

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

SECURITIES AND EXCHANGE)
COMMISSION,)
)
Plaintiff,)
)
v.)
)
KEVIN B. MERRILL, et al.,)
)
Defendants.)

Case No.: 1:18-cv-02844-RDB

RECEIVER GREGORY S. MILLIGAN’S MOTION FOR AUTHORIZATION OF SALE OF REAL PROPERTY LOCATED AT 1650 CEDAR HILL AVENUE, DALLAS, TEXAS 75208

This Motion for Sale of Real Property (“Sale Motion”) seeks authorization to sell real property located at 1650 Cedar Hill Avenue, Dallas, Texas 75208 (the “Real Property”). If you oppose the sale identified in this Sale Motion, you should immediately contact the undersigned counsel for Receiver Gregory S. Milligan (the “Receiver”). If you and the Receiver cannot agree, you must file a written objection to the proposed sale within thirty (30) days of the filing of this Sale Motion. Your objection must state why the proposed sale should not be approved by the Court and whether the objecting party has a proposed buyer willing to purchase the Real Property for an amount that exceeds the Purchase Price set forth below. If no party files a timely objection, the proposed sale may be approved by the Court without a hearing, thereby authorizing the Receiver to close the sale as soon as practicable.

Receiver Gregory S. Milligan, with the consent of the Securities and Exchange Commission (the “SEC”) and the Office of the United States Attorney (the “U.S. Attorney’s Office”), respectfully files this Sale Motion for authorization to sell the real property located at 1650 Cedar Hill Avenue, Dallas, Texas 75208 (the “Real Property”), pursuant to the approved procedures for the sale of the residential real property held by the Receiver. See Dkt. Nos. 137, 258. The facts and circumstances supporting this Sale Motion are set forth in the Declaration of Gregory S. Milligan (the “Milligan Declaration”), which is attached hereto as **Exhibit A**. In further support of this Sale Motion, the Receiver states as follows:

I. BACKGROUND

A. Court authorized the Marketing of the Real Property.

1. On March 8, 2019, the Receiver filed the Motion for Approval of Procedures for Sale of Real Property and Retention of Sotheby's International Realty, Inc. as Broker (the "Sotheby's Motion") to obtain Court approval to market and sell the real property in the Receivership Estate. *See* Dkt. No. 107.

2. Defendant Jay Ledford ("Ledford") opposed the Sotheby's Motion. *See* Dkt. No. 115.

3. Defendant Kevin B. Merrill ("Merrill") and Relief Defendant Amanda Merrill ("Amanda Merrill") consented to the Sotheby's Motion. *See* Dkt. Nos. 116 and 117.

4. On April 23, 2019, the Court entered an Agreed Order on the Sotheby's Motion (the "Agreed Order"), which granted Sotheby's Motion with respect to certain real property owned or purchased by Merrill and/or Amanda Merrill. *See* Dkt. No. 137 ¶¶ 17-18. The Court did not grant any relief as to the property subject to Ledford's opposition, including the Real Property. *See* Dkt. No. 137 ¶¶ 17-18. The Agreed Order established the procedures for the sale of the Merrill Real Property. *See* Dkt. No. 137.

5. On December 18, 2019, the Receiver and Ledford filed a stipulation that resolved and withdrew Ledford's opposition to the Sotheby's Motion ("Ledford Stipulation"). *See* Dkt. No. 258 ¶ 3. On December 18, 2019, the Court granted the stipulation and established the procedures for the sale of the remaining real property (the "Real Property Sales Procedures").¹

¹ The remaining real property includes: (i) 9017 Grove Crest Lane, Las Vegas, Nevada 89134, (ii) 1132 Glade Road, Colleyville, Texas 76034, (iii) 1650 Cedar Hill, Dallas, Texas 75208, and (iv) 2308 Cedar Elm Terrace, Westlake, Texas 76262. *See* Dkt. 258 ¶ 2. These properties are collectively "The Remaining Real Property." The property at 2801 Paramount Boulevard, Amarillo, Texas 79109 was also not included in the Agreed Order, but that property has since been sold and is not identified as Remaining Real Property for purposes of this Motion.

See generally Dkt. No. 258. The Court ordered the Real Property Sales Procedures shall apply to the Remaining Real Property, including the Real Property. *See id.*

6. The Real Property is one that was approved for marketing and sale by the Court in its December 18, 2019 order. *See* Dkt. 258 ¶¶ 2-4.

B. The J-Trust has not made a Claim to the Property and Did Not Object to the Sotheby's Motion.

7. Title to the Real Property is held in the name of J-Trust. *See* Dkt. No. 54 at 19; Dkt. No. 257 at ¶ 8. Ledford created the J-Trust in 2012, and it was funded “with the proceeds of [Ledford’s] fraudulent activity.” Dkt. No. 257-1 at ¶¶ 2, 5.

8. VIP Capital Corporation (“VIP Capital”) is the trustee of J. Trust. *See* Dkt. 257-1 at ¶ 3. The President and sole owner of VIP Capital is Hillary Badrow. *See id.* The J-Trust, through Ms. Badrow, was served with the Sotheby’s Motion on March 8, 2019. *See* Dkt. 107 at 13. Neither the J-Trust nor VIP Capital opposed the Sotheby’s Motion. *See generally* Dkt.

9. The J-Trust, through VIP Capital, was also served with the Ledford Stipulation on December 18, 2019. *See* Dkt. 258. Neither the J-Trust nor VIP Capital opposed the Ledford Stipulation. *See generally* Dkt.

10. As indicated in paragraph 30, *infra*, the Receiver will serve a copy of the Sale Motion on VIP Capital (through its registered agent) and Ms. Badrow and her counsel² by regular and certified mail. The Receiver will also serve a copy of the Sale Motion on Ms. Badrow’s counsel by electronic mail.

11. Ledford has further consented to the Receiver’s “disposition of any and all assets that are possessed by or held in the name of J-Trust.” Dkt. 257-1 at ¶ 15.

C. The Buyer’s Accepted, No Contingencies Offer.

² Ms. Badrow’s counsel, B.K. Gentry and Randy Sharrod, have yet to appear in this case. The Receiver’s counsel has spoken with Mr. Gentry and Mr. Sharrod during the course of the SEC Action.

12. Pursuant to the Real Property Sales Procedures, the Receiver retained Sotheby's International Realty, Inc. ("Sotheby's") and began marketing the Real Property for sale. *See* Milligan Declaration at ¶ 8.

13. The initial listing price for the Real Property was \$995,000. *See id.* at ¶ 9.

14. After diligently marketing the Real Property, Sotheby's received a cash offer from Marcer Construction, LLC ("Buyer") for \$945,000 (the "Purchase Price"). *See id.* at ¶ 10. A copy of the Residential Contract of Sale (the "Contract") is attached as **Exhibit 1** to the Milligan Declaration.

15. The Purchase Price is not contingent upon inspections or the sale of any current home owned by the Buyer. *See id.* at ¶ 11.

16. Pursuant to the Real Property Sales Procedures, the Receiver believes a private sale of the Real Property pursuant to the terms of the Contract will yield a higher return than a public auction. *See id.* at ¶ 12.

17. Pursuant to 28 U.S.C. § 2001, the Receiver obtained three appraisals of the Real Property from disinterested appraisers. *See id.* at ¶ 13.

18. The first appraisal was performed by Mark V. Milliorn of Milliorn Appraisal Company (the "Milliorn Appraisal"), which concluded the present market value of the Real Property was \$1,010,000 as of November 12, 2019. *See id.* at ¶ 14. A copy of the Milliorn Appraisal is attached as **Exhibit 2** to the Milligan Declaration.

19. The second appraisal was performed by Carla Moffett of Appraisal Consultants (the "Moffett Appraisal"), which concluded the present market value of the Real Property was \$1,000,000 as of January 6, 2020. *See id.* at ¶ 15. A copy of the Moffett Appraisal is attached as **Exhibit 3** to the Milligan Declaration.

20. The third appraisal was performed by Matthew S. Hyatt, of Hyatt Appraisal Company, LLC (the “Hyatt Appraisal”) (the Milliorn Appraisal, Moffett Appraisal, and Hyatt Appraisal are collectively, the “Appraisals”), which concluded the present market value of the Real Property was \$1,015,000 as of January 15, 2020. *See id.* at ¶ 16. A copy of the Hosford Appraisal is attached as **Exhibit 4** to the Milligan Declaration.

21. The Purchase Price for the sale proposed by the Receiver is approximately 93.7% of the average of the appraised values of the Real Property. *See id.* at ¶ 17.

22. The Receiver believes that the sale of the Real Property to the Buyer at this time pursuant to the terms of the Contract is in the best interest of the Receivership Estate³ to maximize the recovery and preservation of Receivership Assets. *See id.* at ¶ 18.

23. If approved by the Court, the proposed 6% commission of \$56,700.00 (the “Commission”) would be paid 50% to Sotheby’s and 50% to the Buyer’s broker and out of the Purchase Price at closing. *See id.* at ¶ 19.

24. Additionally, if approved by the Court, Sotheby’s would also receive an administrative fee of \$495.00 (the “Administrative Fee”) to be paid out of the Purchase Price at closing. *See id.* at ¶ 20.

25. The 2018 and 2019 taxes assessed against the Real Property have not been paid. If the sale of the Real Property is approved by the Court, the 2018 and 2019 property taxes will be paid out of the Purchase Price at closing in the total amount of \$70,597.54. *See id.* at ¶ 21. Additionally, the 2020 property taxes will be prorated in the approximate amount of \$7,903.18. *See id.*

³ Capitalized terms herein shall have the same meaning as used in the First Amended Order Appointing Temporary Receiver (the “Receivership Order”) (Dkt. No. 62) unless otherwise noted.

26. The Real Property is also subject to a mechanic's lien. *See* Ex. B, affidavit of mechanic's lien. The current amount to satisfy the mechanic's lien is \$7,023.86. A portion of the proceeds from the Purchase Price will be distributed to satisfy the mechanic's lien. *See id.* at ¶ 22.

27. Finally, if approved by the Court, the sale of the Real Property would also incur customary closing costs for taxes and other government fees in the approximate amount of \$5,822.00. to be paid at closing out of the Purchase Price. *See id.* at ¶ 23. A copy of the draft Settlement Statement is attached to the Milligan Declaration as **Exhibit 5**.

II. REQUESTED RELIEF

28. The Receiver seeks Court authorization to sell the Real Property to the Buyer for the Purchase Price and pursuant to the other terms and conditions described in this Sale Motion. Pursuant to the Agreed Order, the Receiver also seeks Court authorization to pay the Commission, Administrative Fee, and other customary closing costs out of the Purchase Price. *See* Dkt. No. 137 ¶ 6.

29. The Purchase Price for the sale proposed by the Receiver is approximately 93.7% of the average of the appraised values of the Real Property. *See* Milligan Declaration ¶ 17.

30. The Receiver believes a private sale of the Real Property will yield a higher sale price than a public auction. *See id.* ¶ 12.

31. In the Receiver's business judgment, the Commission and Administrative Fee proposed by Sotheby's is fair market value for such services and will result in a net benefit to the Receivership Estate and will reduce the administrative cost to the Receivership Estate. Pursuant to the Agreed Order, the Receiver seeks authorization to pay these fees in connection with the sale of the Real Property. If Sotheby's was required to submit fee applications, the burden of preparing those fee applications would fall on the Receiver's professionals and would increase the burden on the Receivership Estate. Accordingly, the Receiver is requesting final approval for payment of

Sotheby's Commission and Administrative Fee, along with all other customary closing costs, out of the Purchase Price at closing without need of further Court approval. *See id.* at ¶ 25.

32. Pursuant to the Real Property Sales Procedures, this Sale Motion will be served on all Known Parties of Interest. As used in this Sale Motion, the term "Known Parties of Interest" shall mean: (i) all counsel and/or pro se parties of record who have registered to receive electronic service; (ii) all parties of record in this matter who have not registered to receive electronic service; and (iii) any individuals or entities who hold a recorded lien on the Real Property. Any Known Parties of Interest who have registered to receive electronic service shall receive a copy of this Sale Motion through the Court's CM/ECF filing system. All other Known Parties of Interest shall receive a copy of the Sale Motion through regular U.S. Mail. The Sale Motion will act as formal legal notice of the proposed sale and will require all Known Parties of Interest with objections to the proposed sale to timely respond to this Sale Motion or be deemed to consent to the sale. The Receiver will also post a copy of this Sale Motion and proposed order on the Receiver's website for this case, www.merrill-ledford.com, to provide adequate notice to the public of the proposed sale.

33. Pursuant to the Real Property Sales Procedures, any party, entity, or person asserting an objection to this Sale Motion shall file its objection within thirty (30) days of the filing of the Sale Motion. In the event an objection is filed to this Sale Motion, such objecting party shall state why the proposed sale should not be approved by the Court and whether the objecting party has a proposed buyer who is willing to purchase the Real Property for an amount that exceeds the proposed Purchase Price. The Receiver's response to any objection to this Sale Motion shall be due within fourteen (14) days of the date the objection was filed with the Court. If the Receiver fails to respond to the objection, the objection shall be granted and this Sale Motion shall be denied. If the Receiver files a response, the Court may thereafter determine whether a hearing is necessary

to (i) approve the sale, (ii) sustain the objection, or (iii) order a public auction with the proposed Buyer and terms under the Sale Motion to act as a “stalking horse” bid, subject to higher and better offers.

34. Pursuant to the Real Property Sales Procedures, if no objection is filed, or if the Court approves the sale subsequent to an objection, the Receiver’s sale of the Real Property shall be free and clear of all liens, claims, and encumbrances, unless the Court orders that such liens, claims, or encumbrances shall attach to the proceeds of such sale. All allowed claims shall attach to the proceeds of the sale of the Real Property without need for further Court order. If any party asserts a lien, claim, or encumbrance on the Real Property, such sale may still go forward to closing, with a determination of the extent, validity, and/or priority of the alleged lien, claim, or encumbrance to be made by the Court at a later date.

35. Pursuant to the Agreed Order, the net proceeds of the sale of the Real Property will be held in an interest-bearing account maintained by the Receiver pending final resolution of this SEC Action or further Order of this Court. Pursuant to the Agreed Order, all rights, reservations, claims, defenses, and objections of Amanda Merrill, the SEC, and the Receiver have been preserved with respect to distribution of the proceeds.

III. CONCLUSION

WHEREFORE, the Receiver respectfully requests that this Court enter an Order: (i) granting this Sale Motion; (ii) authorizing the Receiver to sell the Real Property to the Buyer free and clear of liens, claims, and encumbrances (with such liens, claims, and encumbrances, if any, to attach to the sales proceeds) for the Purchase Price and pursuant to the other terms disclosed in this Sale Motion; (iii) authorizing Sotheby’s to receive the Commission at closing from the Purchase Price, which will be shared equally with the Buyer’s broker, plus the Administrative Fee; (iv) authorizing the Receiver to pay the 2018 and 2019 taxes assessed against the Real Property,

to satisfy the Mechanic's Lien, and to pay other customary closing costs out of the Purchase Price at closing; and (v) granting such other relief as the Court deems just and proper.

Date: March 5, 2020.

Respectfully Submitted,

/s/ Lynn H. Butler

Lynn H. Butler, *pro hac vice*
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Counsel for Receiver Gregory S. Milligan

CERTIFICATE OF SERVICE

On March 5, 2020, I electronically submitted the foregoing document with the clerk of the court of the U.S. District Court for the District of Maryland, using the electronic case filing system of the court. I hereby certify that I have served all counsel and/or pro se parties of record electronically through the Court's CM/ECF filing system for all parties who have registered to receive electronic service. Additionally, the foregoing document was served on the following parties not registered for Court's CM/ECF filing system as indicated below:

Defendant Kevin B. Merrill (via U.S. Mail):

Kevin B. Merrill #64274-037
FCI Allenwood Low
Federal Correctional Institution
P.O. Box 1000
White Deer, PA 17887

Defendant Jay B. Ledford (via U.S. Mail):

Jay B. Ledford, #55055-048
FCI Safford
Federal Corrections Institution
P.O. Box 9000
Safford, AZ 85548

Criminal Counsel for Defendant Kevin B. Merrill (via E-Mail and U.S. Mail):

Elizabeth Genevieve Oyer
Office of the Federal Public Defender
100 S Charles St Ste 900 Tower II
Baltimore, MD 21201
liz_oyer@fd.org

Maggie Grace
Office of the Federal Public Defender
100 S Charles St, Tower II, 9th Floor
Baltimore, MD 21201
maggie_grace@fd.org

Criminal Counsel for Defendant Jay B. Ledford (via E-Mail and U.S. Mail):

Harry J Trainor, Jr
Trainor Billman Bennett and Milko LLP
116 Cathedral St Ste E
Annapolis, MD 21401
htrain@prodigy.net

Criminal Counsel for Defendant Cameron R. Jeziarski (via E-Mail and U.S. Mail):

Joseph J Aronica
Duane Morris LLP
505 9th St NW Ste 1000
Washington, DC 20004
jjaronica@duanemorris.com

Criminal Counsel for Relief Defendant Amanda Merrill (via E-Mail and U.S. Mail):

Addy R. Schmitt
Ian Herbert
Miller & Chevalier Chartered
900 16th St NW
Washington, DC 20006
aschmitt@milchev.com
iherbert@milchev.com

Relief Defendant Lalaine Ledford (via U.S. Mail):

Lalaine Ledford
10512 Courtney Cove Ave.
Las Vegas, NV 89144
lalainebarretto@yahoo.com

Baltimore County Office of Law (via E-Mail and U.S. Mail):

Susan B. Dubin
Baltimore County Office of Law
400 Washington Avenue
Towson, Maryland 21204
sdubin@baltimorecountymd.gov

Dundalk United Methodist Church (U.S. Mail):

Dundalk United Methodist Church
c/o Edward F. Mathus
6903 Mornington Road
Baltimore, Maryland 21222

Branch Banking and Trust Company (via U.S. Mail):

Debra S. Clayman
Associate General Counsel
Branch Banking and Trust Company (BB&T)
200 West Second Street
Winston-Salem, North Carolina 27101
dclayman@bbandt.com

Lienholders, Tax Assessors, and Other Interested Parties (U.S. Mail unless otherwise noted):

Florida Community Bank, N.A.
2325 Vanderbilt Beach Road
Naples, Florida 34109
Mortgage Electronic Registration Systems, Inc.
PO Box 2026
Flint, Michigan 48501-2026

Collier County, Florida Tax Assessor
3291 Tamiami Trail East
Naples, Florida 34112

Maryland Department of Assessments & Taxation
301 W. Preston Street
Baltimore, Maryland 21201-2395

Branch Banking and Trust Company,
A North Carolina Banking Corporation
PO Box 1290
Whiteville, North Carolina 28472

Talbot County, Maryland Finance Office
Talbot County Courthouse
11 North Washington Street, Suite 9
Easton, Maryland 21601

HSBC Bank USA, National Association, as trustee of
J.P. Morgan Alternative Loan Trust 2006-A5
c/o Howard n. Bierman, Trustee
c/o Select Portfolio Servicing, Inc.
3815 Southwest Temple
Salt Lake City, Utah 84115

Clark County, Nevada Tax Assessor
500 S. Grand Central Parkway
Las Vegas, Nevada 89155
First Financial Bank, N.A. Southlake
3205 E. Hwy. 114
PO Box 92840
Southlake, Texas 76092

Hunter Kelsey of Texas, LLC
4131 Spicewood Springs Road, Bldg. J-1A
Austin, Texas 78759

Frost Bank, f/k/a The Frost National Bank
c/o Michael J. Quilling
Quilling, Selander Lownds, Winslett & Moser, P.C.
2001 Bryan Street, Suite 1800
Dallas, Texas 75201

The City of Colleyville, Texas
c/o Victoria W. Thomas
Nichols, Jackson, Dilard, Hager & Smith, L.L.P.
1800 Lincoln Plaza
500 North Akard
Dallas, Texas 75201
Tarrant County, Texas Tax Assessor
100 E. Weatherford
Fort Worth, Texas 76196

J Trust (Via First Class Mail and Certified Mail)
c/o Hillary RE. Badrow, Trustee
2801 Paramount Boulevard
Amarillo, Texas 79109

VIP Capital (Via First Class Mail and Certified Mail)
c/o its Registered Agent
Hilary R. Badrow
9804 Will Ave.
Amarillo, Texas 79119

B.K. Gentry and Randy Sherrod (Via First Class Mail, Certified Mail, and E-Mail)
The Law Office of Randall Sherrod, P.C.
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Amarillo, Texas 79101
Counsel for Hillary RE Badrow

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Sorensen Industries DBA Titan Fence Supply Company
301 South Highway 377
Crossroads, Texas 76227

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2949 N. Stemmons Freeway
Dallas, Texas 75247-6195
Bozeman West
PO Box 1970
15632 West Main Street
Bozeman, Montana 59771-1970

Neil A. Patel
5308 Burgandy Court
Colleyville, Texas 76034
TIB – The Independent BankersBank
350 Phelps Court, Suite 200
PO Box 560528i
Dallas, Texas 75356-0528

Wachovia Mortgage, FSB
PO Box 659548
San Antonio, Texas 78265-9548

Denton County Tax Assessor
1505 E. McKinney Street
Denton, Texas 76209-4525

Potter County, Texas Tax Assessor
900 South Polk, Suite 106
Amarillo, Texas 79101

Wells Fargo Home Mortgage
P.O. Box 10335
Des Moines, IA 50306

Albertelli Law
Attn: Coury M. Jacocks
2201 W. Royal Lane, Suite 155
Irving, TX 75063

Samuel I. White, P.C.
5040 Corporate Woods Drive, Suite 120
Virginia Beach, VA 23462

/s/ Lynn H. Butler

Lynn H. Butler

EXHIBIT A

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

SECURITIES AND EXCHANGE)
COMMISSION,)
)
Plaintiff,)
)
v.)
)
KEVIN B. MERRILL, et al.,)
)
Defendants.)

Case No.: 1:18-cv-02844-RDB

**DECLARATION OF GREGORY S. MILLIGAN IN SUPPORT OF RECEIVER’S
MOTION FOR AUTHORIZATION OF SALE OF REAL PROPERTY LOCATED AT
1650 CEDAR HILL AVENUE, DALLAS, TEXAS 75208**

Gregory S. Milligan declares, pursuant to 28 U.S.C. § 1746 and under penalty of perjury,
that the following is true and correct:

1. My name is Gregory S. Milligan, and I am of sound mind and capable of making this Declaration. I have personal knowledge of the facts stated herein and they are true and correct.
2. I am the Court-appointed Receiver in the civil action styled *Securities and Exchange Commission v. Kevin B. Merrill, et al.*, Case No.: 1:18-cv-02844-RDB pending in the United States District Court for the District of Maryland.
3. In furtherance of my duties to manage and maintain the value of the Receivership Assets,¹ I filed a Motion for Approval of Procedures for Sale of Real Property and Retention of Sotheby’s International Realty, Inc. as Broker (the “Sotheby’s Motion”) (Dkt. No. 107) to obtain Court approval to market and sell the real property in the Receivership Estate.
4. Defendant Jay Ledford (“Ledford”) opposed the Sotheby’s Motion. *See* Dkt. No. 115.
5. On April 23, 2019, the Court entered an Agreed Order, granting in part the Sotheby’s Motion (the “Agreed Order”) (Dkt. No. 137) with respect to certain real property owned or purchased by Defendant Kevin B. Merrill and/or Relief Defendant Amanda Merrill (the “Merrill Real Property”), which established the procedures for the sale of the Merrill Real

¹ Capitalized terms herein shall have the same meaning as used in the First Amended Order Appointing Temporary Receiver (the “Receivership Order”) (Dkt. No. 62) unless otherwise noted.

Property (the “Real Property Sales Procedures”). The Court did not grant any relief as to the property subject to Ledford’s opposition. *See* Dkt. No. 137 ¶¶ 17-18.

6. On December 18, 2019, I filed a stipulation that resolved and withdrew Ledford’s opposition. *See* Dkt. 278. That same day, the Court granted the stipulation and ordered the Real Property Sales Procedures applied to the remaining real property, including: (i) 9017 Grove Crest Lane, Las Vegas, Nevada 89134, (ii) 1132 Glade Road, Colleyville, Texas 76034, (iii) 1650 Cedar Hill, Dallas, Texas 75208, and (iv) 2308 Cedar Elm Terrace, Westlake, Texas 76262 (collectively “Remaining Real Property”). The Court ordered the Real Property Sales Procedures shall apply to the Remaining Real Property.
7. The real property that is the subject of the current sale motion is located at 1650 Cedar Hill Avenue, Dallas, Texas 75208 (the “Real Property”) and is one of the Remaining Real Properties that was approved for marketing and sale by the Court.
8. Pursuant to the Real Property Sales Procedures, I retained Sotheby’s International Realty, Inc. (“Sotheby’s”) and began marketing the Real Property for sale.
9. The initial listing price for the Real Property was \$995,000.00.
10. After diligently marketing the Real Property, Sotheby’s received a cash offer from Marcer Construction, LLC (“Buyer”) for \$945,000 (the “Purchase Price”). A copy of the Residential Contract of Sale (the “Contract”) is attached hereto as **Exhibit 1**.
11. The Purchase Price is not contingent upon inspections or the sale of any current home owned by the Buyer.
12. Pursuant to the Real Property Sales Procedures, I believe a private sale of the Real Property pursuant to the terms of the Contract will yield a higher return than a public auction.
13. Pursuant to 28 U.S.C. § 2001, I obtained three appraisals of the Real Property from disinterested appraisers.
14. The first appraisal was performed by Mark V. Milliorn of Milliorn Appraisal Company (the “Milliorn Appraisal”), which concluded the present market value of the Real Property was \$1,010,000 as of November 12, 2019. A true and correct copy of the Milliorn Appraisal is attached hereto as **Exhibit 2**.
15. The second appraisal was performed by Carla Moffett of Appraisal Consultants (the “Moffett Appraisal”), which concluded the present market value of the Real Property was \$1,000,000 as of January 6, 2020. A copy of the Moffett Appraisal is attached hereto as **Exhibit 3**.
16. The third appraisal was performed by Matthew S. Hyatt, of Hyatt Appraisal Company, LLC (the “Hyatt Appraisal”) (the Milliorn Appraisal, Moffett Appraisal, and Hyatt Appraisal are collectively, the “Appraisals”), which concluded the present market value of the Real Property was \$1,015,000 as of January 15, 2020. A copy of the Hyatt Appraisal is attached hereto as **Exhibit 4**.

17. The Purchase Price for the sale proposed herein is approximately 93.7% of the average of the appraised values of the Real Property
18. I believe that the sale of the Real Property to the Buyer at this time pursuant to the terms of the Contract is in the best interest of the Receivership Estate to maximize the recovery and preservation of Receivership Assets.
19. If approved by the Court, the proposed 6% commission of \$56,700.00 (the "Commission") would be paid 50% to Sotheby's and 50% to the Buyer's broker out of the Purchase Price at closing.
20. If the sale is approved by the Court, Sotheby's would also receive an administrative fee of \$495.00.
21. The 2018 and 2019 taxes assessed against the Real Property have not been paid. If the sale of the Real Property is approved by the Court, the 2018 and 2019 property taxes will be paid out of the Purchase Price at closing in the total amount of \$70,597.54. Additionally, the 2020 property taxes will be prorated in the approximate amount of \$7,903.18.
22. An affidavit of mechanic's lien has been recorded against the Real Property. A portion of the proceeds from the Purchase Price will be distributed to satisfy the mechanic's lien.
23. Finally, if approved by the Court, the sale of the Real Property would also incur customary closing costs for escrow and other fees in the approximate amount of \$5,822.00 to be paid at closing out of the Purchase Price.
24. A copy of the draft Seller's Settlement Statement reflecting the commission, property taxes, and other closing costs to be charged to the seller is attached hereto as **Exhibit 5**.
25. In my business judgment, the Commission and Administrative Fee proposed by Sotheby's is fair market value for such services, will result in a net benefit to the Receivership Estate, and will reduce the administrative cost to the Receivership Estate. Pursuant to the Agreed Order, I seek authorization to pay these fees in connection with the sale of the Real Property. If Sotheby's were required to submit fee applications, the burden of preparing those fee applications would fall on my professionals and would increase the burden on the Receivership Estate. Accordingly, I am requesting final approval for payment of Sotheby's Commission and Administrative fee, along with all other customary closing costs, at closing out of the Purchase Price without need of further Court approval.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on March 5, 2020.



GREGORY S. MILLIGAN

EXHIBIT 1



PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC)
ONE TO FOUR FAMILY RESIDENTIAL CONTRACT (RESALE)

2-12-18



NOTICE: Not For Use For Condominium Transactions

- 1. PARTIES: The parties to this contract are J Trust, Gregory S Milligan, Receiver (Seller) and Marcer Construction, LLC (Buyer).
2. PROPERTY: The land, improvements and accessories are collectively referred to as the 'Property'.
A. LAND: Lot 12, Block 1/4702, Rock Lodge Addn, Dallas, Texas, known as 1650 Cedar Hill Ave, 75208-2436.
B. IMPROVEMENTS: The house, garage and all other fixtures and improvements attached to the above-described real property, including without limitation, the following permanently installed and built-in items...
C. ACCESSORIES: The following described related accessories, if any: window air conditioning units, stove, fireplace screens, curtains and rods, blinds, window shades, draperies and rods, door keys, mailbox keys, above ground pool, swimming pool equipment and maintenance accessories...
D. EXCLUSIONS: The following improvements and accessories will be retained by Seller and must be removed prior to delivery of possession: None.
E. RESERVATIONS: Any reservation for oil, gas, or other minerals, water, timber, or other interests is made in accordance with an attached addendum.
3. SALES PRICE:
A. Cash portion of Sales Price payable by Buyer at closing \$ 945,000.00
B. Sum of all financing described in the attached: [] Third Party Financing Addendum, [] Loan Assumption Addendum, [] Seller Financing Addendum
C. Sales Price (Sum of A and B) \$ 945,000.00
4. LICENSE HOLDER DISCLOSURE: Texas law requires a real estate license holder who is a party to a transaction or acting on behalf of a spouse, parent, child, business entity in which the license holder owns more than 10%, or a trust for which the license holder acts as a trustee or of which the license holder or the license holder's spouse, parent or child is a beneficiary, to notify the other party in writing before entering into a contract of sale. Disclose if applicable: on the next business day.
5. EARNEST MONEY: Within 3 days after the Effective Date, Buyer must deliver \$ 50,000.00 as earnest money to Debra Naukam, 972-578-8611, as escrow agent, at Republic Title of Texas, Inc. 2701 W. Plano Pkwy., Ste. 100, Plano 75075 (address). Buyer shall deliver additional earnest money of \$ -0- to escrow agent within n/a days after the Effective Date of this contract. If Buyer fails to deliver the earnest money within the time required, Seller may terminate this contract or exercise Seller's remedies under Paragraph 15, or both, by providing notice to Buyer before Buyer delivers the earnest money. If the last day to deliver the earnest money falls on a Saturday, Sunday, or legal holiday, the time to deliver the earnest money is extended until the end of the next day that is not a Saturday, Sunday, or legal holiday. Time is of the essence for this paragraph.
6. TITLE POLICY AND SURVEY:
A. TITLE POLICY: Seller shall furnish to Buyer at [X] Seller's [] Buyer's expense an owner policy of title insurance (Title Policy) issued by Republic Title of Texas, Inc. (Title Company) in the amount of the Sales Price, dated at or after closing, insuring Buyer against loss under the provisions of the Title Policy, subject to the promulgated exclusions (including existing building and zoning ordinances) and the following exceptions:
(1) Restrictive covenants common to the platted subdivision in which the Property is located.
(2) The standard printed exception for standby fees, taxes and assessments.

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TXR 1601 Initialed for identification by Buyer [initials] and Seller [initials] TREC NO. 20-14

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- (3) Liens created as part of the financing described in Paragraph 3.
- (4) Utility easements created by the dedication deed or plat of the subdivision in which the Property is located.
- (5) Reservations or exceptions otherwise permitted by this contract or as may be approved by Buyer in writing.
- (6) The standard printed exception as to marital rights.
- (7) The standard printed exception as to waters, tidelands, beaches, streams, and related matters.
- (8) The standard printed exception as to discrepancies, conflicts, shortages in area or boundary lines, encroachments or protrusions, or overlapping improvements:
- (i) will not be amended or deleted from the title policy; or
- (ii) will be amended to read, "shortages in area" at the expense of Buyer Seller.
- (9) The exception or exclusion regarding minerals approved by the Texas Department of Insurance. three

B. COMMITMENT: Within 20 days after the Title Company receives a copy of this contract, Seller shall furnish to Buyer a commitment for title insurance (Commitment) and, at Buyer's expense, legible copies of restrictive covenants and documents evidencing exceptions in the Commitment (Exception Documents) other than the standard printed exceptions. Seller authorizes the Title Company to deliver the Commitment and Exception Documents to Buyer at Buyer's address shown in Paragraph 21. If the Commitment and Exception Documents are not delivered to Buyer within the specified time, the time for delivery will be automatically extended up to 15 days or 3 days before the Closing Date, whichever is earlier. If the Commitment and Exception Documents are not delivered within the time required, Buyer may terminate this contract and the earnest money will be refunded to Buyer.

