

# INVOICE

**FROM:**  
 David McRae  
 McRae Appraisals, Inc  
 2302 Pleasant Dr  
 Cedar Falls, IA 50613  
  
**Telephone Number:** 319-266-5494      **Fax Number:** 319-266-5493

INVOICE NUMBER
DATE
04/10/2015
REFERENCE
<b>Internal Order #:</b> <b>Lender Case #:</b> <b>Client File #:</b> <b>Main File # on form:</b> 1504022P <b>Other File # on form:</b> <b>Federal Tax ID:</b> <b>Employer ID:</b>

**TO:**  
 Mark D Ryan  
 Mark D Ryan  
 1031 Sheridan Rd  
 Waterloo, IA 50701  
  
**Telephone Number:** 319-290-7156      **Fax Number:**  
**Alternate Number:**      **E-Mail:** ryanmandd@mchsi.com

## DESCRIPTION

**Lender:** Mark D Ryan      **Client:** Mark D Ryan  
**Purchaser/Borrower:** NA  
**Property Address:** 1031 Sheridan Rd  
**City:** Waterloo  
**County:** Black Hawk      **State:** IA      **Zip:** 50701  
**Legal Description:** Prairie Meadow West Fourth Add Lot 72

FEES	AMOUNT
Private Report Fee	350.00
<b>SUBTOTAL</b>	350.00

PAYMENTS	AMOUNT
<b>Check #:</b> 9999 <b>Date:</b> 03/30/2015 <b>Description:</b> <b>Check #:</b> <b>Date:</b> <b>Description:</b> <b>Check #:</b> <b>Date:</b> <b>Description:</b>	350.00
<b>SUBTOTAL</b>	350.00

<b>TOTAL DUE</b>	<b>\$</b> 0
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Please Return This Portion With Your Payment

**FROM:**  
 Mark D Ryan  
 Mark D Ryan  
 1031 Sheridan Rd  
 Waterloo, IA 50701  
  
**Telephone Number:** 319-290-7156      **Fax Number:**  
**Alternate Number:**      **E-Mail:** ryanmandd@mchsi.com

**AMOUNT DUE:** \$ \_\_\_\_\_ 0  
**AMOUNT ENCLOSED:** \$ \_\_\_\_\_

INVOICE NUMBER
DATE
04/10/2015
REFERENCE
<b>Internal Order #:</b> <b>Lender Case #:</b> <b>Client File #:</b> <b>Main File # on form:</b> 1504022P <b>Other File # on form:</b> <b>Federal Tax ID:</b> <b>Employer ID:</b>

**TO:**  
 David McRae  
 McRae Appraisals, Inc  
 2302 Pleasant Dr  
 Cedar Falls, IA 50613

Borrower	NA	File No. 1504022P		
Property Address	1031 Sheridan Rd			
City	Waterloo	County	Black Hawk	State IA Zip Code 50701
Lender	Mark D Ryan			

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McRae Appraisals, Inc  
2302 Pleasant Dr  
Cedar Falls, IA 50613

04/02/2015

Mark D Ryan  
1031 Sheridan Rd  
Waterloo, IA 50701

Re: Property: 1031 Sheridan Rd  
Waterloo, IA 50701  
Borrower: NA  
File No.: 1504022P

In accordance with your request, we have appraised the above referenced property. The report of that appraisal is attached.

The purpose of this appraisal is to estimate the market value of the property described in this appraisal report, as improved, in unencumbered fee simple title of ownership.

This report is based on a physical analysis of the site and improvements, a locational analysis of the neighborhood and city, and an economic analysis of the market for properties such as the subject. The appraisal was developed and the report was prepared in accordance with the Uniform Standards of Professional Appraisal Practice.

The value conclusions reported are as of the effective date stated in the body of the report and contingent upon the certification and limiting conditions attached.

It has been a pleasure to assist you. Please do not hesitate to contact me or any of my staff if we can be of additional service to you.

