted upper level ceilings with exposed log trusses & beams
- < extensive native rock exterior veneer
- < large window systems allowing favorable surrounding views
- < hand-troweled wall surfaces
- < custom-milled knotty alder trim, doors, cabinetry & built-in shelving
- < in-floor gas radiant heat and central AC
- < premium kitchen appliances by Sub-Zero, and Wolf
- < polished slab granite kitchen counters and slab marble bath counters

Appraiser:   
Name: James P. Trudeau

Supervisory Appraiser: \_\_\_\_\_  
Name: \_\_\_\_\_

ADDENDUM

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- < 7 gas-fueled fireplaces
- < kitchenette / bar off family room and upper ski rec room
- < ceramic, marble & limestone bath surfaces
- < wired audio / video / alarm
- < whirlpool tub and separate steam-shower in master baths (3)
- < climate-controlled wine storage room
- < outdoor hot tub

Also present is a built-in 3 car garage, and extensive heated patios and wood deck areas. The driveway is paved and appears to have snow-melt. Landscaping is irrigated. The unit has a functional, articulated floor plan with good use / activity segregation.

The subject, built in 2008, is observed to be in a good-new condition, with an effective age of 1 year and a remaining economic life of 60-70 years. No functional or external inadequacies noted or anticipated.

Highest & Best Use:

The Highest & Best Use of the subject property is concluded to be as a continuation of its single family residential use.

Approaches to Value:

There are three typically used approaches to value in the appraisal process. These are the Cost Approach, the Sales Comparison Approach and the Income Capitalization Approach. They are described as follows:

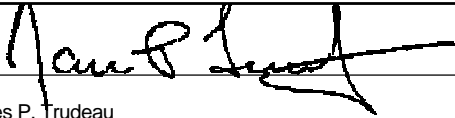
- < The cost approach is based on the premise that the value of a property is indicated by the current cost to construct a replacement for the improvements, minus the amount of depreciation from all causes evident in the improvements, plus the estimated value of the land.
- < The sales comparison approach is a process of comparing the subject property to sales of similar competing properties with adjustments being made for differences in size, location or other market recognized differences.
- < The income capitalization approach is based on the measurement of the present value of future benefits, via a process of capitalizing economic or contract rent into an indication of value using market derived rents and market derived rates.

I have made a reasonable effort to employ each of the three approaches to value. In this valuation, the sales comparison approach primarily and cost approach secondarily were relied upon in forming the final estimation of current subject value. While recognizing that the subject locale, due to its resort nature, has many examples of units utilized for long and short term rental purposes, the Income Approach does not typically serve to provide a reliable indication of value. Rental income is most often of secondary or incidental importance among purchaser's criteria. In the subject's single family marketplace, data for rental rates and gross rent multipliers are commonly unavailable. Therefore, the Income Approach was not utilized in this report. This omission is typical for the local marketplace and the subject's property type.

Cost Approach:

Within the attached form report, a base rate of \$590 per sf. of living area is used for cost calculation, resulting in a cost new estimate of about \$8,423,880, excluding site improvements. The source for this rate is primarily

Appraiser:



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Name: James P. Trudeau

Name:

ADDENDUM

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costs from numerous actual completed top-quality log/partial log projects in the area, combined with disclosed bid costs on other proposals, and, to a lesser degree, adjusted Marshall/Swift index data. Physical loss of about 1% is assigned, consistent with a 1 year effective age, straight-line depreciation model. No other forms of depreciation are assigned.

A land value estimate of \$1,500,000 has been assigned to the subject's site in the cost approach, based both on vacant site sales and via extraction from other similar improved sales, such as those cited in the sales comparison approach herein. Current assessed at over \$2.3 million, anemic demand and built out nature support a lower underlying land value than original purchase though high land to value ratio's remain typical of this upper end market segment.

The cost approach provides an indicated value estimate of \$10,000,000, and is thought to have equal reliability to the sales comparison approach in this report.

Sales Comparison Approach Comments:

Comparables cited in the attached report represent sales of properties that are considered similar to the subject in various aspects. Emphasis for selection was for competing large, newer log or partial log -constructed product in the proximal Arrowhead / Bachelor Gulch locale:

- < No. 1 is a large scale residence of similar quality and features including pool/spa and custom audio/entertainment and wet bars. It represents a current sale date with only size being the most significant difference.
- < No. 2 is slightly smaller as well and in a skier access setting competitive with the subject, though on the opposite side of the ski area. It lacks the pool/spa grotto and wet bar expenses of the subject in the lower end of the value range reflected through its price per square foot.
- < No. 3 is the weakest competitive sale, though most current sale date noting it lacks the spa/pool/grotto bar of the subject in a secondary skier access setting reflecting in the lower price per square foot indication.
- ^ No. 4 is pending and provides continued market support for this upper end market segment being a large scale residence competitive with the subject.
- ^ Both #5 and #6 are active listings and #6 has longer market exposure than the subject but offers very similar overall characteristics of the subject.

