



Borrower/Client	N/A	File No. 07-230		
Property Address	Lot 3 Pine Ridge at Blue Lake			
City	Oroville	County	Okanogan	State WA Zip Code 98844
Lender	Ryan Milligan			

## TABLE OF CONTENTS



Invoice .....	1
Land .....	2
Additional Comparables 4-6 .....	3
Statement of Limiting Conditions .....	4
Subject Photos .....	6
Plat Map .....	7
Comparable Photos 1-3 .....	8
Comparable Photos 4-6 .....	9
Location Map .....	10
Multipurpose Supplemental Addendum .....	11
General Text Addendum .....	13
License and Qualifications .....	16
E&O Declaration .....	17

# LAND APPRAISAL REPORT

N/A  
File No. 07-230

IDENTIFICATION	Borrower <u>N/A</u>	Census Tract <u>390027-97</u>	Map Reference <u>None</u>	
	Property Address <u>Lot 3 Pine Ridge at Blue Lake</u>			
	City <u>Oroville</u>	County <u>Okanogan</u>	State <u>WA</u>	Zip Code <u>98844</u>
	Legal Description <u>Tax 26, Pt Lot 7, Pt Lot 9 S06 T39N R27EWM</u>			
	Sale Price \$ <u>N/A</u>	Date of Sale <u>N/A</u>	Loan Term <u>N/A</u> yrs.	Property Rights Appraised <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Leasehold <input type="checkbox"/> De Minimis PUD
	Actual Real Estate Taxes \$ <u>430.98</u> (yr)	Loan charges to be paid by seller \$ <u>N/A</u> Other sales concessions <u>None Noted</u>		
Lender/Client <u>Ryan Milligan</u>		Address <u>Oroville WA 98844</u>		
Occupant <u>Vacant</u>		Appraiser <u>Kimberly M Rampley</u> Instructions to Appraiser <u>N/A</u>		

NEIGHBORHOOD	Location	<input type="checkbox"/> Urban	<input type="checkbox"/> Suburban	<input checked="" type="checkbox"/> Rural	Good	Avg.	Fair	Poor	
	Built Up	<input type="checkbox"/> Over 75%	<input checked="" type="checkbox"/> 25% to 75%	<input type="checkbox"/> Under 25%	<input type="checkbox"/> Employment Stability	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Growth Rate	<input type="checkbox"/> Fully Dev.	<input checked="" type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Steady	<input type="checkbox"/> Slow	<input type="checkbox"/> Convenience to Employment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	Property Values	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining	<input type="checkbox"/> Convenience to Shopping	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Oversupply	<input type="checkbox"/> Convenience to Schools	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Marketing Time	<input type="checkbox"/> Under 3 Mos.	<input checked="" type="checkbox"/> 4-6 Mos.	<input type="checkbox"/> Over 6 Mos.	<input type="checkbox"/> Adequacy of Public Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Present Land Use	<u>20%</u> 1 Family	<u>1%</u> 2-4 Family	<u>0%</u> Apts.	<u>0%</u> Condo	<u>1%</u> Commercial	<input checked="" type="checkbox"/> Recreational Facilities	<input type="checkbox"/>	<input type="checkbox"/>
		<u>0%</u> Industrial	<u>1%</u> Vacant	<u>77%</u> Public/Ag/Timber	<input type="checkbox"/> Adequacy of Utilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	Change in Present Land Use	<input type="checkbox"/> Not Likely	<input type="checkbox"/> Likely (*)	<input checked="" type="checkbox"/> Taking Place (*)	<input type="checkbox"/> Property Compatibility	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
		(*) From <u>Lg Ag Holdings</u> To <u>Smlr SFR Acreage</u>			<input type="checkbox"/> Protection from Detrimental Conditions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Predominant Occupancy	<input checked="" type="checkbox"/> Owner	<input type="checkbox"/> Tenant	<u>1</u> % Vacant	<input type="checkbox"/> Police and Fire Protection	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Single Family Price Range	\$ <u>25,000</u> to \$ <u>900,000</u>		Predominant Value \$ <u>110,000</u>	<input checked="" type="checkbox"/> General Appearance of Properties	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Single Family Age	<u>New</u> yrs. to	<u>115</u> yrs.	Predominant Age <u>55</u> yrs.	<input checked="" type="checkbox"/> Appeal to Market	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise): This nbrhd is desirable for its recreational opportunities while still providing average access to schools, shopping, and employment opportunities. Highway 97 provides easy commutes to the other communities south of Oroville which has the added appeal of its proximity to Lake Osoyoos and the US-Canadian border. The homes have been built in a variety of styles and over several decades which is typical of Okanogan County.