C. SURVEY: The survey must be made by a registered professional land surveyor acceptable to the Title Company and Buyer's lender(s). (Check one box only)

- (1) Within days after the Effective Date of this contract, Seller shall furnish to Buyer and Title Company Seller's existing survey of the Property and a Residential Real Property Affidavit promulgated by the Texas Department of Insurance (T-47 Affidavit). **If Seller fails to furnish the existing survey or affidavit within the time prescribed, Buyer shall obtain a new survey at Seller's expense no later than 3 days prior to Closing Date.** If the existing survey or affidavit is not acceptable to Title Company or Buyer's lender(s), Buyer shall obtain a new survey at Seller's Buyer's expense no later than 3 days prior to Closing Date.
- (2) Within 31 days after the Effective Date of this contract, Buyer shall obtain a new survey at Buyer's expense. Buyer is deemed to receive the survey on the date of actual receipt or the date specified in this paragraph, whichever is earlier.
- (3) Within days after the Effective Date of this contract, Seller, at Seller's expense shall furnish a new survey to Buyer.

D. OBJECTIONS: Buyer may object in writing to defects, exceptions, or encumbrances to title: disclosed on the survey other than items 6A(1) through (7) above; disclosed in the Commitment other than items 6A(1) through (9) above; or which prohibit the following use or activity: Single Family Resident

Buyer must object the earlier of (i) the Closing Date or (ii) 3 days after Buyer receives the Commitment, Exception Documents, and the survey. Buyer's failure to object within the time allowed will constitute a waiver of Buyer's right to object; except that the requirements in Schedule C of the Commitment are not waived by Buyer. Provided Seller is not obligated to incur any expense, Seller shall cure any timely objections of Buyer or any third party lender within 15 days after Seller receives the objections (Cure Period) and the Closing Date will be extended as necessary. If objections are not cured within the Cure Period, Buyer may, by delivering notice to Seller within 5 days after the end of the Cure Period: (i) terminate this contract and the earnest money will be refunded to Buyer; or (ii) waive the objections. If Buyer does not terminate within the time required, Buyer shall be deemed to have waived the objections. If the Commitment or Survey is revised or any new Exception Document(s) is delivered, Buyer may object to any new matter revealed in the revised Commitment or Survey or new Exception Document(s) within the same time stated in this paragraph to make objections beginning when the revised Commitment, Survey, or Exception Document(s) is delivered to Buyer.

E. TITLE NOTICES:

- (1) ABSTRACT OR TITLE POLICY: Broker advises Buyer to have an abstract of title covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a Title Policy. If a Title Policy is furnished, the Commitment should be promptly reviewed by an attorney of Buyer's choice due to the time limitations on Buyer's right to object.
- (2) MEMBERSHIP IN PROPERTY OWNERS ASSOCIATION(S): The Property is is not

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subject to mandatory membership in a property owners association(s). If the Property is subject to mandatory membership in a property owners association(s), Seller notifies Buyer under §5.012, Texas Property Code, that, as a purchaser of property in the residential community identified in Paragraph 2A in which the Property is located, you are obligated to be a member of the property owners association(s). Restrictive covenants governing the use and occupancy of the Property and all dedicatory instruments governing the establishment, maintenance, or operation of this residential community have been or will be recorded in the Real Property Records of the county in which the Property is located. Copies of the restrictive covenants and dedicatory instrument may be obtained from the county clerk. **You are obligated to pay assessments to the property owners association(s). The amount of the assessments is subject to change. Your failure to pay the assessments could result in enforcement of the association's lien on and the foreclosure of the Property.**

Section 207.003, Property Code, entitles an owner to receive copies of any document that governs the establishment, maintenance, or operation of a subdivision, including, but not limited to, restrictions, bylaws, rules and regulations, and a resale certificate from a property owners' association. A resale certificate contains information including, but not limited to, statements specifying the amount and frequency of regular assessments and the style and cause number of lawsuits to which the property owners' association is a party, other than lawsuits relating to unpaid ad valorem taxes of an individual member of the association. These documents must be made available to you by the property owners' association or the association's agent on your request.

If Buyer is concerned about these matters, the TREC promulgated Addendum for Property Subject to Mandatory Membership in a Property Owners Association(s) should be used.

- (3) STATUTORY TAX DISTRICTS: If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fee of the district prior to final execution of this contract.
- (4) TIDE WATERS: If the Property abuts the tidally influenced waters of the state, §33.135, Texas Natural Resources Code, requires a notice regarding coastal area property to be included in the contract. An addendum containing the notice promulgated by TREC or required by the parties must be used.
- (5) ANNEXATION: If the Property is located outside the limits of a municipality, Seller notifies Buyer under §5.011, Texas Property Code, that the Property may now or later be included in the extraterritorial jurisdiction of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and extraterritorial jurisdiction. To determine if the Property is located within a municipality's extraterritorial jurisdiction or is likely to be located within a municipality's extraterritorial jurisdiction, contact all municipalities located in the general proximity of the Property for further information.
- (6) PROPERTY LOCATED IN A CERTIFICATED SERVICE AREA OF A UTILITY SERVICE PROVIDER: Notice required by §13.257, Water Code: The real property, described in Paragraph 2, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned Buyer hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in Paragraph 2 or at closing of purchase of the real property.
- (7) PUBLIC IMPROVEMENT DISTRICTS: If the Property is in a public improvement district, §5.014, Property Code, requires Seller to notify Buyer as follows: As a purchaser of this parcel of real property you are obligated to pay an assessment to a municipality or county for an improvement project undertaken by a public improvement district under Chapter 372, Local Government Code. The assessment may be due annually or in periodic installments. More information concerning the amount of the assessment and the due dates of that assessment may be obtained from the municipality or county levying the assessment. The amount of the assessments is subject to change. Your failure to pay the assessments could result in a lien on and the foreclosure of your property.
- (8) TRANSFER FEES: If the Property is subject to a private transfer fee obligation, §5.205, Property Code, requires Seller to notify Buyer as follows: The private transfer fee

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obligation may be governed by Chapter 5, Subchapter G of the Texas Property Code.

- (9) PROPANE GAS SYSTEM SERVICE AREA: If the Property is located in a propane gas system service area owned by a distribution system retailer, Seller must give Buyer written notice as required by §141.010, Texas Utilities Code. An addendum containing the notice approved by TREC or required by the parties should be used.
- (10) NOTICE OF WATER LEVEL FLUCTUATIONS: If the Property adjoins an impoundment of water, including a reservoir or lake, constructed and maintained under Chapter 11, Water Code, that has a storage capacity of at least 5,000 acre-feet at the impoundment's normal operating level, Seller hereby notifies Buyer: "The water level of the impoundment of water adjoining the Property fluctuates for various reasons, including as a result of: (1) an entity lawfully exercising its right to use the water stored in the impoundment; or (2) drought or flood conditions."

7. PROPERTY CONDITION:

A. ACCESS, INSPECTIONS AND UTILITIES: Seller shall permit Buyer and Buyer's agents access to the Property at reasonable times. Buyer may have the Property inspected by inspectors selected by Buyer and licensed by TREC or otherwise permitted by law to make inspections. Any hydrostatic testing must be separately authorized by Seller in writing. Seller at Seller's expense shall immediately cause existing utilities to be turned on and shall keep the utilities on during the time this contract is in effect.

B. SELLER'S DISCLOSURE NOTICE PURSUANT TO §5.008, TEXAS PROPERTY CODE (Notice):
(Check one box only)

- (1) Buyer has received the Notice.
- (2) Buyer has not received the Notice. Within _____ days after the Effective Date of this contract, Seller shall deliver the Notice to Buyer. If Buyer does not receive the Notice, Buyer may terminate this contract at any time prior to the closing and the earnest money will be refunded to Buyer. If Seller delivers the Notice, Buyer may terminate this contract for any reason within 7 days after Buyer receives the Notice or prior to the closing, whichever first occurs, and the earnest money will be refunded to Buyer.

(3) The Seller is not required to furnish the notice under the Texas Property Code.

C. SELLER'S DISCLOSURE OF LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS is required by Federal law for a residential dwelling constructed prior to 1978.

D. ACCEPTANCE OF PROPERTY CONDITION: "As Is" means the present condition of the Property with any and all defects and without warranty except for the warranties of title and the warranties in this contract. Buyer's agreement to accept the Property As Is under Paragraph 7D(1) or (2) does not preclude Buyer from inspecting the Property under Paragraph 7A, from negotiating repairs or treatments in a subsequent amendment, or from terminating this contract during the Option Period, if any.

- (Check one box only)
- (1) Buyer accepts the Property As Is.
 - (2) Buyer accepts the Property As Is provided Seller, at Seller's expense, shall complete the following specific repairs and treatments: _____

(Do not insert general phrases, such as "subject to inspections" that do not identify specific repairs and treatments.)

E. LENDER REQUIRED REPAIRS AND TREATMENTS: Unless otherwise agreed in writing, neither party is obligated to pay for lender required repairs, which includes treatment for wood destroying insects. If the parties do not agree to pay for the lender required repairs or treatments, this contract will terminate and the earnest money will be refunded to Buyer. If the cost of lender required repairs and treatments exceeds 5% of the Sales Price, Buyer may terminate this contract and the earnest money will be refunded to Buyer.

F. COMPLETION OF REPAIRS AND TREATMENTS: Unless otherwise agreed in writing: (i) Seller shall complete all agreed repairs and treatments prior to the Closing Date; and (ii) all required permits must be obtained, and repairs and treatments must be performed by persons who are licensed to provide such repairs or treatments or, if no license is required by law, are commercially engaged in the trade of providing such repairs or treatments. At Buyer's election, any transferable warranties received by Seller with respect to the repairs and treatments will be transferred to Buyer at Buyer's expense. If Seller fails to complete any agreed repairs and treatments prior to the Closing Date, Buyer may exercise remedies under Paragraph 15 or extend the Closing Date up to 5 days if necessary for Seller to complete the repairs and treatments.

G. ENVIRONMENTAL MATTERS: Buyer is advised that the presence of wetlands, toxic substances, including asbestos and wastes or other environmental hazards, or the presence of a threatened or endangered species or its habitat may affect Buyer's intended use of the Property. If Buyer is concerned about these matters, an addendum promulgated by TREC or required by the parties should be used.

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H. RESIDENTIAL SERVICE CONTRACTS: Buyer may purchase a residential service contract from a residential service company licensed by TREC. If Buyer purchases a residential service contract, Seller shall reimburse Buyer at closing for the cost of the residential service contract in an amount not exceeding \$ n/a. Buyer should review any residential service contract for the scope of coverage, exclusions and limitations. **The purchase of a residential service contract is optional. Similar coverage may be purchased from various companies authorized to do business in Texas.**

8. **BROKERS' FEES:** All obligations of the parties for payment of brokers' fees are contained in separate written agreements.

9. **CLOSING:**

A. The closing of the sale will be on or before See Special Provisions, _____, or within 7 days after objections made under Paragraph 6D have been cured or waived, whichever date is later (Closing Date). If either party fails to close the sale by the Closing Date, the non-defaulting party may exercise the remedies contained in Paragraph 15.

B. At closing:

- (1) Seller shall execute and deliver a general warranty deed conveying title to the Property to Buyer and showing no additional exceptions to those permitted in Paragraph 6 and furnish tax statements or certificates showing no delinquent taxes on the Property.
- (2) Buyer shall pay the Sales Price in good funds acceptable to the escrow agent.
- (3) Seller and Buyer shall execute and deliver any notices, statements, certificates, affidavits, releases, loan documents and other documents reasonably required for the closing of the sale and the issuance of the Title Policy.
- (4) There will be no liens, assessments, or security interests against the Property which will not be satisfied out of the sales proceeds unless securing the payment of any loans assumed by Buyer and assumed loans will not be in default.
- (5) If the Property is subject to a residential lease, Seller shall transfer security deposits (as defined under §92.102, Property Code), if any, to Buyer. In such an event, Buyer shall deliver to the tenant a signed statement acknowledging that the Buyer has acquired the Property and is responsible for the return of the security deposit, and specifying the exact dollar amount of the security deposit.

10. **POSSESSION:**

A. Buyer's Possession: Seller shall deliver to Buyer possession of the Property in its present or required condition, ordinary wear and tear excepted: upon closing and funding according to a temporary residential lease form promulgated by TREC or other written lease required by the parties. Any possession by Buyer prior to closing or by Seller after closing which is not authorized by a written lease will establish a tenancy at sufferance relationship between the parties. **Consult your insurance agent prior to change of ownership and possession because insurance coverage may be limited or terminated. The absence of a written lease or appropriate insurance coverage may expose the parties to economic loss.**

B. Leases:

- (1) After the Effective Date, Seller may not execute any lease (including but not limited to mineral leases) or convey any interest in the Property without Buyer's written consent.
- (2) If the Property is subject to any lease to which Seller is a party, Seller shall deliver to Buyer copies of the lease(s) and any move-in condition form signed by the tenant within 7 days after the Effective Date of the contract.

11. **SPECIAL PROVISIONS:** (Insert only factual statements and business details applicable to the sale. TREC rules prohibit license holder from adding factual statements or business details for which a contract addendum, lease or other form has been promulgated by TREC for mandatory use.) **See Special Provisions Addendum. Closing will occur on or before the 15th day after Court Approval is received by the Seller.**

12. **SETTLEMENT AND OTHER EXPENSES:**

A. The following expenses must be paid at or prior to closing:

- (1) Expenses payable by Seller (Seller's Expenses):
 - (a) Releases of existing liens, including prepayment penalties and recording fees; release of Seller's loan liability; tax statements or certificates; preparation of deed; one-half of escrow fee; and other expenses payable by Seller under this contract.
 - (b) Seller shall also pay an amount not to exceed \$ n/a to be applied in the following order: Buyer's Expenses which Buyer is prohibited from paying by FHA, VA, Texas Veterans Land Board or other governmental loan programs, and then to other Buyer's Expenses as allowed by the lender.

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- (2) Expenses payable by Buyer (Buyer's Expenses): Appraisal fees; loan application fees; origination charges; credit reports; preparation of loan documents; interest on the notes from date of disbursement to one month prior to dates of first monthly payments; recording fees; copies of easements and restrictions; loan title policy with endorsements required by lender; loan-related inspection fees; photos; amortization schedules; one-half of escrow fee; all prepaid items, including required premiums for flood and hazard insurance, reserve deposits for insurance, ad valorem taxes and special governmental assessments; final compliance inspection; courier fee; repair inspection; underwriting fee; wire transfer fee; expenses incident to any loan; Private Mortgage Insurance Premium (PMI), VA Loan Funding Fee, or FHA Mortgage Insurance Premium (MIP) as required by the lender; and other expenses payable by Buyer under this contract.
- B. If any expense exceeds an amount expressly stated in this contract for such expense to be paid by a party, that party may terminate this contract unless the other party agrees to pay such excess. Buyer may not pay charges and fees expressly prohibited by FHA, VA, Texas Veterans Land Board or other governmental loan program regulations.
- 13. **PRORATIONS:** Taxes for the current year, interest, maintenance fees, assessments, dues and rents will be prorated through the Closing Date. The tax proration may be calculated taking into consideration any change in exemptions that will affect the current year's taxes. If taxes for the current year vary from the amount prorated at closing, the parties shall adjust the prorations when tax statements for the current year are available. If taxes are not paid at or prior to closing, Buyer shall pay taxes for the current year.
- 14. **CASUALTY LOSS:** If any part of the Property is damaged or destroyed by fire or other casualty after the Effective Date of this contract, Seller shall restore the Property to its previous condition as soon as reasonably possible, but in any event by the Closing Date. If Seller fails to do so due to factors beyond Seller's control, Buyer may (a) terminate this contract and the earnest money will be refunded to Buyer (b) extend the time for performance up to 15 days and the Closing Date will be extended as necessary or (c) accept the Property in its damaged condition with an assignment of insurance proceeds, if permitted by Seller's insurance carrier, and receive credit from Seller at closing in the amount of the deductible under the insurance policy. Seller's obligations under this paragraph are independent of any other obligations of Seller under this contract.
- 15. **DEFAULT:** If Buyer fails to comply with this contract, Buyer will be in default, and Seller may (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this contract and receive the earnest money as liquidated damages, thereby releasing both parties from this contract. If Seller fails to comply with this contract, Seller will be in default and Buyer may (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this contract and receive the earnest money, thereby releasing both parties from this contract.
- 16. **MEDIATION:** It is the policy of the State of Texas to encourage resolution of disputes through alternative dispute resolution procedures such as mediation. Any dispute between Seller and Buyer related to this contract which is not resolved through informal discussion will be submitted to a mutually acceptable mediation service or provider. The parties to the mediation shall bear the mediation costs equally. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.
- 17. **ATTORNEY'S FEES:** A Buyer, Seller, Listing Broker, Other Broker, or escrow agent who prevails in any legal proceeding related to this contract is entitled to recover reasonable attorney's fees and all costs of such proceeding.
- 18. **ESCROW:**
 - A. **ESCROW:** The escrow agent is not (i) a party to this contract and does not have liability for the performance or nonperformance of any party to this contract, (ii) liable for interest on the earnest money and (iii) liable for the loss of any earnest money caused by the failure of any financial institution in which the earnest money has been deposited unless the financial institution is acting as escrow agent.
 - B. **EXPENSES:** At closing, the earnest money must be applied first to any cash down payment, then to Buyer's Expenses and any excess refunded to Buyer. If no closing occurs, escrow agent may: (i) require a written release of liability of the escrow agent from all parties, (ii) require payment of unpaid expenses incurred on behalf of a party, and (iii) only deduct from the earnest money the amount of unpaid expenses incurred on behalf of the party receiving the earnest money.
 - C. **DEMAND:** Upon termination of this contract, either party or the escrow agent may send a release of earnest money to each party and the parties shall execute counterparts of the release and deliver same to the escrow agent. If either party fails to execute the release, either party may make a written demand to the escrow agent for the earnest money. If only one party makes written demand for the earnest money, escrow agent shall promptly

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provide a copy of the demand to the other party. If escrow agent does not receive written objection to the demand from the other party within 15 days, escrow agent may disburse the earnest money to the party making demand reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and escrow agent may pay the same to the creditors. If escrow agent complies with the provisions of this paragraph, each party hereby releases escrow agent from all adverse claims related to the disbursement of the earnest money.

- D. DAMAGES: Any party who wrongfully fails or refuses to sign a release acceptable to the escrow agent within 7 days of receipt of the request will be liable to the other party for (i) damages; (ii) the earnest money; (iii) reasonable attorney's fees; and (iv) all costs of suit.
- E. NOTICES: Escrow agent's notices will be effective when sent in compliance with Paragraph 21. Notice of objection to the demand will be deemed effective upon receipt by escrow agent.

19. REPRESENTATIONS: All covenants, representations and warranties in this contract survive closing. If any representation of Seller in this contract is untrue on the Closing Date, Seller will be in default. Unless expressly prohibited by written agreement, Seller may continue to show the Property and receive, negotiate and accept back up offers.

20. FEDERAL TAX REQUIREMENTS: If Seller is a "foreign person," as defined by Internal Revenue Code and its regulations, or if Seller fails to deliver an affidavit or a certificate of non-foreign status to Buyer that Seller is not a "foreign person," then Buyer shall withhold from the sales proceeds an amount sufficient to comply with applicable tax law and deliver the same to the Internal Revenue Service together with appropriate tax forms. Internal Revenue Service regulations require filing written reports if currency in excess of specified amounts is received in the transaction.

21. NOTICES: All notices from one party to the other must be in writing and are effective when mailed to, hand-delivered at, or transmitted by fax or electronic transmission as follows:

<p>To Buyer at: <u>Thomas M. Whelan</u></p> <hr/> <p>Phone: <u>(214)954-6815</u></p> <p>Fax: _____</p> <p>E-mail: <u>twhelan@mcslaw.com</u></p>	<p>To Seller at: <u>(AND) kwood@briggsfreeman.com</u></p> <hr/> <p>Phone: _____</p> <p>Fax: _____</p> <p>E-mail: <u>gmilligan@harneypartners.com</u></p>
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22. AGREEMENT OF PARTIES: This contract contains the entire agreement of the parties and cannot be changed except by their written agreement. Addenda which are a part of this contract are (Check all applicable boxes):

- | | |
|---|--|
| <ul style="list-style-type: none"> <input type="checkbox"/> Third Party Financing Addendum <input type="checkbox"/> Seller Financing Addendum <input type="checkbox"/> Addendum for Property Subject to Mandatory Membership in a Property Owners Association <input type="checkbox"/> Buyer's Temporary Residential Lease <input type="checkbox"/> Loan Assumption Addendum <input type="checkbox"/> Addendum for Sale of Other Property by Buyer <input type="checkbox"/> Addendum for Reservation of Oil, Gas and Other Minerals <input type="checkbox"/> Addendum for "Back-Up" Contract <input type="checkbox"/> Addendum for Coastal Area Property <input type="checkbox"/> Addendum for Authorizing Hydrostatic Testing <input type="checkbox"/> Addendum Concerning Right to Terminate Due to Lender's Appraisal | <ul style="list-style-type: none"> <input type="checkbox"/> Environmental Assessment, Threatened or Endangered Species and Wetlands Addendum <input type="checkbox"/> Seller's Temporary Residential Lease <input type="checkbox"/> Short Sale Addendum <input type="checkbox"/> Addendum for Property Located Seaward of the Gulf Intracoastal Waterway <input checked="" type="checkbox"/> Addendum for Seller's Disclosure of Information on Lead-based Paint and Lead-based Paint Hazards as Required by Federal Law <input type="checkbox"/> Addendum for Property in a Propane Gas System Service Area <input checked="" type="checkbox"/> Other (list): <u>Special Provisions Addendum</u> |
|---|--|

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23. TERMINATION OPTION: For nominal consideration, the receipt of which is hereby acknowledged by Seller, and Buyer's agreement to pay Seller \$ n/a (Option Fee) within 3 days after the Effective Date of this contract, Seller grants Buyer the unrestricted right to terminate this contract by giving notice of termination to Seller within n/a days after the Effective Date of this contract (Option Period). Notices under this paragraph must be given by 5:00 p.m. (local time where the Property is located) by the date specified. If no dollar amount is stated as the Option Fee or if Buyer fails to pay the Option Fee to Seller within the time prescribed, this paragraph will not be a part of this contract and Buyer shall not have the unrestricted right to terminate this contract. If Buyer gives notice of termination within the time prescribed, the Option Fee will not be refunded; however, any earnest money will be refunded to Buyer. The Option Fee will will not be credited to the Sales Price at closing. **Time is of the essence for this paragraph and strict compliance with the time for performance is required.**

24. CONSULT AN ATTORNEY BEFORE SIGNING: TREC rules prohibit real estate license holders from giving legal advice. READ THIS CONTRACT CAREFULLY.

Buyer's Attorney is: <u>Thomas M Whelan</u>	Seller's Attorney is: _____
Phone: <u>(214)954-6815</u>	Phone: _____
Fax: _____	Fax: _____
E-mail: <u>twhelan@mcslaw.com</u>	E-mail: _____


EXECUTED the _____ day of 2/20/2020, _____ (Effective Date).
(BROKER: FILL IN THE DATE OF FINAL ACCEPTANCE.)

DocuSigned by:
Raul Estrada
Buyer Marcer Construction, LLC
84F3850F7ADC402...

DocuSigned by:
Gregory S. Milligan, Receiver
Seller Trust Gregory S Milligan, Receiver
40B211BB1D99465...

Buyer

Seller

 The form of this contract has been approved by the Texas Real Estate Commission. TREC forms are intended for use only by trained real estate license holders. No representation is made as to the legal validity or adequacy of any provision in any specific transactions. It is not intended for complex transactions. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, (512) 936-3000 (<http://www.trec.texas.gov>) TREC NO. 20-14. This form replaces TREC NO. 20-13.

Contract Concerning _____	1650 Cedar Hill Ave Dallas, TX 75208-2436 <small>(Address of Property)</small>	Page 9 of 10	2-12-18
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BROKER INFORMATION			
<small>(Print name(s) only. Do not sign)</small>			
Century 21 Judge Fite Company	0316490	Briggs Freeman Sotheby's Intl. Realty	0287843
<small>Other Broker Firm</small>	<small>License No.</small>	<small>Listing Broker Firm</small>	<small>License No.</small>
represents <input checked="" type="checkbox"/> Buyer only as Buyer's agent		represents <input type="checkbox"/> Seller and Buyer as an intermediary	
<input type="checkbox"/> Seller as Listing Broker's subagent		<input checked="" type="checkbox"/> Seller only as Seller's agent	
Ivan F. Loza	0732146	Kay Wood	0558895
<small>Associate's Name</small>	<small>License No.</small>	<small>Listing Associate's Name</small>	<small>License No.</small>
ivanloza@judgefite.com	(469)471-6459	kwood@briggsfreeman.com	(214)908-5442
<small>Associate's Email Address</small>	<small>Phone</small>	<small>Listing Associate's Email Address</small>	<small>Phone</small>
Gerald K. Crow	0126707	Zareen Khan	0573008
<small>Licensed Supervisor of Associate</small>	<small>License No.</small>	<small>Licensed Supervisor of Listing Associate</small>	<small>License No.</small>
400 S. Zang Blvd., Ste. 310	(214)948-9444	3131 Turtle Creek Blvd., 5th Flr	(214)350-0400
<small>Other Broker's Address</small>	<small>Phone</small>	<small>Listing Broker's Office Address</small>	<small>Phone</small>
Dallas TX 75208		Dallas TX 75208	
<small>City State Zip</small>		<small>City State Zip</small>	
_____		_____	
<small>Selling Associate's Name</small>		<small>License No.</small>	
_____		_____	
<small>Selling Associate's Email Address</small>		<small>Phone</small>	
_____		_____	
<small>Licensed Supervisor of Selling Associate</small>		<small>License No.</small>	
_____		_____	
<small>Selling Associate's Office Address</small>			

<small>City</small>		<small>State Zip</small>	
_____		_____	
Listing Broker has agreed to pay Other Broker <u>3.000%</u> of the total sales price when the Listing Broker's fee is received. Escrow agent is authorized and directed to pay Other Broker from Listing Broker's fee at closing.			

Contract Concerning 1650 Cedar Hill Ave Page 10 of 10 2-12-18
Dallas, TX 75208-2436
(Address of Property)

OPTION FEE RECEIPT

Receipt of \$ _____ (Option Fee) in the form of _____
is acknowledged.

Seller or Listing Broker Date

EARNEST MONEY RECEIPT

Receipt of \$ _____ Earnest Money in the form of _____
is acknowledged.

Escrow Agent Received by Email Address Date/Time

Address Phone

City State Zip Fax

CONTRACT RECEIPT

Receipt of the Contract is acknowledged.

Escrow Agent Received by Email Address Date

Address Phone

City State Zip Fax

ADDITIONAL EARNEST MONEY RECEIPT

Receipt of \$ _____ additional Earnest Money in the form of _____
is acknowledged.

Escrow Agent Received by Email Address Date/Time

Address Phone

City State Zip Fax



SPECIAL PROVISIONS ADDENDUM

BUYER AND SELLER ACKNOWLEDGE THAT THIS CONTRACT IS CONTINGENT UPON THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MARYLAND (“COURT”) APPROVING THE PURCHASE PRICE AND TERMS OF THIS CONTRACT IN ACCORDANCE WITH THE SALE PROCEDURES REQUIRED IN CONNECTION WITH CASE NO. 1:18-CV-02844-RDB, WHICH BUYER HAS HAD THE OPPORTUNITY TO REVIEW PRIOR TO EXECUTION OF THIS CONTRACT.

SELLER SHALL FILE A MOTION WITH THE COURT AS SOON AS PRACTICABLE AFTER EXECUTION OF THIS CONTRACT, AND ALL CONTINGENCIES ARE REMOVED, TO SEEK APPROVAL OF THE SALE AND TERMS OF THIS CONTRACT. SELLER AGREES TO DILIGENTLY PURSUE APPROVAL OF THE SALE FROM THE COURT, INCLUDING BUT NOT LIMITED TO, FILING ANY REQUIRED SUPPLEMENTAL NOTICES AND/OR MOTIONS IN CONNECTION WITH SAID MOTION.

SELLER IS THE COURT-APPOINTED RECEIVER FOR THE PROPERTY AND HAS NO PERSONAL KNOWLEDGE RELATED TO THE PROPERTY PRIOR TO SEPTEMBER 18, 2018. BUYER UNDERSTANDS THIS CIRCUMSTANCE AND ACCEPTS THE PROPERTY IN ITS CURRENT “AS IS” CONDITION, SUBJECT TO ANY FEASIBILITY PERIOD PROVIDED HEREIN.

BUYER AND SELLER AGREE THAT ANY DISPUTES, CLAIMS AND CONTROVERSIES BETWEEN THEM ARISING OUT OF OR IN ANY WAY RELATED TO THIS CONTRACT WILL BE RESOLVED BY THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MARYLAND *IN RE: SECURITIES AND EXCHANGE COMMISSION V. KEVIN B. MERRILL, ET AL.*, CAUSE NO. 1: L 8-CV-02844-RDB.



APPROVED BY THE TEXAS REAL ESTATE COMMISSION
**ADDENDUM FOR SELLER'S DISCLOSURE OF INFORMATION
ON LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS
AS REQUIRED BY FEDERAL LAW**

10-10-11

CONCERNING THE PROPERTY AT 1650 CEDAR HILL AVE DALLAS
(Street Address and City)

A. LEAD WARNING STATEMENT: "Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-paint hazards is recommended prior to purchase."

NOTICE: Inspector must be properly certified as required by federal law.

B. SELLER'S DISCLOSURE:

- 1. PRESENCE OF LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS (check one box only):
 - (a) Known lead-based paint and/or lead-based paint hazards are present in the Property (explain): _____
 - (b) Seller has no actual knowledge of lead-based paint and/or lead-based paint hazards in the Property.
- 2. RECORDS AND REPORTS AVAILABLE TO SELLER (check one box only):
 - (a) Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the Property (list documents): _____
 - (b) Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the Property.

C. BUYER'S RIGHTS (check one box only):

- 1. Buyer waives the opportunity to conduct a risk assessment or inspection of the Property for the presence of lead-based paint or lead-based paint hazards.
- 2. Within ten days after the effective date of this contract, Buyer may have the Property inspected by inspectors selected by Buyer. If lead-based paint or lead-based paint hazards are present, Buyer may terminate this contract by giving Seller written notice within 14 days after the effective date of this contract, and the earnest money will be refunded to Buyer.



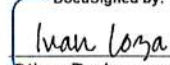

D. BUYER'S ACKNOWLEDGMENT (check applicable boxes):

- 1. Buyer has received copies of all information listed above.
- 2. Buyer has received the pamphlet *Protect Your Family from Lead in Your Home*.

E. BROKERS' ACKNOWLEDGMENT: Brokers have informed Seller of Seller's obligations under 42 U.S.C. 4852d to:

(a) provide Buyer with the federally approved pamphlet on lead poisoning prevention; (b) complete this addendum; (c) disclose any known lead-based paint and/or lead-based paint hazards in the Property; (d) deliver all records and reports to Buyer pertaining to lead-based paint and/or lead-based paint hazards in the Property; (e) provide Buyer a period of up to 10 days to have the Property inspected; and (f) retain a completed copy of this addendum for at least 3 years following the sale. Brokers are aware of their responsibility to ensure compliance.

