

APPRAISAL OF REAL PROPERTY



Date of Valuation:

December 17, 2010

Located At:

285 North Petit Jean Road
A part of the SW 1/4, SW 1/4,
30-6-26, Logan County
Magazine, AR 72943

For:

Department of Veteran Affairs
"Intended User-Any VA Approved Lender"

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Uniform Residential Appraisal Report

Case No.
File # 50-50-6-0214TRA-LAPP

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.

Property Address 285 North Petit Jean Road	City Magazine	State AR	Zip Code 72943
Borrower Bob Hope		Owner of Public Record Robert and Delores Hope	
Legal Description A part of the SW 1/4, SW 1/4, 30-6-26, Logan County		County Logan	
Assessor's Parcel # 120-00049-000	Tax Year 2010	R.E. Taxes \$ 904	
Neighborhood Name Magazine	Map Reference N/A	Census Tract 9504.00	
Occupant <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant	Special Assessments \$ 0	<input type="checkbox"/> PUD	HOA \$ 0 <input 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 type="checkbox"/> Purchase Transaction <input checked="" type="checkbox"/> Refinance Transaction <input type="checkbox"/> Other (describe)			
Lender/Client Mortgage Co./Department of Veteran Affairs		Address 0000 Road Anywhere, AR 72902	
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Report data source(s) used, offering price(s), and date(s). No public listings were located for the subject within the past 36 months.			

I did I 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. Appraiser is not aware of any contract of sale for the subject property.

Contract Price \$N/A Date of Contract N/A Is the property seller the owner of public record? Yes No Data Source(s) N/A

Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? Yes No
If Yes, report the total dollar amount and describe the items to be paid. N/A

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 70%
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 1%
Growth <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time <input type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	20 Low N	Multi-Family 1%
Neighborhood Boundaries Bounded on the east by SR 109. Bounded on the south by SR 10.		200 High 75	Commercial 3%
Bounded on the west by Scott's Creek Rd. Bounded on the north by Elkins Rd.		75 Pred.25	Other 25%
Neighborhood Description See attached addenda.			
Market Conditions (including support for the above conclusions) See market conditions addendum.			

Dimensions 100' x 305' Area .70 ac Shape Rectangular View N;Res

Specific Zoning Classification None Zoning Description N/A

Zoning Compliance Legal Legal Nonconforming (Grandfathered Use) No Zoning Illegal (describe)

Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? Yes No If No, describe
Highest and best use of the subject property is a residential homesite. Lack of zoning would not affect the subject's marketability.

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"/>	Street Asphalt	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sanitary Sewer	<input type="checkbox"/>	Alley None	<input type="checkbox"/>	<input type="checkbox"/>

FEMA Special Flood Hazard Area Yes No FEMA Flood Zone C FEMA Map # 0503440001A FEMA Map Date 07/13/1982

Are the utilities and off-site improvements typical for the market area? Yes No If No, describe

Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? Yes No If Yes, describe
Site comments: Typical site for the area. Private water and sewer systems are common for the area. Public utilities are not available.
The property is not located in an AICUZ Noise Zone.

General Description	Foundation	Exterior Description	materials/condition	Interior	materials/condition
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input checked="" type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls	Concrete/Average	Floors	Carpet/Vinyl/Ave
# of Stories 1	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	Brick Ven/Frm/Ave	Walls	Drywall/Average
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area 0 sq. ft.	Roof Surface	Comp Shingle/Ave	Trim/Finish	Wood/Average
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish 0 %	Gutters & Downspouts	None	Bath Floor	Carpet/Average
Design (Style) Ranch	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type	SH Aluminum/Ave	Bath Wainscot	Fiberglass/Ave
Year Built 1991	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated	Insulated/Average	Car Storage	<input type="checkbox"/> None
Effective Age (Yrs) 15	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens	Yes/Average	<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) # 0	Driveway Surface	Grav/Conc/Ave
<input checked="" type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other Fuel Gas	# of Fireplaces # 0	<input checked="" type="checkbox"/> Fence Wood/CL	# of Garages	# 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 Cv/Op	<input checked="" type="checkbox"/> Porch Covered	<input type="checkbox"/> Carport	# of Cars 0
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Pool 16 x 32 Ing	<input type="checkbox"/> Other 0	<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 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 3.0 Bath(s) 2,201 Square Feet of Gross Living Area Above Grade					

Additional features (special energy efficient items, etc.) See above comments. No additional special energy efficient items were noted at the time of inspection.

