



EvaluatePro Real Estate Restricted Appraisal Report

EvaluatePro Highlights

Property Street: 1000 Main Street

City: Anytown

State: NC **Zip:** 12345

Property Owner: Mr. & Mrs. Property Owner

Estimated Market Value: \$838,000

Appraisal Preparation Date: 2/10/2014

Appraisal Effective Date: 2/10/2014

Client: James Lender - Brick & Mortar Bank

Appraiser: Mike Appraiser

Order #: 575131



Appraisal Criteria

Client James Lender - Brick & Mortar Bank

Intended User James Lender - Brick & Mortar Bank

Intended Use

The intended use of the appraisal is for collateral evaluation involving a financial institution.

Assignment Objective

To develop an opinion of Market Value, as defined by the financial institution regulatory guidelines.

Inspection

The appraiser performed an interior inspection of the property on 2/10/2014.

Effective Date of Appraisal 2/10/2014

Date Appraisal Prepared 2/10/2014

Real Property Interest Valued Fee Simple Estate

Value Sought Market Value

Report Type Restricted Appraisal Report

Geographic Area Data

State NC

County Anywhere

City/Community Anytown

Population Stable

Economic Conditions Neutral

Commentary

Recent past market indications suggest that the existing steep economic downturn and related financial tightening, has negatively effected the value of all residential type properties in the subjects area. The current market indications suggest that conditions have improved somewhat and the current market trend is neutral.

The subject is a custom-built large Sq. Ft. lakefront home. Large lakefront homes have seen a higher percentage drop in value then most other residential property types.



Property Data

Identification

Physical Address 1000 Main Street
Anytown, NC 12345

Legal Description Lot 2 Big Lake Subdivision

Acreage 0.9000

Improvement Status

The subject property is improved with a residential building containing 6,757 square feet.

Zoning

The use of the property is currently regulated by a local zoning ordinance. The zoning jurisdiction is Anywhere County, NC and the property is zoned R-20 - Residential.

Property Tax Assessment

Assessed Land Value \$165,240
Assessed Improvement Value \$751,823
Total Assessed Value \$917,063

Estimated Exposure Time 24 to 30 Months

Highest and Best Use

Current Use Improved residential
Highest and Best Use As Vacant For Residential Use
Highest and Best Use As Improved For Residential Use
Overall Highest and Best Use For Residential Use

Property Marketing Information

The property is not currently listed for sale.
The property is not currently under contract for sale.
The property has been sold within the past five years. The sales price was \$850,000.

Commentary

The Subject Property is a 0.900 +/- acre improved parcel located along Main Street. The subject has frontage along Big Lake. The subject has no excess land available for further development.

The Subject Property is improved with a large two story residential building of 6,757 heated Sq. Ft., with additional 2,426 Sq. Ft of heated finished basement area and related land Improvements.



Valuation Analysis

Professional appraisal practice necessitates the use of one or more approaches to value, which provide value indications used to develop a final value conclusion. These approaches include the Cost Approach, the Income Approach, and the Sales Comparison Approach. The approach or approaches to be used within this appraisal are determined by the appraiser based upon the characteristics of the property. The appraiser has determined that the following approaches to value will be used to develop the value conclusion for this appraisal: Cost Approach and Sales Comparison Approach.

Cost Approach

In order to develop a value conclusion via the cost approach first a site value will be developed using comparable sales. Next, the cost of the improvements will be estimated and depreciation will be deducted providing a contributory value of the improvements. Finally, an amount will be estimated representing reasonable entrepreneurial profit necessary to entice an investor to develop the property. These components will be combined to represent the value indication from the cost approach.

Site

The comparable sales below of similar sites are expressed in acreage units.