Note the following criteria utilized for the adjustments in the sales comparison approach:

Size differences are adjusted at the rate of about \$250 per sf., which is the approximate sensitivity that this better quality segment of the Arrowhead/Bachelor Gulch residential marketplace seems to be presently exhibiting based on paired sales, including those cited in the sales comparison approach. No room count adjustments are being observed in the available data at present.

Location and site/view adjustments, if any, are derived from sales of vacant sites with similar characteristics as the subject and comparables, and are also generally supported by extraction from

Appraiser:

Supervisory Appraiser:

Name: James P. Trudeau

Name:

ADDENDUM

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improved property sales. Adjustments generally correspond to differences in respective site values.

Age and condition differences are combined under one adjustment, with consideration given to each property's relative actual and effective ages. Typical condition adjustments for properties in average to good condition are estimated at about 1.5% per year, predicated on a total estimated life new of about 65 years in a straight line age/life analysis. Properties differing in their effective ages are assigned greater or lesser amounts of adjustment based on their relative condition, together with consideration of cost-to-cure estimation, if appropriate.

Other minor adjustments, if any, are based on various paired sales along with the appraiser's on-going observation of and experience in the marketplace, and are judged adequately supportable and reliable.

Final Value Indication:

Overall, in spite of adjustments required, the market data is considered to have reasonably good similarity to the subject, and provides a relatively close range of indications; with No. 1, 2 and 6 held as probably most similar & recent, but with varying consideration afforded each of the other sales, a value within this range rounded to \$10,000,000 is selected and deemed supportable in the current subject marketplace.

Reasonable Exposure Time & Marketing Period

The Statement on Appraisal Standards No. 6 of the USPAP 2010 Edition defines reasonable exposure time as

"The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market."

In contrast, Marketing Time is defined as

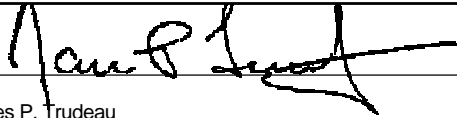
"An estimate of the amount of time it might take to sell a property interest in real estate at the estimated market value level during the period immediately after the effective date of an appraisal."

The key difference between the two is that exposure time is inherent in the market value estimate and is always presumed to precede the effective date of value, whereas the marketing period is the estimated length of time immediately after the effective date of value that will be necessary to sell the property. In level markets, the exposure time and marketing time should be identical. In improving or increasing markets, the marketing period will probably be shorter than the exposure period, whereas in declining markets, the marketing period will probably be longer than the exposure period.

In either of the above scenarios, the following definition is implicit:

- < The property will be actively exposed and aggressively marketed to potential purchasers through marketing channels commonly used to buyers and sellers of similar type properties.
- < The property will be offered at a price reflecting the most probable markup over market value used by sellers of similar type properties.

Appraiser:



Supervisory Appraiser:

Name: James P. Trudeau

Name:

ADDENDUM

Borrower: Scott Cliver	File No.: 2195 Cresta
Property Address: 2195 Cresta Road	Case No.:
City: Edwards	State: CO Zip: 81632
Lender: Citiwide Mortgage Corporation	

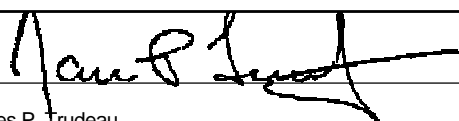
< A sale will consummate under terms and conditions of the definition of market value.

It is my opinion that the reasonable exposure period inherent in the market value estimate concluded upon in this report is: 3-18 months.

An examination of recent sales activity within the subject marketplace reflects a range of typical exposure times from less than one to as long as twelve months. Purchase mortgage funds are readily available for properties within the subject area, and a significant number of sales close under all cash terms. I estimate that the forward-looking marketing period is similar to the exposure period of 3-18 months.

Furnishings and other Personal Property:

Please note that the subject property is appraised unfurnished, with no contribution given to any furnishings, personal property, or intangible items that are not real property. Fixtures, such as built-in appliances, window coverings, wall and floor coverings, and electrical and plumbing fixtures are typically considered as real property in the valuation of residential property, and are included in the value assigned herein.