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.).
C4. The subject property appears to have been adequately maintained and updated. Overall condition of the subject is rated as average. Quality of construction is rated as average. Functional depreciation assessed in the cost approach in the amount equal to the difference in the depreciated cost of the in ground pool and that value absorbed by the local real estate market. No additional functional inadequacies noted.

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? Yes No If Yes, describe

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? Yes No If No, describe

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There are 7 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 139,900 to \$ 199,900					
There are 4 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 143,000 to \$ 199,900					
FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3	
Address	285 North Petit Jean Road Magazine, AR 72943	180 Oakridge Drive Booneville, AR 72943	1610 Ridgeview Drive Booneville, AR 72943	62 Northridge Drive Booneville, AR 72943	
Proximity to Subject		3.73 miles W	5.63 miles W	6.91 miles W	
Sale Price	\$ N/A	\$ 155,000	\$ 143,000	\$ 156,500	
Sale Price/Gross Liv. Area	\$ sq. ft.	\$ 81 sq. ft.	\$ 73 sq. ft.	\$ 71 sq. ft.	
Data Source(s)		MLS 596259 (97 DOM)	MLS 591001 (74 DOM)	MLS 617494 (41 DOM)	
Verification Source(s)		Public Records	Public Records	Public Records	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sale or Financing Concessions		Armlth Conv;Unk		Armlth Conv;Unk	
Date of Sale/Time		s05/10;Unk	0	s01/10;c11/09	0
Location	N;Res	N;Res		N;Res	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple	
Site	.70 ac	3.98 ac	-15,000	.2. 68 ac	-10,000
View	N;Res	N;Res		N;Res	
Design (Style)	Ranch	Ranch		Ranch	
Quality of Construction	Q4	Q4		Q3	-5,000
Actual Age	19	21	0	20	0
Condition	C4	C4		C4	
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths		Total Bdrms. Baths	
Room Count	7 4 3.0	6 3 2.1	+1,000	6 3 2.0	+2,000
Gross Living Area	2,201 sq. ft.	1,910 sq. ft.	+10,200	1,950 sq. ft.	+8,800
Basement & Finished Rooms Below Grade	0sf0sf 0rr0br0.0ba0o	0sf0sf 0rr0br0.0ba0o		0sf0sf 0rr0br0.0ba0o	
Functional Utility	Average	Average		Average	
Heating/Cooling	WFA/Cntrl	WFA/Cntrl		WFA/Cntrl	
Energy Efficient Items	Therm Winds	Therm Winds		Therm Winds	
Garage/Carport	2 Garage	2 Garage		2 Garage	
Porch/Patio/Deck	Cov./Open Por	Cov. Porch	0	Cov. Porch	0
Other Features	No FP/Strm Celler	Fireplace	+4,000	Fireplace	+4,000
	Cv/Opn/Sd Pat	Decks, Cv.Pat	0	Patio,Deck	0
	Fence, Pool	Fence, Barn	+5,000	Fence, Stg Bld	+6,000
				Fence	7,000
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 5,200	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 10,800
Adjusted Sale Price of Comparables		Net Adj. 3.4% Gross Adj. 24.0%	\$ 160,200	Net Adj. 7.6% Gross Adj. 22.9%	\$ 153,800
				Net Adj. 1.3% Gross Adj. 19.2%	\$ 154,500

I did did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research did did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data source(s) Logan County Assessor's Files

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) Logan County Assessor's Files

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

ITEM	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Date of Prior Sale/Transfer	No sales	No additional sales found	No additional sales found	No additional sales found
Price of Prior Sale/Transfer	past 36 months.	past 36 months.	past 36 months.	past 36 months.
Data Source(s)	Public Records	Public Records	Public Records	Public Records
Effective Date of Data Source(s)	12/07/2010	12/07/2010	12/07/2010	12/07/2010

Analysis of prior sale or transfer history of the subject property and comparable sales

Summary of Sales Comparison Approach

The subject is a typical dwelling in the defined neighborhood. Appraiser made an extensive search of the local MLS and Logan County Assessor's files in order to locate adequately similar sales to present as comparables in the report. Limited recently closed transactions were located. Therefore, those closing in the past twelve months were considered. Four sales were reviewed. The most similar three sales were presented as comparables in the report. Sales were more distant than generally desired for suburban areas. However, they were considered the best available as of the effective date of the appraisal report. Site adjustments were made based on the difference in the subject's estimated site value and the estimated site value of each comparable sale. No square footage adjustment was necessary on Sale #3.

