

APPRAISAL OF



LOCATED AT:

4037 Danford Rd.
Ann Arbor, MI 48105

FOR:

United Mortgage Co.-Washtenaw
209 E. Russell Rd.
Tecumseh, MI 49286

BORROWER:

Katrina Schinske & Matthew Sebolt

AS OF:

January 27, 2010

BY:

Jeffrey P. Matlock

Uniform Residential Appraisal Report

File No. 10016

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

SUBJECT

Property Address	4037 Danford Rd.	City	Ann Arbor	State	MI	Zip Code	48105
Borrower	Katrina Schinske & Matthew Sebolt	Owner of Public Record	Robert & Katherine Choals	County	Washtenaw		
Legal Description	See Attached Addendum						
Assessor's Parcel #	I-09-13-300-012		Tax Year	2009		R.E. Taxes \$	3,607.52
Neighborhood Name	Southeast Ann Arbor Township		Map Reference	SMSA #0440		Census Tract	4060
Occupant	<input type="checkbox"/> Owner	<input type="checkbox"/> Tenant	<input checked="" type="checkbox"/> Vacant	Special Assessments \$	3,058.63		<input type="checkbox"/> PUD HOA \$ 350.00 <input checked="" type="checkbox"/> per year <input type="checkbox"/> per month
Property Rights Appraised	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)						
Assignment Type	<input checked="" type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input type="checkbox"/> Other (describe)						
Lender/Client	United Mortgage Co.-Washtenaw		Address	209 E. Russell Rd., Tecumseh, MI 49286			
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No							
Report data source(s) used, offering price(s), and date(s). <u>According to AAMLXchange MLS, the subject property is currently listed for sale for \$242,500.</u>							

CONTRACT

I <input checked="" type="checkbox"/> did <input type="checkbox"/> did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed. I <u>viewed the purchase agreement for the above transaction. Standard comments noted.</u>							
Contract Price \$	248,000	Date of Contract	12/01/09	Is the property seller the owner of public record?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Data Source(s)	Realcomp PRD
Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
If Yes, report the total dollar amount and describe the items to be paid. \$ <u>N/A</u> <u>No concessions noted in the purchase agreement.</u>							

NEIGHBORHOOD

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

Neighborhood Characteristics		One-Unit Housing Trends		One-Unit Housing		Present Land Use %	
Location	<input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit	75 %
Built-Up	<input type="checkbox"/> Over 75% <input checked="" type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$(000)	(yrs)	2-4 Unit	%
Growth	<input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time	<input checked="" type="checkbox"/> Under 3 mths <input type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	150 Low	10	Multi-Family	%
Neighborhood Boundaries	<u>See Attached Addendum</u>			500 High	60	Commercial	15 %
				250 Pred.	30	Other Vacant	10 %
Neighborhood Description	<u>See Attached Addendum</u>						
Market Conditions (including support for the above conclusions) <u>See Attached Addendum</u>							

SITE

Dimensions	188.60x225.48x189.04x226	Area	0.98 +/- Acre	Shape	Rectangular	View	Residential/Trees
Specific Zoning Classification	R-2	Zoning Description	Single Family Residential				
Zoning Compliance	<input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)						
Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe. _____							
Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements—Type	Public	Private
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water	<input type="checkbox"/> <input checked="" type="checkbox"/> Well	Street	Gravel	<input type="checkbox"/> <input checked="" type="checkbox"/>
Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sanitary Sewer	<input checked="" type="checkbox"/> <input type="checkbox"/>	Alley	None	<input type="checkbox"/> <input type="checkbox"/>
FEMA Special Flood Hazard Area	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	FEMA Flood Zone	C	FEMA Map #	260535 0005A	FEMA Map Date	06/18/1980
Are the utilities and off-site improvements typical for the market area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe. _____							
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe. <u>See Attached Addendum</u>							

IMPROVEMENTS

GENERAL DESCRIPTION		FOUNDATION		EXTERIOR DESCRIPTION		INTERIOR	
	materials/condition		materials/condition				
Units	<input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space		Foundation Walls	Concrete/Avg.	Floors	Crpt/Tile/Wd/Avg.
# of Stories	Two	<input checked="" type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement		Exterior Walls	Stone & Vinyl/Avg.	Walls	Drywall/Avg.
Type	<input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area	960 sq. ft.	Roof Surface	Comp. Shingles/Gd.	Trim/Finish	Wood/Avg.
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.		Basement Finish	75-80 %	Gutters & Downspouts	Alum/Alum/Avg.	Bath Floor	Tile/Vinyl/Avg.
Design (Style)	Two-Story	<input checked="" type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump		Window Type	DP,DH/Csmt/Gd.	Bath Wainscot	Tub Insert/Avg.
Year Built	1968	Evidence of	<input type="checkbox"/> Infestation	Storm Sash/Insulated	Vinyl/Good	Car Storage	<input type="checkbox"/> None
Effective Age (Yrs)	35	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement		Screens	Aluminum/Good	<input checked="" type="checkbox"/> Driveway	# of Cars 4 +
Attic	<input type="checkbox"/> None	Heating	<input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities	<input type="checkbox"/> WoodStove(s) #	Driveway Surface	Asphalt
<input type="checkbox"/> Drop Stair	<input type="checkbox"/> Stairs	<input type="checkbox"/> Other	Fuel Gas	<input checked="" type="checkbox"/> Fireplace(s) # 1	<input type="checkbox"/> Fence	<input checked="" type="checkbox"/> Garage	# of Cars 2
<input type="checkbox"/> Floor	<input checked="" type="checkbox"/> Scuttle	Cooling	<input checked="" type="checkbox"/> Central Air Conditioning	<input checked="" type="checkbox"/> Patio/Deck Deck	<input checked="" type="checkbox"/> Porch Front	<input type="checkbox"/> Carport	# of Cars
<input type="checkbox"/> Finished	<input type="checkbox"/> Heated	<input type="checkbox"/> Individual	<input checked="" type="checkbox"/> Other Attic Fan	<input type="checkbox"/> Pool	<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Att.	<input type="checkbox"/> Det. <input type="checkbox"/> Built-in
Appliances <input type="checkbox"/> Refrigerator <input checked="" type="checkbox"/> Range/Oven <input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Disposal <input type="checkbox"/> Microwave <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe)							
Finished area above grade contains: 7 Rooms 4 Bedrooms 2.5 Bath(s) 1,844 Square Feet of Gross Living Area Above Grade							
Additional features (special energy efficient items, etc.). <u>Deck, central air, fireplace, updated roof shingles, finished walkout basement with rec. room, attic fan, wood floors, updated kitchen with granite countertops, stainless steel appliances.</u>							
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). <u>The subject appears to be in average condition with no needed repairs or deterioration noticed by visual inspection. For purposes of this appraisal, "average" means something one would expect for homes of this age in this area.</u>							
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe. <u>There are no adverse conditions known to the appraiser that would affect the subject property.</u>							
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe. <u>The subject property generally conforms to the neighborhood with regards to style, functional utility, construction and use.</u>							

