

# Uniform Residential Appraisal Report

File # DEMO URAR UAD

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

SUBJECT

Property Address 1757 Citadel Street City Anywhere State IL Zip Code 605XX  
 Borrower Buyn, Ima Owner of Public Record Buyn, Ima County DuPage  
 Legal Description Lot 38X in University Heights Subdivision Unit 1  
 Assessor's Parcel # 08-33-112-XXX Tax Year 2009 R.E. Taxes \$ 5,693  
 Neighborhood Name University Heights Map Reference 16974 Census Tract 8463.04  
 Occupant  Owner  Tenant  Vacant Special Assessments \$ 0  PUD HOA \$ 0  per year  per month  
 Property Rights Appraised  Fee Simple  Leasehold  Other (describe)  
 Assignment Type  Purchase Transaction  Refinance Transaction  Other (describe)  
 Lender/Client XYZ Financial Inc. Address 123 Main Street, Anywhere, IL 605XX  
 Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal?  Yes  No  
 Report data source(s) used, offering price(s), and date(s). Subject has not been reported offered for sale through the local MRED MLS in the past 12 months.

CONTRACT

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

NEIGHBORHOOD

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

| Neighborhood Characteristics |   | One-Unit Housing Trends |   | One-Unit Housing |          | Present Land Use % |      |
|------------------------------|---|-------------------------|---|------------------|----------|--------------------|------|
| Location                     | <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural                                  | Property Values         | <input type="checkbox"/> Increasing <input type="checkbox"/> Stable <input checked="" type="checkbox"/> Declining       | PRICE            | AGE      | One-Unit           | 85 % |
| Built-Up                     | <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%                             | Demand/Supply           | <input type="checkbox"/> Shortage <input type="checkbox"/> In Balance <input checked="" type="checkbox"/> Over Supply   | \$ (000)         | (yrs)    | 2-4 Unit           | 5 %  |
| Growth                       | <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow                                     | Marketing Time          | <input type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths | 90               | Low 0    | Multi-Family       | 5 %  |
| Neighborhood Boundaries      | Predominantly single family detached housing. Boundaries are 75th Street north, Greene Road east, Royce Road south, Washington Street west. |                         |   | 3,089            | High 130 | Commercial         | 5 %  |
|                              |   |                         |   | 335              | Pred. 40 | Other              | %    |

Neighborhood Description Subject is located in a residential area named "University Heights" that is a well planned subdivision. The area consists of semi-custom built one and two story homes of average to good quality construction. Most all the homes project average to good buyer appeal.  
 Proximity to services and conveniences, as well as the marketability of the properties, is average for the area.  
 Market Conditions (including support for the above conclusions) See attached addenda.

SITE

Dimensions 72 x 120 x 99 x 120 Area 10,226 sf Shape Slightly irregular View N;Res;  
 Specific Zoning Classification R1B PUD Zoning Description Medium Density Single Family PUD  
 Zoning Compliance  Legal  Legal Nonconforming (Grandfathered Use)  No Zoning  Illegal (describe)  
 Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use?  Yes  No If No, describe  

| Utilities   | Public                              | Other (describe)         | Public         | Other (describe)                    | Off-site Improvements - Type | Public                              | Private                  |
|-------------|-------------------------------------|--------------------------|----------------|-------------------------------------|------------------------------|-------------------------------------|--------------------------|
| Electricity | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Water          | <input checked="" type="checkbox"/> | Street Asphalt               | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Gas         | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Sanitary Sewer | <input checked="" type="checkbox"/> | Alley None                   | <input type="checkbox"/>            | <input type="checkbox"/> |

 FEMA Special Flood Hazard Area  Yes  No FEMA Flood Zone X FEMA Map # 1702130018C FEMA Map Date 5/18/1992  
 Are the utilities and off-site improvements typical for the market area?  Yes  No If No, describe  
 Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)?  Yes  No If Yes, describe

IMPROVEMENTS

| General Description  | Foundation   | Exterior Description                                 | materials/condition                       | Interior                                     | materials/condition  |
|--|--|--|---|--|--|
| Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit                       | <input checked="" type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space                         | Foundation Walls                                     | Concrete/Average                          | Floors                                       | Carpet/Tile/Good   |
| # of Stories 2   | <input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement                               | Exterior Walls                                       | Vinyl/Good                                | Walls  | Drywall/Good   |
| Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit | Basement Area 0 sq.ft.   | Roof Surface   | Asph. Shingle/Good                        | Trim/Finish                                  | Painted/Good   |
| <input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const. | Basement Finish 0 %  | Gutters & Downspouts                                 | Aluminum/Good                             | Bath Floor                                   | Ceramic Tile/New   |
| Design (Style) Traditional   | <input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump                                 | Window Type  | Alum-Vinyl/Good                           | Bath Wainscot                                | Fiberglass/Good  |
| Year Built 1983  | Evidence of <input type="checkbox"/> Infestation   | Storm Sash/Insulated                                 | Alum-Vinyl/Good                           | Car Storage                                  | <input type="checkbox"/> None  |
| Effective Age (Yrs) 15   | <input type="checkbox"/> Dampness <input type="checkbox"/> Settlement  | Screens  | Fiberglass/Good                           | <input checked="" type="checkbox"/> Driveway | # of Cars 2  |
| Attic <input type="checkbox"/> None  | Heating <input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant | Amenities  | <input type="checkbox"/> Woodstove(s) # 0 | Driveway Surface                             | Concrete   |
| <input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs  | <input type="checkbox"/> Other Fuel Gas  | <input type="checkbox"/> Fireplace(s) # 0            | <input type="checkbox"/> Fence None       | <input checked="" type="checkbox"/> Garage   | # of Cars 2  |
| <input type="checkbox"/> Floor <input checked="" type="checkbox"/> Scuttle   | Cooling <input checked="" type="checkbox"/> Central Air Conditioning   | <input checked="" type="checkbox"/> Patio/Deck Conc. | <input type="checkbox"/> Porch None       | <input type="checkbox"/> Carport             | # of Cars 0  |
| <input type="checkbox"/> Finished <input type="checkbox"/> Heated  | <input type="checkbox"/> Individual <input type="checkbox"/> Other   | <input type="checkbox"/> Pool None                   | <input type="checkbox"/> Other None       | <input type="checkbox"/> Att.                | <input type="checkbox"/> Det. <input checked="" type="checkbox"/> Built-in |

Appliances  Refrigerator  Range/Oven  Dishwasher  Disposal  Microwave  Washer/Dryer  Other (describe)  
 Finished area above grade contains: 8 Rooms 4 Bedrooms 2.1 Bath(s) 2,044 Square Feet of Gross Living Area Above Grade  
 Additional features (special energy efficient items, etc.). Pergola.  
 Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). C3;Kitchen-remodeled-one to five years ago;Bathrooms-updated-one to five years ago;See attached addenda.  
 Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property?  Yes  No If Yes, describe  
 Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)?  Yes  No If No, describe

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File # DEMO URAR UAD

There are **9** comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ **279,900** to \$ **379,800**.