Comparable	1	2	3
Address/Identification	690 Main Street Anytown, NC 27282 Per MLS # 111117 Bob Broker 555-1212	6850 Oak Street Anytown, NC 27282 Per MLS # 22225 Sally Broker 555-2345	450 Harbor Street Anytown, NC 27282 Per MLS # 12564 Jill Broker 555-2222
Date of Sale	08/14/2013	06/04/2013	01/15/2014
Area in Acres	0.7500	0.9000	1.2000
Sales Price of Parcel	\$148,000	\$165,000	\$250,000
Sales Price Per Acre	\$197,333	\$183,333	\$208,333
Value Relationships	Description	Description	Description
Utility/Usability	Equal	Equal	Equal
Market Conditions	Equal	Equal	Equal
Location	Inferior	Inferior	Equal
Size	Equal	Equal	Superior
Water/Sewer	Equal	Equal	Equal
Lakefront	Equal	Inferior	Equal
Adjustment %	5%	10%	-5%
Adjusted Unit Value	\$207,200	\$201,666	\$197,916

Unit Value \$200,000 x Subject Acreage 0.9000 = Estimated Site Value \$180,000



Improvements

Primary Structure	Square Feet	Unit Cost	Total Cost	Depreciation Percent	Depreciated Value
Finished Area	6,757	\$95	\$641,915	20%	\$513,532
Basement	2,426	\$50	\$121,300	20%	\$97,040
Porches/Decks	650	\$35	\$22,750	20%	\$18,200
Garage(s)	850	\$35	\$29,750	20%	\$23,800
Total			\$815,715		\$652,572
Accessory Structures (lump sum)			\$0	0%	\$0
Total Structures			\$815,715		\$652,572
Site Improvements					
Drive and Parking			\$6,500		
Sidewalks			\$2,250		
Total			\$8,750		\$8,750
Total Improvements			\$824,465		\$661,322
Estimated Site Value					\$180,000
Total Site and Improvements					\$841,322
Entrepreneurial Incentive		Percentage Estimate	10%		\$84,132
Property Value Indication via Cost Approach					\$925,454

Commentary

Land Value

Sales Comparable One is a recent sale of nearby vacant land. It's current use is vacant land. Sales Comparable Two is a recent sale of nearby vacant land. It's current use is improved residential. Sales Comparable Two is a recent sale of nearby vacant land. It's current use is vacant land.

Mean adjusted value of all three sales is: $(\$207,200 + \$201,666 + \$197,916) \div 3 = \$202,261$ or \$200,000(rounded) per acre.

It is the opinion of the appraiser, that no single comparable most like the subject. Therefore, the mean value is given weight.



Sales Comparison Approach

In order to develop a value indication via the Sales Comparison Approach the appraiser has located three comparable sales demonstrating similarities to the subject property. These properties are listed below in summary format, a unit sales price has been determined, it has further been adjusted and a final value indicator has been selected based upon these sales.

The unit of comparison is Square Feet.

Comparable	1	2	3
Address	890 Main Street Anytown, NC 27282 Per MLS # 23456 Bob Broker 555-1212	9428 Oak Street Anytown, NC 27282 Per MLS # 56789 Sally Broker 555-2345	377 Harbor Street Anytown, NC 27282 Per MLS # 17589 Jill Broker 555-2222
Date of Sale	09/16/2013	09/26/2013	01/27/2014
Area in Square Feet	5,748	6,250	6,950
Sales Price	\$800,000	\$815,000	\$900,000
Price Per Unit	\$139	\$130	\$129
<u>Value Relationships</u>	<u>Description</u>	<u>Description</u>	<u>Description</u>
Market Conditions	Equal	Equal	Equal
Location	Equal	Inferior	Equal
Age & Condition	Equal	Superior	Equal
Size	Inferior	Equal	Superior
Site	Superior	Superior	Equal
Finished Basement	Equal	Inferior	Equal
<u>Adjustment %</u>	<u>-10%</u>	<u>-5%</u>	<u>-5%</u>
Adjusted Unit Value	\$125	\$124	\$123

Selected Unit Value \$124 x Area 6,757 Square Feet = Value Indication \$837,868

Commentary

Sales Comparable One, Two and Three are recent sales of nearby improved single-family residential property.

Mean adjusted heated Sq. Ft. value of all three sales is: $(\$125 + \$124 + \$123) \div 3 = \124.00 per Sq. Ft.

It is the opinion of the appraiser, that Sales Comparable Two is most like the subject, has an adjusted unit value near the mean value of all three sales and is therefore, given weight. All other comparables are in support.



Valuation Analysis Conclusion

The estimated Market Value of the subject property in the opinion of the appraiser is \$838,000.

Commentary

Before arriving at a final value conclusion, I reviewed the data and conclusions set forth:

Recent past market indications suggest that the existing steep economic downturn and related financial tightening, has negatively effected the value of all residential property types in the subjects area. The indications included increasing for sale listings, several properties sold in receivership or at auction and the anticipation of property values reaching a fraction of original development cost by the owners, builders and brokers of such property. The current market indications have somewhat improved.

