

# **USL REPORT DOCUMENTER**

## **SAMPLE ADDENDA**

Three individual USL Documents are presented because each document created is unique to each particular assignment. The three samples represent:

- A residential secondary market assignment
- A commercial narrative assignment
- A restricted appraisal report

**SAMPLE 1: SECONDARY MARKET ASSIGNMENT**

## **ASSIGNMENT DESCRIPTION**

Do not separate from the rest of the report!  
Any segregation of this multi-page report may jeopardize the user.

### **Introduction**

1. The intended user of this appraisal report is the lender/client. The intended use is to evaluate the property that is the subject of this appraisal for a mortgage finance transaction, subject to the stated Scope of Work, purpose of the appraisal, reporting requirements of this appraisal report form, and Definition of Market Value. No additional Intended Users are identified by the appraiser.
2. Primary Appraiser Generated Information (PAGI) is the information which the appraiser provides to the intended user that the user will isolate and consider. The appraiser has diagnosed the intended user's problem and will discuss the scope of work for the following PAGI later in this document: Main Value Opinion.
3. No personal property, trade fixtures, or intangible items that are not real property are included in the opinion of value.

### **Scope of Work**

4. The subject property was identified to the appraiser by the client providing the property address and the current owner's name. A tax card and plat were pulled for that address via a third party provider. The property boundaries were pointed out to the appraiser by one of the following (current owner, purchaser, or sales agent).
5. The following approaches to value have been considered in the scope of work decision for the main "Value Opinion":
6. The Cost Approach was not performed. The Cost Approach was not performed because accrued depreciation cannot accurately be measured. This approach might tend to indicate an unrealistic value.
7. The Direct Comparison Approach was performed.
8. The Income Approach was not performed. The Income Approach is not applicable, because the subject property would not typically be purchased as a rental investment. Most similar properties in the area are owner occupied.
9. Additional information concerning the scope of work is conveyed throughout the report.

### **Extent of Research of the Subject Property**

10. The Census Tract information for the subject property was obtained from a third party provider based on the property address via my appraisal software. The flood zone information for the subject property was obtained from a third party provider based on the property address via my appraisal software. The subject property's County Tax Assessor's information, via a third party source, was researched for past sales and physical characteristic information. The subject property's zoning was obtained from a telephone interview with the zoning authority personnel.
11. The subject property data that was obtained from second-hand sources was validated by the appraiser personally accessing the subject property. In addition the owner was interviewed concerning past sales, utilities, and physical property characteristics.

12. I, David A Braun, did personally make a visual inventory of the subject property while walking over the land, through the interior, and around the exterior of the subject property.
13. The subject property was measured in an attempt to assist the appraiser in developing an opinion concerning the specific Primary Appraiser Generated Information listed above. Unless estimating the square footage was listed as a PAGI, the appraiser has only attempted to measure the property within an accuracy necessary to assist in the analysis of various market data. The user is advised not to rely on the size estimates used in these analysis for any reason.
14. The appraiser has not performed a "Home Inspection" which is a process utilized to rate the appropriateness and usability of the various components of the structure. This process involves inspecting and testing. Should you have concerns about these issues please seek a qualified professional to investigate these issues for you. The information obtained from a home inspection may affect the value of the subject property, so the appraisal should be made after the home inspection rather than vice versa.
15. Neither police records nor past issues of newspapers have been researched concerning the subject property's past use for anything that might affect the safety or health of present and future occupants. This includes but is not limited to the by-products of methamphetamine production, infectious disease, or environmental hazards.
16. If available in the normal course of business the appraiser has evaluated any previous sales within the past 3 years prior to the effective date of the appraisal, and current contract, listing, or option of the subject property for its applicability in forming an opinion of current market value and/or marketability.

#### **Hypothetical Conditions / Extraordinary Assumptions**

17. This appraisal is subject to the hypothetical condition that the proposed improvements are complete. This is so the borrower can borrow the funds to build the improvements. The use of this assumption might have affected the analysis results.
18. There are no extraordinary assumptions utilized in the forming the opinions and conclusions of the primary appraiser generated information.

