

Uniform Residential Appraisal Report

28-28-X-XXXXXXX
File # DemoVA

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 44 Main Street City Anytown State IL Zip Code 600XX
 Borrower Owners, Homer Owner of Public Record Owners, Homer County Cook
 Legal Description Lot 30X in Cambridge Countryside Unit X
 Assessor's Parcel # 03-09-113-XXX Tax Year 200X R.E. Taxes \$ 4,307.00
 Neighborhood Name Cambridge Map Reference 17W-18N Census Tract 8025.03
 Occupant Owner Tenant Vacant Special Assessments \$ N/A PUD HOA \$ N/A per year per month
 Property Rights Appraised Fee Simple Leasehold Other (describe)
 Assignment Type Purchase Transaction Refinance Transaction Other (describe)
 Lender/Client Department of Veteran Affairs Address Intended User - Any VA approved lender
 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).

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 \$ Refinance 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 checked="" type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining | PRICE | AGE | One-Unit | | | 80 % | | |
| Built-Up <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25% | Demand/Supply <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply | \$ (000) | (yrs) | 2-4 Unit | | | 5 % | | |
| Growth <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow | Marketing Time <input checked="" type="checkbox"/> Under 3 mths <input type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths | 245 | Low 0 | Multi-Family | | | 5 % | | |
| Neighborhood Boundaries Predominantly single family detached housing. Boundaries are Dundee Road north, Schoenbeck Road east, Hintz Road south, Buffalo Grove Road west. | | 995 | High 50 | Commercial | | | 5 % | | |
| Neighborhood Description See attached addenda. | | 411 | Pred. 35 | Other | | | 5 % | | |

Market Conditions (including support for the above conclusions) See attached addenda.

SITE

Dimensions 65 x 120 Area 7,800 Sq.Ft. Shape Rectangular View Residential
 Specific Zoning Classification R5A Zoning Description One Family Dwelling District
 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 # 17031C0064F FEMA Map Date 11/6/2000
 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 type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space | Foundation Walls | Concrete/Average | Floors | Carpet/HW/Tile/Avg. |
| # of Stories 1.5 | <input type="checkbox"/> Full Basement <input checked="" type="checkbox"/> Partial Basement | Exterior Walls | Vinyl-Brick/Good | Walls | Drywall/Good |
| Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit | Basement Area 624 sq.ft. | Roof Surface | Asph. Shingle/Good | Trim/Finish | Softwd/Stained/Avg. |
| <input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const. | Basement Finish 100 % | Gutters & Downspouts | Aluminum/Average | Bath Floor | Ceramic Tile/Avg. |
| Design (Style) Split Level | <input checked="" type="checkbox"/> Outside Entry/Exit <input checked="" type="checkbox"/> Sump Pump | Window Type | Vinyl Clad/Good | Bath Wainscot | Ceramic Tile/Avg. |
| Year Built 1968 | Evidence of <input type="checkbox"/> Infestation | Storm Sash/Insulated | Vinyl/Good | Car Storage | <input type="checkbox"/> None |
| Effective Age (Yrs) 15 | <input type="checkbox"/> Dampness <input type="checkbox"/> Settlement | Screens | Vinyl/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) # | Driveway Surface | Concrete |
| <input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs | <input type="checkbox"/> Other Fuel Gas | <input checked="" type="checkbox"/> Fireplace(s) # 1 | <input checked="" type="checkbox"/> Fence Wood | <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 Wood | <input checked="" type="checkbox"/> Porch Open | <input type="checkbox"/> Carport | # of Cars |
| <input type="checkbox"/> Finished <input type="checkbox"/> Heated | <input type="checkbox"/> Individual <input type="checkbox"/> Other | <input type="checkbox"/> Pool | <input type="checkbox"/> Other | <input checked="" type="checkbox"/> Att. | <input type="checkbox"/> Det. <input type="checkbox"/> Built-in |