There are **20** comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ **243,500** to \$ **400,000**.

| FEATURE                               | SUBJECT                                   | COMPARABLE SALE # 1  |                    | COMPARABLE SALE # 2  |                    | COMPARABLE SALE # 3  |                    |
|---------------------------------------|---|--|--------------------|--|--------------------|--|--------------------|
| Address                               | 1757 Citadel Street<br>Anywhere, IL 605XX | 1544 Tulane Dr<br>Anywhere, IL 605XX                             |                    | 1961 Rollins Ct<br>Anywhere, IL 605XX                            |                    | 901 Hyde Park Ln<br>Anywhere, IL 605XX                           |                    |
| Proximity to Subject                  |   | 0.42 miles N   |                    | 0.52 miles SW  |                    | 1.08 miles NW  |                    |
| Sale Price                            | \$  | \$ 295,000   |                    | \$ 315,000   |                    | \$ 233,000   |                    |
| Sale Price/Gross Liv. Area            | \$ sq.ft.                                 | \$ 140.68 sq.ft.   |                    | \$ 198.86 sq.ft.   |                    | \$ 122.63 sq.ft.   |                    |
| Data Source(s)                        |   | MRED MLS #07779179;DOM 15  |                    | MRED MLS #07685531;DOM 157                                       |                    | MRED MLS #07828287;DOM 12  |                    |
| Verification Source(s)                |   | Lisle Township Assessor  |                    | Lisle Township Assessor  |                    | Lisle Township Assessor  |                    |
| VALUE ADJUSTMENTS                     | DESCRIPTION                               | DESCRIPTION  | +(-) \$ Adjustment | DESCRIPTION  | +(-) \$ Adjustment | DESCRIPTION  | +(-) \$ Adjustment |
| Sales or Financing Concessions        |   | ArmLth<br>FHA;0  |                    | ArmLth<br>Conv;0   |                    | ArmLth<br>FHA;1500   | -1,500             |
| Date of Sale/Time                     |   | s05/11;c04/11  | -6,136             | s06/11;c05/11  | -5,260             | s06/11;c06/11  | -2,912             |
| Location                              | N;Res;                                    | N;Res;   |                    | B;Culdesac;  | -5,000             | A;BsyRd;   | +20,000            |
| Leasehold/Fee Simple                  | Fee Simple                                | Fee Simple   |                    | Fee Simple   |                    | Fee Simple   |                    |
| Site                                  | 10,226 sf                                 | 8,900 sf   | +1,326             | 19,564 sf  | -9,338             | 10,162 sf  | +64                |
| View                                  | N;Res;                                    | N;Res;   |                    | N;Res;   |                    | N;Res;   |                    |
| Design (Style)                        | Traditional                               | Traditional  |                    | Traditional  |                    | Traditional  |                    |
| Quality of Construction               | Q4  | Q4   |                    | Q4   |                    | Q4   |                    |
| Actual Age                            | 28  | 31   | 0                  | 26   | 0                  | 25   | 0                  |
| Condition                             | C3  | C3   |                    | C3   |                    | C4   | +15,000            |
| Above Grade Room Count                | Total Bdrms. Baths                        | Total Bdrms. Baths   |                    | Total Bdrms. Baths   |                    | Total Bdrms. Baths   |                    |
|                                       | 8 4 2.1                                   | 8 4 2.1  |                    | 8 4 2.1  |                    | 8 4 2.1  |                    |
| Gross Living Area                     | 2,044 sq.ft.                              | 2,097 sq.ft.   | -2,120             | 1,584 sq.ft.   | +18,400            | 1,900 sq.ft.   | +5,760             |
| Basement & Finished Rooms Below Grade | 0sf                                       | 884sf0sfin   | -17,680            | 792sf543sfin<br>1rr0br0.0ba1o                                    | -15,840<br>-10,000 | 0sf  |                    |
| Functional Utility                    | Good                                      | Good   |                    | Good   |                    | Good   |                    |
| Heating/Cooling                       | GFWA/CAC                                  | GFWA/CAC   |                    | GFWA/CAC   |                    | GFWA/CAC   |                    |
| Energy Efficient Items                | New Windows                               | New Windows  |                    | New Windows  |                    | None   | +5,000             |
| Garage/Carport                        | 2 Car Garage                              | 2 Car Garage   |                    | 2 Car Garage   |                    | 2 Car Garage   |                    |
| Porch/Patio/Deck                      | Patio                                     | Patio  |                    | Patio  |                    | Deck   | 0                  |
| Fireplace(s)                          | None                                      | 1 Fireplace  | -2,500             | 1 Fireplace  | -2,500             | None   |                    |
| Modernization                         | Kitchen/Baths                             | Baths  | +5,000             | Kitchen  | +5,000             | Kitchen  | +5,000             |
| Net Adjustment (Total)                |   | <input type="checkbox"/> + <input checked="" type="checkbox"/> - | \$ -22,110         | <input type="checkbox"/> + <input checked="" type="checkbox"/> - | \$ -24,538         | <input checked="" type="checkbox"/> + <input type="checkbox"/> - | \$ 46,412          |
| Adjusted Sale Price of Comparables    |   | Net Adj. 7.5 %<br>Gross Adj. 11.8 %                              | \$ 272,890         | Net Adj. 7.8 %<br>Gross Adj. 22.6 %                              | \$ 290,462         | Net Adj. 19.9 %<br>Gross Adj. 23.7 %                             | \$ 279,412         |

SALES COMPARISON APPROACH

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

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

Data Source(s) MRED MLS/Public Records

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

Data Source(s) MRED MLS/Public Records

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

| ITEM                             | SUBJECT            | COMPARABLE SALE #1 | COMPARABLE SALE #2 | COMPARABLE SALE #3 |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|
| Date of Prior Sale/Transfer      | 09/01/2008         |                    |                    |                    |
| Price of Prior Sale/Transfer     | \$255,000          |                    |                    |                    |
| Data Source(s)                   | MRED MLS #06981935 | MRED MLS #07779179 | MRED MLS #07685531 | MRED MLS #07828287 |
| Effective Date of Data Source(s) | 09/01/2011         | 09/01/2011         | 09/01/2011         | 09/01/2011         |

Analysis of prior sale or transfer history of the subject property and comparable sales Subject property last sold through the local multiple listing service and it appears to have been a market sale, with adequate exposure time and at a typical list-to-sale price ratio for the area. There is no sales history or transfers of the comparable sales within one year prior to the date of sale of the comparable.

Summary of Sales Comparison Approach See attached addenda.

Indicated Value by Sales Comparison Approach \$ 273,000

Indicated Value by: Sales Comparison Approach \$ 273,000 Cost Approach (if developed) \$ 273,240 Income Approach (if developed) \$

Value indicated by both the cost and sales comparison approach are compatible, with the market approach considered the more reliable of the two. The income approach was not used as this type of property is predominantly owner-occupied.

RECONCILIATION

This appraisal is made  "as is",  subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed,  subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or  subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: The appraisal is only for a specific date and cannot be extended for a longer period of time.

Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 273,000 , as of 09/01/2011 , which is the date of inspection and the effective date of this appraisal.

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See attached addendum for additional certifications and other conditions.