#### **Extent of the Analysis & Associated Research**

19. The following analysis and associated research have been performed in conjunction with the main opinion of value:
20. The Direct Sales Comparison was performed by an analysis in which the subject is compared to similar properties that have a recent marketing history.
21. An opinion of the value was formed by the Direct Comparison Approach. A quantitative line by line adjustment grid was utilized. Many of the property characteristics were considered including; the size of the improvements, land size, date of sale, view, topography and location.
22. The comparable properties were obtained from a thorough search of office files, the local MLS and/or Tax office. The tax data was supplied by a third party provider. The physical property characteristics, sales price, and date were not verified by any other source. However, the second hand data records were analyzed for errors and

inconsistencies. The records with errors and discrepancies were not used. Records that showed a large discrepancy from the other data was not used.

### **Additional Information**

23. Exposure Time is defined as "The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal." (The Dictionary of Real Estate Appraisal, Fourth Edition, page 105) This was determined by an analysis based on one or more of the following; statistical information about days on market, information gathered through sales verification, or interviews of market participants. The opinion of exposure time for the subject property immediately preceding the effective date of sale is from 4-8 Months.
24. The current and projected use is as a single-family dwelling.

### **Additional Appraiser's Certification**

I CERTIFY THAT TO THE BEST OF MY KNOWLEDGE AND BELIEF THAT:

25. I, David A Braun, did personally make a visual inventory of the subject property while walking over the land, through the interior, and around the exterior of the subject property.
26. I/we have no current or prospective interest in the subject property or parties involved.
27. I/we have not performed any services regarding the subject property within the three year period immediately preceding acceptance of the assignment, as an appraiser or in any other capacity.
28. No one provided significant real property appraisal assistance to the person(s) signing this certification.
29. No fees were paid or received in the procurement of this assignment.
30. 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 Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this report, I David A Braun, have completed the continuing education program of the Appraisal Institute.



David Braun, MAI, SRA (TN CG-283, exp.11/27/15)  
The date of this report is Saturday, January 4, 2014.

**SAMPLE 2: COMMERCIAL NARRATIVE ASSIGNMENT**

## ASSIGNMENT DESCRIPTION

Do not separate from the rest of the report!  
Any segregation of this multi-page report may jeopardize the user.

### Introduction

1. The client is ABC Bank. This client is considered a sophisticated and knowledgeable user of the appraisal and report. Further, the client is considered to be an expert in the field of mortgage lending.
2. The intended user is the herein stated client. Regardless of who pays for this appraisal the intended user is the client only! The scope of work in this appraisal is customized for the intended user. This appraisal and report may be inappropriate for other users and may put them in jeopardy. Therefore, regardless of the means of possession of this report, this appraisal may not be used or relied on by anyone other than the herein stated intended user. The appraiser, appraisal firm, and related parties assume no obligation, liability, or accountability to any third party.
3. The intended use is for mortgage underwriting. This appraisal and report may be inappropriate for other uses and jeopardize the user. This appraisal may not be used or relied on for any use except the stated use without the express written consent of the appraiser. The appraiser, appraiser's firm, and related parties assume no obligation, liability, or accountability for any other use without such written consent.
4. Primary Appraiser Generated Information (PAGI) is the information which the appraiser provides to the intended user that the user will isolate and consider. The appraiser has diagnosed the intended user's problem and will discuss the scope of work for the following PAGI later in this document: Main Value Opinion.
5. The purpose of this appraisal is to form an opinion of Market Value.
6. Market Value is defined here as: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and acting in what they consider their own best interests; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. Source: OCC [12 CFR, Part 34, Subpart C-Appraisals, §34.42 Definitions (f)]
7. The effective date of this appraisal is Wednesday, December 11, 2013.
8. The property interest appraised is Fee Simple Estate.
9. This is an Appraisal Report, which is intended to comply with the reporting requirements set forth under Standard Rule 2-2 (a) of USPAP for a real property appraisal report. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's work file. The information contained in the

report is specific to the needs of the client and for the intended use stated in this report.

### **Scope of Work**

10. The subject property was identified to the appraiser by the client providing the property address and the current owner's name. A tax card and plat were pulled for that address via a third party provider. The property boundaries were pointed out to the appraiser by one of the following (current owner, purchaser, or sales agent). An old survey which was provided to the appraiser was utilized in the identification of the subject property.
11. The following approaches to value have been considered in the scope of work decision for the main "Value Opinion":
12. The Cost Approach was not performed. The Cost Approach was not performed because accrued depreciation cannot accurately be measured. This approach might tend to indicate an unrealistic value.
13. The Direct Comparison Approach was performed.
14. The Income Approach was performed.
15. Additional information concerning the scope of work is conveyed throughout the report.
16. Please be aware that the term "Inspection" may be used on some standard appraisal forms which the appraiser cannot modify. The term inspection found anywhere in this report is to mean a "Personal Visual Inventory" of the subject's or comparable property's components. This is opposed to a "Home Inspection", which investigates the appropriateness and soundness of various components of the improvements.
17. The American Disability Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey or analysis of the property or comparables to determine whether or not they are in conformity with one or more of the requirements of the act.
18. At least one of the signees on the Certification are competent in all aspects of this assignment.