Appliances Refrigerator Range/Oven Dishwasher Disposal Microwave Washer/Dryer Other (describe)
 Finished area above grade contains: 6 Rooms 3 Bedrooms 1 Bath(s) 1,324 Square Feet of Gross Living Area Above Grade
 Additional features (special energy efficient items, etc.). New roof, sewer line, drain tile, fence and driveway. Nrewindows and siding in 2001. Updated Kitchen with refinished cabinets, formica counter tops and ceramic tile floor. Remodeled basement bathroom and rec room. New carpet in RR.
 Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). Subject property is in good condition, exhibiting minimal physical deterioration. Improvements are of 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. See attached Minimum Property Requirements Repair Addendum.
 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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There are **8** comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ **344,900** to \$ **454,900**.
 There are **14** comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ **336,900** to \$ **435,000**.

| FEATURE | SUBJECT | COMPARABLE SALE # 1 | | COMPARABLE SALE # 2 | | COMPARABLE SALE # 3 | |
|---------------------------------------|-------------------------------------|---|--------------------|--------------------------------------|--------------------|---------------------------------------|--------------------|
| Address | 44 Main Street Anytown, IL 600XX | 212 University Drive Anytown, IL 600XX | | 75 Downing Road Anytown, IL 600XX | | 232 Anthony Road Anytown, IL 600XX | |
| Proximity to Subject | | 0.18 miles | | 0.07 miles | | 0.22 miles | |
| Sale Price | \$ Refinance | \$ 355,000 | | \$ 396,000 | | \$ 360,000 | |
| Sale Price/Gross Liv. Area | \$ sq.ft. | \$ 260.65 sq.ft. | | \$ 290.75 sq.ft. | | \$ 274.18 sq.ft. | |
| Data Source(s) | | MLSNI | | MLSNI | | MLSNI | |
| Verification Source(s) | | Cook County Assessor | | Cook County Assessor | | Cook County Assessor | |
| VALUE ADJUSTMENTS | DESCRIPTION | DESCRIPTION | +(-) \$ Adjustment | DESCRIPTION | +(-) \$ Adjustment | DESCRIPTION | +(-) \$ Adjustment |
| Sales or Financing Concessions | | Conventional None reported | | Conventional None reported | | Conventional None reported | |
| Date of Sale/Time | | 10/05 | | 07/05 | | 08/05 | |
| Location | Average | Average | | Average | | Average | |
| Leasehold/Fee Simple | Fee Simple | Fee Simple | | Fee Simple | | Fee Simple | |
| Site | 7,800 Sq.Ft. | 7,888 Sq.Ft. | | 9,480 Sq.Ft. | | 7,786 Sq.Ft. | |
| View | Residential | Residential | | Residential | | Residential | |
| Design (Style) | Split Level | Split Level | | Split Level | | Split Level | |
| Quality of Construction | Vinyl/Brick | AVS/Brick | | Frame/Brick | | Frame/Brick | |
| Actual Age | 37 | 37 | | 36 | | 36 | |
| Condition | Good | Good | | Good | | Good | |
| Above Grade Room Count | Total Bdrms. Baths | Total Bdrms. Baths | | Total Bdrms. Baths | | Total Bdrms. Baths | |
| | 6 3 1 | 6 3 1 | | 6 3 1 | | 6 3 1 | |
| Gross Living Area | 1,324 sq.ft. | 1,362 sq.ft. | | 1,362 sq.ft. | | 1,313 sq.ft. | |
| Basement & Finished Rooms Below Grade | Partial RR/Den/1 Bath | Partial RR/Den/1 Bath | | Partial w/sub 3 Rooms/1 Bath | | Partial RR/Den/1 Bath | |
| Functional Utility | Average | Average | | Average | | Average | |
| Heating/Cooling | GFWA/CAC | GFWA/CAC | | GFWA/CAC | | GFWA/CAC | |
| Energy Efficient Items | Average | Average | | Average | | Average | |
| Garage/Carport | 2 Car Garage | 2 Car Garage | | 2 Car Garage | | 2 Car Garage | |
| Porch/Patio/Deck | Deck, Fence | Deck, None | | Patio, Fence | | Patio, Fence | |
| Fireplace(s) | 1 Fireplace | 1 Fireplace | | 1 Fireplace | | None | |
| | | | | | | | |
| Net Adjustment (Total) | | ⊗ + □ - \$ 2,000 | | □ + ⊗ - \$ 20,000 | | ⊗ + □ - \$ 2,500 | |
| Adjusted Sale Price of Comparables | | Net 0.6 % Gross 0.6 % \$ 357,000 | | Net 5.1 % Gross 5.1 % \$ 376,000 | | Net 0.7 % Gross 0.7 % \$ 362,500 | |