Uniform Residential Appraisal Report

File No. 10016

SALES COMPARISON APPROACH

There are 3-5 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 200,000 to \$ 300,000 .									
There are 4 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 200,000 to \$ 300,000 .									
FEATURE		SUBJECT		COMPARABLE SALE NO. 1			COMPARABLE SALE NO. 2		
4037 Danford Rd.				3550 Sulgrave			3630 Windemere		
Address Ann Arbor				Ann Arbor			Ann Arbor		
Proximity to Subject				1.07 miles SSW			1.17 miles SSW		
Sale Price		\$ 248,000		\$ 250,000			\$ 260,000		
Sale Price/Gross Liv. Area		\$ 134.49 sq. ft.		\$ 119.79 sq. ft.			\$ 110.92 sq. ft.		
Data Source(s)		Inspection		AAMLXchange MLS/Agent			AAMLXchange MLS/Agent		
Verification Source(s)		Inspection		AAMLXchange MLS/Agent			AAMLXchange MLS/Agent		
VALUE ADJUSTMENTS		DESCRIPTION		DESCRIPTION		+(-) \$ Adjustment		DESCRIPTION	
Sale or Financing		N/A		Conv.Mort.				Conv.Mort.	
Concessions				No Concess.				No Concess.	
Date of Sale/Time		12/01/09		6/25/09				7/21/09	
Location		Suburban/Avg.		Suburban/Sim.				Suburban/Sim.	
Leasehold/Fee Simple		Fee Simple		Fee Simple				Fee Simple	
Site		0.98 +/- Ac/Avg.		0.29 +/- Ac/Inf.		+3,000		0.27 +/- Ac/Sim.	
View		Res/Trees/Gd.		Res/Trees/Sim.				Res/Trees/Sim.	
Design (Style)		2-Story/Avg.		2 Story/Sim.				2 Story/Sim.	
Quality of Construction		Average		Similar				Similar	
Actual Age		42		38				34	
Condition		Average		Similar				Similar	
Above Grade		Total	Bdrms	Baths	Total	Bdrms	Baths	Total	Bdrms
Room Count		7	4	2.5	7	3	2.5	8	4
Gross Living Area25.00		1,844 sq. ft.		2,087 sq. ft.		-6,500		2,344 sq. ft.	
Basement & Finished		Full Walkout		Full Basement		+1,500		Full Basement	
Rooms Below Grade		Finished/Avg.		Unfinished		+6,000		Unfinished	
Functional Utility		Average		Similar				Similar	
Heating/Cooling		GFA/Central		GFA/Central				GFA/Central	
Energy Efficient Items		Typical		Similar				Similar	
Garage/Carport		2 Car Att. Gar.		2 Car Att. Gar.				2 Car Att. Gar.	
Porch/Patio/Deck		Porch & Deck		Porch & Deck				Porch & Deck	
Amenities		Fireplace		Fireplace				Fireplace	
Net Adjustment (Total)				<input checked="" type="checkbox"/> + <input type="checkbox"/> -		\$ 4,000		<input type="checkbox"/> + <input checked="" type="checkbox"/> -	
Adjusted Sale Price				Net Adj. 1.6%				Net Adj. -0.8%	
of Comparables				Gross Adj. 6.8%		\$ 254,000		Gross Adj. 8.8%	
						\$ 258,000			
								\$ 245,000	

I ☒ did ☐ did not research the sale or transfer history of the subject property and comparable sales. If not, explain See Attached Addendum

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) The sales/transfer history for the subject property was obtained either through Realcomp or Public Records.

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

Data source(s) The sales/transfer history for the comparable sales was obtained either through Realcomp or Public Records.

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

ITEM		SUBJECT		COMPARABLE SALE NO. 1			COMPARABLE SALE NO. 2		
Date of Prior Sale/Transfer		N/A		N/A			N/A		
Price of Prior Sale/Transfer		N/A		N/A			N/A		
Data Source(s)		Realcomp/MLS Data		Realcomp/MLS Data			Realcomp/MLS Data		
Effective Date of Data Source(s)		01/28/2010		01/28/2010			01/28/2010		

Analysis of prior sale or transfer history of the subject property and comparable sales No prior sales or transfers of the subject property was known to the appraiser within the past three years. No prior sales or transfers of the comparables were known to the appraiser within the past year.

Summary of Sales Comparison Approach. See Attached Addendum

Indicated Value by Sales Comparison Approach \$ 250,000

Indicated Value by: Sales Comparison Approach \$ 250,000 Cost Approach (if developed) \$ N/A Income Approach (if developed) \$ N/A

See Attached Addendum

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

Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 250,000 as of 01/27/2010 , which is the date of inspection and the effective date of this appraisal.

Uniform Residential Appraisal Report

File No. 10016

ADDITIONAL COMMENTS

See attached narrative for additional comments.

COST APPROACH

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.
Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) Site value for the Cost Approach was estimated via recent vacant land sales in the subject's area or the land extraction method.

ESTIMATED	<input type="checkbox"/> REPRODUCTION OR	<input type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE.....	= \$	70,000
Source of cost data			Dwelling	Sq. Ft. @ \$	= \$ N/A
Quality rating from cost service		Effective date of cost data		Sq. Ft. @ \$	= \$ N/A
Comments on Cost Approach (gross living area calculations, depreciation, etc.)					N/A
The appraiser has considered utilizing the Cost Approach,			Garage/Carport	Sq. Ft. @ \$	= \$ N/A
however, due to the subject's age, lack of recent land sales and			Total Estimate of Cost-New		= \$ N/A
difficulty in estimating depreciation, the appraiser has not utilized			Less Physical	Functional	External
the Cost Approach. It is not considered a reliable approach for			Depreciation		= \$ (N/A)
homes of this age. The estimated site value was requested by the			Depreciated Cost of Improvements		= \$ N/A
lender.			"As-is" Value of Site Improvements		= \$ N/A
Estimated Remaining Economic Life (HUD and VA only)	40 Years		INDICATED VALUE BY COST APPROACH.....	= \$	N/A

INCOME

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$ N/A X Gross Rent Multiplier N/A = \$ N/A Indicated Value by Income Approach
Summary of Income Approach (including support for market rent and GRM) The income approach was considered but not used due to the lack of income data and the fact that most homes in this area are not usually purchased for their income producing potential.

PUD INFORMATION

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? ☐ Yes ☐ No Unit type(s) ☐ Detached ☐ Attached
Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.
Legal name of project N/A
Total number of phases N/A Total number of units N/A Total number of units sold N/A
Total number of units rented N/A Total number of units for sale N/A Data source(s) N/A
Was the project created by the conversion of an existing building(s) into a PUD? ☐ Yes ☐ No If Yes, date of conversion. N/A
Does the project contain any multi-dwelling units? ☐ Yes ☐ No Data source(s) N/A
Are the units, common elements, and recreation facilities complete? ☐ Yes ☐ No If No, describe the status of completion. N/A

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

Describe common elements and recreational facilities. N/A

Uniform Residential Appraisal Report

File No. 10016

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

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

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

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

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

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

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

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

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

Uniform Residential Appraisal Report

File No. 10016

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

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

Uniform Residential Appraisal Report

File No. 10016

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

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

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

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

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

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

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

APPRAISER

Signature 
Name Jeffrey P. Matlock
Company Name Matlock Appraisal Service, Inc.
Company Address 2424 S. Gregory Rd.
Fowlerville, MI 48836
Telephone Number On File
Email Address One File
Date of Signature and Report 01/28/2010
Effective Date of Appraisal 01/27/2010
State Certification # 1201002255
or State License # _____
or Other (describe) N/A State # N/A
State MI
Expiration Date of Certification or License 07/31/2010