F. CERTIFICATION OF ACCURACY: The following persons have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

<p> Buyer _____ Date <u>2020.02.12</u></p>	<p>DocuSigned by:  Seller _____ Date <u>2/7/2020 11:04 AM CST</u> Gregory S Milligan, Receiver</p>
<p>DocuSigned by:  Buyer _____ Date <u>2/18/2020</u></p>	<p>DocuSigned by:  Listing Broker _____ Date <u>2/6/2020 10:26 AM CST</u> Kay Wood</p>

The form of this addendum has been approved by the Texas Real Estate Commission for use only with similarly approved or promulgated forms of contracts. Such approval relates to this contract form only. TREC forms are intended for use only by trained real estate licensees. No representation is made as to the legal validity or adequacy of any provision in any specific transactions. It is not suitable for complex transactions. Texas Real Estate Commission P.O. Box 12188 Austin, TX 78711-2188. 512-936-3000 (<http://www.trec.texas.gov>)

(TAR 1906) 10-10-11

TREC No. OP-L

EXHIBIT 2

RESTRICTED APPRAISAL OF REAL PROPERTY



LOCATED AT

1650 Cedar Hill Ave
Dallas, TX 75208
Lot 12, Block 1/4702, Rock Lodge Addn

FOR

Harney Partners
325 Saint Paul St, Suite 2550
Dallas, TX 75201

OPINION OF VALUE

1,010,000

AS OF

11/12/2019

BY

Mark V Milliorn
Milliorn Appraisal Company
6125 Luther Lane, #390
Dallas, TX 75225
214-702-6662
mark@dfwappraiser.com
www.dfwappraiser.com

RESTRICTED APPRAISAL REPORT

File No: 0026705
1650 Cedar Hill
Zip Code: 75208

Property Address: 1650 Cedar Hill Ave City: Dallas State: TX Zip Code: 75208
 County: Dallas Legal Description: Lot 12, Block 1/4702, Rock Lodge Addn
 Assessor's Parcel #: 00000334705000000
 Tax Year: 2019 R.E. Taxes: \$ 25,988 Special Assessments: \$ 0
 Current Owner of Record: J Trust Occupant: Owner Tenant Vacant Manufactured Housing
 Property Type: SFR 2-4 Family # of Units: 1 Ownership Restriction: None PUD Condo Coop
 Market Area Name: Rock Lodge Addn Map Reference: 44.U Census Tract: 0042.01 Flood Hazard

The purpose of this appraisal is to develop an opinion of: Market Value (as defined), or other type of value (describe)
 This report reflects the following value (if not Current, see comments): Current (the Inspection Date is the Effective Date) Retrospective Prospective
 Approaches developed for this appraisal: Sales Comparison Approach Cost Approach Income Approach Other:
 Property Rights Appraised: Fee Simple Leasehold Leased Fee Other (describe)
 Intended Use: Estimate market value for client named below only.
 Under USPAP Standards Rule 2-2(b), this is a Restricted Appraisal Report, and is intended only for the sole use of the named client. There are no other intended users. The client must clearly understand that the appraiser's opinions and conclusions may not be understood properly without additional information in the appraiser's work file.
 Client: Harney Partners Address: 325 Saint Paul St, Suite 2550, Dallas, TX 75201
 Appraiser: Mark V Milliron Address: 6125 Luther Lane, #390, Dallas, TX 75225

FEATURE	SUBJECT	COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3		
Address	1650 Cedar Hill Ave Dallas, TX 75208	2302 Kessler Pkwy Dallas, TX 75208			1033 Cedar Hill Ave Dallas, TX 75208			1534 Junior Dr Dallas, TX 75208		
Proximity to Subject		0.95 miles SW			0.70 miles S			0.23 miles SE		
Sale Price	\$	\$ 1,000,000			\$ 1,180,000			\$ 1,037,000		
Sale Price/GLA	\$ /sq.ft.	\$ 244.68 /sq.ft.			\$ 310.04 /sq.ft.			\$ 321.95 /sq.ft.		
Data Source(s)	Appraised	NTREIS #13821412;DOM 274			NTREIS #14115905;DOM 42			NTREIS #14089064;DOM 15		
Verification Source(s)	Tax Rolls	Agents/Realist Tax Service			Agents/Realist Tax Service			Million Appraisal Co. Files		
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+	(-) \$ Adjust.	DESCRIPTION	+	(-) \$ Adjust.	DESCRIPTION	+	(-) \$ Adjust.
Sales or Financing	NA	ArmLth			ArmLth			ArmLth		
Concessions	NA	Cash;0			Conv;0			Conv;5000		-5,000
Date of Sale/Time	11/12/2019	s02/19;c01/19			s08/19;c07/19			s06/19;c05/19		
Rights Appraised	Fee Simple	Fee Simple			Fee Simple			Fee Simple		
Location	Dallas/DISD	Dallas/DISD			Dallas/DISD			Dallas/DISD		
Site	18,626 sf	16,392 sf		+22,340	22,128 sf		-35,020	25,091 sf		-64,650
View	Residential	Golf View		-50,000	Residential			Residential		
Design (Style)	Traditional	Tudor		0	Tudor		0	Ranch		0
Quality of Construction	Average	Average			Average			Average		
Age	60	79		0	89		0	78		0
Condition	Good	Good			Very Good		-118,000	Good		
Above Grade	Total Bdrms Baths	Total Bdrms Baths			Total Bdrms Baths			Total Bdrms Baths		
Room Count	8 4 4.1	10 5 5.1		-5,000	10 4 3.1		+5,000	8 3 3.1		+5,000
Gross Living Area	4,090 sq.ft.	4,087 sq.ft.			3,806 sq.ft.		+28,400	3,221 sq.ft.		+86,900
Basement & Finished	0sf	0sf			0sf			405sf0sfwo		-40,500
Rooms Below Grade								0rr0br0.0ba0o		0
Functional Utility	Average	Average			Average			Average		
Heating/Cooling	CH/Air	CH/Air			CH/Air			CH/Air		
Energy Efficient Items	Standard Items	Standard Items			Standard Items			Standard Items		
Garage/Carport	2 Gar, 0 Crpt	2 Gar, 0 Crpt			2 Gar, 0 Crpt			2 Gar, 1 Crpt		-5,000
Porch/Patio/Deck	Porch, Patio	Porch, Patio			Porch, Patio			Porch, Patio		
Pool	No Pool	No Pool			No Pool			No Pool		
Other	None	None			None			None		
Net Adjustment (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> -		\$ -32,660	<input type="checkbox"/> + <input checked="" type="checkbox"/> -		\$ -119,620	<input type="checkbox"/> + <input checked="" type="checkbox"/> -		\$ -23,250
Adjusted Sale Price of Comparables		3.3		\$ 967,340	10.1		\$ 1,060,380	2.2		\$ 1,013,750
		7.7			15.8			20.0		

Summary of Sales Comparison Approach: Ten sales were used in the analysis of the subject property. Sales were given market based adjustments for their differences in lot size (only if difference > 2000sf), views, condition ratings (10% of sales price per rating difference), square footage (only if difference > 100sf), bath/parking counts, pool and other exterior amenities as needed. Adjustments also made for seller paid concessions. All sales were sorted by gross adjustments (lowest to highest) and then weighted by same (see attached formula utilized/not averaged) and then used in determining the final opinion of value for the subject. Appraiser notes that some adjustments may exceed typical guidelines and some sales have closed in excess of 6 months. These sales were used to properly bracket different features of the subject due to a scarcity/lack of same in the subject's more immediate vicinity. No adverse impact is noted on the valuation process.

Subject Photo Page

Client	Harney Partners						
Property Address	1650 Cedar Hill Ave						
City	Dallas	County	Dallas	State	TX	Zip Code	75208
Appraiser	Mark V Milliom						



Subject Front

1650 Cedar Hill Ave
 Sales Price
 Gross Living Area 4,090
 Total Rooms 8
 Total Bedrooms 4
 Total Bathrooms 4.1
 Location Dallas/DISD
 View Residential
 Site 18,626 sf
 Quality Average
 Age 60



Subject Rear



Subject Street

Additional Photos

Client	Harney Partners				
Property Address	1650 Cedar Hill Ave				
City	Dallas	County	Dallas	State	TX
Appraiser	Mark V Milliom	Zip Code	75208		



View to Downtown Dallas



Side



Garage



Interior



Bath



Bath



1/2 Bath



Nook



Living



Kitchen



Kitchen



Interior



Kitchen



Interior



Living

Additional Photos

Client	Harney Partners						
Property Address	1650 Cedar Hill Ave						
City	Dallas	County	Dallas	State	TX	Zip Code	75208
Appraiser	Mark V Milliom						



Bath



Bedroom



Bath



Bedroom



Bath



Bedroom



Bath (missing fixtures)



Walk in Closet



Side Yard



Tree Damage

Comparable Photo Page

Client	Harney Partners						
Property Address	1650 Cedar Hill Ave						
City	Dallas	County	Dallas	State	TX	Zip Code	75208
Appraiser	Mark V Milliom						



Comparable 1

2302 Kessler Pkwy
 Prox. to Subject 0.95 miles SW
 Sales Price 1,000,000
 Gross Living Area 4,087
 Total Rooms 10
 Total Bedrooms 5
 Total Bathrooms 5.1
 Location Dallas/DISD
 View Golf View
 Site 16,392 sf
 Quality Average
 Age 79



Comparable 2

1033 Cedar Hill Ave
 Prox. to Subject 0.70 miles S
 Sales Price 1,180,000
 Gross Living Area 3,806
 Total Rooms 10
 Total Bedrooms 4
 Total Bathrooms 3.1
 Location Dallas/DISD
 View Residential
 Site 22,128 sf
 Quality Average
 Age 89



Comparable 3

1534 Junior Dr
 Prox. to Subject 0.23 miles SE
 Sales Price 1,037,000
 Gross Living Area 3,221
 Total Rooms 8
 Total Bedrooms 3
 Total Bathrooms 3.1
 Location Dallas/DISD
 View Residential
 Site 25,091 sf
 Quality Average
 Age 78

Comparable Photo Page

Client	Harney Partners						
Property Address	1650 Cedar Hill Ave						
City	Dallas	County	Dallas	State	TX	Zip Code	75208
Appraiser	Mark V Milliron						



Comparable 4

1654 Handley Dr
 Prox. to Subject 0.36 miles E
 Sales Price 1,085,000
 Gross Living Area 3,063
 Total Rooms 8
 Total Bedrooms 3
 Total Bathrooms 2.1
 Location Dallas/DISD
 View Residential
 Site 25,221 sf
 Quality Average
 Age 64



Comparable 5

1217 N Clinton Ave
 Prox. to Subject 0.75 miles SW
 Sales Price 1,080,000
 Gross Living Area 3,234
 Total Rooms 9
 Total Bedrooms 3
 Total Bathrooms 3.1
 Location Dallas/DISD
 View Greenbelt
 Site 19,763 sf
 Quality Average
 Age 86



Comparable 6

1210 N Winnetka Ave
 Prox. to Subject 0.66 miles SW
 Sales Price 1,200,000
 Gross Living Area 3,767
 Total Rooms 10
 Total Bedrooms 5
 Total Bathrooms 4.0
 Location Dallas/DISD
 View Bcks Relig Facility
 Site 9,801 sf
 Quality Average
 Age 82

Comparable Photo Page

Client	Harney Partners						
Property Address	1650 Cedar Hill Ave						
City	Dallas	County	Dallas	State	TX	Zip Code	75208
Appraiser	Mark V Milliom						



Comparable 7

1503 Cedar Hill Ave
 Prox. to Subject 0.24 miles S
 Sales Price 707,500
 Gross Living Area 3,278
 Total Rooms 8
 Total Bedrooms 3
 Total Bathrooms 3.1
 Location Dallas/DISD
 View Residential
 Site 11,339 sf
 Quality Average
 Age 78



Comparable 8

1600 Oak Knoll St
 Prox. to Subject 0.10 miles SW
 Sales Price 786,000
 Gross Living Area 3,495
 Total Rooms 9
 Total Bedrooms 3
 Total Bathrooms 2.0
 Location Dallas/DISD
 View Residential
 Site 26,759 sf
 Quality Average
 Age 70



Comparable 9

435 Allison Dr
 Prox. to Subject 0.39 miles SE
 Sales Price 840,000
 Gross Living Area 2,801
 Total Rooms 8
 Total Bedrooms 4
 Total Bathrooms 4.1
 Location Dallas/DISD
 View Residential
 Site 6,199 sf
 Quality Average
 Age 82

Comparable Photo Page

Client	Harney Partners						
Property Address	1650 Cedar Hill Ave						
City	Dallas	County	Dallas	State	TX	Zip Code	75208
Appraiser	Mark V Milliom						



Comparable 10

626 Rainbow Dr
 Prox. to Subject 0.44 miles S
 Sale Price 1,825,000
 Gross Living Area 4,373
 Total Rooms 10
 Total Bedrooms 4
 Total Bathrooms 4.1
 Location Dallas/DISD
 View Creek
 Site 90,169 sf
 Quality Average
 Age 61

Comparable 11

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

Comparable 12

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

Assumptions & Limiting Conditions

File No.: 0026705

Property Address: 1650 Cedar Hill Ave

City: Dallas

State: TX

Zip Code: 75208

Client: Harney Partners

Address: 325 Saint Paul St, Suite 2550, Dallas, TX 75201

Appraiser: Mark V Milliorn

Address: 6125 Luther Lane, #390, Dallas, TX 75225

STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

- The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
- The appraiser may have provided a sketch in the appraisal report to show approximate dimensions of the improvements, and any such sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size. Unless otherwise indicated, a Land Survey was not performed.
- If so indicated, the appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
- 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.
- If the cost approach is included in this appraisal, the appraiser has estimated the value of the land in the cost approach at its highest and best use, and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used. Unless otherwise specifically indicated, the cost approach value is not an insurance value, and should not be used as such.
- The appraiser has noted in the appraisal report any adverse conditions (including, but not limited to, needed repairs, depreciation, 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 normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property, or adverse environmental conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
- The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
- The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.
- If this appraisal is indicated as subject to satisfactory completion, repairs, or alterations, the appraiser has based his or her appraisal report and valuation conclusion on the assumption that completion of the improvements will be performed in a workmanlike manner.
- An appraiser's client is the party (or parties) who engage an appraiser in a specific assignment. Any other party acquiring this report from the client does not become a party to the appraiser-client relationship. Any persons receiving this appraisal report because of disclosure requirements applicable to the appraiser's client do not become intended users of this report unless specifically identified by the client at the time of the assignment.
- The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public, through advertising, public relations, news, sales, or by means of any other media, or by its inclusion in a private or public database.
- An appraisal of real property is not a 'home inspection' and should not be construed as such. As part of the valuation process, the appraiser performs a non-invasive visual inventory that is not intended to reveal defects or detrimental conditions that are not readily apparent. The presence of such conditions or defects could adversely affect the appraiser's opinion of value. Clients with concerns about such potential negative factors are encouraged to engage the appropriate type of expert to investigate.

1650 Cedar Hill

Definitions & Scope of Work

File No.: 0026705

Property Address: 1650 Cedar Hill Ave

City: Dallas

State: TX

Zip Code: 75208

Client: Harney Partners

Address: 325 Saint Paul St, Suite 2550, Dallas, TX 75201

Appraiser: Mark V Milliorn

Address: 6125 Luther Lane, #390, Dallas, TX 75225

DEFINITION OF MARKET VALUE *:

Market value means 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 and 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 acting in what they consider their own best interests;
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.

* This definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.

The Scope of Work is the type and extent of research and analyses performed in an appraisal assignment that is required to produce credible assignment results, given the nature of the appraisal problem, the specific requirements of the intended user(s) and the intended use of the appraisal report. Reliance upon this report, regardless of how acquired, by any party or for any use, other than those specified in this report by the Appraiser, is prohibited. The Opinion of Value that is the conclusion of this report is credible only within the context of the Scope of Work, Effective Date, the Date of Report, the Intended User(s), the Intended Use, the stated Assumptions and Limiting Conditions, any Hypothetical Conditions and/or Extraordinary Assumptions, and the Type of Value, as defined herein. The appraiser, appraisal firm, and related parties assume no obligation, liability, or accountability, and will not be responsible for any unauthorized use of this report or its conclusions.

Under USPAP Standards Rule 2-2(b), this is a Restricted Appraisal Report, and is intended only for the sole use of the named client. There are no other intended users. The client must clearly understand that the appraiser's opinions and conclusions may not be understood properly without additional information in the appraiser's work file.

In developing this appraisal, the appraiser has incorporated only the Sales Comparison Approach. The appraiser has excluded the Cost and Income Approaches to Value, due to being inapplicable given the limited scope of the appraisal. The appraiser has determined that this appraisal process is not so limited that the results of the assignment are no longer credible, and the client agrees that the limited scope of analysis is appropriate given the intended use.

Additional Comments (Scope of Work, Extraordinary Assumptions, Hypothetical Conditions, etc.):

1650 Cedar Hill

Certifications

File No.: 0026705

Property Address: 1650 Cedar Hill Ave	City: Dallas	State: TX	Zip Code: 75208
Client: Harney Partners	Address: 325 Saint Paul St, Suite 2550, Dallas, TX 75201		
Appraiser: Mark V Milliorn	Address: 6125 Luther Lane, #390, Dallas, TX 75225		

APPRAISER'S CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- The credibility of this report, for the stated use by the stated user(s), of 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.
- 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 to 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.
- I did not base, either partially or completely, my analysis and/or the opinion of value in the appraisal report on the race, color, religion, sex, 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.
- 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.

Additional Certifications:

Client Contact: Jim Hobby	Client Name: Harney Partners
E-Mail: jhobby@harneypartners.com	Address: 325 Saint Paul St, Suite 2550, Dallas, TX 75201

<p>APPRAISER</p>  <p>Appraiser Name: Mark V Milliorn Company: Milliorn Appraisal Company Phone: 214-702-6662 Fax: _____ E-Mail: mark@dfwappraiser.com Date Report Signed: 11/29/2019 License or Certification #: 1322640 State: TX Designation: _____ Expiration Date of License or Certification: 02/29/2020 Inspection of Subject: <input checked="" type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> None Date of Inspection: 11/12/2019</p>	<p>SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)</p> <p>Supervisory or Co-Appraiser Name: _____ Company: _____ Phone: _____ Fax: _____ E-Mail: _____ Date Report Signed: _____ License or Certification #: _____ State: _____ Designation: _____ Expiration Date of License or Certification: _____ Inspection of Subject: <input type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> None Date of Inspection: _____</p>
--	---

SIGNATURES



Supplemental Addendum

File No 0026705

Client	Harney Partners						
Property Address	1650 Cedar Hill Ave						
City	Dallas	County	Dallas	State	TX	Zip Code	75208
Appraiser	Mark V Milliron						

CLARIFICATION OF ASSUMPTIONS, LIMITING CONDITIONS, CERTIFICATIONS AND SCOPE OF WORK

The following is noted in order to define terms as they are used in the appraisal report. This is not intended to be a modification of the certification, but a clarification, which is required to be in compliance with USPAP.

If no written specific and or supplemental Scope of Work was agreed upon with the client (prior to accepting the assignment, by formal engagement letter and included in this report) the Scope of Work outlined here and within the report, is considered to be representative of what typical users of appraisal services would require and in general, what appraisers would provide as reasonable, acceptable and sufficient for the stated intended user's needs.

SCOPE OF WORK: Item (1) - it should be noted that the Appraiser(s) conducted a visual inspection of only the readily accessible areas of the property, viewing only those components of the property which were clearly visible from the ground or floor level. No tests were made of the mechanical, plumbing and electrical systems. Comments on the condition of the foundation, roof, exterior, interior, floors, mechanical, plumbing, electrical, insulation and all other matters relating to the construction of the subject property are based on a casual observation only, which may have been limited by the placement of personal property, furnishings, etc. so as to preclude observation of the items blocked by same. There was no observation of the attic, crawl space or components that are hidden within walls other areas that would not be visible by a typical visitor to the home.

Although the report may cite a general rating of the adequacy and or condition (based on observation only) it should be clearly understood that these statements are a general guide for comparison purposes (as part of the valuation process) and are not a detailed report on the physical and or operational condition of these items. The appraiser(s) is not an expert in these matters and any opinion stated is advisory based only upon observation. **This report is not a home inspection.** While others may choose to rely on the report, they should not rely on it to disclose condition and defects. Such knowledge goes beyond the scope of this appraisal and as such, comments on observed conditions given in this report should not be taken as a guarantee that a problem does not exist.

The following chart is to assist the intended user in comprehending the scope of a complete visual inspection:

Complete Visual Inspection Includes:	Complete Visual Inspection Does/Did NOT Include:
List the amenities	Testing or activating mechanical systems
View readily observable exterior areas	Activating appliances
View readily observable interior areas	Observation of crawl spaces and attics
Note quality of materials and workmanship	Observation of areas not readily accessible
Measure the exterior of the improvements	Building Code compliance issues
Observe the floor plan and room layout	Moving furniture or personal property
Assess the functional utility of the property	Mold Assessment
Note the subject's conformity to the market area.	Removing (or moving) floor coverings
Note style / design.	Testing or inspection of the well and septic.
Observe the general condition of the improvements, including a sampling of closets, windows, electrical switches, and doors.	Reporting personal property.
Photograph exterior and view site around the improvements	Roof Condition report beyond an observation from ground level.
	Radon Assessment

REPAIRS/DETERIORATION: The terms **deficiency & livability** have not been defined in the appraisal report. An effort was made to report ONLY those repair items that, in the appraiser's opinion, affect safety, adequacy, and marketability of the property. Deterioration consistent with the age of the home has not been itemized.

EXTENT OF DATA RESEARCH – SALES/LISTINGS: Sales & listings of the subject property and comparables were researched, verified, analyzed & reported in compliance with Certifications 5 thru 9 of this URAR. Sales data (including listed, closed, pending and expired) of properties that are geographically, physically, functionally and economically similar to the subject property and that reflected current buyer and seller actions were researched and considered. If necessary and applicable, the appraiser(s) also researched comparable land and improved sales, income and expense information and construction costs; confirmed sales information (as noted under **"EXTENT OF INFORMATION VERIFICATION";**(see next section) and analyzed the information in applying the approach(es) used. Depending upon the availability and reliability of various data sources, the appraiser(s) used a combination of reasonably available information from city/county records, real estate agents, owner's comments, buyer's description, assessor's records, multiple listing service (MLS) data, brochures, web site listings and visual observation to identify the relevant characteristics of the subject property. Comparables were selected based on physical, functional, economic and location characteristics with the sales cited in the report considered to be most relevant to the analysis of subject property. These sales were adjusted to the subject to reflect the market's reaction (if any) to differences.

In areas experiencing fluctuating market conditions and as directed by supplemental guidelines from FNMA, listing and pending sales data was also considered along with the impact (if any) of foreclosure short sale activity and such data was considered in the final value opinion if it was relevant to the value opinion. It should be noted that the presence of foreclosure activity and or short sales does not automatically constitute a shift in the market. This type of activity may or may not have a bearing on the subject property and is evaluated on a property-by -property basis.

Supplemental Addendum

File No. 0026705

Client	Harney Partners						
Property Address	1650 Cedar Hill Ave						
City	Dallas	County	Dallas	State	TX	Zip Code	75208
Appraiser	Mark V Milliorn						

EXTENT OF INFORMATION VERIFICATION: Representative samples of disinterested sources for information and data verification include but are not limited to County/City online records – Recorder, Treasurer, Zoning, GIS, Online Assessor Property Databases – Sales, Property Characteristics, Personal observation – Condition, Location, Physical attributes, Real Estate Transaction Declaration documents – Sale date, Personal property. In addition, the subject's market area was examined to determine the demand for and marketability of properties similar to the subject.

When and where possible, the applicable information was verified with sources deemed to be reliable and a disinterested party or corroborated with a 3rd party source. In some cases, the motivations of the parties or other factors (terms, arms-length transactions, etc.) may not have been available and the data was used at "face value as factually accurate."

The appraiser(s) was not supplied with a survey of the subject site, did not check land records for recorded easements and has reported only apparent easements and encroachments. Unless otherwise stated within the report, no effort was made to ascertain whether the subject is within the appropriate setbacks, as dictated by zoning, building or other regulations.

Appraiser notes that Texas is a non disclosure state. It is noted that home sales are at times not disclosed via MLS system per buyer/seller's request. Brokers involved in these transactions are usually required to sign legal documents that they will never reveal exact sales price. Brokers will however sometimes provide appraisers with a range and/or percentage of list price if comfortable doing so. Several sales prices in this report were/may have been obtained in this manner and believed to be accurate and reliable. Appraiser assumes no liability should prices ever be revealed and differ from those used in the report and appraiser also reserves the right to amend the appraisal based on same. Appraiser has tried to obtain the best possible information from all brokers involved if applicable.

PUBLIC / PRIVATE DATA SOURCES: My (our) appraisal practice is limited to **Dallas County, Texas**. I have access to public data via NTREIS Multiple Listing Service, Realist Tax Service, Marshall & Swift national cost estimation service, flood data and maps, along with private information contained within my office files that is considered necessary and appropriate for this assignment.

ADVERSE FACTORS: As cited in the "Assumptions & Limiting Conditions," is subjective and open to broad interpretation. Most properties will have a form of physical depreciation, deficiency or livability issues, dependent upon the standards of the party observing the property. A property could also be impacted by a wide-range of factors internal or external to the property that may be considered "adverse" by someone.

Absent detailed directives and specific guidelines from the lender/client, the appraiser(s) made a visual inspection of the property and its market environment (as cited elsewhere in the Scope of Work) and noted factors that may impact the marketability and livability to potential buyers based upon the appraiser's knowledge of the market and or as evidenced by sales of properties with similar or comparable conditions. Such items noted in the report were considered within the valuation approaches that were applied to the analysis.

While some in the market may consider factors such as drug labs, registered sex offenders, criminal activity, interim rehabilitation facilities halfway houses or similar uses as "adverse," unless cited within the report, the appraiser(s) has made no attempt to investigate or discover such activities as part of this assignment, unless such factors were readily apparent and obviously impacting the subject property as evidenced by market data. If the intended user has concerns in these areas, it is highly recommended that they secure this information from a reliable source.

DISCLOSURE/DISTRIBUTION: Regardless of who paid for this assignment, the intended user is only the lender/client stated within the report. The appraisal and report may be inappropriate for use by parties other than the intended user and could place them at risk. Despite the means of possession of the report, this appraisal should not be used or relied on by anyone other than the stated intended user and for the stated/intended purpose.

THE VALUE OPINION:

The value opinion stated in the report is based on my (our) analysis and considers the productivity, economic and physical conditions of the property only as of the date of value cited. As market conditions change, this value opinion may not be valid in another time period. Personal property has been excluded and given no value in this report.

Supplemental Addendum

File No 0026705

Client	Harney Partners						
Property Address	1650 Cedar Hill Ave						
City	Dallas	County	Dallas	State	TX	Zip Code	75208
Appraiser	Mark V Milliron						

COMPS WEIGHTING FORMULA:

Below is the math formula used to calculate the weight given to each comparable listed. In the formula, "Y" is used to indicate a comparable number (i.e. CompY could mean Comp 1, or Comp 2, or Comp 3, etc.). Here is the formula:

$$A = 100 \times \{(\text{CompY Gross Adjustment \%}) / (\text{Total Gross Adjustment \%})\}$$

$$B = 100 - A$$

$$C = \text{Total number of comps} - 1$$

$$\text{Weight of CompY} = B / C$$

Calculating the Suggested Value

Weights for all comps always add up to 100 (%).

The Suggested Value is derived by multiplying the weight of each comp by the Adjusted Sale Price of that comp, repeating for each comp, then adding them all together. Here is the formula:

$$\text{Suggested Value} = (\text{Adjusted Sale Pricecomp 1} \times \text{Weightcomp 1}) + (\text{Adjusted Sale Pricecomp 2} \times \text{Weightcomp 2}) + (\text{Adjusted Sale Pricecomp 3} \times \text{Weightcomp 3}) + \dots + (\text{Adjusted Sale Pricecomp n} \times \text{Weightcomp n})$$

Comparables Summary & Estimated Indicated Value

	<u>Sale Price</u>	<u>Grs Adj %</u>	<u>Ind Value</u>	<u>Weight</u>
Comp #1:	1,000,000	7.73	967,340	10.79
Comp #2:	1,180,000	15.80	1,060,380	10.45
Comp #3:	1,037,000	19.97	1,013,750	10.28
Comp #4:	1,085,000	21.07	1,081,750	10.23
Comp #5:	1,080,000	23.94	1,002,700	10.11
Comp #6:	1,200,000	26.50	1,228,050	10
Comp #7:	707,500	30.26	871,570	9.84
Comp #8:	786,000	36.06	848,770	9.60
Comp #9:	840,000	40.14	1,009,170	9.43
Comp #10:	1,825,000	44.04	1,021,270	9.27

ESTIMATED INDICATED VALUE OF THE SUBJECT : 1,011,315

YOUR INDICATED VALUE OF THE SUBJECT : 1,010,000

Estimated indicated value is determined by using the Gross Adjustment of sale price for each comparable as a measure of the relative quality of the comp. A lower adjustment indicates a better comp, and vice versa. The ratio of gross dollar adjustment to sale price for each of the comps is used to calculate the weight each comp should have in a weighted average calculation. This weighted average is used as the indicated value of the subject (rounded).

HIGHEST AND BEST USE ANALYSIS: The highest and best use is that reasonable and probable use that supports the highest present value, as defined on the effective date of this appraisal report. It is that use from among reasonably probable and legal alternative uses found to be physically possible, legally permissible/appropriately supported, economically/financially feasible, and which results in the highest value (maximally productive). The subject site located at 1650 Cedar Hill is within the city limits of Dallas, TX and is subject to zoning laws and ordinances. The subject site is zoned for residential use. Based on the characteristics of the subject site and surrounding sites, modifications of current land use regulations is not probable. The economic supply and demand of land use appears to be in balance. The site lends itself to single family residential use both because of its size and topography, and compatibility with surrounding sites. It is concluded that the highest and best use of the subject site as if unimproved is a single family residence. The highest and best use with existing improvements is its current use, a single family residence; and that the size and design of the existing structure is an appropriate utilization.

EXTRAORDINARY ASSUMPTIONS and HYPOTHETICAL CONDITIONS: I have used extraordinary assumptions and hypothetical condition and referenced them throughout this report. The reader should be aware that the use off these extraordinary assumptions and hypothetical condition might have affected the assignment results.

GRID ADJUSTMENTS MADE ON DIFFERENCES: Appraising is an art in which appraisers apply their observations, judgments and experience to the analysis and interpretation of data extracted from the marketplace in order to arrive at grid adjustments in the Sales Comparison Analysis. Subject appraisal falls within these acceptable professional appraisal parameters.

USPAP Compliance Addendum

Client	Harney Partners		
Property Address	1650 Cedar Hill Ave		
City	Dallas	County	Dallas
State	TX	Zip Code	75208
Appraiser	Mark V Milliron		

APPRAISAL AND REPORT IDENTIFICATION

This Appraisal Report is one of the following types:

Appraisal Report This report was prepared in accordance with the requirements of the Appraisal Report option of USPAP Standards Rule 2-2(a).

Restricted Appraisal Report This report was prepared in accordance with the requirements of the Restricted Appraisal Report option of USPAP Standards Rule 2-2(b). The intended user of this report is limited to the identified client. This is a Restricted Appraisal Report and the rationale for how the appraiser arrived at the opinions and conclusions set forth in the report may not be understood properly without the additional information in the appraiser's workfile.

ADDITIONAL CERTIFICATIONS

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

- The statements of fact contained in this report are true and correct.
- The report analyses, opinions, and conclusions are limited only by the reported assumptions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no (or the specified) present or prospective interest in the property that is the subject of this report and no (or specified) personal interest with respect to the parties involved.
- 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.
- This appraisal report was prepared in accordance with the requirements of Title XI of FRREA and any implementing regulations.

PRIOR SERVICES

I have NOT performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

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

PROPERTY INSPECTION

I have NOT made a personal inspection of the property that is the subject of this report.

I HAVE made a personal inspection of the property that is the subject of this report.

APPRAISAL ASSISTANCE

Unless otherwise noted, no one provided significant real property appraisal assistance to the person signing this certification. If anyone did provide significant assistance, they are hereby identified along with a summary of the extent of the assistance provided in the report.

ADDITIONAL COMMENTS

Additional USPAP related issues requiring disclosure and/or any state mandated requirements:

MARKETING TIME AND EXPOSURE TIME FOR THE SUBJECT PROPERTY

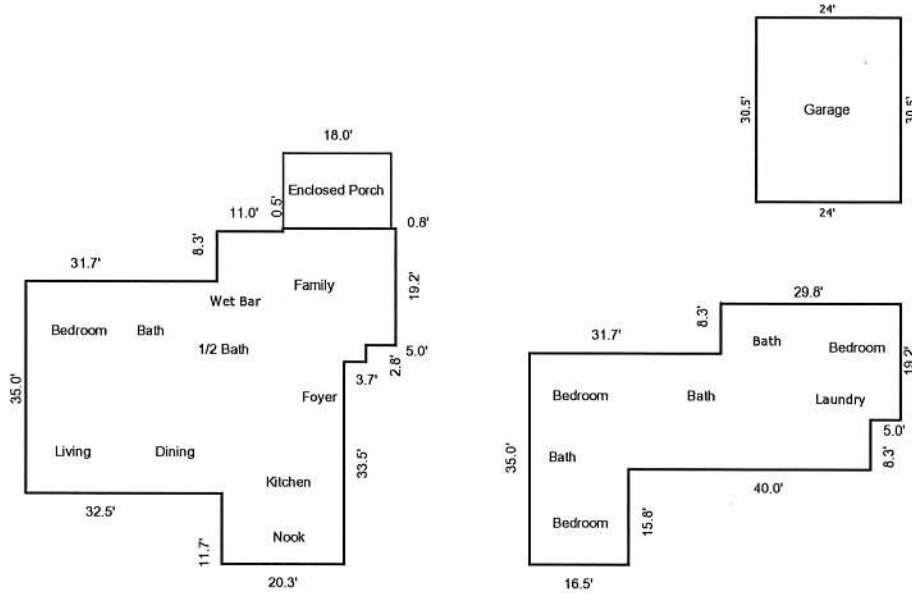
A reasonable marketing time for the subject property is 20-60 day(s) utilizing market conditions pertinent to the appraisal assignment.

A reasonable exposure time for the subject property is 20-180 day(s).