### **Extent of Research of the Subject Property**

19. The Census Tract information for the subject property was obtained from a third party provider based on the property address via my appraisal software. The flood zone information for the subject property was obtained by an examination of the referenced map. These maps are vague, therefore the appraiser cannot guarantee the findings. In some instances the user may wish to have a surveyor investigate the situation. The subject property's County Tax Assessor's information, via a third party source, was researched for past sales and physical characteristic information. The current warranty deed for the subject property has been read in an effort to identify any easements or other issues that might negatively affect the marketability of the subject property. The subject property's zoning was obtained from a telephone interview with the zoning authority personnel.
20. The subject property data that was obtained from second-hand sources was validated by the appraiser personally accessing the subject property. In addition the owner was interviewed concerning past sales, utilities, and physical property characteristics.



21. I am familiar with the subject neighborhood and the market area. I have worked in and around this area for a number of years. I did drive through parts of this neighborhood in conjunction with this assignment. I, David A Braun, did personally make a visual inventory of the subject property while walking over the land, through the interior, and around the exterior of the subject property.
22. The subject property was measured in an attempt to assist the appraiser in developing an opinion concerning the specific Primary Appraiser Generated Information listed above. Unless estimating the square footage was listed as a PAGI, the appraiser has only attempted to measure the property within an accuracy necessary to assist in the analysis of various market data. The user is advised not to rely on the size estimates used in these analysis for any reason.
23. Unless a professional home inspection, structural engineer study, or similar report was provided to the appraiser; the subject property information was obtained by a method of data gathering known as a "Personal Visual Inventory". This consists of the appraiser compiling notes of what components are there and how many of them there are. This personal visual inventory may be made on-site or from the curb, but not from photos or a video presentation. The extent of the subject property accessed was stated above; and did not include accessing any part of the property that could not be walked through in an upright manner, or that required the use of special equipment such as a ladder. None of the property components were dissected or inspected by the appraiser.
24. The appraiser has not performed a "Home Inspection" which is a process utilized to rate the appropriateness and usability of the various components of the structure. This process involves inspecting and testing. Should you have concerns about these issues please seek a qualified professional to investigate these issues for you. The information obtained from a home inspection may affect the value of the subject property, so the appraisal should be made after the home inspection rather than vice versa.
25. Neither police records nor past issues of newspapers have been researched concerning the subject property's past use for anything that might affect the safety or health of present and future occupants. This includes but is not limited to the by-products of methamphetamine production, infectious disease, or environmental hazards.
26. If available in the normal course of business the appraiser has evaluated any previous sales within the past 3 years prior to the effective date of the appraisal, and current contract, listing, or option of the subject property for its applicability in forming an opinion of current market value and/or marketability.

### **Hypothetical Conditions / Extraordinary Assumptions**

27. There are no hypothetical conditions utilized in the forming the opinions and conclusions of the primary appraiser generated information.
28. This appraisal is based on the extraordinary assumption that the underground tank has not leaked into the ground. The appraiser has no reason to believe otherwise. The use of this assumption might have affected the analysis results.