Sincerely,



David B. McRae

RESIDENTIAL APPRAISAL REPORT

File No.: 1504022P

Property Address: 1031 Sheridan Rd City: Waterloo State: IA Zip Code: 50701
County: Black Hawk Legal Description: Prairie Meadow West Fourth Add Lot 72
Assessor's Parcel #: 8813-04-378-017
Tax Year: 2015 R.E. Taxes: \$ 5,590 Special Assessments: \$ 0 Borrower (if applicable): NA
Current Owner of Record: Mark D and Denise R Ryan Occupant: [X] Owner [ ] Tenant [ ] Vacant [ ] Manufactured Housing
Project Type: [ ] PUD [ ] Condominium [ ] Cooperative [ ] Other (describe) HOA: \$ 0 [ ] per year [ ] per month
Market Area Name: Waterloo Map Reference: 47940 Census Tract: 0013.02

The purpose of this appraisal is to develop an opinion of: [X] Market Value (as defined), or [ ] other type of value (describe)
This report reflects the following value (if not Current, see comments): [ ] Current (the Inspection Date is the Effective Date) [X] Retrospective [ ] Prospective
Approaches developed for this appraisal: [X] Sales Comparison Approach [ ] Cost Approach [ ] Income Approach (See Reconciliation Comments and Scope of Work)
Property Rights Appraised: [X] Fee Simple [ ] Leasehold [ ] Leased Fee [ ] Other (describe)
Intended Use: The intended use is for Mark Ryan for use with assessed value tax protest.
Intended User(s) (by name or type): Mark Ryan, Black Hawk County Assessor Board of Review, or assigns
Client: Mark D Ryan Address: 1031 Sheridan Rd, Waterloo, IA 50701
Appraiser: David B. McRae Address: 2302 Pleasant Dr., Cedar Falls, IA 50613

Location: [X] Urban [ ] Suburban [ ] Rural
Built up: [X] Over 75% [ ] 25-75% [ ] Under 25%
Growth rate: [ ] Rapid [X] Stable [ ] Slow
Property values: [ ] Increasing [X] Stable [ ] Declining
Demand/supply: [ ] Shortage [X] In Balance [ ] Over Supply
Marketing time: [X] Under 3 Mos. [ ] 3-6 Mos. [ ] Over 6 Mos.
Predominant Occupancy: [X] Owner [ ] Tenant [X] Vacant (0-5%) [ ] Vacant (>5%)
One-Unit Housing: PRICE \$ (000) AGE (yrs)
Present Land Use: One-Unit 70% 2-4 Unit 5% Multi-Unit 10% Comm'l 10% Undev 5%
Change in Land Use: [X] Not Likely [ ] Likely \* [ ] In Process \*
Market Area Boundaries, Description, and Market Conditions (including support for the above characteristics and trends): Waterloo along with sister community of Cedar Falls has a large base of manufacturing industries and retail businesses. John Deere and Company along with Wheaton Franciscan Healthcare Systems of Iowa being the largest employers for the area. Markets have remained active for numerous years, market considered in balance at this time. Interest rates near 3-4%. Seller concessions are found in the market, however are not common at this time.
Boundaries for the neighborhood are defined as the MLS region known as WAS6 roughly bounded by Ridgeway Av - North; Kimball Av - East; San Marnan Av - South; Ansborough Av - West.

Dimensions: 100x150 Site Area: 15,000 Sq.Ft.
Zoning Classification: R-3, R-P Description: Planned Multiple Residence District
Zoning Compliance: [X] Legal [ ] Legal nonconforming (grandfathered) [ ] Illegal [ ] No zoning
Are CC&Rs applicable? [ ] Yes [ ] No [X] Unknown Have the documents been reviewed? [ ] Yes [ ] No Ground Rent (if applicable) \$ /
Highest & Best Use as improved: [X] Present use, or [ ] Other use (explain)
Actual Use as of Effective Date: 01/01/2015 Use as appraised in this report: As Improved
Summary of Highest & Best Use: The current use is the highest and best use of the property as it complies with zoning and improved use.

Utilities Public Other Provider/Description
Electricity [X] [ ] Mid American
Gas [X] [ ] Mid American
Water [X] [ ] City of Waterloo
Sanitary Sewer [X] [ ] City of Waterloo
Storm Sewer [X] [ ] City of Waterloo
Off-site Improvements Type Public Private
Street Asphalt/Avg [X] [ ]
Curb/Gutter Conc/Conc/Avg [X] [ ]
Sidewalk Conc/Avg [X] [ ]
Street Lights Public/Adequate [X] [ ]
Alley None [ ] [ ]
Topography Gentle Slope
Size Large City Lot
Shape Rectangular
Drainage Adequate
View Residen/Avg
Other site elements: [X] Inside Lot [ ] Corner Lot [ ] Cul de Sac [X] Underground Utilities [ ] Other (describe)
FEMA Spec'l Flood Hazard Area [ ] Yes [X] No FEMA Flood Zone X FEMA Map # 19013C0303F FEMA Map Date 07/18/2011
Site Comments: The subject property is slightly above the street elevation, with yard areas gently sloping away from the foundation. There were no apparent easements or encroachments noted through the visual inspection.