APPRAISER		SUPERVISORY APPRAISER (ONLY IF REQUIRED)	
Signature		Signature	_____
Name	Mark V Milliron	Name	_____
Date of Signature	11/29/2019	Date of Signature	_____
State Certification # or State License #	1322640	State Certification # or State License #	_____
State	TX	State	_____
Expiration Date of Certification or License	02/29/2020	Expiration Date of Certification or License	_____
Effective Date of Appraisal	11/12/2019	Supervisory Appraiser Inspection of Subject Property	_____
		<input type="checkbox"/> Did Not	<input type="checkbox"/> Exterior-only from Street
			<input type="checkbox"/> Interior and Exterior

Building Sketch

Client	Harney Partners				
Property Address	1650 Cedar Hill Ave				
City	Dallas	County	Dallas	State	TX
Appraiser	Mark V Milliom	Zip Code	75208		



Sketch by Apex Sketch v5 Standard™

Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	2443.09	2443.09
GLA2	Second Floor	1647.34	1647.34
GAR	Garage	732.00	732.00
OTH	Enclosed Porch	225.00	225.00

LIVING AREA BREAKDOWN			
	Breakdown		Subtotals
First Floor			
	20.3 x 11.7		237.51
	52.8 x 21.8		1151.04
	8.3 x 29.8		247.34
	10.4 x 61.5		639.60
	2.8 x 56.5		158.20
	0.5 x 18.8		9.40
Second Floor			
	15.8 x 16.5		260.70
	8.3 x 29.8		247.34
	10.9 x 61.5		670.35
	8.3 x 56.5		468.95

Net LIVABLE Area (rounded) 4090 10 Items (rounded) 4090

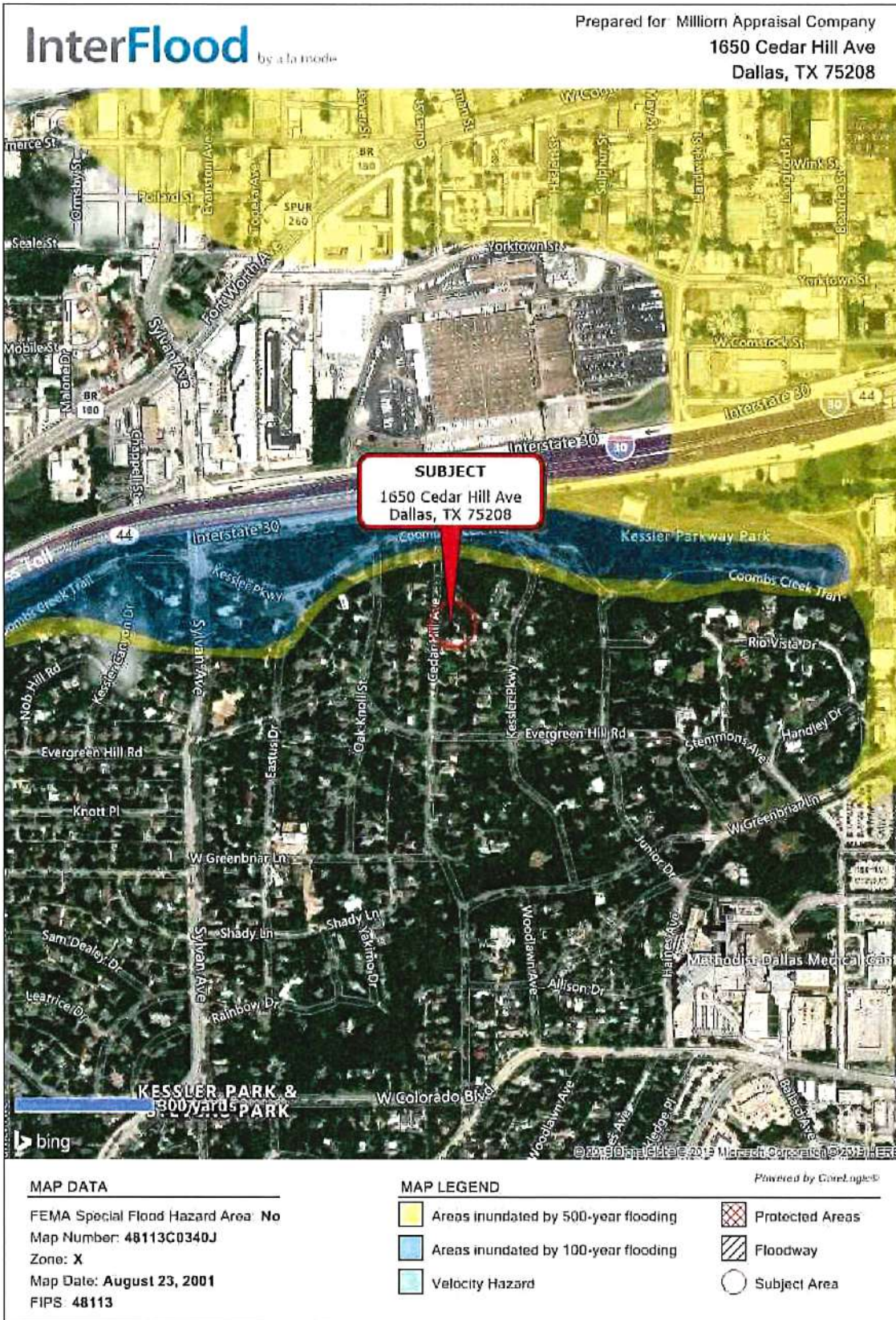
Plat Map

Client	Harney Partners				
Property Address	1650 Cedar Hill Ave				
City	Dallas	County	Dallas	State	TX Zip Code 75208
Appraiser	Mark V Milliom				



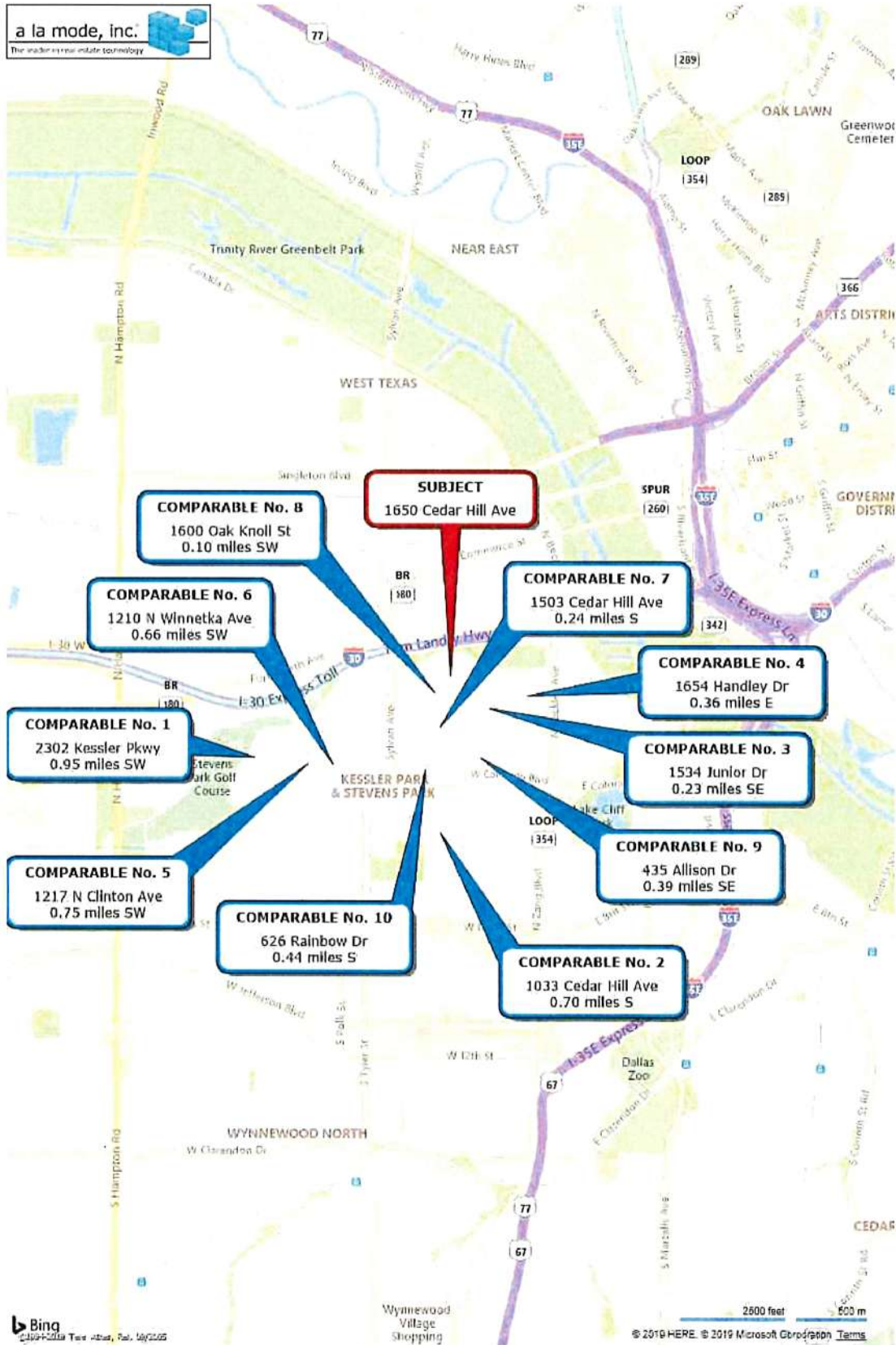
Flood Map

Client	Harney Partners						
Property Address	1650 Cedar Hill Ave						
City	Dallas	County	Dallas	State	TX	Zip Code	75208
Appraiser	Mark V Milliom						



Location Map

Client	Harney Partners						
Property Address	1650 Cedar Hill Ave						
City	Dallas	County	Dallas	State	TX	Zip Code	75208
Appraiser	Mark V Milliorn						



Mark Milliorn 2018-2020 Appraisal License

Client	Harney Partners						
Property Address	1650 Cedar Hill Ave						
City	Dallas	County	Dallas	State	TX	Zip Code	75208
Appraiser	Mark V Milliorn						

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

MARK VADEN MILLIORN
6125 LUTHER LANE 390
DALLAS, TX 75225

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 1322640 R

Issued: 02/05/2018 Expires: 02/29/2020

Appraiser: MARK VADEN MILLIORN

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 1322640 R

Issued: 02/05/2018 Expires: 02/29/2020

Appraiser: MARK VADEN MILLIORN

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

EXHIBIT 3



APPRAISAL OF REAL PROPERTY

LOCATED AT:

1650 Cedar Hill Ave
Rock Lodge Addn Blk 1/4702 Lot 12
Dallas, TX 75208

FOR:

Kevin B Merrill, et al Estate Gregory S. Milligan, Receiver
9151 Boulevard 26 Suite 175B
North Richland Hills, TX 76180

AS OF:

01/06/2020

BY:

Carla Moffett

Limited Appraisal Analysis - Summary Appraisal File No.: 9842

SUBJECT	Property Address: 1650 Cedar Hill Ave		City: Dallas		State: TX		Zip Code: 75208			
	County: Dallas		Legal Description: Rock Lodge Addn Blk 1/4702 Lot 12		Assessor's Parcel #: 0000033470500000					
	Tax Year: 2019		R.E. Taxes: \$ 25,988		Special Assessments: \$ N/A		Borrower (if applicable): N/A			
	Current Owner of Record: J Trust		Occupant: <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input checked="" type="checkbox"/> Vacant <input type="checkbox"/> Manufactured Housing							
ASSIGNMENT	Project Type: <input type="checkbox"/> PUD <input type="checkbox"/> Condominium <input type="checkbox"/> Cooperative <input type="checkbox"/> Other (describe) N/A		HOA: \$		<input type="checkbox"/> per year <input type="checkbox"/> per month					
	Market Area Name: Rock Lodge Addition		Map Reference: 44.X		Census Tract: 0042.01					
	The purpose of this appraisal is to develop an opinion of: <input checked="" type="checkbox"/> Market Value (as defined), or <input type="checkbox"/> other type of value (describe)									
	This report reflects the following value (if not current, see comments): <input checked="" type="checkbox"/> Current (the Inspection Date is the Effective Date) <input type="checkbox"/> Retrospective <input type="checkbox"/> Prospective									
MARKET AREA DESCRIPTION	Approaches developed for this appraisal: <input checked="" type="checkbox"/> Sales Comparison Approach <input type="checkbox"/> Cost Approach <input type="checkbox"/> Income Approach (See Reconciliation Comments and Scope of Work)									
	Property Rights Appraised: <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Leased Fee <input type="checkbox"/> Other (describe)									
	Intended Use: This appraisal report intended use is for estimated market value purposes.									
	Intended User(s) (by name or type): The report intended user is the Kevin B Merrill at al Estate, Gregory S Milligan, Receiver									
SITE DESCRIPTION	Client: Kevin B Merrill, et al Estate Gregory S. Milligan, Receiver		Address: 9151 Boulevard 26 Suite 175B, North Richland Hills, TX 76180							
	Appraiser: Carla Moffett		Address: 2105 N Houston School Road, Lancaster, TX 75134							
	Location: <input checked="" type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural		Built up: <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%		Growth rate: <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow		Property values: <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining		Demand/supply: <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	
	Marketing time: <input type="checkbox"/> Under 3 Mos. <input checked="" type="checkbox"/> 3-6 Mos. <input type="checkbox"/> Over 6 Mos.		Predominant Occupancy: <input checked="" type="checkbox"/> Owner 90 <input type="checkbox"/> Tenant 10 <input type="checkbox"/> Vacant (0-5%) <input checked="" type="checkbox"/> Vacant (>5%)		One-Unit Housing: PRICE (\$000) 120 Low 1 2,044 High 106 589 Pred 80		Present Land Use: One-Unit 90% 2-4 Unit 2% Multi-Unit 2% Comm'l 3%		Change in Land Use: <input checked="" type="checkbox"/> Not Likely <input type="checkbox"/> Likely * <input type="checkbox"/> In Process *	
Market Area Boundaries, Description, and Market Conditions (including support for the above characteristics and trends): The neighborhood has average market acceptance. There are no location factors which might adversely effect marketability or value. Employment & support services are in typical proximity. Employment appears generally stable. The neighborhood consist primarily of single family homes comparable with the subject property.										
The neighborhood boundaries are considered to be Highway 30 to the north, Highway 35 to the east, Davis street to the south and Hampton Road to the west										
The city of Dallas Serves and area along with the Dallas Independent School District.										
DESCRIPTION OF THE IMPROVEMENTS	Dimensions: 125X149X124X156 (-/+)		Site Area: 18,626							
	Zoning Classification: R-7.5A		Description: Single Family per city of Dallas							
	Are CC&Rs applicable? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unknown		Zoning Compliance: <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal nonconforming (grandfathered) <input type="checkbox"/> Illegal <input type="checkbox"/> No zoning		Have the documents been reviewed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
	Highest & Best Use as improved: <input checked="" type="checkbox"/> Present use, or <input type="checkbox"/> Other use (explain)		Ground Rent (if applicable) \$ /							
Actual Use as of Effective Date: Single Family Residential Home Use as appraised in this report: Single Family Residential Home										
Summary of Highest & Best Use: The subject as improved is a legally permissible use based on current zoning. Also, the lot size, shape and physical condition and land to building ratio allow the present structure and indicate a good utilization of the improvements. The present use and structure is its financially feasible and maximally productive use.										
Utilities		Public Other Provider/Description		Off-site Improvements Type		Public Private		Topography Gentle rolling/Trees		
Electricity		<input checked="" type="checkbox"/> <input type="checkbox"/>		Street Concrete		<input checked="" type="checkbox"/> <input type="checkbox"/>		Size Larger than Average		
Gas		<input checked="" type="checkbox"/> <input type="checkbox"/>		Curb/Gutter Yes		<input checked="" type="checkbox"/> <input type="checkbox"/>		Shape Irregular		
Water		<input checked="" type="checkbox"/> <input type="checkbox"/>		Sidewalk None		<input checked="" type="checkbox"/> <input type="checkbox"/>		Drainage Average		
Sanitary Sewer		<input checked="" type="checkbox"/> <input type="checkbox"/>		Street Lights Yes		<input checked="" type="checkbox"/> <input type="checkbox"/>		View Residential		
Storm Sewer		<input checked="" type="checkbox"/> <input type="checkbox"/>		Alley No		<input type="checkbox"/> <input type="checkbox"/>				
Other site elements: <input checked="" type="checkbox"/> Inside Lot <input type="checkbox"/> Corner Lot <input type="checkbox"/> Cul de Sac <input type="checkbox"/> Underground Utilities <input type="checkbox"/> Other (describe)										
FEMA Spec'l Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		FEMA Flood Zone X		FEMA Map # 48113C0340J		FEMA Map Date 8/23/2001				
Site Comments: No adverse easements or encroachment noted. There is no apparent evidence of adverse environmental condition on the site or the improvements. A survey & Title policy are recommended for a proper and final determination.										
General Description		Exterior Description		Foundation		Basement <input checked="" type="checkbox"/> None		Heating Central		
# of Units 1 <input type="checkbox"/> Acc. Unit		Foundation		Slab No		Area Sq. Ft. N/A		Type Forced		
# of Stories 2		Exterior Walls		Crawl Space Yes		% Finished N/A		Fuel Gas		
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/>		Roof Surface		Basement None		Ceiling N/A				
Design (Style) Traditional		Gutters & Dwnspnts. Gutter/Avg		Sump Pump <input type="checkbox"/> None		Walls N/A		Cooling Forced		
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Und.Cons.		Window Type		Dampness <input type="checkbox"/> None		Floor N/A		Central Yes		
Actual Age (Yrs.) 61		Storm/Screens		Settlement No		Outside Entry N/A		Other		
Effective Age (Yrs.) 15		Screens/Good		Infestation No						
Interior Description		Appliances		Attic <input type="checkbox"/> None		Amenities		Car Storage <input type="checkbox"/> None		
Floors Tile/Hardwood/Good		Refrigerator		<input checked="" type="checkbox"/> Stairs		Fireplace(s) # 2		Garage # of cars (2 Tot)		
Walls SR/Good/Avg		Range/Oven		<input checked="" type="checkbox"/> Drop Stair		Woodstove(s) # None		Attach. _____		
Trim/Finish Wood/Good		Disposal		<input checked="" type="checkbox"/> Scuttle		Patio Enclosed		Detach. x 2 Car		
Bath Floor Tile/Good		Dishwasher		<input checked="" type="checkbox"/> Doorway		Deck None		Bit.-In _____		
Bath Wainscot Tile/Good		Fan/Hood		<input checked="" type="checkbox"/> Floor		Porch Open		Carport _____		
Doors		Microwave		<input type="checkbox"/> Heated		Fence Partially Fence		Driveway _____		
		Washer/Dryer		<input type="checkbox"/> Finished		Pool None		Surface Concrete		
Finished area above grade contains: 8 Rooms 4 Bedrooms 4.1 Bath(s) 4,189 Square Feet of Gross Living Area Above Grade										
Additional features: INT:Hardwood, and tile flooring, built ins, fireplaces, special ceiling effects, wine chillers, ceiling fans. EXT:Landscaping, partial fencing, porch, balcony, enclosed patio.										
Describe the condition of the property (including physical, functional and external obsolescence): See attached addenda.										



Limited Appraisal Analysis - Summary Appraisal Report File No.: 9842

COST APPROACH	COST APPROACH TO VALUE (if developed) <input checked="" type="checkbox"/> The Cost Approach was not developed for this appraisal. Provide adequate information for replication of the following cost figures and calculations.	
	Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value): The site value is based upon conversations with brokers, builders and tax authorities. Please see the attached CMA of lot sales within the previous 5 years. It is noted that the land to value ratio is higher than normal. This is due to the mature trees, rolling terrain, close proximity to the Dallas Downtown business district, and to the Bishop Art District. This is thought to not adversely effect the marketability of market value of the subject property.	
	ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW Source of cost data: _____ Quality rating from cost service: _____ Effective date of cost data: _____ Comments on Cost Approach (gross living area calculations, depreciation, etc.): The cost approach does not apply do to age of the property.	OPINION OF SITE VALUE -----=\$ 450,000 DWELLING Sq.Ft. @ \$ -----=\$ Sq.Ft. @ \$ -----=\$ Sq.Ft. @ \$ -----=\$ Sq.Ft. @ \$ -----=\$ Sq.Ft. @ \$ -----=\$ Sq.Ft. @ \$ -----=\$ Garage/Carport Sq.Ft. @ \$ -----=\$ Total Estimate of Cost-New -----=\$ Less Physical Functional External Depreciation -----=\$() Depreciated Cost of Improvements -----=\$ "As-is" Value of Site Improvements -----=\$ -----=\$ -----=\$ Estimated Remaining Economic Life (if required): 38 Years INDICATED VALUE BY COST APPROACH -----=\$
	INCOME APPROACH TO VALUE (if developed) <input checked="" type="checkbox"/> The Income Approach was not developed for this appraisal. Estimated Monthly Market Rent \$ _____ X Gross Rent Multiplier = \$ _____ Indicated Value by Income Approach Summary of Income Approach (including support for market rent and GRM): The income approach has not been included due to the lack of data.	
	PROJECT INFORMATION FOR PUDs (if applicable) <input type="checkbox"/> The Subject is part of a Planned Unit Development. Legal Name of Project: N/A Describe common elements and recreational facilities: N/A	
	Indicated Value by: Sales Comparison Approach \$ 1,000,000 Cost Approach (if developed) \$ N/A Income Approach (if developed) \$ _____ Final Reconciliation Most weight was given to the sale comparison approach as it best reflects buyers demand in the area. The cost approach does not apply due to the age of the subject property. The income approach has not been included due to the lack of data.	
	This appraisal is made <input checked="" type="checkbox"/> "as is", <input type="checkbox"/> subject to completion per plans and specifications on the basis of a Hypothetical Condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a Hypothetical Condition that the repairs or alterations have been completed, <input type="checkbox"/> subject to the following required inspection based on the Extraordinary Assumption that the condition or deficiency does not require alteration or repair: _____ <input type="checkbox"/> This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.	
	Based on the degree of inspection of the subject property, as indicated below, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: \$ 1,000,000 , as of: 01/06/2020 , which is the effective date of this appraisal. If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.	
	A true and complete copy of this report contains 21 pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report. Attached Exhibits: <input checked="" type="checkbox"/> Scope of Work <input checked="" type="checkbox"/> Limiting Cond./Certifications <input checked="" type="checkbox"/> Narrative Addendum <input checked="" type="checkbox"/> Photograph Addenda <input checked="" type="checkbox"/> Sketch Addendum <input checked="" type="checkbox"/> Map Addenda <input checked="" type="checkbox"/> Additional Sales <input type="checkbox"/> Cost Addendum <input checked="" type="checkbox"/> Flood Addendum <input type="checkbox"/> Manuf. House Addendum <input type="checkbox"/> Hypothetical Conditions <input type="checkbox"/> Extraordinary Assumptions <input type="checkbox"/> _____	
	Client Contact: _____ Client Name: Kevin B Merrill, et al Estate Gregory S. Milligan, Receiver E-Mail: _____ Address: 9151 Boulevard 26 Suite 175B, North Richland Hills, TX 76180 APPRAISER 	
SIGNATURES	SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable) Supervisory or Co-Appraiser Name: _____ Company: _____ Phone: _____ Fax: _____ E-Mail: _____ Date of Report (Signature): _____ License or Certification #: _____ State: _____ Designation: _____ Expiration Date of License or Certification: 12/31/2020 Inspection of Subject: <input checked="" type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> None Date of Inspection: 01/06/2020	
	Appraiser Name: Carla Moffett Company: Appraisal Consultants Phone: (469) 567-0915 Fax: _____ E-Mail: csmoffett@mindspring.com Date of Report (Signature): 01/19/2020 License or Certification #: TX-1324586-R State: TX Designation: _____ Expiration Date of License or Certification: 12/31/2020 Inspection of Subject: <input checked="" type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> None Date of Inspection: 01/06/2020	

Supplemental Addendum

File No. 9842

Borrower	N/A		
Property Address	1650 Cedar Hill Ave		
City	Dallas	County	Dallas
		State	TX
		Zip Code	75208
Lender/Client	Kevin B Merrill, et al Estate Gregory S. Milligan, Receiver		

• GP Residential :

The subject neighborhood is composed of homes with a variety of designs and construction types. These homes range from average condition to totally renovated. The area started a revitalization transition which continues today. This accounts for the wide range of property condition through the area as well as property values. The closed sales utilized are believed to be the best and most similar which are currently available for comparative purposes. All sales are within the suggested guidelines of being closed sales within the previous 12 months.

The subject property is a four bedroom four and half bath home. The home has been totally renovated. It has reconfigured the walls for a better flow to the home with a semi open concept. All baths along with the kitchen have been totally renovated with Quartz and/or marble counter tops, cabinets, high end stainless steel appliances, lighting, refinished hardwood, special ceiling effects, windows, paint, and crown molding. Kay Woods of Briggs Freeman Real Estate indicated that the renovation took place in 2018 but the home has been vacant for approximately one year. Please note the renovation are not completed which consist to only what was readily feasible; missing recess speakers, TV mounts, missing a attic cover in the one the master bath, missing drywall, plumbing fixtures in some of the baths and wet bar (some of the plumbing fixtures were on property just not installed), some of the lights would not turn on, incomplete tile in the master shower, missing wrought iron fencing, and roof damage in the back of the house. The estimated cost of completing the home is \$10,000.00. A home inspection and roof inspection by license professional is recommended.

NOTE: When the subject property was purchased in 2017 the listing indicates it was updated which the photos in the listing confirm. After the purchase is when the above mentioned renovation took place. The selected sales that were selected are considered to be in similar renovation condition. The comparable sales have been adjustment to reflect the cost to cure. The enclosed patio does not have HVAC therefore it has not included in the total GLA.

Sale #1 is a smaller home that has three fireplaces and a pool.

Sale #2 is a smaller home that has a different bath count. It has one fireplace.

Sale #3 is a smaller home that has a golf course view in the front as well as a busy thru street, Kessler Parkway. Therefore no adjustment was deemed necessary.

Sale #4 is a smaller home that has a smaller bath count. This home has outdoor living space and a pool. The site backs to a place of worship. This is considered to be external obsolescence.

Sale #5 is on a much larger site than desired. However, it is similar in age and the GLA helps bracket the subject property.

The sales selected were deemed to be the most reliable indicators of value at this time. These sales were chosen based upon age, amenities, condition, construction quality, design, features, living area size, site size and/or sales date. Reasonable adjustment were made for their respective difference. Most weight has been place on sales #1, #2 and #3 due to room count, GLA and/or lot size. The other sales help lend support.

The site adjustments are based on the attached CMA of lot sales. The market typically does not dollar to dollar reaction.

The age differences are noted. However with previous experience in this market plus with comparative market analysis the market does not appear to have any measureable reaction to age in the pre own homes.

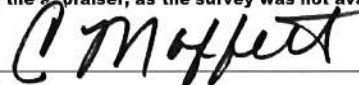
It should be noted that due to the subject's story design some difference may be present between my measurement, builder and those of other appraisers that have measured or will measure this property in the future. This is considered typical when dealing homes of this size, design, and quality. The sketch that has been included for the reader is to show the flow of the subject property. This is not thought to adversely effect the marketability or market value of the subject property.

Scope of Work:

The appraisal has been prepared in compliance with Uniform Standards of Professional Practice that were adopted and promulgated by the Appraisal Standards Board of the Appraisal Foundation that were in place as the effective date of the appraisal with the exception of the departure provision of those standards which does not apply. In the process the appraiser has analyzed all data in the subject's market place which was available. Data sources included appraiser's files, data from other appraisers/lenders/builders, MLS data, data from appraisal districts and title companies, property owners. Data analyzed for this report is derived from the same or competing neighborhoods and within the most narrow time from possible which ensures similar location and economic conditions were in existence at the time of the appraisal. Unless otherwise noted in this report the appraiser did make a full physical inspection of the subject property.

esign.alamode.com/verify Serial:60F57E83

SITE COMMENTS: The subject's site area and/or dimensions were obtained from the local tax office, or were estimated by the appraiser, as the survey was not available for review by the appraiser.

Signature 
 Name Carla Moffett
 Date Signed 01/19/2020
 State Certification # TX-1324586-R State TX
 Or State License # State

Signature _____
 Name _____
 Date Signed _____
 State Certification # _____ State _____
 Or State License # _____ State _____


 Serial# 60F57E83
esign.alamode.com/verify

Supplemental Addendum

File No. 9842

Borrower	N/A				
Property Address	1650 Cedar Hill Ave				
City	Dallas	County	Dallas	State	TX Zip Code 75208
Lender/Client	Kevin B Merrill, et al Estate Gregory S. Milligan, Receiver				

The appraiser made a visual inspection of the accessible areas of the subject property. The appraiser is not a home inspector, and this appraisal report can not be relied upon to disclose any defects that the subject property might have. A professional home inspection is recommended.

EXPOSURE TIME/MARKETING TIME

Estimated exposure time is the same as described in the neighborhood section in page one of the URAR. The estimate of exposure time is based upon the appraiser's observation of the actual days on the (DOM) for sales and listings from the MLS as defined within the subject's neighborhood. The majority of homes are being sold in under 6 months with standard Government or conventional financing & cash sales. Non Qualifying assumable loans were not considered due to their advantageous financing term & low marketing periods.

PURPOSE

The purpose of this appraisal is to estimate the market value of the fee simple estate interest in the subject as of the effective date of the appraisal. The effective date and the date of the physical inspection are the same. The function of this report is to assist the client in determining the reasonable market value of the subject property.

This appraiser has NOT appraised this property in the previous 3 years.