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) **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) **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 | N/A | N/A | N/A | N/A |
| Price of Prior Sale/Transfer | | | | |
| Data Source(s) | | | | |
| Effective Date of Data Source(s) | | | | |

Analysis of prior sale or transfer history of the subject property and comparable sales **There is no sales history or transfers of the subject property within three years prior to the effective date of this appraisal. 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 **All comps are recent sales of similar style homes located in the subject subdivision. Comps #1 & 2 are similar model homes to the subject. Comp #2 has a sub basement, which is finished. Lot size is not a factor of value. No adjustment was made for difference in exterior construction. All comps are similar in age and condition to the subject property. All comps are similar in size and utility to the subject property. Comp #1 lacks the fenced yard, Comp #3 lacks the fireplace. Most weight was given to Comps #1 & 2, which fall into a close range of indicated value for the subject property.**

Indicated Value by Sales Comparison Approach \$ **362,500**

Indicated Value by: Sales Comparison Approach \$ 362,500 Cost Approach (if developed) \$ Not Dev Income Approach (if developed) \$ Not Dev

There is sufficient data to develop an indication of value by the sales comparison approach. Due to the age of the subject's improvement, development of the cost approach was found to be inapplicable for this assignment and was not used in this report. The income approach provides minimal applicability in the opinion of market value, was found to have insufficient data during research and was also not developed.

This appraisal is made "as is", subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair:

Based on a 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 \$ 362,500, as of 12/17/200X, which is the date of inspection and the effective date of this appraisal.

RECONCILIATION

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See attached addendum for additional certifications and other conditions.

ADDITIONAL COMMENTS

COST APPROACH

INCOME

PUD INFORMATION

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)

| | |
|--|---|
| ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW | OPINION OF SITE VALUE = \$ |
| Source of cost data | DWELLING Sq.Ft. @ \$ = \$ |
| Quality rating from cost service Effective date of cost data | Sq.Ft. @ \$ = \$ |
| Comments on Cost Approach (gross living area calculations, depreciation, etc.) | = \$ |
| Due to the age of the subject's improvement, development of the cost approach was found to be inapplicable to make a credible appraisal for this assignment and was not used in this report. | Garage/Carport Sq.Ft. @ \$ = \$ |
| | Total Estimate of Cost-New = \$ |
| | Less Physical Functional External |
| | Depreciation = \$() |
| | Depreciated Cost of Improvements = \$ |
| | "As-is" Value of Site Improvements = \$ |
| Estimated Remaining Economic Life (HUD and VA only) 40 Years | INDICATED VALUE BY COST APPROACH = \$ |

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$ N/A X Gross Rent Multiplier N/A = \$ N/A Indicated Value by Income Approach
Summary of Income Approach (including support for market rent and GRM) This type of property is predominantly owner-occupied. The income approach provides minimal applicability in the opinion of market value, was found to have insufficient data during research and was not developed.

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.

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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.