General Description # of Units 1 [ ] Acc.Unit # of Stories 2 Type [X] Det. [ ] Att. [ ] Design (Style) Colonial/Avg [X] Existing [ ] Proposed [ ] Und.Cons. Actual Age (Yrs.) 37 Effective Age (Yrs.) 30
Exterior Description Foundation PouredConc/Gd Exterior Walls Brk/Metal/Gd Roof Surface CompShngl/Av Gutters & Dwnspts. PntdMtl/Av-Gd Window Type DblHung/Gd Storm/Screens Yes/Yes/Gd
Appliances Refrigerator [ ] Range/Oven [ ] Dishwasher [X] Fan/Hood [ ] Microwave [X] Washer/Dryer [ ]
Attic [ ] None [ ] Stairs [ ] Drop Stair [ ] Scuttle [X] Doorway [ ] Floor [ ] Heated [ ] Finished [ ]
Amenities Fireplace(s) # 1 Woodstove(s) # 0 Deck Wood Front Partial No Value Pool None Shed 10x12
Basement Area Sq. Ft. 1,280 % Finished 0 Ceiling Floor Joists Walls Conc Floor Conc Outside Entry No No Basement Finish
Heating Type Frcd Air Fuel Elec&NatGas Cooling Central CA Other
Car Storage [ ] None Garage # of cars ( 2 Tot.) Attach. 2 2 Detach. [ ] Blt-In [ ] Carport [ ] Driveway [ ] Surface Conc/Gd
Finished area above grade contains: 8 Rooms 3 Bedrooms 2.1 Bath(s) 2,637 Square Feet of Gross Living Area Above Grade
Additional features: See attached addenda.

Describe the condition of the property (including physical, functional and external obsolescence):



# RESIDENTIAL APPRAISAL REPORT

File No.: 1504022P

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):

1st Prior Subject Sale/Transfer	Analysis of sale/transfer history and/or any current agreement of sale/listing: <u>The subject property was not found to have sold/transferred in the last 36 months. The comparable properties were not found to have sold/transferred in the last 12 months.</u>
Date:	
Price:	
Source(s): Assessor	
2nd Prior Subject Sale/Transfer	
Date:	
Price:	
Source(s):	

**SALES COMPARISON APPROACH TO VALUE (if developed)**  The Sales Comparison Approach was not developed for this appraisal.