The Income Approach was not developed for this appraisal. The Cost Approach indicated a value of \$925,454 for the Subject Property. The Sales Comparison Approach indicated a value of \$838,000 for the Subject Property.

It is the opinion of the appraiser that the Sales Comparison Approach is the best indication of the subject current market value and is therefore given weight. The Cost Approach is in support. Sales Comparison Approach \$838,000.

It should be noted that the above value excluded all furniture, fixtures and equipment used in the operation of the property and under the ownership of the property owner.

This is a Restricted Use Appraisal Report. In some cases the Appraisers opinions and conclusions set forth in the report may not be understood properly without additional information in the appraisers work file.



General Conditions

Assignment Conditions

Extraordinary Assumptions

1. It is assumed that no environmental contamination exists on the site.
2. It is assumed that the site contains at least the area of land that is stated in the report and that there are no other adverse encroachments, easements, or conditions that exist, except those stated in the appraisal.

Hypothetical Conditions

1. There is mineral rights connected with the Subject Property, but this appraisal assumes that no minerals exist on the property; therefore, the hypothetical condition that no minerals exist was utilized in formulating the opinion of value for the Subject Property.

Scope of Work

As a Restricted Appraisal Report, the scope of work varies from that of a non-restricted Appraisal Report, in that the reporting format is abbreviated, however the appraiser is required to perform all of the necessary research and analysis necessary to develop a creditable and Uniform Standards of Professional Appraisal Practice (USPAP) compliant appraisal of the subject property. In addition to the reporting format offered herein, the scope of work for this appraisal is defined by the complexity of this appraisal assignment including the following definition of market value, statement of assumptions and limiting conditions and certification. The appraiser at a minimum is required to perform a visual inspection of the subject property, inspect the geographic area where the property is located, research, verify and analyze meaningful and reliable market data collected from public and private sources to be used in the development of the appraisal, and to report his analysis, opinions, and conclusions in this appraisal report.

Definitions

Market Value

Market Value is defined by The Dictionary of Real Estate Appraisal as: The most probable price that the specified property interest should sell for in a competitive market after a reasonable exposure time, as of a specified date, in cash or in terms equivalent to cash, under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, for self interest and assuming that neither is under duress.

Fee Simple Estate

The Fees Simple Estate is defined by The Dictionary of Real Estate Appraisal as: Absolute ownership unencumbered by any other interest or estate, subject only to the governmental powers of taxation, eminent domain, police power, and escheat.

Cost Approach

The Cost Approach is defined by The Dictionary of Real Estate Appraisal as: A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.



Income Capitalization Approach

The Income Capitalization Approach is defined by The Dictionary of Real Estate Appraisal as: A set of procedures through which an appraiser derives a value indication for an Income producing property by converting its anticipated benefits (cash flows and reversion) into property value. The conversion can be accomplished in two ways. One years income expectancy can be capitalized at a market derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.

Sales Comparison Approach

The Sales Comparison Approach is defined by The Dictionary of Real Estate Appraisal as: The process of deriving a value indication for the subject property by comparing market information for similar properties with the property being appraised, identifying appropriate units of comparison, and making qualitative comparisons or qualitative adjustments to the sales prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison.

Assumptions and Limiting Conditions

1. The property description supplied to and used by the appraiser is assumed to be correct. Where property addresses and other incomplete descriptions were supplied and falling short of complete legal descriptions, the appraiser used property tax records, local property data services and other resources available to determine an adequate property description for purposes of performing the appraisal. Neither ELLIOTT & Company Appraisers nor the appraiser assumes responsibility for damages resulting from inadequate property descriptions provided by the client.
2. No survey of the property has been made or reviewed by the appraiser, and no responsibility is assumed in connection with such matters. Illustrative material, including photos, maps, plots, plans, utilized in this report are included only to assist the reader in visualizing the property. Property dimensions and sizes are considered to be approximate.
3. No responsibility is assumed for matters of a legal nature affecting title to the property, nor is any opinion of title rendered. Property titles are assumed to be good and merchantable unless otherwise stated.
4. Information furnished by others is believed to be true, correct, and reliable. However, no responsibility for its accuracy is assumed by the appraiser.
5. All mortgages, liens, leases, property tax obligations and servitudes have been disregarded unless so specified within the report. The property is assumed to be free of all encumbrances and under responsible, financially sound ownership and competent management.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render the property more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies which may be required to discover them.



7. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. However, the appraiser is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value conclusions in this report are predicated on the assumption that there is no such materials on or in the property that would cause a loss of value. No responsibility is assumed for any such conditions, or for the expertise required to discover them. The client is urged to retain an expert in this field if desired. The analysis and value conclusions in this report are null and void should any hazardous material be discovered.
8. Unless otherwise stated in this report, no environmental impact studies were either requested or made in conjunction with this report. The appraiser reserves the right to alter, amend, revise, or rescind any opinions of value based upon any subsequent environmental impact studies, research, or investigation, all without penalty.
9. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is specified, defined, and considered in this report.
10. It is assumed that all applicable building permit requirements, building codes, zoning regulations and use restrictions have been complied with, unless non-conformity has been specified, defined and considered in this report.
11. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or federal governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate is based.
12. The appraiser will not be required to give testimony or appear in court because of having made this report, unless arrangements have previously been made.
13. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the client without the written consent of the appraiser, and in any event, only with properly written qualification and only in its entirety.
14. This is a Restricted Use Appraisal Report. In some cases the Appraisers opinions and conclusions set forth in the report may not be understood properly without additional information in the appraisers work file. The liability of ELLIOTT & Company Appraisers, the appraiser, employees, and subcontractors is limited to the client only. There is no accountability, obligation, or liability to any third party. It is the responsibility of the client to restrict dissemination of this report only to those within its organization on an as needed basis. If this report is placed in the hands of anyone other than the client, the client shall assume all responsibility for its use and shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions.
15. Neither all nor any part of the contents of this report, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales, or any other media without written consent and approval of the appraiser. Nor shall the appraiser, client, firm, or professional organization of which the appraiser is a member be identified without the written consent of the appraiser.



16. The appraiser was available to perform a complete interior inspection of the subject property. In the event such an inspection was not possible; and if a limited inspection was performed this appraisal report shall so state. In cases where the appraiser was limited in his ability to perform a thorough property inspection, assumptions were made using the best information available to him at the time relative to improvement size, quality, condition, use; and physical attributes of the land and improvements. For purposes of the appraisal these assumptions became matters of fact and were used as such. ELLIOTT & Company Appraisers; nor the appraiser; shall be held liable for conditions not apparent to the appraiser and neither assumes any liability for damages occurring there from, when the inspection opportunities were limited.
17. All protections offered the appraiser within these Assumptions and Limited Conditions also extend to and inure to the benefit of ELLIOTT & Company Appraisers as an appraisal management company.
18. Acceptance and/or use of this report constitutes acceptance of the foregoing assumptions and limiting conditions.



Certification

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

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved unless otherwise stated herein.
4. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment unless otherwise stated herein.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. I have made a personal inspection of the property that is the subject of this report as more specifically stated herein.
10. No one provided significant real property appraisal assistance to the person signing this certification unless specifically stated herein.



Appraiser Signature

Appraiser Name: Mike Appraiser

Appraiser License Number: A7263

State: NC

Expiration Date: 6/30/2014



Addenda



Subject Photograph

	Forsyth County	Detail Appraisal Report - Residential
Geo-Data Explorer	Today: 2/11/2014	Bldg: 1 of 1
	Block: 5235B	Lot: 036
	PIN: [REDACTED]	NF: 1.00
	Nbrhd: [REDACTED]	
		January 1 Property Owner
		Property Location

Assessed Values All Cards		Current Owners	
Total Land Value:	\$165,240	Tuttle, Marcella L	
Total Buildings Value:	\$751,823		
Total Misc Imp Value:			
Total Assessed Value:	\$917,100		
Mailing Address		Last 2 Recordations Available	
[REDACTED]		Sale Date	Estate
[REDACTED]		3/24/2005	
[REDACTED]			Stamps
[REDACTED]			\$1,700
[REDACTED]			\$850,000
[REDACTED]			2551/917
[REDACTED]		1/29/2003	
[REDACTED]			\$250
[REDACTED]			\$125,000
[REDACTED]			2317/3379
[REDACTED]		Recorded Plat Information	

Road / Topography / Utilities		
Road	Topo	Util
Pub - Paved	Desirable, Low	

Land Valuation													
Type	Zoning	Acres	Sq Ft	Rate	Ut	Size	LC	RF	TO	SH	AC	EZ	Value
RL	AG		23610	135000	1	0.9	1.6	1	0.85	1	1	1	\$165,240
TOTALS:		0	23610										\$165,240

Building Detail
 Forsyth County considers all standard approaches to value. The assessed value on this building was determined based upon the **Cost Approach**.