### **Extent of the Analysis & Associated Research**

29. The following analysis and associated research have been performed in conjunction with the main opinion of value:
30. The Direct Sales Comparison was performed by an analysis in which the subject is compared to similar properties that have a recent marketing history.
31. An opinion of the value was formed by the Direct Comparison Approach. A quantitative line by line adjustment grid was utilized. Many of the property characteristics were considered including; the size of the improvements, land size, date of sale, view, topography and location.
32. The comparable properties were obtained from a thorough search of office files, the local MLS and/or Tax office. The tax data was supplied by a third party provider. The physical property characteristics were verified by a curbside visual inventory. An attempt was made to verify the sales prices and dates of sales by a telephone interview with one of the parties in the transaction or real estate sales agent. Some of the data that could not be verified was used in the analysis. The data records were analyzed for errors and inconsistencies. The records with errors and discrepancies were not used. Records that showed a large discrepancy from the other data was not used. Sales 1, 2 and 5 were verified via a phone interview with the listing agents.
33. The Income Approach was performed by the "Direct Capitalization" method. The anticipated net income stream is capitalized into value by division of the market capitalization rate.
34. The income that the subject property is anticipated to generate is based on the current rent rate of the subject property and that of the rate that comparable properties are currently rented at or offered at. The historic rent was obtained from the last two years of income tax records and confirmed in an interview with the owner. The rent rate of the comparable properties was based on information in our office files and the local MLS. An attempt was made to interview the real estate agent concerning the rent amounts. The property's physical characteristics were corroborated by tax card information.
35. An opinion of the credit and vacancy rate is based on the appraiser's knowledge of the market and interviews of real estate agents that regularly work this market.
36. The anticipated expenses were estimated based on the appraiser's knowledge of the market and interviews with real estate agents that regularly work this market area. In addition the over-all rate was extracted directly from the market by ascertaining line by line expense items from actual expenses from comparable properties.
37. An opinion of the capitalization rate was formed by use of the Mortgage-equity Technique, market extracted rates, and published survey method.

### **Previous Market Activity of the Subject**

38. The subject sold for \$750,000 on Tuesday, October 9, 2012. This sale is not considered because the property has been extensively remodeled since that sale. No other sales of this property were found in three years previous to the effective date of this appraisal.
39. No current contract, listing, or option of the subject property were found in the normal course of business, which included a search of MLS records.

### **Additional Information**

40. Exposure Time is defined as "The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal." (The Dictionary of Real Estate Appraisal, Fourth Edition, page 105) This was determined by an analysis based on the following; statistical information about days on market, information gathered through sales verification, and interviews of market participants. The opinion of reasonable exposure time for the subject property is from 1-3 years.
41. The current and projected use of the subject property is as light industrial.

### **Limiting Conditions**

42. This appraisal and report were customized for a specific property, use, and user, at a specific time. Therefore, this appraisal and report are only reliable under the following limited conditions...
43. ...that the appraiser is not required to give further consultation, testimony, or attend in court with reference to the property in question unless arrangements have been previously made.
44. ...possession of this report or a copy thereof does not carry with it the right of publication or distribution. Neither all nor any part of the contents of this report (especially any opinions and conclusions, the identity of the appraiser or the appraisal firm) shall be disseminated to the public or distributed to any individual or entity by any means without prior written permission of the appraiser.
45. ...when it is being used only for the herein stated intended use, by the herein stated intended user.
46. ...when it is used in a timely matter as the appraiser cannot be responsible for unforeseen market changes that occur after the value date.
47. ...when the distribution of the total valuation, if any, in this report between land and improvements is applied only under the reported highest and best use of the property. The allocation of value for land and improvements must not be used in conjunction with the subject property and other properties may result in an unreliable conclusion.
48. ...that it is understood any sketches and maps are presented only to assist the reader of the report in visualizing the property.
49. ...when the user has read and understands the report in its entirety. Any lack of understanding about this appraisal could result in its misuse, which might put the user in jeopardy.
50. ...secondary opinions and conclusions made by the appraiser are formed only to contribute to the Primary Appraiser Generated Information (PAGI). This is the information that the intended user will isolate and rely on. Unless specifically listed as a PAGI these secondary opinions include but are not limited to square footage calculations, effective age, highest and best use, replacement cost new, etc. Isolating and inappropriately using any of the secondary appraiser generated information out of context could jeopardize the user.