Appraiser: 	Supervisory Appraiser: _____
Name: James P. Trudeau	Name: _____



Market Conditions Addendum to the Appraisal Report

File No. 2195 Cresta

The purpose of this addendum is to provide the lender/client with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood. This is a required addendum for all appraisal reports with an effective date on or after April 1, 2009.

Property Address **2195 Cresta Road** City **Edwards** State **CO** Zip Code **81632**

Borrower **Scott Cliver**

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

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)	3	3	3	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)	0.50	1.00	1.00	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Comparable Active Listings	17	11	15	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Housing Supply (Total Listings/Ab.Rate)	34.00	11.00	15.00	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale & List Price, DOM, Sale/List %	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Median Comparable Sale Price	7,550,000	8,900,000	9,450,000	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Sales Days on Market	298	326	347	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Comparable List Price	11,100,000	9,700,000	10,990,000	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Listings Days on Market	417	502	433	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale Price as % of List Price	87.00%	91.00%	90.00%	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Seller-(developer, builder, etc.)paid financial assistance prevalent?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.).  
**Seller discounting in price only as the upper end market segment reflects roughly one sale per month in the last 12 months.**

Are foreclosure sales (REO sales) a factor in the market?  Yes  No If yes, explain (including the trends in listings and sales of foreclosed properties).  
**High quality custom home market remains an all cash sale segment not impacted by traditional loan markets.**

Cite data sources for above information. local mls and public record

Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions.  
**Upper most end market segment continues to be an all cash market with what appears to be renewed demand as sales volume in this segment has increased to roughly one sale monthly after no sales in 2009 and six sales in 2010.**

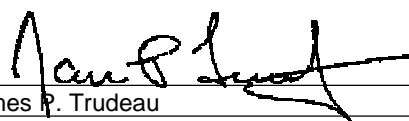
**If the subject is a unit in a condominium or cooperative project, complete the following:** Project Name: \_\_\_\_\_

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

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

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

**APPRAISER**

Signature   
 Name James P. Trudeau  
 Company Name Advanced Appraisal Solutions, LLC.  
 Company Address P.O. Box 3033  
Vail, CO 81658  
 State License/Certification # CR 40003314 State CO  
 Email Address Jim@valueconsult.net

**SUPERVISORY APPRAISER (ONLY IF REQUIRED)**

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

MARKET RESEARCH & ANALYSIS

CONDO/CO-OP PROJECTS

APPRAISER

SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: Scott Cliver

File No.: 2195 Cresta

Address: 2195 Cresta Road

Case No.:

City: Edwards

St: CO

Zip: 81632

Lender: Citiwide Mortgage Corporation



FRONT VIEW OF  
SUBJECT PROPERTY

Date: April 15, 2011

Appraised Value: \$ 10,000,000



REAR VIEW OF  
SUBJECT PROPERTY



STREET SCENE



Additional Subject Photos

Borrower: Scott Cliver	File No.: 2195 Cresta		
Address: 2195 Cresta Road	Case No.:		
City: Edwards	St: CO	Zip: 81632	Lender: Citiwide Mortgage Corporation



Kitchen



Great Room



Bath 1



Bath 2

Additional Subject photos

Borrower: Scott Cliver	File No.: 2195 Cresta		
Address: 2195 Cresta Road	Case No.:		
City: Edwards	St: CO	Zip: 81632	Lender: Citiwide Mortgage Corporation



Bath 3 (Main)



Bath 4



Bath 5



Bath 6



Additional Subject Photos

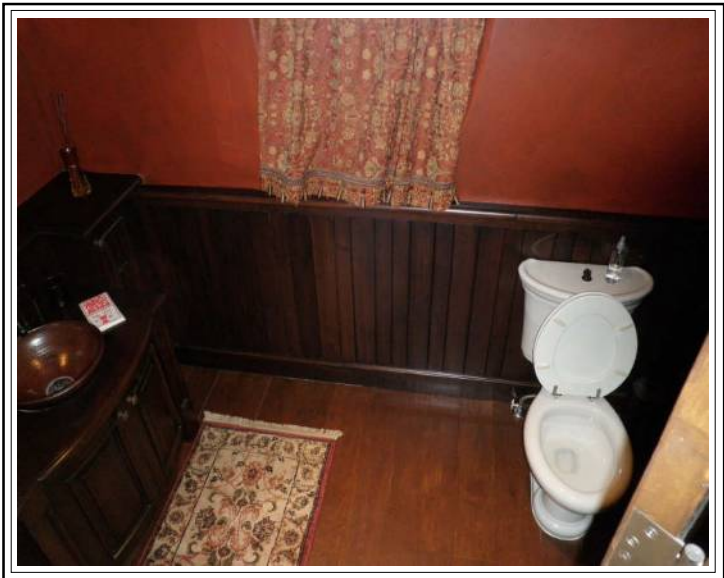
Borrower: Scott Cliver	File No.: 2195 Cresta		
Address: 2195 Cresta Road	Case No.:		
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Bath 7