SITE	Dimensions <u>See Plat Map</u> = <u>3</u> Sq. Ft. or Acres <input type="checkbox"/> Corner Lot
	Zoning classification <u>MD, Minimum Requirement District</u> Present Improvements <input checked="" type="checkbox"/> do <input type="checkbox"/> do not conform to zoning regulations
	Highest and best use <input type="checkbox"/> Present use <input checked="" type="checkbox"/> Other (specify) <u>As Improved for single family residential/recreational purposes.</u>
	Elec. <input checked="" type="checkbox"/> Public <input type="checkbox"/> Other (Describe) <u>None/Typical</u> OFF SITE IMPROVEMENTS Topo <u>Rolling</u>
	Gas <input type="checkbox"/> <u>None/Typical</u> Street Access <input type="checkbox"/> Public <input checked="" type="checkbox"/> Private Size <u>Typical for Neighborhood.</u>
	Water <input type="checkbox"/> <u>Well/Typical</u> Surface <u>Gravel/Typical</u> Shape <u>App. rectangular</u>
	San. Sewer <input type="checkbox"/> <u>Septic/Typical</u> Maintenance <input type="checkbox"/> Public <input checked="" type="checkbox"/> Private View <u>Lake/Good</u>
	<input checked="" type="checkbox"/> Underground Elect. & Tel. <input type="checkbox"/> Storm Sewer <input type="checkbox"/> Curb/Gutter Drainage <u>Appears Adequate</u>
	<input type="checkbox"/> Sidewalk <input type="checkbox"/> Street Lights
	Is the property located in a HUD Identified Special Flood Hazard Area? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes

Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions): There are no apparent adverse conditions, easements, or encroachments to note at the time of inspection. No readily observable negative environmental conditions on the subject property nor in the subject neighborhood.

The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.

MARKET DATA ANALYSIS	ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
	Address	<u>Lot 3 Pine Ridge at Blue Lake Oroville</u>	<u>5 Pine Ridge Rd Oroville WA 98844</u>	<u>Lot 6 Pine Ridge @ Blue Lake Oroville WA 98844</u>	<u>33646B Highway 97 Oroville WA 98844</u>
Proximity to Subject		<u>0.34 miles NW</u>	<u>0.4 miles NW</u>	<u>6.99 miles NE</u>	
Sales Price	\$ <u>N/A</u>	\$ <u>300,000</u>	\$ <u>295,000</u>	\$ <u>430,000</u>	
Price per Acre	\$	\$	\$	\$	
Data Source	<u>OCCH/PI/Assessor</u>	<u>OCCH/DB</u>	<u>OCCH/DB</u>	<u>OCCH/DB</u>	
Date of Sale and Time Adjustment	DESCRIPTION	DESCRIPTION	+(-)\$ Adjust.	DESCRIPTION	+(-)\$ Adjust.
	<u>N/A</u>	<u>8/10/07 (COE)</u>		<u>11/07/06 (COE)</u>	<u>8/31/07 (COE)</u>
Location	<u>Rural/Gd</u>	<u>Rural/Gd</u>		<u>Rural/Gd</u>	<u>Out-twn/Sbrbn</u> -100,000
Site/View	<u>Lake/Gd</u>	<u>Lake/Gd</u>		<u>Lake/Gd</u>	<u>Lake/Gd</u>
Lot Size	<u>3.42 Acres</u>	<u>5.39 Acres/Steep</u>	<u>-4,925</u>	<u>5.6 Acres/Steep</u>	<u>-5,450</u>
Frontage	<u>200' Lakefront/LB</u>	<u>200' Lakefront/MB</u>	<u>+25,000</u>	<u>200' Lakefront/MB</u>	<u>+25,000</u>
Utilities	<u>PWT/Bldg Site</u>	<u>PWT/Bldg Site</u>		<u>PWT/Bldg Site</u>	<u>PWT/None</u> +5,000
Terrain/Access	<u>Lvl 2 slope/Gd Acc</u>	<u>Steep/Avg Acc</u>	<u>+10,000</u>	<u>Steep/Avg Acc</u>	<u>+10,000</u>
Sales or Financing Concessions	<u>None Noted</u>	<u>Conv Purchase</u>		<u>Conv Purchase</u>	<u>Conv Purchase</u>
	<u>Cash/SWD</u>	<u>Cash/SWD</u>		<u>Cash/SWD</u>	<u>Cash/SWD</u>
Net Adj. (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ <u>30,075</u>	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ <u>29,550</u>
Indicated Value of Subject		<u>Net 10.0 %</u>	\$ <u>330,075</u>	<u>Net 10.0 %</u>	\$ <u>324,550</u>
				<u>Net 13.7 %</u>	\$ <u>371,250</u>

Comments on Market Data: Sales used in this approach were the best that could be found. They are representative of the local market and give a good indication of value. All known factors are considered and adjusted for on a contributory basis rather than on a cost basis and, as much as possible, taken from the general market. Sales history noted in Narrative addenda.

Comments and Conditions of Appraisal: ATTACHED ADDENDA IS AN INTEGRAL PART OF THIS APPRAISAL.

Final Reconciliation: Market approach is reflective of the actions of buyers and sellers in the real estate market. Income approach considered but not used. No personal property was included in the final estimate of value. All comparable sales are reported closed sales.

I ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF 10/06/2007 to be \$ 330,000

Kimberly M Rampley  Did  Did Not Physically Inspect Property  
Appraiser(s) Review Appraiser (if applicable)

# LAND APPRAISAL REPORT MARKET DATA ANALYSIS

	ITEM	SUBJECT PROPERTY	COMPARABLE NO. 4		COMPARABLE NO. 5		COMPARABLE NO. 6			
MARKET DATA ANALYSIS	Address Lot 3 Pine Ridge at Blue Lake Oroville		Lot 2 Pine Ridge at Blue Lake Oroville							
	Proximity to Subject		0.08 miles SE							
	Sales Price	\$	N/A	\$	326,000	\$		\$		
	Price per Acre	\$		\$		\$		\$		
	Data Source	OCCH/PI/Assessor		OCCH/PI/Assessor						
	Date of sale and Time Adjustment	DESCRIPTION		DESCRIPTION	+(-)\$ Adjust.	DESCRIPTION	+(-)\$ Adjust.	DESCRIPTION	+(-)\$ Adjust.	
		N/A		10/22/07 (COE)						
	Location	Rural/Gd		Rural/Gd						
	Site/View	Lake/Gd		Lake/Gd						
	Lot Size	3.42 Acres		3 Acres		+1,050				
	Frontage	200' Lakefront/LB		200' Lakefront/LB						
	Utilities	PWT/Bldg Site		PWT/Bldg Site						
	Terrain/Access	Lvl 2 slope/Gd Acc		Lvl 2 slope/Gd Acc						
	Sales or Financing Concessions	None Noted Cash/SWD		None Noted Cash/SWD						
	Net Adj. (Total)			<input checked="" type="checkbox"/> +	<input type="checkbox"/> -	\$	1,050	<input type="checkbox"/> +	<input type="checkbox"/> -	\$
	Indicated Value of Subject			Net	0.3 %	\$	327,050	Net	%	\$
	COMMENTS	Comments: See Addendum								

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

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

## STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

**CONTINGENT AND LIMITING CONDITIONS:** The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

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

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

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

**ADDRESS OF PROPERTY APPRAISED:** Lot 3 Pine Ridge at Blue Lake, Oroville, WA 98844

**APPRAISER:**

Signature: *Kimberly M Rampley*  
 Name: Kimberly M Rampley  
 Date Signed: 10/23/2007  
 State Certification #: \_\_\_\_\_  
 or State License #: 1600836  
 State: WA  
 Expiration Date of Certification or License: 6/13/2008

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

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

Did  Did Not Inspect Property

## Subject Photo Page

Borrower/Client	N/A			
Property Address	Lot 3 Pine Ridge at Blue Lake			
City	Oroville	County Okanogan	State WA	Zip Code 98844
Lender	Ryan Milligan			



### Subject Front

Lot 3 Pine Ridge at Blue Lake  
 Sales Price N/A  
 Gross Living Area  
 Total Rooms  
 Total Bedrooms  
 Total Bathrooms  
 Location Rural/Gd  
 View Lake/Gd  
 Site  
 Quality  
 Age