## **General Assumptions**

51. This assignment cannot proceed without making some general assumptions. However, these assumptions should not be taken lightly or as a matter-of-fact. If any of these assumptions are found to be inaccurate, the opinions and conclusions reached herein could be in error, and jeopardize the user. The appraiser(s) are not competent in these fields, however, each of these assumptions can be explored by other experts and professions. The user should decide if these assumptions are acceptable. The appraiser is not competent in the following fields and makes no guarantees, express or implied, regarding the topics of these assumptions. Unless otherwise stated, described, and considered in this report it is assumed that:
  52. ...the title to the property is good and marketable. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. And, that the property is free and clear of any liens or encumbrances.
  53. ...the property is under responsible ownership and competent management.
  54. ...all engineering studies, land surveys, and other professional reports relied on by the appraiser are correct. Should such studies not be provided to the appraiser it is assumed that there are no hidden or unapparent conditions of the property, subsoil, structure, or any other property component that would render it more or less valuable.
  55. ...the property is in full compliance with all applicable federal, state, and local laws and regulations.
  56. ...the property conforms to all applicable zoning and use regulations and restrictions.
  57. ...all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any state, or national government, or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value is based. This includes the American Disabilities Act.
  58. ...the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass.
  59. ...there are no hazardous or toxic materials on, in, or near the property. The presence of substances such as, but not limited to, asbestos, urea formaldehyde foam insulation, radon, mold and other potentially hazardous or toxic materials would significantly affect the value opinion formed. The opinions and conclusions are predicated on the assumption that there is no such material on, in, or near the property that would cause a loss in value.
  60. ...any proposed improvements are assumed to be completed in a good competent manner in accordance with the submitted plans and specifications.
  61. ...the structure was properly designed and constructed. This means that each individual building component is reliable and have been properly installed. There have been instances in this market where roof shingles, siding, plumbing, etc. have not performed satisfactorily. That no defects have occurred over time. This includes, but is not limited to termite damage. All mechanical components are assumed to be in operable condition and are appropriate for the structure. All electrical and plumbing equipment is appropriate and in working order. That the insulation is adequate.
  62. ...the property has a plentiful supply of potable water, and that adequate sewage disposal is available.

63. ...if a survey was not provided to the appraiser the public records are correct with respect to size and shape.
64. ...the property has a legal and physical means of ingress and egress.
65. ...the subject property is legally and physically suitable for occupancy and livability. If vacant land, that the site is approved to sell and ready to be built on and occupied.
66. ...market forces remain relatively constant in the future. If an opinion of marketing time is formed the user should be cautious when relying on this opinion as the appraiser cannot foresee spastic changes in these forces.

### **Additional Appraiser's Certification**

I CERTIFY THAT TO THE BEST OF MY KNOWLEDGE AND BELIEF THAT:

67. My analysis, opinions, and conclusions, were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.
68. I am familiar with the subject neighborhood and the market area. I have worked in and around this area for a number of years. I did drive through parts of this neighborhood in conjunction with this assignment. I, David A Braun, did personally make a visual inventory of the subject property while walking over the land, through the interior, and around the exterior of the subject property.
69. The statements of fact contained in this report are true and correct.
70. The credibility of the reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analysis, opinions and conclusions.
71. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
72. My engagement in this assignment was not contingent upon the development or reporting predetermined results.
73. My compensation for completing this assignment is not contingent upon the development and 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.
74. To the best of my knowledge and belief I did not base, either partially or completely, the analysis and/or the opinion of value on race, color, religion, national origin, gender, marital status, familial status, age, receipt of public assistance income, handicap, or an unsupported conclusion that homogeneity of such characteristics is necessary to maximize value.
75. I/we have no current or prospective interest in the subject property or parties involved.
76. I/we have not performed any services regarding the subject property within the three year period immediately preceding acceptance of the assignment, as an appraiser or in any other capacity.
77. John Doe (TN Registered Trainee- 1243) contributed in all aspects of this appraisal under David Braun's supervision. This includes all planning, data gathering, and analysis that were required to form our opinions and conclusions.
78. No fees were paid or received in the procurement of this assignment.

79. 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 Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this report, I David A Braun, have completed the continuing education program of the Appraisal Institute.



David Braun, MAI, SRA (TN CG-283, exp. 11/27/15)  
The date of this report is Saturday, January 4, 2014.

## **SAMPLE 3: RESTRICTED APRAISAL REPORT**

**\*\* Warning: Unauthorized use of this report is prohibited. \*\***

This appraisal and report were customized for a specific user and use. Reliance on this report by anyone other than the herein stated "intended user" for any use other than the herein stated "intended use" may jeopardize the user's welfare.

This is a Restricted Appraisal Report, which complies with the reporting requirements set forth under Standard Rule 2-2 (b) of the Uniform Standards of Professional Appraisal Practice. This report option strictly limits the use of this report to the client only! The rationale for how the appraiser arrived at the opinions and conclusions set forth in the report may not be understood properly without additional information in the appraiser's workfile.