Remaining adjustments should be self explanatory. Sales received equal consideration in arriving at final value for the subject property.

Indicated Value by Sales Comparison Approach \$ 155,000

Indicated Value by: Sales Comparison Approach \$ 155,000 Cost Approach (if developed) \$ 159,769 Income Approach (if developed) \$ N/A

Most emphasis placed on the Sales Comparison Approach to Value as adequate comparable sales were located. The Cost Approach, which is considered applicable, supports this conclusion. The Income Approach not utilized as insufficient data exists from which to form a meaningful conclusion.

None. The subject meets VA minimum property standards in its "as is" condition.

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:

None. The subject meets VA minimum property standards in its "as is" condition.

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 \$ 155,000, as of 12/17/2010, which is the date of inspection and the effective date of this appraisal.

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IN:12/13/2010 INSPECTED:12/17/2010 OUT:12/21/2010

ADDITIONAL COMMENTS

COST APPROACH

INCOME APPROACH

PROJECT INFORMATION FOR PUDS (if applicable)

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 of the subject's .70 acre based on comparable land/lot sales from the area and appraiser's knowledge of the local market. Sites similar to the subject property will typically range from \$8,000 to \$12,000.
Taking site size and location into consideration, appraiser concluded to \$10,000 as site value for the subject property.

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE = \$ 10,000			
Source of cost data Marshall and Swift, local costs	Dwelling	2,201 Sq. Ft. @ \$74.67 = \$ 164,349	
Quality rating from cost service Ave Effective date of cost data 12/2010	None Sq. Ft. @ \$ = \$			
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	See detail at left. = \$ 29,900			
See attached sketch for square footage calculations.	Garage/Carport	576 Sq. Ft. @ \$21.95 = \$ 12,643	
	Total Estimate of Cost-New = \$ 206,892			
Cost Detail:	Less	Physical	Functional	External
Appliances:\$2000, Cov. Porch:\$700, Open Porch:\$1000,	Depreciation	51,723	7,400 = \$(59,123)
Cov. Patio:\$1000, Patio:\$1000, Cov. Patio:\$1500, Side Patio:\$700,	Depreciated Cost of Improvements..... = \$ 147,769			
Pool:\$20000,Fence:\$2000	"As-is" Value of Site Improvements..... = \$ 2,000			
Estimated Remaining Economic Life (HUD and VA only) 45 Years	Indicated Value By Cost Approach = \$ 159,769			

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) Income approach was not developed as the subject is not an income producing property.

PROJECT INFORMATION FOR PUDS (if applicable)

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

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

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

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

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

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

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

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

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

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing 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.

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

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

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

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

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

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

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

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

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

APPRAISERSignature Donald MallardName Donald MallardCompany Name Appraisal Co.Company Address 000 Street, Anywhere, AR 72902-8127Telephone Number (555) 555-7788Email Address dmallard@training.sarDate of Signature and Report 12/21/2010Effective Date of Appraisal 12/17/2010State Certification # CR1TRA

or State License # _____

or Other (describe) _____ State # _____

State ARExpiration Date of Certification or License 6/30/2011

ADDRESS OF PROPERTY APPRAISED

285 North Petit Jean RoadMagazine, AR 72943APPRAISED VALUE OF SUBJECT PROPERTY \$ 155,000

LENDER/CLIENT

Name _____

Company Name Mortgage Co./Department of Veteran AffairsCompany Address 0000 Road Anywhere, AR 72902

Email Address _____

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 _____

EXHIBITS

Exhibit 1: Requirements – Condition and Quality Ratings Usage

Appraisers must utilize the following standardized condition and quality ratings within the appraisal report.

Condition Ratings and Definitions

C1

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

**Note: Newly constructed improvements that feature recycled materials and/or components can be considered new dwellings provided that the dwelling is placed on a 100% new foundation and the recycled materials and the recycled components have been rehabilitated/re-manufactured into like-new condition. Recently constructed improvements that have not been previously occupied are not considered “new” if they have any significant physical depreciation (i.e., 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 either are almost new or have been recently completely renovated and are similar in condition to new construction.

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.

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.

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.

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.

EXHIBITS

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 residences 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.

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.

EXHIBITS

Exhibit 2: Requirements – 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.