ADDRESS OF PROPERTY APPRAISED

4037 Danford Rd.
Ann Arbor, MI 48105

APPRAISED VALUE OF SUBJECT PROPERTY \$ 250,000

LENDER/CLIENT

Name Laura Call
Company Name United Mortgage Co.-Washtenaw
Company Address 209 E. Russell Rd.
Tecumseh, MI 49286
Email Address L.call@ubat.com

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
Name _____
Company Name _____
Company Address _____

Telephone Number _____
Email Address _____
Date of Signature _____
State Certification # _____
or State License # _____
State _____
Expiration Date of Certification or License _____

SUBJECT PROPERTY

- ☐ Did not inspect subject property
☐ Did inspect exterior of subject property from street
Date of Inspection _____
☐ Did inspect interior and exterior of subject property
Date of Inspection _____

COMPARABLE SALES

- ☐ Did not inspect exterior of comparable sales from street
☐ Did inspect exterior of comparable sales from street
Date of Inspection _____

ADDENDUM

Borrower: Katrina Schinske & Matthew Sebolt		File No.: 10016
Property Address: 4037 Danford Rd.		Case No.:
City: Ann Arbor	State: MI	Zip: 48105
Lender: United Mortgage Co.-Washtenaw		

Legal Description
AA 13-15I FT IN W LINE OF SEC, TH S 89DEG 53' E 234.54 FT FOR A PL OF BEG, TH N 225.48 FT, TH E 189.04 FT, TH S 226 FT,TH N 89 DEG 53' W 188.60 FT TO PL OF BEG, BEING A PART OF W 1/2 OF SW 1/4 SEC. 13 T2S R6E 0.98 AC.

Neighborhood Boundaries
The subject is bounded by the M-14 expressway to the north, Huron Parkway to the west, Washtenaw Ave. to the south and Superior Township to the east.

Neighborhood Description
Ann Arbor Township is a predominantly suburban/rural area and offers proximity to the City of Ann Arbor to the southwest and the Whitmore Lake and South Lyon areas to the north. The City of Ypsilanti is to the southeast. The subject has accessibility to the US-23 and M-14 expressways, as well as the I-94 expressway to the south. Recreational activities in the area are average. Proximity to schools, shopping and other amenities is average to good as well.

Neighborhood Market Conditions
The Ann Arbor Board of Realtors most recent sales activity is showing that current marketing times in this area is less than 3 months for homes in this marketing area. One unit housing trends for supply & demand is showing homes to be in balance at this time. Property values have begun to show signs of stabilization in this area. All data was obtained from the scope of work in the 1004 MC addendum. The slowdown and uncertainty in the auto industry, including the Chrysler and General Motors bankruptcy filings and their re-emergence from bankruptcy as well as the manufacturing sector & factory layoffs in our economy have continued to provide challenges to the local and state economy. Given the ever changing events both locally and globally including credit freezes, a 700 billion dollar rescue of the American Financial system and individual takeovers of financial institutions throughout the world, it is unknown what the future impact will be on the subject's market value. The subprime meltdown and the current credit crisis are also factors in this area and in the country as a whole. Michigan is still ranked in the top 10 in foreclosures and ranks first in unemployment which is over 14%. Data based on Ann Arbor Board of Realtors data, local publications, Realcomp MLS or SEMCOG (Southeastern Michigan Council of Governments). Seller concessions are typical in this area.

Site Comments
Standard road and utility easements are assumed to exist. There are no apparent adverse conditions known to the appraiser that would affect the marketability of the subject property. The appraiser has made no examination of any zoning ordinances pertaining to the subject property. Zoning compliance is limited to subject's classification as reported by the county or township. The subject is located on a private gravel road. Estimated HOA fee was taken from realtor listing. There is a special assessment for a municipal sewer system.

Sale/Transfer History Research Comments
I have researched the sales history for the subject property and the comparable sales for this appraisal report. Public records or public records through Realcomp may typically have up to a six month lag in reporting data , therefore, some public record data may not show very recent transactions that have occurred.

Comments on Sales Comparison
All three comparables were equally weighted in estimating market value and they are all slightly over six months old due to the lack of more recently sold comparable dwellings. They are all closed sales of similar homes within the subject's marketing area. They are deemed the best representatives available to the appraiser in this very limited market area. The appraiser was able to locate very few recently sold comparable dwellings in this limited area. Comp #1 has larger square footage, but a smaller site and lacks a finished walkout basement. Comp #2 also has a smaller site and lacks a finished walkout basement, but has larger square footage. Comp #3 has a smaller site and larger square footage as well. It has an unfinished walkout basement as well.

Final Reconciliation
The Sales Comparison Approach extracts data from closed sales on the open market and was given entire weight in estimating market value. The Cost Approach was given no weight due to the subject's age, lacks of land sales or difficulty in estimating depreciation. The Income Approach is not applicable for homes in this area. Exposure time is estimated between 1 and 360 days.

Conditions of Appraisal
Subject to Statement of Limiting Conditions (See Attached). No personal property items are included in the estimation of market value. Movable items not permanently affixed to or part of the real estate are considered personal property and are not included in the appraisal value.

Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials as radon gas, urea-formaldehyde foam insulation, lead based paint, buried fuel oil tanks, asbestos or any other potentially hazardous materials which may affect the estimated market value of the subject property. The appraiser is also not a mold inspector and if the client requests information regarding potential mold issues, a qualified contractor is recommended. This appraisal report is not a home inspection, the appraiser only performed a visual inspection of accessible areas and that the appraisal cannot be relied upon to disclose any negative conditions and/or defects in the property. The appraiser recommends that a qualified contractor or expert in each particular field be retained by the client if so desired.

The appraiser has NOT performed this appraisal in any other capacity other than a certified residential appraiser and has NOT performed a contractor's inspection on the subject property. The appraiser did not visually observe any defects of the structure or mechanical, plumbing or electrical systems at the time of the inspection unless otherwise noted. It will not be noted if it is not detectable via visual inspection, or is located in hidden wall cavities whereby discovery would only be possible by removing portions of the wall covering. Furthermore, the appraiser is not qualified to analyze such substances. The appraiser recommends that the proper experts in these related fields be retained by the client if so desired. The appraiser does not inspect crawl spaces or attic areas unless specifically requested by the client. Typically, this is a requirement for FHA appraisals and if the appraisal was performed as an FHA appraisal, the appraiser would have visually

ADDENDUM

Borrower: Katrina Schinske & Matthew Sebolt		File No.: 10016
Property Address: 4037 Danford Rd.		Case No.:
City: Ann Arbor	State: MI	Zip: 48105
Lender: United Mortgage Co.-Washtenaw		

observed the attic or crawl space. If the client requires detailed information other than just a visual observation of these areas, a qualified contractor or home inspector is recommended.