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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 #0XXX

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 12/17/200X
Effective Date of Appraisal 12/17/200X
State Certification # XXX.XXXXXXX
or State License # _____
or Other (describe) _____ State # _____
State IL
Expiration Date of Certification or License 9/30/2007

ADDRESS OF PROPERTY APPRAISED

44 Main Street
Anytown, IL 600XX

APPRAISED VALUE OF SUBJECT PROPERTY \$ 362,500

LENDER/CLIENT

Name Joe Blow
Company Name Department of Veteran Affairs
Company Address Intended User - Any VA approved lender

Email Address joeblow@getamortgage.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 _____

Additional Addendum

File No. DemoVA

| | | | |
|------------------|-------------------------------|----------|-------|
| Borrower/Client | Owners, Homer | | |
| Property Address | 44 Main Street | | |
| City | Anytown | County | Cook |
| State | IL | Zip Code | 600XX |
| Lender | Department of Veteran Affairs | | |

• **URAR : Neighborhood Market Factors**

Subject is located in a residential area that is a well planned subdivision. The area consists of semi-custom built one and two story homes of average to good 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. Area employment has been stable and employment opportunities are present.

• **URAR : Neighborhood Market Conditions**

According to the local MLS, property values have appreciated 8% in the subjects' market in the past 12 months. Properties usually sell within 97% of the list price. The demand for housing in the subject neighborhood is consistent with the rest of nearby competing areas, with a typical marketing time of under 90 days. Financing is readily available at current market rates. The principal method of financing is through the conventional process with no seller assistance.

ADDITIONAL CERTIFICATIONS AND OTHER CONDITIONS

The purpose of this appraisal is to determine market value for mortgage insurance purposes. Use of this appraisal is to support VA's decision to provide mortgage insurance on the real property that is the subject of the appraisal.

PURPOSE, FUNCTION AND THE INTENDED USE OF THE APPRAISAL

This report was prepared for and intended for the sole use of The Department of Veterans Affairs and any VA approved lender (the client and mortgagee as the intended users) for the intended use for residential loan purposes for a VA insured mortgage only, and is not intended for use by any other party or for any other purpose.

The proposed use of the subject property as of the date of value is residential, which is the same as the appraiser's opinion of the highest and best use of the real estate being appraised.

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

Appraisals are not home inspections.

The physical condition of existing building improvements is examined at the time of appraisal to determine whether repairs alterations or additions are necessary. Required repairs will be limited to preserve the continued marketability of the property (Saleability), protect the health and safety of the occupants (Safety) and protect the security of the property (Security). For your protection: get a home inspection. It is not within the scope of the appraisal to test appliances, including stoves, refrigerators, freezers, dishwashers, disposals, microwave ovens, washer and dryers, and window or sleeve air conditioning units. It also is not intended to include any building component that is not readily observable by the appraiser at the time of inspection.

Questions concerning VA guidelines, repairs, appraisals, etc.? Contact the Department of Veterans Affairs at **1-800-827-0611**, or visit the VA on the Internet at: <http://www.homeloans.va.gov/veteran.htm>

The State of Illinois Residential Property Disclosure Act (Public Act 88-111) obligates the seller of the subject property to provide a disclosure report before or at the time of written agreement to the prospective buyer of actual or known material defects of the property that would have a substantial adverse effect on value or significantly impair the health or safety of future occupants unless the seller reasonably believes that the condition has been corrected. The appraiser is not obligated to receive a disclosure report from any of the interested parties in this transaction. Therefore, the appraiser will not be responsible for any defects, admitted or concealed on the disclosure report and will assume no liability for any adverse conditions that they may create.

As of the date of this report, the appraiser was not supplied with the legal description of the subject property, and the sales contract, in accordance with VA and USPAP requirements. In addition, if a home inspection report was performed on the subject property, it was also not made available to the appraiser.

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

Additional Addendum

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|------------------|-------------------------------|--------|------|-------|----|----------|-------|
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| Property Address | 44 Main Street | | | | | | |
| City | Anytown | County | Cook | State | IL | Zip Code | 600XX |
| Lender | Department of Veteran Affairs | | | | | | |

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.