Some information regarding characteristics for the comparables are not readily available in the normal course of business. Some examples would include: site area, GLA (such as for older properties or condominiums), basement area, the percentage of basement finish or room count. In these cases, estimates are provided by the appraiser from information obtained through the local MLS or on the basis of experience.

Although the subject is zoned PUD, there are no HOA dues.

ADDITIONAL COMMENTS

### COST APPROACH TO VALUE (not required by Fannie Mae)

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

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value)      Opinion of site value reflects current market data provided by the MRED Multiple Listing Service.

COST APPROACH

|  |  |  |               |
|--|--|--|---------------|
| ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW  | OPINION OF SITE VALUE ..... = \$ 75,000                    |  |               |
| Source of cost data Marshall Swift, L.P.   | DWELLING   | 2,044 Sq.Ft. @ \$ 103.23               | = \$ 211,002  |
| Quality rating from cost service 3.5      Effective date of cost data 9/1/2011   |  | 0 Sq.Ft. @ \$                          | = \$          |
| Comments on Cost Approach (gross living area calculations, depreciation, etc.)   | Subtotal Extras ..... = \$ 2,211                           |  |               |
| See attached sketch for gross living area calculations. Physical depreciation is calculated using the effective age/economic life method on a 60 year typical life expectancy scale. No significant functional obsolescence or external obsolescence was observed. | Garage/Carport   | 380 Sq.Ft. @ \$ 29.44                  | = \$ 11,187   |
|  | Total Estimate of Cost-New ..... = \$ 224,400              |  |               |
|  | Less   | Physical      Functional      External |               |
|  | Depreciation   | 33,660                                 | = \$( 33,660) |
|  | Depreciated Cost of Improvements ..... = \$ 190,740        |  |               |
|  | "As-is" Value of Site Improvements ..... = \$ 7,500        |  |               |
| Estimated Remaining Economic Life (HUD and VA only) 45 Years   | <b>INDICATED VALUE BY COST APPROACH</b> ..... = \$ 273,240 |  |               |

INCOME

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

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

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

PUD INFORMATION

### PROJECT INFORMATION FOR PUDs (if applicable)

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

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

Legal Name of Project

Total number of phases      Total number of units      Total number of units sold

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

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

Does the project contain any multi-dwelling units?  Yes  No      Data Source

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

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

Describe common elements and recreational facilities.      Although the subject is zoned PUD, there are no HOA dues.

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

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

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

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

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

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

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

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

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

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

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

# Uniform Residential Appraisal Report

File # DEMO URAR UAD

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

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

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

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

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

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

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

## APPRAISER

Signature \_\_\_\_\_  
Name Paul J. Piekos SRA  
Company Name Piekos Appraisals  
Company Address 1533 N. Vest Drive  
Naperville, IL 60563  
Telephone Number (630) 357-4647  
Email Address paul@piekos.com  
Date of Signature and Report 09/01/2011  
Effective Date of Appraisal 09/01/2011  
State Certification # 556.000XXX  
or State License # \_\_\_\_\_  
or Other (describe) \_\_\_\_\_ State # \_\_\_\_\_  
State IL  
Expiration Date of Certification or License 09/30/2013

## ADDRESS OF PROPERTY APPRAISED

1757 Citadel Street  
Anywhere, IL 605XX

APPRAISED VALUE OF SUBJECT PROPERTY \$ 273,000

## LENDER/CLIENT

Name No AMC  
Company Name XYZ Financial Inc.  
Company Address 123 Main Street, Anywhere, IL 605XX  
Email Address orders@xyzfin.com

## SUPERVISORY APPRAISER (ONLY IF REQUIRED)

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

## SUBJECT PROPERTY

- Did not inspect subject property  
 Did inspect exterior of subject property from street  
Date of Inspection \_\_\_\_\_  
 Did inspect interior and exterior of subject property  
Date of Inspection \_\_\_\_\_

## COMPARABLE SALES

- Did not inspect exterior of comparable sales from street  
 Did inspect exterior of comparable sales from street  
Date of Inspection \_\_\_\_\_