**THIS REPORT WAS PREPARED FOR:**

The Dorothy Anheuser Estate

**DATE OF THE REPORT:**

Saturday, January 4, 2014

**THIS PROPERTY IS LOCATED AT:**

123 Smithview Drive  
Anytown USA  
TN 37777

**THIS REPORT WAS PREPARED BY:**

David Braun, MAI, SRA (TN CG-283, exp.11/27/15)



david@AVTtools.com  
865-679-4785



## ASSIGNMENT DESCRIPTION

### Introduction

1. The client is the Dorothy Anheuser Estate. This client is considered a sophisticated and knowledgeable user of the appraisal and report. Further, the client is considered to be an expert in the field of mortgage lending.
2. The intended user is the herein stated client. Regardless of who pays for this appraisal the intended user is the client only! The scope of work in this appraisal is customized for the intended user. This appraisal and report may be inappropriate for other users and may put them in jeopardy. Therefore, regardless of the means of possession of this report, this appraisal may not be used or relied on by anyone other than the herein stated intended user. The appraiser, appraisal firm, and related parties assume no obligation, liability, or accountability to any third party.
3. The intended use is to provide information for estate planning. This appraisal and report may be inappropriate for other uses and jeopardize the user. This appraisal may not be used or relied on for any use except the stated use without the express written consent of the appraiser. The appraiser, appraiser's firm, and related parties assume no obligation, liability, or accountability for any other use without such written consent.
4. Primary Appraiser Generated Information (PAGI) is the information which the appraiser provides to the intended user that the user will isolate and consider. The appraiser has diagnosed the intended user's problem and will discuss the scope of work for the following PAGI later in this document: Site Value.
5. The purpose of this appraisal is to form an opinion of value in use.
6. Use Value is defined here as: The value a specific property has for a specific use. Source: The Dictionary of Real Estate Appraisal Third Addition of the Appraisal Institute
7. The effective date of this appraisal is Monday, May 13, 2013.
8. The property interest appraised is Fee Simple Estate.
9. Privacy statement: In compliance with the Gram-Leach-Bliley Act, the appraiser will not provide any nonpublic personal information to any person or entity where that information will be used for solicitation purposes. This information may be shared among parties to process and service the consumer's transaction.
10. This is a Restricted Appraisal Report, which is intended to comply with the reporting requirements set forth under Standard Rule 2-2 (b) of USPAP for a real property appraisal report. There may be insufficient information presented for this report to be understood. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's work file. The information contained in the report is specific to the needs of the client and for the intended use stated in this report.

### **Scope of Work**

11. The subject property was identified to the appraiser by the client providing the property address and the current owner's name. A tax card and plat were pulled for that address via a third party provider. The property boundaries were pointed out to the appraiser by one of the following (current owner, purchaser, or sales agent).
12. Additional information concerning the scope of work is conveyed throughout the report.
13. Please be aware that the term "Inspection" may be used on some standard appraisal forms which the appraiser cannot modify. The term inspection found anywhere in this report is to mean a "Personal Visual Inventory" of the subject's or comparable property's components. This is opposed to a "Home Inspection", which investigates the appropriateness and soundness of various components of the improvements.
14. The American Disability Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey or analysis of the property or comparables to determine whether or not they are in conformity with one or more of the requirements of the act.
15. At least one of the signees on the Certification are competent in all aspects of this assignment.

### **Extent of Research of the Subject Property**

16. The flood zone information for the subject property was obtained by an examination of the referenced map. These maps are vague, therefore the appraiser cannot guarantee the findings. In some instances the user may wish to have a surveyor investigate the situation. The subject property's County Tax Assessor's information, via a third party source, was researched for past sales and physical characteristic information. The current warranty deed for the subject property has been read in an effort to identify any easements or other issues that might negatively affect the marketability of the subject property. The subject property's zoning was obtained from a telephone interview with the zoning authority personnel.
17. The subject property data that was obtained from second-hand sources was validated by the appraiser personally accessing the subject property. In addition the owner was interviewed concerning past sales, utilities, and physical property characteristics.
18. I, David A Braun, did personally make a visual inventory of the subject property while walking over the land.
19. Unless a professional home inspection, structural engineer study, or similar report was provided to the appraiser; the subject property information was obtained by a method of data gathering known as a "Personal Visual Inventory". This consists of the appraiser compiling notes of what components are there and how many of them there are. This personal visual inventory may be made on-site or from the curb, but not from photos or a video presentation. The extent of the subject property accessed was stated above; and did not include accessing any part of the property that could not be walked through in an upright manner, or that required the use of special equipment such as a ladder. None of the property components were dissected or inspected by the appraiser.
20. The appraiser has not performed a "Home Inspection" which is a process utilized to rate the appropriateness and usability of the various components of the structure.