Bath 8



Half Bath



Grotto/spa-pool

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: Scott Cliver	File No.: 2195 Cresta		
Address: 2195 Cresta Road	Case No.:		
City: Edwards	St: CO	Zip: 81632	Lender: Citiwide Mortgage Corporation



COMPARABLE SALE #1

3791 DayBreak Ridge Road  
Avon/Bachelor Gulch  
Sale Date: 01/20/2011  
Sale Price: \$ 10,300,000



COMPARABLE SALE #2

202 Holden Road  
Avon/Beaver Creek  
Sale Date: 12/29/2010  
Sale Price: \$ 9,000,000



COMPARABLE SALE #3

156 Elkhorn Road  
Avon/Bachelor Gulch  
Sale Date: 02/14/2011  
Sale Price: \$ 8,900,000



COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: Scott Cliver

File No.: 2195 Cresta

Address: 2195 Cresta Road

Case No.:

City: Edwards

St: CO

Zip: 81632

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COMPARABLE SALE #4

3380 DayBreak Ridge Road  
Avon/Bachelor Gulch  
Sale Date: Pending -10%  
Sale Price: \$ 11,950,000



COMPARABLE SALE #5

2121 Cresta  
Edwards  
Sale Date: Active -10%  
Sale Price: \$ 7,900,000

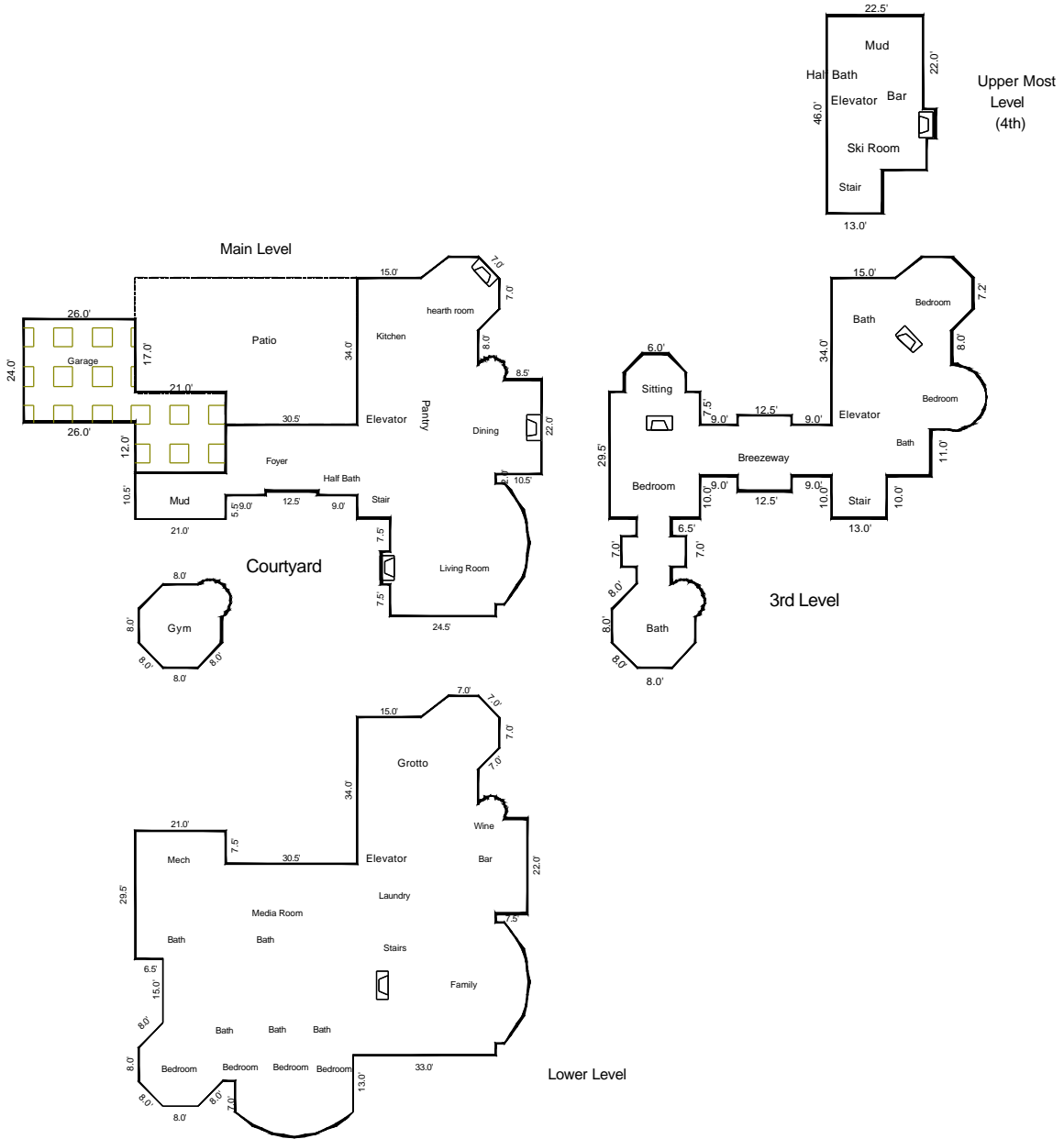


COMPARABLE SALE #6

305 Tall Timber Road  
Avon  
Sale Date: Active -10%  
Sale Price: \$ 11,950,000

# FLOORPLAN

Borrower: Scott Cliver	File No.: 2195 Cresta
Property Address: 2195 Cresta Road	Case No.:
City: Edwards	State: CO
Lender: Citiwide Mortgage Corporation	Zip: 81632



Sketch by Apex IV™

Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Size	Net Totals