# Uniform Residential Appraisal Report

File # DEMO URAR UAD

| FEATURE   | SUBJECT                                   | COMPARABLE SALE # 4  |                     |  | COMPARABLE SALE # 5                 |  |                    | COMPARABLE SALE # 6                     |                    |  |
|---|---|--|---------------------|--|-------------------------------------|--|--------------------|---|--------------------|--|
| Address   | 1757 Citadel Street<br>Anywhere, IL 605XX | 1301 Knoll Dr<br>Anywhere, IL 605XX                              |                     |  | 1745 Tufts Ct<br>Anywhere, IL 605XX |  |                    | 1772 Villanova Dr<br>Anywhere, IL 605XX |                    |  |
| Proximity to Subject  |   | 0.44 miles W   |                     |  | 0.14 miles W                        |  |                    | 0.24 miles W                            |                    |  |
| Sale Price  | \$  | \$ 289,900   |                     |  | \$ 325,000                          |  |                    | \$ 339,900                              |                    |  |
| Sale Price/Gross Liv. Area  | \$ sq.ft.                                 | \$ 178.07 sq.ft.   |                     |  | \$ 137.13 sq.ft.                    |  |                    | \$ 162.01 sq.ft.                        |                    |  |
| Data Source(s)  |   | MRED MLS #07552379;DOM 61  |                     |  | MRED MLS #07806507;DOM 118          |  |                    | MRED MLS #07844100;DOM 72               |                    |  |
| Verification Source(s)  |   | Lisle Township Assessor  |                     |  | Lisle Township Assessor             |  |                    | Lisle Township Assessor                 |                    |  |
| VALUE ADJUSTMENTS   | DESCRIPTION                               | DESCRIPTION  | +(-) \$ Adjustment  | DESCRIPTION  | +(-) \$ Adjustment                  | DESCRIPTION  | +(-) \$ Adjustment | DESCRIPTION                             | +(-) \$ Adjustment |  |
| Sales or Financing Concessions  |   | ArmLth Conv;0  |                     | Listing LTS;16250  | -16,250                             | Listing LTS;16995  | -16,995            |   |                    |  |
| Date of Sale/Time   |   | s09/10;c08/10  | -15,683             | Active   |                                     | Active   |                    |   |                    |  |
| Location  | N;Res;                                    | N;Res;   |                     | B;Culdesac;  | -5,000                              | N;Res;   |                    |   |                    |  |
| Leasehold/Fee Simple  | Fee Simple                                | Fee Simple   |                     | Fee Simple   |                                     | Fee Simple   |                    |   |                    |  |
| Site  | 10,226 sf                                 | 8,640 sf   | +1,586              | 15,608 sf  | -5,382                              | 8,424 sf   | +1,802             |   |                    |  |
| View  | N;Res;                                    | N;Res;   |                     | N;Res;   |                                     | N;Res;   |                    |   |                    |  |
| Design (Style)  | Traditional                               | Colonial   | 0                   | Colonial   | 0                                   | Traditional  |                    |   |                    |  |
| Quality of Construction   | Q4  | Q4   |                     | Q4   |                                     | Q4   |                    |   |                    |  |
| Actual Age  | 28  | 27   | 0                   | 28   |                                     | 28   |                    |   |                    |  |
| Condition   | C3  | C3   |                     | C3   |                                     | C3   |                    |   |                    |  |
| Above Grade Room Count  | Total Bdrms. Baths                        | Total Bdrms. Baths   |                     | Total Bdrms. Baths   |                                     | Total Bdrms. Baths   |                    |   |                    |  |
|   | 8 4 2.1                                   | 8 4 2.1  |                     | 8 4 2.1  |                                     | 8 4 2.1  |                    |   |                    |  |
| Gross Living Area   | 2,044 sq.ft.                              | 1,628 sq.ft.   | +16,640             | 2,370 sq.ft.   | -13,040                             | 2,098 sq.ft.   | -2,160             |   |                    |  |
| Basement & Finished Rooms Below Grade   | 0sf                                       | 0sf  |                     | 0sf  |                                     | 1063sf260sfin<br>1r0br0.0ba0o                                    | -21,260<br>-10,000 |   |                    |  |
| Functional Utility  | Good                                      | Good   |                     | Good   |                                     | Good   |                    |   |                    |  |
| Heating/Cooling   | GFWA/CAC                                  | GFWA/CAC   |                     | GFWA/CAC   |                                     | GFWA/CAC   |                    |   |                    |  |
| Energy Efficient Items  | New Windows                               | New Windows  |                     | New Windows  |                                     | None   | +5,000             |   |                    |  |
| Garage/Carport  | 2 Car Garage                              | 2 Car Garage   |                     | 2 Car Garage   |                                     | 2 Car Garage   |                    |   |                    |  |
| Porch/Patio/Deck  | Patio                                     | Patio  |                     | Patio, Fence   | -2,500                              | Deck, Fence  | -2,500             |   |                    |  |
| Fireplace(s)  | None                                      | None   |                     | 1 Fireplace  | -2,500                              | None   |                    |   |                    |  |
| Modernization   | Kitchen/Baths                             | Kitchen/Baths  |                     | Kitchen  | +5,000                              | Kitchen/Baths  |                    |   |                    |  |
| Net Adjustment (Total)  |   | <input checked="" type="checkbox"/> + <input type="checkbox"/> - | \$ 2,543            | <input type="checkbox"/> + <input checked="" type="checkbox"/> - | \$ -39,672                          | <input type="checkbox"/> + <input checked="" type="checkbox"/> - | \$ -46,113         |   |                    |  |
| Adjusted Sale Price of Comparables  |   | Net Adj. 0.9 %<br>Gross Adj. 11.7 %                              | \$ 292,443          | Net Adj. 12.2 %<br>Gross Adj. 15.3 %                             | \$ 285,328                          | Net Adj. 13.6 %<br>Gross Adj. 17.6 %                             | \$ 293,787         |   |                    |  |
| Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3). |   |  |                     |  |                                     |  |                    |   |                    |  |
| ITEM  | SUBJECT                                   |  | COMPARABLE SALE # 4 | COMPARABLE SALE # 5  | COMPARABLE SALE # 6                 |  |                    |   |                    |  |
| Date of Prior Sale/Transfer   | 09/01/2008                                |  |                     |  |                                     |  |                    |   |                    |  |
| Price of Prior Sale/Transfer  | \$255,000                                 |  |                     |  |                                     |  |                    |   |                    |  |
| Data Source(s)  | MRED MLS #06981935                        |  | MRED MLS #07552379  | MRED MLS #07806507   | MRED MLS #07844100                  |  |                    |   |                    |  |
| Effective Date of Data Source(s)  | 09/01/2011                                |  | 09/01/2011          | 09/01/2011   | 09/01/2011                          |  |                    |   |                    |  |
| Analysis of prior sale or transfer history of the subject property and comparable sales   |   |  |                     |  |                                     |  |                    |   |                    |  |
| Analysis/Comments   |   |  |                     |  |                                     |  |                    |   |                    |  |

SALES COMPARISON APPROACH

SALE HISTORY

ANALYSIS / COMMENTS

# Market Conditions Addendum to the Appraisal Report

File No. DEMO URAR UAD

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

Property Address **1757 Citadel Street** City **Anywhere** State **IL** ZIP Code **605XX**

Borrower **Buyn, Ima**

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

| Inventory Analysis                                | Prior 7-12 Months | Prior 4-6 Months | Current - 3 Months | Overall Trend                                  |  |                                     |
|---|-------------------|------------------|--------------------|--|--|-------------------------------------|
| Total # of Comparable Sales (Settled)             | 10                | 3                | 7                  | <input checked="" type="checkbox"/> Increasing | <input type="checkbox"/> Stable            | <input type="checkbox"/> Declining  |
| Absorption Rate (Total Sales/Months)              | 1.67              | 1.00             | 2.33               | <input checked="" type="checkbox"/> Increasing | <input type="checkbox"/> Stable            | <input type="checkbox"/> Declining  |
| Total # of Comparable Active Listings             | 8                 | 15               | 15                 | <input type="checkbox"/> Declining             | <input checked="" type="checkbox"/> Stable | <input type="checkbox"/> Increasing |
| Months of Housing Supply (Total Listings/Ab.Rate) | 4.8               | 15.0             | 6.4                | <input checked="" type="checkbox"/> Declining  | <input type="checkbox"/> Stable            | <input type="checkbox"/> Increasing |
| Median Sale & List Price, DOM, Sale/List %        | Prior 7-12 Months | Prior 4-6 Months | Current - 3 Months | Overall Trend                                  |  |                                     |
| Median Comparable Sale Price                      | 297,450           | 305,000          | 325,000            | <input checked="" type="checkbox"/> Increasing | <input type="checkbox"/> Stable            | <input type="checkbox"/> Declining  |
| Median Comparable Sales Days on Market            | 83                | 134              | 28                 | <input checked="" type="checkbox"/> Declining  | <input type="checkbox"/> Stable            | <input type="checkbox"/> Increasing |
| Median Comparable List Price                      | 344,450           | 349,900          | 346,200            | <input type="checkbox"/> Increasing            | <input checked="" type="checkbox"/> Stable | <input type="checkbox"/> Declining  |
| Median Comparable Listings Days on Market         | 121               | 77               | 82                 | <input type="checkbox"/> Declining             | <input checked="" type="checkbox"/> Stable | <input type="checkbox"/> Increasing |
| Median Sale Price as % of List Price              | 96                | 95               | 95                 | <input type="checkbox"/> Increasing            | <input checked="" type="checkbox"/> Stable | <input type="checkbox"/> Declining  |

Seller-(developer, builder, etc.)paid financial assistance prevalent?  Yes  No  Declining  Stable  Increasing

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.). **Seller concessions are usually not present in this market segment.**

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

Cite data sources for above information. **The local (MRED) MLS data was used to generate the above information. Due to the limitations of the process in which the MLS reports listings and sales, contingent properties, pending sales, expired and cancelled listings may also be reported in the inventory analysis. Therefore the sales and listing information reported here may not be the same as that reported in the appraisal report. Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions.**