EXHIBITS

Exhibit 3: Requirements – Abbreviations Used in Data Standardization Text

Abbreviation	Full Name	Appropriate Fields
ac	Acres	Area, Site
AdjPrk	Adjacent	Location
AdjPwr	Adjacent to Power Lines	Location
A	Adverse	Location & View
ArmLth	Arms Length Sale	Sale or Financing Concessions
ba	Bathroom(s)	Basement & Finished Rooms Below Grade
br	Bedroom	Basement & Finished Rooms Below Grade
B	Beneficial	Location & View
Cash	Cash	Sale or Financing Concessions
CtySky	City View Skyline View	View
CtyStr	City Street View	View
Comm	Commercial Influence	Location
c	Contracted Date	Date of Sale/Time
Conv	Conventional	Sale or Financing Concessions
CrtOrd	Court Ordered Sale	Sale or Financing Concessions
DOM	Days On Market	Data Sources
e	Expiration Date	Date of Sale/Time
Estate	Estate Sale	Sale or Financing Concessions
FHA	Federal Housing Authority	Sale or Financing Concessions
Glfcse	Golf Course	Location
Glfvw	Golf Course View	View
Ind	Industrial	Location & View
in	Interior Only Stairs	Basement & Finished Rooms Below Grade
Lndfl	Landfill	Location
LtdSght	Limited Sight	View
Listing	Listing	Sale or Financing Concessions
Mtn	Mountain View	View
N	Neutral	Location & View
NonArm	Non-Arms Length Sale	Sale or Financing Concessions
BsyRd	Busy Road	Location
o	Other	Basement & Finished Rooms Below Grade
Prk	Park View	View
Pstrl	Pastoral View	View
PwrLn	Power Lines	View
PubTrn	Public Transportation	Location
rr	Recreational (Rec) Room	Basement & Finished Rooms Below Grade
Relo	Relocation Sale	Sale or Financing Concessions
REO	REO Sale	Sale or Financing Concessions
Res	Residential	Location & View
RH	USDA –Rural Housing	Sale or Financing Concessions
s	Settlement Date	Date of Sale/Time
Short	Short Sale	Sale or Financing Concessions
sf	Square Feet	Area, Site, Basement
Unk	Unknown	Date of Sale/Time
VA	Veterans Administration	Sale or Financing Concessions
w	Withdrawn Date	Date of Sale/Time
wo	Walk Out Basement	Basement & Finished Rooms Below Grade
wu	Walk Up Basement	Basement & Finished Rooms Below Grade
WtrFr	Water Frontage	Location
Wtr	Water View	View
Woods	Wood View	View

Supplemental Addendum

File No. 505060214TRA-LAPP

Borrower/Client	Bob Hope					
Property Address	285 North Petit Jean Road					
City	Magazine	County	Logan	State	AR	Zip Code 72943
Lender	Mortgage Co./Department of Veteran Affairs					

URAR : Neighborhood - Description

Magazine and Booneville are smaller towns/cities located along Hwy. 10 in southern Logan County. Each has a school system but Magazine has limited employment and shopping areas. Booneville has additional employment and shopping with the larger cities of Greenwood and FortSmith (located 15 and 25 miles respectfully to the northwest) providing even more amenity support for the area. Booneville is the County Seat for the southern district of Logan County. Paris (15-20 miles northerly) is the County Seat for the northern district of the county. Paris would also provide amenity support for the Magazine/Booneville areas.

The immediate neighborhood is a mostly residential area of Magazine. Property types and styles vary in the area and range from modest manufactured dwellings to some larger custom built dwellings sited on larger acreage tracts. The subject is typical of the defined neighborhood.

For Training Purposes Only

Market Conditions Addendum to the Appraisal Report

File No. 50-50-6-0214831-LAPP

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 285 North Petit Jean Road City Magazine State AR ZIP Code 72943

Borrower Bob Hope

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)	2	1	1	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)	0.33	10.33	0.33	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Comparable Active Listings			7	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Housing Supply (Total Listings/Ab.Rate)			21.2	<input type="checkbox"/> Declining	<input 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	150,000	199,000	156,500	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Sales Days on Market	86	157	41	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Comparable List Price			159,000	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Listings Days on Market			286	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale Price as % of List Price			98.43%	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Seller-(developer, builder, etc.)paid financial assistance prevalent?				<input type="checkbox"/> Yes	<input checked="" 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.). The appraiser has limited data concerning sales concessions. However, based on known data, seller concessions are becoming more common as an enticement to facilitate a sale. Concessions are usually in the form of assistance with closing costs rather than for personal property or other concessions.