### Subject Rear

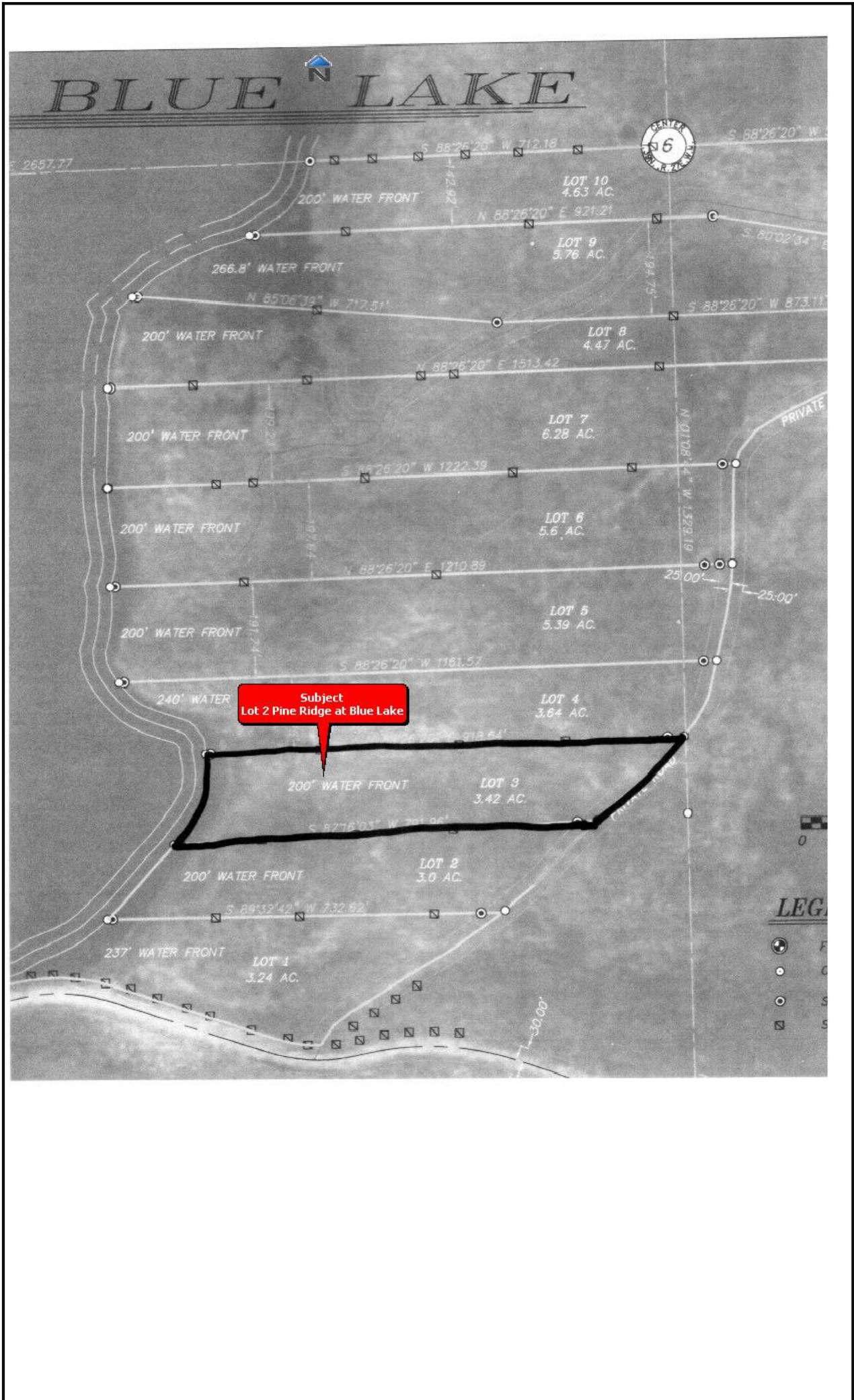


### Subject Street



### Plat Map

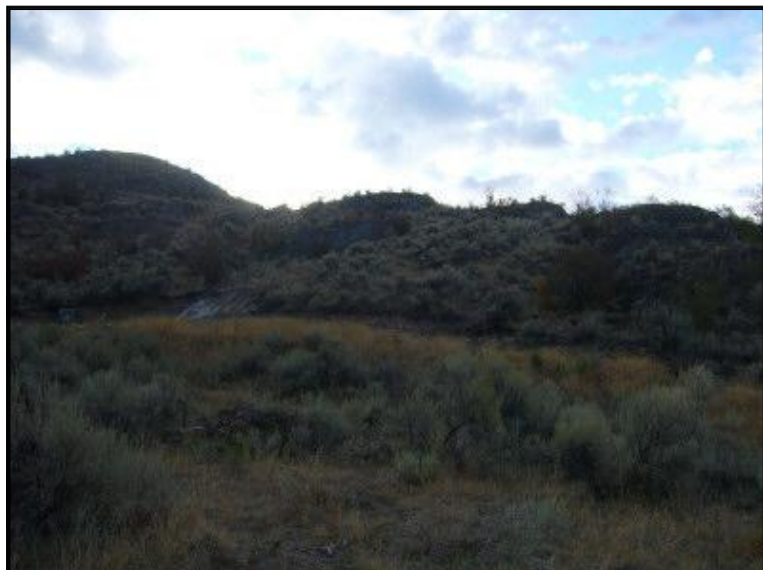
Borrower/Client	N/A						
Property Address	Lot 3 Pine Ridge at Blue Lake						
City	Oroville	County	Okanogan	State	WA	Zip Code	98844
Lender	Ryan Milligan						





### Comparable Photo Page

Borrower/Client	N/A				
Property Address	Lot 3 Pine Ridge at Blue Lake				
City	Oroville	County	Okanogan	State	WA Zip Code 98844
Lender	Ryan Milligan				



#### Comparable 1

5 Pine Ridge Rd



#### Comparable 2

Lot 6 Pine Ridge @ Blue Lake



#### Comparable 3

33646B Highway 97

## Comparable Photo Page

Borrower/Client	N/A			
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Lender	Ryan Milligan			



### Comparable 4

Lot 2 Pine Ridge at Blue Lake  
 Prox. to Subject 0.08 miles SE  
 Sales Price 326,000  
 Gross Living Area  
 Total Rooms  
 Total Bedrooms  
 Total Bathrooms  
 Location Rural/Gd  
 View Lake/Gd  
 Site  
 Quality  
 Age