This report is computer generated. An electronic (digital) signature may have also been used in this report. If so, precautions have been made through software encryption to protect the integrity of the appraiser(s) signature, which securely authorizes the utilization of the electronic signature. Electronically affixing a signature to the report carries the same level of authenticity and responsibility as an ink signature on a paper copy report.

This appraisal report may have been electronically transmitted. If so, through software encryption, the appraiser has taken reasonable steps to protect the data integrity of the transmitted report.

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 examine the physical condition of existing building improvements to determine whether repairs, alterations or additions are necessary and report these findings in the appraisal report as described in VA Pamphlet 26-7 Revised January 1, 2001 and Circular 26-05-01 dated May 17, 2005.

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.

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.

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.

Additional Addendum

File No. DemoVA

| | | | |
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| Borrower/Client Owners, Homer | | | |
| Property Address 44 Main Street | | | |
| City Anytown | County Cook | State IL | Zip Code 600XX |
| Lender Department of Veteran Affairs | | | |

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.

DEPARTMENT OF VETERAN AFFAIRS REQUIRED CERTIFICATIONS:

I have considered relevant competitive listings/contract offerings in performing this appraisal, and any trend indicated by that data is supported by the listing/offering information included in this report.

(AS REQUIRED BY THE APPRAISAL INSTITUTE)

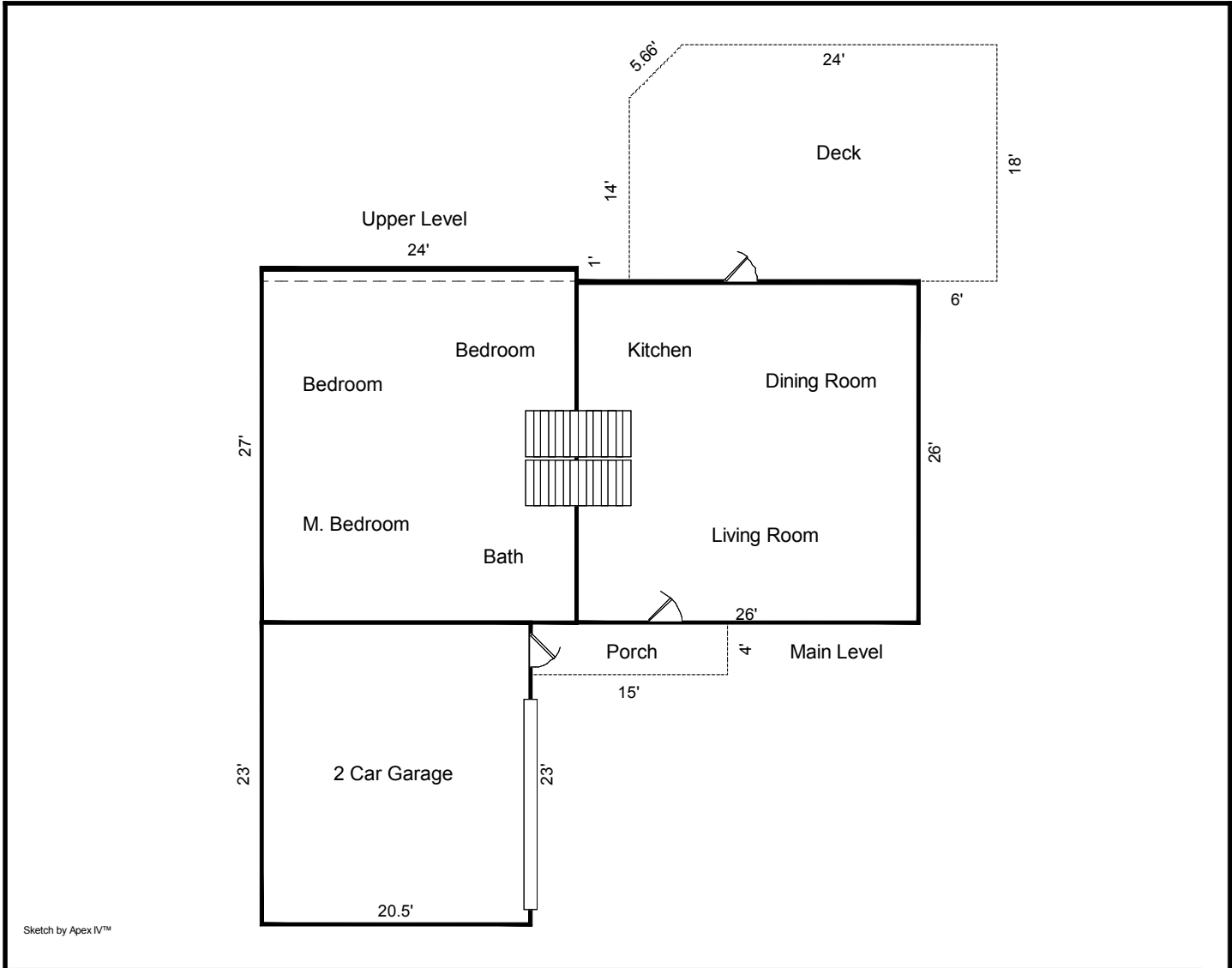
I certify that, to the best of my knowledge and belief, the reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