Regardless of who pays for this appraisal, the intended user is the client named in the report. The scope of work in this appraisal has been customized for the intended use and the intended user. No additional intended users are identified by the appraiser. This appraisal report may be inappropriate for other users. Therefore, regardless of the means of possession of this document, this appraisal may not be used or relied upon other than the stated intended user. The appraiser, the appraiser's firm and related parties assume no obligation, liability, or accountability to any third party. Because a third party may receive a copy of this appraisal, it does not mean that the third party is an intended user as the term is defined in Uniform Standards of Professional Appraisal Practice and in the report forms developed by FNMA and Freddie Mac. The Appraisal Standards Board has stated that for purposes of USPAP compliance, appraisers using the URAR and related Fannie Mae forms must include clarification language related to Certification #23. The approved language is as follows: "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 form, and Definition of Market Value. No additional Intended Users are identified by the appraiser.

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligent quotient, behavioral problems and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the purchaser with any information on lead-based paint hazards from risk assessments/inspections in the sellers possession and notify the purchaser of any known paint hazards. A risk assessment/inspection for possible lead based paint hazards is recommended prior to purchase.

Cost figures were compiled from Marshall & Swift Residential Cost Manual and were adjusted for local costs IF the Cost Approach to value was utilized.

SCOPE OF THE APPRAISAL:

The scope of this appraisal included what was stated on page 4 of this report under SCOPE OF WORK may also have included the following:

- 1) A physical inspection of the interior and exterior of the subject property UNLESS other wise noted.
- 2) A physical inspection of the neighborhood.
- 3) Inspection of the comparables from at least the street.
- 4) Research, analyze and verify data from reliable public and private sources.
- 5) Report the analysis, opinions and conclusions in this appraisal report and analyze into an estimation of market value.
- 6) A review of pertinent cost data and analysis of the subject improvements relative to physical, functional and external depreciation and any obsolescence estimates unless otherwise deemed not applicable to the assignment .
- 7) A market search for Gross Rent Multipliers and rental information unless deemed not applicable to the assignment .
- 8) A review of plans and specifications if the appraisal was performed on the hypothetical condition that the improvements have been completed.

ADDITIONAL CERTIFICATION

Appraiser are required to be licensed and are regulated by The Department of Labor and Economic Growth, Licensing Division, P.O. Box 30018, Lansing, MI 48909. The appraiser is currently a Certified Residential Appraiser within the State of Michigan.

The appraisal fee charged by the appraiser is only for the report provided to the client. Subsequent consultations and appropriate revisions, if required due to discrepancies between the subject property and the appraisal report will be provided. The fee considered does NOT consider court appearances or testimony.

The addendum contains additional certification required by USPAP and is considered to be part of the certification found in the appraisal report. USPAP Standards rules require that, to the best of my knowledge and belief:

- The statements contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, unbiased professional analysis, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause or the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- My analysis, opinions, and conclusions were developed and to the best of my knowledge, this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.

ADDENDUM

Borrower: Katrina Schinske & Matthew Sebolt		File No.: 10016
Property Address: 4037 Danford Rd.		Case No.:
City: Ann Arbor	State: MI	Zip: 48105
Lender: United Mortgage Co.-Washtenaw		

-I have made a personal interior and exterior inspection of the subject property unless otherwise stated elsewhere in the report. (If more than one person signs the report, this certification must clearly specify which individuals did and which individuals did not make a personal inspection of the subject property.)

-No one provided significant professional assistance to the person signing the report. (If there are exceptions, the name of each individual providing significant professional assistance must be stated.)

APPRAISAL DEVELOPMENT AND REPORTING

The function/purpose of this appraisal is to estimate the market value for a Federal Financing Transaction for mortgage collateral purposes only. The appraisal was not completed for a tax assessment, legal proceedings, or any other intent other than stated above and shall not be used for any other purpose unless prior consent has been obtained by the appraiser.

This is a summary appraisal report and is intended to comply with the reporting requirements set forth under the Uniform Standards of Professional Appraisal Practice for a summary appraisal report. As such, it presents only summary discussions of the data, reasoning and analysis that were used in the appraisal process to develop the appraiser's opinion of value. As of July 1, 2006, USPAP has dissolved the terms "complete" and "limited" from the type of appraisal stated in all appraisals and has dissolved the departure provision and expanded the "scope" of the appraisal. Supporting documentation that is not provided with the report concerning the data, reasoning and analysis is retained in the appraiser's file. The depth of the discussion obtained in this report is specific to the needs of the client and for the intended use stated in the report. The appraiser is not responsible for unauthorized use of the report.

To develop the opinion of value, the appraiser performed a summary appraisal process, as defined by the Uniform Standards of Professional Appraisal Practice.

ADDITIONAL FACTORS

If well and septic systems are noted, they are common to the market with no affect on marketability unless otherwise noted. It is assumed these systems are functional and adequate.

The income approach was not used due to the fact that homes in this area are not usually purchased for their income producing potential.

The site dimensions provided were obtained from public record, mortgage survey or builder's plat and are provided for purposes of approximating site size. This information is believed to be accurate, but not guaranteed or warranted.

The sketch addenda provided is not an architectural rendering (unless provided to the appraiser for new construction using plans) and its sole purpose ids to aid the user of this report in visualizing the subject property. Measurements are rounded to the nearest 1/4 foot unless otherwise noted on the sketch addenda or unless the subject is a new construction dwelling utilizing blueprints or plans at which time no rounding is necessary. The information provided is believed to be accurate.

SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: Katrina Schinske & Matthew Sebolt		File No.: 10016
Property Address: 4037 Danford Rd.		Case No.:
City: Ann Arbor	State: MI	Zip: 48105
Lender: United Mortgage Co.-Washtenaw		



FRONT VIEW OF
SUBJECT PROPERTY

Appraised Date: January 27, 2010
Appraised Value: \$ 250,000



REAR VIEW OF
SUBJECT PROPERTY



STREET SCENE

COMPARABLE PROPERTY PHOTO ADDENDUM			
Borrower: Katrina Schinske & Matthew Sebolt		File No.: 10016	
Property Address: 4037 Danford Rd.		Case No.:	
City: Ann Arbor		State: MI	Zip: 48105
Lender: United Mortgage Co.-Washtenaw			