**The current market exposure trend shows that marketing time has been decreasing over the past 12 months. According to the local MRED MLS, housing values in the subject's macro market area have decreased 5% in the past year. Presently there appears to be an over supply of active listings that are comparable to the subject in the subject's market area at this time. Market absorption in the subject's market has been increasing. (Absorption rate is 8.9 months overall in the macro market.) The sluggish local economy and an unemployment rate around 9% is having a lingering effect. Recent sales activity has been increasing due to the seasonal market and favorable interest rates. Any anomalies (such as a low amount or spike in reported sales) can be attributed to seasonal markets. Listing to sales price ratios have been for the most part, stable with minor fluctuations. See attached addendum for more information concerning this Form 1004MC.**

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

**Project Name:**

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

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

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

|   |                                     |
|---|-------------------------------------|
| Signature   | Signature                           |
| Appraiser Name <b>Paul J. Piekos SRA</b>                        | Supervisory Appraiser Name          |
| Company Name <b>Piekos Appraisals</b>                           | Company Name                        |
| Company Address <b>1533 N. Vest Drive, Naperville, IL 60563</b> | Company Address                     |
| State License/Certification # <b>556.000XXX</b> State <b>IL</b> | State License/Certification # State |
| Email Address <b>paul@piekos.com</b>                            | Email Address                       |

## Additional Addendum

File No. DEMO URAR UAD

|                  |                     |        |        |       |    |          |       |
|------------------|---------------------|--------|--------|-------|----|----------|-------|
| Client           | XYZ Financial Inc.  |        |        |       |    |          |       |
| Property Address | 1757 Citadel Street |        |        |       |    |          |       |
| City             | Anywhere            | County | DuPage | State | IL | Zip Code | 605XX |
| Borrower         | Buyn, Ima           |        |        |       |    |          |       |

### ADDITIONAL CERTIFICATIONS AND OTHER CONDITIONS

The Intended User of this appraisal report is the lender/client. No additional intended users are identified by the appraiser. This report contains sufficient information to enable the lender/client to understand the report. Any other party receiving a copy of this report for any reason is not an intended user; nor does receiving a copy of this report result in an appraiser-client relationship. Use of this report by any other party(ies) is not intended by the appraiser.

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, reporting requirements, and definition of market value.

Any furnishings or personal property items were not considered in the valuation of the real property.

The appraisal is only for a specific date and cannot be extended for a longer period of time.

The federal government has enacted legislation, referred to as "Megan's Law," that encourages states to disclose to the public the whereabouts of convicted child molesters within the community. These individuals may be transient and therefore the situation may change periodically. While the appraiser has no knowledge of any offenders residing nearby the subject property, the scope of this assignment did not include any investigation in this matter. The client is advised to consult with local law enforcement officials about this issue. The appraiser assumes no responsibility for any issues related to Megan's Law.

There are a wide variety of detrimental conditions that can impact property values. These include, but are not limited to: non-market motivations, future temporary disruptions, stigmas, convicted criminals who reside in the neighborhood, neighborhood nuisances, future unannounced surrounding developments, structural and engineering conditions, construction conditions, soils and geotechnical issues, environmental conditions and natural conditions. The appraiser has inspected the subject on a level that is consistent with the typical responsibilities of the appraisal profession; however, the appraiser does not have the expertise of market analysts, soils, structural or environmental engineers, scientists, urban planners and specialists in these various fields. Unless otherwise stated within the report, the appraiser assumes no responsibilities for the impact that the variety of detrimental conditions may cause.

Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, mold and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The intended user is urged to retain an expert in this field if desired.

Appraiser's "Inventory Analysis," "Median Sale & List Price, DOM" and other observations in the Form 1004MC are based on the data provided by the MRED MLS, which appraiser generally believes to be an acceptable source of market data. However, the appraiser cannot verify all of the information in that data source and cannot guarantee the accuracy of such data or conclusions based thereon. The appraiser also cannot guarantee future market conditions affecting the subject property.

The lender/client has directed that the appraiser transmit the content of this report via AppraisalPort. Pursuant to its user agreement, FNC/AppraisalPort has disclaimed any warranty that AppraisalPort will be error free, has advised that information reported to and by AppraisalPort may be subject to transmission errors, and has indicated that use of AppraisalPort is at the user's sole risk. Accordingly, the lender/client should make its own determination as to the accuracy and reliability of AppraisalPort for its use. The appraiser makes no representations and specifically disclaims any warranty regarding the accuracy or portrayal of content transmitted via AppraisalPort or its reliability. The appraiser uses such technology at the specific direction and sole risk of the lender/client. At its request, the lender/client may obtain a true copy of the original report directly from the appraiser via email (PDF), mail or other means.

### SCOPE OF WORK

The scope of work consists of a visit by the appraiser to view the interior and exterior to catalog the salient attributes of the subject property.

The appraiser will investigate appropriate market data for utilization in a sales comparison approach to value, and if appropriate, cost and income capitalization approaches. Appraiser's investigations will include research of public records through the use of commercial sources of data such as printed comparable data services, computerized databases, etc. Search parameters such as dates of sales, leases, locations, sizes, types of properties and distances from the subject will start with relatively narrow constraints and, if necessary, be expanded until the appraiser has either retrieved data sufficient (in the appraiser's opinion) to estimate market value, or until appraiser believes that the appraiser has reasonably exhausted the available pool of data. Researched sales data will be viewed and, if found to be appropriate, efforts will be made to verify the data with persons directly involved in the transactions such as buyers, seller, brokers or agents. At appraiser's discretion some data will be used without personal verification if, in the appraiser's opinion, the data appears to be correct. In addition, appraiser will consider any appropriate listings of properties found through observation during appraiser's data collection process. Appraiser will report only the data deemed to be pertinent to the valuation problem.

The appraiser will investigate and analyse any pertinent easements or restriction, on the fee simple ownership of the subject property. It is the client's responsibility to supply the appraiser with a title report. If a title report is not available, appraiser will rely on a visual observation and identify any readily apparent easements or restrictions.

The appraiser will analyse the data found and reach conclusions regarding the market value, as defined in the report, of the subject property as of the date of value using appropriate valuation approach(es) identified above.

## Additional Addendum

File No. DEMO URAR UAD

|                  |                     |        |        |       |    |          |       |
|------------------|---------------------|--------|--------|-------|----|----------|-------|
| Client           | XYZ Financial Inc.  |        |        |       |    |          |       |
| Property Address | 1757 Citadel Street |        |        |       |    |          |       |
| City             | Anywhere            | County | DuPage | State | IL | Zip Code | 605XX |
| Borrower         | Buyn, Ima           |        |        |       |    |          |       |

The appraiser will complete the appraisal report in compliance with appraiser's interpretation of the Uniform Standards of Professional Appraisal Practice as promulgated by The Appraisal Foundation and the Code of Professional Ethics and Certification Standard of the Appraisal Institute.

The appraiser will not be responsible for ascertaining the existence of any toxic waste or other contamination present on or off the site. Appraiser will, however, report any indications of toxic waste or contaminants that may affect value if they are readily apparent during the appraiser's investigations. Appraiser cautions the user of the report that the appraiser is not an expert in such matters and that the appraiser may overlook contamination that may be readily apparent to others.

Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the subject property that would make the subject property more or less valuable, and makes no guarantees or warranties, expressed or implied, regarding the condition of the subject property.

The appraiser will prepare a report which will include photographs (or digital images) of the subject property, descriptions of the subject neighborhood, the site, any improvements on the site, a description of the zoning, a highest and best use analysis, a summary of the most important sales used in the appraiser's valuation, a reconciliation and conclusion, a map illustrating the sales in relationship to the subject property, and other data deemed by the appraiser to be relevant to the report. Pertinent data and analyses not included in the report may be retained in the appraiser's files.

At the request of the client, this appraisal report has been prepared in compliance with the Uniform Appraisal Dataset (UAD) from Fannie Mae and Freddie Mac. The UAD requires the appraiser to use standardized responses that include specific formats, definitions, abbreviations and acronyms.

The appraiser attempted to obtain an adequate amount of information in the normal course of business regarding the subject and comparable properties. Some of the standardized responses required by the UAD, especially those in which the appraiser has **not** had the opportunity to verify personally or measure, could mistakenly imply greater precision and reliability in the data than is factually correct or typical in the normal course of business. Examples include condition and quality ratings as well as comparable sales and listing data. Not every element of the subject property was viewable and comparable property data was generally obtained from third party sources, such as through public record information or through the local MLS. Consequently, this information should be considered an "estimate" unless otherwise noted by the appraiser.

### **Uniform Appraisal Dataset (UAD) Field Specific Standardization Requirements**

The appraiser is required by the GSEs (Fannie Mae & Freddie Mac) to utilize a series of standardized definitions, acronyms, and responses for a key subset of fields. In an effort to help assist the reader to understand and to not provide a misleading report, please see the attached **Uniform Appraisal Dataset (UAD) Definitions Addendum** which explains the standardized definitions, acronyms, and responses to help the reader better comprehend the report.

### **Initial Privacy Notice**

**Our privacy principles:** We are committed to protecting our clients' personal and financial information. This privacy statement addresses what nonpublic personal information we collect, what we do with it, and how we protect it.

**What information we collect:** We may collect and maintain several types of personal information in the course of providing you with appraisal services, such as:

- Information we receive from you on applications, letters of engagement, forms found on our web site, correspondence, or conversations, including, but not limiting to, your name, address, phone number, social security number, date of birth, bank records and salary information.
- Information about your transactions with us, our affiliates or others, including, but not limiting to, payment history, parties to transactions and other financial information.
- Information we receive from a consumer-reporting agency such as a credit history.

**What information we may disclose:** We may disclose the nonpublic personal information about you described above, primarily to provide you with the appraisal services you seek from us. We do not disclose nonpublic personal information about clients or former clients except as required or permitted by law.

**Who we share the information with:** Unless you tell us not to, we may disclose nonpublic personal information about you to the following types of third parties:

- Financial service providers, such as banks and lending institutions.
- Non-financial companies.

### **(AS REQUIRED BY THE APPRAISAL INSTITUTE)**

I certify that, to the best of my knowledge and belief, the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

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

As of the date of this report, I Paul J. Piekos have completed the requirements of the continuing education program of the Appraisal Institute.

## Additional Addendum

File No. DEMO URAR UAD

|                  |                     |        |        |       |    |          |       |
|------------------|---------------------|--------|--------|-------|----|----------|-------|
| Client           | XYZ Financial Inc.  |        |        |       |    |          |       |
| Property Address | 1757 Citadel Street |        |        |       |    |          |       |
| City             | Anywhere            | County | DuPage | State | IL | Zip Code | 605XX |
| Borrower         | Buyn, Ima           |        |        |       |    |          |       |

• **URAR : Neighborhood Market Conditions**

According to the local MRED MLS, housing values have declined 5% within the past twelve months. Foreclosures continue to exert downward pressure on prices and this will continue until the market clears of these distressed properties. Properties usually sell within 95% of the list price. A lack of consumer confidence, a current unemployment rate of around 9% in Illinois and the current recession or lack of a recovery are all factors. The demand for housing in the subject neighborhood is consistent with the rest of nearby competing areas, with a historical marketing time of under 180 days, which has since increased to an average of 245 days for active listings. Currently there is an over supply of competitive listings similar to the subject within the subject's marketplace. REO properties, foreclosures and short sales are present. Financing is readily available at current market rates. The principal method of financing is through the conventional process with no seller assistance.

• **URAR : Subject - Overall Condition of the Property**

Remodeled Kitchen has maple cabinets, laminate counter tops and newer appliances. Bathrooms have new vanities with granite tops, new fixtures and ceramic tile floors. Newer roof, siding, windows, furnace, central air conditioner and water heater. New interior colonist six panel doors. Subject property is in good condition, exhibiting minimal physical deterioration. Improvements are of average to good quality construction. Floor plan is acceptable and considered typical for this style home in this area. No functional inadequacies or external obsolescence was observed. Marketability of the property is good.

• **URAR : Sales Comparison Comments**

Comps #1-4 are closed sales; Comps #5 & 6 are active listings. All comps except for #3 are located in University Heights. Comp #3 was included because it is a recent sale that lacks a basement, like the subject. Comp #4 is an older sale over 6 months that was included also because it lacks a basement. There have been no sales of homes without basements in the past 6 months in University Heights. Comp #6 is the same model home as the subject with a full, finished basement. The closed sales were adjusted for time at an annual rate of -5% (or -0.41% per month) from the date of contract. The active listings were adjusted -5% for the typical list-to-sell (LTS) ratio. Comp #3 had a seller concession. Comps #2 & 5 have a superior culdesac location. Comp #3 has an inferior location corner location that is at the entrance of it's subdivision and backs to Naper Blvd., a busy four lane road. Site area was adjusted @ \$1 per sq.ft. No adjustment was made for age. Comp #3 is in lesser condition in that it lacks a newer roof and siding; all other comps have these features along with the subject. Size was adjusted @ \$40 per sq.ft. Basement area was adjusted @ \$20 per sq.ft. Comps #2 & 6 were adjusted for finished basements. Comps #3 & 6 lack the new windows. Comps #5 & 6 have a fenced yard. Comps #1, 2 & 5 have a fireplace. Comps #4 & 6 have similar modernization to the subject; all others were adjusted for partial modernization. Due to the current market conditions, most weight was given to the lower end of the indicated value range for the subject property. While Comp #3's proximity may appear excessive, it was included because it is a recent sale that lacks a basement, like the subject. While Comp #4 is over 6 months old, it was used because it lacks a basement. There have been no sales of homes without basements in the past 6 months in University Heights. While some adjustments may exceed guidelines, this can be attributed to current market conditions and the physical characteristics of the properties.