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).
Foreclosure sales are present in the market but do not appear to be a major influence in the market.

Cite data sources for above information. Northwest Arkansas MLS system, Logan County Assessor's files and appraiser's knowledge of local market activity.

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.
The Magazine/Booneville market is experiencing a slower market as to the number of transactions. However, values appear to be remaining stable Inventory appears to be at a 21.2 month supply. Overall, the local market does not appear to be declining. A typical number of homes were listed for sale in the subject neighborhood. Based on available data, homes appear to be selling at 98.43% of list price. Homes generally sell at 92-95% of list price. Homes selling at 100% of list price or above list price will generally involve the seller paying a portion or all of the buyer's closing costs. The months of housing supply may be overstated as not all realtors in the area belong to the local MLS. Appraiser estimates the housing supply to be 4-6 months.

If the subject is a unit in a condominium or cooperative project, complete the following: Project Name:

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.

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

Signature <i>Donald Mallard</i>	Signature
Appraiser Name Donald Mallard	Supervisory Appraiser Name
Company Name Appraisal Co.	Company Name
Company Address 000 Street, Anywhere, AR 72902-8127	Company Address
State License/Certification # CR1TRA State AR	State License/Certification # State
Email Address dmallard@training.sar	Email Address

Subject Photos

Borrower	Bob Hope				
Property Address	285 North Petit Jean Road				
City	Magazine	County	Logan	State	AR Zip Code 72943
Lender/Client	Mortgage Co./Department of Veteran Affairs				



Subject Front

285 North Petit Jean Road

Sales Price N/A
 G.L.A. 2,201
 Tot. Rooms 7
 Tot. Bedrms. 4
 Tot. Bathrms. 3
 Location Ave Suburban
 View Typ Suburban
 Site .70 Acre
 Quality Ave BV/Frm
 Age 19



Subject Rear



Subject Street

Photograph Addendum

Borrower	Bob Hope				
Property Address	285 North Petit Jean Road				
City	Magazine	County Logan	State AR	Zip Code	72943
Lender/Client	Mortgage Co./Department of Veteran Affairs				



Rear View



Side View



Side View



Storm Shelter



Pool



Attic

Photograph Addendum

Borrower	Bob Hope				
Property Address	285 North Petit Jean Road				
City	Magazine	County	Logan	State	AR Zip Code 72943
Lender/Client	Mortgage Co./Department of Veteran Affairs				



Typical Interior



Typical Interior

For T...
...poses Only

Photograph Addendum

Borrower	Bob Hope				
Property Address	285 North Petit Jean Road				
City	Magazine	County Logan	State AR	Zip Code 72943	
Lender/Client	Mortgage Co./Department of Veteran Affairs				



Typical Interior

Comments:



Typical Interior

Comments:



Typical Interior

Comments:



Typical Interior

Comments:

Photograph Addendum

Borrower	Bob Hope				
Property Address	285 North Petit Jean Road				
City	Magazine	County	Logan	State	AR Zip Code 72943
Lender/Client	Mortgage Co./Department of Veteran Affairs				



Comments:



Comments:



Comments:



Comments:

Comparable Photos 1-3

Borrower	Bob Hope				
Property Address	285 North Petit Jean Road				
City	Magazine	County	Logan	State	AR Zip Code 72943
Lender/Client	Mortgage Co./Department of Veteran Affairs				

**Comparable 1**

180 Oakridge Drive
 Prox. to Subj. 3.73 miles W
 Sales Price 155,000
 G.L.A. 1,910
 Tot. Rooms 6
 Tot. Bedrms. 3
 Tot. Bathrms. 2.5
 Location Ave Suburban
 View Typ Suburban
 Site 3.98 Acres
 Quality Ave Rk/V.Sdg
 Age 32