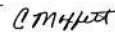
• GP Residential: Description of the Improvements - Property Condition

No functional or external obsolescence is noted. Physical depreciation is lower than normal due to recent improvements. The home has been totally renovated. It has reconfigured the walls for a better flow to the home with a semi open concept. All baths along with the kitchen have been totally renovated with Quartz or marble counter tops, cabinets, high end stainless steel appliances, lighting, refinished hardwood, special ceiling effects, windows, paint, and crown molding. Kay Woods of Briggs Freeman Real Estate indicated that the renovation took place in 2018 but the home has been vacant for approximately one year. Please note the renovation are not completed which consist to only what was readily feasible; missing recess speakers, TV mounts, plumbing fixtures in some of the baths and wet bar (some of the plumbing fixtures were on property just not installed), some of the lights would not turn on, incomplete tile in the master shower, and roof damage in the back of the house. The estimated cost of completing the home is \$10,00.00. A home inspection and roof inspection by license professional is recommended.

esign.alamode.com/verify Serial:60F57E83

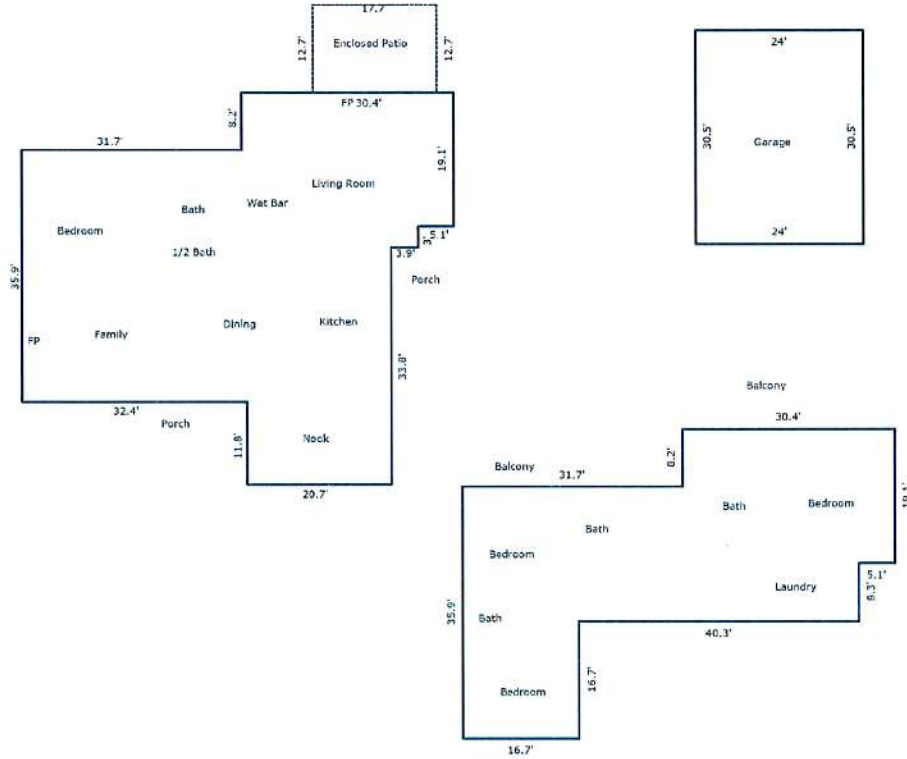
Signature 
 Name Carla Moffett
 Date Signed 01/19/2020
 State Certification # TX-1324586-R State TX
 Or State License # _____ State _____

Signature _____
 Name _____
 Date Signed _____
 State Certification # _____ State _____
 Or State License # _____ State _____



Building Sketch

Borrower	N/A		
Property Address	1650 Cedar Hill Ave		
City	Dallas	County	Dallas
		State	TX
		Zip Code	75208
Lender/Client	Kevin B Merrill, et al Estate Gregory S. Milligan, Receiver		



Sketch by Apex Sketch v8 Standard™

Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	2509.59	2509.59
GLA2	Second Floor	1678.84	1678.84
GAR	Garage	732.00	732.00
P/P	Enclosed Patio	224.35	224.35

LIVING AREA BREAKDOWN			
	Breakdown		Subtotals
First Floor			
	53.1 x	22.0	1168.95
	11.8 x	20.7	243.85
	57.0 x	3.0	169.86
	62.1 x	10.9	678.64
	8.2 x	30.4	248.29
Second Floor			
	0.5 x	0.0	0.08
	8.2 x	30.4	249.28
	10.9 x	62.1	677.00
	8.3 x	57.0	473.75
	16.7 x	16.7	278.72

Net LIVABLE Area

(rounded)

4188

10 Items

(rounded)

4188

CMH

Subject Photo Page

Borrower	N/A				
Property Address	1650 Cedar Hill Ave				
City	Dallas	County	Dallas	State	TX Zip Code 75208
Lender/Client	Kevin B Merrill, et al Estate Gregory S. Milligan, Receiver				



Subject Front

1650 Cedar Hill Ave
 Sales Price
 Gross Living Area 4,189
 Total Rooms 8
 Total Bedrooms 4
 Total Bathrooms 4,1
 Location Suburban
 View Residential
 Site 18,626
 Quality Good/Brick
 Age 61



Subject Rear



Subject Street

CMH

Photograph Addendum

Borrower	N/A				
Property Address	1650 Cedar Hill Ave				
City	Dallas	County	Dallas	State	TX Zip Code 75208
Lender/Client	Kevin B Merrill, et al Estate Gregory S. Milligan, Receiver				



Garage



Side View



Rear View



Bedroom



Full Bath



Full Bath



Bedroom



Full Bath



Full Bath



View from Back Balcony



Laundry



Laundry



Bedroom



Balcony



CMH/LLC

Serial# 60F57E83
esign.alamode.com/verify

Photograph Addendum

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Full Bath



Full Bath



Wet Bar



Living



Living



Kitchen



Kitchen



Kitchen



Nook



Butler Pantry



Dining



Living



1/2 Bath



1/2 Bath



CMH

Serial# 60F57E83
esign.alamode.com/verify

Photograph Addendum

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Lender/Client	Kevin B Merrill, et al Estate Gregory S. Milligan, Receiver		



Full Bath



Full Bath



Enclosed Patio



Enclosed Patio



Example of repair needed



Missing TV Bracket



Missing speaker



Missing attic cover



Roof Damage



Missing Fencing

Comparable Photo Page

Borrower	N/A				
Property Address	1650 Cedar Hill Ave				
City	Dallas	County	Dallas	State	TX Zip Code 75208
Lender/Client	Kevin B Merrill, et al Estate Gregory S. Milligan, Receiver				



Comparable 1

1217 N Clinton Ave
 Prox. to Subject 0.75 miles SW
 Sales Price 1,080,000
 Gross Living Area 4,053
 Total Rooms 8
 Total Bedrooms 3
 Total Bathrooms 4.1
 Location Suburban
 View Residential
 Site 19,776
 Quality Good/Brick
 Age 87



Comparable 2

1033 Cedar Hill Ave
 Prox. to Subject 0.70 miles S
 Sales Price 1,180,000
 Gross Living Area 3,806
 Total Rooms 8
 Total Bedrooms 4
 Total Bathrooms 3.1
 Location Suburban
 View Residential
 Site 22,128
 Quality Good/Brick
 Age 90



Comparable 3

2302 Kessler Pkwy
 Prox. to Subject 0.95 miles SW
 Sales Price 1,000,000
 Gross Living Area 4,087
 Total Rooms 8
 Total Bedrooms 4
 Total Bathrooms 4.1
 Location Suburban
 View Golf course/ByThru St
 Site 16,378
 Quality Good/Brick
 Age 80

CMH

Comparable Photo Page

Borrower	N/A				
Property Address	1650 Cedar Hill Ave				
City	Dallas	County	Dallas	State	TX Zip Code 75208
Lender/Client	Kevin B Merrill, et al Estate Gregory S. Milligan, Receiver				



Comparable 4

1210 N Winnetka Ave
 Prox. to Subject 0.66 miles SW
 Sale Price 1,200,000
 Gross Living Area 3,767
 Total Rooms 9
 Total Bedrooms 5
 Total Bathrooms 4
 Location Suburban
 View Place of Worship
 Site 9801
 Quality Good/Brick
 Age 83



Comparable 5

626 Rainbow Dr
 Prox. to Subject 0.44 miles S
 Sale Price 1,825,000
 Gross Living Area 4,433
 Total Rooms 8
 Total Bedrooms 4
 Total Bathrooms 4.1
 Location Suburban
 View Creek
 Site 90169
 Quality Good/Brick
 Age 62

Comparable 6

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

CMH/ET

Photograph Addendum

Borrower	N/A				
Property Address	1650 Cedar Hill Ave				
City	Dallas	County	Dallas	State	TX Zip Code 75208
Lender/Client	Kevin B Merrill, et al Estate Gregory S. Milligan, Receiver				



1033 Cedar Hill photo from the MLS. The home is not visible from the street due to landscaping.



626 Rainbow photo from the MLS. The home is not visible from the street due to landscaping.

Land Sales - Page 1



CMA 1 - LIne

Prepared By: Carla Moffett

Listings as of 01/19/20 at 9:54 am

Property Type is 'Lots & Acreage' Status is 'Sold' Status Contractual Search Date is 01/19/2020 to 01/20/2015 Property Sub Type is 'LND-Residential' Latitude, Longitude is around 32.76, -96.83

Lots & Acreage

MLS #	Address	City	Acres	\$/Acre	Land SqFt	\$/Lnd SqFt	List Price	Sold Price	Sold Date	SP/LP	CDOM
13164256	421 Lake Cliff Drive	Dallas					\$5,000	\$5,000	09/28/2015	100.00	44
13084631	517 N Lancaster Avenue	Dallas					\$11,500	\$15,000	03/27/2015	130.43	49
13461792	807 N Marsalis Avenue	Dallas	0.161	\$683,229.81			\$115,000	\$110,000	12/16/2018	95.65	63
13798699	111 Nechea Street	Dallas	0.089	\$1,348,314.61			\$115,000	\$120,000	04/20/2018	104.35	3
13948142	605 N Lancaster Avenue	Dallas	0.210	\$609,761.90			\$150,000	\$128,050	11/27/2018	85.37	5
13724592	418 E 6th Street	Dallas	0.168	\$922,619.05			\$220,000	\$155,000	03/30/2018	70.45	118
13978276	726 Elsiebeth Street	Dallas	0.149	\$1,175,119.47			\$190,000	\$175,000	05/10/2019	92.11	131
13466269	901 Woodlawn Avenue	Dallas	0.163	\$1,141,104.29			\$199,900	\$186,000	03/02/2017	93.05	116
13070120	714 Kessler Woods Trail	Dallas					\$225,000	\$190,000	09/24/2015	84.44	330
13127138	2227 Kessler Woods Court	Dallas					\$190,000	\$190,000	05/12/2015	100.00	1
13118581	700 W Elsiebeth Street	Dallas					\$199,900	\$195,000	06/05/2015	97.55	70
13455388	824 N Edgefield Avenue	Dallas	0.172	\$1,133,720.93			\$215,000	\$195,000	10/17/2016	90.70	3
13126349	635 Kessler Reserve Court	Dallas	0.200	\$1,002,418.29			\$200,000	\$200,000	06/11/2015	100.00	64
13132110	615 Kessler Reserve Court	Dallas	0.198	\$1,011,376.83			\$200,000	\$200,000	07/31/2015	100.00	106
13129441	2016 Kessler Parkway	Dallas	0.281	\$819,533.74			\$250,000	\$230,000	03/01/2016	92.00	291
13498754	1022 Eldorado Avenue	Dallas	0.155	\$1,483,070.97			\$249,900	\$230,000	09/22/2017	92.04	224
13126394	614 Kessler Reserve Court	Dallas	0.213	\$1,172,859.45			\$250,000	\$250,000	07/27/2015	100.00	81
13802165	800 Blylock Drive	Dallas	0.190	\$1,315,789.47			\$299,999	\$250,000	09/27/2018	83.33	157
13736786	1623 Kings Highway	Dallas	0.259	\$1,081,081.08			\$299,900	\$280,000	04/30/2018	93.36	124
13748703	806 Thomasson Drive	Dallas	0.172	\$1,656,976.74			\$299,000	\$285,000	03/27/2018	95.32	68
13234179	685 Kessler Reserve Court	Dallas	0.230	\$1,260,466.97			\$300,000	\$290,000	02/25/2016	96.67	140
13286522	665 Kessler Reserve Court	Dallas	0.227	\$1,274,969.72			\$300,000	\$290,000	01/05/2016	96.67	0
13289453	634 Kessler Reserve Court	Dallas	0.278	\$1,042,449.25			\$300,000	\$290,000	01/29/2016	96.67	0
13204788	675 Kessler Reserve Court	Dallas	0.282	\$1,063,563.12			\$300,000	\$300,000	07/01/2015	100.00	12
13234123	624 Kessler Reserve Court	Dallas	0.225	\$1,332,110.09			\$300,000	\$300,000	03/24/2016	100.00	164
13890800	731 N Oak Cliff Boulevard	Dallas	0.193	\$1,554,404.15			\$275,000	\$300,000	08/22/2018	109.09	4
13486413	723 N Zang Boulevard	Dallas	0.172	\$1,887,600.00			\$399,900	\$325,000	01/31/2017	81.27	81
13330641	695 Kessler Reserve Court	Dallas	0.324	\$1,079,745.04			\$350,000	\$350,000	03/24/2016	100.00	0
14067520	1530 Cedar Hill Avenue	Dallas	0.300	\$1,200,000.00			\$499,000	\$360,000	07/24/2019	72.14	20
13848850	1509 N Clinton Avenue	Dallas	0.390	\$1,076,923.08			\$440,000	\$420,000	08/10/2018	95.45	53

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This represents an estimated sale price for this property. It is not the same as the opinion of value in an appraisal developed by a licensed appraiser under the Uniform Standards of Professional Appraisal Practice.

CMoffett

Land Sales - Page 2



CMA 1 - Line

Prepared By: Carla Moffett

Listings as of 01/19/20 at 9:54 am

Lots & Acreage

Sold Properties

MLS #	Address	City	Acres	\$\$/Acre	Land SqFt	\$\$/Lnd SqFt	List Price	Sold Price	Sold Date	SP%LP	CDOM
13719304	604 W Colorado Boulevard	Dallas	0.330	\$1,363,636.36			\$450,000	\$450,000	04/19/2018	100.00	148
13663447	1203 Woodlawn	Dallas	0.540	\$925,925.93			\$543,000	\$500,000	11/06/2017	92.08	62
13876075	737 N Zang Boulevard	Dallas	0.292	\$1,798,725.81			\$595,000	\$525,000	09/21/2018	88.24	45
13029021	906 Kessler Parkway	Dallas					\$690,000	\$625,000	06/29/2015	90.58	113
# LISTINGS:	34	Medians:	0.212	\$1,156,981.87			\$262,500	\$250,000		95.55	66
		Minimums:	0.089	\$609,761.90			\$5,000	\$5,000		70.45	0
		Maximums:	0.540	\$1,887,600.00			\$690,000	\$625,000		130.43	330
		Averages:	0.234	\$1,193,510.51			\$283,147	\$262,178		94.68	85

Quick Statistics (34 Listings Total)

	Min	Max	Average	Median
List Price	\$5,000	\$690,000	\$283,147	\$262,500
Sold Price	\$5,000	\$625,000	\$262,178	\$250,000

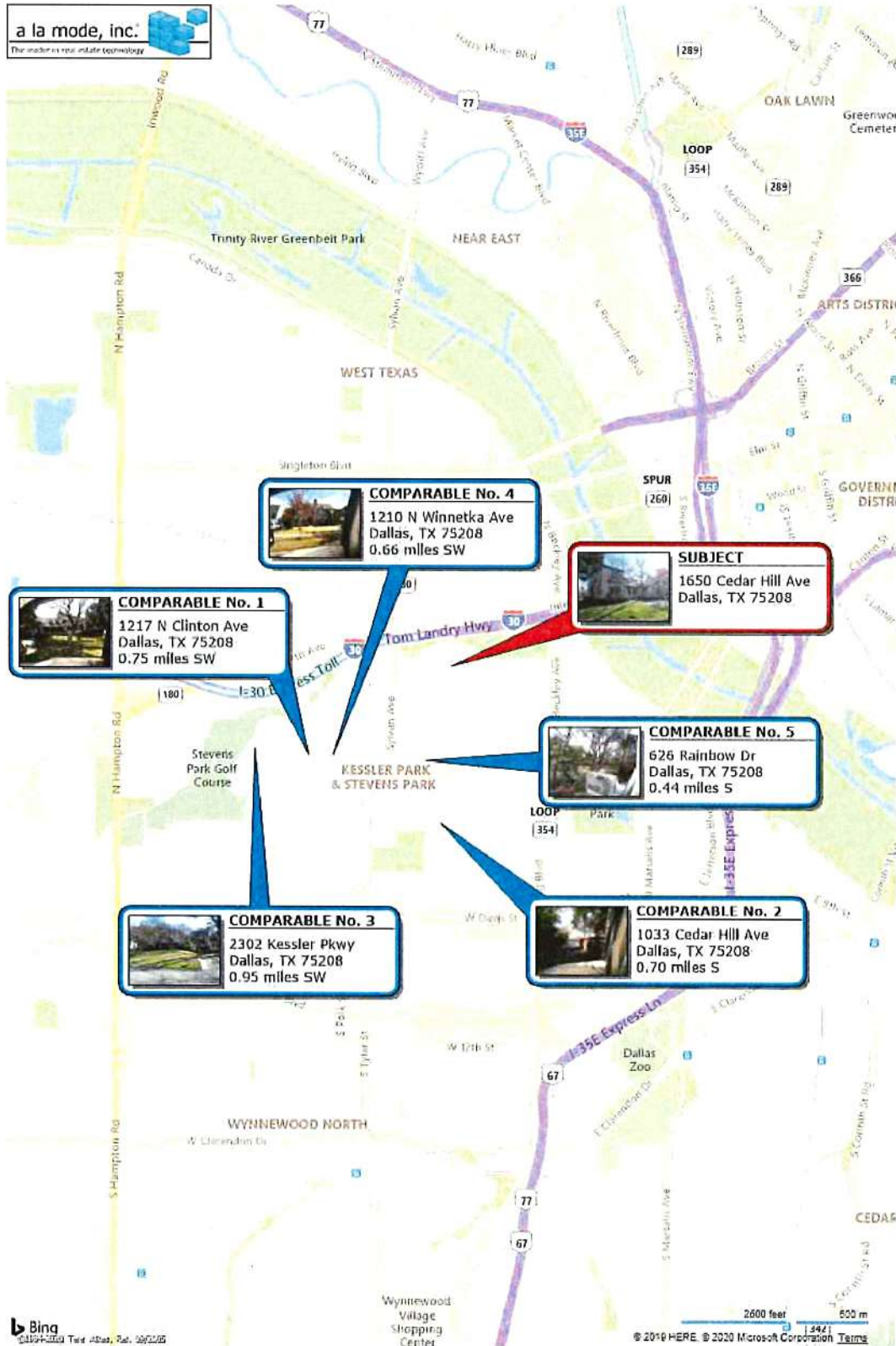
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This represents an estimated sale price for this property. It is not the same as the opinion of value in an appraisal developed by a licensed appraiser under the Uniform Standards of Professional Appraisal Practice.

CMH

Location Map

Borrower	N/A		
Property Address	1650 Cedar Hill Ave		
City	Dallas	County	Dallas
		State	TX
		Zip Code	75208
Lender/Client	Kevin B Merrill, et al Estate Gregory S. Milligan, Receiver		



Bing
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CMH
Serial# 60F57E83
esign.alamoda.com/verify

Flood Map

Borrower	N/A				
Property Address	1650 Cedar Hill Ave				
City	Dallas	County	Dallas	State	TX Zip Code 75208
Lender/Client	Kevin B Merrill, et al Estate Gregory S. Milligan, Receiver				



Certification

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

CARLA SUE MOFFETT
2105 N HOUSTON SCHOOL RD
LANCASTER, TX 75134

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 1324586 R**

Issued: **11/20/2018**

Expires: **12/31/2020**

Appraiser: **CARLA SUE MOFFETT**

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
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 1324586 R**

Issued: **11/20/2018**

Expires: **12/31/2020**

Appraiser: **CARLA SUE MOFFETT**

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Douglas E. Oldmixon
Douglas E. Oldmixon
Commissioner

CMoffett

EXHIBIT 4

RESTRICTED APPRAISAL REPORT

NOT FOR MORTGAGE LENDING USE



LOCATED AT

1650 Cedar Hill Ave
Dallas, TX 75208-2436
Rock Lodge Addn Bll 1/4702 Lot 12

FOR

Kevin B. Merrill, et al Estate

AS OF

01/15/2020

BY

Matthew S. Hyatt
Hyatt Appraisal Company
17000 Preston Rd, Suite 325
Dallas, TX 75248
972.503.4409
matt@hyattappraisalcompany.com
hyattappraisalcompany.com

SUMMARY OF SALIENT FEATURES

SUBJECT INFORMATION	Subject Address	1650 Cedar Hill Ave
	Legal Description	Rock Lodge Addn Bll 1/4702 Lot 12
	City	Dallas
	County	Dallas
	State	TX
	Zip Code	75208-2436
	Census Tract	0042.01
	Map Reference	19124
PRICE & DATE	Contract Price	\$ N/A
	Date of Contract	N.A
PARTIES	Client	Kevin B. Merrill, et al Estate
	Owner	J Trust
DESCRIPTION OF IMPROVEMENTS	Size (Square Feet)	4,089
	Price per Square Foot	\$ N/A
	Location	Residential
	Age	1959
	Condition	Updated
	Total Rooms	9
	Bedrooms	4
	Baths	4.1
APPRAISER	Appraiser	Matthew S. Hyatt
	Effective Date of Appraisal	01/15/2020
VALUE	Opinion of Value	\$ 1,015,000

182020

File No.: 202001-007

RESIDENTIAL APPRAISAL REPORT

SUBJECT	Property Address: 1650 Cedar Hill Ave		City: Dallas		State: TX		Zip Code: 75208-2436	
	County: Dallas				Legal Description: Rock Lodge Addn Bll 1/4702 Lot 12			
	Tax Year: 2019		R.E. Taxes: \$ 25,988		Special Assessments: \$ 0		Assessor's Parcel #: 00-00033-470-500-0000	
	Current Owner of Record: J Trust		Occupant: <input type="radio"/> Owner <input type="radio"/> Tenant <input checked="" type="radio"/> Vacant		<input type="radio"/> Manufactured Housing			
ASSIGNMENT	Project Type: <input type="radio"/> PUD <input type="radio"/> Condominium <input type="radio"/> Cooperative <input type="radio"/> Other (describe)							
	Market Area Name: Rock Lodge Addition		Map Reference: 19124		Census Tract: 0042.01			
	The purpose of this appraisal is to develop an opinion of: <input checked="" type="radio"/> Market Value (as defined), or <input type="radio"/> other type of value (describe)							
	This report reflects the following value (if not current, see comments): <input checked="" type="radio"/> Current (the Inspection Date is the Effective Date) <input type="radio"/> Retrospective <input type="radio"/> Prospective							
MARKET AREA DESCRIPTION	Approaches developed for this appraisal: <input checked="" type="radio"/> Sales Comparison Approach <input type="radio"/> Cost Approach <input type="radio"/> Income Approach (See Reconciliation Comments and Scope of Work)							
	Property Rights Appraised: <input checked="" type="radio"/> Fee Simple <input type="radio"/> Leasehold <input type="radio"/> Leased Fee <input type="radio"/> Other (describe)							
	Intended Use: Establish market value to set a reasonable price to sell the home.							
	Intended User(s) (by name or type): Client, Gregory S Milligan (Receiver) of Harney Partners.							
SITE DESCRIPTION	Client: Kevin B. Merrill, et al Estate				Address: 2801 Paramount Blvd, Amarillo, TX 79109			
	Appraiser: Matthew S. Hyatt				Address: 17000 Preston Rd, Suite 325, Dallas, TX 75248			
	Location: <input type="radio"/> Urban <input checked="" type="radio"/> Suburban <input type="radio"/> Rural		Predominant Occupancy		One-Unit Housing		Present Land Use	
	Built up: <input checked="" type="radio"/> Over 75% <input type="radio"/> 25-75% <input type="radio"/> Under 25%		Growth rate: <input type="radio"/> Rapid <input checked="" type="radio"/> Stable <input type="radio"/> Slow		Demand/supply: <input type="radio"/> Shortage <input checked="" type="radio"/> In Balance <input type="radio"/> Over Supply		Marketing time: <input checked="" type="radio"/> Under 3 Mos. <input type="radio"/> 3-6 Mos. <input type="radio"/> Over 6 Mos.	
Market Area Boundaries, Description, and Market Conditions (including support for the above characteristics and trends): The subject is located in an area locally referred to as Kessler Park or Kessler for short. The area is bordered by Interstate 30 to the North, Interstate 35E to the East, W Davis to the South and Hampton Rd to the West. This encompasses the immediate neighborhood and surrounding adjacent ones like Kings Highway, Winnetka Heights, et al. The area is a well established market that features an eclectic mix of properties ranging from vintage properties in average to fair condition to new construction estate style properties.								
DESCRIPTION OF THE IMPROVEMENTS	Dimensions: Rely on Survey		Site Area: 18,625 SqFt					
	Zoning Classification: R-7.5(A)		Description: Single Family Residential					
	Are CC&Rs applicable? <input type="radio"/> Yes <input checked="" type="radio"/> No <input type="radio"/> Unknown		Zoning Compliance: <input checked="" type="radio"/> Legal <input type="radio"/> Legal nonconforming (grandfathered) <input type="radio"/> Illegal <input type="radio"/> No zoning					
	Highest & Best Use as improved: <input checked="" type="radio"/> Present use, or <input type="radio"/> Other use (explain)		The home is zoned for single family, its present use, and given the recent updating, it is not financially feasible to raze the home for new construction or alter the use and as such current use is the highest and best.					
Actual Use as of Effective Date: Single Family Use as appraised in this report: Single Family								
Summary of Highest & Best Use: In considering the four tests for H&BU, the H&BU is the continued use as residential home.								
Utilities		Public Other Provider/Description		Off-site Improvements		Type		
Electricity		<input checked="" type="radio"/> Public		Street		Concrete		
Gas		<input checked="" type="radio"/> Public		Curb/Gutter		Concrete		
Water		<input checked="" type="radio"/> Public		Sidewalk		None		
Sanitary Sewer		<input checked="" type="radio"/> Public		Street Lights		Typical		
Storm Sewer		<input checked="" type="radio"/> Public		Alley		None		
Other site elements: <input checked="" type="radio"/> Inside Lot <input type="radio"/> Corner Lot <input type="radio"/> Cul de Sac <input type="radio"/> Underground Utilities <input type="radio"/> Other (describe)								
FEMA Spec'l Flood Hazard Area <input type="radio"/> Yes <input checked="" type="radio"/> No FEMA Flood Zone X FEMA Map # 48113C0340J FEMA Map Date 08/23/2001								
Site Comments: The subject is situated on an interior residential lot. The appraiser is unaware of any adverse site conditions. A survey was not provided to the appraiser. Only a survey should be relied on for determination of site dimensions, easements & FEMA status. The Appraisal and Opinion of Value have been made assuming the stated site size is accurate.								
General Description		Exterior Description		Foundation		Basement		
# of Units 1 <input type="radio"/> Acc. Unit		Foundation		Slab Concrete		<input checked="" type="radio"/> None		
# of Stories 2		Exterior Walls		Crawl Space		Area Sq. Ft.		
Type <input checked="" type="radio"/> Det. <input type="radio"/> Alt.		Roof Surface		Basement		% Finished		
Design (Style) DT/2Story/NECltctc		Gutters & Dwnspts.		Sump Pump		Ceiling		
<input checked="" type="radio"/> Existing <input type="radio"/> Proposed <input type="radio"/> Und.Cons.		Window Type		Dampness		Walls		
Actual Age (Yrs.) 61		Storm/Screens		Settlement		Floor		
Effective Age (Yrs.) 20				Infestation		Outside Entry		
Interior Description		Appliances		Attic <input type="radio"/> None		Amenities		
Floors Wood / Tile		Refrigerator		Stairs		Fireplace(s) # 2		
Walls Texture		Range/Oven		Drop Stair		Woodstove(s) #		
Trim/Finish Wood		Disposal		Scuttle		Car Storage <input type="radio"/> None		
Bath Floor Tile		Dishwasher		Doorway		Garage # of cars (4 Tot.)		
Bath Wainscot Tile		Fan/Hood		Floor		Attach.		
Doors Wood		Microwave		Heated		Detach. 2		
		Washer/Dryer		Finished		Blt.-In		
						Carport		
						Driveway 2		
						Surface Concrete		
Finished area above grade contains: 9 Rooms 4 Bedrooms 4.1 Bath(s) 4,089 Square Feet of Gross Living Area Above Grade								
Additional features: The home features a motorized driveway gate that was inoperable at time of appraisal.								
Describe the condition of the property (including physical, functional and external obsolescence): The home has been recently updated though all updates were not completed. The kitchen is remodeled and complete. The main bathroom was remodeled but is not complete. The freestanding tub is not installed, sink hardware not installed and main shower is incomplete needing tile work, stone work, glass and hardware. The wet bar area is missing a faucet, several holes in ceiling and walls were noted for A/V equipment / speakers and should be repaired or furnished with speakers. The section of yard towards the street side of the site has posts for a metal fence but no actual fence. Given the height and drop off noted (see photo) this poses a safety concern and a fence should be installed. The main closet is where the attic access is and a drop stair is not installed. Overall, given the items noted and unknown total scope of work, estimated cost to cure is \$10,000-\$15,000.								

182020

File No.: 202001-007

RESIDENTIAL APPRAISAL REPORT

TRANSFER HISTORY	My research <input type="radio"/> did <input type="radio"/> 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): CAD/NTRERIS/Realist				
	1st Prior Subject Sale/Transfer	Analysis of sale/transfer history and/or any current agreement of sale/listing: Note, Texas is a "non-disclosure" state in which the transaction terms of real estate deed transfers are not publicly recorded. As such, the terms of many real property transactions cannot be reliably confirmed. The subject sold 9/29/17 for \$960,000 as an already remodeled home. Upon purchasing, it appears another remodeling was taking place which was most notably to the main bathroom though other areas of cosmetic taste and preference changes were made.			
	Date: 09/29/2017 Price: \$960,000				
	Source(s): CAD/NTRERIS/Realist				
TRANSFER HISTORY	2nd Prior Subject Sale/Transfer				
	Date: 07/17/2003 Price: Undisclosed				
Source(s): CAD/NTRERIS/Corelogic					
SALES COMPARISON APPROACH TO VALUE (if developed) <input type="radio"/> The Sales Comparison Approach was not developed for this appraisal.					
FEATURE		SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Address 1650 Cedar Hill Ave Dallas, TX 75208-2436		900 Bison Trl Dallas, TX 75208-3313	1217 N Clinton Ave Dallas, TX 75208-2747	2302 Kessler Pkwy Dallas, TX 75208-2944	
Proximity to Subject		1.61 miles SW	0.75 miles SW	0.95 miles SW	
Sale Price		\$ N/A	\$ 1,008,000	\$ 1,080,000	\$ 1,000,000
Sale Price/GLA		\$ N/A /sq.ft.	\$ 296.56 /sq.ft.	\$ 266.47 /sq.ft.	\$ 244.68 /sq.ft.
Data Source(s)		Appraiser / DCAD	NTRERIS #14193328/DOM 14	NTRERIS #14153293/DOM 17	NTRERIS #13821412/DOM 274
Verification Source(s)		NTRERIS / Realist	Doc#290953/CAD/MonumentRE	Doc#259620/TxPremierRty/CAD	Doc#44010/DPM&Asc/CAD
VALUE ADJUSTMENTS		DESCRIPTION	+(-) \$ Adjust.	DESCRIPTION	+(-) \$ Adjust.
Sales or Financing		N/A	ArmLth	ArmLth	ArmLth
Concessions		N/A	Cash/0	Conv/0	Cash/0
Date of Sale/Time		N/A	s10/19;c10/19	s9/19;c8/18	s02/19;c01/19
Rights Appraised		Fee Simple	Fee Simple	Fee Simple	Fee Simple
Location		Residential	Residential	Residential	Residential
Site		18625sf	14288sf	19776sf	16391sf
View		Residential	Residential	Residential	Across Golf
Design (Style)		DT/2Story/NEcltctc	DT/1Story/Cntemp	DT/3Story/Trdntl	DT/2Story/NEcltctc
Quality of Construction		Typ for Mkt Sgmnt	Typ for Mkt Sgmnt	Typ for Mkt Sgmnt	Typ for Mkt Sgmnt
Age		61	56	87	80
Condition		Updated	Updated	Updated	Updated
Above Grade		Total Bdrms Baths	Total Bdrms Baths	Total Bdrms Baths	Total Bdrms Baths
Room Count		9 4 4.1	9 4 4.1	9 3 4.1	10 5 5.1
Gross Living Area		4,089 sq.ft.	3,399 sq.ft.	4,053 sq.ft.	4,087 sq.ft.
Basement & Finished Rooms Below Grade		0sf	0sf	0sf	0sf
Functional Utility		Average	Average	Average	Average
Heating/Cooling		FWA/CAC	FWA/CAC	FWA/CAC	FWA/CAC
Energy Efficient Items		None	None	None	None
Garage/Carport		2gd2dw	2cp2dw	2ga2dw	2ga2dw
Porch/Patio/Deck		Pch/E Pat / Balc	Pch/Deck	Pch/O Pat/ Balc	Pch/O Pat/ Balc
F/P		1 Fireplace	1 Fireplace	3 Fireplace	1 Fireplace
Pool Features		None	Pool	Pool	Pool
Cost to Cure		Incomplete Items	None	None	None
Net Adjustment (Total)		● + ○ -	\$ 10,700	○ + ● -	\$ -66,100
Adjusted Sale Price of Comparables			\$ 1,018,700	\$ 1,013,900	\$ 1,016,300
Summary of Sales Comparison Approach					
The sales illustrated are considered the best available and the most reliable indicators of market value. Given the smaller nature of the development as well as the diverse set of properties, comparable sales that truly compete and reflect the subject property are limited. As such, it is necessary to include sales that have some greater than desirable differences, sold over the past 12 months and some located a bit further from the subject. This is not uncommon in this market area and segment. The area is a desirable area that has a range of properties from vintage smaller homes ranging to larger custom estate style properties and many in between. The subject is a larger home on a larger site that while older has had recent updating. The emphasis was made to include sales are older but remodeled like the subject, located on larger sites (15,000-20,000sf) and within a competitive GLA range (3000-5000sf). All sales sold within the past 12 months under similar market conditions. The sales illustrate a site size range of 14,288sf to 19,776sf which brackets the subjects site size. Given the high land value nature of this market, sizeable adjustments were warranted for site size differences and while the differences are not adjusted at full market value for vacant sites, the per square foot adjustment was reflective of a land sale pair that illustrated a diminished return for differences among larger sites. That pair illustrated a roughly \$14/sf difference for additional land whereas the median price per square foot for full sites was \$28.43/sf. Adjustments were considered for age, bedroom count, bath count and noted GLA difference of sale 3. After careful consideration of the market data and any correlations to these noted differences there was no discernable trend extracted that would support adjustments for these differences. This was further supported by the sensitivity of the range which is narrow given the price point. Market oriented adjustments were made to sales 1 and 2 for having backyard pools, a superior amenity, and is based on comparing the median price difference of grouped pairs as well as then considering the sensitivity of the range given the other noted differences not having a measurable effect. This resulted in the adjustment being \$35,000 for a pool. Sales 1, 2, and 3 were all adjusted for the estimated cost to cure to complete the homes incomplete items as well as install a fence to the front of the site. It should be noted that this estimated cost to cure is just that, an estimate, and the appraiser is not qualified nor was provided with sufficient information to determine if the scope of the incomplete items is larger than what is readily visible. As such, the extraordinary assumption is made that this reflective of what would be needed to complete the home to market expectations and in the event additional information was made available that would require additional work / repair, the opinion of value could be impacted by that information.					
Final Reconciliation of the Sales Comparison Approach					
Sales 1, 2, & 3 are closed sales and have been considered in the opinion of value and are felt to be equally relevant to the valuation of the appraised property. The closed sales illustrate an adjusted range of value from \$1,013,900 to \$1,018,700. The final, single point opinion of value is reflective of the central tendency of this range.					
Indicated Value by Sales Comparison Approach \$ 1,015,000					