### Comparable 5

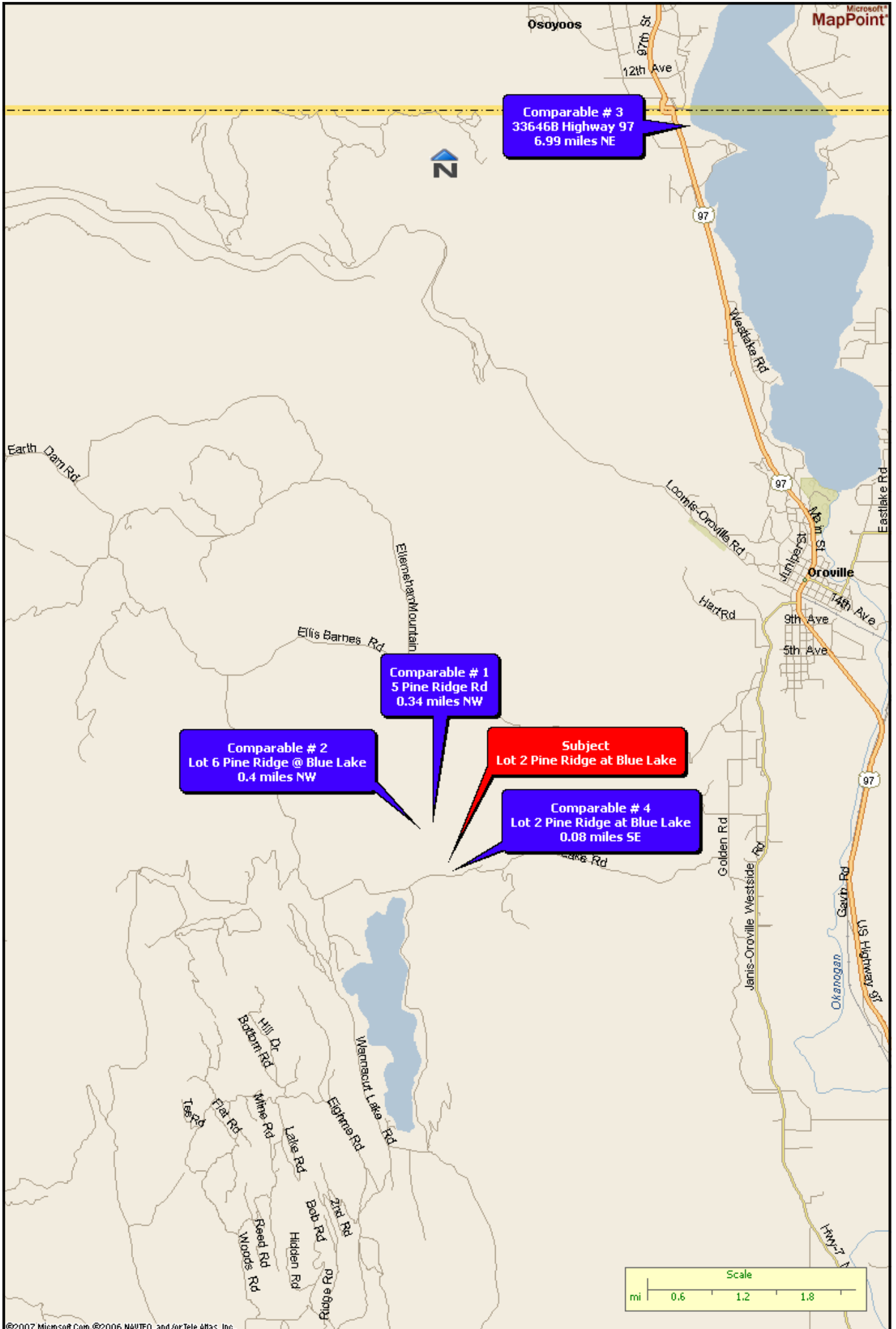
Prox. to Subject  
 Sales Price  
 Gross Living Area  
 Total Rooms  
 Total Bedrooms  
 Total Bathrooms  
 Location  
 View  
 Site  
 Quality  
 Age

### Comparable 6

Prox. to Subject  
 Sales Price  
 Gross Living Area  
 Total Rooms  
 Total Bedrooms  
 Total Bathrooms  
 Location  
 View  
 Site  
 Quality  
 Age

### Location Map

Borrower/Client	N/A			
Property Address	Lot 3 Pine Ridge at Blue Lake			
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Lender	Ryan Milligan			



## MULTI-PURPOSE SUPPLEMENTAL ADDENDUM FOR FEDERALLY RELATED TRANSACTIONS

Kimberly M. Rampley

Borrower/Client N/A			
Property Address Lot 3 Pine Ridge at Blue Lake			
City Oroville	County Okanogan	State WA	Zip Code 98844
Lender Ryan Milligan			

This Multi-Purpose Supplemental Addendum for Federally Related Transactions was designed to provide the appraiser with a convenient way to comply with the current appraisal standards and requirements of the Federal Deposit Insurance Corporation (FDIC), the Office of the Comptroller of Currency (OCC), The Office of Thrift Supervision (OTS), the Resolution Trust Corporation (RTC), and the Federal Reserve.

**This Multi-Purpose Supplemental Addendum is for use with any appraisal. Only those statements which have been checked by the appraiser apply to the property being appraised.**

**PURPOSE & FUNCTION OF APPRAISAL**

The purpose of the appraisal is to estimate the market value of the subject property as defined herein. The function of the appraisal is to assist the above-named Lender in evaluating the subject property for lending purposes. This is a federally related transaction.