**Comparable 2**

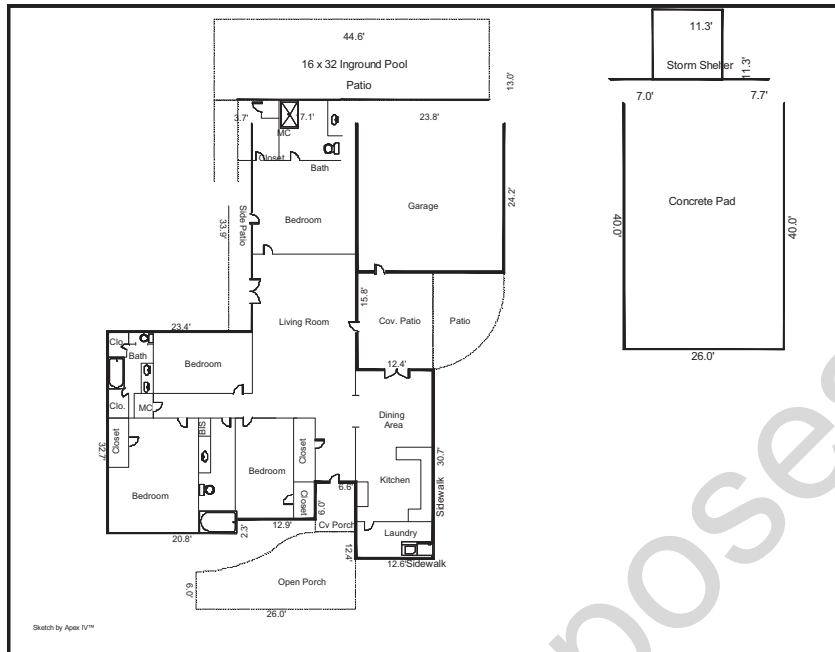
1610 Ridgeview Drive
 Prox. to Subj. 5.63 miles W
 Sales Price 143,000
 G.L.A. 1,950
 Tot. Rooms 6
 Tot. Bedrms. 3
 Tot. Bathrms. 2
 Location Ave Suburban
 View Typ Suburban
 Site .68 Acre
 Quality Ave BV/Frm
 Age 22

**Comparable 3**

62 Northridge Drive
 Prox. to Subj. 6.91 miles W
 Sales Price 156,500
 G.L.A. 2,200
 Tot. Rooms 6
 Tot. Bedrms. 3
 Tot. Bathrms. 2.0
 Location Ave Suburban
 View Typ Suburban
 Site 1 Acre (est)
 Quality Av-Gd BV/V.S
 Age 7

Building Sketch

Borrower	Bob Hope		
Property Address	285 North Petit Jean Road		
City	Magazine	County	Logan
		State	AR
		Zip Code	72943
Lender/Client	Mortgage Co./Department of Veteran Affairs		



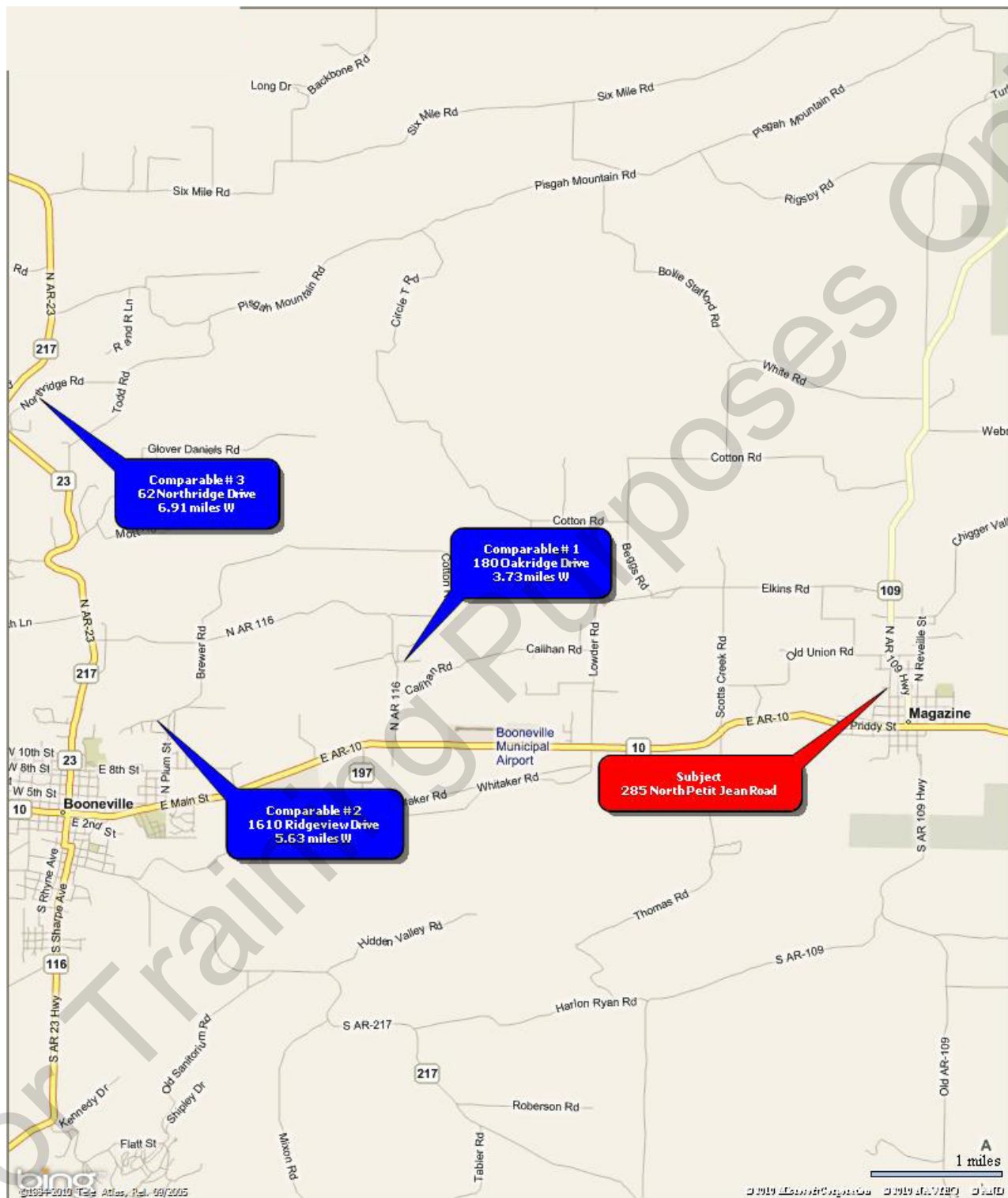
Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	2201.1	2201.1
F/P	Covered Porch	53.5	
	Porch	252.2	
	Patio	144.0	
	Covered Patio	195.9	
	Side Patio	125.4	
	Back Patio	579.8	1350.8
GAR	Garage	576.0	576.0
OTH	Storm Shelter	127.7	
	Concrete Pad	1040.0	1167.7
Net LIVABLE Area		(Rounded)	2201