This process involves inspecting and testing. Should you have concerns about these issues please seek a qualified professional to investigate these issues for you. The information obtained from a home inspection may affect the value of the subject property, so the appraisal should be made after the home inspection rather than vice versa.

21. Neither police records nor past issues of newspapers have been researched concerning the subject property's past use for anything that might affect the safety or health of present and future occupants. This includes but is not limited to the by-products of methamphetamine production, infectious disease, or environmental hazards.
22. If available in the normal course of business the appraiser has evaluated any previous sales within the past 3 years prior to the effective date of the appraisal, and current contract, listing, or option of the subject property for its applicability in forming an opinion of current market value and/or marketability.

### **Hypothetical Conditions / Extraordinary Assumptions**

23. There are no hypothetical conditions utilized in the forming the opinions and conclusions of the primary appraiser generated information.
24. This appraisal is based on the extraordinary assumption that the underground tank has not leaked into the ground. The appraiser has no reason to believe otherwise. The use of this assumption might have affected the analysis results.

### **Extent of the Analysis & Associated Research**

25. The following analysis and associated research have been performed in conjunction with the opinion of the site value:
26. An opinion of the site value was formed by the Direct Comparison Approach. A quantitative line by line adjustment grid was utilized. Many of the property characteristics were considered including; the land size, date of sale, view, topography and location. The comparable properties were obtained from a thorough search of office files, the local MLS and/or Tax office. The tax data was supplied by a third party provider. The physical property characteristics were verified by an on-site visual inventory. An attempt was made to verify the sales prices and dates of sales by a telephone interview with one of the parties in the transaction or real estate sales agent. Some of the data that could not be verified was used in the analysis. The data records were analyzed for errors and inconsistencies. The records with errors and inconsistencies were not used. Records that showed a large discrepancy from the other data was not used.

### **Previous Market Activity of the Subject**

27. The subject site sold for \$46,000 on Tuesday, September 4, 2012. This information is considered in the current valuation of the site. No other sales of this property were found in three years previous to the effective date of this appraisal.
28. No current contract, listing, or option of the subject property were found in the normal course of business, which included a search of MLS records.

### **Additional Information**

29. Exposure Time is defined as "The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal." (The Dictionary of Real Estate Appraisal, Fourth Edition, page 105) This was determined by an analysis based on one or more of the following; statistical information about days on market, information gathered through sales verification, or interviews of market participants. The opinion of reasonable exposure time for the subject property is from 6-12 Months.
30. The projected use of the subject property is its current use as a future site for a single family dwelling.

### **Limiting Conditions**

31. This appraisal and report were customized for a specific property, use, and user, at a specific time. Therefore, this appraisal and report are only reliable under the following limited conditions...
32. ...that the appraiser is not required to give further consultation, testimony, or attend in court with reference to the property in question unless arrangements have been previously made.
33. ...possession of this report or a copy thereof does not carry with it the right of publication or distribution. Neither all nor any part of the contents of this report (especially any opinions and conclusions, the identity of the appraiser or the appraisal firm) shall be disseminated to the public or distributed to any individual or entity by any means without prior written permission of the appraiser.
34. ...when it is being used only for the herein stated intended use, by the herein stated intended user.
35. ...when it is used in a timely matter as the appraiser cannot be responsible for unforeseen market changes that occur after the value date.
36. ...when the distribution of the total valuation, if any, in this report between land and improvements is applied only under the reported highest and best use of the property. The allocation of value for land and improvements must not be used in conjunction with the subject property and other properties may result in an unreliable conclusion.
37. ...that it is understood any sketches and maps are presented only to assist the reader of the report in visualizing the property.
38. ...when the user has read and understands the report in its entirety. Any lack of understanding about this appraisal could result in its misuse, which might put the user in jeopardy.
39. ...secondary opinions and conclusions made by the appraiser are formed only to contribute to the Primary Appraiser Generated Information (PAGI). This is the information that the intended user will isolate and rely on. Unless specifically listed as a PAGI these secondary opinions include but are not limited to square footage calculations, effective age, highest and best use, replacement cost new, etc. Isolating and inappropriately using any of the secondary appraiser generated information out of context could jeopardize the user.