COMPARABLE SALE #1

3550 Sulgrave
Ann Arbor
Sale Date: 6/25/09
Sale Price: \$ 250,000



COMPARABLE SALE #2

3630 Windemere
Ann Arbor
Sale Date: 7/21/09
Sale Price: \$ 260,000



COMPARABLE SALE #3

2207 Placid Way
Ann Arbor
Sale Date: 7/03/09
Sale Price: \$ 240,000

ADDITIONAL PHOTOS

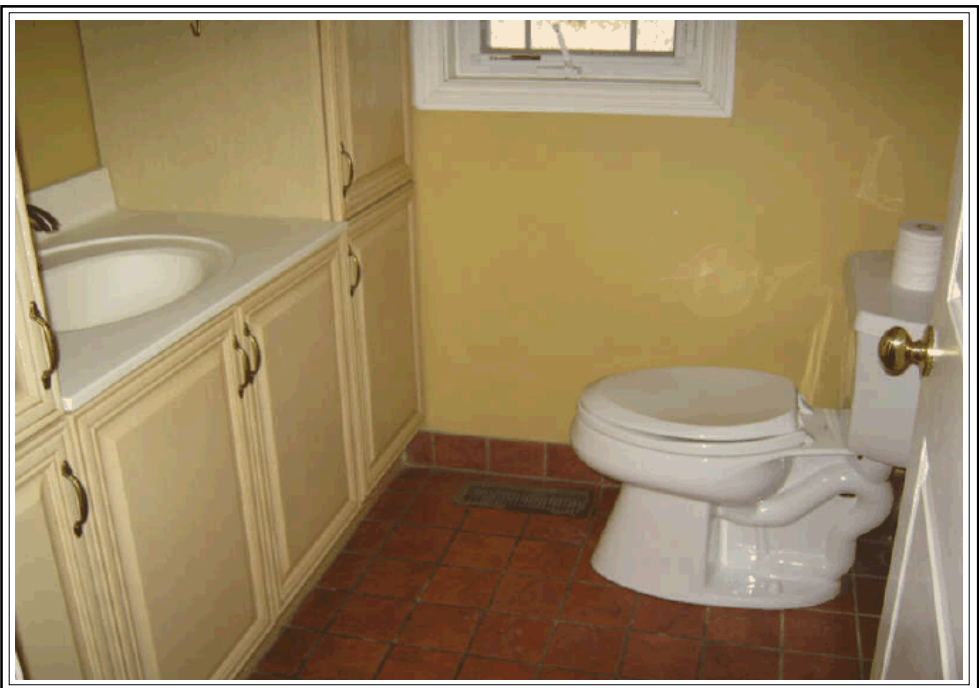
Borrower: Katrina Schinske & Matthew Sebolt		File No.: 10016
Property Address: 4037 Danford Rd.		Case No.:
City: Ann Arbor	State: MI	Zip: 48105
Lender: United Mortgage Co.-Washtenaw		



BASEMENT



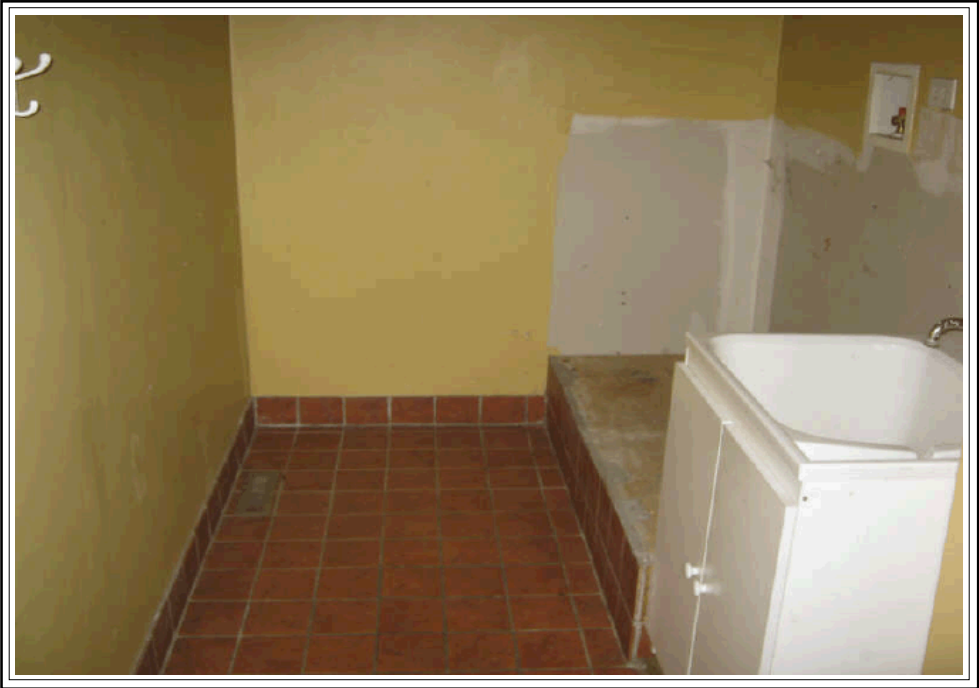
REC. ROOM IN BASEMENT



1/2 BATH

ADDITIONAL PHOTOS

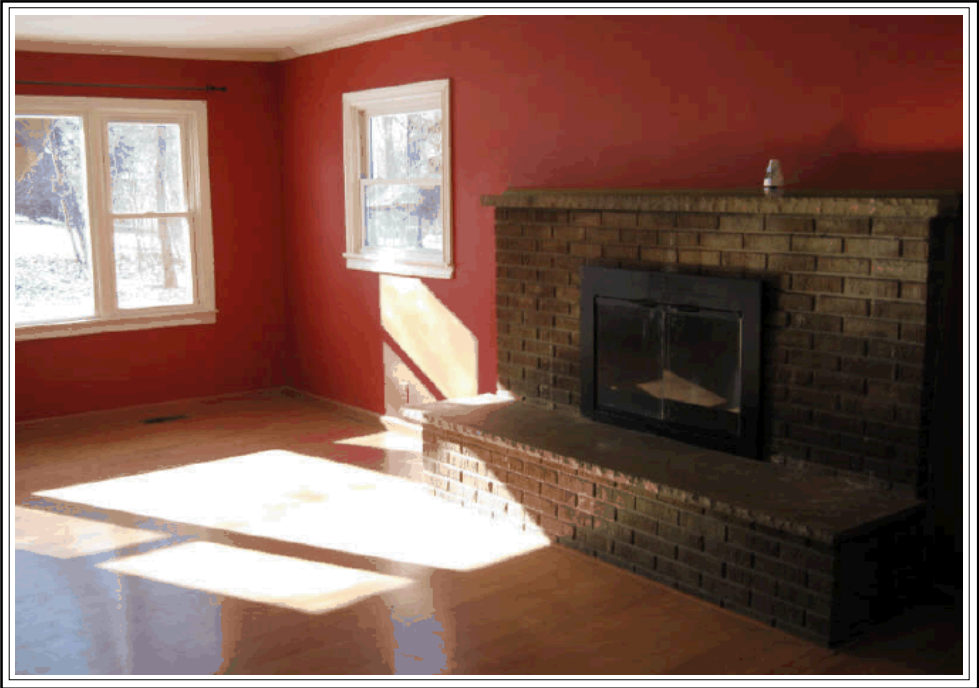
Borrower: Katrina Schinske & Matthew Sebolt		File No.: 10016
Property Address: 4037 Danford Rd.		Case No.:
City: Ann Arbor	State: MI	Zip: 48105
Lender: United Mortgage Co.-Washtenaw		



LAUNDRY



KITCHEN



FAMILY ROOM

ADDITIONAL PHOTOS

Borrower: Katrina Schinske & Matthew Sebolt		File No.: 10016
Property Address: 4037 Danford Rd.		Case No.:
City: Ann Arbor	State: MI	Zip: 48105
Lender: United Mortgage Co.-Washtenaw		