FEATURE	SUBJECT	COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3		
Address	1031 Sheridan Rd Waterloo, IA 50701	837 Lynkaylee Ln Waterloo, IA 50701			206 Crestview Ave Waterloo, IA 50701			902 Sheridan Rd Waterloo		
Proximity to Subject		0.27 miles NW			0.55 miles N			0.17 miles N		
Sale Price	\$	\$ 267,500			\$ 258,000			\$ 245,900		
Sale Price/GLA	\$ /sq.ft.	\$ 98.93 /sq.ft.			\$ 90.21 /sq.ft.			\$ 89.35 /sq.ft.		
Data Source(s)		WCFBOR#20143431			WCFBOR#202632;DOM 55			WCFBOR#20141912		
Verification Source(s)		Assessor			Assessor			Assessor		
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjust.	DESCRIPTION	+(-) \$ Adjust.	DESCRIPTION	+(-) \$ Adjust.			
Sales or Financing		ArmLth;Conv		ArmLth;Conv		ArmLth;Conv				
Concessions		None Discl'd		None Discl'd		None Discl'd				
Date of Sale/Time		11/26/2014		10/24/2014		09/22/2014				
Rights Appraised	Fee Simple	Fee Simple		Fee Simple		Fee Simple				
Location	N;Res;	N;Res;		N;Res;		N;Res;				
Site	15,000 sf.	15,000 sf		18750 sf	0	14,250 sf	0			
View	N;Res;	N;Res;		N;Res;		N;Res;				
Design (Style)	Colonial/Avg	Colonial/Avg		Colonial/Avg		Colonial/Avg				
Quality of Construction	Q4	Q4		Q4		Q4				
Age	37	41	0	54	0	37				
Condition	C4	C4		C4		C4				
Above Grade	Total Bdrms Baths	Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths				
Room Count	8 3 2.1	8 4 2.1	0	8 4 2.1	0	7 4 2.1				
Gross Living Area	2,637 sq.ft.	2,704 sq.ft.	0	2,860 sq.ft.	-4,500	2,752 sq.ft.	-2,300			
Basement & Finished	1280sf 0sfin	1064sf 750sfin	0	1260sf 400sfin	0	1232sf 0sfin	0			
Rooms Below Grade	No Finish	2rr1br1ba0o	-7,500	1rr0br0.0ba0o	-4,000	No Finish				
Functional Utility	Avg-Gd 3br	Good 4br	-2,000	Good 4br	-2,000	Good 4br	-2,000			
Heating/Cooling	FWA/CA	FWA/CA		FWA/CA		FWA/CA				
Energy Efficient Items	EE Furnace	None	0	None	0	None	0			
Garage/Carport	2 Car/Att	3 Car/Att	-7,500	2 Car/Att		2 Car/Att				
Porch/Patio/Deck	WdDk,OP	EP,OP,Patio	-3,000	EP,Patio	-2,000	WdDk,OP				
FP/Fence/Pool/Other	1FP,Shed	1FP	+1,000	3FP	-1,000	1FP,FncdYrd	0			
Net Adjustment (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ -19,000	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ -13,500	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ -4,300			
Adjusted Sale Price of Comparables		Net 7.1 %		Net 5.2 %		Net 1.7 %				
		Gross 7.9 %	\$ 248,500	Gross 5.2 %	\$ 244,500	Gross 1.7 %	\$ 241,600			

Summary of Sales Comparison Approach Research found limited comparables from the subjects immediate neighborhood of influence for use, however sales used are considered adequate due to few adjustments and narrow concluding range. The appraiser notes no lower range gla bracket, although sale 1 within the range that is considered equal by market standards not requiring an adjustment. Across the board adjustment also found for bedrooms, the market preferring 4 bedroom layouts over 3. The remainder of adjustments including basement finish, garage size and other amenities have been adjusted based on the market reactions seen for these factors.

Conclusion due to near equal influence of all sales, final value at mid-range.

Indicated Value by Sales Comparison Approach \$ 245,000





### Subject Photo Page

Borrower	NA				
Property Address	1031 Sheridan Rd				
City	Waterloo	County	Black Hawk	State	IA
Lender	Mark D Ryan				
				Zip Code	50701



#### Subject Front

1031 Sheridan Rd  
 Sales Price  
 G.L.A. 2,637  
 Tot. Rooms 8  
 Tot. Bedrms. 3  
 Tot. Bathrms. 2.1  
 Location N;Res;  
 View N;Res;  
 Site 15,000 sf.  
 Quality Q4  
 Age 37



#### Subject Rear



#### Subject Street

### Photograph Addendum

Borrower	NA				
Property Address	1031 Sheridan Rd				
City	Waterloo	County	Black Hawk	State	IA Zip Code 50701
Lender	Mark D Ryan				



Additional Rear View



Shed

## Comparable Photo Page

Borrower	NA						
Property Address	1031 Sheridan Rd						
City	Waterloo	County	Black Hawk	State	IA	Zip Code	50701
Lender	Mark D Ryan						



### Comparable 1

837 Lynkaylee Ln	
Prox. to Subject	0.27 miles NW
Sales Price	267,500
Gross Living Area	2,704
Total Rooms	8
Total Bedrooms	4
Total Bathrooms	2.1
Location	N;Res;
View	N;Res;
Site	15,000 sf
Quality	Q4
Age	41



### Comparable 2

206 Crestview Ave	
Prox. to Subject	0.55 miles N
Sales Price	258,000
Gross Living Area	2,860
Total Rooms	8
Total Bedrooms	4
Total Bathrooms	2.1
Location	N;Res;
View	N;Res;
Site	18750 sf
Quality	Q4
Age	54



### Comparable 3

902 Sheridan Rd	
Prox. to Subject	0.17 miles N
Sales Price	245,900
Gross Living Area	2,752
Total Rooms	7
Total Bedrooms	4
Total Bathrooms	2.1
Location	N;Res;
View	N;Res;
Site	14,250 sf
Quality	Q4
Age	37

### Location Map

Borrower	NA			
Property Address	1031 Sheridan Rd			
City	Waterloo	County	Black Hawk	State IA Zip Code 50701
Lender	Mark D Ryan			



**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 considers his 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 judgement.

## STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

**CONTINGENT AND LIMITING CONDITIONS:** The appraiser's certification that appears in the appraisal report is subject to the following 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. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report 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 the appraisal report whether 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.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, 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 normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. 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, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. 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 completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

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

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject to 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 the estimate of market value in the appraisal report on the race, color, religion, sex, 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.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity 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 as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of 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 the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

**SUPERVISORY APPRAISER'S CERTIFICATION:** If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

**ADDRESS OF PROPERTY APPRAISED:** 1031 Sheridan Rd, Waterloo, IA 50701

**APPRAISER:**

Signature:   
 Name: David B. McRae  
 Date Signed: 04/09/2015  
 State Certification #: CR01621  
 or State License #: \_\_\_\_\_  
 State: IA  
 Expiration Date of Certification or License: 06/30/2015

**SUPERVISORY APPRAISER (only if required):**

Signature: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Date Signed: \_\_\_\_\_  
 State Certification #: \_\_\_\_\_  
 or State License #: \_\_\_\_\_  
 State: \_\_\_\_\_  
 Expiration Date of Certification or License: \_\_\_\_\_

Did  Did Not Inspect Property

**Supplemental Addendum**

File No. 1504022P

Borrower	NA				
Property Address	1031 Sheridan Rd				
City	Waterloo	County	Black Hawk	State	IA Zip Code 50701
Lender	Mark D Ryan				

**Hypothetical Conditions/Date of Inspection:**

The subject property was inspected on 4/02/2015 and the report is made retrospective to 1/1/2015 for the purposes of comparison analysis. The appraiser therefore assumes the condition and relative features of the subject to be similar to that found on the date of the inspection.

**Definition of Market Value:**

The pre-printed market value at the top of the Limiting Conditions page is stricken and replaced as follows per Iowa Code Section 441.21:

"Market value" is defined as the fair and reasonable exchange in the year in which the property is listed and valued between a willing buyer and a willing seller, neither being under and compulsion to buy or sell and each being familiar with all the facts relating to the particular property.

**• GP Residential : Description of the Improvements - Additional Features**

Era traditional design with a formal living and dining room. Kitchen opens to informal eating area. Main floor laundry room, family room with fireplace and sliding door to the rear wood deck. All bedrooms on the second floor, the master having a private bathroom. Kitchen remodeled in 2009, master bathroom 2007. Unfinished basement, shed in rear yard. Zoned heating and cooling with second floor having its own unit which is an electric furnace and central air. The other unit is natural gas and high efficiency.

## UNIFORM APPRAISAL DATASET (UAD) DEFINITIONS ADDENDUM

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

### Condition Ratings and Definitions

#### C1

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

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

#### C2

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

*Note: The improvements represent a relatively new property that is well maintained with no deferred maintenance and little or no physical depreciation, or an older property that has been recently completely renovated.*

#### C3

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

*Note: The improvement is in its first-cycle of replacing short-lived building components (appliances, floor coverings, HVAC, etc.) and is being well maintained. Its estimated effective age is less than its actual age. It also may reflect a property in which the majority of short-lived building components have been replaced but not to the level of a complete renovation.*

#### C4

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

*Note: The estimated effective age may be close to or equal to its actual age. It reflects a property in which some of the short-lived building components have been replaced, and some short-lived building components are at or near the end of their physical life expectancy; however, they still function adequately. Most minor repairs have been addressed on an ongoing basis resulting in an adequately maintained property.*

#### C5

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

*Note: Some significant repairs are needed to the improvements due to the lack of adequate maintenance. It reflects a property in which many of its short-lived building components are at the end of or have exceeded their physical life expectancy but remain functional.*

#### C6

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

*Note: Substantial repairs are needed to the improvements due to the lack of adequate maintenance or property damage. It reflects a property with conditions severe enough to affect the safety, soundness, or structural integrity of the improvements.*

### Quality Ratings and Definitions

#### Q1

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

#### Q2

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

## UNIFORM APPRAISAL DATASET (UAD) DEFINITIONS ADDENDUM

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

### Quality Ratings and Definitions (continued)

#### Q3

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

#### Q4

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

#### Q5

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

#### Q6

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

### Definitions of Not Updated, Updated, and Remodeled

#### Not Updated

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

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

#### Updated

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

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

#### Remodeled

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

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

### Explanation of Bathroom Count

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

#### Example:

3.2 indicates three full baths and two half baths.



