

COMMERCIAL APPRAISAL DESK REVIEW

PROPERTY

**TWO South Shore Drive
Miami Beach, FI 33341**

**This is a sample Desktop Review.
Each appraiser and client will have
their own set of requirements for
reviewing an appraisal.**

**Therefore, we offer this document as
an example of what can be done to
address the need for a concise review
document. The document is not all-
inclusive.**

**All checkboxes within the document
are "clickable", making it easy to
respond "yes" or "no" to many of the
questions.**

**We will assist you in creating your
own review documents that meets
your specific requirements.**

Prepared for

First National Bank

Prepared by

**YOUR Company Name
Company Street
Company City, State, Zip**

DATE OF REVIEW

September 25, 2011

YOUR Company Name

Company Street
Company City, State, Zip

Telephone:

Fax:

Email:

September 25, 2011

First National Bank
1000 Bank Boulevard West
Pittsburgh, Pa. 15219

Attention: Edward Jones
Senior Loan Officer

RE: Review of Report: TWO South Shore Drive
Miami Beach, Fl 33341
TWO SOUTH SHORE DRIVE APARTMENTS

Mr. Jones,

At your request, I have completed my review the real estate appraisal referenced above, signed by Sam Poppins, Certified General Appraiser. Consistent with the scope of work specified in this review, I have formed an opinion as to the appropriateness of the analysis and conclusions in the appraisal. This is a desk review for compliance with FIRREA and USPAP requirements. No inspection of the subject property or supporting comparables was made. I have stated my concurrence or deficiencies in the attached review.

This is an appraisal review, which is intended to comply with the reporting requirements set forth in Standards Rule 3 of the Uniform Standards of Professional Appraisal Practice, the Comptroller of the Currency's (OCC) Minimum Standards (FIRREA), and additional requirements set forth by First National Bank. As such, it presents in summary a review of the data, reasoning, and analysis that were used in the reporting process to develop the appraiser's opinion.

Respectfully Submitted,
YOUR Company Name

Company Signer
President

Certification

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

- The statements of fact and data reported by the reviewer and used in the review process are true and correct.
- The reported analyses, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this review report, 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 the work under review and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of the work under review or the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in this review or from its use.
- My analyses, opinions, and conclusions were developed and this review report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have not made a personal inspection of the subject property of the work under review.
- No one provided significant appraisal, appraisal review, or appraisal consulting assistance to the person signing this certification.

Respectfully Submitted,
YOUR Company Name

Company Signer
President

Introduction

The following Appraisal Review is intended to comply with the reporting requirements as set forth under Standard 3 of the Uniform Standards for Professional Appraisal Practice (USPAP). It contains a desktop administrative review, usually known as a compliance review of the data, reasoning, and analyses that were used to develop the opinion of value that is the subject of this review. The depth of the review is sufficient for the need of the client, and for the intended use stated herein.

Scope of the Review

An Appraisal Review Defined:

"The act or process of developing and communicating an opinion about the quality of another appraiser's work".

Scope of Work:

- Develop an opinion as to whether the analyses are appropriate within the context of the requirements applicable to the report under review.
- Develop an opinion as to whether the opinions and conclusions are credible within the context of the requirements applicable to the report under review.
- Develop the reasons for the reviewer's disagreement, if any.

Unless otherwise stated, I have:

- Read the entire report and addenda and materials provided to support the analysis therein. No verification of the information provided was confirmed by the review appraiser.
- Reconciled descriptive information and mathematical calculations relative to the property and all valuation approaches, unless otherwise stated.
- Reviewed and verified the integrity of all approaches presented in the appraisal, unless otherwise stated.
- Only the information that was considered by the original appraiser was used by the reviewer in developing an opinion as to the quality of the work under review.

Comments to Function of the Review:

- This assignment does not include the development of the reviewer's own opinion of value or real property appraisal consulting conclusion relating to the work under review.