GLA1	First Floor	5917.94	5917.94
GLA2	Second Floor	338.95	
	Second Floor	3522.43	3861.39
GLA3	Third Floor	3243.34	3243.34
GLA4	Fourth Floor	960.14	960.14
P/P	Patio	1592.60	1592.60
GAR	Garage	1023.00	1023.00
<b>TOTAL LIVABLE (rounded)</b>		<b>13983</b>	

LIVING AREA BREAKDOWN			
Breakdown			Subtotals
<b>First Floor</b>			
	5.7 x	8.0	45.26
0.5 x	5.7 x	5.7	16.00
0.5 x	5.7 x	5.7	16.00
	8.0 x	19.3	154.51
	2.0 x	28.0	56.00
0.5 x	4.7 x	6.2	14.60
	11.7 x	72.7	846.96
	21.2 x	34.0	719.33
	7.5 x	21.0	157.50
	13.0 x	22.0	286.00
0.5 x	6.0 x	3.5	10.50
	7.0 x	28.4	198.80
	5.5 x	22.0	121.00
	4.9 x	7.0	34.65
0.5 x	4.9 x	4.9	12.25
74 unlisted calculations			11293.45
<b>89 Calculations Total (rounded)</b>			<b>13983</b>



PLAT MAP

Borrower: Scott Cliver	File No.: 2195 Cresta	
Property Address: 2195 Cresta Road	Case No.:	
City: Edwards	State: CO	Zip: 81632
Lender: Citiwide Mortgage Corporation		





LOCATION MAP

Borrower: Scott Cliver	File No.: 2195 Cresta	
Property Address: 2195 Cresta Road	Case No.:	
City: Edwards	State: CO	Zip: 81632
Lender: Citiwide Mortgage Corporation		



Borrower: Scott Cliver

File No.: 2195 Cresta

Property Address: 2195 Cresta Road

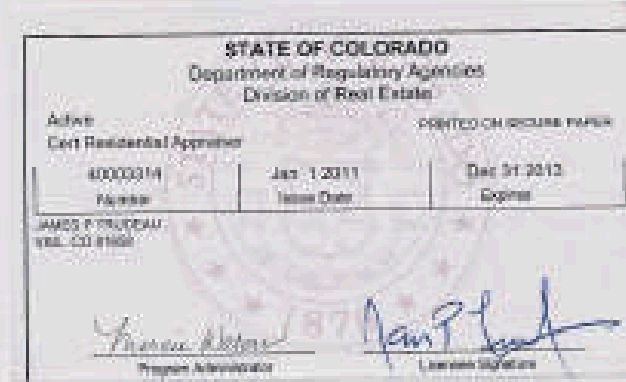
Case No.:

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State: CO

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Borrower: Scott Cliver

File No.: 2195 Cresta

Property Address: 2195 Cresta Road

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