LIVING AREA BREAKDOWN			
		Breakdown	Subtotals
First Floor			
	20.8 x 32.7		680.2
	12.9 x 30.4		392.2
	10.3 x 33.9		349.2
	6.8 x 58.3		396.4
	12.4 x 18.3		226.9
	12.4 x 12.6		156.2
6 Items		(Rounded)	2201

Location Map

Borrower/Client	Bob Hope			
Property Address	285 North Petit Jean Road			
City	Magazine	County	Logan	State AR Zip Code 72943
Lender/Client	Mortgage Co./Department of Veteran Affairs			



FIRREA / USPAP ADDENDUM

File No. 50-50-6-0214TRA-LAPP

Property Address 285 North Petit Jean Road

City Magazine

County Logan

State AR

Zip Code 72943

Lender/Client Mortgage Co./Department

Purpose

The appraiser has indicated on page 1 that the property interest appraised is the "Fee Simple Estate". However, a pure "fee simple" ownership includes all components of ownership including subsurface rights. This appraisal will not estimate a value for the subsurface rights in the subject property and makes no warranties concerning the ownership of the subsurface rights.

Scope of Work

The appraiser made an inspection of the subject property, engaged in research including a review of public records, his own files, multi list information and other data sources. The appraiser personally developed the appraisal and prepared the report. The appraiser was not asked to omit any approaches to value. Thus, all applicable approached deemed necessary were included in estimating the market value of the subject property.

Intended Use / Intended User

Intended Use: To assist the client with a lending decision.

Intended User(s): Department of Veteran Affairs/Any Qualified Lender

History of Property

Current listing information:

Prior sale: No sales past 36 months.

Exposure Time / Marketing Time

3-6 months / 3-6 months

Personal (non-realty) Transfers

None.

Additional Comments

I have considered relevant competitive listings and/or contract offerings in the performance of this appraisal. Any trend indicated by that data is supported by the listing/offering information included in this report. Market conditions appear stable with the supply/demand relationship appearing in balance. Typical marketing time for housing is in the 2-6 month range and with the final selling prices within 3-7% of the initial listing price. Sales and financing concessions do not appear prevalent but are not uncommon for sellers to pay all or part of buyers closing expenses on high ratio loan to value facilitated sales.