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.

Building Sketch (Page - 1)

| | | | |
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| Borrower/Client Owners, Homer | | | |
| Property Address 44 Main Street | | | |
| City Anytown | County Cook | State IL | Zip Code 600XX |
| Lender Department of Veteran Affairs | | | |



Sketch by Apex IV™

Comments:

| AREA CALCULATIONS SUMMARY | | | |
|---------------------------|--------------|-------------|------------|
| Code | Description | Net Size | Net Totals |
| GLA1 | First Floor | 676.00 | 676.00 |
| GLA2 | Second Floor | 648.00 | 648.00 |
| BSMT | Basement | 624.00 | 624.00 |
| P/P | Porch | 60.00 | |
| | Deck | 496.00 | 556.00 |
| GAR | Garage | 471.50 | 471.50 |
| Net LIVABLE Area | | (Rounded) | 1324 |

| LIVING AREA BREAKDOWN | | |
|-----------------------|-----------|-------------|
| Breakdown | Subtotals | |
| First Floor | | |
| 26.00 x 26.00 | | 676.00 |
| Second Floor | | |
| 1.00 x 24.00 | | 24.00 |
| 24.00 x 26.00 | | 624.00 |
| 3 Items | | (Rounded) |
| | | 1324 |

Subject Photo Page

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

44 Main Street
Sales Price: Refinance
Gross Living Area 1,324
Total Rooms 6
Total Bedrooms 3
Total Bathrooms 1
Location Average
View Residential
Site 7,800 Sq.Ft.
Quality Vinyl/Brick
Age 37



Subject Rear



Subject Street

Comparable Photo Page

| | | | |
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Comparable 1

212 University Drive
 Prox. to Subject 0.18 miles
 Sale Price 355,000
 Gross Living Area 1,362
 Total Rooms 6
 Total Bedrooms 3
 Total Bathrooms 1
 Location Average
 View Residential
 Site 7,888 Sq.Ft.
 Quality AVS/Brick
 Age 37



Comparable 2

75 Downing Road
 Prox. to Subject 0.07 miles
 Sale Price 396,000
 Gross Living Area 1,362
 Total Rooms 6
 Total Bedrooms 3
 Total Bathrooms 1
 Location Average
 View Residential
 Site 9,480 Sq.Ft.
 Quality Frame/Brick
 Age 36



Comparable 3

232 Anthony Road
 Prox. to Subject 0.22 miles
 Sale Price 360,000
 Gross Living Area 1,313
 Total Rooms 6
 Total Bedrooms 3
 Total Bathrooms 1
 Location Average
 View Residential
 Site 7,786 Sq.Ft.
 Quality Frame/Brick
 Age 36

Location Map

| | | | |
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