182020

File No.: 202001-007

RESIDENTIAL APPRAISAL REPORT

COST APPROACH	COST APPROACH TO VALUE (if developed) <input type="radio"/> The Cost Approach was not developed for this appraisal.	
	Provide adequate information for replication of the following 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 3 land sales. These land sales are smaller sites .3-.39ac. They project a median of \$420,000 and an average of \$410,000 (reconciled 28.43/sf). A analysis was made for excess land which resulted in that, above .33ac having a contributory value of \$14/sf. As such, with all data considered and reconciled the opinion of site value is \$475,000.	
	ESTIMATED <input type="radio"/> REPRODUCTION OR <input checked="" type="radio"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE = \$ 475,000
	Source of cost data: DwellingCost	DWELLING 4,089 Sq.Ft. @ \$ 173.45 = \$ 709,237
	Quality rating from cost service: 6.5 Effective date of cost data: 1/15/2020	Sq.Ft. @ \$ = \$
	Comments on Cost Approach (gross living area calculations, depreciation, etc.):	Sq.Ft. @ \$ = \$
	Cost data was modified using a multiplier based on the zip code 75208.	Sq.Ft. @ \$ = \$
	The quality rating of 6.5 describes a property that is custom or very high-end tract built construction using the finest stock materials and methods available. Professional services to build this house would be provided by specialty contractors who specialize in custom built houses.	Patios/Porches = \$ 11,348 Garage/Carport 732 Sq.Ft. @ \$ 34.61 = \$ 25,335 Total Estimate of Cost-New = \$ 745,920
	Estimated Remaining Economic Life (if required): 55 Years	Less Physical Functional External Depreciation 198,937 15,000 = \$(213,937) Depreciated Cost of Improvements = \$ 531,983 "As-is" Value of Site Improvements = \$ 10,000
	Estimated Remaining Economic Life (if required): 55 Years	INDICATED VALUE BY COST APPROACH = \$ 1,016,983
INCOME APPROACH	INCOME APPROACH TO VALUE (if developed) <input checked="" type="radio"/> The Income Approach was not developed for this appraisal.	
	Estimated Monthly Market Rent \$ X Gross Rent Multiplier = \$ N/A Indicated Value by Income Approach	
	Summary of Income Approach (including support for market rent and GRM): Given the nature of the market area, dominated by owner occupancy, the premise of this approach does not hold in his market segment as the typical buyer does not purchase for income potential and values are driven based on the demand to owner occupy.	
PUD	PROJECT INFORMATION FOR PUDs (if applicable) <input type="radio"/> The Subject is part of a Planned Unit Development.	
	Legal Name of Project: Describe common elements and recreational facilities: The subject is not part of a PUD.	
RECONCILIATION	Indicated Value by: Sales Comparison Approach \$ 1,015,000 Cost Approach (if developed) \$ 1,016,983 Income Approach (if developed) \$ N/A	
	Final Reconciliation The Sales Comparison Analysis was given primary consideration for the appraiser's final opinion of value and most properties sell for owner occupancy and this approach is the driving force for values. The cost approach while developed and illustrated has been considered as secondary and supportive information as the typically informed buyer does not purchase pre-owned homes while considering the cost values. Due to a lack of primary rental information (GRM analysis data) the Income Approach did not provide a reliable value indicator, and therefore, was not considered.	
	This appraisal is made <input checked="" type="radio"/> "as is", <input type="radio"/> subject to completion per plans and specifications on the basis of a Hypothetical Condition that the improvements have been completed, <input type="radio"/> subject to the following repairs or alterations on the basis of a Hypothetical Condition that the repairs or alterations have been completed, <input type="radio"/> subject to the following required inspection based on the Extraordinary Assumption that the condition or deficiency does not require alteration or repair. The attached Appraiser's Scope of Work and Assumptions area considered to be an integral part of the preparation, use and intent of this report.	
	<input type="radio"/> This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.	
	Based on the degree of inspection of the subject property, as indicated below, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: \$ 1,015,000, as of: 01/15/2020, which is the effective date of this appraisal. If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.	
ATTACHMENTS	A true and complete copy of this report contains 45 pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report.	
	Attached Exhibits: <ul style="list-style-type: none"> <li style="width: 33%;"><input checked="" type="radio"/> Invoice / Table of Contents <li style="width: 33%;"><input checked="" type="radio"/> USPAP Addendum <li style="width: 33%;"><input checked="" type="radio"/> Plat Map <li style="width: 33%;"><input checked="" type="radio"/> Flood Map <li style="width: 33%;"><input checked="" type="radio"/> Comp Photos (MLS) <li style="width: 33%;"><input checked="" type="radio"/> Engagement / Salient Feat. <li style="width: 33%;"><input checked="" type="radio"/> License <li style="width: 33%;"><input checked="" type="radio"/> Aerial Map <li style="width: 33%;"><input checked="" type="radio"/> Map - Comparable Sales <li style="width: 33%;"><input checked="" type="radio"/> Market Conditions <li style="width: 33%;"><input checked="" type="radio"/> GP Appraisal Report <li style="width: 33%;"><input checked="" type="radio"/> Sketch <li style="width: 33%;"><input checked="" type="radio"/> Zoning Map <li style="width: 33%;"><input checked="" type="radio"/> Subject Photos <li style="width: 33%;"><input checked="" type="radio"/> SoW/Limiting Conditions 	
	Client Contact: Gregory S. Milligan, Receiver Client Name: Kevin B. Merrill, et al Estate E-Mail: None Provided Address: 2801 Paramount Blvd, Amarillo, TX 79109	
SIGNATURES	APPRaiser:	
	Appraiser Name: Matthew S. Hyatt Company: Hyatt Appraisal Company Phone: 972.503.4409 Fax: N/A E-Mail: matt@hyattappraisalcompany.com	
	Date of Report (Signature): 01/28/2020 License or Certification #: 1338159 State: TX Designation: Candidate for SRA Designation, Appraisal Institute Expiration Date of License or Certification: 10/31/2020	
	Inspection of Subject: <input checked="" type="radio"/> Interior & Exterior <input type="radio"/> Exterior Only <input type="radio"/> None Date of Inspection: 01/15/2020	
	SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable) Supervisory or Co-Appraiser Name: _____ Company: _____ Phone: _____ Fax: _____ E-Mail: _____ Date of Report (Signature): _____ License or Certification #: _____ State: _____ Designation: _____ Expiration Date of License or Certification: _____ Inspection of Subject: <input type="radio"/> Interior & Exterior <input type="radio"/> Exterior Only <input type="radio"/> None Date of Inspection: _____	

Assumptions, Limiting Conditions & Scope of Work

182020

File No.: 202001-007

Property Address: 1650 Cedar Hill Ave	City: Dallas	State: TX	Zip Code: 75208-2436
Client: Kevin B. Merrill, et al Estate	Address:		
Appraiser: Matthew S. Hyatt	Address: 17000 Preston Rd, Suite 325, Dallas, TX 75248		

STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

- The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
- The appraiser may have provided a sketch in the appraisal report to show approximate dimensions of the improvements, and any such sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size. Unless otherwise indicated, a Land Survey was not performed.
- If so indicated, the appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
- 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.
- If the cost approach is included in this appraisal, the appraiser has estimated the value of the land in the cost approach at its highest and best use, and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used. Unless otherwise specifically indicated, the cost approach value is not an insurance value, and should not be used as such.
- The appraiser has noted in the appraisal report any adverse conditions (including, but not limited to, needed repairs, depreciation, 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 normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property, or adverse environmental conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
- The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
- The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.
- If this appraisal is indicated as subject to satisfactory completion, repairs, or alterations, the appraiser has based his or her appraisal report and valuation conclusion on the assumption that completion of the improvements will be performed in a workmanlike manner.
- An appraiser's client is the party (or parties) who engage an appraiser in a specific assignment. Any other party acquiring this report from the client does not become a party to the appraiser-client relationship. Any persons receiving this appraisal report because of disclosure requirements applicable to the appraiser's client do not become intended users of this report unless specifically identified by the client at the time of the assignment.
- The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public, through advertising, public relations, news, sales, or by means of any other media, or by its inclusion in a private or public database.
- An appraisal of real property is not a 'home inspection' and should not be construed as such. As part of the valuation process, the appraiser performs a non-invasive visual inventory that is not intended to reveal defects or detrimental conditions that are not readily apparent. The presence of such conditions or defects could adversely affect the appraiser's opinion of value. Clients with concerns about such potential negative factors are encouraged to engage the appropriate type of expert to investigate.

The Scope of Work is the type and extent of research and analyses performed in an appraisal assignment that is required to produce credible assignment results, given the nature of the appraisal problem, the specific requirements of the intended user(s) and the intended use of the appraisal report. Reliance upon this report, regardless of how acquired, by any party or for any use, other than those specified in this report by the Appraiser, is prohibited. The Opinion of Value that is the conclusion of this report is credible only within the context of the Scope of Work, Effective Date, the Date of Report, the Intended User(s), the Intended Use, the stated Assumptions and Limiting Conditions, any Hypothetical Conditions and/or Extraordinary Assumptions, and the Type of Value, as defined herein. The appraiser, appraisal firm, and related parties assume no obligation, liability, or accountability, and will not be responsible for any unauthorized use of this report or its conclusions.

Additional Comments (Scope of Work, Extraordinary Assumptions, Hypothetical Conditions, etc.):

Client	Kevin B. Merrill, et al Estate	File No.	202001-007
Property Address	1650 Cedar Hill Ave		
City	Dallas	County	Dallas
		State	TX
		Zip Code	75208-2436
Owner	J Trust		

APPRAISAL AND REPORT IDENTIFICATION

This Report is one of the following types:

- Appraisal Report (A written report prepared under Standards Rule 2-2(a), pursuant to the Scope of Work, as disclosed elsewhere in this report.)
- Restricted Appraisal Report (A written report prepared under Standards Rule 2-2(b), pursuant to the Scope of Work, as disclosed elsewhere in this report, restricted to the stated intended use only by the specified client and any other named intended user(s).)

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 (USPAP defines Exposure Time as the estimated length of time that 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.)
My Opinion of Reasonable Exposure Time for the subject property at the market value stated in this report is: 20-60 days

Comments on Appraisal and Report Identification

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

APPRAISER:
Signature: 
Name: Matthew S. Hyatt
Candidate for SRA Designation, Appraisal Institute
State Certification #: 1338159
or State License #: _____
State: TX Expiration Date of Certification or License: 10/31/2020
Date of Signature and Report: 01/28/2020
Effective Date of Appraisal: 01/15/2020
Inspection of Subject: None Interior and Exterior Exterior-Only
Date of Inspection (if applicable): 01/15/2020

SUPERVISORY or CO-APPRAISER (if applicable):
Signature: _____
Name: _____
State Certification #: _____
or State License #: _____
State: _____ Expiration Date of Certification or License: _____
Date of Signature: _____
Inspection of Subject: None Interior and Exterior Exterior-Only
Date of Inspection (if applicable): _____

Appraiser License

Client	Kevin B. Merrill, et al Estate						
Property Address	1650 Cedar Hill Ave						
City	Dallas	County	Dallas	State	TX	Zip Code	75208-2436
Owner	J Trust						

Texas Appraiser Licensing and Certification Board

P.O. Box 12188 Austin, Texas 78711-2188

Certified Residential Real Estate Appraiser

Number: **TX 1338159 R**

Issued: **10/29/2018**

Expires: **10/31/2020**

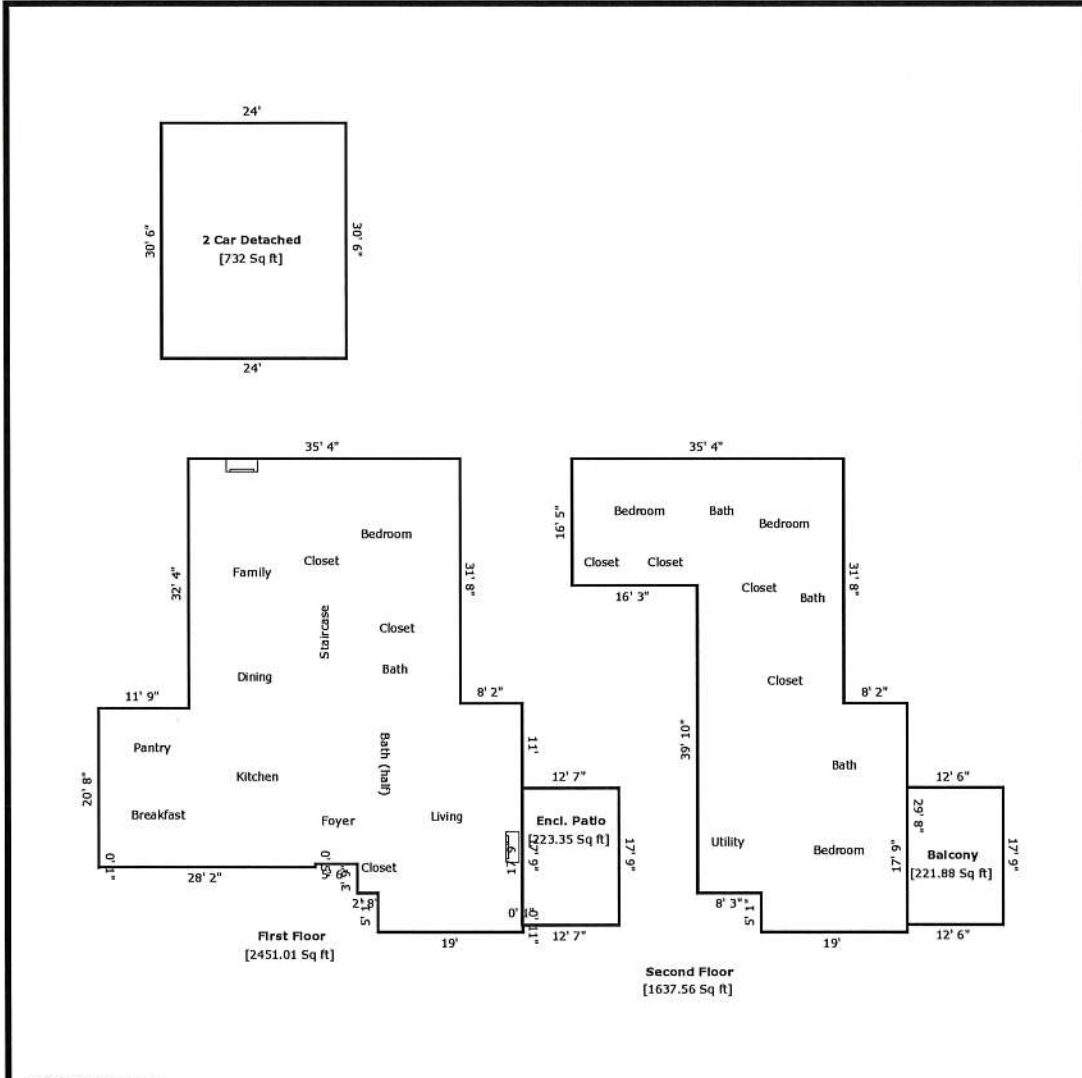
Appraiser: **MATTHEW STEVEN HYATT**

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

Building Sketch

Client	Kevin B. Merrill, et al Estate		
Property Address	1650 Cedar Hill Ave		
City	Dallas	County	Dallas
State	TX	Zip Code	75208-2436
Owner	J Trust		



TOTAL Sketch by a la mode, inc.

Area Calculations Summary

Living Area		Calculation Details	
First Floor	2451.01 Sq ft	35.33 × 31.67 =	1118.89
		0.92 × 0.08 =	0.08
		29.67 × 18.92 =	561.2
		2.67 × 3.75 =	10
		20.83 × 8.17 =	170.14
		16.42 × 0.67 =	10.95
		28.17 × 20.58 =	579.76
Second Floor	1637.56 Sq ft	16.42 × 16.25 =	266.77
		19.08 × 31.67 =	604.31
		27.25 × 24.58 =	669.89
		5.08 × 19 =	96.58
Total Living Area (Rounded):	4089 Sq ft		
Non-living Area			
Balcony	221.88 Sq ft	17.75 × 12.5 =	221.88
Encl. Patio	223.35 Sq ft	12.58 × 17.75 =	223.35
2 Car Detached	732 Sq ft	30.5 × 24 =	732

Plat Map

Client	Kevin B. Merrill, et al Estate		
Property Address	1650 Cedar Hill Ave		
City	Dallas	County	Dallas
State	TX	Zip Code	75208-2436
Owner	J Trust		

PLAT

DCAD ID: 00000334705000000

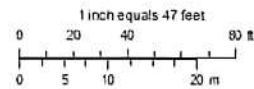
Date of copy: 1/8/2020



This plat is for informational purposes only and does not constitute an appraisal. The appraiser is not responsible for the accuracy of the information provided. The appraiser is not responsible for the accuracy of the information provided. The appraiser is not responsible for the accuracy of the information provided.



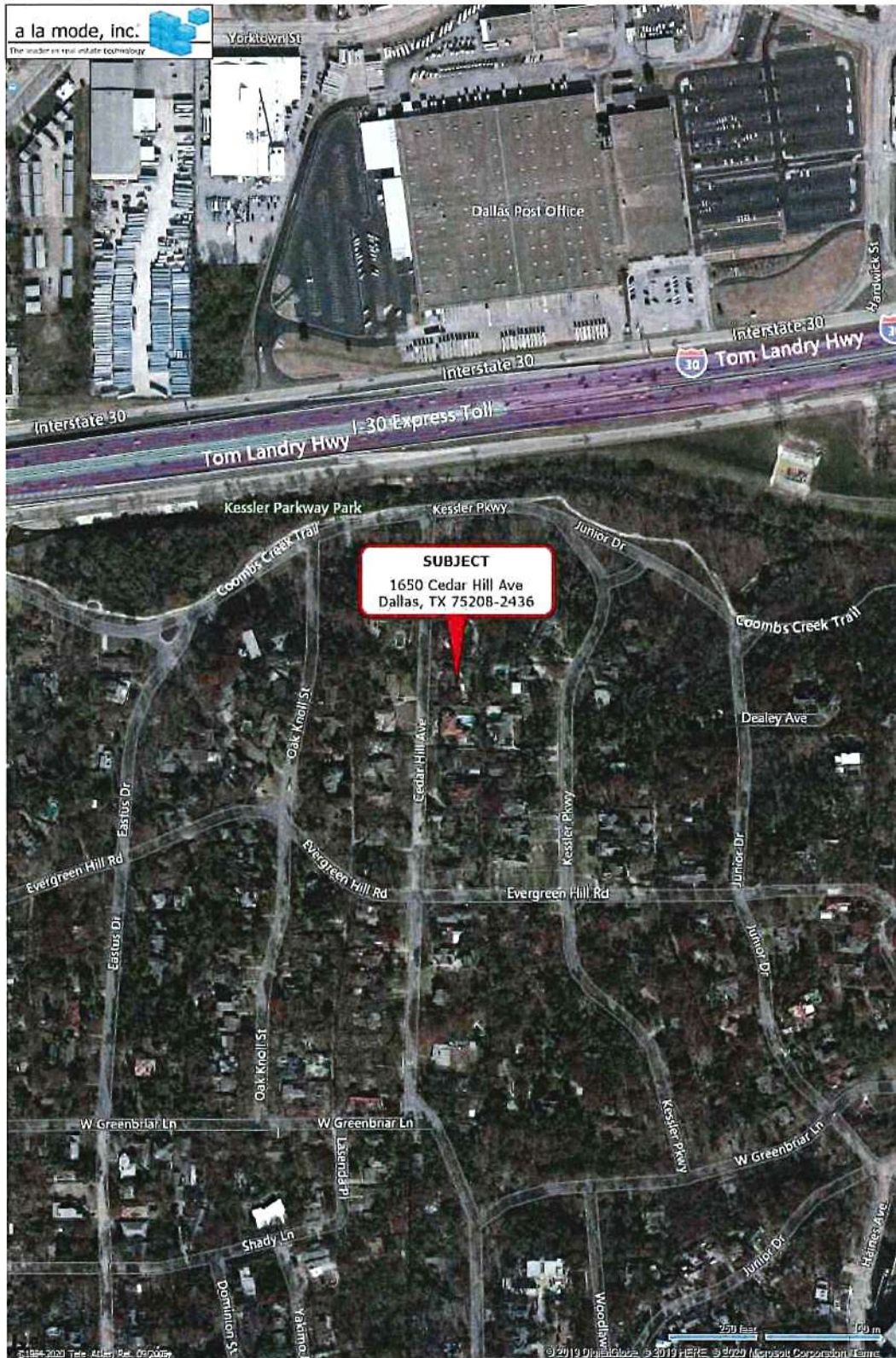

 Dallas Central Appraisal District
 2949 N Stemmons Freeway
 Dallas, TX 75247-6195
 (214) 631-1342
 www.dallascad.org



DCAD, NCTCOG, USGS Esri, Inc

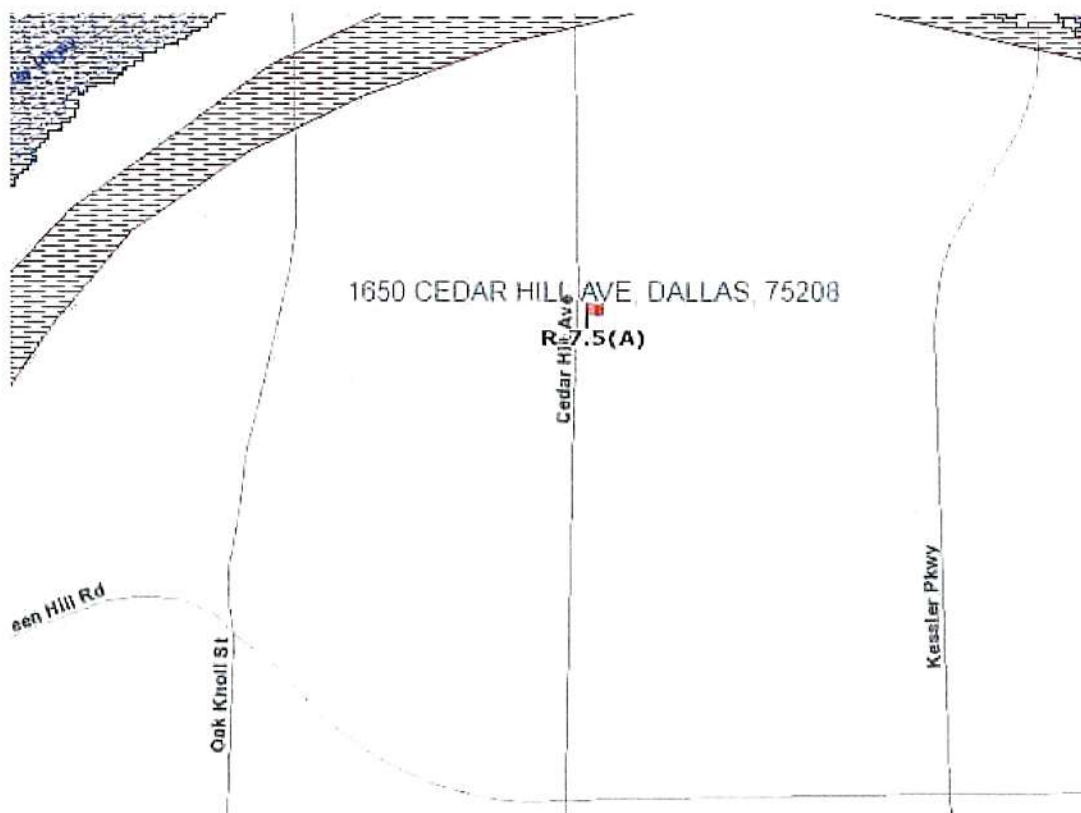
Aerial Map

Client	Kevin B. Merrill, et al Estate		
Property Address	1650 Cedar Hill Ave		
City	County Dallas	State TX	Zip Code 75208-2436
Owner	J Trust		



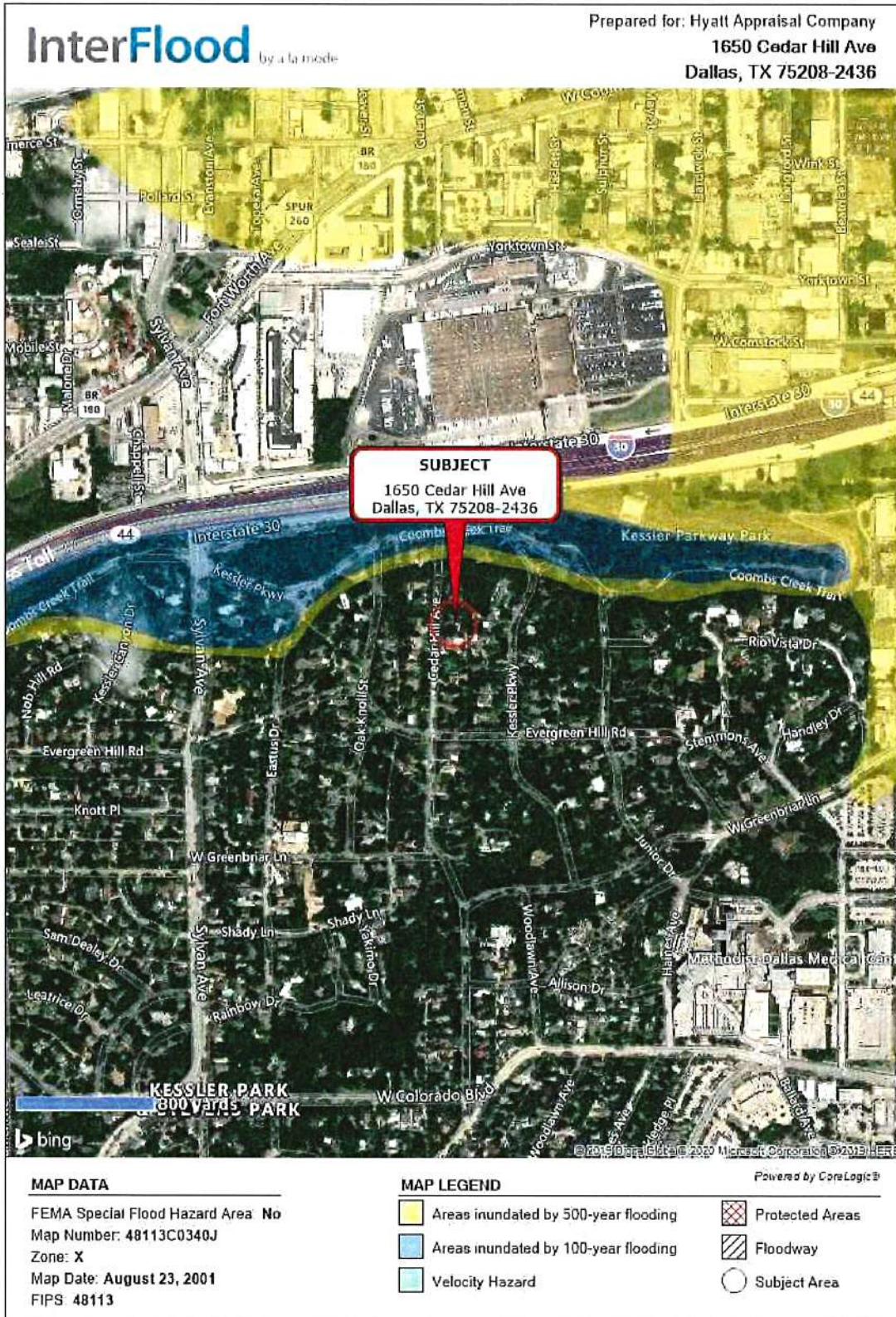
Zoning Map

Client	Kevin B. Merrill, et al Estate						
Property Address	1650 Cedar Hill Ave						
City	Dallas	County	Dallas	State	TX	Zip Code	75208-2436
Owner	J Trust						



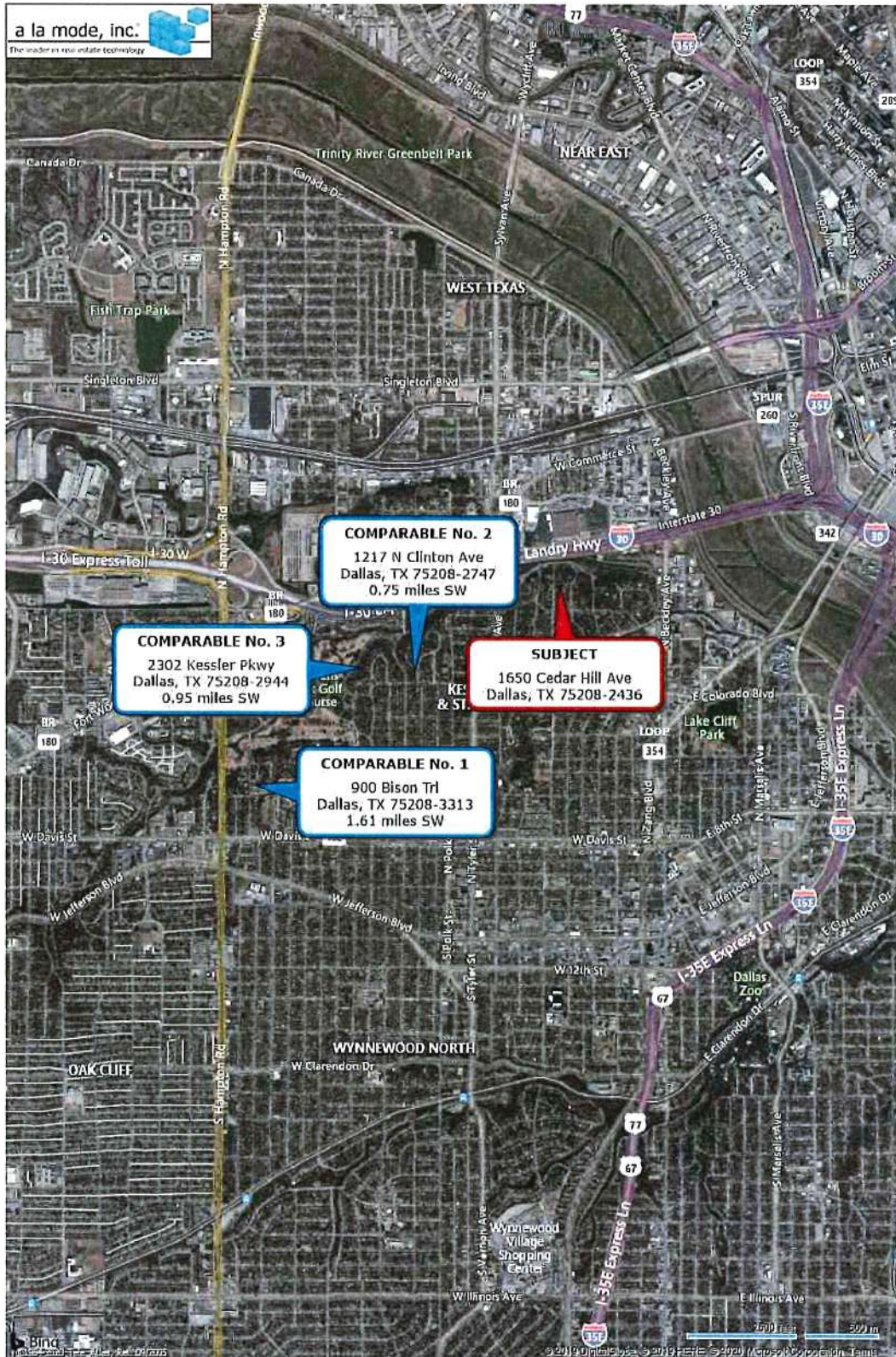
Flood Map

Client	Kevin B. Merrill, et al Estate				
Property Address	1650 Cedar Hill Ave				
City	Dallas	County	Dallas	State	TX Zip Code 75208-2436
Owner	J Trust				



Comparable Sales Map

Client	Kevin B. Merrill, et al Estate		
Property Address	1650 Cedar Hill Ave		
City	Dallas	County	Dallas
Owner	J Trust	State	TX
		Zip Code	75208-2436



Subject Property Photo Addendum

Client	Kevin B. Merrill, et al Estate				
Property Address	1650 Cedar Hill Ave				
City	Dallas	County	Dallas	State	TX Zip Code 75208-2436
Owner	J Trust				



Subject Front

1650 Cedar Hill Ave
Sales Price N/A
Gross Living Area 4,089
Total Rooms 9
Total Bedrooms 4
Total Bathrooms 4.1
Location Residential
View Residential
Site 18625sf
Quality Typ for Mkt Sgmt
Age 61



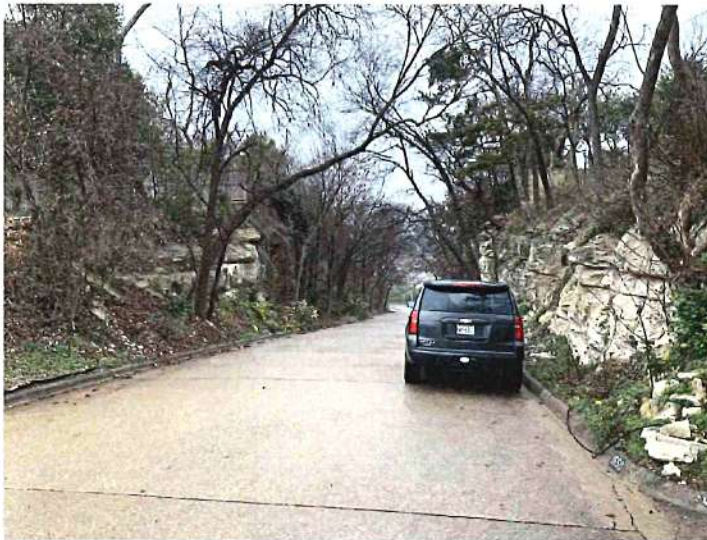
Subject Rear



Subject Street

Subject Property Photo Addendum

Client	Kevin B. Merrill, et al Estate				
Property Address	1650 Cedar Hill Ave				
City	Dallas	County	Dallas	State	TX Zip Code 75208-2436
Owner	J Trust				



Subject Street

1650 Cedar Hill Ave
 Sales Price N/A
 Gross Living Area 4,089
 Total Rooms 9
 Total Bedrooms 4
 Total Bathrooms 4.1
 Location Residential
 View Residential
 Site 18625sf
 Quality Typ for Mkt Sgmnt
 Age 61



Subject Backyard



Garage

Subject Property Photo Addendum

Client	Kevin B. Merrill, et al Estate						
Property Address	1650 Cedar Hill Ave						
City	Dallas	County	Dallas	State	TX	Zip Code	75208-2436
Owner	J Trust						



Side



Side



Driveway



Backyard



Side Yard



Missing Fence Section

Interior Photos

Client	Kevin B. Merrill, et al Estate						
Property Address	1650 Cedar Hill Ave						
City	Dallas	County	Dallas	State	TX	Zip Code	75208-2436
Owner	J Trust						



Drop From Area Without Fence



Interior Garage



Balcony



Attic Access



Foyer



Kitchen

Interior Photos

Client	Kevin B. Merrill, et al Estate				
Property Address	1650 Cedar Hill Ave				
City	Dallas	County	Dallas	State	TX Zip Code 75208-2436
Owner	J Trust				



Kitchen - Speaker Missing - Hole in Ceiling



Pantry



Dining



Dining - Hole in Ceiling for A/V



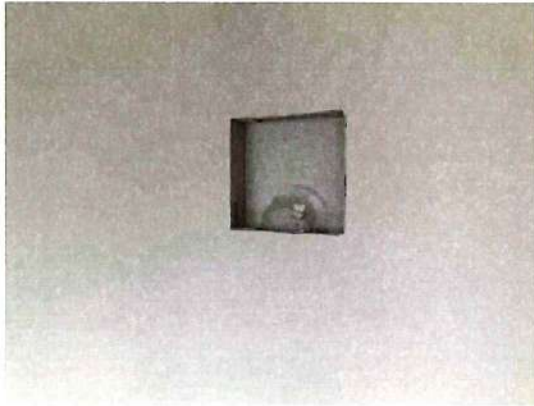
Family



Family - Hole in Ceiling For A/V

Interior Photos

Client	Kevin B. Merrill, et al Estate						
Property Address	1650 Cedar Hill Ave						
City	Dallas	County	Dallas	State	TX	Zip Code	75208-2436
Owner	J Trust						



Family - Hole in Wall for A/V



Family - Fireplace Hardware Does Not Appear to Be Fully Installed



Living



Concrete Patio



Enclosed Patio - Sun Room - NO HVAC



Enclosed Patio - Sun Room

Interior Photos

Client	Kevin B. Merrill, et al Estate		
Property Address	1650 Cedar Hill Ave		
City	Dallas	County	Dallas
		State	TX
		Zip Code	75208-2436
Owner	J Trust		



Enclosed Patio - Sun Room - Entrance Is An Exterior Door - NOT GLA



Bath (half)



Bedroom



Bedroom - Hole In Wall For A/V



Bath



Bath

Interior Photos

Client	Kevin B. Merrill, et al Estate				
Property Address	1650 Cedar Hill Ave				
City	Dallas	County	Dallas	State	TX
Zip Code	75208-2436				
Owner	J Trust				



Bath - Shower Glass Not Installed - Not Required But Market Expected For a Shower Like This.