DINING ROOM



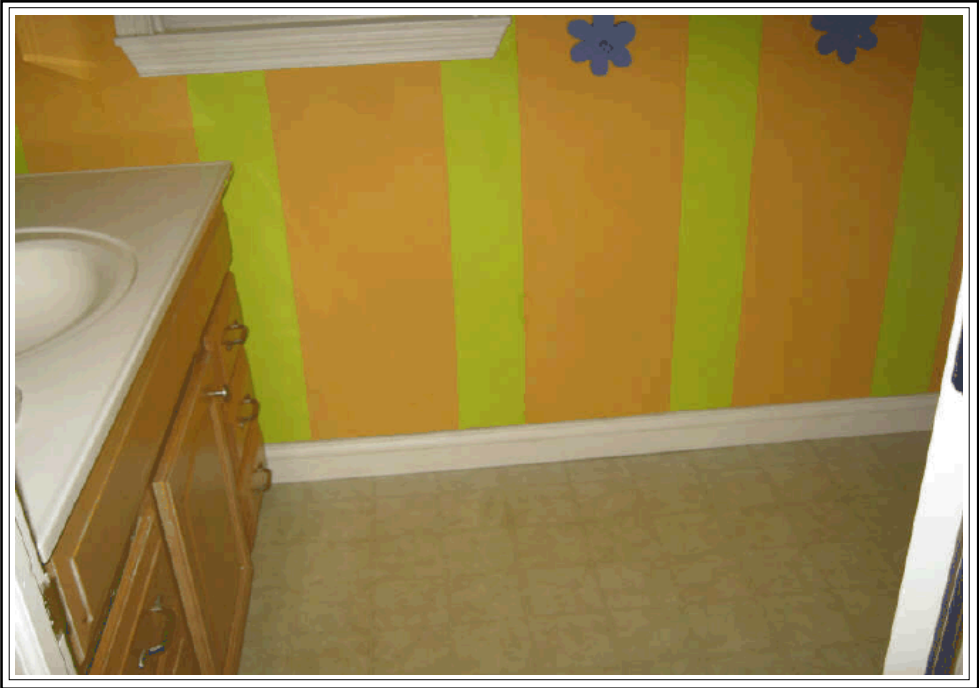
BEDROOM



BEDROOM (NO CLOSET)

ADDITIONAL PHOTOS

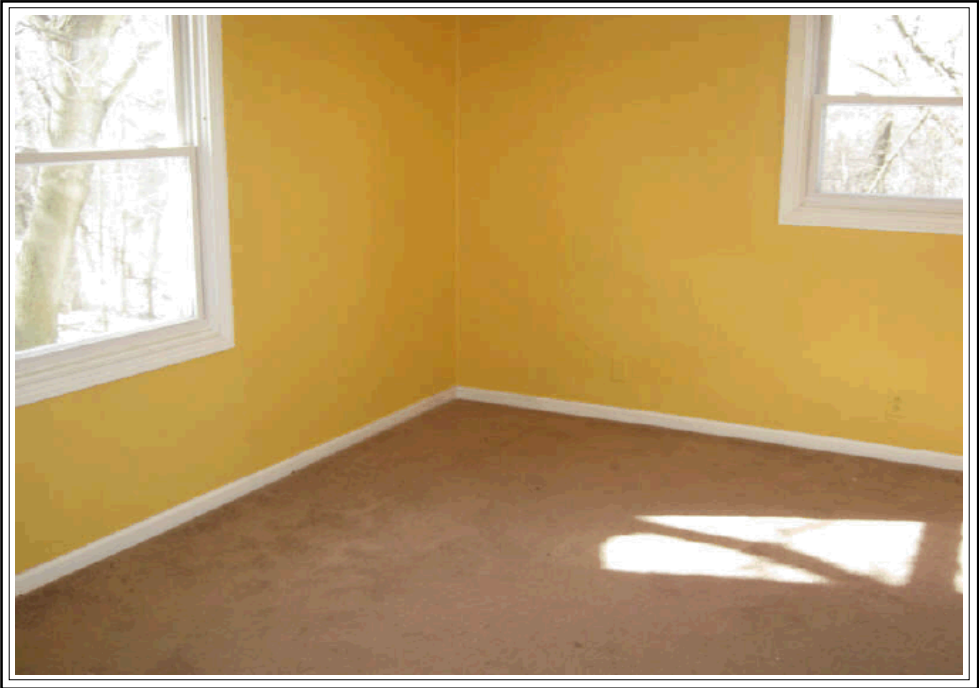
Borrower: Katrina Schinske & Matthew Sebolt		File No.: 10016
Property Address: 4037 Danford Rd.		Case No.:
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Lender: United Mortgage Co.-Washtenaw		