This appraisal is not for the benefit of the owner, seller, buyer or any party not listed as an intended user. There is no contractual relationship between this appraiser or Burris Appraisal Company, Inc. and any party not specifically identified herein as the client or intended user. Any party not a part of the contractual agreement between the client and the appraiser/ Burris Appraisal Company, Inc. should not rely on this report for any buy - sell decision or for any other reason.

Certification Supplement

1. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or an approval of a loan.
2. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result or the occurrence of a subsequent event.

Appraiser: Roxanne Mecker
 Signed Date: 12/21/2010
 Certification or License #: CR1TRA
 Certification or License State: AR Expires: 6/30/2011
 Effective Date of Appraisal: 12/17/2010

Supervisory Appraiser: _____
 Signed Date: _____
 Certification or License #: _____
 Certification or License State: _____ Expires: _____
 Inspection of Subject: Did Not Exterior Only Interior and Exterior

Borrower	Bob Hope	File No.	505060214TRA LAP
Property Address	285 North Petit Jean Road		
City	Magazine	County	Logan
		State	AR
		Zip Code	72943
Lender/Client	Mortgage Co./Department of Veteran Affai		

APPRAISAL AND REPORT IDENTIFICATION

This Appraisal Report is one of the following types:

- Self Contained (A written report prepared under Standards Rule 2-2(a), pursuant to the Scope of Work, as disclosed elsewhere in this report.)
- Summary (A written report prepared under Standards Rule 2-2(b), pursuant to the Scope of Work, as disclosed elsewhere in this report.)
- Restricted Use (A written report prepared under Standards Rule 2-2(c), pursuant to the Scope of Work, as disclosed elsewhere in this report, restricted to the stated intended use by the specified client or intended user.)

Comments on Standards Rule 2-3

- I certify that, to the best of my knowledge and belief:
- The statements of fact 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, impartial, and unbiased professional analyses, opinions, and conclusions.
 - I have no (or the specified) present or prospective interest in the property that is the subject of this report and no (or the specified) personal interest with respect to the parties involved.
 - I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
 - My engagement in this assignment was not contingent upon developing or reporting predetermined results.
 - My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
 - My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that was in effect at the time this report was prepared.
 - Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
 - Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification (if there are exceptions, the name of each individual providing significant real property appraisal assistance is stated elsewhere in this report).
 - Unless otherwise indicated, I have performed no services regarding the subject property within the prior three years, as an appraiser or in any other capacity.

Comments on Appraisal and Report Identification

Note any USPAP related issues requiring disclosure and any State mandated requirements:

I have appraised this property within the past 36 months of accepting this appraisal assignment. It was appraised by me on 07/14/2008.

APPRAISER:

Signature: Roxanne Meeker
Name: Roxanne Meeker
Date Signed: 12/21/2010
State Certification #: CR1TRA
or State License #: _____
State: AR
Expiration Date of Certification or License: 6/30/2011

Effective Date of Appraisal: 12/17/2010

SUPERVISORY APPRAISER (only if required):

Signature: _____
Name: _____
Designation: _____
Date Signed: _____
State Certification #: _____
or State License #: _____
State: _____
Expiration Date of Certification or License: _____

Supervisory Appraiser inspection of Subject Property:
 Did Not Exterior-only from street Interior and Exterior

INVOICE**INVOICE NUMBER**

50-50-6-0214TRA

DATE

12/21/2010

REFERENCE

Internal Order #: 50-50-6-0214TRA

Lender Case #:

Client File #:

Main File # on form:

Other File # on form: 50-50-6-0214TRA

Federal Tax ID: 71-1735TRA

Employer ID:

FROM:

Appraisal Co.
000 Street
Anywhere, AR 72902

Telephone Number:

Fax Number:

TO:

Mortgage
0000 Road
Anywhere, AR 72902

Telephone Number:

Fax Number:

Alternate Number:

E-Mail:

Instructions:

To Be Paid Within 30 Days of Receipt.

DESCRIPTION

Lender: Mortgage Client: Department of Veterans Affairs
 Purchaser/Borrower: Bob Hope
 Property Address: 285 North Petit Jean Road
 City: Magazine
 County: Logan State: AR Zip: 72943
 Legal Description: SW 1/4, SW 1/4, 30-6-26, Logan

FEES**AMOUNT**

VA Appraisal Fee	400.00
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SUBTOTAL

400.00

PAYMENTS**AMOUNT**

Check #:	Date:	Description:
Check #:	Date:	Description:
Check #:	Date:	Description:

SUBTOTAL**TOTAL DUE**

\$

400.00