Improvement Detail				Area Detail		
Construction:	Frame	Baths Full:	4	Type	Description	SqFt
Story:	1.5	Baths Half:	1	BAS	Base	2781
Style:	Conventional	Total Rooms:	10	OFF	Open Frame Porch	304
Year Built:	2003	Heat Type:	Heat Pump	GFF	Gar/Frm/Floor/Fin	783
Sq Ft Liv Area:	5016	AC:	Yes	OFF	Open Frame Porch	56
Bsmt Sq Ft:	2426	Occupancy:	Single Family	OFF	Open Frame Porch	156
Fin Bsmt Sq Ft:	2426	Roof:	Gable	FDG	Frame Deck Good	395
Attic Sq Ft:		Roof Cover:	Asphalt Shingle	USF	Upper Story Finished	2235
Attic Fin Sq Ft:		Ext Walls:	Stone	Building Value:		\$751,823
Bedrooms:	4	Foundation:	Masonry			

Miscellaneous Improvements						Assessed Value - this building	
Type	Const	Hgt	Area	Yr Built	Value	Land Value:	\$165,240
						Misc Imp Value:	
						Resid. Value:	\$751,823
						Total Value:	\$917,063
<p>The values and information provided on this property record card are based upon the best available information on 2/4/2014. This information is subject to change because of changes to the property, correction of existing information, additional information, or as the result of an appeal of the property.</p>							

	Forsyth County	Detail Appraisal Report - Residential
Geo-Data Explorer	Today: 2/11/2014	Bldg: 1 of 1
	Block: 5235B	Lot: 036
	PIN: [REDACTED]	NF: 1.00
	Nbrhd: [REDACTED]	
		January 1 Property Owner
		Property Location