FULL BATH



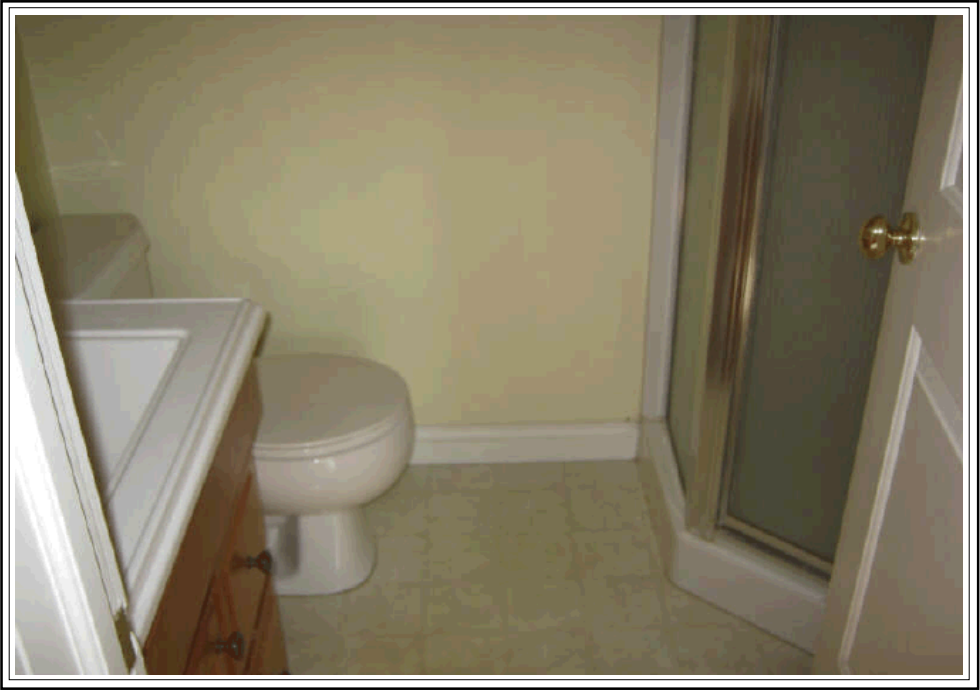
BEDROOM



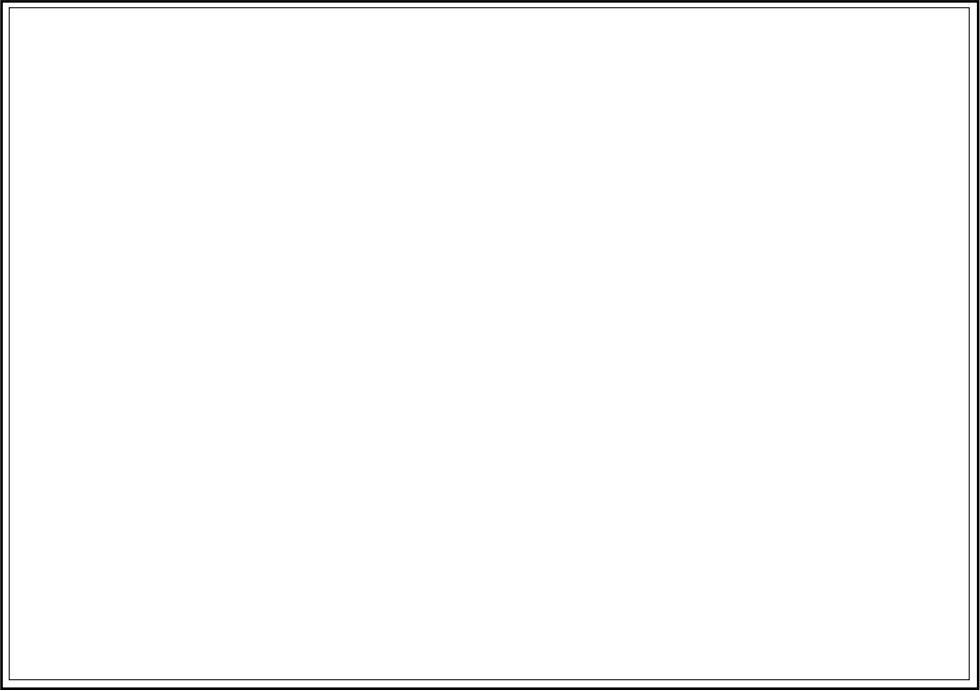
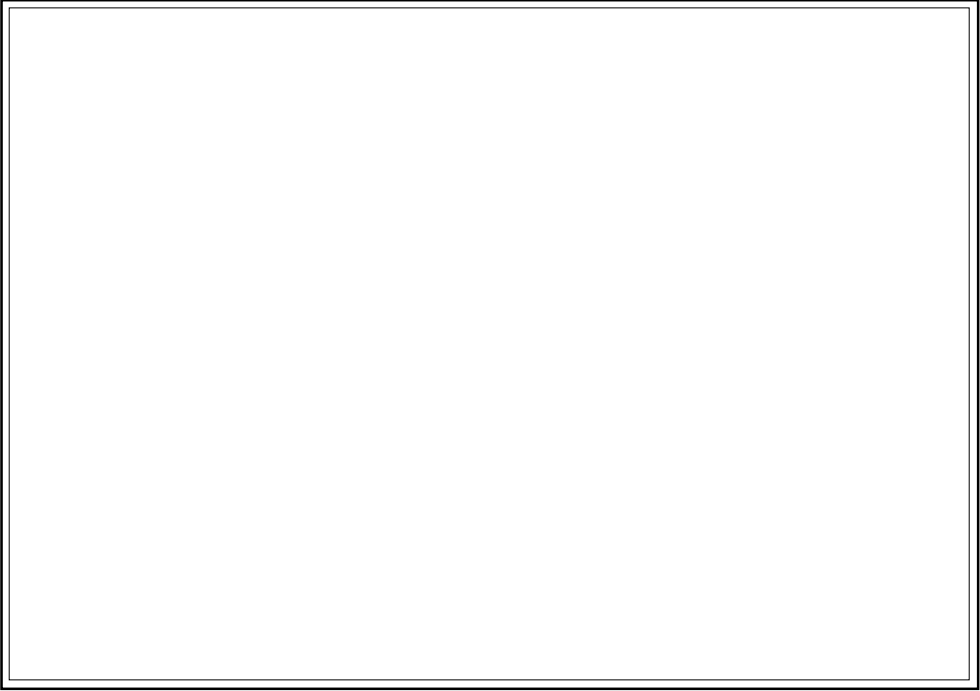
BEDROOM

ADDITIONAL PHOTOS

Borrower: Katrina Schinske & Matthew Sebolt		File No.: 10016
Property Address: 4037 Danford Rd.		Case No.:
City: Ann Arbor	State: MI	Zip: 48105
Lender: United Mortgage Co.-Washtenaw		

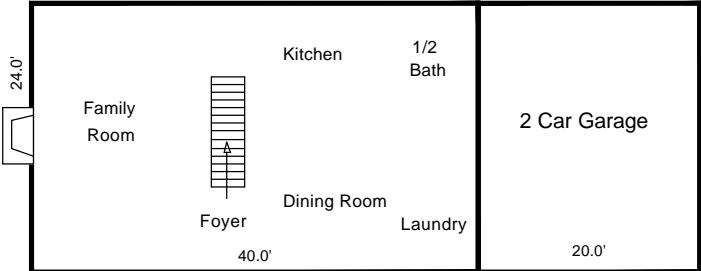
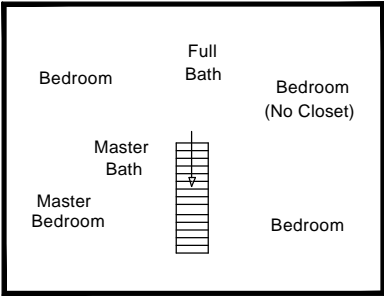


MASTER BATH



FLOORPLAN

Borrower: Katrina Schinske & Matthew Sebolt		File No.: 10016	
Property Address: 4037 Danford Rd.		Case No.:	
City: Ann Arbor		State: MI	Zip: 48105
Lender: United Mortgage Co.-Washtenaw			