**EXTENT OF APPRAISAL PROCESS**

- The appraisal is based on the information gathered by the appraiser from public records, other identified sources, inspection of the subject property and neighborhood, and selection of comparable sales within the subject market area. The original source of the comparables is shown in the Data Source section of the market grid along with the source of confirmation, if available. The original source is presented first. The sources and data are considered reliable. When conflicting information was provided, the source deemed most reliable has been used. Data believed to be unreliable was not included in the report nor used as a basis for the value conclusion.
- The Reproduction Cost is based on \_\_\_\_\_ supplemented by the appraiser's knowledge of the local market.
- Physical depreciation is based on the estimated effective age of the subject property. Functional and/or external depreciation, if present, is specifically addressed in the appraisal report or other addenda. In estimating the site value, the appraiser has relied on personal knowledge of the local market. This knowledge is based on prior and/or current analysis of site sales and/or abstraction of site values from sales of improved properties.
- The subject property is located in an area of primarily owner-occupied single family residences and the Income Approach is not considered to be meaningful. For this reason, the Income Approach was not used.
- The Estimated Market Rent and Gross Rent Multiplier utilized in the Income Approach are based on the appraiser's knowledge of the subject market area. The rental knowledge is based on prior and/or current rental rate surveys of residential properties. The Gross Rent Multiplier is based on prior and/or current analysis of prices and market rates for residential properties.
- For income producing properties, actual rents, vacancies and expenses have been reported and analyzed. They have been used to project future rents, vacancies and expenses.

**SUBJECT PROPERTY OFFERING INFORMATION**

- According to Okanogan County Courthouse/NWMLS the subject property:
- has not been offered for sale in the past:  30 days  1 year  3 years.
  - is currently offered for sale for \$ 326,000.
  - was offered for sale within the past:  30 days  1 year  3 years for \$ \_\_\_\_\_.
  - Offering information was considered in the final reconciliation of value.
  - Offering information was not considered in the final reconciliation of value.
  - Offering information was not available. The reasons for unavailability and the steps taken by the appraiser are explained later in this addendum.

**SALES HISTORY OF SUBJECT PROPERTY**

- According to Okanogan County Public Records the subject property:
- Has not transferred  in the past twelve months.  in the past thirty-six months.  in the past 5 years.
  - Has transferred  in the past twelve months.  in the past thirty-six months.  in the past 5 years.
  - All prior sales which have occurred in the past \_\_\_\_\_ are listed below and reconciled to the appraised value, either in the body of the report or in the addenda.
- | Date | Sales Price | Document # | Seller | Buyer |
|------|-------------|------------|--------|-------|
|      |             |            |        |       |
|      |             |            |        |       |
|      |             |            |        |       |
|      |             |            |        |       |

**FEMA FLOOD HAZARD DATA**

- Subject property is not located in a FEMA Special Flood Hazard Area.
  - Subject property is located in a FEMA Special Flood Hazard Area.
- | Zone | FEMA Map/Panel # | Map Date  | Name of Community |
|------|------------------|-----------|-------------------|
| C    | 5301170150C      | 6/19/1997 | Okanogan County   |
- The community does not participate in the National Flood Insurance Program.
  - The community does participate in the National Flood Insurance Program.
  - It is covered by a regular program.
  - It is covered by an emergency program.

**CURRENT SALES CONTRACT**

- The subject property is currently not under contract.
- The contract and/or escrow instructions were not available for review. The unavailability of the contract is explained later in the addenda section.
- The contract and/or escrow instructions were reviewed. The following summarizes the contract:

Contract Date	Amendment Date	Contract Price	Seller
8/13/07		326,000	UCAN Partnership

- The contract indicated that personal property was not included in the sale.
- The contract indicated that personal property was included. It consisted of \_\_\_\_\_ Estimated contributory value is \$ \_\_\_\_\_.
- Personal property was not included in the final value estimate.
- Personal property was included in the final value estimate.
- The contract indicated no financing concessions or other incentives.
- The contract indicated the following concessions or incentives: \_\_\_\_\_
- If concessions or incentives exist, the comparables were checked for similar concessions and appropriate adjustments were made, if applicable, so that the final value conclusion is in compliance with the Market Value defined herein.

**MARKET OVERVIEW** Include an explanation of current market conditions and trends.

4-6 \_\_\_\_\_ months is considered a reasonable marketing period for the subject property based on other sales of similar property, limited data from MLS, and a professional knowledge of the market area.

**ADDITIONAL CERTIFICATION**

The Appraiser certifies and agrees that:

- (1) The analyses, opinions and conclusions were developed, and this report was prepared, in conformity with the Uniform Standards of Professional Appraisal Practice ("USPAP"), except that the Departure Provision of the USPAP does not apply.
- (2) Their compensation is not contingent upon the reporting of 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.
- (3) This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

**ADDITIONAL (ENVIRONMENTAL) LIMITING CONDITIONS**

The value estimated is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions unless otherwise stated in this report. The appraiser is not an expert in the identification of hazardous substances or detrimental environmental conditions. The appraiser's routine inspection of and inquiries about the subject property did not develop any information that indicated any apparent significant hazardous substances or detrimental environmental conditions which would affect the property negatively unless otherwise stated in this report. It is possible that tests and inspections made by a qualified hazardous substance and environmental expert would reveal the existence of hazardous substances or detrimental environmental conditions on or around the property that would negatively affect its value.