## UNIFORM APPRAISAL DATASET (UAD) DEFINITIONS ADDENDUM

(Source: Fannie Mae UAD Appendix D: UAD Field-Specific Standardization Requirements)

### Condition Ratings and Definitions

#### C1

The improvements have been very recently constructed and have not previously been occupied. The entire structure and all components are new and the dwelling features no physical depreciation.\*

*\*Note: Newly constructed improvements that feature recycled materials and/or components can be considered new dwellings provided that the dwelling is placed on a 100% new foundation and the recycled materials and the recycled components have been rehabilitated/re-manufactured into like-new condition. Recently constructed improvements that have not been previously occupied are not considered "new" if they have any significant physical depreciation (i.e., newly constructed dwellings that have been vacant for an extended period of time without adequate maintenance or upkeep).*

#### C2

The improvements feature no deferred maintenance, little or no physical depreciation, and require no repairs. Virtually all building components are new or have been recently repaired, refinished, or rehabilitated. All outdated components and finishes have been updated and/or replaced with components that meet current standards. Dwellings in this category either are almost new or have been recently completely renovated and are similar in condition to new construction.

#### C3

The improvements are well maintained and feature limited physical depreciation due to normal wear and tear. Some components, but not every major building component, may be updated or recently rehabilitated. The structure has been well maintained.

#### C4

The improvements feature some minor deferred maintenance and physical deterioration due to normal wear and tear. The dwelling has been adequately maintained and requires only minimal repairs to building components/mechanical systems and cosmetic repairs. All major building components have been adequately maintained and are functionally adequate.

#### C5

The improvements feature obvious deferred maintenance and are in need of some significant repairs. Some building components need repairs, rehabilitation, or updating. The functional utility and overall livability is somewhat diminished due to condition, but the dwelling remains useable and functional as a residence.

#### C6

The improvements have substantial damage or deferred maintenance with deficiencies or defects that are severe enough to affect the safety, soundness, or structural integrity of the improvements. The improvements are in need of substantial repairs and rehabilitation, including many or most major components.

### Quality Ratings and Definitions

#### Q1

Dwellings with this quality rating are usually unique structures that are individually designed by an architect for a specified user. Such residences typically are constructed from detailed architectural plans and specifications and feature an exceptionally high level of workmanship and exceptionally high-grade materials throughout the interior and exterior of the structure. The design features exceptionally high-quality exterior refinements and ornamentation, and exceptionally high-quality interior refinements. The workmanship, materials, and finishes throughout the dwelling are of exceptionally high quality.

#### Q2

Dwellings with this quality rating are often custom designed for construction on an individual property owner's site. However, dwellings in this quality grade are also found in high-quality tract developments featuring residence constructed from individual plans or from highly modified or upgraded plans. The design features detailed, high quality exterior ornamentation, high-quality interior refinements, and detail. The workmanship, materials, and finishes throughout the dwelling are generally of high or very high quality.

#### Q3

Dwellings with this quality rating are residences of higher quality built from individual or readily available designer plans in above-standard residential tract developments or on an individual property owner's site. The design includes significant exterior ornamentation and interiors that are well finished. The workmanship exceeds acceptable standards and many materials and finishes throughout the dwelling have been upgraded from "stock" standards.

#### Q4

Dwellings with this quality rating meet or exceed the requirements of applicable building codes. Standard or modified standard building plans are utilized and the design includes adequate fenestration and some exterior ornamentation and interior refinements. Materials, workmanship, finish, and equipment are of stock or builder grade and may feature some upgrades.

# UNIFORM APPRAISAL DATASET (UAD) DEFINITIONS ADDENDUM

(Source: Fannie Mae UAD Appendix D: UAD Field-Specific Standardization Requirements)

## Quality Ratings and Definitions (continued)

### Q5

Dwellings with this quality rating feature economy of construction and basic functionality as main considerations. Such dwellings feature a plain design using readily available or basic floor plans featuring minimal fenestration and basic finishes with minimal exterior ornamentation and limited interior detail. These dwellings meet minimum building codes and are constructed with inexpensive, stock materials with limited refinements and upgrades.

### Q6

Dwellings with this quality rating are of basic quality and lower cost; some may not be suitable for year-round occupancy. Such dwellings are often built with simple plans or without plans, often utilizing the lowest quality building materials. Such dwellings are often built or expanded by persons who are professionally unskilled or possess only minimal construction skills. Electrical, plumbing, and other mechanical systems and equipment may be minimal or non-existent. Older dwellings may feature one or more substandard or non-conforming additions to the original structure

## Definitions of Not Updated, Updated, and Remodeled

### Not Updated

**Little or no updating or modernization. This description includes, but is not limited to, new homes.**

Residential properties of fifteen years of age or less often reflect an original condition with no updating, if no major components have been replaced or updated. Those over fifteen years of age are also considered not updated if the appliances, fixtures, and finishes are predominantly dated. An area that is 'Not Updated' may still be well maintained and fully functional, and this rating does not necessarily imply deferred maintenance or physical/functional deterioration.

### Updated

**The area of the home has been modified to meet current market expectations. These modifications are limited in terms of both scope and cost.**

An updated area of the home should have an improved look and feel, or functional utility. Changes that constitute updates include refurbishment and/or replacing components to meet existing market expectations. Updates do not include significant alterations to the existing structure.

### Remodeled

**Significant finish and/or structural changes have been made that increase utility and appeal through complete replacement and/or expansion.**

A remodeled area reflects fundamental changes that include multiple alterations. These alterations may include some or all of the following: replacement of a major component (cabinet(s), bathtub, or bathroom tile), relocation of plumbing/gas fixtures/appliances, significant structural alterations (relocating walls, and/or the addition of) square footage). This would include a complete gutting and rebuild.

## Explanation of Bathroom Count

Three-quarter baths are counted as a full bath in all cases. Quarter baths (baths that feature only a toilet) are not included in the bathroom count. The number of full and half baths is reported by separating the two values using a period, where the full bath count is represented to the left of the period and the half bath count is represented to the right of the period.