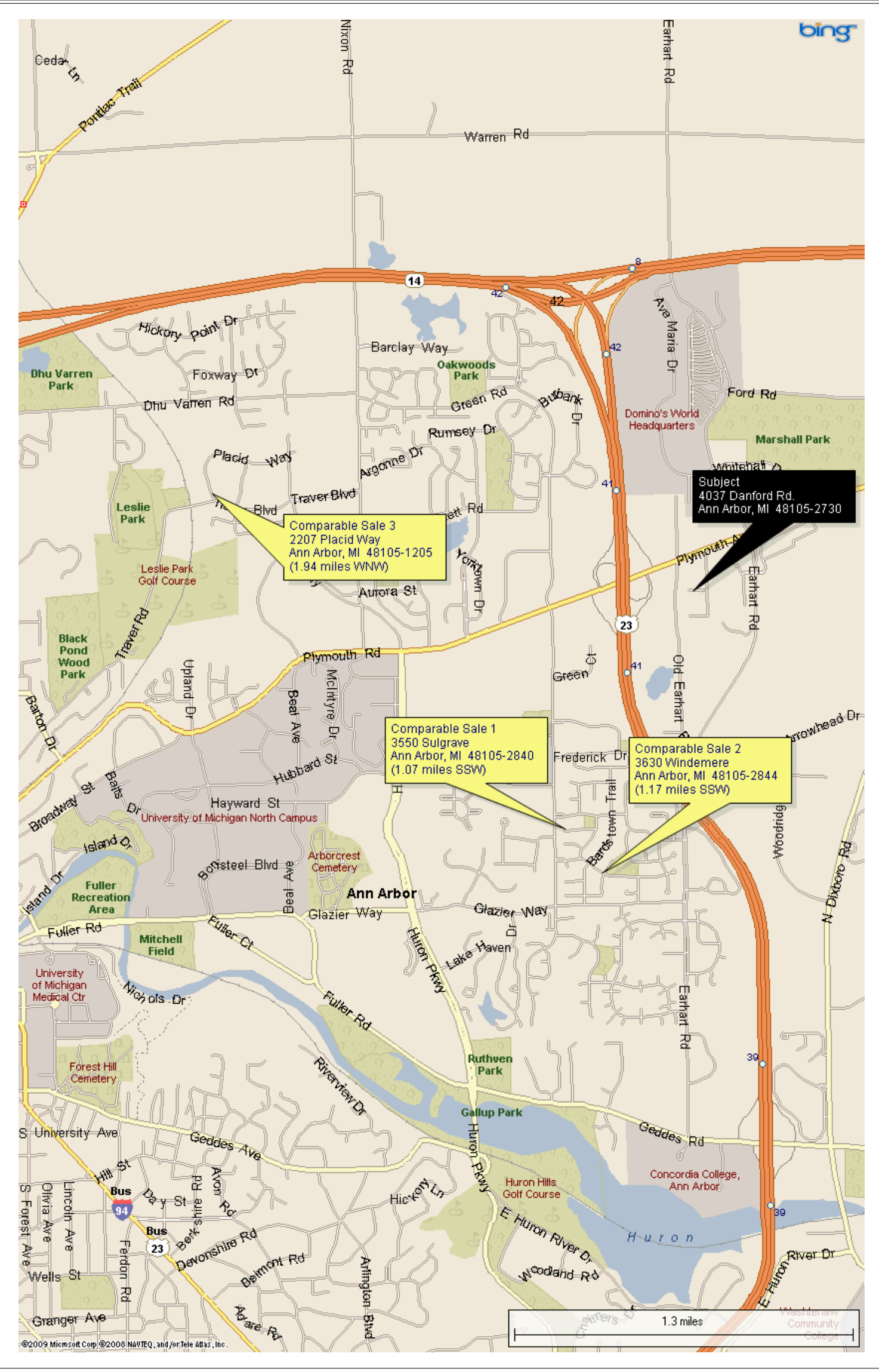
Sketch by Apex IV Windows™

AREA CALCULATIONS SUMMARY			
Code	Description	Size	Totals
GLA1	First Floor	960.00	960.00
GLA2	Second Floor	884.00	884.00
GAR	Garage	480.00	480.00
TOTAL LIVABLE (rounded)			1844

LIVING AREA BREAKDOWN		Subtotals
Breakdown		
First Floor		
24.0	x 40.0	960.00
Second Floor		
26.0	x 34.0	884.00
2 Areas Total (rounded)		1844

LOCATION MAP

Borrower: Katrina Schinske & Matthew Sebolt	File No.: 10016
Property Address: 4037 Danford Rd.	Case No.:
City: Ann Arbor	State: MI
Lender: United Mortgage Co.-Washtenaw	Zip: 48105



***** INVOICE *****

File Number: 10016

01/28/2010

United Mortgage Co-Washtenaw
209 E. Russell Rd.
Tecumseh, MI 49286

Borrower : Katrina Schinske & Matthew Sebolt

Invoice # : 10016

Order Date :

Reference/Case # :

PO Number :

4037 Danford Rd.
Ann Arbor, MI 48105

Appraisal Fee For Services Rendered

\$ 375.00

\$

Invoice Total

\$ 375.00

State Sales Tax @

\$ 0.00

Deposit

(\$)

Deposit

(\$)

Amount Due

\$ 375.00

Terms: Net 30

Please Make Check Payable To:

Matlock Appraisal Service, Inc.
2424 S. Gregory Rd.
Fowlerville, MI 48836

Fed. I.D. #: 38-3562118

Market Conditions Addendum to the Appraisal Report

File No. 10016

MARKET RESEARCH & ANALYSIS

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

Property Address 4037 Danford Rd. City Ann Arbor State MI Zip Code 48105
Borrower Katrina Schinske & Matthew Sebolt

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

Inventory Analysis	Prior 7–12 Months	Prior 4–6 Months	Current – 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)	3	1	0	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)	0.50	0.33	0.00	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Comparable Active Listings	4	2	3	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Housing Supply (Total Listings/Ab.Rate)	8.00	6.06	0.00	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale & List Price, DOM, Sale/List %	Prior 7–12 Months	Prior 4–6 Months	Current – 3 Months	Overall Trend		
Median Comparable Sale Price	251,000	295,000	N/A	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Sales Days on Market	41	83	N/A	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Comparable List Price	259,900	325,000	N/A	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Listings Days on Market	41	83	N/A	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale Price as % of List Price	96.50%	90.70%	N/A	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Seller-(developer, builder, etc.)paid financial assistance prevalent? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.). Overall seller concessions are still prevalent in the current market. Seller concessions are on average between 2%-7% of the overall sales price in this particular area when the seller is contributing them.

Are foreclosure sales (REO sales) a factor in the market? ☒ Yes ☐ No If yes, explain (including the trends in listings and sales of foreclosed properties). REO/foreclosure sales are a factor in the local market. Michigan ranks in the top 10 in foreclosures across the country and foreclosures as well as short sales have contributed to lower property values in this area. The overall trends for these types of properties continues to show a downward trend for both current listings and sales of foreclosed properties which in turn typically may lead to lower property values in this market area.

Cite data sources for above information. Data obtained from AAMLXchange MLS. This source is deemed reliable, but not guaranteed or warranted due to external input of data into AAMLXchange MLS by its participants.

Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions. See Attached Addendum

CONDO / CO-OP PROJECTS

If the subject is a unit in a condominium or cooperative project , complete the following:				Project Name: N/A		
Subject Project Data	Prior 7–12 Months	Prior 4–6 Months	Current – 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Active Comparable Listings				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Unit Supply (Total Listings/Ab. Rate)				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing


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

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

APPRAISER

APPRAISER

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature 
Name Jeffrey P. Matlock
Company Name Matlock Appraisal Service, Inc.
Company Address 2424 S. Gregory Rd.
State License/Certification # 1201002255 State MI
Email Address One File

Signature _____
Name _____
Company Name _____
Company Address _____
State License/Certification # _____ State _____
Email Address _____

ADDENDUM

Borrower: Katrina Schinske & Matthew Sebolt		File No.: 10016	
Property Address: 4037 Danford Rd.		Case No.:	
City: Ann Arbor		State: MI	Zip: 48105
Lender: United Mortgage Co.-Washtenaw			

Market Analysis Comments

Very little sales and listing data was available for consideration in this limited market area, therefore, little weight was placed on the data.. According to the above data from AAMLXchange MLS, total number of comparable sales in this area is declining with the absorption rate stable. Comparable active listings includes homes that were active listings during that time frame including those that were listed and ones that were sold ONLY in that time frame and did not included pending sales or expired listings and that number is estimated to be stable with the months of housing supply is considered to be stable. Median comparable sales prices are showing signs of stabilization in this market area and comparable sales days on market is estimated to be stable. Median list price is stable and median comparable listing days on market is considered to be stable, while the list to sales price ratio is stable. The scope of work for this form is based on sales and listings of two story style homes from \$200,000 to \$300,000 for dwellings in area 86 in the Ann Arbor area via the AAMLXchange MLS system in the Ann Arbor school district.