Taxing Jurisdictions

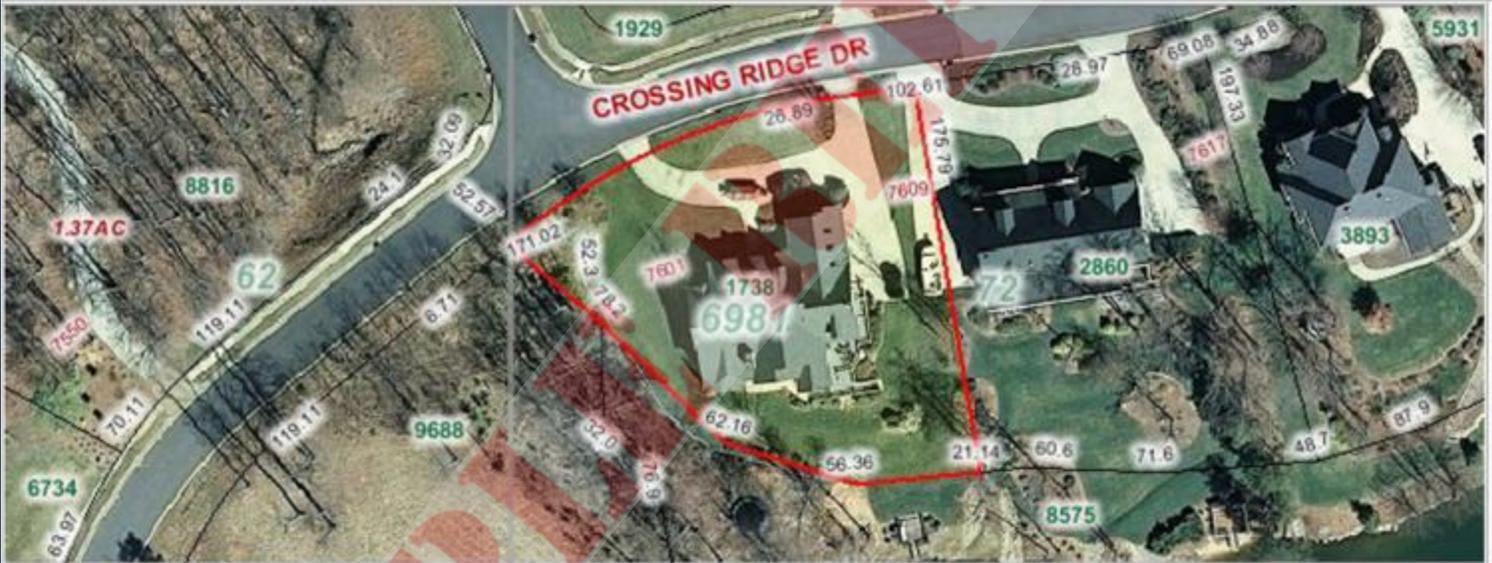
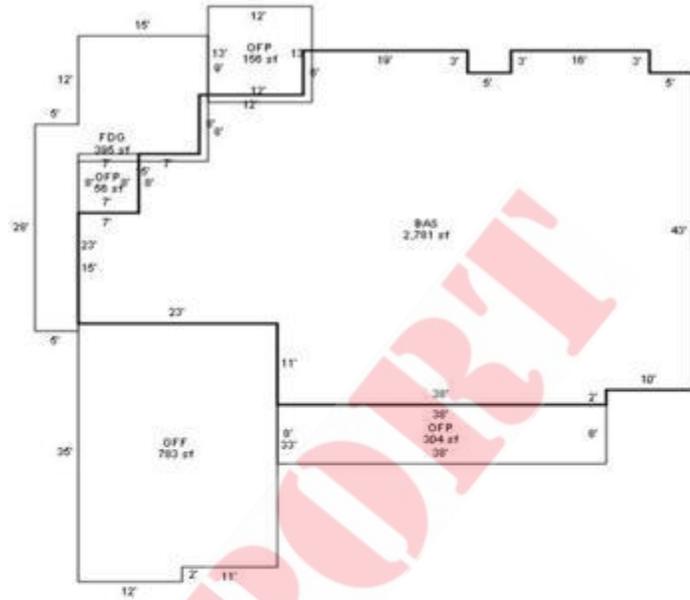
Jurisdiction Forsyth County 100%
Fire District [REDACTED] FD 100%

Building Image



[REDACTED] 03/29/2007

Sketch



Forsyth County

Geo-Data Explorer
Today: 2/11/2014
Block: 5235B
PIN: [REDACTED]
Nbrhd: [REDACTED]
Bldg: 1 of 1
Lot: 036
NF: 1.00

Detail Appraisal Report - Residential

January 1 Property Owner
 [REDACTED]
Property Location
 [REDACTED]

Cost Approach

Area	Units	Percent of Base	Rate	Value
Base	2781	0.9374	68.5	\$178,573
Open Frame Porch	304	0.37	68.5	\$7,704
Gar/Frm/Floor/Fin	783	0.37	68.5	\$19,845
Open Frame Porch	56	0.37	68.5	\$1,419
Open Frame Porch	156	0.37	68.5	\$3,953
Frame Deck Good	395	0.3	68.5	\$8,117
Upper Story Finished	2235	0.5336	68.5	\$81,692

Baths(1 full incl in BASE): 4 full/1 half
Plus Bath: 1
Heat (incl in BASE): Heat Pump
AC: Yes
Fireplaces: 1

14200
 10307
 800

<i>Replace:</i>	1	000
Basement:	2426	35562
Basement Finish:	2426	68134
Garage Doors:	3	750
Attic:		
Attic Finish:		
Jenn-Aire:		
Elevator:		
Microwave:	1	
Vacuum System:	1	
Alarm System:	1	
Radio Intercom:	1	
		Total Built-In Value: 3800

Base Value:		\$437,056
Grade:	A 183%	\$362,756.48
Replacement Cost New:		\$799,812.48
Depreciation:	6%	(\$47,988.75)
Economic/Functional:		
Depreciated Value:		\$751,823

Miscellaneous Improvements for Cost Approach

<u>Type</u>	<u>Const</u>	<u>Hgt</u>	<u>Area</u>	<u>Yr Built</u>	<u>Value</u>
<p style="font-size: 48px; opacity: 0.3; transform: rotate(-45deg);">SAMPLE BLENDED</p>					