Intended Use of the Report: To provide the client with qualification of the appraiser's report.

Intended User: First National Bank

Client: First National Bank, Edward Jones.

Consistent with the scope of work specified above, I have formed an opinion as to the appropriateness of the analysis and conclusions in the appraisal and state my specific concurrence with the valuation conclusion and the report's compliance with FIRREA and USPAP requirements.

Conclusions of Appraisal Reviewed

The appropriateness of the subject report analysis, the accuracy of the analysis, and quality of the data used in the analysis are important factors in valuing the subject property. The form on the following pages addresses these areas of the report under review.

We have concluded that:

Yes No The completeness of the appraisal report with regard to the minimum standards as set forth by the Uniform Standards of Professional Appraisal Practice (USPAP) are met.

Yes No The adequacy and relevance of the data and the propriety of any adjustments made to the comparables were evaluated and tested statistically and considered appropriate.

Comments - Reasonableness of Analysis

The focus of the subject report valuation is an Apartment building containing 13,330 square feet. The methodology described in the report is appropriate for the valuation of the subject, in that it considered all appropriate approaches to value. The approaches considered were the:

- Cost Approach
- Sales Comparison Approach
- Income Approach

Yes No The review appraiser agrees with these approaches to the valuation process.

Yes No Within the context of the current market conditions and concerns as of the effective date of the appraiser's opinion, the review appraiser concurs with the content of the report.

Yes No The characteristics of the analysis used lead to credible value estimates of the
 Fee Simple / Leased Fee interest for the subject.

Yes No The report format, graphics, and presentation, the narrative, and the analyses are appropriate.

Yes No The value conclusion(s) presented are relevant to the appraisal problem.

Yes No The methodology described in the report is appropriate for the valuation of the subject and reflects the economic Highest & Best Use of the subject.

Yes No The appraisal information presented and reconciled included the data, analyses, and value indications from each of the approaches to value that the appraiser employed; it also included the information comprising the appraisal problem and the underlying analyses of the market, the property's location, and the property itself. The result of the reconciliation is a sound, defensible value opinion.

Yes No The process of the review and reconciliation of the data within each approach did not reveal inconsistent data adjustments, or apparent conflicting results. Thus, the value conclusion presented is relevant to the appraisal problem.

Additional Comments

Sales Comparison Approach

A review of the *Sales Comparison Approach*, in summary, indicated reliable and recent sales were considered. The value concluded in this approach is adequately supported.

Income Approach

A review of the *Income Approach*, in summary, indicated that the appraiser utilized a methodology appropriate to valuing properties of this type. The projected income and operating expenses appear reasonable in determining the NOI.

The method of capitalizing the NOI into value is appropriate for this property type and the reviewer agrees with this technique. The reconciled Income Approach is appropriate and reasonable, given the data and analysis presented.

Cost Approach

A review of the *Cost Approach*, in summary, indicated reliable cost sources were used. The value concluded in this approach is adequately supported.

Commercial Appraisal Desk Review

Notice of Use: The appraisal Desk Review form assists the Reviewer in determining if the appraisal is well written, the calculations are correct, the reasoning is sound, and the value conclusions are well supported.

CLIENT, PROPERTY IDENTIFICATION

Lender / Client: First National Bank
 Property Name: TWO SOUTH SHORE DRIVE
 APARTMENTS
 Property Type: Apartment
 Property Address: TWO South Shore Drive
 Miami Beach, Fl 33341

APPRAISAL IDENTIFICATION

Original Appraiser: Sam Poppins
 Date of Appraisal: September 01, 2011
 Property Type: Apartment
 Gross Building Area: 13,330 square feet

FIRREA REQUIREMENTS

Was the appraisal performed by a state general appraiser? Yes No
 Does the appraisal include a definition of market value? Yes No
 Does the appraisal conform to USPAP or stricter underwriting standards? Yes No
 Does the written report contain sufficient information and analysis? Yes No