**ADDITIONAL COMMENTS**

**APPRAISER'S SIGNATURE & LICENSE/CERTIFICATION**

Appraiser's Signature Kimberly M Rampley Effective Date 10/06/2007 Date Prepared 10/23/2007  
 Appraiser's Name (print) Kimberly M Rampley Phone # (509) 486-0998  
 State WA  License  Certification # 1600836 Tax ID # 536-94-7154

**CO-SIGNING APPRAISER'S CERTIFICATION**

- The co-signing appraiser has personally inspected the subject property, both inside and out, and has made an exterior inspection of all comparable sales listed in the report. The report was prepared by the appraiser under direct supervision of the co-signing appraiser. The co-signing appraiser accepts responsibility for the contents of the report including the value conclusions and the limiting conditions, and confirms that the certifications apply fully to the co-signing appraiser.
- The co-signing appraiser has not personally inspected the interior of the subject property and:
  - has not inspected the exterior of the subject property and all comparable sales listed in the report.
  - has inspected the exterior of the subject property and all comparable sales listed in the report.
- The report was prepared by the appraiser under direct supervision of the co-signing appraiser. The co-signing appraiser accepts responsibility for the contents of the report, including the value conclusions and the limiting conditions, and confirms that the certifications apply fully to the co-signing appraiser with the exception of the certification regarding physical inspections. The above describes the level of inspection performed by the co-signing appraiser.
- The co-signing appraiser's level of inspection, involvement in the appraisal process and certification are covered elsewhere in the addenda section of this appraisal.

**CO-SIGNING APPRAISER'S SIGNATURE & LICENSE/CERTIFICATION**

Co-Signing Appraiser's Signature \_\_\_\_\_ Effective Date \_\_\_\_\_ Date Prepared \_\_\_\_\_  
 Co-Signing Appraiser's Name (print) \_\_\_\_\_ Phone # \_\_\_\_\_  
 State \_\_\_\_\_  License  Certification # \_\_\_\_\_ Tax ID # \_\_\_\_\_



**General Text Addendum**

File No. 07-230

Borrower/Client	N/A			
Property Address	Lot 3 Pine Ridge at Blue Lake			
City	Oroville	County	Okanogan	State WA Zip Code 98844
Lender	Ryan Milligan			

THIS IS AN ADDENDA TO THE MILLIGAN APPRAISAL DATED OCTOBER 6, 2007 AND IS AN INTEGRAL PART OF IT.

**ADDITIONAL SUBJECT INFORMATION:**

Legal Description: Per the Okanogan County Assessor, the subject's legal description is as follows:

Tax 26, part of Lot 7, part of Lot 9, in Section 06 of Township 39 north and Range 27 east of the Willamette Meridian.

Site Information:

According to the Okanogan County Planning Department, the subject site is zoned MD, County, Minimum Requirement District, a mixed use designation. According to Zoning the subject site is a legal site. For a fee, most zoning departments will do a formal investigation of compliance issues and issue a written commitment letter. Our analysis is less extensive and involves a phone call to Zoning or review of maps and regulations maintained within our office, which are occasionally less recent than the most current official versions.

The Highest and Best Use of the property is its use as improved for single family residential/recreational purposes.

This appraisal is written "AS IS", without conditions.

**NEIGHBORHOOD:**

The subject is in a neighborhood that is largely residential. For the most part, any other uses are compatible with each other and typical for the area. The mixture is typical of the small rural communities of Okanogan County and the overall market takes this situation into account.

The current residential sales market appears to be relatively stable with the current housing demands for this suburban area fairly close to the supply.

**MARKET & FINANCE INFORMATION:**

Most types of financing are available in the area, including conventional and government insured such as VA & FHA. Interest rates and discount points are typical of other areas. This area also has a large number of real estate contract sales. The terms for these sales are usually similar to the terms for bank financing.

Okanogan County is a sparsely populated rural area, with much of the county made up of forest land, wilderness area, game reserves and reservation, as well as the farms and ranches. This is what makes it so popular for tourists, but limits the number of residents. Okanogan County measures about 100 miles by 100 miles and according to the 2000 census, the population of that entire area is estimated at less than 40,000.

The sparse population of the area means that the parameters for finding comparables must be expanded. With each sale the market is searched and the sales requiring the least adjustment are included as market evidence.

The only complete sales data base comes from the Okanogan County Assessor's office. Every month, every new sale is examined. If it is a cash sale, it is collected for my own sale data base. Unlike a more metropolitan area, where there may be hundreds or thousands of sales to choose from, here there is only a limited selection.

The market area for someone working in a particular community might live 20 to 30 miles away. Other workers might come from 20 to 30 miles in another direction. All of the properties in this range would be considered in the same market area homes in the same market might be as much as 50 or 60 miles apart yet still be competing.

The rural nature of the area means that what is available for people to choose from is limited. When I do an appraisal, I look at what a buyer would have to choose from and try to make adjustments similar to what a buyer would do. The adjustments have to be subjective to some degree because the data base is not large enough to make objective adjustments with. When an appraisal request comes in, I examine every possible cash sale within the past year. And I select and use the three I consider to be the most comparable.