Staircase



Wet Bar - Hardware at Sink Not Installed



Bedroom



Bath



Bath

Interior Photos

Client	Kevin B. Merrill, et al Estate						
Property Address	1650 Cedar Hill Ave						
City	Dallas	County	Dallas	State	TX	Zip Code	75208-2436
Owner	J Trust						



Bedroom



Bath



Bath



Utility



Bedroom



Bedroom - Hole in Wall for A/V

Interior Photos

Client	Kevin B. Merrill, et al Estate						
Property Address	1650 Cedar Hill Ave						
City	Dallas	County	Dallas	State	TX	Zip Code	75208-2436
Owner	J Trust						



Bath



Bath - Tub Not Installed - No Hardware



Bath - Hardware Not Installed



Bath - Shower Not Complete



Bath



Closet

Interior Photos

Client	Kevin B. Merrill, et al Estate						
Property Address	1650 Cedar Hill Ave						
City	Dallas	County	Dallas	State	TX	Zip Code	75208-2436
Owner	J Trust						



Closet - Drop Stair Not Installed



Bath - Hole In Ceiling - Speaker Not Installed



Bath - Main Shower Not Complete

Comparable Photo Addendum

Client	Kevin B. Merrill, et al Estate				
Property Address	1650 Cedar Hill Ave				
City	Dallas	County	Dallas	State	TX Zip Code 75208-2436
Owner	J Trust				



Comparable 1

900 Bison Trl
 Prox. to Subject 1.61 miles SW
 Sale Price 1,008,000
 Gross Living Area 3,399
 Total Rooms 9
 Total Bedrooms 4
 Total Bathrooms 4.1
 Location Residential
 View Residential
 Site 14288sf
 Quality Typ for Mkt Sgmnt
 Age 56



Comparable 2

1217 N Clinton Ave
 Prox. to Subject 0.75 miles SW
 Sale Price 1,080,000
 Gross Living Area 4,053
 Total Rooms 9
 Total Bedrooms 3
 Total Bathrooms 4.1
 Location Residential
 View Residential
 Site 19776sf
 Quality Typ for Mkt Sgmnt
 Age 87



Comparable 3

2302 Kessler Pkwy
 Prox. to Subject 0.95 miles SW
 Sale Price 1,000,000
 Gross Living Area 4,087
 Total Rooms 10
 Total Bedrooms 5
 Total Bathrooms 5.1
 Location Residential
 View Across Golf
 Site 16391sf
 Quality Typ for Mkt Sgmnt
 Age 80

MARKET CONDITIONS COMMENTS

File No. 202001-007

Client	Kevin B. Merrill, et al Estate				
Property Address	1650 Cedar Hill Ave				
City	Dallas	County	Dallas	State	TX Zip Code 75208-2436
Owner	J Trust				

MARKET CONDITIONS COMMENTS**Sales Prices: Fluctuating**

An analysis was performed on 148 sales from the broader defined neighborhood over the past 12 months. The sales within this group had a median sale price of \$502,500. An analysis was also performed on 311 sales from the broader defined neighborhood over the past 24 months. The sales within this group had a median sale price of \$492,496. An analysis was also performed on 19 competing sales over the past 12 months. The sales within this group had a median sale price per sqft of \$266.47. This analysis shows a change of +1.3% per month. The same analysis was performed on 148 sales from the broader defined neighborhood. The sales within this group had a median sale price per sqft of \$247.33. This analysis shows a change of +0.9% per month. An analysis was also performed on 27 competing sales over the past 24 months. The sales within this group had a median sale price per sqft of \$266.47. This analysis shows a change of +0.7% per month. The same analysis was performed on 311 sales from the broader defined neighborhood. The sales within this group had a median sale price per sqft of \$240.45. This analysis shows a change of +0.4% per month.

Housing Supply: Fluctuating

An analysis was performed on 19 sales plus all active listings that are competing properties, over the past 12 months. Based on this entire set of data there is a 1.9 month supply.

Sales Days on Market: Fluctuating

An analysis regarding days on market was performed on 19 competing sales over the past 12 months. For these sales, the median DOM was 25.

Price Ratio: Stable

An analysis was performed on 19 competing sales over the past 12 months. The sales within this group had a median sale price to list price ratio of 96%.

Seller Concessions: Fluctuating

An analysis was performed on 19 competing sales over the past 12 months. For those sales, a total of 15.8% were reported to have seller concessions. This analysis shows a change of -8.7% per month. The same analysis was performed on 148 sales from the broader defined neighborhood. For those sales, a total of 27.7% were reported to have seller concessions. This analysis shows a change of +0.5% per month.

Distressed Properties: Stable

An analysis was performed on 148 sales from the broader defined neighborhood over the past 12 months. For those sales, a total of 0.0% were reported to be REO. In addition, a quarterly analysis was performed on 27 competing sales over the past 24 months. For those sales, a total of 0.0% were reported to be REO. A total of 0.0% of these sales were reported to be distressed.

Active Listings Prices: Stable

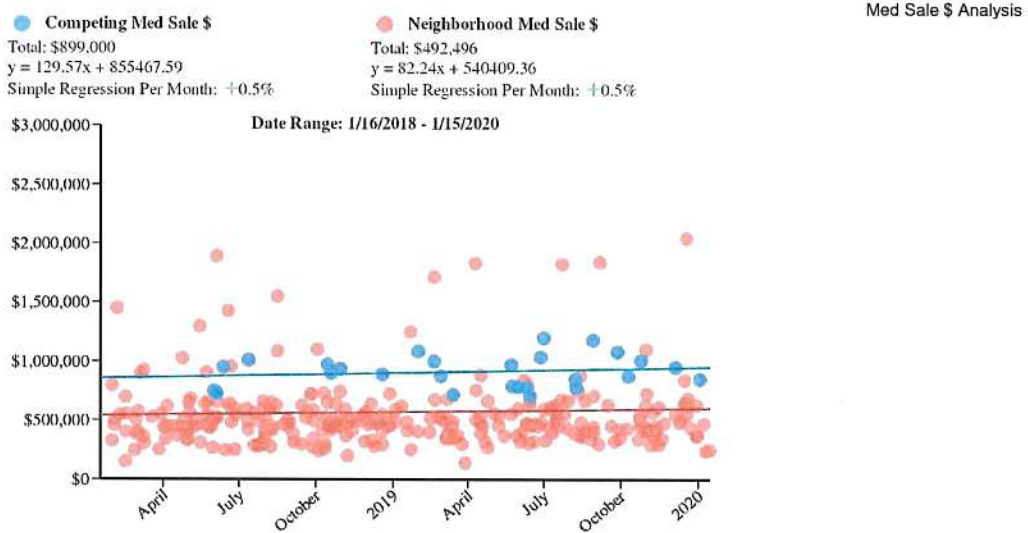
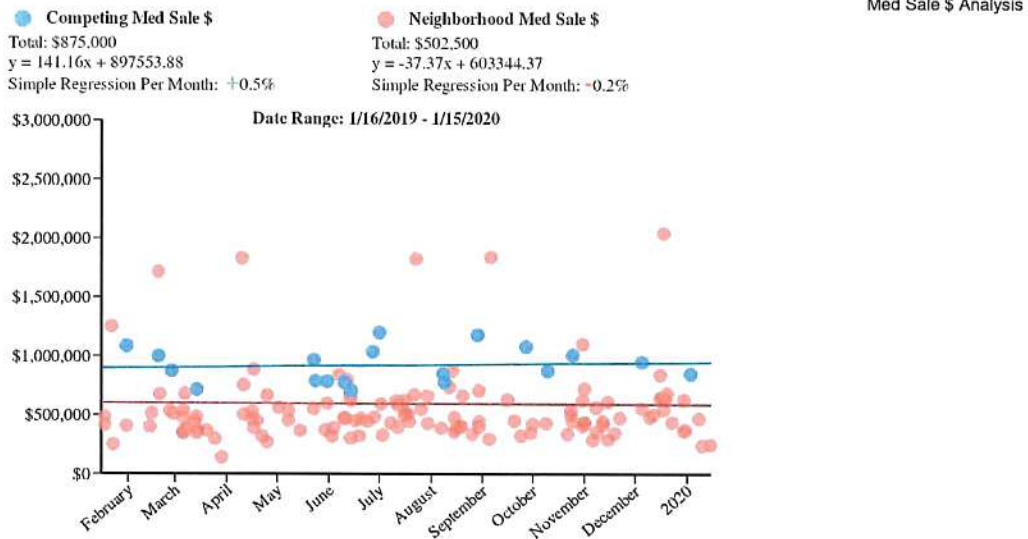
A monthly analysis was performed on all competing actives (listings that were considered to be active on the last day of each month) over the past 12 months. The active listings within this group had a median list price of \$899,000. This analysis based on data grouped monthly shows a change of -0.4% per month.

Market Conditions Analysis

Sales Price: Fluctuating				
Competing Data - 12 Months Med Sale \$	Neighborhood Data - 12 Months Med Sale \$	Competing Data - 24 Months Med Sale \$	Neighborhood Data - 24 Months Med Sale \$	
+0.5% <small>(2.0%)</small>	-0.2% <small>(2.0%)</small>	+0.5% <small>(2.0%)</small>	+0.5% <small>(2.0%)</small>	
Housing Supply: Fluctuating				
Competing Data - 12 Months Housing Supply (Months of)	Neighborhood Data - 12 Months Housing Supply (Months of)	Competing Data - 24 Months Housing Supply (Months of)	Neighborhood Data - 24 Months Housing Supply (Months of)	
-1.2% <small>(2.0%)</small>	+1.5% <small>(2.0%)</small>	+0.1% <small>(2.0%)</small>	+1.6% <small>(2.0%)</small>	
Sales DOM: Fluctuating				
Competing Data - 12 Months Med DOM (Sales)	Neighborhood Data - 12 Months Med DOM (Sales)	Competing Data - 24 Months Med DOM (Sales)	Neighborhood Data - 24 Months Med DOM (Sales)	
-8.0% <small>(2.0%)</small>	+0.8% <small>(2.0%)</small>	-2.5% <small>(2.0%)</small>	-0.4% <small>(2.0%)</small>	
Price Ratio: Stable				
Competing Data - 12 Months Med Sale/List %	Neighborhood Data - 12 Months Med Sale/List %	Competing Data - 24 Months Med Sale/List %	Neighborhood Data - 24 Months Med Sale/List %	
0.0% <small>(2.0%)</small>	+0.2% <small>(2.0%)</small>	-0.1% <small>(2.0%)</small>	0.0% <small>(2.0%)</small>	
Seller Concessions: Fluctuating				Prevalent:
Competing Data - 12 Months Concession %	Neighborhood Data - 12 Months Concession %	Competing Data - 24 Months Concession %	Neighborhood Data - 24 Months Concession %	
-8.7% <small>(2.0%)</small>	+0.5% <small>(2.0%)</small>	-2.9% <small>(2.0%)</small> <small>(grouped quarterly)</small>	+1.5% <small>(2.0%)</small> <small>(grouped quarterly)</small>	
Distressed Properties: Stable				Factor In The Market:
Competing Data - 12 Months REO % (Sales)	Neighborhood Data - 12 Months REO % (Sales)	Competing Data - 24 Months REO % (Sales)	Neighborhood Data - 24 Months REO % (Sales)	
N/A	N/A	N/A	-1.9% <small>(2.0%)</small> <small>(grouped quarterly)</small>	
List Price: Stable				
Competing Data - 12 Months Med List \$ (Actives)	Neighborhood Data - 12 Months Med List \$ (Actives)	Competing Data - 24 Months Med List \$ (Actives)	Neighborhood Data - 24 Months Med List \$ (Actives)	
-0.4% <small>(2.0%)</small> <small>(grouped monthly)</small>	0.0% <small>(2.0%)</small> <small>(grouped monthly)</small>	+0.1% <small>(2.0%)</small> <small>(grouped monthly)</small>	-0.4% <small>(2.0%)</small> <small>(grouped monthly)</small>	
Listings DOM: Increasing				
Competing Data - 12 Months Med DOM (Actives)	Neighborhood Data - 12 Months Med DOM (Actives)	Competing Data - 24 Months Med DOM (Actives)	Neighborhood Data - 24 Months Med DOM (Actives)	
+9.7% <small>(2.0%)</small> <small>(grouped monthly)</small>	+5.5% <small>(2.0%)</small> <small>(grouped monthly)</small>	+0.2% <small>(2.0%)</small> <small>(grouped quarterly)</small>	+5.8% <small>(2.0%)</small> <small>(grouped quarterly)</small>	
Number of Sales: Fluctuating				
Competing Data - 12 Months # Sales	Neighborhood Data - 12 Months # Sales	Competing Data - 24 Months # Sales	Neighborhood Data - 24 Months # Sales	
-2.3% <small>(2.0%)</small>	+0.6% <small>(2.0%)</small>	+16.2% <small>(2.0%)</small> <small>(grouped quarterly)</small>	+0.1% <small>(2.0%)</small> <small>(grouped quarterly)</small>	
Absorption Rate: Increasing				
Competing Data - 12 Months Absorption (Sales/Month)	Neighborhood Data - 12 Months Absorption (Sales/Month)	Competing Data - 24 Months Absorption (Sales/Month)	Neighborhood Data - 24 Months Absorption (Sales/Month)	
-2.0% <small>(2.0%)</small>	+1.1% <small>(2.0%)</small>	+4.2% <small>(2.0%)</small> <small>(grouped quarterly)</small>	+0.1% <small>(2.0%)</small> <small>(grouped quarterly)</small>	
Number of Active Listings: Fluctuating				
Competing Data - 12 Months # Actives	Neighborhood Data - 12 Months # Actives	Competing Data - 24 Months # Actives	Neighborhood Data - 24 Months # Actives	
-1.0% <small>(2.0%)</small>	+2.5% <small>(2.0%)</small>	+1.2% <small>(2.0%)</small>	+2.2% <small>(2.0%)</small>	

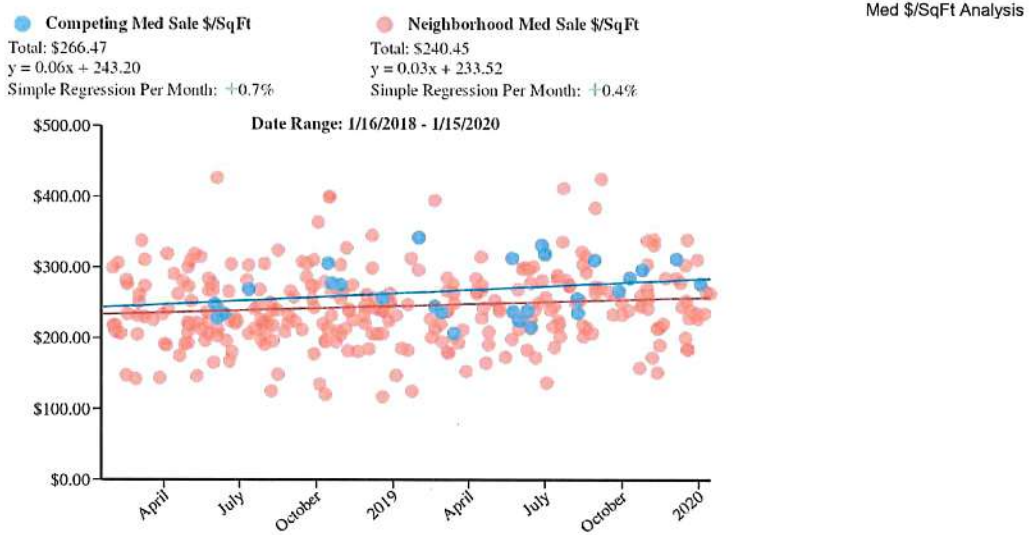
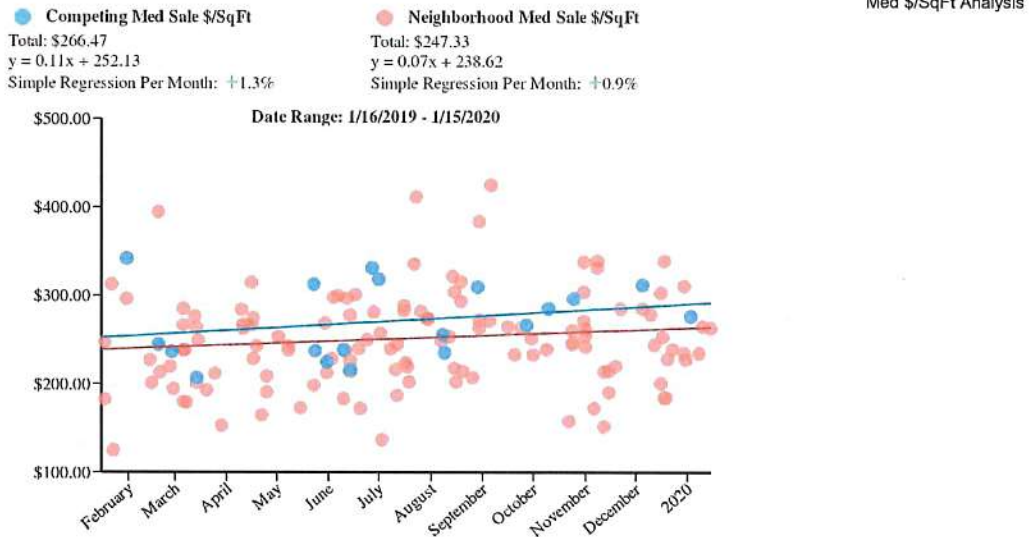
Market Conditions Charts - Page 1

Client	Kevin B. Merrill, et al Estate				
Property Address	1650 Cedar Hill Ave				
City	Dallas	County	Dallas	State	TX
Zip Code	75208-2436				
Owner	J Trust				



Market Conditions Charts - Page 2

Client	Kevin B. Merrill, et al Estate				
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City	Dallas	County	Dallas	State	TX Zip Code 75208-2436
Owner	J Trust				

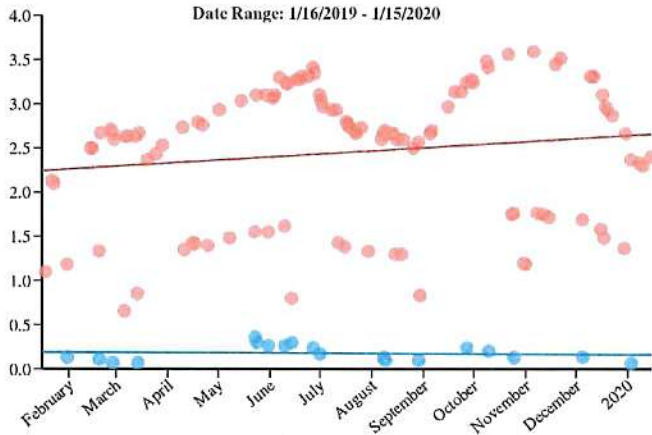


Market Conditions Charts - Page 3

Client	Kevin B. Merrill, et al Estate				
Property Address	1650 Cedar Hill Ave				
City	Dallas	County	Dallas	State	TX
Owner	J Trust	Zip Code	75208-2436		

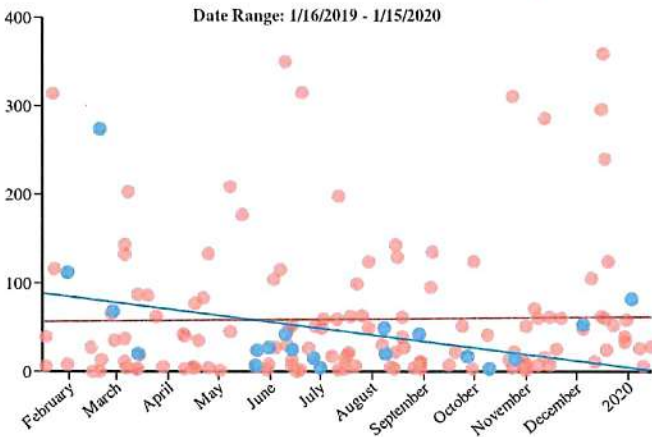
● **Competing Housing Supply (Months of)** ● **Neighborhood Housing Supply (Months of)**
 Total: 1.9 Total: 5.8
 $y = -0.0001x + 0.19$ $y = 0.0011x + 2.24$
 Simple Regression Per Month: -1.2% Simple Regression Per Month: $+1.5\%$

Housing Supply



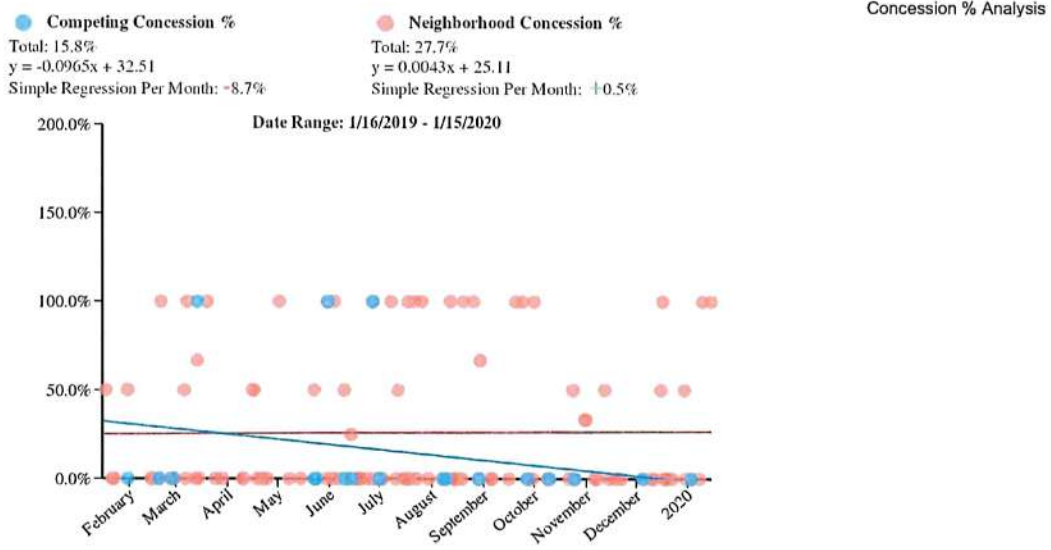
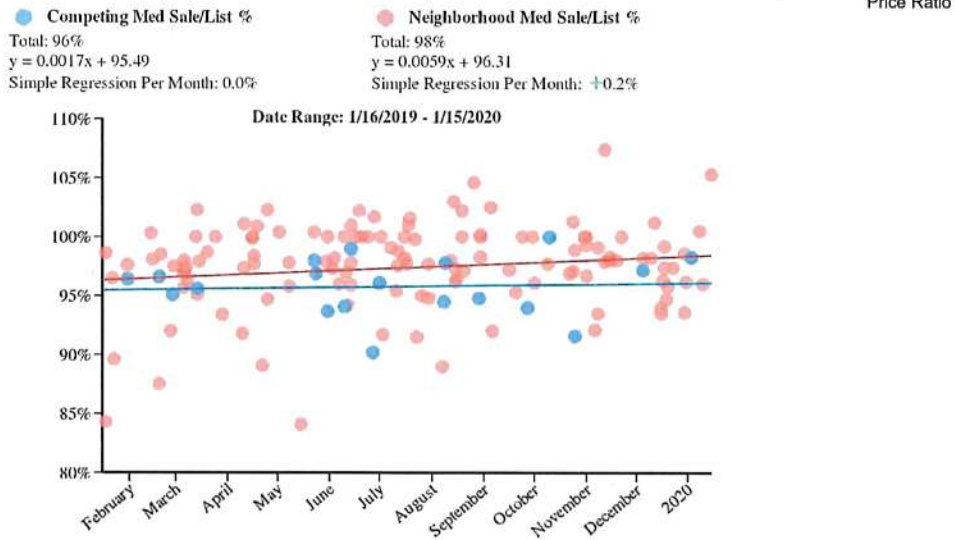
● **Competing Med DOM (Sales)** ● **Neighborhood Med DOM (Sales)**
 Total: 25 Total: 30
 $y = -0.2405x + 88.91$ $y = 0.0145x + 56.35$
 Simple Regression Per Month: -8.0% Simple Regression Per Month: $+0.8\%$

Sales DOM



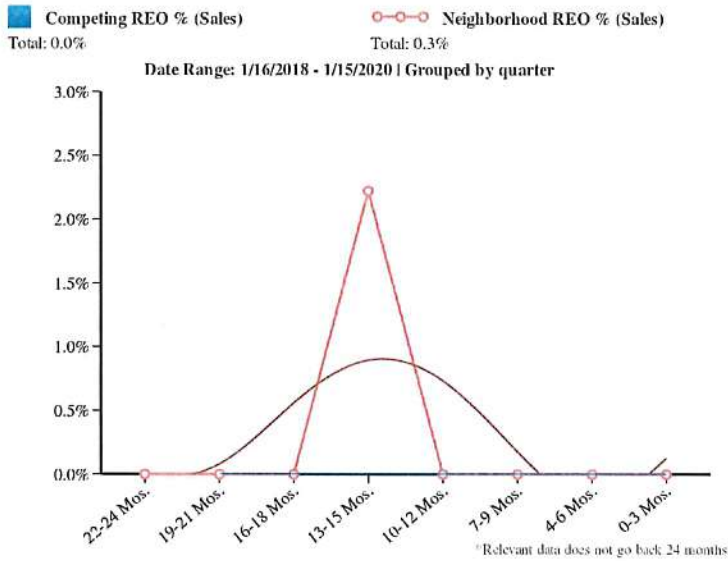
Market Conditions Charts - Page 4

Client	Kevin B. Merrill, et al Estate				
Property Address	1650 Cedar Hill Ave				
City	Dallas	County	Dallas	State	TX Zip Code 75208-2436
Owner	J Trust				

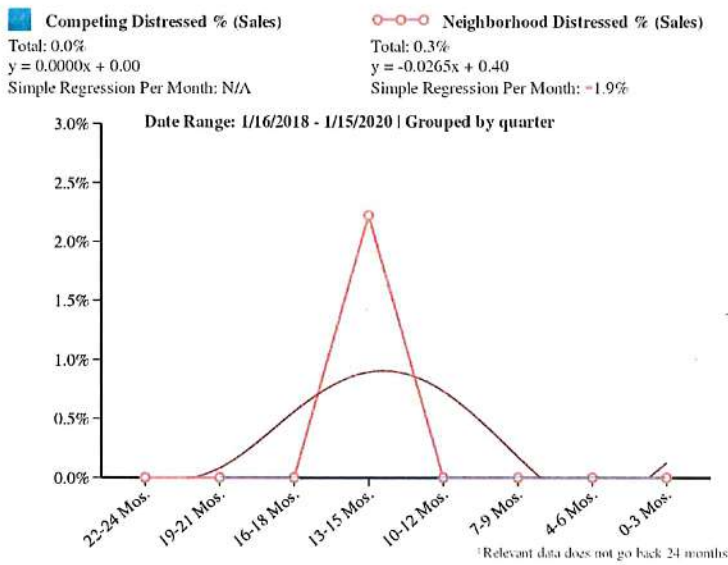


Market Conditions Charts - Page 5

Client	Kevin B. Merrill, et al Estate				
Property Address	1650 Cedar Hill Ave				
City	Dallas	County	Dallas	State	TX
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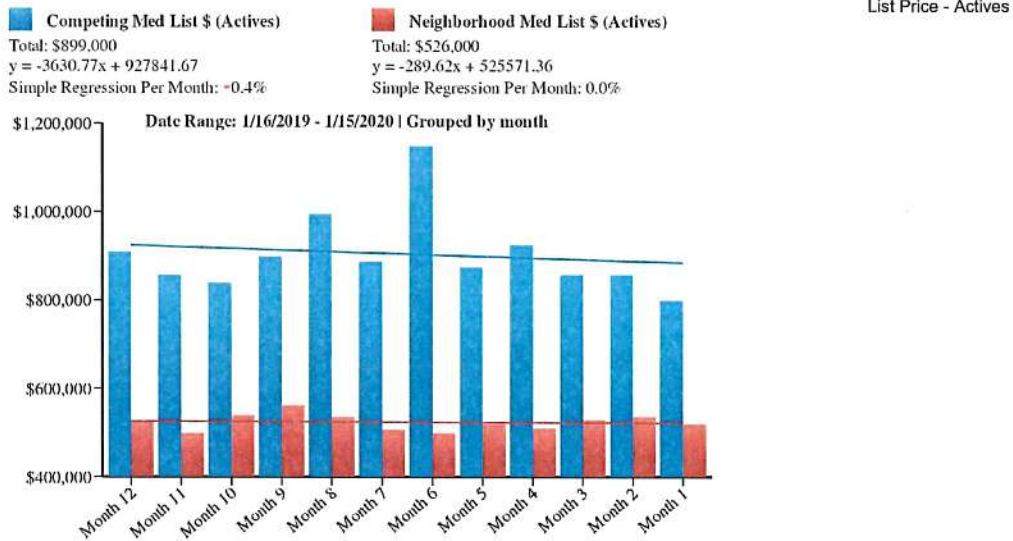
Foreclosure Analysis



Distressed Sales %

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Owner	J Trust	Zip Code	75208-2436		



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File No. 202001-007

Client	Kevin B. Merrill, et al Estate				
Property Address	1650 Cedar Hill Ave				
City	Dallas	County	Dallas	State	TX
Owner	J Trust			Zip Code	75208-2436

**SCOPE OF WORK/HIGHEST AND BEST USE/LIMITING CONDITIONS/& DISCLAIMER ADDENDUM**

This appraisal report is a complex document that has been specifically prepared to comply with the client's precise, technical reporting requirements in accordance with current USPAP standards and Federal Lending Guidelines. The report is prepared solely for the benefit of, and exclusive use by, the lender/client, "The Intended User of this Appraisal Report", for the sole purpose of providing an opinion of value, to assist the client, in its sole determination, that the described property provides adequate security for the loan applied for. Casual readers are strongly cautioned about the GSE mandated UMDP preparatory constraints & enhancements and UAD compliant nomenclature used in the report that may result in misinterpretation of the information and conclusions contained herein. The opinion of value is given without regard to questions of title, liens, encumbrances, or encroachments and does not imply any future value. Subsurface mineral interests, air or water rights, if any, have not been valued, or reflected in the opinion of value and are considered outside the scope of this analysis. The appraiser has made no environmental inspection and is not qualified to make assessments as regard to environmental issues. Any effect on the value of the property resulting from changes in current land management or land uses on or near the appraised property subsequent the date of this analysis, are considered outside the scope and intent of this appraisal.