USPAP REQUIREMENTS

Did the appraiser state the identity of the client and intended users? Yes No
 Did the appraiser state the intended use of the appraisal? Yes No
 Did the appraiser identify the real property being appraised? Yes No
 Does the appraisal describe the appraiser's opinion of highest and best use of the real estate when such an opinion is necessary and appropriate? Yes No
 Did the appraiser identify the "real property interest" being appraised? Yes No
 Did the appraiser state the purpose of the appraisal and define the value being appraised? Yes No
 Did the appraiser state the effective date of the appraisal and the date of the report? Yes No
 Did the appraiser state the extent of the process of collecting, confirming and reporting? Yes No
 Did the appraiser state all ordinary and extraordinary assumptions, hypothetical conditions limiting conditions that affect the analysis, opinions, and conclusions? Yes No
 Does the appraiser consider and analyze all prior sales of the property being appraised which occurred within three years of the effective date of the appraisal? Yes No
 Does the appraiser consider and reconcile the quality of data available and analyze this data using the three approaches to value?
 If no, what are the reasons for not using an approach? Yes No
 Does the appraisal include a signed certification in accordance with USPAP requirements? Yes No
 Was the appraisal ordered by a lender rather than another party (buyer, seller, etc.) to the transactions? Yes No

YOUR Company Name
 Company Street
 Company City, State, Zip

Commercial Appraisal Desk Review
Continued

SUBJECT PROPERTY INFORMATION

- Is the property address and legal description correct? Yes No
- Is the owner on public record correct? Yes No
- Is the borrower the same as the owner? Yes No
- Is the subject property correctly identified in regards to FEMA flood zoning? Yes No
- Did the appraiser describe the site, site improvements and utilities correctly? Yes No
- The subject of the appraisal is a site with existing improvements.
- The subject of the appraisal is a site with proposed improvements.
- If the subject is proposed construction, is the appraisal subject to the completion of the improvements per plans and specifications? Yes No
- If the subject property includes existing improvements, is the description of the improvements complete and accurate as compared to photographs, sketches and other information, including physical deterioration and functional obsolescence? Yes No
- Are the effective age, actual age, and remaining economic life estimates consistent with each other? Yes No
- Has the appraiser listed any conditions that would affect the habitability, safety, or structural integrity of the subject property? Yes No

NEIGHBORHOOD INFORMATION

- Did the appraiser make reference to any external obsolescence and the effect on the subject property's market value? Yes No
- Did the appraiser make reference to any environmental issues in the neighborhood and the effect on the subject property's market value? Yes No
- If yes, explain:

APPROACHES TO VALUE

- Did the appraiser develop all three approaches to value? Yes No
- If no, did the appraiser give reasons for the failure to develop one of the approaches? Yes No
- In addition to the three approaches to value, was the "Going Concern Value" determined? Yes No
- Are the appraiser's calculations and dollar adjustments correct? Yes No

RECONCILIATION

- Did the appraiser convert the approach values into a reconciled opinion of value? Yes No

Commercial Appraisal Desk Review
Continued

STATEMENTS OF ASSUMPTIONS, LIMITING CONDITIONS AND CERTIFICATION

- Has the appraiser signed the report? [X] Yes [] No
- Does the appraiser have a valid state license or certification (general certification)? [X] Yes [] No
- Did the appraiser make any statements of extraordinary assumptions or hypothetical conditions in the report? [] Yes [X] No

REVIEWER'S CONCLUSION

- The appraisal is acceptable. The market value estimate has been properly supported and the property description is complete and accurate.
- The appraisal requires additional information to be acceptable. The items requiring additional information are:
- The appraisal is unacceptable. Market value estimates are not sufficiently supported and the subject property description is not accurate and/or complete.

Reviewer's Name: Company Signer

Date of Review: September 25, 2011

I did did not inspect the property.

Respectfully Submitted,
YOUR Company Name

Company Signer
President