## **PRIVACY NOTICE**

**Pursuant to the Gramm-Leach-Bliley Act of 1999, effective July 1, 2001, Appraisers, along with all providers of personal financial services are now required by federal law to inform their clients of the policies of the firm with regard to the privacy of client nonpublic personal information. As professionals, we understand that your privacy is very important to you and are pleased to provide you with this information.**

### **Types of Nonpublic Personal Information We Collect**

In the course of performing appraisals, we may collect what is known as "nonpublic personal information" about you. This information is used to facilitate the services that we provide to you and may include the information provided to us by you directly or received by us from others with your authorization.

### **Parties to Whom We Disclose Information**

We do not disclose any nonpublic personal information obtained in the course of our engagement with our clients to nonaffiliated third parties, except as necessary or as required by law. By way of example, a necessary disclosure would be to our employees, and in certain situations, to unrelated third party consultants who need to know that information to assist us in providing appraisal services to you. All of our employees and any third party consultants we employ are informed that any information they see as part of an appraisal assignment is to be maintained in strict confidence within the firm.

A disclosure required by law would be a disclosure by us that is ordered by a court of competent jurisdiction with regard to a legal action to which you are a party.

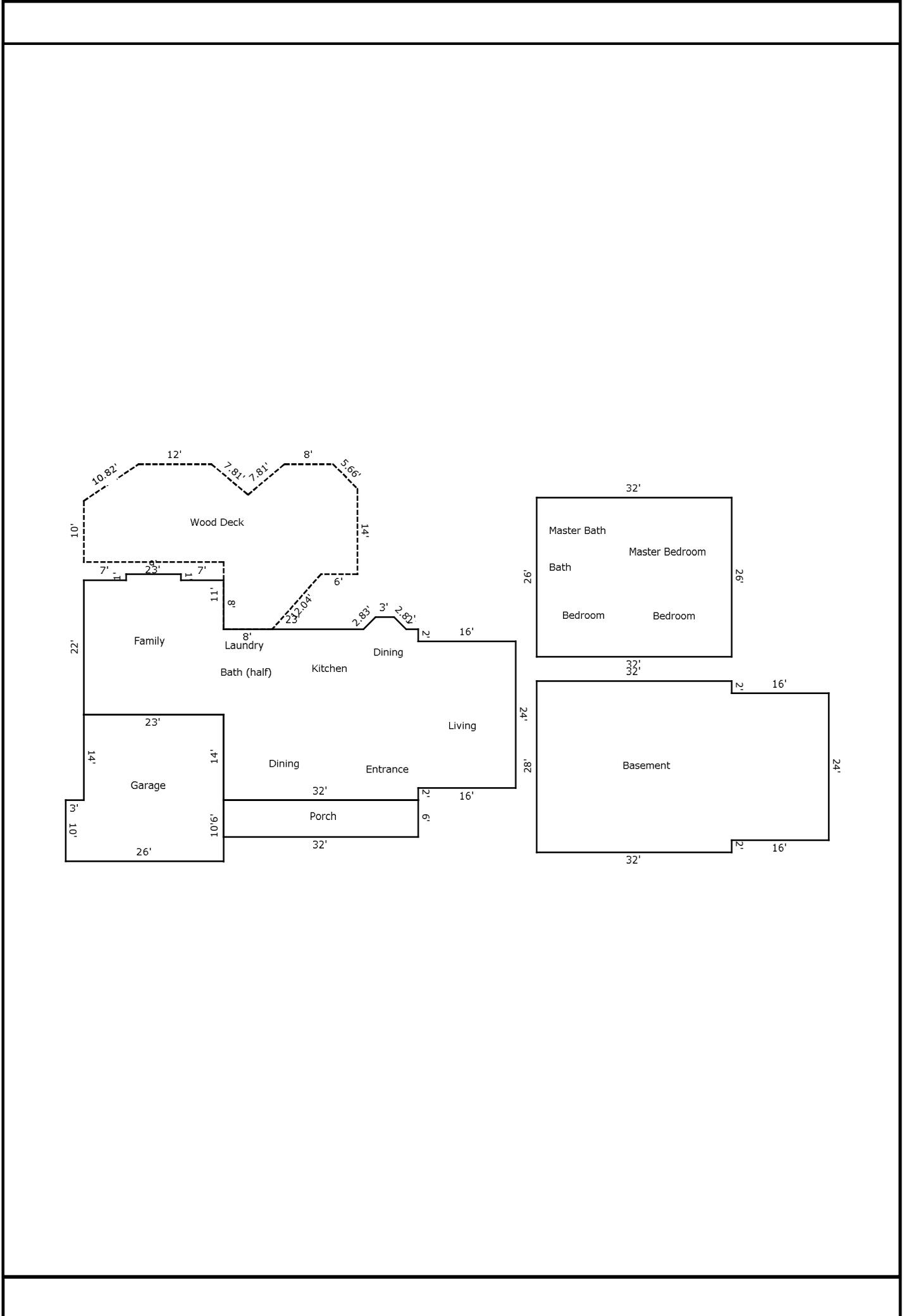
### **Confidentiality and Security**

We will retain records relating to professional services that we have provided to you for a reasonable time so that we are better able to assist you with your needs. In order to protect your nonpublic personal information from unauthorized access by third parties, we maintain physical, electronic and procedural safeguards that comply with our professional standards to insure the security and integrity of your information.