APPRAISAL:

As defined by USPAP, "the act or process of developing an opinion of value; an opinion of value." Comment: "An appraisal must be numerically expressed as a specific amount, as a range of numbers, or as a relationship (e.g. not more than, not less than) to a previous value opinion or numerical benchmark (e.g. assessed value, collateral value)."

APPRAISER:

As defined by USPAP, "One who is expected to perform valuation services competently and in a manner, that is independent, impartial, and objective." The appraiser is not a licensed home inspector, plumber, roofer, electrician, structural engineer, exterminator, environmental inspector, etc. Any concerns regarding issues other than valuation services as an appraiser should contact a professional in that field.

SCOPE OF WORK:

The Scope of Work is a pivotal part of the appraisal process and decision made by the appraiser with communication with the client in terms what steps are necessary to develop a credible and reliable appraisal report. It requires, in part, identification of the intended user(s) and the function of the appraisal (intended use) so that sufficient analysis, methodology, and communication can be made to those who rely on the appraisal to make necessary decisions. The Uniform Standards of Professional Appraisal Practice (USPAP) defines Intended User as "the client and any other party as identified, by name or by type, as users of the appraisal or appraisal review by the appraiser, based on communication with the client at the time of the assignment." Although there are those outside of the intended user and client relationship that may choose to rely on the appraisal report, it should be noted that unless identified within this report these parties are NOT considered Intended Users of this appraisal report. Included in the Scope of Work decision and communication is the need of sufficient information gathered and analyzed to develop and report a credible opinion of value. Conclusions reported herein are based on data gathered, analyzed and considered reasonably available through the normal course of business. The steps necessary to obtain a logically supported market value opinion pertaining to the subject property are noted herein. In the preparation of the appraisal, I conducted a physical examination of the subject site and improvements via a non-intrusive cursory observation, taking sufficient photographs to adequately characterize and communicate to the intended user the property being appraised. The subject and comparable sales' respective neighborhoods were researched and analyzed. At minimum, a visual examination of the comparable sales from the street view was performed. Extent of research into physical and economic factors that could affect the subject property include, but are not limited to, flood maps, plat maps, zoning maps and available ordinances, local lender's rates and trends, and building cost data. Building cost data sources available for consideration include Dwellingcost.com, The Marshall & Swift Residential Cost Handbook, building-cost.net, or Craftsman and are used separately of conjunction with one another to render an opinion of quality of construction and determining and developing the cost approach to value for the subject and / or comparable properties. All general data pertinent to the subject property that was not obtained from my personal examination of the subject as of the effective date was obtained from sources believed to be reliable (i.e. government entities, title companies, etc.). At the time of the assignment, I was asked to perform an appraisal in accordance with Fannie Mae guidelines/protocol. This requires the use of the Uniform Appraisal Dataset (UAD) where many items regarding the description of the subject and comparable properties are identified with a "best fit" scenario based on my observations and information provided by real estate agents, owners, or MLS descriptions and photographs. The extent of data research may have included, but not limited to, the local NTRERIS Multiple Listing Service (MLS), appraiser's work files, local appraisal districts, tax office records, other local market appraisers, interviews with real estate agents/Realtors, others who are experienced or knowledgeable regarding value influences, and local builder's. Conclusions reported herein were based on data gathered, analyzed and considered reasonably available. At minimum, the subject's history was researched for the past three years from the effective date of the appraisal and the findings were reported herein whereas I have researched the sales/transfer history of

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the comparable sales for the year prior to the date of sale of that comparable. The type and extent of analysis applied to arrive at opinions or conclusions include a Sales Comparison Approach, Cost Approach, Income Approach, Market Conditions Analysis, and Highest and Best Use unless otherwise noted that an analysis was not applicable or necessary. Certain approaches were given more weight consideration than others in the final reconciliation. Certain approaches to value may have been considered not applicable or necessary due to the lack of reliable or credible data available for the analysis, that the approach was not necessary for credible assignment results or inclusion of results of an approach could result in misleading report to the intended user. If so warranted, I have indicated the approach or approaches not utilized in the final value analysis in the final reconciliation area of the URAR. This is an Appraisal Report (formerly Summary Appraisal Report); a written report prepared under Standards Rule 2-2(a) of USPAP. If present, functional and external factors, influences or obsolescence are specifically addressed in this appraisal report and commentary regarding their impact on value, if any has been summarized.

THE HIGHEST AND BEST USE:

is that reasonable and probable use that supports the highest present value, as defined on the effective date of this appraisal report. It is that use from among reasonably probable and legal alternative uses found to be physically possible, appropriately supported, financially feasible, and which results in the highest value (maximally productive). The subject site is subject to zoning laws and ordinances. The subject site is zoned for residential use. The city's Unified Development Code (UDC) Article III addresses land use regulations and there are Declarations, Covenants & Restrictions that require a single-family residence, which is its present use. Based on the characteristics of the subject site and surrounding sites, modifications of such land use regulations are not probable.

The economic supply and demand of land use appears to be in balance. The site lends itself to single family residential use both because of its size and topography, and compatibility with surrounding sites. The highest and best use with existing improvements is its current use, a single-family residence; and that the size and design of the existing structure is an appropriate utilization. The appraiser's primary source of data is from the North Texas Real Estate Information Services (MLS). The appraiser's research of the terms of sale are limited by the constraints of MLS members who believe it is detrimental to report transaction types and financing terms.

Due to the lack of cooperation and inconsistent reporting by local MLS members, there is an expected margin of error in the analysis. This appraiser cannot force the data to be shared, nor can the appraiser be held accountable for that information that was not available. This appraiser completed this assignment with no influence on value (written or verbal) from any party connected with this assignment as referenced in the signed certification located on page 5 of the URAR (Items 16 and 18). To this appraiser's knowledge and only to the extent to which this appraiser would know (from the appraisal receiving end), the subject appraisal is in compliance with Fannie Mae/Freddie Mac Appraiser Independence Requirements (AIR), Appraiser Independence Safeguards (I), Requirements such as Acceptability of Subsequent Appraisals (II), Borrower Receipt of Appraisal (III), Appraiser Engagement (IV), Use of Reports (V), Transfer of Appraisals (VI), Referrals of Appraisal Misconduct (VII), and Compliance (VIII) are requirements that are unknown to this appraiser. This appraiser is not related to the owner of the subject property, and if this is a purchase, not related to the buyer.

Clarification of Intended Use and Intended User: 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.

ETHICS RULE:

I recognize and accept my fiduciary relationship with the client and complied with the defined requirements of said provision as mandated by USPAP (Uniform Standards of Professional Appraisal Practice). This report is intended for use only by the client identified herein. Use of this report by others is NOT intended. The intended use of this appraisal is for the lender/client to evaluate the subject of this appraisal for a mortgage finance transaction. Data included herein complies with the current appraisal standards of USPAP and Interagency Appraisal and Evaluation Guidelines of the FDIC (Federal Deposit Insurance Corporation), OCC (Office of Comptroller of the Currency), NCUA (National Credit Union Administration), and the FRB (Federal Reserve Board). This appraisal is for use by the lender/client as identified herein only for the purpose mentioned above and no other. My appraisal was not performed for the purpose of determining insurable value and should not be relied upon as such. There are factors involved in insurable value that are not addressed by the Cost Approach (demolition, debris removal, etc.). This appraisal was performed for the purpose of rendering an opinion of current market value for the subject, and described within this report of the "Fee Simple" interest in the subject real property with improvements, as of the effective date of the appraisal.

VALUATION METHODOLOGY:

The valuation of residential property utilizes three approaches to value. The three approaches are: 1) The Cost Approach, 2) The Sales Comparison Analysis, 3) The Income Approach. The Scope of Work decision is determined by myself, the appraiser, in communication with the client, is based on the appropriateness of each approach to value and its necessity for credible assignment results. Relevant data is developed and analyzed to produce a value from each of the approaches performed. Data for each approach utilized is gathered from the market place. Items of both similarity and dissimilarity in comparable properties are analyzed and adjustments are made for the differences recognized in the market. Finally, the indicators of value developed are correlated with reference to the quality and quantity of data available and analyzed along with the applicability or suitability of the approaches used to produce the final opinion of value in accordance with USPAP Standards Rule 1-6. See Comment Addendum for discussions regarding each approach to value.

FNMA SELLING GUIDE ANNOUNCEMENT SEL-2010-09:

regarding Appraiser Qualifications and Competency. The appraiser is geographically competent in the subject's market area and the appraised property is located within the appraiser's core business area, generally considered to be within 60 minutes from the appraiser's corporate office.

SOURCE FOR DEFINITION OF MARKET VALUE:

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The source of the definition of market value is obtained in Fannie Mae Guide (04/15/2014) Section B4-1.1-01. The definition of market value is contained in Fannie Mae Form 1004. USPAP defines the market value conclusion as an opinion of market value and not an estimate of market value.

PERSONAL PROPERTY INTEREST:

No personal property interest was considered or part of the final value conclusion stated herein. This Appraisal Report considers real property only. Items such as furniture, refrigerators, above ground pools, outbuildings not attached to permanent foundation sources, tractors, etc. are not given value within this report as they are considered chattel (personal) property. Whether they are in the contract for the subject or part of the concessions of a sale, they are not given any value or consideration in this appraisal. The inclusion of personal property in the contract (if any) was deemed to be a concession of the sale. Personal Property was not considered in the final value conclusion of the real property interest. Furthermore, this appraiser makes it known that he did not inspect the personal property nor does the appraiser warrant its functional utility.

ADDITIONAL FEES:

This appraiser was assigned to appraise the subject property for either lending purposes or for an estimate of market value. This appraiser has performed the appraisal in accordance with the scope of work requested by the client and/or borrower. Additional fees may be imposed in the form of a retainer, potential hourly fees on any future requests for additional services regarding this appraisal and a separate engagement must be made prior any agreement to provide such services. This may include, but is not limited to court appearances, depositions, appearances for a subpoena, additional comparable searches, lender transfers, additional trip charges, etc.

SUBJECT PROPERTY:

This appraiser makes no guarantees to the integrity of these said items and utilizes extraordinary assumptions that major items outside of the appraiser's area of expertise or professional qualifications are in proper working condition with no structural, mechanical, or cosmetic issues unless otherwise stated in this report. If it is discovered later (by a qualified or licensed professional in that respective field) that there are issues with the above referenced items, the value herein could be affected and amended. If the subject is located within a municipality, legal permitting for additions, etc. was not performed as this is beyond the purview of an appraiser's task and statutory qualifications. If a survey was not provided for review, the site dimensions noted herein are considered an estimate provided in an effort to give the reader an idea as to the functionality and / or layout of the site. If a survey shows a significant difference in dimensions, the value conclusion might be impacted. Sources considered for site sizes and dimensions when a survey is not provided include; tax records, MLS listings, or CoreLogic Realist database. Furthermore, easements, underground pipelines (if any), encroachments, and flood determinations are not guaranteed when a survey has not been provided. This appraiser utilizes a computer program furnished by a la mode (appraiser form filling software) or data from FEMA online database for determining flood zones. This program does not specifically indicate that the subject improvements are in the flood zone; however, a survey should be conducted to determine. This appraiser makes no guarantees that the subject is either in or out of the flood zone and recommends that the client rely only on Flood Certification for this facet. The FEMA FLOOD ZONE information obtained from available sources is preliminary and does not imply that the property will be free from flooding caused by rising storm waters, flash flooding or changes in surrounding land uses. The lender/client, owner or purchaser should obtain a flood certification prior to making any determination regarding the subject's flood hazard status.

MEASUREMENTS:

The gross living area determined herein is based on either plans/specs provided by the lender/client/borrower or were made based on physical measurements taken at the time of examination. If based on plans/specs, the finished square footage calculations were made based on plan dimensions in conjunction with data on plans indicating GLA and may vary from the finished square footage of the improvements once built. If physically measured, these finished square foot calculations for the improvements were made based on measurements performed by the appraiser at the time of examination. CAD records may reflect the subject as having a GLA number different from what has been measured by the appraiser. The appraiser physically measured the property using a Disto D810 laser measuring device in addition to a hand-held tape measurer. Improvements were sketched at the site on a tablet and results are calculated utilizing sketching software built into the appraisal form filling software suite. This measured GLA is considered the most reliable source for GLA. Further reconciliation is not possible using available public records and the appraiser's measured GLA is reflected throughout the analysis. According to the 2006 International Residential Code, for a room to be declared a room, it must have at least 70sf of living space. Furthermore, rooms with sloped ceiling roofs that extend below 5ft are not to be included in the gross living area. Additional stories with less than 50% of a floor having ceiling height below 7 feet tall may not be considered GLA (ANSI). Separate living quarters that are only accessible by exiting the main dwelling to gain access cannot be included in the gross living area. The appraiser has made a good faith effort, using measuring procedures and methods common for the market area, to provide an approximation of the appraised property's GLA (Living Area) incorporating ANSI, AMS and Fannie Mae guidelines. The measured GLA is ONLY intended to approximate the finished and air-conditioned areas within the home, excluding porches, patios, balconies, attics, parking and other unfinished or no-air-conditioned areas. It should be strongly noted that, due to application of differing acceptable methods, standards, and rounding, some variance in the GLA approximation should be expected between appraisers, builders and Central Appraisal District records. Measurements are considered estimates and included to provide illustration of improvements and to estimate the GLA of the subject property. I am not a licensed architect or designer and it should be noted that variances among different professionals should be expected based on different measuring techniques or standards. This appraiser utilizes standards by ANSI (American National Standards Institute) when performing these measurements with consideration given to how the general market would perceive the improvements.

COST APPROACH:

The Cost Approach is most applicable when improvements are new, near new, or are of an unusual construction method. This approach to value is appropriate when sufficient land or building sites are available to a potential purchaser to make construction of improvements similar to the subject, a viable alternative to purchasing the subject. In areas where vacant sites similar to the subject property are not available to a potential purchaser, use of the Cost Approach and its reliability could be greatly diminished if not considered misleading. The appraisal report indicates in its standard language that the cost approach is

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based upon "reproduction cost". For the purposes of this report, I used "replacement costs". The two terms are defined in "The Dictionary of Real Estate Appraisal" Third Edition, 1993 published by the Appraisal Institute as:

Reproduction cost: "The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, super adequacies, and obsolescence of the subject building."

Replacement cost: "The estimated cost to construct, at current prices as of the effective date of the appraisal, a building with utility equivalent to the building being appraised, using modern materials and current standards, design, and layout." I utilized Dwellingcost.com, Craftsman, Building-cost.net, Marshall & Swift Residential Cost Handbook or combination of any and all of these publications as the data source of costing information. The Marshall & Swift Handbook is used for estimating replacement costs for both single family and multi-family residences. Because Marshall & Swift only provides replacement costs, in order to provide full disclosure, I have stated in the body of the appraisal report, that replacement cost new was utilized instead of reproduction cost new.

The "as is" value of site improvements includes driveway, sidewalks, fencing/gate(s), lawn sprinkler system, and landscaping. The site value opinion results from vacant land sales I considered similar to the subject's site within the market area. When sufficient vacant land sales are not available, the allocation/ratio method or extraction methods could be utilized to assign an opinion of land value. If the subject property is currently a proposed construction or under construction, it must be understood that the improvements are not complete as of the effective date of this report and all improvements as associative cost estimates are based on a HYPOTHETICAL CONDITION.

The use of the Cost Approach is developed by me 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. *NOTHING SET FORTH IN THE APPRAISAL SHOULD BE RELIED UPON FOR THE PURPOSE OF DETERMINING THE AMOUNT OR TYPE OF INSURANCE COVERAGE TO BE PLACED ON THE SUBJECT PROPERTY.* I assume no liability for and do 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 due to changing costs of labor and materials and due to changing building codes and governmental regulations and requirements. The Cost Approach to Market Value should not be considered to be consistent (in either application or results) to a cost approach to Insurable Value. This is partially due to the different assumptions inherent in these different definitions of value. This appraisal is performed based on the scope of work decision previously discussed and is in accordance with USPAP.

INCOME APPROACH:

The Income Approach is applicable when sufficient investor owned properties exist within the subject's immediate area or neighborhood and when investors regularly acquire such properties that are similarly desirable to the subject for the express purpose of the income they provide. While rentals may exist in any area, their presence alone is not proof of a viable rental and investor marketplace. In areas determined by "owner occupied" units, it may be inappropriate to employ the Income Approach, unless the approach clearly represents the motivations and actions of investors in the marketplace as it relates to the subject property. If this approach to value is included, available data supported conclusions by me that it was meaningful to the analysis and value opinion. If the approach was not included, it was my opinion that the data was insufficient to provide a meaningful conclusion. The Income Approach is not applicable to the development of the value opinion because its methodology requires rental data, expense data, and capitalization factors that were not part of the decision-making process of the owner-occupied market participants when sales of similar property types were made.

COMPARABLE SALES SELECTION:

The appraiser has followed Appraiser Certification number 7 which states, "I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property." The appraiser is not allowed, by Fannie Mae regulations to violate this certification.

My primary data source is the local MLS, NTREIS. The Dodd-Frank Act, HUD Mortgagee Letter 09-28 Appraiser Independence, and Fannie Mae's Appraiser Independence Requirements (AIR) were enacted to prevent unreasonable expectations of appraisers who have already provided credible support for their conclusion of value. Unless there is data that was not available to me at the time of research for the appraisal on the effective date, I will not be influenced or coerced into performing additional analysis of sales that are deemed less comparable for the purpose of producing an influence or change to the value credibly developed. In compliance with certification statement #10, the appraiser has made a diligent effort to verify all information contained in the report and has substantially and significantly relied outside sources that include: The NTREIS (MLS), Realtors, Brokers & builders have been relied upon to complete the Sales Comparison Analysis and Cost Approach and Income approaches if relevant. The Central Appraisal District Records and NTREIS have been relied upon to determine the GLA, site size and amenities for the appraised property and comparable properties. Off-market transactions, commonly called "hip-pocket" listings by the brokerage community, may be present in the appraised property's market area. Due to confidentiality restrictions, the documentation necessary to reliably verify the terms and conditions of these sales often cannot be confirmed by the appraiser. Without the required verification documentation, off-market transactions are precluded for use in the analysis and also may not fulfill the definition of a market transaction.

In the event sales not chosen (i.e. those not illustrated by the appraiser in the final selection process) are asked by the client to be analyzed via addendum request or reconsideration of value (ROV), that results in additional research or analysis will be subject to additional charges for the time to research, analyze, and communicate results. Such fees will be relative to the amount time needed to address additional information required and will be confirmed with the client to ensure that they are prepared for and agree to pay these additional fees. If the client's request is based on data obtained from the same MLS system where there are no additional sales comparable to the subject that were not already researched, selected or disqualified at the time of the appraisal, such consideration of the same data researched would be an additional charge to the client for these added analyses.

ADJUSTMENTS:

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Developing and communicating an appraisal report is an art in which appraisers apply data from their observations, judgments based on experience to the analysis and interpretation of data extracted from the marketplace to arrive at market oriented grid adjustments in the Sales Comparison Analysis. Subject appraisal falls within these acceptable professional appraisal parameters.

With regards to applied adjustments, these are based on either paired data set analysis, information disclosed to by brokers or builders active within the immediate market area, regression analysis and the appraisers personal experience and historical work-file data. Furthermore, according to the Tenth Edition of The Appraisal of Real Estate, the adjustments utilized in the comparable sales analysis must be market derived, but the appraiser should also exercise judgment. Sales that are similar in all but one respect can be analyzed to isolate how that one difference affects price; however, an appraiser cannot expect the sales data to reveal the effect of a singly characteristic in all situations. Although paired data set analysis is a theoretically sound method, it is sometimes impractical because only a narrow sampling of sufficiently similar properties may be available. Thus, it is difficult to quantify adjustment consideration attributable to the other variables present. Therefore, the appraiser's estimated contributory value of the amenities is considered reasonable and accurate.

In the case of this appraiser, a regression analysis is performed in all appraisals which utilize the market data that has been defined within the stated market boundaries within the report. This data is regressed in order to assist the appraiser in making quantified adjustments in the sales grid where and when applicable.

OTHER LAND USE:

In the Present Land Use Percentage section, Other refers to vacant land, parks, government land and any other land not classified as 1-Unit, 2-4 Unit, Multi Family or Commercial.

GENERAL ASSUMPTIONS and EXTRAORDINARY ASSUMPTIONS:

Defined by USPAP as "an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions."

The standard scope of appraisal practice does not require me to investigate the legality of the construction of the original subject structures. I did not investigate the legality of the proposed construction of the improvements and I presume that the structure to be built possesses any and all required building permits and constructed in conjunction with applicable codes. Concerned properties should contact the owner/builder or local municipality regarding this matter.

I did not investigate the subject, nor the comparable sales, to form an opinion regarding 1) a death may have occurred at the properties or 2) if any prior criminal acts have been committed at the properties. I have no knowledge of any such occurrences or acts, nor was I informed by any third party regarding such occurrences or acts. An extraordinary assumption is utilized regarding any deaths and/or criminal acts that may have occurred. This type of investigation is beyond the standard scope of appraisal practice.

I did not investigate "Megan's Law" (which was passed by Congress in 1996, said law governs sex offender registration and community notification) as it relates to the subject, the immediate market area of the subject and the comparable sales. This type of investigation is beyond the standard scope of appraisal practice and normal appraisal business practices.

I did not notice any posting of code violations at the subject property, nor was I informed by any third party of any such violations. I did not investigate to determine if a notice of pendency of action relative to a code violation has been recorded against the subject property by the local code enforcement agency relative to violations of Health and Safety Codes and/or applicable sections of the Code of Civil Procedure. This type of investigation is beyond the scope of appraisal practice.

I am not an environmental inspector. An extraordinary assumption is utilized regarding the subject being safe, habitable, and having are no environmental issues. Any concerns regarding environmental issues should contact a professional in that field. I am not a surveyor. I have utilized computer models for flood zone determination. Any concerns with flood zone delineation should be discussed with a professional surveyor as the information obtained by me for the purpose of this appraisal may not be correct.

The appraiser completing this appraisal is not a structural or mechanical engineer or a licensed home inspector and has completed walk-through of the property viewing only the "readily visible" and accessible areas of the property in a superficial and cursory manner, with the assumption that there are no structural defects and that all elements of the home are in a working condition functioning in their intended use. The appraiser's walk-through is not intended to serve as a property inspection to determine the condition of the property, discover adverse conditions, or warrant or guarantee that the improvements are free of defects. Only licensed home inspectors or qualified professionals can provide detailed information about the condition of the improvements in an attempt to discover defects, need for repair or inoperable elements of the home. IT IS THE RESPONSIBILITY OF THE LENDER/CLIENT, OWNER OR PURCHASER TO RETAIN A PROFESSIONAL, STATE LICENSED INSPECTOR OR ENGINEER OR OTHER QUALIFIED PROFESSIONAL, PRIOR TO CLOSING as only appropriate qualified professionals can reliably uncover the defective components of a home.

I am not a building contractor or a qualified home inspector. My expertise is in determining value only. I am not qualified to observe or report on physical items that are not easily visible. Any parties to this transaction having concerns regarding structural, mechanical, infestation, contamination or other issues about the subject property are urged to consult an expert in the appropriate field. While others "may rely" on the report, they should not rely on it to disclose condition and defects.

An extraordinary assumption is utilized that the subject property is similar and conducive to other properties within the subject's market area with regards to the items listed above.

An extraordinary assumption is utilized in that all data obtained from real estate agents and Realtors regarding the comparable sales submitted herein is accurate. If found to be false, my opinions and conclusions could be affected.

The real estate and appraisal industries consider the already mentioned sources to be the most comprehensive, reliable and correct third party sources of information available within this market area. When conflicting information is discovered, the

Scope of Work / Limiting Conditions / Disclaimer

File No. 202001-007

Client	Kevin B. Merrill, et al Estate				
Property Address	1650 Cedar Hill Ave				
City	Dallas	County	Dallas	State	TX Zip Code 75208-2436
Owner	J Trust				

source deemed most reliable has been used and illustrated. The analysis and opinion of value are made with the assumption that these data sources are both complete and accurate. Copies of, or reference to, the information obtained through outside sources are retained in the appraiser's work-file.

PHOTOGRAPHS:

This report contains electronic color digital photographs. Among the entities approving and accepting appraisal reports with this advanced technology include FANNIE MAE, FREDDIE MAC, VA, and HUD. The appraiser certifies that the photographs have not been altered or enhanced. The report contains an electronic digital signature affixed by the appraiser. This advanced technology has been authorized by the Appraisal Standards Board of the Appraisal Foundation as compliant under specific reporting guidelines of the Uniform Standards of Professional Appraisal Practice (USPAP). The process not only acknowledges the authenticity of a printed paper copy of the report, but also the file in its state of electronic storage. The technology encompasses transmission integrity, signature security, and record keeping for each individual appraiser that affixes a signature. The appraiser has sole personalized control of affixing a signature certifying its authenticity and accepting responsibility for content, analysis, and conclusions in the report. Any attempts to modify the report in any manner will automatically and permanently remove all signatures and render this report.

AIR: This appraiser completed this assignment with no influence on value (written or verbal) from any party connected with this assignment as referenced in the signed certification located on page 5 of the URAR (Items 16 and 18). To this appraiser's knowledge and only to the extent to which this appraiser would know (from the appraisal receiving end), the subject appraisal is in compliance with the Fannie Mae/Freddie Mac Appraiser Independence Requirements (AIR), Appraiser Independence Safeguards (I), Requirements such as Acceptability of Subsequent Appraisals (II), Borrower Receipt of Appraisal (III), Appraiser Engagement (IV), Use of Reports (V), Transfer of Appraisals (VI), Referrals of Appraisal Misconduct (VII), and Compliance (VIII) are requirements that are unknown to this appraiser. This appraiser is not related to the owner of the subject property, and if this is a purchase, not related to the buyer.

COLLATERAL UNDERWRITER COMMENTARY:

Fannie Mae Lender Letter LL-2015-02: The risk analysis performed by CU is for exclusive use by the lender in their analysis of the appraisal report. After completing a thorough review, a lender should be able to have constructive dialogue with the appraiser to resolve specific appraisal questions or concerns. Although the lender may use output from Collateral Underwriter to inform its dialogue with appraisal management companies and appraisers regarding appraisals they supplied, the CU license terms prohibit providing these entities with copies or displays of Fannie Mae reports that contain CU findings, including without limitation the CU Print Report, the UC DP Submission Summary Report, or any other CU report. The lender must not make demands or provide instructions to the appraiser based solely on automated feedback. Also, the CU license terms prohibit using it "in a manner that interferes with the independent judgment of an appraiser." Fannie Mae expects the lender to use human due diligence in combination with the CU feedback, and will actively follow up with lenders who are reported to be asking appraisers to change their reports based on CU feedback without any further due diligence.

The appraisers completing this report are acting exclusively as employees, agents or officers of the Hyatt Appraisal Company. Compensation paid to the Hyatt Appraisal Company is for the preparation and delivery of the report only. Any subsequent or court related services resulting from the preparation and delivery of this appraisal will require additional remuneration by the party requesting or causing such services. The liability of the Hyatt Appraisal Company, its employees, officers or agents, resulting from any subsequent use of the report, is limited, in aggregate, to the invoice amount of the report. Distribution of this report, in whole or part, is not allowed, under any circumstance, without prior and express written consent from the Hyatt Appraisal Company. In completing this report, the appraiser is bound by confidentiality obligations that prohibit the appraiser from directly communicating with anyone outside of the appraiser-lender/client relationship. Any questions regarding this appraisal report must filter through the party that engaged the appraisal.

Possession of this report does not carry with it the right of publication or use or create any appraiser-client relationship.

APPRAISAL INSTITUTE COMMENTARY:

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, I Matthew S. Hyatt has completed the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.

EXHIBIT 5

Republic Title of Texas, Inc.



2701 W. Plano Parkway, Suite 100 • Plano, TX 75075

Office Phone:(972)578-8611 Office Fax:

Seller's Estimated Settlement Statement

Property Address: 1650 Cedar Hill Ave, Dallas, TX 75208
File No: 1001-297486-RTT
Officer: Debra Naukam/DN
Estimated Settlement Date: 04/20/2020
Disbursement Date:
Print Date: 03/04/2020, 4:12 PM

Buyer: Marcer Construction Company, LLC
Address: 1113 E. Jefferson Suite 214, Dallas, TX 75203
Seller: J Trust, Gregory S Milligan , Receiver
Address: P.O. Box 90099, Austin, TX 78709

Charge Description	Seller Charge	Seller Credit
Consideration:		
Total Consideration		945,000.00
Prorations:		
Estimated 2020 Taxes 01/01/20 to 04/20/20 @\$25,987.93/yr	7,903.18	
Commission:		
Real Estate Commission to Century 21 Judge Fite	28,350.00	
Real Estate Commission to Briggs Freeman Sotheby's Int'l	28,350.00	
Title/Escrow Charges to:		
Escrow Fee to Republic Title of Texas, Inc.	450.00	
Texas Guaranty Fee - Owner Title Policy to TX Title Insurance Guaranty Association	2.00	
Document Preparation to RTT fbo Hunter & Kramer, PC	85.00	
1000 T-1/T-1R Single OTP (R-1) to Republic Title of Texas, Inc.	5,285.00	
Disbursements Paid:		
Payoff Mechanics Lien to Titan Fence & Supply Company	7,023.86	
Dallas County Taxes 2018 to Dallas County Tax Assessor/Collector	41,750.94	
Dallas County Taxes 2019 to Dallas County Tax Assessor/Collector	28,846.60	
Cash (X To) (From) Seller	796,953.42	
Totals	945,000.00	945,000.00

Seller/Buyer understands the Closing or Escrow Agent has assembled this information representing the transaction from the best information available from other sources and cannot guarantee the accuracy thereof. Any real estate agent or lender involved may be furnished a copy of this Statement. Seller/Buyer understands that tax and insurance prorations and reserves were based on figures for the preceding year or supplied by others or estimates for current year, and in the event of any change for current year, all necessary adjustments must be made between Buyer and Seller direct.

The undersigned hereby authorizes Republic Title of Texas, Inc. to make expenditures and disbursements as shown and approves same for payment. The undersigned also acknowledges receipt of Loan Funds, if applicable, in the amount shown above and a receipt of a copy of this Statement.

SELLER(S):

J Trust, Gregory S Milligan , Receiver

Initials: _____

Seller's Estimated Settlement Statement

Settlement Date:
Print Date: 03/04/2020

File No: 1001-297486-RTT
Officer: Debra Naukam/DN

Republic Title of Texas, Inc.

By _____
Debra Naukam

Initials: _____

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

SECURITIES AND EXCHANGE)
COMMISSION,)
)
Plaintiff,)
)
v.)
)
KEVIN B. MERRILL, et al.,)
)
Defendants.)

Case No.: 1:18-cv-02844-RDB

**ORDER GRANTING RECEIVER GREGORY S. MILLIGAN’S
MOTION FOR AUTHORIZATION OF SALE OF REAL PROPERTY LOCATED AT
1650 CEDAR HILL AVENUE, DALLAS, TEXAS 75208**

This matter is before the Court on the Motion for Authorization of Sale of Real Property Located at 1650 Cedar Hill Avenue, Dallas, Texas 75208 (the “Sale Motion”) (Dkt. No. 277), filed by Receiver Gregory S. Milligan (the “Receiver”), the Court-appointed Receiver in the above-captioned case. The Court, having considered the Sale Motion and evidence submitted in support thereof, responses or objections, if any, the arguments of counsel, and the pleadings on file, finds that the Sale Motion should be, and hereby is, GRANTED.

It is therefore ORDERED that:

1. The Sale Motion is GRANTED in its entirety.
2. The Receiver is authorized to sell the real property located at 1650 Cedar Hill Avenue, Dallas, Texas 75208 (the “Real Property”) to Marcer Construction, LLC (the “Buyer”) for \$945,000.00 (the “Purchase Price”) pursuant to the Residential Contract of Sale (the “Contract”) attached to the Milligan Declaration as Exhibit 1.
3. The sale of the Real Property to the Buyer shall be free and clear of liens, claims, and encumbrances (with such liens, claims, and encumbrances, if any, to attach to the sales proceeds).

4. Sotheby's International Realty, Inc. ("Sotheby's") is authorized to receive a 6% commission of \$56,700.00 to be paid 50% to Sotheby's and 50% to the Buyer's broker, plus an administrative fee of \$495.00, out of the Purchase Price at closing without need of further application or Court approval.

5. The Receiver is authorized to pay the 2018 and 2019 taxes assessed against the Real Property and all other customary closing costs out of the Purchase Price at closing.

6. The remaining net proceeds from the sale of the Real Property shall be held in an interest-bearing account maintained by the Receiver pending final resolution of this SEC Action or further Order of this Court.

7. The Receiver shall not close on the sale of the Real Property prior to April 7, 2020, which is more than 31 days following the Receiver's filing of the Sale Motion. In the event a timely objection to the Sale Motion is filed on or before April 6, 2020, the Receiver shall not close on the sale of the Real Property without further Order of this Court.

IT IS SO ORDERED, this _____ day of _____, 2020.

HON. RICHARD D. BENNETT
UNITED STATES DISTRICT JUDGE