**ENVIRONMENTAL:**

There are no known environmental hazards on this property. However, this is an agricultural area where chemicals are used. Private, underground fuel storage and private garbage dumps were common for a long time. Radon is also a potential in Okanogan County, though incidents of contamination are rare. There is no evidence of any such problems on this property but no

**General Text Addendum**

File No. 07-230

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warranty is made that these or any other problems may be discovered in the future.

**SALES:**

The market was searched and the most comparable sales were included as market evidence. All sales used are closed sales and the date used is the closing date, unless otherwise noted. No personal property was included in the final estimate of value.

Homesites in this area can have a lot of variables, including size, terrain, view, access, utilities, irrigation water and neighborhood, as well as other factors. All of this is taken into consideration in the sale price of a site rather than basing a value just on a per acre or per square foot value. Also of consideration is the minimum lot size in an area. Additional land is not as valuable as the basic site.

There are no known financing concessions in the subject's market area, or on any of the comparable sales.

The purpose of the adjustment section of the appraisal report is to adjust the comparable sales to enable the appraiser to determine the ESTIMATED MARKET VALUE. The following remarks are made to serve as a brief description of the adjustments made and the reasoning for them. The dollar adjustments were based on market data collected over an extended period of time, and also the appraiser's judgement and experiences supported by previous comparisons within the current market.

**SALE ADJUSTMENTS:****Sale One:**

Sale one has a larger lot. Its lakefront also has a steeper shoreline as does the rest of its acreage.

**Sale Two:**

Sale two also has a larger lot. Its lakefront has a steeper shoreline as does the rest of its acreage. This sale is from the 2006 marketing season and likely provides a more conservative indicated value due to increases in the market on the interim. However, there is insufficient data upon which to base a time adjustment.

**Sale Three:**

Sale three is located in closer proximity to Oroville where there is greater demand for lakefront properties. This is partly offset by its proximity to commercial development. It has a smaller lot with less lakefront and no building pad. This sale has a gentler grade resulting in superior utility.

**Sale Four:**

Sale four has a smaller lot.

The differences between each of these sales and the subject were taken into account and the values of the comparables adjusted accordingly.

The sales requiring the least adjustment were given greater weight in estimating the market value of the subject property.

**ADDITIONAL INFORMATION:**

In addition to completed sales, listings were considered in this analysis. Though none are used as comparables, they do provide an upper end to the value range. The marketing time from listing to signed offer is about four months, but from listing to closed sale is often six to seven months. This time period is fairly stable and is similar to what it was this time last year. Any fluctuation is seasonal rather than an actual change in market characteristics. The sale price is usually within 5% of the listing price (average listing price to sale price ratio.) This is based on my professional judgement and the sales I am familiar with. There is a loosely organized MLS-type of organization that some of the local realtor belong to. When possible, that source is also used, as well as the websites of the various realtors. At this time, though, the multiple listing service is notably limited.

I have considered relevant competitive listings and/or contract offerings in the performance of this appraisal and in the trending information reported in this section. If a trend is indicated, I have attached an addenda providing relevant competitive listing/contract offering data.

The subject's indicated value falls within the range set by competing listings.

**ELECTRONICALLY TRANSMITTED APPRAISAL REPORTS:**

**General Text Addendum**

File No. 07-230

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This appraisal may be delivered with an electronically secured signature printed on the appraisal. The attachment of an "electronically secure" signature by the appraiser and/or supervisor may be required for ease of transfer to the lender/client. An "electronically secure" signature locks the contents of the entire appraisal in such a way that it cannot be altered without the appraiser's/supervisor's individual PIN numbers.

The utilization of an electronically secure signature has been done in compliance with Statement 8 of the Uniform Standards of Professional Appraisal Practice. Specifically, Statement 8 notes that "A signature can be represented by a hand written mark, a digitalized image controlled by a personalized identification number, or other media, where the appraiser has the sole personalized control of affixing the signature."

## License and Qualifications

Borrower/Client	N/A						
Property Address	Lot 3 Pine Ridge at Blue Lake						
City	Oroville	County	Okanogan	State	WA	Zip Code	98844
Lender	Ryan Milligan						

Kimberly M. Rampley  
 177 Highway 7 Tonasket WA 98829  
 Telephone: (509) 486-0998 Fax: (509) 486-0998  
 State Licensed Appraiser

### EDUCATION:

In addition to attendance at Wenatchee Valley College, I have continued my education in Real Estate Appraisal through the Allied Business School Real Estate Appraisal Licensing Course, covering the following:

- The Appraisal Process
- Building Construction and the Environment
- Data Collection
- Site Valuation
- Cost Approach
- Sales Comparison Approach
- Income Capitalization, and Direct and Yield Capitalization
- Uniform Appraisal Report
- USPAP

I am also educated in and authorized by HUD to conduct FHA appraisals.

### REAL ESTATE APPRAISAL EXPERIENCE:

I began training in April, 2002 under the tutelage of Stanalee Wright of Apple Valley Appraisals. With over twenty years of experience Ms. Wright trained me in the proper inspection, analysis, and reporting of value of single-family residences and small income-producing properties in Okanogan County.