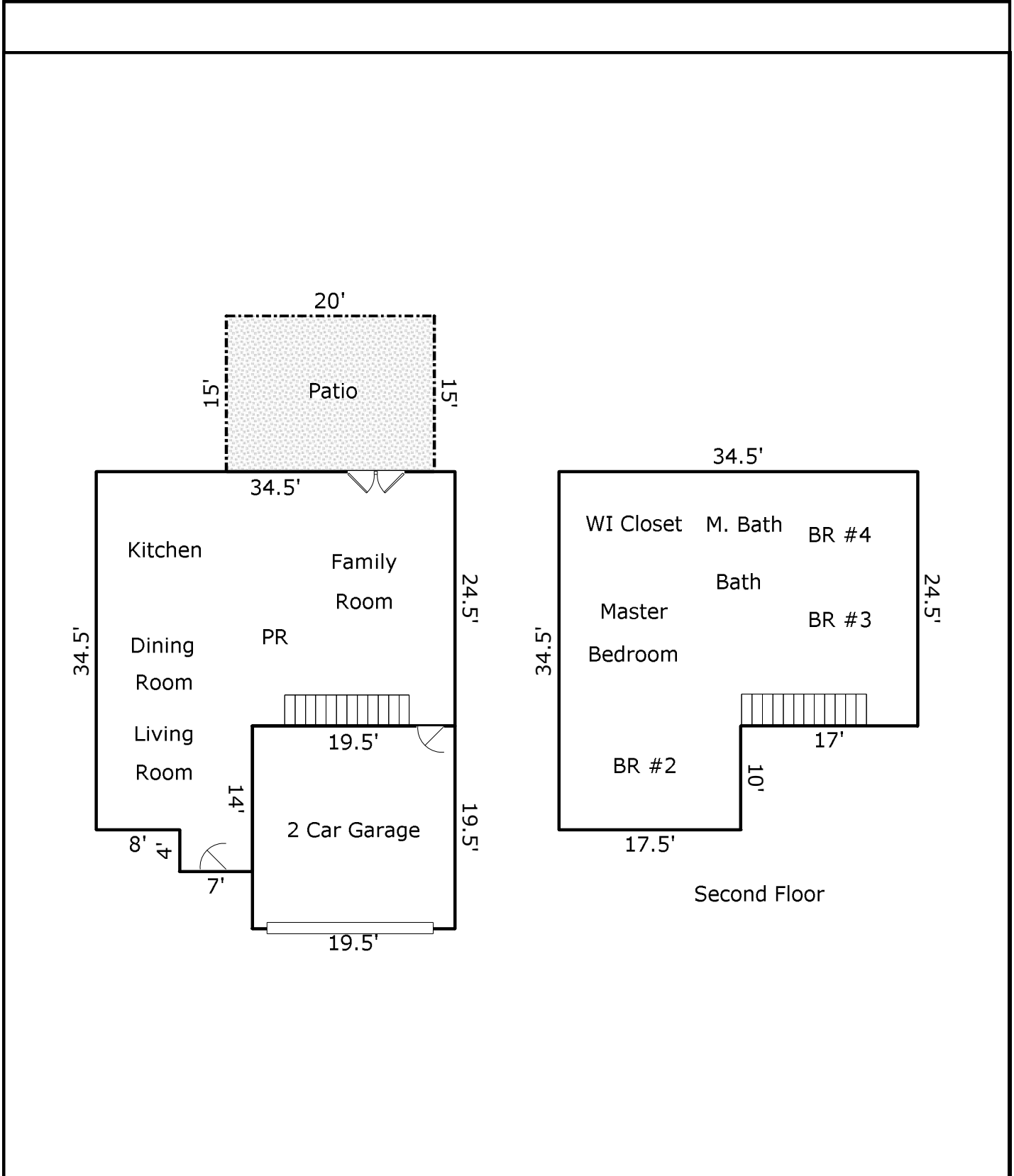
### Example:

3.2 indicates three full baths and two half baths.



## Building Sketch

|                  |                     |        |        |       |    |          |       |
|------------------|---------------------|--------|--------|-------|----|----------|-------|
| Client           | XYZ Financial Inc.  |        |        |       |    |          |       |
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| Borrower         | Buyn, Ima           |        |        |       |    |          |       |



DaVinci by a la mode, inc.

### Area Calculations Summary

| Living Area                         | Calculation Details |  |
|-------------------------------------|---------------------|--|
| First Floor                         | 1023.3 Sq ft        | $24.5 \times 19.5 = 477.75$<br>$7 \times 4 = 28$<br>$15 \times 34.5 = 517.5$ |
| Second Floor                        | 1020.3 Sq ft        | $34.5 \times 24.5 = 845.25$<br>$10 \times 17.5 = 175$                        |
| <b>Total Living Area (Rounded):</b> | <b>2044 Sq ft</b>   |  |
| Non-living Area                     |                     |  |
| 2 Car Garage                        | 380.3 Sq ft         | $19.5 \times 19.5 = 380.25$  |
| Patio                               | 300 Sq ft           | $20 \times 15 = 300$   |

## Subject Photo Page

|                  |                     |        |        |       |    |          |       |
|------------------|---------------------|--------|--------|-------|----|----------|-------|
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### Subject Front

1757 Citadel Street

GLA 2,044  
Total Rooms 8  
Total Bedrms 4  
Total Bathrms 2.1  
Location N;Res;  
View N;Res;  
Site 10,226 sf  
Quality Q4  
Age 28



### Subject Rear



### Subject Street

## Interior Photos

|                  |                     |        |        |       |    |          |       |
|------------------|---------------------|--------|--------|-------|----|----------|-------|
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| Borrower         | Buyn, Ima           |        |        |       |    |          |       |

No Photo Available



**Due to privacy concerns,  
no interior photos are displayed.**

No Photo Available



**Interior photos included would be pictures  
of the main living area, the kitchen  
and all bathrooms.**

No Photo Available



No Photo Available



No Photo Available



No Photo Available



## Comparable Photo Page

|                  |                     |               |          |                |
|------------------|---------------------|---------------|----------|----------------|
| Client           | XYZ Financial Inc.  |               |          |                |
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### Comparable 1

1544 Tulane Dr  
 Proximity 0.42 miles N  
 Sale Price 295,000  
 GLA 2,097  
 Total Rooms 8  
 Total Bedrms 4  
 Total Bathrms 2.1  
 Location N;Res;  
 View N;Res;  
 Site 8,900 sf  
 Quality Q4  
 Age 31



### Comparable 2

1961 Rollins Ct  
 Proximity 0.52 miles SW  
 Sale Price 315,000  
 GLA 1,584  
 Total Rooms 8  
 Total Bedrms 4  
 Total Bathrms 2.1  
 Location B;Culdesac;  
 View N;Res;  
 Site 19,564 sf  
 Quality Q4  
 Age 26



### Comparable 3

901 Hyde Park Ln  
 Proximity 1.08 miles NW  
 Sale Price 233,000  
 GLA 1,900  
 Total Rooms 8  
 Total Bedrms 4  
 Total Bathrms 2.1  
 Location A;BsyRd;  
 View N;Res;  
 Site 10,162 sf  
 Quality Q4  
 Age 25

## Comparable Photo Page

|                  |                     |               |          |                |
|------------------|---------------------|---------------|----------|----------------|
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| Borrower         | Buyn, Ima           |               |          |                |



### Comparable 4

1301 Knoll Dr  
 Proximity 0.44 miles W  
 Sale Price 289,900  
 GLA 1,628  
 Total Rooms 8  
 Total Bedrms 4  
 Total Bathrms 2.1  
 Location N;Res;  
 View N;Res;  
 Site 8,640 sf  
 Quality Q4  
 Age 27



### Comparable 5

1745 Tufts Ct  
 Proximity 0.14 miles W  
 Sale Price 325,000  
 GLA 2,370  
 Total Rooms 8  
 Total Bedrms 4  
 Total Bathrms 2.1  
 Location B;Culdesac;  
 View N;Res;  
 Site 15,608 sf  
 Quality Q4  
 Age 28



### Comparable 6

1772 Villanova Dr  
 Proximity 0.24 miles W  
 Sale Price 339,900  
 GLA 2,098  
 Total Rooms 8  
 Total Bedrms 4  
 Total Bathrms 2.1  
 Location N;Res;  
 View N;Res;  
 Site 8,424 sf  
 Quality Q4  
 Age 28

## Location Map

|                  |                     |        |        |       |    |          |       |
|------------------|---------------------|--------|--------|-------|----|----------|-------|
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