## General Assumptions

40. This assignment cannot proceed without making some general assumptions. However, these assumptions should not be taken lightly or as a matter-of-fact. If any of these assumptions are found to be inaccurate, the opinions and conclusions reached herein could be in error, and jeopardize the user. The appraiser(s) are not competent in these fields, however, each of these assumptions can be explored by other experts and professions. The user should decide if these assumptions are acceptable. The appraiser is not competent in the following fields and makes no guarantees, express or implied, regarding the topics of these assumptions. Unless otherwise stated, described, and considered in this report it is assumed that:
  41. ...the title to the property is good and marketable. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. And, that the property is free and clear of any liens or encumbrances.
  42. ...the property is under responsible ownership and competent management.
  43. ...all engineering studies, land surveys, and other professional reports relied on by the appraiser are correct. Should such studies not be provided to the appraiser it is assumed that there are no hidden or unapparent conditions of the property, subsoil, structure, or any other property component that would render it more or less valuable.
  44. ...the property is in full compliance with all applicable federal, state, and local laws and regulations.
  45. ...the property conforms to all applicable zoning and use regulations and restrictions.
  46. ...all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any state, or national government, or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value is based. This includes the American Disabilities Act.
  47. ...the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass.
  48. ...there are no hazardous or toxic materials on, in, or near the property. The presence of substances such as, but not limited to, asbestos, urea formaldehyde foam insulation, radon, mold and other potentially hazardous or toxic materials would significantly affect the value opinion formed. The opinions and conclusions are predicated on the assumption that there is no such material on, in, or near the property that would cause a loss in value.
  49. ...any proposed improvements are assumed to be completed in a good competent manner in accordance with the submitted plans and specifications.
  50. ...the structure was properly designed and constructed. This means that each individual building component is reliable and have been properly installed. There have been instances in this market where roof shingles, siding, plumbing, etc. have not performed satisfactorily. That no defects have occurred over time. This includes, but is not limited to termite damage. All mechanical components are assumed to be in operable condition and are appropriate for the structure. All electrical and plumbing equipment is appropriate and in working order. That the insulation is adequate.
  51. ...the property has a plentiful supply of potable water, and that adequate sewage disposal is available.

52. ...if a survey was not provided to the appraiser the public records are correct with respect to size and shape.
53. ...the property has a legal and physical means of ingress and egress.
54. ...the subject property is legally and physically suitable for occupancy and livability. If vacant land, that the site is approved to sell and ready to be built on and occupied.
55. ...market forces remain relatively constant in the future. If an opinion of marketing time is formed the user should be cautious when relying on this opinion as the appraiser cannot foresee spastic changes in these forces.

### **Additional Appraiser's Certification**

I CERTIFY THAT TO THE BEST OF MY KNOWLEDGE AND BELIEF THAT:

56. My analysis, opinions, and conclusions, were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.
57. I, David A Braun, did personally make a visual inventory of the subject property while walking over the land.
58. The statements of fact contained in this report are true and correct.
59. The credibility of the reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analysis, opinions and conclusions.
60. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
61. My engagement in this assignment was not contingent upon the development or reporting predetermined results.
62. My compensation for completing this assignment is not contingent upon the development and 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.
63. To the best of my knowledge and belief I did not base, either partially or completely, the analysis and/or the opinion of value on race, color, religion, national origin, gender, marital status, familial status, age, receipt of public assistance income, handicap, or an unsupported conclusion that homogeneity of such characteristics is necessary to maximize value.
64. I/we have no current or prospective interest in the subject property or parties involved.
65. I/we have not performed any services regarding the subject property within the three year period immediately preceding acceptance of the assignment, as an appraiser or in any other capacity.
66. No one provided significant real property appraisal assistance to the person(s) signing this certification.
67. No fees were paid or received in the procurement of this assignment.
68. 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 Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice. The use of this report is subject to the requirements of the Appraisal Institute relating to review

by its duly authorized representatives. As of the date of this report, I David A Braun, have completed the continuing education program of the Appraisal Institute.

69. I/we have formed the opinion that the value for the subject property, as of Saturday, January 4, 2014, is \$52,000.

70. The highest and best use of the subject property is its current use as a future site for a single-family dwelling.



David Braun, MAI, SRA (TN CG-283, exp. 11/27/15)  
The date of this report is Saturday, January 4, 2014.