Please feel free to call us any time if you have any questions about the confidentiality of the information that you provide to us.

### Building Sketch

Borrower	NA			
Property Address	1031 Sheridan Rd			
City	Waterloo	County Black Hawk	State IA	Zip Code 50701
Lender	Mark D Ryan			



### Building Sketch

Borrower	NA			
Property Address	1031 Sheridan Rd			
City	Waterloo	County	Black Hawk	State IA      Zip Code 50701
Lender	Mark D Ryan			

Living Area	Calculation Details		
First Floor	1805 Sq ft		$9 \times 1 = 9$ $0.5 \times 2 \times 2 = 2$ $0.5 \times 2 \times 2 = 2$ $3 \times 2 = 6$ $24 \times 16 = 384$ $22 \times 23 = 506$ $28 \times 32 = 896$
Second Floor	832 Sq ft		$26 \times 32 = 832$
<b>Total Living Area (Rounded):</b>		<b>2637 Sq ft</b>	
Non-living Area			
2 Car Attached	582 Sq ft		$24 \times 23 = 552$ $3 \times 10 = 30$
Wood Deck	807 Sq ft		$10 \times 9 = 90$ $0.5 \times 9 \times 6 = 27$ $16 \times 12 = 192$ $8 \times 9 = 72$ $0.5 \times 8 \times 9 = 36$ $22 \times 2 = 44$ $24 \times 11 = 264$ $1 \times 4 = 4$ $0.5 \times 4 \times 4 = 8$ $5 \times 8 = 40$ $0.5 \times 5 \times 6 = 15$ $0.5 \times 6 \times 5 = 15$
Open Porch	192 Sq ft		$32 \times 6 = 192$
Basement	1280 Sq ft		$24 \times 16 = 384$ $28 \times 32 = 896$

# Appraiser License

## IOWA REAL ESTATE APPRAISER EXAMINING BOARD

*David B. Mc Rae*

having passed all examinations and complied with all other requirements prescribed by statute and The Real Estate Appraiser Examining Board, is hereby granted this Certificate as a

## CERTIFIED RESIDENTIAL REAL PROPERTY APPRAISER

In the State of Iowa

In Witness Whereof, this Certificate is granted

this 29th day of January



*Harvey M. Johnson*  
Chair



STATE OF IOWA

IOWA DEPARTMENT OF COMMERCE  
PROFESSIONAL LICENSING AND REGULATION

THIS IS TO CERTIFY THAT THE BELOW NAMED HAS BEEN GRANTED A CERTIFICATE AS A RESIDENTIAL REAL PROPERTY APPRAISER

CERTIFICATE NO. CR01621      EXPIRES: 6/30/2015

MC RAE, DAVID B  
MC RAE APPRAISALS, INC.  
2302 PLEASANT DRIVE  
CEDAR FALLS, IA 50613

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